Oracle Fusion Cloud Project Management

Using Project Costing

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Author: Rakesh Chaudhary

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Get Help

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1 Project Costs

Overview of Capturing Project Costs

Capture project costs and commitments, including sponsored projects and time cards, in Oracle Fusion Project Costing or import them from third-party applications.

You can do this by using the application directly or through desktop Excel integration spreadsheets.

Project Costs Capture

You can capture project-related costs from both Oracle Cloud and third-party applications, and then transfer them to Oracle Projects. You can also capture costs manually by creating uncosted, costed, and accounted transactions for third-party application sources in Projects.

Transaction Sources

Here's a table that lists the cost types and the corresponding source applications.

Source Name	Transaction Type
Oracle Payables	- Supplier invoice - Self-Assessed Tax Create self-assessed tax transactions from Payables as payable commitments in Projects.
Oracle Purchasing	- Self-Assessed Tax Create self-assessed tax transactions from Purchasing as PO commitments in Projects. - Purchase Orders - Purchase Requisitions Purchase orders and purchase requisitions are available as committed costs for reporting in Projects.
Oracle Cost Management	- Expense-Based Receipts - Inventory Miscellaneous Transactions - Inventory Movement Requests
Oracle Projects	- Costs in Unreleased Expenditure Batches - Adjustment Transactions - Unprocessed Transactions

Source Name	Transaction Type
Third-Party Applications	External costs imported using Desktop-Excel Integration, web services, or the Oracle Cloud interface.

How Costs are Captured

Here's a figure that illustrates how you can capture different types of costs from internal and external applications, and then transfer them to Projects.
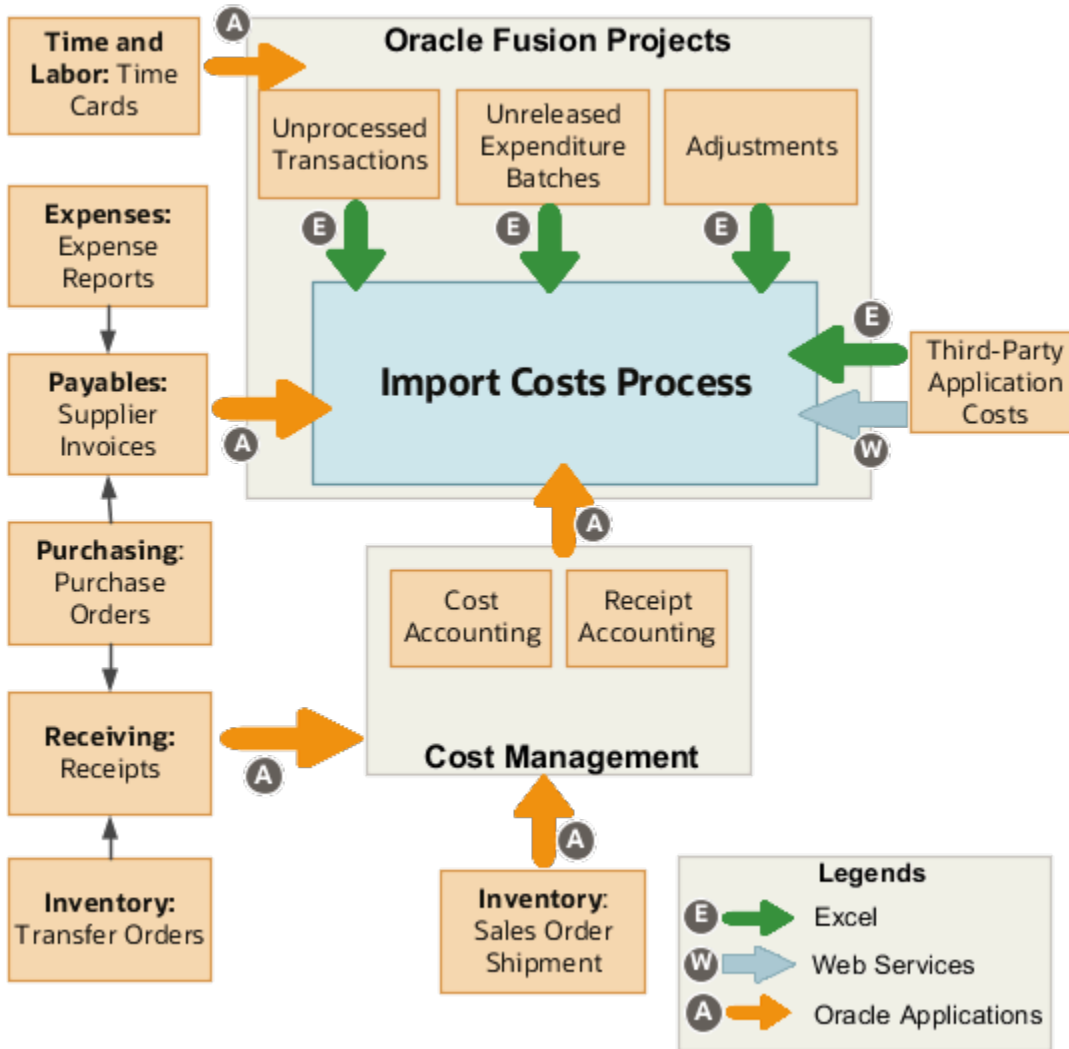
rect 0, 16, 95, 75 *How Time and Labor Works with Project Costing*
rect 0, 99, 100, 160 *How You Capture Tax-Related Information in Expense Reports*
rect 1, 183, 101, 244 *Define Payables Setup for Withholding Tax*

Here's a table that shows how you can export transactions from various sources to Oracle Projects.

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Source of Cost Transactions	Description
Other Oracle Cloud applications	Enter and process project-related transactions, and then submit the Import Costs process. For example, you enter invoices with project-related distributions in Oracle Payables. You can then validate, account, and import them to Oracle Projects.
Third-party applications	Import costs using one of the following: • Desktop-Excel integration • Web services • Load data to the interface table in Oracle Cloud You can load data to interface tables using predefined templates and the Load Interface File for Import scheduled process, which are both part of the External Data Integration Services for Oracle Cloud feature. For more information, see the File Based Data Import guide for your cloud services.
Individual third-party transactions created in Oracle Projects	You can create individual transactions with a third-party application source directly from the Manage Unprocessed Costs page in the Costs work area. Let's say you're approaching period close and have to create a few third-party transactions. Rather than wait to receive the transactions from the third-party application, you can create them directly using this method.

Foreign Keys to Important PJC_EXPENDITURE_ITEMS_ALL Table Fields

Here is a table that lists the foreign keys of the ORIGINAL_HEADER_ID, ORIGINAL_DIST_ID, and ORIGINAL_LINE_NUMBER fields in the PJC_EXPENDITURE_ITEMS_ALL table in some of the most commonly-used transaction sources and documents.

Source / Document	ORIGINAL_HEADER_ID	ORIGINAL_DIST_ID	ORIGINAL_LINE_NUMBER
Column Attribute / Key Description	NA	NA	NA
Oracle Payables / Supplier invoice / Expense report / Intercompany invoice / Interproject Invoice	AP_INVOICES_ALL.INVOICE_ID	AP_INVOICE_DISTRIBUTIONS_ ALL.INVOICE_DISTRIBUTION_ID	AP_INVOICE_LINES_ALL.LINE_ NUMBER
Oracle Payables / Payments	AP_INVOICE_PAYMENTS_ ALL.INVOICE_PAYMENT_ID	AP_PAYMENT_HIST_ DISTS.PAYMENT_HIST_DIST_ID	NA
Oracle Cost Management / Purchase Receipt	CMR_RCV_ TRANSACTIONS.EXTERNAL_ SYSTEM_REF_ID (Expense)	CMR_RCV_DISTRIBUTIONS.CMR_ SUB_LEDGER_ID (Expense)	NA
	CST_ TRANSACTIONS.TRANSACTION_ID (Inventory)	CST_COST_DISTRIBUTION_ LINES.DISTRIBUTION_LINE_ID (Inventory)	NA
Oracle Fusion Cost Management / Miscellaneous Inventory	CST_ TRANSACTIONS.TRANSACTION_ID	CST_COST_DISTRIBUTION_ LINES.DISTRIBUTION_LINE_ID	NA

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Source / Document	ORIGINAL_HEADER_ID	ORIGINAL_DIST_ID	ORIGINAL_LINE_NUMBER
Oracle Fusion Cost Management / Sales Order Issue	CST_TRANSACTIONS.TRANSACTION_ID	CST_COST_DISTRIBUTION_LINES.DISTRIBUTION_LINE_ID	NA
Oracle Fusion Cost Management / Transfer Order Delivery	CMR_TRANSACTIONS.TRANSACTION_ID (Expense)	CMR_RCV_DISTRIBUTIONS.CMR_SUB_LEDGER_ID (Expense)	NA
	CST_TRANSACTIONS.TRANSACTION_ID (Inventory)	CST_COST_DISTRIBUTION_LINES.DISTRIBUTION_LINE_ID (Inventory)	NA
Oracle Fusion Cost Management / Work Order	CST_TRANSACTIONS.TRANSACTION_ID (Material Transaction)	CST_COST_DISTRIBUTION_LINES.DISTRIBUTION_LINE_ID	NA
	CST_RESOURCE_TRANSACTIONS.RESOURCE_TRANSACTION_ID (Resource Transaction)	CST_COST_DISTRIBUTION_LINES.DISTRIBUTION_LINE_ID	NA
Oracle Time and Labor	HWM_TM_REC_GRP.PARENT_TM_REC_GRP_ID	HWM_TM_REC_GRP_USAGES.TM_REC_VERSION	HWM_TM_REC.TM_REC_ID

Capturing Additional Transaction Attributes

You can capture project-specific attributes on actual cost and commitment transactions using the Cost Collection flexfield. Manage naming, validation, and ordering of these attributes within each of the documents that capture them, such as expense reports and purchase orders. You can capture, store, display, search, and report project-related attributes in the transaction source applications.

Sponsored Project Costs Capture

Grants accountants can capture and adjust sponsored project costs in the Costs work area or by using the Costs file-based data import Excel templates.

Prerequisite Conditions

To capture and adjust sponsored project costs:

- The Grants Management offering must be implemented.
- The projects must be sponsored.
- Sponsored projects must be associated with at least one valid award or contract, and one external funding source.

Prerequisite Steps

The grants administrator creates and submits the awards in the Awards work area. The sponsored project from the award is automatically associated to the contract line.

Capturing Sponsored Project Costs on the Manage Unprocessed Costs Page

On the Manage Unprocessed Costs page, depending on the number of awards or funding sources, and if funding patterns (see the Award Distribution section for more information) are associated with the sponsored project, the grants accountant enters a sponsored project transaction with an associated award or contract:

- For sponsored projects that are associated to a single award and funding source, the contract number and funding source are automatically derived.

- For sponsored projects that are associated to one award with multiple funding sources, only the contract number is automatically derived. You must select the funding source from the list of values.

- For sponsored projects that are associated to multiple awards, you must select the award and funding source from the list of values.

Adjusting Sponsored Project Costs on the Manage Project Costs Page

You can edit the contract and funding source for a cost transaction that belongs to a sponsored project, which is associated to multiple awards or funding sources. You can perform a transfer, or a split and transfer adjustment, for sponsored project cost transactions, between contracts and funding sources within the same project or across projects.

Enter Project Costs with ADFdi Spreadsheets

Capture different types of project cost transactions using Application Development Framework Desktop Integration(ADFdi) Microsoft Excel spreadsheets. Enter transaction attributes based on the nature and source of the transaction and export them to Oracle Fusion Project Costing.

You can use specific spreadsheets to capture costs from Project Costing and third-party applications.

Spreadsheets for Capturing Costs from Project Costing

Download the spreadsheets from the **Capture Costs** task under the **Capture** group in the **Tasks** panel tab on the Costs Overview page to create cost transactions belonging to Oracle Fusion Project Costing.

- Create Labor Costs: Use this for creating and exporting uncosted time card batches.

- Create Nonlabor Costs: Use this for creating and exporting uncosted nonlabor batches such as usages or miscellaneous transactions.

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Spreadsheets for Capturing Costs from Third-Party Applications

Download the spreadsheets from the **Capture Costs** task under the **Capture** group in the **Tasks** panel tab on the Costs Overview page to create cost transactions for third-party applications.

- Create Labor Costs for Third-Party Applications: Use this for creating and exporting uncosted labor batches.

- Create Nonlabor Costs for Third-Party Applications: Use this for creating and exporting uncosted nonlabor batches.

- Create Costed or Accounted Transactions for Third-Party Applications: Use this for creating and exporting costed or accounted labor or nonlabor batches.

Related Topics
- Project Costs Capture

How Project Costs are Imported

Collect and import all types of project costs from Oracle Fusion and third-party applications. During this process you can validate transactions to reduce corrections and rework. Before you import the transactions, you can review the exceptions and correct the errors.

Settings That Affect Transactions Import

Setup options in the transaction document and document entry specify how cost transactions are imported and processed.

How Transactions Are Imported

You create, validate, and transfer the transactions to the Oracle Fusion Project Costing interface as specified in the following table.

Transactions Type	Creating Transactions	Validating Transactions	Importing Transactions
Oracle Fusion Project Costing • Uncosted labor transactions • Uncosted nonlabor transactions	Initially only in Excel templates. You can later edit or add transactions in the Manage Unreleased Costs page.	Validation is compulsory and is performed automatically during transaction entry.	Click the **Export** button in Excel spreadsheet to export, and optionally, process transactions.
Third-Party Application • Uncosted labor transactions • Uncosted nonlabor transactions • Costed or accounted labor or nonlabor transactions	Web services, ADFdi Excel spreadsheets, or Oracle Cloud templates. You can also create transactions in the Manage Unprocessed Costs page.	If you're using the ADFdi Excel, optionally validate transactions during export. Validation is optional when you enter or export transactions but is always performed when you run the **Import Costs** process.	Methods to import: • For ADFdi Excel, click the **Export** button on the Excel spreadsheet to export, and optionally, process transactions. • Use web services to transfer transactions to the Oracle

Transactions Type	Creating Transactions	Validating Transactions	Importing Transactions
			Fusion Project Costing interface. • For Oracle Cloud, use the Load Interface File for Import process.
Other Oracle Fusion Applications	Source applications	Validation is compulsory. The Import Costs process revalidates the cost transactions that you import if the **Revalidate during import** option is enabled at the transaction source document level. This option is available for the following transaction sources: • Oracle Fusion Payables • Oracle Fusion Cost Management • Oracle Fusion Time and Labor	Use the **Import Costs** process.

All transactions are validated but at different points, for example, transaction entry, transfer, or processing. If you're exporting transactions from ADFdi Excel spreadsheets, you can release the transactions directly from the spreadsheet by selecting the **Process Costs** option. Costs are submitted for the **Import Costs** process avoiding the need to do it from the application.

The **Process Costs** option isn't available in the Excel template, when you have separate duties for entering and releasing expenditure batches. You can review the expenditure batches in the Manage Unreleased Costs page and submit them for processing.

After you import the transactions, the application tracks transactions with errors including the details for the cause of the error and the action to be taken to fix the error. The successful transactions are ready for cost processing.

Related Topics
- Transaction Document Import and Accounting Options
- How Source, Document, and Document Entry Components Work Together

Internal and External Commitments

A commitment is a future cost transaction. A commitment can be an outstanding purchase requisition or purchase order charged to a project, or received goods that aren't yet paid for.

A commitment can also be a transaction charged to a project that is invoiced but not transferred to Oracle Project costing.

Internal and External Commitment Transaction Differences
Here are the key differences between internal and external commitment transactions.

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Differentiating Factor	Internal Commitments	External Commitments
What are they?	Commitments, such as requisitions, purchase orders, and payables invoices that are created within Oracle applications.	Commitments that are created outside Oracle applications in an external application. For more information on commitments, see *What's a commitment transaction?*
Where to review them?	Project accountants and grants accountants can view internal commitments in the Manage Committed Costs page. All project-related commitments appear by default in the Manage Committed Costs page. Such commitments include all open project-related requisitions and purchase orders that are not canceled, closed, or final-closed, and all project-related Payables invoices that are not yet interfaced to Project Costing. Project Managers can view internal commitments in the Manage Project Costs page for their project, in the Projects workarea.	Project accountants and grants accountants can view external commitments in the Manage Committed Costs page. Project Managers can view external commitments in the Manage Project Costs page for their project, in the Projects work area.
How to import them?	Run the **Update Project Performance Data** process. The Import Commitments process doesn't import them.	Use the **Project Commitments REST API** service.
How to process them?	They are processed automatically when you run the **Update Project Performance Data** process. For grants, they are processed automatically when you run the **Update Award Performance Data Without Producing Report** process.	Run the **Import Commitments** process.
How to summarize them?	They are summarized automatically when you run the **Update Project Performance Data** process. For grants, they are summarized automatically when you run the **Update Award Performance Data Without Producing Report** process. Keep in mind that the parameter **Summarize Commitment Transactions** should be set to **Yes** and **Include in Summarization** check box should be enabled for the appropriate commitment types and statuses in the Reporting Setup of the project unit. > **Note:** The summarized commitments per the setup of the reporting options for the project unit is viewable in the Project Performance Dashboard only. See also: *Manage Project Unit Options*	Run the **Update Project Performance Data** process to summarize them. For grants, run the **Update Award Performance Data Without Producing Report** process.

Differentiating Factor	Internal Commitments	External Commitments
How to reprocess them?	Run the **Update Project Performance Data** process. If the setup issues have been resolved, the commitments are processed successfully. Else, the output report provides the reason for failure.	Run the **Import Commitments** process with the **Commitment Source Type** set to **External** and **Process Mode** set to **Transactions with errors**.

How External Commitment Transactions are Imported

The Project Unprocessed Commitment Transaction service validates external commitment transactions. Upon successful validation, it derives the list of transaction sources and projects from the validated transactions, imports the new set of external commitment transactions, and reports their status.

Settings That Affect Import of External Commitment Transactions

Settings at the following levels affect the import of external commitment transactions:

- Transaction source
- Document
- Document entry
- Project type
- Expenditure type
- Project and task
- Transaction controls

How External Commitment Transactions Are Imported

When you import external commitment transactions using the Project Unprocessed Commitment Transaction service, it performs a series of processing steps. The following tasks listed in the table are performed in these steps.

External Commitment Transaction Importing Tasks	Description
Validate external commitment transactions using the Project Unprocessed Commitment Transaction service	As an initial step of importing external commitment transactions into Project Costing Cloud, data entry, business rule, and transaction control validations are performed when you import external commitment transactions using the Project Unprocessed Commitment Transaction service.
Derive transaction sources and projects list from the successfully validated external commitment transactions	After successful validation of all external commitment transactions, the application derives the transaction sources and list of projects to be checked for and identifies any existing commitment transactions to be deleted.

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External Commitment Transaction Importing Tasks	Description
Delete or retain existing external commitment transactions for the derived transaction sources and list of projects	You can either delete the existing commitment transactions and insert new commitment transactions or add the new commitment transactions to the existing commitment transactions without purging them.
Display the status of imported external commitment transactions	Displays the status of imported external commitment transactions, for example, successfully imported or resulted in error.

How External Commitment Transactions are Validated

Oracle Fusion Project Costing validates all external commitment transactions for a set of predefined and configurable criteria before importing them. External commitment transactions are validated against data entry, standard business rules, and transaction controls.

Settings That Affect External Commitment Transaction Validation

The import and accounting options that you specify at the following levels affect external commitment transactions validation.

- Transaction document
- Document entry
- Project type
- Transaction controls

How External Commitment Transactions Are Validated

Validation is a key step in external commitment transaction processing. The following table describes the different types of validations and sample rules within the validation type that govern the validation process.

Validations	Description
Data entry validation	For each commitment transaction, values must be provided for the following required attributes: - Commitment transaction business unit ID or name - Source ID or name - Document ID or name - Document entry ID or name - Expenditure item date - Project ID or name or number - Task ID or name or number - Expenditure type ID or name

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Validations	Description
	• Commitment transaction expenditure organization ID or name
	• Commitment transaction creation date
	• Source application commitment transaction number
	• Total commitment quantity
	• Commitment transaction currency
	• Original transaction reference
	All the provided values must be valid.
Business rule validation	Validations are performed to ensure the following: • Costing and accounting attributes of the commitment transactions match with the source, document, and document entry options. • Transactions are charged to a project and not a project template. The current project status allows new cost transactions to be incurred. Expenditure item lies within the project dates. • Expenditure item lies within task transaction dates. Task is chargeable. • Expenditure type of the external commitment transaction is active and is valid for the project unit. • Expenditure organization is active. • Expenditure item lies within expenditure organization dates.
Transaction control validation	If there are any transaction controls defined at the project or task level, then the application validates all defined transaction controls. The controls are based on combinations of project, task, expenditure category, expenditure type, system person type, and job.

Data entry and business rule validations are performed when the administrator in the third-party application independently validates the external commitment transactions with Oracle Fusion Project Costing validation service or as a part of importing commitment transactions using Import External Commitment Transactions service in Oracle Fusion Project Costing.

If the transaction validation results in errors, the application tracks the errors including the cause of the error and the action needed to fix the error. You can review the validation errors in the output from the Oracle Fusion Project Costing external commitment transaction validation service.

Note: Validation rules vary for each transaction based on the transaction source, document and document entry setup, and controls defined for the project and task for which the commitment transaction is incurred.

How External Commitment Transactions are Processed

After validating and importing data for external commitments, process the transactions to determine additional values such as period information, capitalizable and billable status, and amounts in various currencies such as transaction, ledger, and project currencies. Thereafter, commitment transactions are ready for summarization.

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Settings That Affect Processing of External Commitment Transactions

Settings for the following affect processing of external commitment transactions:

- Organization

- Transaction source, document, and document entry

- Project and task: Currency conversion attributes at the project level determine how transaction currency amount is converted to project currency amount. The billable status and work type of the task determine if the commitment transaction is billable. Task-level burden schedule assignment is used for calculating the burden amounts.

- Expenditure type: The required rate setting determines if a unit price is required to calculate the commitment amount.

- Burden structure and schedules: These determine how commitment transaction is burdened.

- Currency conversion attributes for project, provider, and receiver business units: These determine how amounts in transaction currency are converted to project, provider, and receiver ledger currencies.

How External Commitment Transactions Are Processed

You can process external commitment transactions in the following ways:.

- Manage Committed Costs page: Select transactions for processing based on the expenditure business unit, commitment source type (external in this case), processing status, transaction source, document, document entry, or project and task. From the search results, select a transaction and process it. Even though a single transaction is selected, all transactions in the search results belonging to the same commitment source type (external in this case) and processing status as that of the selected transaction will be processed.

- Import Commitments page: Select transactions for processing based on the expenditure business unit, commitment source type, and process mode. The process mode setting determines whether to process all transactions or only the transactions in a particular status.

Oracle Fusion Project Costing performs the following tasks when processing external commitment transactions:

1. Determines capitalizable and billable nature of the commitment transactions.
2. Allocates overhead costs to the commitment transactions.
3. Determines project and subledger accounting periods.
4. Converts transaction amounts to project currency and project ledger currency.

Can I view only approved project commitments?

If you are a project manager, to view only approved commitments in a project:

1. Access the Projects work area and search for the project whose commitments you want to see.
2. Select the project from the search results and click the **Actions** panel tab.
3. From the list of actions, select **Manage Project Costs**. The Manage Project Costs page appears.
4. In the Filters panel on the left side of the page, select the **Committed Costs** cost type.
5. Enter the **Date Range** as appropriate. The page automatically displays all committed project costs that were created in the date range that you specified, regardless of approval status.
6. Select **Approved** as the **Commitment Status**. The Manage Project Costs page now displays only approved committed project costs.

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Project accountants and grants accountants can view commitments in the Manage Committed Costs page.

> **Note:** All project-related commitments appear by default in the Manage Committed Costs page. Such commitments include all open project-related requisitions and purchase orders that are not canceled, closed, or final-closed, and all project-related Payables invoices that are not yet interfaced to Project Costing.

Time Card Adjustments for Projects

Team members of a project can adjust their time cards in Oracle Fusion Time and Labor.

Project accountants and project managers can modify time cards in Oracle Fusion Project Costing after importing them.

Project accountants or project managers import and process cost transactions in Oracle Fusion Project Costing, thereby automatically importing the revised version of time cards into Oracle Fusion Project Costing from Oracle Fusion Time and Labor. Adjustments in Oracle Fusion Time and Labor override any existing adjustments in Oracle Fusion Project Costing.

The following table describes various time card adjustments, the location of the adjustment, and implications.

Adjustment	Location	Impact
Project accountants and project managers adjust the project-related information such as billable, capitalizable, or utilization statuses of expenditure items directly in the time card.	Oracle Fusion Project Costing	No impact to associated time card in Oracle Fusion Time and Labor.
Employees and contingent workers update their time cards to modify details such as hours, project, or task.	Oracle Fusion Time and Labor	Two transactions are imported into Oracle Fusion Project Costing. One transaction for the revised time card and the other negative entry to nullify the existing time card.
Employees, contingent workers, or their managers delete their time cards.	Oracle Fusion Time and Labor	When time cards are next imported into Project Costing, an adjustment is created to reverse the expenditure item and maintain a record of deletion in Project Costing. **Note:** If employees and contingent workers no longer have an active status in Oracle Fusion Cloud Human Resources, you cannot change their time card entries or create new ones. You can only reverse (or delete) their existing entries, if required.

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How Time and Labor Works with Project Costing

The integration between Time and Labor and Project Costing allows project managers and accountants to manage time cards for employees and contingent workers.

Employees and contingent workers can view and update the time cards that they create. Based on the setup, a time card either displays all projects in the time reporter's business unit or only those projects on which the time reporter is a team member.

Project managers review and approve time card entries created for their projects. Project accountants import the time cards into Project Costing for costing, accounting, analysis (including reviewing actual effort against planned effort), and potentially billing.

The following figure provides an overview of how time cards are created and approved in Time and Labor. It also illustrates how approved time cards are validated and imported into Project Costing. Once these costs are imported, project accountants can adjust them if required.

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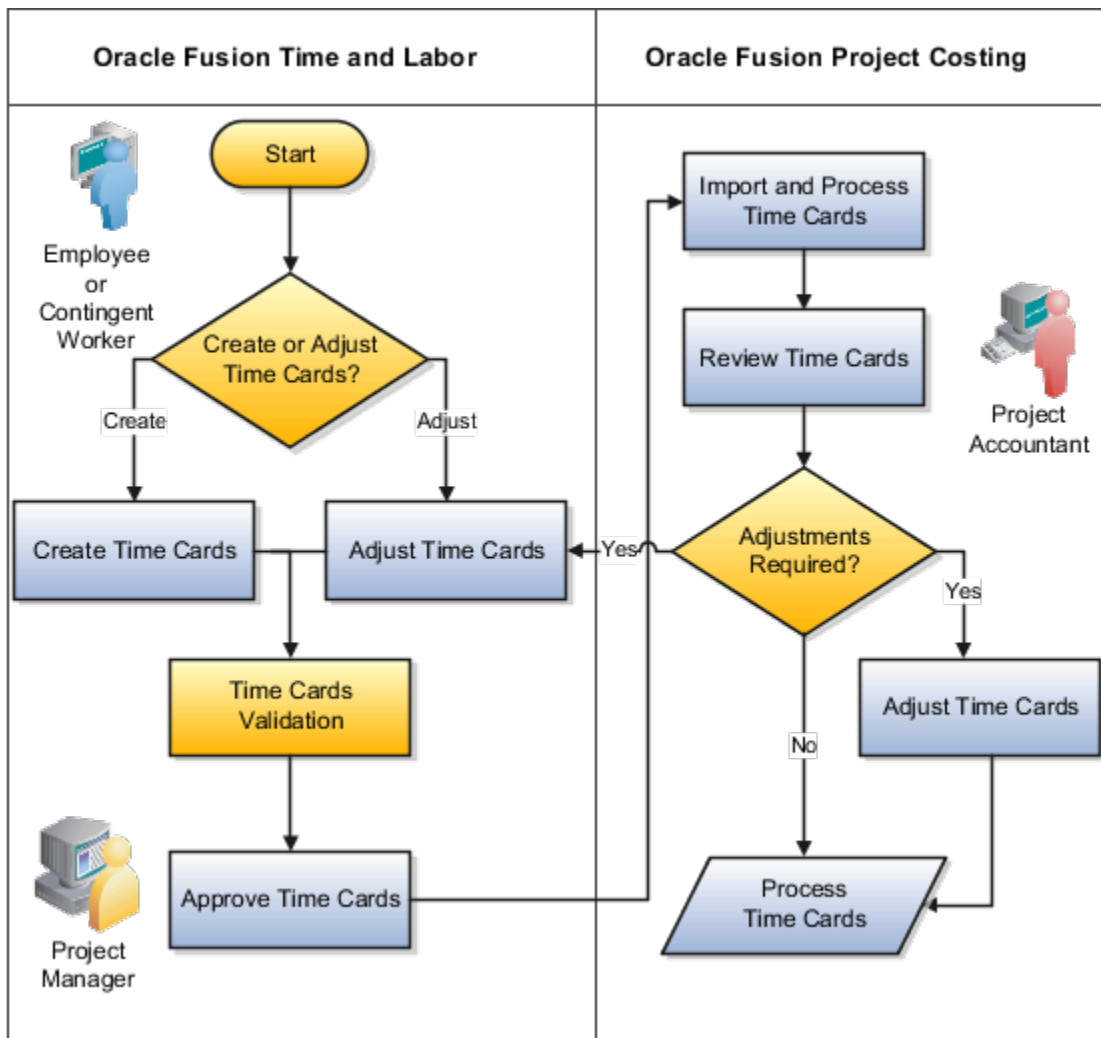
Using Time and Labor

Employees and contingent workers report project-related time in the Time work area. They account for their worked hours by selecting one or more projects, tasks, and expenditure types. Project managers approve the time cards submitted for their projects.

Here are a few considerations that you must keep in mind while entering time card details:

- The application validates time cards before allowing the user to submit them. It then sends submitted time cards to project managers for approval.
- Your organization may have opted to validate time cards once you save them instead of only upon submission.
- When the Project time card field filters projects based on team membership, then only those projects on which the time reporter has been assigned as a team member will appear.

Using Project Costing

Project accountants use the Import Costs process to validate and import approved time cards into Project Costing.

To import time cards into Project Costing:

1. Navigate to Projects > Costs and click **Import Costs** in the Process section of the tasks drawer.
   The Import Costs page appears.
2. Click **Process Options** to manage options associated with project cost related details, such as language, territory, number, time, and date format, and currency.
3. Select **Notify me when this process ends** to be notified once the import process completes, regardless of whether the process succeeded.
4. Provide additional information associated with the import process in the **Submission Notes** field.
5. Select the **Business Unit** associated with the costs that you want to import.
6. Leave the **Process Mode** as **Importing and Processing Transactions** and the **Transaction Status** as **Not previously imported**.
7. Select **Oracle Fusion Time and Labor** as the **Transaction Source**.
8. Optionally, select **Time Card** in the **Document** field.
9. Optionally, search and select the **Expenditure Batch** that you want to use to import time cards.
10. Enter the **From Project Number** and **To Project Number** values if you want to transfer these time cards from one project to another.
11. Use the **Process Through Expenditure Item Date** field to specify the expenditure item date up to which time cards must be imported, if required.
12. The process generates a summary report by default. Click the **Generate Report** drop-down list to specify whether you want to see a detailed report, or whether you don't want to see any report at all.
13. Click the **Advanced** button at the top of the field-set to specify scheduling and notification details. Review the sections below for guidance on working with these.
14. Once you're ready to submit your import job, click **Submit**.

Scheduling Project Cost Import

To schedule a process cost import job:

1. Click the **Advanced** button at the top of the field-set.
   The Schedule and Notification tabs appear.
2. Click the **Schedule** tab.

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3. The default setting is to run the import process as soon as possible. To change this setting, select the **Run > Using a schedule** radio button.

   The field-set expands to display additional scheduling options.

4. Click the **Frequency** drop-down list to select the frequency with which the import operation must be run. Update the values in the additional frequency-related fields that appear based on your selection.

Specifying Notification Details

Use the Notification tab to enter details associated with the notifications that you want sent when the import succeeds, or when there are warnings or errors generated.

Importing Costs: Considerations

- Validations ensure that the project is valid, active, and supports transaction charges. The process also validates the following attributes.
  - Business unit
  - Transaction source information
  - Expenditure type and organization
  - Expenditure item date
  - Person
  - Worked hours
  - Project role
  - Contract number
  - Funding source
- All time entries on a time card must be approved before the time card can be imported.

Certain expenditure item attributes are derived during import. The following table describes the derivation rules for the expenditure item attributes derived during import.

Attribute	Derivation
Expenditure end date	Calculated from expenditure item date and business unit.
Expenditure batch end date	Set to the latest expenditure end date in the batch.
Work type	Derived from task details if the work type isn't entered on the time card.

Adjusting Time Cards

Employees and contingent workers can't modify their time cards in Project Costing. However, they can modify their time cards in the Time work area. For example, they can delete time cards for their projects or adjust time card details such as project, task, hours, or expenditure type.

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Project accountants and project managers can adjust time cards in Project Costing using the following adjustments after importing them. You can make most of these adjustments using the Project Costing application interface; a few of these adjustments, however, can only be made using the **Adjust Project Costs** REST API.

Here's a table that lists out some of the key attributes that are frequently adjusted and explains how you can make these adjustments.

Time Card Attribute	Using the Projects > Costs > Manage Project Costs Page	Using the Projects > Project Management > Manage Project Costs Page	Using the Adjust Project Costs REST API
Project, Task, or Both	Use the **Transfer** or **Split and Transfer** adjustment action.	N/A	Use the **Transfer** adjustment type.
Expenditure Type	N/A	N/A	Use the **Transfer** adjustment type.
Quantity	You can't update the quantity attribute directly, but you can perform a **Split** adjustment.	N/A	Use the **Split** adjustment type.
Billable Indicator	Use the **Set to Billable** or **Set to Nonbillable** adjustment action.	Use the **Set to Billable** or **Set to Nonbillable** buttons.	Use the **Set to billable** or **Set to nonbillable** adjustment type.
Capitalizable	Use the **Set to Capitalizable** or **Set to Noncapitalizable** adjustment action.	N/A	Use the **Set to capitalizable** or **Set to noncapitalizable** adjustment type.
Utilization	Use the **Change Work Type** adjustment action.	N/A	N/A
Project Role	N/A	N/A	Use the **Transfer** adjustment type.
Contract Number	N/A	N/A	Use the **Transfer** adjustment type.
Funding Source	N/A	N/A	Use the **Transfer** adjustment type.

> **Note:**
> - Adjustments made in Project Costing are reversed if the time card is modified in Time and Labor and reimported.
> - Adjust time cards in Time and Labor and then import them to Project Costing instead of performing adjustments in Project Costing. This ensures that the latest time card information is present in Time and Labor.

Importing Person-Related Project Cost Transaction Reversals

Time managers can delete time cards in Oracle Fusion Cloud Time and Labor for persons who no longer have active HCM assignments. This results in reversals for the original transactions already imported into Project Costing. For example, if employees or contractors leave the organization and no longer have an active status in Oracle Fusion Cloud Human Resources, time managers can delete their time cards in Oracle Time and Labor and import these deletions as reversals in Project Costing.

Project Accountants can also perform transfers, splits, and other adjustments on transactions originating from Oracle Time and Labor even though the corresponding Oracle Human Resources assignment is no longer active.

Considerations for Capturing Inventory Costs

You can capture inventory costs using one of the following options:

- ADFdi Excel workbooks, such as Create Costed or Accounted Transactions for Third-Party Applications
- Import Project Inventory Costs file-based data import feature
- **Create Transaction** action on the Manage Unprocessed Costs page
- **Create Miscellaneous Transaction** action on the Inventory work area

Consider the following settings to capture inventory costs.

Transaction Source Document Entry

You must use a transaction source document entry which supports the inventory expenditure type class. Set the value of the expenditure type class in the document entry to **Inventory** by using the **Manage Project Transaction Sources** task from the Setup and Maintenance work area.

Expenditure Organization

You must set the inventory organization to which the inventory item is assigned as the project expenditure organization. Enable the option **Classify as project expenditure organization** for the inventory organization by using the **Manage Project Organization Classifications** task from the Setup and Maintenance work area.

If the organization hierarchy type isn't set to **None** in the **Manage Organization Hierarchies and Classifications** setup task, then you must additionally include the inventory organization in the organization hierarchy.

Rate Derivation for Inventory Items

For planning:

- If organization is part of the resource breakdown structure format, then the application considers the organization as inventory organization and inventory item rates are derived based on that organization.
- If organization isn't part of the resource breakdown structure format, then the application derives inventory item rates based on the default organization that's defined as the item master in the **Manage Resource Classes** setup task.
- If inventory item is part of the resource breakdown structure format and organization is included in the format hierarchy, then the organization defined in the resource breakdown structure format hierarchy determines the planned inventory item rate.

For cost transactions created in Project Costing, the inventory item rates are derived based on the nonlabor cost rate schedule assigned in the project organization costing rule. For transactions that are imported from Oracle Fusion Inventory Management, the expense cost profile of the inventory item defined in the **Manage Item Cost Profiles** setup task determines if the application derives average or standard cost rate for the item.

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Considerations when Importing Overheads from Inventory Management

Project accountants can import overheads for a project from Oracle Fusion Inventory Management into Oracle Fusion Project Costing.

Prerequisite Condition

To import overhead transactions, you must enable your projects for burdening.

Processing Imported Overheads

To import and process overhead transactions from Inventory Management, you must select the following values while submitting the Import Costs process.

- Source: Oracle Fusion Cost Management
- Document: Miscellaneous Inventory

Overheads are imported as separate expenditure items. The imported overhead is accounted in Project Costing as burdened cost with zero raw cost.

Import Costs Process

You can import transactions from Oracle Cloud and third-party applications, validate them, and process them to create project costs and cost distributions.

You can track exceptions for invalid transactions on the Costs > Overview page, and in the Import Costs report.

To import the costs using file based data import, you must:

1. Prepare your data in the Import Costs macro-enabled Excel workbook template.
2. Click **Generate CSV File** in the template to create a comma-separated values file.
3. Navigate to the Scheduled Processes page or **Tasks** pane on the Overview page in the Costs work area.
4. Submit the **Load Interface File for Import** process to load the project costs from your CSV file into the Project Costing open interface table.
5. Submit the **Import Costs** process and select the CSV file to upload.

You can load data to interface tables using predefined templates and the Load Interface File for Import scheduled process, which are both part of the External Data Integration Services for Oracle Cloud feature. For more information, see the File Based Data Import guide for your cloud services.

You can schedule the Import Costs process to run at a predefined frequency and process project costs through the date on which the run is being performed. For example, if you schedule the process to run daily, then the value of the parameter **Process Through Expenditure Item Date** is set to the system date of the day on which the run is executed so that all project costs till that date are processed.

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Note: If the project expenditure batches are eligible to undergo approval, the Import Costs process will only process transactions that belong to approved batches.

Parameters

Business Unit

Business unit that owns the project transaction.

Process Mode

Mode for processing imported transactions or adjustments.

Transaction Status

Status of transactions identified for processing: For example, All statuses, Not previously imported, or Rejected during processing.

Transaction Source

Name of the transaction source application.

Document

Document associated with the transaction.

Expenditure Batch

Expenditure batch for which transactions are processed.

From Project Number

Initial project number in the range of projects provided for importing and processing cost transactions.

To Project Number

Final project number in the range of projects provided for importing and processing cost transactions.

Process Through Expenditure Item Date

Expenditure item date of transactions through which transactions are processed and imported, which may include future dates. You can enable the option to increment the value of this parameter to match the system date if the job is scheduled. You can leave the default date as blank to import all pending costs for a specific source. This lets you import transactions from other modules, such as Payables, providing the project team with full visibility on the project actual cost.

Output Report

After the process completes, review the Import Costs report for the successful transactions and exceptions, if any. Review and resolve the issues and resubmit the process. There are 2 exception reports:

- The first report is an Excel spreadsheet that tracks exception transactions without valid names and numbers. For example, an invalid project name or project ID. Correct the issue in the source spreadsheet and export the transactions again to the staging table PJC_TXN_XFACE_STAGE_ALL.

- The second report is a portable document format (PDF) that tracks the business validation exceptions, which can be corrected in the Manage Unprocessed Costs page.

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Related Topics

- How Project Costs are Processed
- How Project Costs are Validated
- How Project Costs are Imported
- Overview of External Data Integration Services for Importing Data

Project Expenditure Batch Approval Workflow

Project expenditure batches imported from subledger and third-party applications may contain inaccurate or incomplete data, or use unknown predefined transaction sources. Use the Manage Expenditure Batches page to review and approve imported project expenditure batches before importing them into Assets.

You must opt-in to this feature and enable the **Requires expenditure batch approval** option on the Edit or Create Document window in the Manage Project Transaction Sources setup task. You can then configure the Project Expenditure Batch Approval Task workflow with appropriate approval rules in the BPM Worklist using the Define Approval Management for Project Financial Management setup task.

The Project Cost Transaction Approval Flow

Here's a graphic that illustrates how cost transactions can be imported, reviewed, and approved in Costing.
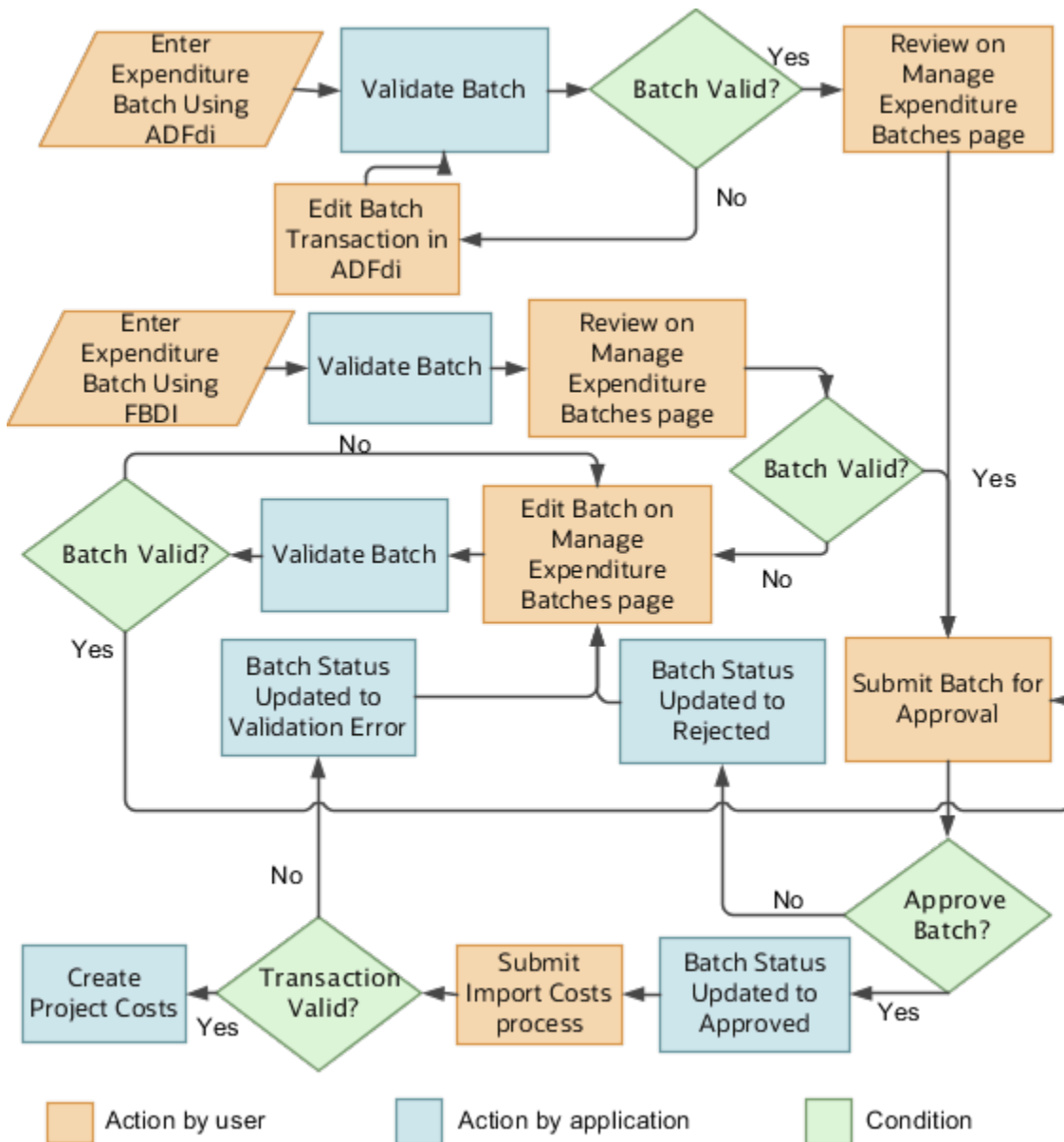
Here are the high-level tasks associated with cost transaction import, review and approval.

1. Create new project cost transactions for approval-enabled transaction source documents using either ADFdi or FBDI.
2. The application validates and creates the imported transactions.

   - For batches that you create using the FBDI flow, the application validates the transactions and creates them in the application, regardless of validation failures. You can review all imported transactions (with appropriate statuses) on the **Manage Expenditure Batches** page.
   - For batches that you create using the ADFdi flow, the application validates the transactions, and if even one transaction fails validation, it rejects the entire batch. You must correct the errors and retry exporting the batches.
3. Update the transactions as required and submit them for approval.

   - If the transactions are valid, you can submit the batch for approval.

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- o If the transactions aren't valid, then you must edit them. The application validates transactions every time you save them, one at a time. If they are valid, then you can submit the batch for approval.
4. The application runs the Project Expenditure Batch Approval workflow on the rules.

- o If the batch is approved, then the application updates the status of the batch to **Approved**.

- o If the batch is rejected, then the status of the batch is updated to **Rejected**, and you can edit the batch as well as its transactions. After reediting the transactions, you can resubmit the batch for approval.
5. Once the batch is approved, run the **Import Costs** process to pick up the transactions and convert them to project costs.
6. As part of the Import Costs process, the application validates the transactions again. If the transactions are valid, they are converted to project costs, and appear on the **Manage Project Costs** page.
7. If transactions fail validation during the Import Costs process, then the status of the batch is updated to **Validation Error**, and you can edit the batch and its transactions by drilling down from the **Manage Expenditure Batches** page.
8. Update the transactions that have validation errors and resubmit the batch for approval. Once the batch is approved, the application runs them through the Import Costs process to convert them to project costs.

Configuring Project Expenditure Batch Approval Rules

Project application administrators can use the Project Expenditure Batch Approval workflow in the Define Approval Management for Project Financial Management setup task to configure appropriate approval rules to notify approvers to review and approve expenditure batches. This workflow uses various expenditure batch attributes, such as expenditure business unit, transaction source, document, document entry, and quantity to define appropriate approval rules. You can also define a serial or a parallel hierarchy of approval for your batches to ensure adequate review of cost transactions to prevent unwarranted project costs.

Further, you can configure the Project Expenditure Batch Approval Report in the BI Reports and Analytics catalog to display relevant information for your batches. For example, you can change the report layout, add a company logo, and include or remove information from the report based on your business needs.

Managing Project Expenditure Batches

Use the Manage Expenditure Batches page in Project Costing to select and edit project expenditure batches that are eligible for review and approval.

- Track batch approval by clicking the **View Approval History** icon at the beginning of the row representing a specific batch.

- Use the **Edit** icon to update the batch description.

- Use the **Create in Excel** options to download FBDI templates for creating labor or nonlabor expenditure batches.

- Click **Withdraw** to remove a submitted project expenditure batch from the approval workflow. The withdrawn batch will remain in unapproved state until you either resubmit it for approval or delete the batch.

  Note: You must enable the **Requires expenditure batch approval** option in the Manage Project Transaction Sources page to require batch approval for the source document associated with the project expenditure batch before you can submit or withdraw them.

- Click **Submit** to send a batch, including all its attachments, for approval.

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Manage Attachments to Project Expenditure Batches

You can't add attachments to project expenditure batches when you import them. However, you can manage attachments to these batches once they are in Costing. Use the **Manage Attachments** icon on the right end of the row representing a batch to upload or remove attachments to the batch. You can manage three types of attachments: files, texts, and URLs. Once you upload attachments to a batch, they remain available to approvers as long as the batch exists, or until you delete them. This is regardless of whether the batch was approved.

Considerations for Using the Project Expenditure Batch Approval Workflow

Here are a few tips and considerations that you must keep in mind while working with project expenditure batch approval workflows.

- Release or delete any existing expenditure batches before opting in to use this feature. If unreleased batches exist when you opt-in to this feature, then the status of these batches will be updated to Draft. You must then explicitly submit these batches for review and approval if you enabled the **Requires expenditure batch approval** option on the transaction source document of the batch.

- You can't disable the **Requires expenditure batch approval** option after enabling it for a document. Project expenditure batches belonging to such documents will always require an explicit approval before they can be processed.

- Review and approve expenditure batches and cost transactions that are created using file-based data import or desktop integration spreadsheets only. Expenditure batches created using the Manage Unprocessed Costs page, Unprocessed Project Costs REST API, or SOAP services aren't currently supported by this feature.

- You can review and approve project expenditure batches belonging to Projects and third-party transaction sources.

- An expenditure batch that includes transactions belonging to a document that requires expenditure batch approval can't include transactions that belong to other documents. An expenditure batch that should undergo approval must include transactions belonging to a single transaction source, document, and business unit.

- The default approval rule delivered for the Project Expenditure Batch Approval Task workflow is set to auto-approve the expenditure batch. Define approval rules using the available attributes to meet your specific business needs.

- Navigate to the Task > payload > batchInfoPayload folder in the payload of the Project Expenditure Batch Approval Task workflow to view the attributes associated with expenditure batches.

- You can view the Project Expenditure Batch Approval notification report in the Reports and Analytics catalog in Shared Folders > Projects > Workflow Notifications > Project Cost.

Related Topics
- Workflows in Oracle Project Management

FAQs for Project Costs

When is the transaction marked as a converted transaction?

When the expenditure item is captured from a legacy application, it is indicated as a Converted Transaction in the Excel template.

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> **Note:** You cannot perform expenditure adjustments that may result in the recalculation of cost, revenue, or invoices for converted transactions.

Why can't I find the business unit in the downloaded desktop Excel integration spreadsheets?

If your access is revised, then you have to download the desktop Excel integration spreadsheets again.

For example, if you initially have access to Vision Operations business unit, then you view only this business unit listed in the Excel spreadsheets. If new business units are assigned or removed, you must download the templates again to view the business units according to your access in the Excel spreadsheets.

Can I define global segments for the Cost Collection flexfield?

No. You must not define global segments, instead you can define additional context sensitive segments.

Can I change the source and document for transactions after exporting them to Oracle Fusion Project Costing?

No. You can't change the source, document, or document entry after exporting a transaction to Project Costing.

Can I edit unprocessed transactions?

Yes. You can edit unprocessed or error transactions from third-party application sources if the **Allow Modifications to Unprocessed Transactions** option is enabled for that transaction document entry. Use the Manage Project Transaction Sources page to update this property.

However, an unprocessed transaction appears as a read-only record when any of the following is true:

- The transaction is sourced from a predefined source, such as Payables, SCM Costing, and Oracle Time & Labor.

- The **Allow Modifications to Unprocessed Transactions** flag at the document enty level for the transaction is set to **False**.

  > **Note:** If the Expenditure Batch Approval feature is enabled, then the transaction must not be a part of an expenditure batch that is in SUBMITTED or APPROVED approval status.

Can I delete unprocessed transactions?

Yes. You can delete unprocessed transactions from the predefined source Oracle Fusion Projects and third-party application sources, if the transaction document entry setup option Allow modifications to unprocessed transactions is enabled. However, you can't delete unprocessed transactions from other predefined sources.

How can I capture and process accrual items?

You can create cost accruals for nonlabor miscellaneous transactions by using the Create Nonlabor Costs ADFdi Excel or the Import Project Miscellaneous Costs file-based data import feature. Set the Accrual Batch option to Yes on these workbooks while creating accrual transactions.

If you set the **Accrual Batch** option to **Yes** while entering cost transactions, the application creates reversal expenditure items in addition to the original expenditure items. The reversal expenditure items are created in the open or future enterable period following the period in which the original expenditure item was created.

What happens if I validate project cost transactions in the desktop Excel integration spreadsheets?

Project cost transactions are validated for transaction controls and business rules during export to the Project Costing interface. After validation, errors are listed in desktop Excel integration spreadsheets. Costs from Project Costing are automatically validated when you export them.

If one transaction from Oracle Fusion Project Costing is invalid, then the export fails for the entire expenditure batch. You must fix the errors before you can export the transactions.

> **Note:** If don't validate third-party application transactions in the source application, you can validate them during export. Otherwise, the transactions are validated when you submit the Import and Process Cost Transactions process.

What's an unmatched negative transaction?

Negative transactions that don't have matching positive items. For Oracle Fusion Project Costing transactions, the matching criteria is based on employee, organization, date, expenditure type, project, task, and reversing quantity, while third-party application transactions are matched to the reversed original transaction reference.

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What's a commitment transaction?

A financial commitment is a future expenditure. In Oracle Fusion Project Financial Management, a commitment is a future cost transaction.

A commitment can be an outstanding purchase requisition or purchase order charged to a project, or received goods that aren't yet paid for. A purchase order is legally binding whereas a purchase requisition isn't.

A commitment can also be a project transaction that is invoiced but not transferred to Oracle Fusion Project Costing yet.

Related Topics
- Internal and External Commitments

What's an external commitment transaction?

A commitment transaction created in a third-party application.

How can I delete existing external commitment transactions in Oracle Fusion Project Costing?

Existing external commitment transactions are deleted when new commitment transactions are imported into Project Costing Cloud and the import parameter is set to not retain the existing commitment transactions.

If you choose to delete the existing external commitment transactions, you must import external commitment transactions for the project or transaction source and project combination.

How can I search for transactions associated with an award?

Open the Manage Unprocessed Costs page and search for award-related transactions by the project name or project number. You can narrow your search results by also entering the contract name, contract number, and funding source.

How can I search for the expenditure items of an award?

Open the Manage Project Costs page and search for expenditure items of an award by the project name or project number. You can narrow your search results by also entering the contract name, contract number, and funding source.

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How can I view the project costs that make up a processed project expenditure batch?

To view the project costs that make up a processed project expenditure batch, search and click the processed expenditure batch in the Manage Expenditure Batches page. The Manage Project Costs page appears, listing the costs associated with the expenditure batch.

Can I monitor and troubleshoot project cost adjustment and project expenditure batch approval workflows?

Project application administrators can use the Transaction Console to monitor workflow tasks and resolve any exceptions for the Project Cost Adjustment Approval and Project Expenditure Batch Approval workflows.

Project application administrators can review and prioritize workflow exceptions and either resubmit tasks after making a correction to the underlying rules, or withdraw the tasks in progress. The Transaction Console also provides details associated with workflows, such as approval history and comments, as well as diagnostic logs to assist with debugging.

Project application administrators can also use the Approval Rules page on the Transaction Console to quickly launch BPM Worklist to modify approval workflow rules as appropriate.

For more information on working with the Transaction Console, see the Workflow Transaction Console section in the Implementing Common Features for Financials and Project Portfolio Management guide.

Why don't I see reserve-for-encumbrance details of project cost transactions imported from Payables?

Projects imports applicable Accounts Payable invoice distributions as project costs. When you invoke View Accounting at the project cost level in Projects, the application directs you to view the accounting for that specific Accounts Payable invoice distribution alone.

Reserve for Encumbrance journal lines are associated with the entire Accounts Payable invoice and not for a specific Accounts Payable invoice distribution. To this end, it is presently not possible in Projects to view Reserve for Encumbrance journal lines when View Accounting is invoked for a project cost associated with an Accounts Payable invoice distribution.

To review the Reserve for Encumbrance details of project cost transactions imported from Accounts Payable, access them at the Accounts Payable level, or from Review Journals in the General Ledger.

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2 Project Cost Transactions

Overview of How Project Cost Transactions are Processed

Process project cost and commitment transactions, including billable and capitalizable transactions, and perform accounting in Oracle Fusion Project Costing.

You can also validate these transactions before processing based on your transaction and budgetary control choices.

How Project Costs are Processed

Use the Import Costs process to import and process project costs from Oracle Fusion applications or third-party applications. This process imports transactions, derives transaction attributes, validates transactions, calculates cost, checks funds, and creates expenditure items, cost distributions, and accounting events.

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This flow chart explains the processing of project cost transactions.
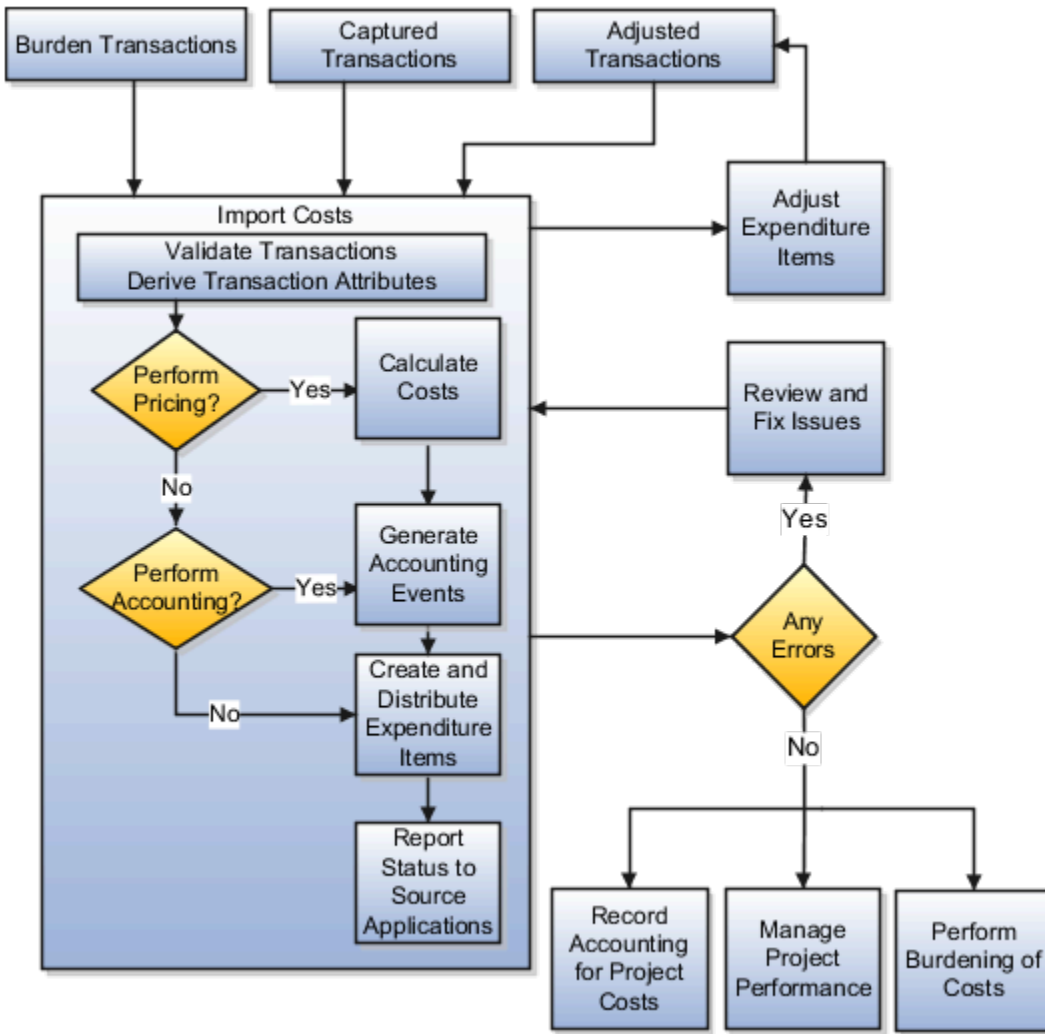
Setup Options: Import Costs

Transaction document and document entry options specify how cost transactions are imported and processed. The following table describes other setup options that determine the processing of project cost transactions.

Option	Setup Level	Description
Burden costs	Project type	Enable burdening, assign burden schedule, and manage burden cost accounting options.
Billable transactions	Work type	Indicate whether transactions are billable.
	Project type	
	Project	
	Task	
	Transaction	

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Option	Setup Level	Description
Expenditure organization validation and currency conversion	Business unit	Validate expenditure organization and determine project ledger currency conversion rate as part of your business unit implementation.
Funds check	Business unit Project Financial Plan Type	Business Unit: Enable budgetary control and encumbrance accounting. • You must first enable budgetary control for a ledger before you can enable budgetary control and encumbrance accounting for business units using that ledger. Use the Manage Budgetary Control or Manage Encumbrance Accounting task from the Setup and Maintenance work area to enable budgetary control and encumbrance accounting for your ledger and business unit. • Procure-to-Pay Business Functions: Enable budgetary control and encumbrance accounting, and select transaction types and transaction subtypes to be included in funds check. • Project Accounting Business Function: Enable budgetary control and select transaction sources and documents to be excluded from funds check. Project: Enable budgetary control • If a project is enabled for budgetary control. then the transactions are included in the funds check by default. • If a project is enabled for budgetary control and the business unit or ledger is also enabled for budgetary control, then a baselined budget version that's created using a budgetary control enabled financial plan type must exist for transactions that must be subjected to project budgetary controls. • You can enable budgetary control only if no transactions exist in the project. If cost transactions exist, an error message is displayed. To resolve this error, create a new project that's enabled for budgetary control, then create a budget and set it to baseline, and then transfer the existing costs to the new project. Financial Plan type: Enable budgetary control • Financial plan types and budget versions in Project Control contain attributes that enable you to automatically create control budgets in Budgetary Control. Configuring the budgetary control settings of a financial plan type enable the budget versions that you create from

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Option	Setup Level	Description
		that financial plan type to create control budgets. • A project can have only one financial plan type that's enabled for budgetary control. If a financial plan type that's enabled for budgetary control is used by a budget version on a project, then you can't create another budget version with a different financial plan type enabled for budgetary control.
Transaction controls	Project Task	Specify whether transactions are chargeable.

How Transactions Are Processed

The **Import Costs** process performs the following steps on unprocessed transactions.

Transaction Processing Task	Description
Load transactions	Loads transactions for import into Oracle Fusion Project Costing from other Oracle Fusion applications.
Derive transaction attributes	Derives transaction attributes, such as human resource assignment details for the person, accounting date, project accounting date, and period information. These attributes are used to derive cost rate information and perform accounting.
Validate transactions	Validates transactions for business and transaction control rules. If the **Revalidate during import** option is enabled at the transaction source document level, the process revalidates the cost transactions imported from other Oracle Fusion applications such as Payables, Cost Management, and Time and Labor.
Create additional transactions	Creates additional transactions if overtime is enabled. This is an optional task.
Calculate costs	Calculates raw and burdened costs, and also converts amounts from the transaction currency to project currency, provider ledger currency, and receiver ledger currency.
Check funds	Validates transactions based on budgetary control and encumbrance accounting rules and computes funds status.
Generate accounting events	Generates cost accounting events, which are used to create cost accounting entries for transactions.
Create expenditure items and cost distribution lines	Creates expenditure items and cost distributions after costs are calculated and validated.
Reconcile transaction details with the source application	Reconciles the transaction processing status with the source application. Third-party applications use a service to update the transaction status and error details. For Oracle Fusion applications, the transaction status is always updated.

Transaction Processing Task	Description

You can review the errors for pending and rejected transactions in the **Manage Unprocessed Costs** page or in the **Import Costs Report**. After fixing the errors, you can submit the transactions for reprocessing. Instead of reinitiating the process, the application reprocesses transactions from the point of error. For example, if a transaction is rejected while determining the cost rate, the application reprocesses the transaction from the cost rate determination stage and not earlier.

> **Note:**
> - You cannot delete expenditure batches that have both processed and unprocessed cost transactions, irrespective of the batch status. You can delete each unprocessed cost transactions in the batch individually, or you can correct the exceptions and reprocess the batch as usual. Once all transactions in the batch are successfully processed, the batch will also be set to Processed.
>
> - If you have a processed expenditure batch that still contains unprocessed cost transactions and is in a status of Exception, you cannot delete the batch itself. You can, however, delete each unprocessed cost transaction in the batch individually, until there are no unprocessed cost transactions left in the batch. The status of the expenditure batch then changes to Processed, and you can then delete the batch if required.

Related Topics
- What happens if I validate project cost transactions in the desktop Excel integration spreadsheets?
- How Project Costs are Validated
- How Accounting Burden Costs are Processed

View and Resolve Errors in Unprocessed Project Cost Transactions

Use the Project Costing - Unprocessed Transactions Real Time subject area in Oracle Transactional Business Intelligence to view error details associated with unprocessed cost transactions.

You can also access project and task transaction controls to identify and resolve import cost errors.

Update unprocessed transactions as required and rerun the report to ensure that there are no transactions with errors.

How Accounting and Project Accounting Dates are Determined

Accounting and project accounting dates are determined based on various factors including the status of accounting and project accounting periods.

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How Accounting and Project Accounting Dates are Determined

Typically, here's how accounting and project accounting dates are determined if the accounting and project accounting periods are the same:

- If the periods are active on the transaction date, the transaction date becomes the accounting date and project accounting date.

- If the periods are inactive and if there are future enterable periods, then the start date of the earliest open or future enterable accounting period and project accounting period become the accounting date and project accounting date respectively.

- If the periods are inactive and there are no open or future enterable periods, it results in an error.

- The derived project accounting date must be in the accounting period. If it isn't, then the project accounting date is derived as the start date of the first project accounting period within the derived General Ledger period.

How are project transaction dates defaulted in Oracle Projects?

When you create project cost transactions outside Projects, such as supplier invoices in Oracle Payables, or purchase requisitions in Oracle Procurement, subledger applications use business rules to derive the project cost transaction date (also known as the expenditure item date).

In some applications, this date appears by default, but you may need to enter the date in a few other subledger applications, or alter the derived date if required.. When you import transactions from other subledgers into Oracle Project Costing, an understanding of how expenditure item dates are populated and saved in each of these subledgers can significantly simplify your task.

The derivation of the project cost transaction date depends on the functional flow, for example, procure-to-pay, time cards, and expenses.

Project Cost Transaction Date Derivation in the Procure-to-Pay Flow

The Procure-to-Pay (P2P) flow refers to the process of procuring goods and services required for a project. This flow typically involves the following tasks:

1. Creating purchase requisitions
2. Generating purchase orders
3. Creating and processing invoices for payment
4. Creating the project cost

Project cost date derivation can be configured at each of these stages; however, here are the derivation rules that are shipped by default:

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Project Cost Derivation in the Procure-to-Pay Flow when Period-End Accrual is Enabled for Matched Invoices

Here's a table that lists out the project cost date derivation rules that apply when period-end accrual is enabled for invoices that must match purchase orders associated with them. For a quick definition of period-end accrual, see Considerations for Accruing Expense Items in the Implementing Payables Invoice to Pay guide.

The same set of rules apply when the item is being purchased for an inventory destination.

Note:
- You can't update the expenditure item date on a purchase order matched invoice. However you can use the Default Expenditure Item Date for Supplier Cost Transactions profile option to allow for a more current/accurate date to be derived and used on matched invoices.

- For more information on profile options associated with Project Costing, see the Project Costing Profile Options section in the *Oracle Fusion Cloud Project Management Profile Options* page.

Project Cost Date Derivation Rules that Apply when Period-End Accrual is Enabled for Invoices that Must Match Purchase Orders

Task / Stage	Description	Project Cost Transaction Date Derivation	Additional Comments
Purchase Requisition Creation	Team member raises a purchase requisition that includes a request delivery date, for goods or services.	Defaults from the request delivery date.	NA
Purchase Order Creation	A member of the buyer team raises a purchase order for the goods or services required.	Derives from the request delivery date.	NA
Goods or Services Receipt	A member of the buyer team raises a receipt for goods or services received.	Matches the date of receipt.	If the team has enabled accrual on receipts, the actual project cost is brought in from the receipt and not from the invoice.
Invoicing	The vendor submits an invoice for the goods or services delivered.	Derives based on the settings in the Default Expenditure Item Date for Supplier Cost Transactions profile option.	If the date on a matched supplier invoice is not within the duration of a task, project, and award, the project administrator can use the earliest project, task, and award end date to override the project cost date on invoice distributions.
Project Cost Creation.	The project accountant creates the project cost in Projects.	Derives from the project cost date in the invoice.	If there is a difference between the project cost in the invoice and the receipts, then the project accountant brings in the additional cost update into Projects as a separate project cost.

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Project Cost Derivation in the Procure-to-Pay Flow when Period-End Accrual is Enabled for Unmatched Invoices

Here's a table that lists out the project cost date derivation rules that apply when period-end accrual is enabled for (two-way or three-way) unmatched invoices. For a quick definition of period-end accrual, see Considerations for Accruing Expense Items in the Implementing Payables Invoice to Pay guide.

Project Cost Date Derivation Rules that Apply when Period-End Accrual is Enabled for Unmatched Invoices

Task / Stage	Description	Project Cost Transaction Date Derivation	Additional Comments
Invoicing	The vendor submits an invoice for goods or services delivered, but there aren't any matching purchase orders or requisitions.	Derives based on the settings in the Default Expenditure Item Date for Supplier Cost Transactionsprofile option.	If the date on a matched supplier invoice is not within the duration of a task, project, and award, the project administrator can use the earliest project, task, and award end date to override the project cost date on invoice distributions.
Project Cost Creation.	The project accountant creates the project cost in Projects.	Derives from the project cost date in the invoice.	NA

Project Cost Derivation in the Procure-to-Pay Flow when Accrual on Receipt is Enabled

Here's a table that lists out the project cost date derivation rules that apply when accrual on receipt is enabled.

Accrual on receipt ensures that project costs get created as goods are shipped and receipts are created. If buyers have enabled accrual on receipt on their purchase orders, the project accountant creates accounting entries against receipts and also bring in the project item if it's project related. If the supplier invoice that arrives (after all goods and services have been delivered) has a cost variation, the project accountant brings in the delta as a new project cost.

Project Cost Date Derivation Rules that Apply when Accrual on Receipt is Enabled

Task / Stage	Description	Project Cost Date Derivation	Additional Comments
Purchase Requisition Creation	Team member raises a purchase requisition that includes a request delivery date, for goods or services.	Defaults from the request delivery date.	NA
Purchase Order Creation	A member of the buyer team raises a purchase order for the goods or services required.	Derives from the request delivery date.	NA
Goods or Services Receipt	A member of the buyer team raises a receipt for goods or services received.	Matches the date of receipt.	If the team has enabled accrual on receipts, the actual project cost is brought in from the receipt and not from the invoice.
Invoicing	The vendor submits an invoice for the goods or services delivered.	Derives based on the settings in the Default Expenditure Item Date for Supplier Cost Transactions profile option.	If the date on a matched supplier invoice is not within the duration of a task, project, and award, the project administrator can use the earliest project, task, and award

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Task / Stage	Description	Project Cost Date Derivation	Additional Comments
			end date to override the project cost date on invoice distributions.
Project Cost Creation.	The project accountant creates the project cost in Projects.	Derives from the project cost date in the invoice.	If there is a difference between the project cost in the invoice and the receipts, then the project accountant brings in the additional cost update into Projects as a separate project cost.

How Project Costs are Validated

The application validates cost transactions for data entry, standard business rules, transaction controls, and budgetary control that you set up during implementation.

Setup Options: Transaction Validation

The following table describes the setup options at various levels for validating the project costs.

Setup Level	Validation
Transaction Document Document Entry	Import and accounting options
Project Type	Transaction processing options
Project Task	Transaction controls

Data entry and business rule validations are performed when you create transactions. You can also validate transactions from third-party and certain Oracle Fusion applications before importing them.

How Costs Are Validated

The following table describes the different types of validations performed on project cost transactions.

Validation	Description
Data Entry	The application validates the project name, project number, task name, and task number.
Business Rules	Transaction sources must be valid. Document and document entry must be valid for the transaction source.

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Validation	Description
	Transactions aren't charged to a project template or an intercompany provider project.
	Transactions are billable only if the project type is enabled for billing.
	Transactions must have an active expenditure type.
	Transactions with negative quantities must have matching expenditure items, unless they are unmatched transactions.
	Expenditure item dates must be within expenditure organization dates. Usage item dates must be within the nonlabor resource organization dates.
	Project status determines whether you can enter new transactions. Expenditure items must be within the project date range. Transaction controls must allow charges of this expenditure type.
	Tasks for transactions must be lowest level tasks and chargeable. You must charge expenditure items to tasks within the task date range.
	Employees must be active and have valid human resource assignments for the expenditure item dates.
Transaction Control	All transaction controls based on combinations of project, task, expenditure category, expenditure type, nonlabor resource, person, job, organization, and system person type must pass validation.
Budgetary Control	The application validates transaction amounts against budgetary control that is set at the award and funding source segments or at the project or project and top resource levels. Both actual raw costs and actual burdened costs are checked for funds validation.
	Only the transactions that fail funds check in a batch are excluded from further processing.

The application tracks validation errors and the corrective actions. You can view the rejected transactions in the Manage Unprocessed Costs page, and rejected adjustment transactions in the Manage Project Costs page. You can reprocess the transactions after fixing the errors.

Validation rules vary for uncosted labor transactions, uncosted nonlabor transactions, and costed and accounted transactions. The following example provides validation checks for uncosted labor transactions.

Example: Validation Checks for Uncosted Labor Transactions

The application validates uncosted labor cost transactions for the following attributes.

Validation Attribute	Criteria
Business Unit Name	Required
Transaction Source	Required
Transaction Document	• Required • Valid for the expenditure item date
Transaction Document Entry	• Required • Valid for the expenditure item date

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Validation Attribute	Criteria
The combination of transaction source, transaction document, and transaction document entry must be valid.	
Project	- Project number or name is required - Enabled for cross-charge processing - Not a project template - Active for the expenditure items date - Valid project status that allows creation of new transactions
Task	- Valid task number or name - Active for the expenditure item date - Chargeable
Expenditure Item Date	Required
Expenditure Type	- Required - Valid and active for the expenditure item date, project unit, and expenditure type class associated to the document entry of the transaction
Organization If you don't provide the organization, the application derives the organization based on the primary human resources assignment of the person.	Active expenditure-owning valid for the expenditure item date If the organization isn't the same as the organization assigned to the primary assignment of the person in HCM, and the transaction document setup doesn't allow for override of person organization, then organization validation fails.
Person If you don't provide the assignment, then the application derives the primary assignment, job, and expenditure organization from the primary assignment of the person for the expenditure item date.	- Valid person name or number - Valid person assignment that is active for the expenditure item date
Time Card Quantity	Required

Related Topics

- Considerations When Selecting Billable or Capitalizable Status for Transactions
- How Project Costs are Processed

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Considerations When Selecting Billable or Capitalizable Status for Transactions

While creating transactions, you can specify the billable and capitalizable status of a transaction if the billable and capitalizable status attributes are enabled in the cost collection flexfield.

If you don't specify anything during the point of entry, then the application considers the billable and capitalizable details specified on the lowest task, transaction controls setup, and work type setup. To ensure that transactions are billable or capitalizable by default, you can specify the options for the entire project type or transaction controls setup options. You can also specify these options when you set up a task.

Billable Status of Transactions

The application considers the following specifications for the billable status of a transaction in the listed order if the project type of the project on the transaction is enabled for billing.

1. If you specify the transaction billable status in the source application.
2. If the option to derive the billable indicator from the work type is enabled, then the billable indicator on the transaction is determined by the work type.
3. If the transaction control setup for the project or task indicates that the transaction is billable.
4. If the task is billable.
5. If the transaction has zero quantity, then the value of the profile option **Cost Transactions with 0 Quantity Set as Nonbillable** determines if the transaction is billable.

If the project type of the project on the transaction isn't enabled for billing then the transaction isn't billable.

Note: When the project type of the project on the transaction isn't enabled for billing and in the flexfield you specify that the transaction is billable, then the transaction is rejected.

Capitalizable Status of Transactions

The application considers the following specifications for the capitalizable status of a transaction in the listed order if the project type of the project on the transaction is enabled for capitalization.

1. If the task isn't a retirement task.
2. If the transaction control setup for the project and task indicates that the transaction is capitalizable.
3. If the task is capitalizable.

If the project type of the project on the transaction isn't enabled for capitalization then the transaction isn't capitalizable.

How Expenditure Item Chargeable Status is Determined

Oracle Fusion Project Costing checks all levels of chargeable controls when you try to charge a transaction to a project.

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The application checks the chargeable status when you enter a new cost transaction or transfer expenditure items to another project or task, and you save the record.

Settings That Affect Chargeable Status

Use the exclusive and inclusive transaction control options to set the chargeable status for all expenditures charged to the project.

Inclusive transaction controls prevent all charges to a project or task except the charges you specifically allow. Specify the types of expenditures that you want to allow, and enable the **Chargeable** option.

By default, exclusive transaction controls allow all charges to a project or task. Specify the types of expenditures that you don't want charged to the project or task.

How Chargeable Status Is Determined

The following figure shows the steps that Oracle Fusion Project Costing uses to determine the chargeable status of an expenditure item.

Expenditure item is charged to project and task.

Transaction Control

Exclusive — Inclusive

Applicable controls exist? *

No

Yes

Transaction is chargeable.

Chargeable transaction control = Yes

Yes

No

Transaction is chargeable.

Transaction is not chargeable.

Applicable controls exist? *

Yes

No

Chargeable transaction control = Yes

No

Yes

Transaction is chargeable.

Transaction is not chargeable.

* Applicable transaction controls are all transaction controls that match the expenditure item being charged.

Task level: Repeat validation for project level controls.
Project level: Transaction is chargeable.

If the inclusive option is selected and applicable transaction controls don't exist, then the transaction isn't chargeable. If applicable controls exist, then the application checks whether the transaction controls allow charges.

If the exclusive option is selected and there are no applicable controls, then the transaction is chargeable. If applicable controls exist, then the application checks whether the transaction controls allow charges.

For both inclusive and exclusive transaction controls, a transaction is chargeable if the **Chargeable** check box is enabled for an applicable control. If the **Chargeable** check box isn't enabled, then the transaction isn't chargeable.

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Transaction Controls

Define transaction controls to specify the types of transactions that are chargeable or nonchargeable for projects and tasks. Use transaction controls to configure your projects and tasks to allow only charges that you expect or plan.

You can also define which items are billable and nonbillable on your projects that are enabled for billing. For capital projects, you can define which items are capitalizable and noncapitalizable.

You create transaction controls by configuring the following components:

- Expenditure category
- Expenditure type
- Nonlabor resource
- Person
- Job and organization for the person
- Person type
- Chargeable status
- Billable or Capitalizable status
- From and To dates

You can create any combination of transaction controls that you want. For example, you can create a transaction control for a specific person and expenditure type, or you can create a combination for a person, expenditure type, and nonlabor resource. You also specify the date range to which each transaction control applies. If you don't enter transaction controls, you can charge expenditure items from any person, expenditure category, expenditure type, and nonlabor resource to all lowest tasks on the project.

Chargeable Status

You can further control charges for each transaction control record by specifying whether to allow charges. The default value is to allow charges.

You usually select Chargeable when you're using inclusive transaction controls. For example, if you want to allow people to charge only labor to your project, you define a transaction control with the Labor expenditure category, and allow charges to the project or task.

You usually don't select Chargeable when you're using exclusive transaction controls because exclusive transaction controls list the exceptions to chargeable transactions.

System Person Type

You can use this control to specify whether transactions incurred by employees, contingent workers (contractors), or both are chargeable.

The following table describes the validation rules for system person type controls.

Transaction Control Type	System Person Type	Validation Rule
Inclusive	No value	Transactions incurred by employees and contingent workers aren't chargeable.
Inclusive	Employee	Only transactions incurred by employees are chargeable.
Inclusive	Contingent worker	Only transactions incurred by contingent workers are chargeable.
Exclusive	No value	Transactions incurred by employees and contingent workers aren't chargeable.
Exclusive	Employee	Transactions incurred by employees aren't chargeable.
Exclusive	Contingent worker	Transactions incurred by contingent workers aren't chargeable.

Billable and Capitalizable Status

You can define billable transactions for billable projects and capitalizable transactions for capital projects by selecting the billable or capitalizable option. You can choose between the options of **No** and**Task Level**. Select **No** if you want the charges to be nonbillable or noncapitalizable. Select **Task Level** if you want the billable or capitalizable status to use the value from the task to which the item is charged.

You define the billable or capitalizable status for a task in the **Task Details** section.

Note: The billable or capitalizable status of an individual transaction takes precedence over the billable or capitalizable status of a task.

From and To Dates

You can define transactions as chargeable for a date range by entering a From Date and To Date for each transaction control record.

Budgetary Control Funds Status

Budgetary control funds status indicates the validation result of the transaction amount against the budget amount. You can set budgetary control for a project, a project and top resource, or an award and funding source segments.

If a project is enabled for budgetary control and the business unit or ledger is also enabled for budgetary control, then a baselined budget version that's created using a budgetary control enabled financial plan type must exist for transactions that must be subjected to project budgetary controls. The following transactions are validated for funds:

- Purchase order cost for inventory or work order destination costs excluding direct procurement of materials to a work order destination.
- Transfer order expense costs
- Expense related requisitions
- Expense related purchase orders
- Supplier invoices (includes variances, prepayments, and application of prepayments)
- Expense related purchase order receipts
- Project cost transactions (created with Oracle Projects or third-party application source and imported using the Import Costs process).

The following transactions aren't validated for funds:

- Work order costs excluding costs for direct procurement of materials to a work order destination
- Sales order costs
- Miscellaneous inventory issues
- Transfer order inventory costs
- Burden cost amounts for spend authorizations
- Payments
- Cross-charge transactions
- Transactions that are excluded for the ledger or business unit in the Manage Budgetary Control page.

Reviewing Funds Status Results

You can review transaction and budget level budgetary control results on the following pages listed in the table.

Page	Section	Action
Manage Unprocessed Costs This page displays funds check results at the transaction level.	Search Results	1. Select the transaction row. 2. Click the **Failed** icon in the **Funds Status** column to open the **Funds Reservation** window. Alternatively, 1. Select the transaction row. 2. Click the **View Results** option from the **Actions** menu.
Manage Project Costs This page displays: - Cost and cost adjustments made to transactions. - Results at the transaction level.	Search Results	1. Select the transaction row. 2. Click the **Failed** icon in the **Funds Status** column to open the **Funds Reservation** window. Alternatively, 1. Click the transaction number. 2. Click the **Adjustment History** tab on the **Expenditure Item** page.

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Page	Section	Action
		3. Click **View Budgetary Control Results** in the **Adjustment Errors** region to open the **Funds Reservation** window. Else, **1.** Select the transaction row. **2.** Click the **View Results** option from the **Actions** menu.
Manage Project Costs If the original transaction passes budgetary control validations but the adjustments: • Pass with warning, then the overall status is Warning. • Fail, then the overall status is Passed. Cost distribution lines aren't generated for the transactions that fail budgetary control validations.	Errors	**1.** Select the transaction row in the **Search Results** region. **2.** Click **View Budgetary Control Results** in the **Errors** region to open the **Funds Reservation** window.
Manage Cost Distributions This page displays: • Cost and cost adjustments made to transactions. • Results at the distribution level.	Search Results	**1.** Select the transaction row. **2.** Click the **Failed** icon in the **Funds Status** column to open the **Funds Reservation** window. Alternatively, **1.** Click the transaction number. **2.** Click the **Adjustment History** tab on the **Expenditure Item** page. **3.** Click **View Budgetary Control Results** in the **Adjustment Errors** region to open the **Funds Reservation** window.
Diagnostic Dashboard	Diagnostic Test Run Status	Generate the Project Budgetary Control Validation and Balance Activities diagnostic report.

By default, transaction-level results are displayed in the secondary window. You can change the view to display budget-level results.

Understanding Funds Status Results

The following table describes funds status results of budgetary control on cost transactions.

Status	Description
Blank	Transaction isn't eligible for funds check or transaction isn't validated for funds.
Passed	Transaction successfully passed funds check.
Failed	Transaction failed funds check.

Status	Description
Warning	Transaction passed funds check with warnings.

Failure Scenarios for Funds Check

> **Note:** When the funds check fails, first identify if the failure is in the Project Management control budget or the General Ledger control budget and then take the appropriate action to resolve the error.

The following table lists the scenarios in which transactions that are enabled for budgetary control validation can fail funds check.

Failure Scenario	Resolution
No control budget exists	Navigate to the Manage Budget Versions page, create a control budget by setting the budget to baseline, and then trigger the funds check from the respective transaction page. • The budget version should be enabled for budgetary control and must be created using a financial plan type that's enabled for budgetary control. • For a project that's enabled for budgetary control, the control budget exists only if the budget is created using a budgetary enabled financial plan type and set to baseline.
Control budget is created but the budget date is outside the control budget date range	For a non-sponsored project, you must either change the budget date or project dates and set the budget to re-baseline such that the control budget dates are updated. For a sponsored project, you must either change the budget date or the dates of the project and the award, and then submit the date changes from the Edit Award Details page.
Control budget is created but the transaction amount is higher than the available budget	Reduce the amount charged on the transaction or increase the budget amount.
Control budget is created but the control budget is in closed or permanently closed status.	For a closed control budget, you will need to redefine the control budget. For a permanently closed control budget, you can't redefine and have to use another project.
Control budget is created but the control budget period is closed or permanently Closed status.	For a permanently closed control budget period, you can't reopen and have to use another project. For a closed control budget period, you need to reopen the control budget period. To open the control budget period: 1. Click **Navigator>Budgetary Control**. 2. Click the **Budget Period Statuses** task in the panel drawer. 3. Search for the control budget and then click the name of the control budget for which you want to edit the budget period status. > **Note:** Use the first few characters of the project number to search for the control budget. 4. Select **Open** from the **Status** drop-down list, and click **Save and Close**.

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Failure Scenario	Resolution
	Note: By default, all users don't have access to the control budget. You can grant control budget data access to users using the **Manage Control Budget Data Access for Users** task in the Setup and Maintenance work area.
Burden enabled project but the burden schedule is inactive.	Build the burden schedule for the project.
Burden enabled project with an active burden schedule but the burden multiplier for a particular expenditure type is not present.	Provide the burden multiplier for that exception type.
The transaction failed budgetary control validation with one or more errors.	- If you see the missing currency conversion information on transaction error for cost transactions, then ensure that the currency conversation attributes are defined in the Budgetary Control settings of the planning options for the plan version. After you define the currency conversion attributes, set the budget to baseline, and then import the cost transactions. - If the requesting amount is more than the available budget amount, then increase the budget amount such that the costs get processed. However, if the costs can be reduced, then you can choose to reduce the budget amount being processed and reserved. - If the transaction fails for the General ledger control budget indicating that the budget account can't be derived, then ensure that a budget account is derived using the Transaction Account Definition (TAD) rules. - Even if the project isn't enabled for budgetary control, the application derives the budget account from the Transaction Account Definition and triggers funds check. So, create a Transaction Account Definition, map the accounting rules, activate it, and then associate it to a ledger to derive the budget account using the account rule assignments. - Don't use the seeded Transaction Account Definition. Create one by duplicating the existing one.
Insufficient Funds	Check for the available funds and then take the appropriate corrective action. For example, the corrective action could be to increase the project budget with the missing amount and re-baseline or limit the transaction to the available amount. **Note:** For sponsored projects, you can check the budgetary control balances on the Award Overview page. For non-sponsored projects, use the Budgetary Control Analysis Report to check the budgetary control balances.
The account rules assigned to the transaction account type are insufficient to derive a value for any of the segments of the chart of accounts.	If you're using mapping sets, then verify the mapping set input and output values defined in the subledger accounting setup and edit these values as appropriate. For more information, see *Mapping Sets* and *How You Define Mapping Sets*.

Related Topics

- Review Budgetary Control Validation Errors
- Can I perform budgetary control validation for cross-charge transactions?
- Update Control Budget Dates with Project, Task, or Budget Line Dates for Nonsponsored Projects
- Update Control Budget Dates with Award Dates for Sponsored Projects
- Set Up Default Budget Account
- Secure Control Budget Definitions

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Considerations when Editing Burden Schedule Multipliers

When you edit burden multipliers for burden schedules, certain procure-to-pay financial transactions are impacted whereas others aren't.

Transactions Impacted

The revised burden multiplier is used to:

- Reserve burden cost for purchase requisitions, payable invoices, purchase orders, and Oracle Fusion Project Costing expenditure items.

  Note: For change orders, it applies only to new distributions for an approved PO.

- Reserve burden cost for payable credit and debit memos not associated to a validated invoice.
- Reserve receipt accounting distribution funds for receipt cost, retroactive price adjustments, and invoice price variances.

Transactions Not Impacted

The previous burden multiplier continues to be used to:

- Reserve burden cost while adjusting the original PO distributions through a change order.
- Liquidate a requisition while reserving or approving a PO matched to the requisition.
- Liquidate a PO while reserving a payable invoice matched to the PO.
- Liquidate payable cost while importing payable cost to Oracle Fusion Project Costing.
- Cancel, withdraw, and reject requisitions and POs.
- Cancel payable invoices and make prepayment applications for supplier invoice corrections.
- Reserve burden cost for payable credit and debit memos for a validated invoice.
- Reserve receipt accounting distribution funds for receipt correction and return, liquidation of receipt accounting distribution cost, and retroactive price adjustments during interface to project costing.

What are project cost reversals?

You typically need to reverse a processed cost when:

- You want to reverse a project cost that contains incorrect project details.
- You want to remove an expenditure that's not applicable.

You can only reverse processed project costs from non-predefined sources. Reversals also result in a reversing debit or credit depending on the original transaction.

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How can I reverse processed project costs?

Before you attempt to reverse a processed project cost, you must ensure that the project cost's eligible for reversal.

Eligibility Criteria for Project Cost Reversal

To be eligible for reversal, a processed project cost:

- Must not be a net-zero item

- Must not be a converted item. Converted items enable you to load upgrade data and prohibit further actions on such project costs.

- Must not be a summarized burden transaction cost

- Must not be a Labor Distribution cost

- Must have **Allow reversal** enabled at the document entry level (For predefined transaction sources, such as Account Payables and Supply Chain Management, this option's disabled; therefore, you cannot reverse project costs coming in from predefined transaction sources.)

- Must not have pending, pending approval, or rejected adjustments

- Must have a project status that allows project cost adjustments

Performing Project Cost Reversal Using the Manage Unprocessed Costs Page

Note:
- Before you create a reversing project cost, you must ensure that the project cost that you want to reverse is eligible for reversal. See the Eligibility Criteria for Project Cost Reversal section for more information.

- The attributes that you use to create the reversing expenditure batch must precisely match the attributes of the project cost that you want to reverse. See the Reversal Attributes that Must Match Original Transaction Details section for more information.

To reverse a project cost using the Projects Costing user interface:

1. In the Projects > Costs > Manage Unprocessed Costs page, click **Create**.
2. Enter and confirm the required values in the Create Transaction modal. Ensure that the values you choose in the **Source**, **Business Unit**, **Document**, and **Document Entry** fields match corresponding values in the transaction that you want to reverse.
3. In the General Details > Cost Collection Details section of the Create Transaction page that appears, enter the **Project Number**, **Task Number**, **Expenditure Item Date**, **Expenditure Type**, and **Expenditure Organization** details. Again, these details must match corresponding values in the transaction that you want to reverse.
4. In the Usage Details section, enter the quantity and cost details associated with the project cost. This must be the exact opposite of the quantity and cost in the project cost that you want to reverse. For example, if the quantity in the project cost that needs reversal is 10, the quantity in the reversing project cost must be -10.
5. Enter the **Nonlabor Resource** and **Nonlabor Resource Organization** details. These details must also match corresponding values in the transaction that you want to reverse.
6. Enter an **Original Transaction Reference** value. This must be a unique value.

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7. In the Additional Details tab, enter the original transaction reference of the project cost that you want to reverse in the **Reversed Original Transaction Reference** field.

8. Leave the **Unmatched Negative Transaction** check box deselected to tell the application that the details that you provided in this expenditure batch must match an existing project cost.

9. Click **Save and Close** to submit the expenditure batch. If the project cost details that you provided match an existing project cost, and if that project cost is eligible for reversal, the expenditure batch appears in the list of unprocessed project costs.

10. Click **Import Costs**, and click **Yes** in the warning message that appears, to trigger the import.

11. Click the **Refresh** button in the Process Monitor section of the Project Costing landing page to view the status of your project cost reversal. After the import succeeds, the status of the process ID associated with the import job changes to **Succeeded**.

After the import succeeds, you can view a report associated with the process by clicking the **View Output** icon adjacent to the process ID.

Performing Project Cost Reversal Using FBDI

Note:
- Before you create a reversing project cost, you must ensure that the project cost that you want to reverse is eligible for reversal. See the Eligibility Criteria for Project Cost Reversal section for more information.
- The attributes that you use to create the reversing expenditure batch must precisely match the attributes of the project cost that you want to reverse. See the Reversal Attributes that Must Match Original Transaction Details section for more information.

To reverse a project cost using FBDI, you must choose the FBDI spreadsheet meant for the transaction source associated with the project cost that you want to reverse. Follow the instructions provided in the downloaded spreadsheet to complete the import.

For additional details on importing project costs, see Import Costs Process in the Using Project Costing guide.

Reversal Attributes that Must Match Original Transaction Details

Here's a table listing out the reversal attributes that must match the corresponding attributes of the original transaction, for the reversal to succeed:

Project Cost Reversal Attributes that Must Match the Original Project Cost

Attribute	Description
Expenditure Item Date	Date on which the project cost was recorded.
Expenditure Type	A classification of cost that's assigned to the transaction.
Project	Details of the project associated with the project cost that you want to reverse. Examples: Project Name, Project Number.
Task	Details of the task associated with the project cost that you want to reverse. Examples: Task Name, Task Number.
Transaction Source	Details of the transaction source of the reversing transaction. Example: Transaction Source Name.

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Attribute	Description
Document	Details of the document associated with the project cost that you want to reverse. Example: Document Name.
Document Entry	Details of the document entry associated with the project cost that you want to reverse. Example: Document Entry Name.
Person	Details of the person associated with the project cost that you want to reverse. Example: Person Name.
Expenditure Organization	Details of the expenditure organization associated with the project cost that you want to reverse. Example: Expenditure Organization Name.
Non Labor Resource Organization	Details of the non-labor resource organization associated with the project cost that you want to reverse. Example: Non Labor Resource Organization Name.
Non Labor Resource	Details of the non-labor resource associated with the project cost that you want to reverse. Example: Non Labor Resource Name.
Net Zero Item	Indicates that the project cost has either been reversed or is reversing another project cost, resulting in a sum of zero for the two costs together. For the transaction being reversed, the net zero value must be **False**.
Reversed Original Transaction Reference	The original transaction reference of the existing project cost that the current unprocessed cost, usually negative, is reversing.
Expenditure Business Unit Name	Name of the expenditure business unit to which the project cost is charged.
Transaction Currency	The currency in which the project cost is incurred.

Importing Person-Related Project Cost Transaction Reversals

You can create a matched reversal for an existing person-related transaction, regardless of the person's current Oracle Fusion Cloud Human Capital Management status, such as Terminated, Suspended, or Canceled.

You can use either the Unprocessed Project Costs REST API or one of the Import Project Cost FBDI templates to use Person ID to create reversals for persons with canceled work relationships.

Importing Person-Related Project Cost Transaction Reversals: Considerations

- When using the Unprocessed Project Costs REST API to create a reversal, you don't need to specify any assignment-related attributes in the request, because assignment information from the original transaction will be copied to the reversing transaction. If you do specify the person's assignment in the request, use Assignment ID. If you use Assignment Name or Assignment Number, errors will be returned for persons without active HCM assignments.

- When using one of the Import Cost FBDI templates to create a reversal of a person-related transaction, you don't need to specify any assignment-related attributes in the file, as the assignment information from the original transaction will be copied to the reversing transaction if successfully imported. If you do populate any of the assignment-related columns in the template, these values will be ignored during import processing.

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- When using the Unprocessed Project Costs REST API to create a reversal for persons with canceled or terminated work relationships, identify the person using Person ID in the request. If you use Person Name or Person Number instead of Person ID, then errors will be returned.

FAQs for Project Cost Transactions

How can I determine the expenditure organization for a transaction?

Based on the type of transaction, you can specify the expenditure organization for a transaction.

For example, for time cards and expense reports, the organization to which the employee is assigned is the expenditure organization, unless you allow the override of person organization. For usage, supplier invoices, and purchasing commitments, it is the expenditure-incurring organization that is entered on the expenditure.

How can I identify if the control budget is a Project Management control budget or a General Ledger control budget?

Follow these steps:

1. Navigate to the Manage Project Costs page.
2. Search for the transaction.
3. From the search results, select the transaction and click the icon in the **Funds Status** column.

    The Funds Reservation dialog box appears. If the name in the **Control Budget** column starts with the project name, then it's a Project Management control budget. You can hover over the budget account in the **Budget Account** column to view the details.

Which reports should you use to review budgetary control balances?

Use the *Budgetary Control Analysis Report* to check the budgetary control balances. For sponsored projects, you can also check the budgetary control balances on the Award Overview page.

Additionally, you can use predefined reports for further inquiry and reporting. For more information, see *Oracle Fusion Budgetary Control Predefined Reports*.

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What's a borrowed and lent processing method?

A method of processing cross-charge transactions that generates accounting entries to share revenue or transfer costs from the provider organization to the receiver organization within a legal entity.

An internal invoice isn't created but costs or revenue are shared based on the transfer price rules. This method provides a financial view of the performance of an organization.

Why aren't burdened costs calculated based on the selected burden schedules for a sponsored project or task?

Actual cost transactions for sponsored projects use the burden schedules and burden schedule overrides that you select in the associated award. These transactions don't use the burden schedules and burden schedule overrides that you assign for a sponsored project or task.

You can select burden schedules for planning cost transactions in the planning options of the financial and project plan types. Alternatively, you can set planning options to use actual rates instead of planning rates for planning transactions, in which case, burden schedules and burden schedule overrides assigned in the associated award are also used for planning cost transactions.

If you are using planning rates for financial or project planning, you can select specific rate schedules and burden schedules for the plan type.

Why can't I release expenditure batches from the Manage Unreleased Costs page?

The option to separate the duties to enter and release expenditure batches is enabled for the project. This option must be disabled so that the person who creates the expenditure batches can also release them.

Disable the **Separate the duties to enter and release expenditure batches** option on the Costing tab in the Project Options section of the **Configure Project Accounting Business Function** task from the Setup and Maintenance work area.

Alternatively, your manager can release expenditure batches for you from the **Manage Unreleased Costs** page.

If the **Separate the duties to enter and release expenditure batches** option is disabled, then you can edit the unreleased costs and release them by clicking **Save and Release**. If the **Separate the duties to enter and release expenditure batches** option is enabled, then you can either create and edit the unreleased costs, or release the costs by clicking **Release**.

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Can I perform budgetary control validation for cross-charge transactions?

The application performs budgetary control validation in context of the transaction ledger and expenditure business unit.

If you enable budgetary control for the transaction ledger and business unit, then budgetary control validation is performed against project control budgets if the project control budgets also exist in the same ledger.

How does the budgetary control engine sort transactions?

The budgetary control engine processes transactions in the order in which they are passed, without sorting them.

For example, consider the following batch, which contains two transactions:

- Project Cost 13030 for $75000 (with burden of $28875)
- Project Cost 13031 for $1000 (with burden of $385)

In this case, the budgetary control engine processes Project Cost 13030 first, and then Project Cost 13031.

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3 Overhead Costs to Projects

Overview of How Overhead Costs are Distributed to Projects

Perform burdening for project costs using Oracle Fusion Project Costing.

You can also set burdening options, including additive and precedence burden structures, adjust, and recalculate burdening your projects.

How Burden Costs Are Calculated

Burdening provides the aggregate of raw and burden costs to represent the total cost of doing business accurately. You can calculate burdened costs as a markup of costs by using a precedence of multipliers.

The application performs a summation of burden costs with raw costs to provide a true representation of costs. Using burdening, you can perform internal costing, revenue accrual, billing, asset capitalization, and budgetary control including the type of burden costs that your company applies to raw costs.

Settings That Affect Burden Cost Calculation Processing

You define the projects that need to be burdened by enabling project types for burdening. When you specify that a project type is burdened, you must then specify the burden schedule to be used. The burden schedule stores the burden multipliers and indicates the transactions to be burdened, based on cost bases defined in the burden structure. You specify the expenditure types that are included in each cost base. With burdening, you can use an unlimited number of burden cost codes, easily revise burden schedules, and retroactively adjust multipliers. You can define different burden schedules for costing, revenue, and billing purposes.

If you enable the option to create separate expenditure items for burden costs at the project type level and the transaction is eligible for budgetary control, then you must associate an expenditure type to the burden cost code in the cost bases of the burden structure.

How Burden Costs Are Calculated

The following graphic shows the decision points and process for calculating burdened costs.

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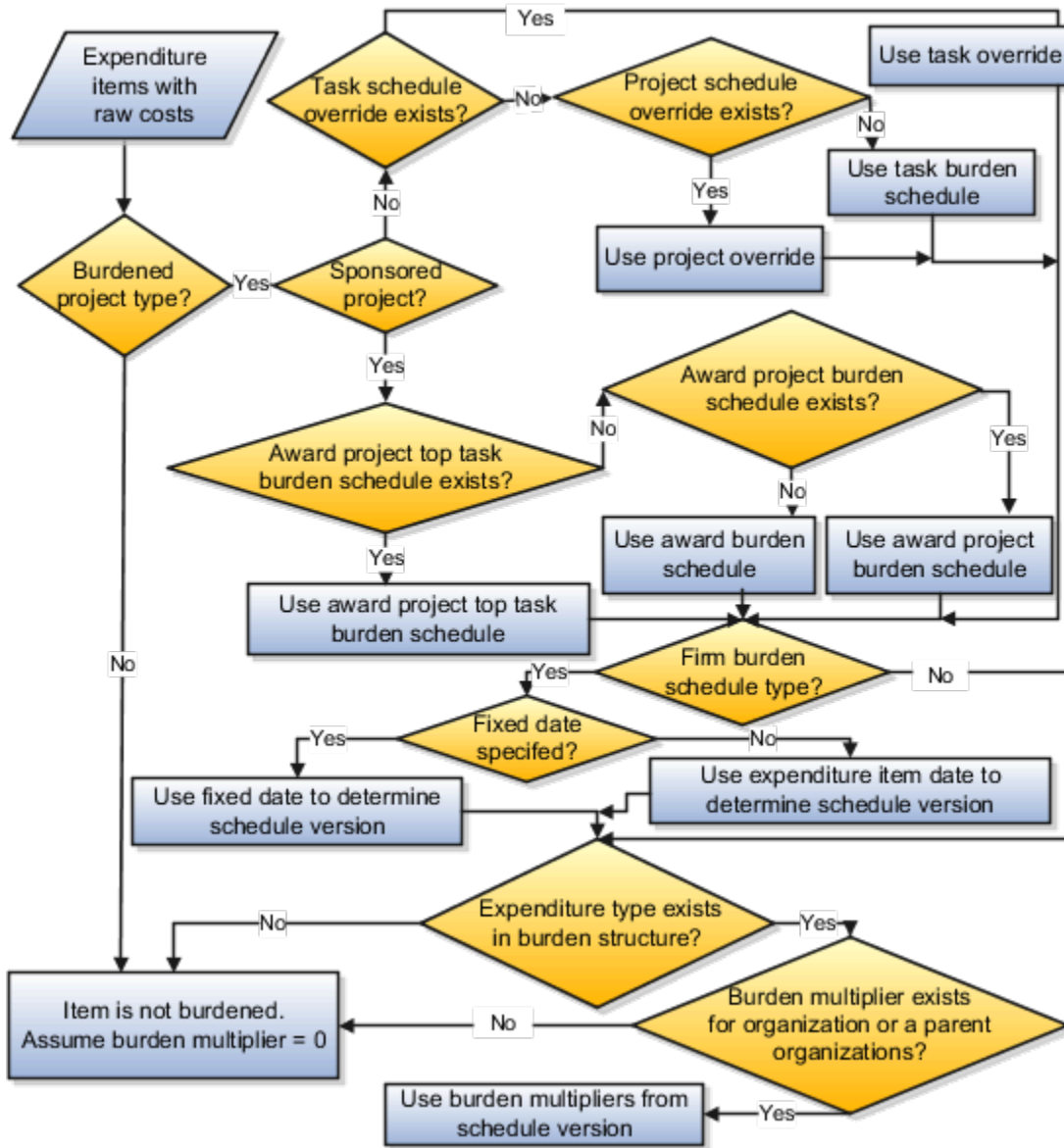
1. The application selects the expenditure items with raw cost amounts for processing.
2. The process determines if the related project type of the expenditure item is enabled for burdening.
3. If the project type is enabled for burdening, then the process determines the burden schedule to be used.
4. If the project type is not enabled for burdening, then the expenditure item is not burdened. The process assumes the burden multiplier is zero; therefore, burden cost is zero and thus burdened cost equals raw cost.
5. To determine which burden multiplier to use, the process determines if there is a burden schedule override for the expenditure.
6. If a burden schedule override exists, then the process uses the task burden schedule override on the associated task. For sponsored projects, the process ignores the task burden schedule overrides.
7. If no task burden schedule override exists on the associated task, then the process uses the project burden schedule override on the associated project. For sponsored projects, the process ignores the project burden schedule overrides.

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8. If there are no burden schedule overrides, the process uses the burden schedule assigned at the task level for burden cost calculations.

   For sponsored projects, the process determines the burden schedule to use for burden cost calculations in the following order:

   a. Burden schedule assigned at the summary task level of the award project
   b. Burden schedule assigned at the award project level
   c. Burden schedule assigned at the award level

9. If the burden schedule type is a firm schedule, then the process checks if a fixed date is specified for burdening. If yes, it uses the fixed date to determine the schedule version. If a fixed date isn't specified, then the process uses the expenditure item to determine the burden schedule version.

10. After a schedule version is determined, the process verifies that the expenditure type of the expenditure item is found in any of the cost bases of the selected burden schedule version.

11. If an expenditure type is excluded from all cost bases in the burden structure, then the expenditure items that use that expenditure type aren't burdened (burden cost equals zero, thus burdened cost equals raw cost).

12. The process then checks if burden multipliers exist for the organization to which the cost transaction belongs. If burden multipliers aren't defined for the organization, then the process checks if multipliers are defined for any of the parent organizations in the hierarchy. If burden multipliers don't exist for the organization or any of the parent organizations, then the expenditure isn't burdened.

13. The application calculates burden cost and burdened cost amounts according to the following calculation formulas:

   ○ For additive burden structures, burden cost equals raw cost multiplied by a burden multiplier.

     burden cost = raw cost * burden multiplier
   ○ For precedence burden structures, burden cost equals the sum of raw cost and preceding burden costs multiplied by a burden multiplier.

     burden cost = (raw cost + preceding burden cost) * burden multiplier
   ○ Burdened cost equals the sum of raw cost and burden costs.

     burdened cost = raw cost + burden cost

Burdened Cost Calculation

The burden structure assigned to the burden schedule version determines whether calculations are additive or based on the precedence assigned to each cost code. A burden structure can be additive or precedence based.

If you have multiple burden cost codes, an additive burden structure applies each burden cost code to the raw costs in the appropriate cost base. The examples in the following tables illustrate how burdened cost is calculated as a combination of raw and burden costs and how different burden structures using the same cost codes can result in different total burdened costs.

The following table lists the cost codes and multipliers for calculating burdened cost using the additive burden structure.

Cost Code	Precedence	Multiplier
Overhead	1	0.10
Material Handling	1	0.10

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Cost Code	Precedence	Multiplier
General Administrative Costs	1	0.10

The following table describes an example of calculating the burdened cost using the additive burden structure for an expenditure item that is not rate based.

Cost Type	Calculation	Amount
Raw Cost	Not Applicable	1000.00
Overhead	1000.00 * 0.10	100.00
Material Handling	1000.00 * 0.10	100.00
General Administrative Costs	1000.00 * 0.10	100.00
Burdened Cost	1000.00 + 100.00 + 100.00 + 100.00	1300.00

A precedence burden structure is cumulative and applies each cost code to the running total of the raw costs, burdened with all previous cost codes. The calculation applies the multiplier for the cost code with the lowest precedence number to the raw cost amount.

The calculation applies the cost code with the next lowest precedence to the subtotal of the raw cost plus the burden cost for the first multiplier. The calculation logic continues in the same way through the remaining cost codes. If two cost codes have the same precedence number, then both are applied to the same subtotal amount.

The following table lists the cost codes and multipliers for calculating burdened cost using the precedence burden structure.

Cost Code	Precedence	Multiplier
Overhead	10	0.10
Material Handling	20	0.10
General Administrative Costs	30	0.10

The following table describes an example of calculating the burdened cost using the precedence burden structure for an expenditure item that is not rate based.

Cost Type	Calculation	Amount
Raw Cost	Not Applicable	1000.00

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Cost Type	Calculation	Amount
Overhead	1000.00 * 0.10	100.00
Material Handling	(1000.00 + 100.00) * 0.10	110.00
General Administrative Costs	(1000.00 + 100.00 + 110.00) * 0.10	121.00
Burdened Cost	1000.00 + 100.00 + 110.00 + 121.00	1331.00

The order of the burden cost codes has no effect on the total burdened cost with either additive or precedence burden structures.

Related Topics
- Recalculate Burden Costs

Recalculate Burden Costs

When you perform certain actions on a project that's enabled for burdening, you need to recalculate the existing burden costs.

Let's say that you change the multiplier on an organization's burden schedule version. All of the existing transactions that are associated with that organization need to be recalculated.

The conditions that require burden cost recalculation are:

- You updated a previously built burden schedule.
- You built an actual burden schedule version to replace a provisional burden schedule version.
- You modified the version dates such that the transactions for which burden is calculated using existing version no longer fall within the new version dates.
- You have previous unprocessed adjustments on transactions.
- An error occurs during the process.

Recalculate the costs for a burden schedule version.

1. In the Costs work area, click the Manage Burden Schedule task.
2. On the Manage Burden Schedules page, select the burden schedule.
3. Click the Recalculate Burden Costs button. The Recalculate Burden Costs process initiates the Import Costs process to create expenditure items and cost distribution lines for the eligible transaction. In case of separate line burdening, you must also run the Generate Burden Costs process after recalculating the burden costs.
4. Review the Recalculate Burden Cost output report and the Import Costs output report. If any transactions were excluded from the recalculation, fix the conditions and recalculate again.

Related Topics
- Considerations when Editing Burden Schedule Multipliers

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Examples for Additive and Precedence Burden Structures

A burden structure can be additive or precedence based. If you have multiple burden cost codes, an additive burden structure applies each burden cost code to the raw cost in the appropriate cost base.

A precedence burden structure is cumulative and applies each cost code to the running total of the raw cost, burdened with all previous cost codes. You assign the multiplier on the burden schedule that Oracle Fusion Project Costing uses to perform the cost buildup for each detailed transaction.

Additive Burden Structure

Create an additive burden structure to apply each burden cost code assigned to a cost base using the same precedence when calculating burden costs. The following table describes an example of calculating burdened cost using an additive burden structure.

Cost Code	Precedence	Multiplier	Formula	Amount (USD)
Raw Cost	0	0	0	100.00
Overhead	1	0.50	0.50 * 100.00	50.00
Fringe Benefits	1	0.30	0.30 * 100.00	30.00
General and Administrative	1	0.20	0.20 * 100.00	20.00
Burdened Cost	0	0	0	*200.00*

Precedence Burden Structure

The following table lists an example which explains how each burden cost code assigned to a cost base is applied to raw costs.

Cost Code	Precedence	Multiplier	Formula	Amount (USD)
Raw Cost	0	0	0	100.00
Overhead	10	0.50	0.50 * 100.00	50.00
Fringe Benefits	20	0.30	0.30 * 150.00	45.00
General and Administrative	30	0.20	0.20 * 195.00	39.00

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Cost Code	Precedence	Multiplier	Formula	Amount (USD)
Burdened Cost	0	0	0	*234.00*

Considerations for Burden Cost Options for Project Types

Burdening is a method of applying one or more burden cost components to the raw cost amount of each individual transaction to calculate burden cost amounts. Use project types to control how burden transactions are created and accounted.

If you enable burdening for a project type, you can choose to account for the individual burden cost components or the total burdened cost amount.

The following graphic illustrates the burden cost accounting options for project types.
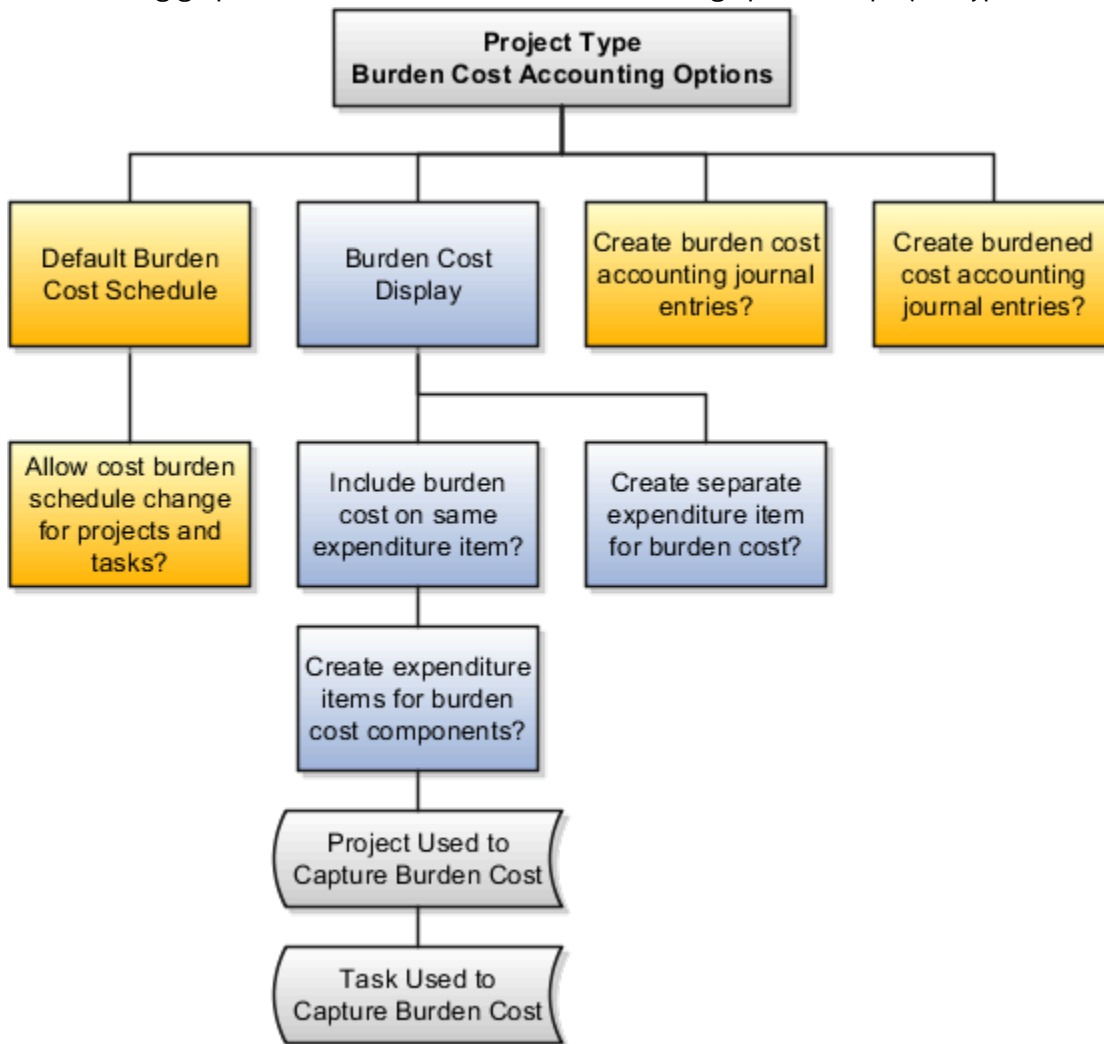
You specify the following options when setting up burdening options for project types.

- Default Cost Burden Schedule
- Allow Cost Burden Schedule Change for Projects and Tasks
- Include Burden Cost on Same Expenditure Item

    ○ Create Expenditure Items for Burden Cost Components

- Create Separate Expenditure Item for Burden Cost
- Create Burden Cost Accounting Journal Entries
- Create Burdened Cost Accounting Journal Entries

Default Cost Burden Schedule

If you enable burdening for the project type, you must select the burden schedule to use as the default cost burden schedule for projects that are defined with this project type.

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Allow Cost Burden Schedule Change for Projects and Tasks

Enable this option to allow a change of the default cost burden schedule when entering and maintaining projects and tasks. Don't enable this option if you want all projects of a project type to use the same schedule for internal costing.

Include Burden Cost on Same Expenditure Item

Enable this option to include the burden cost amount in the same expenditure item. You can store the total burdened cost amount as a value with the raw cost on each expenditure item. Oracle Fusion Project Costing displays the raw and burdened costs of the expenditure items on windows and reports.

If you include burden cost amounts on the same expenditure item, but want to see the burden cost details, enable the option to create expenditure items for each burden cost amount on an indirect project and task.

Create Separate Expenditure Item for Burden Cost

Enable this option to account for burden cost amounts as separate expenditure items on the same project and task as the raw expenditures. The expenditure items storing the burden cost components are identified with a different expenditure type that's classified by the expenditure type class Burden Transaction. Oracle Fusion Project Costing summarizes the cost distributions to create burden transactions for each applicable burden cost code. The most important summarization attributes are project, lowest task, expenditure organization, expenditure classification, supplier, project accounting period, and burden cost code.

Create Burden Cost Accounting Journal Entries

Indicate whether to create an entry for the burden cost amount.

If burdened costs are calculated for reporting purposes only, and you don't want to interface burdened costs to the general ledger, you can disable the creation of accounting journal entries. If you select this option, only the burden cost, which is the difference between the burdened cost and raw cost, is interfaced to general ledger.

Create Burdened Cost Accounting Journal Entries

Indicate whether to account for the total burdened cost amount of the items. You typically use this option to track the total burdened cost amount in a cost asset or cost work-in-progress account.

The burdened cost is the sum of raw and burden costs. Therefore, selecting this option may result in accounting for raw cost twice. For example, assume that the raw cost of an item is 100 USD, the burden cost is 50 USD, and the burdened cost is 150 USD. When the application creates a journal entry for 150 USD, it accounts for the 100 USD that was already accounted for as raw cost, plus the 50 USD burden cost.

Burden Cost Calculations Test

Test burden cost calculations to view a breakdown of the total burdened cost for a specific project transaction and to verify your burden structure and burden schedule implementation.

The test emulates an actual burden cost transaction for a set of criteria consisting of the project, task, burden schedule, expenditure type, expenditure organization, raw cost, quantity, and transaction date.

The application uses the burden schedule that you specify as burden cost criteria to calculate burden amounts. If you specify a project as burden cost criteria, and you don't specify a task or burden schedule, then the application uses the

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burden schedule on the project. If you specify a project and task, and you don't specify a burden schedule, then the application uses the burden schedule on the task.

Test burden cost calculations to:

- Verify that the amounts for each burden cost code and for the total burdened cost are calculated correctly according to the specified criteria.

- Confirm that the correct schedule is used for the given project and task.

- Confirm that the desired burden cost codes and rates are used for the organization and expenditure type.

FAQs for Overhead Costs to Projects

What's the difference between allocation and burdening?

Both allocation and burdening are related to expenditure item costs. Allocation uses actual amounts from sources such as project sources, ledger sources, and fixed amount source to provide the source pool amount. Allocation generation apportions these source pool amount to target projects and tasks.

Burdening uses a set of estimated burden multipliers to increase the total cost amount of expenditure items. This fixed percentage is an estimate of the indirect or burden costs associated with the raw costs for each expenditure item.

Allocations and burdening aren't mutually exclusive; you can use both. Whether your company uses allocations, burdening, or both in a particular situation depends on how your company works and how you have implemented Oracle Fusion Project Costing.

How can I charge burden cost to a task in another project?

You can charge burden cost to a task in another project by selecting to create separate expenditure items for burden cost components and by specifying the target project and task where you define burden options for a project type.

How can I correct burden costs?

Recalculate the burden cost of an expenditure item or a group of expenditure items if the burdened cost amount is incorrect.

To produce correct recalculation results, you must first correct the source of the problem before redistributing the items. You must verify burden setup details, such as the burden structure, burden multiplier in burden schedule, and burden schedule at the project or task level. After changing the burden setup, identify and mark the impacted expenditure items for recalculating the burden cost amount and then perform the adjustment.

Related Topics
- Recalculate Burden Costs

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What happens to processed expenditure items when I add a project or task burden schedule override?

If you change the burden schedule for a lowest-level task with processed expenditure items, then the expenditure items aren't automatically marked for reprocessing.

Only new expenditure items charged to the task use the new burden schedule. You can mark the expenditure items for recalculation and reprocess using the new burden schedule assigned to the task. You can manually adjust the expenditure items to recalculate the burden cost amounts by using the new burden schedule assigned to the task and then reprocessing the expenditure items.

What happens to the existing expenditure items if I rebuild a burden schedule version?

When you rebuild burden schedules and recalculate burden cost amounts, Oracle Fusion Project Costing identifies the existing transactions that are impacted by the adjustments and marks the transactions for reprocessing.

For example, if the multiplier for an organization and the burden cost code change, all transactions that are charged to an expenditure type associated with the burden cost code in that organization are marked for reprocessing. The adjustments are processed and burden costs are updated.

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4 Project-Driven Supply Chain

Overview of Project-Driven Supply Chain

Project managers and project accountants can use the Project-Driven Supply Chain solution to manage the costs of the supply chain processes in the context of projects without creating separate organizations for each project.

The integration of Oracle Project Portfolio Management and Oracle Supply Chain enables supply chain products to support project attributes, which allows the capture of supply chain costs as project expenditures. Project Number and Task Number are available to segregate and value the inventory, and support project-specific transactions that are based on rules in the Supply Chain Materials Management and Inventory Organization.

Project attributes are also added to supply chain execution documents such as purchase requisition, purchase order, sales order, transfer order, and manufacturing and maintenance work order. These project-specific execution documents follow the business rules that are defined for the project. Any transactions associated with these documents that create a commitment or actual cost to the project are captured with the project attributes to ensure that these costs are posted as expenditures to the project.

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Here is an illustration that explains how the project-driven supply chain solution works.
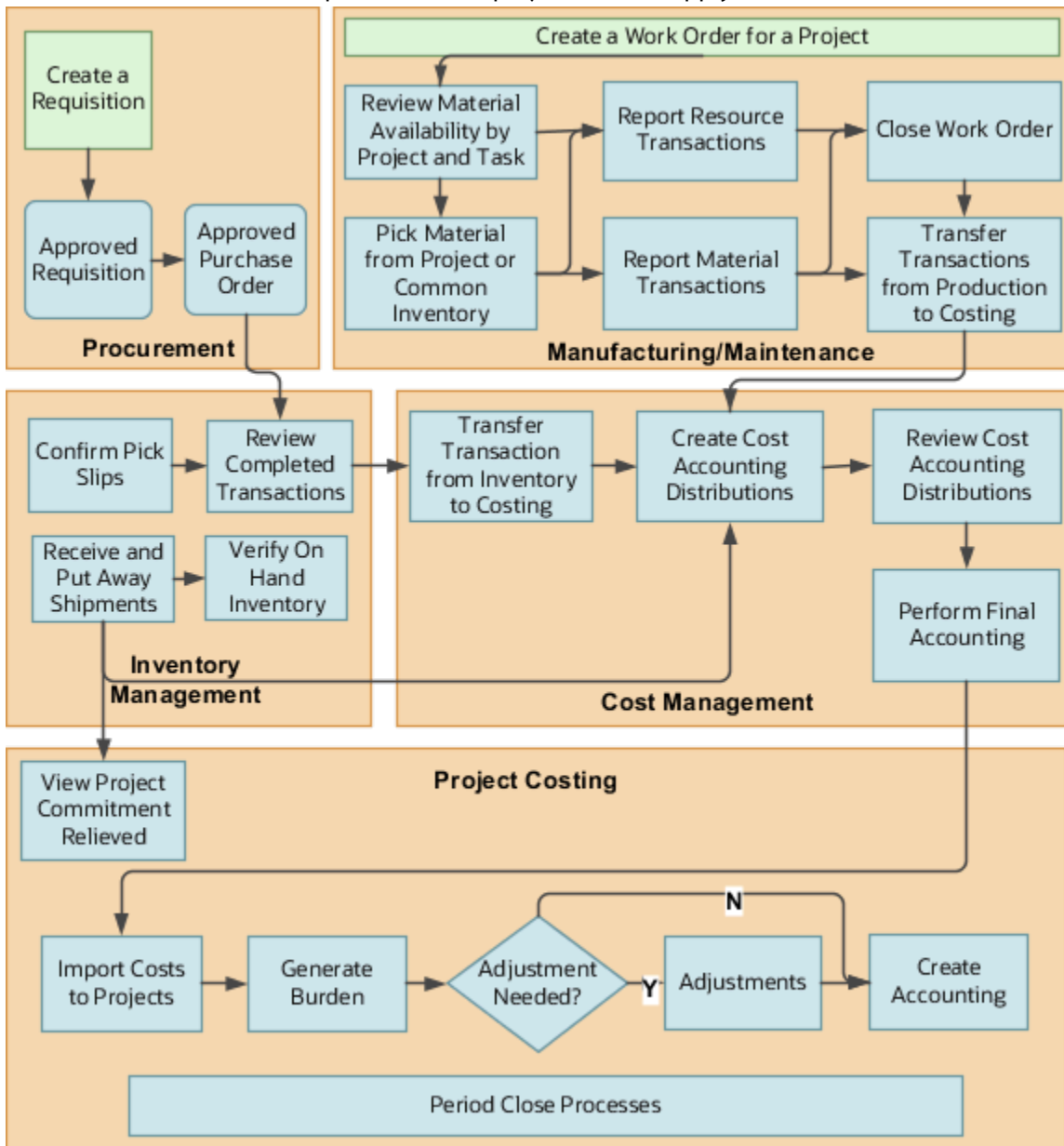
Here's the list of set up tasks in Project-Driven Supply Chain along with a brief description.

Set Up Task	Is This Mandatory?	Description
Opt in the Project-Driven Supply Chain feature	Yes	Enable the Project-Driven Supply Chain feature by opting in via the Manufacturing and Supply Chain Materials Management offering.
Enable inventory tracking by project	Yes	Enable projects integration on individual inventory organizations via the Manage Inventory Organizations task under the Manufacturing and Supply Chain Materials Management offering.

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Set Up Task	Is This Mandatory?	Description
		Materials management transactions and manufacturing transactions will gather the project details. Ensure that the organization is classified as project expenditure organization.
Set up the default expenditure types	Yes	Review and maintain the default expenditure types to use in supply chain transactions that support integration with projects
Manage orchestration process definitions	Yes	Prevent Order Management from sending order lines that include project details to Receivables.

Here's the list of project costing specific tasks in Project-Driven Supply Chain along with a brief description.

Tasks	Is This Mandatory?	Description
Review approved commitments	No	Review approved requisition , purchase order, and transfer order project commitments.
Perform adjustments	No	Perform adjustments on one or more expenditure items.
Manage accounting	No	Review and validate accounting entries based on the settings for your accounting and project accounting periods, and the source accounting lines of debit and credit events.
Manage burdening	No	Review the raw cost, burden cost, and burdened cost of each transaction. Create accounting for burden costs even when raw costs are accounted in a third-party application. Create and track accounting independently for raw costs, burden cost, and burdened cost.

Capture Purchase Order Costs in Projects

Create a purchase order with project inventory as the destination to capture the cost of the inventory item and send it to Oracle Project Costing, so that a project accountant can have an accurate view of the project's actual costs.

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Here are the steps you need to perform:

1. Run the **Update Project Performance Data** process to review the committed costs for requisitions on the **Manage Committed Costs** page.
2. Import the approved purchase orders into Oracle Project Costing using the **Import Costs** process with the transaction source set as **Purchase Receipt** after the item is shipped and the transaction is accounted and costed in Oracle Cost Management.
3. After importing the transactions, you can view them on the **Manage Project Costs** page when you filter by **Document = Purchase Receipt** and **Transaction Source = Oracle Cost Management**.
4. Then, add the **Purchase Order**, **Distribution Line**, **Supplier**, and **Receipt Number** references as columns via the **View** menu on the **Manage Project Costs** page to identify the transaction source.
5. You can view these references on the **Manage Unprocessed Costs** page.
6. You can search by Purchase Order or Receipt Number on the **Manage Cost Distribution** page.

Project accountants and project managers can open the expenditure item to view the complete transactions details, including the source document. Adjust one or more expenditure items using the Actions menu on the Manage Projects page. Adjustments you perform in Oracle Project Costing won't be reflected in the source supply chain transaction.

Optionally, you can perform intercompany, burden and cost allocation business functions on expenditures items incurred from supply chain activities. You can also view and adjust these transactions in the Manage Cost Distributions task, and resolve any cost exception using the Manage Unprocessed Costs task.

Considerations for Capturing Purchase Order Costs in Projects

- The expenditure item date of the purchase order is the shipment date.

- You can't perform reverse type of adjustments for purchase orders.

- Project Costing receives the cost of the item as defined in Cost Management.

- Project Costing doesn't support budgetary control for inventory destination type of purchase orders. Inventory destination type purchase orders are subjected to ledger control budgets and not to project control budgets.

- Project Costing supports budgetary control for expense destination type of purchase orders.

- Project Costing doesn't support billing by material item and service item.

- You can't delete a project task that has a purchase order.

- You can't move or copy existing tasks or directly create subtasks under a task that has a purchase order.

Capture Transfer Order Costs in Projects

Capture project attributes on a transfer order to transfer project-specific material that can be sourced from common inventory or project inventory to meet project requirements.

Track the cost of the material received to the project, perform budget versus actual analysis, and capitalize the cost of the investment.

Project accountants and project managers can track commitments for internal material transfer orders and requisitions with inventory or expense destinations. Once the item is received, the committed costs are relieved and can be seen in Project Costing as actual cost after running Import Costs.

Here are the steps you need to perform:

1. Run the **Update Project Performance Data** process to review the committed costs for requisitions and transfer orders on the **Manage Committed Costs** page.
2. Import the transfer orders into Oracle Project Costing using the **Import Costs** process with the transaction source set as **Oracle Fusion Cost management** after the item is shipped and the transaction is accounted and costed in Oracle Cost Management.
3. After importing the transactions, you can view them on the **Manage Project Costs** page when you filter by **Document = Transfer Order Delivery** and **Transaction Source = Oracle Fusion Cost Management**.
4. Then, add the **Transfer Order Number**, **Shipment Number**, and **Cost Element** references as columns via the **View** menu on the **Manage Project Costs** page to identify the transaction source.
5. You can view these references on the **Manage Unprocessed Costs** page.
6. You can search by Transfer Order Number or Shipment Number on the **Manage Cost Distribution** page.

Project accountants and project managers can open the expenditure item to view the complete transactions details, including the source document. You can perform one or more adjustments on one or multiple expenditure items using the action menu on the Manage Project Costs page. Adjustments you perform in Oracle Project Costing won't be reflected in the source supply chain transaction.

Optionally, you can perform intercompany, burden and cost allocation business functions on expenditures items incurred from supply chain activities. You can also view and adjust these transactions in the Manage Cost Distributions task, and any cost exception can be resolved using the Manage Unprocessed Costs task.

Considerations for Capturing Transfer Order Costs in Projects

- The expenditure item date of the transfer order is the shipment date.

- You can't perform reverse type of adjustments for transfer orders.

- Project Costing receives the cost of the item as defined in Cost Management.

- Project Costing doesn't support budgetary control for inventory destination type of transfer orders. Inventory destination type purchase orders are subjected to ledger control budgets and not to project control budgets.

- Project Costing supports budgetary control for expense destination type of transfer orders.

- Project Costing doesn't support billing by material item and service item.

- You can't delete a project task that has a transfer order.

- You can't move or copy existing tasks or directly create subtasks under a task that has a transfer order.

Capture Sales Order Issues in Projects

You can capture project details on sales orders to enable tracking the cost of goods shipped from common inventory to a project.

Here are the steps you need to perform:

- Import Sales Order Issue transactions into Oracle Project Costing using the **Import Costs** process after the item is shipped and the transaction is accounted for in Cost Management.

- After importing the transaction, you can add the **Sales Order Number** and **Shipment Number** references to identify the transaction source via the **View** menu on the Manage Project Costs page.

- You can then view these transactions on the **Manage Unprocessed Costs** page.

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- You can search by Sales Order Number or Shipment Number on the **Manage Cost Distribution** page as well.

Project accountants can open the expenditure item to view the complete transactions details, including the source document.

Points to Consider

Here are a few points to note about this feature:

- The expenditure item date of the sales order issue transaction is the shipment date.

- Project Costing receives the cost of the item as defined in Manufacturing Costing.

- Project Costing doesn't support billing by material item and service item.

- Drop shipments and back to back processing of project sales order lines aren't supported.

Capture Manufacturing and Maintenance Work Order Costs in Projects

Capture project attributes on a work order so that you can track the cost of the material and resources used in the product completion or maintenance activities against a project.

Import project related transactions and perform budget versus actual analysis, and invoice your customer based on the percentage of completion or milestones achieved.

Here are the steps you need to perform:

1. Run the **Update Project Performance Data** process to review the committed costs assigned to requisitions, purchase orders, or transfer orders with work order destination on the **Manage Committed Costs** page.
2. Import the work orders into Oracle Project Costing using the **Import Costs** process with the transaction source set as **Oracle Fusion Cost management** after the transaction is costed and accounted in Oracle Cost Management.
3. After importing the transactions, you can view them on the **Manage Project Costs** page when you filter by **Document = Manufacturing Work Order** or **Maintenance Work Order**and **Transaction Source = Oracle Fusion Cost Management**.
4. Then, add the **Work Order Number**, **Resource**, **Inventory Transaction**, **Resource Transaction**, and **Resource Instance references** as columns via the **View** menu on the Manage Project Costs page to identify the transaction source.
5. You can view these references on the **Manage Unprocessed Costs** and **Manage Cost Distribution page** .

Project accountants and project managers can open the expenditure item to view the complete transactions details, including the source document. You can perform one or more adjustments on one or multiple expenditure items using the action menu on the Manage Project Costs page. Adjustments you perform in Oracle Project Costing won't be reflected in the source supply chain transaction.

Optionally, you can perform intercompany, burden and cost allocation business functions on expenditures items incurred from supply chain activities. You can also view and adjust these transactions in the Manage Cost Distributions task, and resolve any cost exception using the Manage Unprocessed Costs task.

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Considerations for Capturing Manufacturing and Maintenance Work Order Costs in Projects

- You can't perform reverse type of adjustments for work orders.

- By default, transaction control validations won't be performed during the Import Costs process, but you can enable work order documents to revalidate transactions during import if required.

- Project Costing receives the cost of the item as defined in Cost Management.

- Project Costing doesn't support budgetary control for work orders.

- Project Costing doesn't support billing by material item and service item.

- You can't delete a project task that has a work order.

- You can't move or copy existing tasks or directly create subtasks under a task that has a work order.

Forecasting and Reporting on Supply Chain Transactions with Multiple Cost Distributions

Oracle Projects tracks actual quantities on project-related item-cost or resource-cost transactions that have multiple cost distributions in Supply Chain Management as a group. This enables forecasting and reporting on project tasks and resources using transaction quantity, in addition to cost amounts.

Project-related supply chain costs that have multiple cost distributions in Fusion Cost Management are imported in Projects as multiple project cost transactions but are treated as a group. The grouping is based on the inventory cost distribution layer identifier for the applicable cost distributions in Fusion Cost Management. Only one of the project cost transactions in the group, either a material or resource cost, displays the quantity value. All other transactions in the group will have a quantity value of zero. The Source Transaction Quantity attribute continues to capture the quantity value for all the transactions in the group. Because the quantity information is saved at the group level, forecasting and reporting is more accurate. At the same time, you can view the quantity information associated with each project cost transaction individually.

Here's an example to illustrate how grouping and quantity tracking happens.

Projects imports a project-related supply chain cost for the item Cable, which has a cost component for Material and Overheads. Fusion Cost Management creates cost distributions for every cost element, and Projects imports multiple cost distributions as individual project cost transactions (See table below.) Fusion Cost Management uses the inventory cost distribution layer identifier to track inventory depletion, or Projects uses transaction receipts to group these cost distributions from Fusion Cost Management. The Source Distribution Layer Reference attribute denotes this grouping identifier. The quantity information is then captured against only a Material or Resource cost transaction in the group. Other transactions in the group are updated with a zero-quantity value, while the attribute Source Transaction Quantity continues to capture the quantity for each transaction. The Source Transaction Type denotes the inventory transaction type associated with the group.

Here's a table depicting how the the Source Transaction Type, Source Transaction Quantity, and Source Distribution Layer Reference columns appear in the Manage Project Costs page:

Transaction Number	Project Number	Task Number	Inventory Item	Expenditure Type	Quantity	Source Transaction Quantity	Source Transaction Type	Source Distribution Layer Reference
7234500	PDSC-TEST-001	1.2.2	Cable	Material	3	3	Miscellaneous Receipt	12345
7234501	PDSC-TEST-001	1.2.2	Cable	Overhead	0	3	Miscellaneous Receipt	12345
7234502	PDSC-TEST-001	1.2.2	Cable	Overhead	0	3	Miscellaneous Receipt	12345

Select and add the Source Transaction Quantity, Source Distribution Layer Reference and Source Transaction Type columns to the transaction list view of the Manage Unprocessed Costs, Manage Cost Distributions, and Manage Project Costs pages in the Project Costing and Project Management work areas to identify and manage supply chain costs that have multiple cost distributions.

Adjustments to Imported Supply Chain Transactions with Multiple Cost Distributions

When you perform quantity-based adjustments, such as Split, Split and Transfer, and Transfer, on any project-based supply chain cost that is part of a group, the adjustment impacts all project cost transactions in the group. Any quantity-based adjustment to such transactions result in an update to the Source Transaction Quantity and Quantity values. The Split, Split and Transfer and Transfer adjustment pages notify you of the impact if you attempt to adjust such transactions. These pages also display the list of transactions related to the group that will be impacted as part of the adjustment. If you perform adjustments to such transactions, any attempt to reconcile quantity balances with the source application must always consider the quantity information across all adjustments made.

Non-quantity adjustments, such as adjusting billable and capitalizable values, and applying and releasing holds to invoices and revenues, are allowed at the individual transaction level.

Billing Imported Supply Chain Transactions with Multiple Cost Distributions

The application includes all zero and non-zero-quantity transactions that meet the invoicing eligibility criteria for invoicing. It also includes transactions in the invoice line distributions for amount-based invoices based on the transactions' billable or non-billable status. Rate-based billing does not apply to zero-quantity transactions.

Planning and Forecasting for Inventory Items that Require Multiple Cost Transactions

The application rationalizes quantities across project cost transactions in a group to reflect actual quantities as recorded in the supply chain activities. This enables you to review planned vs actual figures and use accurate quantity information to reliably forecast requirements for supply chain inventory items that are planned on your project.

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Reporting on Supply Chain Transactions with Multiple Cost Distributions

The following OTBI Subject Areas of Project Costing offer Source Transaction Quantity, Source Transaction Type, and Source Distribution Layer Identifier attributes that enable you to view quantity-related information associated with project-based supply chain costs.

- Actual Cost Real Time

- Expenditure Items Performance Real Time

- Unprocessed Transactions Real Time

- Projects Cross Subject Area Analysis - Cross Transaction Measures

REST API for Managing Supply Chain Transactions with Multiple Cost Distributions

Use the Source Transaction Quantity, Source Transaction Type, and Source Distribution Layer Identifier attributes in the Project Costs and Unprocessed Project Costs REST APIs to manage supply chain transactions that have multiple cost distributions.

Considerations for Managing Supply Chain Transactions with Multiple Cost Distributions

- If you define the PJC_ZERO_QTY_NONBILL profile, the zero quantity transactions in the group of project-based supply chain costs will be marked non-billable during import and adjustments. You can update the billable information of the applicable project cost transactions only at the transaction level manually.

- When updating expenditure types on supply chain-based project cost transactions belonging to a group, it is recommended to make changes or updates with the expenditure type of the same nature: from rate-based expenditure type to rate-based expenditure type or non-rate-based to non-rate-based expenditure type.

- Split and Split-and-Transfer adjustments are not supported for supply chain-based project costs that involve acquisition cost adjustments such as invoice price variances.

- Equal quantity adjustments for supply chain-based project costs belonging to a group are supported only for Split-and-Transfer adjustments. For example, if you want to split an applicable transaction with a quantity of 100 at 50% and later transfer this to a different project and task, we recommend that you use the Split and Transfer adjustment type instead of performing a split or transfer individually.

How can I perform budgetary control and encumbrance accounting for my transactions?

You can perform budgetary control for both raw costs and burden costs and perform encumbrance accounting for burden costs on project transactions.

Use the Manage Budgetary Control or Manage Encumbrance Accounting task from the Setup and Maintenance work area to enable budgetary control.

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The project accounting business function requires that you enable budgetary control for a business unit before enabling encumbrance accounting.

How can I perform budgetary control for project-specific procurement for an inventory or work order destination?

Oracle Projects enables you to check for funds availability, reserve funds against control budgets, and account for encumbrances, if applicable, when procuring material to an inventory destination for sponsored or non-sponsored projects.

You have this ability even when procuring material directly to a work order destination from a project-specific manufacturing or maintenance work order.

Use project-specific requisitions created with an inventory or work order destination, as well as back-to-back requisitions, to reserve funds as commitments against projects or chart of account-based control budgets, or both, when budgetary control is enabled for these transaction types. These funds can include both raw (requisition cost) and related burden costs.

When you review a requisition in Procurement, you can check whether funds have been reserved for the requisition and associated requisition lines. You can also see the destination of the requisition and project costing details, such as the project number, budget date, and so on.

When you perform budgetary controlled validation on purchase orders created independently or from such requisitions, you can see whether funds are reserved for them as an obligation. Liquidation of reserved funds on a requisition happens when the requisition turns into a purchase order. Payables invoices do not play a part in this process. The funds status on the purchase order is updated throughout the procurement lifecycle until the costs have been imported into Project Costing.

The inventory receipt and costing of items for such purchase orders are not budgetary controlled in Receipt Accounting or Cost Management. It is at the time of importing the purchase order related inventory costs from Supply Chain Cost Management into Project Costing that the purchase order obligation is liquidated, and the inventory costs reserved as project expenditures. This includes raw (inventory) costs and related burden costs. If the burden schedule associated with the project has been updated with new rates between purchase order creation and the import of inventory costs into Projects, the revised burden rates will be used to reserve the funds. Project Costing will also liquidate the raw and burden costs originally reserved against the purchase order.

Use the **Budgetary Control Analysis Report** to view control budget balances for non-sponsored projects, and the Manage Awards page to view control budget balances for sponsored projects.

Here's an image displaying the requisition, purchase order, and project cost created for the purchase order inventory receipt, denoted in the image as Project Expenditure, which is our project cost.

Account Balances

Project	Task	Resource	Budget Period	Initial Budget
Build Substation Area			PRD_01-01	380,6

Account Activities

Transaction Type	Transaction Action	Transaction Number	Budget Date	Balance Type	Transaction Account	Tra Am
Purchase order	Approve purchase order	238	2023-09-27	Obligation	0001-0000-0000-8 440-000000-0000	
Purchase order	Approve purchase order	238	2023-09-27	Commitment	0001-0000-0000-8 440-000000-0000	
Purchase order	Approve purchase order	238	2023-09-27	Commitment	0001-0000-0000-8 440-000000-0000	
Purchase order	Approve purchase order	238	2023-09-27	Obligation	0001-0000-0000-8 440-000000-0000	
Requisition	Approve requisition	313	2023-09-27	Commitment	0001-0000-0000-8 440-000000-0000	
Requisition	Approve requisition	313	2023-09-27	Commitment	0001-0000-0000-8 440-000000-0000	
Project expenditure	Validate project expenditure for an inventory receipt	7974867	2023-09-27	Expenditure		
Project expenditure	Validate project expenditure for an inventory receipt	7974867	2023-09-27	Obligation		
Project expenditure	Validate project expenditure for an inventory receipt	7974867	2023-09-27	Obligation		
Project expenditure	Validate project expenditure for an inventory receipt	7974867	2023-09-27	Expenditure		

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The Budget Control Analysis Report enables you to identify the stage in the lifecycle of a supply-chain-related project cost at which the requisition becomes a purchase order, and the commitment becomes an obligation, and on receipt, a project cost. This report enables you to track when a requisition was made, when the funds were reserved, when the requisition was approved, and so on. For example, the report shows that when a requisition gets approved, related funds get reserved, and the requisition creates a commitment. You can then see how, at the Purchase Order stage, the commitment gets liquidated, and the purchase order amount becomes reserved as an obligation until goods are received and payment made. The obligation is then liquidated, and a project cost is created.

Customers who are working on sponsored projects and are using these features can view similar details in the Grants Management > Awards > Manage Awards > Award page.

Note: Payables invoices associated with project-specific purchase orders with inventory and work order destinations are not applicable for budgetary control validation. Invoice variances, if any, will be budgetary controlled by the Import Costs process in Project Costing when the acquisition adjustment costs are imported from Supply Chain Cost Management. Payables Invoices now display project attributes at the invoice line and distribution levels for invoices matched to project-specific purchase orders

If encumbrance accounting is enabled for the relevant business function and transaction subtypes, then accounting and liquidation of the encumbered raw and burden costs is done when creating accounting for the requisition, purchase order, receipt accounting, and project costs.

Returns, cancellations, and other adjustments on project-specific purchase orders to an inventory or work order destination and back-to-back orders are budgetary controlled. Applicable encumbrances are also accounted.

Funds that the Project Costing subledger reserved at the time of importing purchase order costs from the Supply Chain Cost Management application might differ from the accounted encumbrances on the same transaction. This is because the Supply Chain Cost Management application could have imposed item cost overheads, resulting in additional costs to the originally encumbered purchase order costs. Funds reservation in Project Costing will be based on these actual costs received from the Supply Chain Cost Management application.

Tips and Considerations

Here are a few tips and considerations that you must keep in mind while using this feature:

Budgetary Control

- Transaction subtypes that support budgetary control and account encumbrances for a project-specific procurement to an inventory or a work order destination and back-to-back orders are enabled by default for newly created business units and ledgers that are enabled for budgetary control. These transaction subtypes will remain disabled for business units and ledgers that were enabled for budgetary control before these subtypes were created. They will have to be manually enabled if you would like to have budgetary control and account encumbrances for project-specific procurement to an inventory or work order destination and back-to-back orders.

- To successfully budgetary control and account encumbrances for a project-specific procurement that involves use of both requisitions and purchase ordersto an inventory or a work order destination and back-to-back orders, you must enable the budgetary control transaction subtypes for both the Requisitioning and Procurement business functions. Failure to enable these subtypes for both the business functions will result in funds being reserved or liquidated incorrectly.

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Requisitions

Project-specific requisitions for inventory or work order destination as well as back-to-back requisitions created before enabling budgetary control or encumbrance accounting for requisition transaction subtypes will remain not applicable for budgetary control and encumbrance accounting. Once you enable these transaction subtypes for the requisitioning business function, only new requisitions will be subject to budgetary control and encumbrance accounting.

Purchase Orders

Project-specific purchase orders for inventory or work order destination, as well as back-to-back purchase orders created before budgetary control is enabled for these transaction subtypes, will continue being excluded from budgetary control and encumbrance accounting throughout their fulfillment cycle. Once budgetary control for these transaction types is enabled for existing inventory or work order destination purchase orders, the changes listed below will trigger budgetary control and encumbrance accounting.

- Changes to account, project, or budget date

- Addition of back-to-back or project-specific lines, schedules, or distributions

Receipt Accounting and Cost Management

- Verify that the journal sources for cost accounting and receipt accounting are displayed in the Budgetary Control Journal Exceptions section, under the Ledger Options region in the Edit Budgetary Control and Encumbrance Accounting page. Add these sources if they have not been previously included.

- The encumbrance liquidation of raw (purchase order) costs will be done by the Receipt Accounting subledger using the following transaction types:

Transaction Flow	Transaction Type
Delivery of Receipt into Inventory	Delivery to Inventory Destination
Delivery of Receipt into Work Order	Delivery to Work Order Destination
Correction to Delivery Event	Correction to Deliver for Inventory
	Correction to Deliver for Work Order
Return to Receiving	Return to Receiving for Inventory
	Return to Receiving for Work Order
Price update on Inventory Purchase Order	Cost Adjustment - PO Price Update for Inventory Destination
Price update on Work Order Purchase Order	Cost Adjustment - PO Price Update for Work Order Destination

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- Encumbrance liquidation of raw costs due to price update to a purchase order is done only for the uninvoiced receipt quantities in Receipt Accounting using the transaction types **Cost Adjustment - PO Price Update for Inventory Destination** and **Cost Adjustment - PO Price Update for Work Order Destination**.

- To successfully reserve funds for invoice variance costs in projects for project-specific purchase orders to an inventory and work order destination, disable the profile option to **Exclude Invoice Variances from Cost Management**, if enabled.

- For description-based purchase orders without item reference and to a work order destination, the encumbrance liquidation and budgetary check will be done directly in receipt accounting using the **Delivery to Expense** transaction type.

Projects

- Project-specific purchase orders to an inventory or work order destination and back-to-back orders that were created prior to enabling the new transaction subtypes may exist. This can also include inventory receipts and returns. If these project costs are imported into the Project Costing subledger after enabling the new transaction subtypes, they will be subject to budgetary control in Project Costing. Funds reservation will happen in Project Costing for such scenarios irrespective of whether funds were originally reserved at the time of creating the purchase order or not. It is recommended you review and adjust your control budgets to allow for these reservations.

- Budgetary control, when enabled for this feature, is successful only for projects with project types that have not been enabled for exclusion from cost collection in the Manage Project Type Cost Exclusions task.

- The encumbrance liquidation of the purchase order raw costs will be done by Receipt Accounting, and that of burden costs associated with the purchase order by Project Costing. It is recommended that you run the relevant create distributions and accounting processes for each application without delay to ensure the encumbrances are accounted promptly.

Payables

- Before this feature, for budgetary control enabled ledgers, Payables reserved funds for invoice price variances in the applicable control budgets when the invoice was matched to project-specific purchase orders to an inventory destination. With this feature, Payables stops reserving funds for invoice price variances, and the reservation will instead be done by Project Costing. We recommend that you review your existing user-defined business flows that could be impacted by this change.

- When invoice price variances exist for project-specific purchase orders to an Inventory and Work Order destination, the funds status for such distributions will show as not applicable. These distribution lines are also not subject to further funds reservation at General Ledger.

- Before this feature, for capital projects or construction-in-process (CIP) projects, there was a possibility of capitalization or asset lines being created twice, once in Payables and again in Projects, if the accrual account is also an asset clearing account. With the project details being captured at Payables, this will no longer occur. It

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is recommended to review your existing user-defined business flows, if any, that could be impacted due to this change.

- View and report project details on payables invoice lines and distributions, available in the **Payables Invoices > Transactions Real Time** OTBI Subject Area.

Other

- Budgetary control for purchase orders related to outside processing services or contract manufacturing is not supported at this time.

- Budgetary control and encumbrance accounting is not supported for project-specific internal material transfer requisitions to an inventory destination.

FAQs for Project-Driven Supply Chain

How can I amend the project attributes on an open purchase order?

Create a change order to edit the project-related attributes in an open purchase order, and resubmit the document for approval.

If budgetary control is enabled, project funds checks, adjustments to funds reservations and encumbrance accounting are automatically handled based on the new values defined on the project related purchase order line.

5 Project Cost Adjustments

Overview of Reviewing and Adjusting Project Costs

Perform adjustments to your processed project costs and commitments after reviewing them in Oracle Fusion Project Costing.

You can review and adjust your cost transactions both before and after importing them to Oracle Fusion Project Costing.

Project Costs Adjustment Approval Workflow

By default, cost adjustments are automatically approved. If you want project costs adjustments to be approved by authorized users, you can configure the ApproveAdjustment adjustment approval workflow. This workflow is triggered when a user doesn't have adjustment approval privileges.

> **Note:** Some adjustments, such as a change in a comment on project cost, or an update account operation, don't trigger a workflow.

If you want to update the business rules associated with approval configuration, or configure the approval workflow to incorporate parallel approval, request your project application administrator to configure the ApproveAdjustment human task. The **Manage Task Configurations for Project Financial Management** task under Setup and Maintenance enables authorized users to update the adjustment approval workflow.

Supported Adjustment Types

Here are the cost adjustments that can trigger the ApproveAdjustment adjustment approval workflow:

> **Note:** The adjustment type codes are the lookup codes available for the lookup type PJC_ADJUSTMENT_TYPE.

Adjustment Type	Adjustment Type Code	Description
Hold invoice until released	BILL_HOLD	Hold a project cost from invoicing until removed.
Hold invoice once	ONE_TIME_HOLD	Hold a project cost from invoice once.
Hold revenue until released	REVENUE_HOLD	Hold a project cost from recognizing revenue until hold is removed.
Release invoice hold	REMOVE_BILL_HOLD	Remove a project cost from invoice hold.

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Adjustment Type	Adjustment Type Code	Description
Release revenue hold	REMOVE_REVENUE_HOLD	Remove a project cost from revenue hold.
Set to billable	BILLABLE	Set a project cost as billable.
Set to nonbillable	NON_BILLABLE	Set a project cost as nonbillable.
Set to capitalizable	CAPITALIZABLE	Set a project cost as capitalizable.
Set to noncapitalizable	NON_CAPITALIZABLE	Set a project cost as noncapitalizable.
Change work type	CHANGE_WORK_TYPE	Adjustment to change the project cost work type.
Split	SPLIT	Adjustment to split a project cost.
Transfer	TRANSFER	Adjustment to transfer a project cost.
Split and transfer	MULTI_SPLIT_TRANS	Split and transfer a project cost.

Privileges Required to Approve Project Costs Adjustment Approval Workflows

Each adjustment approval privilege provides the ability to approve specific adjustment requests. When users with these privileges make adjustments, the adjustment approval workflow isn't triggered.

Users with the following privileges can perform project cost adjustments without triggering the approval workflow:

Privilege	Description	Supported Adjustments
Approve Project Expenditure Item Billing Hold Change	Allows approval of billing hold on project costs.	• Hold invoice until released • Hold invoice once • Release invoice hold
Approve Project Expenditure Item Billing Status Change	Allows approval of project costs billing status change.	• Set to billable • Set to nonbillable
Approve Project Expenditure Item Capitalizable Status Change	Allows approval of project costs capitalizable status change.	• Set to capitalizable • Set to noncapitalizable
Approve Project Expenditure Item Revenue Hold Change	Allows approval of revenue hold on project costs.	• Hold revenue until released • Release revenue hold

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Privilege	Description	Supported Adjustments
Approve Project Expenditure Item Split and Transfer	Allows splitting and transferring of project costs.	Split and Transfer
Approve Project Expenditure Item Split	Allows approval of splitting project costs.	Split
Approve Project Expenditure Item Transfer	Allows approval of the transfer of project costs.	Transfer
Approve Project Expenditure Item Work Type Change	Allows approval of the work type change of project costs.	Change work type

Related Topics
- Workflows in Oracle Project Management

How Project Cost Adjustments are Processed

Project cost adjustments include expenditure item modifications that are required after you import project transactions into Oracle Fusion Project Costing.

For example, a project cost adjustment is needed if a transaction is incorrectly charged to a project or task. You can correct the transaction by performing an expenditure item adjustment of transferring the costs to a different project or task or changing cost or burden rates for the expenditure item. Oracle Fusion Project Costing adjusts the expenditure items and performs the related cost processing. You can review expenditure items and then perform various costing and billing adjustments.

Settings That Affect Project Cost Adjustments

The document entry option to allow adjustments determines if adjustments can be performed on the expenditure items created for that document entry.

How Adjustments Are Processed

Perform adjustments to recalculate cost or cross-charge amounts, recalculate currency conversions, change the billing status, or split the quantity and transfer the expenditure items to another project or task. You can perform one or more adjustments on one or multiple expenditure items. However, you can only perform one type of adjustment at a time, regardless of the number of expenditure items that will be impacted. Depending on your privileges, you either submit the adjustment for approval or approve adjustments and submit them for processing.

The application processes the expenditure items for the adjustment along with cost processing. The expenditure items go through the basic validation. Then, depending on the adjustment type, the expenditure items are run through the **Import and Process Cost Transactions** process.

The application rolls back the processing automatically for process validation errors such as those for pricing, accounting, period derivation, and for transaction control violations. For split and transfer expenditure item adjustments, if transferring of any one of the expenditure item fails, then the application doesn't create new expenditure items or the associated cost distributions. The original expenditure item is set to rejected status and the error details

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are provided in the adjustment history of the expenditure item. For other adjustments such as billable status changes or raw cost and burden cost recalculation, the application rolls back the creation of the reversing and new cost distributions and updates the original expenditure item as rejected. You can't cancel an adjustment performed on an expenditure item for which funds are already reserved against a control budget.

The application tracks adjustment history for the expenditure item, including details such as the person submitting the adjustment and the submission date. It also records whether the adjustment comes from costing, invoice, or revenue. Review the errors and then either cancel or reprocess the adjustment.

You can review the cost distributions for a specific period, and compare and reconcile the cost amounts to amounts in other applications.

Related Topics
- Expenditure Item Adjustment Statuses

Expenditure Item Adjustment Statuses

After reviewing and submitting expenditure item adjustments for processing, Oracle Fusion Project Costing processes expenditure items for the specified costing and billing adjustments. The application tracks the adjustment activity in the Adjustment History of the expenditure item.

You can review the adjustment status and process the expenditure item accordingly.

Expenditure Item Adjustment Statuses

The following table describes the possible adjustment statues of expenditure items during adjustment processing.

Resulting Adjustment Status	Description	Tasks You Can Perform
Pending Approval	Adjustment is submitted and is pending for approval.	You can't cancel an adjustment in this status. Once approved, the status changes to completed.
Pending	Adjustment is submitted for processing.	You can cancel the adjustment.
Failed	Adjustment isn't selected for processing because of validation errors. Failure reasons are provided.	You can't resubmit or cancel an adjustment in this status. The transaction failed because of basic adjustment validation such as project status is closed or not allowing adjustment on a net-zero expenditure item. The billing adjustments aren't validated for the closed status of a project because you can perform adjustments on a closed contract.
Rejected	Adjustment is rejected for processing by the Import Costs process due to processing errors, transaction control validation errors, or costing errors.	Review the error details, correct the issues, and then resubmit to process them again. You can cancel the adjustment. Even if two adjustments in rejected status exist, you can cancel one of them independently.

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Resulting Adjustment Status	Description	Tasks You Can Perform
Completed	Adjustment is successfully completed.	None
Canceled	Adjustment is canceled. You can cancel only pending or rejected adjustments of any type except rebuilding burden costs and updating project and task organizations.	None

You can cancel only pending or rejected adjustments of any type except rebuilding burden costs and updating project and task organizations. Also, you can't cancel an adjustment performed on an expenditure item for which funds are already reserved against a control budget.

Review Budgetary Control Validation Errors

You can review budgetary control validation errors and resolutions in the Project Budgetary Control Validation and Balance Activities diagnostic report.

You can generate the diagnostic report in the following manner.

1. Sign in as the application diagnostics administrator.
2. Select **Run Diagnostics Tests...** under **Troubleshooting** from your user profile menu.
3. Search for the test Project Budgetary Control Validation and Balance Activities on the diagnostic dashboard.
4. Click the check box to select the diagnostic test and click **Add to Run** on the toolbar.
5. Click the warning icon under the **Input Status** column to open the **Input Parameters** window.
6. Enter the required parameters under the **New Value** column and click **OK**.
7. Verify that the warning icon changes to success under the **Input Status** column and click **Run** on the toolbar.
8. Click **OK** to close the confirmation message and click the refresh icon on the toolbar of the **Diagnostic Test Run Status** table.
9. Expand the test run so that the Project Budgetary Control Validation and Balance Activities test appears.
10. Click the **View Test Results** icon under the **Report** column to review the diagnostic report.

Configure Approval Notifications for Project Cost Adjustments

Configure custom workflow notification reports by copying predefined templates from the **Shared Folders/Projects/ Workflow Notifications/Project Cost** folder in Oracle BI Publisher Enterprise and modifying them to suit your notification requirements.

For example, you can change the report layout, include or remove information from the report based on your approvers' needs, add a company logo, and so on. Changes made to notification templates are updated every 24 hours by default. You can, however, configure the application to make your changes available sooner by creating relevant profile options. See Apply Changes to Workflow Notifications Soon After Upload in the Oracle Applications Cloud Implementing Applications guide for more details.

You can use links in the notification report content to navigate to the Manage Project Costs or the Project Cost Transaction page and view transaction details. You will, however, need data access to the project costs to be able to do so.

Some of the attributes in the notification reports appear only if applications that manage these attributes are available to your account. For example, transaction attributes like Contract Number and, Funding Source appear in the notification only if Grants Management is enabled. Similarly, attributes such as Source Distribution Layer Reference and Source Transaction Quantity appear only for project-driven supply chain transactions.

FAQs for Project Cost Adjustment

Can I adjust an expenditure item to be both billable and capitalizable?

Yes, an expenditure item can be both billable and capitalizable. You can adjust expenditure items for both the attributes.

Can I perform all adjustments on multiple expenditure items?

You can perform all the adjustments when you select multiple expenditure items except adjustments that are performed on a single expenditure item, such as the following.

- Edit comment
- Split
- Split and transfer

What happens if I split and transfer an expenditure item with related expenditure items?

When you perform a split, transfer, or split and transfer adjustment on an expenditure item that has related items, the application automatically reverses the source transaction and related transactions and creates expenditure items that result from the split and transfer adjustments.

You can't split and transfer a related item independently to another project or task. However, you can perform billing adjustments and other adjustments such as changing the capitalizable status of an expenditure item and the related expenditure items independently.

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Can I prevent expenditure items from being recognized for revenue?

Yes. You can place expenditure items on revenue hold to stop the expenditure items from being recognized for revenue.

If the expenditure items are already recognized, then they're identified for reversing during the next revenue generation and aren't eligible until the revenue hold is released.

Can I prevent expenditure items from being invoiced?

Yes. You can place expenditure items on invoice hold to stop the expenditure items from being invoiced. If the expenditure items are already invoiced, then they're identified for reversing during the next invoice generation and aren't eligible until the invoice hold is released.

For external or interproject billing, you can select either the **Hold Invoice Once** or **Hold Invoice Until Released** option to place expenditure items on invoice hold. For intercompany billing, you can select only the **Hold Invoice Until Released** option to place expenditure items on invoice hold.

Selecting **Hold Invoice Once** prevents an expenditure item from being invoiced until an invoice is released for a contract line which is associated with the expenditure item. Selecting **Hold Invoice Until Released** prevents an expenditure item from being invoiced until you release the invoice hold by selecting the **Release Invoice Hold** option.

Why are some of the expenditure items adjustments not processed?

Expenditure item adjustments aren't processed if:

- The document entry of the expenditure item doesn't allow adjustments.
- The **Adjust transactions** status control of project status doesn't allow transaction adjustments.
- The expenditure item is already adjusted or reversed.
- The expenditure item is a net zero expenditure item.
- The same adjustment type for the expenditure item is already pending or rejected.
- The expenditure item is marked as a converted transaction and the adjustment type is other than Edit Comment, or Hold and Release Invoice and Revenue.
- You don't have the privilege to adjust.

What's the source of summarized amounts?

Cost distribution lines become the source because they provide detailed data for summarized amounts.

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Summarized amounts are grouped by period, billing or capitalization status, and resource assignments that reside on the distributions. Cost distribution lines are also the source for accounting events and can be used to reconcile with general ledger balances.

How can I view source transaction details for a transaction?

On the Manage Project Costs page, view source transaction details for a selected transaction from the Actions menu.

Alternatively, navigate to the **Expenditure Item** page by clicking the transaction number link. You can view the source transaction details by clicking the invoice number link in the **Supplier Invoice Details** section.

How can I perform a mass adjustment?

In the Manage Project Costs page, select the transactions that you want to update and click **Create Mass Adjustment**.

In the Create Mass Adjustment page, select the adjustment type, provide justification, select the project or task to transfer to, or work type to change to depending on the adjustment type selected, and submit the adjustment.

Can I cancel an expenditure item adjustment if funds are already reserved on a control budget?

No. You must fix the error by performing another adjustment that transfers the transaction back to its original source.

Can I monitor and troubleshoot project cost adjustment and project expenditure batch approval workflows?

Project application administrators can use the Transaction Console to monitor workflow tasks and resolve any exceptions for the Project Cost Adjustment Approval and Project Expenditure Batch Approval workflows.

Project application administrators can review and prioritize workflow exceptions and either resubmit tasks after making a correction to the underlying rules, or withdraw the tasks in progress. The Transaction Console also provides details associated with workflows, such as approval history and comments, as well as diagnostic logs to assist with debugging.

Project application administrators can also use the Approval Rules page on the Transaction Console to quickly launch BPM Worklist to modify approval workflow rules as appropriate.

For more information on working with the Transaction Console, see the Workflow Transaction Console section in the Implementing Common Features for Financials and Project Portfolio Management guide.

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Can I create parallel participants for a Project Cost Adjustment Approval workflow?

Yes. Use the ApproveAdjustment workflow in BPM Worklist to configure approval rules for the project cost adjustment approval workflow and route the workflow to multiple approvers in parallel.

You can also update the number of stages and participants (sequential and parallel) in the workflow. For parallel approvals, you can also determine an outcome based on the voting percentage of parallel participants (within a stage or across stages).

For detailed information on using BPM Worklist to update approval workflows, see Workflow Approvals and Notifications in the Implementing Common Applications guide.

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6 Project Rate Schedules

Overview of Project Rate Schedules

Specify project rates and schedules for your planning, costing, and billing requirements in Oracle Fusion Project Costing.

You can specify schedule types such as job, person, nonlabor, and resource class for your rate schedules in Oracle Fusion Project Costing.

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.

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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.

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

Import Project Rate Schedules Process

Use the Import Project Rate Schedules process to import project rate schedules from third-party applications, create new project rate schedules, or update existing project rate schedules.

You can use the Project Rate Schedules Interface macro-enabled Excel workbook template to prepare data for loading and importing, and ensure that your data conforms to the structure and format of the target application database tables. The workbook contains the following worksheets:

- Instructions and CSV Generation: Table-specific instructions, guidelines, formatted spreadsheets, and recommendations for preparing the data file for upload.
- Rate Schedules: Project rate schedule details such as schedule name, schedule type, currency, and so on.
- Person Rates: Labor rate details such as person name, rate, markup percentage, and so on.
- Job Rates: Job rate details such as the job code, cost or billing rate, and so on.
- Nonlabor Rates: Nonlabor rate details such as expenditure type, rate, markup percentage, and so on.
- Resource Class Rates: Resource class rate details such as resource class, unit of measure, rate, and so on.
- Cost Rate Overrides: Cost rate overrides details such as person, job, expenditure type, rate, and so on.
- Bill Rate Overrides: Bill and revenue rate overrides details such as contract, plan type, person, job, expenditure type, rate, and so on.

After you prepare the data in the Project Rate Schedules Interface Excel template, click the **Generate CSV File** button in the template to create the CSV files in a ZIP file format to load data to the interface tables. Optionally, you can bypass the Excel template and manually create the CSV files.

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On the Scheduled Processes page, submit the Load Interface File for Import process followed by the Import Project Rate Schedules process to transfer data to the application database tables. After the import process is complete all records are purged from the open interface tables.

Import Project Rate Schedules Process: Parameters

Rate Schedule

Name of the project rate schedule that's imported from the interface tables into the application. If you don't specify a value, then all the rate schedules that exist in the interface tables are imported.

Report Success Details

Option to display or hide the successfully imported rate schedules, person rates, job rates, nonlabor rates, and resource class rates in the Import Project Rate Schedules Report. The default value is No.

Output Reports

The Import Project Rate Schedules process generates an Import Project Rate Schedules report in PDF format. In case the Import Project Rate Schedules process result in errors, the application also generates an additional output file named Import Project Rate Schedules Rejections.xls.

The Import Project Rate Schedules report (PDF format) displays the processing errors, warnings, and exceptions encountered during the import process. The report can optionally display all the rate schedules and rates that were successfully imported. Review the PDF report for the rate schedules and fix the issues in your data. Reload the updated data to the interface tables and resubmit the Import Project Rate Schedules process.

The Import Project Rate Schedules Rejections sheet contains only the records that failed due to an error and includes a detailed message for each failed row. You can use the Import Project Rate Schedules Rejections sheet to correct the errors and generate the CSV files again. Repeat the error correction steps and resubmit the process until all rows are imported successfully.

Related Topics
- Overview of External Data Integration Services for Importing Data

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.

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7 Accounting for Project Transactions

Overview of Accounting for Project Transactions

Perform accounting for your project costs and commitments using Oracle Fusion Project Costing.

You can review and validate accounting entries based on the settings for your accounting and project accounting periods.

How Accounting Burden Costs are Processed

Burdening enables you to review the raw cost, burden cost, and burdened cost of each transaction. You control burden accounting options by project type. Create accounting for burden costs in Oracle Fusion Project Costing even when raw costs are accounted in a third-party application.

Settings That Affect Accounting of Burden Costs

When you define the project type, you specify the burden cost accounting options:

- Create burden cost accounting journal entries: Burden cost entries create an entry for the burden amount. If burden cost is created on the same expenditure item, then this is the burden cost amount that was calculated. If burden cost is created on a separate line, burden amount is zero on the source transaction because the raw and burdened costs are the same.

- Create burdened cost accounting journal entries: Burdened cost entries create entries for the burdened amount. If burdened cost is created on same expenditure item, then an additional entry is created for the burdened cost amount. If burdened cost is created as a separate expenditure item, it creates an entry for each source transaction for the same amount as the raw cost. It creates another entry for the burden expenditure items for the burdened cost.

How Accounting Is Performed

Based on the burden cost accounting options, the application performs accounting of burden costs as shown in the following examples.

> **Note:** The **Create Accounting** process for requisitions and POs creates a single journal header for both raw and burden costs during encumbrance accounting.

Accounting for Burden Costs by Burden Cost Code

Accounting by burden cost code is applicable only when you choose to create separate expenditure items for each burden cost code. You can account for individual burden cost codes to track each in Oracle Fusion Subledger

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Accounting and Oracle Fusion General Ledger. The following table lists the accounting entries for a labor transaction that has fringe, overhead, and general and administrative burden costs.

Transactions	Accounting Transactions	Debit	Credit
Labor Cost	Labor Expense	300	0
Labor Cost	Payroll Clearing	0	300
Summarized Burden Cost	Project Fringe Expense	250	0
Summarized Burden Cost	Fringe Absorption or Recovery	0	250
Summarized Burden Cost	Project Overhead Expense	300	0
Summarized Burden Cost	Overhead Absorption or Recovery	0	300
Summarized Burden Cost	Project General and Administrative Expense	150	0
Summarized Burden Cost	General and Administrative Absorption or Recovery	0	150

Accounting for Burden Costs

Accounting by burden cost is applicable only when you choose to include burden cost on the same expenditure item as the raw cost. The following table lists the accounting entries for a labor transaction and burden cost amount of 700.

Transactions	Accounting Transactions	Debit	Credit
Labor Cost	Labor Expense	300	0
Labor Cost	Payroll Clearing	0	300
Labor Cost	Work-in-Progress Project Cost	700	0
Labor Cost	Labor Burden Work-in-Progress Transfer	0	700

Encumbrance Accounting for Burden Costs

The burden and burdened costs get actual accounted when you perform encumbrance accounting on burden costs. The offsetting reversals for the reserved for encumbrance and PO obligation entries are recorded based on the

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liquidation amount of the PO obligation. The following table lists the accounting entries for an overhead transaction with a burden cost amount of 16.

Transactions	Accounting Transactions	Debit	Credit
Overhead Actual	Burdened Cost	66	0
Overhead Actual	Burden Cost	16	0
Overhead Actual	Burdened Cost Clearing	0	66
Overhead Actual	Burden Cost Clearing	0	16
Overhead Encumbrance	Reserve for Encumbrance	16	0
Overhead Encumbrance	PO Obligation	0	16

Note: For separate line burdening you must run the Generate Burden Costs process and then perform accounting to create the encumbrance accounting entries for burden costs.

Accounting for Burdened Cost

You can account for the burdened cost of the items, without distinguishing the amounts by burden cost components. Use this approach to track the burdened cost in a cost asset or cost work-in-progress account. This method is sometimes referred to as project inventory. You can track the work-in-progress cost when you:

- Capitalize burdened cost.

- Track the burdened cost as work-in-progress cost on contract projects and later calculate a cost accrual when you generate the revenue.

The following table lists the burdened cost accounting entries for a labor transaction that has fringe, overhead, and general and administrative costs. The burdened cost amount is 1,000.

Transactions	Accounting Transactions	Debit	Credit
Labor Cost	Labor Expense	300	0
Labor Cost	Payroll Clearing	0	300
Labor Cost	Burdened Cost	1000	0
Labor Cost	Burdened Cost Clearing	0	1000

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Accounting for Burden and Burdened Costs

You can also account for the burden and burdened cost of the items. The following table provides an example of burden costs and burdened costs accounting.

Transactions	Accounting Transactions	Debit	Credit
Labor Cost	Labor Expense	300	0
Labor Cost	Labor Clearing	0	300
Labor Cost	Burden Expense	700	0
Labor Cost	Burden Clearing	0	700
Labor Cost	Burdened Cost	1000	0
Labor Cost	Burdened Cost Clearing	0	1000

You can store burden cost on project transactions without an accounting impact by not selecting either of the accounting options in project type.

Note: If you're capitalizing burdened costs, then you must also account the burdened costs.

You must set up account derivation rules so that they derive the same account number for both the debit and the credit. The accounts are derived by subledger accounting. After creating accounting, they're transferred to the general ledger.

Related Topics
- How Burden Costs Are Calculated
- Project Costing Accounts for Budgetary Control

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.

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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

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Accounting Period	Period Number
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

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

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Project Accounting Period	Period Number
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?

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.

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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

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

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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

Accounting Class Usages in Projects

An accounting class usage is a group of accounting classes that provides a systematic way to identify the characteristics of a particular journal entry line or to retrieve a specific account for a transaction.

In Project Financial Management, for example, a single journal entry may contain journal entry lines for raw cost, raw cost clearing, burden cost, burden cost clearing, burdened cost, or burdened cost clearing. To determine the journal line that represents burden cost, the burden cost accounting class usage retrieves the account within the journal entry to which the burden cost was posted.

Project Financial Management uses accounting class usages to retrieve accounts for asset generation, borrowed and lent processing, and cost adjustments. These processes assume that only one journal entry line or account will be returned for each accounting class usage. If you modify the accounting class usages, ensure that each usage returns only one account for a given journal entry. This can be done by associating only one project accounting class to an accounting class usage.

For an event class, if you modify or add journal line rules for a specific cost, ensure that the accounting classes are unique across the journal line rules.

Related Topics

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.

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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 accounted or swept to the next open or future-enterable period.	Validated with a warning	Validated with a warning	Validated with a warning	Fails validation with an error
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

Validation Rule	Close Pending a Project Accounting Period	Close a Project Accounting Period	Close Pending an Accounting Period	Close an Accounting Period
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

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Account Rules

Account rules are used to determine the accounts for subledger journal entry lines. In addition, you can specify the conditions under which these rules apply. Using these capabilities, you can develop complex rules for defining accounts under different circumstances to meet your specific requirements.

You can define account rules for an account, segment, or value set.

Account Rules by Account

Define account rules by account to determine the entire account combination. For example, an account rule defined by account can be used to determine the complete supplier liability account in Oracle Fusion Payables.

Account Rules by Segment

Define segment rules to derive a specific segment of the general ledger account. For example, a particular segment like the company segment can be determined from the distribution account.

Another segment can be determined with the use of a constant value. Creating the account one segment at a time offers greater flexibility, but also requires more setup.

Use both segment based and account based rules to derive a single account. Segment-specific rules are used, where they're defined, and take the remaining values from an account-based rule. For example, you can use an account rule which is for all segments and also separately use a rule which is for one particular segment. Segment-specific rules take precedence over the all segments account based rule.

Combine account rules with segment rules. In this case, the segment value is derived from the segment rule to override the corresponding segment of the account. If the segment rule has conditions associated with the priorities and none are met, no override occurs and the segment value is derived from the account rule.

> **Note:**
> - If the returned account is end dated with a date that's the same or before the subledger journal entry accounting date, and an alternate account is defined in the general ledger, the alternate account is used. The original account is stored on the journal line for audit purposes
>
> - If the alternate account is invalid, the Create Accounting process creates the journal in the invalid status. An error message is displayed to indicate the GL account is invalid.
>
> - If the derived account or the alternate account is invalid and the Create Accounting process is submitted with the process event parameter set to Invalid Account, the invalid account is replaced with the suspense account defined in the ledger option for the ledger.

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Account Rules by Value Sets

In the absence of a chart of accounts, you may define account rules based upon value sets. This enables you to share the same rule between more than one chart of accounts if the segments in these charts of accounts share the same value set.

Sharing Account Rules across Applications

You may share account rules across applications in the following ways.

- Assign an account rule from the same or a different application to a journal line rule in the subledger journal entry rule set. For example, to derive an expense account for journal line rule Expense, assign the Projects Cost Account rule owned to the Payables journal line rule Expense.

- Create an account rule based on an account rule from another application and assign it to a journal line rule. For example, you may create an account rule Invoice Expense Account referencing Project Cost Account assigned in the Priorities region. You may attach the Invoice Expense Account rule to the journal line rule Expense in the journal entry rule set.

> **Note:**
> - To share an account rule across applications, all sources used by the account rule must be available for the event class.
>
> - If the sources are available, an account rule is assigned to a journal line rule in the journal entry rule set. Verification occurs to confirm that all sources used by the account rule are available for the journal line rule accounting event class. Journal line rules are only available if the sources are shared; such as reference objects.

Account Rules and Mapping Sets

Mapping sets can be used to associate a specific output value for an account or segment. You can use mapping sets in account rules to build the account.

Account Rules Conditions

In the account rules you may specify conditions for each rule detail line. Priorities determine the order in which account rule conditions are examined. When the condition is met, the rule associated with that priority is used. Depending on which of the defined conditions is met, a different account rule detail is employed to create the account.

The Create Accounting process evaluates conditions based on the priority of the rule detail. When the condition is met, the rule detail is applied.

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> **Note:** Constant values that are used in any Conditions region must not contain the following characters:
> - "
> - ,
> - &
> - |
> - (
> -)
> - '
>
> For example, in the condition "Project Type" = ABC (123), the constant value following the equal sign, ABC (123), contains restricted characters ( ) that enclose 123 and is invalid.

Related Topics
- Examples of Creating Condition
- How You Define Account Rules

Verify Accounting Sources for Projects

Accounting sources represent transaction and reference information from source systems, and help you automate accounting calculations for your transactions in Oracle Cloud. You can flexibly create as many accounting sources in the application as required.

Before you create a new accounting source, however, you must perform the following tasks to check that you aren't creating a duplicate accounting source.

1. In the Setup and Maintenance work area, update the scope of your search to **Project Financial Management** and use the **Manage Subledger Application Transaction Objects** task.
2. Select the **Event Class** that contains the object with the accounting source.
3. Click **View Source Assignments**.
4. Search for the accounting source to verify if it exists. You can also use the **Source Details** icon associated with the accounting source to view additional information.

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Post Subledger Transactions to the General Ledger

Post subledger journals to the general ledger when you create accounting, or run the Post Subledger Journal Entries process to transfer and post at a later time.

To post to General Ledger:

- Make sure that the **Enable Posting from Subledger** option is enabled so that you can automatically post subledger journals to GL.

  > **Note:** If the **Enable Posting from Subledger** option is disabled, you can't post the subledger journal to GL but you can transfer the subledger journal to GL.

- Alternatively, you must have the privilege to execute this task.

With the required privileges and settings, you can select the Account and Post to Ledger option to create and post journal entries to the general ledger, during the online Create Accounting process.

- If you don't have the privilege to post, select Account in Final to create journal entries and transfer to General Ledger.

- You can view the output of the Post Subledger Journal Entries process for the summary of the transfer process.

You can manually run the Create Accounting process to create accounting for a batch of transactions. Set the following parameters to create journal entries and post to the general ledger.

- Accounting Mode is set to Final.

- Transfer to General Ledger is set to Yes.

- Post in General Ledger is set to Yes.

  - If you don't have the privilege to post or posting from the Enable Posting from Subledger option is disabled, the Post in General Ledger parameter isn't available.

Transfer Manual Subledger Journal to General Ledger By Preparer

You can transfer manual subledger journal entries to the general ledger immediately while creating subledger journals using the UI or a spreadsheet. You may also choose to create the manual subledger journal entries in Final status and use the Post Subledger Journal Entries process to transfer the manual subledger journal entries to the general ledger later. Manual journal entries created by different users are split into separate general ledger journal batches. This facilitates routing the journal batches to different approvers or reviewers based on the preparer. You can also choose to transfer all subledger journals or exclude manual journal entries while submitting the Post Subledger Journal Entries process.

Here are the changes applied after enabling this feature:

- When you create subledger journals using a spreadsheet with Completion Status as 'Final and Transfer' or 'Final and Post,' eligible manual subledger journals created by the same user will only be transferred to the general ledger. Manual subledger journals created by other users will not be transferred.

- In the Journal Batch field, you can optionally enter any text as a prefix to the General Ledger journal batch.

- You can select one of the following options from Journal Entries to Transfer while submitting the Post Subledger Journal Entries ESS Parameter:

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o   All - Transfer all subledger journals.

o   All except Manual Journals - Exclude manual subledger journals from transferring to the general ledger.

o   Manual Journals created by me - Only transfer manual subledger journals created by the current user.

Tips and Considerations

- You can also create manual subledger journal entries using the Create Subledger Journal page and group them into one GL batch by posting them using the Post Subledger Journal Entries process. When you select the option Manual Journals created by me, in the Journal Entries to Transfer parameter, all manual adjustments entered through UI or spreadsheet are grouped into one GL batch.

- To group all non-transferred accounting hub transactions into one GL batch, you can account the transactions in Final status and then submit the Post Subledger Journal Entries ESS program with Journal Entries to Transfer set to All except Manual Journals. This option will not transfer manual subledger journal entries to GL. It will not select eligible journals by the preparer.

- If a Journal Batch is not specified in the spreadsheet or you're using an old template, a system-generated batch name will be assigned to the GL journal batch. The maximum length for a Journal Batch should be 50 characters or less.

Related Topics
- Disable Posting Subledger Transactions to the General Ledger

Accounting Project Costs Externally

You can integrate Oracle Fusion Project Costing with external financial applications, such as Oracle E-Business Suite or third-party applications. Export project cost transactions and interface them to an external application where they can be accounted.

The following table describes the processes used to export project cost transactions.

Process Name	Process Description
Extract Cost Distributions for External Accounting	Extracts cost distributions to be accounted in an external application and updates the export status of such cost distributions.
Extract Cross-Charge Distributions for External Accounting	Extracts cross-charge distributions to be accounted in an external application and updates the export status of such cross-charge distributions.

The distribution lines are exported into a CSV file that can be imported into the external application and used to create accounting.

Tip: You can report on these exported transactions in Oracle Transactional Business Intelligence and reconcile them with the external application. Use the Export Status attribute available in the Project Costing - Actual Cost Real Time subject area to filter transactions that have been extracted.

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Parameters

Business Unit

Business unit that owns the project transaction. This is a mandatory parameter.

Period

Period for which you want to export the transactions. This is a mandatory parameter.

Transactions Selected for Extraction

Available options are previously extracted transactions, new transactions that have not been extracted, and all transactions. This is a mandatory parameter which ensures that transactions are exported only once.

Expenditure Type Class

Category of transactions, such as supplier invoice, inventory, or miscellaneous.

Cost Distribution Line Type

Available options are original transactions, adjustment transactions, and all transactions. This is a mandatory parameter. For example, if you have already accounted the original transactions and want to account only adjustments made in Oracle Fusion Project Costing, then select the option Adjustment Cost Distribution Lines.

Project Costing Accounts for Budgetary Control

The following accounts are available in Oracle Fusion Project Costing.

- Raw Cost Account
- Burden Cost Account
- Burdened Cost Account
- Budget Account

The following table describes the rules for deriving budget accounts.

Document	Same Line Burdening	Separate Line Burdening
Purchase Requisitions	Raw cost uses the raw cost account provided on the requisition. The raw cost account is copied to the burden cost account.	Raw cost uses the budget account provided on the requisition. The raw cost account is copied to the burden cost account.
Purchase Orders	Raw cost uses the raw cost account provided on the PO. The raw cost account is copied to the burden cost account.	Raw cost uses the budget account provided on the PO. The raw cost account is copied to the burden cost account.
Account Payables	Raw cost uses the raw cost account provided on the payables invoice.	Raw cost uses the budget account provided on the payables invoice.

Document	Same Line Burdening	Separate Line Burdening
	The raw cost account is copied to the burden cost account.	The raw cost account is copied to the burden cost account.
Receipt Accounting	Raw cost uses the raw cost account provided on the receipt. The raw cost account is copied to the burden cost account.	Raw cost uses the budget account provided on the receipt. The raw cost account is copied to the burden cost account.
Project Expenditures(including cost adjustments)	Raw cost uses the raw cost account derived by the transaction account builder. The raw cost account is copied to the burden cost account.	Raw cost uses the budget account derived by the transaction account builder. The raw cost account is copied to the burden cost account. The application invokes the transaction account builder to derive accounts for all externally accounted and unaccounted transactions, except for Oracle Payables transactions. For Payables transactions, the budget account that's used by Payables is copied over for processing the corresponding expenditure cost.

For separate line burdening, you must use the burden cost account that's derived by the application.

Related Topics
- Set Up Default Budget Account

FAQs for Accounting for Project Transactions

Can I modify accounting details of a third-party application transaction?

Yes. You can modify provider ledger currency conversion attributes such as currency conversion rate type, rate date, rate, and the rounding limit of accounted third-party application transactions. You can modify other accounting attributes only if the transaction isn't validated.

Related Topics
- Can I edit unprocessed transactions?

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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.

What accounting options should I set for liquidation of purchase order burden encumbrance obligations?

You must first enable budgetary control by using the Manage Budgetary Control or Manage Encumbrance Accounting task from the Setup and Maintenance work area.

To liquidate the burden encumbrance associated with purchase order obligations during accounting of project expenditures, you must enable one of the following options in the Burden Cost Accounting Options section on the Edit Project Type page for the project type to which your project belongs.

- Create burden cost accounting journal entries
- Create burdened cost accounting journal entries

Why does a zero amount line exist in my encumbrance journal?

A burden rate was dropped from the new burden schedule during a burden schedule change. If needed, select not to display this zero amount line in the journal.

Why don't my supplier invoice entries reserved for encumbrance have offsetting credit and debit amounts?

Subledger accounting records are reserved for encumbrance entries at the transaction level. However, the View Accounting window displays entries at the distribution level only. Since the transaction-level reserved for encumbrance entries aren't displayed, the credit and debit amounts don't balance out.

What happens if receipt accounting transactions have tax burdens?

For receipt accounting transactions, item burden cost and burden tax cost are liquidated together for the PO obligation encumbrance instead of being liquidated individually.

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8 Project Cost Allocations

Overview of Allocating Project Costs

Allocate various types of costs to projects and tasks using Oracle Fusion Project Costing.

You can set up allocation rules, create basis and offset methods for these rules, and prorate amounts using these methods.

How Project Cost Allocations are Processed

Allocations are processed to distribute various types of costs to distinct sets of target projects and tasks. You identify the amounts to allocate and then define targets, projects and tasks to which you want to allocate the source amounts.

Optionally, you offset the allocations with reversing transactions. Oracle Fusion Project Costing gathers source amounts into a source pool and then allocates to the targets using the basis method that you specify in the allocation rule. When the allocation is released, expenditure items are created and processed.

Here's a flowchart that shows how project cost allocations are processed.

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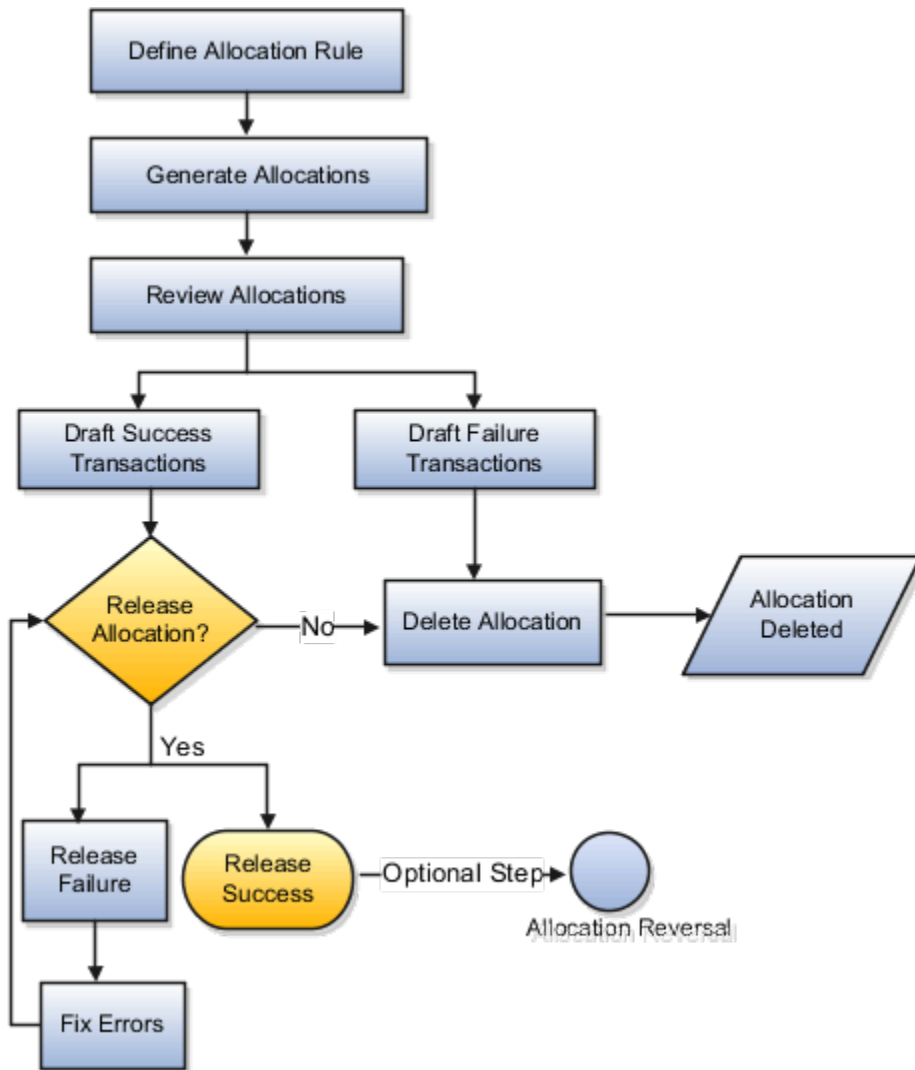
Settings That Affect Project Cost Allocation Processing

You create a set of allocation rules to allocate various types of costs to distinct sets of target projects and tasks. Allocation transactions are generated based on the settings in the allocation rules such as:

- Allocation or offset transaction attributes

- Source amounts to allocate

- Target projects and tasks to allocate source amounts

- Allocation method

- Offset method to reverse and balance allocation transactions

- Basis method

Each allocation rule is associated with a business unit. Source projects and ledger accounts of an allocation must be from the same business unit as the one that is assigned to the allocation rule. During processing, based on the target selection, if the project cross-charge is enabled, costs can be allocated costs to projects across business units. However, offset transactions are charged to projects owned by the same business unit that owns the allocation rule.

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How Project Cost Allocations Are Processed

When the allocation rule is prepared to generate allocations, costs are collected against the source. For project sources, the actual cost transactions are summarized and for ledger sources, journal entries are posted for the source ledger accounts. If a prorate basis method is used, then ensure that either actual cost or budget amounts are summarized for the target projects, depending on the prorate logic. The allocation is generated either once in an accounting period or incrementally in the accounting period.

The resulting allocation transactions are draft allocations in draft success or draft failure statuses, which are displayed in the **Manage Allocations** page. The application tracks the source amount, currently and previously allocated amounts so that the user can review if the source amount is allocated appropriately. Based on the type of basis method the allocation rule uses, the application provides the basis percentage and effective percentage. The allocation generation errors are tracked and displayed as exceptions. You can review the issues and fix them as required. If the allocation rule uses an incremental allocation method, then the missing amounts are tracked and you can determine differences from the previous allocation. For example, if a target project that received an allocation transaction during the previous allocation is now closed, then that the amount previously allocated to that project appears as a missing amount. If the draft allocations are as per your expectation, the allocation and offset transactions can get released, which results in the creation of expenditure items. The draft successful transactions can fail during the release of an allocation. For example the released transaction may violate a transaction control. You can fix the errors and then release the allocation.

The draft failure allocations are processed only after reviewing and fixing the issues. For example, you can edit the associated allocation rule or ensure that the actual amounts are summarized for source projects. After fixing the errors, delete the draft allocation and generate the allocation again.

Related Topics
- What's the difference between allocation and burdening?
- AllocationSource Pool Amount: How It's Calculated

Considerations for Allocation Methods

When you define an allocation rule, you specify the allocation method which determines how generated amounts are allocated to projects and tasks. Full and incremental allocations distribute all the amounts accumulated during the generation period. The two types of allocation methods are:

- Full Allocation
- Incremental Allocation

Full Allocation

The full allocation method always distributes the entire source pool amount to target projects and tasks and generates allocation transactions for the entire amount each time in a period. This method is suitable to process an allocation rule only once within the same accounting or project accounting period.

If you generate allocation transactions using a full allocation rule twice for the same period, then the complete source pool amount is allocated twice to target projects and tasks in the same period. If this is done inadvertently, then you can reverse the duplicate allocation.

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Example: Allocation of Source Amount Using Full Allocation Method

The example in the following table explains how the source amounts are allocated using the full allocation method.

Allocation Number	Source Pool Amount	Total Allocated Amount to Targets	Previous Allocated Amount to Targets	Current Allocated Amount to Targets
1	1050.00	1050.00	0.00	1050.00

Incremental Allocation

Incremental allocations create expenditure items based on the difference between the transactions processed in the previous and current allocation generation. This method is suitable if you want to use the allocation rule to generate allocations several times in a single period. The application keeps track of the results of previous incremental allocation generations. Therefore, you can process an incremental allocation multiple times within the same period creating additional transactions to incrementally increase or decrease the amount allocated to each target project and task based on changes to the available source pool amount and basis logic from the previous incremental generation. You can review and delete draft allocations until you're satisfied with the results.

For incremental allocations, the application calculates the amounts allocated in the previous allocation generation.

Example: Allocation of Source Amount Using Incremental Allocation Method

The following example explains how the source amounts are allocated using the incremental allocation methods: The amount type used in this allocation rule is period-to-date and allocation is generated for the June 2010 period. The example in the following table explains how costs are allocated incrementally to target projects and tasks throughout this period.

Allocation Number	Source Pool Amount	Total Allocated Amount to Targets	Previous Allocated Amount to Targets	Current Allocated Amount to Targets
1	1000.00	1000.00	0	1000.00
2	1100.00	1100.00	1000.00	100.00
3	1050.00	1050.00	1100.00	- 50.00

At the end of the period, the total amount allocated to targets is 1050.00. This is made up of sets of incremental allocation transactions. Incremental transactions can be positive or negative, based on changes to the source pool, eligible targets, and basis calculations.

Related Topics

- Considerations for Allocations Basis Methods
- How Project Cost Allocations are Processed
- Examples for Calculating Prorate Amounts using Allocation Basis Method

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Considerations for Allocations Basis Methods

When you define an allocation rule, you specify a basis method. The basis method determines how the amounts in the source pool are divided among the target lines. Each target line identifies projects and tasks.

The following is a list of the basis methods used in allocations:

- Spread Evenly
- Target Percentage and Spread Evenly
- Prorate
- Target Percentage and Prorate

Here's a graphic that explains the various basis methods used in allocations.
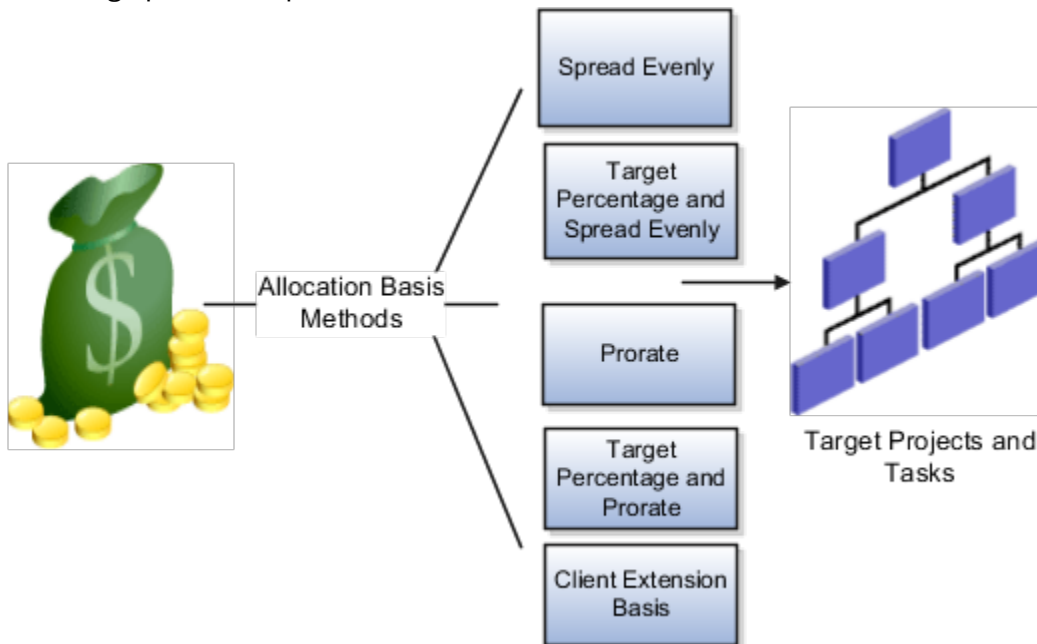
Note: Oracle Projects doesn't support the client extension basis method.

Spread Evenly

The allocation rule divides the source pool amount equally among all the chargeable target tasks included in the rule. This is the most simple and direct basis method.

Target Percentage and Spread Evenly

Specify the percentage of the source pool that must be allocated to each target line. The total specified target percentage must always equal 100 percent. The allocation rule calculates the amount to allocate to the target line, and then spreads the results evenly among the chargeable tasks.

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Prorate

Allocation generation uses the attributes defined in the allocation rule to derive the rate at which the source pool amount is apportioned among the target projects and tasks. For this basis method, the allocation rule uses the basis attributes to apportion the source amount among all the tasks defined by the rule. The Prorate basis method provides precise control over how the rule distributes the source pool.

Target Percentage and Prorate

The allocation rule first uses the target percentage to calculate the amount to allocate to the line, and then apportions the results among all the tasks. The Target Percentage and Prorate basis method provides precise control over how the rule distributes the source pool.

Related Topics

- Considerations for Allocation Offset Methods
- Considerations for Allocation Methods
- How Project Cost Allocations are Processed
- Examples for Calculating Prorate Amounts using Allocation Basis Method
- What happens if the total basis amount in an allocation is zero?

Considerations for Allocation Offset Methods

You can use offsets to balance the allocation transactions with the source or other projects. When you define an allocation rule, you select the offset method to determine how offset transactions are created.

After specifying the offset method, you must specify transaction attributes: expenditure organization, expenditure type class, and expenditure type. The attributes don't have to match those used for the allocation transactions.

> **Note:** All offset projects and tasks must be open and chargeable, and in the same business unit that owns the allocation rule. The allocation rule can have an offset method although it may not have source projects.

The allocation rule creates the offset transactions for the offset projects and tasks when you generate the allocation. Offset transactions offset the total amount allocated to target projects, although the total number of offset transactions doesn't usually equal the total number of allocation transactions. For example, with an offset method of Specific Project and Task, if the rule allocates 10,000.00 USD from the allocation sources to 1000 target projects and tasks, then the result is 1000 allocation transactions for a total of 10,000.00 USD and one offset transaction to the specified project and task for a negative amount of 10,000.00 USD.

You can select one of the following offset methods in an allocation rule:

- Source Project and Task
- Specific Project and Task

Source Project and Task

Use this offset method in the allocation rule to create reversing transactions for the specified source projects and tasks in the allocation rule.

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If the allocation rule uses ledger sources or a fixed amount source, then the allocation rule can't use Source Project and Task offset method because a source project doesn't exist in such cases. Only project sources use this offset method.

Specific Project and Task

Use this offset method to create reversing transactions in one project and one of its tasks per the specified project and task in the offset method. You can use this method with any one of the sources or a combination of project, ledger, or fixed amount source.

Related Topics

- Considerations for Allocations Basis Methods
- Considerations for Allocation Methods
- How Project Cost Allocations are Processed
- When do I reverse an allocation?

Allocation Statuses

An allocation is processed through various tasks such as generating, releasing, deleting, and reversing allocation transactions. While the processing is based on the status of allocations, the processes also indicate the progress and possible status of the allocation and the tasks you can perform.

You can perform the following processes on allocations:

- Generate Allocations
- Delete Allocations
- Release Allocation Transactions
- Reverse Allocation Transactions

Generate Allocations

You can generate allocations if all existing allocations for the allocation rule are in Release Success or Reversal Success statuses. There is no allocation status for first-time processing.

The following table describes the possible statuses and the tasks you can perform after generating allocations.

Resulting Statuses	Description	Tasks You Can Perform
Draft Success	The allocation is generated successfully without any errors. Warnings may exist and are listed as exceptions.	Release Allocation Delete Allocation
Draft Failure	The allocation has errors. You must review and fix the errors, delete the allocation, and then generate the allocation again. For example, you can update the allocation rule, summarize costs for the project, or perform other actions to correct the errors before you generate the allocation again.	Delete Allocation

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Resulting Statuses	Description	Tasks You Can Perform

Delete Allocations

You can delete an allocation if it is in Draft Success, Draft Failure, or Release Failure status. The following table describes the possible statuses and the tasks you can perform after deleting an allocation.

Resulting Statuses	Description	Tasks You Can Perform
Deletion in Progress	The allocation is being deleted. After the allocation is deleted, you cannot search for the allocation because it does not exist.	Delete Allocation

You can resolve the issues that resulted in deletion of the draft allocation and generate the allocation again.

Release Allocation Transactions

You can release an allocation if it is in Draft Success or Release Failure status. The following table describes the possible statuses and the tasks you can perform after releasing an allocation.

Resulting Statuses	Description	Tasks You Can Perform
Release in Progress	The allocation is being released.	None
Release Success	The allocation is completely processed. The process creates and processes expenditure items for the allocation and offset transactions, if any. You can review the resulting expenditure items in the Manage Expenditure Items page. This is the final status for most allocations unless there is a need for reversal at a later stage.	Reverse Allocation
Release Failure	The allocation is not released because of errors encountered during processing. Even if one transaction fails processing, then no expenditure items are created. You can review and fix errors for each allocation and offset transaction and then release the allocation again. For example, an allocation transaction is rejected because of a project-level transaction control.	Release Allocation Delete Allocation

Reverse Allocation Transactions

You can reverse an allocation if it is in Release Success or Reversal Failure status. The terminal status for an allocation is Reversal Success and it does not require any further processing. The following table describes the possible statuses and the tasks you can perform after reversing an allocation.

Resulting Statuses	Description	Tasks You Can Perform
Reversal in Progress	The allocation is being reversed.	None
Reversal Success	Reversal is fully processed. The process creates reversing expenditure items for each of the original allocation and offset expenditure items.	None
Reversal Failure	Allocation is not reversed because of exceptions. If even one transaction is rejected, then no reversing transactions are created. You can review and fix errors and reverse the allocation again. Or you can cancel the failed reversal.	Reverse Allocation Cancel Failed Reversal

Canceling a failed allocation reversal changes the allocation status to Release Success and deletes errors.

AllocationSource Pool Amount: How It's Calculated

You can create the allocation source pool from a fixed amount, open projects including resources within a project, and ledger account balances. Unless you define each source project and task individually, the results can change each time you process the allocation.

Settings That Affect Source Pool Amount

The allocation sources must be defined because the allocation generation uses the source pool amount for allocating the costs. The project sources, ledger source, a fixed source amount, and other aspects of the sources determine the calculation of the allocation source pool amount.

If you don't specify a particular project and task combination on a source line, then the rule derives source amounts from all eligible projects and tasks based on the source line criteria.

How Source Pool Amount Is Calculated

The allocation source pool amount is derived based on what's specified in the sources. Some of the aspects that determine the calculation of source pool amount are:

- Allocation pool percentage
- Fixed source amount
- Amount class
- Project sources
- Amount type
- Resource details
- Ledger sources

The allocation rule accumulates the amounts for the source pool during a specific period of time. The end date of that time period is based on the amount class. The amount class is the period or periods during which the amounts are

accumulated. The start date is determined by both the allocation period type and amount class. The allocation period type options such as accounting period or project accounting period determine amount class options. The amount class determines the eligible source amounts. For example, if the period specified at generation is August 2010 and the source amount class is Period-to-Date, then only those amounts posted to August 2010 ledger sources or summarized actual amounts for the ledger period August 2010 project sources are eligible.

The allocation pool percentage specifies the percentage of the total eligible source pool amount to allocate to target projects and tasks.

At least one source is defined to derive the source pool amount. Depending on the allocation source, costs are collected against that source. For project sources the actual cost transactions are summarized. For ledger account sources, the journal entries are posted.

All source projects and tasks must be open and in the same business unit that owns the allocation rule.

For project sources, the source amount type determines the types of costs that are eligible to be included into the source pool. For example, include only raw costs or burdened costs.

The project source amount can be derived even from a subset of resources by specifying the resource breakdown structure and its resources. For example, you can derive project source amounts only from the actual labor costs. For resource, enter the resource or resource group and the percent you want to include. To exclude a specific resource, you must select the **Exclude** option on the appropriate line.

You can optionally limit the resources that are used to determine the source amounts from project sources. If you don't limit the resources, the rule uses all of the resources in the specified project in the source pool amount. If you specify an allocation pool percentage, then the allocation rule multiplies the percentage specified in the Allocation Pool Percentage to the percentage specified against the resource.

For allocations which use ledger sources, the allocation generation considers the posted amounts for a ledger account when calculating source pool amounts. You can't use the ledger summary accounts for the source amount. You can specify the percentage of account balance that you want to include for ledger sources. To subtract the amount in the ledger account from the source amount you use the Subtract option.

The application calculates the source pool amount based on the following formula:

fixed source amount + project sources amount + ledger source amount * source pool percentage = source pool amount

Related Topics
- How Project Cost Allocations are Processed

Examples for Calculating Prorate Amounts using Allocation Basis Method

The following example illustrates how allocation generation calculates the basis percentages and prorate amounts using the basis methods:

- Prorate
- Target Percentage and Prorate

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The two prorate basis methods provide precise control over how the rule distributes the source pool. The rule uses the basis attributes defined in the allocation rule to derive the rate at which the source pool amount is apportioned among the target projects and tasks

Prorate Basis Method

The Information Technology department captures its costs such as labor, supplies, and expenses in a shared service IT project. These costs are then allocated to projects that benefit from IT services based on the total labor hours charged to each project.

(target task basis amount / total basis amount) * source pool amount = allocation amount

Using the Prorate basis method, for a source of $1000.00, consider the following target details:

(target task basis amount / total basis amount) * 100 = basis percentage

The basis percentage for each target task is equal to the target task basis amount divided by the total basis amount, multiplied by 100. For example, in the following table, for task 1 on project ABC the application determines the allocation amount by multiplying the basis percentage for each target task by the source pool amount.

Project	Task	Labor Hours	Basis Percentage	Allocation Amount
ABC	1	10	10	100.00
ABC	2	20	20	200.00
DEF	1	30	30	300.00
DEF	2	0	0	0.00
GHI	1	40	40	400.00

For the Prorate basis method, the allocation rule prorates the amount specified by the source pool to the targets based on the basis attributes in the allocation rule.

Target Percentage and Prorate Basis Method

In this example, a subset of projects utilizes the IT services. The allocation rule is configured to allocate a fixed percentage of the source amount to each project and then it spreads across tasks based on the total actual labor hours charged to each task.

(target task basis amount / total target line basis amount) * (source pool amount * target line percentage) = allocation amount

Using Target Percentage and Prorate basis method, for a source of $1000.00 allocated to the target line, consider the following details:

(target task basis amount / total target line basis amount) * 100 = basis percentage

Basis percentage for each target task is equal to the target task basis amount divided by the total basis amount the target line from the allocation rule, multiplied by 100. For example, in the following tables, for task 1 on project ABC the

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application determines the allocation amount by multiplying the basis percentage for each target task by the source pool amount for the target line.

Line Number	Project	Target Percentage	Allocation Source Pool Amount
1	ABC	50	500.00
2	DEF	25	250.00
3	GHI	25	250.00

Target Line Reference	Project	Task	Basis Amount Labor Hours	Basis Percentage	Allocation Amount	Effective Percentage
1	ABC	1	10	33.3	166.67	16.67
1	ABC	2	20	66.7	333.33	33.33
2	DEF	1	30	100	250.00	25
2	DEF	2	0	0	0.00	0
3	GHI	1	40	100	250.00	25

For the Target Percentage and Prorate basis method, the rule first uses the target percentage to calculate the amount to allocate to the line, and then apportions the results among all the tasks for that line. In the application, an effective percentage column is also available when reviewing the basis details for an allocation. The effective percentage represents the following:

- percentage of the total source pool amount that the target task receives
- consolidated percentage of the target percentage and basis percentage calculations.

Note: For simplicity, in these examples, each target line in the allocation rule specifies a project. In reality, the target line can be defined more broadly. For example, a target line could specify a project-owning organization of Services East, so the eligible targets would be all projects owned by Services East.

Related Topics
- Considerations for Allocations Basis Methods
- Considerations for Allocation Methods
- How Project Cost Allocations are Processed
- What happens if the total basis amount in an allocation is zero?

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Considerations for Expenditure Type Class of Allocation Transactions

When defining an allocation rule, you must specify the expenditure type class for the allocation transaction attributes. Choosing the expenditure type class determines how the allocated amount is created as costs on the expenditure item.

Miscellaneous Transactions

The miscellaneous transaction expenditure type class is used to allocate the source amount as raw cost on the expenditure item.

Burden Transactions

The burden transactions expenditure type class is used to allocate the source amount as the burden cost for the expenditure item, while expenditure item quantity and raw cost remain zero.

Related Topics

- Considerations for Allocation Methods
- Considerations for Allocations Basis Methods
- How Project Cost Allocations are Processed

Define Allocation Rules to Allocate Labor Costs from a Shared Services Project

This example demonstrates how to set up allocation rules to allocate labor costs from a shared services project.

A central contract administration group supports billable projects in the company. Costs that the contract administration group incurs such as labor, expenses, and supplies are charged to a shared services contract administration project. Weekly, the costs are incrementally allocated to all billable projects in the organization. A major project is excluded from the allocation because due to the project's complexity, the project has its own contract administration team and does not use the central contract administration group. Therefore it is explicitly excluded in the targets. Costs are allocated incrementally throughout the year and prorated based on the total actual burdened cost charged.

You are implementing allocation rules for the organization. You want to allocate 100 percent of costs collected in the shared contract services project to all eligible tasks once a week. The costs are spread to all projects for the organization based on the total actual labor hours charged to each project, as more time is worked on the project. The following table summarizes key decisions for this scenario:

Decisions to Consider	In this Example
How to allocate the costs?	Allocate to all time and materials projects within the San Diego organization.

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Decisions to Consider	In this Example
When to allocate costs?	Allocate labor costs incrementally on a weekly basis.
What costs to allocate?	Allocate 100 percent of the costs collected in the shared contract services project.

You define the allocation rule in this scenario to distribute labor cost amounts from shared services project. This allocation rule defines the following:

- Source of the amounts to allocate
- Target projects and tasks to receive the allocation
- Method to generate offset transactions, if required
- Method to divide the source amount among the target projects and tasks
- Attributes for the allocation and offset transactions, including the expenditure type, expenditure organization, and expenditure type class for the resulting expenditure items

Defining the Allocation Rule

1. On the **Project Costs** work area, click **Manage Allocation Rules** in the **Tasks** pane.
2. Click **Create** to open the Create Allocation Rule page.
3. Complete the general details to define the allocation rule for the following key fields as shown in the table.

Field	Value
Business Unit	InVision Services
Name	Shared Contract Services Allocation
Description	Rule to allocate shared contract service costs
Allocation Method	Incremental
Allocation Period Type	Accounting Period
Targets Selection	Within business unit
Basis Method	Prorate
Expenditure Organization	San Diego
Expenditure Type Class	Miscellaneous Transactions

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Field	Value
Expenditure Type	Contract Services Allocation

Defining Allocation Sources

1. Click **Sources** and complete the key fields as shown in the table.

Field	Value
Allocation Pool Percentage	100
Fixed Source Amount	0
Amount Class	Fiscal year-to-date
Amount Type	Burdened Cost
Project Organization	San Diego
Project	Contract Shared Service Center

Defining Allocation Targets

1. Click **Targets** and complete the key fields as shown in the table.

Field	Value
Line Number	1
Project Organization	San Diego
Project Type	Time and Materials
Exclude	Leave unchecked
Line Number	2

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Field	Value
Project Organization	San Diego
Project	Vision Software Install
Exclude	Select the check box.

Defining Allocation Offsets

1. Click **Offsets** and complete the key fields as shown in the table.

Field	Value
Offset Method	Source project and task
Expenditure Organization	San Diego
Expenditure Type Class	Miscellaneous Transactions
Expenditure Type	Service Offset

Defining Allocation Basis Details

1. Click **Basis** and complete the key fields as shown in the table.

Field	Value
Basis Category	Actual Amounts
Amount Type	Total Billable Burdened Costs
Amount Class	Fiscal year-to-date
Relative Period	0

2. Click **Save and Close**.

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Related Topics

Define Allocation Rules to Allocate Rent Costs from General Ledger

This example demonstrates how to set up allocation rules to allocate rent costs.

Your enterprise has an organization that rents building space, and the finance department wants to allocate rental cost to the projects owned by the organization. The project managers can then use the allocation to bill costs to customers. The Payables department charges rent to a different general ledger account for each organization by cost center. You implement the allocation rule for the organization. Allocate 100 percent of the rental cost collected in the general ledger to all eligible tasks for San Diego organization projects once a month. You can prorate the allocation based on the previous month's total raw cost for each task. Project Vision Software Install is performed completely at the customer location and should not be allocated any rent costs. This project must be excluded from receiving rent allocation.

You are implementing allocation rules for the organization. You want to allocate 100 percent of the rental cost collected in the general ledger account for the organization to all eligible tasks once a month. You also want to prorate the allocation based on the previous month's total raw cost for each task. The following table summarizes key decisions for this scenario:

Decisions to Consider	In this Example
How to allocate the costs?	Allocate to all eligible tasks and prorate the allocation by the total actual raw cost accrued for each task during the prior accounting period.
When to allocate costs?	Allocate rental costs once each accounting period.
What costs to allocate?	Allocate 100 percent of rental costs collected in the accounting period for the cost center.

You define the allocation rule in this scenario to distribute amounts between and within projects and tasks in a business unit. This allocation rule defines the following:

- Source of the amounts to allocate
- Target projects and tasks to receive the allocation
- Method to generate offset transactions, if required
- Method to divide the source amount among the target projects and tasks
- Attributes for the allocation and offset transactions, including the expenditure type, expenditure organization, and expenditure type class for the resulting expenditure items

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Defining the Allocation Rule

1. On the **Project Costs** work area, click **Manage Allocation Rules** in the **Tasks** pane.
2. Click **Create** to open the Create Allocation Rule page.
3. Complete the general details to define the allocation rule for the following key fields as shown in the table.

Field	Value
Business Unit	InVision Services
Name	San Diego Rent Allocation
Description	Rule to allocate San Diego rental costs to projects
Allocation Method	Full
Allocation Period Type	Accounting Period
Targets Selection	Within business unit
Basis Method	Prorate
Expenditure Organization	San Diego
Expenditure Type Class	Miscellaneous Transaction
Expenditure Type	Rent Allocation

Defining Allocation Sources

1. Click **Sources** and then **Ledger Sources** and complete the key fields as shown in the table.

Field	Value
Allocation Pool Percentage	100
Source Amount Class	Period-to-date
Ledger Sources Account	01-420-7580-000

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Field	Value
Percentage	100
Subtract	Leave unchecked

Defining Allocation Targets

1. Click **Targets** and complete the key fields as shown in the table.

Field	Value
Line Number	1
Project Organization	San Diego
Line Number	2
Project	Vision Software Install
Exclude	Select the check box.

Defining Allocation Offsets

1. Click **Offsets** and complete the key fields as shown in the table.

Field	Value
Offset Method	Specific project and task
Project	Allocation Offset Project
Task	1.0
Expenditure Organization	San Diego
Expenditure Type Class	Miscellaneous Transaction

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Field	Value
Expenditure Type	Rent Allocation

Defining Allocation Basis Details

1. Click **Basis** and complete the key fields as shown in the table.

Field	Value
Basis Category	Actual Amounts
Amount Type	Total Raw Cost
Amount Class	Period-to-date
Relative Period	-1

2. Click **Save and Close**.

Related Topics
- Considerations for Allocation Methods
- Considerations for Allocations Basis Methods
- Considerations for Allocation Offset Methods
- Define Allocation Rules to Allocate Labor Costs from a Shared Services Project

FAQs for Project Cost Allocations

How can I search for allocations by period effectively?

Select Business Unit and then select Period to search for allocations across allocation rules or for a specific allocation rule. Selecting a period finds allocations for a single period only.

When does the target project have duplicate transactions?

When the allocation rule is set to the full allocation method and if you process allocations more than once during a period, another set of transactions are created in your target project.

If this is done by mistake, you can reverse this set of allocation transactions for the period.

Can I allocate the source amount to projects and tasks that belong to a different business unit?

Yes, if the projects are enabled for cross-charge processing and when the target selection in allocation rule is across business units.

Allocation transactions are owned by the business unit to which the allocation rule belongs. However, you can't allocate the source amount to projects in other business units that are enabled for capitalization.

What happens if the total basis amount in an allocation is zero?

The allocation either results in an error or spreads the amount evenly to all the eligible target projects or tasks based on the Allocation Method for Zero-Basis Amounts profile option settings during implementation.

What happens to the allocation transactions if I release the allocation?

Expenditure items are created for each allocation and offset transaction.

You can verify how the amounts are allocated. The entire allocation fails even if one exception is found during the import and process of cost transactions. You must fix the errors and then reprocess the allocation.

What's a missing amount for an allocation?

Missing amounts are listed only on subsequent allocation generation when the allocation uses an incremental method.

For example, if a project was closed from the previous allocation generation, then the amount that was previously allocated to the project is listed under the Missing Amounts tab, though the project does not receive any further allocation transactions. The application tracks the missing amounts so that the source, target, or offset amounts are accurate. Example reasons for missing source amounts are: task is closed because the task is complete or the task is excluded from the source line.

Why can't I generate allocations for this allocation rule?

You cannot generate allocations for an allocation rule if the allocation rule already has draft allocations. This includes allocations with the following statuses:

- Draft Success

- Draft Failure

- Release Failure

- Deletion in Progress

- Release in Progress

When do I reverse an allocation?

If an allocation must be changed after releasing the draft successful allocation, you can reverse the allocation. For example, if all expected actual costs were not posted to the source ledger account for the accounting period, then you can reverse the successfully released allocation.

The following figure illustrates the allocation reversal process.
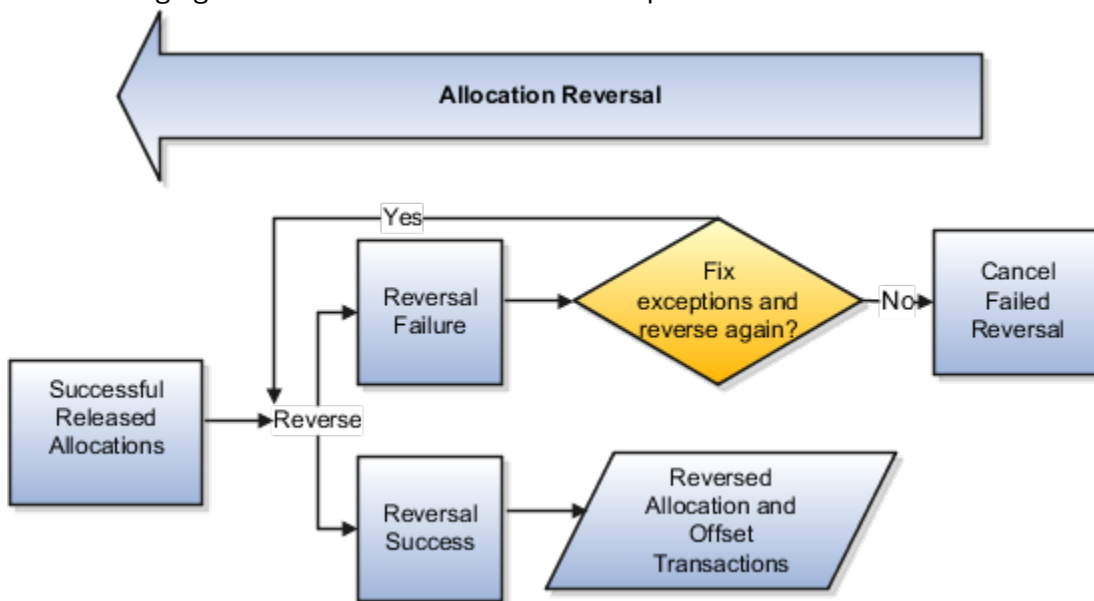
If the reversal fails you can either fix the errors and reverse the allocation again or cancel the failed reversal. If you cancel the failed reversal, the allocation changes to Release Success status.

You cannot reverse an allocation if any of the target or offset projects can't accept new transactions, for example, new transactions aren't accepted if a project is closed.

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What's the difference between allocation and burdening?

Both allocation and burdening are related to expenditure item costs. Allocation uses actual amounts from sources such as project sources, ledger sources, and fixed amount source to provide the source pool amount. Allocation generation apportions these source pool amount to target projects and tasks.

Burdening uses a set of estimated burden multipliers to increase the total cost amount of expenditure items. This fixed percentage is an estimate of the indirect or burden costs associated with the raw costs for each expenditure item.

Allocations and burdening aren't mutually exclusive; you can use both. Whether your company uses allocations, burdening, or both in a particular situation depends on how your company works and how you have implemented Oracle Fusion Project Costing.

9 Capital Asset Costs

Overview of Capital Asset Costs

Track capital project costs, for example, asset and retirement costs, using Oracle Fusion Project Costing.

You can also create asset cost allocation methods and specify capitalization options for your projects.

Capital Projects Processing

Capital projects are used to manage capital asset costs and retirement costs. You can create capital assets to accumulate costs for fixed assets that are being built, installed, or acquired.

Additionally, you can create retirement adjustment assets to collect cost of removal and proceeds of sale amounts associated with assets that are being retired, removed, abandoned or otherwise deposed.

After you create assets for a project, you can assign assets either at the project level or task level. You can explicitly assign an asset to a level or collect costs common to all assets at the grouping level. Classify transactions either as construction-in-progress costs or retirement work-in-progress costs. Optionally, classify tasks as noncapitalizable to capture and expense these costs. Capturing both capitalizable and noncapitalizable costs provides you with the total cost of your project.

Calculate simple or compound interest on either the total construction-in-progress amount or the open construction-in-progress amount. Place the asset in service when it is ready to use. Generate asset lines from the construction-in-progress costs and then transfer the asset lines to Oracle Fusion Assets. If a project has more than one capital asset, then place each asset in service when it is completed. If the event processing method is periodic or manual, then you can create events to group costs and assets.

The assets are grouped based on their actual in-service date, while the costs are grouped based on its transaction date. Summary asset lines are generated by grouping the transactions based on the asset line grouping method. Review the summary asset lines and transfer them to Oracle Fusion Assets. To create actual assets, post them in the asset book, and then update them with the asset period details from Oracle Fusion Assets.

> **Note:** After capitalizing the asset and when the asset is in the period of addition in Oracle Fusion Assets, if you have erroneously placed the assets in service or incorrect asset costs are transferred, then you can reverse the asset.

You can retire the asset when you are ready to take it out of service. Capture the cost of removal and proceeds of sale from the retiring asset and then send to Oracle Fusion Assets. Post them as adjustments to the accumulated depreciation account of the group asset that corresponds to the retiring asset.

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Related Topics

- Can I delete an asset or asset assignment from the Create and Assign Assets ADFdi workbook?
- Can I update an asset assignment in the Create and Assign Assets ADFdi workbook?
- Can I assign an asset to multiple tasks in the Create and Assign Assets ADFdi workbook?
- Can I update the asset or project name in the Create and Assign Assets ADFdi workbook?

Generating Asset Lines

This topic introduces asset lines and offers a high-level description of the tasks associated with asset line generation.

What are asset lines, and why do we need them?

Asset lines are a consolidated grouping of project costs that are allocated to project assets. This allocation ensures that the project costs incurred while creating an asset are assigned appropriately. How these asset lines are grouped is defined by the asset line grouping method, and allocation of these grouped project costs to project assets is defined by the asset cost allocation method.

For example, when you work on a project, you typically secure materials and talent for the project in bulk; but when you finally want to allocate these costs to the actual assets that make up your project's deliverables, it becomes important to associate a certain percentage of the bulk costs to each specific asset. Project asset lines help you do that.

Ideally, all project asset lines get assigned to project assets before these asset lines can be transferred to Oracle Assets. However, if you want to assign asset lines to project assets manually, choose the *None* asset cost allocation method. Then, the Generate Asset Lines process creates asset lines but doesn't attempt to allocate them to project assets. You will then need to manually assign these project asset lines to assets using the Projects > Assets UI or perform this task in bulk using the Unassigned Asset Lines FBDI or the REST API for Asset Lines. For larger volumes, you can build integrated Excel workbooks that utilize REST APIs. This is known as Visual Builder Add in for Excel (VBAFE).

What's the difference between project assets and Oracle Assets assets?

Oracle Assets assets represent actual assets in an organization. These are assets that get reported in the Fixed Assets section of the organization's balance sheet. Oracle Assets enables you to manage these assets and depreciate them over time.

> **Note:** These assets will also include accumulated depreciation, which will allow you to determine the net book value of all your assets.

For example, there may be a line item on the balance sheet named Buildings. This would be a grouped listing of the cost of all buildings owned by your company. So, your company might report, say, $200,000,000 worth of buildings; Oracle Assets provides costing details for these, say, 175 buildings, which make up that summary cost.

It is important to note that not all assets that are listed in Oracle Assets are associated with projects. There are many assets that are directly purchased for the use of the organization, or acquired when an organization buys out another. Oracle Assets helps you manage all your assets, regardless of whether they were created using Oracle Projects or purchased directly from other applications, such as Oracle Payables.

A project asset, on the other hand, is a placeholder for accumulating all project costs that went into creating an asset. Now, when the project is completed, and all asset costs have been captured, the project asset records all the costs that

went into creating it. Oracle Assets doesn't need that kind of detail; it just wants to know how much an asset cost in the end. Even after the project is over, you can enhance the asset and assign costs to it.

Projects creates accounting for construction-in-progress (CIP) assets, and Oracle Assets moves the CIP cost into *a final asset account*.

Why do you need Oracle Projects to create assets?

You need Oracle Projects to create assets only when you can't buy the asset outright and need to construct / assemble the asset from scratch. Oracle Projects helps you capture the costs that went into creating the asset, so these can be reviewed / audited whenever required. Oracle Assets doesn't capture that level of detail and is only concerned about the final cost of an asset. For example, Oracle Time and Labor doesn't send any data directly to Oracle Assets. Oracle Time and Labor sends time cards to Oracle Projects, which then groups them together and allocates them to assets.

How are asset lines generated?

Asset line generation involves two interconnected tasks:

1. Project Costs Grouping: Enables you to group project costs.
2. Asset Costs Allocation: Enables you to allocate grouped asset costs to project assets.

In simple terms, there can be thousands, if not millions, of project costs that need to be summarized to make them more manageable. Once these costs have been grouped together, we can allocate them to the designated project assets, which should share in the allocation of these costs.

Asset Line Generation: Example

For example, the boundary line tapes of a clay tennis court are made of vinyl and must be physically nailed into the clay. Typically, there are 1500 nails that are used to line one tennis court. Tennis court engineers obviously spend numerous hours to drive in all of these nails, and if a tennis club has 8 clay courts, they will require 12,000 nails to line all eight courts. So, let's say there is one person assigned per tennis court who lays out the tape, and there are two people per tennis court, who must drive the nails in. Completing the taping of each tennis court takes five hours.

Let's say these are the relevant costs associated with laying a boundary tape around one clay tennis court:

- Cost of the vinyl tape: $1,000 per court

- Cost of the tennis court nails: $500 per court

- Labor costs for Tape Layer: $100 per hour. Two hours required per court for a cost of $200 per court.

- Labor cost for Nail Gun Applicator: $50 per hour. Three hours required per court for a cost of $150 per court.

- Hourly rental cost for the nail gun: $50 per hour. Three hours are required for the nail gun rental for a cost of $150 per court.

Here are the costs associated with lining one tennis court:

Costs for Lining One Tennis Court

Item	Rate	Time	Cost per Court	Time Required for Eight Courts	Cost for Eight Courts
Vinyl Tape	$1,000 per court	NA	$1,000	NA	$8,000
Tennis Court Nails	$500 per court	NA	$500	NA	$4,000

Item	Rate	Time	Cost per Court	Time Required for Eight Courts	Cost for Eight Courts
Labor, Tape Layer	$100 per hour	2 hours	$200	16 hours	$1,600
Labor, Nail Gun Applicator	$50 per hour	3 hours	$150	24 hour	$1,200
Nail Gun Rental (1 per Court)	$50 per hour	3 hours	$150	24 hours	$1,200
Totals			$2,000		$16,000

To generate asset lines for this project, we first need to first group project costs that belong together *by one or more specific rules of our choosing*. Let's say we choose to group material and labor costs separately. We now have two heads of project costs instead of five:

- **Material Costs:** The materials required to apply the lines to a clay tennis court is the vinyl tape, tennis court nails, and the use of the special nail gun. The average expected material cost is $1,650 per clay tennis court or $13,800 to lay out and install the tape in eight courts.

- **Labor Costs:** The labor required to install these lines can be organized into two parts: Two hours for the Tape Layer, and three hours for the Nail Gun Applicator. The average expected labor cost is $350 per clay tennis court, or $2,800 to lay out and install the tape in eight courts.

We now need to allocate these costs to project assets. Since we know that the costs of material and labor for laying out each clay court is the same, we use the *Spread Evenly* asset cost allocation method. This means that each project cost shall be allocated evenly to each clay court. To learn more about this asset cost allocation method, see Asset Cost Allocation Methods.

Upon reviewing the process for preparing these eight tennis courts, the process is identical in terms of materials and labor required. The costs can be charged directly to a designated task defined for the respective tennis court, or the costs could collectively be captured and then allocated evenly to each of the eight tennis courts. This allocation could also apply to incidental costs that are not directly associated with any one of the tennis courts, such the tennis court supervisor overseeing installation on all eight tennis courts. This could also include the cost of trucks and lifts, which are rented and used for the entire project.

Now, say the labor costs come to $2,800, the vinyl tape and tennis court nails come to $12,000, and the rental for the nail guns comes to $1,200. This gives us a total project cost of $16,000. Because we chose the *Spread Evenly* asset cost allocation method, the cost allocated to each clay court shall be $16,000 / 8 courts or $2,000 per court.

Here's a table listing out the final set of grouped and allocated costs, which constitutes your asset lines:

Final Set of Grouped and Allocated Costs

Associated Project Asset	Asset Line Description	Asset Line Value
Clay Court 1	Material costs for Clay Court 1	$1650
Clay Court 1	Labor costs for Clay Court 1	$350
Clay Court 2	Material costs for Clay Court 2	$1650
Clay Court 2	Labor costs for Clay Court 2	$350
Clay Court 3	Material costs for Clay Court 3	$1650

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Associated Project Asset	Asset Line Description	Asset Line Value
Clay Court 3	Labor costs for Clay Court 3	$350
Clay Court 4	Material costs for Clay Court 4	$1650
Clay Court 4	Labor costs for Clay Court 4	$350
Clay Court 5	Material costs for Clay Court 5	$1650
Clay Court 5	Labor costs for Clay Court 5	$350
Clay Court 6	Material costs for Clay Court 6	$1650
Clay Court 6	Labor costs for Clay Court 6	$350
Clay Court 7	Material costs for Clay Court 7	$1650
Clay Court 7	Labor costs for Clay Court 7	$350
Clay Court 8	Material costs for Clay Court 8	$1650
Clay Court 8	Labor costs for Clay Court 8	$350
Total		**$16,000**

The grouped project costs are now distributed and allocated to the appropriate project asset. These 16 lines of allocated cost are your 16 asset lines which, once they're transferred into Oracle Assets, will be associated with each tennis court separately.

Asset Cost Allocation Methods in the Project Costs to Fixed Assets Process

A capital project creates fixed assets, and project tasks are geared towards creating them. Each task has costs, and it's critical to accurately collect and allocate project costs to tasks, each of which is typically associated with multiple project assets.

Here's a graphic that illustrates the list of tasks that make up the project costs to fixed assets process.

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Project Cost Import to Fixed Ass

Import Project Costs and Cost Adjustments	→	Project
		Validate Project Costs
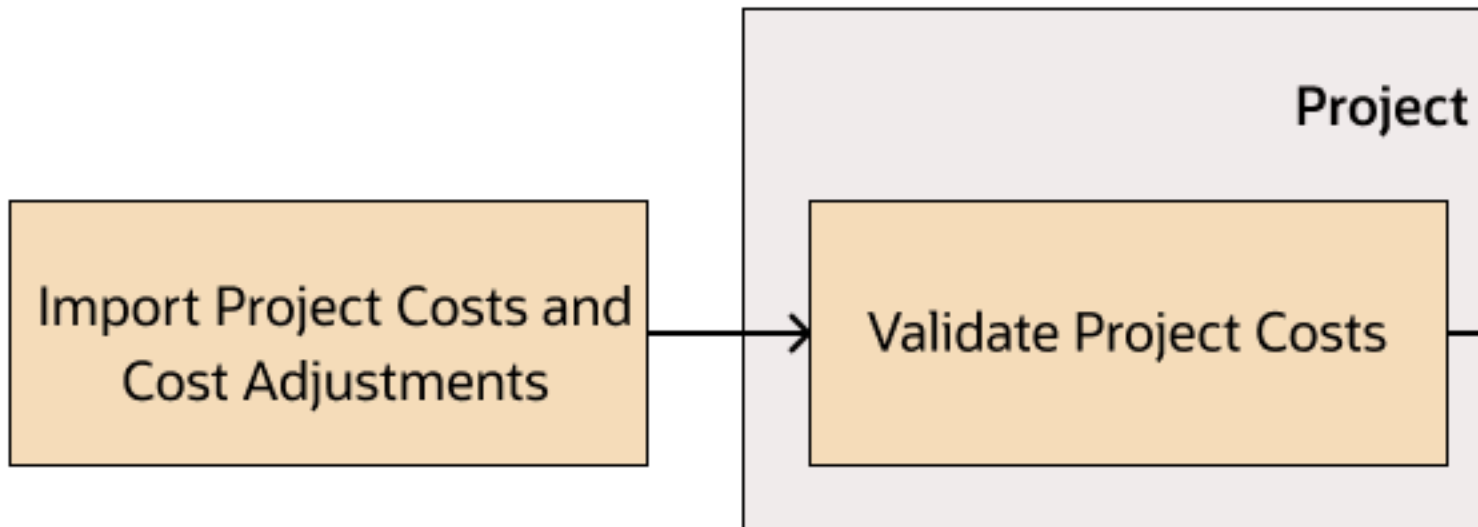
As the graphic above illustrates, the process of loading project costs to interfacing them into Fixed Assets involves the following key tasks:

1. *Import Project Costs and Cost Adjustments*
2. *Process Project Costs*
3. a. *Validate Project Costs*
   b. *Account for Project Costs*
4. *Generate Asset Lines*
   a. Use Asset Line Grouping Methods to Group Project Costs
   b. Use Asset Cost Allocation Methods to Allocate Grouped Costs to Project Assets
5. *Run the Transfer Assets to Oracle Fusion Assets Process*
6. Uptake Source Lines (in FA)
   a. Run the Mass Additions Process
   b. Run Accounting to Transfer CIP costs to Assets
7. Run the Update Assets Information from Oracle Fusion Assets (Tie-back) Process

Asset cost allocation methods help project managers and project accountants decide how they want to allocate project costs to specific or common assets that the project aims to create.

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Project Cost Collection Methods and Their Implications for Asset Cost Allocation

Project costs are always collected at the bottom task level. Tasks in a project, therefore, serve two purposes:

- Tasks help structure the work associated with a project for easier execution and management.

- Tasks help capture associated costs from multiple applications, such as Procurement and Labor Distribution.

You can assign assets to tasks in different ways, and each of these methods has implications for how costs are assigned to these assets.

| **Note:** You can't assign the same project asset at the project and task levels.

Here's a table listing out the project cost collection methods available in Oracle Projects, and their implications for asset cost allocation.

Project Cost Collection Methods Available in Oracle Projects

Asset-Task Assignment Method	Description	Implications for Asset Cost Allocation
Project Assets Assigned at the Project Level	Project assets are all assigned at the project level.	An asset cost allocation method will be used to determine how to allocate project asset costs charged to this project. Tasks will be used for cost collection purposes only.
Single Project Asset Assigned to Each Task	Some tasks will be designated specifically for one project asset. Costs charged to this task will be allocated only to that project asset.	No asset cost allocation method is needed to allocate project costs to the only asset associated with the project task. All costs associated with that task will automatically be allocated with that asset.
Multiple Project Assets Assigned to the Same Task	Some tasks will have multiple project assets assigned to them. For this use case, these project assets share the project costs charged to this task.	An asset cost allocation method will be used to determine how to allocate project asset costs charged to this task.
Common Asset Costs Assigned to All Tasks Within the summary task (See note below)	Common costs are often necessary for the successful creation of numerous project assets, and the costs need to somehow be shared. Examples of common costs: Permits and architectural fees, wiring, and plumbing.	These common costs can't be associated with any specific asset.

Related Topics
- At what task level can I assign project assets?

What are asset lines, and why do I need them?

Asset lines are a consolidated grouping of project costs that are allocated to project assets. This allocation ensures that the project costs incurred while creating an asset are assigned appropriately.

How these asset lines are grouped is defined by the asset line grouping method, and allocation of these asset lines to project assets is defined by the asset cost allocation method.

For example, when you work on a project, you typically secure materials and talent for the project in bulk; but when you finally want to allocate these costs to the actual assets that make up your project's deliverables, it becomes important to associate a certain percentage of the bulk costs to each specific asset. Project asset lines help you do that.

Ideally, all project asset lines get automatically assigned to project assets based on the asset cost allocation method. However, if you want to assign asset lines to assets manually, choose the *None* asset cost allocation method. This simply means that the Generate Asset Lines process will create asset lines, but will not attempt to allocate them to project assets. You will then need to manually assign these project asset lines to assets using the Projects > Assets UI or perform this task in bulk using the Unassigned Asset Lines FBDI or the REST API for Asset Lines. For larger volumes, you can build integrated Excel workbooks that utilize REST APIs using Visual Builder Add in for Excel (VBAFE).

Considerations for Asset Assignment to Projects or Tasks

While assigning assets to projects or tasks, you must keep in mind the following considerations.

- Project assets can be assigned at the project level, but costs must be collected at the task level. For example, if you create only one asset, or a couple of extremely similar assets, such as two identical buildings, you would typically define them at the project level. While you may list your assets at the project level, you must capture costs at the task level, which would offer you insight into the amount of money you spent building, say, a specific floor.

- Project assets can be assigned at the task level. For example, a hospital building may have numerous assets created, and when you have numerous assets, the project task structure will enable you to capture project costs that are specific to each asset, which you can then assign to them.

- Multiple project assets can be assigned at the same level (project or task). For example, you can build four identical tennis courts in a tennis club, and all four assets would be assigned to the same Build Tennis Courts task.

- Project assets can be assigned to multiple tasks within the project. For example, the construction of a restaurant kitchen may have tasks for storage and cabinetry as well as for flooring and cooking essentials like stoves, ovens, and the cold storage. The kitchen asset would be assigned to each of these tasks.

- When assigning project assets at the task level, you can either assign assets to the top or bottom level tasks, but you can't do both. Project assets also can't be assigned to a middle level task. See *At what task level can I assign project assets?*

- You can also collect and allocate common costs to project assets.
  Common costs are costs that can't easily be assigned to any one project asset. Generic costs, such as permit charges and architectural fees, are good examples of these. If you create tasks to capture such costs, you can't

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assign project assets to them. While grouping common costs to create asset lines, you must use the Common Costs cost grouping level type in the Edit Task Details screen.

How to decide where to assign project assets?

Assets can be assigned to tasks in different ways, and each of these methods has implications for how costs are assigned to these assets.

Here's a table listing out the implications of choosing each asset-task assignment method.

Implications of Choosing Each Asset-Task Assignment Method

Asset-Task Assignment Method	Description	Additional Details
Project Assets Assigned at the Project Level	Project assets are all assigned at the project level.	An asset cost allocation method will be used to determine how to allocate project asset costs charged to this project. Tasks will be used for cost collection purposes only. Project assets cannot be assigned at any task if they are assigned at the project level.
Single Project Asset Assigned to Each Task	Some tasks will be designated specifically for one project asset. Costs charged to this task will be allocated only to that project asset.	The asset cost allocation method is not needed to allocate project costs to the only asset associated with the project task. All costs associated with that task will automatically be allocated to that asset. Project assets cannot be assigned at the project level if they are assigned at the task level.
Multiple Project Assets Assigned to the Same Task	Some tasks will have multiple project assets assigned to them. For this use case, these project assets share the project costs charged to this task.	An asset cost allocation method will be used to determine how to allocate project asset costs charged to this task. Project assets cannot be assigned at the project level if they are assigned at the task level.
Common Asset Costs Assigned to All Tasks Within the summary task	Common costs are often necessary for the successful creation of numerous project assets, and the costs need to somehow be shared. Examples of common costs: Permits and architectural fees, wiring, and plumbing.	These common costs can't be associated with any specific asset.

Scenarios for Asset Cost Allocation Methods

There are two distinct scenarios where asset cost allocation methods may be applied: when a project has multiple project assets and when a project has common costs that must be allocated across project assets.

Multiple Project Assets

When there is more than one project asset assigned at one specific project or task, asset cost allocation methods help determine how project costs must be assigned to each of the assets.

For example, consider a task that involves the creation of multiple clay tennis courts. From experience, (and from the project schedule) we know that these courts will be constructed simultaneously. The materials and labor incurred will be shared amongst the clay tennis courts being constructed.

Project managers and project accountants can choose from five options to specify how they want to allocate these costs:

- Actual Units
- Current Costs
- Estimated Cost
- None
- Standard Unit Cost
- Spread Evenly.

If they choose **None** as the asset cost allocation method, project costs would be generated in a single asset line, and there would be no assignment to any of the four assets listed.

Common Cost Project or Task

If the project manager chooses this method, costs collected will be shared amongst all project assets.

For example, if two tasks in your project are associated with two very different grass tennis courts, both of these tasks will incur very specific charges. In addition to these, there will be some common costs, such as costs associated with topsoil, grass seed, and tennis court line paint, which would be shared by both courts. These common costs would be collected in a separate task (such as Common Grass Tennis Courts Construction Costs), and would then be shared with those assets within the same summary task.

Customers have the same five options to allocate these costs:

- Actual Units
- Current Costs
- Estimated Cost
- None
- Standard Unit Cost
- Spread Evenly

If they choose **None** as the asset cost allocation method, project costs would be generated in a single asset line, and there would be no assignment to any of the four assets listed. Keep in mind that common costs are typically shared over a large number of assets.

Note:

- Projects or tasks that are defined as common costs will never have project assets listed. What you can do is either assign all common costs directly to the project, or you can create a task that is meant specifically for collecting common costs.

- Customers typically wait for significant milestones—or the conclusion of the project—to allocate common costs to eligible project assets.

- You can update the asset cost allocation method associated with a project at any time. You may decide that one of the other asset cost allocation methods may be more suitable at a particular stage of the project's lifecycle. Keep in mind, however, that any update to allocation methods will only impact the allocation of new project asset lines, not previously generated asset lines that have already been transferred into Oracle Assets.

Allocating Project Asset Costs to Projects and Tasks

When you work on a project and need to set up project asset costs allocation methods for projects and tasks, you must perform at least the following tasks:

Typical Capital Project-Related Tasks

No.	Task	Description	Importance
1	Create a capital project.	This is a financial project that has capitalization enabled. This means that the project template that you choose for the project must have capitalization enabled as well.	Only when financial projects are enabled for capitalization can you associate assets with tasks, and project costs with assets associated with these tasks. If the asset costs allocation method that the project inherits from the project template isn't the one that you want to use, you can update it using the **Manage Financial Project Settings > Capital** tab.
2	Create project assets.	Project assets are unique to a project's goals, and are defined at the project level.	Only when these assets are created, can they be variously assigned to projects or project tasks. This will help in project costs allocation when the team starts executing project tasks.
3	Create project plan.	The project plan lists out all the tasks in the work breakdown structure of the project.	Project managers can allocate project costs to assets associated with tasks. When there are multiple project assets associated with

No.	Task	Description	Importance
			a specific task, or if the task is collecting common costs, the asset cost allocation method will be used to determine what prorated amount a project asset will receive.
4	Assign project assets to the project or its task(s).	Project assets are assigned at either the project or task level.	Project managers can allocate project costs to assets associated with tasks. When there are multiple project assets associated with a specific task, or if the task is collecting common costs, the asset cost allocation method will be used to determine what prorated amount a project asset will receive.
5	Create and collect project costs.	Projects accumulate costs from numerous applications as work on tasks progresses. Project managers can also create costs at the project level.	Project costs are the raw materials for asset lines. These costs must be properly accounted before asset lines can get grouped and generated. The project asset cost allocation method determines how these project costs, after they are grouped, get assigned to the appropriate project assets.
6	Generate asset lines.	Generate asset lines to pick accounted project cost transactions, group them into asset lines, and assign them to project assets. The Generate Asset Lines process also allocates common costs for tasks that are defined to collect common costs.	Project transactions get transferred into Oracle Assets as asset lines. The asset cost allocation methods determine which project asset(s) the project asset lines are assigned to. Only project asset lines that have been assigned to a project asset can be transferred into Oracle Assets. The Include Common Tasks option must be marked as **Yes** for the common costs to get allocated.
7	Transfer asset lines to Oracle Fixed Assets.	Project asset lines get transferred into Oracle Assets.	This is a significant milestone that marks the completion of the project-to-assets lifecycle.

Asset Cost Allocation Methods Available in Oracle Projects

Here's a table that offers a summary of asset cost allocation methods available in Oracle Projects:

Asset Cost Allocation Methods Available in Oracle Projects

Asset Cost Allocation Method	Description	Typical Use Case
Actual Units	The Actual Units asset cost allocation method is based on the actual number of units defined for a project.	Use this allocation method when your assets are almost identical in nature, and the primary difference is in the number of items for each

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Asset Cost Allocation Method	Description	Typical Use Case
		asset. The cost allocation would then be driven by the number of asset items. It would be logical for one asset that has a quantity of 2 to be allocated twice the cost of an asset (with the same price) with the quantity of 1.
Current Costs	The Current Costs asset cost allocation method is based on the current construction in progress (CIP) costs charged, and asset accounting lines are created for each individual asset within a project or task.	Use this allocation method when you are looking to allocate common costs to project assets based on the current costs of the existing assets. This would commonly be done at the conclusion of a capital project.
Estimated Costs	The Estimated Cost asset cost allocation method is based on the estimated or budgeted cost of the project assets.	The use case for using Estimated Cost would be when customers can very closely estimate the final cost of their project asset. A project asset in which an estimated cost of $2 million would be allocated twice the common cost of a project asset with estimated cost of $1 million.
None	None is an asset cost allocation method that will NOT allocate common and indirect costs to project assets.	The use case for using None would be when the other five asset cost allocation methods do NOT meet the needs for assigning the project costs to the project assets. The customer will have to assign these unassigned asset lines manually through the Project Assets UI, or in larger volumes using FBDI. Keep in mind, if there is just one project asset assigned to a task, project asset lines will automatically be assigned to that project asset, regardless of the asset cost allocation method used.
Standard Unit Cost	A standard unit cost is defined for an asset book and asset category combination. When you use this method, Oracle Fusion Projects multiplies the standard unit cost times the actual units based on the asset book and asset category of each asset, and it determines the proration basis for allocating costs.	The use case for Standard Unit Cost is when customers would like to use a standard defined cost when determining the project cost allocations.
Spread Evenly	The Spread Evenly method is an asset cost allocation method used to allocate common and indirect costs to assets. The Spread Evenly asset cost allocation method considers the number of project assets that will receive project costs and equally shares the costs with those assets.	The use case for using Spread Evenly would be when customers have very similar assets and have determined that common costs can be equally allocated to each of those assets. A grocery store may have 500 of the same display cases constructed and distributed to their stores. The costs are for all 500 display cases and should be equally divided for each asset.

Note:

- Projects or tasks that are defined as common costs will never have project assets listed. What you can do is either assign all common costs directly to the project, or you can create a task that is meant specifically for collecting common costs.

- When there is one project asset assigned to a specific task, project costs associated with that task are automatically assigned to that one asset. The asset cost allocation method is not used to allocate project costs here.

- Customers typically wait for significant milestones—or the conclusion of the project—to allocate common costs to eligible project assets.

- You can update the asset cost allocation method associated with a project at any time. You may decide that one of the other asset cost allocation methods may be more suitable at a particular stage of the project's lifecycle. Keep in mind, however, that any update to allocation methods will only impact the allocation of new project asset lines, and not to previously generated asset lines that have already been transferred into Oracle Assets.

The Actual Units Asset Cost Allocation Method

The Actual Units asset cost allocation method is based on the actual number of units defined for a project.

Use this allocation method when your assets are almost identical in nature, and the primary difference is in the number of items for each asset. The cost allocation would then be driven by the number of asset items. It would be logical for one asset that has a quantity of 2 to be allocated twice the cost of an asset (with the same price) with the quantity of 1.

Actual Units is a required field during project asset definition.

For example, let's say a building needs the following heating, venting, and air-conditioning (HVAC) units:

- One for the first floor

- Two for the second floor

- Three for the third floor, and

- Four for the fourth floor

In all, there are four assets listed here, with a total quantity of 10 (1+2+3+4). The project manager decides to allocate asset costs by actual units in this context.

For guidance on how to specify the asset cost allocation method for a project, see the Specifying Asset Cost Allocation Methods While Setting up a Project section in the *Asset Cost Allocation Methods* topic.

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Actual Units: Create Project Assets

The project manager creates the four assets and adds the quantity numbers as appropriate. Here's a table describing the listing of the four project assets tracking the ten HVAC Units.

Actual Units: Project Asset Details

Asset	Asset Cost Allocation Method	Actual Units	Prorate %
HVAC Units for Floor 1	Actual Units	1	10%
HVAC Units for Floor 2	Actual Units	2	20%
HVAC Units for Floor 3	Actual Units	3	30%
HVAC Units for Floor 4	Actual Units	4	40%
Totals		10	100.00%

Actual Units: Assign Project Assets to the Project or its Tasks

Because these assets were defined and assigned at the project level, there are no task-level assignments.

Actual Units: Create and Collect Project Costs

Now that the assets are associated with the project, the project manager can start importing costs and allocate them to these assets.

Say the project manager imports and adds a cost of $1000 to the project. To view the imported cost:

1. The project manager navigates to **Projects > Costs > Side Panel > Manage Project Costs** and searches for the imported costs by project.
2. From the search results, the project manager clicks the **Transaction Number** associated with the imported cost. The Project Cost Transaction page appears.
3. The project manager clicks the **Costing** tab to view cost details.
4. The project manager then selects the **Line Number** associated with the cost and clicks **View Accounting** to view details associated with the imported cost.

Actual Units: Generate Asset Lines

The project manager now runs the **Assets > Panel Drawer > Generate Asset Lines** process.

Actual Units: Review Project Asset Lines

Once the process completes, the project manager reviews the project asset lines generated (**Projects > Assets > Manage Capital Projects > Search > Actions > Manage Asset Lines**) to check whether the imported project cost has been distributed as expected. They see that four asset lines are generated for the imported project cost, and the values in the Split Percentage column is as specified in the Prorated Percentage column in the table above.

Here's a table listing out the prorated amounts allocated to each asset in this example.

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Actual Units: Prorated Allocated Amounts

Asset	Split Percentage	Project Expenditure	Allocated Amount
HVAC Units for Floor 1	10.00%	$1.000.00	**$100.00**
HVAC Units for Floor 2	20.00%	$1,000.00	**$200.00**
HVAC Units for Floor 3	30.00%	$1,000.00	**$300.00**
HVAC Units for Floor 4	40.00%	$1,000.00	**$400.00**
Totals	100.00%		**$1,000.00**

Actual Units: Transfer Assets to Oracle Assets

Once the project manager is ready to transfer these asset lines to Oracle Assets, they use the **Projects > Assets > Side Panel Drawer > Transfer Assets to Oracle Fusion Assets** process to transfer these asset lines to Oracle Assets.

The Current Cost Asset Cost Allocation Method

Use the Current Cost method when the actual costs of project assets vary greatly.

The Current Cost asset cost allocation method is based on the current construction in progress (CIP) costs charged, and asset accounting lines created for each individual asset within an asset collection area (project or task).

Project managers can change their asset cost allocation method whenever required. For example, you can always choose to change your asset cost allocation method from Spread Evenly to Current Cost. One use of the Current Cost method is to calculate the basis for determining proration percentages across assets.

To explain this scenario, let's say that one project has one task for each of the three buildings being constructed. However, there are some very generic costs that are incurred that are not directly associated with any one of the three buildings. Therefore, the customer creates one task to collect just these costs, which are called Common Costs. By definition, it is not possible to assign any asset to a common cost task. At the conclusion of the project, there are some very common costs. When Current Costs (not to be confused with common costs) is the asset cost allocation method, we will use the total current CIP charges for each building to determine how to allocate the common costs collected in the task. Therefore, a project asset in which $2 million has been capitalized would be allocated twice the common costs allocated to an asset with a capitalization of $1 million.

> **Note:** This is the only asset cost allocation method where asset lines MUST be generated at least once to get the basis for determining how to allocate asset lines to project assets. The others do NOT require the Generate Asset Lines process to be run for proration percentages to be calculated.

The current cost is the total asset cost that was calculated by the Generate Asset Lines process.

For example, let's say that this project is defined with the asset cost allocation method of Current Cost, which is reflected as the total asset cost for the four clay tennis courts:

- The Current Cost / (Total Asset Cost) for Clay Tennis Court 1 is $1,000.
- The Current Cost for Clay Tennis Court 2 is $4,000.
- The Current Cost for Clay Tennis Court 3 is $5,000.

- The Current Cost for Clay Tennis Court 4 is $10,000.

In all, there are four assets listed here, with a total current cost of $20,000 (1,000 + 4,000 + 5,000 + 10,000). The project manager decides that it would be most effective to allocate asset costs by the current cost in this context. Thus, asset costs would be allocated to these assets based on the proration of the current costs.

For guidance on how to specify the asset cost allocation method for a project, see the Specifying Asset Cost Allocation Methods While Setting up a Project section in the *Asset Cost Allocation Methods* topic.

Current Cost: Create Project Assets

The project manager creates the four assets and adds the quantity numbers as appropriate:

The current cost for a project asset is calculated by generating accounting and generating asset lines for the capital project. In this scenario, the total asset cost of $4,000.00 represents the current cost used for the proration of common project costs to the Clay Tennis Court 2 asset.

Here's a table depicting the listing of the four project assets tracking the four clay tennis courts, 1 through 4.

Current Costs: List of Project Assets

Asset	Asset Cost Allocation Method	Current Cost CIP Amount	Prorated Percentage
Clay Tennis Court 1	Current Cost	1,000.00	5%
Clay Tennis Court 2	Current Cost	4,000.00	20%
Clay Tennis Court 3	Current Cost	5,000.00	25%
Clay Tennis Court 4	Current Cost	10,000.00	50%
Totals		20,000.00	100.00%

Current Cost: Assign Project Assets to the Project or its Tasks

When using the Current Cost asset cost allocation method, you typically assign one asset to each task, and you create a task dedicated to collecting common costs.

Current Cost: Create and Collect Project Costs

Now that the assets are associated with the project, the project manager can start importing costs and allocate them to these assets.

Say the project manager imports and adds a cost of $1000 to the project. To view the imported cost:

1. The project manager navigates to **Projects > Costs > Side Panel > Manage Project Costs** and searches for the imported costs by project.
2. From the search results, the project manager clicks the **Transaction Number** associated with the imported cost. The Project Cost Transaction page appears.
3. They now click the **Costing** tab to view cost details.
4. The project manager selects the **Line Number** associated with the cost and clicks **View Accounting** to view details associated with the imported cost.

Current Cost: Generate Asset Lines

The project manager now runs the **Assets > Panel Drawer > Generate Asset Lines** process.

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Current Cost: Review Project Asset Lines

Note that when $1,000 is charged to this project and task combination, the calculated amount of the asset lines is exactly as expected.

Here's a table listing out the prorated amounts allocated to each asset in this example.

Current Costs: Project Asset Details

Asset	Split Percentage	Project Expenditure	Allocated Amount
Clay Tennis Court 1	5.00%	$1.000.00	$50.00
Clay Tennis Court 2	20.00%	$1,000.00	$200.00
Clay Tennis Court 3	25.00%	$1,000.00	$250.00
Clay Tennis Court 4	50.00%	$1,000.00	$500.00
Totals	100.00%		$1,000.00

Once the process completes, the project manager reviews the project asset lines generated (**Projects > Assets > Manage Capital Projects > Search > Actions > Manage Asset Lines**) to check whether the imported project cost has been distributed as expected. They see that eight asset lines are generated in all. Four asset lines are generated for the imported project cost, and the values in the Split Percentage column is as specified in the Prorated Percentage column in the table above. Since there was just the one asset per task, the project costs were allocated automatically to their specified tasks.

The last four asset lines represent the allocation of the common costs ($1,000) captured in Task 1.1.5 and allocated to the four clay tennis courts.

Current Cost: Transfer Assets to Oracle Assets

The project manager now runs the **Transfer Assets to Oracle Assets** process to send the generated asset lines to Oracle Assets.

The Estimated Cost Asset Cost Allocation Method

The Estimated Cost asset cost allocation method is based on the estimated or budgeted cost of the project assets.

Use the Estimated Cost asset cost allocation method when you can very closely estimate the final cost of your project asset. A project asset with an estimated cost of $2 million would be allocated twice the common cost of a project asset with an estimated cost of $1 million.

For example, let's say that this project is defined with the asset cost allocation method of Estimated Cost, which is reflected as the total asset cost for the four clay tennis courts:

- The estimated cost for Clay Tennis Court 1 is $30,000.
- The estimated cost for Clay Tennis Court 2 is $40,000.
- The estimated cost for Clay Tennis Court 3 is $60,000.
- The estimated cost for Clay Tennis Court 4 is $70,000.

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For guidance on how to specify the asset cost allocation method for a project, see the Specifying Asset Cost Allocation Methods While Setting up a Project section in the *Asset Cost Allocation Methods* topic.

Estimated Cost: Create Project Assets

The estimated cost for a project asset is its budgeted or expected cost. In our example above, the estimated cost of Clay Tennis Court 1 is $60,000.

Say a project manager needs the following assets for a project:

Estimated Cost: Project Asset Details

Asset	Asset Cost Allocation Method	Estimated Units	Estimated Cost	Prorate %
Tennis Court 1	Estimated Costs	1	30,000.00	15%
Tennis Court 2	Estimated Costs	1	40,000.00	20%
Tennis Court 3	Estimated Costs	1	60,000.00	30%
Tennis Court 4	Estimated Costs	1	70,000.00	35%
Totals		4	200,000.00	100.00%

Notice how the only difference between the four assets is the estimated cost. This is used to determine the calculated prorate percentage that will be used when allocating common costs to project assets.

Estimated Cost: Assign Project Assets to the Project or its Tasks

It's also important to note that all four of these assets are assigned at the project level. This means that when a new common project expenditure item is added to the project, the cost will be assigned to these assets using the prorated percentage we saw calculated in the table above.

Each of these four assets must be as-built, and the project manager also specifies the actual units of each asset that the project needs.

For each asset, the project manager captures the following details, among others:

- **Asset Name:** The name of the asset.
- **Estimated Units:** The number of units of that asset required for the project

The project manager can also add project assets to a project using Oracle Assets. To do so, they must:

1. Navigate to **Oracle Assets > Side Panel > Manage Capital Projects**.
2. Search for the project.
3. Select the project and then click **Actions > Manage Capital Assets**.

Estimated Cost: Create and Collect Project Costs

Now that the assets are associated with the project, the project manager can start importing costs and allocate them to these assets.

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Say the project manager imports and adds a cost of $1000 to the project. To view the imported cost:

1. The project manager navigates to **Projects > Costs > Side Panel > Manage Project Costs** and searches for the imported costs by project.
2. From the search results, they click the **Transaction Number** associated with the imported cost. The Project Cost Transaction page appears.
3. They click the **Costing** tab to view cost details.
4. The project manager selects the **Line Number** associated with the cost and clicks **View Accounting** to view details associated with the imported cost.

Estimated Cost: Generate Asset Lines

The project manager now runs the **Assets > Panel Drawer > Generate Asset Lines** process.

Estimated Cost: Review Asset Lines

Once the process completes, the project manager reviews the project asset lines generated (**Projects > Assets > Manage Capital Projects > Search > Actions > Manage Asset Lines**) to check whether the imported project cost has been distributed as expected. They see that four asset lines are generated for the imported project cost, and the values in the **Split Percentage** column is as specified in the Prorated Percentage column in the table above.

Note that the calculated amount of the asset lines is exactly as expected.

Estimated Cost: Prorated Allocated Amounts

Asset	Split Percentage	Project Expenditure	Allocated Amount
Clay Tennis Court 1	15.00%	$1.000.00	$150.00
Clay Tennis Court 2	20.00%	$1,000.00	$200.00
Clay Tennis Court 3	30.00%	$1,000.00	$300.00
Clay Tennis Court 4	35.00%	$1,000.00	$350.00
Totals	100.00%		$1,000.00

Estimated Cost: Transfer Assets to Oracle Assets

Once the project manager is ready to transfer these asset lines to Oracle Assets, they use the **Projects > Assets > Side Panel Drawer > Transfer Assets to Oracle Fusion Assets** process to transfer these asset lines to Oracle Assets.

The None Asset Cost Allocation Method

None is an asset cost allocation method that will NOT allocate common and indirect costs to project assets.

Say a project manager needs the following assets for a project:

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None: Project Asset Details

Asset	Asset Cost Allocation Method	Actual Units	Prorate %
Clay Tennis Court 1	Actual Units	1	TBD%
Clay Tennis Court 2	Actual Units	1	TBD%
Clay Tennis Court 3	Actual Units	1	TBD%
Clay Tennis Court 4	Actual Units	1	TBD%
Totals		4	100.00%

There are four assets associated with this task. Therefore, each asset is eligible to receive all or a portion of the project costs.

For guidance on how to specify the asset cost allocation method for a project, see the Specifying Asset Cost Allocation Methods While Setting up a Project section in the _Asset Cost Allocation Methods_ topic.

None: Create Project Assets

When the project manager wants to include these assets into a project, they create the project and use the **Capital** tab of the Manage Financial Project Settings page to list these assets out. The asset cost allocation method chosen must be Actual Units.

It's also important to note that all four of these assets are assigned at the project level. This means that when a new common project expenditure item is added to the project, the cost will be assigned to these assets using the prorated percentage we saw calculated in the table above.

The project manager similarly adds details associated with the other assets.

The project manager can also add project assets to a project using Oracle Assets. To do so, they must:

1. Navigate to **Oracle Assets > Side Panel > Manage Capital Projects**.
2. Search for the project.
3. Select the project and then click **Actions > Manage Capital Assets**.

None: Assign Project Assets to the Project or its Tasks

For each asset assignment, the project manager captures the following details, among others:

- **Project Task Name / Number:** The name or number of the project or task.
- **Project Asset Names:** Names of assets that must be assigned to the project or task.

None: Create and Collect Project Costs

When None is the asset cost allocation method, asset line will be generated but NOT assigned to any project assets.

The use case for using None would be when the other five asset cost allocation methods do NOT meet the needs for assigning the project costs to the project assets. The customer will have to assign these unassigned asset lines manually through the Project Assets UI, or in larger volumes with FBDI or the VBAFE (REST) tools.

Unassigned asset lines typically occur when more than one asset is assigned to an asset assignment level, such as the project or one of its task. Customers have the option to determine the best way to allocate project costs to these project assets.

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Now that the assets are associated with the project, the project manager can start importing costs and allocate them to these assets.

Say the project manager imports and adds a cost of $1000 to the project. To view the imported cost:

1. The project manager navigates to **Projects > Costs > Side Panel > Manage Project Costs** and searches for the imported costs by project.
2. From the search results, they click the **Transaction Number** associated with the imported cost. The Project Cost Transaction page appears.
3. They click the **Costing** tab to view cost details.
4. The project manager selects the **Line Number** associated with the cost and clicks **View Accounting** to view details associated with the imported cost.

None: Generate Asset Lines

The project manager now runs the **Assets > Panel Drawer > Generate Asset Lines** process.

None: Review Asset Lines

Once the process completes, the project manager reviews the project asset lines generated (**Projects > Assets > Manage Capital Projects > Search > Actions > Manage Asset Lines**) to check whether the imported project cost has been distributed as expected. They see that four asset lines are generated for the imported project cost, and the values in the Split Percentage column is as specified in the Prorated Percentage column in the table above.

Note that the allocated amount of the asset lines is exactly as expected. An additional asset line was created for assets without assignments. Note that there are four possible project assets that could receive or share in the project costs if the customer decides to split the asset line.

None: Allocated Amounts

Asset	Split Percentage	Project Expenditure	Allocated Amount
Clay Tennis Court 1	TBD%	$4,000.00	TBD
Clay Tennis Court 2	TBD%	$4,000.00	TBD
Clay Tennis Court 3	TBD%	$4,000.00	TBD
Clay Tennis Court 4	TBD%	$4,000.00	TBD
Totals	100.00%		$4,000.00

None: Transfer Assets to Oracle Assets

Once the project manager is ready to transfer these asset lines to Oracle Assets, they run the **Projects > Assets > Side Panel Drawer > Transfer Assets to Oracle Fusion Assets** process to transfer these asset lines to Oracle Assets.

The Standard Unit Cost Asset Cost Allocation Method

A standard unit cost is defined for an asset book and asset category combination.

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When you use this method, Oracle Projects multiplies the standard unit cost times the actual units based on the asset book and asset category of each asset, and it determines the proration basis for allocating costs. For more information on the standard unit cost method, see *What's a standard unit cost method*?

The use case for Standard Unit Cost is when customers would like to use a standard defined cost when determining project cost allocations.

For guidance on how to specify the asset cost allocation method for a project, see the Specifying Asset Cost Allocation Methods While Setting up a Project section in the *Asset Cost Allocation Methods* topic.

To manage standard unit cost, the project manager navigates to the **Projects > Assets > Side Panel Drawer > Manage Standard Unit Cost** page to define the cost per unit by Asset Book and Asset Category combination.

Say a project manager needs the following assets for a project:

Standard Unit Cost: Project Asset Details

Asset	Asset Book	Asset Category	Qty	Asset Cost Allocation Method	Cost Per Unit	Total Cost	Prorate %
Tennis Rolling Machine 1	Operations Corporate Book	VO Standard	2	Standard Unit Cost	22,000.00	44,000.00	57.895%
Tennis Rolling Machine 2	Operations Corporate Book	VO Luxury	1	Standard Unit Cost	32,000.00	32,000.00	42.105%
					54,000.00	76,000.00	100.00%

Notice how the asset category associated with each asset is different, and how the number of assets required is also different for each asset. The costs per unit is different as well, and the overall percentage of cost associated.

Standard Unit Cost: Create Project Assets

For each asset, the project manager captures the following details, among others:

- **Asset Name:** The name of the asset.
- **Book:** The name of the asset book associated with the asset.
- **Asset Category:** The name of the asset category associated with the asset.
- **Actual Units:** The number of units of that asset required for the project.

The **Total Asset Cost** field is a read-only rendition of the costs associated with two units of the asset that the project manager selected.

The project manager similarly adds details associated with the second asset.

Once the process completes, the project manager reviews the project asset lines generated (**Projects > Assets > Manage Capital Projects > Search > Actions > Manage Asset Lines**) to check whether the imported project cost has been distributed as expected. They see that two asset lines are generated for the imported project cost, and the values in the Split Percentage column is as specified in the Prorated Percentage column in the table above.

Standard Unit Cost: Assign Project Assets to the Project or its Tasks

Because these assets were defined and assigned at the project level, there are no task-level assignments.

Standard Unit Cost: Create and Collect Project Costs

Now that assets are associated with the project, the project manager can start importing costs and allocate them to the assets associated with the project.

Say the project manager imports and adds a cost of $1000 to the project. To view the imported cost:

1. The project manager navigates to **Projects > Costs > Side Panel > Manage Project Costs** and searches for imported costs by project.
2. From the search results, they click the **Transaction Number** associated with the imported cost. The Project Cost Transaction page appears. They click the **Costing** tab to view cost details.
3. The project manager selects the **Line Number** associated with the cost and clicks **View Accounting** to view details associated with the imported cost.

Standard Unit Cost: Generate Asset Lines

The project manager now runs the **Assets > Panel Drawer > Generate Asset Lines** process.

Standard Unit Cost: Review Asset Lines

Once the process completes, the project manager reviews the project asset lines generated (**Projects > Assets > Manage Capital Projects > Search > Actions > Manage Asset Lines**) to check whether the imported project cost has been distributed as expected. They see that two asset lines are generated for the imported project cost, and the values in the Split Percentage column is as specified in the Prorated Percentage column in the table above.

Note that the calculated amount of the asset lines is exactly as expected.

Standard Unit Cost: Prorated Allocated Amounts

Asset	Split Percentage	Project Expenditure	Allocated Amount
Tennis Rolling Machine 1	57.895%	$1.000.00	$578.95
Tennis Rolling Machine 2	42.105%	$1,000.00	$421.05
Totals	100.00%		$1,000.00

Standard Unit Cost: Transfer Assets to Oracle Assets

Once the project manager is ready to transfer these asset lines to Oracle Assets, they use the **Projects > Assets > Side Panel Drawer > Transfer Assets to Oracle Fusion Assets** process to transfer these asset lines to Oracle Assets.

The Spread Evenly Asset Cost Allocation Method

The Spread Evenly method is an asset cost allocation method used to allocate common and indirect costs to assets.

The Spread Evenly asset cost allocation method considers the number of project assets that will receive project costs and equally shares the costs with those assets.

For guidance on how to specify the asset cost allocation method for a project, see the Specifying Asset Cost Allocation Methods While Setting up a Project section in the *Asset Cost Allocation Methods* topic.

The use case for using the Spread Evenly method would be when customers have very similar assets and have determined that common costs can be equally allocated to each of those assets. A grocery store may have 500 of the same display cases constructed and distributed to their stores. The costs are for all 500 display cases and should be equally divided for each asset.

Say a project manager needs the following assets for a project:

Spread Evenly: Project Asset Details

Asset	Asset Cost Allocation Method	Actual Units	Prorate %
Clay Tennis Court 1	Actual Units	1	25%
Clay Tennis Court 2	Actual Units	1	25%
Clay Tennis Court 3	Actual Units	1	25%
Clay Tennis Court 4	Actual Units	1	25%
Totals		4	100.00%

This is the easiest and most straight forward of the asset cost allocation methods. There are four assets for this one task. Therefore, each asset will receive 1/4th (or 25%) of all of the costs.

To illustrate further, the four assets, Clay Tennis Court 1, 2, 3, and 4 will each share (or 25% each) in the project costs each.

Spread Evenly: Create Project Assets

When the project manager wants to include these assets into a project, they create the project and use the **Capital** tab of the Manage Financial Project Settings page to list these assets out. The asset cost allocation method used is Actual Units.

It's also important to note that all four of these assets are assigned at the project level. This means that when a new common project expenditure item is added to the project, the cost will be assigned to these assets using the prorated percentage we saw calculated in the table above.

Each of these four assets must be as-built, and the project manager also specifies the Actual Units of each asset that the project needs.

Spread Evenly: Assign Project Assets to the Project or its Tasks

For each project or task, the project manager captures the following details, among others:

- **Project Task Name / Number:** The name of the project or task.
- **Project Asset Names:** The names of the project assets that must be associated with the project or task.

Spread Evenly: Create and Collect Project Costs

Now that the assets are associated with the project, the project manager can start importing costs and allocate them to these assets.

Say the project manager imports and adds a cost of $1000 to the project. To view the imported cost:

1. The project manager navigates to **Projects > Costs > Side Panel > Manage Project Costs** and searches for the imported costs by project.

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2. From the search results, they click the **Transaction Number** associated with the imported cost. The Project Cost Transaction page appears.
3. They click the **Costing** tab to view cost details.
4. The project manager selects the **Line Number** associated with the cost and clicks **View Accounting** to view details associated with the imported cost.

Spread Evenly: Generate Asset Lines

The project manager now runs the **Assets > Panel Drawer > Generate Asset Lines** process.

Spread Evenly: Review Asset Lines

Once the process completes, the project manager reviews the project asset lines generated (**Projects > Assets > Manage Capital Projects > Search > Actions > Manage Asset Lines**) to check whether the imported project cost has been distributed as expected. They see that four asset lines are generated for the imported project cost, and the values in the Split Percentage column is as specified in the Prorated Percentage column in the table above.

Note that the calculated amount of the asset lines is exactly as expected.

Spread Evenly: Prorated Allocated Amounts

Asset	Split Percentage	Project Expenditure	Allocated Amount
Clay Tennis Court 1	25.00%	$10.000.00	$2,500.00
Clay Tennis Court 2	25.00%	$10,000.00	$2,500.00
Clay Tennis Court 3	25.00%	$10,000.00	$2,500.00
Clay Tennis Court 4	25.00%	$10,000.00	$2,500.00
Totals	100.00%		$10,000.00

## Spread Evenly: Transfer Assets to Oracle Assets

Once the project manager is ready to transfer these asset lines to Oracle Assets, they use the **Projects > Assets > Side Panel Drawer > Transfer Assets to Oracle Fusion Assets** process to transfer these asset lines to Oracle Assets.

The project asset definition has no value that can determine how project costs must be allocated.

Capitalization Options for Project Types

You can assign assets to a project by associating it with a project type that's enabled for capitalization. Enable capitalization for a project type using the Manage Project Types task.

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The following graphic illustrates the capitalization options for project types.
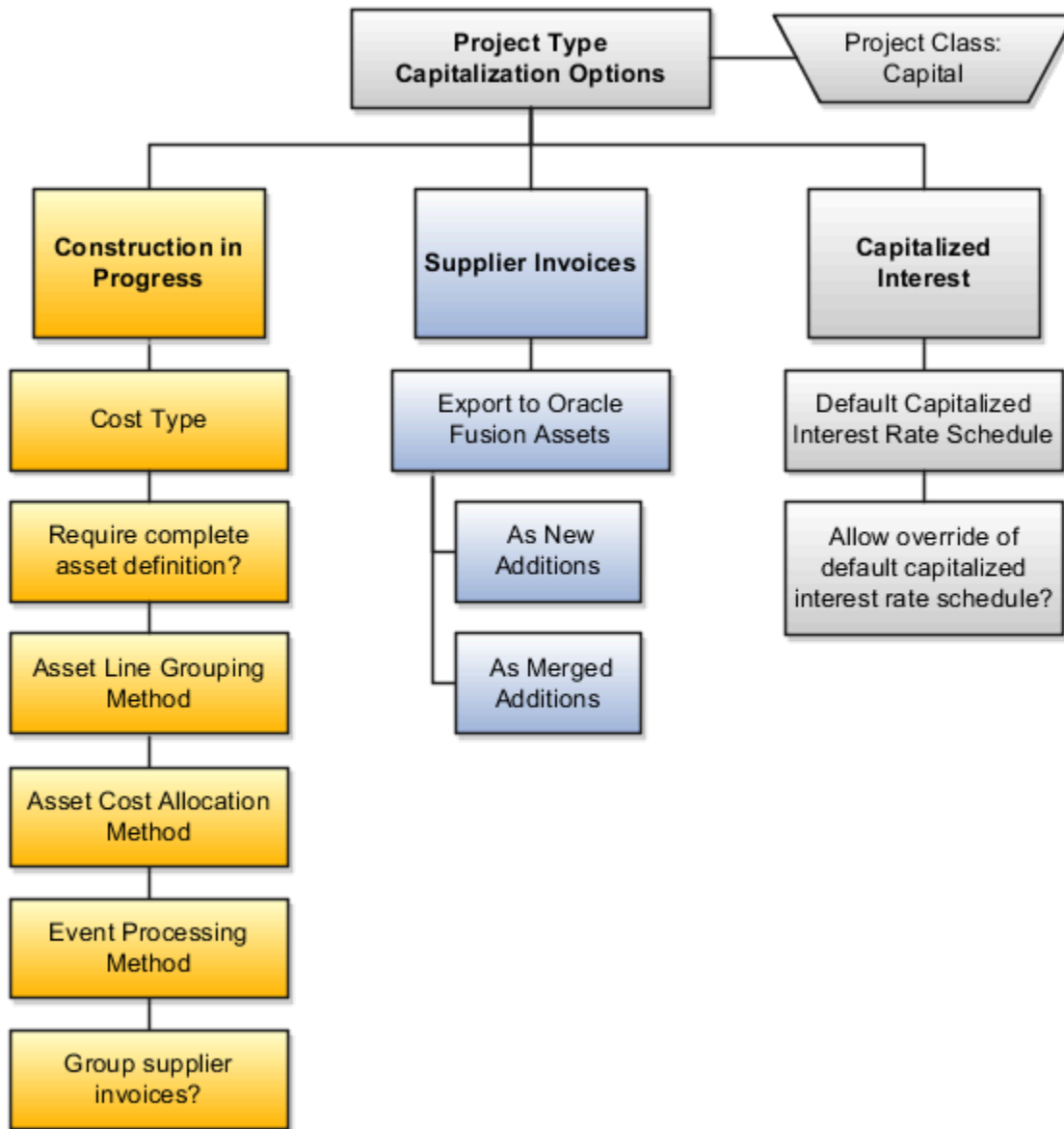
Specify the following information when setting up capitalization options for project types.

- Construction in Progress (CIP) Options
- Supplier Invoices Export Options
- Capitalized Interest Options

Construction in Progress Options

You specify the following Construction in Progress options when setting up capitalization options for project types.

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Cost Type

Indicate whether to capitalize costs at the burdened or raw cost amount for projects associated with this project type.

Complete Asset Definition

Enable this option to require a complete asset definition in Oracle Fusion Project Portfolio Management before sending costs to Oracle Fusion Assets. If you select this option, you don't need to enter information for the imported asset lines in Oracle Fusion Assets. The Transfer Assets to Oracle Fusion Assets process places asset lines with complete definitions directly into the post queue in Oracle Fusion Assets.

Asset Line Grouping Method

Specify one of the following methods to summarize asset lines.

- **All**, which is the highest level of summarization
- **Expenditure Category**
- **Expenditure Category Nonlabor Resource**
- **Expenditure Type**
- **Expenditure Type Nonlabor Resource**
- **Expenditure Organization**
- **Expenditure Item**

Asset Cost Allocation Method

Select one of the following predefined allocation methods to automatically distribute indirect and common costs across multiple assets, or select no allocation method.

- **Actual Units**
- **Current Cost**
- **Estimated Cost**
- **Standard Unit Cost**
- **Spread Evenly**

Event Processing Method

Specify a capital event processing method to control how assets and costs are grouped over time. You can select either periodic or manual events, or no events.

Supplier Invoices Options

You specify the following Supplier Invoices options when setting up capitalization options for project types.

Grouping Supplier Invoices

You can use the grouping options to do one of the following:

- Enable this option to consolidate the expenditure items on a supplier invoice into one asset line according to the asset line grouping method.

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- Disable this option to send the lines to Oracle Assets based on the supplier invoice export option

Exporting Supplier Invoices

If you choose not to group supplier invoices, then select one of the following supplier invoice export options.

- **As New Additions**: Sends each expenditure item on a supplier invoice line to Oracle Fusion Assets as a separate addition line with a status of New.
- **As Merged Additions**: Sends each supplier invoice line to Oracle Fusion Assets as a separate addition line with the status of Merged.

Previously capitalized assets are transferred as new additions to Oracle Fusion Assets.

- If the asset was assigned an asset number in Project Costing, then you must remove or change the asset number in Oracle Fusion Assets before you can post the new addition.
- After the addition lines are sent to Oracle Fusion Assets, you can split, merge, or split the lines manually in Oracle Fusion Assets.

Capitalized Interest Options

Use this field to specify a default interest rate schedule for capitalized interest.

You can select the **Allow Override** option to allow an override of the default capitalized interest rate schedule for individual projects.

How Project Costing Source Lines Are Imported

You can collect construction-in-process (CIP) costs for capital assets you're building in Oracle Project Costing.

When you finish building your CIP asset:
- Capitalize the associated costs as asset lines in Project Costing
- Send the asset lines to Oracle Assets as mass addition lines.

Note: If you use Project Costing to build CIP assets, you don't need to create CIP assets in Assets. For costs that originate in Oracle Payables, you should send CIP costs to Project Costing, and capitalized costs to Assets.

Settings That Affect the Import Process

Asset lines sent from Project Costing to Assets must meet these specific conditions:

- The actual date in service must fall in the current or a prior Assets accounting period.
- The CIP costs for summarized asset lines must be interfaced to Oracle General Ledger.
- The CIP costs for supplier invoice adjustments must be interfaced to Payables.
- A CIP asset must be associated with the asset line.

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How Project Lines Are Imported

In Project Costing, run the Transfer Assets to Oracle Fusion Assets process to send asset lines to Assets. This process:

- Creates a mass addition line for each asset line in Project Costing.

- Merges all mass additions for one asset into a single parent mass addition line. The merged children have a status of Merged.

In Assets:

- The parent mass addition is placed in the Post queue if the asset was completely defined in Project Costing and it's ready for posting.

- The parent mass addition is placed in the New queue if the asset definition isn't complete.

  In this case you must enter additional information for the mass addition and then update the queue status to Post.

Note: You don't need to change the queue status for lines with a status of Merged.

Automatically Derive Depreciation Expense Account for Assets

You can generate depreciation expense account for the Construction In Progress assets in Project Financial Management through the use of Transaction Account Builder.

You can default the Depreciation Expense account when creating capital projects using attributes such as the Project Owning Organization and Asset Category. Using this feature, you can minimize reconciliation issues and avoid any errors that occur while selecting the depreciation expense account manually, which will lead to eventual incorrect asset lines generation.

How to Automatically Derive Depreciation of Expense Accounts for Assets

You can now generate depreciation expense account for the Construction In Progress assets in Project Financial Management through the use of Transaction Account Builder. Here are the steps to enable this feature.

1. Identify or create the account rules needed.
2. Create a new transaction account definition. Duplicate the predefined transaction account definition **PPM Default Account Generation Definition**.
3. Attach the desired account rules to the transaction account definition
4. Click **Save** to save the desired account rules to the transaction account definition.
5. Click **Activate** to activate your transaction account definition
6. Update the subledger accounting options for projects with the new transaction account definition.

Related Topics

- Account Rules
- Transaction Account Builder
- Set Up Default Budget Account

Import Assets

Use the Project Asset and Assignment Interface FBDI spreadsheet template to prepare asset and asset assignment data before loading and importing them into the application.

This spreadsheet contains the following worksheets:

- Instructions and CSV Generation: Contains table-specific instructions, guidelines, sample data, and recommendations for preparing the data file for upload.

- Project Assets: Enables you to import project asset details, such as project name, project number, project asset type, asset name, asset number, and so on.

  You can also use this spreadsheet to create project assets and associate them with existing Fixed Asset (FA) assets. Once you establish this relationship, you can capture and capitalize additional project asset costs tagged to the FA asset, and interface them into Fixed Assets.

- Project Asset Assignments: Enables you to import project asset assignment details, such as project name, task name, task number, asset name, asset number, asset assignment level, and so on.

For more information about the Project Asset and Assignment Interface FBDI spreadsheet template, see the File-Based Data Import for Project Portfolio Management guide.

After you prepare the data in the Project Asset and Assignment Interface workbook, click the Generate CSV File button in the template to create the CSV files as a ZIP file.

You must now load the zipped data to destination interface tables using the Scheduled Processes page. There are two processes that you must run to perform this task:

- Load Interface File for Import: Loads the interface files and prepares them for import.

- Import Assets and Assignments: Imports the asset and assignment data from the interface files loaded in the previous step.

You must navigate to the Tools > Scheduled Processes page to perform tasks that follow.

Load Interface File for Import

1. In the Scheduled Processes page, click **Schedule New Process**.
2. Enter **Load Interface File for Import** as the **Name** of the process and click **OK**.
3. Under Process Details, enter **Import Asset and Assignments Process** as the **Import Process** and upload or select the zipped CSV files containing the assets and asset assignments that you want to import.
4. Click **Submit**. The application now loads asset and asset assignment data from the CSV files, and you can see the progress of your import until it succeeds.

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Import Assets and Assignments

1. In the Scheduled Processes page, click **Schedule New Process**.
2. Enter **Import Asset and Asset Lines** as the **Name** of the process and click **OK**.
3. Under Process Details, you can optionally specify the following parameters. Leaving these values blank will import assets and asset assignments for all projects contained in the CSV worksheet.

   - Batch Name: User-entered name for a grouping of assets and asset assignments in the interface table.

   - From Project Number: The first project number in the range of projects whose assets and asset assignments you want to import.

   - To Project Number: The first project number in the range of projects whose assets and asset assignments you want to import.

   - Generate Report: Select **Summary** to generate only a summary of the statistics, or **Detail** to generate a report that contains all the errors generated during import, and offers suggestions on how to fix the errors.

4. Click **Submit**. The application now imports asset and asset assignment data from the loaded import files, and you can see the progress of your import until it succeeds.

Import Assets Report

The Import Assets Report contains the output of the Import Assets process. The report includes a detailed message for each row that is successfully imported and for rows with errors that were not imported. The report displays the processing errors, warnings, and exceptions encountered during the import process.

Review the processing errors, warnings, and exceptions for the projects and fix the issues in your data. Once you have updated your transaction data, click the **Generate CSV File** button again to create the updated ZIP files. Reload the updated data to the interface tables and resubmit the Import Projects process.

Related Topics
- Overview of External Data Integration Services for Importing Data
- Import Project and Task Transaction Controls
- Import Project Tasks

Import Unassigned Asset Lines

Update the asset name on unassigned asset lines in the Assets work area by using the Asset Line Assignment workbook template and running a few scheduled processes. The Excel template uploads the newly assigned asset lines to the project assignment interface table.

This spreadsheet contains the following worksheets:

- Instructions and CSV Generation: Contains table-specific instructions, guidelines, sample data, and recommendations for preparing the data file for upload.

- Asset Line Assignments: Enables you to import project asset line assignment details, such as asset name, asset ID, transfer status code, and so on. You can also mark asset lines as transferred and update the FA period name.

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This capability enables you to extract and group asset lines as required without losing the ability to reconcile Projects assets to FA assets.

For more information about the Import Unassigned Asset Lines Excel workbook template, see the File-Based Data Import for Project Portfolio Management guide.

After you prepare the data in the Asset Line Assignment Interface workbook, click the Generate CSV File button in the template to create the CSV files as a ZIP file.

You must now load the zipped data to destination interface tables using the Scheduled Processes page. There are two processes that you must run to perform this task:

- Load Interface File for Import: Loads the interface files and prepares them for import.
- Import Unassigned Asset Lines: Imports the asset lines data from the interface files loaded in the previous step.

You must navigate to the Tools > Scheduled Processes page to perform the tasks that follow.

Load Interface File for Import

1. In the Scheduled Processes page, click **Schedule New Process**.
2. Enter **Load Interface File for Import** as the **Name** of the process and click **OK**.
3. Under Process Details, enter **Import Asset and Assignments Process** as the **Import Process** and upload or select the zipped CSV files containing the asset lines that you want to import.
4. Click **Submit**. The application now loads the asset line data from the CSV files, and you can see the progress of your import until it succeeds.

Import Unassigned Asset Lines

1. In the Scheduled Processes page, click **Schedule New Process**.
2. Enter Import Unassigned Asset Lines as the **Name** of the process and click **OK**.
3. Under Process Details, enter the **From Line Number** and **To Line Number** to specify the asset lines that you want to import.
4. Click **Submit**. The application now imports asset line data from the loaded import files, and you can see the progress of your import until it succeeds.

Output Report

After the Import Unassigned Asset Lines process is complete, the Generate Reports process automatically runs, and if there are errors, creates the Import Unassigned Asset Lines Report. This report offers a summary of the transactions that failed, and associated errors from the import process. Review the processing errors, warnings, and exceptions listed and fix the issues in your data. Once you have updated your transaction data, click the **Generate CSV File** button again to create the updated ZIP files. Reload the updated data to the interface tables and resubmit the Import Projects process.

Related Topics
- Overview of External Data Integration Services for Importing Data

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Verify Accounting Sources for Projects

Accounting sources represent transaction and reference information from source systems, and help you automate accounting calculations for your transactions in Oracle Cloud. You can flexibly create as many accounting sources in the application as required.

Before you create a new accounting source, however, you must perform the following tasks to check that you aren't creating a duplicate accounting source.

1. In the Setup and Maintenance work area, update the scope of your search to **Project Financial Management** and use the **Manage Subledger Application Transaction Objects** task.
2. Select the **Event Class** that contains the object with the accounting source.
3. Click **View Source Assignments**.
4. Search for the accounting source to verify if it exists. You can also use the **Source Details** icon associated with the accounting source to view additional information.

Can I delete a project asset that has been transferred into Oracle Assets?

You can't delete a project asset once it's transferred into Oracle Assets. You can, however, reverse the costs associated with the capitalized asset.

When you reverse a capitalized asset in Oracle Projects, Projects creates reversing (negative) asset lines to offset the asset lines previously interfaced to Oracle Assets. The asset remains in Oracle Assets with a value of zero. Projects does not delete the asset from Oracle Assets. You can use functionality within Oracle Assets to retire the asset if you do not plan to recapitalize the reversed asset.

You typically need to reverse a capitalized asset when:

- The project asset was placed in service in error.
- The project asset sent faulty asset costs to Oracle Assets. For example, the project asset sent incorrect:
    - Actual asset in-service date
    - Asset book name
    - Asset category
    - Depreciation expense account

You can reverse the capitalization of the asset in Projects, and send the reversing asset lines to Oracle Assets as an adjustment. However, you can do so only if the asset lines were transferred into Oracle Assets using the Transfer Assets to Oracle Fusion Assets process, and the Post Mass Additions process ran successfully on those source asset lines in Oracle Assets.

Reversing a Capitalized Asset within Project Costing

To reverse the capitalization of an asset:

1. Navigate to **Projects > Assets > Manage Capital Projects**.

2. Find the project associated with the asset and select **Actions > Manage Capital Assets**.
3. Choose the asset whose capitalization you want to reverse. Ensure that you do not have amortized adjustments created for the asset.

   > **Note:** You can specify whether you want to amortize adjustments to a project asset when you define or update it. For details, see How can I amortize adjustments to capital assets?

4. Either right-click or go to **Actions** and select **Reverse Capitalized Asset**.
   A warning message appears, informing you that there are assets that share transaction costs with the selected asset, and that all assets are included for reversal in addition to the selected asset.
5. You can now either choose to include all the assets or only the selected asset for reversal. If you don't want to mark any of the other assets for reversal, click **Cancel**.
6. Projects automatically enables the **Reverse** check box for the asset whose capitalization you want to reverse. Verify the number of assets selected at the top.
   If you reversed the wrong asset, or you want to unreverse an asset before you run the Generate Asset Lines process, choose the asset and navigate to **Actions > Reverse Capitalized Asset** to deselect the asset for reversal.
7. **Save** your changes.
8. Run the Generate Asset Lines process to remove the actual date in service from the asset and create reversing entries that you can send to Oracle Assets.

How can I resolve project asset lines that are identified as assets without assignments?

You must determine what is missing in your project asset setup.

- Are your project assets correctly assigned?
- Do all your project assets have the project asset type of **As-built**? Project assets with the asset type of **Estimated** are not eligible to receive project costs.
- Is your project defined with a capital event? If yes, ensure that your project assets are associated with the appropriate capital event. Also, ensure that the desired project costs are associated with that capital event as well.
- Is the task to which the projects are assigned capitalizable? You can verify this in the **Task > Details > Setup** section.

Verify the following while using these six asset cost allocation methods:

- Actual Units: All project assets must be defined using actual units.
- Current Costs: There must be existing project costs that have already been capitalized into Oracle Assets. This is a common choice when you are collecting and allocating common costs. If there are no existing CIP costs for these assets, it is impossible to allocate the costs of the project asset line to the project asset, as there is no basis to determine the allocation percentage.
- Estimated Cost: Are your eligible project assets defined with an estimated cost? This is not a required field and can easily be missed.
- None: When there is more than one eligible project asset available for project cost allocation and the Method is **None**, the asset lines will by default come back as assets without assignments. For this use case, you may choose to manually assign these asset lines to eligible project assets using either the **Projects > Assets**

> **Manage Capital Projects > Select Project > Actions > Manage Asset Lines** page or using the **Import Unassigned Asset Lines** FBDI sheet if you need to import numerous asset lines.

- Standard Unit Cost: Was standard unit cost defined for the Asset Book and Asset Category combination using the **Projects > Assets > Manage Standard Unit Cost** page?

- Spread Evenly: The only way an error could happen here is if one of the errors above occurred.

Why did my adjustment asset lines not get transferred into Oracle Assets?

Adjustment asset lines, by definition, are created and applied from an originating project asset line.

Project asset lines are called asset source lines in Oracle Assets. These source lines must be successfully posted in Oracle Assets by running the Post Mass Additions process.

After the Post Mass Additions process runs successfully, Oracle Projects must run the Update Assets Information from Oracle Fusion Assets process to establish the relationship with all newly created Oracle Assets assets with the originating Projects assets. This relationship–or connection–enables adjustment project asset lines to be assigned to the original asset lines in Projects.

If the connection between the Oracle Assets asset and Projects asset isn't made, it's not possible to create adjustments to Oracle Assets assets because Projects will not have corresponding asset records to which they can allocate these adjustments.

Why am I unable to assign capitalizable costs associated with a project task to an asset?

You're typically unable to assign capitalizable costs associated with a project task to an asset when there are no project assets assigned to that project task.

Ensure that there are project assets assigned to the tasks to which you plan to charge project costs. These assets must have the project asset type of **As-built**.

It's also a good idea to check whether the task to which the assets are assigned is capitalizable. You can do so in the **Manage Financial Project Plan** page associated with the project. Select the task and click **Actions > Manage Tasks > Edit Task Details > Setup** to check whether the **Capitalizable** check box is selected.

Why does my asset cost appear as zero in Oracle Assets?

The cost of an asset transferred from Projects will display as zero if the value of the Actual In-Service Date defined in Projects is not open in Oracle Assets.

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You will need to enter an actual in-service date in Projects that's on or before the open period defined in Oracle Assets. You may be able to update the asset with a pro-rate convention that would accommodate the actual in-service date.

Please keep in mind that you must follow the Generally Accepted Accounting Principles (GAAP) defined within your organization.

At what task level can I assign project assets?

You can assign project assets at either the top or bottom task level in a project. You can't assign assets to any mid-level tasks.

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What are top, bottom, and mid-level tasks?

Consider the following project plan:

Manage Financial Project Plan Chicago Tennis Club 20

Display ◉ Hierarchy ◯ List

Tasks Progress Gantt Chart

Actions ▼ View ▼ ➕ ▼ ✏️ ▤ ✖ ⬅ ➡ ▦ ⑦ ⊞ ⬚ Detach

* Task Number	* Task Name	Details	Resources	* Planned Start Date	* Pla Finis
◢ CTC0020	Chicago Tennis Club 20	🖥		1/1/00	
◢ 1.0	Tennis Courts	🖥	➕	1/1/00	1/1/0
◢ 1.1	Clay Tennis Courts	🖥	➕	1/1/00	1/1/0
1.1.1	Clay Tennis Court 1	🖥	➕	1/1/00	1/1/0
1.1.2	Clay Tennis Court 2	🖥	➕	1/1/00	1/1/0
1.1.3	Clay Tennis Court 3	🖥	➕	1/1/00	1/1/0
1.1.4	Clay Tennis Court 4	🖥	➕	1/1/00	1/1/0
1.1.5	Clay Tennis Courts Common Costs	🖥	➕	1/1/00	1/1/0
1.2	Grass Tennis Courts	🖥	➕	1/1/00	1/1/0
2.0	Swimming Pool	🖥	➕	1/1/00	1/1/0
3.0	Clubhouse	🖥	➕	1/1/00	1/1/0
4.0	Tennis Club Common Costs	🖥	➕	1/1/00	1/1/0

Rows Selected 1   Columns Hidden 30   Columns Frozen 2

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Task 1.1 in this screenshot contains five child tasks. Four of these tasks are associated with clay tennis courts, while the fifth task, *1.1.5 Clay Tennis Courts Common Costs*, is dedicated only to collecting common costs associated with the four clay tennis courts in the Task 1.1 summary task. For example, common costs associated with clay tennis courts could be clay, stones, tennis nets, and so on.

Similarly, Task 4.0 in the screenshot is dedicated only to collecting common costs associated with the creation of the tennis club itself. For example, you could have common costs associated with electrical and plumbing, permits, land costs, architectural design costs, and so on. Just to clarify, common costs for the clay required for the four tennis courts would NOT be captured here; these would be captured in Task 1.1.5. All common costs collected in 4.0 will be allocated to project assets and 1.0, 2.0, and 3.0 summary tasks, because these costs must be borne by each of these assets.

Why are some of my transferred assets appearing in error in the Transfer Assets to Oracle Fusion Assets Execution Report?

This typically happens when the Queue Status in Fixed Assets is marked as **Deleted** before transferring the assets.

To resolve this issue:

1. Navigate to **Fixed Assets > Prepare Source Lines**.
2. Search for the asset source lines that failed.
3. Ensure that the **Queue Status** is not **Delete**.
4. Retest the issue.
5. Migrate the solution as appropriate to other environments.

FAQs for Capital Asset Costs

Where can I view the summarized costs of a capital project?

You can view the summarized cost details of a capital project in the Review Performance Overview page.

View project and task summary amounts such as capitalizable cost, noncapitalizable cost, expenses, budgeted cost, capitalizable cost percentage to total cost by task, by resource, or by period in a table or graph. You can also drill down from the summary amounts to the transaction-level details.

Why is amortization information not transferred to Oracle Fusion Assets?

Amortization information isn't included when you first transfer an asset or if the asset is in a period of addition in Oracle Fusion Assets.

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How are common costs allocated?

Costs captured under common cost tasks are allocated among assets based on the asset cost allocation method that is associated at the project level.

However, you can override the asset cost allocation method at the capital event level, if the project is enabled for capital event processing.

The way common costs are allocated differs based on the common cost task structure.

If the common cost task is a top task, then costs captured under that task are allocated among assets, which are defined for the project and placed in service.

If the common cost task is the lowest task, then costs captured under that task are allocated among assets, which are assigned at the top task or lowest task in the same task hierarchy. If no asset is assigned for the task, then the application generates asset lines but leaves them as unassigned asset lines. You must assign the unassigned asset lines and then transfer the asset.

Can I designate cost of removal and proceeds of sale amounts when processing retirement costs?

Yes. When capturing retirement costs in a capital project, enter proceeds of sale amounts using expenditure types specifically created for that purpose. Oracle Fusion Project Costing automatically classifies amounts for all other expenditure types associated with the retirement cost task as cost of removal.

What's the difference between creating manual and periodic capital events?

Capital events are created to control the transfer of capital project assets and costs to Oracle Fusion Assets. You use capital events to group assets and costs on a project before you generate asset lines for capitalization and retirement cost processing.

In periodic capital event processing, the application automatically groups assets and costs based on the asset in-service date and expenditure item date, respectively.

In manual capital event processing, you must select costs and assets and create the grouping.

The following table lists the differences between periodic capital events and manual capital events.

Periodic Capital Events	Manual Capital Events
Costs and assets are grouped periodically throughout the duration of the project.	You usually group the costs and assets at the required time within project duration.

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Periodic Capital Events	Manual Capital Events
Suitable for blanket projects that capture costs for repetitive work.	Suitable for phased projects where assets are placed in service after each phase is completed.

Note: If you do not need either periodic or manual capital event methods, you can define the capital event processing method as **None**, where assets are placed in service only at the project completion. Grouping levels defined for the project is valid for the life of the project.

Grouped costs are automatically allocated to assets based on the asset cost allocation method associated to the project for both periodic and manual capital event processing. You can override it at the capital event level.

Can I update the asset or project name in the Create and Assign Assets ADFdi workbook?

Yes, however, if you change the asset to a name that doesn't already exist, it is created as a new asset.

Related Topics
- Can I assign an asset to multiple tasks in the Create and Assign Assets ADFdi workbook?
- Can I update an asset assignment in the Create and Assign Assets ADFdi workbook?
- Can I delete an asset or asset assignment from the Create and Assign Assets ADFdi workbook?

Can I assign an asset to multiple tasks in the Create and Assign Assets ADFdi workbook?

Yes, you can assign an asset to multiple tasks both in the Create and Assign Assets ADFdi workbook and in the Assets work area.

Related Topics
- Can I update the asset or project name in the Create and Assign Assets ADFdi workbook?
- Can I update an asset assignment in the Create and Assign Assets ADFdi workbook?
- Can I delete an asset or asset assignment from the Create and Assign Assets ADFdi workbook?

Can I delete an asset or asset assignment from the Create and Assign Assets ADFdi workbook?

No, however, you can delete an asset or asset assignment from the Assets work area.

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Related Topics
- Can I update an asset assignment in the Create and Assign Assets ADFdi workbook?
- Can I assign an asset to multiple tasks in the Create and Assign Assets ADFdi workbook?
- Can I update the asset or project name in the Create and Assign Assets ADFdi workbook?

Can I update an asset assignment in the Create and Assign Assets ADFdi workbook?

No, however, you can update an asset assignment from the Assets work area.

Related Topics
- Can I assign an asset to multiple tasks in the Create and Assign Assets ADFdi workbook?
- Can I update the asset or project name in the Create and Assign Assets ADFdi workbook?
- Can I delete an asset or asset assignment from the Create and Assign Assets ADFdi workbook?

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10 Labor Distribution

Overview of Labor Distribution

Labor distribution administrators and accountants can use the Labor Distribution capabilities for a rule-based distribution of payroll costs to a project, award, or general ledger account. The core object of a labor distribution is the labor schedule.

Using labor schedules, you can:

- Specify a time period and percentage to distribute a person's labor cost to a project, award, or general ledger account combination.

- Import and distribute payroll data from any source system.

Here's an illustration that explains how labor distribution works.
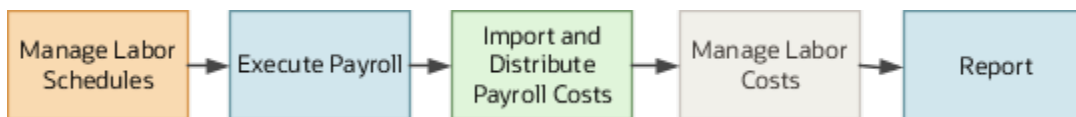
> **Note:** This feature is available for both sponsored and non-sponsored projects.

Here are the list of tasks you can perform using the new roles.

Labor Distribution Administrator	Labor Distribution Accountant
- Manage labor schedules. - Duplicate an existing labor schedule version. - View and analyze real-time information on labor schedules using Projects - Labor Schedules Analysis Real Time and labor costs using Projects - Labor Distribution Cost Analysis Real Time in Oracle Transactional Business Intelligence (OTBI).	- Manage the imported and distributed costs in the Manage Labor Costs page in the Labor Distribution work area. - Import payroll costs from any payroll system and distribute the costs based on the defined labor schedules. - Evaluate errors and perform root cause analysis to determine the resolution. - View and analyze real-time information on labor schedules using Projects - Labor Schedules Analysis Real Time and labor costs using Projects - Labor Distribution Cost Analysis Real Time in Oracle Transactional Business Intelligence (OTBI). **Tip:** For larger volume of errors, fix the root cause and run the Import Payroll Costs process with identified parameters.

Labor Schedules

Use labor schedules to specify project and nonproject based rules that must be used when distributing a person's payroll costs. Labor distribution administrators use person assignments and pay elements to create labor schedules in the Labor Distribution work area.

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Labor Schedule Components

Labor schedules contain three components:

- Labor Schedule Header: Defines the labor schedule type. Labor schedule headers define the highest level of a labor schedule and relate to the labor schedule type by ensuring that the required attributes are properly defined. You can use these attributes to evaluate payroll costs and determine the applicable version and rules that must be used to distribute the cost.

- Labor Schedule Version: The applicable version of the labor schedule. Each labor schedule version has a start and end date, and is active only for that period. One labor schedule header can have multiple labor schedule versions.

- Labor Schedule Version Distribution Rules: Rules that determine how the application should distribute costs associated with a labor schedule version. One labor schedule version can have multiple distribution rules, and the sum of all distribution rules in a labor schedule can be less then or equal to 100%, but not greater. If the sum of all distribution rules is less then 100%, then the Import Payroll Costs process generates a differential cost to distribute the remaining payroll cost.

Labor Schedule Types

Labor schedules are of three types:

- Person Assignment: Distributes payroll costs based on the associated person assignment..

- Distributes payroll costs using the payroll element associated with the payroll cost, regardless of the person's assignment. This type is also defined per business unit and derives the business unit from the persons assignment on the payroll cost.

- Distributes payroll costs using a combination of a person's assignment and the pay element on the payroll cost record. This distribution allows for specifying rules for a person assignment and pay element that may be needed to meet detailed business requirements.

Precedence of Payroll Costs Distribution

If all three labor schedule types can be applied to an imported payroll cost, the application processes person assignment pay element costs first. It then processes pay element costs, and finally processes person assignment costs.

For example, let's say a resource has the following costs in a labor schedule version:

- A person assignment cost that's borne by the project sponsor

- A tuition reimbursement pay element cost that's borne by the employing company

- A parking charges pay element cost that's borne by some projects and not others, demanding that the pay element be specified for the persons charging the project through their labor schedules.

When the labor schedule accountant executes the Import Payroll Costs process, the application first processes the parking charges, then the tuition reimbursement costs, and finally, the project assignment cost.

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Pay Element Labor Schedules

Pay elements represent payroll components, such as bonuses, insurance plans, taxes, and so on, that are applicable at the business unit level.

When you use these components to create a pay element labor schedule, they affect the payroll costs of every person with an assignment in the business unit as long as the labor schedule is active.

You can also combine pay elements with person assignments to create labor schedules that apply to a specific person. These too are valid for only as long as the labor schedule version is active.

Manage Pay Element Labor Schedules

Click the **Create** button in the top-right corner of the Manage Labor Schedules page to create a labor schedule.In the Create Labor Schedule side-sheet that appears, click **Element** to indicate that you want to create a pay element labor schedule.

To update an existing labor schedule, use the **Search** field to search by person name or number, email ID, element name, or labor schedule name. Click the **Elements** tab to view pay element labor schedules that match your search string. Click to edit a labor schedule from the search results that appear.

Use the following fields to manage pay element labor schedules:

- Business Unit: The name of the business unit associated with the labor schedule.
- Pay Element: The pay element that you want to use for the labor schedule.
- Schedule Name: The name of the labor schedule. This field is auto-populated using the values you select in the Business Unit and Pay element fields. You can update this field as appropriate.
- Version Name: The labor schedule version name.
- Start: The start date of the labor schedule.
- End: The end date of the labor schedule.

Use the **Edit** icon adjacent to the name of the labor schedule to edit its name.

Updating Labor Schedule Versions

When you create a pay element labor schedule, you also add a labor schedule version to the labor schedule.

To update a labor schedule version, click the ellipsis under the **Actions** column in the row representing the labor schedule version and select **Edit**. Use the following fields to update the labor schedule version:

- Version Name: The name of the labor schedule version.
- Start: The start date of the labor schedule version.
- End: The end date of the labor schedule version.

    Note: You cannot edit the start and end dates of a labor schedule version if its status is **Active**. To update the start and end dates of a labor schedule version, you must first change its status to **Inactive**. For more information, see *Why am I unable to change the dates on which a labor schedule version is active?*

- Status: The status (New, Active, Inactive) of the labor schedule version.

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- Comments: Any additional information, if required.

  > **Note:** You can also duplicate an existing schedule version and modify the copied version to create a new one.

Managing Distribution Rules

A labor schedule version can have multiple distribution rules. Click any of the distribution rules listed under a labor schedule version to update it.

Use the **Create Rule** button to add a distribution rule to a labor schedule version. The Create Distribution Rule side-sheet appears.

Use the **Project** and **Nonproject** toggle buttons to specify whether you want to associate a distribution rule with a project or with a general ledger. You cannot change this option once you save the distribution rule.

If you want to associate a distribution rule with a project, you must specify:

1. The **Project**, **Task**, **Award** (if it is a sponsored project), and **Funding Source** with which you want to associate the distribution rule.
2. The **Expenditure Organization** associated with the project, the **Expenditure Type** of the distribution rule, and the **Percentage** of the cost associated with the labor schedule that you want to allocate to the distribution rule.

If you want to associate a distribution rule with a nonproject general ledger, you must specify:

1. The **GL Account** that you want to use for the distribution rule.
2. The **Percentage** of the cost associated with the labor schedule that you want to allocate to the distribution rule.

   Each distribution rule can account for any percentage of the total costs. Put together, however, the distribution rule percentages in a labor schedule version must be less than or equal to 100.

Click **View all applicable schedules** to see all the labor schedules that use the selected pay element.

Person Assignment Labor Schedules

Use person assignments to create labor schedules based on a person's engagement with a project. Search for a person in the Labor Distribution work area and, for every person, create labor schedules for their assignments and pay elements.

Manage Person Assignment Labor Schedules

Click the **Create** button in the top-right corner of the Manage Labor Schedules page to create a labor schedule.In the Create Labor Schedule side-sheet that appears, click **Assignment** to indicate that you want to create a person assignment labor schedule.

To update an existing labor schedule, use the **Search** field to search by person name or number, email ID, element name, or labor schedule name. Click the **Assignments** tab to view person assignment labor schedules that match your search string. Click to edit a labor schedule from the search results that appear.

Use the following fields to manage person assignment labor schedules:

- **Person**: The name of the person for whom you want to create the labor schedule.

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- **Assignment Number**: The assignment with which the person is associated. This is the assignment for which you are creating the labor schedule.

- **Pay Element**: Leave this field empty if you are creating a person assignment labor schedule.

- **Version Name**: The labor schedule version name.

- **Start**: The start date of the labor schedule.

- **End**: The end date of the labor schedule.

Use the **Edit** icon adjacent to the name of the labor schedule to edit its name.

Updating Labor Schedule Versions

When you create a person assignment labor schedule, you also add a labor schedule version to the labor schedule.

To update a person assignment labor schedule version, click the ellipsis under the **Actions** column in the row representing the labor schedule version and select **Edit**. Use the following fields to update the labor schedule version:

- **Version Name**: The name of the labor schedule version.

- **Start**: The start date of the labor schedule version.

- **End**: The end date of the labor schedule version.

  Note: You cannot edit the start and end dates of a labor schedule version if its status is **Active**. To update the start and end dates of a labor schedule version, you must first change its status to **Inactive**. For more information, see *Why am I unable to change the dates on which a labor schedule version is active?*

- **Status**: The status (New, Active, Inactive) of the labor schedule version.

- **Comments**: Any additional information, if required.

  Note: You can also duplicate an existing schedule version and modify the copied version to create a new one.

Managing Distribution Rules

A labor schedule version can have multiple distribution rules. Click any of the distribution rules listed under a labor schedule version to update it.

Use the **Create Rule** button to add a distribution rule to a labor schedule version. The Create Distribution Rule side-sheet appears.

Use the **Project** and **Nonproject** toggle buttons to specify whether you want to associate a distribution rule with a project or with a general ledger. You cannot change this option once you save the distribution rule.

If you want to associate a distribution rule with a project, you must specify:

1. The **Project**, **Task**, **Award** (if it is a sponsored project), and **Funding Source** with which you want to associate the distribution rule.
2. The **Expenditure Organization** associated with the project, the **Expenditure Type** of the distribution rule, and the **Percentage** of the cost associated with the labor schedule that you want to allocate to the distribution rule.

If you want to associate a distribution rule with a nonproject general ledger, you must specify:

1. The **GL Account** that you want to use for the distribution rule.
2. The **Percentage** of the cost associated with the labor schedule that you want to allocate to the distribution rule.

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Each distribution rule can account for any percentage of the total costs. Put together, however, the distribution rule percentages in a labor schedule version must be less than or equal to 100.

Click **View all applicable schedules** to see all the labor schedules that use the selected pay element.

Person Assignment Pay Element Labor Schedules

Use person assignment pay element labor schedules to create distribution rules applicable to a specific person, assignment, and pay element.

Manage Person Assignment Pay Element Labor Schedules

To create person assignment pay element labor schedules, you create a person assignment labor schedule, and associate a pay element with it as well. Click the **Create** button in the top-right corner of the Manage Labor Schedules page to create a labor schedule. In the Create Labor Schedule side-sheet that appears, click **Assignment** to indicate that you want to create a person assignment labor schedule.

To update an existing labor schedule, use the **Search** field to search by person name or number, email ID, element name, or labor schedule name. Click the **Assignments** tab to view person assignment labor schedules that match your search string. Click to edit a labor schedule from the search results that appear.

Use the following fields to manage person assignment labor schedules:

- **Person**: The name of the person for whom you want to create the labor schedule.
- **Assignment Number**: The assignment with which the person is associated. This is the assignment for which you are creating the labor schedule.
- **Pay Element**: The pay element that you want to associate with the labor schedule.
- **Version Name**: The labor schedule version name.
- **Start**: The start date of the labor schedule.
- **End**: The end date of the labor schedule.

Note: You cannot edit the start and end dates of a labor schedule version if its status is **Active**. To update the start and end dates of a labor schedule version, you must first change its status to **Inactive**. For more information, see *Why am I unable to change the dates on which a labor schedule version is active?*

Use the **Edit** icon adjacent to the name of the labor schedule to edit its name.

Updating Labor Schedule Versions

When you create a person assignment labor schedule, you also add a labor schedule version to the labor schedule.

To update a person assignment labor schedule version, click the ellipsis under the **Actions** column in the row representing the labor schedule version and select **Edit**. Use the following fields to update the labor schedule version:

- **Version Name**: The name of the labor schedule version.
- **Start**: The start date of the labor schedule version.

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- **End**: The end date of the labor schedule version.

  > **Note:** You cannot edit the start and end dates of a labor schedule version if its status is **Active**. To update the start and end dates of a labor schedule version, you must first change its status to **Inactive**. For more information, see *Why am I unable to change the dates on which a labor schedule version is active?*

- **Status**: The status (New, Active, Inactive) of the labor schedule version.
- **Comments**: Any additional information, if required.

> **Note:** You can also duplicate an existing schedule version and modify the copied version to create a new one.

Managing Distribution Rules

A labor schedule version can have multiple distribution rules. Click any of the distribution rules listed under a labor schedule version to update it.

Use the **Create Rule** button to add a distribution rule to a labor schedule version. The Create Distribution Rule side-sheet appears.

Use the **Project** and **Nonproject** toggle buttons to specify whether you want to associate a distribution rule with a project or with a general ledger. You cannot change this option once you save the distribution rule.

If you want to associate a distribution rule with a project, you must specify:

1. The **Project**, **Task**, **Award** (if it is a sponsored project), and **Funding Source** with which you want to associate the distribution rule.
2. The **Expenditure Organization** associated with the project, the **Expenditure Type** of the distribution rule, and the **Percentage** of the cost associated with the labor schedule that you want to allocate to the distribution rule.
3. The **Percentage** of the cost associated with the labor schedule that you want to allocate to the distribution rule.

If you want to associate a distribution rule with a nonproject general ledger, you must specify:

1. The **GL Account** that you want to use for the distribution rule.
2. The **Percentage** of the cost associated with the labor schedule that you want to allocate to the distribution rule.

   Each distribution rule can account for any percentage of the total costs. Put together, however, the distribution rule percentages in a labor schedule version must be less than or equal to 100.

Click **View all applicable schedules** to see all the labor schedules that use the selected pay element.

Considerations for Managing Labor Schedules

Here are a few considerations that you must keep in mind while working with labor schedules:

- Only one version of a labor schedule type can be active for any given day. However, you can create one version each of other labor schedule types simultaneously. For example, a person assignment labor schedule version for July 1, 2020 to June 30, 2021 can be in Active status, and so can a person Assignment Pay Element labor schedule version, for the same or overlapping period.
- You can't change the status of inactive labor schedules to New, but you can change their status to Active, as long as it doesn't overlap dates with another active labor schedule.

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Examples of Labor Schedules

Let's look at a few examples of labor schedules and see how labor schedule types, labor schedule versions, and distribution rules work together to help you manage payroll costs of different types. Consider the following labor schedules created for two employees, Bob Price, who has the role of Analyst, and Hector Campos, who has the roles of Project Manager and Director.

Here are the person assignment labor schedules created for Bob Price and Hector Campos.

Labor Schedule Type	Labor Schedule	Labor Schedule Version	Start and End Dates	Labor Schedule Version Status	Distribution Rules	Comments
Person Assignment	Bob Price, Analyst	Version 1	July 1 2019 - June 30 2020	Active	P1-T1-A1 (50%)	Version 1 of the Bob Price, Analyst labor schedule is active and, between July 1, 2019 and June 30, 2020, will be used in the Import Payroll Costs process to distribute imported payroll costs that match Bob Price and his assignment of Analyst, as defined by the distribution rules.
					GL: 000-001-0400 (50%)	
		Version 2	July 1 2020 - June 30 2021	New	GL: 000-001-0510 (100%)	Version 2 of the Bob Price, Analyst labor schedule is in New status, and won't be used in the Import Payroll Costs process to distribute applicable payroll costs.
	Hector Campos, Project Manager	Version 1	July 1 2019 - June 30 2020	Inactive	P4-T2-A4 (50%)	Version 1 of the Hector Campos, Project Manager labor schedule is in Inactive status and won't be used in the Import Payroll Costs process to distribute applicable payroll costs.

Labor Schedule Type	Labor Schedule	Labor Schedule Version	Start and End Dates	Labor Schedule Version Status	Distribution Rules	Comments
					GL: 000-001-0400 (50%)	
		Version 2	July 1 2019 - June 30 2020	Active	P1-T1-A1 (50%)	Version 2 of the Hector Campos, Project Manager labor schedule is active and, between July 1, 2019 and June 30, 2020, will be used in the Import Payroll Costs process to distribute imported payroll costs that match Hector Campos and his assignment of Project Manager, as defined by the distribution rules.
					GL: 000-001-0400 (50%)	
		Version 3	July 1 2020 - June 30 2021	Active	GL: 000-001-0510 (100%)	Version 3 of the Hector Campos, Project Manager labor schedule is in Active status and, between July 1, 2020 and June 30, 2020, will be used in the Import Payroll Costs process to distribute imported payroll costs that match Hector Campos and his assignment of Project Manager, as defined by the distribution rules.
	Hector Campos - Director	No Version	Not Applicable	Not Applicable	Not Applicable	There's no labor schedule for this person and assignment combination that can be used in the Import Payroll Costs process to distribute applicable payroll costs.

Labor Schedule Type	Labor Schedule	Labor Schedule Version	Start and End Dates	Labor Schedule Version Status	Distribution Rules	Comments

Here are the pay element labor schedules applicable for Bob Price and Hector Campos.

Labor Schedule Type	Labor Schedule	Labor Schedule Version	Start and End Dates	Labor Schedule Version Status	Distribution Rules	Comments
Pay Element	Car Allowance – Vision City Operations	Version 1	July 1 2019 - June 30 2020	Active	GL: 000-410-0000 (100%)	Version 1 of the Car Allowance - Vision City Operations pay element labor schedule is Active between July 1, 2019 and June 30, 2020. Therefore, during that period, the Import Payroll Costs process will distribute any payroll costs for Hector Campos and Bob Price that have Car Allowance as the pay element, as specified in the distribution rules. This type of labor schedule has the second order of precedence. This means that if any labor schedules for Car Allowance exist at the person assignment pay element level for the same days, those labor schedules will take precedence for the applicable days.
	Parking - Vision City Operations	Version 1	July 1 2019 - June 30 2020	Active	GL: 000-710-0000 (100%)	Version 1 of the Parking - Vision City Operations pay element labor schedule is Active between July 1, 2019 and June 30, 2020. Therefore, during that period, the Import Payroll Costs process will distribute any payroll costs for Hector Campos and Bob Price that

Labor Schedule Type	Labor Schedule	Labor Schedule Version	Start and End Dates	Labor Schedule Version Status	Distribution Rules	Comments
						have Parking as the pay element, as specified in the distribution rules. This type of labor schedule is the second order of precedence. This means that if any labor schedules for Parking exist at the person assignment pay element level for the same days, those labor schedules will take precedence for the applicable days.

Here are the person assignment pay element labor schedules created for Bob Price.

Labor Schedule Type	Labor Schedule	Labor Schedule Version	Start and End Dates	Labor Schedule Version Status	Distribution Rules	Comments
Person Assignment Pay Element	Bob Price, Analyst, Parking	Version 1	July 1 2019 - June 30 2020	Active	P1-T1-A1 (50%)	Imported payroll costs for Bob Price that have Parking as the pay element with pay period start and end dates between July 1, 2019 and June 30, 2020 will be distributed as defined by the person assignment pay element labor schedule for Larry.
					GL: 000-001-0510 (50%)	
		Version 2	July 1 2020 - June 30 2021	Active	GL: 000-001-0510 (100%)	Imported payroll costs for Bob Price that have Parking as the pay element with pay period start and end dates between July 1, 2020 and June 30, 2021 will be distributed as defined by Version 2 of the person assignment pay

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Labor Schedule Type	Labor Schedule	Labor Schedule Version	Start and End Dates	Labor Schedule Version Status	Distribution Rules	Comments
						element labor schedule for Larry.

Why am I unable to change the dates on which a labor schedule version is active?

When you edit an active labor schedule version, you cannot update the dates on which it is active because the labor schedule version is still distributing payroll costs.

Editing labor schedule versions while they are still distributing payroll costs could impact running distribution processes.

Before you can update the dates on which an active labor schedule version is active, you must deactivate the labor schedule version by changing its **Status** to **Inactive**.

You can then edit the deactivated labor schedule version and update its **Start** and **End** dates as required. Once you're satisfed with your updates, you can reactivate the labor schedule version.

Note:

You must ensure that expenditure item dates associated with costs that have already been distributed using this labor schedule version continue to be between the updated start and end dates.

Can I restrict access to pay element labor schedule management capabilities?

Only security administrators can manage labor schedule management roles. To create security administrator roles that can't manage labor schedules, copy the existing security administrator roles and remove the Manage Project Labor Schedules at Element Level privilege from the new role.

Manage Labor Costs

Labor distribution accountants can search and manage labor costs and their distributions using the Manage Labor Costs page. Labor costs generated from labor distributions are available in the Adjustment Controls work area once they're successfully distributed.

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You can use the Manage Labor Costs page to:

- Filter costs that have distributions by using a combination of batch name, status, pay period, project number, business unit, person name, pay element, or award number.

  > **Note:**
  >   - You can retrieve all project and nonproject based distributions using a combination of the award number and person name filters.
  >   - You can use the Shift key to select multiple payroll costs from the search results.

- Analyze errors resulting from the Import Payroll Costs process and delete payroll costs that are in a status of Error, if required.

- View a static analytical graph for a quick reference to the latest 3 pay periods that have errors in distributions, and the total amount and count of errors.

- Find the root cause of one ore more errors by using the search filters.

- Resolve the root cause and reprocess one or more labor costs using the **Process Costs** option. You can also delete payroll cost that are in a status of Error.

  > **Note:** When you update and successfully reprocess a payroll cost distribution that contained errors, the application deletes the original erroneous records, because they're no longer needed.

- Adjust a successfully processed distribution using the **Process Costs** option.

Here's a table that lists the actions you can perform on labor costs in different scenarios across multiple pages.

Labor Cost (Status)	Manage Labor Costs page	Manage Project Costs page	Period Close Exceptions report
Project Cost (Error)	- View errors - Delete payroll costs in a status of Error - Process costs	Not available	Not available
Non-Project Cost (Error)	- View errors - Delete payroll costs in status of Error - Process costs	Not available	Not available
Project Cost (Success)	- View results - Process costs (reversal and re-import of parent labor cost)	- View project cost details - Perform adjustments except for: - Split - Transfer - Split and transfer - Reversal	View pending transactions until the Create Accounting process is completed for these project costs
Non-Project Cost (Success)	View results	Not available	Not available

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Labor Cost (Status)	Manage Labor Costs page	Manage Project Costs page	Period Close Exceptions report
	• Process costs (reversal and re-import of parent labor cost)		

Import Payroll Costs

This topic explains how you can import payroll costs and distribute them to projects and awards using labor schedules.

People (employees and contractors) get paid on Payroll either on a full-time salary or using payroll timesheets that are sent to Payroll. These timesheets can also be sent to Projects for project progress tracking and reporting purposes.

Import Payroll Costs Directly from Oracle Payroll

Use the Import Payroll Costs for the Oracle Fusion Payroll Transaction Source to create a first-party integration with Oracle Payroll. This integration ensures that when you run the Oracle Fusion Payroll process, the payroll is costed, accounted, and distributed through labor schedules to projects and awards. You can then run these labor schedules as usual to distribute payroll costs to configured accounts.

> **Note:**
> - This integration also enables you to run the Import Payroll process for all business units simultaneously.
> - Oracle Payroll integrates into Labor Distribution only for person assignment and person assignment pay element labor schedules.

To import payroll costs:

1. Navigate to **Tools > Scheduled Processes** and click **Schedule New Process**. The Schedule New Process modal appears.
2. Specify **Import Payroll Costs** as the name of the process that you want to run. Click **OK**. The Process Details modal appears.
3. Specify **Oracle Fusion Payroll** as the **Transaction Source**. The screen refreshes to display the fields associated with the Oracle Fusion Payroll transaction source.
4. Specify the **Business Unit** and **Process Mode** that you want to use for the scheduled process.
5. You can optionally select the following:
   a. The **Consolidation Set** that identifies the consolidation group that you want to use for the payroll run.
   b. The **Payroll Name** that you want to use for this process.
   c. The **Person** and **Assignment** for which you want to run the process.
   d. The **Start Date** and **End Date** between which the payroll costs were created.
   e. The **Pay Element** associated with the payroll costs that you want to import.
6. Click **Submit**.

To view the status of the import process, search for the process in the Scheduled Processes > Overview page.

Import Payroll Costs Using File-Based Data Import

Create labor project and nonproject costs based on the predefined labor schedules for the transactions in the Payroll Project Costing open interface table using the Import Payroll Costs workbook template.

For more information about the Import Payroll Costs Excel workbook template, see the File-Based Data Import for Project Portfolio Management guide.

To import the payroll costs:

1. Prepare your data in the Import Payroll Costs macro-enabled Excel workbook template.
2. Click **Generate CSV File** in the template to create a comma-separated values file.
3. Navigate to the Scheduled Processes page.
4. Submit the **Load Interface File for Import** process to load the asset lines from your CSV file into the Payroll Project Costing open interface table.
5. Submit the **Import Payroll Costs** process and select the CSV file to upload.

Parameters

Business Unit

Business unit of the person and assignment associated to the payroll cost.

Process Mode

- All

   ○ Process records in **New** or **Error** status.

- Error

   ○ Process records that failed the import process, such as failing funds check on the project being distributed.

- New

   ○ Process record that you haven't attempted to import yet.

Person (Error Mode Only)

A person that has records with errors in the interface table.

Assignment (Error Mode Only)

A person assignment combination that has records with errors in the interface tables.

Batch Name

Batch name that exists in the interface table to import and distribute the costs.

Period Start Date

Pay period start date to process all records in the interface table that match that date.

Period End Date

Pay period end date to process all records in the interface table that match that date.

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Output Reports

After the Import Payroll Cost process completes, the Generate Reports process automatically runs. If errors exist, the following output reports are created:

- Staging Validation Error Report: Lists a summary of the transactions that failed to move from the staging table to the interface table due to invalid values.

- Import Payroll Costs Report: Provides details about the transactions that were successfully imported but have errors on them.

Review the Staging Validation Error Report and repeat these steps until you import all the required payroll data successfully:

1. Review the error message detail in the Staging Validation Error Report and regenerate the CSV file. Or, you can manually fix the issues in the CSV file.
2. Load the CSV file.
3. Run the Load Interface File for Import process followed by the Import Payroll Costs process.

Review the error details in the Import Payroll Costs report and navigate to the Manage Labor Costs page in the Labor Distribution Management work area to correct these transactions.

11 Oracle Digital Assistant for Time Entry

Introduction to Oracle Digital Assistant

Oracle Digital Assistant helps you accomplish your tasks using natural conversation through channels such as SMS and mobile app.

It uses skills, which are individual bots, to interact with you and perform specific types of tasks. Skills contain conversational elements to identify your inputs and identify the intent. Project application administrators must enable the required skills before you can use them.

Each skill enables you to perform multiple actions. An action that you can perform using the Oracle Digital Assistant is known as an intent.

Before You Start

- Ensure that project application administrator has enabled the required skill.
- Ensure that you have the required privileges. The existing functional privileges and business rules in the PPM Cloud application also secure intents. For example, you must be an employee or contingent worker and have the Project Time Entry Mobile Duty to enter time.
- Get access to one of the supported channels. Supported channels are SMS and Mobile App.

Considerations for Interacting with Intents

- To identify a specific project, task, or deliverable by name, you must qualify the name with the business object type. For example, Show me details for project Stark Designs. Adding the word 'project' directly before the project name, 'Stark' in this case, instructs the digital assistant to look for the project whose name is 'Stark Designs' or contains 'Stark'.
- If the assistant doesn't find an exact match for a business object, it looks for similar names. For example, 'Mark task Design as started' can be used to start a task with the name, 'Design Test Plan'.
- If the assistant can't uniquely identify your project, task, or deliverable, then it presents a list to choose from. For example, if you enter 'Mark task Design as complete' and there are multiple tasks whose names start with 'Design', then the digital assistant will display those task names and prompt you to select one.
- English is the only supported language. However, you can use a translation service to translate requests to English and responses from English.

Getting Started

To get started, greet the digital assistant or ask for help to find out what you can do. Here are some sample phrases you can use:

- Hi
- Hello

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- Hey
- What can I do?
- What can you do?
- What can you do for me?

Time Entry Using Oracle Digital Assistant

If the Project Time Entry skill is enabled, team members can use Oracle Digital Assistant for time entry.

Create Time Entry

Create project-based time entries for your chargeable tasks.

Intended user: Team member

Sample phrases you can use:

- Enter project time
- Enter 8 hours for today
- Record 4 hours for project `<your project name>`
- Add 6 hours to my time card
- Add 3 hours to task `<your task name>`

Things to consider:

- Use digits and not words when specifying hours. For example, use 2 hours instead of two hours. You can use 4.5 hours to enter 4 hours and 30 minutes.
- Expenditure type is always defaulted from the PPM Cloud application.

Update My Time Entry

Edit the hours for a time entry you just created or when reviewing your time card.

Intended user: Team member

Sample phrases you can use:

- Change my time card hours
- Update my time entry

Then the digital assistant will prompt you to specify task and hours.

Submit My Time Card

Submit your time card to HCM Cloud Time and Labor.

Intended user: Team member

ORACLE

Sample phrases you can use:

- Submit my time card

- Send my time card for processing

Things to consider: If errors exist when submitting your time card, you should view and resolve those errors in the HCM Cloud application.

Copy My Time Card

Copy time entries from last week's time card.

Intended user: Team member

Sample phrases you can use:

- Copy time card

- Copy my time card

Things to consider: You can only copy your prior time card.