

**Oracle® Fusion Applications Project Management, Project Costs
Guide**

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Oracle® Fusion Applications Project Management, Project Costs Guide

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Preface

This Preface introduces the guides, online help, and other information sources available to help you more effectively use Oracle Fusion Applications.

Oracle Fusion Applications Help

You can access Oracle Fusion Applications Help for the current page, section, activity, or task by clicking the help icon. The following figure depicts the help icon.



You can add custom help files to replace or supplement the provided content. Each release update includes new help content to ensure you have access to the latest information. Patching does not affect your custom help content.

Oracle Fusion Applications Guides

Oracle Fusion Applications guides are a structured collection of the help topics, examples, and FAQs from the help system packaged for easy download and offline reference, and sequenced to facilitate learning. You can access the guides from the **Guides** menu in the global area at the top of Oracle Fusion Applications Help pages.

Note

The **Guides** menu also provides access to the business process models on which Oracle Fusion Applications is based.

Guides are designed for specific audiences:

- **User Guides** address the tasks in one or more business processes. They are intended for users who perform these tasks, and managers looking for an overview of the business processes. They are organized by the business process activities and tasks.
- **Implementation Guides** address the tasks required to set up an offering, or selected features of an offering. They are intended for implementors. They are organized to follow the task list sequence of the offerings, as displayed within the Setup and Maintenance work area provided by Oracle Fusion Functional Setup Manager.
- **Concept Guides** explain the key concepts and decisions for a specific area of functionality. They are intended for decision makers, such as chief financial officers, financial analysts, and implementation consultants. They are organized by the logical flow of features and functions.

- **Security Reference Manuals** describe the predefined data that is included in the security reference implementation for one offering. They are intended for implementors, security administrators, and auditors. They are organized by role.

These guides cover specific business processes and offerings. Common areas are addressed in the guides listed in the following table.

Guide	Intended Audience	Purpose
Common User Guide	All users	Explains tasks performed by most users.
Common Implementation Guide	Implementors	Explains tasks within the Define Common Applications Configuration task list, which is included in all offerings.
Information Technology Management, Implement Applications Guide	Implementors	Explains how to use Oracle Fusion Functional Setup Manager to plan, manage, and track your implementation projects, migrate setup data, and validate implementations.
Technical Guides	System administrators, application developers, and technical members of implementation teams	Explain how to install, patch, administer, and customize Oracle Fusion Applications.

For guides that are not available from the Guides menu, go to Oracle Technology Network at <http://www.oracle.com/technetwork/indexes/documentation>.

Other Information Sources

My Oracle Support

Oracle customers have access to electronic support through My Oracle Support. For information, visit <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=info> or visit <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=trs> if you are hearing impaired.

Use the My Oracle Support Knowledge Browser to find documents for a product area. You can search for release-specific information, such as patches, alerts, white papers, and troubleshooting tips. Other services include health checks, guided lifecycle advice, and direct contact with industry experts through the My Oracle Support Community.

Oracle Enterprise Repository for Oracle Fusion Applications

Oracle Enterprise Repository for Oracle Fusion Applications provides visibility into service-oriented architecture assets to help you manage the lifecycle of your software from planning through implementation, testing, production,

and changes. In Oracle Fusion Applications, you can use the Oracle Enterprise Repository for Oracle Fusion Applications at <http://fusionappsoer.oracle.com> for:

- Technical information about integrating with other applications, including services, operations, composites, events, and integration tables. The classification scheme shows the scenarios in which you use the assets, and includes diagrams, schematics, and links to other technical documentation.
- Publishing other technical information such as reusable components, policies, architecture diagrams, and topology diagrams.

Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at <http://www.oracle.com/us/corporate/accessibility/index.html>.

Comments and Suggestions

Your comments are important to us. We encourage you to send us feedback about Oracle Fusion Applications Help and guides. Please send your suggestions to oracle_fusion_applications_help_ww_grp@oracle.com. You can use the **Send Feedback to Oracle** link in the footer of Oracle Fusion Applications Help.

Capture Project Costs

Capturing Project Costs: Explained

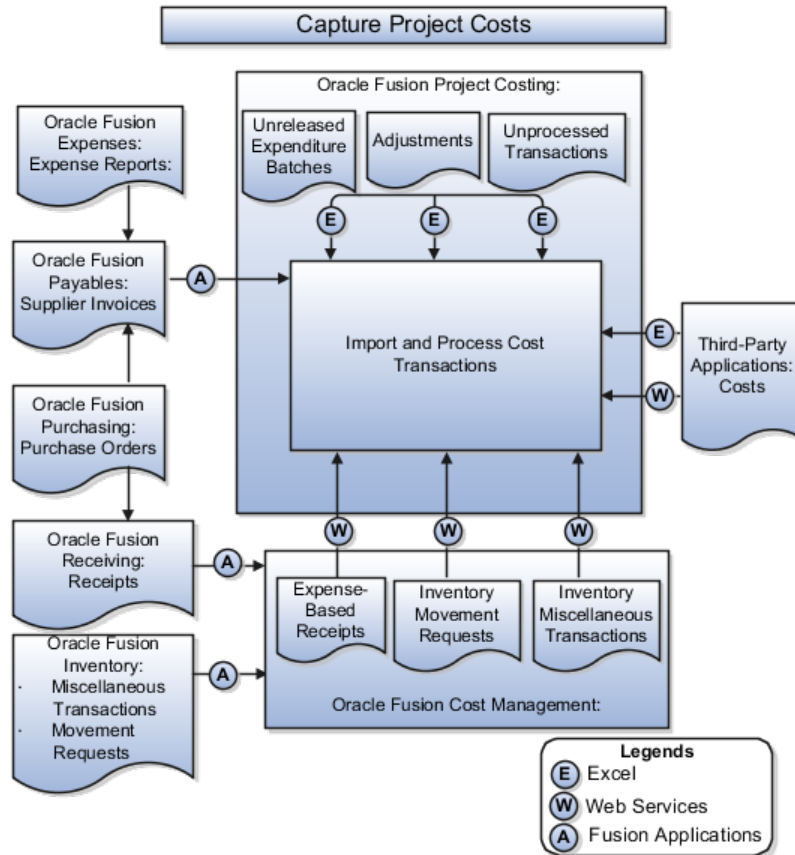
Capture project-related costs from both Oracle Fusion applications and third-party applications and then transfer them to Oracle Fusion Projects. You can even capture costs manually by creating uncosted, costed, and accounted transactions for third-party application sources in Oracle Fusion Project Costing.

Capturing Costs from Oracle Fusion and Third-Party Applications

Costs are created in internal and external applications and are then processed. The following table provides the various types of costs and their source applications.

Source Name	Type of Transactions
Oracle Fusion Expenses	Expense Reports Note They are imported from Oracle Fusion Payables as actual costs to Oracle Fusion Projects.
Oracle Fusion Payables	Supplier Invoices
Oracle Fusion Purchasing	<ul style="list-style-type: none"> • Purchase Orders • Purchase Requisitions Note They are available as committed costs for reporting in Oracle Fusion Projects.
Oracle Fusion Receiving	Receipts
Oracle Fusion Inventory	<ul style="list-style-type: none"> • Miscellaneous Transactions • Movement Requests
Oracle Fusion Cost Management	<ul style="list-style-type: none"> • Expense-Based Receipts • Inventory Miscellaneous Transactions • Inventory Movement Requests
Oracle Fusion Project Costing	<ul style="list-style-type: none"> • Costs in Unreleased Expenditure Batches • Adjustment Transactions • Unprocessed Transactions

Different type of costs from various applications are explained in the following image.



Capture various types of costs from internal and external applications and then transfer them to Oracle Fusion Projects using the following methods:

- **Microsoft Excel integration:** Based on nature of the transaction, you can capture uncosted, costed or accounted transactions from third-party applications and uncosted transactions from Oracle Fusion Project Costing.
- **Web services:** Use Web services for validating cost transactions in third-party applications and inserting the cost transactions from third-party applications into Oracle Fusion Project Costing.
- **Create individual third-party transactions:** You can create individual transactions with third-party application source directly from the Manage Unprocessed Transactions page in Oracle Fusion Project Costing. For example, this approach works well if you are near a period close and have to create a few individual third-party transactions rather than waiting for the transactions to come from the third-party application. To create larger numbers of transactions, use either Microsoft Excel integration or Web services.
- **Importing costs:** To capture costs from other Oracle Fusion applications, enter and process project-related transactions and then submit the Import

and Process Cost Transactions process. For example, you enter invoices with project-related distributions in Oracle Fusion Payables, validate, account, and then import them to Oracle Fusion Project Costing.

The Cost Collection flex field helps you manage capturing product-specific attributes on actual cost transactions and cost commitment transactions. You can manage naming, validation, and ordering of these attributes within each of the documents that capture them such as expense reports, purchase orders. You can capture, store, display, search, and report project-related attributes in the transaction source applications.

Project Transactions: How They Are Imported to Oracle Fusion Projects

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 to Oracle Fusion Projects, you can review the exceptions for third-party transactions and correct the errors.

Settings That Affect Transactions Import

The setup options in the transaction document and document entry specify how the transactions are imported and processed

How Transactions Are Imported

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

Transactions Type	Creating Transactions	Validating Transactions	Importing Transactions
Oracle Fusion Projects Costs <ul style="list-style-type: none"> Uncosted labor transactions Uncosted nonlabor transactions 	Initially only in Excel templates. You can later edit or add transactions in the Manage Unreleased Expenditure Batches page.	Validation is compulsory and is performed automatically during transaction entry.	Transactions are exported using the Export button in Excel templates.
Third-Party Application Costs <ul style="list-style-type: none"> Uncosted labor transactions Uncosted nonlabor transactions Costed or accounted labor or nonlabor transactions 	Excel templates or Source applications You can also create transactions in the Manage Unprocessed Transactions page.	Validation is compulsory but can be performed at various phases. Note If the validations are not performed in the source applications, you can validate them when you enter and export them from Excel templates to Oracle Fusion Projects. Else they are validated when you run the Import and Process Cost Transactions process.	You can use any of the two methods: <ul style="list-style-type: none"> Transactions are exported using the Export button in Excel templates. Transactions are transferred to the Oracle Fusion Projects interface through Web services.

Costs from Other Fusion applications	Source applications	Validation is compulsory. As transactions are validated in their source applications, they are not validated again during the Import and Process Costs Transactions process.	Transactions are transferred to Oracle Fusion Projects by running the Import and Process Cost Transactions process.
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All transactions are validated but at various points, transaction entry or transfer, or processing. If you are exporting transactions from Excel, you can release the transactions directly from the spreadsheet itself by selecting the **Process Costs** option. Costs are submitted for **Import and Process Cost Transactions** process avoiding the need to do it from the application.

Restriction

The **Process Costs** option is not available in the Excel template, when you have separate duties for entering and releasing Oracle Fusion Projects expenditure batches. You can review the expenditure batches in the Manage Unreleased Expenditure Batches page and submit them for processing.

After the transactions are imported to Oracle Fusion Projects, 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. While the successful transactions are ready for cost processing.

External Commitment Transactions: How They Are Imported

Import External Commitment Transactions service validates external commitment transactions, and if all the transactions are successfully validated, it derives the list of transaction sources and projects from the validated transactions, deletes existing commitment transactions for the combination of derived transaction sources and the list of projects, imports the new set of external commitment transactions, and sends the status of imported external commitment transactions to application administrator.

Settings That Affect Importing of External Commitment Transactions

Settings that affect importing of external commitment transactions are transaction source, document, and document entry, project type, expenditure type, project and task level settings, and transaction controls if any.

How External Commitment Transactions Are Imported

When you import external commitment transactions using Oracle Fusion Projects Import External Commitment Transactions service, it performs a series of processing steps. The following tasks listed in the table are performed in these processing steps.

External Commitment Transaction Importing Tasks	Description
Validate external commitment transactions using Import External Commitment Transactions service	As an initial step of importing the external commitment transactions into Oracle Fusion Projects, data entry, business rule, and transaction control validations are performed when the application administrator imports external commitment transactions using Import External Commitment Transactions service in Oracle Fusion Projects.

Derive transaction sources and projects list from the successfully validated external commitment transactions	After successful validation of all external commitment transactions, application derives information of the transaction sources and list of projects to be checked for and identifies any existing commitment transactions to be deleted.
Delete existing external commitment transactions for the derived transaction sources and list of projects	The existing commitment transactions are deleted and new commitment transactions are inserted.
Display the status of imported external commitment transactions	Displays the status of imported external commitment transactions that is, whether successfully imported or resulted in error.

External Commitment Transactions: How They Are Validated

Oracle Fusion Projects validates all external commitment transactions for a set of predefined and customizable 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 in the transaction document, document entry, and the transaction processing options for the project type, affect the external commitment transaction validation. Additionally, if transaction controls are defined, commitment transactions will also be subjected to transaction control validations.

How External Commitment Transactions Are Validated

Validation is a key step in external commitment transaction processing. Different types of validations and some sample rules within the validation type that govern the validation process are as follows.

Validations	Description
Data entry validation	<p>For each commitment transaction, values must be provided for the following required attributes:</p> <ul style="list-style-type: none"> • 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 • 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 <p>All the provided values must be valid.</p>
Business rule validation	<p>Validations are performed to ensure the following:</p> <ul style="list-style-type: none"> • Costing and accounting attributes of the commitment transactions match with source, document, and document entry options. • Transactions are charged to a project and not a project template. The current project status allows new transactions to be incurred. Expenditure item falls within the project dates. • Expenditure item falls 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 falls 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.
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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 Projects validation service or as a part of importing commitment transactions using Import External Commitment Transactions service in Oracle Fusion Projects.

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 Projects 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.

Deleting Existing External Commitment Transactions: Explained

Existing commitment transactions are deleted when new commitment transactions are imported into Oracle Fusion Projects. When you import external commitment transactions, the existing commitment transactions for the combination of project and transaction source are deleted automatically in Oracle Fusion Projects.

The application administrator must ensure that while importing the external commitment transactions, they must not include commitment transactions that are canceled in the source application or actual costs.

To delete existing commitment transactions in Oracle Fusion Projects, the application administrator must import dummy positive and negative commitment transactions for the project in the following contexts:

- If a commitment transaction is canceled in the source application and no new commitment transactions exist for the project.
- If the project reaches a closing stage and no new commitment transactions exist for the project.
- After importing commitment transactions, if they are imported as actual costs later, and no new commitment transactions exist for the project.

Note

The positive and negative commitment transactions cancel each other, not impacting the overall external commitment cost value.

External Commitment Transactions: How They 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. Then, commitment transactions are ready for summarization.

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 determines how transaction currency amount is converted to project currency amount. The billable status and work type of the task may 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 will determine if a unit price is required for the commitment in order 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 two ways, as described below.

- Review Commitment Transactions page: Select transactions for processing based on the expenditure business unit, commitment 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 type (external in this case) and processing status as that of the selected transaction will be processed.
- Process Commitment Transactions 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 Projects 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. Determine project and subledger accounting periods.
4. Convert transaction amounts to project currency and project ledger currency.

FAQs for Capture Project Costs

When do I validate transactions in Excel templates?

You can validate transactions from third-party applications in Excel templates when you export them to Oracle Fusion Projects. Costs from Oracle Fusion Projects are automatically validated when you export them.

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.

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 I want to select in the downloaded Excel templates?

If your access is revised, then you have to download the Excel templates again. For example, if you initially have access to Vision Operations business unit, then you view only this business unit listed in the Excel template. 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 template.

Can I define global segments for the Cost Collection flexfield?

No. You should 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 Projects?

No. You cannot change the source, document, and document entry after creating a transaction.

Can I edit unprocessed transactions?

Yes. You can edit unprocessed or error transactions from third-party application sources if the transaction document entry setup option, **Allow interface modifications** is enabled. However, you cannot edit if the transaction has completed the validation successfully.

Note

For the third-party accounted transactions, even if the transaction has passed the validation successfully, you can edit the provider ledger currency conversion attributes such as currency conversion rate type, rate date, rate, and the rounding limit.

Can I delete unprocessed transactions?

Yes. You can delete unprocessed transactions from third-party application sources, if the transaction document entry setup option, **Allow interface modifications**, is enabled. However you cannot delete unprocessed transactions from predefined sources.

What happens if I validate transactions in the Excel template?

The expenditure items are validated for the transaction controls and business rules during the export to Oracle Fusion Projects interface. After validation, the errors are listed in the Excel template.

If one transaction from Oracle Fusion Projects is not validated, then the entire expenditure batch is not exported. You must fix the errors to export them.

Note

If you have not validated the third-party application transactions in the source application, you can validate them during export, else the transactions are validated when you run the Import and Process Cost Transactions process.

What's an unmatched negative transaction?

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

What's a commitment transaction?

A financial commitment is a future expenditure. In Oracle Fusion Projects, 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 are not yet paid for. A purchase order is legally binding whereas a purchase requisition is not.

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

What's an external commitment transaction?

A commitment transaction created in a third-party application.

- Options at project type where cost processing attributes specify how to calculate burden costs.
- Options at the project type, project, task, work type that control the billable status of transactions.
- Options at the project unit level that control if costs are summarized automatically.
- Options at the business unit level that control the expenditure organization validation and currency conversion.
- Options at transaction control setup.

How Transactions Are Processed

When you submit the **Import and Process Cost Transactions** process, the process performs a series of processing steps on the unprocessed transactions. The following tasks listed in the table are performed as a part of cost processing.

Transaction Processing Task	Description
Load transactions	Loads transactions from other Oracle Fusion applications. Selects unprocessed transactions for import processing.
Derive transaction attributes	Derives transaction attributes, such as human resources assignment details for the person, accounting date, project accounting date and period information. These attributes are then used for deriving cost rate information or to perform accounting.
Validate transactions	Transactions are validated for business rules and transaction control rules.
Create additional transactions	Additional transactions are created if client extensions are used and if overtime is enabled. For example, overtime transactions for labor-related expenditures or related items for any type of transactions. This is an optional task.
Calculate costs	Calculates raw and burdened costs and converts amounts in transaction currency to project currency, provider ledger currency, and receiver ledger currency.
Generate accounting events	Generates cost accounting events, which are later used to create cost accounting entries for the transaction.
Create expenditure items and cost distribution lines	Expenditure items and cost distributions are created after the validation and calculation of costs. Expenditure items serve as the basis for further processing such as billing, capital processing, and reporting.
Reconcile transaction details with the source application	The transaction processing status is reconciled with the source application. Third-party applications may use the service that gives the transaction status and error messages, if any, to update the transaction status in their application. For Oracle Fusion applications, the transaction status is always updated.

Submit for accounting	Manually submit transactions for the accounting process.
Summarize costs	If real-time summarization for costs in project unit settings is enabled, then the cost data is summarized instantly for project performance reporting. You can view unforeseen costs and provide more timely reporting.

The application tracks pending and error transactions while processing the transactions. You can review and fix the errors in the Manage Unprocessed Transactions page or in the output report of the Import and Process Cost Transactions process and process them again. However, the applications processes those transactions at the point of error instead of starting the process from the beginning. For example, if a transaction is rejected when determining the cost rate, the application reprocesses the transaction from the cost rate determination stage and not for validations and derivations of the transaction. The errors provide the error location details such as validations or derivations or cost calculation and so on so that you can correct them quickly and process them.

Project Costs: How They Are Validated

Oracle Fusion Projects validates all types of transactions for a set of predefined and customized criteria at various stages of transaction import and processing. Cost transactions are validated against data entry, standard business rules, transaction controls, and transaction control client extensions that you set up during the implementation.

Settings That Affect Transaction Validation Processing

The import and accounting options that you specify in the transaction document and document entry, as well as the transaction processing options for the project type affect the transaction processing. Validation is a part of the processing. You can define transaction controls for projects and for tasks and they are part of the validation. All project costs are validated in the course of capturing and processing the costs. You can choose to validate the transactions from third-party applications either before or after importing them.

How Costs Are Validated

Validation is a key step in transaction processing. The transactions are validated at various stages depending on the source of the transaction, the import method, processing, and transaction adjustment. Different types of validations and some sample rules within the validation type that govern the validation process are as follows.

- Data entry validation
 - Project name and project number are valid if you directly enter the values without using the list of values in the data entry form. You can provide project number or project name. If you provide both, project number is validated first.
 - Task name and task number are valid if you enter them directly and not from the list. You can provide task number or task name. If you provide both, task number is validated first.

- Business rule validation
 - Validates a project: The current project status determines whether new transactions can be entered. Expenditure item falls within project dates, and the transaction controls and transaction control extensions allow charges of this type.
 - Transactions are not charged to a project template, intercompany provider project.
 - Validates a task: The expenditure item is charged to the task within the task date range. The task must a lowest level task, and be chargeable.
 - Expenditure type of the transaction is active.
 - Expenditure item falls within expenditure organization dates and for usage items within the nonlabor resource organization dates.
 - Employee is active and has a valid human resources assignment as of the expenditure item date.
 - Validates transactions with negative quantity to find a matching expenditure item, unless the transaction is an unmatched negative transaction.
 - Transaction source is valid.
 - Document and document entry provided for the transaction is valid for the source.
 - The transaction can be billable only if the project type of the project is enabled for billing.
- Transaction control validation: The application validates for all the transaction controls that are defined. The controls are based on combinations of project, task, expenditure category, expenditure type, nonlabor resource, person, job, organization, and system person type. For example, charges can be incurred for the person for the assigned job and organization of the person. Person can charge to the task.
- Customized validation: Use the Transaction Control extension to define complex rules for controlling the transaction. By executing the transaction control client extension, you can perform custom validation based on your requirement.

Data entry and business rule validations are performed at the time creating transactions. But you can choose to validate transactions from third-party applications after they are imported to Oracle Fusion Project Costing, that is , when you run the **Import and Process Cost Transactions** process.

When the application processes the transactions for the above-mentioned rules and if the validation results in errors, the application tracks all the errors including the details for the cause of the error and the action to be taken to fix the error. You can view error details of the rejected transactions in the Manage Unprocessed Transactions page and rejected adjustment transactions in Manage Expenditure Items page. You can fix the errors and process them again.

Note

When you submit the transactions after fixing the errors for cost processing, the **Import and Process Cost Transactions** process restarts the validation at the point of error instead of starting the process from the beginning. For example, if processing fails when determining the cost rate for the transaction, the corrected transactions are processed for the cost rate determination and not for transaction derivation or validation.

The 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

When the uncosted labor transactions are cost processed, Oracle Fusion Projects validates the transactions for the project, task, expenditure, person, organization details of these transactions as follows.

- Business unit name is provided.
- Transaction source, document, and document entry setup
 - Transaction source is provided and is valid.
 - Transaction document is provided and is valid as of the expenditure item date.
 - Transaction document entry is provided and is valid as of the expenditure item date.
 - The source, document, and document entry combination of the transactions is valid.
- Project
 - Project number or project name exists.
 - When project number and name are provided, then the project number is considered.
 - Project is enabled for cross-charge processing.
 - Project is not a template, that is, transactions are not charged to a project template, intercompany provider project.
 - Project is active as of the expenditure item date.
 - The current project status determines if new transactions are allowed to be created.
- Task
 - Task number or task name exists.
 - When task number and name are provided, then the task number is considered.
 - Task is valid for the project.

- Task is active as of the expenditure item date.
- Task is chargeable.
- Expenditure item date is provided.
- Expenditure type
 - Expenditure type is provided.
 - Expenditure type exists and is active as of the expenditure item date.
 - Expenditure type is valid for the project unit of the project.
 - Expenditure type is valid for the expenditure type class associated to the document entry of the transaction.
- Organization
 - If you do not provide the organization, the application derives the organization based on the primary human resources assignment of the person.

Note

If organization is not the same as the organization assigned to the primary assignment of the person in Oracle Fusion Human Resources Management and the transaction document setup does not allow for override of person organization, then the organization fails validation process.

- If you provide the organization, then the application validates the organization is valid and active expenditure-owning organization as of the expenditure item date.
- Person
 - Person number or person name is provided for time cards and is valid.
 - When person number and name are provided, then the person number is considered.
 - If you provide the assignment, then the application validates the assignment exists and is active as of the expenditure item date.
 - If assignment is not provided, then the application derives the primary assignment, job, and expenditure organization from the primary assignment of the person as of the expenditure item date.
- A quantity must be specified for the time card.

Determining Transaction Billable or Capitalizable Status: Points to Consider

The billable status of a transaction is based on lowest task, transaction controls setup and work type setup. You can specify the billable or capitalizable status

of a transaction when you create transactions, if the billable or capitalizable status attributes are enabled in the cost collection flexfield. If you do not specify anything during point of entry, then the application considers the billable or capitalizable details specified on the lowest task, transaction controls setup and work type setup.

Billable and Chargeable Status of Transactions

The application considers the following specifications for the billable status of a transaction in the mentioned order if the project type of the project on the transaction is enabled for billing. If the project type of the project on the transaction is not enabled for billing then the transaction is not billable.

Note

When the project type of the project on the transaction is not enabled for billing, if you specify that the transaction is billable in the flexfield, then the transaction is rejected.

-
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 extension is customized to indicate the transaction is billable.
 4. If the transaction control setup for the project or task indicates the transaction is billable.
 5. If the task is billable.

Similarly, the application considers the following specifications for the capitalizable status of a transaction in the mentioned order if the project type of the project on the transaction is enabled for capitalization. If the project type of the project on the transaction is not enabled for capitalization then the transaction is not capitalizable.

1. If the task is not a retirement task.
2. If the project type of the project of the transaction is enabled for capitalization.
3. If the transaction control extension is customized to indicate that the transaction is capitalizable.
4. If the transaction control is set up for the project and task indicates the transaction is capitalizable.
5. If the task is capitalizable.

Tip

To specify that transactions are billable or capitalizable by default, you can specify it for the entire project type or transaction controls setup options. You can also specify it when you set up a task.

Expenditure Item Chargeability: How It Is Determined

Oracle Fusion Projects checks all levels of chargeable controls when you try to charge a transaction to a project. The check is performed when you save the record.

Oracle Fusion Projects checks the chargeable status when you enter a new cost transaction or transfer expenditure items to another project or task.

Settings That Affect Chargeable Status

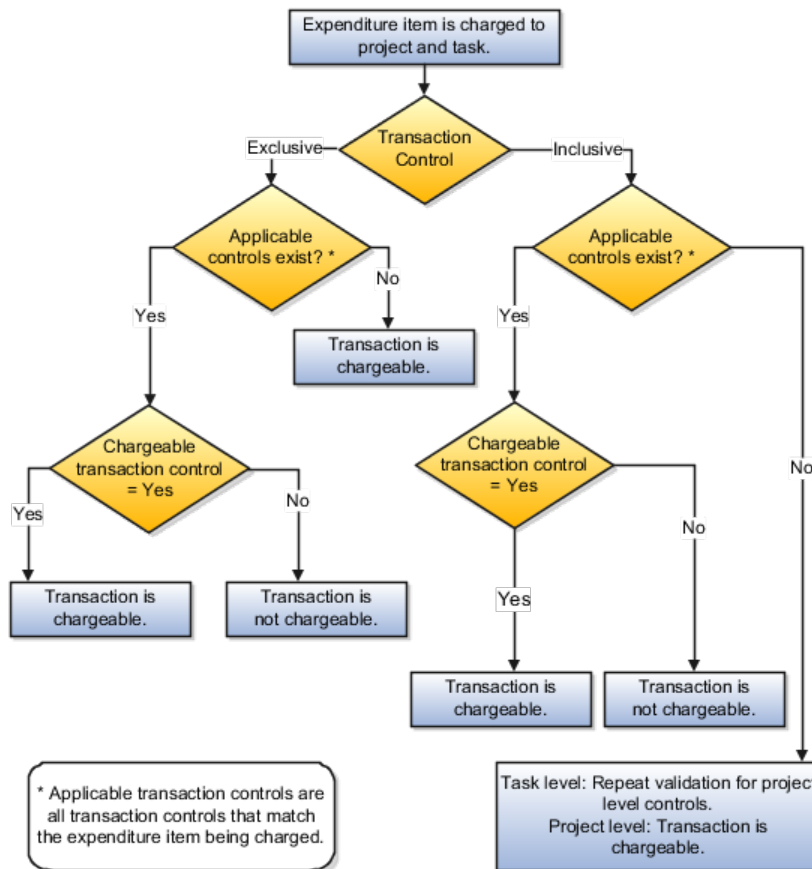
Use the exclusive and inclusive transaction control option to set the chargeable status for all expenditures charged to the project.

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 be chargeable and enable the **Chargeable** option.

Exclusive transaction controls allow all charges to a project or task by default. Specify the types of expenditures that do not want charged to the project or task.

How Chargeable Status Is Determined

The following illustration shows the steps Oracle Fusion Projects uses to determine the chargeable status of an expenditure item.



If the inclusive option is selected and applicable transaction controls do not exist, then the transaction is not chargeable. If applicable controls do exist, then the application checks whether the transaction controls allow charges. If the **Chargeable** check box is selected for an applicable control, then the transaction is chargeable. If the **Chargeable** check box is not selected, then the transaction is not chargeable.

If the exclusive option is selected and there are no applicable controls, then the transaction is chargeable. If applicable controls do exist, then the application checks whether the transaction controls allow charges. If the **Chargeable** check box is selected for an applicable control, then the transaction is chargeable. If the **Chargeable** check box is not selected, then the transaction is not chargeable.

Transaction Controls: Explained

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 do not 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 are using inclusive transaction controls. For example, if you wanted to allow people to charge only labor to your project,

you would define a transaction control with the Labor expenditure category, and allow charges to the project or task.

You usually do not select Chargeable when you are 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 validation rules for system person type controls are described in the following table.

Transaction Control Type	System Person Type	Validation Rule
Inclusive	No value	Transactions incurred by employees and contingent workers are not 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 are not chargeable.
Exclusive	Employee	Transactions incurred by employees are not chargeable.
Exclusive	Contingent worker	Transactions incurred by contingent workers are not 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** or **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 default from the task to which the item is charged.

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

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 given date range by entering a From Date and To Date for each transaction control record.

FAQs for Process 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.

What's a borrowed and lent processing method?

A method of processing cross-charge transactions that generates accounting entries to transfer costs or share revenue from the provider organization to the receiver organization within a legal entity. An internal invoice is not 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.

Distribute Overhead Costs to Projects

Burden Costs: How They Are Calculated

Burdening provides a buildup of raw and burden costs to represent the total cost of doing business accurately. You can calculate burdened costs as a buildup of costs using a precedence of multipliers. Taking the raw cost, Oracle Fusion Project Costing performs a buildup of burden costs on raw costs to provide a true representation of costs. Using burdening, you can perform internal costing, revenue accrual, and billing for any type of burdened costs that your company applies to raw costs.

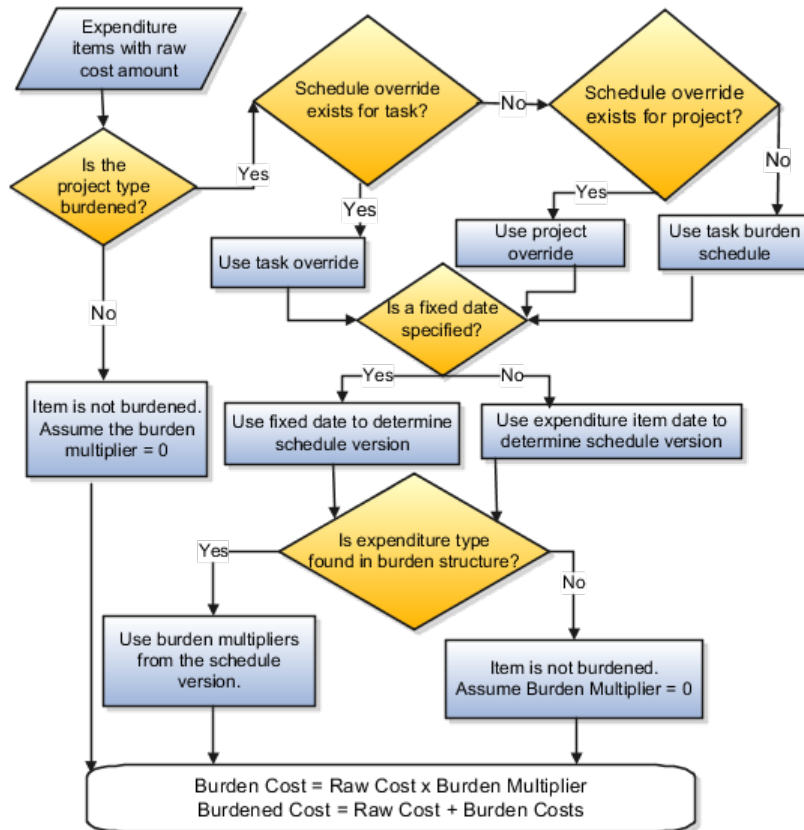
Settings That Affect Burden Cost Calculation Processing

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.

How Burden Costs Are Calculated

The calculation of burden cost includes the following processing decision logic and calculations:

The following is a diagram of the burden cost calculation process and its explanation:



1. Expenditure items with a raw cost amount are selected for processing.
2. The process determines if the related project type of the expenditure item is defined 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.
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.
8. If there are no burden schedule overrides, the process determines the burden schedule to use for burden cost calculations in the following order:
 - a. Burden schedule assigned at the task level
 - b. Burden schedule assigned at the project level
9. The process checks if a fixed date is specified for burdening. If yes, it uses the fixed date to determine the schedule version.

10. If fixed date is not specified, then the process uses the expenditure item to determine the burden schedule version.
11. 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.
12. If an expenditure type is excluded from all cost bases in the burden structure, then the expenditure items that use that expenditure type are not burdened (burden cost equals zero, thus burdened cost equals raw cost).
13. The application calculates burden cost and burdened cost amounts according to the following calculation formulas:
 - Burden cost equals raw cost multiplied by a burden multiplier.
 - Burdened cost equals the sum of raw cost and burden costs.

Cost Buildup

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 Oracle Fusion Projects calculates burdened cost as a buildup 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 shows the cost codes and multipliers for calculating burdened cost using the additive burden structure.

Cost Code	Precedence	Multiplier
Overhead	1	.10
Material Handling	1	.10
General Administrative Costs	1	.10

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	$1000.00 + 100.00 + 1000.00 + 100.00$	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 shows the cost codes and multipliers for calculating burdened cost using the precedence burden structure for a nonrate-based expenditure item:

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

Cost Type	Calculation	Amount
Raw Cost	Not Applicable	1000.00
Overhead	1000.00×0.10	100.00
Material Handling	$(1000.00 + 100.00) \times 0.10$	110.00
General Administrative Costs	$(1000.00 + 100.00 + 110.00) \times 0.10$	121.00
Burdened Cost	$1000.00 + 100.00 + 110.00 + 121.00$	1331.00

Note

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

Recalculating Burden Costs: Points to Consider

Oracle Fusion Projects identifies existing transactions that are eligible for burden cost recalculation and marks the transactions for reprocessing. For example, when a multiplier for an organization and burden cost code changes on a burden schedule version, the application marks for recalculation all transactions for the organization that are charged to an expenditure type that is linked to the burden cost code.

Burden Cost Recalculation is Required

Burden cost recalculation is required in any of the following situations:

- A build occurs on a burden schedule version that was previously built.
- An actual burden schedule version is built to replace a provisional burden schedule version.
- During recalculation, one or more transactions are not marked for recalculation of burden cost amounts, such as when an expenditure item is locked by another unprocessed adjustment, or a technical error occurs in the process.

Select the **Recalculate Burden Cost Amounts** button on the burden schedule for the process to identify and mark eligible transactions for burden cost recalculation.

Note

A burden schedule can have multiple versions. The **Burden Cost Calculation Required** button is available for selection on the burden schedule if at least one version requires recalculation.

After the impacted transactions are marked for burden cost recalculation, the Recalculate Burden Cost Amounts process starts the Import and Process Cost Transactions process to create expenditure items and cost distribution lines for the transactions.

If burden cost recalculation is still required after the Recalculate Burden Cost Amounts process completes, then review the process execution report to determine why the process did not mark eligible transactions for recalculation.

Burden Cost Recalculation is Not Required

Burden cost recalculation is not required in the following situations:

- All burden schedule versions for the build are in a new status.
- Changes are made to burden schedule versions prior to the build.
- The Recalculate Burden Cost Amounts process is complete and all impacted transactions are successfully marked for burden cost recalculation.

If burden cost recalculation is not required, the **Recalculate Burden Cost Amounts** button is not available for selection on the burden schedule.

Additive and Precedence Burden Structures: Examples

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, as shown in the following table.

Cost Code	Precedence	Multiplier	Formula	Amount (USD)
Raw Cost				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				200.00

Note

Each burden cost code in an additive burden structure is automatically assigned a default precedence value of 1.

Precedence Burden Structure

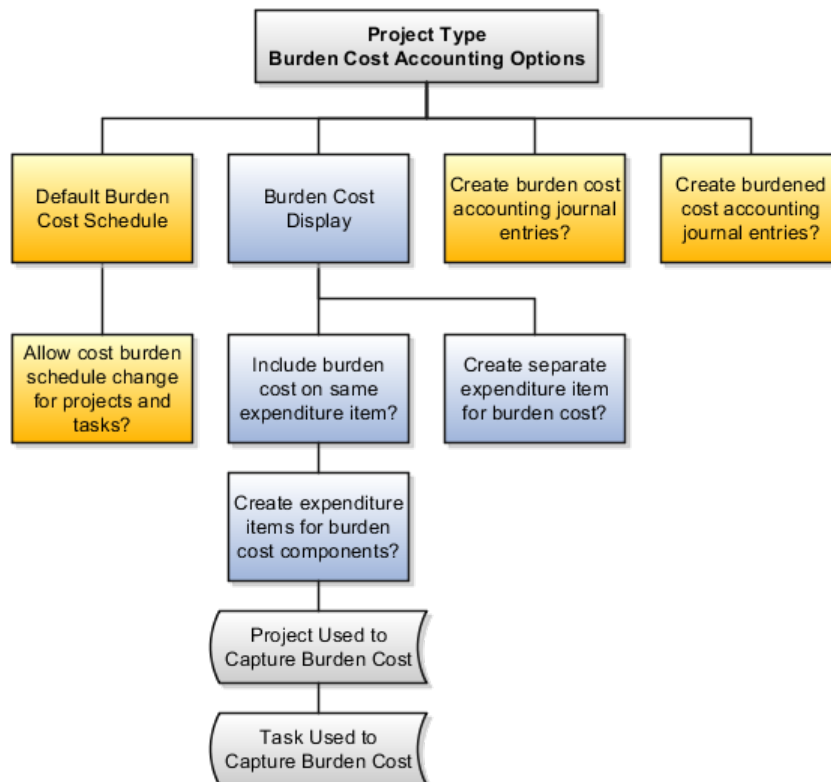
Create a precedence burden structure to specify the order in which each burden cost code assigned to a cost base is applied to raw costs, as shown in the following table.

Cost Code	Precedence	Multiplier	Formula	Amount (USD)
Raw Cost				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
Burdened Cost				234.00

Burdening Options for Project Types: Points to Consider

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 diagram 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.

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. Do not 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 Projects 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 wish 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 is classified by the expenditure type class Burden Transaction. Oracle Fusion Projects 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. You can use the Burden Summarization Grouping Extension to further refine the grouping.

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 do not 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.

Testing Burden Cost Calculations: Explained

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 do not specify a task or burden schedule, then the application uses the burden schedule on the project. If you specify a project and task, and you do not 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.

Note

When the Burden Cost Calculation Override extension is enabled, the transaction quantity is passed to the extension. If you do not enter the quantity, the application considers the transaction quantity as one.

FAQs for Distribute 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. When you release the allocation, expenditure items are created against each target project.

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 are not 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.

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 are not 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 to the burden cost code in that organization are marked for reprocessing. The adjustments are processed and burden costs are updated.

Why are burden costs summarized into multiple expenditure items for each project, task, and period?

Summarized burden transactions are created into separate items based on the following attributes that determine the summarization process: project, task, organization, billable indicator, capitalizable indicator, project accounting period, accounting period, transaction currency, provider ledger currency, receiver ledger currency, project currency, indirect cost code, expenditure type class, person type, and purchase order line. You can implement Burden Summarization Grouping Extension to further refine the grouping of summarized burden transactions.

Why are burden cost amounts not matching with the burden multipliers?

When the Burden Cost Calculation Override extension is in use, the application can override the burden cost amounts that are calculated using the assigned burden schedule.

How is burden cost calculated in the Burden Cost Calculation Override Extension when the currency of the burden rate is different from the transaction currency?

You must include additional code within the extension to convert burden rates to the transaction currency. This can be done either by writing the code within the extension or by storing the burden rates in different currencies in a new table and modifying the extension to use the rate from this table.

Review and Adjust Project Costs

Project Cost Adjustments: How They Are Processed

Project cost adjustments include expenditure item modifications that are required after you import project transactions into Oracle Fusion Projects. 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 Projects 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 you can 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 any one of the transferring of expenditure item fails, then the application does not create new expenditure items or the associated cost distributions. The original expenditure item is set to rejected status and the

error details 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.

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 the adjustment or process the adjustment again.

You can review the cost distributions for a specific period and then after comparing you can reconcile the cost amounts to amounts in other applications.

Expenditure Item Adjustment Statuses: Explained

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 possible adjustment statuses of expenditure items during the adjustment processing are explained as follows.

Resulting Adjustment Status	Description	Tasks You Can Perform
Pending Approval	Adjustment is submitted and is pending for approval.	You cannot 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 is not selected for processing because of validation errors. Failure reasons are provided.	<p>You cannot resubmit or cancel an adjustment in this status. The transaction has failed because of basic adjustment validation such as project status is closed or not allowing adjustment on a net-zero expenditure item.</p> <hr/> <p>Restriction</p> <p>The billing adjustments are not validated for the closed status of a project because you can perform adjustments on a closed contract.</p> <hr/>
Rejected	Adjustment is rejected for processing by the Import and Process Cost Transactions 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.

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.

FAQs for Review and Adjust Project Costs

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

Yes. The billable and capitalizable attributes of a transaction are not mutually exclusive. A project can be both billable and capitalizable. The expenditure items are not restricted to being one or the other. Therefore, you can adjust the 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 edit comment, split, and split and transfer expenditure items.

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 adjustment in the destination project or task.

When processing the new expenditure items that result from the split and transfer adjustment, you can specify your requirement in the Related Transaction client extension to create related expenditure items for the required project.

You cannot split and transfer a related item independently to another project or task.

Note

You can perform billing adjustments and other adjustments such as changing the capitalizable status of an expenditure item and the related expenditure items independently.

Can I prevent individual transactions from recognizing revenue?

Yes. You can place an expenditure item or an event on revenue hold to stop the expenditure item from recognizing the revenue. If the item is already recognized, then it is reversed and is not eligible until the revenue hold is removed.

Why are some of the expenditure items adjustments not processed?

Following are the reasons for not allowing adjustment processing on expenditure items.

- The document entry of the expenditure item does not allow adjustments.
- The **Adjust transactions** status control of project status does not allow to adjust transactions.
- 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 change comment or hold or release billing and revenue.
- You do not have the privilege to submit this type of adjustment.

Where is the source to determine details of summarized amounts?

Cost distribution lines become the source because they provide detailed data for summarized amounts. Summarized amounts are grouped by the 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.

Manage Project Rate Schedules

Rate Schedule Types: Explained

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 Oracle Fusion Projects.

The schedule types are:

- Job
- Person
- Nonlabor
- Resource class

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

The rate is based on the standard hourly rate assigned to a job title in Oracle Fusion Human Capital Management.

If you are 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 cannot be derived from the person labor rate schedule.

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

Person

Person schedules contain raw cost rates and billing rates or markup percentages for labor transactions and transfer price amounts. The rate that calculates the cost or billing amount for a project transaction is based on the standard hourly rate or markup percentage assigned to a person, or the job or organization assigned to the person in the schedule. The job or organization is based on the person's assignment in Oracle Fusion Human Capital Management.

You have the option of assigning rates to the following:

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

If you assign a rate to a person and job combination, that rate has precedence over the person rate. If you assign a rate to a person, job and organization combination, that rate has precedence over the person rate or person and job combination.

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

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

Resource Class

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

FAQs for Manage Project Rate Schedules

How can I bill a nonlabor expenditure item at cost?

If you have a business requirement to 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 does not process the transaction.

Where does the transaction currency for nonlabor expenditures come from?

The transaction currency of a nonlabor transaction can come 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.

Record Accounting for Project Transactions

Accounting Burden Costs: How They 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 Projects even when raw costs are accounted in a third-party application. You can create and track the accounting independently for raw cost, burden cost, and burdened cost.

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.

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 Accounting and Oracle Fusion General Ledger. The following table shows the accounting for a labor transaction (raw cost) with three types of burden costs: fringe, overhead, and general and administrative.

Transactions	Accounting Transactions	Debit	Credit
Labor Cost	Labor Expense	300	
Labor Cost	Payroll Clearing		300
Summarized Burden Cost	Project Fringe Expense	250	
Summarized Burden Cost	Fringe Absorption or Recovery		250
Summarized Burden Cost	Project Overhead Expense	300	
Summarized Burden Cost	Overhead Absorption or Recovery		300
Summarized Burden Cost	Project General and Administrative Expense	150	
Summarized Burden Cost	General and Administrative Absorption or Recovery		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 shows the accounting for a labor transaction and burden cost of 700 USD.

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

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 shows the burdened cost accounting for a labor transaction (raw cost) with three types of burden costs: fringe, overhead, and general and administrative. The burdened cost is 1,000 USD.

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

Labor Cost	Burdened Cost Clearing		1000
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Accounting for Burden and Burdened Costs

You can also account for the burden and burdened cost of the items.

Transactions	Accounting Transactions	Debit	Credit
Labor Cost	Labor Expense	300	
Labor Cost	Labor Clearing		300
Labor Cost	Burden Expense	700	
Labor Cost	Burden Clearing		700
Labor Cost	Burdened Cost	1000	
Labor Cost	Burdened Cost Clearing		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 are capitalizing burdened costs, then you must account for burdened costs also.

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 are transferred to the general ledger.

Maintaining Accounting Periods and Project Accounting Periods: Critical Choices

During business unit implementation you determine whether to maintain common accounting and project accounting periods, or define project accounting periods that have a different frequency than the accounting periods.

Accounting periods are used by Oracle Fusion Projects to assign accounting periods and dates to transactions. Accounting periods are maintained by ledger and use the same calendar as the general ledger periods. Project accounting periods are used by Oracle Fusion Projects for project planning, costing, billing, budgeting, forecasting, and performance reporting. Project accounting periods are maintained by business unit and typically do not use the same calendar as the accounting and general ledger periods.

Maintaining Common Accounting and Project Accounting Periods

If you want to report project information with the same frequency as the accounting periods, you can use the accounting period as both the accounting and project accounting period.

When you maintain common accounting and project accounting periods, period maintenance is simplified, calendar periods are not copied to Oracle Fusion Projects, and period information is maintained in one physical location. Use Oracle Fusion General Ledger to maintain accounting period statuses and run the processes to open and close accounting periods.

Defining Project Accounting Periods that are Different from Accounting Periods

If you want to account for project transactions and report project information more frequently than the accounting periods allow, you can define project

accounting periods that are shorter than the accounting periods. For example, you can define weekly project accounting periods and monthly accounting periods, as shown in the following diagram.

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

Use Oracle Fusion General Ledger to maintain accounting period statuses and run the processes to open and close accounting periods, and Oracle Fusion Projects to maintain project accounting period statuses and run the processes to open and close project accounting periods.

Viewing Project Costs and Revenue Accounting Entries: Explained

Use the **View Accounting** window to view accounting entries created for cost and revenue transactions. You need not navigate to the integrating applications to view the accounting entries of the imported transactions. The accounting entries are displayed in the following regions of 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 Oracle Fusion Projects.

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 from the Manage Expenditure Items page, while for a single cost

or cross-charge distribution from the Expenditure Item Details page. In Oracle Fusion Project Billing, you can view the accounting entries for revenue from the Edit Events and Manage Revenue Distribution pages. You can also view the accounting entries for accounting transactions from the Manage Accounting Transactions page.

View accounting entries associated with a transaction for the following:

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

Creating Accounting for Transactions: Points to Consider

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. Then you can create the accounting entries in draft or final mode and transfer and post the accounting entries to the general ledger.

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 Expenditure Items** 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: Task pane in Cost Transactions Overview
- Revenue: Revenue Transactions Overview

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.

Accounting Class Usages in Oracle Fusion Projects: Explained

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 Oracle Fusion Projects, 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.

Oracle Fusion Projects uses accounting class usages to retrieve accounts for asset generation and 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.

Accounting Period and Project Accounting Period Closing: How Validation Works

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.

Note

For warning exceptions, the period status is set to Close or Close Pending status.

How Period Closing Validation Works

When you set an accounting period or project accounting period to Closed or Close Pending, the application generates the Period Close report. The report provides summary information and details of transactions that completed successfully, with warnings, and with errors. If errors were encountered, review the stated corrective actions, fix the issues, and then close the periods.

The following table describes the validation rules for transactions and the validation result for the respective period statuses.

Validation Rule	Close Pending a Project Accounting Period	Close a Project Accounting Period	Close Pending an Accounting Period	Close an Accounting Period
Accounted transactions (for example, supplier invoices, receipts, miscellaneous inventory transactions) entered in an integrating Oracle Fusion application in the same period that are not yet transferred and imported to Oracle Fusion Projects.	Validated with a warning	Validated with a warning	Validated with a warning	Fails validation with an error

<p>Unaccounted transactions (for example, supplier invoices, costed receipts, miscellaneous inventory transactions) entered in an integrating Oracle Fusion application are not yet transferred and imported to Oracle Fusion Projects.</p> <hr/> <p>Note</p> <p>Net-zero receipts are ignored for validation.</p>	Validated with a warning	Validated with a warning	Validated with a warning	Validated with a warning
Accounting events generated in Oracle Fusion Projects 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
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

Sweeping Transaction Accounting Events: Explained

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 are not 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 is 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 are not 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.

Account Rules: Explained

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 are defined, and take the remaining values from an account based rule. For example, you can select an account rule which is for all segments and also separately select 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. However, if the segment rule has conditions associated with the priorities and none of the conditions are met, no override occurs and therefore, the segment value is derived from the account rule.

Note

If the returned account is end dated with a date that is the same or before the subledger journal entry accounting date and an alternate account is defined in Oracle Fusion General Ledger, an alternate account is used. The original account is stored on the journal line for audit purposes.

If the alternate account is invalid, and the **Post Invalid Accounts to Suspense Account** option is selected in the Create Accounting process, then a suspense account is used. An error message is displayed if a valid suspense account is not available.

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 by Oracle Fusion Projects 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 a new 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, and 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.

FAQs for Record Accounting for Project Costs

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 is not validated.

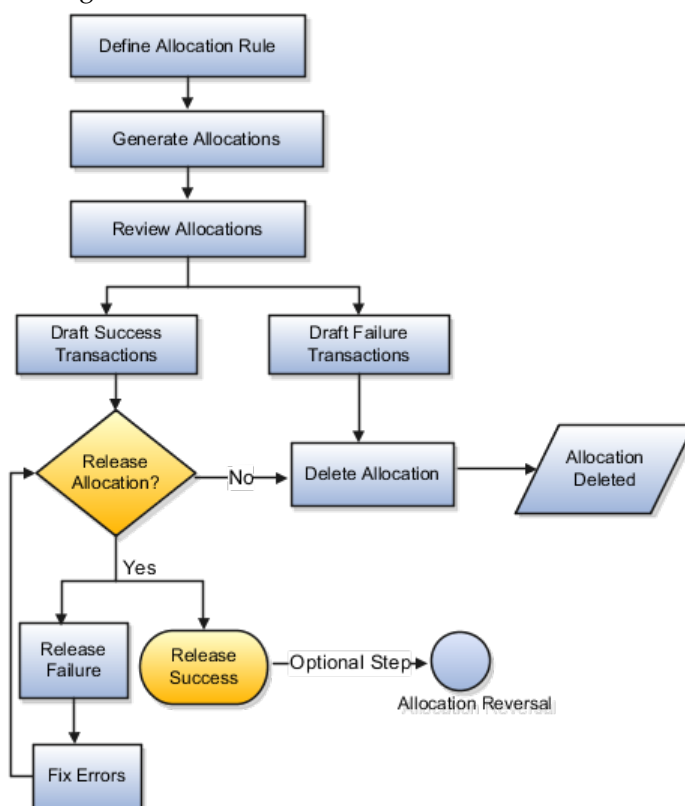
What happens if I close an accounting or project accounting period permanently?

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

Allocate Project Costs

Project Cost Allocations: How They 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. The following flowchart shows allocation processing from defining an allocation rule to releasing an allocation transaction.



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
- Using client extensions

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.

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.

Allocation Statuses: Explained

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

Note

There is no allocation status for first-time processing.

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

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

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

Note

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

Allocation Source Pool Amount: How It Is 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 may 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.

How Source Pool Amount Is Calculated

The allocation source pool amount is derived based on what is 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. If you want to use projects that are designated in the Allocation Source client extension, select the Use Client Extension Sources option.

Note

If you do not 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.

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 do not 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 cannot 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.

$$\begin{array}{ccccccccc} \text{Fixed} & & \text{Project} & & \text{Ledger} & & \text{Source} & & \text{Source} \\ \text{Source} & + & \text{Sources} & + & \text{Source} & \times & \text{Pool} & = & \text{Pool} \\ \text{Amount} & & \text{Amount} & & \text{Amount} & & \text{Percentage} & & \text{Amount} \end{array}$$

Calculating Prorate Amounts Using Allocation Basis Method: Examples

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

- Prorate
- Target Percentage and Prorate

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.

$$\frac{\text{Target Task Basis Amount}}{\text{Total Basis Amount}} \times \text{Source Pool Amount} = \text{Allocation Amount}$$

Using the Prorate basis method, for a source of \$1000.00, consider the following target details:

$$\frac{\text{Target Task Basis Amount}}{\text{Total Basis Amount}} \times 100 = \text{Basis Percentage}$$

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, 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.

$$\left(\frac{\text{Target Task Basis Amount}}{\text{Total Target Line Basis Amount}} \right) \times \left(\text{Source Pool Amount} \times \text{Target Line Percentage} \right) = \text{Allocation Amount}$$

Using Target Percentage and Prorate basis method, for a source of \$1000.00 allocated to the target line, consider the following details:

$$\frac{\text{Target Task Basis Amount}}{\text{Total Target Line Basis Amount}} \times 100 = \text{Basis Percentage}$$

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, 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 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 the above examples, each target line in the allocation rule specifies a project. In real life, 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.

Expenditure Type Class for Allocation Transactions: Points to Consider

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.

FAQs for Allocate Project Costs

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 cannot 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 cost transactions. You must fix the errors and then process the allocation again.

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?

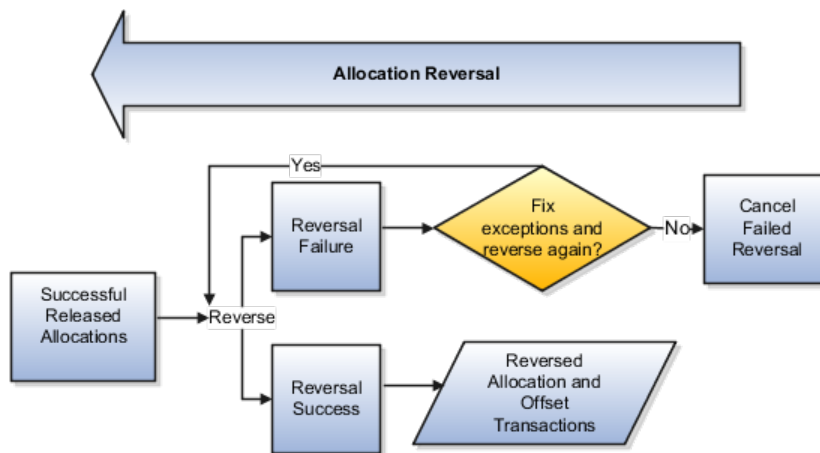
You cannot generate allocations for an allocation rule if the allocation rule already has draft allocations. This includes allocations with the following statuses:

- Draft Success
- Draft Failure
- Release Failure
- Deletion in Progress
- Release in Progress

When do I reverse an allocation?

If an allocation needs to 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. Reversing an allocation creates, releases, and processes a set of reversing expenditure items. If any of the original expenditure items were transferred or split, then reversal processing reverses transferred or split items. These reversed amounts are considered for the next incremental allocation.

The allocation reversal process is illustrated in the following image:



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.

Restriction

You cannot reverse an allocation if any of the target or offset projects cannot accept new transactions, for example, new transactions are not accepted if a project is closed.

Record Capital Asset Costs

Capital Projects Processing: Explained

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 disposed.

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.

Asset Cost Allocation Methods: Explained

The asset cost allocation method determines how indirect or common costs incurred on a project are allocated to multiple assets.

You can specify an asset cost allocation method to enable Oracle Fusion Projects to automatically allocate unassigned asset lines and common costs across

multiple assets. Unassigned asset lines typically occur when more than one asset is assigned to an asset grouping level.

Project templates and projects inherit a default asset cost allocation method from the associated project type. You can override the default at the project level. If you use capital events to allocate costs, then you can also override the asset cost allocation method at the event level.

Asset Cost Allocation Methods

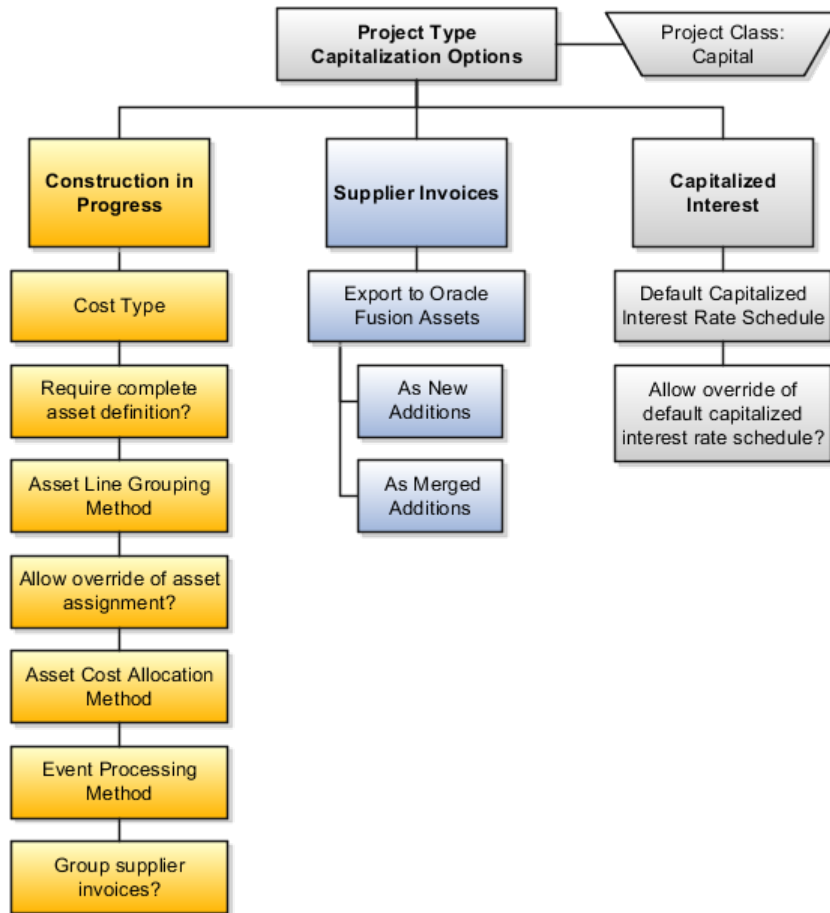
The following table describes the available asset cost allocation methods.

Method	Basis of Cost Allocation
Actual Units	Number of units defined for each asset
Client Extension	Rules defined specifically for your organization
Current Cost	Construction-in-process (CIP) cost of each asset
Estimated Cost	Estimated cost of each asset
Standard Unit Cost	Combination of the standard unit cost and the number of units defined for each asset
Spread Evenly	Equal allocation of cost to each asset

Capitalization Options for Project Types: Points to Consider

You can assign assets to a project if capitalization is enabled for the project type. Use project types to configure capitalization options that are inherited by each project associated with that project type.

The following diagram illustrates the capitalization options for project types.



You 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.

Cost Type

Indicate whether to capitalize costs at the burdened or raw cost amount for projects with this project type.

Complete Asset Definition

Enable this option to require a complete asset definition in Oracle Fusion Projects before sending costs to Oracle Fusion Assets. If you select this option, you do not need to enter information for the imported asset line 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
- CIP Grouped by Client Extension
- Expenditure Category
- Expenditure Category Nonlabor Resource
- Expenditure Type
- Expenditure Type Nonlabor Resource

Asset Assignment Override

This option interacts with the assignment status of the asset to either use or disregard the Asset Assignment extension, as shown in the following table:

Override Asset Assignment	Asset Lines Assigned to Assets	System Uses Asset Assignment Extension
Do Not Override (option not selected)	Not Assigned	Yes
Do Not Override	Assigned	No
Override	Not Assigned	Yes
Override	Assigned	Yes

You can set up the Asset Assignment extension to assign any unassigned asset lines that result from the Generate Asset Lines process, or to override the current asset assignment for specified lines.

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
- Client Extension
- Estimated Cost
- Standard Unit Cost
- Spread Evenly

Event Processing Method

You can specify a capital event processing method to control how assets and costs are grouped over time. You can choose to use either periodic or manual events, or no events.

Group Supplier Invoices

Enable this option to consolidate the expenditure items on a supplier invoice into one asset line according to the asset line grouping method. Deselect this option to send the lines to Oracle Fusion Assets based on the supplier invoice export option.

Supplier Invoice Export Options

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.

Note

After the addition lines are sent to Oracle Fusion Assets, you can split, merge, or unmerge 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.

Projects Source Lines: How They Are Imported

You can collect construction-in-process (CIP) costs for capital assets you are building in Oracle Fusion Projects. When you finish building your CIP asset, you can capitalize the associated costs as asset lines in Projects and send them to Oracle Fusion Assets as mass addition lines.

Note

If you use Projects to build CIP assets, you do not need to create CIP assets in Assets. For costs that originate in Oracle Fusion Payables, you should send CIP costs to Projects, and capitalized costs to Assets.

Settings That Affect the Import Process

For Projects to send asset lines to Assets, the asset line 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 Fusion General Ledger.
- The CIP costs for supplier invoice adjustments must be interfaced to Payables.
- A CIP asset must be associated with the asset line.

How Project Lines Are Imported

You run the Transfer Assets to Oracle Fusion Assets process in Projects to send asset lines to Assets. This process creates a mass addition line for each asset line in Projects. It then merges all mass additions for one asset into a single parent mass addition line. The merged children have a status of Merged.

Assets places the parent mass addition in the Post queue if the asset was completely defined in Projects and it is ready for posting. Assets places the parent mass addition in the NEW queue if the asset definition is not complete. In this case you must enter additional information for the mass addition and then update the queue status to POST. You do not need to change the queue status for lines with a status of Merged.

FAQs for Record 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.

Review summary amounts details displayed in the table or graph. You can drill-down from the summary amounts to the transaction-level details.

Why is amortization information not transferred to the asset application?

Amortization information is not included when you first transfer an asset or if the asset is in a period of addition in Oracle Fusion Assets.

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 distinguish 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 Projects 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 other differences between periodic and manual capital event processing are as follows.

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.
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.

Glossary

accounting event class

Categories that classify transaction types and group event types for accounting rules.

accounting period

The fiscal period used to report financial results, such as a calendar month or fiscal period.

allocation

An allocation is distribution of existing amounts between and within projects and tasks.

allocation rule

A set of attributes that describes how to allocate amounts in the source pool to target projects and tasks.

burden cost

Burden costs are legitimate costs of doing business that support raw costs and cannot be directly attributed to work performed.

burden cost base

The grouping of raw costs to which burden costs are applied.

burden cost code

A classification of overhead costs. A burden cost code represents the type of burden cost that you want to apply to raw cost. For each burden cost code in the burden structure, you specify what cost base it is applied to, the expenditure types it is associated with, and the order in which it is applied to raw costs within the cost base.

burdened cost

Cost of an expenditure item, including the raw cost and burden costs.

journal line rule

A rule that includes options to convert transactional data into a subledger journal line. A condition can be defined within a rule so that the rule is only used based on particular attributes of a transaction.

mapping set

Maps a combination of input source values to specific output values. A mapping set can have a segment, account, or value set as output. The output value of a mapping set is used to derive accounts or segments in account rules.

nonlabor resource

An asset or pool of assets. For example, you can define a nonlabor resource with a name PC to represent multiple personal computers that your business owns.

project accounting period

Periods that are maintained by business unit and used to track budgets and forecasts, summarize project amounts for reporting, and track project status.

project type

Controls basic project configuration options, such as burdening, billing, and capitalization options, and class categories, that are inherited by each project associated with the project type.

provisional burden schedule

A burden schedule of estimated burden multipliers that are later audited to determine actual rates. You apply actual rates to provisional schedules by replacing the provisional burden multipliers with actual burden multipliers. Oracle Fusion Projects processes adjustments that account for the difference between the provisional and actual calculations.

raw cost

Costs that are directly attributable to work performed. Examples of raw costs are salaries and travel expenses.

source pool

A combination of all source amounts defined by an allocation rule. These costs comprise summarized projects costs, posted ledger account costs, or fixed amounts.

subledger journal entry line

An individual debit or credit line that is part of a subledger journal entry.

subledger journal entry rule set

A set of rules defining how to generate a complete journal entry for an accounting event.

targets

The identified projects and tasks to receive allocation amounts. Allocation rules specify the targets.

third-party application source

Non-Oracle application source of transactions.

value set

A set of valid values against which values entered by an end user are validated. The set may be tree structured (hierarchical).