Oracle Labor Distribution

ORACLE®
E-BUSINESS SUITE
HUMAN RESOURCES
MANAGEMENT SYSTEM

Oracle® Labor Distribution is a comprehensive labor costing solution and allows you to flexibly distribute the payroll expenses to Oracle General Ledger, Oracle Projects and Oracle Grants Accounting. Oracle Labor Distribution is part of the Oracle E-Business Suite, an integrated set of applications that are engineered to work together.

Oracle Labor Distribution is a key component of the fully integrated Oracle HRMS suite of Applications, comprising of Oracle HR, Oracle Payroll, and Oracle HR: Self-service, Oracle Time and Labor, Oracle iRecruitment, Oracle HR Intelligence, Oracle iLearning EBS, and Oracle Advanced Benefits.

KEY FEATURES

- Flexibility in setting up labor schedules
- Distribute and transfer labor expenses to Oracle General Ledger, Oracle Projects and Oracle Grants Accounting
- Interface payroll data from non Oracle Payroll systems
- Workflow based process to adjust the distributions
- Encumber (Commit) and transfer future labor expenses to Oracle General Ledger, Oracle Projects and Oracle Grants Accounting
- Rule based engine for auto-population of account segments
- Supports U.S. Effort Reporting requirements of Office of Management and Budgets (OMB) Circular A-21
- Supports the National Institutes of Health (NIH) salary cap requirements

KEY BENEFITS

Oracle Labor Distribution enables organizations to:

- Flexibility in managing your cost by General Ledger accounts or by Project, Task and Awards
- Transfer payroll expenses to Oracle Projects and Grants Accounting
- Labor Encumbrance for better budget management

Flexible Labor Scheduling

Oracle Labor Distribution provides you with a labor schedule hierarchy that makes labor schedule management easier and reduces data entry. With the schedule hierarchy, you can define a rule that applies to many cases and then define exceptions where necessary. For example, you can define schedules at an organizational level. A schedule defined at the organizational level would then apply to each employee within that organization. The organizational level schedule is superseded by the creation of a schedule at the employee assignment level of the hierarchy.

Labor Schedules consists of one or more schedule lines. Each schedule line consists of several items: a charging instruction (a combination of General Ledger Chart of Accounts segments or a combination of project, task, award, expenditure organization, and expenditure type), a begin date, an optional end date, and a distribution percentage.

Distribute and transfer labor cost to General Ledger, Projects and Grants

With Oracle Labor Distribution, you have the flexibility of managing the allocation of payroll expenses to your cost centers whether they are implemented as General Ledger accounts, Projects and Tasks, Projects and Tasks and Awards or a combination of the three. Oracle Labor Distribution accurately distributes the payroll amounts based on the labor schedules. If an employee's organization changed or the employee's labor schedule changed in the middle of the payroll period, the cost distributions will be pro-rated to reflect this change. The payroll distributions are transferred to Oracle General Ledger, Oracle Projects and Oracle Grants Accounting.

To facilitate smooth labor cost distribution, transactions to be posted to General Ledger, Projects and Grants are validated. If the transactions are unsuccessfully

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- Compliance with U.S. federal government requirements
- Operational Reports assist decision making and compliance
- Single repository of labor costing data
- Workflow to increase productivity and improve governance and control

posted, they will be sent instead to the organization suspense account of the employee's assignment.

Interface and cost payroll data from non Oracle Payroll systems

Payroll data from non Oracle Payroll systems can be interfaced and processed by Oracle Labor Distribution. Oracle Labor Distribution provides interfaces for bringing in un-costed and costed payroll data from external systems. These interfaces are helpful when you use an external payroll system but use Oracle General Ledger, Oracle Projects and Oracle Grants Accounting.

Adjust Distributions

When distributions are determined to be inaccurate, Oracle Labor Distribution provides you the ability to adjust payroll distributions over a selected period of time. When making adjustments, you will see the current distributions for that time period and will be able to select which distributions to adjust. Reversing transactions are automatically created. With Oracle Workflow implemented in Oracle Labor Distribution, distribution adjustments defined by you are automatically routed to approver's work list for review and approval.

Encumber (Commit) future labor expenses

Labor encumbrance allows you to identify "unspent and uncommitted" funds by encumbering (committing) future labor cost. Labor encumbrance provides a means for you to avoid overspending on budgets and to reserve funds in Oracle General Ledger accounts and Oracle Grants Accounting awards. By reserving funds from a budget for expenses committed yet not expended, you can see a more accurate available funds figure. Encumbrances for employee assignments are created until the end of the award if you use awards in your labor schedule. You can override this functionality to create encumbrances until a different date.

For example, you may encumber the non-sponsored awards only until the current fiscal year. Encumbrances are created until the default encumbrance end date if you use General Ledger Accounts in your labor schedule. The default encumbrance end date is generally set to match your fiscal year end date. Encumbrances will be automatically marked for updated if there are any changes to the employees' record (e.g., due to salary increase, change in organization), labor schedule or charging instruction (e.g., project is closed). After employees are paid (i.e., the expenses have been expended), you can liquidate encumbrances for these employees and encumbrances are negated from Oracle General Ledger accounts and Oracle Grants Accounting awards.

Rule based engine for auto-population of account segments

Auto-population functionality enables you to setup rules for deriving the values for Natural Account segment in Oracle General Ledger and Expenditure Type in Oracle Projects. The auto-population rules result in greater accuracy and save lot of data entry time. For example, you may require that Expenditure Type in Projects/Grants is 'Research Pay' when the employee assignment's organization is 'Research' and their

Job is 'Scientist'. The auto-population setup user interface allows users to setup complex rules without requiring any technical knowledge. The auto-population rules are executed by payroll distribution, encumbrance, distribution adjustments and when interfacing costed external payroll data.

Effort Reporting Compliance

Effort report summarizes the proposed versus actual salary distributions and percentage effort spent over user-defined periods of time. Effort reporting supports institutions required to certify effort under the guidelines of Office of Management and Budget (OMB) Circular A-21. The effort report certification formats in PDF format for employee, award principal investigator, project manager and task manager are supported. You can setup an Effort Report Template for a section of employees requiring the same effort report layout and workflow approval. Effort Reporting uses XML Publisher technology for creating the report layouts.

Most of the common approval types (e.g., Employee, Supervisor, and Award Principal Investigator) are provided out of the box. There is integration with Oracle Approvals Management (AME) to add new workflow approval types.

Effort Report Monitor provides a complete view of the effort reporting approval process. Effort Report administrators can find out the bottlenecks in the approval process and take necessary action to speed up the process.

Employees can view their past and current effort distribution and approval status from the Employee Self Service functionality in Oracle HR. Managers can view their employees' past and current effort distribution and approvals status from the Manager Self Service functionality in Oracle HR.

National Institutes of Health (NIH) Salary Cap compliance

National Institutes of Health (NIH) mandates that it will not fund the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Executive Level I of the U.S. Federal Executive Pay Scale. Oracle Labor Distribution has an open architecture for supporting salary caps. There are setups for defining a salary cap, ability to override a salary cap for a project and setup accounts where the salary in excess of the salary cap will be transferred. The salary cap architecture can support salary cap from any funding source and is not restricted to National Institutes of Health.

Integration

- Integration with Oracle HR to get the employee details.
- Integration with Oracle Payroll to import the payroll for distribution.
- Integration with Oracle HR Self Service to display effort distribution in Employee and Manager Self Service.
- Integration with Oracle Projects to display and validate projects and tasks, and transfer distributions.
- Integration with Oracle Grants Accounting to display awards and transfer distributions.
- Integration with Oracle Public Sector Budgeting to return the labor schedule setup for budgeting.

Oracle E-Business Suite—The Complete Solution

Oracle E-Business Suite enables companies to efficiently manage customer processes, manufacture products, ship orders, collect payments, and more—all from applications that are built on unified information architecture. This information architecture provides a single definition of your customers, suppliers, employees, and products—all important aspects of your business. Whether you implement one module or the entire Suite, Oracle E-Business Suite enables you to share unified information across the enterprise so you can make smarter decisions with better information.

PRODUCT NAME

• Oracle Labor Distribution

RELATED PRODUCTS

For more information on related HRMS Applications, please see product announcements and data sheets on the following:

• Oracle HR

• Oracle Payroll

• Oracle HR: Self-service

• Oracle Time and Labor

• Oracle Projects

• Oracle Grants Accounting

• Oracle General Ledger

• Oracle Public Sector Budgeting

RELATED SERVICES

The following services support Oracle Main Product:

• Update Subscription Services

• Product Support Services

• Professional Services

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For more information about [insert product name], visit oracle.com or call +1.800.ORACLE1 to speak to an Oracle representative.

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Hardware and Software, Engineered to Work Together

Oracle is committed to developing practices and products that help protect the environment