Oracle projects costing r12 user guide

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This chapter gives you an overview of the cost of the project in Oracle Projects.This chapter covers the following topics: A cost-benefit cost-benefit review of the cost-cutting is to process costs to calculate their cost for each project and determine the GL bills to which the costs will be placed. Costs are performed for the following types of costs: Related cost topics in Oracle projects, labor cost-cutting processes, distributed labor costs in Oracle projects The following illustration shows how costing is performed and accounted for in Oracle projects. The cost of Oracle projects As shown in the illustration, Costing in Oracle Projects, cost includes the following basic steps: Enter and approve costs through oracle Projects user interface or import transactions (e.g. through transaction imports). Note: You can use Transaction Import to import unaccounted-for and accountable transactions. If you are importing unaccounted transactions, you must start the costing processes for transactions. If you import transaction accounts, no additional processing is required. For more information, see: Transaction Sources, Oracle Project Implementation Guide. Distribute costs and get accounting by default. See: Cost processes generate cost-accounting events. The cost-sharing process performs the following tasks: Collects cost-sharing lines in Oracle Projects and uses AutoAccounting to determine default liability accounts for raw and burdensome costs that generate cost-accounting events for Oracle Subledger Accounting Create Accounting in Oracle Subledger Accounting and transfer accounting records to Oracle General Ledger. Depending on the parameters chosen, the accounting process performs the following tasks: creates accounting records of sub-lagers for unaccounted accounting events. Note: If you determine your own detailed accounting rules in Oracle Subledger Accounting, Oracle Subledger Accounting will refil up the default accounts or individual account segments that Oracle Projects receives with AutoAccounting. Translation of accounting records into Oracle General Ledger interface tables. Initiates the process of importing the magazine to Oracle General Ledger. The log import process uses the in-step interface information stored in Oracle General Ledger's interface tables and automatically creates log entries for publication in Oracle General Ledger. Initiates the placement of records in Oracle General Ledger journals. Note: You can additionally run the Subledger Period Exceptions Report to view information about raw accounting events, accounting events by error, and that are successfully counted in the final mode in Oracle Subledger Accounting, but are not placed in Oracle General Ledger. This report provides you with ability to link back separately and determine whether the accounting records are placed in Oracle General Ledger. Related to Distribution Processes, Oracle Projects Basics to Generate Cost Accounting Events, Oracle Projects Basics Accounting Creation, Oracle Projects Basics Processes Next Illustration shows the flow of cost processes in Oracle projects. Costing Processes, as shown in the Costing Processes illustration, the creation and distribution processes perform the following tasks: Calculate the cost of raw materials (rate of quantity x) in the transaction currency Calculate the burden and the burdened costs of the cost are legitimate business costs that support raw material costs and cannot be directly attributed to the work being done. Examples of burden costs include additional benefits, office space, and general and administrative costs. Burdened expenses are the total cost of an item, including raw material and burden costs. For information on burdens and burdened costs, see: Burden Review. Creating and distributing unprocessed cost-sharing lines Conversion of the entire transaction currency is a functional currency and the amount of project value Currency Amounts Creation and distribution of burdened cost distribution Lines Default accounting using AutoAccounting (debit account for raw costs and costs, debit and credit accounts for total burdened expenses) Note: If you do not perform, you can skip the processes that create and burden the burden. Create cost-accounting events. See: Costs in Oracle projects. Cost calculation This section summarizes how Oracle Projects calculates costs. For more information on the costing process, check out the labor costs example in this chapter. See: Distribution of labor costs. Each transaction has two processing costs, unprocessed and burdened. Oracle Projects calculates these amounts for each transaction part when allocating costs using either of the following processes: Labor Cost Distribution Distribution Use and Various Costs Distribute Cost Adjustments Suppliers Distribute Costs Report Adjustments Raw Cost of The Actual Cost of Work Performed, and Burden Cost Indirect Work Costs Performed. The costs of the burden are created in order to apply overheads to projects to ensure an accurate total cost figure. Burdened with costs is the total cost of expenditure or the amount of raw material value and the cost of the burden. Oracle Projects calculates the cost of the burden using the cost of raw materials and load multiplier. Calculating labor costs, Oracle Projects calculates labor costs Number and stakes as follows: The cost of raw materials is the result of multiplying the clock by speed. The cost of the burden is the result of multiplying the cost of raw materials by a burden multiplier. The burdened costs are the sum of the raw material and the cost of the burden. Note: You can determine the unique cost of labor by increasing labor costs. See: Expanding labor costs, Oracle Projects APIs, expanding customers, and helping open interfaces. Related Topics Distribution of Labor Costs Expenditure Expenditure Burdens Burdens Cost Calculation Use And Various Transactions Oracle Projects calculates the cost to use and various transactions as follows: Raw value equals quantity (if quantity is in currency, for example, the amount of currency), or else, commodity value is the result of multiplying the quantity per rate (if the amount is not in currency). You can determine usage cost rates and different costs as follows: cost rates at rates such as low-cost costs and ownership for use (optional); redefines the cost of cost-type costs is the result of multiplying the cost of raw materials by a burden multiplier. The burdened costs are the sum of the raw material and the cost of the burden. Related Topics Spending Review Burdens Burdens Use Rates for Costs, Oracle Projects Projects Basics

calculating the cost of the burden and the total burdened cost of Oracle projects calculates the cost of the burden by multiplying the cost of raw materials by burden multiplier. This calculation is presented in the following formula: The cost of the burden x burden Ofa Multiplier Projects calculates the total burdened cost by adding raw material costs to the cost of raw materials. This calculation is presented in the following formula: The total burdened cost and cost of raw materials - the cost of the burden you use the burden multiplier to obtain the total amount of the burden. Related Topics Burdens Cost Recovery Definition of Oracle Projects Suppliers Determines the Cost of Receiving Accruals from Oracle Purchase and Vendor Costs from Oracle Payables using the following logic: For vendors, the cost associated with Oracle Payables, the raw value for each item of expenditure is equal to that of the provider of the invoice of the distribution of the amount line (accounting of the accounting base) or the amount of payment distribution (cash accounting) in Oracle Payables. For the cost of accruing receipts related to Oracle Purchasing, the value of the raw materials is equal to the amount of the transaction received in Oracle Purchasing. For conditional time card work cards with Oracle Purchasing integration, when you start the PRC process: Distribution of labor costs, Oracle Projects uses fur-to-buy tariffs to calculate costs. The cost of the burden is the result of multiplying the cost of raw materials by a burden multiplier. The burdened costs are the sum of the raw material and the cost of the burden. Oracle Projects determines the cost of account provider operations during the following processes: China: Interface Supplier Costs China: Distribution of China Cost Adjustment Suppliers: Distribution of Cost Adjustments For a Number of China Projects: Cost Distribution Force (for a contingent of time card workers) Related Topics Burden Integration Review with Oracle Procurement and Oracle Payment Expense Report Projects determine the cost of the expense reports that you interact with Oracle Payables for Oracle Projects using the following logic: The cost of raw materials for each item is equal to the amount of the expense report's invoice distribution (accounting) or the amount of payment allocation (cash accounting) in Oracle Payables. The cost of the burden is the result of multiplying the cost of raw materials by a burden multiplier. The burdened costs are the sum of the raw material and the cost of the burden. The amount of receipt is the amount of expenses in the currency of the receipt. Note: When a receipt in Oracle Payables is divided into several items of expense, Oracle Projects does not divide the amount of receipt between items of expenses. As a result, each item of expenditure is related to the full amount of the receipt. Oracle Projects determines costs of cost reports during the following processes: PRC: Interface Expense Reports from Payables PRC: Distribution of Costs Reports Related to The Burdenary Cost Integration Reports from Oracle Payables and Oracle Internet Expenses. The distribution of labor costs This section illustrates the costing process, using labor costs as an example. Oracle Projects allows you to enter details of labor deals levied on your projects so that you can control the work being done. Oracle Projects is worth the items to calculate labor costs for your project and identifies GL accounts for charging. The following illustration shows the steps in the PRC process: Distribution of Labor Costs: Steps in China: Labor Cost Distribution Process of China: The Labor Expendables Process Processes Labor Elements in the following order: Chooses relevant expense items, based on the parameters you have entered for the project, employee and the end date of the week. The cost of direct time items. Causes an overtime calculation program if it is enabled. Overtime items, including overtime items created by the overtime calculation program. Note: If the transactions are not worth it properly, you can see the reasons for the failure in the Expenditure Items window. From the Folder menu, select Show Field to display all cost-sharing failures. Related Topics Distribute Labor Costs Process, Oracle Projects Fundamenatals Speed Schedule Definition, Oracle Projects Implementation Guide using Tariffs for Costs, Oracle Projects Basics Spending Items Distribution Of Labor Costs Program first selects all spending items that are eligible for cost. To be eligible for costing, the expense item must meet the following criteria: Classified with a type of expense that has direct time or overtime costs of the type of class included in the specified project for direct time items (if you Project) For the specified employee (if you specify an employee) per week that ends on or before the end date (if you specify the end date of the week) in a pre-approved approved Package not yet distributed costs (new items or items marked for adjustment) Selected items of expenditure are processed in sets according to the Set Costs set option For more information see: Profile options in Oracle projects, Oracle Projects Implementation Guide. Processing the direct distribution of labor costs takes three steps to handle direct time: Calculate the costs of Run AutoAccounting Create a cost-sharing line important: Throughout this document, the term resource applies equally to employees and non-employees (contingent employees) when used in discussions about features that support capture, processing, and reporting times and costs that apply to people. Similarly, the term employee is also intended to apply to conditional workers. For more information on contingent workers, see: Contingent Support, Oracle Projects Fundamentals. Cost calculations calculate the direct cost of time (raw value) per expense by multiplying hours worked by the labor cost level of the employee. This calculation is presented in the following formula: Direct cost of time (Hours of work x Employee in labor cost rate) The distribution of labor costs uses the level of labor costs that is valid for the employee at the end of the week for each selected expense item. This amount can be redefined by increasing labor costs to handle unique labor cost rules. Note: If the time card for the contingent worker is related to the purchase order, the rates of labor costs for the conditional employee are determined in the purchase order. If an employee's labor costs are burdened, Oracle Projects calculates the burdened costs by multiplying the direct cost time by a factor equal to one plus the burden multiplier. This calculation is presented in the following formula: Burdened Cost (Direct Cost of Time x (1th Burden Multiplier)) To determine if the cost of labor is burdened, Oracle Projects checks the type of project from which the item of expenses is charged. The load multiplier is determined from the burden schedule (or override of the burden schedule) assigned to the project or task. In addition, Oracle Projects compares the cost item date with the burden schedule dates to determine the burden multiplier for use. Running AutoAccountingAfter the process calculates the cost for each selected item of expenditure, it launches AutoAccounting to determine the default account codes for each line of cost distribution that it creates. If there is a redefinition of the distribution of the organization, the assignment organization of the override assures the actual organization of the costs affected When you start labor cost-sharing programs, adjust the expense report, use and various transactions, Oracle Projects redirects the Spending Organization to Override To Organization if you specify a specified The distribution of the organization redefines for the organization: Incurred in the category of employees and expenses incurred by the Organization employee expenses and the category of expenses, unless you specify any of these overrides, Oracle Projects uses the costs incurred by the Organization or the Organization. Creating cost-sharing linesAfter the labor cost-sharing process, AutoAccounting works, it creates cost-sharing lines. Each item initially has one distribution line for crude value. If an item is re-valued and changes the cost rate or coding of an account, the labor cost distribution creates a cost-sharing backline and a new line for updated cost coding or account. Related Topics Review of Labor Costs Expansion, Oracle API Projects, Customer Expansion, and Open Interfaces Reference Operations by Value, Oracle Projects Basics Creating Overtime You Can Use Oracle Projects to Track overtime costs and other premium compensations, allowing you to determine the true cost of labor. When an employee works overtime, in addition to charging the total amount of hours that an employee worked in the project (s) on which the employee worked, you calculate and charge overtime hours and expenses. Thus, the employee's salary includes two components: the direct cost of overtime or the premium-cost Note: If the time card for the employee contingent is related to the purchase order, then the difference in the price of overtime multipliers for the employee contingent can be determined by the order purchase. Track overtime When you enter a time card into Oracle Projects, you take the total amount of hours the employee worked in the project (s) on which the employee worked. You can track overtime costs at Oracle Projects in three main ways: charging for an indirect project. fee for the project that overtime was working on. Pay for the project that overtime worked on and track the amount of insurance premiums separately. Oracle Projects creates overtime when you enter it manually or automatically uses the overtime calculation program. If you enter overtime manually, the labor cost-sharing program does not create overtime, but instead goes directly to overtime. If you include an overtime program, the labor cost-sharing process encourages the program to automatically create overtime. Related Topics Distribute Labor Costs, Oracle Projects Tools for Overtime Processing Implementation, Oracle Projects Guide to Implementation of Overtime Extension, Oracle Projects API, Customer Expansion, and Open Interfaces Background Processing Labor Cost Distribution Performs Three Steps to Processing Overtime: Calculate Costs Run AutoAccounting Create Cost Distribution Line Calculation Overtime CostOracle Projects calculates Premium Overtime Costs (Raw) for Overtime Elements Elements the cost of a labour cost multiplier that corresponds to the type of overtime work. This calculation is presented in the following formula: Premium overtime cost (Hours worked x Employee's labor value rate) x Labor multiplier overtime may or may not be burdened, depending on your burden setting. Running AutoAccountingAfter the process calculates the cost for each selected item of expenditure, it launches AutoAccounting to determine the default account codes for each cost-sharing line that the process creates. If there is a redefinition of the distribution of the organization, the organization of the redefinition assignment assures the actual organization of the costs of the affected items. Creating cost-sharing linesAfter the process launches AutoAccounting, it creates cost-sharing lines. Each item initially has one distribution line for crude value. If an item is re-valued and changes the cost rate or coding of an account, the labor cost distribution creates a cost-sharing backline and a new line for updated cost coding or account. Creating output reports The Labor Cost Distribution Process generates output reports that list items that have been processed and exception elements. Related topics that distribute labor costs, Oracle Projects Basics calculating and reporting the use of Oracle Project Costing functionality and Oracle Project Resource Management allows you to generate and report on the actual and planned use of your resource. Using Oracle Project Costing, you can report the actual use of your resource's resources based on the actual time cards. For more information see: Use, Oracle Projects Basics. Basics. oracle project costing r12 user guide