



The *Experts* in Oracle Projects SM

Leverage the Power of Billing Extensions in Oracle Projects

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About **Project Partners**SM

- Founded in 1997 by former chief architect of Oracle Projects
- Former Oracle developers, consultants, support technicians and marketing personnel
-  
- ~275 successful customers
- Expert services
- Products to extend Oracle's solutions

Our Services

- Implementation
 - Full Projects Suite
 - Financials & Projects
- Extensions
 - Library of proven successes for E&C, Gov't Contractors, Professional Services industries
- Conversions
- Upgrades
- Training
- Premium Support

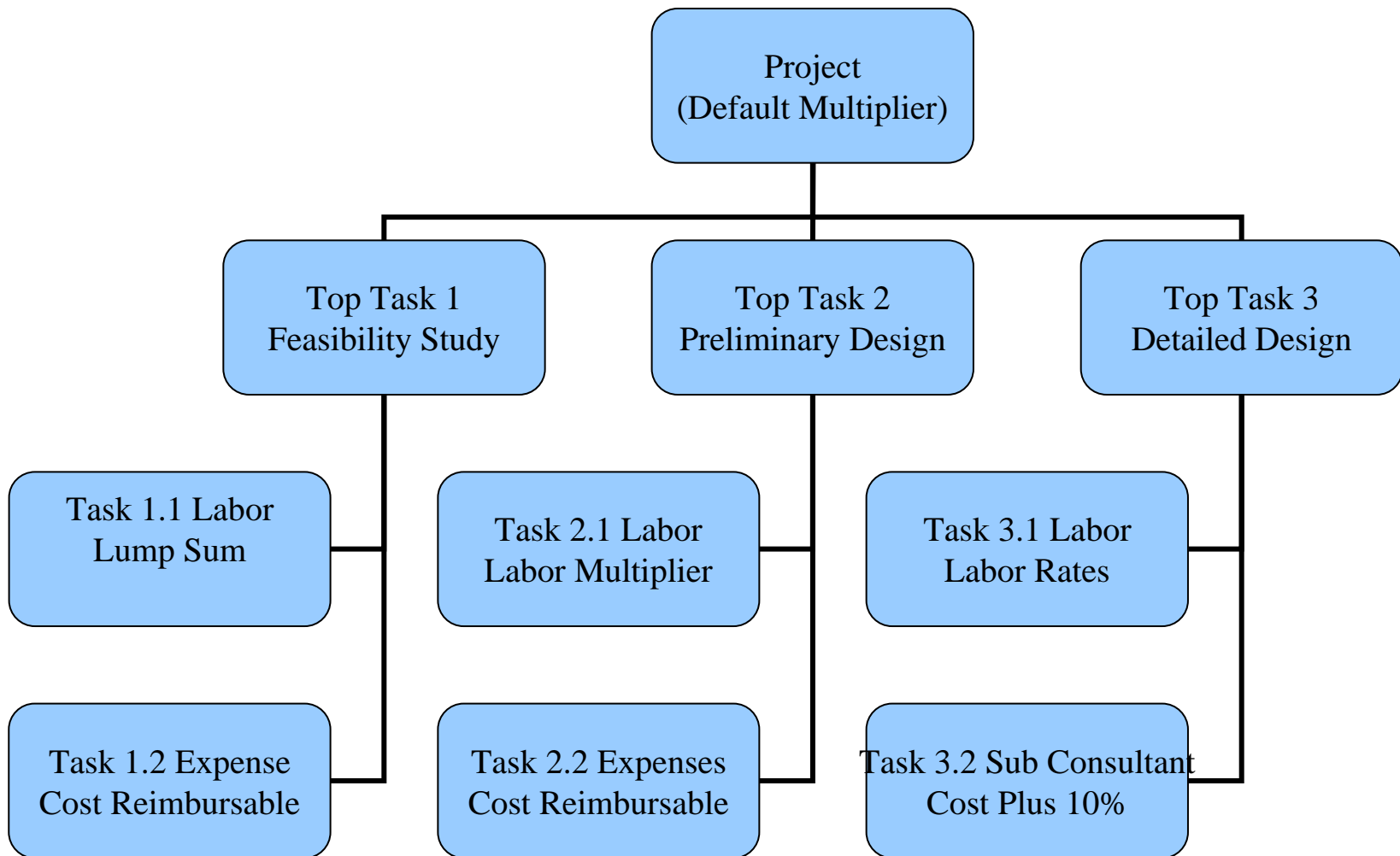
Our Products

- OP3
 - Pre-packaged bi-directional integration between Primavera and Oracle Projects
 - Used by TKCC USACE, Iraq PCO, Bollinger Shipyards and more....
- Project Information Center (PIC)
 - PIC User Interface: MS-Excel based UI
 - PIC Reporting: Custom Dashboards and Reporting
 - PIC Invoicing: Invoice Consolidation and Printing
 - Used by PBS&J, KCI, DAI, ASRC, Abt Associates and more...

High Level Requirements

- Keep it Simple
- Any task on any project can be Lump Sum, Rate based or Labor Multiplier
- Limit Revenue and/or Billing at the lowest task level based on the revenue budget without penalizing the last person charging
- The raw cost rate on labor billed with a multiplier can be capped by the client
- Implicit multipliers are sometimes used to markup the raw cost prior to applying the explicit billing multipliers
- Optionally restrict revenue recognition when billing invoice paid

Project Example



Example Project WBS

Project Number

Get Project Data

Refresh Task Data

Add 10 Rows

Submit

Protected Field

Mandatory

Optional Entry

Calculated Field

Task Number	Task Name	Task Manager	Task Owning Organization	Task Type	Scheduled Start	Scheduled End
1	Feasibility Study	Asteris, Kerry A.(163 Sciences - Houston		SUMMARY	10/1/2007	4/30/2008
1.1	Requirements Analysis	Asteris, Kerry A.(163 Sciences - Houston		LABOR	10/1/2007	4/30/2008
1.2	Expenses	Asteris, Kerry A.(163 Sciences - Houston		NON LABOR	10/1/2007	4/30/2008
2	Preliminary Design	Asteris, Kerry A.(163 Sciences - Houston		SUMMARY	10/1/2007	4/30/2008
2.1	Design	Asteris, Kerry A.(163 Sciences - Houston		LABOR	10/1/2007	4/30/2008
2.2	Expenses	Asteris, Kerry A.(163 Sciences - Houston		NON LABOR	10/1/2007	4/30/2008
3	Detailed Design	Asteris, Kerry A.(163 Sciences - Houston		SUMMARY	10/1/2007	4/30/2008
3.1	Structural	Asteris, Kerry A.(163 Sciences - Houston		LABOR	10/1/2007	4/30/2008
3.2	Landscape	Asteris, Kerry A.(163 Sciences - Houston		LABOR	10/1/2007	4/30/2008
3.3	Parking	Asteris, Kerry A.(163 Sciences - Houston		LABOR	10/1/2007	4/30/2008
3.4	Expenses	Asteris, Kerry A.(163 Sciences - Houston		NON LABOR	10/1/2007	4/30/2008

Task Structure is setup through simplified Excel front-end.

Billing Extensions

- Lump Sum Revenue/Billing at Lowest Task
- Labor Multiplier with Cost Rate Cap
- Labor Add-On Billing
- Revenue Recognition when Payment Received
- Revenue Hard Limits at Lowest Task

Lump Sum at Lowest Task

- Requirement
 - Indicate Lump Sum by Lowest Task
 - Calculate percent complete and record event on lowest task
 - Cannot recognize revenue past latest Progress/ETC entry
 - Percent complete – Actual Cost / Latest Forecast EAC
- Standard Functionality
 - Events can only reference a top task
 - Seeded extension only assignable at Project or Top task

Lump Sum at Lowest Task

- Billing Extension Solution
 - Ability to Indicate revenue recognition method at either Project/Top Task or Lowest Task level using DFF
 - Calculate percent complete at lowest task
 - Record event with reference to lowest task on event attribute
 - All Projects use Work/Work distribution rule
 - Extension marks expenditure items not billable on Lump Sum Tasks
 - Extension prevents recognition until Progress and new Forecast EAC generated

Billing Extension Assignment

Project Types

Name: Class:

Description:

Effective: -

Details Costing Information Budget Option Classifications Billing Information **Billing Assignments**

Name	Currency	Amount	Percentage	Active	[]
PB Master Billing Extension	USD	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text" value="."/>
PB Percent Complete Billing	USD	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text" value="."/>
PB Percent Complete Revenue	USD	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text" value="."/>
PB Revenue Control	USD	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text" value="."/>
		<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>

Lump Sum Extensions assigned at Project Type level. One time setup. Revenue Recognition method is designated during Project/Task Setup.

Project Setup

The screenshot shows two windows from the Oracle Project Setup application. The top window, titled 'Projects, Templates', contains the following fields:

- Number: 1200000101
- Name: Oracle Open World
- Type: Billable
- Organization: Transportation Design - Dallas
- Long Name: Oracle Open World
- Trans Duration: 01-OCT-2007 - 30-APR-2008
- Status: Cash Only
- Description: Oracle Open World
- Public Sector
- Workflow in Process
- Template [M.]
- Change Status button

The bottom window, titled 'Projects', shows additional configuration options:

- Revenue Recognition Method: [M] (with a tooltip 'Cost Multiplier' pointing to it)
- Task Billing Level: []
- Labor Rate Schedule: []
- Client Project Number: []
- Proposal Number: []
- PIC Form Set Name: []
- Cost Rate Cap Schedule: Cost Rate Cap Sch

Project has been made a Multiplier Project as the default.

Task Setup

The screenshot shows two windows from the Oracle Primavera P6 software. The top window, titled 'Tasks - 1200000101', displays a table of tasks. The bottom window shows the configuration for a specific task, with the 'Revenue Recognition Method' attribute set to 'L'.

Task Number	Task Name	Description	Trans Start Date	Trans Finish Date	
- 1	Feasibility Stu	Feasibility Study	01-OCT-2007	30-APR-2008	...
1.1	Requirements	Requirements Analysis	01-OCT-2007	30-APR-2008	L..
1.2	Expenses	Expenses	01-OCT-2007	30-APR-2008	...
+ 2	Preliminary De	Preliminary Design	01-OCT-2007	30-APR-2008	...
+ 3	Detailed Desig	Detailed Design	01-OCT-2007	30-APR-2008	R.

Task Detail Form:

- Revenue Recognition Method: Lump Sum
- Task Billing Level:
- Labor Rate Schedule:
- Invoice Attribute1:
- Invoice Attribute2:

Simply indicate 'L' on Task Revenue Recognition Method attribute to override the Project method.

Progress Entry

ETC/Forecast Entry Screen

Project Number: 1200000101 (Oracle Open World)
 Period Ending: 10/31/2007
 Date Submitted:

\$	-	600.0	56.333333	\$	33,800.00	2.60	\$	54,080.00	\$	2,750.00	\$	90,630.00	\$	90,630.00
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Estimate to Complete												Estimate a
Task Number	Task Name	Physical Percent Complete	Computed ETC	Hours ETC	Override Labor Cost Rate	Raw Labor Cost ETC	BEM ETC	Overhead Cost ETC	Non Labor Cost ETC	PM ETC Cost	Financial Percent Complete	Cost
1.1	Requirements Analyisi			100.0	\$ 43.00	\$ 4,300.00	2.60	\$ 6,880.00	\$ -	\$ 11,180.00	0.00%	\$ 11,180.00
1.2	Expenses			0.0		\$ -		\$ -	\$ 1,000.00	\$ 1,000.00	0.00%	\$ 1,000.00
2.1	Design			200.0	\$ 50.00	\$ 10,000.00	2.60	\$ 16,000.00	\$ -	\$ 26,000.00	0.00%	\$ 26,000.00
2.2	Expenses			0.0		\$ -		\$ -	\$ 500.00	\$ 500.00	0.00%	\$ 500.00
3.1	Structural			100.0	\$ 65.00	\$ 6,500.00	2.60	\$ 10,400.00	\$ -	\$ 16,900.00	0.00%	\$ 16,900.00
3.2	Landscape			100.0	\$ 65.00	\$ 6,500.00	2.60	\$ 10,400.00	\$ -	\$ 16,900.00	0.00%	\$ 16,900.00
3.3	Parking			100.0	\$ 65.00	\$ 6,500.00	2.60	\$ 10,400.00	\$ -	\$ 16,900.00	0.00%	\$ 16,900.00
3.4	Expenses			0.0		\$ -		\$ -	\$ 1,250.00	\$ 1,250.00	0.00%	\$ 1,250.00

Protected Field
Mandatory Field
Optional Field
Calculated Field

Lump Sum Revenue/Billing cannot happen until Progress has been submitted which automatically generates a new Forecast EAC. Progress is entered by Project Managers through a simplified Excel front end to Oracle Project Management.

Labor Multiplier with Cost Rate Cap

- Requirement
 - Bill labor at a multiplier/markup of raw cost
 - Limit maximum cost by employee/job title used when calculating bill amount
- Standard Functionality
 - Labor can be billed at a multiplier/markup of raw cost. No ability to modify cost input.
 - Labor can be billed at rate per hour

Labor Multiplier with Cost Rate Cap

- Billing Extension Solution
 - Reference cost rate cap schedule on Project DFF
 - Labor Billing extension
 - Uses lesser of
 - Actual Raw Cost
 - Cost rate cap rate X Quantity
 - Calculate bill amount as validated cost X multiplier/markup

Cost Rate Schedule

Rate Schedules

Organization **TPB Corporation** Schedule **Cost Rate Cap Sch**

Description []

Currency **USD** Share Across Operating Units

Rates

Employee Job Non-Labor Resource Class

Job Group **PB Billing** Effective Dates

Job Name	UOM	Rate	From	To
Engineer I	Hours	25	01-JAN-2007	
Engineer II	Hours	30	01-JAN-2007	
Engineer III	Hours	35	01-JAN-2007	

Proposal Number []

PIC Form Set Name []

Cost Rate Cap Schedule **Cost Rate Cap Sch** TPB Corporation

Setup Schedule in Rate Schedules. Rates will be used by extension to define the maximum cost rate allowed.

Assign Schedule to Project

The screenshot shows two windows from the Oracle Projects application. The top window, titled 'Projects, Templates', displays the following details for project 'Oracle Open World':

- Number: 1200000101
- Type: Billable
- Long Name: Oracle Open World
- Trans Duration: 01-OCT-2007 - 30-APR-2008
- Description: Oracle Open World
- Name: Oracle Open World
- Organization: Transportation Design - Dallas
- Status: Cash Only
- Options: Wgrkflow in Process, Template
- Buttons: Public Sector, Change Status

The bottom window, titled 'Projects', shows a list of project attributes:

- Revenue Recognition Method: [M] Cost Multiplier
- Task Billing Level: []
- Labor Rate Schedule: []
- Client Project Number: []
- Proposal Number: []
- PIC Form Set Name: []
- Cost Rate Cap Schedule: Cost Rate Cap Sch** (highlighted with a black oval)

Cost Rate Schedule is selected on Project DFF.

Labor Multiplier with Cost Rate Cap

- Example
 - Labor billed at 3.0 multiplier of Raw Cost
 - John Smith has 8 hours of labor at a Raw Cost of \$280 (\$35/hr)
 - John Smith has a billing title of Engineer II.
 - The client has capped the raw cost they will pay for an Engineer II at \$30/hr
 - John Smith is billed at $8 * 30 * 3.0 = \$720$.

Labor Multiplier with Cost Rate Cap

- Summary of Transactions
 - Expenditure Item
 - Raw Cost = \$280
 - Bill Amt = \$240
 - Event
 - Multiplier = \$480

Invoice Format

	Qty	Cost Rate	Cost
Engineer II	8	30	240
Multiplier 3.0			480

Labor Total			720

The Cost Rate and Cost really are the expenditure item bill rate and bill amount.

Labor Add-On Billing

- Requirement
 - Bill additional amount per hour or additional percentage of labor bill amount using events
- Standard Functionality
 - Event manually calculated/recorded and recorded at project or top task level only

Labor Add-On Billing

- Billing Extension Solution
 - Extension calculates amount per hours billed or percentage of labor bill amount
 - Creates event at lowest task level by reference to task number on event attribute

Billing Extension Assignment

Billing Assignments - 1200000101

— Billing Extension —

Name	Currency	Amount	Percent	Active	[]
PB Expenses	USD	5.00		<input checked="" type="checkbox"/>	.
PB FCCM	USD			<input type="checkbox"/>	.
PB Fee	USD			<input type="checkbox"/>	.
PB Fringe	USD			<input type="checkbox"/>	.
PB G&A	USD			<input type="checkbox"/>	.

User enters hourly rate add on in the Amount field of the extension assignment for hourly add on or the percentage field for % of labor add on.

Billing Assignments - 1200000101

— Billing Extension —

Name	Currency	Amount	Percent	Active	[]
PB Expenses	USD		5	<input checked="" type="checkbox"/>	.
PB FCCM	USD			<input type="checkbox"/>	.

Labor Add-On Billing

- Example 1
 - Contract states that billing includes an additional \$5/hr to cover all expenses
 - 100 hrs are charged to the task. Only 95 are billable. The labor bill rate is \$100/hr
 - Labor Bill Amount = 95hrs X \$100/hr = \$9,500
 - Add On is 95 X 5 = \$475 which is recorded using an event type of 'Expense'

Labor Add-On Billing

- Example 2
 - Contract states that labor is billed at Raw Cost plus 5% to cover expenses
 - 100 hrs are charged to the task with a bill amount of \$12,000
 - Event is created for \$600 using Expense event type

Revenue When Payment Received

- Requirement
 - Work based or Event Billing with revenue recognition deferred until payment received from client
- Standard Functionality
 - Revenue generated prior to billing
 - Manual revenue write-off event to limit revenue
 - Manual revenue write-on event when payment received

Revenue When Payment Received

- **Billing Extension Solution**
 - During Revenue Generation extension determines amount of cash received to date
 - Automated creation of event to write-down revenue to the amount of payments received
 - Events created by Organization so revenue is properly prorated
 - The next revenue generation after payment received the extension “sees” this and reverses the revenue write-down up to the amount received

Extension Assignment

Project Types

Name: Class:

Description:

Effective: -

Details Costing Information Budget Option Classifications Billing Information **Billing Assignments**

Name	Currency	Amount	Percentage	Active
PB Master Billing Extension	USD			<input checked="" type="checkbox"/>
PB Percent Complete Billing	USD			<input checked="" type="checkbox"/>
PB Percent Complete Revenue	USD			<input checked="" type="checkbox"/>
PB Revenue Control	USD			<input checked="" type="checkbox"/>
				<input type="checkbox"/>

Revenue Control extension is assigned at the Project Type level.
One time setup.

Extension Activated by Project Status

Projects, Templates

Number	1200000101	Name	Oracle Open World
Type	Billable	Organization	Transportation Design - Dallas
Long Name	Oracle Open World		
Trans Duration	01-OCT-2007 - 30-APR-2008	Status	Cash Only
Description	Oracle Open World		
<input type="checkbox"/> Public Sector		<input type="checkbox"/> Workflow in Process <input type="checkbox"/> Template [M.]	

Change Status

Revenue When Payment Received

- Example
 - Billable Labor is charged to Task 1.1
 - Bill Amount is \$10,000
 - Work based Revenue of \$10,000 is recognized
 - \$7,500 to Organization A
 - \$2,500 to Organization B
 - Revenue Write-off Event is created during the same generation as follows:
 - (\$7,500) to Organization A
 - (\$2,500) to Organization B

Revenue When Payment Received

- Example continued)
 - Invoice is paid 30 days later
 - Next Revenue Generation Revenue Write-on Event is created as follows:
 - \$7,500 to Organization A
 - \$2,500 to Organization B

Revenue Hard Limits at Lowest Task

- Requirement
 - Ability to limit revenue recognition to the revenue budget at the lowest task level
 - Don't penalize last person/organization charging the task
- Standard Functionality
 - Project and Top Task Hard Limits using Agreement
 - Last person charging task is out of luck, no revenue is recognized to their organization

Revenue Hard Limits at Lowest Task

- Billing Extension Solution
 - Use Soft Limit on Agreement
 - Allow Revenue to fully accrue at transaction level
 - Create Write-off Revenue events by organization to cap at task budget
 - Write-off amount is prorated by transaction revenue
 - Optionally put expenditures on bill hold if you want to cap billing
 - Revenue write-off is reversed and bill hold removed if revenue budget is increased

Extension Assignment

Project Types

Name: Class:

Description:

Effective: -

Details Costing Information Budget Option Classifications Billing Information **Billing Assignments**

Name	Currency	Amount	Percentage	Active
PB Master Billing Extension	USD			<input checked="" type="checkbox"/>
PB Percent Complete Billing	USD			<input checked="" type="checkbox"/>
PB Percent Complete Revenue	USD			<input checked="" type="checkbox"/>
PB Revenue Control	USD			<input checked="" type="checkbox"/>
				<input type="checkbox"/>

Revenue Control extension is assigned at the Project Type level. One time setup. Same extension as Cash Received.

Extension Activated by Classification

The image displays two side-by-side screenshots of the Oracle Project Classifications window for project 1200000101. Both windows show a table with columns for Category, Class Code, and Code Description. In the left window, the 'Revenue Control Method' is set to 'BUDGET', and the 'Class Codes' dropdown menu is open, showing 'BUDGET' selected. In the right window, the 'Billing Level Control' is set to 'N', and the 'Class Codes' dropdown menu is open, showing 'N' selected. Arrows from the text box below point to these specific selections.

Revenue Control and Billing Control are separate. For example, you may control revenue at the lowest task but control billing at the Project level so billing isn't restricted by internal revenue sharing arrangements.

Revenue Hard Limit Example

	Task 1.1	Task 1.2
Revenue Budget	10,000	5,000
Month 1 Txn Revenue	8,000	2,500
Remaining Budget	<u>2,000</u>	<u>2,500</u>

Revenue Hard Limit Example

	Task 1.1	Task 1.2
Revenue Budget	10,000	5,000
Month 1 Txn Revenue	8,000	2,500
Remaining Budget	<u>2,000</u>	<u>2,500</u>
Month 2 Txn Revenue	4,000	1,500
Remaining Budget	<u>(2,000)</u>	<u>1,000</u>
Writedown Event	<u>(2,000)</u>	<u>-</u>

Revenue Hard Limit Example

	Task 1.1	Task 1.2
Revenue Budget	10,000	5,000
Month 1 Txn Revenue	8,000	2,500
Remaining Budget	<u>2,000</u>	<u>2,500</u>
Month 2 Txn Revenue	4,000	1,500
Remaining Budget	<u>(2,000)</u>	<u>1,000</u>
Writedown Event	<u>(2,000)</u>	<u>-</u>
ITD Txn Revenue	12,000	4,000
Writedown Events	<u>(2,000)</u>	<u>-</u>
Net Revenue	<u>10,000</u>	<u>10,000</u>

Revenue Hard Limit Example

	Task 1.1	Task 1.2
Revenue Budget	10,000	5,000
Month 1 Txn Revenue	8,000	2,500
Remaining Budget	<u>2,000</u>	<u>2,500</u>
Month 2 Txn Revenue	4,000	1,500
Remaining Budget	<u>(2,000)</u>	<u>1,000</u>
Writedown Event	<u>(2,000)</u>	<u>-</u>
ITD Txn Revenue	12,000	4,000
Writedown Events	<u>(2,000)</u>	<u>-</u>
Net Revenue	<u>10,000</u>	<u>10,000</u>
Budget Adjustment	1,000	(1,000)
Writedown Event	1,000	-

Reporting

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[Drilldown](#)

P-L Project
SEP-07
Project Manager: Yanag, Gar

	PTD Actuals	YTD Actuals	PTD Actuals	BAC	Variance to Original	Forecast EAC	Variance to Forecast
Labor	31,690	64,635	64,635	252,604	187,969	252,604	187,969
Expenses	719	719	719	18,385	17,667	18,385	17,667
Sub Consultant	0	0	0	11,000	11,000	11,000	11,000
Overrun	0	0	0	0	0	0	0
Total Revenue	32,409	65,354	65,354	281,990	216,636	281,990	216,636
Sub Consultant	0	0	0	12,000	12,000	0	0
Expenses	0	0	0	6,925	6,925	2,765	2,765
Net Earned Revenue	32,409	65,354	65,354	263,064	197,711	279,225	213,871
Direct Labor	2,982	25,318	25,318	71,870	46,552	43,882	18,564
Gross Margin	29,427	40,036	40,036	191,194	151,158	235,343	195,307
Gross Margin %	90.80%	61.26%	61.26%	67.80%	6.54%	83.46%	22.20%
Overhead	387	387	387	137,023	136,636	28,910	28,523
Net Operating Income	29,040	39,649	39,649	54,171	14,522	206,433	166,784
Net Operating Income %	89.60%	60.67%	60.67%	19.21%	-41.46%	73.21%	12.54%

Project Manager has complete visibility to overruns and potential revenue if additional funding/budget is secured.

For More Information: **Project Partners**SM

FYI: The Excel front-end to Oracle Applications are provided via
Project Information CenterTM (PIC) User Interface

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