

# Utilizing the Oracle Project Accounting Suite in an Oracle Federal Environment

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# Introduction to Darrell White

- 12 Years of Oracle Financials experience
- 10 Years of Oracle Project Accounting experience
- 6 Years of Oracle Federal Experience
- DOT, US Treasury, OFHEO, DEAMS, DAI

# Agenda

- R-11.5.10 Oracle PA Definition
- R-11.5.10 Federal Cost Accounting
- R-11.5.10 Oracle Project Costing in Federal
- R-11.5.10 Oracle Project Billing in Federal
- R-11.5.10 Current Federal PA Extensions
- Future of Project Functionality in Federal
- R12 Future Releases. When?
- What Functionality will be in R12 Federal PA?

# PA Module Definition

- Core (Project Costing / Billing)
  - Project Classes
  - Capital, Contract, Indirect
- Miscellaneous
  - Project Resource Management
  - Project Collaboration
  - Project Contracts
  - Project Management
  - Project Intelligence
- Grants Accounting

# Capital Projects

- Fixed Assets can be created by project accounting
- Projects can be Work in Process
- Asset created can be one Asset and additions are added as work is created.
- Can create individual asset via projects

# Cost Accounting

- SFFAS 4
  - The FASAB developed accounting standards
  - Approved by Department of Treasury, Office of Management and Budget and the Government Accounting Office
- Direct Cost
- Indirect Cost

# Direct Costing Project

- Direct cost (POET)
- Sources of direct costs
  - OTL
  - PO (commitments and obligations)
  - Inventory
  - Pre-approved expenditures

# Indirect Costing

- Indirect Cost (Allocations)
  - GL allocations
  - Project Allocations
    - Source
      - Project
    - Target
      - Project and Task
    - Basis
    - Offset
      - Project / Task
      - Z-tasks and why



# Costing Allocations

- Allocations
  - Use of Source and Basis
  - Destination and offset
- Two Federal Examples
  - Activity
    - Direct
    - Indirect collection
  - Operating Results
    - Direct
    - Indirect destinations

# Cost Accounting

- SFFAS 4 describes four costing methodologies
  - Standard Costing (standard cost / variances)
  - Job Order (producing a specific missile silo)
  - Process Costing (oil and gas)
  - Activity Based Costing (computer system)

# Account Generation

- Federal Attributes
  - Fund Placement (Service type)
  - Cost Center (Expenditure Org)
  - Organization ID (Task owning Org)
  - Object / Sub-object class (Expenditure type)
- Oracle Project Accounting attributes
  - Project / Task / Expenditure types / Organization(s) and DFF's
  - Employee attributes / Service type

# Project Budgets

- Revenue Budgeting (more to come later)
  - Approved Revenue Budget
  - Forecast Revenue Budget
- Cost Budgets
  - Approved Cost Budget
  - Forecast Cost Budget
- Baseline, Reporting

# Federal Projects' Funds Checking

- Federal Funds Checking
  - Sub-Allotment - 461001 level checking
  - Project Cost Budgets Funds Checking
    - Encumbrance accounting availability
    - Enhancement to check the project's Cost Budget
- Order of preference

# Project Billing

- Agreements
- Customer tied to the Project or Task (M)
- Revenue Budgets
- Generate Revenue Budgets (Move to GL)
- Generate Draft Invoice
- Approve Invoices
- Interface to AR
- AR Transfers Accounting to GL

# Federal Project Billing

- Agreement / auto-create revenue budget
- Billing method at Project or Top Task
- Can assign customers at Top Task, M-patchset
- Agreement Extension for entry of sub-allotment and anticipated revenue entries
- Performance toward the project
- Revenue Extension books actual revenue
- Advances are created by Invoice Events
- Invoice generation (draft)
- Extension of mass approval of draft invoice
- Invoice interfaced and printed in AR

# Invoice Creation

- Each project can have invoice grouping
  - Labor Grouping
  - Non – Labor Grouping
- Invoice Creation
- Transfer to AR
- Invoice Generation
  - Standard AR view
  - 1080 creation
- Consolidated Billing



# Federal Extensions Detail

- Agreement Extension
  - Sub-alloted funds
  - Anticipated Revenue
- Revenue Extension
  - Actual revenue
- Mass Approval Extension –
  - Approval of multiple draft invoices in one process
- Consolidate Billing Extension

# Future of PA Federal

- R 12.0.4 – Current release (Not for Federal)
- R 12.1 – Some federalization – Planned release in 2008, what is expected?
- R 12.2 – More federalization – Planned to be released in 2009, what is expected?

# Release 12.0.3

- Currently available to commercial clients
- Not yet FSIO Certified (now in progress)
- Will be 1<sup>st</sup> R-12 version FSIO Certified
- No new “Federal” specific Project functionality
- But Yes, New Functionality exists (end of Presentation)

# Release 12.1

- Pre-defined SLA accounting definitions that create budgetary and proprietary accounting entries as appropriate for the transactions that Projects generates accounting.
- Project budgets can be interfaced to the Federal Financials Budget Execution module. Also, actual journal entries (as opposed to budget journal entries) can be generated based on project budgets.
- Prepayment cash receipts entered in Oracle Receivables can be applied and tracked against reimbursable agreements in Projects.
- New funds consumption controls for billing -- billing sequences, expiration date, and funds remaining.
- New data elements can be entered on Agreements -- customer order number, line of accounting, 15 descriptive flexfields, advances required, and billing sequence. Users can manually indicate on the agreement when advances are required, or a client extension is available to define conditions for when cash advances are required.
- Agreement number can be entered on revenue/billing events.

## Release 12.2

- Next attempt at FSIO certification.
- Multiple document and accounting lines agreement definition, control, and tracking
- Automated cash advances functionality -- advance requests, automatic application to reimbursable agreements, IPAC integration, and billing in excess of cash advances.
- Reimbursable agreement query
- Reimbursable agreement close out

# Conclusions

- Oracle Projects is used in Federal environment for costing and reimbursements
- Each implementation is unique, but similar
- Future Federal Project Accounting functionality will be here

## For Your Networking ...

- How many are Federal PA users?
- Please list your agencies (For You)
- User Agency Classifications –
  - Robust Costing Agencies
  - Robust Billing Agencies
- Please Network and Exchange information

# Thanks for your attendance!

Please ask questions

Please introduce yourself to others in this room.