PeopleSoft

EnterpriseOne Xe Enterprise-Wide Profitability Solution PeopleBook

September 2000

J.D. Edwards World Source Company
7601 Technology Way
Denver, CO 80237

SKU XeEACZ

Table of Contents

Enterprise-Wide Profitability Solution Overviews 1–1
Industry Overview 1–3
Industry Environments and Concepts for EPS 1–3
Idea to Action: The Competitive Advantage 1–4
Enterprise-Wide Profitability Solution Overview 1–7
System Integration 1–9
Managerial Accounting and Activity-Based Costing 1–11
Enterprise-Wide Profitability Solution System Flow 1–15
Menu Overview 1–16

Setup

Setting Up EPS 2–1
Creating Tag Ledger Records 2–3
Conversion from WorldSoftware to OneWorld 2–3
Setting Up Constants 2–5
Activating Cost Objects 2–5
Activating Activity-Based Costing 2–6
Activating Detailed Product Costs 2–7
Setting Up Cost Object Types 2–11
Setting Up Cost Object Edit Codes 2–19
Setting Up AAIs by Cost Component 2–23
AAIs for Detailed Product Costs 2–25
Setting Up Flex Accounting 2–29
Rules for Defining a Flexible Format 2–30
How to Determine Account Information 2–30
Enabling Flex Accounting 2–31
Setting Up Cost Analyzer Views 2–35
Setting Up Profit Management User Defined Codes 2–39
Understanding Cost Pools 2–41

Cost Object Tracking

Cost Object Tracking 3–1
Cost Object Tracking in General Accounting 3–3
Entering Cost Object Information in G/L Journal Entries 3–3
Updating Cost Object Information in the General Ledger 3–5
Cost Object Tracking in Accounts Receivable 3–7
Entering Cost Object Information in Standard Invoices 3–7
Entering Cost Object Information in Speed Invoices 3–9

Entering Cost Object Information for Batch Invoices 3–10
Entering Cost Object Information for Recurring Invoices 3–11
Cost Object Tracking In Accounts Payable 3–13
Entering Cost Object Information on Standard Vouchers 3–13
Entering Cost Object Information on Speed Vouchers 3–14
Entering Cost Object Information on Multicompany Vouchers 3–15
Entering Cost Object Information on a Multi-Voucher Voucher 3–16
Entering Cost Object Information on Recurring Vouchers 3–17
Cost Object Tracking in Store and Forward 3–19
General Accounting 3–19
Cost Object Information in Store and Forward Journal Entries 3–20
Cost Object Information in Store and Forward Journal Entry Upload 3–21
Cost Object Information in Store and Forward Journal Entry Batch Processor 3–22
Accounts Payable 3–22
Cost Object Information in Store and Forward Voucher Entry . . 3–22
Cost Object Information in Store and Forward Voucher Entry Upload 3–24
Cost Object Information in Voucher Batch Input Processor 3–24
Accounts Receivable 3–25
Cost Object Information in A/R Store and Forward Invoice 3–25
Purging Cost Object Information 3–27
Purging Store and Forward Transactions 3–27
Purging Batch Journal Entries 3–28
Cost Object Tracking in Manufacturing 3–29
Data Model: Cost Management in Manufacturing 3–29
Entering Cost Object Information in Work Orders 3–32
Updating Cost Information in Manufacturing Accounting 3–32
Cost Object Tracking for Procurement 3–35
Data Model: Cost Management in the Procurement System 3–35
Procuring Bags from Domestic Supplier 3–37
Procuring Bags from Non-domestic Supplier 3–38
Entering Cost Object Information in Purchase Order Entry 3–39
Entering Cost Object Information in Purchase Order Receipts 3–40
Entering Cost Object Information in Landed Costs 3–43
Entering Cost Object Information in Purchase Order Workbench . . . 3–43
Entering Cost Object Information During Voucher Match 3–45
Cost Object Tracking in Sales Order Management 3–47
Data Model: Cost Management in Distribution 3–47
Entering Cost Object Information in a Sales Order 3–51
Updating Cost Object Information During Sales Update 3–51

Cost Object Tracking in Transportation 3–53
Cost Object Tracking in Stock Valuation 3–55

Cost Analyzer Update

Cost Analyzer Update 4–1
Updating Cost Analyzer Information 4–3
Posting Entries to the Cost Analyzer Table 4–3
Processing Options for Post To Cost Analyzer Balances 4–4
Viewing Cost Analyzer Balances 4–4
Viewing Cost Analyzer Balances with Cost Analyzer Inquiry (P1602) 4–4
Processing Options for Cost Analyzer Inquiry 4–8
Viewing Balances with Cost Analyzer Inquiry by Account (P16021) 4–8
Cost Analyzer Inquiry by Account 4–9
Cost Analyzer Detail 4–10
From and To Transactions 4–10
Processing Options for Cost Object Inquiry 4–10
Purging Cost Analyzer Balances 4–12
Processing Options for Purge Cost Analyzer Records 4–13
Reviewing Profitability by Cost Object 4–15

Drivers

Drivers 5–1
Setting Up Drivers 5–3
Defining Automatic Drivers 5–3
Defining Manual Drivers 5–9
Calculating Driver Balances 5–13
Entering Manual Driver Information 5–13
Processing Options for Driver Volume 5–16
Selecting Drivers 5–16
Running Driver Calculations 5–18
Processing Options for Driver Calculations and Update 5–19
Reviewing Driver Balances 5–19
Purging Driver Balances 5–22
Processing Options for Driver Balances Purge 5–22

Activities

Activities 6–1
Setting Up Activities 6–3
Processing Options for Activity Based Costing Workbench 6–6
Reviewing Activities 6–7
Reviewing Activity Costs 6–7
Processing Options for Activity Cost Inquiry 6–10

Working with the ABC Workbench 6–12
Reviewing the Activity Master Report 6–14
Processing Options for Activity Master Report 6–15

Assignments

Assignments 7–1
Understanding EPS Assignments 7–2
Variable Numerator 7–2
Rate Calculation 7–3
Index Computation 7–3
Rate-Based Computation 7–3
Setting Up Rates 7–5
Setting Up Assignments 7–11
Understanding Assignments 7–12
Defining the Assignment 7–13
Choose the Computation Type 7–13
Entering From (Source) Information 7–14
Entering Based On Information 7–15
Entering Date Definition Information 7–16
Entering Apply To Information 7–16
Setting Up Index Computations 7–17
Example: Indexed Computations 7–17
Setting Up Variable Numerators 7–23
Example: Variable Numerator 7–23
Setting Up Rate Calculations 7–28
Example: Rate Calculations 7–29
Setting Up Rate-Based Computations 7–33
Example: Rate-Based Computations 7–34
Working with Cost Assignments 7–39
Revising Cost Assignment Calculations 7–39
Running Cost Assignment Calculations 7–40
Processing Options for Cost Calculations 7–42
Reviewing Cost Assignment Transactions 7–42
Reviewing the Assignment Computations Report 7–48

Index

Enterprise-Wide Profitability Solution Overviews

The Enterprise-Wide Profitability Solution (EPS) system provides a foundation for managerial accounting and activity-based costing. The EPS foundation includes fully-integrated building blocks designed around business processes.

This section provides overview information about the financials industry and how it relates to manufacturing and distribution, as well as information about how the EPS system operates.

Overviews consist of the following topics:

- Industry Overview
- Enterprise-Wide Profitability Solution Overview

Industry Overview

To understand the critical role that EPS plays in financials, you should understand the ways in which fiscal accountability affects businesses, and how businesses can more efficiently track and manage their financials through an enterprise-wide reporting system.

This chapter introduces you to the industry concepts associated with financials. In addition, this chapter outlines several problems inherent in a financials environment, as well as J.D. Edwards solutions through Idea to Action.

The industry overview consists of:

- ❑ Industry Environments and Concepts for EPS
- ❑ Idea to Action: The Competitive Advantage

Industry Environments and Concepts for EPS

Today's business climate reflects the need for increased fiscal accountability. In a globally competitive marketplace, companies must have the ability to make better informed management decisions to operate their business. Failure to do so can have a negative impact on the future of an enterprise. EPS provides the framework and features to obtain relevant financial information that is not available using traditional accounting methods. EPS provides the necessary tools for an entity to realize a return on investment in a relatively short time. It empowers a business entity to:

- Target and eliminate waste and inefficiency
- Identify value-add and non-value-add processes and activities
- Improve overhead allocation methods
- Analyze and control costs
- Evaluate profitability by customer and product line
- Project future results based on assumptions
- Reduce overhead expense
- Increase revenues

EPS applies to many industries and provides detailed financial information to help management make the correct decisions. Net income is an important measurement of a company's performance. However, identifying the components of net income is often difficult.

A typical income statement includes revenue and expenses by category, such as salaries or shipping expense, but may conceal an area that needs improvement. EPS highlights these areas.

EPS provides cost information that you can define at a level of detail that meets the individual needs of your company. Customizing cost information does not require any additional programming.

EPS provides cost objects for tracking external cost (managerial accounting), and activities and drivers for tracking internal process cost (activity-based costing). It also provides assignments that allow for flexible reporting of numerous user-defined what-if analyses.

EPS creates a separate set of records that can be manipulated to incorporate what-if analyses. The integrity of the original financial records is maintained, but management can look at different situations that are based on various assumptions.

Idea to Action: The Competitive Advantage

The following scenarios describe typical problems in the manufacturing and distribution industry, the business activator that will resolve each problem, and the return on investment for each activator.

Your organization has been ordered to deregulate. It must become competitive immediately. You have no idea what the actual cost of business is for doing internal processes such as accounts payable, inventory, warehousing, customer billing, and so on.

You can track and analyze costs in detail:

- Managerial and activity based-costing
- Cost objects
- Drivers
- Activities
- Assignments

By using EPS, you can determine which internal processes are value-added versus non-value-added. Value-added processes can be capitalized upon and even offered to external customers to increase revenue. Non-value-added processes can be eliminated.

You cannot track cost by product line, customer, and region without making program changes to the system or creating a massive organizational structure (chart of accounts, business unit, reporting category codes).	Cost objects in EPS provide an additional five fields for tracking detailed cost. By using cost object tracking in EPS, you can decide the level of detail that you want to track to decrease cost, increase profitability, and increase visibility in earnings per share. EPS also reduces the need for additional G/L accounts and business units to track profitability.
You cannot collect data on existing files, such as work orders or sales orders, without making program changes or writing custom reports.	Use the automatic driver calculation in EPS to extract data from existing fields that are already populated in the system. For example, the driver calculation can count the number of work orders or sales orders in the system. You can use this information from the automatic driver calculation to create what-if scenarios for making good business decisions to decrease cost, enhance revenue, and increase profitability.
When paying bills, collecting time reporting, and issuing purchase orders, users are not inputting detail information regarding product lines, customer, suppliers, and so on, while	Use the cost object edit codes in EPS to force data entry by general ledger account. Users receive hard errors if the edit codes are set up properly that force them to input information before they can continue. By using cost object edit codes in EPS, you ensure the integrity and accuracy of the data that is collected.
You want to create a budget based on this year's actuals but increase it by 5%-15% in various departments, based on departmental goals.	Use assignments in EPS to increase budgets and create what-if scenarios for each department. By creating what-if scenarios in EPS, you can determine the most realistic budget for each department.

Enterprise-Wide Profitability Solution Overview

The EPS system provides a foundation for managerial accounting and activity-based costing. The EPS foundation includes fully-integrated building blocks designed around business processes.

EPS allows you to analyze data using traditional cost accounting, activity-based costing, or a combination of both. You can combine traditional cost accounting and activity-based costing for greater flexibility in managing your business.

Traditional accounting and activity-based costing differ in that activity-based costing is not required to follow GAAP. In activity-based costing, debits do not have to equal credits. You can focus on a segment of your business instead of your entire business.

Typically, you use activity-based costing when a more accurate allocation of indirect expense-to-cost object is required.

In general, cost objects are divided into two major categories, customer and product. You can determine the level of detail for customer and product based on the needs of your business.

Managerial accounting provides the information that managers of economic organizations use to plan and control their operations. It involves the analysis of an organization at the profit center level rather than the organizational level used in financial accounting. For example, managerial accounting analyzes customer and product information rather than organizational levels such as marketing, administration, and manufacturing.

In managerial accounting systems, traditional financial accounting systems provide databases used in modeling, simulation, and what-if analyses. Allocations are run over indirect cost pools to assign all revenues and expenses to the profit center level. This process provides the information necessary to make high-level decisions about product lines, customer profitability, marketing strategies, reorganizations, and cost reduction projects.

The EPS system addresses the reporting needs for managerial decision-making. For example, by producing unique views of financial information, EPS demonstrates that the same sales volume can have vastly different profit margins due to shipment size, special packaging, special requirements, and product mix.

To address these needs, the EPS system gives you the ability to:

- Capture financial information within the cost analyzer table for further analysis
- Track and assign transactions using cost objects
- Capture quantity information
- Reassign costs based on cost drivers

Activity-based costing (ABC) allows you to identify and capture direct or indirect costs for specific products or customers using cause and effect relationships. EPS provides the ability to collect, track, and assign activities to specific cost objects.

The Enterprise-Wide Profitability Solution includes the following:

Cost object tracking	Provides the ability to directly assign transactions to their original cost objects. Cost objects are the reason why work is performed, such as products, customers, and orders.
Cost analyzer	Allows you to arrange and analyze managerial accounting information without affecting your financial accounting information.
Detailed product costs	Allows you to capture detailed product costs when you create automatic journal entries. Use detailed product costs to analyze costs for material, labor, or overhead.
Driver calculations	Provides the ability to calculate volumes based on transaction information. For example, you can calculate the number of sales order lines by customer. Driver volumes are used to reassign indirect costs to cost objects.
Cost assignments and allocations	Allows you to process calculations for activity-based costing, as well as managerial accounting, over the Cost Analyzer table. You can define allocations according to your business needs. The system provides an audit trail of the calculations and provides separate balances for amounts that are transferred from and to original balances.
Activity-based costing	Allows you to define cost objects, activities, and processes, and create relationships between them. It also allows you to analyze business process costs.

Note: This information is intended to introduce you to the EPS system and provide the information necessary for you to begin using its new functions. In future releases, J.D. Edwards will continue to add new features and functions to

the EPS system in order to provide a comprehensive solution to activity-based costing and managerial accounting.

System Integration

When you process transactions in other systems, you can capture information that is relevant to activity-based costing or managerial accounting using flex accounting rules or cost object rules, based on the setup method for the application.

Note: J.D. Edwards recommends that you use the Automatic Accounting Instructions (AAI) setup method for Manufacturing and Distribution. However, if you choose to use another method, you will need to make certain that it is correct for that system.

The EPS system integrates with the following systems:

Accounts Payable

Allows you to either enter cost objects manually or let the system determine how to automatically populate the cost object information. You can enter information in cost object fields that are available when the Activate Cost Objects field in the Cost Management Constants table (F1609) is active.

You use flex accounting rules to determine how the system automatically populates the cost object fields when creating offset entries during the pre-post voucher and payment processes. The rules are reviewed if:

- The Activate Cost Objects field is active
- The setup method is found for that application
- Flex Accounting rules exist for the object account setup method

Accounts Receivable

Allows you to either enter cost objects manually or let the system determine how to automatically populate the cost object information. You can enter information in cost object fields that are available when the Activate Cost Objects field in the Cost Management Constants table (F1609) is active.

You use flex accounting rules to determine how the system automatically populates the cost object fields when creating offset entries during the pre-post receipt and receipt update processes. The rules are reviewed if:

- The Activate Cost Objects field is active
- The setup method is found for that application
- Flex Accounting rules exist for the object account setup method

General Accounting

Allows you to enter cost objects in manual transactions. The cost object fields are available when the Activate Cost Objects field in the Cost Management Constants table (F1609) is active.

Inventory Management

Allows you to use the Cost Components table (F30026) to determine inventory-related costs and retrieve information by cost type. If the Product Cost Detail field in the Branch/Plant Constants table (F41001) is active, you must use the standard cost (07) cost method. If the Product Cost Detail field is not active, you can use cost methods 01 through 06 and 08. Costs are calculated using the Item Cost Ledger table (F4105) .

You use flex accounting rules to determine how to populate the cost object fields when creating automatic journal entries. The rules are reviewed if:

- The Activate Cost Objects field is active
- The setup method is found for that application
- Flex Accounting rules exist for the AAI setup method

Manufacturing Accounting

You use flex accounting rules to determine how to populate the cost object fields when creating automatic journal entries. The rules are reviewed if:

- The Activate Cost Objects field is active
- The setup method is found for that application
- Flex Accounting rules exist for the AAI setup method

Product Costing

You use flex accounting rules to determine how to populate the cost object fields when creating automatic journal entries. If the Product Cost Detail field is not active, you can use cost methods than 01 through 06 and 08. Costs are calculated using the Item Cost Ledger table (F4105). The rules are reviewed if:

- The Activate Cost Objects field is active
- The setup method is found for that application
- Flex Accounting rules exist for the AAI setup method

Procurement Management

Allows you to enter cost objects in manual transactions. The cost object fields are available when the Activate Cost Objects field in the Cost Management Constants table (F1609) is active. You can use Flex Accounting rules to determine how to populate the cost object fields when creating automatic journal entries. The rules are reviewed if:

- The Activate Cost Objects field is active
- The setup method is found for that application
- Flex Accounting rules exist for the AAI setup method

Sales Order Management

You use flex accounting rules to determine how to populate the cost object fields when creating journal entries. The rules are reviewed if:

- The Activate Cost Objects field is active
- The setup method is found for that application
- Flex Accounting rules exist for the AAI setup method

Sales Order Management allows you to use the Cost Components table (F30026) to determine inventory-related costs and retrieve information by cost type. If the Product Cost Detail field in the Branch/Plant Constants table (F41001) is active, you must use the standard cost (07) cost method. If the Product Cost Detail field is not active, you can use cost methods 01 through 06 and 08. Costs are calculated using the Item Cost Ledger table (F4105).

Transportation Management

You use Flex Accounting rules to determine how to populate the cost object fields when creating journal entries. The rules are reviewed if:

- The Activate Cost Objects field is active
- The setup method is found for that application
- Flex Accounting rules exist for the setup method

Managerial Accounting and Activity-Based Costing

Managerial accounting processes information used by economic organizations to plan and control your operations. Managerial accounting involves analysis at a profit center-level, such as customers and products, instead of an organizational level, such as marketing, administration, and manufacturing.

Activity-based costing allows you to analyze information and costs from multiple departments and internal organizations in order to improve business processes. With activity-based costing, you can identify activities, processes, and cost objects, and then calculate total and unit costs by cost objects using cause and effect relationships.

Even though business practices have evolved significantly during the last ten years, cost accounting techniques have remained relatively static. In today's highly competitive and changing business environment, companies need the ability to analyze cost structures in more detail than they could using the methods that are provided by traditional cost accounting systems.

All companies want to maximize profitability by either reducing costs (wastes) or increasing sales. Often, high costs are due to cross-departmental processes, but identifying these sources of waste can be difficult and time-intensive.

To increase income, companies may find it difficult to identify the most profitable customers without gathering customer profit/loss information. In

manufacturing environments, companies have been able to reduce direct costs for material and labor by implementing techniques, such as just-in-time, automation, total quality management, and outsourcing, at the expense of increasing indirect costs.

These changes have affected cross-departmental process costs drastically. Market competition and globalization have added complexity to business management and coordination, resulting in additional support activities. This shift in today's market requires that companies focus on indirect costs, cross-departmental processes, and customer profitability, rather than direct costs and sweeping mandates, to increase company-wide sales regardless of customer profitability.

Data Model Overview for Activity-Based Costing

Company 200 manufactures and distributes bicycles and bicycle accessories. The company would like to improve their competitive advantage in the bicycle market. Although sales have been increasing over the years, the overall profitability of the company has decreased. As a result, the company initiates a performance improvement project based on analyzing customer and product profitability.

The company believes that by studying its profitability by customer, product family, and sales marketing channel, they can discover why overall profits have decreased. The analysis focuses on the following areas:

- Locating hidden costs in the bicycle bag procurement process, to help the company reduce waste and increase efficiency.
- Assigning marketing and promotional costs to customers, product lines, and sales marketing channels, in order to redirect marketing and sales to the most profitable customers, products, and channels.
- Reviewing the standard costs for painting the bicycle frames. The company suspects that these costs may be incorrect due to rework. Therefore, they would like to determine how much rework, by bicycle model, exists when they paint bicycle frames, so that the company can correct the standard cost for painting frames.

Overview Information

Company 200 manufactures and distributes bicycles and bicycle accessories, using the following business units:

- M30 to manufacture bicycles
- D30 to distribute bicycles

Company 200 sells products to wholesale and retail customers. Each customer has a unique address book number, and Company 200 assigns each customer to a business channel. Although many channels exist, they use the following:

- Wholesale
- Retail
    - Specialty
    - Discount

The bicycles and accessories have unique inventory item numbers. Although many types of bicycles and accessories exist, the company focuses on three types of bicycles and two types of bicycle bags. The bicycle types are:

- Touring
- Mountain
- Youth

Black bicycle bags can be imprinted with a predetermined logo or left blank. When the company originates their bicycle sales, the customer can decide if he or she want plain black bicycle bags, standard logo imprinted bags, or special custom logos on the bags. The bag types are:

- Imported bags
    - Black
        - With logo
        - Without logo
- Domestic bags
    - Black without logo

The company categorizes its products by planning families. Within this scenario, focus on two family codes:

- Bicycle
- Bicycle accessory

Within the Distribution business unit, D30, the merchandise can incur royalty and warehouse costs in addition to the initial cost. The business unit has adopted standard costs (inventory and sales method 7) to help track each of these cost components. The bicycles and bags, depending upon type, can contain the following cost components:

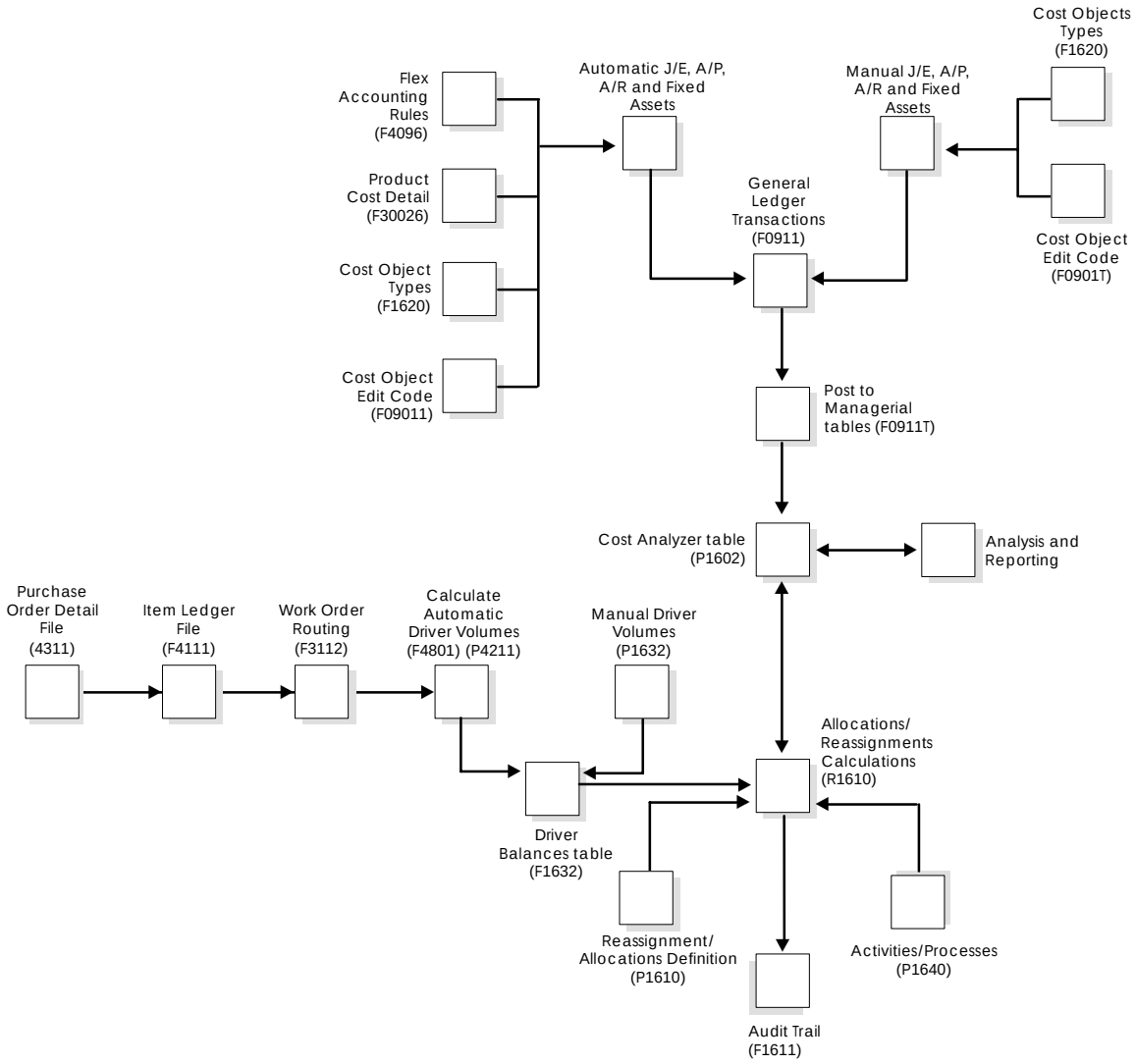
- Material, component type A1
- Royalty, component type X4
- Warehouse, component type X6

The company believes hidden costs exist in the procurement, manufacturing, and distribution cycles. Therefore, the company would like to determine the customer, product family, or marketing sales channel profitability, as well as internal process costs related to manufacturing its bicycles and various suppliers' costs by suppler, product family, or marketing sales channel.

To better illustrate the enhanced features of EPS, the following sections of the guide include scenarios for activity-based costing that are based on the preceding data model:

- Cost object tracking in manufacturing
- Cost object tracking in procurement
- Cost object tracking in sales order management

Enterprise-Wide Profitability Solution System Flow



Menu Overview

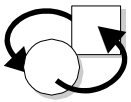
The EPS menus are listed below. Although the EPS system integrates with other systems, this list does not show navigation among the menus.

Menu Overview – Enterprise-Wide Profitability Solution

Enterprise-Wide Profitability Solution G16

Daily Operations

- Cost Analyzer G1612
- Drivers G1614
- Activity-Based Costing G1616

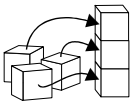


Periodic Operations

- Cost Analyzer G1622
- Assignments G1623
- Drivers G1624
- Reporting G1625

Advanced and Technical Operations

- Advanced and Technical Operations G1631



Setup Operations

- System Setup G1641

Setup

Setting Up EPS

The correct setup of EPS is critical to its success as a management decision-making tool. When EPS is set up correctly, you can track direct costs by using assignments to create what-if scenarios for the purpose of making sound business decisions based on actual data from existing integrated systems.

Setting up EPS consists of the following tasks:

- ❑ Setting up constants
- ❑ Setting up cost object types
- ❑ Setting up cost object edit codes
- ❑ Setting up AAIs by cost component
- ❑ Setting up flex accounting
- ❑ Setting up cost analyzer views
- ❑ Setting up profit management user defined codes

Use the Enterprise-Wide Profitability Solution (EPS) system to create detailed revenue and cost information using general ledger transactions from the sales, financials, purchasing, manufacturing, and transportation systems, and driver volumes from sales and work order systems.

In order to use the EPS system in conjunction with your integrated system, you set up constants to indicate how the system should process information. When you activate the constants, the cost object fields are activated in the integrated systems such as accounts payable, general accounting, fixed assets, sales orders, work orders, and purchasing. You also indicate if you are using the EPS system for activity-based costing.

A cost object is the final level at which costs or revenues are calculated or tracked. You must identify the object, set up the method by which the system tracks the costs, and define the AAIs and flex accounting rules to report on these financial transactions.

Setting up cost objects allows you to define how and what kind of data that you want to analyze later in your assignments. Cost objects are similar to mini-subledgers that store data in the Account Ledger Tag File table (F0911T) to be retrieved later by the cost analyzer. This data can be reported on and analyzed. You decide what you want to track, and you can use five different types and items, four of which are user defined and one of which is defined in the Item Master table (F4101). Examples of cost object types include customers, suppliers, and product lines. If you want to analyze by customer the amount that you are spending on postage and freight, you begin the setup in EPS with a cost object type defined as customer. Each time that freight or postage expense is paid regarding this customer, the customer number is used in the cost object field on accounts payable to track expenses for this customer. You can define additional cost object types at any time, but careful thought must be given when defining what types of cost that you want to analyze to ensure the consistency of the input and gathering of data.

Before you can review the results of calculations for either activity-based costing or managerial accounting, you must define views for the cost analyzer. Cost analyzer views allows you to choose the information to be posted in summary or detail to the Cost Analyzer Master table (F1602).

If you use the EPS system for activity-based costing, you can set up processes and activities to perform calculations. For each process and activity, you can define the type of calculation, the sequence of steps in the calculation, the source of the balances, the basis for the calculations, and the destination of the results.

Cost object edit codes ensure that the user of the subsidiary systems use the cost object types that are set up and defined by management. If edit codes are not set up properly, the integrity of the data that is collected will be compromised. You can define edit codes to force the user to input a specific cost object, a generic cost object, or to allow the user to leave the cost object blank. Edit codes determine the accuracy of the data that you analyze. If you set up an edit code that requires a specific cost object to be input, and the user does not input a cost object for a transaction on accounts payable or other subsidiary systems, he or she receives a hard error.

Cost objects are populated in three ways:

- By direct manual input into an accounting entry, such as accounts payable or general accounting
- Through the AAIs and flex rules set up for EPS for transactions in other systems, such as work orders, sales orders, and fixed assets
- By custom programming

If you do not set up AAIs and flex rules correctly, the transactions that you make do not post properly, and you will not be able to track cost objects.

Cost analyzer views allow you to look at data from different years or in the same year, but you can summarize it differently. The data summary options include the different cost objects, business units, ledger types, and accounts. These views allow you to review data in the way that you want to see it. This procedure is critical to the analysis of the data in the assignment portion of EPS.

In EPS, the profit management user defined codes define cost pools to be allocated later in assignments for what-if scenarios: For example, you could use them to collect all the costs associated with building bicycles. By collecting all costs associated with building bicycles, you can compare the costs against the revenue associated with the sales of the bike to determine whether that particular bicycle is generating a profit or loss.

When you are working with other systems, you can define how the system retrieves cost object, activity, and driver information from other applications such as Sales Order Entry (P4210) and tables such as the Item Master (F4101).

Before You Begin

❑ Review and set up the appropriate manufacturing AAIs. See *Reviewing Manufacturing AAIs* in the *Product Costing and Manufacturing Accounting Guide* for more information.

See Also

- *User Defined Codes* in the *OneWorld Foundation Guide* for more information about setting up user defined codes

Creating Tag Ledger Records

From the Advanced and Technical Operations menu (G1631), choose Create Account Ledger Tag File Records.

After you activate cost management constants, the system automatically creates journal entries in this tag file when you create journal entries in the General Ledger table (F0911). The Account Ledger Tag table (F0911T) contains all cost object-related information for journal entry transactions. The Account Ledger Tag table contains posting edit codes that prevent you from posting the same information to the same view more than once. If you have journal entries that were created prior to activating the cost management constants or if you are using WorldSoftware, you can create EPS records in OneWorld by using the Account Ledger Tag File records.

Conversion from WorldSoftware to OneWorld

When converting data from WorldSoftware or a OneWorld release prior to B73.3.1, you are required to run the Create Account Ledger Tag File Records program (R0911T). The Account Ledger Tag table (F0911T) is associated with the

Account Ledger table (F0911), and tracks additional cost object information which is used by the EPS system.

Note: If you do not run R0911T, any data that was converted is not updated in the Cost Analyzer Balances table (F1602) when you run the Post to Cost Analyzer Balances program (R1602).

Setting Up Constants

To use the EPS system in conjunction with your integrated system, you must indicate the parameters that the system uses to standardize information processing. You set up constants to indicate how the system should process information.

Setting up constants include the following tasks:

- Activating cost objects
- Activating activity-based costing
- Activating detailed product costs

You must activate cost objects before using the costing features in the EPS system. You must activate additional features for activity-based costing and define whether the system uses total costs or detail product costs for each branch/plant. Branch/plant constants allow you to customize the daily transaction processes for each branch/plant in the manufacturing and distribution systems.

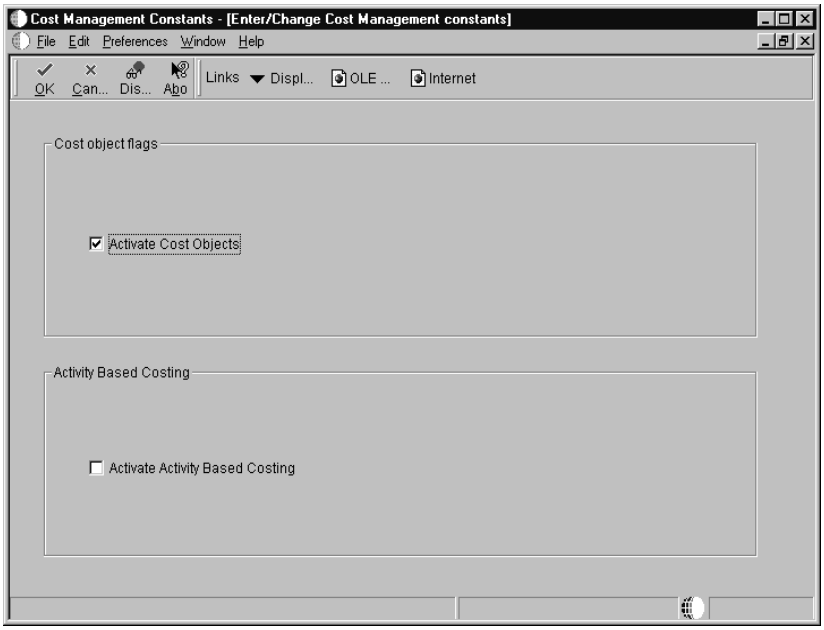
Activating Cost Objects

Use the Cost Management Constants program to activate features that are related to cost objects. The system displays additional fields to enter cost object information when you activate these features.

▶ To activate cost objects

From the System Setup menu (G1641), choose Cost Management Constants.

1. On Enter/Change Cost Management constants, turn on the Activate Cost Objects option and click OK.



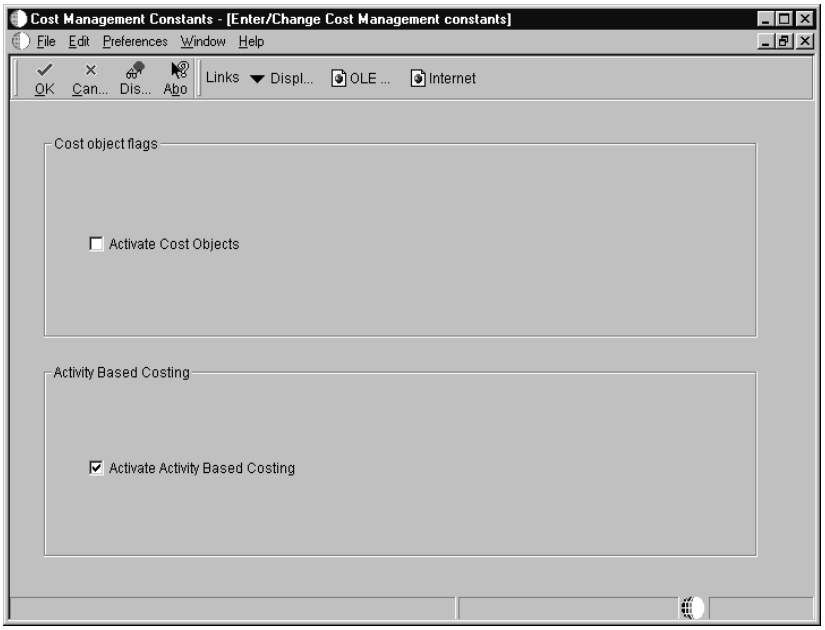
Activating Activity-Based Costing

Use the Cost Management Constants program to specify whether to use activity-based costing. The system displays additional activity fields for activity-based costing in forms and reports.

▶ To activate activity-based costing

From the System Setup menu (G1641), choose Cost Management Constants.

1. On Enter/Change Cost Management constants, turn on the Activate Activity Based Costing option and click OK.



Activating Detailed Product Costs

You use Flex Accounting rules to determine how to populate the cost object fields when creating automatic journal entries.

The system uses the following cost tables:

- F4105 (Item Cost Ledger)
- F30026 (Cost Components)

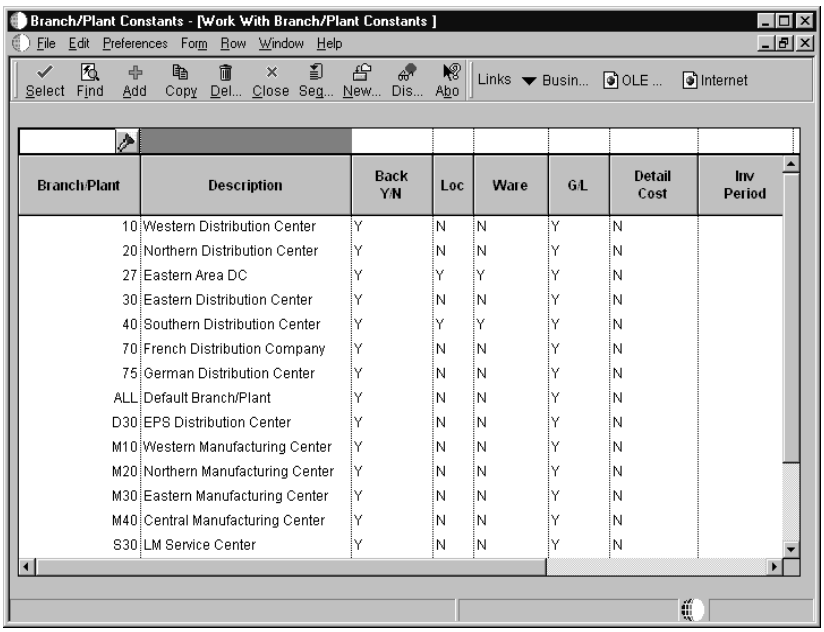
See Also

- *Setting Up Constants* in the *Inventory Management Guide* for information about branch/plant constants that affect other transactions

▶ To activate detailed product costs

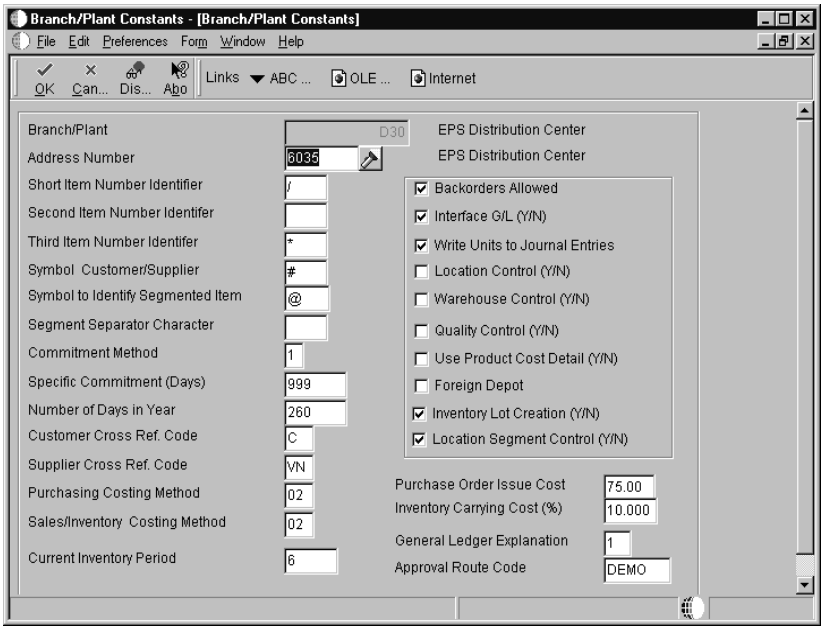
From the Inventory System Setup menu (G4141), choose Branch/Plant Constants.

1. On Work With Branch/Plant Constants, complete the following field and click Find:
    - Branch/Plant



Branch/Plant	Description	Back Y/N	Loc	Ware	G/L	Detail Cost	Inv Period
10	Western Distribution Center	Y	N	N	Y	N	
20	Northern Distribution Center	Y	N	N	Y	N	
27	Eastern Area DC	Y	Y	Y	Y	N	
30	Eastern Distribution Center	Y	N	N	Y	N	
40	Southern Distribution Center	Y	Y	Y	Y	N	
70	French Distribution Company	Y	N	N	Y	N	
75	German Distribution Center	Y	N	N	Y	N	
ALL	Default Branch/Plant	Y	N	N	Y	N	
D30	EPS Distribution Center	Y	N	N	Y	N	
M10	Western Manufacturing Center	Y	N	N	Y	N	
M20	Northern Manufacturing Center	Y	N	N	Y	N	
M30	Eastern Manufacturing Center	Y	N	N	Y	N	
M40	Central Manufacturing Center	Y	N	N	Y	N	
S30	LM Service Center	Y	N	N	Y	N	

2. On Work With Branch/Plant Constants, choose a record in the detail area and click Select.



3. On Branch/Plant Constants, click the following option to activate it:

   - Use Product Cost Detail (Y/N)

Field	Explanation
Branch/Plant	An alphanumeric field that identifies a separate entity within a business for which you want to track costs. For example, a business unit might be a warehouse location, job, project, work center, branch, or plant. You can assign a business unit to a voucher, invoice, fixed asset, employee, and so on, for purposes of responsibility reporting. For example, the system provides reports of open accounts payable and accounts receivable by business units to track equipment by responsible department. Security for this field can prevent you from locating business units for which you have no authority. Note: The system uses the job number for journal entries if you do not enter a value in the AAI table.
Use Product Cost Detail (Y/N)	A code that specifies whether distribution programs use total cost or detailed product costs.

Setting Up Cost Object Types

A cost object is the lowest level at which costs or revenue are calculated or tracked. Cost object tracking allows you to assign daily transactions to their original cost objects. For example, if you decide to track information by customers, item numbers, and sales order numbers, each piece of information can be a cost object type.

Set up editing rules in order for the system to edit transactions against cost object information such as journal entries for vouchers or invoices. Editing rules validate information on master tables such as the Address Book Master table (F0101) or user defined code tables. For example, if you track customers, you can set up a cost object type C, define the edit rule to compare the information in the cost object field against the Address Book Master, and verify that the search type information has a specific value. You can also use an editing rule to format information.

Use this program to set up user defined cost object types. The new cost object types can then be included in manual journal entries, vouchers, and invoices. You can also use the cost object types when setting up flex accounting rules and driver definitions. Fields on Cost Object Entry differ, based on which edit rule value you choose.

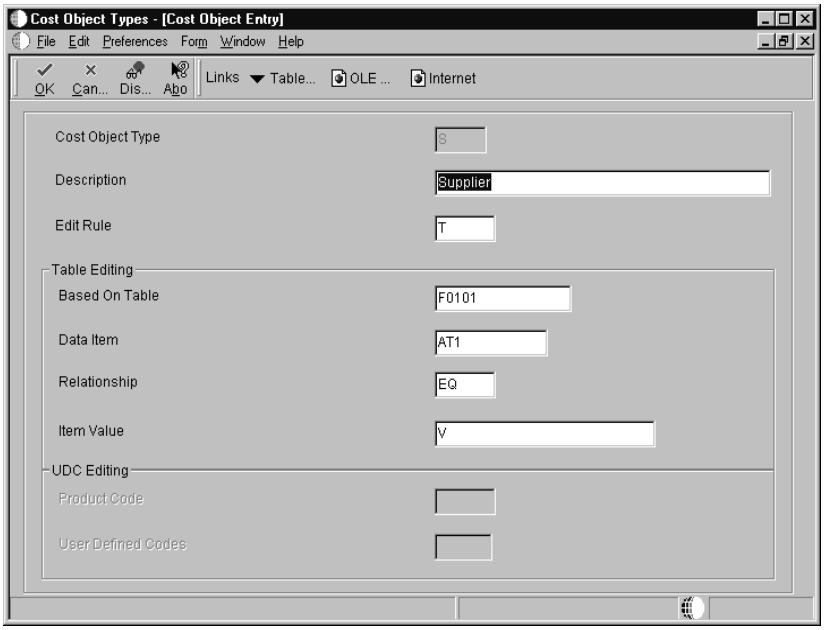
Setting up cost object types include the following tasks:

- Setting up table-based cost object types
- Setting up user defined code-based cost object types
- Setting up non-editing cost object types

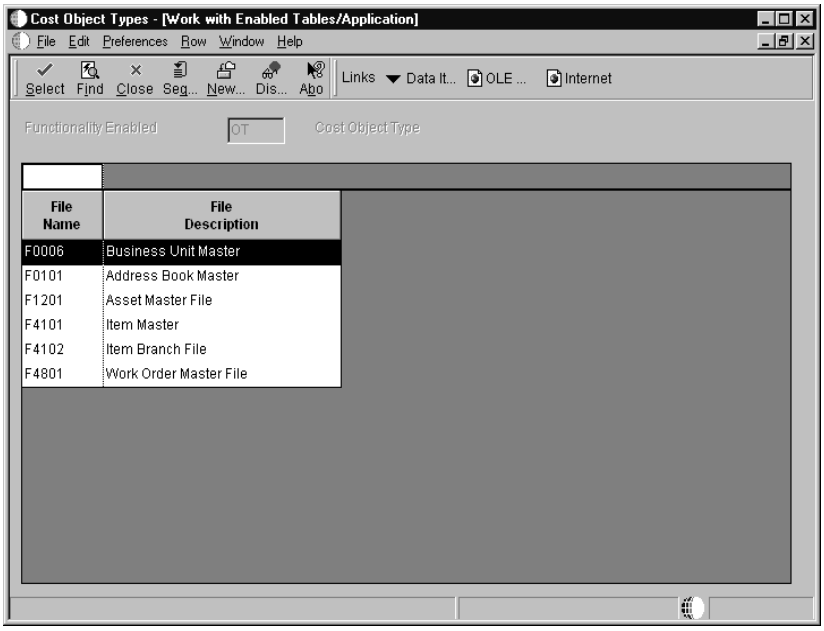
▶ To set up table-based cost object types

From the System Setup menu (G1641), choose Cost Object Types.

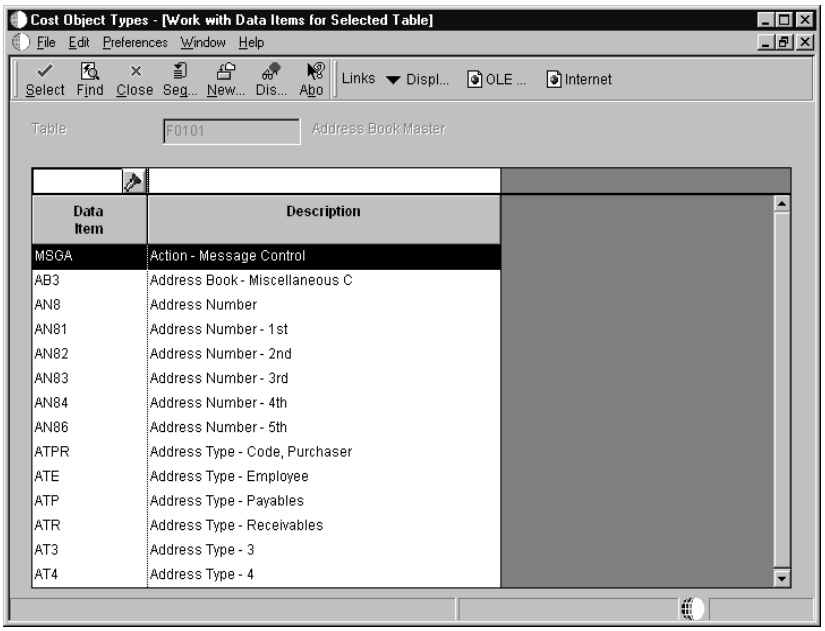
1. On Work With Cost Object Types, click Add.



2. On Cost Object Entry, complete the following fields:
   - Cost Object Type
   - Description
   - Edit Rule
3. Complete the following field under Table Editing:
   - Based On Table
4. To choose a based on table, choose Tables by Function from the Form menu.



5. On Work With Enabled Tables/Application, click Find.
6. Choose a record in the detail area and then click Select.
7. On Cost Object Entry, choose Data Items by Table from the Form menu to select a data item within the based on table.



8. On Work With Data Items for Selected Table, choose a record in the detail area and click Select.

   The system displays the values that you selected in the Based on Table form and the Data Items for Selected tables on the Cost Object Entry form.

9. On Cost Object Entry, complete the following fields:
   - Relationship
   - Item Value
10. Click OK.

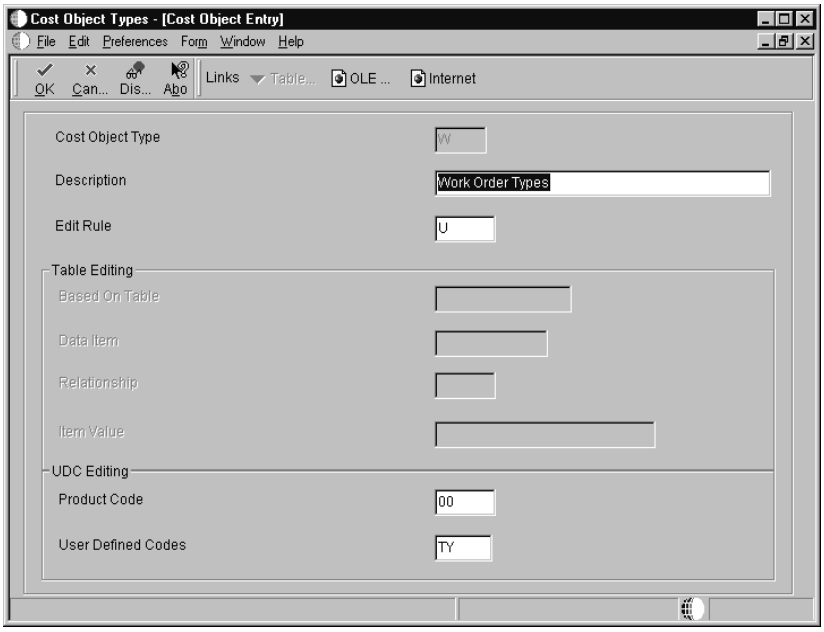
Field	Explanation
Cost Object Type	This field is used with the Cost Object field to identify the type of cost object code and the type of editing. For OneWorld, valid types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types Entry program (P1620). For WorldSoftware, this is a user defined code (00/ST). The second line of the description on the User Defined Codes form controls how the system validates entries in the field. This is either hard-coded (as shown in the second line of the description) or user defined. For example: A Alphanumeric field, do not edit N Numeric field, right justify and zero fill C Alphanumeric field, right justify and blank fill U User defined cost object type
Description	A user defined name or remark.
Edit Rule	A user defined code (system 16, code ER) that determines how the system edits or formats a cost object. Valid values are: E Edits are based on the file specified in the Based on Table by doing an existence check using the value in Cost Object. T Edits are performed by first doing an existence check against the Based on File using the value in Cost Object. The value of the data item specified in the record will then be compared to the value entered using the relationship operator. U Edits are performed against a user defined codes table that you specify. A No edit, and left justify alpha field. R No edit, and right justify alpha field. N No edit, and zero fill numeric field. C No edit, and blank fill alpha field.
Based On Table	The number of a specific table. For example, the General Ledger Master table name is F0901. See the Standards Manual on the programmers' menu for naming conventions.

Field	Explanation
Data Item	For World, the RPG data name. This data field has been set up as a 10-byte field for future use. Currently, it is restricted to 4 bytes so that, when preceded by a 2-byte table prefix, the RPG data name will not exceed 6 bytes. Within the Data Dictionary, all data items are referenced by this 4-byte data name. As they are used in database tables, a 2-character prefix is added to create unique data names in each table specification (DDS). If you are adding an error message, this field must be left blank. The system assigns the error message number using next numbers. The name appears on a successful add. You should assign error message numbers greater than 5000. Special characters are not allowed as part of the data item name, with the exception of #, @, $. You can create protected data names by using $xxx and @xxx, where you define xxx. For OneWorld, a code that identifies and defines a unit of information. It is an 8-character, alphabetical code that does not allow blanks or special characters such as: % & , . +. Create new data items using system codes 55-59. The alias cannot be changed.
Relationship	A code that indicates the relationship between the range of variances that you display. Valid codes are: EQ Equal to LT Less than LE Less than or equal to GT Greater than GE Greater than or equal to NE Not equal to NL Not less than NG Not greater than CT Contains (only allowed in selection for Open Query File function) CU Same as "CT" but converts all input data to uppercase letters
Item Value	The value that you compare with the item in the based on table. You only enter this value for edit rule T.
Product Code	A user defined code (98/SY) that identifies a J.D. Edwards system.
User Defined Codes	A code that identifies the table that contains user defined codes. The table is also referred to as a UDC type.

To set up user defined code-based cost object types

From the System Setup menu (G1641), choose Cost Object Types.

1. On Work With Cost Object Types, click Add.



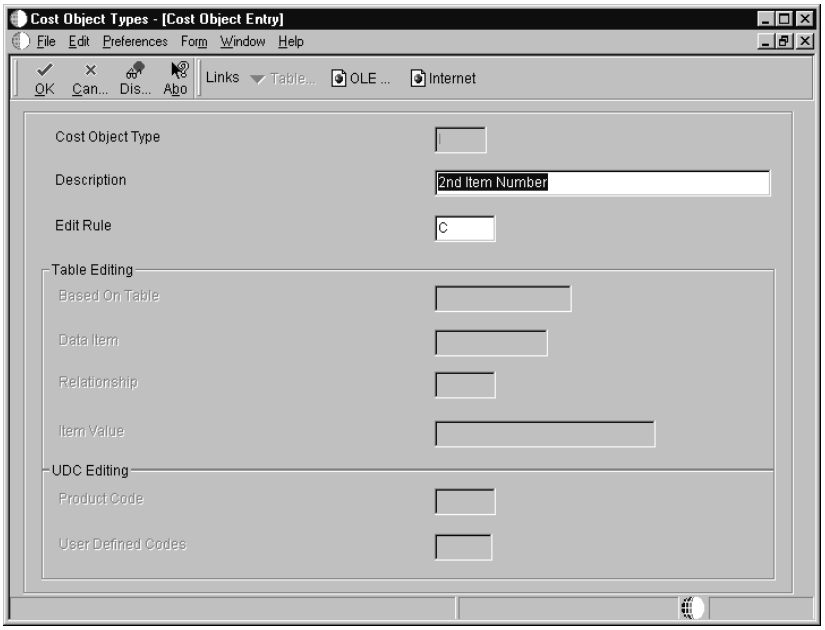
2. On Cost Object Entry, complete the following fields:
   - Cost Object Type
   - Description
   - Edit Rule
3. Complete the following fields under UDC Editing:
   - Product Code
   - User Defined Codes

To set up non-editing cost object types

From the System Setup menu (G1641), choose Cost Object Types.

1. On Work With Cost Object Types, click Add.
2. On Cost Object Entry, complete the following fields:
   - Cost Object Type

- Description
- Edit Rule



Setting Up Cost Object Edit Codes

When you set up cost object edit codes, you can include edit rules to edit your chart of accounts. A chart of accounts provides the structure for your general ledger accounts. It lists specific types of accounts, describes each account, and includes account numbers. A chart of accounts typically lists asset accounts first, followed by liability and capital accounts, and then revenue and expense accounts.

As part of creating your chart of accounts, you must define the length of the accounts segments. These segments are business unit.object.subsidiary. For the EPS system, you can also indicate edit codes for cost object fields for specific accounts. The cost object edit codes define whether an object is required, edited for validity, or used for a specific cost object value.

To use the product or catalog number, set up a cost object type for either the product number or catalog number. Then set up a cost object edit code, select Specific, and enter the cost object type as the option. Based on this setup, the account is specific to one cost object type.

Note: After you revise your chart of accounts for cost object edit codes, you can copy the object and subsidiary accounts to other business units. When you revise your accounts to include cost object edit codes, the system copies the new edit code flags for the cost object fields to the new business unit.

Before You Begin

❑ You must activate cost object tracking in order to access additional forms. See *Setting Up Constants* for more information.

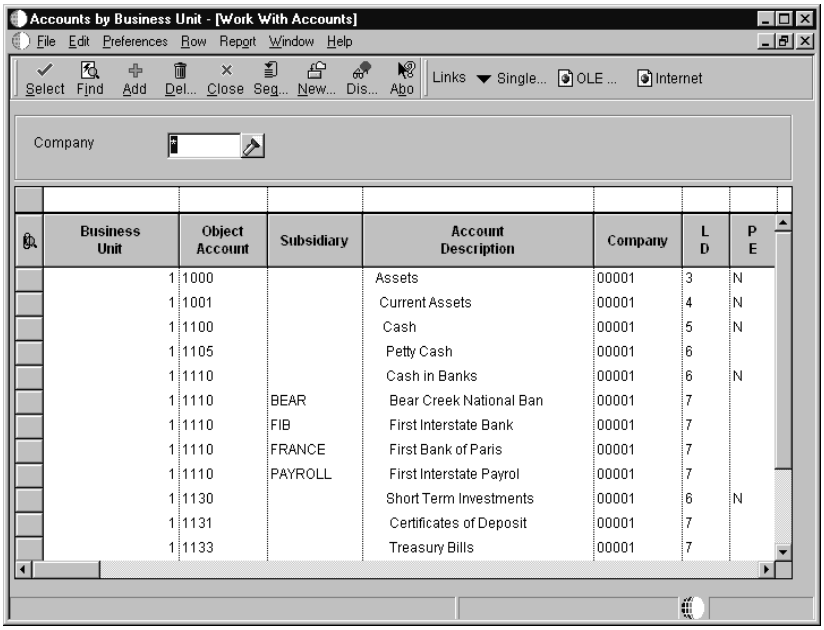
See Also

- *Creating and Updating your Chart of Accounts* in the *General Accounting Guide*

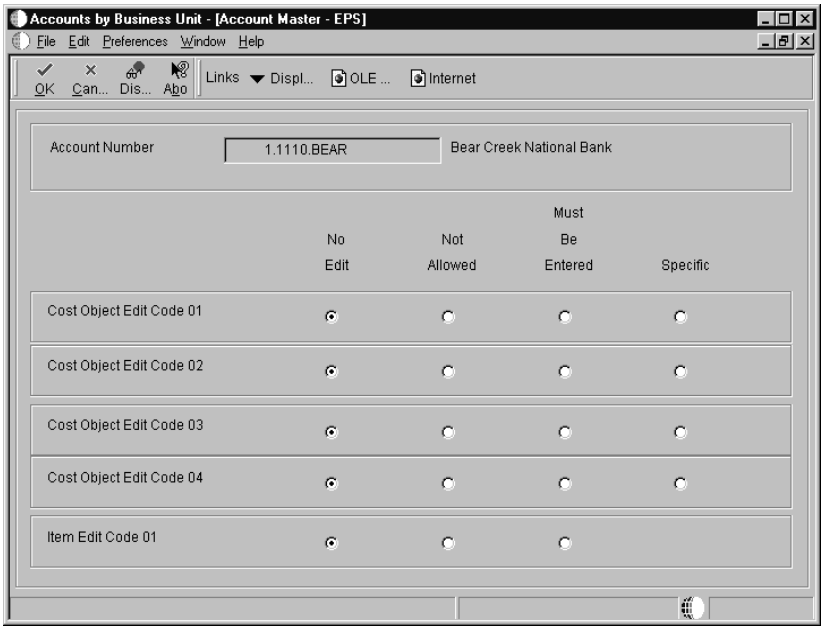
▶ To set up cost object edit codes

From the Organization and Account Setup menu (G09411), choose Accounts by Business Unit.

1. On Work With Accounts, click Find to locate the charts of accounts by company.



2. Choose EPS from the Row menu.



3. On Account Master – EPS, choose one of the following options for each of the edit codes:

    - No Edit
    - Not Allowed
    - Must Be Entered
    - Specific (where you want to enter a specific cost object type)

4. To define the edit codes for items, complete the following field:

   - Item Edit Code 01

   If you choose Must Be Entered as the option for Item Edit Code, the system uses the short item number. To use the second or third item number (product or catalog number), do not use the field Item Edit Code. Instead, define a cost object.

5. Click OK.

Setting Up AAIs by Cost Component

Automatic accounting instructions (AAIs) are the links between your day-to-day functions, chart of accounts, and financial reports. The system uses AAIs to determine how to distribute general (G/L) entries that the system generates. For example, in the Sales Order Management system, AAIs indicate how to record the inventory, costs of goods sold (COGS), and revenue transactions when you sell an item to a customer.

Programs that post to specific G/L accounts use AAIs to create journal entries. Create an AAI entry for each unique combination of company, transaction, document type, and G/L class. AAIs for manufacturing also use the cost type. This system allows you to separate the inventory and COGS accounts by cost component such as materials, labor, or overhead.

If you do not use standard costs (07) to calculate COGS for inventory and sales, you cannot capture detailed product cost information in the distribution system. The system stores AAIs in the Automatic Accounting Instructions Master table (F4095).

Although the EPS system uses all types of AAIs, the following information explains how to use AAIs for EPS within distribution and manufacturing.

You can define an AAI using a unique combination of company number, document type, and G/L class code.

The system also uses a series of specific search steps to locate the correct AAI rule before creating the transactions for the journal entry. If the system cannot find an AAI rule, it will return an error message for the missing rule number for the transaction by company, document type, and G/L class code.

The following scenario illustrates how the system uses the search steps within the AAI rules:

- If the company number is 00001, the document type is SO, and the G/L class code is IN20, then the system first searches for a rule that is specific to company 00100 and a G/L class code of IN20.
- If a rule is not found, the system searches for a rule that is defined for company 00100 and a G/L class code of ***.
- If a rule is not found, the system searches for a rule that is defined for company 00000 and a G/L class code of IN20.

- If a rule is not found, the system searches for a rule that is defined company company 0000 and a G/L class code of ****.
- If a rule is not found, the system does not create the transaction, and you receive an error message says that the AAI rule is invalid because the rule is not defined.

You can also locate G/L class codes using inventory interface rules. Transactions originating in manufacturing and distribution use inventory interface rules by order line type. This information tells the system where to locate the G/L class code information. Then the G/L class code is used in the AAI to locate the corresponding AAI rule.

To locate the inventory interface rules information, select Order Line Types (P40205). Each order line type contains a value for the inventory interface rule. The following list of valid values determines how the system locates the G/L Class Code information:

- Y and D use the G/L class code for the item using item branch/plant location.
- N does not use the G/L class code because it has no inventory interface.
- A uses the G/L class code for purchase price variances for the item by line type.
- B uses the G/L class code for purchase price variances for the item using Item Branch/Plant Location.

The system can create journal transactions using the AAIs for purchasing when a difference exists between receipted cost of an item and the actual cost of an item. The system uses this value for line types with a value of A or B as the value for inventory interface rule. The Voucher Match Variance Account field for the order line type must be checked if you want the system to create a journal entry for any cost differences using a cost variance AAI rule.

See Also

- *Understanding AAIs* and *Understanding AAIs for General Accounting* in the *General Accounting Guide* for more information on defining AAIs and the AAI search hierarchy
- *Working with Journal Entries for Voucher Transactions* in the *Procurement Guide*

AAIs for Detailed Product Costs

You can only use the following AAIs for entries for branch/plants that use detail product costing:

4122	Provides the balance sheet inventory valuation account
4124	Produces the expense or cost-of-goods-sold account
4240	Credits the cost amount to an inventory account

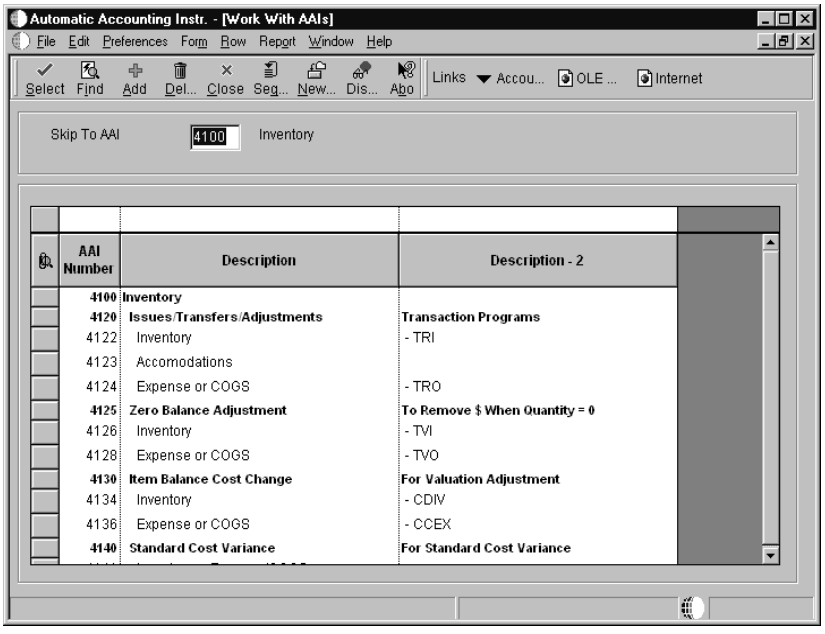
Before You Begin

- ❑ Verify that the Cost Type processing option for distribution AAIs is active.

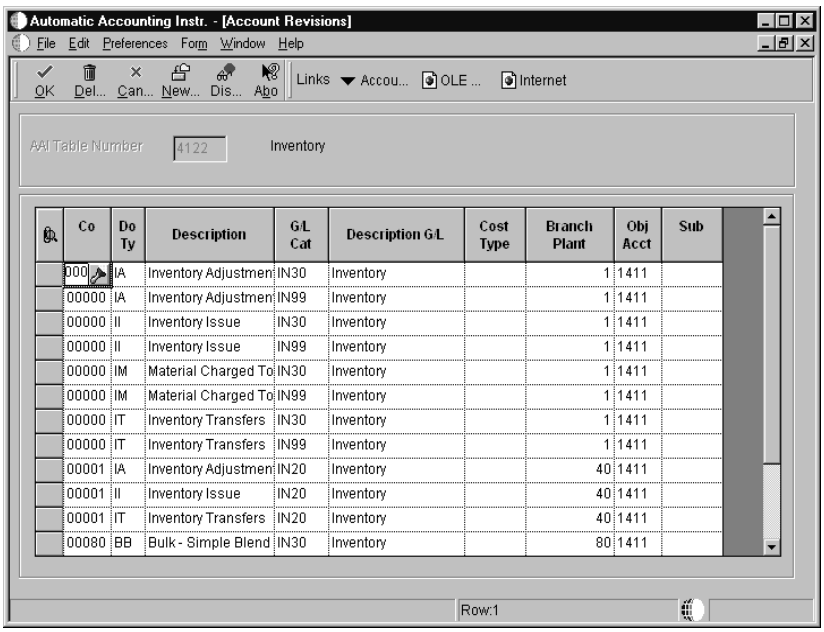
▶ To set up AAIs by cost component

From the System Setup menu (G4141), choose Automatic Accounting Instructions.

1. On Work With AAIs, complete the following field and click Find:
   - Skip To AAI



2. Choose a record in the detail area and click Select.



3. On Account Revisions, complete the following fields:
   - Co
   - Do Ty
   - G/L Cat
   - Cost Type
   - Branch Plant
   - Sub

Field	Explanation
Co	A code that identifies a specific organization, fund, entity, and so on. The company code must already exist in the Company Constants table (F0010) and must identify a reporting entity that has a complete balance sheet. At this level, you can have intercompany transactions. Note: You can use Company 00000 for default values, such as dates and automatic accounting instructions. You cannot use Company 00000 for transaction entries.

Field	Explanation
Do Ty	A user defined code (00/DT) that identifies the origin and purpose of the transaction. J.D. Edwards reserves several prefixes for document types, such as vouchers, invoices, receipts, and timesheets. The reserved document type prefixes for codes are: P Accounts payable documents R Accounts receivable documents T Time and Pay documents I Inventory documents O Ordering document types The system creates offsetting entries as appropriate for these document types when you post batches.
G/L Cat	A user defined code (41/9) that identifies the G/L offset that system uses when it searches for the account to which it posts the transaction. If you do not want to specify a class code, you can enter **** (four asterisks) in this field. You can use automatic accounting instructions (AAIs) to predefine classes of automatic offset accounts for the Inventory, Procurement, and Sales Order Management systems. You might assign G/L class codes as follows: IN20 Direct Ship Orders IN60 Transfer Orders IN80 Stock Sales The system can generate accounting entries based upon a single transaction. For example, a single sale of a stock item can trigger the generation of accounting entries similar to the following: Sales–Stock (Debit) xxxxx.xx A/R Stock Sales (Credit) xxxxx.xx Posting Category: IN80 Stock Inventory (Debit) xxxxx.xx Stock COGS (Credit) xxxxx.xx The system uses the class code and the document type to find the AAI.

Field	Explanation
Cost Type	A code that designates each element of cost for an item. An example of the coding structure is as follows: A1 Purchased raw material B1 Direct labor routing rollup B2 Setup labor routing rollup C1 Variable burden routing rollup C2 Fixed burden routing rollup Dx Usually used for outside operation routing rollup Xx Usually used for extra add-ons, such as electricity and water The optional add-on computations usually operate with the type Xx extra add-ons. This cost structure allows you to use an unlimited number of cost components to calculate alternative cost rollups. The system then associates these cost components with one of six user defined summary cost buckets.
Sub	A subdivision of an object account. Subsidiary accounts include more detailed records of the accounting activity for an object account. . . . . . *Form-specific information* . . . . . . If you leave this field blank, the system uses the value you entered on the work order in the Cost Code field.

Setting Up Flex Accounting

Use flexible accounting to define how you capture cost object information to complete the profitability management subledger and subledger type. The flexible format allows you to define rules to determine which fields populate which subledgers. For example, you might use a format that includes customer number, sales territory, product category, and product.

The standard J.D. Edwards account structure is formatted with the following segments:

- Business unit
- Object account
- Subsidiary account
- Subledger
- Cost Object 1
- Cost Object 2
- Cost Object 3
- Cost Object 4
- Item

Flexible format accounts have the same segments. The length of all segments cannot exceed 90 characters. Each segment of the flexible format account has a character limit, as follows:

Business unit	12 characters
Object account	6 characters
Subsidiary account	8 characters
Subledger	8 characters
Cost object 1–4	8 characters
Item	8 characters

To create a flexible account number, you must define one or more of these segments. To do this, associate one or more pieces of information with each segment. Each piece of information is associated with a field and is stored in one of the tables that you access from the Row menu on the Flexible Sales Accounting Revisions form. Cost objects 1–4 require you to enter a value in the Type field. These values are defined in the Cost Object Types program (P1620). In addition, you are required to define which cost object you are associating with the flexible rule into the Cost Object column.

To associate information with a segment, you must know the data item name that J.D. Edwards has defined for the corresponding field in the table.

You cannot define an object segment. You must define the object account through AAIs.

The subledgers are not visible online, but are stored in the Account Ledger Tag table (F0911T).

Activate flexible sales accounting through a processing option in the Update Customer Sales program (R42800).

Rules for Defining a Flexible Format

You can define only one subledger type for each cost object. Consider the following rules about flexible account numbers:

- Each piece of information that you associate with a segment corresponds to a J.D. Edwards field. Each of these fields is hard-coded in a user defined code table that you access from the Enabled Functionality by Application program (P1690). You can view both the tables and the valid fields for Flexible Rules. To use a field that is not included in these tables, you must use custom programming.
- You can define a flexible rule only for applications that have been flex enabled. You can view these programs using the Cost Object Rule Setup Method program (P1691).
- When the system searches for an account for an AAI, it searches the Sales Flex Accounting table (F4096), as follows:
    - The system checks for a flexible account number that has been defined for a specific AAI and a specific company.
    - If no account has been defined for a specific AAI and a specific company, the system checks for an account that has been defined for a specific AAI and company 00000.

How to Determine Account Information

When you process a transaction that requires the system to record information to the general ledger, the system searches for flexible account information only if

you have set up the appropriate processing options in the appropriate update program.

Enabling Flex Accounting

To enable flex accounting rules in a specific program, complete the appropriate processing options in that program that correspond to flex accounting. Use the Cost Object Rules Setup Method program (P1691) to display the programs that are enabled for flex accounting.

▶ To set up flex accounting

From the Sales Order Management Setup menu (G4241), choose Flexible Sales Accounting.

1. On Work with Flexible Accounting, click Add.
2. On Flexible Sales Account Revisions, complete the following fields:
   - AAI Table Number
   - Company
   - Document Type
3. To associate the flexible segment to the standard format segment, complete the following fields:
   - Cost Object
   - Cost Type

   To associate a flex rule with the item subledger, enter an X in the Item column.
4. To associate a table with a segment, complete the following field:
   - File Name
5. To associate the data item with this segment, complete the following field:
   - Data Item
6. Complete the following field if the data item you entered is a field that is stored in the Address Book Master table, and click OK:
   - Data Type

Field	Explanation
AAI Table Number	The system uses this number to sequence and retrieve accounting information.

Field	Explanation
Document Type	A user defined code (00/DT) that identifies the type of document. This code also indicates the origin of the transaction. J.D. Edwards has reserved document type codes for vouchers, invoices, receipts, and time sheets, which create automatic offset entries during the post program. (These entries are not self-balancing when you originally enter them.) The following document types are defined by J.D. Edwards and should not be changed: P Accounts Payable documents R Accounts Receivable documents T Payroll documents I Inventory documents O Purchase Order Processing documents J General Accounting/Joint Interest Billing documents S Sales Order Processing documents OS Subcontract OP Purchase Order R2 Contract Billing
Cost Object	Everest event point processing flag 04. . . . . . *Form-specific information* . . . . . . The valid values for the Cost Object field are 1, 2, 3, and 4. This value indicates which cost object is populated with a particular segment.
Cost Type	This field is used with the Cost Object field to identify the type of cost object code and the type of editing. For OneWorld, valid types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types Entry program (P1620). For WorldSoftware, this is a user defined code (00/ST). The second line of the description on the User Defined Codes form controls how the system validates entries in the field. This is either hard-coded (as shown in the second line of the description) or user defined. For example: A Alphanumeric field, do not edit N Numeric field, right justify and zero fill C Alphanumeric field, right justify and blank fill U User defined cost object type
File Name	The number of a specific table. For example, the General Ledger Master table name is F0901. See the Standards Manual on the programmers' menu for naming conventions.

Field	Explanation
Data Item	This data filed has been set up as a 10 byte field for future use. At the present time, it is restricted to 4 bytes. This field is used in Flexible Sales Accounting in order to make up the account number.
Data Type	The data type used for Flexible Sales Accounting. The allowed values are: 1 Bill To 2 Ship To 3 Parent This field is used in conjunction with the data item field (SFIT). If the data item is from the address book master file, then the data type field is required.

Setting Up Cost Analyzer Views

You can define the information that is posted to the Cost Analyzer Master table (F1602) to summarize G/L transaction information. Views are uniquely defined by using a combination of a view number, fiscal year, and date pattern code. For example, if you define a view to identify profitability by customer for the fiscal year 2005 and assign view number 1 with a fiscal date pattern code R, you cannot define a second view as 1 for 2005 with a fiscal date pattern of R.

The following rules apply to Cost Analyzer views:

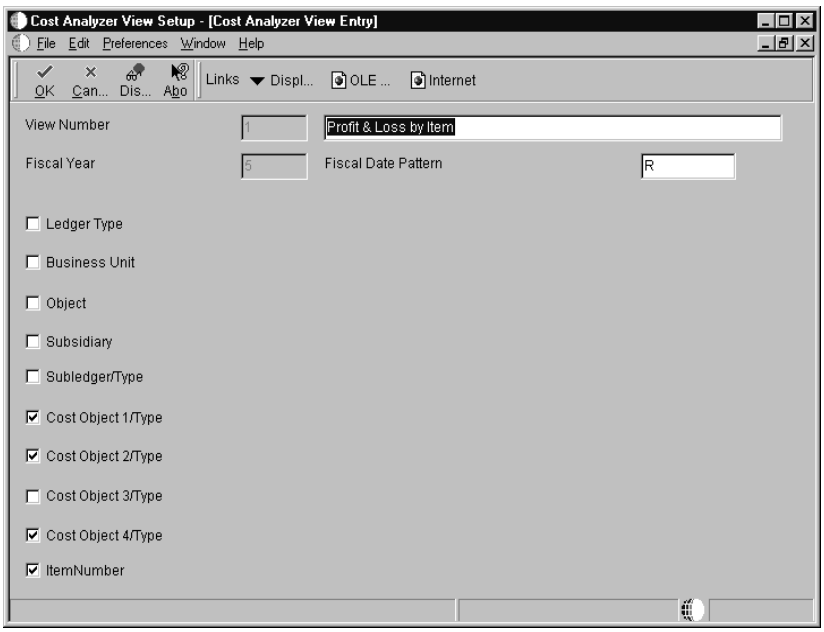
- Each fiscal year can have a maximum of ten view definitions.
- Valid view numbers can be between one and ten.
- You cannot define a view with the same fiscal year as a view that already exists.
- Each view must contain a valid date pattern code.

After you post transactions to a particular view and fiscal year, you can make changes to the view definition only by purging the posted information and regenerating it.

▶ To set up a cost analyzer views

From the Cost Analyzer menu (G1612), choose Cost Analyzer View Setup.

1. On Work With Cost Analyzer Views, click Add.
2. On Cost Analyzer View Entry, complete the following fields:
    - View Number
    - Fiscal Year
    - Fiscal Date Pattern



3. Based on your selected view, click any of the following options and complete any of the corresponding fields, as necessary:

   - Ledger Type
   - Business Unit
   - Object
   - Subsidiary
   - Subledger/Type
   - Cost Object 1/Type
   - Cost Object 2/Type
   - Cost Object 3/Type
   - Cost Object 4/Type
   - ItemNumber

   Note: These options allow you to control the level of detail that you want to view. By selecting an option, the detail for the corresponding option will not be included in the view. The system does not include any transactions that are related to options that are checked.

   The system creates a new record in the Cost Analyzer Balances table (F1602) whenever the option value changes. Otherwise, the system creates one balance record in the Cost Analyzer table for each transaction that originates from the Account Ledger Tag table (F0911T).

Field	Explanation
View Number	A number from 1 to 10 that identifies how the system posts Account Ledger (F0911) records to the Cost Analyzer Balances (F1602) table. This number also determines which Managerial Accounting Posting code (PM01-PM10) in the Account Ledger to update as posted. For example, if the view number is 1, then the system updates PM01 with a P when the Account Ledger record is flagged as being posted.
Fiscal Year	A number that identifies the fiscal year. Generally, you can either enter a number in this field or leave it blank to indicate the current fiscal year (as defined on the Company Numbers and Names form). Specify the year at the end of the first period rather than the year at the end of the fiscal period. For example, a fiscal year begins October 1, 1998 and ends September 30, 1999. The end of the first period is October 31, 1998. Specify the year 98 rather than 99.
Fiscal Date Pattern	A code that identifies date patterns. You can use one of 15 codes. You must set up special codes (letters A through N) for 4-4-5, 13-period accounting, or any other date pattern unique to your environment. An R, the default, identifies a regular calendar pattern.
Ledger Type	A code that determines how the item is posted. If you do not choose this field, the system posts the item in detail to the Cost Analyzer Balances (F1602) table. If you choose this field, then the system summarizes the item.
Business Unit	A code that determines how the item is posted. If you do not choose this field, the system posts the item in detail to the Cost Analyzer Balances (F1602) table. If you choose this field, then the system summarizes the item.
Object	A code that determines how the item is posted. If you do not choose this field, the system posts the item in detail to the Cost Analyzer Balances (F1602) table. If you choose this field, then the system summarizes the item.
Subsidiary	A code that determines how the item is posted. If you do not choose this field, the system posts the item in detail to the Cost Analyzer Balances (F1602) table. If you choose this field, then the system summarizes the item.
Subledger/Type	A code that determines how the item is posted. If you do not choose this field, the system posts the item in detail to the Cost Analyzer Balances (F1602) table. If you choose this field, then the system summarizes the item.
Cost Object 1/Type	A code that determines how the item is posted. If you do not choose this field, the system posts the item in detail to the Cost Analyzer Balances (F1602) table. If you choose this field, then the system summarizes the item.

Field	Explanation
Cost Object 2/Type	A code that determines how the item is posted. If you do not choose this field, the system posts the item in detail to the Cost Analyzer Balances (F1602) table. If you choose this field, then the system summarizes the item.
Cost Object 3/Type	A code that determines how the item is posted. If you do not choose this field, the system posts the item in detail to the Cost Analyzer Balances (F1602) table. If you choose this field, then the system summarizes the item.
Cost Object 4/Type	A code that determines how the item is posted. If you do not choose this field, the system posts the item in detail to the Cost Analyzer Balances (F1602) table. If you choose this field, then the system summarizes the item.
ItemNumber	A code that determines how the item is posted. If you do not choose this field, the system posts the item in detail to the Cost Analyzer Balances (F1602) table. If you choose this field, then the system summarizes the item.

Setting Up Profit Management User Defined Codes

From the Profit Management User Defined Codes menu (G16411), choose an option.

Before you can use the features of the EPS, you need to define the critical information that the system uses for processing. Such information is called user defined information.

Many fields throughout the EPS system require user defined codes. You can customize fields in your system by setting up user defined codes to meet the needs of your organization.

The User Defined Codes program allows you to establish and maintain a table that defines valid codes for various types of information. Codes are categorized by system and code type.

The EPS system uses the following User Defined Codes:

Driver Category Codes

You can set up drivers to identify the cause of a process or how costs are assigned. Use the following user defined code tables to set up category codes for drivers:

- 16/01
- 16/02
- 16/03
- 16/04
- 16/05

Activity Attributes

If you use activity-based costing, you must set up activities. An activity is an aggregation of actions performed within your organization. Use the following user defined code tables to define attributes for activities:

- 16/06
- 16/07
- 16/08
- 16/09
- 16/10

Activity Category Codes

If you use activity–based costing, you must set up activities. An activity is an aggregation of actions performed within your organization. Use the following user defined code table to group your activities by category code:

- 16/11
- 16/12
- 16/13
- 16/14
- 16/15

Cost Pools

(16/CP)

Set up cost pools to identify groupings for cost elements that have a common driver.

Cost Object Types

(00/ST)

A cost object is the final level at which costs or revenues are calculated or tracked. Set up a cost object and to identify the type of managerial analysis.

Edit Rules

(16/ER)

When you enter cost objects, you can use a value from this table to identify a rule, which determines how the system edits or formats a cost object.

Caution: J.D. Edwards has predefined values for this user defined code table. If you change the values, unpredictable results might occur.

Cost Object Rules Setup Method

(16/SM)

When you enter a cost object edit rule, you must specify the method with which the system edits or formats a cost object.

Caution: J.D. Edwards has predefined values for this user defined code table. If you change the values, unpredictable results might occur.

Cost Management Method

(16/TF)

You can set up the functionality type in the user defined code (16/TF) and the enabled tables in the Enabled Functionality by Application program.

Caution: J.D. Edwards has predefined values for this user defined code table. If you change the values, unpredictable results might occur.

Driver Calculation Method

(16/CM)

When you set up drivers, you can define how the system reassigns costs to activities. Use this user defined code table identify whether the system calculates the driver automatically or manually.

Caution: J.D. Edwards has predefined values for this user defined code table. If you change the values, unpredictable results might occur.

Driver Result Type (16/RT)	When you set up a driver calculation method, use this table to identify the resulting volume type, such as number of transactions or amount. **Caution:** J.D. Edwards has predefined values for this user defined code table. If you change the values, unpredictable results might occur.

See Also

- *User Defined Codes* in the *OneWorld Foundation Guide* for more information about setting up user defined codes

Understanding Cost Pools

In addition to user defined codes for activities and drivers, you can set up cost pools. A cost pool is a grouping of cost elements. When you set up rates, you can assign drivers or activities to a single cost pool. For example, you can create a cost pool called personnel expenses by aggregating all personnel-related costs, such as salaries, overtime, benefits and so on, and the driver could be man-hours invested in each activity.

You can create alternate approaches to cost pools based on your business needs, such as:

- You can specify original G/L accounts as the FROM (source) of the cost assignment definition. In this example, all of the accounts should have a common driver.
- Use account category codes to link accounts that correspond to the same cost pool. Then when you define your cost assignment, the FROM definition is the category codes group, which equals the cost pool. For example, you could set up an account category code group for personnel expenses (PE) and building related costs (BL). In the Account Master table (F0901), you can assign the category codes to the appropriate accounts and, in this way, group your accounts to different cost pools.
- You can create a specific account for cost pools, and then, using a cost assignment, move balances from the original accounts to the account that you set up specifically for the aggregate total of the cost pool expenses.

Cost Object Tracking

Cost Object Tracking

Cost object tracking is the most critical part of Enterprise-Wide Profitability Solution (EPS). If costs are not monitored in detail, information is not available for managerial accounting and activity-based costing. Every transaction that is applicable to a specific customer, product, item number, or other criteria must have the appropriate cost object value.

To facilitate cost object tracking, the cost management constant for activating cost objects must be turned on. This setting opens additional fields for the five different cost objects available in EPS and enables transactions to be entered with cost objects attached. Cost object edits are also important to cost object tracking. If cost object edits are not set up properly, the resulting output may be unpredictable.

For example, ABC Company wants to know the profitability of individual product lines. Using EPS, the company can set up a cost object for product lines, and track costs and revenues associated with each specific product. It can also allocate indirect costs based on a business driver such as warehouse square footage. Profitability by product can be obtained because all costs and revenues have been accounted for at the product level.

You can capture cost object information when you enter transactions in multiple systems, such as purchase orders, receipts, invoices, and so on. When you create journal entries, you can update, verify, and post cost object information. These transactions can be used in managerial accounting or activity-based costing, through the Cost Analyzer table. This step is, perhaps, the most important step in the cost management cycle because the system updates the records with cost object information in the other systems with which it interfaces, such as the Accounts Receivable and Inventory Management systems.

To use cost object tracking successfully, you should understand how to set up the following:

- ❑ Cost object tracking in General Accounting
- ❑ Cost object tracking in Accounts Receivable
- ❑ Cost object tracking in Accounts Payable
- ❑ Cost object tracking in Store and Forward
- ❑ Purging cost object information
- ❑ Cost object tracking in Manufacturing

- ❑ Cost object tracking for Procurement
- ❑ Cost object tracking in Sales Order Management
- ❑ Cost object tracking in Transportation
- ❑ Cost object tracking in Stock Valuation

See Also

- ❑ *Creating Journal Entries* in the *Product Costing and Manufacturing Accounting Guide*

Cost Object Tracking in General Accounting

The General Accounting system works to ensure that all information is fully integrated into the general ledger. In turn, the general ledger provides flexible and accurate financial reporting. Typically, you generate transactions, such as invoices, vouchers, receipts, and payments, using other J.D. Edwards systems. However, you can also enter transactions directly using the General Accounting system.

Cost object tracking in General Accounting includes the following tasks:

- Entering cost object information in G/L journal entries
- Updating cost object information in the general ledger

Entering Cost Object Information in G/L Journal Entries

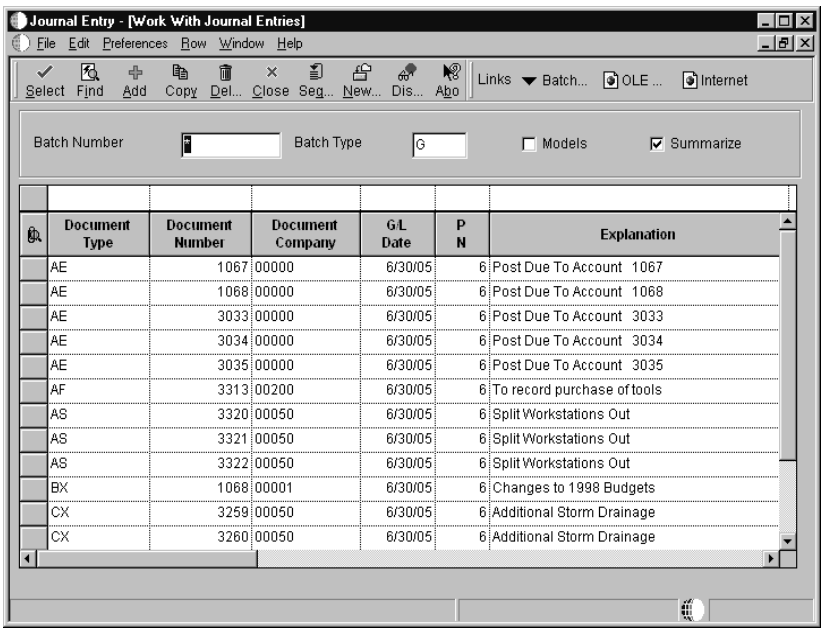
You can use basic journal entries to enter many types of transactions. When you enter a journal entry to a ledger type that is required to balance, the debit and credit amounts must balance.

For each journal entry, you must enter information to identify it in the system, such as the date that the journal entry affects the general ledger.

When you complete a journal entry, the system displays the assigned batch and document numbers. You can use these numbers to locate and review a journal entry. The system assigns batch and document numbers from the Next Numbers function.

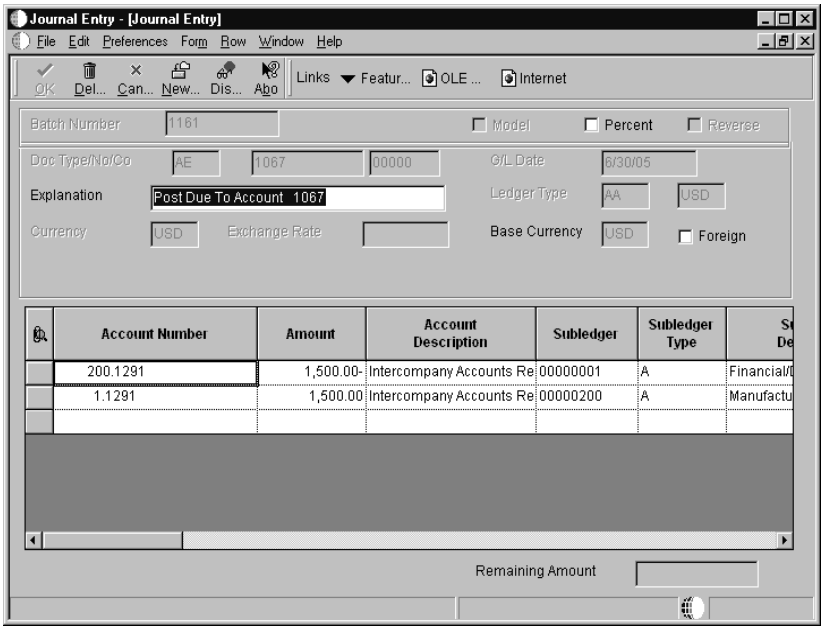
▶ To enter cost object information in G/L journal entries

From the Journal Entry, Reports, & Inquiries menu (G0911), choose Journal Entry.



1. Click Add to access Journal Entry.

   If you are using batch control, the Batch Control form appears next. In that case, enter the date and expected totals. The Journal Entry form then appears.



2. On Journal Entry, complete the steps to enter a journal entry.

   See *Entering Basic Journal Entries* in the *General Accounting Guide.*

3. To enter cost object information, complete the following fields:
    - C T 1
    - Cost Object 1
    - C T 2
    - Cost Object 2
    - C T 3
    - Cost Object 3
    - C T 4
    - Cost Object 4
    - Item

Updating Cost Object Information in the General Ledger

After you review and approve a batch of journal entries, you can use the Post General Ledger (Pre-Post) program to edit and post each type of transaction. This program also edits transaction batches for the Account Ledger table (F0911) and updates the batch status to allow the system to post transactions to the Account Balances table (F0902). If any errors occur during editing, the system assigns an error status to the batch and does not post it.

When you post journal entries, the system copies the edit code flags for cost objects when you create accounts dynamically.

The system performs the following tasks:

- Selects unposted and approved batches that match the criteria specified in the data selection
- Edits each transaction to determine whether:
    - The account exists in the Account Master table (F0901) and is a posting account
    - The business unit exists in the Business Unit Master table (F0006)
    - The G/L date is valid
    - Intercompany setup is correct (if required)
    - Multicurrency is set up for intercompany transactions
- Edits each batch to ensure that it is in balance and approved
- Sends electronic mail messages for transactions that are in error and batches that do not balance
- Prints a Post Detail Error Report if the batch does not balance
- Places an entire batch in error if any transactions are in error

- Creates offsetting entries by date of transaction
- Posts transactions to the Accounts Balances table (F0902)
- Updates posted transactions with a G/L posted code in the Account Ledger table (F0911) and creates records for the balances in the Accounts Balances table (F0902)
- Updates the status of each posted batch in the Batch Control table (F0011)
- Posts the domestic amounts to the Actual Amount (AA) Ledger, and if applicable, the foreign amount to the Currency Amount (CA) Ledger
- Performs intercompany settlements, if applicable
- Creates reversing entries, if applicable
- Prints the General Ledger Post Report

Cost Object Tracking in Accounts Receivable

With the Accounts Receivable system, you can streamline the day-to-day functions of your entire Accounts Receivable department. You can simplify and accelerate the process of applying receipts, and provide up-to-date information that improves communication among your billing, credit, and collections departments. Additionally, you can review or enter cost object information when you enter multiple types of invoices and capture relevant information for managerial accounting or activity-based costing.

Cost object tracking in Accounts Receivable includes the following tasks:

- Entering cost object information in standard invoices
- Entering cost object information in speed invoices
- Entering cost object information for batch invoices
- Entering cost object information for recurring invoices

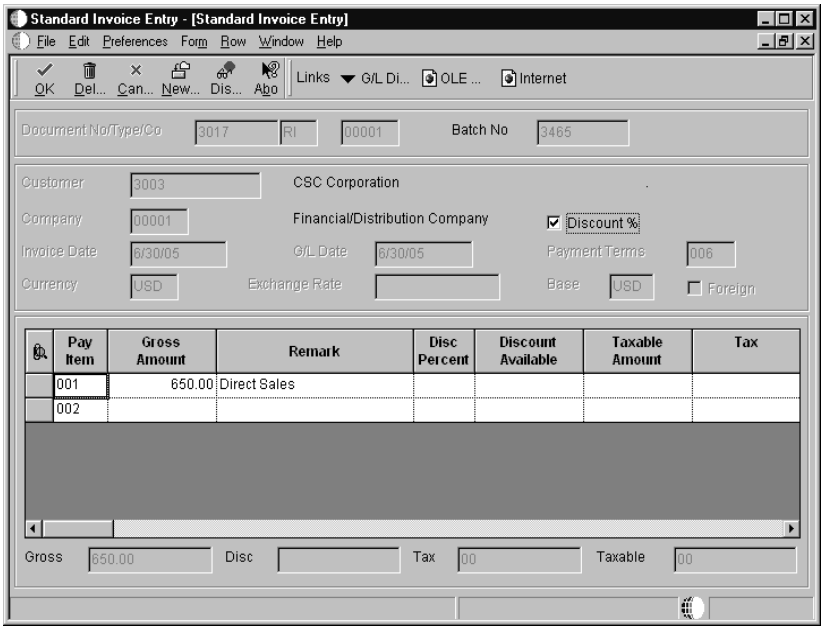
Entering Cost Object Information in Standard Invoices

Invoice entry provides the features and flexibility required to enter manual invoices for customers. Typically, you create an invoice in the Sales Order Management system, but you can enter an invoice before you receive payment from the customer.

▶ To enter cost object information in standard invoices

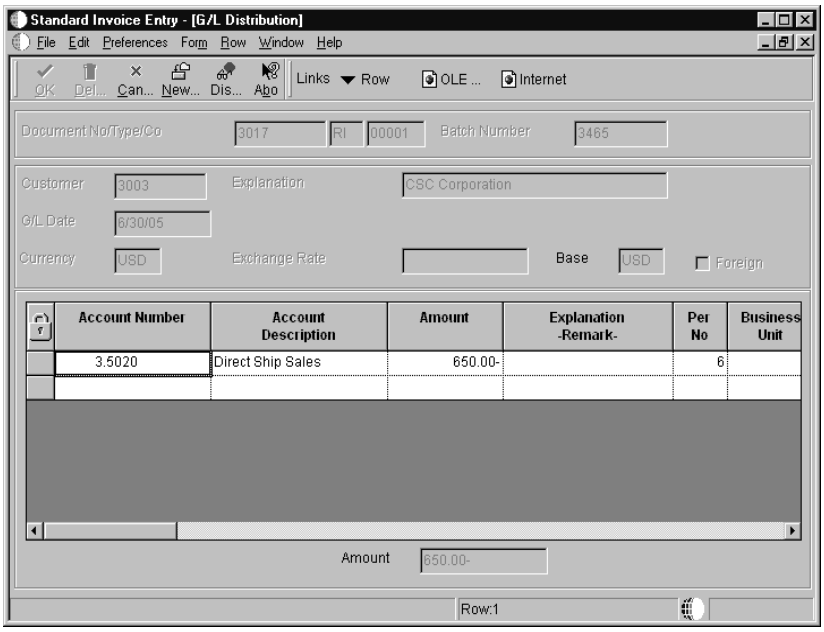
From the Customer & Invoice Entry menu (G03B11), choose Standard Invoice Entry.

1. On Work With Customer Ledger Inquiry, click Add.



2. On Standard Invoice Entry, complete the steps to enter a standard invoice.

   See *Entering Standard Invoices* in the *Accounts Receivable Guide*.



3. On G/L Distribution, complete the cost object information:
   - Object Type 1
   - Cost Object 1
   - Object Type 2
   - Cost Object 2

- Object Type 3
- Cost Object 3
- Object Type 4
- Cost Object 4
- Item Number – Short

Entering Cost Object Information in Speed Invoices

As an alternative to standard invoice entry, you can use the Speed Invoice Entry method to enter high-volume, simple invoices. When you enter speed invoices, you enter invoice and G/L distribution information on one form. Consider using this method to enter invoices that have:

- A single pay item that includes a single due date and a single tax rate area
- Simple accounting instructions

As with standard invoices, speed invoice information is stored in the following tables:

- A/R Ledger (F03B11)
- Account Ledger (F0911)
- Batch Header (F0011)

You can enter cost object information when you enter speed invoices. If you enter cost objects, the system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). If you enter an item, the system edits cost object information against the Inventory Master table (F4101) only if you have installed the Inventory Management system.

▶ To enter cost object information in speed invoices

From the Customer & Invoice Entry menu (G03B11), choose Speed Invoice Entry.

1. On Speed Invoice Entry, complete the steps to enter speed invoices and click OK.

   See *Entering Speed Invoices* in the *Accounts Receivable Guide*.

2. To enter cost object information, complete the following fields:
   - Object Type 1
   - Cost Object 1

- Object Type 2
- Cost Object 2
- Object Type 3
- Cost Object 3
- Object Type 4
- Cost Object 4
- Item Number – Short

Entering Cost Object Information for Batch Invoices

From the Batch Invoice Processing menu (G03B311), choose Batch Invoice Processing.

After you review and revise your batch invoices, you must process them to create invoices in the A/R ledger. When you are ready to process your batch invoices, run Batch Invoice Processing. The system processes batch invoices in proof or final mode.

Proof mode

In proof mode, the system:

- Verifies the data
- Produces a report if errors exist
- Verifies cost object information

Final mode

In final mode, the system:

- Creates J.D. Edwards invoices in the A/R Ledger table (F03B11) and associated journal entries in the Account Ledger table (F0911)
- Assigns document and batch numbers
- Supplies the information that you left blank
- Edits invoice entries for errors
- Produces an exceptions report if errors exist
- Verifies cost object information

After you process batch invoices, review your electronic mail for error messages. You can access A/R forms from these error messages, which allows you to locate the problems and correct them interactively. If no errors exist, the system produces a report of all processed transactions.

If you find an error in a batch invoice, correct it before processing the batch invoices in final mode. If the source of the invoice is not a J.D. Edwards system, you should purge the records before you transmit the corrected invoice, which prevents duplicate records.

You can enter cost object information when you enter invoices. If cost object information is found in batch invoice processing, the system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). If you enter an item, the system edits cost object information against the Inventory Master table (F4101) only if you have installed the Inventory Management system.

After processing batch invoices, post them to the General Ledger and Cost Analyzer.

Entering Cost Object Information for Recurring Invoices

To bill a customer the same amount on a regular basis, enter a recurring invoice. When you enter recurring invoices, the system assigns a document type of RR to the invoice.

You can enter cost object information when you enter an invoice. For a recurring invoice, the system copies the cost object type, cost object edit code, and item field to the recurring invoice. The system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). For each item, the system edits cost object information against the Inventory Master table (F4101) only if you have installed the Inventory Management system.

▶ To enter cost object information for recurring invoices

From the Other Invoice Entry Methods menu (G03B111), choose Standard Invoice Entry.

1. On Work With Customer Ledger Inquiry, complete the steps to enter a standard invoice.

   See *Entering Recurring Invoices* in the *Accounts Receivable Guide*.

2. On G/L Distribution, complete the cost object information:
   - Object Type 1
   - Cost Object 1
   - Object Type 2
   - Cost Object 2
   - Object Type 3
   - Cost Object 3
   - Object Type 4
   - Cost Object 4

- Item Number – Short

3. From the Form menu, choose Recurring Invoice and then complete the recurring invoice information.

Cost Object Tracking In Accounts Payable

With the Accounts Payable system, you can streamline the day-to-day functions of your accounts payable department, and you can improve communication and reporting among your personnel. Additionally, you can enter cost object information when you enter multiple types of vouchers, and capture relevant information for managerial accounting or activity-based costing.

Cost object tracking in Accounts Payable includes the following tasks:

- Entering cost object information on standard vouchers
- Entering cost object information on speed vouchers
- Entering cost object information on multicompany vouchers
- Entering cost object information on multivoucher voucher
- Entering cost object information on recurring vouchers

Entering Cost Object Information on Standard Vouchers

Standard vouchers provide the most features and flexibility when you enter vouchers for your suppliers' invoices. When you change, delete, or void vouchers, use standard voucher entry. When you complete a voucher, the system displays the assigned document type and document number. You can use this information to locate and review a voucher.

The system assigns a batch type of V for vouchers. When you enter a standard voucher, the system marks it as unposted and adds it to the Account Ledger (F0911) and A/P Ledger (F0411) tables. When you post it, the system updates the Account Balances table (F0902) and marks the voucher as posted in the Account Ledger and A/P Ledger tables.

You can enter cost object information when you enter a standard voucher. If you enter cost objects, the system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). If you enter an item, the system edits cost object information against the Inventory Master table (F4101) only if you have installed the Inventory Management system.

▶ To enter cost object information on a standard voucher

From the Supplier & Voucher Entry menu (G0411), choose Standard Voucher Entry.

1. On Supplier Ledger Inquiry, click Add.
2. On Enter Voucher-Payment Information, complete the steps to enter standard voucher information.

   See *Entering Standard Vouchers* in the *Accounts Payable Guide.*

3. On G/L Distribution, complete the following fields:
   - Object Type 1
   - Cost Object 1
   - Object Type 2
   - Cost Object 2
   - Object Type 3
   - Cost Object 3
   - Object Type 4
   - Cost Object 4
   - Item Number – Short

Entering Cost Object Information on Speed Vouchers

As an alternative to entering standard vouchers, you can use the speed vouchers to enter high-volume, simple vouchers. With speed vouchers, you enter voucher and G/L distribution information on a single form. Consider using this method for a voucher that has:

- A single pay item, which has a single due date, tax rate, and area
- Simple accounting instructions

You cannot use speed vouchers if you have multiple pay items. As with standard vouchers, the information is stored in the Account Ledger (F0911) and A/P Ledger (F0411) tables.

You can enter cost object information when you enter a speed voucher. If you enter cost objects, the system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). If you enter an item, the system edits cost object information against the Inventory Master table (F4101) only if you have installed the Inventory Management system.

▶ To enter cost object information a speed voucher

From the Supplier & Voucher Entry menu (G0411), choose Speed Voucher Entry.

1. On Speed Voucher Entry, complete the steps to enter a speed voucher.

   See *Entering a Speed Voucher* in the *Accounts Payable Guide*.

2. On G/L Distribution, complete the following fields for cost object information:
   - Object Type 1
   - Cost Object 1
   - Object Type 2
   - Cost Object 2
   - Object Type 3
   - Cost Object 3
   - Object Type 4
   - Cost Object 4
   - Item Number – Short

Entering Cost Object Information on Multicompany Vouchers

You can enter a voucher for multiple companies when you want to distribute an expense, such as for advertising, among several internal companies.

When you enter a voucher for multiple companies, expenses are distributed based on the company, not the G/L offset code, that you assign to each pay item. When you pay the voucher, the system uses the A/P liability account and bank account, and the offset accounts for discounts and currency gains and losses that are associated with the company. The system does not create intercompany settlements when you enter a voucher for multiple companies. This information is stored in the Account Ledger table (F0911) and Accounts Payable Ledger table (F0411).

You can enter cost object information when you enter a multicompany voucher. If you enter cost objects, the system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). The system edits cost object information against the Inventory Master table (F4101) only if you have installed the Inventory Management system.

▶ To enter cost object information on a multicompany voucher

From the Other Voucher Entry Methods menu (G04111), choose Multi Company-Single Supplier.

1. On Supplier Ledger Inquiry, click Add.
2. On Multi Company-Single Supplier, follow the steps for entering a standard voucher.

   See *Entering Vouchers for Multiple Companies* in the *Accounts Payable Guide*.

3. On G/L Distribution, complete the following fields:
   - Object Type 1
   - Cost Object 1
   - Object Type 2
   - Cost Object 2
   - Object Type 3
   - Cost Object 3
   - Object Type 4
   - Cost Object 4
   - Item Number – Short

Entering Cost Object Information on a Multi-Voucher Voucher

To quickly enter many vouchers for one or more suppliers, use one of the multiple voucher entry methods. Unlike the standard voucher entry method, which is a two-step process, the multi-voucher entry method is a single-step process.

You can use the multi-voucher entry method only to add vouchers. To change, delete, or void them, you must use the standard voucher entry method. The multi-voucher entry method has other limitations. See *Entering Multiple Vouchers* in the *Accounts Payable Guide* for more information.

You can enter cost object information when you enter a multivoucher voucher. If you enter cost objects, the system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). If you enter an item, the system edits cost object information against the Inventory Master table (F4101) only if you have installed the Inventory Management system.

▶ To enter cost object information on a multivoucher voucher

From the Other Voucher Entry Methods menu (G04111), choose Multi Voucher-Single Supplier.

1. On Supplier Ledger Inquiry, click Add.
2. On Multi Voucher Entry, complete the steps to enter multiple vouchers for a single supplier.

   See *Entering Multiple Vouchers* in the *Accounts Payable Guide*.

3. On G/L Distribution, complete the following fields:
   - Object Type 1
   - Cost Object 1
   - Object Type 2
   - Cost Object 2
   - Object Type 3
   - Cost Object 3
   - Object Type 4
   - Cost Object 4
   - Item Number – Short

Entering Cost Object Information on Recurring Vouchers

If you owe a supplier a specific amount of money on a regular basis, such as a lease payment, set up your Accounts Payable system to create the voucher on a recurring basis. A recurring voucher can have only one pay item.

To set up a recurring voucher, you specify the initial payment, the total number of payments, the recurring frequency, and the accounting distributions for the periodic voucher amount.

On a periodic basis, you generate a copy of the original voucher. This copying process is called recycling. The recurring voucher has its own document number and batch that are different from those on the original voucher.

The system assigns a document type of PR to recurring vouchers.

You can enter cost object information when you enter a voucher. For a recurring voucher, the system copies the cost object type, cost object edit code, and item field to the recycled voucher. The system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). For each item, the system edits cost object information against the Inventory Master table (F4101) only if you have installed the Inventory Management system.

▶ To enter cost object information a recurring voucher

From the Other Voucher Entry Methods menu (G04111), choose Recurring Voucher Entry.

1. On Supplier Ledger Inquiry, follow the steps for entering a standard voucher.

   See *Entering Recurring Vouchers* in the *Accounts Payable Guide.*

2. On G/L Distribution, complete the following fields:
   - Object Type 1
   - Cost Object 1
   - Object Type 2
   - Cost Object 2
   - Object Type 3
   - Cost Object 3
   - Object Type 4
   - Cost Object 4
   - Item Number – Short

Cost Object Tracking in Store and Forward

Store and forward (batch) processing provides an efficient way to enter and manage a high volume of transactions from a remote site when you do not have a dedicated line for access to the server. However, it might be more productive and cost-effective to enter transactions on your PC during normal business hours and then upload them to the server for processing during off-peak hours.

When you enter store and forward transactions that include profitability management information, the system verifies cost object information on the server and creates records accordingly.

Review store and forward cost object information for the following systems:

- ❑ General Accounting
- ❑ Accounts Payable
- ❑ Accounts Receivable

See Also

- *Creating Journal Entries That You Store and Forward* in the *General Accounting Guide*
- *Storing and Forwarding Journal Entries* in the *General Accounting Guide*
- *Reviewing Batch Invoices* in the *Accounts Receivable Guide*
- *Storing and Forwarding Vouchers* in the *Accounts Payable Guide*

General Accounting

Entering cost objects in the store and forward environment includes enhancements to the following:

- ❑ Cost Object Information in Store and Forward Journal Entries
- ❑ Cost Object Information in Store and Forward Journal Entry Upload
- ❑ Cost Object Information in Store and Forward Journal Entry Batch Processor

Cost Object Information in Store and Forward Journal Entries

After you download the master tables to your PC, you can create J.D. Edwards journal entries using the store and forward environment. You store the journal entries on your PC until you are ready to upload (or forward) them to the server for processing.

When you create journal entries that you store and forward, the system:

- Edits and validates each journal entry based on the information that you downloaded from the tables
- Creates a transaction control record for each journal entry, assigns it a status of 1 (ready to process), and stores it in the Journal Entry Transactions Batch table (F0911Z1)

You can enter cost object information when you create a journal entry. When you upload the journal entries to the server, the system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). If you enter an item, the system edits cost object information against the Inventory Master table (F4101) only if you have installed the Inventory Management system.

Before You Begin

❑ Set the processing options.

▶ To enter cost object information in store and forward

From the Store and Forward Journal Entries menu (G09318), choose Store & Forward Journal Entry - Review *or* Store & Forward Journal Entry - Revision.

1. On Work With Store & Forward Journal Entries, click Add.
2. On Store & Forward Journal Entry Revisions, follow the steps to enter a basic journal entry.

   When you create journal entries that you store and forward, the system does not assign document numbers until you upload and process them. Instead, it assigns a transaction number to each journal entry.

3. On the Store_Forward Journal Entry Revisions form, complete the following fields to enter cost object information:
   - Cost Object 1
   - C T 1
   - Cost Object 2
   - C T 2

- Cost Object 3
- C T 3
- Cost Object 4
- C T 4
- Item Number – Short

See Also

- *Creating Journal Entries That You Store and Forward* in the *General Accounting Guide*

Cost Object Information in Store and Forward Journal Entry Upload

After creating journal entries on your PC, you must upload them to the server for processing. To do this, you must be connected to the server and signed on to your normal production environment.

When you upload journal entries, the system:

- Uploads information from the Journal Entry Transactions - Batch Tag File table (F0911Z1T). The system does this only if the Activate Cost Objects flag in the Cost Management Constants table (F1609) is active and if a transaction contains cost management information (which the system stores in F0911Z1T).
- Creates records in the Journal Entry Transactions Batch table (F0911Z1).
- Updates the transaction control status of each journal entry to 5 (uploaded) on the PC. After a journal entry is updated to this status, you cannot modify it on the PC. You can change it only on the server.

  If a journal entry on the PC has a status of 1 (ready to process) or 2 (errors), you can change it on the PC.

- Creates a transaction control record for each journal entry on the server and assigns it a status of 1 (ready to process).

The system creates a transmission upload report for all of the journal entries that you upload. Use this report to verify that the journal entries have been uploaded correctly.

After you upload your journal entries and process them, you must update the transaction control status of the journal entries on the PC to match the status of those on the server. See *Updating Transaction Control Records* in the *General Accounting Guide*.

Before You Begin

❑ To maximize system performance, upload the journal entries during off-peak hours.

Cost Object Information in Store and Forward Journal Entry Batch Processor

After you upload journal entries to the server, you must process them to create transactions in the Account Ledger table. When you process vouchers in the store and forward environment when EPS is active, the system does the following:

- Creates voucher information in the Account Ledger table (F0911)
- Transfers cost object information from the Voucher Entry - Batch Tag table (F0911Z1T) to the Account Ledger Tag table (F0911T).

When processing the journal entries that you uploaded, the program that you use to process store and forward journal entries is different from the program that you use to process batch journal entries.

See Also

- *Processing Batch Journal Entries* in the *General Accounting Guide* for more information about submitting journal entries for processing and verifying journal entry information

Accounts Payable

Entering cost objects in the store and forward environment include enhancements to the following programs:

- Cost object information in Store and Forward Voucher Entry
- Cost object information in Store and Forward Voucher Entry Upload
- Cost object information in Voucher Batch Input Processor

Cost Object Information in Store and Forward Voucher Entry

After you download the master tables to your PC, you can create standard J.D. Edwards vouchers using the store and forward environment. You store the vouchers on your PC until you are ready to upload (forward) them to the server for processing.

When you create vouchers that you store and forward, the system:

- Edits and validates each voucher based on the information that you downloaded from the tables
- Creates a transaction control record for each voucher, assigns it a status of 1 (ready to process), and stores it in the Transaction Control table (F0041Z1)

You can enter cost object information when you enter a voucher. When you upload the vouchers to the server, the system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). If you enter an item, the system edits cost object information against the Inventory Master table (F4101) only if you have installed the Inventory Management system.

▶ To enter cost object information in store and forward voucher entry

From the Batch Voucher Processing menu (G04318), choose Store and Forward Batch Voucher Revision.

1. On Work With Store & Forward Vouchers, click Add.
2. On Enter Voucher-Payment Information, follow the steps to enter a standard voucher.

   See *Entering Standard Vouchers* in the *Accounts Payable Guide.*

3. On G/L Distribution, complete the following fields:
   - Object Type 1
   - Cost Object 1
   - Object Type 2
   - Cost Object 2
   - Object Type 3
   - Cost Object 3
   - Object Type 4
   - Cost Object 4
   - Item Number – Short

Cost Object Information in Store and Forward Voucher Entry Upload

When you upload vouchers, the system:

- Transfers cost object information to the Voucher Entry - Batch Tag File table (F0911Z1T) on the server.
- Creates records in the Voucher Transaction Batch (F0411Z1) and Journal Entries Transaction Batch (F0911Z1) tables on the server (target environment).
- Uploads information from the Journal Entry Transactions - Batch Tag File table (F0911Z1T). The system does this only if the Activate Cost Objects flag in the Cost Management Constants table (F1609) is active and if a voucher contains cost management information (which the system stores in F0911Z1T).
- Updates the transaction control status of each voucher to 5 (uploaded) on the PC. After a voucher is updated to this status, you cannot modify it on the PC. You can make changes to it only on the server.

  If a voucher on the PC is a status of 1 (ready to process) or 2 (errors), you can make changes to it on the PC.

- Creates a transaction control record for each voucher on the server and assigns it a status of 1 (ready to process).

The system creates a transmission upload report for all of the vouchers that you upload. Use this report to verify that the vouchers have been uploaded correctly.

See Also

- *Storing and Forwarding Vouchers* in the *Accounts Payable Guide*

Cost Object Information in Voucher Batch Input Processor

From the Batch Voucher Processing menu (G04318), choose Store and Forward Batch Voucher Process.

After you upload vouchers to the server, you must process them to create transactions in the A/P Ledger table (F0411). When you process vouchers in the store and forward environment, the system creates:

- Voucher information in the A/P Ledger table (F0411)
- Associated accounting distribution information in the Account Ledger table (F0911).
- Payment information in the A/P Matching Document (F0413) and the A/P Matching Document Detail (F0414) tables.
- If EPS is active, the system transfers cost object information to the Voucher Entry - Batch Tag File table (F0911Z1T) on the server.

After you upload your vouchers and process them, you must update the transaction control status of the vouchers on the PC to match the status of those on the server.

See Also

- *Storing and Forwarding Vouchers* in the *Accounts Payable Guide*

Accounts Receivable

Entering cost objects in the store and forward environment include enhancements to the following program:

- Cost Object Information in A/R Store and Forward Invoice

Cost Object Information in A/R Store and Forward Invoice

After you transfer invoices from an external source, you might want to verify their accuracy before processing them. You can also review a batch invoice in proof mode, prior to final processing.

When reviewing batch invoices, you can review the following from the *Accounts Receivable Guide*:

- Batch invoice information
- Individual batch invoices

Batch invoice information is stored in the Invoice Transactions - Batch (F03B11Z1) and Journal Entry Transactions - Batch (F0911Z1) tables.

▶ To enter cost object information in an A/R store and forward invoice

From the Batch Invoice Processing menu (G03B311), choose Batch Invoice Revisions.

When reviewing information about your batch invoices, to verify the G/L distribution or pay item detail associated with a specific invoice, review the individual batch invoice.

1. On Work With Batch Invoices, follow the steps to review batch invoice information.
2. Choose the invoice that you want to review and click Select.
3. On Invoice Entry - Store & Forward, to review the pay items for the invoice, choose Detail from the Row menu.

4. On Invoice Entry - Store & Forward, to review the G/L distribution for the invoice, choose G/L Distribution from the Form menu.

Purging Cost Object Information

Use purge programs to remove data from tables. OneWorld purge programs allow you to remove data from tables using specific selection criteria. Purge programs have predefined criteria that the system checks before removing any data so that you avoid removing associated data that is located in other files.

When you purge transactions that contain cost object information, the system also purges information from the Journal Entry Transactions - Batch Tag File table (F0911Z1T).

Purging cost object information includes the following tasks:

- Purging store and forward transactions
- Purging batch journal entries

Purging Store and Forward Transactions

After posting journal entries, you should purge them from both your PC and the batch table on the server. When you run the program, the Override Location feature allows you to purge journal entries on either the client or the server. When you purge store and forward transactions that contain cost object information, the system also purges information from the Journal Entry Transactions - Batch Tag table (F0911Z1T).

When you purge processed journal entries, the system removes the records in the Journal Entry Transactions Batch table (F0911Z1) and the Transaction Control Record table (F0041Z1).

See Also

- *Updating Transaction Control Records* in the *General Accounting Guide* for information about purging processed transactions automatically

Purging Batch Journal Entries

After you review, process, and post your batch vouchers, you must purge them. The system holds processed vouchers in the batch table until you do so.

When you purge batch vouchers, the system removes all processed vouchers from the following tables, including:

- Voucher Transactions Batch (F0411Z1)
- Journal Entry Transactions Batch (F0911Z1)

Purging removes only batch vouchers and does not affect A/P ledger vouchers. If you have activated cost object tracking in the Cost Management Constants, the system also purges cost object values from Journal Entry Transactions - Batch Tag File (F0911Z1T).

See Also

- *Purging Processed Batch Vouchers* in the *Accounts Payable Guide* for more information and processing options

Cost Object Tracking in Manufacturing

A work order is a request to produce a certain quantity of an item by a given date. Work orders communicate information about unique tasks to others who are involved. You can assign record types to a work order and then enter descriptive information into each record type to document the specific details about the task. When you enter a work order, the system also captures cost object information that is useful for activity-based costing or managerial accounting.

The Manufacturing Accounting system tracks costs associated with work orders and creates journal entries for all shop floor transactions. Each step in the work order process can affect manufacturing accounting. When you complete any step in the process, you create a transaction that can be the source of a variance. The system calculates the variances when you run Journal Entries for Variances.

Cost object tracking in Manufacturing includes the following topics:

- ❑ Data model: cost management in Manufacturing
- ❑ Entering cost object information in work orders
- ❑ Updating cost information in Manufacturing Accounting

Data Model: Cost Management in Manufacturing

Company 200 sells bicycles with either a standard or custom two-tone paint finish. Depending upon the sales order, it paints adult and youth bicycle frames with either a standard finish or a custom two-tone finish. The company uses a standard cost for its painting. The paint work center calculates an additional 2% factor for rework as part of its 30% overhead factor. To determine whether the standard cost and rework factor are correctly allocated to each type of frame, the company would like to:

- Count the number of bicycle frames painted and reworked
- Calculate the profit for each frame type
- Recalculate the inventory value for each frame type
- Adjust the standard cost for each frame type
- Adjust the overhead factor for the paint work center

This managerial accounting scenario is designed to analyze the labor and machine costs to:

- Paint a standard frame
- Paint a custom two-tone frame
- Rework frames

Additionally, it calculates the number of bicycle frames painted and reworked by type of bicycle frame.

Transactions will originate as follows:

- Routing types - work orders
- Frame type - inventory
- Standard cost to paint frames - manufacturing
- Actual cost, at standard rate, to paint bicycle frames - cost analyzer

Occasionally, the painted frame does not meet the inspection criteria, which creates rework to strip and repaint the bicycle frames. Because the company does not know the exact amount of rework, it includes a 2% rework factor as part of the 30% overhead factor for the work center.

Whenever frames are reworked, the process is assigned a new work order with a different routing type. However, the company does not know how many of its work orders are a result of a product that requires rework. Therefore, they cannot determine the percentage of products that require rework.

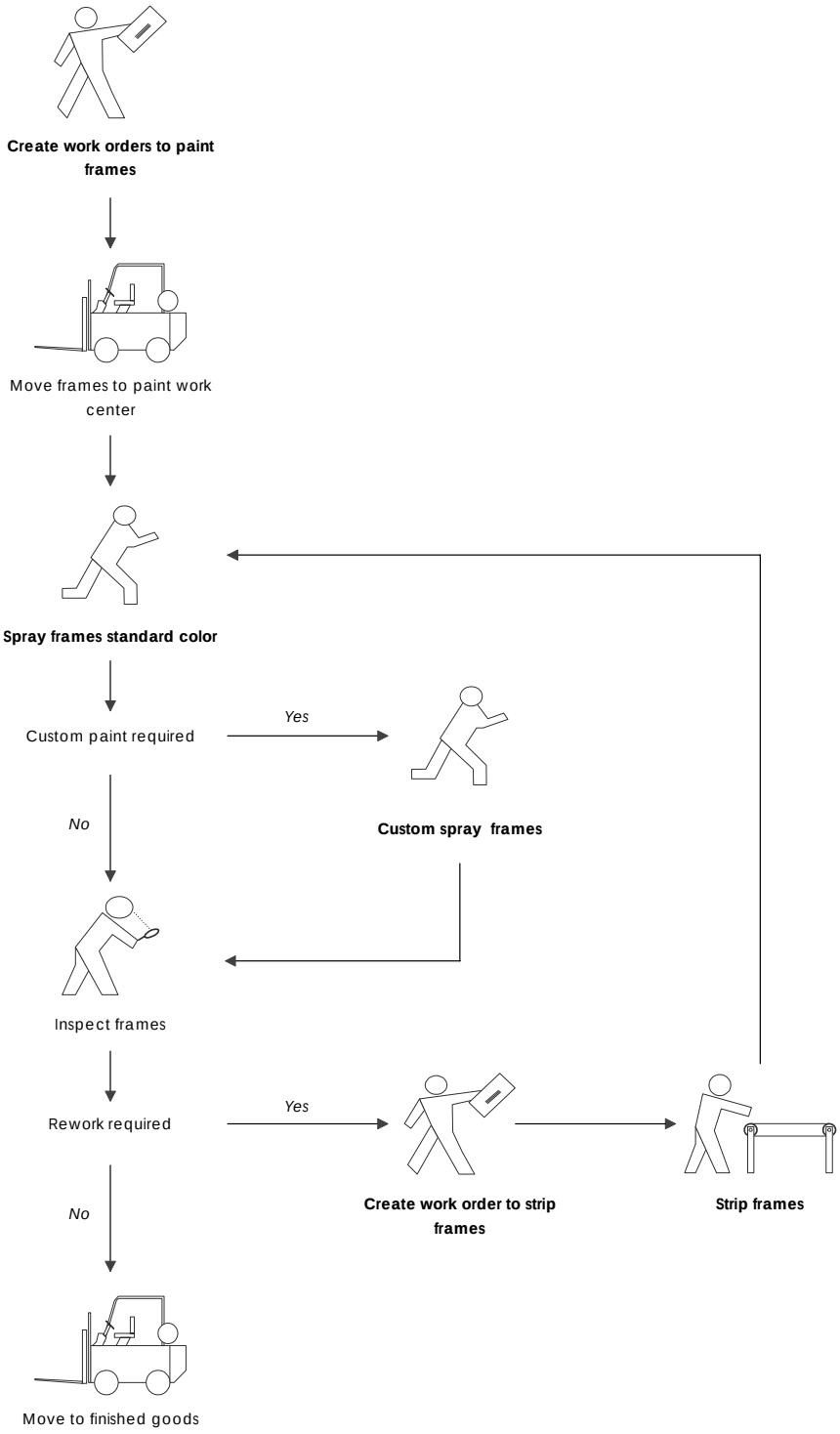
The company suspects that both the standard painting cost and the paint center overhead factor may be incorrect. It thinks the rework is due primarily to custom painting. If this is correct, the company needs to:

- Reallocate the costs of goods sold
- Reallocate the inventory cost
- Reduce the overhead factor for the paint center
- Increase the extra costs for custom painted frames

The company wants to analyze the standard and actual costs. It wants to track and calculate the percentage of rework by item and product type for all of the bicycle frames that it paints so that it can calculate the actual rework cost.

As a result of using cost objects to identify product families and work order types, the company could associate these objects to the type of painting that is required for a bicycle frame, as well as determine actual cost, at standard rate, for the paint and rework process.

The following graphic illustrates the manufacturing process. Bold captions identify where cost objects are associated with product families and process steps.



Entering Cost Object Information in Work Orders

Work orders communicate information about unique tasks to others who are involved. You can assign record types to a work order and then enter descriptive information into each record type to note the specific details about the task. For example, you might want to include special instructions, and the parts and tools that are needed to complete the task.

When you extract cost object information from a work order, you can base driver information on any field in the Work Orders table (F4801). For example, you can base driver volumes on the number of work orders per item, and so on. Since any field can be defined in the cost object rules, you do not need to enter additional cost object information in a work order. You use the flex accounting rules with the predefined cost object rule to automatically retrieve cost object information from the application.

The system stores work order master records in the Work Order Master table (F4801).

See Also

- *Setting Up Drivers* for more information about driver balances based on the Work Orders table (F4801)
- *Setting Up Flex Accounting*
- *Creating Work Orders* in the *Work Orders Guide*

Updating Cost Information in Manufacturing Accounting

You create journal entries for work in process (issues, labor entry, and machine run time), completions, and manufacturing variances before you post these transactions to the general ledger. For cost management, the system updates the subledger, cost object, and item fields.

In the Manufacturing Accounting system, you use programs to create journal entries for various types of shop floor activity, including:

- Material issues
- Labor and machine reporting
- Completions
- Scrap
- Variances
    - Engineering
    - Planned
    - Material usage (actual)

- Labor efficiency (actual)
- Other (volume)

To enter detail journal entries for a work order or rate schedule by cost component, enter a different object or subsidiary account number for each cost component.

For example:

Cost Component	Business Unit	Account Number
A1	M30	1341
B1	M30	1342
B2	M30	1343

To summarize the cost components for an item on a work order into a single journal entry, enter the costs with the same object and subsidiary account number.

For example:

Cost Component	Business Unit	Account Number
A1	M30	1340
B1	M30	1340
B2	M30	1340

In addition, you can set processing options to:

- Summarize material issues (document type IM) by account number within a work order. One journal entry exists for each unique combination of account number and work order number.
- Summarize all journal entries by account number across work orders. One entry exists for the batch for each account. The entry is the sum of all work order transactions for each account by document type.
- Print a summarized Accounting Transaction report.
- Activate flex sales accounting to find rules that indicate how to populate cost objects.

If you summarize journal entries across work orders, the program batches the appropriate work orders and then assigns a new work order number to the batch. This summarized work order number appears on inquiry forms and reports, but does not refer to an actual work order.

The system uses the following data to match the transaction to the AAI account:

- Work order type for the AAI.
- Company number associated with the work order or component branch/plant. If the system does not find a match, it uses 00000.
- Document type associated with the transaction.
- G/L category code for the transaction item. If the system does not find a match, it uses **** (four asterisks).
- Cost component.
- Branch/plant.

See Also

- *Creating Journal Entries* in the *Product Costing and Manufacturing Accounting Guide*

Cost Object Tracking for Procurement

When you enter a purchase order, requisition, or quote, the system captures cost object information that is useful for activity-based costing or managerial accounting. Additionally, as you receive the goods and match the receipt to the voucher, you can review or edit cost object information.

Cost object tracking for Procurement includes the following topics:

- Data Model: cost management in the Procurement system
- Entering cost object information in purchase order entry
- Entering cost object information in purchase order receipts
- Entering cost object information in landed costs
- Entering cost object information in purchase order workbench
- Entering cost object information during voucher match

You can enter cost object information at multiple steps in the procurement process, such as purchase order entry, receipts, and voucher match, or you can have the system automatically populate the cost object fields based on flex accounting rules.

Data Model: Cost Management in the Procurement System

During the procurement process, Company 200 believes it is incurring extra costs because its bicycle bags come from both domestic and non-domestic suppliers. The company has observed that some materials are delivered directly to the shop floor while others go through receiving, sorting, and quality inspection prior to being placed in inventory. Therefore, the company would like to use activity-based costing techniques to analyze the extra costs of procuring bicycle bags and determine how much of the cost can be attributed to whether it uses a domestic supplier.

This activity-based costing scenario is designed to analyze the cost of the procurement process for two different suppliers. Transactions originate from the following sources:

- Expenditures - Procurement
- Quality - Procurement
- Inventory carry costs - General Ledger
- Miscellaneous, such as time to receive and sort bags - Cost Analyzer

The company procures bicycle bags from two different suppliers. One is a domestic supplier; the other is not. The company has a special contract with the non-domestic supplier. This supplier can provide the bags at a lower cost (including duty fees) than the domestic supplier and it imprints a logo onto the bags at no extra charge. The company places electronic orders with this supplier for both plain and imprinted bags. However, the company must process additional paperwork for customs and other regulatory requirements. The supplier requires a 3-month leadtime. Therefore, the bags are shipped in very large quantities four times a year.

When the company receives the bags, it must inspect the merchandise quality for possible problems such as ink bleed from printing the logo. The inspection department averages a 90% pass rate. All rejected bags are scrapped because it is too costly to return them to the supplier. Next, the plain and logo-imprinted bags are separated from each other.

Upon completion of the inspection, the bags are placed into inventory and pulled out of stock on an as needed basis. To assure sufficient inventory is available, the company carries a small safety stock of the bags.

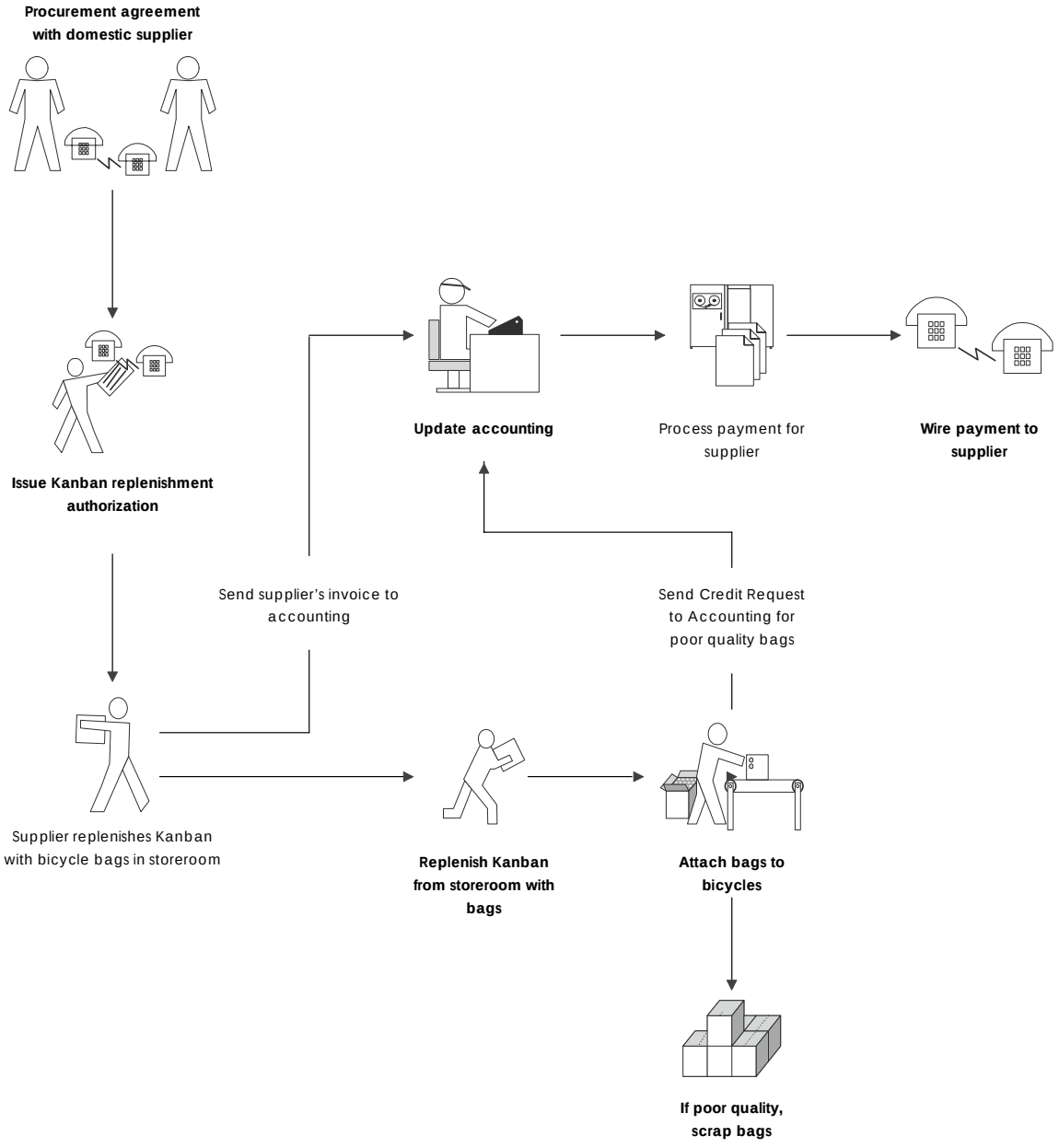
The company also uses a domestic bicycle bag supplier for plain black bags. If the customer requests custom logo imprints on the bags, the company can pay the supplier a nominal fee for its imprinting service and then charge the customer for the printing.

The company uses a Kanban replenishments method. When the Kanban is empty, it is replenished with stock from the stockroom. When the stockroom Kanban is empty, an electronic purchase order is created to request that the supplier automatically replenish bicycle bags when the stock is needed. The supplier delivers small quantities of bags within a 2-day leadtime directly to the store-room. Due to the quality of bags, they average a 98% pass rate. If the shop floor rejects a bag, a credit request is submitted to accounting and the bag is scrapped.

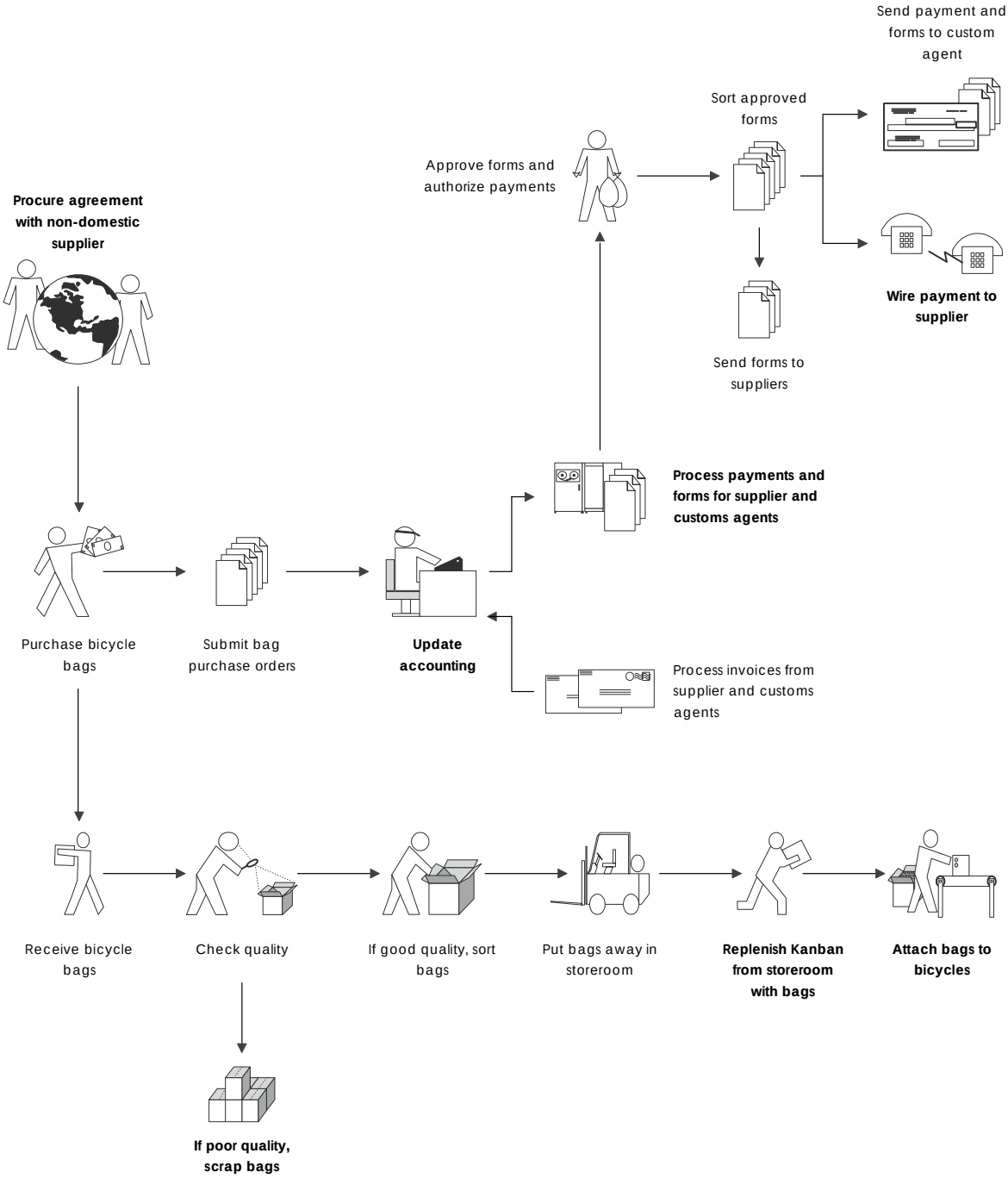
As a result of analyzing the procurement process, the company identifies extra steps that incur hidden costs for receiving, sorting, inspecting, and carrying inventory for the non-domestic supplier. Therefore, they would like to analyze the extra costs related to these steps to determine how much can be attributed to each supplier.

The following graphics illustrate the process for procuring bags from domestic and non-domestic suppliers. Bold captions identify where cost objects are associated with activities in the procurement process.

Procuring Bags from Domestic Supplier



Procuring Bags from Non-domestic Supplier



Entering Cost Object Information in Purchase Order Entry

On the Order Detail form, You must enter information about each item or service that you want to procure. For each item or service, you must enter a line of detail that describes the following:

- Item or service that you want to procure
- Quantity that you want to procure
- Cost of the item or service

The system retrieves information such as the cost, description, and unit of measure for the item and enters it on the detail line. You can override these values and specify additional information such as a storage location, lot number, asset identifier, manufacturing details, and landed cost rules.

You can enter cost object information during purchase order entry, or you can have the system automatically populate the cost object fields based on flex accounting rules.

▶ To enter cost object information in purchase order entry

From the Purchase Order Processing menu (G43A11), choose Enter Purchase Orders.

1. On Order Detail, complete the steps to enter detail information.

   See *Entering Order Detail Information* in the *Procurement Guide*.

2. On the Order Detail form, review or complete the following fields for cost object information:
   - Item Number
   - Cost Object Type 1
   - Cost Object 1
   - Cost Object Type 2
   - Cost Object 2
   - Cost Object Type 3
   - Cost Object 3
   - Cost Object Type 4
   - Cost Object 4

Entering Cost Object Information in Purchase Order Receipts

After you receive the goods on a purchase order, you must record the details of the receipt. The system uses receipt information to:

- Update item quantities and costs in the Inventory Management system
- Update general ledger accounts

When you receive goods, you must verify that the details of the receipt correspond to the information on the purchase order. You must verify item numbers, quantities, units of measure, costs, and so on. If the receipt details differ from those on the purchase order, you must adjust the purchase order detail lines to reflect the receipt. For example, if landed costs, such as delivery charges or import taxes, apply to the item's purchase price, you enter these costs during the receipt process.

Each time that you receive an order, the system:

- Creates a receipt record in the Purchase Order Receiver table (F43121)
- Updates item quantities and costs in the Item Location table (F41021)
- Adds a new record to the Item Ledger table (F4111)
- Updates the appropriate accounts in the Account Ledger table (F0911)

If you entered cost object information during purchase order entry, you can review cost object types, edit codes, and item information during the receipt process. Optionally, you can enter cost object information during the receipt process. The system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). If the processing option is set to use flex accounting, the system searches flex accounting rules to determine how to automatically populate cost objects.

You must set the processing option to use flex accounting in Purchase Order Receipts.

Related Tasks

Reviewing Cost Object Information in Receipts Reversal

Each time that you cancel or reverse a receipt, the system updates the Purchase Order Receiver table (F43121). The system reverses all accounting and inventory transactions. When you reverse a receipt, the system reverses cost object information. The system retrieves the original cost object values for reversal journal entries.

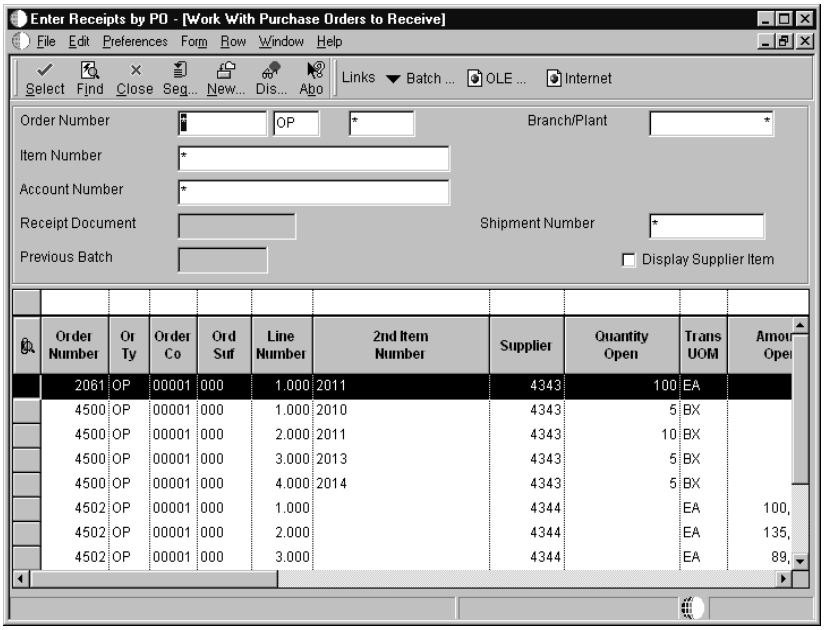
You can use the Purchase Receipts Inquiry to reverse a receipt only if you have not yet created a voucher for the receipt. You might need to do this if you made a mistake.

See Also

- *About Receipt Processing* in the *Procurement Guide* for more information about recording receipt information

▶ To enter cost object information in a purchase order receipt

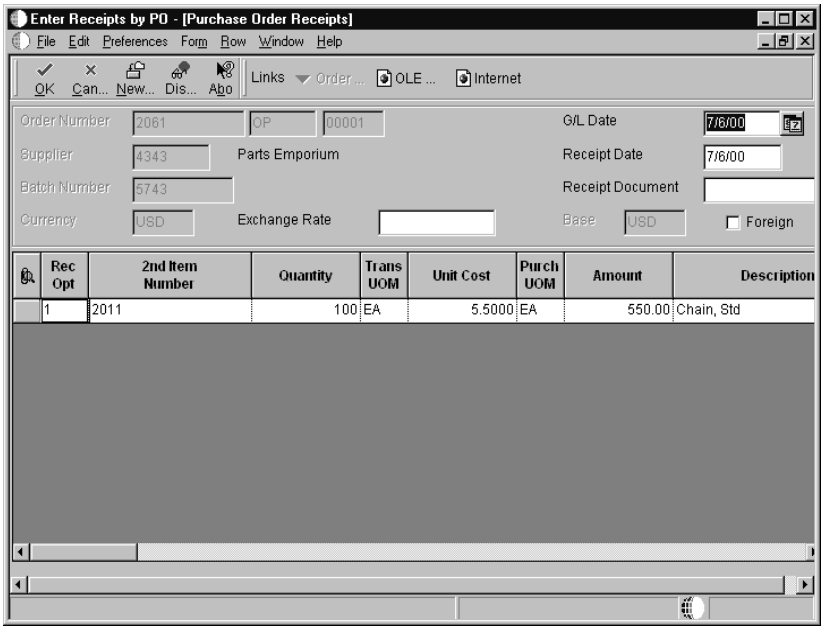
From the Purchase Order Processing menu (G43A11), choose Enter Receipts by PO.



1. On Work With Purchase Orders to Receive, complete the following fields to locate open purchase order details lines that correspond to a receipt:
   - Order Number
   - Branch/Plant
   - Item Number
   - Account Number

   The system displays only those detail lines that have a next status code that is equal to the one that you specified in processing options.

2. Choose a record in the detail area and click Select.



3. On Purchase Order Receipts, review or complete the following fields:
   - Cost Object Type 1
   - Cost Object 1
   - Cost Object Type 2
   - Cost Object 2
   - Cost Object Type 3
   - Cost Object 3
   - Cost Object Type 4
   - Cost Object 4
   - Item Number

Entering Cost Object Information in Landed Costs

When you purchase items, it is not uncommon to pay extra costs for delivery fees, broker fees, import taxes, and so on. These costs are called landed costs. You can enter landed costs for items during the receipt process or as a stand-alone process.

Landed costs are applicable only to items for which you record receipt information. When you enter landed costs for items, the system allows you to work with only the landed costs that have been set up and assigned to the item. For each item that you receive, you can review, change, and enter the landed costs assigned to the item.

After you enter landed costs for items, the system might create a separate landed cost detail line for which you must create a voucher. The setup of the landed cost determines the way in which the system creates the detail information. You can review landed cost detail lines on the Voucher Match form.

You can enter cost object information as landed costs during purchase order receipts. The system verifies the cost object type and the cost object edit code that you defined in the Account Master (F0901) table. The system searches flex accounting rules to verify which AAIs or accounts are automatically populated.

See Also

- *Entering Landed Costs* in the *Procurement Guide*

Entering Cost Object Information in Purchase Order Workbench

You can enter orders for multiple suppliers simultaneously instead of entering a separate order for each supplier. On the Purchase Order Workbench form, you specify the items that you want to purchase and the supplier from whom you want to purchase each item.

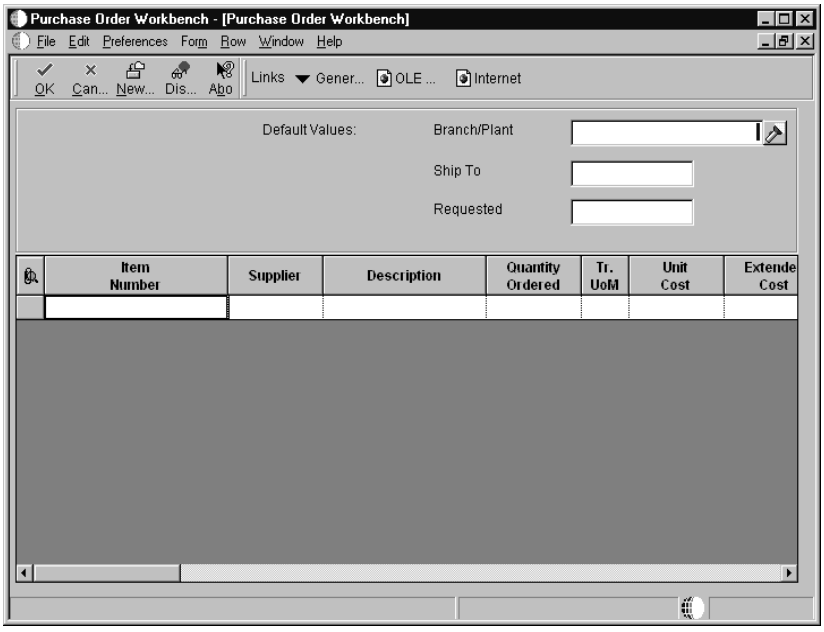
After you enter the items, you must direct the system to create purchase orders. The system combines items for each supplier on a separate purchase order, and the information for each detail line defaults from master information for the item or procurement instructions for the supplier. You can use the Purchase Order Entry form to review the orders that the system generates.

If you enter cost object information during purchase order entry, you can review cost object types, edit codes, and item information during the receipt, landed cost, and voucher processes. The system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901).

To enter cost object information in Purchase Order Workbench

From the Purchase Order Processing menu (G43A11), choose Purchase Order Workbench.

1. On Purchase Order Workbench, click Find.
2. Review or complete the following fields for cost object information, if applicable:
   - Cost Object Type 1
   - Cost Object 1
   - Cost Object Type 2
   - Cost Object 2
   - Cost Object Type 3
   - Cost Object 3
   - Cost Object Type 4
   - Cost Object 4
   - Item Number



3. To review or modify information prior to generating the orders, see *Creating Orders from Existing Detail Lines* in the *Procurement Guide.*
4. Click OK if you want the system to automatically generate a separate purchase order for each supplier from whom you are ordering items.

If you do not want the system to automatically generate separate purchase orders, you must first cancel the orders before exiting Purchase Order Workbench.

See Also

- *Entering Orders for Multiple Suppliers* in the *Procurement Guide*

Entering Cost Object Information During Voucher Match

Before you can pay a supplier for the goods and services that you purchase, you must create a voucher that:

- Indicates that the terms of a transaction have been met
- Specifies the amount to pay to the supplier
- Notifies the Accounts Payable system to cut a check

You can create a voucher based on an invoice. You use this method to verify that invoice information corresponds to your receipt records. For example, if a supplier bills you for 100.00 United States Dollar (USD) worth of goods, you must verify that you received 100.00 USD worth of goods. If you do not record receipt information, you must verify that the invoice information corresponds to the purchase order detail lines.

You might want to review the receipt records for which you must create vouchers. After you locate this information, you can enter landed costs (costs in excess of an item's purchase price) for the items that you have received.

If you receive an invoice before you take receipt of the goods and services, you can create a preliminary voucher to account for the billing amount. After you receive the goods or services on the invoice, you can redistribute the amounts to the appropriate general ledger accounts.

You can enter cost object information at voucher match, or you can have the system automatically populate the cost object fields based on flex accounting rules.

Related Tasks

Voucher match methods If you record receipt information for items, you compare invoices to receipt records to create individual vouchers. A three-way voucher match method implies that you use receipt records to create vouchers.

If you do not record receipt information, you compare invoices to order detail lines to create vouchers. A two-way voucher match method implies that you use order detail lines to create vouchers. The system creates a voucher when you match receipt records to an invoice.

Before You Begin

❑ Set the processing options to perform voucher match processing.

▶ To enter cost object information during voucher match

From the Receipts Matching and Posting menu (G43A15), choose Match Voucher to Open Receipt.

1. On Supplier Ledger Inquiry, click Add.
2. On Match Voucher to Open Receipt, complete the steps to create a voucher or to match a voucher to a receipt.

   See *Creating Vouchers* in the *Procurement Guide.*

   If you do not enter cost object information, the system uses the flex accounting rules to populate cost objects automatically.

3. To enter or review cost object information, complete the following fields:
   - Cost Object Type 1
   - Cost Object 1
   - Cost Object Type 2
   - Cost Object 2
   - Cost Object Type 3
   - Cost Object 3
   - Cost Object Type 4
   - Cost Object 4
   - Item Number

Cost Object Tracking in Sales Order Management

You can capture cost object information when you enter sales orders and when you update sales order information. In the Sales Update program (R42800), the system captures cost object information that is useful for activity-based costing or managerial accounting.

Cost object tracking in Sales Order Management includes the following topics:

- ❑ Data model: cost management in Distribution
- ❑ Entering cost object information in a sales order
- ❑ Updating cost object information during sales update

Data Model: Cost Management in Distribution

As a bicycle distributor, Company 200 knows that it could associate both revenues and expenses with customers, product families, or marketing sales channels. However, the traditional accounting methods do not provide enough information for the company to analyze profitability by customer, product family, and marketing sales channel. The company wants to do the following:

- Determine which customers incur expediting charges
- Associate sales promotion expenditures to customers and marketing sales channel
- Attribute the cost of customer site visits to marketing sales channels
- Reallocate computer (information technology) costs to marketing sales channels
- Determine profitability for imprinting by customer and marketing sales channel

This managerial accounting scenario is designed to analyze profitability by customer, product family, and marketing sales channel. Transactions originate from the following sources:

- Expenditures - Accounts Payable
- Sales - Sales Order Management
- Additional charges to customers for services - Accounts Receivable

- Information technology (IT) chargebacks to marketing - Cost Analyzer
- Shipping and handling services - Cost Analyzer

The company sells bicycles with bags to wholesale and retail customers. The retail customers can be either specialty or discount stores. Often, discount stores order bicycles without the bags. Many times, when sales representatives are visiting customers during sales negotiations, they may agree to do any of the following:

- Imprint a custom logo on the bicycle bag
- Expedite shipping
- Allocate cooperative advertising funds

If the customer requests custom logo imprints on the bicycle bag, the company pays the supplier a nominal fee for the imprinting service. The company would like to identify customers and marketing sales channels who request the custom imprinting services and charge them for that service.

When the company receives the invoice for the custom logo imprint, it uses Accounts Receivable to charge for the service based on the numbers of bags imprinted at a customer-negotiated rate per bag. The company would like to determine the profitability of the imprinting services by customer and marketing sales channel.

When a customer orders merchandise, the company charges standard shipping and handling changes based on volume and weight. However, some of the bicycle shipments are expedited to customers after they purchase bicycles. When the company receives the actual freight charges, it considers them as part of the company's overall shipping costs without attributing them to a specific customer. The company would like to determine which customers incur the expediting charges because it believes that these costs might not be fully recovered when freight charges are included in the sale.

The marketing department is responsible for a variety of sales promotions throughout the year. Promotional costs are accounted for in general and administrative costs. Two types of promotions exist: general and specific.

Specific promotions are for:

- A product family
- A marketing sales channel
- A customer
- A cooperative with a large customer

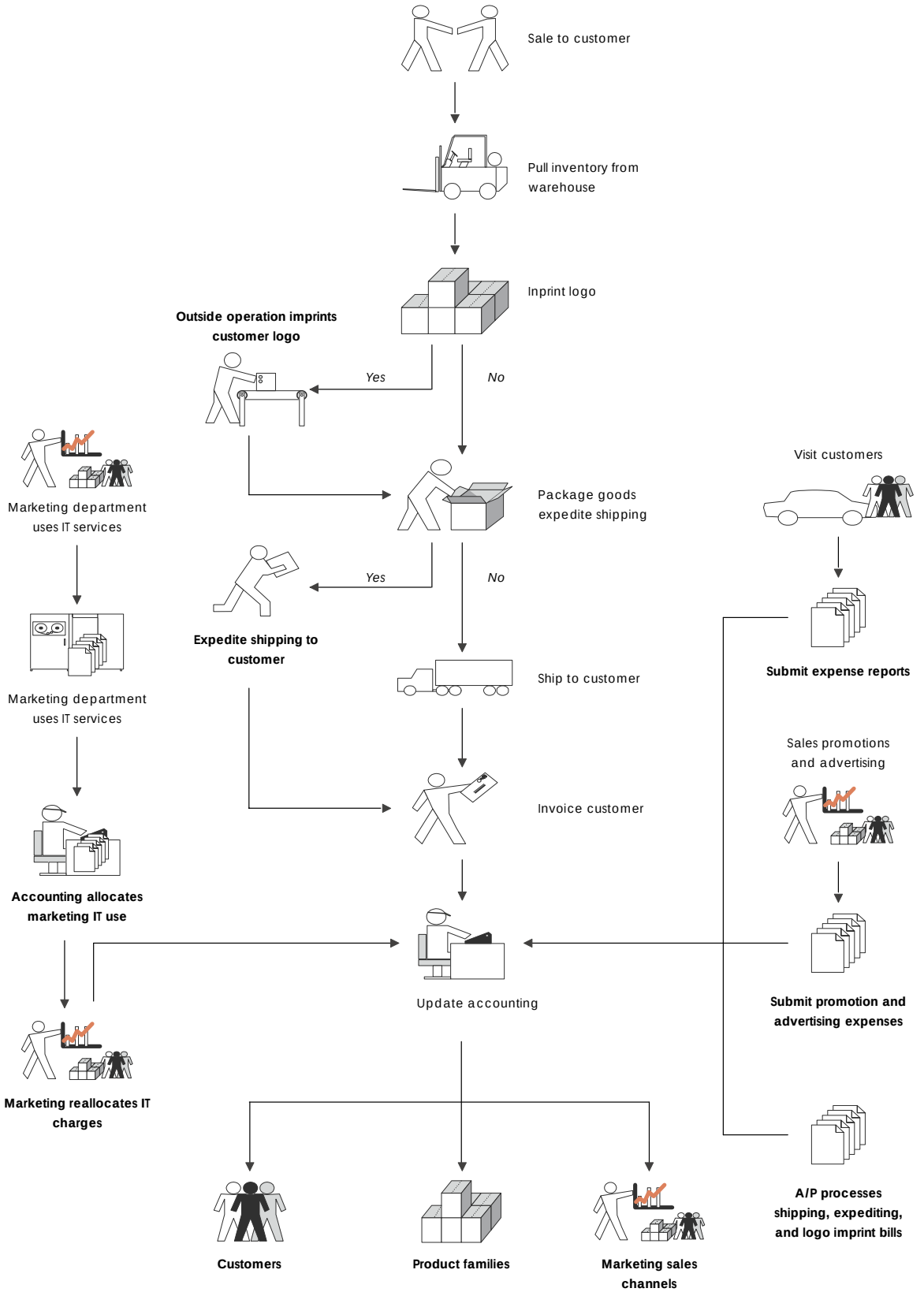
Whenever possible, the company would like to identify and associate sales promotion expenditures directly to each customer and marketing sales channel.

The marketing and sales representatives often visit the customer. All expense reports for customer visits are charged to travel and entertainment. However, the company would like to associate the costs of the customer visits directly to each customer and marketing sales channel.

Each department in the company uses centralized computer services. IT allocates a portion of the computer costs back to each department based on the number of hours that it is connected to the network. When the marketing department receives its monthly charges, it would like to reallocate a portion of the IT costs to each marketing sales channel based on the number of marketing employees per marketing sales channel.

To determine profitability for customers, product families, and marketing sales channels, the company can use cost objects to identify customers, product families, and marketing sales channels. The company can then associate both direct and indirect sales and expenditures to cost objects.

The following graphic illustrates the distribution process. Bold captions identify where cost objects are associated with customers, product families, and marketing sales channels.



Entering Cost Object Information in a Sales Order

To extract cost object information from a sales order, you can base driver information on any field in the Sales Order Detail table (F4211). For example, you can base driver volumes on the number of sales orders per customer. Because any field can be defined in the cost object rules, you do not need to enter additional cost object information in a sales order. The system uses flex accounting rules to retrieve cost object information with the specified data item and the associated cost object rule for the application.

See Also

- *Setting Up Drivers* for more information about driver balances based on the Work Orders table (F4801)
- *Setting Up Flex Accounting*
- *Working with Detail Information* in the *Sales Order Management Guide* for more information about entering a sales order

Updating Cost Object Information During Sales Update

The Update Customer Sales program groups transactions into different types of batches for posting to journals. To properly record cost object information, all customer sales, inventory and COGS journal entries should be posted in detail.

When you run the Update Customer Sales program, the system groups transactions into the following batches:

Customer sales (batch type IB)	Posts the sales, cost of goods sold, and inventory entries to the customer sales journal. The system creates batch type IB when the summarization processing options in the Update Customer Sales program (P42800) is set to write G/L entries in summary or detail.
Inventory/COGS (batch type G)	Posts to the inventory/COGS journal. The system creates batch type G for inventory and COGS entries when the summarization processing option in the Update Customer Sales program (R42800) is set to summarize COGS and inventory entries to separate batches.

If you set the processing options in Sales Update (R42800) to purge sales header and detail information to history, base your driver calculation detail rule on the Sales Order Detail History table (F42119).

If you have activated the processing option to use flex accounting, the system searches the flex accounting rules to determine how to populate cost objects.

Cost Object Tracking in Transportation

You can capture cost object information when you update freight. Updating freight creates records of final payable and billable freight charges for shipments and loads. Payable charges are written to the general ledger by means of a journal entry and to the accounts payable for auto-pay carriers by means of a pay item. Billable charges are added to one or more orders on the shipment or load (depending on the customer freight preference). Freight is summarized at the charge code level.

After a shipment is created, the shipment-related information is stored in the Shipment Header (F4215) and the Shipment Routing Steps (F4941) tables. All freight charge information is stored in the Shipment Charges table (F4945). When you update freight, information from these three tables is written to the Freight Audit History table (F4981). For both billable and payable charges, the record in the Shipment Charges table (F4945) is deleted, and the Shipment Routing Steps table (F4941) is updated with the information run for both billable and payable table freight.

For payable charges, the General Ledger Detail table (F0911) is updated in the general ledger and, if the auto pay flag is on, then the Account Payable Detail table (F0411) is updated in the Accounts Payable system. On the billable side, the Sales Order Detail table (F4211) is updated with the freight charges. If the processing option for flex accounting is on, the system searches the flex accounting rules and populates the cost object fields accordingly.

To proportionately allocate shipment freight charges to each item that contributes to the total weight and volume of the shipment , you must have activated the freight allocations for the appropriate charge codes that you assign to rates.

Note: You must activate the processing option for flex accounting in the Freight Update (F4981) program.

See Also

- *Updating Freight* in the *Transportation Management Guide* for more information about allocating freight by items

Cost Object Tracking in Stock Valuation

From the Stock Valuation Updates menu (G3930), choose Stock Valuation G/L Update.

The Valuation G/L Update program updates the general ledger for the valuation methods that are defined as general ledger update methods. The program updates the general ledger based on one valuation method for each item number or item pool.

For each item or item pool, the system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). When you enter an item, the system edits cost object information against the Inventory Master table (F4101) only if you have installed the Inventory Management system.

The Period Build program calculates the amounts to be updated. Additionally, records for the next period are built for the Period Detail (F39120W) and Additional Quantity (F39121W) tables. These records contain the opening balance for the next period. For dual currency, the program writes a record for the stable currency to the general ledger.

After you approve the general ledger updates, you can post them to the general ledger. Posting completes the valuation process and posts the actual stock value for the period end.

To populate cost object information during Valuation G/L Update, you must use flex accounting rules.

See Also

- *Assigning Valuation Methods* in the *Stock Valuation Guide*

Cost Analyzer Update

Cost Analyzer Update

The Cost Analyzer Balances table (F1602) captures all transactions, assignments, and activity balances. No allocations or reporting can be done without the cost analyzer. Ten different views are available for each fiscal year.

The Post to Cost Analyzer Balances program allows you the flexibility to create various what-if scenarios without affecting the integrity of the original transaction and balance records. The cost analyzer views can easily be purged and reposted to the Cost Analyzer Balances table (F1602).

You can create financial reports with Enterprise Report Writer. This program is a valuable analysis tool that can help your company's management evaluate the results of its proposed actions as if the actions had already taken place. The impact of these decisions is seen in advance, analyzed, and re-aligned, if necessary. The Enterprise Report Writer allows management to make better-informed business decisions.

Use the cost analyzer to separate profit management and financial data by summarizing general ledger transactions and posting them to Cost Analyzer Balances table (F1602). After you set up cost analyzer views, you can update the Cost Analyzer Balances table by either entering manual transactions or creating automatic journal entries.

Cost analyzer update includes the following tasks:

- ❑ Updating cost analyzer information
- ❑ Reviewing profitability by cost object

Before You Begin

- ❑ Verify that you have set up cost analyzer views. See *Setting Up Cost Analyzer Views.*
- ❑ Verify that you have created journal entries.
- ❑ Verify that you have set up cost objects. See *Setting Up Cost Object Types.*

Updating Cost Analyzer Information

Once you set up cost analyzer views, you can populate the Cost Analyzer table by either entering manual transactions or creating automatic entries.

Updating cost analyzer information includes the following tasks:

- Posting entries to the cost analyzer table
- Viewing cost analyzer balances
- Purging cost analyzer balances

Posting Entries to the Cost Analyzer Table

From the Cost Analyzer (G1612) menu, choose Post to Cost Analyzer Balances.

The Cost Analyzer Post uses transactions from the Account Ledger table (F0911) to update the Cost Analyzer Balances table (F1602) for the requested view and fiscal year. Based on information in the cost analyzer view structure, this program creates transactions in the Cost Analyzer table, using information in the Account Ledger table. To allow error detection and correction of journal entry transactions before you post them to the Cost Analyzer table, post the transactions to the Account Balances table first.

Processing options allow you to select the view and fiscal year to post. You can either choose only the previously-posted general ledger transactions, or you can also include unposted transactions. You can also select the specific transactions to post.

Before you post transactions to the Cost Analyzer table, you must update the Account Ledger table either by entering manual transactions or creating automatic journal entries.

When you post transactions to the Cost Analyzer table, the system generates a report that indicates the number of account ledger records that were selected, the number of cost analyzer balance records that were created, and the number of cost analyzer records that were updated.

Caution: Unposted transactions are subject to change. Use caution when including them when you post transactions from the Account Ledger table to the Cost Analyzer table.

Processing Options for Post To Cost Analyzer Balances

```
View Number

Enter the view number and fiscal year to
    be use when posting Account Ledger
    (F0911) records to the Cost Analyzer
    Balances (F1602) table.

      View Number                                    _____________
      Fiscal Year                                    _____________

Selection

Enter a '1' if you want to select
    unposted as well as posted Account
    Ledger records.  If left blank only
    posted records will be selected.

                                                     _____________
```

Viewing Cost Analyzer Balances

You can use the following programs to review cost analyzer balances:

- Cost Analyzer Inquiry (P1602)
- Cost Analyzer Inquiry by Account (P16021)

Use Cost Analyzer Inquiry to review cost analyzer entries. You can review the details of a specific entry, including the net posting balances and year-to-date total for the selected entry.

To review original and net balances by account, you can use the Cost Analyzer Inquiry by Account program (P16021). The system displays account information in summary or detail.

To view cost analyzer balances, complete the following tasks:

- Viewing Cost Analyzer Balances with Cost Analyzer Inquiry (P1602)
- Viewing Cost Analyzer Balances with Cost Analyzer Inquiry by Account (P16021)

Viewing Cost Analyzer Balances with Cost Analyzer Inquiry (P1602)

Use Cost Analyzer Inquiry to review cost analyzer entries. You can review the details of a specific entry, including the net posting balances and the year-to-date total for the selected entry.

When you run the Cost Calculations program, the system creates assignment entries. The system reallocates original posting amounts to new ending balance amounts. For example, if the total of the general ledger details for salary

transactions is 100,000.00 USD for the sixth accounting period, the original posting balance and the ending balance is 100,000.00 USD.

When you reassign the salary amounts for the sixth accounting period to activities such as receiving and inspecting materials, the system creates two new records for salaries that are attached to the activity codes of receiving and inspecting through the Assignment Calculation program. The total of receiving and inspecting ending balances equals 100,000.00 USD, which is the original posting amount balance for salary transactions for the sixth accounting period.

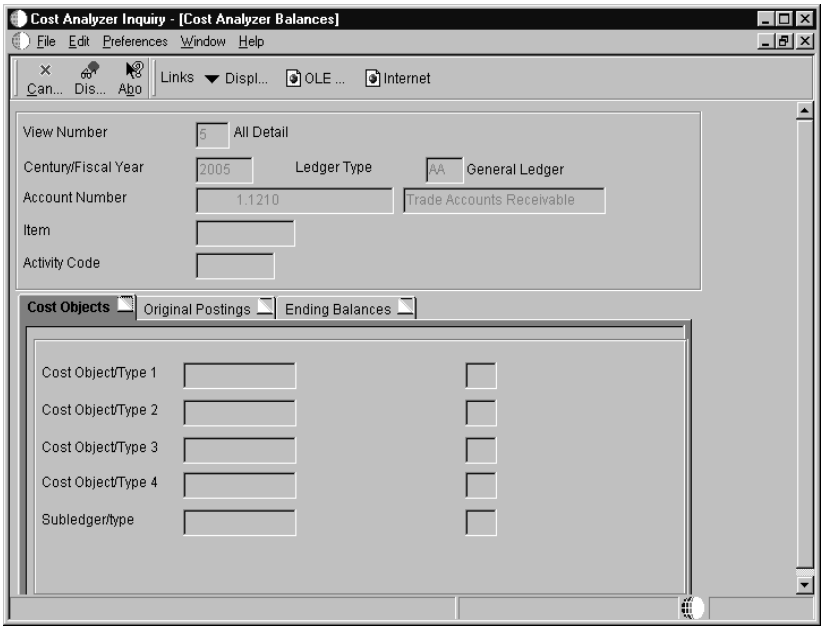
You can set a processing option to indicate whether the system creates an audit trail in the Cost Calculations Transactions (F1611) table. The audit trail allows you to view the balance prior to any assignments (net posting) and then review balances that are assigned In and Out at the transaction level (net balances). On the Cost Analyzer Inquiry form, you can review the following:

- Original Balance – Information retrieved from the General Ledger (F0911)
- The balance of all assigned Ins
- The balance of all assigned Outs
- The net balance (Original Balance + Assigned Ins and Assigned Outs)

▶ To view cost analyzer balances with Cost Analyzer Inquiry (P1602)

From the Cost Analyzer menu (G1612), choose Cost Analyzer Inquiry.

1. On Work With Cost Analyzer Balances, click Find.
2. Choose a record in the detail area and click Select.



3. On Cost Analyzer Balances, click on the appropriate tabs and review the following fields:

   - View Number
   - Fiscal Year
   - Ledger Type
   - Account Number
   - Item
   - Activity Code
   - Cost Object/Type 1
   - Cost Object/Type 2
   - Cost Object/Type 3
   - Cost Object/Type 4
   - Subledger/type
   - Original Posting 01
   - Original Posting YTD
   - Ending Balance 01
   - Ending Balance YTD

Field	Explanation
View Number	A number from 1 to 10 that identifies how the system posts Account Ledger (F0911) records to the Cost Analyzer Balances (F1602) table. This number also determines which Managerial Accounting Posting code (PM01-PM10) in the Account Ledger to update as posted. For example, if the view number is 1, then the system updates PM01 with a P when the Account Ledger record is flagged as being posted.
Fiscal Year	A number that identifies the fiscal year. Generally, you can either enter a number in this field or leave it blank to indicate the current fiscal year (as defined on the Company Numbers and Names form). Specify the year at the end of the first period rather than the year at the end of the fiscal period. For example, a fiscal year begins October 1, 1998 and ends September 30, 1999. The end of the first period is October 31, 1998. Specify the year 98 rather than 99.

Field	Explanation
Ledger Type	A user defined code (09/LT) that specifies the type of ledger, such as AA (Actual Amounts), BA (Budget Amount), or AU (Actual Units). You can set up multiple, concurrent accounting ledgers within the general ledger to establish an audit trail for all transactions.
Account Number	A field that identifies an account in the general ledger. You can use one of the following formats for account numbers: • Standard account number (business unit.object.subsidiary or flexible format) • Third G/L number (maximum of 25 digits) • 8-digit short account ID number • Speed code The first character of the account indicates the format of the account number. You define the account format in the General Accounting Constants program.
Item	An inventory item number. The system provides three separate item numbers plus an extensive cross-reference capability to other item numbers (see data item XRT) to accommodate substitute item numbers, replacements, bar codes, customer numbers, supplier numbers, and so forth. The item numbers are as follows: • Item Number (short) – An eight-digit, computer-assigned item number • 2nd Item Number – The 25-digit, free-form, user defined alphanumeric item number • 3rd Item Number – Another 25-digit, free-form, user defined alphanumeric item number
Cost Object/Type 1	A cost object code can be, for example, an equipment item number or an address book number. If you enter a cost object code, you must also specify the cost object type. This field acts the same and is edited the same as the Subledger field. The difference is that the system does not post a cost object code to the Account Balances file (F0902).
Subledger/type	A code that identifies a detailed auxiliary account within a general ledger account. A subledger can be an equipment item number or an address book number. If you enter a subledger, you must also specify the subledger type.
Original Posting 01	A number that represents the net amount posted during the accounting period. The system uses the accounting periods from the Company Constants table (F0010). The net amount posted is the total of all debits and credits beginning with the first day of the period through the last day of the period.

Field	Explanation
Original Posting YTD	The sum of all net postings from the first day of the current fiscal year to the last day of the current month or period. The system uses the period totals from the Account Balances table (F0902) to calculate the YTD period end total.
Ending Balance 01	This number represents the net balance for the accounting period. The net balance equals original amount, which is posted to the Cost Analyzer Balances (F1602) from the Account Ledger (F0911), plus any amounts that are applied to this balance, minus any amounts that are assigned from this balance. You assign amounts through Cost Assignments Calculate (R1610) program.
Ending Balance YTD	The sum of all net postings from the first day of the current fiscal year to the last day of the current month or period. The system uses the period totals from the Account Balances table (F0902) to calculate the YTD period end total.

Processing Options for Cost Analyzer Inquiry

```
View Number

Enter the view number and fiscal year to
    be used for cost analyzer balance
    retrieval.

      View Number                                    _____________
      Fiscal Year                                    _____________
```

Viewing Balances with Cost Analyzer Inquiry by Account (P16021)

From the Cost Analyzer menu (G1612), choose Cost Analyzer Inquiry by Account.

To review original and net balances by account, you can use the Cost Analyzer Inquiry by Account program (P16021). The system displays account information in summary or detail, using the following forms:

- Cost Analyzer Inquiry by Account, which displays account balances for a view based on the level of detail
- Cost Analyzer Detail, which displays details for a specific account

With the summary form, Cost Analyzer Inquiry by Account, you can review accounts by cost objects and cost object types. You should use the Cost Analyzer Inquiry by Accounts form when you require total account balances.

You can use the Cost Analyzer Detail Inquiry form to retrieve balances for the specific account that you selected from the Cost Analyzer Inquiry by Account form.

Cost Analyzer Inquiry by Account

The Cost Analyzer Inquiry by Account form retrieves account information from the Account Master table (F0901) and then retrieves balances from the Cost Analyzer Balances table (F1602).

You can set the processing options to indicate default information that the system uses to obtain the summary information. After you complete the processing options, the system displays these values on the Cost Analyzer Inquiry by Account header area of the form, such as for a specific account, cost object, item number, subledger or subledger type.

To specify how the system displays information from the Cost Analyzer Balances table (F1602), you can enter the following information in the processing options or in the header area of the form:

View

With the Cost Analyzer Inquiry by Account program, you can review summary and detail information for a specific view.

Level of Detail

The summary form, Cost Analyzer Inquiry by Account, summarizes accounts and account balances by level of detail and displays information based on the Account Master table (F0901).

The system displays accounts with level of detail values that are equal to or less than the requested level. For example, the levels of detail are 3 (summary) through 9 (detail). If you choose to display accounts with a level of detail of 5, the system displays levels 3, 4, and 5 and summarizes the balances from levels 6 through 9 into 5. The balances that are greater than the specified level of detail are summarized into the appropriate account.

Variances

The Cost Analyzer Inquiry by Account form specifies the calculation method that the system uses to compute the variance between the Ledger Type 1 and Ledger Type 2. The variance amount and the variance percentage are calculated when you inquire on two ledger types.

The calculation method is the mathematical means used to display the variances between Ledger Type 1 and Ledger Type 2. For example, if you specify the calculation method Add, the system adds the balance for Ledger Type 1 to the balance for Ledger Type 2 and displays the sum total in the variance column.

Display Balances or Suppress Zero Balances

You can suppress accounts with zero balances. When you suppress zero balances, the system still retrieves all accounts that are equal to or less than the the level of detail for non-posting accounts.

You can choose to display net and original balances.

Cost Analyzer Detail

From a Row exit on the Cost Analyzer Inquiry by Account form, you can access the Cost Analyzer Detail form. On the Cost Analyzer Detail form, you can customize the grid to display cost object descriptions, cost object codes, or both. You can use the Cost Analyzer Detail Inquiry form to retrieve balances for the specific account that you selected from the Cost Analyzer Inquiry by Account form.

The detail area of the Cost Analyzer Detail Inquiry form is the view of the attributes from the Cost Analyzer Balances table (F1602). You can display the level of detail, net and original balances, account number, cost objects, subledgers, item number, and appropriate descriptions that make up the balance for the specified account.

From and To Transactions

You can access the Assignment Audit Inquiry form to review assignment transactions. For example, on the Assignment Audit Trail Inquiry form, you can review accounts that receive allocated costs (to accounts), the accounts that allocate costs (From Accounts), or both. Additionally, you can review assignment allocations for cost objects, item number, or subledger type.

Processing Options for Cost Object Inquiry

```
Options

1.  Enter the View Number to be used for
    Cost Analyzer balance retrieval.
```

View Number _____

2. Enter the Account Level of Detail to be used (3 - 9). If left blank, "9" will be defaulted.

Account Level of Detail _____

Cost Objects

1. Enter the Cost Object, Item and the Cost Object Type default values. If left blank, all Cost Objects, Items and Cost Object Types will be displayed.

Cost Object 1 _____
Cost Object 1 Type _____
Cost Object 2 _____
Cost Object 2 Type _____
Cost Object 3 _____
Cost Object 3 Type _____
Cost Object 4 _____
Cost Object 4 Type _____
Item _____

Ledger Type

1. Enter the default value for Ledger Type 1 and Ledger Type 2. If left blank, Ledger Type 1 will default to Ledger Type AA and Ledger Type 2 will default to blank.

Ledger Type 1 _____
Ledger Type 2 _____

Balances

1. Enter a "1" to suppress posting accounts with zero balances from being displayed. If left blank, "0" will be defaulted and zero balance accounts will be displayed.

Suppress Zero Balances Flag _____

2. Enter the Calculation Method to be used when calculating variances. "0" - Subtraction, "1" - Addition, "2" - Division, and "3" - Multiplication. If left blank, "0" will be defaulted.

Calculation Method _____

3. Enter enter the Grid columns to be displayed. Enter a "0" to display Net Balances only, a "1" to display Original Balances only or a "2" to display both Net and Original Balances. If nothing is entered Net Balances only will be displayed.

```
      Balances Displayed                                    _____________

Subledger

1.  Enter the Subledger and Subledger
    Type to be used for calculating
    account balances.  If left blank, a
    blank Subledger and blank Subledger
    Type will be defaulted.

      Subledger                                             _____________
      Subledger Type                                        _____________
```

Purging Cost Analyzer Balances

From the Cost Analyzer (G1612) menu, choose Purge Cost Analyzer.

Use this batch program to purge unwanted view records from the Cost Analyzer table. To free up disk space or improve performance, you can delete old views or fiscal years that are no longer in use. If view specifications change or errors occur during the posting process, you can use this program to purge the information before re-posting transactions to a specific view. This program also unlocks the view to allow changes and resets the posted flag in the Account Ledger Tag table (F0911T).

If you activate the processing option that bypasses clearing the cost management posted code, you cannot regenerate transactions for the view. To recreate balances, you must do the following:

- Using the Post to Cost Analyzer Balances program, create a new record in the view for a new transaction in the Account Ledger tag table (F0911T).
- Re-run the purge program and leave the bypass update option blank.

The system clears the posted code on the new transaction as well as all prior transactions, thus enabling you to repost the view for all transactions.

Processing Options for Purge Cost Analyzer Records

View

Enter the view number and fiscal year of the records to be purged from the Cost Analyzer Balances table

View Number _____
Fiscal Year _____

Update Posted

Enter a '1' if you wish to bypass clearing the cost management posted code for all account ledger records which were posted using the view selected.

Bypass Update _____

Reviewing Profitability by Cost Object

From the Reporting menu (G1625), choose Item Profitability.

You can use the Item Profitability report (R16022) to review the profitability for a customer, product, or salesperson. You can select information by subledger, item, or cost object. When you identify the driver, you can report on units as well.

See Also

- *R16022, Item Profitability* in the *Reports Guide* for a report sample

Drivers

Drivers

A driver is a measure of demand on activities or resources that influence costs or revenue. An activity driver is a measure of the frequency and intensity of the demands that are placed on activities by cost objects. A resource driver is a measure of the quantity of resources that is consumed in an activity.

Two different kinds of drivers exist in EPS: automatic and manual. Automatic drivers are extracted from data that already exists in the system, such as number of lines on a sales order, purchase order, or work order. Manual drivers are input manually with the volumes associated with them, such as the man-hours required to paint a bicycle or the square footage in a building that is used to paint bicycles.

For example, if a company that manufactures bicycles knows that its two-tone bicycles cost more than its solid color bicycles, it could begin to analyze the real cost associated with the bicycles. The company could create a driver that measures man-hours used to paint both types of bicycles, as well as the square footage in the building that is used to paint two-tone versus solid color bicycles. By using these resources as drivers, the company see the actual cost associated with each bicycle.

You set up driver definitions to indicate from which tables the system retrieves information to calculate volumes and quantities. Drivers are user defined and they vary based on the types of cost that you want to analyze. Drivers are an integral part of the assignment tool in EPS. Because J.D. Edwards systems are completely integrated, drivers can access information quickly and accurately from other systems, such as sales orders, work orders, and purchase orders.

Drivers include the following tasks:

- Setting up drivers
- Calculating driver balances

Setting Up Drivers

A driver is a measure of demand on activities or resources that influence costs or revenue. An activity driver is a measure of the frequency and intensity of the demands that are placed on activities by cost objects. An example of an activity driver is the total number of customer sales orders. A resource driver is a measure of resources consumed in an activity. For example, a resource driver is the number of hours directed to activities.

Setting up drivers includes the following tasks:

- ❑ Defining automatic drivers
- ❑ Defining manual drivers

For automatic drivers, use the Driver Definition program to create and update driver definitions and calculation instructions. You can define how to calculate driver volumes at the summary level.

For manual drivers, use the Driver Definition program to update a definition for information that is not maintained in the system. For example, you can define drivers to identify man hours or square footage for a particular department.

After you run update information, use driver calculations to automatically calculate the cost of driver volumes or to enter drivers manually. During allocations or reassignments, drivers logically reassign costs to activities, processes, and cost objects.

Before You Begin

- ❑ Review the processing option in the Driver Volume Revisions program (P1632) to determine whether the default for the driver definition is automatic or manual.

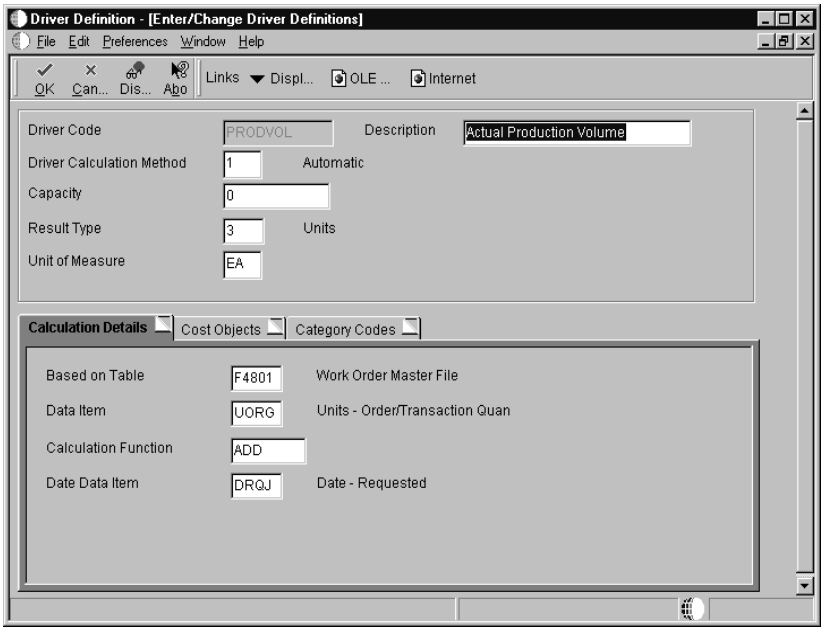
Defining Automatic Drivers

The system calculates automatic driver volumes by searching over a specific table, such as the Sales Order Detail table (F4211) or the Work Orders table (F4801), counting the number of records that meet a certain criteria, or summarizing the value in a specific field. Most drivers that are used in the EPS system are calculated automatically because the required information is usually available in these tables.

To define automatic drivers

On the Drivers menu (G1614), choose Driver Definition.

1. On Work with Drivers, click Add.

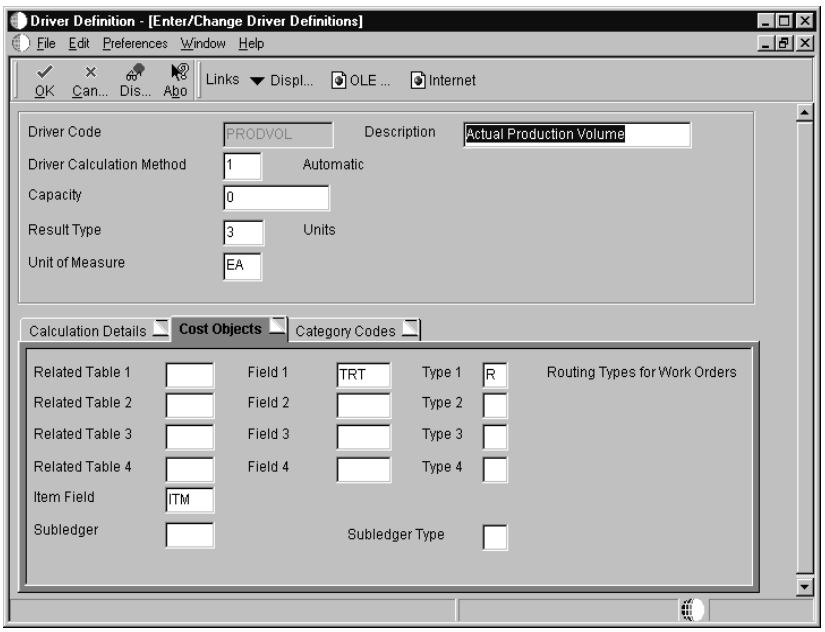


2. On Enter/Change Driver Definitions, complete the following fields:
   - Driver Code
   - Description
   - Driver Calculation Method
   - Result Type

   Depending on the result type, the system might display additional fields.

   The calculation method must be automatic.

3. On the Calculation Details tab, complete the following fields:
   - Based on Table
   - Data Item
   - Calculation Function
   - Date Data Item
4. Click the Cost Objects tab to identify the level of summarization for cost objects.



5. For specifying one or more cost objects, complete the following fields for each cost object that you define:

   - Related Table 1

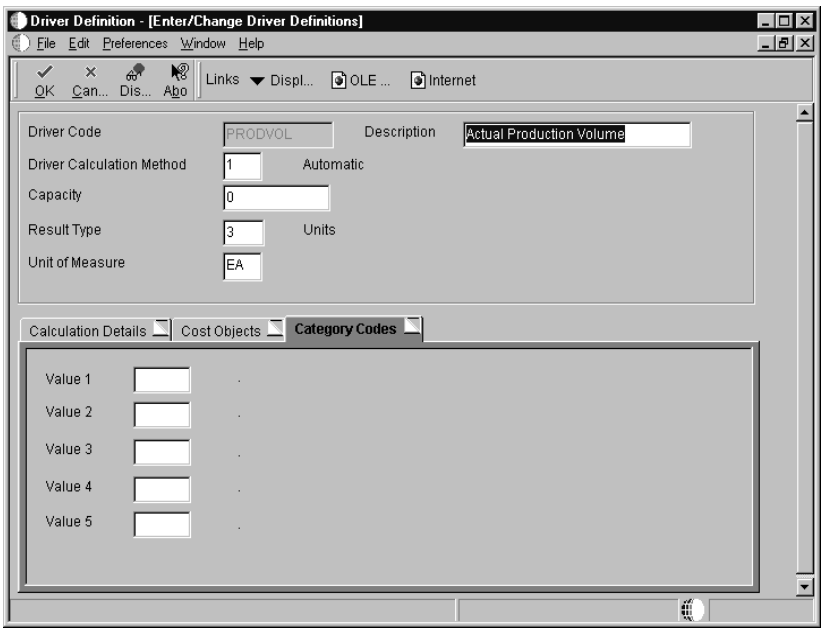
     If the Related Table is the same as the table that is specified on the Calculations Detail tab, leave this field blank. If the Related Table is Address Book Master (F0101), you must specify a value for the address book data item.

   - Field 1
   - Type 1

6. Complete the following optional fields:

   - Item
   - Subledger
   - Subledger Type

7. To identify category codes for the driver, click the Category Codes tab.



8. Complete the category code information.

Field	Explanation
Driver Code	A code that identifies drivers within the Cost Management system.
Description	A user defined name or remark.
Driver Calculation Method	A code that indicates whether you enter the driver, or the Driver Calculation program calculates this driver automatically.
Result Type	A code that classifies the type of driver volume calculated.
Based on Table	The number of a specific table. For example, the General Ledger Master table name is F0901. See the Standards Manual on the programmers' menu for naming conventions.

Field	Explanation
Data Item	For World, the RPG data name. This data field has been set up as a 10-byte field for future use. Currently, it is restricted to 4 bytes so that, when preceded by a 2-byte table prefix, the RPG data name will not exceed 6 bytes. Within the Data Dictionary, all data items are referenced by this 4-byte data name. As they are used in database tables, a 2-character prefix is added to create unique data names in each table specification (DDS). If you are adding an error message, this field must be left blank. The system assigns the error message number using next numbers. The name appears on a successful add. You should assign error message numbers greater than 5000. Special characters are not allowed as part of the data item name, with the exception of #, @, $. You can create protected data names by using $xxx and @xxx, where you define xxx. For OneWorld, a code that identifies and defines a unit of information. It is an 8-character, alphabetical code that does not allow blanks or special characters such as: % & , . +. Create new data items using system codes 55-59. The alias cannot be changed.
Calculation Function	An operator which defines how to calculate drivers in the Cost Management system. Valid values are: COUNT Count the number of records found in the based on file ADD Add the contents of the data item specified in the driver rule
Date Data Item	The generic data item name. In driver calculations, the Data Item 7 field refers to the date field that you use to determine which period and fiscal year the calculation affects.
Related Table 1	The generic file or table name. In driver calculations, this is the name of the file that defines the contents of a cost object.
Field 1	The generic data item name. In driver calculations, the Data Item 1 field refers to the values that the system loads into the cost object fields.

Field	Explanation
Type 1	This field is used with the Cost Object field to identify the type of cost object code and the type of editing. For OneWorld, valid types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types Entry program (P1620). For WorldSoftware, this is a user defined code (00/ST). The second line of the description on the User Defined Codes form controls how the system validates entries in the field. This is either hard-coded (as shown in the second line of the description) or user defined. For example: A Alphanumeric field, do not edit N Numeric field, right justify and zero fill C Alphanumeric field, right justify and blank fill U User defined cost object type

Understanding Based On Tables

You can set up calculations so that the system creates driver balance entries based on information in master tables, such as Sales Order Detail that are for the number of sales orders per customer or Work Order Detail for the quantity shipped by item.

If you base the driver calculation on the specified table, the system calls the corresponding calculation program when you run the Automatic Driver Calculation Program (R1632). For each record that you indicate, the system performs the calculation defined in the driver definition and summarizes the results in the defined cost objects.

You can base driver calculations on the following tables:

Work Order (F4801)

You can base driver volumes on information such as the number of work orders per item.

The corresponding calculation program is Work Order Master Driver Calculations (R4801DC).

Work Order Routing (F3112)

You can base driver calculations on the production hours by work center, the production hours by item, the quantity produced by work center, and so on.

The corresponding calculation program is Work Order Routing (R3112DC).

Item Ledger (F4111)

You can base driver calculations on the number of receipts per item, the quantity scrapped by product group, the number of completions per branch/plant, and so on.

The corresponding calculation program is Item Ledger (R4111DC).

Sales Order Detail (F4211)

You can base driver volumes on the number of sales orders per item, the number of sales orders per customer group, the number of quote orders per item, and so on.

When you choose to define the driver based on the Sales Order Detail table (F4211), the system can retrieve information from Sales Order Detail table (F4211), Sales Order Detail History table (F42119), or both. When you enter 4211 as the Based On Table, the system displays an additional field so that you can choose the source of volume information.

The corresponding calculation program is Sales Order Detail Driver Calculations (R4211DC).

Purchase Order Detail (F4311)

You can base driver calculations on the number of purchase orders per item, the quantity purchased by supplier, the number of purchase orders per buyer, and so on.

The corresponding calculation program is Purchase Order Detail (R4311DC).

Defining Manual Drivers

You must separately enter constant and variable information for each manual driver calculation. Manual drivers are those calculations that are based on information that is not found in any of the database tables in the system. For example, if the resource driver is square feet by department, you must enter this specific information.

▶ To define manual drivers

On the Drivers menu (G1614) choose Driver Definition.

1. On Work with Drivers, click Add.

2. On Enter/Change Driver Definitions, complete the following fields:

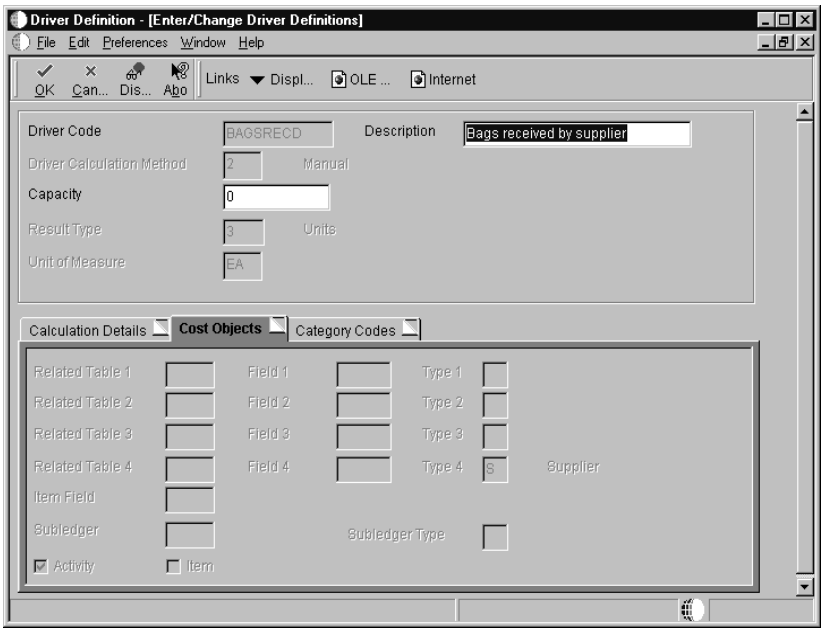
   - Driver Code
   - Description
   - Driver Calculation Method

     The calculation method must be manual.

   - Result Type

     Depending on the result type, the system might display additional fields.

   The system does not allow you to enter calculation details.



3. On the Cost Objects tab, choose an option to indicate the level of summarization:

   - Item Number
   - Activity
   - Subledger Type

4. Complete the following optional fields to indicate the level of summarization:

   - Subledger
   - Subledger Type
   - Type 1
   - Type 2

- Type 3
- Type 4

5. To identify category codes, click the Category Codes tab and complete the following fields:
   - Value 1
   - Value 2
   - Value 3
   - Value 4
   - Value 5

Calculating Driver Balances

You can use driver definitions to calculate driver volumes and create driver balances. You indicate which drivers that the system calculates by selecting the drivers in the Driver Selection program. The system processes each driver selection and calls the corresponding calculation program in the Based On table.

Calculating driver balances includes the following tasks:

- ❑ Entering manual driver information
- ❑ Selecting drivers
- ❑ Running driver calculations
- ❑ Reviewing driver balances
- ❑ Purging driver balances

Entering Manual Driver Information

Most drivers that you use in the EPS system are based on tables in the system and calculated automatically by the appropriate driver calculation programs. Information for manual drivers, such as square feet by department, is not available in any table and can be entered in this revisions program. Use Driver Volume Revisions to do the following:

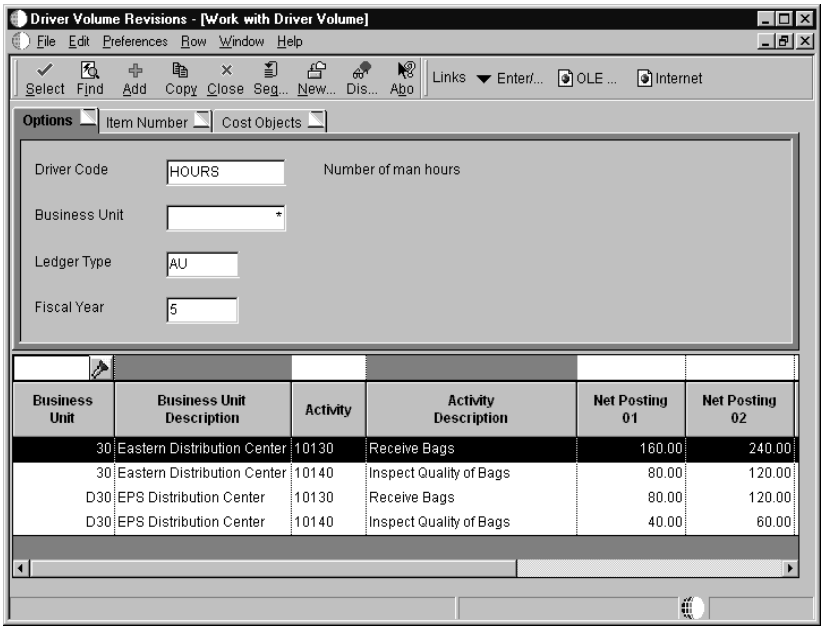
- Enter manual driver information for specified periods
- Update driver balances for a specific fiscal year and ledger type
- Input balances for activities
- Correct errors on an existing entry
- Copy existing driver information to create new manual drivers for another fiscal year and ledger type

Before You Begin

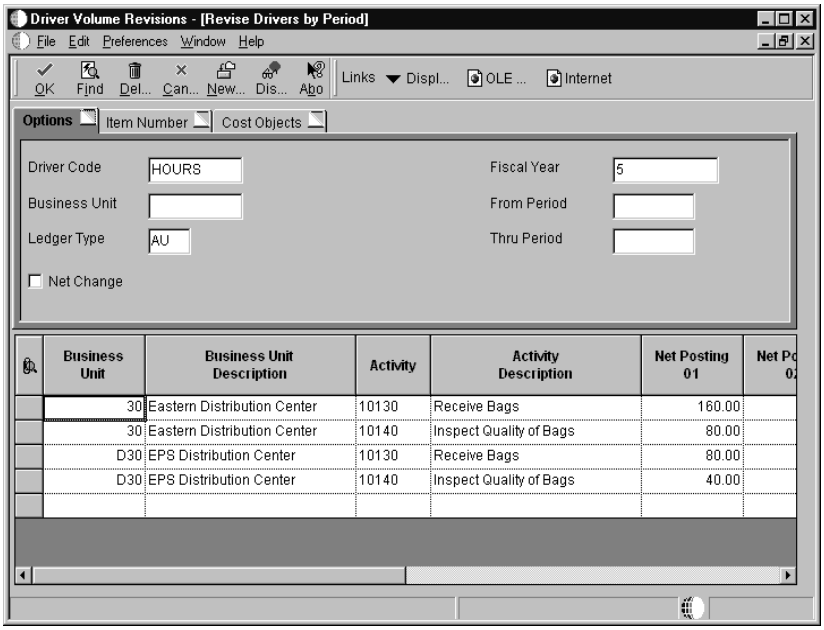
- ❑ Verify that you have set up manual drivers in the Driver Definition program (P1630).

To enter manual driver information

From the Drivers menu (G1614), choose Driver Volume Revisions.



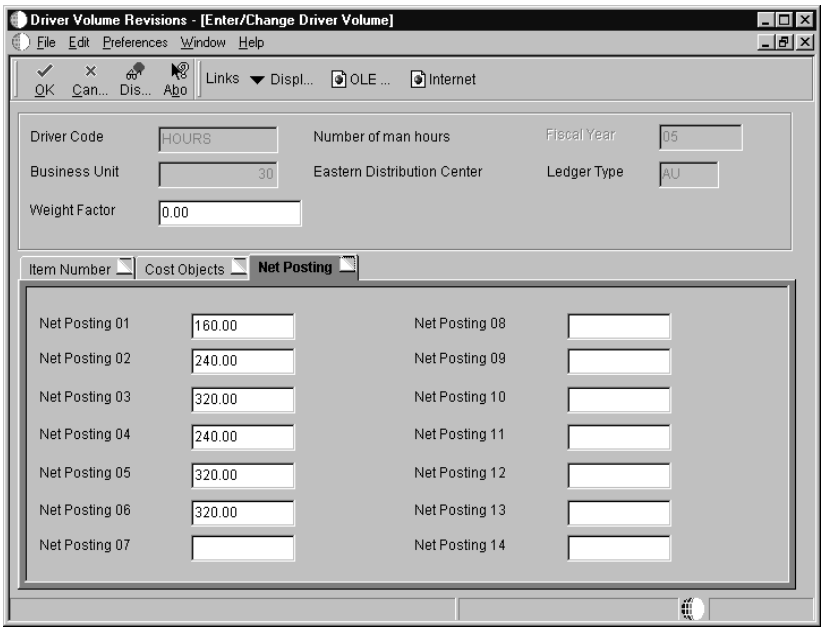
1. On Work with Driver Volume, complete the following field and click Add:
   - Driver Code



2. On Revise Drivers by Period, click the Options tab and complete the following fields:
   - Fiscal Year
   - Ledger Type
3. On the Item Number tab, complete the following field:
   - Activity
4. Click OK.
5. To enter default header information, complete the following optional field:
   - Business Unit
6. Review amounts for fiscal periods in the detail area, as necessary.

   The Net Posting fields in which you enter volumes correspond to your fiscal date pattern.

7. To revise existing amounts, choose Enter/Change Driver Volumes from the Row menu.



8. On Enter/Change Driver Volume, complete the following fields:
   - Net Posting 01
   - Net Posting 02
   - Net Posting 03
   - Net Posting 04
   - Net Posting 05

- Net Posting 06
- Net Posting 07
- Net Posting 08
- Net Posting 09
- Net Posting 10
- Net Posting 11
- Net Posting 12
- Net Posting 13
- Net Posting 14

9. To assign a weight factor to a specific period for a driver, complete the following field and click OK:
    - Weight Factor

Processing Options for Driver Volume

```
Driver

1. Enter a '1' to use Automatic Drivers.
    If left blank, only Manual Drivers
    will be allowed.

      Allow Automatic Driver Revision                _____________
```

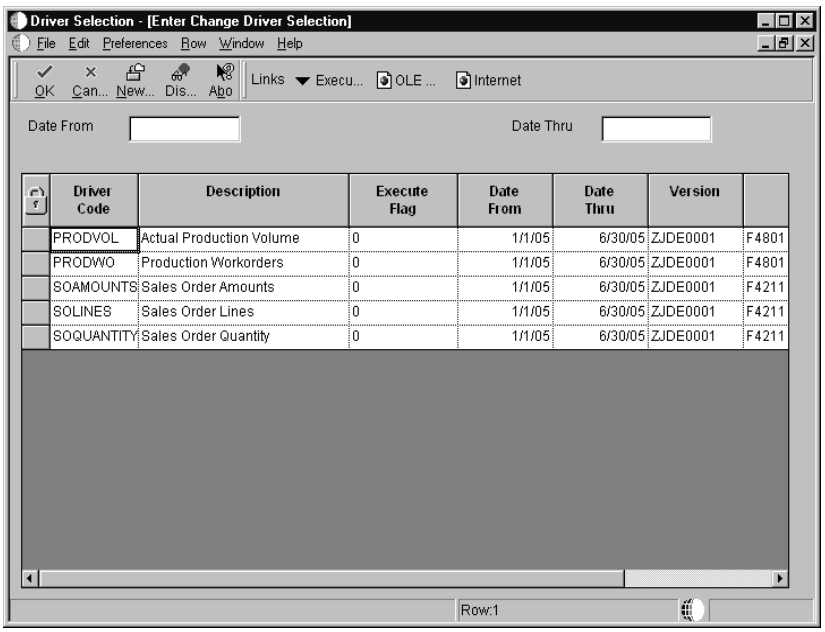
Selecting Drivers

Use Driver Selection Criteria to select the drivers to be calculated automatically. You can select a date range to use when including the drivers. You can also select the version to use when calculating the driver volumes.

▶ To select drivers

From the Drivers menu (G1614), choose Driver Selection.

1. On Work with Drivers, click Find.
2. Select a record in the detail area and click Select.



3. On Enter Change Driver Selection, review the information in the following fields:
    - Date From
    - Date Thru
    - Execute Flag
    - Version
4. Optionally, do any of the following:
    - To copy the date from the header to specific records, enter a date range and choose Copy Date from the Row menu.
    - To enable drivers, choose a record in the detail area and choose Execute On from the Row menu.
    - To disable drivers, choose a record in the detail area and choose Execute Off from the Row menu.
    - To define the parameters for the driver, choose a record in the detail area and choose Data Selection from the Row menu.
    - To create a new version, choose a record in the detail area and choose Versions from the Row menu.
5. To create versions of driver selection programs. choose Batch Versions on the row exit.

Field	Explanation
Date From	The beginning date for which the transaction or code is applicable.

Field	Explanation
Driver Code	A code that identifies drivers within the Cost Management system.
Date Thru	The ending date for which the transaction or code is applicable.
Execute Flag	An option that identifies a processing flag for an event.
Version	A user-defined set of specifications that control how applications and reports run. You use versions to group and save a set of user-defined processing option values and data selection and sequencing options. Interactive versions are associated with applications (usually as a menu selection). Batch versions are associated with batch jobs or reports. To run a batch process, you must choose a version.

Running Driver Calculations

From the Drivers (G1614) menu, choose Automatic Driver Calculation.

Based on driver definitions, this batch program calculates driver volumes and creates driver balance entries. Use the Driver Selection program (P16301) to indicate which drivers are calculated. If you base the driver calculation on either table, the system calls the corresponding calculation program. For each record that you indicate, the system performs the calculation defined in the driver definition and summarizes the results in the defined cost objects. You can base driver calculations on the following tables:

- Work Order (F4801)
- Work Order Routing (F3112)
- Item Ledger (F4111)
- Sales Order Detail (F4211)
- Purchase Order Detail File (F4311)

If you base the driver calculation on any table, the system calls the corresponding calculation program:

- Work Order Master Driver Calculations (R4801DC)
- Work Order Routing (R3112DC)
- Item Ledger Driver Calculations (R4111DC)
- Sales Order Detail Driver Calculations (R4211DC)
- Purchase Order Detail (R4311DC)

You can execute this batch program in proof mode and produce a driver volume calculation report. All calculations are performed, but the Driver Balances table is not updated.

You can update driver balances based on the transaction period, or you can summarize several transaction periods into one specific period. By indicating the G/L date in the processing options, the system can summarize the balances. For example, if you want to summarize transactions that occurred from January through March, specify the G/L date as March 31 of the current year (03/31/xx).

The system compares the date you enter to your company's fiscal date pattern to determine the correct period and fiscal year. The system summarizes all transactions from January through March, and posts the total in the correct fiscal period. If you leave the date blank, all the transactions occurring in January will be summarized and posted in the respective fiscal period, all transactions occurring in February will be summarized and posted in the respective fiscal period, and so forth. The system might update three fiscal periods rather than one.

Processing Options for Driver Calculations and Update

```
Process

      1. Enter a '1' for Final Mode                    _____________
      2. Enter a '1' to print                          _____________
      calculation details
      3. Enter the G/L date  to                        _____________
      determine Period and Fiscal Year.
      If blank the transaction date will
      be used
      4. Enter a '1' to reset the driver               _____________
      execute flag in the Driver Master
      Table
      5. Enter the Ledger Type to create               _____________
      in the Driver Balances table
      6. Enter '1' to replace the                      _____________
      existing driver balances.
```

Reviewing Driver Balances

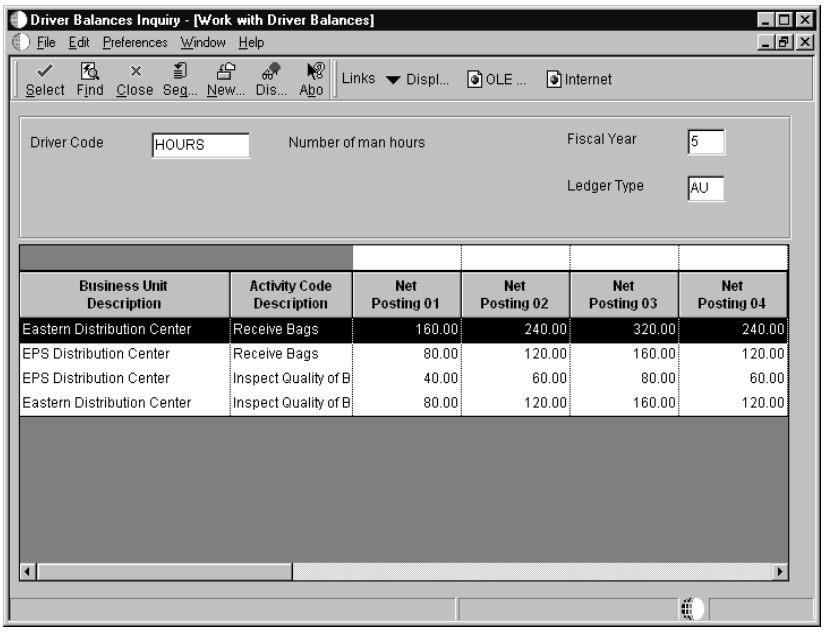
You can review driver balances for automatic and manual drivers.

▶ To review driver balances

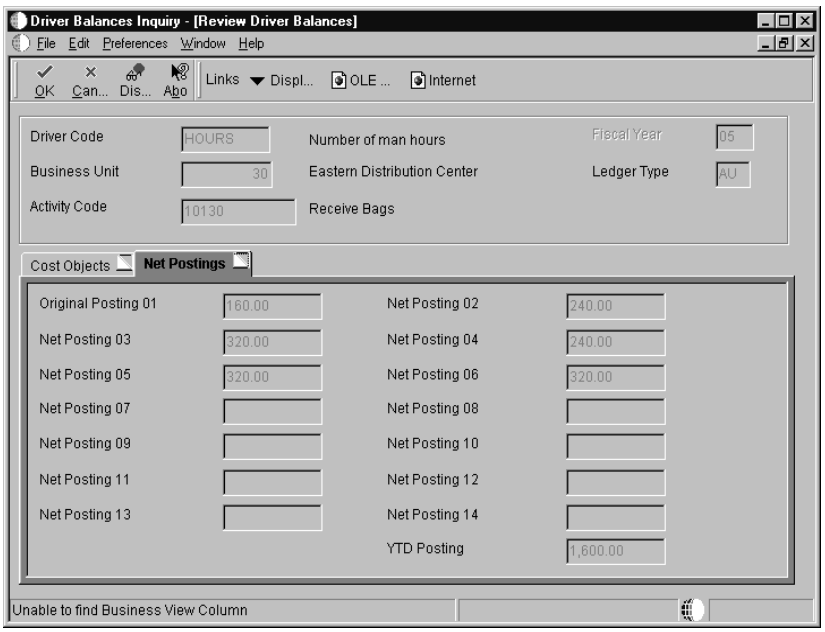
From the Drivers (G1614) menu, choose Driver Balances Inquiry.

1. On Work with Driver Balances, complete the following fields and click Find:
   - Driver Code

- Fiscal Year



2. Choose a record in the detail area and click Select.
3. On Review Driver Balances, click the Cost Objects tab and review the following fields:
   - Cost Object 1
   - Cost Object 2
   - Cost Object 3
   - Cost Object 4
   - Subledger Type
4. To review postings by fiscal period, click the Net Postings tab.



Field	Explanation
Driver Code	A code that identifies drivers within the Cost Management system.
Fiscal Year	A four-digit number that identifies the fiscal year. You can enter a number in this field or leave the field blank to indicate the current fiscal year (as defined on the Company Numbers & Names form). Specify the year at the end of the first period rather than the year at the end of the fiscal period. For example, a fiscal year begins October 1, 2005, and ends September 30, 2006. The end of the first period is October 31, 2005. Specify the year 2005 rather than 2006.
Cost Object 1	A cost object code can be, for example, an equipment item number or an address book number. If you enter a cost object code, you must also specify the cost object type. This field acts the same and is edited the same as the Subledger field. The difference is that the system does not post a cost object code to the Account Balances file (F0902).
Subledger Type	A user defined code (00/ST) that is used with the Subledger field to identify the subledger type and how the system performs subledger editing. On the User Defined Codes form, the second line of the description controls how the system performs editing. This is either hard-coded or user defined. For example: A Alphanumeric field, do not edit N Numeric field, right justify and zero fill C Alphanumeric field, right justify and blank fill

Purging Driver Balances

Purges are programs that have predefined criteria that the system checks before removing any data so that you avoid removing associated data that is located in other files.

Purging data consists of:

- Specifying the information to delete
- Running the purge program

You can use the Driver Balances Purge (R1632P) to purge data from the Driver Balances table (F1632). You can clear information completely, or you can clear only specific periods, ledger types or fiscal years. You might run this process periodically to improve system performance. You can also use the purge process to repost transactions to a driver of the specifications if the driver calculations have changed or if the driver contains errors. After the records are purged, you can correct the driver definition and process the driver calculation again.

If you leave the processing option for period number blank, you must specify a fiscal year in order to purge the driver balances for an entire year. If you do not indicate either a fiscal period or fiscal year, the system does not purge balance information.

Processing Options for Driver Balances Purge

```
Process

Enter the period number you want to
    clear.  If left blank, the complete
    driver balance record will be
    deleted.

      Period Number - General Ledger                _____________

Enter the fiscal year to be purged from
    the Driver Balances table.

      Fiscal Year                                   _____________

Enter the ledger type to be purged from
    the Driver Balances table.

      Ledger Type                                   _____________
```

Activities

Activities

When you use the Enterprise-Wide Profitability Solution system for activity-based costing, you use the profit management features to perform activity and process cost calculations. You can set up a calculation definition that indicates the type of calculation, source of the balances, driver, and destination for the results. Additionally, if you have a multi-tiered allocation, you can specify the sequence of calculations.

Activities includes the following tasks:

- ❑ Setting up activities
- ❑ Reviewing activities

Before you begin to use activity-based costing, you must define each task involved in the process that you want to analyze. After you define each task, you can attach drivers to each task.

For example, in accounts payable, you perform the following tasks:

- Receive invoices
- Route them for approvals and coding
- Look up the supplier number
- Add the supplier to the vendor file table
- Verify the payment amount and authorizations
- Input the invoices
- Correct any errors
- Run check processing
- Print the checks
- Sign the checks
- Attach remittances
- Put checks in envelopes
- Mail the checks

Many tasks are involved in accounts payable. When you analyze the time spent on each task and the cost of man-hours, machine time, square footage allowance, and so on, you begin to understand the actual cost of processing accounts payable in-house. You can then determine whether you can eliminate some of the steps or out-source some or all of the process.

Setting Up Activities

From the Activity Based Costing menu (G1616), choose ABC Workbench.

If you use the EPS system for activity-based costing, you must set up activities. An activity is an aggregation of actions performed within an organization. The characteristics of an activity are as follows:

- Usually a subset or output of a process
- Consumes resources
- Can be broken down by user-defined attributes such as value-added activities or non-value-added activities
- Usually falls into two categories: product-related or customer-related
- Sometimes synonymous with processes

Setting up activities includes the following tasks:

- Defining activity groups
- Assigning activities to groups

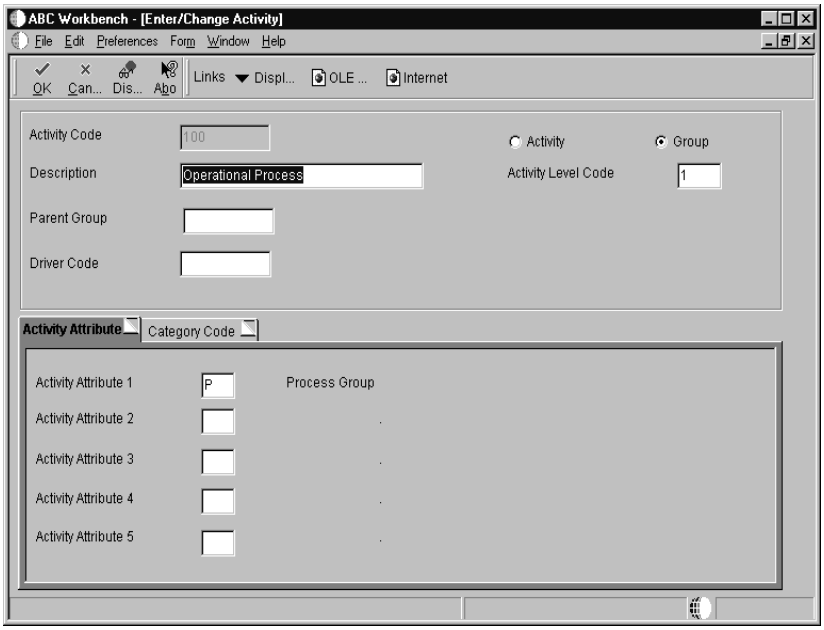
Note: To form a hierarchical process, you can associate activities or subprocesses to a group. You assign activities and subprocesses to parent groups. You set up activities and groups in the same manner. You can assign attributes, category codes, and driver codes to either an activity or a group.

Before You Begin

❑ Verify that you have activated the activity-based costing option in Cost Management Constants. See *Setting Up Constants*.

▶ To define activity groups

From the Activity Based Costing menu (G1616), choose ABC Workbench.



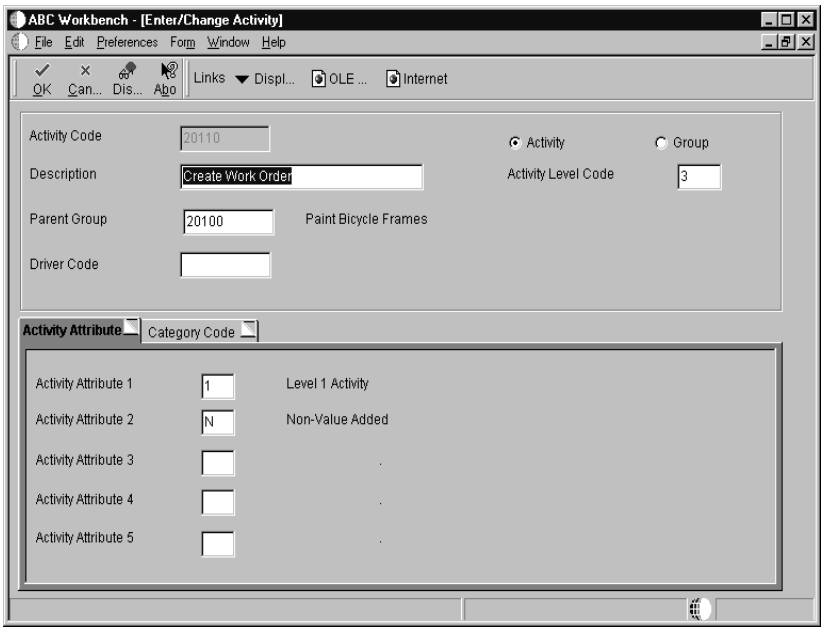
1. On Enter/Change Activity, complete the following fields:
   - Activity Code
   - Description
   - Activity Level Code
2. To identify an activity group, choose the following option:
   - Group
3. To capture cost information at this level, enter a driver code in the following field:
   - Driver Code
4. To identify attributes for the activity group, complete the following fields:
   - Activity Attribute 1
   - Activity Attribute 2
   - Activity Attribute 3
   - Activity Attribute 4
   - Activity Attribute 5
5. On the Category Codes tab, complete the following fields to identify category codes for the activity group:
   - Category Code 1
   - Category Code 2
   - Category Code 3

- Category Code 4
- Category Code 5

To assign activities to groups

From the Activity Based Costing menu (G1616), choose ABC Workbench.

1. On Work with Activity Based Costing Workbench, click Add.



2. On Enter/Change Activity, complete the following fields:
   - Activity
   - Description
   - Activity Level Code
3. To identify this action as an activity, choose the following option:
   - Activity
4. To assign this activity to an activity group, complete the following field:
   - Parent Group

   Based on the parent group number, the system assigns the activity level code.
5. To identify a driver, complete the following field:
   - Driver Code
6. To identify activity attributes, complete the following fields:

- Activity Attribute 1
- Activity Attribute 2
- Activity Attribute 3
- Activity Attribute 4
- Activity Attribute 5

7. On the Category Codes tab, complete the following fields to identify category codes:
   - Category Code 1
   - Category Code 2
   - Category Code 3
   - Category Code 4
   - Category Code 5

Processing Options for Activity Based Costing Workbench

Defaults Tab

1. Start Level

Use this processing option to indicate the lowest activity level code that the system displays in the Activity Based Costing Workbench program.

If you leave this field blank, the system displays activities at level 1 and above.

Process Tab

1. Automatically Find On Entry

Use this processing option to automatically load data into the parent child form upon entering the Activity Based Costing Workbench program.

Use this feature only if there are not many records to retrieve; otherwise, you may slow the system's performance unnecessarily.

If you leave this field blank, you will need to do manual Find.

Reviewing Activities

When you use the EPS system for activity-based costing, you use the cost management features to perform activity and process cost calculations. You can set up a calculation definition that indicates the type of calculation, the source of the balances, the driver (the basis of the balances), and the destination for the results. Additionally, if you have multi-tiered allocations, you can specify the sequence of calculations. When you coordinate all cost objects, drivers, and assignments by activity, you can review the resulting information, such as Cost Analyzer Balances, or each separate piece, such as the driver definition or cost object type.

Each assignment has an identifier and allows you to set up multiple configurations depending on your business objective. You can review the parent/child relationships, or hierarchies, of all processes and activities.

To review activities, complete the following tasks:

- ❑ Review activity costs
- ❑ Work with the ABC Workbench
- ❑ Review the Activity Master report

Reviewing Activity Costs

You can review cost analyzer balances by inquiring on activities. By selecting an activity or a level, you can review the following:

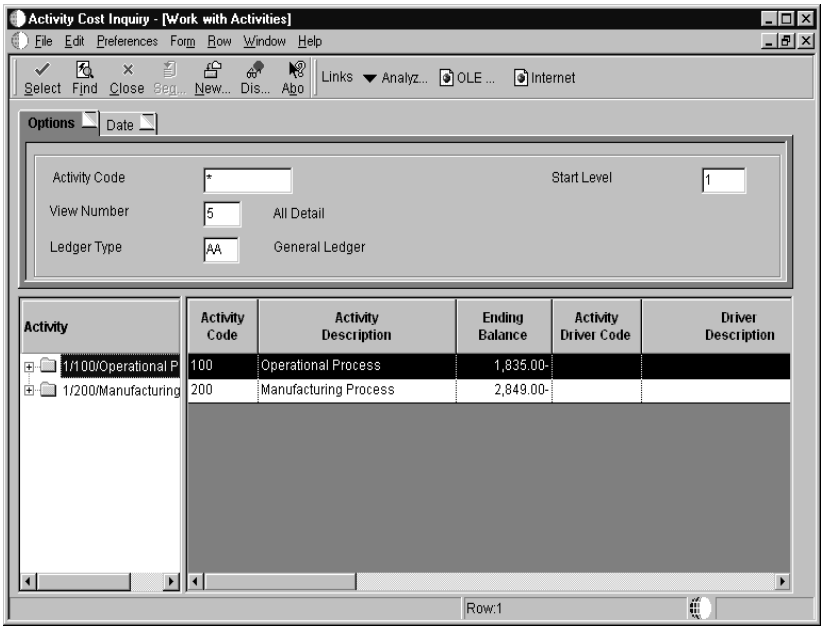
- Activity or process costs
- Activity costs by cost object

▶ To review activity costs

From the Activity Based Costing menu (G1616), choose Activity Cost Inquiry.

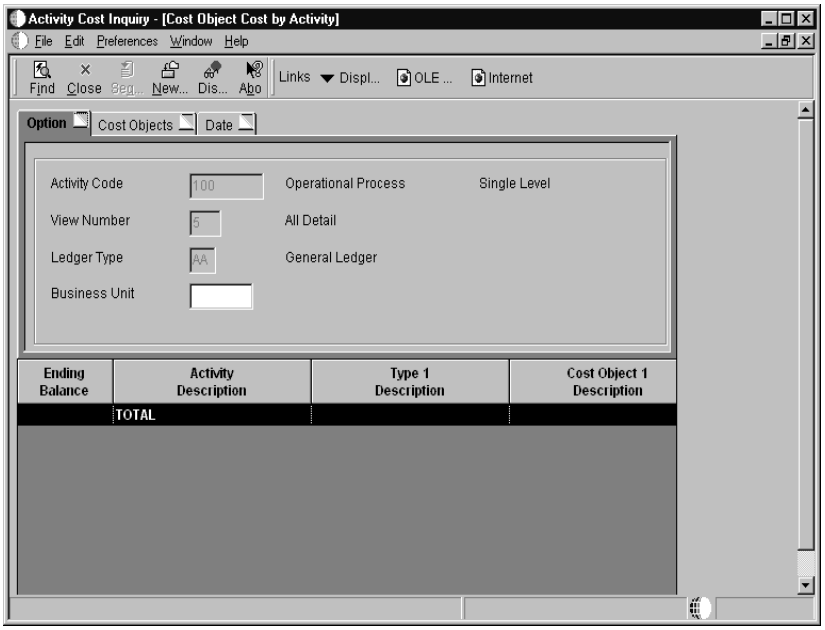
1. On Work with Activities, click the Options tab, complete the following fields, and click Find:
    - Activity Code

- Start Level
- View Number
- Ledger Type

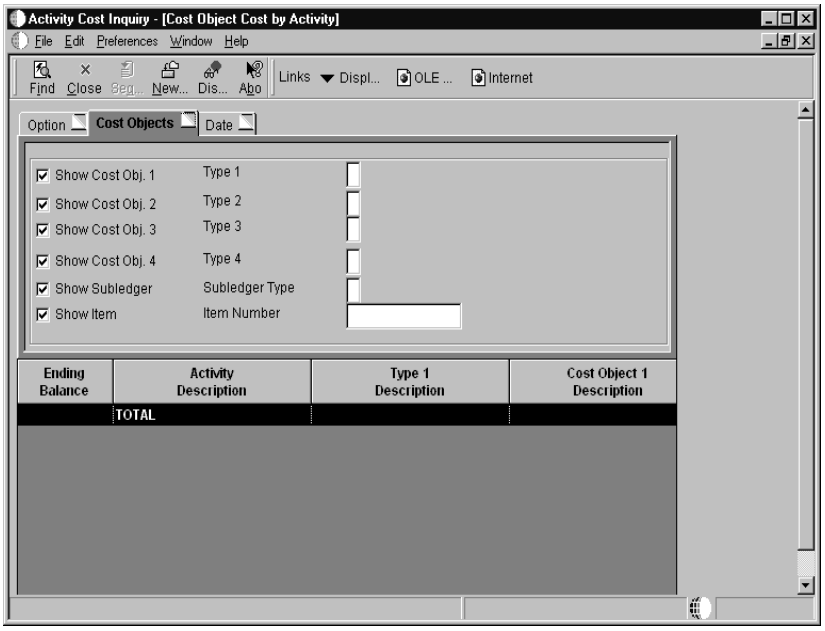


The system displays costs by activity, based on your processing option selection.

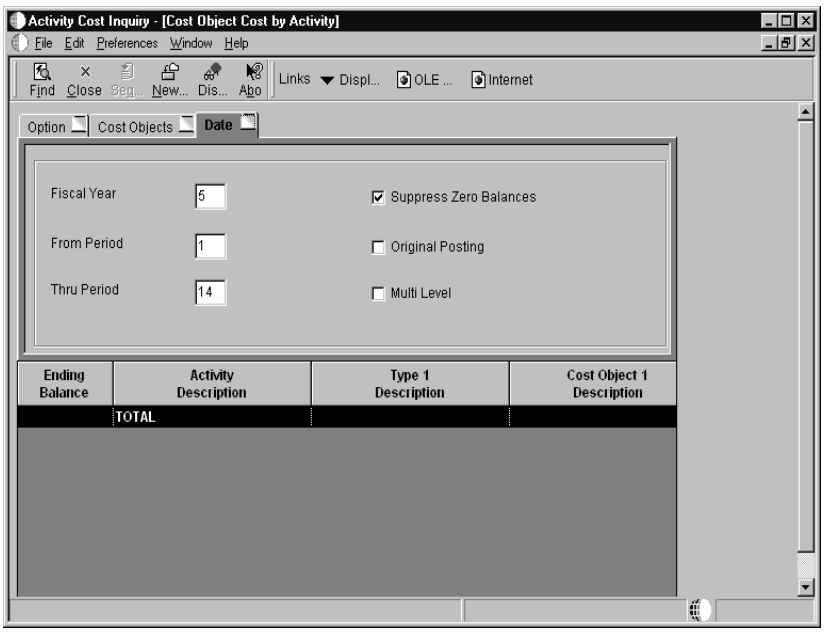
2. To search by date, click the Date tab and complete the following fields:
   - Fiscal Year
   - From Period
   - Thru Period
3. Choose the activity and choose Cost Object from the Row menu.
4. On Cost Object Costs by Activity, click the Option tab to review the posted information by business unit.



5. Click the Cost Objects tab to review detail information about costs objects and types.



6. Click on the Date tab to edit or review posted information.



7. Click Cancel to return to Work with Activities.

Processing Options for Activity Cost Inquiry

Default Tab

Use these processing options to define what information will display on the screen as well as how the information is organized.

1. Start Level

Use this processing option to indicate the lowest activity level code that the system should display in the Activity Cost Inquiry program.

If you leave this field blank, the system displays activities at level 1 and above.

2. View Number

Use this processing option to specify which set of costs you want the system to retrieve from the cost analyzer.

Valid values are 1 through 10.

If you leave this option blank, the system issues an error and no costs are displayed.

3. Fiscal Year

Use this processing option to specify the Fiscal Year the system uses to retrieve activity cost from the cost analyzer.

If you leave this option blank, the system does not display costs and an invalid fiscal year error is issued.

4. Ledger Type

Use this processing option to indicate the ledger type the system uses to retrieve the activity cost from the cost analyzer. Ledger type is a user defined code (09/LT) that specifies the type of the ledger, such as AA (Actual Amounts), BA (Budget Amounts), or AU (Actual Units).

If you leave this option blank, the system retrieves activity costs from the AA (Actual Amounts) ledger.

5. Period

a. From Period

Use this processing option to indicate the first period that the system includes in the costs.

Valid values are 1 to 14.

You must enter a value that corresponds to periods in your fiscal date pattern.

If you leave this option blank, the system uses Period 1.

b. Thru Period

Use this processing option to indicate the last period that the system includes in the costs.

Valid values are 1 to 14.

You must enter a value that corresponds to periods in your fiscal date pattern.

If you leave this option blank, the system uses Period 1.

Process Tab

1. Automatic Find On Entry

Use this processing option to automatically load data into the grid upon entering the Activity Cost Inquiry program.

Use this feature only if there are not many records to retrieve; otherwise, you may slow the system's performance unnecessarily.

If you leave this field blank, you will need to do a manual Find.

Display Tab

1. Multi-Level

Use this processing option to display the parent and its children activities in the Activity Cost Inquiry program.

Valid values are:

1 Multi Level. The system will display the parent and all of its children activities.
Blank Single Level. The system will display only the selected activity.

2. Cost

Use this processing option to display the original posting cost or ending balance cost in the Activity Cost Inquiry program.

Valid values are:

1 Display the original posting cost
Blank Display the ending balance cost

Working with the ABC Workbench

When you review activities, you can exit to the following specific forms to access all elements of activity-based costing:

Business Unit Revisions	You can set up or revise departments.
Organization Structure	You can set up or revise resources in the chart of accounts. A chart of accounts provides the structure for your general ledger accounts.
Activity Cost Inquiry	You can view costs by activity. Theses costs are calculated by reading the Cost Analyzer balances. You can review detail information about activity costs by cost object.
Activity Revisions	You can enter or change attributes, category codes, drivers codes, and so on.

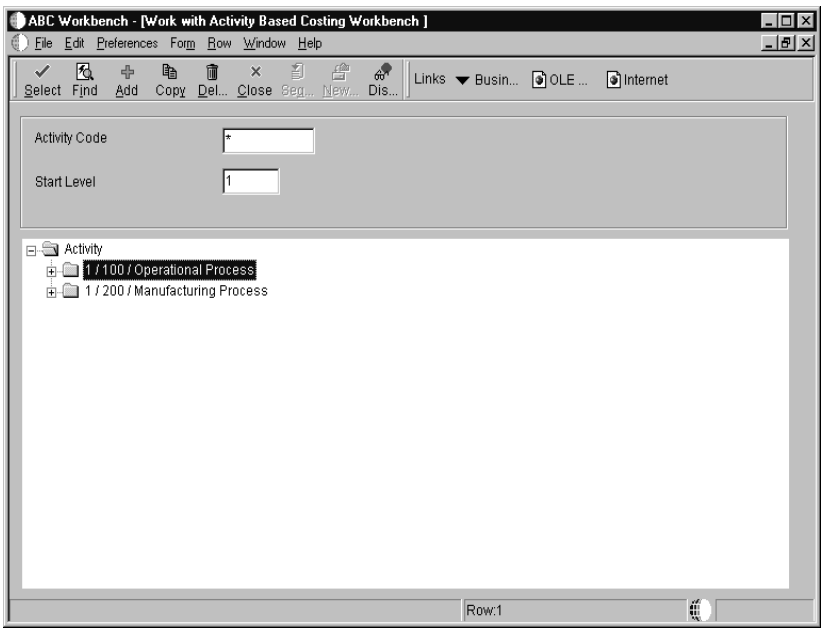
Cost Pool Definition	You can identify the group of cost elements that share a common driver.
Driver Definitions	You can create and update driver definitions and calculation instructions. You can define how to calculate driver volumes at the summary level.
Driver Volume Revisions	You can calculate driver volumes and create driver balances. Based on driver definitions, you indicate which drivers the system calculates by selecting the driver in the Driver Selection program.
Cost Object Type Definition	You can set up user defined cost object types. The cost object types can then be included in manual journal entries, batch and standard voucher entries and invoice entries.
Cost Assignment Definition	With EPS, you can create cost assignments that are based on information that the system gathers during transaction processing. You set up flexible calculations to assign costs for managerial accounting or activity-based costing.
Cost Analyzer Balances	You can review cost analyzer entries. You can review the details of a specific entry, including the net posting balances and year-to-date total for the selected entry. While you can access Cost Analyzer from ABC Workbench, you can inquire by activities only if you have activated the activity-based costing option in the Cost Management Constants.

Note: You can set the processing options for the ABC Workbench to customize the level at which the system displays multi-tiered allocations.

▶ To review activities

From the Activity Based Costing menu (G1616), choose ABC Workbench.

1. On Work with Activity Based Costing Workbench, complete the following field and click Find:
   - Activity



You can expand the process to view subprocesses. Right-click the selected Activity and choose Expand all Tree Nodes On Find.

2. Click Find.
3. Select the activity, or subprocess. Choose an option from *Working with the ABC Workbench*.
4. Click OK from any of the options to accept changes and return to the Activity Workbench.
5. Select the activity or subprocess. To revise activity information, such as category codes and attributes, choose Activity Revisions from the Row menu. Edit the information as necessary, then click OK.

Reviewing the Activity Master Report

You can review activities or processes that exist in the Activity Master report (R1640). Based on the data selection and processing options, you can review multiple levels, as well as the hierarchy of processes and subprocesses, of activities or groups. You can use the activity attributes and category codes to identify activity groups or activities with certain characteristics.

See Also

- *Reviewing Activity Costs* for more information about displaying activities and processes online
- *R1640, Activity Master Report* in the *Reports Guide* for a report sample

Processing Options for Activity Master Report

Print Tab

Use these processing options to define what information will display on the report as well as how the information is organized.

1. Level of Detail

Use this processing option to specify the level of detail that appears on the report. Multi-level will display the parent activity and its coresponding children. Single level will only display the selected activity.

Valid values are:

1 multi-level report
blank single level report

2. Items Used in Selecting the Activities Costs (Required)

a. View Number

Use this processing option to select the view that the system uses to retrieve the activity costs from the Cost Analyzer.

Valid values are 1 to 10.

If you leave this option blank, the system issues an error and no costs are printed.

b. Fiscal Year

Use this processing option to specify how to identify the activities costs which are retrieved based on net balances. Specify the year at the end of the first period rather than at the end of the last fiscal period. For example, if the fiscal year begins October 1, 1998 and ends September 30, 1999, you specify fiscal year 98 rather than 99.

If you leave this option blank, the system issues an error and no costs are printed.

c. Ledger Type

Use this processing option to specify the ledger type from which the system retrieves the activities costs. Ledger type is a user defined code (09/LT) that specifies the type of the ledger, such as AA (Actual Amounts), BA (Budget Amounts), or AU (Actual Units).

If you leave this option blank, the system issues an error and no costs are printed.

d. Period From

Use this processing option to indicate the beginning period from which costs are selected based on net balances.

You must enter a value that corresponds to periods in your fiscal date patterns.

Valid values are 1 to 14.

If you leave this option blank, you must enter a value in the Date From processing option.

e. Period Thru

Use this processing option to indicate the ending period from which costs are selected based on net balances.

You must enter a value that corresponds to periods in your fiscal date patterns.

Valid values are 1 to 14.

If you leave this option blank, you must enter a value in the Date Thru processing option.

3. Select Items to be Printed

Use these processing options to select which items will be printed.

a. Attribute Number

Use this processing option to indicate which specific attribute of the activities should be displayed. If the data is sequenced by a particular attribute, then that attribute number should match with the number entered here.

Choose an attribute number 1 to 5.

If you leave this option blank, the system displays attribute 1.

b. Category Number

Use this processing option to indicate which category code of the activities should be displayed. If the data is sequenced by a particular category, then that category number should match with the number entered here.

Choose a category number 1 to 5.

If you leave this option blank, the system displays category 1.

Assignments

Assignments

The assignment feature is a key component of EPS. It is a flexible tool that provides you with the capability to allocate indirect costs, make projections based on assumptions, and try different what-if scenarios without changing the original data.

An assignment is the method by which the system reallocates indirect revenue and costs. With assignments, you can identify, capture, and allocate costs or revenue to items, cost objects, or the subledger fields. For example, you can allocate indirect costs to products, customers and activities. This flexibility enables you to report costs by either an activity, such as receiving, or to determine profitability by customer and product.

Although cost allocations are possible without EPS, using EPS improves the accuracy of allocations. They are more meaningful and less arbitrary. Output is also improved by providing information at a product or customer level because these indirect costs can be applied to individual products or customers using a relevant business driver.

ABC Company has some generic shipping costs that cannot be attributed to specific customers. If an assignment were calculated based on the number of sales orders, customers would be assigned a pro-rated share of the shipping costs. The customer sales orders as the numerator, and the total sales orders as the denominator.

Assignments include the following tasks:

- ❑ Setting up rates
- ❑ Setting up assignments
- ❑ Working with cost assignments

The EPS system provides a totally new set of features for assignments, expanding on both the flexibility and complexity provided by the current General Ledger allocations programs.

Several other key differences exist between the general ledger allocations and the new EPS assignments, including:

- You can assign costs to the cost objects and item fields.
- You can assign costs based on driver information.

- You can select on all account and business unit category codes, ranges, literal usage, and lists. Data selection is significantly improved.
- You can run multi-tiered allocations in the EPS solution.
- In EPS assignment, no allocation entries are posted to the F0902 table.

Understanding EPS Assignments

Assignments are allocations or reallocations of costs. They retrieve information from the original transactions as well as any additional activity that was previously posted from other assignments. All EPS balance and transaction activity is stored in the Cost Analyzer Balances table (F1602).

EPS assignments are a tool you can use to create what-if scenarios. EPS provides four different types of assignments that can be customized to meet a company's needs. These types of assignments are as follows:

- Variable numerator
- Rate calculation
- Index computation
- Rate-based computation

Assignments are run in either proof or final mode. The results of assignments are not reflected in the cost analyzer until the assignment is run in the final mode. No actual entries are made in the original records, and assignment transactions are reflected only in the cost analyzer.

The following examples tell of the four different types of assignments:

Variable Numerator

ABC Company wants to allocate all indirect selling costs to its sales offices, based on the number of sales orders generated by each office, but the company does not want to actually record the allocation. It wants only to evaluate the proposed result. This type of process can be done through EPS assignments. This variable numerator assignment is defined as follows:

- Account balances are obtained from the Cost Analyzer Balances table (F1602).
- The driver is the number of sales orders by business unit.
- Total indirect selling costs from F1602 are pro-rated based on a calculated sales order percentage.
- The pro-rated cost is applied to each sales office business unit.

Rate Calculation

Rate calculation is useful when deriving a rate per unit. For example, ABC Company wants to find out how much it is spending on individual accounts receivable activities so that it can evaluate whether to streamline the accounts receivable process. The company could create a rate calculation assignment to find out the cost of each activity and then evaluate where improvements could be made.

Index Computation

Index computations use a calculation factor to calculate projected amounts. For example, ABC Company wants to evaluate next year's budget based on a 10% increase in this year's budget. The company can create an index computation using cost analyzer balances multiplied by a factor of 100%.

Rate-Based Computation

Rate-based computation uses an existing user-defined rate per unit or a rate-from-a-rate calculation assignment and applies it to costs or driver volumes. For example, suppose ABC Company wants to charge certain customers an add-on rate for a labor-intensive tasks? The company could use a set rate multiplied by the number of man-hours consumed in the process and apply it to the applicable customers.

Setting Up Rates

You can use rates in the EPS system as a basis to re-allocate costs. For example, to calculate the advertising rate, you can retrieve sales order detail lines by product and multiply them by a rate for each product.

When you create a rate in the Rate Master Revisions program (P1642), the system assigns an identification number to the rate and stores the information for the rate in the following tables:

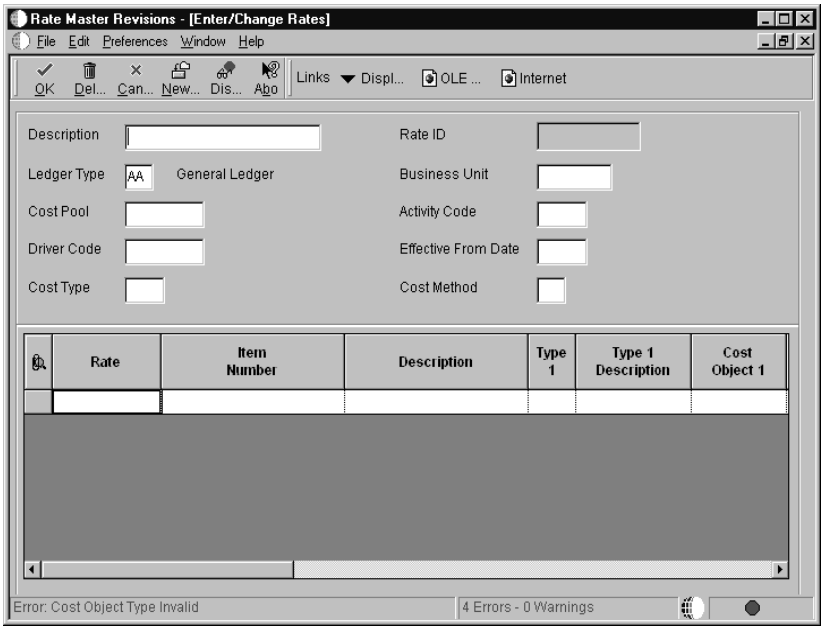
- Rate Master Header table (F1642)
- Rate Master Detail table (F16421)

You can set up rates that are specific to items; cost objects; activities or cost pools; and subledger types. When you define rates, the system prompts you to set up a default rate for the activity or cost pool. The system uses the default rate in a rate-based calculation if the From information in the assignment does not have a matching rate in the Rate Master table.

▶ To set up rates

From the Assignments menu (G1623), choose Rate Master Revisions.

1. On Work with Rates, click Add.



2. On Enter/Change Rates, complete the following fields:
   - Description
   - Rate
   - Ledger Type
   - Business Unit
   - Driver Code
   - Effective From Date
   - Cost Type
   - Cost Method
3. Do one of the following:

   To set up rates for activities, complete the following field:

   - Activity Code

   To set up rates for cost pools, complete the following field:

   - Cost Pool
4. To limit the rate rule to an item, cost object, or subledger, complete one or more of the following fields:
   - Item Number
   - Type 1
   - Cost Object 1

- Type 2
- Cost Object 2
- Type 3
- Cost Object 3
- Type 4
- Cost Object 4
- Subledger Type
- Sub– ledger

5. Click OK.

Field	Explanation
Cost Type	A code that designates each element of cost for an item. An example of the coding structure is as follows: A1 Purchased raw material B1 Direct labor routing rollup B2 Setup labor routing rollup C1 Variable burden routing rollup C2 Fixed burden routing rollup Dx Usually used for outside operation routing rollup Xx Usually used for extra add-ons, such as electricity and water The optional add-on computations usually operate with the type Xx extra add-ons. This cost structure allows you to use an unlimited number of cost components to calculate alternative cost rollups. The system then associates these cost components with one of six user defined summary cost buckets.
Subledger Type	A user defined name or remark.
Cost Method	A user defined code (40/CM) that identifies a cost method. Use cost methods to indicate the method for the system to use. Cost methods 01 through 19 are reserved for J.D. Edwards use.

Field	Explanation
Business Unit	An alphanumeric field that identifies a separate entity within a business for which you want to track costs. For example, a business unit might be a warehouse location, job, project, work center, branch, or plant. You can assign a business unit to a voucher, invoice, fixed asset, employee, and so on, for purposes of responsibility reporting. For example, the system provides reports of open accounts payable and accounts receivable by business units to track equipment by responsible department. Security for this field can prevent you from locating business units for which you have no authority. Note: The system uses the job number for journal entries if you do not enter a value in the AAI table.
Rate	A rate value calculated by dividing Cost pool or Activity costs by a driver volume.
Cost Pool	A grouping of all cost elements associated with an activity.
Cost Object 1	A cost object code can be, for example, an equipment item number or an address book number. If you enter a cost object code, you must also specify the cost object type. This field acts the same and is edited the same as the Subledger field. The difference is that the system does not post a cost object code to the Account Balances file (F0902).
Cost Object 1	This field is used with the Cost Object field to identify the type of cost object code and the type of editing. For OneWorld, valid types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types Entry program (P1620). For WorldSoftware, this is a user defined code (00/ST). The second line of the description on the User Defined Codes form controls how the system validates entries in the field. This is either hard-coded (as shown in the second line of the description) or user defined. For example: A Alphanumeric field, do not edit N Numeric field, right justify and zero fill C Alphanumeric field, right justify and blank fill U User defined cost object type
Cost Object 2	A cost object code can be, for example, an equipment item number or an address book number. If you enter a cost object code, you must also specify the cost object type. This field acts the same and is edited the same as the Subledger field. The difference is that the system does not post a cost object code to the Account Balances file (F0902).

Field	Explanation
Type 2	This field is used with the Cost Object field to identify the type of cost object code and the type of editing. For OneWorld, valid types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types Entry program (P1620). For WorldSoftware, this is a user defined code (00/ST). The second line of the description on the User Defined Codes form controls how the system validates entries in the field. This is either hard-coded (as shown in the second line of the description) or user defined. For example: A Alphanumeric field, do not edit N Numeric field, right justify and zero fill C Alphanumeric field, right justify and blank fill U User defined cost object type
Cost Object 3	A cost object code can be, for example, an equipment item number or an address book number. If you enter a cost object code, you must also specify the cost object type. This field acts the same and is edited the same as the Subledger field. The difference is that the system does not post a cost object code to the Account Balances file (F0902).
Type 3	This field is used with the Cost Object field to identify the type of cost object code and the type of editing. For OneWorld, valid types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types Entry program (P1620). For WorldSoftware, this is a user defined code (00/ST). The second line of the description on the User Defined Codes form controls how the system validates entries in the field. This is either hard-coded (as shown in the second line of the description) or user defined. For example: A Alphanumeric field, do not edit N Numeric field, right justify and zero fill C Alphanumeric field, right justify and blank fill U User defined cost object type
Cost Object 4	A cost object code can be, for example, an equipment item number or an address book number. If you enter a cost object code, you must also specify the cost object type. This field acts the same and is edited the same as the Subledger field. The difference is that the system does not post a cost object code to the Account Balances file (F0902).

Field	Explanation
Type 4	This field is used with the Cost Object field to identify the type of cost object code and the type of editing. For OneWorld, valid types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types Entry program (P1620). For WorldSoftware, this is a user defined code (00/ST). The second line of the description on the User Defined Codes form controls how the system validates entries in the field. This is either hard-coded (as shown in the second line of the description) or user defined. For example: A Alphanumeric field, do not edit N Numeric field, right justify and zero fill C Alphanumeric field, right justify and blank fill U User defined cost object type

Setting Up Assignments

An assignment definition is made up of three components. Each component has a date, frequency, and account definition:

From	The source of the definition
Based On	How to assign the From
Apply To	Where to assign the result of the assignment

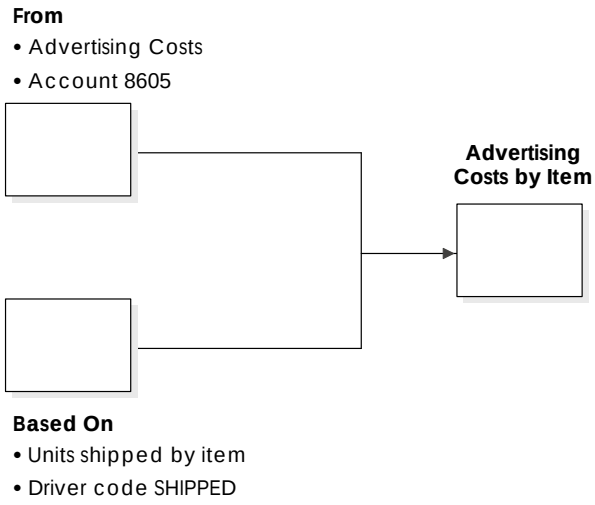
You can set up assignment calculations for either a single cost assignment or as part of several sequences to allow for multi-tiered calculations.

Setting up assignments includes the following tasks:

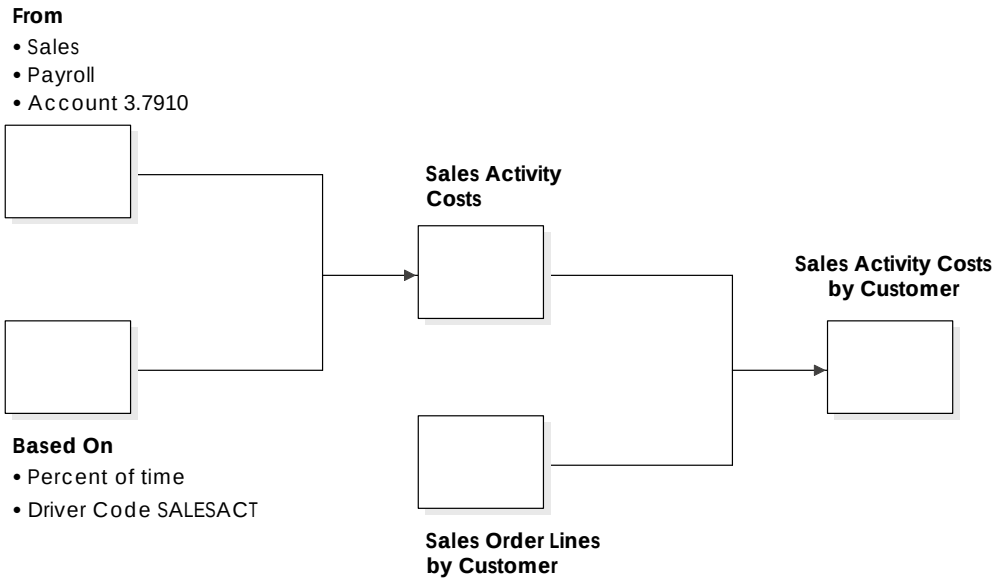
- ❑ Understanding assignments
- ❑ Setting up index computations
- ❑ Setting up variable numerators
- ❑ Setting up rate calculations
- ❑ Setting up rate-based computations

The following graphics illustrate a single cost assignment and a two-tiered assignment:

Single Cost Assignment



Two-Tiered Cost Assignment



Understanding Assignments

When you set up assignments, you must perform the following tasks:

- Define the assignment
- Choose the computation type

- Enter From (source) information
- Enter Based On information
- Enter date definition/information
- Enter Apply To information

Defining the Assignment

An assignment is the description header record for assignment sequences. A sequence is the order or hierarchy that the system uses to process calculations. To allow for multi-tiered calculations, an assignment can be made up on one or many assignment sequences . For example, in your assignment of Sales Activity, you have two sequences: sales costs by percent of time, and sales costs by number of sales order lines for a customer.

When you define your assignment, you must enter identifying information and specify the order in which the system processes information for this assignment in relation to other assignments. If you create an assignment with multiple sequences, the system retrieves the following default information from the previous assignment sequence:

- Assignment name
- Date definitions
- From - driver or cost analyzer-based
- Based on - driver, cost analyzer based, or index computation

Choose the Computation Type

Is this an index allocation, a variable numerator, or a rate calculation?

Based on the assignment type selection, the system displays only those fields that are valid for the assignment type. Consider the following validation rules for each assignment type:

Index computation

- The From component can be either the Cost Analyzer table or the Driver Balances table.
- The Based On component is a factor.
- The Apply To component can only be a Cost Analyzer table balance.

Variable numerator	• The From component must be the Cost Analyzer table. • The Based On component can be either the Cost Analyzer table or the Driver Balances table. You are not allowed to enter a factor. • The Apply To component must be a Cost Analyzer table balance.
Rate calculations	• The From component must be the Cost Analyzer table. • The Based On component must be the Driver Balances table. • The Apply To component must be a cost pool or activity rate from the Rates table.
Rate-based computations	• The From component must be the Driver Balances table. • The Based On component factor is from the Rates table. • The Apply To component must be a Cost Analyzer table balance.

When you enter From and Based On definitions, you can define versions of the following business views and customize your data selection accordingly:

- Cost Analyzer (R16102)
- Driver Balances (R16132)
- Rates (R16142)

To select a version of cost analyzer, driver balances, or rates, click the appropriate radio button.

Entering From (Source) Information

Based on the assignment type selection, the system displays only those fields that are valid for the assignment type. Consider the following validation rules for each assignment type for the From Information:

Index computation	The From component can be either the Cost Analyzer table or the Driver Balances table.
Variable numerator	The From component can only be the Cost Analyzer table.

Rate calculations	The From component must be the Cost Analyzer table.
Rate-based computations	The From component must be the Driver Balances table.

Based on the option of the calculation type, you exit to the appropriate version template to create the data selection for the assignment sequence. If the From is based on the Cost Analyzer table, click the visual assist to exit to the From Cost Analyzer version (R16102). On Work with Batch Versions, you can select an existing version of the Cost Analyzer template or you can create a new version. In your Cost Analyzer version for this assignment sequence, you might define the data selection as follows:

- View
- Ledger Type (AA)
- Business unit
- Accounts

Entering Based On Information

The Based On information can be either data in the Cost Analyzer table, data in the Driver Table, data in the Rate table, or an Index Factor. Consider the following validation rules for each assignment type to select Based On data:

Index computation	The Based On component is a factor.
Variable numerator	The Based On component can be either the Cost Analyzer table or the Driver Balances table. You are not allowed to enter a factor.
Rate calculations	The Based On component must be the Driver Balances table.
Rate-based computations	The Based On component must be the Rate table.

For example, suppose you want to reassign costs based on statistical information that exists in the Driver Balances table. Click the search button to exit to the Based On Driver version (R16132). On Work with Batch Versions, you can select

an existing version of the driver template, or you can create a new version and define the data selection as follows:

- Driver Code
- Ledger Type (AA)
- Business Unit
- Fiscal Year

Entering Date Definition Information

You define dates at the sequence level for the From, Based On, and Apply To information.

You can indicate whether the assignment sequence is a monthly, quarterly, or annual assignment. The system uses this indicator to automatically increment the periods and the fiscal year.

When you run the Cost Assignment Calculation program (R1610), you can indicate whether you want the system to increment the dates according to the date definition in the assignment sequence.

Entering Apply To Information

The Apply To information defines where you want to code the result of the cost assignment.

Each field has three options. You can apply the results of the cost assignment to a specific value (Specify), the value in the Based On (Based On), or the originating value (From).

Note: If you want to apply the results of the cost assignment to a specific value, the system retrieves the default value from the previous sequence and enters the value as the default.

For example, you want to apply the costs to the same business unit that you retrieved in the original information. However, you want to apply it to a different account. When you enter the Apply To options, specify that the Apply To business unit is the same as the From business unit. You must enter a specific value for the new object account.

Based on the assignment type selection, the system displays only those fields that are valid for the assignment type. Consider the following validation rules for each assignment type when you enter the Apply To information:

Index computation	The Apply To result updates the Cost Analyzer Balance table based on the From or Specific Values.

Variable numerator	The Apply To results update the Cost Analyzer Balance table either based on the From, Based On, or Specific Values.
Rate calculations	The Apply To component can only be a cost pool or activity for the Rate table.
Rate-based computations	The Apply To amount is stored in the Cost Analyzer at an account, activity, or cost object level. You must specify an account.

Setting Up Index Computations

Based on the assignment type selection, the system displays only those fields that are valid for the assignment type. Consider the following validation rules for index computations:

- The From component can be either the Cost Analyzer table or the Driver Balances table.
- The Based On component is a factor.
- The Apply To component can be only a Cost Analyzer balance.

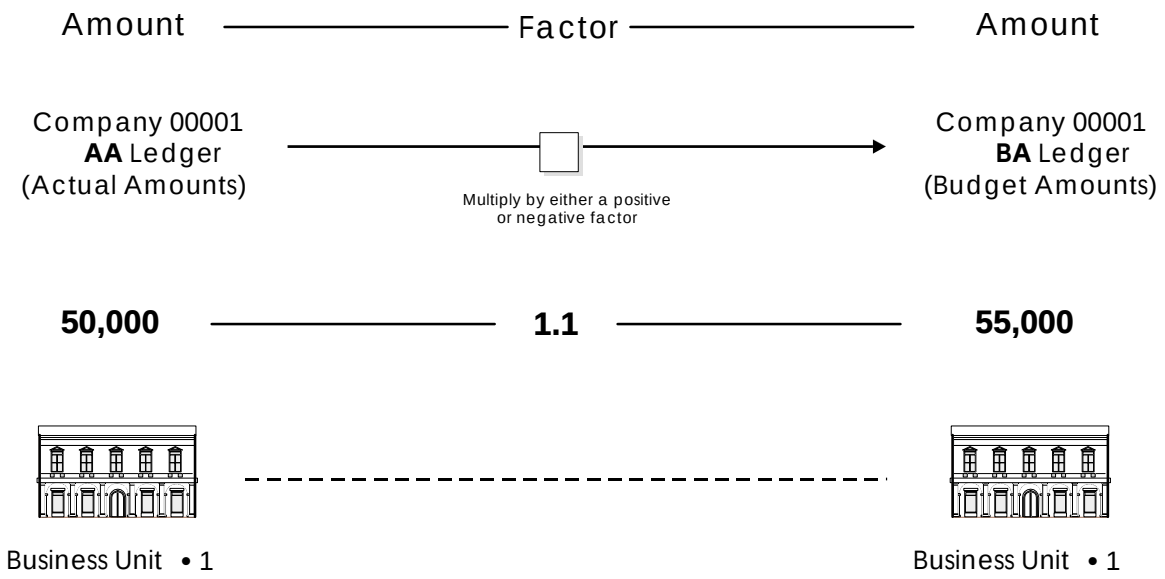
To determine an accurate projection, you can use index computations where you multiply historical data from the Cost Analyzer table, or Driver Balances table by a factor. For example, you could multiply this year's budget by a percentage factor in order to determine next year's budget.

Example: Indexed Computations

Suppose that you want to calculate next year's budget based on this year's balance with a 10% increase. You must identify the appropriate accounts and ledger, and identify the factor by which the system calculates the resulting budget. Then you must identify the ledger in which you will place the results.

The system takes the end-of-year balances in the AA (actual amounts) ledger in accounts 6110 through 6320 and multiplies each by 1.1 (a 10% increase). You can then specify that the results are placed in the same account numbers in the BA (budget amounts) ledger for the following year.

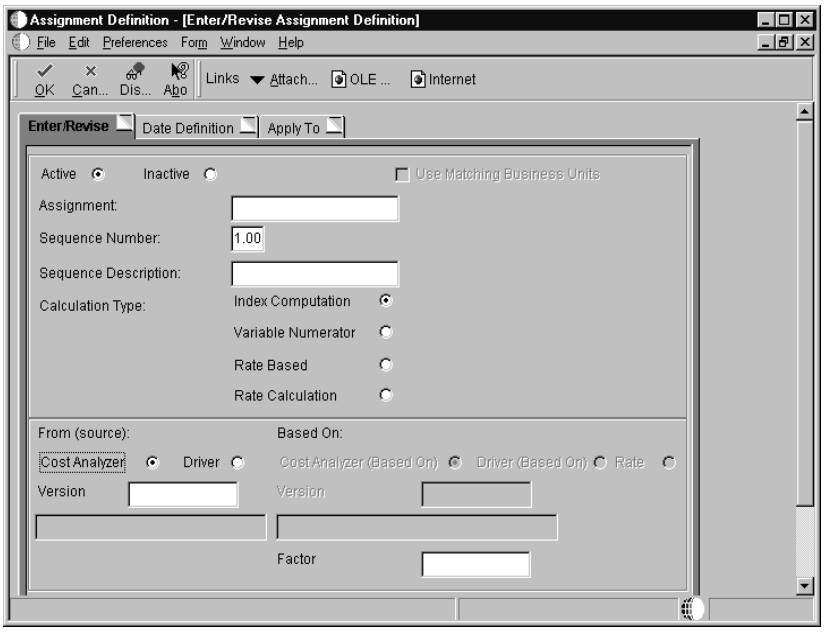
The following graphic illustrates how you can use indexed allocations to calculate the budget using the Cost Analyzer table:



To set up an index computation

From the Assignments menu (G1623), choose Assignment Definition.

1. On Assignment Definitions, click Add.



2. On Enter/Revise Assignment Definition, click the Enter/Revise tab and click one of the following options:

   - Active
   - Inactive

   The Use Matching Business Units field does not apply to a calculation for an index computation.

3. Complete the following fields to identify the assignment calculation:

   - Assignment:
   - Sequence Description:

   The system automatically assigns a sequence number.

   See *Defining the Assignment*.

4. Choose the following assignment type:

   - Index Computation

   See *Choosing the Computation Type*.

   When you click the Index Computation option, you can choose either the Cost Analyzer table or the Driver Balances table as the From Component.

5. For the From component, choose either of the following fields for an index computation type:

   - Cost Analyzer
   - Driver

6. Based on your selection in the From component, complete the following field or use the search button to select from a list of versions for either the Cost Analyzer table (R16102) or the Driver Balances Template (R16132) programs:

   - Version

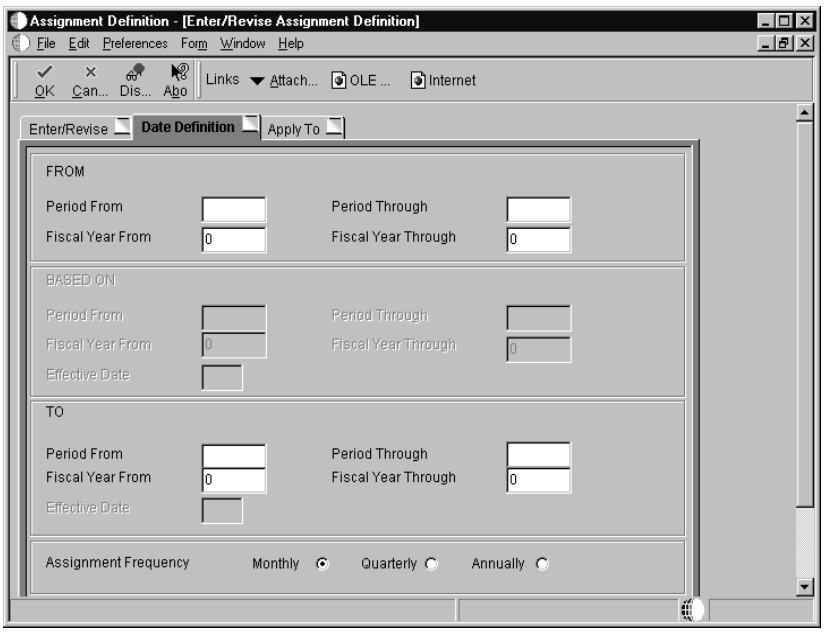
7. For the Based on component, complete the following field:

   - Factor

   When you choose Index Computation for the assignment type, you can enter a factor only for the Based On component.

   See *Entering Based On Information*.

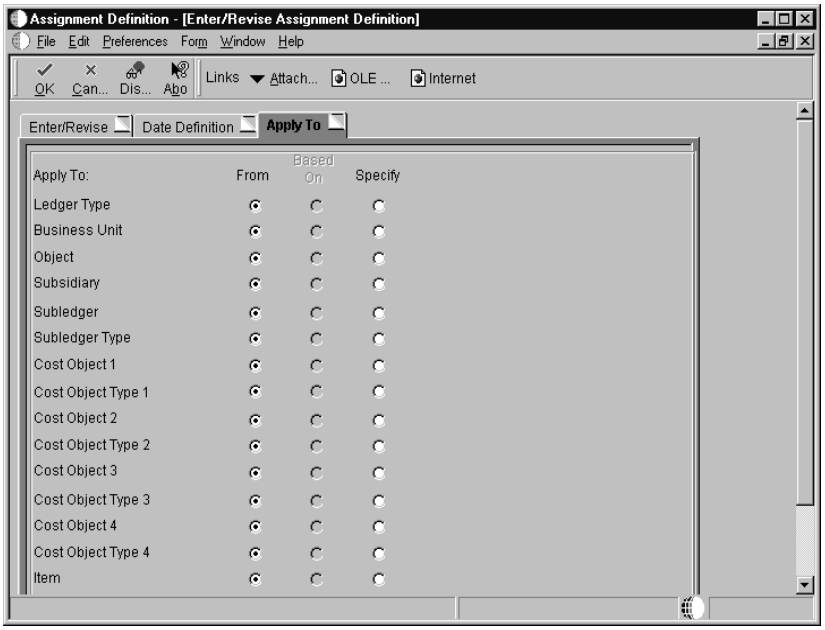
8. To indicate the effective dates of the assignment calculation, click the Date Definition tab.



When you choose Index Computation for the assignment type, you enter only a From and To date or period ranges because the Based On component is a factor.

9. For each of the From and To definitions, complete the following fields:
   - Fiscal Year From
   - Period From
   - Period Through
   - Fiscal Year Through
10. To indicate how often the system creates computations, complete the following field:
    - Assignment Frequency

    See *Entering Date Definition Information.*
11. To indicate how the the system stores the results of the cost assignment, click the Apply To tab.



When you choose Index Computation for the assignment type, you apply the cost assignments to either the same business unit as you specified for the From component or a to specific value.

12. Choose one of the two options for each of the following fields:

    - Ledger Type
    - Business Unit
    - Object
    - Subsidiary
    - Subledger
    - Subledger Type
    - Cost Object 1
    - Cost Object 2
    - Cost Object 3
    - Cost Object 4
    - Item
    - Activity

    See *Entering Apply To Information.*

Field	Explanation
Active	This field indicates if an assignment definition is available for processing. If the assignment definition is active, the system can execute the assignment definition. If the definition is inactive, the system does not execute the assignment definition.
Inactive	This field indicates if an assignment definition is available for processing. If the assignment definition is active, the system can execute the assignment definition. If the definition is inactive, the system does not execute the assignment definition.
Index Computation	This code indicates whether the type of calculation that will be performed using the cost assignment definition is an indexed computation, a variable numerator, a rate-based calculation, or a rate calculation.
Variable Numerator	This code indicates whether the type of calculation that will be performed using the cost assignment definition is an indexed computation, a variable numerator, a rate-based calculation, or a rate calculation.
Rate Based	This code indicates whether the type of calculation that will be performed using the cost assignment definition is an indexed computation, a variable numerator, a rate-based calculation, or a rate calculation.
Rate Calculation	This code indicates whether the type of calculation that will be performed using the cost assignment definition is an indexed computation, a variable numerator, a rate-based calculation, or a rate calculation.
Cost Analyzer	This field indicates whether the system retrieves amounts to be assigned from the Cost Analyzer Balances table (F1602) or the Driver Balances table (F1632).
Driver	This field indicates whether the system retrieves amounts to be assigned from the Cost Analyzer Balances table (F1602) or the Driver Balances table (F1632).
Version	This code indicates the version the system uses to select records on which to base an assignment. If the From Type for the cost assignment definition is Cost Analyzer Balances, you must enter a version of Cost Analyzer Balances (R16102). If the From Type is Driver Balances, you must enter a version of the Driver Balances (R16132). The system uses the appropriate version of either program to select information.

Field	Explanation
Factor	A number that identifies the index or rate for calculations. The system multiplies the from amounts by this factor to calculate the amounts to distribute. You can specify either positive or negative numbers and eight or fewer decimals. If you specify more than eight decimal positions, the system rounds to eight positions. If you specify a large whole number and a large number of decimal positions, the system might not be able to display the entire number. Even though all decimal positions cannot be displayed, they are stored (up to eight) correctly in the table. NOTE: For annual budgets, you can specify zero to remove all balances and start over.
Assignment Frequency	This code indicates the frequency, based on period or fiscal year increments, after running a cost assignment sequence in final mode. Valid values are: M Monthly – increment periods by 1 Q Quarterly – increment periods to next quarter A Annually – increment fiscal year by 1

Setting Up Variable Numerators

Based on the assignment type selection, the system displays only those fields that are valid for the assignment type. Consider the following validation rules for variable numerators:

- The From component must be the Cost Analyzer table.
- The Based On component can be either the Cost Analyzer table or the Driver Balances table. You are not allowed to enter a factor.
- The Apply To component must be a Cost Analyzer balance.

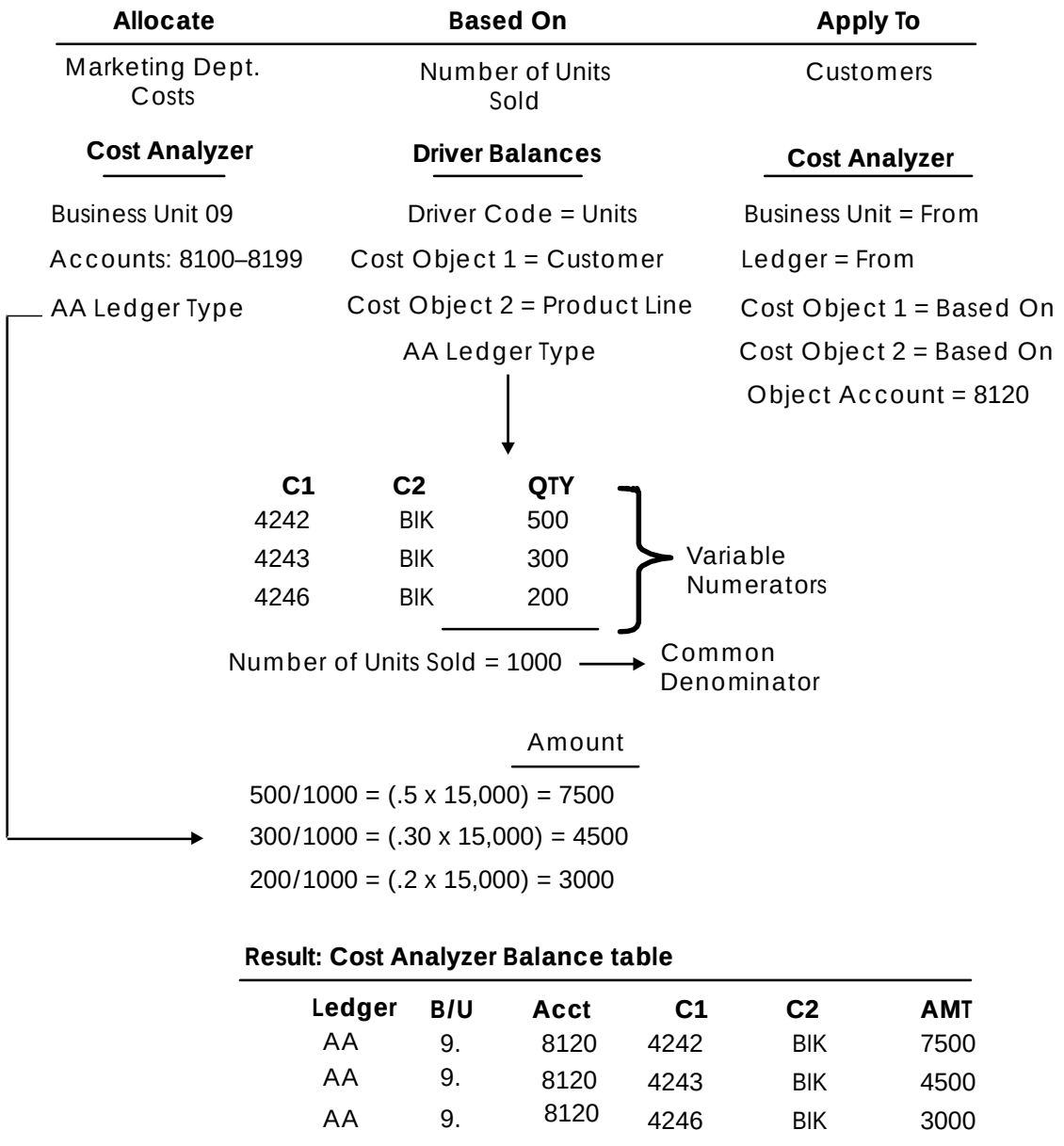
A variable numerator is a factor based on data that you specify. Since this data changes when it is updated, the factor might vary from one calculation to the next. You can reallocate costs or revenue to objects, based on data in the Cost Analyzer table or Driver Balances table.

Example: Variable Numerator

Suppose that you want to reassign indirect costs (15,000 USD) from the marketing department (Business Unit 9) to several customers because you have determined that these marketing costs vary based on the number of bicycles sold. These bicycle accounts are 8100-8199. You want to base the assignment amount on the number of bicycles sold by each customer. Bicycles are a product line identified by an item category code.

An automatic driver is defined to capture units by product line and customer. For example, cost object 1 would reflect customer, and cost object 2 reflects the product line.

The following graphic illustrates this example:



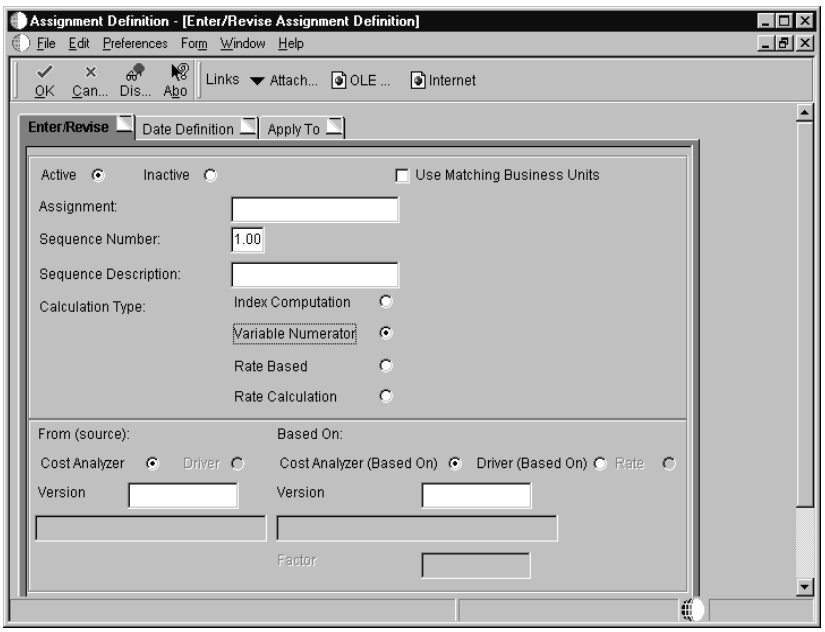
Result: Cost Analyzer Balance table

Ledger	B/U	Acct	C1	C2	AMT
AA	9.	8120	4242	BIK	7500
AA	9.	8120	4243	BIK	4500
AA	9.	8120	4246	BIK	3000

▶ To set up a variable numerator

From the Assignments menu (G1623), choose Assignment Definition.

1. On Assignment Definition, click Add.



2. On Enter/Revise Assignment Definition, click the Enter/Revise tab and click one of the following options:

   - Active
   - Inactive

3. Complete the following fields to identify the assignment calculation:

   - Assignment:
   - Sequence Number:

   The system automatically assigns a sequence number.

   See *Defining the Assignment*.

4. Choose the following assignment type:

   - Variable Numerator

   See *Choosing the Computation Type.*

5. For the From component, complete the following fields for the variable numerator assignment type:

   - Cost Analyzer

   When you choose Variable Numerator for the assignment type, you can choose only the Cost Analyzer table as the From Component.

6. Complete the following field or use the visual assist to select from a list of versions of the Cost Analyzer program (R16102):

   - Version

   See *Entering From (source) Information.*

   The Based On component can be either a version of the Cost Analyzer program (R16102) or the Driver Balances program (R16132). You are not allowed to enter a factor. Choose either of the following options:

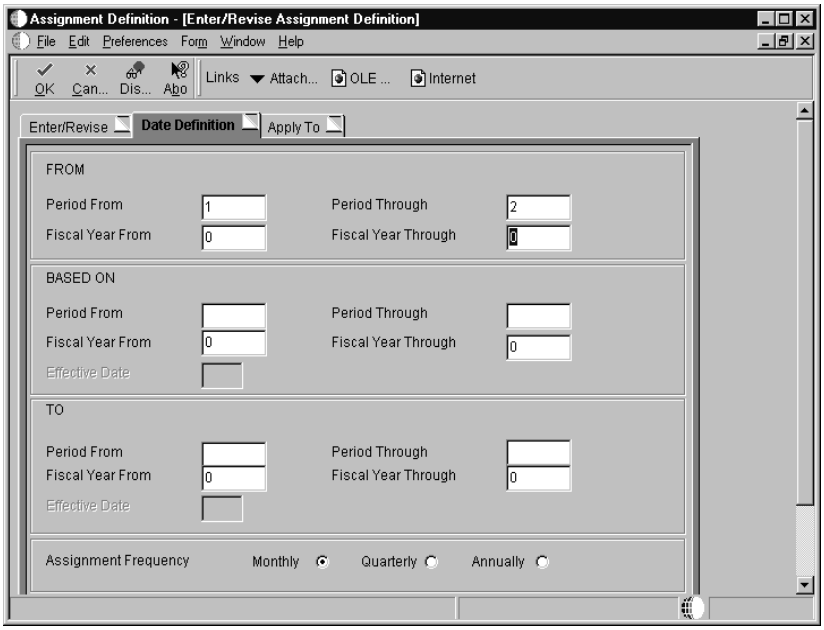
   - Cost Analyzer based on
   - Driver (Based On)
   - Rate

7. Complete the following field or use the search button to select from a list of versions for the appropriate program:

   - Version

   See *Entering Based On Information.*

8. To indicate the effective dates of the assignment calculation, click the Date Definition tab.



When you choose Variable Numerator for the assignment type, you can enter date or period ranges for the From, Based On, and To components.

9. For each of the three definitions (From, Based On, and To), complete the following fields:

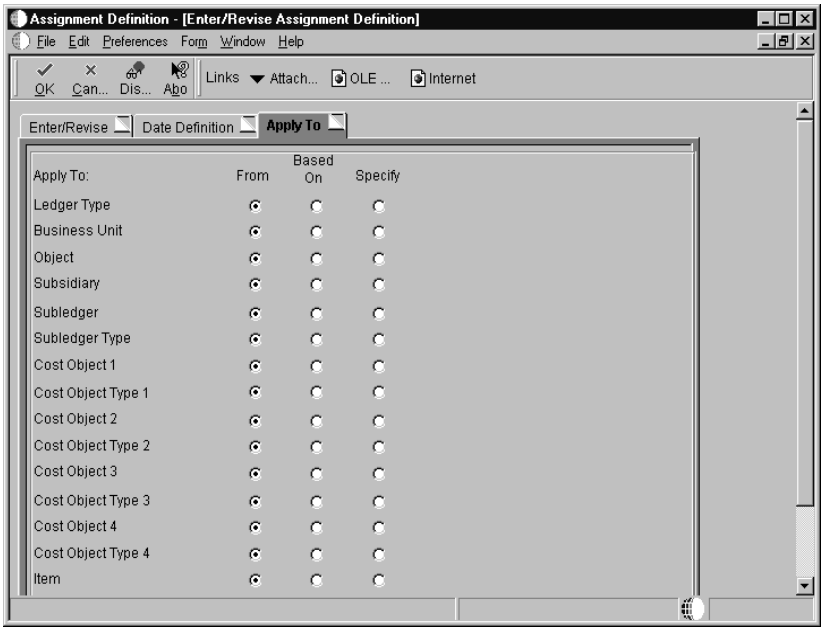
   - Period From
   - Period Through
   - Fiscal Year From
   - Fiscal Year Through

10. To indicate how often the system creates assignments, complete the following field:

    - Assignment Frequency

    See *Entering Date Definition Information.*

11. To indicate how the the system stores the results of the cost assignment, click the Apply To tab.



    Three options exist for each field. When you choose Variable Numerator for the assignment type, you apply the cost assignments to a Cost Analyzer table that you specified in the From or the Based On component or in a specific value. However, the Apply To component must be a Cost Analyzer balance.

12. Choose one of the three options for each of the following fields:

    - Ledger Type
    - Business Unit
    - Object

- Subsidiary
- Subledger
- Subledger Type
- Cost Object 1
- Cost Object 2
- Cost Object 3
- Cost Object 4
- Item
- Activity

See *Entering Apply To Information.*

Setting Up Rate Calculations

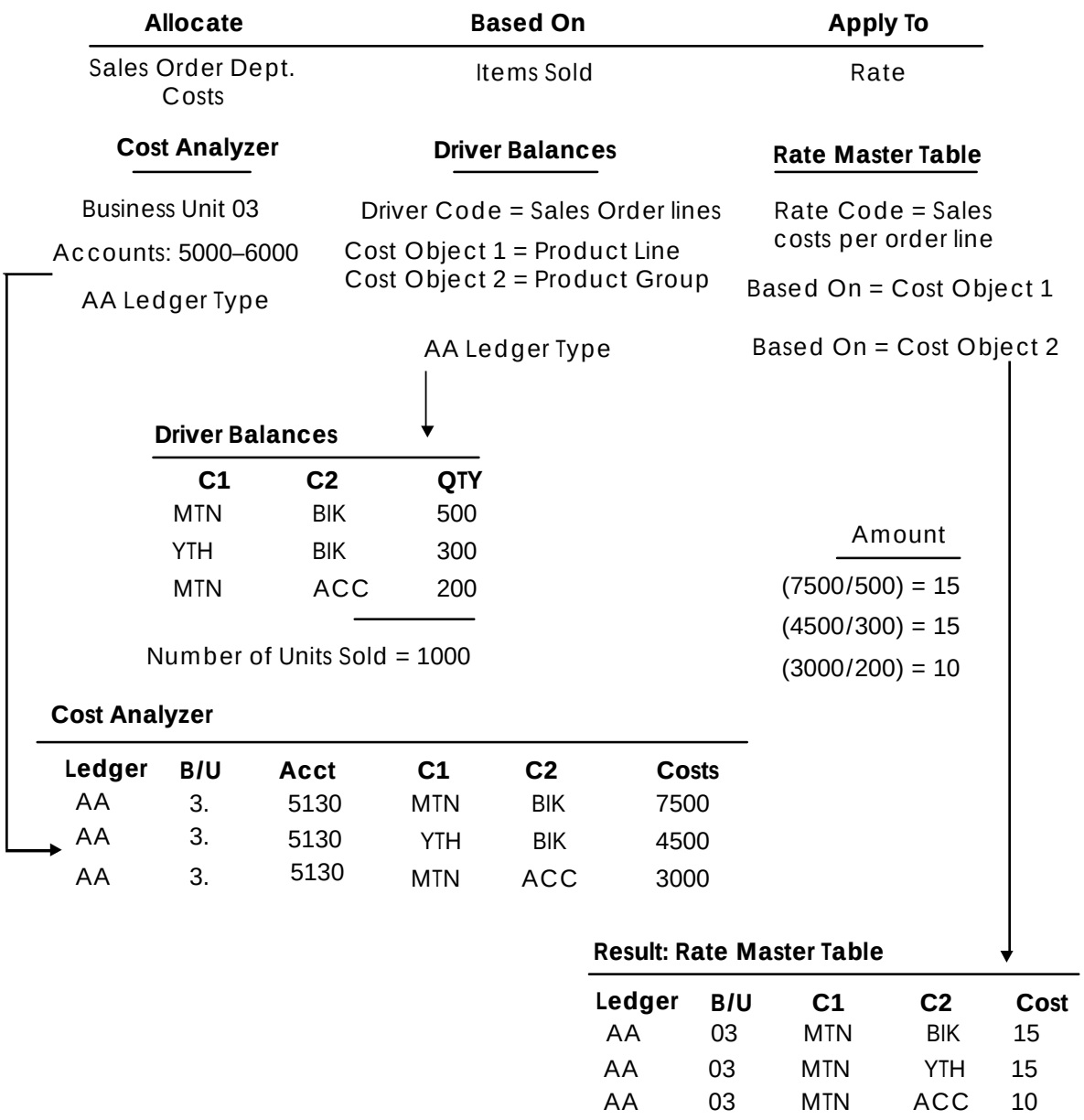
Based on the assignment type selection, the system displays only those fields that are valid for the assignment type. Consider the following validation rules for rate calculations:

- The From component must be the Cost Analyzer table.
- The Based On component must be the Driver Balances table.
- The Apply To component is based on the cost driver, for example, a cost driver of Item and Hours outputs to the rate table as a rate per item.

You can use a rate calculation to calculate a per unit cost from amounts stored in the Cost Analyzer table and volumes stored in the Driver Balances table. The resulting calculation is a rate value at a cost pool or driver level. For example, you can retrieve the total of sales order department costs, an amount held in the Cost Analyzer table, and divide this number by the items sold, an amount held in the Driver Balances table. The resulting number is the new rate, which can be stored in the Rate Master table.

Example: Rate Calculations

The following graphic illustrates an example of rate calculations:



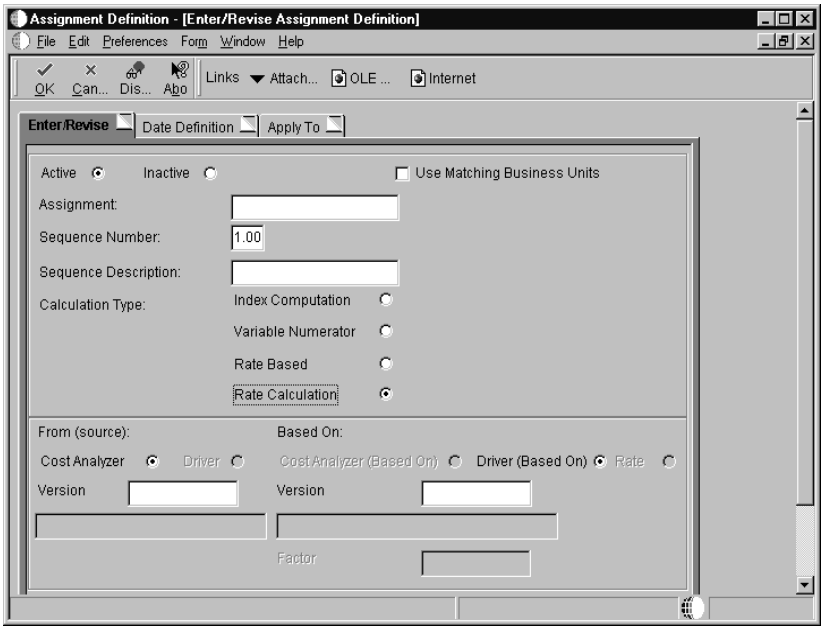
See Also

- *Setting Up Rates* to set up rates that are specific to items; cost objects; activities or cost pools; and subledger types

To set up rate calculations

From the Assignments menu (G1623), choose Assignment Definition.

1. On Assignment Definition, click Add.



2. On Enter/Revise Assignment Definition, click the Enter/Revise tab and click one of the following options:
   - Active
   - Inactive
3. To match From and Based On business units during calculations, complete the following field:
   - Use Matching Business Units
4. Complete the following fields to identify the assignment calculation:
   - Assignment:
   - Sequence Number:

   The system automatically assigns a sequence number.

   See *Defining the Assignment.*
5. Choose the following assignment type:
   - Rate Calculation

   See *Choosing the Computation Type.*

When you choose the Rate Calculation assignment type, you can choose only the Cost Analyzer table as the From Component. Click the following option:

- Cost Analyzer

6. Complete the following field or use the visual assist to select from a list of versions for the Cost Analyzer program:

   - Version

   See *Entering From (source) Information.*

   When you choose Rate Calculation for the assignment type, you can choose only the Driver Balances table as the From Component.

7. Click the Driver Balances option as your assignment type:

   - Cost Analyzer based on

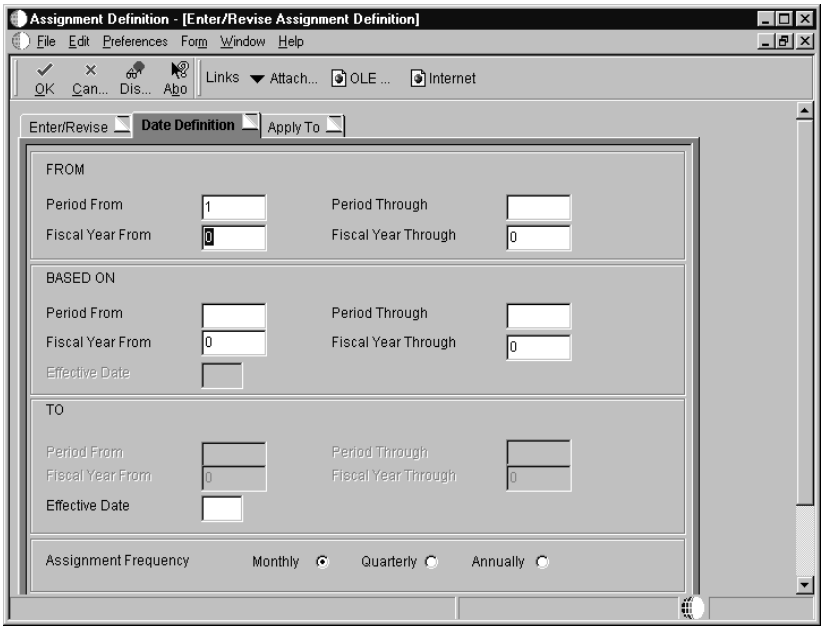
8. Complete the following field or use the visual assist to select from a list of versions for the Driver Balances program:

   - Version

   The Based On component must be a version of the Driver Balances program (R16132).

   See *Entering Based On Information.*

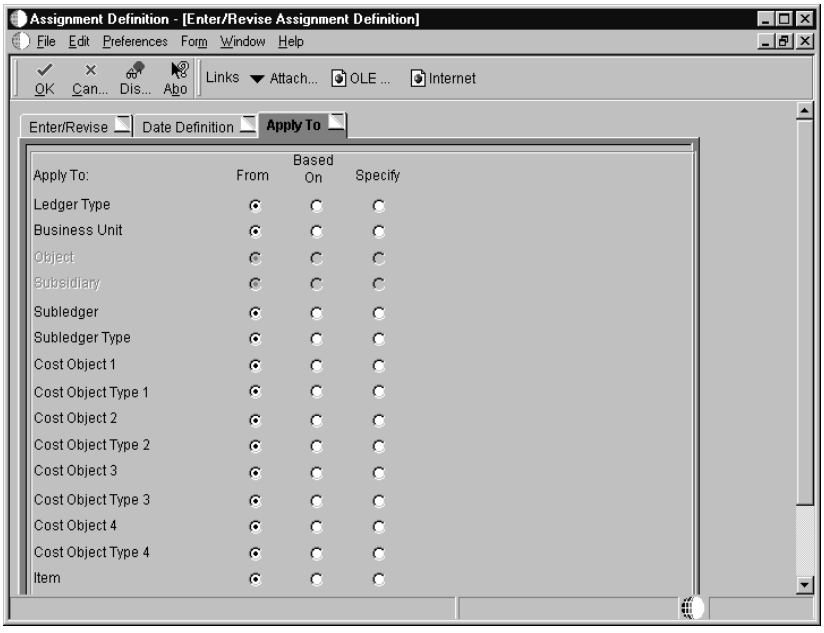
9. To indicate the effective dates of the assignment calculation, click the Date Definition tab.



Three options exist for each field. When you choose Rate Calculation for the assignment type, you can enter date or period ranges for the From and Based On components, and assign an effective date.

10. Complete the following fields:
    - Period From
    - Period Through
    - Fiscal Year From
    - Fiscal Year Through
11. To indicate how often the system creates computations, complete the following field:
    - Assignment Frequency

    See *Entering Date Definition Information.*
12. To indicate how the the system stores the results of the cost assignment, click the Apply To tab.



Three options exist for each field. When you choose Rate Calculation for the assignment type, you apply the cost assignments to a Cost Analyzer table that you specified in the From component or the Driver Balances table that you specified for Based On component or you can enter a specific value. The system inactivates any information that does not apply to the rate calculation assignment.

The Apply To component can be only a cost pool or activity rate in the Rates table.

13. Choose one of the three options for each of the following fields:

    - Ledger Type
    - Business Unit
    - Subledger
    - Subledger Type
    - Cost Object 1
    - Cost Object 2
    - Cost Object 3
    - Cost Object 4
    - Item
    - Activity

    See *Entering Apply To Information.*

Setting Up Rate-Based Computations

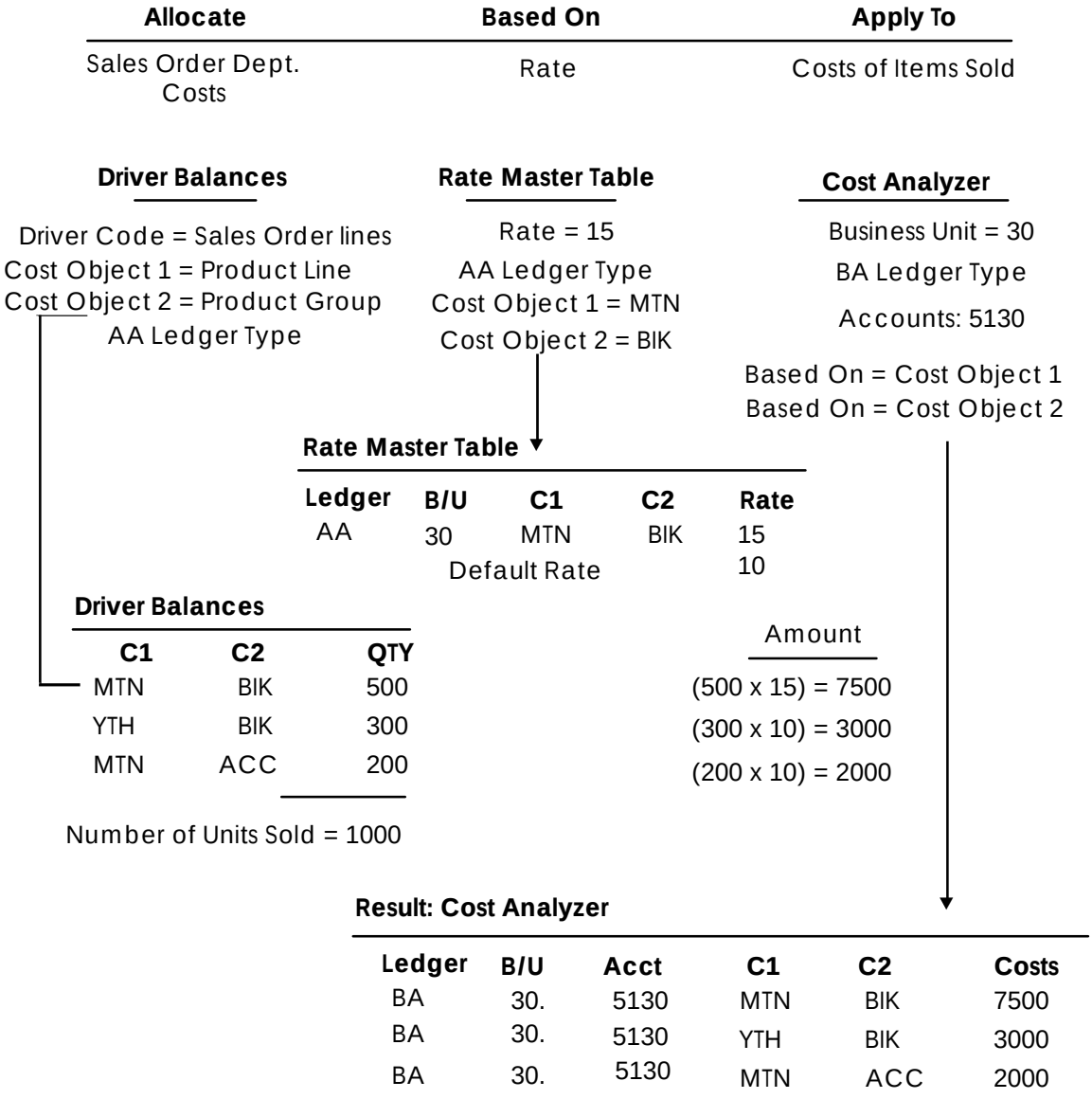
Based on the assignment type selection, the system displays only those fields that are valid for the assignment type. Consider the following validation rules for rate-based computations:

- The From component must be the Driver Balances table.
- The Based On component is from the Rates table.
- The Apply To component must be a Cost Analyzer balance.

A rate-based computation is a rate that is applied to costs or driver volumes and amounts. You might use a rate-based computation to determine the budgeted per line advertising rate by product line. For example, to calculate the advertising amount, you can retrieve sales order detail lines by product and multiply them by a rate for each product. The rate can be different for each product. You can set up a default rate that the system uses if it does not find an exact match with cost object types that matches the From record.

Example: Rate-Based Computations

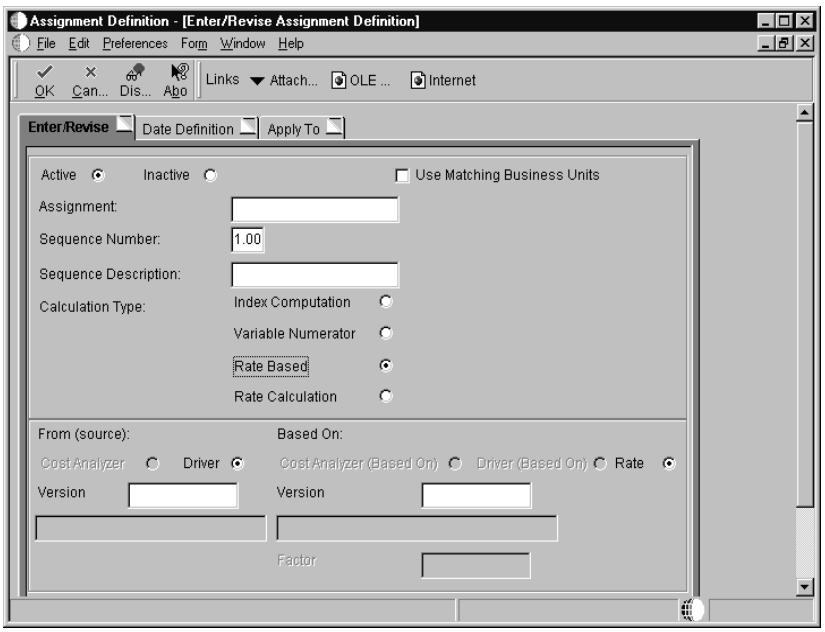
The following graphic illustrates and example of rate-based computations:



To set up rate-based computations

From the Assignments menu (G1623), choose Assignment Definition.

1. On Assignment Definition, click Add.



2. On Enter/Revise Assignment Definition, click the Enter/Revise tab and click one of the following options:

   - Active
   - Inactive

3. To match From and Based On business units during calculations, complete the following field:

   - Use Matching Business Units

4. Complete the following fields to identify the assignment calculation:

   - Assignment:
   - Sequence Number:

   The system automatically assigns a sequence number.

   See *Defining the Assignment.*

5. Choose the following assignment type:

   - Rate Based

   See *Choosing the Computation Type.*

   When you choose Rate-Based Calculation for the assignment type, you can choose only the Driver Balances table as the From Component.

6. Click the following option:

   - Driver

7. Complete the following field or use the search button to select from a list of versions for the Driver Balances (R16132) table:

   - Version

   See *Entering From (Source) Information.*

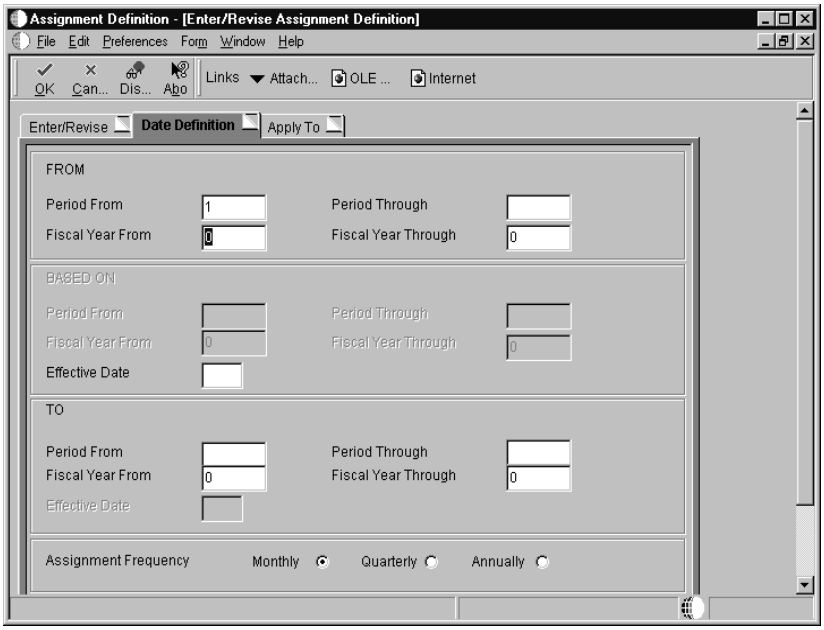
8. Complete the following field or use the search button to select from a list of versions for the Rate Detail (R16142) table:

   - Version

   When you choose Rate Based Calculation for the assignment type, you must use a rate from the Rate Detail table as the Based On component.

   See *Entering Based On Information.*

9. To indicate the effective dates of the assignment calculation, click the Date Definition tab.



   When you choose Rate Based Calculation for the assignment type, you can enter date or period ranges for the From and Apply To components and use an effective date in the Based On component.

10. For the From and Apply To components, complete the following fields:

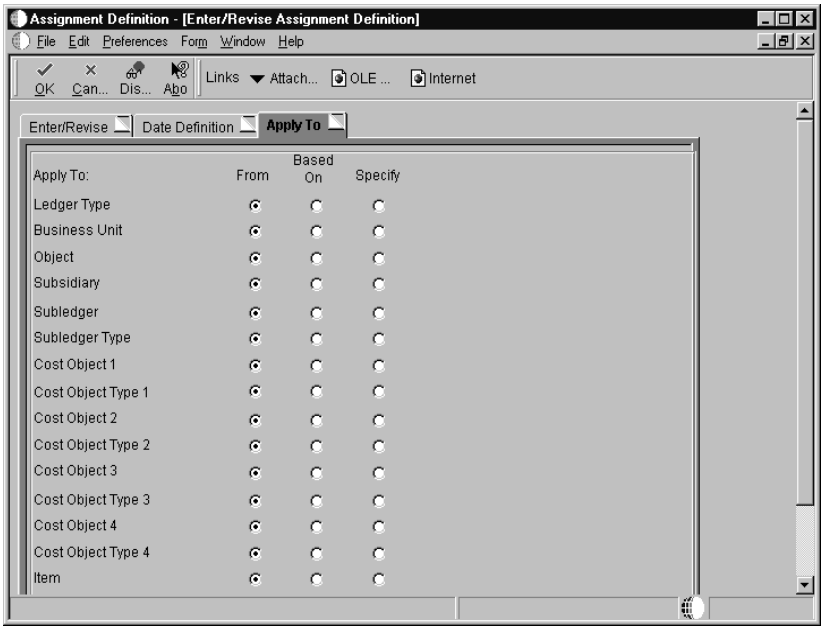
    - Period From
    - Period Through
    - Fiscal Year From
    - Fiscal Year Through

11. To indicate how often the system creates computations, complete the following field:

    - Assignment Frequency

    See *Entering Date Definition Information.*

12. To indicate how the the system stores the results of the cost assignment, click the Apply To tab.



    Three options exist for each field. When you choose Rate Based Calculation for the assignment type, you can apply the cost assignments only to a Cost Analyzer balance.

13. Choose one of the three options for each of the following fields:

    - Ledger Type
    - Business Unit
    - Object
    - Subsidiary
    - Subledger
    - Subledger Type
    - Cost Object 1
    - Cost Object 2
    - Cost Object 3
    - Cost Object 4

- Item
- Activity

See *Entering Apply To Information.*

Working with Cost Assignments

After you set up cost assignment calculations, you can select assignments to run, create assignment audit trails, and update the Cost Analyzer table or the Rate Master Revisions table. With the Audit Assignment Trail program, you can review assignment transactions.

Working with cost assignments include the following tasks:

- Revising cost assignment calculations
- Running cost assignment calculations
- Reviewing cost assignment transactions
- Reviewing the assignment computations report

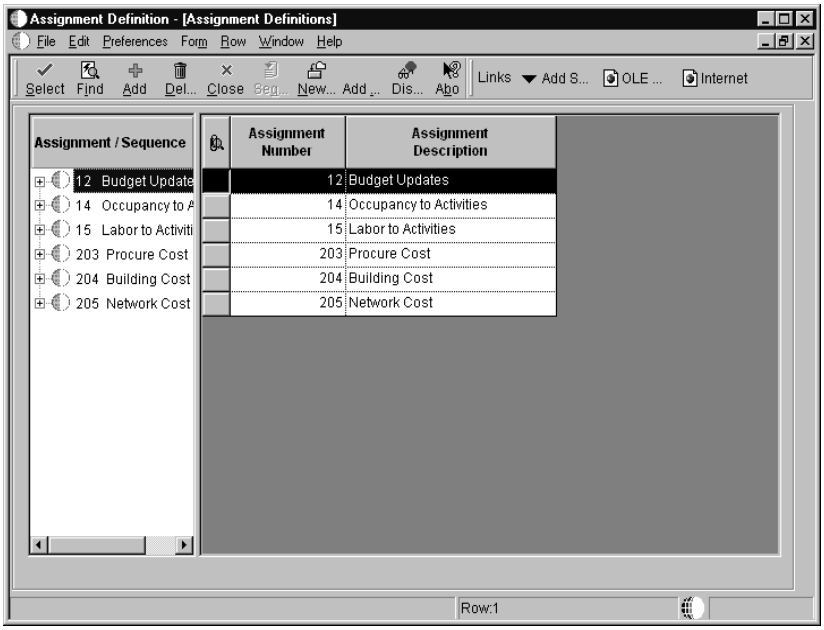
Revising Cost Assignment Calculations

You can review and edit cost assignment definitions before running the calculation. For example, you can disable or enable sequences according to your business needs. Additionally, you can copy and change existing information for a new cost assignment calculation.

▶ To revise cost assignment calculations

From the Assignments menu (G1623), choose Assignment Definition.

1. On Assignment Definition, click the + symbol to the left of the assignment number to display all sequences for an assignment.



2. To enable or disable an assignment sequence, choose the record and then choose Enable/Disable from the Row menu.
3. To edit calculation information, choose the record and click Select.
4. On Enter/Revise Assignment Definitions form, change information on any of the three tabs, as necessary, and then click OK.

   See *Setting Up Assignments* for more information.

Running Cost Assignment Calculations

From the Assignments menu (G1623), choose Assignment Calculations

When you run the Assignment Calculations program (R1610), you can choose to run single or multiple assignments or several assignment sequences. The system processes only active sequences.

The system only runs assignments against one cost analyzer view at a time. You must enter the appropriate view in the processing options for Assignment Calculations (R1610) for the system to creates entries in the Cost Analyzer Balances table (F1602) or the Rate Master Header (F1642) or Detail (F16421) tables.

If the assignment type is based on the Cost Analyzer table, the calculation is based on the net balances in the account. If the assignment type is based on the Driver Balances table, the calculation is based on the driver balance. You can run assignments in proof or final mode:

Proof mode	The system does not update cost analyzer balances. If an error exists, the system stops processing at the appropriate sequence and prints an error on the Assignment Computations report. The system does not update the date definition based on the date frequency.
Final mode	When the sequence is run in final mode, you can select a processing option to enable the system to advance the date definition according to this frequency. For example, if you have defined the frequency as quarterly, the system updates the date definition to the next quarter. The system creates assignment entries. You can choose to print the Assignment Computations report.

When you run the assignment in final mode, the system creates assignment entries. You can use processing options to choose whether to create an audit trail in the Cost Calculations Transactions table (F1611) and to advance the date definition according to the date frequency. For example, if you set the processing options to advance the date and the assignment frequency is quarterly, when the Period From is 11 and the Fiscal Year From is 05, the system advances the Period From to 2 and the Fiscal Year to 06.

The audit trail allows you to view the balance prior to any assignments (net posting) and then review balances that are assigned In and Out at the transaction level (net balances). On the Cost Analyzer Inquiry form, you can review the following:

- Original Balance – Information retrieved from the Account Ledger table (F0911)
- The balance of all assigned Ins
- The balance of all assigned Outs
- The net balance (Original Balance + Assigned Ins and Assigned Outs)

See *Viewing Cost Analyzer Balances* for more information.

Processing Options for Cost Calculations

```
Process

1. Enter the number of the view to be
    used to read and write records to
    the cost analyzer balances table
    (F1602).   This processing option is
    required.

      View Number                                    _____________

2. Enter the mode that the
    calculations are to be processed.
    1 = Proof mode with report
    (default)
    2 = Final mode with report
    3 = Final mode with no report

      Mode                                           _____________

3. Enter a '1' if you would like the
    dates to be incremented according to
    the frequency of the calculation.
    The dates will only be incremented
    if this option is equal to '1' and
    if the calculation is run in final
    mode.

      Date Increments                                _____________

4. Enter a '1' if you would like to
    create an audit trail by writing
    records to the Cost Calculation
    Transactions (F1611) table.  If this
    option is left blank no records will
    be written to the F1611 table.

      Create Audit Trail                             _____________

Print

1. Enter a '1' if you would like to
    suppress printing amounts which are
    zero.

      Supress Zero Amounts                           _____________
```

Reviewing Cost Assignment Transactions

You can use the Assignment Audit Inquiry program to review assignment transactions. For example, on the Assignment Audit Trail Inquiry form, you can review accounts that are receiving allocated costs (to accounts), the accounts that are allocating costs (from accounts), or both. Additionally, you review assignment allocations for cost objects, item number, or subledger type.

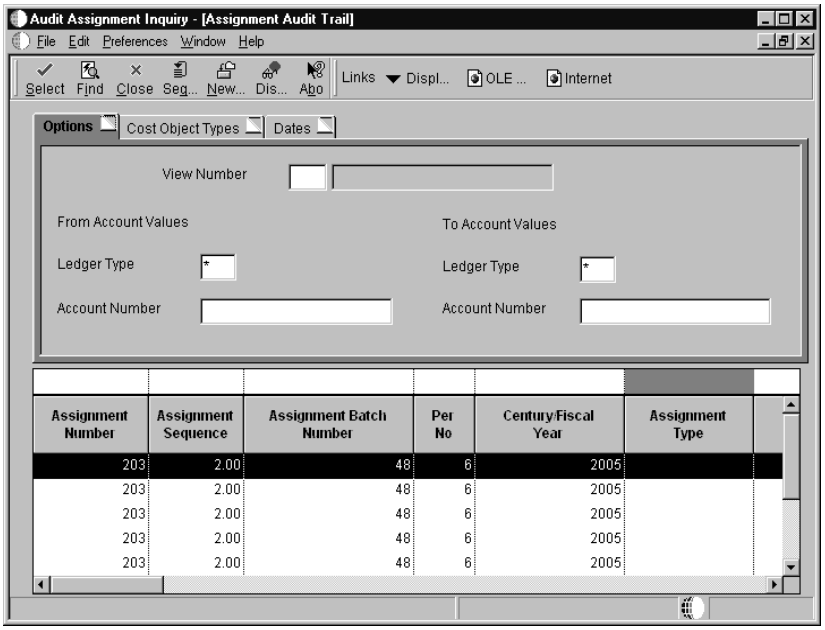
For the assignment audit trail, the system displays transactions from the Cost Calculations Transactions table (F1611). When you run the Assignment

Calculations program, you must set the processing option to create the audit trail in order to review assignment transactions.

▶ To review cost assignment transactions

From the Assignments menu (G1623), choose Audit Assignment Inquiry.

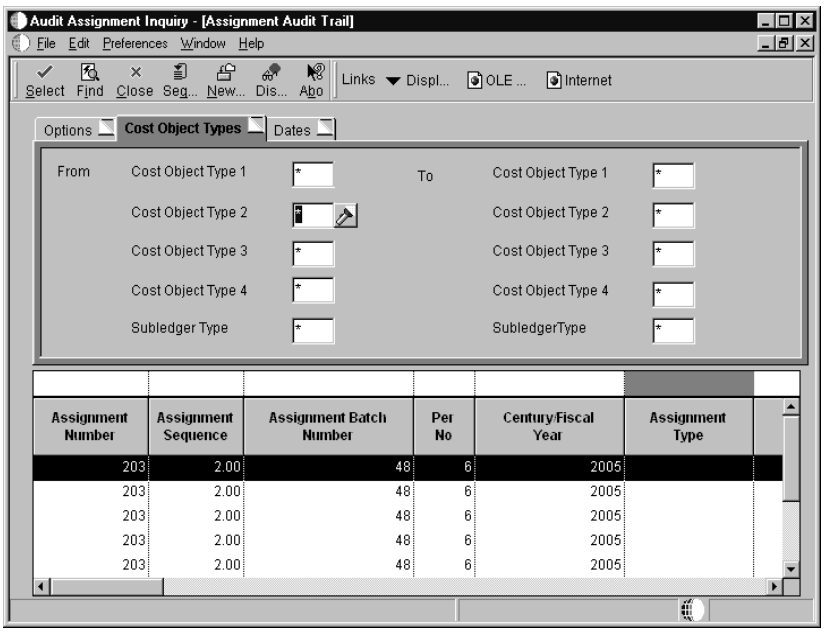
1. On Assignment Audit Trail, click Find.



2. To define search criteria by account or ledger type, click the Options tab and complete the following fields:

   - View Number
   - Ledger Type
   - Account Number

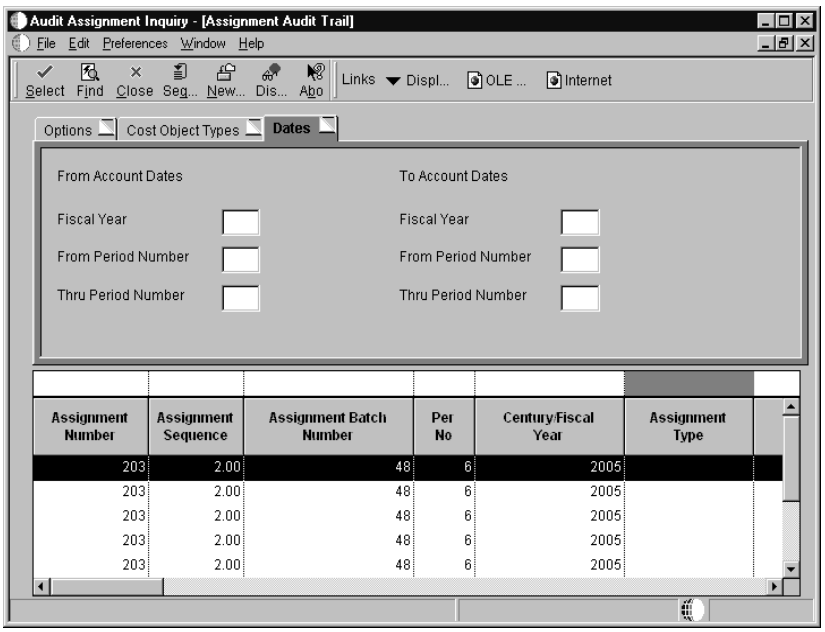
   You can enter values in both the From Account Values and To Account Values fields.



3. To define search criteria by cost object and type, click the Cost Object Types tab and complete the following fields.

   - Cost Object Type 1
   - Cost Object Type 2
   - Cost Object Type 3
   - Cost Object Type 4
   - Subledger Type

   You can enter values in both the From and To fields.



4. To define search criteria by account date, click the Dates tab and complete the following fields.

   - Fiscal Year
   - From Period Number
   - Thru Period Number

   You can enter values in both the From Account Dates and To Accounts Dates fields.

Field	Explanation
View Number	A number from 1 to 10 that identifies how the system posts Account Ledger (F0911) records to the Cost Analyzer Balances (F1602) table. This number also determines which Managerial Accounting Posting code (PM01-PM10) in the Account Ledger to update as posted. For example, if the view number is 1, then the system updates PM01 with a P when the Account Ledger record is flagged as being posted.
Ledger Type	A user defined code (09/LT) that specifies the type of ledger, such as AA (Actual Amounts), BA (Budget Amount), or AU (Actual Units). You can set up multiple, concurrent accounting ledgers within the general ledger to establish an audit trail for all transactions.

Field	Explanation
Account Number	A field that identifies an account in the general ledger. You can use one of the following formats for account numbers: • Standard account number (business unit.object.subsidiary or flexible format) • Third G/L number (maximum of 25 digits) • 8-digit short account ID number • Speed code The first character of the account indicates the format of the account number. You define the account format in the General Accounting Constants program.
Cost Object Type 1	This field is used with the Cost Object field to identify the type of cost object code and the type of editing. For OneWorld, valid types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types Entry program (P1620). For WorldSoftware, this is a user defined code (00/ST). The second line of the description on the User Defined Codes form controls how the system validates entries in the field. This is either hard-coded (as shown in the second line of the description) or user defined. For example: A Alphanumeric field, do not edit N Numeric field, right justify and zero fill C Alphanumeric field, right justify and blank fill U User defined cost object type
Cost Object Type 2	This field is used with the Cost Object field to identify the type of cost object code and the type of editing. For OneWorld, valid types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types Entry program (P1620). For WorldSoftware, this is a user defined code (00/ST). The second line of the description on the User Defined Codes form controls how the system validates entries in the field. This is either hard-coded (as shown in the second line of the description) or user defined. For example: A Alphanumeric field, do not edit N Numeric field, right justify and zero fill C Alphanumeric field, right justify and blank fill U User defined cost object type

Field	Explanation
Cost Object Type 3	This field is used with the Cost Object field to identify the type of cost object code and the type of editing. For OneWorld, valid types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types Entry program (P1620). For WorldSoftware, this is a user defined code (00/ST). The second line of the description on the User Defined Codes form controls how the system validates entries in the field. This is either hard-coded (as shown in the second line of the description) or user defined. For example: A Alphanumeric field, do not edit N Numeric field, right justify and zero fill C Alphanumeric field, right justify and blank fill U User defined cost object type
Cost Object Type 4	This field is used with the Cost Object field to identify the type of cost object code and the type of editing. For OneWorld, valid types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types Entry program (P1620). For WorldSoftware, this is a user defined code (00/ST). The second line of the description on the User Defined Codes form controls how the system validates entries in the field. This is either hard-coded (as shown in the second line of the description) or user defined. For example: A Alphanumeric field, do not edit N Numeric field, right justify and zero fill C Alphanumeric field, right justify and blank fill U User defined cost object type
Fiscal Year	A number that identifies the fiscal year. Generally, you can either enter a number in this field or leave it blank to indicate the current fiscal year (as defined on the Company Numbers and Names form). Specify the year at the end of the first period rather than the year at the end of the fiscal period. For example, a fiscal year begins October 1, 1998 and ends September 30, 1999. The end of the first period is October 31, 1998. Specify the year 98 rather than 99.

Field	Explanation
From Period Number	A number indicating the current accounting period. This number, used in conjunction with the Company Constants file (F0010) and the General Accounting Constants (F0009), allows the user to define up to 14 accounting periods. See General Ledger Date. The current period number is used to determine posted before and posted after cut off warning messages. It is also used as the default accounting period in the preparation of financial reports.
Thru Period Number	A number indicating the current accounting period. This number, used in conjunction with the Company Constants file (F0010) and the General Accounting Constants (F0009), allows the user to define up to 14 accounting periods. See General Ledger Date. The current period number is used to determine posted before and posted after cut off warning messages. It is also used as the default accounting period in the preparation of financial reports.

Reviewing the Assignment Computations Report

When you run the Cost Assignment Calculation program, you can generate the Assignment Computations report. If you run the Cost Assignment Calculation program in proof mode, you can review assignments prior to the creation of reallocation transactions. On the Assignment Computations report, you can review the following information:

- Cost analyzer view number
- Assignment number, name, and sequence
- Assignment calculation type and frequency
- Assign from information
- Based on information
- Apply to information

You can use this report as an audit trail to view the balance prior to any assignments. For multi-tiered allocations, you can also view transaction levels for individual assignments. The original balance enables you to reconcile amounts in the general ledger, depending on your summarization during update.

When you create proof computations, the system does not assign a batch number. Rather, it specifies the modes as proof in the upper right corner of the report. When you create final computations, the system specifies the Mode as

Final and updates either the Costs Analyzer Balances table (F1602), or the Rate Master Header (F1642) or Detail (F16421) tables.

See Also

- *R1610, Assignment Computations* in the *Report Guide* for a report sample

Index

Index

A

AAIs
  See also Automatic accounting instructions
  detailed product costs, 2–25
  setting up AAIs by cost component, 2–25
About Enterprise–Wide Profitability Solution, 1–7
Accounts Payable
  cost object tracking, 3–13
  store and forward cost object information, 3–22
Accounts Receivable
  cost object tracking, 3–7
  store and forward cost object information, 3–25
Activating activity-based costing, 2–6
Activating cost objects, 2–5, 2–6
Activating detailed product costs, 2–7
Activities
  defining activity groups, 6–3
  drivers, 5–3
  overview, 6–1
  reviewing, 6–7
  setting up, 6–3
Activity Based Costing, processing options, 6–6
Activity Cost Inquiry, processing options, 6–10
Activity Master Report, processing options, 6–15
Apply To information, 7–16
Assignments, 7–1
  choosing the computation, 7–13
  Cost Assignment Calculations (R1610), 7–40
  defining the assignment sequence, 7–13
  entering Apply To information, 7–16
  entering Based On information, 7–15
  entering Date Definition information, 7–16
  entering From (source) information, 7–14
  reports, 7–48
  revising cost assignments, 7–39
  Running cost assignment calculations, 7–39
  setting up, 7–11
Automatic accounting instructions
  See also AAIs
  defining, 2–25
  setting up, 2–23

B

Based On information, 7–15
Batch invoices
  entering cost object information, 3–10
  processing, 3–10

C

Calculating driver balances, 5–13
Constants, setting up, 2–5
Converting WorldSoftware to OneWorld, 2–3
Cost Analyzer
  inquiry form, 4–5
  Profitability by Item Report, 4–15
  purging balances, 4–12
  Reviewing profitability by cost object, 4–15
  viewing balances, 4–4
Cost Analyzer Inquiry, processing options, 4–8
Cost Analyzer Inquiry form, 4–5
Cost Analyzer table, posting journal entries, 4–3
Cost analyzer update, overview, 4–1
Cost analyzer views, setting up, 2–35
Cost assignment calculation, reports, 7–48
Cost assignment calculations, 7–39
Cost Calculations, processing options, 7–42

Cost components, setting up AAIs, 2–25
Cost object edit codes, setting up, 2–19
Cost object information
A/R store and forwards invoice, 3–25
store and forward journal entries, 3–20
store and forward journal entry batch processor, 3–22
store and forward journal entry upload, 3–21
store and forward voucher batch input processor, 3–24
store and forward voucher entry, 3–22
store and forward voucher upload, 3–24
Cost Object Inquiry, processing options, 4–10
Cost object tracking, 3–1
Cost object tracking for Procurement, 3–35
Cost object tracking in Accounts Payable, 3–13
Cost object tracking in Accounts Receivable, 3–7
Cost object tracking in General Accounting, 3–3
Cost object tracking in manufacturing, 3–29
Cost object tracking in Sales Order Management, 3–47
Cost object tracking in store and forward, 3–19
Cost Object Tracking in Transportation, 3–53
Cost object types, setting up, 2–11
Cost objects, activating, 2–5, 2–6
Create Account Ledger Tag File Records program, 2–3
Creating tag ledger files, 2–3

D

Data model
cost management in distribution, 3–47
cost management in manufacturing, 3–29
Defining activity groups, 6–3
Defining automatic drivers, 5–3
Defining manual drivers, 5–9
Detailed product costs, activating, 2–7
Driver Balances Purge, processing options, 5–22
Driver calculations, running, 5–18
Driver Calculations and Update, processing options, 5–19
Driver Volume, processing options, 5–16
Drivers
automatic, 5–3
entering manual driver information, 5–13
manual, 5–9
overview, 5–1
reviewing balances, 5–19
running calculations, 5–18
running driver calculations, 5–18
selecting, 5–16
setting up, 5–3
updating driver balances, 5–13

E

Entering cost object information during voucher match, 3–45
Entering cost object information in a sales order, 3–51
Entering cost object information in batch invoices, 3–10
Entering cost object information in G/L journal entries, 3–3
Entering cost object information in landed costs, 3–43
Entering cost object information in purchase order entry, 3–39
Entering cost object information in purchase order receipts, 3–40
Entering cost object information in purchase order workbench, 3–43
Entering cost object information in recurring invoices, 3–11
Entering cost object information in speed invoices, 3–9
Entering cost object information in standard invoices, 3–7
Entering cost object information in work orders, 3–32
Entering cost object information on a multi-voucher voucher, 3–16
Entering cost object information on multicompany vouchers, 3–15
Entering cost object information on recurring vouchers, 3–17

Entering cost object information on speed vouchers, 3–14
Entering cost object information on standard vouchers, 3–13
Entering manual driver information, 5–13
EPS assignments, Understanding, 7–2

F

Features, 1–8
Flex accounting
  defining, 2–30
  setting up, 2–29
Forms
  ABC Workbench, 6–3
  Account Master – CMS, 2–19
  Account Revisions, 2–26
  Branch/Plant Constants, 2–7
  Cost Analyzer Inquiry, 4–5
  Cost Analyzer View Entry, 2–35
  Cost Object Entry, 2–11, 2–16
  Driver Volume Revisions form, 5–14
  Enter Voucher - Payment Information, 3–18
  Enter Voucher-Payment Information, 3–14
  Enter/Change Cost Management constants, 2–5, 2–6
  Journal Entry, 3–4
  Match Voucher to Open Receipt, 3–46
  Multi Company - Single Supplier, 3–16
  Multi-voucher Entry, 3–17
  Purchase Order Workbench, 3–44
  Speed Invoice Entry, 3–9
  Speed Voucher Entry, 3–15
  Standard Invoice Entry, 3–7
  Store and Forward Journal Entry Revisions, 3–20
  Supplier Ledger Inquiry, 3–46
  Work With AAIs, 2–25
  Work With Accounts, 2–19
  Work With Branch/Plant Constants, 2–7
  Work With Cost Analyzer Views, 2–35
  Work With Cost Object Types, 2–11, 2–16
  Work With Customer Ledger Inquiry, 3–7
  Work with Data Items for Selected Table, 2–13
  Work with Enabled Tables/Application), 2–13
  Work With Journal Entries, 3–3
  Work With Store and Forward Invoices, 3–25
From (source) information, 7–14

G

General Accounting
  cost object tracking, 3–3
  store and forward cost object information, 3–19
General Ledger, updating cost object information, 3–5
General ledger update, 3–55

I

Index computations, overview, 7–17
Industry Overview, 1–3
Invoices
  batch, entering cost object information, 3–10
  recurring, entering cost object information, 3–11
  reviewing individual batch invoices, 3–25
  revising batch invoices, 3–10
  speed, entering cost object information, 3–9
  speed entry, 3–9
  standard, entering cost object information, 3–7
  store and forward, cost object information, 3–25
  verifying batch invoice information, 3–10
Item Profitability report, 4–15

J

Journal entries
  batches, 3–51
  entering cost object information, 3–3
  identifying for the system, 3–3
  purging batch entries, 3–28

L

Landed costs
creating vouchers for, 3–43
entering, 3–40
entering cost object information, 3–43
reviewing for detail lines, 3–39

M

Managerial accounting and activity-based costing, 1–11
Match methods for vouchers, 3–45
Menu flow, 1–16
Menu overview, 1–16
Multicompany vouchers, entering cost object information, 3–15
Multi-voucher vouchers, entering cost object information, 3–16

O

Overview
working with cost object tracking, 2–11
working with driver calculations, 5–3

P

Post To Cost Analyzer Balances, processing options, 4–4
Posting journal entries to the cost analyzer table, 4–3
Processing options
Activity Based Costing, 6–6
Activity Cost Inquiry, 6–10
Activity Master Report, 6–15
Cost Analyzer Inquiry, 4–8
Cost Calculations, 7–42
Cost Object Inquiry, 4–10
Driver Balances Purge, 5–22
Driver Calculations and Update, 5–19
Driver Volume, 5–16
Post To Cost Analyzer Balances, 4–4
Purge Cost Analyzer Records, 4–13
Profit Management, user defined codes, 2–39
Programs and IDs
(P16301) Driver Selection, 5–16
(P1632) Driver Volume Revisions, 5–14
(R1610) Cost Assignment Calculations, 7–40
P03B11SI (Speed Invoice Entry), 3–9
P03B11Z1 (A/R Store and Forward Invoice), Work With Store and Forward Invoice form, 3–25
P03B2002 (Customer Ledger Inquiry), Work With Customer Ledger Inquiry form, 3–7
P041016 (Multi Company - Single Supplier), Multi Company - Single Supplier form, 3–16
P041017 (Multi-voucher Entry), Multi-Voucher Entry form, 3–17
P0411 (A/P Standard Voucher Entry)
Enter Voucher - Payment Information form, 3–14
Supplier Ledger Inquiry form, 3–46
P0411 (Standard Voucher Entry), Enter Voucher - Payment Information form, 3–18
P0411SV (Speed Voucher Entry), 3–15
P0901 (Accounts by Business Unit), Work With Accounts, 2–19
P09015 (Account Master – CMS), Account Master – CMS, 2–19
P0911 (Journal Entry)
Journal Entry form, 3–4
Work With Journal Entry form, 3–3
P0911Z1 (Store and Forward Journal Entry), Store and Forward Journal Entry Revisions form, 3–20
P1603 (Cost Analyzer View Setup)
Cost Analyzer View Entry, 2–35
Work With Cost Analyzer Views, 2–35
P1609 (Cost Management Constants), Enter/Change Cost Management constants, 2–5, 2–6
P1620 (Cost Object Types)
Cost Object Entry, 2–11, 2–16
Work With Cost Object Types, 2–11, 2–16

P1690 (Enabled Functionality by Application)
Work with Data Items for Selected Table, 2–13
Work with Enabled Tables/Application, 2–13
P1691 (Cost Object Rules Setup Method), 2–31
P40950 (Automatic Accounting Instructions)
Account Revisions, 2–26
Work With AAIs, 2–25
P41001 (Branch/Plant Constants)
Branch/Plant Constants, 2–7
Work With Branch/Plant Constants, 2–7
P43101 (Purchase Order Workbench), Purchase Order Workbench form, 3–44
P4314 (Voucher Match), Match Voucher to Open Receipt form, 3–46
R0911T (Create Account Ledger Tag File Records), 2–3
Purchase orders
entering cost object information, 3–39
receipts, entering cost object information, 3–40
workbench, entering cost object information, 3–43
Purge batch journal entries, 3–28
Purge Cost Analyzer Records, processing options, 4–13
Purge store and forward transactions, 3–27
Purging cost analyzer balances, 4–12
Purging cost object information, 3–27

R

Rates, setting up, 7–5
Recurring invoices, entering cost object information, 3–11
Recurring vouchers, entering cost object information, 3–17
Reviewing activities, 6–7
Reviewing driver balances, 5–19
Reviewing the assignment computation report, 7–48
Revising cost assignment calculations, 7–39
Running cost assignment calculations, 7–40
Running driver calculations, 5–18
Running special purges, 5–22

S

Sales orders, entering cost object information, 3–51
Selecting drivers, 5–16
Setting up, EPS, 2–1
Setting up AAIs by cost component, 2–23, 2–25
Setting up activities, 6–3
defining groups, 6–3
Setting up automatic accounting instructions, 2–23
Setting up constants, 2–5
Setting up cost analyzer views, 2–35
Setting up cost object edit codes, 2–19
Setting up cost object types, 2–11
Setting up drivers, 5–3
Setting up flex accounting, 2–29
Setting up rates, 7–5
Setting up user defined codes, 2–39
Speed invoice, entry, 3–9
Speed Invoice Entry form, 3–9
Speed invoices, entering cost object information, 3–9
Speed vouchers, entering cost object information, 3–14
Standard invoices, entering cost object information, 3–7
Standard vouchers, entering cost object information, 3–13
Stock valuation, general ledger update, 3–55
Store and forward
cost object tracking, 3–19
invoices, cost object information, 3–25
journal entries, cost object information, 3–20
journal entry batch processor, cost object information, 3–22
journal entry upload, cost object information, 3–21
purging transactions, 3–27
voucher batch input processor, cost object information, 3–24

voucher entry, cost object information, 3–22
voucher upload, cost object information, 3–24

T

Tables
Account Ledger (F0911), 2–3
Account Ledger Tag (F0911T), 2–3

U

Understanding cost management in distribution, 3–47
Understanding cost management in the Procurement system, 3–35
Update Customer Sales (P42800) program, journal batches, 3–51
Updating cost analyzer information, 4–1
posting journal entries to the Cost Analyzer table, 4–3
Updating cost information in Manufacturing Accounting, 3–32
Updating cost object information in the General Ledger, 3–5
Updating the general ledger, 3–55
User defined codes, Transportation Management, 2–39

V

Variable numerator, example, 7–23
Viewing cost analyzer balances, 4–4
Vouchers
batch input processor, 3–24
creating for landed costs, 3–43
entering, 3–22
match methods, 3–45
multicompany, entering cost object information, 3–15
multi-voucher, entering cost object information, 3–16
recurring, entering cost object information, 3–17
speed, entering cost object information, 3–14
standard, entering cost object information, 3–13
uploading, 3–24

W

Work orders, entering cost object information, 3–32
Working with cost object tracking, overview, 2–11
Working with driver calculations, overview, 5–3