

Oracle

Global Human Resources Cloud Implementing Payroll Costing

Release 12

This guide also applies to on-premise
implementations

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Preface

This preface introduces information sources that can help you use the application.

Oracle Applications Help

Use the help icon  to access Oracle Applications Help in the application. If you don't see any help icons on your page, click the Show Help icon  in the global area. Not all pages have help icons. You can also access Oracle Applications Help at <https://fusionhelp.oracle.com>.

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- **Community:** Use [Oracle Applications Customer Connect](#) to get information from experts at Oracle, the partner community, and other users.
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1 Payroll Costing

Payroll Cost Allocation Key Flexfield

Payroll Cost Allocation Key Flexfield Setup: Critical Choices

The cost allocation key flexfield creates a structure for financial accounting of your payroll costs. The flexfield captures the account codes you use to create accounting entries, and to report and track your labor costs. When planning how to create a key flexfield structure, consider the following choices:

- Structure of the cost allocation key flexfield
- Value sets for the segments
- Cost hierarchy levels enabled to populate each cost account segment
- Required and optional segments
- Segments required for the offset account
- Number of structure instances of the cost allocation key flexfield


 **Note:** After you create your flexfield, you can generate database items for use in your formulas and extracts by submitting the Generate Flexfield Database Items process from the Payroll Checklist or Payroll Administration work area.

Structure of the Cost Allocation Key Flexfield

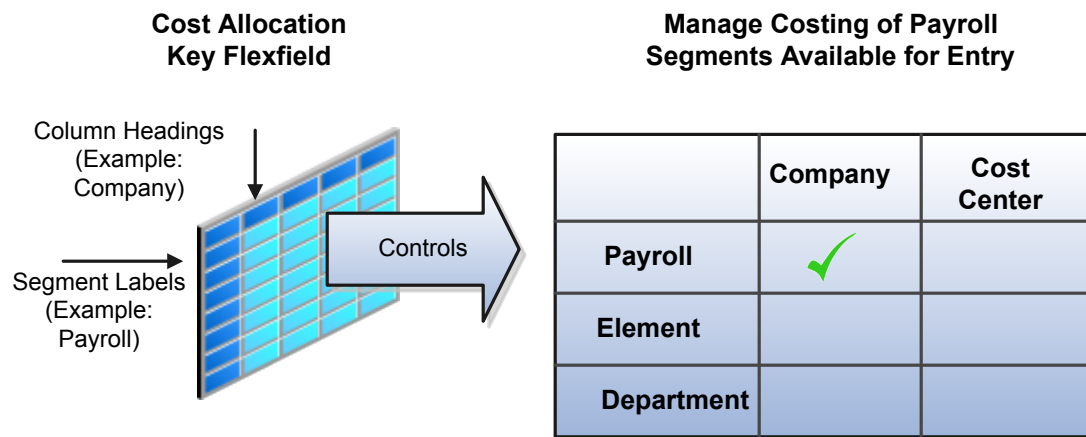
Decide what structure to use for the cost allocation key flexfield. You use the Manage Cost Allocation Key Flexfield task in the Setup and Maintenance work area.

The structure of the flexfield defines the segments to include, their order, and the value sets to validate the data entered in the segments. Using the predefined Cost Allocation key flexfield to create the structure, you specify:

- Segment labels, the row headings that correspond to the cost hierarchy levels
- Column headings, which correspond to the segment of your account structure

 **Tip:** As a best practice, create a structure based on the structure of the Accounting flexfield used for the chart of accounts that receives the payroll costing entries. Use a similar sequence of segments and naming conventions to facilitate setup.

The structure you deploy generates a reference table on the costing setup pages. The following figure illustrates how the column heading and segment label make the company account information available for entry on the Manage Costing of Payroll page.



The following table lists questions to consider before you create the cost allocation key flexfield structure.

Decision	Description
How many cost allocation key flexfield segments does your Accounting flexfield include?	You must create a segment for each corresponding segment of the Accounting flexfield.
Do you need to reserve segments for future use?	You can't update the flexfield structure. You can create segments for later use, such as new lines of business, and display them as needed.
Do you capture context sensitive information for legislative purposes?	Create additional segments to capture context sensitive costing, such as separate liability accounts maintained for each state and state tax.
Do you capture information used by other applications?	Create additional segments, for example, to record the breakdown of costs of a project for reporting purposes.

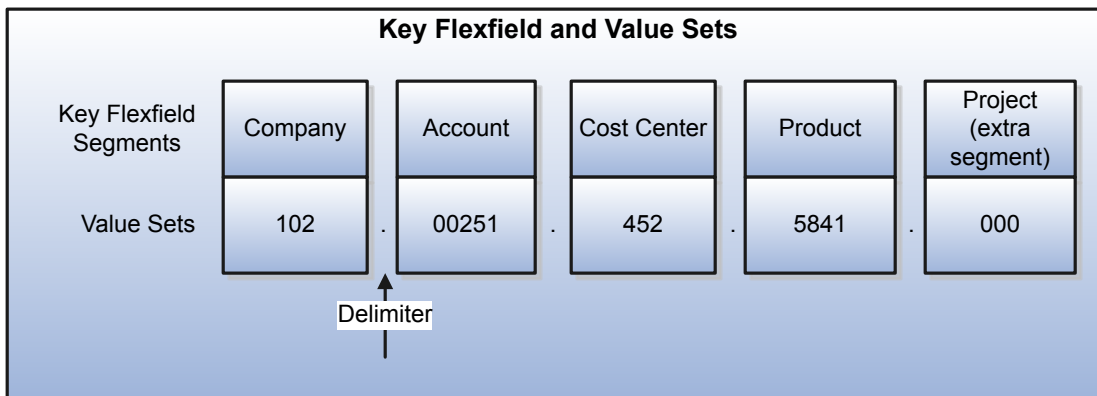
Value Sets for the Segments

Decide whether to use existing value sets or to create new value sets.

You associate each segment to a value set created using the Manage Payroll Costing Value Sets task in the Setup and Maintenance work area. For example, you might reuse an existing value set that you defined for your accounting flexfield, or create a subset of those values, which only apply to payroll.

Tip: Consider creating a single value when several accounts use the same value. For example, you might use a value set with a single value of zeros as a placeholder for account segments, such as future use segments.


The following figure shows an additional segment added to the structure that doesn't have a corresponding segment in the Accounting flexfield, and the value sets associated to each segment.



Cost Hierarchy Levels

Consider which level of the cost hierarchy is the primary source of values for that segment and which levels should receive overrides. These decisions control which cost account segments the application displays on the costing setup pages.

The following table includes examples of the segment labels you might specify for costing.

Segment	Example
Payroll	<p>Select Payroll for segments that seldom change for the people assigned to the payroll, such as company, line of business, and future use segments.</p> <p> Tip: To report costing by business unit, set up payrolls for persons in a single business unit. Specify a segment at the payroll level to record the account information for the business unit.</p>
Element Eligibility	<p>Select Element Eligibility for natural accounts.</p> <p>You also use this level for cost center segments needed for balance sheet accounts, such as deduction elements which are usually created at the payroll relationship level.</p>
Department	Select Department for cost centers.
Job or Position	<p>Select Job to compare and roll-up costs based upon job category.</p> <p>Select Position if you are using position management at your enterprise, to better track the cost of turnover to the enterprise.</p> <p>Costing at these levels requires higher maintenance to set up and manage the costing in diverse and complex organizations.</p>
Person	<p>Select Person to cost at the payroll relationship, terms, and assignment level, and for elements at each of these levels.</p> <p>You might select Person to enable allocation of wages when costs are shared by several cost centers. You might need to override the activity or natural account segment that is usually enabled at the element level.</p>

Segment	Example
Element Entry	<p>Select Element Entry to override all other levels, with one exception. Costing at the element entry level is overridden by the segments defined for the Priority account for that element.</p> <p>You might select the segment for cost center at the element entry level to cover situations where a person works at another cost center for a payroll period.</p>

Required and Optional Segments

Determine which segments to make required based on whether you want to place in a suspense account a costing result with a blank value for a segment. When you set up costing, if you don't specify a value for a cost account segment on any level of the costing hierarchy, the resulting calculation is determined by two factors:

- Segment is required or optional
- Suspense account is defined

If you define a segment as:

- Optional, regardless of whether you define a suspense account, the costing result displays a blank (null) value in the segment
- Required, and the suspense account is defined, the costing result is placed in a suspense account
- Required, and the suspense account is not defined, the calculation displays an error, and the person's results are not costed

Segments Required for the Offset Account

Decide which segments of the offset account require costing.

The offset account balances the cost account. It uses the segments of the cost account unless you specify a different value for the corresponding segment. For example, if the only difference between your cost and offset accounts is the natural account segment, for the element eligibility segment label, you would select the natural account for the offset account.

Number of Structure Instances

You create structure instances of your cost allocation key flexfield that you then associate to legislative data groups. Structure instances share the same set, arrangement, and properties of the cost allocation key flexfield structure. If a legislative data group requires different value sets for the flexfield segments, create a separate instance for that legislative data group.

Related Topics

- [Generating Flexfield Database Items: Explained](#)

Cost Hierarchy: Explained

The cost hierarchy represents the different levels at which you can enter cost information. This topic covers:

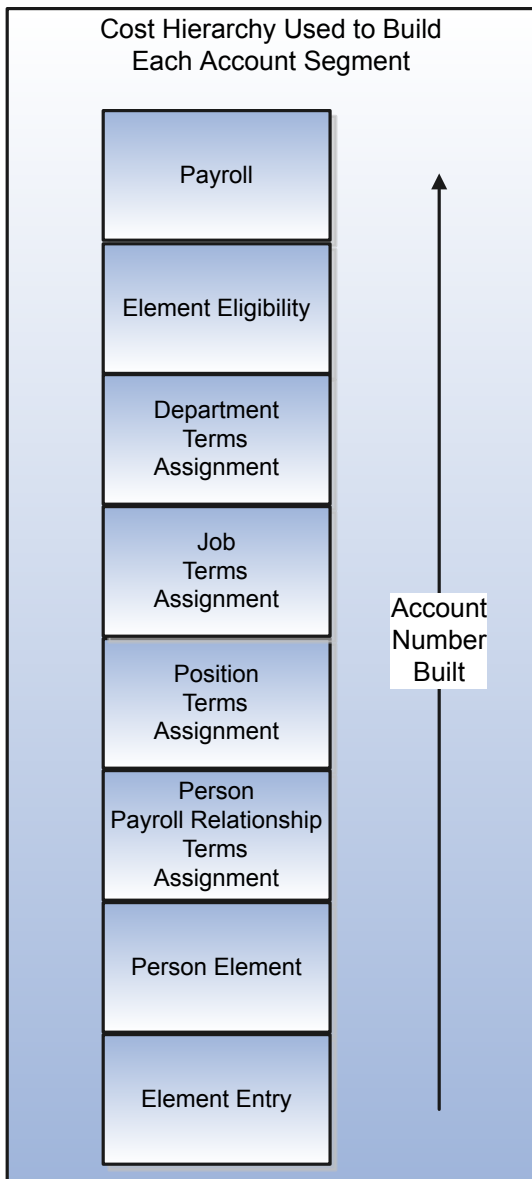
- Cost hierarchy levels
- Levels checked for different accounts
- Levels checked when calculating run results

The level at which you enter costs is a key determinant in how the application builds the account number. The application starts with the lowest level (element entry) and ends with the highest level (payroll), checking for a value at each level until a value is found.

Cost Hierarchy Levels

When the application builds the account number, it starts with the lowest level (element entry) of the cost hierarchy and ends with the highest level (payroll). It checks each level sequentially until it finds a value. If it finds an invalid cost combination, it places the costing result in a suspense account.

The following figure shows the different levels of the costing hierarchy.



At the person level, costing details at the payroll relationship level apply to all the person's elements unless overrides are specified for the person at the terms and assignment levels. For person element, the level checked depends on the level

specified in the element definition. For example, most deduction elements are defined at the payroll relationship level and earnings elements at the assignment level.

Levels Checked for Different Accounts

The costing process considers the type of account and the costing type of the element to determine which levels to use for processing.

The following table summarizes the levels checked for different types of accounts.

Accounts	Costing Type Option	Levels of Cost Hierarchy Checked
Cost	Costed, Distributed	All
Cost	Fixed	Payroll, Element Eligibility, Element Entry
Suspense, Default	Not applicable	Payroll, Department
Offset, Priority	Not applicable	Element Eligibility

Levels Checked When Calculating Run Results

The Calculate Payroll process builds the account number for the payroll run results as of the current payroll period. The Recalculate Payroll for Retroactive Changes process checks for costing details for account segments in the current payroll period before using the segment values from the original payroll period.

For example, when calculating the costing for a retroactive pay earnings element, the application checks first for a segment value for the retroactive pay element in the current payroll period. It checks the element entry level and then the element eligibility level. If no value for the segment is found there, it uses the costing of the original payroll period, beginning with the element entry level. If it doesn't find costing details there, it continues checking each level of the original payroll period until it finds a value for the segment.

The following table for deriving costing details for elements shows:

- Which levels the application checks for costing details, based on the type of account and costing type
- Where you set up the values for the account segments for that level

Hierarchy Level	Accounts Checked	Costing Types	Costing Setup Pages
Element Entry	Cost	Fixed Costed, Costed, Distributed	Manage Element Entries
Person Element - Assignment	Cost	Costed, Distributed	Manage Costing for Persons
Person Element - Terms	Cost	Costed, Distributed	Manage Costing for Persons
Person Element - Payroll Relationship	Cost	Costed, Distributed	Manage Costing for Persons
Person - Assignment	Cost	Costed, Distributed	Manage Costing for Persons

Hierarchy Level	Accounts Checked	Costing Types	Costing Setup Pages
Person - Terms	Cost	Costed, Distributed	Manage Costing for Persons
Person - Payroll Relationship	Cost	Costed, Distributed	Manage Costing for Persons
Position - Assignment	Cost	Costed, Distributed	Manage Costing of Positions
Position - Terms	Cost	Costed, Distributed	Manage Costing of Positions
Job - Assignment	Cost	Costed, Distributed	Manage Costing of Jobs
Job - Terms	Cost	Costed, Distributed	Manage Costing of Jobs
Department - Assignment	Cost, Default, Suspense	Costed, Distributed	Manage Costing of Departments
Department - Terms	Cost, Default, Suspense	Costed, Distributed	Manage Costing of Departments
Element Eligibility	Cost, Offset, Priority	Fixed Costed, Costed, Distributed	Manage Costing of Elements
Payroll	Cost, Default, Suspense	Fixed Costed, Costed, Distributed	Manage Costing of Payrolls

Setting Up the Cost Allocation Key Flexfield: Procedure

To generate costing results for your payroll run results and payments, you must create, deploy, and map a cost allocation key flexfield to your legislative data group in the Setup and Maintenance work area. You perform the following steps to set up and deploy the flexfield.

1. Create payroll values sets.
2. Define the cost allocation key flexfield structure.
3. Create structure instances.
4. Map the cost allocation key flexfield in Oracle Fusion Subledger Accounting.

After you creating your flexfield, you can generate database items for use in your formulas and extracts by submitting the Generate Flexfield Database Items process from the Payroll Checklist or Payroll Administration work area.

Create Payroll Value Sets

Perform the following steps to define value sets.

1. Select the Manage Value Sets task in the Setup and Maintenance work area.
2. Create the value sets you require for your payroll account segments.

Define the Cost allocation Key Flexfield Structure

Perform the following steps to set up the flexfield structure.

1. Select the Manage Cost Allocation Key Flexfield task.

2. In the Search Results section, select the row for the predefined cost allocation key flexfield, identified by the key flexfield code COST.
3. Click the Manage Structures tab.
4. On the Manage Key Flexfield Structures page, create a flexfield structure, with the number of segments required for your account combinations.
5. Save the structure.
6. Edit each segment, completing the required information, such as selecting a value set to use for the segment.
7. In the Segment Labels region:
 - a. Specify which levels of the cost hierarchy you can enter account numbers for the cost account.
 - b. Select Offset, if you can enter a value for the Offset account for this segment.
8. Save the segment.

Create Structure Instances

Create a separate instance for each legislative data group that requires unique value sets.


1. On the Manage Cost Allocation Key Flexfield page, click the Manage Structure Instances tab.
2. On the Manage Key Flexfield Structure Instances page, click Create to create flexfield structure instances.
3. Enter a Structure Instance Code, and select the following options:
 - o Enabled
 - o Dynamic Combination Creation Allowed
4. Edit the segments to specify a different value set. Decide whether to display the segment.

For example, you might select a different value set or decide to hide a segment reserved for future use.

5. Save your instance, and deploy the flexfield.
6. Use the Manage Legislative Data Groups task to associate the flexfield to a legislative data group.

The following guidelines apply. You can:


- o Associate the same instance to several legislative data groups, as long as they all use the same value sets.
- o Update the structure instance of the cost allocation key flexfield instance to use a different legislative data group until you define costing setups based on that instance.

 **Caution:** When you define the costing setups, you can no longer update the legislative data group.

Map the Cost Allocation Key Flexfield in Subledger Accounting

The application implementation consultant with the appropriate Financials duty roles sets up chart of accounts, calendars, and ledgers in Oracle Fusion Financials, and accounting methods and rules in Subledger Accounting.

1. Create account combinations in Oracle Fusion General Ledger that correspond to each of the account combinations you plan to use in payroll.

 **Note:** Skip this step if you set up your General Ledger accounting flexfield to allow dynamic account combinations. Saving your account rules in Subledger Accounting automatically creates the accounts for General Ledger.

2. Specify rules in Subledger Accounting to use the cost allocation key flexfield instance as the segment source in the accounting key flexfield for the chart of accounts.

3. On the Manage Account Rules page, map your cost allocation flexfield segments to the accounting key flexfield segments.

Related Topics

- Generating Flexfield Database Items: Explained

Costing Setup Prerequisites

Payroll Costing Components: How They Work Together

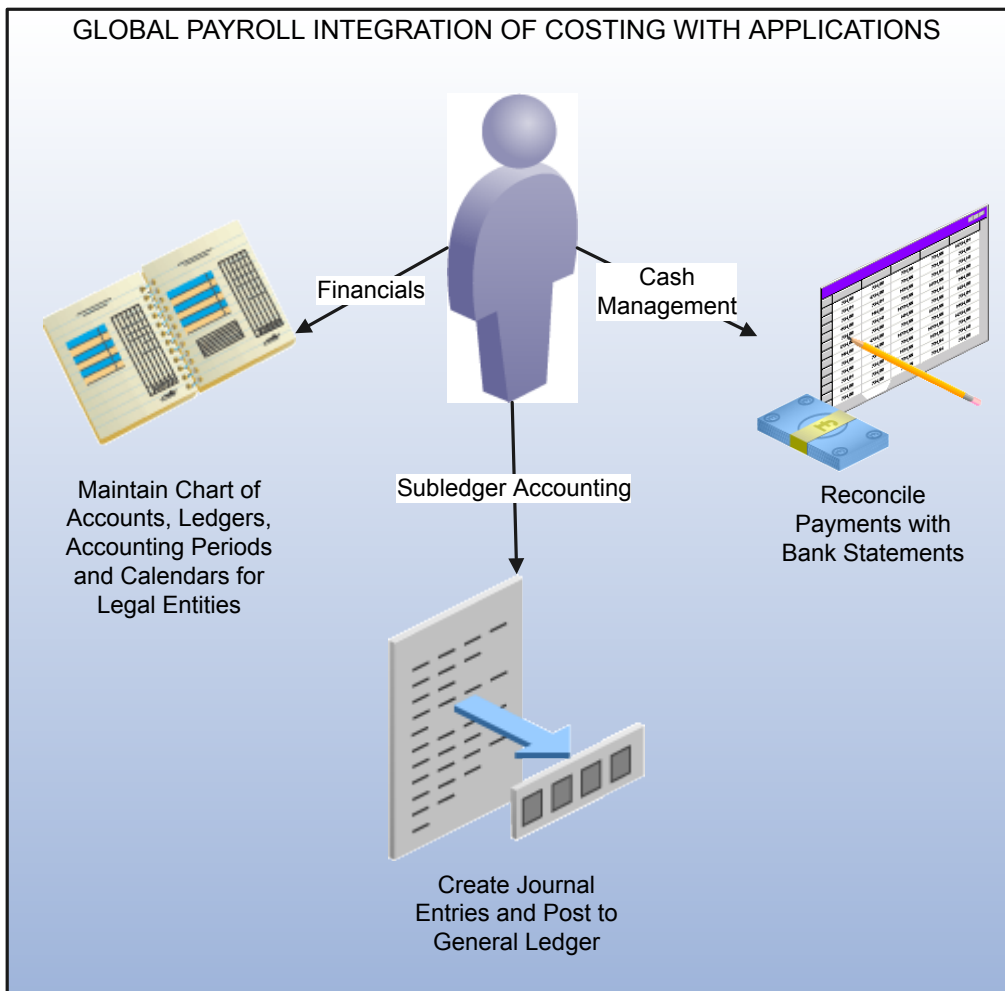
Payroll costing integrates components required to accurately report labor costs and generate journal entries for your payroll run results and payments. To set up and manage payroll costing, you must have the appropriate duty roles to create components used by payroll costing, such as ledgers that you associate to legal entities, accounting methods and rules, and banking information.

Payroll costing involves creating the following components:

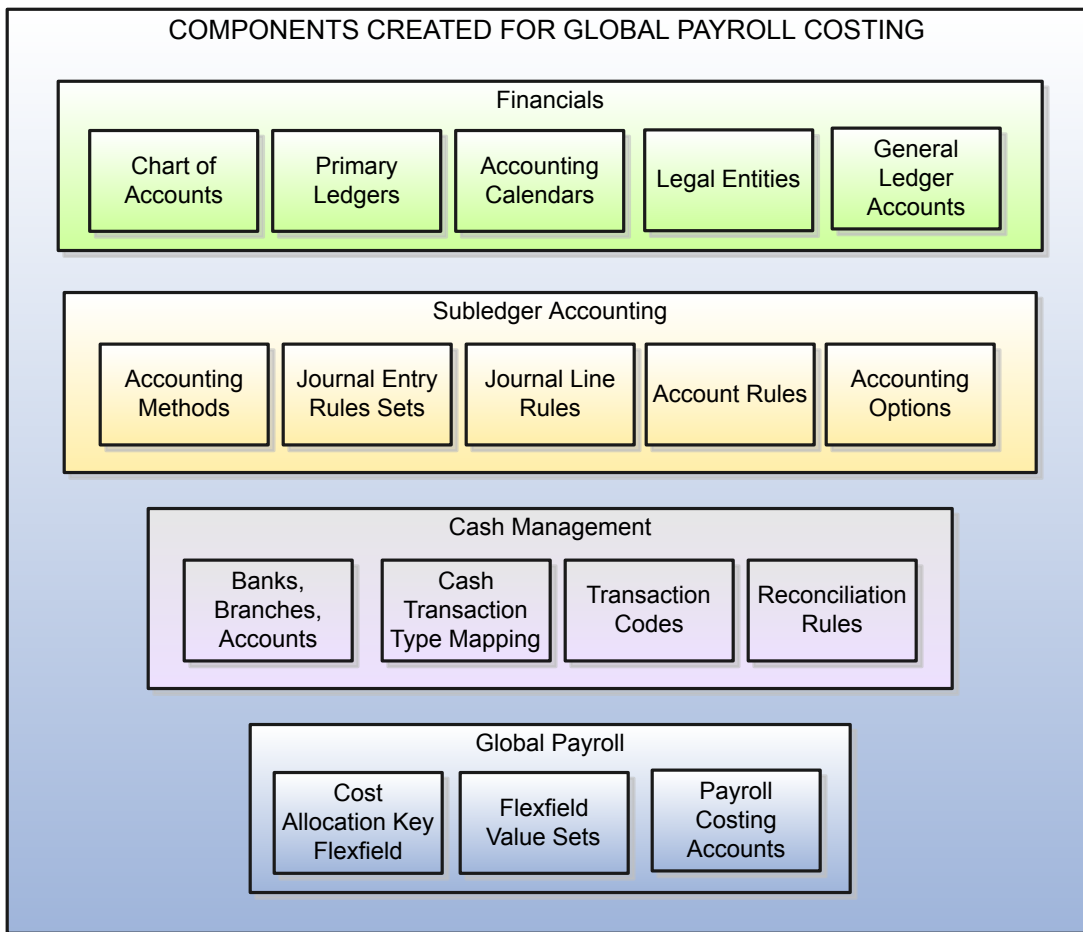
- Financial ledgers, calendars, accounting periods, and legal entities
- Subledger accounting methods and rules
- Cash Management bank account and reconciliation information
- Cost allocation key flexfield
- Payroll costing accounts

The following figure illustrates how Oracle Fusion Global Payroll works with the applications listed in the table.

Application	Tasks Performed
Oracle Fusion Financials	Maintain chart of accounts, ledgers, accounting periods, and calendars for legal entities
Oracle Fusion Cash Management	Reconcile payments with bank statements
Oracle Fusion Subledger Accounting	Create journal entries for transfer to Oracle Fusion General Ledger




The following figure shows the different components you set up for payroll costing grouped by application.



Financials

You create components in Financials that support payroll costing, such as general ledgers, accounting calendars, and accounting periods. For example, you create ledgers in Financials that you later associate to your payrolls.

 **Note:** If you didn't install Financials, configure your offerings and select the feature choice for the Payroll Costing Options for Maintain Subledger Application and Accounting Method.

When setting up components in Financials:

1. Create an Accounting key flexfield for the chart of accounts.
2. Create value sets for the new structure.
3. Create General Ledger accounts that record payroll costs, such as cost, offset, payroll liability, cash clearing, and cash accounts.

When you create the equivalent accounts in payroll, ensure that you use the same natural account as your General Ledger accounts. For example, you ensure that the Cash account uses the same natural account, so that you can easily reconcile the cash account balance with the bank balance for transactions that occur in the same bank account.

You must have the Financials duty roles required to perform these tasks.

Subledger Accounting

Subledger Accounting generates subledger journals, creates subledger balances, and generates general ledger journals. Payroll supplies predefined data for Subledger Accounting, such as event classes for event entities.

When setting up components that Subledger Accounting uses to create and post accounting entries, you create:

1. Accounting methods
2. Journal line and entry rules

You must have the Subledger Accounting duty roles required to perform these tasks.

Cash Management


Payroll requires bank account information for check and electronic funds transfer payment types, and optionally for cash and money order payment types. If you plan to cost the payments that you issue, complete the bank, branch, and bank account information for the payment source and specify the General Ledger cash account.

To reconcile your payments, you create reconciliation rules, map transaction types to payment types, create bank statement transaction codes, and specify the General Ledger accounts for cash clearing and reconciliation differences.

You must have the Cash Management duty roles required to perform these tasks.

Cost Allocation Key Flexfield

You create an account key flexfield structure based on the Cost Allocation key flexfield code, and then create a structure instance that you associate to appropriate value sets. You map the structure instance to a legislative data group. You specify rules in Subledger Accounting to use the cost allocation key flexfield instance as the segment source in the Accounting key flexfield for the chart of accounts.

 **Tip:** As a best practice, work with your financials department to ensure that you set up your chart of account segments so that you can transfer information between your payroll and general ledger.

Payroll Costing Accounts

After creating the components that support payroll costing in the other applications, you create the costing setup information for the different payroll accounts you intend to use, such as the cost, offset, suspense, default, payroll liability, cash clearing, and cash accounts. You enter the account information and any overrides for the different levels of the cost hierarchy.

Ensure that natural account segments are the same as the natural account specified in the equivalent general ledger accounts.

Payroll Setup Tasks for Financials: Explained

Payroll integrates with Oracle Fusion Financials. You must set up components in Financials, such as chart of accounts and ledgers, before you can set up banks to process payments, associate a ledger to a payroll definition, and run processes to distribute costing results.

Complete the following setup tasks in the Setup and Maintenance work area for the chart of accounts and ledgers. The application implementation consultant job role can perform the following tasks.


Chart of Account Setup Tasks

Complete the following tasks to set up your chart of accounts information. Later, you associate the chart of accounts to a ledger.

Task	Action
Manage Chart of Accounts Value Sets	Create new or review existing value sets, which you will associate with a key flexfield segment.
Manage Chart of Accounts Structures	Create account structures that specify the segments to include, their order, and the value sets that will validate the data entered in the segments. Oracle Fusion General Ledger predefines the Accounting key flexfield.
Manage Chart of Accounts Structure Instances	Create account structure instances, which you will use to record transactions and maintain account balances.
Manage Chart of Accounts Value Set Values	Create groups of values, which you will assign to a key flexfield segment.
Manage Account Hierarchies	Search, create, and edit hierarchical groupings of accounts.
Manage Accounting Calendars	Set up accounting calendar period details. Determine the total number, frequency, and duration of the accounting periods.
Manage Account Combinations	<ol style="list-style-type: none"> 1. Create account combinations if the structure instance of your chart of accounts flexfield doesn't allow dynamically created account combinations 2. Create accounts for each account combination used in payroll. As a best practice, use the same account numbers for your payroll and general ledger accounts. 3. If you reconcile payments in Oracle Fusion Cash Management, create an account combination for reconciliation differences.

Ledger Setup Tasks

You perform the following tasks as part of the accounting configuration setup for Global Payroll.

Task	Action
Manage Primary Ledgers	Create a ledger with a chart of accounts, accounting calendar, currency and subledger accounting method.  Note: If you are creating bank information, you must create a primary ledger.
Assign Legal Entities	Add the legal entities that use the ledger. The Manage Legal Entity HCM Information task associates the payroll statutory units for legal entities to the legislative data group.
Specify Ledger Options	<ol style="list-style-type: none"> 1. Complete all the fields for the General Information and Accounting Calendar, and Subledger Accounting sections. 2. In the Period Close section, select the Retained Earnings Account you will use for payroll.

Task	Action
	<ol style="list-style-type: none"> In the Journal Processing Intercompany subsection, select the option to launch AutoReverse after the open period.
Assign Balancing Segment Values to Legal Entities	<p>Assign specific balancing segment values to each legal entity before assigning values to the ledgers.</p> <p>By specifying this information, you can more easily identify legal entities during transaction processing and reporting</p>
Assign Balancing Segment Values to Ledger	<p>Optionally, assign specific primary balancing segment values to the primary and secondary ledgers to represent transactions for nonlegal entities, such as adjustments.</p>
Manage Reporting Currencies	<p>Review and update reporting currencies.</p> <p>Reporting currencies maintain and record subledger and general ledger journal entries in additional currencies.</p>
Review and Submit Accounting Configuration	<p>Submit your configuration.</p>
Open First Period	<p>Open the first period when you are ready to process transactions for the ledger.</p> <p>After you open the first period, use the Manage Accounting Periods in General Ledger to open and close periods, and to specify the target period that concludes the series of calendar periods.</p>

Related Topics

- [Ledgers: Points to Consider](#)
- [Assigning Legal Entities and Balancing Segments: Examples](#)
- [Chart of Accounts Structure and Instances: Critical Choices](#)

Payroll Setup Tasks for Subledger Accounting: Procedure

Oracle Fusion Global Payroll integrates with Oracle Fusion Subledger Accounting to streamline accounting tasks. You transfer payroll transactions to Subledger Accounting, such as payroll transactions for costing the payroll run, payments, and partial period accruals. Subledger Accounting applies rules to the transactions and creates subledger journal entries and subledger balances for each payroll costing result. It transfers this information to Oracle Fusion General Ledger.

Payroll provides predefined data for Subledger Accounting. You create additional components in Subledger Accounting to support costing, such as accounting methods and rules.

This topic covers the following information:

- Selecting payroll feature choices for Subledger Accounting
- Viewing predefined data
- Integrating payroll with Subledger Accounting
- Performing optional tasks
- Creating accounting results

Selecting Payroll Features Choices for Subledger Accounting

Before you create implementation projects, you select payroll feature choices, such as the choice to cost your payroll. The following table shows how these choices determine the tasks you can view in Subledger Accounting.

Feature Choices	View Predefined Data	Define Subledger Accounting Rules for Payroll
Maintain Subledger Application and Accounting Method	Yes	Yes
Maintain Subledger Accounting Method	No	Yes

Viewing Predefined Data



The Define Subledger Application and Sources task list includes predefined data, such as the definition of attribute values, process categories, event classes and event class options, sources, source assignments and accounting attribute assignments, journal line types, account derivation rules, journal lines definitions, and application accounting definitions. You can review this predefined information.

Defining Subledger Accounting Rules for Payroll

The Define Subledger Accounting Methods task list in the Setup and Maintenance work area includes tasks you must complete to integrate Subledger Accounting with Global Payroll.

Set the scope for the Define Subledger Accounting Methods task list to Payroll before performing the following tasks required for defining payroll costing.

Page	Action
Manage Account Rules	<p>Specify the segment rules for each segment of the chart of accounts flexfield structure that has a corresponding source segment in the cost allocation key flexfield.</p> <ol style="list-style-type: none"> 1. Select a chart of accounts rule, and edit the rule. 2. On the Edit Account Rules page, select the Chart of Accounts. 3. Select the Segment Rule Type, and the segment. 4. In the Rules section, select Source Value Type. In the Value field, select the corresponding segment of the cost allocation key flexfield. For example, if you are editing the account rule for the company segment of the chart of accounts, select the company segment that you defined in the cost allocation key flexfield structure. 5. In the Conditions section, enter the following text: "Assignments Payroll Name" Is not null 6. Click the Validate button, and save the rule. 7. Repeat these steps for each segment of the chart of accounts that has a corresponding segment in the cost allocation key flexfield. <p>The Dynamic Combination Creation Allowed option on the Edit Key Flexfield Structure Instance page for the General Ledger accounting key flexfield enables dynamic account combination.</p> <ul style="list-style-type: none"> • If you select the option, when you save the account rule, Subledger Accounting automatically creates the corresponding account combinations for General Ledger.

Page	Action
	<ul style="list-style-type: none"> If you didn't select the option, you must create accounts for General Ledger using the Manage Account Combinations task.
Manage Subledger Journal Entry Rules Sets	<ol style="list-style-type: none"> Create new journal entry rule sets for each type of event class: Costs, Payment Costs, Run Costs, and Partial Period Accrual for event types All and Reversal. Use the following templates: <ul style="list-style-type: none"> Payroll Template Cost Rule Set Payroll Template Run Cost Rule Set Payroll Template Payment Cost Rule Set Payroll Template Estimate Cost Rule Set Payroll Template Reversal Estimate Cost Rule Set <p> Note: Don't copy existing journal entry rule sets. Create new journal entry rule sets instead.</p> <ol style="list-style-type: none"> Confirm the status is active. Select an Accounting Date in the Journal Entry section. Complete the credit and debit line types in the Journal Lines section.
Manage Journal Line Rules	Create journal line rules for the journal rule sets that have the same event class, and assign conditions.
Manage Accounting Methods	<ol style="list-style-type: none"> Copy the Standard Accrual accounting method. On the Payroll tab, add the newly defined journal entry rule sets for each event class. From the Actions menu, change the status to Active. <p> Note: If you update the accounting method, reset the status to Active.</p>
Manage Subledger Accounting Options	<ol style="list-style-type: none"> Specify accounting options to define how journal entries are generated from subledger transactions. Determine whether to summarize by General Ledger date or by General Ledger period.

Performing Optional Tasks

Complete the following optional tasks, as needed.

Page	Action
Import Supporting Reference Initial Balances	Import source values for the balances maintained by the segments that store supporting reference balances.
Manage Description Rules	Define the rules for the descriptions that appear on the subledger journal entry at the header and the line level.
Manage Supporting References	Decide what additional source information to store about a subledger journal at the header or line level.

Creating Accounting Results

If you plan to transfer and post accounting entries to General Ledger and to review those entries, you must set up security. The setup creates data roles based on the job, payroll, and legislative data group. Only users provisioned those roles can submit the Create Accounting process in the Scheduled Processes work area and review the resulting entries in the Accounting Distribution work area.

Related Topics

- [Account Rules: Explained](#)
- [Creating Accounting Method: Explained](#)
- [Creating Account Rules: Points to Consider](#)
- [Creating Subledger Journal Entry Rule Sets: Explained](#)

Payroll Setup Tasks for Transferring Costs to General Ledger: Explained

Payroll accounts capture the account information required to generate journal entries for the ledgers used by your legal entities. If you create accounting results, you must generate and assign data roles required by Oracle Fusion Subledger Accounting. If you transfer your payroll costs from Subledger Accounting to Oracle Fusion General Ledger, you set up costing accounts for all the account combinations that you use in General Ledger. You also specify which accounting date to use as the basis for transferring and posting payroll costs.

Set Up Security

If you plan to transfer and post accounting entries to General Ledger and to review those entries, you must set up security. The setup creates data roles based on the job, payroll, and legislative data group. Only users provisioned those roles can perform the following tasks:

- Submit the Create Accounting process in the Scheduled Processes work area in draft mode to create journal entries for review, and in final mode to create, transfer, and post entries to General Ledger
- Use the Review Journal Entries task in the Accounting Distribution work area to review draft and final journal entries

Set Up Accounts for Payroll and General Ledger

As a best practice, set up accounts in payroll for the equivalent account combinations maintained in General Ledger. By using a similar structure, you avoid discrepancies, minimize maintenance, and improve communication between departments when resolving questions about journal entries.

For example, specify the same natural account segment for the payroll Cash account as used in General Ledger, so that you can reconcile the Cash account and bank balance for transactions that share the same bank account.

Transfer Costs to General Ledger

If you plan to transfer payroll and payment costs to General Ledger, complete the following steps.

1. Select the Transfer to General Ledger option on the following setup pages.

Costing Setup Page	Costs Transferred
Manage Costing of Elements	Payroll run costs

Costing Setup Page	Costs Transferred
Manage Costing of Payments	Payment costs

- Review the configuration parameters on the Manage Payroll Process Configuration page that control which accounting date to use when you transfer and post journal entries to General Ledger.

Parameter Name	Parameter Description	Default Value
Accounting Date for Transfer to General Ledger	<p>Accounting Date, which uses one of the following dates:</p> <ul style="list-style-type: none"> Process Date of the payroll run (P) This is also the date used to transfer and post journal entries for costing results to General Ledger. Date Earned (E) EVE For the accounting date of the Partial Period Accrual Reversal process, Date Earned specified on the Payroll Definition page on the Time Periods tab is used. If the Date Earned isn't defined, the payroll period end date is used. <p>For the actual payroll run costs, the process date of the payroll run is used.</p>	P
Reversal and Balance Adjustment Accounting Date	<p>Accounting date, which uses one of the following dates:</p> <ul style="list-style-type: none"> Process date of a reversal or a balance adjustment (P) Process end date of the Transfer to Subledger Accounting task (T) This is also the date used to transfer journal entries for costing results to General Ledger. 	T

Related Topics

- [Payroll Process Configuration Parameters](#)

Setting Up Reconciliation for Payments: Procedure

Oracle Fusion Global Payroll integrates with Oracle Fusion Cash Management and Oracle Fusion General Ledger. This integration facilitates the setup of banks, branches, and bank accounts, and the reconciliation of bank statements with payment transactions.

An administrator or implementer with the appropriate privileges performs the tasks shown in the following table in the Setup and Maintenance work area:

Application	Setup Steps	Task
General Ledger	Create an account combination for the reconciliation differences account.	Manage Account Combinations
Cash Management	Set up transaction codes that map to the payment method transaction codes used in payroll.	<ul style="list-style-type: none"> • Manage Cash Transaction Type Mapping • Manage Bank Statement Transaction Codes
Cash Management	Create reconciliation rules.	<ul style="list-style-type: none"> • Manage Bank Statement Reconciliation Tolerance Rules • Manage Bank Statement Reconciliation Matching Rules • Manage Bank Statement Reconciliation Rule Sets
Payroll	<ol style="list-style-type: none"> 1. Create liability, cash clearing, and cash accounts for your payment sources. 2. Specify the option Transfer to General Ledger. 	Manage Costing of Payment Sources

This topic covers the steps for setting up the following objects:

- Reconciliation differences account
- Payroll transaction codes
- Reconciliation rules
- Payroll accounts

Setting Up Reconciliation Differences Account

If you reconcile payment costs before posting the costing results to Oracle Fusion General Ledger, set up a reconciliation differences account in General Ledger using the Manage Account Combinations task. The reconciliation differences accounts in Cash Management records discrepancies between the bank statement and the transferred payment files, such as over and under payments.

Setting Up Payroll Transactions Codes

If you cost your payments, set up and map transaction codes in Cash Management for the organization payment methods.

Task	Action
Manage Bank Statement Transaction Codes	<ol style="list-style-type: none"> 1. Review the transaction and statement codes that your enterprise currently uses 2. Create transaction codes for the transaction types that support your organization payment methods
Manage Cash Transaction Type Mapping	<ol style="list-style-type: none"> 1. Map transaction types to payment types used for the organization payment methods that support costing of payments. 2. Identify the organization payment methods for payroll accounts, such as payroll liability, cash, and cash clearing accounts.

Setting Up Reconciliation Rules


Payroll processes transfer your payment entries to Cash Management for manual or automatic reconciliation with bank statements, and cost the unreconciled and reconciled payments to the appropriate account, such as the cash clearing and cash accounts.

If you reconcile transactions automatically, in Cash Management complete the tasks listed in the following table.

Task	Action
Manage Bank Statement Reconciliation Tolerance Rules	Create tolerance rules based on date, amount, or percentage that prevent or warn you when reconciliation exceeds a defined tolerance.
Manage Bank Statement Reconciliation Matching Rules	Define bank statement automatic reconciliation matching rules.
Manage Bank Statement Reconciliation Rule Sets	Assign a group of matching rules and tolerance rules to a bank account for reconciling bank statement lines with transactions.
Manage Bank Accounts	Specify the Reconciliation Differences account you set up in Oracle Fusion General Ledger..

Setting Up Payroll Accounts

Create a liability and cash account. Create a cash clearing account to track payments such as checks, where a delay exists between the date the payment is issued and the date it clears. Use the Manage Costing of Payments task in the Setup and Maintenance work area or in the Accounting Distribution work area of Oracle Fusion Global Payroll.

 **Note:** When you set up the accounts, it's best practice to enter the same account information that you use for the cash and cash clearing account that you created in General Ledger.

Related Topics

- [Organization Payment Methods: Explained](#)
- [Creating Accounts: Points to Consider](#)
- [Reconciling Payroll Payments: Procedure](#)

Payroll Cost Accounts

Payroll Setup Tasks for Costing Accounts: Critical Choices

Set up accounts in the Accounting Distribution work area to cost payroll run and payment results, and to store invalid and unallocated costs. Review the options available for each of the following payroll accounts.

- Cost and priority accounts
- Offset accounts
- Payroll liability, cash, and cash clearing accounts

- Suspense and default accounts

Cost and Priority Accounts

Cost accounts store expenses and employer liabilities and charges. You have several options to manage how costing processes, such as Calculate Payroll, derive the cost account number.

- Create overrides
- Charge costs to a single priority account
- Allocate a cost to several accounts
- Distribute a cost to elements included in a distribution group

Create Overrides

You create overrides by entering cost account numbers at lower levels of the cost hierarchy. The following table lists examples of why you might create overrides.

Type of Overrides	Typical Reasons	Examples
Lower levels of the cost hierarchy	Manage costs at a granular level.	You enter a cost center number for a specific job to override the cost center information at the department level.
Person level	Set up costing for a person at the payroll relationship, terms, assignment level.	You split the salary costs for a worker whose assignment involves working for two departments that belong to different cost centers.

Charge Costs to a Single Priority Account

Use priority accounts to cost elements that require the same account combination. For example, you might use a priority account for an hourly earning element for laboratory work that is charged to a grant fund.

Create a priority account on the Manage Costing of Elements page to charge the entire cost or a portion of it to a priority account. If you allocate only a percentage of a cost to a priority account, the remaining percentage is derived using standard costing. When you create a priority account, you must specify a value for each segment.

Allocate a Cost to Several Accounts

Allocate a cost to more than one account by creating several accounts for an object. Specify the percentage to charge to each account. For example, allocate costs to split salary costs for a job shared between two cost centers on the Manage Costing of Jobs page.

The following table shows where you set up cost allocations.

Account	Costing Setup Pages
Cost	Manage Costing of Departments
	Manage Costing of Jobs
	Manage Costing of Positions
	Manage Cost for a Person

Account	Costing Setup Pages
Priority	Manage Costing of Elements

Distribute a Cost to Elements Included in a Distribution Group

Distribute the cost of an element, such as an employer tax or liability, across a group of elements. This group typically includes earnings elements, but may also include other elements at the payroll relationship level. Create the distribution group on the Manage Object Groups page, and set up the distribution options on the Manage Costing of Elements page.

When you calculate your payroll, the process distributes the cost results for the distributed element across the elements in the group. The distribution is based on the ratio each element contributes to the group's total. The process overrides the account numbers of the segments of the elements in the group with the account numbers defined for the segments of the distributed element.

Offset Accounts

Offset accounts create balancing entries required for double-entry bookkeeping. Set up an offset account on the Manage Costing of Elements page for each element eligibility record that you cost.

The following table describes typical payroll expenses and the type of offset accounts to set up.

Element Classification	Type of Accounting	Offset Account
Standard earnings that affect net pay	Cash Accounting	Asset account, such as Cash in Bank
Standard earnings that affect net pay	Accrual Accounting	Payroll liability account, such as Wages Payable
Employer liabilities	Cash and Accrual Accounting	Liability account for specific type of liability, such as Union Dues

Liability, Cash, Cash Clearing Accounts

The number of payment accounts you create depends on whether your company uses cash or accrual accounting, and whether you reconcile your payments. Create accounts for your payment sources on the Manage Costing of Payment Sources page in the Accounting Distribution work area.

The following table lists the accounts you would typically create for each type of accounting.


Type of Accounting	Type of Accounts
Cash and accrual accounting	Create a cash account for each separate bank account. Specify the appropriate natural account for each record.
Accrual accounting	Create a payroll liability account for each payment source you cost.

If you reconcile your payments, create a cash clearing account to generate costing entries when the payments clear. Typically, you set up cash clearing accounts for payments where a delay exists between the date the payment process issues the payment and the date the bank clears it.

When setting up the accounts, enter the same account information that you use for the Oracle Fusion General Ledger accounts you use with Oracle Fusion Cash Management.

Suspense and Default Accounts

Set up suspense and default accounts on the Manage Costing of Payrolls and the Manage Costing of Departments pages. You set up these accounts at the payroll level and override them, if required, with suspense and default accounts at the department level. For example, in a large enterprise you might set up default accounts for departments where the managers commonly review and resolve their department's expenses.

 **Tip:** As best practice set up a suspense and default account at the payroll level. Otherwise, you must set up a suspense and default account for every department to ensure you charge invalid and unallocated costs to an account.

If you don't specify a value for each segment of the cost account when you set up costing or for the element entry, the resulting calculation is determined by two factors:

- Segment of the cost allocation key flexfield is required or optional
- Suspense account is defined

If a segment of the cost allocation key flexfield is:

- Optional, regardless of whether you define a suspense account, the result displays a blank (null) value in the segment
- Required, and the suspense account is defined, the costing result is placed in a suspense account
- Required, and the suspense account is not defined, the calculation displays an error, and the person's results aren't costed

Related Topics

- [Payroll Cost Results: How They're Calculated](#)

Costing of Elements: Critical Choices

Decide how to cost element eligibility records, including which type of costing to apply and which input value to cost. You determine which account numbers to specify for the cost account segments, such as the natural account, and which offset account balances the cost account.

If you are setting up costing, you typically specify costing using the Manage Costing of Elements page in the Setup and Maintenance work area or the Accounting Distribution work area. When creating or updating an element using the Manage Elements page in the Payroll Calculation work area, use the Costing section.

When you create costing for elements, review the following points:

- Predefined costing options
- Element eligibility records to cost
- Input values to cost
- Costing type to select

- Elements at the payroll relationship level
- Offset accounts segments to complete
- Priority account to use

Predefined Costing Options

The primary element classifications include predefined costing options which determine whether you can perform the following actions:

- Cost an element that belongs to a primary classification
- Include the element in a distribution group
- Charge the cost as a debit or credit

Element Eligibility Records

The type of element you create determines which element eligibility records you cost. When you create an element, you create a base element. Some templates also create a related element to store the calculated results. For example, when the element template creates pretax, involuntary, and voluntary deductions, it also creates a results element. For some countries, the template also creates a results element for earnings elements.

As a guideline, if the element template creates a base and results element:

- Set up element eligibility records for both the base and results element
The base and results element eligibility records can serve different purposes. For example, you might create two records for the base element to limit who is eligible, and one open record for the results, if you cost the element results for your eligible employees the same way.
- Specify costing information for the results element eligibility record


As an example, the template for a garnishment element might generate several processing fee elements. You set up element eligibility records for the base element and all the fee result elements, and then specify costing for all the element eligibility records for the fee result elements. You must cost all the element eligibility records of the results element, even if you set up the same costing information for all the eligibility records.

Input Values to Cost

When you create costing for an element eligibility record, you must indicate which input value to cost, such as the pay value or the tax calculated. The costed input values usually contain the calculated monetary result. Optionally, specify other input values to cost, such as input values used to report the costs for the number of hours or days, or other units, such as piece work completed or the number of miles driven.

Costing Type to Select

The Costing Type option determines which levels of the cost hierarchy the application checks when building the account number for each segment of the cost account.

 **Note:** The costing type only applies to the cost account, and not the offset account.

Review the following table before selecting the costing type.

Costing Type	Levels Checked for Costing Details	When to Use	Examples
Costed	All levels	Earnings elements at assignment or terms level	<ul style="list-style-type: none"> • Standard earnings • Supplemental earnings

Costing Type	Levels Checked for Costing Details	When to Use	Examples
			<ul style="list-style-type: none"> • Direct payments
Distributed	<p>All levels</p> <p>Calculation for distributed costing starts with the values entered in the element eligibility costing record. The calculation derives values for other segments from the costing values on the associated entries of the distribution group. It generates one costing result for each entry in the distribution group.</p>	<p>Elements for employer costs and other elements at the payroll relationship level.</p> <p>Elements where you distribute costs based on the costs of earning elements.</p>	<ul style="list-style-type: none"> • Employer charges, taxes and liabilities at the payroll relationship level • Overtime calculated using average hourly rates and distributed based upon straight time.
Fixed Costed	<p>Element entry, element eligibility, and payroll levels only</p> <p>To enter the cost account segments normally derived from the department, job, or position level, you must set up your Cost Allocation key flexfield structure to enable entry of those segments at the element eligibility level.</p>	Deduction elements	<ul style="list-style-type: none"> • Pretax deductions • Employee tax deductions • Voluntary and involuntary deductions • Elements costed and posted to balance sheet accounts
Not Costed	<p>None</p> <p>The element isn't costed.</p>	Optionally, record your decision not to cost the run result value for this element	<ul style="list-style-type: none"> • Elements that do not affect net pay, such as taxable benefits (imputed earnings) where the amount you tax the employee is not your cost of providing the benefit. • Information elements

Elements at the Payroll Relationship Level

If you are costing an element at the payroll relationship level that requires attributes from the assignment level, use one of the following methods:

- Fixed costing if you charge the payroll relationship level entries to a balance sheet
- Distributed costing if the payroll relationship level entries require department number information


Offset Account Segments to Complete

The Cost Allocation key flexfield determines the segments available for entry for the offset account. You don't have to complete all the segments. If you leave a segment blank, the application builds the account information based on the corresponding segment entered for the cost account.

Priority Account to Use

Use a priority cost account to bypass the standard process and to charge all or a percentage of the cost to a single account combination. The functionality is similar to fixed costing, except that costing at the element entry level doesn't override it. You can use a priority account to allocate a portion of the results to a cost account and the standard costing derives results for the remaining portion.

When you create a priority account you specify the percentage of the cost to charge to the priority account. If a priority account pays for only a portion of the cost, such as a matching grant, specify the percentage covered by the priority account. The account number for the remaining percentage is derived by the standard costing process.

 **Note:** You must specify a value for each segment of the priority cost account.

Related Topics

- [Payroll Cost Results: How They're Calculated](#)


Payroll Batch Loader Workbook for Costing Setups

Import costing setups using the HCM Data Loader. Alternatively, for small batches of data, you can use the batch loader to import costing setup information from integrated workbook templates into staging tables and transfer that data into the application. This topic explains the task actions for the Cost Allocation task and the columns you complete for each task action.

Create or delete costing details for the cost and offset accounts by using the Create Cost Allocation and Delete Cost Allocation tasks. You can import costing setups for cost and offset accounts, but not costing setups for the suspense, default, and priority accounts. For costing setups for element entries, use the Element Entry batch loader task, and the Create Element Entry task action. You cannot delete costing setups for element entries.

Cost Allocation Columns

The cost allocation information determines the settings to apply and the account numbers to enter at each level of the cost hierarchy for your cost allocation key flexfield. Payroll uses this information to derive the costing results. If you aren't submitting the Calculate Payroll process, you can extract the costing setup information for your third-party payroll provider. The Delete Cost Allocation task uses the same columns as the Create Cost Allocation task.

 **Note:** Loading costing entries using the payroll batch loader is intended for initial implementation. Use caution when loading additional costing setups to avoid creating duplicate records. The batch loader performs no validation against existing costing setup objects.

The batch loader is case-sensitive. Ensure that you enter values exactly. Enter object and element names exactly as they appear in the application. To identify the source object names, you can query the costing objects on the costing setup pages in the Accounting Distribution work area.

Column	Required	Comments
Line Sequence	Yes	NUMBER Enter 1 for the first row and continue sequentially for subsequent rows.
Effective Start Date	Yes	DATE Enter the first date that processes can use the costing information. Use a date on or before the earliest date of any historical data you load.


Column	Required	Comments
		Must be in the format YYYY-MM-DD for all of the dates.
Effective End Date	Yes	<p>DATE</p> <p>Enter the last date that processes can use the costing information. Use a date later than the Effective Start Date.</p>
Source Type	Yes	<p>TEXT(60)</p> <p>Enter the kind of source object to cost.</p> <p>Each source type requires specific information in the Source and Creator columns. Refer to the table later in this topic that lists the valid values for objects based on the cost hierarchy.</p> <p>To cost a person's element at a specified level, use one of the following valid values:</p> <ul style="list-style-type: none"> • AET (assignment) • PRET (payroll relationship) • TET (employment terms) <p>To cost elements of a person at a specified level, use one of the following valid values:</p> <ul style="list-style-type: none"> • ASG (assignment) • PREL (payroll relationship) • TERM (employment terms) <p>To cost a specific object, use one of the following valid values:</p> <ul style="list-style-type: none"> • POS (position) • JOB (job) • ORG (organization) • EL (element eligibility, which uses as the input value the special purpose output value) • LIV (input value for the element eligibility other than the special purpose output value) • PAY (payroll)
Source	Yes	<p>TEXT(60) or NUMBER(18)</p> <p>Enter a value that is compatible with the value in the Source Type column.</p> <p>For example, enter the name of the specific source object to cost, or to cost all the elements for a person, the person's</p>

Column	Required	Comments
		assignment number, payroll relationship number, or the employment terms number.
Creator	No	<p>TEXT(60) or NUMBER(18)</p> <p>Required only to cost a job, an input value, or a person's element at a specified level. Use one of the following valid values:</p> <ul style="list-style-type: none"> • Job name or job set name • Input value name • Assignment number, payroll relationship number, or employment terms number
Costing Type	No	<p>TEXT(60)</p> <p>Specify a value only if you are costing an element eligibility record.</p> <p>The kind of costing, such as fixed costing. Valid values are case-sensitive.</p> <ul style="list-style-type: none"> • C (Costed) • F (Fixed Costed) • D (Distributed) • N (Not Costed) <p>Use the Manage Common Lookups task to see the lookup codes for the PAY_COSTABLE_TYPE lookup type. If you don't create a costing record for an element eligibility record, the result is the same as if you created a record for Not Costed (N).</p>
Distribution Set	No	<p>TEXT(60)</p> <p>If you are entering the costing setup information for an element eligibility record that has a distributed costing type, enter the name of the element distribution object element group.</p>
Transfer to General Ledger	No	<p>TEXT (60)</p> <p>If you are entering costing setup information for an element eligibility record, indicate whether to transfer the element's costing results to general ledger.</p> <p>Valid values are Y (for Yes) and N (for No).</p> <p>Use the Manage Common Lookups task to see the lookup codes for the YES_NO lookup type.</p>

Column	Required	Comments
Cost Type	No	<p>TEXT(60)</p> <p>Enter one of the following valid values for an element eligibility record:</p> <ul style="list-style-type: none"> • COST (for a cost account) • BAL (for an account that offsets the costing entry, so that the sum of journal entries balance debits and credits)
Proportion	No	<p>NUMBER</p> <p>Enter a decimal value for a number, which represents the percentage of the costing result to allocate to the specified combination of costing segments.</p> <p>Valid values are greater than 0 and less than or equal to 1, where 1 is 100 percent, such as 0.25 for 25 percent.</p>
Segment 1-30	No	<p>NUMBER</p> <p>Enter an account number for each segment that should be populated for the source object, based on your Cost Allocation key flexfield.</p>

If you are uploading a file for these tasks instead of entering data directly into the workbook, you must use the following format:

```
Cost Allocation|Create Cost Allocation or Delete Cost Allocation||*Effective Start Date|*Effective End Date|
*Source Type|*Source|Creator|Cost Type|Proportion|Segment 1|Segment 2|Segment 3|Segment 4|Segment 5|Segment
6|Segment 7|Segment 8|Segment 9|Segment 10|Segment 11|Segment 12|Segment 13|Segment 14|Segment 15|Segment
16|Segment 17|Segment 18|Segment 19|Segment 20|Segment 21|Segment 22|Segment 23|Segment 24|Segment 25|
Segment 26|Segment 27|Segment 28|Segment 29|Segment 30|Costing Type|Distribution Group|Transfer to General
Ledger
```

 **Note:** Segment 1 through 30 are based on the cost structure.

Valid Values for the Source, Source Type, and Creator Columns

When the Source Type requires specific information in the Source and Creator columns, you can use this table to quickly locate the costing setup object and the required details to specify for those columns.

Costing Setup Objects	Source Type Column	Source Column	Creator Column
Person's element at the assignment level	<p>TEXT (60)</p> <p>Valid value is: AET</p>	<p>TEXT (60)</p> <p>Enter the element name.</p>	<p>NUMBER(18)</p> <p>Enter the assignment number. If the number is preceded by text, enter the text exactly, such as</p>

Costing Setup Objects	Source Type Column	Source Column	Creator Column
			E (for employment or employee assignment).
Person's element at the terms level	TEXT (60) Valid value is: TET	TEXT (60) Enter the element name.	NUMBER(18) Enter the terms number. If the number is preceded by text, enter the text exactly, such as ET (for employment terms).
Person's element at the payroll relationship level	TEXT (60) Valid value is: PRET	TEXT (60) Enter the element name.	NUMBER(18) Enter the payroll relationship number.
All elements for a person at the assignment level	TEXT (60) Valid value is: ASG	NUMBER (18) Enter the assignment number.	
All elements for a person at the terms level	TEXT (60) Valid value is: TERM	NUMBER (18) Enter the terms number.	
All elements for a person at the payroll relationship level	TEXT (60) Valid value is: PREL	NUMBER (18) Enter the payroll relationship number.	
Position	TEXT (60) Valid value is: POS	TEXT (60) Enter the position name.	TEXT(60) Enter the position code when you use the same position name for more than one position.
Job	TEXT (60) Valid value is: JOB	TEXT (60) Enter the job name.	TEXT(60) Enter a set name when you use the same job name for more than one job.
Department	TEXT (60) Valid value is: ORG	TEXT (60) Enter the department name.	
Element eligibility	TEXT (60) Valid value is: EL	TEXT (60) Enter the name of the element eligibility record. Costing is created for the special purpose output input value.	
Additional input value to cost, other than the special purpose output value	TEXT (60) Valid value is: LIV	TEXT (60)	TEXT(60)

Costing Setup Objects	Source Type Column	Source Column	Creator Column
		Enter the name of the element eligibility record.	Valid value is: Name of the input value. For example, in addition to the primary output value, you might require an entry for hours, days, or other units used for statistical entries. No offsets are created for statistical entries.
Payroll	TEXT (60) Valid value is: PAY	TEXT (60) Enter the payroll name.	

- Related Topics
- Importing Data Using the Payroll Batch Loader: Explained

Distributed Costing

Setting Up Distributed Costing: Procedure

This topic explains how to distribute the costs for employer taxes, charges, and liabilities based upon earnings elements, such as wages, overtime, and shift pay.

Creating the Distribution Group

Create a distribution group that includes your earnings elements.


1. In the Payroll Calculation work area, click the Manage Object Groups task.
2. On the Manage Object Groups page, create an element group.
3. Specify Distribution Group for the Usage Type parameter.
4. Specify which element classification or elements to include in the group.

The costing option for the element's primary classification controls whether you can include the element in a distribution group. Typically, you include both standard and supplemental earnings in the distribution group.

Setting Up Costing

You set up distributed costing at the element eligibility level in the Accounting Distribution or Setup and Maintenance work areas. Confirm on the Manage Elements page in the Payroll Calculation work area that you created element eligibility records for results elements generated by the element template when you created the element. Complete the following steps to set up distributed costing:

1. Use the Manage Costing of Elements task.
2. Search for and select the element eligibility record of the element, such as an employer liability record.

 **Note:** You must cost all the element eligibility records of the results element, even if you set up the same costing information for all the eligibility records. If there is no results element, cost the base element.

3. Update the record.
4. Set up the cost account information:
 - a. In the Costing Type field, select **Distributed**.
 - b. In the Distribution Group field, select the element group you created.
 - c. Select the **Transfer to General Ledger** option if you plan to transfer and post costing results to your general ledger.
 - d. In the Costed Input Values section, add the input value that has a special purpose definition of primary output value as the input value to cost.
 - e. In the Cost Account section, enter values for the segments that you don't want the costing calculation to derive from distributed costing.
 - f. In the Offset Account section, select the appropriate segments for the offset account. Typically, you select values that are different from the offset account used for earnings and deductions.

Setting Up Distributed Costing for an Element: Worked Example

This example demonstrates how to set up costing for an element whose costs you distribute to the earnings elements of a distribution group.

The following table summarizes the key decisions for this scenario.

Decisions to Consider	In this Example
Which element's costs are you distributing?	Employer Union Pension Expense element
Which distribution group should carry the costs of the distributed element?	Pensionable Wages
Which input value of the distributed element does the costing process use to calculate costs?	Pay Value
What is the natural account number to use for the cost account segment?	5220 Employer Union Pension Expense account
Which offset account number is used to balance this cost account?	00.000.2152 Employer Union Pension Payable liability account

In this example, the payroll manager costs the employer portion of the pension liability by creating an element for the employer union pension expense, and a distribution group that includes the employee's wage elements.

Prerequisites

1. Set up the Cost Allocation key flexfield.
2. Create costing for element eligibility records for each of the pensionable earnings elements, such as the regular wages and overtime wages.
3. Create an element group, Pensionable Wages, which includes the pensionable earnings elements.

Creating Costing for a Distributed Element

1. In the Accounting Distribution work area, click the Manage Costing of Elements task.
2. On the Manage Costing of Elements page, search for the element eligibility record for the Employer Union Pension element and click **Create Costing Details**.
3. In the Create Costing of Elements window, Enter 1/1/00 as the effective start date and then click **Continue**.
As a best practice, enter the same effective start date you specified for the element eligibility record.
4. On the Create Costing of Elements page, complete the fields in the Costing Information section, as shown in this table.

Field	Value
Costing Type	Distributed
Distribution Group	Pensionable Wages
Transfer to GL	Yes

5. In the Costed Input Values section, click **Add Row**. Complete the fields as shown in this table.

Field	Value
Input Value	Pay Value
Costed	Yes

6. In the Cost Accounts section, select **5220** for the natural account segment.
In this example, the only segment entered is the natural account segment for the employer liability.
7. In the Offset Accounts section, complete the fields, as shown in this table.

Field	Value
Division	00
Department	000
Natural Account	2152

In this example, the offset account is the payable liability account, and the balance sheet account numbers are for the Division and Department segments.

8. Click **Submit**.

Related Topics

- [Payroll Cost Results: How They're Calculated](#)
- [Object Groups: Explained](#)

Distributed Costing: How It's Calculated


Many enterprises distribute the costs for employer taxes, charges, and liabilities over earnings elements. For example, you might distribute an overhead expense, such as an employer liability over a group of elements that include regular, overtime, and shift pay.

How Distributed Payroll Costs Are Calculated

The following steps explain how the payroll run calculates the cost distribution.

1. The process adds the cost for the distributed element to elements included in the distribution group. It distributes the costs based on the ratio each element contributes to the total amount for the distribution group.

If an element in the distribution group produces no run results, the application distributes the results to the remaining members.

 **Note:** Costing at the **element entry level** for an element included in the distribution group uses the costing defined for it, not the costing defined for the distributed element.

2. The process builds each segment of the cost account by starting with the lowest level of the cost hierarchy. When it reaches the element eligibility level, the process applies the rules shown in the following table.

Costing Exists at Element Eligibility Level	Account Numbers Used
Yes	Numbers specified for the distributed element, in place of account numbers for the segments of the distribution group elements
No	Numbers derived for the segments of the distribution group elements

For example, suppose the only difference between the costing result for an overtime wage and distributed element is the natural account segment. The account number is 5130 for the overtime wage and for 5220 for the distributed element. The process adds the proportional cost of the distributed element to the overtime wage. It derives the natural account segment as shown in the following table.

Costing Exists at Element Eligibility Level	Account Numbers Used
Yes	The process costs the result to distributed element's natural account of 5220
No	The process retains the account number for the overtime wage of 5130

Calculating Distributed Costing: Example

This example illustrates how the cost for an element is distributed based upon earnings elements included in a distribution group.

Scenario

In this example, the total gross pay is 30,000 USD. You distribute the cost of an income tax over the earnings elements in a distribution group.

Distributing Tax Over Earnings

You create a distribution group that includes all your earnings elements and add an eligibility record with distributed costing to the income tax element.

Analysis

You run the payroll calculation process. The costing calculation:

- Totals the results of all elements within the distribution group
- Calculates the percentage that each costed run result represents of the total for the group
- Distributes the cost of the income tax proportionally

The process uses the ratio when generating the final costing results complete segments not specified on the element eligibility costing.

You then review the distributed results.

Cost Distribution

This table shows the costing results calculated for the distributed element.

Element Name	Distributed element	Input Value	Distributed Input Value	Account	Debit (USD)	Credit (USD)
Regular Wages		Earnings Calculated		4310. 1010. 1010. 3710. 1010. 6530. 51200.100003.	20,000	
Regular Wages (Offset)		Earnings Calculated		4310. 1010. 1010. 3710. 1010. 6530. 51200.100004		20,000
Bonus		Earnings Calculated		4310. 1010. 1010. 3710. 1010. 6530. 51200.100001	10,000	
Bonus (Offset)		Earnings Calculated		4310. 1010. 1010. 3710. 1010. 6530. 51200.100002		10,000
Income Tax	Income Tax	Tax Calculated	Tax Calculated	4310. 1010. 1010. 3710. 1010. 6530. 51200.100007	8,517	

Element Name	Distributed element	Input Value	Distributed Input Value	Account	Debit (USD)	Credit (USD)
Regular Wages	Income Tax	Earnings Calculated	Tax Calculated	4310. 1010. 1010. 3710. 1010. 6530. 51200.100003		5,678
Bonus	Income Tax	Earnings Calculated	Tax Calculated	4310. 1010. 1010. 3710. 1010. 6530. 51200.100001		2,839

Cost Allocation

Allocating Costs to Accounts: Critical Choices

Allocate a cost by creating several accounts and specifying the percentage of the total cost each account receives. You can allocate costs at the department, job, position, or person level, and at the element eligibility level for priority accounts. Allocating costs at lower levels of the costing hierarchy requires greater maintenance, but offers greater control over reporting and tracking costs.

Review the following points before allocating costs:

- Allocating costs at the department, job, position, and person levels of the costing hierarchy
- Allocating costs using a priority account

Allocating Costs at Different Levels

When you allocate a cost at the department, job, position, or person level, you specify the percentage each account receives of the cost. If the total allocation isn't 100 percent, when the application builds the cost account numbers, it places the unallocated cost in a default account. The following table lists typical reasons for allocating costs at different levels.

Costing Hierarchy Level	Problem	Solution
Department	You take a facility out of normal operation while retooling a production line.	You allocate the labor costs for the facility's work to a different account.
Job or Position	You want to compare cost results for jobs in different cost centers.	You allocate costs at the job level to generate cost results based on job.
Person	You divide a person's time between two departments and want to charge each department.	You split the costs of the person's salary by allocating 50 percent of the salary cost to each department.

Allocating Costs Using a Priority Cost Account

Allocate costs using a priority account to charge the costing results for an element eligibility record to one or more accounts. The following table describes the choices.

 **Note:** You must enter an account number for each segment of the priority account.

Percentage Allocated	Example
Entire cost to a single cost account	<p>You fund the entire hourly earning element for work performed in a lab from a single account.</p> <p>You create a priority account and specify 100 for the percentage.</p>
Percentage of the cost to one or more accounts	<p>You fund a percentage of an hourly earning element for work performed in a lab from a matching grant.</p> <p>You create a priority account and specify the percentage paid by the matching grant. The application derives the account number combination for the remaining percentage using the standard costing process.</p>

Allocating Costs to Several Accounts: Procedure

When you allocate costs, you create multiple cost accounts that share a cost. You can allocate the cost results for departments, jobs, positions, and people. You can allocate the priority cost account for an element.

Allocating Costs

You manage allocations on the costing setup pages from the Accounting Distribution work area by following these steps.

1. Query the object, such as a job, and create a row for each account you want to add.
2. Select the account number for the segments that are defined only at that level, such as the cost center.
3. Specify the percentage of the cost to charge the account.
4. Repeat the steps for each account.
5. Review the total allocation.

If the total allocation does not equal 100 percent, the application charges the remaining percentage of the costs to another account as shown in the following table.

Account Charged Allocated Percentage	Account Charged Unallocated Percentage
Cost account	Default account
Priority cost account	Cost account

Related Topics

- [Payroll Cost Results: How They're Calculated](#)

Allocating Department Costs to Different Accounts: Worked Example

This example demonstrates how to allocate costing at the department level to two cost centers.

In this example, the cost account includes a segment for the cost center. The payroll manager allocates 35 percent of the costs of the Administration department to the Eastern District Office and the remainder to the Western District Office.

Splitting Department Costs Between Cost Centers

1. In the Accounting Distribution work area, click the Manage Costing of Departments task.
2. On the Manage Costing of Departments page, search for the Administration department.
3. In the Search Results section, select the row for the Administration department, and click **Create Costing Details**.
4. In the Create Costing of Departments window, enter the effective date when the costing record takes effect.
5. On the Create Costing for Departments page, in the Cost Account section, click **Create**.
6. Click **Create** again to add a second row.
7. In the Cost Accounts table, complete the fields as shown in this table.

Percent	Cost Center Segment
35	Eastern District Office Cost Center 814390
65	Western District Cost Center 816560

If the total percentage does not equal 100, the costing process places the remaining unallocated amount in a default account during the payroll calculation.

8. Click **Save**.
9. Click **Submit**.

Related Topics

- [Payroll Cost Results: How They're Calculated](#)

Costing for a Person

Setting Up Costing for a Person: Critical Choices

Manage costing at the person level to track costs for people in your enterprise. Cost all the elements the person is eligible to receive or cost individual elements. You can also split the cost across accounts, for example, to divide the cost of a person's salary between two departments. Use the Manage Costing for Persons task in the Accounting Distribution work area.

Before setting up costing at the person level, review the following considerations:

- Monitoring and tracking costs at the person level
- Costing elements
- Allocating costs to single or multiple accounts

Monitoring and Tracking Costs at the Person Level

Costing at the person level requires maintenance, but it gives you greater control in monitoring costs. For example, suppose you start a new project and want to track the costs incurred by the employees reassigned temporarily to the project. To monitor these costs, you can set up costing at the person level for these employees.

Costing Elements

When the application builds the cost account number, it uses the account number you specify for the person on the Manage Costing for a Person page, unless you specify costing for the:

- Element entry for the person
- Element using a priority account

You can control which elements to cost for a person as shown in the following table.

Goal	Action
Cost all the elements a person is eligible to receive	<ol style="list-style-type: none">1. Select the payroll relationship folder from the Costing for Person Overview section.2. Select Create Costing from the Actions menu.
Cost all the elements defined at the terms or assignment level	<ol style="list-style-type: none">1. Select the terms or assignment folder from the Costing for Person Overview section.2. Select Create Costing from the Actions menu.
Cost specific elements at an employment level	<ol style="list-style-type: none">1. Select the appropriate employment level folder from the Costing for Person Overview section.2. Select Create Costing of Element from the Actions menu.3. Select an element from the dialog that displays.

Allocating Costs to Single or Multiple Accounts

You can divide costs among accounts by adding accounts in the Cost Account section. When you allocate costs, you have the following choices:

- Allocate the entire cost to a single account.
- Divide the cost over several accounts, specifying the percentage each account receives. If you don't allocate 100 percent, the application costs the remainder to a default account.

Related Topics

- [Payroll Cost Results: How They're Calculated](#)

Setting Up Costing for a Person: Worked Example

This example demonstrates how to allocate costing at the assignment level for a person who divides the time worked between two managers at different cost centers, and how to override costing for a specific element at the assignment level.

In this example, Joe creates presentations for the marketing division. You learn that for the next 6 months Joe will spend 40 percent of his time creating presentations for the sales division. With the exception of the parking allowance, which you continue to cost to the marketing division, you must split his costs between the two divisions.

Creating Costing for the Assignment

1. In the Accounting Distribution work area, click the Manage Costing for Persons task.
2. On the Manage Costing for Persons page, search for Joe's record. Click Joe's name.
3. On the Manage Costing for a Person page, in the Costing for a Person Overview section, select Joe's assignment.
4. From the Actions menu, select **Create Costing**.
5. In the Create Costing dialog, enter January 1, 2013 for date the costing takes effect.
6. In the Create Cost Accounts: Assignment section, click **Create**.
7. Click **Create** again to add a second row.
8. In the Create Cost Accounts table, complete the fields as shown in this table.

Percent	Cost Center
40	41533
60	41577

9. Click **Save**.

Creating Costing for an Element

1. In the Costing for a Person Overview section, select Joe's assignment.
2. From the Actions menu, select **Create Costing of Element**.
3. In the Create Costing window, enter January 1, 2013 as the date the costing takes effect.
4. In the Create Cost Accounts: Assignment section, select the Parking Allowance element and click **Create**.
5. In the Create Cost Accounts table, complete the fields as shown in this table.

Percent	Cost Center
100	41577

6. Click **Save**.
7. Click **Submit**.

The costing remains in effect until you end the record with the date the allocation no longer applies.

Related Topics

- [Payroll Cost Results: How They're Calculated](#)

FAQs for Payroll Costing

What's the difference between allocating and distributing costs?

Allocating and distributing costs are two different methods of managing costing. Allocation splits a cost for an object, such as a department, job, position, or a person across cost accounts.

Distribution adds the costs of an element to the costing results of other elements in a distribution group. Typically, you distribute the costs of employer charges and liabilities across a group of earnings elements.

2 Calculate Cost Distributions

Calculate Cost Distributions: Overview

The Calculate Payroll process automatically calculates the costs for the payroll run. Submit separate processes to calculate the cost distributions for retroactive costs, payments, cost adjustments, balance adjustments, and partial period accruals throughout the payroll cycle. You can submit these processes from the Accounting Distribution work area.

Calculate Retroactive Costing

Calculate retroactive costing after you update the original costing setup information. For example, you might correct invalid account numbers charged to a suspense account. Typically, you submit the process when it's not possible or convenient to roll back and recalculate the costing.

The Calculate Retroactive Costing process:

1. Compares the recalculated costs to the original results.
2. Negates original entries that have changed.
3. Creates new entries for the current payroll process.

Calculate Costing of Payments

Cost payments after calculating or distributing your payments, or after reconciling payments against a bank statement.

The process:

- Allocates costs to the accounts you set up for each payment source
- Calculates costs for all payments, including voided, canceled, external, unreconciled, and reconciled payments

Adjust Cost for a Person

Manually adjust the amount or percentage of a cost result allocated to one or more accounts. The adjustment creates an offset for the original costing entry.

Cost adjustments are corrective actions that apply only to the costing result for the payroll run, and in reports and calculations based on the payroll run. To use the adjusted information in subsequent payroll runs, update the account information on the costing setup pages.

Costing of Balance Adjustment

Calculate the costing of balance adjustments after you complete the balance adjustment or later in the accounting cycle.

Costing balance adjustments ensures that later processes or reports use the correct costing. You select an option to cost a balance adjustment when you process the adjustment on the Adjust Individual Balances page of the Payroll Calculation work area. After you complete the adjustment, you submit the Costing of Balance Adjustment process to cost the adjustment.

Calculate Partial Period Accruals

Submit the Calculate Partial Period Accruals process to use the costs from a previous payroll period as the basis for the estimates of the current accounting period. Use this process for the following scenarios

- Your payroll period overlaps two accounting periods.
- You require an estimate of costing results to close an accounting period.

When you transfer the costs to Oracle Fusion Subledger Accounting, the transfer process creates Partial Period Accrual and Partial Period Accrual Reversal transactions. When you calculate the actual costs for the full payroll period, the actual cost results offset the partial period accrual calculations.

Cost Run Results

Payroll Processes That Generate Costing Results: Explained

Different payroll processes create costing results during the payroll cycle. The following table lists and describes the payroll processes that generate costing entries.

Process	Action
Adjust Cost for a Person	Reallocates the amount or percentage of the cost results. Creates an offset entry for the original costing entry.
Calculate Costing of Payments	Calculates costing for prepayments, QuickPay prepayments, and external payments, void, canceled, unreconciled, and reconciled payments. .
Calculate Partial Period Accruals	<p>Calculates accrual entries for a partial payroll period by</p> <ul style="list-style-type: none"> • Prorating the costing results based on the previous results of a full period • Using the date of the Partial Period Accruals process as the accounting date <p>The process also creates reversal entries using the payroll period end date as the accounting date.</p>
Calculate Payroll	Calculates payroll run results for payroll relationships and then costs these results.
Calculate QuickPay	Calculates costing for the payroll run results for a single payroll relationship.
Calculate Retroactive Costing	Recalculates costing based upon retroactive changes to costing setups. Compares the recalculated and original entries, and where different, offsets the original entries and creates new ones. The effective date of this process is the accounting date used when transferring results to general ledger.

Process	Action
Costing of Balance Adjustment	Calculates costing for the payroll run results of the Adjust Individual Balances process.
Create Draft Accounting	Creates journal entries that you can review and correct before transferring them to Oracle Fusion General Ledger.
Create Final Accounting	Creates final journal entries that Subledger Accounting transfers and posts to General Ledger.
Recalculate Payroll for Retroactive Changes	Calculates costing for retroactive changes that were excluded from the original payroll run, and records the difference found between the original entry and the retroactive result.
Reverse Payroll Calculation	Negates the costing results generated by the Calculate Payroll process by creating costing entries that offset the original entries. Uses the effective date of the reversal process as the accounting date to avoid creating entries for a closed accounting period. Creates an audit trail.
Transfer to Subledger Accounting	Creates Subledger Accounting events for cost transactions processed for each payroll relationship.

Payroll Cost Results: How They're Calculated

Payroll processes create costing and offset results for the payroll run and payments you process. For example, when calculating the payroll, the application typically costs a value in a salary run result as a debit to an expense account, and offsets the same amount as a credit to a payroll liability account.

How the Account Number is Calculated

The application builds the account number based on the cost allocation key flexfield structure and the information you enter by using the costing setup tasks in the Accounting Distribution or Setup and Maintenance work areas. The following table shows the different steps performed by the application to calculate costs based on the type of account.

Account	Cost Calculation Steps
Cost	<ol style="list-style-type: none">1. Calculates costs for the input values specified on the element eligibility record.2. Builds each segment by checking for:<ul style="list-style-type: none">o Costed and Distributed costing types at each level of the cost hierarchyo Fixed Costed costing types at the payroll, element, and element eligibility levels3. Calculates the cost for each account, if you allocated percentages of the cost to different accounts. Places any unallocated amount in a default account. Places invalid results in a suspense account. If a segment has a blank value, the cost account result depends on whether the segment of the cost allocation key flexfield is required or optional and whether a suspense account is defined.<ul style="list-style-type: none">o Optional, regardless of whether a suspense account is defined, costing result displays a null segmento Required, and suspense account is defined, costing result is placed in suspense accounto Required, and suspense account isn't defined, costing result errors.4. Adds cost results for a distributed element to the elements included in the distribution group, based on the ratio each element contributes to the total amount for the distribution group.

Account	Cost Calculation Steps
	5. Creates a debit or credit result based on the element classification settings.
Priority	<ul style="list-style-type: none">Calculates the cost using the account number specified for the priority account on the element eligibility record.If you allocated only a percentage of the cost, calculates the cost account number for the remaining percentage.
Offset	<ul style="list-style-type: none">Calculates the offset using the segments specified for the offset account on the element eligibility record.For blank segments, uses the account number derived for the equivalent segment of the cost account for the same element eligibility record.
Payroll Liability, Cash Clearing, Cash	Calculates the account number using the segments specified for the payment source on the Manage Payment Source page.

Related Topics

- [Distributed Costing: How It's Calculated](#)
- [Costing of Elements: Critical Choices](#)

Viewing Payroll Costing Results: Points to Consider

View costing results as a starting point for resolving problems to respond to queries from managers or the financial department. You have a choice of different ways to locate and view costing results based on the work area and which type of costing result you want to view.

Actions to Display Costing Results Based on Work Area

The following table describes how to display costing results based on your starting point.

Payroll Work Area	Action	Page Displayed
All	Do one of the following actions: <ul style="list-style-type: none">Click the View Person Process task in the task pane.Click the link for the costing process on the Processes and Reports tab of the payroll flow.	View Person Process Results
Payment Distribution	Click the Results link on the graphs of the Summary page of the payroll flow.	View Person Process Results
Payroll Checklist and Payroll Calculation	Click the Results link on the graphs of the Summary page of the payroll flow.	Person Process Results
Accounting Distribution	Click the Search: Person Costing Distribution panel tab below the Tasks panel tab. In the search dialog, enter process start and end dates.	Person Process Results

Report That Displays Costing Results

Submit the Payroll Costing Report to verify costing results to review results, or before transferring results to general ledger.

View summarized or detailed results. Specify a costing process or view the results for all costing over a specified period. The following table contrasts the results you can view. Both reports include statutory information, such as the payroll statutory unit, and dates, such as the period start and end dates.

Scope of Report	Description
Summary	Shows the account numbers and net credit and debit amounts.
Detailed	Shows a breakdown of the costing at the element entry, employee, and other levels where costing is calculated.

Payroll Costing Report

Run the costing report to verify costing results for a single costing process or for all costing processes within a specified time period, such as a payroll period or accounting period. Use this report to verify the costing entries of a payroll run to ensure the values are apportioned correctly, such as to cost centers, before transferring the entries to your general ledger.

Payroll administrators and payroll managers run this report from the Payroll Checklist or Accounting Distribution work areas.

Before running this report, you must submit one or more processes that generate costing results.

Parameters

The parameter values determine which records to include in the report. Many parameters are self-explanatory. The following parameters have special meaning in the context of this report.

Scope

The parameter values determine the level of detail in the report. You can select one of two values for the Scope parameter, as shown in the following table.

Scope	Description	When to Use
Summary	Shows the account numbers and the net credit and debit amounts for transferring and posting to general ledger.	Select this scope to create a Microsoft Excel file for your third-party general ledger provider.
Detail	Shows a breakdown of the costing at the element entry, employee, and other levels where costing is calculated.	Select this scope to: <ul style="list-style-type: none">Review individual entries, such as the results of distributed or allocated costingAnalyze entries to an invalid account number

Process Start Date and Process End Date

The date parameters determine which records to process in a specified time frame. The Process Start Date specifies the first effective date of the payroll process that generates costing results to include in the report, and the Process End Date, the last effective date.

Typically, you specify the start date and end dates of the current payroll period or accounting period. You might specify the start and end dates of a previous payroll period to identify which payroll period to use for your partial period accruals.

To ensure you report the results you want to view, the time period defined by the start and end dates must include the effective date of the process. The following processes use the process date as the effective date: cost adjustments, costing of balance adjustments, partial period accruals, payroll calculations, retroactive pay calculations, QuickPay calculations, voids, and reversals. All other processes that generate costing results use the process end date as the effective date.

Process

The name of a process that generates costing results.

By default, the report generates results on all costing processes within a specified time period. You might select single process, such as retroactive costing, to confirm the results of updates made to costing setups before transferring the results to general ledger.

Consolidation Group

The consolidation group specified for a payroll definition.

Specify this parameter to view costing results for all payrolls that are included in this consolidation group. For example, if your weekly payrolls share the same consolidation group, you might review the results of cost adjustments before transferring their results to general ledger.

Location

A single work location, or all work locations.

The report output lists the payroll relationship records based on a person's assignment location. The location is listed with the other parameters, but not on the results.

Person Name

The costing results for a specific person. This parameter is only available for detailed reports.

Report Results

If a person has multiple assignments, and the costing result for an element at the payroll relationship level includes more than one value for a parameter, the report separates the displayed values using a pipe delimiter. For example, if a person has one payroll relationship and two assignments to different departments, the costing report lists the costing result for the deduction and shows the department names separated using a pipe delimiter.

Partial Period Accruals: How They're Calculated

The Calculate Partial Period Accrual process prorates costs based on the number of days in the payroll period that fall in the current accounting period.

How Partial Period Accruals Are Calculated

The process performs the following steps:

1. Calculates the costs for each person for the referenced period, as if each day of the payroll period included the same cost results.

The process uses the number of calendar days within the referenced period, not the number of days in the work week. It estimates the proportionate costs based on the number of days from the start of the payroll period to the process date you specify when submitting the Calculate Partial Period Accrual process.

2. Creates an offset entry to use when reversing the accruals with the actual payroll costs for the payroll period.

If the referenced results include costs placed in suspense and default accounts, the partial period accrual process costs the results to the same accounts. You submit the process from the Payroll Checklist or Accounting Distribution work areas.

Example

You have a partial payroll period for a weekly payroll that begins Saturday, July 29 and ends Friday, August 4. Your accounting periods are monthly, so you submit the Partial Period Accrual process, and specify July 31 for the Process Date. You select a date for the Previous Payroll Period parameter that include similar costs. If the estimated cost is 210 USD, the process creates:

- Partial Period Accrual entries for three-sevenths of the estimated cost

The process debits 90 USD to the cost account and credits 90 USD to the offset account, with an accounting date of July 31.

The Partial Period Accrual process uses the Process Date of July 31 that you specified when you submitted the process.

- Partial Period Accrual Reversal entries for the estimated cost

The process credits 90 USD to the cost account, and debits 90 USD to the offset account, with the accounting date of July 4.

The Partial Period Accrual Reversal process checks for the Accounting Date for Transfer to General Ledger parameter specified on the Manage Payroll Process Configuration page in the Setup and Maintenance work area. Your enterprise uses the payroll period end date for partial period accrual reversals, which in this example is August 4.

Later, you process the payroll for the period ending August 4, and submit the Transfer to Subledger Accounting process. The costing for the payroll run creates entries for the actual costs and reverses the partial period accrual entries. The accounting date is based on the Accounting Date for Transfer to General Ledger. Your enterprises uses the process date of the actual payroll run for the accounting date.

You can then submit the Create Accounting process from Oracle Enterprise Scheduler and review the results created for the draft journal entries before running the final accounting.

Partial Period Accruals: Points to Consider

Estimate costs when the last payroll period overlaps two accounting periods, or when you require an estimate for an accounting period you must close quickly, such as the end of a quarter. You submit the Calculate Partial Period Accruals process from the Payroll Checklist or Accounting Distribution work areas.

If you estimate costing, consider creating a payroll flow pattern to use at the end of the month that includes the following tasks:

- Calculate Partial Period Accruals
- Run Payroll Costing Report in detail and summary modes
- Transfer to Subledger Accounting
- Create Accounting in draft and final modes

Accounting Date Used as Basis for Accruals

The date parameters of the Calculate Partial Period Accruals process determine which costing results are referenced and in which accounting month.


The following table lists the dates you enter when submitting the Partial Period Accrual process.

Date Parameter	Calculation	Action
Previous Period Date	Determines which payroll period to use as the basis for estimating the costing results	Select date within a previous payroll period that contains costs. Generally, you select the latest payroll period, but if that period includes atypical expenses, select an earlier period.
Process Date	Determines the effective date used to record estimates The process calculates the proportion to use based on the number of days between the start date of the payroll period and the process date.	Select a process date for the payroll period.

Accounting Date Used to Transfer Results to Subledger Accounting

The Partial Period Accrual process creates an offset entry so that later when you calculate the payroll, you reverse the accruals and enter the actual costing results.

The following table shows which accounting date each process uses to transfer the results to Subledger Accounting.

 **Note:** The accounting date used for Partial Period Reversals and for the effective date of the actual payroll run depends on the Accounting Date for Transfer to General Ledger parameter on the Manage Payroll Process Configuration page in the Setup and Maintenance work area.

Process	Subledger Accounting Event	Accounting Date Used
Partial Period Accruals	Partial Period Accrual	Process Date
Partial Period Accruals	Payroll Period Accrual Reversal	Configuration parameter determines the accounting date: <ul style="list-style-type: none">• P, process date of the payroll run• EVE, the date earned

Process	Subledger Accounting Event	Accounting Date Used
		<p>If the date earned isn't defined for the time periods on the Payroll Definition page, the payroll period end date is used.</p> <ul style="list-style-type: none"> E, date earned
Costing for the actual payroll run	Run Cost	<p>Configuration parameter determines the accounting date:</p> <ul style="list-style-type: none"> P and EVE, process date of the actual payroll run E, date earned

Related Topics

- Payroll Setup Tasks for Transferring Costs to General Ledger: Explained

FAQs for Cost Run Results

Why do payroll costing results differ for workers with the same position in the same department?

Results might vary if you allocate costs to different accounts at the person costing or element entry level. Follow these steps to resolve the question

1. Identify which costing results vary for workers holding the same position in the department.
2. Review the costing setup information for these workers on the Manage Costing of Persons page to determine if costing setups exist for the elements whose costing results vary by worker. Confirm the setup is accurate.
3. Review the costing information you entered for the element entries for the workers for that payroll run. Confirm the information is accurate.

Correct Costing

Correcting Costing for Payroll Run Results: Points to Consider

After you calculate the payroll, review and correct the costs placed in suspense and default accounts. For example, you might correct invalid cost account numbers, or correct unallocated costs. You can correct cost results before or after the payroll run completes.

Correction Method to Use

The following table describes the correction method to use based on whether the payroll is complete and whether another process locks the payroll run results.

Payroll is Complete	Scenario	Correction Methods
No	Your enterprise reviews payroll run and costing results before processing payments, for example, in enterprises that run weekly payrolls that generate project-based costing.	<p>The number of records usually determines the method used to correct the results:</p> <ul style="list-style-type: none"> For a few records, such as records where the allocated costs don't total 100 percent, correct the costing setups, mark those records for retry, and retry the payroll. For numerous records, such as records with an invalid account number, roll back the payroll calculation, correct the costing setups, and retry the payroll run. <p>If a message informs you that a process locks the run results, you must roll back the process before correcting the costing.</p>
Yes	Your enterprise has a short interval between the date earned and the date paid. You process payments directly after reviewing and correcting payroll run results, and address costing corrections later.	Depending on the type of correction required, process a cost adjustment or submit the Calculate Retroactive Costing process.

Cost Adjustments and Retroactive Costing

The following table explains when to process a Cost Adjustment or to submit the Calculate Retroactive Costing process.

Correction Method	Where to Process the Correction	When to Use the Method	What is Updated	Consequences
Cost Adjustment	Cost Distribution page in the Accounting Distribution work area	Correcting a few records for a person and the effective date of the costing adjustment is for an open accounting period.	The person's costing entry for a run result, such as the allocated amount or percentage, the distribution, and the account numbers.	<p>Adjusts costing for the current payroll run. The application uses the original costing setup in the next payroll run.</p> <p>The adjusted costing entry is used in reports or in later calculations performed against that entry.</p>
Calculate Retroactive Costing	Payroll Checklist or Payroll Calculation work areas	<p>Correcting numerous errors due to invalid entries placed in suspense account.</p> <p>Correcting costing setups as a basis for future payroll runs, such as adding the account number for a new line of business.</p>	The account numbers used to process the run result.	<p>Updates the original costing setups. The application compares the recalculated and original entries, and where different, offsets the original entries and creates new entries for the current payroll period.</p> <p>The application uses the revised information in the next payroll run.</p>

Example

The following example illustrates when you would use each correction method.

Correction Method	Scenario	Steps
Cost Adjustment	An employee worked for two department cost centers during a payroll period. A manager notifies you that you should divide the employee's wages between the two departments.	<ol style="list-style-type: none">1. Process a cost adjustment.2. Allocate the appropriate percentage to each department's cost center. <p>The allocation applies to the current payroll result only. It doesn't change the costing setup used to cost the employee's wages for the next payroll run.</p>
Retroactive Costing	A manager informs you that a mid-year reorganization of administrative departments requires that you cost the employee parking allowance to a different department. The last semi-monthly payroll completed July 15.	<ol style="list-style-type: none">1. Update the parking allowance element eligibility records with an effective date of July 1, and correct the costing setup information.2. Submit the Calculate Retroactive Costing process.

Related Topics

- [Payroll Setup Tasks for Costing Accounts: Critical Choices](#)

Retroactive Costing: Explained


Two processes cost results retroactively. The Recalculate Payroll for Retroactive Changes process creates costing for retroactive run results. The Calculate Retroactive Costing process recalculates costs after you update costing setups.

Recalculate Payroll for Retroactive Costing

You submit the Recalculate Payroll for Retroactive Changes process from the Payroll Calculation or Payroll Checklist work areas.

The process:

- Calculates the retroactive pay and costs the retroactive pay results
- Records the difference found between the original entry and the retroactive result for the current payroll period

 **Tip:** If you don't see the costing results you expect, confirm that you created costing setups for each retroactive element whose run results the application costs.

Calculate Retroactive Costing


You submit the Calculate Retroactive Costing process from the Payroll Checklist or Accounting Distribution work areas. Complete the submission date parameters, as described in the following table.

Parameter	Purpose
Process Start Date	The date the update to the costing setup should take effect

Parameter	Purpose
Process End Date	The date the current payroll period ends, which is used as the accounting date for the costing record

The process:

- Compares the recalculated and original entries
- Where the results are different, the process offsets the original entries and creates new entries for the current payroll period

 **Note:** The Calculate Retroactive Costing process doesn't prorate costing results based on updates to costing setups made within the payroll period.

Adjusting Payroll Costs: Procedure

Process a cost adjustment to correct missing or incomplete account numbers after a payroll completes. If you allocated costs to different accounts, you can also update the allocated amounts or percentages. The application uses the adjusted costing entry in reports or in later calculations.

Steps for Processing a Cost Adjustment

Do the following:

1. Open the Adjust Cost for Person window. The steps vary by work area, as shown in the following table.

Work Area	Action
Payroll Calculation	Click Results on the Costing Summary graph of the payroll flow to go to the Person Process Results page. Search for and select the person's record.
Accounting Distribution	Search for a person using the Search: Person Costing Distribution window in the task pane. On the Person Process Results page, select the person's record.

2. In the Adjust Cost for a Person window, select one or more rows to adjust.
Select multiple rows to adjust the same costing information for more than one result.
3. Specify the corrected amount or percentage. Add accounts to allocate the cost to more accounts.
4. Distribute the costing results by completing the Transfer to Subledger Accounting, Create Draft Accounting, and Create Final Accounting processes.

To locate the cost adjustment later, review a list of cost adjustments on the payroll flow's Summary tab in the Payroll Checklist or Accounting Distribution work areas. To apply the same adjustment in later payroll calculations, update the account information on the appropriate costing setup.

Corrective Actions for Payroll Costing Results: Examples

These examples illustrate how to correct, adjust, or update costing information for a payroll run in several typical scenarios.

Correcting Incorrect Costing

After reviewing a report, a manager notifies you that an employee's housing allowance is charged to the incorrect department account. You take the following steps to review and correct the costing result.

1. In the Search: Person Costing Distribution window of the Accounting Distribution work area, search for the person's costing record.
2. On the Cost Distribution page, locate the element with the incorrect cost result.
3. Review the costing setup information, including any costing information entered for the person for the payroll run at the element entry level.
4. Correct the results based on the payroll phase, such as correcting and retrying the record, or processing a cost adjustment.

Correcting Unallocated Costing

You review the costing analytics on the Summary tab of the payroll flow in the Payroll Calculation work area. The graph shows that the application has placed a costing entry in the default account.

1. Click the graph for the Default Account to view the entries on the Costing Distribution page.
2. Identify the records where the allocated costs fall below 100 percent.
3. Update the costing setup information.

For example, if you allocated the cost of a person's wages to two departments, update the percentage allocated to each department on the Manage Person Costing page in the Accounting Distribution work area.

4. Correct the results based on the payroll phase by retrying the record, or processing a cost adjustment.

Updating Costing for Future Change

The accounting department notifies you that an account that funds the salaries of employees assigned to a project will close at the end of the quarter. You must use a different account to fund and cost the wages at the start of the next quarter.

1. Search for the latest payroll period costing entries to determine which departments, positions, and workers you pay from the current project fund.
2. On the Manage Costing of Elements page in the Accounting Distribution work area:
 - a. Update the costing setup for the wage element by specifying the date on which the new costing setup takes effect.
 - b. Update the account number for the funding source.

FAQs for Correct Costing

When do I cost a payroll balance adjustment?

Submit the Costing of Balance Adjustment process from the Payroll Checklist or Accounting Distribution work areas after processing the balance adjustment or later in the accounting cycle. You can control which adjustments to process by specifying the start and process dates.

Can I correct payroll costing results from the Person Results page?

No, results on this page are view-only. However, you can use other pages to make corrections.

If you have not started the prepayments process or created accounting entries, to recost the entry:

1. In the Payroll Checklist work area, search for the person's record on the Person Process Results page
2. Correct the error, mark the record for retry, and retry the payroll calculation

If you have created accounting entries or do not want to retry or roll back the payroll calculation:

1. In the Accounting Distribution work area, search for the person's record using the Person Costing Distribution search in the regional area.
2. Locate the costing entry on the Costing Person Process Results page.
3. Process a corrective action such as a cost adjustment or retroactive costing.

Can I view an audit trail of corrections for payroll costing results?

It depends on the method used to correct the results.

Corrective Method	Costing Results
Rolling back or retrying a process	Eliminates the audit of the costing entries the process completed or that were in error that you subsequently corrected and retried.
Reversing a process	Negates the costing entries, but maintains an audit trail
Processing a cost adjustment or retroactive costing	Retains a record of the original costing entries

How can I revise the payroll costing information for a specified period of time?

To change the costing for a few people for the current payroll run, update the costing information for each person's element entries before you run the payroll. If the change impacts many people in your department such as a cost center allocation, update the appropriate costing setups based on the date the changes take effect.

Why can't I find my cost adjustment in the flow search results?

The Overview search page of the Accounting work area displays the search results for payroll flows. If you submit a cost adjustment from the Cost Distribution page to correct a specific costing entry, you can access and view that cost adjustment from the Person Process Results page.

You can view a list of cost adjustments in the Payroll Checklist or Accounting Distribution work areas on the Summary tab analytics of the payroll flow that includes the costing result you adjusted.

Cost and Reconcile Payments

Costing Payroll Payments: Procedure

The Calculate Costing of Payments process calculates costs for payments, including void and canceled payments. If you are reconciling payments, the process costs unreconciled, reconciled, and cleared payments.

Costing payroll payments includes the following steps:

1. Submit the Calculate Costing of Payments process
2. Verify costing results for payments
3. Correct costing results for payments

Submit the Calculate Costing of Payments Process

Submit the Calculate Costing of Payments process from the Payroll Checklist or Accounting Distribution work areas. The frequency with which you submit the process depends on your accounting practices. Most enterprises cost payments before or on the actual payment date.

If you reconcile payments and pay employees by issuing checks, resubmit the process again for the reasons shown in the following table.

When to Resubmit the Process	Reason
Several days after the payment date	To cost the reconciled payments
Last business day of the month or the last date of the bank statement cycle	To simplify reconciling balances and bank statements when using Oracle Fusion General Ledger and Oracle Fusion Cash Management

Two factors control which account the process uses to cost the payment result:

- Account information set up for the payment source on the Manage Costing of Payment Sources page
- Decision to reconcile payments

The following table lists the account typically used if you reconcile payments.

Payments Reconciled	Resulting Account
No	The process debits payroll liability accounts and credits the cash account.
Yes	The process creates entries that debit the payroll liability accounts and credit the cash clearing accounts. When the payments clear, resubmit the process to create entries that debit the cash clearing accounts and credit the cash accounts.

Verify Costing Results for Payments

Review costing results on the Person Process Results page of the Accounting Distribution work area.

Depending on your payment method, and whether you reconcile payments, you may have a lag time between the date you issue the payment and the date it clears. For example, if you issue checks and reconcile them, you can review costing results by tracking the progress of the transactions using the analytics on the Summary tab of the payroll flow.

Correct Costing Results for Payments

Most enterprises resolve errors during implementation. If results require correction, you might take the following steps:

1. Roll back the Costing of Payments process for the records that were costed using the incorrect account number.
2. Update the costing setup information for the payment source.
3. Resubmit the Costing of Payments process to negate the original costing and create the correct costing.

Reconciling Payroll Payments: Procedure

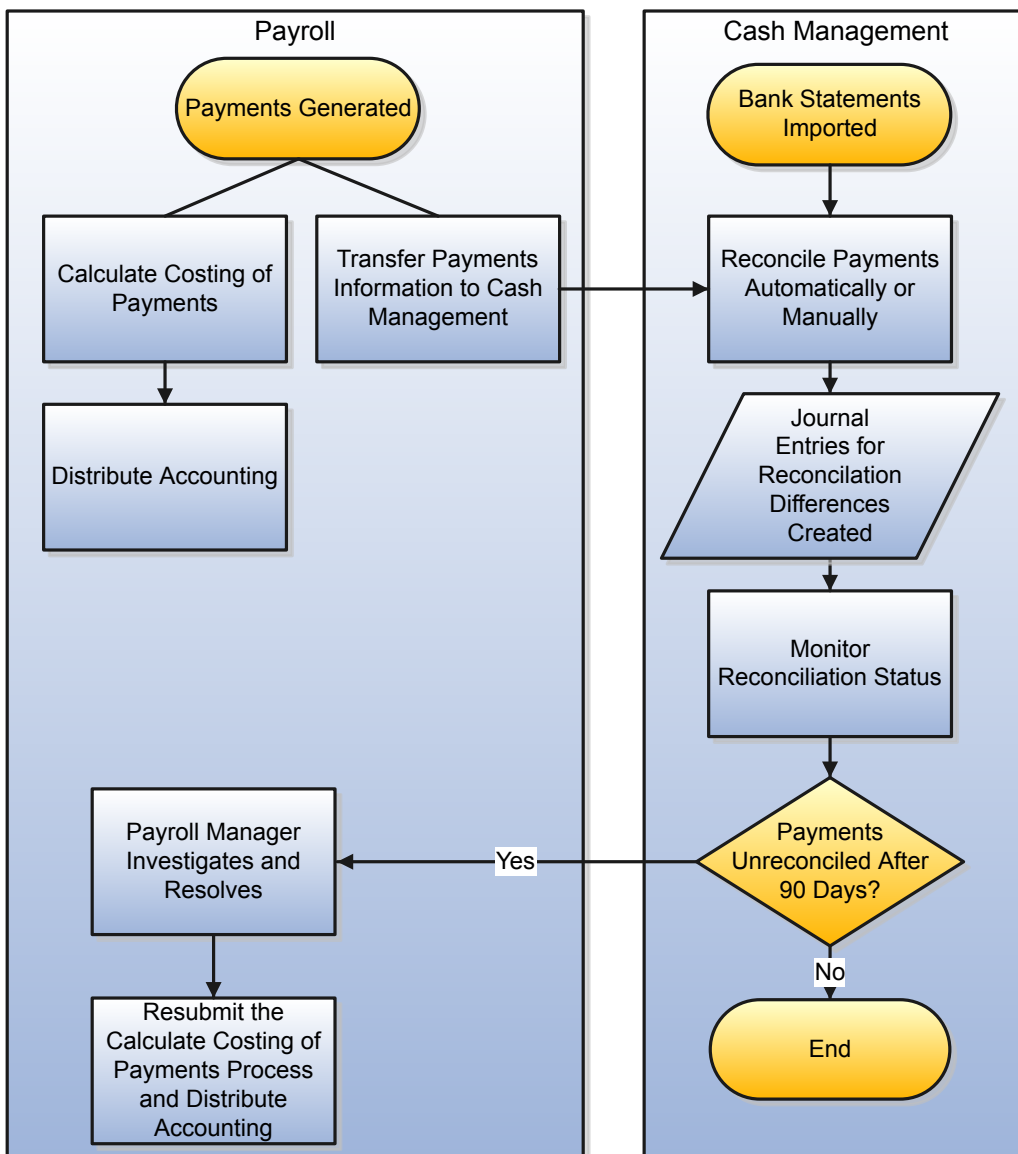
Oracle Fusion Global Payroll integrates with Oracle Fusion Cash Management, which facilitates the reconciliation of bank statements with payment transactions. Reconcile payments after you receive the bank statement and reconciliation file.

Perform the following sequence of steps to cost and reconcile your payments using a duty role with the appropriate security privileges for each application, such as the payroll manger or cash management manager.

Sequence	Task	Location	Comments
1	Submit tasks to generate payments for employees and third-party payees, such as Generate Check Payments.	Payment Distribution work area	Payment information you can reconcile includes payments generated for checks, electronic funds transfer, and external payments.
2	Submit the Calculate Costing of Payments task for new payments.	Payment Distribution work area	<ul style="list-style-type: none">• Creates cost results that debit the payroll liability accounts and credit the cash clearing accounts.• Costs any uncosted payment it identifies that falls within the submission dates, including unreconciled, reconciled, void, canceled, and external payments.
3	Submit the Transfer Payments Information to Cash Management task.	Payment Distribution work area	Typically, you submit the process after sending the payment files to the banks.
4	Load a bank statement.	Cash Management	Load a bank statement that includes the payments for the payroll period you want to reconcile.
5	Reconcile payments automatically or manually.	Cash Management	Refer to Managing Discrepancies in this topic.
6	Monitor the reconciliation status	Cash Management	Refer to Monitoring the Status in this topic.

Sequence	Task	Location	Comments
7	Submit the Calculate Costing of Payments task for reconciled payments.	Payment Distribution work area	<p>After the payment clears, submit the process to debit the cash clearing account and credit the cash account.</p> <p>Enterprises typically submit the process toward the end of the accounting period.</p>

The following figure shows the division of tasks between payroll and Cash Management.



Managing Discrepancies

The reconciliation process captures discrepancies between the amount reported in the bank statement and the payment information transferred to Cash Management. If there is a discrepancy, the amount determines the actions you might take, as shown in the following table.

Discrepancy	Action
Difference falls within the allowable tolerance permitted for discrepancies	Payment is marked reconciled and the difference is allocated to a reconciliation differences account in Oracle Fusion General Ledger. The journal entries for the differences are transferred from Cash Management to General Ledger, and not through payroll.
Difference falls outside the allowed tolerance	Payroll manager and cash managers must resolve the discrepancy.

Monitoring the Status

When you monitor the reconciliation process, you review statuses to determine whether the bank cleared or rejected a payment. Refer to the following pages to monitor the status.

Page	Action to Monitor Status
Payroll flow page of the Payroll Checklist or Accounting Distribution work areas	<p>View the payment amounts distributed from the payroll liability, the cash clearing, and the cash accounts.</p> <p>The Clearing Account Summary analytics on the Summary tab of the payroll flow display the amounts charged to each account.</p>
Person Process Results page of the Accounting Distribution work area	<p>View the cash clearing account status:</p> <ul style="list-style-type: none">• Cleared applies to payments that aren't reconciled or that typically don't require reconciliation such as cash and EFT• Not Cleared applies to payments awaiting reconciliation or payments that failed the reconciliation process
Overview and Manage Bank Statement pages of the Cash management work area	View the status of bank statement lines.

Related Topics

- [Automatic Reconciliation: Explained](#)
- [Bank Statement Processing and Troubleshooting: Overview](#)
- [Tolerance Rules: Overview](#)
- [Payroll Setup Tasks for Costing Accounts: Critical Choices](#)
- [Setting Up Reconciliation for Payments: Procedure](#)

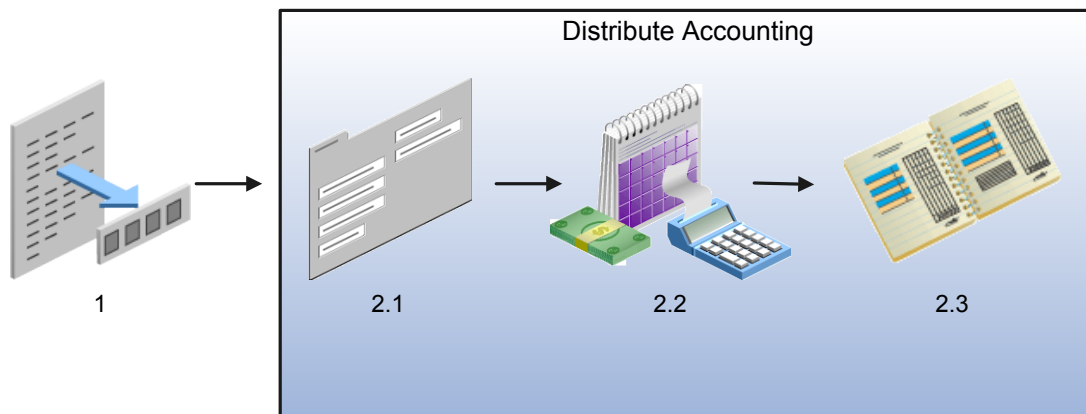
Distribute Accounting

Distribute Payroll Accounting: Explained

Distributing accounting involves transferring costing results for your payroll run costs and your payments. You transfer the cost results to Oracle Fusion Subledger Accounting from the Payroll Checklist work area. You can then create journal entries from the Scheduled Processes work area for review before creating the final journal entries you post to Oracle Fusion General Ledger.

The following figure shows an overview of the different aspects of distributing accounting:

1. Calculate Cost Distributions
2. Distribute Accounting
 - a. Transfer costing results to Subledger Accounting
 - b. Create and review draft journal entries
 - c. Create, transfer, and post journal entries



Transfer Costing Results to Subledger Accounting

Payroll is integrated with Subledger Accounting, an accounting application that generates journal entries for financial transactions. You submit the Transfer to Subledger Accounting process from the Accounting Distribution or Payroll Checklist work areas. Select this task to prepare transactions for accounting for the costing results and journal entries. For example, the process prepares transactions for the payroll run results and journal entries for each costed run result.

The Transfer to Subledger Accounting process creates a transaction number for each person's costing results. You can use this transaction number when searching for the person's journal entries on the Review Journal Entries page in the Accounting Distribution work area.

For example, if you submit a QuickPay process for a person, the Transfer to Subledger Accounting process creates journal entries for each costing result generated by the payroll calculation and payment process. The process creates two transaction numbers, one for the payroll calculation costing results and one for the payment costing results.

Create and Review Draft Journal Entries

Payroll integrates with General Ledger. You submit the Create Accounting process in draft mode from the Scheduled Processes work area. You can then review the resulting journal entries before transferring and posting them to General Ledger. Typically, you review journal entries after you add new accounts, payrolls, or elements that would affect costing.

You have two options to review these entries:

- Select the Review Journal Entries task in the task pane of the Accounting Distribution work area.

The Review Journal Entries page displays a summary of the transactions. Drill down to display information about the transactions underlying the accounting transactions and journal entry.
- Display output of the Create Accounting process in the Create Accounting Execution report.

If you discover costing results that require correction, you can roll back the Transfer to Subledger Accounting process from the flow's checklist. After correcting the costing results, you can submit the Transfer to Subledger Accounting process from the Accounting Distribution or Payroll Checklist work areas. Submit the Create Accounting process in draft mode to create and review the corrected journal entries.

Create, Transfer and Post Journal Entries

You submit the Create Accounting process in final mode from the Scheduled Processes work area to transfer and post the final journal entries to General Ledger.

After you submit and complete the Create Accounting process in final mode, you can't roll back the posted journal entries. If a result requires correction, perform these actions.

1. Correct the result using one of the actions shown on the following table

Costing Result	Corrective Action
Costed run result	Process a cost adjustment or retroactive costing
Costed payment result	Enter adjustments directly into General Ledger.

2. Submit the Transfer to Subledger Accounting process.
3. Submit the Create Accounting process in draft mode to review the entries and in final mode to transfer and post the entries to General Ledger.

Related Topics

- [Payroll Setup Tasks for Transferring Costs to General Ledger: Explained](#)

Creating Accounting Results: Procedure

Create journal entries for review before transferring and posting them to Oracle Fusion General Ledger. You submit the Create Accounting process from the Scheduled Processes work area in draft mode to create journal entries for review, and in final mode to create, transfer, and post journal entries.

Prerequisite Steps

Ensure that you complete the following prerequisites:


- Set up the information required by Oracle Fusion Subledger Accounting for payroll costing.
- Generate data roles using the Global Payroll Template for Payroll Security in the Oracle Entitlements Server Authorization Policy Manager.
- Assign the data roles using standard HCM role-provisioning.
- Specify a ledger for each payroll whose results you cost on the Manage Payroll Definitions page.
- If you transfer costs to Oracle Fusion General Ledger, specify the option to transfer costs when setting up costing for elements and payment sources on the Manage Costing of Elements and Manage Costing of Payment Sources pages.

Submitting the Create Accounting Process


You submit the Create Accounting process initially in draft mode to create journal entries for review. You resubmit the process in final mode to transfer and post the entries to General Ledger.

To submit the Create Accounting process, complete the following steps:

1. In the Navigator, click the **Scheduled Processes** task.
2. Click the **Schedule New Process** tab.
3. In the Search and Select dialog box, search for and select **Create Accounting**. Click **OK**.
4. Complete the parameters in the Process Details dialog as indicated in the following table.

Parameters	Required	Value to Enter
Subledger Application	Yes	Payroll
Ledger	Yes	Ledger associated to the payroll
Process Category	Yes	<ul style="list-style-type: none"> • Costs to generate entries for processes that create costed run results, such as QuickPay, cost adjustments, retroactive costing, and partial period accruals • Payment Costs to generate entries for processes based on prepayments, such as EFT payments, reconciled, voided or reversed payments <p> Tip: Skip this parameter to process all costing and payment results.</p>
End Date	No	<p>Date</p> <p>The date on or before which to retrieve records transferred to Subledger Accounting.</p>
Accounting Mode	Yes	<ul style="list-style-type: none"> • Draft to generate entries for review

Parameters	Required	Value to Enter
		<ul style="list-style-type: none"> o Final to generate entries for transfer and posting to General Ledger
Process Events	Yes	<ul style="list-style-type: none"> o All to process any costing results transferred to Subledger Accounting since the last time you submitted the process including entries marked as invalid or in error o Invalid or Error to reprocess entries in this status.
Report Style	Yes	<p>Create Accounting Execution report:</p> <ul style="list-style-type: none"> o Summary to view totals by the parameter set for Process Event, such as the number of journal entries for payments o Detail to view the total number of journal lines created for an account based on the parameter set for Process Event, and the resulting debits and credits o No report
Transfer to General Ledger	Yes	<ul style="list-style-type: none"> o Yes, if you selected Final for Accounting Mode and plan to transfer the entries to Oracle Fusion General Ledger o No, if you selected Draft for Accounting Mode
Post in General Ledger	Yes	<ul style="list-style-type: none"> o Yes, if you selected Final for Accounting Mode and plan to post the entries to Oracle Fusion General Ledger o No, if you selected Draft for Accounting Mode
Journal Batch	No	Name of the batch
Include User Transaction Identifier	Yes	Yes to display the transaction IDs generated by the Transfer to Subledger Accounting process on the Create Account Execution report

 **Note:** You can resubmit the process to generate draft entries, but not final entries. Correct final entries directly in General Ledger, or submit corrective costing processes and create accounting for those results.

After you create your draft journal entries using the Create Accounting process, you can review them using the Review Journal Entries task in the Accounting Distribution work area.

The following table shows the date used as the accounting date for the journal entry.

Costing Process	Date Used to Record Journal Entries
Payroll calculation, QuickPay, Void, Cost Adjustment	Process date of the flow
Retroactive Costing, Estimate Costing (Partial Period Accruals flow)	Process end date of the flow
Reversals, Balance Adjustment Costing	<p>The configuration parameter for Reversal and Balance Adjustment Accounting Date on the Manage Payroll Process Configuration page controls which accounting date is used.</p> <ul style="list-style-type: none"> • T, the process end date of the flow • P, the process date of the reversal or balance adjustment
Reversals of cleared payments reconciled in Oracle Fusion Cash Management	<ul style="list-style-type: none"> • Date from Cash Management on which the payment cleared

You receive an error message or warning if the following conditions exist: the accounting period is closed, or costing result is for a summary account or for an account that is closed or inactive

Related Topics

- [Accounting Event Model: Explained](#)
- [Payroll Setup Tasks for Subledger Accounting: Procedure](#)
- [Payroll Setup Tasks for Financials: Explained](#)

Reviewing Journal Entries: Procedure

Review journal entries before you transfer and post the entries to Oracle Fusion General Ledger. After you submit the Create Accounting process in draft mode from the Scheduled Processes work area, you can review the resulting entries before resubmitting the process in final mode to transfer and post the entries to Oracle Fusion General Ledger.

This topic covers the following aspects:

- Prerequisite steps
- Reviewing journal entries
- Finding a transaction number for a person

Prerequisite Steps

Ensure that you complete the following prerequisites:

- Set up the information required by Oracle Fusion Subledger Accounting for payroll costing.
- Generate data roles using the Global Payroll Template for Payroll Security in the Oracle Entitlements Server Authorization Policy Manager.
- Assign the data roles using standard HCM role-provisioning rules to the persons who submit the Create Accounting process and review the resulting entries.

Reviewing Journal Entries

After you submit the Create Accounting process in Oracle Enterprise Scheduler to create draft entries, use the Review Journal Entries task to display journal lines and details for each transaction transferred to Subledger Accounting. The Review Journal Entries page displays the journal entries by transaction date and number and event class.

Complete the following steps to display journal entry lines and details:

1. In the Accounting Distribution work area, click the Review Journal Entries task.
2. On the Review Journal Entries page, complete the required fields:
 - o Ledger: Ledger associated with the payroll definition used to generate the costing results transferred to Subledger Accounting
 - o Journal Source: Payroll
 - o Date: Date range, such as payroll period or accounting period

The search results display the results for each transaction (the credit and debit information processed for each costing result transferred on that date).

Finding a Transaction Number for a Person

The Transfer to Subledger Accounting process generates a transaction number for each set of results transferred for that person in the process. You can use that number as a search criteria on the Review Journal Entries page.

Complete the following steps to locate a person's transaction number:

1. Query a person's record using the Search Person Costing Distribution pane in the regional area of the Accounting Distribution work area.
2. On the Person Process Results page, click Transfer to Subledger in the Process field.

The Search Results display a new column for Subledger Transaction Number.

3. Locate the transaction based on the process date that you used to transfer the costing results to Subledger Accounting, such as the process date used for the payroll calculation.
4. On the Review Journal Entries page, enter the search criteria, and specify the transaction number.

The Search Results display the journal lines created for that person by event class.

FAQs for Distribute Accounting

What's the difference between Create Draft and Create Final Accounting for Payroll?

When you run the Create Accounting process in Oracle Enterprise Scheduler and select Draft for the Mode parameter, you create journal entries for review. If you discover an error, you can roll back the Transfer to Subledger Accounting process and correct the underlying problem with the payroll costing, and then run the Create Accounting process again.

When you run the process in Final mode, the process transfers and posts the journal entries to Oracle Fusion General Ledger. You can review the results generated by this process, but you cannot roll it back.

Glossary

cost hierarchy

The ordering of the levels at which a value for a payroll costing account segment is available for entry. The application builds each segment of the account number by checking levels of the hierarchy. For example, to build the suspense or default account number, the application checks the department and payroll levels. For the cost account number, it starts with the element entry level and continues to the payroll level until it finds a value. For the offset account, it checks only the element level.

element eligibility

The association of an element to one or more components of a person's employment record. It establishes a person's eligibility for that element. Persons are eligible for the element if their assignment components match the components of the element eligibility.

HCM Data Loader data set

A set of data supplied together in either compressed data (.dat) files or a spreadsheet to be uploaded to Oracle HCM Cloud.

key flexfield

Configurable flexfield comprising multiple parts or segments, each of which has a meaning either individually or in combination with other segments. Examples of key flexfields are part numbers, asset category, and accounts in the chart of accounts.

key flexfield structure

The arrangement of segments in a key flexfield. In some cases, you can define multiple structures for a single key flexfield.

key flexfield structure instance

An occurrence of a key flexfield structure that shares the same order of segments as other instances of the key flexfield structure. However, each instance uses different value sets to validate the segments.

payroll batch loader

An integrated Microsoft Excel workbook loader that helps you enter data more easily into HCM tables. Used for entering balances, balance groups, elements, element entries, payroll definitions, assigned payrolls, bank information for personal payment methods, formula global values, and user-defined tables.

payroll default account

The account used to store unallocated costs when the costing allocations don't total 100 percent. You can create the costing setup information for the default account at the department and payroll levels.

payroll offset account

Records the balancing entries for the payroll run result values costed for an element.

payroll priority account

The cost account used to cost an element eligibility record. Use a priority account to bypass the standard costing process and costs the run result to a single account. If you allocate only a percentage of the cost to a priority account, the application costs the remainder to the cost account.

payroll suspense account

The account used to store costed payroll run results and prepayment results with invalid account combinations or accounts numbers that produce an error.