

Unraveling the Costing Mystery



Patricia Keeley
BOSS Corporation
(214) 495-7654
www.bosscorporation.com

Unraveling the Costing Mystery

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Introduction

BOSS

Better Organization Service Solutions

Provides technical and functional consulting services for all Oracle modules

Authors of “Special Edition, Using Oracle Applications.”

You can find the book for sale at the following web sites.

<http://www.informit.com/product/0789712806/>

<http://www.amazon.com/exec/obidos/ASIN/0789712806/qid%3D935498707/002-830316/104-4956292-7995630>

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<http://search.borders.com/cgi-bin/db2www/search/search.d2w/Details?&mediaType=Book&prodID=15502110>

<http://www.oaugemporium.com/>

<http://www.bookpool.com/.x/srm32khaj4/ss/1?qs=Special+Edition+Using+Oracle+Application&Go.x=23&Go.y=7>

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The Basics

Cost Allocation Flexfield

Segments

The Cost Allocation Flexfield must contain all of the segments required by the General Ledger Account String. General Ledger does not accept blank segments as valid entries and will reject all strings with blank segments during the import process. However, that does not prevent payroll from including additional segments not used by General Ledger. Below are samples of possible selections for creating segments.

- Company
- Division
- Cost Center
- Account
- Sub-account
- Project
- Department
- Task (This segment may not be part of the GL required segments)

Map only the segments that will be used by GL.

Value Sets and Validation Rules

GL Value Sets

It is suggested that the payroll Cost Allocation and GL Accounting key flexfields use the same value sets for validating the individual segments. This eliminates dual maintenance and ensures the same values are used for both payroll and GL.

‘To Cross Validate or Not to Cross Validate’

In the majority of instances, “Cross Validation” does not work well in Payroll. The usual practice is to make all value sets independent.

If you choose to “Cross Validate” it will be necessary to enable the qualifiers at all levels and entire strings (or partial strings, based on the dependencies) will have to be entered. “Cross Validation” will increase the number of element links needed to support your environment. It should also be noted that GL Code Combinations are not recognized by Oracle Payroll requiring rigorous testing to ensure that GL is receiving the correct code combinations.

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Qualifiers

Flexfield qualifiers determine the source of the input value for the individual costing segments. Understanding how qualifiers are used is critical to understanding why your costing entries are behaving the way they are. You are given the opportunity to apply any or all of the Qualifiers to each segment. If a qualifier is not enabled for a segment at the specific level, the segment will not appear on the form.

Note: All segments (that will be mapped to the GL) must be entered at the element link level. Not entering all the segments will result in errors during the 'Transfer to GL' process. This requires that all segments have the "Balancing" qualifier enabled.

Qualifier	Impact on Costing
Payroll	<p>If enabled, 'Costing' will use the segment entered at the "Payroll Description" window if no other entry is made for the same segment from the other levels.</p> <p>If each of your organizations/companies has a different payroll, you may wish to consider enabling the qualifier for "Company" here. Typically, "Payrolls" are used across companies and no costing segments include this qualifier. This results in no costing entries generated based on the "Payroll Description" except the suspense account. However, qualifiers do not have any affect on the "Suspense Account" string.</p>
Organization	<p>If enabled, 'Costing' will use the segment entered at the "Organization Description" window if no other entry is made for the same segment from the Element Link Costing window, Assignment Costing window, or the Element Entry window (or PayMIX). Organization will override any costing segments entered at the "Payroll Description Costing" window.</p> <p>Typically, Company, Division, or Cost Center segments are enabled at this level. This enables Human Resource users to assign employees to an organization without requiring knowledge of the GL number for company, division, or cost center. These numbers will automatically be associated with the employees GL records based on the organization assigned.</p>
Link	<p>If enabled, 'Costing' will use the segment entered at the "Element Link" window if no other entry is made for the same segment from the Assignment Costing window or the Element Entry window (or PayMIX).</p> <p>Typically organizations will use "Fixed Costing" for deductions and tax withholding elements. To provide for "Fixed Costing" all segments must include the 'Link' qualifier.</p> <p>If an element is identified as "Fixed Costing" the costing segments will not be overridden from any level.</p>

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Qualifier	Impact on Costing
Assignment	<p>If enabled, 'Costing' will use the segment entered at the "Assignment Costing" window if no other entry is made for the same segment from the Element Entry window (or PayMIX).</p> <p>Typically, only exception entries are made at this level. For example: an employee is assigned to a special project for an extended period or time and you wish to have the wages for this employee charged to another Cost Center or Wage Account, other than the default established for this employee's organization. You would enter these values in the Costing window within the Assignment Form.</p> <p>Another example might be an "Administrative Assistant" that divides their time between two cost centers. Their Assignment Costing window would include both cost centers at 50% each, or other percentage so that the combined percentages equal 100%.</p>
Entry	<p>If enabled, 'Costing' will use the segment entered at the "Element Entries" window or entered via PayMIX. This is the last level, entries made to costing at this level will override entries made at any other level.</p> <p>Typically short term overrides are made at this level. Segments such as "Project," "Department," "Job," or "Task" commonly use this qualifier. You must consider what types of overrides your company allows from a "Time Card" type of entry. If an employee works between cost centers within pay periods, you may want to consider enabling this qualifier for cost center.</p>
Balancing	<p>All segments that will be transferred to the GL must have this qualifier enabled. Otherwise an invalid 'Costing String' will be created and the record will error when imported to GL.</p> <p>The values entered for balancing segments occur on the Element Link window.</p>

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Processing

The use of a processing 'log' is always helpful, whether tracking 'Costing' and 'Transfer to GL' or other HR/Payroll processes.

A suggested format for 'logging' your costing processes is included below:

Current Date	Costing Date	Costing Request ID	Costing Record Count	Costing Rpts Processed & Reviewed	Transfer to GL Request ID	Transfer to GL Record Count
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Dates

The use of dates within Oracle is important to understand when you are trying to reconcile Payroll Reports to the General Ledger. In the example provided below, to reconcile your payroll to the General Ledger you need to use the "Paid Dates" of April 30 through May 26. This is because April 29 was the last 'Costing Process' in April and May 26 is the last 'Costing Process in May. May 27 through May 31 will be included in the June period.

To get around this issue, you need run the "Costing Process" at the close of the Accounting Period to include the last few days of the period and payroll reports need to correspond with the accounting period.

Payroll Earned Date

Bi-weekly payroll period starts Sunday, May 7 – ends Saturday, May 20

Payroll Paid Date

Friday, May 26

Costing is processed for Sunday, May 21 through Friday, May 26

(Costing is run on an 8 / 6 cycle)

Costing is run for Jan 1, 1997 through May 26.

(Costing is run from 'go live' date to current process date)

Costing Date

May 26

There is no "range of dates." All records have the single date (to date).

GL Transfer Date

May 26

Period Name "May 00"

Will not include any payments made between May 27 and May 31 or time worked between May 21 and May 26 unless a Quick Pay or Supplemental payroll was processed with a check dated on or before May 26.

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Experiences and Solutions

1. Costing has more dollars than Payment Registers

Cause

- “Negative Nets” – Although no check is issued the run results and costing are generated
- Reversals are not included in payment registers.

Resolution

- Custom report to identify “Negative Nets.” Process the report prior to running NACHA or Check Writer. Mark the employee’s record for “Retry,” correct the employee’s record and reprocess.
- Alter the fast formulas, to prevent “Negative Nets.”
- Create custom reports or spreadsheets that will include “Reversals.”

2. Amounts are going into the Payroll Suspense Account (Payroll description).

Causes

- Disabled value sets for a segment.
Within payroll each segment is validated against the “Value Set Table” for that segment, at the time of entry. However, if a ‘once valid entry’ is disabled there are no built in alerts or reports to notify you of the change. You are dependent upon either a custom report, alert, or manual notification by the person making the change.
- Invalid entries or disabled value sets for a segment entered via PayMIX.
PayMIX entries are not validated against the “Value Set Tables.” This allows invalid segments to be input.
- Element end dated after the ‘payroll’ and before ‘costing’ process date.

Resolution

- Custom report or alert to notify the appropriate personnel when a costing segment becomes invalid and provide a list of assignments with the invalid cost centers.
- Modify the ‘Flexfield Validation Package’ to validate the appropriate segments.
Refer to “Oracle HRMS US Implementation Guide, Technical Essays, PayMIX, User Customization, Modifying the Flexfield Validation Package.”
- Prior to processing ‘Costing’ navigate to the Employee, Enter and Maintain (any screen that will allow date tracking) and Date track to the end date of the pay period. Close the form and go to Processes and Reports and kick off the ‘Costing’ process with the appropriate ‘paid dates.’ The costing process will pick up the elements that were not picked up prior to your “manipulating” the date.

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3. APP-00981 ORACLE error 1000 in FDFGVD

Cause

The maximum number of open cursors is set too low. The default for the maximum number of cursors is 50.

Resolution

The Costing process requires more than this and the Oracle RDBMS group recommends to change this to 2000. Reference RDBMS Note: 2060331.6

4. When the 'Costing' process is run, instead of doing dynamic inserts of the Balance Code combinations, the process simply uses the existing Balancing Keyflex_id setup at the element link level.

Cause

The Balancing combination is not dynamically created or overridden. It is set at the Element Link.

Resolution

You can select the segments you want to enable for Balancing. You will want all of the segments that are going to be passed to GL because the balancing combination cannot be dynamically created.

One word of caution, if you are in production (data loaded) you must exercise caution when adjusting the Cost Allocation Flexfield Qualifiers. Test your proposed change in a test instance prior to implementing in your Production instance. A client destroyed one of their test instances when they disabled some Costing segments at the element link level. Even though the form no longer displayed the values, the tables still held the values. In their own words "it was a big mess."

Enhancement request 761982

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5. *Transfer to GL does not include all of the Costing Entries*

Cause

Employee has changed payrolls at the end of the period but prior to the paid date. A TAR has been opened on this (12465954.600).

Oracle's Transfer to GL process includes use of a package called pay_trgl_pkg (contained in \$PAY_TOP/admin/sql/pytrngl.pkb). What was determined by reviewing their code was that their insert statement (that creates the gl_interface entries) expects the payroll id of the transfer process to match the payroll id of the assignment at the date_earned point, not necessarily the effective_date point. The way we were processing these payrolls, the assignment changes to the new payroll were occurring after the date_earned, but before the effective_date of the payroll period. So, the series of events is:

- 11/1/99 - assignment change to "weekly" payroll
- 11/8/99 - weekly payroll run for pay period 10/25/99-10/31/99 with date_earned of 10/31/99 and effective_date (check date) of 11/12/99 and produces accurate employee pay
- 11/8/99 - Costing is run with from/thru parameters of 11/12/99 and produces accurate costing results
- 11/8/99 - Transfer to GL is run with from/through parameters of 11/12/99 and APPEARS to complete successfully, but GL entries are not created for any of the assignments which had their payroll type modified.

Resolution

A custom process to identify 'Assignments' that have changed payrolls within the covered period and reports them as "candidates" for being overlooked by the Transfer to GL process. The report is provided to an accounting person (responsible for the GL transfer) to confirm that these values were, indeed, missed in the normal processing of the Transfer to GL.

Once accounting has confirmed the missed entry, you can run a custom "detection and correction" process. For the correction part, use the guts of Oracle's insert statement from the same pay_trgl_pkg package and retrieve the candidate's costing information Oracle created during the Costing process. Fortunately, this approach is supported by Oracle since we're inserting into an interface table.

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6. Costing of FIT Arrears

Cause

Employee has an additional amount to be withheld for Federal Income Tax. There is not enough net to withhold all of the tax, the amount not withheld goes to arrears. Even though the amount is not withheld the amount of the arrears is costed. TAR 1074660.600 has been opened.

Resolution

Link and cost the Vertex elements ending with "ARR".

7. Costing Process is interrupted and some costing records are lost

Cause

The system experiences a shut down while processing "Costing."

Resolution

Resubmit the "Costing" process with the same parameters. The system will only pick up those records that were missed in the original process. TAR 1054442.600

Alternative Solution:

Remove the employees from the costing process. You do this by navigating to View → Payroll Process Results. Query Type for 'Costing' and Status for 'Incomplete' or 'Unprocessed.' Delete these records and resubmit the "Costing" process.

8. Costing information at the Organization level disappears when the Organization is requeried

Cause

The Cost Allocation Flexfield segments have been set to 'Required.'

Resolution

Navigate to the Cost Allocation Flexfield segments, select the appropriate segment and click on the open button. Locate the 'Required' box and click. This should clear the box. Do this for all segments. The Flexfield qualifiers will determine what segments should be populated.

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Additional Resources

- Oracle Support Note Number 69475.1 “Trouble Shooting Payroll Costing”
- “Special Edition, Using Oracle Applications,” published by QUE
- Oracle US Payroll Implementation Guide
- Oracle US Payroll Users Guide