

The Next Generation



FI\$Cal

Financial Information System for California

FI\$Cal

Wave 1 and 2 – Contracts/Products and Product Groups Configuration Workshop - BUSN224b

November 6, 2014



Department Configuration Workshop - Objectives and Outcome

Objectives

- Define configuration values to support FI\$Cal Wave 1 and 2 functionality
- Produce configuration data entry spreadsheets for each configuration build work unit
- Configuration consists of project-defined and department-defined values
- Validate configuration data entries with key business users, project management, and where applicable, department stakeholders

Outcome

- Configuration build will be the basis for what configuration values will be loaded into the FI\$Cal system for Wave 1 and 2.

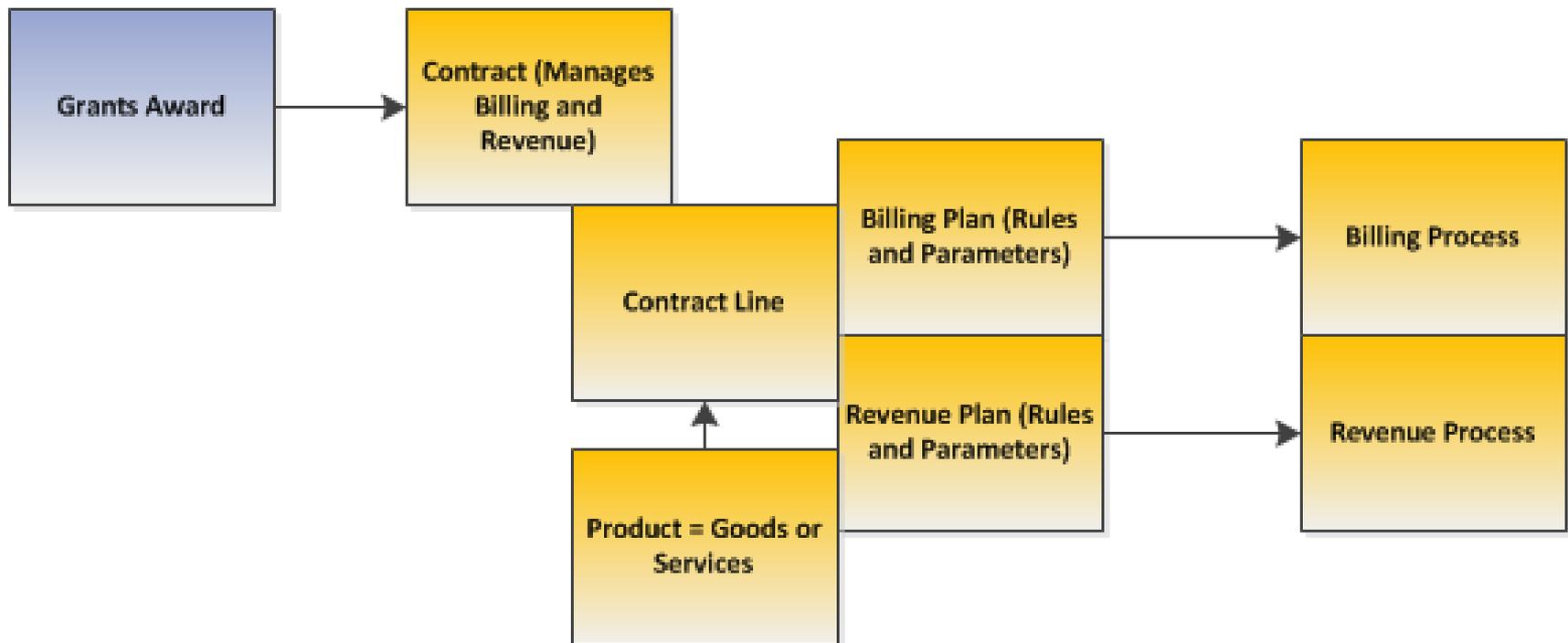
**Configuration:
Set-up values within the application.**

Agenda

- Overview
- Products
- Contracts Milestones
- Billing and Revenue Templates
- Renewal Template
- Next Steps
- Questions
- Appendix

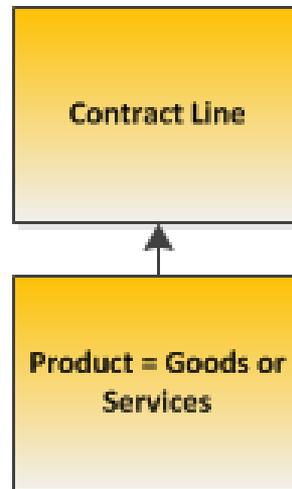
Overview

- The Customer Contracts module is used to manage billing and revenue processes.
- Grants must use Contracts for billing and revenue recognition, including creating Letter of Credit draws.
- Non-Grants related goods and services will also use Contracts for billing and revenue recognition.



Products

- FI\$Cal will use the Contracts module to facilitate billing or recognizing revenue for Grants and other non-Grants goods or services. Products are the goods or services that make up the contract lines.
- Required.



Products

Steps for defining Products:

1. Define the Product.
2. Define Product Rate Defaults.

Products

Step 1: Define Product Attributes, such as:

- Product price type
- Revenue method
- Whether the product is a third-party product or renewable
- If the price type is percentage, the percentage amount and calculation method
- To take advantage of the highest level of automation that is available for Contracts, assign revenue/billing plan templates and billing plan detail templates to products by using the Product Definition pages
- Update the ***Products Definition*** Worksheet

Products

Price Type	Revenue Recognition Method
Amount or Percent	Milestone, Percent Complete, Apportionment, Billing Manages Revenue
Rate	As Incurred
Recurring	Billing Manages Revenue

Products

Product Price Types:

- **Apportionment:** Recognize a fixed amount of revenue over a predefined period of time.
- **As Incurred:** Manage revenue on an as-needed basis manually or using scheduled processes. This is the only method used for rate-based contract lines.
- **Billing Manages Revenue:** Have PeopleSoft Billing, not PeopleSoft Contracts, manage the revenue for a contract line. Only fixed-amount and recurring contract lines can use this method. You must always use this method with recurring price types.
- **Milestone:** Recognize a fixed amount of revenue spread over time and triggered as each milestone is met.
- **Percent Complete:** Recognize revenue based on a manually entered percentage of completion.

Products

Step 2: The pricing for a service-based product is tied directly to a set of rates that are defined by using rate set and rate plans. After you define the rate sets and rate plans that are used to price transactions for service products, the next step is to associate products with rate sets or rate plans. Use this page to associate a product rate default with a service-based product.

Optional: If you do not associate a default rate set or rate plan with a product, you have to manually associate a rate set or rate plan at the contract line level. If you do associate a default rate set or rate plan with a product, the rate set or rate plan on the contract line defaults to this value, but it can still be overridden at the contract line level.

- Update the ***Product Rate Defaults*** Worksheet.

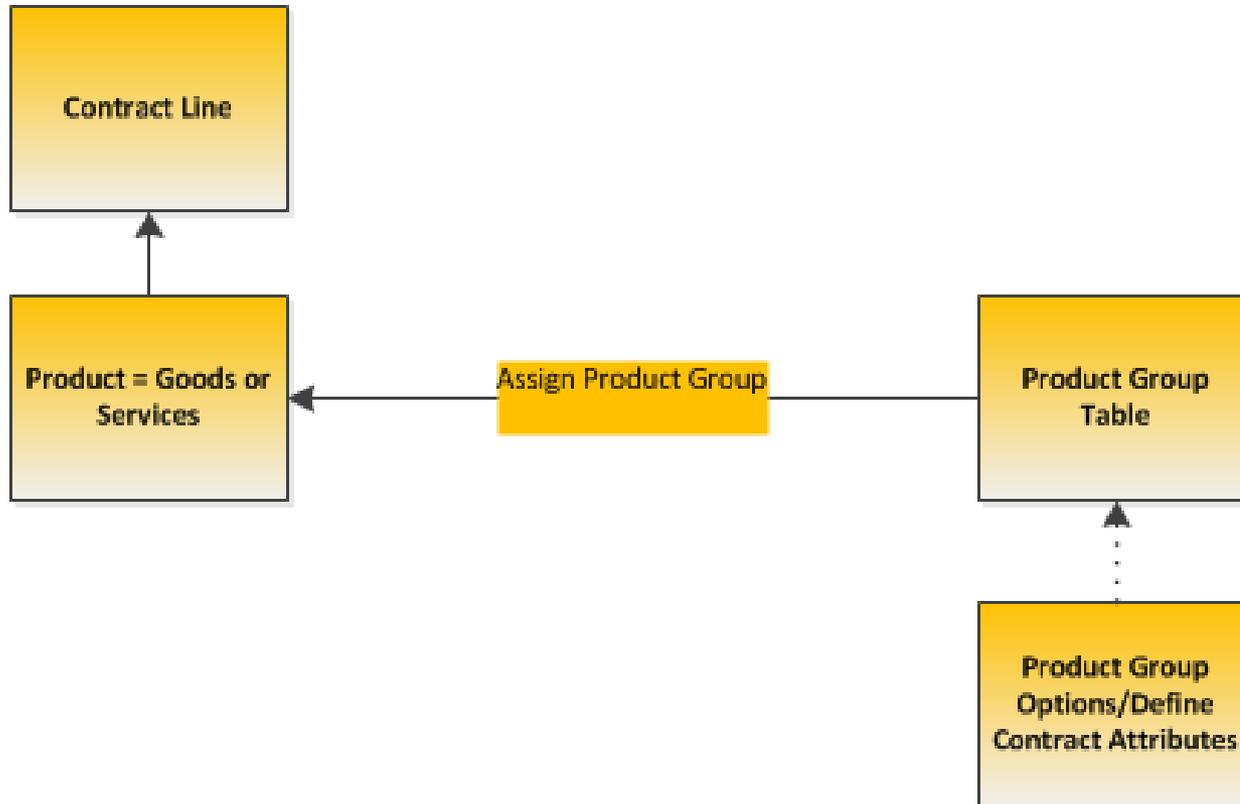
Product Groups

Description:

- A Product Group is a high-level grouping of products. Product groups enable you to categorize products based on a business model.
- Product Groups are optional.
- Enables you to associate products for reporting, defining additional attributes, and defining distribution sets.

Product Groups

Steps for defining products and product groups:



Product Groups

Steps for defining Product Groups:

1. Define a Product Group Table and identify it as a Contract Product Group Type.
2. Define Contract Attributes for the product group.
3. Define the Product.
4. Associate a Product to a Product Group and Type.
5. Define Product Rate Defaults.

Product Groups

Step 1: Define a Product Group ID, and associate it with a product group type.

- Update the ***Product Group Table*** Worksheet

Product Group Table

SetID:	4170	Product Group:	CONTRACTS	Product Group Type:	Cntct
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Product Group Description Find | View All First ◀ 1 of 1 ▶ Last

*Effective Date:	<input type="text" value="01/01/1901"/>	*Status:	<input type="text" value="Active"/>	<input type="button" value="+"/> <input type="button" value="-"/>
*Description:	<input type="text" value="Contracts Product Group"/>			
Short Description:	<input type="text" value="Contracts"/>			
	<input type="checkbox"/> Global			

Product Groups

Step 2: This step is completely optional, but enables you to establish an additional level in the default hierarchy for the amount-based products.

- At the Contracts Product Group level, you can:
 - Enable deferred revenue for the product group.
 - Define a default Unbilled AR distribution code.
- Update the **Product Group Options** Worksheet

Product Group Options

SetID	Product Group
4170	CONTRACTS

Deferred Revenue

Unbilled AR Distribution Code

UNBILLEDAR| 

Product Groups

Step 3: Define Product Attributes, such as:

- Product price type
- Revenue method
- Whether the product is a third-party product or renewable
- If the price type is percentage, the percentage amount and calculation method
- To take advantage of the highest level of automation that is available for Contracts, assign revenue/billing plan templates and billing plan detail templates to products by using the Product Definition pages
- Update the ***Products Definition*** Worksheet

Product Groups

Step 4: Use this page to associate the product with a Product Group and Group Type. When a product is selected onto a contract, any attributes that are associated with the product group appear by default on the product line, according to the Contracts default hierarchy.

When assigning the product to a product group type, you are limited to assigning it to only one contract product group type. The reason is that contract product groups contain default attributes, such as deferred revenue processing indicators and unbilled AR distribution codes.

- Update the **Assign Product Group** Worksheet.

Assign Product Group

SetID: 4170 Product ID: GRANTS_AS_INCURRED Std Bill Plan Detail Template

Groups						Personalize Find View All [21] [Calendar]		First	1 of 1	Last
*Group Type	*Product Group	Descr	Primary Report	Primary Pricing Group						
Contract	CONTRACTS	Contracts Product Group	<input type="checkbox"/>	<input type="checkbox"/>			<input type="button" value="+"/>	<input type="button" value="-"/>		

Product Groups

Step 5: The pricing for a service-based product is tied directly to a set of rates that are defined by using rate set and rate plans. After you define the rate sets and rate plans that are used to price transactions for service products, the next step is to associate products with rate sets or rate plans. Use this page to associate a product rate default with a service-based product.

- Update the ***Product Rate Defaults*** Worksheet.

Contracts Milestones

Milestone functionality in PeopleSoft Contracts enables you to associate billing and revenue recognition with reaching a milestone; upon reaching that milestone, Application Engine processing is triggered. Set up generic milestone templates when structuring the PeopleSoft Contracts system. At the individual contract level, you create specific milestones for specific contracts. Steps for defining Contracts Milestones:

1. Contract Milestone Classification
2. Milestone Templates

Contracts Milestones

Step 1: Defining milestone classifications enables you to associate your milestones with a set of permission lists. By setting up milestone security, you can limit the ability to manage specific milestones to users who belong to one of the primary permission lists specified on the Milestone Classification page.

- Update the ***Contracts Milestones Class*** Worksheet

Contracts Milestones

Step 2: Define Milestone Templates.

- Update the following Worksheets:
 - ***Milestone Template***
 - ***Milestone Definition Template***
 - ***Milestone Condition***

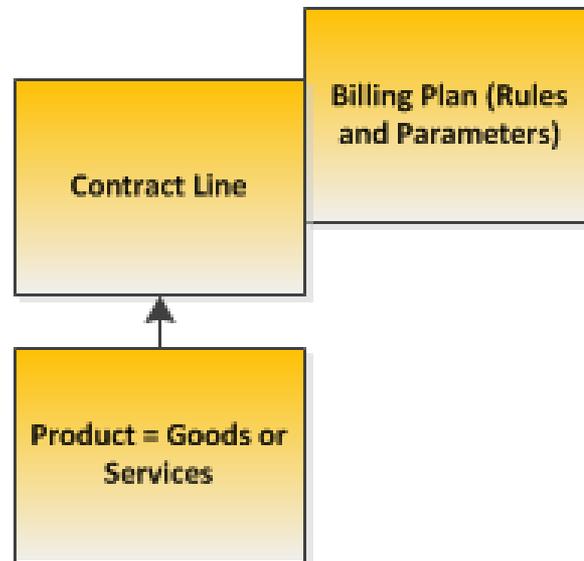
Billing and Revenue Templates

Billing and Revenue plans store terms for billing and revenue recognition – for example, schedules, invoice formats, payment terms. To help automate the setup of these plans, FI\$Cal can use the following templates:

- Billing Plan Detail templates.
- Revenue/Billing Plan templates.

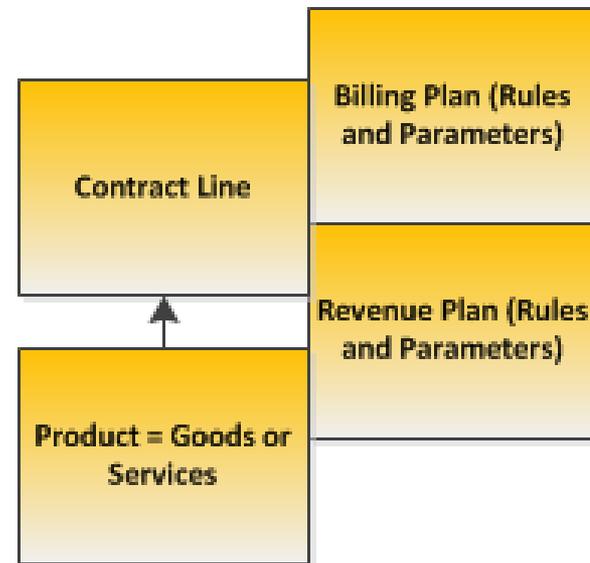
Billing and Revenue Templates

- Provide default detail billing information to assist in the Billing Plan setup and enable you to automate much of the process that you need to complete before generating invoices.
- Billing Plan Detail Templates can be attached to Products. When the Product is selected for a Contract line the Billing Plan Detail Template values will automatically populate the Contract's Bill Plan.
- Update the ***Bill Plan Detail Templates*** Worksheet.



Billing and Revenue Templates

- Revenue/Billing Plan Templates enable you to automate much of the Billing and Revenue plan setup that is required for the Contract Lines.
- For example, you can select template options that automatically set the Bill Plan and Revenue Plan to *Ready* status when you:
 - Activate a Contract
 - Process an Amendment
 - Approve a Renewal
 - Ready a prepaid
- Update the ***Revenue Billing Plan Template*** Worksheet.



Renewal Template

Renewal Plan Templates are an option that help automate the creation of renewable contract lines:

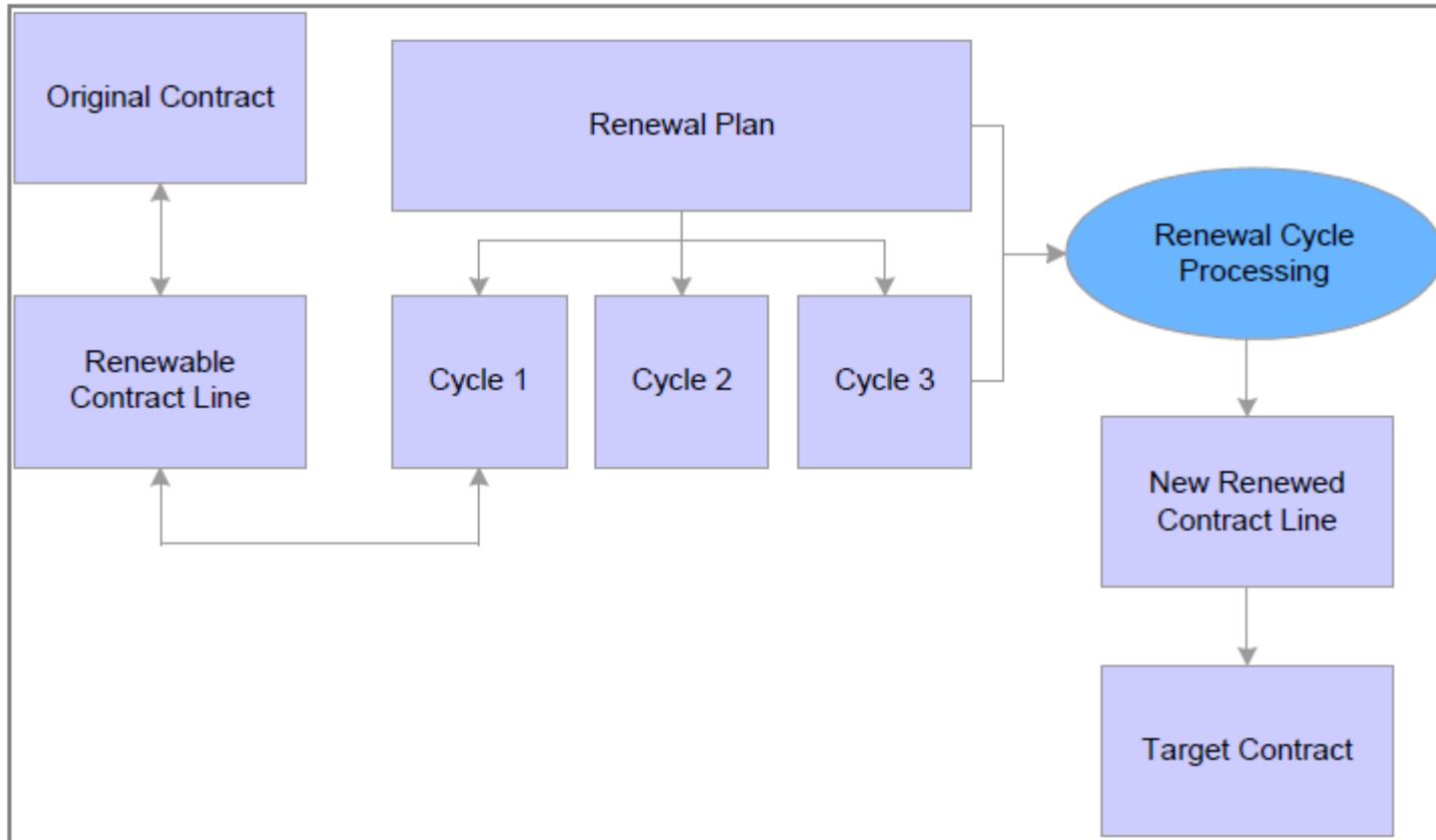
- Define the renewal plan and cycles, and then attach them to products.
- When the product is assigned to a contract line, the renewal schedule and cycles are automatically created by the system.
- A renewable product is defined as a product that is licensed to a customer for a set period of time with the option to extend the license on a regular basis.

Renewal Template - continued

- Only fixed-fee products can be defined as renewable.
- Renewable contract lines must be associated with start and end dates.
- A renewable contract line must be associated with a renewal cycle for it to be renewed.
- Update the ***Renewal Plan Template*** Worksheet

Renewal Template

Contract Renewals Processing



Next Steps

- Complete Department Configuration Task in Workshop
- Validate Department Configuration values during Department Configuration Validation Testing

Questions



Appendix - Products

<i>Attribute</i>	<i>Rate-Based Product</i>	<i>Amount-Based Product</i>	<i>Recurring Product</i>
Price type	Rate	Amount, percentage	Recurring
Revenue methods	As incurred	Milestone, percent complete, apportionment, billing manages revenue	Billing manages revenue
Revenue distribution	Project Costing accounting rules	Distribution sets.	Distribution sets
Deferred revenue	N/A	Indicated at the business unit options, product group, and contract line levels	Indicated at the business unit options, product group, and contract line levels, but processed by Billing
Unbilled accounts receivable (AR) distribution codes	Project Costing accounting rules	Indicated at the contracts business unit, product group, and contract line	N/A
Product pricing	Rate sets, rate plans, tiered pricing templates	Assign product list price, Enterprise Pricer	Assign product list price, Enterprise Pricer
Renewable	N/A	Yes	N/A
Can be part of a product kit	Yes	Yes	Yes
Tax parameters	Can define at the product level, product group level	Can define at the product level, product group level	Can define at the product level, product group level

Appendix – Billing Method by Price Type

<i>Billing Method</i>	<i>Description</i>	<i>Events</i>	<i>Available with Price Types</i>
Milestone	Billing is triggered by a milestone event.	Required	Amount, Percent
Percent complete	Billing is tied to a completion percentage of a project or a contract product. Events can be triggered automatically or can be manually created and managed.	Required	Amount, Percent
Immediate	Billing can occur as soon as the billing plan is activated.	N/A	Amount, Percent
As incurred	Billing occurs based on transactions that are accumulated in Project Costing for rate-based contract lines.	Optional	Rate
Value-based	Billing occurs based on user-defined events that are defined in Contracts, but the contract line is rate based.	Required	Rate
Recurring	Billing occurs based on a defined billing schedule.	N/A	Recurring

Accounting Entries – Billing and Revenue

Billing Processes are Run:	PeopleSoft Contracts Sends the Following Accounting Information to Billing:	PeopleSoft Billing Creates the Following Entry:
	Unbilled AR	Accounts Receivable
	1000	1000
Revenue Processes are Run:	PeopleSoft Contracts Creates the Following Balanced Entries:	
	Unbilled AR	Revenue
	1000	1000

Appendix – Prepaids Accounting Entries

Initial Prepaid Billing for 50,000	<table border="1"> <thead> <tr> <th colspan="2">Accounts Receivable</th> </tr> </thead> <tbody> <tr> <td>50000</td> <td></td> </tr> </tbody> </table>	Accounts Receivable		50000		<table border="1"> <thead> <tr> <th colspan="2">Deferred Revenue</th> </tr> </thead> <tbody> <tr> <td></td> <td>50000</td> </tr> </tbody> </table>	Deferred Revenue			50000
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