

PEOPLESOFT COST MANAGEMENT



EFFECTIVELY TRACK AND ANALYZE COSTS THROUGHOUT YOUR SUPPLY CHAIN.

FEATURES

- Multiple costing methods
- Accurate accounting and comprehensive analysis
- Control of your financial, governmental, and management reporting
- Flexible transactional accounting setup
- Option to include landed costs in inventory value
- Support of complex transfer price calculations
- Tools to assist with inventory and accrued liabilities reconciliation
- Calculation of production costs based on standard, weighted, average, or actual item costs.
- Monitoring of your business processes to ensure that all period costs are accurately calculated and captured

BENEFITS

- Supports simplified to complex accounting models
- Provides multiple methods of determining and analyzing costs
- Allows multiple books for financial, managerial, and government reporting

PeopleSoft Cost Management provides the control and flexibility that you need to manage costs throughout your supply chain. With powerful features that support multiple methods of costing comprehensive analysis, and accurate accounting and reporting, our cost management system enables you to model your business exactly as you require it.

Flexible Accounting Model

PeopleSoft Cost Management supports multiple industries with an accounting model that you can tailor to your business. Whether it's simply purchasing and expensing material or managing a multiple business unit distribution chain or a complex manufacturing environment, Cost Management provides the flexibility to determine, monitor, and analyze costs throughout your company.

Multiple Methods of Cost Reporting

To support the need for financial, governmental, and management reporting, you can maintain multiple costs and cost books within a PeopleSoft Inventory business unit in those environments in which you buy and sell inventory with no manufacturing. For items in each cost book, you define a profile, consisting of a receipt cost method, a cost flow, and a deplete cost method, to value inventory transactions involving those items. The costing approach you choose can be independent of how the inventory is physically moved. For example, you can use a first in, first out (FIFO) picking method for inventory shipments but cost the transactions using any costing method. PeopleSoft Cost Management supports:

- Non-cost.
- Standard.
- FIFO actual.
- LIFO actual.
- By specific lot ID.
- By specific serial ID.
- Perpetual weighted average.
- Periodic weighted average.
- Retroactive perpetual average.

Manufacturing environments support all the preceding costing methods except for Periodic Weighted Average and Retroactive Perpetual Average.

General | Inventory | Substitutes | Manufacturing | Planning | Configuration | Custom

[Common](#) | [Costing](#) | [Usage](#) | [Export Information](#)

Unit: US008 Item ID: GR8000 Standard Unit of Measure: EA
Gear, Sugishita

Cost Profile Group: 1002 Raw Material Used in Mfg

Costing Details Find | View All | First | 1 of 1 | Last

| Book | |
|------------|--|
| Book Name: | FIN Financial Book |
| Status: | Active Ledger Group: RECORDING Ledger: LOCAL |

| Profile | |
|----------------------|--|
| Profile: | STD <input type="text"/> <input type="button" value="Search"/> |
| Receipt Cost Method: | Standard Cost |
| Make Profile: | Y |
| Cost Flow: | First In First Out |
| Deplete Cost Method: | Value at Current Standard |

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Inventory Accounting

PeopleSoft Cost Management provides a number of different methods for costing your inventory. In both PeopleSoft Inventory and Manufacturing—on an item-by-item basis—you can choose standard, weighted average, or actual cost. Accounting entries are defined for each inventory transaction and you can choose the accounts based on specific items, item groups, distribution types, or even by cost element. Once generated, accounting entries can be posted to PeopleSoft General Ledger or a third-party general ledger system. You can easily and selectively view accounting entries, accounting entry detail, and item cost history. A drill-down and drill-back capability is provided, enabling you to analyze financial transactions originating in the General Ledger and drilling down to the individual transactions or starting at a transaction and drilling into the general ledger account to which it was ultimately posted.

Simplified Cost Foundation Setup

Within a Manufacturing environment, an easy cost foundation setup is provided so that you can define unlimited cost types including standard, weighted average, forecasted, current, activity-based, and more. For your purchased items, you can select the purchase prices option on which to base costs that's best for you to facilitate simulations and what-if analysis. Cost versions help maintain a history of the different costs calculated and can compare costs using the different methods. You have ultimate flexibility in calculating conversion costs, using labor or machine times and rates as well as multiple means of applying overhead.

Cost Rollups

Within our standard costing environment, the cost of manufactured items, engineering changes, and configured items are automatically calculated based on an item's product structure, routing, and applicable rates for the manufacturing business unit. You can perform cost rollups for a single item, a range of items, a group of items, or all items within a business unit as well as for any cost type. You can compare cost versions to determine the impact of changes on an item's cost. Rollups can be performed on both production and engineering BOMs, which allows for cost analysis prior to putting an item into production. You can view errors encountered in

RELATED PRODUCTS

Cost Management supports or integrates with:

- PeopleSoft Inventory
- PeopleSoft Manufacturing
- PeopleSoft General Ledger
- PeopleSoft Accounts Payable

the cost rollup, such as looping BOMs, make items with no BOMs or routings, or purchased items with no purchase costs so that corrective actions can be taken prior to moving costs into production.

Production Performance Management

PeopleSoft Cost Management enables you to efficiently manage and evaluate production cost performance. You can generate WIP inventory value information on demand, detailing material, labor, machine, and overhead cost components. You can generate detailed reports that analyze costing ramifications of production. You can analyze production variances prior to order close to ensure that all costs have been properly collected.

Event-Driven Solutions

The PeopleSoft alerts and warnings framework can monitor your business processes and alert you so that you can take preventive actions to avoid downstream problems. You can, for example, notify your Cost Management team when inventory transactions are not costed or accounted for, thereby preventing inventory reconciliation issues at period end. In manufacturing environments, you can proactively monitor production variances so that they can be investigated before the order closes.

Contact Us

For more information about PeopleSoft Cost Management please visit oracle.com or call +1.800.ORACLE1 to speak to an Oracle representative.



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