

**Oracle® Fusion Applications Compensation Management,  
Incentive Compensation Guide**

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Oracle® Fusion Applications Compensation Management, Incentive Compensation Guide

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# Preface

This Preface introduces the guides, online help, and other information sources available to help you more effectively use Oracle Fusion Applications.

## Oracle Fusion Applications Help

You can access Oracle Fusion Applications Help for the current page, section, activity, or task by clicking the help icon. The following figure depicts the help icon.



With a local installation of help, you can add custom help files to replace or supplement the provided content. Help content patches are regularly made available to ensure you have access to the latest information. Patching does not affect your custom content.

## Oracle Fusion Applications Guides

Oracle Fusion Applications guides are a structured collection of the help topics, examples, and FAQs from the help system packaged for easy download and offline reference, and sequenced to facilitate learning. You can access the guides from the **Guides** menu in the global area at the top of Oracle Fusion Applications Help pages.

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### Note

The **Guides** menu also provides access to the business process models on which Oracle Fusion Applications is based.

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Guides are designed for specific audiences:

- **User Guides** address the tasks in one or more business processes. They are intended for users who perform these tasks, and managers looking for an overview of the business processes. They are organized by the business process activities and tasks.
- **Implementation Guides** address the tasks required to set up an offering, or selected features of an offering. They are intended for implementors. They are organized to follow the task list sequence of the offerings, as displayed within the Setup and Maintenance work area provided by Oracle Fusion Functional Setup Manager.
- **Concept Guides** explain the key concepts and decisions for a specific area of functionality. They are intended for decision makers, such as chief financial officers, financial analysts, and implementation consultants. They are organized by the logical flow of features and functions.

- **Security Reference Manuals** describe the predefined data that is included in the security reference implementation for one offering. They are intended for implementors, security administrators, and auditors. They are organized by role.

To supplement these guides, which cover specific business processes and offerings, the following guides address common areas:

Guide	Intended Audience	Purpose
Common User Guide	All users	Explains tasks performed by most users.
Common Implementation Guide	Implementors	Explains tasks within the Define Common Applications Configuration task list, which is included in all offerings.
Information Technology Management, Implement Applications Guide	Implementors	Explains how to use Oracle Fusion Functional Setup Manager to plan, manage, and track your implementation projects, migrate setup data, and validate implementations.
Technical Guides	System administrators, application developers, and technical members of implementation teams	Explain how to install, patch, administer, and customize Oracle Fusion Applications.

For guides that are not available from the Guides menu, go to Oracle Technology Network at <http://www.oracle.com/technetwork/indexes/documentation>.

## Other Information Sources

### My Oracle Support

Oracle customers have access to electronic support through My Oracle Support. For information, visit <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=info> or visit <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=trs> if you are hearing impaired.

Use the My Oracle Support Knowledge Browser to find documents for a product area. You can search for release-specific information, such as patches, alerts, white papers, and troubleshooting tips. Other services include health checks, guided lifecycle advice, and direct contact with industry experts through the My Oracle Support Community.

### Oracle Enterprise Repository for Oracle Fusion Applications

Oracle Enterprise Repository for Oracle Fusion Applications provides visibility into service-oriented architecture assets to help you manage the lifecycle of your software from planning through implementation, testing, production,

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- Technical information about integrating with other applications, including services, operations, composites, events, and integration tables. The classification scheme shows the scenarios in which you use the assets, and includes diagrams, schematics, and links to other technical documentation.
- Publishing other technical information such as reusable components, policies, architecture diagrams, and topology diagrams.

The Oracle Fusion Applications information is provided as a solution pack that you can upload to your own deployment of Oracle Enterprise Repository for Oracle Fusion Applications. You can document and govern integration interface assets provided by Oracle with other assets in your environment in a common repository.

## Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at <http://www.oracle.com/us/corporate/accessibility/index.html>.

## Comments and Suggestions

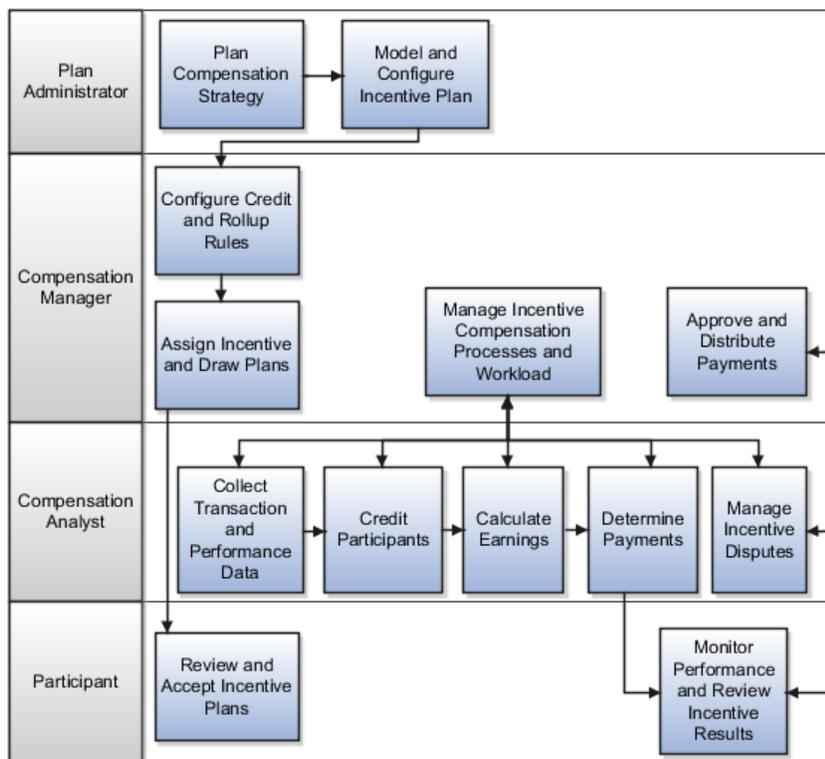
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## Overview

### Manage Incentive Compensation: Overview

This overview introduces the main business activities for the Manage Incentive Compensation business process, which are shown in the following figure.



#### Model and Configure Incentive Plans

Design and administer incentive compensation plans that successfully drive behavior in alignment with corporate performance and financial objectives. Define rules to classify transactions and credits into appropriate categories so that different incentive rewards may be applied for performance across different lines of business, for example, product lines, channels, customer segments, and transaction types. Define performance measures to determine attainment

towards goals, and design and build incentive formulas to accurately compute earnings for each level of attainment. Maintain a library of plan components, including performance measures, user-defined calculation expressions, and multidimensional rate tables. Assemble these elements to form commission or bonus plan components and adapt, as required, to support the incentive program requirements of multiple participant types and roles. Leverage a guided plan creation process to accelerate plan definition and deployment.

### **Configure Credit and Rollup Rules**

Define date-effective rules to determine who will receive credit for each business transaction and how much credit will be allocated. Adapt rules to support allocation based on multiple criteria including products, geographies, channels, industries, or other customer attributes. Create a hierarchical structure for use in rolling credit up the management chain, or across organizations or other sales distribution entities. Define teams as required to support team-based incentives.

### **Assign Incentive and Draw Plans**

Import participants and, optionally, assign incentive compensation analysts responsible for participant-specific plan configuration and processes. Define rule-based incentive payment draws and recovery plans, as required. Assign compensation and payment plans to participants directly, or by using role-based assignment rules. Personalize plans or other participant-specific attributes in the participant's home currency including goals, rates, target incentive, and draw amounts to support participant-specific incentive agreements. Organize participants into relevant payment groups based on frequency of payments, or other criteria to support downstream payment processes.

### **Manage Incentive Compensation Processes and Workload**

Review key performance indicators to ensure setup is complete, transactional errors are resolved, processing performance is as expected, disputes are minimized, analyst workload is balanced, and payments are accurate and on time. Drill down into details, as required, and take required action.

- **Collect Transaction and Performance Data:** Collect transactions and other data used to measure participant performance from spreadsheets or various applications such as enterprise order capture or receivables, point of sale, HCM, service or project, or legacy. Gather these transaction and performance data using an open, standard-based integration framework. Also:
  - Create transactions and adjust transactional attributes.
  - Download data to Microsoft Excel and use it to handle corrections, reversals, retroactive changes, or manual entry of late transactions if desired.
  - Review transactions that are put on hold based on defined business rules, and approve or release transactions to enable further downstream processing.
  - Review a full audit trail of adjustments including who made the change, when the change was made, the reason for the change, and other user-entered comments.

- **Credit Participants:** Run Crediting and Rollup processes in full or incremental mode to accurately determine direct and indirect credit receivers associated with each business transaction. Override rules, reallocate credits, and alter credit split percentages or amounts when required. Leverage Microsoft Excel interface for mass update or manual creation of credits. Trigger notifications based on business events of any collection or credit exceptions, such as over-allocation of credits, and take relevant action to correct any collection or crediting errors.
- **Calculate Incentive Earnings:** Classify transactions or credits into relevant credit categories so that the application can apply the appropriate performance measurement, rates, and incentive calculation. Calculate earnings for all participants as well as for participants assigned to specific plans or payment groups. Leverage the power of parallel and incremental processing for faster calculation performance. Research the cause of Classification or Calculation process errors. Review earnings, including intermediate calculation results, to verify accuracy of plan design and to reduce shadow accounting.
- **Determine Incentive Payments:** Generate trial payments and review a summary for each payment batch, including the total amount to pay. Review participant payment details for the period, including commission and bonus earnings and draw and recovery adjustments. Apply discretionary bonuses or make other manual payment adjustments as required, including recovering or waiving balances on termination. Review statistics to ensure participants are included in payment processing at relevant frequencies so that everyone is paid accurately and on time. Also, create reports in Oracle Fusion Transactional Business Intelligence to monitor participant exceptions, including payments that significantly deviate from prior periods or from that of participants in similar roles or positions.
- **Manage Incentive Disputes:** Create dispute records for missing transactions as well as incorrect credits, earnings, and payments, and attach relevant documentation. Route to compensation analyst responsible for resolving the dispute and leverage business rules for automatic notifications or approvals. Review participant dispute history, including frequency of complaints, common resolution types, and other information to aid in the resolution of the dispute. View participant information in context to gain quick access to participant-specific assignments, quotas, plan details, and transactional history. Access a complete audit trail of changes affecting payments, and trace payments back to associated earnings, credits, and transactions. When resolved, retain approval history and close the dispute.

### **Monitor Performance and Review Incentive Results**

Monitor year-to-date performance, earnings, and payment for each period. Access commission statements which include measure attainment, commission and bonus earnings, payment draw and recovery adjustments and balances. Review performance summary that describes attainment towards goals for each performance measure, and drill to associated credit details. Review historical performance and earnings and understand current performance expectations to determine how to get the most out of the incentive program. Provide secure access to managers to review only their own compensation information or that

of their team. Provide relevant business insights to managers on participant comparisons and ranking. Provide online access or publish and distribute statements in Adobe PDF, Microsoft Word, or Microsoft Excel.

### **Approve and Distribute Payments**

Leverage business rules to automatically hold unexpected payments and enable release of payments after exceptions are approved. Receive automatic notifications of payment exceptions and obtain access to relevant performance or payment history before approving payments for distribution to participants. Include participant managers in payment approval process when required. Deliver final payment information, in relevant participant currencies, to appropriate payroll or payables application to cut checks.

The following table lists the Incentive Compensation Management business process activities and their corresponding work areas:

<b>Business Process Activity</b>	<b>Work Area</b>
Model and Configure Incentive Plan (Reminder: This is where you manage classification rules and credit categories.)	Compensation Plans
Configure Credit and Rollup Rules	Participant Assignments
Assign Incentive and Draw Plans	Participant Assignments and Participant Snapshot
Manage Incentive Compensation Processes and Workload, Collect Transaction and Performance Data, Credit Participants, and Calculate Incentive Earnings	Credits and Earnings
Determine Incentive Payments and Approve and Distribute Payments	Payments
Manage Incentive Disputes and Monitor Performance and Review Incentive Results	Participant Snapshot and Sales Compensation

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## Model and Configure Incentive Plans

### Incentive Compensation Plan and Plan Components: How They Work Together

An incentive compensation plan, typically assigned to sales compensation roles, ties participants' earnings to their actual production on an individual or group basis. It is a collection of one or more modular incentive plan components that the application uses to calculate compensation earnings.

#### **Incentive Compensation Plan**

Built from plan components, it may reflect different components of the participant's variable pay. Set the plan start and end dates to specify when the plan is effective for calculation. Also, assign one or more roles to the plan or even individuals.

If you want to create the plan using a top-down approach, associate existing components or create new components as you go. For example, create a new plan component as part of the provided Add Plan Component process. When you finish, the application returns you to the Create Compensation Plan task with the newly created plan component automatically associated with the plan.

#### **Plan Component**

Designed to measure and reward performance using one or more goals, they reflect ways to measure performances against objectives and to compute incentive earnings based on achieved results.

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#### **Tip**

From a relatively small library of plan components, you can configure many incentive compensation plans, simplifying plan setup and administration.

---

Assignment is many-to-many; assign multiple plan components to an incentive compensation plan and a plan component to multiple incentive compensation plans. Specifying the start and end dates of the plan component within the plan during assignment helps to define and administer special performance incentive funds (SPIFs), or promotional bonuses, which are valid for a short duration. Plan component effective dates should overlap with those for the incentive compensation plan. Also, modify the plan component association dates, as required. For example, create a plan component for a year, associate it with an incentive compensation plan, and change the assignment dates to span a quarter.

Configure plan components to track nonmonetary incentive credits, such as club points or frequent flyer miles, using the **Earning Type** choice list.

If a plan component that you associate with an incentive compensation plan depends on other plan components (by referring to the computed results in its own formula) then add the base plan component to the incentive compensation plan too. Also, provide a calculation sequence that is higher than the calculation sequence of the base plan components. This ensures that the application processes the base plan components first, so that the computed results are available for the dependent plan component.

### **Target Incentive**

The expected total variable pay out for this incentive compensation plan. Optionally, specify the target incentive weights for individual plan components while associating them with an incentive compensation plan, and use them in your earning calculations. After assigning the incentive compensation plan to individuals or roles, individualize the target incentive and the target incentive weights at the participant level.

---

#### **Note**

The sum of the target incentive weights does not have to equal 100.

---

## **Include Indirect Credits for Incentive Compensation: Points to Consider**

By default, the application includes all direct credits while calculating incentive compensation attainment for participants. You must decide whether to include indirect credits, and what type, at the plan component level, in the Incentive Formula section. The application creates indirect credits through rollup or team participation.

### **Manager**

The application includes only the indirect credits created through the Rollup process. A participant gets rollup credit for a transaction, if the participant is part of the rollup hierarchy and the application credits another person lower in the hierarchy (descendent) for that transaction.

### **Team**

The application includes only the indirect credits created through team participation. A participant gets team credit for a transaction, if the participant is part of a team, and the application credits another team member for that transaction.

### **All**

The application includes all indirect credits, which are created through the Rollup process and team participation.

### **None**

The application compensates participants only for direct credits, for this plan component.

---

**Note**

This is the default behavior.

---

## Incentive Compensation Earning Basis: Explained

**Earning Basis** determines whether the credit categories that the application uses in calculating the performance measure attainment are the same as the credit categories it uses to calculate incentive earnings.

For **Earning Basis** select **Yes** or **No**.

**Yes**

This is the default selection when you associate a performance measure with a plan component. Typically, accept the default if you reference the performance measure attainment in the output expression of the plan component (expression that calculates the incentive earnings). For example, if you calculate earning as a percentage of product license revenue, then select **Yes** for that performance measure, when associating it to the plan component.

---

**Restriction**

When you associate a performance measure that process transactions individually with plan components that calculate incentive per event, you cannot change the earning basis--it is always **Yes**.

---

**No**

Change the default to **No** for a performance measure if the application uses it as an input to a rate table, rather than as part of an earning calculation. This means that the application uses the result of the measure only in the input expression of the rate table. In this case, the performance measure is a hurdle or multiplier, whose objective must be met to start earning or to get into a higher tier.

For example, one of the factors that the application uses to determine rate table rate is the service quota attainment but the application calculates the bonus as a percentage of product license revenue. Select **No** for the Service Quota Attainment measure and **Yes** for the Product License Revenue measure.

## Plan Components and Performance Measures: How They Work Together

This topic covers how plan components and performances measures work together to specify how to calculate incentive compensation, when to calculate it, and what attainment to use. Plan components, which are modular and reusable, calculate variable pay for participants. The calculated results of a performance measure provide the participant attainment, and are the basis for earning calculations.

**Incentive Compensation Expressions**

Use these interchangeable, reusable groupings of numeric operators and SQL functions as inputs for, and outputs of, incentive formulas and performance

measures as well as in expression-based rate dimensions. Expressions can refer to various:

- Plan component attributes, such as target incentive or measure weights
- Incentive compensation transaction or credit attributes, such as credit amount or margin
- Calculated values of plan component earnings or measure attainment

### **Incentive Formula**

The part of a plan component that specifies how to calculate incentives and contains an expression that computes the earnings during the Calculation process. This expression usually refers to the calculated results of one or more performance measures. Optionally, the incentive formula may refer to a rate table. The earning interval (or payout frequency) indicates how frequently (at what intervals) the application calculates the earning, such as **Month** or **Quarter**.

### **Performance Measures**

A plan component includes the performance measures that the application uses in the incentive formula expressions as well as any dependent measures used by associated base measures. Set the calculation sequence of the dependent measure higher than that of the base measure.

---

#### **Tip**

Add a performance measure to a plan component only if the performance measure start and end dates are earlier than and later than (respectively) the plan component start and end dates.

---

### **Measure Weights**

Optionally, provide weights when associating the performance measure with a plan component. Use the weights to calculate an aggregate attainment, typically when using multiple measures to calculate the earnings.

---

#### **Tip**

The sum of the measure weights does not have to equal 100.

---

### **Earning Basis**

Set while associating performance measures. Select **Yes** if the application uses the same credit categories to measure performance and determine compensation, for example, if you require the application to calculate the earning as a percentage of product license revenue attainment.

### **Incentive Compensation Rate Table**

The part of a formula that determines the rate at which the application compensates achievements. Rate dimensions are the structural part of a rate table to which you add values. You can specify multiple rate tables for an incentive formula, provided that the:

- Effective dates of the rate table associations do not overlap
- Number of dimensions for the rate tables are the same

## Input Values for Incentive Compensation Rate Tables

Specify as many input values as the number of rate table dimensions. The dimension input can be an expression:

- That refers to the attainment of one or more measures
- Based on credit amount, quantity, margin, or a combination of these attributes

In odd cases, the dimension input can be other transaction attributes that are not quantifiable, such as region name and customer type. In these cases, the rate varies depending on where the sale occurred, or to whom the sales was made.

---

### Tip

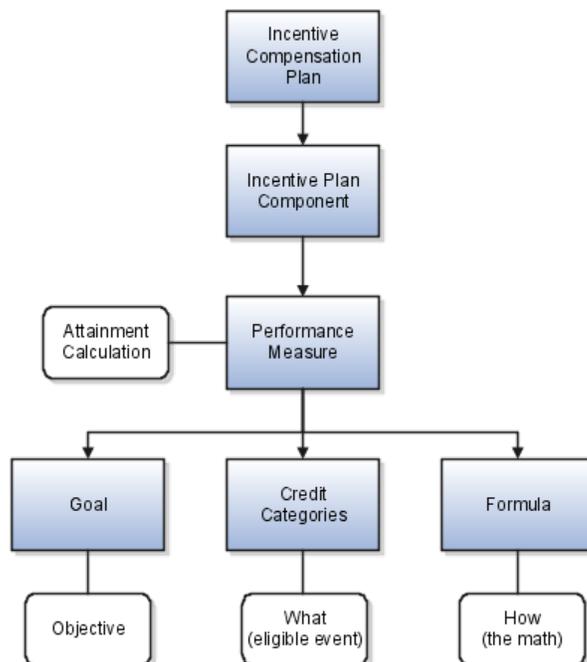
Typically, set up the formula to access quantifiable attributes through the performance measure attainment, and non-quantifiable attributes directly from the transaction or credit.

---

## Performance Measures: Explained

A performance measure is an indicator that you use to track participant progress toward a defined organizational goal or outcome (attainment), a metric that forms the basis for earning calculations by the plan component, and a means for you to support pay for performance. Specify the attainment as units sold, percent of attainment, score, and so on.

A plan component may contain one or more performance measures and you can associate a performance measure with one or more plan components. There are three major aspects that comprise a performance measure: goals credit categories, and formulas.



## Goal

A performance objective, also known as a quota. The best practice is to make it specific, measurable, achievable, and time based (SMART). Define your goal (optional), by providing a target number and the unit of measure (either amount or quantity).

- Optionally, distribute the target number across the performance measure intervals to support seasonality and year-to-date calculations.
- Customize target numbers at the participant level.

## Credit Category

A user-defined business revenue category (such as product line, customer accounts, service types, and geographical market segments) used to classify a transaction for compensation calculation. If a performance measure uses a transaction or credit attribute (such as margin), then associate the appropriate credit category with it.

Examples of credit categories include Envoy Deluxe Laptop, Clearview Monitor, Speedo Modem, Quality Consulting, Application Implementation Consulting, Eastern Region Fortune 500, Automotive Agencies, and ACME Inc.

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### Note

Previous Oracle incentive compensation applications may refer to credit categories as products or revenue class.

---

## Credit and Earning Factors

Optionally provide when associating a credit category with a performance measure--for nonoverlapping date ranges--that the application can use in calculation. They are useful, for example, if you run a promotion and want to provide increased credits to sales people for selling a particular product.

---

### Note

Explicitly include the credit or earning factor in the expressions that the measure formula uses to calculate the attainment. For example, **measure.credit factor \* credit amount**.

---

Continuing the example, if you provide the credit factor for Q1 (Jan to Mar) as 125 percent, then the attainment during that period is 125 percent of the credit amount. For the remaining quarters, it is 100 percent of credit amount.

## Event Factors (AKA, Transaction Factors)

Provide for different transaction types that the application can use in calculation when associating a credit category with a performance measure. They are useful, for example, if you want to provide different weights for different transaction types. This helps calculate the attainment and the earnings based on the sales cycle.

---

### Note

Explicitly include the event factor in the expressions that the measure formula uses to calculate the attainment. For example, **measure.event factor \* credit amount**.

Continuing the previous example, if you provide the event factor for order as **50** percent, and for invoice **50** percent, then the attainment for an order is 50 percent of the credit amount and for the invoice, it is the remaining 50 percent. For all other types, attainment is 0 percent of the credit amount.

---

## Formula

Contains an expression that the application uses to calculate the attainment for a set of credit categories. It also has the period of measurement, called performance interval, such as **Month**, **Quarter**, and **Year**.

- Specify attainment as units sold, percentage of attainment, score, and so on.
- Optionally, a measure formula can use a rate table as a scorecard to look up and transform the calculated result, for example, a score or points.

## Performance Measure Attainment Calculation: Critical Choices

The objective of a performance measure is to calculate the participants' incentive compensation attainments. The **Process Transactions** choices **Individually** and **Group by interval** determine the behavior of the attainment calculation.

### Process Transactions: Individually

The application calculates incentive compensation attainment on a per event basis. In this case, it calculates the attainment for the performance measure transaction by transaction. For example, use this if the attainment is a credit amount or a running total of quantity. Use such performance measures in plan components where you calculate incentive compensation earnings on a per event basis.

---

#### Tip

If the incentive compensation attainment is a running total, you must also select **Running total**. The application resets the running total to zero when the calculation moves to the next interval.

---

### Process Transactions: Group by Interval

In this case, the application calculates incentive compensation attainment once for a set of transactions that fall within the performance measure interval. Use this if you are also calculating incentive compensation earnings for the aggregated amount, or the aggregated volume of a set of transactions. For example, use this to calculate the incentive compensation revenue or quota attainment for an interval. Typically, use such performance measures in plan components where you calculate earnings per interval.

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#### Tip

Though the application summarizes the transaction value for the performance measure interval, it calculates the performance measure attainment in the calendar period. This means that if the interval is other than the calendar period, the interval-to-date (ITD) attainment values are also available, and you can use them in incentive compensation earning calculations. For example, if the performance measure interval is **Quarter** and the calendar period is **Month**, then the application calculates incentive compensation attainment each month for the set of transactions for that quarter.

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## Incentive Compensation Goal Distribution: Explained

Define the incentive compensation goal by entering a target value for the duration of the corresponding performance measure.

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### Tip

The goal interval type is same as the performance interval type.

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Optionally, distribute the target value across the goal intervals manually or evenly (by clicking a button), as well as recalculate the goal.

### Goal Distribution

Distribute the target values across intervals if you plan to calculate the incentive attainment for each interval, rather than calculating once for the entire duration of the measure. For example, if the performance measure interval is **Quarter** and you want to calculate the quarterly attainment, distribute the target across the quarters. When you distribute the goal, the application also calculates and stores the interval-to-date target value, against each period--in this instance, for each month.

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### Tip

The application hides this attribute by default, but you can expose it through personalization.

---

- Also, distribute the target across the periods, while distributing across intervals. In the previous example, also distribute across the months for each quarter, assuming the period type is **Month**.
- Use any of the numbers (target, interval target, period target and interval-to-date target) in expressions as they are available for attainment calculation.

### Manually Distribute Goal

You can manually distribute the target number by amount or percent.

Amount: Enter the interval and period numbers. For example, distribute the annual target number of **120,000 USD** as **30,000 USD** for each quarter. Further distribute the value for each interval into the periods for that interval. Continuing the example, distribute **10,000 USD** for each month (assuming that the period is **Month**).

---

**Tip**

The ITD values are derived based on the period target value. In the amount example, the ITD value will be 10,000 USD for January, **20,000** USD for February, and **30,000** for USD March. It will be **10,000** USD in April, as it is the start of new interval, and the cycle continues.

---

Percent: Enter the percentage of distribution across the intervals and periods. For example, distribute a 120,000 USD target as **25** percent for each quarter. For Q1, distribute even further as follows: **5** percent for January; **8** percent for February, and **12** percent for March. The sum of the period percentages adds up to the interval percentage of **25** percent.

---

**Tip**

The sum of the period target numbers must equal to corresponding interval number. The sum of the interval numbers do not have to equal the annual, or header level, target.

---

**Evenly Distribute Goal**

Click **Distribute Evenly**, to have the application evenly distribute the goal value across the intervals and periods.

**Recalculate Goal**

If you manually adjust the period targets, click **Recalculate** to have the application recalculate the interval target values and header level value. The application adds period target numbers to calculate the interval target and adds the interval target numbers to the header target number.

---

**Tip**

The best practice is to change the period numbers, rather than the interval numbers, while using the recalculate action because the recalculate action overwrites the interval numbers.

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## Incentive Compensation Expressions: Explained

Incentive compensation expressions are interchangeable, reusable SQL-like parts that you use to create calculation formulas and dynamic expression-based rate tables. For example, an expression can be (transaction amount / target) or (rate table result \* transaction amount).

**Input and Output Expressions**

Input expressions tell the application what to evaluate from the transactions and how to match the results to the corresponding rate table. Output expressions tell the application how to calculate the result for the measure or incentive formula.

- An input expression is applicable and required if you associate a rate table with the measure\*. You can still save the plan component or measure if you violate of this condition, but the application sets the status to **Incomplete**.

- The number of input expressions equals the number of dimensions of the rate table\*. You can still save the plan component or measure if you violate of this condition, but the application sets the status to **Incomplete**.
- The split option is applicable for only one input expression (or dimension)\*.
- If the process transaction is set to **Individually** and you select **Running total** at the measure level, then the running total can be applicable for one or more input expressions (or dimension). Select it for at least one input expression\*. You can still save the plan component or measure if you violate of this condition, but the application sets the status to **Incomplete**.
- If, for **Process Transaction**, you select **Group by**, all of the expressions use aggregate functions such as SUM, MAX, AVG, and MIN.

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**Note**

All of the rules that trigger during measure (plan component and incentive formula) validation are marked with \*.

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## Incentive Compensation Rate Table: Explained

A rate table enables you to establish percentage rates or fixed amounts for different performance levels. The incentive formula of a plan component determines the type of information that the application compares with the rate table, as well as how it uses the resulting rate in the calculation. Customize rates for individual resources, as required.

For rate tables, specify the type and create dimensions and tiers and associate rate tables with plan components and performance measures.

### Rate Table Types

Rate table types indicate the nature of rates.

- **Percent:** The application treats the rates that you enter as a percent, when it uses the rate in an incentive compensation expression.
- **Amount:** The application treats the rate that you enter as a number.

### Rate Dimensions

Rate tables contain one or more dimension, the structure (the tier values) of which you cannot edit. The rate table input depends on the kind of dimensions that you use.

- A multidimensional rate table can use different kinds of dimensions to generate a percent or amount result, for example, incentive quota attainment or credit amount. Or, it can have a dimension of type **String**, for example, a **State** or **Customer Type** dimension.
- If you delete a rate dimension, then the application deletes the corresponding rates for that dimension, from the rate table. For example, in a two-dimensional rate table, if you delete the second dimension, the application retains only the rates for the first dimension.

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**Tip**

If you do not provide rates, then the application assumes that they are zero.

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### Plan Component Association

Associate a rate table with a plan component if the earning expression of the incentive formula uses the rate table result. When you associate a rate table with a plan component, you must provide an input expression. The number of rows that the application opens for entry equals the number of rate table dimensions. You do not have to add all of the inputs at once. Add or remove expressions in edit mode. To view the rendered expression, hover over the expression name

- For the incentive earning expression, include the rate table result attribute, so that the application uses the rates from the associated rate table in the earning calculation.
- For the plan component to be valid, the number of input expressions must equal the number of the rate table dimensions.
- Associate a rate table with multiple plan components.
- Ensure that the number of rate dimensions and the rate dimension types for each sequence are the same.
- Associate multiple rate tables with a plan component, so long as the dates do not overlap. Rate table associations with a plan component are date effective. For example, a plan component has one rate table in one quarter and a different one in the next quarter.
- If you associate a rate table with a plan component, then you cannot delete the rate table, edit the type, or add or delete rate dimension associations.

### Rate Tiers and Splits

After you associate the rate table with a plan component, the **Split Attainment Across Tiers** options enable you to tell the application how to apply splits for a single dimension. Select **Yes** to specify how to split the input.

### Performance Measure Association

There are times when you want to convert the measure attainment, for example, to a score and use that in earning calculations. In these instances, use an attainment expression that includes the rate table result and associate a rate table (as a scorecard) with a performance measure.

All of the validation rules for associating a rate table (as a scorecard) with a performance measure are the same as those for plan component association.

## Incentive Compensation Rate Dimensions: Explained

Incentive compensation rate dimensions define the nature of the tiers that you use in a rate table. These values comprise the ranges from which incentive compensation is calculated in a rate table. A dimension must have at least one tier for use in a rate table, and can have as many as you require. If you base a rate on multiple criteria, then you can create a multidimensional rate table to reflect all criteria using one dimension per criterion.

## Rate Dimension Types

There are four kinds of rate dimensions, specified with the rate dimension type. The type indicates the nature of tier values, which comprise the ranges from which the application calculates compensation using the rate table rate.

- **Amount:** The rate tiers are amounts, for example, credit amount or credit quantity.
- **Percent:** The rate tiers are percentages, such as quota attainment.

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### Tip

If the type is amount or percent, the minimum (start) value of the current tier must equal the maximum (end) value of the previous tier. The best practice, to avoid calculation errors, is to start the first tier with zero, even if the expected input value can be greater than zero. Similarly, provide a high number, such as 9999999, for the maximum value of the last tier.

- 
- **Expression:** The rate dimensions reference calculation expressions. Use them to create more complex rate tiers. For example, rather than create a static set of rate tiers such as 0 percent to 25 percent, 25 percent to 50 percent, and so on, you can configure an expression rate dimension as **10 percent \* Quota, 25 percent \* Quota**, and so on, using a calculation expression.
  - **String:** The rate tiers are alphanumeric, such as product codes or the state codes.

---

### Tip

A calculation error results if the dimension type is **String** and there is no exact match. The best practice is to define tiers for all the possible values.

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## Splitting Incentive Compensation Input Numbers Across Rate Tiers: Critical Choices

When associating an incentive compensation rate table to a plan component or incentive formula, you specify whether to split the rate across tiers. When the rate spans multiple tiers, you also specify whether rates are fixed or varied within a tier.

### Split Rate: No

The application applies a single fixed rate based on the highest tier attained (commonly known as a flat commission). For example, the application uses the transaction amount to get the rates using the following rate table.

Sequence	Tier Range (in USD)	Rate (in Percent)
1	0 -- 10,000	1

2	10,000 --50,000	2
2	50,000 -- 100,000	3
4	100,000 -- 9,999,999*	4

\* Always ensure that the final range covers all possible values.

- If the transaction amount is 5,000 USD, then the rate is one percent.
- If the transaction amount is 15,000 USD, then the rate is two percent.
- If the transaction amount is 60,000 USD, then the rate is three percent.

### Split Rate: Yes

When the transaction value spans more than one rate tier, the application splits the attainment units (amount, quantity, and so on) across the appropriate tiers (commonly known as ramp commission). There are two subchoices associated with this one, **Fixed** or **Varied**.

#### Split Rates are Fixed for the Tier (Step Rate)

The application applies a fixed (nonproportional) rate to the transaction units that within each rate table tier range.

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#### Tip

This is the most commonly used method.

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Using the rate table from the first example:

- If the transaction amount is 5,000 USD, then the rate is still one percent.
- If the transaction amount is 15,000 USD, then the new rates are:
  - For the first 10,000 USD, one percent
  - For the remaining 5,000 USD, two percent
- If the transaction amount is 60,000 USD, then the new rates are:
  - For the first 10,000 USD, one percent
  - For the next 40,000 USD, two percent
  - For the remaining 10,000 USD, three percent

#### Split Rates Vary Within a Tier (Interpolated Rate)

When the transaction value spans more than one rate tier and the split attainment value does not cover the full range of the final tier, then the application uses interpolation to determine the proportional rate.

Sequence	Tier Range (in Percent)	Rate (in USD)
1	0 -- 25	1,000

2	25 -- 50	2,000
3	50 -- 100	5,000
4	100 -- 999*	6,000

\* Always ensure that the final range covers all possible values.

- If the attainment is 25 percent, then the rate is 1,000 USD.
- If the attainment is 40 percent, then the rates are:
  - For the first 25 percent, 1,000 USD
  - For the remaining 15 percent, 1,200 USD

The formula that the application uses is (Percent / (Upper Bound of Tier Range - Lower Bound of Tier Range) \* Rate). In this example, that is  $(15 / (50 - 25) * 2000)$

- If the attainment is 80 percent, then the rates:
  - For the first 25 percent, 1,000 USD
  - For the next 25 percent, 2,000 USD
  - For remaining 30 percent, 3,000 USD $(30 / (100 - 50) * 5000)$

---

**Tip**

Typically, for this choice, the rate is an amount.

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## Examples for Model and Configure Incentive Plans

### Calculating Incentive Compensation Attainment, Per Event Basis: Examples

These examples illustrate how to calculate attainment for measures that process incentive compensation transactions individually.

#### Calculating the Credit Amount for Each Transaction

Create a performance measure that gives, as the output (or measure attainment), the credit amount for each transaction.

1. On the Define Measure Formula page, for **Expression Name**, select **New Expression**.
2. On the Create Expression page, complete the general fields, as shown here.

Field	Value
Name	Measure Attainment: Credit Amount

<b>Description</b>	Measure attainment as the credit amount for each transaction.
<b>Type</b>	Calculation

3. In the Configure Expression region, create the expression **Credit.Credit Amount**.
4. Save and close the expression.
5. On the Define Measure Formula page, for **Expression Name**, search for and select the expression that you just created.
6. For **Process Transactions**, select **Individually**.
7. For **Running Total**, select **No**.

In the following sample, the application calculates the measure attainment as the credit amount for each transaction.

Interval	Transaction Number	Credit Amount	Measure Attainment
I1	T1	1,000.00	1,000.00
I1	T2	1,500.00	1,500.00
I1	T3	500.00	500.00
I2	T4	1,500.00	1,500.00
I2	T5	500.00	500.00

### Calculating Running Total of Credit Amount

Create a performance measure that gives, as the output (or measure attainment), the credit amounts for the interval.

1. On the Define Measure Formula page, for **Expression Name**, select **New Expression**.
2. On the Create Expression page, complete the general fields, as shown here.

Field	Value
<b>Name</b>	Measure Attainment: Running Total
<b>Description</b>	Measure attainment as a running total of the credit amount generated for the period.
<b>Type</b>	Calculation

3. In the Configure Expression region, create the expression **Credit.Credit Amount**.
4. Save and close the expression.
5. On the Define Measure Formula page, for **Expression Name**, search for and select the expression that you just created.
6. For **Process Transactions**, select **Individually**.

7. For **Running Total**, select **Yes**.

In the following sample, the application calculates the measure attainment for interval I1, transaction T2 as 2,500.00 and T3 as 3,000.00.

Interval	Transaction Number	Credit Amount	Measure Attainment (Running Total)
I1	T1	1,000.00	1,000.00
I1	T2	1,500.00	2,500.00
I1	T3	500.00	3,000.00
I2	T4	1,500.00	1,500.00 (starts for new interval)
I2	T5	500.00	2,000.00

## Calculating Incentive Compensation Attainment, Per Interval: Examples

These examples illustrate how to calculate attainment for performance measures that process incentive compensation transactions group by interval. Calculate the earnings based on the attainment for the interval (month).

### Calculating the Revenue Attainment for the Interval

Create a performance measure that gives, as the output (or measure attainment), the aggregate of the credit amount for the measure, for the period.

1. On the Define Measure Formula page, for **Expression Name**, select **New Expression**.
2. On the Create Expression page, complete the general fields, as shown here.

Field	Value
<b>Name</b>	Measure Attainment: Revenue
<b>Description</b>	Measure attainment as the sum of all credit amounts for the interval.
<b>Type</b>	Calculation

3. In the Configure Expression section, create the expression **SUM(Credit.Credit Amount)**.
4. Save and close the expression.
5. On the Define Measure Formula page, for **Expression Name**, search for and select the expression that you just created.
6. For **Process Transactions**, select **Group by Interval**.
7. Choose the performance interval as required.

---

### Tip

Also use the expression in an incentive formula, to calculate earnings.

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In the following sample, the expression calculates measure attainment for interval I1 as 3,000.00 and I2 as 2,000.00.

Interval	Transaction Number	Credit Amount
I1	T1	1,000.00
I1	T2	1,500.00
I1	T3	500.00
I2	T4	1,500.00
I2	T5	500.00

### Calculating Quota Attainment for the Interval

Create a performance measure that gives, as the output (or measure attainment), the percentage of revenue attainment against the quota, for the period.

1. On the Define Measure Formula page, for **Expression Name**, select **New Expression**.
2. On the Create Expression page, complete the general fields, as shown here.

Field	Value
Name	Measure Quota Attainment
Description	Measure attainment as a running total of the credit amount generated for the period.
Type	Calculation

3. In the Configure Expression section, create the expression **SUM(Credit.Credit Amount / Measure.Interval Goal)**.
4. Save and close the expression.
5. On the Define Measure Formula page, for **Expression Name**, search for and select the expression that you just created.
6. For **Process Transactions**, select **Group by Interval**.
7. Define the goal, completing the fields, as shown in this table.

Field	Value
Target	36,000
Unit of Measure (required)	Amount

8. Distribute the target evenly, so that each month has a target amount of 3,000.

---

**Tip**

Also use the expression in an incentive formula, to calculate earnings.

In the following sample, the expression calculates the quota attainment for interval I1 as 100 percent (3,000.00 / 3,000.00) and I2 as 66.67 percent (2,000.00 / 3,000.00).

Interval	Transaction Number	Credit Amount	Measure Attainment (Running Total)
I1	T1	1,000.00	1,000.00
I1	T2	1,500.00	2,500.00
I1	T3	500.00	3,000.00
I2	T4	1,500.00	1,500.00
I2	T5	500.00	2,000.00

## Expression to Calculate Incentive Compensation Attainment: Examples

The following scenarios illustrate how you calculate incentive compensation attainment for performance measures.

### Calculating the Incentive Compensation Attainment for each Transaction Based on Quantity

Calculate the volume attainment for each transaction and provide the quantity as the output. Configure the formula expression for the performance measure, as shown here.

1. For **Expression Name**, select **New Expression** to open the Create Expression page.
2. Complete the general fields, as shown here.

Field	Value
<b>Name</b>	Calculate Volume Attainment Exp
<b>Description</b>	Calculate credited quantity.
<b>Type</b>	Calculation

3. In the Configure Expression section, create the expression **Credit.Quantity**.
4. Save and close your expression.
5. Search for, and select, the expression that you just created.

### Calculating the Incentive Compensation Attainment for each Transaction based on Credit Amount Adjusted with Credit Factor

Calculate the attainment for each transaction and provide the amount as the output. Also adjust the attainment for different credit categories, using credit

factors. Configure the formula expression for the performance measure, as shown here.

1. For **Expression Name**, select **New Expression** to open the Create Expression page.
2. Complete the general fields, as shown here.

Field	Value
<b>Name</b>	Calculate Credit Amount Attainment Exp
<b>Description</b>	Calculate attainment as the revenue.
<b>Type</b>	Calculation

3. In the Configure Expression section, create the expression **Credit.Credit Amount \* Measure.Credit Factor**.
  - a. For **Attributes**, select **Credit - Credit Amount**.
  - b. Click **\***.
  - c. For **Attributes**, select **Measure - Credit Factor**.
  - d. Click **Add to Expression**.
4. Save and close your expression.
5. Search for, and select, the expression that you just created.

### Calculating the Incentive Compensation Revenue Attainment for an Interval

Calculate the revenue attainment for each interval. Later, calculate earnings as a percentage of this attainment. Configure the formula expression for the performance measure, as shown here.

1. For **Expression Name**, select **New Expression** to open the Create Expression page.
2. Complete the general fields, as shown here.

Field	Value
<b>Name</b>	Calculate Volume Attainment Exp
<b>Description</b>	Calculates credited quantity.
<b>Type</b>	Calculation

3. In the Configure Expression section, create the expression **SUM(Credit.Credit Amount)**.
4. Save and close your expression.
5. Search for, and select, the expression that you just created.

### Calculating the Incentive Compensation Target Incentive for an Interval

Calculate the target incentive (quota attainment) for each quarter. Later, calculate earnings as a percentage of the eligible target incentive for the quarter. Configure the formula expression for the performance measure, as shown here.

1. For **Expression Name**, select **New Expression** to open the Create Expression page.
2. Complete the general fields, as shown here.

Field	Value
<b>Name</b>	Calculate Quota Attainment Exp
<b>Description</b>	Calculate quota attainment based on revenue for each quarter.
<b>Type</b>	Calculation

3. In the Configure Expression section, create the expression **SUM(Credit.Credit Amount / Measure.Interval Quota)**.
  - a. For **Attributes**, select **Aggregate Functions - SUM**.
  - b. Click (.
  - c. For **Attributes**, select **Credit - Credit Amount**.
  - d. Click /.
  - e. For **Attributes**, select **Measure - Interval Quota**.
  - f. Click **Add to Expression**.
4. Save and close your expression.
5. Search for, and select, the expression that you just created.

## Calculating Incentive Compensation Earnings Using Interpolated Rate: Examples

The following scenarios illustrate how to calculate incentive compensation earnings using an interpolated rate (also known as proportional split) across rate tiers. Both examples use this amount rate table.

Tier	Rate
0 -1,000	10
1,000 - 3,000	40
3,000 - 8,000	100
8,000 - 20,000	2,000

### Transactions Processed Individually and Split Proportionally Across Rate Tiers

In this scenario, all transactions are processed individually against the rate table. A proportional split occurs when a transaction crosses rate table tiers. The total amount of the earning is 149 USD.

In January, for transaction T1, 200 is 20 percent of the first tier, so the earning is 2 USD  $((200/1,000)*10)$ . For transaction T2, 300 USD is 30 percent of the first tier, so the earned commission is 3 USD  $((300/1000)*10)$ . For transaction T3, the first 1,000 USD fills up the first tier, and the remaining 500 USD is 25 percent of the second tier, so the earned commission is 20 USD  $(10+(500/2,000)*40)$ .

Name	Date	Amount	Commission Rate	Commission Amount
T1	01/01/2010	200	Not applicable	2
T2	01/02/2010	300	Not applicable	3
T3	01/15/2010	1,500	Not applicable	20

In February, for transaction T4, the first 1,000 USD fills up the first tier, and remaining 200 USD is 10 percent of the second tier, so the earned commission is 14 USD ( $10+(200/2,000)*40$ ). For transaction T5, the first 1000 USD fills up the first tier, and the remaining 1,000 USD is 50 percent of the second tier, so the earned commission is 30 USD ( $10+(1,000/2,000)*40$ ).

Name	Date	Amount	Commission Rate	Commission Amount
T4	02/01/2010	1,200	Not applicable	14
T5	02/15/2010	2,000	Not applicable	30

In March, for transaction T6, the first 1,000 USD fills up the first tier, the next 2,000 USD fills up the second tier, and the remaining 1,500 USD is 30 percent of the third tier, so the earned commission is 80 USD ( $10+40+(1,500/5,000)*100$ ).

Name	Date	Amount	Commission Rate	Commission Amount
T6	03/01/2010	4,500	Not applicable	80

### Calculation at End of Interval and Proportional Split for Accumulated Transactions

In this scenario, calculation occurs at the end of the interval (month, in this case). Because calculation is grouped by interval, the application creates only a single earning record for each interval. When you split the monthly attainment across rate table tiers, the total amount of compensation earned is 164 USD.

For the January attainment, the first 1,000 USD fills up the first tier, and the remaining 1,000 USD is 50 percent of the second tier, so the earning is 30 USD ( $10+(1,000/2,000)*40$ ).

Name	Date	Amount	Effective Rate	Earning Amount
January		2,000	Not applicable	30

For the February attainment, the first 1,000 USD fills up the first tier, the next 2,000 USD fills up the second tier, and the remaining 200 USD is 4 percent of the third tier, so the earning is 54 USD ( $10+40+(200/5,000)*100$ ).

Name	Date	Amount	Effective Rate	Earning Amount
February		3,200	Not applicable	54

For the March attainment, the first 1,000 USD fills up the first tier, the next 2,000 USD fills up the second tier, and the remaining 1,500 USD is 30 percent of the third tier, so the earning is 80 USD ( $10+40+(1500/5000)*100$ ).

Name	Date	Amount	Effective Rate	Earning Amount
March		4,500	Not applicable	80

## Calculating Incentive Compensation Earnings Using Step Rate: Examples

The following scenarios illustrate how to calculate incentive compensation earnings using a step rate (also called a nonproportional split) across rate tiers.

Both examples use the following percent rate table.

Tier	Rate (Percent)
0 - 1,000	1
1,000 - 3,000	2
3,000 - 8,000	3
8,000 - 20,000	5

### Transactions Processed Individually and Split Nonproportionally Across Rate Tiers

In this scenario, all incentive compensation transactions are processed individually against the rate table, but can be split nonproportionally across rate tiers. The total amount of compensation earned for the quarter is 164 USD.

In January, for transaction T3, the commission rate is 1 percent for the first 1,000 USD (first tier) and 2 percent for the remaining 500 USD (second tier), for an effective commission rate of 1.33 percent. The earned commission is 20 USD ( $1,000 \cdot .01 + 500 \cdot .02$ ).

Name	Date	Amount	Commission Rate	Commission Amount
T1	01/01/2010	200	1 percent	2
T2	01/02/2010	300	1 percent	3
T3	01/15/2010	1,500	1.33 percent	20

In February, for transaction T4, the commission rate is 1 percent for the first 1,000 USD (first tier) and 2 percent for the remaining 200 USD (second tier), for an effective commission rate of 1.167 percent. The earned commission amount is 14 USD ( $1,000 \cdot .01 + 200 \cdot .02$ ). For transaction T5, the commission rate is 1 percent for the first 1,000 USD and 2 percent for the remaining 1,000 USD, for an effective commission rate of 1.5 percent. The earned commission is 30 USD ( $1,000 \cdot .01 + 1000 \cdot .02$ ).

Name	Date	Amount	Commission Rate	Commission Amount
T4	02/01/2010	1,200	1.167 percent	14
T5	02/15/2010	2,000	1.5 percent	30

In March, for transaction T6, the commission rate is 1 percent for the first 1,000 USD (first tier), 2 percent for the next 2,000 USD (second tier), and 3 percent for the remaining 1,500 USD (third tier), for an effective commission rate of 2.11 percent. The earned commission amount is 95 USD ( $1,000 \times .01 + 2,000 \times .02 + 1,500 \times .03$ ).

Name	Date	Amount	Commission Rate	Commission Amount
T6	03/01/2010	4,500	2.11 percent	95

### Calculation at End of Interval, Nonproportional Split, Interval-to-Date

In this scenario, calculation occurs at the end of the interval (month, in this case). Because calculation is grouped by interval, the application creates only a single earning record for each interval. Monthly attainment is split across rate table tiers. The total amount of compensation earned is 181 USD.

For the January attainment, the commission rate is 1 percent for the first 1,000 USD (first tier) and 2 percent for the remaining 1,000 USD (second tier), for an effective commission rate of 1.5 percent. The earning amount is 30 USD ( $1,000 \times .01 + 1,000 \times .02$ ).

Name	Revenue Attainment	Effective Rate	Earnings
January	2,000	1.5 percent	30

For the February attainment, the commission rate is 1 percent for the first 1,000 USD (first tier), 2 percent for the next 2,000 USD (second tier), and 3 percent for the remaining 200 USD (third tier), for an effective commission rate of 1.75 percent. The earning amount is 56 USD ( $1,000 \times .01 + 2,000 \times .02 + 200 \times .03$ ).

Name	Revenue Attainment	Effective Rate	Earnings
February	3,200	1.75 percent	56

For the March attainment, the commission rate is 1 percent for the first 1,000 USD (first tier), 2 percent for the next 2,000 USD (second tier), and 3 percent for the remaining 1,500 USD (third tier), for an effective commission rate of 2.11 percent. The earning amount is 95 USD ( $1,000 \times .01 + 2,000 \times .02 + 1,500 \times .03$ ).

Name	Revenue Attainment	Effective Rate	Earnings
March	4,500	2.11 percent	95

## Expression to Calculate Incentive Compensation Earnings: Examples

The following scenarios illustrate how you calculate incentive compensation earnings for plan components.

## Calculating the Incentive Compensation Earnings for Each Transaction Based on Credit Amount

Calculate the incentive compensation earnings for each transaction using a performance measure that provides the credit amount as output. Configure the incentive formula expression for the plan component, as shown here.

1. For **Expression Name**, select **New Expression** to open the Create Expression page.
2. Complete the general fields, as shown here.

Field	Value
<b>Name</b>	US SE Commission Calculation
<b>Description</b>	Calculate earnings based on the credit amount provided as output by the performance measure.
<b>Type</b>	Calculation

3. In the Configure Expression section, create the expression **Measure.Output Achieved \* Rate Table Rate**.
  - a. For **User Defined Objects**, select **Measure results**.
  - b. Search for and select your measure.
  - c. For **Attributes**, select **Output Achieved**.
  - d. Click **Add to Expression**.
  - e. Click **\***.
  - f. For **Attributes**, select **Rate Table Rate**.
4. Save and close your expression.
5. Search for, and select, the expression that you just created.

## Calculate the Incentive Compensation Earnings for the Revenue Attainment, for an Interval

Calculate incentive compensation earnings as a percentage of revenue attainment for each interval. Configure the incentive formula expression for the plan component, as shown here.

1. For **Expression Name**, select **New Expression** to open the Create Expression page.
2. Complete the general fields, as shown here.

Field	Value
<b>Name</b>	US SE Bonus Calculation
<b>Description</b>	Calculate earnings, for an interval, based on the output of the performance measure Calculate Aggregate Revenue Attainment PM.

Type	Calculation
------	-------------

3. In the Configure Expression section, create the expression **Measure\_Name.ITD Output Achieved \* Rate Table Rate**.
  - a. For **User Defined Objects**, select **Measure results**.
  - b. Search for and select your measure.
  - c. For **Attributes**, select **ITD Output Achieved**.
  - d. Click **Add to Expression**.
  - e. Click **\***.
  - f. For **Attributes**, select **Rate Table Rate**.
4. Save and close your expression.
5. Search for, and select, the expression that you just created.

### Calculate the Incentive Compensation Earnings for the Target Incentive, for an Interval

Calculate incentive compensation earnings as a percentage of the eligible target incentive (quota attainment) for each quarter. Configure the incentive formula expression for the plan component, as shown here.

1. For **Expression Name**, select **New Expression** to open the Create Expression page.
2. Complete the general fields, as shown here.

Field	Value
<b>Name</b>	Mexico Sales Exec Bonus Calculation
<b>Description</b>	Calculate earnings for each quarter, based on the output of the quota attainment measure Calculate Quota Attainment PM.
<b>Type</b>	Calculation

3. In the Configure Expression section, create the expression **Measure\_Name.ITD Output Achieved \* Target Incentive / 4**.

---

#### Note

Assume that the incentive compensation plan specifies the target incentive for the entire year.

---

- a. For **User Defined Objects**, select **Measure results**.
- b. Search for and select your measure.
- c. For **Attributes**, select **ITD Output Achieved**.
- d. Click **Add to Expression**.
- e. Click **\***.

- f. For **Attributes**, select **Plan - Target Incentive** .
  - g. Click **/**.
  - h. Enter **4**.
  - i. Click **Add to Expression**.
4. Save and close your expression.
  5. Search for, and select, the expression that you just created.

## Incentive Compensation Dynamic Tier Expressions for Rate Table: Example

This example shows how to use an incentive compensation expression to dynamically create rate dimension tiers. Rate dimensions define the tiers that are used in a rate table--a dimension must have at least one tier. Expression type rate dimensions reference calculation expressions, and you can use them to create more complex rate tiers.

### Scenario

You want to pay bonus amounts based on percentage of quota attainment. Instead of creating a static set of rate tiers to determine the amount (such as 0 to 25 percent, 25 to 50 percent, and so on), create a rate dimension of type Expression. Then, define the tiers using calculation expressions as follows:

From Value	To Value
0 percent * Quota	25 percent * Quota
25 percent * Quota	50 percent * Quota
50 percent * Quota	75 percent * Quota
75 percent * Quota	100 percent * Quota
100 percent * Quota	9,999,999 percent * Quota

---

### Tip

To avoid any calculation error due to an unavailable tier range, the best practice is to always define the:

- From value of the lowest tier to start at 0
  - To value of the highest tier as a very high number
- 

## Calculating Monthly Bonuses Based on Quota Attainment: Worked Example

This example demonstrates how to create a new annual incentive compensation plan that provides participants with monthly bonuses as they meet their quotas for selling audio and video equipment across the United States.

The following table summarizes key decisions for the plan component in this scenario:

Decision to Consider	In This Example
What are the incentive and earning types? What is the payout frequency?	Bonus, Monetary earnings, and monthly (Period in this application)
What type is the calculation?	Interval-based
How many measures do you require and what are their weights? Are any of these measures linked?	One measure with no weight
How many rate tables do you require, and how many dimensions for each table? How do you want to apply the rate?	None Earnings are calculated using target incentive

The following table summarizes key decisions for the performance measure in this scenario:

Decisions to Consider	In This Example
How should the application process the transaction?	Group by interval
What is the unit of measure and what is the performance interval?	Percent and monthly (Period in this application)
Does the calculation involve quota?	Yes
Does the calculation involve a score card?	No

Create a new incentive compensation plan by creating the pieces first, and then associating them with the plan.

1. Create the input expression.
2. Create the performance measure and associate the input expression as the measure formula.
3. Create the output expression.
4. Create the plan component and associate the output expression as the incentive formula.
5. Create the incentive compensation plan and associate the plan component.

## Creating the Expressions

Create two expressions:

- An input expression to calculate the percentage of quota attainment for the period, which will become the performance measure formula
- An output expression that calculates the bonus payment for the period, which will become the plan component incentive formula

Perform the following steps twice, first using the input expression values, and then using the output expression values:

1. In the Compensation Plan work area, click **Create Expression** to open the Create Expression page.

2. Complete the general fields, as shown in this table.

Field	Input Expression Value	Output Expression Value
Name	Revenue Attainment Percent Exp	Calculate Bonus Calculation Exp
Description	Measure quota attainment percent by dividing revenue attainment for the period by the target for the period	Multiply period attainment percent by the target incentive (TI) for the period. Calculate monthly TI by dividing the TI defined at the plan level by 12.
Type	Calculation	Calculation

3. In the Configure Expression section, create your expression.

Input Expression	Output Expression
<ol style="list-style-type: none"> <li>For <b>Attributes</b>, select <b>Functions - Aggregate Functions - SUM</b>.</li> <li>Click <b>(</b>.</li> <li>For <b>Attributes</b>, select <b>Credit - Credit Amount</b>.</li> <li>Click <b>/</b>.</li> <li>For <b>Attributes</b>, select <b>Measure - Interval Target</b>.</li> <li>Click <b>)</b>.</li> </ol>	<ol style="list-style-type: none"> <li>For <b>User Defined Objects</b>, select <b>Measure results</b>.</li> <li>Search for and select the measure that you created: <b>Monthly Revenue Attainment PM</b>.</li> <li>Select <b>ITD Output Achieved</b>.</li> <li>Click <b>Add to Expression</b>.</li> <li>Click <b>*</b>.</li> <li>For <b>Attributes</b>, select <b>Plan - Target Incentive</b>.</li> <li>Click <b>/</b>.</li> <li>For <b>Attributes</b>, select <b>Constant</b>.</li> <li>Enter <b>12</b>.</li> <li>Click <b>Add to Expression</b>.</li> </ol>

4. The first time, click **Save and Create Another** and repeat the steps to create the second expression; then, click **Save and Close**.

## Creating the Performance Measure

Create the performance measure that calculates the percentage of monthly revenue attainment for the period, using the input expression that you created earlier.

- In the Compensation Plan work area, click **Create Performance Measure** to open the Create Performance Measure page.
- Complete the fields, as shown in this table.

Field	Value
Name	Monthly Revenue Attainment PM
Description	Compute quota attainment percent based on sales credit split received for the period.

<b>Include in participant reports</b>	Yes
<b>Use external formula</b>	No
<b>Start Date</b>	01/01/2010
<b>End Date</b>	12/31/2010
<b>Performance Interval</b>	Period (monthly)
<b>Unit of Measure</b>	Percent

- Click **Next**.
- On the Define Goal page, complete the fields, as shown in this table.

<b>Field</b>	<b>Value</b>
<b>Target</b>	1,200,000
<b>Unit of Measure</b>	Amount

- Distribute the target evenly.  
Period target amounts equal 10,000 each.
- Click **Next**.
- On the Add Credit Categories page, add the three credit categories **LCD Television**, **Home Theatre System**, and **Blu-ray Player**.  
  
If the credit categories do not exist, after you finish creating your performance measure, click **Create Credit Category** to create them. Then, click **Manage Performance Measures** to add the new credit categories to this performance measure.
- Click **Next**.
- On the Define Measure Formula page, complete the fields, as shown in this table.

<b>Field</b>	<b>Value</b>
<b>Process Transactions</b>	Grouped by interval
<b>Expression Name</b>	Search for and select the expression that you created: <b>Revenue Attainment Percent Exp.</b>

- Click **Save and Close**.  
  
This worked example does not have a score card.  
  
If you want to check your choices and entries before saving, click **Review** to open the Review page.

## Creating the Plan Component

Create the plan component that calculates the monthly bonuses for the US sales force using the performance measure and output expression (incentive formula) that you created earlier.

1. In the Compensation Plan work area, click **Create Plan Component** to open the Create Plan Component: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
<b>Name</b>	US Sales Bonus PC
<b>Description</b>	Bonus plan component that uses accumulated split credit amounts and the period target amount to calculate earnings
<b>Calculate Incentive</b>	Per interval
<b>Incentive Type</b>	Bonus
<b>Earning Type</b>	Monetary earnings
<b>Start Date</b>	01/01/2010
<b>End Date</b>	12/31/2010
<b>Calculation Phase</b>	Phase 1

3. Click **Next**.
4. Add the performance measure that you created: **Monthly Revenue Attainment PM**.
5. Click **Next**.
6. On the Define Incentive Formula page, complete the fields, as shown in this table.

Field	Value
<b>Payout Frequency</b>	Period
<b>Expression Name</b>	Search for and select the expression that you created: <b>Calculate Bonus Calculation Exp.</b>

7. Click **Save and Close**.

This worked example does not have a rate table and uses the default payment information.

If you want to check your choices and entries before saving, click **Review** to open the Review page.

## Creating the Incentive Compensation Plan

Create an incentive compensation plan for US regional managers that provides monthly bonuses based on the quota attainment for audio and video equipment sales.

1. In the Compensation Plan work area, click **Create Compensation Plan** to open the Create Compensation Plan: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
Name	US Regional Manager Bonus Computer Plan 2010
Description	Compensate regional managers for field year 2010 (1-Jan-2010 to 31-Dec-2010) based on quota attainment.
Target Incentive	1,250,000 USD
Business Unit	Vision Services
Start Date	01/01/2010
End Date	12/31/2010
	<hr/> <b>Tip</b> The best practice is to always end date your compensation plans. <hr/>
Allow Credit Category Overlap	No

3. Click **Next**.
4. On the Add Plan Component page, add the plan component that you created: **US Sales Bonus PC**.
5. Click **Save and Close**.  
If you want to check your choices and entries before saving, click **Next** to open the Review page.

## Calculating Monthly Bonuses Using Blended Attainment: Worked Example

This example demonstrates how to create a new, blended attainment incentive compensation plan component. The Sales Executive Incentive Plan provides a monthly product bonus based on the weighted revenue attainment for Computers and Monitors (60 and 40, respectively) that their salespeople sell for that month. The application calculates attainment for each product line as the total revenue that the executives' salespeople sell each month. It calculates the bonus as a percentage of the weighted monthly revenue attainment, using a simple rate table.

The following table summarizes key decisions for the plan component in this scenario:

Decision to Consider	In This Example
What are the incentive and earning types? What is the payout frequency?	Per interval, Bonus, Monetary earnings, and Monthly (Period in this application)
What type is the calculation?	Interval-based
How many measures do you required and what are their weights? Are any of these measures linked?	Two measures, weighted 60 and 40 percent respectively  Measures are not linked

How many rate tables do you require, and how many dimensions for each table? How do you want to apply the rate?	One rate table, with one dimension Use a single rate for the entire attainment
---	---

The following table summarizes key decisions for performance measures in this scenario:

Decisions to Consider	In This Example
How should the application process the transactions? What is the unit of measure and what is the performance interval?	Grouped by Interval Amount and Monthly (Period in this application)
Does the calculation involve quota?	No
Does the calculation involve a score card?	No

Create a new plan component by creating the pieces first, and then associating them with the plan component.

1. Create the input expression.
2. Create the rate table.
3. Create two performance measures, with different credit categories, and associate the input expression as the measure formula for each.
4. Create an input and an output expression.
5. Create the plan component, associate the output expression as the incentive formula, and associate the rate table created earlier.
6. Create the compensation plan and associate the plan component.

### Creating the Input Expression

Create an input expression that determines the weighted revenue attainment for the period, which both performance measures use as their measure formulas.

1. In the Compensation Plan work area, click **Create Expression** to open the Create Expression page.
2. Complete the general fields, as shown in this table.

Field	Value
<b>Name</b>	SE Product Revenue Attainment Weighted
<b>Description</b>	Expression to calculate weighted revenue attainment for the period
<b>Type</b>	Calculation

3. In the Configure Expression section, create your expression.
  - a. For **Attributes**, select **Functions - Aggregate Functions - SUM** .
  - b. Click (.
  - c. For **Attributes**, select **Credits - Credit Amount** .
  - d. Click \*.

- e. For **Attributes**, select **Measure - Weight**.
  - f. Click ).
4. Click **Save and Close**.

## Creating the Rate Table

Create a new rate table uses the weighted attainment to find the bonus amount. You associate it with the plan component later.

1. Enter the general information.
2. Create the rate dimensions.
3. Edit the rates.

### 1. Enter the general information.

1. In the Compensation Plan work area, click **Create Rate Table** to open the Create Rate Table page.
2. Complete the general fields, as shown in this table.

Field	Value
<b>Name</b>	Sales Executive Bonus RT
<b>Description</b>	Find the bonus amount based on weighted attainment.
<b>Type</b>	Percent

### 2. Create the rate dimension.

1. In the Rate Dimensions section, click **Create** to open the Create Rate Dimensions page.
2. Complete the general fields, as shown in this table.

Field	Value
<b>Name</b>	Sales Executive Bonus RD1
<b>Description</b>	This rate dimension has three tiers for revenue amount. Use it to determine the corresponding percent.
<b>Type</b>	Amount

3. In the Tiers section, add three tiers, as shown in this table.

From	To
0	10,000
10,000	20,000
20,000	9,999,999

4. Click **Save and Close**.

### 3. Edit the rates.

1. On the Create Rate Table page, click **Edit Rates**.

- Edit the rate for each tier, as shown in this table.

From and To	Rate
0 - 10,000	2.5
10,000 - 20,000	4
20,000 - 9,999,999	6

- Click **Save and Close** for your rates.
- Click **Save and Close** for your rate table.

## Creating the Performance Measures

First, create a performance measure that uses the input expression created earlier to determine revenue attainment for computers. Then, use this performance measure and the duplicate feature to create another performance measure that uses the input expression created earlier to calculate the sum of the weighted attainment for the period, for computers and monitors.

- Enter the primary details for the first performance measure.
- Define the goal for the first performance measure.
- Add the credit categories for the first performance measure.
- Define the formula for the first performance measure.
- Search for the first performance measure.
- Create the second performance measure.

### 1. Enter the primary details for the first performance measure.

- In the Compensation Plan work area, click **Create Performance Measure** to open the Create Performance Measure: Enter Primary Details page.
- Complete the fields, as shown in this table.

Field	Value
<b>Name</b>	SE Primary Product Revenue Measure
<b>Description</b>	Revenue attainment amount for computers
<b>Include in participant reports</b>	Yes
<b>Use external formula</b>	No
<b>Start Date</b>	01/01/2010
<b>End Date</b>	12/31/2010
<b>Performance Interval</b>	Period (Monthly)
<b>Unit of Measure</b>	Amount

- Click **Next**.

### 2. Define the goal for the first performance measure.

- On the Define Goal page, complete the fields, as shown in this table.

Field	Value
Target	120,000
Unit of Measure	Amount

2. Click **Next**.

### 3. Add the credit categories for the first performance measure.

1. On the Add Credit Categories page, add the credit category **Computer**.

If the credit category does not exist, after you finish creating your performance measure, click **Create Credit Category** to create it. Then, click **Manage Performance Measures** to add the new credit category to this performance measure.

2. Click **Next**.

### 4. Define the measure formula for the first performance measure.

1. On the Define Measure Formula page, complete the fields, as shown in this table.

Field	Value
Process Transactions	Grouped by Interval
Expression Name	Search for and select the expression that you created: <b>SE Product Revenue Attainment Weighted</b> .

2. Click **Save and Close**.

This worked example does not have a score card.

If you want to check your choices and entries first, click **Review** to open the Review page.

### 5. Search for the first performance measure.

1. In the Compensation Plan work area, click **Manage Performance Measures** to open the Manage Performance Measures page.

2. In the Search section, enter **SE Primary%**.

3. Click **Search**.

### 6. Create the second performance measure.

1. In the Search Results section, select the row with the name **SE Primary Product Revenue Measure**.

2. Click **Duplicate**.

3. Edit the **Name** value to **SE Secondary Product Revenue Measure**.

4. Edit the **Description** value to **Revenue attainment for monitors**.

5. In the Goal section, edit the **Target** value to **90000**.

6. Click **Credit Categories**.

7. Delete the existing **Computer** credit category row.

8. Add the credit category **Monitor**.

If the credit category does not exist, after you finish creating your performance measure, click **Create Credit Category** to create it. Then, click **Manage Performance Measures** to add the new credit category to this performance measure.

9. Click **Save and Close**.

## Creating the Input and Output Expressions

Create two expressions:

- An input expression that calculates the sum of the weighted revenue attainment for the period, for computers and monitors
- A output expression that uses weighted attainment and the rate table associated with the plan component to calculate the bonus amount

Perform the following steps twice, first using the input expression values, and then using the output expression values:

1. In the Compensation Plan work area, click **Create Expression** to open the Create Expression page.
2. Complete the general fields, as shown in this table.

Field	Input Expression Value	Output Expression Value
<b>Name</b>	SE Bonus Formula Input Exp	SE Bonus Payment Exp
<b>Description</b>	Sum of weighted attainment for the period, for both product lines.	Expression to calculate bonus amount based on weighted attainment
<b>Type</b>	Calculation	Calculation

3. In the Configure Expression section, create your expression.

Input Expression	Output Expression
<ol style="list-style-type: none"> <li>1. For <b>User Defined Objects</b>, select <b>Measure result</b>.</li> <li>2. Search for and select the measure that you created, <b>SE Primary Product Revenue Measure</b>.</li> <li>3. Select <b>ITD Output Achieved</b>.</li> <li>4. Click <b>Add to Expression</b>.</li> <li>5. Click <b>+</b>.</li> <li>6. Search for and select the measure that you created, <b>SE Secondary Product Revenue Measure</b>.</li> <li>7. Select <b>ITD Output Achieved</b>.</li> <li>8. Click <b>Add to Expression</b>.</li> </ol>	<ol style="list-style-type: none"> <li>1. Click <b>(</b>.</li> <li>2. For <b>User Defined Objects</b>, select <b>Measure result</b>.</li> <li>3. Search for and select the measure that you created, <b>SE Primary Product Revenue Measure</b>.</li> <li>4. Select <b>ITD Output Achieved</b>.</li> <li>5. Click <b>Add to Expression</b>.</li> <li>6. Click <b>+</b>.</li> <li>7. Search for and select the measure that you created, <b>SE Secondary Product Revenue Measure</b>.</li> <li>8. Select <b>ITD Output Achieved</b>.</li> <li>9. Click <b>Add to Expression</b>.</li> <li>10. Click <b>)</b>.</li> <li>11. For <b>Attributes</b>, select <b>Rate Table Result</b>.</li> <li>12. Click <b>Add to Expression</b>.</li> </ol>

4. After creating the first expression, click **Save and Create Another** and repeat the steps to create the second expression; then, click **Save and Close**.

## Creating the Plan Component

Create a bonus plan component that calculates earnings for the period using weighted attainment.

1. Enter primary details.
2. Add performance measures.
3. Define the incentive formula.
4. Add the rate table.

### 1. Enter the primary details.

1. In the Compensation Plan work area, click **Create Plan Component** to open the Create Plan Component: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
Name	SE Product Bonus 60:40
Description	Bonus plan component that uses weighted attainment to calculate earnings
Calculate Incentive	Per interval
Incentive Type	Bonus
Earning Type	Monetary earnings
Start Date	01/01/2010
End Date	12/31/2010
Calculation Phase	Phase 1

3. Click **Next**.

### 2. Add the performance measures.

1. Add the performance measures that you created, as shown in this table.

Measure Name	Weight	Earning Basis
SE Primary Product Revenue Measure	60 percent	Yes
SE Secondary Product Revenue Measure	40 percent	Yes

2. Click **Next**.

### 3. Define the incentive formula.

1. On the Define Incentive Formula page, complete the fields, as shown in this table.

Field	Value
Payout Frequency	Period
Expression Name	Search for and select the expression that you created: <b>SE Bonus Payment Exp.</b>

2. Click **Next**.

#### 4. Add the rate table.

1. In the Rate Table Parameters section, complete the fields, as shown in this table.

Field	Value
Rate Table Dimensions	1
Split Attainment Across Tiers	Yes
Apply Split	Fixed within a tier

2. In the Rate Tables section, add a row.
3. For **Name**, search for and select **Sales Executive Bonus RT**.
4. In the Sales Executive Bonus RT: Rate Dimensional Inputs section, in **Expression Name**, search for and select **SE Bonus Formula Input Exp.**
5. Click **Save and Close**.

This worked example uses the default payment information.

If you want to check your choices and entries first, click **Review** to open the Review page.

## Calculating Monthly Bonuses Using a Weighted Score: Worked Example

This example demonstrates how to calculate a monthly bonus for three product lines, Desktops, Laptops, and Printers. The incentive compensation plan calculates attainment as a weighted score that ranges from 0 to 100, based on the monthly revenue for the product lines. The plan uses a simple rate table to calculate the bonus based on the weighted score.

The following table summarizes key decisions for the plan component in this scenario.

Decision to Consider	In This Example
What are the incentive and earning types?	Bonus, Monetary earnings, and Period (represents Month in this application)
What is the payout frequency?	
What type is the calculation?	Interval-based

How many measures do you require and what are their weights?	Four measures, weights of 30, 30, 40, and 100 percent, respectively
Are any of these measures linked?	The last measure is dependent on the first three
How many rate tables do you require, and how many dimensions for each table?	One rate table, with one dimension
How do you want to apply the rate?	Split the attainment; rates are fixed within a tier

The following table summarizes key decisions for performance measures in this scenario.

Decisions to Consider	In This Example
How should the application process the transaction?	Group by interval for all measures
What is the unit of measure and what is the performance interval?	Score and Period (represents Month in this application) for all measures
Does the calculation involve quota?	No
Does the calculation involve a score card?	Yes, with one rate dimension Split the attainment; rates are fixed within a tier

Create a new incentive compensation plan by creating the pieces first, and then associate them with the plan component.

1. Create a rate dimension expression and an input expression.
2. Create two rate tables.
3. Create the three performance measures, with different credit categories, and associate the input expression as the measure formula for each.
4. Create another input expression and performance measure.
5. Create an input expression and output expression.
6. Create the plan component and associate performance measures, the output expression as the incentive formula, and the rate tables created earlier.
7. Create the incentive compensation plan and associate the plan component.

## Creating Rate Dimension and Input Expressions

Create two expressions:

- A rate dimension expression, which all three performance measures use in their scorecards, to calculate revenue attainment for the period
- An input expression, which all three performance measures use as their measure formulas, to calculate the weighted score for a product line, for a period

Perform the following steps twice, first using the rate dimension values, and then using the input expression values:

1. In the Compensation Plan work area, click **Create Expression** to open the Create Expression page.

2. Complete the general fields, as shown in this table.

Field	Rate Dimension Expression Value	Input Expression Value
Name	TS Revenue Attainment Exp	TS Score Exp
Description	Calculate revenue attainment for the period.	Calculate weighted score for a product line, for the period.
Type	Calculation	Calculation

3. In the Configure Expression section, create your expression.

Rate Dimension Expression	Input Expression
<ol style="list-style-type: none"> <li>1. For <b>Attributes</b>, select <b>Functions - Aggregate Functions - SUM</b>.</li> <li>2. Click (.</li> <li>3. For <b>Attributes</b>, select <b>Credits - Credit Amount</b>.</li> <li>4. Click ).</li> </ol>	<ol style="list-style-type: none"> <li>1. For <b>Attributes</b>, select <b>Rate Table Rate</b>.</li> <li>2. Click *.</li> <li>3. For <b>Attributes</b>, select <b>Measure - Weight</b>.</li> </ol>

4. The first time, click **Save and Create Another** and repeat the steps to create the second expression; then, click **Save and Close**.

## Creating Score Performance Measures and Plan Component Rate Tables

Create two rate tables:

- One that all three performance measures use in the scorecard, to find the score to apply when calculating bonus earnings, based on revenue attainment.
- One that the plan component uses, to find the bonus, based on the weighted score.

Perform the following steps twice, first using the performance measure values, and then using the plan component values:

1. Enter the general information.
2. Create the rate dimensions.
3. Edit the rates.

### 1. Enter the general information.

1. In the Compensation Plan work area, click **Create Rate Table** to open the Create Rate Table page.
2. Complete the general fields, as shown in this table.

Field	Performance Measures Rate Table Value	Plan Component Rate Table Value
Name	TS Score RT	TS Bonus RT

<b>Description</b>	Find the score to apply, based on the revenue amount.	Find the bonus based on weighted score.
<b>Type</b>	Amount	Amount

## 2. Create the rate dimensions.

1. In the Rate Dimensions section, click **Create** to open the Create Rate Dimensions page.
2. Complete the general fields, as shown in this table.

<b>Field</b>	<b>Performance Measures Rate Dimension Value</b>	<b>Plan Component Rate Dimension Value</b>
<b>Name</b>	TS Score RD	TS Bonus RD
<b>Description</b>	This single rate dimension has four tiers for revenue amount. Use it to determine the corresponding score.	This single rate dimension has five tiers for weighted score. Use it to determine the corresponding bonus amount.
<b>Type</b>	Amount	Amount

3. In the Tiers section, add the tiers, as shown in these tables.

Performance Measures Rate Table

<b>From</b>	<b>To</b>
0	10,000
10,000	50,000
50,000	100,000
100,000	9,999,999

Plan Component Rate Table

<b>From</b>	<b>To</b>
0	20
20	40
40	60
60	80
80	999

4. Click **Save and Close**.

## 3. Edit the rates.

1. Click **Edit Rates**.

- Edit the rate for each tier, as shown in these tables.

Performance Measures Rate Table

From and To	Rate
0 - 10,000	25
10,000 - 50,000	50
50,000 - 100,000	75
100,000 - 9,999,999	100

Plan Component Rate Table

From and To	Rate
0 - 20	1,000
20 - 40	2,000
40 - 60	3,000
60 - 80	4,000
80 - 999	5,000

- Click **Save and Close** for your rates.
- The first time, click **Save and Create Another** and repeat the steps to create the second rate table; then, click **Save and Close**.

## Creating Product Score Performance Measures

Create one product score performance measure that uses the input expression created earlier to determine the Desktop revenue attainment amount based on revenue for the period (month). Then, use this performance measure and the duplicate feature to create two more performance measures to determine Laptop and Printer attainment, respectively.

- Enter the primary details for the first performance measure.
- Define the goal for the first performance measure.
- Add credit categories for the first performance measure.
- Define the measure formula for the first performance measure.
- Add the score card for the first performance measure.
- Create the second and third performance measures by duplicating the first one.

### 1. Enter the primary details for the first performance measure.

- In the Compensation Plan work area, click **Create Performance Measure** to open the Create Performance Measure: Enter Primary Details page.
- Complete the fields, as shown in this table.

Field	Value
Name	TS Product A Score PM

<b>Description</b>	Compute the revenue attainment amount for the period based on sales credit received for desktops.
<b>Include in participant's reports</b>	Yes
<b>Use external formula</b>	No
<b>Start Date</b>	01/01/2010
<b>End Date</b>	12/31/2010
<b>Performance Interval</b>	Period (Month)
<b>Unit of Measure</b>	Score

3. Click **Next**.

## 2. Define the goal for the first performance measure.

1. On the Define Goal page, complete the fields, as shown in this table.

Field	Value
<b>Target</b>	1,200,000
<b>Unit of Measure</b>	Amount

2. Click **Next**.

## 3. Add credit categories for the first performance measure.

1. On the Add Credit Categories page, add the credit category **Desktop**.

If the credit category does not exist, click **Create Credit Category** to create it after you finish creating your performance measure. Then, click **Manage Performance Measures** to add the new credit categories to this performance measure.

2. Click **Next**.

## 4. Define the measure formula for the first performance measure.

1. On the Define Measure Formula page, complete the fields, as shown in this table.

Field	Value
<b>Process Transactions</b>	Grouped by interval
<b>Expression Name</b>	Search for, and select, the expression that you created: <b>TS Score Exp.</b>

2. Click **Next**.

## 5. Add the score card for the first performance measure.

1. On the Add Scorecard page, complete the fields, as shown in this table.

Field	Value
<b>Rate Table Dimensions</b>	1

<b>Split Attainment Across Tiers</b>	Yes
<b>Apply Split</b>	Fixed within a tier

2. In the Rate Tables section, add a row.
3. For **Name**, search for and select **TS Score RT**.
4. In the TS Score RT: Rate Dimensional Inputs section, for **Expression Name**, search for and select **TS Revenue Attainment Exp**.
5. Click **Save and Close**.

This worked example uses the default payment information.

If you want to check your choices and entries before saving, click **Review** to open the Review page.

## 6. Create the second and third performance measures by duplicating the first one.

1. In the Compensation Plan work area, click **Manage Performance Measures** to open the Manage Performance Measures page.
2. In the Search section, enter **TS Product A%**.
3. Click **Search**.
4. In the Search Results section, select the row with the name **TS Product A Score PM**.
5. Click **Duplicate**.
6. The first time, edit the **Name** value to **TS Product B Score PM**. The second time, edit it to **TS Product C Score PM**.
7. The first time, edit the **Description** value to **Compute revenue attainment amount for the period based on sales credit received for laptops**. The second time, edit it to **Compute revenue attainment amount for the period based on sales credit received for printers**.
8. Click **Credit Categories**.
9. Delete the existing **Desktops** credit category.
10. The first time, add the new credit category, **Laptop**; the second time, add **Printer**.  
If the credit category does not exist, click **Create Credit Category** to create it after you finish creating your performance measure. Then, click **Manage Performance Measures** to add the new credit category to this performance measure.
11. The first time, click **Save and Close** and return to step 5; then, click **Save and Close**.

## Creating the TS Weighted Score Expression and Performance Measure

### 1. Create the TS Weighted Score Exp expression.

Create an input expression that the performance measure that you create next uses to calculate the sum of the weighted score for the period, for all product lines

1. In the Compensation Plan work area, click **Create Expression** to open the Create Expression page.
2. Complete the general fields, as shown in this table.

Field	Value
Name	TS Weighted Score Exp
Description	Sum of weighted core for all product lines, for the period
Type	Calculation

3. In the Configure Expression section, create your expression.
  - a. For **User Defined Objects**, select **Measure result**.
  - b. For **Measure**, select **TS Product A Score PM**.
  - c. Select **ITD Output Achieved**.
  - d. Click **Add to Expression**.
  - e. Click **+**.
  - f. For **Measure**, select **TS Product B Score PM**.
  - g. Select **ITD Output Achieved**.
  - h. Click **Add to Expression**.
  - i. Click **+**.
  - j. For **Measure**, select **TS Product C Score PM**.
  - k. Select **ITD Output Achieved**.
  - l. Click **Add to Expression**.
4. Click **Save and Close**.

## 2. Create the TS Weighted Score PM performance measure.

To determine the weighted score by summing the individual scores, create a performance measure that uses the input expression that you just created.

1. In the Compensation Plan work area, click **Create Performance Measure** to open the Create Performance Measure: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
Name	TS Weighted Score PM
Description	Compute weighted score by adding the individual scores.
Include in participant's reports	Yes
Use external formula	No
Start Date	01/01/2010
End Date	12/31/2010
Performance Interval	Period (Month)

<b>Unit of Measure</b>	Score
------------------------	-------

- Click Define Measure Formula in the task flow.
- Complete the fields, as shown in this table.

Field	Value
<b>Process Transactions</b>	Grouped by interval
<b>Expression Name</b>	Search for and select the expression that you created: <b>TS Weighted Score Exp.</b>

- Click **Save and Close**.

This performance measure does not have a scorecard.

If you want to check your choices and entries before saving, click **Review** to open the Review page.

## Creating Bonus Payment Expressions

Create two expressions.

- An input expression for calculating the monthly product bonus
- An output expression to calculate the monthly product bonus based on the weighted score

Perform the following steps twice, first using the input expression values, and then using the output expression values:

- In the Compensation Plan work area, click **Create Expression** to open the Create Expression page.
- Complete the general fields, as shown in this table.

Field	Input Expression Value	Output Expression Value
<b>Name</b>	TS Bonus Payment Input Exp	TS Bonus Payment Exp
<b>Description</b>	Input expression (weighted score) to calculate the bonus.	Calculate bonus amount based on weighted score.
<b>Type</b>	Calculation	Calculation

- In the Configure Expression section, create your expression.

Input Expression	Output Expression
<ol style="list-style-type: none"> <li>For <b>User Defined Objects</b>, select <b>Measure results</b>.</li> <li>For <b>Measure</b>, search for and select the measure that you created: <b>TS Weighted Score PM</b>.</li> <li>Click <b>Add to Expression</b>.</li> <li>Select <b>ITD Output Achieved</b>.</li> </ol>	<ol style="list-style-type: none"> <li>For <b>Attributes</b>, select <b>Rate Table Result</b>.</li> <li>Click <b>Add to Expression</b>.</li> </ol>

- The first time, click **Save and Create Another** and repeat the steps to create the second expression; then, click **Save and Close**.

## Creating the Plan Component

To calculate monthly earnings using weighted scores, create a product bonus plan component that contains the performance measures created earlier.

- Enter the primary details for the plan component.
- Add the Desktop, Laptop, and Printer score performance measures to the plan component.
- Define the incentive formula for the plan component.
- Add the rate table to the plan component.

### 1. Enter the primary details for the plan component.

- In the Compensation Plan work area, click **Create Plan Component** to open the Create Plan Component: Enter Primary Details page.
- Complete the fields, as shown in this table.

Field	Value
Name	TS Product Bonus PC
Description	Bonus plan component that uses weighted score to calculate earnings
Calculate Incentive	Per interval
Incentive Type	Bonus
Earning Type	Monetary earnings
Start Date	01/01/2010
End Date	12/31/2010
Calculation Phase	Phase 1

- Click **Next**.

### 2. Add the Desktop, Laptop, and Printer score performance measures to the plan component.

- Add the performance measures that you created and set the corresponding weight and earning basis values, as shown in this table.

Measure Name	Weight	Earning Basis
TS Product A Score PM	30 percent	Yes
TS Product B Score PM	30 percent	Yes
TS Product C Score PM	40 percent	Yes
TS Weighted Score PM	100 percent	No

- Click **Next**.

### 3. Define the incentive formula for the plan component.

1. On the Define Incentive Formula page, complete the fields, as shown in this table.

Field	Value
Payout Frequency	Period
Expression Name	Search for and select the expression that you created: <b>TS Bonus Payment Exp.</b>

2. Click **Next**.

### 4. Add the rate table to the plan component.

1. On the Add Rate Table page, complete the fields, as shown in this table.

Field	Value
Rate Table Dimensions	1
Split Attainment Across Tiers	No

2. In the Rate Tables section, add a row.
3. For **Name**, search for and select **TS Bonus RT**.
4. In the TS Bonus RT: Rate Dimensional Inputs section, for **Expression Name**, search for and select **TS Bonus Payment Input Exp.**
5. Click **Save and Close**.

This worked example used the default payment information.

If you want to check your choices and entries before saving, click **Review** to open the Review page.

### Creating the Incentive Compensation Plan

Using a score card, create an incentive compensation plan that contains the plan component created earlier and that calculates monthly bonuses for three product lines.

1. In the Compensation Plan work area, click **Create Compensation Plan** to open the Create Compensation Plan: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
Name	Technical Sales Bonus Plan 2010
Description	Compensate technology salespeople for field year 2010 (1-Jan-2010 to 31-Dec-2010) based on revenue attainment using scorecard
Target Incentive	50,000 USD

<b>Business Unit</b>	Vision Services
<b>Start Date</b>	01/01/2010
<b>End Date</b>	12/31/2010
<b>Allow Credit Category Overlap</b>	No

3. Click **Next**.
4. On the Add Plan Component page, add the plan component, **TS Sales Bonus PC**.
5. Click **Save and Close**.

If you want to check your choices and entries before saving, click **Review** to open the Review page.

## Calculating Monthly Product Bonuses with a Scorecard: Worked Example

This example demonstrates how to create a performance measure that uses weighted scores to calculate monthly product bonuses. The Technology Sales Incentive Plan provides a monthly product bonus that is based on the dollar value of the computers that the sales force sells for that month. The plan calculates attainment as a weighted score that could range from 0 to 100. It calculates the score for each product line based on the monthly revenue for three product lines (Desktops, Laptops, and Printers).

The following table summarizes key decisions for the performance measure in this scenario:

Decisions to Consider	In This Example
How should the application process the transactions?	Grouped by interval,
What is the unit of measure and what is the performance interval?	Score and Period (represents Month in this application)
Does the calculation involve quota?	No
Does the calculation involve a score card?	Yes

Create a new performance measure by creating the pieces first, and then associating them with the performance measure.

1. Create the input and score expressions.
2. Create the score rate table.
3. Create one performance measure, associate the input expression as the measure formula, and associate the rate table and score expression with the score card.

### Creating the Expressions

Create two expressions:

- An input expression to calculate revenue attainment for the month (Period), which the performance measure uses as the measure formula
- An expression to calculate the weighted score for the month (Period), for a product line

Perform the following steps twice, first using the input expression values, and then using the weighted score expression values:

1. In the Compensation Plan work area, click **Create Expression** to open the Create Expression page.
2. Complete the general fields, as shown in this table.

Field	Input Expression Value	Weighted Score Expression Value
<b>Name</b>	TS Revenue Attainment Exp	TS Score Exp
<b>Description</b>	Expression to calculate revenue attainment for the period	Calculate weighted score for the period, for a product line.
<b>Type</b>	Calculation	Calculation

3. In the Configure Expression section, create your expression.

Input Expression	Weighted Score Expression
<ol style="list-style-type: none"> <li>1. For <b>Attributes</b>, select <b>Functions - Aggregate Functions - SUM</b>.</li> <li>2. Click (.</li> <li>3. For <b>Attributes</b>, select <b>Credits - Credit Amount</b>.</li> <li>4. Click ).</li> </ol>	<ol style="list-style-type: none"> <li>1. For <b>Attributes</b>, select <b>Rate Table Rate</b>.</li> <li>2. Click *.</li> <li>3. For <b>Attributes</b>, select <b>Measure - Weight</b>.</li> </ol>

4. The first time, click **Save and Create Another** and repeat the steps to create the second expression; the second time, click **Save and Close**.

## Creating a Scorecard

Create a scorecard for the performance measure to use to find the score to apply based on generated revenue.

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### Note

Create rate tables and associate them with performance measures to create scorecards.

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1. Enter the general information.
2. Create the rate dimension.
3. Edit the rates.

### 1. Enter the general information.

1. In the Compensation Plan work area, click **Create Rate Table** to open the Create Rate Table page.

2. Complete the general fields, as shown in this table.

Field	Value
Name	Technical Sales Score RT
Description	Find the score to apply based on the revenue amount.
Type	Amount

## 2. Create the rate dimension.

1. In the Rate Dimensions section, click **Create** to open the Create Rate Dimensions page.
2. Complete the general fields, as shown in this table.

Field	Value
Name	Technical Sales Score RD
Description	This single rate dimension has four tiers for revenue amount. Use it to determine the corresponding score.
Type	Amount

3. In the Tiers section, add four tiers, as shown in this table.

From	To
0	10,000
10,000	50,000
50,000	100,000
100,000	9,999,999

4. Click **Save and Close**.

## 3. Edit the rates.

1. On the Create Rate Table page, click **Edit Rates**.
2. Edit the rate for each tier, as shown in this table.

From and To	Rate
0 - 10,000	25
10,000 - 50,000	50
50,000 - 100,000	75
100,000 - 9,999,999	100

3. Click **Save and Close** for your rates.
4. Click **Save and Close** for your rate table.

## Creating a Performance Measure

Create a performance measure that determines revenue attainment for the period based on desktop sales credits.

1. Enter the primary details.
2. Define the goal.
3. Add the credit categories.
4. Define the measure formula.
5. Add the score card.

### 1. Enter the primary details.

1. In the Compensation Plan work area, click **Create Performance Measure** to open the Create Performance Measure: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
Name	TS Product A Score PM
Description	Compute revenue attainment amount for the period based on sales credit received for desktops.
Include in participant reports	Yes
Use external formula	No
Start Date	01/01/2010
End Date	12/31/2010
Performance Interval	Period (Month)
Unit of Measure	Score

3. Click **Next**.

### 2. Define the goal.

1. On the Define Goal page, complete the fields, as shown in this table.

Field	Value
Target	1,200,000
Unit of Measure	Amount

2. Click **Next**.

### 3. Add the credit categories.

1. On the Add Credit Categories page, add the category **Desktop**.

If the credit category does not exist, click **Create Credit Category** to create it after you finish creating your performance measure. Then, click

**Manage Performance Measures** to add the new credit category to this performance measure.

2. Click **Next**.

#### 4. Define the measure formula.

1. On the Define Measure Formula page, complete the fields, as shown in this table.

Field	Value
Process Transactions	Grouped by interval
Expression Name	Search for and select the expression that you created: <b>TS Score Exp.</b>

2. Click **Next**.

#### 5. Add the score card.

1. On the Add Scorecard page, complete the fields, as shown in this table.

Field	Value
Rate Table Dimensions	1
Split Attainment Across Tiers	Yes
Apply Split	Fixed within a tier

2. In the Rate Tables section, add a row.
3. For **Name**, search for and select **TS Score RT**.
4. In the TS Score RT: Rate Dimensional Inputs section, for **Expression Name**, search for and select **TS Revenue Attainment Exp.**
5. Click **Save and Close**.

This worked example uses the default payment information.

If you want to check your choices and entries before saving, click **Review** to open the Review page.

## Calculating Quarterly Bonuses Using a Multidimensional Rate Table: Worked Example

This example demonstrates how to create a plan component to calculate a quarterly incentive bonus that is based on the generated revenue attainment for the Computers and Accessories product lines. The plan calculates the attainment for each product line as the summarized revenue that the salespeople generate for each quarter. It calculates the bonus as a percentage of the total quarterly revenue attainment of both product lines, using a two dimensional rate table.

The following table summarizes key decisions for the plan component in this scenario:

Decision to Consider	In This Example
What are the incentive and earning types? What is the payout frequency?	Bonus, Monetary earnings, and Quarter
What type is the calculation?	Interval-based
How many measures do you require and what are their weights? Are any of these measures linked?	Two measures, weight of 100 percent for each The measures are linked
How many rate tables do you require, and how many dimensions for each table? How do you want to apply the rate?	One rate table, with two dimensions Use a single rate for the entire attainment

The following table summarizes key decisions for performance measures in this scenario:

Decisions to Consider	In This Example
How should the application process the transaction?	Group by interval
What is the unit of measure and what is the performance interval?	Amount and Quarter
Does the calculation involve quota?	No
Does the calculation involve a score card?	No

Create a new plan component by creating the pieces first, and then associating them with the plan component.

1. Create the input expression.
2. Create the rate table.
3. Create the two performance measures, with different credit categories, and associate the input expression as the measure formula for each.
4. Create two input expressions and one output expression.
5. Create the plan component, associate the output expression as the incentive formula, and associate the rate table created earlier.

## Creating the Input Expression

Create an input expression to calculate revenue attainment for the interval (Quarter), which both performance measures use as their measure formulas.

1. On the Compensation Plan Overview page, click **Create Expression** to open the Create Expression page.
2. Complete the general fields, as shown in this table.

Field	Value
<b>Name</b>	Canada SE Revenue Attainment Exp
<b>Description</b>	Measure revenue attainment for the interval.
<b>Type</b>	Calculation

3. In the Configure Expression section, create your expression.

- a. For **Attributes**, select **Functions - Aggregate Functions - SUM** .
  - b. Click (.
  - c. For **Attributes**, select **Credits - Credit Amount** .
  - d. Click ).
4. Click **Save and Close**.

## Creating the Rate Table

Create a new rate table that uses revenue attainment to find the rate to apply when calculating bonus earnings. You associate it with the plan component that you create later.

1. Enter the general information.
2. Create the rate dimensions.
3. Edit the rates.

### 1. Enter the general information.

1. On the Compensation Plan Overview page, click **Create Rate Table** to open the Create Rate Table page.
2. Complete the general fields, as shown in this table.

Field	Value
<b>Name</b>	Canada SE Bonus RT
<b>Description</b>	Two dimensional rate table to find the bonus based on revenue attainment for the product lines Computers and Accessories.
<b>Type</b>	Percent

### 2. Create the rate dimensions.

Perform the following steps twice, the first time using the computer attainment values, and then using the accessories attainment values.

1. In the Rate Dimensions section, click **Create** to open the Create Rate Dimensions page.
2. Complete the general fields, as shown in this table.

Field	Computer Attainment Value	Accessories Attainment Value
<b>Name</b>	Canada SE Computers Attainment RD	Canada SE Accessories Attainment RD
<b>Description</b>	This rate dimension has three tiers for revenue attainment ranges. Use it to determine the corresponding bonus rate.	This rate dimension has two tiers for revenue attainment ranges. Use it to determine the corresponding bonus rate.
<b>Type</b>	Amount	Amount

3. In the Tiers section, add the tiers, as shown in this table.

Computer Attainment RD

From	To
0	10,000
10,000	20,000
20,000	9,999,999

Accessories Attainment RD

From	To
0	5,000
5,000	9,999,999

4. The first time, click **Save and Create Another** and repeat the steps to create the second rate dimension; the second time, click **Save and Close**.

### 3. Edit the rates.

Perform the following steps twice, the first time using the computer attainment values, and then using the accessories attainment values.

1. Click **Edit Rates**.
2. Edit the rate for each tier, as shown in this table.

Canada SE Computers Attainment RD	Canada SE Accessories Attainment RD	Rate Percent
0 - 10,000	0 - 5000	2.5
0 - 10,000	5000 -- 999999	3
10,000 - 20,000	0 - 5000	4
10,000 - 20,000	5000 - 999999	5
20,000 - 999999	0 - 5000	6
20,000 - 999999	5000 - 999999	7

3. Click **Save and Close** for your rates.
4. The first time, click **Save and Create Another** for your rate table and repeat the steps to create the second rate dimension; the second time, click **Save and Close**.

### Creating Performance Measures

Create two performance measures that use the input expression created earlier to determine the revenue attainment amount for the interval (quarter), for the Computers and Accessories product lines, respectively. Use the first performance measure and the duplicate feature to create the second performance measure.

1. Enter the primary details for the first performance measure.
2. Define the goal for the first performance measure.
3. Add the credit categories for the first performance measure.
4. Define the formula for the first performance measure.
5. Search for the first performance measure.
6. Create the second performance measure.

### 1. Enter the primary details for the first performance measure.

1. On the Compensation Plan Overview page, click **Create Performance Measure** to open the Create Performance Measure: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
Name	Canada SE Computer Revenue PM
Description	Computers revenue attainment amount based on sales credit received for the interval.
Include in participant reports	Yes
Use external formula	No
Start Date	01/01/2010
End Date	12/31/2010
Performance Interval	Quarter
Unit of Measure	Amount

3. Click Next.

### 2. Define the goal for the first performance measure.

1. On the Define Goal page, complete the fields, as shown in this table.

Field	Value
Target	1,200,000
Unit of Measure	Amount

2. Click Next.

### 3. Add the credit categories for the first performance measure.

1. On the Add Credit Categories page, add the two categories **Desktop** and **Laptop**.

If the credit categories do not exist, after you finish creating your performance measure, click **Create Credit Category** to create them. Then, click **Manage Performance Measures** to add the new credit categories to this performance measure.

2. Click **Next**.

#### 4. Define the formula for the first performance measure.

1. On the Define Measure Formula page, complete the fields, as shown in this table.

Field	Value
Process Transactions	Grouped by interval
Expression Name	Search for and select the expression that you created: <b>Canada SE Revenue Attainment Exp.</b>

2. Click **Save and Close**.

This worked example does not have a score card.

If you want to check your choices and entries before saving, click **Review** to open the Review page.

#### 5. Search for the first performance measure.

1. On the Compensation Plan Overview page, click **Manage Performance Measures** to open the Manage Performance Measures page.
2. In the Search section, enter **Canada SE Computer%**.
3. Click **Search**.

#### 6. Create the second performance measure.

1. In the Search Results section, select the row with the name Canada SE Computer Revenue PM.
2. Click **Duplicate**.
3. Edit the **Name** value to **Canada SE Accessories Revenue Measure PM**.
4. Edit the **Description** value to **Accessories revenue attainment amount based on sales credit received for the interval**.
5. Click **Credit Categories**.
6. Delete the existing **Desktop** and **Laptop** credit category rows.
7. Add two new credit categories, **Printers** and **Monitors**.

If the credit categories do not exist, after you finish creating your performance measure, click **Create Credit Category** to create them. Then, click **Manage Performance Measures** to add the new credit categories to this performance measure.

8. Click **Save and Close**.

### Creating Expressions

Create three expressions:

- Two input expressions that calculate the product revenue attainment for the interval, for the Computers and Accessories product lines, respectively

- An output expression that calculates the bonus payment

Perform the following steps three times, first using the computer input expression values, second using the accessories input expression values, and third using the output expression values:

1. On the Compensation Plan Overview page, click **Create Expression** to open the Create Expression page.
2. Complete the general fields, as shown in this table.

Field	Computer Input Expression Value	Accessories Input Expression Value	Output Expression Value
<b>Name</b>	Canada SE Bonus Input Computers Exp	Canada SE Bonus Input Accessories Exp	Canada SE Bonus Calculation Exp
<b>Description</b>	Expression to get the attainment of Canada SE Computer Revenue PM	Expression to get the attainment of Canada SE Accessories Revenue PM	Expression to calculate the bonus
<b>Type</b>	Calculation	Calculation	Calculation

3. In the Configure Expression section, create your expression.

Computer Input Expression	Accessories Input Expression	Output Expression
<ol style="list-style-type: none"> <li>1. For <b>User Defined Objects</b>, select <b>Measure results</b>.</li> <li>2. Search for and select the measure that you created, <b>Canada SE Computer Revenue PM</b>.</li> <li>3. For <b>Attributes</b>, select <b>ITD Output Achieved</b>.</li> <li>4. Click <b>Add to Expression</b>.</li> </ol>	<ol style="list-style-type: none"> <li>1. Search for and select the measure that you created: <b>Canada SE Accessories Revenue PM</b>.</li> <li>2. Select <b>ITD Output Achieved</b>.</li> <li>3. Click <b>Add to Expression</b>.</li> </ol>	<ol style="list-style-type: none"> <li>1. Click (.</li> <li>2. For <b>User Defined Objects</b>, select <b>Measure results</b>.</li> <li>3. Search for and select the measure that you created, <b>Canada SE Computer Revenue PM</b>.</li> <li>4. Select <b>ITD Output Achieved</b>.</li> <li>5. Click <b>Add to Expression</b>.</li> <li>6. Click +.</li> <li>7. Search for and select the measure that you created, <b>Canada SE Accessories Revenue PM</b>.</li> <li>8. Select <b>ITD Output Achieved</b>.</li> <li>9. Click <b>Add to Expression</b>.</li> <li>10. Click ).</li> <li>11. Click <b>Rate Table Result</b>.</li> <li>12. Click <b>Add to Expression</b>.</li> </ol>

- The first two times, click **Save and Create Another** and repeat the steps to create the remaining expressions; then, click **Save and Close**.

## Creating a Plan Component

Create a bonus plan component that calculates earnings for the interval (Quarter) using total revenue attainment.

- Enter the primary details.
- Add the performance measures.
- Define the incentive formula.
- Add the rate table.

### 1. Enter the primary details.

- On the Compensation Plan Overview page, click **Create Plan Component** to open the Create Plan Component: Enter Primary Details page.
- Complete the fields, as shown in this table.

Field	Value
<b>Name</b>	Canada SE Sales Bonus PC
<b>Description</b>	Bonus plan component based on total revenue to calculate earnings
<b>Calculate Incentive</b>	Per interval
<b>Incentive Type</b>	Bonus
<b>Earning Type</b>	Monetary earnings
<b>Start Date</b>	01/01/2010
<b>End Date</b>	12/31/2010
<b>Calculation Phase</b>	Phase 1

- Click **Save and Close**.

This worked example uses the default payment information.

If you want to check your choices and entries before saving, click **Review** to open the Review page.

### 2. Add the performance measures.

- Add the performance measures that you created, as shown in this table.

Performance Measure Name	Weight	Earning Basis
Canada SE Computer Revenue Measure	100 percent	Yes
Canada SE Accessories Revenue Measure	100 percent	Yes

- Click Next.

### 3. Define the incentive formula.

1. On the Define Incentive Formula page, complete the fields, as shown in this table.

Field	Value
Payout Frequency	Quarter
Expression Name	Search for and select the expression that you created: <b>Canada SE Bonus Calculation Exp.</b>

2. Click **Next**.

### 4. Add the rate table

1. In the Rate Table Parameters section, complete the fields, as shown in this table.

Field	Value
Rate Table Dimensions	2
Split Attainment Across Tiers	Yes
Apply Split	Fixed within a tier

2. In the Rate Tables section, add a row.
3. For **Name**, search for and select **Canada SE Bonus RT**.
4. In the Canada SE Bonus RT: Rate Dimensional Inputs section, in the row containing the dimension name Canada SR Computers Attainment RD, for **Expression Name**, search for and select **Canada SE Bonus Input Computers Exp.**
5. In the row containing the dimension name Canada SE Accessories Attainment RD, for **Expression Name**, search for and select **Canada SE Bonus Input Accessories Exp.**
6. Click **Save and Close**.

This worked example uses the default payment information.

If you want to check your choices and entries before saving, click **Review** to open the Review page.

## Calculating Monthly Commissions Based on Percentages of Generated Revenue: Worked Example

This example demonstrates how to create a new annual incentive compensation plan that provides participants with a monthly commission based on a percentage of the generated revenue and includes no cap.

The following table summarizes key decisions for the plan component in this scenario:

Decision to Consider	In This Example
What are the incentive and earning types? What is the payout frequency?	Commission, Monetary earnings, and Period (represents Month in this application)
What type is the calculation?	Interval-based
How many measures do you require and what are their weights? Are any of these measures linked?	One measure with no weight
How many rate tables do you require, and how many dimensions for each table? How do you want to apply the rate?	One rate table with one dimension and four tiers Split the attainment, rates are fixed within a tier

The following table summarizes key decisions for the performance measure in this scenario:

Decisions to Consider	In This Example
How should the application process the transaction?	Individually
What is the unit of measure and what is the performance interval?	Amount and Period (represents Month in this application)
Does the calculation involve quota?	No
Does the calculation involve a score card?	No

Create the new incentive compensation plan using a top-down approach.

1. Enter the primary details for the incentive compensation plan.
2. Add a new plan component.
3. Add a new performance measure that includes a new input expression as the measure formula.
4. Define a new output expression as the incentive formula for the plan component.
5. Add a new rate table for the plan component to use with the incentive formula.

## Entering Primary Details for Compensation Plan

Create an incentive compensation plan that pays US salespeople a percentage on desktop sales revenue, without any cap, for field year 2010.

1. On the Compensation Plan Overview page, click **Create Compensation Plan** to open the Create Compensation Plan: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
<b>Name</b>	US Salesperson Computer Plan 2010
<b>Description</b>	Pay a percentage on revenue amount generated, without any cap, to encourage desktop sales and build market share.

<b>Target Incentive</b>	10,000 USD
<b>Business Unit</b>	Vision Services
<b>Start Date</b>	01/01/2010
<b>End Date</b>	12/31/2010
<b>Allow Credit Category Overlap</b>	No

3. Click Next.

## Adding New Plan Component

This worked example adds a new plan component, rather than an existing one, which calculates earnings using credit amounts (incentive formula) and a percentage rate table.

1. On the Add Plan Component page, in the Plan Components section, click **Create** to open the Create Plan Component: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
<b>Name</b>	US Sales Commission PC
<b>Description</b>	Commission plan component that uses credit amounts and a percentage rate table to calculate earnings
<b>Calculate Incentive</b>	Per event
<b>Incentive Type</b>	Commission
<b>Earning Type</b>	Monetary earnings
<b>Start Date</b>	01/01/2010
<b>End Date</b>	12/31/2010
<b>Calculation Phase</b>	Phase 1

3. Click Next.

## Adding New Performance Measure to Plan Component

This worked example adds a new performance measure, rather than an existing one, that calculates attainment as the credit amount that the application generates for each transaction (measure formula).

1. Enter the primary details.
2. Add the credit categories.
3. Define the formula for the measure.

### 1. Enter the primary details.

1. On the Add Performance Measure page, in the Performance Measures section, click **Create** to open the Create Performance Measure: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
Name	Calculate Attainment (Credit Amount) PM
Description	Measures attainment as credit amount generated for each transaction.
Include in participant reports	Yes
Use external formula	No (clear)
Start Date	01/01/2010
End Date	12/31/2010
Performance Interval	Period (Monthly)
Unit of Measure	Amount

3. Click **Add Credit Categories**.

This worked example does not have a goal.

## 2. Add the credit categories.

1. On the Add Credit Categories page, add the three credit categories **RG Desktop**; **RG Monitor, Keyboard**; and **Wireless Keyboard**.

If the credit categories do not exist, after you finish creating your performance measure, click **Create Credit Category** to create them. Then, click **Manage Performance Measures** to add the new credit categories to this performance measure.

2. Click **Next**.

## 3. Define the formula for the measure.

1. On the Define Measure Formula page, for **Process Transactions**, select **Individually**.
2. For **Expression Name**, select **New Expression**.
3. On the Create Expression page, complete the general fields, as shown in this table.

Field	Value
Name	Measure Attainment
Description	Measure attainment as credit amount generated for the transaction.
Type	Calculation

4. In the Configure Expression section, for **Attribute**, select **Credits - Credit Amount**.
5. Click **Save and Close**.
6. On the Define Measure Formula page, in **Expression Name**, the application automatically inserts the name of the expression that you just created.

7. Select **Running total**.
8. Click **Save and Close**.

This worked example does not have a score card.

If you want to check your choices and entries before saving, click **Next** to open the Review page.

## Defining New Incentive Formula for Plan Component

Create a formula to calculate sales earnings using the performance measure **Calculate Attainment (Credit Amount)**.

1. On the Define Incentive Formula page, for **Payout Frequency**, select **Period**.
2. For **Expression Name**, select **New Expression**.
3. On the Create Expression page, complete the general fields, as shown in this table.

Field	Value
<b>Name</b>	Calculate Sales Earnings
<b>Description</b>	Calculate earnings based on the output of the performance measure Calculate Attainment (Credit Amount).
<b>Type</b>	Calculation

4. In the Configure Expression section, create the expression, as shown here.
  - a. For **User Defined Objects**, select **Measure results**.
  - b. Search for and select your measure: **Calculate Attainment (Credit Amount) PM**.
  - c. For **Attribute**, select **ITD Output Achieved**.
  - d. Click **Add to Expression**.
  - e. Click **\***.
  - f. For **Attribute**, select **Rate Table Result**.
  - g. Click **Add to Expression**.
  - h. Click **Save and Close**.
5. Click **Save and Close**.
6. On the Define Incentive Formula page, in **Expression Name**, the application automatically inserts the name of the expression that you just created.
7. For **Include Indirect Credits**, select **All**.
8. Click **Next**.

## Adding New Rate Table for Plan Component

Create a rate table for the application to use to find the rate to apply when calculating sales earning payout based on the running credit amount total.

1. Enter the general rate table information.
2. Create the rate dimensions.
3. Edit the rates.
4. Add the new rate table to the plan component.

### 1. Enter the general rate table information.

1. In the Rate Table Parameters section, complete the fields, as shown in this table.

Field	Value
Rate Table Dimensions	1
Split Attainment Across Tiers	Yes
Apply Split	Fixed within a tier

2. In the Rate Tables section, click **Create** to open the Create Rate Table page.
3. Complete the general fields, as shown in this table.

Field	Value
Name	Sales Earning Payout RT
Description	Find the rate to apply based on the running credit amount total.
Type	Percent

### 2. Create the rate dimensions.

1. In the Rate Dimensions section, click **Create** to open the Create Rate Dimension page.
2. Complete the general fields, as shown in this table.

Field	Value
Name	Sales Earning Payout RD
Description	This single rate dimension has four tiers for running credit amount total. Use it to determine the corresponding percent.
Type	Amount

3. In the Tiers section, add four tiers, as shown in this table.

From	To
0	10,000
10,000	50,000
50,000	100,000
100,000	9,999,999

4. Click **Save and Close**.

### 3. Edit the rates.

1. Click **Edit Rates**.
2. Edit the rate for each tier, as shown in this table.

From and To	Rate
0 - 10,000	2.5
10,000 - 50,000	5
50,000 - 100,000	7.5
100,000 - 9,999,999	10

3. Click **Save and Close** for your rates.
4. Click **Save and Close** for your rate table.

### 4. Add the new rate table to the plan component.

1. In the Rate Tables section, click **Add**.
2. Add the new rate table, **Sales Earning Payout RT**, to the plan component.
3. In the Sales Earning Payout RT: Rate Dimension Inputs section, for **Expression Name**, select **New Expression**.
4. On the Create Expression page, complete the general fields, as shown here.

Field	Value
<b>Name</b>	RDI Earnings
<b>Description</b>	Calculate earnings based on the output of the performance measure Calculate Attainment (Credit Amount).
<b>Type</b>	Calculation

5. In the Configure Expression section, create the expression, as shown here.
  - a. For **User Defined Objects**, select **Measure results**.
  - b. Search for and select your measure: **Calculate Attainment (Credit Amount) PM**.
  - c. For **Attribute**, select **ITD Output Achieved**.
  - d. Click **Add to Expression**.
  - e. Click **Save and Close**.
6. On the Add Rate Table page, in the Sales Earning Payout RT: Rate Dimension Inputs section, for **Expression Name**, the application automatically inserts the name of the expression that you just created.
7. For all rate dimension inputs, select **Apply Split**.
8. Click **Save and Close**.

This worked example uses the default payment information.

If you want to check your choices and entries before saving, click **Review** to open the Review page.

## Calculating Monthly Commissions Using As-Of Attainments for the Interval (True-Up Calculations): Worked Example

This example demonstrates how to create an incentive compensation plan that calculates monthly commission earnings based on the as-of attainment for the interval. The plan pays salespeople a percentage on the revenue amount that they generate, without any cap. It calculates the running total for the revenue amount from computer sales to determine the commission rates. It calculates the commission amount based on the as-of attainment for an interval, adjusting the previously calculated amount (also known as true up).

The following table summarizes key decisions for the plan component in this scenario:

Decision to Consider	In This Example
What are the incentive and earning types?	Commission, Monetary earnings, and Period (represents Month in this application)
What is the payout frequency?	
What type is the calculation?	True up
How many measures do you require and what are their weights?	One measure, no weights
Are any of these measures linked?	
How many rate tables do you require, and how many dimensions for each table?	One rate table, with one dimension
How do you want to apply the rate?	Split the rate, fixed within a tier

The following table summarizes key decisions for the performance measure in this scenario:

Decisions to Consider	In This Example
How should the application process the transaction?	Individually with Running total
What is the unit of measure and what is the performance interval?	Amount and Period (represents Month in this application)
Does the calculation involve quota?	No
Does the calculation involve a score card?	No

Create the new incentive compensation plan using a top-down approach.

1. Enter the primary details for the incentive compensation plan.
2. Add a new plan component.
3. Add a new performance measure that includes a new input expression as the measure formula.

4. Define a new output expression as the incentive formula for the plan component.
5. Add a new rate table for the plan component to use with the incentive formula.

## Entering Primary Details for Incentive Compensation Plan

Create a compensation plan that pays monthly commissions, without any cap, based on a percentage of generated revenue.

1. In the Compensation Plan work area, click **Create Compensation Plan** to open the Create Compensation Plan: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
Name	US Salesperson Computer Plan 2010
Description	Pay a percentage of the revenue amount generated, without any cap, to encourage computer sales and build market share.
Target Incentive	10,000 USD
Start Date	01/01/2010
End Date	12/31/2010
Allow Credit Category Overlap	No

3. Click **Next**.

## Adding New Plan Component

This worked example creates a new plan component, rather than adding an existing one, that calculates incentive earnings using accumulated credit amounts (incentive formula) multiplied by a rate table rate.

1. On the Add Plan Component page, in the Plan Components section, click **Create** to open the Create Plan Component: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
Name	US Sales Commission PC
Description	Commission plan component that uses accumulated credit amounts, multiplied by a rate to calculate earnings
Calculate Incentive	Per event
Incentive Type	Commission
Earning Type	Monetary earnings
Start Date	01/01/2010
End Date	12/31/2010
Calculation Phase	Phase 1

3. Click **Next**.

## Adding New Performance Measure to Plan Component

This worked example creates a new performance measure, rather than adding an existing one, that determines incentive attainment for the period (month) as a running total of generated credit amounts (measure formula).

1. Enter the primary details.
2. Add the credit categories.
3. Define the measure formula.

### 1. Enter the primary details.

1. On the Add Performance Measure page, in the Performance Measures section, click **Create** to open the Create Performance Measure: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
<b>Name</b>	Running Total Attainment PM
<b>Description</b>	Measures attainment as running total of credit amount generated for the period
<b>Include in participant reports</b>	Yes
<b>Use external formula</b>	No
<b>Start Date</b>	01/01/2010
<b>End Date</b>	12/31/2010
<b>Performance Interval</b>	Period (Monthly)
<b>Unit of Measure</b>	Amount

3. Click **Add Credit Categories**.

This worked example does not include a goal.

### 2. Add the credit categories.

1. On the Add Credit Categories page, add the three credit categories **Desktop**; **Monitor**, **Keyboard**; and **Wireless Keyboard**.

If the credit categories do not exist, click **Create Credit Category** to create them after you finish creating your performance measure. Then, click **Manage Performance Measures** to add the new credit categories to this performance measure.

2. Click **Next**.

### 3. Define the measure formula.

1. On the Define Measure Formula page, for **Process Transactions**, select **Individually**.
2. For **Expression Name**, select **New Expression**.

3. On the Create Expression page, complete the fields, as shown in this table.

Field	Value
Name	Credit Amount
Description	Measure attainment as the credit amount.
Type	Calculation

4. In the Configure Expression section, create the expression, as shown here.
  - a. For **Attributes**, select **Credits - Credit Amount**.
5. Click **Save and Close**.
6. On the Define Incentive Formula page, in **Expression Name**, the application automatically inserts the name of the expression that you just created.
7. Select **Running total**.
8. Click **Save and Close**.

This worked example does not have a score card.

If you want to check your choices and entries before saving, click **Review** to open the Review page.

## Defining Incentive Formula for Plan Component

Create a formula to calculate incentive earnings using the running credit amount total.

1. On the Define Incentive Formula page, for **Payout Frequency**, select **Period**.
2. For **Expression Name**, select **New Expression**.
3. On the Create Expression page, complete the fields, as shown in this table.

Field	Value
Name	US Sales Commission Exp
Description	Calculate earnings based on the running total of credit amount.
Type	Calculation

4. In the Configure Expression section, create the expression, as shown here.
  - a. For **User Defined Objects**, select **Measure results**.
  - b. Search for and select your measure: **Running Total Attainment PM**.
  - c. Select **ITD Output Achieved**.
  - d. Click **Add to Expression**.
  - e. Click **\***.
  - f. Select **Rate Table Rate**.
5. Click **Save and Close**.

6. On the Define Incentive Formula page, in Expression Name, the application automatically inserts the name of the expression that you just created.
7. Complete the remaining fields, as shown in this table.

Field	Value
True Up	Yes
Include Indirect Credits	All

8. Click **Next**.

## Adding Rate Table to Plan Component

Create a rate table for the application to use to find the rate to apply, based on the running credit amount total, when calculating commission payout.

1. Enter the general rate table information.
2. Create the rate dimensions.
3. Edit the rates.
4. Add the rate table to the plan component.

### 1. Enter the general rate table information.

1. In the Rate Table Parameters section, complete the fields, as shown in this table.

Field	Value
Rate Table Dimensions	1
Split Attainment Across Tiers	Yes
Apply Split	Fixed within a tier

2. In the Rate Tables section, click **Create** to open the Create Rate Table page.
3. Complete the general fields, as shown in this table.

Field	Value
Name	Sales Earning Payout RT
Description	Find the rate to apply based on the running credit amount total.
Type	Percent

### 2. Create the rate dimensions.

1. In the Rate Dimensions section, click **Create** to open the Create Rate Dimension page.
2. Complete the general fields, as shown in this table.

Field	Value
Name	Sales Earning Payout RD

<b>Description</b>	This single rate dimension has four tiers for running credit amount total. Use it to determine the corresponding percent.
<b>Type</b>	Percent

- In the Tiers section, add four tiers, as shown in this table.

<b>From</b>	<b>To</b>
0	10,000
10,000	50,000
50,000	100,000
100,000	9,999,999

- Click **Save and Close**.

### 3. Edit the rates.

- Click **Edit Rates**.
- Edit the rate for each tier, as shown in this table.

<b>From and To</b>	<b>Rate</b>
0 - 10,000	2.5
10,000 - 50,000	5
50,000 - 100,000	7.5
100,000 - 9,999,999	10

- Click **Save and Close** for your rates.
- Click **Save and Close** for your rate table.

### 4. Add the rate table to the plan component.

- In the Rate Tables section, click **Add**.
- Add the new rate table, **Sales Earning Payout RT**, to the plan component.
- In the Sales Earning Payout RT: Rate Dimension Inputs section, for **Expression Name**, select **New Expression**.
- On the Create Expression page, complete the general fields, as shown here.

<b>Field</b>	<b>Value</b>
<b>Name</b>	Running Total Attainment
<b>Description</b>	Calculate earnings based on the output of the Running Total Attainment PM performance measure.
<b>Type</b>	Calculation

5. In the Configure Expression section, create the expression, as shown here.
  - a. For **User Defined Objects**, select **Measure results**.
  - b. Search for and select your measure: **Running Total Attainment PM**.
  - c. Select **ITD Output Achieved**.
  - d. Click **Add to Expression**.
6. Click **Save and Close**.
7. On the Add Rate Table page, in the Sales Earning Payout RT: Rate Dimension Inputs section, for **Expression Name**, the application automatically inserts the name of the expression that you just created.
8. For all rate dimension inputs, select **Apply Split**.
9. Click **Save and Close**.

This worked example uses the default payment information.

If you want to check your choices and entries before saving, click **Review** to open the Review page.

## Calculating Quarterly Earnings Using Measure Formula Output as a Hurdle: Worked Example

This example demonstrates how to calculate quarterly incentive compensation earnings for license sales using the output of one performance measure as a hurdle. The National Account Manager Incentive Plan calculates the incentive as a dollar amount based on the quarterly attainment of the national account managers against their goals. The plan provides an accelerated rate for the national account managers when they help close deals with the Services group. Also, national account managers must meet annual goals for Services revenue before the incentive rate increases; they must meet or surpass 75 percent of their Service target incentives (quotas) for the interval (quarter).

The following table summarizes key decisions for the plan component in this scenario:

Decision to Consider	In This Example
What are the incentive and earning types? What is the payout frequency?	Bonus, Monetary earnings, and Quarter
What type is the calculation?	Interval-based
How many measures do you require and what are their weights? Are any of these measures linked?	Two measures, weight of 100 percent for the license measure  One measure is a hurdle
How many rate tables do you require, and how many dimensions for each table? How do you want to apply the rate?	One rate table, with two dimensions  Use a single rate for the entire attainment

The following table summarizes key decisions for performance measures in this scenario:

Decisions to Consider	In This Example
How should the application process the transaction?	Group by interval
What is the unit of measure and what is the performance interval?	Percent and Quarter
Does the calculation involve quota?	Yes
Does the calculation involve a score card?	No

Create a new plan component by creating the pieces first, and then associating them with the plan component.

1. Create the input expression.
2. Create the rate table.
3. Create the two performance measures, with different credit categories, and associate the input expression as the measure formula for each.
4. Create two input expressions and one output expression.
5. Create the plan component, associate the output expression as the incentive formula, and associate the rate table created earlier.

## Creating the Input Expression

Create an input expression to calculate quota attainment for the interval, which both performance measures use as their measure formulas.

1. In the Compensation Plan work area, click **Create Expression** to open the Create Expression page.
2. Complete the general fields, as shown in this table.

Field	Value
<b>Name</b>	NAM Quota Attainment Exp
<b>Description</b>	Quota attainment for the interval
<b>Type</b>	Calculation

3. In the Configure Expression section, create your expression.
  - a. For Attributes, click **Functions > Aggregate Functions > SUM**.
  - b. Click (.
  - c. For Attributes, click **Credits > Credit Amount**.
  - d. Click /.
  - e. For Attributes, click **Measure > Interval Goal**.
  - f. Click ).
4. Click **Save and Close**.

## Creating the Rate Table

Create a new rate table that uses quota attainment to find the rate to apply when calculating commission earnings. You associate it with the plan component you create later.

1. Enter the general information.
2. Create the rate dimensions.
3. Edit the rates.

### 1. Enter the general information.

1. In the Compensation Plan work area, click **Create Rate Table** to open the Create Rate Table page.
2. Complete the general fields, as shown in this table.

Field	Value
Name	NAM Bonus RT
Description	Two dimensional rate table to get the bonus amount based on quota attainment
Type	Amount

### 2. Create the rate dimensions.

Create two rate dimensions that determine the percentage rate for the provided product and service quota attainments, respectively.

Perform the following steps twice, first using the product quota attainment values, and then using the service quota attainment values:

1. In the Rate Dimensions section, click **Create** to open the Create Rate Dimensions page.
2. Complete the general fields, as shown in this table.

Field	Product Quota Attainment Value	Service Quota Attainment Value
Name	NAM Bonus RD1	NAM Bonus RD2
Description	This rate dimension has five tiers for product quota attainment. Use it to determine the corresponding percent.	This rate dimension has two tiers for service quota attainment. Use it to determine the corresponding percent.
Type	Percent	Percent

3. In the Tiers section, add the tiers, as shown in this table.

The first time, use the Product Quota Attainment values. The second time, use the Service Quota Attainment values.

Product Quota Attainment

From	To
0	30
30	50

50	75
75	100
100	9,999

#### Service Quota Attainment

From	To
0	75
75	999

4. The first time, click **Save and Create Another** and repeat the steps to create the second rate dimension; the second time, click **Save and Close** and continue.

### 3. Edit the rates.

1. On the Create Rate Table page, click **Edit Rates**.
2. Edit the rate for each tier, as shown in this table.

NAM Bonus RD1 Percent	NAM Bonus RD2 Rate( 0 - 75 percent)	NAM Bonus RD2 Rate( 75 - 999 percent)
0 - 30	1,000	1,200
30 - 50	1,200	1,500
50 - 75	1,500	2,000
75 - 100	2,000	3,000
100 - 9999	3,000	5,000

3. Click **Save and Close** for your rates.
4. Click **Save and Close** for your rate table.

### Creating Performance Measures

Create one performance measure that uses the input expression created earlier to determine the license attainment for the interval (Quarter), for national account managers. Create a second one that functions as a hurdle to higher rates.

1. Enter the primary details for the first performance measure.
2. Define the goal for the first performance measure.
3. Add the credit categories for the first performance measure.
4. Define the formula for the first performance measure.
5. Search for the first performance measure.
6. Create the second performance measure.

#### 1. Enter the primary details for the first performance measure.

1. In the Compensation Plan work area, click **Create Performance Measure** to open the Create Performance Measure: Enter Primary Details page.

2. Complete the fields, as shown in this table.

Field	Value
Name	NAM License Attainment PM
Description	National account manager license attainment measure
Include in participant reports	Yes
Use external formula	No
Start Date	01/01/2010
End Date	12/31/2010
Performance Interval	Quarter
Unit of Measure	Percent

3. Click **Next**.

## 2. Define the goal for the first performance measure.

1. On the Define Goal page, complete the fields, as shown in this table.

Field	Value
Target	100,000
Unit of Measure	Amount

2. Manually distribute the target numbers, as shown in this table.

---

### Note

The goal interval is **Quarter**.

---

Interval	Interval Target
Q1 2010	20,000
Q2 2010	30,000
Q3 2010	30,000
Q4 2010	20,000

3. Click **Next**.

## 3. Add the credit categories for the first performance measure.

1. On the Add Credit Categories page, add the credit category **ERP Product**.

If the credit category does not exist, after you finish creating your performance measure, click **Create Credit Category** to create it. Then, click **Manage Performance Measures** to add the new credit category to this performance measure.

2. Click **Next**.

#### 4. Define the formula for the first performance measure.

1. On the Define Measure Formula page, complete the fields, as shown in this table.

Field	Value
Process Transactions	Grouped by interval
Expression Name	Search for, and select, the expression that you created: <b>NAM Quota Attainment Exp.</b>

2. Click **Save and Close**.

This worked example does not have a score card.

If you want to check your choices and entries first, click **Review** to open the Review page.

#### 5. Search for the first performance measure.

1. In the Search section, enter **NAM License%**.
2. Click **Search**.

#### 6. Creating the second performance measure.

1. In the Compensation Plan work area, click **Manage Performance Measures** to open the Manage Performance Measures page.
2. In the Search Results section, select the row with the name **NAM License Attainment PM**.
3. Click **Duplicate**.
4. Edit the **Name** value to **NAM Service Attainment PM**.
5. Edit the **Description** value to **This performance measure is a hurdle which, when passed, gets participants into higher rates**.
6. Edit the **Target** value to **60000**.
7. Click **Distribute Evenly**.

---

**Tip**

The distributed target value should be 15,000 for each interval (Quarter).

---

8. Click **Credit Categories**.
9. Delete the existing **ERP Product** credit category row.
10. Add a new credit category, **Service**.

If the credit category does not exist, after you finish creating your performance measure, click **Create Credit Category** to create it. Then, click **Manage Performance Measures** to add the new credit category to this performance measure.

11. Click **Save and Close**.

## Creating Expressions

Create three expressions:

- Two input expressions to calculate license and service revenue attainment, respectively, for the interval
- One output expression to calculate the bonus amount based on the license quota attainment

Perform the following steps three times, first using the license input expression values, second using the service input expression values, and third using the output expression values:

1. In the Compensation Plan work area, click **Create Expression** to open the Create Expression page.
2. Complete the general fields, as shown in this table.

Field	License Input Expression Value	Service Input Expression Value	Output Expression Value
<b>Name</b>	NAM Bonus Formula Input Exp1 License Attainment	NAM Bonus Formula Input Exp1 Service Attainment	NAM Bonus Calculation Exp
<b>Description</b>	Interval attainment for the product revenue	Interval attainment for the service revenue	Expression to calculate bonus amount based on license quota attainment
<b>Type</b>	Calculation	Calculation	Not applicable

3. In the Configure Expression section, create your expression.

License Input Expression	Service Input Expression	Output Expression
<ol style="list-style-type: none"> <li>1. For <b>User Defined Objects</b>, select <b>Measure result</b>.</li> <li>2. For <b>Measure</b>, select <b>NAM License Attainment Measure</b>.</li> <li>3. Select <b>ITD Output Achieved</b>.</li> <li>4. Click <b>Add to Expression</b>.</li> </ol>	<ol style="list-style-type: none"> <li>1. For <b>User Defined Objects</b>, select <b>Measure result</b>.</li> <li>2. For <b>Measure</b>, select <b>NAM Service Attainment Measure</b>.</li> <li>3. Select <b>ITD Output Achieved</b>.</li> <li>4. Click <b>Add to Expression</b>.</li> </ol>	<ol style="list-style-type: none"> <li>1. Select <b>Rate Table Result</b>.</li> <li>2. Click <b>Add to Expression</b>.</li> </ol>

4. The first two times, click **Save and Create Another** and repeat the steps to create the remaining expressions; then, click **Save and Close**.

## Creating a Plan Component

Create a bonus plan component that calculates earnings using license attainment.

1. Enter the primary details.

2. Add the performance measures.
3. Define the incentive formula.
4. Add the rate table.

### 1. Enter the primary details.

1. In the Compensation Plan work area, click **Create Plan Component** to open the Create Plan Component: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
Name	National Account Manager Product Bonus
Description	Bonus plan component that uses license attainment to calculate earnings
Calculate Incentive	Per interval
Incentive Type	Bonus
Earning Type	Monetary earnings
Start Date	01/01/2010
End Date	12/31/2010
Calculation Phase	Phase 1

3. Click **Next**.

### 2. Add the performance measures.

1. Add the performance measures that you created, as shown in this table.

Performance Measure Name	Weight	Earning Basis
NAM License Attainment Measure	100 percent	Yes
NAM Service Attainment Measure	0 percent	No

2. Click **Next**.

### 3. Define the incentive formula.

1. On the Define Incentive Formula page, complete the fields, as shown in this table.

Field	Value
Payout Frequency	Quarter
Expression Name	Search for and select the expression that you created: <b>NAM Bonus Calculation Exp.</b>

Include Indirect Credits	All
--------------------------	-----

2. Click **Next**.

#### 4. Add the rate table.

1. In the Rate Table Parameters section, complete the fields, as shown in this table.

Field	Value
Rate Table Dimensions	2
Split Attainment Across Tiers	No

2. In the Rate Tables section, add a row.

3. For **Name**, search for and select **NAM Bonus RT**.

4. In the NAM Bonus RT: Rate Dimensional Inputs section, in the row containing the dimension name NAM Bonus RD1, for **Expression Name**, search for and select **NAM Bonus Formula Input Exp1 License Attainment**.

5. In the NAM Bonus RT: Rate Dimensional Inputs section, in the row containing the dimension name NAM Bonus RD2, for **Expression Name**, search for and select **NAM Bonus Formula Input Expr2 Service Attainment**.

6. Click **Save and Close**.

This worked example uses the default payment information.

If you want to check your choices and entries first, click **Review** to open the Review page.

## Calculating Biweekly Earnings Using a Score with a User-Defined Function to Find Adjustment Factor: Worked Example

This example demonstrates how to calculate earnings for participants in the Retail industry. The plan component calculates earnings using a score with a user-defined function to determine what adjustments to apply to participant revenue attainment based on the number of hours worked.

The following table summarizes key decisions for the plan component in this scenario.

Decision to Consider	In This Example
What are the incentive and earning types?	Bonus, Monetary earnings, and Biweekly
What is the payout frequency?	
What type is the calculation?	Interval-based
How many measures do you require and what are their weights?	Two measures, no weights
Are any of these measures linked?	

How many rate tables do you require, and how many dimensions for each table?	One rate table with one dimension
How do you want to apply the rate?	Do not split the attainment

The following table summarizes key decisions for performance measures in this scenario.

Decision to Consider	In This Example
How should the application process the transaction?	Group by interval for all measures
What is the unit of measure and what is the performance interval?	Percent and Amount, Biweekly
Does the calculation involve quota?	No
Does the calculation involve a score card?	Yes, with one rate dimension Do not split

Create a new incentive compensation plan by creating the pieces first, and then associate them with the plan component.

1. Create a user-defined function.
2. Create two rate tables, one for the plan component and one (as a scorecard) for the second performance measure.
3. Create one input expression for the first performance measure formula and two output expressions, one for each performance measure formula.
4. Create two performance measures and associate the input and output expressions as the measure formulas.
5. Create an input and an output expression for the incentive formula.
6. Create the plan component and associate performance measures, the input expression and the output expression to the incentive formula, and the rate table created earlier.

## Creating User-Defined Function

1. In SQL Plus, in the FUSION\_DYNAMIC schema, create the user-defined function.

Sample code for finding adjusted work hours:

```
create or replace function cn_get_work_hours (p_participant_id in number,
p_period_id in number)
return number is
l_hours number;
begin
-- In this example, we assume that the number of hours worked is stored in
attribute_number1. We use the end date of the given accumulation period
to
-- find the corresponding participant detail record. If there is no
matching record, we return 80 as the default.
select attribute_number1
```

```

into l_hours
from cn_srp_participant_details_all spd, cn_periods_b p,
     cn_repositories_all_b r
where spd.participant_id = p_participant_id
and spd.org_id = r.org_id
and p.period_id = p_period_id
and p.calendar_id = r.calendar_id
and p.end_date between spd.start_date and nvl(spd.end_date, p.end_date);

return l_hours;

exception
when others then
return 80;
end;

```

2. Add a lookup code that is the same as the name of the user-defined function, to the lookup type 'CN\_USER\_FUNCTIONS'.

See the Oracle Fusion Applications Common Implementation of Lookups Guide

## Creating Performance Measure and Plan Component Rate Tables

Create two rate tables:

- One that the performance measure uses to look up the adjustment factor based on the number of hours worked (the associated plan component uses the adjustment factor in bonus earnings calculations)
- One that the plan component uses to compute bonus earnings based on the revenue attainment.

Perform the following steps twice, first using the performance measure values, and then using the plan component values:

1. Enter the general information.
2. Create the rate dimensions.
3. Edit the rates.

### 1. Enter the general information.

1. In Oracle Fusion Incentive Compensation, in the Compensation Plan work area, click **Create Rate Table** to open the Create Rate Table page.
2. Complete the general fields, as shown in this table.

Field	Performance Measure Scorecard Value	Plan Component Rate Table Value
<b>Name</b>	Work Hour Adjustment SC	Bonus Rate Schedule RT
<b>Description</b>	Find the factor to apply, based on work hour adjustment.	Find earnings based on revenue.
<b>Type</b>	Percent	Amount

## 2. Create the rate dimensions.

1. In the Rate Dimensions section, click **Create** to open the Create Rate Dimensions page.
2. Complete the general fields, as shown in this table.

Field	Performance Measure Rate Dimension Value	Plan Component Rate Dimension Value
<b>Name</b>	Work Hour Adjustment RD	Bonus Rate Schedule RD
<b>Description</b>	This single rate dimension has five tiers for adjustment factor. Use it to determine the corresponding adjustment factor.	This single rate dimension has four tiers for hourly rates. Use it to determine the corresponding bonus amount.
<b>Type</b>	Amount	Amount

3. In the Tiers section, add the tiers, as shown in these tables.

Work Hour Adjustment RD

From	To
0	40
40	60
60	70
70	80
80	336

Bonus Rate Schedule RD

From	To
0	100,000
100,000	200,000
200,000	300,000
300,000	9,999,999

4. Click **Save and Close**.

## 3. Edit the rates.

1. Click **Edit Rates**.
2. Edit the rate for each tier, as shown in these tables.

Work Hour Adjustment SC

From and To	Rate
0 - 40	50
40 - 60	75
60 - 70	85
70 - 80	90
80 - 336	100

#### Bonus Rate Schedule RT

From and To	Rate
0 - 100,000	0
100,000 - 200,000	500
200,000 - 300,000	1,000
300,000 - 9,999,999	1,500

3. Click **Save and Close** for your rates.
4. The first time, click **Save and Create Another** and repeat the steps to create the second rate table; then, click **Save and Close**.

## Creating Performance Measure Expressions

Create three expressions:

- An output expression, which the first performance measure uses to calculate revenue attainment for the interval
- An input expression to calculate the hours worked, which the second performance measure uses to find the adjustment factor
- An output expression, which the second performance measure uses to return the adjustment factor for the participant, for that interval

Perform the following steps twice, first using the rate dimension values, and then using the input expression values:

1. In the Compensation Plan work area, click **Create Expression** to open the Create Expression page.
2. Complete the general fields, as shown in this table.

Field	Measure 1 Output Expression Value	Measure 2 Input Expression Value	Measure 2 Output Expression Value
<b>Name</b>	Revenue Attainment Exp	Hours Worked Exp	Adjustment Factor Exp
<b>Description</b>	Calculate revenue attainment for the interval.	Hours worked for participant, for interval	Return adjustment factor, based on hours worked.
<b>Type</b>	Calculation	Calculation	Calculation

- In the Configure Expression section, create your expression.

Revenue Attainment Exp	Hours Worked Exp	Adjustment Factor Exp
<ol style="list-style-type: none"> <li>For <b>Attributes</b>, select <b>Functions - Aggregate Functions - SUM</b>.</li> <li>Click (.</li> <li>For <b>Attributes</b>, select <b>Credits - Credit Amount</b>.</li> <li>Click ).</li> </ol>	<ol style="list-style-type: none"> <li>For <b>User Defined Objects</b>, select <b>User-defined functions</b>.</li> <li>For <b>User Defined Functions</b>, select <b>cn_get_work_hours</b>.</li> <li>Click (.</li> <li>For <b>Attributes</b>, select <b>Transaction - Participant Id</b>.</li> <li>Click ,.</li> <li>For <b>Attributes</b>, select <b>Transaction - Period Id</b>.</li> <li>Click ).</li> </ol>	<ol style="list-style-type: none"> <li>For <b>Attributes</b>, select <b>Rate Table Rate</b>.</li> </ol>

---

#### Tip

If Participant Id and Period Id are not available, expose them for calculation in the Application Setup work area, Configure Tables and Columns page. Expose them from the CN\_SRP\_PER\_FORM\_METRICS\_ALL table

---

- The first two times, click **Save and Create Another** and repeat the steps to create the second and third expressions; then, click **Save and Close**.

## Creating Performance Measures

Create one revenue attainment performance measure that uses the output expression created earlier to determine the revenue attainment for the interval. Then, use this performance measure and the duplicate feature to create the other performance measure to return the adjustment factor.

- Enter the primary details for the first performance measure.
- Define the goal for the first performance measure.
- Add credit categories for the first performance measure.
- Define the measure formula for the first performance measure.
- Create the second performance measure by duplicating the first one.
- Add the score card for the second performance measure.

### 1. Enter the primary details for the first performance measure.

- In the Compensation Plan work area, click **Create Performance Measure** to open the Create Performance Measure: Enter Primary Details page.
- Complete the fields, as shown in this table.

Field	Value
<b>Name</b>	Retail Revenue Attainment PM

<b>Description</b>	Compute the revenue attainment amount for the period based on sales credit received.
<b>Include in participant's reports</b>	Yes
<b>Use external formula</b>	No
<b>Start Date</b>	01/01/2010
<b>End Date</b>	12/31/2010
<b>Performance Interval</b>	Biweekly <hr/> <b>Tip</b> If this performance interval does not exist, create it in the Application Setup work area, on the Interval Type page.
<b>Unit of Measure</b>	Amount

3. Click **Add Credit Categories** to go to the Create Performance Measure: Add Credit Categories page.  
This worked example does not use goals.
4. Add credit categories as required.
5. Click **Define Measure Formula**.

## 2. Define the measure formula for the first performance measure.

1. On the Define Measure Formula page, complete the fields, as shown in this table.

Field	Value
<b>Process Transactions</b>	Grouped by Interval
<b>Expression Name</b>	Search for, and select, the expression that you created: <b>Revenue Attainment Exp</b>

2. Click **Save and Close**.

## 3. Create the second performance measure by duplicating the first one.

1. In the Compensation Plan work area, click **Manage Performance Measures** to open the Manage Performance Measures page.
2. In the Search section, enter **Retail %**.
3. Click **Search**.
4. In the Search Results section, select the row with the name **Revenue Attainment PM**.
5. Click **Duplicate**.
6. Edit the **Name** value to **Adjustment Factor PM**.
7. Edit the **Description** value to **Return adjustment factor, based on hours worked**.

8. Click **Measure Formula**.
9. For **Expression Name**, search for, and select, the expression that you created: **Adjustment Factor Exp**.
10. Click **Scorecard**.

#### 4. Add the score card for the second performance measure.

1. Complete the fields, as shown in this table.

Field	Value
Number of Dimensions	1
Split Attainment Across Tiers	No

2. In the Scorecard section, add a row.
3. For **Name**, search for and select **Work Hour Adjustment SC**.
4. In the Work Hour Adjustment: Rate Dimensional Inputs section, for **Expression Name**, search for and select **Hours Worked Exp**.
5. Click **Save and Close**.

If you want to check your choices and entries before saving, click **Review** to open the Review page.

### Creating Plan Component Input and Output Expressions

Create two expressions:

- An input expression, which provides the retail revenue attainment for the interval
- An output expression, which calculates the earnings for the participant, for that interval

Perform the following steps twice, first using the rate dimension values, and then using the input expression values:

1. In the Compensation Plan work area, click **Create Expression** to open the Create Expression page.
2. Complete the general fields, as shown in this table.

Field	Input Expression Value	Output Expression Value
<b>Name</b>	Retail Revenue Attainment Exp	Retail Earnings Exp
<b>Description</b>	Revenue attainment for the interval.	Calculate retail participant earnings for the interval.
<b>Type</b>	Calculation	Calculation

3. In the Configure Expression section, create your expression.

Retail Revenue Attainment Exp	Retail Earnings Exp
<ol style="list-style-type: none"> <li>1. For <b>User Defined Objects</b>, select <b>Measure result</b>.</li> <li>2. For <b>Select a Performance Measure</b>, search for and select <b>Retail Revenue Attainment PM</b>.</li> <li>3. For <b>Select and Attribute</b>, select <b>ITD Output Achieved</b>.</li> <li>4. Click <b>Add to Expression</b>.</li> </ol>	<ol style="list-style-type: none"> <li>1. For <b>User Defined Objects</b>, select <b>Measure result</b>.</li> <li>2. For <b>Select a Performance Measure</b>, search for and select <b>Retail Revenue Attainment PM</b>.</li> <li>3. For <b>Select and Attribute</b>, select <b>ITD Output Achieved</b>.</li> <li>4. Click <b>Add to Expression</b>.</li> <li>5. Click <b>*</b>.</li> <li>6. For <b>Attributes</b>, select <b>Rate Table Result</b>.</li> <li>7. Click <b>*</b>.</li> <li>8. For <b>User Defined Objects</b>, select <b>Measure result</b>.</li> <li>9. For <b>Select a Performance Measure</b>, search for and select <b>Retail Adjustment Factor PM</b>.</li> <li>10. For <b>Select and Attribute</b>, select <b>ITD Output Achieved</b>.</li> <li>11. Click <b>Add to Expression</b>.</li> </ol>

4. The first time, click **Save and Create Another** and repeat the steps to create the second expression; then, click **Save and Close**.

## Creating the Plan Component

To calculate retail earnings every two weeks using adjustment factors, create a bonus plan component that contains the performance measures created earlier.

1. Enter the primary details for the plan component.
2. Add the retail revenue attainment and adjustment factor performance measures to the plan component.
3. Define the incentive formula for the plan component.
4. Add the rate table to the plan component.

### 1. Enter the primary details for the plan component.

1. In the Compensation Plan work area, click **Create Plan Component** to open the Create Plan Component: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
<b>Name</b>	Retail Bonus PC
<b>Description</b>	Bonus plan component that uses adjustment factors to calculate earnings.
<b>Calculate Incentive</b>	Per interval
<b>Incentive Type</b>	Bonus
<b>Earning Type</b>	Monetary Earnings
<b>Start Date</b>	01/01/2010

End Date	12/31/2010
Calculation Phase	Phase 1

3. Click **Next**.

## 2. Add the revenue attainment and adjustment factor performance measures to the plan component.

1. Add the performance measures that you created and set the earning basis values, as shown in this table.

Measure Name	Earning Basis
Retail Revenue Attainment PM	Yes
Retail Adjustment Factor PM	No

2. Click **Next**.

## 3. Define the incentive formula for the plan component.

1. On the Define Incentive Formula page, complete the fields, as shown in this table.

Field	Value
Name	Search for and select the expression that you created: <b>Retail Earnings Exp.</b>
Earning Interval	Biweekly
True Up	No
Include Indirect Credits	All

2. Click **Next**.

## 4. Add the rate table to the plan component.

1. On the Add Rate Table page, complete the fields, as shown in this table.

Field	Value
Rate Table Dimensions	1
Split Attainment Across Tiers	No

2. In the Rate Tables section, add a row.

3. For **Name**, search for and select **Bonus Rate Schedule RT**.

4. In the Rate Schedule RT: Rate Dimensional Inputs section, for **Expression Name**, search for and select **Retail Revenue Attainment Exp.**

5. Click **Save and Close**.

This worked example uses the default payment information.

If you want to check your choices and entries before saving, click **Review** to open the Review page.

## Calculating Quarterly Bonuses using an External Formula to Find Ranking: Worked Example

This example demonstrates how to create a new incentive compensation plan that compensates account managers in a large IT firm based on revenue billed and collected. At the end of each quarter, they also get a bonus based on the national level ranking of all of the participants in the US Account Manager plan. To get the ranking, the application calculates attainment first and then the relative ranking, and pays the bonuses accordingly.

The following table summarizes key decisions for the plan component in this scenario:

Decision to Consider	In This Example
What are the incentive and earning types?	Bonus, Monetary earnings
What is the payout frequency?	Quarter
What type is the calculation?	Interval-based
How many measures do you require and what are their weights? Are any of these measures linked?	Two measures with no weight
How many rate tables do you require, and how many dimensions for each table? How do you want to apply the rate?	One rate table with one dimension and five tiers Do not split

The following table summarizes key decisions for the performance measures in this scenario:

Decisions to Consider	In This Example
How should the application process the transaction? What is the unit of measure and what is the performance interval?	Group by interval Measure 1: Amount Measure 2: Percent Quarter
Does the calculation involve quota?	No
Does the calculation involve a score card?	No

Create the new incentive compensation plan using a top-down approach.

1. Enter the primary details for the incentive compensation plan.
2. Add a new, revenue attainment plan component.
3. Add a new performance measure that includes a new output expression for the measure formula.
4. Define a new output expression as the incentive formula for the revenue attainment plan component.
5. Add a new, bonus plan component.

6. Add a new performance measure that uses an external formula.
7. Define a new output expression as the incentive formula for the bonus plan component.
8. Add a new rate table for the bonus plan component to use with the incentive formula.

## Entering Primary Details for Compensation Plan

1. On the Compensation Plan Overview page, click **Create Compensation Plan** to open the Create Compensation Plan: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
Name	US Account Manager Plan 2010
Description	Pay participants based on revenue billed and collected. At the end of each quarter, provide a bonus based on the national level ranking of all of the plan participants.
Target Incentive	20,000 USD
Business Unit	Vision Services
Start Date	01/01/2010
End Date	12/31/2010
Allow Credit Category Overlap	No
Approval Status	Not approved

3. Click **Next**.

## Adding New Revenue Attainment Plan Component, Performance Measure, and Incentive Formula

### 1. Add new revenue attainment plan component.

This worked example adds a new plan component, rather than an existing one, which acts as a base plan component to determine ranking.

1. On the Add Plan Component page, in the Plan Components section, click **Create** to open the Create Plan Component: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
Name	US Account Managers Revenue PC
Description	Bonus plan component that calculates the aggregate credit amount (billed and collected).
Calculate Incentive	Per Interval
Incentive Type	Bonus

<b>Earning Type</b>	Non-monetary Earnings  <b>Tip</b> If this Earning Type does not exist, create it in the Application Setup work area.
<b>Start Date</b>	01/01/2010
<b>End Date</b>	12/31/2010
<b>Calculation Phase</b>	Phase 1

3. Click **Next**.

## 2. Add new performance measure to revenue attainment plan component.

This worked example adds a new performance measure, rather than an existing one, that calculates attainment based on the credit amount that the application generates for transactions grouped by interval (measure formula).

1. Enter the primary details.
2. Add the credit categories.
3. Define the formula for the measure.

### 1. Enter the primary details.

1. On the Add Performance Measure page, in the Performance Measures section, click **Create** to open the Create Performance Measure: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
<b>Name</b>	Calculate Quarterly Attainment PM
<b>Description</b>	Revenue attainment for the interval.
<b>Include in participant reports</b>	Yes
<b>Use external formula</b>	No (clear)
<b>Start Date</b>	01/01/2010
<b>End Date</b>	12/31/2010
<b>Performance Interval</b>	Quarter
<b>Unit of Measure</b>	Amount

3. Click **Add Credit Categories** to go to the Create Performance Measure: Add Credit Categories page  
This worked example does not use a goal.
4. Add credit categories as required.
5. Click **Define Measure Formula**.

### 2. Define the formula for the measure.

1. On the Define Measure Formula page, for **Process Transactions**, select **Group by Interval**.

2. For **Expression Name**, select **New Expression**.
3. On the Create Expression page, complete the general fields, as shown in this table.

Field	Value
<b>Name</b>	Revenue Attainment Exp
<b>Description</b>	Measure attainment as credit amount generated for transactions grouped by interval.
<b>Type</b>	Calculation

4. In the Configure Expression section, create the expression, as shown here.
  - a. For **Attributes**, select **Functions - Aggregate Functions - SUM**.
  - b. Click (.
  - c. For **Attribute**, select **Credits - Credit Amount**.
  - d. Click ).
5. Click **Save and Close**.
6. On the Define Measure Formula page, in **Expression Name**, the application automatically inserts the name of the expression that you just created.
7. Click **Save and Close**.

This worked example does not have a score card.

If you want to check your choices and entries before saving, click **Next** to open the Review page.

### 3 Define new incentive formula for revenue attainment plan component.

Create a formula to calculate earnings using the performance measure **Calculate Quarterly Attainment PM**.

1. On the Define Incentive Formula page, for **Payout Frequency**, select **Quarter**.
2. For **Expression Name**, select **New Expression**.
3. On the Create Expression page, complete the general fields, as shown in this table.

Field	Value
<b>Name</b>	Calculate Revenue Attainment Exp
<b>Description</b>	Calculate revenue attainment based on the output of the performance measure Calculate Quarterly Attainment PM.
<b>Type</b>	Calculation

4. In the Configure Expression section, create the expression, as shown here.
  - a. For **User Defined Objects**, select **Measure results**.

- b. Search for and select your measure: **Calculate Quarterly Attainment PM**.
  - c. For **Attribute**, select **ITD Output Achieved**.
  - d. Click **Add to Expression**.
  - e. Click **Save and Close**.
5. Click **Save and Close**.
  6. Click **Next**.

## Adding New Bonus Plan Component, Performance Measure, Incentive Formula, and Rate Table

### 1. Add new bonus plan component.

This worked example adds a new plan component, rather than an existing one, which calculates bonuses using percentile ranking based on quarterly revenue attainments and a bonus rate table.

1. On the Add Plan Component page, in the Plan Components section, click **Create** to open the Create Plan Component: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
<b>Name</b>	US Account Manager Bonus PC
<b>Description</b>	Calculate bonuses using percentile ranking based on quarterly attainment.
<b>Calculate Incentive</b>	Per interval
<b>Incentive Type</b>	Bonus
<b>Earning Type</b>	Monetary Earnings
<b>Start Date</b>	01/01/2010
<b>End Date</b>	12/31/2010
<b>Calculation Phase</b>	Phase 2

3. Click **Next**.

### 2. Add new performance measure to bonus plan component.

This worked example adds a new performance measure, rather than an existing one, that calculates ranking based on revenue attainment using an external formula.

Use an external formula in a performance measure to meet complex business requirements. When you choose to use an external formula, the measure formula attributes become optional. External formulas are similar to application-generated formulas (measure formula), except that they contain custom logic. Create an external formula package from nothing, or create an external formula package by using an existing application-generated formula package whose logic is close to what you want as the baseline and adding your own custom logic.

1. Create the external formula, which this performance measure references.
2. Enter the primary details.
3. Define the formula for the measure.

## 1. Create the external formula.

1. Create a PL/SQL package, the external formula CN\_CALCULATE\_RANKING, which this performance measure references.

---

### Tip

For the external formula, the package name must be like '%CN\_FORM%' and should be created in the FUSION\_DYNAMIC schema.

---

```
-- code for defining the external formula package that computes the
percentile ranking of the current participant at the end of each quarter
among all participants on a given plan component
```

```
CREATE OR REPLACE PACKAGE RANK_CN_FORMULA_Example_PKG AUTHID CURRENT_USER
AS
```

```
-- Procedure Name
-- get_commission
-- Purpose
--This procedure is to calculate the commission
-- History
-- 2011-02-16 FUSION_RUNTIME Created
--
```

```
FUNCTION get_commission (p_measure_result_id IN NUMBER
, p_participant_id IN NUMBER, p_period_id IN NUMBER
, p_interval_number IN NUMBER, p_formula_id IN NUMBER
, p_plan_component_id IN NUMBER, p_srp_comp_plan_id IN NUMBER
, p_commission_value IN NUMBER, p_endofinterval_flag IN VARCHAR2
, p_start_period_id IN NUMBER)
RETURN NUMBER
;
```

```
--
-- Procedure Name
-- calculate_quota
-- Purpose
--This procedure is the hook to the calculation engine
-- History
-- 2011-02-16 FUSION_RUNTIME Created
--
```

```
PROCEDURE calculate_quota (p_srp_comp_plan_id IN NUMBER
, p_participant_id IN NUMBER, p_period_id IN NUMBER, p_start_date IN DATE
, p_plan_component_id IN NUMBER, p_formula_id IN NUMBER
, p_process_all_flag IN VARCHAR2, p_intel_calc_flag IN VARCHAR2
, p_org_id IN NUMBER, p_calc_currency_code IN VARCHAR2
, p_interval_number IN NUMBER, p_earning_type_id IN NUMBER
, x_latest_processed_date OUT NOCOPY DATE, errbuf OU NOCOPY VARCHAR2
, retcode OUT NOCOPY VARCHAR2 )
;
```

```

END ADXX_CN_FORMULA_Example1_PKG;
/

CREATE OR REPLACE PACKAGE BODY ADXX_CN_FORMULA_Example1_PKG AS

    g_commission_paid_ptd cn_srp_per_form_metrics_all.commission_paid_ptd
%TYPE;
    g_commission_paid_itd cn_srp_per_form_metrics_all.commission_paid_itd
%TYPE;
    g_input_achieved_ptd cn_tp_calc_subledger_pvt.num_table_type;
    g_input_achieved_itd cn_tp_calc_subledger_pvt.num_table_type;
    g_output_achieved_ptd cn_srp_per_form_metrics_all.output_achieved_ptd
%TYPE;
    g_output_achieved_itd cn_srp_per_form_metrics_all.output_achieved_itd
%TYPE;
    g_intel_calc_flag cn_tp_calc_jobs_all.intelligent_flag%TYPE;
    g_select_status_flag VARCHAR2(30);
    g_formula_id cn_formulas_all_b.formula_id%TYPE := 100000020786102 ;
    g_number_dim cn_rate_tables_all_b.number_dim%TYPE := 0 ;
    g_split_option cn_formulas_all_b.split_option%TYPE := 'N' ;
    g_process_txn cn_formulas_all_b.process_txn%TYPE := 'GROUP' ;
    g_itd_flag cn_formulas_all_b.itd_flag%TYPE := 'N' ;
    g_input_achieved cn_tp_earnings_all.input_achieved%TYPE;
    g_output_achieved cn_tp_earnings_all.output_achieved%TYPE;
    g_org_id cn_formulas_all_b.org_id%TYPE := 458;

    TYPE txn_type IS RECORD
    (
        CNMR_MEASURE_RESULT_ID CN_TP_MEASURE_RESULTS_ALL.MEASURE_RESULT_ID%TYPE
        ,CNMR_CREDITED_PARTICIPANT_ID
        CN_TP_MEASURE_RESULTS_ALL.CREDITED_PARTICIPANT_ID%TYPE
        ,CNMR_SOURCE_EVENT_DATE CN_TP_MEASURE_RESULTS_ALL.SOURCE_EVENT_DATE%TYPE
        ,CNMR_SOURCE_EVENT_PERIOD_ID
        CN_TP_MEASURE_RESULTS_ALL.SOURCE_EVENT_PERIOD_ID%TYPE
        ,CNMR_CALC_CURRENCY_CODE CN_TP_MEASURE_RESULTS_ALL.CALC_CURRENCY_CODE
        %TYPE
        ,CNMR_CREATED_DURING CN_TP_MEASURE_RESULTS_ALL.CREATED_DURING%TYPE
        ,CNMR_TRANSACTION_TYPE CN_TP_MEASURE_RESULTS_ALL.TRANSACTION_TYPE%TYPE
        ,CNMR_OBJECT_STATUS CN_TP_MEASURE_RESULTS_ALL.OBJECT_STATUS%TYPE
        ,CNMR_ORG_ID CN_TP_MEASURE_RESULTS_ALL.ORG_ID%TYPE
        ,CNMR_COMMISSION_VALUE CN_TP_MEASURE_RESULTS_ALL.COMMISSION_VALUE%TYPE
        ,CNMR_PLAN_COMPONENT_ID CN_TP_MEASURE_RESULTS_ALL.PLAN_COMPONENT_ID%TYPE
        ,CNMR_FORMULA_ID CN_TP_MEASURE_RESULTS_ALL.FORMULA_ID%TYPE
        ,CNMR_TIER_SPLITS CN_TP_MEASURE_RESULTS_ALL.TIER_SPLITS%TYPE
        ,CNMR_RATE_TABLE_VALUE_ID CN_TP_MEASURE_RESULTS_ALL.RATE_TABLE_VALUE_ID
        %TYPE
        ,CNMR_SRP_COMP_PLAN_ID CN_TP_MEASURE_RESULTS_ALL.SRP_COMP_PLAN_ID%TYPE
        ,CNMR_INPUT_ACHIEVED CN_TP_MEASURE_RESULTS_ALL.INPUT_ACHIEVED%TYPE
        ,CNMR_OUTPUT_ACHIEVED CN_TP_MEASURE_RESULTS_ALL.OUTPUT_ACHIEVED%TYPE
        ,CNMR_EARNING_TYPE_ID CN_TP_MEASURE_RESULTS_ALL.EARNING_TYPE_ID%TYPE
        ,CNMR_ERROR_REASON CN_TP_MEASURE_RESULTS_ALL.ERROR_REASON%TYPE
    );
    g_transaction_rec txn_type ;

```

```

g_19002PM_OUTPUT_ACHIEVED_ITD
cn_srp_per_form_metrics_all.OUTPUT_ACHIEVED_ITD%TYPE;

--
-- Procedure Name
-- get_commission
-- Purpose
--This procedure is to calculate the commission
-- History
-- 2011-02-16 FUSION_RUNTIME Created
--

FUNCTION get_commission (p_measure_result_id IN NUMBER
, p_participant_id IN NUMBER, p_period_id IN NUMBER
, p_interval_number IN NUMBER, p_formula_id IN NUMBER
, p_plan_component_id IN NUMBER, p_srp_comp_plan_id IN NUMBER
, p_commission_value IN NUMBER, p_endofinterval_flag IN VARCHAR2
, p_start_period_id IN NUMBER)
RETURN NUMBER
IS
l_commission NUMBER;
l_output NUMBER;

BEGIN
-- we can comment out the code below as we don't need to call the
get_commission function in this use case. We will implement the logic to
get the percentile ranking
-- of the participant directly in the calculate_quota procedure.
/*
IF p_measure_result_id IS NOT NULL THEN
SELECT (g_19002PM_OUTPUT_ACHIEVED_ITD)
INTO l_commission
FROM DUAL
WHERE l=1 ;
l_commission := nvl(l_commission, 0);
ELSE
-- We add the custom logic here to get the ranking of the current
participant among all participants on measure
BEGIN
SELECT (g_19002PM_OUTPUT_ACHIEVED_ITD)
INTO l_commission
FROM DUAL
WHERE l=1 ;
l_commission := nvl(l_commission, 0);

EXCEPTION WHEN NO_DATA_FOUND THEN
l_commission := nvl(l_commission,0);
when others then
cn_message_pkg.debug('Exception occurs in get_commission: ');
cn_message_pkg.debug(sqlcode);
cn_message_pkg.debug(sqlerrm);
raise;
END;

```

```

END IF;
*/
return l_commission;
EXCEPTION WHEN OTHERS THEN
cn_message_pkg.debug('Exception occurs in get_commission: ');
cn_message_pkg.debug(sqlcode);
cn_message_pkg.debug(sqlerrm);
raise;

END get_commission;

--
-- Procedure Name
-- calculate_quota
-- Purpose
--This procedure is the hook to the calculation engine
-- History
-- 2011-02-16 FUSION_RUNTIME Created
--

PROCEDURE calculate_quota (p_srp_comp_plan_id IN NUMBER
, p_participant_id IN NUMBER, p_period_id IN NUMBER, p_start_date IN DATE
, p_plan_component_id IN NUMBER, p_formula_id IN NUMBER
, p_process_all_flag IN VARCHAR2, p_intel_calc_flag IN VARCHAR2
, p_org_id IN NUMBER, p_calc_currency_code IN VARCHAR2
, p_interval_number IN NUMBER, p_earning_type_id IN NUMBER
, x_latest_processed_date OUT NOCOPY DATE, errbuf OUT NOCOPY VARCHAR2
, retcode OUT NOCOPY VARCHAR2 )
IS
l_mul_input_tbl cn_tp_calc_util.mul_input_tbl_type;
l_measure_result_id cn_tp_measure_results_all.measure_result_id%TYPE;
l_commission_value cn_tp_measure_results_all.commission_value%TYPE;
l_rate_table_value_id cn_tp_measure_results_all.rate_table_value_id%TYPE;
l_tier_splits cn_tp_measure_results_all.tier_splits%TYPE;
l_input cn_tp_calc_util.num_table_type;
l_commission cn_tp_measure_results_all.output_achieved%TYPE;
l_debug_flag VARCHAR2(1) := fnd_profile.value('CN_DEBUG');
l_processed_date DATE;
l_statement VARCHAR2(1000);
l_trx_rec_old cn_tp_calc_util.measure_rec_type;
l_trx_rec_new cn_tp_calc_util.measure_rec_type;
l_trx_rec_null cn_tp_calc_util.measure_rec_type;
l_endofinterval_flag VARCHAR2(1);
l_start_period_id cn_tp_measure_results_all.source_event_period_id%TYPE;
l_grp_trx_rec cn_tp_calc_util.measure_rec_type;

BEGIN
g_intel_calc_flag := p_intel_calc_flag;
cn_tp_calc_util.calculate_init( p_srp_comp_plan_id, p_participant_id,
p_period_id, p_plan_component_id, p_formula_id, p_start_date,
p_process_all_flag, g_intel_calc_flag,

```

```

g_process_txn, g_itd_flag, 'N',
g_commission_paid_ptd, g_commission_paid_itd,
g_input_achieved_ptd, g_input_achieved_itd,
g_output_achieved_ptd, g_output_achieved_itd,
g_select_status_flag, errbuf, retcode);

-- We don't need the following code as we will retrieve the percentile
-- ranking directly in the added code below
/*
select met.OUTPUT_ACHIEVED_ITD
into g_19002PM_OUTPUT_ACHIEVED_ITD
from cn_srp_per_form_metrics_all met, cn_plan_component_formulas_all pcf
where met.srp_comp_plan_id = p_srp_comp_plan_id
and met.period_id = p_period_id
and met.plan_component_id = pcf.plan_component_id
and met.formula_id = pcf.formula_id
and pcf.calc_variable_id = 19002; */

BEGIN
l_endofinterval_flag := 'N';
l_start_period_id :=
cn_tp_calc_util.get_start_period_id( p_formula_id, p_period_id);
IF (p_period_id = cn_tp_calc_util.get_end_period_id(p_formula_id,
p_period_id)) THEN
l_endofinterval_flag := 'Y';
END IF;

SELECT
least(p.end_date,nvl(spa.end_date,p.end_date),nvl(q.end_date,p.end_date))
INTO l_processed_date
FROM cn_period_statuses_v p,cn_srp_comp_plans_all spa,cn_formulas_all_b
q
WHERE p.period_id = p_period_id
AND spa.srp_comp_plan_id = p_srp_comp_plan_id
AND p.org_id = spa.org_id
AND q.formula_id = p_formula_id;

/*
l_commission := get_commission( NULL,
p_participant_id, p_period_id, p_interval_number, p_formula_id,
p_plan_component_id,
p_srp_comp_plan_id, l_commission_value,
l_endofinterval_flag,l_start_period_id );
*/
-- we use the following custom SQL to get the percentile ranking of the
-- current participant among all participants on the same plan component,
-- which
-- is identified by calc_variable_id = 19002 in this case
select percentile
into l_commission

```

```

from (
select met.srp_comp_plan_id, percent_rank() over(order by
nvl(met.output_achieved_itd,0) asc) percentile
from cn_srp_per_form_metrics_all met, cn_plan_component_formulas_all pcf
where met.period_id = p_period_id
and met.plan_component_id = pcf.plan_component_id
and met.formula_id = pcf.formula_id
and pcf.calc_variable_id = 19002)
where srp_comp_plan_id = p_srp_comp_plan_id

if (l_debug_flag = 'Y') then
cn_message_pkg.debug('Output=' || l_commission);
end if;

l_trx_rec_new := l_trx_rec_null;
l_trx_rec_new.credited_participant_id := p_participant_id;
l_trx_rec_new.created_during := 'CALCULATION';
l_trx_rec_new.srp_comp_plan_id := p_srp_comp_plan_id;
l_trx_rec_new.plan_component_id := p_plan_component_id;
l_trx_rec_new.formula_id := p_formula_id;
l_trx_rec_new.source_event_date := l_processed_date;
l_trx_rec_new.source_event_period_id := p_period_id;
l_trx_rec_new.transaction_type := 'GRP' ;
l_trx_rec_new.object_status := 'CALCULATED';
l_trx_rec_new.earning_type_id := p_earning_type_id;
l_trx_rec_new.commission_value := l_commission_value;
l_trx_rec_new.rate_table_value_id := l_rate_table_value_id ;
l_trx_rec_new.tier_splits := l_tier_splits ;
l_trx_rec_new.input_achieved := 0 ;
l_trx_rec_new.output_achieved := l_commission ;
l_trx_rec_new.calc_currency_code := p_calc_currency_code ;
l_trx_rec_new.org_id := p_org_id ;

EXCEPTION WHEN OTHERS THEN

l_trx_rec_new.error_reason := NVL(errbuf, substr(sqlerrm,1,150));
l_trx_rec_new.object_status := 'CALCULATION_ERROR' ;
cn_message_pkg.debug('Exception occurs while calculating commission line:
');
cn_message_pkg.debug(sqlcode);
cn_message_pkg.debug(sqlerrm);
END ;

IF l_endofinterval_flag = 'Y' THEN
cn_tp_calc_util.create_update_grp_measure(l_trx_rec_new);
END IF;

g_output_achieved_ptd := l_commission - g_output_achieved_itd;
g_output_achieved_itd := l_commission;
g_commission_paid_ptd := l_commission - g_commission_paid_itd;
g_commission_paid_itd := l_commission;

```

```

cn_tp_calc_util.calculate_roll( p_participant_id,
p_plan_component_id, p_formula_id, p_period_id,
p_srp_comp_plan_id, 'N',
g_input_achieved_ptd, g_input_achieved_itd,
g_output_achieved_ptd, g_output_achieved_itd,
errbuf, retcode );

EXCEPTION

when others then
cn_message_pkg.debug('Exception occurs in formula calculate_quota:');
cn_message_pkg.debug(sqlcode);
cn_message_pkg.debug(sqlerrm);
raise;
END calculate_quota;

END RANK_CN_FORMULA_Example_PKG;

```

## 2. Enter the primary details.

1. On the Add Performance Measure page, in the Performance Measures section, click **Create** to open the Create Performance Measure: Enter Primary Details page.
2. Complete the fields, as shown in this table.

Field	Value
<b>Name</b>	Calculate Bonus PM
<b>Description</b>	Measures attainment as the percentile ranking based on quarterly revenue attainment for all of the participants associated with this plan.
<b>Include in participant reports</b>	Yes
<b>Use external formula</b>	Yes
<b>Formula Name</b>	Search for and select your formula (CN_CALCULATE_RANKING).
<b>Start Date</b>	01/01/2010
<b>End Date</b>	12/31/2010
<b>Performance Interval</b>	Quarter
<b>Unit of Measure</b>	Percent

3. Click **Save and Close**.

## 3. Define incentive formula for bonus plan component.

1. On the Define Incentive Formula page, for **Payout Frequency**, select **Quarter**.
2. For **Expression Name**, select **New Expression**.
3. On the Create Expression page, complete the general fields, as shown in this table.

Field	Value
Name	Calculate Bonuses Exp
Description	Calculate bonuses based on the output of the performance measure Calculate Bonus PM.
Type	Calculation

4. In the Configure Expression section, create the expression, as shown here.
  - a. For **Attributes**, select **Rate Table Result**.
  - b. Click **Save and Close**.
5. Click **Save and Close**.
6. On the Define Incentive Formula page, in **Expression Name**, the application automatically inserts the name of the expression that you just created.
7. Click **Next**.

#### 4. Add new rate table for bonus plan component.

Create a rate table for the application to use to find the ranking percentile to apply when calculating bonus payouts.

1. Enter the general rate table information.
2. Create the rate dimensions.
3. Edit the rates.
4. Add the new rate table to the plan component.

##### 1. Enter the general rate table information.

1. In the Rate Table Parameters section, complete the fields, as shown in this table.

Field	Value
Rate Table Dimensions	1
Split Attainment Across Tiers	No

2. In the Rate Tables section, click **Create** to open the Create Rate Table page.
3. Complete the general fields, as shown in this table.

Field	Value
Name	Relative Ranking RT
Description	Find the incentive earned (in USD) based on percentile ranking.
Type	Percent

##### 2. Create the rate dimensions.

1. In the Rate Dimensions section, click **Create** to open the Create Rate Dimension page.

2. Complete the general fields, as shown in this table.

Field	Value
Name	Relative Ranking RD
Description	This single rate dimension has five tiers for relative ranking percentile. Use it to determine the corresponding bonus payout.
Type	Percent

3. In the Tiers section, add four tiers, as shown in this table.

From	To
95	100
75	95
50	75
20	50
0	20

4. Click **Save and Close**.

### 3. Edit the rates.

1. Click **Edit Rates**.
2. Edit the rate (the incentive earned in USD) for each tier, as shown in this table.

From and To	Rate
100 - 95	25,000
75 - 95	20,000
50 - 75	15,000
20 - 50	10,000
0 - 20	0

3. Click **Save and Close** for your rates.
4. Click **Save and Close** for your rate table.

### 4. Add the new rate table to the plan component.

1. In the Rate Tables section, click **Add**.
2. Add the new rate table, **Relative Ranking RT**, to the plan component.
3. In the Relative Ranking RT: Rate Dimension Inputs section, for **Expression Name**, select **New Expression**.
4. On the Create Expression page, complete the general fields, as shown here.

Field	Value
Name	Quarterly Attainment Exp
Description	Output of the performance measure Calculate Bonus PM.
Type	Calculation

5. In the Configure Expression section, create the expression, as shown here.
  - a. For **User Defined Objects**, select **Measure results**.
  - b. Search for and select your measure: **Calculate Bonus PM**.
  - c. For **Attribute**, select **ITD Output Achieved**.
  - d. Click **Add to Expression**.
  - e. Click **Save and Close**.
6. On the Add Rate Table page, in the Relative Ranking RT: Rate Dimension Inputs section, the application automatically inserts the name of the expression that you just created.
7. Click **Save and Close**.

This worked example uses the default payment information.

If you want to check your choices and entries before saving, click **Review** to open the Review page.

## FAQs for Model and Configure Incentive Plans

### Why is the incentive compensation plan not valid for calculation?

There are a number of reasons for the invalid status:

- There is no associated plan component.
- One or more associated plan components are not valid.
- The Allow Credit Category Overlap is deselected and the application detects the same credit categories present across the associated plan components and performance measures.

---

#### Tip

For this validation, the application considers only the measures where **Yes** is selected from the **Earnings Basis** choice list.

---

- One of the dependent plan components is not associated.

### What's a plan component?

It is part of an incentive compensation plan and determines whether the application calculates compensation earnings for each transaction or for all

of the transactions in an interval. The application calculates compensation based on the attainment of the performance measures associated with the plan component. You can assign multiple plan components to a compensation plan as well as one plan component to multiple compensation plans. Plan components may reflect variations of incentive, such as bonus, commission, or special (or sales) performance incentive fund (SPIF) payable to the plan participants. Also configure plan components to track nonmonetary credits such as points, airline miles, or Club award.

### **Why is the plan component not valid for calculation?**

The following setup issues can result in the status **Not valid for calculation**.

- No performance measure is associated with the plan component. Associate at least one performance measure with the plan component.
- One of the associated performance measures has a status of **Not valid for calculation**. All associated performance measures must have a status of **Valid for calculation**.
- One of the dependent performance measures is not associated with the plan component.

For example, you have two performance measures, Desktop Revenue and Laptop Revenue. The performance measure weights are 70 and 30 percent, respectively. You must first calculate the weighted attainment and then use that to calculate the earnings for the plan component. You defined a third performance measure, Weighted Revenue Attainment, to calculate the weighted score. You associated the Weighted Revenue Attainment performance measure with the plan component but did not associate the Desktop and Laptop Revenue performance measures. Associate all three performance measures with the plan component.

- The rate table is not associated with the plan component and the incentive formula output expression refers to rate table results.
- The entire range of plan component is not covered by the associated rate tables.

---

#### **Tip**

You can provide multiple rate tables with nonoverlapping date ranges.

---

- At least one of the rate dimensions is missing an input expression.

### **What's an incentive compensation Calculation Phase?**

The Calculation Phase value determines when the application computes the incentive compensation plan component results during calculations. The application first calculates the results of all Phase 1 plan components of an incentive compensation plan, for each participant. Next, it calculates the results for all Phase 2 plan components for the compensation plan, for each participant.

Phase 1 is the default value and you use it for most situations. Choose Phase 2 for a plan component if the following conditions are satisfied:

1. The dependent plan component uses the results of any other base plan component. That is, the application computes the results of the base plan component, such as Input Achieved and Output Achieved, and uses these results to compute the results of the dependent plan component.
2. The application must calculate the base plan component first, for all of the participants associated to this plan.

For example, you want to calculate the earnings for managers, based on the earnings their direct reports. Use two plan components:

- A base plan component, set to Phase 1, to calculate the earnings of the direct reports
- A dependent plan component, set to Phase 2, to calculate the earnings of the managers

---

**Tip**

For the performance measure of the second plan component, you would use a custom formula to aggregate the earnings for the managers.

---

**When do I change the default calculation sequence of plan components associated to an incentive compensation plan?**

By default, the calculation sequence is 1 when you associate a plan component with an incentive compensation plan. Change the sequence to 2, or more, if the plan component (a dependent plan component) refers to the calculated result of another plan component (a base plan component). The dependent plan component must have a higher calculation sequence than the base plan component.

For example, you have two plan components: Service Bonus and Product Bonus. The application calculates the Product Bonus earning at a higher percentage when salespeople attain 100 percent on their service quotas. This means that the application references the service quota attainment measure, of the Service Bonus plan component, when it calculates the earnings of the Product Bonus plan component. Set the calculation sequence of the Service Bonus plan component to 1 and the Product Bonus plan component to 2.

---

**Tip**

Whenever you associate a dependent plan component with a compensation plan, also associate the base plan component to complete the compensation plan setup.

---

**What happens if I use a plan component that is not valid for calculation, in a incentive compensation plan?**

The status of the incentive compensation plan will be **Not valid for calculation**. That means that you cannot associate participants to the plan, nor include it for the Calculation process. To make the plan component valid, drill down on it from the incentive compensation plan to identify and fix the issues.

## What's Payment Made Through Third Party?

A check box on incentive compensation plan components, it indicates whether to pay any incentive earning calculated for a specific participant to another person. While individualizing the plan component, you can enter the payee detail for the participant.

## How can I use incentive compensation measure weights in calculation?

Include them when creating an expression to calculate the earnings for a plan component. For example, your plan component has two performance measures, Product Quota Attainment and Service Quota Attainment. The measure weights are 70 percent and 30 percent, respectively. Define your earning expression for the plan component as **(Measure.Weight \* Product Quota Attainment.Output + Measure.Weight \* Service Quota Attainment.Output ) Target Incentive**. During calculation, the application substitutes the respective weight for each measure and calculates the result.

Include them when creating an expression to calculate weighted score using another measure. For example, your earning calculation is based on two performance measures, Desktop Revenue and Laptop Revenue and the application calculates the output (attainment) as a score. The measure weights are 60 percent and 40 percent, respectively. Use a third performance measure called Weighted Score to define the attainment expression to calculate the weighted score as **Measure.Weight \* Desktop Revenue.Output + Measure.Weight \* Laptop Revenue.Output**.

## Why is the performance measure not valid for calculation?

There are six different set up situations that can result in a status of **Not valid for calculation**.

- You reference an incentive compensation goal attribute, such as interval target, in the input or output expression and you did not provide a target value.
- Your performance measure accesses any of the transaction attributes in its input or output expression and you did not select at least one credit category.
- You did not provide a rate table and your performance measure attainment expression refers to a rate table result.
- You did not provide rate tables for the entire range of the performance measure.

---

### Note

Provide either a single rate table for the entire date range or multiple rate tables with nonoverlapping date ranges.

- 
- You did not provide input expressions for all of the rate dimensions.

- You selected **Running total** for the performance measure, but did not select **Accumulate** for an input expression (dimension). Choose it for at least one input expression.

### **Why can't I enter a date range for a performance measure or plan component?**

Define all of the incentive compensation periods for the duration of the performance measure or plan component in the Define Business Unit Configuration for Incentive Compensation task list, Manage Open Period Process task. Also, set up the intervals for the calendar (in the Manage Intervals task), for the performance measure or plan component interval type. For example, if the performance measure or plan component interval is **Quarter**, then for the corresponding calendar, define quarterly intervals.

### **What happens if I use a performance measure that is not valid for calculation, in an incentive compensation plan component?**

The status of the incentive compensation plan component and the incentive compensation plan will be **Not valid for calculation**. That means that you cannot associate participants to the compensation plan, nor include it for the Calculation process. To make the performance measure valid, drill down on it from the plan component to identify and fix the issues.

### **When do I change the default calculation sequence of performance measures associated with a plan component?**

By default, the calculation sequence is 1 when you associate a performance measure to a plan component. Change the sequence to 2, or more, if the measure (a dependent measure) refers to the calculated result of another measure (a base measure). The dependent measure must have a higher calculation sequence than the base measure.

For example, you have two measures: Desktop Revenue and Laptop Revenue. The measure weights are 70 percent and 30 percent, respectively. You want to calculate the weighted attainment and use that to calculate the earnings for the plan component. You define a third measure called Weighted Revenue Attainment to calculate the weighted score of the third measure. You associate all three measures with the plan component. The calculation sequence for Desktop Revenue and Laptop Revenue measures is 1 and the calculation sequence of the Weighted Revenue Attainment measure is 2.

---

#### **Tip**

Whenever you associate a dependent performance measure with a plan component, also add the base performance measure to complete the plan component setup.

---

### **Can I provide alternate incentive compensation targets such as stretch goals?**

Yes. Provide up to five alternate incentive compensation targets for a performance measure. Also, distribute these targets across intervals and periods, just like regular targets.

- The application hides these attributes by default. Expose them through personalization, before you enter values.

- Use the attribute values in incentive compensation expressions for attainment calculation. Enable these attributes for calculations in the Application Setup work area.

### **What happens if I edit an individualized incentive compensation goal?**

Where you individualized the incentive compensation plan component for any participant, the application will not overwrite, or replace, the individualized target numbers for those participants, when you change the target number at the plan component level.

For any participant for whom the plan component is not individualized, or for any new participant added later, the application uses the modified target number in calculations.

### **How can I use an incentive compensation calculation expression?**

Use an incentive calculation expression in a variety of ways.

- Calculate the attainment for a performance measure that process transactions individually or group by interval
- Calculate the earnings for a per event or per interval plan component
- Calculate the earnings for a per event or per interval plan component, for true-up calculations
- Create dynamic rate dimension tiers

### **How can I enable an attribute to show in the incentive compensation expression builder?**

In the Define Business Unit Configuration for Incentive Compensation task list, Configure Tables and Columns task, enable the attribute for calculation and select the appropriate level 2 expression grouping. Also add a user-friendly name for the attribute, that the application displays in the incentive compensation expression builder.

### **What's a user defined function?**

A custom created PL/SQL function, which gives more freedom in expression building. In Oracle Fusion Incentive Compensation add such custom functions to an expression using the expressions builder.

1. Create the function in the database using SQL Plus.
2. Add a lookup code, that is the same as the name of the user-defined function, to the lookup type 'CN\_USER\_FUNCTIONS'.
3. On the Create Expression or Manage Expression page, select the function from the **User Defined Functions** choice list.

### **What happens if I edit individualized incentive compensation rate table rates?**

After you individualized the incentive compensation plan component for any participant, the application will not overwrite, or replace, the individualized

rate table rates for those participants, when you change the rates at the plan component level.

However, for participants for whom the plan component is not individualized, or for any new participant associated later, the application uses the modified rates in calculations.

### **What happens if the low value of a tier equals to the high value of the previous tier?**

If an incentive compensation transaction matches the amount or percent that is the top of one tier and the bottom of the next, higher tier, the application calculates the rate using the higher tier.

For example, using the following percentage rate table, the application pays an incentive compensation transaction that matches exactly 50,000 at the 3 percent rate.

Transaction Amount	Commission Percentage
0-25,000	1
25,000-50,000	2
50,000-75,000	3
75,000-100,000	4

## **Classification Rules and Credit Categories for Incentive Plans**

### **Credited Transactions: How They Are Classified**

During the Classification process, the application adds a credit category to each transaction using classification rules.

---

#### **Important**

For the time interval for which you are running the Classification process, ensure that:

- The rules are deployed (use the Deploy Classification Rules process)
  - The periods are open
- 

### **Settings That Affect Classification and Calculation**

In the Define Business Unit Configuration for Incentive Compensation task list, Manage Parameters task, for **Classify Transactions** select one of these choices:

- **After collection and before crediting:** Run the Classification process after collecting the transactions from the source application.
- **After crediting and roll up and before calculation:** Run the Classification process on the credit transactions.

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## Tip

Use this choice when the base transaction creates credits in different business units and the classification rules are different in each business unit.

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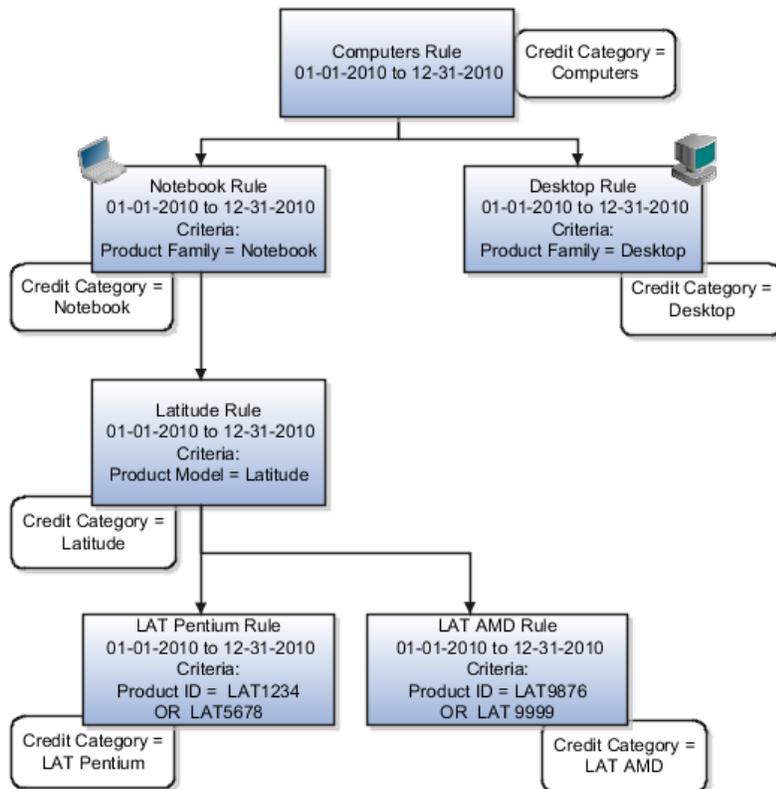
## How Credit Transactions Are Classified

During the Classification process, the application compares the criteria for the applicable classification rules to the affected transaction attribute values.

- If it finds a match, it assigns the credit category of the matching rule to the transaction and sets the status to **Classified**.
- When it fails to find a match, or when more than one rule is qualified as the winner (after considering the rule ranking) the application sets the transaction status to **Failed classification**.

### Classifying Transaction with Credit Category

The following figure illustrates a partial, 4-level classification rule hierarchy for notebook and desktop computers.



The transaction attributes are:

- Product Family: Notebook
- Product Model: Latitude
- Product ID: LAT1234

The application adds the LAT Pentium credit category to the transaction.

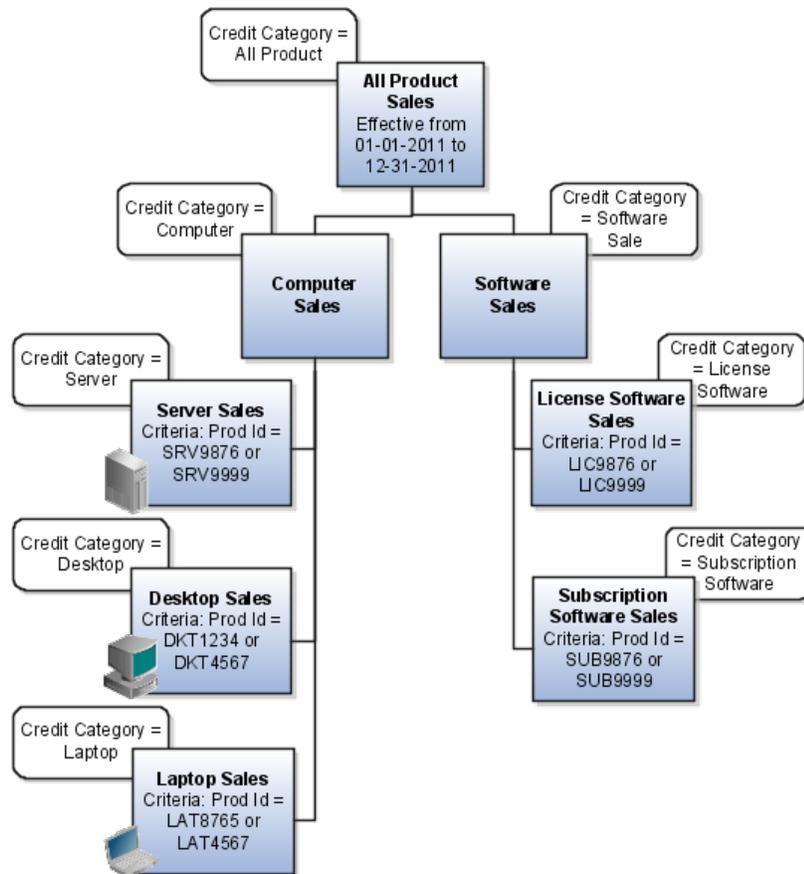
## Incentive Compensation Classification Rule Hierarchy and Credit Categories: How They Work Together

Use the classification rule hierarchy to classify credited transactions. Use credit categories to match the classified transactions to performance measures, forming the basis for attainment calculation.

### Classification Rules Hierarchy

The application uses the incentive compensation classification rule hierarchy to assign credit categories to credited transactions during the Classification process. Each rule contains one or more conditions and is associated with only one credit category. The conditions specify the characteristics a transaction must have for the application to associate it with a credit category during the Classification process.

The following image is a partial, 3-tier classification rule hierarchy that includes the criteria for each rule, as well as the associated credit category. Rules that have no criteria are containers for descendant rules.



Organize classification rules hierarchically by assigning the common conditions once, to a parent and assigning the more granular criteria to lower level (child) rules. The application combines the criteria for any level with the criteria of all of

the parent level rules using the AND operator and starting from the root level, greatly reducing rule maintenance. This also provides you with a mechanism to determine the winning rule based on the rank and position of the qualifying rule in relation to the root level.

### Credit Categories and Their Hierarchy

Define credit categories to represent the products you sell, customer accounts, service types, geographical market segments, and so on as well as a combination of these items. Use these credit categories to match the classified transactions to performance measures during the Eligibility phase of the Calculation process and provide the basis for attainment calculation.

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#### Note

The Eligibility phase is called the Population phase in earlier Oracle Incentive Compensation applications.

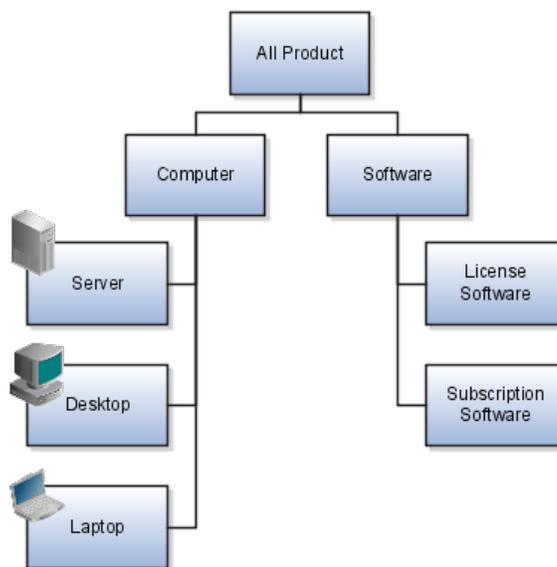
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The application uses one of the following matching rules to qualify each transaction:

- Match the transaction credit category to one of the performance measure credit categories.
- Match an ancestor of the transaction credit category to one of the performance measure credit categories.

To achieve this, the application derives the credit category hierarchy based on the defined classification rule hierarchy. The following image illustrates the credit category hierarchy for the classification rule hierarchy presented earlier.

The following image is a partial, 3-tier credit category hierarchy derived from the classification rule hierarchy presented earlier.



#### Example

The application classifies the following transactions based on the classification rule hierarchy defined earlier.

Transaction Number	Product	Credit Category	Classification Rule Used	Status
56031	DKT1234	Desktop	Desktop Sale	Classified
56032	LAT4567	Laptop	Laptop Sale	Classified
56033	LIC9876	License Software	License Software Sale	Classified

There are two performance measures defined for the relevant incentive compensation plan.

Performance Measure Name	Credit Category
All Desktop Sales	Desktop
All Computer Sales	Computer

The application matches the classified transactions to the performance measures, during the Calculation process.

Transaction Number	Product	Credit Category	Performance Measure	Status
56031	DKT1234	Desktop	All Desktop Sales	Eligible
56031	DKT1234	Desktop	All Computer Sales	Eligible
56032	LAT4567	Laptop	All Computer Sales	Eligible
56033	LIC9876	License Software	Not applicable	Eligibility Error

## Incentive Compensation Classification Rules: How They Use Criteria

Incentive compensation classification rules include qualifying criteria that consist of one or more attributes and associated operator and value combinations. They use the OR operator for the values within an attribute and the AND operator for attributes within a rule hierarchy.

## Settings That Affect Classification Rules

Select or deselect classification rule qualifiers in the Define Business Unit Configuration for Incentive Compensation task list, Configure Tables and Columns task. Select the CN\_TP\_TRANSACTIONS\_ALL table, then select or deselect the attribute in the applicable column to show or hide the attribute in the **Qualifier** lookup.

## How Classification Rules Use Criteria

The application concatenates together each qualifying criteria attribute that you add, in top-down order using the exclusive OR and inclusive AND operators.

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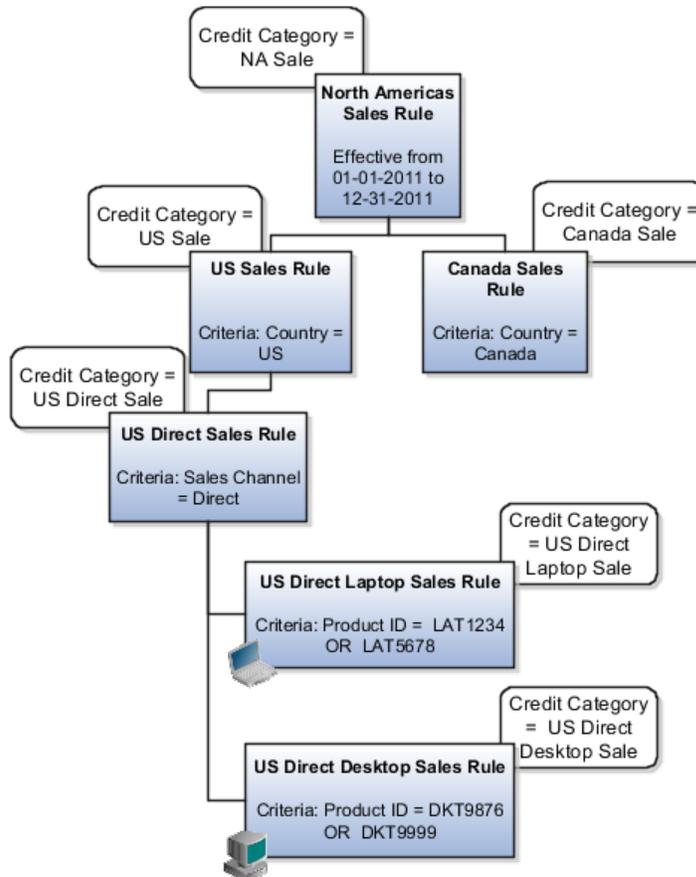
## Tip

If you have multiple incentive compensation business units and you want to segregate all transactional data, include business unit as one of your qualifiers at the top level of your hierarchy.

---

## Partial 4-Level Computer Classification Rule Hierarchy Example

The following figure illustrates a partial, 4-level classification rule hierarchy for notebook and desktop computers.



The applications evaluates the criteria for the fourth level classification rule to Country equals US AND Sales Channel equals Direct AND Product ID equals LAT1234 OR LAT5678. If the condition is met, then the transaction is classified as US Direct Laptop Sale.

## Incentive Compensation Classification Rule Ranking: Explained

The winning classification rule identifies the proper credit category for the transaction.

Rule rank and rule position within the hierarchy enable the Classification process to identify one matching, or winning, rule to add a credit category to the transaction.

## Rank

When there are multiple rules that match a transaction, the application chooses the rule with the lowest rank. For example, if you ranked the rules from 1 to 10 and the application qualifies two rules, with ranks 2 and 3, then the application selects the rule with rank 2 as the winning rule.

## Rule Position in Hierarchy

When there are multiple matching rules with the same rank, the application chooses the rule that is furthest down (at the lowest level) in the hierarchy. For example, if the application qualifies two rules, one a parent and one a child, then it selects the child rule as the winning rule.

# Incentive Compensation Classification and Calculation Processes: How They Use Credit Categories

The application uses credit categories during the Classification and Calculation processes to qualify incentive compensation transactions and help calculate attainment.

## Settings That Affect Classification and Calculation

In the Define Business Unit Configuration for Incentive Compensation task list, Manage Parameters task, select **Yes** for **Enable Classification** to enable the Classification process for the business unit. Otherwise, the application assumes that the transactions include the credit category.

## How Classification and Calculation Use Credit Categories

During the Classification process, the application adds a credit category to the transaction using classification rules.

During the Calculation process, the credit categories of a performance measure form the basis for calculating the attainment. First, the application uses one of the following matching rules to qualify each transaction:

- Match the transaction credit category to one of the performance measure credit categories
- Match an ancestor of the transaction credit category to one of the performance measure credit categories

Then, the application includes the qualified transactions when computing the attainment of the performance measure.

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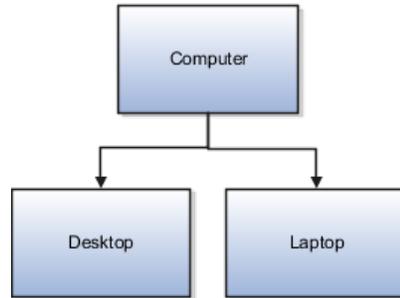
### Note

If multiple performance measures match to a transaction, the application creates a duplicate of the transaction for each of the matched performance measures.

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### Example: Classifying and Calculating with Credit Categories

Define a parent credit category and two child credit categories. Associate the Computer (parent) credit category with Measure 1 and the Desktop (child) credit category with Measure 2.

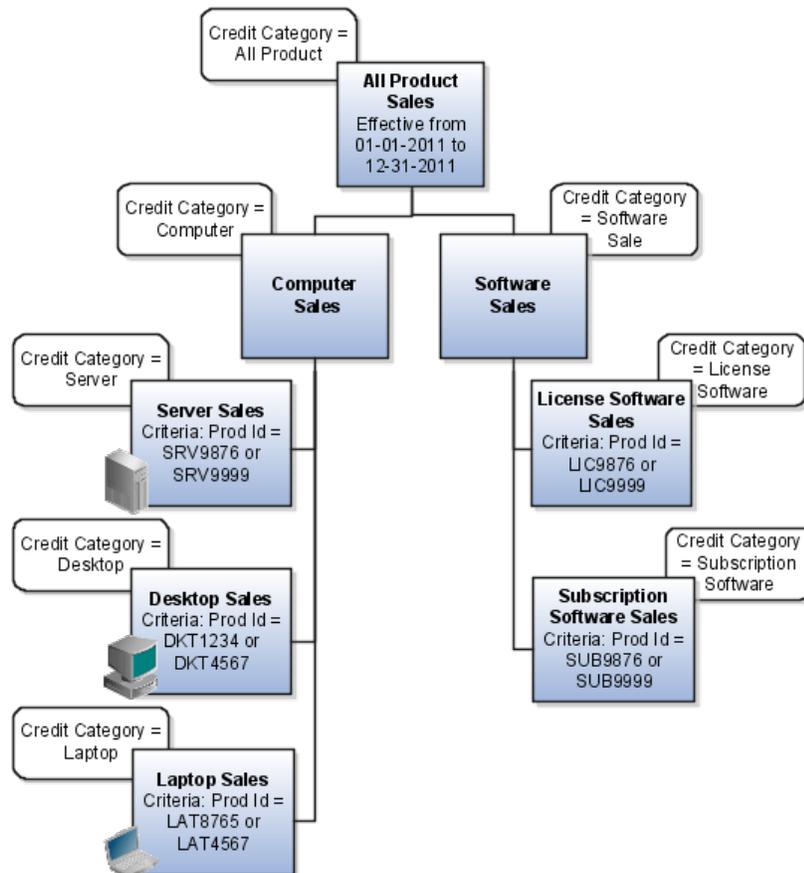


During the Classification process, the application associates the Desktop (child) credit category with a transaction, T1. Then, during Calculation process, the application includes the T1 transaction for both Measure 1 and Measure 2 for attainment calculation.

## Examples for Classification Rules and Credit Categories for Incentive Plans

### Creating a Classification and Credit Category Hierarchy: Worked Example

This example demonstrates how to create a 3-tier classification rule and credit category hierarchy to classify transactions and match those transactions with performance measures, forming the basis for attainment calculation.



Create your credit categories and then create the classification rules, which includes associating a credit category with the rule.

## Creating Credit Categories

Perform these steps eight times, once for each credit category.

1. In the Compensation Plan work area, click **Create Credit Category** to open the Create Credit Category page.
2. Enter the **Name**.
  - a. All Product
  - b. Computer
  - c. Server
  - d. Desktop
  - e. Laptop
  - f. Software Sale
  - g. License Sale
  - h. Subscription Sale
3. The first seven times, click **Save and Create Another** and repeat steps 2 and 3; then, click **Save and Close**.

## Creating Classification Rules and Hierarchy

When creating the classification rule hierarchy and rules:

1. Create the root-level rule.
2. Create the remaining rules, including credit categories and relevant qualifying criteria.

### 1. Create the root-level rule.

1. In the Compensation Plan work area, click **Manage Classification Rules** to open the Manage Classification Rules page.
2. In the Classification Rules Hierarchy section, click **Create Hierarchy**.
3. For **Name**, enter **All Product Sales**.
4. For **Start Date**, enter **01/01/2011**.
5. For **End Date**, enter **12/31/2011**.
6. Click **Save and Close**.
7. In the Classification Rules Hierarchy section, select the rule that you just created, **All Product Sales**.
8. In the All Product Sales: Details section, click **Credit Category**.
9. Click **Add Row**.
10. For **Name**, search for and select **All Product**.

### 2. Create the second-level and third-level rules.

Perform the following steps seven times to create:

- Two classification rules under the root-level rule All Product Sales
- Three classification leaf rules under the Computer Sales rule
- Two classification leaf rules under the Software Sales rule

The following table contains the classification rule, parent rule, and credit category names to use for each iteration.

Classification Rule Name	Parent Rule Name	Credit Category Name	Rule Criteria
Computer Sales	All Product Sales	Computer	Not applicable
Software Sales	All Product Sales	Software Sale	Not applicable
Server Sales	Computer Sales	Server	Prod Id = SRV9876 or SRV9999
Desktop Sales	Computer Sales	Desktop	Prod Id = DKT1234 or DKT4567
Laptop Sales	Computer Sales	Laptop	Prod Id = LAT8765 or LAT4567
License Software Sales	Software Sales	License Software	Prod Id = LIC9876 or LIC9999
Subscription Software Sales	Software Sales	Subscription Software	Prod Id = SUB9876 or SUB9999

1. In the Classification Rules Hierarchy section, select the appropriate parent rule based on the preceding table.
2. Click **Create Node**.
3. For **Name**, enter the appropriate classification rule name from the preceding table.
4. Click **Save and Close**.
5. In the Classification Rules Hierarchy section, select the second-level or third-level (leaf) rule that you just created.
6. In the Details section, click **Credit Category**.
7. Click **Add Row**.
8. For **Name**, search for and select the credit category name that corresponds to this classification rule in the preceding table.
9. In the Details section, click Qualifying Criteria.
10. Click **Add Row**.
11. For **Name**, search for and select **Prod Id**.
12. In the Prod Id: Qualifying Attribute Values section, click **Add** to display the Search and Select: Values window.
13. For Values, enter the first three characters of the Prod Id that corresponds to this classification rule followed by the % character, for example **SRV%**, and click **Search**.
14. Select the two qualifying attribute values that correspond to this classification rule, holding the CTRL key when you select the second value.

15. Click **Apply**.

16. Click **Done**.

17. Click **Save**.

## FAQs for Classification Rules and Credit Categories for Incentive Plans

### Can I create a credit category hierarchy that is separate from my classification rule hierarchy?

Yes.

- Create an incentive compensation classification rule hierarchy, with relevant rule criteria and with credit categories assigned for only the leaf (bottom most) level rules. The Classification process uses this hierarchy to assign the credit categories to the transactions.
- Create another hierarchy of credit categories, which does not include any criteria. The application uses this hierarchy during the Calculation process, to find the performance measures with directly matching credit categories or by matching the parent credit categories, indirectly.

---

#### Tip

Typically, the rule name is the same as the credit category name.

---

## Configure Credit and Rollup Rules

### Incentive Compensation Rule Attributes: How They Work Together

This topic discusses leveraging incentive compensation rule hierarchies and inheritance and choosing appropriate matching attributes.

#### Leveraging Hierarchies and Inheritance

Hierarchies organize your transactional matching rules and enable inheritance. For example, you have 1,000 credit rules exclusive to the US. The best practice approach, for easy set up and maintenance, is to introduce a hierarchy layer representing countries, which includes the transactional matching rule Country = United States. All of the 1,000 child rules inherit the transaction matching rules; instead of maintaining the transactional matching rule in 1,000 credit rules, you maintain it in one parent rule.

Each attribute in a hierarchy is ANDed to each of its lower level child rules which forms the complete matching criteria. For example, if your structure uses Country = United States at the top level, and the next level contains State = CA, the application looks for transactions that have a country equal to United States and state equal to California to determine a match. Also, it evaluates each separate qualifier's values. If the second level rule had State = CA, OR, WA, the application looks for any transaction with a country equal to United States and a state equal to California or Oregon or Washington. Any transaction with one of the three states would qualify for a match to the rule.

#### Choosing Appropriate Matching Attributes

Use matching attributes to define your rules, including named accounts (customer, customer hierarchy, customer category...), geographic-centric (city, state, province), product, product hierarchy, and channel. About 25 standard qualifiers are delivered and you may add custom qualifiers.

Delivered attributes used in defining named account rules through Oracle Fusion Trading Community Architecture are:

Attribute	Description
Customer Name Range	Identifies organizations through ranges of names or partial name matches. Unless you have strict data quality management policies in place and there is only one occurrence of each customer, we recommend that you use this matching attribute for named accounts.

Territory Name	From Oracle Fusion Customer Relationship Management (CRM) Sales.
Customer ID	Registry ID from Oracle Fusion Trading Community Architecture. While configuring rules, you select the customer name, but the application stores the ID on the rule and uses it instead of name to aid in performance.
Customer Hierarchy from Oracle Fusion Trading Community Association	Select any level of the hierarchy in your rules and, if the application finds a match for a lower level child on the incentive compensation transaction, it qualifies as a match to the rule.

These matching attributes identify Oracle Fusion Trading Community Architecture organizations or customer sites. Also create your own custom qualifiers to use in matching transactions. Point to any source to add a new qualifier, as well as add new qualifier look ups.

The following tables list questions to ask to ascertain how to more effectively organize your attributes as well as the reason why the question is important:

Question	What the Answer Tells You
How many named accounts does the organization have?	<p>If sales management claims that named accounts make up more than 20 percent of all territory organizations, then it is likely to have incorrectly implemented named accounts.</p> <p>For example, a telecom territory is comprised of 50 SIC codes in CRM. Implementing a telecom credit hierarchy as 20,000 named accounts would require a minimum of 20,000 customer name range qualifier rules. It is better implemented as a credit hierarchy with 50 SIC code matching rules.</p>
How many named accounts does a typical participant have?	<p>If sales management claims its salespeople have over a hundred named accounts, it is likely to have incorrectly implemented a simple rule using named accounts. Investigate how the business derived the set of named accounts. Typically, salespeople do not have the bandwidth to manage more than 100 named accounts and give the proper attention to critical customers.</p>
Does your business matching attribute fluctuate in the context of the credit receivers to whom you are assigning transactions? Does it segment customers periodically based on a dynamic business matching attribute?	<p>It is important to examine the fluctuation of the dynamic matching attribute in the context of the business object you are assigning. For instance, the high technology industry might first segment customers by customer category (automotive, telecom, government, financial services, and so on) and those customers maintain their segmentation even when their customer accounts change.</p> <p>In these cases, we recommend that you designate customer categorization at a higher level and then further divide them into named customer accounts and products.</p>

Using customer account rules, instead of geographic one, may be an ineffective way to assign a participant's credit in terms of application performance,

scalability, and ease of maintenance. It may be more effective to apply rules using a mix of criteria, for example country, region (state, postal code range), industry, channel, and then product family. For example, 20,000 customers are segmented by country and region, then sales channel, and product family. In this case, assignment is performed quickly because there are only a few or several hundred rules. Credit assignment performance directly correlates to the number of matching rules. Credit assignment is slower with 20,000 matching rules than with a few hundred.

---

**Tip**

If you plan to implement more than one incentive compensation business unit, you may want to include business unit as one of your qualifiers, to segregate all transactional data. Do not include it as a qualifier if you plan to use cross business unit crediting and roll up.

---

## Winning Incentive Compensation Credit Rule: Explained

The winning credit rule identifies the participants for which the application creates credit transactions.

The number of winning rules and ranking values enable the application to determine which rules in the credit and roll up hierarchy win when it evaluates each transaction.

### Number of Winning Rules

Designates how many credit rules can win when the application evaluates each transaction during the Crediting process.

### Rank

Specifies the priority of a rule among multiple winners. The lowest rank of competing rules at the same level in the hierarchy wins. For example, from rank 1 to 10 for the same hierarchy level, rank 1 has the highest priority. Rules lower in the hierarchy have an inherently higher ranking than those higher in the hierarchy.

A good example is the difference between named account rules and geographic rules within the same hierarchy level.

- Set the number of winners to one (at the top of the hierarchy).
- Use the Customer Name Range matching attribute in the named account rules.
- Use the Postal Code qualifier in the geographic rules.
- Rank the named account rules higher than the geographic ones.

The application finds that both rules match but the number of winners and ranking dictate that the higher ranked named account rule wins and the application creates credit transactions for the participants associated with the named account rule because there is only one winner designated for that hierarchy. If two winners were indicated, and both the geographic and named

account rules qualify, then the application creates credits for participants associated with both rules.

## Incentive Compensation Credit Rule Ranking and Winners: Example

This topic illustrates how the application uses number of winning rules and rank to identify the winning rule in the incentive compensation credit and roll up hierarchy, for each transaction it evaluates.

### Two Rules, One Winner

You defined, at the rule level, that there can be only one winner. The application is evaluating an incentive compensation transaction where the customer name is EMC and the state is California against these two rules:

Name	Rank	Criteria
CA Sales	200	State = 'CA'
Customer Sales	100	Customer is like 'EMC'

While the transaction matches both criteria, the application creates the relevant credits for the participants associated with the Customer Sales rule because it has the higher rank.

### Two Rules, Two Winners

You defined, at the rule level, that there can be two winners. The application is evaluating a transaction where the customer name is EMC and the state is California against the two rules in the previous scenario. Since the transaction matches both criteria, and there can be two winners, the application creates the relevant credits for the participants associated with both rules, ignoring the ranking.

---

#### Tip

Define the number of winners up to five levels down in the hierarchy.

---

## Incentive Compensation Rollup Rules: How They Are Processed

During the incentive compensation Rollup phase, the application runs a process to determine all of the participants who should receive credit for a transaction based on the rollup date and the credit and rollup hierarchy effective for that date. For every credit receiver, the application creates a new indirect rollup transaction and sets the status of the lines to rolled up.

Multiple resources can receive credit for the same transaction. For example, a manager may receive credit for subordinates' credit transactions. If you choose to compensate multiple participants for the same transaction, organize your

compensation rollup rules into a hierarchy to specify the relationships among your credit receivers.

## Settings That Affect Rollup Rules

In the Define Business Unit Configuration for Incentive Compensation task list, Manage Parameters task for **Enable Rollup Crediting**, when you select **Yes**, you must also select one of these **Roll Up Using** choices to tell the application which rules to use:

- **Credit hierarchy:** Use credit rules to create indirect rollup credits
- **Rollup hierarchy:** Use rollup rules to create rollup credits
- **Both:** Use both credit and rollup rules to create rollup credits

## How Rollup Rules Are Processed

**Rollup hierarchy:** Participants in parent positions automatically receive all of the credit applied toward participants in child positions that report to them, regardless of product.

**Credit hierarchy:** Participants in parent positions automatically receive all of the credit applied toward participants in child positions, that are designated to roll up to parents (using the roll up to parent option). Discreetly manage the rollup credits based on selected direct credit receivers.

---

### Tip

These rollup credits are also called indirect credits.

---

### Indirect Rollup Credit Example

In a hierarchy, three salespeople report to a manager and the manager reports to a director.

- The first participant receives 10,000 USD for an invoiced transaction.
- The second participant receives 5,000 USD for a different invoiced transaction.
- The third participant receives 7,000 USD for another invoiced transaction.

Each participant receives sales credit for the individual transaction that results from the participant's work.

Because the **Roll Up to Parents** check box is selected, the participants' manager receives three transactions totalling 22,000 USD in indirect rollup credit for these three invoices. A fourth invoice gives the manager 15,000 USD in direct credit. The additional salespeople reporting to the manager do not receive any credit from their peers.

The director, is at the top of the roll up hierarchy. The director receives a total of 37,000 USD in indirect rollup credit, including the manager's direct 15,000 USD credit and the 22,000 USD total for the three salespeople that roll up through the manager.

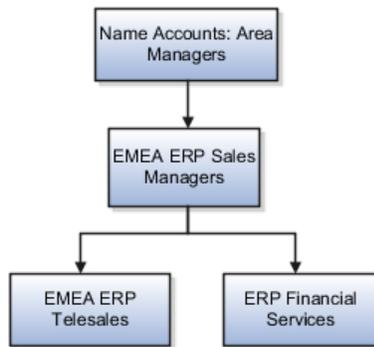
## Incentive Compensation Rollup Rule: Example

This example covers how the application creates incentive compensation rollup transactions.

### Scenario

Your EMEA business unit uses USD as its operating currency so that your executives can easily review all performance and expenses in a single currency across business units. It collects incentive compensation transactions from different countries, with different source currency and uses participant home currency as its processing currency. In this example, the application collects a transaction, with a source currency of EUR, that includes a line for an ERP Software License for ABC Company with a transaction amount of 28,398.00 EUR.

The partial credit rule hierarchy in this example has three levels.



The criteria for each of those rules, which are effective from 01/01/10 to 12/31/10, are:

Rule Name	Criteria
EMEA ERP Sales Managers	CUSTOMER = (ABC Telecom Company, Networking Company, PC Company, Corporate Computer Company, Airplane Company, ZYX Telecom Company,...)
EMEA ERP Telesales	Customer Category = Telecom AND Product Category = ERP Software OR ERP 1st Year Support
ERP Financial Services	Customer Category = Financial Services AND Product Category = ERP Software OR ERP 1st Year Support

The application applies your credit rules to the incentive compensation transaction line and creates the relevant direct and rollup credit attainments in the currency specified for each credited participant. The following table

represents the credit and rollup assignments used by the rules. The participant processing currency is not part of the earlier rules, but represents credits as the application creates them.

Credit Rule	Assign to	Roll Up to Parent	From Date	To Date	Role	Processing Currency
Named Accounts: Area Managers	Quinton Zellos	Not applicable	1/01/10	12/31/10	VP CRM Sales	EUR (Home)
Named Accounts: Area Managers	Herve Sarte	Not applicable	01/01/08	12/31/08	VP ERP Sales	CHF (Home)
EMEA ERP Sales Managers	James Benson	Not applicable	01/01/08	12/31/08	ERP Sales Manager Applications Representative	SEK (Home)
EMEA ERP Sales Managers	Theresa Botecelli	Not applicable	03/01/10	12/31/10	ERP Sales Manager Applications Representative	EUR (Home)
EMEA ERP Sales Managers	Jeremy Bourdeaux	Not applicable	02/15/10	12/31/10	ERP Product Consultant	CHF (Home)
EMEA ERP Sales Managers	Victoria Landers	Not applicable	01/01/10	12/31/10	ERP Product Consultant	EUR (Home)
EMEA ERP Sales Managers	Anthony Jessups	Not applicable	01/01/10	12/31/10	ERP Product Consultant	GBP (Home)
EMEA ERP Telesales	John Smith	Yes	01/01/10	12/31/10	ERP Applications Representative	EUR (Home)
EMEA ERP Telesales	Jane Woodhouse	Yes	01/01/10	12/31/10	ERP Applications Representative	EUR (Home)
ERP Financial Services	Linda Gonzales	Yes	01/01/10	12/31/10	AM	EUR (Home)

Here are the base data for transaction ID 500, line 1, which all participant credit and rollup records include.

Business Unit	Date	Customer	Source Transaction Amount	Source Currency	Source to Operating Currency Conversion Rate	Operating Amount	Operating Currency
EMEA	8/12/2010	ABC Telecom Company	28,398.00	EUR	1.4905	42,327.22	USD

Credit and Rollup Transactions:

The participant records in the following two tables also include these data:

- Split percentage: 100
- Source credit amount: 28,389.00
- Operating credit amount: 42,327.22
- Operating currency: USD

The credit rule for these participant records is EMEA ERP Sales Managers.

Credit Receiver	Credit Type	Credit ID	Home Credit Amount	Source to Home and Calculated Currencies Conversion Rate	Calculated Credit Amount (Home or Functional)	Home and Calculated Currencies
James Benson	Rollup	500.01.502.1	266,606.10	9.3882	266,606.10	SEK
Theresa Botecelli	Rollup	500.01.502.2	28,398.00	1	28,398.00	EUR
Jeremy Bourdeax	Direct	500.01.502.3	46,038.84	1.6212	46,038.84	CHF
Victoria Landers	Direct	500.01.502.4	28,398.00	1	28,398.00	EUR
Anthony Jessup	Direct	500.01.502.5	22,272.55	0.7843	22,272.55	GPB

The credit rule for these participant records is Named Accounts: Area Managers.

Credit Receiver	Credit Type	Credit ID	Home Credit Amount	Source to Home and Calculated Currencies Conversion Rate	Calculated Credit Amount (is Home or Functional)	Home and Calculated Currencies
Quentin Zellos	Rollup	500.01.502.6	28,398.00	1	28,398.00	EUR
Herve Sarte	Rollup	500.01.502.7	46,038.84	1.6212	46,038.84	CHF

The records for credit receivers John Smith (credit ID: 500.01.502.8) and Jane Woodhouse (credit ID: 500.01.502.9) include these data:

- Credit rule: EMEA ERP Telesales
- Credit type: Direct
- Split percentage: 50
- Source, participant home, and calculated credit amounts: 14,199.00
- Operating credit amount: 21,163.61

- Operating currency: USD
- Participant home and calculated currencies: EUR
- Source to calculated currency conversion rate: 1

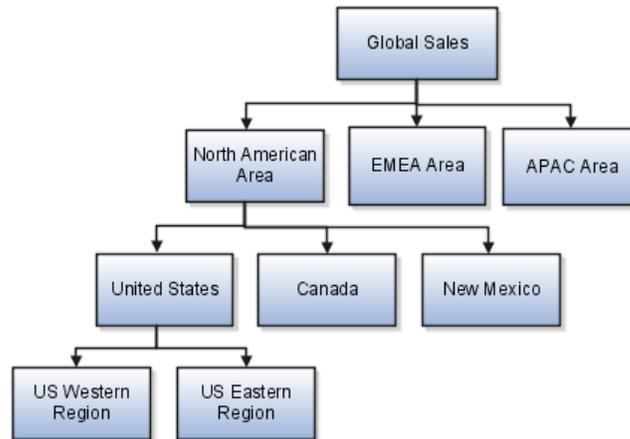
## Incentive Compensation Rule for Rolling Up to Parents: Example

This topic provides an example of how you can use an incentive compensation credit hierarchy to determine and provide indirect credits as well as direct credits.

### Scenario

You created a credit hierarchy to assign incentive credit attainment to your sales force, which consists of direct sales, channel partners, sales consultants, and technical consultants. Direct credit attainment rolls up to internal sales managers. Because you selected the Roll Up to Parents check box for direct credit assignments within the credit hierarchy, you also provide indirect credits to those rollup credit receivers, without building and maintaining a separate rollup hierarchy.

The following is a partial, 4-level credit and rollup hierarchy.



Robert Smith and Lisa Jones are direct credit receivers, in this partial hierarchy and the Roll Up to Parent check box is selected for the US Western Region rule. The application creates two credits (each at 50 percent) for each associated parent participant in the hierarchy and the total attainment rolls up. Managers located in the United States, North American Area, and Global Sales rules each receive rollup credits from Lisa and Robert. Credits assigned to Clara Schumann and Timothy Bottoms do not roll up to managers listed in the rules above US Western Region. With this feature, you control which transactions, and how much credit attainment, roll up without maintaining two separate hierarchies.

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### Tip

In the Application Setup work area, for **Enable Rollup Crediting**, select **Yes** and then, for **Rollup Using**, select **Credit hierarchy** to use the credit hierarchy for roll ups.

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Select **Roll Up to Parent** to create indirect credits automatically, as part of the Crediting and Rollup processes.

Assignment Type	Credit Receiver	Role	Start Date	Revenue Type	Split Percentage	Roll Up to Parents
Individual	Smith, Robert	Account Manager	01-Jan-2008	Revenue	50	Yes
Individual	Jones, Lisa	Account Manager	01-Jan-2008	Revenue	50	Yes
Individual	Schumann, Clara	Partner	01-Jan-2008	Nonrevenue	100	Not applicable
Individual	Bottoms, Timothy	Sales Consultant	01-Jan-2008	Nonrevenue	100	Not applicable

## Summarizing Incentive Compensation Rollups: Explained

Summarizing rolled up incentive compensation transactions significantly reduces the number of transactions that the application must process, improving performance substantially. This topic explains what the application does when you do and do not summarize rollups, as well as which credits you can summarize.

### What Happens When I Do Not Summarize Rollups?

The Crediting and Rollup processes replicate base transactions to every resource in the rollup hierarchy. This means that in a rollup hierarchy that is five levels deep with five base participants, all rolling up to the same set of managers, the application replicates all transactions from the five direct credit receivers to every manager.

Example: If each of the five credit receivers has ten credit transactions, there is a total of 50 credit transactions. After rollups, including all credit transactions for each credit receiver to each of their managers, there are 250 credit transactions (10 credit transactions x 5 roll up levels x 5 credit receivers).

### What Happens When I Summarize Roll Ups?

Again, before roll up, there is a total of 50 direct credit transactions (5 direct credit receivers x 10 transactions each). This time, the application summarizes the credit transactions for each participant and then uses the five summary credits (one for each credit receiver) for roll up. After roll up, the application has a total of 25 summarized credit transactions (5 summarized credit transactions x 5 managers).

### Which Transactions Can I Summarize?

You can summarize transactions that share common definitions. The default set of definitions includes these seven fields: `direct_salesrep_id`, `processed_period_id`, `processed_date`, `rollup_date`, `comp_group_id`, `revenue_class_id`, and `trx_type`. The application aggregates any transactions that match in these seven fields and processes them together when, in the Define

Business Unit Configuration for Incentive Compensation task list, Manage Parameters task, you select **Yes** for **Aggregate Transactions During Roll Up**.

It is very important to verify that your aggregated calculations create the same result as when the application calculates them separately. Some formulas can generate different amounts of compensation if the application uses aggregated transactions.

To use your own summarization criteria, in the Manage Parameters task, select **Yes** for **Aggregate Transactions Based on Custom Criteria During Roll Up** and substitute the default summary process with your own custom process. Modify one of the following procedures, depending on your requirements. If rolling up within the:

- Crediting hierarchy:  
CN\_TP\_CUSTOM\_SUMMARIZE\_CREDITS.summarize\_credits\_with\_rule
- Rollup hierarchy:  
CN\_TP\_CUSTOM\_SUMMARIZE\_CREDITS.summarize\_credits\_without\_rule

### Summarizing Rollup Credits: Example

You can summarize rollup credits in both crediting and rollup rules. Each rollup credit receiver has a setting on the rollup assignment to indicate whether to summarize the rollup credits received through either process. Summarization is based on the credit receiver ID, credit category, credit date, and process period. Following are the rollup credits as they would look based on the credit hierarchy if each of the rollup credit receivers were to receive a summary rollup.

Partial credit hierarchy:

Todd Allen is SVP of Global Sales and has two direct reports:

- Richard Barta, a VP of North America
- Lily Cox, a VP of North America, who has one direct report:
  - Andrew Brown, the Regional Manager of Western Region Electronics, who has two direct reports:
    - Haley King, an Electronics Salesperson, CA
    - Alex Anders, an Electronics Salesperson, CA

---

#### Tip

The application summarizes all of the direct credits using the same criteria first, then uses them as the basis of the summary rollups. The application does not display the summarized direct credits, nor processes them further; it includes non-summarized direct credits and summarized rollup credits for calculation.

---

This example builds on the transactions used for the example in the Credits and Rollups: How They Are Created topic (included in the related links at the end of this topic) and provides the summary rollup credits for transaction numbers 56031.101, 56031.102, and 56031.104. All records include these data:

- Currency: USD

- Revenue type: Nonrevenue
- Credit type: Indirect
- Status: Summary Rollup

Rollup Credit ID	Original Transaction Amount	Quantity	Credit Category	Credit Receiver	Credit Amount	Rollup Rule Used
56031.3.1.S1	50,000	50	Audio Electronics	Lily	50,000	NA Regional Electronics
56031.3.2.S1	50,000	50	Audio Electronics	Andrew	50,000	Western Region, Electronics
56031.3.3.S1	50,000	50	Audio Electronics	Richard	50,000	North America
56031.3.1.S1	45,000	76	Video Electronics	Lily	45,000	NA Regional Electronics
56031.3.2.S1	45,000	76	Video Electronics	Andrew	45,000	Western Region, Electronics
56031.3.3.S1	45,000	76	Video Electronics	Richard	45,000	North America

---

#### Note

Since the application aggregated the credits, the rollup credit retains a reference to the aggregated credit ID instead of individual credit IDs. The application cannot retain the transaction number, product, and customer, because the summary rollup is based on multiple transaction lines, which will most likely have different products and customers. Also, the application summarizes the first 50 numeric columns of the credits and includes them on the summary rollup credit so that it can use them in the Calculation process.

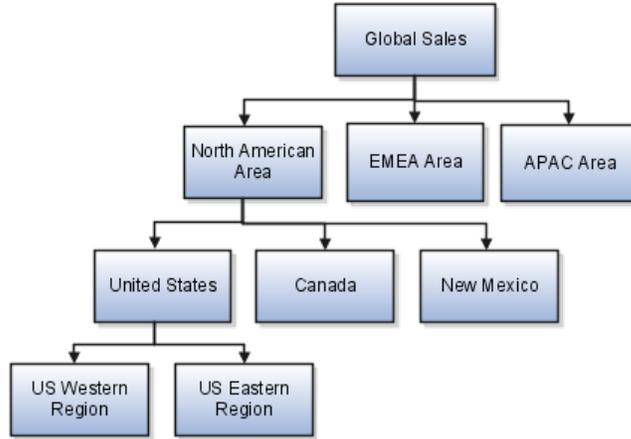
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## Summarizing Incentive Compensation Rollups: Example

You have a large sales force and process many transactions for direct sales. All of the top level managers receive attainment credit from direct sales, though their incentive compensation is based on total revenue for their specific region or area. To reduce the number of indirect credit transactions, and increase performance for Calculation and Payment processes, you decided to summarize most indirect credit transactions for these managers.

#### Scenario

Three credit receivers are set to have their rollups summarized. In the rollup hierarchy, these three participants are associated with the United States and above rules while two other participants, Robert Smith and Lisa Jones, are associated with the child rule US Western Region and have Roll Up to Parents selected.



Managers are assigned to every node above the US Western and US Eastern Regions. Peter Apt is located in the top level, Global Sales, Cynthia Chance is located in the North American Area level, and Teddy Wong is located in the United States level along with a couple of other managers.

These are sample credit transactions that the application created for two account managers working in the Western region of the US. All records for the following two tables include these data:

- Date: 08/14/2010
- Split percentage: 50
- Credit type: Direct
- Status: Credited
- Roll up to parents: Yes

Transaction ID	Line	Customer	Credit Receiver	Rule	Transaction Amount	Credit Amount
632	01-601	Bank of America	Jones, Lisa	US Western Region	10,114.29	5,057.15
599	01-592	Wells Fargo	Jones, Lisa	US Western Region	118,757.88	59,378.94
632	01-601	Bank of America	Smith, Robert	US Western Region	10,114.29	5,057.15
599	01-592	Wells Fargo	Smith, Robert	US Western Region	118,757.88	59,378.94
599	01-593	Wells Fargo	Smith, Robert	US Western Region	36,007.70	18,003.85

These are the sample summary transactions that the application created based on the previous credit transactions. The direct credits are summarized and used for generating the rollup summary credits, but the application never displays them in the user interface, nor does the Calculation process include them.

Transaction ID	Line	Credit Receiver	Rule	Transaction Amount	Credit Amount
S101	1	Jones, Lisa	US WesternRegion	128,872.17	64,436.09

S102	1	Smith, Robert	US Western Region	164,879.87	82,439.94
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Each of the managers listed with their respective rules has a split percentage of **100** and has **Summarize Rollups** selected. All rules have start dates of 01-Jan-2010 and end dates of 31-Dec-2010.

Credit Receiver	Rule
Apt, Peter	Global Sales
Chance, Cynthia	North American Area VP
Wong, Teddy	US Western Region Manager

Because Robert Smith and Lisa Jones are associated with the US Western Region rule (the lowest level in the hierarchy), and they have Roll Up to Parents selected, their transactions roll up to Peter Apt, Cynthia Chance, Teddy Wong, and any other participant associated to rules above US Western Region.

Since Peter, Cynthia, and Teddy have Summarize Rollups selected, the application summarizes the direct credits that they receive from Robert and Lisa. The application generates a single transaction for each:

- Direct credit receiver
- Performance category (if classification is set to run before crediting and roll up)
- Credit date
- Process period (if not null)

The application includes the revenue type of **Nonrevenue** on each summary transaction and leaves the split percentage field empty. The summary transaction includes values for transaction amount and credit amount (for each currency column), quantity, and the first 50 numeric flexfields from the base transaction. The values for these attributes are numeric and summed. Since the application uses more than one direct transaction to determine the summary rollup, it cannot retain the transaction number.

All summary records include these data:

- Line: 1
- Date: 08/14/2010
- Split percentage: 50
- Credit type: Indirect
- Status: Summarized
- Summarize rollup: Yes

Transaction ID	Direct Credit Receiver	Credit Receiver	Rule	Transaction Amount	Credit Amount
S103	Jones, Lisa	Apt, Peter	Global Sales	128,872.17	64,436.09
S104	Smith, Robert	Apt, Peter	Global Sales	164,879.87	82,439.94

S105	Jones, Lisa	Chance, Cynthia	North American Area VP	128,872.17	64,436.09
S106	Smith, Robert	Chance, Cynthia	North American Area VP	164,879.87	82,439.94
S107	Jones, Lisa	Wong, Teddy	US Western Region Manager	128,872.17	64,436.09
S108	Smith, Robert	Wong, Teddy	US Western Region Manager	164,879.87	82,439.94

---

**Note**

If you have to use different criteria for the Summarization process, for example you want to summarize by customer, date, period, and credit receiver, you can use your own script instead of the standard summary by setting the parameter in the Application Setup work area.

---

## Incentive Compensation Team Rules: How They Are Processed

Define teams of incentive compensation participants that the application recognizes when it rolls up transactions.

### Settings That Affect Team Rules

There is no application parameter setup. Create teams within the application and then run the Rollup process.

### How Team Rules Are Processed

If the participant on the transaction is a member of a team, then the application automatically creates an indirect rollup credit for every member of the participant's team.

As part of the team set up, the plan element that the application uses to calculate the team commission must have the compensation indirect credit choice list set to **All** or **Team**.

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**Note**

Even though all team members receive credit for the transaction, the credit rolls up the hierarchy only on the original transaction. The application creates team credits after it processes direct and rollup credits.

---

#### Team Credit Example

Assume Steve is a member of a team consisting of Steve, John, and Bill. The application collects a transaction for 100 USD for which Steve is entitled to 100 percent credit. Because he is also a member of a team, the application automatically gives 100 percent indirect credit to John and Bill as well.

### **Credit Roll Up Example**

If Steve, John, and Bill all report to Bob, Bob receives only 100 USD credit (from Steve). If Steve reports to Bob while John and Bill report to Sally, or John and Bill report to different managers, only Bob receives rollup credit.

## **FAQs for Configure Credit and Rollup Rules**

### **What's the best way to maintain incentive compensation rules?**

The best practice is to use effective dating. End date and copy incentive compensation rules if matching criteria changes, you must reprocess for this date range, and you want to preserve the original credits. The application uses the new rule for the additional criteria, for the new date range, for matching. Track incentive compensation assignment changes in the same rule by end dating participants and adding new participants for the appropriate dates.

### **When do I include incentive compensation business units in, or exclude them from, the credit and rollup hierarchy?**

Include incentive compensation business units when you want to prevent crediting and rollups across business units. Exclude them when you want to credit and roll up across business units.

### **How can I move an incentive compensation rule in the hierarchy?**

Select the rule and, in the Overview subtab, select the new parent rule and then save.

---

#### **Important**

To affect the next process run, after you make your edits, synchronize the rules by running either the Deploy Incentive Classification Rules or Deploy Incentive Credit Rules process.

---

### **What happens if I edit a rule and do not synchronize?**

When you edit rules and assignments, you must re-synchronize for the application to include the edits. Synchronization flattens the rule structure for better performance processing and does not include edits automatically. After you re-synchronize and reprocess the rules, if there is no edit to the assignment or credit attainment, then the application does not change the credit or earning transaction. If the edit affects assignment or attainment, and the Payment process already includes credits, then the application reverses the credit and earning. Be sure to process both reversals, as well as any new assignment or attainment.

### **Why can't I enable an attribute for the incentive compensation Classification or Crediting process?**

You must first add the custom qualifiers to the incentive compensation classification or crediting rules.

### **What happens if I edit an incentive compensation rollup group or member after processing?**

The application logs your edits as events in the Changed Events Log, which trigger during incremental calculation or recalculation.

### **What happens if I edit an incentive compensation team or team member after processing?**

The application logs your edits as events in the Changed Events Log, which trigger during incremental calculation or recalculation.

### **What happens if I roll up incentive compensation credit to a parent?**

If using rollup rules, the application creates indirect rollup credits for those parent participants (in the rollup hierarchy) of all direct credit receivers. It creates additional rollup credits for those participants for whom receive direct credit is **Yes**. If using credit rules, the application creates indirect rollup credits for those parent participants (in the credit hierarchy) from the direct credit receivers who are designated (by the roll up to parents option) to roll up.

### **What happens if I select Receive Direct Credit?**

Only direct incentive compensation credit transactions roll up to group members who have this selected, indirect incentive compensation credit transactions do not.

### **What happens if I select Summarize Rollups?**

For all incentive compensation direct credits, the application creates single summary transactions (indirect summary rollup credit) for each direct credit receiver, performance category, credit date, and process period (if not null), for the participants with this option enabled.

### **What's a Split Percent?**

It is the percentage of the original transaction amount for which Oracle Fusion Incentive Compensation creates the direct or indirect credit transaction.



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## Assign Incentive and Draw Plans

### Participants and Assignments

#### Incentive Compensation Participants: How They Are Imported

Import participants into Oracle Fusion Incentive Compensation using the Staging and Oracle Incentive Compensation Participant Import process, which is located in the Participant Assignments work area, on the Import Participants page.

#### Settings That Affect Importing Participants

In the Participant Assignments work area, use select the **Run For** choice.

- **Staging and Oracle Incentive Compensation Participant Import:** Use the default integration, which performs the participant import in two phases.
- **Oracle Incentive Compensation Participant Import:** Use your own extraction, transformation, and load utility to populate the staging tables, and then run only the second of the two default phases.

#### How Participants Are Imported

There are two phases to the import process, which includes mapping for two Oracle Fusion Incentive Compensation tables.

Phase 1: Import Data to Staging Table (optional)

The first (optional) phase, Staging, runs the default Oracle Data Integrator (ODI) scenario to import the participant data into the CN\_SRP\_PARTICIPANTS\_STAGING\_T staging table. The application only runs this step if you select **Staging and Oracle Incentive Compensation Participant Import** from the **Run For** choice list. It copies all parties from Oracle Fusion Trading Community Architecture to the staging table that meet the specified filter parameters. The application also populates all of the participant attributes, such as country, currency, and analyst, in the staging table (the mappings are in following sections).

Modify this scenario or create your own script to import data into the staging table, based on your business requirements.

---

**Important**

If you use your own process to import data into the incentive compensation staging table, and use only Phase 2 of the standard import process, then it is possible that the staging table can have invalid data. If columns such as ANALYST\_ID, COUNTRY, CURRENCY\_CODE, or COST\_CENTER are invalid, then you can correct them in the application. There is no way to correct columns such as PARTY\_ID or SOURCE\_SYSTEM\_ID. The application does not expose the column SOURCE\_SYSTEM\_ID and if PARTY\_ID is invalid, then the application will not even display the record.

---

**Phase 2: Import Data to Participant Header Table**

The second phase, Oracle Incentive Compensation Participant Import, collects the data into the participant header table CN\_SRP\_PARTICIPANTS\_ALL and participant detail table CN\_SRP\_PARTICIPANT\_DETAILS\_ALL. Next, for the imported parties, if there is no party usage code specified, it inserts a record into the HZ\_PARTY\_USG\_ASSIGNMENTS table with a party usage code of INCENTIVE\_COMP\_PARTICIPANT. Last, the application deletes the party records that were imported in phase 1, from the CN\_SRP\_PARTICIPANTS\_STAGING\_T staging table.

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**Restriction**

The application will not copy any record where the combination of PART\_ID and ORG\_ID already exists in the CN\_SRP\_PARTICIPANTS\_ALL header table.

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**Mapping for CN\_SRP\_PARTICIPANTS\_ALL**

This table maps each CN\_SRP\_PARTICIPANTS\_ALL column name to the corresponding Oracle Fusion Trading Community or Oracle Fusion Human Capital Management (HCM) column name and includes comments about the values.

Column name in CN_SRP_PARTICIPANTS_ALL	Column Name in Oracle Fusion Trading Community or HCM	Comments
PARTICIPANT_ID	None	Oracle Data Integrator generates it from the sequence CN_SRP_PARTICIPANTS_S1.
PARTY_ID	HZ_PARTIES.PARTY_ID	
START_DATE	PER_ALL_PEOPLE_F.START_DATE HZ_PARTY_USG_ASSIGNMENTS	Oracle Data Integrator first tries to use the target parameter Active Start Date first. If it is null, then Oracle Data Integrator uses either PER_ALL_PEOPLE_F.START_DATE or HZ_PARTY_USG_ASSIGNMENTS.EFFECTIVE_START_DATE
END_DATE	None	Oracle Data Integrator does not populate it.
ACTIVE_FLAG	None	Oracle Data Integrator always populated with Y (yes).

ANALYST_ID	None	Oracle Data Integrator first tries to use the target parameter Analyst. If it is NULL, then ODI does not populate ANALYST_ID.
PARTICIPANT_TYPE	None	Oracle Data Integrator uses the target parameter Participant Type, which defaults to Participant.
COMPENSATION_END_DATE	None	Oracle Data Integrator does not populate it.
HOLD_PAYMENT_FLAG	None	Oracle Data Integrator always populated with N (no).
HOLD_REASON	None	Oracle Data Integrator does not populate it.
DISPLAY_IDENTIFIER	None	Oracle Data Integrator does not populate it.
SOURCE_SYSTEM	None	Not applicable.
SOURCE_SYSTEM_ID	PER_ALL_PEOPLE_F.PERSON_ID	If there is no entry in Oracle Fusion HCM, then Oracle Data Integrator populates it with NULL.
ORG_ID	None	Oracle Data Integrator uses the target parameter Business Unit.
PARTY_NUMBER	HZ_PARTIES.PARTY_NUMBER	Oracle Data Integrator populates it.
HR_PRIMARY_WORKER_NUMBER	HZ_PARTIES.HR_PRIMARY_WORKER_NUMBER	Oracle Data Integrator populates it.
PAYEE_ONLY	None	Oracle Data Integrator does not populate it.
USER_GUID	None	Oracle Data Integrator does not populate it.

#### Mapping for CN\_SRP\_PARTICIPANT\_DETAILS\_ALL

This table maps each CN\_SRP\_PARTICIPANT\_DETAILS\_ALL to the corresponding Oracle Fusion Trading Community column name and includes comments about the values.

CN_SRP_PARTICIPANT_DETAIL	Column Name in Oracle Fusion Trading Community	Comments
PARTICIPANT_DETAIL_ID	None	Oracle Data Integrator generates it from the sequence CN_SRP_PARTICIPANTS_S1.
PARTICIPANT_ID	None	Oracle Data Integrator populates it with CN_SRP_PARTICIPANTS_ALL.PARTICIPANT_ID.
START_DATE	None	Oracle Data Integrator populates it with CN_SRP_PARTICIPANTS_ALL.START_DATE.
END_DATE	None	Oracle Data Integrator populates it with CN_SRP_PARTICIPANTS_ALL.END_DATE.

ORG_ID	None	Oracle Data Integrator populates it with CN_SRP_PARTICIPANTS_ALL.ORG_ID.
COST_CENTER	None	Oracle Data Integrator does not populate it.
COUNTRY_CODE	HZ_PARTIES.COUNTRY_CODE	If the Oracle Fusion Trading Community column is NULL, then Oracle Data Integrator tries to use the target parameter Target Country. If it is also NULL, then Oracle Data Integrator does not populate COUNTRY_CODE.
CURRENCY_CODE	None	Oracle Data Integrator first tries to use the target parameter Target Participant Home Currency. If it is NULL, then Oracle Data Integrator populates it with the operating currency of the ORG_ID (CN_REPOSITORIES_ALL_B.FUNCTIONAL_CURRENCY).

## Incentive Compensation Import Participants Parameters

One of the steps during implementation is to establish the people who receive incentives. In the Participant Assignment work area, on the Import Participants page the application enables you to search person, party, and resource information in the Oracle Fusion Human Capital Management (HCM) Foundation, Oracle Fusion Trading Community, or Oracle Fusion Resource Manager common objects, then select one or more individuals to import.

There are two types of parameters for you to use when importing participants:

- **Target:** During the Staging and Oracle Incentive Compensation Participant Import process, when the application collects data into the staging table, it runs a script that attempts to map all participant attributes from the source and insert those values (for example, Active Start Date and Currency) into the staged record. When step two of the import process runs, the application applies any selected target parameters to the data it imports into the incentive compensation participant tables, when the value for that attribute is null.
- **Filter:** The import process uses the parameters provided in the filter region as part of a query to run for the selection process. Select one or more of the available parameters to filter selection criteria.

### *Target Parameters*

#### **Business Unit**

Required. Set the incentive compensation business unit into which the application imports the participants. During step one of the process, Oracle Data Integrator leaves the staging table value as NULL and for step two, uses it to populate CN\_SRP\_PARTICIPANTS\_ALL.ORG\_ID and CN\_SRP\_PARTICIPANT\_DETAILS\_ALL.ORG\_ID.

#### **Currency**

Set it as a default currency during the import if the source application (and the incentive compensation staging table) does not contain this value. You can reset this parameter for each import.

- If this target parameter has a value, Oracle Data Integrator uses it to populate CN\_SRP\_PARTICIPAN\_DETAILS\_ALL.CURRENCY\_CODE.
- If the value is NULL in staging, and you do not set the target parameter, Oracle Data Integrator uses the operating currency from CN\_REPOSITORIES\_ALL\_B.

#### **Target Participant Home Currency**

- If this target parameter has a value, Oracle Data Integrator uses it to populate CN\_SRP\_PARTICIPANT\_DETAILS\_ALL.CURRENCY\_CODE.
- If the staged record currency value is NULL, and you did not select a target parameter, Oracle Data Integrator uses the operating currency from CN\_REPOSITORIES\_ALL\_B.

#### **Analyst Name**

- If this target parameter has a value, Oracle Data Integrator uses it to populate CN\_SRP\_PARTICIPANTS\_ALL.ANALYST\_ID.
- If there is no value, Oracle Data Integrator populates CN\_SRP\_PARTICIPANTS\_ALL.ANALYST\_ID with NULL.

#### **Target Country**

Get the value from the person record in Oracle Fusion Human Capital Management (HCM) or party location for primary address.

- If the application does not find one, it leaves the value null. Oracle Data Integrator first tries to use the Oracle Fusion Trading Community Architecture value HZ\_PARTIES.COUNTRY to populate CN\_SRP\_PARTICIPANT\_DETAILS\_ALL.COUNTRY\_CODE.
- If it is NULL, then Oracle Data Integrator uses this target parameter value. If the target parameter is also NULL, then CN\_SRP\_PARTICIPANT\_DETAILS\_ALL.COUNTRY\_CODE is NULL.

#### **Active Start Date**

Get the start date from either the PER\_ALL\_PEOPLE\_F.START\_DATE or HZ\_PARTIES.CREATION\_DATE column. Oracle Data Integrator uses it to populate CN\_SRP\_PARTICIPANTS\_ALL.START\_DATE and CN\_SRP\_PARTICIPANT\_DETAILS\_ALL.START\_DATE

#### **Participant Type**

Defaults to PARTICIPANT.

#### ***Filter Parameters***

---

#### **Important**

Use filter parameters whenever possible, to avoid importing extraneous participants because there is no way to delete them after import.

---

## Party Usage

Required. Defaults to Incentive Compensation, if you select a value, then Oracle Data Integrator matches it against the value in HZ\_PARTY\_USG\_ASSIGNMENTS.PARTY\_USAGE\_CODE, where the HZ\_PARTY\_USG\_ASSIGNMENTS.STATUS\_FLAG value is A (active). Oracle Data Integrator uses the LIKE operator to support wildcard characters.

## Party Name

Text input, with wildcard support. If you provide a value, Oracle Data Integrator applies the filter condition: UPPER(HZ\_PARTIES.PARTY\_NAME) LIKE UPPER(parameter value).

## HCM Job

Text input, with wildcard support. Oracle Data Integrator uses the following SQL to filter the parties based on job code.

```
Select *
From hz_parties hp, hz_orig_sys_references ref, per_all_assignments_m
  assgn, per_jobs_f job
Where ref.Orig_System = 'FUSION_HCM'
And ref.Owner_Table_Name = 'HZ_PARTIES'
And HR.Owner_Table_Id = HP.Party_Id
And HP.Orig_System_Reference = ASSGN.Person_Id
And SysDate between ASSGN.Effective_Start_Date and
  ASSGN.Effective_End_Date
And ASSGN.Job_Id = JOB.Job_Id
And JOB.Job_Code Like Upper('parameter value');
```

## Country

Text Input, without wildcard support. If you provide a value, Oracle Data Integrator matches it against the value in HZ\_PARTIES.COUNTRY.

## Start Date

Required. Oracle Data Integrator matches it against the value in HZ\_PARTY\_USG\_ASSIGNMENTS.EFFECTIVE\_START\_DATE.

## End Date

Oracle Data Integrator matches it against the value in HZ\_PARTY\_USG\_ASSIGNMENTS.EFFECTIVE\_END\_DATE.

## Role

Text input, with wildcard support. If you provide a value, Oracle Data Integrator matches it against the Oracle Fusion Resource Manager value JTF\_RS\_ROLES\_B.ROLE\_CODE.

## Role Type

Text input, without wildcard support. If you provide a value, Oracle Data Integrator matches it against the value JTF\_RS\_ROLES\_B.ROLE\_TYPE.

## Person Number

Text input, without wildcard support. If you provide a value, Oracle Data Integrator matches it against the Oracle Fusion HCM value PER\_ALL\_PEOPLE\_F.PERSON\_NUMBER.

# Incentive Compensation Assignments by Role or Individual: Points to Consider

This topic describes how you can assign individual participants, directly or in groups using roles, to incentive compensation plans, payment plans, and pay groups. Also use incentive compensation roles in the Payment Approval business process.

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## Tip

The best practice is to use role assignment if you have many participants that you can map to roles. If many of your participants are exceptions to these business rules, consider using direct assignment. You can always perform assignments using both methods.

---

## Role (Mass) Assignment

There are entities for each type of assignment: Compensation Plan, Pay Group, and Payment Plan. Immediately after you save edits to any of these assignments or a role, the application creates, updates, or deletes records in intersection tables, where it stores the data until you run the Deploy Incentive Plans process. When the save action finishes, the application logs an event in the Changed Events Log, which you can view in the Credits and Earnings work area. To complete your role edits, on the Deploy Compensation Plans page, submit the Deploy Incentive Plans process.

- The assignment start and end dates must be within the plan or pay group start and end dates, depending on the assignment.
- While you can assign a role to multiple payment plans during a period or date range, a participant cannot have more than one payment plan (with the same payment plan category), at the same time.
- The participant plan assignment date range must fall within a single currency record if, in the Define Business Unit Configuration for Incentive Compensation task list, Manage Parameters task, Home Currency is selected for the Processing Currency. The plan assignment cannot span multiple currency records and the assignment **Start Date** must be later than or equal to the currency record **Start Date**, while the plan **End Date** must be earlier than or equal to the currency record **End Date**, if any.
- You can delete assignments, even if the plan was used in the Calculation and Payment processes. When deleting payment plan assignments, refresh any existing unpaid paysheets to reflect the deletion. Deleting the payment plan does not affect prior period payments.

---

## Tip

Use separate roles to assign people to compensation plans, pay groups, and payment plans, as it is easier to maintain the assignments over time. For example, a participant receives a new plan assignment or changes jobs, but remains in the same pay group used for payment. Or, while you may create and

assign new compensation plans every year, you do not have to create and assign pay groups for participants, as the frequency of payment does not change.

---

### Example: Managing Participant Role Assignment

Participant Robert Smith has a current assignment starting **1 January 2010** and home currency set to **USD**. This table lists the details of his current and previous assignments.

Role	Plan Assignments	Start Date	End Date
US Account Manager	<ul style="list-style-type: none"><li>US Account Manager FY10</li><li>US Bonus Plan FY10</li></ul>	01-Jan-2010	None
EMEA Account Manager	EMEA Account Manager FY09	01-Apr-2009	31-Dec-2009

1. Assign Robert Smith a new role, **NA Account Manager**, with a start date of **01-Jun-2010**.
2. Assign the role to the participant plan **EMEA Bonus Plan**, which has a start date of **01-Jan-2007**.

When the plan assignment process checks the Changed Event Log, it would normally assign the plan to Robert Smith starting 01-Jun-2010. But, Robert Smith has a detail record with currency set to **USD** and a start date of **01-Jan-2010** so the application does not make the assignment.

### Direct Assignment

For direct assignments and edits, the application immediately creates and updates the records directly in the participant tables, rather than the role to plan intersection tables. The application:

- Requires participant name and effective start date values during the assignment, and you can edit start and end dates, as required
- Enters an event in the Changed Events Log for incremental calculation purposes
- Performs currency validation

When you delete a plan assignment, the application immediately deletes the record and logs an event in the Changed Events Log so that the next time the Calculation process runs, it creates corresponding reversal records for the participant who was originally assigned to the plan.

## Deploy Incentive Plans Batch Process: How It Handles Assignments

Submit the incentive compensation Deploy Incentive Plans process to manage inserts to the participant plan and subledger tables as well as to evaluate the events to process for individual participants and create payment plan and pay

group participant assignments based on the role assignment. The application does not reflect participant plan and group assignment changes until after the process completes, unless assigning directly.

## How the Deploy Incentive Plans Batch Process Handles Assignments

After the plan to role assignment occurs, when the submitted Deploy Incentive Plans process runs, it creates corresponding records in the participant-level plan objects as well. The following table documents the modifications that you can make and the corresponding actions that your submitted Deploy Incentive Plans process then performs.

Edit	Deploy Incentive Plans Process Action
<p>End date or delete incentive compensation plan assignments through the role.</p> <p>You can delete plan assignments, even if the plan was used in calculation and payment. If payment plans have been used in payment batch end date the assignment, else delete.</p>	<p>End date or delete the intersection assignment record and then all participant plan assignment records.</p>
<p>Edit the plan assignment through the role.</p>	<p>Update all associated participant plan assignments.</p>
<p>Edit the assignment dates.</p> <p>The assignment start and end dates must be within the plan or pay group start and end dates, depending on the assignment.</p>	<p>Update the corresponding intersection and plan dates. The application uses the smallest intersecting date range when updating the plan assignment dates--for the role to plan assignment and the participant or role, it uses the latest of the start dates and the earliest of the end dates.</p>

When the Deploy Incentive Plans process job that you submit runs, the incentive compensation plan assignment code checks for corresponding participant currency records. If the processing currency parameter is set to home currency, then the participant plan assignment date range must fall within a single currency record. The plan assignment cannot span multiple currency records and the assignment start date must be later than or equal to the currency record start date, while the plan end date must be earlier than or equal to the currency record end date, if any. If the currency record is missing, or the assignment date range does not follow the rule, then the application writes an error message in the Changed Events Log. Also, it does not create or change the assignment.

The following is a table of the entities and corresponding changes that the Deploy Incentive Plans process considers.

Entity	Changes to...
Compensation plan	Start and end date, overlap flag, and target incentive
Assignment	Plan role and role effective interval, alternate payee
Plan component	Plan component, date range, indirect credit
Formula/measure	Formula, effective interval, eligible categories, eligible category factors, eligible category factors date range
Rate table	Rates, tiers

Performance measure	Weights, associating eligible categories
Goal	Period, interval goals if Individualize is deselected, participant goals if Individualized is selected
Pay group	Pay group

### Example: Managing Participant Role Assignment

The following table shows Robert Smith's roles and plan assignments for the field years 2009 and 2010.

Role	Plan Assignments	Start Date	End Date
US Account Manager	<ul style="list-style-type: none"> <li>US Account Manager FY10</li> <li>US Bonus Plan FY10</li> </ul>	01-Jan-2010	None
EMEA Account Manager	EMEA Account Manager FY09	01-Apr-2009	31-Dec-2009

Participant Detail Record: The current assignment has a start date of 01-Jan-2010, no end date, and home currency set to USD.

#### New Role Assignment

Assign Robert Smith a new role, NA Account Manager, with a start date of 01-Jun-2010. Then, assign the role to the participant plan EMEA Bonus Plan, which has a start date of 01-Jan-2007. When the plan assignment process checks the Changed Event Log in the Credit and Earnings work area, it would normally assign the plan to Robert Smith starting 01-Jun-2010. But, Robert Smith has a detail record with currency set to USD and a start date of 01-Jan-2010 so the application does not make the assignment.

## FAQs for Participants and Assignments

### What's the difference between managing people in Oracle Fusion Incentive Compensation and Oracle Fusion Resource Manager?

Oracle Fusion Resource Manager is a common component within Oracle Fusion Customer Relationship Management (CRM) that you can use to manage parties and associations to parties, such as roles and groups, which Oracle Fusion CRM applications use. Import the parties (employees, partners, vendors, and customers) into Oracle Fusion Incentive Compensation to associate them with incentive compensation plans and entities, as well as the incentive compensation (IC) business unit. When you import a participant into Oracle Fusion Incentive Compensation, the application gives the participant a party use of IC participant.

An IC participant has incentive-specific attributes such as compensation end date, hold payment, and analyst. Create date effective currency records, associate them with the participant, and use them for calculation and payment within Oracle Fusion IC.

### **How can I avoid duplicate incentive compensation plan assignments?**

If possible, consistently assign incentive compensation plans to participants indirectly, with roles, or directly.

If you are compensating hundreds or thousands of participants, it is more efficient to map jobs to incentive compensation roles and assign incentive compensation plans to these roles. If you have participants who are not assigned to any of the roles you are using for automatic assignment, you can assign these participants to plans directly.

Validate participant assignments in the Participant Assignment and Participant Snapshot work areas.

### **Why didn't my incentive compensation assignment get created?**

If the incentive compensation home currency effective date for a participant does not fall within the role-to-plan assignment date, the Deploy Compensation Plans batch process does not create the assignment.

### **What happens if I edit an incentive compensation assignment date?**

The incentive compensation paysheet will not reflect the edit to the start or end date until you recalculate an incentive payment in a prior period or refresh the paysheet for the current period.

### **What's the difference between end dating and deleting incentive compensation assignments?**

End dating an incentive compensation assignment stops the assignment while preserving the record, and therefore history. End dating the assignment also enables you to run retroactive processing against transactions for the assignment date range and preserve the matching credit transactions.

Deleting the assignment removes the record from the application and, if running retroactive processing, reverses or deletes the original credits.

### **Why can't I delete incentive compensation pay group and payment plan assignments?**

You cannot delete an assignment for any incentive compensation pay group or payment plan that was used in a payment batch, or to create payments. You can end date such assignments.

## **Participant Home Currency and Incentive Plans**

### **Incentive Compensation Participant Home Currency: Points to Consider**

By default, the application displays the source currency amount and currency. It populates each relevant currency, conversion rate, and amount column for

all incentive compensation transactions throughout the application with the appropriate value based on the source transaction amount and event date.

### **Importing Participants and Source Transaction Currency**

During the Oracle Incentive Compensation Participant Import process, for **Target Participant Home Currency**, select the home currency to use for the participant. If this target parameter has a value, Oracle Data Integrator (ODI) uses it to populate CN\_SRP\_PARTICIPANT\_DETAILS\_ALL.CURRENCY\_CODE. If the staged record currency value is NULL, and you did not select a currency, ODI uses the operating currency from CN\_REPOSITORIES\_ALL\_B. If you do not require any currency conversion (for example, you pay all participants in USD), then set the target parameter accordingly.

When you import transactions from different business units, and convert those currencies into operating and participant home currencies, you must include the source transaction currency, for example, EURO or USD. The default extraction, transformation, and load utility validates that the source transaction currency is not null. If you use a different utility, be sure that it includes this validation.

### **Maintain Plans Within and Across Incentive Compensation Business Units**

When you create an incentive compensation plan, the application uses the operating currency for the business unit for all amount values. If you process with **Participant home currency**, you must customize, in the Participant Snapshot work area, all of the amount values (target incentive, goals, rates, factors, and perhaps weights) for each participant you pay, who uses a currency other than the operating currency for the incentive compensation plan business unit.

### **Paying People versus Processing Currency Data**

When you select **Operating currency for Processing Currency**, in the Application Setup work area, on the Manage Parameters page, the application still enters the participant's transactions, credits, and earnings amounts in the participant home currency, in a separate column, if you provided currency conversion rates. The application creates incentive compensation paysheets and subledger balances in the operating currency, and enables you to export incentive payments, including draw and manual adjustments, in the participant home currency to send to payment applications.

When you select **Participant home currency for Processing Currency**, the application maintains incentive compensation credits, earnings, and all payments (including balances and paysheets) in the participant's home currency. It still enters amounts using the operating currency for all entities, to provide a single view for reports.

### **Setting Up and Maintaining Conversion Rates**

When you select **Participant home currency for Processing Currency**, the application uses conversion rates to apply the participant home currency to all applicable columns (for every transaction, credit, earning, and payment) during processing.

Conversion rates are based on transaction event dates. The application generates an error if there is no conversion rate available for the transaction event date, whether you import or manually enter a transaction into the application, or if you adjust an existing transaction.

## Editing Participant Home Currency: Points to Consider

The required actions depend on whether processing currency is set to **Operating currency** or **Participant home currency**. First, check to see if any paysheets exist (paid or unpaid) for the participant. If any paysheet exists, the application will not allow you to edit the participant's currency.

### Operating Currency

When the processing currency is set to operating currency, then edit the participant's currency value as long as there are no existing paysheets (paid or unpaid) for the participant. If a paysheet exists, create a new row with the new currency, dated to be effective from the start of the next period where no paysheet exists.

### Participant Home Currency

When the processing currency is set to **Participant home currency** and there are no existing paysheets (paid or unpaid) or compensation plan assignments, then edit the participant's currency value.

1. If a paysheet exists, create a new row with the new currency, effective the start of the next period where no paysheet exists.
2. End date all assignments and make the new assignments indicated by the application.
3. Add the new currency to support the currency change because the application maintains subledger balances in the current, or last, currency.

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### Restriction

This restriction for maintaining subledger balances is in place to ensure that there is not a mix of earnings, calculated draw amounts, and balances of different currencies for a given participant, for a single compensation plan and paysheet.

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## Incentive Payment Plan Rules: How They Apply to Paysheets and Balances

Incentive payment plans are an optional way to set up advance or deferred payments and to define minimum (draw) and maximum (cap) payments. Create payment plans to set rules governing how, when, and how much to pay and at what frequency.

## How Payment Plan Rules Apply to Paysheets and Balances

Minimums and Maximums

When you specify a minimum payment amount (draw), the application calculates the difference between it and the actual earnings amount and automatically creates a payment adjustment (recoverable or nonrecoverable), as required.

When you specify a maximum payment amount (cap), the application issues a negative adjustment to level the final payment to the maximum amount. Also specify whether the application should carry the adjustment forward and apply it to future earnings if the participant earns less than the maximum set on the payment plan.

#### Preventing Negative Payments

Create a payment plan with a minimum payment amount of 0.00 USD and assign it to any participant who should not have a negative payment amount in the payment batch. To recover any adjustments made to offset a negative balance in the payment batch, make this zero minimum amount recoverable.

---

#### Tip

This solution does not necessarily prevent a negative payment amount on an off-cycle payment batch, because the application applies the payment plan minimum against period earnings for the participant, not payment batch earnings. To prevent a negative payment for off-cycle payment batches, either use a manual hold or a manual payment adjustment.

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Here are two examples of paysheets, showing how the total period earnings determine whether the payment plan sets the paysheet amount to zero.

- Example 1: If payment batch 1 is for 1,000 USD and payment batch 2 is for -200 USD, the payment plan will not set the payment batch 2 amount to 0.00 USD for a participant who has the payment plan with 0 minimum payment within a single period. This is because the period earnings, 800 USD, are greater than zero.
- Example 2: If payment batch 1 is for 1,000 USD and payment batch 2 is for -1,200 USD, then the payment plan sets the payment batch 2 amount to 0.00 USD. This is because the period earnings, -200 USD, are less than zero.

## FAQs for Participant Home Currency and Incentive Plans

### Why did I get an error about incentive compensation currency for the participant?

Most likely, the processing currency is set to **Participant Home Currency**.

In this case, you cannot edit the participant home currency for a date where there is an active incentive compensation or payment plan for the participant. In the Participant Snapshot work area, end date any current assignments directly or by end dating the role assignment, create a new currency row for the participant, and then create new assignments for the new currency.

This restriction ensures that there is no mix of earnings, calculated draw amounts, and balances of different currencies for a given participant, for a single

compensation or payment plan and paysheet, when the processing currency is **Participant Home Currency**.

### **What happens if I edit an incentive payment plan start or end date?**

If you edit the date to an earlier one, you must recalculate the payments to affect prior period balances. You cannot edit the start date to a later one if the application generated paysheets. Refresh the relevant paysheets to reflect your edit in current balances.

### **Can I override a draw or recovery amount for the participant's incentive payment plan?**

Yes, in the Participant Snapshot work area, select the participant and then edit the participant's incentive payment plan.

### **What happens if I edit the incentive payment or recovery amount?**

Prior period balances and current period paysheets are not affected unless you recalculate the incentive payments.

### **Can I override all attributes for a participant's incentive compensation or payment plan?**

No, but you can override many of them. Select the appropriate individualize check box to enable override and deselect it to reset the customized values to the original values.

- **Individualize target incentive** enables you to override target incentive and plan weight values.
- **Individualize** enables you to override uplift categories, commission rates, and goals (including those defined for intervals and periods).

### **Can I override all attributes for a performance measure?**

No, but you can override many of them. After you select **Individualize**, you can override the target values at the base goal, interval, and period levels; credit category uplift factors values; and commission rates. To reset the customized values to the original ones, deselect **Individualize**.

You cannot override the business unit, goal name, start and end date, unit of measure (UOM) values, or rate tiers and dimensions.

### **What happens if I deselect Individualize?**

The application resets the participant-specific incentive compensation values associated with that **Individualize** check box back to the original values, if any.

### **How can I give a participant's incentive compensation payments to a third party payee?**

In the Participant Snapshot work area, on the main incentive compensation plan, select **Payment Made Through Third Party**.

1. In the participant's plan component, select the payee from the list of incentive compensation participants, and ensure that the payee start and end dates fall within those of the participant.
2. Assign the selected payee to a pay group and include the payee in an incentive compensation payment batch, if not already done.

---

**Important**

If the processing currency for the compensation plan is **Participant home currency**, then the payee must have the same home currency as the participant.

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## Manage Incentive Compensation Processes and Workload

**How can I update incentive compensation processing statistics?**

Go to the Credits and Earnings work area, Collect Statistics page. Select the parameters that you want to refresh and submit the request.



## Collect Transactions and Performance Data

### Incentive Compensation Collection Setup Tasks: Explained

There are prerequisite setup tasks that you must perform in Oracle Fusion Incentive Compensation before importing and collecting the first set of transactions. You must also map the source data columns to the staging table columns.

#### Prerequisite Setup Tasks

Entities	Description
Calendars	Before running the Collection process, you must define your calendars and intervals as well as open the period for which you want to collect data.
Parameters	Determine whether to set up and use the incentive compensation Crediting process as well as when you will run the Classification process. Also set up processing and payment currency options.
Currency Conversions	You can credit, calculate, and pay in either the participant's home currency or process using a single currency within each incentive compensation business unit. Even if you process in a single currency (operating currency), you may still pay using each participant's home currency. To process transactions without error, you must define currency conversion rates in the Application Setup work area. Also, you must associate home currency to each participant. If using operating currency for processing and payment, then default the participant's home currency to <b>Operating Currency</b> during participant import.
Earning Types	Define any unit of measure that you use for processing, other than monetary amount (already defined).
Flexfields	There are 150 additional transaction entity attributes for use in processing. Configure these descriptive flexfields for use as your business dictates. For example, if you want to include Customer on the transaction, then define one of the flexfields for this, as well as point to a data source (if other than Oracle Fusion Trading Community Architecture) to provide lookups to use for validation.

Tables and Columns	Enable any additional attributes as well as disable relevant attributes used in the Crediting or Classification processes as well as the calculation expression builder.
--------------------	--

Use the Oracle Data Integrator Mapping screens to set up the transaction sources and mappings between various columns to the Oracle Fusion Incentive Compensation staging table (CN\_TP\_TRANSACTIONS\_STAGING\_T). This table has the same schema as the transaction table (CN\_TP\_TRANSACTIONS\_ALL), including the column called CHANGED\_TRX\_FLAG, which distinguishes whether a transaction is new or updated. You are responsible for maintaining the logic for importing new or updated source application transactions into the staging table using Oracle Data Integrator or another extraction, transformation, and load tool. Track transactions adjusted in the source application using the change data capture mechanism supported by Oracle Data Integrator, or any other custom logic. In staging, the application compares the composite key transaction number and transaction type to determine if the transaction is present before performing the Obsolete process.

---

#### Restriction

You cannot customize the Oracle Data Integrator mappings that are delivered with the product and used to load the data from the staging table into the transaction table. You can create your own custom script to use instead.

---

## Grouping Transactions for Processing: How It Works

Oracle Fusion Incentive Compensation supports three ways of grouping transactions into physical batches: importing batch information from the source application, using the Number of Batches parameter, or specifying the batch number by salesperson.

### Option 1: Importing Batch Information from Source Application

Populate the worker\_id column, which you added to all of your transaction entities, with the batch number while you import the transactions into the staging table. The application preserves the batch number as it moves each transaction from one entity to another, for example, from transaction to credit or credit to earning.

---

#### Important

Ensure that transactions belonging to the same salesperson all have the same batch number.

---

### Option 2: Setting Number of Batches Parameter

This approach is helpful if you are not partitioning the incentive compensation transaction tables.

The application uses this expression to determine how many parallel batches to spawn: `NTILE (:p_number_of_batches) OVER (order by transaction_id/`

participant\_id desc). For different processes, the application supports the use of a specific column in the order by clause:

- Classification: transaction\_id
- Crediting: transaction\_id
- Rollup: participant\_id
- Eligibility and Calculation: participant\_id

### Option 3: Specifying Batch Number by Salesperson

To use this approach, define a new table, CN\_TP\_SRP\_BATCHES (not partitioned), as follows:

Column Name	Data Type	Size	Not Null	Column Description
Srp_batch_id	NUMBER	15	Yes	The primary key
object_version_number	NUMBER	9	Yes	Supports stateless user interface (UI)
participant_id	NUMBER	15	Yes	Foreign key to salesperson
Process_name	VARCHAR2	30	No	Valid values: NULL, Classification, Crediting, Rollup, Population, Calculation, and Payment
Start_date	DATE	not applicable	Yes	Date on which you submit the process
End_date	DATE	not applicable	Yes	Date on which you submit the process
Batch_number	NUMBER	15	Yes	Number by which to process the salesperson
created_by	NUMBER	15	Yes	Standard Who column
Creation_date	DATE	not applicable	Yes	Standard Who column
last_updated_by	NUMBER	15	Yes	Standard Who column
last_update_date	DATE	not applicable	Yes	Standard Who column
last_update_login	NUMBER	15	No	Standard Who column

Populate this new table based on any process run using the CN\_PROCESS\_BATCHES\_ALL table. Update and create records for each salesperson, specifying the batch number with which you want to process the salesperson.

To select a batch number for a salesperson from this table:

- The participant must match
- The process start date must be within the date range of the record

If the application cannot find a batch number for a particular participant, it will assign a default batch number, which is the same for all participants without an entry in this table.

### Grouping Transactions into Batches for Classification and Crediting

The application uses the following logic when moving data from the CN\_TP\_TRANSACTIONS\_ALL table to the CN\_TP\_1002\_CLSFN\_TRANS interface table (for classification) or CN\_TP\_1001\_CREDIT\_TRANS interface table (for crediting).

For Option 1:

```
Insert into TRANS (trans_object_id, squal_char01, ..., squal_num01, ...,
worker_id)
(select transaction_id, attribute1, ..., attribute50, ...,
decode(worker_id, NULL, -999, worker_id)
from cn_tp_transactions_all where...);
```

For Option 2:

```
Insert into TRANS (trans_object_id, squal_char01, ..., squal_num01, ...,
worker_id)
(select transaction_id, attribute1, ..., attribute50, ...,
NTILE(:p_number_of_batches) over(order by transaction_id))
from cn_tp_transactions_all where...);
```

For Option 3:

```
Insert into TRANS (trans_object_id, squal_char01, ..., squal_num01, ...,
worker_id)
(select transaction_id, attribute1, ..., attribute50, ...,
decode(b.batch_number, NULL, -999, b.batch_number)
from cn_tp_transactions_all a, cn_tp_srp_batches b
where a.participant_id = b.participant_id(+)
and sysdate between b.start_date and b.end_date and...);
```

---

#### Tip

For the Classification and Crediting processes, it is not mandatory to process all of the transactions for a salesperson in a single batch.

---

### Grouping Transactions into Batches for Rollup and Calculation

After the application determines the participants to process, and populates the CN\_PROCESS\_BATCHES\_ALL table with that information, the following logic runs to set the batch number for each participant (it is single threaded).

For Option 1:

```
Select nvl(worker_id, -999) from cn_tp_credits_all
Where credited_participant_id = cn_process_batches_all.participant_id
And rownum = 1;
```

For Option 2:

```
Select inv.participant_id,
```

```

ntile(:p_number_of_batches) over(order by inv.row_seq desc)
physical_batch_id
From (
Select participant_id,
dense_rank() over(order by participant_id desc nulls last) row_seq
From cn_process_batches_all
Where logical_batch_id = g_logical_batch_id) inv

```

For Option 3:

```

Select nvl(physical_batch_id, -999) from cn_tp_srp_batches_all
Where participant_id(+) = cn_process_batches_all.participant_id
And sysdate between start_date and end_date;

```

## Incentive Compensation Transactions: How They Are Collected

Most compensation transactions originate in other applications such as order capture, accounts receivables, and customer relationship management (CRM). After you import them into the Oracle Fusion Incentive Compensation staging table, the application gathers these transactions using a Collection process that checks for duplicates, validates data, and converts currencies.

## Settings That Affect Transaction Collection

Set these options in the Credits and Earnings work area, on the Collect Transactions page.

**Schedule:** Select the business unit into which to collect transactions. Use the date range to determine the transactions to collect from the staging table. The application uses the transaction event date and the process date range to filter the data it collects. Map the date the event occurred for which to compensate the participant to event date.

---

### Important

The period in which the event date occurs must have a status of open for the application to collect the transaction.

---

**Import (optional):** Set the transaction type (for example, Order or Invoice) instead of importing all of the transactions as manual. Identifying the type enables easier search and maintenance when importing more than one source type data. When importing transactions with predetermined credits, specify all the required attributes of the transaction at that stage, including credit receiver, split percent, and split amounts. To preserve imported credits, select the **Override Crediting** check box for the imported transactions by mapping to the process code column. For all collected transactions, the application sets the object (or process) status to **New** or **Collection error**, as appropriate.

**Import (required):** Map a unique identifier to the transaction number and transaction type column combination, you cannot leave it null. The application carries forward the transaction number to each transaction type, credit, roll up, earning, and payment during processing (unless you are summarizing your rollups) to help identify a transaction at each stage.

---

### Tip

The best practice is to map the source transaction number plus line number, if this combination is unique, so that if you search using this identifier, it is available in all transaction search pages.

---

**Enable Direct Crediting** (set in the Define Business Unit Configuration for Incentive Compensation task list, Manage Parameters task):

- **Yes:** The application collects data from the staging table into the transaction table. It includes line items to accommodate crediting and calculation at the product level.
- 

#### **Tip**

You may collect credit transactions, even if you intend to run the Crediting process within the application. To do this, populate the credited participant ID with a valid participant ID when importing from your source to the staging table. During the Collection process, the application creates a base transaction and corresponding credit transactions.

---

#### **Important**

The application assumes that you set up and use credit or roll up rules to identify all participants who must receive credit attainment per deal.

---

- **No:** The application collects data from the staging table into the transaction and credit tables. It includes each line item (one per credit receiver in the credit table) to enable the Calculation process, which runs against credits. Run the Rollup or Team processes against these imported transactions to identify additional credit receivers.
- 

#### **Important**

The application assumes that you already processed data to identify most, or all, participants who must receive credit attainment per deal. The credited participant ID must be populated with a value for the application to create a credit transaction.

---

Regardless of your enable direct crediting setting, you can edit base transactions and credit transactions after the Collection process completes.

---

#### **Tip**

The staging table has the same schema as the transaction table (CN\_TP\_TRANSACTIONS\_ALL), which is the base table from where all of the incentive compensation processes start.

---

## **How Transactions Are Collected**

Using your own process and tool, import data from your source applications into the staging table. Next, using Oracle Fusion Incentive Compensation, collect

that data into the transaction table using various parameters such as start and end dates as well as transaction type. View the log for each collection run to see details such as how long the process took using the Oracle Data Integration Console.

---

### Tip

The application treats any credits imported from a source application just like transactions, populating them in the staging table along with the participant information.

---

### Important

Ensure that you select **Override Credit Amount** by default (if this is a unique situation) or select **Override Crediting** the business unit level for recurring situations.

---

### De-duplication

During the Collection process, the application updates the transaction request ID with a unique value, so that it only collects those identified transactions from staging. This enables you to import transactions into the staging table while the application is collecting transactions into the transaction table. During the Collection process, if the application detects duplicate transactions, it checks each staging table record that has the same transaction number and transaction type (composite key) and collects only the record with the most recent last updated date. For credit transactions, the application uses the combination of transaction number, transaction type, and credited participant ID to identify duplicates.

After de-duplicating the data selected for collection, the application checks for duplicates between the staging table records and the transaction and credit table records (original transactions) by comparing the composite keys.

- If the application detects a duplicate transaction, then it sets the status for the original transaction to **Obsolete**, collects the new transaction into the appropriate table, and sets change transaction to **Yes**.
- If the **Payment** process included the original transaction, the Collection process sets the original transaction status to **Obsolete** and change transaction to **Yes**, so that regular processes, such as Crediting and Rollup, do not include the obsolete original transaction before the Reversal process runs.
- If the original transaction has a status of **Paid**, then the application reverses the transaction, credit, and earning records are reversed and creates a negative offset for these transactions. During the next run, the application processes the reversal along with the new (changed) transaction.

### Validation

When the application collects the transactions from the staging table, it validates the data and then uses the specified parameters to identify the uncollected

transactions. Validation ensures that the mandatory columns are available and reference integrity is maintained.

- If PARTICIPANT\_ID is populated, is there a corresponding entry in CN\_SRP\_PARTICIPANTS\_ALL? If not, set the transaction status as **Error - Invalid Participant**.

---

### Important

The application checks against participant ID, so if this value is populated in the Participant ID and Credited Participant ID columns, the corresponding participant ID must exist in the participants table within OFIC.

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- Does CREDITED\_PARTICIPANT\_ID have a corresponding entry in CN\_SRP\_PARTICIPANTS\_ALL? If not, set the transaction status to **Error - Invalid Participant**.
- If the process date is not in the correct date format, set the transaction status as **Error**. If it does not exist within the open period, then set the transaction status to **Error - Period Not Opened**
- If the process date does not exist within the open period, then update the record to **Error - Period Not Opened**
- If there is no exchange rate and the transaction currency is other than operating currency, then set the transaction status to **Error**.
- If the transaction has a credit category, then does it have the correct ID? If not, set the transaction status to **Error**.
- If the following mandatory fields are not populated, set the transaction status to an error; these columns cannot be NULL:
  - Business Unit
  - Process Date
  - Transaction Amount
  - Transaction Currency Code
  - Transaction Type
  - Source Transaction Number

Collection inserts the validated and identified transactions into the transaction table and updates transaction statuses.

- If CHANGED\_TRX\_FLAG is N, the application inserts the transaction to the transaction table and sets the OBJECT\_STATUS to NEW.
- If CHANGED\_TRX\_FLAG is Y, the application:
  - Finds the corresponding transaction in transaction table and updates that OBJECT\_STATUS to OBSOLETE
  - Inserts the modified transaction to the transaction table and sets that CHANGED\_TRX\_FLAG to Y

The application deletes all records from the staging table after the Collection process completes.

---

**Tip**

If there are errors during the Collection process (from staging table to transaction or credit tables), then the application sets OBJECT\_STATUS to COLLECTION\_ERROR in the transaction table and CREDIT\_ERROR in the credit table, so that you can correct the error transactions in the application or using functional desktop integration.

---

During each collection run, the application automatically re-validates any transactions in the based transaction table, and any credit transactions in the base credit table, that have an error status. For example, the application imported a missing participant after the original collection run, so during the next collection run, the application changes the status from **Collection error** to **New** or **Credited** for the relevant transactions.

#### Currency Conversion

After the application collects data from the staging table into the transaction table, it converts transaction table source currency values to operating currency values. If a conversion rate is missing for the transaction event date, the application sets the transaction status to **Collection error**. Next, if collecting credit transactions, the application updates all currencies in the credit table.

- If there is an error for the base transaction, then it updates the corresponding credit transaction statuses with credit error.
- If the transaction has no error and four out of five credits are OK, the application sets the statuses for those four credits to **Credited** and sets the status for the fifth credit to **Credit error**.

#### Collecting Transactions and Credits

This example shows how transactions are imported from a source application to the staging table and then the transaction table under various conditions, using a subset of data:

- A new transaction is created in the source application
- A transaction, already imported and collected in the incentive compensation application is modified in the source application

State: Initial, New Transaction Created in Source Application

Source Order ID	Source Transaction Line ID	Source Order Date	Source Transaction Amount	Source Item ID
1001	301	01-01-2010	10,000	Sentinel Desktop

The following two tables include the source order ID and date as well as source transaction amount and item ID.

State: After Importing Transaction 1001-301 into Staging Table

Staging Order ID	Staging Order Date	Staging Transaction Amount	Transaction Order ID	Transaction Order Date	Transaction Amount	Transaction Object Status	Changed Transaction Flag
1001	01-01-2010	10,000	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

State: After Collecting Transaction 1001-301 into Transaction Table

Staging Order ID	Staging Order Date	Staging Transaction Amount	Transaction Order ID	Transaction Order Date	Transaction Amount	Transaction Object Status	Changed Transaction Flag
deleted	deleted	deleted	1001	01-01-2010	10,000	New	N

State: Initial, Transaction Amount is Modified from 10,000 to 12, 000 in Source Application

Source Order ID	Source Transaction Line ID	Source Order Date	Source Transaction Amount	Source Item ID
1001	301	01-01-2010	12,000	Sentinel Desktop

The following three tables include the source order ID and date as well as source transaction amount and item ID.

State: After Importing Modified Transaction 1001-301 into Staging Table

Staging Order ID	Staging Order Date	Staging Transaction Amount	Transaction Order ID	Transaction Order Date	Transaction Amount	Transaction Object Status	Transaction Changed Transaction
1001	01-01-2010	12,000	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

State: After Collecting Modified Transaction 1001-301 into Transaction Table

Staging Order ID	Staging Order Date	Staging Transaction Amount	Transaction Order ID	Transaction Order Date	Transaction Amount	Transaction Object Status	Transaction Changed Transaction
deleted	deleted	deleted	1001	01-01-2010	12,000	New	Y
deleted	deleted	deleted	1001	01-01-2010	10,000	Obsolete	Y

State: Reversal Based on Transaction 1001-301 Update

Staging Order ID	Staging Order Date	Staging Transaction Amount	Transaction Order ID	Transaction Order Date	Transaction Amount	Transaction Object Status	Changed Transaction Flag
deleted	deleted	deleted	Move*	Move*	Move*	Move*	Move*
deleted	deleted	deleted	1001	01-01-2010	12,000	New	Y
deleted	deleted	deleted	1001	01-01-2010	-10,000	New	Y

Move\*: Move the original transaction to the history table and delete the original transaction from the transaction table and create a reversal.

## Transaction and Credit Collection Errors for Incentive Compensation: Explained

Following are the possible status errors that the application can set for transactions, as well as their causes.

Error	Cause	Corrective Action
Error - Invalid Participant	The PARTICIPANT_ID was marked on a particular staging table transaction and it does not have a reference in PARTICIPANT_ID.	Verify that the PARTICIPANT_ID for this transaction exists in the CN_SRP_PARTICIPANTS_ALL table.
Error - Period Not Opened	The transaction Process Date is for an unopened period.	Open the relevant period before collecting the transaction.
Error - Missing Mandatory Data	The staging table transaction has no data for the mandatory fields.	Validate that the transaction has all of the following mandatory fields before collecting again: <ul style="list-style-type: none"> <li>• Business Unit</li> <li>• Process Date</li> <li>• Transaction Amount</li> <li>• Transaction Currency Code</li> <li>• Transaction Type</li> <li>• Source Transaction Number</li> </ul>
Error - Missing Currency Conversion	The transaction amount is in a currency that is different from the operating currency, the currency conversion code is not marked on the transaction, and no conversion rate exists for the Process Date between transaction currency and operating currency.	Populate the currency conversion rate at the transaction level or define the currency conversions for the Process Date in Manage Incentive Compensation Currency Conversions.

## Incentive Compensation Transactions: How They Are Classified

After collecting transactions, the application must identify how to categorize the transactions to compensate. The incentive compensation Classification process evaluates transaction attributes and maps them to defined credit categories. Plans use these categories to determine how to measure performance.

## Settings That Affect Transaction Classification

Set these parameters in the Define Business Unit Configuration for Incentive Compensation task list, Manage Parameters task.

**Enable Classification:** If you select **No**, then you must include the credit category during import.

**Classify Transactions:** Either run the Classification process before running the Credit and Rollup process or after these processes complete, depending on your business processes and requirements.

---

**Tip**

The best practice is preserve the value for this parameter after you set it in a production application as each process looks for specific status values on the data to determine what transactions to include. If you do change the parameter value, re-run all related processes for all of the currently open periods with transactions that are unprocessed or in process.

---

**After Collection and Before Crediting:** Run the Classification process for the data in the transaction entity and carry it to the credit, earning, and payment transactions. The Credit process includes transactions with the status of **Classified**.

---

**Tip**

You may find it useful to include the identified category in your credit rules to help identify credit assignments.

---

**After Crediting and Rollup and Before Calculation:** Run the Classification process for the data in the credit entity and carry it to the earning and payment transactions. The Calculation process includes credit transactions with the status of **Classified**.

---

**Note**

Classifying after Crediting runs gives you more flexibility in differentiating the category for the credit receiver's transactions.

---

## How Transactions Are Classified

The Classification process starts with you creating a request by selecting the transactions for the application to classify. Search for the relevant transactions using business unit and date range values.

---

**Note**

The Classification process explained here assumes that your classification parameter is set to run before crediting. If you run the Classification process after the Crediting and Rollup processes, the process steps and tips are still applicable, but the application classifies the credits instead of the transactions.

- 
- Full mode: Specify the date range and select all transactions.
  - Incremental mode: Specify the date range and select new transactions. The application only includes the newly created and imported transactions for processing.

---

**Tip**

The application automatically excludes transactions that the Collection process identified as filtered, errored, and obsolete as well as transactions already included by upstream processes.

---

The Classification process analyzes each qualifying transaction using rules that contain the various conditions that define the expected value for each transaction attribute and map it to a credit category. It then associates the applicable credit category with the transaction or credit.

---

**Tip**

If you do not want the application to associate a credit category using the classification rules, manually enter the credit category attribute in the transaction and also select **Override Classification** for that transaction.

---

The Classification process matches the rule criteria to the attributes of the selected transactions. If there is only one match, based on rank and the hierarchy level, then the application associates the credit category with the transaction and sets the status to **Classified**. If not, then the application sets the transaction status as **Failed classification**.

- If you edit the transactions after running the Classification process, the application sets the status of the edited transaction to **New**, so that the Classification process includes the updated transaction during the next run. It sets the original transaction status to **Obsolete** and preserves it for audit history in the transaction history entity. It also checks the available transaction attributes to find a relevant credit category during reclassification.
- If you edit the classification rules, run the Classification process again in full mode to effect any changes to that data which falls within the rule effective date range.

Is there a credit category match?

- Yes. Is the credit category that was found the same as before?
  - Yes. The application makes no changes to the transaction or credit and sets the status to **Classified**.
  - No. The application changes the credit category and sets the transaction or credit status to **Classified with a new credit category**. It sets the original transaction or credit status to **Obsolete** and creates a new credit with the new category. It moves obsolete data to their respective history tables for audit purposes during the revert process.
- No. The application sets the transaction status as **Failed classification**.

**Classification After Crediting: Example**

You set up a classification hierarchy that includes rules to classify any audio product into a category called Audio Electronics and any video product into a category called Video Electronics. This table shows what the credits and rollups

look like after the application classified them--it added credit categories and changed the status values.

---

**Note**

This example builds on the one started in the Credits and Rollups: How They Are Created topic, which is included in the related links at the end of this topic.

---

The participant records in the following table also include these data:

- Transaction number: 56031.101
- Currency: USD
- Original transaction amount: 50,000
- Quantity: 50
- Product: Pioneer 920384
- Credit category: Audio Electronics
- Status: Classified

Credit ID	Credit Receiver	Revenue Type	Credit Amount	Credit Percentage	Credit Type	Credit Rule Used
56031.1.1.C1	Alex	Revenue	25,000	50	Direct	Western Region, Audio
56031.1.2.C1	Haley	Revenue	25,000	50	Direct	Western Region, Audio
56031.1.3.C1	Robert	Nonrevenue	50,000	100	Direct	Western Region, Audio
56031.1.4.C1	Lily	Nonrevenue	50,000	100	Indirect	NA Regional Electronics
56031.1.5.C1	Andrew	Nonrevenue	50,000	100	Indirect	Western Region, Electronics

The participant records in the following table also include these data:

- Transaction number: 56031.102
- Currency: USD
- Original transaction amount: 35,000
- Quantity: 28
- Product: Sony SVG0193
- Credit category: Video Electronics
- Status: Classified

Credit ID	Credit Receiver	Revenue Type	Credit Amount	Credit Percentage	Credit Type	Credit Rule Used
56031.2.1.C1	Alex	Revenue	17,500	50	Direct	Western Region, Video
56031.2.2.C1	Haley	Revenue	17,500	50	Direct	Western Region, Video
56031.2.3.C1	Robert	Nonrevenue	35,000	100	Direct	Western Region, Video
56031.2.4.C1	Lily	Nonrevenue	35,000	100	Indirect	NA Regional Electronics
56031.2.5.C1	Andrew	Nonrevenue	35,000	100	Indirect	Western Region, Electronics

The participant records in the following table also include these data:

- Transaction number: 56031.103
- Currency: USD
- Original transaction amount: 15,000
- Quantity: 60
- Product: Erickson SVG0193
- Credit category: Audio Electronics
- Credit amount: 15,000
- Credit percent: 100
- Credit type: Direct
- Credit rule used: Not applicable
- Status: Classified

Credit ID	Credit Receiver	Revenue Type
56031.3.1.C1	Haley	Revenue
56031.3.1.C1	Andrew	Nonrevenue

The participant records in the following table also include these data:

- Transaction number: 56031.104
- Currency: USD
- Original transaction amount: 10,000
- Quantity: 48
- Product: LSG SV8944

- Credit category: Video Electronics
- Status: Classified

Credit ID	Credit Receiver	Revenue Type	Credit Amount	Credit Percentage	Credit Type	Credit Rule Used
56031.4.1.C1	Alex	Revenue	5,000	50	Direct	Western Region, Audio
56031.4.2.C1	Haley	Revenue	5,000	50	Direct	Western Region, Audio
56031.4.3.C1	Robert	Nonrevenue	10,000	100	Direct	Western Region, Audio
56031.4.4.C1	Lily	Nonrevenue	10,000	100	Indirect	NA Regional Electronics
56031.4.5.C1	Andrew	Nonrevenue	10,000	100	Indirect	Western Region, Video

## Overriding Incentive Compensation Processes for Individual Transactions: Critical Choices

The application provides you with flexible, discrete incentive compensation processing that you can configure to meet your business requirements. Due to process, or sales, exceptions you may have to override any or all of these processes for individual transactions. The available override options (in the Credits and Earnings work area) are for classification, crediting, and roll up of individual transactions. Override these processes en mass or through the user interfaces.

### Overriding the Classification Process for Individual Transactions

The incentive compensation Classification process gathers all new or credited transactions and processes them. If it encounters a transaction with **Override classification** selected, it checks whether the Credit Category field contains a value.

- If yes, it sets the transaction status to **Classified**.

---

#### Tip

You must still run the Classification process, even for transactions that you override individually.

- If not, it sets the transaction status to **Failed classification**.

---

#### Note

If overriding the Classification process in the user interface, the application requires a credit category and performs validation in the screen.

---

### Overriding the Crediting Process for Individual Transactions

If you run the incentive compensation Crediting process, you may manually override individual credit transactions or create additional credit splits. The application checks whether the credit receiver, credit amount, and credit percentage attributes contain valid values. If validation for required values:

- Succeeds, it selects **Preserve credits** on the base transaction so it does not include the transaction again for the Crediting process, and sets the credit status to **Credited**. If you run the Crediting process again for the date range in which you adjusted this credit, the application does not overwrite any of the credits for the transaction--even if you edited credit rules and affected updates.
- Fails, it sets the incentive compensation transaction status to **Credit error**.

**Process Code**, if you select **Skip crediting during import**, the application checks whether the credit receiver, credit amount, and credit percentage attributes contain valid values. If validation for required values:

- Succeeds, it selects **Preserve credits** and sets the incentive compensation credit status to **Credited**.
- Fails, it sets the incentive compensation transaction status to **Credit error**.

### Overriding the Rollup Process for Individual Transactions

If individual transactions have **Do not roll up** selected, the application passes over the credits without performing any action on them. The application checks whether it processed the credit before and whether there are any rollup credits based on it. If so, and if the current credit status is **Override roll up**, then the application captures the original credit to ensure that downstream processes negate the rollup credits and other children of this original credit.

### Overriding Sets of Transactions

If you must override a set of transactions consistently, every period then you may collect these data as overridden, by providing the appropriate **Process Code** override values during import. Also update data for override, for individual transactions, using the Credits and Earnings work area pages discussed previously or the desktop integration feature available on those same pages.

## FAQs for Collect Transactions and Performance Data

### How can I aggregate incentive compensation rollup transactions based on custom criteria?

In the Define Business Unit Configuration for Incentive Compensation task list, Manage Parameters task, select **Aggregate Transactions During Roll Up**

and **Aggregate Transactions Based on Custom Criteria During Roll Up** and substitute the default summary process with your own custom process.

Modify one of the following procedures, depending on your requirements. If rolling up within the:

- Crediting hierarchy:  
CN\_TP\_CUSTOM\_SUMMARIZE\_CREDITS.summarize\_credits\_with\_rule
- Rollup hierarchy:  
CN\_TP\_CUSTOM\_SUMMARIZE\_CREDITS.summarize\_credits\_without\_rule

### **How can I transform the data while it is collected to the incentive compensation transaction table from staging?**

If you own Oracle Data Integration (ODI), then you can create a custom mapping to modify the default one provided with the application. If you own a different extraction, transformation, and load (ETL) tool, such as Informatica, you can create your own, new mapping.

### **What happens if I collect a transaction or credit that was adjusted in the source application?**

When the incentive compensation Collection process runs, after you import the adjusted transaction into the staging table (using your process and tool), the application determines that the transaction already exists in the transaction table. In the transaction table, it sets the status for that original transaction to **Obsolete**. Next, the application inserts the adjusted transaction into the transaction table and sets the status for the adjusted transaction to **New** and changed transaction to **Yes**. When the Reversal process runs (after the Collection process), and if the transaction was included in the Payment process, the application creates a corresponding transaction, credit, earning, and payment offset for the original amount.

### **What happens if I collect a transaction or credit that was cancelled in the source application?**

When the **Collect Cancellations as Zero** parameter (Setup and Maintenance work area, Manage Parameter page) is **Yes** and the **Status** is **Cancel** on the transaction imported into the staging table, then during the Collection process, the application changes the status on the original, collected transaction to **Obsolete** and sets the new, cancelled transaction amount to **0.00**. If the original transaction was processed through to payment, the application creates a reversal for inclusion in the next payment batch. The payment is reversed and the new transaction with a zero amount is processed accordingly (no payment is made).

### **What happens to the history if I adjust an incentive compensation transaction?**

The application moves the original incentive compensation transaction record to a history table and continues any processing using the new, or adjusted, transaction record. Review the original data in the **History** subtab after the Revert process runs.

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## Credit Participants

### Incentive Compensation Credits and Rollups: How They Are Created

Use incentive compensation crediting rules to determine direct and rollup credits or set up your application to use distinct Crediting or Rollup processes where crediting and rollup rules must be separate.

### Settings That Affect Credits and Roll Ups

Crediting filters the transactions it processes based on parameters that you specify while the process runs. Parameters include the date range of the transactions the application matches during processing as well as the process mode. Elect to process new transactions only or process all transactions for the date range. If processing for all transactions, Crediting also reprocesses any transactions that the application previously included during Crediting and creates offsets for any changes if the application included credits for payment.

Use application parameters to control which rules to process, and in which order to run certain processes. Skip the Crediting or Rollup processes entirely, if you have no business requirements to run these processes.

Set up the Classification process to run either before the Crediting process or after the Crediting and Rollup processes.

Following is a table that depicts transactions and their process status as they flow through the application based on parameters set in the Define Business Unit Configuration for Incentive Compensation task list, Manage Parameters task. The first table row represents the transaction as the application collects it before the Crediting or Classification processes. The table does not include Calculation and Payment processes, nor their statuses.

---

#### Note

There are no parameters for the Collection process so the left two cells of the first row are empty.

---

Parameter	Parameter Selection	Transaction Type	Process Status	Process Error Status	Process Status if Adjusted
Not applicable	Not applicable	Transaction	New	Import Error	Obsolete Reversed

Classify Transactions	Before Crediting	Transaction	Classified	Classification Error	Obsolete
Enable Direct Crediting	No	Transaction	Credited *	Credit Error	Obsolete
Enable Direct Crediting	Yes	Transaction	Credited	Credit Error	Reversed
Enable Roll Up Crediting	Yes (use Crediting hierarchy)	Credit	Rolled Up	Roll Up Error	Reversed **
Enable Roll Up Crediting	Yes (use Rollup hierarchy)	Credit	Rolled Up	Roll Up Error	Reversed
Enable Roll Up Crediting	Yes (either hierarchy)	Roll Up Credit	Rolled Up	Roll Up Error	Reversed
Enable Roll Up Crediting	No	Credit	Credited	Credit Error	Reversed
Summarize Roll Ups	Yes	Credit	Summary Roll Up	Roll Up Error	Reversed
Summarize Roll Ups	No	Credit	Rolled Up or Credited	Roll Up Error	Reversed
Classify Transactions	After Crediting	Credit	Classified	Classification Error	Reversed

\* If you do not enable the Crediting process, the application creates credit transactions (one for each base transaction) during import and sets the status to **Credited**. The application assumes that you created credits in an external application, but credits must exist in the application to process for Rollup and Calculation.

\*\* If the Payment process did not include the credit or earning, the application deletes them during reprocessing and creates them again as if it ran processing for the first time. The application sets base transaction statuses to **Obsolete** if it did not process the transactions through to payment. It sets the base transaction statuses to **Reversed** if it paid the transactions.

The application may include additional process statuses on a transaction or credit when users make manual adjustments. Each subsequent process includes transactions for processing only if they have the appropriate status. The application does not include transactions and credits with error statuses until users correct the errors and run the Revert process.

## How Credits and Roll Ups Are Created

After the application marks a transaction with a credit category (classifies it), it uses crediting rules to specify:

- Criteria (any transaction attribute enabled for the Crediting process) to identify the transactions that qualify for the Crediting process
- Credit assignments to identify the direct and indirect credit receivers
- Credit splits to determine the percentage of credit (revenue or nonrevenue) each receiver gets

Crediting and rollup rules use the crediting hierarchy, rollup group hierarchy, or teams that you define to determine the credit receivers. Credit rules use

the criteria defined in each level to match transactions in the hierarchy. When the application finds a match, it creates credit transactions for the participants associated with that rule. Credit rules can also give indirect credit transactions to participants who are at a higher level in this hierarchy individually, without having to give indirect credits from every direct credit receiver.

---

**Tip**

If you have multiple incentive compensation business units and want to segregate all transactional data, include **Business Unit** as one of your qualifiers. Do not include it as a qualifier if you plan to use cross business unit Crediting and Rollup processes.

---

For each of the credits it generates, the Crediting process retains the first 50 attributes of the transaction because the Calculation process may have to reference them and finding the attribute on the credit, instead of the base transaction, helps speed up performance during processing. The Calculation process may still refer to the base transaction attributes.

Some specifics to note about the Crediting process:

- Maintains reference to the original transaction
- Populates the sales credit amount based on the defined splits
- Provides the sales credit percent that it used
- Specifies whether the credit is revenue or nonrevenue
- Augments the credit with the credit rule that it used
- Defines credits based on roll up within the credit hierarchy as indirect
- Defines credits based on the assignees associated with the credit rule as direct

Rollup rules specify the direct credit transactions to roll up within the hierarchy. The credit transactions for all direct credit receivers roll up to those people in the levels above the root level. Rollup rules also have provisions for controlling whether to:

- Provide rollup credits to participants within a group--they can be nonmanagers as well as people in groups above the root level
- Summarize the roll up credit received from direct credit transactions. This option is set for each individual rollup credit receiver. The application generates summary roll up based on the credit receiver ID, credit category (if the Classification process is run before the Crediting process), credit date, and process period. The application aggregates the first 50 numeric flexfield values for all credit transactions used for the summary and includes them on the rollup credit.

The Crediting process uses the credit and rollup rules to generate credit transactions (revenue or nonrevenue), named incentive compensation credits, for as many credit receivers (direct and indirect) as required.

---

**Tip**

Have the application summarize rollup credits (that it generates within the credit rule hierarchy) for each rollup participant, as the participant is within the rollup rule hierarchy.

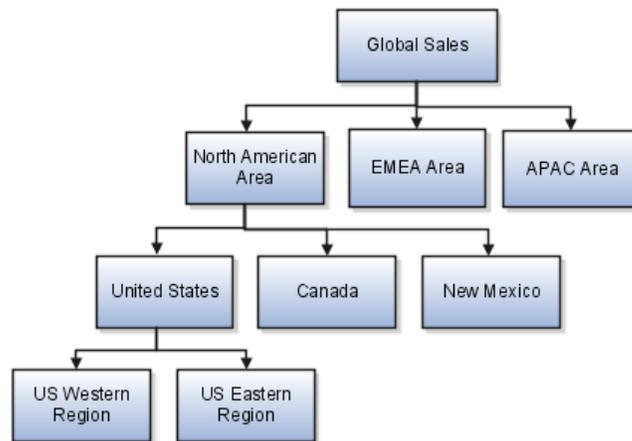
---

Team rules provide an indirect credit transaction to any defined team member. For example, if team member John Smith receives a credit for a deal, the application provides all other members in his team with an indirect credit for the same deal.

Team assignments are date effective. The application creates an indirect credit for those members assigned to the team when the credit transaction date falls within the assignment date range.

### Transactions After Crediting Runs: Example

Here is a partial, 4-level sales credit and rollup hierarchy.



Todd Allen is SVP of Global Sales and has two direct reports:

- Richard Barta, a VP of North America
- Lily Cox, a VP of North America, who has one direct report:
  - Andrew Brown, the Regional Manager of Western Region Electronics, who has three direct reports:
    - Robert Rivera, a Telecommunications Salesperson, CA
    - Haley King, an Electronics Salesperson, CA
    - Alex Anders, an Electronics Salesperson, CA

Robert, Haley, and Alex are at the root level that defines the products. Todd, Richard, Lily, and Andrew receive rollup credits from all of the rules below theirs, based on the rollup option chosen for individual assignments. In this example, only Robert's credit assignments are set to roll up to everyone in the rules above.

Criteria	Credit Assignments
Area = US	Haley and Alex: 50 percent, Revenue
State = CA	Robert: 100 percent, Nonrevenue (rolls up in hierarchy)
Product = any Audio or Video product	Lily and Andrew: 100 percent, Nonrevenue rollups

The participant records in the following table also include these data:

- Transaction number: 56031.101
- Currency: USD
- Original transaction amount: 50,000
- Quantity: 50
- Product: Pioneer 920384

Credit ID	Credit Receiver	Revenue Type	Credit Amount	Credit Percentage	Credit Type	Credit Rule Used	Status
56031.1.1.C1	Alex	Revenue	25,000	50	Direct	Western Region, Audio	Credited
56031.1.2.C1	Haley	Revenue	25,000	50	Direct	Western Region, Audio	Credited
56031.1.3.C1	Robert	Nonrevenue	50,000	100	Direct	Western Region, Audio	Rolled Up
56031.1.4.C1	Lily	Nonrevenue	50,000	100	Indirect	NA Regional Electronics	Rolled Up
56031.1.5.C1	Andrew	Nonrevenue	50,000	100	Indirect	Western Region, Electronics	Rolled Up

The participant records in the following table also include these data:

- Transaction number: 56031.102
- Currency: USD
- Original transaction amount: 35,000
- Quantity: 28
- Product: Sony SVG0193

Credit ID	Credit Receiver	Revenue Type	Credit Amount	Credit Percentage	Credit Type	Credit Rule Used	Status
56031.2.1.C1	Alex	Revenue	17,500	50	Direct	Western Region, Video	Credited
56031.2.2.C1	Haley	Revenue	17,500	50	Direct	Western Region, Video	Credited
56031.2.3.C1	Robert	Nonrevenue	35,000	100	Direct	Western Region, Video	Rolled Up
56031.2.4.C1	Lily	Nonrevenue	35,000	100	Indirect	NA Regional Electronics	Rolled Up

56031.2.5.C1	Andrew	Nonrevenue	35,000	100	Indirect	Western Region, Electronics	Rolled Up
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Assume that the application sets **Preserve Credit** to **Yes** for order line 56031.103, so that the Crediting process does not overwrite the credit receivers and splits that you manually updated.

The participant records for Haley (revenue type of **Revenue**) and Andrew (revenue type of **Nonrevenue**) share these data:

- Transaction number: 56031.103
- Credit ID: 56031.3.1.C1
- Currency: USD
- Original transaction amount: 15,000
- Quantity: 60
- Product: Erickson SVG0193
- Credit amount: 15,000
- Credit Percentage: 100
- Credit type: Direct
- Credit rule used: Not applicable
- Status: Credited

---

#### Note

Since you credited transaction number 56031.103 manually, the Crediting process did not run it through any credit rules because the application sets preserve credit to **Yes** when a user manually creates or adjusts the credit lines for a transaction.

---

There was an error during the Crediting process, so the Best Buy order with transaction number **56031.104** did not generate any credit lines. The application sets the transaction status to **Credit Error**.

Quantity	Product	Amount	Source Currency	Area	Country	State	Direct Participant	Split Percent
48	LSG SV8944	10,000	USD	Western Region	USA	CA	Haley	50

#### Rollup Credits: Example

The previous example included rollup credit transactions that the application created using the credit hierarchy. This example uses all of those direct credits and rollup rules with the exception of Robert Rivera, who is not included in the root level for the rollup hierarchy as he is an overlay salesperson. Haley and Alex are the primary account salespeople who report to Andrew.

The following are the rollup credits that the application created for the credit transaction numbers 56031.1.1.C1 and 56031.2.1.C1. Also included are the direct credits that the application generated during the Crediting process used for roll up.

The participant records in the following table also include these data:

- Transaction number: 56031.101
- Currency: USD
- Original transaction amount: 50,000
- Quantity: 50
- Product: Pioneer 920384
- Credit amount: 25,000
- Credit percent: 50
- Status: Rolled up

Credit Reference ID	Rollup Credit ID	Primary Credit Receiver	Credit Receiver	Revenue Type	Credit Type	Rollup Rule Used
56031.1.1.C1	Not applicable	Not applicable	Alex	Revenue	Direct	Western Region, Electronics
56031.1.2.C1	Not applicable	Not applicable	Haley	Revenue	Direct	Western Region, Electronics
56031.1.1.R1	56031.1.1.R1	Alex	Lily	Nonrevenue	Indirect	NA Regional Electronics
56031.2.1.R1	56031.2.1.R1	Haley	Lily	Nonrevenue	Indirect	NA Regional Electronics
56031.1.1.C1	56031.3.1.R1	Alex	Andrew	Nonrevenue	Indirect	Western Region, Electronics
56031.1.2.C1	56031.4.1.R1	Haley	Andrew	Nonrevenue	Indirect	Western Region, Electronics
56031.1.1.C1	56031.5.1.R1	Alex	Richard	Nonrevenue	Indirect	North America
56031.1.2.C1	56031.6.1.R1	Haley	Richard	Nonrevenue	Indirect	North America

The participant records in the following table also include these data:

- Transaction number: 56031.102
- Currency: USD
- Original transaction amount: 35,000
- Quantity: 28

- Product: Sony SVG0193
- Credit amount: 17,500
- Credit percent: 50
- Status: Rolled up

Credit Reference ID	Rollup Credit ID	Primary Credit Receiver	Credit Receiver	Revenue Type	Credit Type	Rollup Rule Used
56031.2.1.C1	Not applicable	Not applicable	Alex	Revenue	Direct	Western Region, Video
56031.2.2.C1	Not applicable	Not applicable	Haley	Revenue	Direct	Western Region, Video
56031.2.1.C1	56031.2.1.R1	Alex	Lily	Nonrevenue	Indirect	NA Regional Electronics
56031.2.2.C1	56031.2.2.R1	Haley	Lily	Nonrevenue	Indirect	NA Regional Electronics
56031.2.1.C1	56031.2.3.R1	Alex	Andrew	Nonrevenue	Indirect	Western Region, Electronics
56031.2.2.C1	56031.2.4.R1	Haley	Andrew	Nonrevenue	Indirect	Western Region, Electronics
56031.2.1.C1	56031.2.5.R1	Alex	Richard	Nonrevenue	Indirect	North America
56031.2.2.C1	56031.2.6.R1	Haley	Richard	Nonrevenue	Indirect	North America

## Creating Multicurrency Incentive Compensation Crediting for Participant Home Currency: Example

This example explains how the application transforms incentive compensation credit and rollup transactions when you select **Participant home currency** for **Processing Currency**.

### Scenario

You have a global sales force with individual participants selling into multiple countries. Incentive compensation is administered centrally while you maintain incentive compensation plans, including goals and rates, in each participant's home currency.

### Credit and Rollup

The following figure shows a partial, 3-level reporting and credit and roll up hierarchy.



The application is crediting transaction ID 400 to two separate participants. Also, these credits roll up to two managers. The following table shows participants associated with job roles for each of the three levels in the earlier hierarchy as well as the credits that each receives.

Participant	Job Title	Credits Receive
John Smith	Canadian Account Manager	50 percent attainment of his deals
Jane Woodhouse	US Account Manager	50 percent attainment of her deals
James Sanchez	Sales Consultant	100 percent attainment for every deal involving this customer
Joyce Reynolds	NA Regional Manager	Roll up credit from each direct report
Jeremy Bourdeaux	VP of Global Sales	Roll up credit from everyone lower in his reporting path.

### Analysis

The application imports transactions into the incentive compensation business unit from multiple source business units. During the Collection process, it converts the source currency to the operating currency of the incentive compensation business unit, **USD**. When the Crediting and Roll Up processes run, the application converts the operating currency to the processing currency, which is the participant's home currency. It retains each currency (source, operating, and processing) on the credit, earning, and payment transactions.

### Tip

You added currency conversion rates to the business unit for the applicable date range during which the Collection, Crediting, Roll Up processes run. You associated currency with all participants in the business unit.

## Calculating with Participant Home Currency

Here are the base data for transaction ID 400, line 1, which all participant credit and rollup records include, except for business unit.

Business Unit	Date	Customer	Source Transaction Amount	Source Currency	Conversion Rate	Operating Amount	Operating Currency
Global Sales	08/01/2010	HSBC	10,114.29	CAD	0.97847	9,896.53	USD

Credit and Roll Up Transactions:

The participant records in the following table also include these data:

- Credit rule: Global Bank
- Split percentage: 100
- Source credit amount: 10,114.29
- Source credit currency: CAD

Credit Receiver	Participant Role	Participant Home Credit Amount	Source to Participant Home and Calculation Currencies Conversion Rate	Calculation Credit Amount (Participant Home Currency)	Participant Home and Calculation Currencies
James Sanchez	Sales Consultant, NA	10,114.29	1.0000	10,114.29	CAD
Joyce Reynolds	NA Regional Manager	9,896.53	0.97847	9,896.53	USD
Jeremy Bourdeaux	VP Global Sales	6,284.74	.621372	6,284.74	EUR

The participant records in the following table also include these data:

- Credit rule: Global Bank
- Split percentage: 50
- Source credit amount: 5,057.15
- Source credit currency: CAD

Credit Receiver	Participant Role	Participant Home Credit Amount	Source to Participant Home and Calculation Currencies Conversion Rate	Calculation Credit Amount (Participant Home Currency)	Participant Home and Calculation Currencies
John Smith	Account Manager, CA	5,057.15	1.0000	5,057.15	CAD
Jane Woodhouse	Account Manager, US	4,948.26	0.97847	4,948.26	USD

---

**Note**

The calculation currency columns represent the selection you make for **Processing Currency** in the Application Setup work area.

- **Participant home currency:** The application bases the credit, earning, and payment amount column values on the participant home currency and can mix currency across participants, as represented in this example.

- **Operating currency:** The application represents these column values in the operating currency for that business unit.

## Creating Multicurrency Incentive Compensation Crediting for Operating Currency: Example

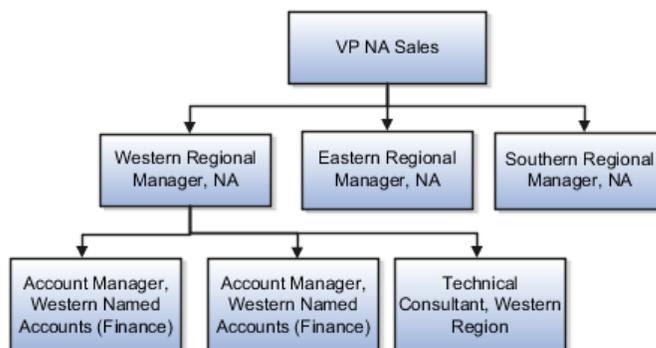
This example explains how the application transforms incentive compensation credit and roll up transactions when you select Operating currency for Processing Currency in the Application Setup work area.

### Scenario

You have a global sales force with individual participants selling into multiple countries. Different groups in five separate locations administer incentive compensation. Executive management wants to continue to review these data and monitor plan effectiveness in a single currency, which the corporation also uses. You decided to implement using multiple incentive compensation business units to administer incentive processes and payments and use the same operating currency in each business unit. You maintain the incentive compensation plans, including goals, and rates in the operating currency and pay participants in their home currency.

### Transaction Details

The following figure is a partial, 3-level credit and roll up hierarchy for the North American business unit.



The application is crediting transaction ID 300 to two separate participants. Also, these credits both roll up to two managers. The following table shows participants associated with job roles for each of the three levels in the earlier hierarchy as well as the credits that each receives.

Participant	Job Title	Credits Receive
Jeremy Dukakas	US Account Manager	50 percent attainment for any deal he closes
Sonia Mendelsohn	Canadian Account Manager	50 percent attainment for any deal she closes
Susan Parker	Technical Consultant	100 percent for every deal for this customer

Julian Rymer	Western Regional Manager	Roll up credit from each direct report
Martha Mueller	VP of NA Sales	Roll up credit from everyone lower in her reporting path

### Analysis

The application imports transactions into the business unit for North America from multiple source business units. During the Collection process, the application converts source currency to the operating currency of the business unit. When the Crediting and Rollup processes run, the application converts operating currency, also the processing currency, to each participant's home currency as well. It retains each of these three currencies (source, operating, and processing) on the credit, earning, and payment transactions. The values that the application represents and manages in the user interface, in the calculation currency columns, are in the operating currency, **USD**.

---

### Tip

You added currency conversion rates to the business unit for the applicable date range during which these processes (Collection, Crediting, and Roll Up) run. Also, you associated currency to all participants within the business unit.

---

## Calculating with Operating Currency

Here are the base data for transaction ID 300, line 1, which all participant credit and rollup records include, except for business unit.

Business Unit	Date	Customer	Source Transaction Amount	Source Currency	Conversion Rate	Operating Amount	Operating Currency
North America	08/01/2008	TD Bank	121,371.00	CAD	0.97847	118,757.88	USD

### Credit and Rollup Transaction

The participant records in the following table also include these data:

- Rule: Banking B
- Split percentage: 100
- Source credit amount: 121,371.00
- Source credit currency: CAD
- Source to calculation currency conversion rate: 0.97847
- Calculation credit amount (operating): 118,757.88
- Calculation currency: USD

Business Unit	Credit Receiver	Participant Role	Participant Home Credit Amount	Participant Home Currency	Source to Participant Home Currency
---------------	-----------------	------------------	--------------------------------	---------------------------	-------------------------------------

					Conversion Rate
North America	Martha Mueller	VP NA Sales	118,757.88	USD	0.97847
North America	Julian Rymer	Western Regional Manager	118,757.88	USD	0.97847
EMEA	Susan Parker	NA Technical Consultant	75,416.54	EUR	0.62137

The participant records in the following table also include these data:

- Rule: Banking B
- Split percentage: 50
- Source credit amount: 60,685.50
- Source credit currency: CAD
- Source to calculation currency conversion rate: 0.97847
- Calculation credit amount (operating): 59,378.94
- Calculation currency: USD

Business Unit	Credit Receiver	Participant Role	Participant Home Credit Amount	Participant Home Currency	Source to Participant Home Currency Conversion Rate
North America	Jeremy Dukakas	US Account Manager	59,378.94	USD	0.97847
North America	Sonia Mendelsohn	CAD Account Manager	60,685.50	CAD	1

---

#### Note

The calculation currency columns represent whatever you select for the **Processing Currency** parameter in the Application Setup work area.

- **Participant home currency:** The application bases credit, earning, and payment amount column values on participant home currency; currency can mix across participants.
  - **Operating currency:** The application represents values in the operating currency for that business unit, as shown in this example.
- 

## Cross Incentive Compensation Business Unit Crediting and Roll Up: Example

This example covers how the application creates incentive compensation credits and handles rollup for a transaction that spans multiple incentive compensation business units.

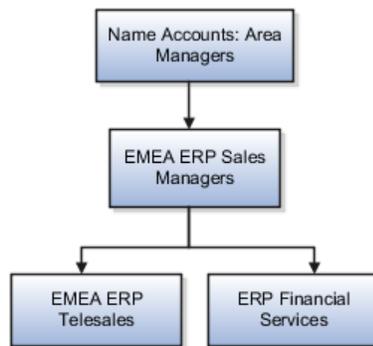
## Scenario

You have six incentive compensation business units, each administered separately. These business units all have an operating currency of **USD** so that your executives can easily review all performance and expenses. They process their transactions in the currency (operating or participant home) that best meets their requirements, including ease of administration for the incentive compensation managers and analysts. OIC-B is the EMEA business unit, which collects transactions from different countries, with different source currency.

## Transaction Details

The application collects a transaction into the OIC-B business unit with a source currency of **EUR** and including a line for an ERP Software License for Telecom Italia with a transaction amount of 28,398.00.

The following figure is a partial, 3-level sales credit rule hierarchy.



## Analysis

The criteria for each of those rules, which are effective from 01/01/10 to 12/31/10, are:

Rule Name	Criteria
EMEA ERP Sales Managers	CUSTOMER = (Cisco, Dell, HP, British Airways, British Telecom, Telecom Italia,...)
EMEA ERP Telesales	Customer Category = Telecom AND Product Category = ERP Software OR ERP 1st Year Support
ERP Financial Services	Customer Category = Financial Services and AND Product Category = ERP Software OR ERP 1st Year Support

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### Tip

If you have multiple incentive compensation business units and want to segregate all transactional data, include **Business Unit** as one of your qualifiers.

In this case, you did not include it as a qualifier because you plan to run the Crediting and Rollup processes across business units.

The application applies your credit rules to the transaction line and creates the relevant direct and rollup credits for participants in the OIC-A and OIC-B business units.

- For OIC-A, the application creates the credit attainment in USD for each of the two credited participants.
- For OIC-B the application creates the credit attainment in the currency specified for each credited participant.

## Cross-Country Credits in Mixed Currencies for EMEA Business Unit (OIC-B)

The Processing Currency for OIC-A is **Operating currency** and OIC-B is Participant home currency. The following table represents the credit and rollup assignments used by the rules. The participant business unit and processing currency are not part of the earlier rules, but represent credits as the application creates them.

These participant records

- Do not roll up to parent
- Have a split percentage of **100** and a revenue type of **Nonrevenue**

Credit Rule	Assign to	From Date	To Date	Role	Participant Business Unit	Processing Currency
Named Accounts: Area Managers	Quinton Zellos	1/01/10	12/31/10	VP CRM Sales	OIC-B	EUR (Home)
Named Accounts: Area Managers	Herve Sarte	01/01/10	12/31/10	VP ERP Sales	OIC-B	CHF (Home)
Named Accounts: Area Managers	Joyce Reynolds	01/01/10	12/31/10	Sr. Sales Manager CRM and ERP	OIC-A	USD (Operating)
EMEA ERP Sales Managers	James Benson	01/01/10	12/31/10	ERP Sales Manager Applications Representative	OIC-B	SEK (Home)
EMEA ERP Sales Managers	Theresa Botecelli	03/01/10	12/31/10	ERP Sales Manager Applications Representative	OIC-B	EUR (Home)
EMEA ERP Sales Managers	Jeremy Bourdeaux	02/15/10	12/31/10	ERP Product Consultant	OIC-B	CHF (Home)

EMEA ERP Sales Managers	Victoria Landers	01/01/10	12/31/10	ERP Product Consultant	OIC-B	EUR (Home)
EMEA ERP Sales Managers	Anthony Jessups	01/01/10	12/31/10	ERP Product Consultant	OIC-B	GBP (Home)
EMEA ERP Sales Managers	Bonnie Vickers	02/12/10	12/31/10	ERP Technical Specialist	OIC-A	USD (Operating)

These participant records:

- Roll up to parent
- Have a split percentage of **50**
- Have a revenue type of **Revenue**
- Have effective rule assignments from 01/01/10 to 12/31/10
- Are in the OIC-B business unit
- Have processing currency set to EUR (home)

Credit Rule	Assign to	Role
EMEA ERP Telesales	John Smith	ERP Applications Representative
EMEA ERP Telesales	Jane Woodhouse	ERP Applications Representative
ERP Financial Services	Linda Gonzales	Account Manager

Here are the base data for transaction ID 500, line 1, which all participant credit and rollup records include, except for business unit.

Business Unit	Date	Customer	Source Transaction Amount	Source Currency	Source to Operating Currency Conversion Rate	Operating Amount	Operating Currency
OIC-B	08/12/10	Telecom Italia	28,398.00	EUR	1.4905	42,327.22	USD

#### Credit and Rollup Transactions

The participant records in the following two tables also include these data:

- Split percentage: 100
- Source credit amount: 28,389.00
- Operating credit amount: 42,327.22
- Operating currency: USD

Business Unit OIC-B

Credit Receiver	Credit Rule	Credit ID	Participant Home Credit Amount	Source to Participant Home and Calculated	Calculated Credit Amount (is Participant	Participant Home and Calculated Currencies
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				Currencies Conversion Rate	Home or Operating Currency)	
James Benson	EMEA ERP Sales Managers	500.01.502.1	266,606.10	9.3882	266,606.10	SEK
Theresa Botecelli	EMEA ERP Sales Managers	500.01.502.2	28,398.00	1	28,398.00	EUR
Jeremy Bourdeax	EMEA ERP Sales Managers	500.01.502.3	46,038.84	1.6212	46,038.84	CHF
Victoria Landers	EMEA ERP Sales Managers	500.01.502.4	28,398.00	1	28,398.00	EUR
Anthony Jessup	EMEA ERP Sales Managers	500.01.502.5	22,272.55	0.7843	22,272.55	GBP
Quentin Zellos	Named Accounts: Area Managers	500.01.502.7	28,398.00	1	28,398.00	EUR
Herve Sarte	Named Accounts: Area Managers	500.01.502.8	46,038.84	1.6212	46,038.84	CHF

Business Unit OIC-A

Credit Receiver	Credit Rule	Credit ID	Participant Home Credit Amount	Source to Participant Home and Calculated Currencies Conversion Rate	Calculated Credit Amount (is Participant Home or Operating Currency)	Participant Home and Calculated Currencies
Joyce Reynolds	Named Accounts: Area Managers	500.01.502.9	42,327.22	1.4905	42,327.22	USD
Bonnie Vickers	EMEA ERP Sales Managers	500.01.502.6	42,327.22	1.4905	42,327.22	USD

The records for credit receivers John Smith (credit ID: 500.01.502.10) and Jane Woodhouse (credit ID: 500.01.502.11) include these data:

- Business unit: OIC-B
- Credit rule: EMEA ERP Telesales
- Split percentage: 50
- Source, participant home, and calculated credit amounts: 14,199.00
- Operating credit amount: 21,163.61

- Operating currency: USD
- Participant home and calculated currencies: EUR
- Source to calculated currency conversion rate: 1

## Overriding Incentive Compensation Crediting and Rollup Processes: Critical Choices

At the incentive compensation business unit level, you may run the Crediting and Rollup process, run one or the other, or override both. In the Define Business Unit Configuration for Incentive Compensation task list, Manage Parameters task you have two parameters that control these processes:

- **Enable Direct Crediting:** Select **Yes** to use credit rules to create credit transactions within the application.
- **Enable Rollup Crediting:** Select **Yes** to create indirect rollup credit transactions.
  - **Roll Up Using:** Specify whether to use the credit rule infrastructure or the rollup hierarchy to create rollup credit transactions.

Here are typical use cases and recommended application settings.

Use Case	Parameter and Setting	Roll Up Using
Collect credits from another source, for example, account receivables.	<b>Enable Direct Crediting:</b> No	Not applicable
Create direct credits using application rules.	<b>Enable Direct Crediting:</b> Yes	Not applicable
Create direct and indirect credits without using a reporting structure.	<b>Enable Direct Crediting:</b> Yes <b>Enable Rollup Crediting:</b> No	Not applicable
Collect direct credits from another source, create indirect rollup credits within incentive compensation, and roll up all direct credits.	<b>Enable Direct Crediting:</b> No <b>Enable Rollup Crediting:</b> Yes	<b>Rollup hierarchy</b>
Create direct credits using application rules and create rollup credits.	<b>Enable Direct Crediting:</b> Yes <b>Enable Rollup Crediting:</b> Yes	<b>Credit hierarchy</b> <hr/> <b>Tip</b> You also have more control over which direct credit splits roll up the hierarchy using this option.
Collect transactions that have associated credit receivers, for example the direct salesperson, and create team credits where every team member receives the same attainment based on each others' sales, without a reporting structure.	<b>Enable Direct Crediting:</b> No <b>Enable Rollup Crediting:</b> No <hr/> <b>Tip</b> Use team rules as there are no parameter setting for teams.	Not applicable

<p>Create direct credits using application rules and create team credits where every team member receives the same attainment based on each others' sales, without a reporting structure.</p>	<p><b>Enable Direct Crediting:</b> Yes</p> <p><b>Enable Rollup Crediting:</b> No</p> <hr/> <p><b>Tip</b></p> <p>Use team rules as there are no parameter setting for teams.</p>	<p>Not applicable</p>
<p>Create direct credits using application rules, create rollup credits using the credit rule hierarchy, and possibly create overlays using the rollup rule hierarchy.</p> <hr/> <p><b>Note</b></p> <p>This setup is extremely rare and avoiding duplicate roll ups is complex.</p>	<p><b>Enable Direct Crediting:</b> Yes</p> <p><b>Enable Rollup Crediting:</b> Yes</p>	<p><b>Both</b></p>

### Run Crediting and Rollup

If you choose to run the Crediting and Rollup process, transactions will flow through the normal routine described in the related transaction topics.

### Run Crediting Only

If you choose to run only the Crediting process, set up your credit rules to generate direct, indirect, and rollup credits (called incentive compensation credits) on qualified transactions.

### Run Rollup Only

If you choose to run only the Rollup process, you must include credit receiver, credit amount, and credit split data in the transactions. The application then validates and classifies these transactions in the normal processing and loads them as credits (with the provided credit information) using the Collect Incentive Transactions process. Afterwards, incentive compensation credits are available for the Rollup process. Be sure to include direct credit receiver participants in the rollup hierarchy, placed in the lowest levels.

### Override Crediting and Rollup

If you choose to override the Crediting and Rollup processes, the incentive compensation application expects that the collected or imported transactions include credit receiver, credit amount, and credit split percentage data. The Validation process must validate that this information is present for each transaction. If the information is missing, the Validation process sets the transaction to **Failed crediting**. You must run the Collection process instead of the Crediting process to populate the incentive compensation credits entity.

## FAQs for Credit Participants

### What happens if I adjust an incentive compensation credit and then rerun the Crediting process?

The application automatically sets **Preserve Credit** to **Yes** when you adjust an existing credit or add an additional credit split. If you rerun the Crediting

process, the application does not overwrite these credits, even if rule changes affect the credit amount or credit receiver.

---

**Tip**

To change the **Preserve Credits** value, edit the base transaction to reapply credit rules.

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**What happens to history when I adjust incentive compensation credits?**

If the Calculation process ran, the Payment process picked up the incentive compensation credit, and then you adjust it, the application obsoletes the original credits and earnings, then sends them to the credit history and earning history tables when the Revert process runs.

The application uses the adjusted credits for calculation in the next run and sets preserve credit to **Yes** so that it does not overwrite the updated credits if you rerun the Crediting process. It reverses the original earning and the Payment process picks it up, along with any new earnings created during the Calculation process, using updated credits.

---

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## Calculate Incentive Earnings

### Incentive Compensation Transaction Earnings: How They Are Calculated

A transaction may have multiple incentive compensation credits, which go through the Calculation process. In the Eligibility phase, based on the compensation plan assigned to the participant, the application identifies the plan component and measures to use. During the Calculation phase, the application performs the actual computations that generate incentive compensation earnings.

---

#### Note

One incentive compensation credit may spawn multiple incentive compensation earnings, depending on the number of qualifying plan components.

---

### Settings That Affect Transaction Calculations

In the Define Business Unit Configuration for Incentive Compensation task list, Manage Parameters task, for **Enable Incremental Calculation**, select one of these choices:

- **Yes:** The application logs every transaction adjustment, compensation plan, participant plan, and roll up hierarchy change in the Changed Events Log file. It uses these changes in the next run, if you select **Incremental Mode** for the Calculation process. The application uses only those affected changes for the applicable process and creates appropriate offset adjustments.
- **No:** The application does not log changes and you must run full calculation every time, to process these changes.

---

#### Tip

The best practice is to select **No** while you set up your application, and then select **Yes** when you are ready to start collecting transactions.

---

### How Transaction Earnings Are Calculated

Assign each participant one or more compensation plans, which are date effective. Each plan contains plan components, which contain performance

measures, rate tables, and incentive formula. The measures in the plan component define what attainment to measure, and how. The incentive formulas calculate the earning.

The Calculation process has two phases.

- In the Eligibility phase, the Calculation process identifies, for each incentive compensation credit, the plan component or measure that it qualifies.
- In the Calculation phase, the Calculation process computes the actual earning.

The Calculation process identifies the plan component and performance measure for the application to associate with the individual credit lines, based on the credit receiver's assigned compensation plan and the category hierarchy. After identifying the performance measure to use for a single credit line, the Calculation phase computes the measure attainment using the measure formula and, optionally, goals and rates. Then, the application calculates the earnings based on measure attainments incentive formula, rates, and other defined inputs.

The Calculation process:

- Creates multiple incentive compensation earnings for each qualified plan component if a participant has multiple plan components that qualify
- Updates the earnings and calculation-related data to the incentive compensation earnings
- Uses these criteria and parameters to control what it calculates:
  - Date ranges (start and end dates)
  - All, specified, or affected participants
  - Participants in a specified hierarchy
  - One or more specified pay groups
  - One or more specified plans
- Stores the intermediary and final calculation results such as formula output, attainment or earning, input achieved, rates, and rate tiers, against each earning. This information is essential for transaction-to-payment audits and for reporting purposes.

### **Calculating Transaction Earnings: Example**

After the Crediting, Rollup, and Classification processes run, you have a number of credits to compensate with the application creating new earnings for each credit receiver, assuming you are not using rollup summarization and are using the credit hierarchy for direct and rollup processing.

---

#### **Note**

This example concludes the example started in the Credits and Rollups: How They Are Created topic and continued in the Transactions: How They Are Classified topic (included in the related links at the end of this topic). It includes the Earning ID, Earning Rate, and Earnings values as well as the changes to the status values.

---

The participant records in the following table also include these data:

- Transaction number: 56031.101
- Currency: USD
- Original transaction amount: 50,000
- Quantity: 50
- Product: Pioneer 920384
- Credit category: Audio Electronics
- Status: Calculated

Credit ID	Earning ID	Credit Receiver	Credit Amount	Credit Percent	Plan Component	Earning Rate	Earnings
56031.1.1.C1	56031.1.1.E1	Alex	25,000	50	Audio Electronics, US Direct	1.00	250
56031.1.2.C1	56031.1.2.E1	Haley	25,000	50	Audio Electronics, US Direct	1.00	250
56031.1.3.C1	56031.1.3.E1	Robert	50,000	100	Audio Electronics, US Consulting	.25	125
56031.1.4.C1	56031.1.4.E1	Lily	50,000	100	Electronics, US Regional	Not applicable	Not applicable
56031.1.5.C1	56031.1.5.E1	Andrew	50,000	100	Electronics, US Regional	Not applicable	Not applicable

The participant records in the following table also include these data:

- Transaction number: 56031.102
- Currency: USD
- Original transaction amount: 35,000
- Quantity: 28
- Product: Sony SVG0193
- Credit category: Video Electronics
- Status: Calculated

Credit ID	Earning ID	Credit Receiver	Credit Amount	Credit Percent	Plan Component	Earning Rate	Earnings
56031.2.1.C1	56031.2.1.E1	Alex	17,500	50	Video Electronics, US Direct	1.00	175
56031.2.2.C1	56031.2.2.E1	Haley	17,500	50	Video Electronics, US Direct	1.50	262.50

56031.2.3.C1	56031.2.3.E1	Robert	35,000	100	Video Electronics, US Consulting	.25	87.50
56031.2.4.C1	56031.2.4.E1	Lily	35,000	100	Electronics, US Regional	Not applicable	Not applicable
56031.2.5.C1	56031.2.5.E1	Andrew	35,000	100	Electronics, US Regional	Not applicable	Not applicable

The participant records in the following table also include these data:

- Transaction number: 56031.103
- Currency: USD
- Original transaction amount: 15,000
- Quantity: 60
- Product: Erickson SVG0193
- Credit category: Audio Electronics
- Credit amount: 15,000
- Credit percent: 100
- Status: Calculated

Credit ID	Earning ID	Credit Receiver	Plan Component	Earning Rate	Earnings
56031.3.1.C1	56031.3.1.E1	Haley	Audio Electronics, US Direct	2.00	300.00
56031.3.2.C1	56031.3.2.E1	Andrew	Audio Electronics, US Consulting	Not applicable	Not applicable

The participant records in the following table also include these data:

- Transaction number: 56031.104
- Currency: USD
- Original transaction amount: 10,000
- Quantity: 48
- Product: LSG SV8944
- Credit category: Video Electronics
- Status: Calculated

Credit ID	Earning ID	Credit Receiver	Credit Amount	Credit Percent	Plan Component	Earning Rate	Earnings
56031.4.1.C1	56031.4.1.E1	Alex	5,000	50	Audio Electronics, US Direct	1.50	75.00

56031.4.2.C1	56031.4.2.E1	Haley	5,000	50	Electronics, US Direct	2.00	100.00
56031.4.3.C1	56031.4.3.E1	Robert	10,000	100	Video Electronics, US Consulting	.40	40.00
56031.4.4.C1	56031.4.4.E1	Lily	10,000	100	Audio Electronics, US Regional	Not applicable	Not applicable
56031.4.5.C1	56031.4.5.E1	Andrew	10,000	100	Audio Electronics, US Regional	Not applicable	Not applicable

The participant records in the following table also include these data:

- Transaction number: 56031.104
- Credit ID: Not applicable
- Earning ID: Group By 1001
- Currency: USD
- Quantity: Not applicable
- Product: Not applicable
- Credit category: Not applicable
- Credit percent: 100
- Plan component: Electronics, US Regional
- Status: Calculated

Original Transaction Amount	Credit Receiver	Credit Amount	Earning Rate	Earnings
95,000	Lily	95,000	110 percent	5,867
110,000	Andrew	110,000	127.5 percent	6,800

---

**Note**

Because the plan components for the US Regional Manager use a running total for the period, the application creates an extra earning transaction and uses it for the final calculation; these two grouped transactions are found at the end of the table. Direct and consulting salespeople have plans that calculate based on individual transactions.

---

After the application includes the earning transactions in the Payment process, it updates the posted status to **Yes**.

# Incentive Compensation Participant Earnings: How They Are Calculated

This topic covers linking incentive compensation transactions to performance measures using the credit category hierarchy, calculating attainment based on measure formulas, and calculating earning based on incentive formulas.

## Settings That Affect Participant Earning Calculations

Set these parameters in the Define Shared Configuration for Incentive Compensation task list, Manage Parameters task.

**Rollup and Calculation Batch Processing:** Set this at the business unit level. The default value is **Use batch size determined by application**.

---

### Tip

The best practice is to use the default value, as the application calculates the batch size before the process.

---

**Number of Batches:** The default value is **1**. Adjust this number, based on the transaction and plan participant volume.

## How Participant Earnings Are Calculated

The application starts the Calculation process, updating the Changed Events Log entries with statuses of **Incomplete** with the concurrent request ID. It runs the Calculation processes only for the log records with the corresponding concurrent request ID. This ensures that the Calculation process does not include any changes made during the Calculation run.

For the Eligibility phase, the application:

1. Selects all of the credit transactions that meet the date range and have the credit receiver as one of the participants submitted for the Calculation run.
2. Populates the incentive compensation plan, plan component, and performance measure for each transaction based on the transaction credit categories.
3. Uses the classification hierarchy to find any indirect match. That is, if a parent-level credit category is specified for a performance measure, then that performance measure qualifies for the transaction
4. References the compensate indirect credit attribute to identify the eligible plan components. If **Enable Rollup Crediting** is **Yes**, the application creates measure transactions for indirect credits through rollup and team participation. Decide whether to include indirect credits, and what type, at the plan component level, in the Incentive Formula section.
5. Does not identify the plan component and performance measure for any transactions where you choose to skip the Eligibility phase. The application assumes you will provide the plan component name.
6. Sets the status to **Eligible** if it populated the transaction and **Not Eligible** if it fails to populate the transaction.

For the Calculation phase, the application:

1. Processes all of the transactions with a status of **Eligible**. It does not consider for calculation any transaction with a status of **Skip Calculation** because it assumes that you have already populated the commission attribute.
2. Calculates the performance measures (considering the performance measure sequence) and plan components (considering the plan component sequence).
3. Calls any specified external program to calculate the attainment for any performance measure that is based on an external formula.
4. Uses the plan component **Calculation Phase** attribute to compute all of the Phase 1 plan components first and the Phase 2 plan components second.

Example: All of the participants in a plan are ranked based on their quota attainment. Their quarterly bonuses are based on their rank within that group. The application uses the Phase 1 plan component to compute the quota attainment for all participants in the calculation request first. It then uses the Phase 2 plan component to do the ranking and calculate the earnings based on that ranking.

5. Assumes that the transaction factor is **0** percent if the expression uses transaction factor and the factor for the transaction type is not available for the credit category.
6. Gets the credit and earning factor, if the expression uses them, from the applicable date range. If the values are not available for the date range, the application assumes they are **100** percent.
7. Uses the customized values for a participant if the expression uses any of the following attributes. If they are not available, the application uses the default values at the relevant plan object.
  - Goal, target values
  - Rate table rates
  - Earning and credit factors
  - Target incentive
8. Determines whether to process transactions individually or as group by interval, for the performance measures in a plan component.
  - **Individually**: Processes transactions individually against the rate table.
  - **Grouped By Interval**: Calculates at the end of the interval and creates a single earnings record for the interval.
9. Determines whether to accumulate transactions (**Running total** is selected); determine the rates based on accumulated achievement for the interval.
10. Does the following for per event plan components:
  - a. Sets the credit category for the incentive formula plan component to be the same as that for the measures of type Individual.

---

**Note**

All of the individual performance measures associated with a plan component must have the same credit category. Group by performance measures of the plan component may have different credit categories.

---

- b. Creates earning records for the incentive credits with the same credit category as any of the individual performance measures of the plan component.
11. Determines how to handle splits for the rate table.
- **No:** Apply the same rate to the entire attainment.
  - **Fixed within a tier:** Split the input number within a tier, also known as step rate.
  - **Proportional within a tier:** Split the input number proportionally within a tier, also known as interpolated rate.
12. Does the following for per interval plan components:
- a. Creates a summary record for group by performance measures with input and output values for the interval.
  - b. Creates a record in the earning table, at the end of the payout frequency (earning interval) with the interval amount. The payment module uses this record for payment processing.
- 

**Note**

In this case, the application does not maintain any direct link between incentive earning and credit records. Instead, you use the **Earning Basis** choice list to edit the performance measures while associating them to the plan component. Form the link between the earning and credit records using this logic:

- a. Get the plan component from the earning record.
  - b. Get all of the performance measures associated to the plan component with **Earning Basis** set to **Yes**.
  - c. List all of the credits associated to those performance measures.
  - d. Calculate the per interval plan components.
- 

**Note**

Even if the formula interval is, for example, **Quarter**, the application calculates attainment for each period. The application calculates earning at the end of the interval, in the last period.

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13. Stores the input values and calculates and stores the output values.
- 

**Note**

If more than one input expression is applicable, then the application also stores the calculation for the additional inputs.

---

14. Stores the interval-to-date (ITD) and period-to-date (PTD) values for attainment and quota.
15. Calculates the incentive formula at the end of performance measure calculations and stores all of the earnings, including ITD and PTD--similar to performance measure attainment.
16. Evaluates the True Up check box of the plan component. If it is selected, automatically subtracts previous earnings, which it included in the earnings calculated for the current transaction.
17. Uses the plan component sequence to calculate the interdependent plan components correctly.
18. Sets the transaction status to **Failed calculation** for transactions that failed.
19. Finishes the Calculation process and updates all of the log records with the corresponding concurrent request ID and the status **Complete**.

## Creating Incentive Compensation Calculation Requests: Points to Consider

A calculation batch specifies the parameters for a compensation calculation run, such as fully or incrementally, the transaction date range to calculate, and the participants. For example, the Calculation process instructs the application to run calculation for all participants and process only transactions in **Jan-10**. By default, the application sets the request status to **Incomplete**.

### Calculating Fully or Incrementally

In the Credits and Earnings work area, on the Create Calculation Process page, if you do not select **Incremental Calculation**, then calculation happens in full mode. This means that the application evaluates all of the transactions and all of the plans and plan components for the included participants, for the calculation, and for the given time horizon.

- **All participants** (default and best practice): Include all of the defined participants for calculation
- **Specific participants**: Select the participants using one of three ways.
  - **Specific participants**: Directly select and enter resources
  - **Participants in compensation plan**: Choose one or more plans, and the application includes all of the assigned participants for the calculation
  - **Participants in pay group**: Choose one more pay groups, and the application includes all of the assigned participants for the calculation

If you select **Incremental Calculation**, then the application considers only the new transactions for the time horizon, as well as participants and transactions

impacted by the plan changes. If you have a large volume of transactions to process, it can save time to process only those transactions that were affected by some change. Incremental calculation records all defined compensation plan and participant assignment change events in the Changed Events Log, which you can view in the Credits and Earnings work area.

- **Participants in changed events log** (default and best practice): This ensures that the application automatically handles all dependencies among participants. The application includes for calculation all of the participants identified as impacted because of application edits and additions.
- **Specific participants**: The application provides you the same three ways to select the participants as described for full calculations.

---

### Important

Be sure to include in your calculation submission, whether full or incremental, all participants having dependencies among them.

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### Validating for Calculation

Incentive compensation plan and pay group dates must overlap with the calculation dates.

- **Start Date** must be earlier than or equal to **To Date**
- **End Date** must be later than or equal to **From Date**

Select at least one incentive compensation plan, pay group, or participant to submit a calculation request. The application includes only those incentive compensation plans that are valid for calculation in the request.

### Including Participants

The application includes all of the participants assigned to the selected plans or pay groups, who are active during the calculation request date range. This is a one time filtering. After you save the request, if you change the calculation request date range or plan assignments, the application does not refresh the participants that it initially included for the calculation request.

For an included participant, if you select **Include Reporting Participants**, the application also includes all of that participant's descendents in the participant hierarchy, in the calculation request.

### Submitting Requests

Submit calculation requests with statuses of **Incomplete** or **Failed**. After you submit a request, the application changes the status to **Submitted**.

When you submit a request, if it:

- Fails plan validation, the application changes the status to **Failed plan validation**

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### Tip

After you submit the calculation request, in preparation for calculation, the application validates the plans assigned to the participants who you included in the calculation request.

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- Runs successfully, the application changes the status to **Complete**
  - Runs unsuccessfully, the application changes the status to **Failed during calculation**
- 

#### Tip

You can rerun, but not modify, a failed request.

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Schedule calculations to run immediately or at a specified time.

If Calculation fails, you can resubmit. If Calculation runs for all participants, the Calculation process will try to include from the point of failure rather than from the start. Calculation can fail at any phase in the process.

## Incentive Compensation Incremental Calculation: How It Is Processed

This topic covers how the Changed Events Log entries affect incremental calculation, including the changes that the log records, the changes that require recalculation, and the changed events levels that the application tracks.

### Settings That Affect Incremental Calculation

To use incremental calculation, in the Define Incentive Compensation Profile Options task, select **Yes** for **Enable Incremental Calculation** to enable the application to capture all of the events that affect the calculation in a log event table called Changed Events Log. The application performs incremental calculation for the calculation interval specified in the calculation request based on the changes captured in the log event, as well as including transactions that are new or were changed since the previous run. If a complete calculation is required based on the tracked changes, the application does this automatically.

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#### Important

After you change the setting of a profile option, you must restart the server to reset it.

---

### How Incremental Calculation Is Processed

Incremental calculation tracks all defined change events, related to compensation plans and plan assignments, in the Changed Events Log to ensure that calculation runs only for the participants that require it. You can check the log to see if calculation will run for the list of events and all participants to get an idea of how long the calculation will take.

In the log table, the REVERT\_TO\_STATE column tells the Calculation process to what state the application must revert the transactions. In complete the Calculation process, the application completely deletes the transactions and returns them to the unprocessed state. In incremental calculation, the application can selectively skip various phases of the Calculation process for individual transactions. The log records changes related to the Rollup, Population, and Calculation phases of the Calculation process.

The following table shows the four levels to which the application can track changed events and provides descriptions of each.

Level	Description
1. Participant	If an event causes recalculation for multiple periods, then the event creates an entry for the participant with a null period and specifies the date range.
2. Participant, Period	A participant usually has one entry per period with a status of <b>Incomplete</b> in the log. If the event causes a change to all participants, instead of adding an entry for all each one, the application adds a global entry, which tracks all participants for a period.
3. Participant, Period, Start Date	If an event causes the change at a specific date within a period, the log can track at that date range level. This enables the application to recalculate transactions falling within the specified date range, instead of calculating for the entire period.
4. Participant/Period/Start Date/Plan Component	This level is the most granular level that the application tracks and records, and it makes incremental calculation the most efficient. For the events that cause the REVERT_TO_STATE to go only to the Calculation phase, the application has to rerun only the Calculation phase. This makes sense if, for example, the application is rerunning the transaction only because of a change in the commission rate of a single plan component.

## Incentive Compensation Incremental Calculation: Events It Considers

This topic lists all of the events that the application logs into the CN\_TP\_NOTIFY\_LOGS\_ALL table from the Compensation Plans and Participant Assignments work areas, which it uses to run incremental calculation for incentive compensation.

## Settings That Affect Incremental Calculation

In the Define Business Unit Configuration for Incentive Compensation task list, Manage Parameters task, for **Enable Incremental Calculation**, select one of these choices:

- **Yes:** The application logs every transaction adjustment, compensation plan, participant plan, and roll up hierarchy change in the Changed Events Log file. It uses these changes in the next run, if you select

**Incremental Mode** for the Calculation process. The application uses only those affected changes for the applicable process and creates appropriate offset adjustments.

- **No:** The application does not log changes and you must run full calculation every time, to process these changes.

---

**Tip**

The best practice is to select **No** while you set up your application, and then select **Yes** when you are ready to start collecting transactions.

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## Notification Log Triggering Events

Events logged for changes in the Compensation Plans work area:

Entity Name	Operation	Attributes Involved	Log Entry Status
Compensation Plan	UPDATE	Allow Credit Category Overlap	Revert Status = Rollup
Compensation Plan	UPDATE	Target Incentive	Revert Status = Calculation
Compensation Plan and Plan Component Association	UPDATE	Start and end dates of the association	Revert Status = Rollup
Compensation Plan and Plan Component Association	UPDATE	Target Incentive	Revert Status = Calculation
Compensation Plan and Plan Component Association	ADD and DELETE	Not applicable	Revert Status = Rollup
Plan Component	UPDATE	Indirect Credit and Active End Date	Revert Status = Rollup
Plan Component	UPDATE	Calculation Phase	Revert Status = Rollup
Plan Component	UPDATE	Payment Made Through Third Party	Revert Status = Rollup
Performance Measure and Incentive Formula	UPDATE	Running Total, Split, True Up, Output Expression, Use external formula, and Formula Name	Revert Status = ELIGIBLE
Plan Component and Performance Measure Association	UPDATE	Measure Weight	Revert Status = Eligible
Plan Component and Performance Measure Association	UPDATE	Calculation Sequence	Revert Status = Eligible
Plan Component and Performance Measure Association	ADD and DELETE	Not applicable	Revert Status = Eligible
Performance Measure and Performance Category Association	ADD and DELETE	Not applicable	Revert Status = Rollup

Performance Category, Uplift Factors	UPDATE	Credit Factor, Earning Factor, Start Date, and End Date	Revert Status = Eligible
Performance Category, Uplift Factors	ADD and DELETE	Not applicable	Revert Status = Eligible
Performance Category, Transaction Factor (Event Factor)	UPDATE	Transaction Factor	Revert Status = Eligible
Performance Category, Transaction Factor (Event Factor)	ADD and DELETE	Not applicable	Revert Status = Eligible
Goal, Distribute By	UPDATE	Target columns	Revert Status = Calculation
Formula* and Rate Table Association	UPDATE	Start Date and End Date	Revert Status = Calculation
Formula* and Rate Table Association	ADD and DELETE	Not applicable	Revert Status = Calculation
Formula* and Input Expression Association	UPDATE	Input expression, Accumulate, and Split	Revert Status = Eligible

Formula\*: Both Incentive Formula and Performance Measure

Events logged for updates related to participant assignments to compensation plans:

Entity Name	Operation	Attributes Involved	Log Entry Status
Participant Plan	INSERT and DELETE	Not applicable	Revert Status = Rollup
Participant Plan	UPDATE	Start Date and End Date	Revert Status = Rollup
Participant Plan	UPDATE	Target Incentive	Revert Status = Calculation
Participant Plan, Plan Component	UPDATE	Target Incentive Weight	Revert Status = Calculation
Participant Plan, Performance Category, Uplift Factors	UPDATE	Credit Factor and Earning Factor	Revert Status = Eligible
Participant Plan, Goal	UPDATE	Target	Revert Status = Calculation
Participant Plan, Alternate Payee	INSERT, UPDATE, and DELETE	Start Date and End Date	Revert Status = Eligible
Participant Plan, Alternate Payee	INSERT and DELETE	Not applicable	Revert Status = Eligible

## FAQs for Calculate Incentive Earnings

### Why did the incentive compensation calculation fail?

The incentive compensation Calculation process can fail during the Eligibility phase when the application links the transactions to the participant's plans (plan

components and performance measures) and during the Calculation phase when it processes the transactions and computes the results for performance measures and plan components.

In preparation for the Calculation process, the application tries to validate invalid plans. If it cannot do this, then it sets the request status to **Failed plan validation**, and lists the invalid plans in the calculation request, for you to review and correct.

If it fails during the Calculation process, the application sets the transaction status to **Failed calculation**. Typical reasons for a failed calculation are:

- A plan component references the result of another plan component (interdependent plan components), and the base component is not valid for the entire range of the dependent plan component.
- The rate table does not include the value passed to it from the input expression.

---

### Tip

To prevent this problem, always make sure that the input to the rate dimension is compatible with the corresponding rate dimension type. For example, you cannot pass a string value to the rate dimension of type percent or number. Also, make sure that the rate dimension tiers cover all of the possible values.

- 
- A value in the formula (input or output expression of the performance measure or plan component) is divided by zero.
  - All columns used in the formula for calculation are not populated for the transaction. For example, the input expression uses quantity and the quantity field is empty.

Typical reasons for an eligibility error are:

- The processed date of the transaction is not within the range of the plan assignment date for the plan component.
- The participant's plan component or performance measure does not include the credit category that is on the transaction.

Before you run a calculation, ensure that participants are assigned valid compensation plans and that the calculation compensation period has a period status of **Open**. Also, make sure that the credit category or its ancestor (any of its parent rules) is associated with a valid measure for that period.

### **What happens if an incentive compensation plan status changes after I create the calculation request, and before I submit the request to run?**

You can add only valid incentive compensation plans when creating a calculation request. If a plan later becomes invalid due to changes, then when you submit the calculation request, the application changes the status of the calculation request to **Failed during validation**.

The application lists the plans that failed validation in the calculation request, so that you can correct the issues and submit the request again.

### **What's Include reporting participants?**

A check box that, when selected, enables you to automatically run calculations for the participant and all of that participant's subordinates. The application uses the rollup hierarchy defined for the participant's incentive compensation business unit, to identify the reporting persons for the participant.

### **How can I hold an incentive compensation earning if it is in dispute?**

Find the corresponding incentive compensation payment transaction and select **Hold payment**.

1. Refresh the paysheet that includes the payment transaction to remove the earning from the total payment.
2. After you settle the earning dispute, deselect **Hold payment** to release the transaction for payment.

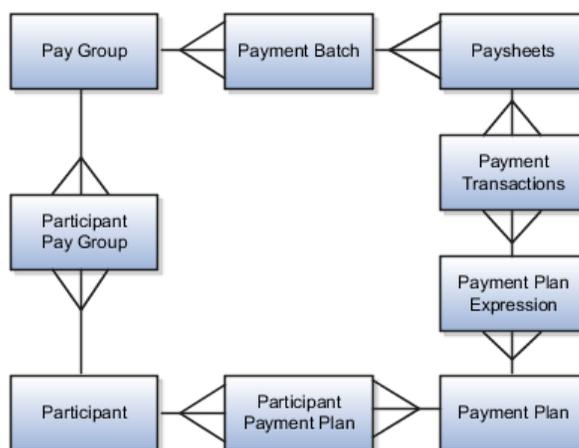
## Determine Incentive Payments

### Incentive Compensation Payment Entities and Processes: How They Work Together

The incentive compensation Payment business process includes the Pay Group, Payment Batch, Payment Plan, and Paysheet entities, which cover:

- Who is paid
- When payment occurs
- Which transactions and adjustments to pay
- Approval and payment processing (if approvals are used)

This following figure shows the Payment business process entities and the relationships between them, whether one-to-many or many-to-many.



#### Pay Group

In the Participant Assignment work area, you can assign multiple pay groups to a participant, but only one pay group assignment can be active at a time. Use a role to assign multiple participants to a single pay group, at the same time. Participant to pay group assignments made through a role use the participant's

role start date as the assignment date, if it is later than the assignment date of the role to the pay group. Also, you can start and end pay group assignments by individual participant at any time within the duration of the pay group.

When you assign a pay group to participants, the application automatically checks to see if there are any conflicts between the start and end dates of the pay group and the start and end dates for every participant to which you assigned the pay group. For example, if you define a pay group starting January 1 and ending March 31 and you assigned it to a participant, the application will not let you edit the end date for the participant's pay group assignment beyond March 31.

---

### Important

You must assign participants to a pay group for the application to include them in a payment batch. If a participant is somehow missing a pay group assignment during a period, assign the participant to the appropriate pay group and then add the participant's paysheet to an existing payment batch.

---

### Payment Batch

When you process and pay a payment batch in the Payments work area, the application automatically updates the participant balances with finalized earnings as well as draw and payment adjustments. You can send the payment totals to payment applications using custom integration.

Only one unpaid payment batch can exist at any given time. Since the application creates payments using participants in a pay group, you can only use one pay group per payment batch at any given time, for each pay group or set of participants.

---

### Important

The application saves payment batches and their associated paysheets for audit purposes. After it sets the status for a payment batch to **Paid**, you cannot adjust paysheets nor edit or delete payment batches.

---

### Payment Plan

Compensation managers create payment plans in the Participant Assignments work area. Compensation managers and analysts (optionally) can assign a payment plan to a participant in the same way as they assign a pay group.

Compensation managers can select, for the minimum payment (draw) amounts, **Recoverable** (paid back by the participant) or **Nonrecoverable** (the participant does not have to pay them back). For recovery, they can select **Immediate** (the application attempts to recover in first payment) or **Delay recovery** (for example, the application starts recovery six months or nine months later). They can also enter a **Carry forward maximum** to limit, or cap, participant compensation.

Compensation managers can assign payment plans in mass at the role level. Managers and analysts can assign and modify payment plans for individual participants, as required. They can also override draw and or recovery amounts, cap amount, and assignment start or end dates for individual participants.

## Payment Plan Category

Payment plan categories, which are customizable (the default setting is **Standard**), are set up in payment plans and used to pay and recover adjustments made for the payment plan. Set up multiple payment plans for a participant during a specific time period, as long as the payment plans are in different categories.

## Paysheets and Approval

Before a compensation manager can pay a payment batch, all paysheets must have a status of **Approved**. The application includes a Payment Approval business process for which you may change or remove any step or flow as well as bypass the process altogether.

## Paying Payment Batches

To pay a payment batch, which in essence closes it for the period:

1. Compensation managers create the payment batches.
2. Compensation analysts review and adjust paysheets, then lock them and submit them for review.
3. Participant managers review paysheets for their direct reports, then submit for approval.
4. Compensation managers verify and approve paysheets and set the batch status to **Frozen**.
5. The application sets the batch status to **Paid**.

After the application sets the payment batch status to **Paid**, no one can adjust paysheets nor edit or delete payment batches. This is because the application updates participant balances with final payment and adjustment amounts. If you reprocess payments for the same period, after reprocessing earnings, the application displays the delta earnings and adjustments in the new payment batch.

## Payment Batch Statuses and Security Definitions: Explained

The batch status determines what actions you can perform. The following table identifies which actions you can perform for batches with statuses of **Unpaid**, **Frozen**, and **Paid**.

Action	Unpaid	Frozen	Paid
View payment batch	Yes	Yes	Yes
Delete payment batch	Yes	No	No
Freeze payment batch	Yes	No	No
Unfreeze payment batch	No	Yes	No
Refresh payment batch (Refreshes the paysheets)	Yes	No	No
Pay payment batch	No	Yes	No

Create paysheets for payment batch	Yes	No	No
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The application associates payment batch actions with discrete security definitions assigned to duty roles. Compensation managers have permission to perform any action to payment batches because of the default duty roles assigned to this job role. Compensation analysts cannot perform any action through delivered duty role assignment except to add participant paysheets to existing payment batches.

To edit default permissions for your compensation analysts, assign one or more of the payment batch duty roles to the analyst job role in the Manage Duties task. For example, if your business process determines that compensation analysts create payment batches and enables them to refresh batches, assign the duty role Payment Batch Creation Duty to the compensation analyst job role while leaving the duty role Payment Batch Payment Duty assigned to compensation managers only.

## Incentive Compensation Participant Subledger Balances: How They Are Updated

The application tracks the earned commission, payment amount, adjustments and outstanding balances for each incentive compensation participant, for each period, in a table called Subledger. The application creates these records for participants after you register the participants and assign them to at least one incentive compensation plan. Participant subledger records are never deleted, for audit purposes. The unique keys on the subledger are: Participant ID, Period ID, Role ID, Quota ID, and Credit Type ID.

## How Participant Subledger Balances Are Calculated

The application creates three types of subledger records:

- Detail records, which store participant details.
- Carry forward records, which the application uses to hold outstanding balances of an inactive plan component.
- Summary records, which are an aggregate of the detail records and carry forward plan component record. The summary record is redundant data storage, which the application uses to enhance performance, as well as for reports.

The following table illustrates the three types of subledger records for Participant 1, for the period 2004001. The first two rows are detail records, the third is a carry forward record, and the last row is a summary record.

Role ID	Quota ID	Pay Group ID	Balance2 BBD	Balance2 BBC	Balance2 DTD	Balance2 CTD	Participant Plan Assign ID
Role1	PC1	PayGroup1	0.00	0.00	200.00	200.00	12345
Role1	PC2	PayGroup1	0.00	0.00	300.00	300.00	12345

-1	-1000	-1	30.00	0.00	0.00	0.00	-1
Not applicable	Not applicable	Not applicable	30.00	0.00	500.00	500.00	Not applicable

### Example With an Inactive Plan Component

This example shows what a participant's subledger balances are after each Payment process step that affects the balances. The application records the participant's earned commission, payment amount, adjustments, and the outstanding balances.

In this scenario, in the year 2009, Participant 1 earned 30.00 USD against PC3 and did not get paid. In the year 2010, PC3 is no longer valid, so it will not exist in the 2010001 subledger. The subledger requires a placeholder to track this 30.00 USD. To solve this issue, you add a carry forward plan component with a quota\_id of -1000. When creating a subledger, the application always creates a record with a quota\_id of -1000 for every participant and period. Then, the application can use this record to pay the 30.00 USD to the participant.

In January 2010 (period ID 2010001), you assign Participant 1 to Role 1, which is associated with compensation plan CP1. You also assign one plan component PC1 to Participant1. The following table shows the subledger for Participant 1 after these assignments.

Quota ID	Balance1 CTD	Balance1 DTD	Balance2 CTD	Balance2 DTD	Balance3 CTD	Balance4 CTD	Balance4 DTD	Balance5 CTD	Balance5 DTD
PC1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
-1000	0.00 (not applicable)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Not applicable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

After making the assignments for Participant 1, you run calculations. Afterwards, Participant 1 earned 200.00 USD commission for PC1. The following table shows the January 2010 (period ID 2010001) subledger balances after running calculations.

Quota ID	Balance1 CTD	Balance1 DTD	Balance2 CTD	Balance2 DTD	Balance3 CTD	Balance4 CTD	Balance4 DTD	Balance5 CTD	Balance5 DTD
PC1	0.00	0.00	0.00	200.00	200.00	0.00	0.00	0.00	0.00
-1000	0.00 (not applicable)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Not applicable	0.00	0.00	0.00	200.00	200.00	0.00	0.00	0.00	0.00

You create a paysheet for Participant 1 in January 2010 and assign a payment plan with the minimum amount set to 500.00 USD, where the application

recovers the draw. You create a nonrecoverable manual adjustment of 40.00 USD and refresh the paysheet. The following table shows the January 2010 (period ID 2010001) subledger balances after paying the January paysheet.

Quota ID	Balance1 CTD	Balance1 DTD	Balance2 CTD	Balance2 DTD	Balance3 CTD	Balance4 CTD	Balance4 DTD	Balance5 CTD	Balance5 DTD
PC1	0.00	540.00	200.00	200.00	200.00	0.00	300.00	40.00	40.00
-1000	0.00 (not applicable)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Not applicable	0.00	540.00	200.00	200.00	200.00	0.00	300.00	40.00	40.00

The following tables show the February 2010 (period ID 2010001) subledger balances after paying the January paysheet.

Quota ID	Balance1 BBC	Balance1 BBD	Balance1 CTD	Balance1 DTD	Balance2 BBC	Balance2 BBD	Balance2 CTD	Balance2 DTD
PC1	0.00	540.00	0.00	0.00	200.00	200.00	0.00	0.00
-1000	0.00	0.00	0.00 (not applicable)	0.00 (not applicable)	0.00	0.00	0.00 (not applicable)	0.00 (not applicable)
Not applicable	0.00	540.00	0.00	0.00	200.00	200.00	0.00	0.00

Quota ID	Balance4 BBC	Balance4 BBD	Balance4 CTD	Balance4 DTD	Balance5 BBC	Balance5 BBD	Balance5 CTD	Balance5 DTD
PC1	0.00	300.00	0.00	0.00	40.00	40.00	0.00	0.00
-1000	0.00	0.00	0.00 (not applicable)	0.00 (not applicable)	0.00	0.00	0.00 (not applicable)	0.00 (not applicable)
	0.00	300.00	0.00	0.00	40.00	40.00	0.00	0.00

You create a paysheet for Participant 1 in February 2010 (period ID 2010001). The following tables show the February 2010 subledger balances after paying the February paysheet.

Quota ID	Balance1 BBC	Balance1 BBD	Balance1 CTD	Balance1 DTD	Balance2 BBC	Balance2 BBD	Balance2 CTD	Balance2 DTD
PC1	0.00	540.00	300.00	0.00	200.00	200.00	0.00	0.00
-1000	0.00	0.00	0.00 (not applicable)	0.00 (not applicable)	0.00	0.00	0.00 (not applicable)	0.00 (not applicable)
Not applicable	0.00	540.00	300.00	0.00	200.00	200.00	0.00	0.00

Quota ID	Balance4 BBC	Balance4 BBD	Balance4 CTD	Balance4 DTD	Balance5 BBC	Balance5 BBD	Balance5 CTD	Balance5 DTD
PC1	0.00	300.00	300.00	0.00	40.00	40.00	0.00	0.00
-1000	0.00	0.00	0.00 (not applicable)	0.00 (not applicable)	0.00	0.00	0.00 (not applicable)	0.00 (not applicable)
Not applicable	0.00	300.00	300.00	0.00	40.00	40.00	0.00	0.00

## FAQs for Determine Incentive Payments

### Why are the incentive compensation balances not reflecting my edits?

To see some incentive compensation paysheet balance edits, refresh the paysheet. For some final balances, the application updates what you see after it pays the paysheet.

### What's the difference between creating an incentive compensation payment batch for selected or all participants?

When you create a payment batch for all participants, the application automatically generates an paysheet for every participant who belongs to the pay group used for the payment batch.

When you opt to select participants, the application generates paysheets for your chosen individual participants, who belong to the pay group. Add individual participants to the batch, not originally included, after the application creates it.

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#### Note

Only incentive compensation analysts assigned to participants can create or edit a paysheet for those participants they manage.

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### Can I hold or release all incentive compensation payments for more than one participant?

The application includes the Hold Payment service, which the middleware uses and you can edit based on your business logic.

### What happens if I hold or release incentive payment transactions?

When you select **Hold All** or **Release All**, the application places all incentive payment transactions within an incentive paysheet on hold or releases all payment holds for the current paysheet transactions. When you hold a single payment transaction, it stays in a held status until you manually release it, preventing the application from paying the transaction.

When you hold a payment transaction, the application subtracts the payment amount from the appropriate incentive compensation balances (payment amount) and adds it to the held earning balance, or ending balances, when you refresh the paysheet or reapply the incentive payment plan. After the application pays the incentive payment batch, all of the payment batch information becomes static. The paysheet summary retains the held amount, along with the other standard summaries. The paid paysheet does not display the held transaction, as the application did not include the transaction in the payment batch, but the application will include and display it in the subsequent paysheet for you to review and possibly release for payment.

When you release a payment transaction, the application adds the payment amount to the appropriate balances (payment amount) and subtracts it from the held earning balance, or ending balances, when you refresh the paysheet.

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## Manage Incentive Disputes

### Dispute Management and Approval: How It Is Configured

There are times when participants, their managers, compensation analysts, and compensation managers must create, track, and resolve disputes as part of the incentive compensation process. This effective dispute management includes automated notification to all involved parties.

### How Dispute Management and Approval Is Configured

Create: Complete the required fields as well as all fields relevant to expedite the resolution of your dispute. After you submit the new dispute, the application:

- Creates the dispute record
- Sets the task outcome to **New**
- Assigns the dispute to the compensation analyst associated with the participant using the approval workflow

If you are a compensation analyst or manager and are creating the dispute for a participant assigned to you, the application automatically assigns the dispute to you, the initiator. If you are the participant or participant's manager, the application uses the approval workflow to identify the compensation analyst associated with you (the participant) or your direct report, the dispute participant.

- Sets the status to **Assigned** when the approval workflow finds the compensation analyst associated with the dispute participant; otherwise, sets the status to **New**
- Sends an actionable notification to the compensation analyst of the new dispute
- Sends an informational notification to the dispute participant

Reassign and delegate: Compensation analysts can reassign one of more of their disputes to other analysts to balance the workload. Compensation managers can delegate disputes among analysts. In both situations, the application:

- Supports the reassignment of disputes to users that are part of the Oracle Fusion Human Capital Management (HCM) hierarchy

- Assigns the dispute to the selected (new) compensation analyst
- Sets the status to **Assigned**
- Sends an actionable notification to the new compensation analyst

Request more information: The compensation manager or analyst requests more information from the participant, participant's manager, or Sales Operations team--any incentive compensation user. The application:

- Sets the status to **Information requested**
- Sends an actionable notification to the identified user

Update Information: When the participant, participant's manager, or Sales Operations user update the dispute with the requested information, the application:

- Sets the status to **Assigned**
- Sends an actionable notification to the user who requested the additional information

Approve and reject: The compensation manager or analyst views the details of the dispute. If no further information is required, the analyst or manager approves or rejects the dispute. The application:

- Sets the task outcome to **Approved** or **Rejected**
- Sets the status to **Approved** or **Rejected**
- Sends an informational notification to the dispute initiator, which can be a participant, the participant's manager, and the analyst

Escalate: When the resolution was not as expected, for example, the dispute was rejected, the compensation analyst can escalate the dispute, even a dispute that was closed. The application:

- Sets the status to **Escalated**
- Sends actionable notifications to the compensation analyst assigned to the dispute as well as all of the users with the Compensation Manager role
- Sends an informational notification to the participant's manager, if the participant is the one escalating the dispute

Withdrawn: The dispute creator can withdraw the dispute before it is approved or rejected. The application:

- Sets the status to **Withdrawn**

## FAQs for Manage Incentive Disputes

### How can I escalate my dispute?

Only incentive compensation analysts can escalate disputes, and then only before the disputed is approved or rejected, and if Oracle Fusion Human Capital Management Hierarchy contains the analyst's manager.

## **How can I set up incentive compensation dispute rules?**

Use the approval management extensions to the human workflow services of Oracle SOA Suite.



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## Monitor Performance and Review Incentive Results

### FAQs for Monitor Performance and Review Incentive Results

**Can I edit the overview content for the Participant Snapshot and Sales Compensation work areas?**

Yes. Depending on which user role is accessing the work areas, in the Oracle Transactional Business Intelligence application edit the content in the Incentive Compensation Analyst Dashboard, Incentive Compensation Participant Dashboard, or Incentive Compensation Participant Manager Dashboard.

**What's the source data for the Sales Compensation Overview map locations and participant data?**

The Oracle Fusion Trading Community Architecture table HZ\_PARTIES.

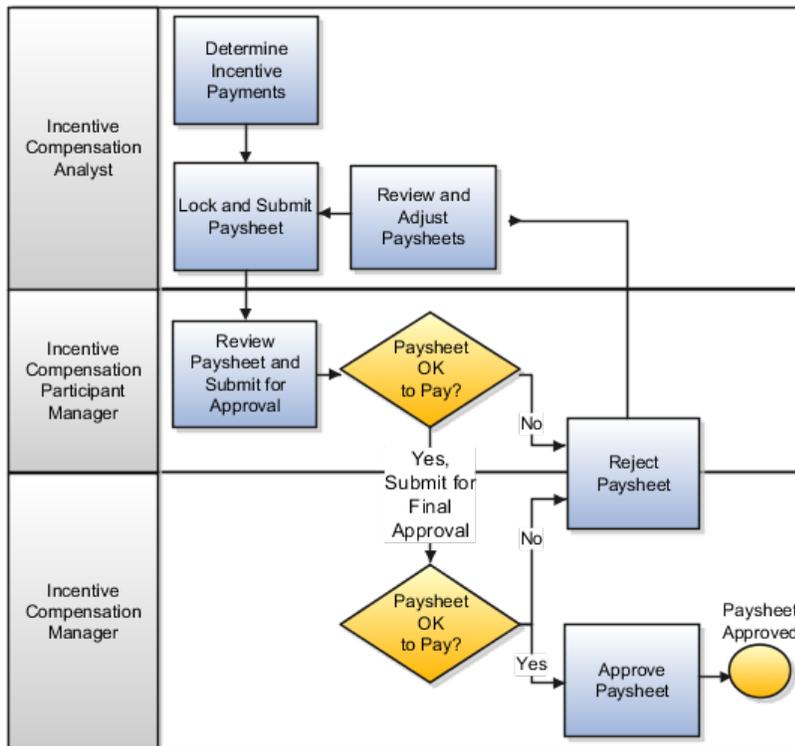


## Approve and Distribute Payments

### Incentive Compensation Payment Approval Process: How It Is Configured

This topic covers the incentive compensation Payment Approval business process activities associated with the paysheet statuses, including when and what types of actionable and informational notifications the application sends to incentive compensation (IC) managers and analysts as well as participants and participant managers.

The following figure shows the payment approval business process activities and the job roles that perform them.



### Settings That Affect the Payment Approval Process

The application sends notifications to participants, participant managers, compensation analysts, and compensation managers based on the paysheet statuses and rules defined within the approval management extensions to the

human workflow services of Oracle SOA Suite, as well as the analyst payment approval hierarchy in the Participant Assignments work area, on the Manage Analyst Payment Approval Hierarchy page. When you act on a notification, and edit the paysheet status, the business rules send a new notification. Define, add, edit, and delete steps and statuses within the approval management extensions, as required.

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**Tip**

If you do not require the payment approval business process, in the Define Business Unit Configuration for Incentive Compensation task list, Manage Parameters task, for the **Default Paysheet Approval Status** parameter, select **Approved**, which is the final status before paying the payment batch.

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**Rule-based Exceptions using Minimum and Maximum Payment Autoapproval Amount Parameters**

The provided payment approval business process includes an exception rule that causes the application to send actionable notifications to compensation managers if the paysheet amount is greater than or equal to X and less than or equal to Y (the application also automatically sets the status to Approved). If the minimum and maximum payment autoapproval amount parameters in the Manage Parameters task are NULL, then the application does not automatically approve any of the paysheets. The application still uses the regular approval business process that is in place and continues the regular approval business process activities for all paysheets.

## How the Payment Approval Process Is Configured

The following table describes the provided approval business process activities, paysheet statuses, who sets the status, and the resulting application actions.

Activity	Status	Status Set By	Application Action
Create paysheets	<b>Unpaid*</b>	Application	Send no notifications.
Create paysheets	<b>Approved</b>	Application	Check the minimum and maximum payment approval amount parameters and if the paysheet amount is between the two values, it sets the status and sends informational notifications to the participant and IC managers.
Request more information from participant, participant manager, or Sales Operations	<b>Request More Information</b>	IC manager, analyst, participants, or participant manager	Send an informational notification to the requestor and a request notification to the person being asked for more information.
Submit locked paysheets	<b>Submitted</b>	IC analyst	Send informational notifications to the relevant participant and analyst, as well as an actionable notification to the relevant IC manager.

Approve paysheets	<b>Approved</b>	IC manager	Send an actionable notification of approval to the relevant analyst and informational notifications of to the relevant participant and participant manager.
Reject paysheets	<b>Rejected</b>	IC manager	Send an actionable notification of rejection to the relevant analyst and informational notifications of to the relevant participant and participant manager.
Reassign paysheet approval	No change	IC manager	Send informational notifications to the analysts associated with the paysheet as well as the requesting incentive compensation manager. Also send an actionable notification to the new IC manager.

\* Based on the **Default Paysheet Approval Status** parameter

## FAQs for Approve and Distribute Payments

### **Can I delete multiple incentive compensation paysheets at the same time?**

Yes. From the payment batch, you can delete some or all unlocked and unpaid paysheets in your search results.

### **What happens if I delete paysheets in an unpaid incentive compensation payment batch?**

The application also deletes the application-generated payment transactions associated with the deleted paysheets.

Add additional paysheets to the existing payment batch if you plan to recalculate it to pay for the period.



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## Setup and Maintenance

### Manage Calendars and Open Period Process

#### Incentive Compensation Calendars, Periods, and Period Types: How They Work Together

This topic covers how an incentive compensation calendar supports processing activities for incentive compensation business units by first defining period types and periods, and then exploring how they work together.

##### Period Type

Determines how you divide your calendar or fiscal year. The following table shows the delivered types and corresponding periods in a year:

Period Type	Periods in a Year
Monthly	12
Quarterly	4
Semi-Annually	2
Yearly	1

Create custom period types as required. Enter the number of periods in a year so that the application can validate the periods that you define for the calendar. Select the shortest required period range (for example, weekly or monthly) to ensure that the application can accumulate attainments, maintain goals and subledger balances, and process payments at this level, or any higher level.

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##### Restriction

- You cannot accumulate attainments for a period type shorter than your selection. For example, if you select **Monthly**, you cannot accumulate attainments weekly.
  - You cannot edit or delete standard or custom period types used by any calendar.
- 

##### Period

Define for each calendar based on the selected period type, including the definition of period with year, period name, sequence, and start and end date--inclusive of both the dates. Abbreviate the period name if you want, for example

Jan for January or W1 for Week1. The application arranges periods based on the sequence values that you enter.

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**Restriction**

- The date ranges within one period cannot overlap with other periods and must be continuous with reference to the previous and next periods.
  - After you associate a calendar with a business unit and open the first period for the business unit, you cannot edit the calendar.
- 

**Tip**

Create all of the periods required for the compensation plans, measures, and goals before creating the plans, measures, and goals.

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**Calendars and Periods: How They Work**

The following table shows the various calendar and period tasks that first you and then the application perform.

User Actions	Application Actions
1. Create a calendar and associated periods as a single entity within the application.	Store the calendar data in the calendar entity (CN_CALEDARS) and the period data in the period entity (CN_PERIODS).
2. Assign a calendar to a business unit as part of the business unit set up.	<p>Insert the periods (zero or more) that are assigned to that calendar into the business unit level tables. For each interval type defined for the business unit, insert each period into the CN_CAL_PER_INT_TYPES table.</p> <p>The CN_PERIOD_STATUS table stores basic period data, including the default status (Never Opened) given to each period.</p>
3. Edit the period status (for example, select <b>Open</b> ) within the business unit.	Update the period statuses in the CN_PERIOD_STATUS table accordingly. If required, launch a concurrent request to populate the period data in all of the participant-related (SRP) tables.
4. Create new, future periods in the calendar.	<p>Insert the new period records into the following tables:</p> <ul style="list-style-type: none"> <li>• CN_PERIODS: Track the nonbusiness unit based calendar period</li> <li>• CN_PERIOD_STATUS: Track the periods and associated statuses for each business unit. If there are three business units associated with the calendar, insert the newly created period record into all of the business unit tables.</li> <li>• CN_CAL_PER_INT_TYPES: Group each period into the interval type for each business unit. If there are three business units associated with a calendar, and assuming each one has four interval types (<b>Period</b>, <b>Quarter</b>, <b>Semi-Annual</b>, and <b>Year</b>), insert the newly created period record as 12 records (3 business units * 4 interval types).</li> </ul>

## Incentive Compensation Period Statuses: Explained

There are different statuses that you can edit for incentive compensation periods. The current period status constrains the available values to which you can set the status.

- **Not Opened:** Edit this status to either **Future Entry** or **Open**.
- 

### Tip

You cannot edit a period to **Open** if any prior period status is **Not Opened** or **Future Entry**.

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- **Future Entry:** Edit this status to **Open**.
  - **Open:** Edit this status to either **Closed** or **Permanently Closed**.
- 

### Tip

You cannot edit a period to **Closed** if:

- Any prior period status is **Not Opened, Future Entry, or Open**
- Any trial payment batches are unpaid (delete or pay the payment batch first, and then close the period)

You cannot edit a period to **Permanently Closed** if any prior period is **Not Opened, Future Entry, Open, or Closed**.

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- **Closed:** Edit this status to either **Open** or **Permanently Closed**.
  - **Permanently Closed**
- 

### Warning

After you permanently close a period, you cannot reopen it and the application does not process transactions of any kind. Be sure that there are no new transactions, adjustments, payments, or any other outstanding transactions before you permanently close a period.

---

## FAQs for Manage Calendars and Open Period Process

### Can I use the same incentive compensation calendar for different business units?

Yes, you can use the **Calendar** choice list in the Define Business Unit Configuration for Incentive Compensation task list, Manage Parameters task to assign the calendar to the business units, if they require the same calendar set up. The application automatically propagates any change to the calendar, such as new periods, to all of the business units using the calendar.

### **What happens if I assign an incentive compensation calendar to a business unit?**

You can update the calendar name and add more periods, but you cannot change the period type.

### **What happens if I create periods for a new fiscal year in an incentive compensation calendar already used by business units?**

The application adds the new period record to the list of periods maintained in period status and interval related tables, in all the incentive compensation business units to which you assigned the calendar. For example, if you assign a calendar to Vision Operations and Vision Services and you created a Jan-2010 period for this calendar, the application adds this period to the tables maintaining period statuses and interval periods for Vision Operations and Vision Services.

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#### **Tip**

Create all the periods required for performance measures and goals first.

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- Correct the interval numbers for the new period under various interval types for the business units.
- Open the period in all of the corresponding business units to use it for transaction processing.

### **Why can't I edit or delete this incentive compensation period?**

Most likely, the incentive compensation period was used in one or more of the associated incentive compensation business units, or opened. Or, deleting this period may cause noncontinuous periods, which the application does not allow.

To edit details (such as dates and sequence) for a period that you have not yet opened and did assign to a business unit, delete the period and recreate it in the Define Business Unit Configuration for Incentive Compensation task list, Manage Open Period Process task.

To edit a period that is in the middle of the year, start from the last period defined. For example, if the date range for Sep-09 was wrongly defined and requires correction, starting from Dec-09 (assuming that this is the last defined period), delete the periods Dec-09, Nov-09, and Oct-09 before modifying details for Sep-09.

## **Manage Intervals**

### **Incentive Compensation Interval Types: How They Work**

The application uses interval types to group specific calendar periods to accumulate achievements (for example interval-to-date attainment), earnings (for example, year-to-date earning), or payments during Calculation or Payment

processing. There are four defined interval types, **Year**, **Semi-Annual**, **Quarter**, and **Period** and you can create custom ones, as required. The **Period** interval type has the same definition as the calendar period.

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**Tip**

Group periods into an interval by giving the same interval number to each period to include in the group.

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**Creating Quarterly Intervals: Example**

This is an example of how to use interval numbers to group periods into quarters.

Period	Year	From Date	To Date	Interval Number
Jan-10	2010	1-Jan-2010	31-Jan-2010	2010001
Feb-10	2010	1-Feb-2010	28-Feb-2010	2010001
Mar-10	2010	1-Mar-2010	31-Mar-2010	2010001
Apr-10	2010	1-Apr-2010	30-Apr-2010	2010002
May-10	2010	1-May-2010	31-May-2010	2010002
Jun-10	2010	1-Jun-2010	30-Jun-2010	2010002
Jul-10	2010	1-Jul-2010	31-Jul-2010	2010003
Aug-10	2010	1-Aug-2010	31-Aug-2010	2010003
Sep-10	2010	1-Sep-2010	30-Sep-2010	2010003
Oct-10	2010	1-Oct-2010	31-Oct-2010	2010004
Nov-10	2010	1-Nov-2010	30-Nov-2010	2010004
Dec-10	2010	1-Dec-2010	31-Dec-2010	2010004

**Creating Yearly Intervals: Example**

This is an example of how to use an interval number to group periods into a year.

Period	Year	From Date	To Date	Interval Number
Jan-10	2010	1-Jan-2010	31-Jan-2010	2010
Feb-10	2010	1-Feb-2010	28-Feb-2010	2010
Mar-10	2010	1-Mar-2010	31-Mar-2010	2010
Apr-10	2010	1-Apr-2010	30-Apr-2010	2010
May-10	2010	1-May-2010	31-May-2010	2010
Jun-10	2010	1-Jun-2010	30-Jun-2010	2010
Jul-10	2010	1-Jul-2010	31-Jul-2010	2010
Aug-10	2010	1-Aug-2010	31-Aug-2010	2010
Sep-10	2010	1-Sep-2010	30-Sep-2010	2010
Oct-10	2010	1-Oct-2010	31-Oct-2010	2010
Nov-10	2010	1-Nov-2010	30-Nov-2010	2010

Dec-10	2010	1-Dec-2010	31-Dec-2010	2010
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## FAQs for Manage Intervals

### What happens if I edit interval numbers after using them in incentive compensation processing?

Run the Calculation and Payment processes again for all of the periods affected by the change in the interval numbers.

### Where do incentive compensation interval types get used?

The application uses them in performance measures as performance intervals to accumulate attainment information and as goal intervals. It also uses them in plan components to specify how frequently to calculate earnings (payout frequency) and in incentive payment plans as payment intervals to define draw and cap rules.

You cannot delete a custom interval type if it is used in any of the previous manners.

### Why can't I delete an incentive compensation interval type?

You cannot delete the delivered incentive compensation interval types Year, Semi-Annual, Quarter, and Period nor can you delete any custom interval type that you created if anyone used it in a performance measure, plan component, goal, or payment plan.

## Manage Currencies and Currency Conversions

### Multicurrency: How Incentive Compensation Uses It

Oracle Fusion Incentive Compensation enables you to maintain and process transactions in multiple currencies. Support your global workforce by processing the transactions, originating in different source currencies, in a single processing currency or in each participant's home currency. Compensate participants selling in various countries or different business units within one or more incentive compensation business units.

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#### Tip

A given participant can belong to only one business unit. End date the participant in the current business unit and then add the participant to the new one, if you must change the participant's business unit.

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## Settings That Affect Multicurrency

There are currency as well as conversion rate, rate type, and date parameters in the Define Shared Configuration for Incentive Compensation task list, Manage Currencies and Manage Currency Conversions tasks.

- Operating currency

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**Tip**

Set this value to the currency in which your top management wants to view reports.

- 
- Participant home currency
  - Processing currency

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**Tip**

If you set processing currency to:

- **Operating currency**, then the Crediting, Calculation, and Payment processes use the single operating currency for processing.
- **Participant home currency**, then the Crediting, Calculation, and Payment processes use each participant's home currency for processing. Also, you may have to individualize participant compensation plan details, such as rates and goals, because you establish compensation plan elements at the business unit level.

---

**Note**

The application maintains participant subledger balances only in the processing currency. A participant may have subledger balances in more than one currency if you set the processing currency as **Participant home currency**, and the participant's home currency changes.

---

**Important**

Reassign incentive plans if you change the participant's currency.

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Choose which rate to use to convert amounts among the four currency options. Create rate types such as Corporate, Daily, and Period Average, and define rates differently under each one of them to use in different scenarios. For example, you decide to use Daily rates to convert transaction and credit amounts, and Period Average rates to convert payment amounts. In this case, use these two parameters to set appropriate rate types for these processes.

- **Payment Conversion Rate Type**: The application uses the rates within the selected rate type to convert the payment amount from processing currency to operating currency or home currency.
- **Transaction Conversion Rate Type**: The application uses the rates within the selected rate type for conversion during the Collection, Crediting, and Calculation processes as well as while adjusting transactions.

The **Payment Conversion Date** parameter determines whether the application uses the transaction date or the payment batch pay date to look up the corresponding currency rate to use for payment conversion.

## How Currency Is Stored

To support multicurrency processing, the application stores transactions, credits, earnings, and payments in the following currencies.

Entity	Source Currency	Processing Currency	Operating Currency	Participant Home Currency
Transactions	Yes		Yes	
Credits	Yes	Yes*	Yes	Yes
Earnings		Yes*	Yes	Yes
Payments		Yes*	Yes	Yes

\* Represents the core currency associated with the transactional entity. Other currencies are available for transaction traceability and reporting. For example, when you adjust the amount of a base transaction, the application does the adjustment in the source currency, whereas, by default, the application shows the credit and earning amounts in the processing currency.

---

### Tip

The application maintains attainments only in processing currency.

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### Processing in Participant Home Currency Example

Assume you are a compensation manager working for multinational company ABC with a global sales force. You decided to compensate North American salespersons working in Canada and the United States in a single incentive compensation business unit with the operating currency of **USD**. The processing currency is **Participant Home Currency** so you compensate the Canadian sales force in its home currency of CAD and the US sales force in USD.

Collection: Since your salespeople are selling in the US and Canada, you collect transactions in USD and CAD, into the same business unit. Now, you track two transactions, one booked in US dollars and another in Canadian dollars, assuming an exchange rate of 1 CAD equals 0.9302326 USD.

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### Note

The application converted the transaction amount from source currency to operating currency and stores it for each transaction. It does any adjustment to the transaction using the source currency amount.

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Transaction Number	Transaction Event Date	Transaction Amount in Source Currency	Transaction Amount in Operating Currency
T01012010-1	1-Jan-2010	10,000 USD	10,000 USD
T01022010-9	1-Feb-2010	21,500 CAD	20,000 USD

Crediting: The application manages credit and roll up creation in source currency and adjustments in the processing currency. It automatically converts and populates the source currency, operating currency, and home currency credit amount in all of the previous cases. Assume that the two orders are for a team of two salespeople, one working from the US and another from Canada, sharing

50 percent credit. The application generates credits in the home currency of the credit receiver because the processing currency is set to participant home currency.

Transaction Number	Transaction Event Date	Credit Receiver	Credit Amount in Processing Currency	Credit Amount in Source Currency	Credit Amount in Operating Currency	Credit Amount in Home Currency
T01012010-1	1-Jan-2010	US Salesperson	5,000 USD	5,000 USD	5,000 USD	5,000 USD
T01012010-1	1-Jan-2010	Canadian Salesperson	5,375 CAD	5,000 USD	5,000 USD	5,375 CAD
T01022010-9	1-Feb-2010	US Salesperson	10,000 USD	10,750 CAD	10,000 USD	10,000 USD
T01022010-9	1-Feb-2010	Canadian Salesperson	10,750 CAD	10,750 CAD	10,000 USD	10,750 CAD

Calculation: The application calculates the earnings in the processing currency and also converts them to, and stores them in, operating currency and home currency. Assume that both salespeople are on the same plan with individualized rates and goals and that they get earnings (10 percent of credited amount) as follows:

Transaction Number	Transaction Event Date	Credit Receiver	Earning Amount in Processing Currency	Earning Amount in Operating Currency	Earning Amount in Home Currency
T01012010-1	1-Jan-2010	US Salesperson	500 USD	500 USD	500 USD
T01012010-1	1-Jan-2010	Canadian Salesperson	537.5 CAD	500 USD	537.5 CAD
T01022010-9	1-Feb-2010	US Salesperson	1,000 USD	1,000 USD	1,000 USD
T01022010-9	1-Feb-2010	Canadian Salesperson	1,075 CAD	1,000 USD	1,075 CAD

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**Note**

The three previous processes use the currency conversion rates defined under the transaction conversion rate type parameter.

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Payment: The application computes the payment amounts in the processing currency and also converts them to home currency and operating currency. It does payment and manual adjustments in processing currency and again converts and stores them in home currency and operating currency.

Transaction Number	Transaction Event Date	Credit Receiver	Payment Amount in Processing Currency	Payment Amount in Operating Currency	Payment Amount in Home Currency
T01012010-1	1-Jan-2010	US Salesperson	500 USD	500 USD	500 USD
T01012010-1	1-Jan-2010	Canadian Salesperson	537.5 CAD	500 USD	537.5 CAD

T01022010-9	1-Feb-2010	US Salesperson	1,000 USD	1,000 USD	1,000 USD
T01022010-9	1-Feb-2010	Canadian Salesperson	1,075 CAD	1,000 USD	1,075 CAD

---

### Note

The Payment process uses the currency conversion rates defined under the payment conversion rate type. The rate that the application uses for conversion is based on the Payment Conversion Date parameter.

---

### Processing in Operating Currency Example

This example uses the data from the previous example to show how the application processes and stores transactions when you set operating currency to **Processing Currency**. The changes are shown in processing currency columns in the following tables.

#### Collection

Transaction Number	Transaction Event Date	Transaction Amount in Source Currency	Transaction Amount in Operating Currency
T01012010-1	1-Jan-2010	10,000 USD	10,000 USD
T01022010-9	1-Feb-2010	21,500 CAD	20,000 USD

#### Crediting

Transaction Number	Transaction Event Date	Credit Receiver	Credit Amount in Processing Currency	Credit Amount in Source Currency	Credit Amount in Operating Currency	Credit Amount in Home Currency
T01012010-1	1-Jan-2010	US Salesperson	5,000 USD	5,000 USD	5,000 USD	5,000 USD
T01012010-1	1-Jan-2010	Canadian Salesperson	5,000 USD	5,000 USD	5,000 USD	5,375 CAD
T01022010-9	1-Feb-2010	US Salesperson	10,000 USD	10,750 CAD	10,000 USD	10,000 USD
T01022010-9	1-Feb-2010	Canadian Salesperson	10,000 USD	10,750 CAD	10,000 USD	10,750 CAD

#### Calculation

Transaction Number	Transaction Event Date	Credit Receiver	Earning Amount in Processing Currency	Earning Amount in Operating Currency	Earning Amount in Home Currency
T01012010-1	1-Jan-2010	US Salesperson	500 USD	500 USD	500 USD
T01012010-1	1-Jan-2010	Canadian Salesperson	500 USD	500 USD	537.5 CAD
T01022010-9	1-Feb-2010	US Salesperson	1,000 USD	1,000 USD	1,000 USD
T01022010-9	1-Feb-2010	Canadian Salesperson	1,000 USD	1,000 USD	1,075 CAD

## Payment

Transaction Number	Transaction Event Date	Credit Receiver	Payment Amount in Processing Currency	Payment Amount in Operating Currency	Payment Amount in Home Currency
T01012010-1	1-Jan-2010	US Salesperson	5,00 USD	500 USD	500 USD
T01012010-1	1-Jan-2010	Canadian Salesperson	500 USD	500 USD	537.5 CAD
T01022010-9	1-Feb-2010	US Salesperson	1,000 USD	1,000 USD	1,000 USD
T01022010-9	1-Feb-2010	Canadian Salesperson	1,000 USD	1,000 USD	1,075 CAD

## Incentive Compensation Participant Home Currency: Points to Consider

By default, the application displays the source currency amount and currency. It populates each relevant currency, conversion rate, and amount column for all incentive compensation transactions throughout the application with the appropriate value based on the source transaction amount and event date.

### Importing Participants and Source Transaction Currency

During the Oracle Incentive Compensation Participant Import process, for **Target Participant Home Currency**, select the home currency to use for the participant. If this target parameter has a value, Oracle Data Integrator (ODI) uses it to populate CN\_SRP\_PARTICIPANT\_DETAILS\_ALL.CURRENCY\_CODE. If the staged record currency value is NULL, and you did not select a currency, ODI uses the operating currency from CN\_REPOSITORIES\_ALL\_B. If you do not require any currency conversion (for example, you pay all participants in USD), then set the target parameter accordingly.

When you import transactions from different business units, and convert those currencies into operating and participant home currencies, you must include the source transaction currency, for example, EURO or USD. The default extraction, transformation, and load utility validates that the source transaction currency is not null. If you use a different utility, be sure that it includes this validation.

### Maintain Plans Within and Across Incentive Compensation Business Units

When you create an incentive compensation plan, the application uses the operating currency for the business unit for all amount values. If you process with **Participant home currency**, you must customize, in the Participant Snapshot work area, all of the amount values (target incentive, goals, rates, factors, and perhaps weights) for each participant you pay, who uses a currency other than the operating currency for the incentive compensation plan business unit.

### Paying People versus Processing Currency Data

When you select **Operating currency** for **Processing Currency**, in the Application Setup work area, on the Manage Parameters page, the application

still enters the participant's transactions, credits, and earnings amounts in the participant home currency, in a separate column, if you provided currency conversion rates. The application creates incentive compensation paysheets and subledger balances in the operating currency, and enables you to export incentive payments, including draw and manual adjustments, in the participant home currency to send to payment applications.

When you select **Participant home currency** for Processing Currency, the application maintains incentive compensation credits, earnings, and all payments (including balances and paysheets) in the participant's home currency. It still enters amounts using the operating currency for all entities, to provide a single view for reports.

### **Setting Up and Maintaining Conversion Rates**

When you select **Participant home currency** for **Processing Currency**, the application uses conversion rates to apply the participant home currency to all applicable columns (for every transaction, credit, earning, and payment) during processing.

Conversion rates are based on transaction event dates. The application generates an error if there is no conversion rate available for the transaction event date, whether you import or manually enter a transaction into the application, or if you adjust an existing transaction.

## **Editing Participant Home Currency: Points to Consider**

The required actions depend on whether processing currency is set to **Operating currency** or **Participant home currency**. First, check to see if any paysheets exist (paid or unpaid) for the participant. If any paysheet exists, the application will not allow you to edit the participant's currency.

### **Operating Currency**

When the processing currency is set to operating currency, then edit the participant's currency value as long as there are no existing paysheets (paid or unpaid) for the participant. If a paysheet exists, create a new row with the new currency, dated to be effective from the start of the next period where no paysheet exists.

### **Participant Home Currency**

When the processing currency is set to **Participant home currency** and there are no existing paysheets (paid or unpaid) or compensation plan assignments, then edit the participant's currency value.

1. If a paysheet exists, create a new row with the new currency, effective the start of the next period where no paysheet exists.
2. End date all assignments and make the new assignments indicated by the application.
3. Add the new currency to support the currency change because the application maintains subledger balances in the current, or last, currency.

---

### **Restriction**

This restriction for maintaining subledger balances is in place to ensure that there is not a mix of earnings, calculated draw amounts, and balances of different currencies for a given participant, for a single compensation plan and paysheet.

---

## Incentive Compensation Currencies: How They Are Converted

The application maintains incentive compensation currency conversions for instances where the sale currency is different from the operating currency or the participant home currency as well as when you want to use a different conversion rate than the default daily rates, for example, if you want to use period-based rates.

## Settings That Affect Currency Conversion

In the Define Shared Configuration for Incentive Compensation task list, Manage Currency Conversions task, create your rate types and associated rates. Then, use the Define Business Unit Configuration for Incentive Compensation task list, Manage Parameters task to make your selections for these parameters:

- **Processing Currency:** Determines how the application actually converts currencies during processing. There is a Calculation Currency column on each transaction entity, which holds the value of the processing currency. Processing currency is either **Operating currency** (in which case every transaction would record the same currency) or **Participant home currency**.

---

### Important

After you run the Calculation process or close a period, you cannot edit the value for this parameter.

---

- **Transaction Conversion Rate Type**
- **Collection Conversion Rate Type**
- **Payment Conversion Rate Type**

## How Currency Is Converted

1. Select one of the standard conversion rate types or create a custom one.

Create custom rate types (using unique names) based on your business requirements. For example, if your business units use period average based rates for conversion, create a new rate type, enter start and end dates (based on your calendar period definition), and provide the period-average rates for the date range.

2. Create or edit conversion rates.

Enter the required values. If you also enter an end date, the start date must be earlier than the end date for each record. Create two records for each date range and from and to currencies where the second record is the inversion of the first. For example, you create one record with

an exchange rate from USD to CAD for the start date 1-Jun-2010 and a second record with an exchange rate from CAD to USD for the same date. The application may use the inverse rate for reference purposes to compute the transactional amount from the operating amount, if required.

---

**Restriction**

For the from and to currencies and date range for a rate type, you can use only one rate. If you want different rates for the same date range and set of from and to currencies, define a different rate type.

---

**Restriction**

You can edit rates as long as the incentive compensation period is not closed in any of the associated incentive compensation business units.

---

## FAQs for Manage Currencies and Currency Conversions

### What's the difference between incentive compensation operating and processing currency?

Operating currency is the core, and default, currency for a given incentive compensation business unit. For example, the North America business unit uses USD and the EMEA business unit uses EUR as their respective operating currencies. The application stores all of the amounts for various incentive compensation transactional entities such as transactions, credits, earnings, and payments in operating currency. Generally, it uses this currency to report across various entities within a business unit, for example, cost of compensation across all incentive compensation plans and total incentive payments for period Jan-2010.

Processing currency is the currency in which the Crediting, Rollup, Calculation, and Payment processes perform computations when generating credits, earnings, and payments. Processing currency can be either operating currency or participant home currency. The application displays credits, earnings, and payment amounts primarily in processing currency.

### Why did I get an error about incentive compensation currency for the participant?

Most likely, the processing currency is set to **Participant Home Currency**.

In this case, you cannot edit the participant home currency for a date where there is an active incentive compensation or payment plan for the participant. In the Participant Snapshot work area, end date any current assignments directly or by end dating the role assignment, create a new currency row for the participant, and then create new assignments for the new currency.

This restriction ensures that there is no mix of earnings, calculated draw amounts, and balances of different currencies for a given participant, for a single compensation or payment plan and paysheet, when the processing currency is **Participant Home Currency**.

## How can I use different incentive compensation rates to process transactions and payments in different incentive compensation business units?

Define multiple incentive compensation currency rate types for the same date, different incentive compensation business units, or different usage and associate the appropriate rate type with each business unit. The rate types may match those in your general ledger, but it is not required. For example, one business unit requires daily-based rates where the rate is different for each day. Another business unit requires period-based rates where the period is monthly and each period has the same rate, which might be the average or end rate for the period. Yet another business unit also requires period-based rates, but its period is weekly instead of monthly.

## Where does incentive compensation use the transaction and payment conversion rate types?

The application uses the currency conversion rates that you defined for the rate type (in the Define Shared Configuration for Incentive Compensation task list, Manage Currency Conversions task) , and selected for **Transaction Conversion Rate Type** and **Payment Conversion Rate Type** (in the Define Business Unit Configuration for Incentive Compensation task list, Manage Parameters task), to convert transaction and payment amounts from one currency to another during Crediting, Rollup, and Calculation processing.

The application stores transactions, credits, earnings, and payments in various currencies. It uses the rates to convert currencies among the various amounts shown here.

Amounts in Entities	Source Currency	Processing Currency	Operating Currency	Participant Home Currency
Transactions	Yes		Yes	
Credits	Yes	Yes	Yes	Yes
Earnings		Yes	Yes	Yes
Payments		Yes	Yes	Yes

## Manage Earning Types

### Incentive Compensation Earning Types: Explained

Use earning types to determine the form that participant incentives take. For example, participants associated with plan components where the **Earning Type** is **Monetary Earnings** receive cash compensation for earnings related to these plan components. This is the earning type value that is delivered with the application. It is the only earning type that has monetary value and the only earning type included in incentive compensation payment processing. You can create other earning types and associate them with plan components. The application creates earnings for these plan components and stores them in the database so that they are available for you to use in reporting.

General steps for setting up nonmonetary goals:

1. Create your earning type, for example, **Points**.
2. Create a conversion factor to convert the earning type value to operating currency, for your date range.

---

**Note**

The application uses this conversion factor only for reporting. For example, your operating currency is USD and you define 1 Point = 0.10 operating currency from 1-Jan-10 through 31-Dec-10.

---

**Restriction**

When you create a conversion factor record, if you choose to set an end date, it must be later than the start date.

- 
3. Associate your earning type with a plan component, for example you have a plan component Laptop Sales and set the earning type to **Points**.

---

**Tip**

You cannot delete the earning type **Monetary Earnings**. You can delete all other earning types as long as they are not associated with any plan component or used in converting other earning types.

---

When calculation computes the earning, it stores the commission (for example, 500 Points) under COMM\_AMT\_CALC\_CURRENCY in the Earnings entity.

---

**Tip**

Calculation does not do any conversion on nonmonetary earnings (such as **Points**) to participant home currency or operating currency. It stores the nonmonetary balances or earnings, separately in the subledger.

---

Since the payment module does not include nonmonetary earnings, you can export those earnings and set their statuses to **Posted** to ensure that the same nonmonetary earnings are not included the next time that you export them.

When you run the report for the Points earning type, the participant reports show the earnings in the earning type. For example, since the application stored the nonmonetary earnings from our earlier example as 500 Points, along with certain plan component information, the reports show 500 Points.

- Participant reports show only those plan components containing the earning type selected for the report run. Affected reports include: YTD, Earning Details, and Commission Statement.

## Configure Tables and Columns

### Enabling an Incentive Compensation Attribute as a Qualifier for Classification or Crediting Rules: Worked Example

This example demonstrates how to create a custom incentive compensation attribute with a list of values for use in crediting rules for those situations where

the delivered attributes do not fulfill business requirements. The application has these attributes (in the CN\_TP\_TRANSACTION\_ALL table) enabled for use in crediting and classification rules:

- AREA\_CODE
- CITY
- COUNTRY
- CUSTOMER\_ID

---

**Tip**

Use the customer (directory id) or customer name range for matching.

- 
- INVENTORY\_ITEM\_ID

---

**Tip**

Use the product id or sales catalog hierarchy for matching.

- 
- ORG\_ID
  - PARTICIPANT\_ID
  - POSTAL\_CODE
  - PROVINCE
  - ROLE\_ID (enabled for crediting rules only)
  - SALES\_CHANNEL
  - SOURCE\_ORG\_ID
  - STATE
  - TERR\_NAME
  - TRANSACTION\_AMT\_FUNC\_CURR
  - TRANSACTION\_QTY
  - TRANSACTION\_TYPE

The three tasks covered in this topic are:

- Run SQL script to enable a custom attribute as a qualifier for crediting rules.
- Enable the custom attribute.
- Edit and deploy the relevant descriptive flexfield.

---

**Tip**

Also use the steps in these tasks to create a custom attribute for classification rules by changing the usage\_id from -1001 to -1002.

---

## Running Script to Enable Custom Attribute

In this task, use SQL and a tool such as SQL Developer to create new FND LOOKUP values to use in the choice list on the user interface (optional), run the CN\_RS\_CUST\_ATTR.CREATE\_QUAL application programming interface (API) to create the custom attribute, and update the BATCH\_TOTAL\_SQL to assign the new custom attribute.

1. Create new FND LOOKUP values to use in the choice list on the user interface (optional).

```
-- Example: create a Line of Business lookup
-- LOOKUP_TYPE = CN_LINE_OF_BUSINESS
DECLARE
  l_retcode VARCHAR2(30);
  l_errbuf VARCHAR2(10000);
BEGIN
  -- create the FND lookup TYPE
  fnd_lookup_types_pkg.CREATE_OR_UPDATE_ROW(
    X_VIEW_APPSNAME => 'FND',
    X_LOOKUP_TYPE => 'CN_LINE_OF_BUSINESS',
    X_APPLICATION_SHORT_NAME => 'CN',
    X_MEANING => 'Line of Business',
    X_DESCRIPTION => 'Fusion Example: Line of Business',
    X_REFERENCE_GROUP_NAME => '');
  -- populate the FND lookup values
  fnd_lookup_values_pkg.CREATE_OR_UPDATE_ROW(
    X_LOOKUP_TYPE => 'CN_LINE_OF_BUSINESS',
    X_VIEW_APPSNAME => 'FND',
    X_LOOKUP_CODE => 'COMMERCIAL_LEASE',
    X_MEANING => 'Commercial Leasing',
    X_SET_CODE => '',
    X_DESCRIPTION => 'Commercial Leasing',
    X_ENABLED_FLAG => 'Y',
    X_START_DATE_ACTIVE => sysdate,
    X_END_DATE_ACTIVE => '');
  fnd_lookup_values_pkg.CREATE_OR_UPDATE_ROW(
    X_LOOKUP_TYPE => 'CN_LINE_OF_BUSINESS',
    X_VIEW_APPSNAME => 'FND',
    X_LOOKUP_CODE => 'RESIDENTIAL',
    X_MEANING => 'Residential',
    X_SET_CODE => '',
    X_DESCRIPTION => 'Residential',
    X_ENABLED_FLAG => 'Y',
    X_START_DATE_ACTIVE => sysdate,
    X_END_DATE_ACTIVE => '');
  fnd_lookup_values_pkg.CREATE_OR_UPDATE_ROW(
    X_LOOKUP_TYPE => 'CN_LINE_OF_BUSINESS',
    X_VIEW_APPSNAME => 'FND',
    X_LOOKUP_CODE => 'CONSUMER_LOAN',
    X_MEANING => 'Consumer Personal Loans',
    X_SET_CODE => '',
    X_DESCRIPTION => 'Consumer Personal Loans',
    X_ENABLED_FLAG => 'Y',
    X_START_DATE_ACTIVE => sysdate,
    X_END_DATE_ACTIVE => '');
```

END;

/

2. Run the CN\_RS\_CUST\_ATTR.CREATE\_QUAL application programming interface (API) to create the custom attribute.

API Parameter	Description	Sample Value
p_attribute_id	Get the current minimum attribut_id and decrement it by 1  <pre>sql&gt; select min(attribute_id) -1 from cn_rs_attributes_all</pre>	-2026
p_object_version_number	Not available	1
p_org_id	<pre>sql&gt; select organization_id, name from hr_all_organization_u where name like 'Vision Services%' ;</pre>	458
p_source_lang	Not available	'US'
p_language	Not available	'US'
p_name	This is the user interface display name and you can enter any name	'Line of Business'
p_description	Not available	'Custom Attribute : Line of Business'
p_attr_usage_id	Use any number or pick the next number from here:  <pre>sql&gt; select min(attr_usage_id) from cn_rs_attr_usages_all WHERE usage_id = -1001</pre> It is good to use the same value p_attribute_id, unless it is already assigned.	-2026
p_usage_id	usage_id = -1001 for crediting  usage_id = -1002 for classification	-1001

p_indexed_col_name	<p>Corresponds to cn_rs_usage_details_all table batch_total_sql. Use the next available value for the same data type, in the unused column. To see which indexed_col_name are used:</p> <pre>sql&gt; select   enabled_flag,   batch_total_sql from   CN_RS_USAGE_DETAILS_A where usage_id =   -1001 and org_id = 458 ;</pre>	'SQUAL_CHAR20'
p_display_type	<p>'CHAR' = varchar or character</p> <p>'NUMERIC' = number</p>	'CHAR'
p_source_column_name	<p>From the batch_total_sql field, there are two tables CN_TP_TRANSACTIONS and HZ_PARTIES. Use one of these fields as the source_column_name. If you want to use a field from other tables, then batch_total_sql must include those tables.</p> <pre>sql&gt; desc fusion.CN_TP_TRANSACT sql&gt; desc fusion.HZ_PARTIES</pre>	'ATTRIBUTE38'

p_attr_relation_factor	<p>Get the next prime number, see <a href="http://primes.utm.edu/lists/small/1000.txt">http://primes.utm.edu/lists/small/1000.txt</a>. To see which prime number is already used:</p> <pre>sql&gt; select   attr_relation_factor,   indexed_col_name,   attribute_id from   CN_RS_ATTR_USAGES_ALL where usage_id =   -1001 and org_id = 458 order by   attr_relation_factor desc ;</pre>	227
p_comparison_operator_cn	<p>Define the value for this custom attribute. Use the positive value of p_attribute_id.</p> <p>Naming convention: q&lt;p_attribute_id&gt;_cp</p>	'q2026_cp'
p_low_value_char_cn	<p>Populate if using the <b>equal</b> or <b>between</b> parameter.</p> <p>Naming convention: q&lt;p_attribute_id&gt;_low_va</p>	'q2026_low_value_char'
p_high_value_char_cn	<p>Populate if using the <b>between</b> parameter.</p> <p>Naming convention: q&lt;p_attr_usage_id&gt;_high</p>	'q2026_high_value_char'
p_equal_flag	Enable the EQUAL operator	'Y'
p_batch_op_eol	SQL syntax for EQUAL operand if p_equal_flag = 'Y'	'( A.squal_char20 = B.q2026_low_value_char AND B.q2026_cp = "=" )'
p_like_flag	Enable the LIKE operator	'Y'
p_batch_op_like	SQL syntax for EQUAL operand if P_LIKE_FLAG = 'Y'	'( A.squal_char20 like B.q2026_low_value_char AND B.q2026_cp = "LIKE" )'
p_between_flag	Enable the BETWEEN operator	'Y'

p_batch_op_between	SQL syntax for EQUAL operand if P_BETWEEN_FLAG = 'Y'	'( A.squal_char20 between B.q2026_low_value_char and B.q2026_high_value_char AND B.q2026_cp = "BETWEEN" )'
p_convert_to_id_flag	Convert the varchar2 column to id column, set this value to 'Y'	'N'
p_low_value_char_id_cn	Convert the varchar2 column to id column. Only edit if this P_CONVERT_TO_ID_FLAG = 'Y'	null
p_html_lov_sql1	If you want an list of value (LOV) to be associated to the attribute.	'select /*+ FIRST_ROWS(10) */ 1 lookup_id, meaning, lookup_code lookup_code from cn_lookups where lookup_type = "CN_EXAMPLE_LINE_OF_BUSINESS"'

```
-- Example: ATTRIBUTE38 is enabled for crediting with list of value
-- from CN_LINE_OF_BUSINESS FND lookup
DECLARE
  l_retcode VARCHAR2(30);
  l_errbuf VARCHAR2(10000);
BEGIN
  CN_RS_CUST_ATTR.CREATE_QUAL(
    p_attribute_id => -2026,
    p_object_version_number => 1,
    p_org_id => 458,
    p_SOURCE_LANG => 'US',
    p_LANGUAGE => 'US',
    p_name => 'Line of Business',
    p_description => 'Custom Attribute : Line of Business',
    p_ATTR_USAGE_ID => -2026,
    p_USAGE_ID => -1001,
    p_INDEXED_COL_NAME => 'SQUAL_CHAR20',
    p_DISPLAY_TYPE => 'CHAR',
    p_SOURCE_COLUMN_NAME => 'ATTRIBUTE38',
    p_ATTR_RELATION_FACTOR => 227,
    p_CONVERT_TO_ID_FLAG => 'N',
    p_COMPARISON_OPERATOR_CN => 'q2026_cp',
    p_LOW_VALUE_CHAR_CN => 'q2026_low_value_char',
    p_HIGH_VALUE_CHAR_CN => NULL,
    p_LOW_VALUE_CHAR_ID_CN => NULL,
    p_LOW_VALUE_NUMBER_CN => NULL,
```

```

p_HIGH_VALUE_NUMBER_CN => NULL,
p_VALUE1_ID_CN => NULL,
p_VALUE2_ID_CN => NULL,
p_VALUE3_ID_CN => NULL,
p_VALUE4_ID_CN => NULL,
p_FIRST_CHAR_CN => NULL,
p_CURRENCY_CODE_CN => NULL,
p_EQUAL_FLAG => 'Y',
p_BATCH_OP_EQL => '( A.squal_char20 = B.q2026_low_value_char AND
B.q2026_cp = ''='' )',
p_LIKE_FLAG => 'N',
p_BATCH_OP_LIKE => NULL,
p_BETWEEN_FLAG => 'N',
p_BATCH_OP_BETWEEN => NULL,
p_BATCH_OP_COMMON_WHERE => NULL,
p_SEEDED_FLAG => NULL,
p_ALIAS_RULE1 => NULL,
p_REAL_TIME_SELECT => NULL,
p_REAL_TIME_WHERE => NULL,
p_REAL_TIME_FROM => NULL,
p_HTML_LOV_SQL1 => 'select /*+ FIRST_ROWS(10) */ 1 lookup_id, meaning
meaning, lookup_code lookup_code from cn_lookups where lookup_type =
''CN_EXAMPLE_LINE_OF_BUSINESS'' ',
p_HTML_LOV_SQL2 => NULL,
p_HTML_LOV_SQL3 => NULL,
p_HIERARCHY_TYPE => NULL,
retcode => l_retcode,
errbuf => l_errbuf);
END;
/

```

3. Update the BATCH\_TOTAL\_SQL to assign the new custom attribute.

---

### Important

Run this SQL to see which fields are already enabled in the existing batch\_total\_sql 's select statement.

```

sql> select batch_total_sql from cn_rs_usage_details_all where usage_id =
-1001 and org_id = &org_id ;

```

---

```

DECLARE
l_retcode VARCHAR2(30);
l_errbuf VARCHAR2(10000);
BEGIN
update cn_rs_usage_details_all
set batch_total_sql =
' SELECT T.TRANSACTION_ID TRANS_OBJECT_ID , ' ||
' T.PARTICIPANT_ID ASSIGNED_OBJECT_ID , ' ||
' T.SOURCE_EVENT_DATE EVENT_DATE , ' ||
' T.WORKER_ID , ' ||
' UPPER(substr(C.ACCOUNT_NAME,1,1)) SQUAL_FC01 , ' ||
' null SQUAL_CURC01 , ' ||
' T.SALES_CHANNEL SQUAL_CHAR01 , ' ||

```

```

' T.CITY SQUAL_CHAR02 , ' ||
' T.STATE SQUAL_CHAR03 , ' ||
' T.COUNTRY SQUAL_CHAR04 , ' ||
' C.ACCOUNT_NAME SQUAL_CHAR05 , ' ||
' P.PARTY_NUMBER SQUAL_CHAR06 , ' ||
' P.CATEGORY_CODE SQUAL_CHAR07 , ' ||
' T.POSTAL_CODE SQUAL_CHAR08 , ' ||
' T.PROVINCE SQUAL_CHAR09 , ' ||
' T.AREA_CODE SQUAL_CHAR10 , ' ||
' T.CUSTOMER_ID SQUAL_NUM01 , ' ||
' T.INVENTORY_ITEM_ID SQUAL_NUM02 , ' ||
' NULL SQUAL_NUM03 , ' ||
' T.SOURCE_ORG_ID SQUAL_NUM04 , ' ||
' T.PARTICIPANT_ID SQUAL_NUM05 , ' ||
' null SQUAL_FC02 , ' ||
' null SQUAL_CURC02 , ' ||
' NULL SQUAL_CHAR11 , ' ||
' T.TRANSACTION_TYPE SQUAL_CHAR12 , ' ||
' T.TERR_NAME SQUAL_CHAR13 , ' ||
' NULL SQUAL_CHAR14 , ' ||
' NULL SQUAL_CHAR15 , ' ||
' NULL SQUAL_CHAR16 , ' ||
' NULL SQUAL_CHAR17 , ' ||
' NULL SQUAL_CHAR18 , ' ||
' null SQUAL_CHAR19 , ' ||
' T.ATTRIBUTE38 SQUAL_CHAR20 , ' ||
' T.TRANSACTION_AMT_FUNC_CURR SQUAL_NUM06 , ' ||
' T.TRANSACTION_QTY SQUAL_NUM07 , ' ||
' T.ORG_ID SQUAL_NUM08 , ' ||
' null SQUAL_NUM09 , ' ||
' null SQUAL_NUM10 , ' ||
' null SQUAL_FC03 , ' ||
' null SQUAL_CURC03 , ' ||
' null SQUAL_CHAR21 , ' ||
' null SQUAL_CHAR22 , ' ||
' null SQUAL_CHAR23 , ' ||
' null SQUAL_CHAR24 , ' ||
' null SQUAL_CHAR25 , ' ||
' null SQUAL_CHAR26 , ' ||
' null SQUAL_CHAR27 , ' ||
' null SQUAL_CHAR28 , ' ||
' null SQUAL_CHAR29 , ' ||
' null SQUAL_CHAR30 , ' ||
' null SQUAL_NUM11 , ' ||
' null SQUAL_NUM12 , ' ||
' null SQUAL_NUM13 , ' ||
' null SQUAL_NUM14 , ' ||
' null SQUAL_NUM15 , ' ||
' null SQUAL_FC04 , ' ||
' null SQUAL_CURC04 , ' ||
' null SQUAL_CHAR31 , ' ||
' null SQUAL_CHAR32 , ' ||
' null SQUAL_CHAR33 , ' ||
' null SQUAL_CHAR34 , ' ||

```

```

' null SQUAL_CHAR35 , ' ||
' null SQUAL_CHAR36 , ' ||
' null SQUAL_CHAR37 , ' ||
' null SQUAL_CHAR38 , ' ||
' null SQUAL_CHAR39 , ' ||
' null SQUAL_CHAR40 , ' ||
' null SQUAL_NUM16 , ' ||
' null SQUAL_NUM17 , ' ||
' null SQUAL_NUM18 , ' ||
' null SQUAL_NUM19 , ' ||
' null SQUAL_NUM20 , ' ||
' null SQUAL_FC05 , ' ||
' null SQUAL_CURC05 , ' ||
' null SQUAL_CHAR41 , ' ||
' null SQUAL_CHAR42 , ' ||
' null SQUAL_CHAR43 , ' ||
' null SQUAL_CHAR44 , ' ||
' null SQUAL_CHAR45 , ' ||
' null SQUAL_CHAR46 , ' ||
' null SQUAL_CHAR47 , ' ||
' null SQUAL_CHAR48 , ' ||
' null SQUAL_CHAR49 , ' ||
' null SQUAL_CHAR50 , ' ||
' null SQUAL_NUM21 , ' ||
' null SQUAL_NUM22 , ' ||
' null SQUAL_NUM23 , ' ||
' null SQUAL_NUM24 , ' ||
' null SQUAL_NUM25 ' ||
' from CN_TP_TRANSACTIONS_ALL T , ' ||
' HZ_PARTIES P ' ||
' where T.CUSTOMER_ID = P.PARTY_ID(+) '
where usage_id = -1001;
END;
/

```

## Enabling Custom Attribute for Crediting

1. Go to the Define Business Unit Configuration for Incentive Compensation task list, Configure Tables and Columns page.
2. In the Tables section, select **CN\_TP\_TRANSACTIONS\_ALL**.
3. Scroll to your attribute and select **Enable for Crediting**.

If you want to enable the attribute for classification, then select **Enable for Classification**.

4. Click **Save and Close**.

---

### Tip

To expose your customer attribute in the user interface, and in application-generated spreadsheets, edit and deploy the descriptive flexfield.

---

# Adding Incentive Compensation Varchar and Date Custom Qualifiers to Crediting Rules: Examples

This topic contains two sample SQL scripts for adding incentive compensation crediting rules qualifiers that correspond to the flexfield Attribute1 and Invoice\_Date in the CN\_TP\_TRANSACTIONS\_ALL table. The script includes comments to help you customize the SQL to your business requirements.

## Adding an Incentive Compensation Varchar Qualifier to Crediting Rules

```
declare
  l_retcode VARCHAR2(30);
  l_errbuf VARCHAR2(10000);

begin
  CN_RS_CUST_ATTR.CREATE_QUAL(
    p_attribute_id => -1026, -- unique number in the cn_rs_attributes_all
    table
    p_object_version_number => 1,
    p_org_id => 204, -- operating unit
    p_SOURCE_LANG => 'US',
    p_LANGUAGE => 'US',
    p_name => 'Attribute 1', -- display name
    p_description => 'Custom Attribute: Attribute1',
    p_ATTR_USAGE_ID => -1026, -- unique number in cn_rs_attr_usages_all
    p_USAGE_ID => -1001,
    p_INDEXXED_COL_NAME => 'SQUAL_CHAR15', --corresponds to
    cn_rs_usage_details_all table batch_total_sql
    p_DISPLAY_TYPE => 'CHAR',
    p_SOURCE_COLUMN_NAME => 'ATTRIBUTE1', -- corresponds to
    cn_tp_transactions_all table column
    p_ATTR_RELATION_FACTOR => 311, --http://primes.utm.edu/lists/
    small/1000.txt
    p_CONVERT_TO_ID_FLAG => 'N', --to convert the varchar2 column to id
    column, set this value to 'Y'
    p_COMPARISON_OPERATOR_CN => 'q1026_cp',
    p_LOW_VALUE_CHAR_CN => 'q1026_low_value_char',
    p_HIGH_VALUE_CHAR_CN => NULL,
    p_LOW_VALUE_CHAR_ID_CN => NULL,
    p_LOW_VALUE_NUMBER_CN => NULL,
    p_HIGH_VALUE_NUMBER_CN => NULL,
    p_VALUE1_ID_CN => NULL,
    p_VALUE2_ID_CN => NULL,
    p_VALUE3_ID_CN => NULL,
    p_VALUE4_ID_CN => NULL,
    p_FIRST_CHAR_CN => NULL,
    p_CURRENCY_CODE_CN => NULL,
    p_EQUAL_FLAG => 'Y', -- enable = operator p_BATCH_OP_EQ
    p_BATCH_OP_EQ => '( A.squal_char15 = B.q1026_low_value_char AND
    B.q1026_cp = ''='' )',
    p_LIKE_FLAG => 'N', -- enable LIKE operator p_BATCH_OP_LIKE
    p_BATCH_OP_LIKE => NULL,
    p_BETWEEN_FLAG => 'N', -- enable BETWEEN operator p_BATCH_OP_BETWEEN
    p_BATCH_OP_BETWEEN => NULL,
    p_BATCH_OP_COMMON_WHERE => NULL,
    p_SEEDED_FLAG => NULL,
    p_ALIAS_RULE1 => NULL,
    p_REAL_TIME_SELECT => NULL,
    p_REAL_TIME_WHERE => NULL,
    p_REAL_TIME_FROM => NULL,
    p_HTML_LOV_SQL1 => NULL,
    p_HTML_LOV_SQL2 => NULL,
    p_HTML_LOV_SQL3 => NULL,
    p_HIERARCHY_TYPE => NULL,
    retcode => l_retcode,
    errbuf => l_errbuf);
```

```

update CN_RS_USAGE_DETAILS_ALL
set BATCH_TOTAL_SQL = 'SELECT '||
' T.TRANSACTION_ID TRANS_OBJECT_ID '||
' , T.PARTICIPANT_ID ASSIGNED_OBJECT_ID '||
' , T.SOURCE_EVENT_DATE EVENT_DATE '||
' , T.WORKER_ID '||
' , UPPER(substr(C.ACCOUNT_NAME,1,1)) SQUAL_FC01 '||
' , null SQUAL_CURC01 '||
' , T.SALES_CHANNEL SQUAL_CHAR01 '||
' , T.CITY SQUAL_CHAR02 '||
' , T.STATE SQUAL_CHAR03 '||
' , T.COUNTRY SQUAL_CHAR04 '||
' , C.ACCOUNT_NAME SQUAL_CHAR05 '||
' , P.PARTY_NUMBER SQUAL_CHAR06 '||
' , P.CATEGORY_CODE SQUAL_CHAR07 '||
' , T.POSTAL_CODE SQUAL_CHAR08 '||
' , T.PROVINCE SQUAL_CHAR09 '||
' , T.AREA_CODE SQUAL_CHAR10 '||
' , E.NAME SQUAL_CHAR11 '||
' , T.TRANSACTION_TYPE SQUAL_CHAR12 '||
' , T.TERR_NAME SQUAL_CHAR13 '||
' , R.ROLE_NAME SQUAL_CHAR14 '||
' , T.CUSTOMER_ID SQUAL_NUM01 '||
' , T.INVENTORY_ITEM_ID SQUAL_NUM02 '||
' , T.ELIGIBLE_CAT_ID SQUAL_NUM03 '||
' , T.SOURCE_ORG_ID SQUAL_NUM04 '||
' , T.PARTICIPANT_ID SQUAL_NUM05 '||
' , T.TRANSACTION_AMT_FUNC_CURR SQUAL_NUM06 '||
' , T.TRANSACTION_QTY SQUAL_NUM07 '||
' , T.ORG_ID SQUAL_NUM08 '||
' , null SQUAL_FC02 '||
' , null SQUAL_CURC02 '||
' , T.ATTRIBUTE1 SQUAL_CHAR15 '|| -- IMPORTANT! Update this value to
correspond to index column name
' , NULL SQUAL_CHAR16 '||
' , null SQUAL_CHAR17 '||
' , null SQUAL_CHAR18 '||
' , null SQUAL_CHAR19 '||
' , null SQUAL_CHAR20 '||
' , null SQUAL_NUM09 '||
' , null SQUAL_NUM10 '||
' , null SQUAL_FC03 '||
' , null SQUAL_CURC03 '||
' , null SQUAL_CHAR21 '||
' , null SQUAL_CHAR22 '||
' , null SQUAL_CHAR23 '||
' , null SQUAL_CHAR24 '||
' , null SQUAL_CHAR25 '||
' , null SQUAL_CHAR26 '||
' , null SQUAL_CHAR27 '||
' , null SQUAL_CHAR28 '||
' , null SQUAL_CHAR29 '||
' , null SQUAL_CHAR30 '||
' , null SQUAL_NUM11 '||
' , null SQUAL_NUM12 '||
' , null SQUAL_NUM13 '||
' , null SQUAL_NUM14 '||
' , null SQUAL_NUM15 '||
' , null SQUAL_FC04 '||
' , null SQUAL_CURC04 '||
' , null SQUAL_CHAR31 '||
' , null SQUAL_CHAR32 '||
' , null SQUAL_CHAR33 '||
' , null SQUAL_CHAR34 '||
' , null SQUAL_CHAR35 '||
' , null SQUAL_CHAR36 '||

```

```

' , null SQUAL_CHAR37 '||
' , null SQUAL_CHAR38 '||
' , null SQUAL_CHAR39 '||
' , null SQUAL_CHAR40 '||
' , null SQUAL_NUM16 '||
' , null SQUAL_NUM17 '||
' , null SQUAL_NUM18 '||
' , null SQUAL_NUM19 '||
' , null SQUAL_NUM20 '||
' , null SQUAL_FC05 '||
' , null SQUAL_CURC05 '||
' , null SQUAL_CHAR41 '||
' , null SQUAL_CHAR42 '||
' , null SQUAL_CHAR43 '||
' , null SQUAL_CHAR44 '||
' , null SQUAL_CHAR45 '||
' , null SQUAL_CHAR46 '||
' , null SQUAL_CHAR47 '||
' , null SQUAL_CHAR48 '||
' , null SQUAL_CHAR49 '||
' , null SQUAL_CHAR50 '||
' , null SQUAL_NUM21 '||
' , null SQUAL_NUM22 '||
' , null SQUAL_NUM23 '||
' , null SQUAL_NUM24 '||
' , null SQUAL_NUM25 '||
' from CN_TP_TRANSACTIONS_ALL T ' ||
' , HZ_PARTIES P ' ||
' , HZ_CUST_ACCOUNTS C ' ||
' , JTF_RS_ROLES_VL R ' ||
' , cn_eligible_cats_all_vl E ' ||
' where T.CUSTOMER_ID = C.CUST_ACCOUNT_ID(+) '||
' AND C.PARTY_ID = P.PARTY_ID(+) ' ||
' AND T.ROLE_ID = R.ROLE_ID(+) ' ||
' AND T.ELIGIBLE_CAT_ID = E.ELIGIBLE_CAT_ID(+) '
where usage_id = -1001;

```

end;

commit;  
exit;

## Adding an Incentive Compensation Date Qualifier to Crediting Rules

```

declare
l_retcode VARCHAR2(30);
l_errbuf VARCHAR2(10000);

begin
CN_RS_CUST_ATTR.CREATE_QUAL(
p_attribute_id => -1029, -- unique number in cn_rs_attributes_all table
p_object_version_number => 1,
p_org_id => 204, -- operating unit
p_SOURCE_LANG => 'US',
p_LANGUAGE => 'US',
p_name => 'Invoice Date', -- display name
p_description => 'Custom Attribute: Invoice Date',
p_ATTR_USAGE_ID => -1029, -- unique number in cn_rs_attr_usages_all
p_USAGE_ID => -1001,
p_INDEXED_COL_NAME => 'SQUAL_CHAR19', -- corresponds to
cn_rs_usage_details_all table batch_total_sql
p_DISPLAY_TYPE => 'CHAR',
p_SOURCE_COLUMN_NAME => 'INVOICE_DATE', -- corresponds to
cn_tp_transactions_all table column
p_ATTR_RELATION_FACTOR => 331, --http://primes.utm.edu/lists/
small/1000.txt
p_CONVERT_TO_ID_FLAG => 'N', --to convert the varchar2 column to id
column, set this value to 'Y'
p_COMPARISON_OPERATOR_CN => 'q1029_cp',

```

```

p_LOW_VALUE_CHAR_CN => 'q1029_low_value_char',
p_HIGH_VALUE_CHAR_CN => 'q1029_high_value_char',
p_LOW_VALUE_CHAR_ID_CN => NULL,
p_LOW_VALUE_NUMBER_CN => NULL,
p_HIGH_VALUE_NUMBER_CN => NULL,
p_VALUE1_ID_CN => NULL,
p_VALUE2_ID_CN => NULL,
p_VALUE3_ID_CN => NULL,
p_VALUE4_ID_CN => NULL,
p_FIRST_CHAR_CN => NULL,
p_CURRENCY_CODE_CN => NULL,
p_EQUAL_FLAG => 'Y', -- enable = operator p_BATCH_OP_EQL
p_BATCH_OP_EQL => '( to_date(A.squal_char19,'''YYYY-MM-DD''') =
to_date(B.q1029_low_value_char,'''YYYY-MM-DD''') AND B.q1029_cp =
''='' )',
p_LIKE_FLAG => 'N', -- enable LIKE operator p_BATCH_OP_LIKE
p_BATCH_OP_LIKE => NULL,
p_BETWEEN_FLAG => 'Y', -- enable BETWEEN operator p_BATCH_OP_BETWEEN
p_BATCH_OP_BETWEEN => '( to_date(A.squal_char19,'''YYYY-MM-DD''') BETWEEN
to_date(B.q1029_low_value_char,'''YYYY-MM-DD''') AND
to_date(B.q1029_high_value_char,'''YYYY-MM-DD''') and B.q1029_cp =
''BETWEEN'' )' ,
p_BATCH_OP_COMMON_WHERE => NULL,
p_SEEDED_FLAG => NULL,
p_ALIAS_RULE1 => NULL,
p_REAL_TIME_SELECT => NULL,
p_REAL_TIME_WHERE => NULL,
p_REAL_TIME_FROM => NULL,
p_HTML_LOV_SQL1 => NULL,
p_HTML_LOV_SQL2 => NULL,
p_HTML_LOV_SQL3 => NULL,
p_HIERARCHY_TYPE => NULL,
retcode => l_retcode,
errbuf => l_errbuf);

```

```

update CN_RS_USAGE_DETAILS_ALL
set BATCH_TOTAL_SQL = 'SELECT '''
' T.TRANSACTION_ID TRANS_OBJECT_ID '''
' , T.PARTICIPANT_ID ASSIGNED_OBJECT_ID '''
' , T.SOURCE_EVENT_DATE EVENT_DATE '''
' , T.WORKER_ID '''
' , UPPER(substr(C.ACCOUNT_NAME,1,1)) SQUAL_FC01 '''
' , null SQUAL_CURC01 '''
' , T.SALES_CHANNEL SQUAL_CHAR01 '''
' , T.CITY SQUAL_CHAR02 '''
' , T.STATE SQUAL_CHAR03 '''
' , T.COUNTRY SQUAL_CHAR04 '''
' , C.ACCOUNT_NAME SQUAL_CHAR05 '''
' , P.PARTY_NUMBER SQUAL_CHAR06 '''
' , P.CATEGORY_CODE SQUAL_CHAR07 '''
' , T.POSTAL_CODE SQUAL_CHAR08 '''
' , T.PROVINCE SQUAL_CHAR09 '''
' , T.AREA_CODE SQUAL_CHAR10 '''
' , E.NAME SQUAL_CHAR11 '''
' , T.TRANSACTION_TYPE SQUAL_CHAR12 '''
' , T.TERR_NAME SQUAL_CHAR13 '''
' , R.ROLE_NAME SQUAL_CHAR14 '''
' , T.CUSTOMER_ID SQUAL_NUM01 '''
' , T.INVENTORY_ITEM_ID SQUAL_NUM02 '''
' , T.ELIGIBLE_CAT_ID SQUAL_NUM03 '''
' , T.SOURCE_ORG_ID SQUAL_NUM04 '''
' , T.PARTICIPANT_ID SQUAL_NUM05 '''
' , T.TRANSACTION_AMT_FUNC_CURR SQUAL_NUM06 '''
' , T.TRANSACTION_QTY SQUAL_NUM07 '''
' , T.ORG_ID SQUAL_NUM08 '''
' , null SQUAL_FC02 '''

```

```

' , null SQUAL_CURC02 '||
' , NULL SQUAL_CHAR15 '|| -- IMPORTANT! Update this value to correspond
to index column name
' , NULL SQUAL_CHAR16 '||
' , null SQUAL_CHAR17 '||
' , null SQUAL_CHAR18 '||
' , T.INVOICE_DATE SQUAL_CHAR19 '||
' , null SQUAL_CHAR20 '||
' , null SQUAL_NUM09 '||
' , null SQUAL_NUM10 '||
' , null SQUAL_FC03 '||
' , null SQUAL_CURC03 '||
' , null SQUAL_CHAR21 '||
' , null SQUAL_CHAR22 '||
' , null SQUAL_CHAR23 '||
' , null SQUAL_CHAR24 '||
' , null SQUAL_CHAR25 '||
' , null SQUAL_CHAR26 '||
' , null SQUAL_CHAR27 '||
' , null SQUAL_CHAR28 '||
' , null SQUAL_CHAR29 '||
' , null SQUAL_CHAR30 '||
' , null SQUAL_NUM11 '||
' , null SQUAL_NUM12 '||
' , null SQUAL_NUM13 '||
' , null SQUAL_NUM14 '||
' , null SQUAL_NUM15 '||
' , null SQUAL_FC04 '||
' , null SQUAL_CURC04 '||
' , null SQUAL_CHAR31 '||
' , null SQUAL_CHAR32 '||
' , null SQUAL_CHAR33 '||
' , null SQUAL_CHAR34 '||
' , null SQUAL_CHAR35 '||
' , null SQUAL_CHAR36 '||
' , null SQUAL_CHAR37 '||
' , null SQUAL_CHAR38 '||
' , null SQUAL_CHAR39 '||
' , null SQUAL_CHAR40 '||
' , null SQUAL_NUM16 '||
' , null SQUAL_NUM17 '||
' , null SQUAL_NUM18 '||
' , null SQUAL_NUM19 '||
' , null SQUAL_NUM20 '||
' , null SQUAL_FC05 '||
' , null SQUAL_CURC05 '||
' , null SQUAL_CHAR41 '||
' , null SQUAL_CHAR42 '||
' , null SQUAL_CHAR43 '||
' , null SQUAL_CHAR44 '||
' , null SQUAL_CHAR45 '||
' , null SQUAL_CHAR46 '||
' , null SQUAL_CHAR47 '||
' , null SQUAL_CHAR48 '||
' , null SQUAL_CHAR49 '||
' , null SQUAL_CHAR50 '||
' , null SQUAL_NUM21 '||
' , null SQUAL_NUM22 '||
' , null SQUAL_NUM23 '||
' , null SQUAL_NUM24 '||
' , null SQUAL_NUM25 '||
' from CN_TP_TRANSACTIONS_ALL T ' ||
' , HZ_PARTIES P ' ||
' , HZ_CUST_ACCOUNTS C ' ||
' , JTF_RS_ROLES_VL R ' ||
' , cn_eligible_cats_all_vl E ' ||
' where T.CUSTOMER_ID = C.CUST_ACCOUNT_ID(+) '||

```

```

' AND C.PARTY_ID = P.PARTY_ID(+) ' ||
' AND T.ROLE_ID = R.ROLE_ID(+) ' ||
' AND T.ELIGIBLE_CAT_ID = E.ELIGIBLE_CAT_ID(+) '
where usage_id = -1001;

end;

commit;
exit;

```

## Exposing a Custom Incentive Compensation Attribute in the User Interface: Worked Example

This example demonstrates how to edit and deploy descriptive flexfields so that the application exposes the customized attribute in the user interface (Create Transaction and Manage Transactions pages) and application-generated spreadsheets.

### Editing and Deploying a Descriptive Flexfield

1. If you sign in with the Incentive Compensation Application Administrator duty role, in the global area, select **Administration - Setup and Maintenance**. Continue to step 2.

If you sign in with the Implementation Consultant duty role, click **Manage Descriptive Flexfields** to go to the Manage Descriptive Flexfields page. Skip to step 6.

2. On the Overview page, click **All Tasks**.
3. For **Name**, enter **Manage Incentive Compensation Descriptive Flexfields**.
4. Click **Search**.
5. In the Search Results section, for the returned record, click **Go To Task** to go to the Manage Incentive Compensation Flexfields page.
6. For **Flexfield Code**, enter CN%.
7. Click **Search**.
8. In the Search Results section, select the descriptive flexfield record.
9. To add a new attribute, click **Create** to go to the **Create Description Flexfield** page. To edit an existing attribute, click **Edit** to go to the Edit Description Flexfield page.
10. Make your entries or edits.
11. Click **Save and Close** to return to the Manage Incentive Compensation Descriptive Flexfields page.
12. In the Search Results section, click **Deploy Flexfield**.

After you deploy a descriptive flexfield, the new, or edited, attributes appear on all pages that contain the flexfield. It also propagates the attributes to any application-generated spreadsheets that contain the flexfield.

13. Sign out of, and back in to Oracle Fusion Incentive Compensation.

14. Go to either the Create Transaction or Manage Transactions page to see your edits.

## FAQs for Configure Tables and Columns

### How can I enable an attribute to show in the incentive compensation expression builder?

In the Define Business Unit Configuration for Incentive Compensation task list, Configure Tables and Columns task, enable the attribute for calculation and select the appropriate level 2 expression grouping. Also add a user-friendly name for the attribute, that the application displays in the incentive compensation expression builder.

### Why can't I enable an attribute for the incentive compensation Classification or Crediting process?

You must first add the custom qualifiers to the incentive compensation classification or crediting rules.

### How can I optimize throughput for batch processing?

Ensure that you have at least three times the number of batches as workers (or processing threads) to keep all workers busy simultaneously, most of the time.

- For Classification and Crediting Batch Processing and Rollup and Calculation Batch Processing, for **Number of Batches**, enter the results for this expression:  $3 \times \text{Number of Workers}$ .
- For Participant Batch Size for Payment, for **Participant Batch Size**, enter the result of this expression:  $(\text{Number of Participants} / (3 \times \text{Number of Workers}))$

Start with the recommended configuration and refine the parameters based on your testing results.

For more information, see the Oracle Fusion Applications Administrator's Guide, section 5.11.2 Managing Workshifts.

## Manage Lookups

### Lookups: Explained

Lookups are lists of values in applications. You define a list of values as a lookup type consisting of a set of lookup codes, each code's translated meaning, and optionally a tag. End users see the list of translated meanings as the available values for an object.

Lookups provide a means of validation and lists of values where valid values appear on a list with no duplicate values. For example, an application might store the values Y and N in a column in a table, but when displaying those values in the user interface, Yes or No (or their translated equivalents) should be

available for end users to select. For example, the two lookup codes Y and N are defined in the REQUIRED\_INDICATOR lookup type.

In another example, a lookup type for marital status has lookup codes for users to specify married, single, or available legal partnerships.

Lookup Type	Lookup Code	Meaning	Tag
MAR_STATUS	M	Married	
	S	Single	
	R	Registered Partner	+NL
	DP	Domestic Partner	-FR, AU

In this case, tags are used for localizing the codes. All legislations list Married and Single. Only the Dutch legislation lists Registered Partner. And all legislations except France and Australia also list Domestic Partner.

When managing lookups, you need to understand the following.

- Using lookups in applications
- Customization levels
- Accessing lookups
- Enabling lookups
- The three kinds of lookups: standard, common, and set enabled

## Using Lookups in Applications

Use lookups to provide validation or a list of values for a user input field in a user interface.

An example of a lookup used for validation is a flexfield segment using a table-validated value set with values from a lookup type. An example of a lookup in a list of values is a profile option's available values from which users select one to set the profile option. Invoice Approval Status gives the option of including payables invoices of different approval statuses in a report. The lookup code values include All so that users can report by all statuses: Approved, Resubmitted for approval, Pending or rejected, and Rejected.

## Customization Level

The customization level of a lookup type determines whether the lookups in that lookup type can be edited. This applies data security to lookups.

Some lookup types are locked so no new codes and other changes can be added during implementation or later, as needed. Depending on the customization level of a lookup type, you may be able to change the codes or their meanings. Some lookups are designated as extensible, so new lookup codes can be created during implementation, but the meanings of predefined lookup codes cannot be modified. Some predefined lookup codes can be changed during implementation or later, as needed.

The customization levels are user, extensible, and system. The following table shows which lookup management tasks are allowed at each customization level.

Allowed Task	User	Extensible	System
Deleting a lookup type	Yes	No	No
Inserting new codes	Yes	Yes	No
Updating start date, end date, and enabled fields	Yes	Yes, only if the code is not predefined data	No
Deleting codes	Yes	Yes, only if the code is not predefined data	No
Updating tags	Yes	No	No
Updating module	Yes	No	No

Predefined data means LAST\_UPDATED\_BY = SEED\_DATA\_FROM\_APPLICATION.

If a product depends on a lookup, the customization level should be system or extensible to prevent deletion.

### Standard, Common, and Set-Enabled Lookups

The available kinds of lookups are as follows.

Lookup	Description
Standard	Lists the available codes and translated meanings
Set enabled	Additionally associates a reference data set with the lookup codes
Common	Legacy lookups

Standard lookups are the simplest form of lookup types consisting only of codes and their translated meaning. They differ from common lookups only in being defined in the standard lookup view.

Common lookups exist for reasons of backward compatibility and differ from standard lookups only in being defined in the common lookup view.

Set enabled lookup types store lookup codes that are enabled for reference data sharing. At runtime, a set-enabled lookup code is visible because the value of the determinant identifies a reference data set in which the lookup code is present.

### Accessing Lookups

Standard, set-enabled, and common lookups are defined in the Standard, Set-enabled, and Common views, respectively. Applications development may define lookups in an application view to restrict the UI pages where they may appear.

In lookups management tasks, lookups may be associated with a module in the application taxonomy to provide a criteria for narrowing a search or limiting the number of lookups accessed by a product specific task such as Manage Purchasing Lookups.

### Enabling Lookups

A lookup type is reusable for attributes stored in multiple tables.

Enable lookups based on the following.

- Selecting an **Enabled** check box
- Specifying an enabled start date, end date, or both
- Specifying a reference data set determinant

If you make changes to a lookup, users must sign out and back in before the changes take effect. When defining a list of values for display rather than validation, limit the number of enabled lookup codes to a usable length.

## Managing a Standard Lookup: Example

Creating a new standard lookup involves creating or selecting a lookup type to which the lookup code belongs, and determining appropriate values for the lookup codes and their meanings.

---

### Note

You can only create or edit the lookup codes for a particular lookup type if its customization level supports it.

---

### Creating a Lookup Type Called COLORS

Your enterprise needs a list of values for status to be used on various objects such as processes or users. The lookups are colors, so the lookup type you create is COLORS.

Lookup type parameters	Value
Lookup type name	COLORS
Meaning	Status
Description	Status by color
Module	Oracle Fusion Middleware Extensions for Applications

The lookup codes you define for the COLORS lookup type are, BLUE, RED, GREEN, and YELLOW.

Lookup Code	Meaning	Enabled	Display Sequence
BLUE	Urgent	No	4

RED	Stop	Yes	1
GREEN	Go	Yes	3
YELLOW	Caution	Yes	2

### Understanding the Resulting Data Entry List of Values

Users need to respond to a process question by indicating whether to stop it, use caution, go ahead, or complete it urgently.

The list of values for the COLORS lookup type includes the meanings for the enabled codes.

Displayed Value	Hidden ID
Stop	RED
Caution	YELLOW
Go	GREEN

### Analysis

The BLUE lookup code was not enabled and does not appear in the list of values. The display sequence of values in the list of values is alphabetical unless you enter a number manually to determine the order of appearance. Number 1 indicates the value listed first in the list of values.

---

#### Note

Only lookups that are enabled and active, meaning between start and end dates, are visible.

---

When users enter one of the values from the list of values for the lookup type COLORS, the transaction table records the lookup code. In this example, the code is stored in the Status column

Transaction number	User name	Status
1	Jane	RED
2	Bob	YELLOW
3	Alice	BLUE

The status for one user is BLUE because at the time they entered a value, BLUE was enabled. Disabling a lookup code does not affect transaction records in which that code is stored. Data querying and reporting have access to disabled lookup codes in transaction tables.

## Managing Set-Enabled Lookups: Examples

Creating a new set-enabled lookup is similar to creating a standard lookup with the addition of specifying a reference data set determinant for the lookup codes.

---

**Note**

You can only create or edit the lookup codes for a particular lookup type if its customization level supports it.

The reference data set for a set-enabled lookup code is part of its foreign key. This is unlike other set-enabled entities.

---

**Selecting a Reference Group for a Set-Enabled Lookup Type**

By specifying a reference group for a set-enabled lookup type you indicate which reference data set assignments are available for its lookup codes. For example a COLORS lookup type might be set enabled for a Countries reference group that includes the US and EU reference data set assignments.

**Selecting a Reference Data Set for a Set-Enabled Lookup**

The reference data set determines which lookup code is included in the list of values. If a COLORS lookup type contains a RED, YELLOW, ORANGE, and GREEN lookup code, you can enable one RED lookup as coming from the US reference data set and another RED lookup as coming from the EU reference data set with divergent meanings.

Reference Data Set	Lookup Code	Lookup Meaning
US	RED	Red
US	YELLOW	Yellow
US	GREEN	Green
EU	RED	Rouge
EU	ORANGE	Orange

In addition to divergent meanings for lookup codes based on associated reference data set, some lookup codes may be unique to one or another reference data set as the ORANGE lookup is to the EU reference data set in this example.

In another example, a lookup type called HOLD\_REASON provides a list of reasons for applying a hold to a contract renewal. Reference data sets determine which codes are included in the hold reason list of values.

Reference Data Set	Lookup Code	Lookup Meaning
US	SEC	SEC Compliance Review
US	DIR	Needs Director's Approval
US	VP	Needs Vice President's Approval
CHINA	CSRC	Pending China Securities Regulatory Commission Review
CHINA	PR	Needs President's Approval
COMMON	REQUESTED	Customer Request

Using the Manage Set Assignments task, you have defined assignments that designate the China business unit to refer to the CHINA and the US business

unit to refer to the US and all business units to refer to the COMMON set. When end users place a contract hold in the US business unit, only the three reason codes in US\_SET are available. When placing a contract hold in the China business, only the two codes in China\_SET are available.

## FAQs for Manage Lookups

### How can I edit lookups?

You can edit the existing lookup codes of a lookup type or add new lookup codes on the Define Lookups pages, which you can access by starting in the Setup and Maintenance work area and searching for lookup tasks. You can edit the existing lookup codes of a lookup type, or add new lookup codes to a lookup type, if the customization level for the lookup type supports editing

### Why can't I see my lookup types?

Lookups are listed by lookup type. Typically lookup types are managed using tasks that handle a group of related lookups, such as Manage Geography Lookups. Each task gives you access only to certain lookup types. The generic tasks provide access to all lookup types of a kind, such as all common lookups using the Manage Common Lookups task.

If existing lookups are not available to the tasks of the Define Lookups activity, they may be validated for use in a lookup view that is not central to all applications or whose owning application has not been specified in a lookup view.

Lookups can only be managed in the Define Lookups tasks if the lookup's view application is the standard lookups view, common lookups view, or set-enabled lookups view. Lookups defined in an application view can only be managed by following instructions provided by the owning application.

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#### Note

A lookup type and its codes can only be defined in one lookup view.

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### What's the difference between a lookup type and a value set?

A lookup type consists of lookup codes that are the values in a static list of values. Lookup code validation is a one to one match.

A table-validated value set can consist of values that are validated through a SQL statement, which allows the list of values to be dynamic.

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#### Tip

A table validated value set can be defined based on any table, including the lookups table. This allows a lookup type to be made into a table-validated value set that can be used in flexfields.

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Area of Difference	Lookup Type	Value Set
List of values	Static	Dynamic if Table validation type
Validation of values	One to one match of meaning to code included in a lookup view, or through the determinant of a reference data set	By format or inclusion in a table
Format type of values	char	varchar2, number, and so on
Length of value	Text string up to 30 characters	Any type of variable length from 1 to 4000
Duplication of values	Never. Values are unique.	Duplicate values allowed
Management	Managed by both administrators and end-users, except system lookups or predefined lookups at the system customization level, which cannot be modified.	Maintained by administrators, except some product flexfield codes, such as GL for Oracle Fusion General Ledger, which are maintained by end users

A lookup type cannot make use of a value from a value set.

Value sets can make use of standard, common, or set-enabled lookups.

Both lookup types and value sets are used to create lists of values from which users select values.

### What's a lookup tag used for?

Tags on lookup codes allow you to add a label to your lookup codes.

Lookup tags are unvalidated and uninterpreted by lookups. A tag can be used to categorize lookups based on facilitating searches or guiding how a lookup should be used.

Document what the tag on a lookup represents and how to use it.

## Manage Profile Options and Flexfields

### Incentive Compensation Profile Options: Explained

Oracle Fusion Incentive Compensation has two profile options, which you can set at the site level.

- **CN\_DEBUG:** Select **Yes** when you want the application to write the debug errors to the CN\_PROCESS\_AUDIT\_LINES table.
- **CN\_MARK\_EVENTS:** Select **Yes** when you want the application to record every event in the Changed Events Log for inclusion in the next incremental calculation and plan deployer processes.

## Incentive Compensation Flexfields: Explained

All incentive compensation descriptive flexfields, which ship enabled in the application, relate to transactions. Use them to map transaction attributes in the source application, which do not exist by default in Oracle Fusion Incentive Compensation, to the CN\_TP\_TRANSACTIONS\_ALL table.

The descriptive flexfields consist of two VARCHAR2 and the NUMBER data types:

- ATTRIBUTE1 -- ATTRIBUTE150: VARCHAR2 (240 CHAR)
- ATTRIBUTE\_NUMBER1 -- ATTRIBUTE\_NUMBER50: NUMBER

Enable these attributes for use in the Crediting, Classification, and Calculation processes in the Define Business Unit Configuration for Incentive Compensation task list, Configure Tables and Columns task.

## Manage Value Sets

### Value Sets: Explained

A value set is a set of valid values that you assign to a flexfield segment.

An end user enters a value into a flexfield segment while using the application. The flexfield validates the segment against the set of valid values that you configured as a value set and assigned to the segment.

For example, you can define a required format, such as a five digit number, or a list of valid values, such as green, red, and blue.

Flexfield segments are usually validated, and typically each segment in a given flexfield uses a different value set. You can assign a single value set to more than one segment, and you can share value sets among different flexfields.

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#### Caution

Be sure changes to a shared value set are compatible with all flexfields segments using the value set.

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Defining value sets involves making decisions about the following.

- Validation
- Security
- Precision and scale
- Usage and deployment

#### Validation

The following types of validation are available for value sets.

- Format only, where end users enter data rather than selecting values from a list
- Independent, a list of values consisting of valid values you specify
- Dependent, a list of values where a valid value derives from the independent value of another segment
- Subset, where the list of values is a subset of the values in an existing independent value set
- Table, where the values derive from a column in an application table and the list of values is limited by a WHERE clause

A segment that uses a format only value set does not present a list of valid values to users.

You can build a tree structure from the values in an independent value set whose data type is character.

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**Note**

Adding table validated value sets to the list of available value sets available for configuration is considered a custom task.

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For more information, see the Oracle Fusion Applications Extensibility Guide.

**Security**

Value set security only works in conjunction with usage within flexfield segments. If a value set is used standalone, meaning outside a flexfield, value set security is not applied, but Oracle Fusion data security is enforced.

You can specify that data security be applied to the values in flexfield segments that use a value set. Based on the roles provisioned to users, data security policies determine which values of the flexfield segment end users can view or modify.

Value set security applies at the value set level. If a value set is secured, every usage of it in any flexfield is secured. It is not possible to disable security for individual usages of the same value set.

Value set security applies to independent, dependent or table-validated value sets.

Value set security applies mainly when data is being created or updated, and to key flexfield combinations tables for query purposes. Value set security does not determine which descriptive flexfield data is shown upon querying.

Security conditions defined on value sets will always use table aliases. When filters are used, table aliases are always used by default. When predicates are defined for data security conditions, make sure that the predicates will also use table aliases.

For key flexfields, the attributes in the view object that correspond to the code combination ID (CCID), structure instance number (SIN) and data set number (DSN) cannot be transient. They must exist in the database table. For key

flexfields, the SIN segment is the discriminator attribute, and the CCID segment is the common attribute.

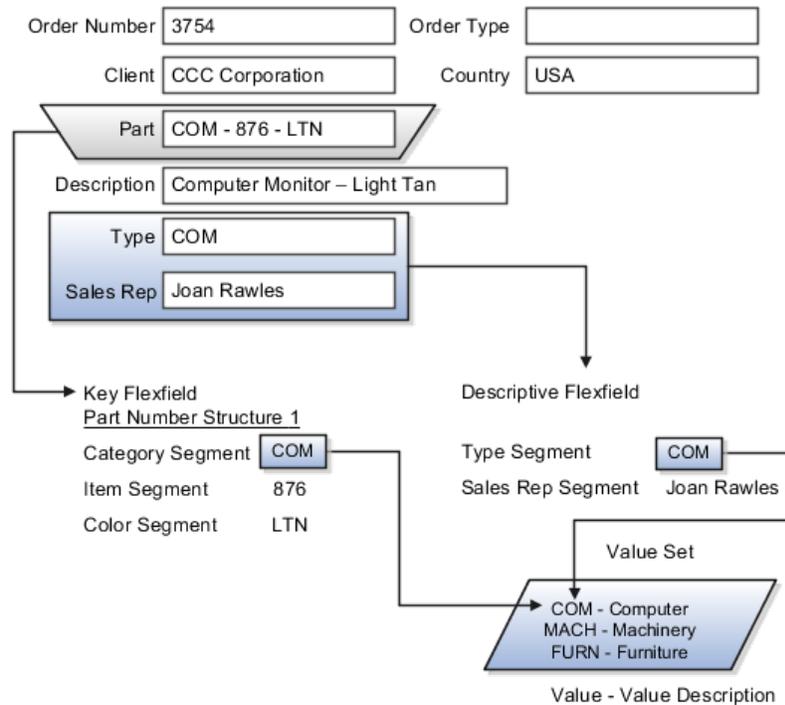
### Precision and Scale

For a value set with the data type Number, you can specify the precision (maximum number of digits user can enter) or scale (maximum number of digits following the decimal point).

### Usage and Deployment

The usage of a value set is the flexfields where that value set is used. The deployment status of flexfields in which the value set is used indicates the deployment status of the value set instance.

The figure shows a value set used by a segment in a key flexfield and the context segment of a descriptive flexfield.



For most value sets, when you enter values into a flexfield segment, you can enter only values that already exist in the value set assigned to that segment.

Global and context-sensitive segment require a value set. You can assign a value set to a descriptive flexfield context segment. If you specify only context values, not value sets for contexts, the set of valid values is equal to the set of context values.

## Defining Value Sets: Critical Choices

Validation and usage of value sets determine where and how end users access valid values for attributes represented by flexfield segments.

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**Tip**

As a flexfield guideline, define value sets before configuring the flexfield, because you assign value sets to each segment as you configure a flexfield.

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**Value Sets for Context Segments**

When assigning a value set to a context segment, you can only use table-validated or independent value sets. The data type must be character and the maximum length of the values being stored must not be larger than column length of the context.

**Format Only Validation**

The format only validation type enables end users to enter any value, as long as it meets your specified formatting rules. That is, the value must not exceed the maximum length you define for your value set, and it must meet any format requirements for that value set.

For example, if the value set allows only numeric characters, your user could enter the value 456 (for a value set with maximum length of three or more), but could not enter the value ABC. A format only value set does not otherwise restrict the range of different values that users can enter. For numeric values, you can also specify if a numeric value should be zero filled or how many digits should follow the radix separator.

**Interdependent Value Sets**

You cannot specify a dependent value set for a given segment without having first defined an independent value set that you apply to another segment in the same flexfield. You use a dependent value set to limit the list of values for a given segment based on the value that the end user has chosen for a related independent segment. The available values in a dependent list and the meaning of a given value depend on which value was selected for the independently validated segment.

For example, you could define an independent value set of U.S. states with values such as CA, NY, and so on. Then you define a dependent value set of U.S. cities, with values such as San Francisco and Los Angeles that are valid for the independent value CA, and New York City and Albany that are valid for the independent value NY. In the UI, only the valid cities can be selected for a given state.

Because you define a subset value set from an existing independent value set, you must define the independent value set first. End users do not need to choose a value for another segment first to have access to the subset value set.

**Table Validation**

Typically, you use a table-validated set when the values you want to use are already maintained in an application table (for example, a table of vendor

names). Table validation allows you to enable a segment to depend upon multiple prior segments in the same context or structure.

Table-validated value sets have unique values across the table, irrespective of bind variables. The WHERE clause fragment of the value set is considered if it does not have bind variables. If it has bind variables, the assumption is that the values are unique in the value set.

## Range

In the case of format, independent, or dependent value sets, you can specify a range to further limit which values are valid. You can specify a range of values that are valid within a value set. You can also specify a range validated pair of segments where one segment represents the low end of the range and another segment represents the high end of the range

For example, you might specify a range for a format-only value set with format type Number where the user can enter only values between 0 and 100. If you use a table value set, you cannot reference flexfield segments in the WHERE clause of the value set. For example, the WHERE clause cannot reference a segment or a value set.

## Security

In the case of independent and dependent values, you can specify that data security be applied to the values in segments that use a value set. Based on the roles provisioned to users, data security policies determine which values of the flexfield segment end users can view or modify.

When you enable security on a table-validated value sets, the security rule that is defined is absolute and not contingent upon the bind variables (if any) that may be used by the WHERE clause of the value set. For example, suppose a table-validated value set has a bind variable to further filter the value list to x, y and z from a list of x, y, z, xx, yy, zz. The data security rule or filter written against the value set should not assume anything about the bind variables; it must assume the whole list of values is available and write the rule, for example, to allow x, or to allow y and z. By default in data security all values are denied, and show only rows to which access has been provided.

## Maintenance

There is no need to define or maintain values for a table-validated or subset value set, as the values are managed as part of the referenced table or independent value set, respectively.

If your application has more than one language installed, or there is any possibility that you might install one or more additional languages for your application in the future, select **Translatable**. This does not require you to provide translated values now, but you cannot change this option if you decide to provide them later.

For more information about defining value sets, see the Oracle Fusion Applications Extensibility Guide.

## **Manage Parameters**

### **What happens if I select Yes for Reset Balances?**

At the end of every year, the application resets incentive compensation participant balances to zero.



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# Glossary

## **attainment**

Indicates the participant's achievement against a specified target, for a specified performance measure. Typically, add qualified credit transactions to get an attainment total expressed in any unit of measure, such as amount or percent. For example, attained sales of 200,000 USD this month on a target of 250,000 USD.

## **calendar**

Defines the incentive compensation processing periods by defining the calendar, period type, and period. It does not contain an end date. The plan administrator can add more periods and must associate the calendar with a business unit before the application can use the periods in processing for the business unit.

## **classification rules**

The application uses classification rules, typically organized hierarchically, to sort sales transactions into user-defined credit categories. Classification rules vary based on the product or service provided and the different ways used to compensate participants.

## **collect transactions**

Move transaction data from the staging table to the transaction (CN\_CP\_TRANSACTIONS\_ALL) table after checking for duplicates, validating data, and converting currencies.

## **commission**

An incentive type that provides a specific incentive amount for each discrete unit of sales made by the salesperson. Common expressions of a commission are as a percent of each sales dollar (revenue), percent of gross margin (profit), or a dollar amount per unit sold.

## **context**

A grouping of flexfield segments to store related information.

## **context segment**

The flexfield segment used to store the context value. Each context value can have a different set of context-sensitive segments.

## **context-sensitive segment**

A flexfield segment that may or may not appear depending upon a context such as other information that has been captured. Context-sensitive segments are custom attributes that apply to certain entity rows based on the value of the context segment.

**credit category**

A user-defined business revenue category (such as product line, customer accounts, service types, and geographical market segments) used to classify a transaction for compensation calculation. If a performance measure uses a transaction or credit attribute (such as margin), then associate the appropriate credit category with it.

**credit transaction**

The application generates a credit transaction based on rules. When incentive transaction attributes match the credit rules criteria, the application generates one or more credit transactions. It uses credit transactions to create rollup transactions as well as to calculate commission, bonus, and other types of incentives.

**descriptive flexfield**

Customizable expansion space, such as fields used to capture additional descriptive information or attributes about an entity, such as customer cases. Information collection and storage may be configured to vary based on conditions or context.

**determinant**

A value that determines which reference data set will be used in a specific business context.

**earning type**

Can be monetary (represented with operating or participant home currency) or nonmonetary benefits (such as points, air-miles, and Club). The application includes only monetary earnings for incentive compensation payments.

**flexfield**

Grouping of extensible data fields called segments, where each segment is an attribute added to an entity for capturing additional information.

**flexfield segment**

An extensible data field that represents an attribute on an entity and captures a single atomic value corresponding to a predefined, single extension column in the Oracle Fusion Applications database. A segment appears globally or based on a context of other captured information.

**global area**

The region across the top of the user interface. It provides access to features and tools that are relevant to any page you are on.

**goal**

A performance objective, also known as a quota. The best practice is to make it specific, measurable, achievable, and time based (SMART). Define your goal

(optional), by providing a target number and the unit of measure (either amount or quantity).

### **incentive compensation business unit**

A central incentive compensation administration center, which administers incentive compensation for a group of participants. Associate participants within a single business unit with different business organizations or countries.

### **incentive compensation transaction**

Any transaction for which the application collects the individual line items and uses them when calculating commissions, bonuses, and nonmonetary incentives (also, create transactions manually). Examples are order, invoice, credit memo, charge back, and payment collected against an invoice. There are no restrictions on type or source.

### **incentive formula**

Defined within a plan component, specifies how to calculate, and contains an expression that computes, the earnings during the Calculation process. Usually refers to the calculated results of one or more performance measures. Build formulas using input expressions, an output expression, and rate tables.

### **incentive plan component**

Defines the computational requirements that the Calculation process uses as well as stores information on how to compute the earning. It defines what performance measures to use in computation and an incentive formula to calculate the compensation earnings.

### **interval type**

Groups incentive compensation periods for the application to derive the various processing intervals, such as Quarter or Month. The default intervals are Period, Quarter, Semi-Annual, and Year.

### **key flexfield**

Configurable key consisting of multiple parts or segments, each of which may be meaningful individually or in combination with the others. Key flexfields are commonly implemented to represent part numbers and account numbers.

### **lookup code**

A value available for lookup within a lookup type such as the code BLUE within the lookup type COLORS.

### **lookup type**

A set of lookup codes to be used together as a list of values on a field in the user interface.

**operating currency**

Defines which currency to use for the incentive compensation business unit.

**participant**

A person or organization (for example, an employee, salesperson, party, supplier contract, partner, or third party resale contractor) whose credits, attainment, earnings, disputes, and payments the application computes and manages.

**participant home currency**

Defines which currency to use for each participant.

**pay group**

Defines the frequency of payments and gathers participants that are on the same payment cycle and sent to the same application. For example, you might group monthly participant payments as Pay Group A for your payables application and Pay Group B for your payroll application.

**payment batch**

Associated with pay groups and paysheets, defines the compensation period (for example, Feb-03 or Q4) for which the payment is valid, as well as determines payment amounts for each eligible participant.

**payment plan**

Contains rules regarding payment draw, draw recovery, and cap amounts to pay to associated participants. The application uses it during the Payment process to compute participant payment adjustment amounts against earnings for the period.

**paysheet**

A worksheet, generated by creating a payment batch, that contain the payable commission (represented by payment transactions), draw and recovery (comprised of payment plan adjustments), and payment adjustments (made by compensation managers and analysts) for a single eligible participant.

**performance measure**

An indicator that tracks participant progress toward a defined organizational goal or outcome as well as a metric for which you compensate your participants. It determines participant attainment, forms the basis for earning calculation by the plan component, and enables you to support pay for performance.

**period type**

Is the shortest period range that must be available for incentive compensation processing, for example monthly. Associate the period type with a calendar and define incentive compensation periods (for example, Jan-10, Feb-10) for a calendar based on it.

**processing currency**

Determines whether the application uses either operating currency or participant home currency when processing credits, earnings, and payments.

**profile option**

User preferences and system configuration options consisting of a name and a value, that can be set at hierarchical levels of an enterprise. Also called a profile or user option.

**rate**

The output of a rate table (an amount or a percentage) that the application often applies against the credit amount, or target incentive, to determine the amount to pay the participant. For example, pay 5 percent (the rate) of all sales revenue to Salesperson A on a monthly basis.

**reference data set**

Contains reference data that can be shared across a number of business units or other determinant types. A set supports common administration of that reference data.

**reference group**

A logical grouping of tables that correspond to logical entities such as payment terms defined across multiple tables or views. Grouping establishes common partitioning requirements across the entities causing them to share the same set assignments.

**set enabled**

An entity, such as a lookup, customer, location, organization, or document attachment, that is allowed to participate in reference data sharing by drawing on the data of a reference data set.

**tree structure**

Characteristics applied to trees, such as what data to include or how the tree is versioned and accessed.

**value set**

A set of valid values against which values entered by an end user are validated. The set may be tree structured (hierarchical).