

ORACLE®

The following is intended to outline our general product direction. It is intended for information purposes only, and may not be incorporated into any contract. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions.

The development, release, and timing of any features or functionality described for Oracle's products remains at the sole discretion of Oracle.



ORACLE®

Product Costing & Manufacturing Accounting

Product Costing & Manufacturing Accounting

Agenda

- What is Product Costing?
- System Features
- What is Manufacturing Accounting?
- System Features
- Net Change



Product Costing

What is Product Costing?

- Product Costing calculates and maintains the data necessary to determine how much it costs to make an item. It is the foundation of standard costing (Cost Method 07).
- There are four main programs:
 - **Simulated Rollup** – Calculates the cost of an item according to the costs of its components and labor.
 - **Frozen Update** – Freezes the simulated cost and makes that the standard cost for the item.
 - **Enter/Change Cost Components** – Allows users to modify simulated costs for an item and add extra costs.
 - **WIP Revaluation** – Updates Work in Process accounting figures if an item's standard cost changes during its use or production.

Product Costing

Other Product Costing Programs

Freeze Work Center Rates – Allows users to freeze the work center rates for any cost method without using the frozen update. This is helpful for actual costing.

Costed Bill Inquiry & Costed Routing Inquiry – Displays a bill of material or route for an item and the associated costs for those components or operations.

Costed Bill & Multilevel Costed Bill – Displays a single or multi-level bill of material for an item with costs.

Copy Cost Values – Copies costs for an item to the same item in a different branch or to another cost method.

Reset Simulated Costs – Resets the simulated cost to the current frozen cost.

Product Costing

Product Costing Types

Product Costing breaks out an item's cost by cost type (and work center if flag is on)

- A1 – Material
- A2 – Scrap
- B1 – Direct Labor
- B2 – Setup Labor
- B3 – Machine Labor
- B4 – Labor Efficiency
- C1 – Machine Variable Overhead
- C2 – Machine Fixed Overhead
- C3 – Labor Variable Overhead
- C4 – Labor Fixed Overhead
- Dx-Zx – Outside operations or extra costs

Product Costing Setup

- System Setup
 - Mfg Constants
 - Cost Types
 - Cost Methods
 - Distribution & Manufacturing AAI's
- Item Setup
 - Work Center Rates
 - Item Costs
 - Bills of Material
 - Routings

Manufacturing Accounting

What is Manufacturing Accounting

The Manufacturing Accounting system tracks costs associated with work orders, and creates journal entries for all shop floor transactions. Each step in the work order process can affect manufacturing accounting. The principal effect is that when you complete any step in the process, you create a transaction that can be the source of a variance.

Manufacturing Accounting

Type of Costs

- Standard Costing
 - High volume, low variety products
 - Process manufacturing
 - Stable costs
- Actual Costing
 - Engineer-To-Order manufacturing
 - Make-To-Order manufacturing
 - Companies whose costs change often
 - Industries that use commodities
 - Inflation
 - Deflation
 - Unstable economy
 - Volatile markets

Manufacturing Accounting

Supported Methods

- 07 Standard
- 02 Weighted Average
- 09 Manufacturing Last Cost



Manufacturing Accounting

Variances

- Engineering Variance
 - Frozen Material, Routing, and Overhead versus Current Materials, Routing, and Overhead
- Planned Variance
 - Current Bills, Routing, and Overhead versus Work Order Parts List and Routing Instructions
- Actual Variance
 - Material Usage, Labor Efficiency, Work Order Parts List, and Routing versus Actual Transactions

Manufacturing Accounting Setup

- Manufacturing Constants
- G/L Class Codes
- Automatic Accounting Instructions
 - AAI tables used:
 - 3110, 3120, 3130, 3220, 3240, 3260, 3270, 3280, 3401 and 3210

Product Costing & Manufacturing Accounting

Continuous Enhancements



ORACLE

JD EDWARDS ENTERPRISEONE



9.1

- Mixed Mode Costing
- Currency Decimal/Unit Cost Variance

9.0

- 24/7 Manufacturing Accounting

8.11

- Performance – Cost Rollup
- Performance – Mfg Accounting Journal Entries
- Purchased Item Detailed Product Costing
- Standard Accounting for Lean
 - Item Completions Cost Variance
 - Item Completions WIP Revaluation
 - Item Completions Mfg Accounting
 - Item Completions G/L Integrity

8.9

- Cost of Goods Sold Update
- Work Center Accounting
- Actual Costing Complete to Multiple Work Centers
- WIP Revaluation
- Transaction Processing
 - Mfg Accounting
 - WIP Revaluation

ORACLE

ORACLE®