

# Customer Contracts in PeopleSoft

To be effective, your customer contract management system should reflect the way you run your business. With Oracle's PeopleSoft Contracts application, revenue recognition and billing are independent decisions, so you can satisfy your customers' demands while adhering to proper revenue recognition practices without manual intervention or accounting workarounds. Increased visibility into a contract's financial status allows better decision making in relation to customer and sponsor issues and provides insight into the revenue performance of your organization.

## Core Capabilities of PeopleSoft Contracts

- Support Complex Billing and Revenue Recognition Requirements
- Enforce Funding Limits
- Milestone Billing and Revenue Recognition
- Control and Visibility into Contract Term Changes
- Exception Based Processing

## Extensive Billing and Revenue Recognition Functionality

The Contracts application provides contract administrators, billing professionals, and revenue analysts tools to manage billing and revenue recognition for complex, multi-year commercial, state and local contracts and sponsored awards. When the timing or amount of billing differs from revenue recognition, you can assign completely independent schedules for billing and revenue recognition. Use contract limit processing to ensure billable costs incurred in Project Costing do not exceed contractual limits.

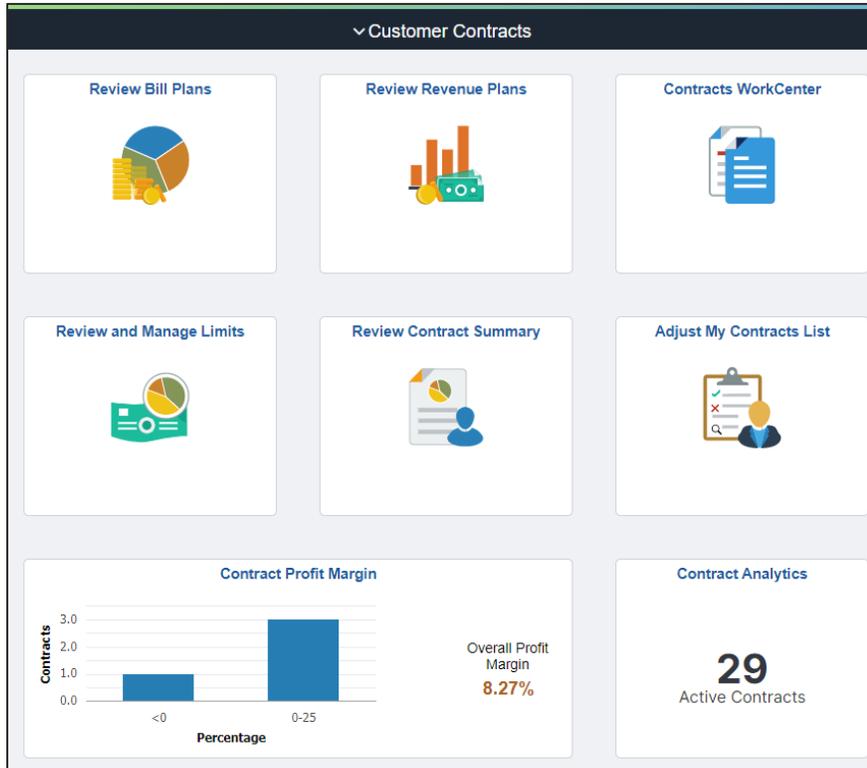


Image Caption 1. The Customer Contracts homepage provides access to the most commonly used tools to manage customer contracts including tiles to review contract limits, process billing and revenue recognition and analyze contract and project financials.

## Customer Focused Billing Management

Specify how, when, and what to bill using PeopleSoft Contracts.

- Establish billing plan templates to automate the billing setup and event creation for your contract products and services.
- Configure each contract product or service to be billed on the same or independent schedules.
- Enforce funding limits by product or at a lower level to differentiate caps on labor versus material and other costs and monitor spending as cost approaches ceiling.
- Bill customers immediately, on a recurring basis or percentage of completion, use milestones, or on cost incurred.

## Simplified Navigations

The Customer Contracts homepage replaces cumbersome folder driven navigational paths with tiles to access the most commonly used components. In addition, contracts provide the following navigational aids to streamline navigation:

- Credit to Cash Global Search
- Contract WorkCenter
- Related Actions
- Navigation Collections

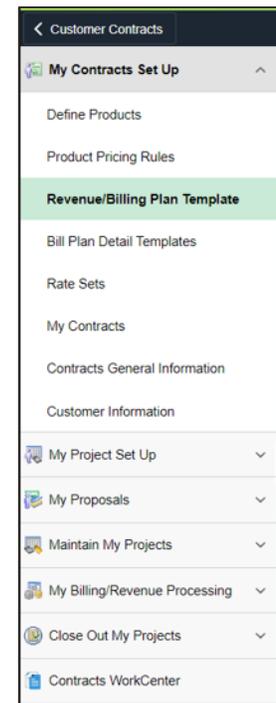


Image Caption 2. Configurable to each organization, a navigation collection includes the frequently used components for a contract administrator or billing professional.

- Specify a minimum bill amount to control processing costs.
- Create pre-payments and monitor utilization against billable cost incurred.
- Add custom notes or contract line start and end dates to print on the bill.
- Support holdbacks or retainages and releases.
- Apply percentage or fixed-amount discounts.
- Maintain visibility to billed and unbilled amounts.
- Specify payment methods and payment terms to use at the contract and billing plan.
- Use internal contracts to support intra-organizational billing.
- Support multi-year options using configurable renewal schedules.
- Capture and process “cost plus fee” contracts commonly used for government contracts.

### **Robust Revenue Recognition**

Lower your administration costs with automated revenue recognition and reduce your risk of non-compliance by setting up revenue recognition as required, regardless of how and when you bill.

- Define revenue recognition differently for each contract product or service.
- Assign dates to recognize revenue.
- Analyze and adjust standalone sales prices for your products and services.
- Base revenue recognition on percentage complete, dates or as work is incurred in Project Costing.
- Designate milestones that must be met for revenue recognition to occur.
- Define a revenue recognition schedule with unlimited flexibility for dates or amounts.
- Preview revenue accounting entries prior to posting to General Ledger.
- Support recognition of contract asset and contract liabilities.
- Cancel or modify contract lines and line amounts retroactively or on a go forward basis.
- Define inter-organizational relationships for revenue recognition using centralized inter-unit accounting entry configuration.
- Split revenue across multiple products, services, departments, business units, and projects.

## Manage Customer Contracts in Fluid

The Manage Contracts feature in fluid provides contract billing and revenue professionals a comprehensive view of the contracts in their area of responsibility.

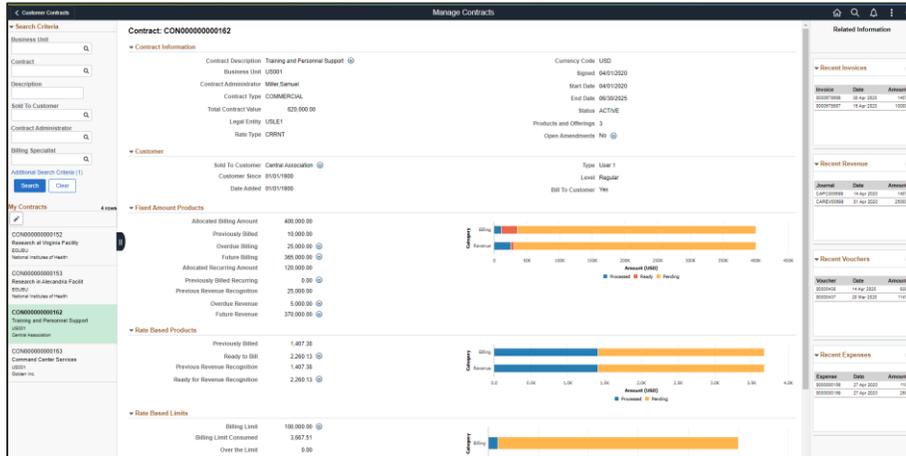


Image Caption 3. Manage Contracts in Fluid

- Summarized revenue and billing amounts grouped as previously processed, overdue or future help users prioritize their work in support of the monthly accounting close.
- Use related actions to process fixed amount and rate-based billing and revenue and prepaids without having to create a run control.
- Locate contracts requiring action using exception-based search.
- Access award profile and related actions for grants.
- View related voucher and employee expense report detail for costs incurred.
- View billing invoice and revenue recognition journal detail.

## Automation and Controls

Reduce data entry, improve accuracy, reduce costs, and ultimately lower your compliance risk with the following automations and controls:

- Using templates to create contracts, billing, and revenue plans.
- Detailed tracking of contract modifications.
- Programmatic adjustment to billing and revenue based on contract term changes.
- Using bundled product groups for products and services frequently sold together.
- Defining standard or custom rates for pricing labor and material transactions.

## The Value in Managing Customer Contracts in Fluid

The Manage Contracts feature provides users a new and modern fluid interface for interacting with their contracts. The top three value propositions in this feature include:

- Contextual, related actions to process current billing and revenue recognition
- Related information to view voucher and expense report detail
- Filtered list of contracts configurable to each user individually

- Automated updates to product pricing as changes occur over time.

## Exception Based Processing, Reconciliation, and Analytics

Employees can leverage a host of tools, technologies and frameworks focused on providing a highly configurable, simple, and actionable user experience coupled with productivity enhancers to drive tangible business results.

### Contracts WorkCenter

The Contracts WorkCenter delivers content specific to users directing their focus on the contract billing, revenue, budget, and setup exceptions they need to review. With in-context actions, users can easily discover an issue and resolve or research it from one location.

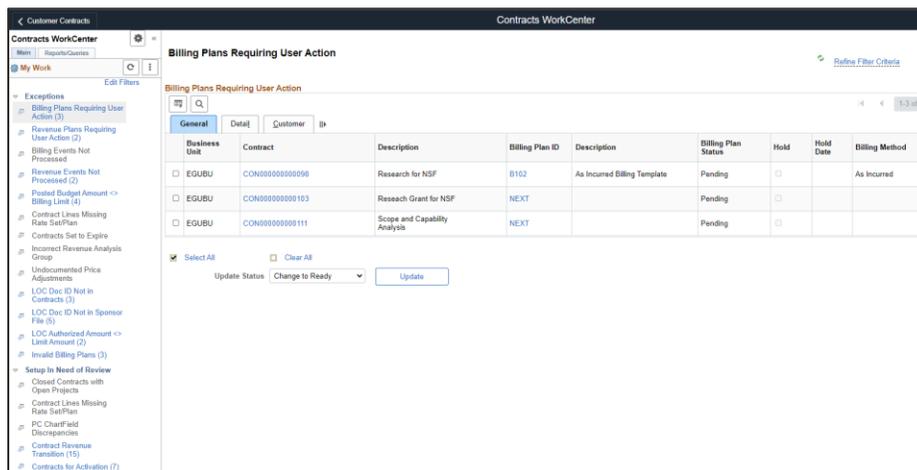


Image Caption 4. Configure the Contracts WorkCenter to fit each user's role and deliver quick access to rich data all from one location.

### Kibana Visualizations

A strong customer contract base is critical for the health and vitality of all organizations. Comparing lines of business and schools of research can be difficult for organizations with a large and diverse customer base. PeopleSoft Customer Contracts provides finance and contract officials tools to analyze their active contract base leveraging the power of Elasticsearch and Kibana visualizations.

### My Work Exceptions

The My Work section of the Contracts WorkCenter helps users identify contract and project setup anomalies.

- Billing and revenue plans requiring action
- Billing and revenue events needing to be processed
- Contracts set to expire and contracts ready to activate
- Funding exceptions by letter of credit document id
- Project budget and contract line limit discrepancies
- Invalid billing plan configurations
- Contract lines without rate plans

Maximize the time spent analyzing and fixing discrepancies and minimize time spent attempting to locate them.



Image Caption 5. The Active Contracts visualizations provide insight into the number, size, and duration of your active contract base.

All visualizations on the dashboard are connected. You can select any segment of any visualization to quickly filter the entire dashboard to a specific area of the organization.

## Extensive Integration

Tightly integrated with other PeopleSoft Financials applications, Contracts ensures costs incurred in Project Costing are billed and revenue recognized in accordance with the contract terms and limits. Contracts works with other applications to:

- Streamline the customer invoice process by sending transactions downstream for finalization, printing in Billing followed by integrations with Accounts Receivable and General Ledger.

## Contract Visualizations

Contract visualizations use pie charts, donut visualizations, bar charts and tag clouds to help contract administrators compare the relative size and duration of the active contract base across their organization.

- Number of active contracts by contract administrator, business unit, region and contract type
- Remaining billing and remaining revenue
- Contract duration including remaining days by business unit and region and the top 5 contracts with longest remaining duration
- Large recent contract wins

Kibana visualizations help identify lines of business, schools, and areas of research that are expanding or contracting.

## Related products

Contracts closely integrates with several applications in PeopleSoft Financials including:

- Project Costing
- Billing

- Ensure Project Costing uses up-to-date project percentage complete calculations as the basis for revenue recognition or billing.
  - Automatically control revenue recognition and billing based on Project Costing activity.
  - Analyze project profitability by using costs captured in Project Costing and revenue recognized in Contracts.
  - Generate billing for each contract based on configuration set up in Billing.
  - Streamline revenue recognition processing with General Ledger.
  - Create sales orders contracts via integration with Order Management.
  - Programmatically create a new contract as part of the award generation process in Grants.
- General Ledger
  - Grants
  - Order Management
  - Pay/Bill Management

## **Oracle's PeopleSoft Enterprise Service Automation Solutions**

Oracle's PeopleSoft Contracts is part of the PeopleSoft Enterprise Service Automation suite (ESA), an integrated family of contract and project management applications.



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