

# Billing and Revenue Management

Billing and Revenue Management is part of the Oracle Fusion Cloud Project Management solution and provides a sophisticated solution to comply with customer contract terms and conditions, invoice project clients promptly and streamline project revenue recognition. The solution delivers a highly flexible approach to project contract-based billing, segregating the planning and execution of project work with a comprehensive, integrated solution providing full control over client contract terms, rates, and limits, and when and how to recognize revenue and generate invoices.

## Bill Customers Faster and Recognize Revenue Sooner

Too often project managers find that the definition and execution of their project is constrained by inflexible billing systems that place rigid constraints on the allocation of project funding. By establishing the customer contract billing structure independently of project planning and execution, costs and revenue can be managed through the project while enforcing contractual compliance for billing purposes.

By associating any project or task to any contract or line, customer billing terms and conditions can be managed in the contract, giving the freedom to plan and execute project work independently using preferred project management processes, while still using project costs and progress as input into the billing process.

## Ensure Compliance for Project Contracts

Billing controls enforced by the contract ensure that billing is maximized but within the terms and conditions agreed with the customer. Contract templates simplify and accelerate the creation of customer contracts. Contract administrators can establish hard and soft limits at contract and contract line levels to control what and how much is billed to a customer, and contract limits and consumption status are highlighted for the project billing specialists and accountants as customer invoices are created and revenue is generated. Revenue can be recognized, or invoices created regardless of whether or not project costs have been accounted.

Any part of an active customer contract can be amended with a date when the changes become effective, either in the future or retroactively. If a contract amendment is effective on a retroactive basis and affects prior transactions, for example with a billing rate change, transactions are automatically adjusted to reflect the new contract terms.



Oracle Fusion Cloud Project Management is a single, intelligent, enterprise solution that works with finance, HR and operations to improve project delivery and profitability.

## Key Features

- Integrated across the enterprise with Financials and Contracts
- Flexible project-contract relationships
- Bill by contract independent of project execution
- Effective dating of contract amendments
- Bill for capital projects
- Bill in a currency other than the contract or transaction currency
- Streamlined planning to billing by project role
- Reporting on unbilled amounts, also known as work in progress (WIP)
- Pro Forma invoices
- Estimate tax on invoices
- Recognize revenue or create invoices independent of project cost accounting
- Advanced billing and revenue calculation and methods
- Insight into revenue and trends by contract and project
- Real-time self-service reporting on project billing, contract, and revenue information
- Embedded transactional intelligence guides business users' decisions

## Streamline Project Contract Revenue Recognition

Revenue recognition compliance is critical to project-centric businesses, and project contract revenue can be recognized as needed in line with financial accounting regulations, independently of how customers are billed. Project contract revenue is generated automatically for the scope of work according to the contract terms, whether it's external, inter-project or intercompany revenue.

Real-time business intelligence enables graphical comparison of planned and actual revenue by contract and by project, as well as analysis of revenue trends, allowing project accountants to quickly drill down to the transactions to investigate any discrepancies. At any point in the billing and revenue processes, key information about related contracts and projects are available with a single click, without having to navigate away from the page.

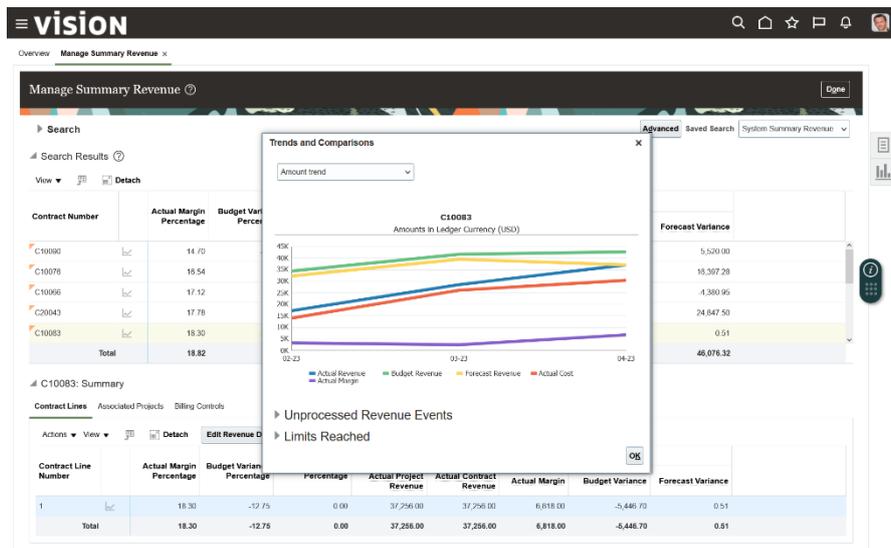


Figure 1. Revenue Work Area with Analysis and Trending by Contract and Project

## Improve Cash Flow with Rapid and Accurate Project Billing

An exception-based invoice work area gives project billing specialists a single place to go to create, view, adjust, finalize, and submit invoices for approval. Project costs eligible for billing are presented for processing, and any exceptions are highlighted in real-time.

Contractual milestones can be billed, independently of any project associations, through event-based billing for contracts. Customers can be billed on an item basis, where the item, unit of measure and unit price come from the contract line associated with the billing event. Net invoicing is supported for customers who prefer a single summarized invoice rather than receiving multiple credit memos or invoices. Both capital and contract project costs can be included on the same project so charges from both capital costs and contract project costs can be invoiced.

A common practice in the professional services industry is project role-based billing, so project managers can plan by project role during the early planning phase of a project, in line with the negotiation of client contracts using project role rates. With the ability to plan, budget, forecast and bill by project role, high-level role-based estimation can be performed, and customers can be billed per the negotiated project role rates.

## Key Business Benefits

- Reduce days sales outstanding (DSO)
- Lower invoice processing costs and release invoices more quickly
- Enforce and automate project contract compliance
- Reduce amount of billable project expenses that go unbilled
- Reduce administrative burden for project accountants and billing specialists
- Lower invoice error rate
- Decrease time spent to close the books each period
- Reduce total number of invoices printed and mailed
- Lower integration costs
- Decrease annual cost of AR dispute resolution

The creation of bill transactions enables reporting on unbilled amounts, also known as work in progress (WIP). Bill transactions arise from the delivery of projects, products, or services to a customer against an agreed schedule, and represent the value of the effort expended, progress made, services rendered, or goods delivered against the binding client agreement. Since unbilled amounts are calculated as soon as new costs are imported or existing costs are adjusted, the project team have timely and complete information to make quicker and smarter decisions.

Before the final invoice is transferred to Receivables, the formatted invoice including tax calculations, as the customer will see it, can be viewed and approved by the project manager, along with any invoice attachments which may have been shared by the billing specialist in the approval notification. Providing customers with accurate and meaningful invoices based on their requirements, with charge details for clarification results in faster payment and improves cash flow.

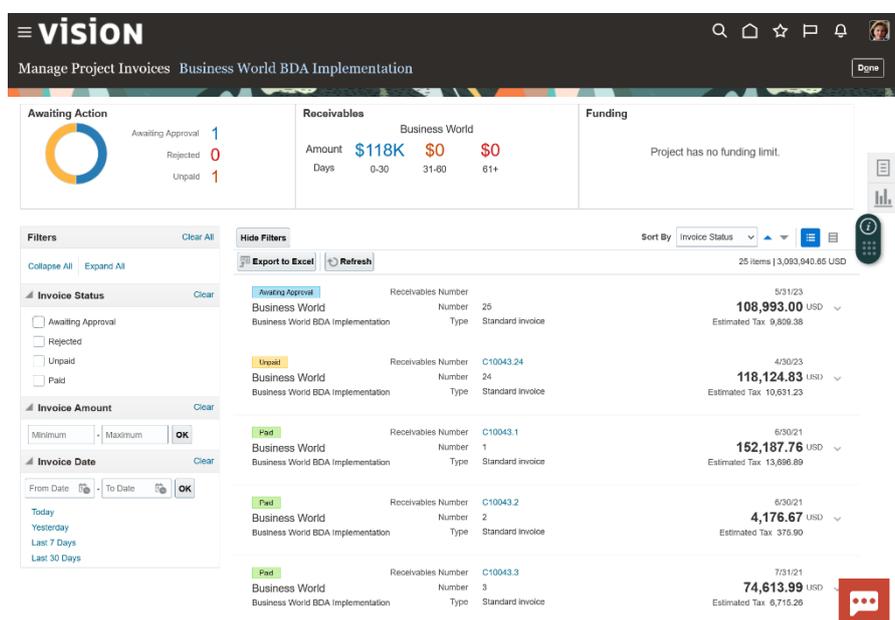


Figure 2. Manage Project Invoices

### Advanced Billing and Revenue Calculation and Methods

Billing and Revenue Management delivers a project process configurator which enables the definition of business-specific calculations that create billing events to recognize advanced fixed price revenue, record cost accrual, calculate progress and fees, and other requirements.

For example, accounting standards require you to accrue the full estimated loss on fixed price contracts in the current accounting period that the estimated loss is calculated. To achieve the automatic loss accrual, you can configure rules to create revenue-applicable billing events that can be accounted as loss accruals.

With advanced billing and revenue calculation and methods you can accurately report corporate level profitability, while ensuring you don't overstate project contract revenue in the project subledger. Customers are billed correctly, and overall processing time is reduced so invoices are generated sooner.

### Solution

Oracle Project Management is comprised of the following modules:

- Planning, Scheduling and Forecasting
- Cost Management and Control
- Billing and Revenue Management
- Project Asset Management
- Grant Management
- Resource Management
- Resource Management Self-Service
- Task Management Self-Service

### Related Products

- Financial Management
- Enterprise Contracts

## Integrated with Financials and Enterprise Contracts

Billing and Revenue Management is fully integrated with both Oracle Financials and Enterprise Contracts to ensure rapid and accurate billing and revenue management, and effective compliance through a centralized enterprise contract model. The modern user experience offers rich editing and collaboration capabilities, facilitating transparency through the negotiation process with a single source of truth for internal and external stakeholders.

Integration with Subledger Accounting provides a world-class accounting engine that allows organizations to establish their own accounting rules and procedures as well as support multiple accounting representations and currency treatments.

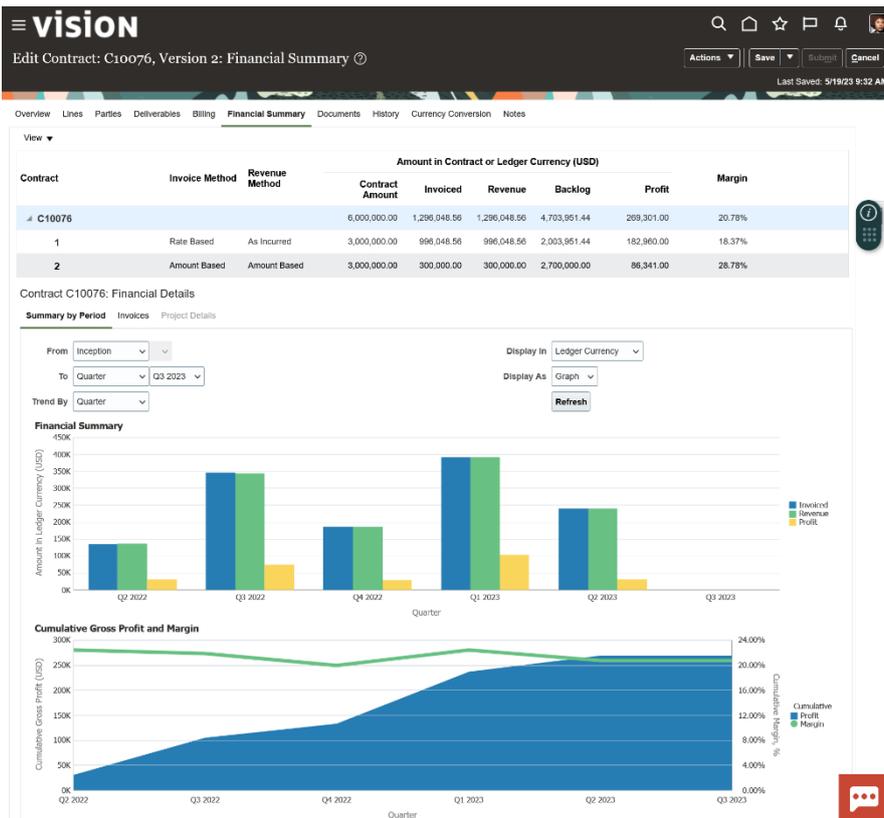


Figure 3. Establish the contract billing structure independently of project planning and execution

## Complete, Modern Enterprise Project Portfolio Management

Billing and Revenue Management is part of the Oracle Project Management solution which helps organizations refine their project management processes to increase customer satisfaction, expedite delivery, and communicate increased project value. The focus is transitioned from project work status and completion to more efficient execution and better project outcomes.

Project enterprises benefit from innovative project delivery and unparalleled project financial management solutions. Delivery time-to-value is improved, productivity and profitability are increased, while compliance with contractual obligations and financial accounting regulations is ensured. And with conversational, AI-enabled projects, team members are freed up from tactical project activities and better engaged with modern, easy-to-use experiences and solutions.

## Eliminate Integration Costs, Expedite Delivery, Close the Books Faster

The Oracle Fusion Cloud Application Suite works seamlessly together to deliver an end-to-end global project management business process, for comprehensive project cost management and accounting, project contract billing and revenue management, project and resource management, and program management. Oracle Project Management helps you reduce processing time, eliminate integration costs, deliver projects sooner and close the books faster.

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