

# GRANTS ACCOUNTING MANUAL

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**Attachment A: Listing of *Grant/Customer Contracts* – BU/Agency Prefixes  
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**Attachment B: Listing of *Project Costing* – Business Units/Agency Prefixes  
By Number Order**

**Attachment C: Customer Entry Form**

## Part 2 – Essential Elements of Grants Setup and Processing

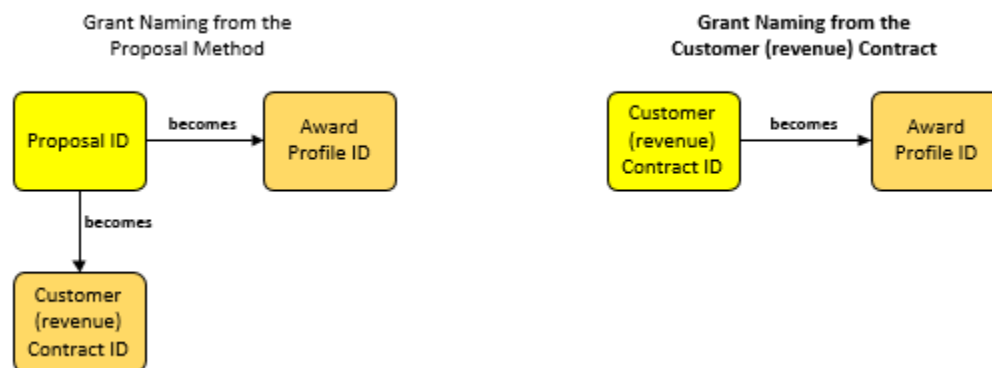
This Section introduces the components and concepts surrounding grants setup and transactional processing as well as explains the part they play in certain system driven processes. The various components of a Customer (revenue) Contract play a part in pricing, revenue recognition, billing, and tracking of accounts receivable when transactions are processed for a Grant.

### Section 2.1 – Naming Conventions

Consistent and uniform naming of Customer (Revenue) Contracts, Award Profiles, Proposals, and Project IDs can be very useful with research, commitment control, and query generation. As part of their business practice, each agency should develop standards for naming that meet their individual needs while conforming to the general guidelines provided below.

#### Section 2.1.1 - Grant Naming

The method used to create a grant dictates where the Grant Award name is initially established in Edison and where it ultimately flows. When the Proposal method is used to create a grant, the Grant Proposal ID is entered, and this unique identifier becomes the Customer (revenue) Contract ID and Grant Award Profile ID when the proposal is submitted and generated. When the Customer (revenue) Contract module is used to create a grant without creating a Proposal, the Customer (revenue) Contract ID is entered and becomes the Grant Award Profile ID.



Whether naming is established by entering a Grant Proposal or through the Customer (revenue) Contract module (Bluebird method), the following are best practices for naming a grant:

- The grant name is determined at the business unit/agency level and entered in a free form field.
- The name should be no more than fifteen alpha/numeric characters even though the field will allow more to be entered.
- Neither special characters nor commas should be used in a grant name.
- For recurring grants received every year, uniform naming should be used (e.g. AMERICORPSFY16 for the 2016 award and AMERICORPSFY17 for the 2017 award).
- Customer (revenue) Contract/Award Profile ID's must be unique in Edison. Duplicates are not allowed.
- The Customer (revenue) Contract/Award Profile ID's cannot be changed once entered.
- A short and long description can be entered for the Proposal ID. The short description becomes the title of the Customer (revenue) Contract and is designed to provide additional details related to the grant.

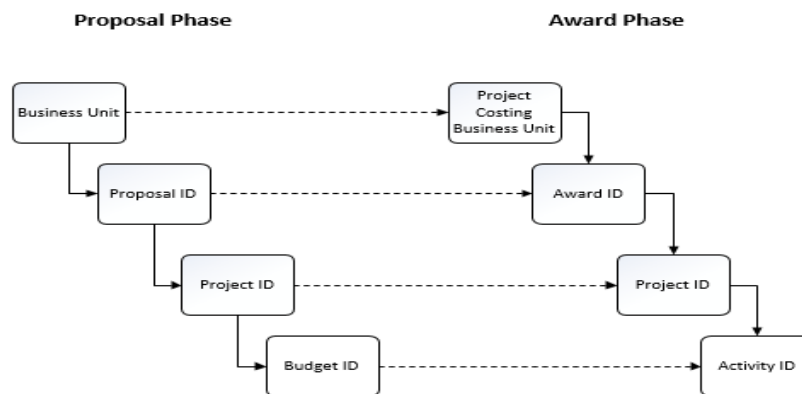
## Section 2.1.2 - Project ID Naming

Project ID's are used within the Project Costing module to report, track, or control transactions for a particular grant. The following are best practices when naming Project ID's:

- The Project ID field allows fifteen characters, and it is recommended that all fifteen characters be used.
- The first two alpha characters identify the Business Unit and have been preassigned by the Edison team. Exceptions exist. A listing of existing unique identifiers is included as Part 2, Attachment A and Attachment B.
- The next eleven (11) characters can be alpha or numeric but must not contain special characters (e.g. %, &). These eleven characters are used to assist the agency with relating the Project to the Customer (revenue) Contract.
- The last two (2) characters should be numeric and normally represent the state fiscal year in which the award was received. Some agencies who receive multiple federal grants in one state year use the last two characters to represent the federal fiscal year.
- When multiple projects are needed for one Customer (revenue) Contract, all projects should begin with the same 3rd and 4th alpha/numeric characters. Having a consistent naming convention is beneficial when running queries or retrieving information from Commitment Control. (e.g. entering HSCS%17 in a query prompt would return all Human Services Child Support and all projects for state FY17).
- Project ID's must be unique in Edison. Duplicates are not allowed.

## Section 2.2 - Elements of Setup of the Customer (revenue) Contract

A Customer (revenue) Contract can be created through the Proposal method (either originally entered or copied) or the Bluebird method. The most common method used is the Proposal method. The diagram below illustrates the translation of information entered through the Proposal method once the award is generated.



When the Proposal method is used, the Grant Award ID, Customer (revenue) Contract, Project ID, Activity and the Project budget are all created when the proposal is submitted and generated.

The Bluebird method is a manual process for creating a Customer (revenue) Contract. When the Bluebird method is used, the Customer (revenue) Contract is created without creating a Proposal. In this case, the Project ID must exist before the Customer (revenue) Contract or Award Profile ID is created.

Before discussing the creation of a Customer (revenue) Contract, there are certain components and concepts that must first be understood.

### Section 2.2.1 - GL Business Units versus PC Business Units

A Business Unit is designated for general ledger (GL) and project costing (PC) purposes. Generally, the PC business unit will be the same as the GL business unit. When searching in Edison for a Customer (revenue) Contract or Award Profile, the general ledger business unit should be used.

### Section 2.2.2 Sponsor/Customer

Each Customer (revenue) Contract must have a Sponsor/Customer. A Sponsor/Customer is an external entity or source that funds programs, research, or other projects. This entity could be a federal government agency, local government, individual, or organization. Additional details on Sponsor/Customer types and setup can be found in the Edison Customers Manual.

There are two ways to find existing Sponsors/Customers:

- Navigate to FSCM> Customers> Customer Information> General Information.
- Run TN\_AR05\_CUST\_LOOKUP\_BY\_ID query.

If a new customer is needed, the Customer Entry Form included as Part 2, Attachment C should be completed and submitted to the Grants Accounting Group in the Division of Accounts.

As part of the Sponsor/Customer setup, the Customer Type is designated. The list of Sponsor/Customer types includes the following:

Grant Related Customer Type	Designation	Description of Customer
0	Federal	Federal Awarding Agency
2	State (Non-TN)	Other State - not Federal funds
3	Local Government	Local Government funds
6	TN Agency	TN State Agency
8	Tax Exempt Organization	Non-profit Organization
9	TN Component Unit	TN Component Unit
A	Other	Other Grantor

Both the Sponsor/Customer and Customer Type can affect the billing and accounts receivable processing in Edison. The Customer Type also directly effects Schedule of Expenditures of Federal Awards (SEFA) and Supplemental Information Schedule (SIS) reporting.

### Section 2.2.3 – Attributes Types

Attribute Types are the identifying information used in SEFA reporting. Attribute Types are assigned in the Award Profile section of the Grant section of Edison.

The list of Attribute Types includes the following:

Attribute	Attribute Description	Attribute Meaning
ARRA	ARRA Funded	Denotes Federal Funding is part of the American Recovery and Reinvestment Act
C	Cash	Denotes Federal Funding is "cash"
F	Federal Government	Denotes Federal Funding
N	Other than Cash	Denotes Federal Funding is not "cash" (Surplus Property would use this)
R	Research	Denotes Research Funding
T	Pass Through	Denotes Federal funding passing through to a secondary agency

## Section 2.2.4 – Project Type

The Project ID may be assigned a Project Type. The Project Type is limited to five characters and can be alpha and/or numeric and is an optional field.

- The Project Type is most commonly used for informational and reporting needs.
- The Project Type can play a part in prompting billing if the utilized Project Type is configured to do so by the Edison Financials Project team.

The most commonly used Project Type is "Grant." Others exist but are business unit specific.

If additional Project Types are needed or there are questions on which Project Type to use, the Division of Accounts Grant Accounting group should be contacted.

## Section 2.2.5 – Project Status

The Project ID on the Customer (revenue) Contract must be in an "O" or open status for transactions to process under that ID. When a Project ID is created through the Proposal method, the Project ID will default with an open status, but when a Project ID is created using the Bluebird method, the Project Status must manually be changed from "Pending" to "Open."

The listing of Project Statuses as well as an explanation and the processing functionality of each is below:

Project Status	Processing Status	Explanation of Status	Processing Functionality of the Status
P	Pending	Default when a project is manually created	Can't be used in a Customer (revenue) Contract Can't incur pre-encumbrances, encumbrances, or expenditures
O	Open	Project is created and available for transactional processing	Can incur pre-encumbrances, encumbrances, or expenditures Can be associated to a Customer (revenue) Contract Can have associated revenue Can have an associated budget
H	Hold	Various situations	Can't incur expenditures Can be moved back to Open
C	Closed/Final	Project is closed	Can't incur expenditures (will fail budget checking) Can be moved back to Open
T	Closed to Procurement	No new purchasing should occur but allow for GL transactions	Can't be used with requisitions or purchase orders Can have general ledger entries
X	Cancelled/Withdrawn	Project was created in error	Can't incur expenditures (will fail budget checking)

## Section 2.2.6 – Project Start/Begin and End Dates

Project Start and End Dates are entered when a Project ID is created either through the Proposal method or Customer (revenue) Contract (Bluebird method). These dates play a major role in certain system controls. Transactional activity cannot be assigned to a Project ID before the “Start and/or Begin” date. Likewise, transactional activity cannot be assigned to a Project ID after the “End” date. The values entered for the project Start and End dates should coincide with the dates provided in the Grant award. Both the Start and End dates can only be changed by the Edison General Ledger/Commitment Control team.

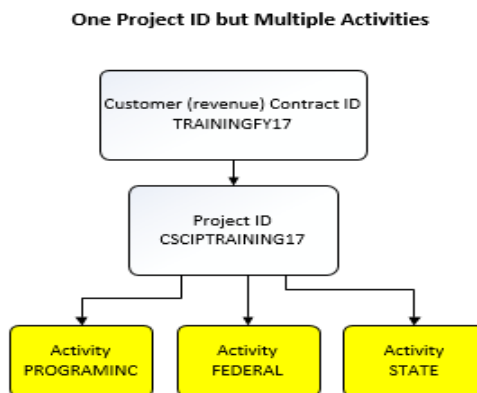
## Section 2.2.7 – Project Activity

The Activity chartfield is used to designate the source of funding for each Project ID. The list of most commonly used “Standard” Activities includes the following:

Common Standard Activities	Functionality/Normal Use of Standard Activity
DEFAULT	Used as default and requires reallocation to one or more other Activities
FEDERAL	Used for funds received from the Federal Government
FOUNDATION	Used for funds received from a Foundation or 501 C-3 Non-Profit organization
INKIND	Used for non-cash support received
LOCALGOV	Used for a grant received from a city, county, and/or municipality
LOTTERY	Used for lottery draws
NONGOV	Used for funding received from nongovernmental sources
PROGRAMINC	Used for program income
SETTLEMENT	Used to track and control the use of legal settlements
STATE	Used for state allotment dollars designated by the state legislature
INTERFED	Used by the secondary (pass-through) agency (sub-grantee) when Federal dollars are passed through from another state agency
INTERMATCH	Used by the secondary (pass-through) agency (sub-grantee) when State allotment dollars are passed through from another state agency

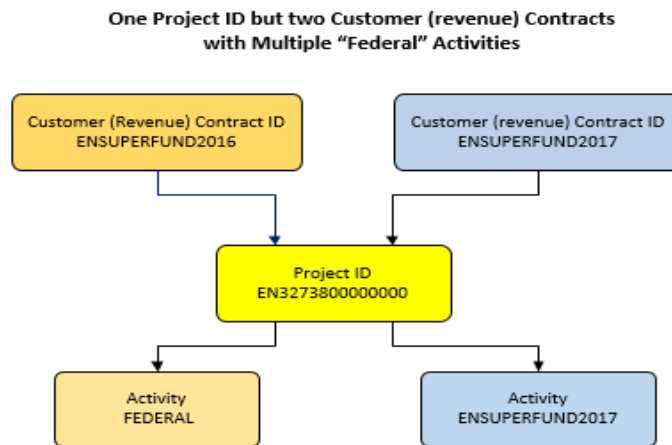
As mentioned in the Grant Accounting Manual Part 1: Introduction and Overview, multiple Activities can be assigned to a single Project ID, but the Project ID cannot have more than one of the same standard Activity. In other words, two standard FEDERAL activities cannot be set up for the same Project ID.

The most common structure for a grant is when one Customer (revenue) Contract has a single Project ID, and all Standard Activities. This scenario is illustrated below:



Some funding scenarios for grants require a more complex structure within Edison which has created the need for “Non-Standard” (ad hoc) Activities to designate the funding source. The “Non-Standard” Activity can be alpha or numeric and is limited to fifteen characters. The examples below will illustrate such scenarios as well as specify the setup method of each.

Example: Project ID EN327380000000 has two federal funding sources. Since Project ID EN32703800000000 has two Federal funding components, a Non-Standard Activity must be used. In order to setup this scenario, ENSUPERFUND2016 should be created using the Proposal method with the Standard FEDERAL activity, and ENSUPERFUND2017 should be created through the Bluebird method because it must use a Non-Standard Activity. This is because a Project ID can only be created once through the Proposal method and also a Non-Standard Activity can only be created through the Bluebird method.



### Section 2.2.8 – Project Activity Status

The processing status of the Project Activity must be “Active” in order for transactions to occur. When the Customer (revenue) Contract is created through the Proposal method, the processing status of the Activity is automatically set as “Active” when the Project ID and Activity are created. When the Customer (revenue) Contract is created through the Bluebird method, the processing status of the Activity is made “Active” when the Project ID to which the Activity is associated is made an “Open” Project. The Project Activity status can be found on the General Information page of the Activity by navigating to FSCM> Grants> Awards> Project Activity.

### Section 2.2.9 – Project Activity Type

The Activity Type is a required field when setting up an Activity. The Activity Type plays a part in prompting billing when used with a “Non-Standard” Activity. The Activity Type also plays a major role in the generation of the query results that are used for SEFA reporting.

The most commonly used Activity Types, their descriptions, and combinations with Activity(s) are as follows:

Activity Type	Activity Type Description	Commonly Used with Activity(s)
ARRA	ARRA Funded	FEDERAL
FED	Federal Funding Source	FEDERAL
OTHER	Non Fed, TN State or Local Gov	FOUNDATION or NONGOV
PTFED	Pass-Through Federal Funding	INTERFED
STATE	TN State Funded	STATE or INTERMATCH

## Section 2.2.10 - Project Budget Items and Budgets

An amount and at least one Budget Item must be assigned to a Project budget before the budget lines can be created through the Proposal method. All budget expenditure accounts are five digits in length. When a Budget Item is selected, the budget account (5 digit number), fund, location CF, and the five (5) digit budgetary department ID default into the budget. These values can be manually changed before the Project budget is finalized.

Budget Accounts and Budget Items include:

Budget Item Description	Corresponding Budget Account	Budget Item Description	Corresponding Budget Account
Labor_Salary	70100	Unclassified	71400
Fringe	70200	Inventory	71500
Travel	70300	Equipment	71600
Printing	70400	Land	71700
Utilities	70500	Building	71800
Communication	70600	Discounts_Lost	71900
Maint_Repair	70700	Constr_NON_BLDG	72000
Prof_SRVC_3RD_P	70800	Training	72100
Supplies	70900	Data Processing	72200
Rent_N_Insur	71000	Prof_SRVC_STATE	72500
Vehicle	71100	Debit Interest	73700
Award_Indemn	71200	F&A Costs	89040
Grants	71300	INKIND Costs	89030

After finalizing the budget, it is important to review and ensure that all necessary Budget Items have been created. Budget Items control the expenditures that can be charged to a specific Project. For example, if an expenditure transaction assigned to an eight (8) digit account is charged to a Project but the Budget Item for that account does not exist, the transaction will fail budget checking in Commitment Control with the error message “no budget exists”. Additional Budget Items can be added to a Project Budget after it has been finalized.

It is important to understand how the Budget amount and the Budget Items work together to control spending on a Project. The amount assigned to a single Budget Item does not control spending on that particular Budget Item. The cumulative amount of all Budget Items controls the spending for the overall Project.

## Section 2.2.11 – Cost Sharing vs. Sponsor Direct

The Budget Items for each Project and Activity combination must be designated as either “Cost Sharing” or



“Sponsor Direct”. “Sponsor Direct” should be selected when the Project and Activity will be funded by an outside party and amounts need to be billed and drawn. When “Sponsor Direct” is selected, the Budget Item amount related to that Project and Activity will add to the overall billing limit for the Customer (revenue) Contract. “Cost Sharing” should be selected when the Project and Activity will be funded through a non-billable source. When “Cost Sharing” is selected, the Budget Item amount related to the Project and Activity will NOT add to the overall billing limit for the Customer (revenue) Contract. A review of Standard Activities and the “Cost Sharing” vs “Sponsor Direct” combinations are as follows:

Standard Activity	Cost Sharing vs Sponsor Direct	Will the amount on Related Budget Items add to the Customer (revenue) Contract's Billing Limit?
DEFAULT	Cost-Sharing	NO
INKIND	Cost-Sharing	NO
PROGRAMINC	Cost-Sharing	NO
STATE	Cost-Sharing	NO
FEDERAL	Sponsor Direct	YES
FOUNDATION	Sponsor Direct	YES
INTERFED	Sponsor Direct	YES
INTERMATCH	Sponsor Direct	YES
LOCALGOV	Sponsor Direct	YES
LOTTERY	Sponsor Direct	YES
NONGOV	Sponsor Direct	YES
PTDISASTER	Sponsor Direct	YES
SETTLEMENT	Sponsor Direct	YES

If a Non-Standard Activity should add to the overall Customer (revenue) Contract's billing limit, the Budget Items related to that Activity should be marked as “Sponsor Direct”.

### Section 2.2.12 – Optional Fields for Project Costing

There are three optional chartfields that can be used for reporting and informational needs: Source Type, Category, and Subcategory. Utilization of these chartfields is unique for each business unit/agency. Each of these chartfields can have five (5) alpha or numeric characters and a fifteen character description field.

Following is an example of a Source Type and the related Category and Subcategory:

Source Type	Source Description	Category	Category Description	Subcategory	Subcategory Description
10010	SRM 1001 EXP	13104	Water Services	G7910	Purchased Water Service
		13105	Waste Water Services	G7920	Sewer/Waster Costs
		13106	Electric Services	G7930	Purchased Electric Energy
		13107	Gas Services	G7942	Purchased Natural Gas

A hierarchical relationship can exist between Source Type and Category and between Category and Subcategory. For example, Source Type “10010” has only four Categories that could be selected. If Category “13104” – Water Services is selected only Subcategory “G7910” could be selected as the Subcategory.

The Source Type, Category, and Subcategory fields can also be used independently. A Source Type can be used without a Category or Subcategory; however, a Category and/or Subcategory

cannot be used without the Source Type.

For assistance with creating new or additional Source Types, Categories, or Subcategories, contact the Division of Accounts Grant Accounting group.

### Section 2.2.13 - Contract Status and Processing Status

There are different Contract or Lifecycle Statuses for a Customer (revenue) Contract. With each Contract Status, there is also a Processing Status which affects what can occur for the Customer (revenue) Contract and its associated transactions.

The Contract Status and the related Processing Status options differ if the Customer (revenue) Contract is created from the Proposal vs the Customer (revenue) Contract (Bluebird).

For a Customer (revenue) Contract created through the Proposal method or the Customer (revenue) Contract method, processing status and processing functionality of each status include:

Customer (revenue) Contract Lifecycle Status and Processing Status when Created			
Contract Status	Processing Status	Explanation of Status	Processing functionality of the Status
Pending	Pending	Normal or default status when created through the Proposal method	Can't process billing
			Won't recognize revenue
			Project ID, Activity, Budget have not been created
			Award Profile has not been created
			Can't incur expenditure transactions
In Negotiation	Pending	Normal or default status when created through the Bluebird method	Can't process billing
			Won't recognize revenue
			Project ID, Activity, Budget could have been created
			Award Profile has not been created
			CFDA number not associated to Grant/Customer (revenue) Contract
			FEIN number not associated to Grant/Customer (revenue) Contract
			Transactions would have to be re-priced when Customer Contract made active
Proposed	Pending	Status available when created through the Bluebird method	Can't process billing
			Won't recognize revenue
			Project ID, Activity, Budget could have been created
			Award Profile has not been created
			CFDA number not associated to Grant
			FEIN number not associated to Grant
			Transactions would have to be re-priced when Customer Contract made active
Active	Active	Status when Customer (revenue) Contract is ready and can be used for transactions	Can process billing
			Will recognize revenue
			Can have amendments made to Customer (revenue) Contract
			Can generate Invoice Items/Accounts Receivable
			Can have prepaids associated to the Customer (revenue) Contract
Cancelled - Superceded - Terminated	Closed	Status when Customer (revenue) Contract is permanently closed (Not Recommended)	Can't be made Active
			Associated BIL or BLD transaction can't be reversed
			Associated Open Invoice Items can't be closed
			Associated Prepaids can't be reduced or removed
			No new expenditure transaction can be associated to the Contract

As a general rule, a Customer (revenue) Contract should not be “Cancelled, Superseded, or Terminated” and put in a “Closed” Processing status. If the processing status is “CLOSED,” the contract status **can’t** be made active. Any associated activity generated after the Contract’s processing status has been made closed will be suspended in the system.

## Section 2.2.14 - Billing Plans and Processing Status

The Billing Plan is the designation that specifies how billing and revenue recognition is processed for a Customer (revenue) Contract. There are two types of Billing Plans used:

- 1) As-Incurred Billing Plan – billing and revenue recognition occurs as expenses are incurred. Transactions are priced using the Billing Plan and Rate Set for the Customer (revenue) Contract.
- 2) Amount Based (Immediate) Billing Plan – allows user to define when to bill and recognize revenue manually. This method is used when money is received in advance.

Characteristics of the Billing Plan Status, processing status, and processing functionality include:

Customer (revenue) Contract Billing Plan Status and Processing Functionality			
Billing Plan Status	Processing Status	Explanation of Status	Processing functionality of the Status
Pending	Pending	Default status on As-Incurred billing plan when created through the proposal or bluebird method	Can have expenditure transactions Billing can't process
Proposed	Pending	Status of As-Incurred billing plan before any billing transactions have occurred	Customer (revenue) Contract is not active Billing can't process
Ready	Ready	Status of As-Incurred billing plan when Customer (revenue) Contract is Active and available for use	Customer (revenue) Contract is active No billing transactions have occurred
In Progress	In Progress	Status of As-Incurred billing plans when billing activity has started	Billing has occurred from source expenditure transactions BIL transactions exist Revenue is in the process of being recognized Invoices are being generated
Cancelled	Closed	Status of As-Incurred billing plans when permanently cancelled (Not Recommended)	Cancelled bill plans CANNOT be used Billing plans can only be cancelled if billing plan nets to a zero dollar value
Completed	Closed	Status of Prepaid (fixed-amount) billing when Immediate Billing Plan events are complete Status of As-Incurred when manually changed	The system has no way of evaluating when a plan has no amount left to bill No expenditure transactions can be processed against the related Customer Contract unless one has added a new billing plan to the Customer (revenue) Contract with a Contract amendment An additional billing plan can be added when a billing plan has been marked "completed"
Hold	Hold	Status of As-Incurred billing plan to temporarily inactive	Billing plan have to be Ready or In Progress before being placed on Hold No billing is allowed to process No revenue will process Can be manually removed and additional billing can process on the Customer (revenue) Contract
Reversal In Progress	In Progress	Status of a Prepaid (fixed amount) billing plan when adjustments are needed	Allows for complete or partial balances on prepaids to move between Customer (revenue) Contracts
Reversed	Completed	Status of a Prepaid (fixed amount) billing plan when prepaid has been reversed	Allows for complete or partial balances on prepaids to move between Customer (revenue) Contracts Reversing Immediate prepaid temporary billing has to be approved New prepaid has to be created to offset the reversed immediate billed invoice

When money is received in advance and a “Prepaid” has been established for a Customer (revenue) Contract, a combination of the Amount Based Billing Plan and the As-Incurred Billing Plan is used. In this scenario, the Amount Based Billing Plan is used to record the receipt of the funds. This establishes the liability account used to account for the receipt of funds and is utilized as part of the billing plan process. The As-Incurred Billing Plan is used when grant expenditures are incurred. The As-Incurred Billing Plan produces a “zero dollars” invoice and starts the revenue recognition process to “utilize” (reduce) the prepaid liability values in the general ledger.

## Section 2.3 – Elements of Processing Related to the Customer (revenue) Contract

As transactions are processed under the Customer (revenue) Contract, system driven processes will price transactions, recognize revenue, and produce billings based on the set-up of the Customer (revenue) Contract as well as the Projects and Activities. This Section introduces certain elements of transactional processing and describes their interaction with Customer (revenue) Contract.

### Section 2.3.1 – Analysis Types

An “Analysis Type” is assigned to a transaction as it is being processed for a grant. With the exception of General Ledger journals and Project Budget creation, when a Project and Activity are entered for a transaction the Analysis Type will be system-assigned. The Analysis Type for General Ledger journals and Project Budget creation must be manually assigned. The Analysis Type is a key chartfield used in the background processes that result in billing and revenue recognition so an understanding of this chartfield is essential.

Analysis Types related to Projects and what happens when used		
Source Journal	Used with AP/Travel Expenditures	What happens when used
AP	ACT*	When used with a Project ID and billable activity (ie. FEDERAL, NONGOV) when priced will produce a BIL and recognize revenue
AP	CAC	When used with a Project ID and a non-billable activity (STATE) will not produce a BIL or recognize revenue
Source Journal	Comes from General Ledger	What happens when used
AG/EX/JV/MU/FM/PM	GLE*	When used with a Project ID and billable activity (ie. FEDERAL, NONGOV) when priced will produce a BIL and recognize revenue
AG/EX/JV/MU/FM/PM	CGE	When used with a Project ID and non-billable activity (STATE) will not produce a BIL or recognize revenue
JV	SJE	When used with a Project ID and a Statistical Rate Set will produce a BIL and recognize revenue
AG/EX/JV/AR/CN	GLR	When used with accounts 68012000 (Refund of Prior Year Federal Expenditure) or 68080005 (Current Services Program Income) with a Project ID and FEDERAL or PROGRAMINC Activity will produce a BIL and reduce revenue; not used with IU Journals; when used on CN journals shows revenue recognized
IU	IUR	When used with a Project ID and INTERFED, INTERMATCH, INTERLOTRY, INTERFOUND, & INTERLOCAL Activity recognizes revenue on an IU journal (Interdepartmental (pass-through) revenue)
JV/GM	SFA	When used with the automated or manually entered indirect cost will produce a BIL and recognize revenue; this is the offset of OFA (Account 89040000 only)
JV/GM	OFA	When used with the automated or manually entered indirect cost will not produce a BIL or recognize revenue; this is the offset to SFA (Account 89035000 only)
LA	YAE	When used to record Year-end Accrued Expenditures will not produce a BIL or recognize revenue; helps to accommodate SEFA reporting
RA	YAR	When used to record Year-end Accrued Revenue will not produce a BIL or recognize revenue

Source Journal	Used with Payroll Expenditures	What happens when used
PY	SPY*	When used with a Project ID and billable activity (ie. FEDERAL, NONGOV) when priced will produce a BIL (Summarized Payroll) for all agencies except 40100
PY	PAY	Normally does not bill or recognize revenue (Detailed Payroll by Employee) except for 40100
PY	DPY	Payroll details by earnings and hours by employee and day - no taxes or benefits; this does not bill or produce revenue
PY	CSP	Cost Shared Payroll summarized by distinct chartfields; no employee ID; when used with a Project ID and STATE activity does not produce a BIL or revenue
PY	CPY	Cost Shared Payroll details by employee - summarized by pay period; can be used to associate by Employee ID to the HCM side in queries; when used with a Project ID and STATE activity does not produce a BIL or revenue
PY	CDP	Cost Shared Payroll details by earnings and hours by employee and day - no taxes or benefits

Source Journal	Budget Related	What happens when used
KK	BUD	Budget transaction for a Project (normally associated to a FEDERAL/NONGOV/FOUNDATION/INTERFED/INTERMATCH Activity)
KK	CBU	Cost Share Budget (normally is associated to a STATE activity)

Source Journal	Billing Related	What happens when used
BI	BIL	Created when an expenditure is "priced" by the system when the Project and Activity are associated to a Customer Contract/Grant and will recognize associated revenue.
BI	BLD	Created from a BIL transaction when the Temp bill is approved and an Billing invoice Item has been created.
PR	OLT	Created when a BIL is trying to be priced, but the transactions exceed the Customer (revenue) Contract/Grant's billing limit. No revenue is recognized on an OLT transaction in projects
CN	UTL	Created when an expenditure has been applied to a prepaid/prepayment.
PR	DEF	Occurs when a billing transaction has been deferred on the line level until a specified date

\*ACT, GLE, SPY Exception to the Rule – when used with a pass-through/subrecipient Customer (revenue) Contract using the Rate Set of 68090 and INTERFED and INTERMATCH Activity(s), these Analysis Types will produce an invoice item but no accounts receivable. Revenue will not be automatically recognized by the system; rather, the pass-through revenue is recognized with an IU journal using an IUR Analysis Type.

## Section 2.3.2 – Rate Sets

The Rate Set is configured to auto-generate transaction rows for costing, billing, and recognizing revenue when transactions are processed under a Customer (revenue) Contract. Rates Sets have two parts:

- Source criteria define the parameters the Pricing process uses to compare against a transaction's chartfields.
- Targeted results define the system generated results created for costing, billing, and revenue recognition when the Pricing process occurs.

When a transaction's chartfields match the source criteria in the Rate Set, the Pricing process creates an accounting transaction for every target result defined in the Rate Set.

Common Rate Sets include the following:

Rate Set	Description	Used by Customer (revenue) Contract
68001	Federal Revenue	When source of funding is from the Federal Government and SEFA reportable
68002	Federal Capital Grants	When source of funding is for Capital Projects, from the Federal Government and SEFA reportable
68030	Counties	When source of funding is from a County located in Tennessee
68050	Cities	When source of funding is from a City located in Tennessee
68060	Nongovernmental	When source of funding is from a non-profits or non-governmental entity
68070	Other State	When source of funding is from another State and is not Federal funds
68080	Current Services	When source of funding is income generated by the State for providing goods or services
68090	Interdepartmental	When source of funding is passed through from another state agency
68095	Interdepartmental CU	When source of funding is passed through from a component unit
STAT	Statistical	When source of funding is not associated with direct reimbursable costs

Characteristics of Rate Sets are defined:

- Shown on the “Related Projects” page in the Customer (revenue) Contract.
- Configured specifically for a business unit/agency by Division of Edison.
- Can use specific account or wildcard (%) in the Source Criteria setup. The wildcard means any value will meet the Source Criteria.
- Have calculating and/or pricing values.
- Rate Sets are effective dated and can be changed or adjusted on a specific date.
- Have Billing Plans associated with accounting rules.
- TN\_PR141\_RATE\_SETS\_W\_ACCTG provides a listing of current effective dated Rate Sets.

Below is an example of the most commonly used Rate Set in Edison, 68001 (Federal Revenue), as it is configured for 34501 Human Services. As transactions are processed for a Project ID, the transaction’s chartfields are evaluated against the Source Criteria in the Rate Set, and if they meet the criteria, the system will generate the Targeted Results.

Source Criteria										Targeted Results					
Unit	Rate Set	Eff Date	Type	Rate Def Type	Descr	An Type	Source Type	Category	Account	Option	Rate Amt	Override	Tgt An Type	Tgt Res Type	Tgt Cat
34501	68001	1/1/2013	Standard	Billing	Federal Revenue	ACT	%	%	%	Bill at Cos	1 Y	BIL		68001	
34501	68001	1/1/2013	Standard	Billing	Federal Revenue	GLE	%	%	%	Bill at Cos	1 Y	BIL		68001	
34501	68001	1/1/2013	Standard	Billing	Federal Revenue	SFA	%	%	%	Bill at Cos	1 Y	BIL		68001	SFA
34501	68001	1/1/2013	Standard	Billing	Federal Revenue	SPY	%	%	%	Bill at Cos	1 Y	BIL		68001	BILPY
34501	68001	1/1/2013	Standard	Billing	Federal Revenue	GLR	%	%	68012000	Bill at Cos	1 Y	BIL		68001	
34501	68001	1/1/2013	Standard	Billing	Federal Revenue	GLR	%	%	68060001	Bill at Cos	1 Y	BIL		68001	
34501	68001	1/1/2013	Standard	Billing	Federal Revenue	GLR	%	%	68080005	Bill at Cos	1 Y	BIL		68001	

To summarize the characteristics of this Rate Set:

- Effective dated - January 1, 2013.
- Used with each Customer (revenue) Contract that has Federal funding.
- Source transactions with an analysis type “ACT, GLE, SFA, or SPY”, any (%) account, and any (%) Source Type will generate the Targeted Results.
- For the Targeted Results, the system will multiply the transaction amount by “1” and produce a “BIL” (billing) transaction line that has a target Resource Type of “68001.”
- Source transactions with an analysis type of “GLR”, any (%) Source Type, and either account 68012000 (Return of prior year Federal expenditure), 68060001 (Nongov Program Income), or 68080005 (Current Services Program Income) will generate the Targeted Results.

- For the Targeted Results, the system will multiply the transaction amount by “1” and produce a “BIL” (billing) transaction line that has a target Resource Type of “68001.”

### Illustrative Examples:

#### Example 1:

For any of the following transactions:

- An actual expenditure transaction was incurred and system-assigned the ACT analysis type
- A journal entry was entered and manually assigned the GLE analysis type.
- Summarized payroll expenditure was incurred and system-assigned the SPY analysis type.

Referencing row 2, 3, or 5 of the Rate Set above, this entry would generate a BIL line.

GL BU	Fund	Department	Account	Location CF	UserCode	Program	PC BU	Project	Activity	Source	An Type	Amount
34501	11000	3450101000	7XXXXXXX	19059			34501	HSCS_CSE004_17	FEDERAL		ACT/GLE/SPY	\$ 25.00
34501	11000	3450101000	7XXXXXXX	19059			34501	HSCS_CSE004_17	FEDERAL	68001	BIL	\$ 25.00

#### Example 2:

Indirect cost was incurred and assigned the SFA analysis type. Referencing row 4 of the Rate Set above, this entry would generate a BIL line.

GL BU	Fund	Department	Account	Location CF	UserCode	Program	PC BU	Project	Activity	Source	An Type	Amount
34501	11000	3450101000	89040000	19059			34501	HSCS_CSE004_17	FEDERAL		SFA	\$ 10.00
34501	11000	3450101000	89040000	19059			34501	HSCS_CSE004_17	FEDERAL	68001	BIL	\$ 10.00

#### Example 3:

An accounts receivable transaction related to the refund of prior year expenditures or program income occurred and was assigned the GLR analysis type. Referencing row 6, 7, or 8 of the Rate Set above, this entry would generate a BIL line.

GL BU	Fund	Department	Account	Location CF	UserCode	Program	PC BU	Project	Activity	Source	An Type	Amount
34501	11000	3450101000	68012000/6806001/6808005	19059			34501	HSCS_CSE004_17	FEDERAL		GLR	\$ (15.00)
34501	11000	3450101000	68012000/6806001/6808005	19059			34501	HSCS_CSE004_17	FEDERAL	68001	BIL	\$ (15.00)

Interdepartmental or pass through Rate Sets (68090 - State Agency and 68095 - Component Unit) process different than other Rate Sets. When these Rate Sets are used with a Customer (revenue) Contracts and the Sponsor/Customer is a State Agency or Component Unit, a BIL line will produce an invoice item, but no accounts receivable. Revenue will not be automatically recognized by the system; rather, the pass-through revenue is recognized with an IU journal which uses an IUR analysis type.

A Statistical Rate Set is used when funding received is based on a method other than direct expenditures. Statistical Rate Sets use 9XXXXXXX accounts, which are non-expenditure/budgetary. The Targeted Results for the Statistical Rate Set are calculated different from other Rate Sets. A source transaction from a statistical journal with a “SJE” analysis type, multiplies by the Quantity Rate associated to the particular “9” account and produces a “BIL” (billing) transaction line with a target Resource Type of “68001.”

Business unit/agency 34501 has one statistical Rate Set, entitled “STAT” which uses either account 90999928 to multiple times \$1.00 or account 90999931 to multiple times \$0.01.

Unit	Rate Set	Eff Date	Type	Rate Def Type	Descr	An Type	Source Type	Account	Option	Rate Amt	Tgt An Type	Tgt Res Type
34501	STAT	01/01/01	Standard	Billing	Statistical Billing	SJE	%	90999928	Quantity Rate	1	BIL	68001
34501	STAT	01/01/01	Standard	Billing	Statistical Billing	SJE	%	90999931	Quantity Rate	0.01	BIL	68001

### Section 2.3.3 – Pricing and OLT

Every Customer (revenue) Contract will have an overall billing limit. If the Proposal method is used, the Billing Limit is created by the Project ID's and Activity(s) budgets and Budget Items designated as "Sponsor Direct". If the Bluebird method is used, the Billing Limit must be manually entered on the Amount Allocation page of the Billing Allocation. The Billing Limit represents the maximum amount that can be billed under the Customer (revenue) Contract without an amendment being processed.

Pricing occurs as the Rate Set produces the "BIL" transaction line. When a "BIL" transaction is created, the system evaluates it against the Customer (revenue) Contract's Billing Limit. If the transaction amount, when added to all other billed and billable amounts, exceeds the Billing Limit, the billing transaction's analysis type changes to "OLT" (over the billing limit of the Customer Contract). If there is enough billing authority remaining to bill some of the transaction, the system will split the transaction and produce a "BIL" transaction equal to the amount available to bill, and the remaining portion will become an "OLT" transaction. Whether the transaction is split or the entire transaction is over the billing limit, revenue will not be recognized on a transaction that is in the "OLT" status. TN\_GR19\_OLT\_CHECK provides a summary level by accounting date, Project ID, and Customer (revenue) Contract of OLT transactions. TN\_GR19A\_OLT\_DETAIL provides complete chartfield details of the OLT transactions.

If there is an "OLT" transaction, the Agency would need to re-allocate the source expenditures to a STATE activity, another Project ID (if allowable), or amend the billing limit of the Customer (revenue) Contract with a contract amendment (if allowable) to resolve the "OLT" transactions.

If the Customer (revenue) Contract is amended the Edison Financial Project team must re-price the source transactions. When making this request, the Business Unit/Agency, Customer (revenue) Contract, Project ID, and accounting date range of "OLT" transaction should be provided.

### Section 2.3.4 – Rate Set Accounting Configuration

Each Rate Set is configured to auto-generate certain accounting entries as source transactions are processed. When a source transaction has become a "BIL" transaction, the accounting configuration within Rate Set is referenced and accounting entries are sent to the general ledger. The accounting configuration can be reviewed by looking at the ACCTG RULES returned by TN\_PR141\_RATE\_SETS\_W\_ACCTG.

Continuing from our previous example of 68001 for 34501 Human Services, the accounting configuration for this Rate Set is as follows.

Unit	Rate Set	Eff Date	Rate Def Type	Descr	Tgt An Type	Tgt Res Type	ACCTG RULES Proj Type	ACCTG RULES Source Type	ACCTG RULES JRNL Template	ACCTG RULES JRNL DR/CR	ACCTG RULES JRNL Use	ACCTG RULES JRNL Account
34501	68001	01/01/13	Billing	Federal Revenue	BIL	68001	%	68001	CN_PR	DR	UAR	11120001
34501	68001	01/01/13	Billing	Federal Revenue	BIL	68001	%	68001	CN_PR	CR	REV	68001000

When the source transaction is priced and Revenue Recognition has processed, a "BIL" transaction is created and revenue is recognized by a CN journal. According to the above accounting configuration,



the CN journal will produce a debit line for UAR (Unbilled Accounts Receivable) for account 11120001 and a credit line for REV (Revenue) for general ledger account 68001000. The UAR (Unbilled Accounts Receivable) transaction line does not contain the Project ID and is a summary value, but the REV (revenue) line will contain the Project ID.

When the CN journal posts to the general ledger, there is no analysis type on the project lines, but certain queries used to retrieve CN journal information will reflect the GLR (general ledger revenue) Analysis Type. Once revenue has been recognized for a source transaction, the source transaction is updated in Project Costing to indicate that the transaction has been distributed or revenue has been recognized.

A T-account example of a single transaction is as follows:

32701		32701	
Revenue Recognition occurs with CN Journal		Revenue Recognition occurs with CN Journal	
Debit	Credit	Debit	Credit
11120001 Unbilled AR		68001000	
210.00			(210.00)

An example of a revenue journal is as follows:

**Journal Inquiry Details**

↳ Ledger Criteria

Go To: [Journal Criteria](#)

**Journal Header**

Journal ID: CN01837360    Date: 01/12/2015    Schedule:    Process: No Request  
 Ledger Group: ACTUALS    Original Date: 01/12/2015    Total Lines: 4  
 Source: CN    Date Posted: 01/15/2015    User ID: ERP\_BATCH  
 Journal Status: Posted    Reversal Date:    InterUnit BU: 32701  
 Balanced: DR=CR    Reversal: None  
 Doc Seq:    Budget Status: Valid    [View Attachment \(0\)](#)

Long Description: CN Projects

All Lines     From/To    From Line:    To Line:    [Query Journal Lines](#)

**Totals by Currency**    End | View All | Print | 1 of 1

Currency: USD    Debit Amount: 5,070.47    Credit Amount: 5,070.47    Net: 0.00

**Journal Line**    Customize | Find | View All | Print | 1-4 of 4

Drill to Source	Line #	Line Descr	Amount (in Transaction Currency)	Currency	Fund	Dept	Account	Project	Activity
	1	CN Projects	-2,607.78	USD	11000		11120001		
	2	CN Projects	-210.00	USD	11000	3273105000	68001000	ENAIRPOLLUTFY10	FEDERAL
	3	CN Projects	-2,252.69	USD	11000	3273301200	68001000	ENDRINKWAT10ADM	FEDERAL
	4	CN Projects	5,070.47	USD	11000	3273301200	68001000	ENDRINKWATADM11	FEDERAL

Note: The Unbilled AR (11120001) transaction line is a summary amount by fund, account and business unit/agency while the Project ID, Activity, and other charfield information are reflected on the revenue transaction lines.

### Section 2.3.5 – Facilities and Administration (F&A)/Indirect Cost

“F&A” is a term used in Edison Customer (revenue) Contracts referring to Facilities and Administration and/or indirect costs (IDC). F&A can be processed through an automated process or can be manually entered through a general ledger journal entry.

It is a combination of the FA Rate Type multiplied by the FA Base percentage, both Business Unit/agency

specific, which the system uses to produce the F&A /Indirect Cost/Charge and Indirect Cost contra value in Edison. It is the F&A/Indirect Cost transaction which recognizes revenue, ~~and~~ creates a billing transaction, and a draw for the Customer (revenue) Contract.

The setup for the Customer (revenue) Contract to automatically produce F&A is designated in the creation of the Project ID and Project Activity when it is created through the Proposal method. The F&A budget value create the F&A value in the Project Budget.

However, if a Customer (revenue) Contract is created through the Bluebird method, the F&A designation has to be entered on the Project Activity associated to the Project ID and has to be manually added to the Project Budget to produce the F&A indirect cost/charge transaction which recognizes revenue and creates a billing transaction.

There are two designated accounts which are used to record the F&A cost whether it is automated or manually entered; these are 89040000 which is the indirect cost charge account and 89035000 which is the indirect cost contra account. There are specific Project Costing analysis types which are used with these two accounts. SFA is used 89040000 and OFA is used with 89035000. It is a combination of the 89040000 (account) and SFA analysis type that Edison uses to produce the billing, revenue, and associated draws from the grantor.

In the automated process of creating the indirect cost/charge, Edison uses the F&A Rate Type ID which is defined by a combination of F&A Rate (%) percentage and F&A Base (direct costs). Both the F&A Rate Type ID and F&A Rate (%) are agency/business unit specific. The base is multiplied by the percentage to arrive at the indirect cost/charge.

### Section 2.3.6 – Speedcharts

A Speedchart is a code that can be used to distribute a transaction to various accounting chartfields. In the following example, entering a single speedchart for a transaction will result in the split and recording of the transaction to the following chartfield accounting:

The screenshot shows the Edison system interface. The top part displays a transaction entry form with fields for 'Eff Date' (10/01/2015), 'Description' (SNAP Tax Intercept Admin Fees), and '\*Status' (Active). Below this is a 'Long Descr' field and a 'Total Pct' of 100.00. The 'Definition' section has radio buttons for 'Enter Percentages' (selected) and 'Enter Weights', with a 'UOM' field. A 'Replicate As' section is also visible. The bottom part of the screenshot shows a 'Speed Charts' table with columns for Percent, Weight, GL Unit, Fund, Dept, Account, Location CF, Program, User Code, PC Bus Unit, Project, and Activity.

	Percent	Weight	GL Unit	Fund	Dept	Account	Location CF	Program	User Code	PC Bus Unit	Project	Activity
1	50.00	0.00000	34501	11000	3453002201		19059	300013		34501	HSSNAPUNOTH	STATE
2	50.00	0.00000	34501	11000	3453002201		19059	300013		34501	HSSNAPUNOTH	FEDERAL

Characteristics of speedcharts are:

- Use percentages to auto-populate certain chartfields, which normally include the GL Unit, Fund, Department, Location CF, Program, UserCode, PC Bus Unit, Project, Activity, and if applicable, the Source Type, Category, and Subcategory fields.
- Associated to a specific business unit/agency and begin with specific two digit Alpha characters.
- Can't be used with IU (Inter-unit) Journals
- "Effective dated" which means that they can be entered into Edison before they need to be used and can be modified with a new "Effective Date."

- Called a “Task Profile” when used in HCM (Human Capital Management) to assist with the transactional processing of payroll, fringe, and travel expenditures.
- TN\_GL60\_SPEEDCHARTS provides listing of current speedcharts by business unit/agency.

Speedcharts are created by each business unit/agency and entered by the Division of Accounts.