

12TH ANNUAL

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NETWORK



ACHIEVE

Job Processing 2 Processing Job Expenses

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Job Expenses

Tracking and accounting for Job related expenses may seem a bit daunting, however having a good internal process in place helps to make the job costing much easier to manage. Entering expenses for Jobs on a timely basis is essential in providing information to management and operations to make business decisions.

Job Expenses can come from multiple sources to contribute to the overall costing of a Job.

- | | |
|-------------|-----------------------|
| Parts | Subcontract Labor |
| Labor | Equipment Rentals |
| Commissions | Plans/Submittals/Fees |
| Freight | Travel |

The Job Costing form breaks down estimated, actual and WIP amounts in to specific groups. For Estimated and Actual Costs there are five groups; Parts, Labor, Overhead, Other and Commissions. For WIP there are six groups; Material 1, Material 2, Labor, Overhead, Commissions and Other.

The screenshot displays the 'Costing' software interface. It is divided into several sections:

- Estimated Costs:** Shows income and costs. Income includes Install Charge (\$963.75) and Change Orders (\$0.00). Costs include Parts (\$562.39), Labor (\$0.00), Overhead (\$0.00), and Other (\$0.00). Sub Total is \$562.39, Sub Profit/Loss is \$401.36 (42%), Total is \$755.14, and Profit/Loss is \$208.61 (22%).
- Actual Costs:** Shows income and costs, all currently at \$0.00.
- WIP (Work in Progress):** A table showing Material 1 (\$10.48), Material 2 (\$551.91), Labor (\$45.00), Overhead (\$0.00), Commissions (\$192.75), Misc Other (\$68.75), and Total WIP (\$868.89).
- Job Type Setup:** A configuration window for Job Type 'M1'. It includes fields for Category (J-Res), Material WIP (122100), COGS Acct (510100), Use COGS Acct (512170), and When Amt >= (25). Other fields include Hold Back %, Hold Back Item, Hold Back Acct (110400), Est LU Cost (40), and various checkboxes for accounting options like 'Zero Part Price' and 'Force Part Reconciliation'.

A blue dashed arrow points from the 'Material 2' value in the WIP table to the 'Use COGS Acct' field in the Job Type Setup window.

Part Expenses

Part expenses are posted to a Job when a Purchase Order is received or when manually entering an A/P Bill for an expense item with a job expense type of M (Material). Inventory Part Receipts are automatically coded with the job expense type of M.

G/L Transaction when receiving a Parts PO linked to a Job

Using WIP

Debit – Material WIP Account (Job Type-Detail form)

Credit – Inventory Receipts Account (G/L Account Defaults for A/P)

When the Job is invoiced or closed, amounts move from WIP Material to the Material COGS account specified on the Job Type.

Expensing Immediately

Debit – Material COGS Account (Job Type-Detail form)

Credit – Inventory Receipts Account (G/L Account Defaults for A/P)

Notes

Notes

Labor Expenses

Labor Expenses are posted to Jobs from Timesheets; either automatically when dispatching Job Appointments, manually entering timesheet into Job Timesheet batches, manually entering Job Timesheets into individual Jobs or Payroll Timesheets.

G/L Transaction when posting Labor to a Job

Using WIP

Debit – Labor WIP Account (Job Type-Costing form or Install Company for the Job)

Credit – Deferred Labor Account (Job Type-Costing form or Install Company for the Job)

When the Job is invoiced or closed, amounts move from WIP Labor to the Labor COGS account specified on the Job Type or the Install Company.

Expensing Immediately

Debit – Labor COGS Account (Job Type-Costing form or Install Company for the Job)

Credit – Deferred Labor Account (Job Type-Costing form or Install Company for the Job)

Notes

Notes

Commission Expenses

Commission Expenses are posted to Jobs from the Job Commissions form or manually entering Payroll Timesheets.

G/L Transaction when posting Commissions to a Job

Using WIP

Debit – Commissions WIP Account (Job Type-Costing form or JM Setup Processing)

Credit – Deferred Commissions Account (Job Type-Costing form or JM Setup Processing)

When the Job is invoiced or closed, amounts move from WIP Commissions to the Commissions COGS account specified on the Job Type or JM Setup Processing.

Expensing Immediately

Debit – Commissions COGS Account (Job Type-Costing form or JM Setup Processing)

Credit – Deferred Commissions Account (Job Type-Costing form or JM Setup Processing)

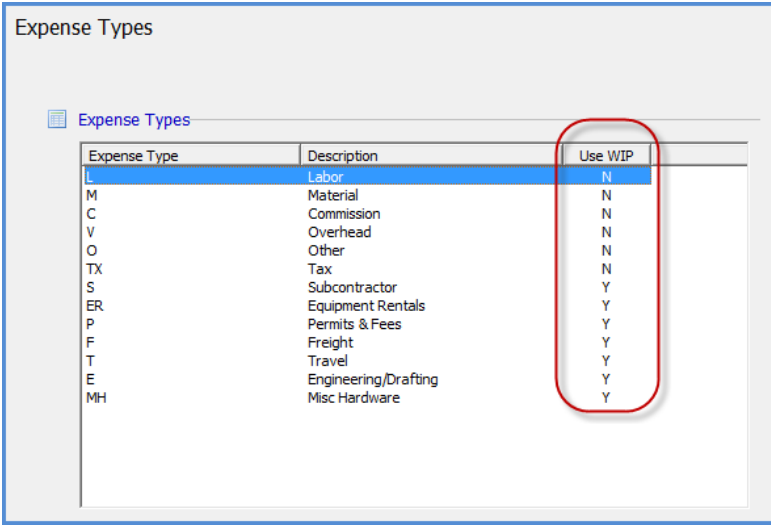
Notes

Miscellaneous Expenses

Miscellaneous expenses are posted to a Job when a Purchase Order is received or when manually entering an A/P Bill for an expense item. Depending on whether your company is using WIP and how your Job Expense Types are setup will determine whether Miscellaneous Expenses will process through WIP accounts or be expensed immediately.

Job Expense Types

When a Purchase Order or an A/P Bill is entered for an expense item, the User is able to select a Job Expense Type for the item. Each Job Expense Type is coded Y or N to use WIP. If a Job Expense Type is coded to Use WIP, when the PO is received or a Bill is entered, the amount will post to the Job WIP. If no expense type is selected, the default type is "O" and will expense the amount immediately.



Expense Type	Description	Use WIP
L	Labor	N
M	Material	N
C	Commission	N
V	Overhead	N
O	Other	N
TX	Tax	N
S	Subcontractor	Y
ER	Equipment Rentals	Y
P	Permits & Fees	Y
F	Freight	Y
T	Travel	Y
E	Engineering/Drafting	Y
MH	Misc Hardware	Y

Notes

G/L Transaction when receiving expense PO's linked to a Job

Using WIP

Debit – Miscellaneous WIP Account (Job Type-Detail form)

Credit – Inventory Receipts Account (G/L Account Defaults for A/P)

When the Job is invoiced or closed, amounts move from Miscellaneous WIP to the Expense G/L Account specified on the PO Receipt.

Expensing Immediately

Debit – Expense G/L Account specified on the PO or the A/P Bill

Credit – Inventory Receipts Account (G/L Account Defaults for A/P)

Notes