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Job Management 1

Presented by:
Carolyn Johnson & Lisa Gambatese

PERENNIAL SOFTWARE 20ᵀᴴ ANNIVERSARY
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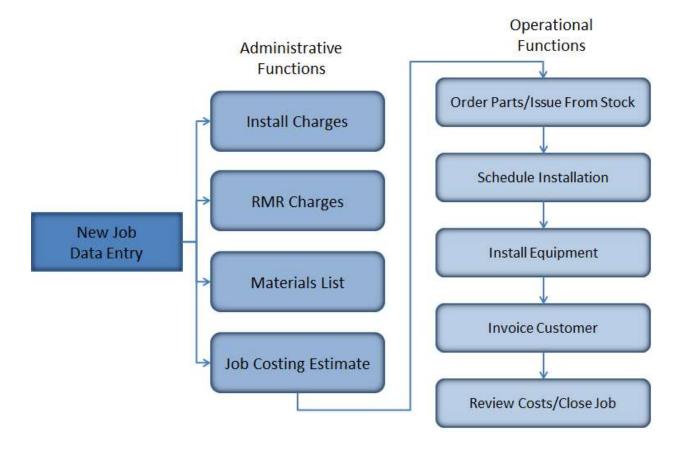This Page Intentionally Left Blank

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Job Management 1

This session will cover the processing of the following Job related expenses:

- Parts
- Miscellaneous Expenses
- Commissions

Job Processing

The Job Management module is designed to manage the Job processing flow from Job creation to Job closing. The electronic processing of a Job is very much like the physical processing; a Job moves from department to department depending on the internal company processes put in place. SedonaOffice Jobs are used to electronically process Jobs. This creates a central repository of information from which all individuals within the company may have access for reviewing Jobs throughout the life of the Job.

Part Expenses

Inventory Parts are typically a large contribution to the overall cost of a Job. Part expenses are applied to Jobs by various methods:
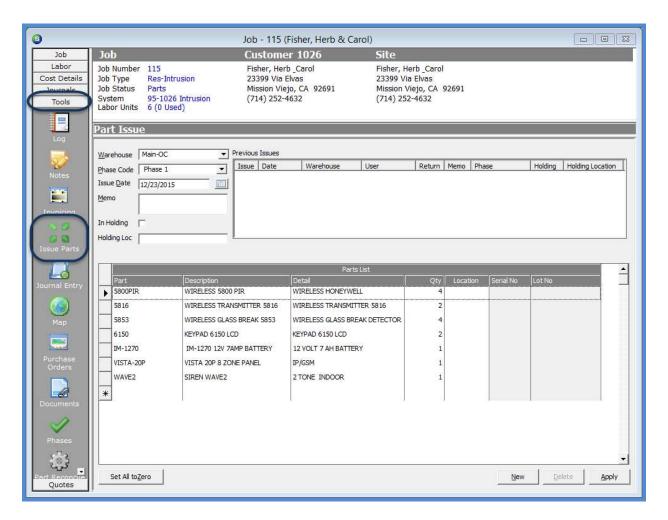
- Issuing Parts to a Job from a Warehouse

- Returning unused Parts to a Warehouse

- Receiving a Purchase Order for Parts

    o Using the Direct Expense option

    o Using the Receive/Issue Immediately option

- Receive Parts to a Warehouse, then issue to Job at a later time

- Returning Parts to a Vendor
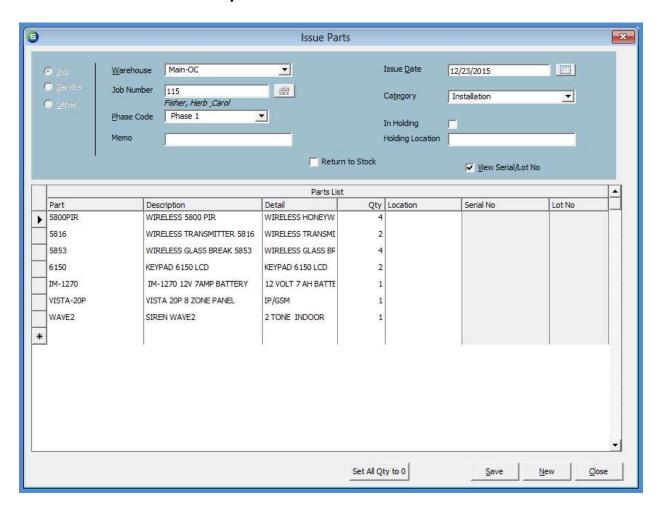
Notes

Issue Parts from a Warehouse

Parts may be issued directly from a Job record or by using the Issues/Returns option within the Inventory module menu. Using the issue option from the Inventory module is more user friendly than the Job record especially when there is a long list of parts to be issued.
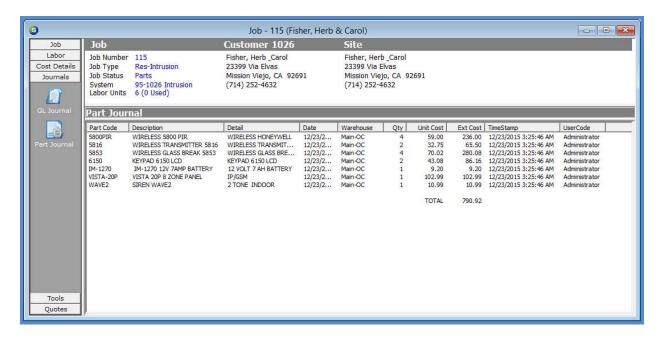
Issue Parts from a Job Record
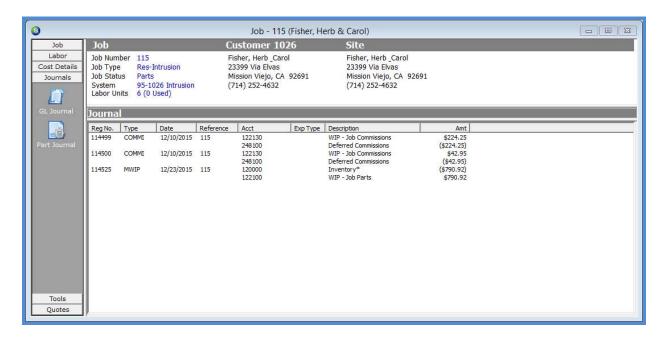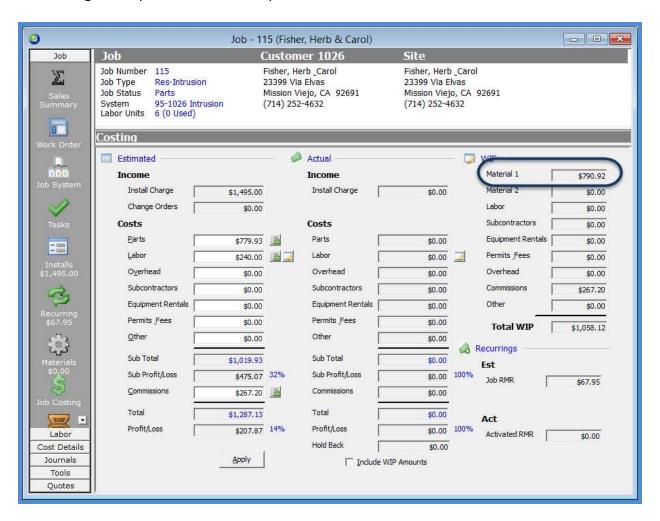
Issue Parts from the Inventory Module

Notes

Job Part Journal showing Parts Issued

Job GL Journal showing Parts Issued transaction

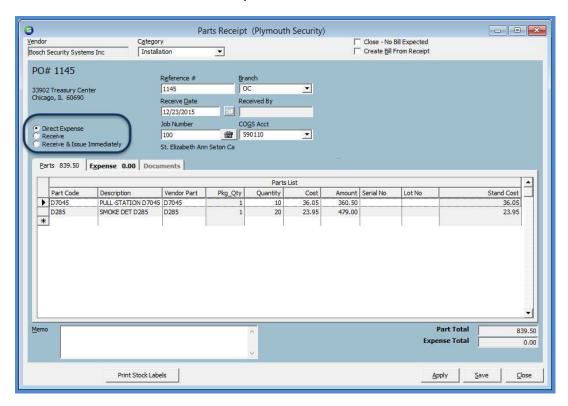Job Costing form updated with cost of parts issued to the Job.

Notes

Issue Parts by Receiving a PO

When a Purchase Order for Parts is received, the Material costs applied to the Job depend upon the option selected on the Parts Receipt form.
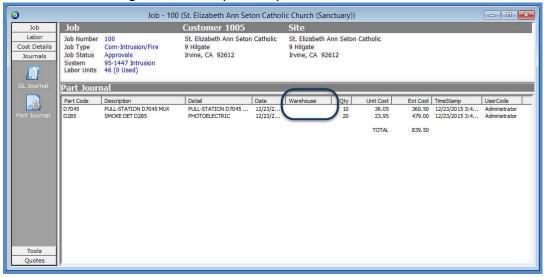
- Direct Expense
- Receive (to a Warehouse)
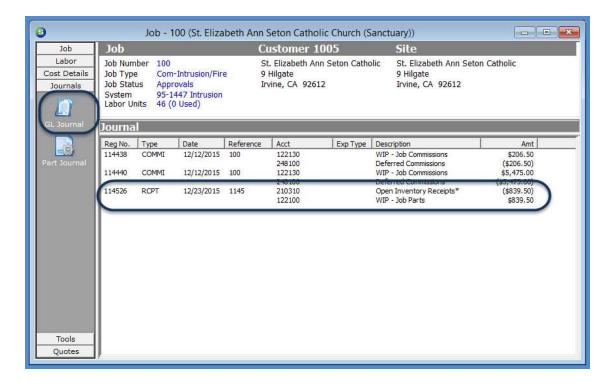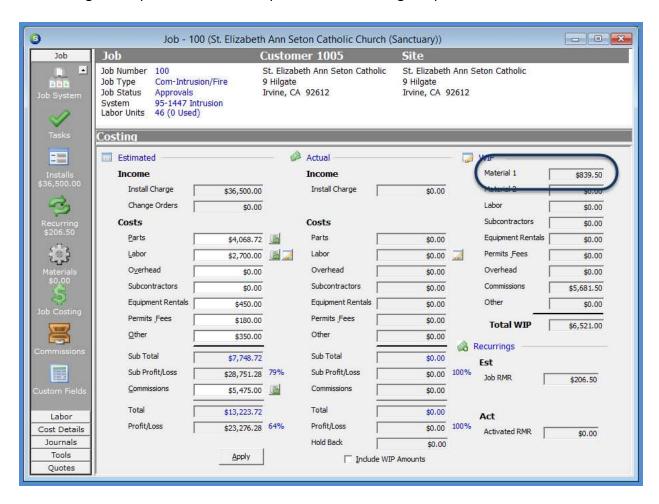- Receive & Issue Immediately

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Parts Received using the Direct Expense Option

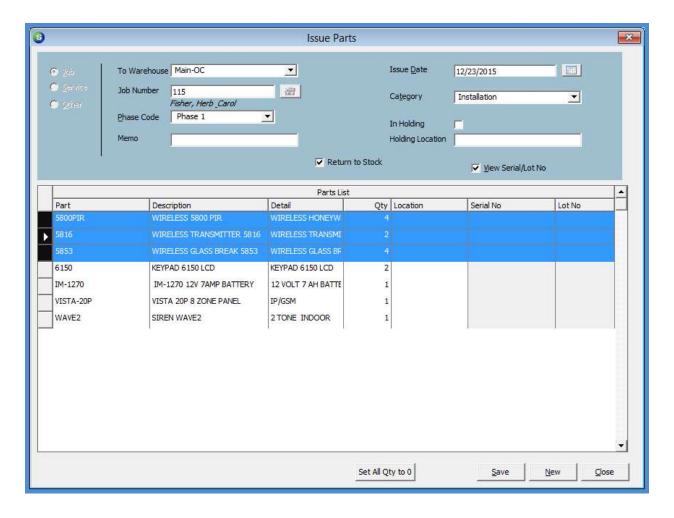## Job GL Journal showing Parts Issued transaction

Job Costing form updated with cost of parts when receiving the purchase order.

Notes

Returning Parts to a Warehouse

Parts not needed on a Job may be returned to a Warehouse directly through the Job record or by using the Issues/Returns option within the Inventory module. Using the Issues/Returns option from the Inventory module is more user friendly than the Job record especially when there is a long list of parts previously issued to the Job.

Note: If a part needs to be returned to stock and the part was originally issued to the Job by a PO receipt that was direct expensed, you will only be able to return the part to stock from the Inventory module.

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Returning Parts to a Vendor

If Parts were issued to a Job from the receipt of a direct expense Purchase Order and all or just some of the parts from that PO are being returned to the Vendor, the return transaction is performed from the Vendor record. The method is different depending on whether all or just some parts are being returned.

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Returning all Parts to a Vendor from a Direct Expense Purchase Order

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Job Materials list is updated (Issued Column) with the quantities returned to the Vendor

Job GL Journal is updated with the Parts Return transaction

Job Part Journal is updated with the Parts Return transaction

Returning some Parts to a Vendor from a Direct Expense Purchase Order

If some, but not all parts received and issued to a Job on a direct expense purchase order need to be returned to the Vendor, this transaction is performed from the Inventory module using the Return to Vendor menu option.

Make certain to verify the cost on the Parts Return form is correct; the software will automatically use the current purchase cost on the part setup. If the original purchase/received cost was different, change the unit cost to correct amount.

Notes

Miscellaneous Expenses

Miscellaneous Job Expenses are any costs applied to a Job that are not Inventory Parts, Labor, Commission type costs. These "Other" types of job expenses are items such as permits and fees, equipment rentals, subcontract labor, etc. These types of costs are applied to Jobs when receiving an expense 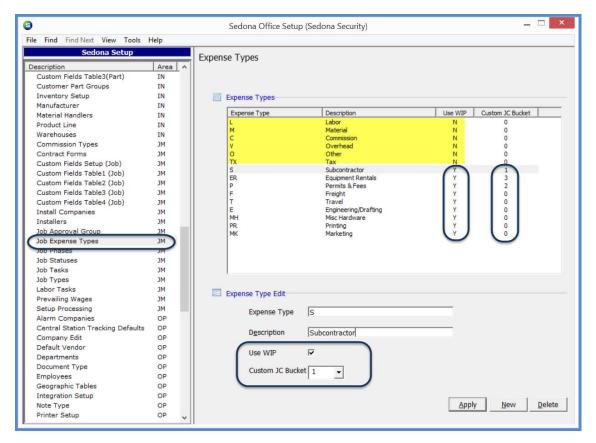Purchase Order, manually entering a Bill and linking to a particular Job number or using the Write Checks function (accounts payable) and linking to a Job number.

When creating Purchase Orders entering Bills or writing Checks for miscellaneous expenses, you will be coding the expense to a *Job Expense Type*. Job Expense Types are defined by your company and are used for reporting purposes. For example, you may create a Job Expense Type of "P", which would be used for Permits and Fees. Your company may create as many unique Job Expense Types as desired.

Note: If your company is using WIP, if a Purchase Order is received or an A/P Bill is entered for an expense item and the Expense Type is not changed from the default of "O" to another expense type, the expense will immediately post to the actual costs and not be directed to the miscellaneous WIP G/L Account specified on the Job Type setup.

Notes

Job Expense Types

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Custom Job Costing Buckets

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Job Costing form using Custom Job Costing Buckets

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Purchase Order for Miscellaneous Expense

A/P Check for Miscellaneous Expense

Commissions

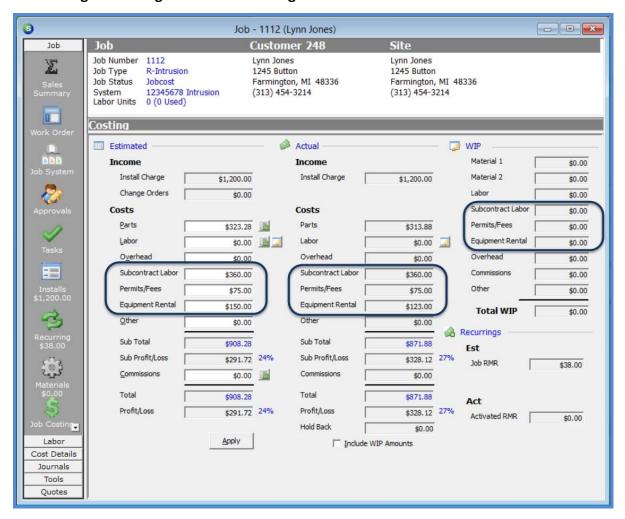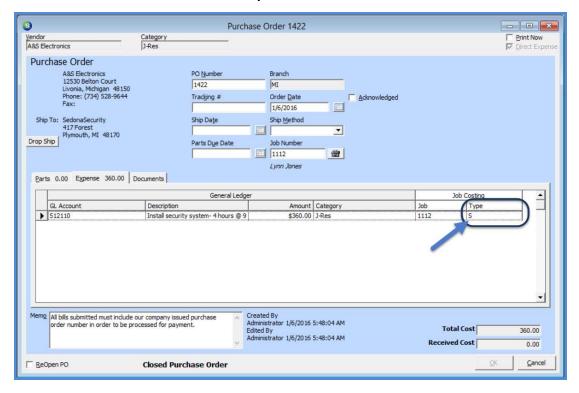Sales Commission costs are applied to a Job by using one of two methods; posting Commissions within a Job record on the Job Commissions form or through Payroll Timesheets. Your company would use one of the two methods, but not both.

The Commission expenses posted to a Job are either entered manually or automatically generated based on Employee Commission setups/Job Type Commission setups.

Commissions expenses posted using Payroll Timesheets are manually entered into a timesheet batch and linked to the appropriate Job(s). The Job Expense Type selected on these entries, "C", is what controls the expense amount to display in the WIP and/or Actual Costs section of the Job Costing form.

Notes

Commission Types

The *Commission Type* setup table is used to define labels for commissions that are paid to a salesperson. Each commission type code is identified as being one of six types:

- Recurring
- Non-Recurring
- Estimated Gross Profit
- Gross Profit
- Estimated to Gross Profit
- Other

These commission types are used to calculate commissions based on one or more of the types of sales elements entered on a Job; Install Charges & Parts, RMR.

For the Commission Types of **Estimated Profit, Gross Profit,** and **Estimated to Gross Profit**, when linking these commission types to a Salesperson's Employee record, you are able to create a sliding scale for the amount of commission to be paid. Sliding scales may be different for each Salesperson.

A sample sliding scale could be:
If the Job Profit is between:
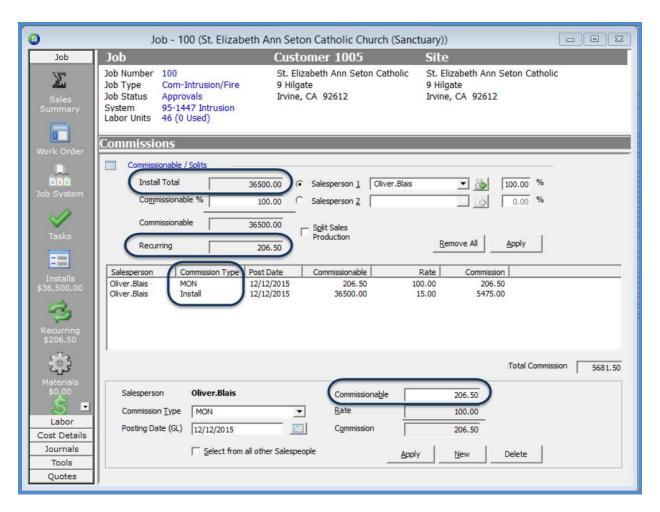20% and 25% - use the commission rate of 8%
26% and 32% - use the commission rate of 10%
33% and 100% - use the commission rate of 15%

Commission Type Definitions

- **Non-Recurring (N)** will use the dollar basis for the commission calculation as the total of all Installation charges and Materials (if materials are invoiced separately) entered for the job.
- **Recurring (R)** will use the dollar basis for the commission calculation as the total of all RMR entered for the job.
- **Other (O)** will not display a dollar basis for the commission calculation; the user may enter any amount for the basis of the commission calculation.
- **Estimated Profit (E)** calculate the commission based the estimated profitability of the Job; Total of Install Charges plus Material Charges less the total estimated costs of Material, Labor, Overhead, and Other.
- **Gross Profit (G)** calculate the commission based the actual profitability of the Job; Total of Install Charges plus Material Charges invoiced to the customer less the total actual costs of Material, Labor, Overhead, and Other.
- **Estimated to Gross Profit (B)** initially calculate the commission based the estimated profitability of the Job; Total of Install Charges plus Material Charges invoiced to the customer less the total estimated costs of Material, Labor, Overhead, and Other. When the Job is closed, the commission will re-calculate based upon the actual profit of the Job. Any variance between the posted commission amounts at the Estimated Gross Profit and the Actual Gross Profit will automatically record a correcting transaction to the general ledger during the job closing process.

Install & RMR Commission Calculation

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