P21 Version 12.0 New Features
Job Costing, Material Processing and Progress Billing

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ACTIVANT
Discuss the Job Costing Feature as it is in 11.5
  ◆ Labor tracking
  ◆ Freight Tracking
  ◆ F-Disposition
  ◆ New Cost field
  ◆ WIP Location

Discuss new features in 12.0 Material Processing
  ◆ Routings for Production Orders
  ◆ Backflushing
  ◆ Scrap
  ◆ Baseline Features

Discuss Progress Billing in 12.0
Job Costing – Setup

- Labor is setup in the Production Order module on the Maintenance menu

- Setup
  - Labor IDs
  - Technician records
  - Shifts
  - Work centers
  - Labor processes to manage repeat labor entries
Job Costing – Production or WIP Location

The location processes as follows

- Set up an adjustment reason code
- The inventory source location is set up in Location Maintenance
- Material is moved from the source to the production location using adjustments
- Inventory value can be tracked accurately at both locations
Job Costing – Production or WIP Location

- Allocate material to a production or WIP location
  - The material is moved at confirmation time
  - Remove items from source location
  - Allows you to track costs and whereabouts of material at all times

- Record labor in the production location
The F-Disposition
- Allocates components by expedite date instead of at production order creation
- Useful for materials with a shorter lead time

Details on the Extended Info tab in the Production Order Entry window

Allocation takes place during the pick ticket scan

Items that have reached the expedite date will receive allocation if available or a requirement recorded
Job Costing - Production Order Costs

- Since Job Costing we have added the following:
  - Other Charge Cost
  - Process Cost

- This indicates the total production actual/estimate

<table>
<thead>
<tr>
<th>Estimated Costs</th>
<th>Actual Costs</th>
<th>Progress Billing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material Cost:</td>
<td>Material Cost:</td>
<td>Use Progress Billing</td>
</tr>
<tr>
<td>77.5365</td>
<td>77.5365</td>
<td>Percent of Actual to Estimated: 0.00</td>
</tr>
<tr>
<td>Labor Cost:</td>
<td>Labor Cost:</td>
<td>Percent Completed: 0.00</td>
</tr>
<tr>
<td>12.5000</td>
<td>60.0000</td>
<td>Percent Billed to Date: 0.00</td>
</tr>
<tr>
<td>Other Charge Cost:</td>
<td>Other Charge Cost:</td>
<td></td>
</tr>
<tr>
<td>0.0000</td>
<td>0.0000</td>
<td></td>
</tr>
<tr>
<td>Freight Cost:</td>
<td>Freight Cost:</td>
<td></td>
</tr>
<tr>
<td>0.0000</td>
<td>0.0000</td>
<td></td>
</tr>
<tr>
<td>Process Cost:</td>
<td>Process Cost:</td>
<td></td>
</tr>
<tr>
<td>0.1500</td>
<td>0.0750</td>
<td></td>
</tr>
<tr>
<td>Total Production Cost:</td>
<td>Total Production Cost:</td>
<td></td>
</tr>
<tr>
<td>90.19</td>
<td>137.61</td>
<td></td>
</tr>
</tbody>
</table>
Job Costing – Freight and Labor

- The freight can be added from the Production Order Entry or Processing windows
  - Freight can be recorded against the component items or against the assembly item
- Freight can be manually entered on the production order or through the Quick Freight Entry process
- Once the labor and/or freight is added, these are tracked and can be viewed in the Costs tab of the sales order
Job Costing - Production Order Costs

- Costs can be edited in the processing screen for items that have a cost other than the moving average (New Cost field)
- Cost only affects the cost of the finished item
Job Costing - Job Cost Report

- Provide visibility of the production order, technician and estimate vs. actual values per order. The report has been rewritten
The key inquiries are

- **Portal View for all production orders**
  - View for all locations, only the user’s location, or only the user’s location and orders
  - The user has the ability to see late orders, drill to the production order, or sales order

- **Expediting Inquiry**
  - View shortages, drill to the purchase order, vendor, or production order

- **Production Order Queue**
Job Costing

- Let's take a look in the system
Material Processing - Processes

Processes have been added to Production Order module

- Processes are the same as secondary process
- Processes can be internal or external
- Processes can be marked as Backflush
- The traveler flag indicates whether the traveler should print a move time or not
- The Raw WIP Item indicates the item if it changes from the prior process
Material Processing - Routings

Routings have been added to Production Order module

- The routing is the same as in secondary processing
- The routing can have internal and external processes
- Note the Production routing won't have a raw and finished – the assembly is typically the raw and finished
- Routings can have WIP items
The assembly maintenance screen has:

- Ability to add a routing
- Ability to add processes
- Processes can be marked as backflushed
- Items can be marked as backflush items
- Travelers can be marked to print with the production order as well as document links
- Ability to view assembly item notes
Material Processing – Production Order Entry

- Automatically Create Sub-Assemblies
- Create Assemblies on the fly
- Can have Routings and Processes on Assemblies
- Design complete flag to indicate that the assembly design is done and production can begin
- There is now the ability to see notes for routings, processes, assemblies and components. Sales Order notes are also available on the Production Order.
Since Job Costing we have added the following:
- Other Charge Cost
- Process Cost

This indicates the total production actual/estimate
Material Processing – Picking

- Picking confirmation will move material to the production/WIP location (if WIP location used)
- Confirming the pick moves the material to the WIP location
- Confirming the pick ticket will start the process
In the Processing screen the user can add:

- Process Routing
- Mark Processes as backflush
- Component additions/changes
- Mark Items as backflush
- Labor additions and Technician Hour recording
- Freight

Scrap can be handled by over picking and then updating the order with the scrap qty. Quantity scrapped will be displayed.
Scrap recording is allowed for quantities picked greater than the quantity requested.

<table>
<thead>
<tr>
<th>Item ID:</th>
<th>1/2 HCS/ WASHER</th>
<th>UOM:</th>
<th>EA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extended Description:</td>
<td>1/2 Hex Cap Screw with washer</td>
<td>Disposition:</td>
<td></td>
</tr>
<tr>
<td>Component Type:</td>
<td>None</td>
<td>Qty Available:</td>
<td>0</td>
</tr>
<tr>
<td>Source Location ID:</td>
<td>100002 BRANCH 1 - LOCATION 1</td>
<td>Qty Per Assembly:</td>
<td>1</td>
</tr>
<tr>
<td>Supplier ID:</td>
<td>105265 ABC Industries</td>
<td>Qty Requested:</td>
<td>1</td>
</tr>
<tr>
<td>Division ID:</td>
<td>105265 ABC Industries</td>
<td>Qty Allocated:</td>
<td>0</td>
</tr>
<tr>
<td>Unit Cost:</td>
<td>3.3441</td>
<td>Qty Picked:</td>
<td>1</td>
</tr>
<tr>
<td>PO Cost:</td>
<td>.0000</td>
<td>Qty Confirmed:</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Qty Used:</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Qty Cancelled:</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Qty Scrapped:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Required Date:</td>
<td>01/03/09</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expedite Date:</td>
<td>01/07/09</td>
</tr>
</tbody>
</table>
The queue criteria allows you to search by:

- Order Numbers, Dates
- Show Subassemblies
- Show Printed
- Show Design Complete
- Show shortages

Can print production orders and pick tickets
Baseline functionality - Secondary Processing

- **Processes now have:**
  - Raw WIP Item
  - Backflush
  - Traveler Required

- **Routings now have:**
  - Raw WIP Item
  - Backflush
  - Traveler Required
Baseline functionality - Production Orders

- Production Order Job Queue
- Ability to automatically create sub-assemblies
- Ability to create Assemblies On the Fly in Order Entry and Production Order Entry
- Document Links can automatically print with Production Order
- Ability to Backflush components
Baseline functionality - Process PO’s

- Raw WIP Item shown on PO
- Process PO can be edited in PO Entry
  - Notes
  - Extended Description
  - Price
  - Required Date
  - Expected Date
  - Suppliers Ship Date
Baseline functionality - Notes

- Add Notepad Areas to Route and Process Notes:
  - Assembly Maintenance
  - Production Order Entry/Processing
  - Print Production Orders
  - Print Process PO

- Add Notepad Areas to Order Notes and Order Line Notes Notes:
  - Production Order Entry/Processing
  - Print Production Orders
  - Print Production Order Pick Tickets
Baseline functionality - Notes

- Add Notepad Area in Item Notepad Maintenance
  - Assembly Maintenance

- Add Notepad Areas to Production Order Header and Line Notes:
  - Production Order Entry/Processing
  - Print Production Orders
  - Production Order Traveler Print
  - Production Order Process PO
There is a system setting for the progress billing in System Setup under AR > General.

Once enabled, define the account for long term billings:
- Company Maintenance > Accounts Receivable tab
- Billings on long term contracts account is a liability account
Progress Billing - Processing

- **Sales Order Entry**
  - New tab to flag an order as progress billed
  - Indicate the percentage for the first bill or leave it blank to allow for billings at any point
  - Also view percent billed to date on the tab

- **Generate Progress Bills**
  - AR module > Transaction > Generate Progress Billing
    - Generate progress bills and create invoices for the customer
    - You can enter a value or percentage to bill to the customer

- **Cost recognized is a percentage of the estimated cost**
Progress Billing – What Is it?

- Percentage of Completion Revenue Recognition
- Payments can be taken at different intervals for the long term projects
- Revenue can be recognized in the period it was received
- Costs missed during production order processing can be posted to the production order until the order is finalized
Progress Billing - Processing

- A list of invoices can be viewed in the sales order and also in the AR drilldown by customer.
- View account details via the GL Drilldown window.
- The invoices are all processed as the customer is billed and then a final invoice when the production order is finalized.
- The final invoice can be created for any final costs.
- Revenue and estimated cost is recognized in each period.
Progress Billing - Postings

- When progress bill is issued:
  - Debit: cost of goods
  - Debit: accounts receivable
  - Credit: revenue
  - Credit: billings on long term contracts
Progress Billing - GL Postings:

- Production order is processed:
  - Debit: inventory from the header
  - Credit: WIP accounts
Production order is shipped when progress bills have been issued:

- **Debit:** billings on long term contracts
- **Debit:** cost of goods, actual cost
- **Debit:** previously recognized revenue
- **Credit:** inventory of the assembly header
- **Credit:** cost of goods for previous progress bills
- **Credit:** revenue for the full amount
Progress Billing - GL Postings

- When production order is finalized:
  - Debit: cost of goods
  - Credit: freight or labor applied overhead

- If additional cost is passed to customer then these additional postings are made:
  - Debit: accounts receivable
  - Credit: revenue
Progress Billing - Inquiries

- AR Drilldown by Customer shows the invoices for the progress bills
- GL Drilldown shows the transactional postings
- Production Order drilldown by Assembly, Progress Billing tab
- Item Master Inquiry (IMI) indicates production orders that were progress billed. Drilling in will show the details of the progress bill
Progress Billing - Reports

- Billing on Long Term Contracts Report
  - Shows billings on long term jobs
  - Tied to the billings on long term contracts account

- Sales History Report shows the production orders with progress bills (Yes, No, Only options)
Production Orders with Progress Bills

- Note that the sales order must be flagged as a progress bill and it will all flow through from there.
- The percentage you enter in the Generate Progress Billing window needs to be higher than what has already been billed.
- Make sure the orders are finalized when you are sure there are no more costs to add.