

# End-User Course



## Accounting for Projects 2025 R1

Revision: 5/23/2025

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# Copyright

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# How to Use This Course

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This end-user course provides a set of lessons that illustrate project accounting processes in a midsize company. In the course, you will learn about the project accounting processes in Acumatica ERP. After you complete the course, you will have an understanding of how to perform the basic operations of creating and billing projects in Acumatica ERP. Also, you will learn how to capture costs and time activities on projects, and how to protect project data from editing. You will also learn how to capture project costs and track purchase orders as cost commitments to projects. Finally, you will learn about the functionality of project quotes and how to create a project from project quotes and project templates.

## What Is in This Guide

The guide includes the *Company Story* topic and process activities. The *Company Story* topic explains the organizational structure of the company that has been preconfigured in the *U100* dataset, as well as the company's business processes and requirements. Each of the process activities of the course is dedicated to a particular user scenario and consists of processing steps that you complete.

## Which Training Environment You Should Use

All lessons of the course should be completed in an instance of Acumatica ERP 2025 R1 with the *U100* training dataset preloaded; this dataset provides the predefined settings and entities you will need as you complete the activities of this course.

You or your system administrator should prepare an instance of Acumatica ERP 2025 R1, as described in the *How to Create a Tenant with the U100 Dataset* section below.

## What Is in a Lesson

Each lesson provides a story describing a particular user scenario and an overview of the relevant features that have been enabled in the system; configuration settings that are related to the described scenario are also listed. The lesson provides a brief overview of the process that should be performed to complete the described scenario, and instructions that guide you through the process in Acumatica ERP.



The lessons are independent and can be completed in any order. However, depending on the sequence in which you complete the course lessons, the settings in the screenshots may differ from the settings in the system.

## What the Documentation Resources Are

Acumatica ERP provides a wide variety of documentation resources, which you can access from this course, from the system, or from the [Help portal](#). Links to related information are provided at relevant places throughout the course. The complete Acumatica ERP documentation is available on <https://help.acumatica.com/> and is included in the Acumatica ERP instance.

While viewing any form used in the course (or any other Acumatica ERP form), you can click the **Open Help** button in the top pane to bring up a form-specific Help menu; you can use the links on this menu to quickly access form-related concepts and activities and to open a reference topic with detailed descriptions of the form elements.

## How to Create a Tenant with the U100 Dataset

Before you complete this course, you need to add a tenant with the *U100* dataset to an existing Acumatica ERP instance. You will then prepare the tenant for completing the activities. To complete this preparation, perform the following instructions:

1. Go to [Amazon Storage](#).
2. Open the folder that corresponds to the version of your Acumatica ERP instance.
3. In this folder, open the `Snapshots` folder and download the `u100.zip` file.
4. Launch the Acumatica ERP instance and sign in.
5. Open the [Tenants](#) (SM203520) form and click **Add New Record** on the form toolbar.
6. In the **Login Name** box, type the name to be used for the tenant.
7. On the form toolbar, click **Save**.



When you create a system tenant, you may be signed out after its creation, depending on how many non-System tenants your Acumatica ERP instance already had:

- If you started with one non-System tenant (to which you are signed in) and you create a new one, the system signs you out to switch from single-tenant mode to multitenant mode.
- If the instance had multiple non-System tenants and you create another, it is already in multitenant mode. Instead of being signed out, you wait until the system completes the operation and then proceed.

8. On the **Snapshots** tab, click **Import Snapshot**.
9. In the **Upload Snapshot Package** dialog box, select the `u100.zip` file, which you have downloaded, and click **Upload**.  
The system uploads the snapshot and lists it on the **Snapshots** tab of the [Tenants](#) form.
10. Open the [Apply Updates](#) (SM203510) form and click **Schedule Lockout**.
11. In the **Schedule Lockout** dialog box, click **OK**.
12. Open the [Tenants](#) form again.
13. On the form toolbar, click **Restore Snapshot**.
14. If the **Warning** dialog box appears, click **Yes**.
15. In the **Restore Snapshot** dialog box, make sure that the correct snapshot package is being uploaded and click **OK**. The system will restore the snapshot and sign you out.
16. Sign in to the tenant that you have just created.
17. Open the [Apply Updates](#) form again.
18. On the form toolbar, click **Stop Lockout**.

## Which Credentials You Should Use

To complete the lessons, sign in as the following users:

1. Lesson 1: *brawler*
2. Lesson 2: *brawler*
3. Lesson 3: *brawler*
4. Lesson 4: *brawler*
5. Lesson 5: *brawler*
6. Lesson 6: *brawler*
7. Lesson 7: *brawler*
8. Lesson 8: *brawler*
9. Lesson 9: *brawler*

10.Lesson 10: *bloom, brawner*

11.Lesson 11: *brawner*

12.Lesson 12: *brawner*

The password for each user is 123.

## **Which License You Should Use**

For the educational purposes of this course, you use Acumatica ERP under the trial license, which does not require activation and provides all available features. For the production use of this functionality, you have to activate the license your organization has purchased. Each particular feature may be subject to additional licensing; please consult the Acumatica ERP licensing policy for details.

# Company Story

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This topic explains the organizational structure and operational activity of the company you will work with during this training.

## Company Structure

The SweetLife Fruits & Jams company is a midsize company located in New York City. The company consists of the following branches:

- SweetLife Head Office and Wholesale Center: This branch of the company consists of a jam factory and a large warehouse where the company stores fruit (purchased from wholesale vendors) and the jam it produces. Warehouse workers perform warehouse operations by using barcode scanners or mobile devices with barcode scanning support.
- SweetLife Store: This branch has a retail shop with a small warehouse to which the goods to be sold are distributed from the company's main warehouse. This branch is also planning on selling goods via a website created on an e-commerce platform to accept orders online. The e-commerce integration project is underway.
- SweetLife Service and Equipment Sales Center: This branch is a service center with a small warehouse where juicers are stored. This branch assembles, sells, installs, and services juicers, in addition to training customers' employees to operate juicers.

## Operational Activity

The company has been operating starting in the 01-2024 financial period. In November 2024, the company started using Acumatica ERP as an ERP and CRM system and migrated all data of the main office and retail store to Acumatica ERP. The equipment center has begun its operations in 01-2025 in response to the company's growth.

In October 2024, the company received an investment and opened a subsidiary company for construction (ToadGreen). In February 2025, the company started its first construction project.

The base currency of the company and its subsidiaries is the US dollar (USD). All amounts in documents and reports are expressed in US dollars unless otherwise indicated.

## SweetLife Company Sales and Services

Each SweetLife company's branch has its own business processes, as follows:

- SweetLife Head Office and Wholesale Center: In this branch, jams and fruit are sold to wholesale customers, such as restaurants and cafes. The company also conducts home canning training at the customer's location and webinars on the company's website.
- SweetLife Store: In the store, retail customers purchase fresh fruit, berries, and jams, or pick up the goods they have ordered on the website. Some of the goods listed in the website catalog are not stored in the retail warehouse, such as tropical fruits (which are purchased on demand) and tea (which is drop-shipped from a third-party vendor).
- SweetLife Service and Equipment Sales Center: This branch assembles juicers, sells juicers, provides training on equipment use, and offers equipment installation, including site review and maintenance services. The branch performs short-term service provision.

The company has local and international customers. The ordered items are delivered by drivers using the company's own vehicle. Customers can pay for orders by using various payment methods (cash, checks, or credit cards).



# Part 1: Project Billing

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The lessons of this part explain how you can bill projects with direct AR invoices or pro forma invoices, and how to bill projects by progress and by time and material.

## Billing with a Direct AR Invoice: General Information

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In Acumatica ERP, you run project billing to automatically generate customer invoices based on the accounting data related to the projects.

### Learning Objectives

In this lesson, you will learn how to do the following:

- Select the type of the document to be prepared
- Make sure that the project is ready to be billed
- Configure the direct creation of AR documents for the project
- Bill the project with the direct creation of an AR invoice

### Applicable Scenarios

For each project, you decide which type of the project invoice is prepared during project billing. Once a project is ready to be billed, you run the project billing procedure.

### Project Invoice Workflow

The type of the document that the system will generate during the project billing procedure depends on the state of the **Create Pro Forma Invoice on Billing** check box on the **Summary** tab of the [Projects](#) (PM301000) form:

- If the check box is selected, the system creates a pro forma invoice and opens it on the [Pro Forma Invoices](#) (PM307000) form. For more information, see [Pro Forma Invoices: General Information](#).
- If the check box is cleared, the system creates an accounts receivable invoice or credit memo and opens it on the [Invoices and Memos](#) (AR301000) form. For more information about billing projects with credit memos, see [Project Invoice Correction: Credit Memos for Projects](#).

The date of the created document is the **Next Billing Date** specified for the project on the **Summary** tab (**Billing and Allocation Settings** section). If *On Demand* is specified as the billing period of the project (in the same section of this tab), the date of the prepared invoice is the current business date.

### Billing Process Preparation

The billing procedure in Acumatica ERP is straightforward and depends on the type of the step of the billing rule that is specified for each project task on the **Tasks** tab of the [Projects](#) (PM301000) form as follows:

- For the *Time and Material* steps of the billing rules, the system selects all the project transactions and generates an invoice for the customer based on these transactions and the billing rule.
- For the *Progress Billing* steps of the billing rules of project tasks, the system generates an invoice with the billable project revenue.

For the billing process for a project to be run successfully, the project must meet the following criteria:

- The project is an external project (that is, a project associated with a customer).
- The project status should be *Active*, *Completed*, or *Suspended*.

- The status of the project tasks should be *Active* or *Completed*, and a billing rule should be specified for these tasks.
- The project should have a basis for billing, such as a billable line of the revenue budget associated with the task for progress billing, or an unbilled project transaction associated with the task within this billing period for time and material billing.
- The steps of the billing rule should be applicable to the billing basis. For example, the billing rule of a task that is supposed to be billed by a revenue budget line should have a *Progress Billing* step.
- The rate table must be specified for a project task if the related billing rule contains the *@Rate* parameter.
- Sales prices must be configured for non-stock items if the related billing rule contains the *@Price* parameter.

## Projects Pending Billing

You run the project billing procedure for a project that is pending billing by opening the project on the [Projects](#) (PM301000) form and clicking **Run Billing** on the form toolbar. The billing procedure can be run only for a project that is pending billing—that is, only if at least one of the following exists for the project:

- A revenue budget line billed by amount with a nonzero **Pending Invoice Amount** on the **Revenue Budget** tab of the [Projects](#) form; the amount may be positive or negative.
- A revenue budget line billed by quantity with a nonzero **Pending Invoice Quantity** on the **Revenue Budget** tab of the [Projects](#) form.
- A revenue budget line with a **Pending Invoice Quantity** of 0 on the **Revenue Budget** tab of the [Projects](#) form if the corresponding billing rule has the **Create Lines with Zero Amount and Quantity** check box selected in the progress billing step on the [Billing Rules](#) (PM207000) form. (With this check box selected, the system performs billing for all revenue budget lines, including those that have pending values of 0).
- An amount postponed to the next billing from a pro forma invoice on the [Pro Forma Invoices](#) (PM307000) form for which the corresponding accounts receivable invoice is released.
- A project task for which a recurring billing item is defined on the **Recurring Billing** tab of the [Project Tasks](#) (PM302000) form. For more information, see [Project Billing Preparation: Recurring Billing](#).
- An unbilled project transaction that is ready to be billed on the invoice date—that is, the date of the transaction is not later than the invoice date. Transactions with a date the same as the invoice date are billed if *Include Transactions with Billing Date* is selected in the **Billing Cutoff** box on the [Projects Preferences](#) (PM101000) form; if *Include Only Transactions Before Billing Date* is selected, the system skips the transactions with a date on the billing date.

The invoice date is for all the projects except those that are billed on demand is the **Next Billing Date** on the [Projects](#) form (in the **Billing and Allocation Settings** section of the **Summary** tab); for the projects that are billed on demand (that is, for which the **Billing Period**, which is specified in the same section of the form, is *On Demand*), the invoice date is the business date.

You can also run billing for multiple projects on the [Run Project Billing](#) (PM503000) form. For more information, see [Project Billing Preparation: Mass Processing](#).

## Lesson 1: Billing Projects for Progress

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You run billing for the project to prepare an invoice for the customer. You can bill the customer based on the current progress of the project.

## Progress Billing: General Information

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With progress billing in Acumatica ERP, you run project billing to automatically generate project invoices based on the progress recorded for the project.

## Learning Objectives

In this lesson, you will learn how to do the following:

- Configure a progress billing rule
- Update the project progress to make it ready to be billed
- Run project billing for a project
- Process the documents that have been generated during the project billing
- Review how the project's actual amounts are updated with the billed amounts

## Applicable Scenarios

You run project billing to prepare an invoice for the customer based on the current progress of the project. The timing of project billing depends on the project billing period defined for the project.

## Configuration of a Billing Rule Step

Each billing rule can include only one step of the *Progress Billing* type. For the billing rule step of this type, you can define the following settings:

- A formula to define the description of the invoice and another formula to define the description of each invoice line, to make the system compose these descriptions dynamically during the billing process.
- The source of the sales account and the source of the destination branch for each invoice line.

The billing process uses the originating branch from the project settings on the [Projects](#) (PM301000) form and the destination branches from the sources according to the billing rules. When an accounts receivable invoice is released, the accounts receivable account is updated under the originating branch of the invoice, while the revenue amounts are recorded to the destination branches of the invoice lines.

- The invoice group of the steps of the billing rules to which the project tasks refer.

## The Progress Billing Process

Progress billing is a simple billing workflow for the projects that are gradually billed at a fixed contract amount. Progress billing does not involve project transactions. To bill a project task by its progress, you need to create a billing rule on the [Billing Rules](#) (PM207000) form and configure a step of the *Progress Billing* type in this rule. Then you assign the configured billing rule to project tasks on the **Tasks** tab of the [Projects](#) (PM301000) form.



If a project is billed with a billing rule that includes only a *Progress Billing* billing step, during the billing process, the system ignores any unbilled project transactions.

The progress billing procedure could be initiated for a project if either of the following is true:

- It has at least one revenue budget line with billable project revenue.
- It has pending values of 0 if the progress billing step of the billing rule assigned to any project task has the **Create Lines with Zero Amount and Quantity** check box selected on the [Billing Rules](#) form.

For more information, see [Billing with a Direct AR Invoice: General Information](#).

Each revenue budget line is billed based on amount or quantity, depending on the option selected in the **Progress Billing Basis** column on the **Revenue Budget** tab of the [Projects](#) form as follows:

- For a line billed by amount, you need to specify a nonzero amount, which may be a negative amount, in the **Pending Invoice Amount** column. For these lines, the **Pending Invoice Quantity**, **Draft Invoice Quantity**, and **Actual Quantity** values are always 0.

- For a line billed by quantity, you need to specify a nonzero quantity in the **Pending Invoice Quantity** column. In this case, the system will calculate the **Pending Invoice Amount** of the line as the pending invoice quantity multiplied by the unit rate specified in the line. The system will calculate the percentage of line completion (**Completed (%)**) based on the specified values.

You can also specify the **Completed (%)** value on the **Revenue Budget** tab for the needed revenue budget lines to indicate that the project tasks are being performed. The system will calculate the pending invoice values by using the following formulas:

$$\text{Pending Invoice Amount} = \text{Revised Budgeted Amount} * ( \text{Completed} (\%) / 100 ) - \text{Draft Invoice Amount} - \text{Actual Amount}$$

$$\text{Pending Invoice Quantity} = \text{Revised Budgeted Quantity} * ( \text{Completed} (\%) / 100 ) - \text{Draft Invoice Quantity} - \text{Actual Quantity}$$


Project-related invoices, debit memos, and credit memos that have been created manually on the [Invoices and Memos](#) (AR301000) form are not included in pending invoice quantities and amounts.

You run billing for one project by clicking the **Run Billing** button on the form toolbar of the [Projects](#) form or process multiple projects on the [Run Project Billing](#) (PM503000) form. When you run the project billing, the system prepares a project invoice whose type depends on the state of the **Create Pro Forma Invoice on Billing** check box on the **Summary** tab of the [Projects](#) form as follows:

- If the check box is selected, the system generates a pro forma invoice with a positive or negative amount.
- If the check box is cleared, the system generates an accounts receivable invoice (if the billed amount is positive) or credit memo (if the billed amount is negative). For more information about credit memos, see [Project Invoice Correction: Credit Memos for Projects](#).

The system creates a project invoice with the unit prices, amounts, and quantities copied from the **Unit Rate**, **Pending Invoice Amount** and **Pending Invoice Quantity** columns of the **Revenue Budget** tab of the [Projects](#) form for the corresponding revenue budget lines. If the project billing is performed by using the pro forma invoice workflow, the pro forma invoice lines that are produced by the progress billing steps are shown in the prepared pro forma invoice on the **Progress Billing** tab of the [Pro Forma Invoices](#) (PM307000) form.

During the billing process, the system groups the billable amounts into invoices based on the following:

- The invoice group of the steps of the billing rules to which the project tasks refer
- The customer
- The customer location
- The **Bill Separately** setting of each project task defined on the [Project Tasks](#) (PM302000) form

For more information, see [Grouping of Invoices: General Information](#).

Once an invoice is prepared, the **Draft Invoice Amount** and **Draft Invoice Quantity** of the revenue budget lines are updated with the amount and quantity for which the invoice has been prepared. The **Pending Invoice Amount** and **Pending Invoice Quantity** values become 0.

If you manually adjust the **Amount to Invoice** of a pro forma invoice line, the system automatically recalculates the **Total Completed (%)** in this line. This is the percentage of the revised budgeted amount of the revenue budget line of the project that has been invoiced by all the pro forma invoices of the project, including the current one. However, the system does not update the **Completed (%)** of the corresponding revenue budget line on the **Revenue Budget** tab of the [Projects](#) form accordingly. Also, the system does not update the **Completed (%)** of the revenue budget line if the related pro forma invoice with the corresponding progress billing line is deleted.

When you release a pro forma invoice and the system creates the corresponding accounts receivable invoice, the system copies the values in the **Amount to Invoice** column from the **Progress Billing** tab of the [Pro Forma Invoices](#) form to the corresponding lines of the accounts receivable invoice on the **Details** tab of the [Invoices and Memos](#) (AR301000) form.

## Progress Billing: To Bill a Project by Progress

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This activity will walk you through the process of billing a project by its progress.

### Story

Suppose that the HM's Bakery and Cafe customer has ordered 20 hours of new-employee training on operating juicers from the SweetLife Fruits & Jams company. SweetLife's project accountant has created a project to handle the tracking and billing of the provided services; the project should be billed on demand as the services are provided. Before each invoice is sent to the customer for payment, the customer has requested that a pro forma invoice be submitted for acceptance.

Then suppose that on 1/30/2025, SweetLife's consultant has provided five hours of the training. As the project accountant, you need to update the progress of the project and bill the customer for the provided training.

### Configuration Overview

In the *U100* dataset, the following tasks have been performed to support this activity:

- On the [Enable/Disable Features](#) (CS100000) form, the *Project Accounting* feature has been enabled to support the project accounting functionality.
- On the [Billing Rules](#) (PM207000) form, the *PROGRESS* billing rule has been configured.
- On the [Customers](#) (AR303000) form, the *HMBAKERY* customer has been created.
- On the [Projects](#) (PM301000) form, the *HMBAKERY3* project has been created. On the **Tasks** tab, the *TRAINING* project task has been added, and the *PROGRESS* billing rule is specified for this task. Also, on the **Summary** tab, the **Create Pro Forma Invoice on Billing** check box is selected, indicating that a pro forma invoice is created when the project is billed, and the **Billing Period** is set to *On Demand*.

### Process Overview

You will update the progress of the project on the [Projects](#) (PM301000) form to indicate that services have been provided partially. Then you will run project billing and review the prepared pro forma invoice on the [Pro Forma Invoices](#) (PM307000) form. After that, you will release the pro forma invoice, which causes the corresponding accounts receivable invoice to be created. After you review and release the AR invoice on the [Invoices and Memos](#) (AR301000) form, you will review the project and make sure that the project balances have been updated.

### System Preparation

To sign in to the system and prepare to perform the instructions of the activity, do the following:

1. Sign in to the system as the project accountant by using the *browner* username and the provided password.
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to 1/30/2025. If a different date is displayed, click the Business Date menu button and select 1/30/2025 on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.

### Step 1: To Run Project Billing

To update the progress of project completion and bill the project in an amount corresponding to the progress, do the following:

1. On the [Projects](#) (PM301000) form, open the *HMBAKERY3* project.

- On the **Revenue Budget** tab, specify 25 as the **Completed (%)** in the only revenue budget line to indicate that 25 percent of the project task has been completed (5 hours of 20). The system calculates the **Pending Invoice Amount** as \$250. Because the project has a nonzero **Pending Invoice Amount** in the revenue budget line, you can now bill the project.
- Save your changes to the project.
- On the form toolbar, click **Run Billing**.

The system creates a pro forma invoice and opens it on the [Pro Forma Invoices](#) (PM307000) form.

## Step 2: To Process a Pro Forma Invoice and the Corresponding AR Invoice

To process the pro forma invoice, while you are still viewing the prepared pro forma invoice on the [Pro Forma Invoices](#) (PM307000) form, do the following:

- On the **Progress Billing** tab, review the only line. The system has added this line based on the corresponding revenue budget line of the project on the [Projects](#) form (PM301000) that has been billed by its progress. The **Amount to Invoice** in the only progress billing line and the **Progress Billing Total** on the Summary area of the invoice is \$250.
- On the form toolbar, click **Remove Hold** to assign the pro forma invoice the *Open* status, and then click **Release**. The system closes the pro forma invoice (and assigns it the *Closed* status), and creates a corresponding accounts receivable invoice based on the pro forma invoice.
- On the **Financial** tab, click the **AR Ref. Nbr.** link to open the accounts receivable invoice that has been created on the [Invoices and Memos](#) (AR301000) form.
- On the form toolbar, click **Remove Hold** to assign the accounts receivable invoice the *Balanced* status, and then click **Release**.

## Step 3: To Review the Updated Project Details

To review how the project billing has affected the project budget, do the following:

- On the [Projects](#) form, open the *HMBAKERY3* project.
- On the **Revenue Budget** tab, review the only revenue budget line. Notice that the **Pending Invoice Amount** is now 0, and the **Actual Amount** is \$250, as shown in the following screenshot. Also notice that **Actual Income** in the Summary area has been updated and is now \$250.

Projects

Hmbakery3 - A training for employees

NOTES

FILES

TOOLS

←

📄

🔄

+

📄

⏪

⏩

COMPLETE

RUN BILLING

...

\* Project ID:

Hmbakery3

🔍

Customer:

Hmbakery - HM's Bakery & Cafe

🔍

Actual Income:

250.00

Template:

✎

Project Manager:

EP00000001 - Pam Brawner

🔍

Actual Expenses:

0.00

Status:

Active

Description:

A training for employees

Margin Amount:

250.00

Pending Invoice Amount:

0.00

SUMMARY

TASKS

REVENUE BUDGET

COST BUDGET

BALANCES

INVOICES

UNION LOCALS

ACTIVITIES

EMPLOYEES

EQUIPMENT

ADDRESSES

DEFAULTS

☐ Group by Task

🔄

+

×

VIEW TRANSACTIONS

📄

⬆

All Records

▼

📄

🔍

\* Project Task

\* Account Group

Description

Original Budgeted Quantity

UOM

Unit Rate

Original Budgeted Amount

Revised Budgeted Quantity

Revised Budgeted Amount

Draft Invoice Quantity

Draft Invoice Amount

Actual Quantity

Actual Amount

Pending Invoice Amount

>

🔍

TRAINING

REVENUE

A training for...

20.00

HOUR

50.0000

1,000.00

20.00

1,000.00

0.00

0.00

0.00

250.00

0.00

**Figure:** The revenue budget of the project

You have billed the project by its progress.

## Progress Billing: Related Reports and Forms

---

This topic describes reports and forms you can review to gather information related to billing projects by progress. The topic also explains how you can print documents related to project billing.

### Reviewing the Actual Amounts of the Project

You can review the list of project transactions corresponding to a revenue budget line with a nonzero **Actual Amount** on the **Revenue Budget** tab of the [Projects](#) (PM301000) form. To review the corresponding project transactions of a line on either tab, you click the line; on the table toolbar, you click **View Transactions**, and the system opens the [Project Transaction Details](#) (PM401000) form with the project transactions displayed.

### Reviewing Project Balances

You can review the project balance broken down by account group on the **Balances** tab of the [Projects](#) (PM301000) form. To review the corresponding project transactions of an account group, you click the line; then on the table toolbar, you click **View Transactions**. The system opens the [Project Transaction Details](#) (PM401000) form.

### Printing a Pro Forma Invoice

You can print a pro forma invoice that you are viewing on the [Pro Forma Invoices](#) (PM307000) form by clicking **Print** on the More menu. The system opens the printable form of the invoice, which is project-specific and specified for the *PROFORMA* mailing of the project on the **Mailing & Printing** tab of the [Projects](#) (PM301000) form. By default, this is the [Pro Forma Invoice](#) (PM642000) report. You can review the invoice and print it.

The contact information of the customer to whom the pro forma invoices should be sent is specified in the **Bill-To Contact** and **Bill-To Address** sections of the **Addresses** tab of the [Pro Forma Invoices](#) form. This information is copied to each pro forma invoice related to the project from the **Bill-To** and **Bill-To Address** sections of the **Summary** tab of the [Projects](#) form and can be modified at the invoice or project level.

### Printing the Project Balance

While you are viewing a project on the [Projects](#) (PM301000) form, you can prepare a printable document showing the project balance at the project task level of detail; to do this, you click **Print Project Balance** on the More menu (under **Reports**). The system opens the printable document with the project balance on the [Project Balance](#) (PM621000) report. Then you can review the project balance, which is grouped by project tasks.

## Lesson 2: Billing Projects for Time and Material

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You run billing for a project to prepare an invoice for the customer. You can bill the customer for the time and material spent on the project.

### Time and Material Billing: General Information

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With time and material billing in Acumatica ERP, you run project billing to automatically generate customer invoices based on the cost project transactions.



## Learning Objectives

In this lesson, you will learn how to do the following:

- Configure a time and material billing rule
- Make sure that the project is ready to be billed
- Run project billing for a project
- Process the documents that have been generated during the project billing
- Review how the project's actual amounts are updated with the billed amounts

## Applicable Scenarios

You run project billing to prepare an invoice for the customer for the time and material spent on the project. The timing of project billing depends on the project billing period defined for the project.

## Configuration of a Billing Rule Step

For a billing rule step of the *Time and Material* type, you can specify the following settings:

- The account group that is used as a filter to select the transactions for billing by the *Time and Material* billing steps. When the billing procedure is run, the system selects all the transactions that are due for billing and that have this account group. Normally, you use for billing the same account group or groups that you use for accumulating the unrecognized revenue.
- A formula to define the description of the invoice and a formula to define the description of each invoice line, to make the system compose these descriptions dynamically during the billing process.
- A formula to calculate the amount of the invoice lines created by the *Time and Material* billing steps, and another formula to calculate the quantity of these invoice lines. In these formulas, you can use fields and attributes from such entities as the project, project budget, project task, project transaction, customer, vendor, employee, inventory item, and account group. You can also use different sources of the project rates: those from rate tables, which can be configured on the [Rate Tables](#) (PM206000) form; and those from sales price lists, which are defined on the [Sales Prices](#) (AR202000) form.



If inclusive taxes are configured in the system, the amounts of project transactions are considered gross amounts—that is, already including the inclusive taxes. If the project transaction amounts that you enter in your system are net amounts (that is, it does not include an inclusive tax), you need to configure the line amount formula to include the `PMBudget.InclTaxAmount` value in the calculations.

- The source of the sales account and the source of the destination branch for each invoice line.  
The billing process uses the originating branch from the project settings on the [Projects](#) (PM301000) form and the destination branches from the sources according to the billing rules. When an accounts receivable invoice is released, the accounts receivable account is updated under the originating branch of the invoice, while the revenue amounts are recorded to the destination branches of the invoice lines.
- The invoice group, which can be used during billing to make the system create separate invoices (either pro forma invoices or accounts receivable invoices, depending on the billing workflow of the project) for particular steps with the same invoice group during the project billing.
- Non-billable transactions that do not contribute to the amount billed to the customer and that you may decide to include in the invoice.
- Grouping criteria by date, employee, vendor, and inventory item for the invoice lines created by the *Time and Material* billing steps.



## The Time and Material Billing Process

The time and material billing workflow is provided for project tasks that need to be billed based on project transactions. Time and material billing can be performed only for project tasks of a project that is pending billing—that is, if the project has at least one unbilled transaction that is ready to be billed on the invoice date. The *Time and Material* billing steps can be run once the project transactions that match the selection criteria have been processed. Optionally, the allocation process can be executed for these transactions before billing. For more information, see [Billing with a Direct AR Invoice: General Information](#).



If a project is billed with a billing rule that includes only *Time and Material* billing steps, during the billing process, the system ignores any pending invoice amount of the revenue budget lines.

To bill a project task for time and material, you need to create a billing rule on the [Billing Rules](#) (PM207000) form and configure a step or multiple steps of the *Time and Material* type in this rule. Multiple *Time and Material* steps are used in a billing rule for different account groups of transactions that should be used to determine the invoiced amounts by using different formulas. Then you assign the configured billing rule to project tasks on the **Tasks** tab of the [Projects](#) (PM301000) form.



If you configure multiple time and material steps for the same account group, only the last pro forma invoice line created based on these steps will be linked to the project transaction that has been used as a basis for billing.

You can run billing for one project by clicking the **Run Billing** button on the form toolbar of the [Projects](#) form or process multiple projects on the [Run Project Billing](#) (PM503000) form. When you run the project billing, the system prepares a project invoice whose type depends on the state of the **Create Pro Forma Invoice on Billing** check box on the **Summary** tab of the [Projects](#) form as follows:

- If the check box is selected, the system generates a pro forma invoice with a positive or negative amount.
- If the check box is cleared, the system generates an accounts receivable invoice (if the total billed amount is positive) or credit memo (if the total billed amount is negative). For more information about credit memos, see [Project Invoice Correction: Credit Memos for Projects](#).

The system creates a project invoice based on the unbilled project transactions with amounts calculated by using the billing rules of the project tasks. In the billing, the system includes the transactions with a date that is earlier than the billing date and does not include the transactions with a date that is later than the billing date. If the project billing is performed by using the pro forma invoice workflow, the invoice lines that are produced by the *Time and Material* billing steps are displayed on the **Time and Material** tab of the [Pro Forma Invoices](#) (PM307000) form.

The transactions with the same date as the invoice date are billed if *Include Transactions with Billing Date* is selected as the **Billing Cutoff** on the [Projects Preferences](#) (PM101000) form; if *Include Only Transactions Before Billing Date* is selected, the system skips the transactions with the same date as the invoice date.

During the billing process, the system groups the billable amounts into separate invoices based on the following:

- The invoice group of the steps of the billing rules to which the project tasks refer
- The customer
- The customer location
- The **Bill Separately** setting of each project task defined on the [Project Tasks](#) (PM302000) form

For more information, see [Grouping of Invoices: General Information](#).

If the status of a pro forma invoice is *On Hold*, you can change the **Amount to Invoice** values in the time and material lines of the pro forma invoice. When you release a pro forma invoice and the system creates the corresponding accounts receivable invoice or credit memo, the system copies the values in the **Amount to Invoice** column from the **Time and Material** tab of the [Pro Forma Invoices](#) form to the lines of the accounts receivable

invoice (or credit memo) on the **Details** tab of the [Invoices and Memos](#) (AR301000) form. You cannot change the **Amount to Invoice** value in the lines of a pro forma invoice with the *Open* and *Closed* status.



If the *Construction* feature is in use, you may need to prepare an American Institute of Architects (AIA) report that includes time and material amounts from the prepared pro forma invoice. To do this, you include the time and material amounts to be billed in the progress billing amounts. For more information, see [Construction Reports: Time and Material Amounts in AIA Reports](#).

## Time and Material Billing: To Bill a Project for Time and Material

This activity will walk you through the process of billing a project for time and material.

### Story

Suppose that the HM's Bakery and Cafe customer has ordered a juicer from the SweetLife Fruits & Jams company, along with the services of installation and employee training on operating the juicer. SweetLife's project accountant has created the project to handle the tracking and billing of the juicer and the provided services. Then the project accountant has entered a project transaction to record the delivery and installation of the juicer, and eight hours of training have been provided by SweetLife consultants on January 14, 2025. Acting as the project accountant, you need to bill the customer for the project so that the billing includes the materials used and the work time spent on the project.

### Configuration Overview

In the *U100* dataset, the following tasks have been performed to support this activity:

- On the [Enable/Disable Features](#) (CS100000) form, the *Project Accounting* feature has been enabled to support the project accounting functionality.
- On the [Billing Rules](#) (PM207000) form, the *TM* billing rule has been configured. The billing rule includes three steps, each billing a particular account group (*MATERIAL*, *LABOR*, and *SUBCON*); for each group, the amount to be invoiced is calculated by multiplying the project transaction amount by 1.25.
- On the [Customers](#) (AR303000) form, the *HMBAKERY* customer has been defined.
- On the [Projects](#) (PM301000) form, the *HMBAKERY4* project has been created for the *HMBAKERY* customer, and the *PHASE1* and *PHASE2* tasks have been added to the project. On the **Tasks** tab, the *TM* billing rule has been specified for both project tasks. Also, on the **Summary** tab, the **Create Pro Forma Invoice on Billing** check box is selected, indicating that a pro forma invoice is created when the project is billed.
- On the [Project Transactions](#) (PM304000) form, the *PM00000007* batch of project transactions related to the project has been created and released to record the services provided for the project.

### Process Overview

You will make sure that the project is pending billing and run the project billing on the [Projects](#) (PM301000) form, which causes the system to create a pro forma invoice. On the [Pro Forma Invoices](#) (PM307000) form, you will review the lines that have been added to this pro forma invoice and release it. Then you will review the corresponding accounts receivable invoice and release it on the [Invoices and Memos](#) (AR301000) form, and review how this affects the project's actual values.

### Step 1: Reviewing Project Transactions Pending Billing

To review the project transactions that have not been billed yet, do the following:

1. Open the [Project Transaction Details](#) (PM401000) form.

2. In the Selection area, select *HMBAKERY4* as the **Project**, and make sure that the **Project Task** and **Account Group** boxes are cleared. In the table, the system lists the following project transactions dated 1/14/2025:
  - The *JUICER15* line in the amount of \$2,000
  - The *TRAINING* line in the amount of \$320
  - Two lines with the *INSTALL* item related to the *PHASE1* project task, with amounts of \$80 and \$240
 Notice that in all lines, the **Billable** check box is selected and the **Billed** check box is cleared, indicating that these project transactions are pending billing.

## Step 2: Billing the Project and Processing the Related Documents

To bill the project, do the following:

1. On the [Projects](#) (PM301000) form, open the *HMBAKERY4* project. In the Summary area, notice that the actual expenses of the project are \$2,640 (which is the total of the processed project transactions), while the actual income of the project is \$0 because the project has not been billed yet.
2. On the form toolbar, click **Run Billing**. The system creates a pro forma invoice and opens it on the [Pro Forma Invoices](#) (PM307000) form.
3. On the **Time and Material** tab of the form, review the lines that the system has created based on the project transactions. The pro forma invoice includes three lines:
  - The *JUICER15* line with the billed amount of \$2,500
  - The *TRAINING* line with the billed amount of \$400
  - The *INSTALL* line (which aggregates two project transactions) in the amount of \$400
4. On the form toolbar, click **Remove Hold** to assign the pro forma invoice the *Open* status, and then click **Release**. The system creates a corresponding accounts receivable invoice based on the pro forma invoice. The pro forma invoice is assigned the *Closed* status.
5. On the **Financial** tab, click the **AR Ref. Nbr.** link to open the accounts receivable invoice that has been created on the [Invoices and Memos](#) (AR301000) form.
6. On the form toolbar, click **Remove Hold** to assign the invoice the *Balanced* status, and then click **Release**.

## Step 3: Reviewing the Project Transactions and the Updated Project Balance

To review the project transactions and project balance, do the following:

1. On the [Project Transaction Details](#) (PM401000) form, in the Selection area, select *HMBAKERY4* as the **Project**. In the table, review the project transactions that have been created based on the released accounts receivable invoice (these are the lines that have *AR* specified in the **Module** column and negative amounts). In the **GL Batch Nbr.** column, the reference number of the corresponding GL batch is shown. Also notice that the project transactions based on which you have performed time and material billing now have the **Billed** check box selected, indicating that these transactions have been billed.
2. On the [Projects](#) (PM301000) form, open the *HMBAKERY4* project. In the Summary area, notice that the actual income is now \$3,300. On the **Revenue Budget** tab, notice that the system has automatically created two revenue budget lines (one for each project task), and filled in the **Actual Amount** for the rows.
3. On the **Balances** tab (see the following screenshot), review the project income and expenses aggregated by account groups.

Projects  
HMLAKERY4 - A juicer with the installation and training for employees

Project ID: HMLAKERY4 Customer: HMLAKERY - HM's Bakery & Cafe  
Template: Project Manager: EP00000001 - Pam Brawner  
Status: Active  
Description: A juicer with the installation and training for employees

Actual Income: 3,300.00  
Actual Expenses: 2,640.00  
Margin Amount: 660.00  
Margin (%): 20.00  
Pending Invoice Amount: 0.00

SUMMARY TASKS REVENUE BUDGET COST BUDGET **BALANCES** INVOICES UNION LOCALS ACTIVITIES EMPLOYEES EQUIPMENT ADDRESSES

VIEW TRANSACTIONS

Account Group	Description	Original Budgeted Amount	Revised Budgeted Amount	Actual Amount	Performance (%)
<b>Income</b>					
REVENUE	Project Revenue	0.00	0.00	3,300.00	0.00
<b>Income Totals</b>		<b>0.00</b>	<b>0.00</b>	<b>3,300.00</b>	<b>0.00</b>
<b>Expense</b>					
LABOR	Project Labor	320.00	320.00	320.00	100.00
MATERIAL	Project Material	2,000.00	2,000.00	2,000.00	100.00
SUBCON	Project Subcontract	320.00	320.00	320.00	100.00
<b>Expense Totals</b>		<b>2,640.00</b>	<b>2,640.00</b>	<b>2,640.00</b>	<b>100.00</b>

*Figure: The project balances after project billing*

You have billed the project for time and material.

## Time and Material Billing: Related Report and Inquiry Forms

This topic describes reports and forms you can review to gather information related to billing projects by progress. The topic also explains how you can print documents related to project billing.

### Reviewing the Actual Amounts of the Project

You can review the list of project transactions corresponding to a project budget line with a nonzero **Actual Amount** on the **Revenue Budget** or **Cost Budget** tab of the [Projects](#) (PM301000) form. To review the corresponding project transactions of a line on either tab, you click the line; on the table toolbar, you click **View Transactions**, and the system opens the [Project Transaction Details](#) (PM401000) form with the project transactions displayed.

### Reviewing Project Balances

You can review the project balance broken down by account group on the **Balances** tab of the [Projects](#) (PM301000) form. To review the corresponding project transactions of an account group, you click the line; then on the table toolbar, you click **View Transactions**. The system opens the [Project Transaction Details](#) (PM401000) form.

### Reviewing Unbilled Project Transactions

You can review the list of all the transactions that correspond to a project on the [Project Transaction Details](#) (PM401000) form. In the Selection area of this form, you select the project to review all its project transactions. The transactions for which the **Billed** check box is cleared have not been billed yet. You can narrow the range of listed transactions by specifying any of the following in the Selection area: project task, account group, and inventory item.

### Printing a Pro Forma Invoice

You can print a pro forma invoice that you are viewing on the [Pro Forma Invoices](#) (PM307000) form by clicking **Print** on the More menu. The system opens the printable form of the invoice, which is project-specific and specified for

the *PROFORMA* mailing of the project on the **Mailing & Printing** tab of the [Projects](#) (PM301000) form. By default, this is the [Pro Forma Invoice](#) (PM642000) report. You can review the invoice and print it.

The contact information of the customer to whom the pro forma invoices should be sent is specified in the **Bill-To Contact** and **Bill-To Address** sections of the **Addresses** tab of the [Pro Forma Invoices](#) form. This information is copied to each pro forma invoice related to the project from the **Bill-To** and **Bill-To Address** sections of the **Summary** tab of the [Projects](#) form and can be modified at the invoice or project level.

## Printing the Project Balance

While you are viewing a project on the [Projects](#) (PM301000) form, you can prepare a printable document showing the project balance at the project task level of detail; to do this, you click **Print Project Balance** on the More menu (under **Reports**). The system opens the printable document with the project balance on the [Project Balance](#) (PM621000) report. Then you can review the project balance, which is grouped by project tasks.

## Lesson 3: Pro Forma Invoices

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By default, Acumatica ERP provides pro forma invoice capabilities for each newly created project. That gives you the ability to edit and correct pro forma invoices before creating AR documents without affecting the accounts receivable subledger.

## Pro Forma Invoices: General Information

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Acumatica ERP provides pro forma (draft) invoice capabilities for project billing. A pro forma invoice, which you can view on the [Pro Forma Invoices](#) (PM307000) form, is a draft document that you can edit and correct without affecting the accounts receivable subledger. A pro forma invoice can be printed and sent to a customer as many times as is necessary until an agreement is reached. With this process, you minimize corrections that directly affect the accounts receivable subledger.

## Learning Objectives

In this lesson, you will learn how to do the following:

- Configure the pro forma invoice workflow for a project
- Create a pro forma invoice during project billing
- Print the pro forma invoice
- Send the pro forma invoice as an email
- Create an accounts receivable invoice based on a pro forma invoice

## Applicable Scenarios

You create a pro forma invoice for a project if you need to reach agreement with the customer about the invoice. During negotiations, you modify the pro forma invoice as many times as is necessary until an agreement is reached, and then you prepare the accounts receivable invoice based on this pro forma invoice.

## Enabling of the Pro Forma Invoice Workflow for a Project

A pro forma invoice is a document that can be created through the process of billing a particular project. The system creates pro forma invoices during billing for the projects for which the pro forma invoice workflow is turned on—that is, the projects that have the **Create Pro Forma Invoice on Billing** check box selected on the **Summary**

tab of the [Projects](#) (PM301000) form. By selecting or clearing this check box, you can turn on or turn off the pro forma invoice workflow for a project at any stage of the project execution.



You can also manually enter new pro forma invoices on the [Pro Forma Invoices](#) (PM307000) form. For more information, see [Pro Forma Invoices: Manual Creation of Pro Forma Invoices](#).

## Creation of Pro Forma Invoices

The system creates a pro forma invoice when you run project billing by clicking **Run Billing** on the form toolbar of the [Projects](#) (PM301000) form. For a pro forma invoice created for a project, the system creates billable lines on the following tabs of the [Pro Forma Invoices](#) (PM307000) form:

- **Progress Billing:** The system creates these lines by using the *Progress Billing* steps of billing rules. The lines originate from the revenue budget lines of the project with a nonzero pending invoice amount or quantity.
- **Time and Material:** The system creates these lines by using the *Time and Material* steps of billing rules; the lines originate from the project transactions.

The *Time and Material* steps of billing rules support the aggregation of project transactions by date, employee, vendor, and inventory item. On the **Time and Material** tab of the [Pro Forma Invoices](#) form, you can select a line and then click **View Transaction Details** on the table toolbar to drill down to the list of project transactions based on which the **Billed Quantity** and **Billed Amount** of the line have been calculated by using the formula of the billing rule.



If the *Construction* feature is in use, you may need to prepare the American Institute of Architects (AIA) report that includes time and material amounts from the prepared pro forma invoice. For more information, see [Construction Reports: Time and Material Amounts in AIA Reports](#).

As a result of the creation of the pro forma invoice, the system updates the revenue budget of the project on the **Revenue Budget** tab of the [Projects](#) form as follows:

- In the lines billed by amount, the system clears the amounts in the **Pending Invoice Amount** column, which the system has used to create progress billing lines of the pro forma invoice.
- In the lines billed by quantity, the system clears the quantities in the **Pending Invoice Quantity** column and the amounts in the **Pending Invoice Amount** column, which the system has used to create progress billing lines of the pro forma invoice.
- The amounts in the **Draft Invoice Amount** column are increased with the amount to invoice of the corresponding progress billing lines and time and material lines of the pro forma invoice.
- The quantities in the **Draft Invoice Quantity** column are increased with the quantity to invoice of the corresponding progress billing lines of the pro forma invoice that have been billed based on quantity.

A pro forma invoice with any status can be printed and emailed to the customer. To print the pro forma invoice, you click **Print** on the More menu of the [Pro Forma Invoices](#) form. To email the pro forma invoice, you click **Email** on the More menu of the form.

## Release of Pro Forma Invoices

The pro forma invoices of a project can be released according to the following rules:

- The pro forma invoices can be released only one by one, starting from the earliest one, on the **Invoices** tab of the [Projects](#) (PM301000) form. The only exception is when multiple pro forma invoices segregated by invoice group have been generated during a single iteration of the billing process; in this case, these pro forma invoices can be released in any order.
- A pro forma invoice can be released only after the accounts receivable invoice of the preceding pro forma invoice has been released.

The release of a pro forma invoice does not produce project transactions or general ledger transactions directly. When you release the pro forma invoice on the [Pro Forma Invoices](#) (PM307000) form, the system creates a corresponding accounts receivable invoice or credit memo with all information copied from the pro forma invoice. The system copies the **Amount to Invoice** values from the pro forma invoice lines on the **Progress Billing** and **Time and Material** tabs of the [Pro Forma Invoices](#) form to the **Amount** column in the invoice lines on the **Details** tab on the [Invoices and Memos](#) (AR301000) form.



The system creates a credit memo on release of the pro forma invoice if the total amount of the pro forma invoice is negative. For more information, see [Project Invoice Correction: Credit Memos for Projects](#).

The document lines of an unreleased accounts receivable invoice that originates from a pro forma invoice are displayed in read-only mode on the **Details** tab of the [Invoices and Memos](#) form. You can edit only a salesperson in the **Salesperson ID** column. If you need to correct any other details, you can delete the accounts receivable invoice, adjust the pro forma invoice on the [Pro Forma Invoices](#) form, and release the pro forma invoice to make the system generate the adjusted accounts receivable invoice.



To open a pro forma invoice that corresponds to an accounts receivable invoice you are viewing on the [Invoices and Memos](#) form, click **Pro Forma Invoice** on the More menu (under **Related Documents**).

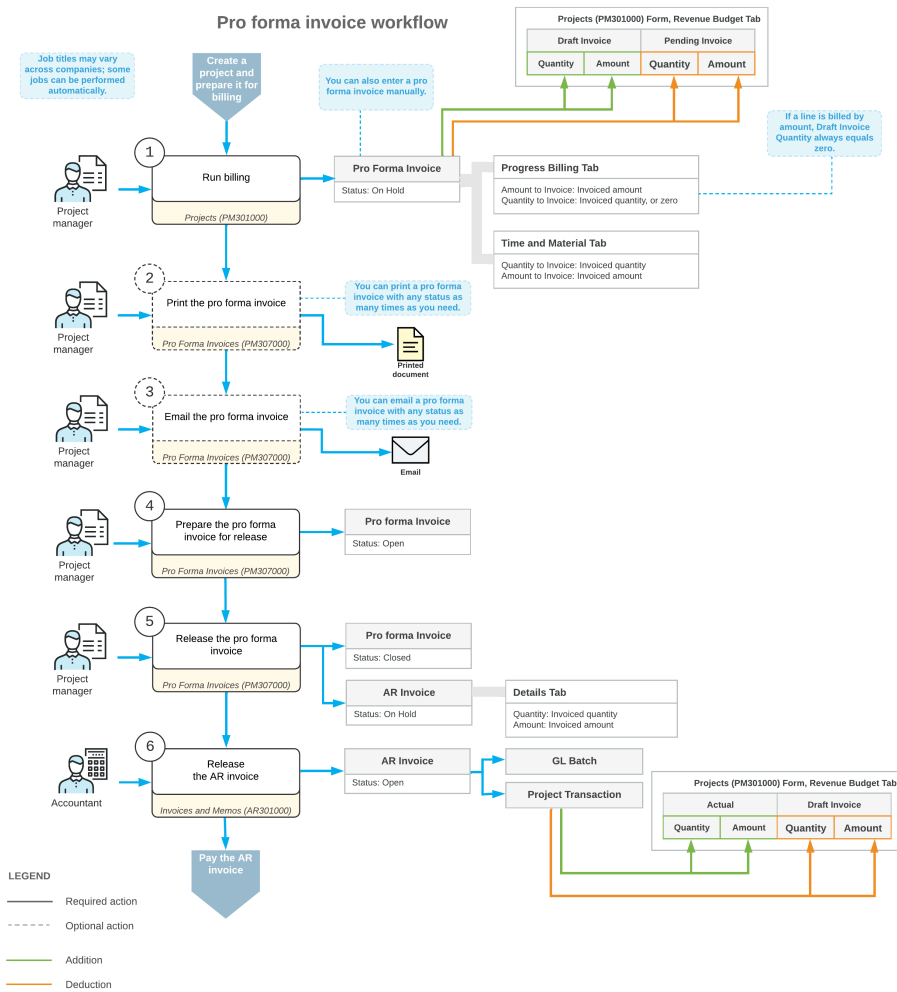
After you have reviewed the invoice details, you click **Release** on the form toolbar of the [Invoices and Memos](#) form to release the accounts receivable invoice. On release of the accounts receivable invoice, the system generates a general ledger transaction and the corresponding project transaction. On release of the project transaction, the system updates the revenue budget of the corresponding project on the **Revenue Budget** tab of the [Projects](#) form as follows:

- The **Actual Quantity** and **Actual Amount** of the corresponding revenue budget line are increased by the line quantity and line amount of the released accounts receivable invoice.
- The **Draft Invoice Amount** and **Draft Invoice Quantity** of the corresponding revenue budget line is decreased by the line amount and line quantity of the released accounts receivable invoice, respectively.

## Workflow of Pro Forma Invoices

The following diagram illustrates the workflow of processing a pro forma invoice.





## Pro Forma Invoices: To Process a Pro Forma Invoice for a Project

In this activity, you will learn about the workflow of a pro forma invoice that has been prepared for a project.

### Story

Suppose that the HM's Bakery and Cafe customer has ordered juicers from the SweetLife Fruits & Jams company, along with the following services: site review, installation, and employee training on operating the juicers. SweetLife's project accountant has created a project that should be billed on demand as the juicers are installed and all the services are provided. Before the invoice is sent to the customer for payment, the customer has requested a pro forma invoice to be submitted for acceptance. The site review has taken place, the juicers have been delivered and installed, and SweetLife's consultant has provided the training. After that, the project accountant has entered project transactions and updated the progress of the project.

Acting as the project accountant, you will bill the customer, print the pro forma invoice, and email the invoice to the customer for approval on 1/30/2025. Then you will release the pro forma invoice and the associated accounts receivable invoice.

### Configuration Overview

In the *U100* dataset, the following tasks have been performed to support this activity:



- On the [Enable/Disable Features](#) (CS100000) form, the *Project Accounting* feature has been enabled to support the project accounting functionality.
- On the [Projects](#) (PM301000) form, the *HMBAKERY5* project has been created and the *PHASE1*, *PHASE2*, *PHASE3*, *PHASE4*, and *PHASE5* project tasks have been created for the project. The revenue budget level of the project is *Task and Item*. On the **Summary** tab (**Billing and Allocation Settings** section), the **Create Pro Forma Invoice on Billing** check box has been selected for the project. With this setting, the system creates a pro forma invoice for the project when you run project billing.
- On the [Project Transactions](#) (PM304000) form, the *PM00000008* batch of project transactions related to the project has been created and released.

## Process Overview

On the [Projects](#) (PM301000) form, you will initiate the creation of a pro forma invoice for the project. Then you will review the created pro forma invoice on the [Pro Forma Invoices](#) (PM307000) form. You will then print the pro forma invoice, email the invoice, and release it on the same form. On the [Invoices and Memos](#) (AR301000) form, you will release the accounts receivable invoice created based on the pro forma invoice.

## System Preparation

To prepare to perform the instructions of the activity, do the following:

1. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2025*. If a different date is displayed, click the Business Date menu button and select *1/30/2025* on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.
2. On the [Projects Preferences](#) (PM101000) form, on the **General** tab (**General Settings** section), make sure *Detailed* is selected in the **Revenue Budget Update** box.

## Step 1: Creating and Processing a Pro Forma Invoice

To prepare and process a pro forma invoice for the project, do the following:

1. On the [Projects](#) (PM301000) form, open the *HMBAKERY5* project. On the **Cost Budget** tab, review the cost budget of the project. Notice that the **Actual Amount** of each line equals the original budgeted amount, which means the corresponding project transaction has been created and released.



You can review the transactions that correspond to each cost budget line on the [Project Transaction Details](#) (PM401000) form, which opens if you click the line and then click **View Transactions** on the table toolbar. The transactions have the **Billable** check box selected and the **Billed** check box cleared, which means the transactions are ready for billing and have not been billed yet.

2. On the **Revenue Budget** tab, review the revenue budget lines of the project, and make sure that the **Pending Invoice Amount** of the revenue budget lines is nonzero. In the table selection area, notice that the **Pending Invoice Amount Total** is equal to *2,700.00*. You can bill the project for this amount.
3. On the form toolbar, click **Run Billing**.  
The system creates a pro forma invoice and opens it on the [Pro Forma Invoices](#) (PM307000) form.
4. On the **Progress Billing** tab, make sure that the pro forma invoice includes five progress lines. Review the invoice lines that have been created based on the revenue budget lines of the project. The **Progress Billing Total** in the Summary area is *2,700.00*.
5. In the Summary area, right of the **Project** box, click the Edit button to review how the creation of the pro forma invoice has affected the revenue budget of the project. The system opens the [Projects](#) form with the *HMBAKERY5* project selected.

On the **Revenue Budget** tab, notice that amounts from the **Pending Invoice Amount** column have been moved to the **Draft Invoice Amount** column, and now the **Pending Invoice Amount** of all the revenue budget lines is zero. In the table selection area, notice that the **Pending Invoice Amount Total** is also equal to zero.

6. Return to the [Pro Forma Invoices](#) form with the pro forma invoice that you have prepared earlier.
7. On the **Time and Material** tab, make sure that the pro forma invoice includes three time and material lines that have been created based on the transactions prepared for billing. The **Time and Material Total** in the Summary area must be 7,750.00.



You can review the transactions that correspond to each line in the **Transaction Details** dialog box, which opens if you click the line and then click **View Transaction Details** on the table toolbar.

8. On the More menu, click **Print** to generate the printable version of the pro forma invoice. The system navigates to the [Pro Forma Invoice](#) (PM642000) report and opens the printable version of the pro forma invoice.
9. Click Back in the browser window to go back to the pro forma invoice on the [Pro Forma Invoices](#) form, and on the More menu, click **Email** to send the invoice as an email to the customer.

The system creates an email by using the notification template defined for the project on the **Mailing & Printing** tab of the [Projects](#) form, attaches the printed report, and sends the email to the customer by using the email address specified in the **Bill-To Contact** section on the **Addresses** tab of the [Pro Forma Invoices](#) form, which is copied from the project from the **Bill-To** section on the **Addresses** tab of the [Projects](#) form.

10. On the form toolbar, click **Remove Hold** to assign the pro forma invoice the *Open* status.
11. On the form toolbar, click **Release**. The system creates the accounts receivable invoice based on the pro forma invoice and assigns the *Closed* status to the pro forma invoice.

## Step 2: Processing an AR Invoice

To process the accounts receivable invoice that was generated based on the pro forma invoice, do the following:

1. While you are viewing the pro forma invoice on the [Pro Forma Invoices](#) (PM307000) form, on the **Financial** tab, click the **AR Ref. Nbr.** link to open the accounts receivable invoice that was created.
2. On the [Invoices and Memos](#) (AR301000) form, which opens, notice that all progress billing and time and material lines of the pro forma invoice have been copied to the **Details** tab of the accounts receivable invoice, as the following screenshot illustrates. The settings in these lines cannot be edited, except in the **Salesperson ID** column.

**Invoices and Memos**  
Invoice 000121 - HM's Bakery & Cafe

REMOVE HOLD

Type: Invoice Customer: HMBAKERY - HM's Bakery & Cafe  
 Reference Nbr.: 000121 Location: MAIN - Primary Location  
 Status: On Hold Terms: 300 - 30 Days  
 Date: 1/30/2025 Due Date: 3/1/2025  
 Post Period: 01-2025 Cash Discount: 3/1/2025  
 Customer Ord.: Project: HMBAKERY5 - Juicers with the installatio

Detail Total: 10,450.00  
 Line Discounts: 0.00  
 Document Dis: 0.00  
 Retained Amo: 0.00  
 Tax Total: 0.00  
 Balance: 10,450.00  
 Cash Discount: 0.00

Description: Invoice for HMBAKERY5

DETAILS FINANCIAL ADDRESSES TAXES APPLICATIONS COMPLIANCE

Inventory ID	Transaction Desc.	Quantity	UOM	Unit Price	Ext. Price	Discount Percent	Discount Amount	Amount	Account	Description	Project Task	Cost Code
SITEREVIEW	Site review	0.00	HOUR	50.0000	200.00	0.000000	0.00	200.00	40000	Sales Revenue	PHASE1	00-000
INSTALL	Installation of equipment at the customers' ...	0.00	HOUR	100.0000	300.00	0.000000	0.00	300.00	40000	Sales Revenue	PHASE2	00-000
INSTALL	Installation of equipment at the customers' ...	0.00	HOUR	100.0000	400.00	0.000000	0.00	400.00	40000	Sales Revenue	PHASE3	00-000
INSTALL	Installation of equipment at the customers' ...	0.00	HOUR	100.0000	600.00	0.000000	0.00	600.00	40000	Sales Revenue	PHASE4	00-000
TRAINING	Training on juicer usage (at customer's place)	0.00	HOUR	50.0000	1,200.00	0.000000	0.00	1,200.00	40000	Sales Revenue	PHASE5	00-000
JUICER10	Pro series juicer with a production rate of 1...	1.00	PIECE	1,500.0000	1,500.00	0.000000	0.00	1,500.00	40000	Sales Revenue	PHASE2	00-000
JUICER15	Commercial juicer with a production rate of ...	1.00	PIECE	2,500.0000	2,500.00	0.000000	0.00	2,500.00	40000	Sales Revenue	PHASE3	00-000
JUICER20C	Commercial citrus juicer with a production r...	1.00	PIECE	3,750.0000	3,750.00	0.000000	0.00	3,750.00	40000	Sales Revenue	PHASE4	00-000

Figure: The AR invoice prepared based on the pro forma invoice

- On the form toolbar, click **Remove Hold** to assign the accounts receivable invoice the *Balanced* status, and then click **Release**.
- On the **Financial** tab, click the link in the **Batch Nbr.** box. On the *Journal Transactions* (GL301000) form, which opens, review the created general ledger transactions.  
 Notice that eight transaction lines have the project and project task specified. For these GL transactions, the system created the corresponding project transactions. For the transactions with the X project specified (the non-project code), the system created no project transactions.
- Return to the accounts receivable invoice that you have prepared on the *Invoices and Memos* form.
- On the More menu (under **Inquiries**), click **Project Transactions** to review the corresponding project transactions.
- On the *Project Transaction Details* (PM401000) form, which opens, review the project transactions related to the AR invoice. Notice that eight transactions have *AR Invoice* in the **Orig. Doc. Type** column and the reference number of the accounts receivable invoice you have released in the **Orig. Doc. Nbr.** column. These transactions also have the reference number of the general ledger batch you have just reviewed in the **GL Batch Nbr.** column.
- On the *Projects* form, open the *HMBAKERY5* project, and review the **Invoices** tab. Notice that in the only line, the reference numbers of the prepared pro forma invoice and the corresponding accounts receivable invoice are shown in the **Pro Forma Reference Nbr.** and **AR Reference Nbr.** columns, respectively. The total billed amount in the **AR Doc. Orig. Amount** column is \$10,450.
- On the **Revenue Budget** tab, make sure the **Actual Amount** of revenue budget lines was updated on release of the AR invoice. Also, make sure that the following new revenue budget lines have been created based on the billed project transactions:
  - The line with the *PHASE2* project task and the *JUICER10* inventory item
  - The line with the *PHASE3* project task and the *JUICER15* inventory item
  - The line with the *PHASE4* project task and the *JUICER20C* inventory item
 Notice that the lines now have actual values and that the original budgeted values in these lines are 0.

You have finished processing the pro forma invoice and the AR invoice for the project.

## Pro Forma Invoices: Generated Transactions

The release of a pro forma invoice does not generate general ledger transactions or project transactions directly. When you release the pro forma invoice, the system creates a corresponding accounts receivable invoice with

all the information copied from the pro forma invoice. On release of the accounts receivable invoice, the system generates the general ledger transactions and project transactions described in the following sections.

## GL Transactions Generated on Release of an AR Invoice

When an accounts receivable invoice that has been created based on a pro forma invoice is released, the system generates a batch of the general ledger transactions shown in the table below.

The system uses the following accounts as the source accounts in the GL batch it creates:

- The asset account, which is specified in the **AR Account** box on the **Financial** tab (**Link to GL** section) of the [Invoices and Memos](#) (AR301000) form.
- The income account, which is specified for each line in the **Account** column on the **Details** tab of the [Invoices and Memos](#) form. The system populates the income account from the corresponding pro forma invoice; the income account was determined by billing rules during the creation of the pro forma invoice.

Account	Source of Account	Debit	Credit
Accounts receivable account	The asset account	Amount	0.00
Sales account	The income account	0.00	Amount

You can view the details of the batch associated with the release of an invoice by clicking the link in the **Batch Nbr.** box on the **Financial** tab (**Link to GL** section) of the [Invoices and Memos](#) form. The system opens the batch on the [Journal Transactions](#) (GL301000) form.

## Project Transactions Generated on Release of the GL Batch

On release of the batch of general ledger transactions, the system generates a corresponding batch of the project transactions shown in the following table.

Project and Project Task	Debit Account	Account Group	Amount
Project and project task in the GL batch line	Sales account in the GL batch line	Account group mapped to Sales account	-(Amount)

You can review the created transactions on the [Project Transaction Details](#) (PM401000) form. In the Selection area of this form, you select the project in the **Project** box. In the table, you can find the project transactions created on release of the accounts receivable invoice by the reference number of the AR invoice in the **Orig. Doc. Nbr.** column.

## Pro Forma Invoices: Related Reports and Forms

In the following sections, you can find details about the reports and forms you may want to review to gather information about pro forma invoices.



If you do not see a particular report or form that is described, you may have signed in to the system with a user account that does not have access rights to the report or form. Contact your system administrator to obtain access to any needed reports or forms.

## Reviewing Project Transactions

You can review the list of project transactions that correspond to a pro forma invoice line on the **Time and Material** tab of the [Pro Forma Invoices](#) (PM307000) form. To review these project transactions, you click the line; then on the table toolbar, you click **View Transaction Details**, and the system opens the **Transaction Details** dialog box.

## Printing a Pro Forma Invoice

You can print a pro forma invoice that you are viewing on the [Pro Forma Invoices](#) (PM307000) form by clicking **Print** on the More menu. The system opens the printable form of the invoice, which is project-specific and specified for the *PROFORMA* mailing of the project on the **Mailing & Printing** tab of the [Projects](#) (PM301000) form. By default, this is the [Pro Forma Invoice](#) (PM642000) report. You can review the invoice and print it.

The contact information of the customer to whom the pro forma invoices should be sent is specified in the **Bill-To Contact** and **Bill-To Address** sections of the **Addresses** tab of the [Pro Forma Invoices](#) form. This information is copied to each pro forma invoice related to the project from the **Bill-To** and **Bill-To Address** sections of the **Summary** tab of the [Projects](#) form and can be modified at the invoice or project level.

## Reviewing the Project Transactions Related to an AR Invoice

You can review the project transactions that were created on release of an accounts receivable invoice. To do this, while you are viewing the accounts receivable invoice on the [Invoices and Memos](#) (AR301000) form, you click **Project Transactions** on the More menu (under **Inquiries**). The system opens the [Project Transaction Details](#) (PM401000) form with reference number and type of the accounts receivable invoice specified in the Selection area.

## Part 2: Budget and Balances

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This part describes how to populate and track the project budget, which is used to provide both a financial plan and cost constraints for a project. The part also covers how to review project balances.

### Lesson 4: Configuring the Project Budget

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This lesson explains how to configure the project budget and update its actual values.

### Project Budget: General Information

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The project budget is used to provide both a financial plan and cost constraints for a project. That is, you define the amount of money and resources to be spent on the project. As the project progresses, you can continuously track actual project costs and either adjust expenditures or revise the budget.

#### Learning Objectives

In this lesson, you will learn how to do the following:

- Configure the revenue budget and the cost budget for a project
- Update the actual values of the project budget
- Review project balances

#### Applicable Scenarios

You configure a project budget in any of the following cases:

- If you want to plan the revenue of a project and track its completion
- If you want to plan and control the amount of money and resources spent on a project
- If you want to configure a fixed-price project that is billed for progress

#### Budget Planning

You plan a project budget during the estimation stage of the project, before any project transaction occurs. To estimate the project income, you add lines to the revenue budget of the project. To estimate the resources to be spent on the project, you add lines to the cost budget. During the execution stage of the project, when you process project transactions and bill the project, the actual values of the project budget are updated so that you can control the project execution and compare the actual values against the budgeted ones.

On the **Revenue Budget** and **Cost Budget** tabs of the [Projects](#) (PM301000) form, you can add, revise, and delete budget lines. Each budget line is defined by the project budget key, which is a unique combination of the following settings:

- A project
- A project task, which is a small identifiable piece of work that is a part of the project
- An account group, which determines the category of the revenue or expenses that are expected during the project execution.

- A particular inventory item needed to complete the task. If you do not need to associate the budget line with a particular item but the budget level is configured to include the item, you can select the empty item code (N/A) as the inventory item.
- A cost code if the *Cost Codes* features is enabled on the [Enable/Disable Features](#) (CS100000) form.

The level of details of revenue budget lines and cost budget lines—that is, whether you need to specify the inventory item and cost code or not, depends on the option selected in the **Revenue Budget Level** and **Cost Budget Level** boxes on the **Summary** tab (**Project Properties** section) of the [Projects](#) form. In each box, you can select one of the following options: *Task*, *Task and Item*, *Task and Cost Code*, and *Task, Item, and Cost Code*.

Other information that you can specify in a budget line includes the original budgeted quantity of the selected inventory item, the unit rate, and the original budgeted amount, which is calculated automatically as the original budgeted quantity multiplied by unit rate if you have not specified a value manually.

The revised budgeted quantity and amount are initially equal to the original budgeted values. During the estimation, acceptance, or execution stages of the project, you may want to revise the budget but keep the original budgeted amounts and quantities unchanged. This gives you the ability to analyze the accuracy of your original estimates while also adjusting the revised budgeted quantities and amounts. For more information, see [Project Budget Control: Budget Locking](#).

## Budget Tracking

As a project is being processed, you create project-related documents, such as AP bills, purchase orders, or AR invoices. The release of these project-related documents causes the creation of project transactions. When these transactions are released, the system updates the **Actual Quantity** and **Actual Amount** on the **Revenue Budget** and **Cost Budget** tabs of the [Projects](#) (PM301000) form.



The system also updates the project budget when a change order line is released, a commitment line is added, a pro forma invoice line is added, an accounts receivable invoice line is added, and a new change request line is added or linked to a change order.

The system uses the project budget key to match the project transaction with a project budget line. If a budget line with the same combination exists, the system updates the actual values of the existing line. For a new combination that does not exist in the project budget, the system creates a new budget line.

For the revenue budget, the system creates a revenue budget line with the same inventory item as the inventory item of the transaction if the *Detailed* option is selected in the **Revenue Budget Update** box on the **General** tab of the [Projects Preferences](#) (PM101000) form. If the *Summary* option is selected, the system creates a revenue budget line with the empty item code (N/A) instead of the inventory item of the transaction. Similarly, the system creates cost budget lines based on the option selected in the **Cost Budget Update** box on the **General** tab of the [Projects Preferences](#) form.



The *Summary* option is useful if the following conditions are met:

- Only certain articles are budgeted at a very detailed level.
- There may be many transactions processed with different cost codes and items.
- All these transactions are budgeted in a single line of a project.

You track the **Actual Amount** of project budget lines on the [Projects](#) form and compare this amount with the **Revised Budgeted Amount** when reviewing the budget. In the **Performance (%)** column, the system estimates the percentage of the actual amount to the revised budgeted amount. In a project, you can track the performance at different levels as follows:

- For a project budget line on the **Revenue Budget** or **Cost Budget** tabs

A fully performed budget line has the performance of 100%. For a revenue budget line, this percent shows the progress of completion of your financial plan. For a cost budget line, the percentage shows how much expenses you have incurred against the planned amount.

- For a project task on the **Revenue Budget** or **Cost Budget** tabs if the **Group by Task** check box is selected on the table toolbar
- For an account group on the **Balances** tab

Similarly, you can compare the actual quantity of project budget lines with the revised budgeted quantity to control how the project execution fits the planned quantity. The actual quantity is updated only if the UOM is specified in the budget line and if the system can convert the UOM of the corresponding project transaction to the UOM of the budget line by using the list of unit conversions defined on the [Units of Measure](#) (CS203500) form.

## Project Budget: To Configure and Update the Budget

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In this activity, you will learn how to configure the project budget, update actual values of the project budget, and review project performance.

### Story

Suppose that the Thai Food Restaurant customer has ordered a juicer along with the site review and installation services from the SweetLife Fruits & Jams company. SweetLife's project accountant has created a project to handle the tracking and billing of the provided materials and services.

Acting as the project accountant, you will configure the revenue budget for the project to plan the expected revenue and the cost budget to plan the materials and services to be spent on the project. Then, when the juicer is delivered and the services are provided, you will enter project transactions to capture project costs and will check the expenses within the budget values. You will then bill the project and compare the project income with the budgeted values.

### Configuration Overview

In the *U100* dataset, the following tasks have been performed to support this activity:

- On the [Enable/Disable Features](#) (CS100000) form, the *Project Accounting* feature has been enabled to provide support for the project accounting functionality.
- On the [Projects](#) (PM301000) form, the *TOMYUM5* project has been created and the *INSTALL* project task has been created for the project and configured as the default task. Also, *Task* is selected as the **Revenue Budget Level** of the project and *Task and Item* is selected as the **Cost Budget Level** of the project.
- On the [Account Groups](#) (PM201000) form, the *REVENUE*, *SUBCON*, *LABOR*, and *MATERIAL* account groups have been created.
- On the [Non-Stock Items](#) (IN202000) form, the *SITEREVIEW*, *INSTALL* and *TRAINING* non-stock items have been configured.
- On the [Stock Items](#) (IN202500) form, the *JUICER15* stock item has been configured.

### Process Overview

In this activity, you will configure the project budget on the [Projects](#) (PM301000) form. You will then release project transactions on the [Project Transactions](#) (PM304000) form that will update the actual values of the project budget. You will then bill the project on the [Projects](#) (PM301000) form and release the created accounts receivable invoice on the [Invoices and Memos](#) (AR301000) form.

### System Preparation

To prepare to perform the instructions of the activity, do the following:



1. Download the `TOMYUM5_Project_Transactions.xlsx` file provided with the course to your computer.
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2025*. If a different date is displayed, click the Business Date menu button and select *1/30/2025* on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.
3. On the [Projects Preferences](#) (PM101000) form, specify the following settings on the **General** tab (**General Settings** section):
  - **Revenue Budget Update:** *Summary*
  - **Cost Budget Update:** *Detailed*
4. Save your changes to the project accounting preferences.

## Step 1: Configuring the Project Budget

To specify the revenue and cost budgets for the project, do the following:

1. On the [Projects](#) (PM301000) form, open the *TOMYUM5* project.  
On the **Summary** tab (**Project Properties** section), notice that the **Revenue Budget Level** of the project is *Task* and the **Cost Budget Level** of the project is *Task and Item*.
2. On the **Revenue Budget** tab, click **Add Row** on the table toolbar and specify the following settings for the added row:
  - **Project Task:** *INSTALL* (selected automatically as the default project task)
  - **Account Group:** *REVENUE*
  - **Original Budgeted Amount:** *3000*

The added line represents the price of the juicer, the site review, and the installation service.



Notice that because of the selected revenue budget level, the revenue budget does not include inventory items and you cannot add another line with the same project task and account group to the revenue budget.

3. On the **Cost Budget** tab, click **Add Row** and specify the settings shown in the following table in the three cost budget lines you add.

Project Task	Inventory ID	Original Budgeted Quantity	Unit Rate
<i>INSTALL</i>	<i>JUICER15</i>	1	2000
<i>INSTALL</i>	<i>SITEREVIEW</i>	2	40
<i>INSTALL</i>	<i>INSTALL</i>	4	80

When you select an inventory item in a budget line, the system automatically selects an account group for the line based on the expense account of the non-stock item or the COGS account of the stock item that is mapped to the account group.



Notice that because of the selected cost budget level you must specify an inventory item in a cost budget line. You cannot add another line with the same budget key (project task, inventory item, and account group) to the cost budget of the project.

4. On the form toolbar, click **Save**.

- In the table selection area, select the **Group by Task** check box. In the table, the only line to which the system grouped budget lines is shown. The **Original Budgeted Amount** of the line with the *INSTALL* project task is 2,400.00.

## Step 2: Uploading Project Transactions

To upload and process the transactions to update actual values of the cost budget of the project, do the following:

- On the [Project Transactions](#) (PM304000) form, add a new record.
- In the Summary area, make sure *PM* is selected as the **Module**.
- In the **Description** box, type The juicer with the installation for the TOMYUM5 project.
- On the table toolbar of the **Details** tab, click **Load Records from File**.
- In the **File Upload** dialog box, which opens, click **Choose File** and select the TOMYUM5\_Project\_Transactions.xlsx file. Click **Upload**.
- In the **Common Settings** dialog box, which opens, leave the default settings, and click **OK**.
- In the **Columns** dialog box, leave the current column mapping, and click **OK**.

The system uploads four lines with the project transactions. In these lines, notice that the quantity of the provided services is less than you have budgeted—that is, an hour of the site review instead of two hours and three hours of the installation instead of four hours. Also notice that an extra line for two hours of training (which have not initially been budgeted) have been added.

- In the Summary area, make sure that the **Total Amount** of the uploaded transactions is 2,360.00.
- On the form toolbar, click **Save**, and then click **Release**.
- On the [Projects](#) (PM301000) form, open the TOMYUM5 project, and in the Summary area, notice that the **Actual Expenses** box shows 2,360.00, which is the total amount of the released transactions.

On the **Cost Budget** tab, review the cost budget of the project. Notice that the system has created a new budget line with the *TRAINING* item because the *Detailed* level of the cost budget update is specified in the project accounting preferences. The system has also updated the **Actual Quantity** and **Actual Amount** of the budget lines based on the released transactions (see the following screenshot). You can compare revised budgeted values with actual ones and track the performance by budget line in the **Performance (%)** column.

Projects

TOMYUM5 - Juicer with the installation

←

↶

↷

+

✖

↶

↷

COMPLETE

RUN BILLING

...

\* Project ID:

TOMYUM5

↗

Customer:

TOMYUM - Thai Food Restaurant

↗

✎

Template:

✎

Status:

Active

Description:

Juicer with the installation

Project Manager:

EP00000001 - Pam Brawner

↗

Actual Income:

0.00

Actual Expenses:

2,360.00

Margin Amount:

-2,360.00

Margin (%):

0.00

Pending Invoice Amount:

0.00

SUMMARY

TASKS

REVENUE BUDGET

COST BUDGET

BALANCES

INVOICES

UNION LOCALS

ACTIVITIES

EMPLOYEES

EQUIPMENT

ADDRESSES

DEFAULTS

☐ Group by Task

↻

+

×

VIEW TRANSACTIONS

↶

↷

↻

↻

		* Project Task	* Inventory ID	* Account Group	Description	Original Budgeted Quantity	UOM	Unit Rate	Original Budgeted Amount	Revised Budgeted Quantity	Revised Budgeted Amount	Actual Quantity	Actual Amount
>	🔍	INSTALL	SITEREVIEW	LABOR	Site review	2.00	HOUR	40.0000	80.00	2.00	80.00	1.00	40.00
	🔍	INSTALL	TRAINING	LABOR	Training on juicer usage (at c...	0.00	HOUR	0.0000	0.00	0.00	0.00	2.00	80.00
	🔍	INSTALL	JUICER15	MATERIAL	Commercial juicer with a prod...	1.00	PIECE	2,000.0000	2,000.00	1.00	2,000.00	1.00	2,000.00
	🔍	INSTALL	INSTALL	SUBCON	Installation of equipment at th...	4.00	HOUR	80.0000	320.00	4.00	320.00	3.00	240.00

Figure: The cost budget of the project updated by released transactions

- While remaining on the **Cost Budget** tab, in the table selection area, select the **Group by Task** check box and review totals by project task. The revised budgeted amount for the project task is 2,400.00, while the actual amount is 2,360.00.

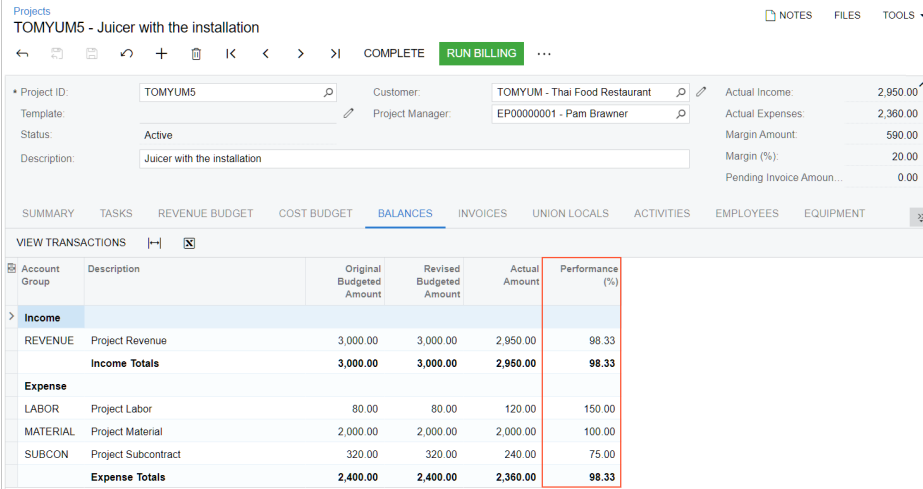
### Step 3: Billing the Project

To bill the project and process the invoice, do the following:

- While you are still viewing the *TOMYUM5* project on the *Projects* (PM301000) form, on the form toolbar, click **Run Billing**.  
The system creates an accounts receivable invoice and opens it on the *Invoices and Memos* (AR301000) form. Notice that the **Detail Total** in the Summary area is 2,950.00.
- On the form toolbar, click **Remove Hold** to assign the accounts receivable invoice the *Balanced* status, and then click **Release**.
- Return to the *Projects* form with the *TOMYUM5* project opened, and press Esc to refresh the form. In the Summary area, notice that the **Actual Income** box shows 2,950.00, which is the total amount of the released invoice. The system also calculates the project margin as the difference of actual income and expenses (\$590).

On the **Revenue Budget** tab, review the revenue budget of the project. Notice that the system has updated the **Actual Amount** of the revenue budget line based on the released invoice.

- On the **Balances** tab, review the project budget by account group, as shown in the following screenshot. You can track the performance by account group as well as by income and expense totals in the **Performance (%)** column.



Account Group	Description	Original Budgeted Amount	Revised Budgeted Amount	Actual Amount	Performance (%)
<b>Income</b>					
REVENUE	Project Revenue	3,000.00	3,000.00	2,950.00	98.33
<b>Income Totals</b>		<b>3,000.00</b>	<b>3,000.00</b>	<b>2,950.00</b>	<b>98.33</b>
<b>Expense</b>					
LABOR	Project Labor	80.00	80.00	120.00	150.00
MATERIAL	Project Material	2,000.00	2,000.00	2,000.00	100.00
SUBCON	Project Subcontract	320.00	320.00	240.00	75.00
<b>Expense Totals</b>		<b>2,400.00</b>	<b>2,400.00</b>	<b>2,360.00</b>	<b>98.33</b>

*Figure: Project budget balances divided by account group*

You have finished working with the project budget.

## Project Budget: Related Reports and Inquiry Forms

In the following sections, you can find details about the reports and inquiry forms you may want to review to gather information about the project budget.



If you do not see a particular report or form that is described, you may have signed in to the system with a user account that does not have access rights to the report or form. Contact your system administrator to obtain access to any needed reports or forms.

## Reviewing the Actual Project Amounts

While you are viewing a particular project on the [Projects](#) (PM301000) form, you can quickly get more information about a project budget line. That is, for any line on the **Revenue Budget** or **Cost Budget** tab with a nonzero actual amount, you can view the project transactions. To review these project transactions, you click the project budget line; then on the table toolbar, you click **View Transactions**, and the system opens the [Project Transaction Details](#) (PM401000) form.

## Reviewing Project Balances

You can review the project balance broken down by account group on the **Balances** tab of the [Projects](#) (PM301000) form. To review the corresponding project transactions of an account group, you click the line; then on the table toolbar, you click **View Transactions**. The system opens the [Project Transaction Details](#) (PM401000) form.

## Reviewing the Commitments of a Project

You can review the list of a project's commitments on the [Commitments](#) (PM306000) form. In the Selection area of this form, you select the project; you can also filter the selected transactions by selecting a project task, an account group, and an inventory item.



The form displays the commitments associated with the branches to which your user has sufficient access rights.

## Reviewing Commitments by Project Budget Line

You can review the commitments corresponding to a project budget line with a nonzero committed value on the **Cost Budget** tab of the [Projects](#) (PM301000) form. To review the corresponding commitments of a line, you click the line; then on the table toolbar, you click **View Commitments**, and the system opens the [Commitments](#) (PM306000) form.

## Reviewing Commitments by Account Group

You can review the project budget broken down by account groups on the **Balances** tab of the [Projects](#) (PM301000) form. To review the commitments corresponding to an account group, you click a line; then on the table toolbar, you click **View Commitments**, and the system opens the [Commitments](#) (PM306000) form.

## Printing the Project Balance

While you are viewing a project on the [Projects](#) (PM301000) form, you can prepare a printable document showing the project balance at the project task level of detail; to do this, you click **Print Project Balance** on the More menu (under **Reports**). The system opens the printable document with the project balance on the [Project Balance](#) (PM621000) report. Then you can review the project balance, which is grouped by project tasks.

## Reviewing Project Transactions

You can review the list of all transactions corresponding to a project on the [Project Transaction Details](#) (PM401000) form. In the Selection area of this form, you select the project to review all the corresponding project transaction. You can also use the selection criteria to filter the project's transactions by cost code and inventory ID.

## Viewing a Budget Summary by Account Groups

If you want to view a budget summary broken down by account groups, you can use the [Budget Summary by Account Group](#) (PMPV0010) form, which is a pivot table. On this form, you can explore the particular amounts of project budgets; the pivot table uses data provided by the [Budget Details](#) (PMGI0010) generic inquiry form. The amounts are grouped by types of account groups and then by account groups.

You can edit the pivot table to reorganize and summarize the data of the underlying generic inquiry, so that you can view the data from different perspectives. You can also click any link in the table to explore the details of the budgets on the **Drilldown Filter Applied** filter tab of the [Budget Details](#) generic inquiry form.

## Reviewing Potential Project Budget Overruns

You can review all the amounts that may potentially exceed the budget of a project on the [Potential Project Budget Overruns](#) (PM404000) form. In the Selection area of this form, you select the project and the type of the documents to be included in calculations. You then click **Calculate** on the form toolbar. You can also filter the selected overruns by project task and date range.

## Lesson 5: Reviewing Project Balances

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This lesson explains how you can review the project balances to become familiar with the project and gather the needed information about the work that has been performed.

### Project Budget: To Review Project Balances

---

In this activity, you will review project balances by using Acumatica ERP reports and forms.

#### Story

Suppose that the HM's Bakery and Cafe customer has ordered juicers, along with the following services: site review, installation, and employee training on operating the juicers from the SweetLife Fruits & Jams company. SweetLife's project accountant has created a project to handle the tracking and billing of the provided materials and services. The juicers have been delivered. The installation has been performed by Squeeze Inc. Then, SweetLife's consultant has provided the training. The project accountant of SweetLife has created purchase orders, entered project transactions, and partially billed the customer.

When the project accountant has got a sick leave, another SweetLife's project accountant continues working on the project. The first accountant has no possibility to hand over the project to the new accountant. Acting as the new project accountant, you need to review the project balances to become familiar with the project and gather all the information about performed work.

#### Configuration Overview

In the *U100* dataset, the following tasks have been performed to support this activity:

- On the [Enable/Disable Features](#) (CS100000) form, the *Project Accounting* feature has been enabled to support the project accounting functionality.
- On the [Projects](#) (PM301000) form, the *HMBAKERY6* project has been created and the *PHASE1*, *PHASE2*, *PHASE3*, and *PHASE4* project tasks have been created for the project.
- On the [Purchase Orders](#) (PO301000) form, the *000020* and *000021* purchase orders (which are related to the project) have been created and billed.

- On the [Project Transactions](#) (PM304000) form, the *PM00000009*, *PM00000010*, and *PM00000011* batches of project transactions related to the project have been created and released.

Project transactions related to the *PHASE1*, *PHASE2*, and *PHASE4* tasks of the project have been billed—that is, a pro forma invoice and the corresponding accounts receivable invoice have been created and released on the [Pro Forma Invoices](#) (PM307000) form and the [Invoices and Memos](#) (AR301000) form, respectively. Also, on the [Pro Forma Invoices](#) form, a pro forma invoice for project transactions related to the *PHASE3* task has been created.

## Process Overview

You will review a project's cost and revenue budget on the [Projects](#) (PM301000) form along with the corresponding project transactions on the [Project Transaction Details](#) (PM401000) form. You will review the list of invoices prepared for the project to understand if it has amounts pending billing. Then you will review the list of project commitments on the [Commitments](#) (PM306000) form. Finally, you will review the project budget broken down by account group on the **Balances** tab of the [Projects](#) form.

## System Preparation

To prepare to perform the instructions of the activity, on the [Projects Preferences](#) (PM101000) form, select the **Internal Cost Commitment Tracking** check box, and save your changes to the project accounting preferences. This exposes the committed values of the budget, which you will need during the process of the budget review.

## Step: Reviewing the Project Balances

To review project reports, do the following:

- On the [Projects](#) (PM301000) form, open the *HMBAKERY6* project.  
In the Summary area, notice that the actual income is \$5,700 and the actual expenses are \$8,000.
- On the **Revenue Budget** tab, pay attention to the values in the **Actual Amount** and **Draft Invoice Amount** columns, as shown in the following screenshot.

The lines with the *PHASE1*, *PHASE2*, and *PHASE4* tasks have nonzero actual amounts (\$1,850, \$2,950, and \$900, respectively), which means the work performed within these tasks have been billed. You can compare the actual amount and the revised budgeted amount of the lines to estimate the completion of the revenue budget.

The line with the *PHASE3* task has a nonzero draft invoice amount (\$4,300), which means a pro forma invoice has been already prepared for this line but the corresponding AR invoice has not been created or has not been released yet.

Projects

HMBAKERY6 - Juicers with the installation and training for employees

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COMPLETE

RUN BILLING

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Project ID:

HMBAKERY6

🔍

Customer:

HMBAKERY - HM's Bakery & Cafe

🔍

✎

Template:

✎

Status:

Active

Description:

Juicers with the installation and training for employees

Actual Income:

5,700.00

Actual Expenses:

8,000.00

Margin Amount:

-2,300.00

Margin (%):

-40.35

Pending Invoice Amount:

0.00

SUMMARY

TASKS

REVENUE BUDGET

COST BUDGET

BALANCES

COMMITMENTS

INVOICES

UNION LOCALS

ACTIVITIES

EMPLOYEES

EQUIPMENT

ADDRESSES

DEFAULTS

ATTRIBUTES

☐ Group by Task

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VIEW TRANSACTIONS

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⬇

<input checked="" type="checkbox"/>	<input type="checkbox"/>	*Project Task	*Account Group	Description	Original Budgeted Quantity	UOM	Unit Rate	Original Budgeted Amount	Revised Budgeted Quantity	Revised Budgeted Amount	Draft Invoice Quantity	Draft Invoice Amount	Actual Quantity	Actual Amount
>	<input checked="" type="checkbox"/>	PHASE1	REVENUE	Installation of the first juicer	0.00	HOUR	0.0000	1,850.00	0.00	1,850.00	0.00	0.00	4.00	1,850.00
	<input checked="" type="checkbox"/>	PHASE2	REVENUE	Installation of the second juicer	0.00	HOUR	0.0000	2,950.00	0.00	2,950.00	0.00	0.00	5.00	2,950.00
	<input checked="" type="checkbox"/>	PHASE3	REVENUE	Installation of the third juicer	0.00	HOUR	0.0000	4,300.00	0.00	4,300.00	0.00	4,300.00	0.00	0.00
	<input checked="" type="checkbox"/>	PHASE4	REVENUE	Training	0.00	HOUR	0.0000	1,200.00	0.00	1,200.00	0.00	0.00	18.00	900.00

**Figure: Revenue budget lines with actual and revised values**

- On the **Invoices** tab, review the invoices created for the project. Notice that the second pro forma invoice has not been released yet and has no related accounts receivable invoice.
- On the **Commitments** tab, review the purchase orders related to the project. Notice that both purchase orders have been processed and assigned the *Closed* status.
- On the **Cost Budget** tab, pay attention to the values in the **Revised Budgeted Amount**, **Revised Committed Amount** and **Actual Amount** columns, as shown in the following screenshot. Notice the following:
  - The line with the *TRAINING* inventory item is the only line with the actual amount less than the revised budgeted amount, which means that the planned training has not been provided fully.
  - The remaining lines have an actual amount that is equal to the revised budgeted amount and the performance is 100%, which means that all the budgeted materials and services have been provided.
  - The lines with the *INSTALL* inventory item have nonzero committed values, which means these lines have related purchase orders. The **Revised Committed Amount** shows the amount of the purchase (\$240 in Phase 1, \$320 in Phase 2 and \$400 in Phase 3). The **Committed Invoiced Amount** shows the amount on the purchase that has been already billed.

Projects

HMBAKERY6 - Juicers with the installation and training for employees

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**Figure: Cost budget lines with actual and revised values**

- Click the line with the *PHASE4* project task and the *TRAINING* inventory item, and on the table toolbar, click **View Transactions** to review the project transactions that correspond to the cost budget line on the [Project Transaction Details](#) (PM401000) form, which opens. Make sure that three project transactions correspond to the cost budget line.
- Close the browser tab with the form, and return to the project on the [Projects](#) form.
- Click the line with the *PHASE2* project task and the *INSTALL* inventory item, and on the table toolbar, click **View Commitments** to review the list of commitments that correspond to the cost budget line.
- On the [Commitments](#) (PM306000) form, which opens, make sure that two commitments correspond to the cost budget line.
- Close the browser tab with the form, and return to the project on the [Projects](#) form.
- In the selection area of the **Cost Budget** tab, select the **Group by Task** check box. The system groups the cost budget lines by task. You can review the total budgeted values by task. Notice that the *PHASE4* has the performance of 75%, which means not all the budgeted expenses have been incurred within the task.
- On the **Balances** tab, review the project budget broken down by account group. Notice that the **Actual Amount** in the line with the *REVENUE* group is \$5,700, while the original budgeted amount is \$10,300, which means that not all the budgeted revenue has been billed.

You have finished revising information for the project.



## Lesson 6: Lock of the Budget and Commitments

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This lesson explains how to prevent any changes to original budgeted values of the project.

### Project Budget Control: Budget Locking

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When you have decided to prevent any changes to the original budgeted values of the project, you click the **Lock Budget** command on the More menu of the [Projects](#) (PM301000) form. When the project is locked, the following columns on the **Revenue Budget** and **Cost Budget** tabs become read-only:

- **Original Budgeted Quantity**
- **Unit Rate**
- **Original Budgeted Amount**

You can still edit the budgeted values in the **Revised Budgeted Quantity** and **Revised Budgeted Amount** columns.

If you decide to again allow changes to be made to the project's original budgeted values, you unlock the project budget by clicking the **Unlock Budget** command on the More menu of the [Projects](#) form.

### Project Budget Control: To Lock a Project Budget

---

In this activity, you will learn how to prevent the original budget values of the project from being edited.

#### Story

Suppose that a customer, HM's Bakery and Cafe, has ordered a juicer from the SweetLife Fruits & Jams company, along with the services of installation and training for its employees on operating the juicer. SweetLife's project accountant created a project. Before the work on the project has begun, the customer has requested 12 hours of training to be provided.

Acting as the project accountant, you will change the original budgeted values of the project before proceeding to the execution stage and lock the budget to prevent the original budgeted values from being edited further. Further suppose that early in the project execution, the customer has realized that their employees will need 16 hours of training instead of 12, so you will adjust the revised budgeted values.

#### Configuration Overview

In the *U100* dataset, the following tasks have been performed to support this activity:

- On the [Enable/Disable Features](#) (CS100000) form, the *Project Accounting* feature has been enabled to provide the project accounting functionality.
- On the [Projects](#) (PM301000) form, the *HMBAKERY16* project has been created, and the *PHASE1* and *PHASE2* project tasks have been created for the project.
- On the [Non-Stock Items](#) (IN202000) form, the *INSTALL* and *TRAINING* non-stock items have been defined.
- On the [Stock Items](#) (IN202500) form, the *JUICER15* stock item has been created.



## Process Overview

In this activity, you will change the project budget on the [Projects](#) (PM301000) form and then lock the budget to prevent the original budget values of the project from being edited. You will then adjust the revised budgeted values.

### Step: Locking the Project Budget

To update the project budget and protect the original budgeted values from being edited, do the following.

1. On the [Projects](#) (PM301000) form, open the *HMBAKERY16* project.
2. On the **Revenue Budget** tab, in the revenue budget line with the *PHASE2* task and the *TRAINING* inventory item, change the **Original Budgeted Quantity** from 8 to 12.
3. Save your changes to the project.
4. On the More menu, under **Budget Operations**, click **Lock Budget** to prevent the original budgeted values from being edited. Now a user can change only the revised values in the project budget.

Notice that you cannot adjust the original budget values—that is, the values in the **Original Budgeted Quantity, Unit Rate, and Original Budgeted Amount** columns.

5. In the revenue budget line with the *PHASE2* task and *TRAINING* inventory item, change the **Revised Budgeted Quantity** from 12 to 16.
6. Save your changes to the project.

You have locked the project budget.

## Part 3: Capturing Costs for Projects

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The lessons of this part explain how to track project expenses by processing purchase orders, and AP bills. You will learn how to review captured costs in the project budget of the corresponding projects. You will also learn to track billable hours and employees' work time on projects.

### Lesson 7: Purchasing Services for Projects

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This lesson describes how to purchase services for projects by processing accounts payable bills.

#### Purchasing Services for Projects: General Information

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In Acumatica ERP, you can purchase services for projects without using purchase orders, so that these purchases affect the cost budget of the projects. You can later bill the customer for the purchased services, based on the expenses recorded to the cost budget.

#### Learning Objectives

You will learn how to do the following:

- Enter the accounts payable bill for the project
- Specify the services to be purchased, and release the bill
- Review the project and GL transactions that are generated during the processing of a purchase

#### Applicable Scenarios

You process a purchase of services for a project by using accounts payable bills without processing purchase orders to update the actual values of the project budget with the cost of the purchased services. You may need this, for example, if the *Inventory and Order Management* group of features is not included in your license or if you want to simplify the process of purchasing services.

#### Purchasing of Services for Projects

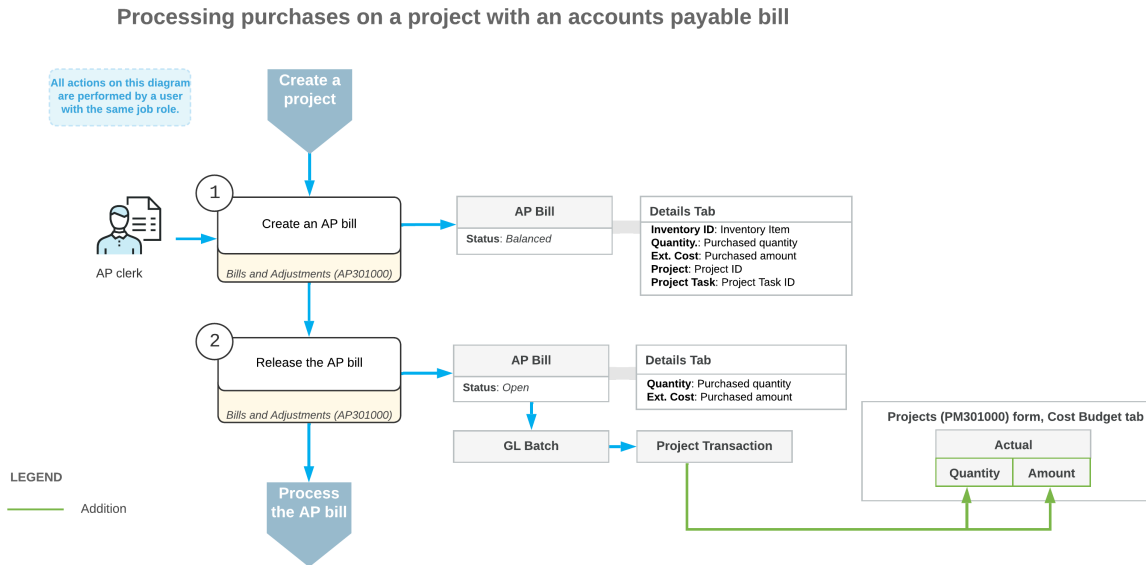
You purchase services—non-stock items that are configured so that the system does not require receipt for them—for projects using accounts payable bills. On the **Details** tab of the [Bills and Adjustments](#) (AP301000) form, you add a line for each non-stock item representing a service. To associate each bill line with a non-stock item with a project, you specify the project and project task.

When you release the accounts payable bill with lines related to a project, the system updates the budget lines of the project with the same project task, account group, and inventory item on the **Cost Budget** tab of the [Projects](#) (PM301000) form. The system updates the **Actual Quantity** and **Actual Amount** of these cost budget lines with the billed quantity and amount.

For more information on processing accounts payable bills, see [AP Bills: General Information](#).

#### Workflow of Purchasing Services for Projects

The following diagram illustrates the workflow of purchasing services for projects using accounts payable bills.



## Purchasing Services for Projects: Process Activity

This activity will walk you through the process of purchasing services for a project from a subcontractor with accounts payable bills.

### Story

Suppose that the HM's Bakery and Cafe customer has ordered the installation service for previously bought juicers from the SweetLife Fruits & Jams company. The SweetLife company has contracted the Squeezeo Inc. vendor to provide six hours of the installation service. SweetLife's project manager has created the project. To simplify the process of purchasing services, SweetLife's AP clerk has decided to skip the entering of a purchase order for the purchase. Acting as SweetLife's AP clerk, you will process the project-related purchase by using an accounts payable bill.

### Configuration Overview

In the *U100* dataset, the following tasks have been performed to support this activity:

- On the [Enable/Disable Features](#) (CS100000) form, the *Project Accounting* feature has been enabled to support the project accounting functionality.
- On the [Projects](#) (PM301000) form, the *HMBAKERY14* project has been created, and the *INSTALL* project task has been created for the project. This task is the default project task.
- On the [Non-Stock Items](#) (IN202000) form, the *INSTALL* non-stock item of the *Service* type has been defined. On the **General** tab (**Item Defaults** section), the **Require Receipt** check box has been cleared. On the **Price/Cost** tab (**Standard Cost** section), the **Current Cost** of the item has been set to *80.00*. On the **GL Accounts** tab, the *54200 (Project Subcontract Expense)* account has been selected in the **Expense Account** box.
- On the [Account Groups](#) (PM201000) form, the *SUBCON* account group has been created, and the *54200 (Project Subcontract Expense)* account has been mapped to the account group.
- On the [Vendors](#) (AP303000) form, the *SQUEEZO* vendor has been created.

## Process Overview

You will create a bill on the [Bills and Adjustments](#) (AP301000) form, and specify the project and project task in the bill lines. Then you will release the bill. Finally, you will review the project balances on the [Projects](#) (PM301000) form.

### Step: Creating a Bill for the Project

To create an accounts payable bill for the project, do the following:

1. On the [Bills and Adjustments](#) (AP301000) form, add a new record.
2. In the Summary area, specify the following settings:
  - **Vendor:** SQUEEZO
  - **Date:** 1/30/2025
  - **Description:** Services for HM's Bakery & Cafe
3. On the **Details** tab, click **Add Row** on the table toolbar, and add a row with the following settings:
  - **Inventory ID:** INSTALL
  - **Quantity:** 6
  - **Project:** HMBAKERY14
  - **Project Task:** INSTALL (selected by default)
  - **Cost Code:** 00-000

The system selects 54200 (*Project Subcontract Expense*) as the **Account** of the bill line, because this is the expense account of the selected item.

4. On the form toolbar, click **Remove Hold** to assign the bill the *Balanced* status, and then click **Release** to release the bill.
5. Open the [Project Transaction Details](#) (PM401000) form.
6. In the Selection area of the form, select **HMBAKERY14** as the **Project**, and make sure the **Account Group** and **Project Task** boxes are cleared. Review the project transaction that has updated the actual values in the budget line. The debit account group in the transaction (**SUBCON**) is the group that is mapped to the 54200 expense account of the **INSTALL** non-stock item specified in the line.
7. On the [Projects](#) (PM301000) form, open the **HMBAKERY14** project, and review the cost budget on the **Cost Budget** tab. Notice that the **Actual Quantity** and **Actual Amount** of the corresponding budget line have been updated (to 6 and 480.00, respectively), as shown in the following screenshot.

Projects

HIMBAKERY14 - The installation of juicers

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COMPLETE

RUN BILLING

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\* Project ID:

HIMBAKERY14

Customer:

HIMBAKERY - HM's Bakery & Cafe

Actual Income:

0.00

Template:

Active

Project Manager:

EP00000001 - Pam Brawner

Actual Expenses:

480.00

Status:

The installation of juicers

Margin Amount:

-480.00

Description:

Margin (%):

0.00

Pending Invoice Amoun...

0.00

SUMMARY

TASKS

REVENUE BUDGET

COST BUDGET

BALANCES

INVOICES

UNION LOCALS

ACTIVITIES

EMPLOYEES

EQUIPMENT

ADDRESSES

DEFAULTS

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VIEW TRANSACTIONS

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⏩

⏴

⏵

All Records

\* Project Task

\* Inventory ID

\* Account Group

Description

Original Budgeted Quantity

UOM

Unit Rate

Original Budgeted Amount

Revised Budgeted Quantity

Revised Budgeted Amount

Actual Quantity

Actual Amount

>

INSTALL

INSTALL

SUBCON

Installation of equipment at th...

6.00

HOUR

80.0000

480.00

6.00

480.00

6.00

480.00

Figure: Cost budget updated after bill processing

You have completed the processing of the purchase of services for the project and captured the cost of services to the project budget.

## Purchasing Services for Projects: Generated Transactions

When you process an accounts payable bill with a service item for a project, on release of the AP bill, the system generates the GL and project transactions described in the following sections.

### GL Transactions Generated on AP Bill Release

When an accounts payable bill with a service item is released, the system creates a batch of the general ledger transactions shown in the following table.

Account	Source of Account	Project Budget Key	Debit	Credit
Accounts payable account	Vendor	X	0.00	Amount
Expense account	Item	Project, project task, cost code	Amount	0.00

On the **Financial** tab (**Link to GL** section) of the *Bills and Adjustments* (AP301000) form, you can click the link in the **Batch Nbr.** box to view the details of the batch on the *Journal Transactions* (GL301000) form.

### Project Transaction Generated on AP Bill Release

When a batch of general ledger transactions is created on release of an accounts payable bill, the system also generates the project transaction shown in the following table.

Debit Account	Credit Account	Source of Account	Amount
Expense account	Empty	GL transaction	Amount

You can review the created project transaction on the *Project Transaction Details* (PM401000) form. In the Selection area of this form, you select the project in the **Project** box. In the table, you can find the project transaction created on release of the accounts payable bill by the reference number of the AP bill in the **Orig. Doc. Nbr.** column.

## Lesson 8: Purchasing Materials and Services for Projects

This lesson describes how to configure and use separate warehouse locations for tracking the inventory items that are sold or purchased for a project.

### Purchase of Materials and Services: Inventory Tracking by Warehouse Location

In Acumatica ERP, you can define a project so that specific project tasks are associated with warehouse locations. With this configuration, in the project cost budget, you can track materials and services purchased for the project. Based on the expenses recorded to the cost budget, you can later bill the customer. The ability to track items used

for projects by warehouse location helps you to track the amount of money and resources spent on the project and to accurately estimate the project profitability.

## Inventory Tracking by a Project-Specific Location

To track project items by warehouse location, you select *Track by Location* in the **Inventory Tracking** box on the **Summary** tab of the [Projects](#) (PM301000) form for a particular project. You then associate a separate warehouse location with each project task for which you need to receive inventory items on the [Warehouses](#) (IN204000) form. With this configuration, the items purchased for the project are tracked at the warehouse location level.

For a purchase of project items, you create a purchase order on the [Purchase Orders](#) (PO301000) form. When the purchased materials are received to the warehouse location, you create a purchase receipt on the [Purchase Receipts](#) (PO302000) form and an accounts payable bill on the [Bills and Adjustments](#) (AP301000) form. If the **Internal Cost Commitment Tracking** check box is selected on the [Projects Preferences](#) (PM101000) form, these expenses are recorded to the project budget as project commitments. For more information about commitment tracking in projects, see [Tracking Cost Commitments](#).

Once the purchased project stock items are used for the project, you issue the items for the project from the warehouse location. The system updates the actual quantity and actual amount of the cost budget of the project with the quantities and cost of the issued items.

## Limitations

The following limitations apply to the *Track by Location* inventory tracking mode of the project on the **Summary** tab of the [Projects](#) (PM301000) form:

- The purchased materials are not reserved for the project and can be sold and shipped for other projects and customers.
- If a warehouse location is associated with a particular project and project task, the system cannot issue the items from this location using the *X* non-project code. To issue the items stored in the project-specific warehouse location with the non-project code, you first need to transfer the items to a warehouse location that is not linked to any project task.
- The system does not track the project-specific cost of materials.

In projects with inventory tracked by location, the cost of the issued materials is not project-specific and is defined by general cost calculation rules. The cost of the item depends on the item valuation method, and is affected by other factors: the warehouse location from which the item is issued, the account and subaccount, the selected subitem, and the lot or serial number of the item. For more information on how the system calculates item costs, see [Item Costs and Valuation Methods: General Information](#).

## Project Inventory Tracking by Warehouse Location: To Purchase Materials and Services for a Project

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This activity will walk you through the process of purchasing materials and services to a project-specific warehouse location with a purchase order.

## Story

Suppose that the HM's Bakery and Cafe customer has ordered two juicers, along with four hours of the installation service from the SweetLife Fruits & Jams company. The SweetLife company contracted the Squeeze Inc. vendor to provide the juicers and perform the installation. SweetLife's project manager has created the project.

Acting as SweetLife's purchasing manager, you will process the purchase of materials and services for the project. When the vendor delivers the juicers to company's warehouse, you will process a purchase receipt for the juicers.

When the vendor provides the installation service, you will process an accounts payable bill from the vendor for the delivered juicers and provided service.

## Configuration Overview

In the *U100* dataset, the following tasks have been performed to support this activity:

- On the [Enable/Disable Features](#) (CS100000) form, the following features have been enabled:
  - Project Accounting*, which provides support for the project accounting functionality
  - Inventory and Order Management*, which provides the purchase order functionality
- On the [Projects](#) (PM301000) form, the *HMBAKERY2* project has been created and the *INSTALL* project task has been created for the project. This task is the default project task.
- On the [Account Groups](#) (PM201000) form, the *SUBCON* account group has been created. The *54200 (Project Subcontract Expense)* account has been mapped to the *SUBCON* account group.
- On the [Warehouses](#) (IN204000) form, the *EQUIPHOUSE* warehouse has been created, and the *HMBAKERY2* location has been created for the *INSTALL* task of the *HMBAKERY2* project.
- On the [Vendors](#) (AP303000) form, the *SQUEEZO* vendor has been created.
- On the [Stock Items](#) (IN202500) form, the *JUICER10C* stock item has been defined.
- On the [Non-Stock Items](#) (IN202000) form, the *INSTALL* non-stock item has been defined. On the **General** tab, the **Require Receipt** check box has been cleared. On the **GL Accounts** tab, *54200 (Project Subcontract Expense)* has been selected in the **Expense Account** box. On the **Price/Cost** tab, *Purchase* is selected in the **Post Cost to Expenses On** box.

## Process Overview

On the [Purchase Orders](#) (PO301000) form, you will create a purchase order for the project, specifying the project and project task. Then you will create a purchase receipt and release it on the [Purchase Receipts](#) (PO302000) form. You will bill the purchase order on the [Purchase Orders](#) form and then release the bill on the [Bills and Adjustments](#) (AP301000) form. Finally, you will review the project balances on the [Projects](#) (PM301000) form.

## Step 1: Creating a Purchase Order for the Project

To create a purchase order for the project, do the following:

- On the [Purchase Orders](#) (PO301000) form, create a new record.
- In the Summary area, specify the following settings:
  - Type:** *Normal*
  - Vendor:** *SQUEEZO*
  - Date:** *1/30/2025*
  - Project:** *HMBAKERY2*
  - Description:** *Purchase for HM's Bakery & Cafe*
- On the **Details** tab, add two purchase order lines that have the settings shown in the following table.

Inventory ID	Order Qty.	Unit Cost	Cost Code
<i>JUICER10C</i>	2	1500	00-000
<i>INSTALL</i>	4	80	00-000

The system automatically inserts the *INSTALL* project task for each line when you select the *HMBAKERY2* project because this task is the default project task of the project. Also, in the line with the *JUICER10C* stock item, the *EQUIPHOUSE* warehouse is inserted automatically.

4. In the Summary area, make sure that the **Order Total** value, which is the sum of the **Ext. Cost** of two lines (3,000.00 and 320.00), is 3,320.00.
5. Save the purchase order.
6. On the form toolbar, click **Remove Hold**. The system assigns the purchase order the *Open* status.

## Step 2: Receiving the Purchased Materials to a Warehouse

To create a purchase receipt for the purchased materials, do the following:

1. While remaining on the [Purchase Orders](#) (PO301000) form with the purchase order selected, on the form toolbar, click **Enter PO Receipt**.

The system creates a purchase receipt with the *Balanced* status for the *JUICER10C* item and opens it on the [Purchase Receipts](#) (PO302000) form. The service item (*INSTALL*) does not require a receipt and is not added to the created document.

2. On the form toolbar, click **Release**.

The system creates and releases an inventory receipt transaction based on the purchase receipt. On release of this transaction, the stock items are received to inventory. The purchase receipt is assigned the *Released* status.

## Step 3: Creating a Bill for the Purchase Order

To bill the purchase order, do the following:

1. On the [Purchase Orders](#) (PO301000) form, open the purchase order that you have created earlier in this activity.

2. On the More menu (under **Processing**), click **Enter AP Bill** to create a bill for the purchase order.

The system creates an accounts payable bill and opens the bill on the [Bills and Adjustments](#) (AP301000) form. Make sure that both purchase order lines have been added to the bill.

3. On the form toolbar, click **Remove Hold** to assign the AP bill the *Balanced* status, and then click **Release**.
4. On the [Projects](#) (PM301000) form, open the *HMBAKERY2* project.

On the **Cost Budget** tab, review the actual values of the cost budget. Notice that the **Actual Quantity** and **Actual Amount** of the line with the *INSTALL* item have been updated and are now 4 and 320.00, respectively (see the following screenshot). The actual values for the line with the stock item (*JUICER10C*) are not updated yet: the system will record the cost of stock items to the project budget when the items are used for the project and issued from the project-specific warehouse location.



Projects

HMBAKERY2 - Juicers with the installation

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COMPLETE

RUN BILLING

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Project ID:

HMBAKERY2

Customer:

HMBAKERY - HM's Bakery & Cafe

Actual Income:

0.00

Template:

Project Manager:

EP00000001 - Pam Brawner

Actual Expenses:

320.00

Status:

Active

Margin Amount:

-320.00

Description:

Juicers with the installation

Margin (%):

0.00

Pending Invoice Amoun...

0.00

SUMMARY

TASKS

REVENUE BUDGET

COST BUDGET

BALANCES

INVOICES

UNION LOCALS

ACTIVITIES

EMPLOYEES

EQUIPMENT

ADDRESSES

DEFAULTS

☐ Group by Task

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VIEW TRANSACTIONS

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	* Project Task	* Inventory ID	* Account Group	Description	Original Budgeted Quantity	UOM	Unit Rate	Original Budgeted Amount	Revised Budgeted Quantity	Revised Budgeted Amount	Actual Quantity	Actual Amount
>	INSTALL	JUICER10C	MATERIAL	Pro series citrus juicer with a ...	2.00	PIECE	1,500.0000	3,000.00	2.00	3,000.00	0.00	0.00
	INSTALL	INSTALL	SUBCON	Installation of equipment at th...	4.00	HOUR	80.0000	320.00	4.00	320.00	4.00	320.00

Figure: Actual values of the budget updated by the purchase

You have completed the processing of the purchase of materials and services for the project.

Project Inventory Tracking by Warehouse Location: Generated Transactions

The following sections describe the GL transactions and project transactions that are generated for sales and purchases of stock items and non-stock items requiring receipt for projects.



For the list of transactions that are generated for non-stock items not requiring receipt that are being purchased for projects, see [Purchasing Services for Projects: Generated Transactions](#).

GL Transactions Generated on Release of an Inventory Receipt

On release of a project-related purchase receipt with a stock item, the corresponding inventory receipt is created. When the inventory receipt is released, the system creates the following batch of general ledger transaction.

Account	Source of Account	Project	Debit	Credit
Inventory account	Posting class of the item	X (non-project code)	Received amount (quantity * item price)	0.00
PO accrual account	Posting class of the item	X (non-project code)	0.00	Received amount (quantity * item price)

On release of a project-related purchase receipt with a non-stock item requiring receipt, the corresponding inventory receipt is created. When the inventory receipt is released, the system creates the following batch of general ledger transaction.

Account	Source of Account	Project Budget Key	Debit	Credit
Expense account	Inventory item	Project, project task, and cost code in the inventory receipt line	Received amount (quantity * item price)	0.00
Inventory account	Inventory item	X (non-project code)	0.00	Received amount (quantity * item price)

On the **Financial** tab of the [Receipts](#) (IN301000) form, you can click the link in the **Batch Nbr.** box to view the details of the general ledger transaction on the [Journal Transactions](#) (GL301000) form.

### Project Transaction Generated on Release of the Inventory Receipt

On release of the general ledger transaction which was created on release of the inventory receipt with a stock item, the system generates no project transaction.

On release of the general ledger transaction which was created on release of the inventory receipt with a non-stock item requiring receipt, the system generates the following project transaction.

Project Budget Key	Account Group	Debit Account	Amount
Project, project task, inventory item, and cost code in inventory receipt line	Account group mapped to the Expense account of the item	Expense account of the item	Amount

You can review the created project transaction on the [Project Transaction Details](#) (PM401000) form. In the Selection area of this form, you select the project in the **Project** box.

### GL Transactions Generated on Release of an Inventory Issue

On release of an inventory issue with a stock item issued for a project, the system generates a batch of general ledger transactions.

Account	Source of Account	Project Budget Key	Debit	Credit
PO Accrual account	Posting class of the item	X (non-project code)	0.00	Issued amount (quantity * item cost)
Expense account	Reason code in the inventory issue line	Project, project task, and cost code in the inventory issue line	Issued amount (quantity * item cost)	0.00

You can view the reference number of the GL batch in the **Batch Nbr.** box on the **Financial** tab of the [Issues](#) (IN302000) form. You can click the link in this box to view the details of the batch on the [Journal Transactions](#) (GL301000) form.

## Project Transaction Generated on Release of the Inventory Issue

On release of the general ledger transaction created on release of the inventory issue with a stock item for project, the system generates the following project transaction that updates the project's actual amounts:

Project Budget Key	Account Group	Debit Account	Amount
Project, project task, inventory item, and cost code in inventory issue line	Account group mapped to the GOGS account	COGS account of the item	Amount

You can review the created project transaction on the [Project Transaction Details](#) (PM401000) form. In the Selection area of this form, you select the project in the **Project** box.

## Lesson 9: Cost Commitments

This lesson explains how you can prepare and process project commitments if you need to control purchases for projects by using separate project budget lines.

### Committed Costs: General Information

Acumatica ERP supports the tracking of purchase orders for each project as project cost commitments, which gives you the ability to control purchases made for projects. When the commitments are created, the system uses them to populate the cost budget for the corresponding project, project task, inventory item, and account group.

### Learning Objectives

In this lesson, you will learn how to do the following:

- Set up the tracking of project commitments in the system
- Create commitments by creating a purchase order for a project
- Review how the commitments affect the project cost budget during the processing of the purchase order

### Applicable Scenarios

You set up commitment tracking if you want to distinguish purchases within the cost budget of a project. When you process a purchase order with detail lines related to the project, the system tracks this purchase as a commitment to the project and updates the cost budget of the project with the purchased services and materials. The commitment values are shown in separate columns in the cost budget.

### Tracking of Committed Costs for Projects

If the **Internal Cost Commitment Tracking** check box is selected on the **General** tab (**General Settings** section) of the [Projects Preferences](#) (PM101000) form, the system tracks project-related purchase orders as commitments to these projects and exposes these commitments on the [Commitments](#) (PM306000) form.



If the *Construction* feature is enabled on the [Enable/Disable Features](#) (CS100000) form, the system also tracks subcontracts as commitments to projects. For more information about processing subcontracts, see [Subcontracts: General Information](#).

The system creates a commitment for a purchase order line in the amount of the **Ext. Cost** of the line and updates the committed values of the corresponding budget line of a project on the **Cost Budget** tab of the [Projects](#) (PM301000) form if all of the following conditions are met on the [Purchase Orders](#) (PO301000) form:

- The type of the purchase order is *Normal*, *Drop-Ship* or *Project Drop-Ship*.
- The status of the purchase order is *Pending Printing*, *Pending Email*, or *Open*.
- The purchase order line specifies the project and the applicable project task (and, optionally, the cost code).

On the **Cost Budget** tab of the [Projects](#) form, for each budget line, the system displays the total values of all the commitments that are associated with the same project, project task, account group, and inventory item. The system tracks the following committed values of the project budget on the **Cost Budget** tab:

- Original committed quantity and amount
- Revised committed quantity and amount
- Committed open quantity and amount
- Committed received quantity
- Committed invoiced quantity and amount

The initial commitment amount is displayed in the **Original Committed Amount** column and the **Revised Committed Amount** column. The **Committed Open Amount** of a new commitment is equal to the **Revised Committed Amount**.

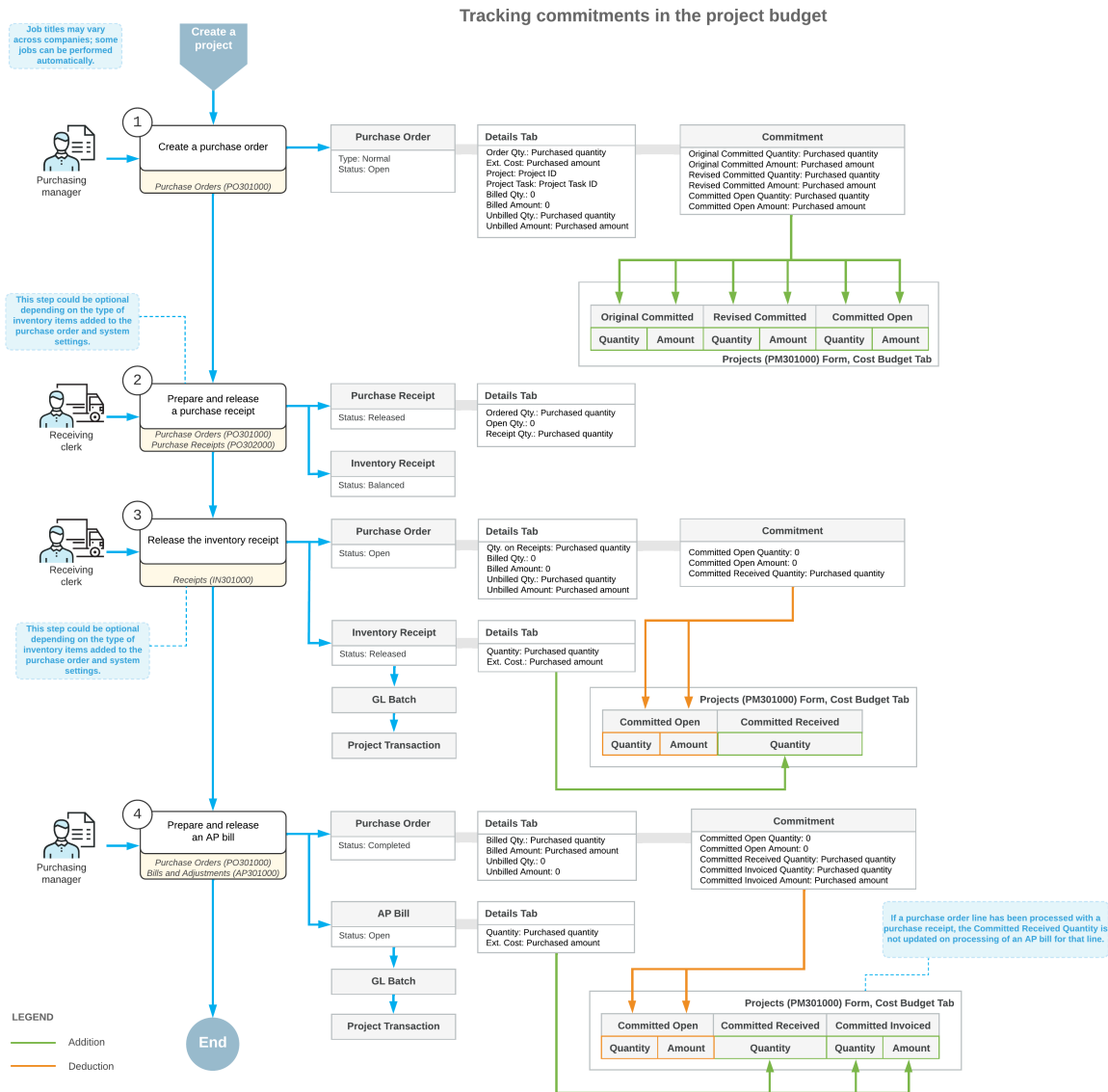
When you release an accounts payable bill with the purchase order lines of the *Service* type, the **Committed Invoiced Quantity** and **Committed Invoiced Amount** of the corresponding commitments are updated with the **Quantity** and **Ext. Cost** values of the bill lines, respectively. The **Committed Invoiced Quantity** and **Committed Invoiced Amount** are subtracted from the **Committed Open Quantity** and **Committed Open Amount** and added to the **Actual Quantity** and **Actual Amount**, respectively.

When an inventory receipt that corresponds to the purchase receipt with the purchase order lines of the *Goods for IN* or *Non-Stock* type is released, the **Committed Received Quantity** of the corresponding commitments is updated with the received quantity. On release of the AP bill with these lines, the received quantity and the amount of the **Ext. Cost** of the related purchase order lines are subtracted from the **Committed Open Quantity** and **Committed Open Amount** and added to the **Committed Invoiced Quantity**, **Committed Invoiced Amount**, **Actual Quantity** and **Actual Amount**, respectively.

After a purchase order line is assigned the *Closed* status, the **Committed Open Quantity** and **Committed Open Amount** of the corresponding commitment become 0. If a purchase order has been canceled, the incomplete amounts are subtracted from the **Committed Open Amount**.

## Workflow of Commitments

The following diagram illustrates the workflow of processing a commitment and the ways the commitment affects the project budget.



## Committed Costs: Process Activity

This activity will walk you through the creation of a purchase order for a project and tracking this purchase order as a commitment to the project cost budget.

### Story

Suppose that the HM's Bakery and Cafe customer has ordered the installation of three juicers it previously purchased from the SweetLife Fruits & Jams company. Acting as SweetLife's project accountant, you have created a project related to the planned installation work. The installation, which is performed by the vendor of the juicers, has been provided for each juicer. Based on the agreement with the vendor, your company will be billed in two parts—that is, first for the installation of the first two juicers and then for the installation of the third juicer. Acting as the project accountant, you need to capture the first part of the installation cost as a commitment to the project.

## Configuration Overview

In the *U100* dataset, the following tasks have been performed to support this activity:

- The following features have been enabled on the [Enable/Disable Features](#) (CS100000) form:
  - Project Accounting*, which provides support for the project accounting functionality
  - Inventory and Order Management*, which provides the purchase order functionality
- On the [Account Groups](#) (PM201000) form, the *SUBCON* account group has been created. The *54200 - Project Subcontract Expense* account has been mapped to the account group.
- On the [Vendors](#) (AP303000) form, the *SQUEEZO* vendor has been created.
- On the [Projects](#) (PM301000) form, the *HMBAKERY8* project has been created and the *INSTALL* project task has been created for the project. This task is the default project task.
- On the [Non-Stock Items](#) (IN202000) form, the *INSTALL* non-stock item has been created. On the **General** tab, the **Require Receipt** check box is cleared for the item. On the **Price/Cost** tab (**Standard Cost** section), the **Current Cost** of the item has been set to *80.00*. On the same tab, *Purchases* is selected in the **Post Cost to Expenses On** box. On the **GL Accounts** tab, the *54200 - Project Subcontract Expense* account has been specified as the **Expense Account**.

## Process Overview

In this activity, you will create a purchase order on the [Purchase Orders](#) (PO301000) form with lines related to the project. You will review how the committed amounts are shown in the project budget on the [Projects](#) (PM301000) form. You will then create a partial bill for the purchase order and release the bill on the [Bills and Adjustments](#) (AP301000) form.

Finally, you will review how the processed commitments affect the project budget on the [Projects](#) form.

## Step: Creating Commitments for the Project

To process a purchase order for the project that updates the project budget with committed values, do the following:

- On the [Projects](#) (PM301000) form, open the *HMBAKERY8* project, and on the **Cost Budget** tab, review the cost budget of the project. Because tracking of cost commitments is enabled in the system, the table contains columns for the original committed, revised committed, committed received, committed invoiced, and committed open values. In the only cost budget line of the project, all these values are *0*.
- On the [Purchase Orders](#) (PO301000) form, create a purchase order, and specify the following settings in the Summary area:
  - Vendor:** *SQUEEZO*
  - Description:** Purchase for HM's Bakery & Cafe
  - Date:** *1/30/2025*
- On the **Details** tab, add three purchase order lines, and specify the settings shown in the following table in the lines you add.

Inventory ID	Line Description	Order Qty.	Project	Cost Code
<i>INSTALL</i>	Installation of the first juicer	3	<i>HMBAKERY8</i>	<i>00-000</i>
<i>INSTALL</i>	Installation of the second juicer	4	<i>HMBAKERY8</i>	<i>00-000</i>

Inventory ID	Line Description	Order Qty.	Project	Cost Code
INSTALL	Installation of the third juicer	5	HMBAKERY8	00-000



The system automatically selects the *INSTALL* project task when you select the project of the line because this task is the default task of the *HMBAKERY8* project.

4. Make sure the **Ext. Cost** of the added lines is 240.00, 320.00, and 400.00, respectively; these represent the costs committed to the project.
5. In the Summary area, make sure that the **Detail Total** value, which is the sum of the **Ext. Cost** values of the three lines, is 960.00, and save the purchase order.
6. On the form toolbar, click **Remove Hold**. The system assigns the purchase order the *Open* status.  
When the *Open* status is assigned to the purchase order, the system creates the commitments for the project.
7. On the [Projects](#) form, open the *HMBAKERY8* project, and on the **Cost Budget** tab, review the updated cost budget line.  
Notice that the committed quantities and amounts of the cost budget line have been updated and the **Original Committed Amount**, **Revised Committed Amount**, and **Committed Open Amount** columns contain the purchase order total (960.00).
8. On the table toolbar, click **View Commitments** to review the commitments that correspond to the cost budget line on the [Commitments](#) (PM306000) form. Notice that the system has created a commitment for each purchase order line and that all the commitments correspond to one cost budget line.
9. Close the form and return to the [Projects](#) form with the *HMBAKERY8* project.
10. On the **Commitments** tab, click the link in the **Order Nbr.** column to open the purchase order that you have created earlier in this activity.
11. On the More menu of the [Purchase Orders](#) form, which the system opens, click **Enter AP Bill** to create a bill for the purchase order.  
The system creates an accounts payable bill and opens the bill on the [Bills and Adjustments](#) (AP301000) form.
12. On the **Details** tab of this form, delete the line with the **Quantity** of 5.00 to bill the purchase order partially, as your company agreed on with the vendor.  
When you delete the line, the amount in the **Detail Total** box in the Summary area becomes 560.00.
13. On the form toolbar, click **Remove Hold** to assign the bill the *Balanced* status, and then click **Release** to release the bill.
14. Return to the [Projects](#) form with the *HMBAKERY8* project, press Esc to refresh the form, and review the updated cost budget on the **Cost Budget** tab.  
Notice that the billed quantity and amount (7.00 and 560.00, respectively) of the purchase order have been subtracted from the committed open quantity and amount, which is now equal to 5.00 and 400.00, respectively. The billed quantity and amount have been added to the committed invoiced quantity and amount, to the actual quantity and amount, and to the received committed quantity, as shown in the following screenshot.

Projects  
HIMBAKERY8 - Installation of juicers

Project ID: HIMBAKERY8 Customer: HIMBAKERY - HM's Bakery & Cafe  
Template: Project Manager: EP00000001 - Pam Brawner  
Status: Active  
Description: Installation of juicers

Actual Income: 0.00  
Actual Expenses: 560.00  
Margin Amount: -560.00  
Margin (%): 0.00  
Pending Invoice Amount: 0.00

SUMMARY TASKS REVENUE BUDGET **COST BUDGET** BALANCES COMMITMENTS INVOICES UNION LOCALS ACTIVITIES EMPLOYEES EQUIPMENT ADDRESSES

☐ Group by Task

Original Budgeted Amount	Revised Budgeted Quantity	Revised Budgeted Amount	Original Committed Quantity	Original Committed Amount	Revised Committed Quantity	Revised Committed Amount	Committed Received Quantity	Committed Invoiced Quantity	Committed Invoiced Amount	Committed Open Quantity	Committed Open Amount	Actual Quantity	Actual Amount	Actual + Open Committed Amount
960.00	12.00	960.00	12.00	960.00	12.00	960.00	0.00	7.00	560.00	5.00	400.00	7.00	560.00	960.00

**Figure: Committed values of the project cost budget**

You have processed the commitment to the project.

## Committed Costs: Generated Transactions

When you process a purchase order from which commitments originate, you create purchase receipts (for the stock items and non-stock items requiring receipt) and accounts payable bills (for all types of items). On release of these documents, the system generates the GL and project transactions described in the following sections.

### GL Transactions Generated on Inventory Receipt Release

When an inventory receipt created on release of a purchase receipt prepared for a purchase order is released, the system creates a batch of the general ledger transactions shown in the table below.

The system uses the following accounts as the source of the debited account in the GL batch it creates:

- The inventory account, which is specified for the posting class of a stock item in the **Inventory/Accrual Account** box on the **GL Accounts** tab of the [Posting Classes](#) (IN206000) form.
- The expense account, which is specified for the posting class of a non-stock item that requires receipt in the **COGS/Expense Account** box on the **GL Accounts** tab of the [Posting Classes](#) form.

Account	Source of Account	Debit	Credit
PO accrual account	Item	0.00	Amount
Inventory/expense account	Posting class of the item	Amount	0.00

On the **Financial** tab of the [Receipts](#) (IN301000) form, you can click the link in the **Batch Nbr.** box to view the details of the batch on the [Journal Transactions](#) (GL301000) form.

### Project Transaction Generated on Inventory Receipt Release

When a batch of general ledger transactions created on release of the inventory receipt is released, the system generates the project transaction shown in the following table.



Debit Account	Credit Account	Source of Account	Amount
Inventory/expense account	Empty	GL transaction	Amount

You can review the created project transaction on the [Project Transaction Details](#) (PM401000) form. In the Selection area of this form, you select the project in the **Project** box.

## GL Transactions Generated on AP Bill Release

When an accounts payable bill prepared for a service line of a purchase order is released, the system creates a batch of the general ledger transactions shown in the following table.

The system uses the following accounts as the source accounts in the GL batch it creates:

Account	Source of Account	Debit	Credit
Accounts payable account	Vendor	0.00	Amount
Expense account	Item	Amount	0.00

On the **Financial** tab (**Link to GL** section) of the [Bills and Adjustments](#) (AP301000) form, you can click the link in the **Batch Nbr.** box to view the details of the batch on the [Journal Transactions](#) (GL301000) form.

## Project Transaction Generated on AP Bill Release

When a batch of general ledger transactions is created on release of an accounts payable bill, the system also generates the project transaction shown in the following table.

Debit Account	Credit Account	Source of Account	Amount
Expense account	Empty	GL transaction	Amount

You can review the created project transaction on the [Project Transaction Details](#) (PM401000) form. In the Selection area of this form, you select the project in the **Project** box. In the table, you can find the project transaction created on release of the accounts payable bill by the reference number of the AP bill in the **Orig. Doc. Nbr.** column.

## Committed Costs: Related Reports and Forms

In the following sections, you can find details about the reports and forms you may want to review to gather information about commitments.



If you do not see a particular report or form that is described, you may have signed in to the system with a user account that does not have access rights to the report or form. Contact your system administrator to obtain access to any needed reports or forms.

## Reviewing the Commitments of a Project

You can review the list of a project's commitments on the [Commitments](#) (PM306000) form. In the Selection area of this form, you select the project; you can also filter the selected transactions by selecting a project task, an account group, and an inventory item.



The form displays the commitments associated with the branches to which your user has sufficient access rights.

## Reviewing Commitments by Project Budget Line

You can review the commitments corresponding to a project budget line with a nonzero committed value on the **Cost Budget** tab of the [Projects](#) (PM301000) form. To review the corresponding commitments of a line, you click the line; then on the table toolbar, you click **View Commitments**, and the system opens the [Commitments](#) (PM306000) form.

## Reviewing Commitments by Account Group

You can review the project budget broken down by account groups on the **Balances** tab of the [Projects](#) (PM301000) form. To review the commitments corresponding to an account group, you click a line; then on the table toolbar, you click **View Commitments**, and the system opens the [Commitments](#) (PM306000) form.

## Reviewing Purchase Orders Related to a Project

You can review the list of purchase orders from which the project commitments originate on the **Commitments** tab of the [Projects](#) (PM301000) form.

## Retrieving Committed Data for Analytical Reports

The commitment data is available in the analytical reports and aggregated by the following key fields of a project budget line:

- `Project ID`: The project
- `Project Task ID`: The project task
- `Account Group ID`: The account group
- `Inventory ID`: The inventory item

# Lesson 10: Tracking Employee Work in Projects

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This lesson describes how to track billable hours and employees' work time on projects.

## Employee Time Billing: General Information

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In Acumatica ERP, you can use the time reporting functionality to give employees the ability to report the time that they spend for the project. During project billing, you can bill customers for this time.

## Learning Objectives

In this lesson, you will learn how to do the following:

- Enter a billable time activity related to a project, and log the time spent for the project
- Enter a billable time card related to a project, and log the time spent for the project
- Bill a project for employees' time spent working on it

## Applicable Scenarios

You may want to learn more about employee time billing if you are an employee who needs to log work time spent on particular project.

This information is also useful if you are a project accountant, and you need to bill the customer for employee time that was spent for a particular project and logged by using time cards.

## Entry of Time Tracking Documents

In Acumatica ERP, employees can report their work time by creating time cards that include separate detail records associated with different projects or project tasks.

A time card, which an employee enters on the [Employee Time Cards](#) (EP305000) form, is a weekly report on the time an employee has spent on each activity. In each line of a time card, the following information is specified:

- The earning type, which defines whether the reported work should be billed
- The project and project task related to the reported hours
- The labor item assigned to the employee who performed the work
- The time spent on each day of the week for which the time card is prepared

For each time duration reported in the time card, the system creates a time activity linked to the project; the activity is assigned the *Completed* status. You can review the list of time activities related to a project on the **Activities** tab of the [Projects](#) (PM301000) form.

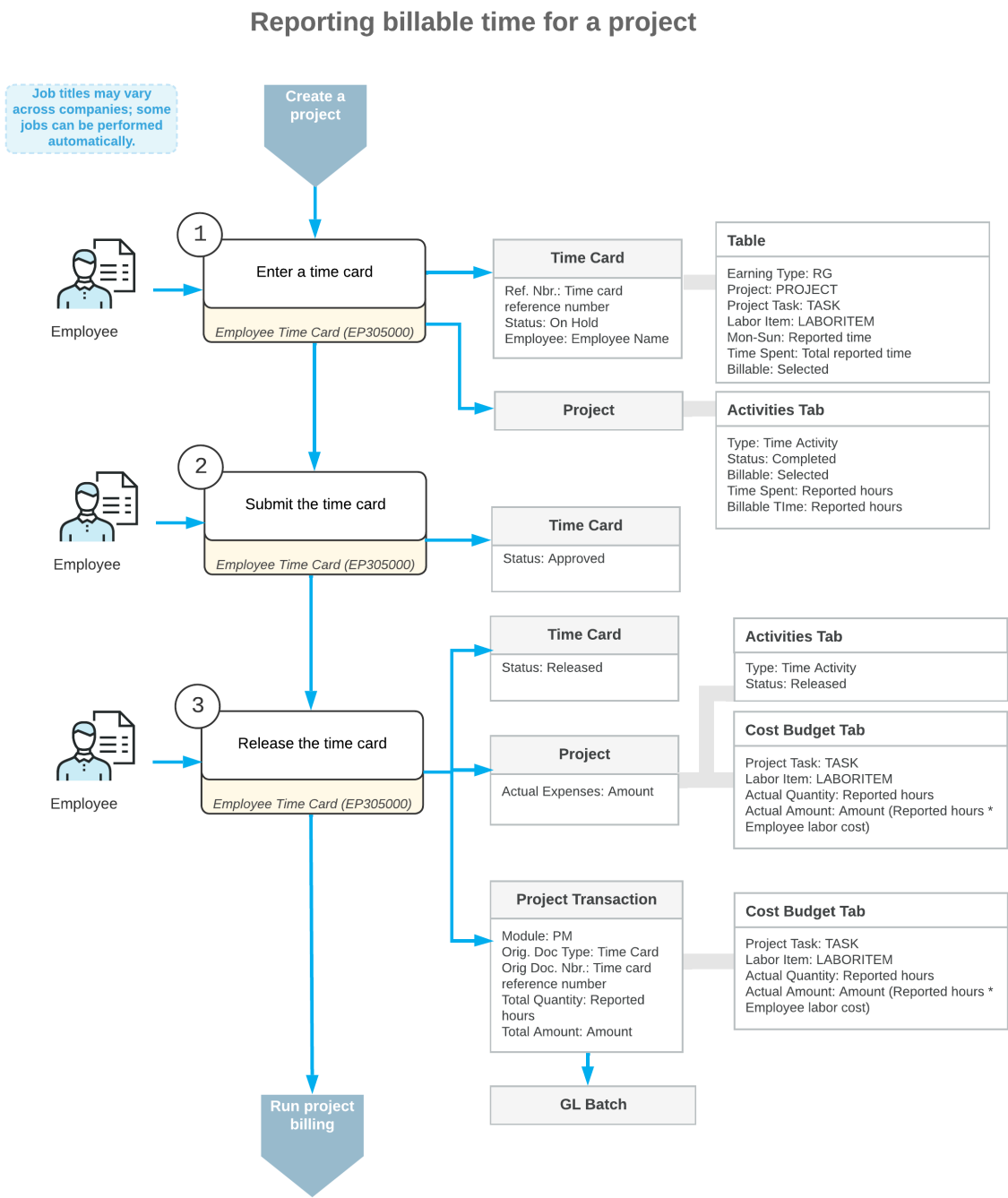


If time tracking with time activities is configured, on the **Activities** tab, you can add an individual project-related activity to the selected project by clicking **Create Activity** on the table toolbar and selecting the type of activity to be created. Then you enter the details of the time activity on the [Activity](#) (CR306010) form, which opens. To indicate that the time activity is related to a project, you select the **Track Time and Costs** check box and specify the project-related information in the Summary area of the form. Finally, you complete the activity to submit it. The reported data from the time activity becomes available in the employee time card; the time activity can be released within this time card or individually.

When the time card is released, the related project transaction is created and released, so that the logged employee time is tracked in the related project and can then be billed. Also, on release of the time card, for each day of the week with reported time, a separate time activity is released.

## Workflow of the Submission of a Time Card

For a project-related time card, the processing involves the actions and generated documents shown in the following diagram.



**Billing Employee Time in Projects**

Once time tracking is configured for projects and the system is configured to generate transactions from time activities, the working time reported by employees is tracked in the related projects and can be billed automatically during the project billing procedure.

Each line of a time card is a time activity. On release of a time card with project-related lines, the system processes these lines as follows:

- Generates project transactions for each time activity within a time card that is associated with a project.

This extra step between the release of the time-tracking document and the updating of balances of general ledger accounts makes it possible to define labor costs and bill customers based on these costs and the quantity of working hours reported by employees for the project. The system further processes the project transactions originating from a time card based on the allocation or billing rules assigned to the project tasks of the project to which this transactions relates.

- Generates general ledger transactions (and does not generate project transactions) for each time activity within a time card that is associated with a non-project code.

## Employee Time Billing: To Enter a Project-Related Time Activity

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In this activity, you will enter a time activity for work related to a project.

### Story

Suppose that the HM's Bakery and Cafe customer has contacted the SweetLife Fruits & Jams company to order training on operating juicers for the company's new employees. The project accountant has created a project to account for the provided services.

Further suppose that Todd Bloom has spent four hours training the customer's employees on Monday. Acting as Todd Bloom, you need to enter a time activity to log the time spent working on the project.

### Configuration Overview

In the *U100* dataset, the following tasks have been performed to support this activity:

- The following features have been enabled on the [Enable/Disable Features](#) (CS100000) form:
  - *Project Accounting*, which provides support for the project accounting functionality
  - *Time Management*, which provides support for tracking the time that employees spend on activities
- On the [Projects](#) (PM301000) form, the *HMBAKERY7* project has been created and the *TRAINING* project task has been added to the project.
- On the [Activity Types](#) (CR102000) form, the **Track Time** check box is selected for the *Work Item* activity type.
- On the [Non-Stock Items](#) (IN202000) form, the *CONSULTSR* labor item has been created; on the [Employees](#) (EP203000) form, this item is assigned to the *EP00000002 – Todd Bloom* employee.

### Process Overview

On the [Activity](#) (CR306010) form, you will enter and complete a time activity for the project on which the employee has worked. Then on the [Projects](#) (PM301000) form, you will make sure that the time activity has appeared in the project details.

### System Preparation

Sign in to the system as an employee by using the *bloom* username and the *123* password.

### Step: Entering a Time Activity for the Project

To log the four hours that Todd Bloom has spent training the customer's employees as part of the project, enter a time activity as follows:

1. On the [Projects](#) (PM301000) form, open the *HMBAKERY7* project.
2. On the table toolbar of the **Activities** tab, click **Create Activity > Create Work Item** to add an activity to the project. The system opens the [Activity](#) (CR306010) form with the new activity created.

3. On this form, specify the following settings:
- **Summary:** A 4-hour training session
  - **Start Date:** Current business date
  - **Owner:** *Todd Bloom* (selected automatically)
  - **Project:** *HMBAKERY7* (selected automatically)
  - **Project Task:** *TRAINING* (selected automatically)
  - **Cost Code:** *00-000* (selected automatically)
  - **Labor Item:** *CONSULTSR* (selected automatically)
  - **Track Time and Costs:** Selected
  - **Earning Type:** *RG* (selected automatically)
  - **Time Spent:** *04:00*
  - **Billable:** Selected
  - **Billable Time:** *04:00*
4. On the form toolbar, click **Complete** to complete the activity.
- The system creates and saves the activity with the *Work Item* type, closes the *Activity* form, and returns to the project on the *Projects* form.
5. On the **Activities** tab, make sure the time activity you created has appeared, as shown in the following screenshot.

Figure: The time activity related to the project

You have entered the time activity for the work performed by the employee for a project.

## Employee Time Billing: To Enter a Project-Related Time Card

In this activity, you will enter a time card for work related to a project.

### Story

Suppose that the HM's Bakery and Cafe customer has contacted the SweetLife Fruits & Jams company and ordered training on operating juicers for the company's new employees. The project accountant has created a project to account for the provided services.

Further suppose that project accountant (who also provides employee training services) has spent eight hours training the customer's employees on January 28, 2025. Acting as Pam Brawner, you need to enter a time card to log the time spent working on the project.

## Configuration Overview

In the *U100* dataset, the following tasks have been performed to support this activity:

- The following features have been enabled on the [Enable/Disable Features](#) (CS100000) form:
  - *Project Accounting*, which provides support for the project accounting functionality
  - *Advanced Financials*, which provides the functionality of time cards
- On the [Projects](#) (PM301000) form, the *HMBAKERY7* project has been created, and the *TRAINING* project task has been added to the project.
- On the [Non-Stock Items](#) (IN202000) form, the *CONSULTPM* labor item has been created; on the [Employees](#) (EP203000) form, this item is assigned to the *EP00000001 – Pam Brawner* employee. For an example of configuring a labor item and assigning it to an employee, refer to [Labor Items: To Configure a Labor Item](#).
- On the [Labor Rates](#) (PM209900) form, a labor cost rate has been configured for the *EP00000001 – Pam Brawner* employee.

## Process Overview

On the [Employee Time Cards](#) (EP305000) form, you will enter a time card for an employee related to the particular project on which the employee has worked. Then you will submit the time card and release it. Finally, on the [Projects](#) (PM301000) form, you will make sure that the time card has appeared in the project details.

## System Preparation

1. Sign in to the system as project accountant by using the *brawner* username and the *123* password.
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2025*. If a different date is displayed, click the Business Date menu button and select *1/30/2025* on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.

## Step: Entering a Time Card for the Project

To log the eight hours that Pam Brawner has spent training the customer's employees as part of the project, enter a time card as follows:

1. On the form toolbar of the [Employee Time Cards](#) (EP406000) form, add a new record. The system opens the [Employee Time Cards](#) (EP305000) form with the new time card.

In the Summary area, *2025-05 (01/26 - 02/01)* is specified in the **Week** box. This is the work week to which the current business date belongs. Also, notice that the system has automatically selected the employee who is currently signed in (*Pam Brawner*) as the **Employee**.

2. On the **Summary** tab, add a row, and specify the following settings:
  - **Earning Type:** *RG*
  - **Project:** *HMBAKERY7*
  - **Project Task:** *TRAINING* (inserted automatically)
  - **Cost Code:** *00-000*
  - **Labor Item:** *CONSULTPM* (inserted automatically)
  - **Tue:** *08:00*
  - **Billable:** Selected (selected automatically based on the settings of the selected earning type)
  - **Description:** *An 8-hour training session*
  - **Approval Status:** *Not Required* (selected automatically)

When you enter hours in the columns representing the days of the week for any row, the system calculates the **Time Spent** in the Summary area as the sum of all these columns.

3. Save the time card.
4. On the form toolbar, click **Submit** to submit the time card. The status of the time card is changed to *Approved*.
5. On the form toolbar, click **Release** to release the time card. The time card is assigned the *Released* status.
6. On the [Projects](#) (PM301000) form, open the *HMBAKERY7* project, and on the **Activities** tab, notice that the time activity you have entered by using the time card is shown on the tab, as shown in the following screenshot.

The screenshot shows the 'HMBKERY7 - A training for employees' project form. The 'Activities' tab is active, displaying a table of activities. The first activity, 'An 8-hour training session', is in 'Released' status with a 'Time Spent' of 08:00. The second activity, 'A 4-hour training session', is in 'Completed' status with a 'Time Spent' of 04:00. The form also includes a summary section with fields for Project ID, Customer, Project Manager, and various financial metrics like Actual Income, Actual Expenses, and Margin Amount.

**Figure:** Time card information tracked in the project

You have submitted and released the time card related to the project.

Employee Time Billing: Generated Transactions

To be able to bill customers for employee time spent on particular projects, you configure time tracking in projects. When project-related time cards are released, the system generates the transactions described in the following sections.

Project Transaction Generated for a Time Card

When you release a project-related time card, the system generates the following project transaction for each time activity in the time card line.

Project and Project Task	Account Group	Inventory ID	Billable Quantity	Unit Rate	Amount
Project and project task in the time card line	Account group mapped to Expense account	Labor item in the time card line	Reported billable hours in the time card line	Labor cost rate defined on the <a href="#">Labor Rates</a> (PM209900) form	Billable quantity * unit rate

You can review the project transaction that was generated on release of a particular time card by opening a time card on the [Employee Time Cards](#) (EP305000) form and clicking **View Transactions** on the form toolbar.



## GL Transaction Generated from a Project Transaction

When a project transaction related to time card is released, the system creates a batch of the following accounting transactions.

Account	Project	Project Task	Debit	Credit
Expense account defined by the <b>Expense Account Source</b> setting on the <a href="#">Projects Preferences</a> (PM101000) form	The value in the time card line	The value in the time card line	Billable quantity * unit rate	0.00
Expense Accrual account defined by the <b>Expense Accrual Account Source</b> setting on the <a href="#">Projects Preferences</a> form	Non-project code	Empty	0.00	Billable quantity * unit rate

You can view the reference number of the GL batch in the **GL Batch Nbr.** box in the project transaction line on the [Project Transactions](#) (PM304000) form. You can click the link in this box to view the details of the batch on the [Journal Transactions](#) (GL301000) form.

## GL Transaction Generated from an AR Invoice

When an AR invoice generated by the project billing procedure is released, the system creates a batch of the following accounting transactions.

Account	Project	Project Task	Debit	Credit
Accounts Receivable account of the customer	Non-project code	Empty	Invoiced amount	0.00
Sales account of the labor item	The value in the time card line	The value in the time card line	0.00	Invoiced amount

You can view the reference number of the GL batch in the **GL Batch Nbr.** box in the project transaction line on the [Project Transactions](#) (PM304000) form. You can click the link in this box to view the details of the batch on the [Journal Transactions](#) (GL301000) form.

## Project Transactions Generated from GL Transaction

When the batch of GL transactions generated on release of an AR invoice generated by the project billing procedure is released, the system generates the following project transaction for each invoice line.

Project and Project Task	Account Group	Inventory ID	Amount	Debit Account
The values in the time card line	Account group mapped to the Sales account	Labor item assigned to the employee	Amount calculated by billing rule	Sales account of the labor item

You can review the project transaction that was generated on release of a particular time card by opening a time card on the [Employee Time Cards](#) (EP305000) form and clicking **View Transactions** on the form toolbar.

## Employee Time Billing: Related Report and Inquiry Forms

In the following sections, you can find details about the reports and inquiry forms you may want to review to gather information about employee time spent on a project.

### Reviewing Time-Tracking Documents for a Project

You can review the list of all time cards and time activities (if applicable) that relate to a particular project on the **Activities** tab of the [Projects](#) (PM301000) form.

### Reviewing Time Cards for an Employee

You can review the list of time cards submitted by a particular employee on the [Employee Time Cards](#) (EP406000) inquiry form. You select the employee in the **Employee** box of the Selection area, and the system groups this employee's time cards by their status.

### Reviewing Time Activities for an Employee

You can review the list of time activities on the [Employee Time Activities](#) (EP307000) form. In the Summary area of this form, you select an employee and the time range (in weeks) for which you want to review the time activities submitted by the employee. You can also select a particular project (and, optionally, a project task) to review only the time activities that have been performed by the employee for the project.

You can review all existing time activities in the system on the [Activities](#) (EP404300) form.

### Finding Project Transaction Generated for Time Card

You can review the project transaction that was generated on release of a particular time card by opening a time card on the [Employee Time Cards](#) (EP305000) form and clicking **View Transactions** on the form toolbar. The system opens the project transaction on the [Project Transactions](#) (PM304000) form.

## Part 4: Creation of Projects

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This part describes the creation of projects based on project templates and project quotes.

### Lesson 11: Project Templates and Common Tasks

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Your organization may plan to perform projects that are similar to one another, and the projects may have tasks that are like other tasks in the same project or a different project. This lesson explains how you can expedite the process of creating projects by using project templates, project task templates, and common tasks.

#### Project Templates and Common Tasks: General Information

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In Acumatica ERP, you can create project templates from scratch by adding every detail that you think will be required for a typical project of specific type. Alternatively, you can create a template based on an existing project which you think is a typical representative of projects of specific type.

When users create projects based on the templates, they can change any settings for particular projects—templates are used only to provide the default settings, thus making the project creation easier for users.

#### Learning Objectives

In this lesson, you will learn how to do the following:

- Create a project template based on a project
- Create a project template from scratch
- Create a project based on the project template
- Create a common task and add this task to a project

#### Applicable Scenarios

You create project templates and common tasks if you need to ease the creation of typical projects and typical tasks for existing projects, respectively.

#### Templates Created from Existing Projects

If you need to quickly create a new project based on the existing project, you can create a copy of the project by clicking **Copy Project** on the More menu of the [Projects](#) (PM301000) form. If you plan to use some specific types of project in future, you create a project template based on an existing project and then use this template to create new projects of the type.

On the [Projects](#) (PM301000) form, you select a project that is a typical project of specific type and click **Create Template** on the More menu. The system will create a project template and include the project template tasks in this project template. You can modify the settings of the created template. Also, you can delete some of the tasks or add new tasks.

#### Templates Created from Scratch

A project template is an entity that you select when creating a new project to auto-populate the budget, settings, and attributes of the project with default values that are appropriate for projects of the type. In the created project, you can override the default values that have been inserted based on the project template, if needed.

You can create project templates from scratch on the [Project Templates](#) (PM208000) form.

When you create a project template, you can specify as many settings as you want, including the following:

- **General information:** The broad information about the projects, including the default GL accounts and subaccounts and billing period. In the **Status** box on the Summary area of the form, you can see whether the specific project template is available for creating new projects. You can create projects only by using project templates with the *Active* status.
- **Visibility settings:** The list of functional areas where the projects based on this template will be visible.
- **Template tasks:** The tasks to be included in the projects based on this template.
- **List of employees:** The employees who will work on the projects and the project manager who will be monitoring projects of the type. You also specify labor items and hourly rates for employees working on this project. Also, you can specify whether only the listed employees can work for the project (by selecting the **Restrict Employees** check box on the **Summary** tab).
- **List of equipment:** The equipment to be used for the projects with appropriate non-stock items designating setup, run, and suspend rates and respective prices specific for projects of the type. You can specify whether only the listed equipment can be used for these projects.
- **Notes and files:** Supplementary documents and notes to be provided with a project created based on the template. If the *Project Quotes* feature is enabled on the [Enable/Disable Features](#) (CS100000) form, the files and notes attached to a project template are also copied to the projects that are created from project quotes based on this project template.

The settings specified for the project template are copied to each project created based on this project template.

## Template Tasks

A project template may include project tasks that are actually templates of tasks that can be included in projects based on the template. You can add project task templates to the project template.

You add the project tasks to the project template and specify the settings for these tasks by using the [Project Template Tasks](#) (PM208010) form. When you create a new template task, you can specify whether it is automatically included in all projects based on the project template.

Template task settings include the following:

- **General settings:** You can specify overall information about the task, including approver, tax category, default accounts and subaccounts, and billing period. The general settings also include visibility settings, the list of functional areas in which this project task must be visible. You can make tasks visible only in the functional areas in which the parent project is visible—the scope for the task cannot be wider than the scope for the project.
- **Recurring billing settings:** Recurring billing can be used to implement the flat-price scenario with recurring payments when your future project uses flat rates for services or products you provide to your customer regularly. For more information about recurring billing, see [Project Billing Preparation: Recurring Billing](#).
- **Notes and files:** You can attach supplementary documents and notes to be attached to a project task created based on this template task. If the *Project Quotes* feature is enabled on the [Enable/Disable Features](#) (CS100000) form, files and notes attached to a project template are also copied to the project tasks added to project quotes based on this project template.

The settings specified for the project template task are copied to the project tasks created based on this project template. If any of these settings are not specified in the project template task, the system copies the respective values from the project template.

## Common Tasks

Common tasks are also templates of tasks, but they are not linked to any specific project or project template. You can add common tasks to any new or existing project and project quote. You create common tasks on the [Common](#)

**Tasks** (PM208030) form. Generally, you provide the same types of settings for common tasks as for the template tasks: general, budget, and recurring billing settings.

The settings specified for the common task are copied to the project tasks created based on this common task. If any of these settings are not specified in the common task, the system copies the respective values from the project template specified for the project.

## Project Templates and Common Tasks: Process Activity

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This activity will walk you through the process of configuring project templates. You will create a common task and add this task to a project. You will also learn how to create a new project based on a project template.

### Story

Suppose that the Lake Cafe customer has ordered a juicer, along with the following services from the SweetLife Fruits & Jams company: site review, installation, and training of employees on operating the juicer. SweetLife's project accountant has analyzed the past projects and realized that customers are usually doing typical fixed-price projects that involve the sale of a juicer, along with the services of installation and site review. Sometimes customers' projects also involve training on operating the juicer.

The project accountant decides to create a new project template for such a project, and to create a common task for training on operating juicers (so the task can be quickly added to projects as needed). Then the project accountant creates a project for the customer based on the created project template and common task.

You will perform the needed actions in the system, acting as the project accountant.

### Configuration Overview

In the *U100* dataset, the following tasks have been performed to support this activity:

- On the [Enable/Disable Features](#) (CS100000) form, the *Project Accounting* feature has been enabled to provide support for the project accounting functionality.
- On the [Billing Rules](#) (PM207000) form, the *COMBINED* billing rule has been configured.

### Process Overview

You create a project template on the [Project Templates](#) (PM208000) form. You create a common task on the [Common Tasks](#) (PM208030) form. Then you use the [Projects](#) (PM301000) form to create a project based on the created project template and add the common task to the project.

### System Preparation

To sign in to the system and prepare to perform the instructions of the activity, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded; you should sign in as project accountant by using the *browner* username and the *123* password.
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2025*. If a different date is displayed, click the Business Date menu button and select *1/30/2025* on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.

### Step 1: Creating a Project Template

To create a new project template, do the following:

1. On the [Project Templates](#) (PM208000) form, add a new record.
2. In the Summary area, specify the following settings:
  - **Template ID:** `INSTALL`
  - **Description:** `Installation project`
3. On the **Summary** tab, specify the following settings:
  - **Project Properties** section:
    - **Revenue Budget Level:** `Task and Item`
    - **Cost Budget Level:** `Task`
    - **Project Manager:** `EP00000001`
  - **Billing and Allocation Settings** section:
    - **Billing Period:** `On Demand`
    - **Billing Rule:** `COMBINED`
4. On the **Tasks** tab, add a new row, and specify the following settings in the row:
  - **Task ID:** `PHASE1`
  - **Type:** `Cost and Revenue Task`
  - **Description:** `Site review`
5. Add one more row, and specify the following settings:
  - **Task ID:** `PHASE2`
  - **Type:** `Cost and Revenue Task`
  - **Description:** `Installation`

By default, the system inserts *By Billing Period* as the **Billing Option** of each project task and the *COMBINED* billing rule as the **Billing Rule**.

6. On the **Revenue Budget** tab, add each line of the project revenue that is listed in the following table by clicking **Add Row** and specifying the listed settings in the row.

Project Task	Inventory ID	Original Budgeted Quantity	Unit Rate
<i>PHASE1</i>	<i>SITEREVIEW</i>	2	50
<i>PHASE2</i>	<i>JUICER10</i>	1	1500
<i>PHASE2</i>	<i>INSTALL</i>	4	100

For each line, the system inserts *REVENUE* as the **Account Group** because the sales account specified in the settings of the stock and non-stock items is mapped to this account group, which has the *Income* type.

7. Save your changes to the project template.  
 When you save the project template, the system automatically creates project template tasks corresponding to the tasks you have added to the project template.
8. On the form toolbar, click **Activate** to assign the project template the *Active* status, which makes it possible to use the project template for creating projects.
9. On the **Tasks** tab, in the **Task ID** column, click the *PHASE1* link to open the task on the [Project Template Tasks](#) (PM208010) form.

On the **Summary** tab of this form, notice that the **Automatically Include in Project** check box is selected by default. With this setting, the project template task will be automatically included in any project created based on the associated project template.

You have created a project template and project template tasks. In the next step, you will create a common task.

## Step 2: Creating a Common Task

A common task is a task that can be added to any new or existing project (unlike a project template task, which is associated with just one project template). To create a common task, perform the following instructions:

1. On the [Common Tasks](#) (PM208030) form, add a new record.
2. In the Summary area, specify the following settings:
  - **Task ID:** TRAINING
  - **Description:** Training on juicer usage
3. On the **Budget** tab, add a budget line with the following settings:
  - **Account Group** LABOR  
The system automatically inserts *Expense* in the **Type** column when you select the account group.
  - **Inventory ID:** TRAINING
  - **Cost Code:** 00-000
  - **Description:** Training on juicer usage
  - **UOM:** HOUR
  - **Unit Rate:** 50
4. Save your changes to the common task.

You have created a common task. In the next step, you will create a project based on the project template you have created.

## Step 3: Creating a Project Based on the Project Template

To create a project based on template, do the following:

1. On the [Projects](#) (PM301000) form, create a new project, and specify the following settings:
  - **Project ID:** INSTLAKE
  - **Customer:** LAKECAFE
  - **Template:** INSTALL

When you select the project template, the system fills in the relevant elements of the project with the settings specified for the template, including tasks and revenue budget lines.
2. In the Summary area, enter *Installation project for Lake Cafe* as the **Description** of the project.
3. On the **Summary** tab, clear the **Change Order Workflow** check box.
4. Save your changes to the project.
5. On the **Tasks** tab, make sure that the *PHASE1* and *PHASE2* tasks have been copied to the project from the selected project template.
6. On the table toolbar of the tab, click **Activate Tasks** to change the status of the added tasks to *Active*.
7. On the **Revenue Budget** tab, make sure that three revenue budget lines have been copied to the project from the selected project template.
8. In the line with the *PHASE1* task and the *SITEREVIEW* item, specify 4 as the **Original Budgeted Quantity**.  
When you enter the **Original Budgeted Quantity** in each line, the system automatically calculates the **Original Budgeted Amount** as the **Original Budgeted Quantity** multiplied by the **Unit Rate** (see the screenshot below).
9. In the line with the *PHASE2* task and the *INSTALL* item, specify 8 as the **Original Budgeted Quantity**.





## Project Quotes: General Information

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In Acumatica ERP, you use a project quote for planning purposes before you create the corresponding project in the system and begin billing and accounting for revenues and costs. You can create a project quote to estimate the revenue and costs of a potential project and then send this quote to the customer for acceptance. You can modify the project quote as many times as is necessary until an agreement is reached. After the customer agrees to the terms of a quote, you convert the accepted quote to a project.

### Learning Objectives

In this lesson, you will learn how to do the following:

- Create a project quote from scratch
- Create a project quote based on an opportunity
- Specify the settings of a project quote by using a project template
- Estimate the potential revenue and costs of a possible project
- Print the project quote and send it by email

### Applicable Scenarios

You create a project quote if you want to send a proposal to the customer or potential customer before you create a project, or if you need to agree with the customer about the terms of a potential project before creating the project.

### Creation of Project Quotes from Scratch

You create project quotes on the [Project Quotes](#) (PM304500) form. In a new project quote, which initially has the *Draft* status, you specify the following settings:

- The description of the project quote.
- The project template, which the system uses to populate the project tasks, attributes, and project manager of the project quote. You can change these default settings, if needed.
- The business account associated with the project quote.

Based on the settings specified for the selected business account, the system inserts the financial settings on the **Financial** tab and the contact information on the **Addresses** tab. You can override these settings, if needed.

- Optional: The project tasks on the **Project Tasks** tab, which are copied from the selected project template by default (but you can modify the project tasks that are inserted based on the template). You can also add common tasks to the project quote.
- The estimated labor and material costs and prices on the **Estimation** tab. These lines represent the estimated revenue and costs of a project quote. When you create a project based on the project quote, the system converts the estimation lines to lines of the revenue and cost budgets based on the settings specified in each line:
  - An estimation line with an account group specified in the **Revenue Account Group** column establishes revenue; the **Ext. Price** of the line is the estimated revenue amount.
  - An estimation line with an account group specified in the **Cost Account Group** column establishes costs; the **Ext. Cost** of the line is the estimated cost amount.
  - Estimation lines with both the **Revenue Account Group** and the **Cost Account Group** specified establish revenue and costs at the same time.

## Project Quote Processing

When you have finished modifying the project quote settings, you submit the quote by clicking **Submit** on the form toolbar of the [Project Quotes](#) (PM304500) form. A submitted project quote is assigned the *Approved* status and is ready for further processing.

If you have decided to email a submitted project quote to the customer, you click **Send** on the More menu. The system creates the corresponding email activity, attaches the printable version of the quote to this email activity, and sends it to the recipient. The project is then assigned the **Sent** status.

If you need to track a project quote that has been accepted or declined by the customer, you can use the following commands on the More menu:

- **Mark as Accepted:** Click this command to assign the project quote the *Accepted by Customer* status. The project quote can be printed, sent, and converted to a project.
- **Mark as Declined:** Click this command to assign the project quote the *Declined by Customer* status. You can then edit the details of the declined project quote and send it for customer review again. To modify a project quote, click **Edit** on the form toolbar. The quote is assigned the *Draft* status and can be modified.

If you need to modify an existing project quote but also want to leave its original version intact (for example, to have a complete history of the submitted quotes), you can create a copy of the project quote by clicking the **Copy** command; you then modify the copy.

You can convert a project quote with the *Approved*, *Accepted by Customer*, or *Sent* status to a project. To be able to do this, you should specify the project template and business account in the Summary area of the form. If auto-numbering is disabled for the *PROJECT* segmented key on the [Segmented Keys](#) (CS202000) form, you must also specify the identifier of the project to be created.

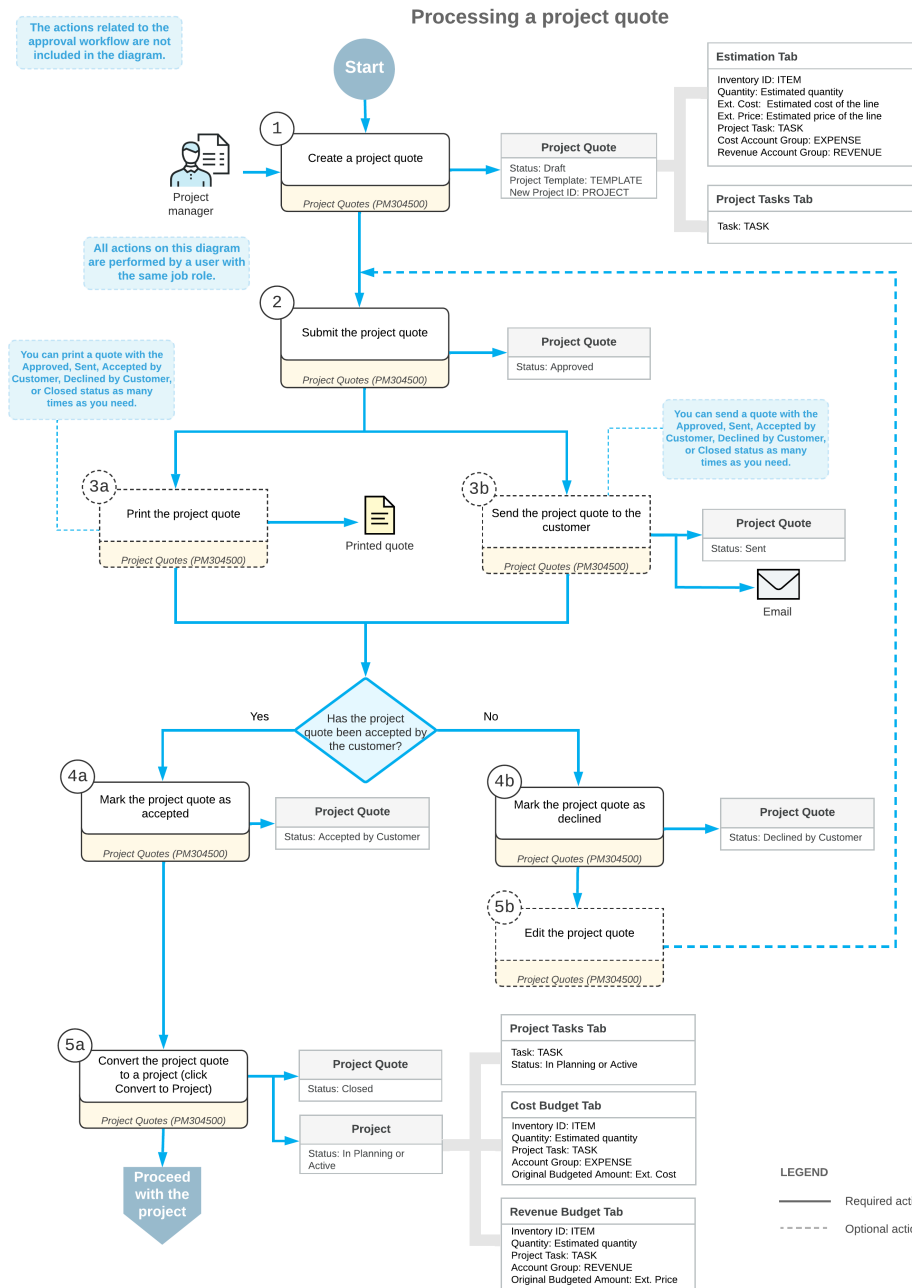
After you have specified the required settings, you click **Convert to Project** on the form toolbar of the [Project Quotes](#) form. In the **Convert to Project** dialog box, which opens, you specify the settings to be used for the created project and click **OK**. The system opens the project created based on the project quote on the [Projects](#) (PM301000) form; it also assigns the project quote the *Closed* status. In the created project, a link to the project quote is displayed in the **Quote Ref. Nbr.** box on the **Summary** tab (**Quote** section) of the [Projects](#) form.



If you delete the project, the system changes the status of the project quote from *Closed* to *Approved*, so you can assign the *Draft* status to the project quote, edit it, and again create a project based on the project quote.

## Workflow of Project Quotes

The following diagram illustrates the workflow of a project quote being processed.



## Project Quotes: Creation of Project Quotes from Opportunities

In Acumatica ERP, an opportunity represents a potential sale to a new or existing customer. You can create a project quote based on an opportunity and then create a project based on this project quote.

The following sections describe the project quotes creation based on opportunities. For more information on working with opportunities, see [Managing Opportunities](#).

### Creation of a Project Quote Based on an Opportunity

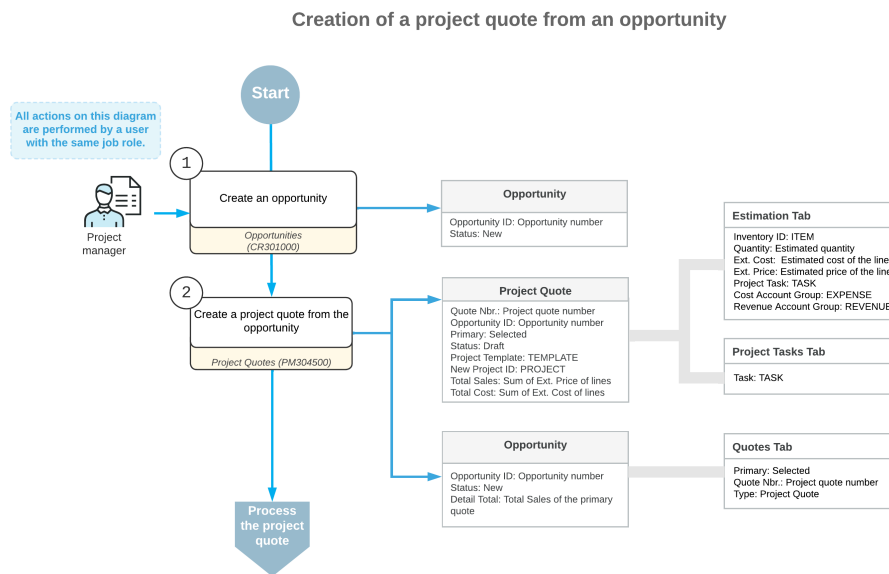
To create a project quote based on an opportunity, you open the opportunity on the [Opportunities](#) (CR304000) form, and click **Create Quote** on the form toolbar. In the **Create Quote** dialog box, which the system opens, you select

*Project Quote* in the **Quote Type** box to indicate the type of quote to be created based on the opportunity. Then you specify the basic settings and initiate the creation of the quote by clicking **Create and Review**.

The system creates the project quote and opens it on the [Project Quotes](#) (PM304500) form. In the Summary area, the system inserts the identifier of the opportunity in the **Opportunity ID** box and copies the business account, the description, and the owner from the opportunity to the quote.

Once you save the project quote associated with the opportunity, on the [Opportunities](#) form, the project quote is listed on the **Quotes** tab along with any other project and sales quotes associated with the opportunity.

The following diagram illustrates the creation of a project quote from an opportunity.



After the project quote has been created based on the opportunity, its workflow is the same as that of a project quote that has been created from scratch. For information, see [Project Quotes: General Information](#).

## Primary Project Quotes

If you create a project quote for an opportunity, and the opportunity does not have any other quotes, the system sets this project quote as the primary by selecting the **Primary** check box in the following places:

- In the Summary area on the [Project Quotes](#) (PM304500) form
- In the row that has the settings of the project quote on the **Quotes** tab of the [Opportunities](#) (CR304000) form

If you create a new project quote and set it as primary, the previous primary quote of this opportunity becomes non-primary.

If multiple quotes are created for an opportunity, one of the quotes must be set as the primary. You can set a project quote as a primary quote for a non-closed opportunity either by clicking **Set as Primary** on the [Project Quotes](#) form toolbar or during creation of a new project quote.



The **Details** tab on the [Opportunities](#) form is not displayed if a project quote has been created for an opportunity and set as primary.

You can create a project from an opportunity-based project quote if this quote has been set as primary. To create a project based on a project quote, you click **Convert to Project** on the form toolbar of the [Project Quotes](#) form. The created project is associated with the opportunity and can be used for the creation of sales orders, invoices, and service orders.

## Project Quote Addresses

When you create a project quote based on an opportunity, the system inserts the location-related information in the project quote on the [Project Quotes](#) (PM304500) form as follows:

- Copies the address settings from the **Ship-To Address** section on the **Shipping** tab of the [Opportunities](#) (CR304000) form to the **Project Address** section on the **Addresses** tab of the [Project Quotes](#) form for the project quote. If you need to change the project address in the project quote, you can select the **Override** check box in the **Project Address** section and update the information in the section.
- Copies the contact settings from the **Contact** section on the **Contact** tab of the [Opportunities](#) form to the **Bill-To Contact** section on the **Addresses** tab of the [Project Quotes](#) form for the project quote.
- Copies the address information from the **Address** section on the **Contact** tab of the [Opportunities](#) form to the **Bill-To Address** section on the **Addresses** tab of the [Project Quotes](#) form for the project quote.

If you specify a different business account in the **Business Account** box of the Summary area, or a location in the **Location** box of the **Financial** tab of the [Project Quotes](#) form, the system displays a dialog box in which you need to confirm the replacement of the existing settings in the quote with the new settings.

## Project Quotes: To Create a Project Quote Based on an Opportunity

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This activity will walk you through the process of creating a project quote from an opportunity and creating a project based on the project quote.

### Story

Suppose that the HM's Bakery and Cafe customer has ordered a juicer for one of its restaurants, along with the installation and training services from the SweetLife Fruits & Jams company. The sales manager of SweetLife has created an opportunity for the provision of the juicer and the services. Acting as SweetLife's estimator, you will create a project quote for this opportunity, confirm the project quote with the customer, and convert the project quote to the project.

### Configuration Overview

In the *U100* dataset, the following tasks have been performed to support this activity:

- For the purposes of this activity, the following features have been enabled on the [Enable/Disable Features](#) (CS100000) form:
  - *Project Accounting*, which provides support for the project accounting functionality
  - *Project Quotes*, which provides the ability to create project quotes
  - *Customer Management*, which provides the customer relation management (CRM) functionality, including management of opportunities
- On the [Opportunities](#) (CR304000) form, the *000001* opportunity has been created. A note and a file have been attached to the opportunity.
- On the [Project Templates](#) (PM208000) form, the *PROGRESS* project template has been configured with the *PHASE1* and *PHASE2* project template tasks.
- On the [Account Groups](#) (PM201000) form, the *REVENUE*, *MATERIAL*, *SUBCON*, and *LABOR* account groups have been created.
- On the [Stock Items](#) (IN202500) form, the *JUICER15* stock item has been configured.
- On the [Non-Stock Items](#) (IN202000) form, the *INSTALL* and *TRAINING* non-stock items have been configured.

## Process Overview

On the [Opportunities](#) (CR304000) form, you will initiate the creation of a project quote for the opportunity created for the customer. On the [Project Quotes](#) (PM304500) form, you will then create the project quote and specify all required settings, including the estimation lines and the project template to be used for project creation. You will also print the project quote and email it to the customer for review. Once the project quote has been confirmed with the customer, you will convert the project quote to a project.

### Step 1: Creating a Project Quote

To create a project quote for an opportunity, do the following:

1. On the [Opportunities](#) (CR304000) form, open the 000001 opportunity, and in the Summary area, notice that the amount in the **Detail Total** box is equal to 3,500.00.
2. On the form toolbar, click **Create Quote**.
3. In the **Create Quote** dialog box, which opens, do the following:
  - a. Select *Project Quote* as the **Quote Type**.

Notice that the **Set New Quote as Primary** check box is selected.

- b. Click **Create & Review**.

The system creates a project quote based on the opportunity and opens the project quote on the [Project Quotes](#) (PM304500) form. Notice the following:

- In the Summary area, the **Primary** check box is selected, which means that the project quote is the primary quote of the opportunity, whose identifier is shown in the **Opportunity ID** box. The description of the quote has been copied from the opportunity.
  - On the form title bar, the icon to the left of **Notes** is shaded in yellow, and (1) is shown after **Files**, indicating that the project quote has a note and an attached file, which have been copied from the opportunity.
4. In the Summary area of the [Project Quotes](#) form, specify the following settings:
    - **Project Template:** *PROGRESS*
    - **New Project ID:** *HMBAKERY1*

When you select the project template, the system fills in the relevant elements of the project quote with the settings specified for the template.
  5. On the **Project Tasks** tab, make sure that two tasks have been copied from the selected project template. Notice that the **Default** check box is selected for the *PHASE1* task. The project task is specified as the default task of the project quote because this task is the default task of the selected project template.

### Step 2: Estimating the Revenue and Costs of the Project Quote

To estimate the revenue and costs of the project quote based on the customer's order, do the following:

1. While you are still viewing the project quote on the [Project Quotes](#) (PM304500) form, on the **Estimation** tab, add a line with the following settings:
  - **Inventory ID:** *JUICER15*
  - **Quantity:** 1
  - **Project Task:** *PHASE1* (inserted automatically)
  - **Cost Code:** *00-000*
  - **Cost Account Group:** *MATERIAL* (inserted automatically)
2. Add a second line with the following settings:

- **Inventory ID:** *INSTALL*
  - **Quantity:** 4
  - **Project Task:** *PHASE1* (inserted automatically)
  - **Cost Code:** *00-000*
  - **Cost Account Group:** *SUBCON* (inserted automatically)
3. Add a third line with the following settings:
- **Inventory ID:** *TRAINING*
  - **Quantity:** 8
  - **Project Task:** *PHASE2*
  - **Cost Code:** *00-000*
  - **Cost Account Group:** *LABOR* (inserted automatically)
- The added lines specify estimated costs by project task and inventory item.
4. In each of the added lines, change **Ext. Price** to 0, and make sure the **Revenue Account Group** column is empty. When this quote is converted to a project, the system will convert these lines to cost budget lines of the project.
5. On the same tab, add a revenue line with the following settings:
- **Description:** *The juicer with installation*
  - **Ext. Price:** 2900
  - **Project Task:** *PHASE1* (inserted automatically)
  - **Cost Code:** *00-000*
  - **Revenue Account Group:** *REVENUE*
6. On the same tab, add second revenue line with the following settings:
- **Description:** *Training of employees*
  - **Ext. Price:** 400
  - **Project Task:** *PHASE2*
  - **Cost Code:** *00-000*
  - **Revenue Account Group:** *REVENUE*
- Notice that for each of the added revenue lines, the **Ext. Cost** is 0 and the **Cost Account Group** column is empty. When this quote is converted to a project, the system will convert these lines of the quote to revenue budget lines of the project.
7. Save your changes to the project quote.
- In the Summary area, notice that the amount in the **Total Sales** box is 3,300.00, which is the total of the values in the **Ext. Price** column on the **Estimation** tab. The amount in the **Total Cost** box is 2,640.00, which is the total of the values in the **Ext. Cost** column on the **Estimation** tab. The gross margin amount of the quote is \$660 (20%).
8. On the [Opportunities](#) form, again open the 000001 opportunity, and notice the following:
- In the Summary area, the **Detail Total** of the opportunity has been changed to the total sales of the created project quote (3,300.00).
  - On the **Quotes** tab, where the project quote you created is listed in the table, the total sales of the quote is shown in the **Detail Total** column (3,300.00). Also, the check box in the **Primary** column is selected, which means that this is the primary project quote of the opportunity.

### Step 3: Confirming the Project Quote with the Customer

To confirm the project quote, do the following:

1. On the [Project Quotes](#) (PM304500) form, open the project quote that you have created earlier in this activity.

2. On the form toolbar, click **Submit**. The system changes the status of the quote to *Approved*; you can no longer edit the quote's settings.
3. On the form toolbar, click **Send** to send the project quote to the customer. The system changes the status of the project quote to *Sent*.
4. On the **Activities** tab, click the link in the **Summary** column of the only line. The system opens the email on the [Email Activity](#) (CR306015) form. On the form title bar, notice that (1) is shown after **Files**: the system has generated the ready-to-print version of the quote and attached the generated PDF to the email. The email has been sent to the customer's email address, which is specified on the **Addresses** tab of the [Project Quotes](#) form.
5. Close the form and return to the project quote on the [Project Quotes](#) form.
6. On the form toolbar, click **Print** to print the project quote.  
The system navigates to the [Project Quote](#) (PM604500) report, which is the same report as has been attached to the email. The printed form lists the estimated revenue of the project quote, which the customer needs to review and agree to.
7. Click Back in the browser window to return to the project quote on the [Project Quotes](#) form.
8. On the More menu, click **Mark as Accepted**. The project quote is assigned the *Accepted by Customer* status.

Now you can convert the agreed quote to a project.

## Project Quotes: Related Report and Inquiry Forms

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In the following section, you can find details about the report form you may want to review to gather information about project quotes.



If you do not see a particular report or form that is described, you may have signed in to the system with a user account that does not have access rights to the report or form. Contact your system administrator to obtain access to any needed reports or forms.

### Printing of a Project Quote

On the [Project Quotes](#) (PM304500) form, you can print the selected project quote by clicking **Print** on the form toolbar. For the printing of project quotes, the system uses the [Project Quote](#) (PM604500) report. This report includes estimation lines, the header-level note, and the detailed description of a project quote.