What : The problem we are solving if that the full project cost reporting is not available in accounting systems like Xero, Quick books and Freshbooks

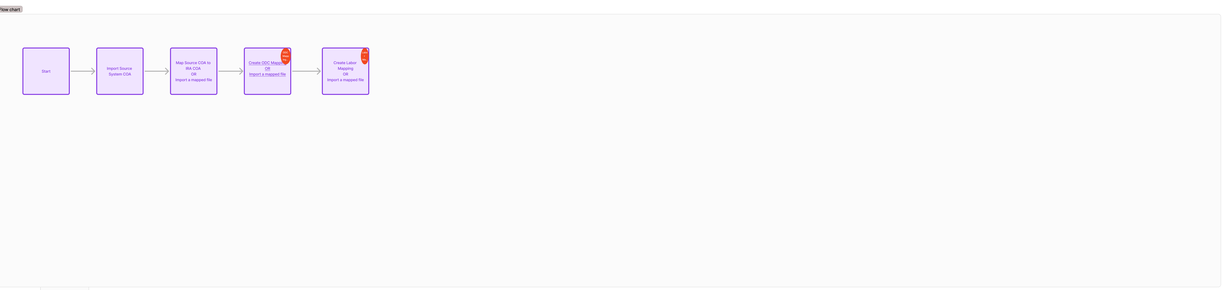
Why : To provide real profitability of the projects and assist with the forestring and proposal costing

Outcome :
- Full project costing
- Better visibility of the project profitability
- Support proposal costing and go no-go decision of a RFP

Glossary

- TCI = Total Cost Input
- DL = Direct Labor
- TL = Total Labor
-

Flow chart



Report

Project Status Report

ABC Company

Period: 1-2024 - 2-2024

Similar to this, a periodic report will be needed

Some other header items

Description			Current Period	Year to Date	Prior Years	Inception to Date	Commitments	Total Budget	
Revenue									
		Revenue A	2000	4000	12000	18000		32000	
		Revenue B	3000	7000	10000	17000		30000	
Total Revenue			**5000**	**13000**	**22000**	**35000**		**62000**	
Direct Cost									
	Labor Cost								
		Labor A	500	1500	3000	4500		6000	1500
		Labor B - Sub	300	600	1200	1800		4000	2200
Total Labor Cost			**800**	**2100**	**4200**	**6300**		**10000**	**3700**
	Non-Labor Cost								
		Travel	500	1500	3000	4500	6000	1500	
		Material	300	600	1200	1800	4000	2200	
		Other Direct Cost	200	300	700	1000	2000	1000	
		Total Non-Labor Cost	**1000**	**2400**	**4900**	**7300**	**12000**	**4700**	
Total Direct Cost		**Total Direct Cost**	**1800**	**4500**	**9100**	**13600**	**22000**	**8400**	
Gross Margin			**3200**	**8500**	**12900**	**21400**	**40050**	**18600**	
Indirect Cost									
		Fringe	125	375	750	1125	1500	375	
		Overhead	250	750	1500	2250	3000	750	
		General and Administration	180	450	910	1360	2200	840	
Total Indirect Cost		**Total Indirect Cost**	**555**	**1575**	**3160**	**4735**	**6700**	**1965**	
Profit(Loss)			**2645**	**6925**	**9740**	**16665**	**33300**	**16635**	
Profit %			**52.90%**	**53.27%**	**44.29%**	**47.61%**	**53.71%**	**41.61%**	

Most of the entry level accounting system project reports provide reporting up to the gross margin level.
The indirect cost allocation is not available

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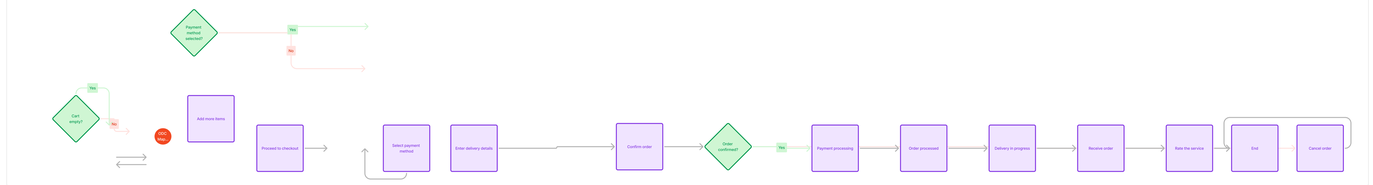
Sample - DO NOT USE



Transactions

Transaction

GL Account	Organization	Project	Expense Code/Labor Category	Hours	Amount	
5300.01	A	34920	Airline		250	
5100.01	C	26920	Business Analyst	30	3600	

This is a sample of transaction details that the external system would have and will be pulled via API

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Cost Categories

Cost Categories

Labor

Name	Description			
Labor A				
Labor B - Sub				

Non-Labor

Name	Description			
Travel				
Material				
Other Direct Cost				

Indirect

Name	Description			
Fringe	Labor fringe expenses			
Overhead	Overhead expenses			
General and Administration	G&A expenses			

Note:
- Handle all of the Non-Labor Categories

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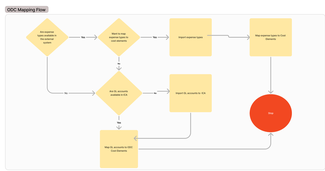
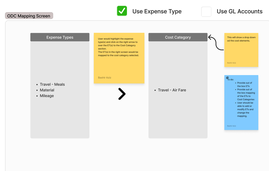
ODC Mapping

ODC Mapping Flow



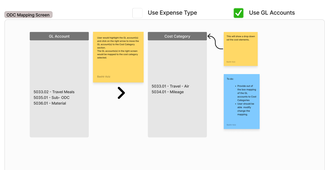
ODC Mapping Screen

Use Expense Type Use GL Accounts



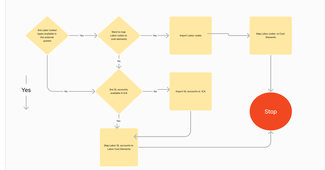
ODC Mapping Screen

Use Expense Type Use GL Accounts



Labor Mapping

Labor Mapping

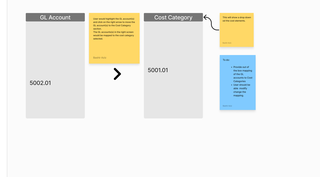


Labor Mapping Screen

Use Expense Type Use GL Accounts

Labor Mapping Screen

Use Expense Type Use GL Accounts



IRA COA

COA

A Account Code	A Account Name	Class	Category	Parent Account	Imported Account Code	Notes
5001.01	Direct Labor - OnSite	Expense	Labor			
5001.02	Direct Labor - OffSite	Expense	Labor			
5003.01	Subcontractor Labor	Expense	Labor			
5033.01	Direct Travel	Expense	Non-Labor			
5034.01	Subcontractor - ODC	Expense	Non-Labor			
6000	Fringe Benefits Expenses	Expense	Non-Labor			
6001	Insurance	Expense	Non-Labor	6000		
6001.01	Medical Insurance	Expense	Non-Labor	6001		
6001.02	Dental Insurance	Expense	Non-Labor	6001		
7000	Facilities Expenses	Expense	Non-Labor			
7000.01	Rent	Expense	Non-Labor	7000		
7000.02	Utilities	Expense	Non-Labor	7000		

Not sure why we would need to provide a COA

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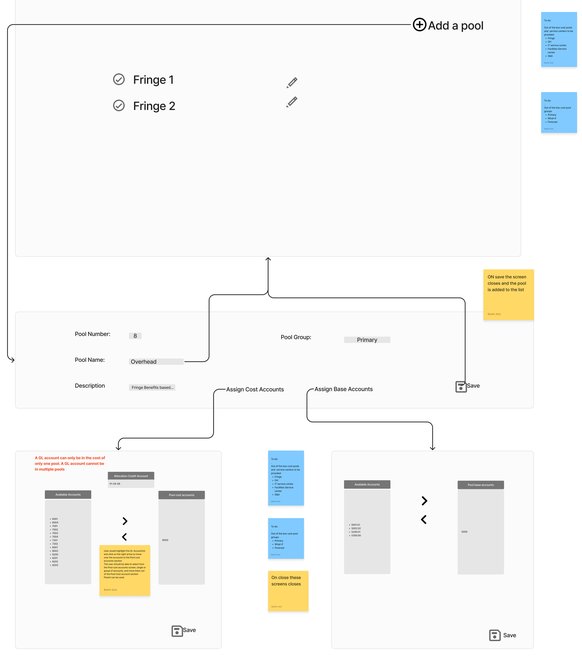
- The pools would compute rate for the period as well as YTD
-

Cost Post Setup Flow

Cost Pools



OK save the screen closes and the pool is added to the list

Note:
- Out of the box cost pools are set up in system in the accounts
- Fringe
- Overhead
- G&A
- All accounts within these cost pools
- Payroll
- Payroll Tax
- Payroll Benefits

Note:
- Out of the box cost pools are set up in system in the accounts
- Fringe
- Overhead
- Base 2
- Base 3
- Payroll

On close these screens closes

Rate Tables

Fiscal Year: 2024

Pool	Actual	Budget	Provisional	Update date and time
Fringe 1	30.3250	30.2500	31.0000	
Fringe 2	32.8755	32.7500	32.0000	
Overhead	58.9256	60.2000	58.0000	
G&A	12.8900	12.0000	12.0000	

Allocation Formulas

Application using Cost Categories :

Fringe = Fringe rate * Labor
Overhead = Overhead rate * (Fringe + Labor)
G&A = G&A rate (Fringe + Overhead + Labor + ODC + Travel)

Application using GL accounts :

Fringe = Fringe rate * (5001.1 + 5001.2)

Overhead = Overhead rate * (Fringe + 5001.1 + 5001.2)

G&A = G&A rate * (Fringe + Overhead + 5001.1 + 5001.2 + 5033.1 + 5033.2 + 5033.3 + 5034.1 + 5035.1 + 5035.2 + 5035.3)

Cost by GL Account

Account Number	Name	Category	Amount
5001.1	Off Site Labor	Labor	15000
5001.2	On Site Labor	Labor	5000
5033.1	Air Fare	Travel	5000
5033.2	Per Diem	Travel	1000
5033.3	Hotel	Travel	4000
5034.1	Material	ODC	3000
5035.1	Taxes	ODC	200
5035.2	Packaging	ODC	300
5035.3	Sub-Contract	ODC	2500

Cost by Category

Labor	20000
Travel	10000
ODC	6000

Rate Table

Fringe	Overhead	G&A
32%	58%	14%

Fringe = 20000 * 0.32 = 6400

Overhead = (20000+6400) * .58 = 15212

G&A = (6400 + 15212 + 10000 + 6000) *.14 = 5278.88

A default formula would be selected during the setup. The default can be overridden at the project level