

Knowledge Base



Introduction to WIP mode

This module is useful when you have jobs or project's that run over your financial reporting periods, and you need accurate information on your accounts for each period.

With this module, Gojee provides the ability for you to track **work in progress** (WIP) for your jobs as they run. This means that instead of your costs being expensed directly at the point in time the cost is incurred, they are instead captured as an asset on the balance sheet while the job is in progress. At the point of invoicing, some or all of the costs are then expensed from work in progress account on the balance sheet to the relevant expense account(s).

There are three main steps involved in using the Gojee WIP are listed below:

1. Incur job costs using the normal process (i.e. using the Record Consumable or Purchasing functions from the [Job Actions](#) menu),
2. Recognise the costs in the WIP accounts (this happens automatically for inventory items, for labour and asset costs there is a manual step required to recognise the costs in the WIP account).
3. Invoice your jobs using the normal process (i.e. using the Invoice function from the [Job Actions](#) menu).

Note: It's recommended that you have the following options turned on for this process to be more automated (refer to [Organisation Settings](#) for more information on turning on these settings):

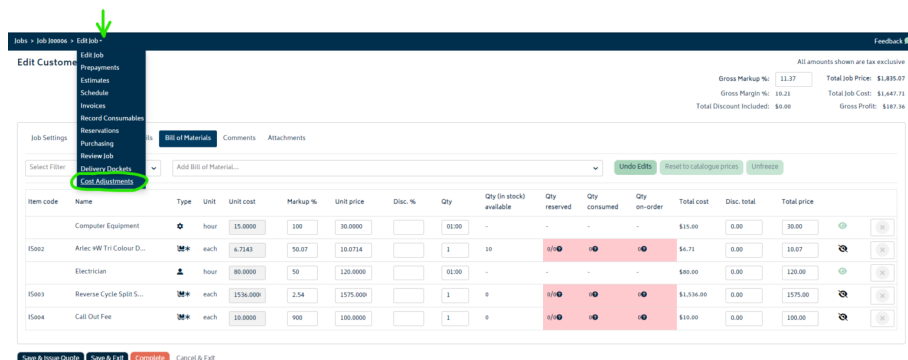
1. Automatically consume items onto the job when receiving goods,
2. Automate Expensing of Work in Progress on invoice creation.

The topics links on this page detail how to use all aspects of this WIP module:

1. Getting started:
 - This section explains how to navigate to the cost adjustments module for your job
2. Cost incurred section:
 - This section explains how to see the costs have been incurred on the cost adjustments tab, and how these relate to the Job Review page.
3. Recognising costs in WIP accounts – automatic transactions:
 - This section explains which transactions are automatically moved into WIP (inventory)
4. Recognising costs in WIP accounts – manual transactions:
 - This section explains which transactions are not automatically moved into WIP (assets, labour) and how to capture them as WIP
5. Expensing costs out of WIP accounts – automatically upon invoicing:
 - This section explains how to automatically expense the WIP upon invoicing
6. Expensing costs out of WIP accounts – manually:
 - This section explains how to manually expense the WIP without invoicing
7. Reversing WIP transactions:
 - This section explains how to reverse WIP transactions

Getting started

Once you have turned on this mode (refer to to the [Cost Adjustment Settings](#) page), you can navigate to the Cost Adjustment section of the Job Actions as per the image below:



Item code	Name	Type	Unit	Unit cost	Markup %	Unit price	Disc. %	Qty	Qty (in stock) available	Qty reserved	Qty consumed	Qty on-order	Total cost	Disc. total	Total price
	Computer Equipment	hour		15.0000	100	30.0000		01.00	-	-	-	-	\$15.00	0.00	30.00
IS002	Arlec WW Tri Colour D...	each		6.7143	50.07	10.0724		1	10	-	-	-	\$6.71	0.00	10.07
	Electrician	hour		80.0000	50	120.0000		01.00	-	-	-	-	\$80.00	0.00	120.00
IS003	Reverse Cycle Split S...	each		1536.0000	2.54	1575.0000		1	0	-	-	-	\$1,536.00	0.00	1575.00
IS004	Call Out Fee	each		10.0000	900	100.0000		1	0	-	-	-	\$10.00	0.00	100.00

- The Cost Adjustment page will look as follows for a job which has no costs consumed onto it as of yet:

Cost Adjustments - J00007

Estimated Price:	\$1,835.07
Estimated Cost:	\$1,647.71
Invoice Amount (GST EXC):	\$0.00
Cost Incurred:	\$0.00
Tracked Inventory: ⓘ	\$0.00
Untracked Inventory:	\$0.00
Labour:	\$0.00
Assets:	\$0.00
Costs Tracked as WIP in Xero:	\$0.00
Inventory:	\$0.00
Labour:	\$0.00
Assets:	\$0.00
Costs Of Sales Expensed in Xero:	\$0.00
Inventory:	\$0.00
Labour:	\$0.00
Assets:	\$0.00

Journal Incurred Costs to WIP Account

Journal WIP to COGS Account

History

Xero Id	Amount	Posted Timestamp ^
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Cost incurred section

Once you have consumed costs on the job for each cost type, the Cost Adjustment table on the page will look as follows:

Cost Adjustments - J00007

Estimated Price:	\$1,835.07
Estimated Cost:	\$1,647.71
Invoice Amount (GST EXC):	\$0.00
Cost Incurred:	\$1,597.71
<i>Tracked Inventory:</i> ⓘ	<i>\$1,542.71</i>
<i>Untracked Inventory:</i>	<i>\$10.00</i>
<i>Labour:</i>	<i>\$30.00</i>
<i>Assets:</i>	<i>\$15.00</i>
Costs Tracked as WIP in Xero:	\$1,552.71
<i>Inventory:</i>	<i>\$1,552.71</i>
<i>Labour:</i>	<i>\$0.00</i>
<i>Assets:</i>	<i>\$0.00</i>
Costs Of Sales Expensed in Xero:	\$0.00
<i>Inventory:</i>	<i>\$0.00</i>
<i>Labour:</i>	<i>\$0.00</i>
<i>Assets:</i>	<i>\$0.00</i>

Journal Incurred Costs to WIP Account

Journal WIP to COGS Account

The cost incurred section shows the latest job costs and will match what is shown on the [Job Review](#) page.

Note: As detailed on the job review page, any inventory purchases made for a job will automatically be consumed for a job and have the costs allocated on the job review page once the item has been received, so long as the Automated Consumption button is selected when receiving the goods ordered. Refer to the [Purchasing](#) section for more information.

For your existing stocked inventory and assets, you will need to manually consume these costs against the job. Refer to the [Record Consumables](#) section for more information.

For professions, your employees or a manager must record time against the profession for a particular job for the costs to show on the job review page. Refer to this section for more information [Time Tracking](#).

An image of the job review page for this job which matches the incurred costs from the image above is provided below:

Jobs > Job J00007 > Review Job

Review Job

Job: J00007 - Bayville Club

Type: Do and Charge

Forecast Variance to Budget: \$0.00

	Budget	Actual	%
Revenue (ex. tax)	\$1,835.07	\$0.00	0.00%
Costs (ex. tax)	\$1,647.71	\$1,597.71	96.97%
Gross Profit	\$187.36	(\$1,597.71)	-853.76%
Gross Markup	11.37%	-	-

Search table

Item Code	Name	Type	UOM	Budget Qty	Used Qty	Cost Budget	Committed Costs	Incurred Costs	Remaining Budget	Forecast Completion Cost	Forecast Final Cost	Forecast Variance to Budget
	Computer Equipment		hour	1	1	\$15.00	\$0.00	\$15.00	\$0.00		-	View/Adjust Records
	Electrician		hour	1	1	\$80.00	\$0.00	\$10.00	\$10.00		-	View/Adjust Records
IS602	Arise-WF Tst Colo...		each	1	1	\$6.71	\$0.00	\$6.71	\$0.00		-	View/Adjust Records
IS604	Call Out Fee		each	1	1	\$10.00	\$0.00	\$10.00	\$0.00		-	View/Adjust Records
IS693	Recessed Ceiling Sol...		each	1	1	\$1,536.00	\$0.00	\$1,536.00	\$0.00		-	View/Adjust Records

Exit

Recognising costs in WIP accounts – automatic transactions

Inventory will automatically be journaled to the Work in Progress account when its consumed onto the job in the WIP mode. This is illustrated in the image below:

Jobs > Job J00007 > Cost Adjustments

Cost Adjustments - J00007

Estimated Price:	\$1,835.07
Estimated Cost:	\$1,647.71
Invoice Amount (GST EXC):	\$0.00
Cost Incurred:	\$1,597.71
Tracked Inventory: ?	\$1,542.71
Untracked Inventory:	\$10.00
Labour:	\$30.00
Assets:	\$15.00
Costs Tracked as WIP in Xero:	\$1,552.71
Inventory:	\$1,552.71
Labour:	\$0.00
Assets:	\$0.00
Costs Of Sales Expensed in Xero:	\$0.00
Inventory:	\$0.00
Labour:	\$0.00
Assets:	\$0.00

Journal Incurred Costs to WIP Account

Journal WIP to COGS Account

The following extracts from Xero detail the journals created automatically in Xero for this job for the inventory consumed:

Xero Journal:

History

Xero Id	Amount	Posted Timestamp ^
Open In Xero	\$1,552.71	24 Nov 2023, 16:32

Type	Debit	Credit
Inventory Asset Account (IS002)		\$6.71
Work In Progress (IS002)	\$6.71	
Inventory Asset Account (IS003)		\$1536.00
Work In Progress (IS003)	\$1536.00	
Inventory Cost of Sales (IS004)		\$10.00
Work In Progress (IS004)	\$10.00	

Note: in the image above, two of the items are tracked inventory (IS002 and IS003), and one is an untracked item (IS004). For the tracked items, the cost is moved from the inventory asset account(s) to the WIP account. For the untracked item, the cost is pulled from the expense account and moved into WIP.

Account Transactions Summary:

Account Transactions									
Demo Company (AU)									
For the period 1 November 2023 to 30 November 2023									
Description contains J00007									
Date	Source	Description	Reference	Currency	Debit (Source)	Credit (Source)	Debit (AUD)	Credit (AUD)	Running Balance (AUD)
Gojee Inventory Asset Account									
24 Nov 2023	Manual Journal	Gojee Cost Adjustment - Job J00007 - Inventory Asset Account (IS003)	#714	AUD	-	1,536.00	-	1,536.00	1,536.00
24 Nov 2023	Manual Journal	Gojee Cost Adjustment - Job J00007 - Inventory Asset Account (IS002)	#714	AUD	-	6.71	-	6.71	1,542.71
Total Gojee Inventory Asset Account					-	1,542.71	-	1,542.71	1,542.71
Inventory Item 1 - COGS									
24 Nov 2023	Manual Journal	Gojee Cost Adjustment - Job J00007 - Inventory Cost of Sales (IS004)	#714	AUD	-	10.00	-	10.00	(10.00)
Total Inventory Item 1 - COGS					-	10.00	-	10.00	(10.00)
Work In Progress (WIP)									
24 Nov 2023	Manual Journal	Gojee Cost Adjustment - Job J00007 - Work in Progress (IS002)	#714	AUD	6.71	-	6.71	-	6.71
24 Nov 2023	Manual Journal	Gojee Cost Adjustment - Job J00007 - Work in Progress (IS003)	#714	AUD	1,536.00	-	1,536.00	-	1,542.71
24 Nov 2023	Manual Journal	Gojee Cost Adjustment - Job J00007 - Work in Progress (IS004)	#714	AUD	10.00	-	10.00	-	1,552.71
Total Work in Progress (WIP)					1,552.71	-	1,552.71	-	1,552.71
Total					1,552.71	1,552.71	1,552.71	1,552.71	-

Note: If inventory is returned to stock from the job record consumables page, a reversing journal will automatically be processed into Xero.



Recognising costs in WIP accounts – manual transactions

Note: The labour and asset costs will need to be manually processed into the work in progress account.

To journal the Labour and Asset costs into WIP from their operating expense accounts, you can use the green button at the bottom of the table:

Cost Adjustments - J00007

Estimated Price:	\$1,835.07
Estimated Cost:	\$1,647.71
Invoice Amount (GST EXC):	\$0.00
Cost Incurred:	\$1,597.71
Tracked Inventory: ?	\$1,542.71
Untracked Inventory:	\$10.00
Labour:	\$30.00
Assets:	\$15.00
Costs Tracked as WIP in Xero:	\$1,552.71
Inventory:	\$1,552.71
Labour:	\$0.00
Assets:	\$0.00
Costs Of Sales Expensed in Xero:	\$0.00
Inventory:	\$0.00
Labour:	\$0.00
Assets:	\$0.00


 Journal Incurred Costs to WIP Account
 

Journal WIP to COGS Account

- You will be presented with a modal to choose the amount of costs to expense. The default amounts will show from what is left to be expensed from the incurred cost:

Journal Incurred Costs to WIP Account
×

Type	Cost Incurred	Cost Allocated to WIP	Cost to Allocate to WIP	Cost Expensed in Xero
Labour	\$30.00	\$0.00	<input type="text" value="30.00"/>	\$0.00
Assets	\$15.00	\$0.00	<input type="text" value="15.00"/>	\$0.00

Process
Cancel

- Update the Cost to Allocate to WIP field as desired for Labour and Assets and then click the Process button. The Cost Adjustments table will now show as follows:

Successfully allocated WIP costs to xero.

Cost Adjustments - J00007

Estimated Price:	\$1,835.07
Estimated Cost:	\$1,647.71
Invoice Amount (GST EXC):	\$0.00
Cost Incurred:	\$1,597.71
Tracked Inventory: ?	\$1,542.71
Untracked Inventory:	\$10.00
Labour:	\$30.00
Assets:	\$15.00
Costs Tracked as WIP in Xero:	\$1,597.71
Inventory:	\$1,552.71
Labour:	\$30.00
Assets:	\$15.00
Costs Of Sales Expensed in Xero:	\$0.00
Inventory:	\$0.00
Labour:	\$0.00
Assets:	\$0.00

Journal Incurred Costs to WIP Account

Journal WIP to COGS Account

- A summary of the transactions that have been journaled into Xero are provided below:

Manual Journals ▾

Posted Manual Journal #715

Posted

Print PDF

Journal Options

Narration

Date

Gojee Job Cost Adjustment, Job: 300007, Accrue WIP 24 Nov 2023

Accrual basis

Amounts do not include Tax

Description	Account	Tax Rate	Region	Debit AUD	Credit AUD
Labour Operating Expense	477 - Wages and Salaries	BAS Excluded			30.00
Asset Operating Expense	449 - Motor Vehicle Expenses	BAS Excluded			15.00
Work in Progress	611 - Work in Progress (WIP)	BAS Excluded		45.00	
Subtotal				45.00	45.00
TOTAL				45.00	45.00

History & Notes ⓘ

Approved by System Generated on 24 Nov 2023 at 16:41pm
Received through the Xero API from Gojee

[Show History \(2 entries\)](#)[Add Note](#)

Note: in the image above, the operating expense accounts selected for labour and assets is “Wages and Salaries” and “Motor Vehicle Expenses” respectively. You can set these accounts to an option of your choosing in the [Organisation Settings](#) as per the options shown below:

Cost Adjustment Settings

Cost of Sales Accounts ⓘ

Labour Cost of Sales

Cost of Goods Sold ▼

Asset Cost of Sales

Cost of Goods Sold ▼

Operating Expense Accounts ⓘ

Labour Operating Expense

Wages and Salaries ▼

Asset Operating Expense

Motor Vehicle Expenses ▼

Expensing costs out of WIP accounts – automatically upon invoicing

To automatically expense the WIP out to the Cost of Sales account, you simply need to raise an invoice for the job. The system will calculate the amount of WIP that should be expensed based off the amount of the invoice and a percentage of the expected invoice total. In the example below, there are two invoices raised, for 50% of the job total each, and the WIP is fully moved to the cost of sales accounts in two journals:

- Raise an invoice for the job for 50% of the total. For information on raising an invoice for the job, refer to [Create Gojee Invoices](#).
- Once the invoice is raised, navigate to the Cost Adjustment section of the job and you'll notice that 50% of the WIP has been automatically journaled to the Cost of Sales accounts:

Cost Adjustments - J00007

Estimated Price:	\$1,835.07
Estimated Cost:	\$1,647.71
Invoice Amount (GST EXC):	\$917.54
Cost Incurred:	\$1,597.71
Tracked Inventory: ?	\$1,542.71
Untracked Inventory:	\$10.00
Labour:	\$30.00
Assets:	\$15.00
Costs Tracked as WIP in Xero:	\$798.85
Inventory:	\$776.35
Labour:	\$15.00
Assets:	\$7.50
Costs Of Sales Expensed in Xero:	\$798.86
Inventory:	\$776.36
Labour:	\$15.00
Assets:	\$7.50

Journal Incurred Costs to WIP Account

Journal WIP to COGS Account

- If you then raise an invoice for the job for remaining 50% of the total, you'll notice that the remaining WIP has been automatically journaled to the Cost of Sales accounts:

Cost Adjustments - J00007

Estimated Price:	\$1,835.07
Estimated Cost:	\$1,647.71
Invoice Amount (GST EXC):	\$1,835.08
Cost Incurred:	\$1,597.71
Tracked Inventory: ⓘ	\$1,542.71
Untracked Inventory:	\$10.00
Labour:	\$30.00
Assets:	\$15.00
Costs Tracked as WIP in Xero:	\$0.00
Inventory:	\$0.00
Labour:	\$0.00
Assets:	\$0.00
Costs Of Sales Expensed in Xero:	\$1,597.71
Inventory:	\$1,552.71
Labour:	\$30.00
Assets:	\$15.00

Journal Incurred Costs to WIP Account

Journal WIP to COGS Account

- A summary of the net transactions that have been journaled into Xero are provided below for this job:

Account Transactions

Demo Company (AU)

For the period 1 November 2023 to 30 November 2023

Description contains J00007

Account	Debit (AUD)	Credit (AUD)	Running Balance (AUD)
Cost of Goods Sold - Inventory	1,542.71	-	1,542.71
Cost of Goods Sold - Labour and Assets	45.00	-	45.00
Gojee Inventory Asset Account <i>tracked</i>	-	1,542.71	1,542.71
Inventory Item 1 - COGS <i>untracked</i>	10.00	10.00	-
Motor Vehicle Expenses <i>assets</i>	-	15.00	(15.00)
Wages and Salaries <i>labour</i>	-	30.00	(30.00)
Work in Progress (WIP)	1,597.71	1,597.71	-
Total	3,195.42	3,195.42	-

Note: The job costs have all been moved from the operating expense accounts, through the WIP account and then into the cost of sales account. Note, the untracked inventory will start and end in the same

account, with the value being held automatically in WIP for the duration of the job.

Expensing costs out of WIP accounts – manually

To manually expense the cost out of the WIP account, you can use the button at the bottom of the table. This does not require an invoice to be raised for the job.

Jobs > Job J00007 > Cost Adjustments ▾

Cost Adjustments - J00007

Estimated Price:	\$1,835.07
Estimated Cost:	\$1,647.71
Invoice Amount (GST EXC):	\$0.00
Cost Incurred:	\$1,597.71
Tracked Inventory: ?	\$1,542.71
Untracked Inventory:	\$10.00
Labour:	\$30.00
Assets:	\$15.00
Costs Tracked as WIP in Xero:	\$1,597.71
Inventory:	\$1,552.71
Labour:	\$30.00
Assets:	\$15.00
Costs Of Sales Expensed in Xero:	\$0.00
Inventory:	\$0.00
Labour:	\$0.00
Assets:	\$0.00

Journal Incurred Costs to WIP Account

  Journal WIP to COGS Account

- You will be presented with the following modal:

Journal WIP to COGS Account

Estimated Price:

\$1,835.07

Estimated Cost:

\$1,647.71

Invoice Amount (GST EXC):

\$0.00

% Invoiced:

0.00%

Inventory

Item Code	Name	Type	Cost Incurred	Cost Allocated to WIP	Cost to Expense from WIP	Cost Expensed in Xero
IS002	Artec 9W Tri Colour D...	✱	\$6.71	\$6.71	0.00	\$0.00
IS003	Reverse Cycle Split S...	✱	\$1,536.00	\$1,536.00	0.00	\$0.00
IS004	Call Out Fee		\$10.00	\$10.00	0.00	\$0.00
Totals			\$1,552.71	\$1,552.71	\$0.00	\$0.00

Profession and Asset

Type	Cost Estimate	Cost Incurred	Cost Allocated to WIP	Cost to Expense from WIP	Cost Expensed in Xero
Labour	\$80.00	\$30.00	\$30.00	0.00	\$0.00
Assets	\$15.00	\$15.00	\$15.00	0.00	\$0.00

Please ensure that the cost to expense is less than or equal to the cost allocated to wip and above 0.

Expense Cancel

- The default values in the modal are calculated based off the invoiced %. In this case, as there is no invoice for this job, the default amounts to expense is \$0. On the modal you can manually change each of the fields as shown in green above. An example of this is provided below:

Journal WIP to COGS Account

Estimated Price:

\$1,835.07

Estimated Cost:

\$1,647.71

Invoice Amount (GST EXC):

\$0.00

% Invoiced:

0.00%

Inventory

Item Code	Name	Type	Cost Incurred	Cost Allocated to WIP	Cost to Expense from WIP	Cost Expensed in Xero
IS002	Artec 9W Tri Colour D...	✱	\$6.71	\$6.71	6.71	\$0.00
IS003	Reverse Cycle Split S...	✱	\$1,536.00	\$1,536.00	1536.00	\$0.00
IS004	Call Out Fee		\$10.00	\$10.00	10.00	\$0.00
Totals			\$1,552.71	\$1,552.71	\$1,552.71	\$0.00

Profession and Asset

Type	Cost Estimate	Cost Incurred	Cost Allocated to WIP	Cost to Expense from WIP	Cost Expensed in Xero
Labour	\$80.00	\$30.00	\$30.00	30.00	\$0.00
Assets	\$15.00	\$15.00	\$15.00	15.00	\$0.00

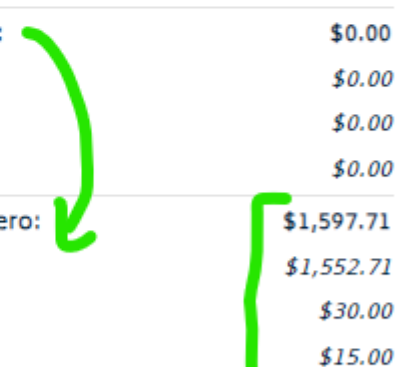
Expense Cancel

- Once you have completed the fields, hit the Expense button and the costs will be expensed out of the WIP account:

Successfully expensed costs from WIP to xero.

Cost Adjustments - J00007

Estimated Price:	\$1,835.07
Estimated Cost:	\$1,647.71
Invoice Amount (GST EXC):	\$0.00
Cost Incurred:	\$1,597.71
Tracked Inventory: ?	\$1,542.71
Untracked Inventory:	\$10.00
Labour:	\$30.00
Assets:	\$15.00
Costs Tracked as WIP in Xero:	\$0.00
Inventory:	\$0.00
Labour:	\$0.00
Assets:	\$0.00
Costs Of Sales Expensed in Xero:	\$1,597.71
Inventory:	\$1,552.71
Labour:	\$30.00
Assets:	\$15.00



Journal Incurred Costs to WIP Account

Journal WIP to COGS Account

Reverse Cost of Sales Back to WIP

If you make an mistake or need to manually reverse this process, you can use the button at the bottom of the table to reverse the cost of sales back to the WIP account:

Cost Adjustments - J00007

Estimated Price:	\$1,835.07
Estimated Cost:	\$1,647.71
Invoice Amount (GST EXC):	\$0.00
Cost Incurred:	\$1,597.71
Tracked Inventory: ⓘ	\$1,542.71
Untracked Inventory:	\$10.00
Labour:	\$30.00
Assets:	\$15.00
Costs Tracked as WIP in Xero:	\$0.00
Inventory:	\$0.00
Labour:	\$0.00
Assets:	\$0.00
Costs Of Sales Expensed in Xero:	\$1,597.71
Inventory:	\$1,552.71
Labour:	\$30.00
Assets:	\$15.00

Journal Incurred Costs to WIP Account

Journal WIP to COGS Account

Reverse Cost of Sales Back to WIP

- You will be presented with the following modal:

Reverse Costs of Sales back to WIP

Estimated Price:

\$1,835.07

Estimated Cost:

\$1,647.71

Invoice Amount (GST EXC):

\$0.00

% Invoiced:

0.00%

Inventory

Item Code	Name	Type	Cost Incurred	Cost Allocated to WIP	Cost to Reverse to WIP	Cost Expensed in Xero
IS002	Arlec 9W Tri Colour D...	ⓘ*	\$6.71	\$0.00	-6.71 ●	\$6.71
IS003	Reverse Cycle Split S...	ⓘ*	\$1,536.00	\$0.00	-1536.00 ●	\$1,536.00
IS004	Call Out Fee	ⓘ	\$10.00	\$0.00	-10.00 ●	\$10.00
Totals			\$1,552.71	\$0.00	-\$1,552.71	\$1,552.71

Profession and Asset

Type	Cost Estimate	Cost Incurred	Cost Allocated to WIP	Cost to Reverse to WIP	Cost Expensed in Xero
Labour	\$80.00	\$30.00	\$0.00	-30.00 ●	\$30.00
Assets	\$15.00	\$15.00	\$0.00	-15.00 ●	\$15.00

Reverse Expense

Cancel

- The default values for each field is calculated based off the Invoice % total. In this example, as the invoice % is 0, its suggesting that all the expenses need to be moved back into the WIP account.
- You can change these fields as required. In the image below, the values have been manually changed to reverse around half of what was expensed:

Reverse Costs of Sales back to WIP

Estimated Price:

\$1,835.07

Estimated Cost:

\$1,647.71

Invoice Amount (GST EXC):

\$0.00

% Invoiced:

0.00%

Inventory

Item Code	Name	Type	Cost Incurred	Cost Allocated to WIP	Cost to Reverse to WIP	Cost Expensed in Xero
IS002	Arlec 9W Tri Colour D...	⚙️*	\$6.71	\$0.00	<input type="text" value="-3.00"/>	\$6.71
IS003	Reverse Cycle Split S...	⚙️*	\$1,536.00	\$0.00	<input type="text" value="-1000.00"/>	\$1,536.00
IS004	Call Out Fee	🚚	\$10.00	\$0.00	<input type="text" value="-5.00"/>	\$10.00
Totals			\$1,552.71	\$0.00	-\$1,008.00	\$1,552.71

Profession and Asset

Type	Cost Estimate	Cost Incurred	Cost Allocated to WIP	Cost to Reverse to WIP	Cost Expensed in Xero
Labour	\$80.00	\$30.00	\$0.00	<input type="text" value="-15.00"/>	\$30.00
Assets	\$15.00	\$15.00	\$0.00	<input type="text" value="-7.50"/>	\$15.00

Reverse Expense


Cancel

- Hit the Reverse Expense button once you have checked the values entered are correct. You will see the changes in the cost adjustments table:

Successfully expensed costs from WIP to xero.

Cost Adjustments - J00007

Estimated Price:	\$1,835.07
Estimated Cost:	\$1,647.71
Invoice Amount (GST EXC):	\$0.00
Cost Incurred:	\$1,597.71
Tracked Inventory: ?	\$1,542.71
Untracked Inventory:	\$10.00
Labour:	\$30.00
Assets:	\$15.00
Costs Tracked as WIP in Xero:	\$1,030.50
Inventory:	\$1,008.00
Labour:	\$15.00
Assets:	\$7.50
Costs Of Sales Expensed in Xero:	\$567.21
Inventory:	\$544.71
Labour:	\$15.00
Assets:	\$7.50



Journal Incurred Costs to WIP Account

Journal WIP to COGS Account

Reverse Cost of Sales Back to WIP

Reversing WIP transactions

For **inventory items**, reversal transactions occur automatically when items are consumed or returned from a job.

For **labour and asset** costs, there is a manual process required to reverse the costs out of WIP.

If you need to reverse any of the asset costs consumed on the job, or if you have adjusted the labour times tracked on the job to be less than that already expensed, you can reverse these journals accordingly. The example below describes the process for removing some of the time consumed for an asset used on a job.

- Navigate to the record consumables page and return some time for the asset:

Jobs > Job 100007 > Record Consumables

Record Consumables

100007 - Bayview Club

Add Bill of Material...

Flat

Print Picking Slip

Consumables

Name	Item code	Description	Type	UOM	Available Qty	Quantity	Recorded quantity	Return	Return Location
Computer Equipment			Hour			1	1 → 0.75		
Allen 900 To Cabinet D...	10002	With Plug Bases	WH*	each	1 (0)	1	1	0025	
Reverset Cycle 3000 S...	10003	Center Allure 7.0KW	WH*	each	1 (0)	1	1		
Call Out Fee	10004	Center Allure 7.0KW	WH	each	-	1	1		

Return to Back Cancel

- Navigate back to the Cost Adjustment page and you will notice the discrepancy in the Expensed and the Incurred Cost sections as highlighted below:

Jobs > Job 100007 > Cost Adjustments

Cost Adjustments - J00007

Estimated Price:	\$1,835.07
Estimated Cost:	\$1,647.71
Invoice Amount (GST EXC):	\$1,835.08
Cost Incurred:	\$1,593.96
Tracked Inventory:	\$1,542.71
Untracked Inventory:	\$10.00
Labour:	\$30.00
Assets:	\$11.25
Costs Tracked as WIP in Xero:	\$0.00
Inventory:	\$0.00
Labour:	\$0.00
Assets:	\$0.00
Costs Of Sales Expensed in Xero:	\$1,597.71
Inventory:	\$1,552.71
Labour:	\$30.00
Assets:	\$15.00

Journal Incurred Costs to WIP Account

Journal WIP to COGS Account

Reverse Overallocated WIP

Reverse Cost of Sales Back to WIP

- To fix the discrepancy, simply click on the Reverse Cost of Sales Back to WIP button as shown above. You will be presented with the following modal:

Reverse Costs of Sales back to WIP

Estimated Price:

\$1,835.07

Estimated Cost:

\$1,647.71

Invoice Amount (GST EXC):

\$1,835.08

% Invoiced:

100.00%

Inventory

Item Code	Name	Type	Cost Incurred	Cost Allocated to WIP	Cost to Reverse to WIP	Cost Expensed in Xero
IS002	Arlec 9W Tri Colour D...		\$6.71	\$0.00	0.00	\$6.71
IS003	Reverse Cycle Split S...		\$1,536.00	\$0.00	0.00	\$1,536.00
IS004	Call Out Fee		\$10.00	\$0.00	0.00	\$10.00
Totals			\$1,552.71	\$0.00	\$0.00	\$1,552.71

Profession and Asset

Type	Cost Estimate	Cost Incurred	Cost Allocated to WIP	Cost to Reverse to WIP	Cost Expensed in Xero
Labour	\$80.00	\$30.00	\$0.00	0.00	\$30.00
Assets	\$15.00	\$11.25	\$0.00	-3.74	\$15.00

Reverse Expense

Cancel

- The correcting amount will default into the Cost to Reverse field(s) however the total may be split amongst all accounts. As per the image above, simply put the correct amount into the chosen section. Once done, click the Reverse Expense button. The Cost Adjustment table will now look as follows for this job:

Jobs > Job J00007 > Cost Adjustments ▾

Cost Adjustments - J00007

Estimated Price:	\$1,835.07
Estimated Cost:	\$1,647.71
Invoice Amount (GST EXC):	\$1,835.08
Cost Incurred:	\$1,593.96
Tracked Inventory:	\$1,542.71
Untracked Inventory:	\$10.00
Labour:	\$30.00
Assets:	\$11.25
Costs Tracked as WIP in Xero:	\$3.75
Inventory:	\$0.00
Labour:	\$0.00
Assets:	\$3.75
Costs Of Sales Expensed in Xero:	\$1,593.96
Inventory:	\$1,552.71
Labour:	\$30.00
Assets:	\$11.25

Journal Incurred Costs to WIP Account

Journal WIP to COGS Account

Reverse Overallocated WIP

- The cost expensed will now be corrected, but you will also need to reverse the overallocated WIP amount shown in red in the image above. To do this, simply hit the Reverse Overallocated WIP button. You will be presented with the following modal:

Reverse Overallocated WIP

Type	Cost Incurred	Cost Allocated to WIP	Cost to Reverse from WIP	Cost Expensed in WIP
Labour	\$30.00	\$0.00	<input type="text" value="0.00"/>	\$30.00
Assets	\$11.25	\$3.75	<input type="text" value="-3.75"/>	\$11.25

Reverse Expense

Cancel

- The correcting amount will default into the Cost to Reverse from WIP field(s). Hit Reverse Expense to complete the process and you'll see the amounts in the cost adjustment page now balance:

Jobs > Job J00007 > Cost Adjustments

Cost Adjustments - J00007

Estimated Price:	\$1,835.07
Estimated Cost:	\$1,647.71
Invoice Amount (GST EXC):	\$1,835.08
Cost Incurred:	\$1,593.96
Tracked Inventory:	\$1,542.71
Untracked Inventory:	\$10.00
Labour:	\$30.00
Assets:	\$11.25
Costs Tracked as WIP in Xero:	\$0.00
Inventory:	\$0.00
Labour:	\$0.00
Assets:	\$0.00
Costs Of Sales Expensed in Xero:	\$1,593.96
Inventory:	\$1,552.71
Labour:	\$30.00
Assets:	\$11.25

Journal Incurred Costs to WIP Account

Journal WIP to COGS Account

- A summary of the net transactions that have been journaled into Xero including the reversal above are provided in the image below for this job:

Account Transactions

Demo Company (AU)

For the period 1 November 2023 to 30 November 2023

Description contains J00007

Account	Debit (AUD)	Credit (AUD)	Running Balance (AUD)
Cost of Goods Sold - Inventory	1,542.71	-	1,542.71
Cost of Goods Sold - Labour and Assets	45.00	3.75	41.25
Gojee Inventory Asset Account	-	1,542.71	1,542.71
Inventory Item 1 - COGS	10.00	10.00	-
Motor Vehicle Expenses	3.75	15.00	(11.25)
Wages and Salaries	-	30.00	(30.00)
Work in Progress (WIP)	1,601.46	1,601.46	-
Total	3,202.92	3,202.92	-

Next: [Cost Adjustment Settings](#).