

Knowledge Base



Cost Recovery Mode

This module enables you to get a better representation of your direct and indirect costs in Xero. In so doing, you will have a better understanding of your overhead costs, and it will allow you to price your jobs better and make sure both your jobs and your overall business is profitable.

With this module, Gojee provides the ability for you to recover costs relating to labour and asset usage on your jobs from the operating expense accounts to the cost of sales accounts.

There are two main steps involved in using the Gojee Cost Recovery mode as listed below:

- Incur job costs using the normal process (i.e. using the Record Consumable or Purchasing functions from the [Job Actions](#) menu), then
- Recover the costs (this happens automatically for inventory items, for labour and asset costs there is a manual step required to recover the costs).

The topic links on the left 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. Expensing Inventory – Automatic Transactions
 - This section explains the movement of inventory costs when this module is turned on.

4. Recovering Operating Expenses – Manual Transactions

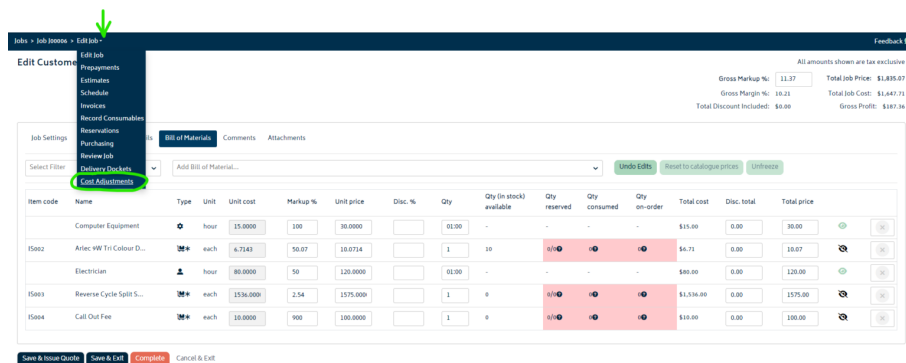
- This section explains how to recover the cost of labour and assets relating to your jobs.

5. Reverse Over Allocated Labour and Assets

- This section explains how to reverse manual transactions.

Getting Started

Once you have enabled this add-on, Cost Adjustments for a job will be able to be found under Job Actions:



For a job which has no costs consumed onto it as of yet, the Cost Adjustment page will appear as follows:

Jobs > Job J00006 > Cost Adjustments

Cost Adjustments - J00006

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 Of Sales Expensed in Xero:	\$0.00
Tracked Inventory:	\$0.00
Labour:	\$0.00
Assets:	\$0.00

Journal Operating Expenses to COGS

History

Xero Id	Amount	Posted Timestamp
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Cost Incurred Section

After you have consumed costs on the job, the Cost Adjustment table on the page will look more like this:

Cost Adjustments - J00006

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

Journal Operating Expenses to COGS

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

Note: So long as the Automated Consumption button is selected when receiving ordered goods, 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. 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 in order for the costs to show on the job review page. Refer to the [Time Tracking](#) section for more information.

The incurred costs from the image above will be represented on the Review Job page:

Jobs

Job Jobs...

Review Job

Forecast Variance to Budget: \$0.00

	Budget	Actual	%
Revenue (ex. tax)	\$1,815.97	\$0.00	0.00%
Costs (ex. tax)	\$1,847.71	\$1,597.71	86.97%
Gross Profit	\$187.36	[-]\$1,597.71	-852.74%
Gross Markup	11.37%	-	

Job:

Jobsite - Bayside Club

Type:

Do and Charge

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
F5002	Attn.vw Tr.Colo...		each	1	1	\$6.71	\$0.00	\$6.71	\$0.00		-	-	View/Adjust Records
F5004	Call Out Fee		each	1	1	\$10.00	\$0.00	\$10.00	\$0.00		-	-	View/Adjust Records
F5003	Reverse Cycle Sol...		each	1	1	\$1,536.00	\$0.00	\$1,536.00	\$0.00		-	-	View/Adjust Records

Expensing Inventory - Automatic Transactions

Tracked inventory on the job will automatically be journaled to the Cost of Sales accounts when consumed onto the job in the Cost Recovery mode.

Jobs > Job J00006 > Cost Adjustments ▾

Cost Adjustments - J00006

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 Of Sales Expensed in Xero:	\$1,542.71
Tracked Inventory:	\$1,542.71
Labour:	\$0.00 ✖
Assets:	\$0.00 ✖

Journal Operating Expenses to COGS

History

Xero Id	Amount	Posted Timestamp ^
Open in Xero	\$1,542.71	24 Nov 2023, 15:30

Type	Debit	Credit
Inventory Asset Account (IS002)		\$6.71
Inventory Cost of Sales (IS002)	\$6.71	
Inventory Asset Account (IS003)		\$1536.00
Inventory Cost of Sales (IS003)	\$1536.00	

Journals will be created automatically in Xero for this job that detail the inventory consumed:

Account Transactions Summary:

Account Transactions									
Demo Company (AU)									
For the period 1 November 2023 to 30 November 2023									
Description contains J00006									
Date	Source	Description	Reference	Currency	Debit (Source)	Credit (Source)	Debit (AUD)	Credit (AUD)	Running Balance (AUD)
Cost of Sales									
24 Nov 2023	Manual Journal	Gojee Cost Adjustment - Job J00006 - Inventory Cost of Sales (IS002)	#712	AUD	6.71	-	6.71	-	6.71
24 Nov 2023	Manual Journal	Gojee Cost Adjustment - Job J00006 - Inventory Cost of Sales (IS003)	#712	AUD	1,536.00	-	1,536.00	-	1,542.71
Total Cost of Sales					1,542.71	-	1,542.71	-	1,542.71
Gojee Inventory Asset Account									
24 Nov 2023	Manual Journal	Gojee Cost Adjustment - Job J00006 - Inventory Asset Account (IS003)	#712	AUD	-	1,536.00	-	1,536.00	1,536.00
24 Nov 2023	Manual Journal	Gojee Cost Adjustment - Job J00006 - Inventory Asset Account (IS002)	#712	AUD	-	6.71	-	6.71	1,542.71
Total Gojee Inventory Asset Account					-	1,542.71	-	1,542.71	1,542.71
Total					1,542.71	1,542.71	1,542.71	1,542.71	-

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

Note: Untracked items will not have cost adjustment journals created. These items do not require a cost recovery, as their costs not put into an inventory asset account first. Instead, they are posted directly into the cost of sales account for each item. This account can be individually selected for each item on the inventory edit page.

Recovering Operating Expenses - Manual Transactions

Note: Unlike inventory items, labour and asset costs will need to be *manually processed* into the cost of sales accounts to recover them from their operating expense accounts. These need not be done individually, as there is a method to do them all at once.

To recover the Labour and Asset costs to COGS from the Operating Expense accounts, you can use the green button at the bottom of the table:

Jobs > Job J00006 > Cost Adjustments ▾

Cost Adjustments - J00006

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 Of Sales Expensed in Xero:	\$1,542.71
Tracked Inventory:	\$1,542.71
Labour:	\$0.00
Assets:	\$0.00

→ Journal Operating Expenses to COGS ←

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 Operating Expenses to COGS ×

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

Expense Cancel

Update the Cost to Expense field as desired for Labour and Assets and then click the Expense button. The Cost Adjustments table will now have those costs noted to be expensed to Xero:

Jobs > Job J00006 > Cost Adjustments ▾

Successfully expensed costs to xero.


Cost Adjustments - J00006

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 Of Sales Expensed in Xero: \$1,587.71
Tracked Inventory: \$1,542.71
Labour: \$30.00
Assets: \$15.00



Journal Operating Expenses to COGS

A summary of the transactions that have been journaled into Xero will be shown as manual journals:

Manual Journals >

Posted Manual Journal #713

Posted

Print PDF

Journal Options

Narration

Gojee Job Cost Adjustment, Job: J00006, Cost Recovery

Date

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
Labour Cost of Sales	310 - Cost of Goods Sold	BAS Excluded		30.00	
Asset Cost of Sales	310 - Cost of Goods Sold	BAS Excluded		15.00	
Subtotal				45.00	45.00
TOTAL				45.00	45.00

History & Notes ⓘ

Approved by System Generated on 24 Nov 2023 at 15:44pm
Received through the Xero API from Gojee

Show History (2 entries)

Add Note

The resulting cost recoveries as posted through to Xero are shown on the Account Transactions statement for this job below (inclusive of the prior inventory adjustments above):

Account Transactions									
Demo Company (AU)									
For the period 1 November 2023 to 30 November 2023									
Description contains J00006									
Date	Source	Description	Reference	Currency	Debit (Source)	Credit (Source)	Debit (AUD)	Credit (AUD)	Running Balance (AUD)
Cost of Goods Sold - Inventory									
24 Nov 2023	Manual Journal	Gojee Cost Adjustment - Job J00006 - Inventory Cost of Sales (S002)	#712	AUD	6.71	-	6.71	-	6.71
24 Nov 2023	Manual Journal	Gojee Cost Adjustment - Job J00006 - Inventory Cost of Sales (S003)	#712	AUD	1,536.00	-	1,536.00	-	1,542.71
Total Cost of Goods Sold - Inventory					1,542.71	-	1,542.71	-	1,542.71
Cost of Goods Sold - Labour and Assets									
24 Nov 2023	Manual Journal	Gojee Job Cost Adjustment - Job J00006, Cost Recovery - Labour Cost of Sales	#713	AUD	30.00	-	30.00	-	30.00
24 Nov 2023	Manual Journal	Gojee Job Cost Adjustment - Job J00006, Cost Recovery - Asset Cost of Sales	#713	AUD	15.00	-	15.00	-	45.00
Total Cost of Goods Sold - Labour and Assets					45.00	-	45.00	-	45.00
Gojee Inventory Asset Account									
24 Nov 2023	Manual Journal	Gojee Cost Adjustment - Job J00006 - Inventory Asset Account (S002)	#712	AUD	-	1,536.00	-	1,536.00	1,536.00
24 Nov 2023	Manual Journal	Gojee Cost Adjustment - Job J00006 - Inventory Asset Account (S002)	#712	AUD	-	6.71	-	6.71	1,542.71
Total Gojee Inventory Asset Account					-	1,542.71	-	1,542.71	1,542.71
Motor Vehicle Expenses									
24 Nov 2023	Manual Journal	Gojee Job Cost Adjustment - Job J00006, Cost Recovery - Asset Operating Expense	#713	AUD	-	15.00	-	15.00	(15.00)
Total Motor Vehicle Expenses					-	15.00	-	15.00	(15.00)
Wages and Salaries									
24 Nov 2023	Manual Journal	Gojee Job Cost Adjustment - Job J00006, Cost Recovery - Labour Operating Expense	#713	AUD	-	30.00	-	30.00	(30.00)
Total Wages and Salaries					-	30.00	-	30.00	(30.00)
Total					1,587.71	1,587.71	1,587.71	1,587.71	-

Note: in the case of the example we're using, the operating accounts selected for labour and assets in the setup of this demo organisation are "Wages and Salaries" and "Motor Vehicle Expenses" respectively:

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

Reverse Over Allocated Labour and Assets

If you need to return any of the assets consumed on the job, or if you have adjusted the 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 the asset on the job.

First, navigate to the record consumables page and return some time for the asset:

Jobs > Job J00009 > Record Consumables

Feedback

Print Picking Slip

Consumes Return

J00009 - Bayside Club

Add Bill of Material...

Flat

Name	Item code	Description	Type	UOM	Available Qty	Quantity	Recorded quantity	Return
Computer Equipment			⚙	hour	-	1	1 -> 0.75	00:15
Reverse Cycle Split S...	IS003	Carrier Allure 7.0kW	🔌	each	0 ()	1	1	Return Location WH1 Enter return quantity
Arlec 9W Tri Colour D...	IS002	With Plug Bases	🔌	each	0 ()	1	1	Return Location WH1 Enter return quantity
Call Out Fee	IS004	Carrier Allure 7.0kW	🔌	each	-	1	1	Enter return quantity

Return to stock

Cancel

Navigate back to the Cost Adjustment page. Check the Expensed and the Incurred Cost sections, and you will notice the discrepancy as highlighted below:

Cost Adjustments - J00009

Estimated Price:	\$3,008.40
Estimated Cost:	\$2,000.60
Invoice Amount (GST EXC):	\$0.00
Cost Incurred:	\$1,880.33
<i>Inventory:</i> ?	<i>\$1,839.08</i>
<i>Labour:</i>	<i>\$30.00</i>
<i>Assets:</i>	<i>\$11.25</i>
Costs Of Sales Expensed in Xero:	\$1,884.08
<i>Inventory:</i>	<i>\$1,839.08</i>
<i>Labour:</i>	<i>\$30.00</i>
<i>Assets:</i>	<i>\$15.00</i>

Journal Operating Expenses to COGS

Reverse Journal

To fix the discrepancy, simply click on the Reverse Journal button. You will be presented with the following modal:

Reverse Journal

Type	Cost Incurred	Cost Expensed in Xero	Cost to Reverse
Labour	\$30.00	\$30.00	<input type="text" value="0.00"/>
Assets	\$11.25	\$15.00	<input type="text" value="-3.75"/>

Reverse ExpenseCancel

The correcting amount will default into the Cost to Reverse field. You can modify this manually as required. Once done, click the Reverse Expense button. The Cost Adjustment table will now look as

follows for this job:

Jobs > Job J00009 > Cost Adjustments ▾

Successfully expensed costs to xero.

Cost Adjustments - J00009

Estimated Price: \$3,008.40
Estimated Cost: \$2,000.60
Invoice Amount (GST EXC): \$0.00

Cost Incurred: \$1,880.33
Inventory:  \$1,839.08
Labour: \$30.00
Assets: \$11.25

Costs Of Sales Expensed in Xero: \$1,880.33
Inventory: \$1,839.08
Labour: \$30.00
Assets: \$11.25





Journal Operating Expenses to COGS

A summary of reversing the journal entry will be provided in Xero:

Manual Journals >
Posted Manual Journal #845

Posted

 Print PDF

 Journal Options ▾


Narration
Gojee Job Cost Adjustment, Job: J00009, Cost Recovery

Date
16 Oct 2023

Accrual basis

Amounts do not include Tax

Description	Account	Tax Rate	Region	Debit AUD	Credit AUD
Asset Operating Expense	482 - Assets - Op. Expense	BAS Excluded		3.75	
Asset Cost of Sales	303 - Assets - Cost of Sales	BAS Excluded			3.75
Subtotal				3.75	3.75
TOTAL				3.75	3.75

History & Notes 

Approved by System Generated on 16 Oct 2023 at 18:45pm
Received through the Xero API from Gojee

Show History (2 entries)

Add Note

Next: [Using WIP mode.](#)