

**Volume 4
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Headline News

Best Software announced that during 2003, U.S. revenues grew by 4% and represented 47% of the Sage Group revenues. Best Software's accounting business grew revenues by 2%, while its CRM business grew revenues by 13%. Overall U.S. operating margins grew to 23%, compared to 21% in 2002, led particularly by the improvement of CRM margins of 18%, compared to 14% in 2002. Overall, U.S. operating profits grew 17%. *Congratulations to Best Software on a successful year!*

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MAS 90 MAS 200 MIP
BUSINESSWORKS GOLD

**MAS 90 Job Cost Module
More Than Just A Contractor's Tool**

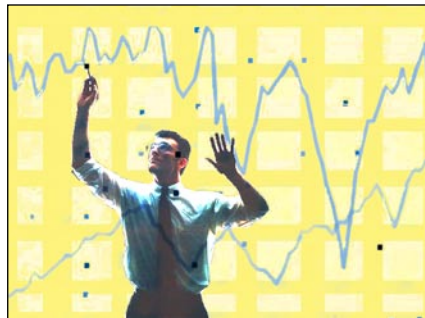
Every task you undertake in your business either costs you money, makes you money, or both. Consider a phone call from a customer. The expenses involved in that call include: the labor of the person answering the call, the cost of maintaining the phone line and equipment, the overhead costs of the office space where the call is answered, and so on. Revenue involved in such a call might be the value of the order the customer places. Tracking the revenue and expense involved in each daily task is, of course unrealistic, if not impossible. However, many of your business projects do lend themselves to such tracking, and the result is information—information that can help you answer tough questions and make better business decisions. Are you charging enough for a particular service? Is it cost effective to continue offering a service? Are you estimating labor and materials effectively? Where can you reduce costs to make a project more financially viable?

The MAS 90 Job Cost module is engineered to help save your company money by accurately estimating and tracking the costs involved in your company's projects. Let's take a closer look at the specific ways it can help.

Broad Usability

If your company is a contractor or subcontractor,

you likely already appreciate the power of the Job Cost module. From bid creation through change orders, charge accumulation, billings, and cash receipts, Job Cost can help you track all your job-related activities. Many other organizations also can benefit from Job Cost's ability to track revenue and expenditures by project. Job Cost can prove its value in any company that manages projects, whether internally or for customers. Virtually every company can utilize Job Cost. Some examples of internal and external



Job Cost allows you to accurately estimate and track project costs to save money and increase profitability.

projects are: an office remodel, a new marketing campaign, the installation of your product at a customer's site, an industry trade show, the research and development of a new product, or the preparation of an employee manual. The data collected can be viewed and reported on in a variety of ways thus giving you invaluable information to make strategic decisions that will positively affect your company's bottom line.

The Detail Level You Need

The production of a newsletter such as this is a fine example of an internal project that could be efficiently tracked using the Job Cost module. First, consider the phases involved: content development, proofing, layout, production, and distribution. Each of these phases involves multiple discrete tasks and different types of costs. To

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**COMPUTER
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SYSTEMS, INC.**

1855 58th Street NE
Tacoma, WA 98422

(877) 952-6098 toll free
(253) 952-6206 fax

Email:
mike@caserv.com

Web Site:
www.caserv.com

Job Cost—More Than Just A Contractor's Tool Continued

achieve this level of detail, Job Cost makes use of **Cost Codes** and **Cost Types**.

The cost code is used as a means of identifying the various phases and steps of your job. Each cost code may be further defined by up to 12 user-defined cost types such as Labor, Materials, Equipment, Subcontractor, Overhead, Burden, etc. You can activate multiple cost types that are relevant for each cost code to track all associated costs for each phase, sub-phase, or step.

Cost codes and cost types determine the degree of detail and analysis that you will derive from the Job Cost system, so it is important to put a good amount of thought into their setup. MAS 90 Job Cost allows for a wide choice of coding methods to suit your business and to take advantage of the organizing features built into the Job Cost system.

One method of organizing cost codes is to group them by similar cost types. Using this method, you could designate the first segment of the cost code as the cost category, representing a general category of costs for which to obtain totals. Then use the second and third segments to detail individual cost items within a general category.

Another cost code organization method is to use cost codes to represent phase, sub-phase, and step numbers. Using this method, you could organize your jobs along a logical or chronological sequence of tasks that must be performed. The first segment of the cost code is used as the phase number. The second and third segments are then used to further detail the phase into sub-phases and steps.

Finally, you might choose an organization method that is some combination of the above, perhaps using the first segment of the cost code to represent a type of project, and the second and third segments to represent the phases and tasks making up such a project.

Applying Costs To A Project

As we mentioned, your project's costs might involve labor, materials, overhead, subcontract, or equipment charges. To facilitate the accumulation of these costs, Job Cost is integrated with the **Accounts Payable**, **Purchase Order**, **TimeCard for MAS 90**, **Payroll**, and **Inventory** modules. You easily can associate a project with transac-

tions from these modules, and the cost will post automatically to the Job Cost module. You also can enter charges and adjustments to a project directly from within Job Cost.

Applying Revenues To A Project

If your project is a billable one, you will create invoices for the project, and receive customer payments against those invoices. In addition to providing a complete internal billing system, Job Cost is integrated with the **Accounts Receivable** module to allow invoices from this module to be associated with a project. For non-billable projects, or in-house projects, you can post your revenues directly to the project from within Job Cost.

Tools

Job Cost's toolbox is full of handy features adding power and flexibility to the module. Here are just a few:

MAS 90 Office

Use **MAS 90 Office** to streamline a variety of tasks and increase organization. Use it to attach various documents to a job record. Scan in a signed contract, change orders, or blueprints, then save them and attach them to the job record for convenience and safekeeping. Create Word document templates to confirm contract acceptance of a bid, or a cover letter to accompany estimates. You will be able to include key fields such as Contract Number, Date, Contract Amount, etc. to personalize the correspondence.

Copy

After a job number is established for a new job, use the **Copy From Job** feature to quickly copy information from an existing job to a new job. After the information is copied, you can access any data field and modify the information unique to the new job.

Job Memos

The Memo function is prevalent throughout MAS 90, and it adds tremendous functionality to the Job Cost module. Limited only by your imagination, **Job Memos** can hold: a list of employees assigned to the job and their tasks, customer feedback, installation instructions, messages to other users, or instructions to the job site.

Internal Versus External Projects

The Job Cost module lends itself very well to tracking the costs and revenues associated with internal jobs—jobs you do not bill directly to a customer. In the case of internal projects, you will need to create a new in-house customer ID since each job must reference a customer. To prevent this in-house customer from appearing on any of your standard receivable reports, and to easily isolate internal jobs on Job Cost reports, consider using an ID that differs from your normal naming convention, or create a new division representing your in-house customer (e.g. 99-IN HOUSE). To further distinguish these internal projects, select a job numbering system that will help identify these jobs (e.g. begin the job number with a 99) and place *IN HOUSE* in the job's sort field.

Reports

The Job Cost module includes more than 20 standard reports providing various views of your project data. The **Job Transaction Detail Report** provides an audit report detailing all cost transactions from all sources posted to your jobs. If the transaction detail is retained for the life of the job, this report provides a complete, detailed history of all cost activity for the job, with references to the invoice number, check number, employee number, etc., for each transaction.

Get a handle on the status of your projects with the **Work In Process Report**. This report can be used to analyze the cost-to-date and unit-to-date information in detail and to obtain the current work-in-process totals by job. In addition to the standard reports, you may use Crystal Reports to build a completely customized report tailored to your unique business needs.

Not Just For Contractors Any More

The Job Cost module has long been considered an indispensable tool for contractors and subcontractors, yet a multitude of businesses can benefit from using Job Cost to track the revenue and expenses of a variety of internal and external projects. This detailed information can provide insight into the profitability of such ventures, and allow you to achieve a higher level of success. Call us for more information about Job Cost and how it can help your company. ★