JD Edwards
INFOCUS
DIVE DEEP

Designing job cost code structures for effective cost management

Presented by:

Craig Davied, Grant Thornton

Session ID

102040

Executive summary

Craig is a Director with Grant Thornton in the Technology Transformation practice. He has over 20 years of consulting experience, across a diverse set of companies and industries. Craig's experiences include planning and program management of multi-faceted implementation projects, hands on management and implementation of ERP software packages, business process reengineering and system architecture design.

Prior to Grant Thornton, Craig was a founding member of MarketSphere's JD Edwards practice in 2002 and was responsible for managing and delivering projects, practice development, solution design and staff management. He has deep experience with the processes and configuration of the JDE Finance and Distribution modules, specifically with the General Ledger, Accounts Payable, Accounts Receivable, Job Cost, Contract Billing, Procurement / Subcontracts, Sales, Inventory, and Advanced Pricing. Craig also has experience with multiple releases of the software. Prior to joining Grant Thornton Consulting from MarketSphere, Craig was an experienced consultant in a "Big 5" consulting organization and has over 20 years of professional experience.

Industries

- Consumer products
- Retail
- Metals and mining
- Mineral exploration drilling
- Construction
- Water management
- Aggregates
- Pet food/manufacturing
- Textiles
- Public utilities
- Inbound / outbound Transportation

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Education

B.S. - Business Administration / Finance
Kansas State University

About Grant Thornton

Thriving since 1924, our U.S. firm is people-focused and purpose-driven. We believe business should be more personal and that the strongest results start with trust.
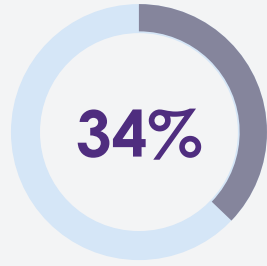
Who we serve:
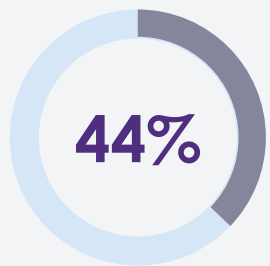
44% Fortune 100 companies
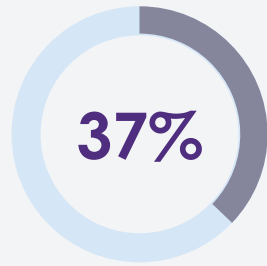
37% Fortune 500 companies

34% Fortune 1000 companies

* Statistics as of July 31, 2020

$1.92bn in revenue

8,459 people, including 595 partners

53 offices

Our Oracle Practice

ERP and SCM — Financials | Revenue management | Accounting hub | Project accounting | Risk management | Project execution Procurement | Inventory management | Cost management | Maintenance | Manufacturing | Order management | Product lifecycle and data management | Supply chain collaboration and planning

EPM Analytics — Planning and budgeting | Profitability and cost management | Financial close and consolidation | Tax reporting and provisioning Management and operational analytics | Narrative reporting | Account reconciliation | Enterprise data management

HCM — Culture journey | Talent acquisition | Workforce administration | Talent management | Workforce development Alumni network

Data governance & cloud integration

PaaS

Solution delivery center (off-shore and on-shore)

Industries

| Construction, Real Estate & Hospitality | Consumer And Industrial Products | Energy | Financial Services | Healthcare And Life Sciences | Not-For-Profit Organizations | Private Equity | Public Sector | Technology |

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About Grant Thornton JDE

JD Edwards practice – 80+ dedicated professionals in U.S.

Project management and functional expertise

- Specialized functional resources
- Project management office
- Implementations
- Upgrades
- Mobile applications

- Third party integration architecture
- Business process re-engineering
- Managed services (functional)
- User materials and training

- Financials
- Distribution
- Manufacturing
- HR / Payroll
- CAM
- Project advisory

Technical

- CNC
- Development
- Workflow
- Security management

- Technical management
- Database management
- Infrastructure / hosting
- Managed services (technical)

- Private cloud
- Disaster recovery
- Security
- Development (FRICE)

Trusted business advisor

- Gap assessment
- Transformation
- Industry point of view
- Proven methodologies
- Process excellence

- Benchmarking
- ERP governance
- Data governance
- Master data management
- Reporting strategy

- Change management
- Cloud roadmap / strategy
- FASB planning
- Chart of accounts optimization

Oracle leadership

- The Leading Oracle Platinum Partner presenter at COLLABORATE, INFOCUS and OpenWorld conferences (more presentations than any other Platinum partner in the past 3 years)
- Featured in PROFIT magazine – JD Edwards Special Issue
- Teaming with JDE product development – we work with JD Edwards on enhancing the code base for customers (e.g. OneView Reporting, Revenue Recognition, Leasing Standards, Configurator)

Experience and recognition

- More than 250 JD Edwards implementations and upgrades as a practice
- Over 20 implementations in the past 5 years
- Over 50 upgrades in the past 5 years
- 2017 JD Edwards Partner Excellence Award for **User Adoption**
- 2016 JD Edwards Partner Excellence Award for **Vertical Industries**
- Oracle JD Edwards recognized Grant Thornton with its 2014 and 2015 JD Edwards Partner Excellence Award for Outstanding **Upgrades**

Job cost agenda

1. What is job cost?
2. Job setup
   - Job master
   - Job accounts
3. Cost code structures
4. Job budgets
5. Job commitments
6. Job status inquiry
   - Roll-up capabilities
   - Inquiry columns
   - Display options

8. Job cost reports
9. Job maintenance
   - Field progress entry
10. Profit recognition
    - Journal entries
11. Job closing
12. Job cost system setup
13. Project costing related modules

What is project management?

A project is a series of tasks that need to be completed in order to reach a specific outcome.

Project management is the application of processes, methods, skills, knowledge and experience to achieve specific project objectives according to the project acceptance criteria within agreed parameters

Project management has final deliverables that are constrained to a finite timescale and budget.
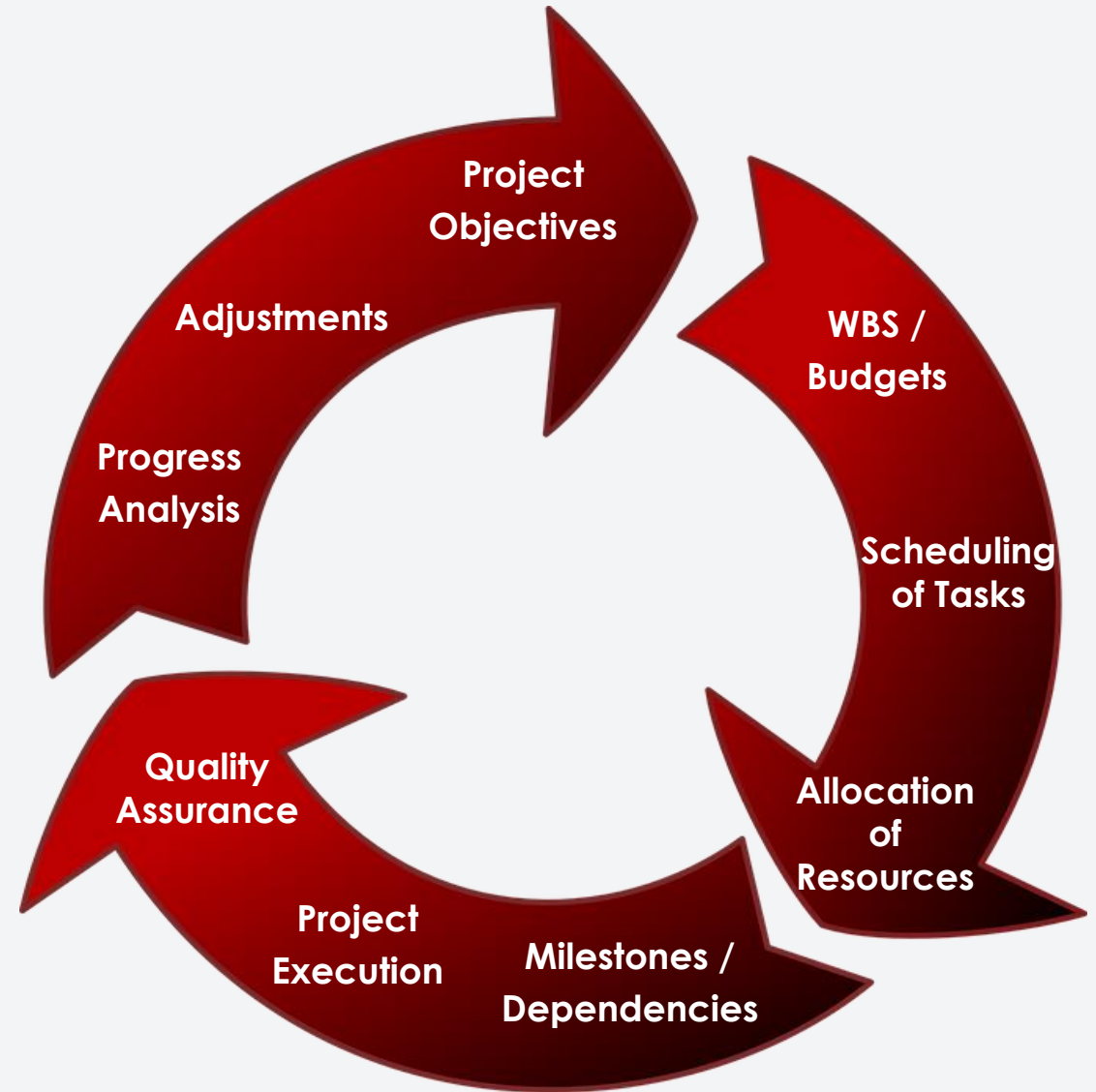
What is job cost?

Job cost is a means of tracking costs and revenue on a per job / project basis. Specifically, we are able to perform the following:

- Create and maintain cost code structures for all jobs

- Establish job budgets

- Set up time schedules for job tasks.

- Track and manage the costs and revenues associated with projects, individual jobs, and/or change orders

- Review and revise additional information associated with projects and/or jobs.

- Generate various reports showing the cost, revenues, and other details of projects and/or jobs.

- Calculate job progress at any time during the job.

- Calculate estimated final values associated with projects and jobs.

- Recognize and record profit or loss at any point in a job.

- Create draw reports on the costs that are eligible to be borrowed against a loan agreement.

Definition of a job/project

- A job is a consolidation of costs and/or revenue which are tracked against a targeted gain/loss

- A project is a set of related jobs linked within the job cost codes. The linking will allow for rollup reporting created through a parent child relationship

Project accounting guiding principles

1. Need to capture <u>all</u> direct and/or substantial costs within a job in order to understand <u>true</u> profitability.

2. Need to arrange cost code structures, also known as work breakdown structure (WBS) to allow for optimal cost (budget, actual, and estimate at complete) analysis throughout the life of the job in order to foresee job changes as soon as possible.

Job cost / financial COA relationship

Balance Sheet

Object	Description	LOD
10000	Assets	3
11000	Current Assets	4
11500	Work in Process	5
11510	WIP: Materials	6
11520	WIP: Labor	6
20000	Liabilities	3
21000	Current Liabilities	4

Jobs typically reside on the balance sheet…

Job #100

Cost Code	Cost Type	Description	LOD
100000		Pre-Construction	3
110000		Design	4

Job #101

Cost Code	Cost Type	Description	LOD
100000		Pre-Construction	3
110000		Design	4

Job #102

Cost Code	Cost Type	Description	LOD
100000		Pre-Construction	3
110000		Design	4
110500		CAD Drawings	5
110500	11520	Labor	8
110600		Estimating	5
110600	11520	Labor	8
200000		Build	3
210000		Project Mgmt	4
210000	11520	Labor	8
210000		Installation	4
210000	11520	Labor	8
250000		Products	3
251000		Equipment	4
251000	11510	Materials	8
252000		Supplies	4
252000	11510	Materials	8
253000		Disposables	4
253000	11510	Materials	8
900000		Financials	3
910000		Job Billings	
910000	90000	Billings	8
950000		Job Adjustments	4
951000	95000	Cost in Excess	8
959200	96000	Billings in Excess	8
990000	99900	Job Offsets	8

…and are "recognized" on the income statement periodically.

Note: Jobs can reside on the I/S if necessary

Income Statement

Object	Description	LOD
40000	Revenue	3
41000	Contract Revenue	4
42000	Contract Sales Adj	4
50000	Expenses	3
51000	Contract COGS [11]	4
52000	Contract COGS Adj	4
70000	S, G & A	3
71000	S, G & A Detail	4

Job cost process

Job setup

For integration with PO's / subcontracts	Assign job # and general job info	Accounts needed to track costs	$$/units assigned to accounts	

1 Setup customer billing address → **2** Setup jobsite address → **3** Create job master → **4** Setup job accounts → **5** Setup job budgets

Job setup is complete in JDE; work begins on jobsite

Job analysis

6 Actual transactions → **7** Enter progress quantities (optional) → **8** Invoice customer → **9** Month end profit recognition → **10** Close job

Payroll
A/P vouchers
inventory issues
equipment entries
PO's / subcontracts

Job master setup

Setup job master

- Type of business unit
- Extended job master

Key information

- Job number
- Job description
- Company
- Posting edit code
- Jobsite address
- Customer billing address
- Dates
- Category codes

Job Cost Master Revisions - Job Master Revisions

| Work with Job Master | Job Master Revisions |

OK Cancel Form Previous Next Tools

Job Number *   5100

| Revise Single Job | More Detail | Cat Codes 1-20 | Cat Codes 21-40 | Cat Codes 41-50 / AB No | Dates/Other |

Description	Potomac Hotel	
Project	5000	Project Holding Company
Company *	00050	Project Management Company
Type Business Unit	JB	Job Cost
Subledger Inactive		Active Subledger
Model Job		Non-Model/Consolidation
Level of Detail	3	Level of detail
Threshold % Complete	5.00	

Job master setup

Setup job accounts

- Cost code structures
- Cost code / cost type
- Account description
- Alternate cost code
- Posting edit code
- Level of detail
- Unit of measure
- Method of computation
- Category codes

Other account setup methods

- Copy from chart type
- Copy from job
- Export / import

Account Master Sequences - Original Budget / Account Master Sequence

| Work with Job Master | Original Budget / Account Master Sequence |

OK Find Delete Cancel Form Row Previous Next Tools

Display | Additional Selection

Ledger Type	JA	JU		G/L Date	07/31/2005
Job Number	5100		Potomac Hotel	Level of Detail	9
Job Posting Edit				Subledger		*

Records 1 - 50

		Cost Code	Cost Type	Description	U M	L D	P E	M C	Adjustment Only	Original Units	Original Amount	3rd Account Number	Alternate Cost Code
☐	🖉	01000		GENERAL REQUIREM		3	N	N	☐				
☐		02000		SITE WORK		3	N	N	☐				
☐		02200		Earthwork	CY	4	B	N	☐				
☐		02200	1340	Labor	MH	8	N	N	☐				
☐		02200	1341	Regular	MH	9		D	☐	3,000.00	50,000.00		
☐		02200	1342	Overtime	MH	9		D	☐	1,800.00	15,000.00		
☐		02200	1343	Burden		9		D	☐		10,000.00		
☐		02200	1350	Materials	EA	8		P	☐		750,000.00		
☐		02200	1355	Equipment	HR	8		D	☐	1,000.00	25,000.00		
☐		02200	1360	Subcontracting	LS	8		B	☐		150,000.00		
☐		02200	8136	401K Contribution		8		D	☐				
☐		02200	8140	Insurance-Health & D...		8		D	☐				
☐		02200	8192	Vacation Expense		7		D	☐				

Job cost vs. G/L

Job cost account structure

General ledger account structure**

Job number | Cost code | Cost type

Business unit | Object | Subsidiary

The account structures are related as follows:
- Job number = Business unit (aka "Cost center")
- Cost code = Subsidiary
- Cost type = Object

The cost code identifies a specific activity within the job.

The cost type identifies specific costs, within the activity, such as labor or materials.

If necessary, the subledger is another field available to further segregate costs (used with change orders).

** - General ledger accounting structure is utilized for journal entries

Job cost database structure

The job cost system shares the following files with the general ledger system:

Data type	Data file	Description
Job master	F0006	Stores job master info
Account master	F0901	Stores cost code structure info
Account balances	F0902	Stores account balance details related to the various ledgers associated with each account in your cost code structures
Account ledger	F0911	Tracks revisions to account balance amounts and quantities by providing a detail audit trail of transactions

Job number

12 character, right justified field within JDE. (F0006.MCU)

Example: 8 position field comprised of two, four position components

Job number

| 3 | 1 | 4 | 5 | 0 | 0 | 0 | 1 |

Cost center   **Next number ***
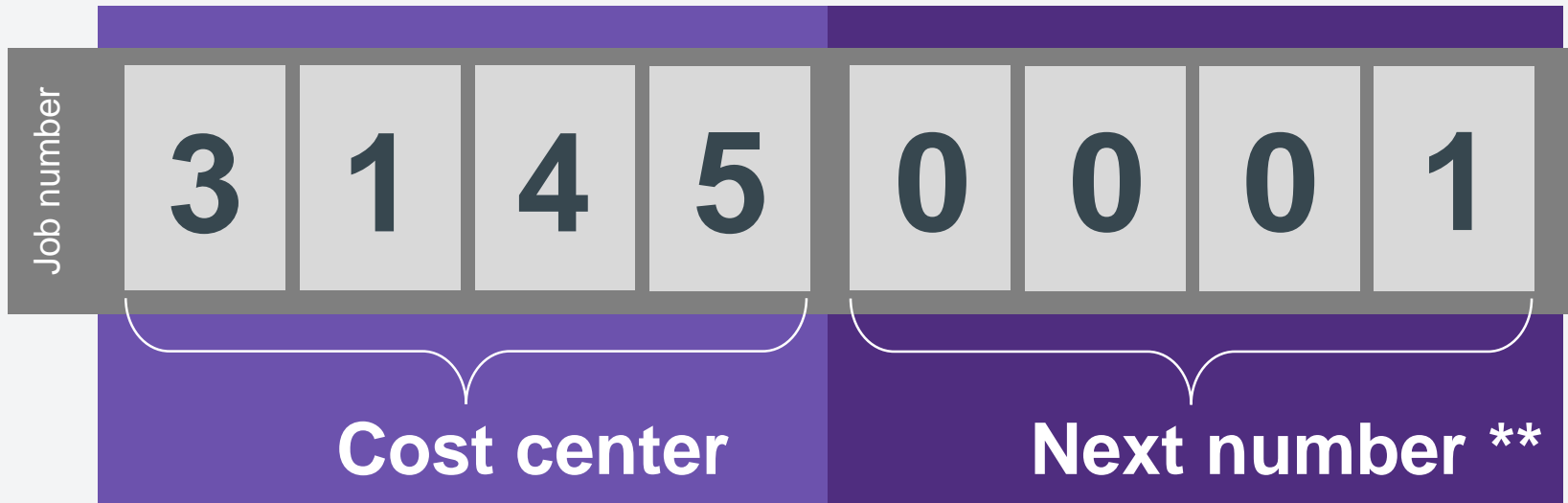
Cost code structures
Header vs. detail accounts

Header account

- An account into which corresponding detail accounts can be summarized

- Can also be used to summarize related cost code headers, depending on the level of detail

- Only has a job number and a cost code

Detail account

- An account that is defined down to a specific cost type

- Contains a job number, cost code, and a cost type

LOD	Cost code	Cost type	Account desc
3	1000		Sitework
4	1100		Earthwork
5	1110		Surveying
8	1110	1420	Labor
8	1110	1430	Materials
5	1120		Excavation
8	1120	1420	Labor
5	1130		Trenching
8	1130	1420	Labor
8	1130	1430	Materials

Cost code structures
Level of detail / hierarchy

Job cost

General ledger

Job cost	Level	General ledger
Company	1	Company
Job number	2	Business unit
Site work	3	Assets
Earthwork	4	Current assets
Excavation	5	Cash
Level 6	6	Cash in bank
Level 7	7	UM Bank
Job posting accounts	8	N/A
	9	
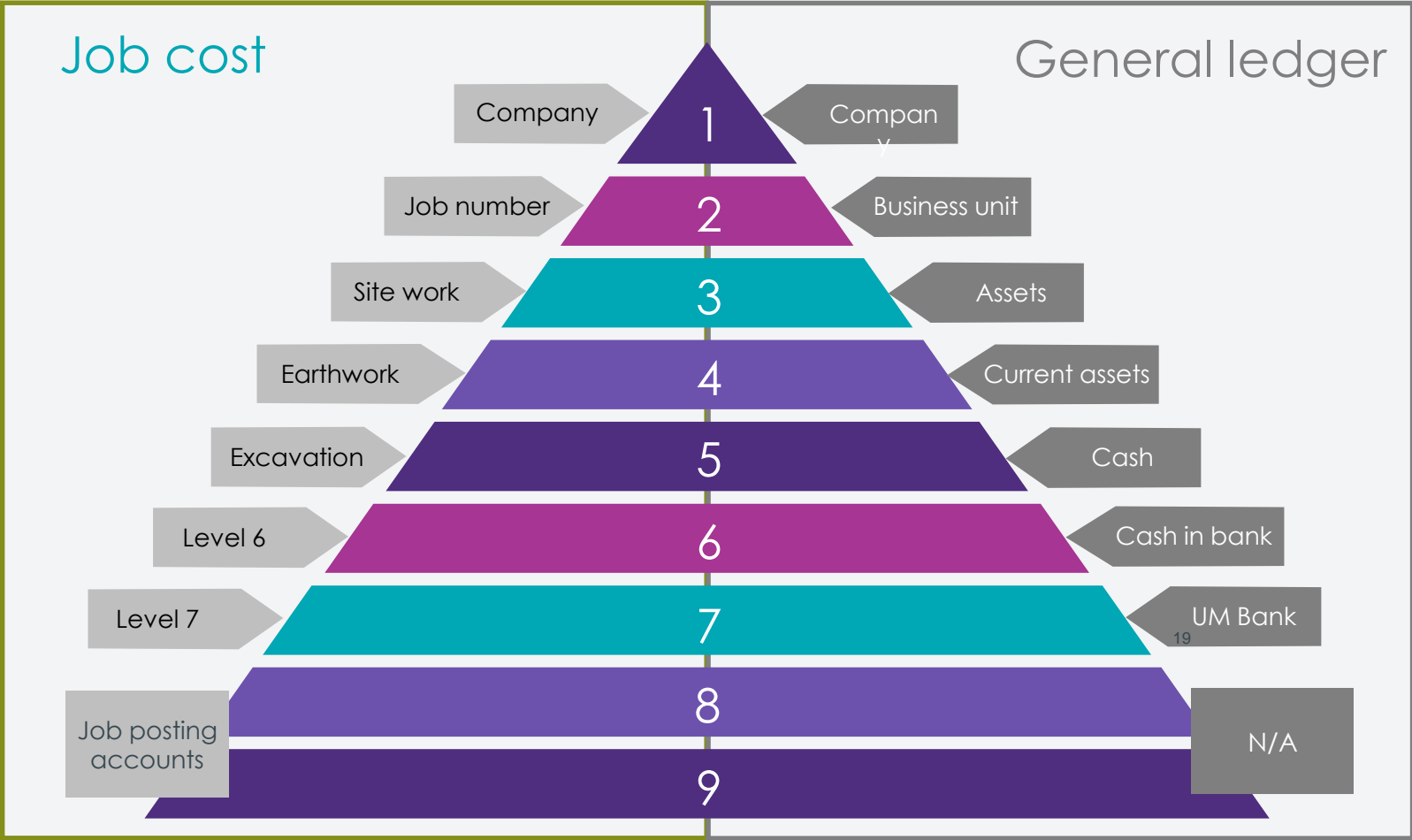
Cost code structures
Key questions to answer

- How do I estimate the work to be completed? What system do I utilize?

- How do I manage the costs on my job? Remaining activity?

- What cost data informs me of future adjustments to make?

- How do I measure the performance of my:
  - Estimators?
  - Project managers?
  - Supervisors, Foreman, Laborers, etc.?

- How do I measure the performance of my division? Product line? Company?

- How do I forecast cost and revenue for future years?

- Am I able to analyze costs effectively to recognize costing trends?

Cost code structures
Cost types

Used to further define the costs associated with the accounts in your cost code structure

Typical questions to ask when determining if a cost type is necessary:

1. "Is this type of cost utilized in multiple cost codes / activities within a job?"

2. "How do I usually group my cost type information for review?"

Financial cost types:

- Job billings

- Revenue recognized

- Cost recognized

- Over / under billings

Relationship to COA B/S WIP Accts

Cost type example

Cost type	Description		P/E	LOD
1420	Direct labor		B	8
1421		Field labor		9
1422		Office labor		9
1423		Field fringes		9
1424		Office fringes		9
1430	Direct materials			8
1440	Equipment - Internal			8
1445	Equipment - External			8
1450	Subcontractors			8
1455	Consumables			8
1460	General supplies			8
1480	Travel			8
1481	Meals & entertainment			8
1482	Utilities/rents/phones			8
1483	Bonds & insurance			8
1484	Commissions			8

Cost code structures
Header units

LOD	Cost code	Cost type	Description	U/M	Budgeted units	Budgeted dollars
3	10100		Major activity	LF		
4	10000		Sub activity	LF	**3000**	$1000
8	10000	1420	Labor	MH	50	
9	10000	1421	Salaried labor	MH		
9	10000	1422	Hourly labor	MH		
9	10000	1423	Fringes	LS		
8	10000	1430	Direct materials	LF	3000	$25,000
8	10000	1450	Subcontracts	LS	1	$10,000

Legend

Header account
Detail account

Header units - Overall quantities to complete

Detail units - Units by cost type, related to the detailed transaction

Key aspects:

- Specific header and all detail accounts are linked because cost code is consistent between them
- Header accounts are available for level of detail 3 through 7

Cost code structures
Developing standards

- It is important to develop your entire Code Book for all WBS activities that you think you might ever encounter

- Utilize the Chart Types functionality in order to store subsets of your code book as templates, typically broken down by (for example):
  - Type of jobs
  - Product lines
  - Industries

- Assign numeric values to each cost code; Make sure to have gaps built into your numeric sequences for future growth

- Remember you have up to 8 digits available for your cost code numeric values
  - Make sure to use a large enough string to allow for proper spacing / future growth, but don't forget that all users of this information will need to enter/record this information on numerous forms and/or documents, so be careful not to add needless keystrokes…

Cost code structures
Ledger types

- Ability to track units, as well as dollars
- Ability to lock original budgets, yet have revised budgets accumulate
- Projected finals are a separate ledger type
- Ability to track purchasing and subcontract commitments
- All ledger types are available for Job Status Inquiry column definitions as well
- Opportunity to have additional "custom" ledger types for other job related purposes

Ledger type	Amounts	Units
Actual	AA	AU
Budget – original	JA	JU
*Budget – revised	RA	RU
Commitments	PA	PU
Projected final	HA	HU
Field progress (Force)	FA	FU
% of job complete	F%	
Custom ledger type(s)	??	??

Cost code structures
Add'l configuration options to consider

Subledger Level	Transaction Level
• Specific data attributes which can be incorporated into WBS	• Subsystem transactions which update specific job cost WBS accounts
• Ability to track additional detail without adding more WBS accounts	• Ability to have individual transactions summarize at typical WBS account balance level

• Same level of detail within account balance analysis as typical cost code structures
    • Estimate to complete analysis
	• Summarized WBS account analysis
	    • If limited/few transactions within each WBS account, question if structure is adequately proportioned

• Job status inquiry can summarize at the WBS account level or individual Subledger level	• Ability to drill into WBS accounts for transaction level of detail

Questions to answer: What information is necessary to analyze at the WBS account level vs. what transaction information is necessary for drill down purposes?

Cost code structures
Methods of computation (job forecasting)

- Definition: Used to define the means by which to calculate job forecast (projected final) information

- JDE offers over 15 different methods

- Each has specific situations where they apply

- Here are a few of the more widely utilized MOC's:

Method D – Default

- Greater of revised budgets OR actuals plus open commitments
- Based on amounts first and then units second

Methods S & I – Summary & inclusion

- S & I is used when you want to budget at a higher level of detail, but record actuals at a lower level within the same cost code.

Method B – Buyout

- Used for subcontracts and non-inventory purchase orders
- Projected final values = actuals plus open commitments (must recalculate projections)

Method G – Revenue

- Conservative approach
- To be able to recognize more revenue than what was budgeted, you must revise your billing estimate!

Cost code structures
Methods of computation (job forecasting)

- A – Account budget - forced
- B – Buyout or fixed price contracts
- C – Percent complete from cost code header
- D – Default
- E – Estimate to complete
- F – Forced
- G – Budget default – forced
- H – Labor quantity
- I – Include

- L – Labor
- N – No projection
- O – Override
- P – Percent complete
- Q – Quantities
- R – Revenue - unit price Contract
- S – Summary
- T – Total
- U – Remaining unit rate
- V – Revenue - absolute value

If that isn't enough…ask me about Advanced Job Forecasting!!

Cost code structures
Getting started

What can I do to get started?

1. Begin making a list of your cost activities
   - Include roll-ups where applicable
   - Don't worry about the numeric values as this point
2. List out the cost types you need
   - Consider additional breakdown (e.g. labor)
3. Make a list of the questions that you would like your CC structure to be able to answer
   - List of attributes to track
   - Sample reports / examples to review

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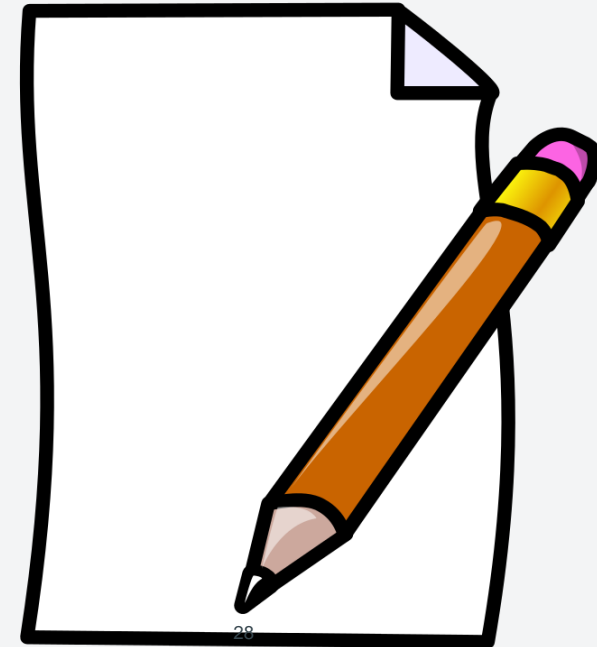
Cost code structures
Next steps

1. CC structure modeling – Excel

2. CC structure modeling – in JDE

3. Consultant additional expertise as necessary

Job budgets
Overview

Breakdown of budget for job cost tracking

- Relationship of budgets to WBS

Original budget

- Ability to lock original budget (PEC = K)
- Captured within WBS account balance (F0902.BORG)
- Fixed cost input
- Per unit cost input

Revised budget / change orders

- Can be either fixed or per unit
- Appears as a journal entry to adjust the original budget
- Provides an audit trail

Job budgets
WBS account / original budget setup

Original budget

- Can be locked

- Accounts can be added on screen

- Account information can be changed before locking.

- Can include units as well as $

- Can get summary budget information

- Also referred to as the BORG field in the F0902

Account Master Sequences - Original Budget / Account Master Sequence

Work with Job Master | Original Budget / Account Master Sequence

OK Find Delete Cancel Form Row Previous Next Tools

Display | Additional Selection

Ledger Type	JA	JU	G/L Date	07/31/2005
Job Number	5100	Potomac Hotel	Level of Detail	9
Job Posting Edit			Subledger	*

Records 1 - 50

		Cost Code	Cost Type	Description	U M	L D	P E	M C	Adjustment Only	Original Units	Original Amount	3rd Account Number	Alternate Cost Code
☐		01000		GENERAL REQUIREM		3	N	N	☐				
☐		02000		SITE WORK		3	N	N	☐				
☐		02200		Earthwork	CY	4	B	N	☐				
☐		02200	1340	Labor	MH	8	N	N	☐				
☐		02200	1341	Regular	MH	9		D	☐	3,000.00	50,000.00		
☐		02200	1342	Overtime	MH	9		D	☐	1,800.00	15,000.00		
☐		02200	1343	Burden		9		D	☐		10,000.00		
☐		02200	1350	Materials	EA	8		P	☐		750,000.00		
☐		02200	1355	Equipment	HR	8		D	☐	1,000.00	25,000.00		
☐		02200	1360	Subcontracting	LS	8		B	☐		150,000.00		
☐		02200	8136	401K Contribution		8		D	☐				
☐		02200	8140	Insurance-Health & D...		8		D	☐				
☐		02200	8192	Vacation Expense		7		D	☐				

Job budgets
Budget revisions / change orders

Revised budget

- Add/subtract incrementally
- Add/subtract cumulatively
- Adjust units
- Has an audit trail
- Can get summary budget information

Change orders

- Type of budget revision
- Utilize subledger functionality in order to:
  - Separate each specific change order
  - Accumulate all change orders

Job commitments
Overview

- Purchase orders for job specific materials or services
  - If materials/services are <u>not</u> directly purchased for job (a.k.a. brought into inventory), then job committed values are <u>not</u> available
  - If internal materials are shipped to job site from distribution warehouse, commitment functionality is <u>not</u> available

- Tracked within the PA ledger type
  - Methods of computation available to utilize PA ledger values for Estimate to Complete (ETC) tracking

- Procurement module functionality available for integration with job processes

Job status inquiry
Screen customizations

- Ability to view cost activity by job or project
- Ability to utilize "roll-up" cost code structure capabilities, based on level of detail
- Ability to view only specific activities (cost codes) or cost types
- Ability to view job based on <u>secondary</u> account structure (e.g. pay item)
- Ability to view posted and/or un-posted activity
- Ability to create/view your <u>own</u> columns of information
- Ability to drill down into job account activity for more details

Job status inquiry
Screen customizations

<u>Primary</u>

- **Job** – Enter the job number to review

- **Thru date/period** – Enter the date to inquire thru for a specific job.

- **Sub ledger** – Enter the sub ledger to inquire on activity within a job.

- **G/L posted code**– Click this radio button to display only information posted through the G/L post program.

<u>Display from / through</u>

- **Cost code** – Enter the cost code to search from within a job.

- **Cost type** – Enter the cost type to search from within a job.

- **Category code** – Enter the category code to search from within a job.

- **Alternate cost code** – Enter the alternate cost code to search from within a job.

Job status inquiry
Screen customizations

<u>Display options</u>

- **Level of detail** – Enter the account detail level to display. (In order to view actual amounts to date, this option must display at least a level of detail of 8.)

- **Sequence code** – Enter the UDC value that determines how the information within a job will be sequenced.

- **Account options** – Enter the UDC value that determines how to further define your inquiry.

- **P/C/I** – Enter the UDC value to view financial information for the **p**eriod / **c**umulative (year) / **i**nception to date of the job.

- **Project** – Enter the UDC value to view project information on multiple related job activity.

- **Days** – Enter the number of days prior to the date in the through date/period field to display only information within this period of time.

Job status inquiry
Screen customizations

Inquiry columns

- Ability to create own heading descriptions
- Ability to assign numeric values to a ledger type
  - Amounts
  - Units
  - Header units
- Ability to create formulas based on other columns/ledger types
- Ability to format column (decimals, $, %, etc.)

If that isn't enough...ask me about the new Project Status Inquiry functionality!!

Define Inquiry Columns - Define Inquiry Columns

OK   Cancel   Tools

Columns   Display

Column Name *	RBA
Description *	Revised Budget Amount
Column Heading 1 *	Revised
Column Heading 2	Budget Amt
Formula *	5

Records 1 - 11   Customize Grid

	Description	Amount	Unit	Header Units
○	Actual Values	1	21	41
○	JA/JU Original Budget Values	2	22	42
○	JA/JU Revised Budget Values	3	23	43
○	51/RB 51/RU Original Budget	4	24	44
○	51/RB 51/RU Revised Budget	5	25	45
○	Open Commitment Values	6	26	46
○	Total Contract Values	7	27	47
○	Projected Final Values	8	28	48
○	FA/FU Projected Over/Under	9	29	49
○	Days Prior Actual Values	10	30	50
⊙	Percent Complete	61	---	---

Job cost reports

- Job status inquiry report
- Master job cost report
- Summary by cost type
- Unit cost analysis
- Period trend analysis
- Job master list
- Job account master list
- Chart type report

- Detail by job
- Transaction analysis
- Budget revision detail
- Job cost report
- Active job list
- Work in progress report
- Job summary

Reporting alternatives:

- Various inquiry screens
- Export capabilities
- Reports to CSV/excel
- OneView reporting

Job maintenance

- Field progress entry
- Ability to enter/track header level units
- Opportunity to enter/track additional custom ledger type activity

Job billings vs. revenue

- Understand the difference between billings and revenue (recognized)
- Budgeted vs. actual billings
- Options for billing customers
- Pass through costs to bill to customers
- Re-imbursement for costs through customer

Just because you bill your customer does <u>not</u> mean you are recognizing revenue on your job…

Profit recognition
Overview

- Definition: Recognition of job activity for financial income statement purposes
  - Timing of cost activities
  - Difference between billings and revenue

- Types of recognition
  - Account level vs. job level
  - Based on percent of cost or revenue

- Process
  - Ability to generate work file
  - Ability to adjust/override jobs as necessary
  - Ability to finalize work file for financial recognition journal entry purposes

- New revenue recognition functionality available

Profit recognition
Journal entries

The following journal entries are created based on job's profit information:

- **Recognize revenue & cost** – used to move WIP amounts from the WIP on the balance sheet to cost of sales and revenue accounts on the income statement based on the percentage of completion.
    - Debit: Income statement (IS)
    - Credit: WIP on balance sheet (BS) (financial accounts on job to zero out @ ME)

- **Over-billing**** – when actual revenue is *more* than your earned-to-date revenue on a job.
    - Debit: Revenue account (IS)
    - Credit: Unearned revenue liability account (BS)

- **Under-billing**** - when actual revenue is *less* than your earned-to-date revenue on a job.
    - Debit: Accrued revenue asset account (BS)
    - Credit: Unbilled revenue account (IS)

- **Provision for loss**** – when the projected final amounts result in a projected loss, the entire loss amount is recorded in the period when the loss occurred.
    - Debit: Cost of sales accounts (IS)
    - Credit: Liability account (BS)

- **Accrued / deferred cost**** – used to manually recognize more or less cost than what would typically be recognized. (Automatically reversed out in the following month.)
    - Debit: Income statement (IS)
    - Credit: WIP on balance sheet (BS)

** - Auto-reversing journal entry

Job closing

- Closes job header, which in turn closes all related cost accounts

- Prevents future activity from being allowed to post to that job

- Job can be re-opened if necessary

Job cost system setup

- System constants
- Automatic accounting instructions
- Next numbers
- User defined codes (UDC)
- Job status inquiry columns
- Chart types / Model jobs
- Supplemental data types

Additional Related Modules

Contract / service billing
Key features

- Integrates with job cost module
- Billing types
- Lump sum
- Unit price
- Milestone / progress
- Time and materials
- Component
- Cross reference
- Markup tables
- Invoicing / revenue recognition
- Retention
- Not to exceed calculations
- Invoice processing / formats
- Contract billing revisions / change orders
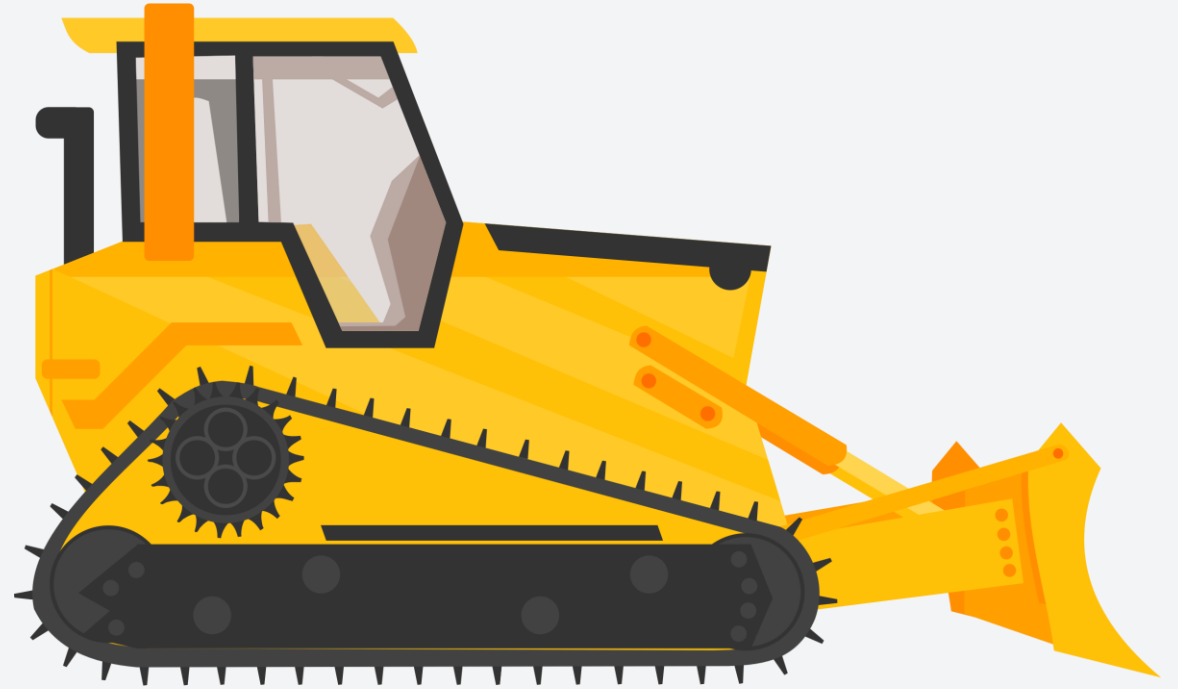
Subcontract management
Key features

- Purchase header / detail files / uses same file structures
- Committed costs (PA ledger)
- Approval processing
- Subcontract retention
- Pay when paid processing
- Subcontract logs / holds
- Change orders / revisions
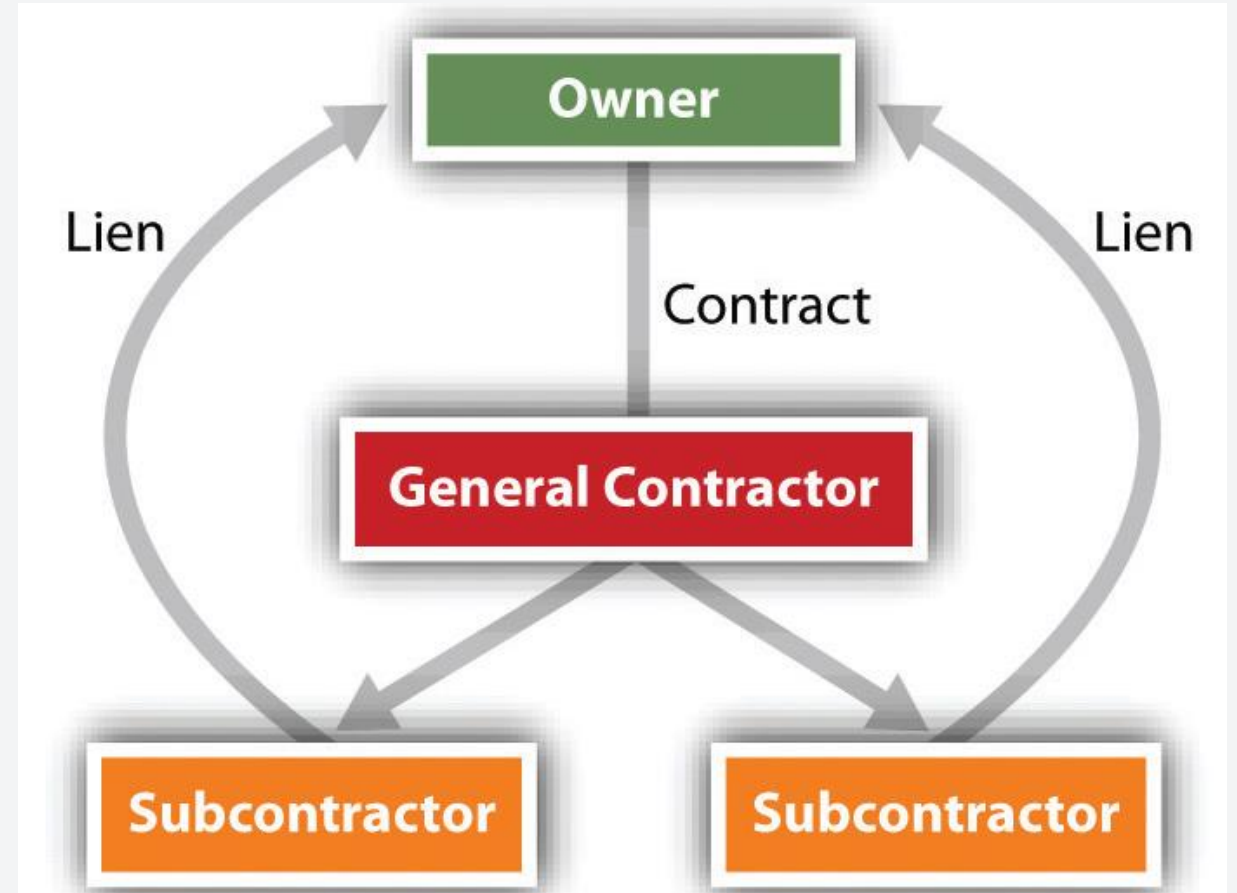
Equipment billing
Key features

- Part of the CAM suite of modules:

- Equipment maintenance

- Fixed assets

- Equipment rates

- Rental rules

- Location billing vs. equipment time entry

- Ability to bill the job for equipment needs on projects

- Revenue to equipment / shop

- Cost to job

- Ability to markup equipment cost transactions and bill customers via contract / service billing

Change management
Key features

- Separate module
- Ability to link job cost, contract billing, & subcontract mgmt change order activities together
- Generate change requests / roll into planned change orders / approve to change orders
- Approval processes
- Ability to track changes in additional ledger types
- Subledger detail for tracking purposes

Engineer-to-order
Key features

ETO enables you to:

- Review and track detail information about projects
- Schedule project tasks
- Review up-to-date costing information

Key Features:

Project costing and budgeting

- You can create and maintain cost amounts for projects that are created and initiated. Cost estimates are uploaded to the budgeted amount for a project when a quote is accepted. You can also set up budgets for projects to track cost overages.

Project quotes / proposals

- You can formulate a quote to send to prospective customers, providing an estimate of the price for the item or series of items for which the customer has requested a quote.
- You can create documentation pertaining to the product that has been requested, and the customer can review the documentation.

Project materials plan

- You can suggest ordering requirements for project materials and give visibility to the supply and demand that is created by the project's activities.

Project schedules and reports

- You can develop and maintain a timeline within which all project activities can be tracked for on-time delivery of the end item for the project.

Project alerts

- You can provide alerts to the project manager when a project is not meeting scheduling, cost, and inventory requirements.

Hear more from Grant Thornton

Tuesday

- **Automating positive pay with Orchestrations** | Mohammad Shujaat | 8:15 a.m. CT

- **Designing job cost code structures for effective cost management** | Craig Davied | 11:15 a.m. CT

- **Unleash the power of EDI 852** | Shrikant Gogate | 11:15 a.m. CT

- **Use form extensions to turbocharge JD Edwards 9.2** | Mohammad Shujaat | 1:15 p.m. CT

- **Extend JDE reporting with Oracle Analytics** | Jeffrey Silverman and Matt Elfeldt, Greer Labs | 3:15 p.m. CT

Wednesday

- **JDE's advanced pricing can handle the most complex pricing structures** | Craig Davied | 7:30 a.m. CT

- **A simplified guide to implementing lease accounting** | Sam Johnson | 7:30 a.m. CT

- **Creating workflows with JD Edwards Orchestrator** | Dwight Moore | 8:45 a.m. CT

- **The steps to JD Edwards Orchestrator** | Anthony Palmisano | 12:45 p.m. CT

- **Used enhanced RMA** | Shrikant Gogate | 12:45 p.m. CT

- **How general ledger can improve sales and operational reporting** | Craig Davied | 2:00 p.m. CT

- **A Covid migration: World to EnterpriseOne upgrade** | David Kratzke | 4:00 p.m. CT

- **Utilizing Orchestrator Studio for real estate** | Sam Johnson | 4:00 p.m. CT

Thursday

- **Stop Integrating & start InteGreat-ing|** Mohammad Shujaat | 8:15 a.m. CT

- **The benefits from upgrading from World to EnterpriseOne** | Craig Davied | 10:00 a.m. CT

- **Paperless AP automation journey - An Orchestrator case study** | David Kratzke and Matt Marfice, Watson Land Company | 10:00 a.m. CT

- **Step by step: Evaluate the effectiveness of your EAM/CAM asset maintenance program** | Steve Yniguez | 11:15 a.m. CT

- **IoT methods for reporting, dashboarding & customer portal using Orchestrator and CafeOne** | Jordan Myers | 11:15 a.m. CT

- **Manage your joint venture needs in JDE** | Craig Davied | 1:15 p.m. CT

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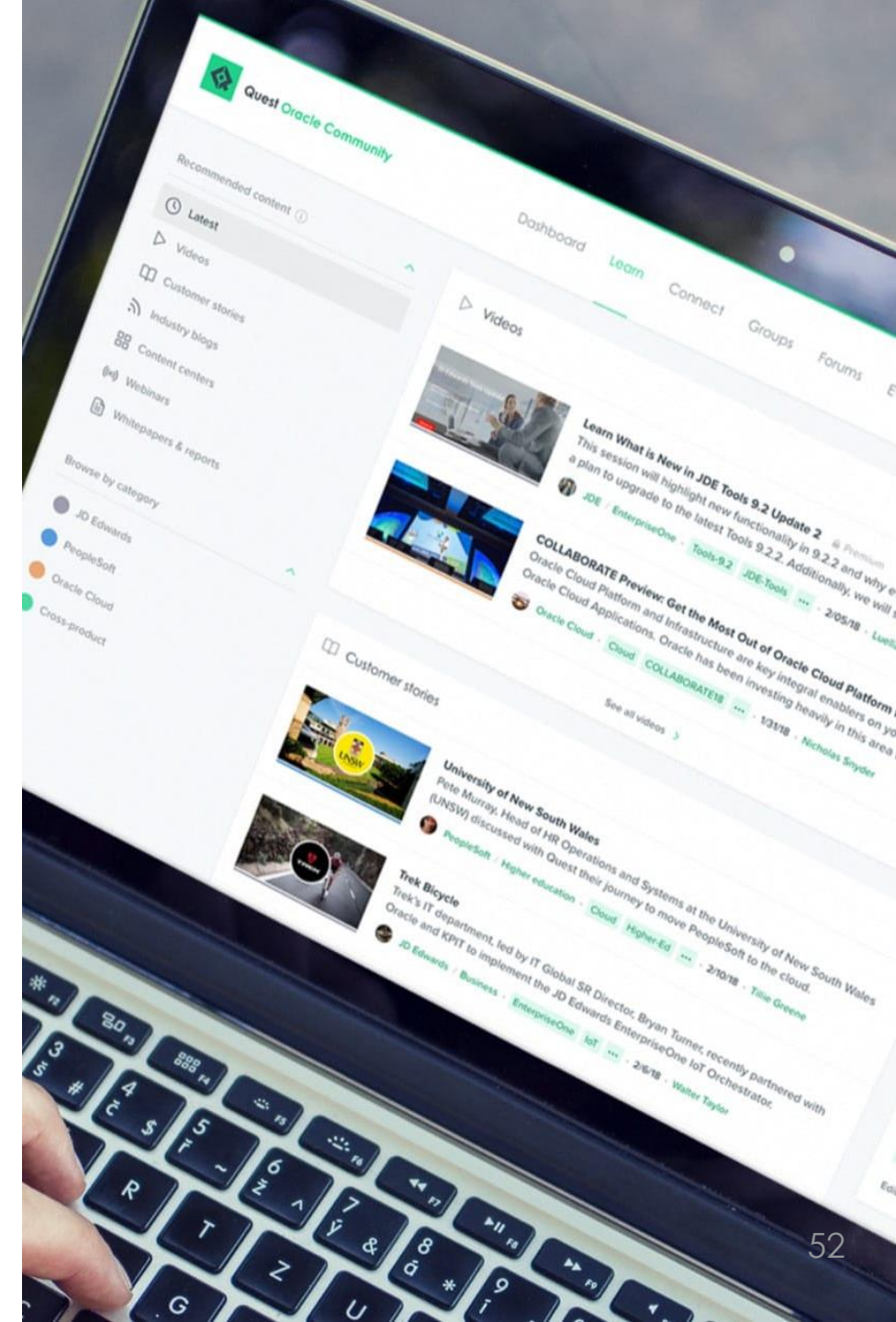
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INFOCUS
DIVE DEEP

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