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Headline News

A report in the August 2007 issue of *PM World Today* suggests effective project management can be an important strategy to improve productivity and competitiveness. The article cites a University of California at Berkeley study that showed, on average, companies that have low maturity in their project management processes miss schedule targets by 40 % and cost estimates by as much as 20 %. Read the complete article at www.pmforum.org/viewpoints/2007/PDFs/Naughton-8-07.pdf.

**E-mailing
Forms**

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for more info!

The Job Cost Module—Not Just For Contractors

When you hear the term job costing, you probably think of construction-related contractors. The Sage BusinessWorks Accounting Job Cost module is a great tool for all kinds of contracting companies. But it also can be used across a broad range of industries in any situation where you want to be able to compare costs from a project or activity with revenues and/or budgets. Many Sage BusinessWorks users have put the Job Cost module to work in their company in creative ways to help control costs and improve profitability. Here are five ways to use the Sage BusinessWorks Job Cost Module that you might consider.

#1: Event Tracking

Whether you run a full time catering company or you simply have a company picnic and a holiday party each year, the Job Cost module provides a way for you to easily track event expenses against a budget. Event costs might include venue rental, food and beverage costs, party decorating, and even temporary help hired to assist with setup. When the Job Cost module is set up to integrate with the other Sage BusinessWorks modules, you can pay

for these things exactly as you normally would, whether through a Purchase Order or Accounts Payable Invoice, and have the costs automatically post to Job Cost.

#2: Fleet Management

Do you own vehicles that are used in your business? Perhaps you deliver goods to local customers or provide a company car to your field salesperson. The Job Cost module is an excellent way to keep track of all the expenses associated with acquiring and maintaining your vehicles. Each vehicle can be set up as a Job in Job Cost. Then when you pay for repairs or reimburse employees for mileage, you can have these costs post automatically to the vehicle Job. At tax time, it is a simple matter to produce a transaction report for the job to complete your itemized vehicle deductions and provide a clear audit trail.



With the Sage BusinessWorks Job Cost module you can keep track of all the expenses related to your company's cars.

#3: Warranty Tracking

If you sell items that have extended warranties, you can set these items up as jobs in order to keep track of warranty activity. If the item has a serial number, you can make the serial number the job number. The job's start and end dates can

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The Job Cost Module — Not Just For Contractors CONTINUED

be set up to correspond to the warranty period. If work must be done under warranty, you can post those costs to the job, and gain a clear picture of your warranty costs for various items that you sell.

#4: Light Custom Manufacturing

For companies making products to customer specifications, such as component machine parts for a larger manufacturer or custom furnishings, Job Cost can be put to excellent use. Job Phases can be used to represent the various steps in the process, such as cutting, drilling, machining, and polishing. Raw materials can be tracked in Inventory Control and issued to jobs. Materials purchased especially for an individual job can be recorded when posting the Accounts Payable transaction. Record customer invoices against the job and gain the ability to measure the profitability of each project.

#5: Employee Time Tracking

If you provide services to your customers, such as landscape maintenance or cleaning, it could be very useful to keep track of how much time employees spend at each customer's site. You may find you are undercharging some customers for the amount of time it takes to complete the job. By integrating Job Cost with the Payroll module, you can automatically post the hours an employee spends on each customer to Job Cost. You also will want to record the revenues from those jobs by integrating with Accounts Receivable. This will allow you to run the Job Profit/Loss report to see at a glance which jobs are most profitable.

Getting Started Is Easy

One great feature of the Job Cost module is that you can quickly get started recording information at a very general level, and choose to start tracking in more detail later on as your use of the module gets more sophisticated. Once you become familiar with the terminology, setting up your first jobs can be very quick, depend-

ing on the level of detail you want. You can simply turn on the integration with your other Sage BusinessWorks modules (see Tips and Tricks on page 3 for how to do this), and start using the product immediately.

Job Cost Terminology

A quick review of the basic terminology of Job Cost will help you understand how to set up your projects.

Job: A Job is your high-level tracking unit in Job Cost, the level at which your reports roll up to show total costs and profitability. A Job

Job ID	Customer ID/Manager/Phase	Est Cost	Est Price	Est P/L
22C408	22C 2 Jeffrey P. Bennett In progress / Est complete Total/Est:	3157.65 0.00	3277.65 1939.64	369.00 369.00
00L088-89	00L088 2 PHASE Authority In progress / Est complete Total/Est:	2790.82 688.00	6300.00 6300.00	3299.18 3299.18
3801188	3801188 2 Jeffrey P. Bennett In progress / Est complete Total/Est:	2487.96 0.00	3271.23 1529.78	624.27 324.84
20A095-02	20A095 4 Top Lawnman In progress / Est complete Total/Est:	2175.26 3300.00	3330.00 3330.00	1548.00 1548.00
YAT02400	YAT024 6 Top Lawnman In progress / Est complete Total/Est:	2281.95 0.00	11300.00 11300.00	6268.00 6268.00
Reportable		14267.62	26528.48	12061.33
		12896.02	24889.24	11779.32

The Profit/Loss report can show you at a glance how well you are managing projects.

can be an event, a company vehicle, a serialized product, a custom manufactured item, or a service contract.

Phase: Phase defines the various steps involved in the job. Some jobs might only have one phase, others multiple. Breaking your Job into phases allows you to track and report on the progress of a project toward its completion.

Job Codes: Job Codes allow you to group different types of costs recorded against a job into categories that are useful for you. Typically, costs are separated into labor, materials, equipment, overhead, subcontracting, and miscellaneous, but you can define any job codes that make sense for your projects. Job Codes can be assigned to different phases of a project as well, but are not required in order to use Job Cost. To set up Job Codes quickly, you can import

them from current Payroll Task Codes, Inventory Control and Purchasing Parts, or Accounts Receivable Standard Items.

Useful Features

Once you're ready to move beyond the basics, and depending on your use of the Job Cost module, there are several other useful features you might want to explore. Here's a sampling of what you can do:

- ▶ Assign a fixed price to a job, or calculate it based on a cost-plus-profit percentage or a cost-plus-fixed amount.
- ▶ Use the Bids capability to send proposals to customers, then convert the bid to a job automatically when you win the bid.
- ▶ Add change orders when a project's scope changes, incorporating new estimate amounts.
- ▶ Calculate overhead, such as a percentage of rent, utilities and payroll, and record actual or fixed amounts against projects.
- ▶ Set a retainage percentage for each job, typically a percentage which the customer does not pay until after successful project completion.
- ▶ Import charges, bills, cash postings, credit memos, and debit memos to jobs for increased flexibility and productivity.

Reporting Power

Probably the single most important reason to use Job Cost is for the reporting it provides. The Profit/Loss report allows you to compare the costs for a project against the revenues and/or budgeted amounts. The Cost Variance report allows you to see how close to your budget your actual costs are. Reports can provide full detail or be consolidated by job code. They can be sorted by Job ID, Manager Number, or Customer ID.

The Job Cost module can quickly become an essential tool in managing your business more profitably. Give us a call with your questions. ☆

Payroll Processing: In-House Or Outsource?

Payroll Tax compliance can present a significant challenge. There are over 10,000 taxing agencies in the U.S. constantly changing regulations, and assessing penalties (up to 11 percent of payroll tax deposit) for late or missed payments. While processing payroll is a necessary part of every business, maximizing efficiency is essential to control costs. What is the best payroll solution for your company? A primary consideration is whether to process payroll in-house or outsource to a service bureau.

Companies preferring to process payroll in-house like the security and control of having their data in-house, with historical information readily available and the ability to work on payroll to their schedule. They also typically have accounting personnel on staff.

Companies choosing to outsource payroll like the peace of mind of letting the service bureau take responsibility for properly calculating taxes and submitting payroll tax deposits on time. This is especially true if staff has no expertise in accounting and tax regulations.

Choices From Sage Software

Sage BusinessWorks Accounting users have the luxury of being able to choose between in-house and outsourced payroll, while still enjoying tight integration with their accounting system. This is because Sage Software offers both the Sage BusinessWorks Payroll module for in-house processing and Sage Payroll Services for those preferring to outsource. You can even choose a hybrid solution, performing your basic payroll processing in-house with the Sage BusinessWorks Payroll module, and using Sage Payroll Services for tax reporting and/or W-2 printing. Let's take a closer look at the features available with each.

Basic Payroll Features

Whether you choose to process in-house with the Sage BusinessWorks Payroll module, or use Sage Payroll Services, you will enjoy a robust set of basic capabilities for payroll processing. These include:

- ▶ Ability to allocate payroll expenses to multiple General Ledger accounts
- ▶ Automatic application and tracking of multiple earnings and deductions

- ▶ Benefit tracking such as 401(k), cafeteria plans, and fringe
- ▶ Automatic direct deposit of checks
- ▶ Ability to print checks on blank or pre-printed stock, or on direct deposit stubs
- ▶ 941 Report and W-2 printing
- ▶ U.S. Federal and state tax table updates
- ▶ Integration with General Ledger and Cash Management modules

Now let's take a look at some features that differentiate the Sage BusinessWorks Payroll Module from the Sage Payroll Services solution.

Sage BusinessWorks Payroll Module

The Sage BusinessWorks Payroll module is often the best choice for construction and job shop organizations. Companies that need to report tips also find it a good choice. Some features of this solution are:

- ▶ Job Cost integration
- ▶ Tip reporting
- ▶ Import of timecard information from a text file
- ▶ Ability to use your payroll system as a mini-HR system by using custom fields to track and report information such as birthdays, certifications, last raise, equipment issued, etc.

Sage Payroll Services

This online outsourcing option is perfect for companies whose personnel lack the time or knowledge to track changing compliance issues and tax liability.

With Sage Payroll Services your organization's responsibility is limited to recording hours worked, applying appropriate earnings and benefit codes, and submitting the information on time. Entries are made real-time through your Web browser.

Sage Payroll Services performs back-end processing, updates year-to-date balances, creates the direct deposit or prints the checks, produces the reports, handles the tax filing and produces W-2s. Sage Payroll Services performs tax calculations, tracks and applies tax rate changes, and assumes responsibility for submitting payroll tax deposits on time. Multi-level security is provided, and payroll information can be reviewed in real-time before committing the payroll.

Additional features and benefits of the Sage Payroll Services solution include:

- ▶ Reduced capital and IT costs
- ▶ Time clock interface
- ▶ Real-time reporting and report archival
- ▶ Full data download—download complete payroll history at any time

If you've been considering making a change to your payroll solution, now is a good time to take action. You'll want to make your decision, implement your new solution, and conduct parallel testing prior to going live in the new tax year in January. Please give us a call for a review and recommendation of the ideal payroll solution for your business. ☆

Tips & Tricks

However the Job Cost module is or will be used in your company, you will want to be able to post transactions to it automatically from other modules. Here's how to set it up:

1. Select **J/C/Utilities/Maintain Job Cost Parameters**
2. In the *Module Postings* section select the modules to post from. You may select Accounts Payable, Accounts Receivable, Inventory Control, Payroll, and/or Order Entry. Note that when Order Entry is selected, only invoices posted in *Direct Invoicing* mode post to Job Cost.
3. Job Cost must be enabled in the security settings for all users that post transactions from other modules to Job Cost.

Note: Be aware that it is possible to post the same amount multiple times to Job Cost. For example, if you select both *Post from Inventory* and *Post from Accounts Payable*, when a Purchase Order receipt is posted followed by an A/P invoice posting, two messages appear asking: "POST INFORMATION TO THE JOB COST MODULE?" One appears from receipt of the part, item, or product into Inventory Control and another for the A/P invoice. If you answer *YES* to both prompts, it will double the amount posting to the Job. ☆



In The Spotlight E-mailing Forms



These days every business is looking for ways to save money. If you can simultaneously increase efficiency and provide better customer service, so much the better. The Sage BusinessWorks Accounting E-mail Forms feature is one way you can do all of this. If you're not already taking advantage of this included feature, consider the potentially significant savings of replacing the mailing of paper forms with e-mailed forms.

How Much Can I Save?

The more invoices and statements your business generates on a monthly basis, the more you will save.

Traditionally, most businesses have printed and mailed invoices and statements to communicate accounting information to their customers. Because the cost of postage is seemingly low, one might assume that mailing is still the most cost-effective delivery method—but is it?

The cost to print and mail 100 invoices is \$51.00 per month, based on postage of \$.41 per invoice and paper and envelope of \$.10 per invoice. Cost to print and mail 50 statements per month is \$25.50 per month, based on postage of \$.41 and paper and envelope at \$.10 per statement. This adds up to a total cost of \$918.00 annually. It's free to e-mail these same invoices and statements with your existing e-mail account—for an annual savings of \$918.00! This is a significant cost savings over one year even if you generate as few as 100 invoices and 50 statements a month. And if your actual volume is higher, the savings are even greater.

In addition to saving money on postage, envelopes, and pre-printed forms, this automation step has other benefits. Cash flow is improved because your customers receive their invoice today, not several days from now. Because you are generally sending the invoice to the person who ordered your product or service, if there are any discrepancies, they will surface sooner. If e-mailing a quote, you'll get it in front of the prospect while the lead is hot, shorten the sales cycle, and close more business! And you can help ensure timely delivery of key inventory items by e-mailing purchase orders.

How Does It Work?

Virtually every form in Sage BusinessWorks can be e-mailed. Here are just a few of the features available with this powerful option.

- ▶ E-mail forms in an Acrobat PDF format as a batch or individually. You can even change the recipient on-the-fly or send the e-mail to multiple recipients.
- ▶ Preview the attachment to verify the accuracy of the information before transmitting it to your customer or vendor.
- ▶ Use custom or standard Sage BusinessWorks forms.
- ▶ Filter recipient by delivery method. For example, you can choose to print forms for those customers who do not have valid e-mail addresses and e-mail forms to those customers who have e-mail.



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More
Info

Click here for more
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Multiple Contacts

The Accounts Receivable and Accounts Payable modules store multiple contacts—this is handy when used in conjunction with the E-mail Forms feature. You can e-mail accounting forms (e.g. invoices) to one contact, and quotes or sales orders to a different contact. You set up your contacts once and Sage BusinessWorks will automatically e-mail your form to the correct contact.

If you are not yet taking advantage of the simplicity and cost savings realized by e-mailing forms, it could be well worth your time to revise the sample cost analysis to match your company's actual costs and then compare the savings to see how quickly this feature would pay for itself in your organization. If you would like help getting started, call us today. ☆

contact