

Job Costing Activities

ComputerEase Guided Practice

Activity Guide

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Overview

Before you begin the activities in Job Costing, it will be beneficial to look at an overview of what the system can do. This section will discuss the basic job structure in ComputerEase and view a few Job Cost reports to familiarize you with the options available for setting up a job.

These activities require that a customer be set up in ComputerEase.

The basic structure of the job number (cost code) is shown below. Notice that the system uses a period to separate each level of the cost code. It is important to remember that when you are entering cost codes in any of the ComputerEase modules.

Ex: 101.A.10 - Below is a breakdown and explanation of the cost code shown here.

101 - The first field represents the JOB level and may be up to 10 characters long. The characters may be alphabetical, numerical, or a combination of both. Some contractors use an alphabetical system for easier identification. Some use an existing system that consists of a number and an alphabetical character.

A - The second field represents the PHASE level and may be up to four characters long. The characters may be alphabetical, numerical, or a combination of both. The phase is a separate level of breakdown for a job. You may wish to use this level for CSI division numbers, tracking major job phases, or for certain billing structures such as the AIA schedule of values. You do not have to use a phase level in the job structure. However, it can be important for tracking billings on a job. The PHASE level is one place where you can enter the SELL price for the contract.

10 - The third field represents the CATEGORY level and may be up to six characters long. The characters may be alphabetical, numerical, or a combination of both. The category level stores the detailed estimated budget amounts. A job must have at least one category for cost posting purposes unless the Time & Material (T&M) selection is made. The CATEGORY level is another place where you can enter the SELL price for the contract.

Cost Type - The cost type is a sub-classification of the category level that breaks down costs into Labor, Material, Subcontractor, etc. There are six pre-set cost types, and you may add up to 16 custom cost types.

Using this basic job structure, ComputerEase allows you to choose from three different ways to set up jobs. These three options are explained below along with their resulting cost codes.

OPTION I

A job without phases and with one category for all job costs:

- **Job 101** - Customers R Us Manor House
- **Category 10** - Job Costs

The resulting cost code would be: 101.10

OPTION II

A job without phases and with several categories to separate job costs:

- **Job 101** - Customers R Us Manor House
- **Category 10** - Rough In
- **Category 20** - Fixtures

The resulting cost codes would be: 101.10 and 101.20

OPTION III

A job with phases and several categories to separate job costs:

- **Job 101** - Customers R Us Manor House
- **Phase A** - Master Bath
- **Category 10** - Rough In
- **Category 20** - Fixtures
- **Phase B** - Guest Bath
- **Category 10** - Rough In
- **Category 20** - Fixtures

The resulting cost codes would be: 101.A.10, 101.A.20, 101.B.10, and 101.B.20

To see how a job looks in the system, you will run two job cost reports. These reports will help familiarize you with the job setup in ComputerEase.

1. From the **ComputerEase** main menu, click **Job Costing System** and then **Job Analysis**.
2. Click **F2** in the Job field to display a list of options then select the job code, **100** and click **OK twice**.
3. When the report selections appear on the screen, click the **Job Cost Category Totals** button. The Job Cost Category Totals Report will now appear.

4. Notice the structure of this job: two phases with multiple categories under each phase. When you are finished reviewing the report, close the window.
 5. Click the **Job Status Summary Report** button and when you are finished reviewing the report, close the window.
 6. Again, notice the job structure with phases and categories as well as cost types. When you are finished reviewing the report, close the window and close the Job Analysis screen.
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Activity 1: Creating a New Job

You will build all three levels of a job (job, phase, and category) in the next three lessons. It would be beneficial to allow enough time to complete all three lessons during one session.

In this activity, you will set up the Manor House job that was outlined in the overview of Job Costing section.

Creating a New Job		
Step	Action	Notes
1	From the Job Costing System menu, click Job Maintenance and then Create/Edit a Job .	Login Information: Company: S102 Username: [blank] Password: [blank]
2	You must now enter a job code in the Job Code field. This field may contain up to ten alphanumeric characters. For this exercise, you will use job number 101 ; however, some contractors use alphabetical characters for easier identification. Enter this number in the Job Code field and press Enter or click OK .	
3	You will receive a message asking if you wish to create the job. Click Yes to create this job.	
4	Each job should have a customer assigned if billings are going to be created. For this example, click the Search button or the magnifying glass icon, or press F2 in the Customer field and click MAINTENANCE to create a new customer. Type CUSTOM for the Customer field and click OK or press Enter . Fill out the fields with the following information: Name: Custom Building Address: 123 River Rd City: Cincinnati State: OH Zip Code: 45201 Click Save (to save the new customer you just created). Assign this new customer to your Job 101 .	

Creating a New Job

Step	Action	Notes
5	Enter the job's description in the Job Name field. For this example, use the name Manor House .	
6	Click the Job menu in the upper left corner of the screen and choose Copy Customer Address . The Address field will be filled in automatically. If the job address is different from the customer's address, you will need to fill in the correct address information. For now, leave this information as it is.	
7	You may change the Status field to Active , Inactive , Closed , or Master Job by pressing F4 in this field. Closed jobs are usually set to Inactive or Closed . ComputerEase allows you to run certain reports by status. Use the default setting, Active .	
8	The P.O. Number field indicates the purchase order number the customer issued for this job. If you fill in this field, it will automatically carry over for invoicing purposes. Leave this field blank.	
9	The Class field may be used to classify jobs for reporting purposes. For example, if you classified your jobs as commercial, residential, and service, you could then run reports for commercial jobs only or service jobs only, etc. For now, leave this field blank.	
10	The Department field will automatically default the General Ledger accounts for payables and payroll postings. Leave this field blank.	
11	The Date Open and Date Due fields are optional and only for internal information. • Date Open is used to indicate the date the job was started. • Date Due indicates the date the job is to be completed following the contract or the date the job was closed. For now, leave these fields blank.	
12	Access Code is an additional level of password protection. While user IDs and passwords are used to limit access to various ComputerEase modules, this field will allow individual access on a job-by-job basis. Normally this field is used to limit a user's access so they can view their jobs, but not all jobs in the system. Leave this field blank.	

Creating a New Job

Step	Action	Notes
13	The Sales Account field is used if your company uses multiple revenue accounts. The account you enter in this field will be the default General Ledger account during invoice entry. Otherwise, the default will be the account set up in Accounts Receivable Parameters. For now, leave this field blank.	
14	The Payables Routing field will allow you to route A/P invoices for this job to different ComputerEase users. Leave this field blank.	
15	The Next Subcontract field is used to automatically number the Subcontracts that are created for this job. For now, leave this field blank.	
16	The A/R Retention field is used to allocate how much retention should be withheld when invoices are generated. Leave this field blank.	
17	The Sub Retention field is used to allocate how much retention should be withheld for subcontracts that are created for this job. For now, leave this field blank.	
18	The Price Code field is used to select the price code that will apply to T&M billings for items used out of inventory for this job. Let this default to the price code set for the customer.	
19	If this job is taxable to the customer, if you need to accrue use tax to pay directly to the State for material purchases, or if you want to calculate sales tax on purchase orders, you may enter the proper taxing codes into the Sales Tax Code , Direct Pay Code , and PO Sales Tax Code , respectively. For now, leave these fields blank.	
20	The T&M Billing Code and Billing Notes fields are used with Cyclical Billing. Leave these fields blank.	
21	The RFC Rates field is used when entering Itemized Request for Change Orders. This field will allow a certain rate table to be attached to the job and automatically use those rates when entering an Itemized Request for Change Order. For now, leave this field blank.	
22	The RFC Markups is also used when adding an Itemized Request for Change Order. This field assigns a markup on change order items that are selected for this job. Do not use this field.	
23	The Next RFC Number field allows you to designate what you want the next RFC number to default to when generating an RFC. For now, leave this field blank.	

Creating a New Job

Step	Action	Notes
24	The Billing Group and E/C Billing Rates fields are discussed in greater detail in the Job Cost section of the ComputerEase manual and are used for Cyclical billing. Leave these fields empty.	
25	The Pay Items checkbox is discussed in greater detail in the Job Cost section of the ComputerEase manual. For now, leave it unchecked.	
26	The system will automatically print Lien Waivers after A/P checks are printed if the Lien Waivers checkbox is selected. Also, leave this box unchecked.	
27	The Lock Budgets checkbox is used to prevent unintentional changes to the original budget once entered. This field must be left unchecked when first setting up the job and is only checked after the original budget is entered and verified. For now, leave it unchecked.	
28	The Warn if Over Budget dropdown is used to warn a user when entering either a purchase order or a subcontract if that entry will exceed the budget for an item. Leave this set to the default (No).	
29	Click Next to view the Cost Types tab. This screen is where overhead can be added to the job by cost type and indicate markups for T&M Jobs. Leave this screen blank.	
30	Click Next to view the Payroll tab.	
31	The First Payroll field is used by the system to establish several automatic calculations such as prevailing wage period, workers comp calculations, union cutoffs, and more. This will save you time when processing payroll. For this example, enter the first payroll date as 03/01 of the current year.	
32	The Payroll State field indicates the State the job is located in. Since the Manor House is in Cincinnati, Ohio, choose OH .	
33	The Payroll Locality field indicates the local that the job is in and is used to calculate taxes that you will be withholding from your employees. Click the Search button or press F2 in this field and select CINCI from the list.	

Creating a New Job

Step	Action	Notes
34	If you are required to print EEOC reports for this job, enter the district in the EEOC District field. For now, leave this field blank.	
35	We will leave the Workers Comp field blank since the system will default to the Workers Comp code that was set up in the employee's maintenance files. However, you could use these fields if there was one Workers Compensation Code to be used for all employees on this particular job. This code would override the code set at the employee level in Payroll.	
36	The Billing Rates option is used to assign billing rates for T&M billing to a job. Leave this field blank.	
37	The Certified Payroll Settings field is used when you are required to pay prevailing wages. The assignment in this field controls how wages and fringes are calculated and what detail is required on the Certified Payroll Report. For this activity, we will leave this field empty.	
38	The Work Location field controls the default of the Location field in the Labor Distribution entry. You may choose either Shop or Job in this field. Select the arrow or press F4 in this field and select Job .	
39	The Payroll Overrides option is used to override worker class and/or workers comp codes by class by job or task. For now, skip this option.	
40	If the Detailed Payroll Postings checkbox is selected, each payroll posting to Job Cost will list an employee's name, date, and hours that were entered through payroll. If left unchecked, one summary record will be posted to the job for all work done for that payroll period. Note: Once payroll has been posted, if this checkbox is not selected, the details will not be available through Job Cost reports. If it is selected mid-progress, only the new records will show the details. Check this box.	
41	The Accrue Actual Burden checkbox is used to charge the employer-paid payroll taxes associated with an employee to a job. Check this box.	
42	When you are finished entering the information, click Save .	

Activity 2: Adding Phases to a Job

The phase is a separate level of breakdown for a job. You do not have to use phases in your job setup. However, if you want to track billings on a job by phase, you must add phases.

In this activity, you will add two phases to the job created in Activity 1.

Adding Phases to a Job		
Step	Action	Notes
1	Click Create/Edit A Job from the Job Maintenance menu. In the Job Code field, enter 101 . This will take you to the job previously created. Click the Phases & Categories tab.	
2	Double-click the (add phase) option. Once the New Phase screen appears, enter an A after the period in the Phase Code and Master Bath in the Description .	
3	The Contract Amount is the amount you will be billing the customer for the work performed for this phase. The values in the Contract Amount fields for all phases will total the Contract Amount for the job. Enter 5000.00 in this field.	
4	Retention Percent, Date Open, Department, Location , and fields on the Overhead tab were discussed in Lesson 1 and normally are assigned at the Job Level. The only time information would be required for these fields at the Phase Level would be to override the information at the Job Level. For now, leave all these fields blank.	
5	The Sequence field is used to define the order in which phases will be printed out on your job costing reports. Accept the default setting.	
6	Follow these steps to enter a second phase B with the description of Guest Bath and a contract amount of 4000.00 . When finished, click Save to close the Job Maintenance window.	

Activity 3: Adding Categories to a Phase

Your job must have at least one category to allow postings for job costs. T&M jobs are the only exceptions. It is at the category level that estimated budget information is entered. Entering budgets will allow you to compare actual costs as the job progresses to your original estimated cost for each cost type.

In this activity, you will add two categories to Phase A that was entered in Activity 2.

Adding Categories to a Phase		
Step	Action	Notes
1	Click Create/Edit a Job from the Job Maintenance menu. In the Job Code field, enter 101. This will take us back to the job we created. Click the Phases & Categories tab.	
2	Click once on Phase A which we created in the previous lesson. Under the Category section on the right, double-click (add category). When the New Category screen is displayed, fill out the following fields: - Category Code: Enter 10 after the period - Description: Rough In	
3	Units Budgeted, Updated By, and the Unit of Measure fields are used by contractors that estimate, pay their employees or their material invoices, charge their customers for units, and want to utilize the software to track unit costs. Fill out the following fields: - Units Budgeted: 50 - Unit of Measure: Linear Feet	
4	As noted above, the Worker's Comp, Department, and Location fields are only changed to override entries made at the Job or Phase level. For now, leave these blank.	



Adding Categories to a Phase		
Step	Action	Notes
5	Start Date and Duration (days) are used to track the date this activity is to begin and are for scheduling purposes. Fill out the following fields: - Start Date: Enter 03/01 of the current year - Duration (days): 30	
6	The Sequence field is used to define the order in which categories will print out on your Job Costing reports. Accept the default setting.	
7	Work Location is only changed to override the choice made at the Job or Phase level. Accept the default entry of Job.	
8	The Payroll Overrides field is used to control workers' comp codes per worker class or to change a worker class based on activity. These are explained in more detail in the Payroll section of the ComputerEase user manual. For now, leave this field blank.	

Adding Categories to a Phase

Step	Action	Notes
9	The bottom half of the category entry screen is for entering estimated budget information. The Est Hours column represents the number of hours you have estimated for a particular cost type, and the Rate column is the per-hour rate for that cost. When these two fields have been populated, ComputerEase will automatically calculate the Est Cost and will add any Overhead if it was filled in on a prior screen. The Unit Cost field will only be populated if the Units Budgeted and Unit of Measure were completed. Now, enter the Hours and Rates as they appear below: Labor Est Hours: 40 Labor Rate: 10.00 Labor Est Cost: 400.00 Labor w/Overhead: 400.00 Labor Unit Cost: 8.0000 Overtime Labor Est Hours: 5.00 Overtime Labor Rate: 15.00 Overtime Labor Est Cost: 75.00 Overtime Labor w/Overhead: 75.00 Overtime Labor Unit Cost: 1.5000 Burden Est Cost: 258.00 Burden w/Overhead: 258.00 Burden Unit Cost: 5.1600 Material Cost Est Cost: 400.00 Material Cost w/Overhead: 400.00 Material Cost Unit Cost: 8.0000	

Adding Categories to a Phase

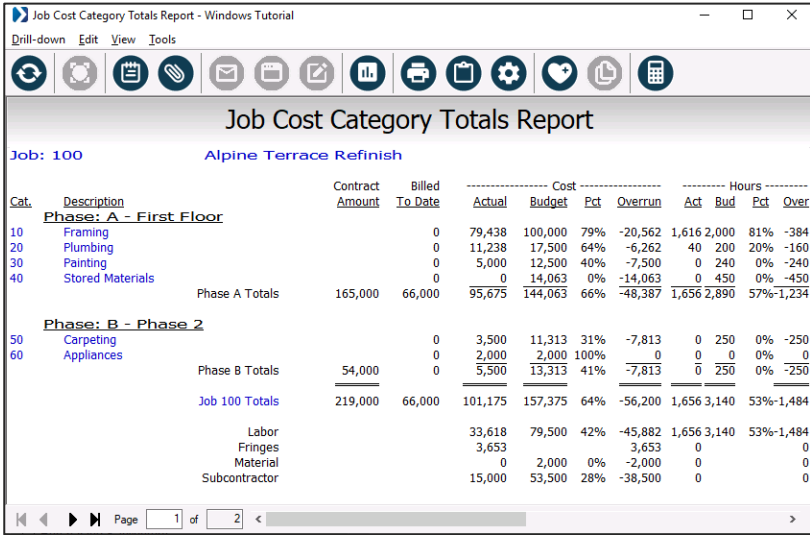
Step	Action	Notes
10	When you finish entering the information, click Save to save this category. Now, follow these steps to enter a second category, 20, using the information as it appears below: Units Budgeted: 45 Unit of Measure: hr Labor Est Hours: 40 Labor Rate: 15.00 Labor Est Cost: 600.00 Labor w/Overhead: 600.00 Labor Unit Cost: 13.3333 Overtime Labor Est Hours: 5.00 Overtime Labor Rate: 23.50 Overtime Labor Est Cost: 117.50 Overtime Labor w/Overhead: 117.50 Overtime Labor Unit Cost: 2.6111 Burden Est Cost: 200.00 Burden w/Overhead: 200.00 Burden Unit Cost: 4.4444 Fringes Est Cost: 100.00 Fringes w/Overhead: 100.00 Fringes Unit Cost: 2.2222 Material Est Cost: 450.00 Material w/Overhead: 450.00 Material Unit Cost: 10.0000	
11	When you have entered this information, click Save to save this category, then click Save again to close the Job Maintenance window.	

Activity 4: Reviewing a Job

The Job Center is designed to be a one-stop hub from which you can view and access any important information for a job. The Job Center can be displayed, printed, or even emailed.

In this activity, you will look at the Job Center for Job **100**.

Reviewing a Job

Step	Action	Notes
1	From the Job Costing System menu, click Job Center .	
2	Since you have not posted any cost to the job created in the previous activity, you will look at another job that has had cost posted to it. Click the Search button in the Jobs field and select 100. Leave the Send Report To field set to Display, click OK and the Job Center screen will appear.	
3	From this screen, you have access to all information for this job. Fields that appear in blue are drill-down items. You may double-click any of these items to drill down for more information. Double-click Cost to Date on the left-hand side of the screen and the Job Cost Category Totals Report will appear as shown below:  When you are accessing this report in ComputerEase, you will need to use the arrows on the bottom left-hand corner of the report screen to scroll through this information.	

Reviewing a Job

Step	Action	Notes
4	When you finish reviewing this report, close the window. Another helpful tool in the Job Center is the Trouble Shooter . The Trouble Shooter will analyze the job information for you and notify you of both positive and negative information concerning this job. Double-click Trouble Shooter at the bottom-right of the screen and click the Refresh button in the upper left corner. Change Only Report Items with Activity to No and click OK . The report will now display.	
5	\$ represents that the information is within the guidelines that you have set for this job. \$ is a warning signal. You may also double-click the information in blue next to the dollar signs to drill down to even more detailed information. When finished, close the window.	
6	Take a minute to familiarize yourself with the other information that is available in the Job Center. When finished, close the window.	

Activity 5: Copying a Job

In this activity, you will copy the data in job **101** and create a new job using that information.

Copying a Job		
Step	Action	Notes
1	From the Job Costing System menu, click Job Maintenance and then Duplicate a Job .	
2	Click the Search button or press F2 in the Existing Job field and select Job 101 from the list. This is the job created in the first three activities. You will use this job as the master job. Now enter 102 in the New Job field and click OK or press Enter .	
3	The job master screen for Job 102 will appear with information from Job 101 already entered. You may edit the information as needed to meet the criteria for the new job. On the Payroll tab change the First Payroll to 04/01 of the current year.	
4	Continue to click Next or choose the proper tab to change any information for this job. To delete a phase or category, with the proper line highlighted, press Delete on the keyboard. You will get a warning to verify that you want to delete this phase or category.	
5	If you need to add other categories or phases to the new job, add them as practiced in the previous activities.	

Activity 6: Posting Job Detail

In this activity, you will manually post the cost for a telephone charge that was posted to the Telephone Expense account but was not job costed.

Posting Job Detail		
Step	Action	Notes
1	From the Job Maintenance menu, click Job Detail Maintenance and then Post to a Job .	
2	Click the Search button or press F2 in the Cost Code field and select 101.A.10 from the list by choosing first Job 101 , then Phase A , then Category 10 .	
3	Click the down arrow or press F4 in the Cost Type field to display a list of options. For this example, choose Material .	
4	Leave the P.O. Number and Invoice Number fields blank since these do not apply to this example.	
5	Enter the date of the phone bill in the Date field. For this example, enter 03/05 of the current year.	
6	The Posting Date is important since this is the date the transaction will appear on job cost reports. For this example, enter the same date you entered in the previous step.	
7	Enter a description of the cost in the Description field. For this example, enter Telephone Expense .	
8	The Who field is for the employee or vendor code that generated the original entry. If you wish to have ComputerEase reference an individual employee or vendor on your job cost reports, you will type in the code in this field. For now, skip this field. Also, skip the Hours and Rate fields since they do not apply to this example.	
9	The telephone bill was for \$200, therefore enter 200.00 in the Amount field.	

Posting Job Detail		
Step	Action	Notes
10	Enter 1 in the Quantity field.	
11	The Bill Qty , Bill at , and Billing Cycle fields apply only to T&M jobs. Skip these fields.	
12	Enter the month and year that you want the transaction to appear in the General Ledger in the G/L Period field. It is important to keep the General Ledger period matched to the posting date for the Job Cost detail to balance with the General Ledger detail. Therefore, enter March of the current year in this field.	
13	To keep Job Cost in balance with the General Ledger, you will have to record a General Ledger entry. In the Debit Account field, click the Search button or press F2 to view the Chart of Accounts and select 5500.10 from the list. Note that you may search for this account by typing in the first numbers of the account in the Beginning with field or by entering the word, Exp , in the Row Contains field.	
14	In the Credit Account field, press F2 or the Search button to view the Chart of Accounts and select 8370.00 from the list. This is the account that will be credited for this entry.	
15	Click OK . The entry will appear behind the data entry box, and the data entry box will reappear for another adjustment if necessary. Click Cancel unless you want to make another adjustment.	
16	Click OK at the bottom of the screen and you will receive a message asking for the proper printer. Select Microsoft XPS Document Writer and save it to the desktop. The Job Cost Posting Report will be viewable. This report should be kept in a permanent file. The adjustment has now been posted to the General Ledger.	