



Costing Analysis

This document is intended as a primer to help users understand the costing analysis and associated reporting options available in SmoothPay.

Additional documents are available on our website that deal with **simplified payroll accounting** and a specific **integration guide for MoneyWorks** accounting products (*SmoothPay integrates directly with MoneyWorks/Gold or above, but can produce detailed cost analysis reports for any and all accounting systems - just change the codes to suit your system.*)

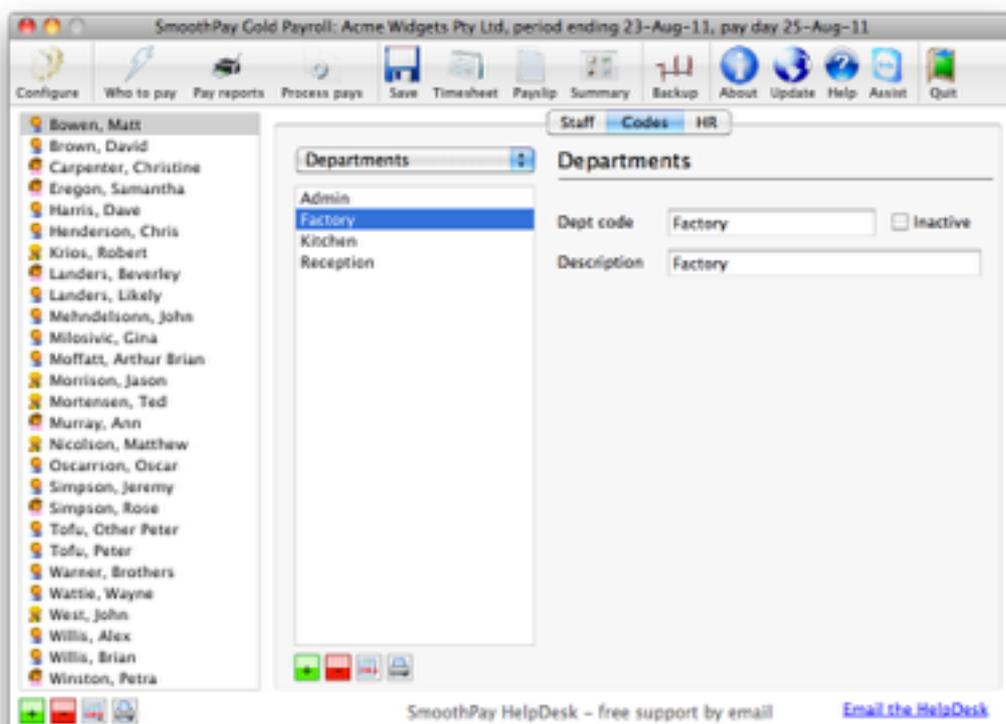
There is no limit to the number of departments, cost centres, jobs or activities available for analysing pay input entries.

“Costing” at the most basic level - by Pay Point

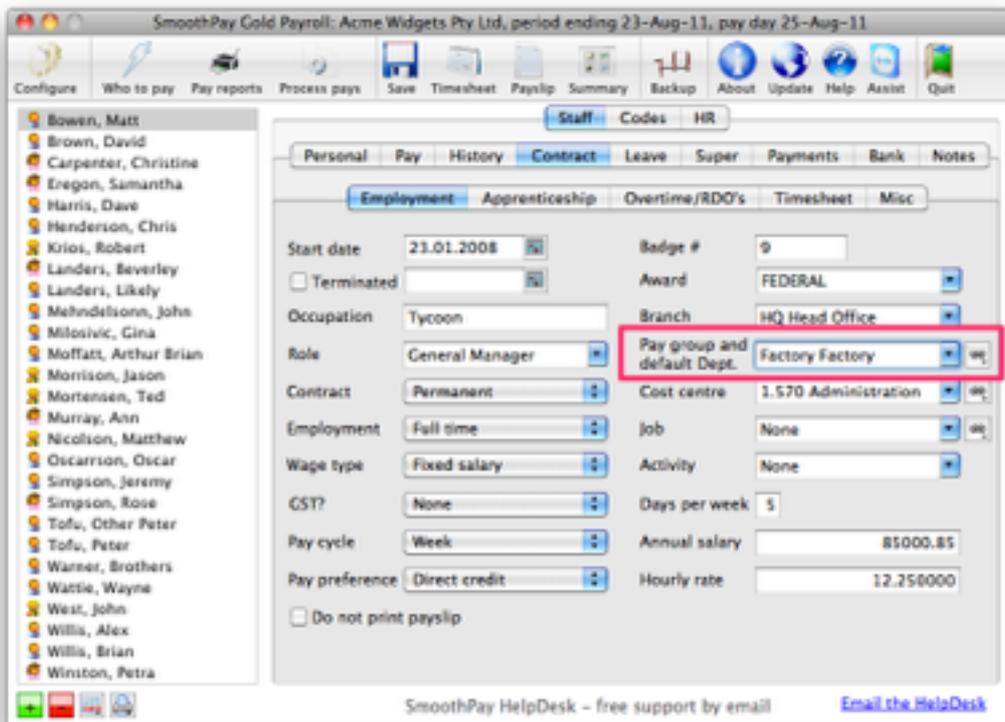
Every employee can be assigned to a “Pay point” which also acts as the employee’s default department for pay input entries.

Many of SmoothPay’s reporting functions group the data by the employee’s Pay Point, giving you an easy breakdown of costs.

Pay Points and Departments are established in SmoothPay’s *Codes..Departments* page:



Each employee can be assigned to a specific Pay Point:



Your pay input summary report (and various other Pay Reports) will be grouped by each employee's current pay point - here's an example from a pay input summary report showing costs grouped into 3 different Pay Points:

Acme Widgets Pty Ltd
Pay Input Summary to 23-Aug-11 payday 25-Aug-11

Page 1
2011-08-03 16:07:29
2.0.11

| Earnings | Ordinary | Overtime | Leave | Allowances | Tax-free | GROSS | | Employer |
|----------------------|----------|----------|--------|------------|----------|----------|--------|----------|
| Deductions | Pre-tax | Tax | Super | Other | | WITHHELD | NET | Super |
| Head office | | | | | | | | |
| Eragon, Samantha | | | | | | | | |
| 1 Week | | | | | | | | |
| Time | 19.890 | 0.500 | 8.000 | | | 28.390 | | |
| Svalue | 183.44 | 9.22 | 135.04 | 0.00 | 0.00 | 327.70 | | |
| Less | 0.00 | 151.90 | 0.00 | 0.00 | | 151.90 | 175.80 | 28.66 |
| Time | 19.890 | 0.500 | 8.000 | | | 28.390 | | |
| Svalue | 183.44 | 9.22 | 135.04 | 0.00 | 0.00 | 327.70 | | |
| Less | 0.00 | 151.90 | 0.00 | 0.00 | | 151.90 | 175.80 | 28.66 |
| Factory | | | | | | | | |
| Bowen, Matt | | | | | | | | |
| 1 Week | | | | | | | | |
| Time | 40.000 | 0.000 | 0.000 | | | 40.000 | | |
| Svalue | 1634.63 | 0.00 | 0.00 | 0.00 | 0.00 | 1634.63 | | |
| Less | 65.00 | 729.00 | 0.00 | 100.00 | | 894.00 | 740.63 | 300.00 |
| Harris, Dave | | | | | | | | |
| 1 Week | | | | | | | | |
| Time | 0.000 | 0.000 | 0.000 | | | 0.000 | | |
| Svalue | 0.00 | 0.00 | 0.00 | 0.00 | 56.00 | 56.00 | | |
| Less | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 56.00 | 0.00 |
| Time | 40.000 | 0.000 | 0.000 | | | 40.000 | | |
| Svalue | 1634.63 | 0.00 | 0.00 | 0.00 | 56.00 | 1690.63 | | |
| Less | 65.00 | 729.00 | 0.00 | 100.00 | | 894.00 | 796.63 | 300.00 |
| Kitchen | | | | | | | | |
| Carpenter, Christine | | | | | | | | |
| 1 Week | | | | | | | | |
| Time | 0.000 | 0.000 | 1.000 | | | 1.000 | | |
| Svalue | 0.00 | 0.00 | 583.63 | 0.00 | 0.00 | 583.63 | | |

Remember, this is the most basic level of analysis. This might be suitable for companies who don't need to transfer or analyse costs to a general ledger, or track job costs, but sometimes a little more analysis is desirable to provide a basis for charging labour costs against jobs or splitting wage costs to various departments and cost centres in your accounting system.

Detailed analysis options available in SmoothPay

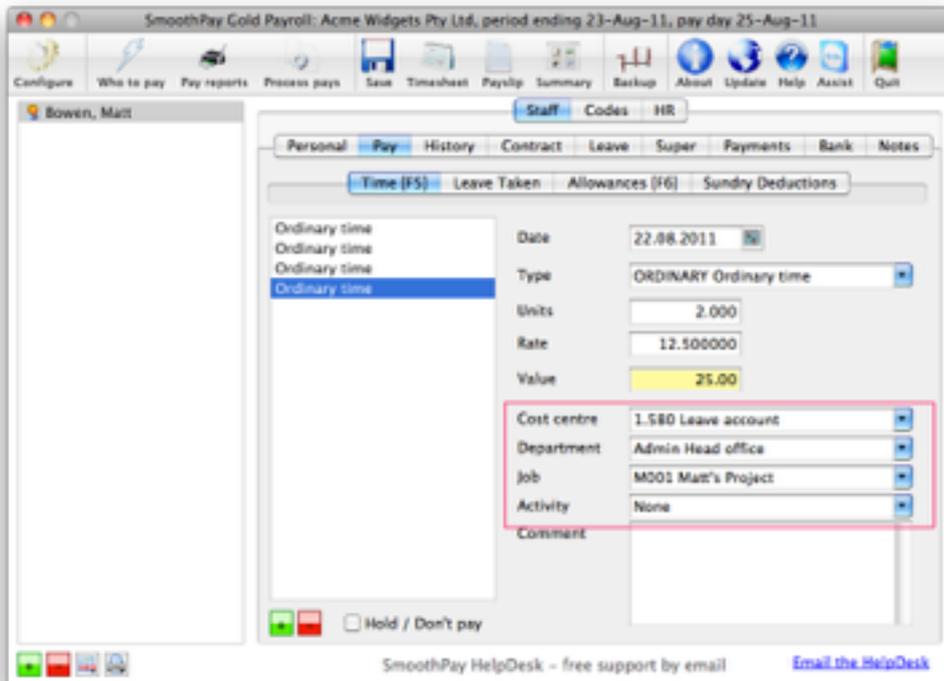
A picture paints a thousand words - so here's how an employee's day might be analysed - we'll go on to show how you achieve this in SmoothPay:

| Time | Cost Centre | Dept | Job | Activity |
|---------|-------------|---------|------|----------|
| 1 hour | 1-560 | Admin | None | None |
| 1 hour | 1-560 | Admin | A001 | None |
| 4 hours | 1-570 | Factory | A001 | None |
| 2 hours | 1-580 | Admin | M001 | None |

We haven't bothered with assigning activities, as these are very unlikely to be used except where substantial customisation of outputs are required for job costing and billing systems.

In these cases you might want to split a staff members time on a job between the type of activity they are performing for a customer, e.g. Machinery Operation or Driving might be charged to customers at a higher rate than Labouring.

Here's a screen showing the 4 entries above in SmoothPay, highlighting the last entry (2 hours, analysed to 1-580, Admin, M001):



And here's how it looks in a Cost Centre Analysis report, showing 2 department splits and 3 cost centre splits:

Acme Widgets Pty Ltd
 Cost Centre Analysis: period end 23Aug11 payday 25Aug11
 Page 1
 2011-08-23 16:49:54
 22/11

| | Earnings | | | Allowances | | Total |
|-----------------------------------|--------------|-------------|-------------|-------------|--------------|--------------|
| | Ordinary | Overtime | Leave | Direct | Pro-rated | |
| Costing Analysis | | | | | | |
| Admin Head office | | | | | | |
| 1.560 Staff Wages | | | | | | |
| Bowen Matt | 12.50 | | | | | 12.50 |
| Bowen Matt | 0.00 | | | | | 0.00 |
| 1.580 Leave account | | | | | | |
| Bowen Matt | 25.00 | | | | | 25.00 |
| Bowen Matt | 25.00 | 0.00 | 0.00 | 0.00 | 0.00 | 25.00 |
| Department Total | 37.50 | 0.00 | 0.00 | 0.00 | 0.00 | 37.50 |
| Factory Factory | | | | | | |
| 1.570 Administration | | | | | | |
| Bowen Matt | 50.00 | | | | | 50.00 |
| Bowen Matt | 50.00 | 0.00 | 0.00 | 0.00 | 0.00 | 50.00 |
| Department Total | 50.00 | 0.00 | 0.00 | 0.00 | 0.00 | 50.00 |
| Totals | 87.50 | 0.00 | 0.00 | 0.00 | 0.00 | 87.50 |
| Payroll Contra Entries | | | | | | |
| Control (holding) accounts | | | | | | |
| 2.201 Wages (Control account) | | | | | 47.50 | 47.50 |
| 2.203 PAYG Deductions (Cont) | | | | | 40.00 | 40.00 |
| | 0.00 | 0.00 | 0.00 | 0.00 | 87.50 | 87.50 |
| | 0.00 | 0.00 | 0.00 | 0.00 | 87.50 | 87.50 |
| Totals | 0.00 | 0.00 | 0.00 | 0.00 | 87.50 | 87.50 |

Note: SmoothPay also generates a *g costing.txt* file at this point, suitable for transfer (*automatic or manual import*) into MoneyWorks - the file contains the actual wage costs analysed by cost centre, department (if used) and job code (if used). Here's an example of the costing file contents:

```

Date, Ref, Desc, Contra, Description, GLCode, GST, LineAmt, Job
25-Aug-11, 110825, Payroll costs PE 23-Aug-11, 2.201, Bowen Matt, 1.560-Admin, 0.00, 12.50,
25-Aug-11, 110825, Payroll costs PE 23-Aug-11, 2.201, Bowen Matt, 1.560-Admin, 0.00, 0.00, A001
25-Aug-11, 110825, Payroll costs PE 23-Aug-11, 2.201, Bowen Matt, 1.580-Admin, 0.00, 25.00, M001
25-Aug-11, 110825, Payroll costs PE 23-Aug-11, 2.201, Bowen Matt, 1.570-Factory, 0.00, 50.00, A001
25-Aug-11, 110825, Payroll costs PE 23-Aug-11, 2.201, PE 23-Aug-11, 2.203, 0.00, -40.00,
25-Aug-11, 110825, Payroll costs PE 23-Aug-11, 2.201, PE 23-Aug-11, 2.201, 0.00, -47.50,

```

There are no practical limits to the number of analysis entries you split employee's pay input into.

All the cost centre, job, department, activity etc. codes are maintained in the Codes section (see *Departments example on Page 1*).

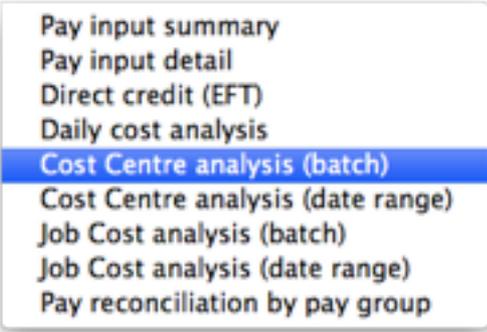
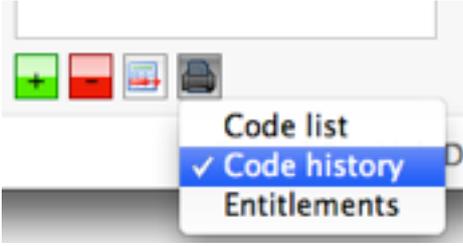
And the corresponding Job Costing Analysis report shows:

| Acme Widgets Pty Ltd | | | | | | | Page 1 |
|---|--|--------------|-------------|-------------|-------------|-------------|---------------------|
| Job Cost Analysis period end 23Aug11 payday 25Aug11 | | Earnings | | | Allowances | | 2011-08-03 17:59:47 |
| | | Ordinary | Overtime | Leave | Direct | Pro-rated | 28.11 |
| | | | | | | | Total |
| Admin Head office | | | | | | | |
| Bowen Matt | | 12.50 | | | | | 12.50 |
| A001 Andrews Project | | 12.50 | 0.00 | 0.00 | 0.00 | 0.00 | 12.50 |
| Bowen Matt | | 0.00 | | | | | 0.00 |
| M001 Matt's Project | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bowen Matt | | 25.00 | | | | | 25.00 |
| | | 25.00 | 0.00 | 0.00 | 0.00 | 0.00 | 25.00 |
| Department Total | | 37.50 | 0.00 | 0.00 | 0.00 | 0.00 | 37.50 |
| Factory Factory | | | | | | | |
| A001 Andrews Project | | | | | | | |
| Bowen Matt | | 50.00 | | | | | 50.00 |
| | | 50.00 | 0.00 | 0.00 | 0.00 | 0.00 | 50.00 |
| Department Total | | 50.00 | 0.00 | 0.00 | 0.00 | 0.00 | 50.00 |
| Totals | | 87.50 | 0.00 | 0.00 | 0.00 | 0.00 | 87.50 |

Producing historical reports

SmoothPay retains all history - forever.

SmoothPay also provides numerous reports, including the ability to run cost centre and job reports for individual historical batches, by date range and for individual cost centre, job, department etc codes. You can also export any report to an XLS spreadsheet file.

| Report | Where to get it |
|---|--|
| Cost Analysis by Cost Centre and/or Job for the Current Pay | Choose Pay Reports after you have selected who to pay and entered or imported your time entries.  |
| Historical batch or date range | Choose Reports..Pay and select the report you want from the menu:  |
| Individual code history | Choose Codes, then select the code list you want to report from (e.g. Cost Centres, Jobs, Departments etc), then select the Print tool and the report you want:  |

Additional, customised reporting can be arranged, if needed - please contact the HelpDesk for a quotation.

Feedback

We're always keen to do better!

Any and all feedback is appreciated and if you feel we could include better examples, provide more explanation, provide references to additional information, make a process easier to use, or you spot something that isn't working the way it's supposed to - please let us know.