



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.*)

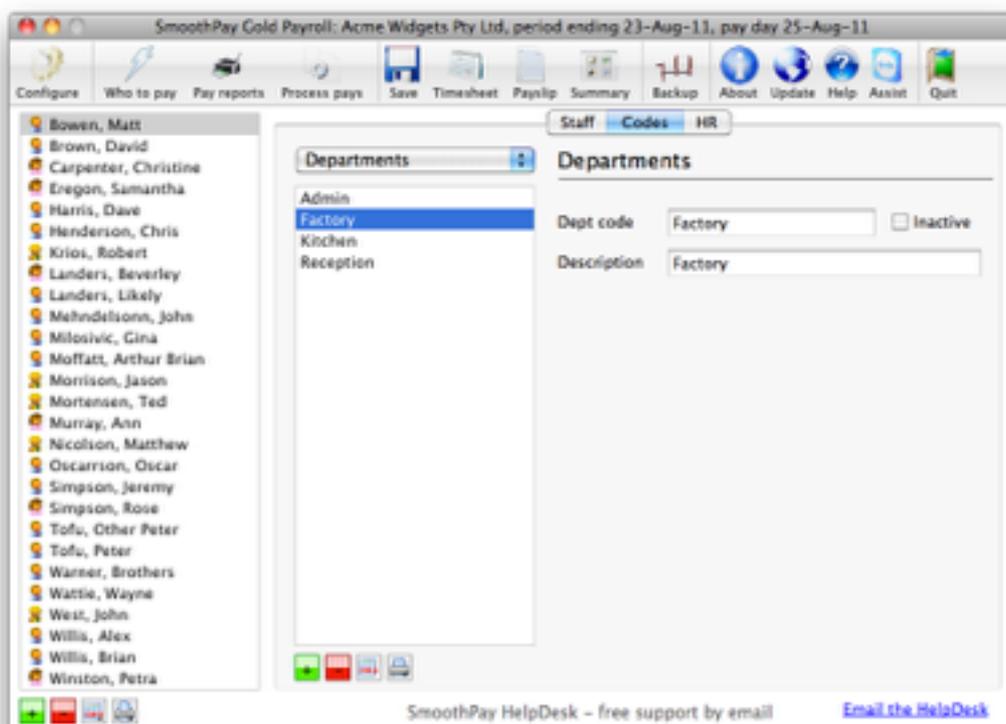
There is no limit to the number of departments, cost centres, jobs or activities available for analysing pay input entries.

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

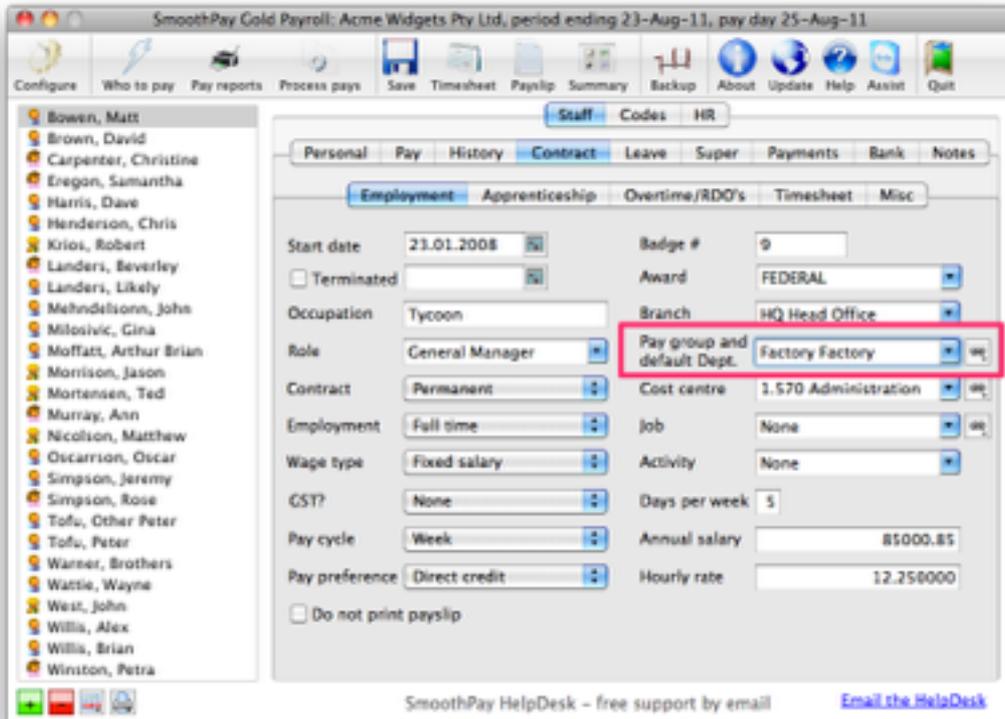
Every employee can be assigned to a “Pay point” which also acts as the employee’s default department for pay input entries.

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

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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		Tax Scale 4
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	28.86
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	28.86
Factory								
Bowen, Matt								
1 Week								
Time	40.000	0.000	0.000			40.000		Tax Scale 4
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
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		Tax Scale 7
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

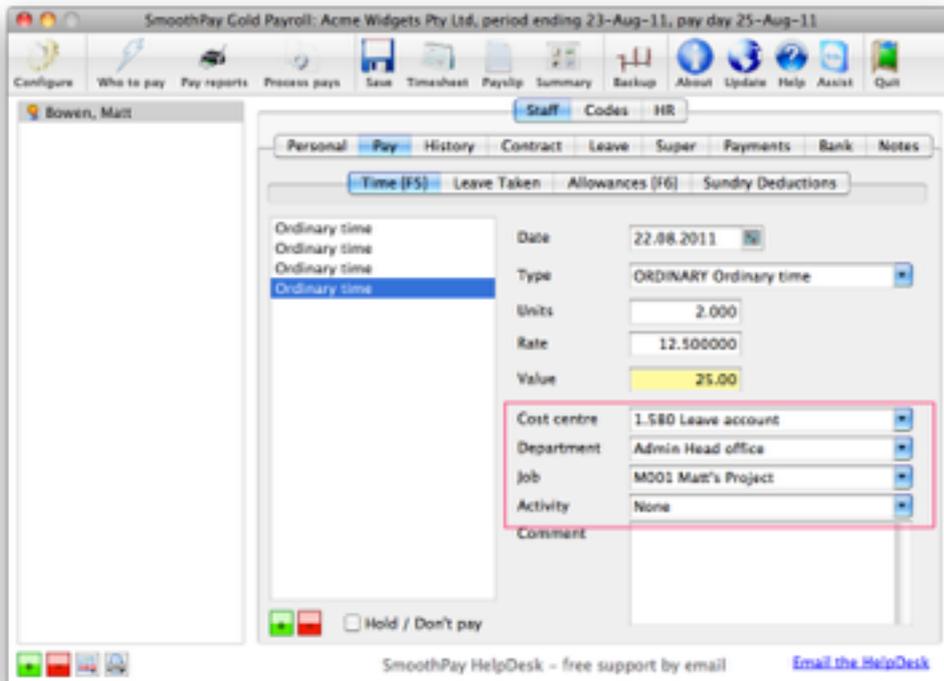
A picture paints a thousand words - so here's how an employee's day might be analysed - we'll go on to show how you achieve this in SmoothPay:

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
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 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*).

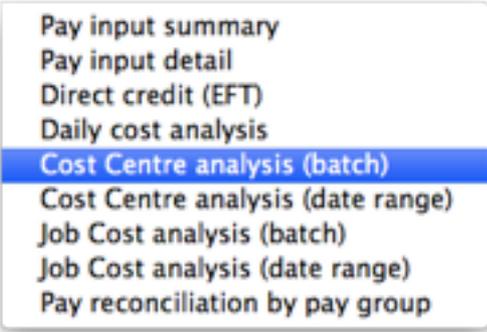
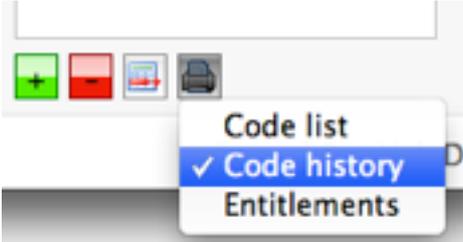
And the corresponding Job Costing Analysis report shows:

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	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.