CPSPON-02
Strategies for setting up Projects and Time Collection for accurate billings and revenue

Speakers: Ed Muldrow & Michael Soler

iuvosystems

Deltek Authorized Partner

Who is Iuvo Systems?

Iuvo is the PREMIER COST EFFECTIVE accounting & managed services firm partnering with government contractors, nonprofits and project oriented businesses.

Iuvo has worked with over a 1,000 government contractors since 2009.

What Services Does Iuvo Offer?

1 Systems Consulting & Compliance

2 Outsourced Accounting

3 Staff Augmentation

4 Special Accounting & Financial Projects

Four Key Learning Objectives

01 Managing the Project User Flow

02 Designing Direct & Indirect Project Structures

03 How to Setup a Project in Costpoint

04 Useful Tips for Setting up Projects

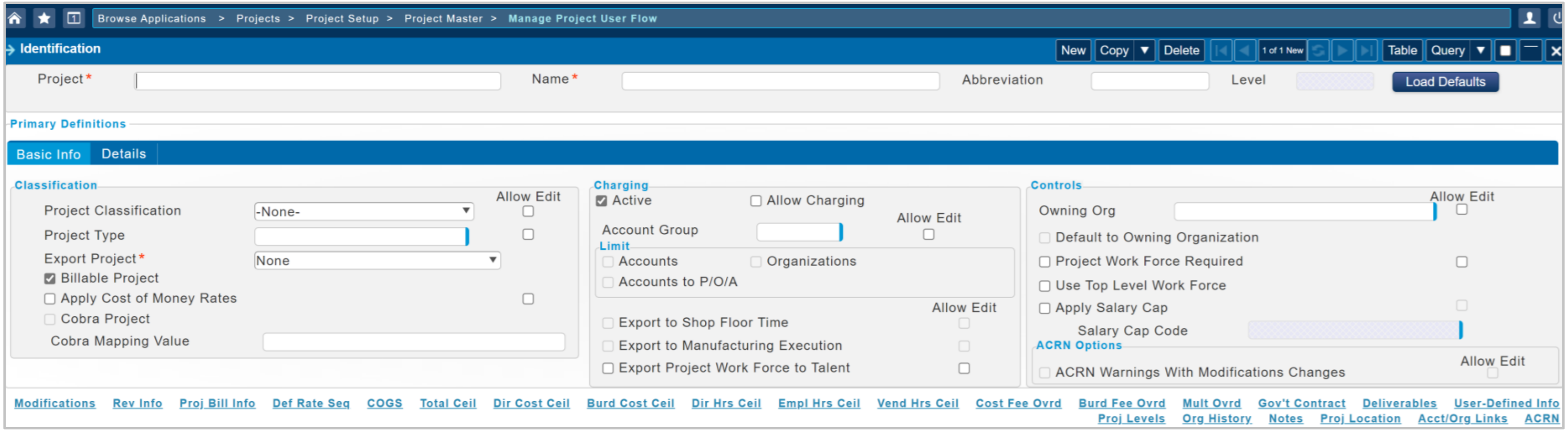
Overview of Costpoint Projects Module

- Manages and tracks the financial progress of your projects
- Establishes company-wide settings for your projects
- Sets up projects and contract type definitions, work breakdown structure, and revenue calculation methods
- Creates and maintains information for project budgeting, cost pools, work force, and subcontractor agreements
- Computes and prints billings
- Generates specific project reports for your financial obligations

Manage Project User Flow

The Manage Project User Flow screen is designed to facilitate project setup. You can:

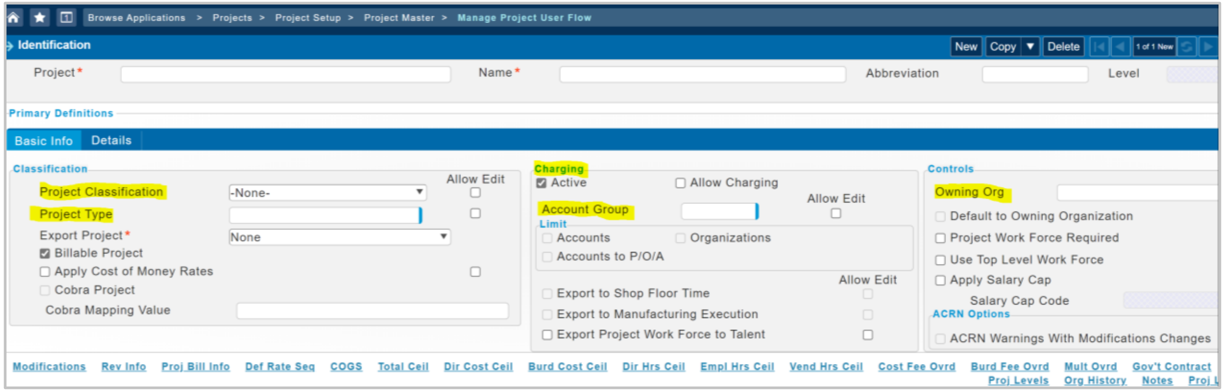
- ✓ Initialize a new project
- ✓ Make a change to an existing project (i.e., activating a project)
- ✓ Inquire on project history (i.e., contract and funding values)

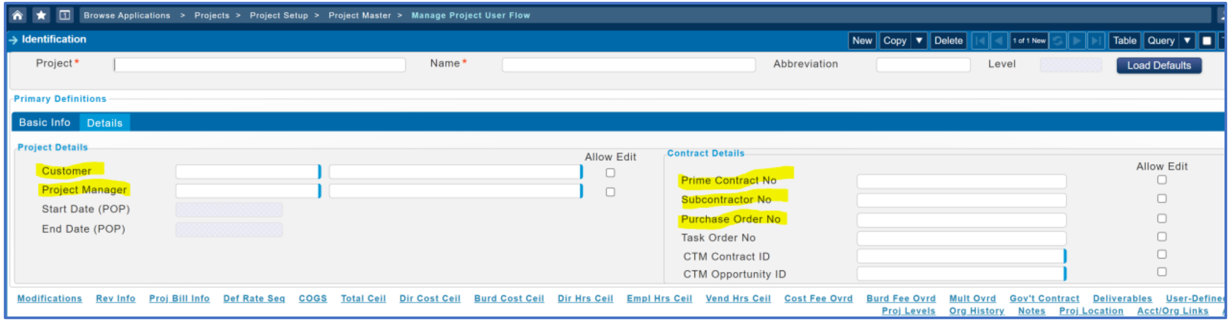


Manage Project User Flow

Key Features each project can be identified by:

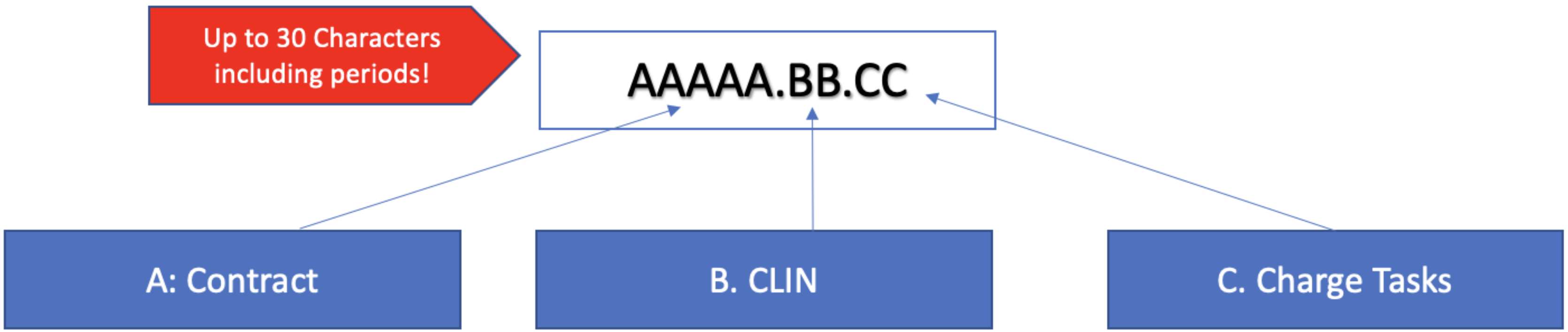
- Project classification
- Project type
- Charging criteria
- Account group
- Owning organization
- Customer
- Project manager
- Prime contract number
- Subcontract number
- Purchase order number





Designing Direct Project Structure

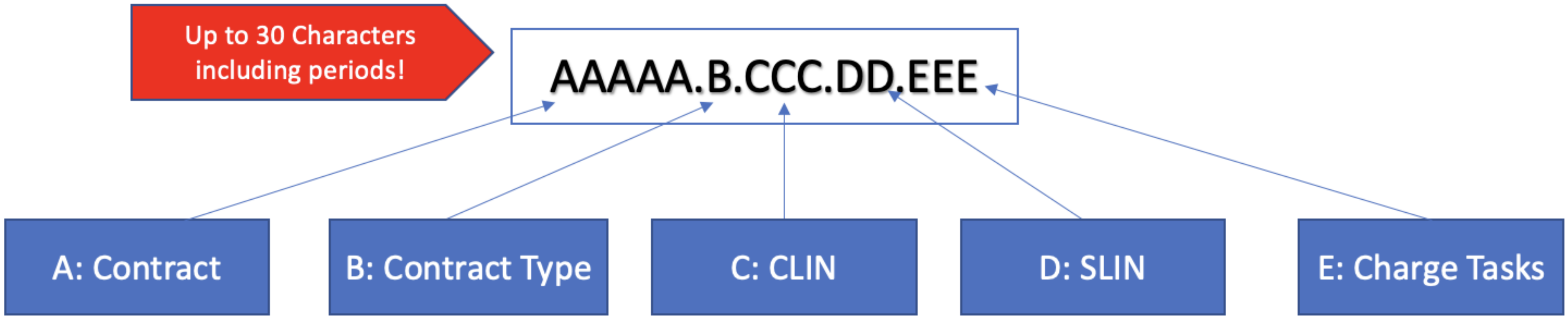
- Your project structure depends on your business requirements.
- You must develop a standardized structure. Here's an example:



Direct Projects – Contract, Product, Work In Progress

Designing Direct Project Structure

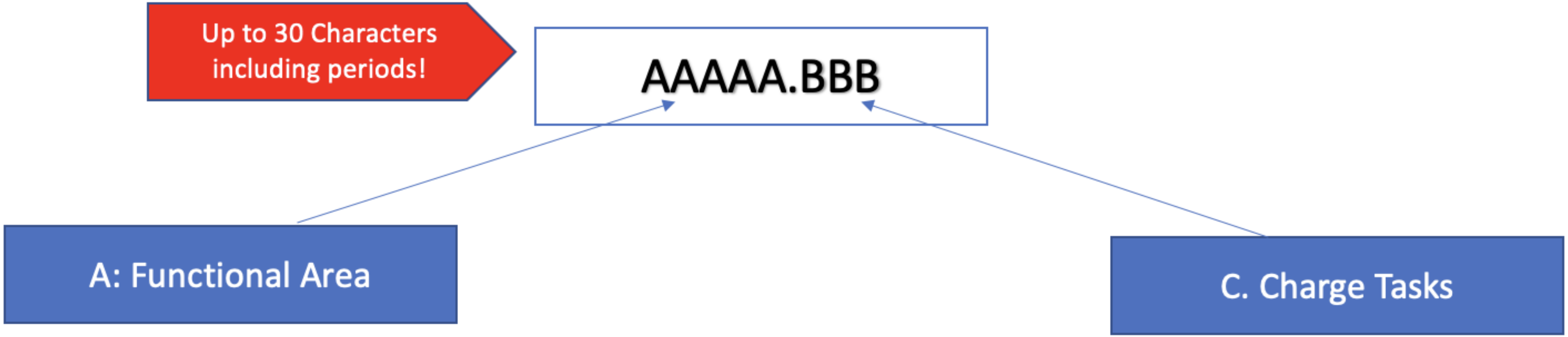
- Stay consistent with your Direct Project Structure!



Direct Projects – Contract, Product, Work In Progress

Designing Indirect Project Structure

- Similar to Directs, your indirect project structure depends on your business requirements. Here's a widely used structure by small to large businesses:



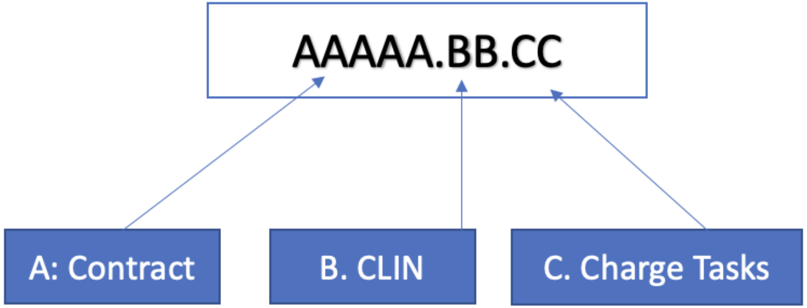
Indirect Projects – Overhead, Fringe, and G&A

Project Setup: Costpoint

Based on your business requirements, you must create projects from the highest (top) level to the lowest.

Each project must be defined in the Project Segment Lengths table first.

Level	Length	Level Description
1	5	Contract
2	2	CLIN
3	2	Charge Tasks



Project Setup: The 3 Pillars of Costpoint

- Each project must be linked to an <u>Account</u> and <u>Organization</u>
- All projects require Account/Organization to be a valid and complete transaction.

1. **Account** is the "What"
   - Labor, Travel, Material Supplies
2. **Organization** is the "Who"
   - Company, Group, Division, Department
3. **Project** is the "Why"
   - Proposal, Contract, Product, Support

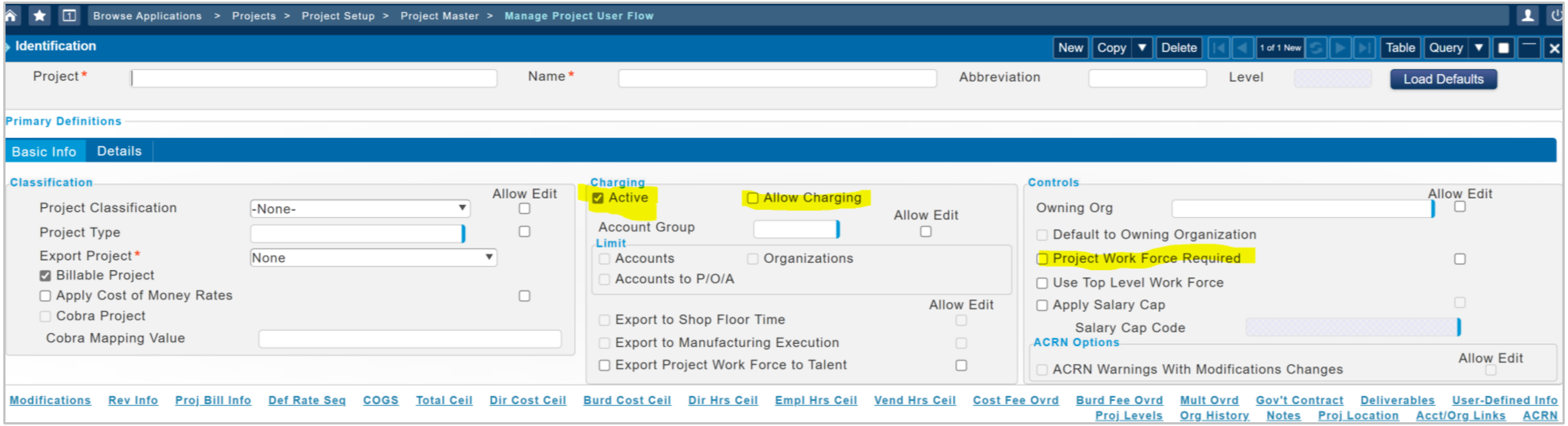
Project Setup: Required Fields

There are basic elements of the project that control the charging and functioning of the projects. Here are the six required fields:

1. **Project** – Enter the project code
2. **Project Name** – Enter the description of the project
3. **Project Classification** – Examples: Direct Projects, Bid & Proposal, etc.
4. **Project Type** – Examples: CPFF, Facilities, Fixed Price, Leave, etc.
5. **Account Group** - Determines the "set" of accounts that can be attached to the project
6. **Owning Organization** - Determines who "owns" the project if there are multiple organization within your company

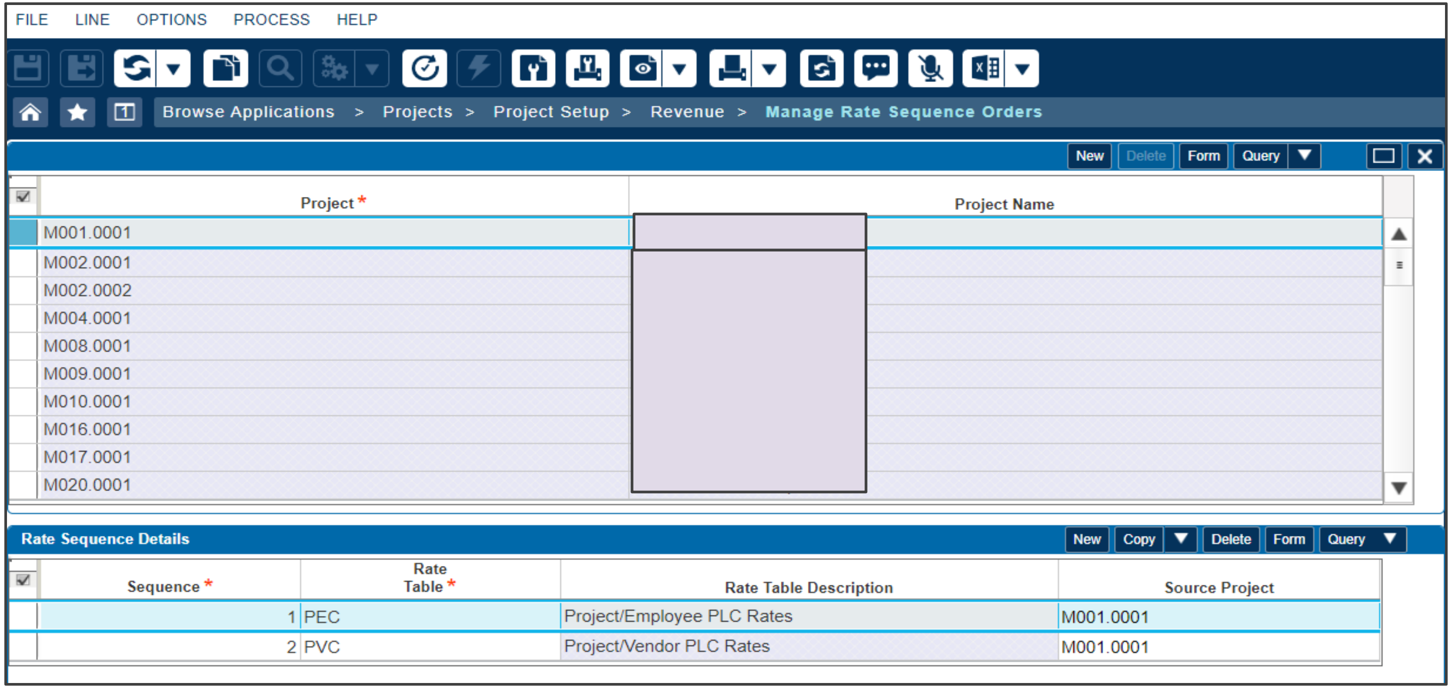
Project Setup: Optional Fields

- Determine the charging criteria of project such as selecting Active and Allow Charging Status.
- Enable “Project Work Force Required” during the labor transaction entry.
  (Only used at the charging level).



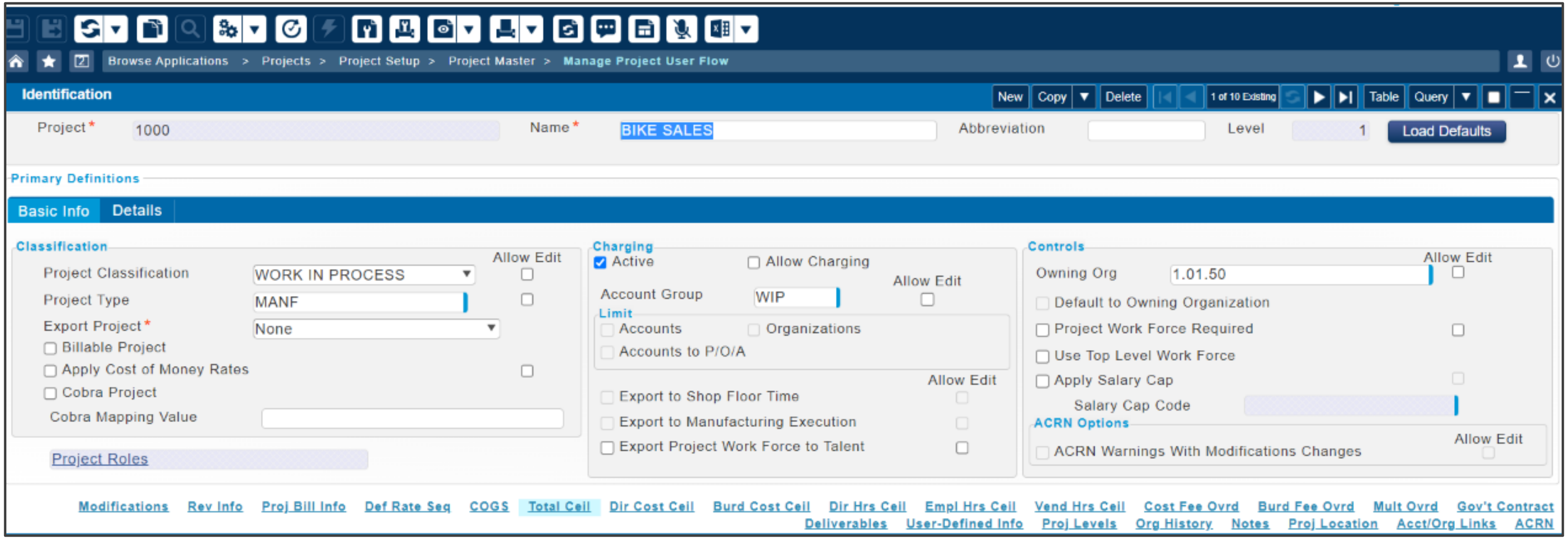
Project Setup: Define Rate Sequence

- Define Rate sequence for T&M Billing. This indicates at which level the project labor rates are held. Costpoint uses this information for billing and revenue calculations.



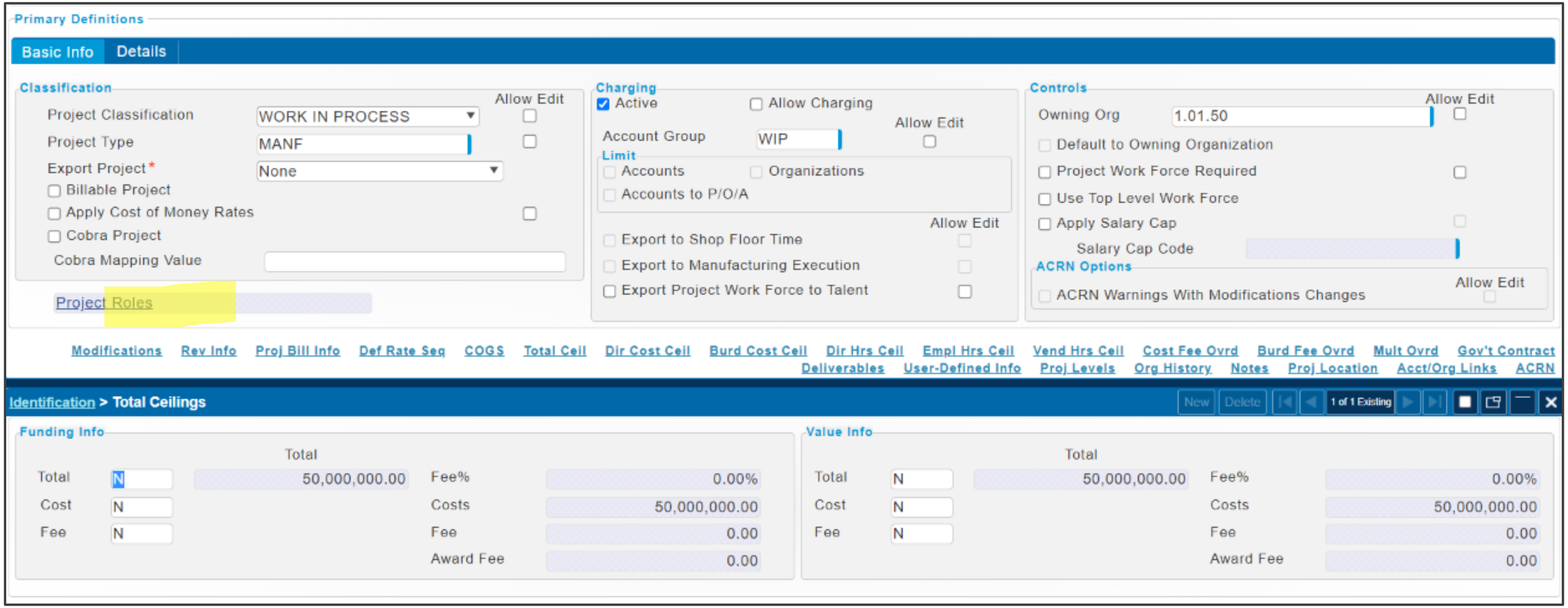
Project Setup: Ceilings

- Ceilings are used in Costpoint to alter or stop revenue or billing from calculating. There are several ceilings in Costpoint. The most common are Total Ceilings, Burden Cost Ceilings and Cost Fee Overrides.



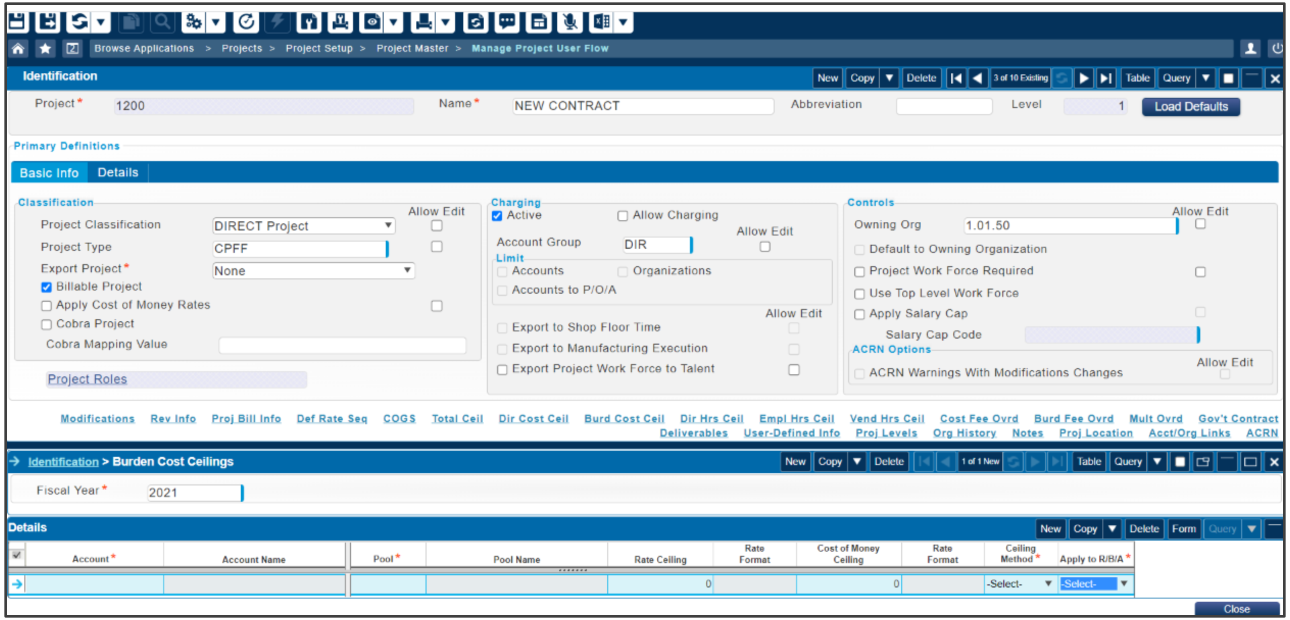
Project Setup: Total Ceiling

- Simple Ceiling that uses your total mod value to stop revenue from calculating based on cost, fee or total ceiling amounts.



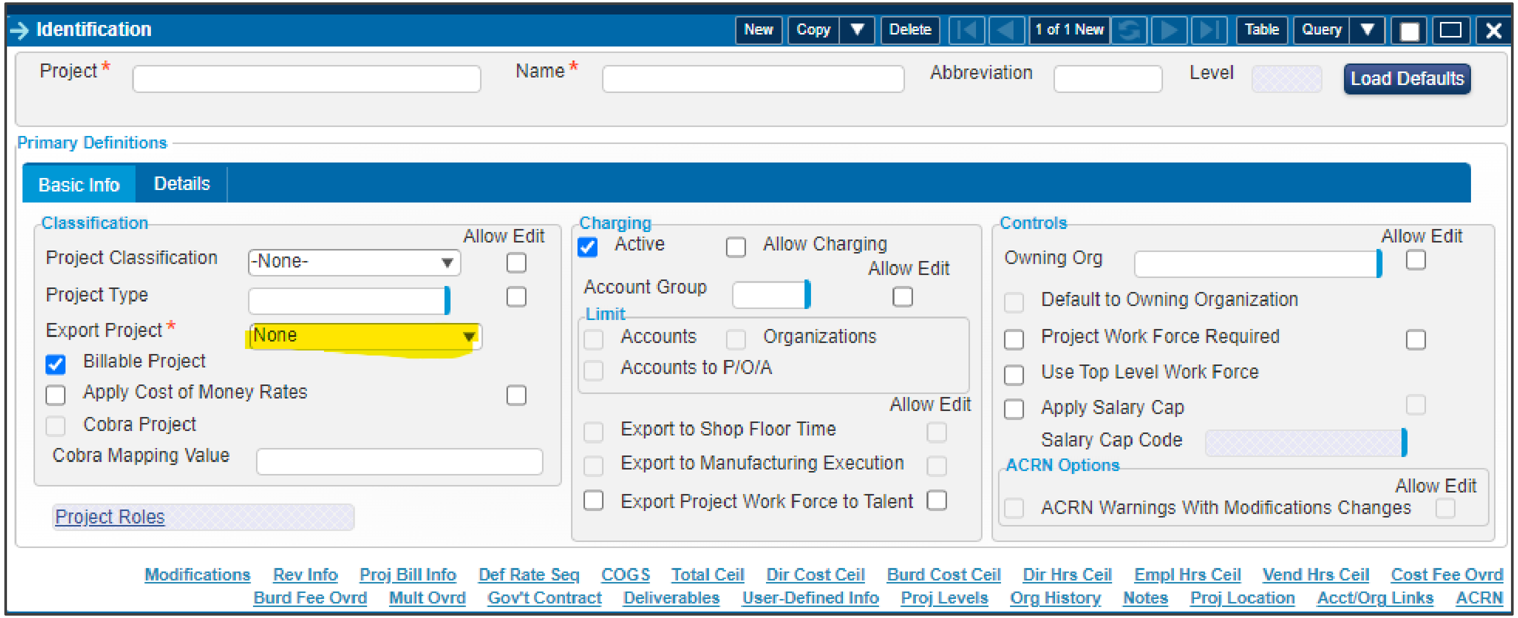
Project Setup: Burden Cost Ceiling

- Used to alter or stop burden from being calculated on specific accounts for billing and revenue.



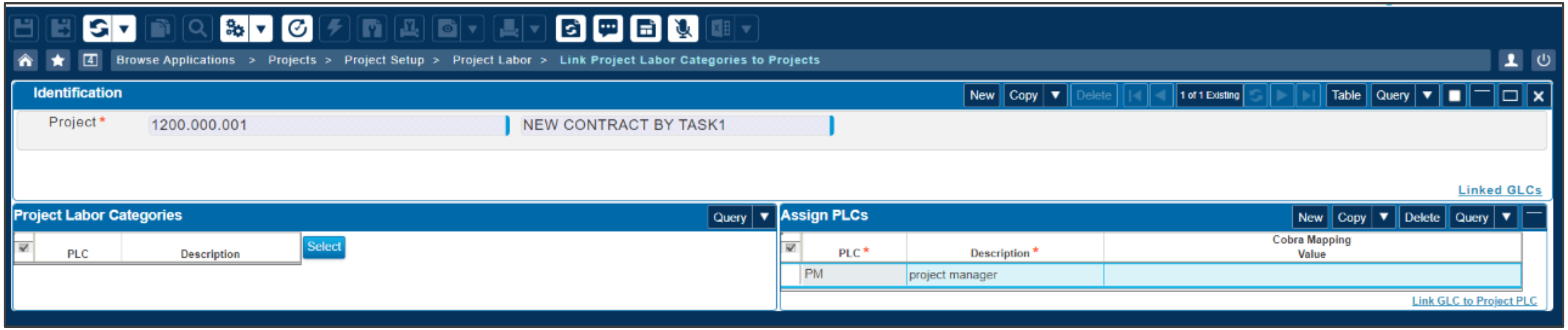
Project Setup: Export Project

- Export Project is which Project charge codes are to be exported to Time and Expense for charging.
- This is usually designated at the charging level only.
- This specifies whether the project is for timesheets, expense reports or both.



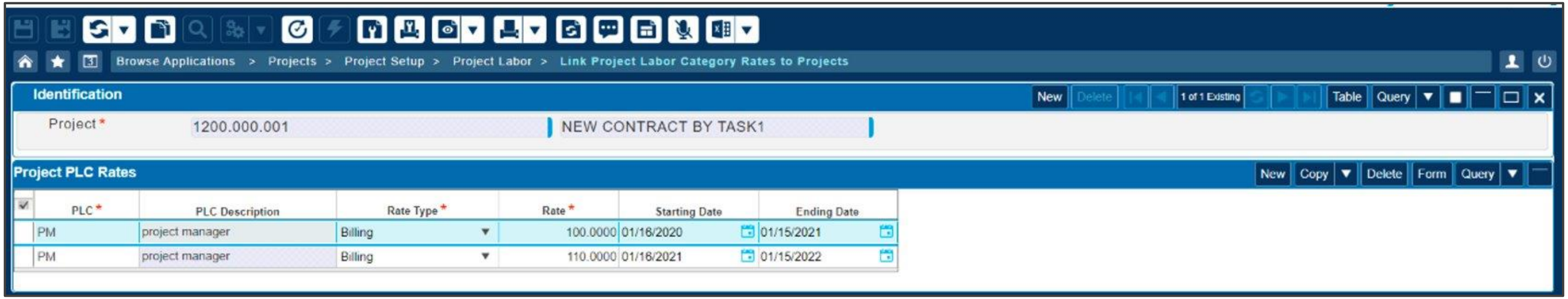
Project Setup: Link Project Labor Categories

- This screen is used to allow project labor categories to be used in the specific assigned projects.



Project Setup: Link PLC Rates to Projects

- This step is only necessary for T&M projects. Rates are entered by PLC and timesheet end date.



Project Setup: Checklist

Here’s a checklist to properly setup a project. For more information, please call us!

- ❑ Setup the Project Setup Control screens
- ❑ Setup all applicable Project Master screens
- ❑ Setup Account/Org links subtask
- ❑ Setup the Manage Modifications screen
- ❑ Setup the Government Contract subtask on the Manage Project User Flow
- ❑ Setup other applicable screens
- ❑ Setup labor categories for Time and Materials and Level of Effort projects
- ❑ Setup revenue information
- ❑ Setup discounts (if applicable)
- ❑ Setup Cost of Goods Sold (if applicable)
- ❑ Setup cost and hours ceilings
- ❑ Setup prior fiscal year history
- ❑ Setup billings

Project Billing/Revenue Level Prime Contracts

- Selecting your Billing/ Revenue Level is another important consideration.
- The main consideration for the billing/ revenue level are the different types of billings required in the contract.
- On the example below, I would make the billing/revenue level the CLIN level.
- This is a very common setup for Prime contracts and Prime contracts can have different Billing/ Revenue types by CLIN. Therefore billing/revenue level by CLIN is a safe setup.

Level 1	Level 2	Level 3	Level 4
Contract	CLIN	WBS	Charging
AAAAA	BBBB	CCCC	DD

Project Billing/Revenue Level SubK Contracts

- Below is an Example of a Subcontract Project structure.
- There are certain instances where subcontractors prefer one invoice. Assuming all the lines are the same billing type, you would make it at the OY level.
- If they want a summary invoice and more detail levels, you can use the detail levels subtask to add additional billing levels.

Level 1	Level 2	Level 3	Level 4
Contract	OY	Line	Charging
AAAAA	BB	CCCC	DD

Selecting the Correct Billing/Revenue Formula

- Selecting the correct formula is imperative for Costpoint to calculate your billings/revenue correctly.
- There are two types of billing/revenue formulas; Transactional and Fixed.
- Transactional formulas look at cost/ hours in order to make calculations. These formulas need costs to be posted prior to calculation.
- Fixed formulas do not require costs to be posted to prior to calculation. They calculate based on specified parameters.
- Examples of the parameters that can be fixed amount monthly, milestones or based on project completion percentage.

Timesheet Defaults

- Timesheet defaults are how Costpoint assigns Accounts and Orgs upon import from Time and Expense.
- The options on how to assign Timesheet Defaults are located under people -> labor -> timesheet defaults.
- Each screen is set up to assign an account and org based on the predefined parameters.
- Parameters can be Project Type, labor group, employee, project ID and project account group.

Labor-Group Project-Acct Group TS Default

- The most common timesheet defaults used are Labor-Group- Proj Acct Group and Project Timesheet Defaults.
- The Labor-Group–Proj Acct Group Timesheet Default utilizes the Labor Group assigned to the employee's most recent salary record and the Project Account Group set up in the Manage project user flow.
- I utilize this type of timesheet default when there are no conflicting org/ accounts within each Labor Group.

Browse Applications > People > Labor > Timesheet Defaults > Manage Labor-Group Proj-Acct-Group Timesheet Defaults

Labor Group *	Labor Group Description	Project/Account Group *	Project/Account Group Description	Account *	Account Name	Organization	Organization Name
CON	CONSULTANT	DIR	DIRECT	5200-001	CONTRACT LABOR		
CON	CONSULTANT	DTM	DIRECT T&M	5200-001	CONTRACT LABOR		

Project Timesheet Defaults

- Account, Orgs are assigned by project. This method is recommended if the parameters need to be more specific than labor group and PAG.
- An example of this would be an employee that works for two labor groups.
- Another common example would be leave projects. The most common setup is one fringe PAG with Project defaults for account/orgs.

Browse Applications > People > Labor > Timesheet Defaults > Manage Project Timesheet Defaults

Project *	Project Name	Apply to Project's Lower Levels	Organization	Organization Name	Account	Account Name
LEAV.BRV.001	LEAVE Bereavement	☐	1.01.60	FRINGE COSTS	6001-010	FR Bereavement
LEAV.CMP.001	Comp Time	☐	1.01.60	FRINGE COSTS	6001-011	FR Comp Time
LEAV.COV.001	COVID LEAVE	☐	1.01.60	FRINGE COSTS	6001-007	FR COVID PAY
LEAV.FLT.001	Floating Holiday	☐	1.01.60	FRINGE COSTS	6001-009	FR FLOATING HOLIDAY
LEAV.HOL.001	HOLIDAY PAY	☐	1.01.60	FRINGE COSTS	6001-001	FR HOLIDAY PAY

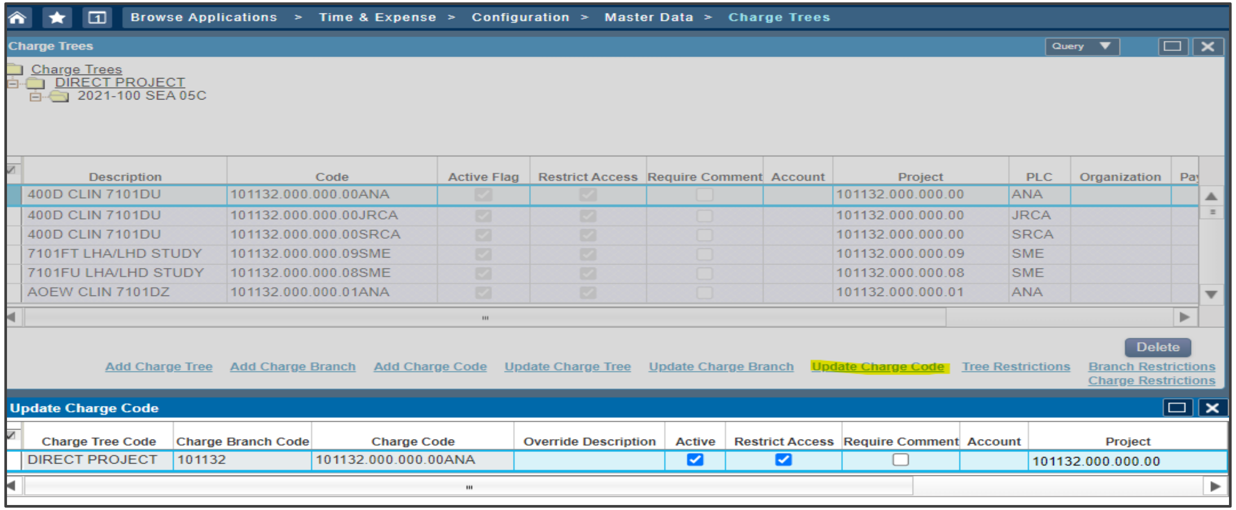
Charge Tree

Another method of creating timesheet defaults are the charge tree within Time and Expense. Charge Trees are utilized primarily for the below:

- Static project-based defaults.
- Primarily used for leave projects with pay types.
- Employees do not have to select any of these defaults on their timesheets.
- Defaults are automatically written to the employee's timesheet and the timesheet export file.
- This default supersedes the Costpoint defaults.

Setting Defaults in the Charge Tree

- The charge tree is located in the "Charge Trees" application.
- The Charge Tree appearance can vary greatly depending on the options selected in the export.
- Once in the application you find the project.
- Changes are then made by using the "Update Charge Code" Subtask.
- In this subtask you can alter the org, account, pay type and description.

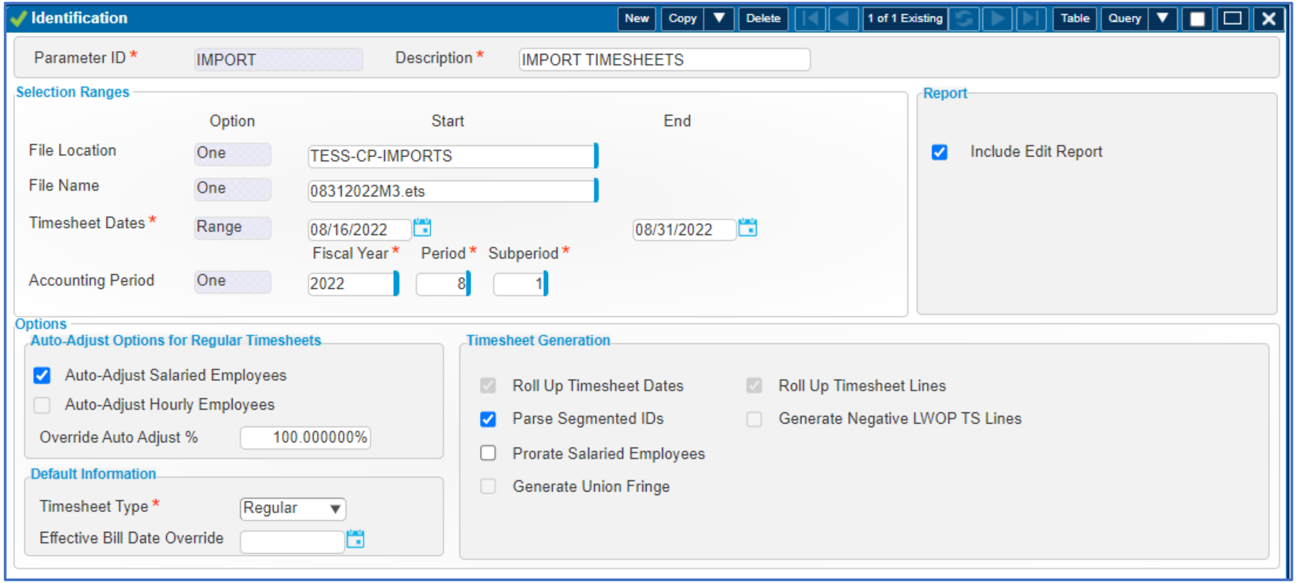


Importing and Posting Labor

- The way labor is posted can impact how Costpoint can generate labor reports.
- Labor is generally posted in summary by TS Cycle, but Costpoint can post it by day.
- Costpoint calculates salaries employees by dividing Payroll salary by regular hours.
- If Labor is posted by day, Costpoint generates costs by day for employees.

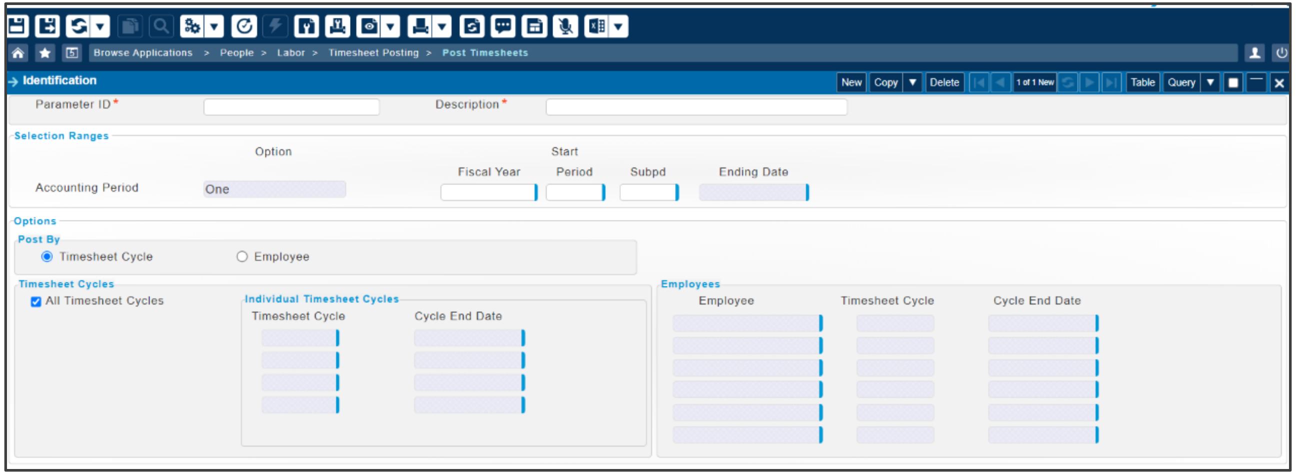
Importing Timesheets

- In the import timesheets screen you can alter how the time and expense costs will be imported.
- Roll Up- Timesheet Dates / Roll Up Timesheet Lines is the setting which summarizes the TS Date/ Line. If you want costs by day you would omit those checkmarks.
- Auto Adjust is the percentage of payroll salary amount to allocate to this timesheet.



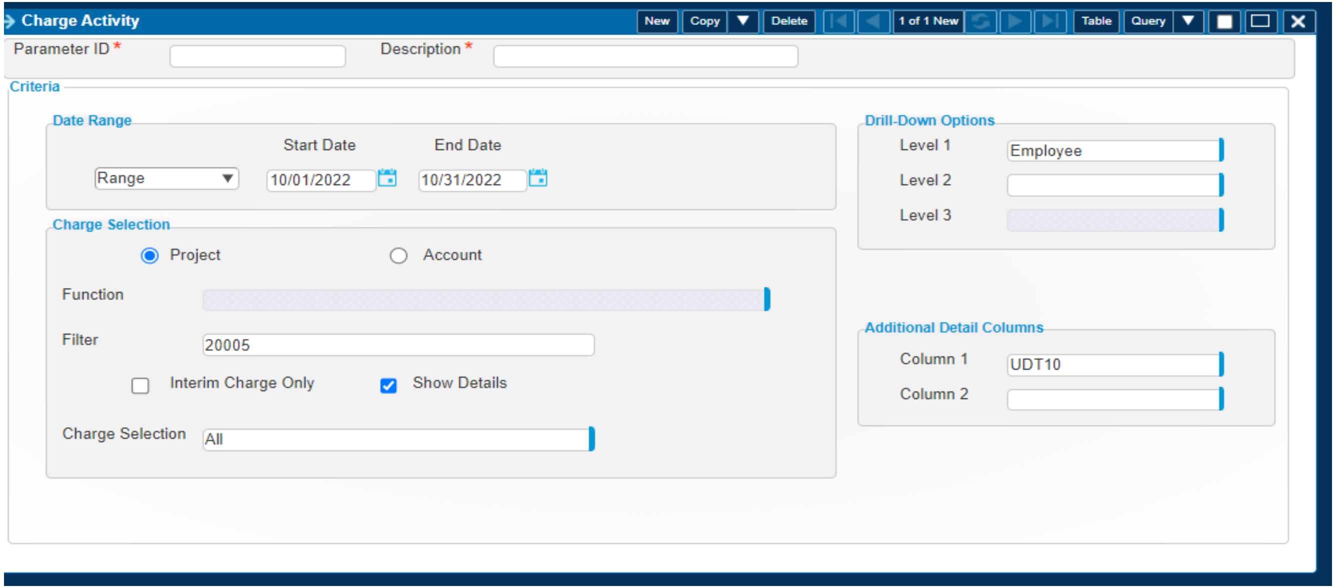
Posting Timesheets

- It is recommended to post labor that matches your payroll register.
- This can later be viewed in the GL Posting Summary and Timesheet report.
- A GL Posting that matches the payroll register has been recommended many times in system audits.



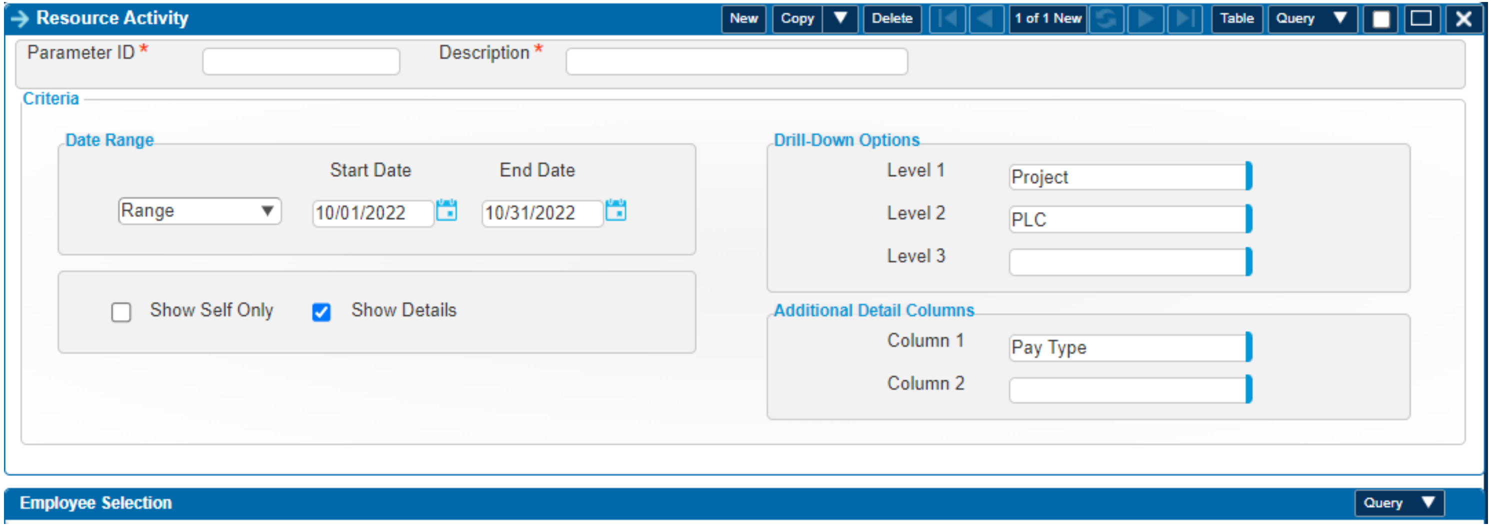
Timesheet Reports: Charge Activity

- Charge Activity shows charges to a specific project or account within a specific date range.
- Primary use for this is billing backup.
- No costs is displayed in this report.



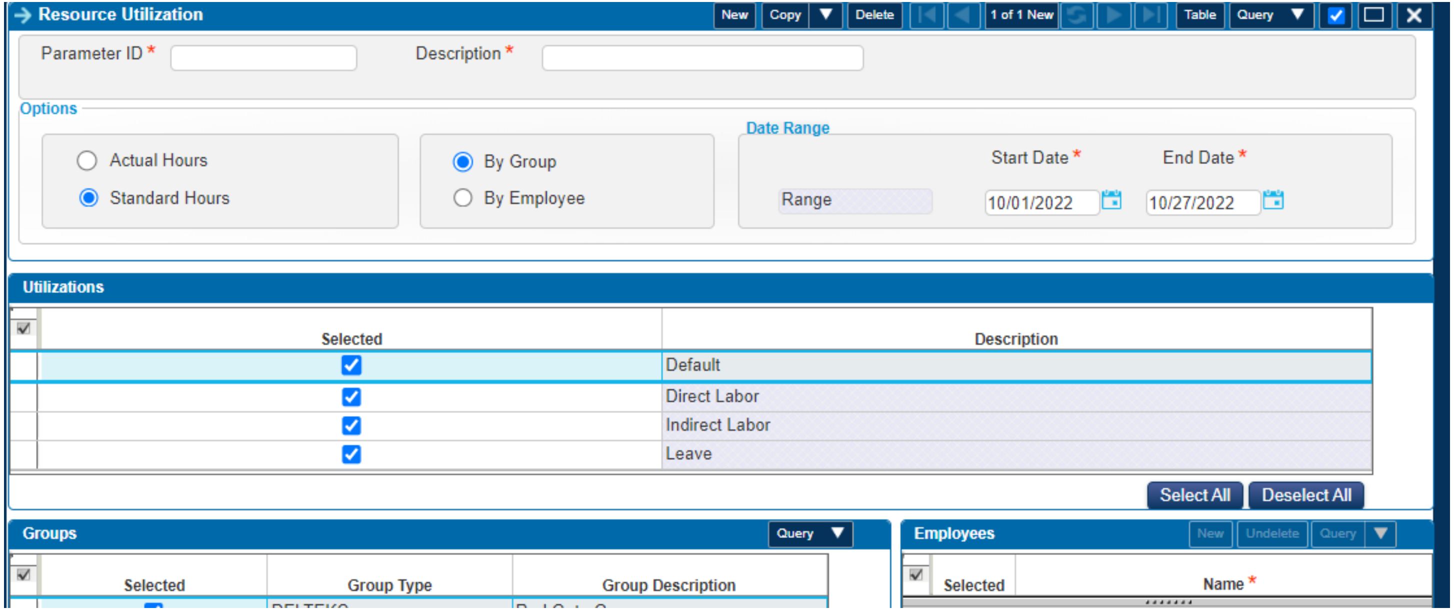
Timesheet Reports: Resource Activity

- Prints all employee hours for the selected employee groups.
- Good when you head multiple employee groups and want to see only a specific subset of employee hours.



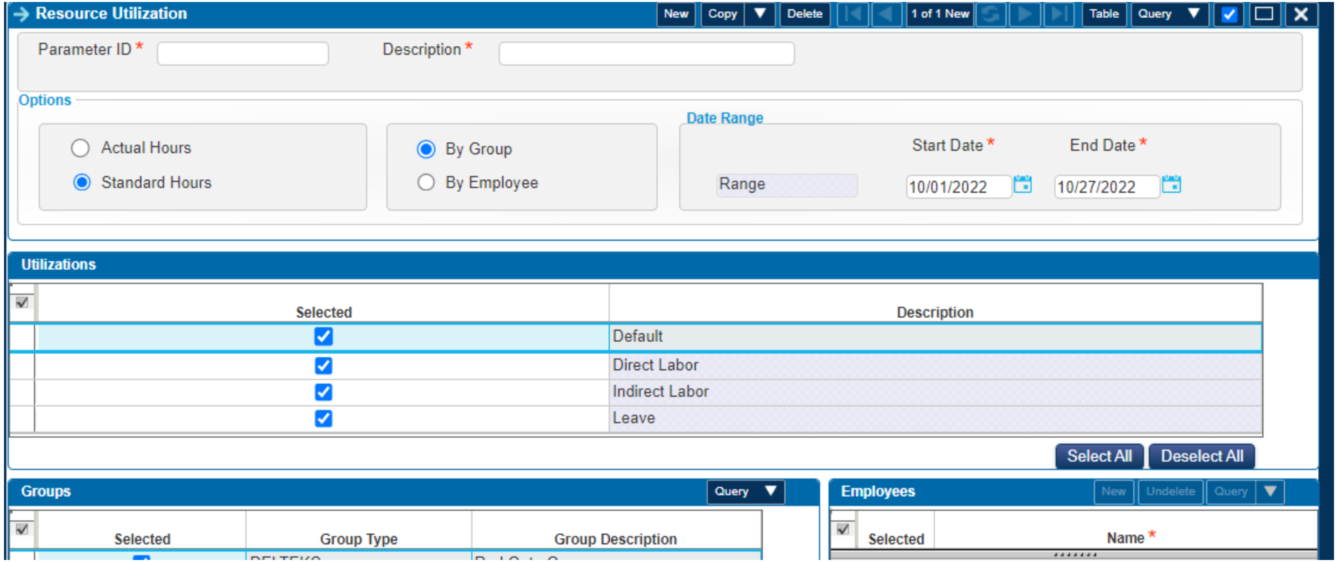
Timesheet Reports: Resource Utilization

- This is a built in Utilization report based on the Account types made in the export settings.



Expense Utility: Attachment Download

- This utility allows for fast download of the actual expenses attached by the employees on their Expense Reports.
- I use this to quickly obtain all Expense Report backup for billing.



Revenue Worksheet

- The most useful report to get detailed information on how Costpoint is calculating its revenue. This report shows detailed information on the fee amount, T&M Rates, Burden build up and ceilings.

Revenue Worksheet

Fiscal Year: 2022 Period: 7 Subperiod: 1
Report Period: Period
Rate Type: Target

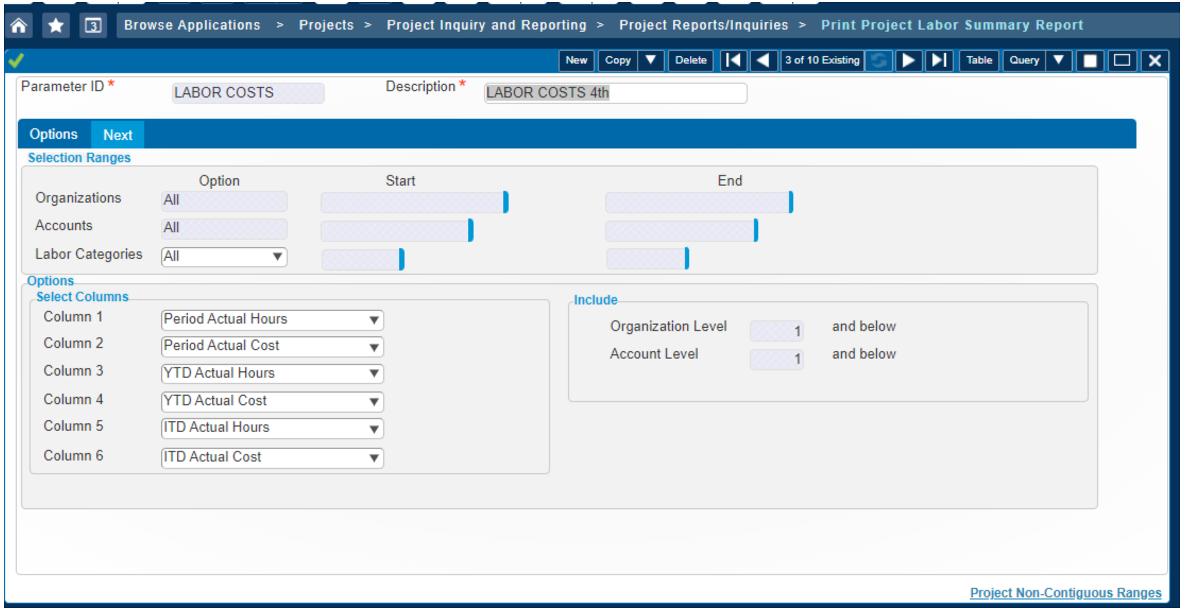
Page 1 of 1
10/28/22
09:20 AM

			Total ITD Value (w/o Future Mods)	Total ITD Funded (w/o Future Mods)	Total Value (All Mods)	Total Funded (All Mods)
roject:	101122					
roject Name:	NSWCPD CODE 104 RDTE	Cost:	168,481.75	168,481.75	228,572.50	228,572.50
wning Organization:	1	Fee:	0.00	0.00	0.00	0.00
roject Type:	T&M	Total:	168,481.75	168,481.75	228,572.50	228,572.50
roject Classification:	DIRECT PROJECT	Award Fee:	0.00	0.00	0.00	0.00
roject Manager:	BARKER, KIMBERLY R.					
evenue Formula:	Loaded Labor Rate			Period of Performance:	03/16/21	To 12/31/22
ot Applicable:	0.0000			Status:	Active	

Category/Acct	Description	Rate	Total Hours/Cost	Less Hours/Cost Over Ceiling	Allowable Hours/Cost	Fee	Fee On Hours	Revenue
A2	SYSTEMS ADMIN 2/ISSE	42.0000	112.00	0.00	112.00			4,704.00
A2	SYSTEMS ADMIN 2/ISSE	78.5500	32.00	0.00	32.00			2,513.60
otal Direct Labor			144.00	0.00	144.00			7,217.60
00	DIRECT LABOR		4,318.18	4,318.18	0.00	0.00	0.00	0.00
otal Direct Costs			4,318.18	4,318.18	0.00	0.00	0.00	0.00
11	FRINGE BENEFITS	33.670000%	1,453.93	1,453.93	0.00	0.00	0.00	0.00
14	OVERHEAD ES	13.610000%	785.59	785.59	0.00	0.00	0.00	0.00
17	GENERAL & ADMIN	7.900000%	518.06	518.06	0.00	0.00	0.00	0.00
otal Indirect Costs			2,757.58	2,757.58	0.00	0.00	0.00	0.00
Total Cost			7,075.76	7,075.76	0.00	0.00	0.00	7,217.60

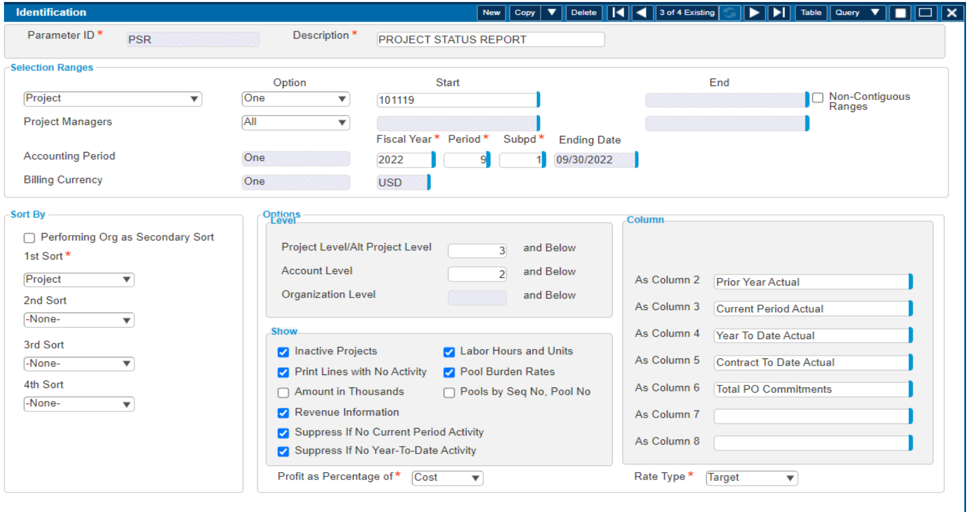
Labor Reports Project Labor Summary Report

- This is a detailed labor report that shows cost, revenue and hours.
- This can also be used as a detailed billing report.



Project Status Report

- This is the main project summary report.
- This displays the profitability of the project, costs by account and indirect costs by pool.
- Indirect Costs and profit can be displayed by target or actual burden rates.
- Budget information can be populated using the Total Budget and Project Budgets by Period applications.



Labor Reports T&M Analysis Report

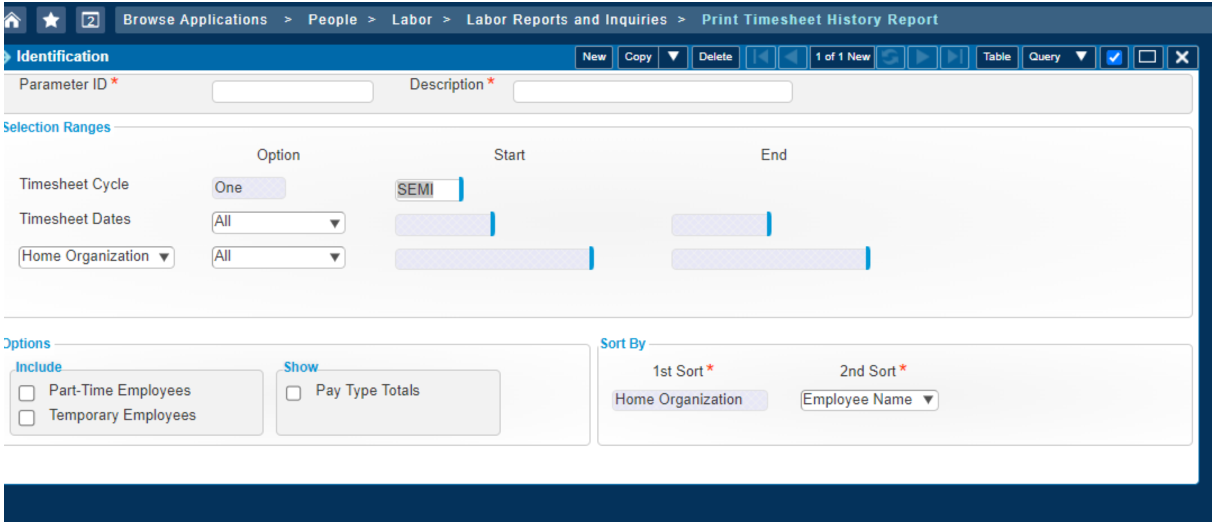
- The most underutilized report. This displays profitability by employee or PLC for a given project. Profitability by employee, if the project is T&M. This can be used for non T&M project to gain fully burdened costs by employee or PLC. Can be ran for target or actual burden rates.

Rate Type: Target
Group By: PLC
Fee Type: Desired Fee Percent
Report Period: Year To Date

Total Hours	Less Hours Over Ceiling	Allowable Hours	Billing Rate	Average Base Labor Rate	Burden Markup %	Burden Labor Rate	Profit % On Billing Rate	Profit % Desired Fee %	Burden Plus Desired Fee%	Minimum Billing Rate
Project: 101122		NSWCPD CODE 104 RDTE								
Account: 500-200			Organization: 1.01.01.00							
PLC: SA2			Description: SYSTEMS ADMIN 2/ISSE							
1,416.00	0.00	1,416.00	75.6590	28.7683	163.86%	47.1396	60.50%	0.00%	163.86%	47.1396
PLC: SA2 OT			Description: SYSTEMS ADMIN2/ISSE OT							
6.50	0.00	6.50	0.0000	55.3062	163.86%	90.6246	-100.00%	0.00%	163.86%	90.6246
1,422.50	0.00	1,422.50								

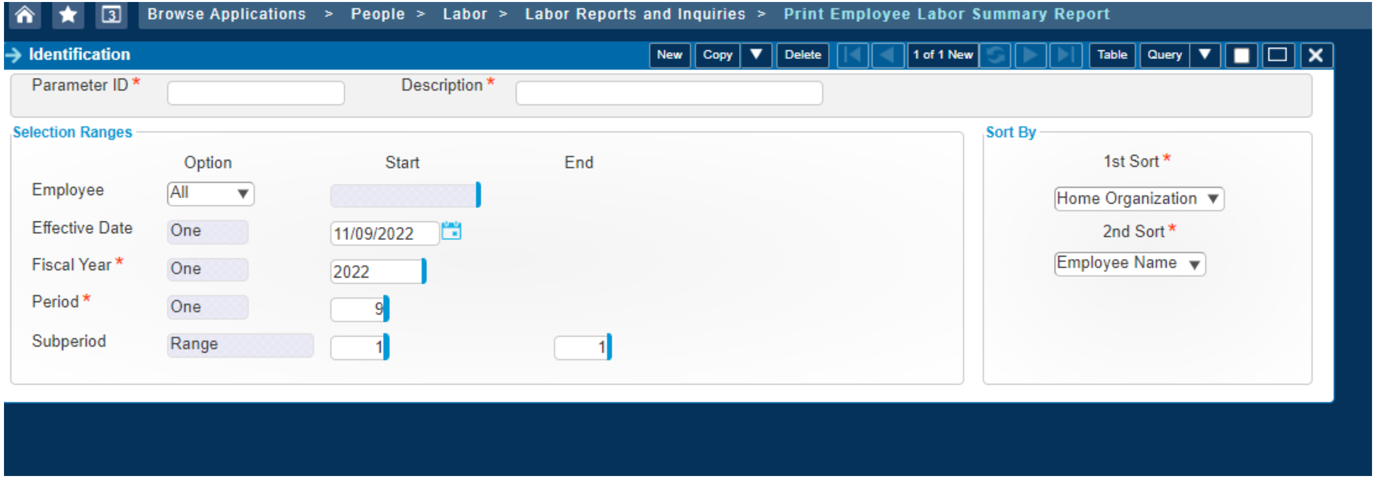
Labor Reports Print TS History Report

- Reports to reconcile your labor distribution or see detailed costs by timesheet. This is based on timesheet dates as opposed to period.



Labor Reports Employee Labor Sum

- Another option for backup labor reports. This report functions as a detailed utilization report. Cost, hours and billable percentage are included in the report.



Breaking the ice!

- What are your organizational needs right now?
- What do you expect out of Deltek Costpoint?
- What do you have today in your organization that can be improved tomorrow?

Questions & Answers