

 **Viewpoint**
Jobpac Connect[™]

WIH/Cash Flow Lag by Project
Function Guide
Version: 1.0

Document Control Table

Prepared by	Damien Bourke
Approved or authorised by	
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Change History

Version	Date	Author	Description of Changes
1.0	30/04/2022	DMB	Initial Release

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Introduction

This Function provides the:

- Ability to set payment frequency auto rules per project
- Ability to set cash flow lead and lag time auto rules per project
- Ability for lead and lag times to be a part of a month e.g. 0.5
- Lead and lag times to be pegged to last month of a payment period (where frequency is more than a month)
- Ability to override auto rule phasing with manual phasing
- Auto rules to only be applied on demand so not to override manual phasing
- Ability to Spread WIH evenly across all remaining years of the project

New screens have been developed to allow the setting of the above rules by project. This setting will override the current workid based lagging options.

A new Menu item may be required for this function.

Set Cash Forecast Spread JOBLLAGMNP

WIH/Cash Flow Lag by Project

Column	Description
	<p>e.g. if the Base Month is MAY22, and the frequency is 3, then the sets of months for each frequency instance are MAY22, JUN22, JUL22, and AUG22, SEP22, OCT22, etc.</p> <p>A Base Month is mandatory if the Receipt Frequency is greater than 1, and should be blank if the Receipt Frequency is 1.</p>
Rec Ld/Lg	<p>This can be positive or negative, and is the lag no of months or the lead no of months for receipt of payment. It can have one decimal place.</p> <p>Entry into the Receipts Lead/Lag Field is limited to numbers between -99.9 and +99.9. It can be zero. A warning message "This is higher than the normal maximum Lead/Lag of -3 to +3. Do you want to continue" will display if the Lead/Lag is greater then 3 or less than -3.</p>
Pay Frq	<p>This is the frequency that payments are made in months.</p> <p>E.g. if set to 3, then payments are only done every three months.</p> <p>Entry into the Payments Frequency Field is limited to numbers between 1 and 99, with no decimals. A warning message "This is higher than the normal maximum frequency of 3. Do you want to continue" will display if the frequency is greater then 3.</p>
Pay Mth	<p>This column contains an accounting period in the format MMMYY that is used as the base month for determining the Payments Frequency.</p> <p>e.g. if the Base Month is MAY22, and the frequency is 3, then the sets of months for each frequency instance are MAY22, JUN22, JUL22, and AUG22, SEP22, OCT22, etc.</p> <p>A Base Month is mandatory if the Payment Frequency is greater than 1, and should be blank if the Receipt Frequency is 1.</p>
Pay Ld/Lg	<p>This can be positive or negative, and is the lag no of months or the lead no of months for payments. It can have one decimal place.</p> <p>Entry into the Payments Lead/Lag Field is limited to numbers between -99.9 and +99.9. It can be zero. A warning message "This is higher than the normal maximum Lead/Lag of -3 to +3. Do you want to continue" will display if the Lead/Lag is greater then 3 or less than -3.</p>

Entering data or changing data in this screen will not immediately impact the cash forecasting spread on the project concerned. The changed spread rules will only apply when the option is selected in the WIH screen.

A history file of changes and the userid and time of those changes will be established (JOBLLDGAU). There will be no enquiry to view these changes, however the history will build up for any future use, and will be available for technical staff to interrogate.

WIH/Cash Flow Lag by Project

Changes to Existing Workid and Project Type WIH and Cash Forecast Spreads.

There are currently options by workid and BFM Project Type to set auto spreading of WIH and auto spreading of Receipts and Payments based on lagging factors. These are set in the following screen accessed via BFM Project Types Maintenance.

▼ ACTIONS
 ✔ OK
 ↶ BACK

BFM - Project Type Maintenance

Protect WIH Cost \$ Fields
 Protect
 Do Not Protect
 Set From Work Id Level

Protect WIH Cost % Fields
 Protect
 Do Not Protect
 Set From Work Id Level

Protect WIH Margin \$ Fields
 Protect
 Do Not Protect
 Set From Work Id Level

Protect WIH Margin % Fields
 Protect
 Do Not Protect
 Set From Work Id Level

Auto Allocate WIH Values
 USW Auto Allocate WIH Values

Auto Allocate Cash Values

If yes, Receipts Lag Value

 (# of Months)

Payments Lag Value

 (# of Months)

The BFM Sub-System uses these settings to continually auto allocate WIH and Cash Forecasting. The logic in this subsystem has been changed to ignore any project that has an entry with the column On = Y in the Cash Forecasting lead/Lag rules by Project screen described above. i.e. these projects will not have any auto allocation of WIH or cash forecasting performed. Projects with the column On = N will be auto allocated as normal.

WIH/Cash Flow Lag by Project

Spreading of Receipts and Payments for a Project

Three options are available in the Monthly WIH and Cash Forecasting Screen below in the Left Hand Panel. These will only appear if the Cash Forecasting Lead/Lag rules exist for the project, i.e. On Flag = Y.

The screenshot shows the 'Contract Trading Maintenance' interface. At the top, there are navigation buttons: 'ACTIONS', 'OK', and 'BACK'. Below this, the 'As at' date is set to 'MAR22' and the 'Year' is '2021'. The 'Job' is 'TR91' and the 'Project' is 'Demonstration Project'. There are checkboxes for 'Override WIH' and 'Override Cashflow'. A dropdown menu is open, showing three options: 'Next Tab', 'Spread WIH All Years', 'Spread Cash Forecast', and 'Show Spread Rules'. Below the menu, there are tabs for 'WORK IN HAND/CASH FLOW' and 'LIQUIDITY'. At the bottom, there are icons for 'Margin' and 'Cash Position' and navigation arrows.

Period	Project Turnover	Project Costs	%	Project Margin	%	Receipts	Payments	Position	€
JUL21									
AUG21		5,000.00	0.49	5,000.00-	5.29-		5,000.00	5,000.00-	
SEP21		48,560.00	5.25	48,560.00-	56.73-			5,000.00-	
OCT21			5.25		56.73-			5,000.00-	
NOV21	106,000.00		5.38	106,000.00	38.08	101,000.00		96,000.00	

Spread WIH All Years.

Selecting this option will spread the WIH evenly over all the remaining months of the project, across all remaining years of the project. This will automatically change the yearly percentages. Any rounding amounts will add to the last month.

Spread Cash Forecast.

Selecting this option will apply the Spread rules for Receipts and Payments for the project to all remaining months on the project, and update the yearly totals and percentages.

The only way the cash forecast is spread is by using this option. If subsequent changes are made to the cash forecast, then they will 'stick'. They will only be overridden if the option is selected again.

If the existing option '**Prorata Totals**' is used to spread the WIH evenly for that year, or the option '**Spread WIH All Years**' is used, then this will NOT change the cash forecast. The new option '**Spread Cash Forecast**' needs to be used to redistribute the cash forecast.

WIH/Cash Flow Lag by Project

Show Spread Rules.

Selecting this option will display the Spread rules for the Project in a popup window. The rules cannot be changed here.

Show Spread Rules ✕

Project TR91 Demonstration Project

Receipts			Payments		
Frequency	Base Month	(Lead)/Lag	Frequency	Base Month	(Lead)/Lag
1		1.4	1		1.8

✕ Close

JP160614_SPREADRULE_SCREEN01_AW000192

Explanation of Terminology and Calculations.

Receipts

Frequency This is the number of months the receipt will cover, starting from the Base Month.

(Lead)/Lag This is the number of months before (-) or the number of months after (+), the last month in the range of months the Frequency covers. This may have one decimal place.

Payments

Frequency This is the number of months the Payment will cover, starting from the Base Month.

(Lead)/Lag This is the number of months before (-) or the number of months after (+), the last month in the range of months that the Frequency covers. This may have one decimal place.

Example.

Receipts Frequency		3 Months	Base Month		Apr-22	
Receipts lead/Lag		-1 Months				
Payments Frequency		1 Months				
Payments lead/Lag		0.3 Months				
			WIH		Cash Flow	
			Turnover	Costs	Receipts	Payments
1	Apr-22		\$4,000	\$3,000		\$2,100
2	May-22		\$5,000	\$4,000	\$15,500	\$3,700
3	Jun-22		\$6,500	\$5,500		\$5,050
4	Jul-22		\$7,000	\$6,000		\$5,850
5	Aug-22		\$7,000	\$6,000	\$21,000	\$6,000
6	Sep-22		\$7,000	\$6,000		\$6,000
7	Oct-22		\$6,500	\$5,500		\$5,650
8	Nov-22		\$6,500	\$5,500	\$19,000	\$5,500
9	Dec-22		\$6,000	\$5,000		\$5,150
10	Jan-23		\$6,000	\$5,000		\$5,000
11	Feb-23		\$5,000	\$4,000	\$15,500	\$4,300
12	Mar-23		\$4,500	\$3,500		\$3,650
13	Apr-23		\$0			\$1,050
			\$71,000	\$59,000	\$71,000	\$59,000

WIH/Cash Flow Lag by Project

In this example, the receipt frequency is 3, starting at the base Apr-22. So sum the three months from Apr-22 (15,500), and the Lead is -1, so the receipt is due one month less than the last month in the Frequency range (Jun-22), i.e. May-22.

The next 3 month frequency sequence starts at Jul-22.

The same logic applies to payment frequency.

If a Lead/lag value is not a whole number, then it acts as both a Lead/Lag and a percentage.

Example 1. If the Lag was 0.3, then 30% of the value goes into the next forecast period and 70% goes to the current forecast period.

Example 2. If the Lag was 1.3, then 30% of the value goes into the next forecast period +1, and 70% goes to the next forecast period.

Exceptions.

1. The absolute value of a negative Lead is equal to or more than the Frequency.

e.g. Receipt Frequency = 3, and (Lead)/Lag = -3. This means the receipt is due before the Frequency Range starts.

In the example above, this means the Forecast Receipt for work done in the Apr-22 to Jun-22 period was due in Mar-22. If no history record exists for Mar-22 then the Forecast Receipt would be placed in the first available Month, i.e. Apr-22.

If a history period does exist for Mar-22, then the difference between the actual figure for Mar-22 and the Total Forecast receipt would be placed in Apr-22.

2. There are not enough open Receipts/Payments forecast periods to accommodate the Lagging.

Any forecast amounts calculated that are for months after the Cash Flow forecast date will be placed in the last open Cash Flow month.