

 **Viewpoint**
Jobpac Connect[™]

Budget and Cost Transfers
Function Guide
Version: 1.0

Document Control Table

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Change History

Version	Date	Author	Description of Changes
1.0	31/3/2022	DMB	Initial Release

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Introduction

During the life of a project it is necessary to amend the way in which the project is being carried out. These occurrences have an impact on the original Budget, which may need to be adjusted to reflect the new scope of works.

It is also possible that although the Budget may remain correct for a particular Cost Centre but transactions have been misallocated to it. This in turn results in a gain or loss on the Cost Centre.

Budget transfers are audited, so the original budgets must be locked before any Budget Transfers can be done.

Cost Transfers can be done at any time.

Overview of Budget and Cost Transfers

Budget Transfers

When changes to the scope of works are made for a job, these changes must also be reflected in the budgets. This may be as a result of redistributing part of the scope of work originally let to one subcontractor to another, contra charges that need to be taken up against a particular subcontract, letting works externally that were originally intended to be completed by the head contractor or as a result of a contract variation.

In each of these circumstances, it is necessary to transfer the budget from one Cost Centre to another to give a more accurate assessment of the project.

Budgets can be transferred between Cost Centres, and between Contract Margin, Undistributed Budgets or Internal Contingencies.

Impact of transferring budgets

If a decision is made by the project team that preliminary site establishment works originally intended to be completed by the head contractor are now to be let as an external subcontract, then the budget allowed in the original Cost Centre is transferred to the Cost Centre associated with the Subcontract.

The following table illustrates the impact of transferring budgets between the two Cost Centres.

Impact of not transferring budgets:

Cost Centre	Original Budget	Budget Adjustments	Current Budget	Committed Cost	FCC	FFC	Gain/Loss
A003 LB							
Line (1)	80,000	0	80,000	0	80,000	80,000	0
A003 SC							
Line (2)	0	0	0	12,000	0	12,000	(12,000)

Impact of transferring Budget:

Cost Centre	Original Budget	Budget Adjustment	Current Budget	Committed Cost	FCC	FFC	Gain/Loss
A003 LB							
Line (3)	80,000	0	80,000	0	80,000	80,000	0
Line (4)	80,000	12,000	68,000	0	68,000	68,000	0
A003 SC							
Line (5)	0	12,000	12,000	12,000	12,000	24,000	12,000-
Line (6)	0	12,000	12,000	12,000	0	12,000	0

Budget and Cost Transfers

For example, let's say that an original Budget of \$80,000 has been distributed to Cost Centre A003 LB (Line 1 above). This Budget includes the component of works now to be sublet.

Let's assume that the subcontract will be let for a total value of \$12,000 against a new Cost Centre A003 SC. As no Budget has been transferred, Cost Centre A003 LB is still reporting that works to the value of \$80,000 are to be undertaken which is incorrect. Cost Centre A003 SC is also reporting a loss of \$12,000 (Line 2 above).

By performing a Budgets Transfer from one Cost Centre to another, the **Current Budget**, **Forecast Cost to Complete** and **Forecast Final Cost** fields are updated to reflect the new circumstances.

When Budget transfers are done, Jobpac assumes the work associated with that budget has not yet been done. Thus every transfer done not only updates the budget, but also updates the Cost to complete. In the Example above, the Cost to complete for the cost centre A003/SC (Line (5)) would have been \$12,000.

After Forecasting that cost centre, the FCC would have been reduced to zero, and the Gain/Loss back to zero.

Cost Transfers

Hundreds of budget items may be allocated to a project during the construction period and the sheer volume of transactions together with the physical logistics of site and office staff makes it extremely difficult to ensure that all costs for the project are allocated to the correct budget items. If a value relating to an actual cost has been allocated to an incorrect budget items, and has therefore had an effect on the project forecasting, then it is necessary to transfer that cost to the correct area of the project using the **Transfer Costs** facility within Jobpac.

Undertaking Budget Transfers

Use this section to complete a Budget transfer for a Lump Sum or Cost Plus Billing project.

Transfer a Budget

To access the **Budget Transfers** module from the Jobpac menu system select > **Projects** > **Job Setup & Reports** > **Transfer Budget**.

Budget Administration ACTIONS OK BACK

Job 2180 Large Park

Contract Margin 568,367.47 Int Contingency
Undistributed Budgets Int Prov for R&F

Transfer from Cost Centre Transfer to Cost Centre
Undist. Budgets Undist. Budgets
Contract Margin Int Contingency
Int Contingency Int Prov for R&F
Int Prov for R&F Int Prov for R&F

The following table contains a list of fields on the **Budget Administration** screen.

Field Name	Description																				
Job	The job number/name previously selected.																				
Contract Margin	The current forecast contract margin for the project. It is possible to transfer this to a cost centre, however this is unusual to do this. It is controlled by parameter ADJMRG. The default is to NOT allow it.																				
Int Contingency	The current value of any Internal Contingency for the project. This value is defined on the Job Maintenance Values Tab.																				
	<table border="1" style="width: 100%;"> <tr> <td>Tender Sum</td> <td style="text-align: right;">8,687,902.82</td> <td></td> </tr> <tr> <td>Less Client Contingency</td> <td></td> <td rowspan="2">Financial details for this Job h</td> </tr> <tr> <td>Contract Sum</td> <td style="text-align: right;">8,687,902.82</td> </tr> <tr> <td>Less Contract Margin</td> <td style="text-align: right;">568,367.47</td> <td rowspan="4">Costs can be booked to job.</td> </tr> <tr> <td>Internal Contingencies</td> <td></td> </tr> <tr> <td>Internal Provision for R&F</td> <td></td> </tr> <tr> <td>Budget to be Allocated</td> <td style="text-align: right;">8,119,535.35</td> </tr> <tr> <td>Prime Cost & Provisional Sums</td> <td></td> <td></td> </tr> </table>	Tender Sum	8,687,902.82		Less Client Contingency		Financial details for this Job h	Contract Sum	8,687,902.82	Less Contract Margin	568,367.47	Costs can be booked to job.	Internal Contingencies		Internal Provision for R&F		Budget to be Allocated	8,119,535.35	Prime Cost & Provisional Sums		
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Internal Contingencies																					
Internal Provision for R&F																					
Budget to be Allocated	8,119,535.35																				
Prime Cost & Provisional Sums																					
Undist Budgets	The current value of any undistributed budget.																				
Int Prov for R&F	The current value of any Internal Provision for R&F. See screen image above.																				

Budget and Cost Transfers

You can choose to transfer a budget by clicking one of the following checkboxes:

- Cost Centre
- Undist Budget
- Contract Margin
- Int Contingency
- Int Prov for R&F.

Depending on the project status, only the available options are shown. In the example above, nothing is available to transfer except cost centre budgets.

Select an area to transfer to, from the **Transfer To:** list.

Undistributed Budgets, Contract Margin, Internal Contingency, or Int Prov for R&F Transfers

If Undistributed Budgets, Contract Margin, Internal Contingency, or Int Prov for R&F is selected, then the following screen displays.

Field Name	Description
Amount to be transferred	Type in the details of the amount to be transferred and the allocation. Only available Budget amounts can be transferred, i.e. if all Budget have been committed in a Cost Centre, then no Budget can be transferred.
From Cost Centre Budget	Select the Cost Centre details. Immediately the amount of budget available to transfer appears under the cost centre. This is the maximum amount that can be transferred.
Client/Site References and Authorisation	Type in the Client and Site references where applicable and a meaningful description of the reason for the transfer entered in the Authorisation field. This description is used on all enquiry and reporting fields in relation to the transfer. It is a mandatory field.
Quantity	If Qty details have been entered for the Cost Centre selected, details of the current quantity, unit and rate are shown. Note that you can only enter either the amount to be transferred or the quantities to be transferred.

Budget and Cost Transfers

Cost Centre Transfers

If the transfer of budget is from one cost centre to another, the following screen displays

The amount to transfer is entered, plus other fields

Budget Administration
ACTIONS OK BACK

Job 2180 Large Park

Contract Margin	568,367.47	Int Contingency	5,000.00
Undistributed Budgets		Int Prov for R&F	

Transfer from	Cost Centre	Transfer to	Cost Centre
	Undist. Budgets		Undist. Budgets
	Contract Margin		Contract Margin
	Int Contingency		Int Contingency
	Int Prov for R&F		Int Prov for R&F

Amount to be transferred	<input type="text" value="7,000.00"/>	0.0000	Units	0.0000
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From Cost Centre	<input type="text" value="207"/>	SC	<input type="button" value="P"/>	
Budget	<input type="text" value="29,641.87"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

To Cost Centre	<input type="text" value="208"/>	SC	<input type="button" value="P"/>	
Budget	<input type="text" value="736,828.00"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Client Reference	<input type="text" value="CL-321"/>	Site Reference	<input type="text" value="SI-0045"/>
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Authorization (Comments)	<input type="text" value="PM TO APPROVE"/>
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Field Name	Description
Amount to be transferred	Type in the details of the amount to be transferred and the allocation. Only available Budget amounts can be transferred, i.e. if all Budget have been committed in a Cost Centre, then no Budget can be transferred.
From Cost Centre Budget	Select the Cost Centre details. Immediately the amount of budget available to transfer appears under the cost centre. This is the maximum amount that can be transferred.
To Cost Centre Budget	Type in the Cost Centre to which the budget will be transferred.
Client/Site References and Authorisation	Type in the Client and Site references where applicable and a meaningful description of the reason for the transfer entered in the Authorisation field. This description is used on all enquiry and reporting fields in relation to the transfer. It is a mandatory field.
Quantity	If Qty details have been entered for the Cost Centre selected, details of the current quantity, unit and rate are shown. Note that you can only enter either the amount to be transferred or the quantities to be transferred. If QTY has not been entered for the Cost Centre budget, then this field cannot be used.

Select Ok, and if the Budget Transfers Approval feature has been turned on, then a list of approvers is presented.

Budget and Cost Transfers

Budget Administration ACTIONS OK BACK

Job 2180 Large Park

Email Notification To Approvers ✕

Subject

Transfer from ▼ Apply ◀ ▶ ⋮

From Contains Contains =

To

Approver	Name	Email	Sel
BOUDAMO	Damien Bourke 0	damien.bourke@viewpoint.com	N

Amount to be transferred:

From Cost Centre:

To Cost Centre:

If it is not turned on, then the Budget transfer immediately occurs, and the user is transferred to this screen. More Transfers can be done.

Budget Administration ACTIONS OK BACK

Job 2180 Large Park

Contract Margin	568,367.47	Int Contingency	5,000.00
Undistributed Budgets		Int Prov for R&F	

Transfer from Cost Centre

Int Contingency

Budget and Cost Transfers

Budget Transfer Approvals

An approval process for budget transfers is available. This is configured by using the parameter BUDXFR.

System Parameter Maintenance - Details ACTIONS OK BACK

Parm Code: BUDXFR Budget Transfer Approvals Work Id: 920 **TEST** DMB Sydney
 Parm Value: YY YY Type: *ALPHA

Field#	Type	Description	Str	Len	Alphanumeric	Number
01	*ALPHA	Internal Contingency	1	1	Y	
02	*ALPHA	Internal Provisions for R&F	2	1	Y	
03	*ALPHA	Contract Margin	3	1		
04	*ALPHA	Undistributed Budget	4	1	Y	
05	*ALPHA	Cost Centre Transfer	5	1	Y	
06	*ALPHA	Do not produce default Budget Audit Trail Report	6	1		

The users who can approve budget transfers are setup by menu option 'Maintain Budget Approvals- in System Admin. There are no values associated with them.

Maintain Budget Transfer Approvals ACTIONS OK BACK

Hide Apply + < > ...

From: Contains [] [] [] [] [] [] [] []
 To: []

User Id	Name	Wkid	All Jobs	Budget Transfer Type Internal Contingency	Budget Transfer Type Internal Prov R&F	Budget Transfer Type Contract Margin	Budget Transfer Type Undistributed Budget	Budget Transfer Type Cost Centre Transfer
BOUDAM0	Damien Bourke 0	920	Y	Y	Y		Y	Y

When a Budget Transfer is made that is subject to approval, an approver is selected.

That approver get an email, and then go to the menu option 'Pending Budget Transfers' and approves it.

After Entry, the batch is summarised

Site Based Job Journal Entry									
Job	2180	Large Park		Total Debits	3,000.00				
User ID	BOUDAMO		Accounting Period	MAR22	Total Credits	3,000.00-			
Batch Number	6436		No of Transactions	2	Batch Total				

Date	Description	Reference	Amount	Job	Cost Code	CT	Cost Centre Description	Account Number	
6/03/2022	Transfer Sc Costs	DMB	3,000.00-	2180	210	SC	Subbie - Excavator	20008004	
6/03/2022	Transfer Sc Costs	DMB	3,000.00	2180	201	SC	Subbie - Asphalt	20008004	

Select Back, then select Proof/Post. This will post it to the current Job cost period.

Unposted Job Journal Batches							
Orig. Job Number	User Id	Period	Total Debits	Total Credits	Batch Number	No. Of Trans	
2180	BOUDAMO	MAR22	3,000.00-	3,000.00-	6436	2	

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- Select
- Proof/Post
- Delete
- Unlock Batch