

# Viewpoint Jobpac Connect™

Removing Incurred Cost from Subcontracts
Function Guide
Version: 1.0





# **Document Control Table**

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# **Change History**

Version	Date	Author		Description of Changes
1.0	31/1/2022	DMB	Initial Release	





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### **Removal of Incurred Cost**

#### **Explanation of Incurred Cost**

When a SC Payment is being prepared, the user can enter two values against each SC Item and SC Variation when authorising a payment. These are the Valuation Amount and the Authorised Amount.

The Difference between the Current Valuation amount and the PREVIOUS Authorised amount (i.e. Authorised in Last Claim) for each SC Item is the Incurred cost. This amount updates the Cost centre associated with the SC Item with Incurred Cost.

#### See examples below

	Current Authorised	Previous Authorise d	Current Valuation	Current Valuation - Previously Authorise d	Incurred Cost
Starting position	0	0	0	0	0
Prepare Claim 1	5000	0	5000	5000	5000
Post Claim 1	5000	5000	5000	0	0
Prepare Claim 2	12000	5000	14000	9000	9000
Post Claim 2	12000	12000	14000	2000	2000
Prepare claim 3	17000	12000	15000	3000	3000
Post Claim 3	17000	17000	15000	-2000	0

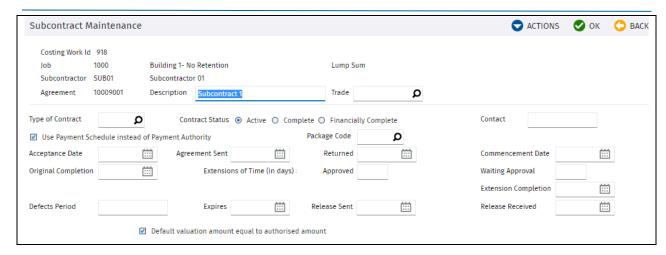
The Valuation amount is the user's estimate of the value of the work done to date, and the authorised amount is the amount the user is going to pay that subcontractor. Both of these values need to be entered. Commonly, the Valuation amount is set equal to the Authorised amount

There is a configuration setting the will cause the Valuation amount to be automatically set to the Authorised amount, and cannot be overridden. This is a recommended setting, and should only be NOT set if the user has a specific reason to use Valuation.

This configuration setting is in the SC Maintenance Screen.







The parameter SBC01 position 16 can be used to set the default for this setting.

#### When Valuation amount is set to default to Authorised amount.

When this is set, the user has no control over the calculation of the Incurred Cost. The system defaults the Valuation amount to the Authorised amount, and cannot be overridden. With This setting, when a SC Payment is Posted, the Incurred cost will always be set back to zero.

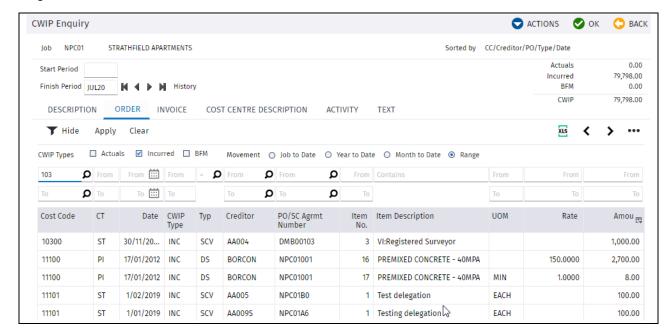
If the Cost Centre associated with the SC Items does have an Incurred cost, a Cost Centre rebuild may fix the issue.

#### When the Valuation amount is Manually Entered

There are two circumstances where you might want to get rid of the Incurred Cost.

1. The first is when all SC Payments have been made, and there is incurred cost remaining against cost centres on the project.

Use the CWIP enquiry in the current Job Cost Period to see which cost centres and SC Agreements have incurred cost.







As an example agreement no DMB00103 has 1,000 incurred Cost. This agreement is fully paid, but the incurred cost remains.

Start a new SC Payment, and select the **Original Works Screen**. Check the Valuation Qty (or Amount for Lump Sum) is equal to the authorised Qty (or Amount for Lump Sum).

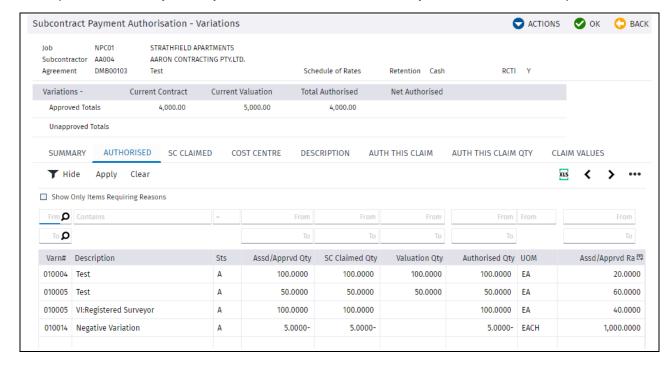


In this case they are equal, so nothing to be done in this screen.

Select the **Variation screen**. Check the Valuation Qty (or Amount for Lump Sum) is equal to the authorised Qty (or Amount for Lump Sum).

In this case the two variations 010005 and 010014 do not have valuation quantities. Set the Valuation Quantities equal to the Authorised Quantities. **This is particularly important for negative authorised quantities, as the formula Valuation Amount – Previously authorised will result in a positive value.** 

Complete the SC Payment cycle. The result is a zero SC Payment. This should be posted.

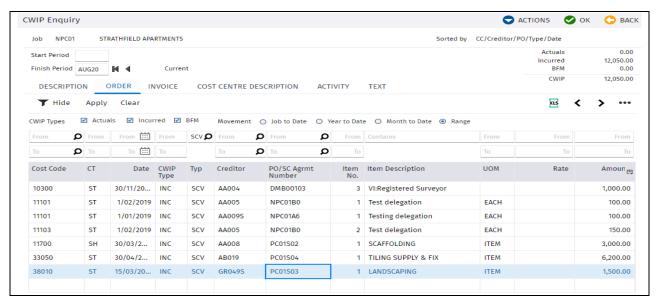






2. The second is when all SC Payments have NOT been made, but those already prepared have been posted and there is incurred cost remaining against cost centres on the project.

Agreement PC01S03 below has all SC Payments posted, but still has an incurred cost of \$1,500.

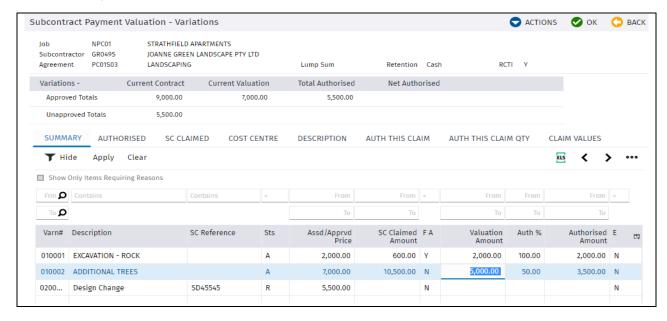


As there are remaining SC Payments to make, it is not appropriate to create and post a zero SC Payment as it will use a Claim no.

The **Subcontract Valuation** function can be used, as this will not add another claim number, and will only update Valuation figures.

Subcontract Valuation screens look exactly the same as SC Payment Authorisation, except only Valuation QTY and Amounts can be entered.

The SC Payment Valuation – Variations is selected.







The Valuation amount is \$5,000 compared to Previous Posted (equal to Current Posted) of \$3,500. This is what is producing the incurred cost of \$1,500

This value can be changed in this screen to \$3,500. The incurred cost will then reduce to zero.

It is important to return to the Summary screen and then complete the Cycle to get the Valuation value to register. Once on Summary screen, then select Ok, Then Ok on the retention screen.

