Deltek

Deltek Ajera

FAQs for Outside Accountants and CPAs

April 17, 2024

This edition published April 2024.

Contents

FAQs

Find out the answers to the most frequently asked questions from outside accountants and Certified Public Accountants who use Ajera

How does Ajera calculate direct personnel expense and overhead?

Ajera offers three methods to calculate direct personnel expense (DPE) and overhead costs: fixed percentages only, cost, and hours.

In Ajera, you can calculate and apply these costs at any time and analyze them in many different ways. To learn more, go to **Ajera Help » Contents » DPE and overhead**.

Two things to keep in mind about DPE and overhead:

- Calculating DPE and overhead is *optional*. Many firms calculate them because they provide a more accurate picture of a firm's expenses.
- If you calculate DPE and overhead, they appear as cost burdens in Ajera reports. They *do not* affect general ledger transactions for cost.

How do you close a period from general ledger activity in Ajera?

On the Company menu, select **Preferences**, and enter the period-ending date in the **Don't Allow Entries Prior To** field to ensure that prior periods are not affected by general ledger changes.

These changes may include adjustments to work-in-progress or revenue that occur after you print a final invoice.

Can Ajera be adapted to fit reporting for modified-cash needs?

No. Ajera is not designed for use in a modified-cash reporting situation. Instead, Ajera is designed for accrual- and cash-based accounting.

The architectural, engineering (A&E), and consulting industries, for the most part, uses accrual-based accounting. Accrual-based accounting allows managers to see what is happening in real time; they can view accurate work-in-progress (WIP) based on project and phase billing rates. With this information, firms that need additional cash flow often use the WIP and unbilled revenue on their books as collateral for loans from a bank or other financial institution.

Cash-based accounting gives managers a simple way to look at their firms and determine their tax basis.

How do you handle fixed assets in Ajera?

The best practice for recording fixed assets is to use journal entries to book the actual asset to the general ledger and then use regular (or recurring) journal entries to record the subsequent depreciation.

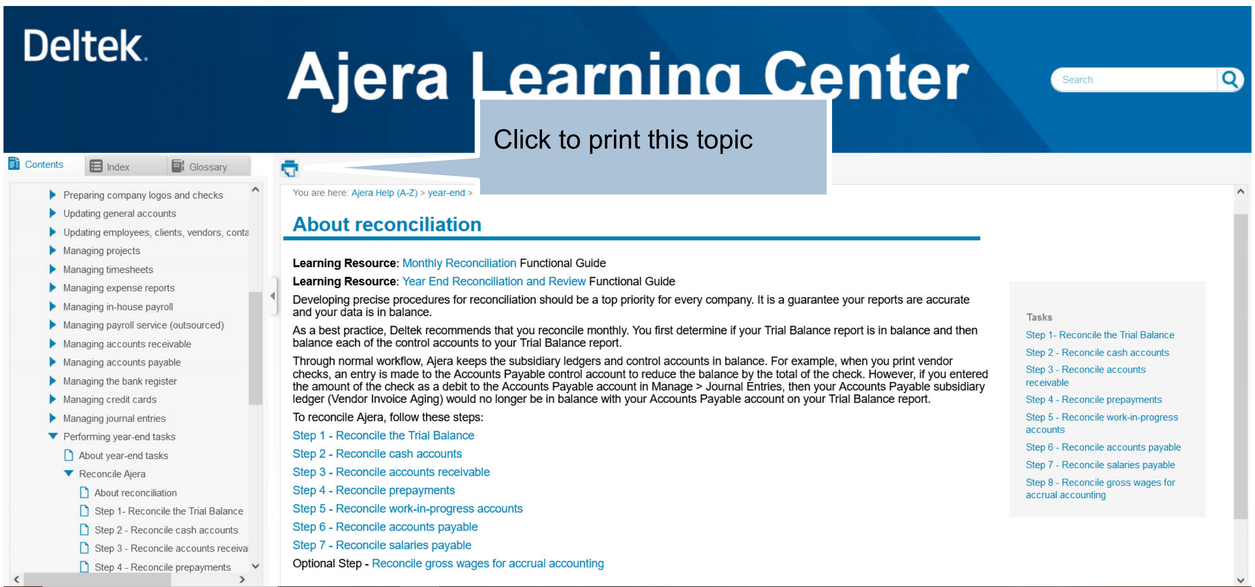
The regular or recurring journal entries reduce the asset and expense by the appropriate amount each reporting period.

What information is available about the reconciliation process in Ajera?

The Ajera Learning Center is the best place to look for information about the reconciliation process.

In the Ajera Learning Center, click the Index tab and type the key words financial reconciliation. A topic listing steps for the reconciliation process is highlighted in the index results. Click the topic to view it.

You can print each topic.



Choosing a control account to make journal entries against or to use in a direct entry to the bank, vendor invoice, or miscellaneous cash receipt will cause the general ledger and the correlating report to be out of balance from each other.

How does Ajera control the way transactions are written to the ledger?

The information entered on the Income Statement and Balance Sheet tabs in Company » Preferences determines how most of the transactions in Ajera are written to the general ledger and which accounts they affect.

Activity types for expenses and consultants and pay types for overhead items on timesheets control how other transactions are written to the general ledger.

To learn more, go to the Ajera Learning Center and click Courses » How Ajera works.

What is payroll variance and why does Ajera use it?

Payroll variance, which is also an expense, is calculated when the actual amount paid to a salaried employee is greater than or less than the standard cost calculated when time is entered.

Payroll variance allows you to report actual cost to your general ledger while using a standard cost rate for salaried employees on project reports. Using standard cost rates for project reporting provides you with a real-time view of project costs at any time, even in the middle of a pay period.

Payroll variance affects only salaried employees, because hourly employees are paid based on the hours that they work.

For more information, go to the Ajera Learning Center and click Glossary tab » payroll variance.

What is spent amount and how does Ajera calculate it?

Spent amount, also called amount spent or spent value, is the total amount of time and expense expended, based on the project’s billing rates and markups.

You can also think of spent amount as the cost of the effort expended on a project if you were able to achieve your assigned billing rates.

Ajera determines the spent amount from the project's billing rate table. The rate used to calculate the spent amount can be unique to a project, phase, activity, employee, or employee type.

To learn more, go to **Ajera Help** > **Accounting and industry concepts** > **About spent amount**.

How does spent amount affect the general ledger?

Spent amounts are reflected in the WIP and Unbilled Revenue accounts in your general ledger. Ajera assigns spent amounts for labor, expenses, and consultants when the costs are incurred:

- **Labor** – Ajera assigns a spent amount when you enter hours on a timesheet.
- **Expenses and consultants** – Ajera assigns a spent amount when you enter an expense on a vendor invoice or an in-house expense log.

How does Ajera handle work-in-progress (WIP)?

Each time you enter items (labor, expenses, and consultant costs) directly against a billable project, Ajera creates entries for WIP and unbilled revenue, as well as entries for salary expenses and salaries payable.

WIP entry:

When you do this	Ajera makes entries to these accounts

	WIP	Unbilled revenue	Accounts receivable	Billed revenue
Enter time	Debit	Credit		
Print a final invoice	Credit	Debit		
(Billed Amount)			Debit	Credit

WIP write-off:

When you do this	Ajera makes entries to these accounts	
	WIP	**Write off***
Write off WIP	Credit	Debit

*Ajera uses the write-off account you specified in **Company** > **Preferences** > **Income Statement Accounts** tab.

How do outside accountants and CPAs access financial data in Ajera?

If you have administrator privileges in Ajera, you can provide external access to financial data in two ways:

- Set up an employee account in Ajera for the outside accountant or CPA.
- Export and email the data to them.

If you choose the first approach, you must allocate an employee license to the outside accountant or CPA and ensure that the security settings are correct. That person can then access your Ajera data remotely over the web or with a remote terminal service.

If you choose the second approach, you do not need to give up an employee license. However, the outside accountant or CPA does not have access to data within Ajera; their only access is through the exported files.

About Deltek

Better software means better projects. Deltek is the leading global provider of enterprise software and information solutions for project-based businesses. More than 23,000 organizations and millions of users in over 80 countries around the world rely on Deltek for superior levels of project intelligence, management and collaboration. Our industry-focused expertise powers project success by helping firms achieve performance that maximizes productivity and revenue. www.deltek.com