Deltek

Year-End in Ajera

Best Practices for Year-End Reconciliation and Closing the Fiscal Year in Ajera

December 1, 2022

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Overview

This document contains information on how you should:

- Close the fiscal year.
- Evaluate your firm's success in that year.
- Plan for next year.

This document also contains some detailed procedures to help you perform these year-end tasks:

- Reconcile Balance Sheet accounts in Ajera.
- Close the fiscal year.
- Make prior-year adjusting entries, as needed.
- Prepare government forms.

Reconciling in Ajera

Developing precise procedures for reconciliation should be a top priority for every company. It is a guarantee your reports are accurate and your data is in balance.

Follow these step-by-step instructions to reconcile Ajera. As a best practice, we recommend that you reconcile monthly.

You first determine if your Trial Balance report is in balance. You then balance each of the following control accounts to your Trial Balance report:

- Cash accounts
- Accounts Receivable
- Prepayments
- Work-in-Progress accounts
- Accounts Payable
- Salaries Payable

Through normal workflow, Ajera keeps the subsidiary ledgers and control accounts in balance. For example, when you print vendor checks, an entry is made to the Accounts Payable control account to reduce the balance by the total of the check. However, if you entered the amount of the check as a debit to the Accounts Payable account in Manage Journal Entries, then your Accounts Payable subsidiary ledger (Vendor Invoice Aging) would no longer be in balance with your Accounts Payable account on your Trial Balance report.

Step 1: Reconcile the Trial Balance

The first step to reconciling Ajera is to verify that your overall financials are in balance.

For this step:

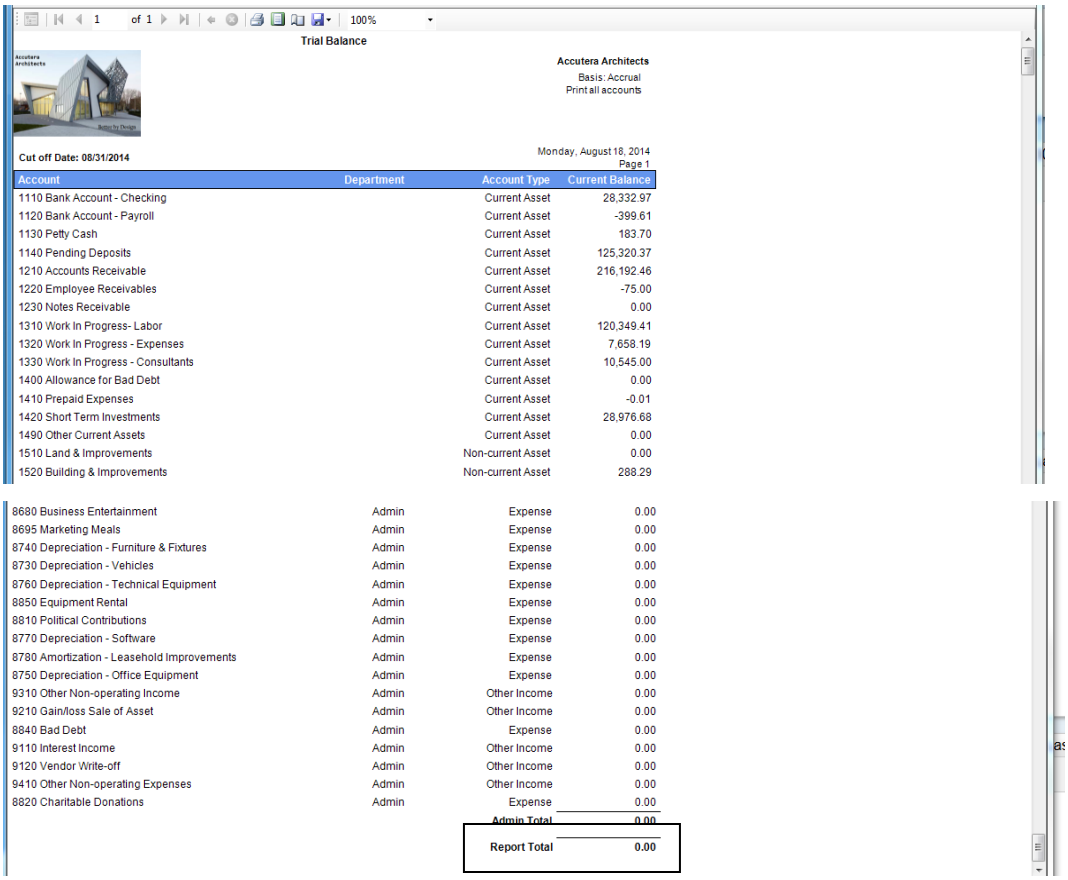
1. Print the Trial Balance report.

   Note: Depending on your reporting requirements, print the Trial Balance report for Cash and/or Accrual. The report uses one column for the account balance. Debit balances appear as positive numbers and credit balances as negative.

2. Review the Report Total.

   The report is in balance if:

   The report total is zero. This confirms that total debits equal total credits.



Trial Balance

Accutera Architects
Basis: Accrual
Print all accounts

Cut off Date: 08/31/2014

Monday, August 18, 2014
Page 1

Account	Department	Account Type	Current Balance
1110 Bank Account - Checking		Current Asset	28,332.97
1120 Bank Account - Payroll		Current Asset	-399.61
1130 Petty Cash		Current Asset	183.70
1140 Pending Deposits		Current Asset	125,320.37
1210 Accounts Receivable		Current Asset	216,192.46
1220 Employee Receivables		Current Asset	-75.00
1230 Notes Receivable		Current Asset	0.00
1310 Work In Progress- Labor		Current Asset	120,349.41
1320 Work In Progress - Expenses		Current Asset	7,658.19
1330 Work In Progress - Consultants		Current Asset	10,545.00
1400 Allowance for Bad Debt		Current Asset	0.00
1410 Prepaid Expenses		Current Asset	-0.01
1420 Short Term Investments		Current Asset	28,976.68
1490 Other Current Assets		Current Asset	0.00
1510 Land & Improvements		Non-current Asset	0.00
1520 Building & Improvements		Non-current Asset	288.29
8680 Business Entertainment	Admin	Expense	0.00
8695 Marketing Meals	Admin	Expense	0.00
8740 Depreciation - Furniture & Fixtures	Admin	Expense	0.00
8730 Depreciation - Vehicles	Admin	Expense	0.00
8760 Depreciation - Technical Equipment	Admin	Expense	0.00
8850 Equipment Rental	Admin	Expense	0.00
8810 Political Contributions	Admin	Expense	0.00
8770 Depreciation - Software	Admin	Expense	0.00
8780 Amortization - Leasehold Improvements	Admin	Expense	0.00
8750 Depreciation - Office Equipment	Admin	Expense	0.00
9310 Other Non-operating Income	Admin	Other Income	0.00
9210 Gain/loss Sale of Asset	Admin	Other Income	0.00
8840 Bad Debt	Admin	Expense	0.00
9110 Interest Income	Admin	Other Income	0.00
9120 Vendor Write-off	Admin	Other Income	0.00
9410 Other Non-operating Expenses	Admin	Other Income	0.00
8820 Charitable Donations	Admin	Expense	0.00
		Admin Total	0.00
		Report Total	0.00

If the Trial Balance report is out of balance:

If your Trial Balance report is out of balance, follow these procedures to identify the cause and correct the problem.

To ensure beginning balances are in balance:

1. Review the Beginning Balance Trial Balance to determine if it is complete and in balance. Click **Setup » Company » Beginning Balances » Trial Balance**.
2. If the Beginning Balance Trial Balance is not in balance, you must correct it. To determine the correct entries, you may need to review it with your CPA.

To determine when out of balance occurred:

1. If you are still out of balance, run the Trial Balance report for prior months to determine the month when it became out of balance. Click **Reports » Financial » Trial Balance**.

   Note: If you need to run the report for months not listed in the Month field, click **Select Dates** and select a **Through date** on **the last date of the month needed**.

2. After you determine the month when the out-of-balance situation occurred, run the Trial Balance report incrementally, weekly or daily, for the out-of-balance month until you determine the day when the out-of-balance situation occurred.

3. To identify the entries that occurred on that day, run the Ledger report for that day. Click **Reports » Financial » Ledger**. Drill down to the session journal detail by clicking on the blue font.
4. View the session Journal by clicking on it in the Ledger Report or Print the Session Journal reports for each of the entries listed on the Ledger report. Click **Reports » Session Journals**.
5. Review the General Ledger Recap section of each session journal to ensure that the entries are in balance (debits = credits).

To correct out-of-balance situations:

1. If the out-of-balance session journal is from a **Manage » Bank Register** transaction, it may be the result of a bank entry created in an earlier version of Ajera where a register item was incorrectly saved without the offsetting debit or credit entry. Correct it by editing the bank item and adding the appropriate offsetting entry. If the item has already been reconciled, you must first reopen the closed bank statement and clear the **Reconciled** checkbox for the item. You can then change the item on the **Bank Register** tab.
2. Click **Reports » Session Journals** to verify that your prior year is closed.

   Use the **Change View** button to select a Date Range of **All**. Sort the list by the Task column. Next, look for a Company Close Year session. You may need to close the prior year again to correct the out-of-balance situation. For more information, from the Index in Ajera Help, select **Closing, prior fiscal year**.

   Note: If you printed and published your year-end financials, closing the prior year may not be an option.

Step 2: Reconcile Cash Accounts

Ajera automatically creates financial entries to your cash accounts when you perform tasks through:

- Manage Bank Register
- Manage Vendor Payments
- Manage Client Receipts
- Manage Payroll (Process Payroll)

Selecting your cash accounts when Managing Journal Entries in Ajera causes your bank registers and Trial Balance report to be out of balance.

Bank charges, interest, and miscellaneous entries should be entered into the bank register when you reconcile your bank statement.

Note: This reconciliation procedure assumes that each bank account has a unique General Ledger account.

Use the reconciled bank statement of the month in which you are reconciling to the Trial Balance.

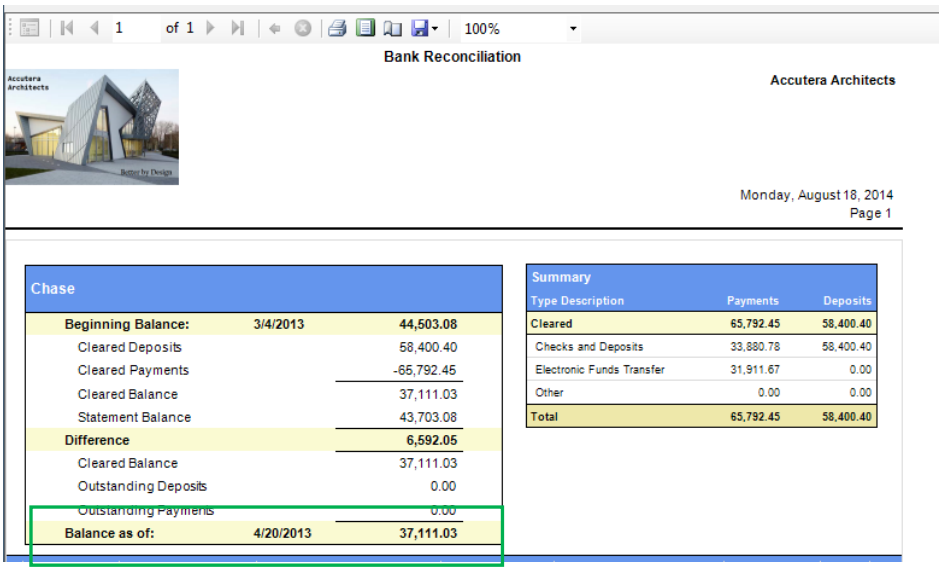
For this step:

1. Print the Bank Reconciliation report from the Reconcile tab in Manage Bank Register:
   - Select the statement being reconciled.
   - Click the **Print** button.

2. If your bank statement ending date is different from the date of the Trial Balance printed in Step 1, print the Trial Balance report (**Reports » Financial » Trial Balance**) as follows:
   - In the **Month** field, select the **Select Dates** option and enter the beginning and ending date of the period.
   - Ensure that the ending date is the statement date on the Bank Reconciliation report.
3. Compare the Bank Reconciliation report to the Trial Balance report:

   If in balance:

   The **Balance as of** amount on your Bank Reconciliation report equals the Current Balance on the Trial Balance report.



Bank Reconciliation

Accutera Architects

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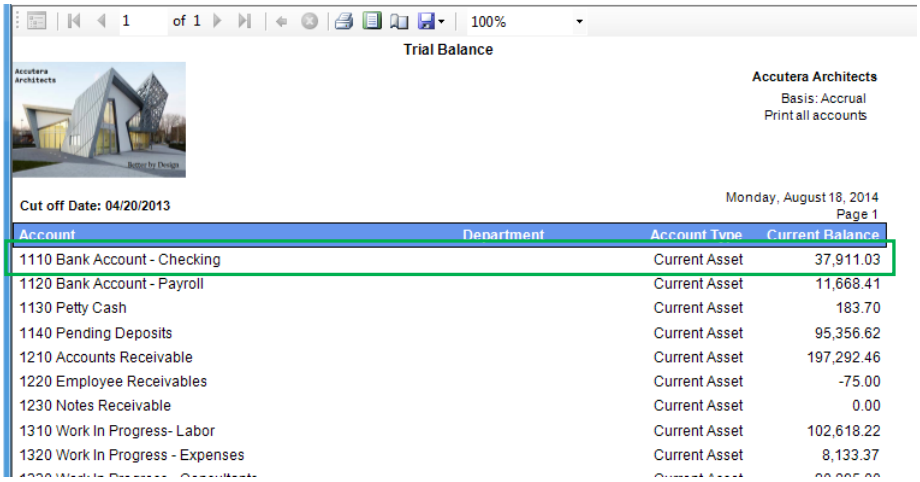
Page 1

Chase		
Beginning Balance:	**3/4/2013**	**44,503.08**
Cleared Deposits		58,400.40
Cleared Payments		-65,792.45
Cleared Balance		37,111.03
Statement Balance		43,703.08
Difference		**6,592.05**
Cleared Balance		37,111.03
Outstanding Deposits		0.00
Outstanding Payments		0.00
Balance as of:	**4/20/2013**	**37,111.03**

Summary		
Type Description	Payments	Deposits
Cleared	**65,792.45**	**58,400.40**
Checks and Deposits	33,880.78	58,400.40
Electronic Funds Transfer	31,911.67	0.00
Other	0.00	0.00
Total	**65,792.45**	**58,400.40**



Trial Balance

Accutera Architects
Basis: Accrual
Print all accounts

Cut off Date: 04/20/2013

Monday, August 18, 2014
Page 1

Account	Department	Account Type	Current Balance
1110 Bank Account - Checking		Current Asset	37,911.03
1120 Bank Account - Payroll		Current Asset	11,668.41
1130 Petty Cash		Current Asset	183.70
1140 Pending Deposits		Current Asset	95,356.62
1210 Accounts Receivable		Current Asset	197,292.46
1220 Employee Receivables		Current Asset	-75.00
1230 Notes Receivable		Current Asset	0.00
1310 Work In Progress- Labor		Current Asset	102,618.22
1320 Work In Progress - Expenses		Current Asset	8,133.37

Note: Make sure that the **Balance as of** date on the Bank Reconciliation report is the same as the **Cut off Date** on the Trial Balance report so that you are comparing amounts for the same time span.

If a Cash account balance does not reconcile to Bank Register:

If your cash account balance in the Trial Balance does not equal the bank account balance on your bank register, follow these procedures.

To ensure beginning balances are in balance:

1. Click **Company » Beginning Balances » Bank Account**.
2. For each bank account, verify that the Register balance equals the account balance. These balances appear at the bottom of the Beginning Balances Bank Account window. The Register balance is a calculation of the Ending balance adjusted with deposits and payments. The Account balance is the amount from the Beginning Balance Trial Balance.

To determine if any journal entries need to be adjusted:

1. Print the Ledger report as follows:
   a. Click **Reports » Financial » Ledger report**.
   b. Select the GL Cash account for the bank account being reconciled. Select the month that you are reconciling (for example, April 2018).
2. Drill down on the GL Cash account to view the detail entries for session journals. Identify any items that have a description of Journal Entry. You can review journal entries in **Manage » Journal Entries**, or double-click the entry on the Ledger report to identify the session to print and review.

Because the cash account is a control account, you must determine why entries were made and if they were made in error. Adjust erroneous entries using **Manage » Journal Entries**. We recommend that you enter bank adjustments and fund transfers through **Manage » Bank Register**. For bank adjustments, such as interest and service charges, select the appropriate adjustment type. For fund transfers, select the adjustment type of Bank Transfer.

To determine if there are any future-dated entries:

1. In **Manage » Bank Register » Register** tab, the Bank Register Balance includes all bank entries, including future-dated entries. If any bank entries are dated later than the date you are using to reconcile, you must back these amounts out of the Bank Register Balance.

Step 3: Reconcile Accounts Receivable

Ajera automatically creates financial entries to your Accounts Receivable account when you perform tasks through:

- Manage Client Invoices
- Manage Client Receipts

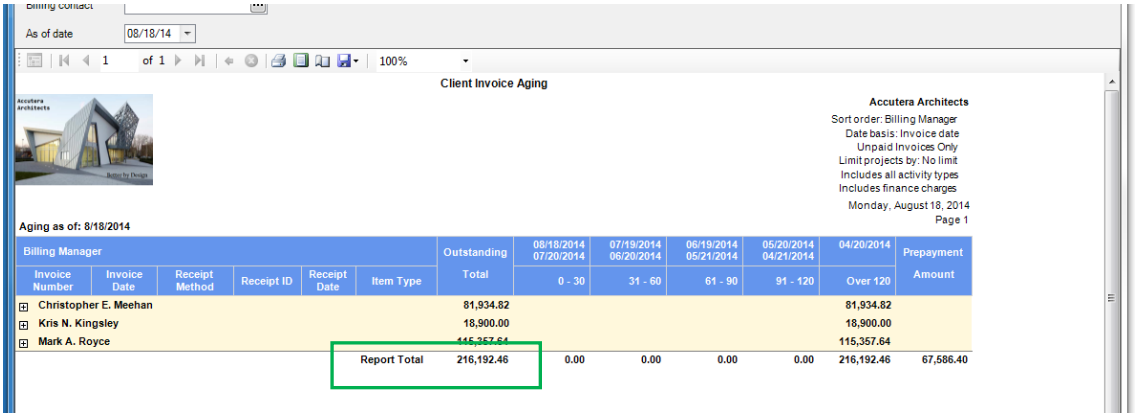
Selecting your Accounts Receivable account when Managing Journal Entries in Ajera causes your Client Invoice Aging report and Trial Balance report to be out of balance.

For this step:

1. Print the Client Invoice Aging report (**Reports » Client » Client Invoice Aging**) as follows:
   a. Set the **Aging cutoff date** to the same month-end date that you used to produce the Trial Balance report.
   b. In the customize options, in the **Date Basis** field, select **Accounting date**.
2. Compare the Client Invoice Aging report to the Trial Balance report:

If in balance:

The Report Total in the ”Outstanding” column of the Client Invoice Aging report equals the Current Balance for the Accounts Receivable account on the Trial Balance report.



Client Invoice Aging

Accutera Architects
Sort order: Billing Manager
Date basis: Invoice date
Unpaid Invoices Only
Limit projects by: No limit
Includes all activity types
Includes finance charges
Monday, August 18, 2014
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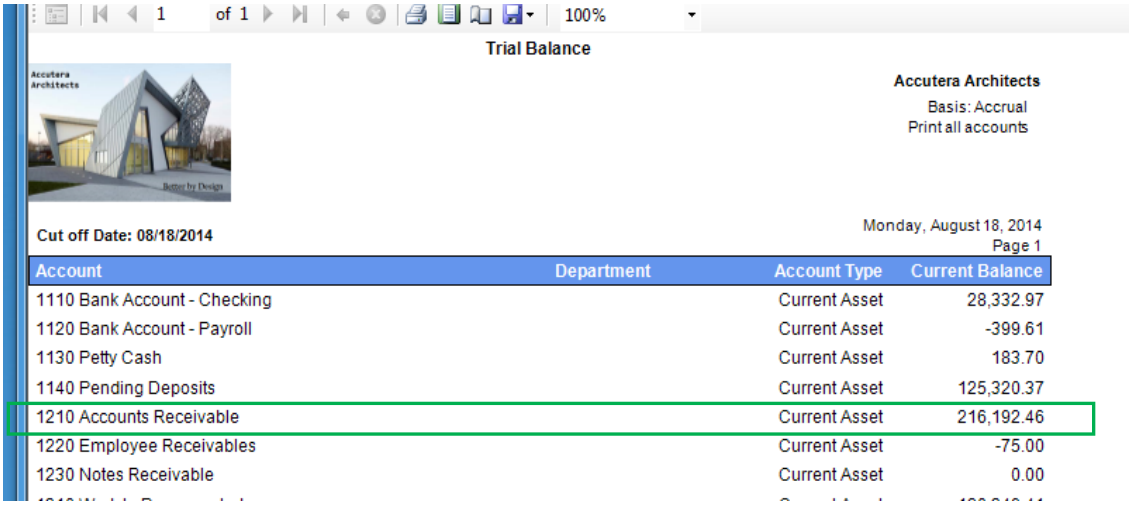
Aging as of: 8/18/2014

Billing Manager						Outstanding	08/18/2014 07/20/2014	07/19/2014 06/20/2014	06/19/2014 05/21/2014	05/20/2014 04/21/2014	04/20/2014	Prepayment
Invoice Number	Invoice Date	Receipt Method	Receipt ID	Receipt Date	Item Type	Total	0 - 30	31 - 60	61 - 90	91 - 120	Over 120	Amount
Christopher E. Meehan						81,934.82					81,934.82	
Kris N. Kingsley						18,900.00					18,900.00	
Mark A. Royce						115,357.64					115,357.64	
					Report Total	216,192.46	0.00	0.00	0.00	0.00	216,192.46	67,586.40



Trial Balance

Accutera Architects
Basis: Accrual
Print all accounts

Cut off Date: 08/18/2014

Monday, August 18, 2014
Page 1

Account	Department	Account Type	Current Balance
1110 Bank Account - Checking		Current Asset	28,332.97
1120 Bank Account - Payroll		Current Asset	-399.61
1130 Petty Cash		Current Asset	183.70
1140 Pending Deposits		Current Asset	125,320.37
1210 Accounts Receivable		Current Asset	216,192.46
1220 Employee Receivables		Current Asset	-75.00
1230 Notes Receivable		Current Asset	0.00

Note: The **Aging as of** date on the Client Invoice Aging report is the same as the **Cut off Date** on the Trial Balance report. Also, the **Date Basis** of the Client Invoice Aging report is **Accounting date**. This ensures that you are comparing like values between the two reports.

If AR account balance does not reconcile to aging:

If your Accounts Receivable (AR) balance in the Trial Balance account does not equal the Outstanding total on the Client Invoice Aging report, follow these procedures.

To ensure beginning balances are in balance:

1. Print the Beginning Balance Control Account Verification report. Click **Company » Beginning Balances » Trial Balance » report button » Beginning Balance Control Account Verification**.
2. Compare the amounts listed in the Trial Balance column with the Entered column for the Accounts Receivable account. If there is a difference (also noted on the report), you must determine which amount is correct and change the amount that is incorrect.

If the Trial Balance amount is incorrect, change the amount entered in the Beginning Balance Trial Balance. (**Company » Beginning Balances » Trial Balance**). If the Entered amount is incorrect, change the amount entered in the Unpaid Client Invoices. (**Company » Beginning Balances » Unpaid Client Invoices**).

To determine if any journal or bank entries need to be adjusted:

1. Print the Ledger for the Accounts Receivable account. Click **Reports » Financial » Ledger**, and select the month that you are reconciling (for example, March 2018).
2. Drill down on the Accounts Receivable account. Identify any items that have a description of Journal Entry or Bank Entry.
   - You can review journal entries in **Manage » Journal Entries**, or double-click the entry on the Ledger report to determine the session to print and review.
   - You can review bank entries in **Manage » Bank Register » Register** tab, or double-click the entry on the Ledger report to determine the session.
3. Because the Accounts Receivable account is a control account, you must determine why entries were made and if they were made in error. Adjust erroneous entries using **Manage » Journal Entries** or **Manage » Bank Register**.

To verify miscellaneous receipts:

1. Print the Client Receipt Register (**Reports » Client » Client Receipt Register**) as follows:
   a. Click the **Customize** button.
   b. Select the **Print miscellaneous receipts** checkbox.
   c. Clear the **Use drilldown** checkbox.
2. Review the report to determine if any Miscellaneous Receipts were posted to the Accounts Receivable account or any other control account. Because the Accounts Receivable account is a control account, you must determine why entries were made and adjust any erroneous entries.

Step 4: Reconcile Prepayments

Ajera automatically creates financial entries to your Client Prepayment account (retainers) when you perform tasks through:

- Manage Client Receipts
- Manage Client Invoices

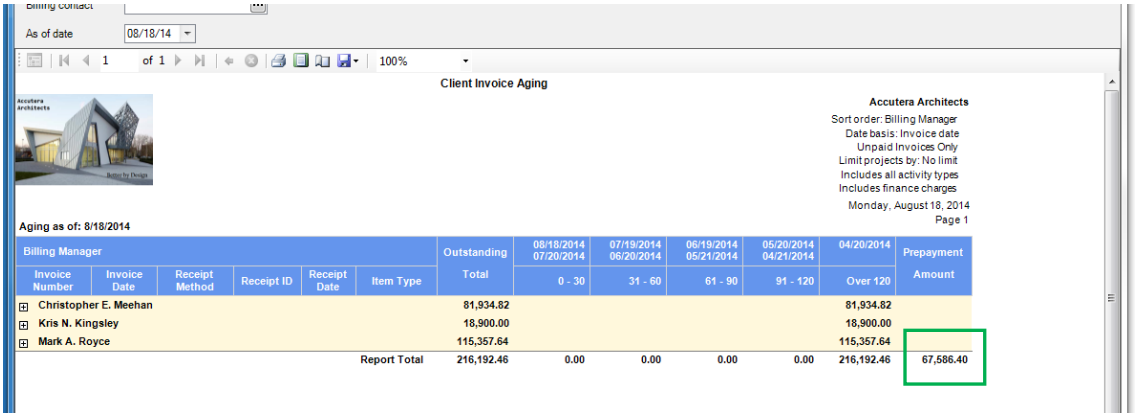
Selecting your Client Prepayment account when Managing Journal Entries in Ajera causes your Client Invoice Aging report and Trial Balance report to be out of balance.

For this step:

1. Print the Client Invoice Aging report (**Reports » Client » Client Invoice Aging**) as follows:
   a. Set the **Aging cutoff date** to the same month-end date that you used to produce the Trial Balance report.
   b. In the customize options, do the following:
      - In the **Date Basis** field, select **Accounting date**.
      - Clear the **Unpaid invoices only** checkbox.
2. Compare the Client Invoice Aging report to the Trial Balance report:

If in balance:

The Report Total in the Prepayment column on the Client Invoice Aging report equals the Current Balance for the Client Prepayment account on the Trial Balance report.



As of date 08/18/14

1 of 1 100%

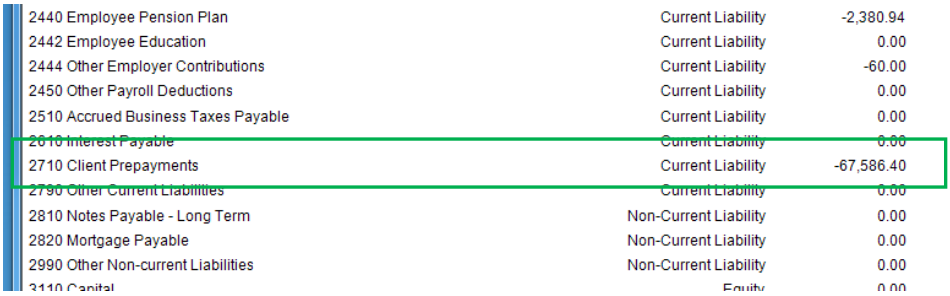
Client Invoice Aging

Accutera Architects
Sort order: Billing Manager
Date basis: Invoice date
Unpaid Invoices Only
Limit projects by: No limit
Includes all activity types
Includes finance charges
Monday, August 18, 2014
Page 1

Aging as of: 8/18/2014

Billing Manager						Outstanding	08/18/2014 07/20/2014	07/19/2014 06/20/2014	06/19/2014 05/21/2014	05/20/2014 04/21/2014	04/20/2014	Prepayment
Invoice Number	Invoice Date	Receipt Method	Receipt ID	Receipt Date	Item Type	Total	0 - 30	31 - 60	61 - 90	91 - 120	Over 120	Amount
Christopher E. Meehan						81,934.82					81,934.82	
Kris N. Kingsley						18,900.00					18,900.00	
Mark A. Royce						115,357.64					115,357.64	
					Report Total	216,192.46	0.00	0.00	0.00	0.00	216,192.46	67,586.40

Trial Balance Report



2440 Employee Pension Plan	Current Liability	-2,380.94
2442 Employee Education	Current Liability	0.00
2444 Other Employer Contributions	Current Liability	-60.00
2450 Other Payroll Deductions	Current Liability	0.00
2510 Accrued Business Taxes Payable	Current Liability	0.00
2610 Interest Payable	Current Liability	0.00
2710 Client Prepayments	Current Liability	-67,586.40
2790 Other Current Liabilities	Current Liability	0.00
2810 Notes Payable - Long Term	Non-Current Liability	0.00
2820 Mortgage Payable	Non-Current Liability	0.00
2990 Other Non-current Liabilities	Non-Current Liability	0.00
3110 Capital	Equity	0.00

Note: Make sure that the **Date Basis** of the Client Invoice Aging report is **Accounting date** to ensure that that you are comparing like values between the two reports.

If Prepayments account balance does not reconcile to aging:

If your Client Prepayments balance on the Trial Balance does not equal the Prepayment total on the Client Invoice Aging report, follow these procedures.

To ensure beginning balances are in balance:

1. Print the Beginning Balance Control Account Verification report. Click **Company » Beginning Balances » Trial Balance » report button » Beginning Balance Control Account Verification**.
2. Compare the amounts listed in the Trial Balance column with the Entered column for the Client Prepayments account. If there is a difference (also noted on the report), you must determine which amount is correct and change the amount that is incorrect.

   If the Trial Balance amount is incorrect, change the amount entered in the Beginning Balance Trial Balance (**Company » Beginning Balances » Trial Balance**). If the Entered amount is incorrect, change the Prepayment beginning balance amount entered for the client (**Setup » Clients**).

To determine if any journal entries need to be adjusted:

1. Print the Ledger for the Client Prepayments account. Click **Reports » Financial » Ledger**, and select the month that you are reconciling (for example, February 2018).
2. Drill down on the Client Prepayments account. Identify any items that have a description of Journal Entry. You can review journal entries in **Manage » Journal Entries**, or double-click the entry on the Ledger report to determine the session to print and review. Because the Client Prepayments account is a control account, you must determine why entries were made and if they were made in error. Adjust erroneous entries using **Manage » Journal Entries**.

Step 5: Reconcile Work-in-Progress Accounts

Ajera automatically creates financial entries to your Work-in-Progress accounts when you perform tasks through:

- Manage Time
- Manage Vendor Invoices
- Manage In-house Expenses
- Manage Client Invoices

Selecting your Work-in-Progress accounts when Managing Journal Entries in Ajera causes your Work-in-Progress Aging report and Trial Balance report to be out of balance.

1. Print the Work-In-Progress Aging report (**Reports » Project » Work-In-Progress Aging**) as follows:
   a. Set the **Aging as of** date to the same month-end date that you used to produce the Trial Balance report.
   b. In the customize options, do the following:
      - In the **Amount Type** field, select **Billed**.
      - In the **Sort Order** field, select **Activity type**.

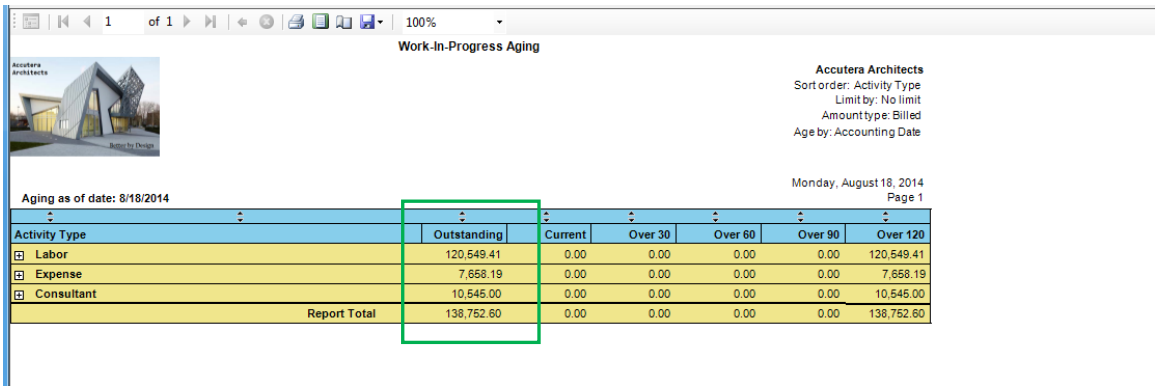
   Note: The report runs automatically based on accounting date.

2. Compare the Work-in-Progress Aging report to the Trial Balance report.

   If in balance:

   The WIP Outstanding amount by Labor, Expense, and Consultant on the Work-In-Progress Aging report equals the Current Balance for the associated Work-In-Progress accounts on the Trial Balance report.

3. If you cannot identify the work-in-progress accounts on the Trial Balance Report, click **Company » Preferences » Balance Sheet Accounts** tab. The three accounts are listed in the **Labor**, **Expense**, and **Consultant** fields of the Work-in-Progress box.



Work-In-Progress Aging

Accutera Architects
Sort order: Activity Type
Limit by: No limit
Amount type: Billed
Age by: Accounting Date

Monday, August 18, 2014
Page 1

Aging as of date: 8/18/2014

Activity Type	Outstanding	Current	Over 30	Over 60	Over 90	Over 120
Labor	120,549.41	0.00	0.00	0.00	0.00	120,549.41
Expense	7,658.19	0.00	0.00	0.00	0.00	7,658.19
Consultant	10,545.00	0.00	0.00	0.00	0.00	10,545.00
Report Total	138,752.60	0.00	0.00	0.00	0.00	138,752.60

1220 Employee Receivables	Current Asset	-75.00
1230 Notes Receivable	Current Asset	0.00
1310 Work In Progress- Labor	Current Asset	120,549.41
1320 Work In Progress - Expenses	Current Asset	7,658.19
1330 Work In Progress - Consultants	Current Asset	10,545.00
1400 Allowance for Bad Debt	Current Asset	0.00
1410 Prepaid Expenses	Current Asset	-0.01
1420 Short Term Investments	Current Asset	28,976.68

Note: Be sure to use the same date for the **Aging as of** date on the Work-in-Progress Aging report and the **Cut off Date** on the Trial Balance report.

If Work-In-Progress account balance does not reconcile to aging:

If your Work-in-Progress (WIP) balance on the Trial Balance does not equal the WIP Outstanding total on the Work-in-Progress Aging report, follow these procedures.

To ensure beginning balances are in balance:

1. Print the Beginning Balance Control Account Verification report. Click **Company » Beginning Balances » Trial Balance » report button » Beginning Balance Control Account Verification**.
2. For the Work-In-Progress accounts, compare the amounts in the Trial Balance column and the Entered column. If there is a difference (also noted on the report), you must determine which amount is correct and change the amount that is incorrect.

   If the Trial Balance amount is incorrect, change the amount entered in the Beginning Balance Trial Balance (**Company » Beginning Balances » Trial Balance**). If the Entered amount is incorrect, change the amount entered in the Beginning Balance Unbilled work-in-progress (**Company » Beginning Balances » Unbilled Work-in-progress**).

To determine if any journal entries need to be adjusted:

1. Print the Ledger report for each of the Work-In-Progress accounts. Click **Reports » Financial » Ledger**, and select the month that you are reconciling (for example, April 2018).
2. Drill down on the Work-in-Progress accounts. Identify any items that have a description of Journal Entry. You can review journal entries in **Manage » Journal Entries**, or double-click the entry on the Ledger report to determine the session to print and review. Because the Work-in-Progress account is a control account, you must determine why entries were made and if they were made in error. Adjust erroneous entries using **Manage » Journal Entries**.

Step 6: Reconcile Accounts Payable

Ajera automatically creates financial entries to your Accounts Payable account when you perform tasks through:

- Manage Vendor Invoices
- Manage Vendor Payments
- Manage Client Receipts (refunds)
- Manage Payroll (Payroll Services)

Selecting your Accounts Payable accounts when Managing Journal Entries in Ajera causes your Vendor Invoice Aging report and Trial Balance report to be out of balance.

For this step:

1. Print the Vendor Invoice Aging Report (**Reports » Vendor » Vendor Invoice Aging**) as follows:
   a. Set the **Aging cutoff date** to the same month-end date that you used to produce the Trial Balance report.
   b. In the customize options, in the **Date Basis** field, select **Accounting date**.
2. Compare the Vendor Invoice Aging report to the Trial Balance report:

   If in balance:

   The Report total for the Outstanding column on the Vendor Invoice Aging report equals the Current Balance for the Accounts Payable account on the Trial Balance report.

1 of 1 100%

Vendor Invoice Aging

Accutera Architects
Sort order: Vendor
Date Basis: Accounting date
Unpaid Invoices Only
Includes expenses and consultants
Limit by: No limit
Monday, August 18, 2014
Page 1

Aging as of: 8/18/2014

Vendor					Outstanding	08/18/2014 07/20/2014	07/19/2014 06/20/2014	06/19/2014 05/21/2014	05/20/2014 04/21/2014	04/20/2014
Invoice Number	Accounting Date	Payment ID	Payment Date	Payment Method	Total	0 - 30	31 - 60	61 - 90	91 - 120	Over 120
American Express					512.20					512.20
BVA Group					1,100.00					1,100.00
Elemenz Engineering					18,700.00					18,700.00
Global Blueprinting					-19,127.50					-19,127.50
James N. Singer					-2.50					-2.50
Kris N. Kingsley					42.50					42.50
Mark A. Royce					74.65					74.65
Pat D. Hill					172.00					172.00
Paul J. French					57.75					57.75
RFG Partnership					2,000.00					2,000.00
Willamette Office Supply					1,052.00					1,052.00
			Report Total		4,581.10	0.00	0.00	0.00	0.00	4,581.10

1840 Long Term Investments	Non-current Asset	0.00
1890 Other Non-current Assets	Non-current Asset	0.00
2110 Notes Payable - Short term	Current Liability	0.00
2120 Current Portion - Long Term Debt	Current Liability	0.00
2210 Accounts Payable	Current Liability	-4,581.10
2220 Sales Tax Payable	Current Liability	-1,400.00
2230 American Express Payable	Current Liability	-4,899.95
2240 Chase Visa Payable	Current Liability	-425.00

> **Note:** It is important that when running the Vendor Invoice Aging, you use a **Date Basis** of **Accounting date** so you are able to tie the values to the Trail Balance which is driven by accounting date.

If AP account balance does not reconcile to aging:

If your Accounts Payable (AP) balance on the Trial Balance does not equal the "Outstanding" total on the Vendor Invoice Aging report, follow these procedures.

To ensure beginning balances are in balance:

1. Print the Beginning Balance Control Account Verification report. Click **Company » Beginning Balances » Trial Balance » report button » Beginning Balance Control Account Verification**.
2. For the Accounts Payable account, compare the amounts in the Trial Balance column and the Entered column. If there is a difference (also noted on the report), you must determine which amount is correct and change the amount that is incorrect.

   If the Trial Balance amount is incorrect, change the amount entered in the Beginning Balance Trial Balance (**Company » Beginning Balances » Trial Balance**). If the Entered amount is incorrect, change the amount entered in the Beginning Balance Open Vendor Invoices (**Company » Beginning Balances » Open Vendor Invoices**).

To determine if any journal or bank entries need to be adjusted:

1. Print the Ledger report for the Accounts Payable account. Click **Reports » Financial » Ledger**, and select the month that you are reconciling (for example, July 2018).
2. Drill down on the Accounts Payable account. Identify any items that have a description of Journal Entry or Bank Entry.
   - You can review journal entries in **Manage » Journal Entries**, or double-click the entry on the Ledger report to determine the session to print and review.
   - You can review bank entries in **Manage » Bank Register » Register** tab, or double-click the entry on the Ledger report to determine the session.
   - Because the Accounts Payable account is a control account, you must determine why entries were made and if they were made in error. Adjust erroneous entries using **Manage » Journal Entries** or **Manage » Bank Register**.

To enter adjustments:

1. If an adjustment is necessary, Deltek recommends that you use Manage Vendor Invoices or Manage Vendor Payments to ensure that the ledger entries also appear on the Vendor Invoice Aging report.

Step 7: Reconcile Salaries Payable

Ajera automatically creates financial entries to your Salaries Payable account when you perform tasks through:

- Manage Time
- Manage Payroll (Process Payroll and Payroll Service)

Selecting your Salaries Payable accounts when Managing Journal Entries in Ajera causes your Salaries Payable Balance report and Trial Balance report to be out of balance.

For this step:

1. Print the Salaries Payable Balance report (**Reports » Payroll » Salaries Payable Balance**).
2. Compare the Salaries Payable Balance report to the Trial Balance report.

   If in balance:

   The Report Total for the Amount column on the Salaries Payable Balance report equals the Current Balance for the Salaries Payable account on the Trial Balance report.

1 of 1 100%

Salaries Payable Balance

Accutera Architects

Monday, August 18, 2014
Page 1

Date Range from: 08/01/2014 to 08/31/2014

Employee	Phase	Activity	Date	Hours	Amount
Christopher E. Meehan				580.25	41,711.11
James N. Singer				114.00	3,945.97
Jan J. Engstrom				98.00	1,862.00
Karen G. Winger				72.00	756.00
Kris N. Kingsley				96.00	2,160.00
Mark A. Royce				98.00	3,957.57
Mary T. Boyle				136.00	3,951.77
Pat D. Hill				110.00	2,411.46
Paul J. French				96.00	2,160.00
Roger S. Tesch				96.00	2,049.20
Scott B. Nunn				101.00	1,656.00
test testor				40.00	1,200.00
			Report Total	1,637.25	67,821.08

2230 American Express Payable	Current Liability	-4,899.95
2240 Chase Visa Payable	Current Liability	-425.00
2310 Salaries Payable	Current Liability	-67,821.08
2320 Accrued Bonus & Incentives	Current Liability	0.00
2410 Federal Income Tax Withholding	Current Liability	-4,999.86
2412 Federal Social Security Tax	Current Liability	-4,089.02

If Salaries Payable account balance does not reconcile to aging:

If your Salaries Payable balance on the Trial Balance does not equal the Amount total on the Salaries Payable Balance report, follow these procedures.

To determine if any journal entries need to be adjusted:

1. Print the Ledger report. Click **Reports » Financial » Ledger**, and select the month that you are reconciling (for example, April 2018).
2. Drill down on the Salaries Payable account. Identify any items that have a description of Journal Entry or Bank Entry.
   - You can review journal entries in **Manage » Journal Entries**, or double-click the entry on the Ledger report to determine the session to print and review.

- You can review bank entries in **Manage » Bank Register » Register** tab, or double-click the entry on the Ledger report to determine the session.
- Because the Salaries Payable account is a control account, you must determine why entries were made and if they were made in error. Adjust erroneous entries using **Manage » Journal Entries** or **Manage » Bank Register**.

Step 8 (Optional): Reconcile Gross Wages for Accrual Accounting

Note: This is a step that is considered optional for Ajera, and it uses accounts that are not Balance Sheet accounts along with accounts that are.

When using the accrual method of accounting, you cannot reconcile the expense amounts in the Profit and Loss Statement directly to gross wages on the Payroll Check Activity Report because the expense amounts contain wages that have not yet been paid. Therefore, you must also include the Salaries Payable account in your reconciliation.

Since Salaries Payable is a balance sheet account, the balances at the fiscal year-end do not get cleared to a zero balance as does an expense account. Therefore, you cannot use the ending balance of the Salaries Payable account in your reconciliation. The amount you need to use depends on whether you are reconciling the month-to-date or the year-to-date gross wages.

Another consideration in your reconciliation is if you have any in/out pays included in gross wages (for example, automobile allowance). These types of amounts need to be deducted from gross wages on the Check Activity Report when reconciling to the Profit and Loss Statement.

Note: This step is based on using In House payroll. If you are using a Payroll Service, you will not be able to follow the steps outlined for reconciling your gross wages.

The following examples illustrate:

- The information you need to gather
- A month-to-date reconciliation
- A year-to-date reconciliation

Information You Will Need

Wage Expense for the month being reconciled (Profit & Loss Statement)	$119,615.49
Wage Expense for the year as of the end of the month being reconciled (Profit & Loss Statement)	$243,180.30
Payroll Variance for the month being reconciled (Profit & Loss Statement)	($1,000.17)
Payroll Variance for the year as of the end of the month being reconciled	($1,782.35)

(Profit & Loss Statement)	
Automobile Pay for the month being reconciled (Check Activity Report)	$112.00
Automobile Pay for the year as of the end of the month being reconciled (Check Activity Report)	$168.00
Salaries Payable at January 1 of the year being reconciled (Trial Balance)	($24,304.68)
Salaries Payable at the first day of the month being reconciled (Trial Balance)	($45,761.19)
Salaries Payable at the end of the month being reconciled (Trial Balance)	($51,082.69)
Gross Wages for the month (Check Activity Report)	$113,405.82
Gross Wages for the year (Check Activity Report)	$214,787.94

Reconciliation for a single month

Gross Wages from the Check Activity Report	$113,405.82
Less Automobile Pay from the Check Activity Report	($112.00)
Adjusted Gross Wages	$113,293.82
All wage expense account amounts for current month (P & L)	$119,615.49
Payroll Variance account amount for current month (P & L)	($1,000.17)
Change in Salaries Payable for current month (Trial Balance)	($5,321.50)
Adjusted Wages Expense	$113,293.82

Reconciliation for the year-to-date

Gross Wages from the Check Activity Report	$214,787.94
Less Automobile Pay from the Check Activity Report	($168.00)
Reconciled Wages Expense	$214,619.94

All wage expense account amounts for the year to date (P & L)	$243,180.30
Payroll Variance account amount for the year to date (P & L)	($1,782.35)
Change in Salaries Payable for the year to date (Trial Balance)	($26,778.01)
Reconciled Wages Expense	$214,619.94

From the examples, you can see that the change in the Salaries Payable amount is different depending on the time period you are reconciling.

There may be times when your reconciliation is off a few cents. This is due to rounding differences between when time is entered and paid. Some companies see these small differences as immaterial and will leave the differences. Others will choose to adjust the wages expense to reconcile to the wages paid with a journal entry.

Close the Fiscal Year

When you close the fiscal year, Ajera creates entries with an accounting date equal to the close-year date to reverse balances from the Income and Expense accounts and write the difference to the Retained Earnings account.

To close the fiscal year:

1. From the **Company** menu, click **Close Fiscal Year**. The Close Fiscal Year window displays.
2. Enter the reference number and change the description, if needed, for the year to be closed.
3. Enter any notes.
4. Review the accounts in the table.
   - Closing entries display for both the accrual and cash accounting method, which determine how and when revenue, cost, and expense are recognized to the general ledger.
   - The **cash accounting method** reports revenues, costs, and expenses when the cash is received or disbursed, regardless of when revenues are earned and expenses are incurred.
   - The **accrual accounting method** recognizes revenues and expenses at the time they are earned and incurred, regardless of when the cash transaction occurs.
   - Some accounts will have multiple entries. If an account has an accrual balance that is partially paid, the item is split and two accrual entries are created based on what is open and what is paid. For example, an account for telephone expense has a total of 110.00 in accrual and 100.00 has been paid. One line will have 10.00 in the accrual column, and a second line will have 100.00 in both the accrual and cash column.
   - The net income is the difference between the debit and credit columns. If the net income is a gain, it appears as positive; if it is a loss, it appears as negative.
   - When the net income is a gain, retained earnings is a credit. When the net income is a loss, retained earnings is a debit.
5. Click **Save**.
6. Select the **Set new fiscal year end to *(year)*** checkbox if you want Ajera to reflect the new fiscal year and automatically adjust the setting on the General tab of Company Preferences.

   If you selected the **Set new fiscal year end to *(new year))*** checkbox, Ajera automatically selects the **Do Not Allow Entries Prior To *(the first day of the new fiscal year)*** checkbox. It prohibits any entries before the specified date and automatically adjusts the related setting on the General tab of company preferences.
7. Click **OK** to finalize the close.
8. Click **Close** to exit the window.

Make Prior Year Adjusting Entries

When you close the year, Ajera displays a message asking you to set the new fiscal year-end date and restricts entries to a prior year. Ajera then changes the fiscal year setting on the General tab of Company Preferences.

To make prior year adjustments after closing the fiscal year, click **Company » Preferences » General** tab, change the current fiscal year back to the year to adjust, and change the **Don't allow entries prior to** date to the date wanted in that previous year.

Complete the following steps:

1. From the **Manage** menu, click **Journal Entries**. Click the **New** button of the Manage Journal Entries window.
2. In the **Accounting Date** field, enter the date for the journal entry you want to add.
   - Enter the **Description**, **Reference**, and any **Notes** wanted.
   - Choose the basis wanted: **Accrual**, **Cash**, or **Both**.
   - Click the **Done** button.
3. Click the Row for the entry that you just made on the Journal Entry List.

   You will then see the area to enter the Journal Entries available underneath the highlighted Journal Entry.
4. Enter the Journal Entry as you would any other.
5. When completed, click the **SAVE** icon in the top left corner of the page.

If you adjust an income or expense account in the prior fiscal year, you must close that year again to distribute profit and loss to retained earnings.

Note: If you have access to the Journal Entry Task Tab on your Dashboard, you may use the above steps on this to complete the Journal Entry instead of using Manage » Journal Entries.

Complete the following steps to re-close the previous Fiscal Year:

1. From the **Company** menu, click **Close Fiscal year**.
2. Click **Save**.
3. Close the fiscal year.

Preparing Government Forms

Form 1099-MISC and 1099-NEC

Use form 1099-MISC to report payments made in the course of a trade or business to another person or business. The form is required if $600 or more in rents or services are paid.

Use form 1099-NEC to report payments made in the course of a trade or business to another person or business who is an independent contractor, freelancer, sole proprietor or self-employed individual, who is not an employee. The form is required if $600 or more in rents or services are paid.

You can print Copy A on Laser 1099-MISC and Laser 1099-NEC Forms (from Nelco). You may use blank or blank perforated paper for the other Copy types. Ajera does not print to continuous forms, only laser single sheet. You may also choose to e-file to the Government.

This form requires that you print Copy A to a preprinted form.

W-2 Boxes 10–20

When you set up a pay, tax, deduction, or fringe, you can select to print the year-to-date amount for it in one of the following boxes on Form W-2. If applicable, you can also select not to report the information on Form W-2.

Box 10 - Dependent Care Benefits

This box contains the total of dependent care benefits under a dependent care assistance program (section 129) paid or incurred by your company for your employee.

Box 11 - Nonqualified Plans

The purpose of box 11 is for the Social Security Administration to determine if any part of the amount reported in box 1 or boxes 3 and/or 5 was earned in a prior year. The Social Security Administration uses this information to verify that it has properly applied the Social Security earnings test and paid the correct amount of benefits.

Box 12 - Codes

You can select one of numerous codes to print the applicable year-to-date amount in box 12. For descriptions of these codes, see the Instructions for Employee section in Form W-2 on the IRS website.

Box 13

The Retirement plan checkbox on the W-2 form is checked if the employee is an active participant in a retirement plan. When you print Form W-2, Ajera checks this box on the form if you select the Covered by retirement plan checkbox on the **Setup » Employees » Payroll Taxes** tab.

Box 14

The lease value of a vehicle provided to your employee and reported in box 1 must be reported here or on a separate statement to your employee.

You may also use this box for any other information that you want to give to your employee. Examples include state disability insurance taxes withheld, union dues, uniform payments, health insurance premiums deducted, nontaxable income, or educational assistance payments. In addition, you may enter certain contributions to a pension plan.

Boxes 18-19, Local 1 and Local 2

Use these boxes to report local income tax information.

You can print it as a single sheet, two forms per page, 4 up, or 3 up. You can also print the substitute Copy A. You can use blank, blank perforated, or preprinted paper. Ajera also allows you to e-file your forms with the government.

Form W-3 Transmittal of Tax and Wage Statements

Use this form to transmit Copy A of Form W-2 to the IRS when not filing electronically or on magnetic media.

You can also print the substitute Copy A, an employer (file) copy, or the Social Security Administration copy.

Printing Government Forms

Before you start the printing process, we suggest that you do the following:

- If you plan to use preprinted forms for the 1099 Copy A, it is important that you run samples to test the form alignment. You can obtain free sample forms by calling Nelco at 800.266.4669.

- First print information on plain paper rather than on the preprinted form. In this way, you can review the information for errors before printing it on the preprinted forms.
- Print the Vendor 1099 Preparation Report by selecting Reports » Vendor » Vendor 1099 Preparation from the menu. This report lists vendors by form type. You can also use the report to verify 1099 information, reviewing the report totals to verify the 1099 amounts. **This form will not display amounts put into the 1099 Info tab in the Vendor Setup.**

Note: When printing W-2 forms in Ajera, only plain paper or perforated plain paper can be used. No pre-printed forms can be used when printing W-2 forms in Ajera.

Only the 1099 Copy A can be printed to a pre-printed form.

Evaluate Your Year

After you have reconciled Ajera and performed all your year-end tasks, you are ready to evaluate your year in terms of company and project profitability.

In this part of the training, you will learn how to use Ajera to help you examine these key areas:

- Direct personnel expenses and overhead
- Indirect and project nonbillable time
- Write-offs and invoice adjustments
- Profit return and risk analysis

Direct Personnel Expenses and Overhead

It is important to determine if current Direct Personnel Expenses (DPE) and Overhead percentages reflect actual project cost or if they need to be adjusted to meet the profit goals of your firm.

To accomplish this goal:

1. Calculate DPE and Overhead percentages using the Profit and Loss Statement.
2. Enter or change DPE and Overhead percentages in Company Preferences.
3. Review project reports.

Direct Personnel Expenses (DPE) are all expenses that are directly attributable to employees. This includes items such as employer paid taxes, insurance, and 401k, essentially anything that would be considered an employee benefit.

Overhead is all expenses not directly attributable to direct labor or DPE, but required to do business. This includes items such as administrative expenses, rent, office supplies, and so on.

Use your Profit and Loss statement for the year or your Trial Balance to acquire the figures to determine the percentages.

The following example is for illustration purposes. The actual expenses and amounts will vary depending on your firm's requirements. These values are annual amounts, but you would make the calculations as needed.

Direct Labor Expense	
Payroll – Principals	375,000
Payroll – Employees	500,000
Total Direct Labor Expenses	**875,000**
Indirect Personnel Expenses (benefits)	
Vacation	45,000
Holiday	40,000
Sick Leave	11,000

Incentive Pay	25,000
Payroll Taxes	50,000
Other Benefits	75,000
Total Personnel Benefits	**246,000**
General Overhead and Administrative Expenses	
Administrative and Indirect Salaries	260,000
Consulting Fees	100,000
Office Supplies	42,000
Postage	6,000
Rent	105,000
Advertising	50,000
Other G&A Expenses	800,000
Total General Overhead and Administrative Expenses	**1,363,000**
Total Firm Costs	**2,484,000**

Direct Personnel Expense Multiplier (DPE)

Total Personnel Benefits / Total Direct Labor Expenses * 100 (for a percent value)

246,000 / 875,000 = .2811 * 100 = 28%

For every dollar spent on Direct Payroll Cost, the firm spends $0.28 in benefits for the employee.

This value would be used as the percentage for the DPE on the Company Preferences > Payroll tab.

If you are using departments in Ajera, you can enter percentages by departments.

Overhead Multiplier

Total General Overhead and Administrative Expenses / (Total Direct Labor Expenses + Total Personnel Benefits) * 100 (for a percent value)

1,363,000 / (875,000 + 246,000) = 1,363,000 / 1,121,000 = 1.2158 * 100 = 121.58%

For every dollar spent on salary related costs, the firm spends $1.22 on General and Administrative costs.

This value would be used as the percentage for the Overhead on the **Company Preferences » Payroll** tab.

If you are using departments in Ajera, you can enter percentages by departments.

Applying DPE and Overhead to Project Cost

After you determine what your DPE and Overhead percentages should be, and you have entered them in Company Preferences in Ajera, you will immediately see the effect on your project reports.

If you are using departments in Ajera, you can enter percentages by departments.

These amounts are included in cost amounts on your project reports, based on Customize options you select when producing the reports.

The percentages will affect project costing as follows:

Assumptions: Employee XYZ hourly rate is 15.00.

Company DPE rate is 28%.

Company Overhead rate is 122%.

Calculation: $15.00 * 28% = $4.20

$15.00 + $4.20 = $19.20

DPE = $19.20

$19.20 (DPE) * 122% = $23.42

$23.42 + $19.20 = $42.62

For every hour Employee XYZ works on a project, the cost to the company is $42.62. This is important in determining if a project was truly profitable.

> **Note:** Only fixed percentages for DPE and OH may be “distributed” across a time frame using the **Distribute DPE and OH function**.

Indirect and Project Nonbillable Time

Indirect time

You can audit employee indirect time by reviewing the **Employee Utilization report**. By reviewing the hours and dollars, you can obtain a complete picture, which can help you determine if any changes need to be put into place within your firm.

If an employee enters time to a billable phase, and the Billing Manager or Project Manager then makes the time nonbillable or writes it off, the employee utilization reflects that time as it was originally entered – billable.

For time that was originally entered as nonbillable and then moved to a billable phase, the employee utilization report reflects that time as direct.

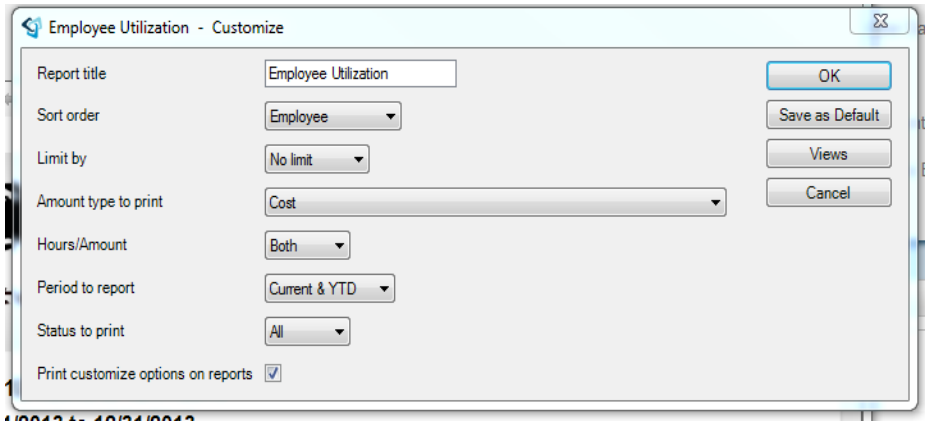
To print the Employee Utilization report:

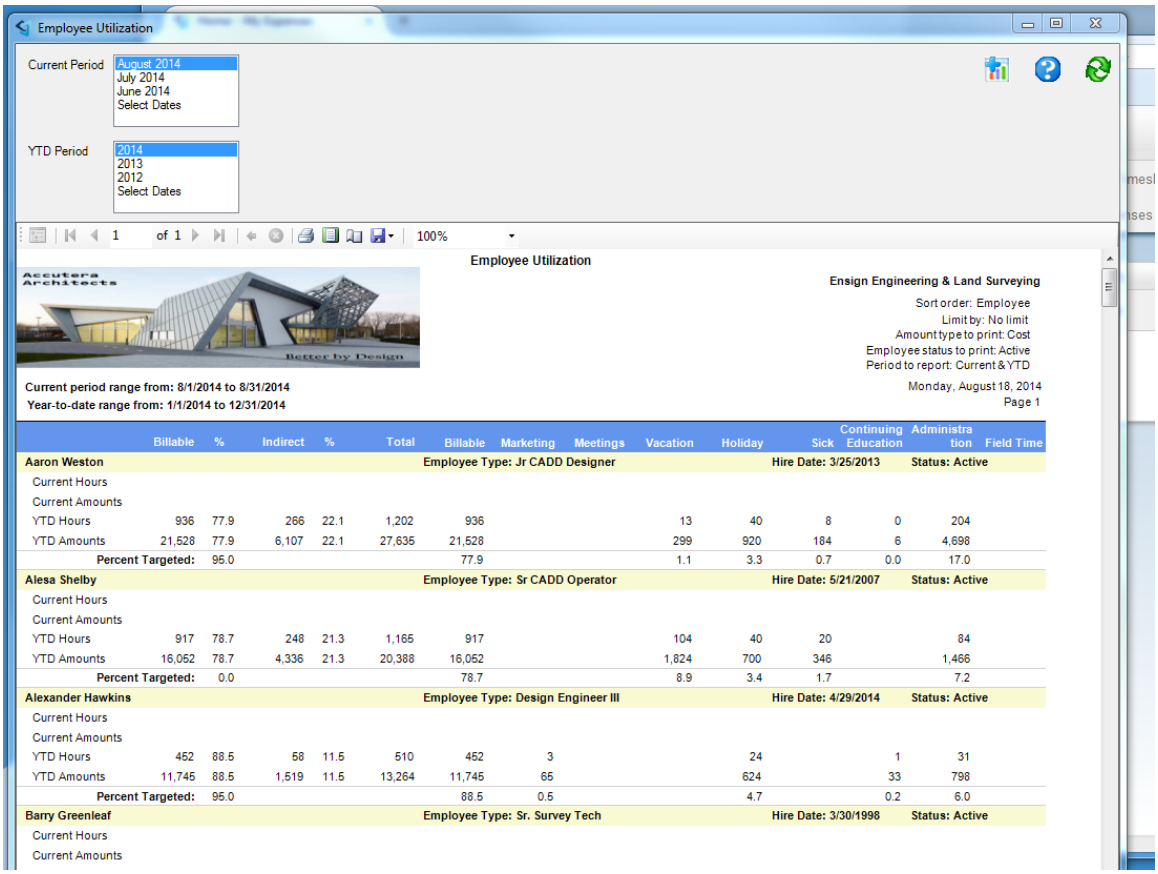
1. Click **Reports » Employee » Employee Utilization**.
2. In **YTD Period** field, select the year being reviewed.
3. Click the **Customize** button, and do the following:
   a. In the **Amount type to print** field, select **Cost + Premium Cost**.

b. In the **Period to report** field, select **YTD**.

c. In the **Status** field, select **Active**.

d. In the **Hours/Amount** field, select **Both**.





The end of the report provides you with grand totals.

YTD Amounts			1,986	100.0	1,986								99	1,887
Percent Targeted:		0.0											5.0	95.0
Report Totals														
Current Hours	0	0.0	7	100.0	7	0	0	0	0	0	0	0	7	0
Current Amounts	0	0.0	95	100.0	95	0	0	0	0	0	0	0	95	0
YTD Hours	51,082	66.1	26,155	33.9	77,237	51,082	6,574	0	2,833	2,433	1,192	983	9,923	2,218
YTD Amounts	1,702,705	65.1	914,032	34.9	2,616,737	1,702,705	304,511	0	107,348	84,503	39,143	37,031	306,195	35,287
Percent Targeted:		60.9				65.1	11.6	0.0	4.1	3.2	1.5	1.4	11.7	1.3

* - Utilization not specified. See report description for more information.

Nonbillable Project Time

Evaluate nonbillable project time to help determine where your firm may need to make changes so as to ensure you are not doing work for free. To help perform this evaluation, review the Hours Distribution by Project report. This report shows you what hours were charged as non billable or changed to non billable once they are invoiced.

To print the Hours Distribution by Project report:

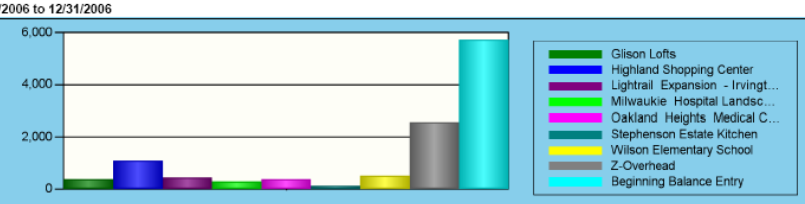
1. Click **Reports » Project » Hours Distribution by Project**.
2. In the **Period** field, select the year you want to review by double-clicking the **Select Dates** option.
3. Optionally, you can also include a graph by clicking the **Customize** button and selecting the **Print graph** checkbox.

Hours Distribution By Project

Accutera Architects
Sort order: Project
Limit by: No limit

Friday, November 17, 2006
Page 1

Date Range from: 1/1/2006 to 12/31/2006



					Work In Progress					
Project	Description	Status	Total	Billed	Total WIP	Billable	Deferred	Hold	Non Billable	Writeoff
03-121	Glison Lofts	A	377.99	267.99	26.00	6.00	20.00	0.00	40.00	44.00
03-138	Highland Shopping Center	A	1,089.00	711.00	283.00	203.00	26.00	54.00	41.00	54.00
03-152	Lightrail Expansion - Irvington	A	438.00	386.00	52.00	52.00	0.00	0.00	0.00	0.00
04-110	Milwaukie Hospital Landscape	A	291.50	76.50	215.00	160.00	55.00	0.00	0.00	0.00
04-107	Oakland Heights Medical Clinic	A	374.00	269.00	21.00	21.00	0.00	0.00	0.00	84.00
04-115	Stephenson Estate Kitchen	A	124.00		100.00	80.00	20.00	0.00	24.00	0.00
03-148	Wilson Elementary School	A	517.00	517.00		0.00	0.00	0.00	0.00	0.00
04-999	Z-Overhead	A	2,573.75			0.00	0.00	0.00	2,573.75	0.00
	Beginning Balance Entry		5,719.24			0.00	0.00	0.00	5,719.24	0.00
			11,504.48	2,227.49	697.00	522.00	121.00	54.00	8,397.99	182.00

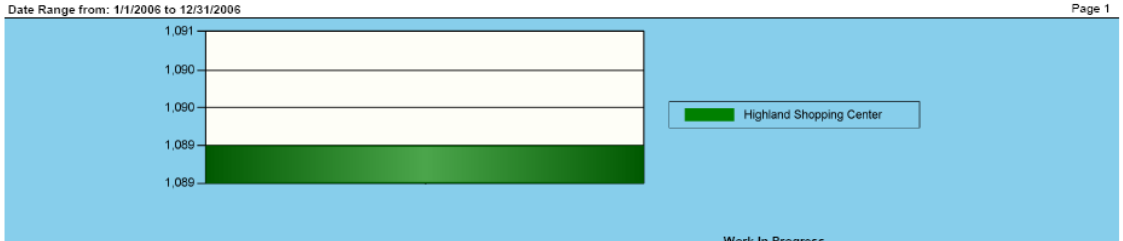
Drill down to see the detail for non billable hours.

Hours Distribution By Project

Accutera Architects
Sort order: Project
Limit by: No limit

Friday, November 17, 2006
Page 1

Date Range from: 1/1/2006 to 12/31/2006



Project	Description	Status	Total	Billed	Work In Progress: Total WIP	Billable	Deferred	Hold	Non Billable	Writeoff
03-138	Highland Shopping Center	A	1,089.00	711.00	283.00	203.00	26.00	54.00	41.00	54.00
	Basic Services		1,077.00	711.00	271.00	203.00	14.00	54.00	41.00	54.00
	Schematic Design		2.00	2.00						
	Architectural		2.00	2.00						
	Design Development		448.00	448.00						
	Architectural		355.50	355.50						
	Interior Design		69.00	69.00						
	Landscape Design		23.50	23.50						
	Construction Documents		627.00	261.00	271.00	203.00	14.00	54.00	41.00	54.00
	Architectural		497.00	161.00	241.00	183.00	4.00	54.00	41.00	54.00
	Interiors		130.00	100.00	30.00	20.00	10.00			
	Additional Services		12.00		12.00		12.00			
			1,089.00	711.00	283.00	203.00	26.00	54.00	41.00	54.00

Drill down to Employee and Activity detail.

Highland Shopping Center
Basic Services
Construction Documents
Architectural

Date Range from: 1/1/2006 to 12/31/2006

Employee/Activity		Total	Billed	Work In Progress: WIP Total	Billable	Defered	Hold	Non Billable	Writeoff
Christopher E. Meehan		75.00	8.00	54.00	12.00		42.00	13.00	
	Project Management	40.00	8.00	29.00	8.00		21.00	3.00	
	Billable Time	35.00		25.00	4.00		21.00	10.00	
Mary T. Boyle		108.00	24.00	36.00	32.00	4.00		28.00	20.00
	Billable Time	108.00	24.00	36.00	32.00	4.00		28.00	20.00
Paul J. French		82.00	48.00						34.00
	Billable Time	82.00	48.00						34.00
Roger S. Tesch		100.00	33.00	67.00	67.00				
	Billable Time	100.00	33.00	67.00	67.00				
Scott B. Nunn		132.00	48.00	84.00	72.00		12.00		
	Billable Time	132.00	48.00	84.00	72.00		12.00		
	Total	497.00	161.00	241.00	183.00	4.00	54.00	41.00	54.00

Write-offs

Typically, you write off amounts when you cannot bill them for reasons beyond the company's control but you still want to track the potential earnings on the project. You can evaluate write-offs by reviewing the Hours Distribution by Project report.

To print the Hours Distribution by Project report:

1. Click **Reports » Project » Hours Distribution by Project**.
2. In the **Period** field, select the year you want to review by double-clicking the **Select Dates** option.
3. Optionally, you can also include a graph by clicking the **Customize** button and selecting the **Print graph** checkbox.

Hours Distribution By Project

Accutera Architects
Sort order: Project
Limit by: No limit

Friday, November 17, 2006
Page 1

Date Range from: 1/1/2006 to 12/31/2006

Project	Description	Status	Total	Billed	Work In Progress Total WIP	Billable	Deferred	Hold	Non Billable	Writeoff
03-121	Glison Lofts	A	377.99	267.99	26.00	6.00	20.00	0.00	40.00	44.00
03-138	Highland Shopping Center	A	1,089.00	711.00	283.00	203.00	26.00	54.00	41.00	54.00
03-152	Lightrail Expansion - Irvington	A	438.00	386.00	52.00	52.00	0.00	0.00	0.00	0.00
04-110	Milwaukie Hospital Landscape	A	291.50	76.50	215.00	160.00	55.00	0.00	0.00	0.00
04-107	Oakland Heights Medical Clinic	A	374.00	269.00	21.00	21.00	0.00	0.00	0.00	84.00
04-115	Stephenson Estate Kitchen	A	124.00		100.00	80.00	20.00	0.00	24.00	0.00
03-148	Wilson Elementary School	A	517.00	517.00		0.00	0.00	0.00	0.00	0.00
04-999	Z-Overhead	A	2,573.75			0.00	0.00	0.00	2,573.75	0.00
	Beginning Balance Entry		5,719.24			0.00	0.00	0.00	5,719.24	0.00
			11,504.48	2,227.49	697.00	522.00	121.00	54.00	8,397.99	182.00

Drill down on a Project to see the Phase detail.

Hours Distribution By Project

Accutera Architects
Sort order: Project
Limit by: No limit

Friday, November 17, 2006
Page 1

Date Range from: 1/1/2006 to 12/31/2006

Project	Description	Status	Total	Billed	Work In Progress Total WIP	Billable	Deferred	Hold	Non Billable	Writeoff
04-107	Oakland Heights Medical Clinic	A	374.00	269.00	21.00	21.00				84.00
1	Schematic Design		184.50	184.50						
3	Design Documents		105.50	84.50	21.00	21.00				
4	Construction Documents		84.00							84.00
			374.00	269.00	21.00	21.00				84.00

Drill down on a specific phase to see the detail of the write-off by employee and activity.

Oakland Heights Medical Clinic
4 Construction Documents
Date Range from: 1/1/2006 to 12/31/2006

Employee/Activity		Total	Billed	Work In Progress WIP Total	Billable	Defered	Hold	Non Billable	Writeoff
Mark A. Royce		13.00							13.00
	Project Management	7.00							7.00
	Billable Time	6.00							6.00
Mary T. Boyle		12.00							12.00
	Billable Time	12.00							12.00
Paul J. French		25.00							25.00
	Billable Time	25.00							25.00
Roger S. Tesch		34.00							34.00
	Billable Time	34.00							34.00
	Total	84.00							84.00

Invoice Adjustments

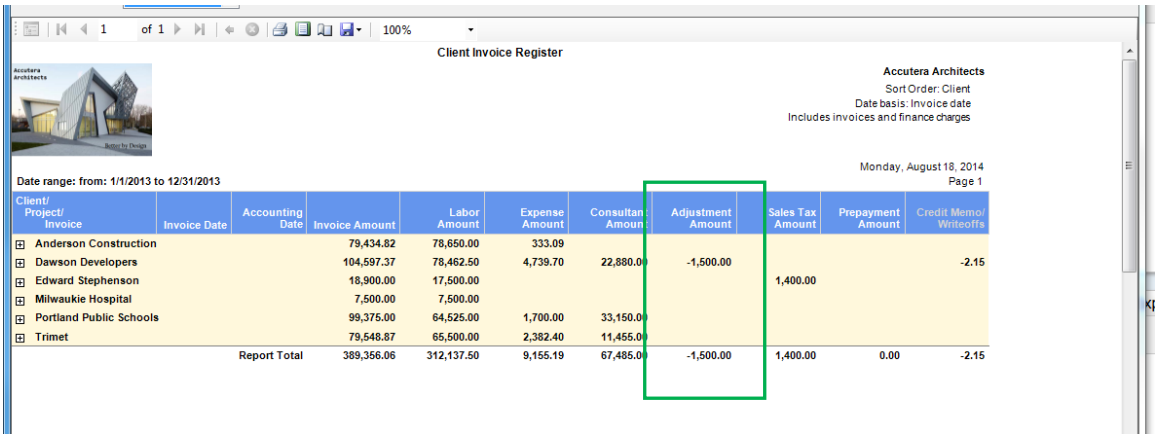
In addition to evaluating write-offs, you should also evaluate invoice adjustments. If you find that you are making a lot of invoice adjustments, specifically adjustments that are decreasing your firm's bottom-line revenue, you may want to determine why and how to avoid making those types of adjustments in the future.

To help you make this determination, you can review the Client Invoice Register, drilling down to see the detail of an adjustment.

To print the Client Invoice Register:

1. Click **Reports » Client » Client Invoice Register**.
2. In the **Date Range** field, select the year you want to review by double-clicking the **Select Dates** option.
3. Click the **Customize** button. In the **Sort order** field, select **Client**.

Keep in mind that sometimes adjustments (both additions and subtractions) are necessary. When reviewing adjustments for the year, you may notice that some adjustments work in the firm's favor and add to the bottom line; however, if adjustments result in negative amounts, then it is time to determine the reasons why.



Client Invoice Register

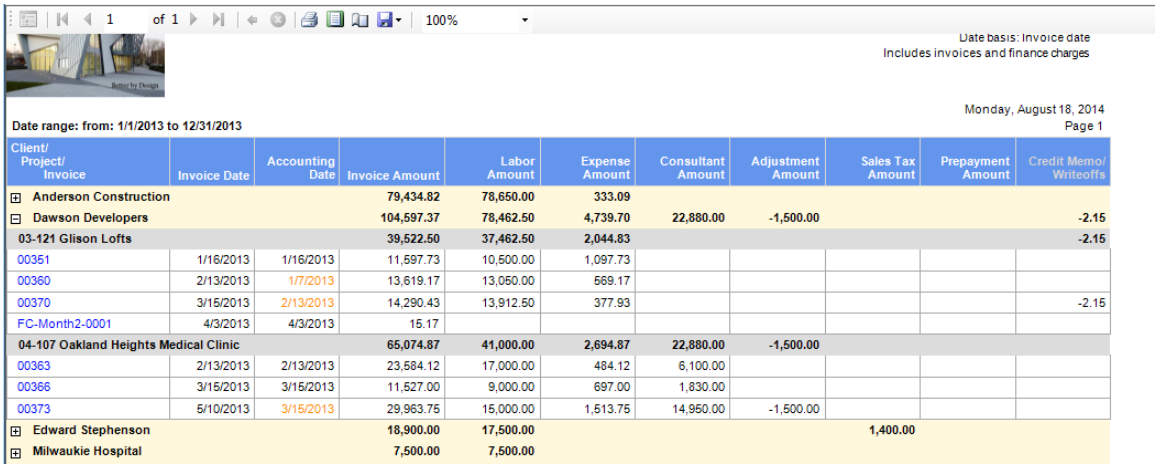
Accutera Architects
Sort Order: Client
Date basis: Invoice date
Includes invoices and finance charges

Monday, August 18, 2014
Page 1

Date range: from: 1/1/2013 to 12/31/2013

Client/ Project/ Invoice	Invoice Date	Accounting Date	Invoice Amount	Labor Amount	Expense Amount	Consultant Amount	Adjustment Amount	Sales Tax Amount	Prepayment Amount	Credit Memo/ Writeoffs
Anderson Construction			79,434.82	78,650.00	333.09					
Dawson Developers			104,597.37	78,462.50	4,739.70	22,880.00	-1,500.00			-2.15
Edward Stephenson			18,900.00	17,500.00				1,400.00		
Milwaukie Hospital			7,500.00	7,500.00						
Portland Public Schools			99,375.00	64,525.00	1,700.00	33,150.00				
Trimet			79,548.87	65,500.00	2,382.40	11,455.00				
		Report Total	389,356.06	312,137.50	9,155.19	67,485.00	-1,500.00	1,400.00	0.00	-2.15

Drill down to the invoice detail for an adjustment.

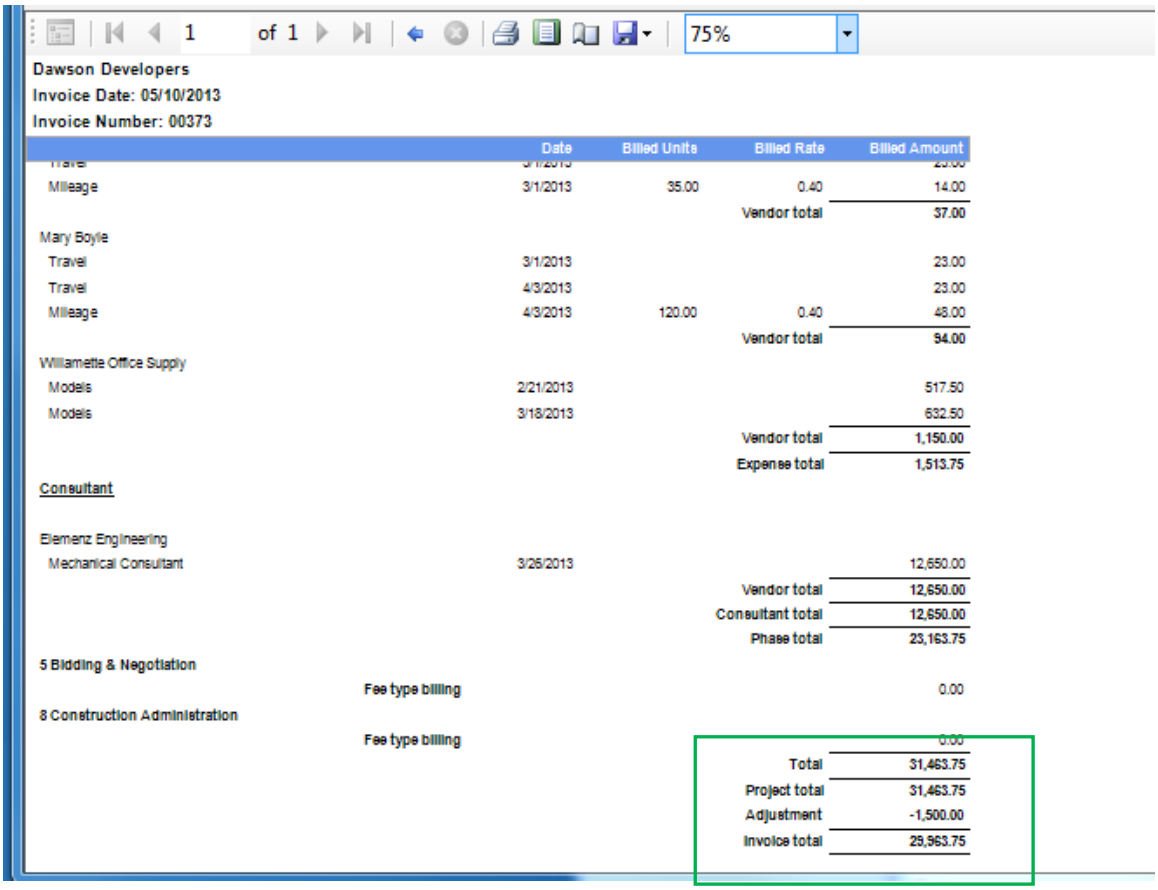


Date basis: Invoice date
Includes invoices and finance charges

Monday, August 18, 2014
Page 1

Date range: from: 1/1/2013 to 12/31/2013

Client/ Project/ Invoice	Invoice Date	Accounting Date	Invoice Amount	Labor Amount	Expense Amount	Consultant Amount	Adjustment Amount	Sales Tax Amount	Prepayment Amount	Credit Memo/ Writeoffs
Anderson Construction			79,434.82	78,650.00	333.09					
Dawson Developers			104,597.37	78,462.50	4,739.70	22,880.00	-1,500.00			-2.15
03-121 Glison Lofts			39,522.50	37,462.50	2,044.83					-2.15
00351	1/16/2013	1/16/2013	11,597.73	10,500.00	1,097.73					
00360	2/13/2013	1/7/2013	13,619.17	13,050.00	569.17					
00370	3/15/2013	2/13/2013	14,290.43	13,912.50	377.93					-2.15
FC-Month2-0001	4/3/2013	4/3/2013	15.17							
04-107 Oakland Heights Medical Clinic			65,074.87	41,000.00	2,694.87	22,880.00	-1,500.00			
00363	2/13/2013	2/13/2013	23,584.12	17,000.00	484.12	6,100.00				
00366	3/15/2013	3/15/2013	11,527.00	9,000.00	697.00	1,830.00				
00373	5/10/2013	3/15/2013	29,963.75	15,000.00	1,513.75	14,950.00	-1,500.00			
Edward Stephenson			18,900.00	17,500.00				1,400.00		
Milwaukie Hospital			7,500.00	7,500.00						



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Dawson Developers
Invoice Date: 05/10/2013
Invoice Number: 00373

		Date	Billed Units	Billed Rate	Billed Amount
Travel		3/1/2013			23.00
Mileage		3/1/2013	35.00	0.40	14.00
				Vendor total	37.00
Mary Boyle					
Travel		3/1/2013			23.00
Travel		4/3/2013			23.00
Mileage		4/3/2013	120.00	0.40	48.00
				Vendor total	94.00
Willamette Office Supply					
Models		2/21/2013			517.50
Models		3/18/2013			632.50
				Vendor total	1,150.00
				Expense total	1,513.75
Consultant					
Elemenz Engineering					
Mechanical Consultant		3/26/2013			12,650.00
				Vendor total	12,650.00
				Consultant total	12,650.00
				Phase total	23,163.75
5 Bidding & Negotiation					
	Fee type billing				0.00
8 Construction Administration					
	Fee type billing				0.00
				Total	31,463.75
				Project total	31,463.75
				Adjustment	-1,500.00
				Invoice total	29,963.75

Profit Return and Risk Analysis

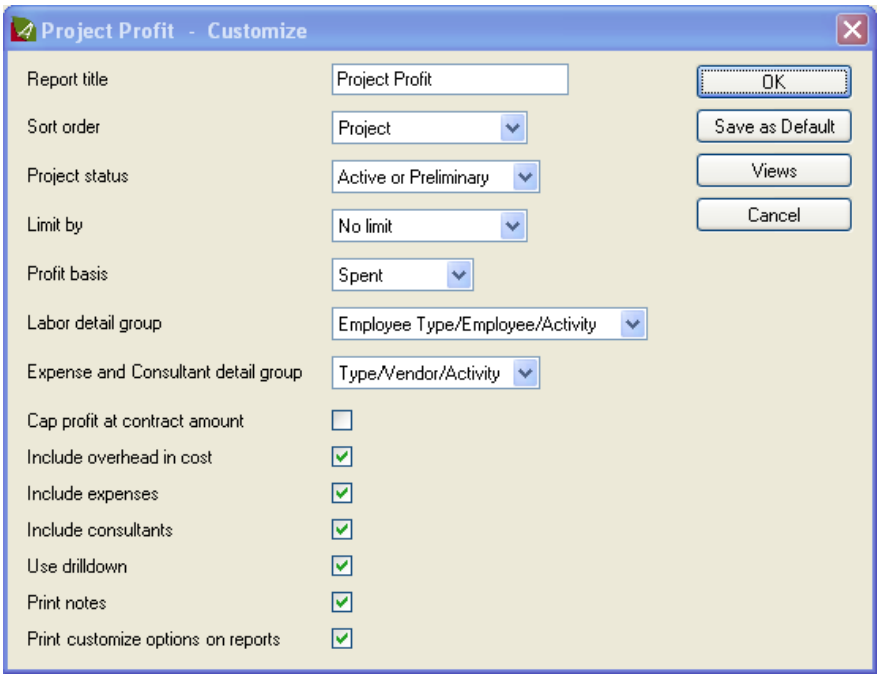
You can analyze project profit based on several different factors, such as market sector (project type), departments, or even clients.

With Ajera, you can track and review your firm's profit in various ways. By producing the report differently, you can accomplish different goals. For example, you can:

- Sort the report by project type to help your management team determine if your firm does exceptionally well with certain types of projects.
- Sort by the report project manager to help you identify your most effective project managers.
- Produce the report for a specific period of time. You may want to determine the profitability of your projects for the prior year.

To print the Project Profit report:

1. Click **Reports » Project » Project Profit**.
2. In the **Date Range** field, select the year you want to review by double-clicking the **Select Dates** option.
3. Click the **Customize** button.



4. Select these options, as needed.

Option	Description
Report title	You can change the title of the report.
Sort order	Sorts the report by project, project manager, billing manager, principal-in-charge, project type, client, or department
Project status	Prints all projects or projects of a specific status
Limit by	Only prints projects associated with the project manager or principal-in-charge who is producing the report. You can also print all projects by selecting **No limit**.
Profit basis	Includes spent, billed, or billed + WIP in the profit calculation. The profit amount reflects the profit basis option you select here (spent, billed, or billed + WIP) minus the cost.
Labor detail group	Prints the labor detail on the report according to the order you select.
Expense and consultant detail group	Prints the expense and consultant detail according to the order you select.
Cap profit at contract amount	If the Profit Basis (spent, billed, or billed plus WIP) amount exceeds the contract amount, the report uses the contract amount to calculate the profit. Otherwise, it calculates the profit using the Profit Basis amount selected. Calculations

Option	Description
	are made for each phase and then summed for the project total.
Include overhead in cost	If selected, it includes overhead in cost amount.
Include expense	If selected, it includes expense in report amounts.
Include consultants	If selected, it includes consultants in report amounts.
Use drilldown	If selected, you can drill down to further detail on the report. If cleared, all information, including the lowest level of detail, prints on the report.
Print notes	If selected, it displays notes entered.
Print customize options on reports	If selected, it prints a list of the report options that you select.

Risk Analysis on Account Receivables

In addition to looking at the profit of a project, it is often necessary to also look at the client who you are doing business with to determine if the risk is worthwhile. First, determine if the project is profitable, then determine if the client is going to be a risk to your business.

If a client is not good about payment, this may have a negative impact on your business especially if you have a lot of projects with that particular client.

Ajera provides you with two reports that are exceptionally good at helping you analyze your risk:

- The industry-standard Client Invoice Aging report, which shows clients who are slow to pay. This report also helps with your collections effort.
- The Cash Receipts Forecast report, which shows the average days-to-pay by client for each of a client's projects. Use this report to forecast when you can expect to receive payments. It provides a graphic representation of your expected inbound cash flow.

To print the Client Invoice Aging report:

1. Click **Reports » Client » Client Invoice Aging**.
2. In the **Aging cutoff date** field, enter the last day of year you are reviewing.
3. Click the **Customize** button and do the following:
   a. In the **Sort order** field, select **Client**.
   b. Optionally, clear the **Use drilldown** checkbox so as to include all the detail on the report.
   c. Verify that in the **Date Basis** field, **Invoice date** is selected.

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Client Invoice Aging

Accutera Architects
Sort order: Client
Date basis: Invoice date
Unpaid Invoices Only
Limit projects by: No limit
Includes all activity types
Includes finance charges
Monday, August 18, 2014
Page 1

Aging as of: 8/18/2014

Client						Outstanding	08/18/2014 07/20/2014	07/19/2014 06/20/2014	06/19/2014 05/21/2014	05/20/2014 04/21/2014	04/20/2014	Prepayment
Invoice Number	Invoice Date	Receipt Method	Receipt ID	Receipt Date	Item Type	Total	0 - 30	31 - 60	61 - 90	91 - 120	Over 120	Amount
Anderson Construction						74,434.82					74,434.82	41,240.00
Dawson Developers						27,451.77					27,451.77	
Edward Stephenson						18,900.00					18,900.00	3,300.00
Milwaukie Hospital						7,500.00					7,500.00	
Portland Public Schools						54,711.00					54,711.00	
Trimet						33,194.87					33,194.87	23,046.40
					Report Total	216,192.46	0.00	0.00	0.00	0.00	216,192.46	67,586.40

Drill down to the clients that are in the 91-120 and the Over 120 column to see which invoices need your attention.

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Client Invoice Aging

Accutera Architects
Sort order: Client
Date basis: Invoice date
Unpaid Invoices Only
Limit projects by: No limit
Includes all activity types
Includes finance charges
Monday, August 18, 2014
Page 1

Aging as of: 8/18/2014

Client						Outstanding	08/18/2014 07/20/2014	07/19/2014 06/20/2014	06/19/2014 05/21/2014	05/20/2014 04/21/2014	04/20/2014	Prepayment
Invoice Number	Invoice Date	Receipt Method	Receipt ID	Receipt Date	Item Type	Total	0 - 30	31 - 60	61 - 90	91 - 120	Over 120	Amount
Anderson Construction						74,434.82					74,434.82	41,240.00
03-138 Highland Shopping Center						74,434.82					74,434.82	
00354	01-16-13				Invoice	7,818.09					7,818.09	
00354	01-16-13	Check		02-19-13	Cash Receipt	-5,000.00					-5,000.00	
00361	02-13-13				Invoice	41,240.00					41,240.00	
00369	03-15-13				Invoice	29,925.00					29,925.00	
FC-Month1-0001	03-02-13				Finance charge	20.85					20.85	
FC-Month2-0002	04-03-13				Finance charge	430.88					430.88	
Dawson Developers						27,451.77					27,451.77	
Edward Stephenson						18,900.00					18,900.00	3,300.00
Milwaukie Hospital						7,500.00					7,500.00	

To print the Cash Receipt Forecast report:

1. Click **Reports » Client » Cash Receipt Forecast**.
2. Click the **Customize** button and select options, as needed.

   In the **Period basis** field, make sure to select to display information on the report for each of the next six weeks, months, or quarters.

Cash Receipt Forecast

Accutera Architects

Sort order: Client
Period basis: Month

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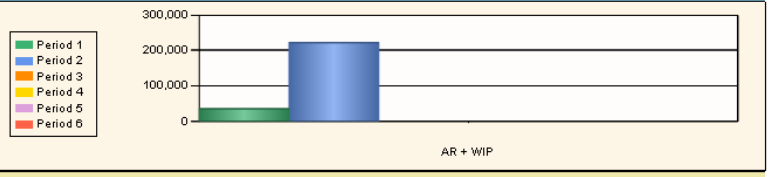
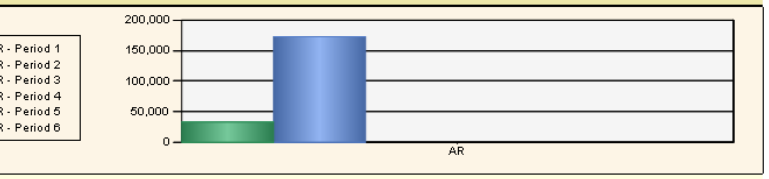
Page 1

	Outstanding	11/20/2006 11/30/2006	12/01/2006 12/31/2006	01/01/2007 01/31/2007	02/01/2007 02/28/2007	03/01/2007 03/31/2007	04/01/2007 04/30/2007
Company Cash Receipt Forecast							
⊞ **AR**	283,141.77	33,386.28	172,784.74	0.00	0.00	0.00	0.00
⊞ **WIP**	103,385.29	1,692.91	49,752.87	0.00	0.00	0.00	0.00
Report Total	386,527.06	35,079.19	222,537.61	0.00	0.00	0.00	0.00



Use the drilldown option to see information on individual clients.

	Outstanding	11/20/2006 11/30/2006	12/01/2006 12/31/2006	01/01/2007 01/31/2007	02/01/2007 02/28/2007	03/01/2007 03/31/2007	04/01/2007 04/30/2007
Company Cash Receipt Forecast							
⊟ **AR**	283,141.77	33,386.28	172,784.74	0.00	0.00	0.00	0.00
AR Cash Receipt Forecast							
⊟ **Anderson Construction**	115,866.28	33,386.28	82,480.00	0.00	0.00	0.00	0.00



ID	Project	Invoice	Invoice Date	Days to Pay	Forecast Receipt	Outstanding	11/20/2006 11/30/2006	12/01/2006 12/31/2006	01/01/2007 01/31/2007	02/01/2007 02/28/2007	03/01/2007 03/31/2007	04/01/2007 04/30/2007
03-138	Highland Shopping Cen	00354	10/04/06	42	11/15/06	7,818.09	**7,818.09**	0.00	0.00	0.00	0.00	0.00
03-138	Highland Shopping Cen	346	08/04/06	42	09/15/06	18,940.92	**18,940.92**	0.00	0.00	0.00	0.00	0.00
03-138	Highland Shopping Cen	348	09/01/06	42	10/13/06	6,627.27	**6,627.27**	0.00	0.00	0.00	0.00	0.00
03-138	Highland Shopping Cen	00361	11/01/06	42	12/13/06	82,480.00	0.00	82,480.00	0.00	0.00	0.00	0.00

Review the **Days to Pay** column to help predict when you can expect payment for individual invoices.

Plan for the New Year

This part of the document explains how you can use Ajera to help you plan for the new year.

Now that you have used Ajera to perform your year-end analysis, you are better able to answer these questions:

- What are the biggest problem areas?
- What are the biggest areas of opportunity for the firm?
- What is going to be the firm's main focus?
- How is success going to be evaluated?

Using Ajera's **Project Profit report**, you can easily evaluate key areas in your firm.

- Sorting by Project type assists you in identifying which types of projects are most profitable for your firm and determining the problem areas.
- Sorting by Department assists you in determining which departments are most profitable and which departments require more examination to make them more profitable.
- Sorting by Project Manager assists you in determining who is performing well and who may need additional assistance or training.

In evaluating your success:

- Identify a timeline for using the Project Profit report to evaluate each of the key areas.
- Identify your firm's definition of improvement. For example, if your firm is currently operating at a loss, improvement or success may be defined as breaking even or making a modest profit.
- What is your targeted profit? Does it match the estimated profit when the contract for each project was written?

Action Plan

After you have evaluated your firm and identified areas for improvement, the next step is to put a plan into action.

Project Profit

- Based on your analysis, determine if your firm's current DPE and Overhead are reflecting actual cost or if they need to be higher to meet the profit goals for the firm.
- Determine if billing rates are set so that the firm will meet the profit goal for each project.
- Educate your employees on how to interpret information that is provided by Ajera.
- Make your employees accountable for what they have impact on—such as entering time correctly and in a timely manner.

Utilization

- Review employee utilization and set target goals for each employee.

Security

- Provide the appropriate level of security, including access to applicable reports, to allow employees to monitor themselves and be accountable.

About Deltek

Better software means better projects. Deltek delivers software and information solutions that enable superior levels of project intelligence, management and collaboration. Our industry-focused expertise makes your projects successful and helps you achieve performance that maximizes productivity and revenue. www.deltek.com