



Eclipse Activity-Based Costing

Release 8.6.2 (Eterm)

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Activant® Eclipse™ 8.6.2 Online Help System

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Eclipse Activity-Based Costing

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Activity-Based Costing Overview

Activity Based Costing (ABC) is an accounting technique you can use to determine the actual cost associated with each order your sales representatives enter. In order to achieve your major business goals, you need to fully understand the cost, time, and quality of the activities your employees or machines perform. The more work a customer causes your sales representative to perform, the less money you make. For example, if a customer orders a product and then changes his mind, the time spent entering that product on the sales order is wasted.

Use the ABC system to designate specific, traceable activities that occur during the customer order cycle. As your employees process the orders, the system tracks each activity as it occurs and records it in a database. You can then use the inquiry and reporting features to review the activities associated with each customer's orders and compare the actual profit levels for each customer. Based on this information, you may want to assign customers to price classes that will keep your profit margins at acceptable levels.

Activities

Many activities are associated with entering, shipping, and invoicing an order. During a normal business day, your employees spend time performing these activities, which translates into an expense that can be measured. Examples of costed activities include:

- Entering an order.
- Making changes, such as quantity, shipping dates, or product, to an order.
- Picking the line items on an order.
- Scheduling an order.
- Delivering and invoicing an order.
- Handling cash receipts.

Your system is set up with a pre-defined set of activities, but you can add additional activities, as needed.

Auto Group Codes

The system uses auto group codes—pre-defined triggers built into programs—to log most activities. However, users can also enter log entries, if needed. During system setup, each expense activity the system tracks is assigned to an auto group code. Each activity code you define must be assigned to an auto group code. You cannot define auto group codes, as they are hard coded into the package.

G/L Pools

The system uses G/L pools to link activities to the G/L accounts where the associated expenses, such as employee salaries, paper, utilities, or delivery expenses, are posted. When you assign a G/L pool to an expense account, you can designate the percentage of the expense to apply to the

pool. The system uses this information to assign costs to activities so that you can determine the cost of doing business with your customers.

Reviewing Costs

After you determine the activities to track and the costs associated with each one, the system calculates the activity-based costs.

You can then use inquiries and reports to review activity and cost information in a summary or detail format and identify the activities that make doing business with a customer expensive. With accurate cost information, you can adjust the way you do business with that customer and improve your profitability.

You need to collect ABC data for a year in order for the ABC cost calculation program to produce accurate results. During that time, you use estimated costs for each activity.

Setting Up Activity Codes

To generate the data required for the ABC inquiries and reports, you need to set up the activity codes as follows:

- Assign ABC G/L pools to activity codes to calculate the cost per activity for each activity code.
- Assign ABC expense categories to activity codes to summarize information presented in the inquiries and report.
- Assign ABC extensions to activity codes to associate multiple activities with the same auto group code.

See Also:

Setup Requirements for Activity-Based Costing

Setup Requirements for Activity-Based Costing

Following are the control maintenance records and authorization keys used for Activity-Based Costing, along with additional setup requirements.

Control Maintenance Records

Set the following control maintenance records:

- ABC Default Cost View
- Auto ABC Enabled
- Cost extra handling ABC event at
- Log ABC Delivery Charge
- Log ABC On New Order Line Deletions

Authorization Keys

Assign the following authorization keys:

- ABC.AUTO.CODES
- ABC.DOWNLOAD
- ABC.EDIT
- ABC.MAINT
- ABC.MANUAL

Parameters and Definitions

Perform the following tasks:

- Define the ABC G/L Pools
- Assign the G/L Pools to G/L Accounts
- Define ABC Extensions
- Define ABC Expense Categories
- Define ABC Types

ABC Activity Codes

After you have defined the G/L pools, extensions, expense categories, and types, perform the following tasks:

- Define Activity Codes
- Assign Estimated Costs to Activities

- Define Required Entries for Manual Logging

See Also:

Activity-Based Costing Overview

ABC G/L Pool Concepts

G/L pools are codes that the system uses to link G/L expenses to ABC activity codes so the system can determine the cost per activity. After defining G/L pools, you assign them to G/L expense accounts and assign them to ABC activities.

ABC G/L pools represent major areas of expense for your company. For example, you can create a Sales pool to group all of the activities associated with entering orders and a Warehouse pool to group all of the activities associated with picking, packing, and shipping orders.

ABC G/L pools link to G/L expense accounts, such as **Wages & Salaries – Sales** and **Office Supplies Expense**. You define which G/L pools apply to which expense accounts and what percentage of your employees' time is spent performing the activities the G/L pool represents. The ABC Cost Calculation program then uses the percentage of the actual expense amounts allocated to the G/L pool and the number of times your employees perform an activity to determine the cost of each ABC activity assigned to the pool. For more information, see *How Eclipse Calculates ABC Costs*.

G/L Pool Setup

Setting up ABC G/L Pools involves:

- Defining ABC G/L pools.
- Assigning ABC G/L pools to G/L accounts.
- Assigning activities to G/L pools.

Example

The following example shows how G/L pools are used in ABC.

Assumptions

Assume that the following are complete lists of G/L expense accounts, ABC G/L pools, and ABC activities that you have defined for your company.

List of G/L Expense Accounts

- Wages & Salaries - Sales
- Wages & Salaries - Warehouse
- Utilities Expense
- Fuel Expense
- Truck Maintenance Expense
- Office Supplies Expense

List of ABC G/L Pools

- Sales Pool
- Warehouse Pool

List of ABC Activity Codes

- Order Entry
- Open Order Line Entry - Stock
- Open Order Line Entry - Nonstock
- Line Item Pick - Stock
- Line Item Pick - Nonstock
- Print Shipping Document
- Special Handling Instructions - Packing
- Special Handling Instructions - Delivery
- Delivery - OT Our Truck

Assigning G/L Pools to General Ledger Accounts

After you have defined your G/L pools, use the G/L Account Maintenance screen to assign your pools to G/L accounts and specify the percentage of the account balance to allocate to each pool.

The first line in this example shows that 30% of the total wages paid to your sales staff are related to the function of entering a sales order. You determine the percentages. While multiple G/L pools may be assigned to a G/L account, the percentages do not have to add up to 100%.

G/L Expense Account	G/L Pool	Percentage
Wages & Salaries - Sales	Sales	30%
Wages & Salaries - Warehouse	Warehouse	60%
Utilities Expense	Sales Warehouse	25% 50%
Fuel Expense	Warehouse	50%
Truck Maintenance Expense	Warehouse	75%
Office Expense	Sales Warehouse	33% 25%

Assigning G/L Pools to Activity Codes

After you have assigned G/L pools to G/L expense accounts, use the ABC Code Maintenance screen to assign activities to your pools. In this example, the first three activities are functions of your sales staff and the remaining activities are functions of your warehouse staff.

ABC Activity Code	G/L Pool
Order Entry	Sales

ABC Activity Code	G/L Pool
Open Order Line Entry - Stock	Sales
Open Order Line Entry - Nonstock	Sales
Line Item Pick - Stock	Warehouse
Line Item Pick - Nonstock	Warehouse
Print Shipping Document	Warehouse
Special Handling Instructions - Packing	Warehouse
Special Handling Instructions - Delivery	Warehouse
Delivery - OT Our Truck	Warehouse

ABC Cost Calculation

For the purposes of explaining the ABC Cost Calculation program, the example deals only with the ABC activities that comprise the Warehouse pool.

For a 12-month period, the ABC Cost Calculation program accumulates:

- The number of ABC activities triggered for the Warehouse pool.
- The expense dollars allocated to the Warehouse pool.

The program then divides the total allocated dollars by the total number of activities to arrive at the cost per activity. The system then assigns this cost each ABC activity code associated with the Warehouse pool. For example, if the Wages & Salaries - Warehouse expense account shows a dollar amount of \$150,000, and 60% of your employees' time is spent on activities assigned to the Warehouse pool, \$90,000 of that \$150,000 is allocated to the activities within the warehouse pool. If the system logged 300,000 Warehouse pool activities, each activity costs your company about 30 cents.

See Also:

Activity-Based Costing Overview

Setup Requirements for Activity-Based Costing

Defining ABC G/L Pools

G/L pools link your general ledger expense accounts to the ABC activity codes. The ABC Cost Calculation program uses G/L pools to determine your costs per activity.

Use G/L pools to identify the major types of expenses you want to track. For example, you might define the following pools:

- Sales expenses
- Administrative expenses
- Warehouse expenses

Note: After you define the G/L pools, assign them to G/L expense accounts, along with the percentage of the G/L account balance to allocate to each pool. You will also need to assign the G/L pools to your activity codes.

► To define a G/L pool:

1. From the **Events > Activity Based Costing > Maintenance** menu, select **ABC G/L Pool Maintenance** to display the Valid ABC G/L Pools screen.

Note: You must have ABC.MAINT authorization to access this screen.

2. Do any of the following, as needed:

To...	Do this...
add a G/L pool	<ol style="list-style-type: none"> 1. Position the cursor on a blank line in the Codes field and enter a code to use to identify the G/L pool. 2. In the Description field, enter a short description that identifies the code.
change a G/L pool code or description	Position the cursor on the code or description to change and type over the existing information or press Insert and add information.
delete a G/L pool	Position the cursor on the code and press Alt-Delete . Confirm the deletion when prompted.

3. Press **Esc** to save the information and exit the screen.

See Also:

Activity-Based Costing Overview

Setup Requirements for Activity-Based Costing

How the System Calculates ABC Costs

Assigning G/L Pools to G/L Accounts

After you have defined ABC G/L pools, use the G/L Account Maintenance screen to assign pools to G/L expense accounts and specify the percentage of the account balance to allocate to each pool.

For example, you might determine that 30 percent of the total wages paid to your sales staff are related to the function of entering a sales order. In this case, you would assign the **Sales** pool to the **Wages and Salaries - Sales** G/L expense account and allocate 30 percent of that account to the pool.

Note: You also need to assign G/L pools to ABC activity codes. The ABC Cost Calculation program uses G/L pools to determine the cost associated with each activity that has been logged during a specified period.

▶ To assign G/L pools to a G/L account:

1. From the **G/L > G/L Maintenance** menu, select **G/L Account Maintenance** to display the G/L Account Maintenance screen.
2. In the **Account** field, enter the name of the account to which to assign a G/L pool.
3. Use the **ABC G/L Pool** hot key to display the ABC G/L Pool Allocation screen for that account.
4. In the **G/L Pool** column, enter the names of the pools to associate with this account.
5. In the **Percentage** column, enter the percentage of the account balance to allocate to each pool.

Note: The percentages do not have to equal 100 percent.

6. Press **Esc** to save the information and exit the screen.

See Also:

Activity-Based Costing Overview

Setup Requirements for Activity-Based Costing

ABC G/L Pool Concepts

ABC Extension Concepts

You can assign more than one activity to the same auto group code. When a transaction event triggers an ABC auto group code to which you have assigned two or more ABC activities, the system displays both activities and prompts you to select the appropriate one for logging the event. To avoid this prompt, use ABC extensions.

For example, return transactions trigger a single auto group code, but you may want to assign more than one ABC activity to that auto group code. Consider the customer who returns a product:

- If you sent the customer the wrong product, then you should not penalize the customer for returning the item. Your company would absorb the activity-based cost, because the mistake was yours. You would not want to calculate an ABC cost for this activity.
- If the customer changed his or her mind after receiving a product, then you would assign the activity-based cost of the return to the customer.

You can set up one activity code to charge the cost of returns to the customer and another to charge no cost to the customer. Define the extension **INT** for internal and then assign it to the activity code used when your company is responsible for the mistake.

When you enter a return transaction for which you want the company to absorb the activity-based cost, you can enter the **INT** extension in the **ABC Order Extension** field on the Additional Header Information screen in Sales Order Entry. When the transaction triggers the ABC auto group code for returns, the system checks this field for an extension. If it finds an extension, it selects the activity code to which that extension is assigned, rather than prompting you to select an activity code.

ABC Extension Setup

Setting up and using extensions involves:

- Defining ABC extensions.
- Assigning ABC extensions to activities.
- Assigning ABC extensions to sales transactions.

See Also:

Activity-Based Costing Overview

Setup Requirements for Activity-Based Costing

Defining ABC Auto Code Extensions

If you want to assign two or more activities to the same auto group code, use the ABC Extension Maintenance screen to define auto code extensions so that the system can differentiate between the various activities.

For example, if you reprint an invoice for your own purposes, you may not want to assign the cost of that activity to the customer. You can assign two activity codes to the auto group code you use for reprinting invoices—one for customer use and one for internal use. Then assign an extension, such as **INT**, to the internal use activity code, so that the system knows the activity for which to generate a log entry.

► To define an ABC auto code extension:

1. From the **Events > Activity Based Costing > Maintenance** menu, select **ABC Extension Maintenance** to display the ABC Extension Maintenance screen.
Note: You must have ABC.MAINT authorization to access this screen.
2. In the **Ext** field, position the cursor on a blank line and enter the three-letter code to use to identify the extension.
3. In the **Extension Description** field, enter a short description that identifies the code.
4. Press **Esc** to save the information and exit the screen.

More Options for Working with ABC Auto Code Extensions

The ABC Extension Maintenance screen also offers these options:

To...	Do this...
change an extension code or description	Position the cursor on the code or description to change and either type over the existing information or press Insert and add information.
delete an extension	Position the cursor on the description and press Alt-Delete . Confirm the deletion when prompted.

See Also:

Activity-Based Costing Overview

Setup Requirements for Activity-Based Costing

Defining ABC Activities

Assigning ABC Extensions to Sales Transactions

ABC Expense Category Concepts

Use expense categories to summarize and break down ABC costs for inquiries and reports.

ABC expense categories are user-defined. To receive maximum inquiry/reporting benefits, you need to review the list of activity codes in ABC Code Maintenance and assign each one to an appropriate expense category. Because G/L pools roll up into expense categories, you first assign the activity codes to a G/L pool, and then the G/L pool to an expense category. G/L pools can apply to more than one expense category.

When you calculate your ABC costs for each activity, the totals for the corresponding expense category display in inquiries and reports.

Expense Category Setup

Setting up ABC expense categories involves:

- Defining ABC Expense Categories
- Assigning G/L Pools to Expense Categories

See Also:

Activity-Based Costing Overview

Setup Requirements for Activity-Based Costing

Defining ABC Expense Categories

ABC costs can be broken down by expense categories in the inquiry and reporting tools. Use the ABC Expense Category Maintenance screen to define the expense categories you want to use. We recommend that you set up your expense categories to parallel the structure of your G/L accounts.

For example, you can set up expense categories such as:

- Credit/Collection
- Delivery
- Phone Inquiries

Note: After you define them, assign the expense categories to activity codes.

▶ To define an expense category:

1. From the **Events > Activity Based Costing > Maintenance** menu, select **ABC Expense Category Maintenance** to display the Valid ABC Expense Categories screen.

Note: You must have ABC.MAINT authorization to access this screen.

2. Do any of the following, as needed:

To...	Do this...
add an expense category	<ol style="list-style-type: none"> 1. Position the cursor on a blank line in the Codes field and enter the code to use to identify the expense category. 2. In the Description field, enter a short description that identifies the code.
change an expense category code or description	Position the cursor on the code or description to change and either type over the existing information or press Insert and add information.
delete an expense category	Position the cursor on the code and press Alt-Delete . Confirm the deletion when prompted.

3. Press **Esc** to save the information and exit the screen.

See Also:

Activity-Based Costing Overview

Setup Requirements for Activity-Based Costing

Defining ABC Types

Use ABC type codes to define types of costs tracked by the ABC program. Your system is set up with a pre-defined set of types, but you can edit them or add additional types, as needed.

After you define ABC types, assign them to activity codes. You can then sort or filter the activity codes by type.

► To define an ABC type:

1. From the **Events > Activity Based Costing > Maintenance** menu, select **ABC Type Maintenance** to display the ABC Type Maintenance screen.

Note: You must have ABC.MAINT authorization to access this screen.

2. In the **Type** field, position the cursor on a blank line and enter the two-character code to use to identify the ABC type, for example, **BL** for billing, or **WC** for warehouse costs.
3. In the **Type Description** field, enter a short description of the type code.
4. Press **Esc** to save the information and exit the screen.

More Options for Working with ABC Types

The ABC Type Maintenance screen also offers these options:

To...	Do this...
change an ABC type code or description	Position the cursor on the code or description to change and either type over the existing information or press Insert and add information.
delete an ABC type	Position the cursor on the description and press Alt-Delete . Confirm the deletion when prompted.
view the ABC activities to which a type is assigned	Position the cursor on the type and use the ABC Codes hot key to display the ABC Codes screen.

See Also:

Activity-Based Costing Overview

Setup Requirements for Activity-Based Costing

ABC Weight Factor Concepts

When you assign a weight factor to an activity code, you are identifying to the system how long performing the task takes in relation to other activities assigned to the same G/L pool. You assign ABC weight factors to your activity codes on the ABC Code Maintenance screen.

When the system calculates the costs, it assigns twice the cost to activities with a weight factor of **2**, three times the cost to activities with a weight factor of **3**, and so on. Assign a weight factor of **0** (zero) if you do not want the system to calculate any costs associated with this activity.

Example

Within the Order Processing G/L pool, assume that you have only the following activities:

- Order Entry
- Order Entry - Bid
- Order Entry - Direct
- Order Entry - Remote
- Sales Order Change (Customer)
- Sales Order Change Bid (Internal)
- Sales Order Change Direct (Customer)

You estimate that the Sales Order Change activities require an average of 5 minutes to process. Because Sales Order Change activities take the least amount of time to process, they receive a weight factor of **1**. Order Entry activities take twice as long to perform as Sales Order Change activities, so they receive a weight factor of **2**. Internal costs are given a weight factor of **0** (zero).

When you enter the information on the ABC Code Maintenance screen, assign the weight factors as shown in the table below:

Description	Wght
Order Entry	2
Order Entry - Bid	2
Order Entry - Direct	2
Order Entry - Remote	2
Sales Order Change (Customer)	1
Sales Order Change Bid (Internal)	0
Sales Order Change Direct (Customer)	1

Weight Factor and Cost Calculations

When the system calculates the activity costs for the Order Processing G/L pool, it assigns twice the cost to the activity with a weight factor of **2** that it does to the activity with a weight factor of

1. If you added another activity to this pool that took 15 minutes to process, you would assign a weight factor of **3**, and so on.

Weight factor values can vary from pool to pool. For example, if the activity that requires the least amount of time in a different G/L pool takes 20 minutes to process, it still receives a weight factor of **1**. The next weight factor change, up to **2**, would occur at 40 minutes in this case. If you have activities that fall between the two, you would round up to **2** from 30 minutes, or round down to **1** from 29 minutes.

Alternatively, if you want a greater degree of accuracy, you could figuratively assign the lowest weight factor (**1**) at 10 minutes, which would give the activity that takes 20 minutes to process a weight factor of **2**, and the activity that takes 40 minutes a weight factor of **4**. Then, if you have activities that fall at 30 minutes, you could assign those activities a weight factor of **3**.

See Also:

Activity-Based Costing Overview

Setup Requirements for Activity-Based Costing

Creating Activity Codes

Use the ABC Code Maintenance screen to create activity codes. Each activity to track is listed on this screen. Each activity is also assigned a code that triggers the system to log the activity called an auto group code. The system tracks activity-based costs at your branch only if the Auto ABC Enabled control maintenance record is set to **Y** (yes) for your branch.

Your system has a pre-defined set of activities, but you must enter additional information for each activity. You can also create new activity codes, as needed.

Note: Before setting up activity codes, you need to set ABC parameters and definitions.

► To create an ABC activity code:

1. From the **Events > Activity-Based Costing > Maintenance** menu, select **ABC Code Maintenance** to display the ABC Code Maintenance screen.

Note: You must have ABC.MAINT authorization to access this screen.

2. Position the cursor on a blank line and, in the **Tp** field, enter the code that identifies the type of activity to add.
3. In the **Description** field, enter a brief statement that identifies the cost activity.
4. In the **Auto Grp** field, select the auto group code that triggers the system to log the activity.

You cannot change or add auto group codes, but you can assign multiple activities to the same auto group code. When a transaction triggers an auto group code to which you have assigned multiple activities, the system lists the activities and prompts the user to select one.

Note: You must have ABC.AUTO.CODES authorization to change this code assignment.

5. Use the **Change View** hot key to display the alternate view of the ABC Code Maintenance screen, which includes the **G/L Pool** and **Expense Category** columns.
6. In the **G/L Pool** column, enter the name of the G/L pool to associate with the activity.
7. In the **Expense Category** column, enter the name of the expense category to associate with the activity.
8. Complete any of the following fields associated with the activity, as needed:

Field	Description
Ext	A code that identifies an extension assigned to the activity to distinguish it from another activity assigned to the same auto group code. Note: You must define ABC extensions before you can assign them to activity codes.

Field	Description
Wght	A number that represents the relative factor of time and effort spent on an activity, in comparison with other activities assigned to the same G/L pool. For example, assign a weight factor of 1 to activities requiring the lowest unit of time. If an activity takes twice as long to perform, assign a weight factor of 2 , and so on. For more information, see ABC Weight Factor Concepts.
X	Enter Y to exclude the activity from the ABC cost calculation, or N to include it. The default is N . When you exclude a code from the cost calculation, the system applies the costs associated with that code to the customer who incurred the cost. For example, if you exclude an ABC log entry for a customer using an activity code called Outside Sales Calls and a cost of \$1000 , then the system applies the \$1000 to the customer. The system does not add the cost to the pool in the cost calculation program, and so the cost is not spread across all customers.
Est Cost	An estimated cost for this activity. If you plan to base inquiries and reports on estimated rather than calculated activity costs, assign an estimated cost for the activity in this field. To assign estimated costs by branch, use the Branch Costs hot key. Note: The system bases estimated costs on the weight factor. If you assigned a weight of 2 , the system applies twice the amount you enter in this field to the cost.
A	Indicates whether the activity is activated for logging. To prevent the system from logging the activity, type N . The default is Y .

9. Press **Esc** to save the information and exit the screen.

More Options for Creating Activity Codes

The ABC Code Maintenance screen also offers these options:

To...	Use this hot key...
define required field entries for manual logging	Required Entry The ABC Required Entry screen displays.
sort the list of activities	Sort By The Sort By selection list displays. Select an option and press Enter .
filter the list of activities	Select The ABC Code Selection screen displays.
assign ship vias to SH activity codes, select an activity with the SH type and	Ship Vias The Ship Via screen displays. Enter the methods of transport for which to log the activity and press Esc .
assign estimated costs to activity codes by branch, if the estimated cost of an activity is different for different branches	Branch Costs The ABC Branch Cost Maintenance screen displays.

To...	Use this hot key...
change the screen view to show calculated costs	Cost Select The Global ABC Cost Selection list displays. Select an option and press Enter .

See Also:

Activity-Based Costing Overview

Setup Requirements for Activity-Based Costing

Running the ABC Codes Listing Report

Assigning Estimated Costs to Activities

You may prefer to use estimated activity costs during the first year of using ABC, because the cost calculation program requires a year's worth of data to calculate accurate costs.

For example, if your counter sales representatives make an average of \$15.00 per hour, and entering a sales order takes, on average, ten minutes, this activity costs your company about \$2.50 in overhead each time it is performed. You can assign estimated costs to each activity code across all of your branches, or to each individual branch.

Select estimated costs as the display option for the first year for inquiries and reporting, instead of using the calculated costs.

► To assign estimated costs to an ABC activity:

1. From the **Events > Activity Based Costing > Maintenance** menu, select **ABC Code Maintenance** to display the ABC Code Maintenance screen.

Note: You must have ABC.MAINT authorization to access this screen.

2. In the **Est Cost** field, enter an estimated cost for a selected activity.
3. Press **Esc** to save the information and exit the screen.

► To assign estimated costs to an ABC activity by branch:

1. From the **Events > Activity Based Costing > Maintenance** menu, select **ABC Code Maintenance** to display the ABC Code Maintenance screen.

Note: You must have ABC.MAINT authorization to access this screen.

2. In the **Est Cost** field, enter an estimated cost for a selected activity.
3. Use the **Branch Costs** hot key to display the ABC Branch Cost Maintenance screen.

The system populates the header fields with the ABC activity description and the estimated cost from the ABC Code Maintenance screen.

4. Complete the following fields:

Field	Description
Br	A number that identifies a branch that uses an estimated cost different from the one on the ABC Code Maintenance screen.
Estimated Cost	The cost for the selected activity in the designated branch.

5. Press **Esc** to return to the ABC Code Maintenance screen.

See Also:

Activity-Based Costing Overview

Setup Requirements for Activity-Based Costing

Defining Required Entries for Manual Logging

By default, each activity code is set up to require that the user enter values in the **Ord#/Inv#** and **Cus/Ven** fields on the ABC Log Entry screen. Use the ABC Code Maintenance screen to change the defaults for an activity code.

► To define required entries for manual logging:

1. From the **Events > Activity Based Costing > Maintenance** menu, select **ABC Code Maintenance** to display the ABC Code Maintenance screen.

Note: You must have ABC.MAINT authorization to access this screen.

2. Position the cursor on an activity and use the **Required Entry** hot key to display the ABC Required Entry screen.
3. Do either of the following, as needed:

To...	Do this...
add a required entry	position the cursor on a blank line and enter one of the following options: <ul style="list-style-type: none"> • Ord#/Inv# – The sales, purchase, or transfer transaction number associated with the activity. • Cus/Ven – The customer, vendor, or branch entity to which the activity-based cost is assigned. • Comment – Additional important information about the activity.
delete a required entry	position the cursor on the option, and press Alt-Delete . Confirm the deletion at the prompt.

4. Press **Esc** to save the information and return to the ABC Code Maintenance screen.

See Also:

Activity-Based Costing Overview

Setup Requirements for Activity-Based Costing

Creating Activity Codes

Filtering the List of ABC Activities

The ABC Code Maintenance screen lists all the ABC activities defined for your system. Use the ABC Code Selection screen to filter the activities listed on the ABC Code Maintenance screen to show only those you want to view or edit.

► To filter the list of ABC activities:

1. From the **Events > Activity Based Costing > Maintenance** menu, select **ABC Code Maintenance** to display the ABC Code Maintenance screen.

Note: You must have ABC.MAINT authorization to access this screen.

2. Use the **Select** hot key to display the ABC Code Selection screen.
3. Enter data in any of the following fields to list only the activities that match the selection criteria:

Field	Description
Text	A keyword or phrase in the description.
Type	The type of cost assigned to the activity.
Weight	The weight factor assigned to the activity.
Exp Category	The expense category assigned to the activity.

4. Press **Esc** to exit the screen and display the requested activity codes on the ABC Code Maintenance screen.

Note: To view all activities, remove the values from the fields and press **Esc**.

See Also:

Creating Activity Codes

Activity-Based Cost Logging Overview

Once you have set up ABC, the system automatically logs activity-based costs. When needed, users can also log activity-based costs manually.

Automatic Logging

The system detects and logs activity codes flagged as *active* on the ABC Code Maintenance screen. When a tracked activity triggers an auto group code, the system creates an entry in the ABC log. The log entry identifies the ABC activity and the transaction number. When you view a log entry in the ABC Log Viewing window, you can drill down to the transaction detail, expense category, and G/L pool information.

Logging Costs with Extensions

If you use the same auto group code to identify two or more different costs on a transaction, depending on whether the cost was the result of an internal problem or whether the customer caused it, it requires an extension.

When the system encounters multiple activities assigned to a single auto group code, it displays the activities and prompts the user to select the appropriate one to log. For example, if a customer returns an item because it is defective, no activity-based cost should be assigned to that customer. In this case, you would select the internal extension. If you want to prevent the prompt from displaying, you can assign the correct ABC extension during transaction entry.

For more information about extensions, see ABC Extension Concepts.

Logging Delivery Costs

When ABC delivery costs are added to a shipping manifest, the system associates a delivery cost with the ABC event. In order to verify this cost, the manifest must first be closed. These costs can be viewed only if all ABC log entries are viewed. Order-specific events do not reflect the ABC cost because the delivery cost is associated with the manifest, not the order.

Manual Logging

When you encounter a situation where the system would not know to record ABC activity, such as a sales presentation or a visit to the customer's site, you can enter a log entry to record those costs. You have the option to exclude the cost from the cost calculations, if you want to apply the cost to a specific customer instead of spreading it across to all customers.

See Also:

Activity-Based Costing Overview

Assigning ABC Extensions to Sales Transactions

In Sales Order Entry, you can specify a designated ABC extension on the Additional Header Information screen when you enter a transaction. When you do this, the system uses that extension each time it logs activities for the transaction. For example, when you enter a return transaction, receive the products back into the warehouse, perform a quality inspection, and put the products back on the shelves, the system records each time to use the specified extension to assign the costs.

Note: Before you can assign an auto group extension to a transaction, you must define the extension. Also, for the ABC program to select activities with an extension, you must assign the extension to activity codes.

► To assign an ABC extension to a sales transaction:

1. From the **Orders** menu, select **Sales Order Entry** to display the Sales Order Entry Body screen.
2. Display or enter a sales transaction.
3. Use the **Header** hot key to display the Sales Order Entry Header screen.
4. Use the **Add'l** hot key and then the **Add'l Header Info** hot key to display the Additional Header Information screen.
5. In the **ABC Order Extension** field, select the extension to use for logging changes, deletions, and returned goods for this transaction.
6. Press **Esc** to save the information and exit the screen.

See Also:

Activity-Based Cost Logging Overview

Entering Additional Sales Order Header Information

ABC Extension Concepts

Entering Activity-Based Costs

The system detects and logs most activity codes. However, you can manually log activities and assign them to a specific customer, as needed. For example, if you made a visit to a customer's site, you can charge the expenses associated with that visit to the customer's activity-based costs. You can also log time spent making sales or collection calls to a customer.

Use the ABC Log Entry screen to enter miscellaneous activity-based costs for a customer.

Note: The ABC Cost Calculation program does not include costs associated with a manual log entry assigned to a customer.

▶ To enter activity-based cost information:

1. From the **Events > Activity-Based Costing** menu, select **ABC Log Entry** to display the ABC Log Entry screen.

You can also display this screen by pressing **Shift-F6** from any screen.

Note: You must have ABC.MANUAL authorization to access this screen.

2. In the **ABC Code** field, enter the activity to which to apply the cost.

The system populates the **ABC Type** field with the associated type.

3. In the **Branch** field, enter the number that identifies the branch associated with this activity.

The system populates the **Entry Date**, **Time**, **Mode**, and **User ID** fields.

4. In the **Cus/Ven/Br** field, enter the name of the customer or vendor, or the code that identifies the branch entity for which to enter an activity-based cost.

5. In the **Order/Inv#** field, enter the sales, purchase, or transfer transaction number associated with this activity, if applicable.

6. In the **Cost** field, enter the cost for the activity, if known. If left blank, the system calculates the cost by multiplying the estimated cost associated with the ABC code by the weight factor.

7. In the **Exclude** field, enter one of the following:

- **Y** – This log entry is excluded when the ABC cost calculation program is run.

If you exclude a code from the cost calculation, the system applies the costs associated with that code only to the customer who incurred the cost. For example, if you exclude a manual ABC log entry for a customer using an activity code called **Outside Sales Calls** and a cost of **\$1000**, then the system applies the \$1000 to the customer. The system does not add the cost to the pool in the cost calculation program, and so the cost is not spread across all customers.

- **N** – This log entry is included when the ABC cost calculation program is run. This is the default.

8. Press **Esc** to log the entry.

More Options for Entering Activity-Based Costs

The ABC Log Entry screen also offers these options:

To...	Use this hot key...
add a comment to the log entry	Comment The ABC Comment screen displays. Enter the comment and press Esc to return to the ABC Log Entry screen.
delete the log entry	Delete You are not prompted to confirm the deletion.
view additional information about the customer or order	View A selection list displays. Select an option to display the requested screen in view-only mode.
edit information about the customer or order	Edit A selection list displays. Select an option to display the requested screen.
view or edit data related to the events that triggered the activity-based cost	Log View The ABC Log Viewing/Download screen displays.

See Also:

Activity-Based Cost Logging Overview

Editing ABC Log Entries

The ABC.LOG file contains data related to the events that triggered activity-based costs. Errors in the recording of events that trigger activity-based costs affect the calculation of these costs for your company. To correct errors, you can edit ABC log entries.

Note: You must have ABC.EDIT level 1 authorization to edit a log entry.

► To edit an ABC Log entry:

1. From the **Events > Activity Based Costing** menu, select **ABC Log Viewing/Download** to display the ABC Log Viewing/Download screen.

You can also display this window by pressing **Shift-F5** from any screen.

2. Locate the log entry to edit.
3. Select the log entry and use the **Edit Item** hot key to display the ABC Log Entry screen.
4. Review or edit the following fields, as needed:

Field	Description
ABC Code	The activity code that identifies the type of ABC entry.
Downld*	Indicates whether the system has downloaded the log entry to the cost calculation program.
ABC Type*	A description of the type of cost applied to this log entry.
Branch	A number that identifies the branch to which this cost applies.
Entry Date	The date the log entry was created.
Time	The time the log entry was created.
Mode*	Identifies whether the log entry was entered by a user or by the system.
User ID	A code that identifies the individual who entered the log entry.
Cus/Ven/Br	The name of the customer, vendor, or branch entity for which the log entry was entered.
Ordr/Inv#	A code that identifies the transaction for which the log entry was entered.
Cost	The cost generated by the activity.
Exclude	Indicates whether to exclude this activity from the overall ABC cost calculation computations.

* View-Only

5. Press **Esc** to save your changes and exit the screen.

Note: Changes made to the log entry do not take effect until you exit the ABC Log Viewing/Download screen.

See Also:

Activity-Based Cost Logging Overview

Deleting ABC Log Entries

Downloading ABC Log Entries

Deleting ABC Log Entries

The ABC.LOG file contains data related to the events that triggered activity-based costs. If a user recorded an activity-based cost in error, you can delete the ABC log entry. Once deleted, the system does not include that entry when it calculates the activity-based costs.

Note: You must have ABC.EDIT level 3 authorization to delete a log entry.

▶ To delete an ABC log entry:

1. From the **Events > Activity Based Costing** menu, select **ABC Log Viewing/Download** to display the ABC Log Viewing/Download screen.

You can also display this screen by pressing **Shift-F5** from any screen.

2. Locate the log entry to delete.
3. Select the log entry and use the **Edit Item** hot key to display the ABC Log Entry screen.
4. Use the **Delete** hot key.

If the log entry has been downloaded, a warning message displays.

5. Press **Esc** to exit the screen.

See Also:

Activity-Based Cost Logging Overview

Downloading ABC Log Entries

Editing ABC Log Entries

How the System Calculates ABC Costs

After ABC has been set up, the system begins collecting ABC data. Once you have a year's worth of data, you can use the ABC Cost Calculation program to calculate activity-based costs for ABC reporting and inquiries.

The following formulas explain how the ABC Cost Calculation program works.

ABC Cost Calculations
Total G/L \$ applied to a G/L Pool / Total # of ABC Activities in that Pool = Per Activity Cost
Per Activity Cost for the G/L Pool assigned to an Activity Code x Weight Factor = Activity Code Cost
Activity Code Cost x Occurrences = \$ to subtract from Gross Profit for that Activity
Total Gross Profit \$ - Total Activity Costs = Adjusted Gross Profit \$

This program calculates and stores costs for each ABC activity code at the company and branch level for the following periods:

- Year To Date this year
- Year To Date same period last year
- Rolling 12 month this year
- Rolling 12 month same period last year

Note: For costs to be accurate, you need to have at least 12 months' worth of ABC activity.

Example

The following example uses the ABC activities listed below, which comprise a G/L Warehouse Pool.

- Line Item Pick - Stock
- Line Item Pick - Nonstock
- Print Shipping Document
- Special Handling Instructions - Packing
- Special Handling Instructions - Delivery
- Delivery - OT Our Truck

The ABC Cost Calculation program accumulates the total number of activities specified above that were logged for a designated period. Assume this number of activities is 350,000.

During the designated period, the following dollar expenses have been posted to all of the G/L accounts to which you have assigned the Warehouse G/L pool. The system uses the G/L pool

percentages assigned to each G/L account to calculate the total expense dollars allocated to the pool.

G/L Acct	\$ Posted	% of \$ Posted to the Warehouse Pool	\$ Cost
Wages & Salaries - Whse	100,000	60%	60,000
Utilities Expense	50,000	50%	25,000
Fuel Expense	25,000	50%	12,500
Truck Maintenance	10,000	75%	7,500
Office Expense	10,000	25%	2,500
Total expense dollars allocated to the Warehouse pool for this period			107,500

ABC Cost Calculation
Total \$ Allocated to the Warehouse pool / Total # of Activities = Per Activity Cost
\$107,500 / 350,000 = .307

The program stores and displays a *per occurrence* cost of 0.31 (due to rounding) for each ABC activity assigned to the Warehouse pool for the designated period. If the activity code is assigned a weight factor greater than **1**, the system assigns a proportionally larger cost, for example, 0.62, twice the cost, would be assigned for a weight factor of **2**.

When you generate a report or inquire on a customer, the total cost for an activity is determined by multiplying the *per occurrence* cost by the weight factor and the number of occurrences of that activity for that customer.

See Also:

ABC G/L Pool Concepts

Calculating ABC Activity Costs

Use the ABC Calculate Cost program to calculate activity costs for your company. The system calculates costs on a year-to-date and 12-month rolling basis for the current and previous year. You can compare these costs for several periods in the inquiries and reports.

The calculation program gathers expenses from the general ledger expense accounts assigned to the ABC G/L pools. The system uses this data to calculate the average *per occurrence cost* for each activity listed on the ABC Code Maintenance screen. The calculated cost for each activity is displayed in the **Calc Cost** column. The system updates the calculated costs each time you run the ABC Calculate Cost program.

We recommend that you run the program at least monthly after all expenses post to the general ledger, but you can run it any time.

► To calculate ABC activity costs:

1. From the **Events > Activity Based Costing** menu, select **Calculate Activity Costs** to display the ABC Calculate Cost screen.
2. In the **As of Date** field, enter the date at which the system begins to calculate ABC costs. You can enter a calendar date or a variable date in this field. The system populates this field with today's date.

The system calculates the costs on a year-to-date and 12-month rolling basis for the current and previous year, based on the date entered in this field.

3. Use the **Begin** hot key to run the program now or the **Schedule** hot key to schedule the program to run at regular intervals. The system notifies you via the Message System when the calculation is complete.

See Also:

How the System Calculates ABC Costs

ABC Reports and Inquiries Overview

The system provides several ways to review information about your activity-based costs. You can use this information to determine, among other things:

- Which customers are costing you more in overhead than the profit you make selling them products.
- Who your good customers are so that you can reward them with discounts and unadvertised specials from time to time.

Use the ABC Customer Sales History inquiry to analyze your customers. From here, you can drill down into a monthly cost breakdown, from which you can access the actual log entries and expense data. This information is also available in a report, which you can run in either detail or summary mode.

See Also:

Activity-Based Costing Overview

ABC Cost Display Options

For inquiries and reports, you can display the ABC cost information using one of four calculated costs or estimated costs. The system calculates ABC costs on a year-to-date and 12-month rolling basis for the current and previous year. If you do not have a full year of data for calculating these costs, you can use estimated costs that you assign to each activity.

The cost selected for an inquiry or report displays on the screen in red. Use the **Cost Select** hot key to change the default.

Note: The default is identified in the ABC Default Cost View control maintenance record.

Option	Description
Calc - 12 Mo	Calculates activity costs from the last day of the prior month back 12 months.
Calc - 12 Mo (Last)	Calculates activity costs for the same period of time as the 12-month option, but for the previous year.
Calc - YTD	Calculates activity costs for the current year-to-date.
Calc - YTD (Last)	Calculates activity costs for the same period of time as the YTD option, but for the previous year.
Estimated	Uses the estimated costs assigned to the activities.

Viewing ABC Customer Sales History

Use the Activity-Based Customer Sales History screen to view the profit you have made from a customer after activity-based costs have been included. In addition to showing standard sales, cost, and gross profit information for the current and previous year, this screen shows adjusted gross profit information, which includes activity-based costs in the calculations.

- The first two lines show the total sales and cost dollars for the selected customer.
- The next two lines show the gross profit dollars and gross profit percent.
- The remaining lines are activity-based costs, broken down by ABC expense category. However, they can also be broken down by ABC G/L pool.
- At the bottom of the screen, the total activity-based costs are displayed, followed by the adjusted gross profit dollars and adjusted gross profit percent.

► To view ABC customer sales history:

1. From the **Events > Activity Based Costing** menu, select **ABC Customer Sales History Inquiry** to display the Activity Based Customer Sales History screen.
2. In the **Cust Name** field, enter the name of the customer whose sales history you want to view.

If more than one customer matches your entry, a selection list displays. Select the customer name and press **Enter** to return it to the field.
3. In the **Branch** field, enter the number that identifies the branch or territory for which to review sales history. To review sales history for all branches and territories, enter **ALL**.
4. From the **Branch** field, press **Enter** to populate the detail area.
5. Review the sales history totals and gross profit before and after the ABC has been included for the current and previous years.
6. Press **Esc** to exit the screen.

More Options for Viewing a Customer's Activity-Based Sales History

The Activity Based Customer Sales History screen also offers these options:

To...	Use this hot key...
change the displayed cost (for example, Calculated YTD, or Calculated 12 month)	Cost Select The cost selection used to determine the activity-based costs is indicated in the upper right corner of the screen.
break down a selected year's sales, costs, and gross profits by month, select the current or previous year column and	Monthly Sales The Monthly Activity-Based Customer Sales History screen displays.

To...	Use this hot key...
view transaction level detail for an expense category or G/L pool amount, select an Expense Category or G/L Pool amount and	Expense Detail The log entries that contributed to that amount display on ABC Log Viewing/Download screen.
break down a selected year's sales by G/L pool, select an amount in the current or previous year column and	Pool Summary The G/L pool information displays on the ABC Expense Category Summary screen.
toggle between expense category totals and G/L pool totals	View
access the A/R Inquiry, A/R Summary, or Customer Maintenance screens for the selected customer	Inq A list of hot keys displays. Use the hot key for the selected application.

See Also:

ABC Reports and Inquiries Overview

Running the ABC Customer Sales and Gross Profit Report

Viewing Monthly ABC Customer Sales History

Use the Monthly Activity-Based Customer Sales History screen to view a month-by-month breakdown of the sales, cost, and gross profit totals for the current or previous year. You can use this information to determine which months were profitable and which were not. You can then drill down into the ABC log entries for suspect months to see where problems existed and determine a course of action to ensure that they do not recur. For example, if working with a customer consistently results in a negative gross profit amount, you need to consider whether continuing to sell to that customer is worth your time and money.

► To view monthly ABC customer sales history:

1. From the **Events > Activity Based Costing** menu, select **ABC Customer Sales History Inquiry** to display the Activity Based Customer Sales History screen.
2. View the customer's activity-based sales history.
3. Select the current or previous year column and use the **Monthly Sales** hot key to display the Monthly Activity Based Customer Sales History screen.
4. View the sales, costs, and gross profit information for each month, as needed.
5. Press **Esc** to exit the screen.

More Options for Viewing Monthly ABC Customer Sales History

The Monthly Activity Based Customer Sales History screen also offers these options:

To...	Use this hot key...
change the displayed cost (for example, Calculated YTD, or Calculated 12 month)	Cost Select The cost selection used to determine the activity-based costs is indicated in the upper right corner of the screen.
view transaction level detail for a month with data in the ABC Cost\$ column, position the cursor on the month for which you want to view the ABC detail and	Expense Detail The log entries that contributed to that amount display on the ABC Log Viewing/Download screen.
view the Expense Category view of the ABC Expense Category Summary screen for a designated month, position the cursor on the month for which you want to view the summary and	Exp Cat Summary The ABC Expense Category Summary screen displays in expense category mode.
view the G/L Pool view of the ABC Expense Category Summary screen for a designated month, position the cursor on the month for which you want to view the summary and	Pool Summary The ABC Expense Category Summary screen displays in G/L pool mode.

See Also:

ABC Reports and Inquiries Overview

ABC Expense Category Concepts

ABC G/L Pool Concepts

Viewing ABC Log Entries

Use the ABC Log Viewing/Download screen to view the manual and automatic entries in the ABC.LOG file. This file contains data related to the events that triggered activity-based costs.

► To view ABC log entries:

1. From the **Events > Activity Based Costing** menu, select **ABC Log Viewing/Download** to display the ABC Log Viewing/Download screen.

You can also display this screen by pressing **Shift-F5** from any screen.

2. In the **Branch** field, enter the branch or territory for which to review activity. To review activity for all branches and territories, enter **ALL**.
3. Complete any of the following fields to further limit the list of log entries:

Field	Description
Entity	The name of a specific customer or vendor for whom to view log entries.
Start Date	The first date in a range of dates for which to view log entries.
End Date	The last date in a range of dates for which to view log entries.
Order #	A code that identifies a specific order for which to view log entries.
ABC Code	A code that identifies a specific type of activity-based cost. Activity codes are defined in the ABC Code Maintenance window.

4. Press **Enter** to display log entries that match your selection criteria.
5. Press **Esc** to exit the screen.

More Options for Viewing ABC Log Entries

The ABC Log Viewing/Download screen also offers these options:

To...	Use this hot key...
view, change, or delete a log entry	Edit Item The ABC Log Entry screen displays.
view the type of expense to which the log entry has been applied	Exp Cat Summary The ABC Expense Category Summary screen displays.
view the G/L pool to which the log entry has been applied	Pool Summary The ABC Expense Category Summary screen displays.
view the ABC cost information using one of four calculated costs or the estimated cost	Cost Select The Branch ABC Cost Selection list displays. Select an option and press Enter to display the requested cost information on the ABC Log Viewing/Download screen.

To...	Use this hot key...
download ABC activity log entries to an ASCII file on your computer	Download A prompt displays.

See Also:

ABC Reports and Inquiries Overview

Downloading ABC Log Entries

The ABC system includes the ability to export the data to spreadsheet or analysis programs. Use the ABC Log Viewing/Download screen to download ABC activity log entries to an ASCII file on your computer.

► **To download ABC log entries:**

1. From the **Events > Activity Based Costing** menu, select **ABC Log Viewing/Download** to display the ABC Log Viewing/Download screen.

You can also display this screen by pressing **Shift-F5** from any screen.

2. Display the list of log entries to download.
3. Create a directory called **ASCII** on your C drive, if needed.
4. Use the **Download** hot key to initiate the download process.

Note: You must have the ABC.DOWNLOAD authorization key assigned to use the **Download** hot key.

The following prompt displays: Enter DOS Path Name: **C:/ASCII/ABCDATA.ASC**.

5. Press **Enter** to display the Downloading selection list.
6. Select a format and press **Enter** to download the data to the ASCII folder.

The system notifies you when the selected records, including comments, are downloaded to your computer.

7. Press **Esc** to return to the ABC Log Viewing/Download screen.

Note: If you use Microsoft™ Excel spreadsheets and you selected the **Spreadsheet Reformat** format, start Excel and open the **ABCDATA.ASC** file. Select the **delimited** option and the **comma** delimiter to display the data in separate columns. Save the spreadsheet with an **.xls** extension (**ABCDATA.xls**).

See Also:

ABC Reports and Inquiries Overview

Deleting ABC Log Entries

Editing ABC Log Entries

Viewing the ABC Allocations Summary

After you calculate ABC costs, you can view a summary of the ABC costs allocated to a customer or vendor by ABC expense category. You can also change the view to display a summary of the costs allocated to the ABC G/L pools.

► To view ABC expense category or G/L pool costs:

1. From the **Events > Activity Based Costing** menu, select **ABC Expense Category Summary Inquiry** to display the ABC Expense Category Summary screen.
2. In the **Cus/Ven** field, enter the name of the customer or vendor for whom to review ABC information.
3. In the **Start** field, enter the first date in a range of dates for which to view ABC information.
4. In the **End** field, enter the last date in a range of dates for which to view ABC information.
5. In the **Branch** field, enter the number that identifies the branch for which to view ABC information. To view ABC information for all branches, enter **ALL**.
6. From the **Branch** field, press **Enter** to populate the detail area.
7. Review the allocated ABC costs for each category, as needed.
8. Press **Esc** to exit the screen.

More Options for Viewing Cost Allocations

The ABC Expense Category Summary screen also offers these options:

To...	Use this hot key...
change the displayed cost	Cost Select
view the costs by G/L pool	GL Pool
return to the expense category view	Expense Cat

See Also:

ABC Reports and Inquiries Overview

ABC Expense Category Concepts

ABC G/L Pool Concepts

Running the ABC Codes Listing Report

Once you have assigned activities to ABC codes, you may want to print the list.

▶ To run the ABC codes listing report:

1. From the **Events > Activity-Based Costing > Maintenance** menu, select **ABC Code Maintenance** to display the ABC Code Maintenance screen.

Note: You must have ABC.MAINT authorization to access this screen.

2. Do the following, as needed:

To print...	Do This...
the activity codes in a particular order	Use the Sort By hot key. Select a sort option and press Enter to sort the records accordingly. If you do not sort the codes, the system prints the list by ABC type.
only certain types of activity codes	Filter the list.

Note: The report does not show the estimated or calculated cost.

3. Generate the report.

See Also:

ABC Reports and Inquiries Overview

Creating Activity Codes

Running the ABC Customer Sales and Gross Profit Report

Use the ABC Customer Sales and Gross Profit Report to analyze the cost of doing business with your customers. For each branch and customer selected, the report lists the gross profit, activity-based costs, and net profit.

You can select which cost to use and whether to run the detail report by G/L pool or expense category. The report lists the total **Sales \$**, **Gross Profit \$**, and **Gross Profit %**, followed by the dollar amounts allocated to each expense category or G/L pool. The report adjusts the gross profit amounts by these ABC amounts and then displays the **Adj Gross Profit \$** and **Adj Gross Profit %**.

► To run the ABC Customer Sales and Gross Profit Report:

1. From the **Events > Activity Based Costing** menu, select **Reports** to display the ABC Customer Sales and GP Report screen.
2. In the **Br/Tr/All** field, enter the branch or territory for which to run the report. To run the report for all branches and territories, enter **ALL**.
3. In the **Start Date** field, enter the first date in a range of dates for which to view ABC information.
4. In the **End Date** field, enter the last date in a range of dates for which to view ABC information.
5. To run the report for one customer, enter the name in the **Customer** field.

To include several customers on the report, use the **Multi** hot key and enter the customer names. You cannot run the report for all customers.

Note: Costs incurred for ship-to activities are rolled up into the bill-to ABC costs.

6. In the **Display** field, select the type of detail to display on the report:
 - **Expense Category** – Lists the ABC amounts allocated to each ABC expense category.
 - **G/L Pool** – Lists the ABC amounts allocated to each G/L pool.

Note: This information only displays on the Detail version of the report.
7. In the **Detail/Summary** field, indicate whether to run the report in detail or summary mode:
 - **Detail** – For each customer, the report shows the customer's name, sales in dollars, gross profit in dollars, gross profit in percent, either expense category or G/L pool data (depending on your selection in the **Display** field), ABC total, adjusted gross profit in dollars, and adjusted gross profit in percent.

- **Summary** – Shows one customer per line. Shows the same data as the detail view, with the exception of the expense category or G/L pool information.

8. Complete any of the following fields, as needed:

Field	Description
Cost Select	Indicates whether to display cost information using the estimated cost or one of the actual costs. Whether to display cost information using the estimated cost or one of the actual costs.
ABC Code	The activity for which to run the report. <ul style="list-style-type: none"> • To run the report for a designated activity code, enter the code in this field. • To run the report for multiple activity codes, use the Multi hot key and enter the codes. • To include all activity codes in the report, leave this field blank.
G/L Pool	The G/L pool for which to run the report. <ul style="list-style-type: none"> • To run the report for a designated G/L pool, enter the pool in this field. • To run the report for multiple G/L pools, use the Multi hot key and enter the pools. • To include all G/L pools in the report, leave this field blank.
Expense Category	The expense category for which to run the report. <ul style="list-style-type: none"> • To run the report for a designated expense category, enter the category in this field. • To run the report for multiple expense categories, use the Multi hot key and enter the categories. • To include all expense categories in the report, leave this field blank.
Customer Level	The level at which the system prints the report data. <ul style="list-style-type: none"> • Ship-To – Prints the report data for each ship-to customer. • Bill-To – Rolls up all ship-to customer data into the bill-to customer's data and then prints the report data for each bill-to customer with subtotals for each ship-to customer. • Totals – Rolls up all ship-to and bill-to customer data into the branch and then prints totals for each branch.
Download	Indicates whether to download the report information to an Excel spreadsheet. Type Y to download; otherwise, type N .

Note: This report will also include columns for the price class, customer type (bill-to or ship-to) and sales representative (inside or outside).

9. Set options, if needed, and generate the report.

See Also:

ABC Reports and Inquiries Overview

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