Acumatica
The Cloud ERP

Project Accounting Guide for Professional Services

Project accounting is complex, with project-based businesses needing to juggle strict accounting requirements while also keeping project managers informed and clients satisfied.

Companies need tools that offer a high level of control from an accounting perspective plus the flexibility required to manage projects of all kinds while delivering critical insights to those who need them in real-time.

The ideal business management solution should serve as a tool to connect users with the following project insights to drive success.

TIMING



Project accounting is tied to the start and end dates of the project, which may cross fiscal years. Financial accounting is based on the company's annual reporting periods.

REPORTING



Project reporting focuses on schedules, costs, and resources. In financial reporting, the focus is on the three bottom lines—net income, operating cash flow, and net assets return.

RULES



Project billing can be calculated in different ways using task-level rules. Submit final bills to accounts receivable to be posted to the general ledger.

BASIS OF COMPARISON



While individual projects can vary greatly, financial statements are designed for comparability across organizations based on a standard set of rules and financial measures. Individual projects may each have their own set of metrics, which makes meaningful comparisons harder to obtain.

STAKEHOLDER NEEDS



Project managers are focused on managing project budgets and timelines while accountants are tasked with ensuring the business's overall success in meeting their financial goals. Accountants must manage these goals while staying in compliance with various external regulatory and reporting requirements.

Evaluating project accounting solutions is a daunting task, because it must meet the needs of both accountants and project managers.

Here is a concise Project Accounting Guide to make the selection process simpler.



Create and Manage

Feature	Benefit
Templates for Projects and Tasks	Quickly create new projects from master templates. Specify standard components, including people, equipment, budgets, and project billing.
Multi-project Management	Manage different types of projects with a complete view that includes costs of materials, labor, services, and inventory items.
Automatic Job Creation	Easily create projects and activities using functions from other areas of the application—whether you are working in financial management or sales.



Budgets

Feature	Benefit
Estimate Labor and Revenue	Create project budget forecasts and compare these with the actual project costs and revenues.
Track Budget	Include inventory items, nonstock items, labor, services, and more in project budgets.
Budget and Actuals	Compare actual project costs with original and revised budgets and forecasts by period in real-time.



Workflow

Feature	Benefit
Task Management	Define tasks globally or for individual projects. Assign billing rates by project, job role, and individual to generate expected revenues in project budgets.
Manage Resources	Assign project managers, employees, machines, and other resources to individual projects and tasks while also capturing non-financial, statistical data relevant to individual projects.
Automated Workflows for Change Requests	Define workflows and approval processes for the client and internal change requests and release change orders with full business intelligence visibility and audit trail control.
Automated Approvals	Associate time with a project task and create workflows to coordinate the approval process from release to billing. Approved activities can be posted to specific customers, cases, contracts, or projects and used to generate customer invoices.

Accounting

Feature	Benefit
Multi-currency Project Accounting	Enter project transactions in different currencies and maintain projects in both the base currency and the project currency. Review actual revenues, actual costs, and committed costs in the project currency, while creating customer bills in their native currency.
Company-specific Financial Periods	Companies with subsidiaries and different fiscal year-end dates can share vendors, stock items, and employees across projects.
Flexible Billing	Vary billing rates by type of work, employee/customer, or specific project. Manage various billing scenarios: cost plus, fixed price, time and materials, milestone billing, and contract-specific pricing.
WIP Support	Keep better track of costs by correctly accounting for work in progress and avoid impacting COGS prematurely.
Expense Allocation	Allocate overhead and shared expenses to individual projects, including billable or nonbillable items.
Revenue Recognition	Define billing rules to recognize revenue using the percentage of completion or the completed tasks method. All recognition rules are automatically reflected in the GL journal entries.
Flexible Labor and Expense Allocation	Apply project allocation and billing rules to implement a cost-driven pricing model.
Integrated Payroll	Automatically process project labor costs with certified payroll, including government contractors and unionized workers.
Track Time	Link timesheets to specific projects and budgets.
Remote Time and Expense Entry	Employees and contractors can enter timesheets, work orders, and expenses remotely using laptops or smart devices. Use the camera on smart devices to photograph receipts and attach them to the expense claim.

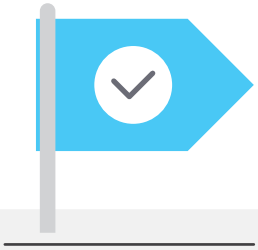
Quotes and Change Orders

Feature	Benefit
Track Change Orders and Commitments	Create a change order with all required documentation, including impact on the project scope, asset and resource commitments, and budgets.
Embedded CRM	Create quotes from opportunities, update them, and manage different versions. Once approved, quotes can be easily converted into projects with full billing details and any attachments carried forward.

Project Accounting. Simplified.

Acumatica Professional Services Edition includes project accounting and is designed to meet the needs of many different project-based industries. It is ideal for engineering, architecture, consulting, and technology service firms.

Project-centric businesses rely on Acumatica Professional Services Edition to streamline the flow of information from project start to finish. Manage proposals, contracts, invoices, and everything in between with embedded CRM and complete financials for timely and accurate project insights.



"It's all about how Acumatica listens to you and how quickly they respond. They really do want to hear from users to understand our business processes so they can incorporate new features and enhancements to make things even easier. It's just amazing!"

– KELLY BURNS,
ERP DEVELOPER & FORMER
CHIEF OPERATING OFFICER,
M3 TECHNOLOGY GROUP

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Acumatica
The Cloud ERP

Acumatica Cloud ERP is a comprehensive business management solution that was born in the cloud and built for more connected, collaborative ways of working. Designed explicitly to enable small and mid-market companies to thrive in today's digital economy, Acumatica's flexible solution, customer-friendly business practices, and industry-specific functionality help growing businesses adapt to fast-moving markets and take control of their future.

For more information on Acumatica, visit www.acumatica.com or follow us on LinkedIn.