

PROGRESSION 'S VERSION 7.6 MANUFACTURING COST ACCOUNTING IS A POWERFUL ANALYSIS PACKAGE DESIGNED TO INTERFACE WITH A NUMBER OF OTHER PROGRESSION SERIES MODULES. IT PROVIDES THE CAPABILITIES TO LINK DATA AND PERFORM VALUABLE VARIANCE ANALYSIS BETWEEN PLANNED AND ACTUAL COSTS.

Path No.	Oper No.	Comp Item No.	Planned Qty	Actual Qty	Variance %
0	0	WIRE9	112.00	36.00	68
Path No.	Oper No.	Comp Item No.	Planned Cost	Actual Cost	Variance %
0	0	WIRE9	142.80	45.90	68
0	0	CLAMP9	43.40	13.95	68
0	0	SCREWS9	37.80	6.75	82
0	0	NUTS9	32.20	10.95	68
0	10	SHIELD9	98.16	16.10	82
0	10	H00025H	13.16	2.35	82

Manufacturing Cost Accounting helps management pin down exactly where actual material costs exceed planned or estimated costs

Manufacturing Cost Accounting (MCA) is an analysis package designed for manufacturers to use in tracking actual costs, and in comparing these actual costs to planned costs, yielding valuable variance analysis data. The MCA module is the primary source for linking accounting entries from shop orders to the General Ledger (G/L). It is also designed to enter miscellaneous costs associated with, or allocated to, a job.

BETTER DECISION-MAKING WITH MCA

MCA analyzes costs. It compares planned or estimated costs to actual costs and provides valuable management reports, inquiries and graphs which are vital in managing your costing functions. The output of MCA also helps management pin down exactly where actual costs exceed planned or estimated costs.

MCA starts with the entry of jobs. Jobs can be general in nature or can be tied directly to one or more shop orders entered in the Shop Floor Control (SFC) package. Jobs can also be automatically created as shop orders are entered in SFC. Planned detail regarding costs, such as material, labor, outside processes, burden, are generated as shop orders and are released in SFC. Miscellaneous costs for jobs not specifically tied to shop orders can also be entered using MCA's Activity Transaction Entry application.

COST ALLOCATION FLEXIBILITY

Ordinarily, actual costs for direct labor, materials and outside processing are captured when the activity is entered against a

shop order in SFC's Activity Transaction Processing application. The cost information captured in SFC is automatically made available to MCA for cost analysis purposes. Sometimes costs for a shop order can not be accurately captured until after the shop order has been closed, or a cost may have been overlooked and needs to be added after the fact. MCA's flexibility allows you to enter this cost whenever you want.

MCA understands that there are some situations where you would like to capture and analyze costs incurred against a specific project or for a given customer, but can not directly tie these costs to a specific shop order. (Example: You are incurring miscellaneous consulting costs associated with the development of a product for a customer or a product that will be produced over several shop orders that can be directly tied to a future job number. These costs may be traveling expenses, lodging, meals, communications, supplies, etc.) In this situation, you may want to capture these costs to a job, but not want to directly charge the costs to a specific shop order. MCA allows you to enter these costs to a job for this purpose.

REPORTING FLEXIBILITY

Costs for the material can be obtained from the Inventory Management (I/M) package. Actual costs for outside processing and custom material can also be pulled from the Accounts Payable (A/P) module or Purchase Order and Receiving (P/O) module, if in use. Overhead costs can be allocated by department work center.

Cost reports are recorded for the job and summarized by user-defined cost type. There are two main types of cost the user can define: material and labor. The more cost types defined by the user for different purposes, the more detailed the reporting will be in the Cost Analysis Reports.

MCA Reports include:

- Summary Detail by Job/Shop Order/Item
- Labor Cost Analysis by Department and Work Center

Job Status View - Operation Cost Info

Order No: 19 Job No: 19
 Item No: XCABLE4 Cable - Cross Over 4 Hale
 Order Status: Started Shop Floor - Scheduled

W/C Load Code: Cnt Pnt: Oper Code: Oper Description:
 0=Oper Cycles Per Hr: M=Material: IAF: Cutting Operation Code IAF

Pln Lbr Grid	Act Lbr Grid	Planned Cost	Actual Cost	Variance %	
L1AF	L1AF	15.40	44.00	-185	
		Var Bur	17.50	50.00	-185

Path	Oper No.	Dept	Work Center	Planned Cost	Actual Cost	Variance %
0	10	1DC	1WA	4.20	17.00	-305
0	30	2DC	2WF	98.00	62.32	36
0	40	2DC	2WF	16.80	66.96	-299

Manufacturing cost comparison between actual labor costs and planned cost

- Material Cost Analysis Reports
- Work-in-Progress Report
- Distribution to G/L Report
- Better Report Layouts

MULTIPLE METHODS FOR BURDEN CAPTURE

MCA allows users to select multiple methods for the calculation of burden to be applied to the manufacturing cost of a product. Methods include percentage of labor cost, fixed dollar amount per labor hour, percentage of material cost, fixed dollar amount per unit, or dollars per unit. You benefit by achieving maximum flexibility in how Fixed and Variable Burden can be applied, depending on how you conduct business.

COMPLETE ABSORPTION

All costs incurred during the manufacturing process can be absorbed into the cost of a product, including material, labor, outside processing, fixed and variable burden. The costs you absorb when producing a product more accurately reflect the true cost of goods sold in the General Ledger (G/L).

COST, RATE, AND USAGE VARIANCE

Cost Variances in a standard cost environment are determined by comparing the standard cost and quantity to the actual cost incurred and the actual quantity used. Material Variances can be broken down by cost and quantity, and the G/L accounts used are tied to the Material Cost type. Labor Variances can be broken down by rate and efficiency variances, and the G/L accounts used are tied to a Work Center Accounting Group. MCA users benefit by better information; a more informative breakdown of cost variances in the General Ledger than ever before.

MORE INFORMATION

For more information on how to put the power of Exact Software North America to work in your front office and mission critical back office, call today:

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