Agenda

- Employee Realization
- OH Allocations
- Visualization
- Dashboard Graphs and Reporting
- Cash Flow
- Current Questions and Problems?
Employee Realization

- What is the Realization Ratio or Real Ratio?
  - The realization ratio compares the Net Revenue Earned to the labor at Billing Rates

- (Earned Revenue – (non-labor Direct and all Reimbursable Expenses)) \ Direct Labor at Billing Rates

- If running the report at Cost Rates, the effective multiplier will be seen, which is a productivity measure that shows the amount of Net Revenue Earned for each labor dollar expended

1. First, Vision Calculates the Net Revenue: Earned Rev. (Non Labor Direct and Reimbursable Expenses)

2. Then, Vision Calculates the Effective Multiplier: Net Rev.\Dir. Lbr. at Cost Rates
Employee Realization

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1. First, Vision Calculates the **Net Revenue**: Earned Rev. (Non Labor Direct and Reimbursable Expenses)

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Employee Realization

- Run Employee Realization in:
  - Reporting / AR/ Invoice Transaction Detail Report

![Invoice Transaction Detail Options]

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Employee Realization

- Reporting / Employee / Employee Labor Detail Report
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Project: G.00154 GCS DFE Plus-Sierra Photonics
Phase: 04 Training

Total for 04: 2.00
Project G.00154 Totals: 2.00

Project: G.00158 Monterey Tech. - GCS
Phase: 02 GCS Implementation

Total for 02: 13.25
Project G.00158 Totals: 13.25
Total for Eckhardt, Nancy: 16.75
Final Totals: 16.75

v7.1.513 (JLUND) - Billing *Transaction is a result of a billing transfer or labor adjustment
Overhead Allocation

What is Overhead?

- All Indirect Labor and Expenses:
  - Administrative Costs and Time
  - Accounting Costs and Time
  - Employee Benefits
  - Rent
  - Utilities
  - Insurance
  - All Non-Direct Cost associated with running the firm
  - Does Not Include Unallowable Costs:
    - Alcohol
    - Entertainment
    - Gifts
Overhead Allocation continued...

- Overhead Allocation is the practice of distributing your indirect costs to revenue producing projects.
- After indirect costs have been distributed, the revenue from your projects supports the total cost of doing business.
- Overhead Allocation does Not impact the GL. However, it is reflected on the project reports run at cost.

- There are two Allocation Methods
  1. Proration
  2. Assignment

- You can Allocate Overhead on a Firm-Wide basis or if you use Vision Organization reporting feature, you can report by Organization Level
Overhead Allocation continued…

- **Overhead Allocation Method — Proration**
  - With proration, the sum of all amounts allocated in the current period is equal to your firm's actual overhead amount for the period. The benefit of this approach is that overhead allocation is based on real numbers. The problem is that your firm's actual overhead amount may vary quite a bit from period to period and season to season, making it difficult to forecast project performance. To keep seasonal fluctuations to a minimum, consider accruing large expenses, such as professional liability insurance or depreciation, over the course of the year.

**Proration Example**
- Assume that you choose to prorate overhead based on firm-wide revenue. Your firm has $100,000 in indirect expenses and $500,000 in revenue. The City Hall project has revenue for the year that totals $50,000.
- **Overhead Allocation Rate:** \[ \text{YTD Indirect Expenses (100,000)} / \text{YTD Revenue (500,000)} = .20 \ (20\%) \]
  - The overhead allocation rate is 20%.
- **Overhead Allocated to the City Hall Project:** \[ \% \text{Rate (20\%)} \times \text{YTD Project Direct Revenue (50,000)} = 10,000 \]
  - The City Hall project is allocated $10,000 of overhead from the total overhead expense.
Overhead Allocation continued…

Overhead Allocation Method — Assignment

- The Assignment Method begins with a percentage that you specify. This overhead percentage is applied to each project — based on either direct labor or revenue — to determine the total amount of overhead allocated to each project.

- Vision calculates a project’s overhead as follows: **Year-to-Date Project Direct Labor or Revenue * Assigned Overhead Percentage = Overhead Allocated to Project**

- With assignment, the sum of all allocated amounts is not necessarily equal to your firm-wide overhead amount. Vision accumulates the difference in an Overhead Variance Project. The Assignment Method is more widely used than the Proration Method, because it allows you to generate a consistent overhead amount for each project and it prevents overhead allocation from fluctuating wildly from period to period. This makes it easier to forecast project performance.
Overhead Allocation continued…

Overhead Allocation Method — Assignment

- You have the option of overriding the firm-wide percentage for individual projects, so that they receive overhead at a higher or lower rate than the norm.
- The assigned overhead rate can be entered in three different places in Vision. The following hierarchy determines which rate Vision uses to allocate overhead on a project-by-project basis:

  1. If a rate is defined in the Project Info Center for an individual project, phase, or task, Vision uses that rate.

  2. If no rate is defined in the Project Info Center, and the project, phase, or task is assigned to an organization, Vision uses the rate defined for the organization in Individual Organization Setup.

  3. If no rate is defined in the Project Info Center or Individual Organization Setup, Vision uses the firm-wide overhead rate defined in Overhead Allocation Setup.

Example: Let’s assume that you choose to allocate overhead at a rate of 10%, based on direct labor. The City Hall project has $20,000 in year-to-date direct labor charges.

- The overhead allocation rate is 10%.
- OHAllocated to the City Hall Project = YTD Direct Labor (20,000) * OH % (10) = 2,000
- The City Hall project is allocated $2,000 of overhead.
Overhead Allocation continued...

- Over-ride the allocation at the project level
Overhead Allocation continued…

- Considerations when Running Overhead Allocations

1. Timing: OH Allocation Calculates on a YTD basis. You can run the routine as often as you like. Recommend running after each post transactions and prior to running Reports.

2. OH Variance Project: Assignment method requires an OH project to maintain the appropriate accounting balance btwn. The project and GL sides of Vision.

   \[\text{Variance Amount} = \text{Actual Total Indirect Expenses Incurred} - \text{Total YTD Overhead Assigned}\]

3. Accounts for OH Allocation: Standard is for Vision to allocate based on a project’s YTD direct labor or revenue. However you can enlarge the OH base for your firm’s projects by including specific direct or reimbursable expenses in the base, along with direct labor or revenue.
   - Salaries for temporary employees or subs/contract labor in the OH base
   - Specify the expense accounts whose charges should be included in the base

- Note: Until you run OH Allocation, Vision Calculates current period using a provisional rate: Assignment = Current %   Proration = Last effective rate
OH Allocation Report & Calculation

- The Overhead Allocation Report shows, for each project, how overhead was distributed the last time OH was run.
  1. The Allocation method (assignment or pro-ration)
  2. Allocation base by project. Include amounts posted to accounts you chose to include in the allocation base in OH setup
  3. Current, YTD, and project to date OH for each regular project
  4. The budgeted OH rate and effective rate

- Calculating Actual OH Rate
  - Firm wide OH Rate = Total Indirect Expenses / Total YTD Direct Labor or Revenue
  - Total YTD direct labor includes balances in accounts 601, 602, and any other user-defined labor posting accounts
  - Total YTD Revenue includes the total balance of your 400 level accounts
  - Total Indirect Expenses include the total balance of your 700 level accounts
OH Allocation by Organization

- Your pools of overhead consist of the total indirect expenses posted to overhead or promotional projects for each individual organization. Each operating organization has its own aggregate of indirect expenses that must be allocated. In addition, you may have non-operating organizations that absorb expenses shared by many organizations. You can use the Overhead Allocation program to distribute this aggregate of expenses among your organizations.

- Allocating overhead by organization allows you to distribute overhead in multiple passes. For Example:

  - total OH from the corporate level is distributed among non-operating organizations
  - Pass 1:
    - Corporate
  - Pass 2:
    - Boston Tech
    - Boston Design
    - Chicago Tech
    - Chicago Design
Visualization

- Visualization Maps are graphical representation of Key Metric Values for your Projects, Project Plans and Opportunities

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Deltek Vision® 7.0 Visualization Quick Reference Card

www.deltek.com

To access Visualization, complete these steps:
1. Click Reporting » Visualization on the Vision Navigation menu.
2. To create a map, select the type you want to create (Project, Opportunity, or Project Planning) and specify options and record selection criteria.
3. To view a map, select it and click Preview on the Reporting toolbar. (You can also add maps to your Dashboard and access them there.)

**Visualization Maps** are graphical representations of key metric values for your projects, project plans, and opportunities. The maps can help you analyze performance, determine trends, and identify risks to your business. Each map is a set of rectangular blocks, and each block in a map represents an individual project, project plan, or opportunity, or a group of projects, plans, or opportunities. The sizes and colors of the blocks represent performance against the metrics you select.

**Grouping**

Select the primary grouping category in Grouping. In this example, the primary grouping is by project type (Sports/Recreation, Office Buildings, and so on).

You can add other grouping categories to create a grouping hierarchy. Here, Vision displays blocks for each project within larger blocks for each project type. To add the Project Short Name category to create the inner grouping, you right-click on the Project Type field and click Add Category on the pop-up menu.

Use the Grouping tab of the Options dialog box to select the grouping categories that you want to have available in the Visualization window.

**Color**

Select the metric that you want to represent by block colors.

Here, the deepest blue blocks have the highest JTD Revenue amounts and the deepest red blocks have the lowest.

You can select any metric for which you selected Color By on the Metrics tab of the Options dialog box.

**Size**

Select the metric that you want to represent by block sizes.

Here, the largest blocks have the highest JTD Spend @ Cost amounts.

You can select any metric for which you selected Size By on the Metrics tab of the Options dialog box.

**Size Slider**

Drag the left and right filter handles on this slider to filter out blocks with low or high values for the metric selected in Size.

**Save and Load Settings**

As you work with a map, you can save a version of it so you can restore that version without having to recreate it.

To save the current map settings, click Save Settings. To display a saved version, click Load Settings and select the set of saved settings you want.

**Tool Tips**

To view the metric values for a block, position the mouse pointer on the block. Vision then displays the values for that block in an information tool tip so you can read them easily.

**Color Slider**

Drag the left and right filter handles on this slider to filter out blocks with low or high values for the metric selected in Color. You can also use the slider to change map colors.

**Right-Click Menu**

Right-click a block or group to display a menu that enables you to:
- Drill down to supporting detail.
- Collapse or expand a group.
- Zoom in on or magnify the block or group.
- Right-click anywhere in the map to:
  - Select a map style.
  - Change how Vision displays the map when you filter out blocks.
Visualization

- Setup Visualization in Reporting
Visualization

- The burdened rate that you see on project reports is always using an estimated number for the burden on the labor cost, always based on the current overhead allocation settings.

- The overhead number that is used on Visualization reports is always an actual overhead number, calculated as of the last time that overhead allocation was actually run in Vision (under Accounting/Overhead Allocation).

- They could be quite different, since the overhead rate usually fluctuates from year to year, which would be reflected in the Visualization calculation, but not in the burdened rate calculation.

- Visualization numbers can be different than Office Earning Report, if overhead allocation has not have been run for a while, which would have no impact on the burdened rates (which are always estimated), but would impact the Visualization numbers (or any report run at cost with actual overhead).

- The definition of profit in the OER and Visualization is the same if you run OER at Cost with actual overhead (not checking the estimate overhead checkbox). Visualization does not have the other two options (running with estimated overhead or running with burdened rates). The numbers will be the closest right after overhead allocation is run, at which point the only difference would be that the burdened rates don’t take in to account changes in the overhead rates over time, where the actual overhead numbers used in Visualization do
Dashboard Graphics & Reporting

- Adding Graphs and Reports to your Dashboard
  1. First Create the Graph or Report in Reporting
  2. Save the Graph or Report as a favorite
  3. Go to your Dashboard icon at the top of your screen and click
  4. Select “Add Web Dashpart”
  5. Select the Report or Graph that you wish to add to the dashboard
Dashboard Graphics & Reporting

Deltek Vision® 7.0 Dashboard Quick Reference Card

www.deltek.com

Your Dashboard content is easily managed because it is divided into individual sections on your Dashboard, called dashparts. Dashparts provide access to specific records, Web lines, reports, activities, and applications. You can access any one dashpart without affecting your other dashparts.

In addition to the standard dashparts, you can customize multiple system and Web dashparts. There is also a Vision Tip of the Day.

Configuring - Select this option to display any unused dashparts for your Dashboard. Create individual URLs and system dashparts for your Dashboard. Access the Save Dashboard for Users option (a one-time procedure that allows certain users to save Dashboard layouts for other users). Your security role determines whether you can save layouts for other users.

Window - Select this option to arrange your dashparts on the Vision screen. You have four arrangement options: Cascade, Horizontal, Vertical, or Tile Grid.

Help - Select this option to open the Vision Dashboard Help.

Depending on the dashpart, clicking the dashpart name lets you configure a dashpart to access records, create new records, clear all records from a dashpart, print a record, enable grouping of records, hide an selected dashpart, delete a dashpart, hide all other dashparts, change the color of the dashpart heading.

Clicking this icon expands a dashpart to completely fill the Vision screen. All other dashparts will be hidden. Click again to restore the dashpart to its original size.

You can limit the number of records you display in your dashparts. The number you select is the same number for all your dashparts that use records. Dashpart record limits are defined in the General System Setup Lookups tab.

Click the up arrow to collapse a dashpart. Only the dashpart heading will appear on your Dashboard.

Click the down arrow to expand a dashpart on your Dashboard.

The refresh icon lets you save changes made to a dashpart.

Click the X icon to removed a dashpart from the Dashboard.

Any changes made to your Dashboard are automatically saved whenever you leave the Dashboard to work in an application or log off Vision. Also, your changes are saved when you refresh a dashpart, by clicking the Refresh icon.

Clicking the Dashboard menu chooses from anywhere in Vision returns you to the Dashboard.
Cash Flow

The Cash Flow Statement focuses on liquidity, recording your company's cash transactions (inflow and outflow) for the accounting period range or year that you specify. The Cash Flow Statement is designed to meet GAAP (Generally Accepted Accounting Principles) guidelines.

Typically, you run the Cash Flow Statement:

1. For a calendar or fiscal year, to compare numbers from one year to another.
2. By quarter, to compare current cash flow to that from previous quarters.
3. When you need documentation to present to a bank, such as you might need when requesting a loan.
4. Before generating the Cash Flow Statement, you need to establish section headings, define subsections, and map accounts to subsections.
Cash Flow

- Whereas the *Income Statement* reports cash flows on the accrual basis, takes depreciation and other abstract items into account, and focuses on profitability, the *Statement of Cash Flows reports cash flows on a cash basis*, and focuses on liquidity.

- The net cash flow in the Cash Flow Statement from one period to the next should equal the change in cash between the two *balance sheets* covering the same period.

- Many of the items on the Cash Flow Statement also appear on the income statement or the balance sheet. In the Cash Flow Statement, they are arranged to highlight the cash generated during the period and to show how it relates to reported earnings.
Cash Flow

- Cash Flow Statement Headings Tab

- Use the Cash Flow Statement Headings tab of Configuration » Accounting » Cash Flow Statement to define the section headings for each company's Cash Flow Statement. This Vision report is the same as the Statement of Cash Flows (GAAP). It reports inflows and outflows of cash during an accounting period.
Cash Flow

- Configuration / Accounting / Cash Flow Statement
  - Identify the Labels for the Statement Headings
  - Then select the Statement Setup to identify the correct GL Accounts
    - AP = The sum of amounts in all liability Accounts
    - AR – The sum of amounts in all accounts mapped to AR
    - Fill in the GL accounts if you are running Multi Company
Cash Flow

- Cash Flow Statement Report

- Run the Cash Flow Statement Reports by going to Reporting / Accounting / and select the report that you wish to run.
Cash Flow Statement

- Select either Year to Date or a Range of periods
Cash Flow Statement

- Preview the Cash Flow Statement Report
Questions / Discussion