Accounting Lab - Microsoft Dynamics GP 10.0

Student Name: ____________________

Login ID: _________________________
Managerial Accounting Lab, Budgeting

Terminology

**contract**
A group of projects that a contractor completes for a customer, and for which the contractor bills the customer for various costs.

**contract status**
The progress of a contract. Contract statuses include Closed, Completed, Estimate, On Hold, Open, and additional statuses that you can name.

**fixed price project**
A type of project in which the customer pays a predetermined amount for the entire project. Each billing invoice is for a percentage of the predetermined total billing amount.

**time and materials project**
A type of project in which the customer is billed for project costs as they are incurred. The amount that the customer is billed is based on billing rates or markup percentages for time and materials used for the project. Time includes the time that employees spend working on a project and for equipment used for the project. Materials include inventoried and non-inventoried items used for the project.

**project budget**
The planned revenue and expenses for a project categorized by cost. You can include various cost categories in the budget, and then specify baseline and forecast amounts for each cost category. You then can compare actual costs to budgeted costs.

**actual**
A project budget amount that represents cost and billing amounts based on the transactions that you’ve entered. You can use actual amounts to measure project performance against forecast and baseline budget amounts.

**baseline**
A project budget amount used as a basis for comparison to measure project performance. Baseline amounts are entered to estimate cost and billing amounts for a project. You can measure project performance by comparing forecast and actual amounts against the baseline. Project managers typically refer to the cost baseline, which is created during cost budgeting. Baseline amounts for billing also are calculated in Project Accounting.

**forecast**
A project budget amount that you can modify as a project progresses to represent expected results. Forecast amounts are subjective. You can use forecast amounts to measure project performance against baseline and actual amounts.

**project budget totals**
The baseline, forecast, and actual total revenue and expense amounts for a project and its various cost categories.
**project amount**
The total cost for a project. The project amount calculation depends on whether the project is a Cost Plus, Fixed Price, or Time and Materials project.

**total cost**
The sum of the actual cost amounts incurred for a contract or project.

**total billings**
The sum of the amounts billed for a contract or project.

**total revenue**
The sum of the revenue amounts recognized for a contract or project.

**payment terms**
Conditions for payment that are extended to customers and that vendors may extend to a company.

**progress billing**
A method of billing customers for the percentage of project completion, based on either cost or quantity, for a Cost Plus or Fixed Price project.

**unit of measure**
The quantities in which your business buys or sells an item.

**base unit of measure**
Typically, the smallest quantity on a Unit of Measure schedule in which items can be bought or sold. The base unit of measure is common to all named quantities entered for a Unit of Measure schedule. For example, for the item “soda,” the base unit of measure might be “Can” because all the other units of measure are multiples of a single can.

**price level**
Used to specify different prices for an item or group of items, depending upon who it’s being sold to. For example, you might charge one price if you’re selling to a retail customer and another price to a wholesale customer. You don’t need to assign all price levels to all units of measure; be sure that each unit of measure can be used with every price level at which you might want to sell it.

**unit of measure schedule**
A group of related named quantities.
Lab Activities
You will need a pen for the lab!

Login
1. Click All Programs → Microsoft Dynamics → GP 10.0 → GP

2. MS Dynamics 10.0 will open, prompting you for login with your credentials.

Login with the student user id assigned to you, for example, student24, with the same password.
Throughout this lab, a project/contract/batch/etc will be used based on the login id. For example, if a project is assigned to you, it will have a suffix 24, based on your student login. This will be represented by \textit{nn}. Thus, your student login will be henceforth referenced as \textit{student}nn.

3. Select the company Fabrikam, Inc. and click OK.

![Company Login](image)

4. An \textit{About manufacturing window} will open. Click OK. You will also see a popup

![Microsoft Dynamics GP](image)

Click OK. You will be prompted with the \textit{Select Home Page} pop-up. Click OK.

Outlook installation wizard may appear. Cancel the operation.
Actual Lab

Senior management of our organization has signed a Fixed Price contract with the customer. At the outset, management decides on an estimated budget for some cost categories like Design (we will be designing a product [whose name will not be used in the lab]), and Review (this indicates the cost that will be spent on reviewing the design).
1. Since Fabrikam’s default date is set to 4/12/2017, we change it to indicate the commencement of our project.

Change the default Date to 1/1/2017. This can be done by clicking Microsoft Dynamics → User Date, at the top right of the screen, as shown in the snapshot.
2. At the left bottom of the screen, click >>. Then click Project.

3. Now on the left of the screen, you will see a list in a pane which will be referred to, henceforth, as the Navigation Pane. Click the contracts button on the navigation pane. Open the contract Customer nn where nn is your student login number.

   a. Note the Contract status. ________________
b. Note the Contract amount ____________

*Please note that if the row is not clicked (i.e., selected), an empty project will open by default.*

![Contract Maintenance window](image)

```
<table>
<thead>
<tr>
<th>Customer ID</th>
<th>Customer Name</th>
<th>Contract ID</th>
<th>Contract No.</th>
<th>Class ID</th>
<th>Contract Map</th>
<th>Business Unit</th>
<th>Address ID</th>
<th>Sub Acct Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Customer01</td>
<td>01</td>
<td>0101</td>
<td>001</td>
<td>BARR0001</td>
<td>ERI0001</td>
<td>87 PARK AVE</td>
<td>???????</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contract Status</th>
<th>Open</th>
<th>Project Type</th>
<th>Time and Materials</th>
<th>Accounting Method</th>
<th>Combine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Begin Date</td>
<td>4/12/2017</td>
<td>End Date</td>
<td>4/12/2017</td>
<td>Closed to Project Close</td>
<td>Closed to Billing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purchase Order No.</th>
<th>User Defined 1</th>
<th>User Defined 2</th>
<th>Project ID</th>
<th>Project Status</th>
<th>Project Type</th>
<th>Accounting Method</th>
<th>Combine</th>
</tr>
</thead>
<tbody>
<tr>
<td>010101</td>
<td>Open</td>
<td>Time and Materials</td>
<td>When Performed</td>
<td>BARR0001</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
```

c. We now need to access the project **nn**. To access a project, select the **nn** in the table of the window Contract Maintenance as shown above. Then click on the arrow button near the Project ID column on the header.
The Project Maintenance window will open.

d. Note the Project Amount ________________

e. Note the Cost to Date ________________

f. Note the Billings to Date ________________

g. Note the Profit ________________

h. Note the Begin Date ________________

i. Note the End Date ________________
4. Click the Fees button at the bottom of the Project Maintenance window. The Fee Entry window will open.

![Fee Entry Window]

a. Note the Retainer Fees’ Amount ____________________________

b. Note the Project Fees’ Amount (Total Amount)__________________

You will not see the service fee, which can be seen in the snapshot above.
5. Click OK. On the Project Maintenance window, click the Budget button which is at the bottom of the window (near the Fees Button).

The Budget Maintenance window will open.

Do not allow the cursor to go to the next row else you’ll be forced to add a new record!

a. The budget for the cost category Design is for what period? ________________
   
i. For this cost category, what is the quantity (Qty)? ________________
   
ii. What is the total cost? ________________
   
iii. Note the status of the cost category: ________________

b. The budget for the cost category Review is for what period? ________________
   
i. For this cost category, what is the quantity (Qty)? ________________
   
ii. What is the total cost? ________________
c. After some discussion, the senior management realizes that the initial budget and
dates were poor estimates. They decide that instead of the earlier dates, the
estimated budget dates for the cost category Design should be from 01/07/2017 to
11/15/2017. Also, the estimated budget dates for the cost category Review are to be
reset as 01/10/2017 to 11/20/2017. They also feel that the current estimated quantity
for REVIEW is too high, and that only 10 hours are required. Make the required
changes. Click OK, and wait for the window to close.
d. The focus will now be back on the project maintenance window.

![Project Maintenance Window](image)

- Customer ID: AMERICAN001
- Project No: AMERI/AMER100
- Project Name: ASM Project 00
- Project Type: Time and Materials
- Project Class ID: ERIC001
- Project Map ID: ERIC002
- Business Unit ID: 123
- Department: Sales
- Purchase Order No: 001
- Project Amount: $5,750.00
- In Account: Unposted

![Billing Settings Window](image)

- Note the Project Amount _____________________________
- Click the Billing Settings button
  The Project Billing Settings window will open.
i. Note the Project Revenue: ________________________________

ii. Note Project Fees: ________________________________

iii. Where are these values getting computed/ populated from?

__________________________________________________________________________

__________________________________________________________________________

iv. Click the magnifying glass button near the Tax Address ID Field. Select the value that appears in the window that opens.

v. Click the magnifying glass button near the Billing Cycle ID in a table at the bottom of the Project Billing Settings window. Select the Billing Cycle ID as Weekly. Click on the Select button to close the window. If it is already set as the default, close the window by clicking OK.

g. Click OK in the Project Billing Settings to close it. The focus will now be back on the project maintenance window.

h. Click Save (which is in the upper left corner) on the Project Maintenance window. Now close the Project Maintenance window. Also close the contract maintenance window.

6. As of now, our project is in the estimate mode. The days have passed by, and today is 01/17/2017. Change the Application Date (as in step 1) to this new date. Close the Reminders’ window that may open.

Now the project is about to be commenced. Senior management has finalized the details of the contract, and hence, decides to change the status of the contract/project from Estimate to Open.

7. On the navigation pane on the left of the screen, click Contracts. Click on the contract Customer nn. Change the Contract status to Open. A message “Do you want to roll down the changes to projects?” Click Yes.

In the table at the bottom of the screen, note the Project Status for the Project nn: __________.

On the Contract Maintenance window, click Save (which is in the upper left corner) and then close the Contract Maintenance window.

On the navigation pane on the left, select Billings.
8. Click on New Billing Invoice.

The Billing Entry window opens.

a. Click in the Document No field. It will get populated. Create a Batch ID BE followed by your login student number, i.e., BEnn and click on the ➔ button. You will be asked whether you want to add the batch. Say, Add. In the Billing Batch Entry window that opens, enter comment as Billing Entry followed by your user login, i.e., Billing Entry nn.

b. Click Save. Close the window. Focus will now be on the Billing Entry window.

c. In the customer ID field, click on the magnifying glass and then select the customer Customer nn from the window that opens.

d. Enter Comment as Billing Entry.

e. Click in the Currency ID field, and the currency will be set as US dollars (Z-US$).

f. Click Save and close the window.

9. In the navigation pane, click Projects and select the project number Customer nn (i.e., the project that is assigned to you).
10. The Project Maintenance window will open.

![Project Maintenance Window](image)

11. Click Save and close the window.

12. In the navigation page, click Timesheets.

13. Click New Standard Timesheet

The Timesheet entry window will open. *Follow the order of the steps described*
below to avoid the validation messages that pop up for mandatory fields.

a. Click in the Document Number field which will get updated automatically.

b. Enter Batch ID TE\text{nn} and then click the → button. You will be prompted to with a question whether you would like to add the batch. Say Add, and enter the comment as TE\text{nn} in the Timesheet Batch Entry window that opens.

c. Save the window. Close the window. Focus will now be on the Timesheet Entry window.
d. In the Employee ID field, select Employee Gregory J. Erikson.

e. Enter comment as Timesheet entry.

f. In the table,

   i. Click on the magnifying glass near Project Number. The projects window will open. Select your assigned project id Project **nn**.

   In case you do not see your project by default, select All Projects in the Display section. (in case any error message/warning appears, click OK and proceed).

   ![Projects Window](image)

   ii. Click on the magnifying glass near the Cost Category ID field.

   iii. Select Cost Category as Design.

   iv. Select Quantity as 20.

   v. Add another row to the table (by tabbing out from the current row till the focus comes on the date field in the table). Set cost category as Review (as described above).

   vi. Select Quantity as 17.

   vii. Click Save

   viii. Now on the empty timesheet entry window, click on the arrow near the field Batch ID. The timesheet batch entry window will open.
Close the Timesheet Entry window in the background. Now in the Timesheet Batch Entry window, click the button Post. Another window Payroll Batch IDs will open. Select Payroll Batch 1.

Windows as below will open multiple number of times. Since you are posting timesheets, MS Dynamics 10.0 is asking you to select the destination for the different reports that will be generated; these windows do just that.
Deselect Ask each time, and select Destination as screen and click OK whenever the window similar to this one will pop up. A number of reports (as below) will pop up one after another (once one report is closed the other opens). Take a look at these and then close the reports.

Close the Timesheet Batch Entry window that we used.

14. In the navigation pane, click Projects and select the assigned project number Project nn.
15. The Project Maintenance window will open.

   a. Note the Cost to Date. ________________________________

   b. Re-note the profit ________________________________

   End of lab