

Management Accounting

What Is Management Accounting?

Management Accounting is a supplement in MONITOR which means that all stock and manufacturing transactions in the system will be coded and transferred to the general ledger in MONITOR's Accounting module. This way you get a better production economical follow-up and reporting from the accounting in the system.

Based on the Standard Price Model

The Management Accounting has a strong connection to MONITOR's product calculation and is based on the standard price model that is used there. The coding amounts are based on the prices of material, hour cost and mark-ups that exist in the calculation. By using coding of WIP values on manufacturing orders, calculation differences, price differences and the external book-keeping, you can see if the calculations correspond with reality.



Furthermore, by using coding against cost center and cost unit you have the opportunity to have an economical follow-up of product groups, departments or other terms where you wish to follow up the profitability.

Continuous Update of the Accounting

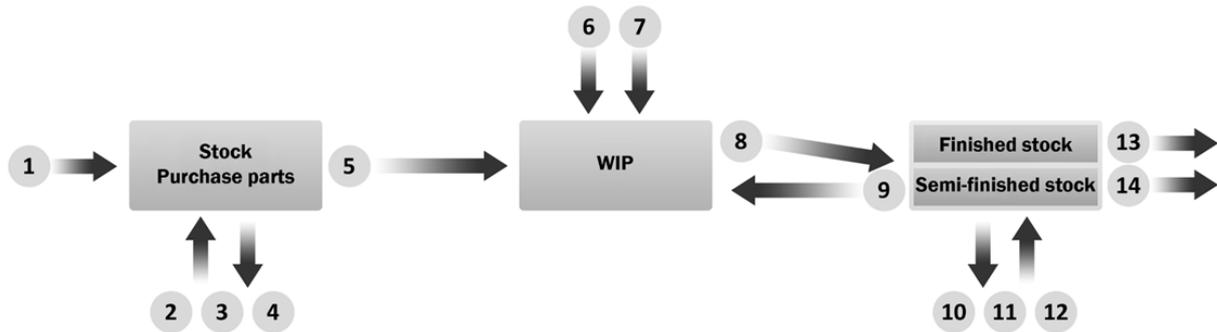
The Management Accounting also means that you get a continuous update of the company's value and changes of stock and Work in Progress in the accounting. If you do not use the Management Accounting, then you manually have to book this monthly, based on different lists.

Conditions for Using Management Accounting

- Frozen standard prices and cost factors for a period of time, for example one year or a quarter.
- Budgeting is important to determine the company's sales, standard costs, mark-ups, etc., for the next year to which the result will be compared.
- The cost center accounting is essential in order to follow up actual overheads for the departments/work centers and balance the cost against the calculation and its mark-ups.

What Should Be Coded?

Below you will find an outline that shows what should be coded. The numbered arrows are described further down.



1. Arrival reporting/receiving inspection
2. Unplanned stock movement (P-parts)
3. Physical inventory (P-parts)
4. Posterior rejection/Register nonconformity (P-parts)
5. Stock withdrawals for manufacturing/SO mark-up on stock withdrawal for manufacturing
6. Hours worked (value added)
7. Subcontract (value added)
8. Finished parts (semi-finished and complete products)
9. Semi-finished products back to the manufacturing
10. Unplanned stock movement (semi-finished and complete products)
11. Physical inventory (semi-finished and complete products)
12. Posterior rejection/Register nonconformity (semi-finished and complete products)
13. Delivery reporting (M-parts)
14. Delivery reporting (S-parts)

Apart from the above, calculation differences on manufacturing orders are also coded.

The calculation differences can be divided for:

- Material
- Subcontracting
- Work

Standard price changes for material generate a coding of the stock value which shall be adjusted in the accounting as well.

Loading from Logs in the System

- Loading of coding items is made from five different logs:
- Inventory log – codes material transactions in stock/WIP
- Manufacturing order log – codes work in WIP
- Price change log – codes stock adjustment during standard price changes
- Calculation differences – codes price and quantity differences, measured during final reporting of manufacturing orders.
- Invoice log – ability to code cost of goods sold divided into all calculation parts.

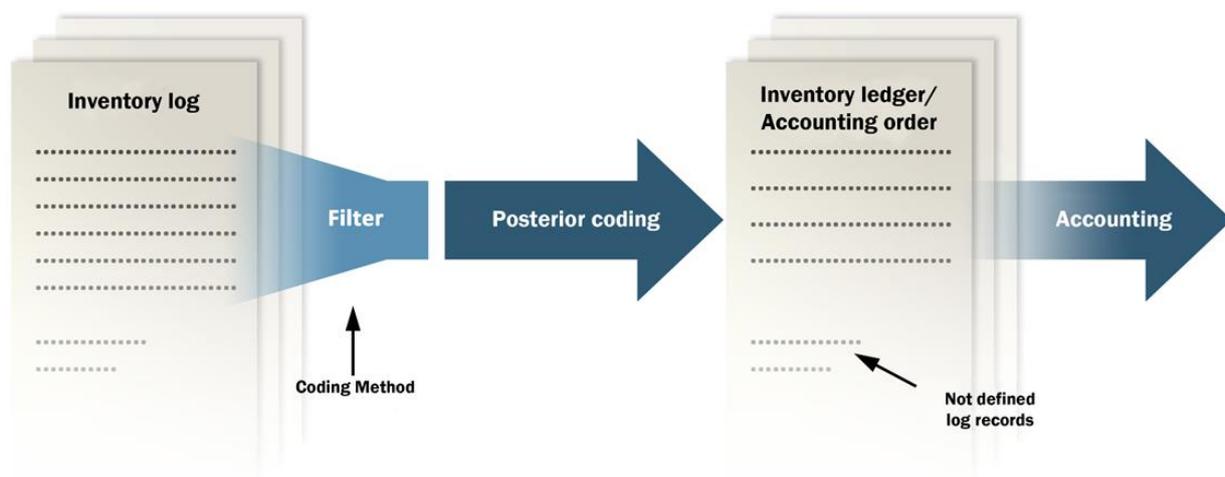


Image of Log retrieval for the accounting.

- Based on so-called "Posterior Coding", that is, when coding takes place in arrears when loading from logs in the MPC modules
- You can in advance define how each log record type should be coded (a standard coding setup is delivered with the system). This definition is done in a special procedure.
- Dynamic definition of how cost center/cost unit/project should be coded. For example that a Department is a cost center and a Product group is a cost unit.
- In the management accounting, the accounts are by default classified as account group 48.
- Totaled vouchers are integrated into the accounting.
- During unplanned stock movements, you can code/adjust coding directly when reporting since there might be different things from one time to another.

The Procedures in the Function

The following procedures are included in the Management Accounting:

Update Coding Method

You find the Update Coding Method procedure under Register in the Accounting module.

In this procedure you define how different events in the system shall be coded. Each "coding method" is given a number and a name. In other words, you create a number of coding types that determine how transactions that coincide with the coding method terms, shall be coded.

The procedure contains two tabs. Under the Terms tab you should for each coding method enter for example:

- Log (in which type of log the coding method is used)
- Part Type
- Procedures (where the current coding method will be used)
- Other terms. Here you enter additional transaction terms. An example of such a term can be that the work center that created the log record must be within a certain date interval.

Update Coding Method [Current year 2017]

Coding ID: 100 Name: Delivery to Stock (P-parts)

Terms Coding

General

Log: Inventory log

Part type: P

Sign: + Reverse coding for sign change

Allow duplicates:

Inactive:

Code zero records:

Procedures

Refill Pick Location
Register Invoices Directly
Register Nonconformity
Register Supplier Invoice
Report Service Order
Report Subcontract Dispatch
Report Work
Service Summary

Exceptions

Other terms

From To A

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Under the Coding tab you enter for example:

- **Account string** for debit and credit. You can enter what should be cost center/cost unit/project, e.g. Cost center = department.
- **Heading** (in order to gather similar coding items in the same place when printing ledgers)
- **Quantity** (for example the balance change)
- **Price** (for example standard price)

Update Coding Method [Current year 2017]

Coding ID: 100 Name: Delivery to Stock (P-parts)

Terms Coding

General

Log: Inventory log

Part type: P

Sign: + Reverse coding for sign change

Allow duplicates:

Inactive

Code zero records

Procedures

Refill Pick Location

Register Invoices Directly

Register Nonconformity

Register Supplier Invoice

Report Service Order

Report Subcontract Dispatch

Report Work

Service Summary

Exceptions

Other terms

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Coding Method List

This procedure is used to print a list of the coding methods created in the Update Coding Method procedure.

Posterior Coding

With this procedure you can "retrieve" data from the logs. The export is always made from the latest coded log record, in order to avoid that the record will be transferred twice to the accounting. The items are coded according to the coding rules defined in the "Update Coding Method" procedure.

Posterior Coding [Current year 2017]

To code	Code from
Inventory log <input type="checkbox"/>	1900-01-01 00:00:00
M-order log <input type="checkbox"/>	1900-01-01 00:00:00
Invoice log <input type="checkbox"/>	1900-01-01 00:00:00
Calculation diff <input type="checkbox"/>	1900-01-01 00:00:00
Price change log <input type="checkbox"/>	1900-01-01 00:00:00

Code to

Code all

Code to

Print Log Ledger

In this procedure you can print ledgers/accounting orders for the retrieved log records. A separate ledger/accounting order is printed for the respective log type. Each ledger type is linked to a separate voucher number series in the accounting.

The ledger consists of two parts; a detailed ledger that shows each individual log record and also a total accounting order. It is always the total accounting order that will form the voucher in the accounting.

If any incorrect coding records exist, they will appear at the top of the list in red font. By incorrect coding records it is meant that no coding method has been defined for the record in question. You can fix the problem by adjusting the coding methods and then make a new posterior coding.

Inventory ledger				Vou. series: 17	Ledger no: 18
				Vou. date: 2008-11-10	Voucher: 18
00. Delivery to Stock					
Date	Order no.	Part	Name	Procedure	Coding ID
2008-11-10					
9999				0,00	
9999					0,00
Total:				0,00	0,00
01. Delivery to Stock					
Date	Order no.	Part	Name	Procedure	Coding ID
2008-11-10					104
1400				42,24	
1450					42,24
Total:				42,24	42,24
08. Delivery to Customer					
Date	Order no.	Part	Name	Procedure	Coding ID
2008-11-10					170
1460				500,00	
1410					500,00
2008-11-10					170
1410				500,00	
1460					500,00
Total:				1 000,00	1 000,00
Total:				1 042,24	1 042,24

Sample of an Inventory log, detailed list (the entire list is not included).

Total accounting order				Voucher series: 17		Journaln: 9	
				Vou. date: 2007-11-15		Voucher no.9	
Acct:	CC	CU	Project	Debit	Credit		
1400					30 794,39		
1410				194 636,43			
1430				0,00			
1440				25 622,84			
1450				5 794,40			
1460				145 647,91			
4010				89,75			
4850					340 996,94		
6350					8 994,75		
8852				8 994,75			
9999				0,00			
Total amount:				388 786,88	388 786,88		

Sample of a Total accounting order.

Search Management Accounting

In this procedure you can search for and analyze the transactions that have been generated in the management accounting. You can for example search by order number, part number, account, etc.