



C O R D I A

P A R T N E R S

Troubleshooting Revenue in Deltek GCS

Topics

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- Revenue Calculation Options by Contract Type
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- Troubleshooting Revenue by Contract Type

Revenue Overview

- Fixed Price (FP) and Cost Plus Fixed Fee (CPFF) contracts calculate on a fiscal year-to-date basis.
- Time and Material (T&M) contracts calculate on a current period basis.
- Revenue can be computed and posted an unlimited number of times within an accounting period.

Revenue Overview Continued

Revenue can be posted using either Target or Actual rates.

- If Target rates are selected, an option to post rate variances is provided.
 - Variances can be posted for all contract types or for CPFF contracts only.

Revenue can be auto-computed or manually input into the system

- When “Auto Compute Revenue” is set to No, enter the YTD revenue amount for FP and CPFF contracts. The current period revenue amount is to be entered for T&M contracts.

- If T&M revenue is manually computed, the system can automatically zero out the revenue figure while closing the accounting period.

Cost Plus Fixed Fee Contracts

Revenue adjustments can be entered to either increase or decrease the current revenue accrual.

- Year-to-date amounts should be entered into this field.

CPFF contracts are held to the Contract Value only if “Ceiling Contract Fee” and “Maximum Contract Revenue” fields are populated.

- If Modifications are entered, the “Ceiling Contract Fee” and “Maximum Contract Revenue” fields need to be updated also.

The fee portion of revenue is usually recognized based on a percentage of cost or an amount per hour.

CPFF – Revenue Calculation Options

If Revenue = General Ledger

- Only journal entries can be made and they have to be between suffixes –12 and –30.
- Revenue is picked up ONLY from the general ledger.

If Revenue = Billings

- No unbilled is recorded
- The Current Year Billing Data file is the basis for calculation
- If billings are posted to the future period and revenue is then computed, the billings will be included in the current period revenue figures.

CPFF – Revenue Calc. Options Cont...

If Revenue = None

- Using this method the system calculates the revenue based on the costs incurred year-to-date plus their indirect burden year-to-date minus the revenue that has been recognized so far in the current year in suffix – 30.

Time and Materials Contracts

A current period amount should be entered for any revenue adjustments that may be needed.

ODCs may be included in revenue. ODCs can also be burdened with G&A and a fee may also be applied.

The T&M bill rates need to be entered into the T&M Billing Rates File

- Ceilings may be set by labor category. The ceilings are set in the T&M Billing Rates File.

Revenue is limited to the contract value, unless the “May Sales Exceed Contract Value Flag” is selected.

- Revenue will accrue over the contract value by the amount specified.

T&M – Revenue Calculation Options

If Revenue = General Ledger

- Only journal entries can be made and they have to be between suffixes –12 and –30.
- Revenue is picked up ONLY from the general ledger.

If Revenue = Billing

- No unbilled receivables will be recorded
- The Prior Years’ Billable Data File is the basis for the calculation
- If Billings are posted to the future period and revenue is computed, the billings will be included in the current period revenue figure.
- Revenue using is method is computed on a Contract-To-Date basis.

T&M – Revenue Calc. Options Cont...

If Revenue = None

- Using this method, the system calculates revenue based on the current period hours incurred from the Labor Summary File multiplied by the current billing rates for each labor category in the T&M Billing Rates File.

Fixed Price Contracts

Revenue adjustments can be entered to either increase or decrease the current revenue accrual.

- Year-to-date amounts should be entered into this field

FP contracts will never accrue revenue in excess of the Contract Value.

Revenue is usually recognized based on an Estimate at Completion or an Estimate to Complete.

The fee portion of revenue can also be calculated based on a percentage of costs.

FP – Revenue Calculation Options

If Revenue = General Ledger

- Only journal entries can be made and they have to be between suffixes 12 to 30.
- Revenue is picked up ONLY from the General Ledger.

If Revenue = Billing

- No unbilled is recorded
- The Current Year Billing Data is the basis for the calculation.
- If Billings are posted to the future period the billings will be included in the current period revenue calculation.

• If Revenue = None

- Using this method the system calculates the revenue based on the costs incurred year-to-date plus their indirect burden year-to-date minus the revenue that has been recognized so far in the current year in suffix –30
- Compares Contract-To-Date revenue to the contract value
 - For Fixed Price contracts, revenue will never exceed the contract value

Reports

- Job Status Report
- T&M Sales Worksheet
- T&M Ceiling Worksheet
- Revenue Summary
- Contract Cost Summary

Troubleshooting Revenue

On a FP contract, no current period revenue is being recognized.

- Compare the Contract to date revenue amount against the contract value
- If revenue is set to equal billings, compare the Year-to-date revenue to the Current Year Billing Data file.
- Check the Contract Master File set-up.
 - Verify that a revenue method has been selected.
 - If using Estimated methods, make sure the estimated amounts entered are correct.
 - If recognizing revenue on a percentage basis; ensure a fee percent has been entered.

Troubleshooting Revenue Cont...

On a CPFF contract, negative current period fee is being recognized.

- Check in the Contract Master file to see if a Contract fee ceiling is set.
 - Compare that ceiling to the contract to date fee amount.
- Check the Maximum contract revenue amount.
 - Compare against the Contract to date revenue figure.
- Check the Summary Budgets Ceilings File
 - Have any budget flags been entered?
 - Has a ceiling been reached?
 - Are any line items being excluded from the fee calculation?
- If revenue is equal to billings, compare the YTD revenue against the Current Year Billing Data File
 - Has the Billing Journal been posted?

Troubleshooting Revenue

On a T&M contract, no current period revenue is being recognized.

- If revenue is set to equal billings, compare the CTD revenue amount against Prior Years' Billable Data File.
- Compare the CTD revenue against the contract value.
 - If the "May Sales Exceed Contract Value?" prompt was selected, add the dollar amount entered to the contract value and compare the total to the CTD revenue figure.
- Verify that the T&M Bill rates have been entered into the T&M Billing Rates File.
- If ceilings are set against the individual labor categories, verify if any have exceeded the ceiling amounts.