



Deltek INSIGHT > 2019

CP-44:

Pool Management and
Reconciliation Tips and
Tricks in Costpoint

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Course Summary

Description: Costpoint is the premier system for rate computation and management. Understanding the importance of reconciling indirect rate applications between the Project Ledger, the General Ledger and Indirect Cost Pools on a monthly basis is a key requirement for government contractors. Join us as we discuss: Managing the indirect rate structure. How to reconcile indirect rates to ensure appropriate allocation and rate application.

Objectives

By the conclusion of this session, you will be able to :

- » Identify Basic Pool Setup Best Practices.
- » Identify Practices that Lead to Errors.
- » Name the Core Tables that Store Indirect Burden
- » Name the Steps for Reconciling Burden between the Project Ledger and General Ledger

Agenda

- » Introduction.
- » Part 1: Pools: Where Do I Begin?
- » Part 2: Indirect Burden: Tables
- » Part 3: The Reconciliation



Part 1

» Introduction

Where Do I Begin...

- » Pool Setup can be complex. Diagram on paper what should occur.
- » Order the pools in a logical manner: sequencing.
- » Create a special class of Pool Allocation Accounts that fall outside of the normal Pool Cost and Base numbering series.
- » Pool changes should optimally occur at the start of a new fiscal year.

Best Practices...

- » To avoid circular references, use Alphas for all debit and credit allocations Accounts.
- » Validate that Pool Debit and Credit Allocation Accounts are appropriately linked to all Organizations.
- » When utilizing Wildcard screens, carefully enter level separators “-” “.”
- » Maintain spacing with the Sequence Numbers.
- » Consider embedding the Pool Number as a segment in the Pool Allocation Accounts to create better traceability.

Identification New Copy Delete 27 of 76 Existing

Allocation Group* Primary Allocation Group Fiscal Year* 2051 Pool Number* 40 General & Administrative

Base Creation Details

<input checked="" type="checkbox"/>	Base Account *	Base Organization *	Allocation Account *	Sequence Number *
	5%	G%	PA-DE-40	10
	PA-DE-10	G%	PA-DE-40	20
	PA-DE-1A	G%	PA-DE-40	30
	PA-DE-1B	G%	PA-DE-40	40
	PA-DE-1C	G%	PA-DE-40	99

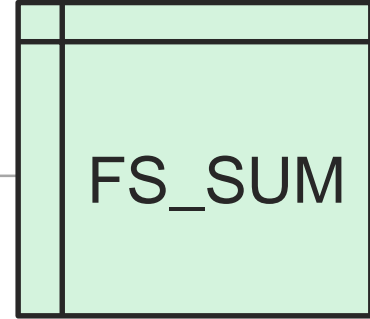
- 1: Carefully enter level separators in wildcard screens.
- 2: Sequence numbers should have generous spacing.
- 3: Embed the pool number into the allocation account.

Part 2

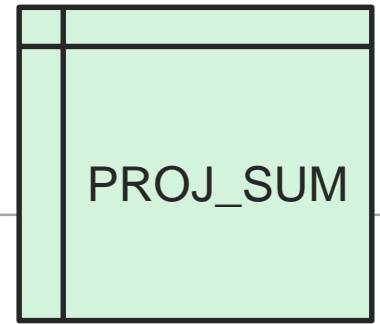
» Costpoint Tables

What is “FS_SUM”...

- » FS_SUM: one of 3 core tables underlying the General Ledger.
- » It stores data by Account, and Organization for Fiscal Year, Period, and Sub-Period.
- » It is a compressed view of transaction data from the General Ledger.
- » It is the basis for all Pool computations.
- » It is also the basis for the generation of Financial Statements.

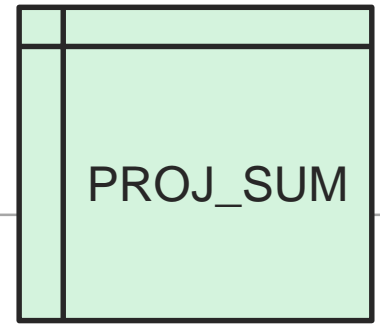


What is “PROJ_SUM”...



- » PROJ_SUM: the key table underlying the Project Ledger.
- » It stores data by Project, Account, and Organization for Fiscal Year, Period, and Sub-Period.
- » It is a compressed view of transaction data from the General Ledger.
- » Burden is stored at “Actual” and “Target” by Pool in the companion table known as PROJ_BURD_SUM.
- » PROJ_SUM is the basis for the computation of revenue.
- » The Project Ledger is always reconciled back to the General Ledger.

What is “PROJ_BURD_SUM” ...



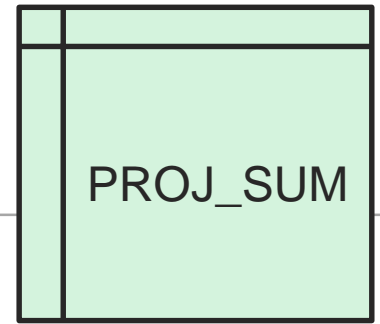
- » PROJ_BURD SUM: the key table underlying the Project Ledger for indirect burden by Pool.
- » It stores data by Project, Account, and Organization for Fiscal Year, Period, and Sub-Period at both Actual and Target
- » It is the only the place to see burden by project and pool; in the General Ledger, burden is NOT stored by Project.
- » Burden is stored at “Actual” and “Target” by Pool in the companion table known as PROJ_BURD_SUM.
- » Indirect Burden in the Project Ledger must be tied back to the General Ledger. Assure that burden is fully absorbed by the Project Ledger.

Part 3

» The Reconciliation

Reconciliation 1

- » Is everything from the General Ledger appropriately included in the Cost Pool?
- » Consider creating a Financial Statement of a select range of Accounts that will tie to the associated Cost Pool.



The GregsBridge Architects+EngineeringCo

Statement Of Indirect Expenses

Fiscal Year: 2050 Period: 2 Subperiod: 1

Fringe

Group Number: 1
 Sequence Number: 10
 Pool Number: 10

Basis: DOLLAR
 Description: All Labor

Account	Organization	Account Name	Current Period		Year To Date
			Actual	Budget	Actual
60-10-01	G	FICA-Employer Portion	12,500.00	0.00	25,000.00
60-20-01	G	Health Insurance	8,900.00	0.00	17,800.00
60-20-02	G	401K Matching	2,500.00	0.00	5,000.00
60-20-03	G	Life Insurance	8,000.00	0.00	16,000.00
60-20-04	G	Fitbit Walking Program	350.00	0.00	700.00

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Financial Statements Report - 1

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Fringes Only

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Organization: G.C.100 Headquarters

	02/01/49 02/28/50	Y-T-D
Operational Costs		
Fringe Benefits	80,660.00	80,660.00
	80,660.00	80,660.00
Gross Margin	-80,660.00	-80,660.00
Comprehensive Income	-80,660.00	-80,660.00

	1,200.00	0.00	2,400.00
	4,000.00	0.00	8,000.00
	650.00	0.00	1,300.00
	1,650.00	0.00	3,300.00
	580.00	0.00	1,160.00
	40,330.00	0.00	80,660.00

Reconciliation 1: Discoveries

- » If a Pool Setup is incorrect, costs in the General Ledger are typically higher than in the Cost Pool.
- » A new Account or Organization may have been added that is not “picked up” by the wildcard lines.
- » Stray characters or missed level separators can easily cause issues.
- » Validate that the General Ledger based Financial Statement ties to the Statement of Indirect Expenses.

Reconciliation 2: Search for Circular References

- » Circular references occur when the Debit Allocation Account is referenced as a Cost in the same pool.
- » This typically occurs when the numbering convention for the Debit Allocation Accounts mirrors the associated costs:

Fringe Costs	Debit Allocation Account	
6%	69-99-00	Bad Practice
6%	DA-FR-00	Good Practice

Reconciliation 2: Strategy

- » Calculate Pools.
- » Validate computations as usual.
- » Post Pool Allocation Journal.
- » Calculation Pools again.
- » Validate that the Current Amount to Post is Zero.
- » If the Current Amount to Post is creating new numbers to post, there could be an issue.

In Recalculating, the Current Amount should equal zero.

Allocation Journal Details									
Line *	Account *	Organization *	Organization Abbreviation	Project	Project Abbreviation	Current Number of Units	Current %	Current Allocation Amount	Current Amount to Post
1	PA-DE-1A	G.A.100				187,635.54	0.000000%	34,353.62	0.00
2	PA-DE-1A	G.A.102				0	0.000000%	0.00	0.00
3	PA-DE-1A	G.A.104				2,307.69	0.000000%	422.51	0.00
4	PA-DE-1A	G.A.128				0	0.000000%	0.00	0.00
5	PA-DE-1A	G.C.100				0	0.000000%	0.00	0.00
6	PA-DE-1A	G.C.102				14,160	0.000000%	2,592.51	0.00
7	PA-DE-1A	G.C.106				4,696.15	0.000000%	859.80	0.00
8	PA-DE-1A	G.C.108				0	0.000000%	0.00	0.00
9	PA-DE-1A	G.C.112				3,459.23	0.000000%	633.34	0.00
10	PA-DE-1A	G.E.100				8,019.24	0.000000%	1,468.21	0.00

Reconciliation 3: PSR to SIE

- » Compute Burden.
- » Run PSR for whole company [Level 1] at Actual.
- » Compare to Statement of Indirect Expenses.
- » Determine whether burden is fully absorbed into Project Ledger.
- » Ascertain whether pools were changed or Account-Org combos removed from the base.

From the SIE: YTD Pool Cost

Year To Date		
Actual	Budget	
62,579.77		0.00
46,222.26		0.00
68,043.21		0.00
21,054.40		0.00
1,386.03		0.00
199,285.67		0.00

Year To Date		
Actual	Budget	
26,593.05		0.00
34.26		0.00
27,053.88		0.00
2,701.79		0.00
1,673.25		0.00
10,172.39		0.00
7,594.66		0.00
75,823.28		0.00

1,363.43		0.00
10,723.90		0.00
69,057.19		0.00
26,532.50		0.00
83,480.21		0.00
4,960.83		0.00
626,407.44		0.00

Browse Applications > Projects > Project Inquiry and Reporting > Project Reports/Inquiries > Print Project Status Report

Identification New Copy Delete 3 of 4 Existing Table Query

Parameter ID* RECON Description* Reconciliation

Selection Ranges

Owning Organization: [All] Start: [] End: []

Project Managers: [All] Start: [] End: []

Accounting Period: [One] Fiscal Year* [2050] Period* [2] Subpd* [1] Ending Date [02/28/2050]

Sort By

1st Sort* Organization

2nd Sort []

3rd Sort []

4th Sort []

Options

Level

Project Level/Alt Project Level [] and Below

Account Level [1] and Below

Organization Level [1] and Below

Show

Inactive Projects Labor Hours and Units

Print Lines with No Activity Pool Burden Rates

Amount in Thousands Pools by Seq No, Pool No

Revenue Information

Suppress If No Current Period Activity

Suppress If No Year-To-Date Activity

Profit as Percentage of* [Cost] Rate Type* [Actual]

Fringe	28.5588	199,285.62
Overhead	14.5473	75,823.23
G&A	11.0035	626,407.41

Reconciliation 3: Strategy

- » In an erroneous condition, the SIE will displays costs that are greater then on the Project Status Report.
- » If differences exist, it may useful to run the utilities...

[View Invalid Pools in Project Ledger](#)

[Repair Invalid Pools in Project Ledger](#)

although this is not a guarantee that all is well.

Reconciliation 3: Remediation Work

- » If a solution is not apparent, remediation work may be required.
- » Setting all rates to zero, so that the burden YTD is set to zero.
- » Clear all Costs and Bases in “Manage Pools”.
- » Validate Wildcards.
- » Look for “dropped base Accounts” stemming from missing link between the Debit Allocation Account and the corresponding Org.
- » Create Pool Links, Build Rate Application Table.
- » Recalculate the Pools

Consequences of Bypassing Reconciliations

- » All of the Direct Projects are not absorbing their appropriate share of burden.
- » Some Projects may not be burdened at all, while others are disproportionately burdened with more than normal.
- » Project Status Reports are inaccurate.
- » Revenue computations for CPFF Projects are incorrect.
- » Billing may be adversely impacted if base accounts are omitted.

In Summary

- » Cost pools are a critical tools in deriving Indirect Rates for your Organization.
- » Pool setup must be carefully administered and validated.
- » Three critical reconciliation routines can assure the validity and integrity of the Cost Pool Computations:
 - » A: Validate that all Costs are picked up on the SIE.
 - » B: Check for Circular references.
 - » C: Tie the PSR to the SIE.

Questions & Answers



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