CHAPTER 10: WIP CONCEPTS

Objectives

The objectives are:

- Calculate and Posting WIP
- Examine WIP Concepts in Microsoft Dynamics™ NAV 5.0
- Exclude a job task from WIP calculation

Introduction

This section examines the concepts and the process of calculating and posting Work In Progress in Microsoft Dynamics NAV 5.0.

Work In Progress (WIP) is the way to estimate the financial value of jobs in the General Ledger during the progress of the job. In many cases, there is a time span between posting of the expenses for the job and the revenue (invoicing) of the job. When only expenses have been posted, the financial statement of the company will be inaccurate. Calculating and posting Work In Progress can help eliminate such inaccuracy.

Excluding a job task with a poor result from WIP calculation will also contribute to present a true and fair view of the company's financial situation. Demonstrations in this section show how to calculate and post WIP to G/L and how to exclude a job task from WIP calculation.
Calculating and Posting WIP

In the new Microsoft Dynamics NAV 5.0, the calculation of WIP is significantly facilitated, and now there are five different methods in calculating WIP. Refer to the section "WIP Concepts in Microsoft Dynamics NAV 5.0" for clarification on the five methods.

**Demonstration – Calculating and Posting WIP**

The company has hired a new employee to perform consultancy services. At the beginning of each month, the salary of 2000 LCY is paid. The average working time is 135 hours per month. Therefore, the equivalent cost is \( \frac{2000}{135} = 14.81 \) LCY per hour. A customer needs the new consultant service and a job is set up to keep track of the work.
Steps
Set up a resource card for the new employee by following the steps:

1. Click **Resource Planning, Resources**.
2. Click the **General** tab and fill in:
   - **No.**: SARA
   - **Name**: Sara Johnson
   - **Type**: Person
   - **Base Unit of Measure**: Hour
3. Click the **Invoicing** tab and fill in:
   - **Direct Unit Cost**: 14.81
   - **Unit price**: 25.00
   - **Gen. Prod. Posting Group**: Service
4. Press **Esc** to close the resource card.

The new employee Sara Johnson has now received her monthly salary and it has to be posted. Open a G/L journal and post the monthly salary of 2.000 LCY.

Steps
The accounting manager follows these steps to post the monthly salary:

1. Click **Financial Management, General Ledger, General Journals**.
2. In the cash Journal, set up a line as follows:
   - **Posting date**: 01/01/08
   - **Account type**: G/L Account
   - **Account**: 8720
   - **Amount**: 2.000.00
3. Press **F11** to post the General Journal.
4. Examine the chart of accounts; notice the loss of LCY 2.000 LCY. Salary is paid, but nothing is yet invoiced.

The manager agrees with the customer that Sara can work up to 75 hours per month on an hourly basis. Set up a Job Card to keep track of the work Sara will perform for the customer.
Steps

The project team member follows these steps to set up a job card to keep track of the work.

1. Click Jobs, Jobs.
2. Click the General tab and fill in:
   - Description: Consultant Service
   - Bill-to Customer No.: 30000
3. Click the Posting tab and fill in:
   - Job Posting Group: Setting up

In order to post to the job, it is necessary to set up at least one job task line of type posting. In this case, set up two Job Task Lines, one of type posting and one of type total.

Steps

The project team member follows these steps to set up two Job Task Lines.

1. At the job card, click Job, Job Task Lines.
2. Set up the first line as follows:
   - Job Task No.: 1000
   - Description: Consulting service
   - Job Task Type: posting
3. Set up the second line as follows:
   - Job Task No.: 2000
   - Description: Consulting service Total
   - Job Task Type: Total
   - WIP-Total: Total
   - Totaling: 1000
4. Select Job Task Line 1000 and then click Functions, Edit Planning Lines.
5. Set up a planning line as follows:
   - Line Type: Schedule
   - Planning date: 01/01/08
   - Type: Resource
   - No.: SARA
   - Quantity: 75
6. Press Esc to close the window.
7. Press Esc to close the Job Task Lines window.

In the first week of the month, Sara worked 25 hours for a customer. In the second week, Sara worked 10 hours, and in the third week Sara worked 32 hours for the customer. This consumption has to be posted in a Job Journal.

**Steps**

The project team member follows these steps to post the consumption in a Job Journal.

1. Click Jobs, Job Journals.

2. In the Job Journal, set up three lines as follows:

<table>
<thead>
<tr>
<th>Line type</th>
<th>Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Posting date</td>
<td>01/01/08</td>
</tr>
<tr>
<td>Job No.:</td>
<td>J00060</td>
</tr>
<tr>
<td>Job Task:</td>
<td>1000</td>
</tr>
<tr>
<td>Type:</td>
<td>Resource</td>
</tr>
<tr>
<td>No.:</td>
<td>SARA</td>
</tr>
<tr>
<td>Quantity:</td>
<td>25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Line type</th>
<th>Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Posting date</td>
<td>01/15/08</td>
</tr>
<tr>
<td>Job No.:</td>
<td>J00060</td>
</tr>
<tr>
<td>Job Task:</td>
<td>1000</td>
</tr>
<tr>
<td>Type:</td>
<td>Resource</td>
</tr>
<tr>
<td>No.:</td>
<td>SARA</td>
</tr>
<tr>
<td>Quantity:</td>
<td>10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Line type</th>
<th>Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Posting date</td>
<td>01/22/08</td>
</tr>
<tr>
<td>Job No.:</td>
<td>J00060</td>
</tr>
</tbody>
</table>
What's New in Microsoft Dynamics NAV 5.0 – Application Part II

**Job Task:** 1000  
**Type:** Resource  
**No.:** SARA  
**Quantity:** 32

![Image of Job Journal before Posting]

**FIGURE 10-3: JOB JOURNAL BEFORE POSTING**

3. Press **F11** to post the **Job Journal**.

4. Press **Esc** to close the **Job Journal**.

As a job progresses, there is consumption of materials and resources, and in the time span between consumption and invoicing of the job, there is no track of the value in the G/L. For a user to track the value, he or she can calculate the value of WIP (Work In Progress) and post the value to the G/L.

**Steps**

The accounting manager follows these steps to calculate WIP on the job.

1. Click **Jobs, Job**.

2. Select the **Posting** tab.

3. Select the field **WIP Method**.

4. Click the lookup button or press **F6** to view the five available methods in calculating WIP. Refer to the section titled "WIP Concepts in Microsoft Dynamics NAV 5.0" for more detail about the five methods.
6. Change the WIP method to *sales value*.

The WIP method is now set to sales value, and the *WIP and Recognition* tab shows the calculated and posted WIP amounts. Before calculating WIP, select the *WIP and Recognition* tab.

7. Select the *WIP and Recognition* Tab.

8. Click *WIP, Calculate WIP*. 


10. Click *OK*.
Check the calculated figures in the right column of the WIP and Recognition tab; the Calc. WIP Method Used field shows the method that was used to calculate WIP.

In Microsoft Dynamics NAV 5.0, users can calculate WIP an unlimited number of times. If the result is unsatisfying, users can change the method and calculate WIP again.

Now change the WIP method to Cost Value and calculate WIP again.

**Steps**
The accounting manager follows these steps to change the WIP method and recalculate WIP on the job.

1. Select the Posting Tab.
2. Change the WIP Method to Cost Value.
3. Click the WIP and Recognition tab.
4. Click WIP, Calculate WIP.
5. Fill in 1 in the Document No. field.
6. Click OK.

![WIP and Recognition tab in Microsoft Dynamics NAV 5.0](image)

**Figure 10-6: WIP Amounts Calculated by the Cost Value Method**

The WIP amounts that the Cost Value method calculated are now visible in the left column.

To this point, the calculated WIP amounts are only visible at the job card. To make the value visible in the G/L, a user must post it to the G/L.
**Steps**

Post WIP to G/L by following these steps:

1. Click **WIP, Post WIP to G/L**.
2. Fill in a document number in the **Reversal Document No.** field, and then click **OK**.

![Figure 10-7: WIP Amounts Posted to G/L](image)

In the right column, amounts posted to the G/L are now visible. As the job progresses – mainly on large jobs lasting over a long period – the user may have to calculate and post WIP to the G/L more than once. Every time that WIP is posted to the G/L, all entries from previous postings are reversed before the system posts the new amounts.
WIP Concepts in Microsoft Dynamics NAV 5.0

Work In Progress (WIP) is the way to estimate the financial value of jobs in the General Ledger during the progress of the job. When a user does not post WIP, it means that the General Ledger will show expenses and revenue when they occur. In many cases, there is a time span between posting of the expenses for the job and the revenue (invoicing) of the job. During the progress of a job where only expenses have been posted, the financial statement of the company will be inaccurate. Calculating and posting Work In Progress can help eliminate such inaccuracy.

A user can calculate Work In Process based on the following, depending on the user's selection in the WIP calculation field:

- Cost Value
- Sales Value
- Recognizable Cost
- Percentage of Completion
- Completed Contract

**Cost Value**

Cost Value calculates WIP Amount because the contract value of the posted usage costs less than an estimate of the invoiced contract costs. Using this method means that the revenue and profit (or loss) of the job will be recognized when the job is invoiced to the customer.

If the WIP Amount is positive, the WIP will be posted to an asset account. If the WIP Amount is negative, the amount will be posted to a liability account as an accrued expense.

The WIP is calculated with the following formula:

- **WIP Amount for Cost Value Method** = Usage (Total Cost) * Contract (Total Price) ÷ Schedule (Total Price) - Schedule (Total Cost) ÷ Schedule (Total Price) * Contract (Invoiced Price)

- **WIP Cost Amount** =
  - Usage (Total Cost) if WIP Amount is Positive
  - Usage (Total Cost) –WIP Amount if WIP Amount is negative.

- **Recognized Costs** = Usage (Total Cost) –WIP Amount
- **Accrued Cost Amount** = WIP Amount if WIP amount is negative
- **WIP Sales Amount** = Contract (Invoiced Price)
- **Recognized Sales Amount** = Contract (Invoiced Price)
Sales Value
Sales Value calculates WIP as the contract value of the price of job usage. Using this method means that the revenue and profit (or loss) of the job will be recognized as the job usage is posted and recognized.

The WIP Sales Amount is always posted to a liability (unearned revenue) account. If the WIP Amount is positive, the WIP amount will be registered in an asset account as accrued revenue.

The WIP is calculated with the following formula:

- **WIP Amount for Sales Value Method** =
  
  \[
  \text{Usage (Total Price)} \times \text{Contract (Total Price)} \div \text{Schedule (Total Price)} - \text{Contract (Invoiced)}
  \]

- **WIP Sales Amount** =
  
  - Contract (Invoiced Price), if WIP Amount is negative
  - Contract (Invoiced Price) + WIP Amount, if WIP Amount is positive

- **Recognized Sales Amount** = Contract (Invoiced Price) + WIP Amount
- **Accrued Sales Amount** = WIP Amount, if WIP amount is positive
- **WIP Cost Amount** = Usage (Total Cost)
- **Recognized Costs** = Usage (Total Cost)

Cost of Sales
Cost of Sales calculates WIP Amount as the cost value of posted consumption (job ledger entries) less the job's estimated cost value of consumption, based on the invoiced percentage of the contract. Using this method means that the revenue and profit (or loss) of the job will be recognized when the job is invoiced to the customer.

The WIP Cost Amount is always posted to an asset account. If the WIP Amount is negative, the WIP amount will be accrued to a liability account as an accrued expense.
The WIP is calculated with the following formula:

- **WIP Amount for Cost of Sales Method** = 
  
  \[ \text{Usage (Total Cost)} - \text{Contract (Invoiced Price)} \div \text{Contract (Total Price)} \times \text{Schedule (Total Cost)} \]

- **WIP Cost Amount** = 
  - Usage (Total Cost), if WIP Amount is Positive
  - Usage (Total Cost) – WIP Amount, if WIP Amount is negative.

- **Recognized Costs** = 
  
  \[ \text{Contract (Invoiced Price)} \div \text{Contract (Total Price)} \times \text{Schedule (Total Cost)} \]

- **Accrued Cost Amount** = WIP Amount, if WIP amount is negative
- **WIP Sales Amount** = Contract (Invoiced Price)
- **Recognized Sales Amount** = Contract (Invoiced Price)

**Percentage of Completion**

Percentage of Completion calculates WIP as the contractual value (sales value) of actual usage cost value (job ledger entries), measured by cost value of expected usage (your budget). Using this method means that the revenue and profit (or loss) of the job will be recognized as the job costs are incurred and recognized. The Percentage of Completion method is recommended by some international accounting standards.

For this method, the WIP Amount is always posted to the WIP Accrued Sales account (an asset account), while the value of the Contract (Invoiced Price) will be posted to the WIP Invoiced Sales (contra asset or liability account).

The WIP is calculated with the following formula:

- **WIP Calculation for Percentage of Completion Method** = 
  
  \[ \text{WIP Amount in Job Task} - \text{Invoiced Sales Amount in Job Task} \]

- **WIP Amount in Job Task** = 
  
  \[ \text{Usage Total Cost} \div \text{Schedule (Total Cost)} \times \text{Contract (Total Price)} \]

- **Invoiced Sales Amount** = Contract (Invoiced Price)
- **WIP Sales Amount** = WIP Amount
- **Recognized Sales Amount** = WIP Amount
• **WIP Cost Amount** = Usage (Total Cost)
• **Recognized Costs** = Usage (Total Cost)

**Completed Contract**

With the Completed Contract method, revenue and costs are not recognized until the job is finished. Users may choose to do this when there is high uncertainty around the estimate of costs and revenue for the job. The Completed Contract method is an alternative recommended by some international accounting standards.

All usage is posted to the WIP Costs Account (asset) and all invoiced sales are posted to the WIP Invoiced Sales Account (liability) until the job is completed.

The WIP is calculated with the following formula:

- **WIP Amount** =

  WIP Cost Amount = Usage (Total Cost) until the job is completed. When the job is complete, the WIP Cost amount is 0 and the Recognized Cost Amount becomes the Usage (Total Cost).

- **WIP Sales Amount** =

  Contract (Invoiced Price) until the job is completed. When the job is complete, the Invoiced Sales Amount is 0 and the Recognized Sales Amount becomes the Contract (Invoiced Price).
Excluding a Job Task from WIP Calculation

When a user runs large jobs over a long period of time, it can be useful to exclude some of the Job Tasks from the WIP calculation. For example, one of the early tasks went out of budget, and the company and customer make a compromise on who will pay for the excess. The user can exclude this task from the WIP calculation to avoid carrying the task's poor result through the whole job.

Demonstration – Excluding a Job Task from WIP Calculation

In this example, Guildford Water Department has asked the Cronus Company to build a new water pump station. Because of last minute changes to the construction of the walls and roof, this task consumed more time than scheduled. Therefore, Cronus has made an agreement that Guilford water department will only pay half of the excess time.

To prevent this poor result from interfering with the whole project, it is suitable to exclude this task from the WIP calculation.

The prerequisites to this demonstration are to set up a new job for Guilford Water Department and to set up Job Task Lines. Follow these steps to perform these tasks:

Steps

Follow these steps to set up a new Job and the belonging Job Task Lines.

1. Press F3 to set up a new job.
2. In the General tab, fill in this information:
   - Description: New water pump station
   - Bill-to customer: 50000
3. In posting tab fill in:
   - Job Posting group: Setting up
4. Click Job, Job Task Lines.
5. Set up Job task lines as follows:
   - Job Task No.: 1000
     Description: New Water pump station
     Job task Type: Begin-Total
   - Job Task No.: 2000
     Description: Building
     Job task Type: Begin-Total
Chapter 10: WIP Concepts

<table>
<thead>
<tr>
<th>Job Task No.</th>
<th>Description</th>
<th>Job task Type</th>
<th>WIP-Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>3000</td>
<td>Foundation</td>
<td>Begin-Total</td>
<td></td>
</tr>
<tr>
<td>4000</td>
<td>Foundation posting</td>
<td>Posting</td>
<td></td>
</tr>
<tr>
<td>5000</td>
<td>Foundation total</td>
<td>End-Total</td>
<td>Total</td>
</tr>
<tr>
<td>6000</td>
<td>Walls and roof</td>
<td>Begin-Total</td>
<td></td>
</tr>
<tr>
<td>7000</td>
<td>Walls and roof posting</td>
<td>Posting</td>
<td></td>
</tr>
<tr>
<td>8000</td>
<td>Walls and roof total</td>
<td>End-Total</td>
<td>Total</td>
</tr>
<tr>
<td>9000</td>
<td>Building total</td>
<td>End-Total</td>
<td></td>
</tr>
<tr>
<td>10000</td>
<td>Pumps and pipes</td>
<td>Begin-Total</td>
<td></td>
</tr>
<tr>
<td>11000</td>
<td>Pumps and pipes posting</td>
<td>Posting</td>
<td></td>
</tr>
<tr>
<td>12000</td>
<td>Pumps and pipes total</td>
<td>End-Total</td>
<td>Total</td>
</tr>
<tr>
<td>13000</td>
<td>New water pump station total</td>
<td>End-Total</td>
<td>Total</td>
</tr>
</tbody>
</table>
6. Click **Functions, Indent Job Tasks**

![Figure 10-8: Job Task Lines after Indentation](image)

7. Press **Esc** to close the **Job Task Lines** window.

8. Select **Job Task line No. 4000** and then click **Functions, Edit Planning Lines**.

9. Set up a Job Planning Line as follows:
   - **Line Type**: Both
   - **Planning date**: 01/24/08
   - **Type**: Resource
   - **No.**: Mark
   - **Quantity**: 30

10. Press **Esc** to close the **Planning Lines** window.

11. Select **Job Task line No. 7000** and then click **Functions, Edit Planning Lines**.

12. Press **Esc** to close the **Planning Lines** window.

13. Select Job Task line No. 11000 and then click **Functions, Edit Planning Lines**.
14. Press Esc to close the Planning Lines window.

15. Open the Job Journal. Click Jobs, Job Journals

16. Fill in three job journal lines as follows:

<table>
<thead>
<tr>
<th>Line Type</th>
<th>Posting date</th>
<th>Job No.</th>
<th>Job Task No.</th>
<th>Type</th>
<th>No.</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blank</td>
<td>01/24/08</td>
<td>J00070</td>
<td>4000</td>
<td>Resource</td>
<td>MARK</td>
<td>20</td>
</tr>
<tr>
<td>Blank</td>
<td>01/24/08</td>
<td>J00070</td>
<td>7000</td>
<td>Resource</td>
<td>MARK</td>
<td>50</td>
</tr>
<tr>
<td>Blank</td>
<td>01/24/08</td>
<td>J00070</td>
<td>11000</td>
<td>Resource</td>
<td>MARK</td>
<td>5</td>
</tr>
</tbody>
</table>
17. Press F11 to post the job journal.

18. To open the Job Task Lines window, click Jobs, Job Task Lines.

19. Click WIP, Calculate WIP.

20. Click OK.

21. Click OK.
NOTE: At the last Job Task Line, Microsoft Dynamics NAV will always set the WIP-Total field to Total and calculate WIP in reverse from the total line to the next line above marked total or closed.

22. Select Job Task Line No. 7000 and then click Job Task, Job task Card or press Shift+F5.

23. Select the WIP tab and examine the WIP amounts that were just calculated.

24. Press Esc to close the Job task card.

25. View the WIP amounts on job task line 4000 and 11000.

The following table shows how the WIP Amounts will look.

<table>
<thead>
<tr>
<th>Job Task</th>
<th>WIP Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4000 Foundation Posting</td>
<td>638,00</td>
</tr>
<tr>
<td>7000 Walls and roof Posting</td>
<td>1595,00</td>
</tr>
<tr>
<td>11000 Pumps and pipes posting</td>
<td>159,50</td>
</tr>
<tr>
<td>Job Total WIP</td>
<td>2392,50</td>
</tr>
</tbody>
</table>

Because of last minute changes, the walls and roof task is behind schedule. Therefore, Cronus has agreed with Guilford Water Department that they only need to pay for five hours of work.

26. Select the job task line No. 7000 and then click Functions, edit Planning Lines.

27. Set up a job planning line as follows:
Line type: Contract
Planning date: 01/24/08
Type: Resource
No.: Mark
Quantity: 5

28. Select both the Job Planning Lines and then click **Functions, Create sales Invoice**.

![Image of job planning lines](image-url)

**FIGURE 10-12: TRANSFER PLANNING LINES TO AN INVOICE**

29. Click **OK**.

30. Click **Functions, Get Sales Invoice/Credit Memo** to retrieve the invoice.

![Image of sales invoice](image-url)

**FIGURE 10-13: RETRIEVED SALES INVOICE**
31. Press F11 to post the invoice.

32. Press Esc to close the Sales Invoice window.

33. Press Esc to close the Planning Lines window.

34. Click WIP, Calculate WIP to recalculate the WIP.

35. Select Job Task Line No. 7000 and then click Job Task, Job Task Card.

36. Select the WIP tab and examine the WIP Amount field. The overdue amount has already been resolved with the customer, and the WIP amount will not be calculated for this Job Task.

37. Press Esc to close the Job Task Card.

38. At Job Task Line No. 8000, set the WIP-Total field to Closed.
39. Click WIP, Calculate WIP.

40. Select Job Task Line No. 7000 and then click Job Task Card.

41. Select the WIP tab to verify that no WIP has been calculated.
### Chapter 10: WIP Concepts

The following table shows how the WIP Amounts will display:

<table>
<thead>
<tr>
<th>Job Task</th>
<th>WIP Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4000 Foundation Posting</td>
<td>638,00</td>
</tr>
<tr>
<td>7000 Walls and roof Posting</td>
<td></td>
</tr>
<tr>
<td>11000 Pumps and pipes posting</td>
<td>159,50</td>
</tr>
<tr>
<td>Job Total WIP</td>
<td>797,50</td>
</tr>
</tbody>
</table>

42. Press Esc to close the **Job Task Card** window.

To illustrate the effect of setting a WIP Total, try the following steps:

1. At **Job task line 5000** set the **WIP-Total** field to `<Blank>` and at **Job Task line 7000** set the **WIP-Total** field to **Total**.

![Figure 10-17: WIP-Total set to `<Blank>` at Job Task Line 5000](image)

2. Click **WIP, Calculate WIP**.
3. Select **Job Task Line No. 4000** and then click **Job Task, Job Task Card**.
4. Select the **WIP tab** and examine the WIP Amount.
WIP Amounts will look as shown in the following table:

<table>
<thead>
<tr>
<th>Job Task</th>
<th>WIP Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4000 Foundation Posting</td>
<td>273,43</td>
</tr>
<tr>
<td>7000 Walls and roof Posting</td>
<td>638,57</td>
</tr>
<tr>
<td>11000 Pumps and pipes posting</td>
<td>159,50</td>
</tr>
<tr>
<td>Job Total WIP</td>
<td>1276,00</td>
</tr>
</tbody>
</table>

The WIP amount at **Job Task 4000** has now changed from 638,00 to 273,43 because Job Task 7000 and Job Task 4000 are placed in the same WIP calculation.

5. Press **Esc** to close the **Job Task Card** window.

6. At **Job Task Line 8000**, set the **WIP-Total** field to *Closed* and Calculate WIP.
7. Select **Job Task Line 4000** and open the Job Task Card.

**Figure 10-20: WIP-Amounts at Job Task 4000**
The Job Task Card shows that no WIP has been calculated and WIP Amounts will display as shown in the following table:

<table>
<thead>
<tr>
<th>Job Task</th>
<th>WIP Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4000 Foundation Posting</td>
<td></td>
</tr>
<tr>
<td>7000 Walls and roof Posting</td>
<td></td>
</tr>
<tr>
<td>11000 Pumps and pipes posting</td>
<td>159,50</td>
</tr>
<tr>
<td>Job Total WIP</td>
<td>159,50</td>
</tr>
</tbody>
</table>

8. At Job Task Line 5000, set the WIP-Total field to Total. At Job Task Line 8000, set the WIP-Total field to Closed, Recalculate WIP, and the WIP amounts will be correct again.

The following table illustrates how the WIP Amounts will look.

<table>
<thead>
<tr>
<th>Job Task</th>
<th>WIP Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4000 Foundation Posting</td>
<td>638,00</td>
</tr>
<tr>
<td>7000 Walls and roof Posting</td>
<td></td>
</tr>
<tr>
<td>11000 Pumps and pipes posting</td>
<td>159,50</td>
</tr>
<tr>
<td>Job Total WIP</td>
<td>797,50</td>
</tr>
</tbody>
</table>
Conclusion

This section examined the concepts of WIP that are relevant when calculating and posting WIP, and showed the procedure of excluding a job task from WIP calculation.

WIP functionality helps the business to eliminate inaccuracy in the financial statement and present a true and fair view of the financial situation when jobs are lasting over a long period of time.
Lab 10.1 – Calculate WIP and Finalize the Job

You are the account manager at Cronus. Before the annual accounts, you have to calculate and post the WIP of a job. Afterward, you must finalize the job.

Challenge Yourself!

- Open a job card and calculate the WIP.
- Post WIP to the G/L.
- Finalize the job.

Need a Little Help?

Calculate and post WIP

1. Select the job card and then click **WIP, Calculate WIP**.
2. Fill in the options and then click **OK**.
3. Click **WIP, Post WIP to G/L**.
4. Fill in the options and then click **OK**.

Finalize the job.

1. Select the job Task Lines for the job to be finalized.
2. Click **Functions, Create Sales Invoice**.
3. Click **Job Task, Job Task Planning lines**.
4. Click **Functions, Get sales invoice/Credit memo**.
5. Post the invoice.
6. Close the **Planning Lines** window.
7. Open the **Job Card**.
8. Set the job status to **Complete**, calculate and post WIP to G/L.
Quick Interaction: Lessons Learned

Take a moment and write down three Key Points you have learned from this chapter:

1. 

2. 

3. 
