Revenue Management

User Guide

Changepoint PSA 2017

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1. Invoicing Preparation

About billing and tax settings

The creation of invoices and the calculation of the billing amounts and taxes depend on settings defined in different areas in Changepoint.

The following settings control if and how items and amounts are invoiced:

- The engagement for which you create an invoice must be marked as billable.
- Billing rates used for invoicing come from the engagement or from the profile of the resources who performed the work. For more information, see "About billing rates used in invoices" on page 8.
- Billing amounts that are split among multiple customers are reflected in the invoice. For more information, see "About splitting billing amounts in invoices" on page 7.
- Request processing rules specified in the engagement determine which request types are billable. For more information, see "About request processing rules" in the *Engagement Management User Guide*.
- Taxation setup for services, expenses and products ensures that taxes are calculated correctly on invoices. The taxation setup information (work code category, work code and tax schedule) is indicated for each item included in the invoice. If no tax schedule is displayed, the work is nontaxable, or no taxation was set up for the item.

About splitting billing amounts in invoices

If split billing is enabled for an engagement, all billable items (project time and request time, expenses, fixed fees and products) are split and invoiced to the relevant customers according to the split percentage specified in the engagement. Billable items are split as follows:

- Project time and request time – The number of hours is split.
- Expenses and products – The quantity of each item is split.
- Fixed fees – The billing amount is split.

If additional items are added to the invoice of a split billing engagement, the amount is only billed to the customer for which the invoice is created. The amount does not display on the invoices created for any of the other customers specified in the engagement.

Splitting daily time

If daily billing is used, each time record is converted to days using the daily conversion setting of the billing office. For example:

Daily conversion setting: 1 to 4 hours = 0.5 day; 4 to 8 hours = 1 day

A 6-hour record is split equally between 3 customers: 6 hours / 3 = 2 hours

The 2-hour period is then converted to 0.5 day

Each customer is billed for 0.5 days, which adds up to a total of 1.5 days. If billed to a single customer, the same time record would be billed at 1 day.

Allocation of split amounts

If split billing is enabled for an engagement, time, expenses, fixed fees, and products are split during the invoicing process. In some cases, the total amount cannot be evenly divided between all selected customers, and a fractional amount needs to be allocated to one customer to balance the total amount (hours for time, and billing amounts for expenses, fixed fees and products). For example: Customer 1 and Customer 2 are allocated 33.33%, and Customer 3 is allocated 33.34%.

The additional fractional amount is allocated as follows:

- For time (project time and request time), the customer with the largest percentage in the split billing list receives the additional fractional amount (in the example above, customer 3). If more than one customer have the largest percentage, the first customer receives the additional fractional amount.
- For expenses, products and fixed fees, the last customer that is invoiced is allocated the additional fractional amount.

About billing rates used in invoices

The billing rates applied in an invoice are defined in the engagement or in the profile of the resource who performed the work. The invoice process uses the billing rate with the effective date that is closest to, but not past, the time record date.

Invoicing updates the billing rate of the time record to ensure it is the same as on the invoice. This ensures that reports that use the billing rate from the time record are consistent with the invoiced amount. For split billing, the latest invoice for a time record updates the billing rate.

Changing the effective date of a billing rate during the invoicing of time records results in discrepancies in the invoice. To correct these discrepancies, you must either edit the invoice or create a credit note.

For example:

Your engagement is split between three customers. The original billing rate for the project manager is $300.

One customer is billed for a portion of the time record. The invoicing process sets the billing rate of the time record to $300.

After this first invoice is created, the billing rate for the project manager is updated to $350. A new row with the effective date is added in the billing rates table.

The second invoice is created with a billing rate of $350. The time table is also updated to show $350.

However, since the billing rate was changed part-way through the invoicing process of the time record, one invoice shows $300 and one shows $350. The rate in the invoiced time table shows $300 and $350 accordingly, if the first invoice is not edited.

Reviewing time and expense records before invoicing

You can review the time entries and expense records that have been entered for projects and requests of engagements that you have access to.

In the **Time and Expenses** tree view, time and expense records are grouped under the respective projects. You can do the following:

- remove unbillable time and expense records from the invoicing process
- designate expense records as capital costs
- view all non-project time entries regardless of access restrictions

1. Click **Finance > Time and Expenses**.

   The **Time and Expenses** tree view appears.

2. Expand the tree view to locate expenses and time entries under a project, and then do one of the following:

   - To search for time records for a project, click the project.

- To search for expense records for a project, expand the project and click the expense icon.
- To display time records for a task, expand the project and click the task.

The filter criteria view appears.

3. In the **Resource** list, select the resource whose records you want to review, or leave the field blank to view the records for all resources.
4. In the **Period start** and **Period end** fields, enter the date range of the records.
5. Click **Go**.

   The list of records appears.
6. To remove an unbillable record from invoicing, select the check box to the left of the record.

   Warning: Records that you remove are no longer available for invoicing, even if the records are later changed back to billable.
7. To designate an expense as a capital cost, select the check box in the **Capital** column.
8. Click **Save**.

About transferring time and expenses

If time or expense records have been entered against the wrong project or task and have already been approved, you can transfer the records to the correct project or task so that they can be invoiced to the appropriate customer.

You can only transfer time or expense records that have been approved, but have not yet been included in an invoice. If an engagement is locked for revenue recognition, you cannot transfer the time and expense records associated with this engagement.

Expense transfer rules

- You can only transfer expenses between projects.
- You cannot transfer expense records for which revenue has been recognized or that are in closed periods for editing.
- If the revenue recognition process is running, the expense transfer is locked.

Warning: Transferring expenses can result in inaccurate information in invoice and project reports. Therefore, you should only transfer expenses in emergency invoicing situations.

Time transfer rules

After a time record has been transferred, it is visible in the **Time Sheet** under the task it was transferred to and it displays in all relevant reports and views of this task. When you transfer time records, the following rules apply:

- You can only transfer project time records between tasks.
- You can only transfer time records of a resource to a task to which the resource is assigned, including open tasks.
- You cannot transfer non-project time records to a non-project task that has a specific date. For example, you can transfer non-project time to a *Training and development* task that can take place any day, but you cannot transfer it to *New Year's Eve*, which takes place on a specific date.
- You cannot transfer adjusted time records, time records for which revenue has been recognized, or time records that are in closed periods for editing.

The resource whose time has been transferred and the project managers of both the source project and the target project are notified by email about the transfer. For non-project time, only the resource whose time was transferred is notified.

Split billing condition

The transferred effort or expense amounts are split according to how split billing is set up on the target project. If split billing has been set up on the target project, it takes precedence over the setup on the engagement. If split billing is not set up on the engagement, then entire amount is invoiced to the one customer.

Transferring time and expenses

You can transfer time records of a resource to another task that is assigned to the same resource, and expense records to another project.

1. Click **Finance > Transfer Time and Expenses**.

   The **Transfer Time and Expenses** dialog box appears.

2. In the **Category** list, select the category of records you want to transfer:

- To view time records by company, select **Company**.
- To view time records by resource, select **Resource**.
- To view non-project time records, select **Non-project time**.

3. If you selected non-project time, enter a start date and an end date in the date fields.
4. In the **Name** type-ahead field, enter the name of the entity selected in the **Category** list.

   The data that matches your filter criteria appears in the left list box.
5. Expand the list to locate the time or expense records, and then click the record that you want to transfer.
6. In the **Transfer to** list, select the transfer destination of the record:
   - To transfer a time record, select a task.
   - To transfer an expense record, select a project.
7. Click the right arrow.

   The record is transferred to the selected destination.

   Tip: To undo the transfer, select the record in the **Transfer to** list and then click the left arrow.
8. Click **Transfer**.

Desubmitting time

You can only desubmit approved time that has not been included in an invoice.

Note: If an engagement is locked for revenue recognition, you cannot desubmit the time records associated with this engagement.

1. Click **Finance** > **Desubmit Time**.

   The **Desubmit Time** dialog box appears.
2. In the **Start date** and **End date** fields, enter the date range of the time records to be desubmitted.
3. In the **Category** list, select the category of records you want to desubmit:
   - To view time records by company, select **Company**.
   - To view time records by resource, select **Resource**.

- To view non-project time records, select **Non-project time**.

4. In the **Name** type-ahead field, enter the name of the entity selected in the **Category** list.

   The tasks or requests that match your filter criteria appear in the left list box.

5. Click the task or request of the time records that you want to desubmit.

   The time records appear in the **Available Time Records** list.

6. Select the check boxes of the time records that you want to desubmit.
7. Click **Desubmit**.
8. Click **OK** to confirm.
9. Click **Close**.

Locking time records

You can lock time records that have been approved so that no further editing can be done to them.

1. Click **General** > **Reports**.

   The **Reports** tree view appears.

2. Expand the **System Administration** category and select **Time Locking by Resource**.

   The filter criteria window appears.

3. Select a global workgroup, a workgroup and a resource.
4. Select a start and end date to define the date range for the report.
5. Click **Go**.

   The **Time Locking by Resource** report appears.

6. Do one of the following:

   - To lock individual time records, select the check boxes beside the time records.
   - To lock all records in the report, click **Select all**.

7. Click **Lock**.

2. Creating Invoices

About creating invoices

You can create an invoice:

- using the **New** option
- from the invoice tree view
- from a company profile
- from an engagement profile

When you create an invoice from the tree view, a company profile, or an engagement profile, some of the company-related information is automatically added to the invoice.

The invoice is a snapshot of the information at the time that it is created. If the invoice information is later changed, you must edit and save the invoice to update it.

Creating an invoice

When you create a new invoice, you can complete the required fields only, save the invoice as a draft and edit it later, or you can complete all fields and submit the invoice for approval.

1. Click **New** > **Invoice**.

   The **Create Invoice** dialog box appears.

2. In the **General** tab, complete the fields as required. For more information, see "Create/Edit Invoice dialog, General tab options" on page 16.

3. For information about completing the invoice, see the following topics:

   - "Adding time records in an invoice" on page 17
   - "Adding expenses in an invoice" on page 19
   - "Adding fixed fees in an invoice" on page 21
   - "Adding request time in an invoice" on page 22
   - "Adding products in an invoice" on page 25
   - "Adding additional items in an invoice" on page 27
   - "About tax calculation for invoices" on page 27

- "Adding invoice details" on page 29

4. Do one of the following:
   - To save the invoice as a draft, click **Save**.
   - To submit the invoice for approval, select the **Submit for approval** check box, then click **Save**.

Create/Edit Invoice dialog, General tab options

Field	Description
Submit for approval check box	When selected, submits the invoice to the invoice approver
Invoice date field	Date of the invoice.
Display only engagements with items to be invoicedcheck box	When selected, only the engagements that have items to be invoiced are displayed.
Company type-ahead field	Name of the company.
Engagement list	Engagement that you create the invoice for.
Billing percentage field	Percentage of the invoice amount to be billed to the company. Available only if split billing is enabled on the engagement.
Payment terms field	Payment terms of the engagement billing office.
Payment due date field	Date by when the payment is due.
Remit-to address list	Address that appears on the invoice and to which the payment will be sent. The default remit-to address is specified in the engagement. If no address is specified in the engagement, the address from the billing office is used.
Invoice posting date field	Date that the invoice is posted.

Field	Description
Start date and **End date** fields	Date range for the entries to display on the **Time**, **Expenses**, **Fixed fees**, **Requests** and **Products** tabs.
Project/Request table	Projects and requests that include the items to invoice.
Use expense report currency check box	When selected, the currency specified in the expense report is used for the expenses to be billed. If the expense report currency is different than the invoice currency, the expense amount will be calculated based on the date of the exchange rate applied to expenses.
Date for exchange rates applied to expenses options	Date to use for the exchange rate applied to the expenses to be billed. Options are **Expense date** and **Invoice date**.
Special instructions field	Special instructions for the invoicer that were specified on the engagement.

Adding time records in an invoice

Only approved time records are available for invoicing.

You can add time records from a fixed-fee portion of an engagement (indicated by **FF**) so that the time can be marked as invoiced. However, the fixed-fee time records do not appear on the invoiced.

1. Access the invoice.
2. Click **Actions** > **Edit**.

   The **Edit Invoice** dialog box appears.
3. In the **General** tab, do one of the following:
   - To include individual projects, select the check box for the projects.
   - To include all projects, right-click in the table and click **Select all**.
4. Click the **Time** tab.

   The table displays all approved time records for the selected projects.
5. Do one of the following:

- To include individual records, select the check box for the records to be invoiced.
- To include all records, right-click in the table and click **Select all**.

6. Click **Save**.

Create/Edit Invoice dialog, Time tab options

Column	Description
Overtime percentage field	Percentage of overtime to be billed to the company, as specified in the engagement.
Project column	Project that the time was entered for.
Task column	Task that the time was entered for.
Resource column	Resource who worked on the task.
Description column	Description of the time entry, as entered by the resource in the time sheet. **Note:** To add or edit a description, the invoice item description setting must be enabled for the billing office of the engagement.
Date column	Date of the time record.
Hours column	Number of hours entered for the task.
OT hours column	Number of overtime hours.
Hours written off/up column	Number of hours that were written off or written up for the project to date.
OT hours written off/up column	Number of overtime hours that were written off or written up for the project to date.
Write-off/up description column	Description for the write-off or write-up.
Write-off/up reason column	Reason for the write-off or write-up.

Column	Description
Net hours column	Actual number of regular hours that are invoiced (total time plus any write-up or less any write-off).
Net OT hours column	Actual number of overtime hours that are invoiced (total overtime plus any write-up or less any write-off).
Rate column	Billing rate for the assigned resource.
Work location group column	Work location group that is defined in the service taxation setup.
Work location column	Work location that is defined in the service taxation setup.
Work code category column	Work code category that is defined in the service taxation setup.
Work code column	Work code that is defined in the service taxation setup.
Tax schedule column	Tax schedule that is used for tax calculation. **Note:** If the customer is exempt from paying the tax, this column is not displayed.
Total time field	Total time for the selected records.
Total write-offs/ups field	Total amount that was written off or written up.
Total adjustment field	Amount that is to be added to the invoice (or a negative amount to be subtracted).

Adding expenses in an invoice

Only approved expense records are available for invoicing.

1. Access the invoice.
2. Click **Actions** > **Edit**.

   The **Edit Invoice** dialog box appears.
3. In the **General** tab, do one of the following:
   - To include individual projects, select the check box for the projects.

- To include all projects, right-click in the table and click **Select all**.

4. Click the **Expenses** tab.

   The table displays all approved expense records for the selected projects.

5. Do one of the following:

   - To include individual records, select the check box for the records to be invoiced.
   - To include all records, right-click in the table and click **Select all**.

6. Click **Save**.

Create/Edit Invoice dialog, Expenses tab options

Column	Description
Expense percentage field	Percentage of expenses that is to be billed to the company, as specified in the engagement.
Project column	Project that the expense was entered for.
Resource column	Resource who entered the expense.
Expense report number column	Number of the expense report.
Description column	Description of the expense.
Date column	Date when the expense was incurred.
Quantity column	Quantity of items that are expensed.
Unit price column	Unit price of the expensed item.
Currency column	Currency that the expense was incurred in.
Exchange rate column	Exchange rate that is used in converting the currency in which the expense was incurred to the currency of the invoice.
Expense total column	Total monetary amount of the expense, less any recoverable taxes that were stripped from the expense.

Column	Description
Recoverable tax amount column	Total recoverable tax amount that was stripped from the expense.
Write-off/up column	Amount written off or up.
Write-off/up description column	Description for the write-off or write-up.
Write-off/up reason column	Reason for the write-off or write-up.
Net amount column	Expense total plus any write-up or less any write-off.
Work location group column	Work location group that is defined in the expense taxation setup.
Work location column	Work location that is defined in the expense taxation setup.
Tax schedule column	Tax schedule that is used for tax calculation. **Note:** If the customer is exempted from paying the tax, this column is not displayed.
Total for expenses field	Total monetary value of the selected records.
Total write-offs/ups field	Total monetary value of the expenses that were written off or written up.
Total adjustment field	Amount to be added to the invoice (or a negative amount to be subtracted).

Adding fixed fees in an invoice

The **Fixed fees** tab appears only if a fixed fee billing type is specified on the engagement.

1. Access the invoice.
2. Click **Actions** > **Edit**.

   The **Edit Invoice** dialog box appears.
3. Click the **Fixed fees** tab.

   The table displays all fixed fees that were set up in the engagement.

4. Do one of the following:
   - To include individual records, select the check box for the records to be invoiced.
   - To include all records, right-click in the table and click **Select all**.
5. Click **Save**.

Create/Edit Invoice dialog, Fixed Fees tab options

Column	Description
Billing date column	Date the fixed-fee deliverable is invoiced.
Billing amount column	Amount to be invoiced.
Deliverable column	Name of the fixed-fee deliverable.
Work location group column	Work location group that is defined in the taxation setup for the fixed fee.
Work location column	Work location that is defined in the taxation setup for the fixed fee.
Work code category column	Work code category that is defined in the taxation setup for the fixed fee.
Work code column	Work code that is defined in the taxation setup for the fixed fee.
Tax schedule column	Tax schedule that is used for tax calculation. **Note:** If the customer is exempted from paying the tax, this column is not displayed.
Total for fixed fee field	Total monetary value of the selected fixed-fee records.

Adding request time in an invoice

When an engagement is billable, the time that resources worked on the requests is also billable, depending on the request processing rules and the service level agreement (SLA). Only approved request time records are available for invoicing.

1. Access the invoice.
2. Click **Actions** > **Edit**.

The **Invoice** dialog box appears.

3. In the **General** tab, do the following:
   - To include individual requests, select the check boxes for the requests.
   - To include all requests, right-click in the table and click **Select all**.
4. Click the **Requests** tab.
5. Do one of the following:
   - To include individual records, select the check box of the records.
   - To include all records, right-click in the table and click **Select all**.
6. Click **Save**.

Create/Edit Invoice dialog, Requests tab options

Column	Description
Overtime percentage field	Percentage rate that is applied to the standard billing rate for overtime.
Request column	Request number.
Project column	Project that the request is associated with.
Resource column	Resource who worked on the request.
Date column	Date that the request was worked on.
Description column	Description of the work spent on the request. **Note:** To add or edit a description, the invoice item description setting must be enabled for the billing office of the engagement.
Hours column	Number of regular hours that the resource worked on the request.
OT hours column	Number of overtime hours that the resource worked on the request.

Column	Description
Hours written off/up field	Number of regular hours written off or up for the request.
OT hours written off/up field	Number of overtime hours written off or up for the request.
Write-off/up description field	Description for the write-off or write-up.
Write-off/up reason list	Reason for the write-off or write-up.
Net regular hours column	Actual number of regular hours that are invoiced (total time plus any write-up or less any write-off).
Net overtime hours column	Actual number of overtime hours that are invoiced (total overtime plus any write-up or less any write-off).
Rate column	Billing rate that is specified in the engagement.
Work location group column	Work location group that is defined in the taxation setup for the time spent on the request.
Work location column	Work location of the request.
Work code category column	Work code category of the request.
Work code column	Work code defined in the taxation setup for the request.
Tax schedule column	Tax schedule used for tax calculation. **Note:** If the customer is exempted from paying the tax, this column is not displayed.
Total time field	Total time for the selected records.
Total write-offs/ups field	Total amount that was written off or written up.
Total adjustment field	Amount to be added to the invoice (or a negative amount to be subtracted).

Adding products in an invoice

You can include products that are specified in the engagement and billable products (that are associated with the engagement through work requests) in an invoice.

Note: For products associated through work requests, the tax calculation is based on the invoice date, even if the **Use record date for tax calculation** check box is selected in the engagement.

1. Access the invoice.
2. Click **Actions** > **Edit**.

   The **Edit Invoice** dialog box appears.
3. To add a product that is associated to the engagement through a work request, select the work request in the **General** tab.
4. Click the **Products** tab.

   The table displays all products of the engagement.
5. Do one of the following:
   - To include individual records, select the check box for the records to be invoiced.
   - To include all records, right-click in the table and click **Select all**.

   Note: If a product is listed but is not available for selection, it means that the product does not have a price in the engagement billing currency.
6. If you select products that are associated to the engagement through work requests, you can click the cells in the **Ship-to location group** and **Ship-to location** columns and select a new location group or location from the list.
7. Click **Save**.

Create/Edit Invoice dialog, Products tab options

Column	Description
Request column	Work request that is associated with the product.
Project column	Project that the product is associated with.
Product column	Product to be invoiced.
Date column	Date when the product is planned to be invoiced, as specified in the engagement.
Description column	Description of the product. **Note:** To add or edit a description, the invoice item description setting must be enabled for the billing office of the engagement.
Unit price column	Price of the product, as specified in the engagement. If a negotiated price was not specified, the standard price is used.
Quantity column	Number of products to be invoiced.
Amount column	Amount to be invoiced for the products.
Write-off/up column	Total amount of products written-off or up, if applicable.
Write-off/up description column	Description for the write-off or write-up.
Write-off/up reason column	Reason for the write-off or write-up.
Net amount column	Amount of the products totals plus any write-up or less any write-off.
Ship-to location group column	Shipping destination of the products. Edit the field as required.
Ship-to location column	Shipping location of the products.

Column	Description
Tax schedule column	Tax schedule used for tax calculation. **Note:** If the customer is exempted from paying the tax, this column is not displayed.
Total productfield	Total amount for the selected products.
Total write-offs/ups field	Total amount that was written off or written up.

Adding additional items in an invoice

You can include additional items on the invoice, unless this has been restricted on the billing office of the engagement.

Note: The tax calculation for additional items is based on the invoice date, even if the **Use record date for tax calculation** check box is selected in the engagement.

1. Access the invoice.
2. Click **Actions** > **Edit**.

   The **Edit Invoice** dialog box appears.
3. Click the **Additional items** tab.
4. Right-click in the table and select **Insert**.

   A new line is added to the table.
5. In the **Description** field, enter a description for the item.
6. In the **Amount** field, enter the amount of the item.
7. In the **Tax schedule** list, select the tax schedule that applies to the item.
8. In the **Total adjustment for additional items** field, enter an amount to adjust the invoice.
9. Click **Save**.

About tax calculation for invoices

The **Taxes and Totals** tab displays the tax and totals of all items included in the invoice.

Taxes are applied to items on an invoice according to the taxation rules that were set up by your organization. The date to be used for calculating taxes is defined in the engagement, and can be based on the invoice date or the record date (for example, the date of the expense record).

Note: For additional items and products associated with the engagement through work requests, the tax calculation is based on the invoice date, even if the record date option is selected on the engagement.

If the engagement is configured to allow tax changes on invoices, you can adjust the tax amounts. For more information, see "Adjusting amounts in an invoice" on page 29.

Viewing tax amounts on an invoice

By default, tax information displays by tax schedule. If the invoice uses record dates for tax calculations, then taxes are grouped by their effective dates.

You can also view the tax information by tax rate to understand how adjustments and the various tax locations/work codes will display on the invoice.

1. Access the invoice.
2. Click **Actions > Edit**.

   The **Edit Invoice** dialog box appears.
3. Click the **Taxes and Totals** tab.
4. To view the tax information by tax rates, right-click in the table and select **Show tax rate details**.
5. To view the tax information by tax schedule again, right-click in the table and select **Show tax schedule details**.

Create/Edit Invoice dialog, Taxes and Totals tab options

Option	Description
Tax schedule column	Tax schedule that applies to the invoiced items.
Tax amount column	Calculated tax amount before any adjustment was applied.

Option	Description
Adjustment column	Adjustment that is applied to the tax amount, if available.
Net amount column	Tax amount after the adjustment was applied.
Tax total field	Total tax amount on the invoice.
Invoice total field	Total invoice amount.

Adjusting amounts in an invoice

You can adjust the amounts for time, expenses, requests, additional items, and taxes in an invoice. For example, you can adjust the amounts, if you want to give a customer a discount or markup.

Note: Enter a negative amount for discounts and a positive amount for markups.

1. Access the invoice.
2. Click **Actions** > **Edit**.

   The **Edit Invoice** dialog box appears.
3. To adjust the amounts for time, expenses, requests, or additional items:
   a. Click the **Time**, **Expenses**, **Requests**, or **Additional items** tab.
   b. In the **Total adjustment** field, enter or edit the amount, and then click outside the field.
4. To adjust the tax amount:
   a. Click the **Taxes and Totals** tab.
   b. In the **Adjustment** column of the **Tax Schedule** table, enter or edit the tax amount, and then click outside the cell.

      The **Net amount** column, and the **Invoice total** and **Tax total** fields are recalculated.
5. Click **Save**.

Adding invoice details

1. Access the invoice.

2. Click **Actions** > **Edit**.

   The **Edit Invoice** dialog box appears.

3. Click the **Details** tab.

4. Make the necessary changes. For more information, see "Create/Edit Invoice dialog, Details tab options" on page 30.

5. Click **Save**.

Create/Edit Invoice dialog, Details tab options

Field	Description
Invoice number field	Number of the invoice. When the invoice is in Draft status and this field is left empty, an invoice number is generated automatically when the invoice is saved.
Invoice format list	Invoice format that is specified in the engagement.
Print address list	Address to be printed on the invoice. If projects with different billing addresses have been selected for invoicing, the engagement address is displayed.
Description field	Invoice description that is specified in the engagement. If auditing is enabled on the engagement, you cannot edit this field.
Updates field	Additional comments.
History field	Stores changes that are made to the invoice after it is saved (date of the change, resource who made the change, and description of the change).

Submitting an invoice for approval

When you submit an invoice, it is routed to the engagement manager for approval. If you are the engagement manager, the invoice is approved automatically.

1. Access the invoice.

2. Click **Actions** > **Edit**.

The **Invoice** dialog box appears.

3. Make the necessary changes.
4. On the **General** tab, select the **Submit for approval** check box.

   The **Enter your comments** field appears.

5. Enter a comment.
6. Click **Save**.

   The invoice is submitted for approval.

3. Accessing Invoices

About accessing invoices

After an invoice has been saved, you can view its layout in the **Invoice Review** view. The items and amounts to be invoiced and additional information display in the format that was selected when the invoice was created. You can select another format, if required.

Tax rates that are configured to be shown separately on invoices are listed separately, while remaining taxes are summed together in the **Other taxes** field.

If services or goods were provided to one customer, but billed to another, the name of both customers display on the invoice.

The **Invoice process history** section on the **Invoices Review** page lists the successive stages the invoice went through. The history is view-only and cannot be printed.

You can access the **Invoices Review** page from the following areas in Changepoint:

- From the **Invoices** tree view. For more information, see "Accessing an invoice from the Invoices tree view" on page 34.
- From the company profile. For more information, see "Accessing an invoice from a company profile" on page 34.
- From the following portlets:
  - **Draft Invoices**
  - **Invoices Pending Approval**
  - **Approved Invoices**
  - **Rejected Invoices**

About invoice formats

There are standard invoice formats that group the information in different ways. The default invoice format is specified in the engagement, but you can select different invoice formats when viewing an invoice. To change the format, you must edit the invoice.

Note: The **Tax on sum - General** and the **Tax on sum - French general** formats are available only if the invoice date is selected as the tax calculation date on the engagement.

Accessing an invoice from a company profile

1. Access the company profile.
2. Click **Actions** > **View** > **Invoices**.

   All invoices for the company display.
3. Click the invoice number.

   The **Invoices Review** page appears.

Accessing an invoice from the Invoices tree view

Invoices are grouped in folders according to their status under their billing office, company and engagement.

1. Click **Finance** > **Invoices**.

   The **Invoices** tree view appears.
2. Expand the tree view to locate the invoice.
3. Click the invoice.

   The **Invoice Review** page appears.

Viewing invoice details

1. Access the invoice.
2. To view the details of all invoiced items and adjustments, click **Actions** > **Invoice details**.
3. To view the details with additional information about write-offs and write-ups, click **Actions** > **Invoice details with net write-offs/ups**.

About editing invoices

You can only edit an invoice that is in **Draft** status. Invoices in **Pending approval**, **Pending second level approval** or **Approved** status must be reverted to **Draft** status first before they can be edited. To correct an error in an invoice that is in another status, you must create a credit note for the entire amount. For more information, see "About credit notes" on page 46.

You can write off or write up time and amounts from invoice records. You can write off or write up individual records, or you can write off multiple records at a time. When you write off multiple records at a time, the entire amount of the selected record is written off.

Note: When you write off or write up time, the reason specified for the write-off or write-up may affect the number of utilized hours shown on utilization reports and portlets. For example, if you write off a time record and select a reason that has been flagged as affecting the calculation of resource utilization, the amount will be deducted from the user's utilized hours.

If auditing is enabled on the engagement associated with the invoice, you must enter a comment when writing off or writing up time, expenses, or products.

Editing an invoice

1. Access the invoice.
2. Click **Actions** > **Edit**.

   The **Invoice** dialog box appears.
3. Make the necessary changes.
4. Click **Save**.

Writing off or writing up time

You can write off or write up time for services or requests.

1. Access the invoice.
2. Click **Actions** > **Edit**.

   The **Invoice** dialog box appears.
3. Click the **Time** or the **Requests** tab.
4. In the table, do one of the following:
   - Select the check box for the record.
   - If the check box is already selected, click the row.
5. In the **Hours written off/up** cell, do one of the following:
   - To write up time, enter the number of hours to be added.
   - To write off time, enter the number of hours preceded by a minus sign.
6. In the **OT hours written off/up** cell, do one of the following:
   - To write up overtime, enter the number of hours to be added.

- To write off overtime, enter the number of hours preceded by a minus sign.

7. In the **Write-off/up reason** cell, select the reason for the change.
8. In the **Write-off/up description** cell, enter a description for the change.
9. Click **Save**.

Writing off or writing up an expense or a product

You can write off or write up billing amounts for expenses or products.

1. Access the invoice.
2. Click **Actions** > **Edit**.

   The **Invoice** dialog box appears.
3. Click the **Expenses** or the **Products** tab.
4. In the table, do one of the following:
   - Select the check box for the record.
   - If the check box is already selected, click the row.
5. In the **Write-Off/Up** cell, do one of the following:
   - To write off the billing amount, enter the amount.
   - To write up the billing amount, enter the amount preceded by a minus sign.
6. In the **Write-off/up reason** cell, select the reason for the change.
7. In the **Write-off/up description** cell, enter a description for the change.
8. Click **Save** to save the changes and close the **Invoice** dialog box.

Writing off multiple records at a time

1. Access the invoice.
2. Click **Actions** > **Edit**.

   The **Invoice** dialog box appears.
3. Click the **Time**, **Expenses**, **Requests**, or **Products** tab.
4. In the table, select the check boxes for the records.

5. To select a range of consecutive rows:
   a. Click the first row that you want to select.
   b. While holding the **Shift** key, click the last row in the range.
6. To select multiple, nonconsecutive rows:
   a. Click the first row that you want to select.
   b. While holding the **Ctrl** key, click the additional rows that you want to select.
7. Right-click in the table and select **Write off**.
8. In the **Write-off reason** list, select the reason for the change.
9. In the **Write-off description** field, enter a description for the change.
10. Click **Save**.

Associating invoiced time with fixed fees

After a time record has been invoiced, you can change the fixed fee that the time record was associated with. You can change multiple time records, provided that they are from the same engagement, and you want to associate them with the same fixed fee.

1. Click **General** > **Reports**.

   The **Reports** tree view appears.
2. Expand the **Invoices** category and then select the **Associate Invoiced Time with Fixed Fees** report.

   The filter criteria windows appears.
3. In the **Billing office** list box, select one or more billing offices.
4. In the **Company** list box, select one or more companies.
5. In the **Engagement** list box, select one or more engagements that include the time records that you want to update.
6. To specify a period for the time records to be updated, do one of the following:
   - To specify fiscal periods, select **Fiscal period.**
     - In the **Fiscal period selection** list, select the billing office associated with the fiscal periods you want to use.

    - In the **Fiscal year** list, select the years you want to use.
    - In the **Fiscal period** list, select the fiscal periods you want to use.
  - To specify a date range, select **Date range**.
    - In the **Start date** field, select the first date in the period.
    - In the **End date** field, select the last date in the period.

7. Click **Go**.

   The time records that match the filter criteria appear.

8. Select one or more time records that you want to correct.

9. Click **Select a fixed fee**, and then select the fixed fee from the drop-down field that appears.

10. Click **Save**.

4. Processing Invoices

About the invoicing process

At each step in the invoicing process, invoices are assigned a specific status. It is not necessary for an invoice to go through each step in the process.

Status	Description
Draft	First status for an invoice.
Pending approval	The invoice has been submitted for approval to the designated approver.
Pending second-level approval	The invoice is waiting for approval by the second-level invoice approver, if the two-level approval is enabled for the associated engagement.
Approved	The invoice has been either submitted or approved by the engagement manager and is waiting to be committed, to prevent further changes.
Committed	The invoice has been committed by a resource with the required role and can be sent to the customer.
Sent	The invoice has been sent to the customer but has not yet been paid.
Partially paid	Partial payments have been made, but the invoice has not been paid in full.
Paid	The invoice has been paid in full.
Archived	The invoice has been archived after it was paid in full.
Credited	A credit note has been committed and the originating invoice has been reversed.

The following diagram shows the invoicing process:

Approving or rejecting an invoice

A notification appears in the **My Reminders** portlet when invoices require your approval.

1. Access your **My Reminders** portlet.
2. Click the **You have invoices** link.

   The **Invoices to Approve** view displays a list of all the invoices to be approved.
3. Click the invoice number.

4. Do one of the following:
   - To approve the invoice, click **Actions** > **Approve invoice**.
   - To reject the invoice, click **Actions** > **Reject invoice** and then enter a reason for the rejection in the dialog box.
5. Click **OK** to acknowledge the message.
6. To view the next item in the list, click **Actions** > **View next**.

About committing invoices

Invoices that have been approved must be committed before they can be sent to the customer. When you commit an invoice, the temporary invoice number assigned to the invoice is changed to the permanent invoice number.

Before you can commit an invoice, you may be required to distribute its revenue and tax amounts to the appropriate GL accounts. For more information, see "About distributing invoice amounts" on page 41.

Committed invoices cannot be edited. To correct a committed invoice, you must create a credit note to reverse the invoice.

Committing an invoice

1. Access the invoice.
2. Click **Actions** > **Commit**.
3. If the **Commit Invoice Number** dialog box appears, you can overwrite the invoice number or keep the existing number.
4. Click **Save**.

About distributing invoice amounts

If invoice distribution is enabled for the billing office of the engagement, you must distribute the invoice revenue and tax amounts to the appropriate GL accounts after the invoice has been approved. After the distribution is completed, you can commit the invoice.

Invoice amounts are distributed as follows:

- The billing amount for project time worked by resources is distributed to the GL account selected on the engagement. If no GL accounts are selected on the engagement, then the

time is distributed to the default GL distribution account selected on the resource's workgroup.

- Amounts for expenses, products, fixed fees, request time and additional items will be distributed to the GL account selected on the engagement for the specific item type. If no GL accounts are selected on the engagement, then these items are excluded from the distribution process and must be distributed manually in the invoice.
- Tax amounts are distributed to tax accounts associated with the tax rate.

Distributing invoice amounts

1. Access the invoice.
2. Click **Actions** > **Distribute invoice**.

   The **Invoice** dialog box displays the **Invoice distribution** tab.
3. Right-click in the revenue GL account table, and then select **Insert**.
4. In the **Revenue GL account** cell, select the GL account.
5. In the **Amount** cell, enter the amount to be distributed to the selected GL account.
6. Right-click in the tax GL account table, and then select **Insert**.
7. In the **Tax GL account** cell, select a tax account.
8. In the **Amount** field, enter the amount to be distributed to the selected tax account.
9. Click **Save**.

Editing distributed invoice amounts

1. Access the invoice.
2. Click **Actions** > **Distribute invoice**.

   The **Invoice** dialog box displays the **Invoice distribution** tab.
3. Make the necessary changes directly in the table cells.
4. Click **Save**.

Deleting distributed invoice amounts

1. Access the invoice.

2. Click **Actions** > **Distribute invoice**.

   The **Invoice** dialog box displays the **Invoice distribution** tab.

3. In the tables, right-click the row that you want to delete, and then select **Delete**.

4. Click **Save**.

About sending invoices

Once an invoice has been committed, you can print it and send it to the customer for payment. If you send the invoice by mail or courier, you can manually change the status to **Sent**, if required. The invoice is then moved to the **Sent** folder in the **Invoices** tree view.

You can also send invoices by email, provided that the invoice uses one of the standard invoice formats. The invoice is attached as an HTML file to the email. If the invoice is in **Committed** status, its status automatically changes to **Sent**, and it is moved to the **Sent** folder in the **Invoices** tree view. If the invoice is in any other status, no further changes are made to it.

You can also email invoices in batches to specific recipients. For more information, see "Emailing invoices and credit notes in batches" on page 57.

Sending an invoice by email

The email is sent with the invoice attached as an HTML file. By default, the recipient is the main contact specified on the engagement associated with the invoice.

1. Access the invoice.

2. Click **Actions** > **Send email**.

   The **Send Invoice by Email** view appears.

3. To specify a recipient, do one of the following in the **Recipient** field:

   - To select a recipient from the company contacts, click the arrow and select a contact.
   - To specify an email address, enter the email address of the recipient.

4. To send a copy of the email, do one of the following in the **Cc** field:

   - To select a recipient from the company contacts, click the arrow and select a contact.
   - To specify an email address, enter the email address of the recipient.

5. In the **Subject** field, edit the subject line, if required.

6. In the **Comments** field, enter comments.
7. Click **Send**.

Marking an invoice as Sent

1. Access the invoice.
2. Click **Actions** > **Send invoice**.

About recording payments

You can record payments only for invoices with the **Committed** or **Sent** status.

When you receive payments, you record the amounts on the invoice. If the invoice is paid in installments, the status changes to **Partially Paid** when the first payment is recorded. When the invoice is paid in full, the invoice status changes to **Paid**.

Note: If the payment is greater than the invoice amount, the invoice status is set to **Paid**.

You can edit or delete recorded payments of invoices with the **Paid** status. If you edit a payment and an outstanding balance remains, the invoice status changes back to **Sent** or **Partially Paid**. If you delete all payments, the invoice status changes back to **Committed** or **Sent**.

Recording a payment

1. Access the invoice.
2. Click **Actions** > **Record payment**.

   The **Record Payment** dialog box appears.
3. Right-click in the table, and then select **Insert**.
4. In the **Date** field, enter the date the payment was received.
5. In the **Amount** field, enter the amount of the payment.
6. In the **Currency** list, select the currency in which the payment was made.
7. In the **Description** field, enter a description.
8. Click **Save**.

Editing a payment

1. Access the invoice.
2. Click **Actions** > **Record payment**.

   The **Record Payment** dialog box appears.
3. Make the necessary changes directly in the table cells.
4. Click **Save**.

Deleting a payment

1. Access the invoice.
2. Click **Actions** > **Record payment**.

   The **Record Payment** dialog box appears.
3. Right-click the row that you want to delete, and then select **Delete**.
4. Click **Save**.

About archiving invoices

You can archive invoices to prevent further changes for example, after you have sent the invoice information to a financial system. If a credit note was created for an invoice, the credit note is archived with that invoice.

Archived invoices are still displayed in Changepoint, but you can no longer edit or credit them, or change their status. You can remove invoices from Changepoint by discarding them. For more information, see "Discarding an invoice" on page 46.

You can archive invoices that are in the following statuses:

- **Credited**
- **Paid**
- **Partially paid**
- **Committed**, and no credit note exists for the invoice
- **Sent**, and no credit note exists for the invoice

Archiving an invoice

1. Access the invoice.
2. Click **Actions** > **Archive invoice**.

   The status changes to **Archived** and the invoice is moved to the **Archived** folder in the **Invoices** tree view.

About discarding invoices

You can only discard invoices that are in **Draft** or **Archived** status.

When you discard an invoice that is in **Draft** status, all of the time records, expenses, products, and additional items included in the invoice are released.

However, when you discard an invoice that is in **Archived** status, the included items are not released, and the invoice can no longer be accessed in Changepoint or through standard reports. However, the information remains in the database and can be accessed through custom reports.

Discarding an invoice

1. Access the invoice.
2. Click **Actions** > **Discard**.
3. To confirm that you want to discard the invoice, click **OK**.

About credit notes

Once an invoice has been committed, you cannot edit it. To correct an error in an invoice, you must create a credit note for the entire amount. You cannot create a credit note for a partial amount. Credit notes are assigned the same number as the invoice but with the suffix “CN.”

When you create a credit note, you can save it as a draft or submit it for approval. If you save the credit note as a draft, you can later edit it until it is ready to be submitted for approval.

If you submit the credit note for approval, it is routed to the engagement manager who reviews the information and either approves or rejects the credit note. If the credit note is approved, it advances in the approval process. If the credit note is rejected, it is reverted to a draft and you can make the necessary corrections.

The credit note approval process is similar to the invoice approval process, except when a credit note has been committed, the records (time, expenses, products, and additional items)

from the incorrect invoice are released and can be included in a new invoice. The status of the reversed invoice changes to **Credited**.

The **Credit note history** section on the **Credit Note Review** view lists the successive stages that the credit note went through. The process history is view-only and cannot be printed.

The following diagram shows the credit note approval process:

Creating a credit note

You can only create credit notes for invoices with the **Committed**, **Paid**, **Partially paid** or **Sent** status. When you create a credit note, you can save it as a draft, or you can submit it for approval.

Credit notes are saved in the same status folder as the originating invoices, even if the status of the credit note is different from the status of the invoice.

1. Access the invoice.
2. Click **Actions** > **Create credit note**.

   The **Create Credit Note** dialog box appears.
3. In the **Credit note date** field, select the date the credit note was created.
4. In the **Credit note format** list, select a format. The formats are the same for invoices and credit notes.
5. In the **Reason** field, enter the reason for creating the credit note.
6. In the **Description** field, enter a brief description of the credit note.
7. Do one of the following:
   - To submit the credit note for approval, select the **Submit for approval** check box.
   - To save the credit note as a draft, clear the **Submit for approval** check box.
8. Click **Save**.

Accessing a credit note

Credit notes are located in the same status folder (**Committed** or **Sent**) as the originating invoices

1. Click **Finance** > **Invoices**.
2. Expand the tree view to locate, and then select the credit note.

   The **Credit Note Review** view appears.

Editing a credit note

You can edit a credit note that is in **Draft** status. You can revert a credit note that is in **Approved** status to **Draft** status if necessary.

To edit a draft credit note

1. Access the credit note.
2. Click **Actions** > **Edit**.

   The **Edit Credit Note** dialog box appears.
3. Make the necessary changes.
4. Click **Save**.

To edit an approved credit note

1. Access the credit note.
2. Click **Actions** > **Send to draft**.
3. Click **Actions** > **Edit**.

   The **Edit Credit Note** dialog box appears.
4. Make the necessary changes.
5. Click **Save**.

Committing a credit note

Only approved credit notes can be committed.

1. Access the credit note.
2. Click **Actions** > **Commit**.

Discarding a credit note

You can discard credit notes that you no longer need to view or report on. Although discarded credit notes are no longer available for viewing in Changepoint, they are not physically deleted from Changepoint and remain stored in the database for reference.

You can only discard credit notes that are in **Draft** status.

1. Access the credit note.
2. Click **Actions** > **Discard**.
3. Click **OK**.

Approving a credit note

1. Access your **My Reminders** portlet.
2. Click the **You have credit notes to approve** link.

   The **Credit Notes to Approve** view displays a list of all credit notes submitted to your approval.
3. Click the credit note number.

   The **Credit Note Review** page appears.
4. Do one of the following:
   - To approve the credit note, click **Actions** > **Approve credit note**
   - To reject the credit note, click **Actions** > **Reject credit note** and enter the reason for the rejection in the dialog box.
5. Click **OK**.
6. To review the next credit note, click **Actions** > **View** > **Next**.

5. Batch Processes and Reports

About batch processes for invoices and credit notes

Instead of creating invoice and credit notes one by one, you can create multiple documents at once, and approve, submit and commit selected invoices and credit notes in batches.

Batch processes can only be performed if the batch invoicing is enabled in the engagements.

For more information on these processes, see:

- "About the Generate Invoices report" on page 51
- "Submitting invoices and credit notes in batches" on page 53
- "Approving invoices and credit notes in batches" on page 54
- "Committing invoices and credit notes in batches" on page 56
- "Archiving invoices in batches" on page 56
- "Emailing invoices and credit notes in batches" on page 57

About the Generate Invoices report

The **Generate Invoices** report allow you to create multiple invoices and credit notes at once. The report only lists invoices of engagements for which batch invoicing is enabled.

Invoices created through the batch process are subject to the same rules and restrictions than invoices created individually.

If you want to invoice time and expenses on separate invoices, you can run two separate batch invoice processes. For the first batch, select the project time and wait for the process to run. Once the first set of invoices has been generated for project time, select expenses and wait for the process to run again.

When you run the **Generate Invoices** report, you select the status to be assigned to the generated invoices.

- If you select **Draft**, invoices generated remain in **Draft** status and can be located in the **Draft Invoices** section on the home page. The invoices can then be reviewed before being sent for approval.

- If **Pending approval** is selected, the invoice is immediately sent to the engagement manager for approval, and it displays in the **Invoices pending approval** portlet in the home page.
- If **Pending second-level approval** is selected, engagement manager approval is by-passed and invoices are sent directly to the second-level approver.

Generating invoices in batches

1. Click **General** > **Reports**.

   The **Reports** tree view appears.

2. Expand the **Invoices** category and select the **Batch Invoicing Processes** report.

   The process selection window appears.

3. Select **Generate Invoices**.
4. Click **Go**.

   The filter criteria view appears.

5. In the **Invoice cutoff date** field, enter the invoice cutoff date. Invoices will be generated for all items with a date up to the cutoff date.
6. In the **Billing type** list, select the billing type.
7. In the **Payment terms** list, select a payment term.

   A due date will be calculated for each invoice based on the payment terms specified in the engagement.

8. In the **Process the following items** list, select the check boxes of the items you want to invoice.

   Note: If you select **Fixed-fee time**, all requests that have fixed fee request time are available for selection.

9. Select the exchange rate applied to expenses.
10. Click **Go**.

    The second filter criteria window appears.

11. In the **Status to be applied** list, select the status to be applied to the generated invoices.

12. In the **Invoice date** field, enter the date to be displayed on all invoices generated.
13. If a due date calculation has been configured for the selected payment terms, it displays in the **Payment due date** field. If required, enter another date in the field.
14. In the **Invoice posting date** field, enter a posting date.
15. In the **Invoice selection** section, select the engagements (grouped by billing office and customer) to be invoiced.
16. Click **Actions** > **Generate invoices**.

The batch invoicing process will be executed during the next scheduled run.

Submitting invoices and credit notes in batches

The **Submit Invoices/Credit Notes** report allows you to submit multiple invoices and credit notes at the same time.

Invoices that exceed the maximum per invoice specified and enforced in the engagement cannot be submitted.

1. Click **General** > **Reports**.

   The **Reports** tree view appears.

2. Expand the **Invoices** category and select the **Batch Invoicing Processes** report.

   The process selection window appears.

3. Select **Submit Invoices/credit notes**.
4. Click **Go**.

   The filter criteria view appears.

5. In the **Creators** section, select the resources who created the invoices you want to submit.
6. In the **Engagement selection** section, expand the tree view to locate the engagements for which invoices can be submitted.

   Note: The billing office filter appears if there are more than 20 billing offices listed.

7. Click the check box of the engagements.
8. Click **Actions** > **View invoices/credit notes**.

The **Submit Invoices/Credit Notes** report displays a list of invoices that match the filter criteria.

9. Do one of the following:
   - To select all invoices, click the **Select all** link.
   - Select the check box of the individual invoices.
10. Click **Submit selected** to submit the selected invoices for approval.

Approving invoices and credit notes in batches

The **Approve Invoices/Credit Notes** report allows you to approve or reject invoices and credit notes in batches. The report lists all invoices and credit notes with the **Pending approval** or **Pending second approval** status that require your approval.

1. Click **General** > **Reports**.

   The **Reports** tree view appears.
2. Expand the **Invoices** category and select the **Batch Invoicing Processes** report.

   The process selection window appears.
3. Select **Approve Invoices/credit notes**.
4. Click **Go**.

   The filter criteria view appears.
5. In the **Approver selection** section, select the assigned approver for whom you want to approve/reject invoices.
6. In the **Engagement selection** section, expand the tree view to locate the engagements for which invoices can be approved.
7. Click the check box of the engagements.
8. Click **Actions** > **View invoices/credit notes**.

   The **Approve Invoices/Credit Notes** report displays a list of invoices that match the selection criteria.
9. To select the invoices to be processed, do one of the following:
   - To select all invoices, select **Actions** > **Select all**.

- Select the check box of the individual invoices.

10. Do one of the following:
    - To approve the selected invoices, click **Actions** > **Approve selected**
    - To reject the selected invoices, click **Actions** > **Reject selected** and enter a reason for the rejection in the dialog box.

Distributing invoices in batches

You can use the **Distribute Invoices** report to distribute the invoice revenue and tax amounts to the appropriate GL accounts.

1. Click **General** > **Reports**.

   The **Reports** tree view appears.

2. Expand the **Invoices** category and select the **Batch Invoicing Processes** report.

   The process selection window appears.

3. Select **Distribute Invoices**.
4. Click **Go**.

   The filter criteria view appears.

5. In the **Creators** section, select the resources who created the invoices you want to distribute.
6. In the **Start date** and **End date** fields, enter the date range of the invoices to be distributed.
7. In the **Engagement selection** section, expand the tree view to locate the engagements for which invoices can be distributed.
8. Click the check box of the engagements.
9. Click **Actions** > **View invoices**.

   The **Distribute Invoices**report displays a list of invoices that match the filter criteria. In the report, invoices that contain distributed items are displayed in red.

10. Do one of the following:
    - To select all invoices, select **Actions** > **Select all**.

- Select the check box of the individual invoices.

11. Click **Actions** > **Distribute selected** to distribute the selected invoices.

Committing invoices and credit notes in batches

The **Commit Invoices** report allows you to commit approved invoices and credit notes. Once committed, all invoices and credit notes are assigned a definitive and unique number.

1. Click **General** > **Reports**.

   The **Reports** tree view appears.

2. Expand the **Invoices** category and select the **Batch Invoicing Processes** report.

   The process selection window appears.

3. Select **Commit Invoices/credit notes**.

4. Click **Go**.

   The filter criteria view appears.

5. In the **Invoice and credit note selection** section, expand the tree view to locate the engagements for which invoices can be committed.

6. Expand the billing offices, companies and engagements and select the invoices and credit notes to be committed.

   Note: Credit notes are displayed in red.

7. Click **Actions** > **Commit**.

8. Click **OK** to confirm.

Archiving invoices in batches

The **Archive Invoices** report allows you to archive invoices. Once an invoice is archived, you can no longer edit it. For more information, see "About archiving invoices" on page 45.

1. Click **General** > **Reports**.

   The **Reports** tree view appears.

2. Expand the **Invoices** category and select the **Batch Invoicing Processes** report.

   The process selection window appears.

3. Select **Archive Invoices**.
4. Click **Go**.

   The filter criteria view appears.
5. In the **Creators** section, select the resources who created the invoices you want to archive.
6. In the **Start date** and **End date** fields, enter the date range of the invoices to be archived.
7. In the **Engagement selection** section, expand the tree view to locate the engagements for which invoices can be archived.
8. Click the check box of the engagements.
9. Click **Actions > View invoices**.

   The **Archive Invoices**report displays a list of invoices that match the filter criteria.
10. Do one of the following:
    - To select all invoices, select **Actions > Select all**.
    - Select the check box of the individual invoices.
11. Click **Actions > Archive invoices** to archive the selected invoices.

Emailing invoices and credit notes in batches

If invoice batch mail settings have been defined in the engagement associated with invoices, you can email these invoices and credit notes in batches to the specified recipients.

1. Click **General > Reports**.

   The **Reports** tree view appears.
2. Expand the **Invoices** category and select the **Batch Invoicing Processes** report.

   The process selection window appears.
3. Select **Email Invoices/credit notes**.
4. Click **Go**.

   The filter criteria view appears.
5. In the **Creators** section, select the resources who created the invoices you want to email.

6. In the **Invoices/Credit note status** section, select the statuses of the invoices you want to email.
7. In the **Start date** and **End date** fields, enter the date range of the invoices to be emailed.
8. In the **Engagement selection** section, expand the tree view to locate the engagements for which invoices can be emailed.
9. Click the check box of the engagements.
10. Click **Actions** > **View invoices/credit notes**.

    The **Email Invoices/Credit note** report displays a list of invoices that match the filter criteria.
11. To select the invoices to be emailed, do one of the following:
    - Select the check box of the individual invoices.
    - To select all invoices, select **Actions** > **Select all**.
12. To email the invoices, do one of the following:
    - To send the invoices using the email settings defined in the associated engagements, click **Actions** > **Send using preset settings**.
    - To send the invoices using new email settings, click **Actions** > **Override preset settings and send**.

About batch printing

You can print a batch of selected invoices and credit notes immediately or you can set up a print schedule. For more information, see "Printing invoices and credit notes in batches" on page 59.

Once you have selected the invoices and credit notes to be printed, you can review the status of each print file in the **Batch Printing Invoices/Credit Notes** report. This section indicates if errors were encountered or if the print files were successfully created.

Printing batch invoices locally

The local batch printing process displays all the selected invoices on screen as a continuous HTML print file. Use the standard browser print control to select a network printer and launch the printing process. Printing locally allows you to preview all invoices before printing them.

Printing invoices in scheduled batches

The scheduled batch print process generates an HTML print file for each selected invoice. These print files are saved to a batch print directory and in a format configured for each workgroup.

There can only be one queued print job per workgroup. If someone else in your workgroup has already scheduled a invoice batch print job that is waiting to be printed, you must wait for the print job to be completed before you can launch your own batch print job.

Printing invoices and credit notes in batches

1. Click **General** > **Reports**.

   The **Reports** tree view appears.

2. Expand the **Invoices** report category and select **Batch Printing**.

   The filter criteria window appears.

3. In the **Period start** field, select the date of the earliest invoice/credit note.

4. In the **Period end** field, select the date of the latest invoice/credit note.

5. In the **Invoice/Credit note status** list, select the status of the invoices and credit notes.

6. Do one of the following:

   - To print the documents to a local printer, select **Local printing**.
   - To print the invoices on the server at a scheduled time, select **Batch printing**.

7. To include documents that have previously been printed, select the **Include printed invoices and credit notes** check box. In the report, the previously printed documents are displayed in red.

8. Click **Go**.

   The **Batch Printing of Invoices/Credit Notes** report displays the available invoices and credit notes, grouped by billing office, company and engagement. If billing is split among several companies, both the master engagements and the phantom engagements are displayed.

9. Do one of the following:

   - Expand the groups and select the check marks of the documents to be printed.

- To include all documents from a group, select the check marks of the billing office, company or engagement.
- To view all documents of the selected period, click **Actions > Expand all**. Select the check marks of the documents to be printed.

10. Click **Actions > Print**.

    The selected invoices display on one screen and the **Print** dialog box appears. The top section **Processed invoice and credit notes** indicates the print status of each invoice and credit note.

11. Select a printer in the **Print** dialog box and click the **Print** button.

Additional invoice reports

There are two additional reports available for batch invoicing:

- The **Batch Invoices Created** report lists invoices that were created by the batch invoicing process.
- The **Batch Invoice Errors** report lists invoices that could not be created in the batch process and the reason that the invoice could not be generated.

6. Revenue Recognition Setup

About revenue recognition

The revenue recognition process allows you to identify and record revenue generated from work done for a customer. The work can include projects and tasks still in progress as well as completed projects and engagements. The revenue recognition process is separate from the invoice process, although the data from both processes should reconcile.

The default settings for revenue recognition are defined in Changepoint Administration. At this level, an organization can implement decisions such as the following:

- Enable or disable revenue recognition for billing offices
- Allow or prevent revenue transfers between workgroups
- Allow or prevent overrides of the default general ledger accounts

The detailed decisions about how to recognize revenue are set up in engagements. For more information, see the *Engagement Management User Guide*.

For accounting purposes, there may be cutoff dates set up that prevent you from performing actions on revenue recognition past a certain date, for example, committing or adjusting the revenue amounts.

Revenue recognition methods

The revenue recognition methods to be defined in the engagement are the following:

Time and expense-based

- **Time and expenses**: Revenue for time is calculated as the number of approved hours multiplied by the billing or cost rate. Revenue for expenses is calculated as approved expenses multiplied by the percent of expenses considered billable.
- **Time**: Revenue for time is calculated as the approved number of hours multiplied by the billing or cost rate.
- **Expenses**: Revenue for expenses is calculated as approved expenses multiplied by the percent of expenses considered billable. This method is usually combined with a fixed-fee engagement where expenses are considered as revenue.

Fixed-fee deliverables

- **Physical Percent Complete (PPC)**: Method based on an estimate of the actual amount of work completed. This value can reflect a higher or lower percentage than the actual number of approved work hours would suggest. A separate percentage is applied to each deliverable within the engagement, based on the system-generated calculation of total actual hours divided by the total planned total hours for all associated tasks, (which can be overridden, if necessary) and a recognition amount is calculated by multiplying that percentage by the billing amount for the deliverable. The **01- Pre-Run** report will show the calculated percentages for each deliverable.

- **Physical Percent Complete (PPC) - Cost**: Method calculating the revenue recognition amount on fixed fees using actual cost divided by total budgeted cost of all items associated with the fixed fee. The revenue recognition Pre-Run report would calculate the percent complete as actual cost (actual cost would include the cost of time and expense records associated with the fixed fee, at the time control status, up to the cutoff date specified when the report is run) divided by total budgeted cost (which would include both budgeted services and budgeted expenses if they are associated with the fixed fee). Services and expenses associated with either the parent fixed fee or its children (that is, the payment schedules created for the fixed fee) will be included in the calculation.

  Selections in Changepoint Administration determine which budget to use in the calculation:

  - Revision type to use (optional, single select of a budget revision type).
  - Revision choice (optional, select one):
    - use the latest revision
    - use the latest frozen revision.

  If a revision type is selected, then the budget with that revision type is used, and will either be the latest revision for that revision type, or the latest frozen revision for that revision type, depending on the choice of revision.

  If a revision type is not selected, then only the chosen revision (latest revision or latest frozen revision) will be checked. Based on the selection, either the latest budget revision or the latest frozen budget revision will be used.

- **Effort Expended**: Method based on the monetary value of the actual number of approved hours of billable work. The value is derived by applying the billing or cost rate to those hours. This method is similar to time and expense-based time, except that the customer is

billed a fixed amount regardless of the actual time spent on the work. If the value of the billable hours exceeds the fixed amount, the hours that exceed the amount are not recognized. For this method to work, the tasks must be associated with a fixed-fee deliverable.

- **Percent of total deliverable (Milestones - scheduled percent)**: Method based on the percentage of the work for a deliverable that is expected to be completed by a specific date. A monetary value is calculated by applying that percentage to the billing amount for the deliverable. Revenue is recognized as each milestone date passes.
- **Amount recognized (Milestones - scheduled dollars)**: Method based on an estimate of the portion of the total billing amount earned by a specific date. The billing amount can be divided evenly over a range of dates, or adjusted to reflect different levels of work completed at different stages of the deliverable. Revenue is recognized as each milestone date passes.

Product (or service) Deliverable

- **Physical Percent Complete (PPC)**: Method based on an estimate of the actual amount of the product (or service) delivered. A separate percentage is applied to each product (or service) within the engagement and a monetary value is calculated by applying that percentage to the extended price (standard or negotiated) of the product.
- **Percent of total deliverable (Milestones - scheduled percent)**: Method based on the percentage of the product (or service) that is expected to be delivered by a specific date. A monetary value is calculated by applying that percentage to the price (standard or negotiated) of the product (or service). Revenue is recognized as each milestone date passes.
- **Amount recognized (Milestones- scheduled dollars)**: Method based on an estimate of the portion of the total product (or service) price (standard or negotiated) earned by a specific date. The price can be divided evenly over a range of dates, or adjusted to reflect different levels of product (or service) delivery during the project. Revenue is recognized as each milestone date passes.

You can further control the revenue recognition methods by using the **Revenue recognition adjustment factor**. This factor, which is always less than 100, is applied to all revenue from time and expenses, fixed-fee deliverables and milestones, and products, to reduce the amount of revenue recognized. The factor is set in the engagement profile. Use this factor to be as conservative as desired when recognizing revenue.

Calculating negative revenue amounts for PPC-based methods

You have the option to have the system calculate negative revenue amounts for PPC-based revenue recognition methods. Negative revenue amounts would typically occur when the percent complete drops, due to either inaccurate project plans or an increase in scope that necessitates an increase in planned effort.

The basic calculation for revenue recognition is:

Billing amount * PPC * Revenue adjustment factor – Revenue recognized to date – Revenue adjustments to date

If the **Allow revenue recognition to calculate negative amounts for PPC-based items** option is enabled in Changepoint Administration, negative revenue amounts can be calculated for fixed-fee deliverables (PPC or PPC-cost methods) and products (PPC method).

Example 1: PPC is reduced

Last month, a $1000 fixed fee (or product) deliverable had 50% PPC stored against it when the revenue recognition process was run, and the revenue recognized was:

$1000 * 50% = $500 (assuming there is no revenue adjustment factor or adjustments)

This month, the PPC is 40%. If the option to calculate negative revenue amounts is selected, the revenue recognized would be:

$1000 * 40% = $400, $400 – $500 = – $100
Billing amount * PPC – revenue recognized to date

If the option to calculate negative revenue amounts was not selected, the revenue recognized would be $0.

Example 2: Revenue is reduced, but the PPC is not reduced

Last month, a $1000 fixed fee (or product) deliverable had 50% PPC stored against it when the revenue calculation process was run, and the revenue recognized was 1000 * 50% = $500 (assuming there is no adjustment factor or revenue adjustments).

A negative revenue adjustment was made for –$100 because the finance person was told that the PPC was too high. The PPC is not adjusted.

This month, the PPC is still 50% (PPC was not changed, and no more work was done on this item). The revenue recognized would be:

$1000 * 50% = $500, $500 – $500 – (–$100) = $100
Billing amount * PPC – revenue recognized to date – revenue adjustments to date

In this example, the adjustment "comes back" because the PPC did not change. If you make revenue adjustments, ensure that you also adjust the PPC to reflect the net revenue calculation (revenue and adjustments). If no progress was made on this fixed fee, the PPC should have been reduced to 40%. That way, no additional revenue would have been recognized.

Example 3: Billing amount is reduced

Last month, a fixed fee of $1000 had a PPC of 30%, and the revenue recognized was $300.

The Fixed fee amount is changed to $500 (and the PPC does not change) and revenue recognition is run again. The revenue recognized is as follows:

$500 * 30% = $150, $150 – $300= –$150.
Billing amount * PPC – revenue recognized to date

Example 4: Billing amount is negative

In this example, the billing amount is -$2000, PPC is 20%, and revenue recognized is –400.

If the PPC is changed to 10% and revenue recognition is run again, the revenue recognized is now:

–$2000 * 10% = –$200, –$200 – (–$400) = 200
Billing amount * percent complete – revenue recognized to date

In this example, recognition would actually be a positive amount, but the calculation formula is the same.

Example 5: Fixed fee is recognized completely and needs to be reversed

In this example, the revenue recognized equals the full amount of the fixed fee deliverable and you want to reverse it. This situation could occur because revenue was entered against the wrong deliverable, or for some reason the company does not want to pay for the deliverable.

To reverse the revenue, enter a negative revenue adjustment for the full amount, and change the PPC to 0. The system will not recognize any revenue amounts for this item until the PPC is increased again.

7. Revenue Recognition Reporting

About the revenue recognition process

At a high-level, the revenue recognition process is as follows:

1. Run the pre-run report to determine the revenue that is ready to be recognized and make adjustments, if required. For more information, see "Running the pre-run report" on page 68.
2. After you have completed the pre-run report, view the resulting tentative revenue amounts. For more information, see "About the tentative revenue recognition process" on page 70.
3. If you agree with the tentative revenue amounts, run the tentative report and commit the revenue. For more information, see "About committing the final revenue " on page 77
4. If required, make adjustments to the committed revenue amounts. For more information, see "About revenue adjustments" on page 81.
5. Run the reconciliation report to reconcile the recognized the revenue amounts and the actually invoiced amounts. For more information, see "About the Revenue Reconciliation report" on page 84.

Accessing the revenue recognition reports

1. Click **Finance** > **Revenue Recognition**.

   The **Revenue Recognition** tree view appears.

2. The following reports are available:
   - 01 - Pre-Run
   - 02 - Tentative Process
   - 03 - Tentative Report
   - 04 - Tentative Unrecognized
   - 05 - Unrecognized Completed
   - 06 - Revenue Transfer
   - 07 - Recognition Detail
   - 08 - Recognition Adjustment

- 09 - Recognition Summary
- 10 - Revenue Reconciliation
- 11 - Recognition Adjustment Summary

Running the pre-run report

The pre-run report allows you to display the revenue that is ready to be recognized within the specified time interval after the cutoff date, and to make the necessary adjustments.

1. Access the **Revenue Recognition** tree view. For more information, see "Accessing the revenue recognition reports" on page 67.
2. Click **01 - Pre-Run**.

   The filter criteria window appears.
3. In the **Cutoff date** field, enter the cutoff date.
4. In the **Days after cutoff date** field, enter the number of days after the cutoff date for which revenue can be recognized.
5. In the **Billing office** list, select a billing office.
6. Click **Go**.

   The **Revenue Recognition Pre-Run** report appears.

Revenue Recognition Pre-Run report data

Reviewing revenue from deliverables

Deliverables (PPC method) – This section displays all fixed-fee deliverables and products for which the **Physical percent complete** or **Physical percent complete - Cost** revenue recognition method has been defined.

- **Current PPC** – Current value of the deliverable in the engagement, either entered or updated from the last pre-run.
- **Calculated PPC** – Total actual hours divided by the total planned hours for all associated tasks. The total actual hours are the hours recorded before or up to the cutoff date specified in the filter criteria for the report.

The calculated PPC for fixed fees with the **Physical percent complete - Cost** revenue recognition method is derived from the percent complete as actual cost (including expenses

and actual time, up to the cutoff date specified in the filter criteria), divided by the total budgeted cost for services and expenses of the engagement and project that are associated with a fixed fee. If a fixed-fee deliverable is associated with services or expenses in both the engagement and the project budgets, the budgeted cost will be doubled for that deliverable.

If no tasks are associated with the fixed-fee deliverable, or if no time has been reported, the **Calculated PPC** field displays **Not available**. Products always display **Not available** and must be updated manually.

Unless the engagement specifies that billing rates include overtime, only regular hours are included in the total.

Do one of the following:

- To transfer all the calculated PPC values into the **New PPC** fields, click the **Update** button and click **Save**.
- To revise the PPC of a deliverable, enter the new PPC value in the **New PPC** column and click **Save**.

The values in the **New PPC** fields are used to determine if additional revenue will be recognized. It is the change in the percentage that triggers additional revenue recognition.

Reviewing revenue from milestones

Milestones on or before the cutoff date – This section displays the milestones with revenue that is ready to be recognized up to the specified cutoff date.

Milestones after the cutoff date – This section displays the milestones with revenue that is ready to be recognized within the time interval after the cutoff date.

To include these milestones in the recognition period (or exclude them), you must change the milestone dates. On the report, click the engagement name to access its profile and make the necessary changes to the milestone dates..

Reviewing revenue from additional items

Additional Items – This section displays the additional items included in invoices. When you run the revenue recognition process, all selected transactions are based on the specified cutoff date. Therefore, some additional items may appear in a different revenue recognition batch, even though you defined the GL credit and debit accounts in the pre-run process.

Verify the GL debit and credit accounts of the additional items and make the necessary changes, if needed..

Reviewing changed engagements

This section displays the deliverables that have been edited by a resource who does not have the required revenue recognition features.

If you have the required revenue recognition features, you must review and save each of the listed deliverables to validate their amount. Click the engagement name to access its profile and make the necessary changes to the deliverables.

You must clear all the items from this section before running the **Process Tentative Revenue Recognition** report. Engagements of the items remaining in this list will not be processed.

Selecting GL accounts for additional items

1. Run the **Revenue Recognition Pre-Run** report.
2. In the **Additional Items** section, click the description of an additional item.

   The **GL Account** dialog box appears.
3. In the **GL credit account** and **GL debit account** lists, select the revenue accounts for the additional item.
4. Click **Save**.

About the tentative revenue recognition process

After you have reviewed and validated all the data in the **Revenue Recognition Pre-Run** report, you can run the tentative revenue recognition process.

During the tentative revenue recognition, the processed engagements, as well as the time and expense transfer and the time desubmission functionalities are locked until the final revenue recognition is committed.

Note: The lock can be manually overridden in the engagement.

The process generates tentative revenue recognition entries. These entries become final only when the revenue is committed.

During the revenue recognition process, the system verifies:

- that the recognized revenue for each engagement does not exceed the maximum recognizable revenue specified for time and expenses in the engagement.

- that the revenue recognized for each deliverable in fixed-fee engagements does not exceed the billing amount specified in the engagements.

Revenue generated by resource work is distributed to the GL accounts specified in the engagements. If revenue transfer is enabled in Changepoint Administration, revenue transfers may occur. For more information, see "About revenue transfer" on page 75.

If split billing is enabled for an engagement, additional items are recognized under the master engagement. Therefore, even if an additional item is specified in an invoice for a phantom engagement and for another customer, it is included in the revenue amount of the master engagement and displayed under the master engagement in the **Tentative Revenue Recognition** report.

Running the Tentative Process report

1. Access the **Revenue Recognition** tree view.
2. Click **02 - Tentative Process**.

   The **Tentative Revenue Recognition** report appears.
3. The **Cutoff date** field displays by default the current date. Select another date, if required.
4. Do one of the following:
   - To expand all records, click **Actions > Expand all**.
   - To expand individual billing offices, customers and engagements, click the + icon of each record.
5. Select the check box of the records to be processed.
6. Do one of the following:
   a. To run the process immediately on your computer, click **Actions > Start**. A message informs you when the process is completed.

   b. To run the process based on a scheduled job on the server, click **Actions > Start on schedule**. Your selections are saved and the scheduled job runs at the scheduled time. For more information, contact your system administrator.
7. Review the data in the **Tentative Report** and the **Revenue Transfer** reports, before committing the revenue.

Tip: If the report displays customers or engagements for which revenue recognition should not be processed, clear the check boxes and re-start the process.

About the tentative revenue recognition data

The information displayed in the tentative reports is based on the data generated by the most recent **Tentative Process** report.

You must select an exchange rate to run the revenue tentative reports. The exchange rate is used to derive customer and billing office totals when more than one currency is used for an engagement or a customer, or within one billing office.

If the revenue amounts require adjustments, edit the relevant engagements, or re-run the pre-run report and make the changes from there. After all the necessary changes have been done, re-run the revenue recognition reports from the start.

Running the Tentative Revenue Recognition report

The **Tentative Revenue Recognition** report is view-only and cannot be modified. You can view the data in a basic initial report or in a detailed report, and you can also display a list of items that cannot be committed.

1. Access the **Revenue Recognition** tree view.
2. Click **03 - Tentative Report**.

   The **Tentative Revenue Recognition** report appears.
3. The **Exchange rates as of** field displays by default the current date. Select another date, if required.
4. Do one of the following:
   - To expand all records, click **Actions > Expand all**.
   - To expand individual billing offices, customers and engagements, click the + icon of each record.
5. Select the check box of the records you want to view.
6. Do one of the following:
   - To view items that cannot be committed, click **Actions > Noncommitable items**.
   - To view the initial report, click **Actions > Initial report**.

- To view the detailed report, click **Actions** > **Detailed report**.

The selected report opens. For more information, see "Tentative revenue recognition data" on page 73.

Tentative revenue recognition data

Noncommitable items

The window displays all the items that cannot be committed because they changed since the revenue tentative process was run. To recognize the revenue for the engagements that include these items, you must run the tentative process again.

Initial report

The report displays the total revenue to be recognized (in the default currency) for the selected billing office, customers and engagements.

Detailed report

The report displays the total revenue to be recognized (in the default currency) for the selected billing office, customers and engagements. For each engagement, the report displays detailed information for all items from which revenue was generated.

- Additional adjustments for the engagement
- Time and/or expense-based revenue
  - Billable time (by project, task, resource and date)
  - Billable expenses (by project, date and expense report number)
  - Request time (by request number, resource and date)
- Deliverables with the **Physical percent complete** revenue recognition method
- Deliverables with the **Effort expended** revenue recognition method
- Milestones with the **Percent recognized** revenue recognition method
- Milestones with the **Amount recognized** revenue recognition method

If a deliverable with the **Physical percent complete** revenue recognition method displays zero in the **Revenue** column, the percent complete has not changed since the last revenue recognition process was run. This indicates that no progress has been made on the deliverable since the last process was run, or that the PPC values must be updated in the pre-run report.

About the Unrecognized Revenue report

The **Unrecognized Revenue** report displays the total revenue that has not been recognized because the deliverables of the selected engagements have reached their recognizable amounts.

For each engagement, the report displays detailed information for all items from which revenue was generated.

- Time and/or expense-based revenue
  - Billable time (by project, task, resource and date)
  - Billable expenses (by project, date and expense report number)
- Deliverables with the **Effort expended** revenue recognition method

If a billing rate cannot be found due to an incorrect setup in the engagement or the task, the records also display on this report. To verify if this is the case, try to create an invoice for the records to determine if invoicing was successful.

Running the Unrecognized Revenue report

1. Access the **Revenue Recognition** tree view.
2. Click **04 - Tentative Unrecognized**.

   The **Tentative Revenue - Unrecognized Revenue** report appears.
3. The **Exchange rate as of** field displays by default the current date. Select another date, if required.
4. Do one of the following:
   - To expand all records, click **Actions > Expand all**.
   - To expand individual billing offices, customers and engagements, click the + icon of each record.
5. Select the check box of the records you want to view.
6. Click **Actions > Detailed report**.

   The report opens.

About the Unrecognized Revenue on Completed Deliverables report

The **Unrecognized Revenue on Completed Deliverables** report displays unrecognized revenue for completed fixed-fee deliverables with the **Effort expended** revenue recognition method.

Since revenue is recognized based on time entered for the fixed-fee deliverable, the report only displays fixed-fee deliverables associated with tasks that are marked as completed, and for which the recognized revenue amount is less than the billable amount of the deliverable.

To recognize the excess revenue for a deliverable, you can perform a revenue adjustment. For example: the billing amount of a deliverable is $50,000. The revenue recognized for the billing value of time entered for the task is $40,000. All tasks are now marked as completed, so no more time is available to recognize the additional $10,000.

Running the Unrecognized Revenue on Completed Deliverables report

1. Access the **Revenue Recognition** tree view.
2. Click **05 - Unrecognized Completed**.

   The **Tentative Revenue - Unrecognized Revenue on Completed Deliverables** report appears.
3. The **Exchange rate as of** field displays by default the current date. Select another date, if required.
4. Do one of the following:
   - To expand all records, click **Actions** > **Expand all**.
   - To expand individual billing offices, customers and engagements, click the + icon of each record.
5. Select the check box of the records you want to view.
6. Click **Actions** > **Report**.

   The report opens.

About revenue transfer

The information displayed in the **Revenue Transfer** report is based on the data generated by the most recent **Tentative Process** report. This report is view-only and allows you to assess

the transfer of revenue between cost centers that was performed during the revenue recognition process.

If revenue transfer is enabled in Changepoint Administration, the revenue generated by resources working outside of their workgroup is transferred at the defined rates to the cost center of their own workgroup.

Typically, the revenue transfer is based on regions or on department:

- For region-based transfers, select the billing office cost center, and have each billing office represent a region. If a resource work in another region, the cost center is different, and a transfer occurs.
- For department-based transfers, the cost center of the engagement manager is generally used. If a resource belongs to a workgroup that has a different cost center than the workgroup of the engagement manager, a transfer occurs.

You can run the **Revenue Transfer** report after the tentative recognition, and again after the revenue has been committed. If the report indicates that further corrections and adjustments are needed to the revenue amounts, open the relevant engagement profiles to make the changes, or re-run the **Revenue Recognition Pre-Run** report and make the changes from there.

After making all the necessary changes, you must re-run the **Tentative Process** to regenerate the **Revenue Transfer** report.

Running the Revenue Transfer report

1. Access the **Revenue Recognition** tree view.
2. Click **06 - Revenue Transfer**.

   The filter criteria window appears.
3. Do one of the following:
   - To view transfers from tentative revenue processes, select **Show tentative data**.
   - To view transfers from committed revenue batches, select **Show committed data**.
4. Select one or several batches in the list.
5. Click **Go**.
6. On the next screen, do one of the following:

- To expand all records, click **Actions** > **Expand all**.
- To expand individual billing offices, customers and engagements, click the + icon of each record.

7. Select the check box of the records you want to view.
8. Do one of the following:
   - To view the initial report, click **Actions** > **Initial report**.
   - To view the detailed report, click **Actions** > **Detail report**.
   - To view the summary report, click **Actions** > **Summary report**.

   The selected report opens.

Revenue Transfer report data

Initial report

This report displays revenue transfers by billing office, customer, and engagement, and the total amount and currency for each group.

Detail report

This report displays revenue transfer details for all billable items (expenses, time and deliverables), grouped by company and engagement. The total for each engagement follows the tables.

Summary report

This report displays GL credit and debit account information of the revenue transfers. It can be used to create journal entries.

About committing the final revenue

After you have reviewed the **Tentative Revenue** and **Revenue Transfer** reports and decided that the information is correct, you can commit the revenue using the **Tentative Revenue Recognition** report.

Committed recognized amounts can no longer be edited. To correct errors on committed revenue, use the **Revenue Adjustments** report. For more information, see "About revenue adjustments" on page 81.

Once the revenue has been committed:

- The tentative revenue is transferred to a permanent record, dated, and assigned a unique batch number for auditing purposes. The recognized items (time, expense, milestone) are marked with the same date and batch number.
- The **Desubmit Time** and **Transfer Time and Expenses** functionalities, that were locked at the start of the revenue recognition process, are unlocked and can again be used. If recognized time is desubmitted and revised or deleted, the original record is stored for auditing and reporting purposes.

  Note: If some time has passed since the last tentative revenue recognition process was run, the current reports may miss revenue that have since become ready to be recognized. In this case, it is advisable to re-run the process before committing the current revenue.

Committing the revenue

1. Run the **Tentative Revenue Recognition** report. For more information, see "Running the Tentative Revenue Recognition report" on page 72.
2. Select the check box of the records you want to commit.
   - Click **Actions > Initial report**.
   - To view the details of the revenue for all items in the selected records, click **Actions > Detailed report**.

   The selected report opens.
3. Click **Actions > Commit**.

   Note: Once the process is finished, review the posting date to ensure that it reflects your accounting period. If a change is required, click **Cancel**, correct the posting date, and click **Commit** again.

About the revenue recognition details and summary reports

After the revenue has been committed, you can review the data in the following reports:

- **Revenue Recognition Details** – This report lists all revenue recognized and, if selected, revenue adjustments made during the time covered by the report, sorted by billing office, customer, and engagement.

  If you chose to include adjustments in the report, all adjustments in the specified date range or associated with the selected batch number are included, regardless of whether revenue was recognized for the related engagement in that date range or for the batch

number. For example, you may choose to create an adjustment with a different posting date or batch number than the original revenue it was recognized against.

- **Revenue Recognition Summary** – This report lists the same revenue as the **Revenue Recognition Details** report, but it is sorted by GL account, cost center, debit account, and credit account. This report is used primarily for posting entries to the general ledger. As with the **Revenue Recognition Details** report, you can select to include adjustments on the report.

To reduce the billing amount for a fixed-fee deliverable, product, project, or engagement to less than the revenue that was already recognized, you must make an adjustment and reduce the amount of recognized revenue first. For more information, see "About revenue adjustments" on page 81.

Running the Revenue Recognition Details report

1. Access the **Revenue Recognition** tree view.
2. Click **07 - Recognition Details**.

   The filter criteria window appears.
3. Select a start and end date to define the reporting period.
4. To include adjustments in the report, select the **Include adjustments** check box.
5. Click **Go**.
6. In the next screen, select a revenue batch number or select **All**.
7. Select one of the following report options:
   - **Billing office/Company/Engagement** to validate the data per engagement.
   - **Billing office/GL account** to validate the data per billing office.
   - **GL account** to reconcile GL account entries and verify the source of the revenue.

   For more information, see "Revenue Recognition Details report data" on page 80.
8. Select an **Exchange rates as of date**.
9. Do one of the following:
   - To view the detailed report, click **Actions** > **Details**.
   - To view the summary report, click **Actions** > **Summary**.

- To view the details of a specific engagement, click **Actions > Selected Engagement**. For more information, see "Running the Selected Engagement report" on page 80.

The selected report opens.

Revenue Recognition Details report data

Billing office/Customer/Engagement report

The report displays detailed revenue information for project and deliverable of a engagement, grouped by billing office and customer.

If adjustments are included in the report, each customer section displays the list of adjustments made to revenue amounts, grouped by engagement.

You can view this report in a detailed format or as a summary. In the summary report, information is broken down by engagement, but no project or task details are included.

Billing office/GL account report

This report is particularly useful for major organizations, where each division have a separate billing office. It displays revenue information for each billing office, grouped by grouped by GL accounts.

If adjustments are included in the report, each billing office section displays the list of adjustments made to revenue amounts, grouped by GL accounts.

You can view this report in a detailed format or as a summary. In the summary report, information is broken down by GL account only. No customer details are included.

GL account report

This report displays revenue information grouped by grouped by GL accounts.

If adjustments are included in the report, each section also displays the list of adjustments made to revenue amounts, grouped by GL credit and debit accounts.

You can view this report in a detailed format or as a summary. In the summary report, information is broken down by GL account only. No customer details are included.

Running the Selected Engagement report

The **Selected Engagement** report displays revenue details for a specific engagement.

1. Run the **Revenue Recognition Details** report. For more information, see "Running the Revenue Recognition Details report" on page 79.
2. Select **Actions** > **Selected engagement**.
3. Select a **Customer** and an **Engagement** and click **Go**.

   The **Selected Engagement** report opens.

Running the Revenue Recognition Summary report

This **Revenue Recognition Summary** report is primarily used for posting entries to the general ledger. Information displays by revenue batch number.

1. Access the **Revenue Recognition** tree view.
2. Click **09 - Recognition Summary**.

   The filter criteria window appears.
3. Select a start and an end date to define the reporting period.
4. Click **Go**.
5. In the next screen, select a revenue batch number or select **All**.
6. Click **Go**.

   The **Revenue Recognition Summary** report opens.

About revenue adjustments

Once the revenue has been committed, you can no longer change the source records. If changes were made that affect the revenue generated from an engagement, you can perform adjustments to the revenue amounts. You can enter positive adjustment amounts to increase the revenue amount, or negative adjustment amounts to decrease it.

Each adjustment displays as a separate entry for the general ledger.

After you have adjustments, run the **07 - Recognition Details** report to verify the changes. Adjustments are incorporated into the recognized revenue without re-running the **Tentative** report.

The following reports allow you to perform adjustments:

- **08 - Recognition Adjustment**: For more information, see "Running the Revenue Recognition Adjustments report" on page 82.
- **11 - Recognition Adjustment Summary**: This report displays a consolidated view of revenue adjustments. For more information, see "Running the Recognition Adjustment Summary report" on page 84.

Running the Revenue Recognition Adjustments report

1. Access the **Revenue Recognition** tree view.
2. Click **08 - Recognition Adjustment**.

   The filter criteria window appears.
3. In the Company type-ahead field, type the first few characters of the company name, press the **Enter** key, and select the company.
4. In the Engagement list, select an engagement.
5. Click **Go**.

   The **Revenue Recognition Adjustments** report opens.
6. Click the link of a fixed fee, milestone, project or deliverable.

   The **Adjustment** dialog box opens.
7. Complete all required fields. For more information, see "Adjustment dialog box options" on page 83.
8. Click **Save**.

Projects (for Time and Expenses)

The GL accounts are those specified in the engagement for time, or the default GL accounts set up in Changepoint Administration if no GL accounts are defined in the engagement. These can be overridden in the **Adjustment** dialog box and only affects the total amount recognized if maximums and cutoffs are in place.

Deliverable (PPC)

This uses the GL accounts specified for the deliverable, if not overridden in the **Adjustment** dialog box. This will affect the next period’s recognition, since adjustment amounts are taken into consideration. The calculation is:

Billing amount x Percent Complete x Revenue adjustment factor – Revenue recognized to date – Revenue adjustments.

For example: Last month a $10,000 deliverable was 50% complete ($5,000 recognized) and you performed an adjustment of –2,000. If the percent complete does not change, the next month's calculation will be 10,000 x 50% -5000 –(-2000) for a recognized amount of $2,000.

Deliverable (Effort expended)

This uses the GL accounts specified for the deliverable, if not overridden in the **Adjustment** dialog box. It will only affect the recognition amounts if the billing amount is reached.

Milestone – dollars or percent

This uses the GL accounts specified for the deliverable, unless overridden in the dialog box. This has no effect on recognition, since a milestone is either recognized or not. You can put in additional adjustments in future periods to compensate for adjustments made, if necessary.

Adjustment dialog box options

Field	Description
Fixed fee, **Engagement product**, **Project**, or **Milestone** fields	Name of the record for which the adjustment was made.
Posting date field	Date the transaction is posted to the general ledger.
Amount field	Displays: • the billing amount for fixed-fee deliverables and milestones, • the price for products, or • no data for projects.
Revenue amount field	Displays the amount of revenue recognized to date.
Tentative amount field	Displays the revenue included in the last tentative process report, but not yet committed.
Adjustment amount field	Amount of the adjustment.

Field	Description
Revenue credit account list	GL credit account for the adjustment.
Revenue debit account list	GL debit account for the adjustment.
Reason list	reason for the adjustment.
Batch number list	Batch number associated with the adjustment.
Short description field	Brief description for the adjustment.

Running the Recognition Adjustment Summary report

1. Access the **Revenue Recognition** tree view.
2. Click **11 - Recognition Adjustment Summary**.

   The filter criteria window appears.
3. Select a start and end date to define the time period for the report.
4. Click **Go**.
5. Do one of the following:
   - To view all records, click **Actions > Expand all**.
   - To view individual billing offices, customers and engagements, click the + icon beside each record.
6. Select the check box of the records you want to view.
7. Click **Actions > Details**.

   The report opens.
8. Make the necessary changes to the batch number or posting date.

About the Revenue Reconciliation report

The **Revenue Reconciliation** report allows you to compare the amounts that have been invoiced to a customer with the revenue amounts that have been recognized. The report also

displays the variance (Total revenue - Total billable).

If any variances are found, make a revenue adjustment to correct the revenue recognition amounts.

The GL account and cost center are shown in the report. GL accounts are specified for fixed fees, products and time per engagement, and are associated with expense categories. Cost centers are associated with workgroups and billing offices. The cost center is the cost center associated with the engagement manager's workgroup or the cost center associated with the billing office, as specified in the engagement.

Running the Revenue Reconciliation report

1. Access the **Revenue Recognition** tree view.
2. Click **10 - Revenue Reconciliation**.

   The **Revenue Reconciliation** report appears.
3. Do one of the following:
   - To view all records, click **Actions** > **Expand all**.
   - To view individual billing offices, companies and engagements, click the + icon beside each record.
4. Select the check box of the records you want to view.
5. Do one of the following:
   - To view the detailed report, click **Actions** > **Details**.
   - To view the summary report, click **Actions** > **Summary**.

   The selected report opens.

Revenue Reconciliation Summary report data

Column	Description
Company	Name of the company.
Engagement	Name of the engagement.

Column	Description
Revenue recognized	Sum of all committed revenue for the selected engagement.
Adjustments	Sum of all revenue adjustments for the selected engagement.
Total revenue	Recognized revenue + Adjustments.
Invoiced amount	Amount of all invoiced (at any invoice status) for the engagement, excluding taxes. If split billing is enabled for the engagement, the report includes invoiced amounts for the phantom engagement and the main engagement.
Unbilled amount	Sum of unbilled time (Hours * Revenue rate, if updated by the revenue recognition process, otherwise zero) + Sum of unbilled expenses, fixed fees, and products for the engagement
Total billable	Invoiced amount + Unbilled amount
Variance	Total revenue - Total billable

Revenue Reconciliation Details report data

The **Revenue Reconciliation Details** report displays revenue information by company and engagement. Under each engagement, the details are sorted under the following headings:

- Time and expense-based revenue: Billable time
- Time and expense-based revenue: Billable Expenses
- Fixed-Fee deliverables: Physical Percent Complete
- Fixed-Fee deliverables: Effort Expended
- Milestones: Amount Recognized
- Milestones: Percent Recognized
- Adjustments and Other Items

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