

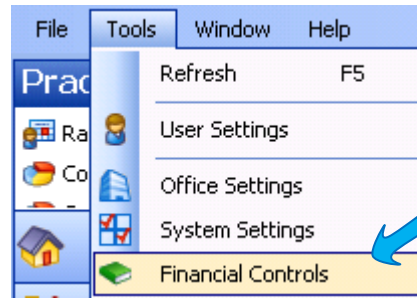


InFocus

History overhead

TOOLS → FINANCIAL CONTROLS

OVERHEAD FACTOR



you
are
here

Within the Overhead calculator, the system returns valuable data that can help you analyse your Financial settings in an effort to help your office perform better.

Here we explore the function of History overhead and the comparison with Estimated and Operating overhead.

History overhead

Let's get right to it. Select 12 months from the drop down. Enter your Operating Practice Costs for the past 12 months in the cell provided – that's the one with \$10M in Column 1. This calculates your History overhead.

The system is pulling through timesheets that have been allocated to Utilised timesheet activities⁽¹⁾ – so the **total hours x staff cost rate** is the figure you're looking at here:

	Column 1 Operating	Column 2 Estimated	Column 3 History
		Current Staff Settings	Timesheets for the last
Annual Practice Cost (exclude profit)	<input type="text" value="\$10,000,000.00"/>		<input type="text" value="12 Months"/>
Annual Chargeable Permanent Staff	<input type="text" value="\$5,000,000.00"/>	<input type="text" value="\$4,305,757.44"/>	<input type="text" value="\$3,352,181.55"/>
Annual Chargeable Part-time Staff	<input type="text" value="\$0.00"/>	<input type="text" value="\$610,038.64"/>	<input type="text" value="\$236,382.15"/>
Annual Chargeable Staff Total	<input type="text" value="\$5,000,000.00"/>	<input type="text" value="\$4,915,796.08"/>	<input type="text" value="\$3,588,563.70"/>
Practice Overhead	<input type="text" value="2.78"/>	<input type="text" value="2.03"/>	<input type="text" value="2.79"/>

$$\text{Practice costs} \div \text{utilised timesheet staff cost} = \text{History overhead}$$

? worried about making changes to the overhead factor – don't be! To save changes you need to press Save on the Financial Controls screen. Then a pop up window will prompt you for an effective date. Even then if you do end up saving, the last rate change can be undone

¹ Utilised timesheet activities: Each timesheet activity is set to Utilised or Not Utilised – this determines if the activity is chargeable allowing the system to work out a chargeable salary based on real timesheet entries

Overhead comparison

Let's compare the History overhead with the Operating overhead in Column 1. They're nearly exactly the same – 2.78 and 2.79. This is good, it means the Operating OH⁽²⁾ that you've been using matches with what really happened.

However have a look at column 2 – this is the Estimated overhead – and is displaying 2.03. This tells us your staff underperformed as these figures are based on the estimated utilisation rate set against each staff member – this is what you've projected should happen.

But what's Estimated overhead? How did we work out an Estimated overhead of 2.03, let's explore that first.


Estimated overhead

An estimated utilisation factor is stored against each staff member. Say Billy Chu is set to 85% utilisation – this means of the hours he works in the office, he should be productive 85% of the time. Billy has a remuneration package of \$50,000 inclusive of super and extras:

<input checked="" type="radio"/> Annual Package	<input type="text" value="\$50,000.00"/>	← Annual package includes all staff benefits
<input type="radio"/> Annual Salary	<input type="text" value="\$45,871.56"/>	
<input type="radio"/> Pay Rate / Hour	<input type="text" value="\$22.05"/>	
Variables		
Annual Extras	<input type="text" value="\$0.00"/>	X
Superannuation	<input type="text" value="9.00%"/> <input type="text" value="\$4,128.44"/>	← Estimated utilisation % is carried to the Estimated Overhead
Hours / Year	<input type="text" value="2080"/>	
Availability	<input type="text" value="82.30%"/>	
Utilisation	<input type="text" value="85.00%"/>	

3 month and 6 month timesheet history

When 3 months is selected from the drop down, staff cost for timesheets for the past 3 months will be displayed. The Practice cost does not need to be adjusted – the calculation will automatically work out a 3 month practice cost.

 selecting the report icon, will provide a detailed report of the transactions entered by staff which includes the project and sub project the timesheet has been allocated to, the number of units and the staff cost.

² Operating OH: Overhead used to calculate Actual costs on your reports.