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From: Joe Mierendorf, Sue Cobb and Mark Reed

RE: **Job Cost Identification***

Many times our new clients confess that they don't know how to set up an accounting system to identify and track job costs. We have developed several reporting techniques that are adaptable to different industries, and help these clients properly price goods and services. Listed below are some of the approaches we have used:

1. Set up financial statements in a format that summarizes information and ties to the job cost sheets so that **management can have confidence that all costs have been included** on job sheets.
2. Set up financial statements so that the company can **easily see the relationships between overhead and administrative costs**, and compare these to direct costs.
3. Set up job cost sheets so that the company can **evaluate the results of each job**. Some of our job cost sheets compare to quotes. All job cost sheets will show sales, cost and gross profit by job and in total.
4. Set up the financial statements of professional firms so that they can **relate billable hours to cost**, reduce non-billable hours, and track revenues by service provider, client, or type of service billed.
5. **Set up reports by customer or line of business** to show sales, cost, and gross profit and have the total agree to the financial statements.

If you would like some assistance in improving job cost identification, please give us a call. Also, please help us build a network of successful businesses and share this information with others who could benefit from it, or give us their name so that we can contact them.

*Other memos include:

Cash Flow Issues
QuickBooks® and Peachtree® Training
Buying and Selling Real Estate

Exit Strategies
Business Valuation
Detecting Fraud