Over/Under Review and Analysis

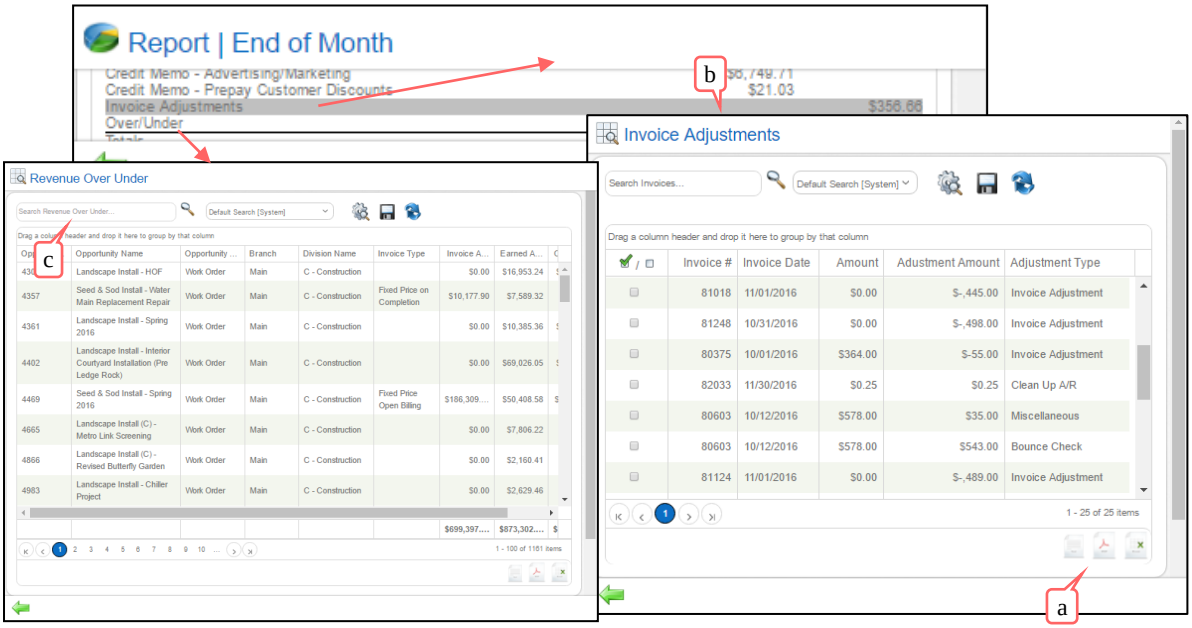
Over/under amount represents the difference between the amount of revenue you have invoiced and the revenue you have earned (Invoiced Revenue – Earned Revenue). Reviewing over/under ensures that all opportunities are accurately posting invoiced and earned revenue. By reviewing over/under amounts at various levels (company-wide, by branch, by opportunity) each month, you can:

1. Identify situations where you need to invoice customers for work complete
2. Identify situations where operations have not kept up recording work complete
3. Ensure that the earned revenue to be recognized on the *P&L Statement* for the month is accurate

Over/under should be reviewed at least monthly as one of the steps of work ticket management as described in the document *Ticket Management and Month-end Close*. It is essential that over/under review and analysis described in this document takes place each month in the larger context of proper work ticket management.

Preparing for Over/Under Analysis

An invoice adjustment does not cause over/under. If an adjustment has been made to an invoice, the over/under total on the revenue tab shows a line for the invoice adjustments and the over/under is not affected. However, when you drill into the over/under on the *End of Month Report*, an opportunity will show that invoice adjustment as over/under on the detail. The total over/under dollar amount on the *Revenue* tab will be off by the invoice adjustment amount on the detail. Therefore, a detail list of invoice adjustments will need to be taken into consideration when reviewing the detail over/under.



If an opportunity shows an over/under amount in the detail, there might have been an invoice adjustment for that amount that cancels out that over/under amount in the total. Before reviewing the over/under, print[a] a detailed list of invoiced adjustments[b] as shown above. This list can be used to identify invoice adjustments. While using this list, only adjustments of type "Invoice Adjustment" are relevant – disregard other adjustment types (i.e. Clean up A/R, Bounced Check, etc.)

Aspire best practice is to create credit memos rather than using invoice adjustments.

When performing analysis, you will drill into *Over /Under*[c] line item whenever you need to view the *Revenue Over Under* in detail.

Over/Under Analysis

To review the over/under there are several reports that should be reviewed:

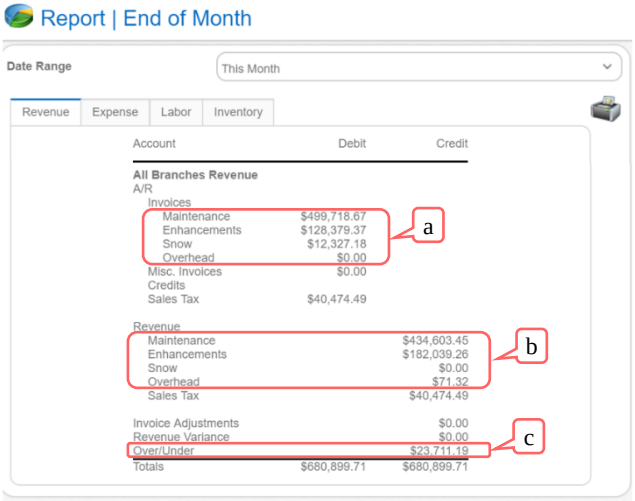
1. Over Under detail for one period
2. Over Under detail since Aspire start date through end of month closing or today
3. Job Report
4. Contract Opportunity Icon list
5. Work Order Opportunity Icon list
6. Work Ticket list at Opportunity Icon

Review each of these reports as described in the sections that follow.

(1) Over/Under detail for one period

Prior to running these search lists, set the date range on the *End of Month Report* to go from the first day to the last day of the month you are preparing to close.

Review the invoiced and earned revenue for each division by first viewing the *Revenue* tab on the *End of Month Report*. Make sure the invoiced amounts and earned revenue amount appear accurate.



In the *End of Month Report*, compare each division's invoiced amount[a] with it's earned revenue[b]. The over/under for each division is calculated as follows:

Over/Under = - Earned Revenue - Invoiced Revenue

For example, the Enhancements division has invoiced revenue of $128,379.37 and earned revenue of $182,039.26. Therefore, the over/under for the Enhancements division is $53,659.89 – earned greater than invoiced.

When reviewing the over/under for one month (the month closing), the concern is to make sure the invoiced and earned revenue for each division and opportunity type is accurate.

To review the over/under in more detail, drill into the *Over/Under*[c] value on the *Revenue* tab of the *End of Month Report*. Review work orders separately from contracts to focus on the nuances of each opportunity type as identified below.

Use the following search list to review over/under for work orders:

Report Name	Over/Under Work Orders
Location in Aspire	Available by drilling into the *Over/Under* line on the *Revenue* tab of the *End of Month Report* accessed from the *Reports* screen with date range set appropriately.
Display Fields	Opportunity Number, Property Name, Opportunity Name, Division Name, Invoice Type, Start Date, End Date, Job Status, Invoiced Amount (add sum at footer), Earned

	Amount (add sum at footer), Over/Under (add sum at footer), Revenue Variance (add sum at footer)
Filter Fields	Opportunity Type – Equals – Work Order
Sort Fields	Opportunity Number
Group Fields	None

Use the following search list to review over/under for work orders excluding $0 Over/Under:

Report Name	Over/Under Work Orders – Excluding $0 Over/Under
Location in Aspire	Available by drilling into the *Over/Under* line on the *Revenue* tab of the *End of Month Report* accessed from the *Reports* screen with date range set appropriately.
Display Fields	Opportunity Number, Property Name, Opportunity Name, Division Name, Invoice Type, Start Date, End Date, Job Status, Invoiced Amount (add sum at footer), Earned Amount (add sum at footer), Over/Under (add sum at footer), Revenue Variance (add sum at footer)
Filter Fields	Opportunity Type – Equals – Work Order: Over/Under – does not equal - 0
Sort Fields	Opportunity Number
Group Fields	None

Use the following report to review Over/Under for contracts:

Report Name	Over/Under Contract
Location in Aspire	Available by drilling into the *Over/Under* line on the *Revenue* tab of the *End of Month Report* accessed from the *Reports* screen with date range set appropriately.
Display Fields	Opportunity #, Property Name, Opportunity Name, Division Name, Invoice Type, Start Date, End Date, Job Status, Invoiced Amount (add sum at footer), Earned Amount (add sum at footer), Over/Under (add sum at footer), Revenue Variance (add sum at footer),
Filter Fields	Opportunity Type – Equals – Contract
Sort Fields	Opportunity #
Group Fields	None

Use the following report to review Over/Under for contracts excluding $0 Over/Under:

Report Name	Over/Under Contract – Excluding $0 Over Under
Location in Aspire	Available by drilling into the *Over/Under* line on the *Revenue* tab of the *End of Month Report* accessed from the *Reports* screen with date range set appropriately.
Display Fields	Opportunity #, Property Name, Opportunity Name, Division Name, Invoice Type, Start Date, End Date, Job Status, Invoiced Amount (add sum at footer), Earned Amount (add sum at footer), Over/Under (add sum at footer), Revenue Variance (add sum at footer),
Filter Fields	Opportunity Type – Equals – Contract; Over/Under Not Equal Zero
Sort Fields	Opportunity #
Group Fields	None

Keep in mind when reviewing the above four lists for a one-month period, it will not provide a full picture of cumulative over/under for any opportunity – that will be addressed in the next section, *Over/Under Search Lists since Aspire Start*. The lists will only show the earned revenue less invoiced revenue for the specified month.

These lists will show all opportunities that have earned revenue and/or invoiced revenue for the period specified in the *End of Month Report*. While reviewing these lists, check the following:

1. Review each opportunity to ensure that the over/under value is understood.
2. Review to identify any earnings or invoiced dollar amounts that do not look accurate for this one-month period.
    - Is there more revenue than you would expect on an opportunity?
    - Should an opportunity have been invoiced as indicated by earned revenue higher than invoiced revenue?
    - Does one division have too much revenue because work tickets have been completed in the wrong month?
    - Does an opportunity have too much revenue in one month because of inaccurate costs on the estimate?

To review a specific opportunity in more detail, you can:

- Drill into the opportunity from the Over/Under detail list to view the job report. The job report will show all revenue earned per service and it will also show amount invoiced.
- Follow the steps at (4) below for Contracts or (5) below for Opportunities to view the Opportunity at the Opportunity Icon.
- Follow the steps at (6) below to view the all the work tickets on an Opportunity by drilling into that opportunity at the opportunity icon

(2) Over/Under Search Lists from Aspire Start

Review each opportunity over/under to be sure you agree with the over/under dollars amounts for a broader time-period. This time-period represents the true current over/under.

The lists created in the prior section will also be used here, but you will change the date range on the *End of Month Report* to begin at Aspire full production live month and go through the last day of the month you are preparing to close or through the current day. This list will show all opportunities that have earned revenue and/or invoiced revenue for all time.

These reports are great to review because they show revenue that is earned over a period-of-time and includes invoiced revenue in different months than earned. If the report is viewed through the current day, it will show all earned and invoiced revenue. This is a true picture of current over/under.

As you are reviewing the opportunities on this list, check the following:

1. All contract opportunities with an end date in the current month or past month should have a job status of *Complete*.
2. Review Work Orders in *Complete* status to ensure they will be or have been invoiced.
3. Review if the contract or work order opportunity should be invoiced 100%.
4. If you have properly enabled revenue variance adjustments, a revenue variance should show and Over/Under should be zero for any fixed payment contracts that are in *Complete* status after the month is closed. (see the AspireCare Knowledge Base Article *Revenue Variance*)

5. If there are any amounts that do not look accurate, review that opportunity using the *Opportunity* (4) or (5) and *Work Ticket (6)* search lists below.

(3) Job Report

To review a *Job Report*, click into an opportunity in the over/under detail. The *Job Report* shows work ticket earned revenue as of current date. It also shows *Total Billed* and *Credits*.

For Bents[redacted] - #1166 Landscape Project

	Revenue				Hours			Material Cost		Subs	
Work Tickets	% Complete	Total Est $	Earned	Total Revenue	Est	Act	Variance	Est	Act	Est	Act
Outdoor Living Space	97%	$86,477	$84,146	$86,477	500	559	-59	$23,973	$15,832	$1	$5,614
Total	97%	$86,477	$84,146	$86,477	500	559	-59	$23,973	$15,832	$1	$5,614

Total Billed	$71,138
Total Credited	$0
Total Cost	$33,594
Invoice GP/GM	53%

(4) Contract Opportunity Search List

To begin the review of any contract opportunity in more detail, start with this list. This list is created and viewed at the *Opportunity* icon in the *Aspire Navigation Bar*. While reviewing the *Over/Under* detail, if there is a contract opportunity for which invoiced or earned revenue does not make sense, go to this list…

Report Name	Over/Under Contracts
Location in Aspire	Opportunity Icon
Display Fields	Opportunity Number, Property Name, Opportunity Name, Division Name, Invoice Type, Start Date, End Date, Job Status, Estimated $ (add Sum at Footer), Earned Revenue (add Sum at Footer), Invoiced Revenue (add Sum at Footer), Credit Memo $ (add Sum at Footer), Invoice type, Cancelled Date
Filter Fields	Status Name – In – Won, Opportunity Type – In – Contract, Invoice Type – in – Fixed Payment
Sort Fields	Opportunity #
Group Fields	N/A

This list will show all earned revenue and invoiced revenue for all time through today.

This list will show each opportunity from a high level. On this list review for:

- Contracts with an end date prior to today should be in Complete Status
- If contract is not in *Complete* status, review estimated revenue, earned revenue and invoiced revenue for accuracy. A contract will show job status of *Complete* when all work tickets show as either cancelled or complete.
- If contract is in *Complete* status, make sure estimated revenue, earned revenue and invoiced amount are accurate. Here are some situations for which the earned revenue may not match invoiced revenue:
    - There may be differences if the contract was cancelled or changed.
    - If the contract started prior to using Aspire.

- An *Over/Under* column can be added by creating an Advanced Formula subtracting Invoiced Revenue from Earned Revenue. (See Knowledge Base Article *Creating a Custom Search Field Using an Advanced Search Formula*.)
- Ensure the invoiced and earned revenue make sense

(5) Work Order Opportunity Search List

To begin the review of any work order opportunity in more detail, start with this list. This list is created and viewed at the *Opportunity* icon in the *Aspire Navigation Bar*. While reviewing the *Over/Under* detail, if there is a work order opportunity for which invoiced or earned revenue does not make sense, go to this list…

Report Name	Over/Under Work Orders
Location in Aspire	Opportunity Icon
Display Fields	Opportunity Number, Property Name, Opportunity Name, Division Name, Invoice Type, Start Date, End Date, Job Status, Estimated $ (add Sum at Footer), Earned Revenue (add Sum at Footer), Invoiced Revenue (add Sum at Footer), Credit Memo $ (add Sum at Footer), Invoice type
Filter Fields	Status Name – In – Won, Opportunity Type – In – Work Order
Sort Fields	Opportunity #
Group Fields	End Date or Property Name

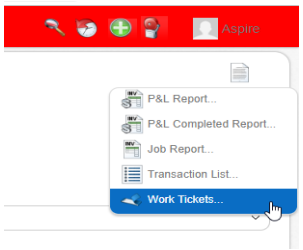
This list will show all earned revenue and invoiced revenue for all time through today.

As you are reviewing the opportunities on this list, check the following:

- If a work order is not in *Complete* status, review estimated revenue, earned revenue and invoiced revenue for accuracy. A work order will show job status of *Complete* when all work tickets show as either cancelled or complete.
- If a work order is in *Complete* status, make sure estimated revenue, earned revenue and invoiced amount are the same.
- An *Over/Under* column can be added by creating an Advanced Formula subtracting *Invoiced Revenue* from *Earned Revenue*. (See Knowledge Base Article *Creating a Custom Search Field Using an Advanced Search Formula*.)
- Ensure the invoiced and earned revenue make sense

(6) Work Ticket Search List

The *Opportunity Work Ticket Search List* is accessed by drilling into any opportunity. Once on the Opportunity screen, click on the *Reports* icon at the top right of the screen and choose the *Work Tickets* option from the pop-up menu.



Define the following report to review over/under work tickets for the opportunity:

Report Name	Over/Under Work Tickets

Location in Aspire	Opportunity Icon at Work Tickets
Display Fields	Opportunity #, Property Name, Service Abbr, Work Ticket Number, Status, Anticipated Start Date, Scheduled Start Date, Completed Date, Actual Occurrence, Act Hours (sum at footer), Est Hours (sum at footer), Invoice Type, Revenue (Change Display name to 'Est Revenue' and sum at footer), Earned Revenue (sum at footer), Invoiced Amount (sum at footer)
Filter Fields	Contact Year 1 (or year to review) if applicable. If only a one-year contract, this filter isn't needed.
Sort Fields	Occurrence
Group Fields	Service Abbreviation

This work ticket list is can be used for contracts or work orders. For Work Orders, contract year does not apply. Also, when reviewing this search list, remember that invoiced revenue will not be reflected at the work ticket level for the following invoice types: 'Fixed Payment', 'Fixed Price on Open Billing' or 'Fixed Price on Payment Schedule'. This is because the invoices for fixed price invoice types are not based on completion of work tickets or revenue earned on a work ticket.

As you are reviewing the work tickets for opportunities on this list, check the following:

1. Look at all estimated and earned revenue for accuracy.

2. Review anticipated start dates, scheduled start dates and completed dates to be sure all work tickets have been scheduled and completed in the correct months. Any work tickets scheduled and completed in wrong months will create inaccurate earned revenue and inaccurate over/under.

3. Verify that all contract opportunities with an end date in the month you are preparing to close have a job status of *Complete* or *Cancelled*. Evaluate whether these opportunities have been fully invoiced, and if not, process the invoices.

4. Make sure all completed work tickets have earned revenue that is accurate.

5. For contract opportunities, make sure all open and scheduled work tickets are completed by their contract end date. This ensures that operations is updating Aspire to match the work that is being done.

If contracts are cancelled, verify all remaining work tickets are cancelled. If you inadvertently schedule these work tickets, they will earn revenue even though the opportunity is canceled. If work tickets are identified that are not completed or canceled, make sure there is not any earned revenue or invoiced revenue associated with the tickets by moving cost to the appropriate work tickets before canceling.