Table of Contents

Introduction to Cost Centres

Cost Centres allows you to allocate and report on costs allocated to a specific cost centre or cost group which may be recoverable from a specific department, contract, job, task, etc.

The use of Cost Centres in TurboCASH5 is optional. By default cost centres are not activated.

The processes for Cost Centres are as follows:

1. Create Cost Centres (Cost Group 1 and / or Cost Group 2)

2. Activate Cost Centres

3. Add Budget for Cost Centres

4. Create Documents for Cost Centres

5. Create Invoices for Hours

6. Use Cost Centres in Batches (Journals)

7. Activate Cost Centres in Batches (Journals)

8. Process Transactions in Batches

9. Reports for Cost Centres

10. Editing / Changing Cost Centre Transactions

Configuring Cost centres

Before you may use this option in TurboCASH, you first need to create cost codes (cost groups, or cost centres).

Once this is done; you may activate these in specific batches (journals) and documents. Processing transactions in batches and / or documents, allows you to select specific cost centres for each transaction.

You may then print various reports for these cost centres (Cost centre 1 and / or Cost centre 2).
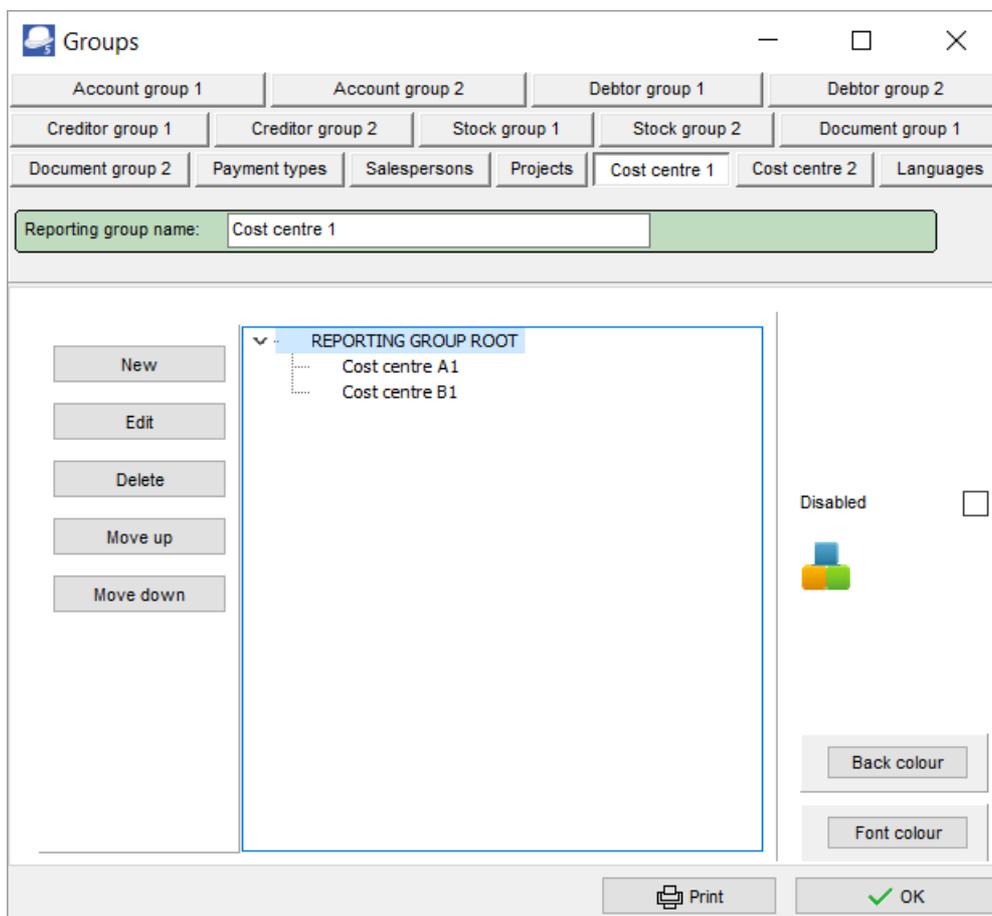
Create Groups for Cost centres

You may create up to two Reporting groups for Cost centres. These Cost centres may be activated in batches (journals) and / or documents. If you create only 1 Reporting group for Cost centres, only one (1) Cost centre group will be available in batches and / or documents.

Once the batches and / or documents are posted (updated to the ledger), you may print reports for each Cost centre from the **Reports** ribbon.

To create groups for cost centres:

1. Click on **Groups** (**Setup** ribbon).

2. Click on the **Cost centre 1**.

3. Select the **REPORTING GROUP ROOT** and click on the **New** button.

4. Enter the name of your Cost centre (e.g. Cost centre A, Job cost name, etc., according to your requirements).

5. Repeat the process until you have entered all the Cost Centres for Cost Group 1, etc.

6. You may also repeat the process to add Cost centres for Cost centre 2, if applicable.

7. Click on the **OK** button to save your changes.

> You may click on the **Print** button to print a list of your Cost centres.

Activate Cost centres

Activate Cost Centres in Batches (Journals)

Once you have created the Cost Group 1 and / or 2, Cost Centres needs to be activated in each batch type (required to process transactions). If activated for a specific Batch type, the Cost Group 1 and / or 2 column will be displayed after the Account column; and (before the Tax column, if the No tax option is not selected on the Standard tab of the Options for this batch screen) before the Debit column.

To Activate Cost Centres for a Batch:

1. Press **F2**, or click on **Batch entry** on the **Action** ribbon.

2. Select the specific Batch type in which you need to activate Cost centres.

3. Click on the **F10: Setup** icon to set the Options for the selected batch.

> ℹ️ *You may also:-*
> - *Click on the **Batch types** on the **Setup** ribbon.*
> - *Select the Batch type and click on the **Edit** button to access the "Options for this batch" screen.*

4. Click on the **Advanced** tab.

5. To activate the Cost Group, tick the Cost Centres tick box.

6. In the Cost Centre field, you may select the default Cost Centre. This will auto-complete (auto-select) the cost centre column with the default cost centre for this batch. You may select a different cost centre, if necessary.

7. Click on the **OK** button. The selected batch entry screen will be opened and the Cost Group 1 and / or 2 column will be inserted in the batch.

> ℹ️ To deactivate Cost centres in a specific batch, simply repeat this process and remove the tick in the Cost centres tick box.

Screenshot 1

Sales jnl. - [Sales1803]

Batch entry | Posted batches

Change alias: Sales1803

^D: Delete | ^N: Insert | F5: Balance | F6: Post | F7: Exclusive | F7: Inclusive | F8: List | F9: Process | F10: Setup

Debtor: **D1ABGRE Mr. AB Green** | Contra account: **G010-000 Sales** | Inclusive amount: **R1 140,00** | Exclusive amount: **R1 000,00** | Reference total: **R1 140,00**
PO Box 1111 Lakeside
Johannesburg 2122

N △	Reference	Date	Description	Debtor	Cost centre 1	Tax	Debit	Credit	Open item
1	INV001	2018/03/07	Paint - Exterior	D1ABGRE Mr. AB Green	Unallocated	T850010 Output VAT - 14%	1 140,00		
2	INV002	2018/03/09	Install - Built-in cupboard	D1MACDS MAC Shop Decor Specialists	Description				
3	INV003	2018/03/10	Paint - Exterior	D1ABGRE Mr. AB Green	Unallocated				
4	INV004	2018/03/12	Install - Built-in cupboard	D1MDAVI Mr. Mike Davies	Cost centre A1				
					Cost centre B1				

Screenshot 2

Sales jnl. - [Sales1803]

Batch entry | Posted batches

Change alias: Sales1803

^D: Delete | ^N: Insert | F5: Balance | F6: Post | F7: Exclusive | F7: Inclusive | F8: List | F9: Process | F10: Setup

Debtor: **D1ABGRE Mr. AB Green** | Contra account: **G010-000 Sales** | Inclusive amount: **R1 140,00** | Exclusive amount: **R1 000,00** | Reference total: **R1 140,00**
PO Box 1111 Lakeside
Johannesburg 2122

N △	Reference	Date	Description	Debtor	Cost centre 1	Tax	Debit	Credit	Open item
1	INV001	2018/03/07	Paint - Exterior	D1ABGRE Mr. AB Green	Cost centre A1	T850010 Output VAT - 14%	1 140,00		
2	INV002	2018/03/09	Install - Built-in cupboard	D1MACDS MAC Shop Decor Specialists	Cost centre B1	T850010 Output VAT - 14%	1 710,00		
3	INV003	2018/03/10	Paint - Exterior	D1ABGRE Mr. AB Green	Cost centre A1	T850010 Output VAT - 14%	1 140,00		
4	INV004	2018/03/12	Install - Built-in cupboard	D1MDAVI Mr. Mike Davies	Cost centre B1	T850010 Output VAT - 14%	1 710,00		
5	********	2018/03/07	Paint - Exterior	T850010 Output VAT - 14%	Cost centre A1	Bal		140,00	
6	********	2018/03/07	Paint - Exterior	G010000 Sales	Cost centre A1	Bal		1 000,00	
7	********	2018/03/09	Install - Built-in cupboard	T850010 Output VAT - 14%	Cost centre B1	Bal		210,00	
8	********	2018/03/09	Install - Built-in cupboard	G010000 Sales	Cost centre B1	Bal		1 500,00	
9	********	2018/03/10	Paint - Exterior	T850010 Output VAT - 14%	Cost centre A1	Bal		140,00	
10	********	2018/03/10	Paint - Exterior	G010000 Sales	Cost centre A1	Bal		1 000,00	
11	********	2018/03/12	Install - Built-in cupboard	T850010 Output VAT - 14%	Cost centre B1	Bal		210,00	
12	********	2018/03/12	Install - Built-in cupboard	G010000 Sales	Cost centre B1	Bal		1 500,00	
12							5 700,00	5 700,00	

☒ ☐ (Balance = balance)

Customise...

Activate Cost Centres in Documents

If Cost Group 1 and / or Cost Group 2 have been created, these Cost Groups need to be activated to process documents for Cost centres. This will insert an additional lookup list when selecting the stock items for transactions.

To activate Cost centres for Documents:

1. Click on **Access Control (Setup** ribbon).

2. Click on the **Documents** tab.

3. Select (tick) the Cost centre in documents ("*Costcenter in doc*") field.

4. Click on the **Apply** button.

5. Click on the **Close** button.

> ℹ️ To deactivate Cost centres for all document types, simply repeat this process and remove the tick in the Cost centre in documents ("*Costcenter in doc*") tick box.

Default Cost Centre Setting for Stock Items

If Cost centre 1 and / or Cost centre 2 have been created, these Cost centres may be set for each of your Stock items.

To set default Cost centres for Stock items:

1. Click on **Stock items** (**Action** ribbon).

2. Select a Stock item.

3. Click on the **Ledger** tab.

4. In the Cost Centre field, you may select the default Cost centre. This will auto-complete (auto-select) the cost centre column with the default cost centre, when selecting the stock item, while processing documents. You may select a different cost centre, if necessary.

5. Click on the **Save** button.

Add / Edit Budgets for Cost Centres

Once the Cost centres are activated, you may add (enter / edit) your budget figures for Cost centres.

For the purpose of this example, enter the following budget:

	Total Budget			Cost centre A1		Cost centre B1	
Account Allocation	Description	Annual	Monthly	Annual	Monthly	Annual	Monthly
010-000	Sales	-120 000	-10 000	-72 000	-6 000	-48 000	-4 000
100-000	Cost of sales	48 000	4 000	36 000	3 000	12 000	1 000
GROSS PROFIT		**72 000**	**6 000**	**-36 000**	**-3 000**	**-36 000**	**-3 000**
200-000	Bank charges	480	40	480	40		
205-000	Depreciation	600	50	600	50		
210-010	Fuel & oil	1 200	100	1 200	100		
210-020	Maintenance	1 800	150	1 800	150		
210-030	Repairs	2 400	200	2 400	200		
220-000	Rent	6 600	550	4 200	350	2 400	200
225-000	Salaries and wages	6 000	500	3 000	250	3 000	250
230-000	Stationery	120	10	120	10		
TOTAL EXPENSES		**19 200**	**1 600**	**13 800**	**1 150**	**5 400**	**450**
NET PROFIT		**-52 800**	**-4 400**	**-22 200**	**-1 850**	**-30 600**	**-2 550**

The full budget is allocated split and allocated into the 2 Cost centres (added in "*Cost centre 1*" group), e.g. "*Cost centre A1*" and "*Cost centre B1*".

To Add / Edit Budgets for Cost centres:

1. Click on **Accounts (Action** ribbon).

2. Select the Account (or sub-account).

3. Click on the **Budget** tab (if not displayed by default).

4. Select the period and enter the budget figure.

5. Select "*Cost centre A1*" or "*Cost centre B1*" in "*Cost centre 1*" column.

6. Click on the ✓ **Save** (record button).

7. Click on the **Save** button.

8. Repeat the process for all accounts for which you need to enter budgets.

Printing the Budget figures for Cost centres

Once the budget figures is entered in **Accounts** (**Action** ribbon), the budget figures (Budget listing) may be printed in the Trial balance, Income statement, Balance sheet and Standard column balances report types.

The "*Empty*" option, will print the full budget for the entire Set of Books (this includes the budget for both Cost centre A1 and Cost centre B1, if Cost centres were selected, when entering Budgets).

You may select to list only the budget for "*Cost centre A1*" or "*Cost centre B1*".

To view, print and analyse budget listing:

1. On the **Reports** ribbon, select **T-Ledger analyser 1**.

2. Select the "*Budget*" option (tick).

   ✅ *This option is available for the Income statement, Trial balance and Balance sheet report type.*

3. Select the period from **2018/03/01** to **2018/03/31** to view the budget figures for a specific period, e.g. "*March 2018*".

   ✅ *To view the annual budget figures; select the period from **2018/03/01** to **2019/02/28**.*

4. Click on the **Report** button to refresh and generate the budget figures.

   ℹ️ *To view the budget figures for sub-accounts, e.g. click on the + icon next to G210-000 Motor vehicle expenses. This will display the figures for each sub-account.*

5. If any of these budget figures need some adjustment, click on **Accounts** (**Action** ribbon); and select the applicable accounts and edit or enter the necessary figures.

6. Click on the **Print** button.

An example of the "*Income statement*", listing the total budget (including "*Cost centre A1*" and "*Cost centre B1*") for "*March 2018*", is as follows:

detail — □ ✕

Budget Income statement Period 2018/03/01 / 2018/03/31
Cost centre 1 - Empty
Cost centre 2 -

	Totals			
	Debit	Credit	Debit	Credit
REPORTING GROUP ROOT		4 400,00		
010000 Sales				10 000,00
100000 Cost of sales			4 000,00	
200000 Bank charges			40,00	
205000 Depreciation			50,00	
210000 Motor vehicle expenses	450,00			
210010 Fuel and oil			100,00	
210020 Maintenance			150,00	
210030 Repairs			200,00	
220000 Rent			550,00	
225000 Salaries and wages			500,00	
230000 Stationery			10,00	
Totals			5 600,00	10 000,00
Net profit				4 400,00

An example, of the "*Income statement*", listing "*Cost centre A1*" budget for "*March 2018*", is as follows:

detail — □ ✕

Budget Income statement Period 2018/05/01 / 2018/05/31
Cost centre 1 - Cost centre A1
Cost centre 2 -

	Totals			
	Debit	Credit	Debit	Credit
REPORTING GROUP ROOT		1 850,00		
010000 Sales				6 000,00
100000 Cost of sales			3 000,00	
200000 Bank charges			40,00	
205000 Depreciation			50,00	
210000 Motor vehicle expenses	450,00			
210010 Fuel and oil			100,00	
210020 Maintenance			150,00	
210030 Repairs			200,00	
215000 Maintenance of tools				
220000 Rent			350,00	
225000 Salaries and wages			250,00	
230000 Stationery			10,00	
235000 Sundry expenses				
Totals			4 150,00	6 000,00
Net profit				1 850,00

An example, of the "*Income statement*", listing "*Cost centre B1*" budget for "*March 2018*", is as follows:

detail — □ ✕

Handyman Hardware Store
27 Olifants Road
Emmarentia
Johannesburg
2195

Company reg. no.:	336012345		
Tax reg. no.:	446010111		
Phone:	(011) 310-1390	E-mail:	mymail@myisp.net
Fax:	(011) 310-2000	Website:	

Budget Income statement Period 2018/05/01 / 2018/05/31
Cost centre 1 - Cost centre B1
Cost centre 2 -

	Totals			
	Debit	Credit	Debit	Credit
REPORTING GROUP ROOT		2 550,00		
010000 Sales				4 000,00
100000 Cost of sales			1 000,00	
200000 Bank charges				
205000 Depreciation				
210000 Motor vehicle expenses				
210010 Fuel and oil				
210020 Maintenance				
210030 Repairs				
215000 Maintenance of tools				
220000 Rent			200,00	
225000 Salaries and wages			250,00	
230000 Stationery				
235000 Sundry expenses				
Totals			1 450,00	4 000,00
Net profit				2 550,00

Processing Transactions

Processing Transactions for Cost Centres in Batches

Once the Cost centres are activated for a specific batch type, you may select the cost centre after selecting the account.

ABC-Payments - [ABCPayments1803]

Batch entry | Posted batches

Change alias
ABCPayments1803

^D: Delete | ^N: Insert | F5: Balance | F6: Post | F7: Exclusive | F7: Inclusive | F8: List | F9: Process | F10: Setup

Account
G210010 Fuel and oil

Contra account:
B810-000 ABC - Bank

Inclusive amount: R120,00
Exclusive amount: R120,00
Reference total: R120,00

No △	Reference	Date	Description	Account	Cost centre 1	Tax	Debit	Credit	Open item
1	105	2018/03/30	Petrol bakkie	G210010 Fuel and oil	Cost centre A1	T Empty	120,00		
2	106	2018/03/30	Rent March 2018	G220000 Rent	Cost centre A1	T850020 Input VAT - Standard rate - 14%	350,00		
3	106	2018/03/30	Rent March 2018	G220000 Rent	Cost centre B1	T850020 Input VAT - Standard rate - 14%	200,00		
4	107	2018/03/30	SalaryMarch 2018	G225000 Salaries and wages	Cost centre A1	T Empty	300,00		
5	107	2018/03/30	Salary March 2018	G225000 Salaries and wages	Cost centre B1	T Empty	300,00		
6	********	2018/03/30	Petrol bakkie	B810000 ABC - Bank	Cost centre A1	Bal		120,00	
7	********	2018/03/30	Rent March 2018	T850020 Input VAT - Standard rate - 14%	Cost centre A1	Bal	49,00		
8	********	2018/03/30	Rent March 2018	B810000 ABC - Bank	Cost centre A1	Bal		399,00	
9	********	2018/03/30	Rent March 2018	T850020 Input VAT - Standard rate - 14%	Cost centre B1	Bal	28,00		
10	********	2018/03/30	Rent March 2018	B810000 ABC - Bank	Cost centre B1	Bal		228,00	
11	********	2018/03/30	SalaryMarch 2018	B810000 ABC - Bank	Cost centre A1	Bal		300,00	
12	********	2018/03/30	Salary March 2018	B810000 ABC - Bank	Cost centre B1	Bal		300,00	
12							1 347,00	1 347,00	

☒ ☐ (Balance = balance) Customise...

✅ *In this example, the monthly payments in the Payments batch is allocated to different cost centres, as follows: budget figures for the following accounts, is split between the two cost centres:*

- **220-000 Rent**   **550**
  - ○ *Cost centre A1*   *350*
  - ○ *Cost centre B1*   *200*
- **225-000 Salaries and wages**   **500**
  - ○ *Cost centre A1*   *250*
  - ○ *Cost centre B1*   *250*

✅ *To split the transaction and allocate it to different Cost centres:*
Enter the transaction (i.e. Reference, Date, Description and
Select the Account and Cost centre.

List batch – Unposted batch

Batch name ABC-Payments
Alias (batch name) ABCPayments1803

Date	Reference	Description	Account	Contra account	Tax		Debit	Credit
2018/03/30	105	Petrol bakkie	G210-010	B810-000		0,00	120,00	
		Cost centre A1,						
2018/03/30	******	*Petrol bakkie	B810-000	810-000		0,00		120,00
		Cost centre A1,						
2018/03/30	106	Rent March 2018	G220-000	B810-000	T850-020	49,00	350,00	
		Cost centre A1,						
2018/03/30	******	*Rent March 2018	T850-020	850-020		0,00	49,00	
		Cost centre A1,						
2018/03/30	******	*Rent March 2018	B810-000	810-000		0,00		399,00
		Cost centre A1,						
2018/03/30	106	Rent March 2018	G220-000	B810-000	T850-020	28,00	200,00	
		Cost centre B1,						
2018/03/30	******	*Rent March 2018	T850-020	850-020		0,00	28,00	
		Cost centre B1,						
2018/03/30	******	*Rent March 2018	B810-000	810-000		0,00		228,00
		Cost centre B1,						
2018/03/30	107	Salary March 2018	G225-000	B810-000		0,00	300,00	
		Cost centre A1,						
2018/03/30	******	*Salary March 2018	B810-000	810-000		0,00		300,00
		Cost centre A1,						
2018/03/30	107	Salary March 2018	G225-000	B810-000		0,00	300,00	
		Cost centre B1,						
2018/03/30	******	*Salary March 2018	B810-000	810-000		0,00		300,00
		Cost centre B1,						
					Total		**1 347,00**	**1 347,00**

Transactions in Documents

Reports for Cost Centres

Financial Reports

1. Budget vs Actual (Realisation 3 Periods)
2. T-Ledger Analyser
    a. Trial Balance
    b. Income Statement
    c. Balance Sheet
    d. Standard Column Balances
    e. Budget vs Actual
    f. This Year vs Last Year

Transaction Reports

1. Ledger - Transactions - Standard
2. Ledger - Transactions - Extra Details
3. Debtor - Transactions - Standard
4. Debtor - Transactions - Extra Details
5. Creditor - Transactions - Standard
6. Creditor - Transactions - Extra Details

Batch Reports

Editing / Changing Cost Centre Transactions

Once transactions have been posted and an incorrect cost centre has been selected, you may change that.

It is not necessary to reverse or cancel a posted batch to change the cost centre, if:

- Transaction(s) is not allocated to a cost centre
- Transaction(s) is allocated to an incorrect cost centre.

You may change it in the T-Account Viewer.

To Change a Cost Centre: