Management Accounting

Management Accounting is an option that means that all stock and manufacturing transactions in the system will be coded and transferred to the general ledger in MONITOR's Accounting module. This way you get a better production economical follow-up and reporting from the accounting in the system.

The Standard Price Model

The Management Accounting has a strong connection to MONITOR's product calculation and is based on the standard price model that is used there. The coding amounts are based on the prices of material, hour cost and mark-ups that exist in the calculation. By using coding of WIP values on manufacturing orders, calculation differences, price differences and the external book-keeping, you can see if the calculations correspond with reality.

Furthermore, by using coding against cost center and cost unit you have the opportunity to have an economical follow-up of product groups, departments or other terms where you wish to follow up the profitability.

Continuous Update of the Accounting

The Management Accounting also means that you get a continuous update of the company's value and changes of stock and Work in Progress in the accounting. If you do not use the Management Accounting, then you manually have to book this monthly, based on different lists.

Conditions for Using Management Accounting

- Frozen standard prices and cost factors for a period of time, for example one year or a quarter.
- Budgeting is important to determine the company's sales, standard costs, mark-ups, etc., for the next year to which the result will be compared.
- The cost center accounting is essential in order to follow up actual overheads for the departments/work centers and balance the cost against the calculation and its mark-ups.
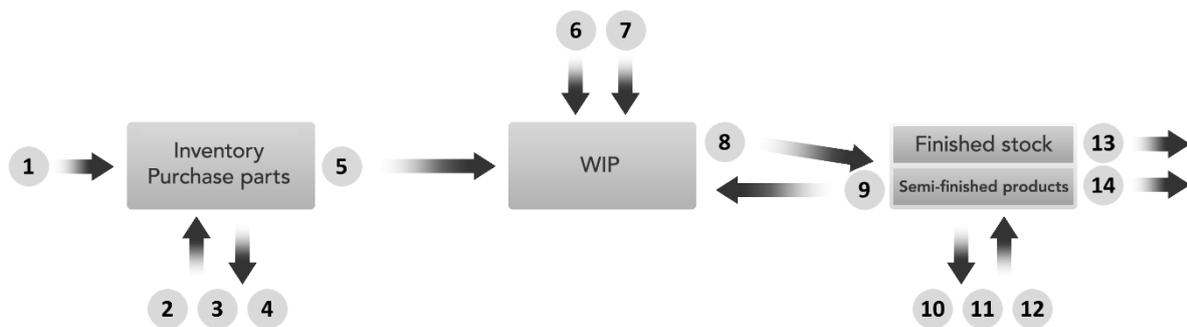
What Should Be Coded?

Above you see an outline that shows what should be coded. The numbered arrows are described further down.

1. Arrival reporting/receiving inspection
2. Unplanned stock movement (P-parts)
3. Physical inventory (P-parts)
4. Posterior rejection/Register nonconformity (P-parts)
5. Stock withdrawals for manufacturing/SO mark-up on stock withdrawal for manufacturing
6. Hours worked (value added)
7. Subcontract (value added)
8. Finished parts (semi-finished and complete products)
9. Semi-finished products back to the manufacturing
10. Unplanned stock movement (semi-finished and complete products)
11. Physical inventory (semi-finished and complete products)
12. Posterior rejection/Register nonconformity (semi-finished and complete products)
13. Delivery reporting (M-parts)
14. Delivery reporting (S-parts)

Apart from the above, calculation differences on manufacturing orders are also coded. The calculation differences can be divided for: Material, Subcontracting, and Work. Standard price changes for material generate a coding of the stock value which shall be adjusted in the accounting as well.

Loading from Logs in the System

Loading of coding items is made from five different logs:

- Inventory log – codes material transactions in stock/WIP
- Manufacturing order log – codes work in WIP
- Price change log – codes stock adjustment during standard price changes
- Calculation differences – codes price and quantity differences, measured during final reporting of manufacturing orders.
- Invoice log – ability to code cost of goods sold divided into all calculation parts.

Based on so-called "Posterior Coding", that is, when coding takes place in arrears when loading from logs in the MPC modules.

You can in advance define how each log record type should be coded (a standard coding setup is delivered with the system). This definition is done in a special procedure.

Dynamic definition of how cost center/cost unit/project should be coded. For example, that a Department is a cost center and a Product group is a cost unit.

In the management accounting, the accounts are by default classified as account group 48. Totaled vouchers are integrated into the accounting. During unplanned stock movements, you can code/adjust coding directly when reporting since there might be different things from one time to another.