



CONSTRUCTOR

Construction Business Management Software

CASH FLOW FORECASTING USER MANUAL

SUMMARY

As part of any business, the control of funds coming into, and going out of any business is critical for their ongoing success.

As part of our update 2.20, we have introduced a new report, available from the General Ledger report listing – called “Cash Flow – FORECAST”.

This report when run, will gather data from a number of areas within your database, and produce a 52 week forecast, split into 13 week blocks or quarters, and export it into EXCEL, for further changes if required by you.

The start date of the Cash Flow Forecast will be the date the report is generated.

NOTE: this cannot be changed.

Should you require cash flow information on a historical base, i.e. prior to today, then you will have to run the other historical cash flow reports in the general ledger report listing.

To ensure the Cash Flow Forecast report is correct, a number of areas will have to have correct data in those areas.

Should you wish to use this new report, please follow the point items to ensure, this new report will be correct.

Overview

Cash Flow Forecasting will use the following in its calculations;

- Outstanding Accounts Receivable Invoices, based upon the due date of the invoice, and account code associated to each line on the invoice, for the outstanding amount,
- All Unclaimed amounts on all “ACTIVE” projects only, both claims and variations that have been authorized by the client,
- Project Budget amounts by cost Centre that have amounts still to spend, negative amounts will be excluded, only for “ACTIVE” projects,
- Outstanding Accounts Payable invoices, based upon the due date off the supplier invoices and account code associated to each line on the invoice for the outstanding amount. This will also be done for payroll invoices, if they are outstanding,

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- If you are using payroll, we will take an average of all payroll components used in the last twelve months, and apply that average, to the next 52 weeks into the future,
 - Schedule transactions are also included by their respective amounts and account details.
 - The opening Bank account amount will be the total of all bank accounts in your system.
 - The date of the claim stage is used for matching future income and expenditure.

The treatment of the Provision for PAYG / Salary & Wages, may be the only lines in the spreadsheet users may have to adjust, as we have taken the view to report GROSS wages into the Salary & Wages account, and report the Provision for PAYG as a negative amount (even though this amount is an outgoing).

The spreadsheet will report Salary & Wages as a positive gross value and the PAYG as a negative value as this is consistent with the treatment of General Ledger journals with Constructor.

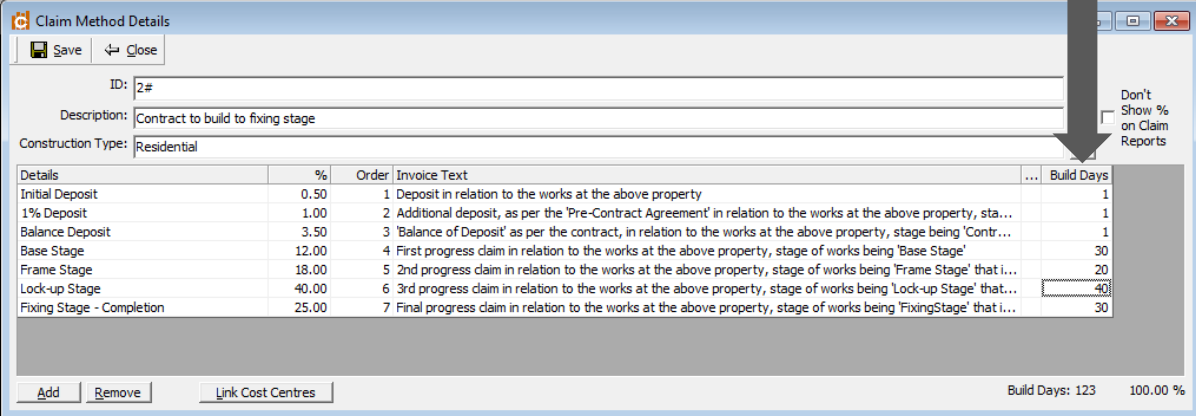
PROGRESS CLAIM STAGES

All progress claim stages will now require two new areas to be completed.

Build Days

All claim methods and their associated claim stages, will have to have nominated build days against all claim stages, this is a must as this will be used for calculating when claims to you clients will be made in the future, based upon project "Site Commencement Date".

If this is not done the cash flow forecast will not be accurate.



The screenshot shows the 'Claim Method Details' window. It includes fields for ID (2#), Description (Contract to build to fixing stage), and Construction Type (Residential). A table lists claim stages with their respective percentages, order numbers, invoice text, and build days. A large arrow points to the 'Build Days' column. At the bottom right, it shows 'Build Days: 123' and '100.00 %'. A checkbox 'Don't Show % on Claim Reports' is also visible.

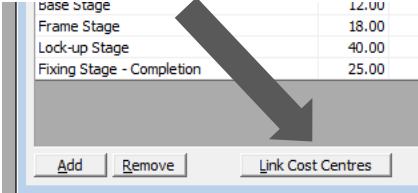
Details	%	Order	Invoice Text	Build Days
Initial Deposit	0.50	1	Deposit in relation to the works at the above property	1
1% Deposit	1.00	2	Additional deposit, as per the 'Pre-Contract Agreement' in relation to the works at the above property, sta...	1
Balance Deposit	3.50	3	'Balance of Deposit' as per the contract, in relation to the works at the above property, stage being 'Contr...	1
Base Stage	12.00	4	First progress claim in relation to the works at the above property, stage of works being 'Base Stage'	30
Frame Stage	18.00	5	2nd progress claim in relation to the works at the above property, stage of works being 'Frame Stage' that i...	20
Lock-up Stage	40.00	6	3rd progress claim in relation to the works at the above property, stage of works being 'Lock-up Stage' that...	40
Fixing Stage - Completion	25.00	7	Final progress claim in relation to the works at the above property, stage of works being 'FixingStage' that i...	30

Links to Cost Centres

All Claim stages will have to have Cost Centre's linked to them. This is required to calculate future costs associated with the claim stage.

The Bill of Quantities on each project will be used, less any actual costs incurred to establish future cost on a claim stage. Therefore, it is critical now that all projects have correct costing data.

To update the cost Centre links to each claim stage, just press the "Link Cost Centres" button at the bottom left corner of the claim stage screen, and a popup window will appear.

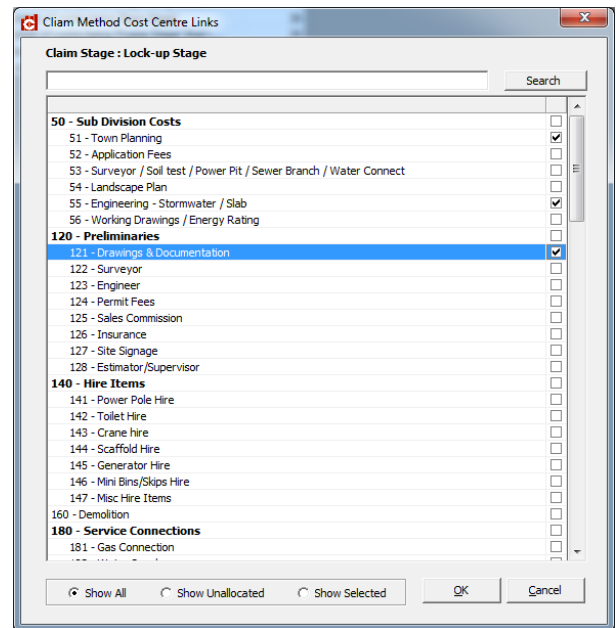


The screenshot shows a popup window with a table listing claim stages and their cost values. A large arrow points to the 'Link Cost Centres' button at the bottom.

base stage	12.00
Frame Stage	18.00
Lock-up Stage	40.00
Fixing Stage - Completion	25.00

To link cost centres, just tick the cost centres that is associated to the claim stage.

NOTE: Cost centres are a 1 to 1 link. You can't link a cost centre to multiple stages



PROJECT CLAIM STAGES

For Projects to be included in the forecast the will now have to have a "Site Commencement Date".

This date will be used as the date of future claims to your client. Claim dates will be calculated from this Site Commencement Date, plus the build days on claim stage nominated within 1, above.

NOTE: These claim stage dates can be changed by you; however, each claim stage cannot have a date prior to the claim stage preceding it.

Contract:
 Contract Amount: \$350,000.00
 GST Amount: \$35,000.00
 Contract Price (GST Inc.): \$385,000.00

Agreements:
 Plan Drawing Agreement: Amount: \$0.00, Date: 13/03/2015
 Pre-Contract Agreement: Amount: \$0.00, Date: 13/03/2015

Claim Stages:
 Method Type: Contract to build to fixing stage

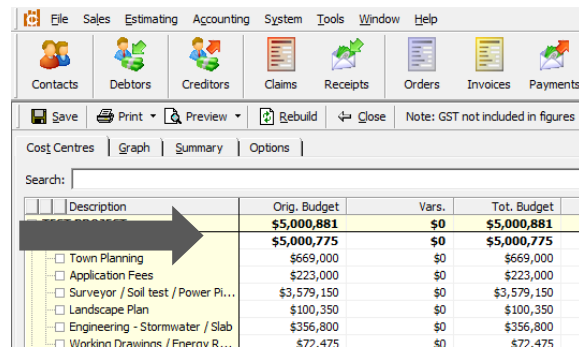
Order	Details	%	Amount \$	Tax	Tax %	Tax \$	Total \$	Completion Date
1	Initial Deposit	0.50	\$1,750.00	[IG] GST Taxable Income	10.00	\$175.00	\$1,925.00	14/03/2015
2	1% Deposit	1.00	\$3,500.00	[IG] GST Taxable Income	10.00	\$350.00	\$3,850.00	15/03/2015
3	Balance Deposit	3.50	\$12,250.00	[IG] GST Taxable Income	10.00	\$1,225.00	\$13,475.00	16/03/2015
4	Base Stage	12.00	\$42,000.00	[IG] GST Taxable Income	10.00	\$4,200.00	\$46,200.00	15/04/2015
5	Frame Stage	18.00	\$63,000.00	[IG] GST Taxable Income	10.00	\$6,300.00	\$69,300.00	05/05/2015
6	Lock-up Stage	40.00	\$140,000.00	[IG] GST Taxable Income	10.00	\$14,000.00	\$154,000.00	14/06/2015
7	Fixing Stage - Completion	25.00	\$87,500.00	[IG] GST Taxable Income	10.00	\$8,750.00	\$96,250.00	14/07/2015

Totals:
 Claims (ex GST): \$350,000.00
 Claims GST Amount: \$35,000.00
 Claims (inc GST): \$385,000.00

Legend:
 Un-Claimed (blue square)
 Partially Claimed (pink square)
 Claimed (red square)
 Partially Received (orange square)
 Fully Received (grey square)

Project Budgets

For Cash Flow Forecasting to work correctly, projects must have a Budget.



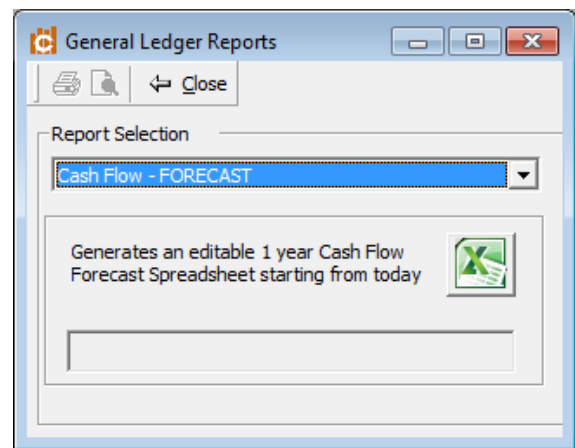
Description	Orig. Budget	Vars.	Tot. Budget
	\$5,000,881	\$0	\$5,000,881
<input type="checkbox"/> Town Planning	\$669,000	\$0	\$669,000
<input type="checkbox"/> Application Fees	\$223,000	\$0	\$223,000
<input type="checkbox"/> Surveyor / Soil test / Power Pl...	\$3,579,150	\$0	\$3,579,150
<input type="checkbox"/> Landscape Plan	\$100,350	\$0	\$100,350
<input type="checkbox"/> Engineering - Stormwater / Slab	\$356,800	\$0	\$356,800
<input type="checkbox"/> Working Drawings / Final R...	\$77,475	\$0	\$77,475

RUNNING THE CASH FLOW REPORT

To run the Cash Flow Forecast report, please ensure all of the above, has been completed in your database. If not, then the results may not be what you expect.

Go to Accounting / General Ledger/ Reports – then select the 'Cash Flow – Forecast' report, then press the EXCEL button.

This will use all the data in your system at the time of running, and produce an EXCEL spreadsheet.



Results

The Excel Spreadsheet will have a number of worksheets, these being

- **Cash Flow Forecasting** – In this sheet you can enter or change amounts on each account, in each of the 52 weeks. However, you will not be able to insert new accounts / lines, or change formulas. The information in this sheet will automatically update all other sheets.
- **1 Quarter** – this will show the cash flow of the first 13 weeks.
- **2 Quarter** – this will show the cash flow of weeks 14 to 26,
- **3 Quarter** – this will show the cash flow of weeks 27 to 39
- **4 Quarter** – this will show the cash flow of weeks 40 to 52

Forecast Raw Data – this will list all of the transactions that we have used in the calculating of the cash flow forecast spreadsheet – this is information only.

Book1 - Microsoft Excel

File Home Insert Page Layout Formulas Data Review View Developer

Clipboard Font Alignment Number Styles Cells Editing

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	CONSTRUCTOR CASHFLOW FORECAST		WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	WEEK 6	WEEK 7	WEEK 8	WEEK 9	WEEK 10	WEEK 11	WEEK 12	WEEK 13	1 QUARTER	WEEK 14
2	CHART OF ACCOUNTS		20/03/2015	27/03/2015	3/04/2015	10/04/2015	17/04/2015	24/04/2015	1/05/2015	8/05/2015	15/05/2015	22/05/2015	29/05/2015	5/06/2015	12/06/2015		19/06/2015
32	AS - Work In Progress																
33	LI - Bank Overdraft																
34	LI - Creditors																
35	LI - Current Liabilities																
36	LI - Debentures																
37	LI - Family support																
38	LI - GST Collected																
39	LI - GST Collected Adjustment																
40	LI - GST Paid		56,838.24				0.50									56,838.74	
41	LI - GST Paid Adjustment																
42	LI - Hire Purchase No 1																
43	LI - Liabilities																
44	LI - Loans to Director No 1																
45	LI - Loans to Director No 2																
46	LI - Net GST Liability																
47	LI - PAYG Withholding - No ABN																
48	LI - PAYG Withholding - Other																
49	LI - PAYG Withholding - Voluntary																
50	LI - Payroll																
51	LI - Payroll Creditors																
52	LI - Prov for super - grud test only																
53	LI - Provision for Income Tax																
54	LI - Provision for Long Service Leave		132.63													132.63	
55	LI - Provision for Payroll Tax																
56	LI - Provision for Annual Leave		155.84													155.84	
57	LI - Provision for PAYG - Salaries & Wages																
58	LI - Provision for Personal Leave		132.64													132.64	
59	LI - Provision for Rostered Day off																
60	LI - Provision for Superannuation - employer contributed																
61	LI - Provision for Superannuation - salary sacrificed																
62	LI - Provision for Workcover																
63	LI - Retentions																
64	LI - test account																
65	LI - Trade Creditors																
66	LI - Union fees																
67	EQ - Asset Revaluation Reserve																
68	EQ - Authorised Capital																
69	EQ - Dividends withheld																

CASHFLOW FORECASTING 1 QUARTER 2 QUARTER 3 QUARTER 4 QUARTER FORECAST RAW DATA Sheet2 Sheet3

Ready 100%

Editing and Printing

You can only edit the main worksheet (CASHFLOW FORECASTING). This will in turn update the QUARTER worksheets. (All totals. Have been locked)

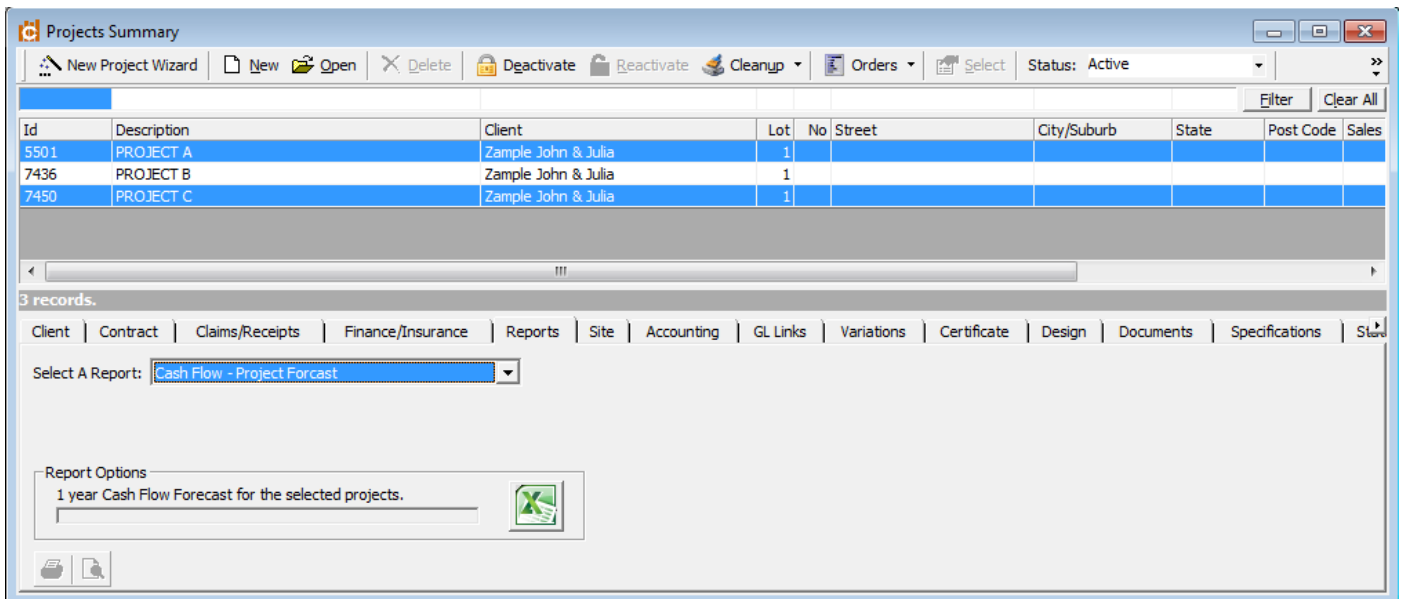
	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	WEEK 6	WEEK 7	WEEK 8	WEEK 9	WEEK 10	WEEK 11	WEEK 12	WEEK 13	1 QUARTER	WEEK 14
	20/01/2015	27/01/2015	3/04/2015	10/04/2015	17/04/2015	24/04/2015	1/05/2015	8/05/2015	15/05/2015	22/05/2015	29/05/2015	5/06/2015	12/06/2015		19/06/2015
AS - Work in Progress															
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LI - Creditors															
LI - Current Liabilities															
LI - Debentures															
LI - Family support															
LI - GST Collected															
LI - GST Collected Adjustment															
LI - GST Paid	56,838.24				0.50									56,838.74	
LI - GST Paid Adjustment															
LI - Hire Purchase No 1															
LI - Liabilities															
LI - Loans to Director No 1															
LI - Loans to Director No 2															
LI - Net GST Liability															
LI - PAYG Withholding - No ABN															
LI - PAYG Withholding - Other															
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LI - test account															
LI - Trade Creditors															
LI - Union fees															
EQ - Asset Revaluation Reserve															
EQ - Authorised Capital															
EQ - Dividends withheld															

To print you forecast you will need to print each individual quarter. The quarters are pre-formatted for printing.

The screenshot shows the 'Print' dialog box in Microsoft Excel. The 'Print' button is highlighted in green. The 'Print' section is expanded, showing options for 'Print Active Sheets' (Only print the active sheets), 'Print on Both Sides' (Flip pages on long edge), 'Collated' (1,2,3 1,2,3 1,2,3), 'Landscape Orientation', 'A4' (21 cm x 29.7 cm), and 'Custom Margins'. The 'Page Setup' section is also visible, showing 'Fit All Columns on One Page' (Shrink the printout so that it is one page wide). The background shows the same 'CONSTRUCTOR CASHFLOW FORECAST' spreadsheet as in the previous image.

PROJECT FORECASTING

You can also forecast by one or many projects. Highlight the project/projects that you want to forecast for, select the Reports tab/Cash Flow – Project Forecast.



The screenshot shows the 'Projects Summary' window with a table of projects. The table has columns for Id, Description, Client, Lot, No, Street, City/Suburb, State, Post Code, and Sales. Three projects are listed and highlighted in blue: PROJECT A (Id 5901), PROJECT B (Id 7436), and PROJECT C (Id 7450), all with Client 'Zample John & Julia' and Lot '1'. Below the table, there are navigation and report options. The 'Reports' tab is selected, and the 'Select A Report' dropdown is set to 'Cash Flow - Project Forecast'. The 'Report Options' section shows '1 year Cash Flow Forecast for the selected projects.' and an Excel icon.

Id	Description	Client	Lot	No	Street	City/Suburb	State	Post Code	Sales
5901	PROJECT A	Zample John & Julia	1						
7436	PROJECT B	Zample John & Julia	1						
7450	PROJECT C	Zample John & Julia	1						

The above will do a combined forecast of projects A and C