

Activity Based Costing

Let us guide you through an online demonstration of the Activity Based Costing module. [Click here.](#)

Objective

To associate elements of overhead cost to those products which cause them by applying the cost at the points of transition in the procurement, manufacturing and sales cycles.

The Value of SYSPRO Activity Based Costing

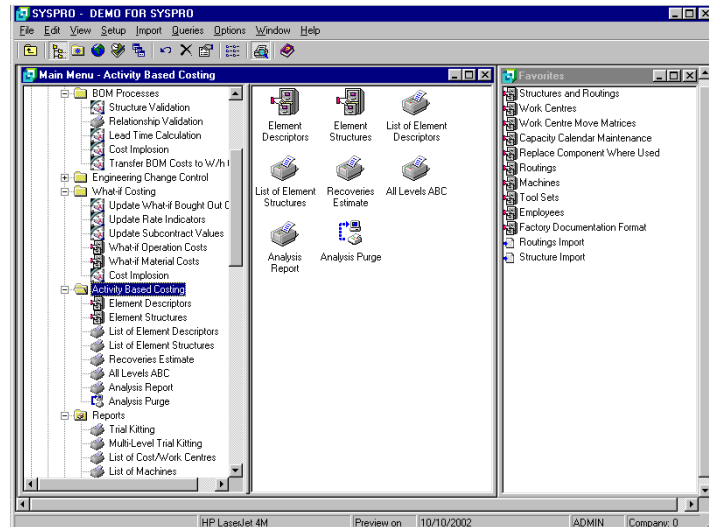
- Adopts a migration approach, recovering additional overheads according to an implementation plan
- Attaches user-defined elements of costs to transition points in the purchase, production and sale of products
- Distributes pre-production costs as stock is received from purchasing
- Apportions manufacturing costs as stock is received from Work in Progress
- Distributes post-production costs through cost of sales as the final item is invoiced
- Activity calculation can be single batch or item based
- Provides preview of reports to the screen and e-mail capabilities

Matching SYSPRO to Your Business

- Defines the cost elements required that are to be allocated to stock
- Defines the drive quantities for each element
- Runs ABC costing parallel to traditional costing during implementation
- Estimates appropriate recovering rates using system generated estimates

Integration

- Integrates with the Bill of Materials, Work in Progress, Sales Orders & Invoicing, Purchase Orders, and Inventory Control modules
- Provides the ability to run in parallel mode
- E-mail reports with the Office Automation module



Audit Trails and Reporting

- The ABC costing variance account is designed to accumulate rounding errors that can arise during processing of a receipt into stock
- The Recoveries Estimate Report program produces a report of the expected overhead recoveries relative to the quantity of the stock item processed
- The ABC Analysis Report program prints a report listing of all the recoveries made against various elements according to a specific ledger period or all ledger periods