

# client services update



June 2004

## Tip of the Month

Where does the system go to find default Labor Sale Accounts/Rates when selling labor?

The following are a few notes to help understand how labor rates work in the PFW Service module:

### DEFAULTS

- Customer (cash code 5): This is the W/O RATE/HR as set up on each technician in their payroll employee master (<F10> Service Info).
- Warranty (cash code 7): This is the LABOR RATE/HOUR as set up in the table CASHTAB for code 7.
- Internal (cash code 8): This is the LABOR RATE/HOUR as set up in the table CASHTAB for code 8.

### RATE CODES

Rate codes can be set up using the table WORATE. These codes can be keyed on the repair screen to set the default labor rate for the repair in question. This then becomes the default base rate for any hours keyed to the repair on the labor hours screen. In addition, a flat rate multiplier which will automatically be applied to the hours entered, can be added to the code.

### PREMIUM CODES

Premium codes can be set up in the table PREMIUM. These codes will display on the labor hours screen so that the person performing labor entry can select the proper code for the situation. These codes work from a base rate (either the default rate or a rate code) and add a percentage or dollar amount to the base rate, for example, overtime at 150% or a \$10.00 bonus per hour.

*Note: If you are using rate codes, the rate code becomes the base rate from which the premium code calculates.*

### LABOR RATE

When labor is sold to a work order the following steps are used in calculating the labor rate:

#### Cash Code 5 - Customer Labor

The system first looks at the repair to see if a default rate or rate code is used. If a rate is not found, the system moves on to the payroll file and the default rate loaded on the technician is used. Once the system has a **BASE RATE** to start with, the premium code is added on. When selling labor the system uses the **BASE RATE** and then any add-ons the premium code might have. If the **BASE RATE** calculated is \$75/hour and the premium code has an add-on of \$5/hour, then \$80/hour will be the rate used.

*Note: If there is no default labor rate set on the work order repair and the premium code is set to use the payroll rate—the switch in the premium table is set to P (Use W/O rate/hr or payroll rate/hr (W or P))—then the payroll rate on the technician is always used. This is handy in cases where the labor should always be sold at cost.*

#### Cash Code 7 - Warranty Labor

The system first looks at the repair to see if a default rate or rate code is used. If there isn't a rate found, the system moves on to the CASHTAB table and will use the default rate loaded on cash code 7. Once the system has a **BASE RATE** to start with, the premium code is added on. When selling labor the system uses the **BASE RATE** and then any add-ons the premium code might have. If the **BASE RATE** calculated is \$75/hour and the premium code has an add-on of \$5/hour, then \$80/hour will be the rate used.

*Note: Cash code 7 will **never** use the technician payroll rate, even if the premium code is coded as a P*

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**Cash Code 8 - Internal Labor**

The system first looks at the repair to see if a default rate or rate code is used. If a rate is not found, the system moves on to the CASHTAB table and will use the default rate loaded on cash code 8. Once the system has a **BASE RATE** to start with, the premium code is added on. When selling labor the system uses **BASE RATE** and then any add-ons the premium code might have. If the **BASE RATE** calculated is \$75/hour and the premium code has an add-on of \$5/hour, then \$80/hour will be the rate used.

*Note: If there is no default labor rate set on the work order repair and the premium code is set to use the payroll rate—the switch in the premium table is set to P (Use W/O rate/hr or payroll rate/hr (W or P))—then the payroll rate on the technician is always used. This is handy in cases where the labor should always be sold at cost.*

*Note: If you override the labor rate when selling any type of labor, this rate will always be used.*

**SALE ACCOUNT DEFAULTS**

The default customer labor sale account default should be loaded on each technician in the payroll employee master (<F10> Service Info). The default warranty/internal labor sale accounts should be loaded on each of the customer labor sale accounts beside cash code 7/8 in the corresponding account section through chart of accounts maintenance. If you have different types of labor that need to be tracked under other sale accounts, you must use different premium codes. Once these are set up you can load the new sale accounts through the Work Order Premium Code G/L Defaults (Option 8 under - 19. Additional Control Files on MENU CNFI01).

When calculating what sale account to use when posting labor, the system follows the steps below:

If the labor sale account is loaded on the actual workorder repair, it will be used as the **BASE LABOR SALE ACCOUNT**. If there is no labor sale account loaded on the work order repair, then the **BASE LABOR SALE ACCOUNT** is retrieved from the employee technician file when the labor is keyed.

If the premium code used has a default sale account loaded under Work Order Premium Code G/L Defaults (Option 8 under - 19. Additional Control Files on MENU CNFI01), then this becomes the new **LABOR SALE ACCOUNT**.

Lastly, if you override the **LABOR SALE ACCOUNT** when you are keying your transactions, this sale account will be used.

*Note: In all cases the system will also check for alternate warranty/internal labor sale accounts loaded through chart of accounts maintenance during the billing run and, these accounts will be always be used if they are loaded.*