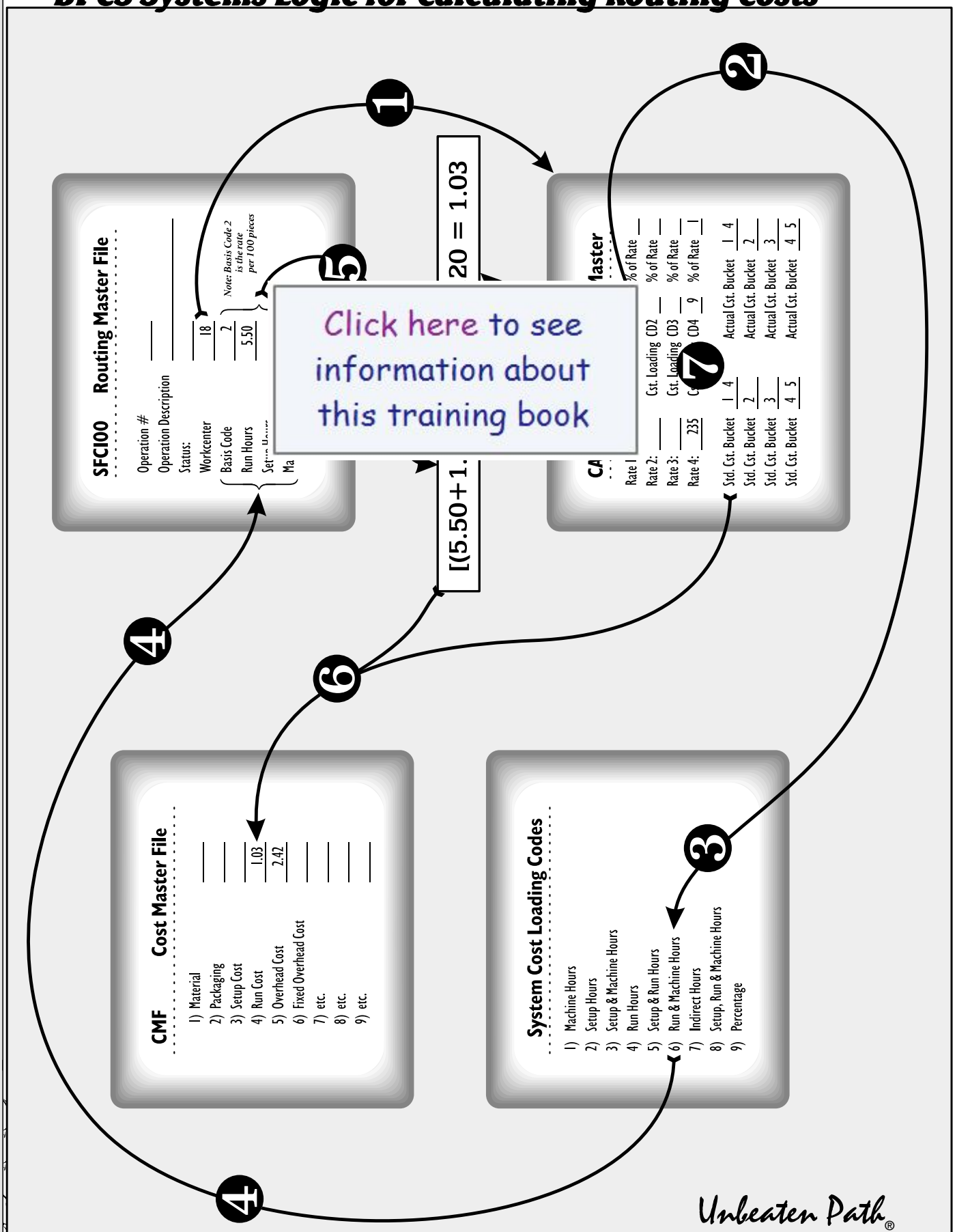
BPCS Systems Logic for Calculating Routing Costs



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BPCS Systems Logic for Calculating Routing Costs

1. For a given item, the system goes to the Routing file to determine the Workcenter number.

2. At the Workcenter file, the system determines the Cost Loading Codes to apply.

3. Based upon the Cost Loading Codes found, the system will determine the Load Hour fields to be used (as stated at the System Parameter level).

4. The system goes to the Routing file to gather the Load Hours applicable and determine the Basis Code rule to be used.

5. The system calculates the Standard Cost by multiplying the hours per piece (drawn from the Routing file) by the rate per piece (drawn from the Workcenter file).

6. At the Workcenter file, the system determines which Standard Cost Bucket is assigned to the rate used to calculate the Standard Cost (Step 5). The system then moves the calculated Standard Cost into that Cost Bucket within the Cost Master File (CMF).

7. The system moves to the next applicable Rate (in the Workcenter file) and repeats the] es are satisfied. In the example on ole rate is Rate 4. Rate 4 is a percentage (The Standard Cost is calculated as 5) / 100] = 2.42 Item Standa 4, so the calcul erred to Standard Cost Bucket 5 within the Cost Master File (CMF).

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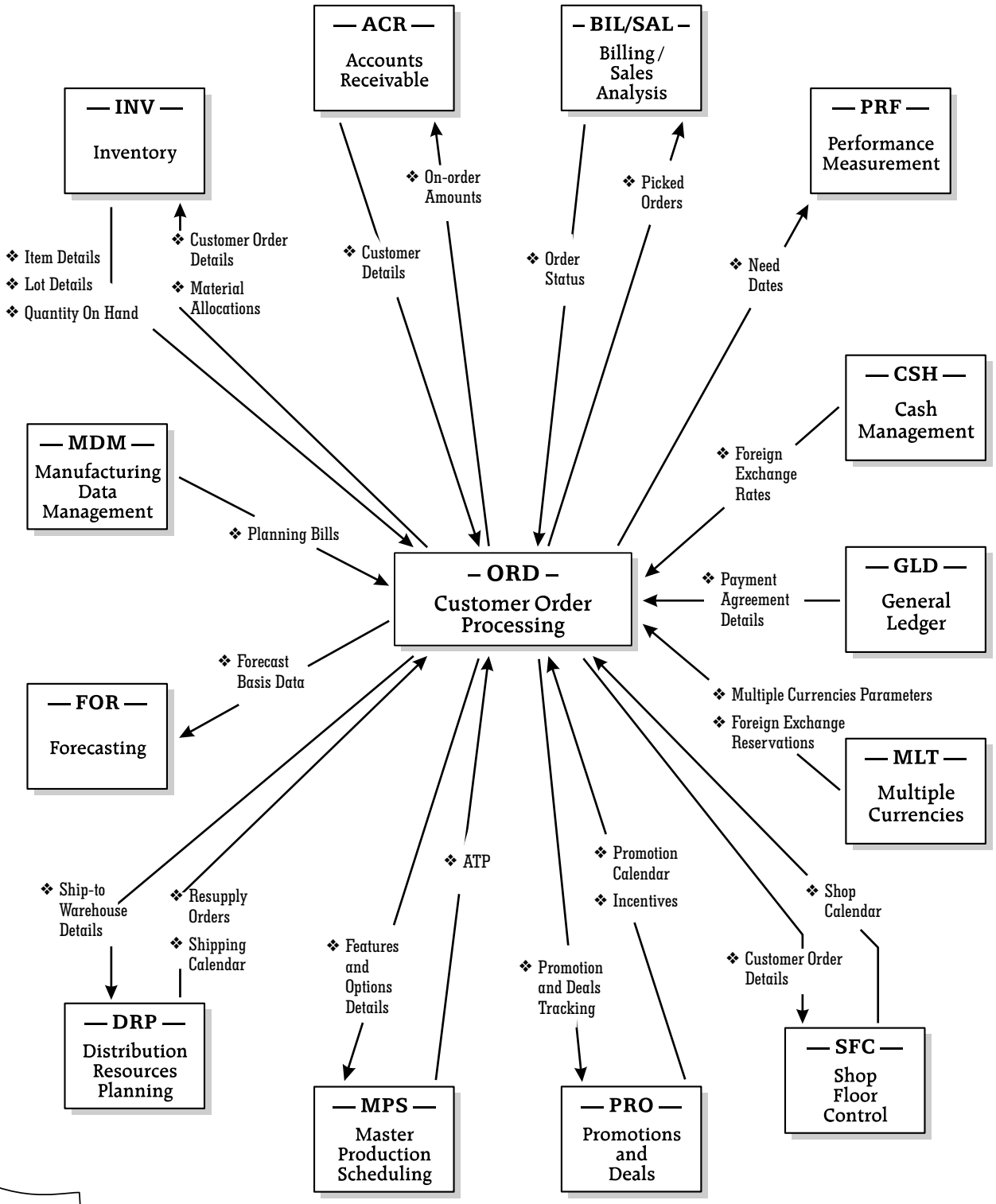
Customer Order Processing BPCS Product Integration



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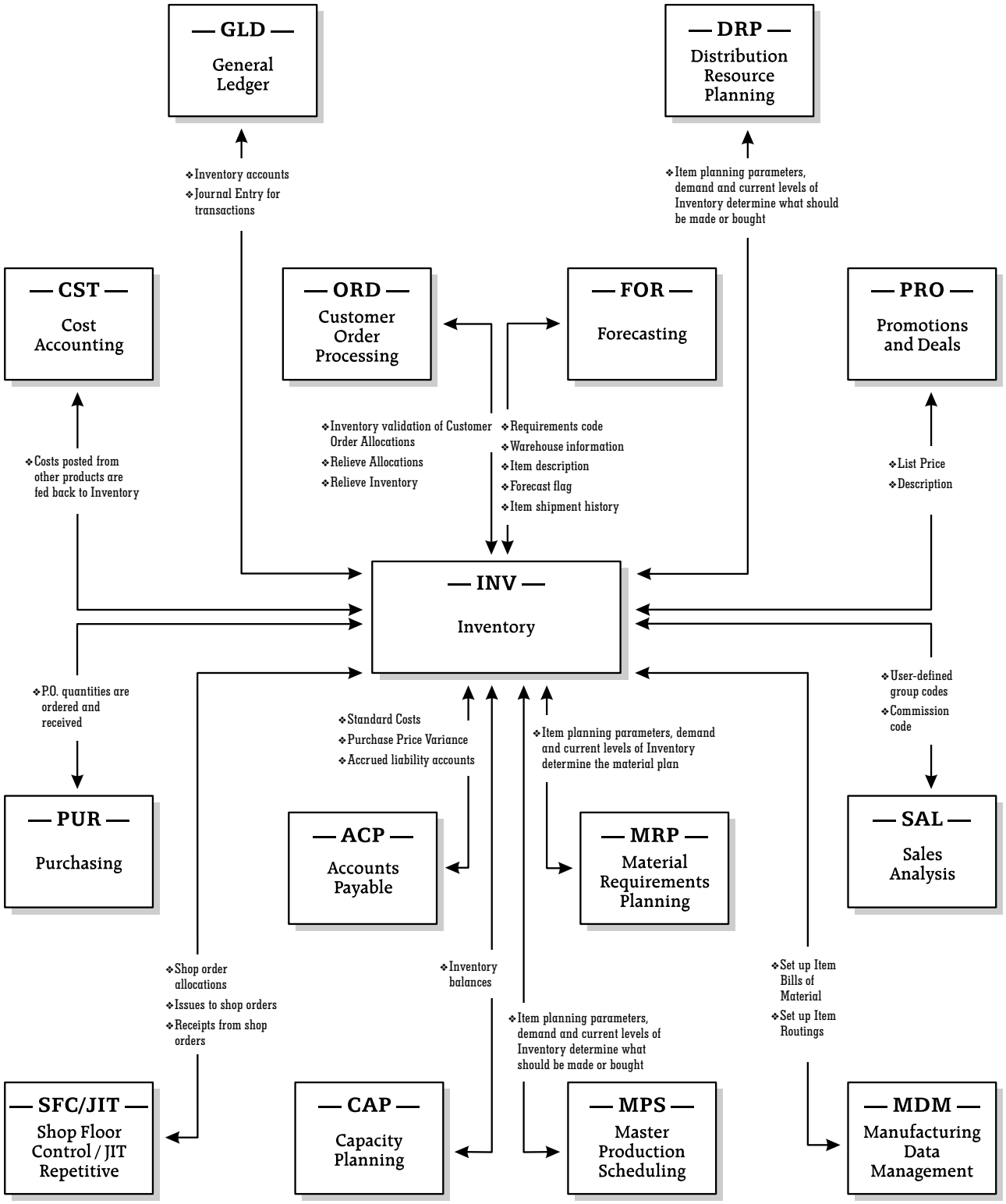
Inventory BPCS Product Integration



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Work Center Cost Loading Code & Cost Bucket Definitions

Cost Loading Code

No Hours	0	Could be used when a work center represents an outside operation (e.g. to accumulate overhead costs)
Machine Hours	1	Machine hours that represent automated operations with no operator intervention
Setup Hours	2	Setup or teardown time
Setup & Machine Hours	3	Combination of 1 & 2
Run Hours	4	Labor / operator hours
Setup & Run Hours	5	Combination of 2 & 4
Run & Machine Hours	6	Combination of 1 & 4
Indirect Hours	7	May be used for hours not directly related to production (e.g. to accumulate housekeeping costs)
Setup, Run & Machine Hours	8	Combination of 1,2 & 4
Percentage	9	Could be used to accumulate a percent of a cost rate (#1–4 above) for the work center. The corresponding "% of Rate" field points to the cost rate to use for the calculation. Ordinarily used to calculate overhead as a percent of labor rate / machine rate.

Cost Bucket Code Examples

Bucket #	Full Description	Short Description	Cost Type	Roll-Up to Bucket #
1	Fabrication Hour Labor	Fab Labor	L	1
2	Setup Hour Labor	S/U Labor	L	2
3	Run Hour Labor – "Manual"	Run Labor	L	3
4	Outside Processing Material	OP Mat'l	M	4
5	Raw Material & Purchased Parts	Material	M	5
6	Indirect Labor "Supervisor"	Indirect	O	6
7	Outside Overhead	OH–Outside	O	7
8	Fixed Overhead	OH–Fixed	O	8
9	Variable Overhead – %	OH–Var–%	O	9

Order Policy Codes

Item Master Fields (X = required field)

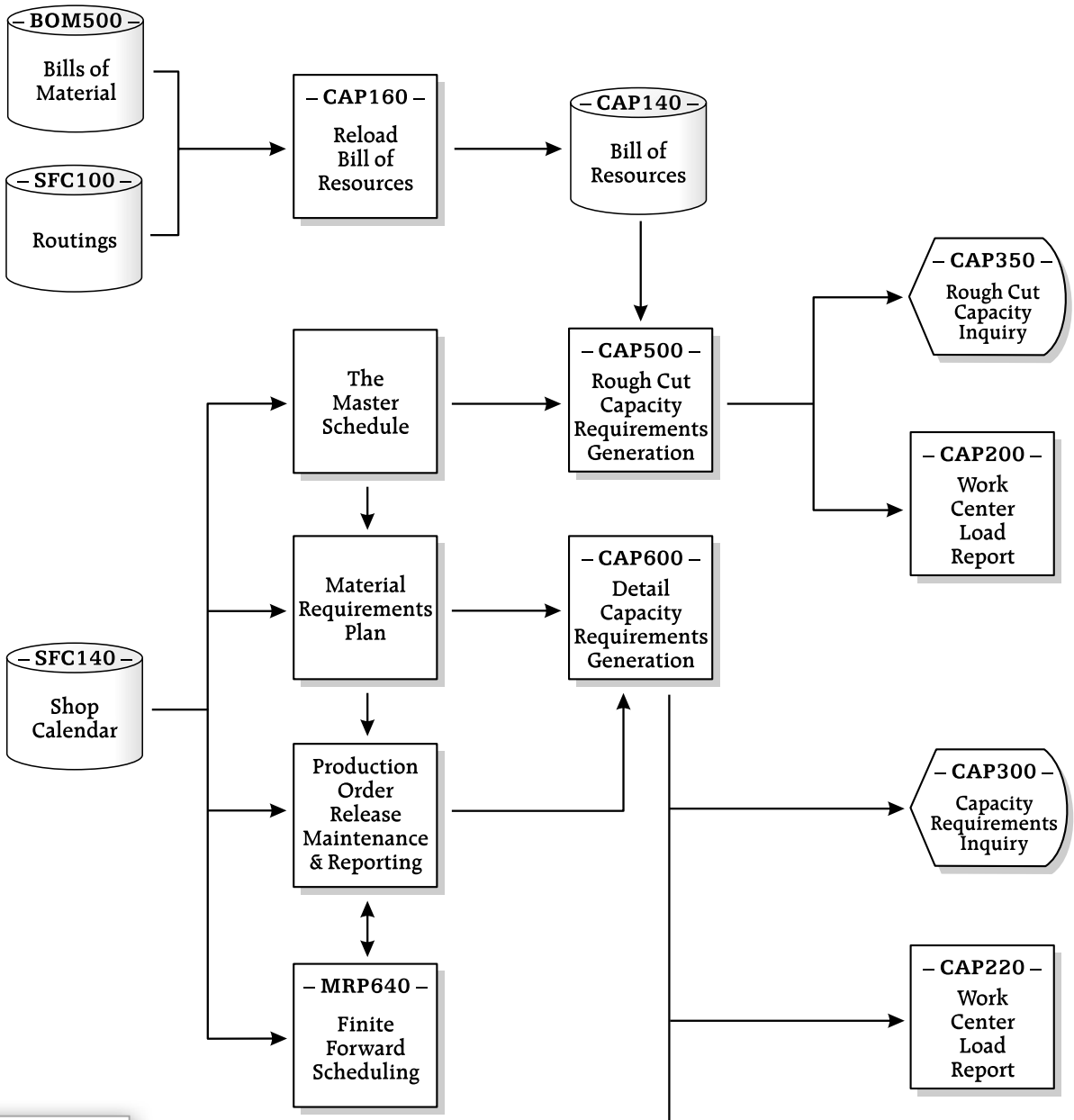
Order Policy	Lot Size	Incremental Order Qty.	Order / Setup Cost	Standard Cost	Period Days	System Parameters
A. Discrete						
F. Least Cost			X	X		Holding Cost Percentage
G. Period Order Quantity (variable period)					X	Default Period Days*
H. Discrete Above the Standard Lot Size	X					
I. Incremental Above Standard Lot Size	X	X				
J. Multiple of the Standard Lot Size	X					
K. Period Order Quantity (fixed period)						X**
Blank Order Policy Code (Reorder Point)***						

* The system default Period Days for Order Policy G (Period Order Quantity) are defined in the SYS800 Parameters Generation Program: Days for period lot sizing.

** The Period Days for Order Policy K (Period Order Quantity for fixed defined period) are defined in JIT100 / SYS800 JIT Planning Period Data Maintenance.

*** Item not planned by MRP.

Capacity Planning Process Flow



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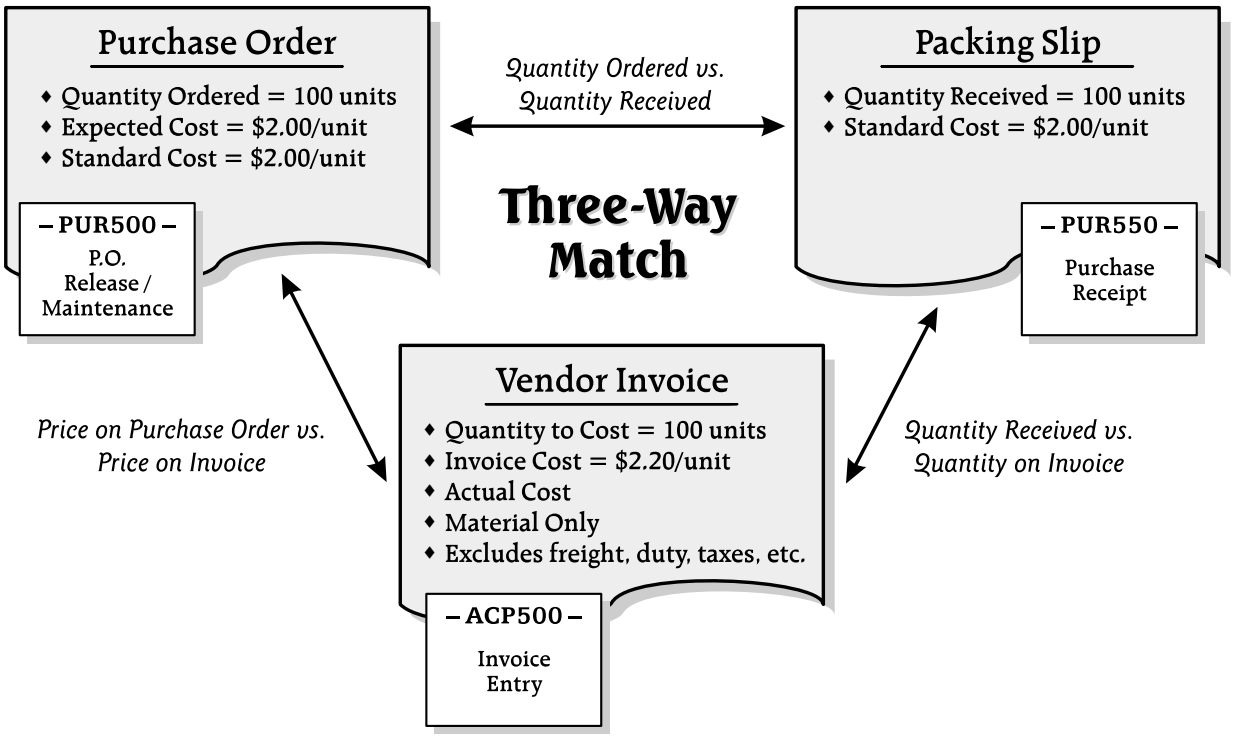
Three-Way Match: Illustration



Inventory

Debit	Credit
$ 200.00 Quantity x Standard Cost *Occurs when P.O. is received*	

Accrued Liability

Debit	Credit
$ 200.00 Quantity x Standard Cost *Occurs when invoice is entered*	$ 200.00 Quantity x Standard Cost *Occurs when P.O. is received*

Accounts Payable

Debit	Credit
	$ 220.00 Quantity x Invoice Cost *Occurs when invoice is entered*

Purchase Price Variance

Debit	Credit
$ 20.00 Qty. x (Inv. Cost – Std. Cost) *Occurs when invoice is entered*	

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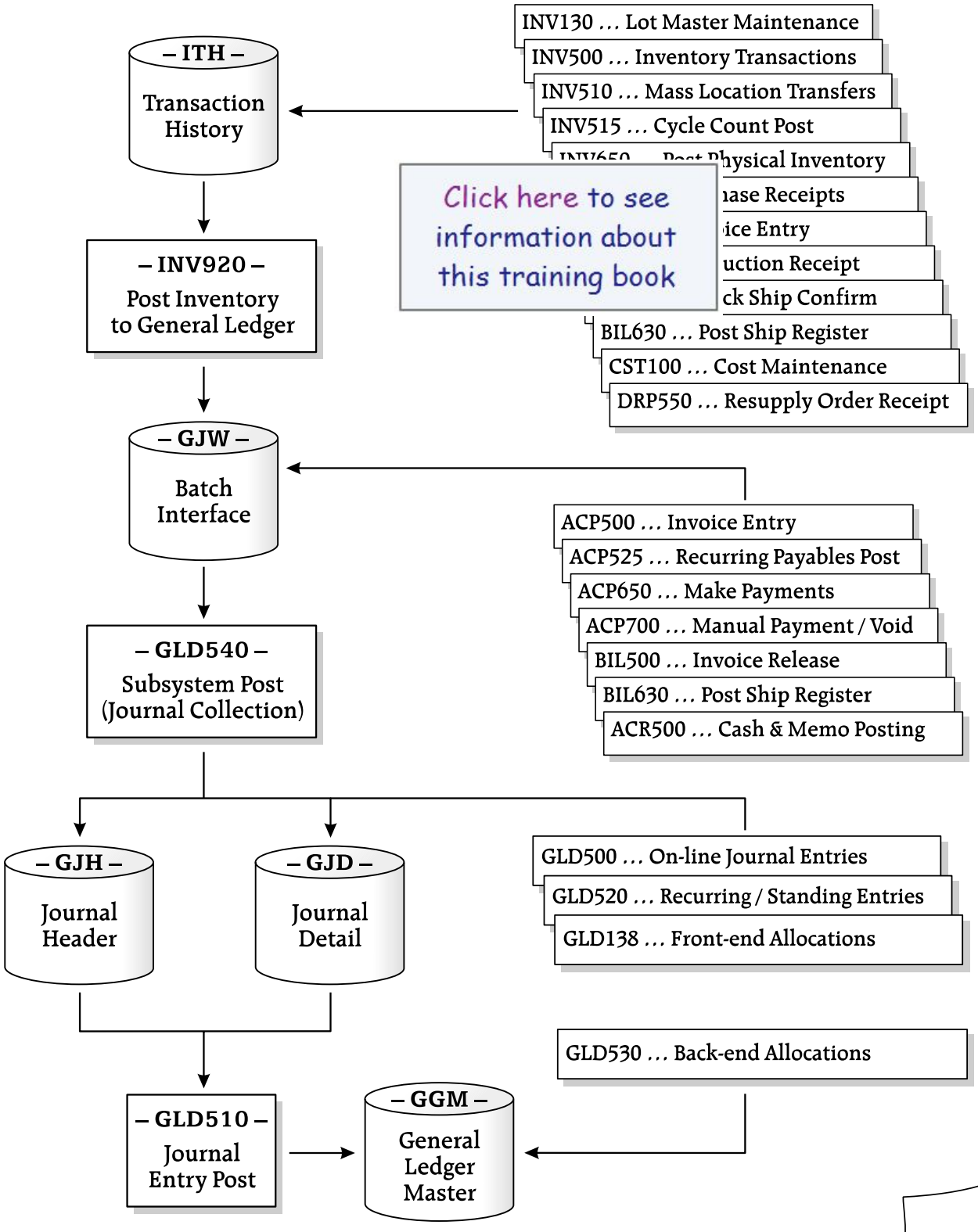
General Ledger Posting Cycle



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