



Construction Industry Solutions from Pegasus

Pegasus CIS (4.00)



Guide to enhancements





MAJOR ENHANCEMENTS IN CIS (4.00)

Pegasus CIS (4.00) contains a significant number of new enhancements. Many of these are based on requests from existing customers, bringing real-world improvements to the functionality Pegasus CIS offers. Existing users will now have even more features at their disposal to improve the way they control and analyse their contracts. For new customers, the new features make Pegasus CIS an even more compelling solution to implement.

Pegasus CIS offers companies operating in the construction industry an unparalleled level of control over every aspect of contract management and all the information they need to run their projects profitably. And the additional features in Pegasus CIS (4.00) will ensure that running contracts profitably will be easier and more effective.

This document provides information of some of the new features available in Pegasus CIS (4.00).



Sales: sales phases

Costs can be posted to Cost Phases on jobs so that they can be reported and analysed. This concept has been extended so that revenue can now be posted to any number of Sales Phases. This allows for far better analysis of revenue because it can be linked to specific phases within a job. Better than that, Cost Phases can be linked to Sales Phases so that revenue can be directly analysed against costs, for sophisticated profit analysis.

The system caters for both period forecasts and budgets. On Sales Phases, Period Forecasts can be posted for both costs and revenue to provide projected period profit and margins. In addition, both Cost Heads and Sales Heads can have budgets specified that can be spread across periods, which means that you can create project cash flow projections based on these budgets.

The introduction of Sales Phases provides an extra dimension in terms of financial analysis of costs and revenues on projects.



Sales: consolidated contract applications and certificates

If multiple Sales Phases are in use, when raising a Sales Application you can specify which Sales Phase it relates to. It may be that multiple Sales Applications are being raised, one for each Sales Phase on a job. In this scenario, each Sales Application against a Sales Phase will have its own cumulative application figures so that it's possible to have independent Sales Phase Applications and Certificates as opposed to simply having those figures at the job level. This provides a more detailed breakdown of Applications and Certificates against a job.

However, even though there may be a number of individual Sales Applications being raised against a job, you may wish to consolidate them together to provide the customer with a single Sales Application.

In Pegasus CIS (4.00), consolidation of Sales Applications has been added to allow multiple Sales Applications to be consolidated into a single application that can be sent to the customer. By default, the system will produce a Consolidated Sales Application that will be a sum of the selected individual Sales Applications. However, printed Sales Applications will also include individual Sales Applications that have been consolidated to provide this additional information to the customer. Sales Applications can be consolidated for a single job or across multiple jobs provided it is for the same customer.

Contract Certificates can also be consolidated to produce a single sales invoice.

This new functionality provides a much more flexible way to handle both Contract Applications and Certificates.



Sales: cost recharging

You can set up a job to be invoiced on a “cost plus” basis , whereby the customer is charged the cost price of the work plus a margin. That margin can be set up as a recharge percentage or at a recharge rate, and is applied at Job Headings level, which means that there can be different recharge rates for different types of activities. The sales recharge values will be calculated from costs posted to those Job Headings.

There’s a new Recharge Sales Invoice routine that selects costs marked as Recharge and automatically creates the invoice. This invoice will use the Recharge values to calculate the line totals that are to be invoiced to the customer. These lines can be amended and new lines added prior to approving and invoicing the customer. This is ideal for customers with contracts where the invoice value is calculated on the value of the costs being incurred.

Many construction companies wish to recognise revenue at the earliest stage. With Sales Applications it is possible to make a nominal posting that recognises revenue at the point when the Application is posted. This value is reversed when the Sales Certificate is received. This concept can also apply with Cost Recharging; when the costs are incurred it is possible to post a Recharge Accrual into the nominal ledger Profit & Loss and Balance Sheet. When the Recharge Invoice is generated these postings are reversed because the actual revenue is now posted into the sale ledger. This is ideal for customers that wish to recognise revenue before the actual sales invoice is raised.



Sales: plant hire

With the existing External Plant Hire feature, users ordering plant against a project can post the related costs, and can also record and monitor the “off hire” date, reducing the possibility of being charged for plant that’s no longer required.

In Pegasus CIS v4.00, an Internal Plant Hire option is now also available, for contractors who have their own plant that can be used on their own contracts or hired out to others.

A company’s own plant equipment can be set up in an Asset Register and assigned both internal and external charge-out rates. The Internal Rate will be charged to the company’s contracts when using this equipment while the External Rate will be charged to the company’s customers when they hire this equipment. There can be multiple charge-out rates, such as by the hour, day or week and the rate will vary depending on the period of time selected. Additional charges that might apply, such as delivery and collection charges, can also be defined.

For plant hired out to customers, the system can automatically calculate the charges incurred and generate the related sales invoice.

Plant equipment can be assigned to an internal job so that both revenue from customers and costs such as maintenance and insurance can be posted, to help provide analysis of the profit or loss generated by that plant equipment. This may help identify when plant equipment is becoming marginally profitable, indicating it might be time to replace that equipment.

Controlling Internal Plant Hire can be problematic without systems in place designed to control costs, invoice customers and monitor where the equipment is located and when it’s due for return. This functionality now comes as standard within Pegasus CIS (4.00).



Subcontractor: email documents

You can now bulk email Payment Certificates and Statements to multiple subcontractors, since these types of documents are now widely accepted by email.

Emailing functionality has been improved throughout the system. You can now define email templates for specific communications. In the case of subcontractor Payment Certificates, the subject line can include details such as payment date and value, and the body of the email can include the contact name, company name and address. Documents can be attached, and additional recipients can be included, such as the contracts manager.

This new email functionality applies to other areas of the system such as purchase orders.



Subcontractor: payments

The Subcontractors module now operates similarly to a purchase ledger to provide better control over subcontractor payments. When a subcontractor certificate or invoice is approved, it can now be marked as "On Hold" so that it doesn't get paid, and a Query Code can be selected to describe the reason. In addition, it's now possible to part-pay a subcontractor's certificate or invoice within Payment Processing. The outstanding balance can be selected for payment at a later date.

A number of other features have also been added to the Subcontractors module, including:

- o SMS Notification feature that allows a text message to be sent to the subcontractor's mobile phone once a payment has been processed
- o Loans can be provided to subcontractors and the repayments can be deducted directly from their payments
- o A Bureau Processing Fee can be deducted from a payment to a subcontractor. This allows Payroll Bureaus to collect a processing fee from the subcontractor for providing them as a resource to a customer



Purchases: purchase order and subcontractor approval

An Authorisation/Approval process can be defined whereby orders above a specified value for an employee require authorisation. An email can be auto-generated as part of the process, so the manager is aware that there's a purchase order that requires authorisation.

The manager can either authorise or deny authorisation of that purchase order. The employee will be sent an email notification of the decision, and if denied, a reason for the non-authorisation. If denied, the employee can either cancel or amend the purchase order and re-submit for authorisation.

Once a purchase order is authorised, it can be approved and sent to the supplier. This approval process adds a further level of control, for a two-tier approval process.

In addition, it's possible to define an expenditure type that has differential authorisation levels. For example, the manager may be able to authorise:

- o **Capital expenditure** up to £10k
- o **Overhead expenditure** up to £1k
- o **Consumables expenditure** up to £100

This functionality is also available within the subcontractor orders system.

This level of purchase control provides the flexibility required by larger construction companies with complex purchasing requirements. Smaller companies can implement a simpler but still effective approval process.



Internal customers and subcontractors

Many construction companies have divisions that run their operations as separate entities within the group. These divisions provide services to external customers where that work is costed and invoiced in the normal way. But they can also provide services to other divisions within the group where the costs incurred by the servicing division may be recharged to the receiving division. There's normally no formal purchase or sales invoice between the parties because of VAT and revenue recognition implications; this is done by inter-departmental cost postings.

The concept of Internal Subcontractors is that you can engage with another division of the company and they act as one of your Subcontractors, carrying out work on your behalf and raising Subcontractor Applications or Invoices to you as appropriate. These costs are then charged to the relevant job but the Internal Subcontractor will not be paid for that work and no payments will be included on monthly returns to HMRC.

Conversely, the division acting as the Subcontractor will raise Internal Contract Sales Applications, Certificates or Invoices to an Internal Customer that represents the division of the company requesting the work. Again, as these sales will never be paid, the resulting sales invoices will be automatically allocated to a receipt transaction posted at the same time as the invoice leaving nothing outstanding.

This recognises both the revenue and the costs between divisions but actual sales and subcontractor invoices are not produced between the parties.



Stock Control: Bill of Materials

Stock Control now allows the definition of a Bill of Materials to be entered for an assembly detailing the sub-assemblies and components that are required.

Within Stock Control, the Receive Finished Goods option allows an assembly to be moved into stock and will move out of stock the related sub-assemblies and components. If there is a shortfall of sub-assemblies, sufficient components can be moved out of stock to build the required sub-assemblies. That finished assembly can then be issued to jobs. This is ideal for a company that wishes to control the issuing of stock to manufacture an assembly and that assembly is then issued to a job. The cost to the job will be the cost price of that assembly plus a labour element.

There's also another option that allows the Bill of Materials to be issued directly to the job. In this scenario the sub-assemblies and components are issued to the job and the job will incur the costs of those sub-assemblies and components.

This functionality is ideal for companies that are involved in manufacturing processes that form part of the costs incurred on a job.



Improved usability

A whole range of enhancements have been made to Pegasus CIS (4.00) that are designed to improve processing within the system. A number of processes have been optimised for speed of data input and processing, and fields have been added to a number of forms to record additional useful information. In particular:

o Contract Application conversion to Contract Certificate

A Contract Certificate can be created directly from a Contract Application. This is ideal where the Certificate is a mirror of the Application because the user will no longer have to re-enter that information on a new Certificate, saving time and improving the accuracy of the data.

o Purchase order approval

When a Purchase Order has been approved, the system automatically displays it so that it can be printed or emailed. This makes producing the Purchase Order a single-stage process, faster than approving and subsequently having to select Print.

o Analysis codes

The set of three Analysis Codes that are available in the Jobs form have now been added to Customer, Supplier and Subcontractor Order forms. This allows for more detailed data analysis and reporting.

o Additional fields

- The following fields have been added to the Purchase Invoice table: Created On, Modified On/By, Closed On/By, Query Raised On/By and Query Removed On/By. This provides an audit trail of activity on Purchase Invoices.
- The following fields have been added to the Cost Periods screen: Financial Year, Period Number, Calendar Year and Calendar Month. This provides a much wider set of analysis options.
- The following Note fields have been added to the Jobs form: Site Notes, Surveying Notes, Engineering Notes and Operations Notes. This allows for additional information to be stored against a Job.

Pegasus CIS (4.00) contains over 250 enhancements. For the full list please refer to the Release Guide, which details all of the enhancements, together with an explanation of the benefits they bring to the system.



Pegasus Software Orion House, Orion Way, Kettering NN15 6PE

T: 0800 919 704

T: +44 (0)1536 495000

F: +44 (0)1536 495001

E: info@pegasus.co.uk

www.pegasus.co.uk

 **@PegasusSoftware**