

What is WIP?

09/13/2024 6:11 pm EDT

WIP is an acronym that stands for Work In Process. To judge a job's profitability, you must match money spent on the job (costs) against money made off the job (revenue). In some cases, the job parts are purchased in one month, but the job is not invoiced until the next month. This makes it hard to match the costs and revenue together. So instead when the parts are purchased the amount goes to a WIP account. The amount sits in the WIP account until the job is invoiced, at which time the costs are pulled out of the WIP account, and moved to the appropriate cost account. The costs and revenue therefore hit in the same month and so you can get a clear picture of the jobs profitability. In SedonaOffice if there are any amounts left in WIP when the job is closed, those amounts are moved to the appropriate cost account at that time. Customers can control whether or not they use WIP for different expense types on jobs, and they can choose to use WIP on service tickets as well.
