Tracking Project Revenue and Expenses at the GL Level

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The financial success of a project largely depends on the visibility at all levels in the organization of its progress and financial metrics. In addition to the project manager; accountants, financial analysts, and CFOs require accurate real-time information to ensure each project remains financially healthy.

What are the options to track all the financial indicators of a project?

Option 1: A new set of GL accounts per project

Very often we see accountants creating a set of general ledger (GL) accounts for each project. And when the project is big or when there is a need for visibility at the subproject level—or any key indicator of the project—they end up creating many more accounts to track the various financial aspects of one project.

This results in an ever-growing chart of accounts leading to an overwhelmed accounting system. On large projects the range of accounts allocated to keep track of the project runs out, resulting in a need to setup a new chart of accounts. Those that have been through a conversion of the chart of accounts know it's not a fun experience. It affects all areas of the organizations and all systems that have anything to do with the general ledger.

Option 2: Customize the accounting solution

Organizations with a robust IT team customize the accounting solution by adding a project code to the GL transactions. Then the database must be changed and each screen used to key-in transactions must be modified for the new project code.

This solution is time-consuming and costly but easier on your chart of accounts and your accounting system. One common problem we see in companies that go this route is that adding sublevels to track expenses at a more granular level, requires the IT team to make additional changes.

Option 3: An accounting solution with "transaction tagging" functionality

Transaction tagging functionality means you can link each GL transaction to one or more predefined attributes that are then used to filter or summarize transactions and produce reports or calculate key metrics.

This is exactly what Intacct, the best-in-class cloud accounting solution gives its customers, the ability to tag transactions and operational data with dimension values.

Intacct Dimensions comes with eight standard dimensions, and of course, project is one of them. The best part is, If one project dimension is not enough, you can rename the other seven standard dimensions to meet your needs or you can just add new dimensions.

Whenever the organization launches a new project, the only thing that needs to be done is add the project name or code to the project dimension and start tagging the transactions. That's it! No need to touch the chart of accounts or ask your IT to change the accounting system.

With your transactions linked to the corresponding project, subproject or major milestone, reports are easily produced by sorting, filtering, grouping and summarizing by one of the dimensions. And all relevant project metrics and indicators can be added to your dashboards to provide full visibility to all management levels of the organization.

With Intacct, you have full visibility over the profitability of all your projects. Contact us so we can show you how.