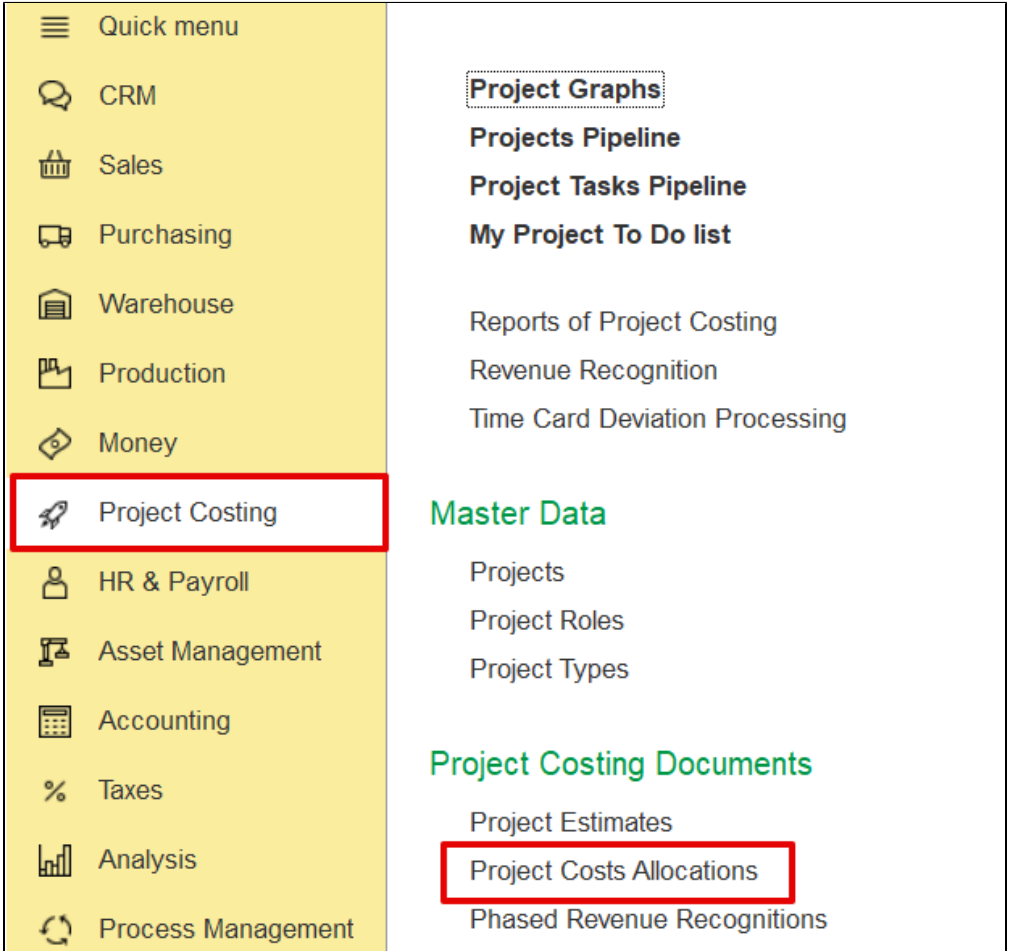


3.2.3.1. Allocation of Labor Costs

Allocation of labor cost means distributing an employee’s salary (or total payroll cost) across different projects and departments.

How to create

To access *Project Costs Allocation*, go to **Project costing** **Project Costing documents** **Project costs Allocations**



Main tab

This tab is used to enter the key details for labor cost allocation, including the date, document number, entity, and the payroll document that will act as the basis.

- **Transaction Type** - Select the relevant type, such as Labor Cost Allocation.
- **Entity** - Choose the entity responsible for the costs.
- **Basis** - Choose the **Payroll Calculation** document. This is a required field because it provides the actual labor costs. The system uses this payroll data to retrieve employees' salaries for allocation.

The "Use New Income & Expenses Reallocation Schema" option refers to an updated internal method (schema) used by the system to manage cost allocation logic.

Note: *This is a system-controlled setting and is not amendable by users.*

← → ☆ Project Costs Allocation MEPCA25-0000001 dated 11/5/2025 12:00:00 PM

Number: MEPCA25-0000001 From: 11/ 5/2025 12:00:00 PM

Transaction Type: **Allocation of Labor Costs**
To allocate the labor costs for projects, select the document of the Payroll Calculation type in the Basis field. Click Fill by Basis to populate the Labor Costs table on the Allocation tab with the data from the selected document. The Allocation Results table will list for each employee all the active projects in which the employee is a team member.

Entity: MRB Engineering and Contracting

Basis: Payroll Calculation MEPCA25-00000001 dated 10/31/
 You also can manually enter or edit the data in the tables.

Use New Income & Expenses Reallocation Schema

Comment

Allocation of Labor Cost

This tab is available for documents with the Labor Cost Allocation transaction type. The tab contains two tables: Labor Costs and Allocation Results.

The **Labor Costs table** is automatically filled based on the payroll calculation document selected on the Main tab. Each employee may appear in one or more rows, depending on the number of accrual types included in the payroll document. Users can remove unnecessary rows and adjust the amounts to be allocated.

Deductions from payroll calculations are generally excluded from project cost allocation to avoid double-counting project costs. However, if a deduction is marked as manually adjusted during payroll calculation, it is included in the allocation as a negative amount and distributed across projects, thereby reducing the corresponding project costs.

- **Cost Item** - The cost category being allocated.
- **Employee** - The name of the employee whose labor costs are being allocated.
- **Accrual Type** - Type of accrual per row.
- **Expense Item** - The GL expense type to which this cost belongs.
- **Business Activity** - The type of business activity linked to the cost.
- **Department** - Shows the department associated with the employee.
- **Amount** - Total cost that will be allocated
- **Amount (National Currency)** - The value of this cost in the company's base currency.

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Main Allocation of Labor Costs (38) Recognised by Time Cards (4) Additional Information

Labor Costs

Allocate by Time Cards Search (Ctrl+F) More actions

#	Cost Item	Employee	Accrual Type	Expense Item	Business Activity	Department	Amount	Amount (National Currency)
29	Labor	Pavel	Basic Salary Daily (Calen...	Labor Costs		Operations	1,200.00, ج.د.	1,200.00, ج.د.
30	Labor	Pavel	Other Allowance Daily (C...	Labor Costs		Operations	400.00, ج.د.	400.00, ج.د.
31	Labor	Yusuf	Basic Salary Daily (Calen...	Labor Costs		Operations	800.00, ج.د.	800.00, ج.د.
32	Labor	Yusuf	Other Allowance Daily (C...	Labor Costs		Operations	200.00, ج.د.	200.00, ج.د.
33	Labor	Elsamawal	Basic Salary Daily (Calen...	Labor Costs		Operations	800.00, ج.د.	800.00, ج.د.
34	Labor	Elsamawal	Other Allowance Daily (C...	Labor Costs		Operations	400.00, ج.د.	400.00, ج.د.
35	Labor	Danish	Basic Salary Daily (Calen...	Labor Costs		Operations	6,000.00, ج.د.	6,000.00, ج.د.

Allocation Results

Add Search (Ctrl+F) More actions

Project	Project Task	Project WBS	Factor	Amount	Amount (National Currency)	Remaining Budget Amount
Villa #351 - Dubai South	Concrete Sundries (Provisional)	Villa #351 - Dubai South, 3.5.1	8.000	88.89, ج.د.	88.89, ج.د.	115,295.00
<Not related to projects>			64.000	711.11, ج.د.	711.11, ج.د.	Not Applicable
				72.000	800.00	800.00

Show Allocation Result Only for the Selected Row:

Update Budget

The **Allocation Results** table shows how labor costs are assigned to projects or tasks. It calculates how much of an employee's labor cost goes to each project based on allocation factors. If an employee isn't part of any project team, their cost is shown as <Not related to projects>.

Cost allocation can be done either using payroll calculation documents or by selecting the "Allocate by Time Card" option.

Once the basis is chosen and "Fill by Basis" is clicked, the system checks whether the employee is assigned to any active projects. If the employee is working on multiple projects, their salary is evenly distributed across them. Alternatively, when the Time Card option is selected, allocation is based on submitted time cards for the selected period, which reflect how working hours are split among projects, and salary costs are then distributed accordingly.

- **Project / Project Task** - Indicates where labor costs are allocated; costs can be split across projects or specific tasks.
- **Project WBS** - A hierarchical code used to identify the exact level within the project structure.
- **Factor** - The proportion of the total labor cost assigned to each project or task.
- **Amount** - The calculated cost allocated to the project/task based on the factor.
- **Amount (National Currency)** - The amount value shown in the company's base currency.
- **Remaining Budget Amount** - Displays the available budget after allocation
 1. **Project** - Remaining budget for the entire project
 2. **Project Task** - Remaining budget for the specific task
 3. **Project WBS** - Remaining budget for the specific WBS level

Allocation Results

Add Search (Ctrl+F) More actions

Project	Project Task	Project WBS	Factor	Amount	Amount (National Currency)	Remaining Budget Amount		
						Project	Project Task	Project WBS
Villa #351 - Dubai South	Excavation for Pipes ...	Villa #351 - Dubai South, ...	8.000	44.44, ج.د.	44.44, ج.د.	115,295.00	1,135.00	
<Not related to projects>			64.000	355.56, ج.د.	355.56, ج.د.	Not Applicable	Not Applicable	Not Applicable
				72.000	400.00	400.00		

Show Allocation Result Only for the Selected Row:

Update Budget

Allocation Results

Add [up/down] [refresh] Search (Ctrl+F) More actions -

	Project Task	Project WBS	Factor	Amount	Amount (National Currency)	Remaining Budget Amount		
						Project	Project Task	Project WBS
- Dubai South	Excavation for Pipes ...	Villa #351 - Dubai South, ...	8.000	44.44, ا.د.	44.44, ا.د.	115,295.00	1,135.00	1,135.00
<Not related to projects>			64.000	355.56, ا.د.	355.56, ا.د.	Not Applicable	Not Applicable	Not Applicable
				72.000	400.00	400.00		

Show Allocation Result Only for the Selected Row:

Update Budget

If the **Show Allocation Results only for the Selected row** checkbox is unchecked, the lower table displays all labor cost allocations (for all employees). If the checkbox is checked, the lower table shows allocation results only for the selected employee cost from the upper table.

Allocate by Time card

To distribute costs automatically based on employees' time cards, click **Allocate by Time Card**. Labor costs for employees on projects with **Active** or **Proposed** status are allocated proportionally to the hours recorded in their time cards, as shown in the **Allocation Results** table. Employees not assigned to any project appear as <Not related to projects> in the **Project** column, and their costs are not allocated. Hours not linked to a project remain unassigned, with the corresponding portion of the salary excluded from project allocations

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Post and close Save Post [share] [print] [refresh] [help] More actions - ?

Main Allocation of Labor Costs (38) Recognised by Time Cards (4) Additional Information

Labor Costs

Allocate by Time Cards Search (Ctrl+F) More actions -

#	Cost Item	Employee	Accrual Type	Expense Item	Business Activity	Department	Amount	Amount (National Currency)
29	Labor	Pavel	Basic Salary Daily (Calen...	Labor Costs		Operations	1,200.00, ا.د.	1,200.00, ا.د.
30	Labor	Pavel	Other Allowance Daily (C...	Labor Costs		Operations	400.00, ا.د.	400.00, ا.د.
31	Labor	Yusuf	Basic Salary Daily (Calen...	Labor Costs		Operations	800.00, ا.د.	800.00, ا.د.
32	Labor	Yusuf	Other Allowance Daily (C...	Labor Costs		Operations	200.00, ا.د.	200.00, ا.د.
33	Labor	Eisamawal	Basic Salary Daily (Calen...	Labor Costs		Operations	800.00, ا.د.	800.00, ا.د.
34	Labor	Eisamawal	Other Allowance Daily (C...	Labor Costs		Operations	400.00, ا.د.	400.00, ا.د.
35	Labor	Danish	Basic Salary Daily (Calen...	Labor Costs		Operations	6,000.00, ا.د.	6,000.00, ا.د.
36	Labor	Danish	Other Allowance Daily (C...	Labor Costs		Operations	2,000.00, ا.د.	2,000.00, ا.د.

Allocation Results

Add [up/down] [refresh] Search (Ctrl+F) More actions -

Project	Project Task	Project WBS	Factor	Amount	Amount (National Currency)	Remaining Budget Amount	
						Project	Project Task
Villa #351 - Dubai South	Concrete Sundries (Provisional)	Villa #351 - Dubai South, 3.5.1	8.000	88.89, ا.د.	88.89, ا.د.	115,295.00	115,295.00
<Not related to projects>			64.000	711.11, ا.د.	711.11, ا.د.	Not Applicable	Not Applicable
				72.000	800.00	800.00	

Show Allocation Result Only for the Selected Row:

Update Budget

Project costs are allocated based on the **time card date**. The document date must match the time card date, and only hours within the project's proposed period are applied. If the dates don't align, no allocation occurs.

Recognized by Time Cards

The **Recognized by Time Cards** tab reverses entries in the **Income and Expense by Projects** register that were created by time cards. This tab manages project cost allocation using employee timecards, allowing the system to reverse previous cost assignments with negative amounts and reallocate payroll costs based on actual hours worked. Only timecards from the same accounting period are considered, so costs are applied in the correct period, while any unassigned hours remain as non-project costs.

Project Costs Allocation MEPCA25-0000001 dated 11/5/2025 12:00:00 PM

Post and close Save Post [edit] [bell] [Dr Cr] [print] More actions ?

Main Allocation of Labor Costs (38) Recognised by Time Cards (4) Additional Information

For the Time Cards marked as "Reverse" will be created reverse posting in "Income and Expense by Projects" register

[up/down] [refresh] [print] Search (Ctrl+F) More actions -

Reverse	Project	Project Task	Project WBS	Business Activity	Resource	Department	Expense Item	Cost Item	Time Card	Quantity	Amount
1	Villa #351 - Dubai South	Excavation for Pipes Works	Villa #351 - Dubai South, 8.5.1		Arjun		Labor Costs	Labor	Time Card ME0025-00000002 d...	8.000	280.00
2	Villa #351 - Dubai South	Concrete Sundries (Provisional)	Villa #351 - Dubai South, 3.5.1		Danish		Labor Costs	Labor	Time Card ME0025-00000002 d...	8.000	240.00
3	Villa #351 - Dubai South	Excavation for Pipes Works	Villa #351 - Dubai South, 8.5.1		Elsamawal		Labor Costs	Labor	Time Card ME0025-00000002 d...	8.000	200.00
4	Villa #351 - Dubai South	Concrete Sundries (Provisional)	Villa #351 - Dubai South, 3.5.1		Yusuf		Labor Costs	Labor	Time Card ME0025-00000002 d...	20.000	892.50
										44.000	1,612.50

Additional information tab

On this tab, users can enter optional details for the document, such as the department and the person responsible for the allocation. No fields are mandatory.

Project Costs Allocation MEPCA26-0000001 dated 3/28/2026 2:59:23 AM

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Main Allocation of Labor Costs Recognised by Time Cards Additional Information

Department: Main Department [dropdown] [copy]

Responsible: Yusuf [dropdown] [copy]