

KnowledgeBase Article 2010

Departments, Work Centers and Cost Codes

Departments, Work Centers, and Cost Codes can be a little confusing when implementing the Guardian ERP System. This article is purposed toward defining and explaining the Guardian best practices in developing this data.

Departments and **Work Centers** are used to define and efficiently schedule routing operations. **Cost Codes** are used to efficiently track direct labor costs as well as the variable and fixed overhead associated with those operations.

Departments are defined as differing operation centers such Wax or Injection, Casting or Pouring, Cutoff or Machining, Finishing, Shipping, etc.

Work Centers are defined as like machines (or work stations) performing like work. For example, a company may have 3, 1-ton injection presses, all 3 capable of the same process. If, for example, one of those presses can handle only a certain series of parts due to configuration, 2 work centers would be created—one with 2 presses, one with the specified work third press.

Cost Codes provide the ability to track costs associated with each operation. It is recommended that cost codes reflect the work centers.

Guardian has found that the best practice for identifying Departments, Work Centers and Cost Codes is to define a numeric system which allows for expansion, change and growth. The numeric system is developed with the first operations listed in lower numbers. On the following page is an example spreadsheet of Departments, Work Centers and Cost Codes.

Sample Departments and Work Centers

<i>Dept. #</i>	<i>Department</i>	<i>Work Center #</i>	<i>Work Center</i>	<i>Cost Code</i>
0100	INJECTION			
		0101	Soluble	0101
		0102	Gate	0102
		0103	Pattern	0103
0200	ASSEMBLY			
		0201	Assembly	0201
0300	SHELL			
		0301	Shell	0301
0400	DeWAX			
		0401	DeWax	0401
0500	CAST			
		0501	Air Cast	0501
		0502	Vacuum Cast	0502
		0503	Knockout	0503
0600	CUTOFF			
		0601	Large Saw	0601
		0602	Small Saw	0602
0700	FINISH			
		0701	Rough Blast	0701
		0702	Finish Blast	0702
		0703	Finish Stations	0703
0800	NDT			
		0801	X-Ray	0801
0900	OUTSIDE PROCESS			
		0901	Vendor#1	0901
		0902	Vendor#2	0902
1000	SHIPPING			
		1010	Shipping	1010
2000	ADMINISTRATIVE			
		2001	Administrative	2001