

Expense Side Operational Accounting

***A hands-on approach to A/P, AFE, JIB, A/R & G/L
12 hours of CPE Credit are awarded***

This interactive course explains:

- The expense side of E&P
 - Exploration and G&G
 - Drilling and completion
 - LOE and P&A.
- The fundamentals of Accounts Payable, Joint Interest Billing, Accounts Receivable, AFE/WBS and General Ledger
- The role of the JOA and COPAS are explained and referenced.
- An extensive chart of accounts is used both to make balanced cost accounting transactions, as well as to understand the flow of capital costs from work in process through reclassification to either producing or dry hole.
- The critical nature of different dates, for example, accounting date versus activity date.
- Types of costs include G&G, land leases, intangible and tangible drilling and completion, workover, and LOE.
- Capital costs vs expenses are explained.
- Although primarily from an Operator's perspective, procedures for recording non-operated properties are covered.
- Controls around A/P, material transfers, JIB decks and the JIB process are covered. AFEs are discussed. A focus is making correct accounting entries, so that reports are accurate.
- Additional topics covered include unitization, cost allocations, electronic accounting workflow, and approaches for JV audits by non-operators.
- The course finishes by presenting an extensive list of "leading **practices**" for the material covered.

Who Should Attend:

Newer employees in **A/P, AFE, JIB, A/R & G/L** who performs any of the following functions:

- Invoice coding & entry
- Joint Interest Billing, Review and Correction
- AFE coding, integration and approval
- A/R entry, reconciliation and analysis
- G/L subledger reconciliation, analysis and JE coding
- Creation, maintenance and use of DOI's
- Management and reporting associated with Expenses
- IT, Division Order & Deck creation and support of Expense Side processes

Delivery Method: Instructor Live, Interactive

Program Level: Basic

Prerequisites: Intro to Upstream or comparable experience

Advance Preparation: None

Recommended CPE Credits: 12

Field of Study: Accounting

Upon Completion of the Program, Participants Will Be Able To:

- Be able to code invoices based on G/L and other file considerations

- Reconcile A/P with JIB run
- Reconcile A/P, A/R & G/L subledgers and financial reporting
- Demonstrate understanding of Expense Side system flow
- Create and use an Expense DOI

Key Topics and Objectives:

- The Concept of a “Joint Venture”
- The Chart of Accounts, Master Files and Ledgers
- Reporting Considerations – Initial and Revisited
- Elements, maintenance and use of the Expense Side (JIB) Division of Interest (DOI) deck
- Expense Transaction Processing
- JIB Processing, Netting, Suspense & reconciliation
- Handling of Non-Operated JIB’s
- Unitization Impact
- Insider Company concept – partnerships & consolidations



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