Job Cost Reports in Plain English

A simple internal guide for PMs, accounting, and leadership

What it is	Why they matter	Core idea
A report that compares budget, actual cost, and often forecasted remaining cost by cost code or category.	It helps leadership see where the job is drifting, what changed, and what action needs to happen next.	If the report does not drive a decision, it is just paper.

What a good report should help answer

1) Where is the variance?

2) What changed since last month?

3) What is driving it?

4) Has the forecast been updated?

5) What action is required now?

What is usually driving the variance

- Labor productivity
- Material pricing
- Subcontractor performance
- Rework
- Schedule inefficiency
- Scope growth
- Equipment cost
- Coding cleanup that changed the picture

What it is not

A good job cost report is not just:

- a long list of detail
- a month-end accounting file
- a substitute for forecast discipline
- useful simply because it is accurate

Why reports underperform

- Too much detail, not enough prioritization
- Variances are visible, but not explained
- Forecast does not reflect what the report is showing
- Meetings get stuck in coding cleanup instead of job management

Red flags

- Large variance, no explanation
- Forecast unchanged despite cost pressure
- The same issue appears every month
- Too much time on detail, too little on action

Best practice

Leadership usually does not need every line item. It needs the report to elevate the exceptions, connect the variance to the forecast, and force a useful conversation about next actions.

Bottom line and best practice
Bottom line: A good job cost report does not just show where money went. It helps the team decide what to do next. Best Monthly Job Review use: Focus on the biggest variances, the clearest drivers, whether the EAC has been updated, and what action needs to happen now.