Billing-Xtras

Invoicing Solutions For The Construction Industry

User Manual

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Chapter 1. Introducing Billing-Xtras

BILLING-XTRAS represents a new approach to extra work invoicing; a tool specifically designed for construction industry professionals by construction industry professionals. Unlike other invoicing programs that require the user to input pre-calculated billing rates for invoiced items, **BILLING-XTRAS** *builds* the billing rates within the program from parameters you establish one time up front for each job and customer.

BILLING-XTRAS manages your invoicing function by:

- Separating the items you invoice into categories of Labor, Materials, Equipment, Subcontractors and Units/Other. Labor items are further separated into categories of Wages, Taxable Benefits, Fringe Benefits, Payroll Taxes, Insurance and Allowances. Each category and subcategory has its own overhead and profit rate, controlled by Billing Codes that reflect the individual customer requirements of your contracts.
- Printing invoices on your letterhead stationary with the overhead & profit included in the individual billing items or separated and listed on the invoice as additional line items. You make the choice how you want the invoice to appear, and you make that choice by customer.
- Generating a *Labor Billing Rate Summary* that you can give to your customer at the time the contract is signed so that the billing rates can be agreed to up front and the payment of your invoices will not be delayed due to misunderstandings.
- Creating a history of detailed records of all invoices generated so that you can produce copies or make adjustments and reissue invoices easily without re-entering all the billing items a second time.

BILLING-XTRAS has been designed to be the most flexible tool for billing extra work available to the construction industry professional.

Chapter 2. Installing Billing-Xtras

The **BILLING-XTRAS** Demo program is available exclusively from our website, www.BillingXtras.com. Visit our site and go to the **DEMO** tab. Read, understand and accept the License Agreement.

After you have accepted the License Agreement, you can download the **DEMO** program by clicking the Download hyperlink.

At the **File Download – Security Warning.** Click the **“ *SAVE* “** button.

You will next encounter the **Save As** window. This option determines where you will save the **DEMO INSTALL** program. **BILLING-XTRAS** recommends you accept the default location, the Desktop. Click the “***SAVE”*** button to record your selection.

The **BILLING-XTRAS, DEMO INSTALL** program will now be downloaded to your system. Close the **Download Complete** window and open the Desktop or other location where you requested that the **DEMO INSTALL** program be saved.

On your Desktop you will now have an icon identified as BillingXtras Install. Double click the icon to begin the install process. At the Open File-Security Warning, “***RUN”*** the executable program. The Welcome window appears and recommends that you exit all Windows programs before running the Setup. Click “***NEXT”.***

The next window is the Read Me file where you can review the various versions of **BILLING-XTRAS** and review the changes made in recent versions. Click “***NEXT”.***
This takes you to the **BILLING-XTRAS** License Agreement. Please read the agreement and click the **“I AGREE**” button.

You will next encounter the **Chose Destination** window. **BILLING-XTRAS** recommends that you accept the default location for the program, C:\Program Files\BillingXtras.

The **Backup Replaced Files** window is next. The **BILLING-XTRAS** installation program can create backup copies of all the files created during the installation. These files will be used when the software is uninstalled and a rollback is required. If backup copies are not created, you will only be able to uninstall the software and not roll the system back to a previous state. **BILLING-XTRAS** recommends that you accept the default and create a backup. We further recommend that you accept the default location for the backup files.

In the next window the user is asked ti select the Program Manager Group. Select the default, BillingXtras.

The final window requiring a response is the **Start Installation** window. You are now ready to install the **BILLING-XTRAS – DEMO** program.

- To install the DEMO program click the ***"NEXT"*** button.
- Enter ***"BACK"*** to reenter the installation information.
- ***"CANCEL"*** will terminate the installation process.

The install program will now install **BILLING-XTRAS** on your hard drive and place an icon on your desktop. You can start the DEMO program immediately.

The demonstration version of **BILLING-XTRAS** supports:

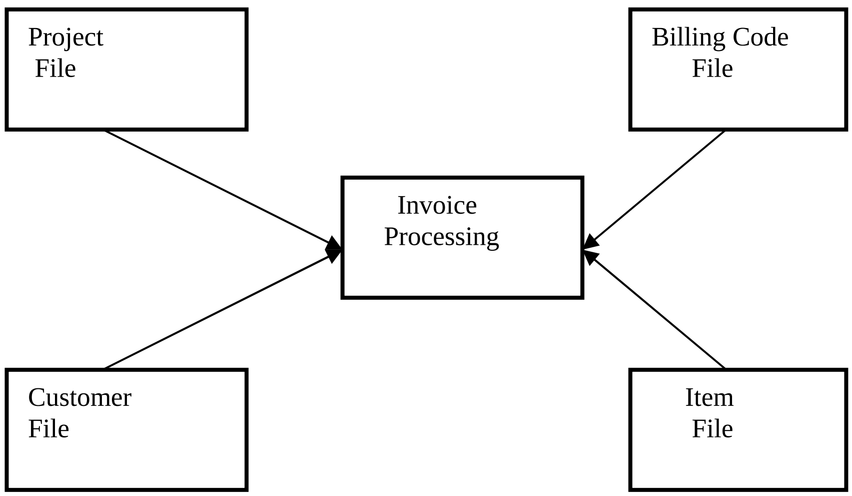
- 3 Customers
- 3 Projects
- 5 Work Orders
- 8 Items
- 5 Invoices
- 5 Billing Codes
- 3 Rate Summaries

The initial Login and Password for the demonstration version is:
Login= admin Password= admin

We are confident you will find **BILLING-XTRAS** an invaluable tool for managing your billings for extra work.

Chapter 3. Getting Started

BILLING-XTRAS uses several data files to calculate and control the billing process. The maintenance of these files is fully described in Chapter 4.



The **Customer File** contains:

- Name & billing address of the customer
- Customer contact- the person who is to receive the invoice
- The Payroll Tax and the Insurance rates that apply to this customer

The **Project File** contains:

- Name & address of the project
- The Billing Code which applies to this customer
- State code indicating the state where the project is located

The **Billing Code File** contains:

- The detail of the overhead and profit rates that apply to each category and sub-category of billable costs (Labor, Materials, Equipment, Subcontracts and Units/Other).
- The data indicating which categories of billable cost are subject to state sales tax.

The **Item File** contains:

- A description of the billing items (Carpenter Journeyman, Backhoe, concrete)
- The unit of measurement (Hrs, CY, SF)
- The cost / application rate for the billable item
- In the case of labor, the Regular, Overtime and Double Time rates for the labor item as well as the detail of the Fringe Benefit costs.

Most construction contracts contain a requirement that the owner or General Contactor be notified daily of the labor, materials and equipment expended while working on extras. The documents used by contractors to meet these notification requirements are often called Extra Work Authorizations, Field Reports or T&M Tickets. **BILLING-XTRAS** refers to these documents as Work Orders. Generally a Work Order covers all the items to be invoiced for one day. (Sample T&M Ticket forms can be found in the Appendix of this manual).

Invoice Processing describes the procedure for entering Work Orders into the system and then attaching these individual Work Orders together to form an invoice. In **BILLING-XTRAS** an invoice may contain any number of Work Orders; there is no limit.

Producing an invoice with **BILLING-XTRAS** takes three easy steps:

Step #1
The first step in Invoice Processing is the creation of a Work Order**. T**he user is prompted to enter the Project and Customer Codes. Next the date and your T&M Ticket number if applicable is entered. **BILLING-XTRAS** creates a Work Order and assigns an Internal Work Order number. This number will appear on your invoice along with any ticket number you have assigned and entered.

Step #2
The operator is next prompted to enter the Item Code of the first Work Order Item to be invoiced along with the quantity. **BILLING-XTRAS** then calculates the fully loaded billing rate from the appropriate files, extends the rate times the quantity and stores the extended billing amount until invoice printing. **BILLING-XTRAS** then prompts the user to enter a second item to add to the Work Order and this procedure repeats until all items for that day or that Work Order have been entered. The operator then begins a new Work Order for the next day, enters the items and quantities and continues input until all Work Orders to be invoiced have been entered.

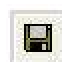
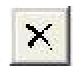
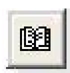
Step #3
After all Work Orders for a specific extra have been entered, they are combined and **BILLING-XTRAS** produces an invoice in the format you assigned to the individual project.

We encourage you to use the program and become acquainted with the operations and power of **BILLING-XTRAS.** In an effort to help you become comfortable with the program, we have included a sample test file that contains Projects, Customers, Billing

Codes and a number of Billing Items. With this sample file you can create Work Orders, generate invoices and print Labor Rate Summaries.

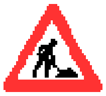
Chapter 4. File Maintenance

Before we begin the File Maintenance functions, a few words about the input screens. All the File Maintenance screens have been designed with the user in mind.

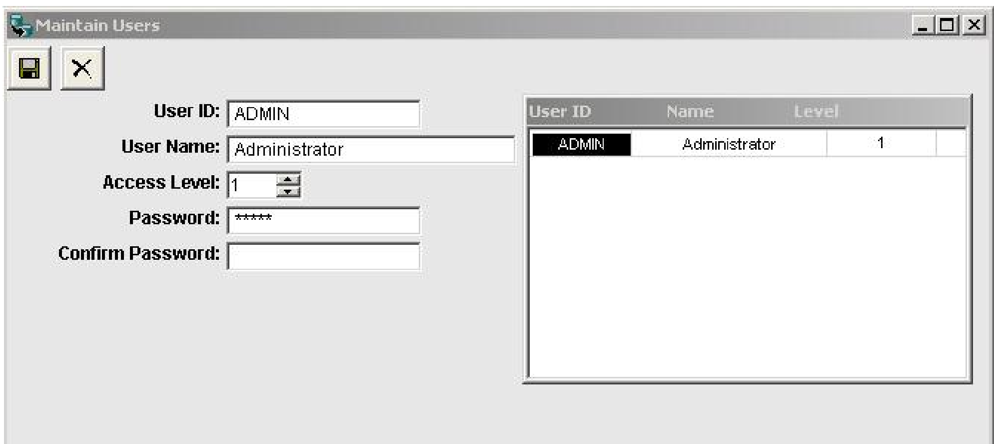
- Most screens have an informational text box so that you can easily look up and select the file record you wish to edit.
- Each screen contains both a SAVE  and a DELETE  button in the upper left corner that operate on the currently selected record (you must always save your changes prior to exiting the record or the screen).
- Wherever possible, data formats have been structured for ease of input.
- **BILLING-XTRAS** provides a  Lookup feature on all data input screens to assist the user with data input. Just click the Lookup Icon with your mouse and an Informational Text Box will open listing the records available at that point for selection or edit.
- **T**o move from field to field within Maintenance Screens, use the **TAB** key.

Several of the data fields contain mission critical information. If you have left a required data field blank, **BILLING-XTRAS** will remind you with a warning message and prevent you from saving your work until the required data is entered.

BILLING-XTRAS is a very flexible tool for invoicing extra work in the construction industry. The program gets that flexibility by providing the user with a significant list of invoicing options. As you begin to use **BILLING-XTRAS** you will be asked to select options, which will affect your future invoices. To assist you with these decisions we have provided this User Manual.

 Throughout this User Manual we have provided helpful notes and suggestions designed to help you get **BILLING-XTRAS** up and running as fast as possible. These suggestions and helpful notes are identified in the User Manual by this ***Assistance Icon***.

User Maintenance



Your invoicing files and systems need to be protected from unauthorized use and adjustments. To accomplish this **BILLING-XTRAS** maintains a user file that allows you to control who has general access to the program and to further define what files the user can modify and adjust. The system as delivered has a User ID, pre-assigned to allow you full access to the program and all features. The pre-assigned User ID is “ADMIN” and the pre-assigned Password is “ADMIN”.

You can assign new users with their own User ID and Password from the Maintain Users maintenance screen.

- Access Level 1- allows full access to all the system features.
- Access Level 2- Designed for lower level operators who will be entering Work Orders and Invoices. A level 2 operator does not have access to the System Options and can perform maintenance only to Billing Items.
- Access Level 3-This level of authority is designed for management personnel who may need to view and print Invoices, reports and Rate Summaries. This level of authority cannot perform any maintenance or change data.

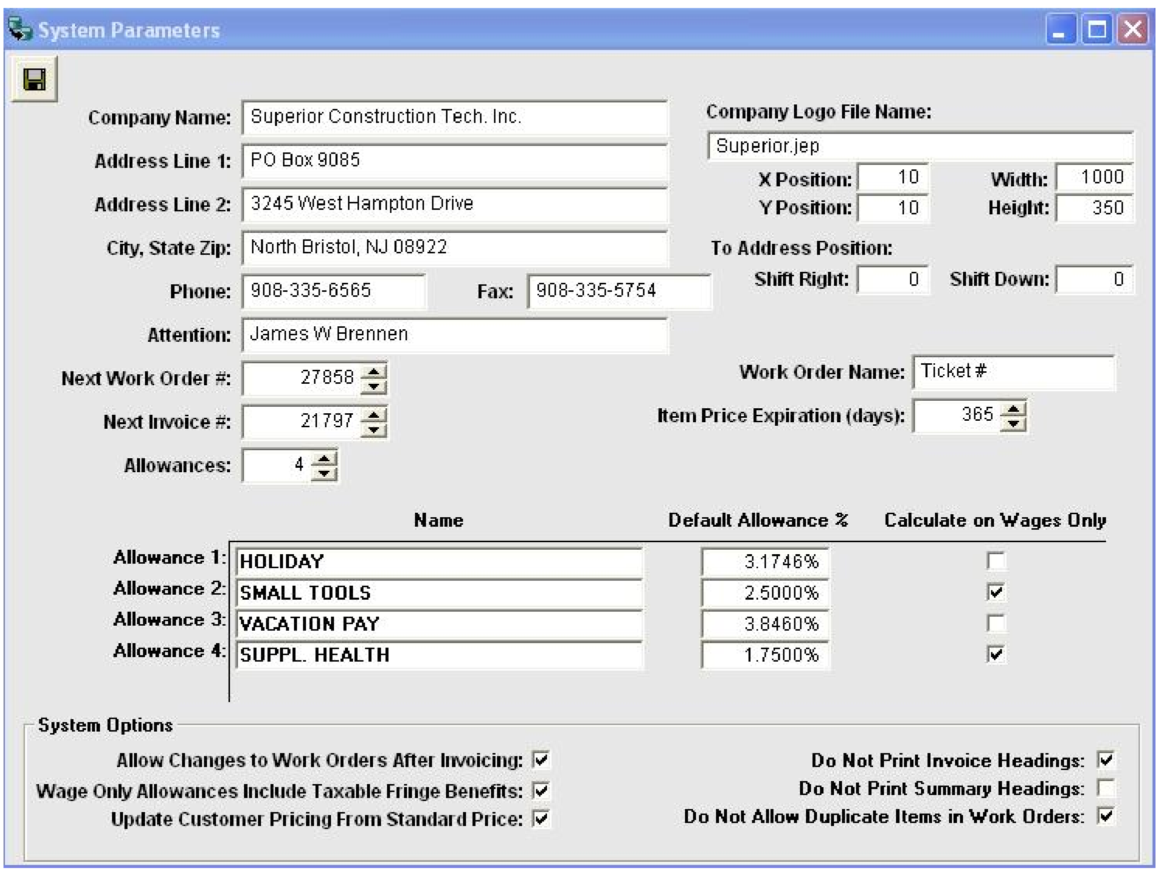
Field Description	Size	Format	Contents
User ID	10	Alpha/Num	Assigned User ID

User Name	25	Alpha/Num	User Name
Access Level	1		Assigned User Access Level
Password	10	Alpha/Num	Assigned User Password
Confirm Password	10	Alpha/Num	Assigned User Password - Confirmed

System Options

Before you begin to enter records for your Customers and Projects, there are several System Options that must be considered. These are system-wide parameters that control how your invoices are calculated and printed.

The System Options menu is available from the System Maintenance pull down on the main Menu. The System Option menu is where you make several *system-wide* options and defaults that will affect all your extra work invoices.



You have the option of printing your companies name and address at the top of the invoices you prepare. If you have a company logo in the form of a jpeg file, you can also print this logo in the invoice heading. **BILLING-XTRAS** allows you to determine the position and size of the logo so that your invoices appear as you want them to. If, as many contractors do, you wish to print your invoices on company letterhead, you can suppress the printing of the company logo, name and address. The controls for all these options are located in the System Options menu.

Field Description	Size	Format	Contents
Company Name	50	Alpha/Num	Your Company's Name
Address Line 1	50	Alpha/Num	Your Company's Address Line 1
Address Line 2	50	Alpha/Num	Your Company's Address Line 2
City, State, Zip	50	Alpha/Num	Your Company's City, State, Zip Code
Phone	10	xxx-xxx-xxxx	Your Company's Phone Number
Fax	10	xxx-xxx-xxxx	Your Company's Fax Number
Next Work Order #	6	xxxxxx	Allows you to establish a Work Order Sequence
Work Order Name	15	Alpha/Num	Your Company's Name for The Daily Ticket Form
Next Invoice #	8	xxxxxxxx	Allows you to establish an Invoice Sequence
Item Price Expiration (Days)	3	xxx	Default Days between Item Cost/Pricing Record Effective and Expiration Dates
Allowances	1	5-Jan	Number of Allowances - Company Wide (1-5)
Company Logo File Name		Alpha/Num	Location of file where Company Logo jpeg resides
Position X			These Parameters assign the printing positions,
Width			Width and Height of your Company Logo Printing
Position Y			on Invoices.
Height			
Address Position-Shift Right			These Parameters assign the printing positions of
Address Position-Shift Down			your company's Name & Address on Invoices
Allowance 1 Name	15	Alpha/Num	Name you have assigned to Allowance 1
Default Allowance %	6	xx.xxxx%	Default Percentage Assigned to Allowance 1
Calculate On Wages Only	1	☑	Check = Allowance to be based on Wages Only
Allowance 2-5 Name	15	Alpha/Num	Name you have assigned to Allowance 2-5
Default Allowance %	6	xx.xxxx%	Default Percentage Assigned to Allowance 2-5
Calculate On Wages Only	1	☑	Check = Allowance to be based on Wages Only
Allow Changes After Invoicing	1	☑	Check= Allow Changes
Wage Only Allowance Includes Taxable Fringe Benefits	1	☑	Check = Include Taxable Fringe Benefits with Wages when Calculating all Allowances
Update Customer Pricing from Standard Price	1	☑	Activates Customer/Project Pricing History Records
Do Not Print Invoice Headings	1	☑	This Option suppresses the printing of headings on Invoices to allow use of letterhead
Do Not Print Summary Headings	1	☑	This Option suppresses the printing of headings on Labor Summaries to allow use of letterhead
Do Not Allow Duplicate Items on Work Orders	1	☑	This Option Prevents the Use of Duplicate Items on Work Orders

Keeping your billing rates current is a must. **BILLING-XTRAS** has a built in method of warning you when your scheduled rates (Labor, Equipment, Materials) expire. For each Item you invoice, **BILLING-XTRAS** maintains Cost/Pricing records identified by Effective Date. These records also contain a user defined Expiration Date. If you invoice an item for a period beyond it's Expiration Date, the program warns you that your rates may have expired. The System Options menu contains a default number of days between the Effective and Expiration Dates. The default is set for 365 days (1 year), however it can be adjusted here in System Options.

Construction companies that invoice for extra work using the Time & Material (T&M) method often include Allowances in the calculation of labor billing rates. *Please refer to the Appendix portion of this manual for a detailed description of Allowances.*

BILLING-XTRAS allows you to define up to five (5) separate company wide allowances and to establish default values as well as calculation methods for each. <u>These Allowances apply only to labor billing items</u>. Allowances are very powerful tools for invoicing and are designed to enable you to include all appropriate labor costs in your billing rates

You establish and define these allowances here in the System Options menu.

Take a moment to review the types of Allowances you plan to include in your Labor Billing Rates. Some Allowances will represent the cost of benefits paid to your employees such as Holidays or Paid Vacations; some will represent costs not directly related to wages or benefits such as Small Tools or Safety Expenses. **BILLING-XTRAS** gives you several options in the calculation base of these Allowances. Generally, the Billing Rates for Allowance items that are directly related to wages or benefits, andt have rates derived from labor hours (such as the Holiday example in the Appendix), should include wages, fringe benefits, payroll taxes and insurance in the calculation base.

Defining the calculation of allowances requires the determination of two factors, 1- the percentage rate, and 2- the base you want that percentage applied to.

1. The percentage rate for each allowance is determined by your company's specific needs and situation. (See the Appendix for assistance.)
2. The base is always labor. If you place a check in the "Calculate On Wages Only" box, the base will be wages only; leave the box unchecked and the percentage will be applied against the total of wages, fringe benefits, payroll taxes and insurance.

You define the calculation for each Allowance separately.

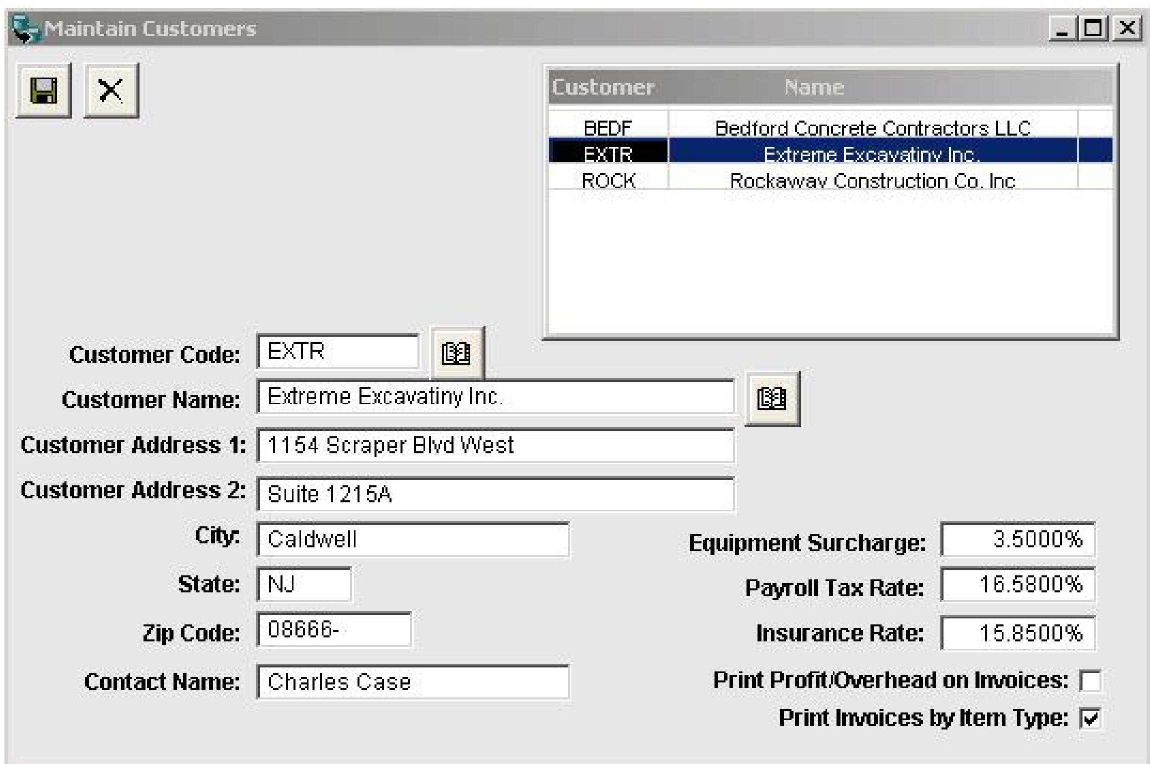
The final Allowance related option on the System Options menu involves the definition of "Wages Only". Most fringe benefits are non-taxable for payroll taxes. In some cases however, fringe benefits are taxable or included as wages. You will define these benefits later in Item Maintenance. If you selected the base for any Allowances above as “Wages Only”, a check in this box will define wages as Wages + Taxable Benefits. This definition will be universal.

The cost of materials in the Construction Industry is a moving target. The problem of determining the proper cost for inclusion in your Extra Work invoices can be very time consuming. To help you, **BILLING-XTRAS**, contains a Previously Billed Look-up feature for Materials, Equipment, Subcontracts and Units/Other Items. If you place a check in the option box titled *Update Customer Pricing From Standard Price*, **BILLING-XTRAS** will maintain a history, by customer and project, of the Pricing/Cost Records you previously used. These records will be made available to you during Work Order entry.

For invoice clarity, users often wish to restrict the use of duplicate Items on Work Orders. If chose this option, **BILLING-XTRAS** will prevent the operator from entering Items more than once on each Work Order. These rules do not apply to Special Billing Items, which will be addressed later.

Customer File Maintenance

The Customer File Maintenance screen is accessible from the File Maintenance pull down. Customer File Maintenance is the place where you enter and control the basic information about your customers.



You can either enter a new customer by typing a new Customer Code in the Customer Code field and then completing the other data fields or you can edit an existing customer by clicking the Lookup Icon and selecting the customer you wish to edit from the list in the informational text box.

In the next section we will enter Projects and attach these customers to specific projects. The information entered here (other than Cust. Code and Cust. Name) should be considered default values that can be overridden later on. For example, Extreme Excavation's home address is Scraper Ave., Caldwell. They prefer that invoices for certain projects be mailed directly to the job. In Project File Maintenance the billing address can be adjusted to reflect this project specific requirement.

Field Description	Size	Format	Contents
Customer Code	6	Alpha/Num	Assigned Customer Code
Customer Name	35	Alpha/Num	The Customer's Name
Address 1	35	Alpha/Num	The Customer's Street Address
Address 2	35	Alpha/Num	Additional Address Line As Needed
City	20	Alpha/Num	Customer's City
State	2	Alpha	State Code
Zip Code	9	xxxxx-xxxx	Zip Code
Contact Name	35	Alpha/Num	Your Customer Contact's Name (For Invoicing)
Equipment Surcharge	6	xx.xxxx%	Percentage Rate To Apply To Equipment
Payroll Tax Rate	6	xx.xxxx%	Percentage Rate For Payroll Taxes (See Appendix)
Insurance Rate	6	xx.xxxx%	Percentage Rate For Insurance (See Appendix)
Print Overhead & Profit on Invouces	1	☑	Seperates Overhead & Profit on Invoices Printed
Print Invoice By Item Type	1	☑	Labor, Equip., Materials, Sub., Units/Other

Contractors all too often, experience rapidly increasing costs related to construction equipment maintenance and operations. To help you respond quickly and recover these increased costs, **BILLING-XTRAS** contains an Equipment Surcharge feature. The percentage you select for the Equipment Surcharge is recorded here in the Customer File Maintenance screen.

Payroll tax and Insurance rates are important factors to be considered when billing for extra work. **BILLING-XTRAS** maintains default rates for these costs in the Customer File. You should consider the rates here as default rates as they can be adjusted in the Project Maintenance screen to reflect job specific requirements.

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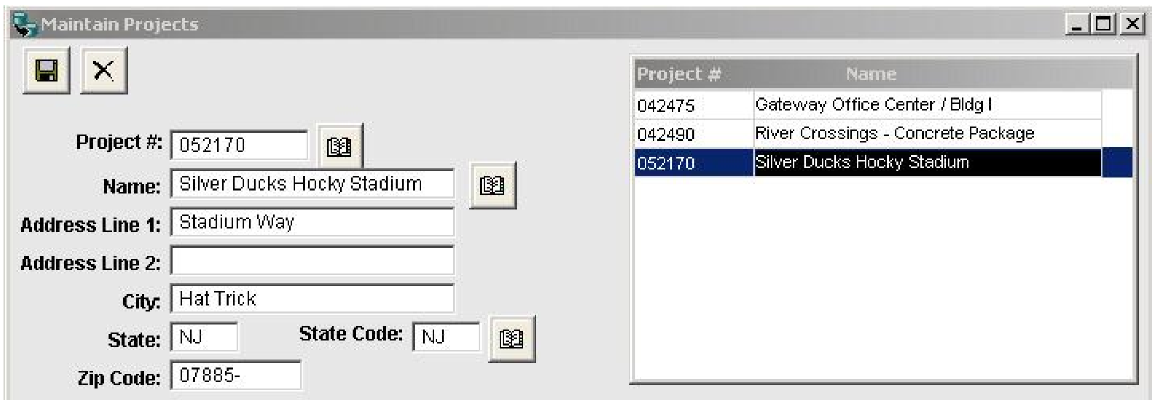
Before you leave the Customer Maintenance screen, remember to save your work by clicking the Save button in the upper left hand corner.

Project File Maintenance

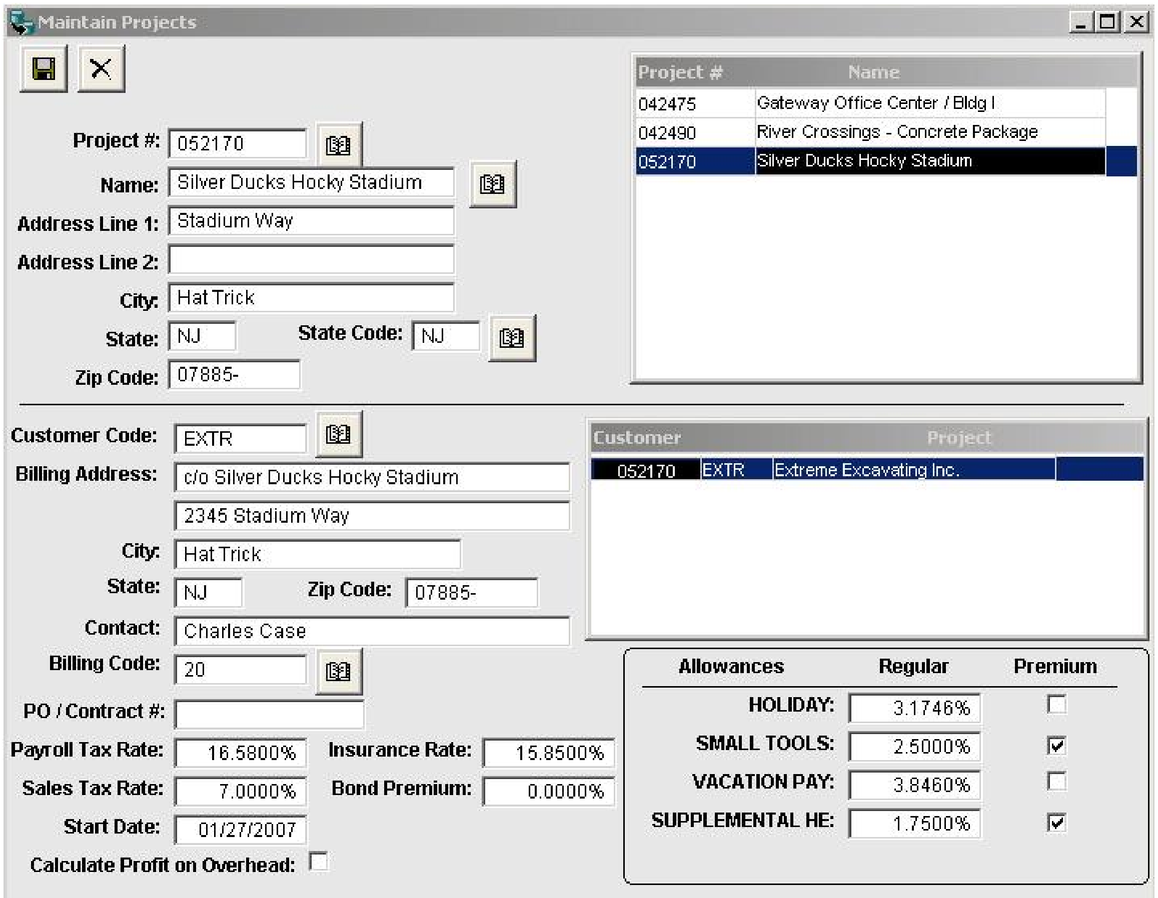
The Project File Maintenance screen is accessible from the File Maintenance pull down. Project File Maintenance is the place where you enter and control the basic information about your construction projects and attach Customers records.



The top half of the Maintain Projects menu allows you to enter the basic information about your projects. After you have entered the data for your new projects, click the save button at the upper left corner to save your work. You can edit project information on existing jobs by selecting the project from the informational text box, making the required changes and then saving your work.

Field Description	Size	Format	Contents
Project #	6	Alpha/Num	Assigned Project Code
Project Name	35	Alpha/Num	Project Name
Address Line 1	35	Alpha/Num	Project Street Address
Address Line 2	35	Alpha/Num	Additional Address Line As Needed
City	20	Alpha/Num	Project City
State	2	Alpha	State Code
Zip Code	9	xxxxx-xxxx	Zip Code
State Code	2	Numeric	Standard State Code

After you have entered and saved the basic project information in the top section of the Project Maintenance Screen, you must assign a customer to the project from the Customer File, and complete the balance of the Project Maintenance screen.



BILLING-XTRAS obtains much of the required information from the Customer File and the System Maintenance File. This defaulted information (Billing Address, Payroll Tax & Insurance Rates) can be overridden here in the Project File Maintenance. In this example the customer's address from the Customer File has been overridden so that invoices will be mailed directly to the job.

The Allowance details are obtained from the default values in System Options. As with most project factors, the default values can be adjusted here to reflect project specific requirements. You can also specify here if you wish the premium portion of Overtime and Double Time costs to be included in the calculation base of Allowances.

Field Description	Size	Format	Contents	Notes
Customer	35	Alpha/Num	Customer Name	**Note 1**
Customer Billing Address line 1	35	Alpha/Num	Customer Billing Address	**Note 1**
Customer Billing Address line 2	35	Alpha/Num	Additional Address Line As Needed	**Note 1**
Customer City	20	Alpha/Num	Customer Billing City	**Note 1**
State	2	Alpha	State Code	**Note 1**
Zip Code	9	xxxxx-xxxx	Zip Code	**Note 1**
Customer Contact	35	Alpha/Num	Your Customer's Contact For Invoicing	**Note 1**
Billing Code	8	Alpha/Num	Billing Code (See Section 4.3)	**Note 1**
Payroll Tax Rate	6	xx.xxxx%	Percentage Rate For Payroll Taxes	**Note 1**
Insurance Rate	6	xx.xxxx%	Percentage Rate For Insurance	**Note 1**
Sales Tax Rate	6	xx.xxxx%	Percentage Rate For State Sales Tax	
Bond Premium	6	xx.xxxx%	Bond Premium Rate (If Applicable)	
Start Date	8	xx/xx/xx	Project Start Date	
Calculate Profit On Overhead?	1	☑	Check = Yes / Blank = No	
Allowance Rate	6	xx.xxxx%	Percentage Rate For Allowance	**Note 2**
Allowance Premium?	1	☑	Calc. Allowance On Premium Wages? Check = Yes / Blank = No	
Repeat For Additional Allowances				

Note 1 - Defaults From The Customer Maintenance File
Note 2 - Defaults From System Maintenance File

BillingXtras allows you to assign a separate Overhead and Profit rate for each type of item on your invoices. This Overhead & Profit is controlled by detained Billing Codes that will be covered in the next section. The appropriate Billing Code from that file is assigned to the project here in the Project Maintenance screen.

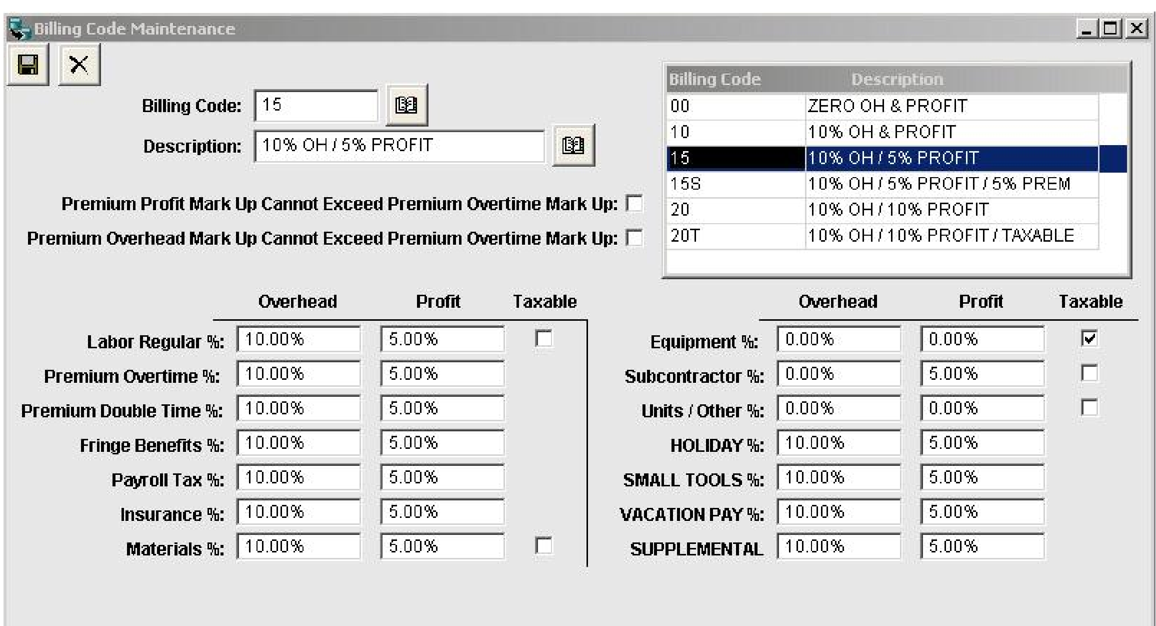
A word here about Payroll Tax and Insurance rates. If your company performs work on projects in a number of state and local jurisdictions, you have most likely encountered different Payroll Taxes and Insurance costs depending on your project locations. In addition, specific project owners or contractors may provide their own insurance coverage under an Owner's Controlled Insurance Program (OCIP) or Wrap-up program. **BillingXtras** allows you to tailor your rates for these labor related costs to your specific project requirements. You can establish standard rates by customer and then override the rates here in the Project File Maintenance Screen. Guidelines to help you establish these rates are covered in the Appendix of this manual.

Billing Code Maintenance

BILLING-XTRAS separates the items you invoice into categories of Labor, Materials, Equipment, Subcontractors and Units/Other. Labor items are further separated into categories of Wages, Taxable Benefits, Fringe Benefits, Payroll Taxes, Insurance and Allowances. Each category and subcategory has its own overhead and profit rate, controlled by Billing Codes that reflect the individual customer requirements of your contracts. The Billing Code Maintenance Screen is where you develop these guidelines.

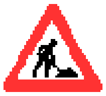
To clearly define the components of labor, **BILLING-XTRAS** uses the following definitions when referring to regular, overtime and double time labor:

- Regular Wages - Generally referred to as Regular or Straight time wages, these earnings are an employee's wages for working during normal working hours.
- Overtime Wages - Earned outside normal working hours and generally paid at a rate of time and one half (1 ½) the Regular Wages.
- Double Time Wages - Also earned outside normal working hours and generally compensated at a rate of double (2) the Regular Wages.
- Premium Overtime - The portion of Overtime pay that exceeds the normal Regular Wage. Generally this the half time of Overtime pay.
- Premium Double Time - The portion of Double Time pay that exceeds the normal Regular Wage. Generally this is equal in value to the Regular Wage.



Occasionally construction contracts require that the premium portion of overtime be invoiced at a lower Overhead & Profit rate than Regular Wages. **BILLING-XTRAS** allows the user to define a Billing Code that marks up the premium portion of Overtime at a different rate than the Regular or Straight time portion of Overtime pay. In addition, **BILLING-XTRAS** allows the user to determine if the ancillary components of labor (Payroll Taxes, Fringe Benefits and Allowances should have the same restriction on Overhead and Profit rates as the wages.

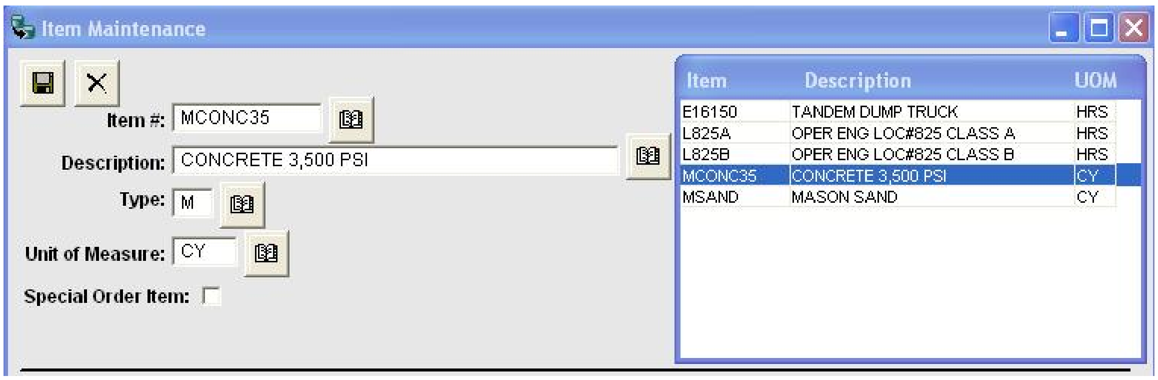
Field Description	Size	Format	Contents
Billing Code	8	Alpha/Num	User Defined Billing Code
Description	30	Alpha/Num	Billing Code Description
O&P On All Premium Labor Components Follow Premium Labor Rules	1	☑	Check = Yes / Blank = No
Labor Regular / Overhead Rate	6	xx.xxxx%	Percentage Rate For Overhead
Labor Regular / Profit Rate	6	xx.xxxx%	Percentage Rate For Profit
Labor Taxable (Y/N)	1	☑	Check = Yes / Blank = No
Labor Prem OT Overhead Rate	6	xx.xxxx%	Percentage Rate For Overhead
Labor Prem OT / Profit Rate	6	xx.xxxx%	Percentage Rate For Profit
Labor Prem DT Overhead Rate	6	xx.xxxx%	Percentage Rate For Overhead
Labor Prem DT / Profit Rate	6	xx.xxxx%	Percentage Rate For Profit
Fringe Benefits / Overhead Rate	6	xx.xxxx%	Percentage Rate For Overhead
Fringe Benefits / Profit Rate	6	xx.xxxx%	Percentage Rate For Profit
Payroll Taxes / Overhead Rate	6	xx.xxxx%	Percentage Rate For Overhead
Payroll Taxes / Profit Rate	6	xx.xxxx%	Percentage Rate For Profit
Insurance / Overhead Rate	6	xx.xxxx%	Percentage Rate For Overhead
Insurance / Profit Rate	6	xx.xxxx%	Percentage Rate For Profit
Materials / Overhead Rate	6	xx.xxxx%	Percentage Rate For Overhead
Materials / Profit Rate	6	xx.xxxx%	Percentage Rate For Profit
Materials Taxable (Y?N)	1	☑	Check = Yes / Blank = No
Equipment / Overhead Rate	6	xx.xxxx%	Percentage Rate For Overhead
Equipment / Profit Rate	6	xx.xxxx%	Percentage Rate For Profit
Equipment Taxable (Y?N)	1	☑	Check = Yes / Blank = No
Subcontractors / Overhead Rate	6	xx.xxxx%	Percentage Rate For Overhead
Subcontractors / Profit Rate	6	xx.xxxx%	Percentage Rate For Profit
Subcontractors Taxable (Y/N)	1	☑	Check = Yes / Blank = No
Units-Other / Overhead Rate	6	xx.xxxx%	Percentage Rate For Overhead
Units-Other / Profit Rate	6	xx.xxxx%	Percentage Rate For Profit
Units-Other Taxable (Y/N)	1	☑	Check = Yes / Blank = No
Allowance #1 / Overhead Rate	6	xx.xxxx%	Percentage Rate For Overhead
Allowance #1 / Profit Rate	6	xx.xxxx%	Percentage Rate For Profit
Allowance #1 Taxable (Y/N)	1	☑	Check = Yes / Blank = No

 The Billing Code as described above determines the Overhead & Profit percentages that are applied to costs during invoicing. If your company has established <u>Billing Rates</u> for Equipment that include Overhead & Profit, the Overhead & Profit rates for Equipment should be set at zero (00.0000) in the Billing Code File. In addition, items in the category of Units / Other are generally entered into the system at their marked up billing rates.   **BILLING-XTRAS** recommends that you set the Overhead & Profit rates for this category at zero (oo.ooo) as well and reserve this category for items entered at their marked up billing rate.

The requirements covering the collection of State Sales Tax laws differ depending on the project location. In most states, if a contractor's work represents a *Capital Improvement* to the property, the labor portion of the work invoiced is not taxable for sales tax. If however, the contractor's work constitutes maintenance, state sales tax applies to the full invoice. **BILLING-XTRAS** allows you to control which Items on your invoice are taxable for state sales tax and which Items are not. This selection is made in the Billing Code Maintenance screen.

Item File Maintenance

Billing Items are the actual line items that appear on your invoices. They can be labor, materials, equipment, subcontracts or units/other. They are established and edited from the Item File Maintenance screen, available from the File Maintenance pull down.



You assign the Item number and Item Description and select the Item Type and Unit of Measure from the appropriate lookup provided.

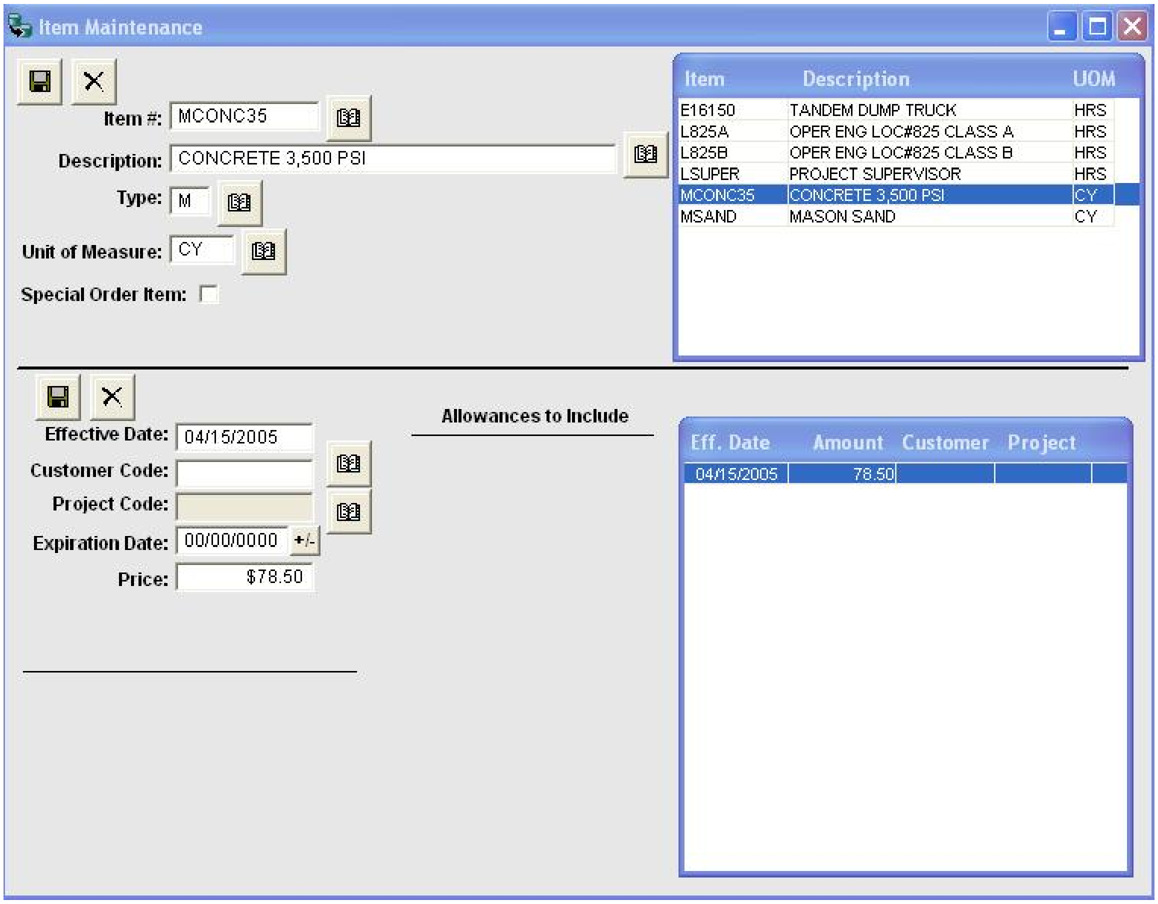
 Take a minute here to consider how you will assign Item Numbers. During Work Order entry, you will select Item Numbers from the Item File and add these Invoice Items to your Work Orders. **BILLING-XTRAS** will assist you by providing an Item Informational Text Box from which you can highlight and select the Items you need. If at that time, you input the first digit of the Item Number, **BILLING-XTRAS** will open the text box and filter your Items, displaying the Item Numbers starting with the first digit you have entered. To assist you with input to Work Orders, consider some organization to the Item Numbers you assign. For example, if you assign the first digit of all labor Items to be an “L” during Work Order entry, the Informational Text Box will skip all the Material, Equipment, Subcontractors as well as the Units/Other Items and take you directly to the area of the file containing the Labor Items. This can be a great timesaving during input after you have added a large number of Billing Items.

The Special Order Items designation is reserved for items you need to invoice only once or not often enough that you want to establish a separate Item record. You can enter a Special Billing Item here, assigning the Item Description as “Miscellaneous”. Later, during Work Order Entry, **BILLING-XTRAS** will allow you to overwrite the Item

Description creating a very flexible tool for your invoicing. You can reuse these Special Order Items any number of times on an invoice, so you only need one separate Special Order Item for each type of Item (Equipment, Material, Subcontract and Units/Other) and each unit of measure. For now, leave the Special Order Item Field blank.

Field Description	Size	Format	Contents
Item Number	8	Alpha/Num	User Defined Item Number
Item Description	30	Alpha/Num	User defined Item Description
Type	1	Alpha/Num	L=Labor, M=Material, E=Equipt, S=Subcontract
			O=Units/Other
Unit of Measure	3	Alpha/Num	
Special Billing Item	1	☑	Check Box Identifies Special Billing Item

After you have recorded the basic Item information, you must establish a Pricing/Cost Record for each Item. **BILLING-XTRAS** will maintain a number of these records for each Item you invoice. If you selected the Update Customer Pricing option in the Systems Parameters Menu, these records are maintained by Customer and Project. This allows you to lookup the pricing or cost that was billed to your customers on previous invoices.

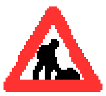


Each Pricing/Cost record contains both an Effective Date and an Expiration Date. During invoicing, if you bill an Item beyond the Expiration Date, **BILLING-XTRAS** warns you that the rate has expired. When you enter the Effective Date, the Expiration Date is calculated for you based on the number of days contained in the System Options default. If you wish, you can override the system generated Expiration Date here and enter your own. A blank in the Expiration Date field indicates no Expiration Date applies.

When you have completed recording the Item and the Pricing/Cost record be sure to save your work by clicking the save button in the upper left corner. The Pricing/Cost Record will be posted to the informational text box at the right.

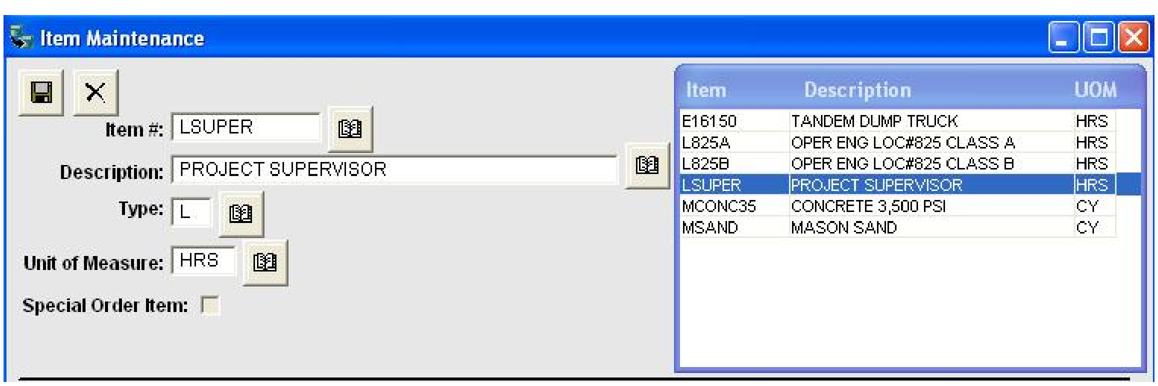
Field Description	**Size**	**Format**	**Contents**
Effective Date	10	xx/xx/xxxx	Rate Record Effective Date
Customer Code	6	Alpha/Num	Customer Code for Customer Specific Items
Project Code	6	Alpha/Num	Project code for Project specific Items
Expiation Date	10	xx/xx/xxxx	Rate Record Expiration Date

Price	12	$xx,xxx.xxxx	Unmarked up Cost Rate for the Item



A word about the Pricing/Cost records. We previously addressed how **BILLING-XTRAS** separates the Items you invoice into categories or types. In the section of this manual titled Billing Code Maintenance you established the rules for applying both Overhead and Profit and you assigned those rules by Item Type. When establishing the Pricing/Cost record for Items you must take into consideration these Billing Code rules. If you assigned the Item Types of Equipment and Unit/Other an Overhead and Profit of zero, you consider the Pricing/Cost record to be a *Billing Rate* and you should enter the fully marked up price. If you have assigned an Overhead and Profit percentage to the Item Types you should enter the cost you paid (including Sales Tax) into the Pricing/Cost record.

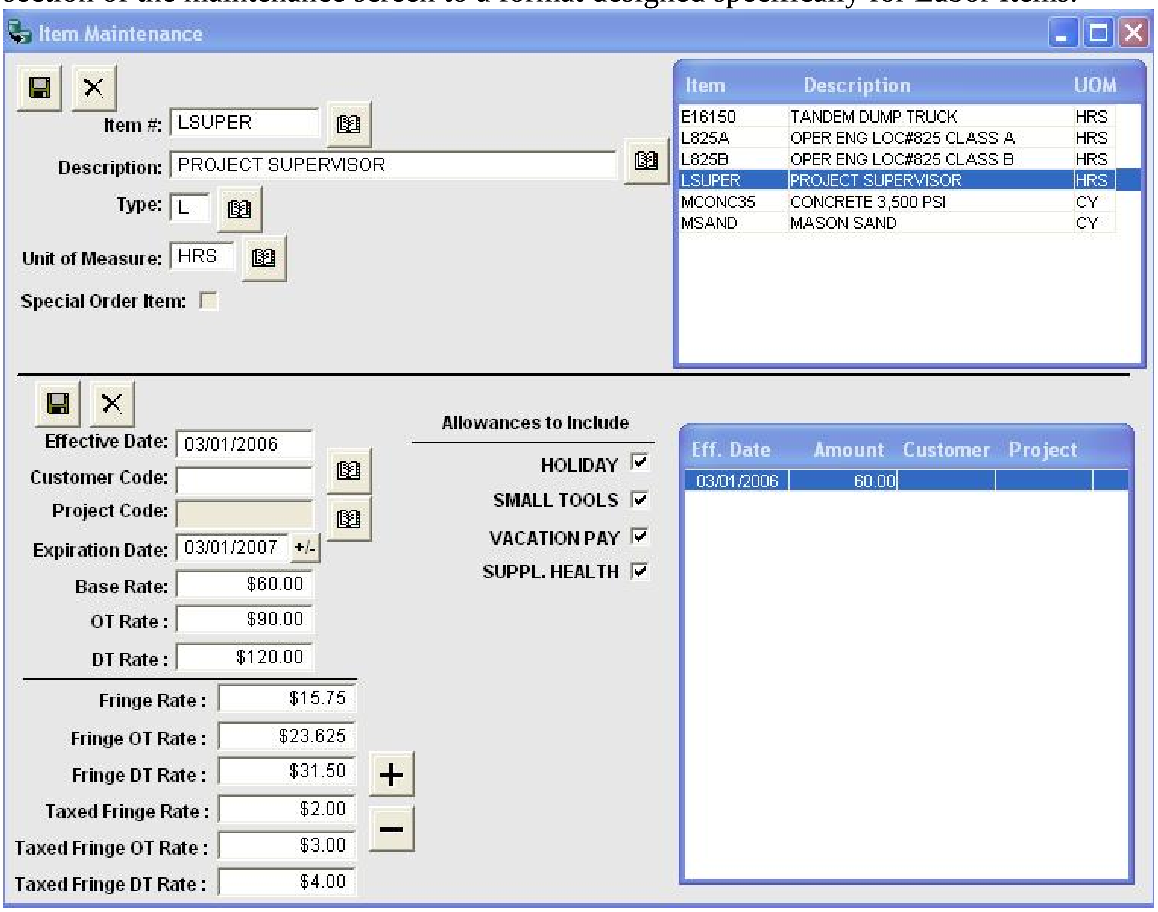
Items relating to Equipment, Materials, Subcontracts and Units/Other are all recorded the same way. However, Labor Items are a little more involved. The top section of the Labor Item input screen is identical to other Item Maintenance screens with the exception of the Special Order Item check box in which entry is not permitted.



For demonstration we are adding a new Labor Item, Project Supervisor. The Item Type is Labor and the Unit of Measure is Hours.

Field Description	Size	Format	Contents
Item Number	8	Alpha/Num	User Defined Item Number
Item Description	30	Alpha/Num	User defined Item Description
Type	1	Alpha/Num	L=Labor
Unit of Measure	3	Alpha/Num	HRS= Hours
Special Billing Item	1		Input is not allowed for Labor Items

Immediately upon selecting the Item Type "LABOR", **BILLING-XTRAS** revises the lower section of the maintenance screen to a format designed specifically for Labor Items.



Just as you established the Item Pricing/Cost Record previously, you must now complete this record for the labor. Each Pricing/Cost Record for Labor represents a Wage &

Fringe Benefit for a specific time period. If your company employees Union Labor, this record will be identified by the anniversary of the Labor Agreement, in this case 03/01/2006. The Wage & Fringe Benefit costs are those that become effective on that date. Even if your company does not employ Union Labor, you most likely review your employees on a specific date each year. This would be your Effective Date.

Billing-Xtras calculates the Expiration Date just as it did for the Material Item previously. You can change the defaulted date here if you wish.

Enter the Base Wage for this Labor Item: **Billing-Xtras** anticipates the OT Rate at time and one half (1 ½) and the DT Rate at double time (2) and completes these fields. You can change these rates here if you wish.

Next you must record which Allowances should apply to this Labor Item. In this example we want all the Allowances to apply. Since this Item is Supervision the employee is paid Holidays, he receives a paid Vacation and he also receives Suppl. Health Insurance coverage. All Labor Items contain a Small Tools Allowance. Had this been a Laborer Journeyman the Vacation and Supplemental Health Allowances would not have been checked because employees under the level of Foreman do not receive these benefits.

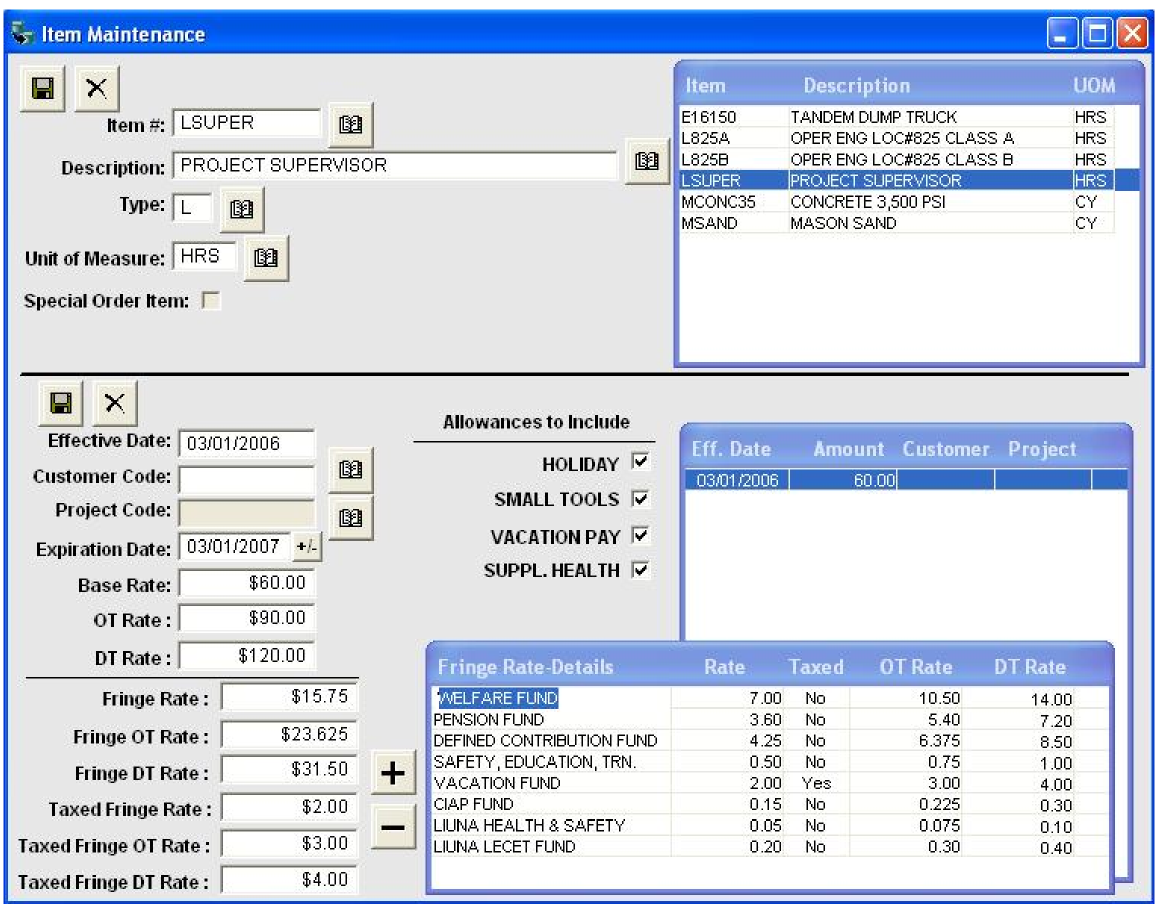
Occasionally you will encounter a. project where your customer disallows a specific Allowance (i.e. Small Tools). When this occurs, you should override the Allowance value in the Project Maintenance screen with a value of zero (00.00). When you assign Allowances in a Labor Item, you should consider the assignment system wide or universal.

Field Description	Size	Format	Contents
Effective Date	10	xx/xx/xxxx	Rate Record Effective Date
Customer Code	6	Alpha/Num	Customer Code for Customer Specific Items
Base Rate	8	$xxx.xxxx	Base Labor Wage Rate
OT Rate	8	$xxx.xxxx	OT Labor Wage Rate
DT Rate	8	$xxx.xxxx	DT Labor Wage Rate
Allowance 1	1	☑	Check= Allowance Applicable to this Item
Allowance 2-5	1	☑	Check= Allowance Applicable to this Item
Fringe Rate	8	$xxx.xxxx	**Input Not Required - Totaled from Detail**
OT Fringe Rate	8	$xxx.xxxx	**Input Not Required - Totaled from Detail**
DT Fringe Rate	8	$xxx.xxxx	**Input Not Required - Totaled from Detail**

Taxed Fringe Rate	8	$xxx.xxxx	**Input Not Required - Totaled from Detail**
Taxed Fringe OT Rate	8	$xxx.xxxx	**Input Not Required - Totaled from Detail**
Taxed Fringe DT Rate	8	$xxx.xxxx	**Input Not Required - Totaled from Detail**

The bottom of the Labor Item Maintenance screen is where you enter the rates for your Fringe Benefits. If your company employees Union Labor, you obtain these rates from your Union contracts. If your employees are not unionized you will have to calculate the value of the fringe Benefits. See the Appendix of this manual for assistance in calculating rates for Merit Shop Benefits calculating the rates for Merit Shop Benefits.

If you click in the Fringe Rate field, the Fringe Benefit detail window opens to the right. Click the Add button (**+**) and the system assists you with input of the detailed Fringe Benefit Names and rates. You will also be asked to identify Taxable Fringe Benefits from the other Fringe Benefits. As with all maintenance screens, use the **TAB** key to move from field to field.



Field Description	Size	Format	Contents
Fringe Benefit Description	25	Alpha/Num	Fringe Benefit or Fund Description
Fringe Benefit Base Rate	8	$xxx.xxxx	Base Fringe Benefit Rate
Taxed / Non-Taxed	1	☑	Check= Taxable Fringe Benefit
Fringe Benefit OT Rate	8	$xxx.xxxx	OT Fringe Benefit Rate
Fringe Benefit DT Rate	8	$xxx.xxxx	DT Fringe Benefit Rate

BILLING-XTRAS makes a distinction between Fringe benefits and Taxable Fringe Benefits. A number of Unions have a Vacation or a Savings fund that is added to wages during payroll processing, taxed and then deducted from net wages. When calculating Labor Billing Rates, these Taxable Fringe Benefits should be included as wages so that Payroll Taxes and Insurance are properly applied to these costs.

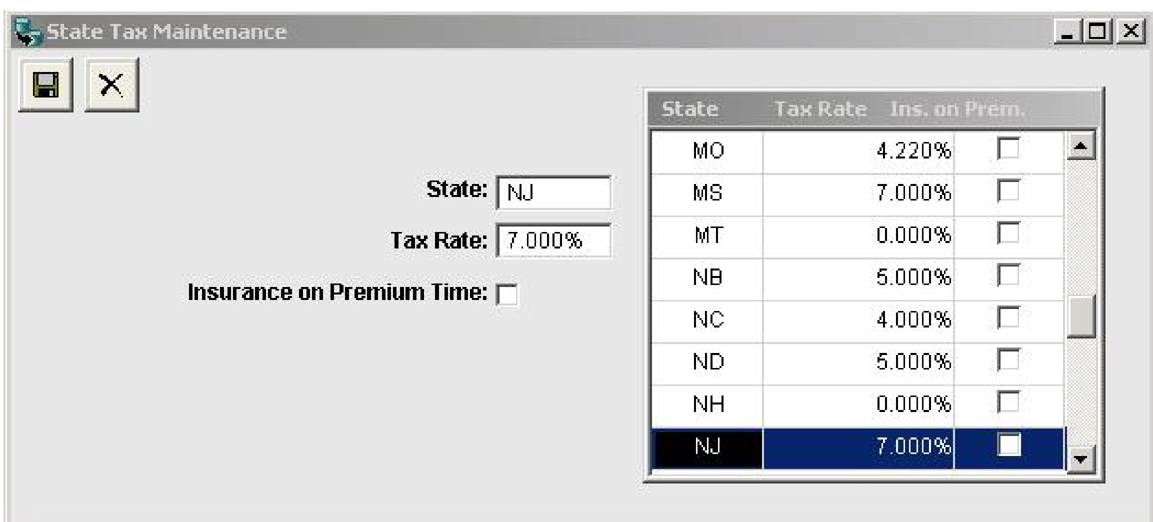
As with the other maintenance screens, always be sure to save your work before you exit the Item Maintenance Screen.

Labor and Fringe Benefit increases are regular occurrence in the Construction Industry. When these increases occur the Pricing/Cost Records must be revised to ensure that proper labor costs are invoiced. **BILLING-XTRAS** makes these revisions simple.

First select the current Pricing/Cost Record from the informational text box. When the record becomes active (the Effective Date field is populated), change the Effective Date to the new date and **save** the record. The new record is now posted in the informational text box. Now select that new Pricing/Cost Record and revise the Wage and Fringe Benefit rates to reflect the increase and update the Expiration Date. If required you can add or delete a Fringe Benefit. Once the new Pricing/Cost Record is revised, save it by clicking the Save button in the lower section of the Item Maintenance screen. Your done!

State Tax File Maintenance

State tax requirements differ in two areas related to Extra Work billings; Sales Tax rates and Wages subject to Worker's Compensation & General Liability Insurance. The State Tax File Maintenance screen allows the user to edit these fields that are used during invoicing calculation.



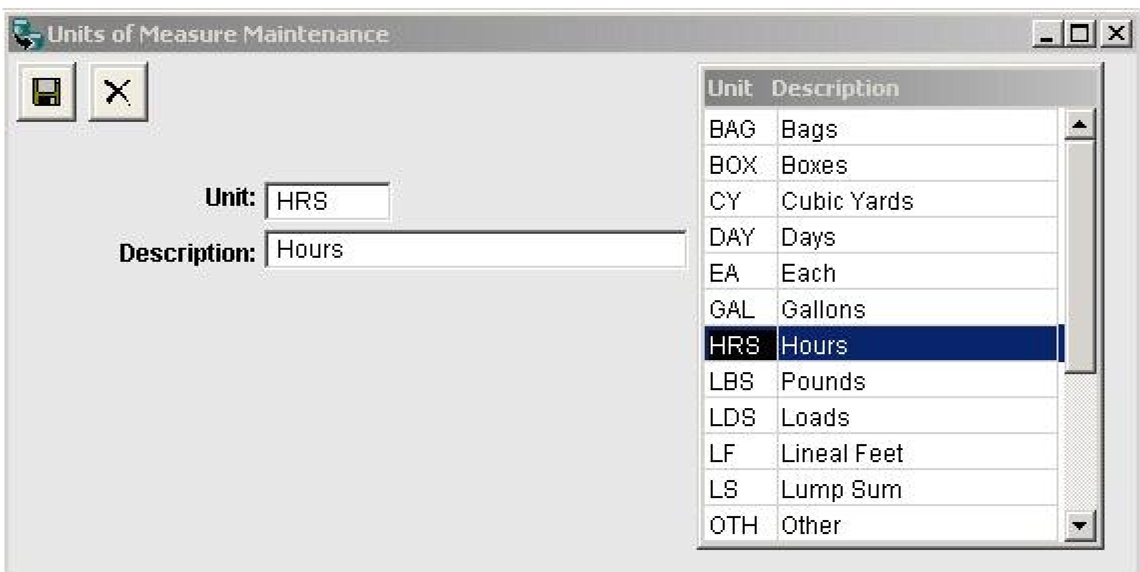
If you need an additional record because your project is in an area where a state and local tax are combined you can assign a new State Code and add that new location here.

Field Description	Size	Format	Contents
State / Local ID	3	Alpha/Num	Assigned User ID

Sales Tax Rate	8	xx.xxxxxx	Sales Tax Rate
Insurance on Premium Time?	1	☑	Checked Box = Calculate Labor Insurance on Premium Time / Unchecked = No

Units of Measure Maintenance

Your copy of **BILLING-XTRAS** comes with an extensive Units of Measure file that will allow you to start invoicing your customers immediately. As you use the system, you may need to add Units of Measure that is not listed in the informational data boxes. The Units of Measure Maintenance screen is where you establish and edit the Units description.



Field Description	Size	Format	Contents

Unit ID	3	Alpha/Num	Assigned Unit ID
Unit Name	20	Alpha/Num	Unit Name

Chapter 5. Processing Invoices

Work Order Maintenance

Extra work performed on a contract is never limited to a single day. Often a contractor’s work on an extra can encompass work on several days or even weeks. For both clarity and organization, contractors generally prefer to separate and invoice their extra work by the specific work or extra performed. Individual invoices are then separated again by day. Each day a separate T&M Ticket or Work Authorization form is completed, documenting the labor, equipment, materials and other costs incurred on the specific extra. **BILLING-XTRAS** calls these documents Work Orders, and any number of Work Orders can be combined to create an invoice.

It is important to note that **BILLING-XTRAS** does not *require* that you separate your invoices by day, only that you can. If you wish, you can summarize all your billing Items and enter them on one Work Order.

The Work Order Maintenance screen is available from the Main Menu - Invoice pull down. The screen is separated into two individual sections. The upper portion is where you select individual Work Orders and where the Work Order header information is stored. The bottom half of the Work Order Maintenance screen is where the Work Order Items are controlled. Let’s look first at the top half.

When you first enter the Work Order Maintenance Menu the curser is positioned in the Work Order # field and the Work Order Text Box is opened displaying the detail of your previous Work Orders. You can enter an existing Work Order number, select a Work Order from the text box or press the **ENTER** key to input information on a new Work Order.

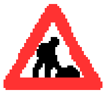
When entering a new Work Order, **BILLING-XTRAS** assign a new Work Order number in sequential order, beginning with the first number you specified in the System Options and then selecting the next number available. As with all other screens, enter TAB to accept this number and move to the Date field. **BILLING-XTRAS** defaults this field to the current date and allows the user to enter the actual Work Order Date.

The next two data fields assign the Customer and the Project to the current Work Order. When you click on the Customer Lookup, the Customer Text Box opens to the right allowing the user to select a Customer and assign that Customer to the current Work Order. Next click on the Project Lookup and a new text box opens displaying the projects that the current Customer has been assigned to. If you have only one customer assigned to each project, you can skip the Customer field, select the Project and **BILLING-XTRAS** will fill in the Customer field for you. ***Remember - before you can create a Work Order, the Customer must first be assigned to the Project in Project Maintenance.***

If during System Maintenance, you assigned a name to your pre-numbered T&M ticket form a field for the input of that number is next. If you did not assign a name to this form, **BILLING-XTRAS** assumes you do not have such a form and the input field is skipped.

Your invoices should contain a description of the specific extra work performed. **BILLING-XTRAS** provides two (2) places for this description; one in the header of your invoice which will be covered later during Invoice Maintenance and one at the Work

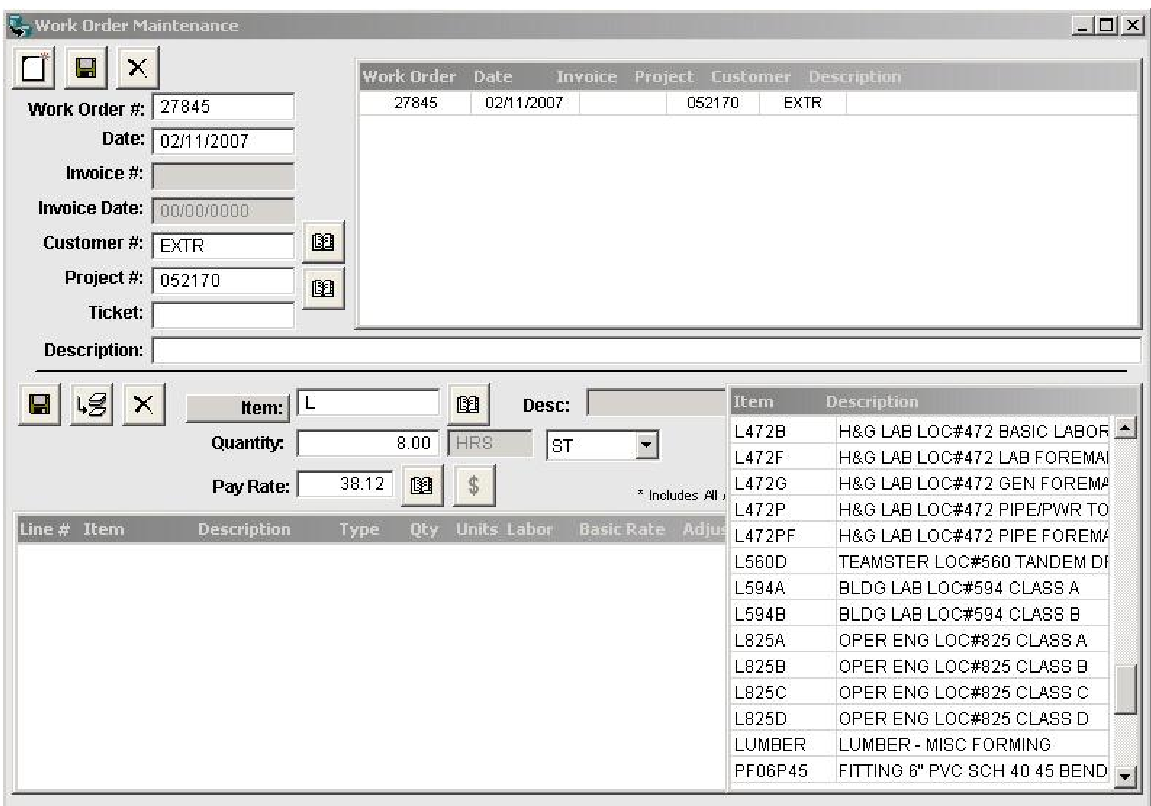
Order level. If you wish to establish a work description at the Work Order level, the description is entered here.



If you invoice separately for each specific extra you perform, you will probably want to skip the Work Order Description field here because you will print that description once in the invoice header. If however, you invoice for several different extras on the same invoice, you can enter a separate description for each Work Order, and these descriptions will be printed on your invoice in each Work Order. Experiment with this option and select the way that is best for you.

We have generally covered entering new Work Orders here. However, **BILLING-XTRAS** , allows you to modify any previous entry by selecting the Work Order from the Work Order Text Box, making your changes and then saving your work. It's that simple.

Now that you have created a new Work Order it's time to enter the Items you wish to invoice. The lower half of the Work Order Maintenance screen is where this is accomplished.



To select Items, click the Item Lookup and the Item Text Box opens to the right. If, during Item Maintenance, you assigned the first digit of all Labor Items with an “L”, you should place an “L” in the Item ID field first and then click the Item Lookup. When the Item Text Box opens it will be positioned at the beginning of the labor Items you previously entered. Select the Item you wish to invoice from the Item Text Box.

The Item ID Field and the Item Description are now populated and the curser moves to the Quantity Field. Enter the quantity you wish to invoice and **TAB** to the next field. If the current Item is labor, the curser is positioned in the Labor Type Field. You can select:

- ST for Straight Time,
- OT for Overtime,
- DT for Double Time,
- PO for just the Premium Portion of Overtime pay, or
- DO for the Premium Portion of Double Time pay.

 The “PO” and “PD” selections are used when invoicing only the Premium Portion of Overtime and Double Time pay. You will find these options useful when you perform contract work on Overtime, at the owner’s request, and you must invoice for your additional cost. **BILLING-XTRAS** calculates the correct billing rate for you and identifies these Items on your invoice.

In this example we were billing a Labor Item. The correct labor billing rate was determined by **BILLING-XTRAS**, based on the Effective Date of the Pricing / Cost records in the Item File and the Work Order Date entered above. The correct rate was determined and entered in the Pay Rate field. You can accept this rate and Item by pressing **ENTER**. The item is now posted to the Work Order Detail Text Box below. Let’s enter another Item.

Click the Item Lookup again and this time select a piece of equipment. Notice that the Labor Type field is skipped: You only can input to this field when entering a Labor Item. The curser moves to the Quantity Field and after you enter the quantity **BILLING-XTRAS** obtains the equipment rate from the Item File and fills the Rate field for you. Again, you may press **ENTER** to save the Item to your Work Order.

The pricing rules for materials are different from labor and equipment. You assigned a cost to the Cost / Pricing records during Item Maintenance. But we all know that material prices change over time and often, depending on the project location. To help you determine the current and proper price for materials, **BILLING-XTRAS** maintains a record of the materials you have previously invoiced and the Cost / Pricing you used. In addition, if you elected to “Update Customer Pricing From Standard Price” during

System Options Maintenance, **BILLING-XTRAS** will keep these records by customer and project. Click the Rate Lookup button and the Cost / Pricing Text Box opens and displays the Cost / Pricing used on previous invoices for this customer and project. Click the button a second time and the Text Box displays the previous records without the project filter.

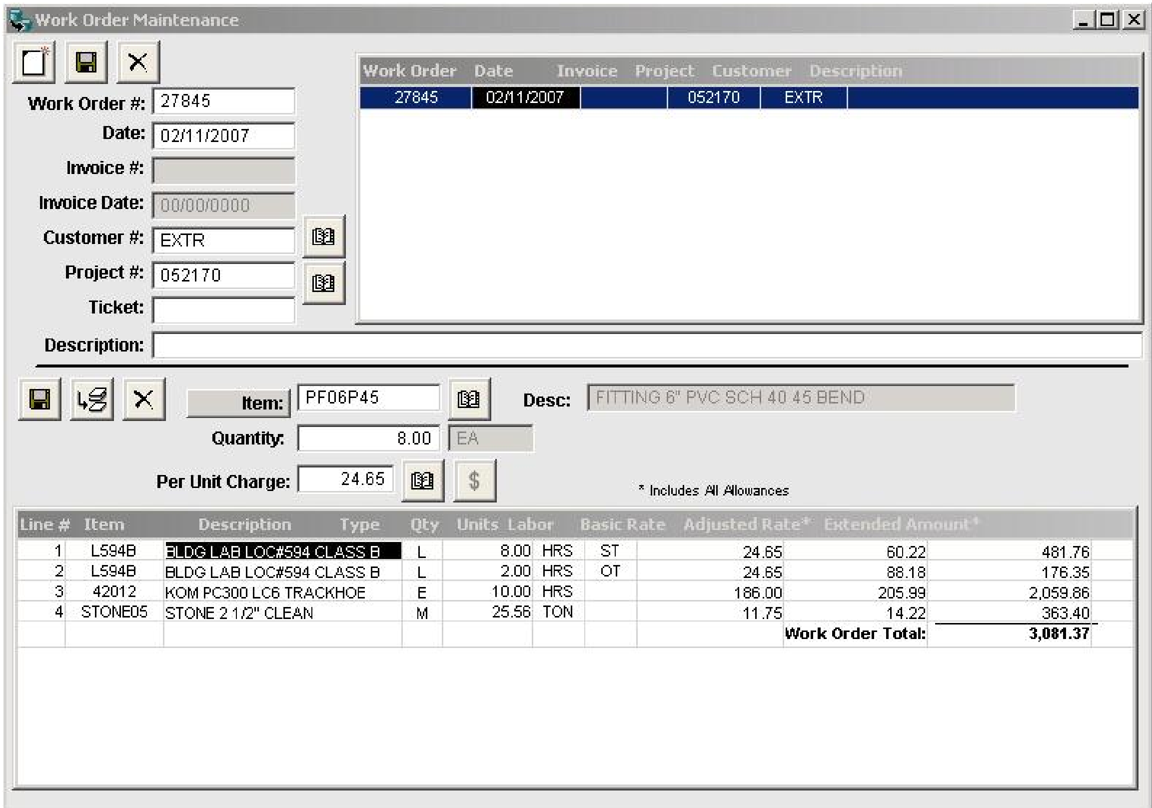
Still don't like the Cost / Pricing you found? Click on the button with the dollar sign ($) and **BILLING-XTRAS** allows you to override the existing Cost / Pricing records and enter a new cost for this Item. This new Cost / Pricing record is now saved in the history file and available to you next time you input that Material Item.

The Cost / Pricing history records are maintained for the convenience of user. You should find this feature helpful when invoicing the same Material Items to the same customer on multiple invoices (*What was this customer billed for this item last time?).* Good invoicing practices would require verifying the Cost / Pricing whenever you are billing materials for the first time to a new customer or project.

Occasionally during normal Work Order input you will encounter an Item that you need to include on your invoice, but that has not been previously entered in Item Maintenance. When this occurs there are two solutions available to the operator.

1. The first option is to enter the Item Maintenance Menu On-The-Fly. Located to the left of the Item Input Field is a button identified as "*Item*". Clicking this button opens a window on top of the current Work Order Maintenance Menu and displays the Item Maintenance Screen. You can enter the Item, save it and then return directly to Work Order Maintenance and continue input.

2. The second option utilizes what **BILLING-XTRAS** refers to as *Special Order Items*. Items identified as Special Order Items during Item Maintenance are designed for those times when you need to invoice a special Item; one that you do not anticipate invoicing again. You can select these Special Order Items during Work Order entry and **BILLING-XTRAS** will open the Item Description Field and allow you to override the Item Description. This description is only printed for this Item occurrence on this Work Order. The Item Description in Item Maintenance is not changed. However, you can use a Special Order Item any number of times on the same Work Order, creating a very flexible invoicing tool.



BILLING-XTRAS displays the Items you have selected in the Work Order Item Text box at the bottom of the Work Order Maintenance Screen. You can also see a total value of the Work Order Items you have input.

When you have completed your input for the current Work Order, and wish to enter another, click the New Page button in the upper left corner of the Work Order Maintenance Screen. **BILLING-XTRAS** opens a new Work Order for your input. Once you have completed all necessary Work Orders, the next step is to combine these Work Orders into an invoice.

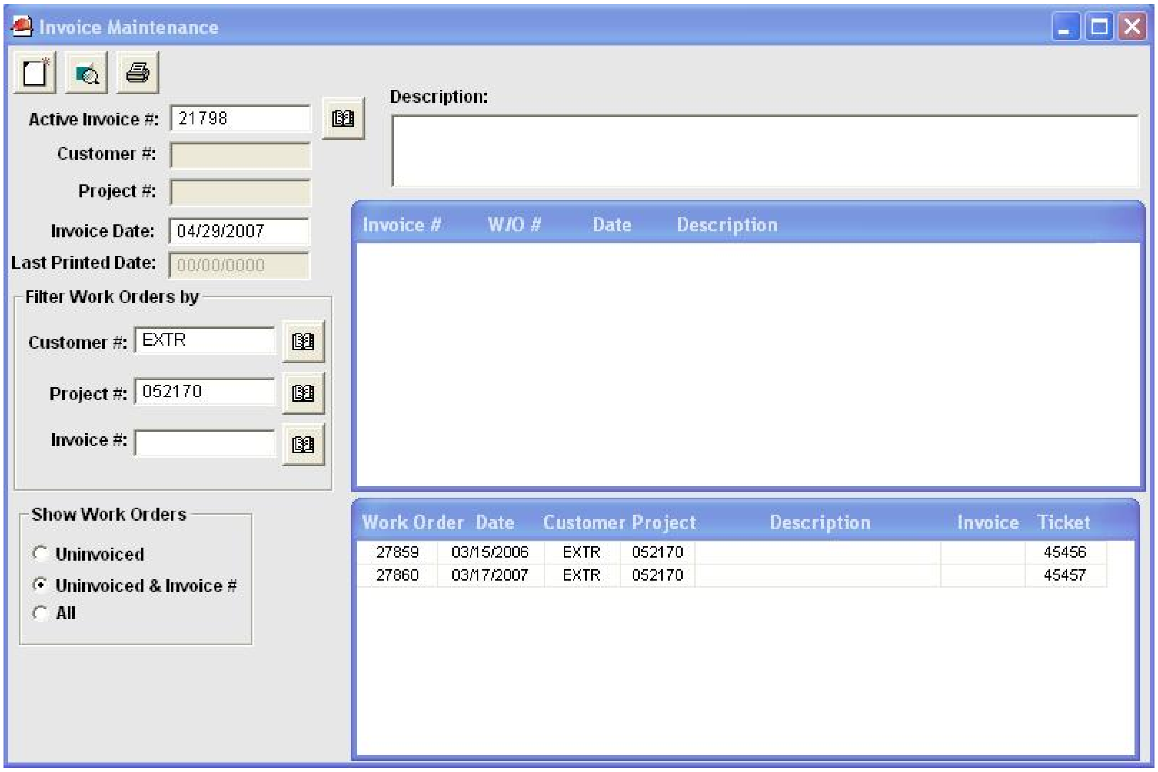
Invoice Maintenance

In the previous section of this manual we assembled several Work Orders, each consisting of a number of individual Billing Items. You are one step away from a completed invoice.

Invoice Maintenance is where we combine related Work Orders and produce a final billing document you can send to your customer. The Invoice Maintenance screen is available from the Main Menu – Invoice pull down.

When you first enter the Invoice Maintenance screen, the curser is positioned in the Active Invoice # field. To edit a previous invoice you can either enter the Invoice Number or use the Invoice Lookup button to the right. To obtain a new Invoice Number, press ENTER and **BILLING-XTRAS** assigns the next sequential Invoice Number and populates the Active Invoice # field.

The curser is now positioned in the Invoice Date field and the current date is shown as a default. Press **TAB** to accept this date or enter a date of your choice.

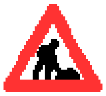


Take a moment to review the Invoice Maintenance screen on he previous page.

- In the center of the screen is the Invoice Informational Text Box. This text box displays the Work Orders and related information, attached to the current invoice. If you have not yet attached Work Orders to the current invoice no records will be present.
- At the bottom of the screen is the Work Order Informational Text Box. This box contains information about Work Orders that have not yet been attached or associated with an invoice.
- The filters to the left serve to filter the Work Orders in the Work Order Text box.

The Show Work Orders filter allows the operator to limit the Work Orders displayed to only those that have not yet been attached or included on an invoice. During Invoice Processing this simplifies and focuses attention to the task at hand.

The Customer and Project filters allow the operator to further limit the Work Orders displayed in the Work Order text box. When you are preparing an invoice for one project you do not need to see Work Order records for other customers and projects.

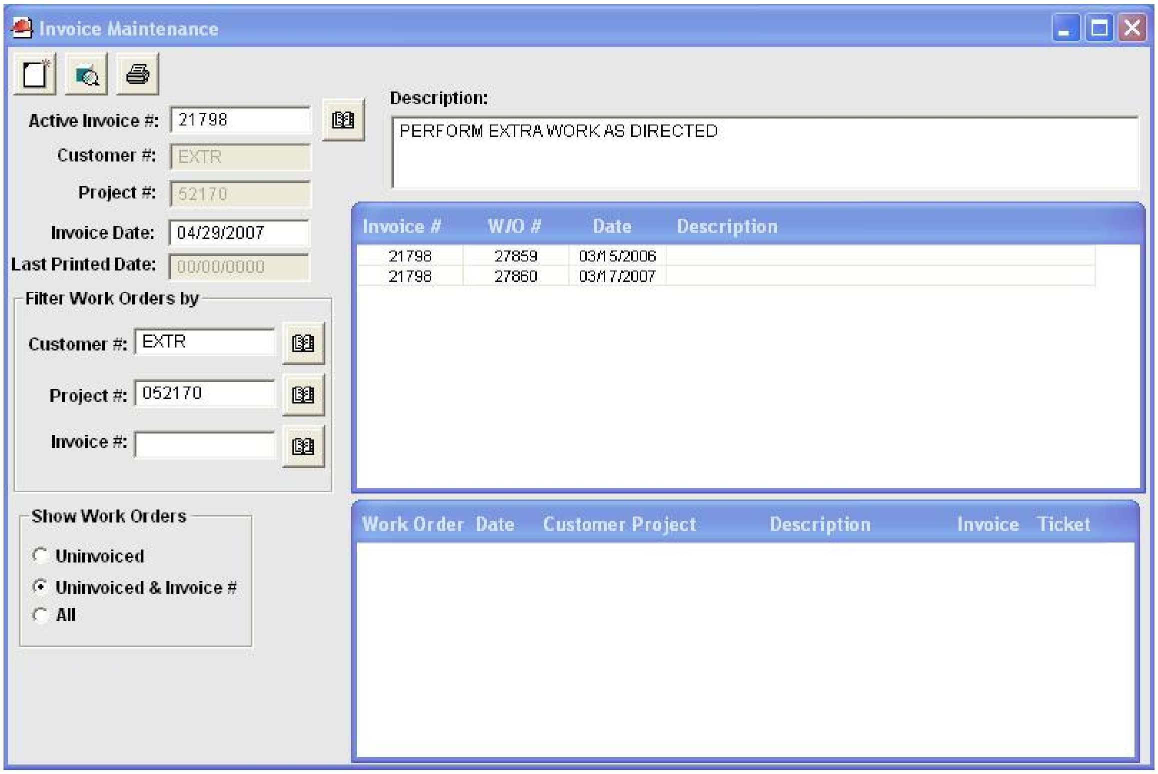
 The normal routine of producing an invoice is first the recording of Work Orders and then assembling those Work Orders into a completed invoice. When you enter the Invoice Maintenance screen from Work Order Maintenance, **BILLING-XTRAS** remembers the last customer and project and completes the Customer and Project filters for you.

We are assembling invoices by combining previously unattached Work Orders so the *Show Work Orders* filter is set for <u>Un-invoiced</u> (We do not need to see Work Orders already assigned to previous invoices).

We have set the customer and project filters for the current invoice we are preparing. The only two un-invoiced Work Orders for the current customer and project are displayed in the Work Order Text Box.

BILLING-XTRAS now moves the curser to the Invoice Description field and allows the operator to input the work description.

The next step is to move the applicable Work Order(s) from the Work Order Text Box to the Invoice Text Box. This is accomplished by simply clicking on the Work Order(s).



The Work Orders are moved to the Invoice Text Box, the data is saved and the invoice is completed. You may either view or print the current invoice by utilizing the operator buttons in the upper left corner.

BILLING-XTRAS keeps detailed records of all your Invoices and the Work Orders. These Invoices and Work Orders are available to the operator at all times for review and if necessary, adjustment. For example, if you wish to remove a Work Order from an Invoice, you simply double click on the Work Order in the Invoice Text Box and the Work Order is removed from the Invoice and now appears as an unattached record in the Work Order Text Box. This unattached Work Order can now be attached and billed on a separate Invoice as desired.

 For security, **BILLING-XTRAS** will not an operator to simply delete a Work Order that has been attached and appears on an Invoice. If you wish to permanently delete an invoiced Work Order, you must first un-attach the Work Order from the Invoice and then it can be deleted in Work Order Maintenance screen.

<u>Print Invoices</u>

The Print Invoices screen is available from the Main Menu – Invoice Pull down. All the print functions available in the Print Invoices screen are also available for convince in the Invoice Maintenance screen.

BLLING-XTRAS provides this screen so that you can allow other users access to your completed invoices and at the same time restrict them from changing or adjusting records. Previously in this manual we assigned security levels to individual User ID's. Users who were assigned a Security Level of ”3” have access to the Print Invoices menu but not the Invoice Maintenance screen.

You will find this useful if you have purchased a multi-user license and wish to allow your Project Management personnel to review your completed Invoices

Chapter 6. Printing Reports

BLLING-XTRAS provides you with a full list of reports to make the maintenance of your billing function as complete as possible. These reports are available from the Main Menu- Reports option.

The list of reports available include:

- Customers
- Billing Codes
- Items
- Item Usage Analysis
- State / Local Tax Codes
- Un-Invoiced Work Orders

Certainly the most important report generated is an Invoice, however we are sure you will find these other reports helpful. For example, many users prepare their Work Orders as they are received from their field operations. After all related Work Orders are received they are combined and invoiced later in a separate processing operation. If you separate the Work Order and the Invoice processing you should find the Un-Invoiced Work Order Report very helpful in ensuring that all Work Orders generated are invoiced.

BLLING-XTRAS produces an extensive ODBC file which contains all your completed Invoices, Work Orders and maintenance records. These files are available to the user and other third party applications for report inquiries. We suggest very strongly that these files be regularly backed up and that caution be exercised with their use. **BLLING-XTRAS** cannot guarantee or be held responsible for the loss of data or damage to files. **Your data is valuable – Back up regularly.**

Chapter 7. Labor / Equipment Rate Summaries

One of the most difficult and time consuming tasks you will encounter when managing T&M billing, is the generation and maintenance of Labor Rate Summaries. Maintaining multiple spreadsheets reflecting individual customers' requirements can be daunting.

BLLING-XTRAS makes this task simple. You already have entered the Wage and Fringe Benefit detail in Item Maintenance. You have recorded the Payroll Tax and Insurance Rates for each project and you have established the rules for applying overhead & Profit. **BLLING-XTRAS** utilizes these previously established files and produces a Labor Rate Summary you can give your customer, documenting the rates that will appear on his invoices. You can even produce rate summaries for your Equipment, Materials and Unit Prices.

BLLING-XTRAS manages your rate summaries with an innovative use of Rate Summary Profiles. Each profile defines what type of Items (Labor, Equipment, etc.) and which specific Items will appear on your summaries. You may define any number of profiles.

With **BLLING-XTRAS** You can define several profiles to meet the needs of your customers. If for instance you work is several different states or local jurisdictions, you may want to define a profile for each so that you can tailor the profiles to include the Labor Items appropriate for each jurisdiction.

The Rate Summary Maintenance screen is available from the Main Menu – Rate Summary pull down.

You have the option here of either selecting an existing profile from the Profile Name Selection Box or establishing a new profile record. To build a new profile, select a descriptive name and enter that name in the Profile Summary Name field. As with other menus, you should press TAB to move to the next input field and enter a descriptive text which will be printed in the summary heading.

Now select the type of Item (Labor, Equipment) that will appear on your Rate Summary. Then use the lookups to select the Customer and Project.

The only thing left to do is to select the specific Items you wish to appear on your summary. When you use the Item Look-up, the Item Text Box opens and displays the Items available for inclusion. If you previously chose to include Labor Items, only those Items will be displayed. Select the Items you wish to include and they will appear in the Profile / Item Text Box.

Save the Profile by clicking the SAVE button and you can now view or print the completed Rate Summary using the operational buttons on top.

Change the Customer and Project look-up at will to utilize this Profile for other customers and other projects. For those instances where you are requested to provide a Rate Summary before you have a contract or established job, you can enter a blank project record (Project ID, State Code and Billing Code), attach an established Customer and change the Project Description field in the Profile Maintenance screen.

Billing-Xtras Appendix

PAYROLL TAXES

Payroll Taxes are costs imposed by federal, state and local governments. These taxes are either withheld from the employee's paycheck or paid by the employer. Only the employer's share of payroll taxes is properly included in rates used for billing Time & Materials.

The employer's share of payroll taxes includes but is not limited to:

- Federal FICA-Old Age Benefits Tax
- Federal FICA-Medicare Tax
- Federal FUTA- Unemployment Tax
- State Unemployment & Disability Insurance
- Local Employment Privilege Tax where applicable.

In addition to these employer paid taxes, a number of state jurisdictions have in the past several years required employer contributions to a new list of state directed funds addressing subjects such as catastrophic illness, workforce development and health care for the uninsured. To the extent these employer costs are based on payroll, they should be included in the rates used for billing time & material.

In most cases the employer's rate for these taxes are based on wages paid and are readily available from sources within the company such as federal, state and local notices as well as the quarterly payroll tax submission forms. In some cases where the tax is a flat dollar amount per employee, the amount to be included in billing rates must be calculated.

Taxable wage limitations can also be an issue in determining the rates used for billing time & materials. Many of the payroll taxes imposed on employers are based on taxable wages (i.e. the first $20,000. of annual wages). These taxable wage bases serve to cap the employer's cost. Some clients have contended that because the employer's costs for these taxes are limited, it is improper to include these costs at full value in billing rates.

While it is may seem that billing rates are sometimes inflated due to payroll taxable wage limitations, it would be impractical to maintain separate billing rates for each employee and adjust them as taxable wage limits are met. In addition, due to the employment turnover in the Construction Industry and the relatively high level of taxable wage limits, the occurrence of overcharging is generally small. In most cases, payroll tax calculations used in billing rates are included at full value.

An example of the calculation of payroll tax costs is listed below:

Type	Description	Tax Rate	Basis of Calculation
Federal	FICA Old Age Benefits Tax	6.200	Taxable Wages Adjusted Annually
Federal	FICA Medicare Benefits	1.450	Gross Wages
Federal	FUTA Unemployment Tax	.080	Taxable Wages $7,000. Per Year
State	Unemployment & Disability	6.550	Taxable Wages Adjusted Annually
State	Catastrophic Illness Fund	.010	$2.00 per employee/year – Hr.Rate Calculated based on 2,080 Hours per year
State	State Surcharge for Deficit	.750	Taxable Wages Adjusted Annually
Local	Occupational Privilege Tax	1.000	Gross Wages
	Total	16.040	

The total Payroll Tax Rate developed for your company is entered into **BILLING-XTRAS** in the Customer Maintenance screen, available from the File Maintenance.

INSURANCE COSTS

Insurance costs to be included in time & material billing rates are any costs of coverage whether payroll or sales based, that increase due to the extra work performed. In addition if you accrue the cost of insurance to your jobs based on labor costs, those coverages should be included in your billing rates as well. These insurance costs include but are not limited to:

- Workers' Compensation
- General Liability
- Excess Liability
- Auto Coverage
- Pollution Insurance

<u>Workers' Compensation</u>- Every state has a Worker's Compensation insurance law. Some states allow the employer to be self-insured, however for the most part contractors obtain coverage from private carriers.

States classify and assign rates according to the type of work performed. The more accident or injury prone the classification, the higher the rate charged for coverage.

If your normal operations involve two or more classifications, you should develop a composite rate for your time & material billing. This composite rate would reflect the weighted average of the classifications you normally use. Develop your composite Worker's Compensation rate as per the following example..

Classification	State Determined Rate	Normal Payroll	% 0f Operations	Weighted Average Rate
Excavation	8.55	3,750,140.00	60.826	5.201
Sewer Line Construction	9.75	854,500.00	13.860	1.351
Concrete Construction	11.25	1,560,750.00	25.315	2.848
Totals		6,165,390.00	100.00	9.400

By utilizing a calculated composite rate, the amount included for Workers' Compensation coverage is increased from 8.55% to 9.40%, producing more income and better reflecting the cost of the actual work performed.

Most states have developed Experience Modification Rating (EMR) systems for Worker's Compensation Insurance. These systems are designed to reward companies with a good history of safety and low employee injury rates, and to penalize companies with poor safety experience. A good experience in the construction industry is the result of a well-planned and executed safety program. These programs are generally very costly and are partially funded by the reduced insurance costs resulting from the favorable EMR. It is a general practice in the industry to calculate insurance costs used for time & material billing without regard for the EMR as these cost savings are expended elsewhere on safety..

General Liability- Contractors maintain General Liability Insurance coverage for all their operations. Premiums for this coverage can be either revenue rated or based on payroll. **BILLING-XTRAS** calculates the cost of insurance using wages and taxable benefits as a base. If your General Liability Insurance is revenue rated you will need to convert the rate to be payroll based. This should be relatively easy using the current years expected revenue and estimated annual wages. Foe example, assume:

Estimated Annual Payroll-	6,165,390.
Expected Annual Sales-	13,700,870.
Revenue Rated G/L Rate-	2.0574%
Estimated Annual G/L Premium-	281,882.

281,882. / 6,165,390. = **4.572 G/L Rate when applied to Payroll**

Automobile- If your company has trucks or vehicles that are used on site and their cost is accrued to your, jobs you should include an amount for Automobile Insurance in the rates you charge for time & material. You can calculate a rate for the coverage by dividing the expected policy premium by your Estimated Annual Payroll.

Excess Liability- Insurance is generally purchased in layers. If you buy an Automobile and G/L policies with maximum limits of $2,000,000, you may not be adequately covered for work in the construction industry. In addition your contracts may require that you maintain greater levels of coverage. The solution is to purchase an Umbrella or Excess policy layers to sit on top of the underlying coverage and raise the maximum limits.

If the Excess policy is based on payroll you only have to include the policy rate with other insurance in your insurance factor. If the policy has a fixed premium you can calculate a rate for the coverage by dividing the fixed premium by your Estimated Annual Payroll.

Pollution or Other- Any other project related insurance premiums should be converted to a payroll based rate and included with other insurance premiums into a combined rate for insurance.

Insurance Coverage	Rate	Method of Calculation
Workers' Compensation	9.4000	Composite Rate for Workers' Compensation
General Liability	4.5720	Payroll Based or Converted Revenue Rated
Automobile Coverage	1.2250	Fixed Premium Divided by Expected Revenue
Excess Liability	2.3756	Fixed Premium Divided by Expected Revenue
Pollution	0.7785	Fixed Premium Divided by Expected Revenue
Total Insurance Rate	18.3511	

The total Insurance Rate developed for your company is entered into **BILLING-XTRAS** in the Customer Maintenance screen, available from the File Maintenance.

ALLOWANCES

Allowances are best described as accrued costs; items that although not immediately due are soon to become due and as such should be accrued. But make no mistake about it these are real costs. Costs that increase because you perform extra work; costs that you should properly be reimbursed. Two examples would be a Holiday Allowance and a Small Tool / Safety allowance.

Holiday Allowance- In many areas the field construction personnel are paid for holidays. Even if the trades personnel do not receive paid holidays, foremen are generally guaranteed a full workweek. The cost for this non-productive time should be spread over the productive hours these employees work. When calculating a labor-billing rate for productive time, an allowance should be included for the cost of the non-productive time.

The best and easiest way to explain the Holiday Allowance calculation is to develop a percentage ratio of the holidays paid to the total days worked.

8 Days / (260-8 Days)= 3.1746% X (Wage Rate + P/R Taxes + Insur. + Benefits)

Small Tools / Safety Allowance**-** It takes a whole lot of small and incidental tools and supplies to perform work in the construction industry:

- Hard Hats & Protective Equipment
- Raincoats & boots
- Water coolers & cups
- Shovels, rakes, pitch forks, hammers, etc
- The list could go on forever

When you are performing extra work at a construction site, the cost of these small tools and safety equipment increases with the work. It is impractical to list and get properly reimbursed for these costs on a time & material invoice. The solution is to develop an allowance that can be included in labor-billing rates to recover your costs.

BILLING-XTRAS maintains five (5) separate Allowance items which you can customize to fit your particular situation. You identify the Allowance (Holiday, Small Tools, etc) and specify the base for the calculation in the System Maintenance screen, identify eligible Labor Items in Item Maintenance and specify the rate in Customer Maintenance. The calculation is made and added to the billing rates for you. Do you have a customer who refuses to accept the Small Tool Allowance? Simply leave the rate in the Customer File blank and no Small tool Allowance will be included in his invoices and his invoices only.

Frequently Asked Questions (FAQ's)

How do I invoice both for taxable and non-taxable work?

In most states, the labor portion of capital improvement work is non-taxable. A number of individual states provide a tax exemption for materials purchased for public works projects. In addition, many states now consider equipment costs non-taxable when the equipment is supplied with an operator. Generally, billings for maintenance or repair work are taxable for state sales tax.
BILLINGXTRAS controls the application of sales tax with Billing Codes, detailed in he Billing Code Maintenance menu. The appropriate Billing Codes are linked to the job in the Project Maintenance screen and they allow you to specify which Items you invoice are taxable and which are not and you make that selection by job.
If you perform some taxable work on an otherwise non-taxable project, you have two choices.

- If the taxable portion is limited (1 or 2 invoices) temporally change the Billing Code in the Project maintenance screen to a code that includes the appropriate sales tax calculation. Remember to change the Billing Code back when done.
- If you are performing both taxable and non-taxable work on an ongoing basis, it might be advantages to create a duplicate project in Project Maintenance with a separate Project ID (job 052172 becomes 052172T). You can then assign a taxable Billing Code to the new project permanently.

We have performed contract work on overtime and need to bill our customer for the additional costs. How do we invoice for this item?

With **BILLINGXTRAS** this is easy. Our Work Order Maintenance screen contains a pull down feature which allows the user, when invoicing for Labor Items, to specify if the hours are Straight Time, Overtime, Double Time or the Premium Portion of either Overtime or Double Time pay. The calculation for each takes into consideration the proper treatment of insurance expense based on the state where the work was performed.
BILLINGXTRAS even allows you to specify a different. Overhead & Profit rate for the Premium Portion and the Straight Time portion of the expense.

Why is the calculation of the Premium Portion of Overtime pay not simply 1 ½ times the Straight Time rate?

State laws differ in their treatment of the Premium Portion of Overtime and Double Time pay. In most states, the Premium Portion in not included in the base used to calculate Workers' Compensation insurance premiums. Most states but not all. Your calculation of Labor Billing rates should be correct. With **BILLINGXTRAS** they will be.

Can you explain the "Calculate Profit On Overhead" option?

Most construction contracts specify the rates you can charge for Overhead and Profit. These percentages should never be combined. The rate specified for Overhead is a method for calculating your Overhead costs. **These are costs**. The profit rate specified in the contracts is to be based on your total costs. When calculating Profit on extra work, you should include the Overhead along with the direct costs in the base. The Profit should. be based on all your costs, direct as well as indirect.

BILLINGXTRAS allows you the option of calculating Profit on Overhead and you make that election by project, to conform to your contract requirements.

How can I invoice the Labor costs for employees working on shifts?

Many Labor Contracts contain a provision for a shift differential, an additional or bonus rate an employee receives for working on the second or third shift. These differentials can apply to just wages or both wages and benefits. **BILLINGXTRAS** treats these rates as another rate classification such as Journeyman or Foreman. Labor Items are assigned to these shift classifications and include both rates and fringe benefits. They are invoiced just as any other Labor Item.