4-9-2014 QuickBooks for Contractors hangout

In this hangout we talked about creating Estimates and using Progress Invoices in QuickBooks when you have Time & Materials or Cost Plus Jobs.

Unfortunately, the Screen Share feature in Google+ doesn't allow the capture of many of the popup windows in QuickBooks that were talked about during the hangout, so I've put together this article to go along with the video.

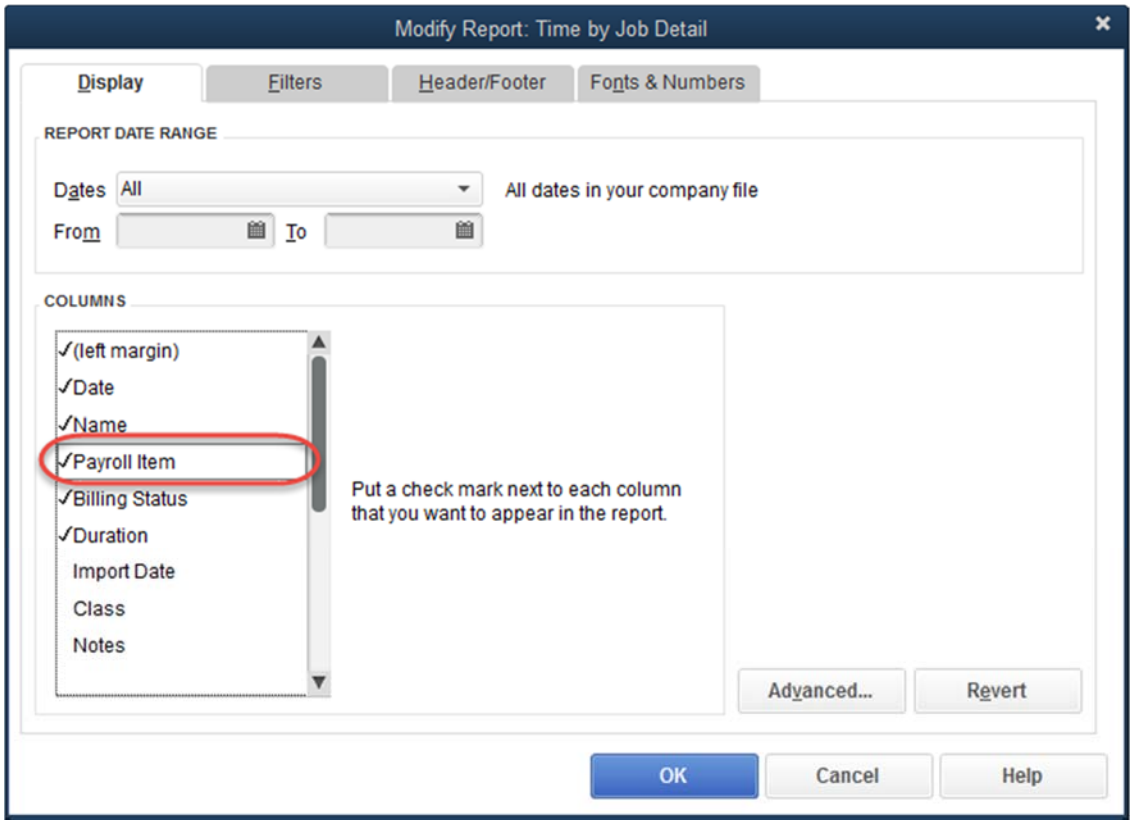
Reports that were mentioned during the hangout & where to find them:

1. Job Estimates vs Actuals Detail: found from the Reports menu -> Jobs, Time & Mileage -> Job Estimates vs Actuals Detail -> Select the job that you want to review
2. Time by Job Detail: found from the Reports menu -> Jobs, Time & Mileage -> Time by Job Detail -> customize this report to display only a specific job (instructions will follow later in this article)
3. Unbilled Costs by Job: found from the Reports menu -> Jobs, Time & Mileage -> Unbilled Costs by Job -> customize the report to display only a specific job and then filter it for only specific transactions (instruction will follow later in this article)

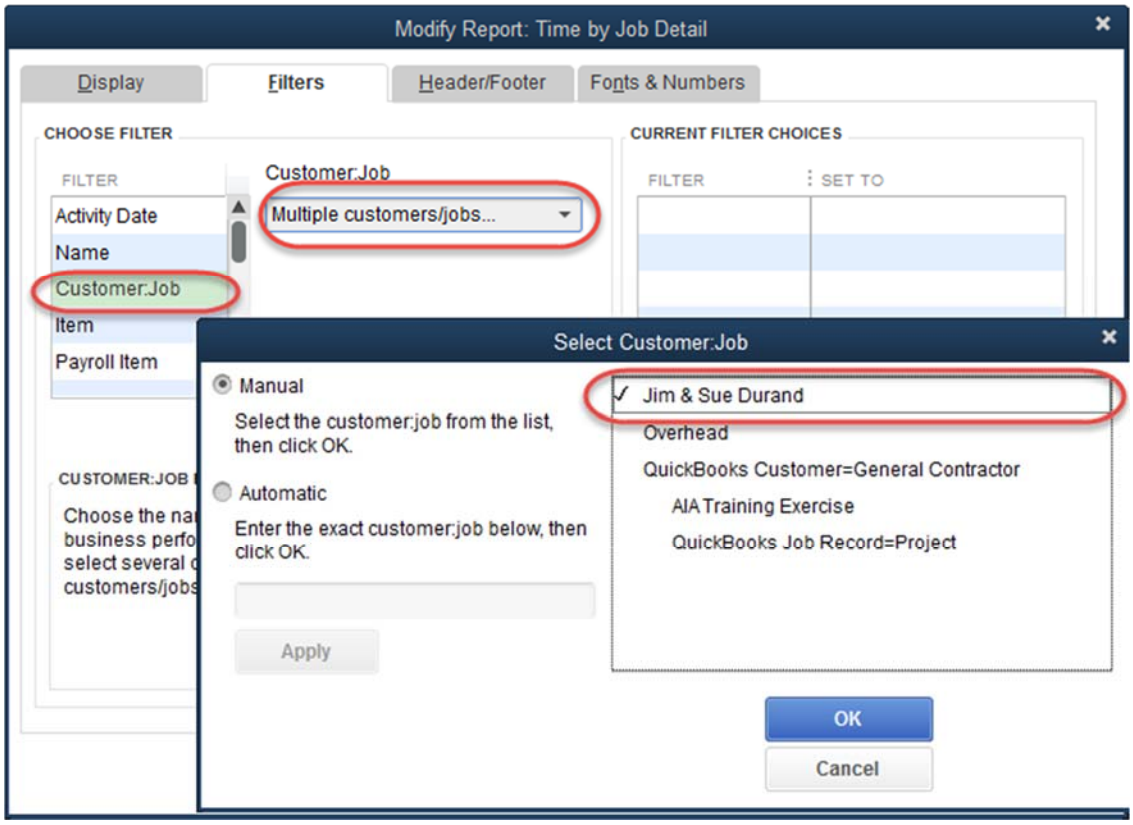
Customizing the Time by Job Detail Report:

Start by going to the Reports menu -> Jobs, Time & Mileage -> Time by Job Detail -> Set the Date dropdown to All -> click the Customize Report button on the upper left.

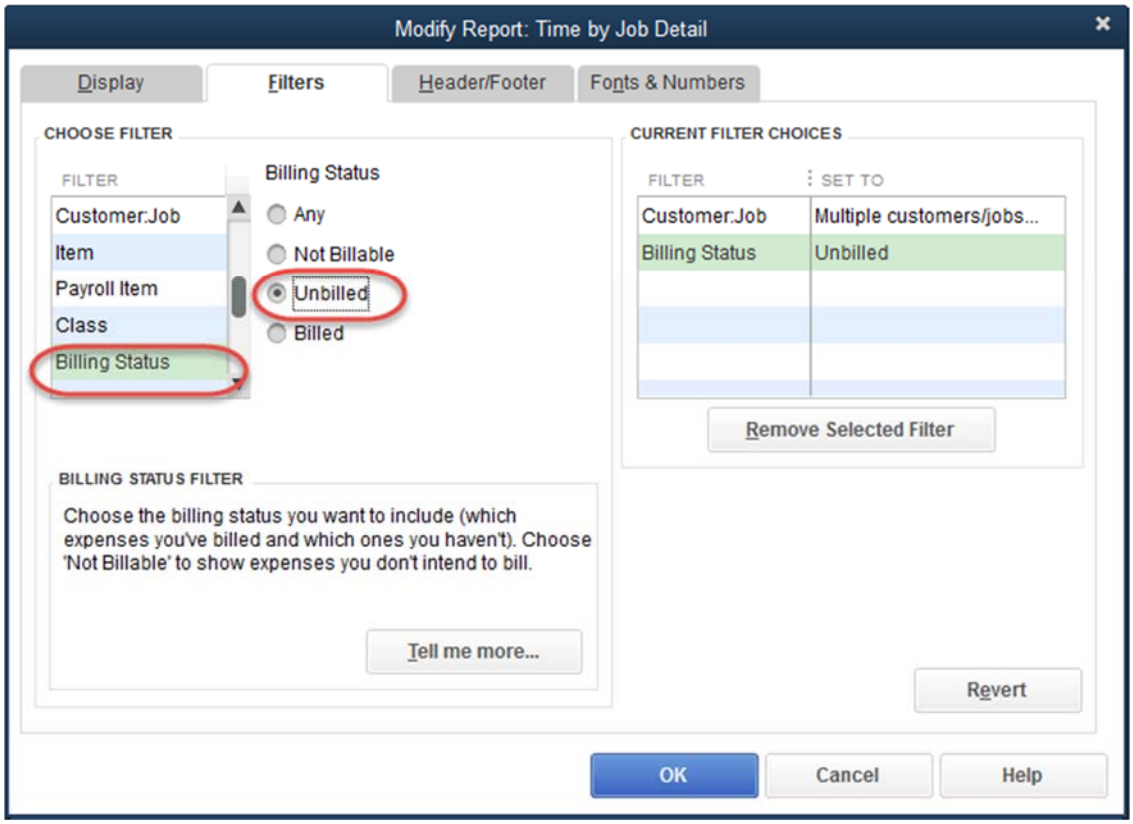
On the Display tab, using the Columns scroll box, scroll down and check (select) Payroll Item



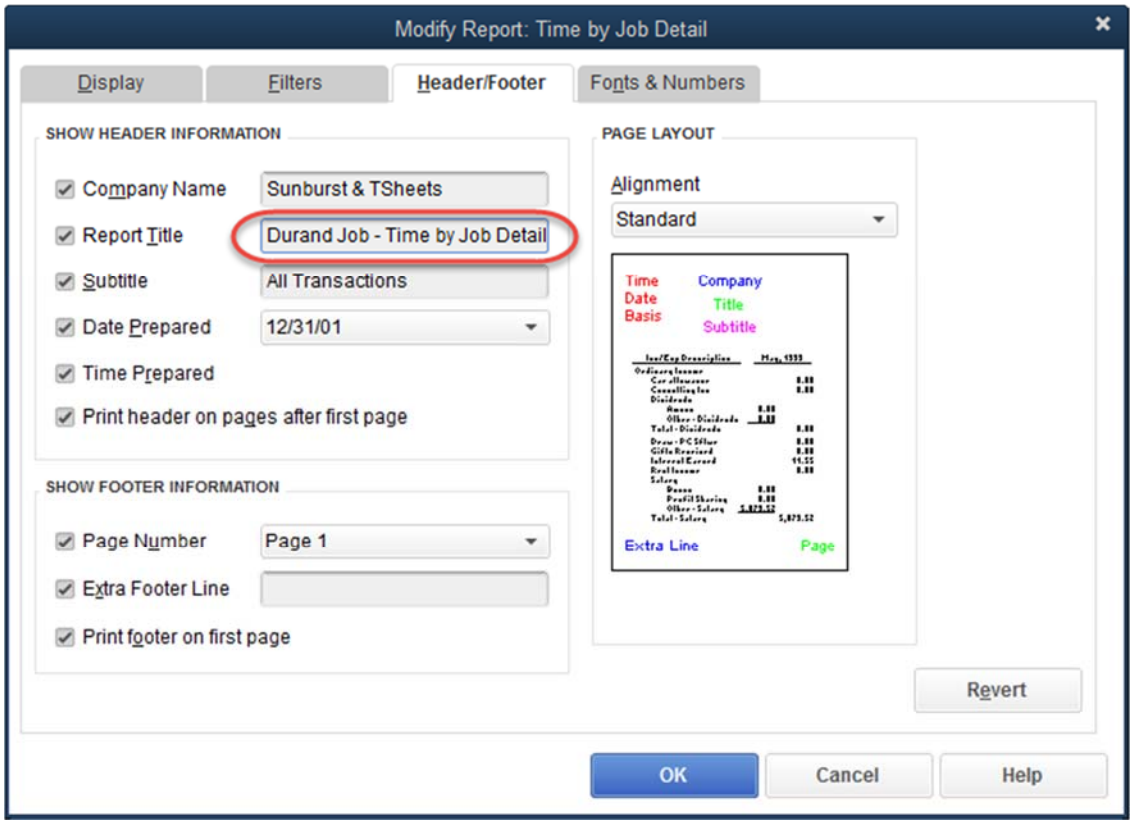
Next, click on the Filters tab. Using the Filter scroll box, scroll to Customer:Job. In the Customer:Job dropdown, select Multiple Customers/jobs and then in the Select Customer:Job window, check (select) the specific Job. Click Ok.



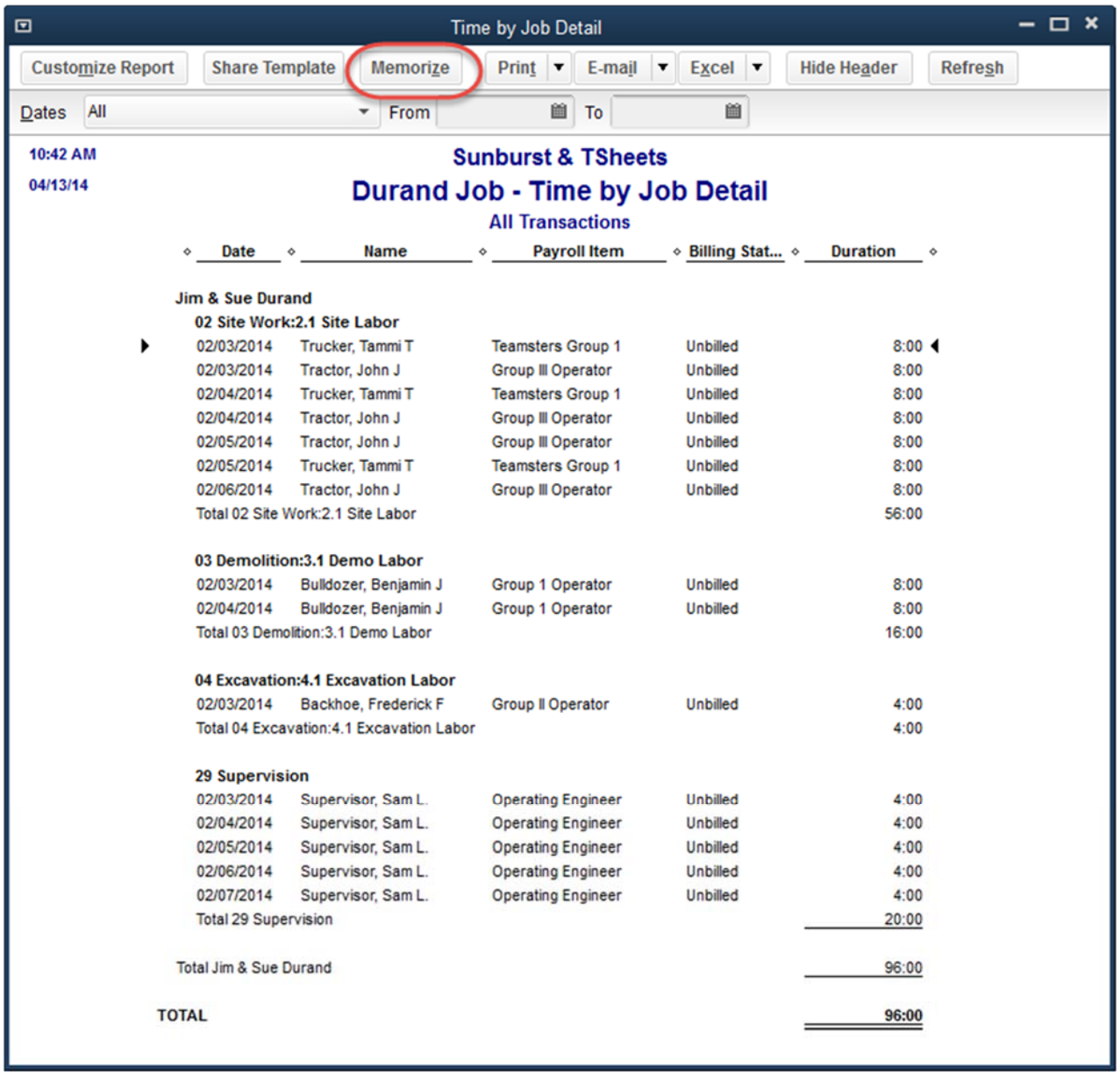
Not mentioned in the hangout: You can further customize this report to only show unbilled time associated with this job by clicking on Billing Status in the Filter scroll box and choosing the Unbilled option.



Lastly, click on the Header/Footer tab. Click into the Report title field and add the job name to the information already there. Click Ok.



You now have your final report showing both billed and unbilled time (or just unbilled time depending on your selection) associated with this specific job. The last step is to click the Memorize button and save the report so you don't have to go through the modification process each month when it's time to do billing. All you'll need to do is go to the Reports menu -> Memorized Reports -> select the Report and change the "To" date to reflect the end date of your billing period.

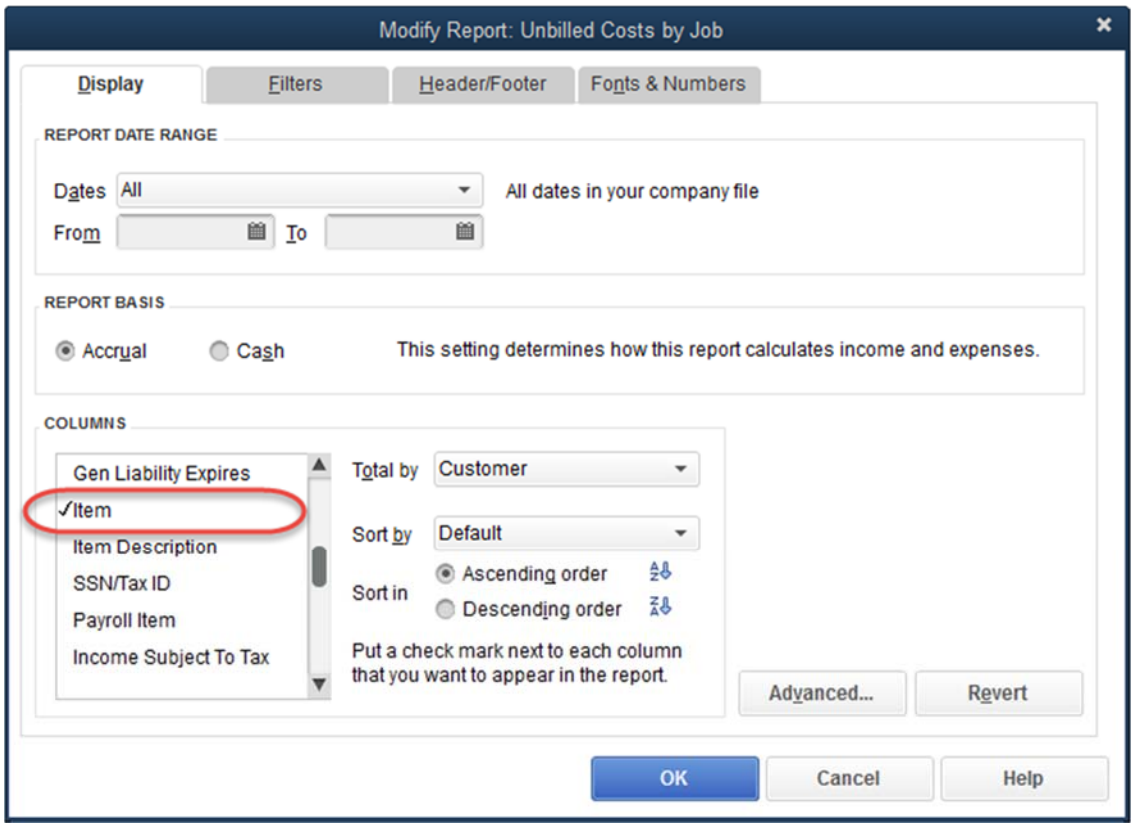


Date	Name	Payroll Item	Billing Stat...	Duration
Jim & Sue Durand				
02 Site Work:2.1 Site Labor				
02/03/2014	Trucker, Tammi T	Teamsters Group 1	Unbilled	8:00
02/03/2014	Tractor, John J	Group III Operator	Unbilled	8:00
02/04/2014	Trucker, Tammi T	Teamsters Group 1	Unbilled	8:00
02/04/2014	Tractor, John J	Group III Operator	Unbilled	8:00
02/05/2014	Tractor, John J	Group III Operator	Unbilled	8:00
02/05/2014	Trucker, Tammi T	Teamsters Group 1	Unbilled	8:00
02/06/2014	Tractor, John J	Group III Operator	Unbilled	8:00
Total 02 Site Work:2.1 Site Labor				56:00
03 Demolition:3.1 Demo Labor				
02/03/2014	Bulldozer, Benjamin J	Group 1 Operator	Unbilled	8:00
02/04/2014	Bulldozer, Benjamin J	Group 1 Operator	Unbilled	8:00
Total 03 Demolition:3.1 Demo Labor				16:00
04 Excavation:4.1 Excavation Labor				
02/03/2014	Backhoe, Frederick F	Group II Operator	Unbilled	4:00
Total 04 Excavation:4.1 Excavation Labor				4:00
29 Supervision				
02/03/2014	Supervisor, Sam L.	Operating Engineer	Unbilled	4:00
02/04/2014	Supervisor, Sam L.	Operating Engineer	Unbilled	4:00
02/05/2014	Supervisor, Sam L.	Operating Engineer	Unbilled	4:00
02/06/2014	Supervisor, Sam L.	Operating Engineer	Unbilled	4:00
02/07/2014	Supervisor, Sam L.	Operating Engineer	Unbilled	4:00
Total 29 Supervision				20:00
Total Jim & Sue Durand				96:00
TOTAL				**96:00**

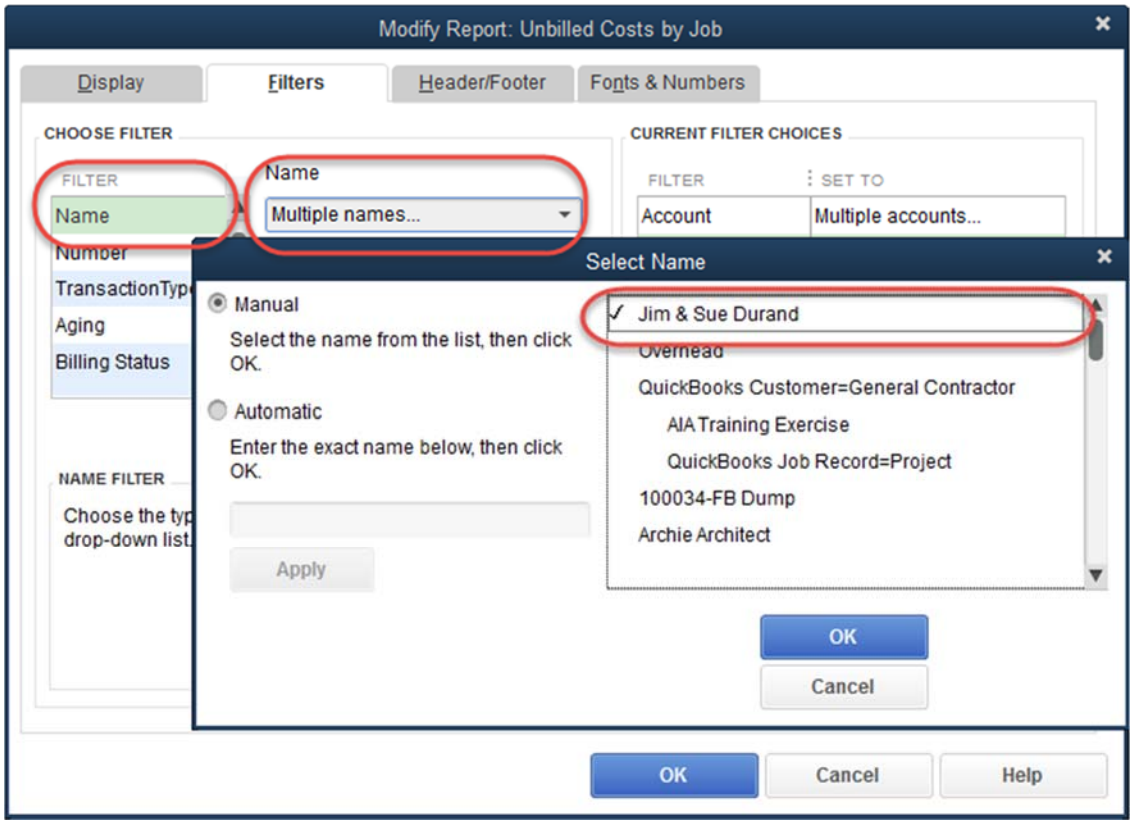
Customizing the Unbilled Costs by Job Report:

Start by going to the Reports menu -> Jobs, Time & Mileage -> Unbilled Costs by Job -> click the Customize Report button at the upper left.

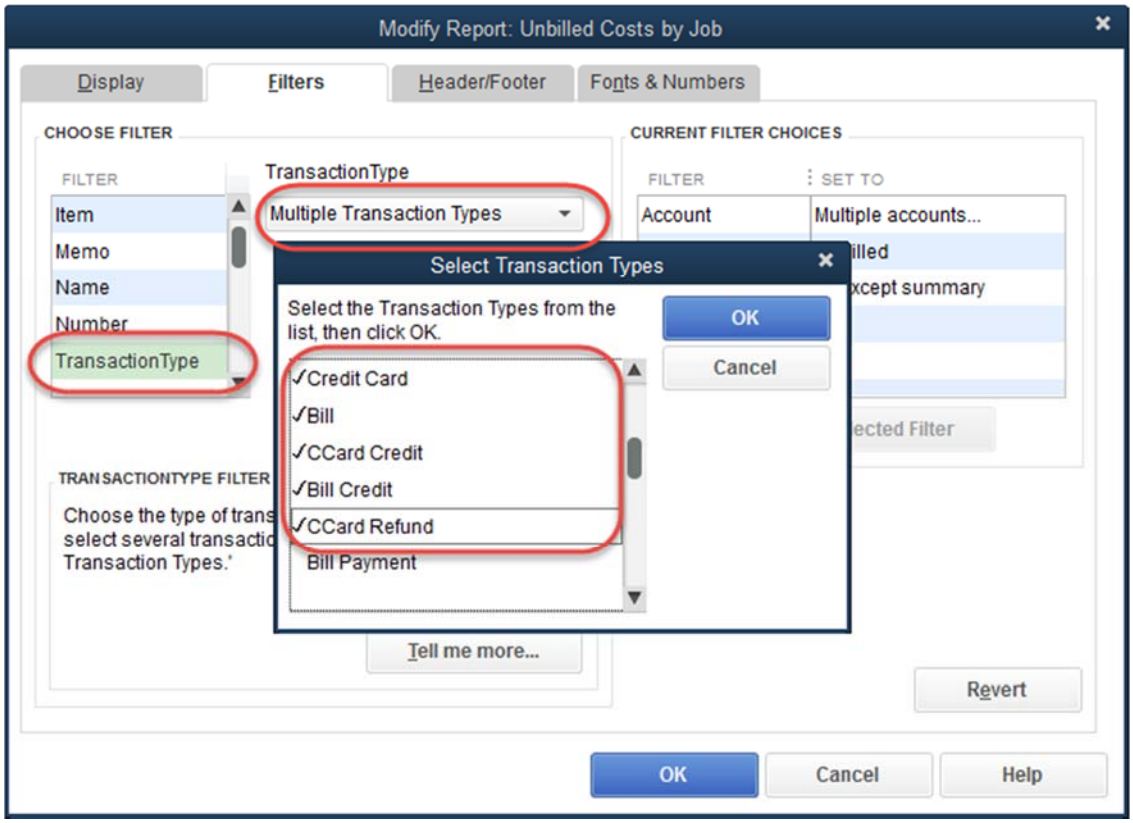
On the Display tab, using the Columns scroll box, scroll down and check (select) Item and uncheck Account



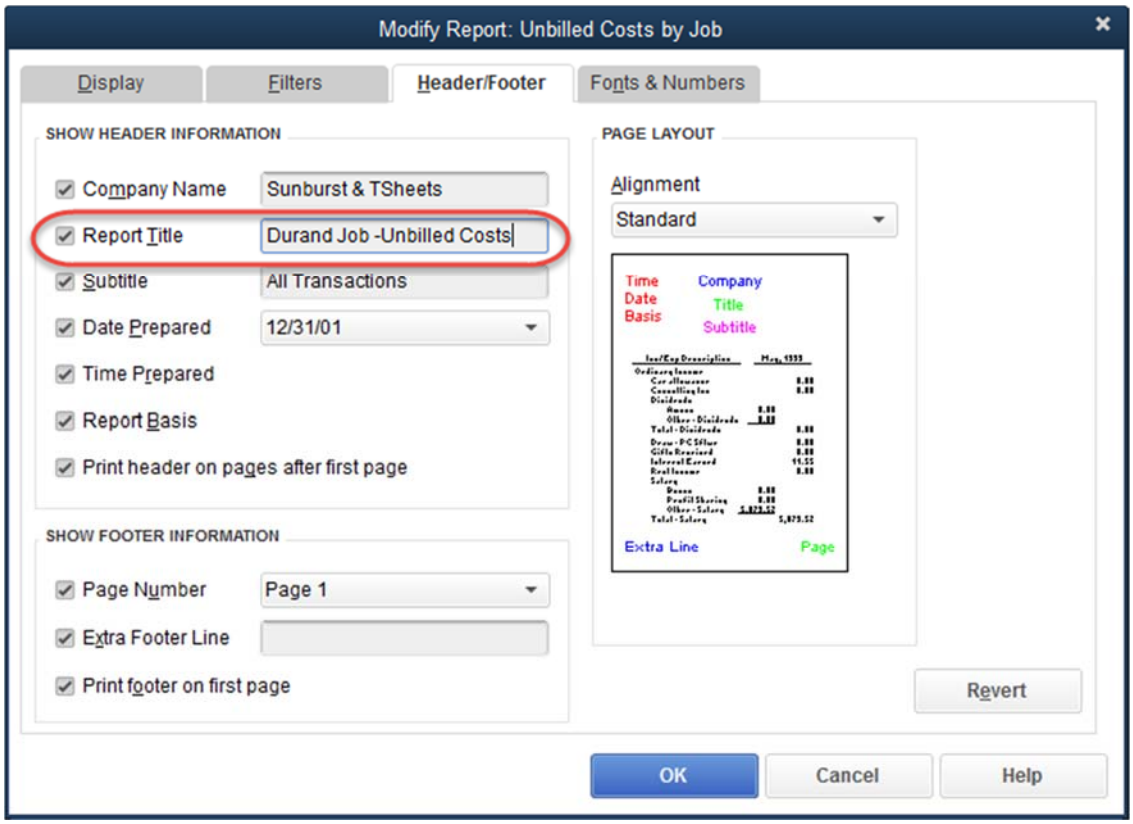
Next, click on the Filters tab. Using the Filter scroll box, scroll to Name. In the Name dropdown, select Multiple Names and then in the Select Name window, check (select) the specific Job. Click Ok.



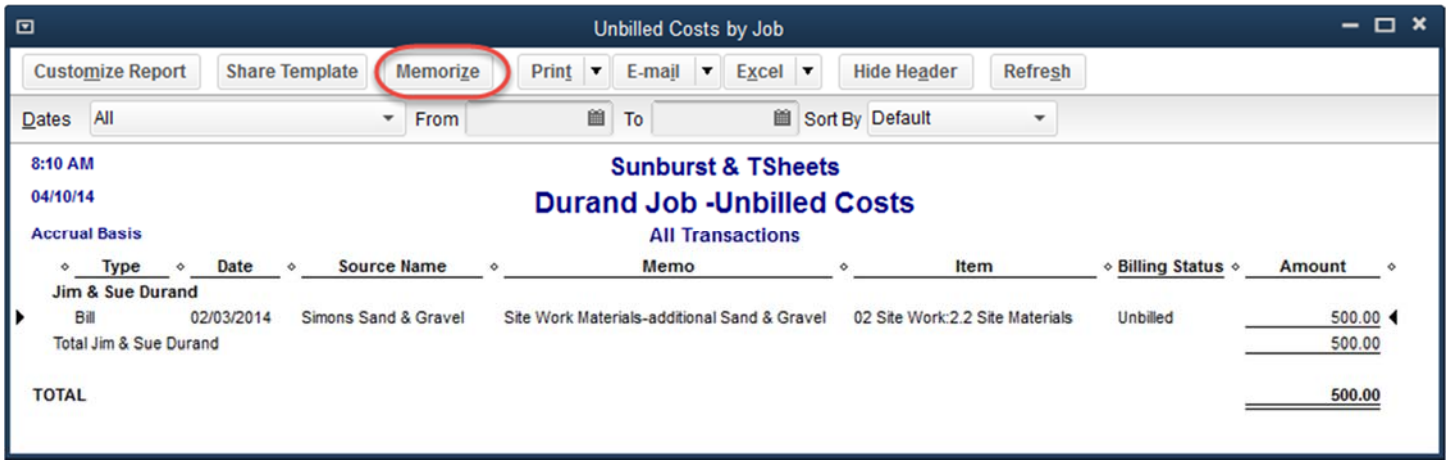
Still in the Filter scroll box, scroll to Transaction Type. In the Transaction Type dropdown, select Multiple Transaction Types and then in the Select Transaction Types window check (select) the following options: Credit Card, Bill, CCard Credit, Bill Credit, and CCard Refund. Click Ok.



Lastly, click on the Header/Footer tab. Click into the Report title field and add the job name to the information already there. Click Ok.



You now have your final report showing unbilled costs associated with this specific job. The last step is to click the Memorize button and save the report so you don't have to go through the modification process each month when it's time to do billing.



NOTE: Source Name is your Vendor or Subcontractor, Memo is the item description from the bill, and Item is the QuickBooks Item or Cost Code that the bill was assigned to.

Check your reports closely to make sure that nothing is missing – that could be a data entry error.

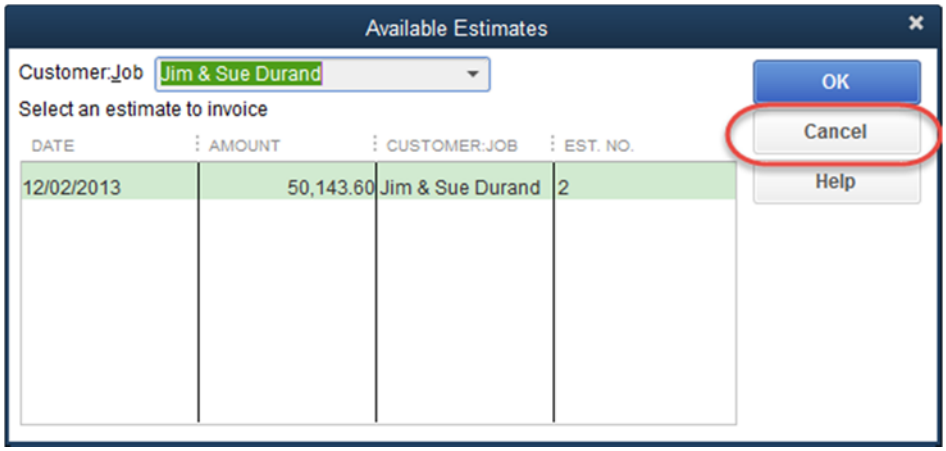
Getting Ready to Invoice:

Time & Materials or Cost Plus Invoicing when you use an Estimate is a 2-step process.

Step 1:

Create a normal invoice and pull in billable time and costs.

From the Customer Center in QuickBooks click on the job that you want to bill and then click New Transactions -> Invoices. QuickBooks will display the Available Estimates window – for now click the Cancel button

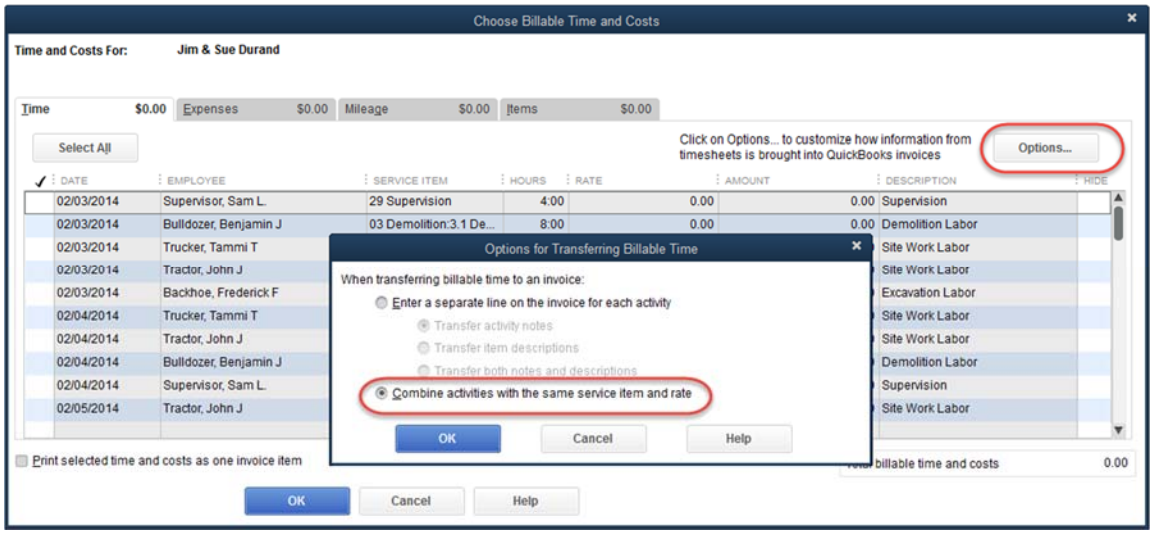


Next, the Billable Time/Costs window will appear, choose the Select the outstanding billable time and costs to add to this invoice option and click the Ok button.

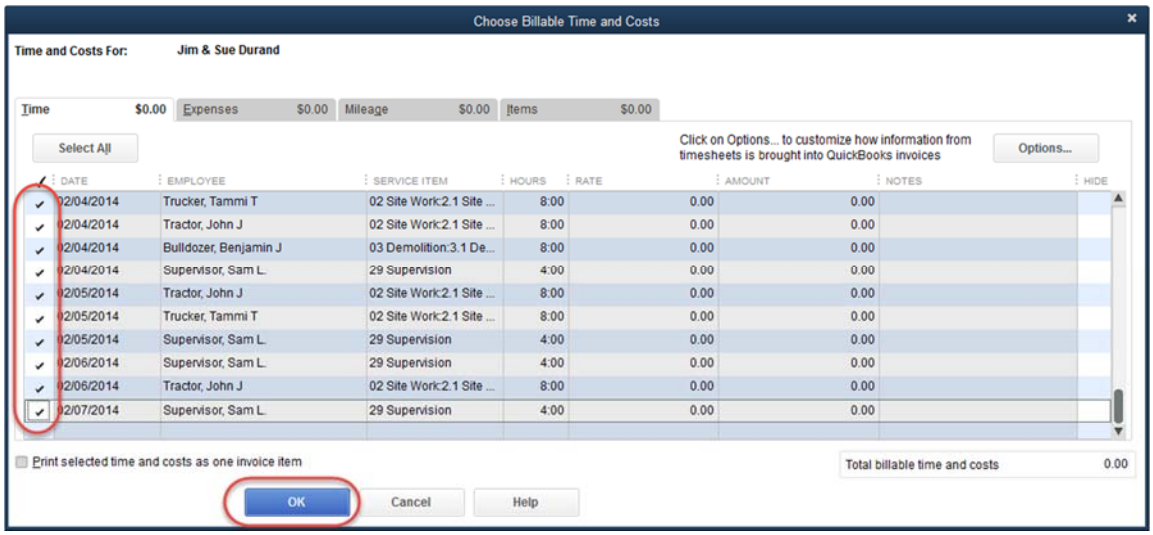
This displays the Choose Billable Time and Costs window which has 4 different tabs:

Time tab:

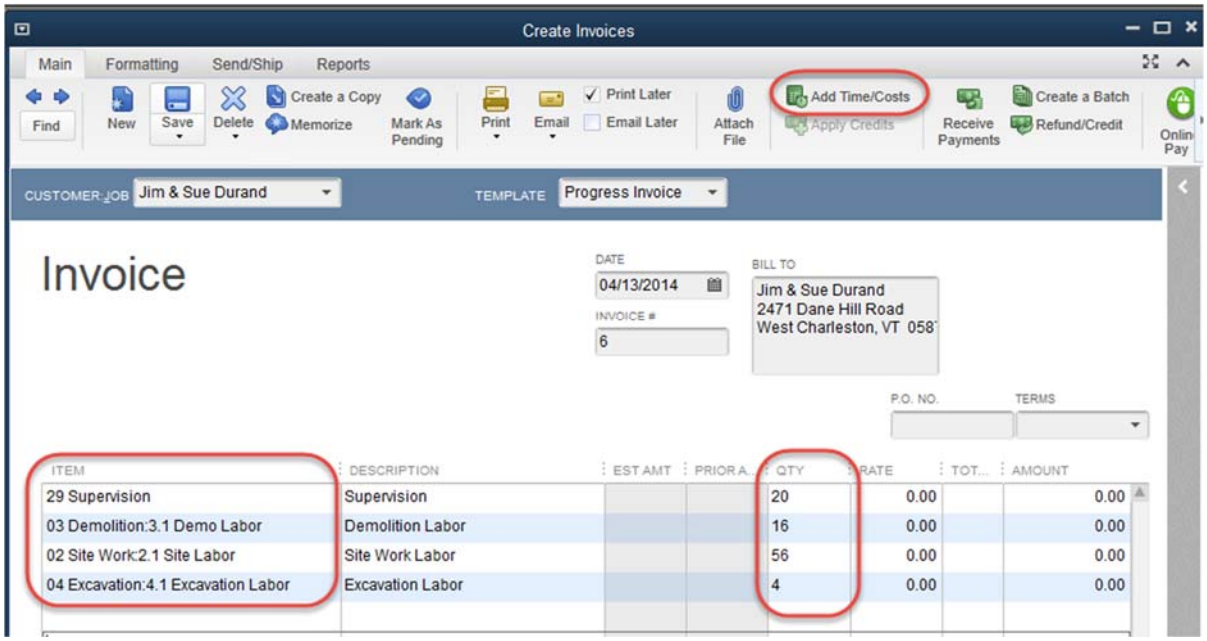
Click the Options button and select Combine activities with the same service item and rate (this will give you the total number of hours worked per service item/cost code) → click Ok



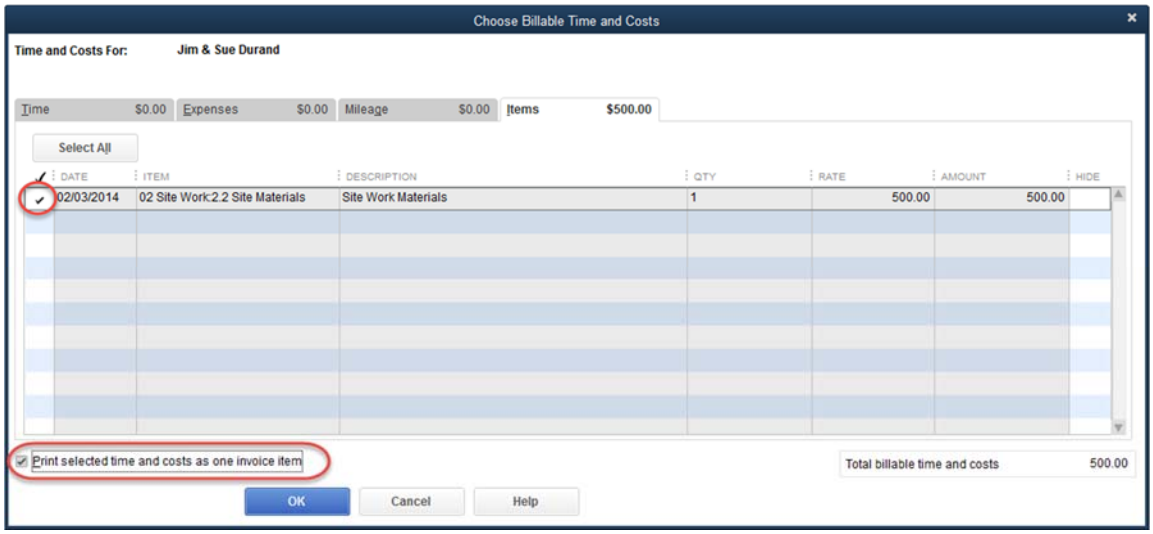
Now select ALL of the time for the specific date range that you will be billing and click the OK button.



This is what your invoice will look like – you'll see the total number of hours (in the QTY column) for each specific service item. Click the Add Time/Costs button.



Review the Expenses, Mileage and Items tab for additional costs that you want to bill for. Manually check (select) costs with the SAME Item to give you a total for e ach Item Name/Number and then check the Print selected time and costs as one invoice item.



So here's what our invoice looks like. Total hours worked under each Service Item/Cost Code and then Materials totals for each Service Item/Cost Code.

CUSTOMER:JOB Jim & Sue Durand TEMPLATE Progress Invoice

Invoice

DATE 04/13/2014

INVOICE # 6

BILL TO
Jim & Sue Durand
2471 Dane Hill Road
West Charleston, VT 058

P.O. NO. TERMS

ITEM	DESCRIPTION	EST AMT	PRIOR A...	QTY	RATE	TOT...	AMOUNT
29 Supervision	Supervision			20	0.00		0.00
03 Demolition:3.1 Demo Labor	Demolition Labor			16	0.00		0.00
02 Site Work:2.1 Site Labor	Site Work Labor			56	0.00		0.00
04 Excavation:4.1 Excavation Labor	Excavation Labor			4	0.00		0.00
Reimb Group							
02 Site Work:2.2 Site Materials	Site Work Materials			1	500.00		500.00
	Total Reimbursable Expenses						500.00

ONLINE PAY Off

CUSTOMER MESSAGE

MEMO

TOTAL	500.00
PAYMENTS APPLIED	0.00
BALANCE DUE	**500.00**

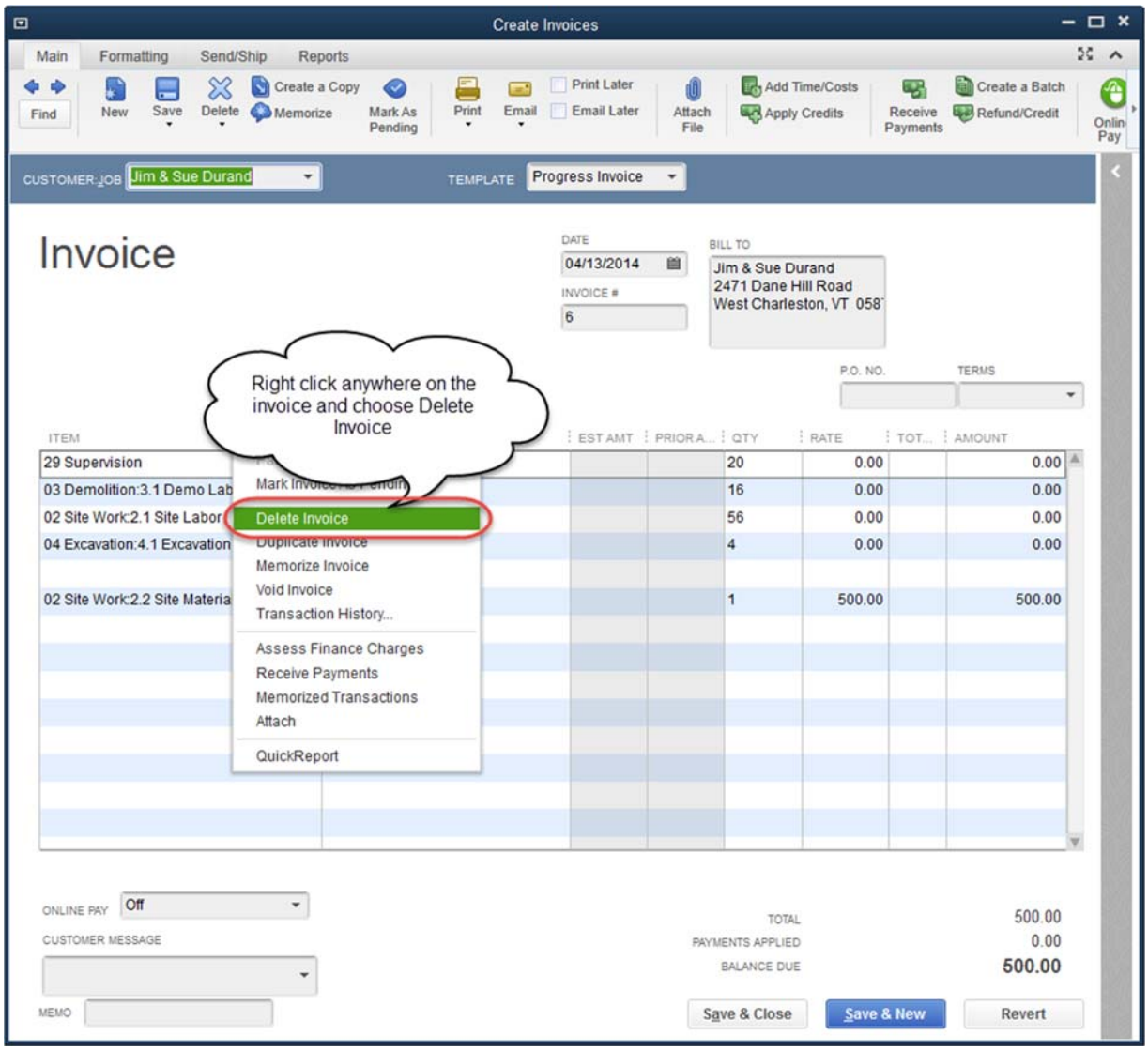
Save & Close | Save & New | Clear

Here is the important pieces

Click the Save & Close button to save the invoice (this successfully removes all the billed items from your reports and changes their statuses to billed).

Print the Invoice so you have a hard copy.

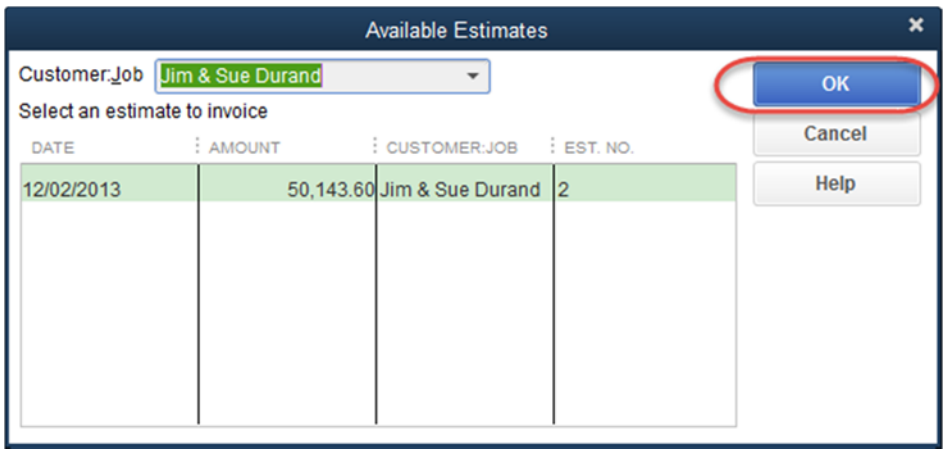
Delete the invoice.



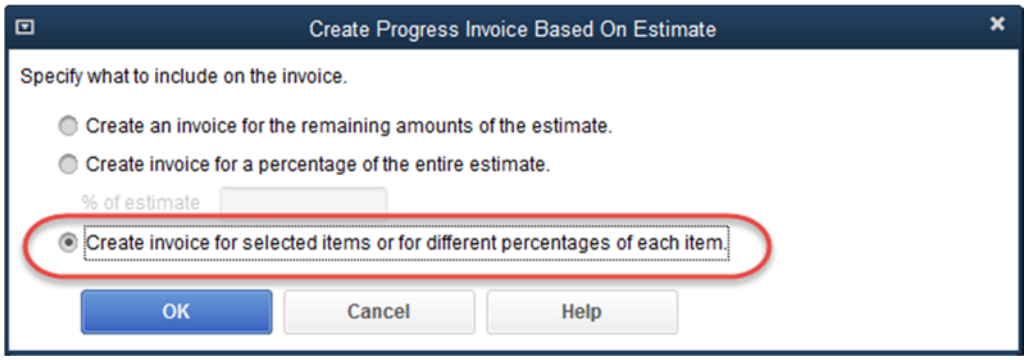
Step 2: Create a Progress Invoice from the Estimate

Now you are ready to create a Progress Invoice from the Estimate so that everything lines up correctly.

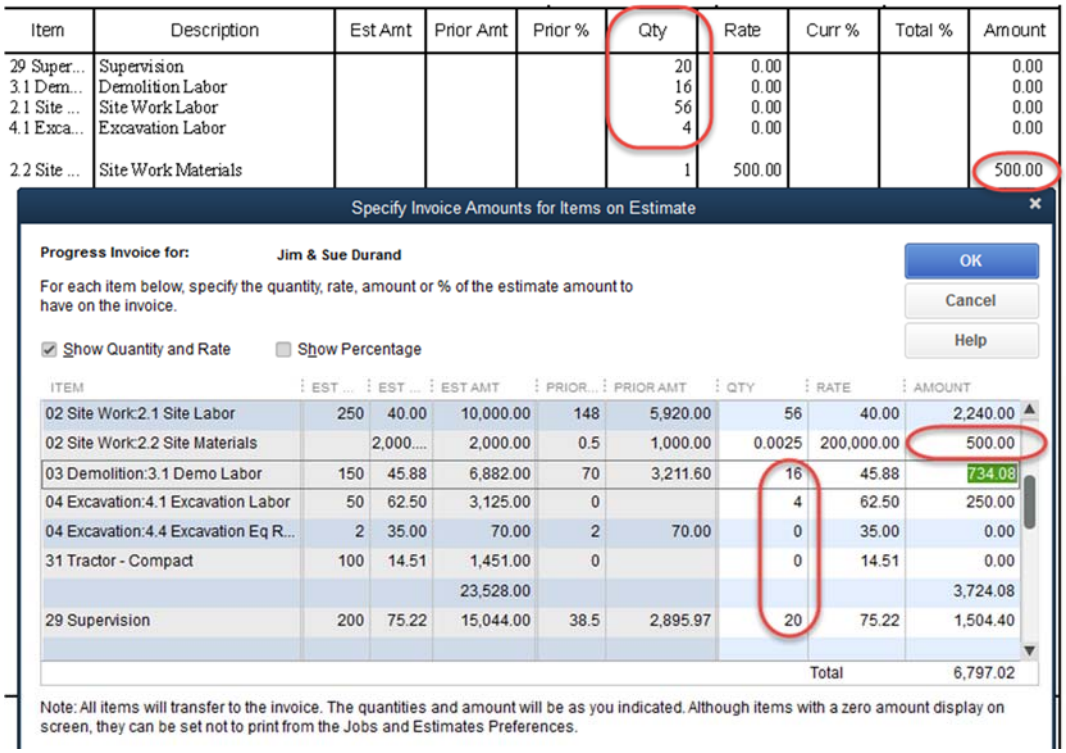
From the Customer Center in QuickBooks click on the job that you want to bill and then click New Transactions -> Invoices. QuickBooks will display the Available Estimates window – this time, click the OK button



QuickBooks displays the Create Progress Invoice Based on Estimate window – choose the last option – Create invoice for selected items or for different percentages of each item.



Use the Invoice that you previously deleted to enter the quantities for hours billed and the amount for materials that you are currently billing. Click OK.



Item	Description	Est Amt	Prior Amt	Prior %	Qty	Rate	Curr %	Total %	Amount
29 Super...	Supervision				20	0.00			0.00
3.1 Dem...	Demolition Labor				16	0.00			0.00
2.1 Site ...	Site Work Labor				56	0.00			0.00
4.1 Exca...	Excavation Labor				4	0.00			0.00
2.2 Site ...	Site Work Materials				1	500.00			500.00

Specify Invoice Amounts for Items on Estimate

Progress Invoice for: Jim & Sue Durand

For each item below, specify the quantity, rate, amount or % of the estimate amount to have on the invoice.

OK
Cancel
Help

Show Quantity and Rate
Show Percentage

ITEM	EST ...	EST ...	EST AMT	PRIOR...	PRIOR AMT	QTY	RATE	AMOUNT
02 Site Work:2.1 Site Labor	250	40.00	10,000.00	148	5,920.00	56	40.00	2,240.00
02 Site Work:2.2 Site Materials		2,000....	2,000.00	0.5	1,000.00	0.0025	200,000.00	500.00
03 Demolition:3.1 Demo Labor	150	45.88	6,882.00	70	3,211.60	16	45.88	734.08
04 Excavation:4.1 Excavation Labor	50	62.50	3,125.00	0		4	62.50	250.00
04 Excavation:4.4 Excavation Eq R...	2	35.00	70.00	2	70.00	0	35.00	0.00
31 Tractor - Compact	100	14.51	1,451.00	0		0	14.51	0.00
			23,528.00					3,724.08
29 Supervision	200	75.22	15,044.00	38.5	2,895.97	20	75.22	1,504.40
							Total	6,797.02

Note: All items will transfer to the invoice. The quantities and amount will be as you indicated. Although items with a zero amount display on screen, they can be set not to print from the Jobs and Estimates Preferences.

Here's your progress invoice complete with the automatic billing of Overhead & Profit.

CUSTOMER:JOB Jim & Sue Durand TEMPLATE Progress Invoice

Invoice

DATE 04/13/2014

INVOICE # 7

BILL TO
Jim & Sue Durand
2471 Dane Hill Road
West Charleston, VT 058

P.O. NO. TERMS

ITEM	DESCRIPTION	EST AMT	PRIOR A...	QTY	RATE	TOT...	AMOUNT
02 Sitework, Demo, Excavation				0			
02 Site Work:2.1 Site Labor	Site Work Labor	10,000.00	5,920.00	56	40.00	81.60%	2,240.00
02 Site Work:2.2 Site Materials	Site Work Materials	2,000.00	1,000.00	0.0025	200,000.00	75.0%	500.00
03 Demolition:3.1 Demo Labor	Demolition Labor	6,882.00	3,211.60	16	45.88	57.33%	734.08
04 Excavation:4.1 Excavation Labor	Excavation Labor	3,125.00		4	62.50	8.0%	250.00
04 Excavation:4.4 Excavation Eq Rental	Excavation Equipment Rental	70.00	70.00	0	35.00	100.0%	0.00
31 Tractor - Compact	To record hourly equipment cost of the jobsite of the compact tractor	1,451.00		0	14.51	0.0%	0.00
	Sitework, demolition, excavation and equipment	23,528.00					3,724.08
29 Supervision	Supervision	15,044.00	2,895.97	20	75.22	29.25%	1,504.40
Subtotal	Subtotal of Above	38,572.00					5,228.48
98 O&P	Overhead & Profit on Time & Materials or Cost Plus Jobs	11,571.60	3,929.27		30.0%	47.51%	1,568.54

ONLINE PAY Off

CUSTOMER MESSAGE

MEMO

TOTAL 6,797.02
PAYMENTS APPLIED 0.00
BALANCE DUE **6,797.02**

Save & Close | Save & New | Clear

Now when I look at my Job Estimates vs Actuals Details, I can see how much I've budgeted for the job, what it has actually cost to date, what I've billed for the job and how much I've earned in Overhead & Profit.

Job Estimates vs. Actuals Detail for Jim & Sue Durand

Customize Report | Share Template | Memorize | Print | E-mail | Excel | Hide Header | Collapse | Refresh

Dates All From To Columns Total only

3:16 PM
04/13/14

Sunburst & TSheets

Job Estimates vs. Actuals Detail for Jim & Sue Durand

All Transactions

	Est. Cost	Act. Cost	($) Diff.	Est. Revenue	Act. Revenue	($) Diff.
Service						
02 Site Work						
2.1 Site Labor	10,000.00	8,004.51	-1,995.49	10,000.00	8,160.00	-1,840.00
2.2 Site Materials	2,000.00	1,500.00	-500.00	2,000.00	1,500.00	-500.00
Total 02 Site Work	12,000.00	9,504.51	-2,495.49	12,000.00	9,660.00	-2,340.00
03 Demolition						
3.1 Demo Labor	6,882.00	5,179.37	-1,702.63	6,882.00	3,945.68	-2,936.32
Total 03 Demolition	6,882.00	5,179.37	-1,702.63	6,882.00	3,945.68	-2,936.32
04 Excavation						
4.1 Excavation Labor	3,125.00	231.61	-2,893.39	3,125.00	250.00	-2,875.00
4.4 Excavation Eq Rental	70.00	70.00	0.00	70.00	70.00	0.00
Total 04 Excavation	3,195.00	301.61	-2,893.39	3,195.00	320.00	-2,875.00
29 Supervision	15,044.00	3,943.35	-11,100.65	15,044.00	4,400.37	-10,643.63
31 Tractor - Compact	1,451.00	0.00	-1,451.00	1,451.00	0.00	-1,451.00
Total Service	38,572.00	18,928.84	-19,643.16	38,572.00	18,326.05	-20,245.95
Other Charges						
90 Subcontractor Retainage	0.00	-100.00	-100.00	0.00	0.00	0.00
98 O&P	11,571.60	0.00	-11,571.60	11,571.60	5,497.81	-6,073.79
Total Other Charges	11,571.60	-100.00	-11,671.60	11,571.60	5,497.81	-6,073.79
TOTAL	50,143.60	18,828.84	-31,314.76	50,143.60	23,823.86	-26,319.74

So, even though there is some additional work involved when you use Estimates and Progress Invoice on your Cost Plus or Time & Materials Jobs, I hope you agree that the extra work pays off in far more accurate reports.

About the Author:

Nancy Smyth has been a Certified QuickBooks ProAdvisor since the inception of the program in 1999; as President of Sunburst Software Solutions, Inc., she is a key player in the development of several QuickBooks Add-Ons for the construction industry. She is also the author of the QuickBooks for Contractors blog and the Learn to use QuickBooks in your construction business website. To learn more about automating Certified Payroll, AIA Billing and Payroll Wage Management, visit http://www.SunburstSoftwareSolutions.com

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