# Unlock the Knowledge
# Job Costing Secrets Revealed

Brought to you by: *Solution Resources* INC

Presented by:
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# Objectives

➢ How to get true job costing

➢ Manage your jobs for maximum profit

➢ How Intuit QuickBooks Enterprise Solutions can help you better manage your business

# Job Costing Basics

➢ For the Construction Industry

➢ Other Industries

    ➢ Wholesale

    ➢ Manufacturing

    ➢ Non Profit

# Job Costing Basics

➢ Better Project Management

➢ Payroll

➢ Job Analysis

➢ Special Issues

➢ New QuickBooks Enterprise V-18

# Understanding the Profit Cycle



Don't  Wait Until the End of The Job to Analysis

# The Profit Cycle

## Estimate/Plan

➢ **I love the Profit Cycle**

- ➢ I was 1ˢᵗ introduced to the Profit Cycle as an Intuit Master Builder ProAdvisor

- ➢ It was originally drawn on a napkin in a restaurant by Omware's Dan Smith, the Original developer of Master Builder, Now Sage 100.

- ➢ Although Dan was referring to a Construction Company when he wrote this on the napkin, change "Estimating" to "Planning" and it is relevant to all industries. When an estimator in a contractor's office estimates, they plan the job and build the job in their estimating program.

# The Profit Cycle

## Production

➢ We all have to Produce or the money does not come in the door and we account for it in some form even if it is just for the IRS.

➢ But if our accounting systems produces timely, relevant and reliable information, then we can Analyze the results.

➢ Did our Estimator/Planner make a mistake. Did they leave out a cost in the estimate. What's our inventory turnover. Does our inventory sit too long on the shelf depleting our Cash Flow. Is this department or crew production down? Why? Are we marking our products up enough to reach the breakeven point and generate a profit. What is Break Even? We are not making money, how do we correct? Increase Sales, Increase Price or Reduce our cost of sales or expense?

# The Profit Cycle

➢ Accounting – Your bookkeeper/accountant should reconcile the financials; however many small business bookkeepers/accountants wear many hats. They are constantly interrupted and we all make mistakes.  The owner/manager/project manager should analyze for errors.

➢ Use POs as much as possible, the accounting department should not have to job cost or determine if inventory was received when they get an invoice from the vendor.

• **Don't wait until the end of the  job to Analyze.**

# Job Costing Steps

For Construction Job Costing Purposes

➢ Create a Job

➢ Create an Estimate

➢ Code all direct Cost using a two-sided Item (Your cost code) pointing to a Cost of Goods Sold Account ( Job Cost in QuickBooks)

# Item or Expense

## QuickBooks users items

➢ For Jobs – Use Items

➢ For Overhead - use Expense

➢ Items give you the Ability to Compare Estimated Cost to Actual Cost

  ➢ You Job Cost outside your income statement

  ➢ Provide Detail Job Cost through Items not the Chart of Accounts

# Items = Cost Codes

- Items are Cost Codes in QuickBooks. Spend Time Developing Your Item or Cost Code List.   Contractors have the CSI Cost Codes  (Construction Specification Institute)  NARI (National Association of  Remodelers Institute)  The NAHB (National Association of Home Builders ) or  you can develop your own.   If you are an HVAC contractor  you probably don't need the cost codes for finishes, but you will need General Conditions or General Requirements.   Talk to the Estimator when setting up your cost codes.

# Estimates, Change Orders & Invoicing

➢ Estimates are the Key to Job Costing

➢ Improves Accuracy of QuickBooks Files

➢ Reduces duplication of entries and posting errors

➢ Estimates allow for job tracking and helps create your create your over/under billing reports.

➢ Track contracts for both your customer and your vendors

➢ Use Estimate as a Budget

➢ Not for Profits can track grants, or agencies.

# QuickBooks Estimating

# Estimating in QuickBooks Enterprise

- There are Experts that will tell you that QuickBooks does not have an Estimating Program that the Estimate in QuickBooks is a Job Budget.

- In a way that is true but you can create some complex Estimating Tasks in QuickBooks

# Example

- Our contractor installs Shingles .  We determine what it takes to install 1 SQ Ft of Shingles,   These items are from our item list and we can add a new item on this screen – Note  we have our carpenter who, on average takes .04 hours to install a SQ ft of Shingles.  Determine how your estimator estimates.  QuickBooks Enterprise needs to be set up to work for your company.

- Review the estimate -  Set up items based on the estimate or summarize items based on the needs.

# Group Item

# Items = Cost Codes

- Note we have added in General Conditions

- We have added in our Subcontractor -

- We are going to install the Shingles ourselves we have used our group Shingles per Square Ft Note: Our Carpenter we will code his payroll to this items -

- I am told that some contractors front load their Schedule of Values.

- The Customers is holding 10% Retainage, and they know that final payment is probably going to be delayed. It's standard industry practice.

- When you do this do it in the Mark up column. Our over/under billings report is going to reflect this.

- Overbilling. We want true numbers for accounting don't take cash out before you actually earn it.

# Estimate Form in QuickBooks

Previous | Next | Save | Print | E-mail | Find | Spelling | History | Create Invoice | Customize | Letters | Attach

Customer:Job — Vance and Vance, Inc.:C...
☑ Estimate Active
Class
Template | Print Preview
Scedules of Values

## Schedule of Values

| | | Date | Proposal # |
|---|---|---|---|
| | | 01/04/2020 | 10-1001 |

Project: 7th Ave N

Vance and Vance, Inc.
Joe Vance
23354 Kennedy Blvd
Tampa, FL  33602

34688  7th Ave N
St Petersburg,, FL 338789

| Item | Description of Work | Subcontractor | Qty | U/M | Cost | Amount | Markup | Total |
|---|---|---|---|---|---|---|---|---|
| 01 General Requirement... | Temporary Water | | 2 | MTH | 99.00 | 198.00 | | 198.00 |
| Overhead | Overhead | | 5 | | 0.00 | 0.00 | 1,000.00 | 1,000.00 |
| Profit | Profit | | 5 | | 0.00 | 0.00 | 1,000.00 | 1,000.00 |
| | 01 - General Conditions | | | | | | | 53,353.00 |
| 30- Site Work | 30 - Site Work | Tally's Site Work | 50,000 | | 1.00 | 50,000.00 | 10,000.00 | 60,000.00 |
| 03 - Concrete | 03 - Concrete | Murry's Concrete | 5,000 | | 1.00 | 5,000.00 | 20.0% | 6,000.00 |
| 04 - Masonry | 04 - Masonry | Sam's Masonry | 10,000 | | 1.00 | 10,000.00 | 20.0% | 12,000.00 |
| Shingles SQ L = 1 W = 1 | | | 1,000 | | | | | |
| 07:Asphault Strip Shingles | Asphalt Strip Shingles | | 30 | Bundle | 10.15 | 304.50 | | 304.50 |
| 07:Felt # 15 | 15# FELT 400 S/F PER ROLL | | 2.5 | Roll | 8.50 | 21.25 | | 21.25 |
| 07:3/4' Roofing Nails | 3/4' Roofing Nails | | 1 | [lb] | 0.69 | 0.69 | | 0.69 |
| 07:Carpenter | Time by the hour:hr | | 49.97 | hr | 25.00 | 1,249.25 | | 1,249.25 |
| 07:Metal Roofing Edge | Metal Roofing Edge | | 100 | ft | 1.30 | 130.00 | | 130.00 |
| Overhead | Overhead | | | | 0.00 | 0.00 | 500.00 | 500.00 |
| Profit | Profit | | | | 0.00 | 0.00 | 500.00 | 500.00 |
| | 07 - Thermal and Moister Protection | | | | | | | 2,705.69 |
| 08 - Doors & Windows | 08 - Doors & Windows | Tampa Door Company | 3,000 | | 1.00 | 3,000.00 | 20.0% | 3,600.00 |
| 26 - Electricial | 26 Electricial | Stacy's Electric Company | 25,000 | | 1.00 | 25,000.00 | -7,000.00 | 18,000.00 |

Customer Message

| | | Total | 146,058.69 | 9,600.00 | 155,658.69 |

# Document Management

From the Estimate in QuickBooks Premier and Enterprise you can create an Invoice, Sales Order and Purchase Order  You can attach Documents to the Estimate in Pro and Higher
Note Lum Sum Contracts switch the Cost and QTY.  You can customize the column headers

# Scan Proposals-Estimates - Contracts

# Create Proposal or Schedule of Values

Demo Enterprise V-10

P O Box 10299
Tampa, FL 33601

## Schedule of Values

| | Date | Proposal # |
|---|---|---|
| | 1/4/2010 | 10-1001 |

Project

Vance and Vance, Inc.
Joe Vance
23354 Kennedy Blvd
Tampa, FL 33602

34688 7th Ave N
St Petersburg,. FL 338789

| Description of Work | Total |
|---|---|
| 01 - General Conditions | 53,353.00 |
| 30 - Site Work | 60,000.00 |
| 03 - Concrete | 6,000.00 |
| 04 - Masonry | 12,000.00 |
| 07 - Thermal and Moister Protection | 2,714.69 |
| 08 - Doors & Windows | 3,600.00 |
| 26 Electrical | 18,000.00 |
| **Total** | $155,667.69 |

# AIA Form

# Create Purchase Orders for Material and Subcontracts

# Subcontract/Purchase Order

## Subcontract

Demo Enterprise V-10

P O Box 10299
Tampa, FL  33601

**Subcontract**

| Date | P.O. No. |
|------|----------|
| 12/31/2009 | 07-195 |

| Subcontractor | Job Address |
|---------------|-------------|
| Joe Masonry | 34688 7th Ave N<br>St Petersburg,, FL 338789 |

| Item | Description | Unit Price | Rcvd | Amount |
|------|-------------|-----------|------|--------|
| 04 - Masonry | 04 - Masonry | 10,000 | 0 | 10,000.00 |

| | Total | $10,000.00 |
|---|-------|-----------|

## Purchase Order

Demo Enterprise V-10

P O Box 10299
Tampa, FL  33601

**Purchase Order**

| Date | P.O. No. |
|------|----------|
| 12/31/2009 | 07-195 |

| Vendor | Ship To |
|--------|---------|
| Joe Masonry | 34688 7th Ave N<br>St Petersburg,, FL 338789 |

| Item | Description | Qty | U/M | Rate | Amount |
|------|-------------|-----|-----|------|--------|
| 04 - Masonry | 04 - Masonry | 10,000 | | 1.00 | 10,000.00 |

| | Total | $10,000.00 |
|---|-------|-----------|

# Open Purchase Orders by Job

**Demo Company - V-18**
## Open Purchase Orders by Job
**All Transactions**

| | Date | Deliv Date | Num | Source Name | Item | Qty | Rcv'd | U/M | Cost Price | Amount | Open Balance |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Douglas Enterprises Inc.** | | | | | | | | | | | |
| **The Ultimate Pet Resort** | | | | | | | | | | | |
| ► | 10/31/2017 | 12/15/2017 | 6 | AAA Trailer Rental | 01 General Requirements:15... | 12 | 0 | | 200.00 | 2,400.00 | 2,400.00 ◄ |
| | 01/05/2018 | 02/05/2018 | 5 | Tally's Site Work | 30- Site Work:02 - Paving Su... | 1 | 0.1 | | 25,000.00 | 25,000.00 | 22,500.00 |
| | 01/10/2018 | 03/06/2018 | 3 | Dumpster Supplier | 01 General Requirements:15... | 1 | 0 | | 425.00 | 425.00 | 425.00 |
| | 01/10/2018 | 01/20/2018 | 4 | Tally's Site Work | 30- Site Work:02 - Excavatio... | 1 | 0 | | 25,000.00 | 25,000.00 | 25,000.00 |
| | 02/01/2018 | 03/10/2018 | 1 | Tally's Site Work | 30- Site Work:02 - Excavatio... | 1 | 0 | | 25,000.00 | 25,000.00 | 25,000.00 |
| | 02/01/2018 | 04/15/2018 | 7 | Murry's Concrete | 03 - Concrete:03 - Concrete... | 1 | 0.5 | | 2,125.00 | 2,125.00 | 1,062.50 |
| Total The Ultimate Pet Resort | | | | | | 17 | 0.6 | | | 79,950.00 | 76,387.50 |
| Total Douglas Enterprises Inc. | | | | | | 17 | 0.6 | | | 79,950.00 | 76,387.50 |
| **TOTAL** | | | | | | **17** | **0.6** | | | **79,950.00** | **76,387.50** |

# Committed Cost Report

| PoNumber | SourceName | Item | Quantity | ReceivedQuantity | Amount | Committed Cost |
|---|---|---|---|---|---|---|
| 07-195 | Joe's Masonry | 04 - Masonry | 10000 | 0 | 10,000.00 | 10,000.00 |
| 07-196 | Tally's Site Work | 30 - Site Work | 50000 | 5000 | 50,000.00 | 45,000.00 |
| 07-197 | Murry's Concrete | 03 - Concrete | 5000 | 0 | 5,000.00 | 5,000.00 |
| 07-198 | Tampa Door Company | 08 - Doors & Windows | 3000 | 0 | 1,000.00 | 1,000.00 |
| 07-199 | Stacy's Electrical Company | 26 - Electrical | 25000 | 0 | 25,000.00 | 25,000.00 |
| | | | | | 91,000.00 | 86,000.00 |
| | | | | | 91,000.00 | 86,000.00 |
| | | | | | 91,000.00 | 86,000.00 |

**Committed cost**—With rising material prices and labor shortages, construction firms face financial exposure when suppliers and subcontractors are not yet committed contractually—particularly on longer-duration projects. It is imperative for your firm to track uncommitted costs to increase the proportion of committed costs where possible and, where necessary, to incorporate factors such as price escalation and contingent cost terms into their committed costs in order to limit financial exposure.

# Standard Report in Enterprise
# Committed Cost

8:10 AM

11/04/17

## Demo Company - V-18
## Committed Costs by Job
### All Transactions

|  | Est. Cost | Act. Cost | Committed Costs | Unpaid Wages | Total Cost | Remaining Cost |
|---|---|---|---|---|---|---|
| 01- Roofing Job | 5,136.45 | 3,592.50 | 0.00 | 1,000.00 | 4,592.50 | 543.95 |
| ▼ Douglas Enterprises Inc. | | | | | | |
| The Ultimate Pet Resort | 501,891.25 | 31,295.63 | 76,387.50 | 4,400.00 | 112,083.13 | 389,808.12 |
| Total Douglas Enterprises I... | 501,891.25 | 31,295.63 | 76,387.50 | 4,400.00 | 112,083.13 | 389,808.12 |
| Smith Residence | 7,024.35 | 7,024.35 | 0.00 | 0.00 | 7,024.35 | 0.00 |
| ▼ Smith, Henry | | | | | | |
| Job 1 | 2,332.96 | 0.00 | 0.00 | 0.00 | 0.00 | 2,332.96 |
| Total Smith, Henry | 2,332.96 | 0.00 | 0.00 | 0.00 | 0.00 | 2,332.96 |
| ▼ Tampa General Contrator | | | | | | |
| Job # 10569 | 36,589.44 | 30,699.50 | 0.00 | 0.00 | 30,699.50 | 5,889.94 |
| Total Tampa General Contr... | 36,589.44 | 30,699.50 | 0.00 | 0.00 | 30,699.50 | 5,889.94 |
| TOTAL | 552,974.45 | 72,611.98 | 76,387.50 | 5,400.00 | 154,399.48 | 398,574.97 |

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# Billings in Excess of Cost & Cost in Excess of Billings Over/Under Billings - QODBC

| Hide Header | Collapse | Refresh |
|---|---|---|
| | Columns | Total only |

**Demo Enterprise V-10**

**Job Estimates vs. Actuals Summary**

**All Transactions**

| | Est. Cost | Act. Cost | Est. Revenue | Act. Revenue |
|---|---|---|---|---|
| **Douglas Enterprises Inc.** | | | | |
| The Ultimate Pet Resort | 242,609.40 | 8,987.10 | 270,071.43 | 9,501.02 |
| **Total Douglas Enterprises Inc.** | 242,609.40 | 8,987.10 | 270,071.43 | 9,501.02 |
| | | | | |
| **Georgia Ave Apartments** | | | | |
| Bldg 2 | 21,767.48 | 0.00 | 32,727.64 | 0.00 |
| Bldg 1 | 54,619.48 | 5,150.00 | 68,019.74 | 7,600.25 |
| **Total Georgia Ave Apartments** | 76,386.96 | 5,150.00 | 100,747.38 | 7,600.25 |
| | | | | |
| **Vance and Vance, Inc.** | | | | |
| Creek Development | 153,558.69 | 5,000.00 | 166,717.69 | 0.00 |
| **Total Vance and Vance, Inc.** | 153,558.69 | 5,000.00 | 166,717.69 | 0.00 |
| | | | | |
| **TOTAL** | 472,555.05 | 19,137.10 | 537,536.50 | 17,101.27 |

Job Estimates vs Actuals Reports gives us the information for our Over/Under Billing Report - This is an example, of a report you are producing in Excel from QuickBooks Data

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# Billings in Excess of Cost &
# Cost in Excess of Billings
# Over/Under Billings –WIP Report
# Available QuickBooks Enterprise

**Demo Company - V-15**
**Job Work in Progress (WIP) Summary**
**All Transactions**

| | Est. Cost | Act. Cost | (%) Complete | Est. Revenue | Earned Revenue | Act. Revenue | ($) Diff. |
|---|---|---|---|---|---|---|---|
| **Douglas Enterprises Inc.** | | | | | | | |
| The Ultimate Pet Resort ▶ | 501,891.25 ◀ | 3,795.63 | 0.76% | 585,616.48 | 4,450.69 | 20,697.25 | -16,246.56 |
| Total Douglas Enterprises ... | 501,891.25 | 3,795.63 | 0.76% | 585,616.48 | 4,450.69 | 20,697.25 | -16,246.56 |
| TOTAL | 501,891.25 | 3,795.63 | 0.76% | 585,616.48 | 4,450.69 | 20,697.25 | -16,246.56 |

# Billings in Excess of Cost & Earnings
# Cost & Earnings in Excess of Billings
# Over/Under Billings –WIP Report
# We Recommend Advanced Reporting.

## Work in Progress as of 06/30/2018

| Over/Under Billings |
|---|

### Work In Progress - Over/Under Billings

| Customer | Contract | EstimatedCost | ActualCost | Percentage | EarnedRevenue | ActualRevenue | OverBillings | UnderBillings |
|---|---|---|---|---|---|---|---|---|
| 01- Roofing Job | 6,839.04 | 5,136.45 | 3,592.50 | 69.94% | 4,783.31 | 3,351.23 - | | 1,432.08 |
| Douglas Enterprises Inc.:The Ultimate P... | 560,356.48 | 501,891.25 | 31,295.63 | 6.24% | 34,941.25 | 26,817.94 - | | 8,123.31 |
| Smith Residence | 9,120.41 | 7,024.35 | 7,024.35 | 100.00% | 9,120.41 | 9,120.41 - | | - |
| Smith, Henry:Job 1 | 3,029.10 | 2,332.96 | 0.00 | 0.00% | 0.00 | 0.00 - | | - |
| Tampa General Contrator:Job # 10569 | 44,327.22 | 36,589.44 | 30,699.50 | 83.90% | 37,191.70 | 44,327.22 | -7,135.52 - | |
| **Total** | **623,672.25** | **552,974.45** | **72,611.98** | **13.13%** | **81,895.42** | **83,616.80** | **-7,135.52** | **9,555.40** |

# Closed Jobs Report - Advanced Reporting.

## Closed Jobs 2018

| Customer | Act Revenue | Act Cost | Proift/Loss |
|---|---|---|---|
| Tampa General Contrator:Job # 10569 | 44,327.22 | 30,699.50 | 13,627.72 |
| **Total** | **44,327.22** | **30,699.50** | **13,627.72** |
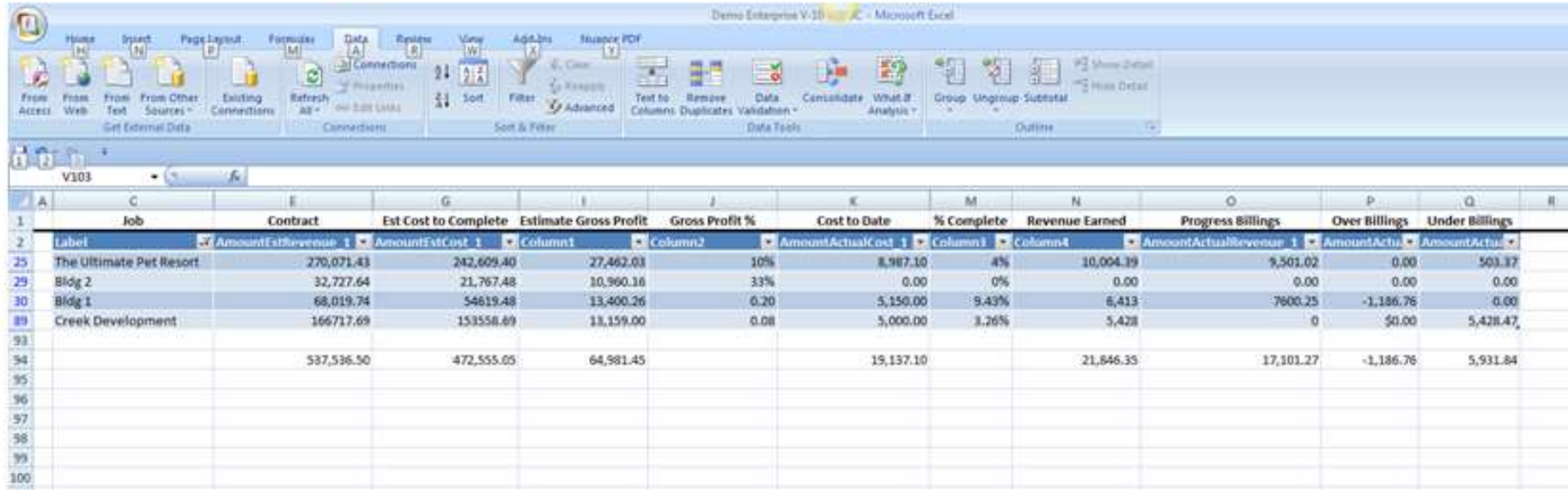
# Calculations via Excel Using QB Data

# Billings in Excess of Cost & Cost in Excess of Billings Over/Under Billings - QODBC



| Job | Contract | Est Cost to Complete | Estimate Gross Profit | Gross Profit % | Cost to Date | % Complete | Revenue Earned | Progress Billings | Over Billings | Under Billings |
|---|---|---|---|---|---|---|---|---|---|---|
| Label | AmountEstRevenue_1 | AmountEstCost_1 | Column1 | Column2 | AmountActualCost_1 | Column3 | Column4 | AmountActualRevenue_1 | AmountActu | AmountActua |
| The Ultimate Pet Resort | 270,071.43 | 242,609.40 | 27,462.03 | 10% | 8,987.10 | 4% | 10,004.39 | 9,501.02 | 0.00 | 503.37 |
| Bldg 2 | 32,727.64 | 21,767.48 | 10,960.16 | 33% | 0.00 | 0% | 0.00 | 0.00 | 0.00 | 0.00 |
| Bldg 1 | 68,019.74 | 54619.48 | 13,400.26 | 0.20 | 5,150.00 | 9.43% | 6,413 | 7600.25 | -1,186.76 | 0.00 |
| Creek Development | 166717.69 | 153558.69 | 13,159.00 | 0.08 | 5,000.00 | 3.26% | 5,428 | 0 | $0.00 | 5,428.47 |
| | 537,536.50 | 472,555.05 | 64,981.45 | | 19,137.10 | | 21,846.35 | 17,101.27 | -1,186.76 | 5,931.84 |

The QODBC Reader is included with QuickBooks Enterprise Solutions

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# QODBC via Flex Quarters

**HOW QODBC INTERFACES WITH QUICKBOOKS** (US Version)

## TABLE & REPORTS OVERVIEW

**LIST TABLES**. QuickBooks contains detailed information about customers, vendors, payroll items, classes, etc. These tables can be used for listing reports, or to tie to other activity tables.

**TRANSACTION TABLES**. These tables represent the nuts and bolts of QuickBooks Accounting, i.e. invoice and invoice detail; bills and bills details, payroll, etc.

**INFORMATION TABLES**. Generally used for inserting data, information tables help programmers insure the integrity of the data. Quickbooks operating preferences and company information are also part of this group.

**VIEW TABLES**. These are tables that are custom designed by QODBC to reduce the need for relating multiple tables to get the results you want. For instance, tying sales order and inventory tables together.

**ALPHABETICAL LISTING OF ALL TABLES**

**REPORTS**. QODBC gives you the ability to create reports that are replicas of the reports in QuickBooks which you are already familiar with - but with more options. Use these SQL statements to create your own options..
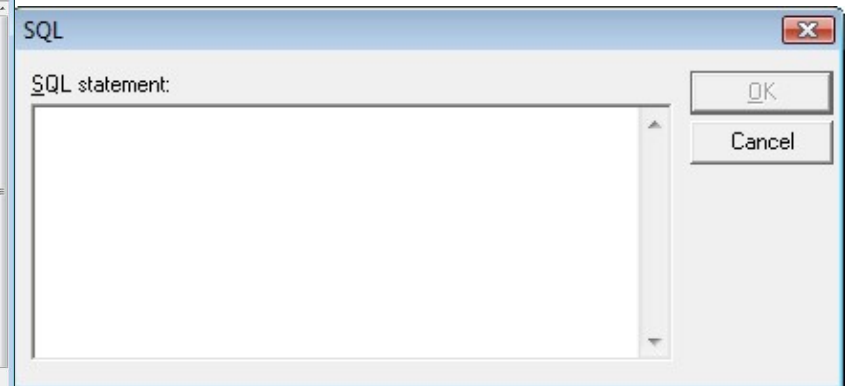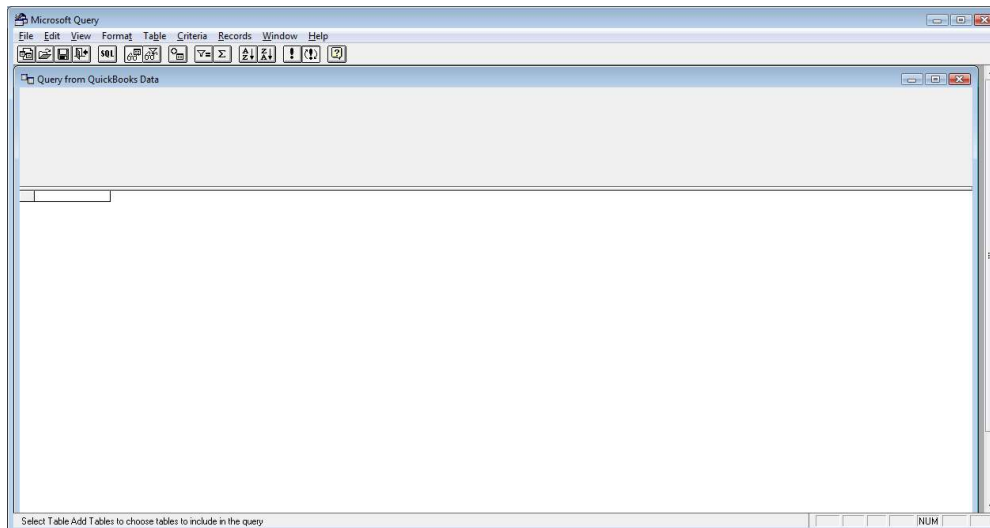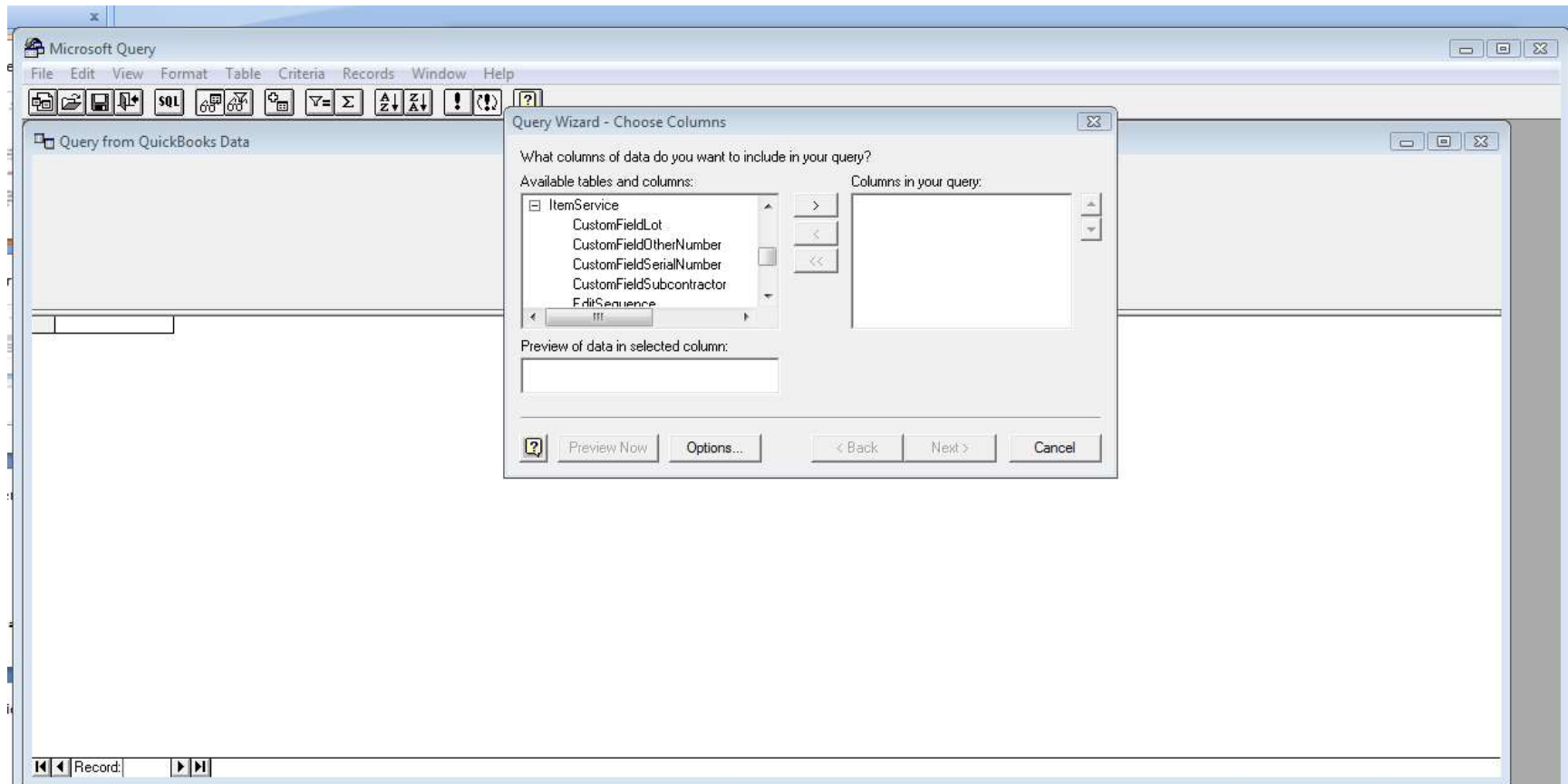
# You Can Be A Report Writer



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# Microsoft Query



You can get reports  based on criteria you select even Custom Fields

# Track Your Change Orders

Customer:Job
Vance and Vance, Inc.:C...

☑ Estimate
Active

Class

Template | Print Preview
Scedules of Values

## Schedule of Values

Date 01/04/2010
Proposal # 10-1001
Project 7th Ave N

Vance and Vance, Inc.
Joe Vance
23354 Kennedy Blvd
Tampa, FL 33602

34688 7th Ave N
St Petersburg,, FL 338789

| Item | Description of Work | Subcontractor | Qty | U/M | Cost | Amount | Markup | Total |
|---|---|---|---|---|---|---|---|---|
| | 07 - Thermal and Moister Protection | | | | | | | 2,714.69 |
| 08 - Doors & Windows | 08 - Doors & Windows | Tampa Door Company | 3,000 | | 1.00 | 3,000.00 | 20.0% | 3,600.00 |
| 26 - Electricial: 16 - ... | 26 Electricial | | 25,000 | | 1.00 | 25,000.00 | -7,000.00 | 18,000.00 |
| 26 - Electricial: 16 - ... | 26 - Electrical Change Order | | 2,000 | | 1.00 | 2,000.00 | 20.0% | 2,400.00 |
| 26 - Electricial: 16 - ... | Electrical work | | 5,500 | | 1.00 | 5,500.00 | 30.0% | 7,150.00 |
| | ~~~~~ CHANGE ORDER ~~~~~ January 1, 2010 > Added 2,000 26 - Electricial. (+$2,400.00) Total change to estimate +$2,400.00 ~~~~~~~~~~~~~~~~~~~~~~~~~ | | | | | | | |
| | ~~~~~ CHANGE ORDER ~~~~~ January 1, 2010 > Added 5,500 16 - Electrical Sub. (+$7,150.00) Total change to estimate +$7,150.00 ~~~~~~~~~~~~~~~~~~~~~~~~~ | | | | | | | |
| 26 - Electricial: 16 - ... | 01/02/2010 Broke Window with ladder | Stacy's Electric | -1 | | 2,000.00 | -2,000.00 | 2,000.00 | 0.00 |
| 26 - Electricial: 16 - ... | Electrical work b Stacy's Eelctric Brok Window wiht Ladder | Tampa Door Company | 1 | | 2,000.00 | 2,000.00 | -2,000.00 | 0.00 |
| | ~~~~~ CHANGE ORDER ~~~~~ January 2, 2010 > Added -1 16 - Electrical Sub. (-$2,000.00) > Added 1 16 - Electrical Sub. (+$2,000.00) Total change to estimate +$0.00 ~~~~~~~~~~~~~~~~~~~~~~~~~ | | | | | | | |

Customer Message

Total | 153,558.69 | 13,159.00 | 166,717.69

☐ To be e-mailed

Memo

Save & Close | Save & New | Revert

If you are invoicing your change orders with your contract include them in the original estimate. If they are invoiced separately do a separate estimate for them. Be sure and include cost and mark up. Create internal change orders, modify estimate to include current estimated cost to complete. You can have more than one Estimates & only Active Estimates appear on Job Cost reports. You can create a Progress Billing Estimate. (make it inactive and invoice your Progress Billings.)

# Customer Center - Job

| Type | Num | Date ▲ | Account | Amount | Active Estimate? | Memo |
|------|-----|--------|---------|--------|------------------|------|
| Estimate | 20081-03 | 11/01/2009 | 4 · Estimates | 270,074.58 | ✓ | Contract Estimate |
| Estimate | 20081-11 | 11/01/2009 | 4 · Estimates | 270,074.58 | | Original Estimate |
| Invoice | 302-69 | 01/02/2010 | 11200 · Contract Receivables | 9,501.02 | | |
| Estimate | 20081-09 | 01/02/2010 | 4 · Estimates | 270,074.58 | | Progress Billing |
| Sales Receipt | 7 | 01/06/2010 | 13900 · Undeposited Funds | 0.00 | | |
| Sales Receipt | 9 | 01/06/2010 | 13900 · Undeposited Funds | 0.00 | | |
| Sales Order | w10 | 01/06/2010 | 5 · Sales Orders | 0.00 | | Complete |
| Sales Order | w11 | 01/06/2010 | 5 · Sales Orders | 0.00 | | |
| Invoice | FC 4 | 01/31/2010 | 11200 · Contract Receivables | 754.88 | | Finance Charge |

**Job Information**

Attach    Edit Job...

**Reports for this Job**
- QuickReport
- Open Balance
- Job Profitability
- Estimates vs Actuals

Job Name  The Ultimate Pet Resort
Job Type  01 In Progress
Customer Name  Douglas Enterprises Inc.
Billing Address  The Ultimate Pet Resort
Tampa, FL 33624

Contact  James Douglass
Phone  813-555-1212
Email  jd@douglasenterprises.com
Job Status  In progress
Start Date  12/14/2009
Projected End  06/30/2010
End Date

Map | Directions

Notes    Edit Notes...

Show  All Transactions    Filter By  All    Date  All

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# Progress Billing Invoice
# Inactive Estimate- An Option

# Progress Invoice from Cost + Markup Estimate

**Demo Enterprise V-10**
P O Box 10299
Tampa, FL 33601

**Invoice**

| Date | Invoice # |
|------|-----------|
| 1/5/2010 | 302-73 |

Vance and Vance, Inc.
Joe Vance
23354 Kennedy Blvd
Tampa, FL 33602

**Completed Work**

| Description | Scheduled Value | Previous Applications | Prior % | Curr % | This Applic... | Total % |
|-------------|-----------------|-----------------------|---------|--------|----------------|---------|
| 01 - General Conditions | 53,353.00 | 1,048.60 | 1.97% | 10.00% | 5,335.30 | 11.97% |
| 30 - Site Work | 62,500.00 | 5,000.00 | 8.00% | 16.00% | 10,000.00 | 24.00% |

| Total | $15,335.30 |
|-------|-----------|

# Classes – Many Theories

➢Classes for Cost Type

  ➢Labor

  ➢Material

  ➢Subcontract

  ➢Equipment

  ➢Other

# Classes for Departments, Locations (Profit Centers)

➢ Residential

➢ Commercial

Class for Geographical Areas

➢ Florida

➢ Georgia

➢ Tennessee

Choose your classes carefully

# Classes

➢ What works best for your company?

➢ What Profit Centers do you want to track?

➢ You can get an Income Statement by

    ➢ Job Type

    ➢ Customer Type

    ➢ Custom Fields

    ➢ Job Status

# Create Invoice from Estimate

# Specify Cost Codes(Items) to Invoice

**Specify Invoice Amounts for Items on Estimate**

**Progress Invoice for:**     **Vance and Vance, Inc.:Creek Development**

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

☑ Show Quantity and Rate    ☑ Show Percentage

| Item | Est Qty | Est Rate | Est Amt | Prior ... | Prior ... | Prio... | Qty | U/M | Rate | Amount | Curr % | Tot % |
|------|---------|----------|---------|-----------|-----------|---------|-----|-----|------|--------|--------|-------|
| 01 General ... | 5 | 100.00 | 500.00 | 0 | | 0.0% | 0.5 | MTH | 100.00 | 50.00 | 10.0% | 10.0% |
| 01 General ... | 2 | 99.00 | 198.00 | 0 | | 0.0% | 0.2 | MTH | 99.00 | 19.80 | 10.0% | 10.0% |
| Overhead | 5 | 200.00 | 1,000... | 0 | | 0.0% | 0.5 | | 200.00 | 100.00 | 10.0% | 10.0% |
| Profit | 5 | 200.00 | 1,000... | 0 | | 0.0% | 0.5 | | 200.00 | 100.00 | 10.0% | 10.0% |
| | | | 53,35... | | | | | | | 1,048.60 | | |
| 30- Site Wo... | 50,000 | 1.25 | 62,50... | 0 | | 0.0% | 4,000 | | 1.25 | 5,000.00 | 8.0% | 8.0% |
| 03 - Concr... | 5,000 | 1.00 | 5,000... | 0 | | 0.0% | 0 | | 1.00 | 0.00 | 0.0% | 0.0% |
| | | | | | | | | | Total | 6,048.60 | | |

OK   Cancel   Help

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.

# Invoice from Estimate

Previous  Next  Save  Print  Send  Ship  Find  Spelling  History  Journal  Progress  Letters  Customize  Attach

Customer:Job  Class  Template  Print Preview
e, Inc.:Creek Development  Copy of: Progress I...

**Invoice**

Bill To
Vance and Vance, Inc.
Joe Vance
23354 Kennedy Blvd
Tampa, FL  33602

Date 01/05/2010  Invoice # 302-73

Terms  Net 15

| Item | Description | Scheduled Value | U/M | Class | Previous Applications | Prior % | Est Qty | Est Rate | Curr % | This Application |
|---|---|---|---|---|---|---|---|---|---|---|
| 01 General Conditions | | | | | | | 5 | | | |
| 01 General Require... | Supervision | 47,630.00 | wrkwk | | 476.30 | 1.0% | 21.65 | 2,200 | 10.0% | 4,763.00 |
| 01 General Require... | Job Trailer | 400.00 | MTH | | 40.00 | 10.0% | 2 | 200 | 10.0% | 40.00 |
| 01 General Require... | Job Trailer | 300.00 | MTH | | 30.00 | 10.0% | 4 | 75 | 10.0% | 30.00 |
| 01 General Require... | Temp Electric | 200.00 | MTH | | 20.00 | 10.0% | 2 | 100 | 10.0% | 20.00 |
| 01 General Require... | Dumpster | 2,125.00 | CY | | 212.50 | 10.0% | 5 | 425 | 10.0% | 212.50 |
| 01 General Require... | Temp Telephone | 500.00 | MTH | | 50.00 | 10.0% | 5 | 100 | 10.0% | 50.00 |
| 01 General Require... | Temporary Water | 198.00 | MTH | | 19.80 | 10.0% | 2 | 99 | 10.0% | 19.80 |
| Overhead | Overhead | 1,000.00 | | | 100.00 | 10.0% | 5 | 200 | 10.0% | 100.00 |
| Profit | Profit | 1,000.00 | | | 100.00 | 10.0% | 5 | 200 | 10.0% | 100.00 |
| | 01 - General Conditions | 53,353.00 | | | | | | | | 5,335.30 |
| 30- Site Work:02 - ... | 30 = Site Work | 62,500.00 | | | 5,000.00 | 8.0% | 50,000 | 1.25 | 16.0% | 10,000.00 |
| 03 - Concrete:03 - ... | Concrete | 5,000.00 | | | | 0.0% | 5,000 | 1 | 0.0% | 0.00 |
| 04 - Masonry:04 - ... | 04 - Masonry | 12,000.00 | | | | 0.0% | 10,000 | 1.2 | 0.0% | 0.00 |
| Shingles SQ L = 1 ... | | | | | | | 1,000 | | | |
| 07 Thermal/Moistur... | Asphalt Strip Shingles | 304.50 | Bundle | | | 0.0% | 30 | 10.15 | 0.0% | 0.00 |
| 07 Thermal/Moistur... | 15# FELT 400 S/F PER ROLL | 21.25 | Roll | | | 0.0% | 2.5 | 8.5 | 0.0% | 0.00 |
| 07 Thermal/Moistur... | 3/4 Roofing Nails | 0.69 | [lb] | | | 0.0% | 1 | 0.69 | 0.0% | 0.00 |
| 07 Thermal/Moistur... | Time by the hour:hr | 1,249.25 | hr | | | 0.0% | 49.97 | 25 | 0.0% | 0.00 |

Customer Message

Total  15,335.30

To be printed
To be e-mailed

Add Time/Costs...  Apply Credits...  Payments Applied  0.00
Balance Due  15,335.30

Memo

Learn about our payment processing and online invoicing solutions.

Save & Close  Save & New  Revert

# Invoice

**Demo Enterprise V-10**
P O Box 10299
Tampa, FL 33601
Phone #        813-269-0153
Fax #          813-200-3951

## Invoice

| Date | Invoice # |
|------|-----------|
| 1/5/2010 | 302-73 |

Vance and Vance, Inc.
Joe Vance
23354 Kennedy Blvd
Tampa, FL  33602

**Completed Work**

| Description | Scheduled ... | Previous Ap... | Prior % | Curr % | This Applic... | Total % |
|-------------|---------------|----------------|---------|--------|----------------|---------|
| 01 - General Conditions | 53,353.00 | 1,048.60 | 1.97% | 10.00% | 5,335.30 | 11.97% |
| 30 - Site Work | 62,500.00 | 5,000.00 | 8.00% | 16.00% | 10,000.00 | 24.00% |

| **Total** | **$15,335.30** |
|-----------|----------------|

# Retainage

# Invoice with Retainage Held

# Final Invoice for Retainage



## Final Invoice Applying Retainage

# Modify Report for Retainage

# Inventory to Job

➢Use Sales Receipts to Transfer Inventory Costs to Jobs

➢Create the Sales Receipt with the Inventory items used on the job.

➢Create a Discount item that is mapped to the same revenue account that is used for the inventory items.

If you have multiple revenue accounts you will need multiple discounts items.

Or create your Sales Receipt at Zero Price.

# Sales Receipt

## Sales Receipt

|  |  | Date | Sale No. |
|---|---|---|---|
|  |  | 01/06/2010 📅 | 7 |

**Sold To**

The Ultimate Pet Resort
Tampa, FL 33624

|  | Check No. | Payment Method |
|---|---|---|
|  |  | ▼ |

| Item | Description | Qty | U/M | Rate | Class | Amount |
|---|---|---|---|---|---|---|
| Janitorol/024 - |  |  |  |  |  |  |
| HVAC Equip... | Janitrol024-Condensor | 1 | ea | 195.00 |  | 195.00 |
| HVAC Equip... | Janitrol024 | 1 | ea | 184.60 |  | 184.60 |
| HVAC Equip... | Panel | 1 | ea | 32.50 |  | 32.50 |
|  | Installation Janitorol/024 - |  |  |  |  | 412.10 |
|  |  |  |  |  |  |  |
| Inventor... ▼ | Inventory Allocation Discount |  |  ▼ | -100.0% | ▼ | -412.10 |

Customer
Message  [        ▼]

Total    0.00

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# Income Statement

Also known as a Profit and Loss Statement

➢ Class

➢ Customer Type

➢ Job Type

➢ Custom Fields

# Income Statement

➢Income  - $XXX

➢Cost of Goods Sold (Job Cost) $XXX

➢Gross Profit $XXX

➢Expenses (Overhead) Non Job $XXX

➢Net Income $XXX

➢ Differentiate between

➢ Job Cost (COGS ) and Overhead

# Estimate for Profit

➢ Understand your overhead

➢ Learn to measure and calculate RISK

➢ Distinguish between the Budget and the Bid

➢ Measure productivity

➢ Use Completed Jobs as a tool for better Estimating in the future

**If the Estimator made a mistake we want to know as soon as possible.   If we have the lowest bid, we don't want to be the contractor who made the biggest mistake.**

**Analyze Field Employees performance**

**Shingles -   Two Shingle Crews**.

# Manage Job Production for Profit

- ➤ Change orders
- ➤ Schedules
  - ➤ Employees
  - ➤ Subcontractors
- ➤ Efficient material procurement
- ➤ Job Cost your labor
  - ➤ Internal Labor cost is the most uncertain.   We can get a bid from our suppliers to supply the material and issue a Purchase Order, have our subcontractors sign a contract.  As long as the material supplier and subcontractor performs we are pretty safe.   We are an HVAC contractor with 50 employees, multiple  crews, We want to know our best crew for the job.

# Accounting for Profit

➢ Utilize the proper accounting software – Look at QuickBooks Enterprise Solutions before you look at other mid level accounting software

➢ Understand and account for labor burden

➢ Require accurate JOB COSTING

➢ Have the right people perform the right functions for:
  - ➢ a. job costing
  - ➢ b. bookkeeping
  - ➢ c. controller
  - ➢ d. CPA/Tax Preparer

➢ Accounts receivable is just as important as accounts payable

# Accounting for Profit Implementation

➢ Requires a Commitment
➢ Team up with an Intuit Premier Reseller to create a plan, including timeline.
➢ Involve the whole company as a team
➢ Get input from your CPA and other business consultants.
➢ Learn QuickBooks Enterprise Solutions while you implement.
➢ Data conversions available – Microsoft Dynamics GP, Sage MAS 90/200, Sage 300 -Timberline, Sage 100 -Master Builder, Sage 50 - Peachtree, Custom Applications
  ➢ It doesn't matter if you are on QuickBooks Pro, Premier, Enterprise MAS 90, Microsoft Dynamics, or Timberline. If your accounting software is not set up correctly, you will not get the information you need to Run Your Business.

➢ Additional Information.
http://solutionresources.org/onboardingsoftware.htm

# Can Your Accounting Software Teach You Accounting

➢ Understand what the software is supposed to do for you.

➢ Provide the information to the software program that is required for your books to be complete and accurate when finished

➢ The ultimate success rests with the skill level of the people who will be using the software. If they are not qualified bookkeepers training is a must.

# Take a lesson from SOX Internal Controls

## Sarbanes Oxley Act Overview

| Areas of Emphasis | Management Reporting | Board Governance | Management & Board Conduct | Enforcement & Penalties | Auditor Independence |
|---|---|---|---|---|---|
| **Key Sections** | * Management Certifications (Section 302) | Audit Committee Standards | Accelerated reporting of insider trading | Public Company Oversight Board (PCAOB) | Audit Committee pre-approval all auditor services |
| | * Management Report on Internal Controls (Section 404) | Prohibition of loans to Directors & Officers | Disclose Code of Conduct for finance officers | * Criminal penalties for knowingly untrue certifications (Section 906) | Prohibits auditor from certain services |
| | | | Protection of Whistleblowers | | Lead audit partner limited to 5 year rotation |

* Sections 302 & 404 address improving Corporate Governance through effective internal controls. Section 906 addresses criminal penalties.

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# Examples of Internal Control Issues

➢ Inadequate design of internal control over the preparation of the F/S's being audited

➢ Inadequate documentation of internal control components

➢ Insufficient control consciousness within the organization

➢ Absent or inadequate controls over the safeguarding of assets

➢ Employees/Management lack qualifications and training to fulfill assigned functions (ex Corporate Controller unable to apply GAAP in recording transactions or preparing (F/Ss)

➢ Failure to perform reconciliations of significant accounts on a timely or accurate manner

# Who needs Internal Control?

➢ You the small business owner.

   ➢ You are probably the biggest Stake Holder in your company

   ➢ SOX is not looking out for you

   ➢ You may not need audited financials

   but

   ➢ You need to protect your shareholders.

   ## **YOU**

# Intuit  QuickBooks Enterprise



Will Help You Better Manage Your Business

[info@solutionresources.org](mailto:info@solutionresources.org)

**Please Remember:**

**If you have questions or would like a quote, please contact us.**
**www.solutionresources.org**
**800-269-0153**