



Acumatica

The Cloud ERP

V300 Project Accounting for Construction (Part 2)

Irina Kateneva

Senior Business Analyst

Timing and Agenda

August 27, 2024 -10:00-12:00 PM PT

Day 1

Lesson 10: Billing Projects for Progress by Quantity and Amount

Lesson 11: Tracking Retainage with a Cap

Lesson 12: Billing Projects for Time and Material with Retainage

Lesson 13: Preparing AIA Reports

Lesson 14: Preparing AIA Reports for Released Retainage

Lesson 15: Correcting Pro Forma Invoices

August 28, 2024 -10:00-12:00 PM PT

Day 2

Lesson 16: Preparing Payments for Projects

Lesson 17: Preparing Joint Payments

Lesson 18: Forecasting Budget

Lesson 19: Tracking Changes to Budget Forecasts

Lesson 20: Tracking Budget Overruns

Lesson 21: Capturing Project Budget Overhead



Day 1



Cherry Lake Tree Farm
Acumatica Customer

Company Structure

The SweetLife Fruits & Jams company is a midsize company located in New York City.

The ToadGreen Building Group is a subsidiary of the SweetLife Fruits & Jams company. ToadGreen Building Group—which is located in New York—is a general contractor coordinating construction projects for governmental and commercial customers. The company has only one branch, ToadGreen Building Group, in which the corresponding projects are being managed and all construction-related tasks are recorded. This branch has a warehouse that holds the materials purchased for construction projects until they are transferred to project site.

Operational Activity

The company has been operating starting in the 01-2023 financial period. In November 2023, the company started using Acumatica ERP as an ERP and CRM system and migrated all data of the main office and retail store to Acumatica ERP. The equipment center has begun its operations in 01-2024 in response to the company's growth.

In October 2023, the company received an investment and opened a subsidiary company for construction (ToadGreen). In February 2024, the company started its first construction project.

The base currency of the company and its subsidiaries is the US dollar (USD). All amounts in documents and reports are expressed in US dollars unless otherwise indicated.

Lesson 10: Billing Projects for Progress by Quantity and Amount

Learning Objectives

In this lesson, you will learn how to do the following:

- Configure a progress billing rule
- Update the project progress to make it ready to be billed
- Run project billing for a project
- Process the documents that have been generated during the project billing
- Review how the project's actual amounts are updated with the billed amounts

Billing Rule (PM207000): Progress Billing

Billing Rules

PROGRESS - Progress billing

NOTES FILES CUS



* Billing Rule ID: Active

Description:

Active	Step ID	Description	Invoice Group
<input checked="" type="checkbox"/>	10	Progress	

Billing Type:

INVOICE SETTINGS

Invoice Description Formula:

Line Description Formula:

* Use Destination Branch from: Destination Branch:

* Use Sales Account From:

BILLING OPTIONS

Create Lines with Zero Amount and Quantity

Progress Billing: To Bill a Project by Quantity and Amount

Project Task and Revenue Budget line:

- Progress Billing Base = {Amount, Quantity}

Option 1: Pending Invoice Amount/Quantity

Pending Invoice Amount Pending Invoice Quantity

Pending Invoice Quantity = 0 Pending Invoice Amount = Pending Invoice Quantity * Unit rate

Option 2: Completed (%)

Pending Invoice Amount = Revised Budgeted Amount * (Completed (%) / 100) - Draft Invoice Amount - Actual Amount

Pending Invoice Quantity = Revised Budgeted Quantity * (Completed (%) / 100) - Draft Invoice Quantity - Actual Quantity

Figure: The updated values of the project revenue budget

Projects

ITALIANQ - Italian Restaurant (South Street) NOTES FILES

← ↻ 📄 ↶ + 🗑️ ⏪ < > ⏩ COMPLETE PROJECT **RUN PROJECT BILLING** ...

* Project ID: ITALIANQ - Italian Restaurant (South Street) Status: Active Actual Income: 8,400.00
 Customer: ITACOM - Italian Company Actual Expenses: 0.00
 Template: PROGRQ - Construction project (with billi Margin: 8,400.00 %: 100.00
 * Description: Italian Restaurant (South Street)

SUMMARY TASKS **REVENUE BUDGET** COST BUDGET BALANCES INVOICES CHANGE ORDERS UNION LOCALS ACTIVITIES EMPLOYEES EQUIPMENT ADDRESSES DEFAULTS

Project Task: Group by Task Pending Invoice Amount Total: 0.00

🔄 + ✕ VIEW TRANSACTIONS |🔍 📄 📶 All Records

* Project Task	Cost Code	* Account Group	Description	Original Budgeted Quantity	UOM	Unit Rate	Original Budgeted Amount	Revised Budgeted Quantity	Revised Budgeted Amount	Draft Invoice Quantity	Draft Invoice Amount	Actual Quantity	Actual Amount
01	01-300	REVENUE	Permit	2,028.00	EA	10.5000	21,294.00	2,028.00	21,294.00	0.00	0.00	0.00	2,400.00
01	01-311	REVENUE	Operations- Project Manager	975.00	EA	20.0000	19,500.00	975.00	19,500.00	0.00	0.00	0.00	0.00
01	01-313	REVENUE	Operations- Superintendent	507.00	EA	101.0000	51,207.00	507.00	51,207.00	0.00	0.00	0.00	0.00
01	01-314	REVENUE	Operations- Crew Leader	45.00	EA	580.0000	26,100.00	45.00	26,100.00	0.00	0.00	0.00	0.00
01	01-330	REVENUE	Design Fees	2,216.00	EA	22.0000	48,752.00	2,216.00	48,752.00	0.00	0.00	0.00	0.00
01	01-505	REVENUE	Mobilization	464.00	EA	14.0000	6,496.00	464.00	6,496.00	0.00	0.00	0.00	0.00
01	01-510	REVENUE	Telephone	82.00	EA	15.0000	1,230.00	82.00	1,230.00	0.00	0.00	0.00	0.00
01	01-600	REVENUE	Insurance	39.00	EA	250.0000	9,750.00	39.00	9,750.00	0.00	0.00	24.00	6,000.00
01	01-900	REVENUE	Clean up	130.00	EA	100.0000	13,000.00	130.00	13,000.00	0.00	0.00	0.00	0.00

Lesson 11: Tracking Retainage with a Cap

Learning Objectives

In this lesson, you will learn how to do the following:

- Learn how to configure a project with a contract cap
- Learn how the contract cap retainage is calculated
- Create pro forma invoices with retainage for the project until the retainage cap is reached
- Release the retainage for the project for multiple project budget lines
- Mass-process retainage invoices

Retainage with a Cap: Process Activity

Story

Suppose that the ToadGreen Building Group company is a general contractor that is building a hotel for The Equity Group Investors. The project manager has created a fixed-price project; for this project, the customer will be billed once a month based on the progress of the performed work. Also, in the project, the project manager has defined the original project budget, which was also agreed upon with the customer. According to the contract, the customer retains 5% from each invoice, which guarantees to the customer that the ToadGreen company will meet its obligations in building the hotel.

Because the ToadGreen company, as a general contractor, needs to have enough resources for performing daily operations, the contract also includes a 50% retainage cap, which specifies the maximum retainage amount that can be held for the project.

Acting as the project manager, you need to make sure that the pro forma invoices prepared for the customer include the correct retainage amounts, and that the retainage is no longer held after the cap has been reached.

Projects (PM301000): Retainage with a Cap

Projects

HOTELCP - The Beach Hotel and Condominiums (Golden Street)



← 📄 📁 ↶ + 🗑️ ⏪ < > ⏩ COMPLETE PROJECT **RUN PROJECT BILLING** ...

* Project ID:	HOTELCP - The Beach Hotel and Con	Status:	Active	Actual Income:	19,167,859.49
Customer:	EQUGRP - The Equity Group Investor			Actual Expenses:	12,596,427.16
Template:				Margin:	6,571,432.33
* Description:	The Beach Hotel and Condominiums (Golden Street)				

SUMMARY TASKS REVENUE BUDGET COST BUDGET BALANCES COMMITMENTS INVOICES CHANGE ORDERS UNION LOCAL

PROJECT PROPERTIES

Revenue Budget Level:	Task and Cost Code
Cost Budget Level:	Task and Cost Code
* Start Date:	3/1/2024
End Date:	
Project Group:	
Project Manager:	EP00000033 - Ellen Watson

RETAINAGE

Retainage Mode:	Contract Cap	
Contract Total:	39,715,457.00	<input type="checkbox"/> Include CO
Completed (%):	52.03	
Total Retained Amount:	992,886.42	
Retainage (%):	5.00	<input type="checkbox"/> Use Steps
Cap (%):	50.00	992,886.42

Projects (PM301000): Retainage with a Cap

- **Contract Total:**
 - sum (Original Budgeted Amounts of all the revenue budget lines)
- **Completed (%): The percent of project completion**
 - $\text{Completed (\%)} = (\text{Draft Invoice Amount total} + \text{Actual Amount total}) / \text{Contract Total}$
- **Total Retained Amount:** The total of the values in the Total Retained Amount column on the Revenue Budget tab
- **Retainage (%):** The percent of an invoice's amount issued for the project that is retained by the customer
- **Cap (%):** The cap of the project completion percent, which defines the maximum retainage amount held for the project
- **Cap Amount:**
 - $\text{Cap Amount} = \text{Contract Total} * \text{Cap (\%)} * \text{Retainage (\%)}$

Pro Forma Invoices(PM307000): pro forma invoice when contract Cap is reached

- **Allocated Retained Amount** = (Total Retained Amount - Total Released Retainage) * Line Weight
 - Total Retained Amount is the sum of the retained amounts for all revenue budget lines of the project.
 - Total Released Retainage is the sum of the amounts of the released AR retainage documents that are related to the project
 - Line Weight = (Amount to Invoice + Previously Invoiced Amount) / Total Complete

PROGRESS BILLING													TIME AND MATERIAL	TAXES	FINANCIAL	ADDRESSES
Account Group	Project Task	Revised Budgeted Amount	Actual Quantity	Previously Invoiced Amount	Total Completed (%)	Amount	Stored Material	Amount to Invoice	Currently Invoiced (%)	Allocated Retained Amount	Retainage Amount					
> REVENUE	05	1,901,356.00		380,271.20	42.00	418,298.32	0.00	418,298.32	22.00	39,928.48	20,914.92					

Account Group	Project Task	Revised Budgeted Amount	Actual Quantity	Previously Invoiced Amount	Total Completed (%)	Amount	Stored Material	Amount to Invoice	Currently Invoiced (%)	Allocated Retained Amount	Retainage Amount
> REVENUE	05	1,901,356.00		798,569.52	66.00	456,325.44	0.00	456,325.44	24.00	60,301.33	10,532.05
REVENUE	06	1,225,000.00		686,000.00	75.00	232,750.00	0.00	232,750.00	19.00	44,148.59	5,371.90
REVENUE	07	989,355.00		395,742.00	80.00	395,742.00	0.00	395,742.00	40.00	38,033.10	9,133.78
REVENUE	08	1,638,760.00		819,380.00	75.00	409,690.00	0.00	409,690.00	25.00	59,060.36	9,455.70

AIA report with contact Cap

Pro Forma Invoices

000019 - The Beach Hotel and Condomini

← 📄 📄 ↶ 🗑️ ⏪ ⏩ ⏴ ⏵

Reference Nbr.: 000019 🔍

Project:

Status: Closed

Customer:

PROGRESS BILLING

TIME AND MATERIAL

🔄 + × |←| |

Group	Project Task	Revised Budgeted Amount	Allocated Retained Amount
	01	4,154,366.00	159,703.43
	02	1,809,185.00	85,197.83
	03	8,319,840.00	199,896.18
	04	1,210,648.00	46,540.10
	05	1,901,356.00	60,301.33
	06	1,225,000.00	44,148.59
	07	989,355.00	38,033.10
	08	1,638,760.00	59,060.36
	09	8,110,796.00	116,924.15
	10	0.00	0.00
	10	1,449,500.00	30,647.18

APPLICATION AND CERTIFICATION FOR PAYMENT

TO OWNER: The Equity Group Investors
956 51st Aven
New York, NY, 06653

PROJECT: The Beach Hot
(Golden Street
Primary Locati
1690 Golden S
Miami, FL, 331

FROM CONTRACTOR: ToadGreen Building Group

Contract For:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

1. ORIGINAL CONTRACT SUM	\$39,715,457.00
2. Net Change by Change Orders	\$0.00
3. CONTRACT SUM TO DATE (Line 1+2)	\$39,715,457.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$20,662,366.93
5. RETAINAGE:	
a. 4.81 % of Completed Work & Stored Material (Column D + E + F on G703)	\$992,886.42

AIA report with contact Cap

CONTINUATION SHEET

APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

INVOICE NO: 000019
 APPLICATION NO: 0004
 PERIOD TO: 7/1/2024
 ARCHITECT'S PROJECT NO: HOTELCP

ITEM	DESCRIPTION OF WORK	ORIGINAL SCHEDULED VALUE	CHANGE ORDERS	REVISED SCHEDULED VALUE	WORK COMPLETED		STORED MATERIALS	TOTAL COMPLETED AND STORED TO DATE	% Comp	BALANCE TO FINISH	RETAINAGE HELD
					FROM PREVIOUS APPLICATION	THIS PERIOD					
01	GENERAL REQUIREMENTS	\$4,154,366.00	\$0.00	\$4,154,366.00	\$3,323,492.80	\$0.00	\$0.00	\$3,323,492.80	80.0 %	\$830,873.20	\$159,703.43
02	SITework	\$1,809,185.00	\$0.00	\$1,809,185.00	\$1,773,001.30	\$0.00	\$0.00	\$1,773,001.30	98.0 %	\$36,183.70	\$85,197.83
03	CONCRETE	\$8,319,840.00	\$0.00	\$8,319,840.00	\$4,159,920.00	\$0.00	\$0.00	\$4,159,920.00	50.0 %	\$4,159,920.00	\$199,896.18
04	MASONRY	\$1,210,648.00	\$0.00	\$1,210,648.00	\$968,518.40	\$0.00	\$0.00	\$968,518.40	80.0 %	\$242,129.60	\$46,540.10
05	METALS	\$1,901,356.00	\$0.00	\$1,901,356.00	\$798,569.52	\$456,325.44	\$0.00	\$1,254,894.96	66.0 %	\$646,461.04	\$60,301.33

PROGRESS BILLING TIME AND MATERIAL TAXES FINANCIAL ADDRESSES

Account Group	Project Task	Revised Budgeted Amount	Previously Invoiced Amount	Total Completed (%)	Quantity to Invoice	Amount	Stored Material	Amount to Invoice	Currently Invoiced (%)	Allocated Retained Amount	Retainage Amount
REVENUE	04	1,210,648.00	968,518.40	80.00	0.00	0.00	0.00	0.00	0.00	46,540.10	0.00
REVENUE	05	1,901,356.00	798,569.52	66.00	0.00	456,325.44	0.00	456,325.44	24.00	60,301.33	10,532.05

Figure: The pro forma invoice with the retainage calculated

Pro Forma Invoices

000011 - The Beach Hotel and Condominiums (Golden Street)

PRINT AIA REPORT ...

Reference Nbr.: 000011	Project: HOTELCP - The Beach Hotel and Condo	Progress Billing Total: 11,532,792.25	Retainage (%): 5.00
Status: Closed	Customer: EQUGRP - The Equity Group Investors	Time and Material Total: 0.00	Allocated Retained Total: 958,392.99
Invoice Date: 6/1/2024	Location: MAIN - Primary Location	Tax Total: 0.00	
Post Period: 06-2024		Invoice Total: 11,532,792.25	
Customer Ord...: 000011		Retainage Total: 576,639.63	
Application Nbr.: 0003		Amount Due: 10,956,152.62	
Description: Invoice for HOTELCP			

PROGRESS BILLING | TIME AND MATERIAL | TAXES | FINANCIAL | ADDRESSES

Account Group	Project Task	Cost Code	Description	Revised Budgeted Quantity	Revised Budgeted Amount	Actual Quantity	Previously Invoiced Quantity	Previously Invoiced Amount	Total Completed (%)	Quantity to Invoice	UOM	Unit Price	Amount	Stored Material	Amount to Invoice	Currently Invoiced (%)	Allocated Retained Amount	Retainage Amount
REVENUE	01	01-000	GENERAL REQUIREMENTS	0.00	4,154,366.00			1,246,309.80	80.00	0.00	HOUR	0.0000	2,077,183.00	0.00	2,077,183.00	50.00	166,174.64	103,859.15
REVENUE	02	02-000	SITework	0.00	1,809,185.00			1,447,348.00	98.00	0.00	HOUR	0.0000	325,653.30	0.00	325,653.30	18.00	88,650.07	16,282.67
REVENUE	03	03-000	CONCRETE	0.00	8,319,840.00			3,494,332.80	50.00	0.00	HOUR	0.0000	665,587.20	0.00	665,587.20	8.00	207,996.00	33,279.36
REVENUE	04	04-000	MASONRY	0.00	1,210,648.00			944,305.44	80.00	0.00	HOUR	0.0000	24,212.96	0.00	24,212.96	2.00	48,425.92	1,210.65
REVENUE	05	05-000	METALS	0.00	1,901,356.00			380,271.20	42.00	0.00	HOUR	0.0000	418,298.32	0.00	418,298.32	22.00	39,928.48	20,914.92
REVENUE	06	06-000	WOODS, PLASTICS, COMP...	0.00	1,225,000.00			122,500.00	56.00	0.00	HOUR	0.0000	563,500.00	0.00	563,500.00	46.00	34,300.00	28,175.00
REVENUE	07	07-000	THERMAL AND MOISTURE ...	0.00	989,355.00			0.00	40.00	0.00	HOUR	0.0000	395,742.00	0.00	395,742.00	40.00	19,787.10	19,787.10
REVENUE	08	08-000	OPENINGS	0.00	1,638,760.00			0.00	50.00	0.00	HOUR	0.0000	819,380.00	0.00	819,380.00	50.00	40,969.00	40,969.00
REVENUE	09	09-000	FINISHES	0.00	8,110,796.00			0.00	30.00	0.00	HOUR	0.0000	2,433,238.80	0.00	2,433,238.80	30.00	121,661.94	121,661.94
REVENUE	10	10-000	SPECIALTIES	0.00	1,449,500.00			0.00	44.00	0.00	HOUR	0.0000	637,780.00	0.00	637,780.00	44.00	31,889.00	31,889.00
REVENUE	11	11-000	EQUIPMENT	0.00	1,135,000.00			0.00	36.00	0.00	HOUR	0.0000	408,600.00	0.00	408,600.00	36.00	20,430.00	20,430.00
REVENUE	13	13-000	SPECIAL CONSTRUCTION	0.00	345,500.00			0.00	42.00	0.00	HOUR	0.0000	145,110.00	0.00	145,110.00	42.00	7,255.50	7,255.50
REVENUE	14	14-000	CONVEYING SYSTEMS	0.00	696,919.00			0.00	49.00	0.00	HOUR	0.0000	341,490.31	0.00	341,490.31	49.00	17,074.52	17,074.52
REVENUE	15	15-000	MECHANICAL	0.00	3,910,742.00			0.00	33.00	0.00	HOUR	0.0000	1,290,544.86	0.00	1,290,544.86	33.00	64,527.24	64,527.24
REVENUE	16	16-000	ELECTRICAL	0.00	2,818,490.00			0.00	35.00	0.00	HOUR	0.0000	986,471.50	0.00	986,471.50	35.00	49,323.58	49,323.58

Figure: The pro forma invoice with retainage

Pro Forma Invoices
000019 - The Beach Hotel and Condominiums (Golden Street)

Reference Nbr.: 000019 Project: HOTELCP - The Beach Hotel and Condo Progress Billing Total: 1,494,507.44 Retainage (%): 5.00
 Status: On Hold Customer: EQUGRP - The Equity Group Investors Time and Material Total: 0.00 Allocated Retained Total: 992,886.42
 * Invoice Date: 7/1/2024 * Location: MAIN - Primary Location Tax Total: 0.00
 * Post Period: 07-2024 Invoice Total: 1,494,507.44
 Customer Ord... Retainage Total: 34,493.43
 Application Nbr: 0004 Amount Due: 1,460,014.01
 Description: Invoice for HOTELCP

PROGRESS BILLING TIME AND MATERIAL TAXES FINANCIAL ADDRESSES

Account Group	Project Task	Cost Code	Description	Revised Budgeted Quantity	Revised Budgeted Amount	Actual Quantity	Previously Invoiced Quantity	Previously Invoiced Amount	Total Completed (%)	Quantity to Invoice	UOM	Unit Price	Amount	Stored Material	Amount to Invoice	Currently Invoiced (%)	Allocated Retained Amount	Retainage Amount
REVENUE	01	01-000	GENERAL REQUIREMENTS	0.00	4,154,366.00		3,323,492.80		80.00	0.00	HOUR	0.0000	0.00	0.00	0.00	0.00	159,703.43	0.00
REVENUE	02	02-000	SITWORK	0.00	1,809,185.00		1,773,001.30		98.00	0.00	HOUR	0.0000	0.00	0.00	0.00	0.00	85,197.83	0.00
REVENUE	03	03-000	CONCRETE	0.00	8,319,840.00		4,159,920.00		50.00	0.00	HOUR	0.0000	0.00	0.00	0.00	0.00	199,896.18	0.00
REVENUE	04	04-000	MASONRY	0.00	1,210,648.00		968,518.40		80.00	0.00	HOUR	0.0000	0.00	0.00	0.00	0.00	46,540.10	0.00
REVENUE	05	05-000	METALS	0.00	1,901,356.00		798,569.52		66.00	0.00	HOUR	0.0000	456,325.44	0.00	456,325.44	24.00	60,301.33	10,532.05
REVENUE	06	06-000	WOODS, PLASTICS, COMP...	0.00	1,225,000.00		686,000.00		75.00	0.00	HOUR	0.0000	232,750.00	0.00	232,750.00	19.00	44,148.59	5,371.90
REVENUE	07	07-000	THERMALAND MOISTURE ...	0.00	989,355.00		395,742.00		80.00	0.00	HOUR	0.0000	395,742.00	0.00	395,742.00	40.00	38,033.10	9,133.78
REVENUE	08	08-000	OPENINGS	0.00	1,638,760.00		819,380.00		75.00	0.00	HOUR	0.0000	409,690.00	0.00	409,690.00	25.00	59,060.36	9,455.70
REVENUE	09	09-000	FINISHES	0.00	8,110,796.00		2,433,238.80		30.00	0.00	HOUR	0.0000	0.00	0.00	0.00	0.00	116,924.15	0.00
REVENUE	10	00-000	Default Cost Code	0.00	0.00		0.00		0.00	0.00	EA	0.0000	0.00	0.00	0.00	0.00	0.00	0.00
REVENUE	10	10-000	SPECIALTIES	0.00	1,449,500.00		637,780.00		44.00	0.00	HOUR	0.0000	0.00	0.00	0.00	0.00	30,647.18	0.00
REVENUE	11	11-000	EQUIPMENT	0.00	1,135,000.00		408,600.00		36.00	0.00	HOUR	0.0000	0.00	0.00	0.00	0.00	19,634.41	0.00

Lesson 12: Billing Projects for Time and Material with Retainage

AR Invoices with Retainage: To Perform Time and Material Billing with Retainage

Story

Suppose that the ToadGreen Building Group company is building a hotel for The Equity Group Investors. A ToadGreen project accountant bills the customer for some extra time spent on the project that initially was not budgeted for the project; as was initially agreed with the customer, 5% retainage is held on these invoices.

Acting as the project manager, you need to create a new project task, enter a project transaction that represents the extra work, and create an invoice for that work with the retained amount.

Pro forma invoice and AR invoice with retainage

Pro Forma Invoices

000024 - The Beach Hotel and Condominiums (Warner Street)

NOTES ACTIVITIES FILES

← ↻ 📄 ↶ 🗑️ ⏪ < > ⏩ PRINT AIA REPORT ...

Reference Nbr.: 000024	Project: HOTEL - The Beach Hotel and Condomin	Progress Billing Total: 0.00							
Status: Closed	Customer: EQUGRP - The Equity Group Investors	Time and Material Total: 56.25							
<p>PROGRESS BILLING TIME AND MATERIAL TAXES FINANCIAL ADDRESSES</p>									
<p>🔄 + × UPLOAD UNBILLED TRANSACTIONS VIEW TRANSACTION DETAILS ↔ 🗑️</p>									
Vendor	*Date	Billed Quantity	Billed Amount	Quantity to Invoice	UOM	Unit Price	Amount to Invoice	Retainage (%)	Retainage Amount
	4/28/2024	1.00	56.25	1.00	HOUR	56.2500	56.25	5.00	2.81

Invoices and Memos

Invoice 000129 - The Equity Group Investors

📄 📄 ↻ + 🗑️ ⏪ < > ⏩ PAY ...

Type: Invoice	Customer: EQUGRP - The Equity Group Investors	Detail Total:					
Reference Nbr.: 000129	Location: MAIN - Primary Location	Line Discounts:					
<p>DETAILS FINANCIAL ADDRESSES TAXES RETAINAGE APPLICATIONS COMPLIANCE</p>							
<p>🔄 + ✎ × ↔ 🗑️ ⬆️</p>							
Quantity	UOM	Unit Price	Ext. Price	Discount Percent	Discount Amount	Retainage Percent	Retainage Amount
1.00	HOUR	56.2500	56.25	0.000000	0.00	4.995556	2.81

AR invoice **Retainage Percent** = Ext. Cost / Unit Price

Figure: AR invoice with retainage

Invoices and Memos
 Invoice 000121 - The Equity Group Investors

NOTES ACTIVITIES FILES TOOLS

REMOVE HOLD ...

Type: Invoice Customer: EQUGRP - The Equity Group Investors
 Reference Nbr.: 000121 Location: MAIN - Primary Location
 Status: On Hold Terms: 30D - 30 Days
 * Date: 5/1/2024 * Due Date: 5/31/2024 Apply Retainage
 * Post Period: 05-2024 * Cash Discount... 5/31/2024 Pay by Line
 Customer Ord... Project: HOTEL - The Beach Hotel and Condomin

Description: Invoice for HOTEL

DETAILS FINANCIAL ADDRESSES TAXES RETAINAGE APPLICATIONS COMPLIANCE

Line Nbr.	Inventory ID	Transaction Descr.	Quantity	UOM	Unit Price	Ext. Price	Discount Percent	Discount Amount	Retainage Percent	Retainage Amount	Amount	Account	Description
5		MEIALS	0.00	HOUR	0.0000	0.00	0.000000	0.00	5.000000	0.00	0.00	40000	Sales Revenue
6		WOODS, PLASTICS, COMPOSITES	0.00	HOUR	0.0000	0.00	0.000000	0.00	5.000000	0.00	0.00	40000	Sales Revenue
7		THERMAL AND MOISTURE PROTECTION	0.00	HOUR	0.0000	0.00	0.000000	0.00	5.000000	0.00	0.00	40000	Sales Revenue
8		OPENINGS	0.00	HOUR	0.0000	0.00	0.000000	0.00	5.000000	0.00	0.00	40000	Sales Revenue
9		FINISHES	0.00	HOUR	0.0000	0.00	0.000000	0.00	5.000000	0.00	0.00	40000	Sales Revenue
10		Default Cost Code	0.00	EA	0.0000	0.00	0.000000	0.00	5.000000	0.00	0.00	40000	Sales Revenue
11		SPECIALTIES	0.00	HOUR	0.0000	0.00	0.000000	0.00	5.000000	0.00	0.00	40000	Sales Revenue
12		EQUIPMENT	0.00	HOUR	0.0000	0.00	0.000000	0.00	5.000000	0.00	0.00	40000	Sales Revenue
13		SPECIAL CONSTRUCTION	0.00	HOUR	0.0000	0.00	0.000000	0.00	5.000000	0.00	0.00	40000	Sales Revenue
14		CONVEYING SYSTEMS	0.00	HOUR	0.0000	0.00	0.000000	0.00	5.000000	0.00	0.00	40000	Sales Revenue
15		MECHANICAL	0.00	HOUR	0.0000	0.00	0.000000	0.00	5.000000	0.00	0.00	40000	Sales Revenue
16		ELECTRICAL	0.00	HOUR	0.0000	0.00	0.000000	0.00	5.000000	0.00	0.00	40000	Sales Revenue
17	LABOR	Construction labor	1.00	HOUR	56.2500	56.25	0.000000	0.00	4.995556	2.81	53.44	40000	Sales Revenue

Summary: Detail Total: 56.25
 Line Discounts: 0.00
 Document Dis...: 0.00
 Retained Amo...: 2.81
 Tax Total: 0.00
 Balance: 53.44
 Cash Discount: 0.00



Part 3: AIA Reporting

Construction Reports: General Information

- American Institute of Architects (AIA) reports
- Substantiated billing reports
- Work-in-progress and Bonding reports

AIA Report: structure of the report

- Application and Certificate for Payment (AIA Document G702™–1992)
 - total amount of the work completed and stored to date
 - the amount of retainage (if any)
 - the total of previous payments
 - a summary of change orders
 - the amount of payment currently being requested
- Continuation Sheet (G703™–1992):
 - schedule of values with details the project tasks that have been completed and billed to date

Note: AIA report information based on the pro forma invoice data

Date-Sensitive Data in AIA Reports

- **Net Change by Change Orders** amount, the system includes only change orders that have an approval date before the invoice date of the pro forma invoice for which the AIA report is being prepared
- **Retainage** amount, the system does not include the retainage that has been released before the creation of the pro forma invoice for which the AIA report is being prepared
- **Less Previous Certificates for Payment** amount, the system includes the sum of the retainage amounts that have been released before the date of the previous application
- **Current Payment Due** amount, the system includes the amounts of the retainage invoices that have been prepared since the last application
- **Change Orders and Change Qty.** columns, the system includes only change orders that have an approval date that is earlier than the invoice date of the pro forma invoice for which the AIA report is being prepared.
- **Retainage Held** amount, the system does not include the retainage that has been released before the creation of the pro forma invoice for which the AIA report is being prepared

Lesson 13: Preparing AIA Reports

Learning Objectives

In this lesson, you will learn how to prepare AIA reports for construction projects.

Projects (PM301000): AIA report setup

- AIA Level:
 - Summary: To group the continuation sheet lines by project tasks
 - Detailed: To specify the continuation sheet lines without grouping (as they are presented in the corresponding pro forma invoices)
- Last Application Nbr.
- Show Quantity in AIA Report

AIA

AIA Level:

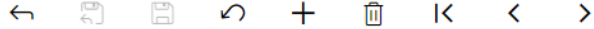
Last Application Nbr.:

Show Quantity in AIA Report

Projects (PM301000) and Pro Forma Invoice (PM307000): AIA report

Projects

HOTELCP - The Beach Hotel and Condominium



* Project ID: HOTELCP - The Beach Hotel
 Customer: EQUGRP - The Equity Group
 Template:
 * Description: The Beach Hotel and Condominium

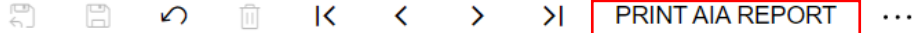
SUMMARY TASKS REVENUE BUDGET COST ESTIMATE

↻ **AIA REPORT** RELEASE RETAINAGE |↔| ☒

Pro Forma Date	Pro Forma Reference Nbr.	Application Nbr.
> 4/1/2024	000009	0001
5/1/2024	000010	0002
6/1/2024	000011	0003
7/1/2024	000019	0004

Pro Forma Invoices

000024 - The Beach Hotel and Condominiums (Warner Street)



Reference Nbr.: 000024 🔍 Project: HOTEL - The Beach Hotel and Condominium ✎
 Status: Closed Customer: EQUGRP - The Equity Group Investors ✎
 Invoice Date: 5/1/2024 Location: MAIN - Primary Location

Construction Reports: To Prepare AIA Report

Story

Suppose that the ToadGreen Building Group company is in the middle of building a hotel for the Equity Group Investors. As has been agreed with the customer, the customer is being billed once a month based on the progress of the performed work. The ToadGreen construction project manager is tracking the progress of work as a fixed price project, billing the customer by the percent of project completion.

Acting as the construction project manager, you need to prepare the AIA report for the third payment application for the project.

Figure: AIA Application for Payment

APPLICATION AND CERTIFICATION FOR PAYMENT



Page: 1 of 2

TO OWNER: The Equity Group Investors
956 51st Aven
New York, NY, 06653

PROJECT: The Beach Hotel and Condominiums
(Golden Street)
Primary Location
1690 Golden Street
Miami, FL, 33135

INVOICE NO: 000011

APPLICATION NO: 0003

PERIOD TO: 6/1/2024

PROJECT: HOTELCP

CONTRACT DATE: 3/1/2024

Distribution to:

OWNER

ARCHITECT

CONTRACTOR

FROM CONTRACTOR: ToadGreen Building Group
2295 Oak Street
New York, NY, 13420

Contract For:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.
Continuation Sheet is attached.

1. ORIGINAL CONTRACT SUM	\$39,715,457.00
2. Net Change by Change Orders	\$0.00
3. CONTRACT SUM TO DATE (Line 1+2)	\$39,715,457.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$19,167,859.49
5. RETAINAGE:	
a. 5 % of Completed Work & Stored Material (Column D + E + F on G703)	\$958,392.99
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$18,209,466.50
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$7,253,313.88
8. CURRENT PAYMENT DUE	\$10,956,152.62
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 Less Line 6 Total)	\$21,505,990.50

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: _____ Date: _____

State of: NY Country of: US

Subscribed and sworn to before me this _____ day of _____

Notary Public:

My Commission expires: _____

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED.....\$ _____

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation sheet that are changed to conform with the amount certified.)

ARCHITECT:

By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the prejudice to any rights of the Owner or Contractor under this Contract.

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$0.00	\$0.00
Total Approved this Month	\$0.00	\$0.00
TOTAL	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

Figure: AIA Continuation Sheet



Page: 2 of 2

CONTINUATION SHEET

APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

INVOICE NO: 000011
 APPLICATION NO: 0003
 PERIOD TO: 6/1/2024
 ARCHITECT'S PROJECT NO: HOTELCP

ITEM	DESCRIPTION OF WORK	ORIGINAL SCHEDULED VALUE	CHANGE ORDERS	REVISED SCHEDULED VALUE	WORK COMPLETED		STORED MATERIALS	TOTAL COMPLETED AND STORED TO DATE	% Comp	BALANCE TO FINISH	RETAINAGE HELD
					FROM PREVIOUS APPLICATION	THIS PERIOD					
01	GENERAL REQUIREMENTS	\$4,154,366.00	\$0.00	\$4,154,366.00	\$1,246,309.80	\$2,077,183.00	\$0.00	\$3,323,492.80	80.0 %	\$830,873.20	\$166,174.64
02	SITework	\$1,809,185.00	\$0.00	\$1,809,185.00	\$1,447,348.00	\$325,653.30	\$0.00	\$1,773,001.30	98.0 %	\$36,183.70	\$88,650.07
03	CONCRETE	\$8,319,840.00	\$0.00	\$8,319,840.00	\$3,494,332.80	\$665,587.20	\$0.00	\$4,159,920.00	50.0 %	\$4,159,920.00	\$207,996.00
04	MASONRY	\$1,210,648.00	\$0.00	\$1,210,648.00	\$944,305.44	\$24,212.96	\$0.00	\$968,518.40	80.0 %	\$242,129.60	\$48,425.92
05	METALS	\$1,901,356.00	\$0.00	\$1,901,356.00	\$380,271.20	\$418,298.32	\$0.00	\$798,569.52	42.0 %	\$1,102,786.48	\$39,928.48
06	WOODS, PLASTICS, COMPOSITES	\$1,225,000.00	\$0.00	\$1,225,000.00	\$122,500.00	\$563,500.00	\$0.00	\$686,000.00	56.0 %	\$539,000.00	\$34,300.00
07	THERMAL AND MOISTURE PROTECTION	\$989,355.00	\$0.00	\$989,355.00	\$0.00	\$395,742.00	\$0.00	\$395,742.00	40.0 %	\$593,613.00	\$19,787.10
08	OPENINGS	\$1,638,760.00	\$0.00	\$1,638,760.00	\$0.00	\$819,380.00	\$0.00	\$819,380.00	50.0 %	\$819,380.00	\$40,969.00
09	FINISHES	\$8,110,796.00	\$0.00	\$8,110,796.00	\$0.00	\$2,433,238.80	\$0.00	\$2,433,238.80	30.0 %	\$5,677,557.20	\$121,661.94
10	SPECIALTIES	\$1,449,500.00	\$0.00	\$1,449,500.00	\$0.00	\$637,780.00	\$0.00	\$637,780.00	44.0 %	\$811,720.00	\$31,889.00
11	EQUIPMENT	\$1,135,000.00	\$0.00	\$1,135,000.00	\$0.00	\$408,600.00	\$0.00	\$408,600.00	36.0 %	\$726,400.00	\$20,430.00
13	SPECIAL CONSTRUCTION	\$345,500.00	\$0.00	\$345,500.00	\$0.00	\$145,110.00	\$0.00	\$145,110.00	42.0 %	\$200,390.00	\$7,255.50
14	CONVEYING SYSTEMS	\$696,919.00	\$0.00	\$696,919.00	\$0.00	\$341,490.31	\$0.00	\$341,490.31	49.0 %	\$355,428.69	\$17,074.52
15	MECHANICAL	\$3,910,742.00	\$0.00	\$3,910,742.00	\$0.00	\$1,290,544.86	\$0.00	\$1,290,544.86	33.0 %	\$2,620,197.14	\$64,527.24
16	ELECTRICAL	\$2,818,490.00	\$0.00	\$2,818,490.00	\$0.00	\$986,471.50	\$0.00	\$986,471.50	35.0 %	\$1,832,018.50	\$49,323.58
Totals:		\$39,715,457.00	\$0.00	\$39,715,457.00	\$7,635,067.24	\$11,532,792.25	\$0.00	\$19,167,859.49	48.3 %	\$20,547,597.51	\$958,392.99

Lesson 14: Preparing AIA Reports for Released Retainage

Learning Objectives

In this lesson, you will learn how to create an AIA report that includes retainage that has been fully or partially released for a construction project.

Prepare AIA report for Released Retainage

- Release Retainage
- Create pro forma invoice with zero line(s): billing rule has **Create Zero Lines with Zero Amount and Quantity** checked
- Run **AIA** report for the pro forma invoice

[Billing Rules](#)

PROGRRET - Progress billing with retainage

🔄 📄 ↶ + 🗑️ 📄 ▾ ⏪ < > ⏩

* Billing Rule ID: Active
Description:

Active	Step ID	Description
<input checked="" type="checkbox"/>	10	Progress billing with re

Billing Type:

INVOICE SETTINGS

Invoice Description Formula:

Line Description Formula:

* Use Sales Account From:

BILLING OPTIONS

Create Lines with Zero Amount and Quantity

Construction Reports: To Prepare AIA Report for Released Retainage


Story

Suppose that the ToadGreen Building Group company is in the middle of building a hotel for the Equity Group Investors. As has been agreed with the customer, the customer is being billed once a month based on the progress of the performed work. The ToadGreen construction project manager is tracking the progress of work as a fixed price project, billing the customer by the percent of project completion. The project has been billed three times, in April, May and June, 2024. According to the contract signed with the customer, the customer retains 5% of the amount of each progress billing line in an invoice.

Also suppose that on 6/10/2024, after a certain part of work is done, the ToadGreen project manager need to prepare to request the release of 20% of the retained amount from customer. Acting as the project manager, you need to release a part of retainage and prepare an AIA report for the released part of retainage for the corresponding financial period.

Figure: AIA report with released retainage

APPLICATION AND CERTIFICATION FOR PAYMENT



Page: 1 of 2

TO OWNER: The Equity Group Investors
956 51st Aven
New York, NY, 06653

PROJECT: The Beach Hotel and Condominiums
(Tyler Avenue)
Primary Location
1435 Tyler Avenue
Miami, FL, 33128

INVOICE NO: 000019
APPLICATION NO: 0004
PERIOD TO: 7/1/2024

Distribution to:
 OWNER
 ARCHITECT
 CONTRACTOR

FROM CONTRACTOR: ToadGreen Building Group
2295 Oak Street
New York, NY, 13420

PROJECT: HOTELRT
CONTRACT DATE: 3/1/2024

Contract For:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.
Continuation Sheet is attached.

1. ORIGINAL CONTRACT SUM	\$39,715,457.00
2. Net Change by Change Orders	\$0.00
3. CONTRACT SUM TO DATE (Line 1+2)	\$39,715,457.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$19,167,859.49
5. RETAINAGE:	
a. 4.4 % of Completed Work & Stored Material (Column D + E + F on G703)	\$843,065.07
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$18,324,794.42
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$18,209,466.50
8. CURRENT PAYMENT DUE	\$115,327.92
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 Less Line 6 Total)	\$21,390,662.58

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: _____ Date: _____

State of: NY Country of: US

Subscribed and sworn to before me this _____ day of _____

Notary Public:

My Commission expires: _____

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED.....\$ _____

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation sheet that are changed to conform with the amount certified.)

ARCHITECT:

By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the prejudice to any rights of the Owner or Contractor under this Contract.

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$0.00	\$0.00
Total Approved this Month	\$0.00	\$0.00
TOTAL	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

Lesson 15: Correcting Pro Forma Invoices

Learning Objectives

In this lesson, you will learn how to do the following:

- Make corrections to a pro forma invoice that has the corresponding AR document released
- Review the previous revision of the pro forma invoice.

Pro forma invoice correction: WHEN

- Pro forma invoice is released
- AR document is released
- Need to make a correction in pro forma invoice

There is no way to adjust released document.

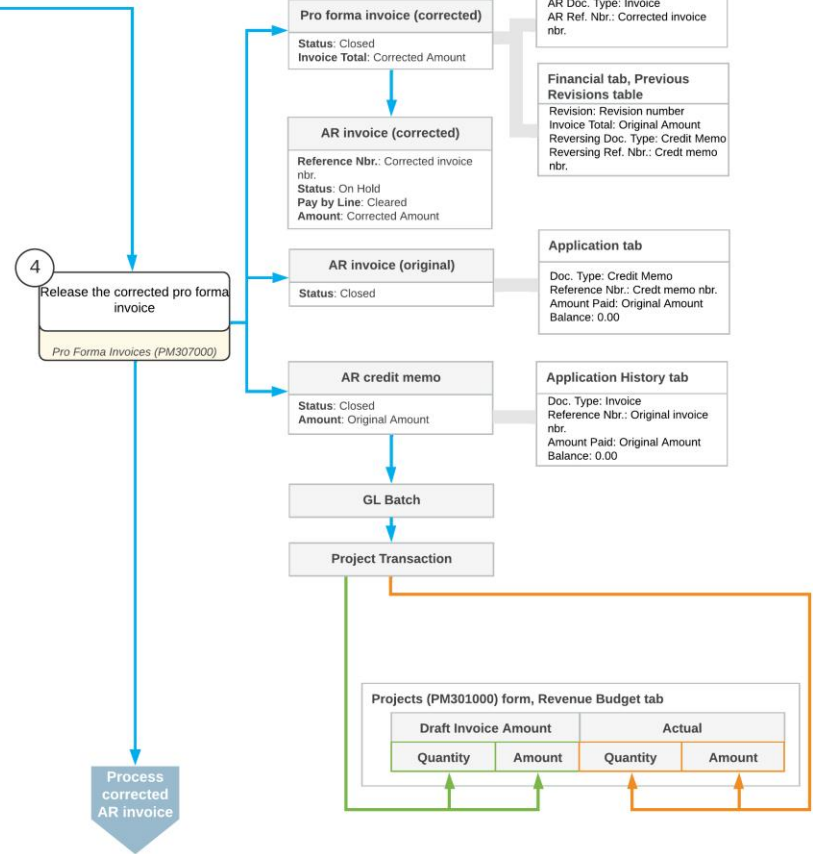
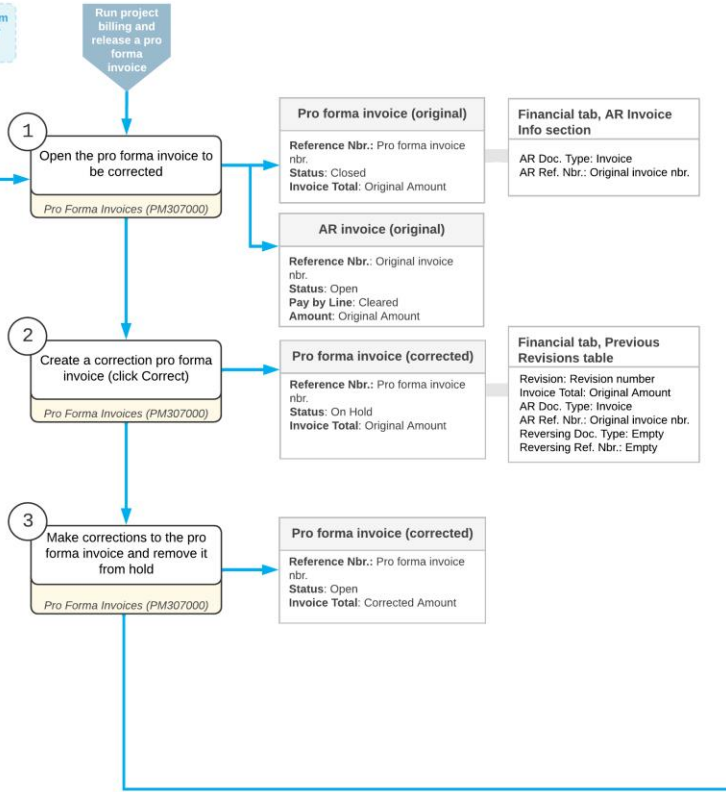
Case: You correct a pro forma invoice if you need to keep its reference and application numbers. For example, you may need to correct an existing pro forma invoice because it has been used for printing the AIA report.

Pro forma invoice correction: criteria

- The pro forma invoice has only progress billing lines.
- The application of payments are removed or the payments are voided for the corresponding accounts receivable invoices.
- Corresponding retainage invoices related to the pro forma invoice are reversed or deleted.
- The billing currency is the same as the project currency.

Correcting a pro forma invoice if the AR invoice is not paid by lines

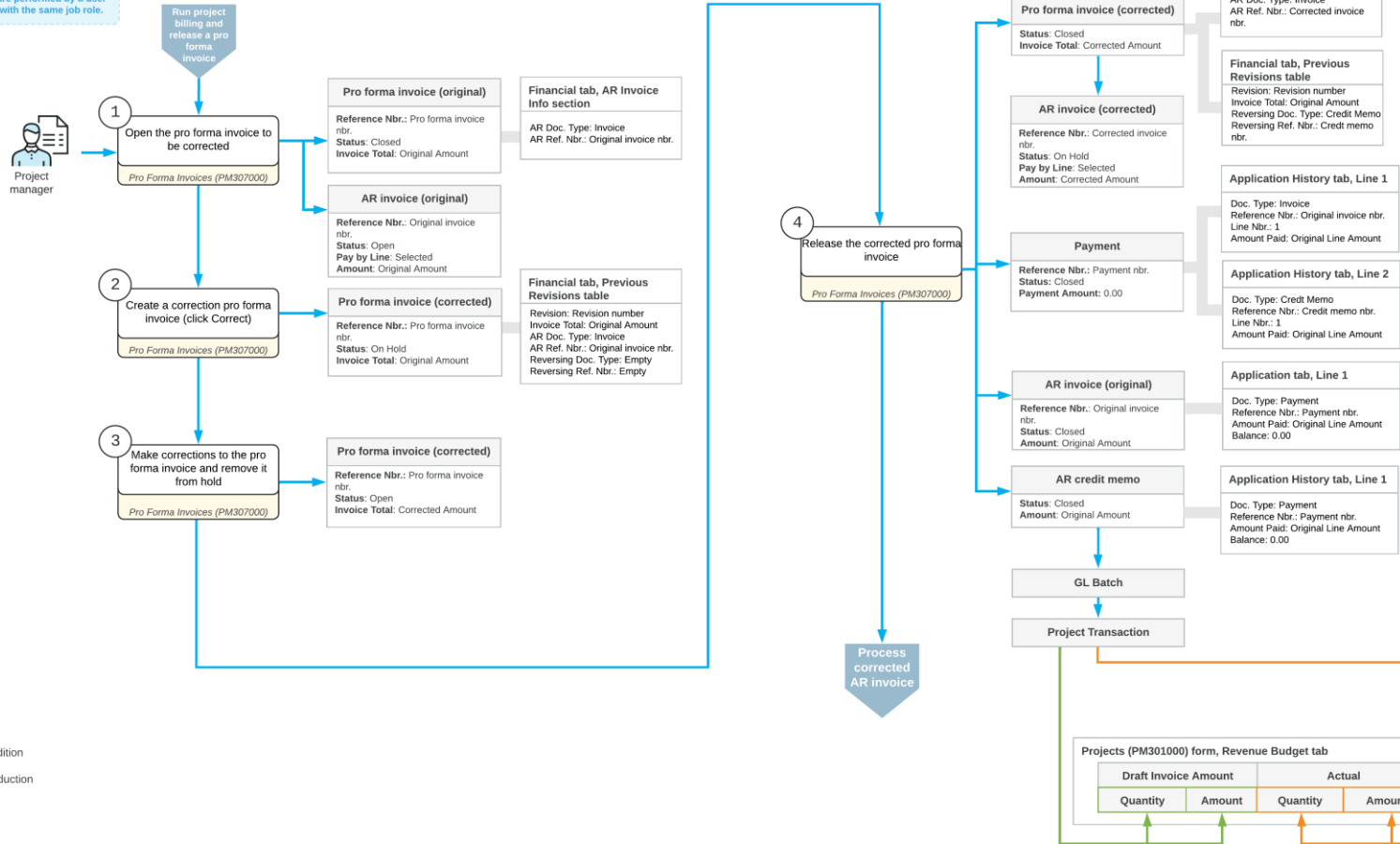
All actions on this diagram are performed by a user with the same job role.



LEGEND
→ Addition
→ Deduction

Correcting a pro forma invoice if the AR invoice is paid by lines

All actions on this diagram are performed by a user with the same job role.



Pro forma invoice correction: important information about versions compatibility

- From **24R1**
 1. **Auto-release** and **auto-match** of AR documents on the release of the pro forma correction is implemented
- Before **24R1**:
 1. release of AR reversing document and it's application to AR document (original) was a **manual** process
 2. It makes possible manually reverse AR original document – DO NOT reverse manually
 3. It makes possible manually to delete reversing AR document - DO NOT delete reversing document
 4. 2 and 3 make pro forma correction process stuck
 5. **Use Correct action on the Pro Forma Invoices (PM307000)**

Note: you can have documents generated before 24R1. Please manually process them according pro forma correction workflow – release AR reversing document, apply it to AR original document to reverse it (via Apply action or zero payment creation)

Pro Forma Invoice Correction: To Correct Actual Amounts in AIA Reports

Story

Suppose that the ToadGreen Building Group company is building a hotel for the Equity Group Investors customer.

The ToadGreen project manager has created a project to track the work progress and to control related revenues and expenses. In April and May 2024, the project accountant has prepared two pro forma invoices, each for part of the performed work; after the customer agreed to the amounts, the project accountant billed the customer.

Further suppose that at the end of May, the ToadGreen construction project manager noticed that a mistake had been made in two lines of the first pro forma invoice. The total of the pro forma invoice is 10,806,560.21, but it should be 10,601,350.41. The construction project manager has reviewed the invoice details and found out that the following corrections must be made:



Pro Forma Invoice Correction: To Correct Actual Amounts in AIA Reports

Story

- The Amount to Invoice in the line with the 03 project task and 03-000 cost code is 5,990,284.80, but it should be 5,783,075.00.
- The Amount to Invoice in the line with the 04 project task and 04-000 cost code is 145,277.76, but it should be 147,277.76.

The incorrect pro forma invoice was already used for generating the March AIA report. Because the amounts in the first AIA report were incorrect, the April report also needs to be corrected and the AIA report has to be generated again.

Acting as the construction project manager, you need to enter and process the related documents to adjust the actual amounts in AIA reports for March and for April. You then need to regenerate these AIA reports.

Figure: Corrected amounts in AIA report

CONTINUATION SHEET



Page: 2 of 2

APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

INVOICE NO: 000013
 APPLICATION NO: 0001
 APPLICATION DATE: 4/1/2024
 ARCHITECT'S PROJECT NO: HOTELSM

ITEM	DESCRIPTION OF WORK	ORIGINAL SCHEDULED VALUE	CHANGE ORDERS	REVISED SCHEDULED VALUE	WORK COMPLETED		STORED MATERIALS	TOTAL COMPLETED AND STORED TO DATE	% Comp	BALANCE TO FINISH
					FROM PREVIOUS APPLICATION	THIS PERIOD				
01	GENERAL REQUIREMENTS	\$4,154,366.00	\$0.00	\$4,154,366.00	\$0.00	\$3,531,211.10	\$0.00	\$3,531,211.10	85.0 %	\$623,154.90
02	SITWORK	\$1,809,185.00	\$0.00	\$1,809,185.00	\$0.00	\$1,139,786.55	\$0.00	\$1,139,786.55	63.0 %	\$669,398.45
03	CONCRETE	\$8,319,840.00	\$0.00	\$8,319,840.00	\$0.00	\$5,783,075.00	\$0.00	\$5,783,075.00	69.5 %	\$2,536,765.00
04	MASONRY	\$1,210,648.00	\$0.00	\$1,210,648.00	\$0.00	\$147,277.76	\$0.00	\$147,277.76	12.2 %	\$1,063,370.24
Totals:		\$15,494,039.00	\$0.00	\$15,494,039.00	\$0.00	\$10,601,350.41	\$0.00	\$10,601,350.41	68.4 %	\$4,892,688.59



Day 2

 DIAMONDBACK

DiamondBack Covers
Acumatica Customer

Training Rules

- The webinar is being recorded and the recording will be shared with you within 24 hours after the webinar.
- This webinar is NASBA compliant. If you want to get CPE credits, you will need to answer 6 polling questions per CPE credit. Questions will be asked at random times. There will be no other notifications about polling questions.

Timing and Agenda

August 27, 2024 -10:00-12:00 PM PT

Day 1

Lesson 10: Billing Projects for Progress by Quantity and Amount

Lesson 11: Tracking Retainage with a Cap

Lesson 12: Billing Projects for Time and Material with Retainage

Lesson 13: Preparing AIA Reports

Lesson 14: Preparing AIA Reports for Released Retainage

Lesson 15: Correcting Pro Forma Invoices

August 28, 2024 -10:00-12:00 PM PT

Day 2

Lesson 16: Preparing Payments for Projects

Lesson 17: Preparing Joint Payments

Lesson 18: Forecasting Budget

Lesson 19: Tracking Changes to Budget Forecasts

Lesson 20: Tracking Budget Overruns

Lesson 21: Capturing Project Budget Overhead



Part 4: Payments

Lesson 16: Preparing Payments for Projects

Learning Objectives

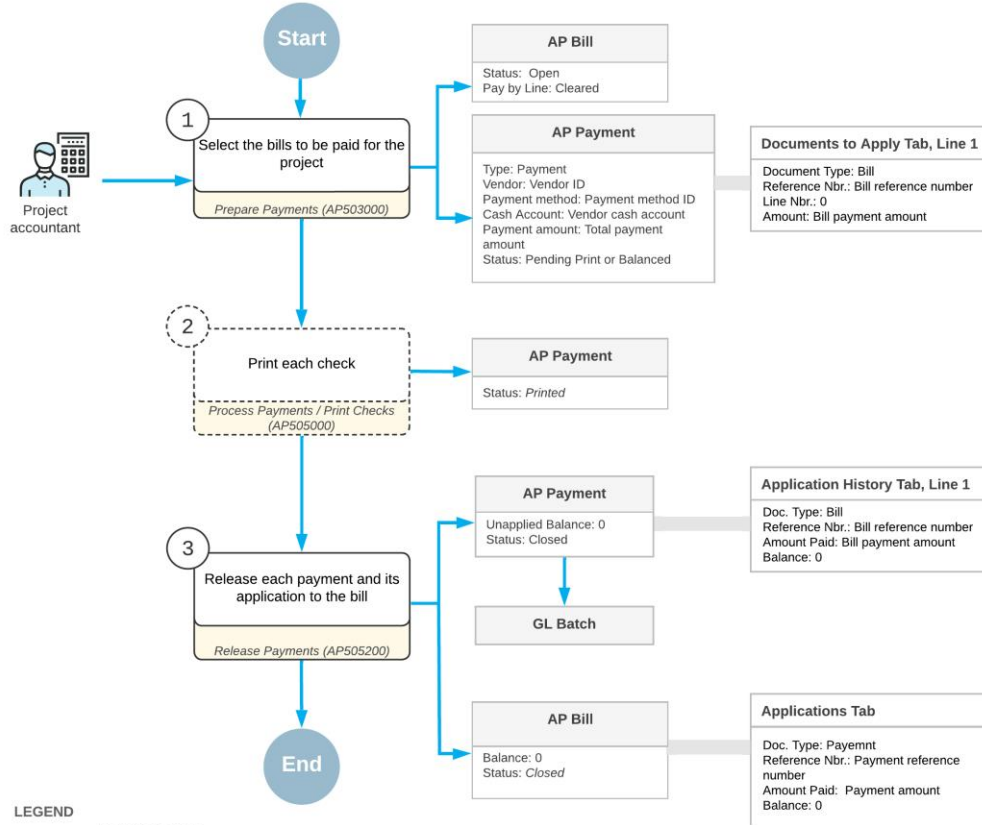
In this lesson, you will learn how to do the following:

- Select the bills or bill lines to be paid
- Prepare and release a payment for multiple bills for the same project

Preparing Payments for Projects

- Use **Checks and Payments (AP302000)** to pay several AP bills
- Use **Prepare Payments (AP503000)** for mass processing the AP bills
 - AP bills are consolidated into one payment by the **Vendor**
 - If you want to have AP bills paid separately for the vendor, on the **Vendors (AP303000)** form **Payment** tab set the **Pay Separately = true**
 - If you want to pay the bill separately on the Prepare Payments(AP503000) form set the **Pay Separately = true**
 - If you AP Bill has **Pay by Line = true** than **Prepare Payments (AP503000)** form has a separate line for each AP Bill line
 - If you AP Bill has **Pay by Line = false** than **Prepare Payments (AP503000)** form has a separate line for each AP Bill

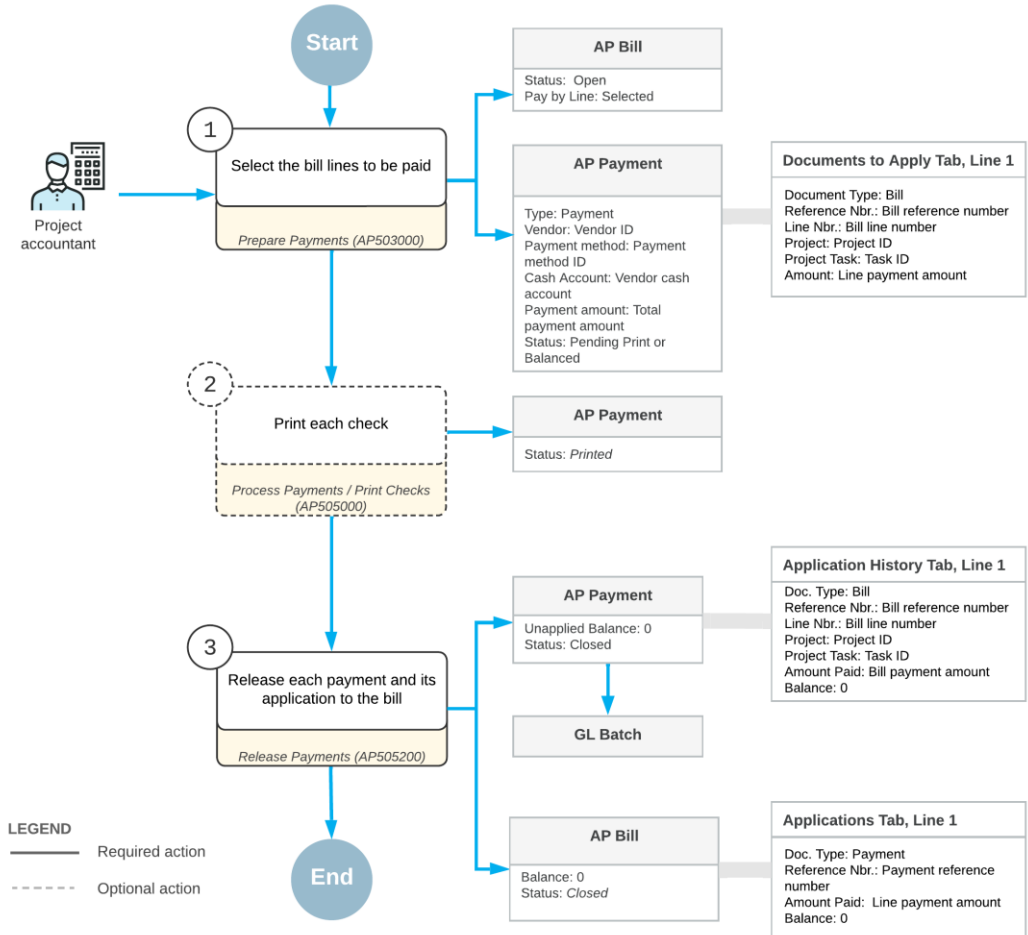
Paying bills for a project



LEGEND

- Required action
- - - - - Optional action

Paying bill lines for a project



Vendor Payments for a Project: To Process a Payment of Bill Lines

Story

Suppose that the ToadGreen company is building a hotel for the Equity Group Investors customer; the ToadGreen project manager has created a project to handle the tracking and billing of the materials and services related to the hotel. On January 15, 2024, the ToadGreen company purchased 500 packages of concrete mix and 100 units of plastic pipes from the Standard Hardware Company vendor for the hotel being built. On January 17, 2024, the company also hired this vendor as a subcontractor to perform on-site work, which is broken into three phases.

On January 30, 2024, the concrete mix was delivered, and the first phase of the on-site work was performed. The ToadGreen project accountant entered into the system two bills received from the Standard Hardware Company: one (with a date of 1/15/2024) for all of the purchased materials, and another (with a date of 1/17/2024) for all three phases of the on-site work. Acting as the ToadGreen project manager, you need to prepare a payment for the materials and services that have been provided—that is, you will pay only particular lines of the bills.

Figure: Single payment applied to lines of two bills

Checks and Payments

Payment 000033 - Standard Hardware Company

Type:	Payment	Vendor:	HARDCO - Standard Hardware Company	Payment Amount:	50,000.00
Reference Nbr.:	000033	Location:	MAIN - Primary Location	Unapplied Balance:	0.00
Status:	Closed	Joint Payee N...:		Application Amount:	0.00
Application Date:	1/30/2024	Payment Meth...:	CHECK	Finance Charges:	0.00
Application Pe...:	01-2024	Cash Account:	10200TG - ToadGreen Checking Account		
Payment Ref.:	0006	Description:	Payment for HARDCO		

[DOCUMENTS TO APPLY](#)
[APPLICATION HISTORY](#)
[FINANCIAL](#)
[REMITTANCE](#)
[CHARGES](#)
[COMPLIANCE](#)

[REVERSE APPLICATION](#)

			Branch	Batch Number	Doc. Type	Reference Nbr.	Line Nbr.	Inventory ID	Project	Project Task	Cost Code	Account	Amount Paid
>			TBGROUP	AP000184	Bill	000057	1	CONCRMX	HOTEL	03	03-000	54700	40,000.00
			TBGROUP	AP000184	Bill	000058	1	LABOR	HOTEL	02	02-000	54100	10,000.00

Lesson 17: Preparing Joint Payments

Learning Objectives

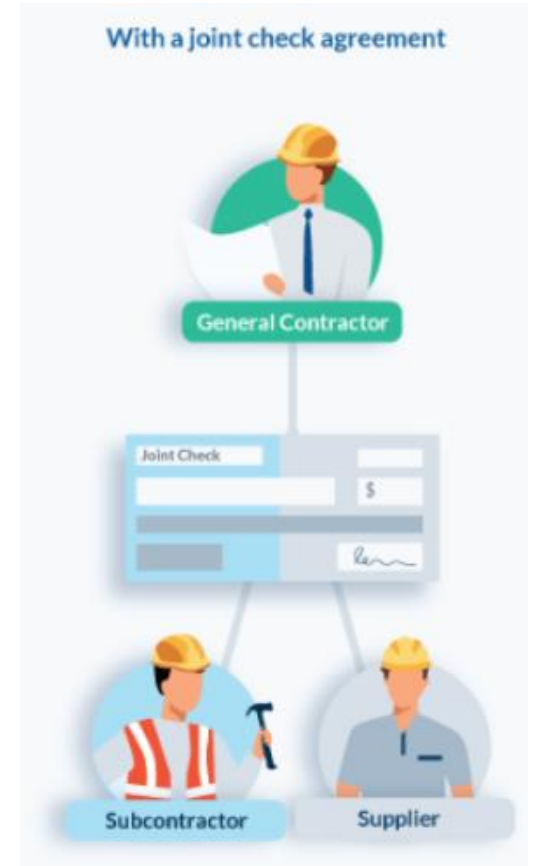
In this lesson, you will learn how to do the following:

- Create an AP bill to be paid with a joint payment
- Specify a main vendor and joint payees for a joint bill
- Specify joint amounts for different lines of a joint bill
- Create and process joint payments for a joint bill

Joint Payments: Glossary

- **Main Vendor** is our vendor in AP bill
- **Joint Payee Bill** is a bill with Joint Payee = ON.
- **Joint Payee check** is a check made payable to two or more parties.

Note: Construction feature is activated.



Bills and Adjustments (AP301000): Joint Payees bill

1. **Joint Payee Bill:** bill with Joint Payees = true
2. **Internal Joint Payee:** joint payee is listed in the Vendors
3. **External Joint Payee:** joint payee isn't listed in the Vendors

[Bills and Adjustments](#)
Bill - Acme Doors & Glass NOTES

← ↻ 📄 ↶ + 🗑️ 📄 ▾ ⏪ < > ⏩ REMOVE HOLD ...

Type:	Bill	Vendor:	ACMEDO - Acme Doors & Glass	Detail Total:	1,000.00
Reference Nbr.:	<NEW>	* Location:	MAIN - Primary Location	Line Discounts:	0.00
Status:	On Hold	* Terms:	30D - 30 Days	Document Discou...:	0.00
* Date:	8/27/2024	* Due Date:	9/26/2024 <input checked="" type="checkbox"/> Apply Retainage	Retained Amount:	0.00
* Post Period:	08-2024	* Cash Discount...:	9/26/2024 <input checked="" type="checkbox"/> Pay by Line	Tax Total:	0.00
Vendor Ref.:		<input checked="" type="checkbox"/> Joint Payees		With. Tax:	0.00
Description:				Balance:	1,000.00
				Cash Discount:	0.00

DETAILS FINANCIAL TAXES RETAINAGE APPLICATIONS **JOINT PAYEES** JOINT AMOUNT APPLICATION COMPLIANCE

Joint Payees

↻ + × |←| ☒

Joint Payee (Vendor)	Joint Payee	Bill Line Nbr.	Bill Line Amount	Joint Amount Owed	Joint Amount Paid	Joint Balance
CARTRIDGE - Cartr...				100.00	0.00	100.00
>	external vendor			300.00	0.00	300.00

Bills and Adjustments (AP301000): Joint Payees bill with Retainage (1)

- **Pay by Line = false:** Sum (Joint Amount Owed) <= original bill Balance – Cash Discount + Retainage Amount

Bills and Adjustments NOTES

Bill 000172 - Acme Doors & Glass

← 📄 📅 ↶ + 🗑️ 📄 ▼ ⏪ < > ⏩ PAY ⋮

Type:	Bill	Vendor:	ACMEDO - Acme Doors & Glass	Detail Total:	1,000.00
Reference Nbr.:	000172	Location:	MAIN - Primary Location	Line Discounts:	0.00
Status:	Open	Terms:	30D - 30 Days	Document Discou...:	0.00
Date:	8/27/2024	* Due Date:	9/26/2024 <input type="checkbox"/> Apply Retainage	Retained Amount:	100.00
Post Period:	08-2024	* Cash Discount...:	9/26/2024 <input type="checkbox"/> Pay by Line	Tax Total:	0.00
Vendor Ref.:		<input checked="" type="checkbox"/> Joint Payees		With. Tax:	0.00
Description:				Amount:	900.00
				Balance:	900.00
				Cash Discount:	0.00

[DETAILS](#) [FINANCIAL](#) [TAXES](#) [RETAINAGE](#) [APPLICATIONS](#) [JOINT PAYEES](#) [JOINT AMOUNT APPLICATION](#) [COMPLIANCE](#)

Joint Payees

↶ + × |←| 🗑️

Joint Payee (Vendor)	Joint Payee	Bill Line Nbr.	Bill Line Amount	Joint Amount Owed	Joint Amount Paid	Joint Balance
CARTRIDGE - Cartri...		1	1,000.00	100.00	0.00	100.00
>	external	1	1,000.00	800.00	0.00	800.00

Bills and Adjustments (AP301000): Joint Payees bill with Retainage (2)

- **Pay by Line = true:** Sum (Joint Amount Owed) <= original bill line **Balance** – original bill line **Discount Amount** – line **Cash Discount Balance** + retainage bill line **Balance**

Bills and Adjustments

Bill 000174 - Acme Doors & Glass

NOTES ACTIVITIES FILES CUSTOMIZATION TOOL

← ↻ 📄 ↺ + 🗑️ 📄 ▾ ⌂ < > >> **PAY** ...

Type:	Bill	Vendor:	ACMEDO - Acme Doors & Glass	Detail Total:	1,000.00
Reference Nbr.:	000174	Location:	MAIN - Primary Location	Line Discounts:	10.00
Status:	Open	Terms:	30D - 30 Days	Document Discou...:	0.00
Date:	8/27/2024	* Due Date:	9/26/2024 <input checked="" type="checkbox"/> Apply Retainage	Retained Amount:	99.00
Post Period:	08-2024	* Cash Discount...:	9/26/2024 <input checked="" type="checkbox"/> Pay by Line	Tax Total:	0.00
Vendor Ref.:			<input checked="" type="checkbox"/> Joint Payees	With. Tax:	0.00
Description:				Amount:	891.00
				Balance:	891.00
				Cash Discount:	50.00

DETAILS FINANCIAL TAXES RETAINAGE APPLICATIONS JOINT PAYEES JOINT AMOUNT APPLICATION COMPLIANCE

🔄 + ✎ ✕ ADD PO RECEIPT ADD PO RECEIPT LINE ADD PO ADD SUBCONTRACT ADD PO LINE ADD SUBCONTRACT LINE ADD LC LINK LINE ⌂ ⇄

	* Branch	Line Nbr.	Unit Cost	Ext. Cost	Discount Amount	Retainage Percent	Cash Discount Balance	Retainage Amount	Unreleased Retainage	Retained Tax	Amount	Balance
>	HEADOFFICE	1	0.0000	1,000.00	10.00	10.000000	50.00	99.00	99.00	0.00	891.00	891.00

Prepare Payments (AP305000): Joint check

- Separate line for **Main Vendor** to pay. **Joint Amount Owed = 0, Joint Amount Balance = 0** .
- Separate line for each **Joint Payee** from the bill. **Joint Amount Owed > 0, Joint Amount Balance > = 0** .

Prepare Payments

CUSTOMIZATION

← ↻ PROCESS PROCESS ALL ↻

* Branch:	HEADOFFICE - SweetLife Head Office	Vendor Class:		GL Balance:	16,698,242.56
* Payment Meth...	CHECK	Vendor:	ACMEDO - Acme Doors & Gli	Available Bala...	16,698,242.56
* Cash Account:	10200TG - ToadGreen Checking Acco	Project:		Selection Total:	0.00
Payment Date:	8/27/2024	<input type="checkbox"/> Pay Date Within	7 Days	Number of Ro...	0
* Post Period:	08-2024	<input type="checkbox"/> Due Date Within	7 Days		
		<input type="checkbox"/> Cash Discount Expires Within	7 Days		
		<input type="checkbox"/> Always Take Cash Discount			

DOCUMENTS TO PAY EXCEPTIONS

Document Type	* Reference Nbr.	Vendor ID	Line Nbr.	Pay Separate!	Retainage Document	Original Document	Amount Paid	Joint Payee Name	Joint Amount Owed	Joint Balance
Bill	000171	ACMEDO	1	<input type="checkbox"/>	<input type="checkbox"/>		100.00	Cartridge World Inc.	100.00	100.00
Bill	000171	ACMEDO	1	<input type="checkbox"/>	<input type="checkbox"/>		300.00	external vendor	300.00	300.00
Bill	000171	ACMEDO	1	<input type="checkbox"/>	<input type="checkbox"/>		600.00	Acme Doors & Glass	0.00	0.00

Prepare Payments (AP305000): grouping lines in Joint check

- System groups lines for joint payees into one joint check by Internal joint payee (registered in the system as Vendor)
- System always create a separate joint check for lines with External joint payee (NOT registered in the system as Vendor)

Prepare Payments

CUSTOMIZATION

← ↻ PROCESS PROCESS ALL ↻

* Branch:	HEADOFFICE - SweetLife Head Office	Vendor Class:		GL Balance:	16,698,242.56
* Payment Meth...:	CHECK	Vendor:	ACMEDO - Acme Doors & Gli	Available Bala...:	16,698,242.56
* Cash Account:	10200TG - ToadGreen Checking Acco	Project:		Selection Total:	0.00
Payment Date:	8/27/2024	<input type="checkbox"/> Pay Date Within	7 Days	Number of Ro...:	0
* Post Period:	08-2024	<input type="checkbox"/> Due Date Within	7 Days		
		<input type="checkbox"/> Cash Discount Expires Within	7 Days		
		<input type="checkbox"/> Always Take Cash Discount			

DOCUMENTS TO PAY EXCEPTIONS

Document Type	*Reference Nbr.	Vendor ID	Line Nbr.	Pay Separately	Retainage Document	Original Document	Amount Paid	Joint Payee Name	Joint Amount Owed	Joint Balance
Bill	000171	ACMEDO	1	<input type="checkbox"/>	<input type="checkbox"/>		100.00	Cartridge World Inc.	100.00	100.00
Bill	000171	ACMEDO	1	<input type="checkbox"/>	<input type="checkbox"/>		300.00	external vendor	300.00	300.00
Bill	000171	ACMEDO	1	<input type="checkbox"/>	<input type="checkbox"/>		600.00	Acme Doors & Glass	0.00	0.00

Checks and Payments (AP302000): check for Main vendor, Joint check

- Check for **Main** vendor has **Joint Payee Name** empty
- Joint check has **Joint Payee Name** filled

Checks and Payments NOTES

Payment 000034 - Acme Doors & Glass

RELEASE ...

Type:	Payment	Vendor:	ACMEDO - Acme Doors & Glass
Reference Nbr.:	000034	Location:	MAIN - Primary Location
Status:	Printed	Joint Payee N...	
Application Date:	8/27/2024	Payment Meth...	CHECK
Application Pe...	08-2024	Cash Account:	10200TG - ToadGreen Checking Account
* Payment Ref.:	0007	Description:	

Checks and Payments NOTES

Payment 000035 - Acme Doors & Glass

RELEASE ...

Type:	Payment	Vendor:	ACMEDO - Acme Doors & Glass
Reference Nbr.:	000035	Location:	MAIN - Primary Location
Status:	Printed	Joint Payee N...	external vendor
Application Date:	8/27/2024	Payment Meth...	CHECK
Application Pe...	08-2024	Cash Account:	10200TG - ToadGreen Checking Account
* Payment Ref.:	0008	Description:	

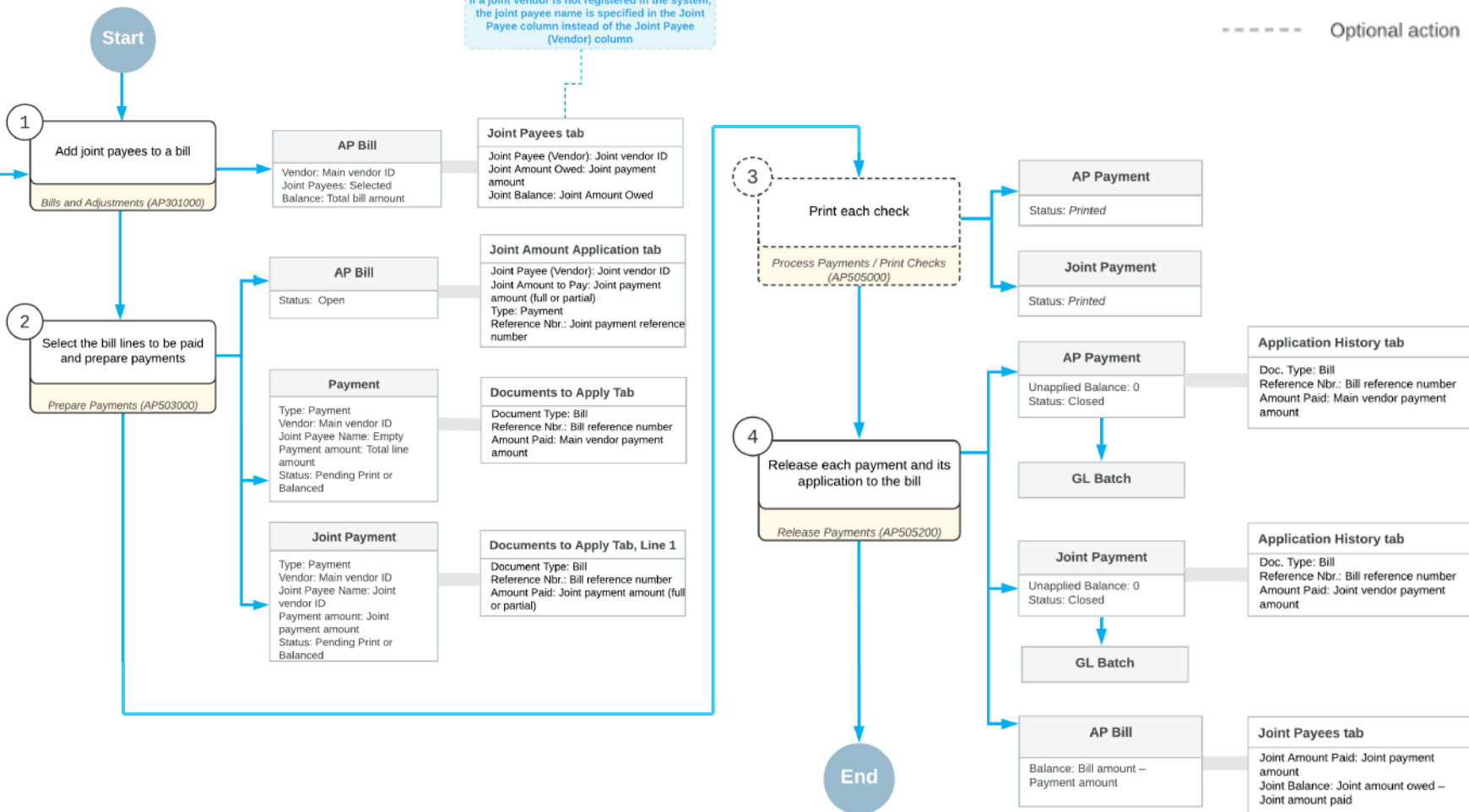
Paying bill for joint payees

LEGEND

———— Required action

----- Optional action

If a joint vendor is not registered in the system, the joint payee name is specified in the Joint Payee column instead of the Joint Payee (Vendor) column



Joint Payments: Process Activity

Story

Suppose that a storm broke windows in the hotel that the ToadGreen company is building for its customer, Equity Group Investor. The ToadGreen project manager has decided to hire the Acme Doors & Glass vendor to handle the replacement of the broken windows, the disposal of waste, and the cleaning of the area. In turn, Acme Doors & Glass has hired the Standard Hardware Company and Conwaste subcontractors to dispose of the waste and clean the area. On 1/30/2024, the subcontractors have performed part of the work and requested a first payment. Acting as the ToadGreen project manager, you need to process all of the documents involved in paying the companies for this part of the work, including joint payment.

Figure: Joint payments prepared for the bill

Bills and Adjustments
Bill 000168 - Acme Doors & Glass

← 📄 📄 ↶ + 🗑️ 📄 ▾ ⏪ < > ⏩ **PAY** ...

Type:	Bill	Vendor:	ACMEDO - Acme Doors & Glass	Detail Total:	5,200.00
Reference Nbr.:	000168	Location:	MAIN - Primary Location	Line Discounts:	0.00
Status:	Open	Terms:	30D - 30 Days	Document Discou...:	0.00
Date:	1/30/2024	* Due Date:	2/29/2024	Retained Amount:	0.00
Post Period:	01-2024	* Cash Discount...:	2/29/2024	Tax Total:	0.00
Vendor Ref.:		<input checked="" type="checkbox"/> Pay by Line		With. Tax:	0.00
Description:	Replacing broken windows after the storm			Amount:	5,200.00
		<input checked="" type="checkbox"/> Joint Payees		Balance:	4,500.00
				Cash Discount:	0.00

DETAILS FINANCIAL TAXES APPLICATIONS JOINT PAYEES **JOINT AMOUNT APPLICATION** COMPLIANCE

Joint Payee (Vendor)	Joint Payee	Bill Line Nbr.	Joint Amount To Pay	Currency	Type	Reference Nbr.	Payment Ref.	Status
	Conwaste	2	190.00	USD	Payment	000035	0008	Closed
	HARDCO - Sta...	3	120.00	USD	Payment	000036	0009	Closed



Part 5: Project Budgets

Lesson 18: Forecasting Budget

Learning Objectives

In this lesson, you will learn how to do the following:

- Create a budget forecast for a project
- Add financial periods to the budget forecast
- Distribute budgeted values among the financial periods
- Update the project budget based on the forecast
- Update the financial periods in the forecast based on the updated actual values

Forecasting Budget: General Information

You prepare a budget forecast for a long-term project if you need to break down the structure of the project budget by financial period. This gives you the ability to compare and analyze monthly budgets versus actual revenue and expenditures

Project:

- Tasks
- Cost Budget
- Revenue Budget

Revision1 of BF

Revision2 of BF

Revision3 of BF

Forecasting Budget: Creation of the Project Budget Forecast

* **Budget Forecast** feature is activated

- Create budget forecast
- Estimate planned project revenue and expenses by periods
- Add financial periods for a selected budget line of the forecast revision
 - Manually by **Add Periods**
 - Automatically by **Generate Periods**
- Distribute the original and revised quantities and amounts of project budget lines among period
 - Manually
 - Automatically by **Generate Forecast**

For each project budget line with added period lines, the system calculates the following totals in the **Original Budgeted Quantity, Original Budgeted Amount, Revised Budgeted Quantity, and Revised Budgeted Amount**(*can be updated manually*) columns:

- **Total:** The total of the period lines
- **Delta:** The difference between the value of the project budget line and the total of the period lines

Forecasting Budget: Processing Project Budget Forecasts

- When project budget line **Actuals** are updated, system updates budget forecast line
 - **Revised Quantity - Actual Quantity**
 - **Revised Amount - Actual Amount**
- You can update financial periods of a project budget line of the forecast revision by **Update Forecast Lines** button (in case actual values or change order values have been posted)
 - the system adds the financial periods to which actual values or change order values have been posted for the corresponding project budget line and that have been missed in the forecast revision
- Update project budget line on the **Projects (PM301000)** from **Project Budget Forecast (PM209600)**
 - **Update Project Budget Line** button
- Restructure the budget of the project on the **Projects (PM301000)**
 - If you delete a project budget line, the corresponding budget forecast lines are not deleted. The system will keep the forecast, and if you restore this project budget line, the forecast for this line will be also restored.
 - If you delete a project task along with all the cost budget lines that include this project task, the corresponding budget forecast lines are deleted.

Budget Forecasts: To Prepare a Budget Forecast

Story

Suppose that the ToadGreen project estimator wants to prepare a budget forecast to be able to compare and analyze monthly budgets versus actual costs broken down by period. Because some work on interior lighting will be performed for the project in May and June of 2024, the project estimator wants to distribute the total lighting budget across the periods when this work is going to be performed. Also suppose that the work performed in June will cost an additional \$5,000 that had not been planned in the project budget.

Acting as the project estimator, you will prepare a budget forecast for further review and analysis of budget performance.

Figure: Budget forecast for the Lighting - Interior line

Project Budget Forecast
 ITALIAN 1 - Italian restaurant (Market Street)

← 📄 🗑️ ↶ + 🗑️ ⏪ < > ⏩ GENERATE PERIODS COPY REVISION GENERATE FORECAST ...

* Project: ITALIAN - Italian restaurant (Marl) 🔍 Project Task: 🔍 Account Group: SUBCON - Project Subcontract 🔍
 * Revision: 1 - 2024 Budget Forecast 🔍 Type: All ▼ Inventory ID: 🔍
 Description: 2024 Budget Forecast Cost Code: 16-510 - Lighting- Interior 🔍

🔄 + ✕ ADD PERIODS UPDATE PROJECT BUDGET LINE UPDATE FORECAST LINES |←| 🗑️ ⬆️

Project Task	Account Group	Inventory ID	Cost Code	Description	Planned Start Date	Planned End Date	Financial Period	Original Budgeted Quantity	Original Budgeted Amount	Revised Budgeted Quantity	Revised Budgeted Amount
16	SUBCON	<N/A>	16-510	Lighting- Interior				1.00	35,000.00	1.00	35,000.00
>							05-2024	0.50	20,000.00	0.50	20,000.00
							06-2024	0.50	15,000.00	0.50	15,000.00
							Total:	1.00	35,000.00	1.00	35,000.00

Lesson 19: Tracking Changes to Budget Forecasts

Two-Tier Change Management: To Track Changes in the Budget Forecast

This lesson explains how the change orders processed for a project affect the budget forecast revisions prepared for this project.

Tracking Changes to Budget Forecasts

Story

Suppose that for the restaurant that is being built by the ToadGreen company, some additional work is needed on interior lighting. The work will be performed in July 2024 and will cost an additional \$5000 that had not been planned in the project budget. This work must be added to the project budget through the processing of a change order and the related subcontract.

Acting as a project manager, you will create and release the needed documents, and review how these documents affect the budget forecast.

Figure: Updated amounts in the budget forecast

Project Budget Forecast
 ITALIAN 1 - Italian restaurant (Market Street)

← 📄 🗑️ ↶ + 🗑️ ⏪ < > ⏩ GENERATE PERIODS COPY REVISION GENERATE FORECAST ...

* Project: ITALIAN - Italian restaurant (Mar... Project Task: Account Group: SUBCON - Project Subcontract
 * Revision: 1 - 2024 Budget Forecast Type: All Inventory ID:
 Description: 2024 Budget Forecast Cost Code: 16-510 - Lighting- Interior

🔄 + ✕ ADD PERIODS UPDATE PROJECT BUDGET LINE UPDATE FORECAST LINES 📏 📄 ⬆️

Project Task	Account Group	Inventory ID	Cost Code	Description	Planned Start Date	Planned End Date	Financial Period	Original Budgeted Quantity	Original Budgeted Amount	Revised Budgeted Quantity	Revised Budgeted Amount	Potential CO Quantity	Potential CO Amount	Budgeted CO Quantity	Budgeted CO Amount	Actual Quantity	Actual Amount
> 16	SUBCON	<N/A>	16-510	Lighting- Interior				1.00	35,000.00	2.00	40,000.00	0.00	0.00	1.00	5,000.00	1.00	5,000.00
							05-2024	0.50	20,000.00	0.50	20,000.00	0.00	0.00	1.00	5,000.00	1.00	5,000.00
							06-2024	0.50	15,000.00	0.50	15,000.00						
							Total:	1.00	35,000.00	1.00	35,000.00	0.00	0.00	1.00	5,000.00	1.00	5,000.00
							Delta:	0.00	0.00	1.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00

Lesson 20: Tracking Budget Overruns

Construction Project Budget: To Track Project Budget Overrun

- You can set up budget control for construction projects to make the system display warnings if the project budget is close to being exceeded.
- The overbudget warnings are displayed for subcontracts, purchase orders, change orders to commitments, and AP bills.

Tracking Budget Overruns

Story

Suppose that ToadGreen Building Group is a general contractor building an Italian restaurant for its customer, Italian Company. The ToadGreen project manager has created a project for the work to be performed, and the budget has been agreed on with the customer. On February 15, 2024, the purchasing agent has negotiated a subcontract for mechanical piping with the Harmon Installation subcontractor at a better price than was initially planned, thus reserving some budget. The subcontractor has started working, and on February 25, 2024, it notified the project manager that an extra 20 hours is necessary to complete the work.

Acting as a project manager, you need to enter all the related documents and review the budget overruns.

Control of Document Consistency for the Project

- By **cost code** on the document line level:
 - Filtering of cost codes by the project budget key
 - Validation by means of warning on the field entry level

Control of Document Entry (budget overruns)


- **Projects Preferences (PM101000)** the **General** tab : **Budget Control** = *Show a Warning*
 - **Budget Control** = {*Do not Control, Show a Warning*}
- **Potential Project Budget Overruns (PM404000)**: list of all document lines that potentially could exceed the budget of a selected project

The list of the controlled document:

- **Purchase Orders (PO301000)**: purchase order of the *Normal* or *Project Drop-Ship* type
- **Bills and Adjustments (AP301000)**: AP bill
- **Change Orders (PM308000)**: change order
- **Subcontracts (PO301000)**: subcontract

Figure: A warning indicating a budget overrun

Change Orders
Italian restaurant (Market Street)

 The project budget is exceeded. For details, check warnings in the document lines.

← 🗨️ 📄 ↶ + 🗑️ 📄 ▾ ⏪ < > ⏩ REMOVE HOLD ...

Reference Nbr.: <NEW> 🔍 * Class: DEFAULT - Default Change Order Cla 📄 Revenue Budget Change Total: 0.00
 Status: On Hold Project: ITALIAN - Italian restaurant (Market Stree 📄 Commitment Change Total: 2,900.00
 * Change Date: 2/25/2024 📅 Customer: ITACOM - Italian Company 📄 Cost Budget Change Total: 0.00
 * Approval Date: 2/25/2024 📅 External Reference Nbr.: Gross Margin Amount: 0.00
 Contract Time Change,... 0 Revenue Change Nbr.: 0002 Gross Margin %: 0.00
 * Description: Extra work on piping

REVENUE BUDGET COST BUDGET **COMMITMENTS** DETAILED DESCRIPTION ATTRIBUTES APPROVALS COMPLIANCE

🔄 + × SELECT COMMITMENTS ⏪ 🗑️ ⏩

🗨️	🗨️	🗨️	Status	*Project Task	Cost Code	Inventory ID	*Description	Quantity	UOM	Unit Cost	Amount	Account	*Vendor
>	🗨️	🗨️	Update	15	15-100	LABOR	Mechanical– Building Service Piping	20.00	HOUR	145.00	2,900.00	54100	HARMINT

Budgeted: 15000.00, Consumed: 14500.00, Available: 500.00, Document: 2900.00, Remaining: -2400.00

Figure: List of documents that exceed the budgeted amounts

Potential Project Budget Overruns

Document Type:
 Project Task:

* Project:
 Account Group:

* Start Date:
 Cost Code:

* End Date:
 Inventory ID:

Type	Reference Nbr.	Project	Project Description	Project Task	Account Group	Cost Code	Inventory ID	Transaction Description	Budgeted	Consumed	Available	Document	Remaining
AP document	000170	ITALIAN	Italian restaur...	15	LABOR	15-100	<N/A>	Construction I...	15,000.00	14,500.00	500.00	1,000.00	-500.00
Change Order	000005	ITALIAN	Italian restaur...	15	LABOR	15-100	<N/A>	Mechanical- ...	15,000.00	14,500.00	500.00	2,900.00	-2,400.00

Construction Project Budget: To Add a New Cost Code to the Project Budget

Story

Suppose that ToadGreen is a general contractor building an Italian restaurant for its customer, The Italian Company. On February 15, 2024, the purchasing manager negotiated a subcontract for construction labor with the Harmon Installation subcontractor. This subcontract had not been budgeted initially in the project.

Acting as a ToadGreen project manager, you need to enter a subcontract, record these expenses to a new cost code in the project budget, and make sure that the project cost budget is updated.

You have processed a subcontract and added a line with a new cost code to the cost budget.

Projects

ITALIAN - Italian restaurant (Market Street) NOTES FILES TOOLS

← [Icons] → COMPLETE PROJECT **RUN PROJECT BILLING** ...

* Project ID: ITALIAN - Construction project (time and material) Status: **Active** Actual Income: 0.00
 Customer: ITACOM - Italian Company Actual Expenses: 0.00
 Template: CONTM - Construction project (time and material) Margin: 0.00 %: 0.00
 * Description: Construction project (time and material)

SUMMARY TASKS REVENUE BUDGET **COST BUDGET** BALANCES COMMITMENTS INVOICES CHANGE ORDERS UNION LOCALS ACTIVITIES EMPLOYEES EQUIPMENT DEFAULTS ATTRIBUTES

Project Task: [Search] Group by Task

VIEW COMMITMENT DETAILS VIEW TRANSACTIONS [Icons] All Records

* Project Task	Cost Code	* Account Group	Description	Original Budgeted Quantity	UOM	Unit Rate	Original Budgeted Amount	Potential CO Quantity	Budgeted CO Quantity	Budgeted CO Amount	Revised Budgeted Quantity	Revised Budgeted Amount	Potential CO Amount	Original Committed Quantity	Original Committed Amount
10	10-600	LABOR	Partitions	16.00	HOUR	55.0000	880.00	0.00	0.00	0.00	16.00	880.00	0.00	0.00	0.00
10	10-600	MATERIAL	Partitions	50.00	EA	150.0000	7,500.00	0.00	0.00	0.00	50.00	7,500.00	0.00	0.00	0.00
10	10-670	LABOR	Storage Shelving	40.00	HOUR	60.0000	2,400.00	0.00	0.00	0.00	40.00	2,400.00	0.00	0.00	0.00
10	10-670	MATERIAL	Storage Shelving	75.00	EA	150.0000	11,250.00	0.00	0.00	0.00	75.00	11,250.00	0.00	0.00	0.00
11	11-400	LABOR	Equipment- Food Service	80.00	HOUR	100.0000	8,000.00	0.00	0.00	0.00	80.00	8,000.00	0.00	0.00	0.00
11	11-400	MATERIAL	Equipment- Food Service	1.00	EA	100,000.0000	100,000.00	0.00	0.00	0.00	1.00	100,000.00	0.00	0.00	0.00
15	01-300	LABOR	Permits	0.00		0.0000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,200.00
15	15-100	LABOR	Mech- Building Service Piping	100.00	HOUR	150.0000	15,000.00	0.00	0.00	0.00	100.00	15,000.00	0.00	100.00	14,500.00

Lesson 21: Capturing Project Budget Overhead

Learning Objectives

In this lesson, you will learn how to do the following:

- Configure an allocation rule to capture project overhead as a percentage of incurred costs
- Capture the overhead on the project

Allocation Rules (PM207500)

To capture an indirect costs as project overhead, use allocation process in the project

Steps:

- Configure an allocation rule to capture project overhead as a percentage of incurred costs
- Capture the overhead on the project

Allocation Rules (PM207500): Calculation Rules

- **Allocation Method = *Allocate Transaction***
- **Account Group**
- **Calculation Settings frame**

Allocation Rules
LABOVERHEAD - Labor overhead

← 📄 📄 ↶ + 🗑️ 📄 ▾ |< < > >|

* Allocation Rule: LABOVERHEAD - Labor ove 📄
Description: Labor overhead

↻	+	×	↷
📄	↑	Step ID	Description
>		10	Labor

CALCULATION RULES ALLOCATION SETTINGS

Allocation Method: Allocate Transactions ▾
 Create Allocation Transaction

SELECTION CRITERIA

Select Transactions: Non-Allocated Transactions ▾
Account Group From: LABOR - Project Labor 📄 Account Group To: 📄
Range Start: 0 Range End: 0

RATE SETTINGS

Rate Type: 📄 If @Rate Is Not Defined: Set @Rate to 0 ▾

CALCULATION SETTINGS

Quantity Formula: =0 📄
Billable Qty. Formula: =0 📄
Amount Formula: =[PMTran.Amount]*0.2 📄
Description Formula: 'Project overhead for labor' 📄

Allocation Rules (PM207500): Allocation Settings

- **Post Transaction to GL** = *false*
- **Reverse Allocation** = *Never*
- **Debit Transaction: Account Group** = *Replace* with account group
- **Credit Transaction: Account Group** = *None*

Allocation Rules
LABOVERHEAD - Labor overhead

← 📄 ↶ + 🗑️ 📄 ⌵ ⏪ < > ⏩

Step ID	Description
>	10 Labor

🔄 + ✕ ⏪ ⏩

CALCULATION RULES ALLOCATION SETTINGS

TRANSACTION OPTIONS

Post Transaction to GL Create Transaction with Zero Qty.
 Create Transaction with Zero Amount
 Allocate Non-Billable Transactions

Date Source: Original Transaction ⌵

Can Be Used as a Source in Another Allocation

TRANSACTION REVERSAL

Reverse Allocation: Never ⌵

Use Reversal Date from Original Transaction

DEBIT TRANSACTION

Project: Use Source ⌵

Task: Use Source ⌵

* Account Group: Replace ⌵ OVERHEAD - Project Overhead 🔍

CREDIT TRANSACTION

Project: Use Source ⌵

Task: Use Source ⌵

* Account Group: None ⌵

AGGREGATE TRANSACTIONS

By Date By Vendor
 By Employee By Item

Overhead in the Project Budget: Implementation Activity

Story

Suppose that the project manager of the SweetLife Fruits & Jams company wants to estimate the project costs considering the administrative overhead of the project management to be able to estimate the project profitability more accurately. The company estimates the project overhead as 20% of labor costs, such as a worker's time spent on performing the project.

Acting as SweetLife's implementation manager, you need to configure an allocation rule to capture the project overhead as 20% of labor costs to reflect the overhead in the project budget. Because the administrative overhead is already presented in the general ledger in the form of transactions that are not classified against projects, you do not need to post to the general ledger allocation transactions that are created.

Construction Project Budget: To Estimate the Budget Overhead

Story

Suppose that ToadGreen Building Group is a general contractor building an Italian restaurant for its customer, the Italian Company. On March 17, 2024, the construction manager spent 10 working hours on communication related to obtaining construction permits; this time had not initially been budgeted for the project.

Acting as the project accountant, you need to record these additional expenses in the project budget by entering the corresponding project transaction and do not update the general ledger with these expenses. Then you need to estimate the project costs while accounting for the administrative overhead, which is 20% of labor costs.

Figure: The captured overhead in the project expenses

Projects
 ITALIAN3 - Construction project (Italian Restaurant)

← 🖨️ ↺ + 🗑️ ⏪ < > ⏩ COMPLETE PROJECT **RUN PROJECT BILLING** ...

* Project ID: ITALIAN3 - Construction project (Italian Restaurant) Status: Active Actual Income: 0.00
 Customer: ITACOM - Italian Company Actual Expenses: 55,780.00
 Template: CONTM - Construction project (time and material) Margin: -55,780.00
 * Description: Construction project (Italian Restaurant)

SUMMARY TASKS REVENUE BUDGET COST BUDGET **BALANCES** COMMITMENTS INVOICES CHANGE ORDERS UNION LOCALS

VIEW TRANSACTIONS VIEW COMMITMENT DETAILS |≡| ☒

Account Group	Description	Original Budgeted Amount	Revised Budgeted Amount	Original Committed Amount	Revised Committed Amount	Committed Invoiced Amount	Actual Amount
Income							
REVENUE	Project Revenue	2,186,984.80	2,186,984.80	0.00	0.00	0.00	0.00
	Income Totals	2,186,984.80	2,186,984.80	0.00	0.00	0.00	0.00
Expense							
BURDEN	Burden Expenses	0.00	0.00	0.00	0.00	0.00	1,200.00
> LABOR	Project Labor	319,585.00	319,585.00	0.00	0.00	0.00	1,400.00
MATERIAL	Project Material	1,224,870.00	1,224,870.00	0.00	0.00	0.00	0.00
MISC	Miscellaneous Expenses	61,551.00	61,551.00	0.00	0.00	0.00	52,900.00
OVERHEAD	Project Overhead	0.00	0.00	0.00	0.00	0.00	280.00
SUBCON	Project Subcontract	68,790.00	68,790.00	0.00	0.00	0.00	0.00
TRAVEL	Project Travel	5,000.00	5,000.00	0.00	0.00	0.00	0.00
	Expense Totals	1,679,796.00	1,679,796.00	0.00	0.00	0.00	55,780.00



Thank you!

Irina Kateneva