BUILDER
INFORMATION
SYSTEM

BIS®
Time & Materials Billing
Reference Manual

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Conventions Used In This Manual

Every effort has been used to try to make this manual as useful and informative as possible. To accomplish that goal, several conventions have been used to assist the reader.

Throughout the manual, the terms process and activity are generally used interchangeably.

Caution

These boxes contain warnings about things that MUST be checked, or of items to be aware of before proceeding. In many cases, the advice is to check with a CPA or other tax advisor.

Tip

Tips offer special information, considerations, or other insights when undertaking the task described.

Hyperlink

A hyperlink is shown with an underline as it is shown by default in the program. Hyperlinks may be found in screen forms or in screen previews of reports.

Access

Menu access to selected items is shown in the two or three ways available (depending on the item). Here is an example for access to a functional menu element:

Labor Rates Classifications Master Record
My Desktop Access
Payroll | Labor Rates Classifications
This represents access to the Labor Rates Classifications master record, irrespective of Reports Grouped or Listed.

Standard Menu Access
List | Labor Rates Classifications
This represents access to the Labor Rates Classifications master record from the Standard menu.

Here is an example of access to a report item:

Access to Reports in the Payroll Menu
Reports | Payroll | Labor Rates Classifications
This represents access to the Labor Rates Classifications report from the Payroll menu.

In some instances, individual screen buttons are shown in the text, such as the Magnifying Glass icon.

Section 1 – Introduction

Customers have found BIS® to include several billing features through the Schedule of Values such as Work in Place, Cost Plus Billing, Percent Completed, Stored Materials, and Retention tracking.

BIS® now includes Time & Materials Billing which is used mainly for projects that utilize an "actual" job cost such as labor, materials, and equipment usage with an agreed upon percentage markup.

Time & Materials Billing is a pricing method used mainly by service businesses in which the total billing is composed of actual direct materials and parts cost, actual direct labor cost, possible inventory sale, plus a percentage markup of each to cover overhead costs, and a profit factor.

Time and material is a project billing type whereby the customer is charged for all of the hours of work performed, any direct expenses incurred, and material purchased during project delivery.

Time and material billing arrangements are typical in the construction industry, contractors, consulting firms, and accounting and legal particularly when the full scope of the project is not well understood. For most consulting arrangements, a customer and a service provider typically start working together on a time and material basis. Once the project is scoped and well defined, the project may be billed using milestone billing or some other form of fixed billing.

To use time and material billing it is required to accurately track and manage time, expenses incurred and material used. The information must be accurate and timely to facilitate client invoicing.

A time and billing system must incorporate a real-time rate engine. The cost and revenue of any time, expense, or charge entry is immediately calculated at point of entry. The rate engine supports simple or detailed date-based rules that enable organizations to define hourly rates and split billing rules for users, clients, projects, tasks and roles. For example, billable resources may be billed at different rates if they work on two several different customers, or the billing rate may depend on the type of work they perform. A time and billing system automates and tracks such billing rules.

Overview

Labor Rates Classifications

A key part of the new T & M functionality is the new Labor Rates Classifications master record. This table will contain classifications that can be assigned to specific employees, jobs, or designated on the fly as payroll is entered. The record includes Code, Description, Pay Rate, Billing Rate/Hr, and Per Diem Rate settings.

Employee Master Record

The Default tab of this record has a new setting to indicate if the employee has a default Labor Rate Classification.

Job Master Record

The Job master record has a new tab labeled T & M for setting up Caps, Percentage Markups, and job specific Overheads & Profits. Also added to the Payroll tab is a job specific Per Diem setting and Billing Rates.

Time & Materials Invoice Form

This is a new form that will automatically load job cost records that are ready for billing and inventory sales on the Main tab. Other tabs on this form include Records, Invoice, Process, and History. Each will be described in more detail later in this manual.

New and Revised Reports

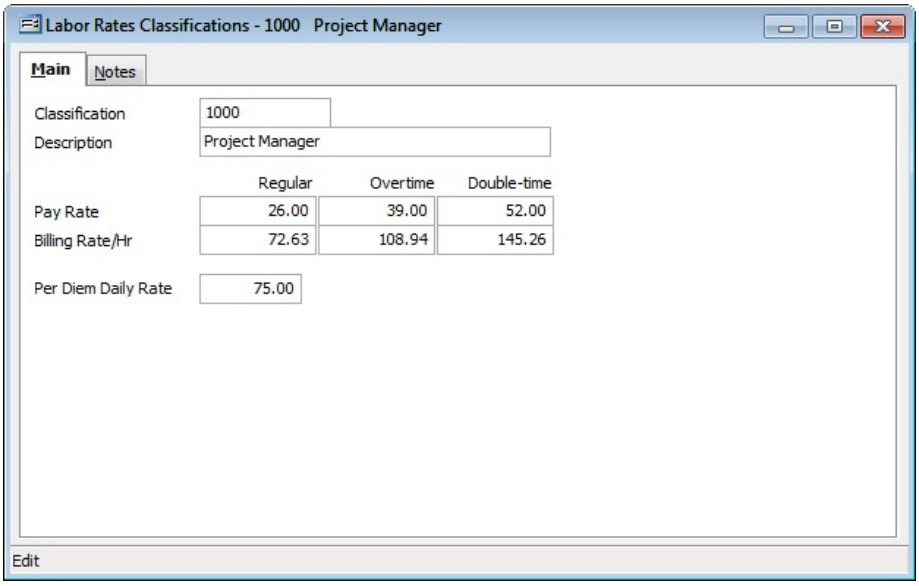
In addition to the new Labor Rate Classifications report there are several reports that have been revised to accommodate T&M jobs and related information.

Section 2 - Master Records

Labor Rates Classifications Master File (new)

The Labor Rates Classifications Master file is used to store Pay and Billing Rates per Classification as well as Per Diem Daily Rate.

Figure TM-1
Sample Labor Rate Classification master record showing the Main tab.



Standard Menu Access
List | Labor Rates Classifications

My Desktop
Payroll | Labor Rates Classifications

Classification field is an alphanumeric field accepting up to 10 characters. Only uppercase is allowed.

Description field is an alphanumeric field accepting up to 30 characters. Upper and lowercase is allowed.

Pay Rate for Regular, Overtime and Double-time is the same as entered in the Employees Master File. Amounts can be zero or greater than zero.

Billing Rate/Hr (rate per hour) for Regular, Overtime and Double-time is the same as entered in the Employees Master File. Amounts can be zero or greater than zero.

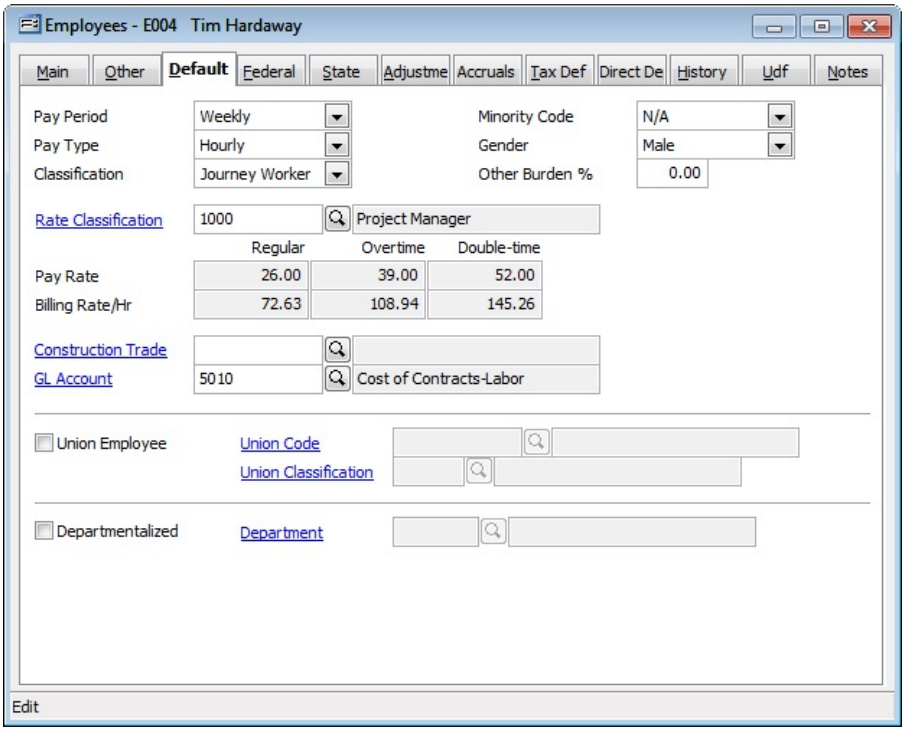
Per Diem Daily Rate field is the daily rate used in Payroll when the Job is setup to use Per Diem payroll adjustments. This daily rate will be used if no Per Diem Rate is set at the Job level or no exception is set within the Job Rates. When setting an exception in the Job - Billing and Per Diem Rates, if the Per Diem rate is zero the zero will be used as a valid amount.

The Notes tab allows typing of notes with no limit in the number of words used.

Employee Master File changes

The Employee Master file will display a new lookup field to load new Labor Rates Classifications.

Figure: TM-2
A Rate Classification setting has been added.



Standard Menu Access
List | Employees

My Desktop
Payroll | Employees

A Rate Classification lookup field was added to be able to load Pay Rates and Billing Rates from the new Labor Rates Classifications master file.

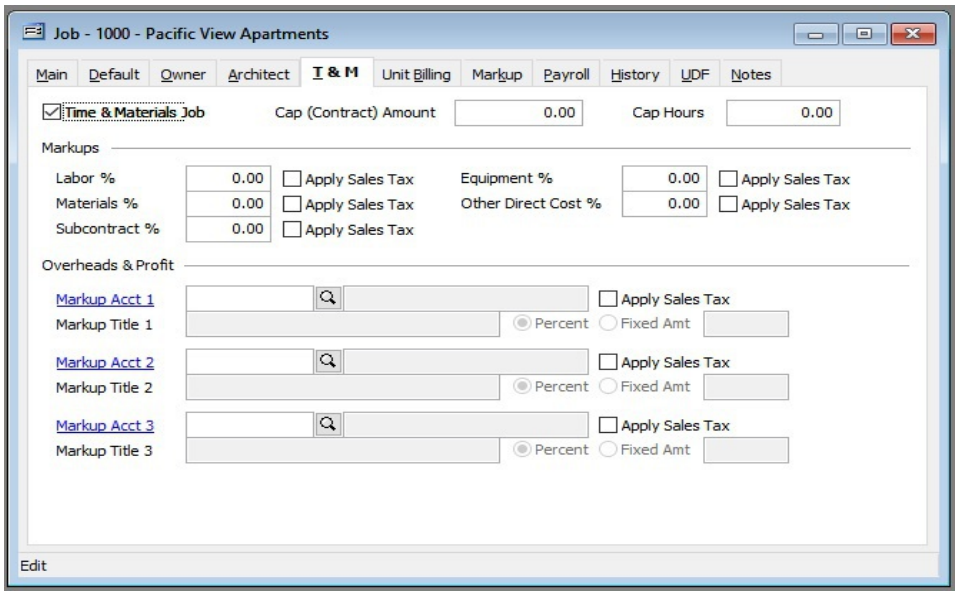
When Pay Rates and Billing Rates are already set and a new Rate Classification is selected, a message will be displayed to confirm if the previous rates should be overwritten. Also, when a Labor Rate classification is selected, Pay and Billing rates fields will become read-only.

When using a rate classification for a salary employee only the billing rate per hour will be modified by the classification, the pay rate will remain unchanged.

Job Master File changes

The Job Master file will display a new tab to set new values for a Time & Materials Job.

Figure: TM-3
Shows the new T&M tab on the Jobs Master Record.



Standard Menu Access
Job | Jobs

My Desktop
Job Cost | Jobs

New T&M Tab

A Time & Materials Job checkbox designates a Job as a Time & Materials Job.

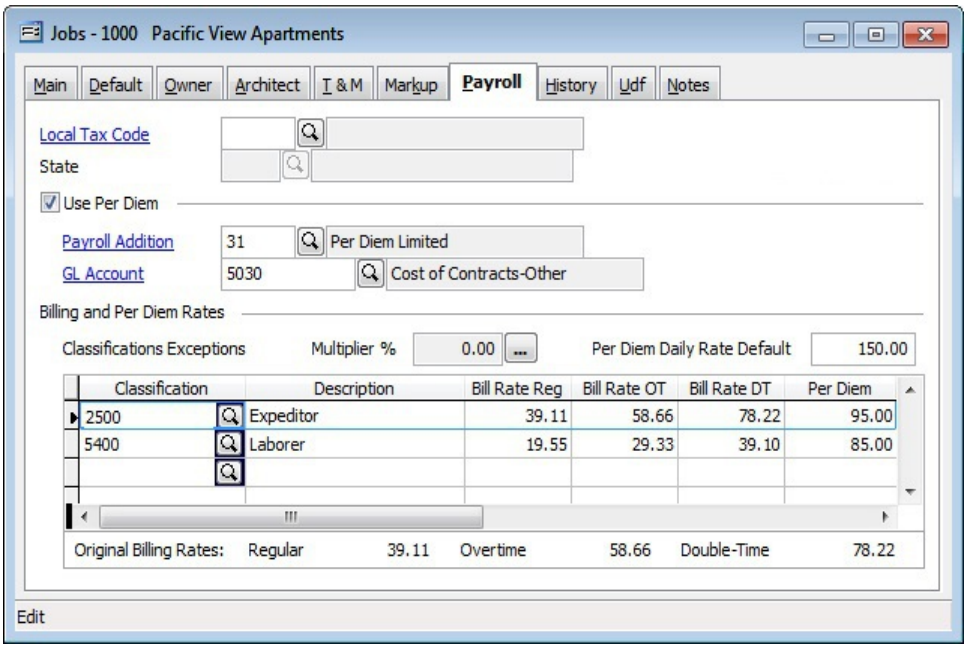
Cap amount & hours will warn users when the cost and/or hours applied to a T&M Job have exceeded the selected cap. These amounts are optional and must be zero or greater than zero.

Cost Markups is the percentage used to increase the cost when costs are billed. Percentages must be zero or greater than zero. Taxes can be applied individually per cost type.

Markup one, two and three can be defined by setting the title/caption, type (percent/fixed amount) and value. One of the markups can be defined as a Profit Factor. Values must be equal or greater than zero. Taxes can be applied individually per markup and also a revenue account can be defined for each markup.

Note: *If no account is defined for a markup, the general revenue account set for the Time and Material invoice will be used instead.*

Figure: TM-4
Shows the new settings added to the Jobs Payroll tab.

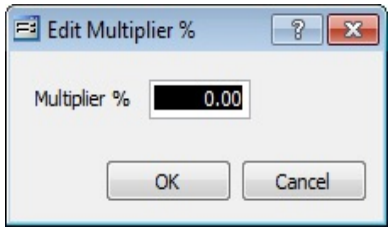


Select the "Use Per Diem" setting if Per Diem will be used in Payroll for the selected Job.

The Per Diem record is established in the Payroll Adjustments - Additions master record, usually as a new "Non Payroll Adjustment". This is a required field.

GL Account is the account to be used for the per diem addition. It will load automatically from the Additions master record, but can be changed on-the-fly. This is a required field.

Figure: TM-5
Shows the Edit Multiplier % setting accessed by the ellipsis button (3 dots).

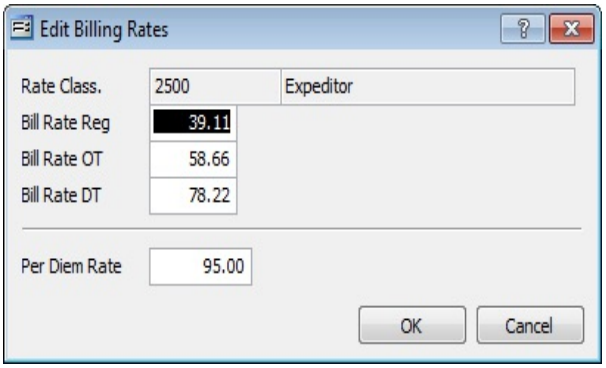


Multiplier % is the percent used to increase all the Billing Rates loaded from the Labor Rates Classification master record and listed in the Classifications Exceptions grid, but does not affect the Per Diem rate. The Multiplier is a positive number from 0.00 to 100.00.

Per Diem Daily Rate Default is the rate used in payroll for the selected Job and will load automatically from the Additions master record, but can be changed on-the-fly. This rate will be overwritten by the Classifications Exceptions or by the rate classification defined per employee when this rate is zero. This rate can be an amount between 0.00 and 999,999.99.

Classifications Exceptions is a list where selected classifications can be modified. Classifications not included in this list will be obtained from the Employee master file or the Labor Rates Classifications master file. Use the Multiplier percent when all unmodified billing rates must be increased by a percent.

Figure: TM-6
Shows the Edit Billing Rates settings accessed by the ellipsis button.



Billing Rates is a list where selected classifications can be modified for the selected job by opening the Edit button and using 0.00 to 999.99.

Modified rates are restored to the default from the Labor Rates Classifications master record and affected by the multiplier % setting if the multiplier is changed after the rate has been modified.

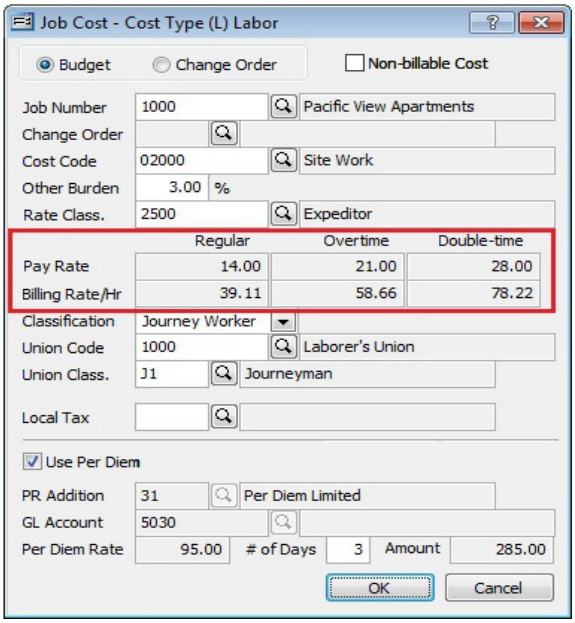
You can have a combination of default rates adjusted by the modifier and manually modified exceptions. List the default rates first, then add the multiplier. After the rates have been adjusted automatically you can manually edit the billing rates.

Note: *When no billing rates exceptions are set for a Job, the rate classification will be obtained from the employee master record and the billing rates for that classification in the employee master record will be obtained from the Billing Rates Classifications master file.*

Section 3 - Forms and Reports

Use of Billing Rates Classifications in Job Cost

Figure: TM-7
Shows the payroll entry Job Cost Detail screen with the Rate Class and Per Diem fields.



When entering payroll transactions (Payroll Hrs. & Adj. or CD Payroll Checks) and the selected Employee has a rate classification, the classification will be displayed and the pay rate fields, as well as the billing rate per hour fields will be read-only. Also, the pay rate fields in the Hours and Certified tabs will be read-only when a rate classification is used. Pay Rates will only be overwritten by the selected Rate Classification for employees defined as “Hourly”.

Also when the selected Job has a defined rate classification exception that matches the rate classification from the employee, the billing rates per hour defined in the Job will overwrite the billing rates from the Labor Rates Classifications master file selected for the employee. The exceprions defined per Job will not affect the pay rates.

If the selected Job is defined to use Per Diem, the “PR Addition”, “GL Account”, “Per Diem Rate” (daily), “# of Days” and “Amount” (per diem) values will be listed; only the days can be modified.

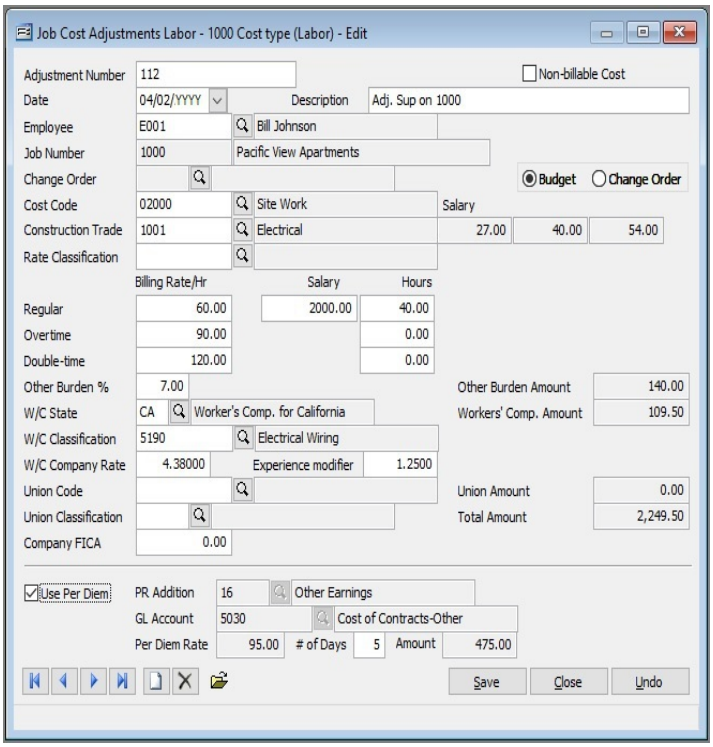
The Per Diem Rate will be obtained from the Labor Rates Classifications master file if the “Rate Class.” field is blank and filled in and there is no matching Billing Rate Classifications Exceptions listed in the job’s master record or if the Per Diem Daily Rate Default in the job’s master record is blank.

If no “Rate Class.” is selected or the default one obtained from the Employees master file is blanked, the “Per Diem Rate” to be used is the one defined in the Job master file as the “Per Diem Daily Rate default”); and this only if the rate is greater than zero.

Note: *The numbers of days to calculate the Per Diem amount will be automatically calculated based on the regular hours entered. As an example, a detail line entered with 20 regular hours will be divided by 8 and rounding the result without decimals to obtain the days: 20 / 8 = 2.5, rounded to 3 without decimals.*

Use of Billing Rates Classifications in Job Cost Adjustments

Figure: TM-8
Shows the Job Cost Adjustments Labor screen with the Rate Classification and Per Diem fields.



Standard Menu Access
Transactions | Job Adjustments | Job Cost Adjustments

My Desktop
Job Cost | Job Cost Adjustments

When entering Job Cost Adjustments (Cost Type Labor) and the selected Employee has a rate classification, the classification will be displayed and the pay rate fields, as well as the billing rate per hour fields will be read-only. Pay Rates will only be overwritten by the selected Rate Classification for employees defined as "Hourly".

Also when the selected Job has a defined rate classification exception that matches the rate classification from the employee, the billing rates per hour defined in the Job will overwrite the billing rates from the Labor Rates Classifications master file selected for the employee.

If the selected Job is defined to use Per Diem, the "PR Addition", "GL Account", "Per Diem Rate" (daily), "# of Days" and "Amount" (per diem) values will be listed; only the days can be modified.

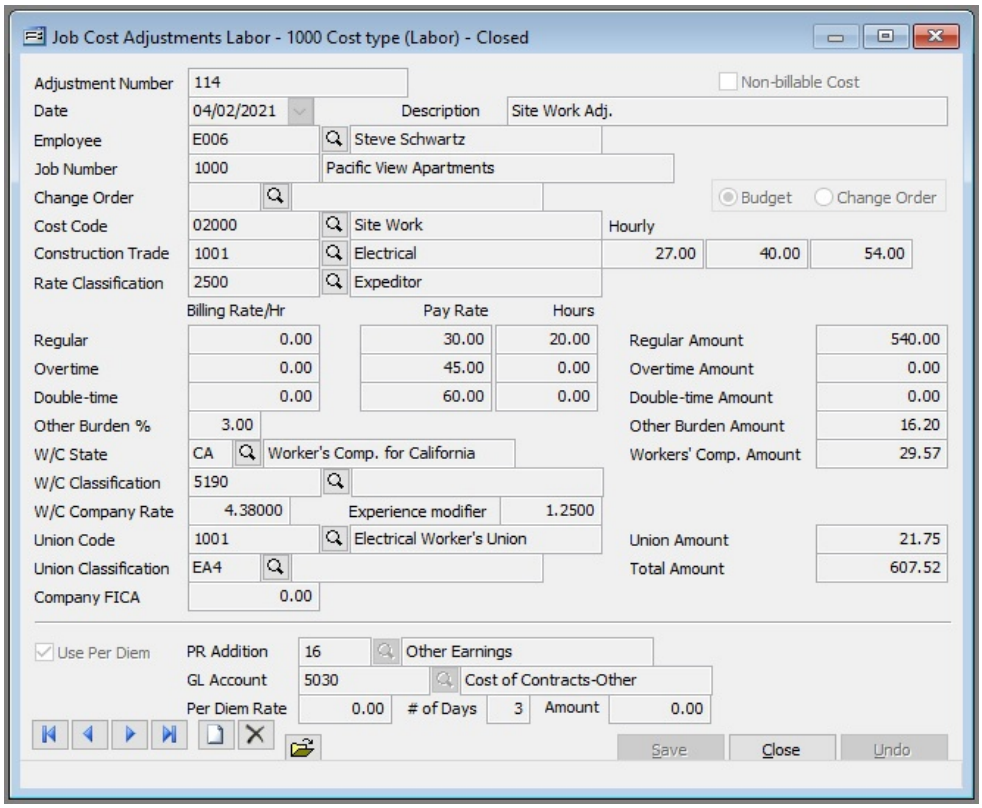
The Per Diem Rate will be obtained from the Labor Rates Classifications master file if the "Rate Class." field is blank and filled in and there is no matching Billing Rate Classifications Exceptions listed in the job's master record or if the Per Diem Daily Rate Default in the job's master record is blank.

If no “Rate Class.” is selected or the default one obtained from the Employees master file is blanked, the “Per Diem Rate” to be used is the one defined in the Job master file as the “Per Diem Daily Rate default”); and this only if the rate is greater than zero.

Note: *The numbers of days to calculate the Per Diem amount will be automatically calculated based on the regular hours entered. As an example, a detail line entered with 20 regular hours will be divided by 8 and rounding the result without decimals to obtain the days: 20 / 8 = 2.5, rounded to 3 without decimals.*

Use of Billing Rates Classifications in Journal Entries

Figure: TM-9
Shows Job Cost Labor screen with the Rate Classifications and Per Diem fields.



Standard Menu Access
Transactions | Journal Entries

My Desktop
Financials | Journal Entries

When entering a Job Cost in a Journal Entry transaction for Labor account and the selected Employee has a rate classification, the classification will be displayed and the pay rate fields, as well as the billing rate per hour fields will be read-only. Pay Rates will only be overwritten by the selected Rate Classification for employees defined as “Hourly”.

Also when the selected Job has a defined rate classification exception that matches the rate classification from the employee, the billing rates per hour defined in the Job will overwrite the billing rates from the employee.

If the selected Job is defined to use Per Diem, the “PR Addition”, “GL Account”, “Per Diem Rate” (daily), “# of Days” and “Amount” (per diem) values will be listed; only the days can be modified.

The Per Diem Rate will be obtained from the Labor Rates Classifications master file if the “Rate Class.” field is blank and filled in and there is no matching Billing Rate Classifications Exceptions listed in the job’s master record or if the Per Diem Daily Rate Default in the job’s master record is blank.

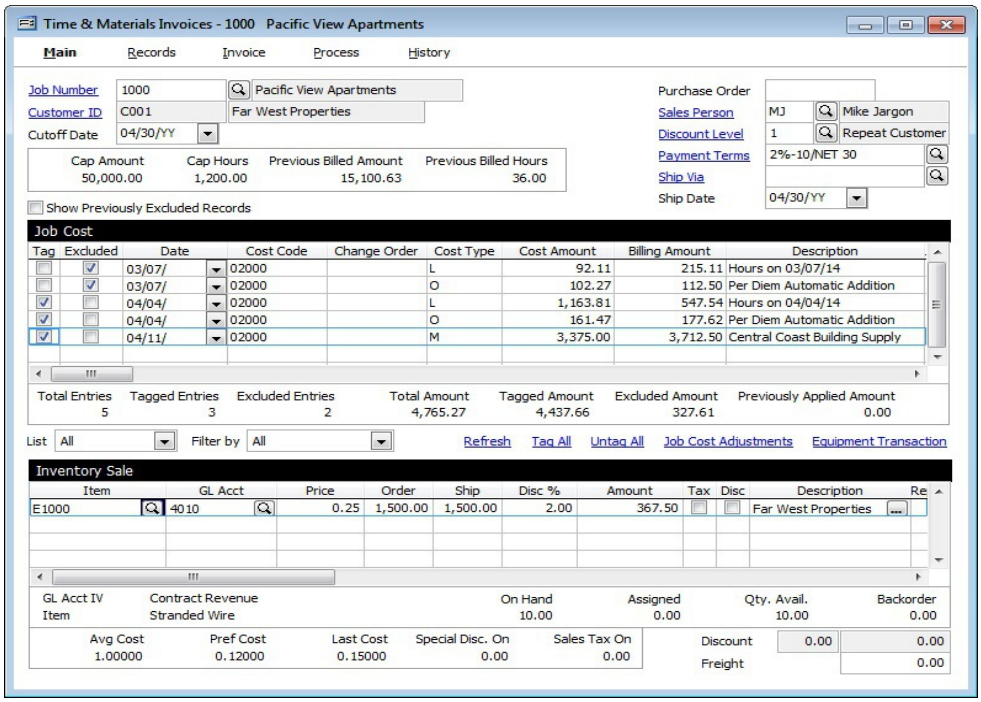
If no “Rate Class.” is selected or the default one obtained from the Employees master file is blanked, the “Per Diem Rate” to be used is the one defined in the Job master file as the “Per Diem Daily Rate default”); and this only if the rate is greater than zero.

Note: *The numbers of days to calculate the Per Diem amount will be automatically calculated based on the regular hours entered. As an example, a detail line entered with 20 regular hours will be divided by 8 and rounding the result without decimals to obtain the days: 20 / 8 = 2.5, rounded to 3 without decimals.*

Time & Materials Invoices (New form)

The Time & Materials Invoices form can serve as a working place to receive all billable cost from the Job Cost table and to sell inventory. It also serves to preview the T&M invoice summary and its details, to process a new contract invoice and to easily locate history invoices for the selected Job.

Figure: TM-10
Shows the Main tab of the new T&M Invoices form.



The Main Tab is where costs for the selected Job can be tagged. The Cutoff Date helps filter items up to a specific date. Inventory Items can be added to the invoice by listing them in the Inventory Sale section.

The list of selected (Tagged) costs can be previewed in the Records Tab. Once one or more cost entries are selected, or an inventory entry is entered, all the discounts, sale taxes and markups will be calculated and applied.

The list of costs can be refreshed and if new costs are detected they will be added to the list of available costs to be billed. Costs can be tagged and untagged to be included or not in the new invoice. All untagged cost entries will be listed as available cost to be included in the next invoice. There is also a feature to exclude costs so they won't be included in the invoice to be created and also to not be listed again for the next invoices unless the option to "Show Previously Excluded Records" is used. Filters are available at the bottom of the Cost list, allowing filtering by tag status or cost type.

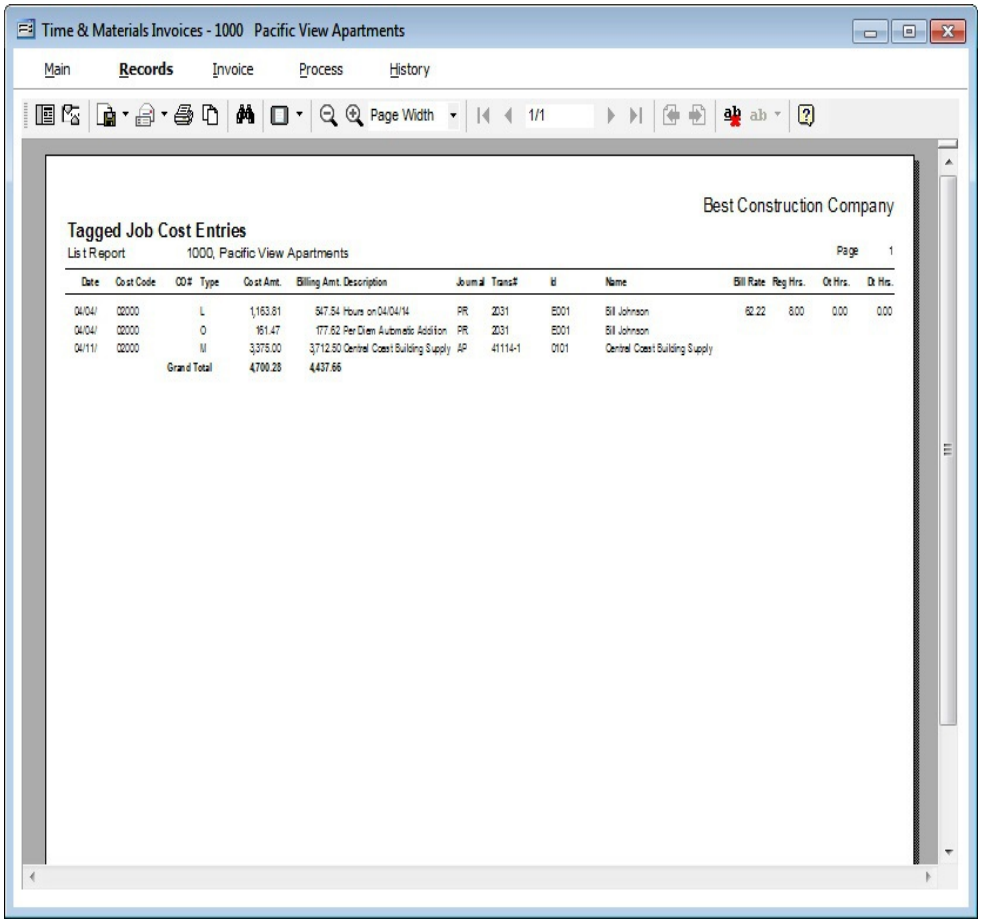
New Job Cost Adjustments or Equipment Transactions can be entered by using the hyperlinks at the bottom of the Cost list.

The Inventory Sale section works the same as it does for Contract Invoices.

Freight amount allows amounts between -9,999,999.99 and 99,999,999.99.

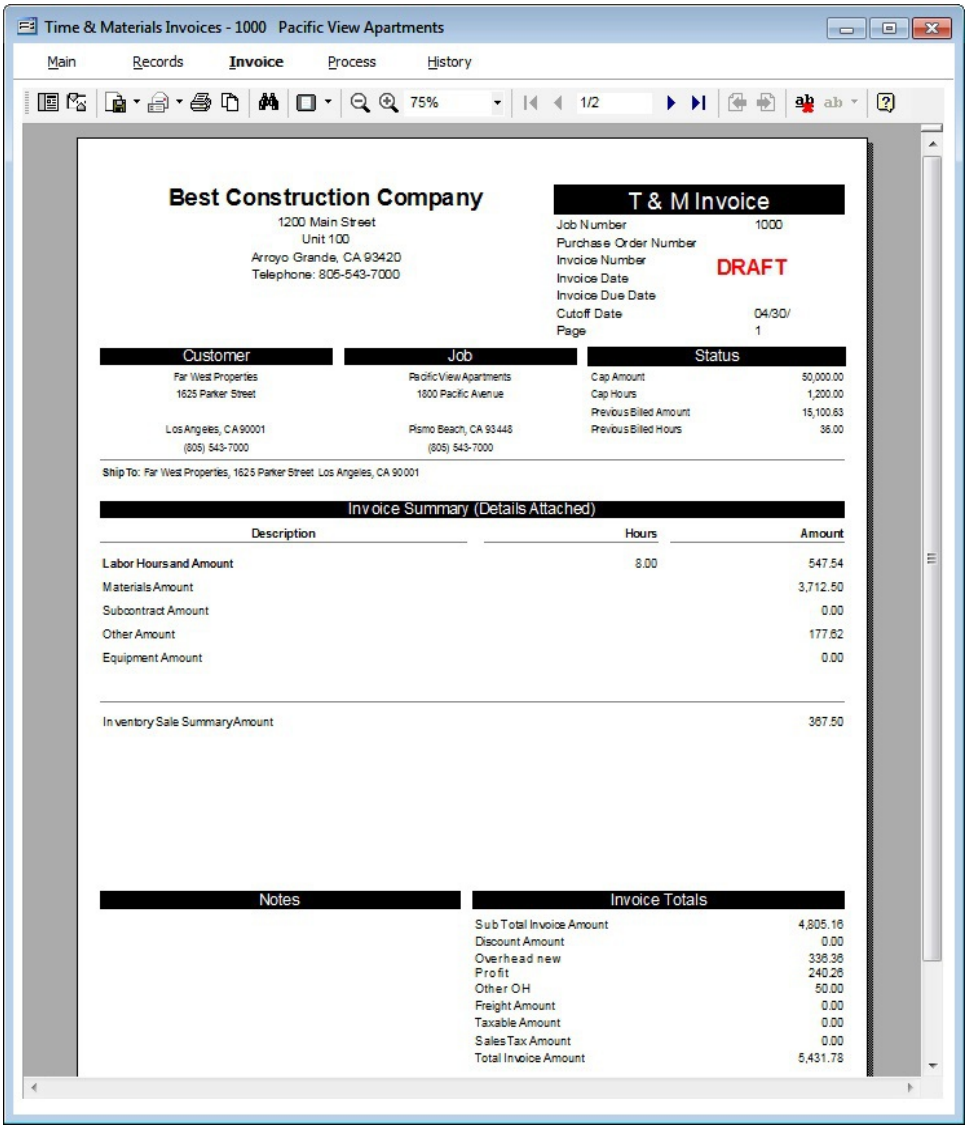
The Record Tab will allow users to preview, print, export and email tagged Job Cost entries.

Figure: TM-11
Shows a report preview of items selected for billing.



The Invoice Tab will allow users to get a Draft preview of the final invoice, the preview does not force the invoice to be saved. It can be printed, exported or emailed.

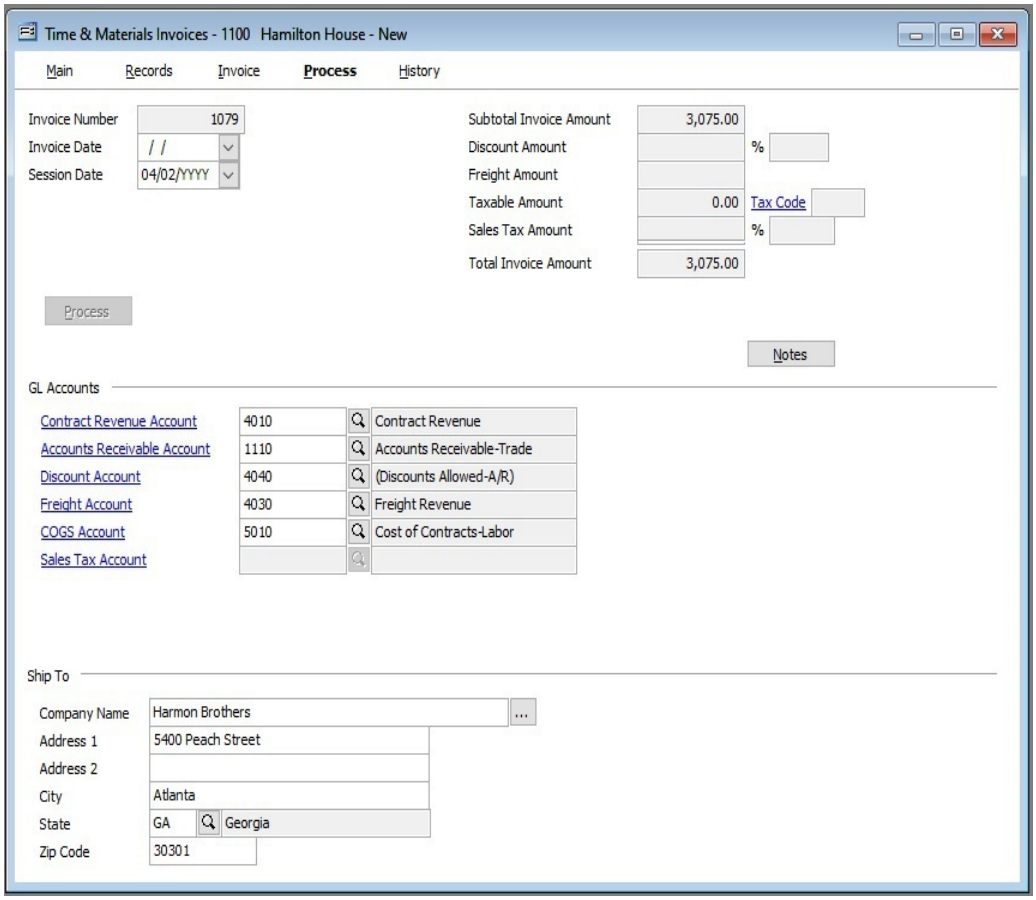
Figure: TM-12
Shows Page 1 of the Draft Invoice.



The Invoice Draft shows summary information on Page 1 and details on Page 2.

The Process Tab will automatically load several required values to create a T&M invoice.

Figure: TM-13
Shows the Process tab with required Invoice Date field.

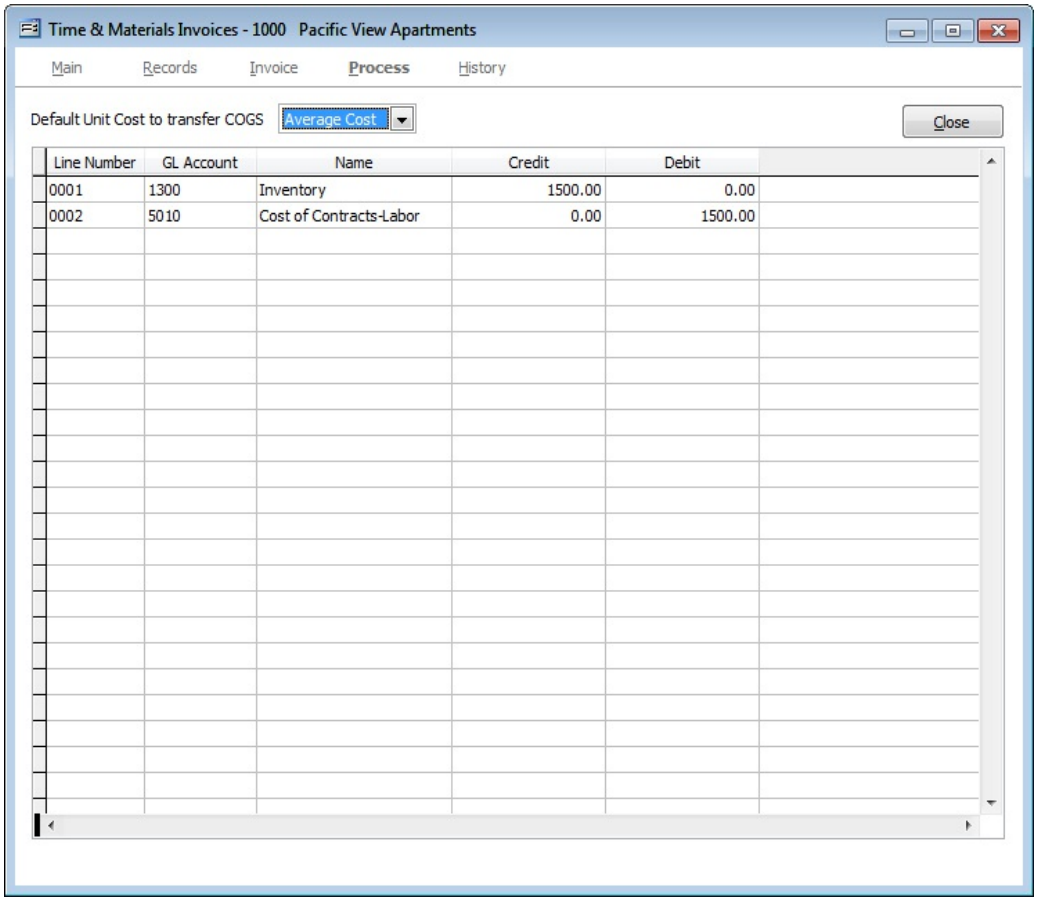


The Invoice Number will be incremented automatically if specified in System Wide Parameters.

The COGS (Cost of goods sold) and Notes buttons can be selected for additional information.

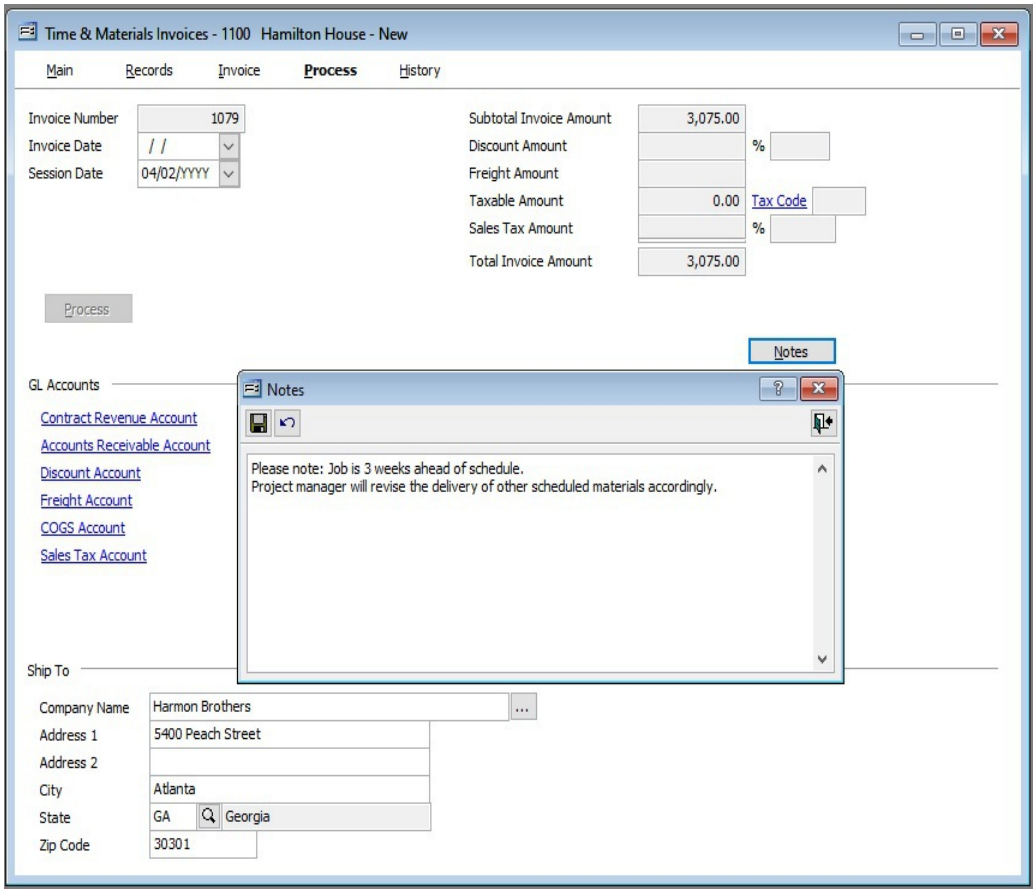
The COGS form shows Debits and Credits to GL Accounts for Inventory items sold.

Figure: TM-14
Shows the details for COGS.



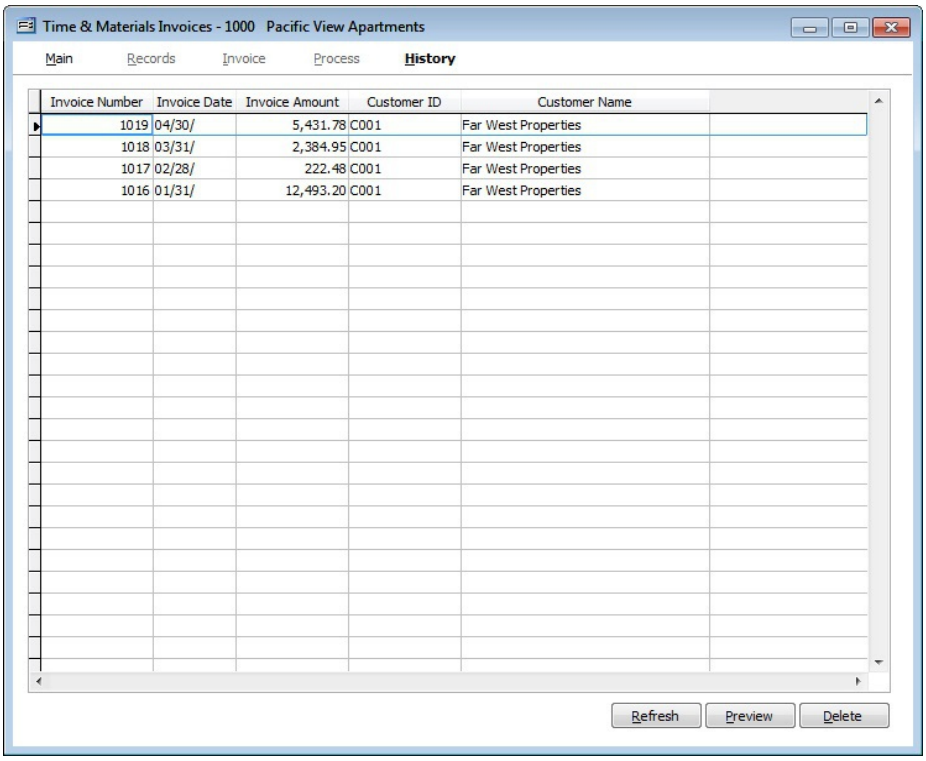
Notes can be added to the invoice and will appear at the bottom of Page 1.

Figure: TM-15
Shows the Notes form with text added.



History Tab shows all previous T&M invoices created for the selected Job. Selected invoices can be previewed or deleted.

Figure: TM-16
Shows the History tab with invoices posted.

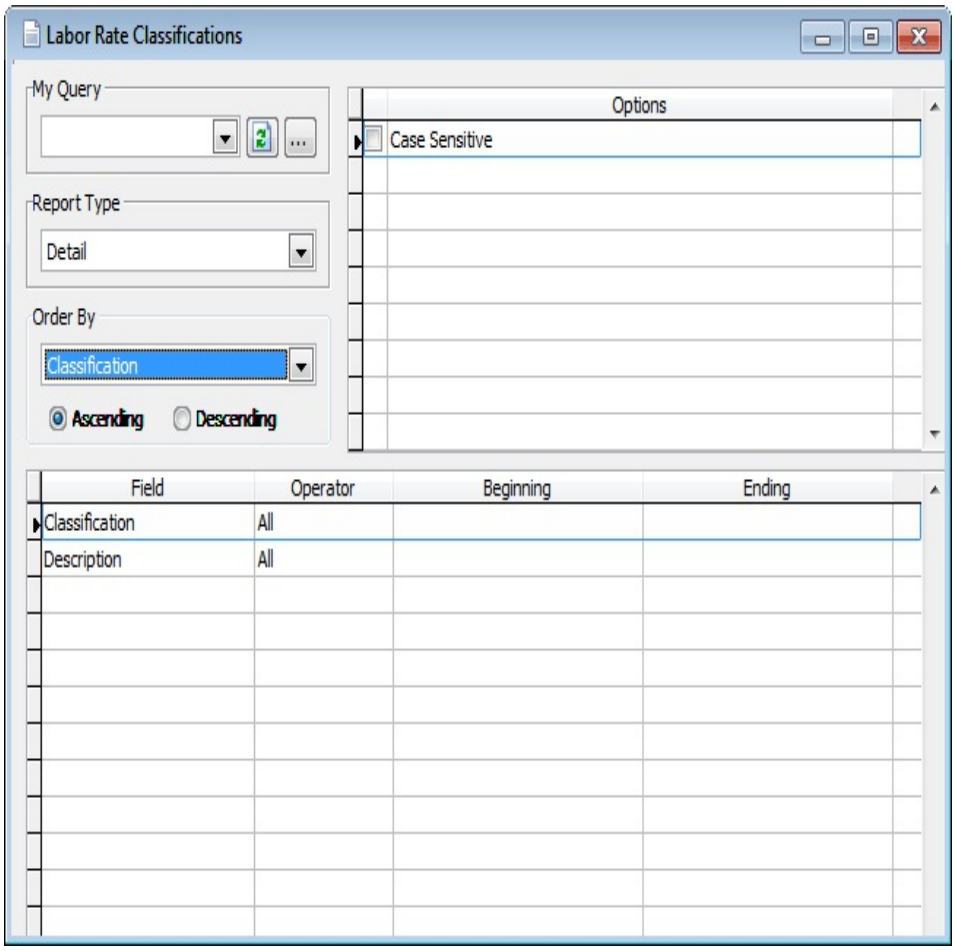


All standard validations apply when deleting a T&M invoice. For example, invoices that have full or partial payments cannot be deleted.

Reports

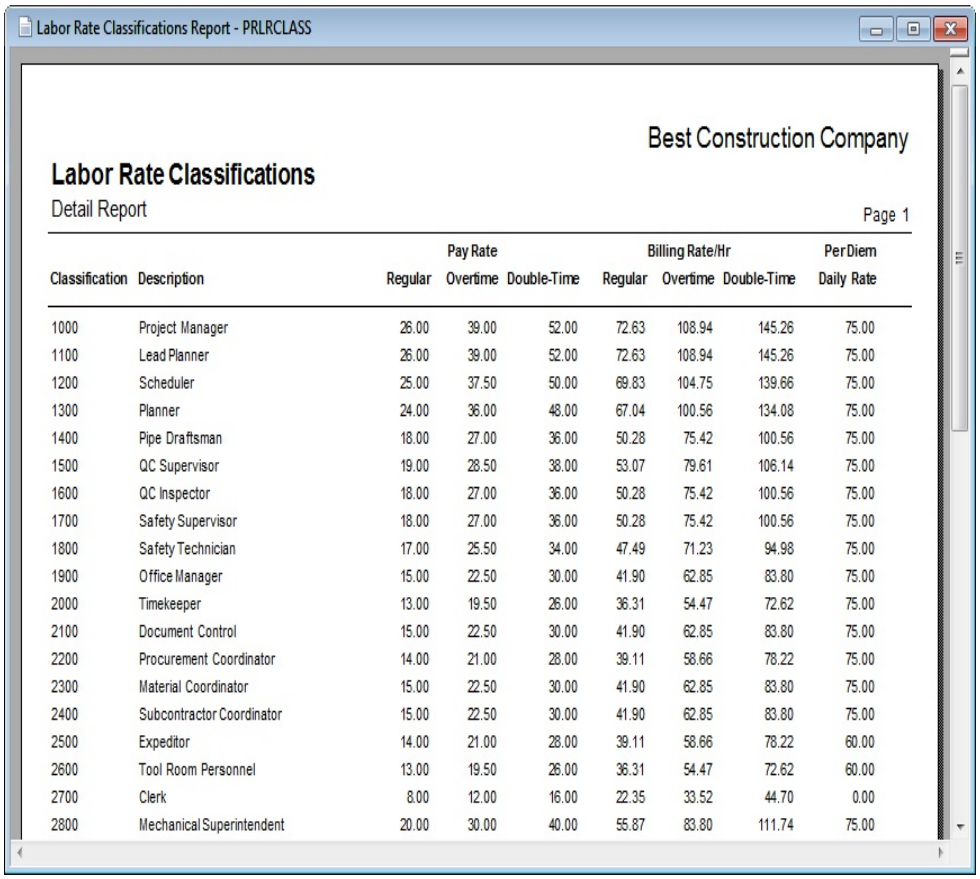
Labor Rates Classifications report (New)

Figure: TM-17
Shows the query screen for the new report.



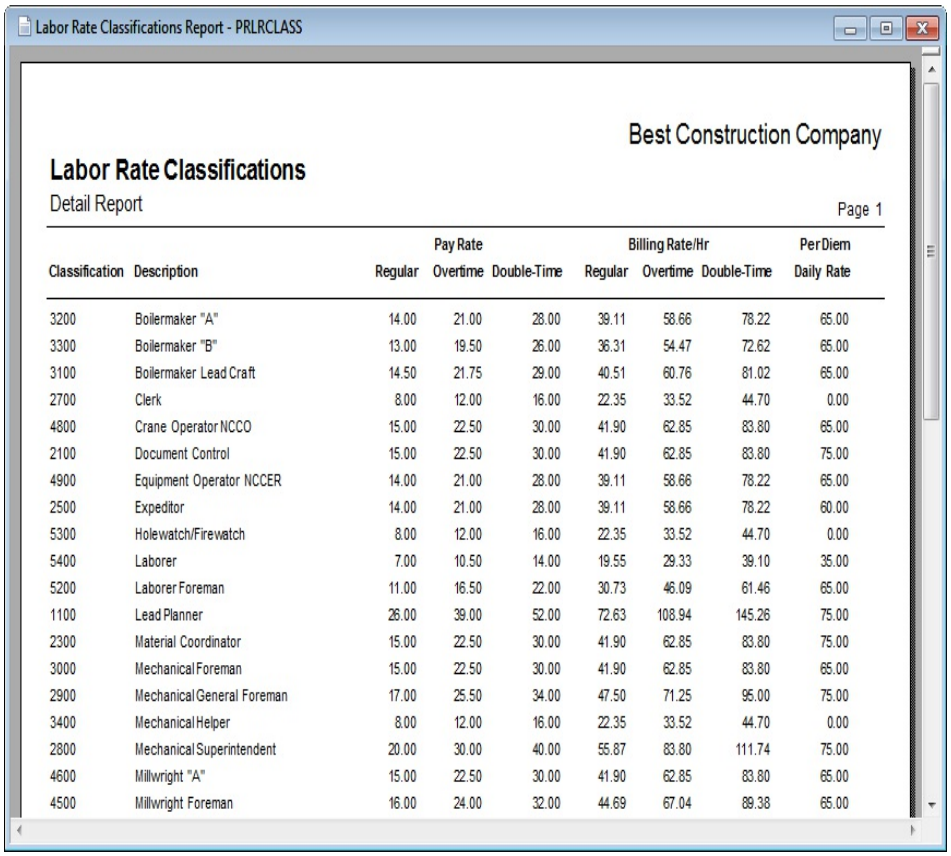
Report preview ordered by Classification

Figure: TM-18
Shows numerical order of Classification.



Classification	Description	Pay Rate			Billing Rate/Hr			Per Diem
		Regular	Overtime	Double-Time	Regular	Overtime	Double-Time	Daily Rate
1000	Project Manager	26.00	39.00	52.00	72.63	108.94	145.26	75.00
1100	Lead Planner	26.00	39.00	52.00	72.63	108.94	145.26	75.00
1200	Scheduler	25.00	37.50	50.00	69.83	104.75	139.66	75.00
1300	Planner	24.00	36.00	48.00	67.04	100.56	134.08	75.00
1400	Pipe Draftsman	18.00	27.00	36.00	50.28	75.42	100.56	75.00
1500	QC Supervisor	19.00	28.50	38.00	53.07	79.61	106.14	75.00
1600	QC Inspector	18.00	27.00	36.00	50.28	75.42	100.56	75.00
1700	Safety Supervisor	18.00	27.00	36.00	50.28	75.42	100.56	75.00
1800	Safety Technician	17.00	25.50	34.00	47.49	71.23	94.98	75.00
1900	Office Manager	15.00	22.50	30.00	41.90	62.85	83.80	75.00
2000	Timekeeper	13.00	19.50	26.00	36.31	54.47	72.62	75.00
2100	Document Control	15.00	22.50	30.00	41.90	62.85	83.80	75.00
2200	Procurement Coordinator	14.00	21.00	28.00	39.11	58.66	78.22	75.00
2300	Material Coordinator	15.00	22.50	30.00	41.90	62.85	83.80	75.00
2400	Subcontractor Coordinator	15.00	22.50	30.00	41.90	62.85	83.80	75.00
2500	Expeditor	14.00	21.00	28.00	39.11	58.66	78.22	60.00
2600	Tool Room Personnel	13.00	19.50	26.00	36.31	54.47	72.62	60.00
2700	Clerk	8.00	12.00	16.00	22.35	33.52	44.70	0.00
2800	Mechanical Superintendent	20.00	30.00	40.00	55.87	83.80	111.74	75.00

Figure: TM-19
Shows alphabetical order of Description.



Labor Rate Classifications Report - PRLRCLASS

Best Construction Company

Labor Rate Classifications

Detail Report

Page 1

Classification	Description	Pay Rate			Billing Rate/Hr			Per Diem
		Regular	Overtime	Double-Time	Regular	Overtime	Double-Time	Daily Rate
3200	Boilermaker "A"	14.00	21.00	28.00	39.11	58.66	78.22	65.00
3300	Boilermaker "B"	13.00	19.50	26.00	36.31	54.47	72.62	65.00
3100	Boilermaker Lead Craft	14.50	21.75	29.00	40.51	60.76	81.02	65.00
2700	Clerk	8.00	12.00	16.00	22.35	33.52	44.70	0.00
4800	Crane Operator NCCO	15.00	22.50	30.00	41.90	62.85	83.80	65.00
2100	Document Control	15.00	22.50	30.00	41.90	62.85	83.80	75.00
4900	Equipment Operator NCCER	14.00	21.00	28.00	39.11	58.66	78.22	65.00
2500	Expeditor	14.00	21.00	28.00	39.11	58.66	78.22	60.00
5300	Holewatch/Firewatch	8.00	12.00	16.00	22.35	33.52	44.70	0.00
5400	Laborer	7.00	10.50	14.00	19.55	29.33	39.10	35.00
5200	Laborer Foreman	11.00	16.50	22.00	30.73	46.09	61.46	65.00
1100	Lead Planner	26.00	39.00	52.00	72.63	108.94	145.26	75.00
2300	Material Coordinator	15.00	22.50	30.00	41.90	62.85	83.80	75.00
3000	Mechanical Foreman	15.00	22.50	30.00	41.90	62.85	83.80	65.00
2900	Mechanical General Foreman	17.00	25.50	34.00	47.50	71.25	95.00	75.00
3400	Mechanical Helper	8.00	12.00	16.00	22.35	33.52	44.70	0.00
2800	Mechanical Superintendent	20.00	30.00	40.00	55.87	83.80	111.74	75.00
4600	Millwright "A"	15.00	22.50	30.00	41.90	62.85	83.80	65.00
4500	Millwright Foreman	16.00	24.00	32.00	44.69	67.04	89.38	65.00

Several other payroll and job cost reports have been modified to show the new rates, per diem, and job type information.

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