

QuickBooks™ Group Items : Progress Billing Solution for Sub-Contractors and Lump Sum Draws.

QuickBooks™ Premier Contractor Edition offers many options for invoicing and includes a pretty flexible Progress Invoicing feature. However, the Progress invoicing feature is definitely geared more toward line-item billing for General Contractors. Sub-contractors and many General Contractors run up against a customer billing issue when attempting to properly utilize detailed job-costing with QuickBooks™ Progress invoicing. To get good Estimate vs. Actual Job costing, the Estimate will need to be entered in detailed format with estimated labor, material, subcontractor and other costs. The issue arises when the Contractor is billing the Customer in a Lump Sum Draw schedule rather than by line item. Most often a Contractor in this situation would prefer to display on the invoice the Progress detail provided by QuickBooks™ progress invoicing such as the original contract amount as one lump sum, the current amount billing, and the previous amounts or percentage billed. However, they do not want to show several line item amounts like Labor, materials, etc. as detailed on the Estimate. Because the Progress invoice pulls it's data directly from the Estimate, there is a conflict. One solution is to create a custom Progress Invoice template that eliminates all columns except for the Description and manually typing in the detail, such as 20% Draw, etc. The disadvantage is of course is that you have eliminated one of the best features of Progress Billing, created manual entry, and the invoice just doesn't look as professional. Another solution, more preferable in my opinion, is to create Group Items that include your detailed job-costing items yet allow you to create a separate description. When you use this item on your Customer's Estimate, you will retain the Item's Job-costing and Revenue reporting, yet the Invoice created from the Estimate will Group the items together on one line with one amount. The main issue with this scenario is that you will need to set up a new group item for every group of items you use. For instance if you always use the same combination of items, like Labor, Materials, Subcontractor, you will not need to set up many Group Items. For more complicated re-models that include many different items for every job, you may need to set up a new Group item for every job.

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