



ALERE Business Applications

White Paper
Progress Billing

August 15, 2017

Progress Billing

Progress billings consists of a series of invoices that are prepared at different points in the process of a major project to seek payment for a percentage of work that has been completed so far.

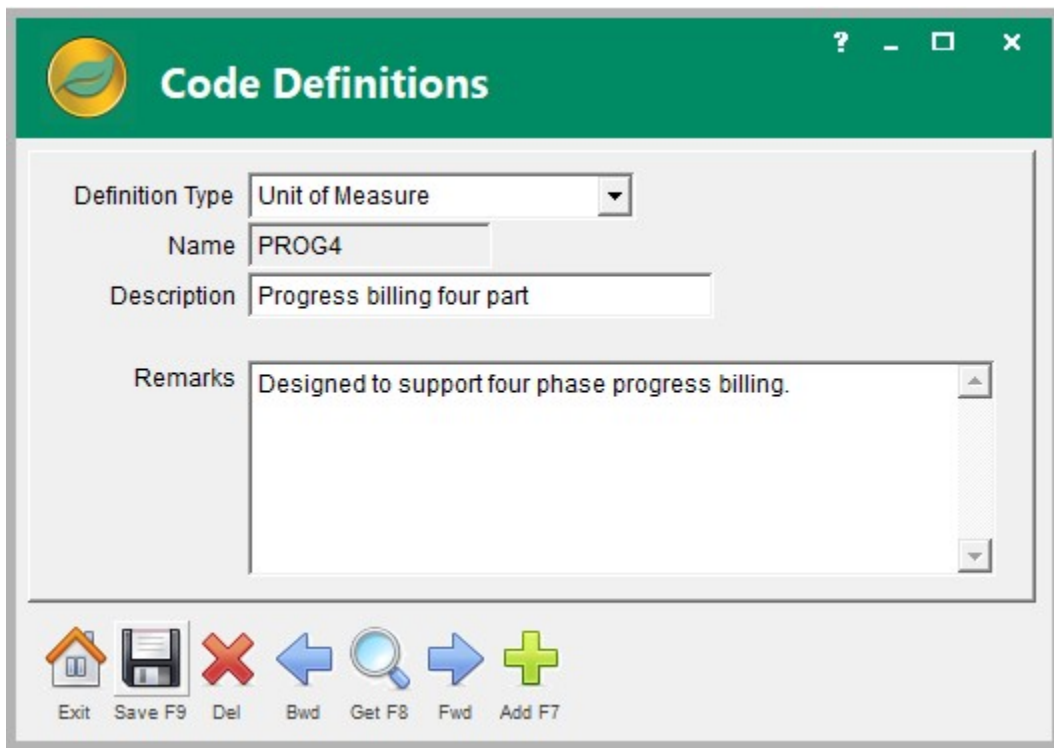
A progress billing (invoice) shows the original contract amount and any changes, approved by the client, to that amount.

A Sales Order is used as the initial document from which progress billing invoices can be created.

Preparation for Progress Billing

Follow these steps:

1. Add a Global Code Unit of Measure that will be used to convert the number of progress payments to 1 (example: PROG4 for four payments).
2. Verify that there is a Unit of Measure called *EACH* with a description of *Each*.
3. Create a conversion for PROG4 and EACH. (Example: 0.25000 for EACH = PROG4 and 4.00000 for PROG4 = EACH).
4. In Inventory add a stocking item to be used to bill for the job. Set the decimal quantity to 3 and on the *Location* tab set the selling unit of measure to PROG4.



The screenshot shows a software window titled "Code Definitions" with a green header bar. The window contains a form for defining a unit of measure. The "Definition Type" is set to "Unit of Measure". The "Name" field contains "PROG4" and the "Description" field contains "Progress billing four part". The "Remarks" field contains "Designed to support four phase progress billing." At the bottom of the window, there is a toolbar with icons for Exit, Save F9, Del, Bwd, Get F8, Fwd, and Add F7.

Definition Type	Unit of Measure
Name	PROG4
Description	Progress billing four part
Remarks	Designed to support four phase progress billing.

Figure 1 Sample Unit of Measure

Unit of Measure	Description
EACH	Each
PROG4	Progress billing four part

Conversion Factor	Unit of Measure	=	Unit of Measure
4.00000	PROG4	=	EACH
0.25000	EACH	=	PROG4

Precision
0.00000000

Exit	Save F9	Del	Bwd	Get F8	Fwd	Add F7

Figure 2 Sample Unit of Measure Conversion

Operating Notes

This is an example of steps necessary to setup for progress billings.

Adjust the names and descriptions to meet your requirements.

Creating an Order

Follow these steps to create an order from which progress billing invoices can be generated:

1. Add a new Sales Order.
2. Enter the item number, and quantity 1, to be used for billing on the Line tab once for each progress billing invoice to be generated.
3. Enter the amount for each billing invoice in the Regular Unit Price field.
4. Enter a line note for each line describing each invoice.
5. When done either save the order to leave the order in *Pending* status, or accept it to release the order.

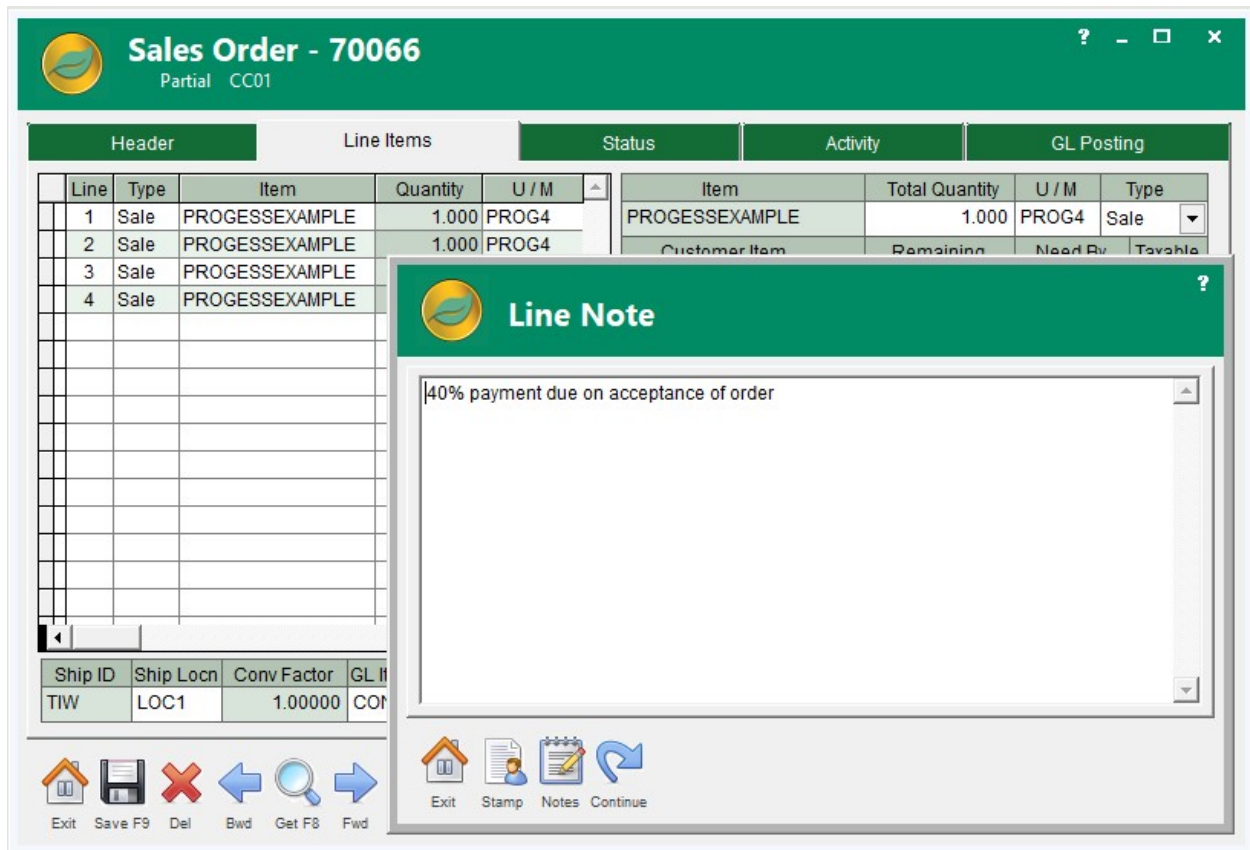


Figure 3 Sample Sales Order

Operating Notes

Make sure the client does not unintentionally receive any discounts. For example, a Whole Order discount that may apply.

The line note descriptions will be printed on the order and invoices.

A description example may be: 40% payment due on acceptance of order.

Releasing progress billing invoices

Follow these steps:

1. From the order *Status* tab, select the Invoice Only release function.
2. Select the line to release.
3. Release the line to create the invoice.



ALERE Inc, From TIW Technology, Inc
 769 Youngs Hill Rd
 Easton, PA 18040-6726

610-258-5160
 Fax: 610-258-6217

Sales Invoice 10093

Invoice Date: 08/11/2017
 Due Date: 09/24/2018
 Printed Date: 08/11/2017
 Page: 1

Bill To:

Custom Colours, Inc.
 7981 Main St
 Fogelsville, PA 18051
 USA

Ship To:

Custom Colours, Inc.
 7981 Main St
 Fogelsville, PA 18051
 USA

GST Tax ID: 123-45-6789

Customer ID	Purchase Order	Terms	Ship Via	F.O.B.	Sales Person	Ship From	Source	
CC01	BWB3452	2% 10 Days Net 30	UPS	Origin	CC01	LOC1	SO 70066	
Order Qty	Shipped Qty Back Order Qty	U.O.M. Description	Item Number	Item Status	Unit Price	Discount	Tax	Extended Price
1.000	1.000	PROG4	PROGESSEXAMPLE	Sale	4,000.00000	0.000	N	4,000.00
	1.000	Progress Example 40% payment due on acceptance of order						

Figure 4 Sample Invoice

Operating Notes

Releasing the invoice recognizes the revenue which is posted to the general ledger.

The final invoice will show the order completed.

In the example each invoice will ship $\frac{1}{4}$ of the total.

When all four invoices have been created, they will add up to 1 and the item can be shipped.

When the project is considered complete, then select all the lines and ship the item from the sales order using the *Ship Only* release function.