



How are Job Costs calculated?

Contractor Foreman Training Series

FIRST:

Some Definitions

- **CUSTOMER** – the company/contact you invoice
- **PROJECT** - the work to be performed for the Customer
- **ESTIMATE** – a detailed breakdown of proposed costs to complete the Project, each of which is “Marked Up” to establish the Contract Price to the Customer (Revenue)
- **COST BUDGET** –your proposed costs summarized by Cost Code and Type of Cost to allow easy comparison and tracking as the job progresses. Automatically set when the Estimate is approved/awarded by the Customer. Updated via Change Orders/Work Orders if the original scope of work is modified as the work is completed.
- **COMMITTED COST** – identifying and allocating Costs against your Cost Budget via Purchase Orders and Subcontracts, as well as Miscellaneous Expenses, TimeCards and Equipment Logs charged directly to the project
- **ACTUAL COST** – a total of the Bills received and approved from your Vendors and Subcontractors, as well as Miscellaneous Expenses, TimeCards and Equipment Logs charged directly to the project
- **INVOICED/BILLINGS** – the total of your Invoices submitted to your Customer as the work is completed

Tracking these numbers/totals is known as “Job Costing”

NEXT:

Picture worth a thousand words

Transaction (Feature)	CONTRACT PRICE	COST BUDGET	COMMITTED COST	ACTUAL COST	INVOICED/BILLINGS
ESTIMATE	ADDS	ADDS	-	-	
CHANGE ORDER	ADDS	ADDS	-	-	
WORK ORDER	ADDS	ADDS	-	-	
PURCHASE ORDER	-	-	ADDS	-	
SUBCONTRACT	-	-	ADDS	-	
EXPENSE	-	-	ADDS	ADDS	
BILL	-	-	-	ADDS	
TIMECARD	-	-	ADDS	ADDS	
INVOICES	-	-	-	-	ADDS
Project Totals					

Creating a chart to track the progress of the transactions.

Here is how each type of transaction gets added to the totals.

EXAMPLE:

ESTIMATE is
approved for
\$15,000

Transaction (Feature)	CONTRACT PRICE	COST BUDGET	COMMITTED COST	ACTUAL COST	INVOICED/BILLINGS
ESTIMATE is approved and budgets are set.	\$15,000.00	\$8,000.00	-	-	
Project Totals	\$15,000.00	\$8,000.00	\$0.00	\$0.00	\$0.00

*Your proposal/estimate is accepted and approved.
Both your Contract Price (\$15K) and Cost Budgets (\$8K) are set.*

PURCHASING:

a PO is written
for \$2500 of
Drywall Matls

Transaction (Feature)	CONTRACT PRICE	COST BUDGET	COMMITTED COST	ACTUAL COST	INVOICED/BILLINGS
ESTIMATE is approved and budgets are set.	\$15,000.00	\$8,000.00			
PO is written for Drywall Materials, approved and sent to Supplier.			\$2,500.00		
Project Totals	\$15,000.00	\$8,000.00	\$2,500.00	\$0.00	\$0.00

You write a PURCHASE ORDER for \$2,500 of Drywall Materials to your supply house and have it shipped to site directly.

PURCHASING:

SubContract is written for \$2000 for the Painter

Transaction (Feature)	CONTRACT PRICE	COST BUDGET	COMMITTED COST	ACTUAL COST	INVOICED/BILLINGS
ESTIMATE is approved and budgets are set.	\$15,000.00	\$8,000.00			
PO is written for Drywall Materials, approved and sent to Supplier.			\$2,500.00		
SUBCONTRACT is written to Painting Subcontractor.			\$2,000.00		
Project Totals	\$15,000.00	\$8,000.00	\$4,500.00	\$0.00	\$0.00

*You write a SUBCONTRACT for \$2,000 to the Painting Sub
Includes both the Paint and his Services.*

TIMECARDS:

Your Hanging Crew spends a day onsite.

Transaction (Feature)	CONTRACT PRICE	COST BUDGET	COMMITTED COST	ACTUAL COST	INVOICED/BILLINGS
ESTIMATE is approved and budgets are set.	\$15,000.00	\$8,000.00			
PO is written for Drywall Materials, approved and sent to Supplier.			\$2,500.00		
SUBCONTRACT is written to Painting Subcontractor.			\$2,000.00		
TIMECARDS for Drywall Hanging Crew. Total 16 hours.			\$320.00	\$320.00	
Project Totals	\$15,000.00	\$8,000.00	\$4,820.00	\$320.00	\$0.00

*Your Hanging crew spends a day onsite hanging drywall.
2 men for 8 hours each at \$20 per hour*

BILLS:

Drywall Matl
Bill is received
from Supplier
and entered.

Transaction (Feature)	CONTRACT PRICE	COST BUDGET	COMMITTED COST	ACTUAL COST	INVOICED/BILLINGS
ESTIMATE is approved and budgets are set.	\$15,000.00	\$8,000.00			
PO is written for Drywall Materials, approved and sent to Supplier.			\$2,500.00		
SUBCONTRACT is written to Painting Subcontractor.			\$2,000.00		
TIMECARDS for Drywall Hanging Crew. Total 16 hours.			\$320.00	\$320.00	
BILL from Supplier is received and entered.				\$2,500.00	
Project Totals	\$15,000.00	\$8,000.00	\$4,820.00	\$2,820.00	\$0.00

*Your Supplier's BILL for the Drywall Materials comes in the mail.
You generate a BILL from the PO and enter in the system.*

EXPENSE:

Finishing Crew
stops at Lowes
and buys 4
drop cloths.

Transaction (Feature)	CONTRACT PRICE	COST BUDGET	COMMITTED COST	ACTUAL COST	INVOICED/BILLINGS
ESTIMATE is approved and budgets are set.	\$15,000.00	\$8,000.00			
PO is written for Drywall Materials, approved and sent to Supplier.			\$2,500.00		
SUBCONTRACT is written to Painting Subcontractor.			\$2,000.00		
TIMECARDS for Drywall Hanging Crew. Total 16 hours.			\$320.00	\$320.00	
BILL from Supplier is received and entered.				\$2,500.00	
EXPENSE the 4 drop cloths picked up at Lowes on way to job.			\$44.00	\$44.00	
Project Totals	\$15,000.00	\$8,000.00	\$4,864.00	\$2,864.00	\$0.00

*Your Finishing Crew stops at Lowes on the way to site.
Buys 4 drop cloths at \$11 each and charges it to the project.
Takes picture of receipt with Mobile App.*

TIMECARDS:

Finishing Crew
tapes/finishes
the drywall.

Transaction (Feature)	CONTRACT PRICE	COST BUDGET	COMMITTED COST	ACTUAL COST	INVOICED/BILLINGS
ESTIMATE is approved and budgets are set.	\$15,000.00	\$8,000.00			
PO is written for Drywall Materials, approved and sent to Supplier.			\$2,500.00		
SUBCONTRACT is written to Painting Subcontractor.			\$2,000.00		
TIMECARDS for Drywall Hanging Crew. Total 16 hours.			\$320.00	\$320.00	
BILL from Supplier is received and entered.				\$2,500.00	
EXPENSE the 4 drop cloths picked up at Lowes on way to job.			\$44.00	\$44.00	
TIMECARDS for Tape and Finish Crew. Total 24 hours.			\$480.00	\$480.00	
Project Totals	\$15,000.00	\$8,000.00	\$5,344.00	\$3,344.00	\$0.00

*Your Finishing Crew tapes and finishes the drywall.
3 men for 8 hours each at \$20 per hour*

INVOICE:

Customer is
invoiced for
Drywall
portion of the
job.

Transaction (Feature)	CONTRACT PRICE	COST BUDGET	COMMITTED COST	ACTUAL COST	INVOICED/BILLINGS
ESTIMATE is approved and budgets are set.	\$15,000.00	\$8,000.00			
PO is written for Drywall Materials, approved and sent to Supplier.			\$2,500.00		
SUBCONTRACT is written to Painting Subcontractor.			\$2,000.00		
TIMECARDS for Drywall Hanging Crew. Total 16 hours.			\$320.00	\$320.00	
BILL from Supplier is received and entered.				\$2,500.00	
EXPENSE the 4 drop cloths picked up at Lowes on way to job.			\$44.00	\$44.00	
TIMECARDS for Tape and Finish Crew. Total 24 hours.			\$480.00	\$480.00	
INVOICE created for Drywall services performed.					\$9,000.00
Project Totals	\$15,000.00	\$8,000.00	\$5,344.00	\$3,344.00	\$9,000.00

***CUSTOMER is sent an INVOICE for the Drywall services performed.
Progress Invoice created for \$9,000***

CHANGE ORDER:

Client requests that door frames be painted as well.

Transaction (Feature)	CONTRACT PRICE	COST BUDGET	COMMITTED COST	ACTUAL COST	INVOICED/BILLINGS
ESTIMATE is approved and budgets are set.	\$15,000.00	\$8,000.00			
PO is written for Drywall Materials, approved and sent to Supplier.			\$2,500.00		
SUBCONTRACT is written to Painting Subcontractor.			\$2,000.00		
TIMECARDS for Drywall Hanging Crew. Total 16 hours.			\$320.00	\$320.00	
BILL from Supplier is received and entered.				\$2,500.00	
EXPENSE the 4 drop cloths picked up at Lowes on way to job.			\$44.00	\$44.00	
TIMECARDS for Tape and Finish Crew. Total 24 hours.			\$480.00	\$480.00	
INVOICE created for Drywall services performed.					\$9,000.00
CHANGE ORDER to Customer is submitted and approved.	\$700.00	\$400.00			
SUBCONTRACT is increased, accepted, and approved.			\$400.00		
Project Totals	\$15,700.00	\$8,400.00	\$5,744.00	\$3,344.00	\$9,000.00

*A \$700 CHANGE ORDER is created, submitted, and approved.
Cost from Painting Sub is quoted at \$400. SUBCONTRACT increased.*

BILL:

Painting Sub
sends bill for
Painting Walls
and Door
Frames.

Transaction (Feature)	CONTRACT PRICE	COST BUDGET	COMMITTED COST	ACTUAL COST	INVOICED/BILLINGS
ESTIMATE is approved and budgets are set.	\$15,000.00	\$8,000.00			
PO is written for Drywall Materials, approved and sent to Supplier.			\$2,500.00		
SUBCONTRACT is written to Painting Subcontractor.			\$2,000.00		
TIMECARDS for Drywall Hanging Crew. Total 16 hours.			\$320.00	\$320.00	
BILL from Supplier is received and entered.				\$2,500.00	
EXPENSE the 4 drop cloths picked up at Lowes on way to job.			\$44.00	\$44.00	
TIMECARDS for Tape and Finish Crew. Total 24 hours.			\$480.00	\$480.00	
INVOICE created for Drywall services performed.					\$9,000.00
CHANGE ORDER to Customer is submitted and approved.	\$700.00	\$400.00			
SUBCONTRACT is increased, accepted, and approved.			\$400.00		
BILL from Subcontractor is received and entered.				\$2,400.00	
Project Totals	\$15,700.00	\$8,400.00	\$5,744.00	\$5,744.00	\$9,000.00

*Painting Subcontractor BILL comes in mail and is entered.
Includes both the Painting of Walls as well as the Painting of Door
Frames on the same BILL. \$2,000 plus \$400*

INVOICE:


Final Invoice
including CO is
created and
submitted to
Customer

Transaction (Feature)	CONTRACT PRICE	COST BUDGET	COMMITTED COST	ACTUAL COST	INVOICED/BILLINGS
ESTIMATE is approved and budgets are set.	\$15,000.00	\$8,000.00			
PO is written for Drywall Materials, approved and sent to Supplier.			\$2,500.00		
SUBCONTRACT is written to Painting Subcontractor.			\$2,000.00		
TIMECARDS for Drywall Hanging Crew. Total 16 hours.			\$320.00	\$320.00	
BILL from Supplier is received and entered.				\$2,500.00	
EXPENSE the 4 drop cloths picked up at Lowes on way to job.			\$44.00	\$44.00	
TIMECARDS for Tape and Finish Crew. Total 24 hours.			\$480.00	\$480.00	
INVOICE created for Drywall services performed.					\$9,000.00
CHANGE ORDER to Customer is submitted and approved.	\$700.00	\$400.00			
SUBCONTRACT is increased, accepted, and approved.			\$400.00		
BILL from Subcontractor is received and entered.				\$2,400.00	
INVOICE created and submitted for balance of Contract Price.					\$6,700.00
Project Totals	\$15,700.00	\$8,400.00	\$5,744.00	\$5,744.00	\$15,700.00

*Final INVOICE for balance of Contract Price is created and submitted.
Job Services are complete. Awaiting payment from Customer.*

REPORT:

Job Costing ACTUAL report with Details

		Job Cost Actual Report (Detailed)								
Project		Office Relocation								
		Created On: 05/20/2023								
Cost Code	Cost Code Description	Current Contract Value	Current Cost Budget	Timecards	Bills	Expenses	Equipment Timecards	Total Actual Costs	Contract Minus Costs	Cost Budget Minus Costs
09250	09250 - GYPSUM BOARD	9000.00	6000.00	800.00	2500.00	44.00	0.00	3344.00	5656.00	2656
09900	09900 - PAINTING	6700.00	2400.00	0.00	2400.00	0.00	0.00	2400.00	4300.00	0
Total		15700.00	8400.00	800.00	4900.00	44.00	0.00	5744.00	9956.00	2656

Source	Item #	Date	Item Type	Item Name	QTY	Price	Total	Cost Code
Bill #PO #10	Robinson Building Supply	05/18/2023	Material	Drywall Materials	1	2500	2500.00	09250 - GYPSUM BOARD
Expense	Robinson Building Supply	05/18/2023	Material	4 Drop Cloths	1	44	44.00	09250 - GYPSUM BOARD
Bill #9	Roberto Juarez (Roberto Tenant Finishes)	05/18/2023	Sub Contrac	Painting Subcontractor	1	2000	2000.00	09900 - PAINTING
Bill #9	Roberto Juarez (Roberto Tenant Finishes)	05/18/2023	Sub Contrac	Painting Door Frames	1	400	400.00	09900 - PAINTING
Timecard	crew_sheet: Mark Richards	05/18/2023	Labor		8:00	20	160	09250 - GYPSUM BOARD
Timecard	crew_sheet: Jeff Jones	05/18/2023	Labor		8:00	20	160	09250 - GYPSUM BOARD
Timecard	crew_sheet: Mark Richards	05/19/2023	Labor		8:00	20	160	09250 - GYPSUM BOARD
Timecard	crew_sheet: Jeff Jones	05/19/2023	Labor		8:00	20	160	09250 - GYPSUM BOARD
Timecard	crew_sheet: Jeff Jones	05/20/2023	Labor		8:00	20	160	09250 - GYPSUM BOARD

*Job Costing Details summarized by Cost Code.
Transaction Details Listed on a separate tab.*

ONSCREEN:

Cost Comparison by Item Type



Cost Comparison By Type




	Estimated Cost ⓘ	Committed Cost ⓘ	Actual Cost ⓘ	Remaining Committed ⓘ	Remaining Actual ⓘ	Remaining Committed ⓘ	Remaining Actual ⓘ
Material	2,500	2,544	2,544	-44	-44	-2%	-2%
Labor	3,500	800	800	2,700	2,700	77%	77%
Equipment	0	0	0	0	0	0%	0%
Subcontractor	2,400	2,400	2,400	0	0	0%	0%
Other	0	0	0	0	0	0%	0%
Unassigned	0	0	0	0	0	0%	0%
Total	8,400	5,744	5,744	2,656	2,656	32%	32%

Quick Review of Estimated vs Committed vs Actual Costs

Calculates Remaining Costs so you know how much budget is left

GROSS PROFIT:

Billing vs. Actual Report and OnScreen

		Billing vs Actual Report								
		Created On: 05/20/2023								
Project	Office Relocation									
Labor:	Emp Wage									
Gross Profit Calc:	Sales Margin									
Sales Tax:	Excluded									
Project ID	Project Name	Project Manager	Project Status	Completion Date	Total Project Amount (no/Tax)	Invoiced to Date (no/Tax)	Remaining to Invoice (no/Tax)	Total Actual Costs	Billings Minus Costs	Gross Profit %
19-33	Office Relocation	Mark Richards	Work Finished - INVOICE		15700.00	15700.00	0.00	5744.00	9956.00	63.41
Total					15700.00	15700.00	0.00	5744.00	9956.00	63.41



Billing vs Actual

Total Project Amount (no/Tax)	\$15,700.00
Invoiced to Date (no/Tax) (100%)	\$15,700.00
Remaining to Invoice (no/Tax) (0%)	\$0.00
Total Actual Costs	\$5,744.00
Gross Profit	\$9,956.00

*Summary Report and OnScreen
comparing Project Amount Billings to Actual Costs
With Gross Profit %*

ON SCREEN:

Financial Summary and Breakdown on-demand

Financial Summary					
	Estimated Revenue ⓘ	Estimated Cost ⓘ	Estimated Profit ⓘ	Estimated Markup ⓘ	Estimated Margin ⓘ
Original Contract Amount	15,000	8,000	7,000	88%	47%
Change Orders	700	400	300	75%	43%
Work Orders	0	0	0	0%	0%
Service Tickets	0	0	0	0%	0%
Total Project Amount	15,700	8,400	7,300	87%	47%
Tax	0				
Total Project Amount (w/Tax)	15,700				
Amount Invoiced	15,700	Retention Held	0	Remaining to Inv.	0
Amount Paid	0				
Amount Unpaid	15,700	Due in 30 days	15,700	Past Due	0

Project FINANCIALs provide a current snapshot of your Budgets, Invoices, Current Project Amount and Receivables On-Demand!

Let's REVIEW:

Job Costing is
not really
complicated ...

Transaction (Feature)	PROJECT AMT	EST COST	COMMITTED COST	ACTUAL COST	INVOICED
ESTIMATE	ADDS	ADDS	-	-	
CHANGE ORDER	ADDS	ADDS	-	-	
NO COST CHANGE ORDER		ADDS	-	-	
WORK ORDER*	ADDS	ADDS	-	-	
SERVICE TICKET**	ADDS	ADDS	-	-	
PURCHASE ORDER	-	-	ADDS	-	
SUBCONTRACT	-	-	ADDS	-	
EXPENSE	-	-	ADDS	ADDS	
BILL	-	-	-	ADDS	
TIMECARD	-	-	ADDS	ADDS	
EQUIPMENT LOG	-	-	ADDS	ADDS	
INVOICES	-	-	-	-	ADDS
Project Totals					

PROJECT AMT / EST COST – Estimates, Owner Change Orders, Work Orders

***COMMITTED COST – Purchase Orders, Subcontracts, Expenses, Timecards
and Equipment Log Entries***

ACTUAL COST – Bills, Expenses, Timecards, and Equipment Log Entries

INVOICED- Invoices to Customer

Any specific
QUESTIONS?



Thank You!



Support Team

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