

# Sunburst Software Solutions

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## 8 Deadly Sins of AIA Billing with Construction Application for Payment Solution

*The following information has been copied from the CAPS Manual and provided for your convenience in article format here on our Support Area.*

### **How CAPS Gets Data From QuickBooks:**

Construction Application for Payment Solution has to work in a logical manner due to some limitations within the QuickBooks® Software Development Kit (SDK). The entire process starts with your original bid or Estimate for the job; you enter those line items with their original values once in the QuickBooks® Estimate Form and those items remain unchanged during the duration of the job; meaning that 3 months into the contract you do not go back and change an amount or a description. Such an action will only confuse CAPS and cause you problems later down the road.

In the natural course of a construction project there are times when Change Orders or Extra Work orders can both increase or decrease the original contract; and in a logical fashion those changes should be added to the bottom of the Estimate after the line items for the original portions of the Estimate; you should not go back to the Estimate and just increase the dollar value for line item X as it throws off the entire logical history of your job and you can lose track of your change orders and what those amounts originally were.

Again, following logic, you return to the Estimate Form each month when you are ready to do a draw request and create a Progress Invoice indicating the amounts that you are currently billing for; once the Progress Invoice is created you do not add additional line items that do not exist on the Estimate Form - that line item has nothing to link back to nor does it automatically add that line item to the Estimate for you. An action such as this will only confuse QuickBooks®, CAPS, and also you.

CAPS, through the use of the SDK, is only able to utilize the line item descriptions and dollar amounts from both the Estimate and the Progress Invoice and completes all other mathematical calculations that are required on the Continuation Sheet. CAPS cannot work off the similar columns on the Progress Invoice because the SDK does not allow access to those columns, and even QuickBooks® itself does not keep track of the amounts in those other columns anywhere other than on the Progress Invoice - meaning you cannot generate a report showing all of the information on that Progress Invoice.

CAPS utilizes a "read-only" access of your data file and does not write any information back to your QuickBooks® data file, thus ensuring the safety of its contents.

## What are the 8 Deadly Sins of AIA Billing?

Due to limitations in the Intuit Software Development Kit (SDK) and within QuickBooks itself, performing any of the following 8 Deadly Sins of AIA Billing will require that you delete all applications in CAPS, as well as, delete and recreate all Progress Invoices in QuickBooks. You will then pull all recreated Progress Invoices into CAP again.

1. Verify the following Preference Setting in QuickBooks. From the Edit menu, choose Preferences, click on Jobs & Estimates, and then the Company Preferences tab. On this tab there is an option that states “Don’t print items that have zero amounts”; make sure that this option is **not checked**. *Line items that are not billed in the current draw must be shown on your Continuation Sheet with a “zero amount” as well as those line items that you are billing with a dollar amount.*
2. Delete lines from the Estimate and/or Progress Invoice after you have brought one or more payment applications into the CAPS program. Instead, use the CAPS **Detail** button to view the Detail screen and set the status to “Future”, which means this hasn’t happened yet. If a Change Order eliminates a line item that was part of the original bid the best way to handle this is to create a negative line item on the QB Estimate and “bill it” on your progress invoice. *See the manual section called Handling Extra Work Orders and Change Orders for detailed instructions on how to accomplish this.*
3. Change the structure of the Estimate and/or Progress Invoice by moving line item positions. *Set your Estimate up once and then leave it alone.*
4. Insert a line that uses the exact same QuickBooks Item as the line that will be directly following the newly inserted line. *If you are inserting multiple lines, none of these lines may be the same item as the existing item following these lines.*
5. You may have only 1 invoice for any given date for a specific job in QuickBooks. *Having more than 1 invoice with the same date for the same job will confuse CAPS as well as yourself.*
6. *If you choose to round lines 4-8 on the G-702 to the nearest dollar, you cannot make a Line 7 adjustment in pennies.*
7. Issue Credit Memo’s in QuickBooks and EXPECT CAPS to pick up the Credit Memo as a negative Change Order that reduces individual line items on the Estimate. Line Item reductions such as these should be properly shown on the Estimate and therefore the Continuation Sheet. *See the manual section called Negative Application for Payment for more details.*
8. *Using QuickBooks Subtotal items within your Estimate is forbidden. The **only** place that a subtotal should be used is at the bottom of your progress invoice – just before taking off your retainage. CAPS has been **taught** to ignore not only the QuickBooks Subtotal Item but also the line item just below it (your retainage on the progress invoice). If you would like to subtotal specific line items or create page breaks you may do so within the CAPS Detail Screen **after** turning on the option to Allow Subtotals and Page Breaks on Continuation Sheets – found by going to the System Setup menu and choosing Options.*

Following these simple, logical steps will ensure that your payment applications come out right the first time!