Construction Application for Payment Solution - Where does all the information come from?

1   Introduction

Sometimes information hasn't been entered into QuickBooks and then can't be pulled onto your final billing forms. Other times, information hasn't been entered or set up correctly in the CAPS program. In both cases, this causes blank spots on your final billings.

The Construction Application for Payment Solution - Where Does All the Information Come From document has been designed to help you to troubleshoot your billings and identify where blank spots/missing information on your Certificate and Application for Payment and Exhibit A - Schedule of Work forms comes from and where to go to correct them.

How to use this document:
Using the last two pages of this file which contains both a sample Certificate & Application for Payment as well as an Exhibit A -Schedule of Work, locate the number in red that indicates the piece of missing information and then simply match up that number to the number in this document.

NOTE: Math errors are most easily identified by carefully checking the dollar amounts on the left side of the Certificate and Application for Payment, Lines 1-9 and Summary of Approved Change Orders. All math "formula's" are identified there.   Once you've identified where the actual dollar amounts are off, then identify the location using the samples at the end of this document and look up that item.

1. INITIAL CONTRACT AMOUNT:		12
2. APPROVED CHANGE ORDERS (impacting initial contract amount):		13
3. CURRENT CONTRACT VALUE (Line 1 PLUS Line 2):		14
4. TOTAL COMPLETED WORK & STORED MATERIALS TO DATE: (Total from Column G, Exhibit A)		15
5. CONTRACT RETAINAGE/RETENTION:		
a. 16 % of Work Completed (Total of Columns D PLUS E from Exhibit A)	17	
b. 18 % of Stored Material(s) (Total of Column F from Exhibit A)	19	
c. Total Retainage/Retention (Line 5a PLUS 5b) or Total of Column I from Exhibit A (if variable)		20
6. TOTAL EARNED MINUS RETAINAGE/RETENTION: (Total of Line 4 MINUS Line 5)		21
7. MINUS PREVIOUS APPLICATION FOR PAYMENT: (Line 6 from prior Certificate and Application for Payment)		22
8. CURRENT PAYMENT AMOUNT REQUESTED:		23
9. BALANCE OF CONTRACT TO FINISH, INCLUDING RETAINAGE/RETENTION: (Line 3 MINUS Line 6)	24	

SUMMARY OF APPROVED CHANGE ORDERS:	ADDITIONS	DEDUCTIONS
Change orders previously approved	25	26
Change orders approved this billing period	27	28
Total approved to date	29	30
Net		31

For additional help:
Be sure that you've watched these training videos:
- Running CAPS & creating billings, and
- Customizing your billing forms

These videos and others are in the CAPS Support area on our website. Access them from the CAPS Help menu --> On the Web --> Video Training.

2   Certificate and Application for Payment

The following items could be missing on any of the CAPS Certificate and Application for Payment forms or they could be missing when printing to authentic AIA® G702 documents that you've purchased from aia.org.

1. **Contract #, Application #, Billing Period Ending, Contract Date, and up to 3 other project specific codes of your choice.** These items come from different locations.
    - **Contract # comes from the Job Record -> Basics** tab, and the information you entered into the Project # field
    - **Application #** - the first time that you bring a Progress Invoice in from QuickBooks, you will have two opportunities to start off with the correct application #. CAPS will default automatically to 1, because it is the first time it has seen this job. The first opportunity to change the Application # is when you view the Detail screen and the second opportunity to change that number is on the Print screen. To change an Application # simply type in the correct number. Once you have the Application # for this job set correctly, CAPS will automatically increase it by one with each new progress invoice.
    - **Billing Period Ending comes from the Job Record --> Billing** tab - there are 3 opportunities to enter this information. The first opportunity is at the Reconciliation Step 1 screen --> To Date field, the second is when you Add/Edit the job and enter a date in the First Period Ending Date of the Billing tab, and the final opportunity is in the Detail screen.
    - **Contract Date comes from the Job Record --> Basics** tab - and the information you entered into the Original Contract Date field.
    - **3 other project specific codes of your choice** - the project specific codes are based on entries you made in the Job Record --> Basics tab and are displayed based on your selections in the Form Options section of the Job Record --> Printing tab --> Form Options.
2. **Contract for** - this description comes from the QuickBooks Job Record --> Job Info tab --> Job Description field.
3. **To XXX Title** - the "To" title can be customized on all CAPS forms in the Form Options of the Job record --> Printing tab --> Form Options. Here you select the entity type you are submitting the billing to. "To" names can be set to read:
    - To Owner
    - To Contractor
    - To GC
    - To Project Manager
    - To Contract Manager
    - Construction Manager
4. **To "block"** - this block should display the full company name and billing of address of whoever you are submitting the billing to. The info displayed here is from your QuickBooks Job Record --> Bill To Address block.
5. **Project Location "block"** - this information comes from the QuickBooks Job Record --> Ship To Address block.
6. **From XXX Title** - the "From" title can be customized on all CAPS forms in the Form Options of the Job Record --> Printing tab --> Form Options. Basically, you are selecting your business type here. "From" names can be set to read:
    - From Contractor
    - From Subcontractor
    - From GC

    The "From" name you select here will automatically change these additional items - 11, 32,   33, and 47 and any items in red text where $FROM$ is displayed. Example, if you indicate   that you are a

Subcontractor, #11 would now read **SUBCONTRACTOR'S CERTIFICATE AND APPLICATION FOR PAYMENT** and all instances of **$FROM$** would be replaced with **SUBCONTRACTOR**.

7. **From "block"** - this is your company name and address. It is a combination of your CAPS licensed company name, and your company address information from QuickBooks that was brought into the CAPS program to System Setup menu --> Address & Default Information --> Address tab. If your address is not displaying correctly, you will need to change it in BOTH QuickBooks (Company menu --> My Company) and in CAPS.

8. **$WITH$ "Title"** - this title can be customized from the CAPS Job Record --> Printing tab --> Form Options to read:
   - ***None*** - **if this option is selected, #8, 9, 42, 43, 44, 45, and 46 are removed** from the printed form
   - Engineer
   - Architect
   - Project Manager
   - Contract Manager
   - Construction Manager
   - Owner's Rep

   Example: If Project Manager is selected, then **Project Manager** would display here.

9. **$WITH$ "block"** - the name and address of all entities listed in #8 have records in CAPS, as QuickBooks has no way to associate an Architect, Engineer, etc. with a specific job. All entities in #8 are first setup in CAPS --> Edit Menu --> Architects/Engineers, then assigned to a specific job(s) on the Basics tab, and then their correct title is selected in Form Options. If *None* is selected in #8, this block will not display on printed forms.

10. **Copies Distributed to "block"** - the Distribution list is fully customized by you from the Job Record --> Printing tab --> Form Options --> Cover tab

11. **$FROM$'S CERTIFICATE AND APPLICATION FOR PAYMENT** - this "title" is automatically updated by the selection you make in #6. Example, if you indicated that you are a Subcontractor in #6, this title would now read **SUBCONTRACTOR'S CERTIFICATE AND APPLICATION FOR PAYMENT** and all instances of **$FROM$** would be replaced with **SUBCONTRACTOR**.

12. **INITIAL CONTRACT AMOUNT** - this amount comes from the CAPS linked Job record --> Basics tab from the field labeled **Original Contract Amount.** CAPS reads the total amount of your QuickBooks Estimate and places that amount in that field for you automatically, however, CAPS warns that "this amount may not be correct". If you have Change Orders prior to your first billing, the amount of the change order increases you QuickBooks Estimate and you'll need to change the Original Contract amount in the CAPS Job Record.

13. **APPROVED CHANGE ORDERS** - this amount comes from #31 Net, in the Summary of Approved Change Orders section at the lower left of the form, and is the total amount of the line items that have statuses of current and Prior in the CAPS Detail screen.

14. **CURRENT CONTRACT VALUE -** this is just simple math which adds (or subtracts) the amounts in #12 and #13

15. **TOTAL COMPLETED WORK & STORED MATERIALS TO DATE -** the amount shown here should match the total of Column G on the last page of the printed Exhibit A - Schedule of Work/Continuation Sheet.

16. **(RETAINAGE) % of Work Completed -** this displays the fixed retainage percent you indicated for completed work on this project, found in the CAPS Job record --> Billing tab. If you said retainage was 10%, 5%, etc. that is what will display in this field. If you indicated that retainage was variable and then in the Detail screen entered retainage rates of 0 & 10% on different line items, this field displays 0-10%.

17. **AMOUNT OF RETAINAGE HELD ON WORK COMPLETED -** this should display the the amount of the retainage percent(s) multiplied by the totals shown in Column D & E of Exhibit A - Schedule of Work.

18. **(RETAINAGE) % of Stored Material(s) -** this displays the fixed retainage percent you indicated for stored materials on this project, found in the CAPS Job record --> Billing tab. If you said retainage was

10%, 5%, etc. that is what will display in this field. If you indicated that retainage was variable and then in the Detail screen entered retainage rates of 0 & 10% on different line items, this field displays 0-10%.

19. **AMOUNT OF RETAINAGE HELD ON STORED MATERIAL(S) -** this should display the the amount of the retainage percent(s) multiplied by the totals shown in Column F of Exhibit A - Schedule of Work.

20. **Total (Amount of Retainage) of Column I from Exhibit A (if variable) -** this amount is **either** the amounts in #17 and #19 added together OR the total from Column I on Exhibit A.

21. **TOTAL EARNED MINUS RETAINAGE/RETENTION -** this amount is equal to #15 MINUS #20.

22. **MINUS PREVIOUS APPLICATION FOR PAYMENT -** this amount should equal the amount carried forward from Line 6 of your previous applications for payment. **Pay close attention to this amount if you are starting to use CAPS in the middle of an existing project** - if this amount is incorrect, in CAPS, go to Edit --> Jobs --> select this job --> click History--> click on this pay app --> click Edit and check the amounts you entered in the Previous Bill column.

23. **CURRENT PAYMENT AMOUNT REQUESTED -** the amount displayed is the total from Column G on Exhibit A MINUS retainage.

24. **BALANCE OF CONTRACT TO FINISH, INCLUDING RETAINAGE/RETENTION -** the amount shown here is the total shown in #14 MINUS the amount shown in #21.

25. **Change orders previously approved ADDITIONS -** the amount shown here is equal to the the total of all Change Orders that increase the contract amount that have a status of PRIOR in the CAPS Detail Screen.

26. **Change orders previously approved DEDUCTIONS -** the amount shown here is equal to the the total of all Change Orders that decrease the contract amount that have a status of PRIOR in the CAPS Detail Screen.

27. **Change orders approved this billing period ADDITIONS -** the the amount shown here is equal to the the total of all Change Orders that increase the contract amount that have a status of CURRENT in the CAPS Detail Screen.

28. **Change orders approved this billing period DEDUCTIONS -** the amount shown here is equal to the the total of all Change Orders that decrease the contract amount that have a status of CURRENT in the CAPS Detail Screen.

29. **Total approved to date ADDITIONS -** this amount equals the amounts in # 25 PLUS #27.

30. **Total approved to date DEDUCTIONS -** this amount equals the amounts in #26 PLUS #28.

31. **Net (Change Orders) -** the amount in #29 MINUS #30.

32. **$FROM$'S CERTIFICATION -** this "title" is automatically updated by the selection you make in #6. Example, if you indicated that you are a Subcontractor in #6, this title would now read SUBCONTRACTOR'S CERTIFICATION and all instances of $FROM$ would be replaced with SUBCONTRACTOR.

33. **$FROM$'S -** this "title" is automatically updated by the selection you make in #6. Example, if you indicated that you are a Subcontractor in #6, this title would now read SUBCONTRACTOR and then display your company name.

34. **Duly Authorized Agent -** written signature of company official.

35. **Date -** date that Certificate and Application for Payment is/was signed.

36. *Notary block* - this entire block can be removed from the form for this job from the Job record --> Printing --> Form Options --> Cover tab.

37. **State of -** this holds the Notary State and you have an in-house notary. This information is found in CAPS System Setup --> Address & Defaults --> Notary tab.

38. **County of -** this holds the Notary County and you have an in-house notary. This information is found in CAPS System Setup --> Address & Defaults --> Notary tab.

39. **XX day of -** the day's date that the billing is/was printed.

40. **Month -** the current month and year that the billing is/was printed.

41. **Notary Public -** this displays the name of your in-house notary. This information is found in CAPS System Setup --> Address & Defaults --> Notary tab.

42. **My Commission expires -** displays the notary's commission expiration date, if you have an in-house notary. This information is found in CAPS System Setup --> Address & Defaults --> Notary tab.

43. **$WITH$ CERTIFICATION -** the information shown here will depend on what you choose in #8. If **None** was selected in #8, then this entire block will be removed from the printed form. If you chose **Project Manager** in #8, then this title would display as **PROJECT MANAGER'S CERTIFICATION** and all instances of **XXX** would be replaced with **Project Manager** and all instances of **$FROM$** would be replaced with **Subcontractor**.

44. **AMOUNT CERTIFIED -** this is the amount that the Architect, Engineer, Project Manager, etc. is approving, it might be different than the amount your are requesting.

45. **$WITH$** - this will display the title you selected in Form Options for #8. Example: If you chose **Project Manager**, then **PROJECT MANAGER** would display here.

46. **$WITH$ COMPANY NAME -** this would display the name of the Architect, Engineer, Project Manager, etc. company that you choose in the CAPS Job record --> Basics tab --> from the With Architect/Engineer drop down menu.

47. **BY (Duly Authorized Agent)** - this is the name of the Contact Person entered in the Architect/Engineer record stored in CAPS. If there is no name here, from the CAPS Edit menu --> find the Company Name displayed in #46 --> Edit and enter the Contact person's name.

48. **$FROM$ is only entitled to the Certified Amount, which is payable only to the $FROM$** - all $FROM$ variables are replaced with the option you chose in #6.
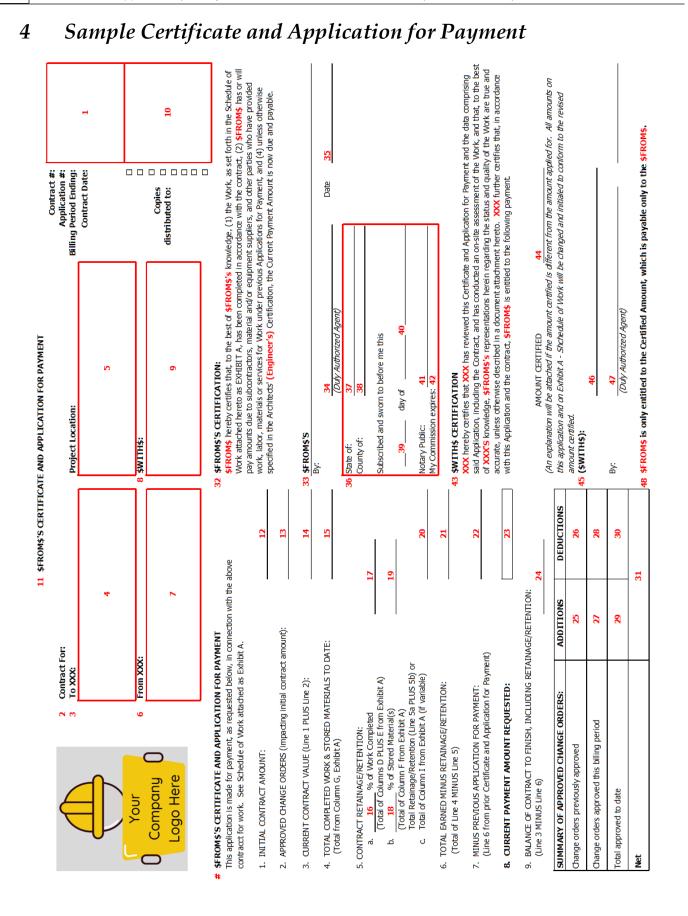
3   *Exhibit A - Schedule of Work*

This section explains where Items 1-16 come from on Exhibit A - Schedule of Work.

1. **Contract for -** this comes from the QuickBooks Job Record --> Job Info tab --> Job Description field.

2. **(Upper right corner) Page #, Contract #, Application #, Billing Date, Period Ending, and up to 3 additional fields -** this is where the following information comes from:
   - Page # - automatically generated by CAPS based on the total number of pages of Exhibit A you have.
   - Contract # - CAPS Job Record --> Basics --> Project # field
   - Application # - same as Application # on the Certificate and Application for Payment
   - Billing Date - this is the date that you actually processed the billing
   - Period Ending Date - same as Period Ending Date on the Certificate and Application for Payment
   - **3 other project specific codes of your choice** - the project specific codes are based on entries you made in the Job Record --> Basics tab and are displayed based on your selections in the Form Options section of the Job Record --> Printing tab --> Form Options.

3. **To -** this can be customized to read To Owner, To Contractor, To GC, To Project Manager, To Contract Manager or To Construction Manager from the Job Record --> Printing tab --> Form Options

4. **To Block -** this information comes from the QuickBooks Job Record --> Bill To Address Block

5. **From** - this is you, and can be customized to read From Contractor, From Subcontractor, or From GC from the Job Record --> Printing tab --> Form Options

6. **From Block -** this is your company name and address. It is a combination of your CAPS licensed company name, and your company address information from QuickBooks that was brought into the CAPS program to System Setup menu --> Address & Default Information --> Address tab. If your address is not displaying correctly, you will need to change it in BOTH QuickBooks (Company menu --> My Company) and in CAPS.

7. **Column A, Item # -** item numbers are generated by CAPS and range from 1 through the total number of lines in your contract.

8. **Column B, Work Descriptions (by line item) -** these descriptions are the same descriptions from your QuickBooks Estimate --> Description of Work column.

9. **Column C, Initial Contract Amount -** these amounts are the same as the totals from your QuickBooks Estimate. They are the amounts that you are charging your customer.

10. **Column D, Work Previously Completed -** CAPS remembers and updates how much you billed previously on each line item. If these amounts are incorrect and your starting to use CAPS in the middle of an existing project, in CAPS from the Edit menu --> Jobs --> click on this job --> Edit --> click History --> this pay app --> Edit and carefully review the amounts you entered in the Previous Bill column.

11. **Column E, Work Completed This Period -** these amounts come from the QuickBooks Progress Invoice you retrieved for this billing. The amounts shown here should be the same as the totals shown for each line item on the Invoice. If the amounts are incorrect, compare them to your QuickBooks Progress Invoice and be sure that your QuickBooks Progress Invoices are dated at least one month apart. If your invoices in QuickBooks are all dated for the same day, they will simply overwrite one another in CAPS.

12. **Column F, Materials Currently Stored on the Job Site (Not in D or E) -** Store materials are included in the QuickBooks Progress invoice for this billing. Store Materials are then split out in the CAPS Detail screen and entered in the Stored Column there.

13. **Column G, Completed Work & Materials Stored to Date (D+E+F) -** CAPS takes the dollar amounts in Column D, E, and F, adds them together and provides the grand total.

14. **% Done (G/C)** - CAPS takes the amount in Column G and divides it by the amount in Column C to provide the percent complete.

15. **Column H, Outstanding Balance to Finish (C-G) -** CAPS does this math, by taking the amount in Column C and subtracting the amount in Column G.

16. **Column I, Variable Retainage Only -** Column I is usually reserved only for contracts where the retainage varies on different line items, portions of the contract or when the retainage changes at some point over the life of the contract. Contract with variable retainage must be set up as such in the Job Record --> Billing tab where you can indicate if you want retainage show to be an accumulating balance or not. If you don't check the accumulating balance option then retainage displayed will be the amount of retainage held this period only. Retainage rates must be entered for each line item in the Detail screen, and in form options you can choose to have the retainage rate (10%) displayed or the dollar amount that represents 10%.

4   *Sample Certificate and Application for Payment*

Your Company Logo Here

11 $FROM$'S CERTIFICATE AND APPLICATION FOR PAYMENT

2 Contract For:
3 To XXX: **4**

6 From XXX: **7**

Contract #:   **1**
Application #:
Billing Period Ending:
Contract Date:

Project Location: **5**

8 $WITH$:   **9**

Copies
distributed to: **10**

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☐ ☐
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 # $FROM$'S CERTIFICATE AND APPLICATION FOR PAYMENT
This application is made for payment, as requested below, in connection with the above contract for work. See Schedule of Work attached as Exhibit A.

1. INITIAL CONTRACT AMOUNT: **12**

2. APPROVED CHANGE ORDERS (impacting initial contract amount):   **13**

3. CURRENT CONTRACT VALUE (Line 1 PLUS Line 2):   **14**

4. TOTAL COMPLETED WORK & STORED MATERIALS TO DATE: **15**
   (Total from Column G, Exhibit A)

5. CONTRACT RETAINAGE/RETENTION:
   a.   **16**   % of Work Completed   **17**
      (Total of Columns D PLUS E from Exhibit A)
   b.   **18**   % of Stored Material(s)   **19**
      (Total of Column F from Exhibit A)
      Total Retainage/Retention (Line 5a PLUS 5b) or
   c.   Total of Column I from Exhibit A (if variable)   **20**

6. TOTAL EARNED MINUS RETAINAGE/RETENTION: **21**
   (Total of Line 4 MINUS Line 5)

7. MINUS PREVIOUS APPLICATION FOR PAYMENT: **22**
   (Line 6 from prior Certificate and Application for Payment)

8. **CURRENT PAYMENT AMOUNT REQUESTED:**   **23**

9. BALANCE OF CONTRACT TO FINISH, INCLUDING RETAINAGE/RETENTION: **24**
   (Line 3 MINUS Line 6)

SUMMARY OF APPROVED CHANGE ORDERS:	ADDITIONS	DEDUCTIONS
Change orders previously approved	25	26
Change orders approved this billing period	27	28
Total approved to date	29	30
Net		31

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32 $FROM$'S CERTIFICATION:
$FROM$ hereby certifies that, to the best of $FROM$'s knowledge, (1) the Work, as set forth in the Schedule of Work attached hereto as EXHIBIT A, has been completed in accordance with the contract, (2) $FROM$ has or will pay amounts due to subcontractors, material and/or equipment suppliers, and other parties who have provided work, labor, materials or services for Work under previous Applications for Payment, and (4) unless otherwise specified in the Architect's (**Engineer's**) Certification, the Current Payment Amount is now due and payable.

33 $FROM$'S
By: _____   Date _____ **35**
     34 *(Duly Authorized Agent)*

36 State of: **37**
County of: **38**

Subscribed and sworn to before me this

_____ **39**   day of _____ **40**

Notary Public: _____ **41**
My Commission expires: **42**

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43 $WITH$ CERTIFICATION
XXX hereby certifies that **XXX** has reviewed this Certificate and Application for Payment and the data comprising said Application, including the Contract, and has conducted an on-site assessment of the Work, and that, to the best of **XXX's** knowledge, $FROM$'s representations herein regarding the status and quality of the Work are true and accurate, unless otherwise described in a document attachment hereto. **XXX** further certifies that, in accordance with this Application and the contract, $FROM$ is entitled to the following payment.

AMOUNT CERTIFIED   **44**
(An explanation will be attached if the amount certified is different from the amount applied for. All amounts on this application and on Exhibit A - Schedule of Work will be changed and initialed to conform to the revised amount certified.)

45 ($WITH$):

By: _____   **46**
     47 *(Duly Authorized Agent)*

48 $FROM$ is only entitled to the Certified Amount, which is payable only to the $FROM$.

5   *Sample Exhibit A - Schedule of Work*

EXHIBIT A - SCHEDULE OF WORK

Page:
Contract #:
Application #:   2
Billing Date:
Period Ending:

Contract For: 1

To: 3   4

From: 5   6

Exhibit A for CONTRACTOR'S CERTIFICATE AND PAYMENT APPLICATION.
Amounts may or may not be rounded to the nearest dollar value. Fixed retainage/retention does not show in Column I and only appears on the cover sheet. Column I is used to display the retainage/retention percentage OR the dollar amount of retainage/retention for Contracts where variable retention/retainage rates for different line items apply.

A	B	C	D	E	F	G	H		I
			Completed Work						
Item #:	Work Description (by line item)	Initial Contract Amount	Work Previously Completed	Work Completed This Period	Materials Currently Stored on the Job Site (NOT IN D OR)	Completed Work & Materials Stored To Date (D+E+F)	% Done (G / C)	Outstanding Balance to Finish (C - G)	Variable Retainage Only
7	8	9	10	11	12	13	14	15	16