



# HOW TO CREATE AN AIA BILLING WITH FOUNDATION<sup>®</sup>

BY FOUNDATION SOFTWARE

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Looking at [what an AIA progress billing is](#) and [how an AIA application works](#), creating one might seem like a lot of work without the right tools. After all, there can be a lot of back and forth. But don't let that intimidate you! However bumpy those redlines might make your negotiations, you can see how it all comes together smoothly for contractors with integrated construction accounting software.

The process for an AIA billing in Foundation has a few basic steps:

1. Create an AIA billing record
2. Create a schedule of values for Application 1
3. Print and post the application
4. Repeat as needed
5. Release retainage

## Create an AIA Billing Record

Setting up an overall billing record for your progress billing job in Foundation means two things. First, all of your billing applications will be tied together, without reentering your previous work. This also lets you easily revert to a previous application in the job's history — just in case.

Second, each application updates your job costs and aging automatically when you



“post” it in the system. Simply selecting your customer and job ties it into the rest of your data. Fields for header information and more fill right into the form for you.

The screenshot shows a software application window titled "Mode: MODIFY Job No: 40 1". The window has a menu on the left with "MENU", "AIA Entry", and "AIA List/Post". The main area has tabs for "General", "Billing", "Escrow", and "Address". The "General" tab is active, showing fields for Job No (40 - Newport Beach Office), Customer No (101 - Westfield Insurance), Owner Default (By Job), Arch Project No, Owner Name, Owner Address, City, State, Zip, Signatures (State Of, County Of, Name, Title), Use Sections, Section No (1), Terms (30ND), Income Type (C - Commer), Status (Active), Auto Post to A/R (checked), G702/G732 Header Type (Detail), G702/G732 Heading (Contract For, Contract Date, Via Architect, Via Address, City, State, Zip), and Construction Manager.

## Create a Schedule of Values

Your schedule of values is just next door under the “Billing” tab, and that’s where you’ll always find it whenever you need to modify your billing applications later.

You can build your schedule of values by simply adding the line items you need and filling out “Schedule Value” column. For any work done on the first application, enter either a dollar amount in the “Completed This Period” column or else a percentage complete to date, along with any stored material and retainage.

Foundation does the calculations for you and fills in any defaults you’ve set up. Plus, it’ll let you know if there are any required fields you’ve left blank when you save it.

Mode: **MODIFY** Job No: 40 1 OK Cancel Close

General **Billing** Escrow Address

Application No: 1 Billing Date Range: 2/1/2018 To 2/28/2018 Default Retainage  
 Application Date: 2/28/2018 Previous Certificate: .00 Import Add Title Clear Retainage  
 Due Date: 3/31/2028 Previous Retainage: .00 Copy Budget Add Total Rollback

Item No	Item Type	Changed Date	Description	Schedule Value	Previous Application	Completed This Period	Percent Complete	Stored Material	Percent Billed	Use	Retainage			
											Total	Completed	%	Stored Material
1	O		Mobilization	15,000.00	.00	7,500.00	50.00	.00	50.00	<input checked="" type="checkbox"/>	750.00	750.00	10.00	.00
2	O		Excavation	20,000.00	.00	.00	.00	.00	.00	<input checked="" type="checkbox"/>	.00	.00	.00	.00
3	O		Trenching	25,000.00	.00	.00	.00	.00	.00	<input checked="" type="checkbox"/>	.00	.00	.00	.00
4	O		Finishing	15,000.00	.00	.00	.00	.00	.00	<input checked="" type="checkbox"/>	.00	.00	.00	.00
				75,000.00	.00	7,500.00		.00			750.00	750.00		.00

## Print and Post the Application

Because AIA Contract Documents® like Document G701™ and Document G702™ are copyrighted by the American Institute of Architects, FOUNDATION enables you to use your official AIA documents by printing your billing information right onto the forms.

											2	2	
											1		
											2/28/2018		
											2/28/2018		
1	Mobilization			15,000.00	0.00	7,500.00	0.00	7,500.00	50.00	7,500.00	750.00		
2	Excavation			20,000.00	0.00	0.00	0.00	0.00	0.00	20,000.00	0.00		
3	Trenching			25,000.00	0.00	0.00	0.00	0.00	0.00	25,000.00	0.00		
4	Finishing			15,000.00	0.00	0.00	0.00	0.00	0.00	15,000.00	0.00		

But that makes it pretty hard to know what you're looking at, right? That's why FOUNDATION also lets you create an *unofficial* "AIA Type Document" just for your internal review purposes. That way you can simulate what your official printed document will look like before you make it official.

AIA Type Document Application and Certification for Payment										Page 2 of 2
<b>TO (OWNER):</b> Westfield Insurance 1357 Kangaroo Ln Smalton, OH 12345			<b>PROJECT:</b> Newport Beach Office			<b>APPLICATION NO:</b> 1 <b>PERIOD TO:</b> 2/28/2018		<b>DISTRIBUTION TO:</b> _ OWNER _ ARCHITECT _ CONTRACTOR		
<b>FROM (CONTRACTOR):</b> ABC Contractors 456 Riverview Avenue Rocky River, OH 44116			<b>VIA (ARCHITECT):</b>			<b>ARCHITECT'S PROJECT NO:</b>				
<b>CONTRACT FOR:</b>						<b>CONTRACT DATE:</b>				
ITEM	DESCRIPTION	SCHEDULE VALUE	PREVIOUS APPLICATIONS	COMPLETED THIS PERIOD	STORED MATERIAL	COMPLETED STORED	%	BALANCE	RETAINAGE	
1	Mobilization	15,000.00	0.00	7,500.00	0.00	7,500.00	50.00	7,500.00	750.00	
2	Excavation	20,000.00	0.00	0.00	0.00	0.00	0.00	20,000.00	0.00	
3	Trenching	25,000.00	0.00	0.00	0.00	0.00	0.00	25,000.00	0.00	
4	Finishing	15,000.00	0.00	0.00	0.00	0.00	0.00	15,000.00	0.00	
<b>REPORT TOTALS</b>		<b>\$75,000.00</b>	<b>\$0.00</b>	<b>\$7,500.00</b>	<b>\$0.00</b>	<b>\$7,500.00</b>	<b>10.00</b>	<b>\$67,500.00</b>	<b>\$750.00</b>	

If you need to go back and make changes after printing your “pencil” copy, go right back to the schedule of values you saved. If you need to make changes after you’ve officially posted the billing to your G/L, you can immediately roll everything back to any previous application — or all the way to the beginning. It’s OK — that’s why pencils come with erasers!

When you do post the billing, everything will hit your A/R and your G/L with one click. It even opens a corresponding invoice to receive payment against. As well as printing a transaction audit trail, FOUNDATION gives you a quick debits-and-credits summary of the impact on your G/L, including separate retainage. You can print it or save it to your computer for your own records.



## Repeat

To complete your next application, you would simply pull up your schedule of values again. It'll already be queued up as the next application number. Add any updates for the period on each line item.

If you need to introduce additional line items, everything works the same way as before. You can even specify change orders to the date.

Mode: **MODIFY** Job No: 40 1 OK Cancel Close

General **Billing** Escrow Address

Application No: 2 Billing Date Range: 3/1/2018 To 3/31/2018 Default Retainage

Application Date: 3/1/2018 Previous Certificate: 6,750.00 Import Add Title Clear Retainage

Due Date: 4/1/2018 Previous Retainage: 750.00 Copy Budget Add Total Rollback

Item No	Item Type	Changed Date	Description	Schedule Value	Previous Application	Completed This Period	Percent Complete	Stored Material	Percent Billed	Use	Retainage			
											Total	Completed	%	Sto
1	O		Mobilization	15,000.00	7,500.00	7,500.00	100.00	.00	100.00	<input checked="" type="checkbox"/>	1,500.00	1,500.00	10.00	
2	O		Excavation	20,000.00	.00	5,000.00	25.00	.00	25.00	<input checked="" type="checkbox"/>	500.00	500.00	10.00	
3	O		Trenching	25,000.00	.00	.00	.00	.00	.00	<input checked="" type="checkbox"/>	.00	.00	.00	
3A	C	3/1/2018	Trenching CO 1	5,000.00	.00	.00	.00	.00	.00	<input type="checkbox"/>	.00	.00	.00	
4	O		Finishing	15,000.00	.00	.00	.00	.00	.00	<input checked="" type="checkbox"/>	.00	.00	.00	
				80,000.00	7,500.00	12,500.00		.00			2,000.00	2,000.00		

Once you're ready, you post the new AIA application just like your first one, and G/L accounts update accordingly.

As many billing applications as you need to create, the system keeps doing the work for you.

## Release Retainage

When it comes time at the end of the contract to release retainage, guess where you go — the schedule of values! Here, you're posting your final application. If your only update is to release those last withheld amounts to be billed, all you need to do is click the [Clear Retainage] button.

Mode: **MODIFY** Job No: 40 1 OK Cancel Close

General **Billing** Escrow Address

Application No: 8 Billing Date Range: 8/1/2018 To 8/31/2018 Default Retainage

Application Date: 8/1/2018 Previous Certificate: 72,000.00 Import Add Title Clear Retainage

Due Date: 9/1/2018 Previous Retainage: 8,000.00 Copy Budget Add Total Rollback

Item No	Item Type	Changed Date	Description	Schedule Value	Previous Application	Completed This Period	Percent Complete	Stored Material	Percent Billed	Use	Retainage			
											Total	Completed	%	Stored Mate
1	O		Mobilization	15,000.00	15,000.00	.00	.00	.00	100.00	<input checked="" type="checkbox"/>	.00	.00	.00	
2	O		Excavation	20,000.00	20,000.00	.00	.00	.00	100.00	<input checked="" type="checkbox"/>	.00	.00	.00	
3	O		Trenching	25,000.00	25,000.00	.00	.00	.00	100.00	<input checked="" type="checkbox"/>	.00	.00	.00	
3A	C	3/1/2018	Trenching CO 1	5,000.00	5,000.00	.00	.00	.00	100.00	<input checked="" type="checkbox"/>	.00	.00	.00	
4	O		Finishing	15,000.00	15,000.00	.00	.00	.00	100.00	<input checked="" type="checkbox"/>	.00	.00	.00	
				80,000.00	80,000.00	.00		.00			.00	.00		

When you post the billing, it moves all of those accumulated retainage amounts over into your designated receivables account. Once that payment comes in, the invoice is already there for you to

receive cash against. And all of that detailed history stays in your system so you can review and report it even years later.

That's it!

## Conclusion

With fully integrated accounting software for construction, all of the tweaks, changes and updates of AIA progress billing don't need to trip you up in the office. Technology lets you do less by hand, with automatic calculations, an organized paper trail and no double entry.

Of course, Foundation is just one set of integrated construction accounting tools to make AIA progress billing easier. You can see how it all fits together and whether it's a fit your business by [watching a self-guided product tour](#). Then, talk to us in a [live demonstration](#) and learn what other ways an integrated construction accounting system can help your business.



Foundation Software is the developer of FOUNDATION® – America's #1 Construction Accounting Software. Since 1985, we've been dedicated to giving contractors the back office tools they need to manage their job cost accounting and project management, with on-premise, cloud and mobile.

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