Owner Invoices Overview

Owner Invoices are typically generated monthly and are sent to the Owner. This process is designed to:

- Generate Owner billings
- Use AIA document formats
- Work with Budget and Contract Invoice Data
- Reduce the need for Excel spreadsheets
- Provide flexible formats

The Owner Invoicing Application takes data from the following sources in Prolog and reorganizes it to produce the AIA G702 and G703 in a commonly used format:

- Budget
- Owner Contract
- Prime Contract Change Orders (PCCOs)
- Contracts and Subcontract Change Orders
- Contract Invoices
- Application for Payment

The following data sources are used to generate the AIA G702 document:

- From Portfolio Manager
- From Prolog Application for Payment
- From Owner Contract
- From Contract Invoices
- From PCCO’s Linked to Prolog Application for Payment
There are three basic report formats:

- Reimbursable
- Reimbursable with Committed Cost
- Lump Sum

The Reimbursable and Lump Sum formats are virtually identical. The Lump Sum format will NOT work for reimbursable projects.

Below is a screen shot of the two reimbursable formats for the AIA G703 document:

**AIA G703 Reimbursable**
The following steps outline the Owner Billing process:

1. Input Project Portfolio Information
2. Enter and Assign Revenue Codes
3. Enter the Owner Contract (including Schedule of Values for LS projects)
4. Configure the Project on the Owner Billing Application
5. Enter Contract Invoices and PCCOs in Prolog (each period)
6. Create the Application for Payment and link any PCCOs
7. Create the Billing Snapshot
8. Run the Owner Invoice Report
9. Make corrections based on Owner feedback
10. Finalize the Owner Invoice
Project Portfolio Information

It is important to ensure that the setup information in these fields is complete. The Project Name from Portfolio Manager should indicate an accurate name of the project. The Architect’s Project Number (if used) is populated from the corresponding field in Portfolio Manager.

Revenue Codes

A Revenue Code must be created to link budget codes to the Owner Billing application. Typically, “000” is used, though the actual code is not important. Revenue Code(s) will be set up by Project Controls.

In the Budget Code entry screen, the Revenue Code must be entered as illustrated below for Cost Plus and GMP jobs. A Revenue Code must be assigned to every Budget Code that will appear on the AIA G703 schedule of values. Leave this field blank to suppress a budget code from appearing on the billing. One Revenue Code can be attached to any number of budget codes or billing line items.

Revenue Codes should also be entered for lump sum jobs, as useful reports can be generated using this information.
The total budget amount for all budget codes assigned to a Revenue Code should equal the amount of the Owner contract.

**Prolog Budget – Some Budget Codes do not have Revenue Codes**

<table>
<thead>
<tr>
<th>Budget Code</th>
<th>Description</th>
<th>Current Budget</th>
<th>Revenue Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.02.12.00</td>
<td>Project Manager</td>
<td>$100,000.00</td>
<td>000</td>
</tr>
<tr>
<td>100.02.15.00</td>
<td>Office Trimmer</td>
<td>$30,000.00</td>
<td>000</td>
</tr>
<tr>
<td>200.00.25.00</td>
<td>Concrete</td>
<td>$217,500.00</td>
<td>000</td>
</tr>
<tr>
<td>200.15.00.00</td>
<td>Mechanical Work</td>
<td>$550,000.00</td>
<td>000</td>
</tr>
<tr>
<td>200.16.00.00</td>
<td>Electrical Work</td>
<td>$150,000.00</td>
<td>000</td>
</tr>
<tr>
<td>200.25.00.00</td>
<td>Owner Contingency</td>
<td>$150,000.00</td>
<td>000</td>
</tr>
</tbody>
</table>

**Total Budget in Prolog $1,257,500**

**AIA G703 – Only lists Budget Codes with Revenue Codes**

<table>
<thead>
<tr>
<th>Item NO</th>
<th>Description of Work</th>
<th>Schedule Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>000.01.25.00</td>
<td>Project Manager</td>
<td>100.00</td>
</tr>
<tr>
<td>000.02.25.00</td>
<td>Office Trimmer</td>
<td>50.00</td>
</tr>
<tr>
<td>000.03.25.00</td>
<td>Concrete</td>
<td>217.00</td>
</tr>
<tr>
<td>000.04.25.00</td>
<td>Mechanical Work</td>
<td>550.00</td>
</tr>
<tr>
<td>000.05.25.00</td>
<td>Electrical Work</td>
<td>150.00</td>
</tr>
<tr>
<td>000.06.25.00</td>
<td>Owner Contingency</td>
<td>150.00</td>
</tr>
</tbody>
</table>

**Owner Contract**

For all projects, a base contract value must exist within the Owner Contract. This base contract value must be linked to a Revenue Code (or codes, if applicable).

It is possible to have multiple Owner Contracts per project. In this case, use a different Revenue Code for each contract.

It is also possible to have one Owner Contract with multiple Revenue Codes. This can be used as an alternative way to group and subtotal.

On the AIA G702, the Contract Date and the Contract For information will come from the Owner Contract data. The Short Description populates the Contract For field.
**Contract Invoices**

The Owner Invoice for a Cost Period is the sum of all Contract Invoices in the Cost Period.

Subcontract Change Orders (SCOs) must be added to the Contract Invoice if they are approved for subcontractor billing. The SCO date must be earlier than the Cost Period end date in order the SCO to be included. Billings cannot be made against pending Cost Events – they must be included in a SCO to bill against.

General Invoices do not work with the Owner Invoicing application, as there is no place for retainage on the General Invoice.

**PCCOs and Applications for Payment**

Prime Contract Change Orders (PCCOs) shall be entered in Prolog as they are approved by the Owner. PCCOs must be added to each Application for Payment in order to appear on the AIA G702. The primary reason to create an Application for Payment (for GMP and Cost Plus projects) is to associate PCCOs with a specific Owner Invoice.
Owner Billing Setup – Lump Sum

From the Contracts module, click on the Contract Amounts tab and enter the Schedule of Values. Revenue codes are not mandatory, but may be entered for reporting purposes. Ensure the sum of the billing lines equals the value of the lump sum contract (see Sum of Items).

To enter a Lump Sum invoice, perform the following steps:

- Click on Cost Control, Application for Payment.
- Click Add to create the placeholder
- In the Contract Number field, select the Owner Contract.
For the first Application for Payment on a lump sum project, a prompt will ask to load the schedule of values. Click Yes. Subsequent applications will carry forward the schedule of values.

The Schedule of Values that was entered for the Owner Contract appear, along with the Application Number and Sequence. Enter the Application Date and Period. Enter a figure in the Work This Invoice Value column, the Total Complete column, or the Percent Complete column. The invoice values will automatically calculate.
Scroll to the right to check retainage percentages and adjust where required. The default retainage percentages are recorded in the Detailed Information tab of the Owner Contract screen.

Should change orders need to be added to the Application for Payment, they must exist in conjunction with the Owner Contract. To include them, click the Add CO button, highlight the change order, and click OK.
The change order(s) will be listed in summary at the bottom of the schedule of values, which will be invoiced in the same method as any base contract line.
Owner Billing Setup – Reimbursable

Click Add to create a new application. Creating a new application provides a placeholder from which the Owner Invoice Program can generate a document.

Select the Owner Contract Number (only non-committing contracts are available for selection). This will bring up the next sequential application number. Enter the Application Date and the Period to which it applies.
Should change orders need to be added to the Application for Payment, they must exist in conjunction with the Owner Contract. To include them, click the Add CO button, highlight the change order, and click OK.
Budget Snapshot

The Owner Billing process is a program that is accessed from mySkanska. A Budget Snapshot is required as the first step, as shown below. The snapshot captures Committed Cost and Budget data from Prolog. This allows others to continue working in Prolog, while providing a static set of data from which the Owner invoice will be created.

Multiple snapshots can be taken within one period. Should information be added in Prolog that needs to be incorporated into the invoice, a new snapshot for the same period may be taken.

From this screen, select the Prolog Database in which the project resides.
Select the project.

Select the period to create an Owner Invoice.

Click the Create Snapshot button. A snapshot history is displayed below. Multiple snapshots may be taken within one period.
Invoice Configuration – Lump Sum Project

Once the Snapshot is taken, the Project Configuration must be completed.

The steps are as follows:

- Select the Prolog database in which the project is stored.
- Select the Project to configure.
- Select the Report family (for this example, Lump Sum).
- Select the Report style.
The output can be grouped and sorted in a number of ways:

- For lump sum projects, groupings may be done by Item Number, Revenue Code, or SOV (Schedule of Values) Category.
- Sorting may also be done using these criteria.
- Choose whether to run the report in summary form or not. Selecting Yes will show only summary totals.
- Click the Save Project Configuration button.
Invoice Configuration – Reimbursable Project

After completion of the Budget Snapshot, go to Project Configuration.

The steps are as follows:

- Select the Prolog database in which the project is stored.
- Select the Project to configure.
- Select the Report family (for this example, Lump Sum).
- Select the Report style.

There are up to three grouping fields, which utilize the six fields within the Prolog budget code structure. The default setting is Budget Group 1 (Phase). Each setting will cause the report to display in a slightly different manner.
Once the grouping is set, sorting may be set on any of the six Prolog budget code fields. Click Save Project Configuration.
Once the Project Configuration has been completed, go to Owner Invoice Report.

In the Owner Invoice Report screen, there are several selections that must be made to generate the billing:

- Choose Database
- Choose Project
- Select the Owner Contract
- Select the Payment Application
- Click View Report
The Application for Payment values are derived as follows:

- Contract amount from the Owner Contract
- Change Orders from PCCOs
- Payment information from Contract Invoices.

The AIA 702 and 703 documents are generated. The first page is the Application and Certificate for Payment. This document reflects all the information entered in the Portfolio Manager and the Owner Contract Module. The AIA 702 will look the same regardless of the Contract Type Selected.
The following pages are the AIA 703 document. Illustrated here is the AIA 703 for a lump sum billing. This reflects the information entered in Prolog’s Owner Contract -> Contract Amounts module and the Application for Payment program.

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Description of Work</th>
<th>Revises Schedule Value</th>
<th>Work Completed</th>
<th>Comp.</th>
<th>Total Contract to Date</th>
<th>% Complete</th>
<th>Revised Scheduled Value</th>
<th>Reference To Date</th>
<th>Reference To Earned</th>
<th>Net Amount Paid To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>001</td>
<td>General Conditions</td>
<td>6,795,000.00</td>
<td>0.00</td>
<td>1,786,000.00</td>
<td>112,000.00</td>
<td>2.48</td>
<td>6,795,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
</tr>
<tr>
<td>002</td>
<td>Material</td>
<td>3,795,000.00</td>
<td>0.00</td>
<td>3,786,000.00</td>
<td>112,000.00</td>
<td>2.48</td>
<td>3,795,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
</tr>
<tr>
<td>003</td>
<td>Civil</td>
<td>5,000,000.00</td>
<td>0.00</td>
<td>5,000,000.00</td>
<td>112,000.00</td>
<td>2.48</td>
<td>5,000,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
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<tr>
<td>004</td>
<td>Engineering</td>
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<td>0.00</td>
<td>1,325,000.00</td>
<td>112,000.00</td>
<td>2.48</td>
<td>1,325,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
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<tr>
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<td>Structural Steel</td>
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<td>112,000.00</td>
<td>2.48</td>
<td>7,500,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
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<tr>
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<td>0.00</td>
<td>400,000.00</td>
<td>112,000.00</td>
<td>2.48</td>
<td>400,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
</tr>
<tr>
<td>007</td>
<td>Miscellaneous</td>
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<td>0.00</td>
<td>775,000.00</td>
<td>112,000.00</td>
<td>2.48</td>
<td>775,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
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<tr>
<td>009</td>
<td>Architectural</td>
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<td>112,000.00</td>
<td>2.48</td>
<td>1,500,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
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<tr>
<td>011</td>
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<td>0.00</td>
<td>4,795,000.00</td>
<td>112,000.00</td>
<td>2.48</td>
<td>4,795,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
</tr>
<tr>
<td>012</td>
<td>Mechanical</td>
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<td>112,000.00</td>
<td>2.48</td>
<td>4,795,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
</tr>
<tr>
<td>017</td>
<td>Building Services</td>
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<td>0.00</td>
<td>5,000,000.00</td>
<td>112,000.00</td>
<td>2.48</td>
<td>5,000,000.00</td>
<td>112,000.00</td>
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<td>112,000.00</td>
</tr>
<tr>
<td>PROJECT TOTAL:</td>
<td>49,735,000.00</td>
<td>0.00</td>
<td>49,735,000.00</td>
<td>112,000.00</td>
<td>2.48</td>
<td>49,735,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
<td>112,000.00</td>
<td></td>
</tr>
</tbody>
</table>

For a GMP Contract Type, the Item Number is the Prolog Budget Code. The Revised Scheduled Value comes from Prolog’s budget module.

This report was grouped by Budget Code 1 (Phase) and 3 (Cost Code).
Billing Information is derived directly from the entries related to Subcontract billings entered in the Contract Invoices program.
The Cost Plus Contract Type provides an AIA 703 form that shows the Commitment Amounts associated with the contracts linked to the Item Numbers. The Original Commitment, Approved Change Order Value and Total Committed Amounts are reflected. These are taken from the information captured in the Budget Snapshot.

If adjustments to the billing are requested by the Owner, revise the Contract Invoice(s) affected and run another report. It is not necessary to take another budget snapshot.