5 WAYS
CONSTRUCTION ACCOUNTING SOFTWARE CAN CHANGE YOUR BUSINESS

FOUNDATION software

INTRODUCTION

TRYING TO RUN YOUR BUSINESS WITH INSUFFICIENT ACCOUNTING SOFTWARE is like trying to build a brick wall with an insufficient amount of mortar. If there isn't enough holding the wall together, bricks start to loosen, and soon, the whole wall crumbles. Therefore, it is essential to understand how improved construction accounting and financial management can not only hold your construction business together, but also become the foundation to greater success and profitability.
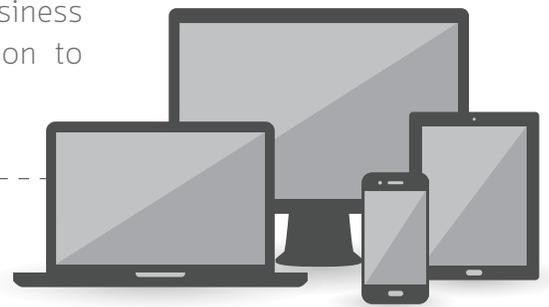
WHAT'S INSIDE THIS eBook?

Whether you already use construction-specific software or you have off-the-shelf accounting software, **here are 5 ways that great construction accounting software can change your business:**

1. AUTOMATIC REPORTING.

1. AUTOMATIC REPORTING

IS YOUR REPORTING AUTOMATIC?

If you are creating "customized" reports outside of your accounting system for things such as work in progress, construction billing forms, certified payrolls, job costing, or labor production analysis, your current accounting system is not meeting your needs. When a system is incapable of providing information the way contractors need to see it, users are forced to re-enter data into separate programs, such as Excel. In effect, they are creating a second set of books, which must be continuously updated and maintained with each new transaction, job change, equipment usage, and so on.

Without automatic reporting, more time is spent gathering information than actually analyzing it, which costs your company time and money.

USING EXCEL®?
Excel is a great analysis tool, but you shouldn't have to manually create all of your reports with spreadsheets.

HOW IT CAN CHANGE YOUR BUSINESS

A robust construction accounting system offers accurate, instant, and extensive reporting capabilities. These systems are built upon secure databases and are designed to handle millions of records and multiple users, which means that they can produce reports that can be shared and accessed easily. This increases efficiency and ensures everyone is on the same page.

With good construction accounting programs, these reports should be ready to share instantly:

Certified Payroll	Work in Process	Job G/L Tie Out
Estimated vs. Actual Cost	Over Under Billing	P & L and Balance Sheet
Backlog	Gain Fade Analysis	And More!

2. SIMPLIFIED CONSTRUCTION PAYROLL.

Time-tracking

	M	T	W	T	F	S	S	
	6	8	8	10	6	8	0	46 Hours

2. SIMPLIFIED CONSTRUCTION PAYROLL

CONSTRUCTION PAYROLL IS COMPLEX

Whether you have 10 employees or 300, payroll activities and the reports derived from payroll information can be complex. Most accounting systems can generate payroll checks/direct deposits and book the costs to the general ledger, but you need an accounting package with the sophistication to deal with multiple states and localities, varying pay scales, multiple job classifications, union reporting, deductions, withholding and tax reporting, and other construction payroll issues.

Need help with payroll? Did you know there are payroll services just for the construction industry? Search for 'construction payroll service.'

HOW IT CAN CHANGE YOUR BUSINESS

Here are at least five features that your construction accounting software should include that will automate and streamline the payroll process.

✔ **Timecard Entry.** A construction accounting system's payroll module must support many timecard styles as well as methods of delivery. It should also seamlessly integrate with third-party mobile timecard applications.

✔ **Multi-State, Multi-Locality, and Multi-Job Processing.** With this feature, contractors will not only save time on payroll tax processing, but also gain a greater understanding of how and where labor and burden costs are being spent on jobs.

✔ **Job Cost and General Ledger Integration.** In order to track and manage job costs effectively, contractors need a system that sends both labor and burden associated with payroll to the general ledger and job costing modules.

✔ **Certified Payroll.** The inability to produce certified payroll reports could prevent contractors from bidding on government-funded jobs. Your accounting system should instantly produce agency-specific certified payrolls for any payroll period.

✔ **Payroll Reporting.** Software should be capable of generating various federal and state payroll tax reports including year-end W2s, and it should generate on-demand reports like timecard history, detail report by job, and accrued time off. Your accounting system should also offer construction reports, which eliminate the need for manual preparation of Equal Employment Opportunity reports and other reports for government agencies. These systems also include a number of user-defined deductions that allow for instant computation of liability insurance, garnishments, employee loans, 401 (k) deductions, etc.

3. INTEGRATED JOB COSTING.

3. INTEGRATED JOB COSTING

JOB COSTING: THE KEY TO PROFITABLE JOBS

Information that cannot be retrieved quickly is of little use to decision makers or project managers who need real-time job cost data. This job costing data is critical to making good decisions on jobs. Because of this, robust reporting is the cornerstone of most good construction accounting programs. Beyond standard reports, they typically offer advanced reporting features, like customizable report-writers, complete date sensitivity, and easy data input and export.
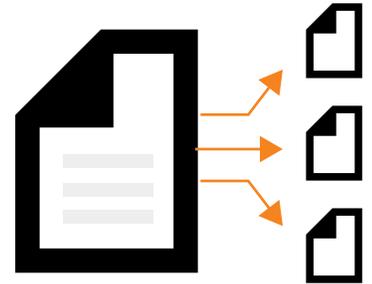
Reports within reports! Can you create your own reports with a custom drilldown to job costing detail?

JOB COSTING is the single most important thing you can do for your construction company. It provides valuable, real-time insight on how jobs are progressing.

HOW IT CAN CHANGE YOUR BUSINESS

Job costing significantly changes the way contractors look at and manage their jobs. It gives decision makers real-time job data, such as estimated vs. actual or production reporting, so they can get a clear overview of how their jobs are performing. So what specific job cost reporting features should contractors look for in their accounting software? There are four basic components that lead to powerful, virtually limitless job cost reporting:

- ✓ **Job Cost Detail.** No matter how complex the job, efficient job costing comes down to how costs are defined and tracked. Users should be able to define any number of phases, cost codes, and cost classes so they can report data as precisely as they need it.

- ✓ **Reporting Flexibility.** Good systems provide a multitude of standard reports and make it easy to customize reporting when needed with built-in report writers. These report writers should allow users to create their own drilldowns, equations, what-if scenarios, and more.

- ✓ **Date Sensitivity.** This feature allows any report to be run for any time period, even months or years in the past.

- ✓ **A Powerful Database**. How and where data is stored affects reporting capabilities. Data protection and the ability to query via Excel and other Microsoft products are huge advantages.

4. STANDARDIZED CONSTRUCTION BILLING.

FOUNDATION **soft**ware

4. STANDARDIZED CONSTRUCTION BILLING

EFFICIENT BILLING = CASH FLOW

In order to maintain the necessary inflow of cash, contractors must select the billing method best suited for their jobs. They bill and collect according to their contracts, bill promptly, never forget about items such as change orders and retention, and they rely on their construction accounting software to automate the entire process.

BILLING – in almost any format – should be simple and automatic with good accounting software.

HOW IT CAN CHANGE YOUR BUSINESS

Good construction accounting systems support numerous industry-standard billing methods, as well as complete integration with job costing, general ledger, and other modules Going further, construction accounting systems should offer users the ability to minimize data entry with default calculations; print on blank forms or directly on pre-printed forms; make adjustments to prior invoices; calculate retainage; define and track sales and use tax; add change orders; and update AIA billings automatically with each application. Additionally, integration with other areas of your accounting software will keep your team up-to-date on the latest invoice and payment status for every contract or change order.

Bonus: With just a few clicks, great accounting software helps you create invoices and statements with your custom branding.

INVOICE

YOUR LOGO
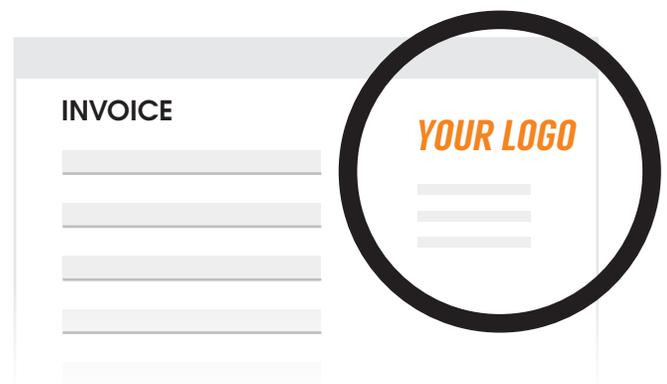
Your accounting software should allow for several types of standardized billings including:

- ✔ AIA Billings
- ✔ Time & Material Billings
- ✔ Unit Price Billings
- ✔ Customized Percentage of Completion
- ✔ Service
- ✔ Lump Sum, Itemized, and Other Free-Form Invoices

5. RELIABLE CUSTOMER SUPPORT.

5. RELIABLE CUSTOMER SUPPORT

SOFTWARE PROVIDERS SHOULD BE THERE FOR YOU

No matter how good a construction accounting system is - or how easy it is to use - there are bound to be times when users will have questions or run into problems. Fast, reliable customer support is especially critical for accounting software because an unnecessary delay (in payroll, billing, and receivables, for example) can affect more than just productivity.

- -

HOW IT CAN CHANGE YOUR BUSINESS

Your construction software vendor should be a long-term partner that cares about your business and knows the construction industry. A partner like this can prove to be invaluable when dealing with tough construction accounting issues. Here is a list of 6 key features that improve the quality of support:

- ✅ Live customer support
- ✅ A variety of support options
- ✅ Fast response time
- ✅ Product/industry experts on staff
- ✅ Ongoing product updates and enhancements
- ✅ Ongoing education opportunities
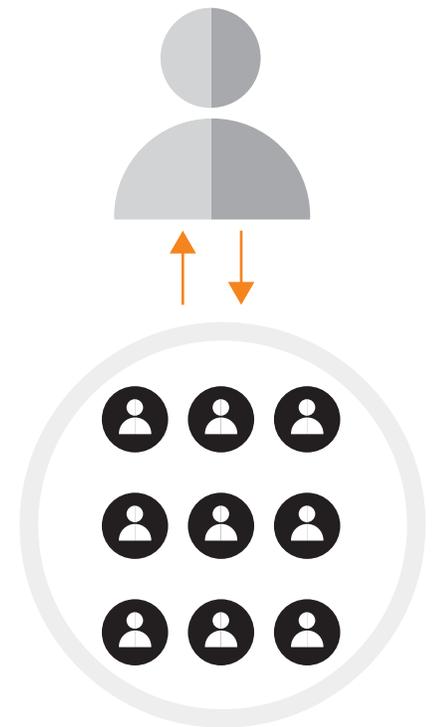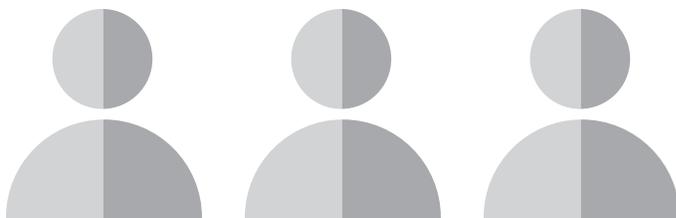
Do you have a staff of support and tech reps, construction experts, and payroll experts to back you up daily?

THE COMPANY MATTERS
Make sure you consider the company behind the software. A good software partner can be invaluable.

CONGRATULATIONS!

You made it through the entire eBook.
Now you're ready to consider your own
construction accounting, implement the
tricks you have learned, and change
your construction business forever.

- -

Want to talk construction accounting? Call us at 800-246-0800.

ABOUT FOUNDATION SOFTWARE

Foundation Software is the developer of FOUNDATION® - America's #1 Construction Accounting Software. Since 1985, Foundation Software has been dedicated to giving contractors the back office tools they need to efficiently manage their businesses' accounting, project management, and scheduling. With leading edge technology, an award-winning product that is consistently enhanced, and a promise to truly stand behind its clients, Foundation Software is a company that is helping contractors across the country facilitate growth and revenue, and take control of their construction businesses.

HEADQUARTERS

17999 Foltz Parkway
Strongsville, OH 44149
Phone: (800) 246-0800

www.foundationsoft.com

CONTACT

info@foundationsoft.com