

Client Setup Checklist

Chapter 12 · tick each line once it is configured and tested

DONE	CONFIGURATION STEP	NOTE
	Job tracking enabled; naming convention set (code + name, e.g. HEN-24 Henderson Kitchen); finished jobs archived.	
	Chart of accounts mirrors the five cost codes — materials, labor, subcontractors, equipment, other direct — with overhead cleanly separate.	
	Deposit or contract-liability workflow established under the client's documented policy; receipt-and-release cycle tested once.	
	Retainage subledger established; conditional and unconditional rights separated; subcontractor holdbacks tracked; release conditions and dates documented.	
	Billings-versus-contract table built per active job (contract sum, change orders, billed to date, remaining, outstanding).	
	Bill entry configured so the job field is required or unmissable.	
	Monthly report pack templated: job profitability, cost-versus-budget by code, aged billings, retainage schedule.	
THE THREE CLIENT RULES		
Give the job name to the supplier so it prints on every invoice. Write the job on every receipt before photographing it. Note job splits on every timesheet.		

Setting the job-costing threshold with the owner is your first act of consulting. Agree it before you configure anything.

Chapter 7 · one sheet per job

DATE	LINE — STAGE OR CHANGE ORDER	AMOUNT	PAID?	DAYS OUT
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ADJUSTED CONTRACT SUM	BILLED TO DATE	REMAINING TO BILL	OUTSTANDING
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The Construction Bookkeeper — Field Kit · Paperkeel Press

Retainage Release Schedule

Chapter 8 · both directions, never forgotten

[illegible]

WHERE THE BOOKKEEPER STOPS

This schedule records the facts: what was withheld, under which condition, and when it becomes due. Whether a balance is a receivable or a contract asset is the client's accountant's call, set by the contract and the reporting framework.

Overhead Recovery Rate

Chapter 6 · built once a year · every percentage names its base

STEP	WORKING	YOUR NUMBER
1 · Total last year's overhead from the books	vehicle, storage, insurance, phone, software, admin, your fee	
2 · Expected direct costs this year	materials + labor + subcontractors + equipment + other direct	
3 · Overhead markup on direct cost	step 1 ÷ step 2	
4 · Break-even revenue	step 2 + step 1	
5 · Break-even gross margin on revenue	step 1 ÷ step 4	
6 · Revenue for a target operating margin	step 4 ÷ (1 – target)	

LABEL THE BASE, EVERY SINGLE TIME

Markup on cost divides by cost. Margin on revenue divides by revenue. A 24% overhead markup on direct cost is not a 24% gross margin, and subtracting one from the other produces a number that means nothing. Name the base out loud: markup on cost, gross margin on revenue, operating margin on revenue.

A quoting tool built from the client's own history. Not an allocation policy for financial statements, and not a tax position.

Job Close-Out Report

Chapter 4 · the page that prices the next quote

JOB _____ ORIGINAL SUM _____ FINAL INCOME _____

COST CODE	ESTIMATED	ACTUAL	VARIANCE	WHAT IT TAUGHT US
Materials				
Labor				
Subcontractors				
Equipment and plant				
Other direct costs				
Total cost				
QUOTED GROSS MARGIN ON REVENUE	ACTUAL GROSS MARGIN ON REVENUE	MARGIN LOST BETWEEN THE TWO		

Carry the right-hand column into the next quote. That is the whole point of the page.

Subcontractor Compliance Register

Chapter 9 · credentials, expiries, tax records

[illegible]

WHERE THE BOOKKEEPER STOPS

Logging a certificate and its expiry date is your job, and catching a lapse before it matters is the kind of catch owners remember for years. Judging whether the cover is adequate belongs to the insurer. Determining worker status belongs to the client's tax adviser, on the facts.

Pricing and Scripts Card

Chapters 13 and 15 · every tier line and client sentence, on one page

TIER	WHAT IT INCLUDES	YOUR FEE
One — Records	Transactions current, bank reconciled, monthly profit and loss. The business, not the jobs.	
Two — Job Visibility	Tier one, plus job costing, the billings table, and a one-page job profitability report per active job.	
Three — Job Visibility +	Tier two, plus the retainage schedule in both directions, cost-versus-completion flags, and a monthly owner conversation.	
WHEN	WHAT TO SAY	
Tier difference	"Tier one records your business; tier two shows you which jobs make money."	
Value anchor	"The monthly fee is small beside one repriced quote or one recovered retainage balance."	
Scope, not discount	"If the price needs to come down, let's decide together what comes out of the scope."	
Annual review	"Your file has grown by two jobs and three subcontractors this year. Here is the new tier price, effective from March, so you have it in advance."	
Existing-client upgrade	"Your books currently tell you how the business went each month. I can make them show which jobs made money. Want me to set that up?"	
Snapshot pitch	"Give me one finished job. I'll rebuild its costs properly and show you exactly what it really made. Thirty minutes to walk it through."	
Credibility answer	"The specialization is recent — the systems are the industry's standard ones. Here's a close-out report so you can see exactly what you'd get."	
Deposits — escalate	"Before I post this, I need your accountant's position on deposit treatment under your method. I'll track it per customer either way."	
Retainage — escalate	"I've separated the retainage into its own subledger. Your accountant should confirm which balances are receivables and which are contract assets."	
Worker status — escalate	"Three things about this arrangement look like the control indicators the IRS considers. I'm not able to make that call — it's worth asking your tax adviser."	

Insurance — escalate

"I've logged the certificate and its expiry date. I can't confirm the coverage is adequate for this work — that's a question for your insurer."
