

Work-in-Progress / Work on Hand Report Instructions

The following definitions are given as a guide so the data presented in the Work-in-Progress Report will be more meaningful.

- All fixed price/stipulated sum, bonded and un-bonded, in excess of \$100,000 must be listed.
- Note projects that are “Cost Plus” contract types that do not have Guaranteed Max Price (GMP). Sureties may remove these from your backlog and Cost to Complete calculations.

1. **Contract Price**

Original contract amount and all approved change orders to date. Exclude any claims and disputed items. If desired, an explanation of these items may be attached.

2. **Billed to Date**

Total amount billed to owner for all work performed as of the current date. When this schedule is provided in conjunction with a financial statement, billings must be consistent with the treatment presented in the financial report. This should include Retainage Billed to date.

3. **Costs to Date**

Total allocated cost incurred on the project as of the same date as Billed to Date, including subcontractor billings and material stored on site. Costs should be entered consistent with financial statement allocation (Profit and Loss Report), excluding general and administrative overhead (specifically unallocated).

4. **Estimated Costs to Complete**

Should be revised figure reflecting developments which have occurred subsequent to work on hand date causing a change in total cost (or cost per unit), if any, **not merely an exercise in** subtraction. Costs LEFT in the job still to be expended. After approximately 50% completion, it is imperative that a re-evaluation of costs be made. In the early stages of a project, a re-evaluation of costs may be difficult and perhaps impractical.

5-6. **Start and Completion Date:** State the estimated start date of project and the scheduled completion date. This helps us calculate the runoff of your backlog.

If you are using Quickbooks job costing, the billings and cost information should be available on the P&L By Job report

Here's what the spreadsheet calculates:

Total Gross Profit = Contract Price -Cost to Date-Estimated Cost to Complete.

Gross Profit % = Total Gross Profit/Contract Price

% Complete = Cost to Date/(Cost to date +Estimated Cost to Complete)

Gross Profit Earned = Total Gross Profit * % Complete

Gross profit this year = Total Gross profit – Gross Profit from prior year

Costs and Earnings in excess of billings (Underbilling) = (% Complete * Contract Price) – Billings to date.

If this calculation is greater than zero, then it shows up as Underbilling

Billings in Excess of Costs and Earnings (Overbillings) = (% Complete * Contract Price) – Billings to date.

If this calculation is negative (or less than zero,) then it shows up as an Overbilling.

Total Cost to Complete (CTC) = Important to Sureties when underwriting surety workprogram and exposure



Once underbillings and overbillings calculated, balance sheet & P&L under/overbillings should be adjusted to match. May require manual adjustment by your bookkeeper or CPA depending on your software.