

Setting up billing rate tables

Goal: Set up billing rate tables to use when billing clients for labor, expenses, and consultants on projects.

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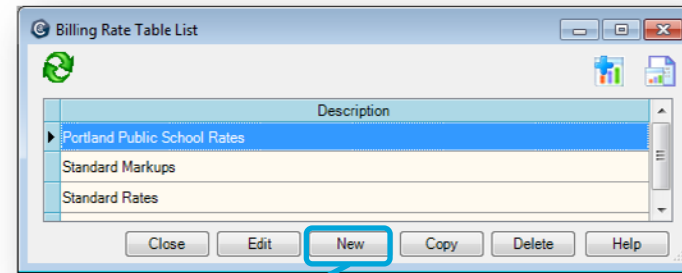
When you set up rate tables, you indicate how you want to bill clients for:

- Specific labor
- Reimbursable expenses
- Consultants

Ajera then determines the billing rate for project work based on the rate table you select for the project.

Step 1: Set up general information

1. Click **Setup > Billing Rate Tables**.
2. Click the **New** button.
3. Begin by entering general information for the rate table.
This example shows setting up a rate table for billing the client by marking up the cost.



Enter a name for the rate table.
You could enter a specific client name or project name.

Billing Rate Table - Standard Markups

Status: Active

General Attachments Notes

Description: Standard Markups

Labor Expenses Consultant

Labor Markups

DPE: 35.00 % Overhead: 150.00 % Profit: 10.00 %

Accumulate Accumulate

Employee	Employee Type	Activity	Billing Rate	Override Cost Rate	Maximum	DPE	Overhead
	Principal		0.0000	0.0000	<input type="checkbox"/>	40.00	165.00
		CADD	0.0000	18.0000	<input checked="" type="checkbox"/>	0.00	0.00

Date Ranges

From	Through
08/05/10	
*	

Premium Hours M...
Overtime

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Enter when you want to start using the rate table.
If you don't know when you want to stop using it, leave the Through field blank.

If you change your billing rates annually or renegotiate new rates mid-project, you can specify multiple date ranges for the same table. In this way, Ajera assigns rates automatically based on the date when the work is done.
For more information, from the Contents in Help, select [Billing rate tables > Working with multiple dates](#).

Step 1: Set up general information (continued)

Here's a quick overview of how to use the Labor, Expenses, and Consultant subtabs. This example shows the Labor subtab.

Billing Rate Table - Standard Markups

Status: Active

General Attachments Notes

Description: Standard Markups

Date Ranges

From	Through
08/05/10	
*	

Labor Expenses Consultant

Labor Markups

DPE: 35.00 % Overhead: 150.00 % Profit: 10.00 %

Accumulate Accumulate

Premium Hours Markups

Overtime: 50.00 %

Employee	Employee Type	Activity	Billing Rate	Override Cost Rate	Maximum	DPE	Overhead	Profit	No
	Principal		0.0000	0.0000	<input type="checkbox"/>	40.00	165.00	10.00	
		CADD	0.0000	18.0000	<input checked="" type="checkbox"/>	0.00	0.00	0.00	

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Here you enter default cost markups.

Here you enter markups for premium time, such as overtime.

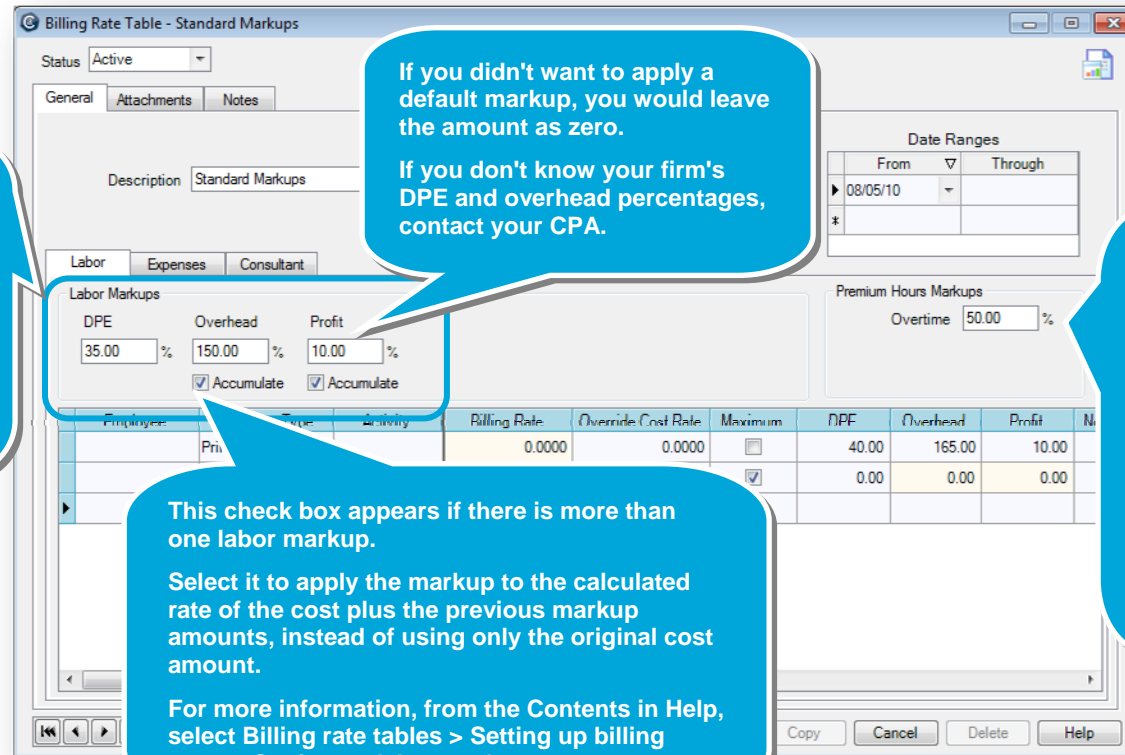
This area applies only to the Labor subtab.

In this table, you enter any exceptions to the default cost markups.

On the Labor subtab, you also use this area to enter hourly billing rates.

Step 2: Set up rates for labor markups

1. Enter percentages for the default labor markups.
2. Enter how much you want to mark up premium time.



The labor markups you see here depend on how you set up billing labor markups on the Company > Preferences > Billing tab. In this example, the standard labor markups are DPE, Overhead, and Profit.

If you didn't want to apply a default markup, you would leave the amount as zero. If you don't know your firm's DPE and overhead percentages, contact your CPA.

This check box appears if there is more than one labor markup. Select it to apply the markup to the calculated rate of the cost plus the previous markup amounts, instead of using only the original cost amount. For more information, from the Contents in Help, select Billing rate tables > Setting up billing rates > Setting up labor markups.

Here, enter how much you want to mark up amounts for special types of hourly rates, such as overtime. The fields that appear here depend on how you set up your pays. For more information, from the Index in Help, select Pays > Automatically Set Up.

Step 2: Set up rates for labor markups (continued)

- Enter a row in the table for each exception you want to make to your standard labor markups. It is important to note that these markup exceptions do not change the amount paid to the employee or costed to the project.

For the billing rate and override cost rate, do one of the following:

- To enter a flat rate for a row, enter it in the Billing Rate field.
 - To enter markup rates for a row, enter the percentages rates in the appropriate fields.
 - To use a rate other than the employee's regular cost rate, enter it in the Override Cost Rate field. Ajera uses the cost rate to calculate the billing rate.
 - To specify a maximum cost rate that can be billed, enter that amount in the Override Cost Rate field and select the **Maximum** check box.
 - To pass through the regular cost rate with no markups, leave both the Billing Rate and Override Cost Rate fields blank, and select the **Pass Through** check box for the row.
- As you work, be sure to use the scroll bar to see all the columns, and to save your work when finished.
 - If you want to set up rates for expenses and consultants for this rate table, skip to *Step 4: Set up rates for consultants and expenses* before proceeding with *Step 3: Set up standard labor rates*.

Employee	Employee Type	Activity	Billing Rate	Override Cost Rate	Maximum	DPE	Overhead	Profit	No P
	Principal		0.0000	0.0000	<input type="checkbox"/>	40.00	165.00	10.00	
		CADD	0.0000	18.0000	<input type="checkbox"/>	0.00	0.00	0.00	
		Site Visit	0.0000	75.0000	<input checked="" type="checkbox"/>	0.00	0.00	0.00	

On this row, you define a principal's DPE and overhead cost as higher than your company average.

You're billing using a multiple of cost. You've given your client a quote based on a drafter's average cost of \$18 per hour. However, you have to use a variety of staff types to do the work.

On this row, you enter a line item with the activity of CADD and 18.0000 in the Override Cost Rate field. The billing rate calculation for all drafting work will be based on \$18.00 per hour.

You have a maximum amount you want to bill for site visits.

On this row, you enter that amount in the Override Cost Rate field, and select the Maximum check box.

Ajera uses the employee's cost rate if it is less than \$75. Otherwise, it bills site visits at \$75 an hour.

Step 3: Set up standard labor rates

In this step, you set up another rate table for standard hourly billing rates.

1. Begin by setting up a new rate table and entering a name and date range for it. Follow the instructions in *Step 1: Set up general information*.
2. Enter rows in the table for billing hourly rates based on a combination of employee, employee type, and activity.

As you work, be sure to use the scroll bar to see all the columns.

Billing Rate Table - Standard Rates

Status: Active

Description: Standard Rates

Date Ranges:

From	Through
08/05/10	
08/05/09	08/04/10

Labor Markups:

DPE: 0.00 % Overhead: 0.00 % Profit: 0.00 %

Premium Hours Markups:

Overtime: 50.00 %

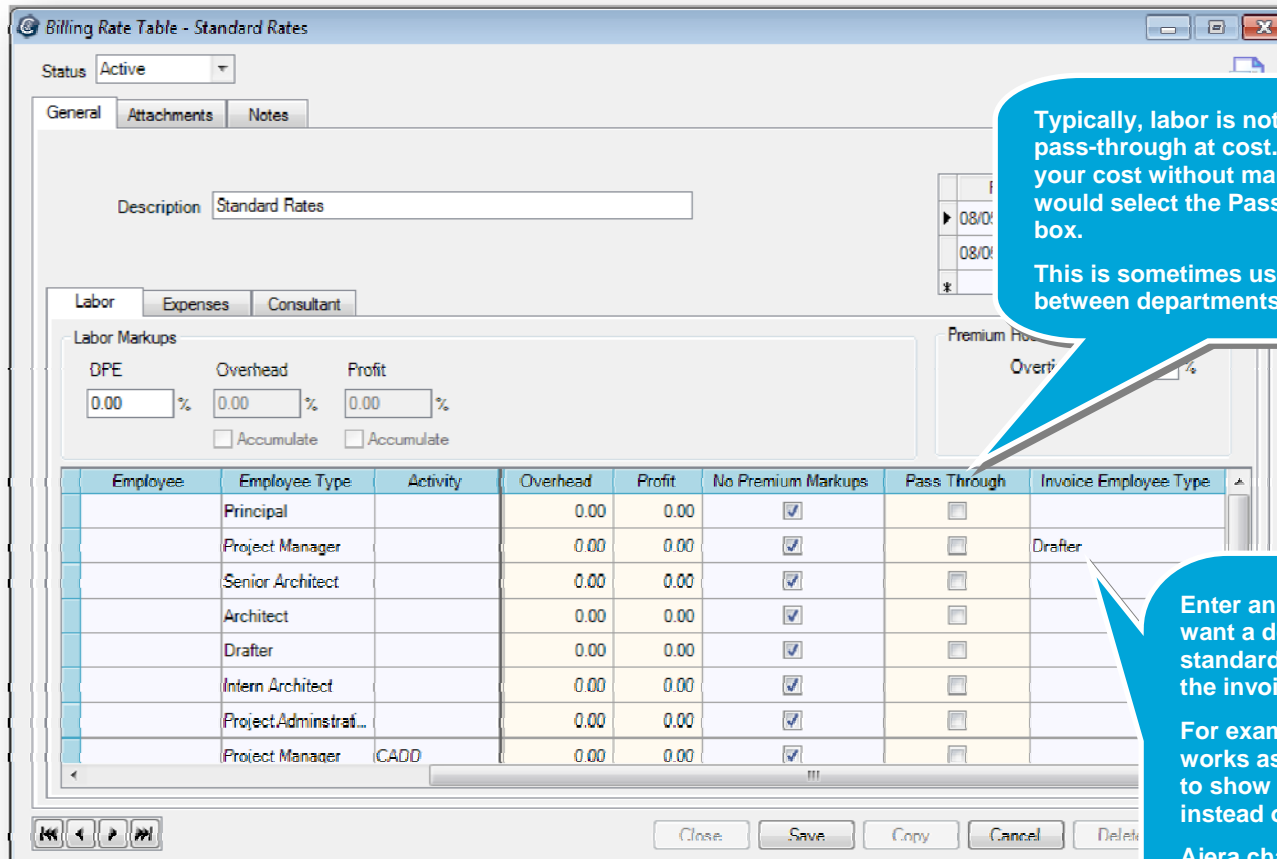
Employee	Employee Type	Activity	Billing Rate	Override Cost Rate	Maximum	DPE	Overhead	Profit
	Principal		215.0000	0.0000	<input type="checkbox"/>	0.00	0.00	0.00
	Project Manager		115.0000	0.0000	<input type="checkbox"/>	0.00	0.00	0.00
	Senior Architect		105.0000	0.0000	<input type="checkbox"/>	0.00	0.00	0.00
	Architect		90.0000	0.0000	<input type="checkbox"/>	0.00	0.00	0.00
	Drafter		80.0000	0.0000	<input type="checkbox"/>	0.00	0.00	0.00
	Intern Architect		70.0000	0.0000	<input type="checkbox"/>	0.00	0.00	0.00
	Project Administrator		60.0000	0.0000	<input type="checkbox"/>	0.00	0.00	0.00
	Project Manager	CADD	80.0000	0.0000	<input type="checkbox"/>	0.00	0.00	0.00

In this example, standard rates are based on employee type, so you enter the employee type and the billing rate, and leave the Employee and Activity fields blank.

The project manager may also create CADD designs, so you add a line to the table to bill differently for that work.

Step 3: Set up standard labor rates (continued)

3. As you set up rates in the table, note that you can do the following, if needed:
 - Select to bill your cost without marking it up (pass through).
 - Print a description other than the standard employee type on the client invoice.



Typically, labor is not billed as a pass-through at cost. However, to bill your cost without marking it up, you would select the Pass Through check box.

This is sometimes used to bill at cost between departments.

Enter an invoice employee type if you want a description other than the standard employee type to appear on the invoice.

For example, the project manager works as a drafter. You want that time to show as a drafter on the invoice instead of as a project manager.

Ajera changes the employee type only for invoices. It still uses the employee's normal employee type for reports, such as the Employee Utilization report.

Step 4: Set up rates for expenses and consultants

In this step, you set up rates on a rate table for billing expenses and consultant costs. You can bill expenses and consultants by marking up the cost or by specifying a cost amount or a unit billing rate.

1. Continue setting up rates for each rate table where you set up labor rates.
 - Click the **Expenses** subtab to set up your reimbursable expense billing rates.
2. Begin by entering default expense markups, if any.

Billing Rate Table - Standard Rates

Status: Active

General Attachments Notes

Description: Standard Rates

Date Ranges

From	Through
08/05/10	
08/05/09	08/04/10

Labor **Expenses** Consultant

Expense Markups

G&A: 15.00 %

Vendor	Activity	Billing Rate	Override Cost Rate	Maximum	G&A	Pass Through
	Shipping & Delivery	35.0000	0.0000	<input type="checkbox"/>	0.00	<input type="checkbox"/>
	Mileage	0.5000	0.0000	<input type="checkbox"/>	0.00	<input type="checkbox"/>
I	Photocopies	0.0000	0.0000	<input type="checkbox"/>	0.00	<input checked="" type="checkbox"/>
*				<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

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The expense markups you see here depend on how you set up billing expense markups on the [Company > Preferences > Billing tab](#).

In this example, the standard expense markup is for G&A (General and Administrative cost).

Step 4: Set up rates for expenses and consultants (continued)

- Use this table to set up any exceptions to the default expense markups you entered.
You can specify billing rates by vendor and activity, or any combination of them.

The screenshot shows the 'Expense Markups' window with a G&A rate of 15.00%. The table below lists activities with their respective billing rates and settings.

Vendor	Activity	Billing Rate	Override Cost Rate	Maximum	G&A	Pass Through
	Shipping & Delivery	35.0000	0.0000	<input type="checkbox"/>	0.00	<input type="checkbox"/>
	Mileage	0.5000	0.0000	<input type="checkbox"/>	0.00	<input type="checkbox"/>
	Photocopies	0.0000	0.0000	<input type="checkbox"/>	0.00	<input checked="" type="checkbox"/>

Callout 1 (top): Courier deliveries at your firm are billed at \$35 per delivery. On this row, you enter an exception line to bill shipping and delivery at \$35, instead of marking up the cost.

Callout 2 (left): You can use rate tables to override the default billing rate set up for your expense activities. For example, you set up an activity for mileage (in Setup > Activities) with a default billing rate of 40 cents per mile. However, on a specific project, the contract terms allow you to bill at 50 cents per mile. On this row, select the mileage activity and enter .5000 in the Billing Rate field.

Callout 3 (bottom): Your firm bills in-house copies at cost (with no markup), even though your standard markup is set at 15%. On this row, select the photocopies activity, and select the Pass Through check box.

Step 4: Set up rates for expenses and consultants (continued)

4. Set up your billing rates for consultants in the same way that you just set up labor and expense billing rates. You can mark up consultant costs by a percentage, enter a standard billing rate, set up to bill as a pass-through cost, or set up any combination of these.

Click the **Consultants** subtab, and enter default markups and exceptions, as needed.

The screenshot shows the 'Billing Rate Table - Standard Rates' window. The 'Status' is set to 'Active'. The 'Description' field contains 'Standard Rates'. The 'Date Ranges' table is as follows:

From	Through
08/05/10	
08/05/09	08/04/10

The 'Consultant' subtab is selected, showing a 'G&A' markup of 15.00%. The table at the bottom has the following columns: Vendor, Activity, Billing Rate, Override Cost Rate, Maximum, G&A, and Pass Through.

Summary

In this quick lesson, you learned how to set up a rate table to calculate billing rates using:

- Standard markups.
- A standard billing rate, also called a flat rate.
- A combination of markups and standard billing rates.

You also learned how to:

- Override the default billing rate to bill a cost without marking it up.
- Print a description other than that of the standard employee type on the invoice.
- Enter a maximum amount to bill for a line item.
- Use premium markups to specify how to mark up time such as overtime.