

Time and Billing Professional

White Paper

February 2005

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Overview

You're an events coordinator who recently completed a promotional executive luncheon for the premier opening of a new art exhibit at the local museum. Your company also had another event at the same time and you wound up being short two employees because of a scheduling error, and the billing department sent out the invoice to the museum that included the two employees at the standard rate. The billing department sent separate invoices for food, beverages, employee time spent on the event, and decorations. The museum is confused by the separate invoices, especially the invoice that contains the error of the two additional employees. When the museum adds up the invoices, they realize the event went \$3,000 over the original budget and dispute the additional costs. Plus, they are upset that the amount that they have paid is not listed on the invoices.

No matter what your company does if you charge customers for services, you will experience problems with budgets, scheduling conflicts, and invoices.

Law firms, CPAs, consultants, or any business that bills clients based on time realize the importance of precise estimates and finalized invoices. All service-based companies struggle with the following issues:

- Creating accurate budgets
- Setting employee scheduling and pricing
- Printing correct and complete invoices

These issues might seem like three separate problems, but they are actually very intertwined with one another. You can't create accurate budgets without including the employees that should be scheduled to complete the service and their service rate, and you can't print correct and complete invoices without knowing the details of every moment of an employee's time and every additional expense that was necessary to complete the service. If these three issues are so closely related, why are so many businesses using separate software programs to track budgets, schedules, and billing?

Selecting the right time-entry/billing program can save your company time and money and can help you produce accurate invoices every time. This white paper focuses on each service-based company issue and the solution you need from a time-entry/billing program. This white paper also offers the recommendation of using MAS 90® or MAS 200® with the Time and Billing Professional module, and details how certain features can be set to counteract these common issues.

Creating Accurate Budgets

Any company that bills clients for services knows that customers want accurate, up-front estimates before selecting your company. However, you want to make sure that you and your employees don't shortchange your business by underestimating. This section offers recommendations and features needed in a time-entry/billing software program to help your company create accurate budgets for each and every project.

Ability to View Budgets for Similar Projects

When creating a budget, it helps to view past projects that are very similar to determine how to set a more accurate budget. Select a time-entry/billing software program that allows you to view historical data and the budgeted and actual amounts for each service.

Pre-Assigning Employees and Tasks to Budgeted Projects

If your company assigns different billable rates to different employees or to different service tasks, you must be able to include that information when creating a budget. By pre-assigning employees and service tasks to a project, your budgeted amount will be much more accurate than just entering random figures.

Store Budgeted and Actual Amounts and Hours

Your time-entry/billing software program should allow you to view the budgeted cost and number of hours and the current actual cost and number of hours to see if the budget needs to be adjusted. When you adjust the budget early in the project, you can prepare customers for any additional fees that may not have been included in the original budget.

Generate Budget Reports

Budget reports are a must for your business to continue to head towards the right direction. Select a time-entry/billing program that allows you to create and view budget reports based on different criteria. For example, you should be able to view a budget for a specific customer or for a specific employee to view the actual and budgeted data.

Setting Employees Scheduling and Pricing

Scheduling employees is not only useful during a project, but also for budgeting for specific services. This section offers recommendations and features needed in a time-entry/billing software program to help your company schedule employees and set different billable rates to employee types and service types.

Assign Different Rates to Employees

Your time-entry/billing software program should allow you to setup different rates for different employees. For example, if you are a law firm, you should be able to bill clients a higher rate for a lawyer's time into a case, and a lower rate for a legal secretary's time. Your company should be able to determine how to setup billing rates and have those rates automatically applied to invoices.

Set Specific Rates for Services

Not only do companies track different billing rates for different employees, but many also track billing rates based on the actual services provided. For example, if you are a software manufacturing company that provides custom programs for clients, writing the designs for the project would probably cost less than the actual software coding for the project. Your time-entry/billing software program should allow you to setup different rates for different billable services.

Ability to Pre-Schedule Employees for Budgeting

If your company assigns different billable rates to different employees, you must be able to include that information when creating a budget. By pre-assigning employees to a project, your budgeted amount will be much more accurate than just entering random figures.

Designing Employee Schedule of Activities

Your time-entry/billing software program should allow you to enter the tasks that need to be completed in a project and the employee that should complete each task. You should also be able to enter the dates when each employee should start and finished the task. An employee should be able to access a list of tasks scheduled to them and the due dates for each task.

Printing Correct and Complete Invoices

You want to print accurate and complete invoices to be fully paid for services, and your customers want to receive accurate and complete invoices to know exactly what they are being billed for. When customers receive an accurate invoice, they have more faith in your company's overall services. This section offers recommendations and features needed in a time-entry/billing software program to help your company create precise and complete invoices every billing period.

Choosing the Correct Billing Form

If you need different billing forms for different types of projects or different billing methods, your time-entry/billing software solution should include several forms for you to choose from.

Assigning a Fee Arrangement to a Customer

Many companies setup different billing methods to track how customers will pay their bills. If you are a law firm, you may setup client invoices based on retainer fees for future time, while a consulting firm may use standard billing method to charge clients for work already completed. Select a time-entry/billing program that allows you to configure a client's billing method to be applied automatically to invoices.

Detail Employee Activities on Invoices

To ensure customers fully understand what services they are being charged for, your employee's activities on the project should be completely detailed on the invoice. Your time-entry/billing program must be able to include activity details on an invoice.

Including all Time and Expense Entries on One Invoice

Your time-entry/billing program should be able to list all times, expenses, and past payments on one invoice, instead of having separate invoices for each item. When your system can gather all the items that are billable, you will be able to process the total amount owed and generate more accurate accounting reports.

Ability to Edit Individual Invoices

Select a time-entry/billing program that will allow you to change individual invoices if required. You should be able to un-bill items or the entire invoice if required.

Time and Billing Professional for MAS 90 or MAS 200

Time and Billing Professional contains many of the features that can help you solve the problems of budgeting, scheduling, and invoicing. Time and Billing Professional follows the technology standards set by Best Software® with their MAS 90® or MAS 200® application.

Problems Solved

Time and Billing Professional allows your company to track your employees' time against billable projects and to create customer invoices based on the times entered by employees, while tying the data into your MAS 90 or MAS 200 accounting, distribution, and manufacturing system. This section lists the features required for budgeting, scheduling, and invoicing, and how Time and Billing Professional includes and handles the requirements.

Creating Accurate Budgets

Features Required	Time and Billing Professional
View budgets of similar projects	The Time and Billing Professional program features many historical views of projects. You can view the budgeted information and the actual cost for an entire project. You can even copy the information to create a new project.
Plan a budget by assigning employees to future tasks	The Budget/Scheduling feature available in Time and Billing Professional allows you to mark a budget as planned, and provides you the necessary tools to select tasks and employees to complete those tasks. You enter the number of hours and the planned start and finish dates for each activity and the program computes the total cost and includes that information into the budgeted figure.
Ability to review budgeted and actual amounts	Time and Billing Professional allows you to review current and past projects and view the budgeted and actual time and cost for each project.
Generate budget reports	With Time and Billing Professional, you can print four different types of budget reports. You can create a budget report that analyzes data by client, employee, work code, or category.

Setting Employee Schedules and Pricing

Features Required	Time and Billing Professional
Creating billing rates based on the type of employee	The Time and Billing Professional program allows you to enter detailed information about each employee whose hours are billable. You can set a different rate for each individual employee. For example, if you are a computer software company,

Features Required	Time and Billing Professional
	a standard programmer's time may be rated at a lower amount than a project manager's time.
Design rates based on work services rendered	You can create billing rates in the Time and Billing Professional program based on categories of different work services your company offers. For example, if your company installs cable, it might cost a certain amount for a basic cable installation, and it might cost more to re-wire the cable system. Use Time and Billing Professional to create specific billing rates for each type of service.
Ability to pre-schedule employees for future projects for budgeting purposes	The Budget/Scheduling feature available in Time and Billing Professional allows you to mark a budget as planned, and provides you the necessary tools to select tasks and employees to complete those tasks. You enter the number of hours and the planned start and finish dates for each activity and the program computes the total cost and includes that information into the budgeted figure. When the budget has been approved and the project is ready to begin, set the budget to the active status.
Print employees' scheduled activities	The Employee Scheduling Report feature available in Time and Billing Professional creates a report of the scheduled employee information available in the Budget/Scheduling feature. Employees can use this information as a list of tasks to complete.

Printing Accurate and Complete Invoices

Features Required	Time and Billing Professional
Use different billing forms	The Billing Format Maintenance feature available in Time and Billing Professional includes seven different templates to choose from for billable invoices. You can change these forms to include additional information, or you can design your own forms. You can select which form to use with a specific client.
Offer customers different billing fee arrangements to choose from	<p>The Time and Billing Professional program allows you to select from six different fee arrangements, including:</p> <ul style="list-style-type: none"> • Standard Billing • Fixed Fee Billing • Non-Billable Fee Arrangement • Progress Billing • Retainer Billing • Not to Exceed Amount Billing

Features Required	Time and Billing Professional
Include details of employee's services on invoices	The Time and Billing Professional program allows your company to setup standard comment codes for different work activities. You can enter the details of each activity. When creating the invoice, Time and Billing Professional will include the employee that completed the activity and the details of the activity.
Print all accounting details on one invoice	Since Time and Billing Professional integrates with Accounts Receivable, you can include received payments on the invoices.

Technology Features

The Time and Billing Professional program requires MAS 90 or MAS 200. Time and Billing Professional is installed as a separate module to the MAS 90 or MAS 200 system. For full technology features and requirements for MAS 90 and MAS 200, visit Best Software's website at www.bestsoftware.com.

MAS 90 or MAS 200 Integration

Recommended by more CPAs than any other business management application in its class, Best Software's MAS 90 offers a broad selection of feature-rich solutions, including accounting, financial reporting, distribution, manufacturing, and e-business management. The software is widely recognized for its ease of use and its ability to empower customers with insightful information.

MAS 200 offers all the functionality of MAS 90, but incorporates all the benefits of a client/server platform, including more efficiently distributed processing, high performance, enhanced data integrity and reliability, remote access support, and scalability. MAS 200 is also available on the Microsoft SQL Server platform.

The Time and Billing Professional module works with MAS 90 or MAS 200 to provide you with the ability to track your employees' time against billable projects. The Time and Billing Professional enhancement can share information with other MAS 90 or MAS 200 modules when integrated. The Time and Billing Professional module can be integrated with the Accounts Receivable, Accounts Payable, and General Ledger modules. The following table describes the data Time and Billing Professional shares with each module.

Module	Data Shared
Accounts Receivable	<p>The Time and Billing Professional module integrates with Accounts Receivable for the following key areas of billing:</p> <ul style="list-style-type: none"> • Billing Data Entry • Credit Memo Entry • Open Item versus Balance Forward Billing

Module	Data Shared
Accounts Payable	Use the Accounts Payable module to post reimbursable fees and expenses directly into the Time and Billing Professional Work in Process files. During Accounts Payable Invoice Data Entry and Manual Check Entry, you can enter expense information by employee, client, engagement, or work code. The Invoice Register and Manual Check Register features in Accounts Payable will check for valid clients, engagements, employees, work codes, and General Ledger line accounts setup in Time and Billing Professional. The Invoice Register and Manual Check Register features will automatically post to the Time and Billing Professional files after they are printed.
General Ledger	All journal entries generated from Time and Billing Professional are posted directly to the General Ledger following the printing and updating of the Daily Transaction Register. The financial statements and other General Ledger reports printed after the completion of the Daily Transaction Register will reflect postings on the register.

Open Architecture

Unlike most time-entry/billing software packages, the Time and Billing Professional source code is available to all Best Software Master Developers to further modify the software to suit a particular company's specific needs.

Time and Billing, Time and Billing Professional, and Timekeeper

We offer three different time-entry software programs – Time and Billing, Time and Billing Professional, and Timekeeper. Each program has their own set of features and strengths, and it really does depend on your business practices which program or programs are best for you. The following table compares each module to help you when making your selection.

Feature	Time and Billing	Time and Billing Professional	Timekeeper
Overview of Module	Time and Billing contains features that allow your company to enter employees' time and expenses that are billable and create the billing invoices.	Time and Billing Professional contains features that allow your company to enter employees' time and expenses that are billable and create the billing invoices.	Timekeeper contains features that allow your employees to enter their own time and expenses into MAS 90 or MAS 200. Managers and system administrators can approve employee's entries. There are no billing

Feature	Time and Billing	Time and Billing Professional	Timekeeper
			capabilities.
MAS 90 or MAS 200 Modules Required	Time and Billing does not require any MAS 90 or MAS 200 modules, but can be integrated with Accounts Payable, General Ledger, and/or Bank Reconciliation.	Time and Billing Professional requires the Accounts Receivable module. You can also integrate with Accounts Payable and General Ledger.	Timekeeper must be integrated with at least one of the following modules: <ul style="list-style-type: none"> • Accounts Receivable • Job Cost • Payroll • Sales Order • Time and Billing • Time and Billing Professional
Module's Strength	Ability to create invoices based on billable time entries. Does not require integration with any MAS 90 or MAS 200 modules.	Since Time and Billing Professional requires Accounts Receivable, all your receivables will be in one module, providing divisional accounting and cash flow analysis.	Timekeeper allows users to enter the time/expense information not only for billing purposes but also for payroll. Timekeeper can be accessed via a workstation, laptop, Palm OS handheld, Pocket PC (Windows CE) handheld, or through the Internet.
Which Employee Uses Module	Time and Billing is mainly used by your CPA or billing department.	Time and Billing Professional is mainly used by your CPA or billing department.	Timekeeper can be used by any employee for time/expense entries and administrators can approve entries and post data to integrated modules.

Conclusion

This section details final recommendations for selecting a time-entry/billing program and summarizes the topics discussed in this white paper.

Recommendations

- If you are interested in purchasing Time and Billing Professional, have your reseller perform a system review of your current accounting system to ensure Time and Billing Professional is the right software for your company.
- Sign-up managers, your billing department, and accountants for training courses to use Time and Billing Professional to its fullest potential.
- Learn about each setup option available in Time and Billing Professional and how it affects the entire accounting system.

Summary

Although all service-based companies face the obstacles of budgeting, scheduling, and invoicing, there are features available in Time and Billing Professional that not only tackle those issues, but also keep customers and managers “in-the-know” at all times.

We are committed to helping your company succeed. Your reseller will help you choose the right products and training to suit your current and future business needs.