

# **Time and Billing**

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**White Paper**

**February 2005**

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# Overview

It's your first day as the newest accountant in a prestigious law firm, and you're trying to keep all your new procedures straight. You're entering the lawyers' time into your accounting system to bill clients, and quickly realize the diverse billing rates – there are different rates for different tasks an employee performs and there are different rates for different types of employees. You quickly learn that whenever a lawyer enters the term “matters” on their timesheets, you need to enter that data in the “Project Name” field in your accounting program. Your supervisor requests that you pull all the invoices that are overdue by 60 days or more from the “Payments Due” file cabinet before the end of the day, and sets a meeting for you tomorrow to discuss all the different billing methods customers can select.

***Entering time against billable projects and invoicing customers might sound easy, but when you experience the task first hand, you quickly realize just how challenging it is.***

If you're a legal representative, CPA, consultant, or any business that bills customers for time-based projects, you know how crucial it is to accurately track employee time. You also must be able to process invoices quickly so customers do not question bills from past projects. But when your accountants' time is consumed with rummaging through paperwork, sorting through timesheet details, and separating client payment methods, your entire invoicing process becomes delayed. The problem for many time-based billing companies is the lack of software tools to help them complete their invoices quickly and accurately. Too many programs offer deficient features for:

- Diverse billing rates
- Varied billing methods
- General reporting features

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 accounting software problem 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 module, and details how certain features can be set to counteract these common accounting issues.

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# Diverse Billing Rates

Any company that provides services calculates bills by different rates per service type or by employee experience. This section offers recommendations and features needed in a time-entry/billing software program to help your company keep track of all the different billing rates available.

## Different Rates for Different Employees

Your time-entry/billing software program should allow you to setup different rates for different employees. For example, if you are a legal representative, you should be able to bill clients a higher rate for a lawyer's time spent on 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.

## Billing Rates Based on Services Rendered

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.

## Customized Rates for Specific Customers

When you bill customers based on projects, you know that there is always an exception to every rule. Your time-entry/billing software program must provide flexibility when invoicing customers. You should be able to setup customized billing rates for a client and determine if the customized rate should be applied to all projects or to just one specific project.

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# Varied Billing Methods

Any company that bills clients for services knows that customers want more control over how they pay their bills. Some customers want to be billed monthly and others may want to prepay for services. This section offers recommendations and features needed in a time-entry/billing software program to help your company keep track of all the different customer billing methods available.

## Choice of Client Fee Arrangements

For many companies, not only do you have to setup different billing rates to charge clients, but you also have to 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.

## Customizable Invoicing

Your time-entry/billing software program should allow you to customize billing features. For example, you should be able to change the names of fields for invoices or add data you want included on an invoice. So if lawyers use the term "matters" as engagement names when speaking with clients, the term "Matters" will appear on the invoice to avoid confusion during billing. 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.

## Set Billing Frequency Per Client

Select a time-entry/billing software program that not only works with your accounting program to generate invoices, but also gives you the ability to select a billing cycle. If a customer is setup to be billed every month, when your accounting department prints the monthly bills, the client's invoice must be included. If a client is set to be billed every two weeks, then the client's invoices must be included when the accounting department prints the bi-weekly invoices.

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# General Reporting Features

There are certain types of information a company accountant should be able to provide – which clients are behind in payments, which employees are most productive, and which projects are bringing in the most revenue? This section offers recommendations and features needed in a time-entry/billing software program to help your company provide answers to these important questions.

## Generating Reports for Unpaid Invoices

Your project manager, accountants, and human resources personnel should not be spending their time searching through paper files to determine which customers are overdue with payments. Select a software program that provides reporting features that allow you to print a listing of all customers that are x number of days past due.

## Reports Analyzing Productivity

When your company bills clients based on services performed by your employees, you are going to want to know which employees and which services are the most and least productive in your company. Select a time-entry/billing program that allows you to generate reports that calculate the productivity of employees and services.

## Profitability Reports

Your company will want to analyze which billable projects are the most profitable. Select a time-entry/billing program that will allow you to produce reports that analyze the most and least profitable projects and customers that your company has.

# Time and Billing for MAS 90 or MAS 200

Time and Billing contains many of the features that can help you solve the problems of billing rates, billing methods, and reporting features. Time and Billing follows the technology standards set by Best Software® with their MAS 90® or MAS 200® application.

## Problems Solved

Time and Billing allows your company to track your employees' time against projects and create customer invoices based on the time 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 billing rates, billing methods, and reporting features, and how Time and Billing includes and handles the requirements.

## Diverse Billing Rates

Features Required	Time and Billing
Creating billing rates based on the type of employee	The Time and Billing 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, a standard programmer's time may be at a lower rate than a project manager's time.
Design rates based on work services rendered	You can create billing rates in the Time and Billing 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 to create specific billing rates for each type of service.
Establish customizable rates for clients	With Time and Billing, you can create a billing rate for a specific customer for all projects for that customer or for one specific project.

## Varied Billing Methods

Features Required	Time and Billing
Offer customers different billing fee arrangements to choose from	The Time and Billing program allows you to select from six different fee arrangements, including: <ul style="list-style-type: none"><li>• Standard Billing</li><li>• Fixed Fee Billing</li><li>• Non-Billable Fee Arrangement</li><li>• Progress Billing</li><li>• Retainer Billing</li><li>• Not to Exceed Amount Billing</li></ul>

Features Required	Time and Billing
Customizable field names	<p>With Time and Billing, you can change the names of four fields to match your company's terminology. This feature lowers the company learning curve while reducing customer's billing confusion. Change the following field names:</p> <ul style="list-style-type: none"> <li>• Clients – For example, change to “Customers”</li> <li>• Engagements – For example, change to “Matters” or “Projects”</li> <li>• Employees – For example, change to “Consultants”</li> <li>• Work Codes – For example, change to “Services”</li> </ul>
Create different billing forms	<p>The Billing Format Maintenance feature available in Time and Billing, includes seven different forms to choose from for billable invoices. You can change these templates to include additional information, or you can design your own forms. You can select which form to use with a specific client.</p>
Determine when to bill customers	<p>The Time and Billing program allows you to select a specific billing frequency for each client. This billing frequency is used when processing invoices. For example, if you set the frequency for 100 of your 500 customers to Monthly, when you select to print the monthly invoices, the 100 selected clients will be included.</p>

## General Reporting Features

Features Required	Time and Billing
Ability to create reports based on client information, especially for past due invoices	<p>Time and Billing's Reports feature generates numerous reports based on client information, including the ability to print client labels for mailing purposes, monthly billing reports, and printing a list of invoices that are 30, 60, 90, or 120+ days overdue.</p>
Provide tools to analyze productivity	<p>Time and Billing's Analysis feature provides the tools you need to generate reports that analyze productivity by client, employee, or category (service offered).</p>
Features for analyzing profitability	<p>With Time and Billing, you can analyze your company's profitability for a client, employee, or category (service offered).</p>

## Technology Features

The Time and Billing program requires MAS 90 or MAS 200. Time and Billing 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](http://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 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 module also provides you with the features to create customer invoices based on the times entered by employees. The Time and Billing enhancement can share information with other MAS 90 or MAS 200 modules when integrated. The Time and Billing module can be integrated with the Accounts Payable, Bank Reconciliation, and General Ledger modules. The following table describes the information Time and Billing shares with each module.

Module	Data Shared
Accounts Payable	Use the Accounts Payable module to post reimbursable fees and expenses directly into the Time and Billing 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.
Bank Reconciliation	The Bank Reconciliation module records all deposit information from Time and Billing Cash Receipts/Write-Off Entry, as well as all checks printed or entered in the Accounts Payable and Payroll modules. As a result, you must only verify that the transactions recorded agree with your bank statement. Any discrepancies or missing information can be easily identified. Integrating with the Bank Reconciliation module ensures that monthly reconciliation of your bank statements will no longer be a troublesome, time-consuming job.

Module	Data Shared
General Ledger	If the General Ledger module is installed, all journal entries generated from Time and Billing are posted directly to the General Ledger. The financial statements and other General Ledger reports printed will reflect postings on the register.

## Open Architecture

Unlike most accounting software packages, the Time and Billing 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
<b>Overview of Module</b>	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 capabilities.
<b>MAS 90 or MAS 200 Modules Required</b>	Time and Billing does <b>not</b> 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"> <li>• Accounts Receivable</li> <li>• Job Cost</li> <li>• Payroll</li> <li>• Sales Order</li> <li>• Time and Billing</li> </ul>

<b>Feature</b>	<b>Time and Billing</b>	<b>Time and Billing Professional</b>	<b>Timekeeper</b>
			<ul style="list-style-type: none"> <li>• Time and Billing Professional</li> </ul>
<b>Module's Strength</b>	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.
<b>Which Employee Uses Module</b>	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.

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

## Summary

Although all companies that bill clients for time-based projects are faced with the difficult problems of diverse billing rates, various billing methods, and the need to create reports, there are easy-to-use features within the Time and Billing program that do not only solve these issues, but also increase the accuracy of your billing invoices.

***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.***