

XYZ CORP
Billing and Utilization Process
01 JAN 1900
Version 1.1

General Overview

Purpose

The billing and utilization task force was created to help the firm achieve the following goals:

- Ensure that we capture all services revenue
- Generate invoices for services as early as possible, with a target of the latest bill being weekly in arrears.
- Generate accurate and properly substantiated invoices
- Capture and report billable utilization and yield by resource, department, branch, region and company
- Enable accurate reporting of services revenue by department and type

The task force was charged with putting in place both a short-term triage solution to address the goals as well as a longer-term solution that would provide more functionality and efficiency. This document defines the short-term triage solution that is quite manual, but that will achieve the goals in large measure.

Overview of Solution

The solution includes the deployment of a national process for capturing ETPs payroll and billing information, the extension of the billing period at month end (through Monday) to ease the strain of invoicing work not yet complete and a project numbering process to facilitate the tracking of work and billings on a project.

The Future

This new process is a triage solution to help the company gain control over our rapidly growing services business. The process is quite manual, but as automated as possible in the short time allocated to roll out a process. Starting immediately, we will begin improving the process by adding more automated elements.

The next step (that should be in pilot roll out by July), is an automated timesheet and data collection process so that no manual data transposition steps exists between the ETP entering time and the ability to run reports for billing. Also planned for this phase of the project will be an automatic link from the timesheet database to ADP.

Ultimately, we plan a complete closed loop process from the collection of time to the generation of an invoice, but linkage to the invoicing system will likely be 12 to 18 months away.

Roles and Responsibilities

The following tables contains the roles and responsibilities for the participants in the billing and utilization process. Because branches vary in size and organization structure, the title of the people performing these roles will vary:

Role	Responsibilities
Regional Billing and Utilization Contact	<ul style="list-style-type: none">• Be the Billing & Utilization contact for your region• Train the branch contacts in your region• Assist in implementing a consistent national billing & utilization process• Review and understand all aspects of the process• Be the champion in the region for the process

	<ul style="list-style-type: none"> • Ensure a timely implementation • Work as the liaison for the region to the task force, forwarding all questions, concerns or issues that may surface that can not be addressed at the branch level • Distribute all information/material to appropriate personnel as needed
Regional Task Force Representative	<ul style="list-style-type: none"> • Be the Billing & Utilization task force representative for your region • Assist the regional contact, if needed, in training the branch contacts in your region • Review and understand all aspects of the process • Ensure a timely implementation • Continue to participate on the Billing and Utilization task force
Branch Billing and Utilization Contact	<ul style="list-style-type: none"> • Be the Billing & Utilization contact for your specific branch • Assist in implementing a consistent national billing & utilization process • Review and understand all aspects of the process • Be the champion at the branch for the process • Assist in educating the appropriate personnel at your branch • Ensure a timely implementation • Work as the liaison for the branch to the task force, forwarding all questions, concerns or issues that may surface that can not be addressed at the branch level • Distribute all information/material to appropriate personnel as needed
Branch Service Billing Administrator	<ul style="list-style-type: none"> • Understand the entire Billing and Utilization Process as it pertains to service billings • Branch process owner for the project numbering process • Recipient of the weekly timesheets (for billing purposes) • Entry of the timesheet data into the monthly summary sheet • Sorting and manipulation of the monthly summary to calculate service billings • Entry of service billings into appropriate system and recordation in the monthly summary sheet and project summary sheet • Running of monthly billing and utilization reports
Branch Payroll Administrator	<ul style="list-style-type: none"> • Understand the entire Billing and Utilization Process as it pertains to payroll • Recipient of the weekly timesheets (for payroll purposes) • Entry of the timesheet data into the payroll submission form • Submission of payroll information to Rye Brook
Branch Service Manager	<ul style="list-style-type: none"> • Understand the entire Billing and Utilization Process • Ensure compliance to the process by the ETPs • Ensure branch service billing process conforms with national standards
XYZ CORP Technical Professional (ETP)	<ul style="list-style-type: none"> • Fill out and submit timesheet every week • Fill out, gain signature and submit client signature sheets as appropriate

Definitions of Utilization and Yield

One of the key goals of this process is to develop the ability to report on utilization and yield of our technical professionals. In order to do so, we will establish a formal definition of utilization and yield as follows:

Definition of Utilization. Utilization is the percentage of *available* time that an individual billed clients. We will evaluate utilization based upon 1768 hours *available* per year (2080 net of holidays, vacation, training, personal). For purposes of calculating utilization, 50% of overtime billable hours will count toward utilization. So the formula for utilization shall be:

$$\frac{\text{Regular-hours-billed} + .5 * \text{Overtime-hours-billed}}{34 * \text{Number-of-weeks-in-period}}$$

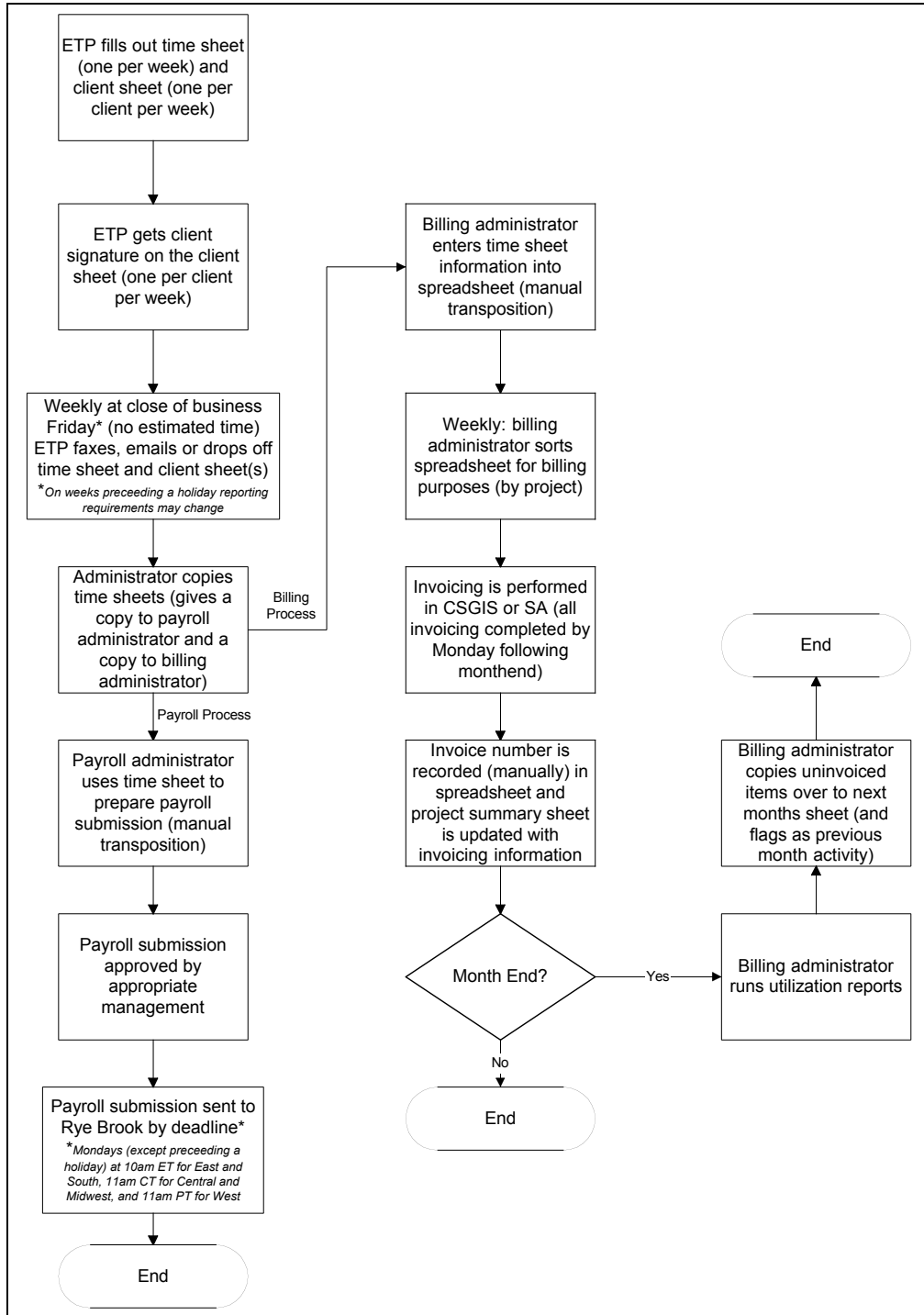
Definition of Yield. Yield is the revenue that an individual billed clients. Since revenue generated during overtime hours has a greater cost, for purposes of calculating yield, 50% of overtime billings will count toward yield. So the formula for yield shall be:

$$\text{Regular-hours-}\$ \text{billed} + .5 * \text{Overtime-hours-}\$ \text{billed}$$

Time Reporting Process

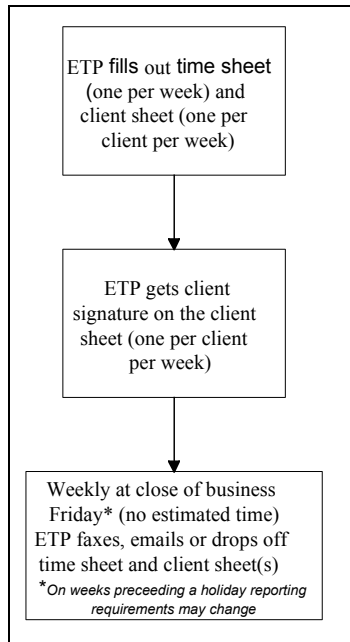
The new time reporting process will provide a national standard timesheet for use by all ETPs for the purpose of billing and payroll reporting.

Process Flow



Timesheet Reporting Instructions for ETPs

As a billable XYZ CORP employee, it is a requirement that you submit a weekly timesheet to report the hours that you have worked. The timesheet form is available on-line in the Bulletin Board and in XYZ CORPNet. You may also obtain hard copies from Service Management or your payroll representative at your location. The timesheet is to be used by all service groups including CSC, NIP and EFO. This timesheet will now be the document that you will use to track all your hours worked including overtime hours, vacation and any personal time taken. *Those ETPs that perform work assigned through Service Access Workorders, will use the timesheet for payroll reporting only.*



Those ETPs that perform work assigned through Service Access Workorders, will use the timesheet for payroll reporting only.

Timesheets are due every Friday evening by 5pm, except on the weeks preceding a holiday when the requirements may change (please see the payroll calendar for these exceptions). Any overtime worked after the timesheet was turned in, should be turned in as a revised timesheet and those hours will be added to your next pay period.

If submitting the timesheet electronically, please send it to _____ in Billing Administration and the payroll contact at your branch. If faxing it, please fax to: # _____. The timesheet contains (2) parts. The first is used for payroll and billing verification and the second (Client Timesheet) is designed for the customer to sign off on the work you have completed. It is to be used for all non-dispatched work. It is required to have the customer sign for all completed work done. This form can be faxed to the Billing Administration department once the customer has signed it.

The following information **must** be included when completing the weekly timesheet. Note: If incomplete information is received, this could delay your payroll processing.

- Employee Name (first and last)
- Your Job Title
- Location/Department - this is your 3 digit branch code and your 2 digit department code (ex: 181-07) (the department number can be found on your pay check stub)
- Current week start date (XYZ CORP week begins on a Saturday - once you enter the start date the spreadsheet will complete the dates for you.)
- Client Name
- Project #, or Workorder # - This is used as our tracking number

Only fill out areas that apply to the work you did. If you choose to utilize accrued vacation or personal hours when taking time off, you must show that on the timesheet. Please Note: If the timesheet is marked (0) for hours worked than you will not be paid for that day.

When completing the Client Timesheet, if done electronically, will only require the signature of the customer. All required information will automatically carry over to the Client Timesheet page. If you are completing this manually, please make sure to include all required information. Client Timesheets must be faxed or hand delivered to the Billing Administration department no later than the following Monday morning.

Please Note: Workorders completed on EFI's do not need a signed Client Timesheet. The signed EFI provides customer verification for work completed. See your Manager for instructions on completing EFI's.

If you should have any questions on the timesheet process please contact your Service Manager or your Business Manager at your branch.

Time Sheet

The timesheet has both a time sheet for time reporting purposes:

Employee Name:	<input type="text" value="*Enter Name Here*"/>		
Job Title	<input type="text" value="*Enter Job Title Here*"/>		
Location/Department:	<input type="text" value="*Enter Branch and Department Number*"/>		
Week (Starts Sun):	<input type="text" value="13-Apr-97"/>	through	<input type="text" value="19-Apr"/>

Day	Date	Client	Req# / Project#	Billable Hours	Billable Travel	Billable OT	Non-Billable Client Work	Other OT	Pre-Sales Hours	Tm Hrs	Vac Hrs	Pers Hrs	Hol Hours	Other Hours	Billable Exp	Total Regular	Total Overtime
Sunday	13-Apr															0.00	0.00
	13-Apr															0.00	0.00
Monday	14-Apr															0.00	0.00
	14-Apr															0.00	0.00
	14-Apr															0.00	0.00
	14-Apr															0.00	0.00
Tuesday	15-Apr															0.00	0.00
	15-Apr															0.00	0.00
	15-Apr															0.00	0.00
	15-Apr															0.00	0.00
Wednesday	16-Apr															0.00	0.00
	16-Apr															0.00	0.00
	16-Apr															0.00	0.00
	16-Apr															0.00	0.00
Thursday	17-Apr															0.00	0.00
	17-Apr															0.00	0.00
	17-Apr															0.00	0.00
	17-Apr															0.00	0.00
Friday	18-Apr															0.00	0.00
	18-Apr															0.00	0.00
	18-Apr															0.00	0.00
	18-Apr															0.00	0.00
Saturday	19-Apr															0.00	0.00
	19-Apr															0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Comments: _____ _____ _____ _____ _____	Manager Signature <input style="width: 100%; height: 20px;" type="text"/>
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And, it has two versions of a client signature sheet. One version (for full-time onsite assignments) is filled out automatically. The other requires additional manual entry for part time client engagements:

Employee Name:	*Enter Name Here*
Job Title	*Enter Job Title Here*
Location/Department:	*Enter Branch and Department Number*
Week (Starts Sun):	13-Apr-97 through 19-Apr
Client:	0 Additional Description
Client Contact:	Joe Customer
Project	0 Additional Description

Day	Date	Billable Hours	Billable Travel	Billable Overtime	Training Hours	Vacation, Personal, and Holiday Hours	Billable Expenses	Total Billable Regular	Total Billable Overtime	Description
Sunday	13-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	13-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Monday	14-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	14-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	14-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	14-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Tuesday	15-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	15-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	15-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	15-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Wednesday	16-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	16-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	16-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	16-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Thursday	17-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	17-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	17-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	17-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Friday	18-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	18-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	18-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	18-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Saturday	19-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	19-Apr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Comments: _____ _____ _____ _____ _____	Client Signature _____
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Timesheet Field Definitions

The fields on the time sheet are as follows:

1. **Name** Your Name
2. **Job Title** Job Title assigned to you by XYZ CORP Human Resources Department.
3. **Location/ Department** Three digit branch number followed by your two digit department number, as seen on your check stub.
4. **Week** Start and end date of the week you are reporting. Start date is always a Saturday, end date is always a Friday
5. **Client** Name of customer for whom you worked on that day.
6. **Project #** Assigned by your branch, Used for tracking all cost related to a Project. If your branch currently uses Project numbers, please continue to use them. If your branch currently does not use Project Numbers, please put a description of the Project in this box. In the future we will be instituting a numbering scheme for branches to use.

7. Billable Hours	A maximum of 8 hours per day that will be invoiced to the customer under the terms of XYZ CORP's contract with that customer.
8. Billable Travel	Hours used to Travel to and from a customer location that is billable to the customer under the terms of XYZ CORP's contract with that customer.
9. Billable Overtime	All hours in excess of 8 per day that are billable to the customer under the terms of XYZ CORP's contract with that customer.
10. Non-Billable Client Work	All hours worked, up to 8 per day, for customers that is NOT billable to the customer under the terms of XYZ CORP's contract with that client.
11. Other Overtime	All hours worked in excess of 8 per day for customers that is NOT billable to the customer under the terms of XYZ CORP's contract with that customer.
12. Pre-Sales Hours	All hours worked on a customer proposal, prior to XYZ CORP's engagement by the customer.
13. Training Hours	All hours, up to 8 per day, spent in training.
14. Vacation Hours	All hours, up to 8 per day, spent on vacation
15. Personal Hours	All hours, up to 8 per day, used for personal reasons
16. Holiday Hours	All hours, up to 8 per day, for Holidays, as defined in XYZ CORP's Employee handbook.
17. Other Hours	All other hours not Overtime hours worked
18. Billable Expenses	All expenses paid that are billable to the customer under the terms of XYZ CORP's contract with that customer.

Instructions for the Billing Administrator

The following are instructions for the branch billing coordinator.

Receiving Timesheets

Timesheets from all billable employees are due every Friday by the end of the business day. All timesheets must reference a project number or workorder number. Customer Timesheets should be faxed in at the same time, or no later than the following Monday morning.

If the Employee Timesheets arrive via the fax machine, a copy must be made and delivered to Payroll clerk. If it is sent via cemail, then make sure that Payroll clerk is copied on it. If not, forward it.

Entering Data into Monthly Summary Sheet

Every Monday / Tuesday (must be Monday at Month-end), enter all timesheets into the Monthly Summary file for the appropriate month. All information is entered under the 'Monthly' tab in the file. You will need to add one line in the summary file for each project an individual worked on during the week.

Once a timesheet is entered into the Billing Details file, put a check mark on the top of the timesheet, so you know that it has been entered. When you are done entering the data, file the Customer Timesheet by company name and the attach the timesheet for dedicated accounts or file the timesheet alphabetically by employee name.

Determining What to Invoice

Every week, timesheets are entered into the Billing Details file. At the end of the week/month, depending on when a customer is billed, the file is sorted by project number so that the number of billable hours for a project is totaled and then invoiced correctly to the customer. Reference the invoice number, total amount and date on the final line item for each project number.

It is advisable to maintain a checklist listing all projects for the current month and check each project off as they are invoiced. (This is an extra safety check that you have accounted for everything).

All information regarding service Projects should be stored in a separate file (Project Tracking file) and assigned a Project #. Information should include all applicable billing information as well as length of project. It is advisable to track the dollar amounts invoiced against a customer's total PO amount as a proactive measure to ensure invoice integrity.

Invoicing the Client

Once you have determined the appropriate amount to invoice the client, an invoice should be generated in CSGIS or Service Access and the invoice number recorded in both the monthly summary sheet and project tracking sheet.

Month-end Reporting Instructions

After completing all entry into the monthly summary sheet (including entry of all time and recording of all invoices, monthly reports can be generated.

Step one is to ensure that the calculated fields on the sheet have the formulas copied for each row in the sheet.

Step two is to run the reports on the 'Menu' tab. Please note that if you want to rerun any of these reports, you can do so, but must first delete (or rename) the original run of the report. The 'Menu' tab provides further instruction on this.

Step three is to send a copy of the monthly report to:

- Branch General Manager
- Branch Service Managers
- Regional (or Area) Service Managers
- Corporate Service operations (cc:mail to Joseph Philbrick)

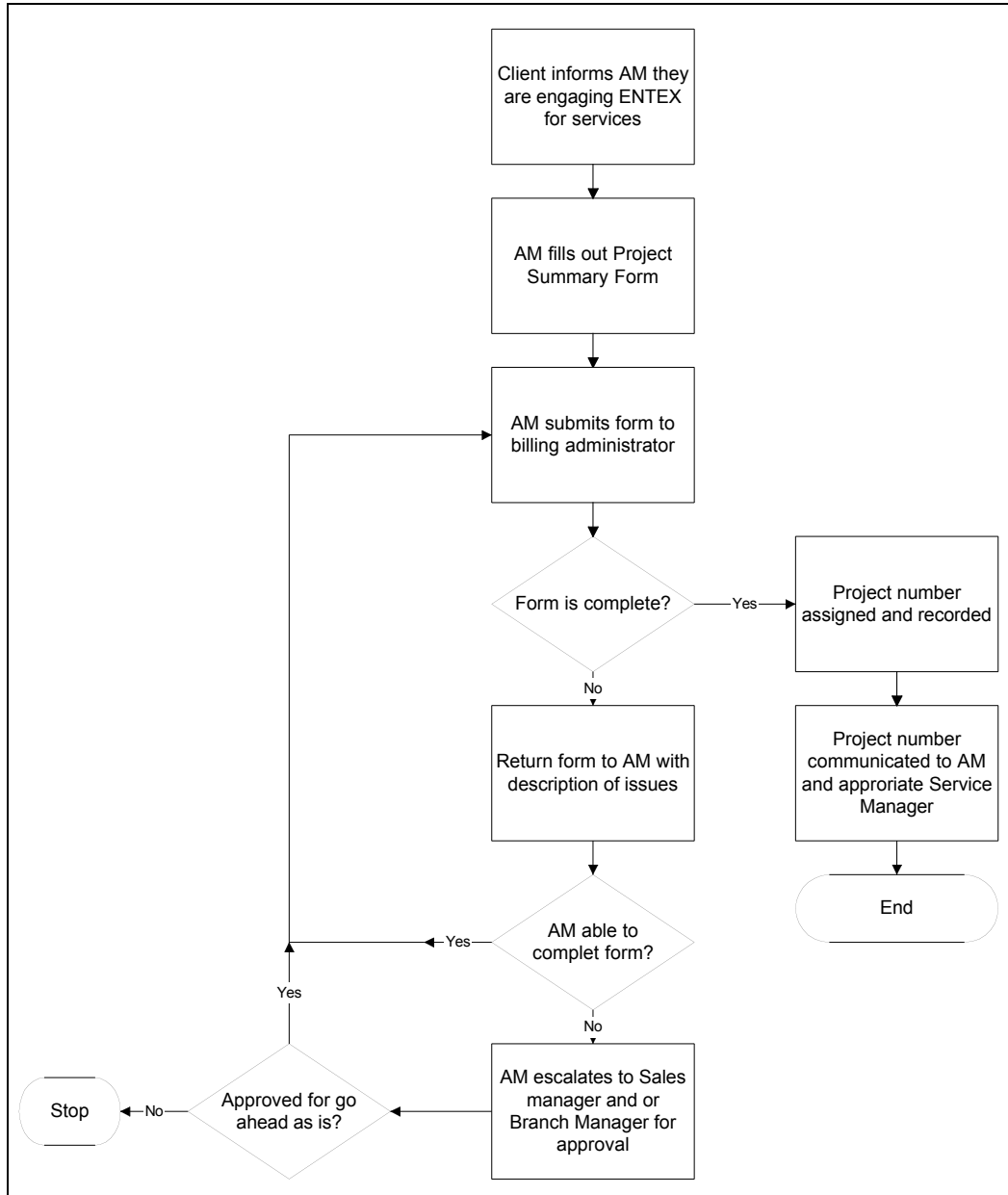
Month-end Processing

If a project is unable to be invoiced, the billable hours must be carried over to the next month. Any uninvoiced line items should be copied to the next months sheet and the 'Previous Month Work?' field marked as "Y".

Project Numbering Process

Project numbering is an essential part of the billing and utilization process because it links the work reported to the billing arrangement for the project.

Process Flow



6. At the end of each week of the service performed, the assigned Engineer/Consultant faxes or electronically sends in an Employee Timesheet to the Service Billing Admin. referencing the Project number.
7. The Service Billing Admin. can then invoice for the project according to the information provided on the Project Request Form and the billable hours recorded on Employee Timesheets for that time period.

Project Tracking File

The project tracking file looks like:

When assigning Project #'s use: Branch Code, Numerical Sequence (ex. BBB00001)																
INVOICE/REVENUE TYPES INCLUDE:																
SA-Workorder Completion, Exception, Summary or Fixed																
CSGIS (must include sundry code)																
NTS (amount to be sent to SA Database)																
Journal Entry																
Project Number	Date of Project # Assignment	Customer Name	Account Number	Forecasted Length of Proj.	Actual Length of Proj. <small>(entered upon completion)</small>	Account Manager	Assigned Engineer(s)	Rate\$/ Hour	Invoice/ Revenue Type	Billing Instructions	Approved Sundry/Margin	PO Number	PO Expiration Date	PO Amount	Invoice Date	Invoiced Amount

Project Tracking File Definitions

The following information defines the column headings found in the Project Tracking spreadsheet that is to be used for assigning and maintaining service projects within the branch.

1. **Project Number** This is the project number that the Billing department assigns
2. **Date Project # Assigned** Date the Project # is assigned and should coincide with start date of project
3. **Customer Name** Name of the customer as shown in GPAD
4. **Account Number** Customer Account Number in GPAD
5. **Forecasted Length of Project** The forecasted length of the project as designated on the Project Request Form
6. **Actual Length of Project** The actual length of the project determined at time of project completion
7. **Account Manager** Account Manager as assigned in GPAD
8. **Assigned Engineer** The Engineer(s) assigned to work on the project who will be referencing that Project # on their timesheet
9. **Rate \$/Hour** Hourly rate as stated on Project Request form
10. **Invoice/Revenue Type** How the invoice or revenue will be generated. This should include one of the following:
 Service Access - Completed Workorder, Exception, Summary, Fixed Rate
 GPAD - (This is for DRT Service only and)
 EFS - (Amount to be sent to TI Database)
 Journal Entry - (All information for journal entry must be sent to branch Operations Manager and/or Controller)

11. **Billing Instructions** Any pertinent information regarding revenue recognition or invoicing that the customer may require in order to process payment of the invoice. Information should include: How often to invoice, What information must be reflected on invoice
12. **Approved Margin/Sundry** This is the margin or sundry as stated and approved by Senior Service Management on the Project Request Form.
13. **PO Number** This is the PO number given to XYZ CORP by the customer (A hard copy of this must be submitted and filed)
14. **PO Expiration Date** This is the date the PO expires as stated by the customer
15. **PO Amount** This is the total amount of the PO at the beginning of the project
16. **Invoice Date** This is the date an invoice is generated for a project This must be entered each time an invoice is generated (Insert rows if you have multiple invoices generated for one project) Example: Weekly invoicing for a 6 month project
17. **Invoice Amount** This is the total amount of each invoice generated for a project This must be entered each time an invoice is generated for a project
18. **PO Amount Remaining** This is a formula that subtracts from the PO amount each time an invoice is generated against the PO. When a PO is running short of funds, the Account Manager and Service Manager should be notified immediately so that appropriate action may be taken.

Change Control

Since this is a national process, it is important for us to maintain it consistently across the company. As such, we have developed a change control form that is to be used to request changes to the process and enable the tracking of the status of those changes.

If a change is desired, the form should be filled out and submitted to by cc:mail to Joseph Philbrick and copy Robyn Collins. The change request will be responded to with one week.

Billing and Utilization Process Request for Change to the Process	
Name of Requester:	
Branch:	
Date:	
Overview of revision or change:	
Objectives of the revision or change:	
Benefits of the revision or change:	
Other comments:	
<i>Please submit form to Joe Philbrick and copy Robyn Collins via cc Mail</i>	
Corporate Office Use Only	
Disposition of Request	
Accepted	Date accepted:
	Date implemented:
Declined	Date declined:
	Reason declined:

Other Documents

Electronic Timesheet (timesh12.xls)

Hard Copy Timesheet (ts12-hc.xls)

Monthly Summary Sheet (monthly.xls)

Project Number Request Form (proj#req.doc)

Project Tracking Sheet (proj-trk.xls)

Payroll Submission Form (pr-time.xls)

Change Request Form (b&u-chng.doc)