



Module 3 – Subcontract Management

Chapter 06

DRAWS AND PAY WHEN PAID

| Date | Version | ProjectPro Version | Author |
|-------------------|----------------|---------------------------|-----------------|
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Subcontract Management – Draws and Pay When Paid

INTRODUCTION

The "Pay When Paid" mechanism operates based on specific Draw numbers. Essentially, a subcontractor's compensation is contingent upon the contractor receiving payment for a particular draw. If the contractor does not receive payment from the customer for that draw, the subcontractor's payment may be delayed until the issue is resolved. Basically, Draw feature is the linkage between the Sales documents, Progress Billings and the Vendor invoice for the project and is used for tracking the bills.

1. Projects Setup

The Projects Setup has the default payment terms code to be defined for the Draws and the Pay when Paid.

- Default Draw Payment Terms Code:** Specifies the default Draw Payment Terms Code to be set for vendors when using "Pay when Paid" business process. The "Pay when Paid" is the term of paying your vendors when your customer pays you, i.e., this will get updated on the purchase documents when a "Draw No." is selected. Typically, in ProjectPro this is with the one set to "999D" due date calculation.
- Default Draw Due Date Calculation:** Specifies the calculation for default Due Date based on payment terms code selected above.

2. Defining Draws on the Project

Create a project in the similar manner as per the business requirement and additionally, click on "Draws" from the Home section on the ribbon.

Subcontract Management – Draws and Pay When Paid

This will open a page to create the Draws as below. Please note that, no transaction can be performed if the Draw is marked as “Closed”.

| No. 1 | Project No. 1 ▼ | Sales Document Type | Sales Document No. | Sales Document Date | Progress Bill No. | Progress Bill Requisition No. | Closed | Closed Date |
|--------------|-----------------|---------------------|--------------------|---------------------|-------------------|-------------------------------|-------------------------------------|-------------|
| J01370-001 | J01370 | | | | | 0 | <input type="checkbox"/> | |
| → J01370-002 | J01370 | | | | | 0 | <input type="checkbox"/> | |
| J01370-003 | J01370 | | | | | 0 | <input checked="" type="checkbox"/> | 2/3/2025 |

Further, define the “Pay When Paid Term” on the project card under Invoice and Shipping fast tab as below. In any case, if this is not defined then by default this is considered as “0D”.

J01370 · Tower Cons.

Home Prices & Discounts Job Navigate Report Analytics Actions Related Fewer options

Project Planning Lines Project Task Lines Progress Billings Create Warehouse Pick Crews Project Task Totals Project Contacts Post and Print Pre

Next Project Material Planning Custom Reports Draws Project Task Line Worksheet Links Project Segments Post Prepayment

Previous Subcontracts Create Inventory Pick Project Forecast Worksheet ProjectPro AI APO Links Post Prepayment Invoice... Post and Print Pre

Invoice and Shipping Show more

Task Billing Method One customer Ship-to

Bill-to Default (Customer) Ship-to Default (Sell-to Address)

Payment Terms Phone No. 607-569-4120

Payment Terms Code 15 Contact Nick Hovaker

Pay When Paid Term 30D

This "Pay When Paid Term" is used in the calculation of due dates for vendor ledger entries and update them with the new ones. The term defined here are added to the “Posting Date” of the payment received of the related Draw No. customer entry, and thereby recalculating the new “Due Date” for vendor ledger entries associated with a specific draw number.

3. Creating Sales Invoice

Generate a bill for the customer against the task done through Progress Billing.

- On the progress billing requisition select the required Draw No. on the general fast tab to create a link between the sales and purchase documents.

Subcontract Management – Draws and Pay When Paid

Progress Billing ✓ Saved

J01370 · 1 · 1

Home Reports | Actions ▾ Related ▾ Fewer options

General

| | | | |
|----------------------|---------------------|--|--------------------------|
| No. | J01370 | Multiple Retention % on Lines | <input type="checkbox"/> |
| Requisition No. | 1 | Owner Contact Type (Obsolete) | Owner ▾ |
| Version No. | 1 | Owner Contact Code | ▾ |
| Project No. | J01370 | Arch Eng Contact Type (Obsolete) | Architect/Engineer ▾ |
| Project Name | Tower Cons. | Arch Eng Contact Code | ▾ |
| Draw No. | J01370-001 ▾ | Status | Open ▾ |
| Customer No. | 10000 | Document No. | |

- Once the Sales Invoice is posted, you can check the Draw No. being populated to the posted document.

Posted Sales Invoice ✓ Saved

PBS-100 · Porter's Excavation

Home Print/Send Invoice Incoming Document Electronic Document Report | Actions ▾ Related ▾ Fewer options

General Show more

| | | | |
|-------------------------|---------------------|-----------------------------------|-------------------------------------|
| No. | PBS-100 | Canceled | No |
| Customer | Porter's Excavation | Closed | <input checked="" type="checkbox"/> |
| Contact | ABC | Dispute Status | |
| Posting Date | 2/3/2025 | Use % Billing Format | <input type="checkbox"/> |
| Due Date | 2/18/2025 | Draw No. | J01370-001 |
| Promised Pay Date | | Project No. | J01370 |
| Quote No. | | Retention Document | <input type="checkbox"/> |
| Order No. | | Multiple Retention on Lines | <input type="checkbox"/> |

- You can verify the sales document being linked against the Draw No. selected on the Draws list.

Draws ✓ Saved

J01370-001 · J01370

Related ▾

| No. ↑ | Project No. ↑ ▾ | Sales Document Type | Sales Document No. | Sales Document Date | Progress Bill No. | Progress Bill Requisition No. | Closed ▾ | Closed Date |
|--------------|-----------------|---------------------|--------------------|---------------------|-------------------|-------------------------------|--------------------------|-------------|
| → J01370-001 | J01370 | Invoice | SI-10090 | 2/3/2025 | J01370 | 1 | <input type="checkbox"/> | |
| J01370-002 | J01370 | | | | | 0 | <input type="checkbox"/> | |

Note: If the same draw no. is used in multiple requisitions, then the latest sales and posted sales document no. is updated on the Draws list, i.e., replacing the old values eventually.

Subcontract Management – Draws and Pay When Paid

4. Creating Subcontract Purchase Order

Create a subcontract purchase order and select Draw No. on it. Once that is selected, the system will auto update the Payment Terms Code to “PYP-999” based on the projects setup.

Subcontract Commitment PO 1 -021 · Crowley Plumbing & Heating Sup

Manage Home Release Request Approval Print Page Actions Related Reports Fewer options

Post... Post and Print... Statistics Progress Payments Copy Document... Create Inventory Put-away/Pick... ProjectPro AI

Expected Receipt Date: [] Subcontract No.: SC20045
 Posting Date: 2/3/2025 Draw No.: J01370-001
 Due Date: 10/30/2027 Progress Payment Enable: Yes
 Vendor Invoice No.: INV784785 Status: Open
 Purchaser Code: [] Multiple Retention on Lines: []
 No. of Archived Versions: 0

Lines >

Invoice Details Show lists

Currency Code: [] Location Code: []
 Expected Receipt Date: [] Shipment Method Code: []
 Payment Terms Code: PYP-999 Payment Reference: []
 Transaction Type: [] Creditor No.: []

On posting the purchase document the Due Date for the Vendor ledger entries will get assigned based on the “Payment Term Code”.

| Posting Date | Bal. Ledger No. (Obsolete) | Due Date | Pmt. Discount Date | Pmt. Disc. Tolerance Date | Original Pmt. Disc. Possible | Remaining Pmt. Disc. Possible | Max. Payment Tolerance | Open | On Hold | Job No. | Subcontract No. | Draw No. | Pay when paid | Lien Release Print Status |
|--------------|----------------------------|------------|--------------------|---------------------------|------------------------------|-------------------------------|------------------------|-------------------------------------|---------|---------|-----------------|------------|--------------------------|---------------------------|
| 2/3/2025 | | 10/30/2027 | 2/3/2025 | 2/3/2025 | 0.00 | 0.00 | 0.00 | <input checked="" type="checkbox"/> | | J01370 | SC20045 | J01370-001 | <input type="checkbox"/> | |

Note: The user can change the Draw No. on the Posted Documents and entries via “Update Document” function on the ribbon if the user has enabled the “Allow Draw No. Changed” on the User Setup.

In the end, receive the payment from the customer for the same “Draw.”

| Posting Date | Document Date | Document Type | Document No. | Customer No. | Description | Lien Waiver Type | Lien Waiver Signed Date | Lien Waiver Print Status | Lien Wal... Work Type | Lien Waiver Amount | Lien Waiver Payment | Dept Code | Div Code | Retention Ledger Code | Draw No. | Pay when paid |
|--------------|---------------|---------------|--------------|--------------|----------------------|------------------|-------------------------|--------------------------|-----------------------|--------------------|---------------------|-----------|----------|-----------------------|------------|--------------------------|
| 2/3/2025 | 2/3/2025 | Payment | PAY1000 | 10000 | Porter's Excavati... | | | | | 0.00 | 0.00 | | | NORMAL | J01370-001 | <input type="checkbox"/> |
| 2/3/2025 | 2/3/2025 | Invoice | PBS-100 | 10000 | Invoice SI-10090 | | | | | 0.00 | 0.00 | | | NORMAL | J01370-001 | <input type="checkbox"/> |

5. Pay When Paid Batch

There is also an option to run the “Update Due Dates - Pay When Paid Batch” if you want to change the Due Date and pay their vendors at the earliest date.

Subcontract Management – Draws and Pay When Paid

- For running the batch, enable the User Setup “Allow Pay When Paid.”

| User ID 1 | Ove... JFW Date Setup | Mo... Rev... Job | Acc... to Cha... Work | Ena... Lien... Print | Allow To Block APO | Allow CPR Fun... | Pho... No. | JMP Template Worksheet Name | JMP Batch Name | Access to Remove Progress Billing No. | Mo... Proj... Ma... Stat... | Allow Acc... to Rep... | Allow cha... of App... | Allow Pay When Paid | Allow Draw No... Cha... | Allow Sub... of Job | Allow Ad... rights for |
|----------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---------------|-----------------------------------|-------------------|--|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| DYNAMICS\HEENA | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | REQ. | DEFAULT | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| DYNAMICS\NEERAJ.K... | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| DYNAMICS\ONBOAR... | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| DYNAMICS\RIASEN | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

- From Customer Ledger Entries, click on “Update Due Dates- Pay When Paid”.

| Posting Date | Document Date | Document Type | Document No. | Customer No. | Amount | Other |
|--------------|---------------|---------------|--------------|--------------|--------|-------|
| 2/3/2025 | 2/3/2025 | Payment | PAY1000 | 10000 | | |
| 2/3/2025 | 2/3/2025 | Invoice | PBS-100 | 10000 | | |

- On the batch report request page, enter the “Job No.” and other required details and click “OK”.

Update Due Dates - Pay When Paid

Options

Job No. : J01370

Customer No. : 10000

Draw No. : ...

CLE Entry No. : ...

Vendor No. : ...

Filter: Cust. Ledger Entry

+ Filter...

Filter totals by:

+ Filter...

Schedule... **OK** Cancel

Subcontract Management – Draws and Pay When Paid

- Based on the filters applied, the “Due Date” on the vendor ledger entries for Document Type “Invoice” and Retention Ledger Code “Normal” will be changed.
- This batch will also enable the “Pay When Paid” Boolean for the related vendor ledger entry, which will exclude that entry upon running the batch again.

| Posting Date | Remaining Amt. (\$) | Bal. Ledger No. (Obsolete) | Due Date | Pmt. Discount Date | Pmt. Disc. Tolerance Date | Original Pmt. Disc. Possible | Remaining Pmt. Disc. Possible | Max. Payment Tolerance | Open | On Hold | Job No. | Subcontract No. | Draw No. | Pay when paid | Lien Release Print Status |
|--------------|---------------------|----------------------------|----------|--------------------|---------------------------|------------------------------|-------------------------------|------------------------|-------------------------------------|---------|---------|-----------------|------------|-------------------------------------|---------------------------|
| 2/3/2025 | -2,000.00 | | 3/5/2025 | 2/3/2025 | 2/3/2025 | 0.00 | 0.00 | 0.00 | <input checked="" type="checkbox"/> | | J01370 | SG00045 | J01370-001 | <input checked="" type="checkbox"/> | |

Note: Batch will check the posting date of payment for a specific project and draw no. from the Customer Ledger Entries and filter out the Vendor Ledger Entries till that posting date for the same project and draw no. (The Due Date will be calculated as the “Posting Date of Customer Payment on CLE + Pay When Paid Term defined on the Project card.”)

- The same due date will be updated while paying the vendors for the same draw no.

| Posting Date | Bal. Ledger No. (Obsolete) | Print Lien Release | Project No. | Project Task No. | Project Quantity | Job Cost Category | Subcontract No. | Draw No. | App. (Yes...) | Applies-to Doc. Type | Applies-to Doc. No. | Applies-to Doc. Due Date | Bank Payment Type | Transaction Type Code | Check Prin... |
|--------------|----------------------------|--------------------|-------------|------------------|------------------|-------------------|-----------------|------------|-------------------------------------|----------------------|---------------------|--------------------------|-------------------|-----------------------|--------------------------|
| 2/3/2025 | | | J01370 | | 0 | | | J01370-001 | <input checked="" type="checkbox"/> | | | 3/5/2025 | | BUS | <input type="checkbox"/> |

Note: The user can also create a “Job Queue” if the user wants to run the batch for all the projects.