


## How to Produce Retention Invoices

Scenario:

You have quoted and won a job to refurbish part of the town hall for the Walmsley City Council.

- The quote is for \$10,000 plus sales tax (GST/VAT).
- You will issue a 50% progress invoice when the job is half complete (\$5000 plus GST).
- When the job is fully completed you will issue a second progress invoice for the balance of the quote, less 10% retentions (\$4500 plus GST).
- You will then issue a final Invoice for the retention amount (\$500 plus GST).

**STEP 1:** Create a quote for \$10,000 (plus GST)



**QUOTE**

Attention: Charles Guyson  
Walmsley City Council  
356 Main Street  
Walmsley WM-7657

**Date**  
7 October 2014

**Quote Number**  
Q10021

**Job Number**  
Job-4567

Planit Builders  
Po Box 3665  
Walmsley WM8676  
Phone: +64 9 27 270 1000

**Town Hall Refurbishment**  
Refurbishment of the council town hall as per Contract # WCC-166675-12

Tasks	Time	Rate	Amount
Labour	120:00	50.00	6,000.00

Costs	Quantity	Rate	Amount
Materials	1.00	4,000.00	4,000.00
		Subtotal	10,000.00
		GST	1,500.00
		<b>Total</b>	<b>11,500.00</b>

Figure 1: Sample Quote

## How to produce retention invoices

**STEP 2:** You have completed more than 50% of the job, so you issue a progress invoice for 50% of the quoted value.

- Go to the **Financial** tab of the job.
- From the left hand menu select **New Progress Invoice**.
- Select/enter 50% of the quoted value.
- Edit/accept the *Default percentage progress description* then select **Next**.
- Select **Approve and Print**.

Approving the invoice will automatically - and immediately - create a copy of the sales invoice in your Xero account where it can be reconciled against the incoming payment from the client (see Figure 2).

**Edit Invoice INV-0006**

Draft ? Email Print PDF Invoice Options


To:  Date:  Due Date:  Invoice #:  Reference:

Amounts are

Item	Description	Qty	Unit Price	Disc %	Account	Tax Rate	Branch	Amount NZD
	Client Order No: Job No: Job-4567 Name: Town Hall Refurbishment Refurbishment of the council town hall as per Contract # WCC-166675-12							
	Labour	400.00	150.00		203 - Sales - Other	15% GST on Income		60,000.00
	Timber	400.00	100.00		203 - Sales - Other	15% GST on Income		40,000.00
	50% Progress Payment	1.00	-50,000.00		203 - Sales - Other	15% GST on Income		-50,000.00
	Retention - 5% of Contract Price (\$100,000)	1.00	-5,000.00		203 - Sales - Other	15% GST on Income		-5,000.00
Subtotal								45,000.00
Total GST 15.00%								6,750.00
<b>TOTAL</b>								<b>51,750.00</b>

Figure 2: Copy of the 50% progress invoice in Xero

However, the version of the invoice that the client will see is the one created in WorkflowMax. Select the desired print Template, then **Print**. From the left hand menu, select **Email**. Complete the details and **Send Email**.



# Planit Builders

**TAX INVOICE**

Attention: Charles Guyson  
Waimsey City Council  
356 Main Street  
Waimsey WM-7657

Date: 7 October 2014  
Invoice Number: INV-0007  
Client Order No.

Plant Builders  
Po Box 3665  
Waimsey WMB676  
Phone: +64 9 27 270 1000

Quote Number: Q10021  
Job Number: Job-4567  
Job Name: Town Hall Refurbishment  
Job Description: Refurbishment of the council town hall as per Contract # WCC-166675-12

Costs	Quantity	Rate	Amount
50% Progress Payment	1.00	5,000.00	5,000.00
		Subtotal	5,000.00
		GST	750.00
		Total	5,750.00
		Amount Due	5,750.00

Due Date: 14 October 2014  
Invoice Footer

Figure 3: 50% progress invoice in WorkflowMax

## How to produce retention invoices

**STEP 3:** You have completed the job, so you want to issue a progress invoice for the remainder of the quoted value, less retentions equivalent to 10% of the original quote (\$500.00). You want to display the fact that you have allowed for retentions in your invoice and the amount payable is net of (does not yet include) those retentions.

- a. Go to the **Costs** tab of the job.
- b. In the **Description** field enter: *Retentions - 10% of the quoted value* (or similar).
- c. In the **Quantity** field enter: *-1* (negative 1).
- d. In the **Unit Cost** field enter: *0* (zero).
- e. In the **Unit Price** field enter: *500.00*.
- f. If desired, provide more information in the **Notes** field. For example: *Retentions withheld as per Contract # WCC-166675-12 until 20 Feb 2015.*
- g. **Save** your changes.
- h. Go to the **Financial** tab of the job.
- i. From the left hand menu select **New Progress Invoice**.
- j. Select **Quoted/Estimated Time and Costs**, then **Next**.

You will see the retentions information highlighted with red shading. This is because retentions is a cost that was not part of the original quote and you will need to select it before approving the invoice (see Figure 4).

### Tasks

New Task
 Add Multiple Tasks

<input type="checkbox"/> Name	Time	Rate	Total
<input checked="" type="checkbox"/> Labour	120:00	50.00	6,000.00

### Costs

New Cost
 Add Multiple Costs
 Apply Markup

<input type="checkbox"/> Description	Quantity	Unit Cost	Cost	Unit Price	Total
<input checked="" type="checkbox"/> Materials	1.00	3,000.00	3,000.00	4,000.00	4,000.00
<input checked="" type="checkbox"/> 50% Progress Payment	-1.00	0.00	0.00	5,000.00	-5,000.00
<input checked="" type="checkbox"/> Retentions - 10% of the quoted value'	-1.00	0.00	0.00	500.00	-500.00
Retentions withheld as per Contract # WCC-166675-12 until 20 Feb 2015.					

Reorder Costs

Sub Total	4,500.00
GST (15.0%)	675.00
<b>Total</b>	<b>5,175.00</b>

Tasks and Costs additional to those quoted/estimated. Tick the billable box adjacent to each item to invoice.

Save Draft & Print
Save Draft
Approve & Print
Approve
Cancel

**Figure 4: Be sure to select the checkbox to the left of the non-quoted cost Retentions**

- Select **Approve and Print**.
- As before, approving the invoice will automatically - and immediately - create a copy of the sales invoice in your Xero account where it can be reconciled against the incoming payment from the client.

## How to produce retention invoices

However, as before, the version of the invoice that the client will see is the one created in WorkflowMax. Select the desired print Template, then **Print**. From the left hand menu, select **Email**. Complete the details and **Send Email**.

**Planit Builders**

**TAX INVOICE**

Date: 7 October 2014  
Invoice Number: INV-0008  
Client Order No.

Planit Builders  
Po Box 3665  
Walmsley WM8676  
Phone: +64 9 27 270 1000

Attention: Charles Guyson  
Walmsley City Council  
356 Main Street  
Walmsley WM-7657

Quote Number : Q10021  
Job Number : Job-4567  
Job Name : Town Hall Refurbishment  
Job Description : Refurbishment of the council town hall as per Contract # WCC-166675-12

Tasks	Time	Rate	Amount
Labour	120.00	50.00	6,000.00

Costs	Quantity	Rate	Amount
Materials	1.00	4,000.00	4,000.00
50% Progress Payment	-1.00	5,000.00	-5,000.00
Retentions - 10% of the quoted value' Retentions withheld as per Contract # WCC-166675-12 until 20 Feb 2015.	-1.00	500.00	-500.00
		Subtotal	4,500.00
		GST	675.00
		Total	5,175.00
		Amount Due	5,175.00

Due Date: 14 October 2014

Figure 5: Second progress invoice showing retentions details

**STEP 4:** As soon as you have issued the invoice in Step 3, return to the job in order to correctly record the retentions yet to be paid.

- Go to the **Costs** tab of the job.
- In the **Description** field enter: *Retentions claimed - 10% of the quoted value (or similar)*.
- In the **Quantity** field enter: 1 (positive 1).
- In the **Unit Cost** field enter: 0 (zero).
- In the **Unit Price** field enter: 500.00.
- If desired, enter more information in the **Notes** field. For example: *Retentions claimed as per Contract # WCC-166675-12 until 20 Feb 2015.*
- Save** your changes.
- Go to the **Financial** tab of the job.
- From the left hand menu select **New Invoice**. This option is only ever used to create the final invoice for a job.
- Select **Quoted/Estimated Time and Costs**, then **Next**.

You will see the retentions information highlighted with red shading. This is because retentions is a cost that was not part of the original quote and you will need to select it before approving the invoice (see Figure 6).


## How to produce retention invoices

**Costs**

<input type="checkbox"/>	Description	Quantity	Unit Cost	Cost	Unit Price	Total
<input checked="" type="checkbox"/>	Retentions Claimed - 10% of the quoted value' Retentions claimed as per Contract # WCC-166675-12 until 20 Feb 2015.	1.00	0.00	0.00	500.00	500.00
Sub Total						500.00
GST (15.0%)						75.00
Total						575.00

Tasks and Costs additional to those quoted/estimated. Tick the billable box adjacent to each item to invoice.

Figure 6: Retentions claimed – as shown when creating final invoice in WorkflowMax



# Planit Builders

**TAX INVOICE**

**Date** 7 October 2014  
**Invoice Number** INV-0009  
**Client Order No.**

**Planit Builders**  
 Po Box 3665  
 Walsley WM8676  
 Phone: +64 9 27 270 1000

**Attention:** Charles Guyson  
 Walsley City Council  
 356 Main Street  
 Walsley WM-7657

**Quote Number :** Q10021  
**Job Number** Job-4567  
**Job Name** Town Hall Refurbishment  
**Job Description :** Refurbishment of the council town hall as per Contract # WCC-166675-12

Costs	Quantity	Rate	Amount
Retentions Claimed - 10% of the quoted value' Retentions claimed as per Contract # WCC-166675-12 until 20 Feb 2015.	1.00	500.00	500.00
Subtotal			500.00
GST			75.00
Total			575.00
Amount Due			575.00

Figure 7: Retentions claimed – as shown on final invoice