

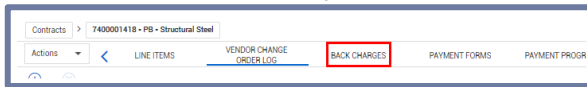
# QUICK GUIDE

# BACK CHARGES



## CREATING A BACK CHARGE

1. There may be many reasons to Back Charge a contractor during a project to reduce the value of a Change Order or reduce the amount of an Invoice due. To create a Back Charge to the Back Charges tab on the Contract and press **+** icon.



Contracts > 100014 - Electrical Floor > 0001 - Damage to Site

Back charge amount  
\$ 500.00

DETAILS SUPPORTING DOCUMENTS

**Back charge details** Created by Brenton Ordland on 09/07/2021

Back charge ID: 0001 \*Description: Damage to Site

Date supplier notified: 09/07/2021 Date back charge work completed: 09/07/2021

Account assignment type: WBS code: 100.02 - Sundries

WBS: 100.02 - Sundries

Back charge amount: \$ 500.00

Comments: 943  
Damage to a site entrance when truck was delivering goods

Associated issue

Issue ID/Name	Issue status	Value type	Current value
Z - Additional Electrical work	In Review	RCM	\$ 0.00

**NOTE:** Back Charges are not transactional on their own. They are a note that can be applied to a Vendor Change order or to a Payment form (Invoice) to reduce the value of the Contract/Invoice.

**NOTE:** A Back Charge can only be applied once to either a VCO or a Payment Form

## APPLY TO A VENDOR CHANGE ORDER

1. In a Vendor Change Order (VCO) scroll down to the Back Charges section and search for the Back Charge. Press **Save**.

Back charges

Back charge ID	Description	Cost center	WBS code	Amount
0001	Damage to Site		100.02 - Sundries	\$ 500.00
<b>Total</b>				<b>\$ 500.00</b>

Add another back charge

1. Create a New Contract Line item using the type **Credit** for the value of the back charge

DETAILS SUPPORTING DOCUMENTS

Line Item ID	Description	Unit	Quantity	Price	Per	Net price	Quantity	Price	Net price	Total revised line value
0	Item	Unit Addition	Item				20.000	\$ 20.00	\$ 400.00	\$ 400.00
0	Item	Back Charge Add	Lump				500.000	(\$ 1.00)	(\$ 500.00)	(\$ 500.00)

2. Create any addition items to be included with the Vendor Change Order as normal.

## APPLY TO A PAYMENT FORM

1. In a Payment Form press **+** icon scroll down to the Back Charges Section and search for the Back charge. Press **Save**.

Back charges

Back charge ID	Description	Cost center	WBS code	GL account	Amount
0001	Defective Parts		100.02 - Sundries	\$1210.001 - Subcontracts - I	\$ 250.00
<b>Total</b>					<b>\$ 250.00</b>

Add another back charge

2. Enter the Line item disbursement as per the vendor invoice.
3. The net payable will reflect the total invoice minus the Back Charge.

Net payable	Remaining to allocate (pre-tax)	Previous gross	Current gross	To-date gross	Percentage complete	Permit firm value
\$ 1,025.00	\$ 0.00	\$ 0.00	\$ 1,275.00	\$ 1,275.00	100.00%	New

**NOTE:** The ERP may require a financial transaction to settle the Back Charge.

## NEED SOME MORE HELP?



Learn more in our Knowledge Library  
[learn.ineight.com](https://learn.ineight.com)



Take a course at InEight U  
[university.ineight.com](https://university.ineight.com)