

the owner, we arrange for the owner's representative to countersign all checks drawn by us on this account. At the start of the work we furnish to the owner an estimate of the anticipated amount of labor and material bills covering an initial period of two weeks or more, and the owner then advances the funds to cover these requirements. When the owner's received copies of vouchers covering this period are returned from the vendors, a statement is given to the owner showing amounts actually paid for payrolls, materials and sub-contract work, with receipted vouchers attached. That total is then credited to us by the owner on account of contract.

The advantages of having all accounts handled at the job are apparent. The distribution, if not clear from the purchase order, can be referred to the superintendent and the fact that the books of accounts are at all times open for the owner's inspection, is an assurance to him of honest treatment. The fact that he approves purchases of materials before made and again has the opportunity of questioning invoices prior to payment, leaves the control with him and prevents the accumulation of minor, disputed items, which if left for settlement until the completion of the contract, might not be readily explained.

But a system of accounts, no matter how perfect, cannot influence the cost of work except as it points out from time to time divergence from the preliminary estimate, the assumption being made that such differences are promptly taken in hand, the reasons investigated and the remedy applied. The success of work under the cost-plus contract

- 814—Other fixed expenses
 - 814.1 Bonds (maintenance and construction)
 - .2 Permits and licenses, boiler inspection
 - .3 Fire insurance
 - .4 Legal services
 - .5 Burglar insurance
 - .6 Association dues
 - .7 Advertisements
 - .8 Floor tests
 - .9 Ring tests
- 816—Temporary structure (labor and material)
 - 816.1 Offices
 - .2 Toilets
 - .3 Toolhouse, blacksmith shops, storage sheds, etc.
 - .4 Stairs and ladders
 - .5 Fences, sidewalks, covers and other enclosures
 - .6 Temporary platform and driveways
 - .7
 - .8 Repairs and protection to adjacent property
 - .9 Protection to public utilities
- 818—Temporary light, heat and power
 - 818.1 Light
 - .2 Heat
 - .3 Power
- 819—General cleaning
 - 819.1 Labor
 - .2 Teaming
- 820—Extra work
 - 821.1 Use as many numbers as account charged
- 830—Subcontracts
 - 831 Wrecking, excavating, shoring, etc.
 - 831.1 Wrecking, contract
 - .2 Excavation, contract
 - .3 Shoring, contract
 - 832—Heating, plumbing, wiring, elevators, etc.
 - 832.1 Sub-heading for each kind of subcontract
 - 833—Interior construction
 - 834—Painting and glazing
 - 835—Millwork
 - 836—Roofing
 - 837—Fireproof doors and windows
 - 838—Interior finish
 - 839—Structural steel
- 840—(Extra work) subcontracts.
 - 841 Sub-headings for each kind of work done
- 870 Repair contracts (for small jobbing contracts)
- 890—Company expense (not charged to owners)
- 891 Sub-headings for each kind of expense

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INVOICE REGISTER
JOB Toronto Excelsior Co YEAR 1919

DATE		FROM	ITEM	TOTAL TO DATE	CHECKS	ACCOUNT DISTRIBUTION						
1	2	3	4	5	6	710	720	730	740	750	760	770
12-11-19	1	Edo Bros Ltd Co	9400									
13	2	Chynell	1600									
14	3	Chynell	1400									
14	4	London Iron Works Co	917									
17	5	Edo Bros Ltd Co	2500									
21	6	Chynell	11950									
23	7	Edo Bros Ltd Co	2500						10000			
24	8	Edo Bros Ltd Co	2500							45000		
24	9	Edo Bros Ltd Co	1000									
25	10	Edo Bros Ltd Co	2500									
26	11	Jones & Co	200000	200000								

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Invoice Register
(Cont'd Page)

	800	810	820	830	840	850	860	870	880	890
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										

PAGES FROM COMBINED INVOICE AND PAYROLL REGISTER

Statement of Construction Cost
At stated periods we take from the cost records a summary and detail statement of construction costs in the following form:—

The last column is in black or red; naturally the red items will have careful scrutiny to ascertain why costs are running above estimate. This statement is primarily for our own use, but the owner may have a copy if he wishes.

Owner Knows Total Expenditure
Under the cost-plus-fixed-fee contract, the owner generally furnishes the funds to finance the contract. We maintain an entirely separate bank account for each cost-plus contract, representing the owner's funds, and where agreeable to

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ACCOUNT 710 Excavation
JOB Toronto Excelsior Co YEAR 1919

DATE	NO.	FROM	AMOUNT	TOTAL	711 Labor		DISTRIBUTION			
					711-1	711-2	712 Material	713 Subcontract	714 Contingency	715 Reserve
12-11-19	1	Edo Bros Ltd Co	9400							
13	2	Chynell	1600							
14	3	Chynell	1400							
14	4	London Iron Works Co	917							
17	5	Edo Bros Ltd Co	2500							
21	6	Chynell	11950							
23	7	Edo Bros Ltd Co	2500							
24	8	Edo Bros Ltd Co	2500							
24	9	Edo Bros Ltd Co	1000							
25	10	Edo Bros Ltd Co	2500							
26	11	Jones & Co	200000	200000						

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Detail Cost Record
(Cont'd Page)

	712 Material	713 Subcontract	714 Contingency	715 Reserve
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

PAGES FROM DETAIL COST RECORD