

# Fiscal Guidebook

## Mutual Self-Help

### Custodial &

## Supervised Bank Accounts



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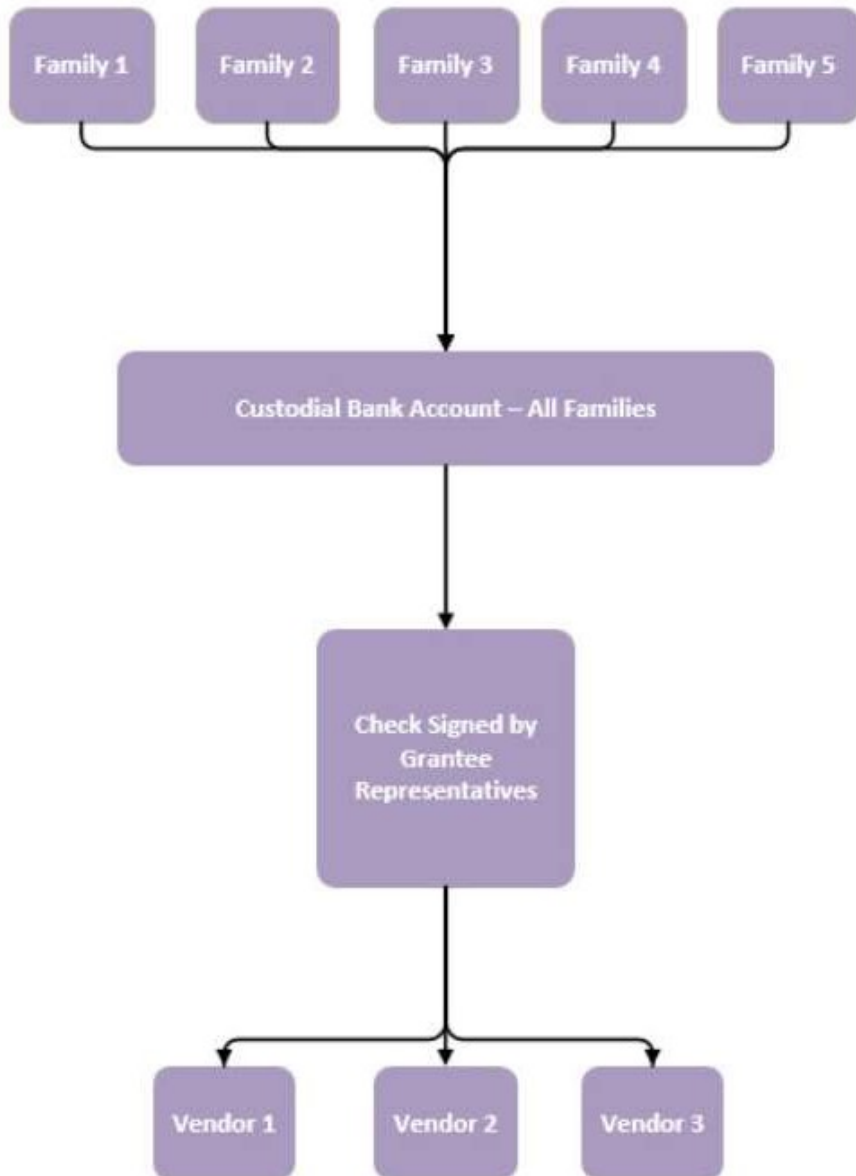
July 2022

This guidebook was created to aid in the fiscal management of 502/504 loan funds administered by grantees on behalf of the owner/builders participating in USDA Rural Development's (RD) mutual self-help programs. Excerpts and examples were pulled from cited sources; however, the guidebook does not replace federal, state, or local guidance or directives. Your organization's processes may differ slightly as directed or negotiated with national RD or your state's RD office, but the required elements of internal controls, clear and accurate financial reports, and written policies and procedures must be developed and followed, along with detailed recordkeeping.

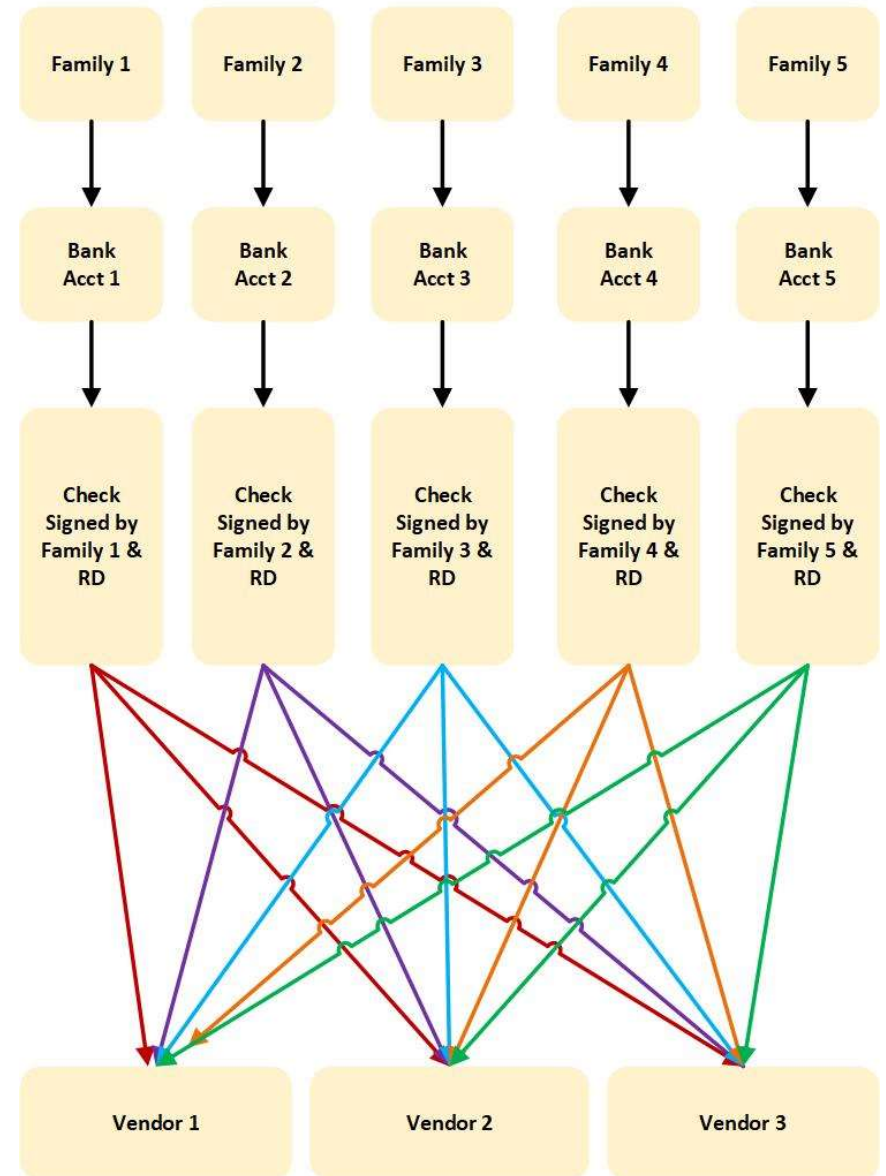
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## Custodial Accounts



## Supervised Bank Accounts



## CUSTODIAL & SUPERVISED BANK ACCOUNTS

### MUTUAL SELF-HELP HOUSING

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*reference*  
AN4840 (1944-I) 4/27/2017 expires 4/30/2018\*  
USDA RD Instruction 1944-I (12-12-19)  
Uniform Guidance, Part 2 CFR 200 & 7 CFR Part 1902  
7/13/22

#### DEFINITION/COMPARISON

**Custodial Accounts** are an authorized method for administering participating families' USDA RD 502 or 504 loan funds; custodial accounts are *preferred* as a means to alleviate USDA RD's field office workload and to streamline the administrative responsibilities of 523 Self-Help Technical Assistance grantees (referred throughout as "grantee"). The advantage of custodial method bill-paying is a major reduction in the number of checks that must be written and co-signed for each family.

#### **Custodial Accounting Summary:**

Throughout the construction process, a portion of each participating family's individual 502 or 504 loan funds are deposited into a single custodial account held in collective trust by the grantee for each of the families of the build group until the funds are disbursed to various vendors and/or contractors for payment.

- Grantee opens a single custodial checking account for collective deposits and payment activity for all families in the build group
- Grantee maintains a separate custodial bookkeeping account ledger for each participant family/borrower in the build group
- Individual check draws from each family's 502 or 504 loan are requested from USDA RD's field office, payable to the family and the grantee
- Draws from each participant family received from USDA RD are deposited into the custodial build account
- Invoices for construction expenses are entered into the custodial bookkeeping account ledgers for each family
- One check payment is then issued by the grantee to each vendor to cover constructions costs for all participating families for the invoice period
- At the conclusion of the build, any remaining fund balance per family participant is returned to USDA RD and is applied as a reduction to the family's loan principal

#### **Custodial Accounting Financial Process Detail:**

1. The **custodial bank account** should be established under the Federal Tax ID number of the grantee. However, the funds are held in trust for the borrower families and do not belong to the organization, therefore, deposits made into this account and the disbursements made from this account should not be recorded as income and expenses for the organization. The transactions should be reflected only as balance sheet activity, using the restricted bank account as an asset and a liability account to offset the asset.
  - The custodial account should be set up as non-interest bearing. The benefit of nominal interest earned on these funds is outweighed by the difficulty of allocating

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- that interest to the participating families. Interest earned is not allowable income to the grantee either, again, as the funds belong to the families.
- The grantee must establish internal controls for the 502 construction funds that are deposited into the custodial bank account. One of these controls should include the selection of two appropriate check signers for each check disbursement made from this bank account.
2. The grantee must set up an **accounting system** to accurately track the funds in the custodial account by each participating family, preferably in a separate accounting 'company' (Quickbooks = Customer:Job), or a subsidiary ledger in the corporate accounting system may be used, if that system is sophisticated enough to track this activity without including it in the profit and loss statement of the organization (see#1).
  3. The custodial **502 draw schedule** varies and is determined by USDA RD state staff and the grantee. Consideration of prompt payment to contractors/vendors will aid in maintaining positive working relationships and therefore must also be factored into the timeline. There are generally two methods by which to draw the 502 loans on behalf of the families: *Note that USDA RD and/or the grantee may negotiate to adjust or combine any terms, documentation requirements and/or timelines described below.*
    - Advance/Construction Progress Draws: the grantee will present the draw request to USDA RD based upon the construction budget and/or the build progress; the timeline may be determined (e.g., a draw once a quarter, once a month, etc.) or may be flexible based upon construction purchase needs.
    - Cost-Reimbursement Draws: the grantee assumes all construction costs up front, and then presents the draw request for reimbursement to USDA RD based upon actual costs to date, timelines may vary, but are typically calendar based, e.g., a draw once a quarter, once a month, etc., until the build is complete.
  4. Each **draw request** of the borrower's 502 or 504 loan funds should contain the following **documentation** when presented to USDA RD for payment request:
    - a draw summary coversheet [see *SAMPLE TEMPLATE #1 Construction Draw Request Form pgs. 10-11*] detailing the narrative of construction progress/phase and the total funds being requested for the period.
      - the summary coversheet should be signed by both the grantee and by the participating family, acknowledging invoice payment approval and awareness of the loan status and balances.
    - copies of each corresponding construction invoice(s)/and or Estimates/PO's for the projected payment or reimbursement period [see *Back-Up Support Documentation Examples pgs. 12-15*]
    - a budget-to-actual for the individual family loan ledger [see *SAMPLE TEMPLATE #2 Budget to Actual Comparison for Owner/Builder Project pg. 16*]
    - for advances, a reconciliation for the previous advance draw should be included with the next draw showing the actual costs compared to the advance and/or a reconciliation to the build progress and cost timelines; [see *SAMPLE TEMPLATE #3 Reconciliation Owner/Builder DRAWS to ACTUAL EXPENSES and LOAN Balance pgs. 17-19*]

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5. The **502/504 draw deposit**: One draw check from USDA RD from each family's 502 loan amount is requested payable to both the family and the grantee and deposited into the custodial account.
6. The grantee must accurately **account for each family's individual construction costs** within the 'company' or fund account based on construction invoice review with the Construction Supervisor and/or Purchase Orders (PO's) for the home and/or cost allocation for shared costs on the project. The pro-rated method must be documented on each invoice showing the cost distribution.
  - The vendor payment schedule is determined by the grantee (weekly, bi-weekly, monthly, again prompt payment supports positive contractor relations).
    - The vendors will receive one check from the grantee's custodial account in the amount due for work performed for multiple families or for the group as a whole.
  - Other credits – Refunds from contractors and/or other Accounts Payable entities may be issued direct to the grantee throughout the build; the grantee must allocate and apply credits to individual family ledgers as appropriate
7. The **grantee must consistently update the family borrowers on the financial status of their individual 502 or 504 loan**. This financial and budget-to-actual review can be tied to the draw schedule, or it may be conducted on a separate timeline (e.g., on a regular schedule of bi-weekly, monthly, bi-monthly)
  - The financial review must be clear, thorough and contain itemized detail of each construction expense, the loan balance, and a reconciliation of any advancement draws [see *SAMPLE TEMPLATES #1-#3*]
  - Review and provide copies of all checks paid (two signatures) to vendors
  - These meetings also offer opportunities for owner/builder decisions, e.g. fixture choices compared to budget and can be a valuable project management tool
8. At the conclusion of the build, any remaining **fund balance** per family participant is returned to USDA RD and is applied as a reduction to the family's loan principal.
  - The grantee shall also provide each family with the complete record of the build, including, copies of all invoices, payments, and lien releases, warranties, etc. (electronic distribution recommended, e.g., thumb drive) for reference.
9. Although the participants in the Mutual Self-Help program are owner/builders, the grantee may be required to prepare **1099's** for any contractors who are paid by the grantee, on the owner/builder's behalf, more than \$600 per year for their work on the Self-Help homes. Contact your tax advisor or local Internal Revenue Service Center for guidance.

#### **Minimum Custodial Accounting Requirements (approval is at the discretion of RD State Office):**

1. The grantee should have successfully completed at least one previous grant cycle (RD may waive this requirement).
2. The grantee has a record-keeping system which shows that the cost of the materials and services were allocated to each borrower's account in relation to the actual material and service used by each borrower.
3. Custodial Accounts maintained by the grantee on behalf of a Mutual Self-Help group with funds exceeding \$250,000 at any time must have acceptable collateral pledged with the

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Federal Reserve Bank in an amount not less than the excess as outlined in RD Instruction 1902-A §1902.7. To avoid this situation, the USDA RD field office should monitor the custodial account as draws are requested. It may be advantageous for the grantee to make smaller draws on the borrower's accounts, as funds are needed; more frequent check requests may result in less interest charges and less Federal Deposit Insurance Commission (FDIC) insured risk.

4. As a reminder, in accordance with RD Instruction 1944-I §1944.422, audits of borrower's Section 502 or 504 loan funds are required. This Instruction states that, *... "Audits of the borrower loan funds will be required. The number of borrower accounts audited will be determined by the auditor. In incidences where it is difficult to determine the appropriate number of accounts to be audited, auditors should be authorized by the State Director to audit the lesser of 10 loans or 10 percent of total loans. Audits of the borrower funds do not necessarily need to be tested in the same manner as the organizational audit. Agreed Upon Procedures (AUPs) may be developed and used for the Section 502 or 504 loan funds in custodial accounts. At a minimum, an AUP engagement will include a review of the draw requests to ensure charges listed can be traced back to source documents and a reconciliation of the financial institution's account record..."*

#### SUPERVISED BANK ACCOUNTS (SBA)

##### DEFINITION/COMPARISON

**Supervised Bank Accounts** RD State offices will ensure that RD field offices are trained in the correct use of SBAs as outlined in RD Instruction 1902-A. The RD field office will establish individual checking accounts in the name of the family borrower and in the authorized signatory for USDA RD. Individual checks will be distributed to the grantee who must obtain the family borrower's signature and then deliver to vendors/contractors. This process can delay payment delivery through the time required to obtain check signatures prior to payment.

##### **Supervised Bank Accounts Summary:**

USDA RD field office manages each borrower's individual checking account and produces the checks for payment of construction costs. However, the responsibility of reconciling each family borrower's account, invoice payments and loan balances is delegated to the grantee. Checks are produced and signed by the RD state office, then routed to the grantee to review and obtain 2<sup>nd</sup> check signatures from each participant borrower. Checks are then mailed to vendors/contractors by the grantee. A vendor will receive multiple check payments (one from each individual family borrower) for work on the group build project.

- USDA RD field office opens, maintains and shares signing authority with each individual family borrower on separate checking accounts tied to the family borrower's loan.
- The grantee must also maintain a separate bookkeeping account ledger for each participant family/borrower in the build group and reconcile that ledger to USDA RD's account ledger for each family borrower checking account.
- Individual check draws from each family's 502 or 504 loan are requested from USDA RD's field office, payable directly to vendors/contractors.

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- Draws from each participant family received from USDA RD are presented for borrower's approval and signature.
- Invoices for construction expenses are entered into the grantee's SBA bookkeeping account ledger for each family.
- Multiple check payments are issued directly from USDA RD field office to each vendor to cover constructions costs for each participating families for the invoice period.
- At the conclusion of the build, RD will apply any remaining fund balance per family participant as a reduction to the family's loan principal.

#### SBA Financial Process Detail:

1. The SBA will be established and maintained by USDA RD field office.
2. The grantee must also set up an accounting system to accurately track the SBA funds of each participating family borrower, in a separate accounting 'company' (Quickbooks = Customer:Job).
3. The custodial **502 draw schedule** varies and is determined by USDA RD state staff and the grantee. Consideration of prompt payment to contractors/vendors will aid in maintaining positive working relationships and therefore must also be factored into the timeline. There are generally two methods by which to draw the 502 loans on behalf of the families: *Note that USDA RD and/or the grantee may negotiate to adjust or combine any terms, documentation requirements and/or timelines described below.*
  - Advance/Construction Progress Draws: the grantee will present the draw request to USDA RD based upon the construction budget and/or the build progress; the timeline may be determined (e.g., a draw once a quarter, once a month, etc.) or may be flexible based upon construction purchase needs.
4. Each **draw request** of the borrower's 502 or 504 loan funds should contain the following **documentation** when presented to USDA RD for payment request:
  - a draw summary coversheet [see *SAMPLE TEMPLATE #1 Construction Draw Request Form pgs. 10-11*] detailing the narrative of construction progress/phase and the total funds being requested for the period.
    - the summary coversheet should be signed by both the grantee and by the participating family, acknowledging invoice payment approval and awareness of the loan status and balances.
  - copies of each corresponding construction invoice(s)/and or Estimates/PO's for the projected payment or reimbursement period [see *Back-Up Support Documentation Examples pgs. 12-15*]
  - a budget-to-actual for the individual family loan ledger [see *SAMPLE TEMPLATE #2 Budget to Actual Comparison for Owner/Builder Project pg. 16*]
  - for advances, a reconciliation for the previous advance draw should be included with the next draw showing the actual costs compared to the advance and/or a reconciliation to the build progress and cost timelines; [see *SAMPLE TEMPLATE #3 Reconciliation Owner/Builder DRAWS to ACTUAL EXPENSES and LOAN Balance pgs. 17-19*]



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5. The **502/504 draw checks**: Multiple draw checks made payable to vendors will be received from USDA RD from each family's 502 loan account, the grantee will ensure approval and check signature from each family builder/borrower, then distribute checks to vendors.
6. The grantee must accurately **account for each family's individual construction costs** within the 'company' or fund account based on construction invoice review with the Construction Supervisor and/or Purchase Orders (PO's) for the home.
  - The vendor payment schedule is determined by the grantee (weekly, bi-weekly, monthly, again prompt payment supports positive contractor relations).
7. The **grantee must consistently update the family borrowers on the financial status of their individual 502 or 504 loan**. This financial and budget-to-actual review can be tied to the draw schedule, or it may be conducted on a separate timeline (e.g., on a regular schedule of bi-weekly, monthly, bi-monthly)
  - The financial review must be clear, thorough and contain itemized detail of each construction expense, the loan balance, and a reconciliation of any advancement draws [see *SAMPLE TEMPLATES #1-#3*]
  - Review and provide copies of all checks paid (two signatures) to vendors
  - These meetings also offer opportunities for owner/builder decisions, e.g. fixture choices compared to budget and can be a valuable project management tool
8. At the conclusion of the build, RD will apply any remaining **fund balance** per family participant as a reduction to the family's loan principal.
  - The grantee shall also provide each family with the complete record of the build, including, copies of all invoices, payments, and lien releases, warranties, etc. (electronic distribution recommended, e.g., thumb drive) for reference

#### Grantee Responsibilities in Administering SBA Accounts:

1. The grantee must have a record-keeping system which shows individual ledgers accounting for the cost of the materials and services for each borrower's account that reconciles with the individual borrower's checking accounts maintained by RD.
2. As a reminder, in accordance with RD Instruction 1944-I §1944.422, audits of borrower's Section 502 or 504 loan funds are required. This Instruction states that, *..."Audits of the borrower loan funds will be required. The number of borrower accounts audited will be determined by the auditor. In incidences where it is difficult to determine the appropriate number of accounts to be audited, auditors should be authorized by the State Director to audit the lesser of 10 loans or 10 percent of total loans. Audits of the borrower funds do not necessarily need to be tested in the same manner as the organizational audit. Agreed Upon Procedures (AUPs) may be developed and used for the Section 502 or 504 loan funds in custodial accounts. At a minimum, an AUP engagement will include a review of the draw requests to ensure charges listed can be traced back to source documents and a reconciliation of the financial institution's account record..."*

## CUSTODIAL & SUPERVISED BANK ACCOUNTS

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##### FAQs:

##### ***Who enters into (signs) contracts with the builders?***

The individual borrower/builders should enter into contract with the construction vendors (each homeowner/builder should sign the professional construction agreements, e.g., plumbing/electrical), not the grantee. This helps to ensure clarity around warranty of work for each homeowner, and financial obligation of owner/borrower to contractor vs. grantee to contractor.

##### ***How does RD monitor the progress of the build group?***

RD staff will commonly visit the construction site in both the initial groundwork and final inspection periods. Pictures may also be required to record build progress throughout. RD and the grantee will negotiate terms of the construction progress record.

##### ***What is an "EU"?***

Equivalent Units, or EU's are a measure of construction production compared to the expenses and/or time that has elapsed in the grant period. Grant disbursements are based upon an approved draw schedule taking into account, but not based exclusively on the EU's produced. For example, if 25% of the grant time period has elapsed, the total grant amount to date should also be close to 25% expended, and approximately 25% of the EU's of the total grant home production should also be complete. EU's are reported in SHARES and in the quarterly and final Evaluation Reports of Self-Help Technical Assistance Grants prepared for RD.

##### ***Is there a Construction/Production Phase necessary to substantiate the draw schedule?***

No, there is not a standard production schedule that is aligned with construction draw requests, however, in the coversheet of the draw request, the grantee should explain circumstances (e.g., cabinets are more than four months out for delivery, so they are being ordered at this time to maintain the build schedule; appliances are being ordered at this time for a savings opportunity, etc.)

##### ***Example of Custodial Draws in a build period (frequency varies; determined by RD & the grantee):***

Below is an example of Custodial Style Bill Paying and drawing 502 funds with projected future funds. Again, timelines vary by grantee/RD agreement. This example shows four or five draws, if drawing monthly, the same methodology would apply, just more frequently.

**Initial draw:** for land, closing costs, etc., and projected start up building materials; some invoices would be included in the closing (e.g., land), the title record should be itemized in the recordkeeping.

**Second draw:** Invoices for initial draw to back-up projected needs, and draw request including any invoices received already but not included in the initial draw, plus projected funding needs in the short-term.

**Third draw:** Invoices for the second draw to back-up projected needs, and draw request including any invoices received already but not included in the second draw, plus projected funding needs.

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**Fourth draw:** Invoices for third draw to back-up projected needs, and draw request including any invoices received already but not included in the third draw, plus projected funding needs.

**502 Closeout:** All remaining invoices to back-up draw number 4. The combination of all five of these reports (total of all the invoices) should equal the total construction cost.

The grantee will pay bills as normal in-between and keep the invoices handy to submit with the subsequent draw request.

*\*most recent AN on the matter, applicable until replaced*

## Construction Draw Request

May 3, 2020

## Draw Request #2

Grantee's Name: *Self-Helper*

Group #: 15

Borrowers Name: *Builder Person*

Property Address: 711 Sunshine Lane (site#2)

Loan No: 123456

Invoice #	Payable To	Description	Amount
10001	Company Name	foundation	16161.66
ABCR	Holm Const	excavation	2430.00
2	Holbrook Const	framing materials	1489.32
receipt	Home Depot	wallplate/electric material	9.61
TOTAL			\$ 20,090.59

Total Construction Loan:	\$ 272,556.00	Amount of Draw Request	\$ 20,090.59
Total Draws to Date:	\$ 152,730.59	Fund Balance	\$ 119,825.41

Borrower Signature/Date

Grantee Signature/Date

*By signing this document, I agree to the draw amount as shown above and release funds to the Custodial Account held by Self-Helper Grantee for payments as required in construction of my home through the Mutual Self-Help Housing Program. I am also aware of the budget and the actual costs of all construction expenses to date.*

## Construction Draw Request

May 3, 2020

Draw Request #2

Grantee's Name: *Self-Helper*  
Group #: *15*  
Borrowers Name: *Builder Person*  
Property Address: *711 Sunshine Lane (site#2)*  
Loan No: *123456*

### Construction Narrative:

The finacing & permits have been covered - job site preparation is well under way; this draw (draw #2) reconciles the initial closing draw and is covering only actual invoices related to excavation and foundation work, along with misc. supply receipt & invoice for framing materials

Delays in material shipments continue to cause delay in construction, though we are not too far behind.

# FREE PRINTABLE CONSTRUCTION INVOICE TEMPLATE

YOUR LOGO

INVOICE

Company Name  
123 Main Street  
Hamilton, OH 44416  
(321) 456-7890  
Email Address

CLIENT

ATTN: Name / Dept  
Company Name  
123 Main Street  
Hamilton, OH 44416  
(321) 456-7890  
Email Address

*Handwritten notes:*  
equal split  
sites #1 & 2  
\$161,666

DATE OF INVOICE

INVOICE NO.

02/15/20XX

10001

DATE OF WORK

DATE BEGINNING

DATE ENDING

01/15/20XX

02/15/20XX

PAYMENT DUE BY:

03/15/20XX

PAYABLE TO:

Company Name / Account

QTY	MATERIAL	RATE	TOTAL
5	Marking of foundation layout at site	200.00	1,000.00
4	Earth excavation up to the required depth by machine	150.00	600.00
2	Earth excavation and levelling of soil by hand-operated tools	125.00	250.00
15	Placing of PCC	78.00	1,170.00
30	Placement of reinforcement steel	165.00	4,950.00
34	Erection of concrete formworks for footings	230.00	7,820.00
TOTAL MATERIALS			\$ 15,790.00
MISCELLANEOUS CHARGES			
Transportation of materials			430.00
Consultations with architect			760.00
TOTAL MISCELLANEOUS			\$ 1,190.00

DESCRIPTION OF WORK			
LABOR	HOURS	RATE	AMOUNT
Marking of foundation layout at site	30.0	60.00	1,800.00
Earth excavation up to the required depth by machine	23.0	60.00	1,380.00
Earth excavation and levelling of soil by hand-operated tools	19.0	60.00	1,140.00
Placing of PCC	35.0	60.00	2,100.00
Placement of reinforcement steel	76.0	60.00	4,560.00
Erection of concrete formworks for footings	53.0	60.00	3,180.00
TOTAL LABOR			\$ 14,160.00

CUSTOMER SIGNATURE

DATE

00/00/0000

AUTHORIZED SIGNATURE

DATE

00/00/0000

For questions concerning this invoice, please contact

Name, (321) 456-7890, Email Address

www.yourwebaddress.com

TOTAL MATERIALS	\$ 15,790.00
TOTAL LABOR	\$ 14,160.00
TOTAL MISCELLANEOUS	\$ 1,190.00
SUBTOTAL	\$ 31,140.00
TAX RATE	3.80%
TOTAL TAX	\$ 1,183.32
TOTAL	\$ 32,323.32

**HOLM CUSTOM CONSTRUCTION***Building Your Dream*121 Main Street Ste 101 Ashland Oregon 97520 • 541-488-1211 • [info@holmcc.com](mailto:info@holmcc.com) • [www.holmcc.com](http://www.holmcc.com)**INVOICE**

# ABCR

Date: 05/31/08

**BILL TO:**John Abercrombie  
Mona Fitch  
120 Pine Street  
Ashland OR 97520**For Work At Job Site:**Home  
1234 Hersey Street  
Ashland OR 97520**Customer PO:**

Fellman, 1234

**Terms:**

Due On Receipt

**Invoice Items:**

Item	Status	Amount
Job Phase: Excavation Excavation	Invoiced	\$630.00
Job Phase: Foundation Kit Foundation	Invoiced	\$1,800.00
<b>Invoice Total: \$2,430.00</b>		

All work is guaranteed to be as specified and to be performed in accordance with the drawings and specifications submitted, in a substantial and workmanlike manner.

**JOB RECAP**

	Description	Amount	Notes
Original Estimate			
	06/01/09	\$130,398.01	
Deposit Received			
	02/01/07	\$1,800.00	
Allowance Variances			
	Cabinets	\$1,650.00	Allowance: \$5,610.13, Actual: \$7,260.13
	Counters	\$800.00	Allowance: \$1,200.00, Actual: \$2,000.00
	Doors	\$80.00	Allowance: \$1,320.00, Actual: \$1,400.00
	Floor Covering	\$75.00	Allowance: \$4,265.00, Actual: \$4,340.00
	Windows	\$150.00	Allowance: \$8,508.00, Actual: \$8,658.00
	Total Variance	<u>\$2,755.00</u>	Estimated: \$27,253.13, Actual: \$30,008.13
	With Markups	\$3,306.00	
Change Orders			
	None		
Cost Adjustment			
	Cost Adjustment	-\$8,003.00	Estimated: \$130,398.01, Actual: \$122,395.01
Draws (Invoices)			
	05/30/06	\$2,730.00	
	11/06/06	\$5,374.50	
	11/07/06	\$13,393.50	

#2 only



855 Deerfield Dr., Toledo, OH 43604  
service@holbrookconstruction.com  
www.holbrookconstruction.com  
419-732-8040

## Holbrook Construction

### Invoice

Bill To: Jenn Rogers  
jenn\_rogers@yahoo.com  
765 Highland St., Toledo, OH 43612

Invoice No: 2  
Date: 06/08/2018  
Terms: NET 90  
Due Date: 09/06/2018

Description	Quantity	Rate	Amount
Kohler versa 33 x 22 medium double sink	1	\$268.00	\$268.00
American trimbar (kitchen cabinets)	1	\$540.00	\$540.00
Tapwater	1	\$75.00	\$75.00
Parts Subtotal			\$883.00

Description	Quantity	Rate	Amount
Project management	3 days	\$200.00	\$600.00
Joinery work	6 hours	\$200.00	\$1,200.00
Top mount sink installation	1 hour	\$75.00	\$75.00
Labor Subtotal			\$1,875.00

Subtotal \$2,758.00  
TAX 8% \$220.64  
Total \$2,978.64  
Paid 00.00



Balance Due \$2,978.64

Equal split sites  
# 1 & 2  
\$ 1,489.32 ea





**How doers  
get more done.**

SPOKANE WA. 99218  
4719 (509)466-8991

4719 00002 56255 02/28/22 04:26 PM  
SALE CASHIER: TASHAWNA

010306011358 1/4 IN. TRAD <A>	2.97
1/4 IN. TRADITIONAL FLEXIBLE TILE SP	
078477211786 3G WP, WH <A>	3.98
3G WHT NYL MIDWAY DECORA WALLPLT	
078477919088 SS PLATE <A>	1.87
1G SST BLANK WALLPLT	

SUBTOTAL	8.82
SALES TAX	0.79
TOTAL	\$9.61

XXXXXXXXXXXX1206 VISA	9.61
AUTH CODE: 21168C/8027861	TA

4719 02/28/22 04:26 PM



4719 02 56255 02/28/2022 3983

RETURN POLICY DEFINITIONS		
POLICY ID	DAYS	POLICY EXPIRES ON
A 1	90	05/29/2022

\*\*\*\*\*

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Take a short survey for a chance TO WIN  
A \$5,000 HOME DEPOT GIFT CARD

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[www.homedepot.com/survey](http://www.homedepot.com/survey)

User ID: HXY 117518 112801  
PASSWORD: 22128 112799

Entries must be submitted within 14 days  
of purchase. Participants must be 18 or  
older to enter. See complete rules on  
website. No purchase necessary.

Sample Builder - Lot 22, Sample Landing Plot II

	CURRENT PERIOD EXP	TOTAL EXP TO DATE	BUDGET	BALANCE
<b>Custodial Account</b>				
CLIENT BANK ACCOUNTS		\$ 172,314.00	\$ 231,322.00	\$ 59,008.00

	CURRENT PERIOD EXP	TOTAL EXP TO DATE	BUDGET	BALANCE
<b>Borrower funds for construction</b>				
USDA 502		\$ 126,761.00	\$ 185,769.00	\$ 59,008.00
HOMESTART FUNDS		\$ -	\$ -	\$ -
HOMEOWNER DOWN PAYMENT		\$ 45,553.00	\$ 45,553.00	\$ -
<b>TOTAL FUNDING</b>		\$ 172,314.00	\$ 231,322.00	\$ 59,008.00

	CURRENT PERIOD EXP	TOTAL EXP TO DATE	BUDGET	BALANCE
<b>Borrower Construction Budget</b>				
BUILDING SITE		\$ 37,692.00	\$ 37,692.00	\$ -
CLOSING COSTS		\$ 4,600.00	\$ 4,600.00	\$ -
FOUNDATION		\$ 24,980.00	\$ 24,980.00	\$ -
CONTINGENCY		\$ 5,000.00	\$ 5,000.00	\$ -
PLANS & INSPECTIONS		\$ 3,450.00	\$ 3,450.00	\$ -
FRAMING/INSULATION/ROOFING		\$ 36,245.00	\$ 36,245.00	\$ -
TRASH REMOVAL/PORTABLE TOILET		\$ 910.00	\$ 1,100.00	\$ 190.00
ELECTRICAL	\$ 8,512.00	\$ 8,512.00	\$ 9,400.00	\$ 888.00
PLUMBING	\$ 26,915.00	\$ 26,915.00	\$ 29,550.00	\$ 2,635.00
UTILITY HOOKUPS/TEMPORARIES		\$ 6,010.00	\$ 6,010.00	\$ -
LANDSCAPING/HYDROSEEDING		\$ -	\$ 1,500.00	\$ 1,500.00
DRYWALL		\$ 2,500.00	\$ 16,295.00	\$ 13,795.00
APPLIANCES		\$ -	\$ 1,400.00	\$ 1,400.00
FLOOR & CABINETS		\$ 2,000.00	\$ 10,000.00	\$ 8,000.00
EXCAV/FINAL GRADE/LANDSCP		\$ -	\$ 25,800.00	\$ 25,800.00
WELL		\$ 13,500.00	\$ 13,500.00	\$ -
FINISH ITEMS		\$ -	\$ 4,800.00	\$ 4,800.00
<b>TOTAL COST TO CONSTRUCT</b>		\$ 172,314.00	\$ 231,322.00	\$ 59,008.00

0			ACTUAL CONSTRUCTION COSTS									
	Description	Budgeted	<u>1st Draw</u> <u>Closing Draw</u> <u>1/1/19-3/31/20</u>	<u>2nd Draw</u> <u>4/1/20 - 5/12/20</u>	<u>3rd Draw</u> <u>5/13/20 - 8/31/20</u>	<u>4th Draw</u> <u>9/1/20 - 12/31/20</u>	<u>5th Draw</u> <u>1/1/21-3/31/21</u>	<u>6th Draw</u> <u>4/1/21-6/30/21</u>	<u>7th Draw</u> <u>7/1/21-8/31/21</u>	<u>8th Draw</u> <u>9/1/21-9/30/21</u>	<u>Other/Contingency</u> <u>10/16/21-10/31/21</u>	<u>Total Cost of</u> <u>Project to Date</u>
	LOAN AMOUNT		\$ 272,556.00									
100	Financing											
113	Appraisal	\$ 600.00	\$ 575.00									\$ 575.00
114	Builder's Insurance	\$ 800.00	\$ 795.00									\$ 795.00
115	Loan Closing Fees	\$ 2,200.00	\$ 2,156.12									\$ 2,156.12
116	Property Tax-Unimproved Lot	\$ 1,200.00				\$ 974.49						\$ 974.49
117	Lot Purchase	\$ 115,000.00	\$ 115,000.00									\$ 115,000.00
121	Escrow Payment (title and escrow)	\$ 3,500.00	\$ 3,859.00									\$ 3,859.00
122	Homeowner's Insurance						\$ 296.01	\$ 243.83				\$ 539.84
	Lot Number: 2											\$ -
	House Plan: Yew 1351											\$ -
123	RD tax service fee											\$ -
124	Excess to/from Borrower											\$ -
		\$ 123,300.00	\$ 122,385.12	\$ -	\$ -	\$ 974.49	\$ 296.01	\$ 243.83	\$ -	\$ -	\$ -	\$ 123,899.45
200	Planning											
211	Permit Package	\$ 2,365.00	\$ 2,857.99									\$ 2,857.99
212	Permit Fee	\$ 675.00	\$ 479.65									\$ 479.65
213	Plan review Fee		\$ 623.55									\$ 623.55
214	Structural Excise											\$ -
215	SDCs											\$ -
216	State Fee											\$ -
217	Residential Site Fee											\$ -
218	Plumbing Permit Fee											\$ -
219	Electrical Permit Fee											\$ -
220	Mechanical Permit Fee											\$ -
231	House Plan Fee	\$ 600.00	\$ 586.00									\$ 586.00
		\$ 3,640.00	\$ 4,547.19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,547.19
300	Jobsite											
300	Jobsite Operations - Other						\$ 0.35	\$ 29.83	\$ 60.10			\$ 90.28
310	Jobsite Equipment Fee	\$ 3,100.00	\$ 3,200.00									\$ 3,200.00
320	Monthly Utility				\$ 243.72	\$ 77.70	\$ 326.82	\$ 380.32	\$ 144.43	\$ 174.49		\$ 1,347.48
321	Electricity	\$ 500.00	\$ 129.62									\$ 129.62
322	Water	\$ 1,000.00	\$ 112.65									\$ 112.65
323	Garbage	\$ 750.00	\$ 15.24		\$ 170.93	\$ 167.95	\$ 172.80			\$ 33.30		\$ 560.22
324	Portable Restrooms	\$ 350.00	\$ 88.05		\$ 176.87	\$ 150.09	\$ 188.88	\$ 99.05	\$ 33.74	\$ 5.88		\$ 742.56
325	Gas/Propane	\$ -			\$ 200.00		\$ 27.74	\$ 8.53				\$ 236.27
		\$ 5,700.00	\$ 3,545.56	\$ -	\$ 791.52	\$ 395.74	\$ 716.59	\$ 517.73	\$ 238.27	\$ 213.67	\$ -	\$ 6,655.35
400	Site Work											
400	Site Work - Other	\$ -										\$ -
410	Excavation, Dig Out & Backfill	\$ 1,350.00		\$ 2,430.00				\$ 473.08				\$ 2,903.08
411	Sidewalk Excavation	\$ 150.00			\$ 150.00							\$ 150.00
412	Dirt Removal	\$ 1,510.00			\$ 203.86							\$ 203.86
413	Sanitary Sewer- Sewer	\$ 400.00			\$ 400.00							\$ 400.00
414	Utility Trenching- Unity Utility	\$ 600.00			\$ 600.00							\$ 600.00
415	Install Propane Gas Service	\$ 200.00										\$ -
416	Connect Rain Drain to Storm	\$ 350.00				\$ 350.00						\$ 350.00
417	Rain Drain Labor & Materials	\$ 800.00			\$ 52.23							\$ 52.23
418	Additional Gravel for Site Work	\$ 2,000.00				\$ 1,245.00						\$ 1,245.00
419	Place Rock in Driveways	\$ 100.00			\$ 200.00							\$ 200.00
420	Site Work for Swales	\$ 1,500.00			\$ 1,007.00							\$ 1,007.00
421	Site Work: Additional Excavation	\$ 200.00										\$ -
422	Contingency gravel											\$ -
		\$ 9,160.00	\$ -	\$ 2,430.00	\$ 2,613.09	\$ 1,595.00	\$ -	\$ 473.08	\$ -	\$ -	\$ -	\$ 7,111.17
500	Concrete Work											

500	Concrete Work - Other						\$ 6,005.00					\$ 6,005.00
510-01	Garage Slab	\$ 2,100.00				\$ 2,300.75						\$ 2,300.75
510-02	Driveway	\$ 3,500.00										\$ -
510-03	Approach	\$ 700.00										\$ -
510-04	Compaction for Sidewalk	\$ 500.00										\$ -
510-06	Walks & Patios	\$ 1,686.00										\$ -
510-07	Porches & Step Foundation	\$ 750.00										\$ -
511	Concrete Foundation Labor	\$ 6,500.00		\$ 16,161.66	\$ 516.49							\$ 16,678.15
512	Additional Concrete - Due to Grade	\$ 500.00										\$ -
513	Concrete Pumping	\$ 750.00										\$ -
514	Extra Gravel for Concrete Work	\$ 2,500.00				\$ 366.64		\$ 34.66				\$ 401.30
515	Curb Cutting											\$ -
516	Rock Placement & Compaction	\$ 700.00										\$ -
517	Gravel Grading											\$ -
		\$ 20,186.00	\$ -	\$ 16,161.66	\$ 516.49	\$ 2,667.39	\$ 6,005.00	\$ 34.66	\$ -	\$ -	\$ -	\$ 25,385.20
600	Framing											
600	Framing - Other				\$ 6,075.00							\$ 6,075.00
610	Post & Beam Materials	\$ 1,900.00			\$ 1,963.19							\$ 1,963.19
611	Decking Materials	\$ 1,700.00			\$ 1,598.49							\$ 1,598.49
612	Main Floor Framing	\$ 3,200.00			\$ 5,858.90							\$ 5,858.90
613	2nd Story Floor System											\$ -
614	2nd Story Framing											\$ -
616	Misc Framing Materials	\$ 1,500.00		\$ 1,489.32	\$ 1,137.31	\$ 1,147.90	\$ 706.48	\$ 482.28	\$ 315.87	\$ 12.98		\$ 5,292.14
617	Trusses	\$ 4,500.00			\$ 4,748.75							\$ 4,748.75
618	Additional Framing Materials	\$ 2,500.00										\$ -
619	Roofing System- Sheathing	\$ 1,800.00										\$ -
620	Garage Door	\$ 1,200.00					\$ 1,151.00					\$ 1,151.00
621	Exterior Entry Door	\$ 900.00				\$ 598.68						\$ 598.68
622	Windows	\$ 2,020.00				\$ 2,295.82						\$ 2,295.82
623	Exterior Siding & Trim	\$ 2,800.00				\$ 2,557.75	\$ 12.31					\$ 2,570.06
624	Framing Labor	\$ 5,900.00										\$ -
		\$ 29,920.00	\$ -	\$ 1,489.32	\$ 21,381.64	\$ 6,600.15	\$ 1,869.79	\$ 482.28	\$ 315.87	\$ 12.98	\$ -	\$ 32,152.03
700	Insulation Labor & Materials											
	Insulation Labor & Materials	\$ 4,400.00				\$ 4,837.00		\$ 172.00				\$ 5,009.00
		\$ 4,400.00	\$ -	\$ -	\$ -	\$ 4,837.00	\$ -	\$ 172.00	\$ -	\$ -	\$ -	\$ 5,009.00
710	Plumbing											
	Plumbing	\$ 15,272.00			\$ 8,450.00		\$ 1,450.00	\$ 1,829.00				\$ 11,729.00
		\$ 15,272.00	\$ -	\$ -	\$ 8,450.00	\$ -	\$ 1,450.00	\$ 1,829.00	\$ -	\$ -	\$ -	\$ 11,729.00
720	Electrical											
	Electrical	\$ 12,703.00		\$ 9.61	\$ 300.00	\$ 6,250.00			\$ 2,907.00			\$ 9,466.61
		\$ 12,703.00	\$ -	\$ 9.61	\$ 300.00	\$ 6,250.00	\$ -	\$ -	\$ 2,907.00	\$ -	\$ -	\$ 9,466.61
730	Heating											
	Heating	\$ 6,500.00				\$ 1,231.55	\$ 3,694.65					\$ 4,926.20
		\$ 6,500.00	\$ -	\$ -	\$ -	\$ 1,231.55	\$ 3,694.65	\$ -	\$ -	\$ -	\$ -	\$ 4,926.20
740	Drywall											
	Drywall	\$ 7,600.00				\$ 8,140.00						\$ 8,140.00
		\$ 7,600.00	\$ -	\$ -	\$ -	\$ 8,140.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,140.00
750	Roofing											
	Roofing	\$ 4,235.00			\$ 4,235.00							\$ 4,235.00
		\$ 4,235.00	\$ -	\$ -	\$ 4,235.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,235.00
760	Gutters											
	Gutters	\$ 940.00				\$ 2,053.00						\$ 484,566.74
		\$ 940.00	\$ -	\$ -	\$ -	\$ 2,053.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,053.00
770	Paint											
770	Paint - Other						\$ 15.19					\$ 15.19
771	Interior	\$ 750.00				\$ 444.00	\$ 612.22	\$ 70.22	\$ 1.92			\$ 1,128.36
772	Exterior	\$ 750.00					\$ 2.00					\$ 2.00
		\$ 1,500.00	\$ -	\$ -	\$ -	\$ 444.00	\$ 629.41	\$ 70.22	\$ 1.92	\$ -	\$ -	\$ 1,145.55
780	Appliances											

	Appliances	\$ 2,600.00				\$ 2,426.55						\$ 2,426.55
		\$ 2,600.00	\$ -	\$ -	\$ -	\$ 2,426.55	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,426.55
790	Interior Finish											
791	Interior Doors & Trim	\$ 3,300.00					\$ 3,519.74	\$ 405.11	\$ 1.71			\$ 3,926.56
792	Cabinets	\$ 6,000.00						\$ 8,750.00	\$ 67.31			\$ 8,817.31
793	Flooring & Countertops	\$ 6,800.00					\$ 1,625.97	\$ 1,753.56	\$ 27.69			\$ 3,407.22
794	Hardware & Lighting	\$ 700.00						\$ 387.04				\$ 387.04
795	Misc Cabinet Materials											\$ -
		\$ 16,800.00	\$ -	\$ -	\$ -	\$ -	\$ 5,145.71	\$ 11,295.71	\$ 96.71	\$ -	\$ -	\$ 16,538.13
800	Landscaping											
811	Plants & Supplies	\$ 1,200.00										\$ -
812	Hydroseed Application	\$ 400.00						\$ 350.00		\$ 469.25		\$ 819.25
		\$ 1,600.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350.00	\$ -	\$ 469.25	\$ -	\$ 819.25
900	Contingency											
900	Contingency Other											\$ -
910	Contingency building materials	\$ 6,500.00									\$ 5,860.35	\$ 5,860.35
911	Additional Jobsite Labor				\$ 92.30			\$ 600.94				\$ 693.24
912	Misc. Trim Labor											\$ -
	VIDA savings											\$ -
913	Approved-only Fencing											\$ -
		\$ 6,500.00	\$ -	\$ -	\$ 92.30	\$ -	\$ -	\$ 600.94	\$ -	\$ -	\$ 5,860.35	\$ 6,553.59
TOTAL AMOUNT BUDGETED/ACTUAL		\$ 272,556.00	\$ 130,477.87	\$ 20,090.59	\$ 38,380.04	\$ 37,614.87	\$ 19,807.16	\$ 16,069.45	\$ 3,559.77	\$ 695.90	\$ 5,860.35	\$ 272,556.00

LOAN AMOUNT \$272,556

DRAW REQUEST RECONCILIATION

Builder Person 711 Sunshine Lane (site #2)		1st Draw 1/1/19-3/31/20	2nd Draw 4/1/20-5/12/20	3rd Draw 5/13/20-8/31/20	4th Draw 9/1/20-12/31/20	5th Draw 1/1/21-3/31/21	6th Draw 4/1/21-6/30/21	7th Draw 7/1/21 - 8/31/21	8th Draw 9/1/21-9/30/21	Contingency 10/1/21-10/31/21	Total
Draws		\$ 132,640.00	\$ 20,090.59	\$ 32,927.54	\$ 31,965.75	\$ 22,540.00	\$ 23,698.30	\$ -	\$ 8,693.82	\$ -	\$ 272,556.00
Actual Expenses		\$ 130,477.87	\$ 20,090.59	\$ 38,380.04	\$ 37,614.87	\$ 19,807.16	\$ 16,069.45	\$ 3,559.77	\$ 695.90	\$ 5,860.35	\$ 272,556.00
Over/Under		\$ 2,162.13	\$ 2,162.13	\$ (3,290.37)	\$ (8,939.49)	\$ (6,206.65)	\$ 1,422.20	\$ (2,137.57)	\$ 5,860.35	\$ -	\$ -

	1st Draw 1/1/19-3/31/20	2nd Draw 4/1/20-5/12/20	3rd Draw 5/13/20-8/31/20	4th Draw 9/1/20-12/31/20	5th Draw 1/1/21-3/31/21	6th Draw 4/1/21-6/30/21	7th Draw 7/1/21-8/31/21	8th Draw 9/1/21-9/30/21	Contingency 10/1/21-10/31/21
ORIGINAL LOAN BALANCE	\$ 272,556.00	\$ 139,916.00	\$ 119,825.41	\$ 86,897.87	\$ 54,932.12	\$ 32,392.12	\$ 8,693.82	\$ 8,693.82	\$ (0.00)
TOTAL DRAWS	\$ 132,640.00	\$ 20,090.59	\$ 32,927.54	\$ 31,965.75	\$ 22,540.00	\$ 23,698.30	\$ -	\$ 8,693.82	\$ -
LOAN BALANCE REMAINING	\$ 139,916.00	\$ 119,825.41	\$ 86,897.87	\$ 54,932.12	\$ 32,392.12	\$ 8,693.82	\$ 8,693.82	\$ (0.00)	\$ (0.00)

# Chart of Accounts Sample

compane Customers Vendors Employees Banking Reports Window Help	
Look for account name or number	
<input type="text"/>	<input type="button" value="Search"/> <input type="button" value="Reset"/>
10000 Wells Fargo Bank	Bank
1209 Accounts Receivable	Accounts Receivable
1299 Undeposited Funds	Other Current Asset
2809 Accounts Payable	Accounts Payable
4000 502 Loan Draws	Income
4100 Down Payment Assistance	Income
6200 Closing Costs	Expense
6201 Appraisal	Expense
6202 HOA	Expense
6203 Tax	Expense
6204 Escrow	Expense
6205 Transportation Impact Fee	Expense
6206 Schl. Driveway, Site Fees	Expense
6207 Building Permit Fee	Expense
6208 Sewer Tap Fee	Expense
6209 Water Tap Fee	Expense
6210 Lat	Expense
6212 House Plan	Expense
6213 Architect	Expense
6214 Engineering	Expense
6215 Volunteer Insurance	Expense
6216 Checks	Expense
6217 Contingency	Expense
6218 Cost overran	Expense
6220 Temp Utilities	Expense
6225 Trash & Toilet Service	Expense
6230 Excavation	Expense
6235 Termit Treatment	Expense
6240 Concrete	Expense
6245 Rough Carpentry	Expense
6250 HVAC	Expense
6253 Roofing	Expense
6254 Plumbing	Expense
6257 Utility Install	Expense
6260 Electrical	Expense
6265 Windows	Expense
6266 Exterior Doors	Expense
6267 Exterior Finishes	Expense
6270 Insulation	Expense
6273 Drywall	Expense
6275 Interior Millwork	Expense
6278 Paint	Expense
6280 Flooring	Expense
6283 Cabinets	Expense
6286 Countertops	Expense
6288 Appliances	Expense
6290 Toilet, Bath, & Linen Hdw	Expense
6291 Window Coverings	Expense
6292 Garage Door	Expense
6293 Gutters	Expense
6295 Landscaping	Expense
Account	Activities
Reports	Attach
Include Inactive	