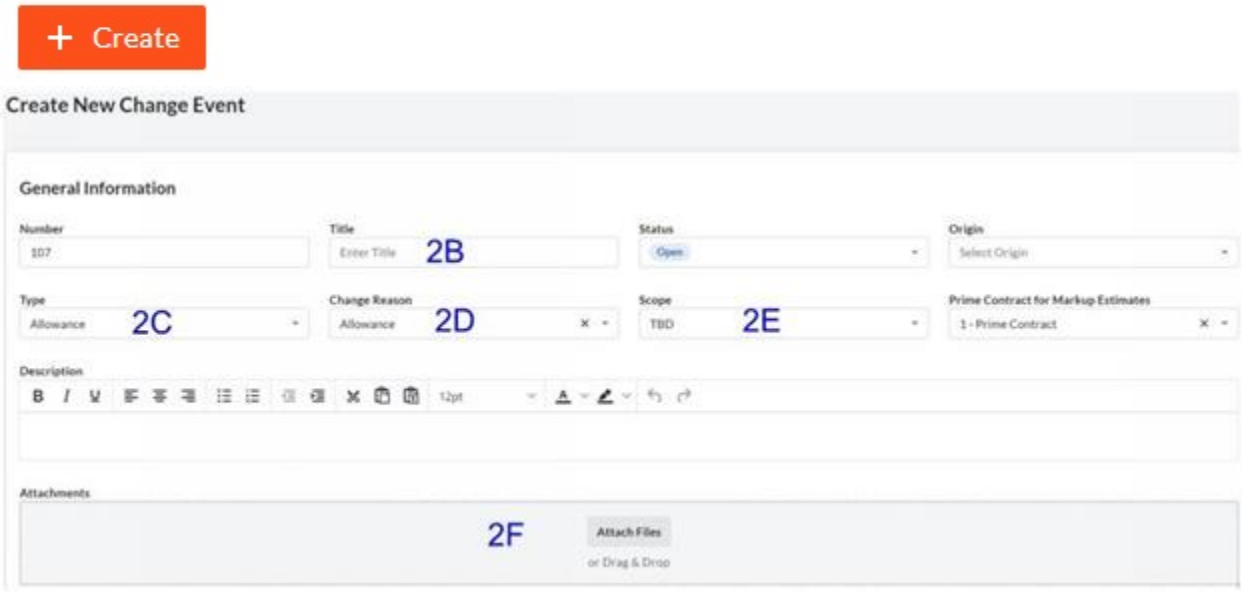
Purpose:

It is the policy of Crain Construction to issue back charges to Subcontractors and Vendors for cost incurred on their behalf. To document costs incurred and invoice the Subcontractor or Vendor accordingly for reimbursement.

Procedure:

1) Superintendent and/or Project Manager are to identify if a back charge is required. A new Change Event should be created to manage the back charge.

2) Utilizing Procore opens the project and select the Change Event tab.
   A) Click on the + Create orange button on the top right corner.

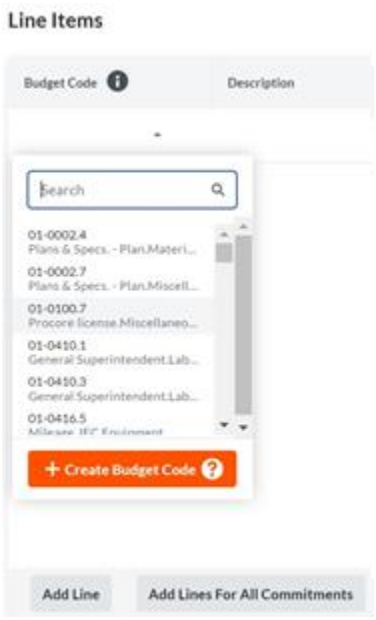


   B) Enter a short Title depicting the reason for the back charge.

   C) Using the pull – down menu under type selects “transfer”.

   D) Using the pull-down menu under change reason select “Back Charge.”

   E) Enter a brief description of the event or reason and attach any .pdf files and or photos to substantiate the back charge.



F) Add a budget code line item for each of the costs incurred. This includes cost codes and assignment to other current Subcontractors and or Vendors. These costs can be inputted at this time if they are known, or they can be later edited once they are finalized.

G) If this involves Subcontractors and or Vendors under commitment to repair or correct, include a Budget Code for each compiling the costs.

3) Notifying the Subcontractor and or Vendor
   a) Vendor/Subcontractor should be notified as soon as the potential back charge item is identified. Once complete compiling all costs, click on the send Email button on the top right to send an email. Select the Subcontractor and or Vendor who will be receiving the back charge and include a detailed description of the events incurred and notifying them the back charge is ready for the deductive change order.

4) Open the Change Event. Right click on all of the Budget Code line items and using the pull-down menu for Bulk Actions under Line Items, select ‘Create Commitment CO’. Select the deductive line item for the back charge and complete the change order process.