

S 140 - CHANGE ORDERS, EXTRA'S AND T & M

PROJECT BUDGET APPROVALS

The original budget for all projects or any new work, i.e. new house types, major change orders, shall be reviewed and approved by the Account Manager, Controller and President.

After the initial budget is reviewed and approved any substantial gross margin change, i.e. 2% or greater or any project which has an under billing of greater than \$10,000 for any month, will require a written explanation and a meeting with the Account Manager, Production Manager, Controller and President prior to the adjustment being made to explain the margin change or under billing.

CHANGE ORDERS, EXTRA'S AND T&M:

No additional/extra work shall be performed prior to the Company receiving a signed document authorizing additional work.

All special ordered products must be priced and a Change Order, Extra Ticket or an e-mail authorizing such purchase must be received prior to the Company ordering the materials. (Note: Purchasing shall be provided a copy of the authorization prior to its ordering of the product.)

Whenever T&M is recorded on a time card a signed ticket shall be attached. If the work is part of an approved change order or an approved extra a note shall be attached referencing the approved CO of Extra.

The Company Supervisor, Production Manager & Account Manager are responsible for the accurate costing and payment for any and all extra work which maybe requested by the client.

All costs associated with the additional work shall be charged to the T&M phase of the job costs so the costs and billings can be tracked.

- Labor
- Material
- Other (subs, special equipment, etc.)

All additional/extra work shall be billed in the next contract billing period not to exceed thirty (30) days of the work being performed.

If payment for the authorized additional/extra work is not made within the contract specified time the Account Manager along with the Controller shall contact the client within ten (10) days following the due date to discuss and resolve the payment or billing.