

ACCOUNTS RECEIVABLE

4 AR SOPs Every Subcontractor Needs

The complete playbook from the Billd CFO Webinar Series: proven standard operating procedures for contract setup, billing, lien rights, and collections.

51

Average days subcontractors wait for payment after submitting a pay app

83%

of business owners reported worrying about cash flow, up from 71% last year

78%

of subcontractors have supplier terms of 45 days or less

This guide documents the four SOPs presented by Luke Boyenger (Cruzumi CFO & Advisory), Kelsey Stone (former sub owner, Billd), and Marcos Cordova (former GC, Billd) during the April 2026 CFO Webinar. Each SOP includes step-by-step procedures, ownership assignments, and implementation guidance you can roll out across your organization.

THE 4 SOPS**→ SOP #1: Creating Contract Abstracts**

Pull every compliance requirement, billing date, and front-loading opportunity before work starts

→ SOP #2: Running a Weekly Billing Process

A 5-day cycle that eliminates end-of-month billing bottlenecks and gets invoices out faster

→ SOP #3: Filing Pre-Liens

Protect your lien rights on every job with a 10-day filing rule and documented handoffs

→ SOP #4: Standardized Collections and Escalations

A fixed follow-up cadence from Day 3 through 60+ days past due, with clear ownership at each level

Creating Contract Abstracts



Kelsey Stone

Former Sub Owner, Relationship Manager at Billd

Why this matters

Subcontract agreements contain critical information that directly impacts your billing cycle and cash flow. If your team is not reading the contract and pulling out every compliance requirement, you might as well forfeit margin right off the top.

+30 days

A noncompliant pay app that gets kicked back adds at least 30 days to your billing cycle. The contract abstract prevents this by capturing every requirement upfront.

The process

1

Upload the contract on receipt (within 24 hours)

Upload to your CRM and accounting system before signing. This gives you the opportunity to negotiate front-loaded costs and flag compliance requirements early.

2

Complete the contract abstract template (within 24 hours)

Walk through the contract in order. Pull each relevant field into your template. Cite the exact section and page so anyone can reference the full language later.

3

Distribute to all stakeholders

Send the completed abstract to PMs, executives, and AP/AR. Each person should know which fields they own and what deadlines apply.

4

Confirm team review (within 48 hours)

Every team member confirms in writing that they have reviewed the abstract and understand their responsibilities. This creates accountability.

5

Draft your first pay app and schedule of values

Billing admin and PM collaborate on the schedule of values and first pay app. Front-load soft costs: mobilization, bonding premiums, overhead, permitting, and stored materials.

What to Include in the Abstract



What to include in the abstract

PROJECT BASICS

- Project address
- Owner and GC names and contacts
- Estimated start date
- Job number (required on all submittals)
- Assigned crew or PM
- Plan sets governing the project

SCOPE AND EXCLUSIONS

- Full scope of work description
- Exclusions (critical for field disputes)
- Pre-construction efforts and submittals

BILLING AND COMPLIANCE

- Billing due dates and format
- Portal requirements (Procore, Textura, GCPay)
- Billing codes
- Insurance requirements and enrollment programs
- Certified payroll requirements
- Retainage terms

FRONT-LOADING OPPORTUNITIES

- Mobilization
- Bonding premiums (P&P bond)
- Overhead and general conditions
- Permitting costs
- Stored materials

FROM THE WEBINAR

"Before I signed a contract, I always asked: can we get these front-loaded costs approved? If so, I want them included in draw one. Front-loading covers your early expenses and helps you manage slow-paying customers from the start."

Kelsey Stone, Former Sub Owner

Running a Weekly Billing Process



Luke Boyenger
Owner, Cruzumi CFO & Advisory

Why this matters

Most subcontractors batch billing at the end of the month. That turns the billing period into a paperwork chase-down where invoices go out late and the cash conversion cycle stretches. A weekly cadence changes the dynamic entirely.

THE PRINCIPLE

If we don't have a standard that we hold people accountable to, we can't drive change, progress, or predictability in our billing cycle.

The 5-day billing cycle

1

DAY

WIP review meeting: CFO/Controller + PMs

Conduct a work-in-progress review to identify everything billable. Look for underbilled projects, uninvoiced work, completion updates, and billable milestones.

2

DAY

Accounting prepares draft invoices

Create draft invoices for all billable work identified. Include supporting documentation, lien waivers, certified payroll, and required compliance forms from the contract abstract.

3-4

DAY

PM approves or revises within 48 hours

PMs review every draft invoice against their project knowledge. They approve, revise, or flag issues. This step is non-negotiable. Their sign-off validates the invoice before it leaves your office.

5

DAY

Accounting issues invoices and updates the billing dashboard

Invoices go out. Accounting updates the dashboard to track work completed, invoices issued, and unbilled balances. This feeds directly into your collections process.

5 days

Maximum time between identifying billable work and getting the invoice out the door. Run this cycle weekly and you're never more than five business days from billing everything you've earned.

Ownership and Results

Ownership matrix

STEP	OWNER	DEADLINE	OUTPUT
WIP review	CFO / Controller + PMs	Day 1 of each week	Billable work identified by project
Draft invoices	Accounting	Day 2	Draft invoices with documentation
PM approval	Project Managers	Within 48 hours	Approved or revised invoices
Invoice submission	Accounting	No later than Day 5	Invoices issued, dashboard updated

What this delivers

Invoices go out sooner. Compliance issues are caught during the abstract phase. Cash arrives faster. Your cash conversion cycle improves. You're never more than five business days from billing everything you've earned.

COMMON PITFALL

The most common reason this SOP fails: no consequences for missing deadlines. If PMs can skip the 48-hour approval window with no accountability, the cycle breaks down. Build the timeline into PM performance expectations from day one.

FROM THE WEBINAR

"Are we backdating invoices? Are we saying this invoice is two weeks past due, but actually we backdated it because we were late getting it out? You don't want to game the system. You want to do it right so you can track timelines and measure process effectiveness."

Luke Doyenget, Chairman CFO & Advisory

Filing Pre-Liens



Marcos Cordova
Former GC, Director of Operations at Billd

Why this matters

Pre-liens are the most important tool you have to protect yourself in the event of nonpayment. Miss a preliminary notice deadline and you lose your lien rights permanently, regardless of how clean your documentation is. No amount of legal action can recover what a \$30 filing and 30 minutes of work would have protected. Every project should be treated as a potential collection issue until you have cash in hand.

A NOTE ON GC RELATIONSHIPS

Tell your GCs from day one that you protect your lien rights. Sophisticated GCs see this as standard business, not a threat. Have the conversation early. Strong GCs protect themselves the same way against owners.

The process

1

Know your map: update lien laws annually

Once per year, your AR lead reviews lien deadlines for every state where you do work. Deadlines range from 10 to 45 days, some states don't require prelims at all, and public vs. private rules differ. Set an annual calendar event to review changes.

2

Gather pre-lien information at contract review

At contract review, the PM documents all information needed for the pre-lien filing. This includes:

DATA POINT	WHY IT MATTERS	COMMON MISTAKE TO AVOID
First furnishing date	When your pre-lien clock starts. The date labor or materials first hit the job site.	Confusing contract start with first furnishing
Stakeholder info	All parties must receive the notice: owner, tenant (if different), and GC.	Listing only the GC, missing the property owner
Project address	Must be the exact location where improvements are being made.	Using the staging area address or general parcel
Project type	Public vs. private changes the rules. County, state, and federal each have unique requirements.	Applying private project rules to a public job

Filing & Deadlines



3 PM notifies AR team when the start date is confirmed

As soon as the start date is confirmed, the PM passes it and all pre-lien information to AR. This handoff must be documented in writing. Use a standardized form so nothing gets lost in the transition.

4 AR sets a 10-day calendar reminder

AR sets a reminder for 10 days after the start date. The 10-day rule is a conservative universal standard. Even in states that allow 45 days, sending at 10 days means you never miss a deadline. Build this into your onboarding checklist for every new project.

5 AR sends pre-liens or uploads to lien provider

10 days after start date, AR sends the preliminary notice or uploads to your lien service provider. File a copy of the notice and proof of service in the project folder. Confirm delivery with a return receipt or tracking number.

Clock awareness: your second critical deadline

The pre-lien clock starts at first furnishing. Your lien deadline clock starts when you finish your scope. Know both dates. Track the last day you perform work and calculate your lien deadline from that date.

FROM THE WEBINAR

"Don't trade a simple process for an expensive, drawn-out legal battle. You're owed potentially millions of dollars of work, but you don't have rights to protect it because you didn't want to spend \$30 and 30 minutes to send a pre-lien."

marcos corado, Director of Operations, Billd

Standardized Collections and Escalations



Luke Boyenger
Owner, Cruzumi CFO & Advisory

Why this matters

Getting the invoice out is not the finish line. You haven't achieved anything until you've collected the cash. Collections is where most subcontractors leave money on the table because there's no documented process. Follow-up happens when it gets painful, not on a schedule.

The solution: a fixed escalation cadence that runs the same way on every job. No winging it. One consistent process everyone is trained on and held accountable to. When every team member knows their role and timeline, collections become routine instead of reactive.

The collections cadence

3

DAY

Accounting confirms receipt of invoice

Three days after sending, accounting confirms the invoice was received. This catches submission errors immediately before they cost you weeks.

-5

PRE-DUE

Send a pre-due reminder

Five days before the due date, accounting sends a short reminder. Simple. Professional. Keeps your invoice top of mind during the GC's payment cycle.

Due

DATE

PM contacts the customer

On the due date, the PM reaches out directly. The PM has the relationship and project context to have this conversation naturally.

30

PAST DUE

Escalate: Controller contacts the customer

Your controller contacts the GC directly. Escalate to someone with authority. You don't want AR debating AP. Get to the level where decisions are made.

60

PAST DUE

Owner/CFO escalates with the customer

Ownership and CFO escalate directly with their counterpart at the GC. Reference payment terms, escalation history, and contractual remedies including lien rights.

Ownership and Escalation

Weekly collections meeting

Hold a weekly meeting where accounting updates the collection status report and PMs review project AR statuses. Track trends: do aged receivables cluster around one GC, one project type, or one PM? Look for root causes, not just overdue balances. Use this meeting to assign specific follow-up actions with deadlines so nothing falls through the cracks between sessions.

AR AGING BUCKET	WHO OWNS THE FOLLOW-UP	ACTION
Current to 30 days	Accounting + PM	Confirm receipt, pre-due reminder, PM contacts on due date
30 days past due	Controller + PM	Controller calls GC directly, documents response
60+ days past due	Owner / CFO	Senior leadership contact, written demand, contractual remedies

FROM THE WEBINAR

"Any past-due balance is indicative of a potential cash flow problem. But if we know this GC is going to pay 30, 60, 90 days late, we should have anticipated that from a bidding and estimating perspective. It's about the full system around your cash flow, not one or two line items on the AR aging."

Luke Boyenger, Chairman of CFO Advisory

FROM BILLD

Strong SOPs shorten the gap. Billd bridges what's left.

Even with every SOP running, you're still waiting for GCs to pay. Billd's capital solutions give you access to the cash you've already earned, so your working capital doesn't depend on when the check arrives. Close the gap between work completed and cash received.

Pay App Advance

Get funded on an approved pay app as soon as it's submitted. Terms up to 60 days. Funding as fast as 24 hours.

Material Financing

Billd pays your supplier upfront in cash. You repay when you're paid, or within up to 120 days.