

PM ACCOUNTABILITY

7 Ways to Incentivize PMs to Overbill


Practical strategies to make your project managers the tip of the spear on billing and collections, with real examples you can implement this month.

PMs sit closer to the job than anyone in your organization. They understand the work completed, the costs incurred, and the milestones hit. That makes them the single most important player in your billing process. The problem: most PMs don't see billing as their job. These seven strategies change that, moving from foundational accountability through financial incentives that drive real behavior change.

THE 7 STRATEGIES

- 1 Rewrite the job description**
Make billing and collections an explicit PM responsibility from day one
- 2 Create a biweekly over/under billing leaderboard**
Visibility drives competition. Show every PM where they stand.
- 3 Shout out top performers publicly**
Recognition in team meetings sets the standard for the whole organization
- 4 Make PMs own the Day 3 receipt confirmation**
Early involvement creates investment in the collection outcome
- 5 Include billing metrics in performance reviews**
Track over/under billing, invoice accuracy, and collection time per PM
- 6 Tie compensation to overbilling**
Monthly spiffs, quarterly bonuses, and annual modifiers that drive action
- 7 Create consequences for chronic underbilling**
Documented feedback, improvement plans, and accountability for persistent gaps

Why PMs Are the Tip of the Spear



PMs have the deepest understanding of what's really happening on a project: where you are from a cost perspective, a timeline perspective, and which billable milestones have been reached. They know which materials were delivered but haven't been invoiced by the supplier yet. They know which change orders are pending. They know what's been completed but not yet billed.

That knowledge makes it impossible for your billing process to work well without PM involvement. Yet in most subcontracting firms, PMs see billing as somebody else's job. When they get pulled into the billing cycle, they feel like they're picking up the slack for accounting.

That frustration is a system design problem, not a people problem. If billing isn't in the job description, there are no incentives for overbilling, and nobody tracks PM-level collection metrics, you can't expect PMs to prioritize it. The seven strategies below change the system.

THE ROOT CAUSE

"A lot of PMs think: I'm being looped into the billing process, somebody else must not be doing their job. You don't want that. You want them to understand from day one that collections, invoicing, and billing are part of their job. It's not them picking up the slack."

Luke Boyenger, Cruzumi CFO & Advisory

51 days

Subcontractors wait an average of 51 days for payment. GCs think it takes 35 days. That 16-day gap lives in your PM's billing process. Tightening it is the fastest path to improving your cash position.

The seven strategies below are ordered from foundational (start here) to advanced (build toward). You don't need all seven to see results, but you do need to start at the beginning. The early strategies create the cultural foundation – visibility, expectations, public accountability – that makes the financial incentives in strategies 5-7 actually stick. Skip the foundation and compensation alone won't change behavior.

Foundation, Visibility & Recognition

1 Rewrite the job description

Update every PM's job description to include billing and collections as an explicit responsibility. Add language like: "Accountable for over/under billing status on all assigned projects. Responsible for reviewing invoices within 48 hours of submission and contacting the GC on the payment due date." This isn't busywork — it sets the expectation from hire day that billing is part of the PM role, not an accounting task they get pulled into.

2 Send a biweekly billing leaderboard

Every two weeks, email the full team each PM's billing position. Construction professionals are competitive — use that. Here's what that email looks like:

From: Controller **To:** All PMs, CFO, Owner
Subject: PM Billing Leaderboard: April 1-15

Mike is currently running top of the leaderboard, but the month isn't over if someone still wants to unseat him. Reminder that the monthly winner gets a bonus spiff in addition to your comp already tied to this. Here's where everyone is sitting at:

PM	PROJECTS	NET POSITION	AVG COLLECTION
Mike R.	4	+\$42,000	28 days
Sarah T.	3	+\$18,500	34 days
David K.	4	+\$8,200	31 days
Jason L.	5	(\$31,200)	47 days

Two weeks left. Let's close strong.

3 Shout out top performers in team meetings

Recognize PMs who are consistently overbilled and collecting on time. Be specific: "Quick shoutout to Mike R. All four projects overbilled, zero rejections this quarter, 28-day average collection. That's the standard." Public recognition reinforces the behavior you want and signals to the rest of the team what good looks like.

WHY IT WORKS

Strategies 1-3 cost nothing to implement — no new software, no comp changes. They create the visibility and cultural expectation that makes everything else work. Most firms that stall on PM billing accountability skipped these steps and went straight to incentive pay.

Ownership, Metrics, Compensation & Accountability

4 Make PMs own the Day 3 receipt confirmation

Shift the Day 3 invoice receipt confirmation from accounting to the PM. It's a two-minute email: "Confirming you received our pay app #[X] submitted on [date]. Please let me know if anything needs revision." This catches errors before they become 30-day delays and gets PMs invested in the collection outcome from the moment the invoice goes out.

5 Include billing metrics in performance reviews

Add these four metrics to every PM performance review: over/under billing position (net \$ across all assigned projects), invoice accuracy rate (% of pay apps approved on first submission without revision), average collection time (days from submission to payment received), and escalation frequency (how often accounting has to chase on their behalf).

6 Tie compensation to overbilling

The highest-impact lever. Financial incentive drives action. Without it, you have rules that may or may not get followed. Pick a structure that matches your cash flow and comp philosophy:

EXAMPLE STRUCTURES

Monthly spiff: \$500 for every PM overbilled at month-end WIP

Quarterly bonus: 1% of the overbilled amount collected that quarter

Annual modifier: Year-end bonus adjusted +/- 10% based on full-year billing position

7 Create consequences for chronic underbilling

Incentives alone aren't enough. For PMs who are chronically underbilled, you need a clear and documented escalation path that gives them every opportunity to course-correct:

ESCALATION PATH

Month 1: Verbal coaching. Review the WIP together. Identify which projects are underbilled and why.

Month 2: Written performance note. Clear target: "All projects at 0%+ overbilled by next WIP."

Month 3: Formal performance improvement plan with defined milestones and timeline.

KEY PRINCIPLE

Strategies 6 and 7 work together. Compensation rewards the behavior you want. Consequences address the behavior you can't afford. Neither works without the metrics from Strategy 5 backing them up.

Roll Out in 90 Days

You don't need all seven at once. Layer them in over 90 days so each phase builds on the last. Start with the zero-cost cultural strategies, then add financial incentives once you have the data to support them.

Week 1

Strategies 1 & 2: Foundation

Rewrite PM job descriptions to include billing responsibilities. Build the biweekly leaderboard template and send the first one. Set the tone early – this is now part of the job.

Days 14-30

Strategies 3 & 4: Culture shift

Start public shout-outs in team meetings. Shift the Day 3 invoice receipt confirmation from accounting to PMs. By now, the leaderboard has created natural competition.

Days 30-60

Strategies 5 & 6: Financial incentives

Add billing metrics to PM performance reviews. Design and announce the incentive structure – monthly spiffs, quarterly bonuses, annual modifiers. You now have 30 days of data to set realistic targets.

Days 60-90

Strategy 7: Accountability

Establish consequences for chronic underbilling. You now have 60 days of baseline metrics to measure against. Coach first, then escalate with documented improvement plans.

FROM THE WEBINAR

"We celebrate collecting cash as much as we celebrate winning a job. The job is not done until we're paid."

Luke Boyenger, Chairman of C & Advisory

90 days

That's all it takes to go from "billing is accounting's problem" to a team where every PM owns their billing position, tracks their numbers, and has a direct financial stake in the outcome. Start this month.

FROM BILLD

Overbilling is the goal. Billd bridges the rest.

Even the best billing processes can't eliminate the gap between work completed and cash received. Billd gives you access to the cash you've already earned. Pay App Advance lets you get funded on an approved pay app as soon as it's submitted – terms up to 60 days, funding as fast as 24 hours. When your PMs overbill, Billd makes sure that cash shows up on your timeline, not the GC's.