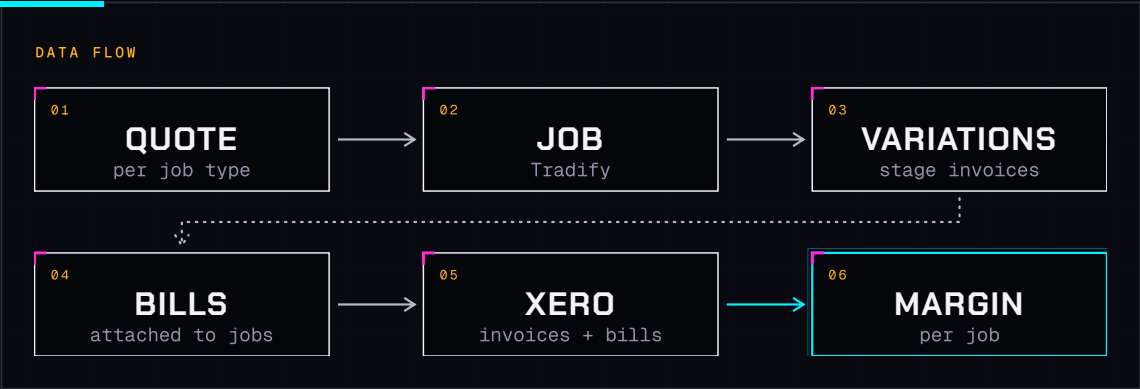


Tradify and Xero set-up for a residential builder

How I'd approach a Melbourne residential builder (extensions, renovations and decks) whose quotes, variations and supplier bills sit in email, so that every approved variation is invoiced, every supplier bill lands on a job, and each job shows its real margin.

- Tradify
- Xero

AREA Job management and accounting	TOOLS Tradify · Xero
TYPICAL SCOPE US\$1,500–2,500	TIMELINE About 5 weeks, 4 milestones



Work sample: realistic data, not a past client job. Amounts are in AUD and GST is 10%.

01 The problem

A small residential builder runs 85 jobs across a year: bathroom and kitchen renovations, decks, rear extensions, granny flats and second storeys. Quotes are written in Word, variations are agreed by email or on site, and supplier bills arrive as PDFs in an inbox. The bookkeeper enters them into Xero as they come.

Owners usually notice it like this:

- A client approves a variation, the carpenters build it, and it never makes it onto an invoice
- Supplier bills are in Xero but not tied to a job, so nobody knows what a job has actually cost until the end
- The quote, the stage invoices and the final cost are three different documents with three different totals
- Margin is a guess until the accountant looks at the year

In this sample, **38 of 160 approved variations** (\$177,050 ex GST, \$194,755 including GST) were never invoiced, across 28 jobs. And **122 bills** (410 of 2,200 bill lines, \$925,568 ex GST) reached Xero with no job against them.

02 The outcome

This is what the setup does and delivers:

- Quotes are written from a Tradify price list and a quote template per job type, with prime cost and provisional sum items clearly marked
- Stage invoices are raised from the accepted quote as a percentage, following the builder's payment schedule
- Every variation is a separate job task with its own costs, so it can be invoiced on its own and a weekly list shows any approved variation not yet invoiced
- Supplier bills are attached to a job, copied into job costs, and sent to Xero
- Invoices and payments flow between Tradify and Xero, so the office does not type anything twice
- Each job has a Job Financial Report showing estimated cost, actual cost, invoiced, still to invoice, gross profit and margin

03 Scope

EXHIBIT A Scope

DELIVERABLE	WHAT'S INCLUDED	NOTES
Health check of quoting and billing	Review of recent quotes, variations, supplier bills and the Xero chart of accounts; findings, risk list and a fixed quote	US\$300, and the findings are yours to keep. If the findings change the plan, I re-quote before M2
Tradify price list and quote templates	Price list cleaned and loaded with buy and sell prices; quote templates per job type with section headings, prime cost and provisional sum items	Supplier price files can be imported to update existing items by item code
Variation workflow	Variation form, job task naming, invoicing steps and a weekly "approved, not invoiced" check	Variations are tracked as job tasks, or as a separate variation job when that suits the builder better
Supplier bills to jobs	A routine for attaching bills to jobs and copying them into job costs; existing bills reviewed for missing jobs	Job costs use ex-GST amounts. Bills can be entered by hand or imported from a CSV
Xero invoice and bill sync	Account codes, tax rates, invoice numbering choice and sync presets; bill tie-out between Tradify and Xero	Quotes and purchase orders stay in Tradify. Invoices, payments, credit notes, bills, customers and suppliers are what sync with Xero
SOPs and handover	One-page routines for quoting, variations, supplier bills and month-end; recorded walkthrough	Written for the office and the site supervisors
Not included	Replacing Xero, building contracts and legal wording, and estimating software	Quoted separately if wanted

Not included: payroll, STP or BAS lodgement.

ITEM	VOLUME
Jobs across the 12 months to 30 September 2026	85 (76 complete, 9 live)
Quotes	420 (85 accepted)
Variations	160 (38 not invoiced)
Supplier bill lines	2,200 on 667 bills
Accepted quote value	\$7,725,000 ex GST
Approved variations	\$821,900 ex GST

JOB TYPE	JOBS
Bathroom reno	28
Kitchen and living reno	16
Deck and pergola	18
Rear extension	12
Granny flat	3
Second storey addition	2
Whole-house renovation	6
Total	85

04 Walkthrough

4.1 THE QUOTE

Take **Rear extension, Kew**. The quote is built from a template for that job type, so the sections are the same on every extension and the client sees familiar headings.

QUOTE SECTION	AMOUNT (EX GST)
Site works, demolition and temporary fencing	\$8,250.00
Slab, footings and drainage	\$19,250.00
Frame and roof structure	\$30,250.00
Roofing and roof plumbing	\$11,000.00
External cladding and brickwork	\$16,500.00
Windows and external doors	\$12,375.00
Linings, insulation and painting	\$17,875.00
Plumbing and electrical fit-off	\$13,750.00
Joinery and finishes (provisional sum)	\$8,250.00
Quote total ex GST	\$137,500.00
GST 10%	\$13,750.00
Quote total inc GST	\$151,250.00

Quote status across the 12 months:

STATUS	QUOTES	VALUE (EX GST)
Accepted	85	\$7,725,000
Declined	128	\$11,455,500
Expired	152	\$15,617,500
Open	55	\$4,095,000
Total	420	\$38,893,000

4.2 STAGE INVOICES AND VARIATIONS

Once the client accepts, stage invoices are raised from the quote using **Copy to Invoice, Percentage of Quote**, following the payment schedule in the contract. The percentages in this sample are illustrative: deposit 5%, base 15%, frame 25%, lock-up 30%, fixing 20%, completion 5%.

Each variation is a **job task** named with the variation number, for example "1016-V1 Steel beam size increase per structural design". Costs for that variation are assigned to the task, and it is invoiced with **New Invoice, Time and Materials From Job**, selecting only the variation task. Anything not selected stays uninvoiced, so nothing is billed by accident.

Variations on Rear extension, Kew:

variation	description	approved	ex gst	gst	inc gst	status
1016-V1	Steel beam size increase per structural design	30 Dec 2025	\$6,550.00	\$655.00	\$7,205.00	Invoiced
1016-V2	Additional underpinning to boundary wall	13 Jan 2026	\$7,650.00	\$765.00	\$8,415.00	Invoiced
1016-V3	Extra bulkhead for ducted heating	19 Mar 2026	\$3,850.00	\$385.00	\$4,235.00	Not invoiced
1016-V4	Relocate stormwater pit	06 Apr 2026	\$2,350.00	\$235.00	\$2,585.00	Invoiced
1016-V5	Skylight added over living area	07 Apr 2026	\$7,000.00	\$700.00	\$7,700.00	Not invoiced
1016-V6	Rock excavation in footings	15 Apr 2026	\$2,300.00	\$230.00	\$2,530.00	Invoiced

Invoices on Rear extension, Kew:

invoice	date	description	ex gst	gst	total
INV-13161	12 Dec 2025	Deposit (5% of quote)	\$6,875.00	\$687.50	\$7,562.50
INV-13162	08 Jan 2026	Base stage (15% of quote)	\$20,625.00	\$2,062.50	\$22,687.50
INV-13163	13 Feb 2026	Frame stage (25% of quote)	\$34,375.00	\$3,437.50	\$37,812.50
INV-13164	15 Mar 2026	Lock-up stage (30% of quote)	\$41,250.00	\$4,125.00	\$45,375.00
INV-13165	19 Apr 2026	Fixing stage (20% of quote)	\$27,500.00	\$2,750.00	\$30,250.00
INV-13166	12 May 2026	Completion (5% of quote)	\$6,875.00	\$687.50	\$7,562.50
INV-13167	19 Jan 2026	Variation 1016-V1: Steel beam size increase per structural design	\$6,550.00	\$655.00	\$7,205.00
INV-13168	02 Feb 2026	Variation 1016-V2: Additional underpinning to boundary wall	\$7,650.00	\$765.00	\$8,415.00
INV-13169	26 Apr 2026	Variation 1016-V4: Relocate stormwater pit	\$2,350.00	\$235.00	\$2,585.00
INV-13170	05 May 2026	Variation 1016-V6: Rock excavation in footings	\$2,300.00	\$230.00	\$2,530.00
Invoiced			\$156,350.00	\$15,635.00	\$171,985.00

2 variations (1016-V3 and 1016-V5, \$10,850.00 ex GST in total) were approved but not invoiced in the old process. In the new setup they show on the weekly "approved, not invoiced" list until they are on an invoice. The contract total including all variations is \$167,200.00 ex GST.

4.3 SUPPLIER BILLS ON THE JOB

Each supplier bill is attached to its job. For a draft bill, approving it copies the items into the job's costs; for an approved bill, the materials can be copied across from the job's Cost tab. Costs use ex-GST amounts, so job margin is not understated by GST that can be claimed back.

Bill categories on Rear extension, Kew:

category	cost (ex gst)
Hardware and fixings	\$16,898.44
Subcontractor	\$13,909.26
Timber	\$12,804.90
Plumbing and electrical	\$10,578.99
Windows and doors	\$8,718.40
Roofing	\$7,641.74
Skip bins and hire	\$7,490.01
Tiles and stone	\$5,473.44
Linings and insulation	\$3,421.85
Materials and subcontractors (bills)	\$86,937.03
Labour (timesheets at cost rate)	\$43,757.97

CATEGORY	COST (EX GST)
Total cost	\$130,695.00

Bills are then sent to Xero from the job. Each month, the bills in Tradify are compared with the bills in Xero (by supplier, bill number and amount):

MONTH	BILLS	EX GST	GST	TRADIFY TOTAL	XERO TOTAL	DIFFERENCE
Oct 2025	5	\$20,721.44	\$2,072.15	\$22,793.59	\$22,793.59	\$0.00
Nov 2025	22	\$156,766.44	\$15,676.65	\$172,443.09	\$172,443.09	\$0.00
Dec 2025	45	\$354,718.06	\$35,471.83	\$390,189.89	\$390,189.89	\$0.00
Jan 2026	51	\$400,997.78	\$40,099.78	\$441,097.56	\$441,097.56	\$0.00
Feb 2026	69	\$525,079.99	\$52,508.03	\$577,588.02	\$577,588.02	\$0.00
Mar 2026	98	\$718,219.39	\$71,822.00	\$790,041.39	\$790,041.39	\$0.00
Apr 2026	80	\$489,787.42	\$48,978.80	\$538,766.22	\$538,766.22	\$0.00
May 2026	92	\$648,761.44	\$64,876.19	\$713,637.63	\$713,637.63	\$0.00
Jun 2026	73	\$653,983.54	\$65,398.37	\$719,381.91	\$719,381.91	\$0.00
Jul 2026	46	\$340,786.52	\$34,078.66	\$374,865.18	\$374,865.18	\$0.00
Aug 2026	60	\$345,208.86	\$34,520.90	\$379,729.76	\$379,729.76	\$0.00
Sep 2026	26	\$200,773.61	\$20,077.37	\$220,850.98	\$220,850.98	\$0.00
12 months	667	\$4,855,804.49	\$485,580.73	\$5,341,385.22	\$5,341,385.22	\$0.00

4.4 XERO SET-UP

SETTING	WHAT I SET	WHY
Account codes	Sales of labour, sales of materials, bank account, purchases	Required for invoices and bills to post
Invoice numbering	Xero's sequence, if the office also raises invoices directly in Xero	Keeps one sequence across both systems
Invoice description	Sent as a line item	So the invoice text appears in Xero
Files on invoices and bills	Optional	Sends attachments from notes to Xero
Inventory items in Xero	Decided in M1	Syncs price list items with Xero inventory items; some builders prefer to keep these off
Contacts	One source of truth, Tradify	Avoids duplicate customers and suppliers

Payments recorded or reconciled in Xero come back to Tradify and mark the invoice paid, so I check bank reconciliation habits in the health check.

4.5 JOB MARGIN, BEFORE AND AFTER

The Job Financial Report shows estimated cost, actual cost, invoiced, to invoice and gross profit. For Rear extension, Kew:

MEASURE	OLD PROCESS	WITH TRADIFY AND XERO
Revenue invoiced (ex GST)	\$156,350.00	\$167,200.00
Total cost (bills + labour)	\$130,695.00	\$130,695.00
Gross profit	\$25,655.00	\$36,505.00
Margin	16.4%	21.8%

Estimated cost on the accepted quote was \$110,000.00, so the report also shows how far actual cost drifted from the estimate.

Across the 76 complete jobs in the sample, margin when unbilled variations are left out versus included:

JOB TYPE	COMPLETE JOBS	REVENUE, OLD PROCESS	REVENUE, ALL VARIATIONS INVOICED	MARGIN, OLD PROCESS	MARGIN, ALL VARIATIONS INVOICED
Bathroom reno	26	\$1,056,200	\$1,072,050	6.1%	7.5%
Kitchen and living reno	16	\$1,154,850	\$1,161,650	6.3%	6.9%
Deck and pergola	18	\$547,800	\$548,600	7.3%	7.4%

JOB TYPE	COMPLETE JOBS	REVENUE, OLD PROCESS	REVENUE, ALL VARIATIONS INVOICED	MARGIN, OLD PROCESS	MARGIN, ALL VARIATIONS INVOICED
Rear extension	9	\$1,911,250	\$1,969,600	7.3%	10.1%
Granny flat	2	\$473,050	\$485,300	17.9%	19.9%
Second storey addition	1	\$370,950	\$392,750	10.5%	15.4%
Whole-house renovation	4	\$954,350	\$980,700	6.4%	8.9%
All complete jobs	76	\$6,468,450	\$6,610,650	7.8%	9.7%

05 Checks

EXHIBIT C Checks on the sample data

CHECK	BEFORE	AFTER	STATUS
Every approved variation is either invoiced or on the "approved, not invoiced" list	122 of 160	160 of 160	PASS
Every supplier bill is on a job	545 of 667 bills	667 of 667 bills	PASS
Job cost = bills on the job + labour	Not available	85 of 85 jobs	PASS
Bills in Tradify = bills in Xero	Not compared	12 of 12 months, difference \$0.00	PASS
Stage invoices on complete jobs add up to 100% of the accepted quote	Not checked	76 of 76 complete jobs	PASS

06 Milestones

EXHIBIT D Milestones

MILESTONE	WHAT HAPPENS	ROUGH DURATION	WHAT IS SIGNED OFF	SHARE
M1 · Health check and plan	Health check (US\$300), review of quotes, variations and bills, payment schedule, account codes and sync presets agreed	About 1 week	Findings, plan and fixed quote	25%
M2 · Tradify configured	Price list, quote templates, variation workflow, supplier and customer lists, Xero connection	About 2 weeks	A test quote, stage invoice, variation and bill run through to Xero	40%
M3 · Month of live jobs checked	Live jobs moved in, a month of variations and bills run in the new process, bill tie-out	About 1.5 weeks, plus the month running	Tie-out at \$0.00 and the weekly variation list reviewed	25%
M4 · Handover	SOPs, walkthrough recording and a short review	About 0.5 week	Office and supervisors confirm they can run it	10%

The fixed quote follows the US\$300 health check, so the price is based on what is actually in your files. If the health check changes the plan, I re-quote before M2.

Typical scope for this kind of project: US\$1,500–2,500.

07 Handover

- Tradify price list and quote templates for each job type
- A variation form and the weekly "approved, not invoiced" check
- A routine for attaching supplier bills to jobs
- A monthly Tradify and Xero bill tie-out
- One-page SOPs for quoting, variations, bills and month-end

-
- A recorded walkthrough
 - Prepared by Manaz Afzal
-

08 Files

FILE	WHAT IT IS
jobs.csv	85 jobs with quote, variations, cost and margin
quotes.csv	420 quotes with status
variations.csv	160 variations, with GST and whether they were invoiced in the old process
bills.csv	667 supplier bills with GST
bill_lines.csv	2,200 bill lines assigned to jobs
xero_bill_tieout.csv	Monthly Tradify and Xero bill tie-out