Billing and Progress Invoice Trigger Policy

1.0 Policy Objective & Scope

The objective of this policy is to define the standard procedure for triggering and generating progress invoices for manufacturing projects. This ensures that billing is accurate, timely, and compliant with Canadian tax regulations (including GST/HST/QST requirements) and internal financial controls. This policy applies to all project managers, billing coordinators, and finance department staff involved in the invoicing process.

Progress invoices are issued at predetermined milestones or upon completion of specific deliverables as outlined in the customer contract. This policy covers the trigger events, data verification steps, invoice generation, and approval workflow required to maintain consistent cash flow and audit readiness.

2.0 Roles & Responsibilities

- **Project Manager:** Responsible for identifying when a billing milestone has been reached and initiating the invoice trigger request in SwitchDesk.
- **Billing Coordinator:** Responsible for verifying project data, calculating amounts (including applicable taxes), generating the draft invoice, and submitting it for approval.
- **Finance Manager:** Responsible for reviewing and approving the final invoice, ensuring compliance with Canadian tax laws and internal policies.
- **IT Administrator:** Responsible for maintaining the SwitchDesk billing module, ensuring data integrity, and managing user permissions for invoice processing.

3.0 Core Rules & Guidelines

- All progress invoices must be triggered only upon verified completion of a contractual milestone or deliverable as documented in the project plan.
- Invoice amounts must be calculated based on the agreed-upon percentage of total contract value or fixed milestone fee, including any change orders approved in writing.
- Applicable Canadian taxes (GST/HST/QST) must be applied according to the customer's province of residence and the place of supply rules.
- All invoices must be reviewed and approved by the Finance Manager before being sent to the customer.
- Invoices must be issued within 5 business days of the milestone trigger event to maintain cash flow targets.
- Any discounts, credits, or adjustments must be documented and approved by the Finance Manager prior to invoice generation.

4.0 Step-by-Step Procedure / Workflow

1. Project Manager confirms milestone completion by reviewing the project plan, work orders, and quality control sign-offs in SwitchDesk.

2. Project Manager initiates the billing trigger by submitting a 'Progress Invoice Request' form in the SwitchDesk portal, including the milestone name, percentage complete, and any supporting documentation.

3. SwitchDesk automatically notifies the Billing Coordinator of the new invoice request via the system dashboard and email alert.

4. Billing Coordinator opens the request and verifies the milestone details against the signed contract and change order log.

5. Billing Coordinator calculates the invoice amount: (milestone percentage × total contract value) plus any approved extras, then applies the correct tax rate based on the customer's province.

6. Billing Coordinator generates a draft progress invoice in SwitchDesk, populating all line items, taxes, and payment terms (e.g., Net 30).

7. Billing Coordinator attaches any required supporting documents (e.g., delivery receipts, progress photos) and submits the draft invoice for Finance Manager approval.

8. Finance Manager reviews the draft invoice for accuracy, tax compliance, and alignment with contract terms. If corrections are needed, the invoice is returned to the Billing Coordinator with comments.

9. Once approved, Finance Manager digitally signs the invoice in SwitchDesk, which automatically updates the invoice status to 'Approved'.

10. SwitchDesk sends the final invoice to the customer via email (or other agreed method) and records the invoice in the accounts receivable ledger.

11. Billing Coordinator updates the project billing tracker in SwitchDesk, noting the invoice number, date, amount, and expected payment date.

12. Project Manager is notified of the invoice issuance and can monitor payment status through the SwitchDesk project dashboard.

5.0 Documentation & Compliance

1. All progress invoice requests, drafts, approvals, and final invoices are automatically stored in the SwitchDesk document repository with version history and audit timestamps.

2. Each invoice record must include the contract reference, milestone description, tax breakdown, and approval chain for full audit trail compliance.

3. Monthly, the Finance Manager must run a 'Billing Compliance Report' from SwitchDesk to verify that all triggered milestones resulted in issued invoices within the 5-day window.

4. Quarterly, an internal audit must review a random sample of progress invoices to ensure adherence to this policy and Canadian tax regulations.

5. All invoice data must be retained for a minimum of 7 years in accordance with Canada Revenue Agency (CRA) record-keeping requirements.

6. Access to invoice generation and approval functions in SwitchDesk must be restricted to authorized personnel only, with permissions reviewed semi-annually by the IT Administrator.