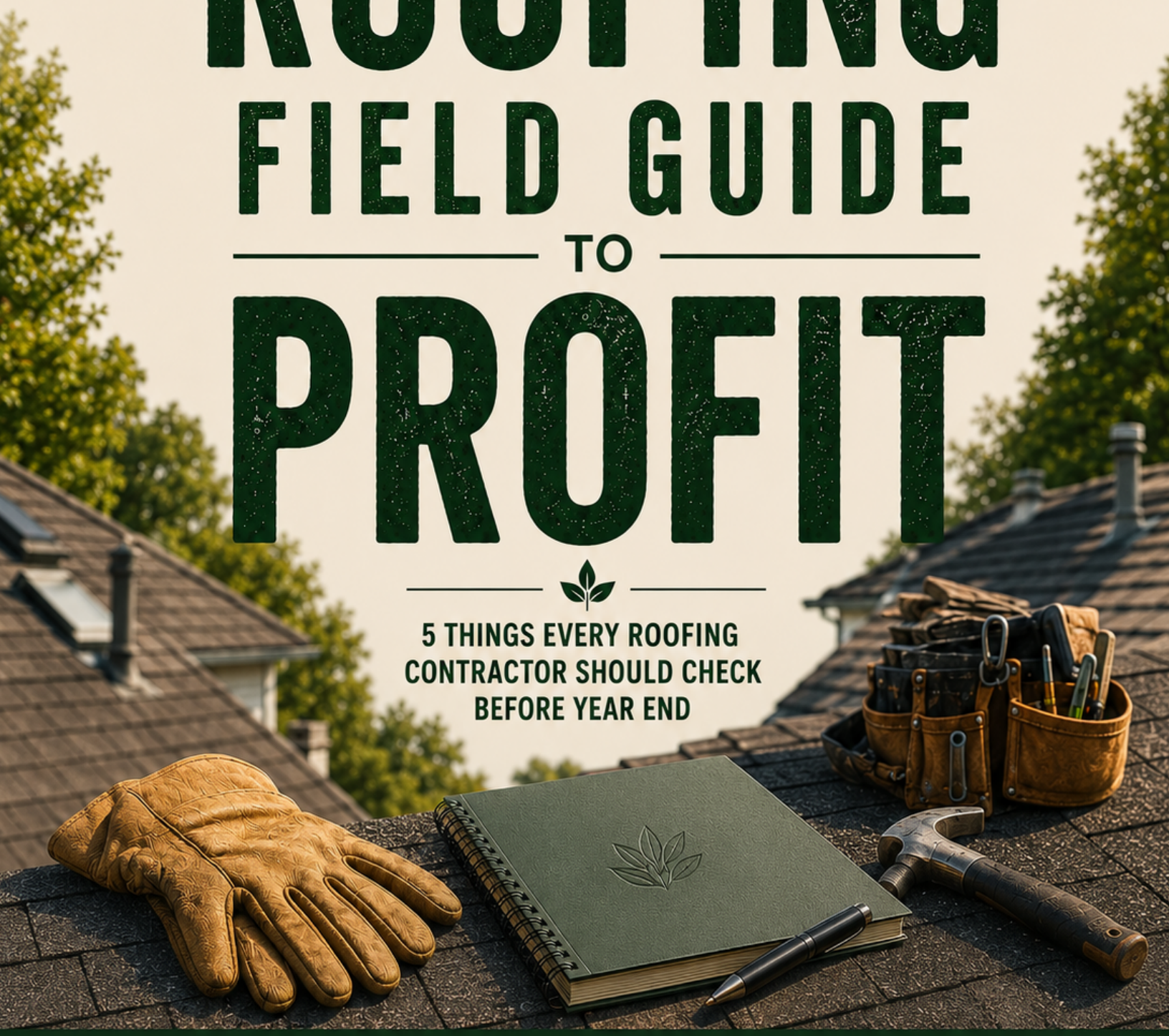
NORTHSTONE
BOOKKEEPING

ROOFING FIELD GUIDE TO PROFIT

5 THINGS EVERY ROOFING CONTRACTOR SHOULD CHECK BEFORE YEAR END



UNDERSTAND YOUR NUMBERS. GROW YOUR BUSINESS.

01 DO YOU KNOW WHICH ROOFING JOBS ACTUALLY MAKE MONEY?

Two roofing jobs can bring in almost the same revenue and produce completely different profits.

One may finish close to estimate with controlled labor and material costs. Another may require extra crew hours, additional material, or unplanned subcontractor work. If you're only looking at the contract price, those differences can disappear.

QUICK CHECK

Pick three recently completed roofing jobs.

Can you identify each of these for every job?

☐ Total job revenue
☐ Labor hours and labor cost
☐ Material costs
☐ Subcontractor and equipment costs
☐ Gross profit

YOUR SCORE: ___ / 5

HOW TO SCORE THIS CHECK

Look at three roofing jobs completed in the last 30 days. Your job-costing report is the best place to start, but you may also find this information in estimates, timesheets, supplier invoices, subcontractor bills, receipts, or your accounting software.

Check the box **only if you can confidently identify that number for each job.** If costs are lumped together, information is difficult to find, or you're relying on the original estimate instead of actual costs, leave it blank.

The goal isn't to get a perfect score. It's to find out how clearly you can see what each job actually earned.

02 ARE MATERIAL OVERRUNS EATING YOUR MARGIN?

Shingles, underlayment, flashing, fasteners, decking, and other roofing materials add up fast.

A little extra material on one job may not seem significant. But when actual usage consistently exceeds what was estimated—or unused materials aren't returned or tracked—the difference can quietly eat away at your profit.

QUICK CHECK

Review your material costs from three recently completed jobs.

Can you compare:

☐ Estimated material cost
☐ Actual material purchases
☐ Additional materials purchased during the job
☐ Returns and supplier credits
☐ Final material cost versus estimate

YOUR SCORE: ___ / 5

Then look for jobs where actual material costs consistently exceeded the estimate.

You don't need every job to land perfectly on budget. The goal is to see whether material overruns are visible enough to understand why they happened.

HOW TO SCORE THIS CHECK

Review three recently completed roofing jobs. Start with the original estimate or material takeoff, then compare it with supplier invoices, receipts, purchase orders, returns, credits, and your accounting records.

Check the box **only if you can confidently identify that number for each job.** If additional purchases aren't assigned to jobs, returns aren't tracked, or you can't easily compare estimated materials with actual cost, leave it blank.

You're testing whether material overruns are visible before they quietly become part of doing business.

03 ARE YOU GETTING PAID FOR ALL THE WORK YOU DO?

Roofing jobs don't always go exactly as planned.

Damaged decking gets uncovered. Additional flashing is needed. Scope changes. Insurance supplements get approved. Crews perform extra work to keep the job moving.

The cost hits your business immediately—but if that additional work isn't documented and billed, the revenue may never catch up.

QUICK CHECK

Pick five recently completed roofing jobs.

Can you identify each of these?

☐ Original contract amount
☐ Change orders and added work
☐ Insurance supplements, when applicable
☐ Additional labor and material costs
☐ Final amount actually invoiced

YOUR SCORE: ___ / 5

HOW TO SCORE THIS CHECK

Compare the original contract or estimate for each job with the final invoice. Then review change orders, supplements, job notes, supplier invoices, and crew records for work added after the original scope was approved.

Check the box **only if you can confidently identify that number and verify that additional work made it onto the final invoice.** If extra work is documented in one place but billing happens somewhere else—or you're relying on memory to catch changes—leave it blank.

You're looking for work you paid to complete but never got paid to perform.

04 ARE CALLBACKS AND WARRANTY WORK EATING YOUR MARGIN?

A completed roof doesn't always mean the cost of the job is finished.

Leak calls, punch-list items, damaged materials, installation issues, and warranty repairs can send a crew back to a job after the final invoice has already gone out.

Every return trip costs labor, materials, fuel, and valuable crew time without generating new revenue.

QUICK CHECK

Review your callbacks and warranty work from the last 90 days.

Can you confidently identify each of these?

☐Number of return visits
☐Crew labor hours
☐Materials used
☐Equipment and travel costs
☐Total cost of callback and warranty work

YOUR SCORE: ___ / 5

HOW TO SCORE THIS CHECK

Review your completed jobs from the last 90 days and identify any that required a return visit. Start with your job-management or scheduling system, then compare crew time, material purchases, warranty records, job notes, and accounting records.

Check the box **only if you can confidently identify that information and connect the additional cost to the original job.** If return trips aren't tracked separately, labor disappears into regular payroll, or materials aren't assigned back to the job, leave it blank.

Catching a callback is important. **Understanding what it actually cost you is better.**

A simple review can show whether completed jobs are still costing you money.

05 DO YOU KNOW YOUR CASH POSITION FOUR WEEKS FROM NOW?

A profitable roofing company can still run out of cash.

Payroll, material orders, subcontractors, equipment payments, fuel, insurance, and supplier bills don't wait for customers or insurance companies to pay.

If you're only looking at today's bank balance, you may not see a cash shortage coming until you're already in it.

QUICK CHECK

Build a simple four-week cash forecast.

Can you confidently identify each of these?

☐ Cash currently available
☐ Customer and insurance payments you expect to receive
☐ Payroll and payroll taxes
☐ Supplier, subcontractor, and equipment payments
☐ Recurring expenses and upcoming material purchases

YOUR SCORE: ___ / 5

HOW TO SCORE THIS CHECK

Look at the next four weeks using your bank balance, open invoices, expected insurance payments, upcoming bills, payroll records, supplier balances, and accounting software.

Check the box **only if you can confidently estimate that amount and when it will affect your cash.** If you're unsure what's coming in, what's going out, or when either will happen, leave it blank.

You don't need to predict every dollar perfectly.

You're looking for the week where things might get tight.

YOUR PROFIT VISIBILITY SCORE

Add together the scores from each of the five checks.

YOUR TOTAL SCORE: _____ / 25

21–25 ★★★★★ STRONG VISIBILITY

Your numbers are giving you a clear picture of where your profit is coming from. Keep reviewing these areas regularly as your business grows.

16–20 ★★★★ GOOD FOUNDATION

You have a solid handle on your numbers, but a few blind spots may be keeping you from seeing the whole picture.

11–15 ★★★ SOME BLIND SPOTS

Important information is missing or difficult to find. Pick your lowest-scoring area and start there.

6–10 ★★ TIME TO DIG IN

Several areas of your business are difficult to measure. Better tracking could uncover costs or profit leaks you aren't currently seeing.

0–5 ★ LET'S TALK

Your numbers may not be giving you enough information to make confident decisions.

That's fixable.

NORTHSTONE BOOKKEEPING

Understand Your Numbers. Grow Your Business.

If you'd like a second set of eyes on what you found, reach out.

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