

# Understanding the Rate Hierarchy

Invup lets you set hourly rates at multiple levels — on a team member, a service, a project, or any combination of the three. When a time entry is created, Invup needs to decide which rate applies. This page explains how that decision works.

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## The Problem

Imagine an accounting firm where:

- A senior accountant has a base rate of \$275/hr
- The "Tax Advisory" service has a base rate of \$250/hr
- A specific client project has a project rate of \$200/hr
- That same project has a custom rate of \$300/hr for Tax Advisory
- And that senior accountant has a special rate of \$325/hr for Tax Advisory on that project

When the senior accountant logs an hour of Tax Advisory work on that project, which rate should Invup use? **\$325/hr** — the most specific rate that matches the exact combination of team member, service, and project.

This is the core principle: **the most specific rate wins.**

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## Two Rate Chains

Invup uses two different rate chains depending on whether the project uses services.

### Service-Based Projects

When a project has services enabled and a time entry includes a service, Invup checks these levels in order and uses the **first rate it finds**:

Priority	Rate Level	What It Is	Where to Set It
0	Non-billable check	If the service is marked non-billable, the rate is always \$0.00	<a href="#">Service detail page</a> — Billable checkbox
1	Project-service-member rate	A rate for this team member on this service within this project	<a href="#">Project form</a> — service card, member rate input

Priority	Rate Level	What It Is	Where to Set It
2	Member-service rate	A rate for this team member on this service, across all projects	<a href="#">Service detail page</a> — Member Rate Overrides
3	Project-service rate	A rate for this service on this project	<a href="#">Project form</a> — service card, Service Rate input
4	Service base rate	The service's default hourly rate	<a href="#">Service detail page</a> — Hourly Rate field
5	Project rate	The project's default hourly rate	Project form — Hourly Rate field
6	Member base rate	The team member's organization-level base rate	Team member settings — Base Rate field

## Non-Service Projects

When a project does not use services (or no service is selected), the chain is simpler:

Priority	Rate Level	What It Is	Where to Set It
1	Project-member rate	A rate for this team member on this project	Project form — member rate input
2	Project rate	The project's default hourly rate	Project form — Hourly Rate field
3	Member base rate	The team member's organization-level base rate	Team member settings — Base Rate field

## How Resolution Works

The rules are straightforward:

1. **Invup walks the chain from top to bottom** (most specific to least specific).
2. **The first non-null rate wins.** As soon as Invup finds a rate at any level, it stops looking and uses that rate.
3. **\$0.00 is a valid rate.** A rate of zero does not fall through to the next level — it means "this work is free" and is used intentionally.
4. **If no rate is found at any level,** the time entry has no rate. This can happen if no rates are configured anywhere in the chain.

## Examples

### Example 1: No overrides — Falls back to member base rate

**Setup — Law firm:** A paralegal at a law firm has a base rate of \$95/hr. The project "Smith Estate Planning" has no project rate set, and the project doesn't use services.

Level	Rate	Result
Project-member rate	Not set	Skip
Project rate	Not set	Skip
Member base rate	<b>\$95/hr</b>	<b>Used</b>

**Resolved rate: \$95/hr** (from the team member's base rate)

## Example 2: Project-member rate overrides the base rate

**Setup — Marketing agency:** A copywriter has a base rate of \$120/hr. On a specific client project "Acme Brand Refresh", the agency has set a project-member rate of \$150/hr for this copywriter because the client's contract specifies a higher rate.

Level	Rate	Result
Project-member rate	<b>\$150/hr</b>	<b>Used</b>
Project rate	\$130/hr	Skipped
Member base rate	\$120/hr	Skipped

**Resolved rate: \$150/hr** (from the project-member rate — the most specific match)

## Example 3: Service rate with a project override

**Setup — Architecture firm:** The "Schematic Design" service has a base rate of \$175/hr. On a large commercial project, the firm has set a project-service rate of \$200/hr for Schematic Design because the project scope warrants a premium.

Level	Rate	Result
Non-billable check	Billable	Continue
Project-service-member rate	Not set	Skip
Member-service rate	Not set	Skip
Project-service rate	<b>\$200/hr</b>	<b>Used</b>
Service base rate	\$175/hr	Skipped
Project rate	\$160/hr	Skipped
Member base rate	\$140/hr	Skipped

**Resolved rate: \$200/hr** (from the project-service rate)

# Example 4: Most specific level wins — Project-service-member rate

**Setup — Consulting firm:** A senior consultant has a base rate of \$250/hr. The "Strategy" service has a base rate of \$300/hr. The senior consultant has a member-service rate of \$350/hr for Strategy. On a specific project for a long-standing client, the firm has negotiated a discounted project-service-member rate of \$275/hr.

Level	Rate	Result
Non-billable check	Billable	Continue
Project-service-member rate	<b>\$275/hr</b>	<b>Used</b>
Member-service rate	\$350/hr	Skipped
Project-service rate	Not set	Skipped
Service base rate	\$300/hr	Skipped
Project rate	\$280/hr	Skipped
Member base rate	\$250/hr	Skipped

**Resolved rate: \$275/hr** (from the project-service-member rate — the most granular level)

Even though the consultant's member-service rate (\$350/hr) is higher, the project-service-member rate takes priority because it's more specific.

# Example 5: Non-billable service short-circuits the chain

**Setup — Any organization:** A team member logs time to the "Internal Meetings" service, which is marked as non-billable. It doesn't matter what rates are configured at any other level — the non-billable check happens first.

Level	Rate	Result
Non-billable check	<b>Non-billable ? \$0.00</b>	<b>Used</b>

**Resolved rate: \$0.00** (non-billable services always resolve to zero)

# Rate Source Reference

Every rate level has a label that Invup stores alongside the resolved rate (when rate locking is active). This tells you exactly where the rate came from:

Rate Level	Source Label	Where to Configure
Non-billable	<code>non-billable</code>	Service detail — Billable checkbox
Project-service-member rate	<code>project-service-member-rate</code>	Project form — service card ? member rate

Rate Level	Source Label	Where to Configure
Member-service rate	member-service-rate	Service detail — Member Rate Overrides
Project-service rate	project-service-rate	Project form — service card ? Service Rate
Service base rate	service-rate	Service detail — Hourly Rate
Project rate	project-rate	Project form — Hourly Rate
Project-member rate	project-member-rate	Project form — member rate (non-service projects)
Member base rate	member-rate	Team member settings — Base Rate

You can see which rate source was used on any time entry in the time entries list. For details on how rates get frozen and what the source label means, see [Rate Locking](#).

## Frequently Asked Questions

### What happens if no rate is set at any level?

The time entry will have no rate. This means it won't contribute to billable totals. To avoid this, set at least a base rate on each team member or on each project.

### Can I set a rate of \$0.00 intentionally?

Yes. A rate of \$0.00 is valid and will not fall through to the next level. Use this when you want to explicitly mark work as having no charge — for example, a pro bono project for a nonprofit client.

### If I change a rate, does it affect past time entries?

It depends on your organization's [rate lock policy](#):

- **At Creation** — Past entries keep their original locked rate. The change only affects new entries.
- **At Invoice** — Past entries are recalculated until they appear on an invoice, at which point the rate is locked.
- **No Locking** — All entries (past and future) are recalculated dynamically. Changing a rate affects everything.

### Does the non-service chain ever apply to a service-based project?

No. If the project has services enabled, the service chain is always used for entries that include a service. The non-service chain only applies to projects that do not have services enabled.

## Where should I set rates if I want the simplest setup?

Start with **member base rates** — set a default hourly rate for each team member. This provides a fallback for every time entry. Then layer on overrides only where you need them (e.g., a higher rate for a specific service, or a discounted rate for a specific client project).

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