

3 Working with Customers



CHAPTER OUTLINE

Working with the Customer Center

Understanding and Creating Items

Creating Invoices

Receiving Payments

Entering Sales Receipts

Dealing with Oops in Customer Transactions

Working with Customer-Related Reports

Tackle the Tasks

Concepts Review

Reinforce Your Skills

Apply Your Skills

Extend Your Skills

CHAPTER OBJECTIVES

After studying this chapter, you will be able to:

- Use the Customer Center and Customers & Jobs List
- Create service and non-inventory items
- Create invoices and receive payment on them
- Enter sales receipts
- Correct errors in customer transactions
- Work with customer-related reports

Let's face it. The best part of being in business is creating and developing relationships with customers. Intuit describes a customer as "any person, business, or group that buys or pays for the services or products that your business or organization sells or provides." When working with QuickBooks, you can consider a customer anyone who pays you funds. This simple definition will help you if you have a unique business, such as a not-for-profit organization that doesn't normally use the term "customer." The job feature is an optional aspect of QuickBooks, but the feature can be extremely helpful if you have more than one project for a customer. In this chapter, you will examine QuickBooks' lists, activities, and reports that allow you to deal with customers effectively.

CASE STUDY

Average Guy Designs

Guy has learned from his colleague Allison that the next step he needs to complete is to set up his company to track customers and sales transactions. He will begin by working on the Customers & Jobs List, which is a part of the Customer Center. Once his customers have been entered, he will be able to create transactions for them. In order to create sales transactions such as invoices and sales receipts, though, he must first create items that will be used to direct income into the proper accounts behind the scenes. Finally, Guy will create reports that will tell him about his customer-related transactions.

Guy can access the Customers & Jobs List, and all of the transactions concerning a customer, from the Customer Center. The following illustration shows the Customer Center with Evelyn Huff selected.

Customer Center: Evelyn Huff

New Customer & Job | New Transactions | Print | Excel | Word | Income Tracker

Customers & Jobs | Transactions

Active Customers

NAME	BALANCE TOTAL	ATTACH
♦ Purposeful P...	0.00	
♦ Project #9	0.00	
♦ Project #11	0.00	
♦ Ashley Hakola	0.00	
♦ Project #2	0.00	
♦ DC Athletic Cl...	0.00	
♦ Project #12	0.00	
♦ Project #4	0.00	
♦ Evelyn Huff	0.00	
♦ Project #1	0.00	
♦ Project #17	0.00	
♦ James Limo...	0.00	
♦ Project #7	0.00	

Customer Information

Company Name: Main Phone (509) 555-2134

Full Name: Ms. Evelyn Huff

Bill To: Evelyn Huff
PO Box 1110
Coulee Dam, WA 99116

Map | Directions

REPORTS FOR THIS CUSTOMER

- QuickReport
- Open Balance
- Show Estimates
- Customer Snapshot

Transactions | Contacts | To Do's | Notes | Sent Email

SHOW: All Trans... | FILTER BY: All | DATE: This Fisc... | 01/01/2013 - 12/31/2013

TYPE	NUM	DATE	ACCOUNT	AMOUNT
There are no transactions of type "All Transactions", filtered by "All", in date range "This Fiscal Year".				

Manage Transactions | Run Reports

In this chapter, you will also help Guy to fix errors made when entering customer transactions.



Tab: Tracking Money In

Topic: Sales overview; Building blocks of sales

Working with the Customer Center

When opened, the Customer Center gives you a quick look at all of your customers. If you recall from the introduction, a customer is anyone who pays you funds. This general definition is useful because it applies to all types of organizations, even those that do not have “customers” in the traditional sense, such as not-for-profits.

QuickBooks uses lists to organize your company’s information. Lists allow you to store information that you can easily fill into forms by using drop-down arrows or by starting to type the entry and letting QuickBooks fill in the rest. Lists comprise the database aspect of QuickBooks. As an option, the Customers & Jobs List can be exported to contact management software such as Microsoft Outlook.

The Customer Center window provides you with the following information:

- The name of each customer and any jobs that have been created
- The balance that each customer owes
- Information for the selected customer or job
- Transactions affecting the selected customer or job

These tabs help to track information for each customer.

The screenshot shows the QuickBooks Customer Center window for 'Lucy's Cupcake Factory'. The window is divided into two main sections. On the left is the 'Customers & Jobs' list, and on the right is the 'Customer Information' section. The 'Customer Information' section has several tabs: 'Transactions', 'Contacts', 'To Do's', 'Notes', and 'Sent Email'. The 'Transactions' tab is active, showing a table of transactions for the selected customer.

NAME	BALANCE TOTAL	ATTACH
Project #1	0.00	
Project #17	225.00	
James Limo...	160.00	
Project #7	0.00	
Project #8	160.00	
JLR Doggie ...	180.00	
Project #10	0.00	
Project #13	180.00	
Learners, Inc.	135.00	
Project #14	135.00	
Project #6	0.00	
Lucy's Cupc...	425.00	
Project #16	225.00	
Project #3	200.00	

TYPE	NUM	DATE	ACCOUNT	AMOUNT
Invoice	16	12/13/2014	11000 · Accounts Re...	225.00
Payment		12/07/2014	12000 · Undeposited...	200.00
Invoice	3	12/03/2014	11000 · Accounts Re...	400.00

The Customer Information section displayed to the right of the Customers & Jobs List relates to the selected customer record, in this case, Lucy's Cupcake Factory.

The Customers & Jobs List tracks a lot of information for each customer and each job. This information is organized onto five tabs: Address Info, Payment Settings, Sales Tax Settings, Additional Info, and Job Info. If you have jobs assigned to a customer, you will see only four tabs. You will manage the jobs in the separate job records. If you want to track information that

does not already have a field, you can create Custom Fields to customize QuickBooks for your unique business, which you will learn more about in *QuickBooks Pro 2014: Level 2*. Remember, the more information you enter for each customer, the more flexibility you will have later when you learn how to customize reports. When you utilize fields, you can sort, group, and filter your reports using those fields. You can access the Customers & Jobs List through the Customer Center.

Managing the Customers & Jobs List

List-management tasks are performed similarly for the various lists in QuickBooks. The exact procedure that you follow will depend on whether the list is integrated into a QuickBooks center (Customers & Jobs, Vendors, and Employees) or is accessible via the List option on the menu bar. The lists that are integrated into a center are not accessible separately via the menu bar.



Centralized Info in the Customer Center

Creating a New Customer

To enter customer transactions, you must first enter your customers into the Customers & Jobs List. Customers can be entered at any time and can even be entered “on the fly” into the customer field on forms such as Create Invoices and Enter Sales Receipts; you will then have to select Quick Add or Setup from the pop-up window. Once you have added a customer to the list, you can create individual jobs for that customer.

Editing an Existing Customer

Once you have created a customer, you can always go back and edit that customer through the Customer Center. The one item that cannot be edited after you have created and saved a new customer is the opening balance (it must be adjusted through the customer register). When you change the information for a customer, including the customer’s name, it will be reflected in both future and past transactions.

Deleting a Customer

You can delete a customer or job from the Customers & Jobs List *as long as you have not used it in a transaction*. If you have used it in a transaction, you can make it inactive, but you cannot delete it until after you close the books for a period and clean up your company’s data.

Allowing List Entries to Fill In

When your insertion point is in a field that draws from a list, you can simply begin to type the entry that you want to choose from the list. QuickBooks will search down the list and fill in the entry for you. This fill-in feature is not case-sensitive, so you can type in lowercase even though the list entry will fill in with the proper capitalization (if you entered it with proper capitalization in the list).

Adding/Editing Multiple List Entries

You can manage the customer, vendor, and item lists all in one location. You can also choose to type the list entries or paste them from Microsoft Excel. In this chapter, you will add one entry at a time in the Customers & Jobs List. In *QuickBooks Pro 2014: Level 2*, you will work with the Add/Edit Multiple List Entries feature.

The Income Tracker

NEW!
2014

The Income Tracker is a new feature in QuickBooks 2014 that allows you to view all of your customer-related transactions in one convenient place.

CUSTOMER	TYPE	NUMBER	DATE	DUE DATE	AGING	AMOUNT	OPEN BALANCE	LAST SENT	STATUS	ACTION
Miata Events, I...	Invoice	15	12/13/2014	12/28/2014		140.00	140.00		Open	Select
Learners, Inc...	Invoice	14	12/12/2014	12/27/2014		135.00	135.00		Open	
Purposeful Pla...	Invoice	11	12/10/2014	12/25/2014		70.00	70.00		Open	
James Limosin...	Invoice	8	12/8/2014	12/8/2014		160.00	160.00		Open	
Lucy's Cupcak...	Invoice	3	12/3/2014	12/18/2014		400.00	200.00		Open	
DC Athletic Clu...	Invoice	4	12/4/2014	12/4/2014		450.00	200.00		Open	
Purposeful Pla...	Invoice	9	12/9/2014	12/24/2014		345.00	345.00		Open	
DC Athletic Clu...	Invoice	12	12/11/2014	12/11/2014		360.00	360.00		Open	
JLR Doggie Pl...	Invoice	13	12/12/2014	1/11/2015		180.00	180.00		Open	
Lucy's Cupcak...	Invoice	16	12/13/2014	12/28/2014		225.00	225.00		Open	
TOTAL										2,240.00

In the Income Tracker, you can easily see and manage all customer-related transactions. You can also perform actions on transactions in batches from this window.

The QuickBooks Lead Center

The QuickBooks Lead Center is a feature that provides you with a tool to track potential sales leads. Within the Lead Center, you can track outstanding tasks, contact information for the leads, location information, and notes related to your interactions and knowledge of the sales lead.

Working with Nonprofit Organizations

You use QuickBooks to work with nonprofit organizations just as you do with for-profit companies. Intuit also offers a specialized QuickBooks Premier edition designed especially for nonprofits. In this book you have been and will continue to work with a nonprofit organization, Niños del Lago, in the Extend Your Skills exercises.

When working with nonprofits in QuickBooks, take care with the term “customer.” QuickBooks defines a customer as anyone who pays you funds. So, with a nonprofit, donors are customers.

They should be entered in the Customers & Jobs List. You can also use the customer and vendor profile lists in creative ways to track aspects of a nonprofit organization.

QUICK REFERENCE	MANAGING THE CUSTOMERS & JOBS LIST
Task	Procedure
Edit an existing customer/job	<ul style="list-style-type: none"> ■ Open the Customer Center; double-click the desired customer or job. ■ Make the change(s) in the field(s); click OK.
Add a new customer	<ul style="list-style-type: none"> ■ Open the Customer Center; click the New Customer & Job button, and then choose New Customer. ■ Enter all of the customer's information; click OK.
Add a new job	<ul style="list-style-type: none"> ■ Open the Customer Center; single-click the desired customer. ■ Click the New Customer & Job button, and then choose Add Job. ■ Enter all of the information for the job; click OK.
Delete a customer/job	<ul style="list-style-type: none"> ■ Open the Customer Center; single-click the desired customer/job. ■ Choose Edit→Delete Customer:Job; click OK to confirm.
Make a list entry inactive	<ul style="list-style-type: none"> ■ Open the center in which the list entry is located. ■ Right-click the desired list entry, and then choose Make Inactive.
Merge list entries	<ul style="list-style-type: none"> ■ Open the center in which the list entries are located. ■ Double-click the list entry you wish to merge with another. ■ Change the name of the entry to exactly match the entry into which you wish to merge; click OK.
Access the Income Tracker	<ul style="list-style-type: none"> ■ Choose Customers→Income Tracker.
Access the Lead Center	<ul style="list-style-type: none"> ■ Choose Customers→Lead Center.

DEVELOP YOUR SKILLS 3-1

Manage the Customers & Jobs List

In this exercise, you will manage the Customers & Jobs List. The first step is to open QuickBooks, and then either open a company file or restore a portable company file.



NOTE

Intuit provides maintenance releases throughout the lifetime of the product. These updates may require you to update your student exercise files before you work with them. Please follow the prompts on the screen if you are asked to update your company file to the latest QuickBooks release.

1. Start **QuickBooks 2014**.

If you downloaded the student exercise files in the portable company file format, follow Option 1 below. If you downloaded the files in the company file format, follow Option 2.

Option 1: Restore a Portable Company File

2. Choose **File**→**Open or Restore Company**.
3. Restore the **DYS_Chapter03 (Portable)** portable company file from your file storage location, placing your last name and first initial at the end of the filename (e.g., **DYS_Chapter03_MarshallG**).

It may take a few moments for the portable company file to open. Once it does, continue with step 5.

Option 2: Open a Company File

2. Choose **File**→**Open or Restore Company**, ensure that **Open a regular company file** is selected, and then open the **Average Guy Designs** company file for this chapter from your file storage location.

The QuickBooks company file will open.

3. Click **OK** to close the QuickBooks Information window. Click **No** in the Set Up External Accountant User window, if necessary.
4. Close the **Reminders** window.

Edit an Existing Customer

The first step in performing any Customers & Jobs list management task is to open the Customer Center.

FROM THE KEYBOARD

[Ctrl]+[J] to open the Customer Center

5. Click the **Customers** button located in the Customers area of the Home page.
6. Single-click to select **DC Athletic Club LLC** in the Customers & Jobs List.
You must first select the customer you wish to edit, and yes, it is spelled incorrectly—you will be fixing it!
7. Click the **Edit Customer** button in the Customer Information area of the Customer Center.

CUSTOMERS



The Edit Customer window will open for the selected customer.

8. Correct the name to read **DC Athletic Club LLC**.
You will need to correct this in four separate places in the Edit Customer window.



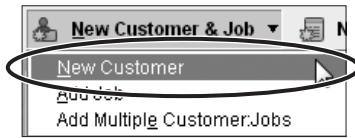
In QuickBooks, you can use the same text editing techniques you use in word-processing programs. Simply select the text to be replaced by clicking and dragging the mouse pointer over it and then type the replacement. You can also use the **Delete** or **Backspace** keys on your keyboard.

9. Click **OK** to accept the change.

Add a New Customer

Now you will add a new customer to the Customers & Jobs List.

10. Click the **New Customer & Job** button, and then choose **New Customer**.



11. Follow these steps to fill in the information on the Address Info tab:

A Type **Dance a Little**. **B** Tap **Tab** three times, and then type **Dance a Little** again. **C** Fill in the **Full Name** and **Job Title** fields as shown, tapping **Tab** to move from field to field. **D** Type **(650) 555-6379** here. **E** Click after **Short**, tap **Enter**, and then type this address. **F** Click **Copy**, and then click **OK** in the Add Shipping Address Information window.

 A screenshot of the customer form in QuickBooks. The form is titled 'CUSTOMER NAME' and has 'Dance a Little' entered. Below this is the 'Address Info' tab, which is active. The form contains several fields: 'COMPANY NAME' (Dance a Little), 'FULL NAME' (Ms. Joanie M.I. Short), 'JOB TITLE' (Manager), 'Main Phone' ((650) 555-6379), 'Main Email', 'Work Phone', 'CC Email', 'Mobile', 'Website', 'Fax', and 'Other 1'. Below these fields is the 'ADDRESS DETAILS' section, which includes 'INVOICE/BILL TO' and 'SHIP TO' (Ship To 1). The address is 'Dance a Little, Joanie Short, 541 Humboldt Ave., Bayshore, CA 91547'. A 'Copy >>' button is visible next to the address. Annotations A-F point to various parts of the form: A points to the company name field, B points to the full name field, C points to the job title field, D points to the main phone field, E points to the address field, and F points to the copy button.

Since you are not entering an opening balance, you do not need to worry about the date displayed for it.

12. Click the **Payment Settings** tab, and then follow these steps to add information:

A Type **GD-54** here. **B** Click the drop-down arrow, and then choose **Net 15**.

 A screenshot of the 'Payment Settings' tab in the customer form. The 'ACCOUNT NO.' field contains 'GD-54' and the 'PAYMENT TERMS' field is set to 'Net 15'. Annotations A and B point to these fields: A points to the account number field, and B points to the payment terms drop-down menu.

13. Click the **Additional Info** tab.
14. Click the Customer Type drop-down arrow and choose **From advertisement**.
15. Click **OK** to complete the new customer record.

Add a Job

16. Ensure **Dance a Little** is selected, click the New Customer & Job button, and then choose **Add Job**.
17. Type **Project #19** as the Job Name; click **OK**.

In the next step, you will close the Customer Center window within QuickBooks. Do not click the Close button for the QuickBooks window, as it will exit the program rather than simply close the center window!

18. Close the **Customer Center** window.

Understanding and Creating Items

Before you can create an invoice, you must create items to be included on the invoice. You will now learn how to create items for service and non-inventory items. An item is defined in QuickBooks as something that a company buys, sells, or resells in the course of business.

When you create a new item, you need to provide QuickBooks with very important information. When an item is sold, it directs the sales to the proper income account based on the information you entered when you created the item. The Item List will be studied in more depth in *QuickBooks Pro 2014: Level 2*, when you begin to work with inventory. In this chapter, you will access the Item List through the Home page.

This search feature can come in handy if you have many items through which you may need to look to find a specific item.

This column shows the item names. This is what you will enter into a form to choose the item.

NAME	DESCRIPTION	TYPE	ACCOUNT	PRICE	A...
Art Work	Production of Original Art Work	Service	43200 · Design Income	0.00	
Graphic Design	Graphic Design	Service	43200 · Design Income	0.00	
Paper	Specialty paper	Non-inventory Part	61500 · Job Materials	29.95	
Markup	Markup	Other Charge	43200 · Design Income	0.00	
Printing	Printing	Other Charge	48800 · Print Layout Income	0.00	

TYPES OF ITEMS	
Item Type	Description
Service	For services you charge for or purchase (e.g., specialized labor, consulting hours, or professional fees)
Non-inventory Part	For goods you buy but don't track (e.g., office supplies) or materials for a specific job that you charge back to the customer
Inventory Part	For goods you purchase, track as inventory, and resell
Other Charge	For miscellaneous labor, material, or part charges (e.g., delivery charges, setup fees, or service charges)
Subtotal	Totals all items above it on a form up to the last subtotal; to apply a percentage discount or surcharge to many items
Group	Quickly enters a group of individual items on an invoice
Discount	Subtracts a percentage or fixed amount from a total or subtotal; do not use for an early payment discount
Payment	Records a partial payment at the time of sale; reduces the amount owed on an invoice
Sales Tax Item	Calculates a single sales tax at a specific rate that you pay to a single tax agency
Sales Tax Group	Calculates and individually tracks two or more sales tax items that apply to the same sale; customer sees only the total sales tax

Service Items

Service items are used in QuickBooks to track services that you both sell to others and purchase from them. They can be used to track time that employees spend on a certain customer's project and then be easily passed on to a customer using the QuickBooks time tracking feature. This use of service items will be covered in *QuickBooks Pro 2014: Level 2*.

Non-Inventory Items

Non-inventory part items are for things that a business buys but doesn't stock as inventory. You can use purchase orders to obtain non-inventory items if you wish to track items that are used in your business but not resold to customers, such as papers and printer ink. You will learn more about purchase orders in *QuickBooks Pro 2014: Level 2*. You can also purchase non-inventory items through the Enter Bills window by utilizing the Items tab. In order to track both purchase and sales information for an item, you need to identify that the item is "used in assemblies or is purchased for a specific customer: job" in the New or Edit Item window.

The Type field list displays the types of items that can be created. Because the preferences are not yet turned on, Inventory Part, Sales Tax Item, and Sales Group do not appear.

This option is available for both non-inventory and service items.

The description and price that you enter here will fill in sales forms when the item is chosen.

It is imperative that you enter the correct account here! An item directs the flow of dollars from the sales input form to the account indicated here.

When you enter an item on a QuickBooks form, you can override the price that you have recorded in the Item List. If you don't have standard pricing and find that you enter specialized pricing more than you use a default price, you may wish to leave the Price field blank in the Item List and fill it in on each form created.

Introducing Sales Tax Items

In some states, sales tax is collected on services provided. However, this is the exception rather than the rule. In this book, dealing with sales tax will be introduced in *QuickBooks Pro 2014: Level 2*, when you begin to work with the inventory tracking and product resale. In order to charge sales tax on a sales form, it must first be set up as an item.

Make sure that when you deal with sales tax, you take some time to learn about how the sales tax laws are set up in your jurisdiction. Some states do not collect sales tax at all. For states that do, there is variation among what is taxed. What it comes down to is that you must know the sales tax laws where you do business before you set up sales tax for your company.

Using Subitems

If you wish to track your items in a more detailed fashion, you can use subitems. They can be created for any item on your Item List and can be useful on reports to determine aspects of your business such as profitability. You might use subitems in your company file to:

- Differentiate between broad categories of products and services and individual items within them
- Manage pricing levels for volume discounts
- Differentiate between measurements (see the following figure)
- Track multiple vendors for an item

When using subitems, you state an item with no price for the main item, and then list prices for the subitems beneath it.



Tab: Getting Set Up

Topic: Add the products and services you sell

QUICK REFERENCE	CREATING ITEMS
Task	Procedure
Create a new item	<ul style="list-style-type: none"> ■ Open the Item List. ■ Click the item menu button, choose New, and then choose the desired item type. ■ Enter an item name, description, and price. ■ Select the account (income for a service item, expense, or cost of goods sold for a non-inventory item) to which you want the purchase of the item directed.
Turn on the QuickBooks sales tax feature	<ul style="list-style-type: none"> ■ Choose Edit→Preferences. ■ Click the Sales Tax category; click the Company Preferences tab. ■ Click in the circle to the left of Yes in the “Do you charge sales tax?” section. ■ Select your most common sales tax item. If necessary, create the sales tax item. ■ Select when you owe sales tax and how often you must pay it; click OK.
Create a sales tax item	<ul style="list-style-type: none"> ■ Open the Item List, click the Item menu button, and then click New. ■ Choose Sales Tax Item as the type of item (the sales tax preference must be set up first). ■ Type the name and description for the item. ■ Set the tax rate and agency to which you pay the tax; click OK.

DEVELOP YOUR SKILLS 3-2

Create Items

In this exercise, you will create both a service and a non-inventory item.

1. Click the **Items & Services** task icon in the Company area of the Home page.
2. Click the **Item** menu button and choose **New**.
3. Tap **Tab**, and the default service item type, **Service**, is chosen automatically.



FROM THE KEYBOARD

Ctrl+N to open a New Item window from the Item List

4. Follow these steps to create a new service item:

A Type **Photography**.

B Click in the **Description** field, and then type **Photography services**.

C Click the drop-down arrow, and then choose **42700•Photography Income** from the list.

D Click **Next**.

The new item will be added to the Item List, and the New Item window will remain open so you can create another item. You have left the rate field blank as you will enter the price on each sales form based on what you quoted to your customers.

Set Up a Non-Inventory Item

5. Follow these steps to create a new non-inventory part:

A Click the drop-down arrow, and then choose **Non-inventory Part**.

B Tap **[Tab]**, and then type **Paper**.

C Click in the **Description** field, and then type **Specialty paper**.

D Tap **[Tab]**, and then type **29.95**.

E Tap **[Tab]**, type **615**, and then tap **[Tab]** again to fill in **61500•Job Materials** from the list.

F Click **OK**.

6. Close the **Item List** window.

Creating Invoices

Once you have set up your initial Customers & Jobs List, you can begin to enter sales transactions. In this section, you will learn to create invoices and use Accounts Receivable, which is the account debited when invoices are created. When you create an invoice, you *must* specify a customer because Accounts Receivable (along with the customer's individual sub-register) will be debited by the transaction.

Invoicing a customer is also known as a customer making a purchase "on account."

After you select your customer from the drop-down list at the top of the form, all of the relevant information you entered in that customer's record will fill into the appropriate fields on the Create Invoices window.

This menu shows all entries in the Customers & Jobs list from which you may choose.

This menu shows the available invoice templates. You can customize the existing templates or create your own templates from scratch.

This column section of the invoice deals specifically with the items the customer purchases.

ITEM	QUANTITY	DESCRIPTION	RATE	AMOUNT
Graphic Design	7	Branding and logo design for new dance studio	38.00	266.00

Visualize! **Tab:** Tracking Money In
Topic: Create an invoice

When you created your customer records, you entered a lot of information about each customer that will automatically fill into invoices when the customer is chosen. You have the option of changing that information when you create an invoice, though. If you change a customer's information in the Create Invoices window, QuickBooks will ask if you want to make the change permanent before recording the transaction.

If you click Yes, QuickBooks will change the customer information in the Customers & Jobs List.

If you click No, the new information will appear on the current invoice, but the Customers & Jobs List record will remain unchanged.

If you click Cancel, QuickBooks will return you to the Create Invoices window.

Entering Customers Not Already on the Customers & Jobs List

When you type a new entry into a field that draws from a list, QuickBooks gives you the opportunity to add the record to the list. You can choose to Quick Add the new record (the name will be entered into the list without accompanying information, which you can add at a later date) or to complete a full setup (a New Customer window appears in which you can type all of the relevant information).



Tab: New to QuickBooks?

Topic: Using forms

Understanding Payment Terms

Payment terms dictate an agreement between buyer and seller as to when and how much is to be paid for a product or service. In the case of "Net 30" payment terms, the net (or entire) amount of the invoice is due in thirty days. There are also discount payment terms (discussed in *QuickBooks Pro 2014: Level 2*) that allow for a discount to be taken if the invoice is paid quickly. For instance, 2% 10 Net 30 means that the buyer can take a 2 percent discount off of the total amount of the invoice if it is paid within 10 days, or the net amount is due to the seller in 30 days.

By default, if payment terms are not stated for a customer or on an invoice, QuickBooks will set the payment due date to be ten days from the date of sale.

Emailing Invoices

For the majority of companies, email is one of the primary ways they do business nowadays. QuickBooks allows you to easily email invoices to customers, rather than having to send them via "snail mail" or fax. To indicate that you wish to send invoices and other forms to your customers via email, use the Additional Info tab of either the New or Edit Customer window. If you choose to email an invoice to a customer, that customer will receive it as a PDF file attached to the email along with a message that you set in the Preferences window.

Customer Send Method

The customer send method is the way that you primarily send invoices and other forms to a customer. You can change this on each transaction for the customer if it is not always the same method. In the Preferences window, you can customize both personal and company preferences for this feature.

In the **Send Forms** category of the Preferences window, you can set preferences for both yourself and the company (if you are the administrator). The administrator controls how the email message sent with the invoice (or other type of form) to customers will appear.

Form Templates

When you first install QuickBooks, Intuit provides you with various templates, such as the Intuit Service Invoice, Intuit Product Invoice, Intuit Professional Invoice, and Intuit Packing Slip. You can continue to use these invoices as they are, create custom invoices to meet your specific needs, or download templates from the QuickBooks website. In this section, you will work with one of the default invoice forms—the Intuit Service Invoice. The creation and customization of form templates will be covered in *QuickBooks Pro 2014: Level 2*.

Going Behind the Scenes

If you recall in Chapter 1, *Introducing QuickBooks Pro*, there is a special feature in this book that allows you to take a peek at the accounting that QuickBooks is doing for you when you enter information into forms. In the following illustration, you will find the first instance of the “Behind the Scenes” feature. Remember that the names used in this feature are the account names QuickBooks uses, not traditional accounting nomenclature. If you would like to learn more about basic accounting principles and what the “behind the scenes stuff” is all about, you may want to check out another Labyrinth Learning book, *Accounting Basics: An Introduction for Non-Accounting Majors*.

BEHIND THE SCENES

When creating invoices, QuickBooks takes care of all of the accounting for you. Following is an illustration of the accounting that goes on behind the scenes for the first invoice you will create in the following exercise.

11000-Accounts Receivable	43200-Design Income
266.00	266.00
Dance a Little:Project #19	
266.00	

Note that the Accounts Receivable sub-register for the customer is also debited.

Behind the Scenes (BTS) Brief

This book includes an additional feature to help you further understand the accounting that occurs behind the scenes. Labeled “BTS Brief,” these accounting notes will appear within Develop Your Skills exercises. As an example (though not associated with an exercise), the BTS Brief for the transaction described in the Behind the Scenes table above is shown here.

BTS BRIEF

11000•Accounts Receivable DR 270.00; 43200•Design Income CR <270.00>



In this feature, DR indicates a debit and CR indicates a credit. CR amounts display with brackets.

QUICK REFERENCE	CREATING INVOICES
Task	Procedure
Create an invoice	<ul style="list-style-type: none"> ■ Open the Create Invoices window. ■ Choose an existing customer or type a new customer. ■ Choose the correct date and terms. ■ Fill in the item(s) for which you wish to bill your customer, including the correct quantity for each item. ■ Choose a customer message, if desired; click Save & Close or Save & New.

DEVELOP YOUR SKILLS 3-3

Create Invoices

Joanie Short has just emailed you to ask you to do a job for her company, Dance a Little. You have agreed to a rate of \$38/hour and to grant her terms of "Net 30," which means that her bill will be due in 30 days. In this exercise, you will create invoices for customers.

FROM THE KEYBOARD

Ctrl+I to open the Create Invoices window

1. Click the **Create Invoices** task icon in the Customers area of the Home page.
2. Click the **Customer:Job** field drop-down arrow at the top of the window, and then choose **Dance a Little:Project #19** from the Customers & Jobs List.



Notice that the customer's address and terms fill in for you from the underlying list.

3. Tap [Tab] two times, type **121614**, and then tap [Tab].

When you type in a date field, you do not need to include the slash marks. QuickBooks will format the date properly for you once you move to the next field.

TIP

4. Type **14-0018** as the Invoice #.
5. Follow these steps to complete the invoice:

- A Click the drop-down arrow, and then choose **Net 30**.

ITEM	QUANTITY	DESCRIPTION	RATE	AMOUNT
Graphic Design	7	Branding and logo design for new dance studio	38.00	266.00

- B Tap [Tab], and then type **g**.
- C Tap [Tab], and then type **7**.
- D Tap [Tab] twice, and then type **38**.

Once you select the item, the description, rate, and amount information fill in for you from the Item List. QuickBooks automatically calculates the total amount by multiplying the quantity by the rate. In this case, you had to type in the rate since it was not entered in the Item List. QuickBooks recalculates the amount once you move your insertion point to another field on the invoice form after changing the rate.

BTS BRIEF

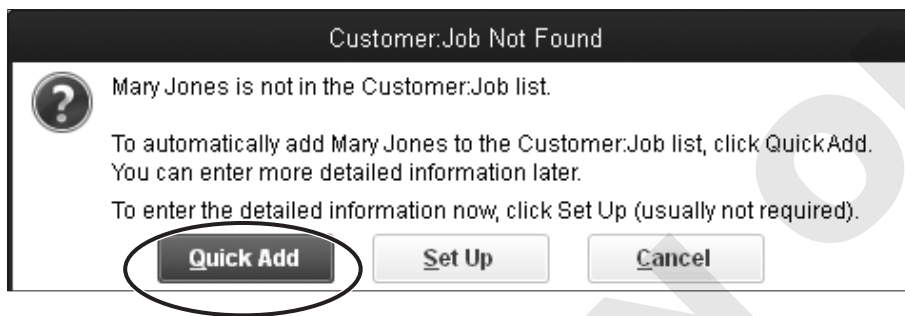
11000•Accounts Receivable DR 266.00; 43200•Design Income CR <266.00>

6. Click the **Save & New** button; click **Yes** in the Name Information Changed window.
A Name Information Changed window appeared since you changed the terms for the customer.

Create an Invoice for a New Customer

A new customer, Mary Jones, has stopped by Average Guy Designs' new office to pick up a project you just completed for her. You will add her as a new customer "on the fly" while creating the invoice for her. Your insertion point should be in the Customer:Job field at the top of a new invoice. If this is not the case, choose Customers→Create Invoices.

7. Type **Mary Jones**, and then tap **Tab**.
The Customer:Job Not Found window will be displayed.
8. Click **Quick Add** in the Customer:Job Not Found window.



FROM THE KEYBOARD

- ⬆ to increase the date by one day at a time
- ⬇ to decrease the date by one day at a time
- ⌘ in a Date field to enter today's date

9. Tap **Tab** to go to the Date field, and then tap **+** until the date reads **12/18/2014**.
10. Follow these steps to complete the invoice:

A Click the drop-down arrow and choose **Net 15**.

B Click in the **Item** column, and then type **art** to choose **Art Work** from the list.

C Tap **Tab**, and then type **6**.

D Tap **Tab** again, and then type **45**.

E Tap **Alt** + **m**, and then type **i**.

ITEM	QUANTITY	DESCRIPTION	RATE	AMOUNT
Art Work	6	Production of Original Art Work	45.00	270.00
ONLINE PAY Off				TOTAL 270.00
CUSTOMER MESSAGE It's been a pleasure working with you!				PAYMENTS APPLIED 0.00
				BALANCE DUE 270.00



When you see a field name that has an underlined letter, you can tap the **Alt** key as well as the underlined letter to move to that field quickly.

FROM THE KEYBOARD

- Alt** + **m** to move to the Customer Message field

BTS BRIEF

11000•Accounts Receivable DR 270.00; 43200•Design Income CR <270.00>

11. Click **Save & Close**; click **Yes** in the Name Information Changed window.

Receiving Payments

Once you have created invoices, you need to be able to accept the payments on them from your customers. In QuickBooks, you will use the Receive Payments window to credit Accounts Receivable and the appropriate customer sub-register. The other half of the equation (the account that will be debited) depends on how you treat the payments you receive.



It is very important to use the payments received window to enter payments received from invoiced customers. If you don't, the invoices will remain open, and your income and the amounts in accounts receivable will be overstated.

Options for Accepting Payments

There are many different customer payment types that you can record in QuickBooks, just as you will likely allow your customers multiple ways to pay you.

In the Receive Payments window, you can choose from a variety of popular payment methods, or choose to set up your own.

The Undeposited Funds Account

If you typically collect payments from more than one source before making a deposit, you will want to choose to group all payments in QuickBooks using the Undeposited Funds account. QuickBooks automatically creates this Other Current Asset account for you.

The default setting is for all payments received and cash sales to be placed in the Undeposited Funds account. You can change this preference in the Payments category of the Edit Preferences window.

Once you are ready to make a deposit to the bank, you will use the Make Deposit window, where you can select the payments in the Undeposited Funds account that you wish to deposit. You will learn about making deposits in QuickBooks in the next chapter.



Tab: Tracking Money In
Topic: Receiving and depositing payments

BEHIND THE SCENES

Let's look at accounting scenarios that result when you receive payments.

11000-Accounts Receivable		12000-Undeposited Funds	
Bal. 2,485.00	70.00	70.00	
2,415.00			
Purposeful Playtime:Project #11			
	70.00		

Using the Undeposited Funds account when receiving a customer payment

11000-Accounts Receivable		10000-Checking	
Bal. 2,485.00	70.00	70.00	
2,415.00			

Receiving a customer payment directly into a bank account

QUICK REFERENCE**RECEIVING PAYMENTS****Task**

Receive a payment

Procedure

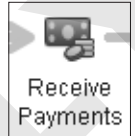
- Open the Receive Payments window.
- Choose the customer from whom you are receiving a payment.
- Enter the correct date and the amount received.
- Choose the correct payment method and enter any reference or check number information.
- Apply the payment to the correct invoice(s).
- Click Save & Close or Save & New.

DEVELOP YOUR SKILLS 3-4

Receive Payments

In this exercise, you will deal with payments received from invoiced customers. You have just received a credit card payment from Purposeful Playtime for Project #11.

1. Click the **Receive Payments** task icon in the Customers area of the Home page.
The Receive Payments window opens with the insertion point in the Received From field.
2. Follow these steps to enter a customer payment:



- A** Click the drop-down arrow and choose **Purposeful Playtime:Project #11**.

- B** Tap [Tab], and then type 70.

- C** Tap [Tab], and then type 121814 as the Date.

- D** Click the **Credit Debit** button.

- E** Choose **Visa**, tap [Tab], and then type 8977554621339666.

- F** Tap [Tab], type 01, and then tap [Tab] and type 2017.

- G** Click **Done**. **H** Click **Save & New**.

Notice that when you typed the amount, QuickBooks automatically applied it to the invoice listed. If you had multiple invoices displayed, QuickBooks would first apply the payment to the invoice that was for the exact amount. If no invoices matched the amount, it would be applied to invoice(s) beginning with the oldest one.

BTS BRIEF

12000•Undeposited Funds DR 70.00; 11000•Accounts Receivable CR <70.00>

Receive a Partial Payment

Guy just received a check from Lucy's Cupcake Factory for \$100 to apply to the outstanding invoice for Project #16. You will receive this payment.

3. Choose **Lucy's Cupcake Factory:Project #16**, and then tap [Tab].

4. Follow these steps to complete the payment receipt:

- A** Type **100** in the **Payment Amount** field.
- B** Tap **Tab**, and then tap **+** to change the date to 12/19/14.
- C** Click **Check**.
- D** Click in the **Check #** field, and then type **2548**.

QuickBooks applies the payment to the outstanding invoice. The next time you select Lucy's Cupcake Factory:Project #16 as the customer in the Receive Payments window, QuickBooks will show that there is a balance due of \$125.00. Notice that QuickBooks gives you an option as to how to deal with underpayments on invoices while you're still in the Receive Payments window.

BTS BRIEF

12000•Undeposited Funds DR 100.00; 11000•Accounts Receivable CR <100.00>

5. Click **Save & Close** once you have ensured that you have entered all information correctly.

Entering Sales Receipts

As discussed earlier, you can use either of two forms to enter sales transactions. You have already learned how to create invoices and about the effect that they have behind the scenes. Now you will learn how to enter sales when payment is received up front.

A company does not have to choose one method of recording sales transactions and stick with it. Both forms can be used for the same company, depending on the situation at hand. When entering a sales receipt, you do not have to enter a customer (as accounts receivable is not affected) although you may want to enter customers to produce more meaningful sales reports. You have the option of adding a customer "on the fly" in the Enter Sales Receipts window just as you do when creating invoices.

As with the Receive Payments window, you can set a preference in order to be able to choose whether to group your payment with other funds waiting to be deposited or directly deposit it in the bank. The default option is to place all payments in the Undeposited Funds account. If you change the preference, you will need to choose into which account to deposit each payment.

When this option is deselected in the Preferences window, you can choose which asset account the payment will go to.

You should notice how the Enter Sales Receipt form differs from the Create Invoices form and is essentially a combination of the Create Invoices and Receive Payments windows.



Tab: Tracking Money In
Topic: Sales receipts

Choosing the Correct Form

In a previous section, you learned about invoices. There are other ways of recording customer sales and charges. The following table describes the three main forms you can use.

COMPARING CUSTOMER FORMS	
Form	When to Use
Invoices	Use this when a customer does not make a payment at the time of service and/or receipt of product. The invoice amount is held in Accounts Receivable.
Sales Receipts	Use this when a customer makes a payment at the time of service and/or receipt of product. Accounts Receivable is not affected. You will learn more about sales receipts later in this chapter.
Statements	Use this to leave a balance in the customer's Accounts Receivable account without creating an invoice. For example, if you have a customer for whom you do multiple jobs throughout the month, you can gather the charges and send one statement for all of them. You will learn more about statements in <i>QuickBooks Pro 2014: Level 2</i> .

“JIT” Customer and Transaction History

There are two tabs on the history panel that allow you to view information about the active transaction. The history panel allows you to view information just when you need it (“just in time”), without your having to leave the transaction and go to the Customer or Vendor Center to find it.

The Customer tab displays information specific to the active customer only.

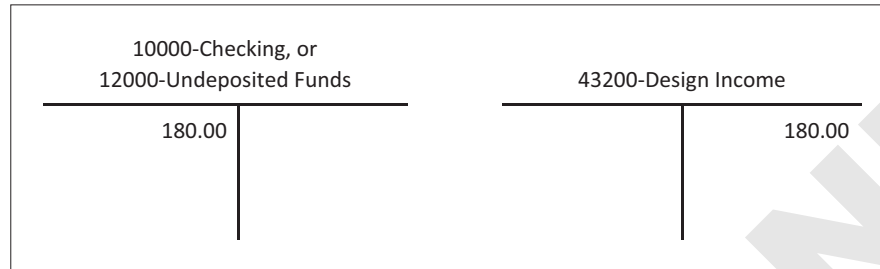
You can hide the history panel by clicking this button.

The Transaction tab displays information specific to the active transaction only.

These are the two tabs of the history panel for Invoice #14-0018 associated with Lucy's Cupcake Factory. They allow you to view information quickly or “just in time” without your having to search through your company file. You can use the hyperlinks to view a transaction, edit a list entry, enter a note, or create a report.

BEHIND THE SCENES

The behind the scenes accounting that occurs when you enter cash sales is a hybrid of the two previous transactions (Creating Invoices and Receiving Payments) with the elimination of the middleman—Accounts Receivable.



QUICK REFERENCE

ENTERING CASH SALES

Task

Procedure

Enter a cash sale

- Open the Enter Sales Receipts window and choose a customer, if desired.
- Enter the date of the transaction, payment method, and reference/check number.
- Enter the items and quantity sold.
- Select a message for the customer, if desired.
- Click Save & Close or Save & New.

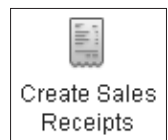
DEVELOP YOUR SKILLS 3-5

Enter Cash Sales

In this exercise, you will receive payment at the time of the sale. Ashley was in the area so she stopped by your office to pick up the art work you created for her. Since she is prepared to pay with cash, you will enter a sales receipt instead of an invoice.

1. Click the **Create Sales Receipts** task icon in the Customers area of the Home page.

The Enter Sales Receipts window opens with the insertion point in the Customer:Job field.



2. Follow these steps to complete the sale:

A Choose **Ashley Hakloa:Project #18**.

B Click in the **Date** field, and then use **+** to change the date to **12/20/14**.

C Click the **Cash** button.

D Click in the **Item** column, and then type **art**.

CUSTOMER:JOB Ashley Hakloa... TEMPLATE Custom S...

Sales Receipt

DATE 12/20/2014 SOLD TO Ashley Hakloa

SALE NO. 1

CASH CHECK CREDIT DEBIT e-CHECK MORE

ITEM	DESCRIPTION	QTY	RATE	AMOUNT
Art Work	Production of Original Art Work	4	45.00	180.00

E Tap **Tab** twice, and then type **4**.

F Tap **Tab** again, and then type **45**.

BTS BRIEF

12000•Undeposited Funds DR 180.00; 43200•Design Income CR <180.00>

3. Click **Save & New**.

Your insertion point should be in the Customer:Job field of a new Enter Sales Receipt window.

Record a Sales Receipt Without a Specified Customer

Since Accounts Receivable is not affected when you enter a cash sale, you can create a sales receipt without choosing a customer. This may come in handy if you sell something to someone just once and don't need that customer listed in your Customers & Jobs List or if you provide services in a different capacity. In this exercise, Guy worked with another photographer to take photos at a Christmas party.

4. Click in the date field and tap **+** until the date reads **12/22/2014**.

5. Follow these steps to complete the sales receipt:

A Click the **Check** button.

B Click in the **Check No.** field, and then type **1894**.

Sales Receipt

DATE 12/22/2014 SOLD TO

SALE NO. 2

CASH CHECK CREDIT DEBIT e-CHECK MORE

CHECK NO. 1894

ITEM	DESCRIPTION	QTY	RATE	AMOUNT
Photography	Photography services	200	200.00	200.00

C Tap **Tab**, and then type **ph**.

D Tap **Tab** three times, and then type **200**.

E Click **Save & Close**.

BTS BRIEF

12000•Undeposited Funds DR 200.00; 42700•Photography Income CR <200.00>

This transaction will debit Undeposited Funds and credit Photography Income, but there will be no customer tracked. The purpose of selecting a customer for a sales receipt is to ensure that you can produce meaningful customer reports, such as Sales by Customer Summary, if they are important to your business.

Dealing with Oops in Customer Transactions

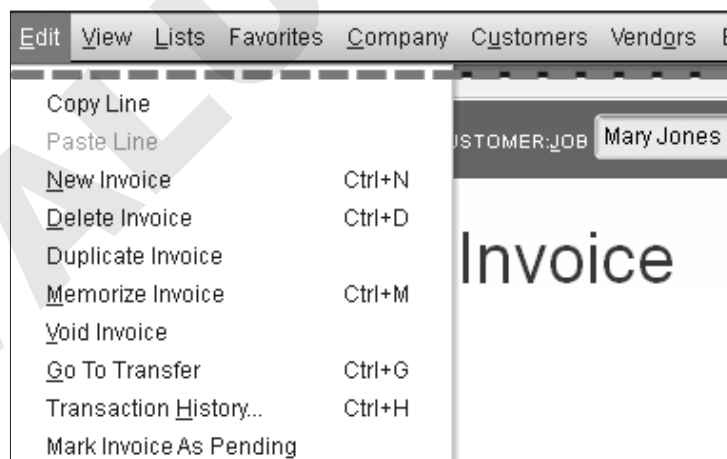
It is inevitable that you will need to deal with either errors or modifications to transactions in QuickBooks. It is very important that you do this properly to ensure that everything behind the scenes is correct.

Editing an Existing Transaction

To edit an existing transaction in QuickBooks, you simply open the window where the transaction is recorded and make the changes. You do need to think about the implications of any modifications that you make, though. Many transactions are tied to others, and a change to one can affect another. For instance, if an invoice has been paid, both the invoice and the payment are linked in QuickBooks.

Voiding vs. Deleting Transactions

QuickBooks allows you to either void or delete a transaction you no longer need recorded. In most cases, you will want to void a transaction so that you can keep a record of it. This will remove everything from behind the scenes and yet leave evidence that the transaction existed.



The Edit menu on the Create Invoices window provides options that allow you to work with the currently active transaction (in this case, an invoice for Mary Jones).

Locating Transactions in QuickBooks

QuickBooks provides two methods for you to choose from in order to locate transactions in your company file.

QuickBooks Find Feature

QuickBooks provides a Find feature that helps you to locate a transaction if you don't know all of the information about it. This can save you a lot of time when you have a company file with a large number of transactions. The two options within Find are:

FROM THE KEYBOARD

Ctrl+F to open the Find window

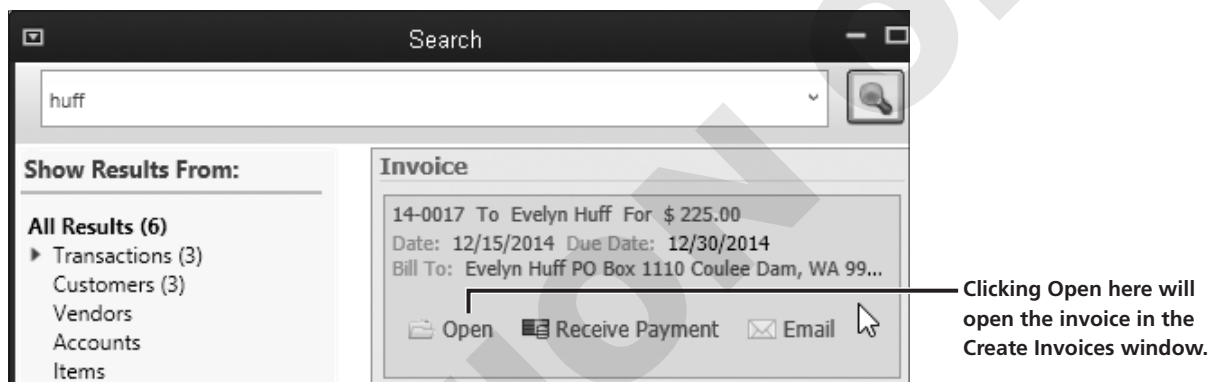
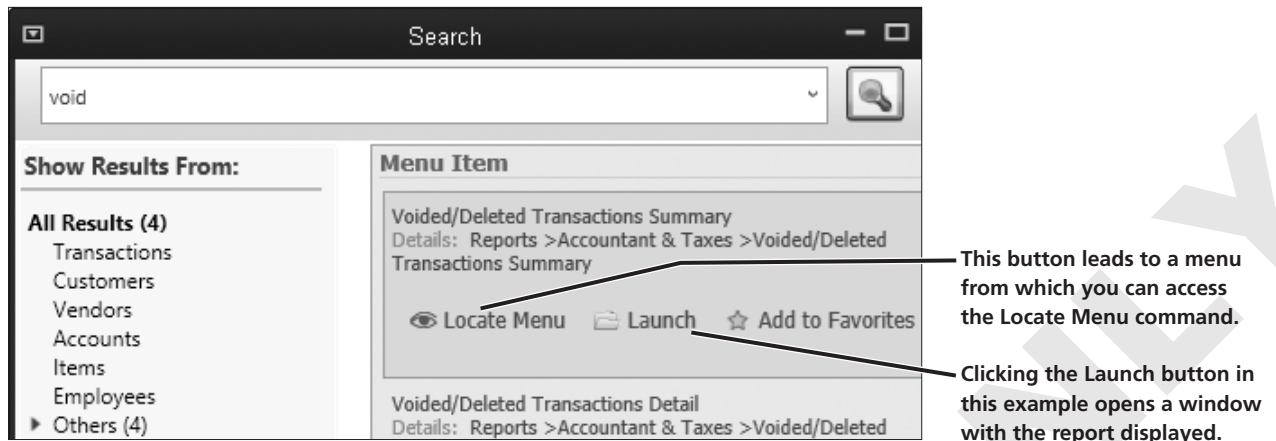
- **Simple** to perform basic searches
- **Advanced** to perform more complex searches, utilizing filters to help to sort through all of your data

QuickBooks Search Feature

With QuickBooks, you have the ability to perform searches based on text you enter throughout your company file and the menu commands. This feature is much more powerful than the Find feature and is similar to a search that you might perform on the Internet with any search engine. QuickBooks allows you to search for the following types of information:

- Forms/transactions (invoices, estimates, and so on)
- People and companies (customers, vendors, employees, and other names)
- List entries (items, tax items, and so on)
- Amounts and dates
- Menu commands (QuickBooks opens the menu and highlights the command for you)
- Specific text within notes, descriptions, memos, and transactions

You learned about the search feature and how to access it through the persistent search bar in Chapter 2, *Creating a Company*. You will explore it more in this chapter, and you will use it to locate a transaction to edit.



A search on *void* brings up menu items (one displayed here). A search on *huff* brings up the entry in the Customers & Jobs List and the customer invoices. The buttons below the invoice and menu items appear when you move your mouse pointer over the entries.

Fixing Errors

The following table outlines a common customer-related error, the effects of the error behind the scenes, and how to correct the error. You will see a similar table throughout the book when dealing with errors in other areas of QuickBooks.

A COMMON ERROR AND ITS FIX		
Error	Effect Behind the Scenes	The Fix
An invoice is entered but the Receive Payments window is not used when the payment is deposited	Your income will be double-stated and Accounts Receivable for the customer is not "cleared out"	Delete the deposit and then enter the transaction properly using the Receive Payments window

FLASHBACK TO GAAP: PRUDENCE

Remember that if you need to choose between two solutions, pick the one that is less likely to overstate assets and income.

QUICK REFERENCE	FINDING AND SEARCHING FOR INFORMATION
Task	Procedure
Find a transaction in QuickBooks	<ul style="list-style-type: none"> ■ Choose Edit→Find. ■ Choose either the Simple or the Advanced tab. ■ Enter as much information as possible about the transaction; click Find.
Search for text in the QuickBooks file and menu commands	<ul style="list-style-type: none"> ■ Choose Edit→Search. ■ Type in the keyword on which you wish to base your search; tap Enter.

DEVELOP YOUR SKILLS 3-6

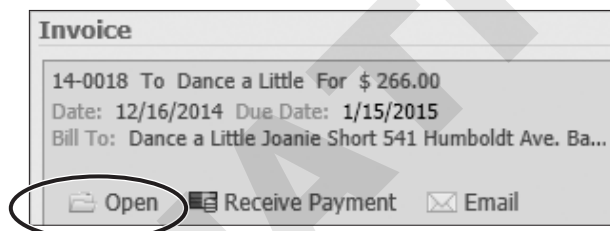
Correct Customer Transactions

In this exercise, you will search for and edit an invoice. You will also collect a customer payment incorrectly and then fix it. First, you will help Guy to edit an invoice on which he charged a customer the wrong hourly rate.

1. Choose **Edit**→**Search**; choose to update search information, if necessary.
2. Type **joanie**, and then tap **Enter**.
3. Move your mouse pointer over the invoice transaction displayed for **Dance a Little** until the buttons appear, and then click **Open**.

FROM THE KEYBOARD

F3 to launch the Search feature



4. Change the rate for the graphic design work to **35**.

	RATE	AMT
0	35.00	

5. Click **Save & Close**; click **Yes** to record the transaction with the changes.
6. Close the **Search** window.

Do It the Wrong Way – Receive Payment for an Invoice

Guy has just received a check from Mary Jones for \$270. Now you will enter the payment incorrectly for the purpose of learning how to fix the error and do it correctly.

7. Choose **Banking**→**Make Deposits**.
8. Close the **Payments to Deposit** window.
You will learn how to work with this window in Chapter 5, Banking with QuickBooks.
9. Follow these steps to enter the check:

A Tap [Tab], and then type 122314.
B Tap [Tab], and then type Check from M. Jones.

Deposit To	10000 · Chec...	Date	12/23/2014	Memo	Check from M. Jones	
Click Payments to select customer payments that you have received. List any other amounts to deposit below.						
RECEIVED FROM	FROM ACCOUNT	MEMO	CHK NO.	PMT METH.	AMOUNT	
	43200 · Design Income		490	Check	270.00	

C Click in the **From Account** column, and then type **des**.
D Tap [Tab] two times, and then type **490**.
E Tap [Tab], and then type **ch**.
F Tap [Tab], and then type **270**.
G Click **Save & Close**.

Think about this transaction. What is wrong with it? By entering the check for an invoice in the Make Deposits window, you have stated income twice and have not cleared the amount from Accounts Receivable.

BTS BRIEF

10000•Checking DR 270.00; 43200•Design Income CR <270.00>

Do It the Right Way – Receive Payment for an Invoice

To fix the deposit that was handled improperly, you must delete it and reenter the payment using the Receive Payments window.

10. Choose **Banking**→**Make Deposits**; close the **Payments to Deposit** window.
11. Click the **Previous** button until the deposit you just made is displayed.



You can look for a transaction by using the Previous and Next buttons, if you believe the transaction to be easy to locate. If not, use the Find or Search feature.

12. Choose **Edit**→**Delete Deposit**; click **OK** in the Delete Transaction window.
13. Close the **Make Deposits** window.

FROM THE KEYBOARD

[Ctrl]+[d] to delete the selected transaction

14. Click the **Receive Payments** task icon in the Customers area of the Home page.



15. Follow these steps to enter the payment correctly:

A Type **m** for QuickBooks to fill **Mary Jones** in for you.

B Tap **[Tab]**, and then type **270**.

C Tap **[Tab]**, and then type **122314**, if necessary.

D Click **Check**.

E Click in the **Check #** field, and then type **490**.

 A screenshot of the QuickBooks 'RECEIVED FROM' form. The form has several fields: 'RECEIVED FROM' with a dropdown menu showing 'Mary Jones', 'PAYMENT AMOUNT' with a text input field containing '270.00', 'DATE' with a date picker showing '12/23/2014', and 'CHECK #' with a text input field containing '490'. To the right of the form are two buttons: 'CASH' and 'CHECK'. Below the 'CHECK #' field is a label 'Where does this paym'. Annotations A through E point to specific parts of the form: A points to the 'RECEIVED FROM' dropdown, B points to the 'PAYMENT AMOUNT' field, C points to the 'DATE' field, D points to the 'CHECK' button, and E points to the 'CHECK #' field.

BTS BRIEF

12000•Undeposited Funds DR 270.00; 12000•Accounts Receivable CR <270.00>

16. Click **Save & Close**.

Before moving on, think about what you have just completed and make sure you understand the “why” behind it. You have deleted the overstated income by deleting the deposit and have “cleared out” Accounts Receivable by receiving the payment correctly.

Working with Customer-Related Reports

You learned in the last chapter that there are many preset reports you can run to display QuickBooks company information. Now we will look at reports related to customer- and company-related transactions.

The Report Window Toolbar

When viewing other reports, you may also see additional buttons specific to certain reports.

Some of the basic functions that the toolbar buttons allow you to do include:

- Change and memorize the settings for the report
- Print or email the report; clicking the Print button will also allow you to choose to preview how the report will appear in printed form before you issue the command to print it
- Export the report to Microsoft Excel
- Share the report with other users as a **template**

QuickReports

A **QuickReport** can be run from the various center windows. They show all transactions recorded in QuickBooks for a particular list record. You will use this report to get a quick snapshot of all customer transactions for James Limousine Service in the Develop Your Skills exercise.

FLASHBACK TO GAAP: TIME PERIOD

Remember that it is implied that the activities of the business can be divided into time periods.

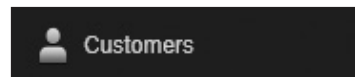
QUICK REFERENCE	PRODUCING CUSTOMER AND QUICKREPORTS
Task	Procedure
Produce a customer-related report using the Report Center	<ul style="list-style-type: none"> ■ Choose Reports→Report Center. ■ Choose Customers & Receivables as the report category. ■ Click on the report you wish to produce in the main section of the Report Center. ■ Click the Display report button.
Produce a QuickReport	<ul style="list-style-type: none"> ■ Open the center with the record on which you wish to run the report. ■ Click the list entry. ■ Click the QuickReport link at the right of the center window. ■ Set the correct date range.

DEVELOP YOUR SKILLS 3-7

Produce Customer-Related Reports

In this exercise, you will help Guy to create customer reports. QuickBooks provides a report for you that displays all unpaid invoices. You will produce this for Average Guy Designs, but first you will produce a QuickReport for Dance a Little.

1. Click the **Customers** button on the Icon Bar.
2. Single-click **James Limousine Service** to select it.
You must always select the list item on which you wish to run a QuickReport.
3. Click the **QuickReport** link at the right of the Customer Center window.



If you cannot see the QuickReport link, use the sizing arrows to make the window wider.

4. Change the date range to **All** by typing **a** to select All from the Dates list.

Average Guy Designs, Chapter 3						
Customer QuickReport						
All Transactions						
Type	Date	Num	Memo	Account	Clr	Amount
James Limosine Service						
Project #7						
Invoice	12/06/2014	14-0...		11000 · Accounts...	43200 · Desig...	175.00
Payment	12/12/2014	1299		12000 · Undeposit...	✓ 11000 · Acco...	175.00
Project #8						
Invoice	12/08/2014	14-0...		11000 · Accounts...	43200 · Desig...	160.00

A customer QuickReport will display all transactions for a selected customer within a designated date range.



When you first display a report, the Dates field is selected. Typing **a** chooses All from the Dates list.

5. Close the **QuickReport** and the **Customer Center** windows.

Create an Open Invoices Report

6. Choose **Reports**→**Report Center**.
7. Follow these steps to create an Open Invoices report:

A Click to choose **List View**.

B Click to choose **Customers & Receivables**.

C Scroll down to view the **Open Invoices** report listing, if necessary.

D Click here, and then choose **All**.

E Click **Run**.

QuickBooks will display the Open Invoices report, which shows all unpaid invoices.

8. Close the **Open Invoices** report and the **Report Center**.
9. Choose the appropriate option for your situation:
- If you will continue working, leave QuickBooks open.
 - If you are finished working in QuickBooks for now, choose **File**→**Exit**.

Tackle the Tasks

Now is your chance to work a little more with Average Guy Designs and apply the skills that you have learned in this chapter to accomplish additional tasks. You will use the same company file you used in the Develop Your Skills exercises throughout this chapter. Enter the following tasks, referring back to the concepts in the chapter as necessary.

Add Customers	Add the following customers: Olivia York, 1021 Miller St., Medford, OR 97504 • 541-555-8921 • Referral • Due on Receipt • Job: Project #20 Masters Manufacturing, James McDonald, 575 Industrial Way, Eureka, CA 95501 • 707-555-6722 • From Advertisement • Net 15 • Job: Project #21 Tim's BBQ Palooza, Tim Laughlin, 8 College Drive, Berkeley, CA 94608 • 510-555-4419 • Referral • Net 30 • Job: Project #22
Create Items	Service item: Print • Print Layout Services • \$40 • 48800•Print Layout Income. Service item: Video • Basic Video Editing Services • \$55 • 48900•Video Editing Income (you will need to set up a new account). Service item: Adv Video • Advanced Video Editing Services • \$75 • 48900•Video Editing Income. Service item: Branding • Comprehensive Branding Plan • \$400 • 43200•Design Income.
Create Invoices	Olivia York:Project #20 • 12/23/14 • 5 hours of Print Layout Services Masters Manufacturing:Project #21 • 12/26/14 • 8 hours of Basic Video Editing Services Tim's BBQ Palooza:Project #22 • 12/27/14 • Comprehensive Branding Plan
Receive Payments (remember to choose the correct job)	Receive full payment for invoice #14-0018 from Joanie Short of Dance a Little, Check #1632, 12/27/14 Receive full payment for invoice #14-0013 from JLR Doggie Playhouse, Check #872, 12/29/14 Receive \$200 payment for invoice #14-0003 from Lucy's Cupcake Factory, Check #341, 12/29/14 Receive \$50 payment for invoice #14-0014 from Learners, Inc., MasterCard # 9565332412894455, exp 03/2015, 12/30/14
Generate Reports	Create a report that will show the contact information for all of your customers.

Concepts Review

To check your knowledge of the key concepts introduced in this chapter, complete the Concepts Review quiz on the Student Resource Center.

Reinforce Your Skills



Angela Stevens has just relocated her company, Quality-Built Construction, from California to Silverton, Oregon. You will be working with a QuickBooks Sample Company File in this exercise as it will allow you to run full payroll in a future chapter without having to purchase a payroll subscription.

Before you begin the Reinforce Your Skills exercises, complete one of these options:

- *Open **RYS_Chapter03** from your file storage location.*
- *Restore **RYS_Chapter03 (Portable)** from your file storage location. For a reminder of how to restore a portable company file, see *Develop Your Skills 3-1*. Add your last name and first initial to the end of the filename.*

REINFORCE YOUR SKILLS 3-1

Manage Your Customers & Jobs List

In this exercise, you will create, edit, and delete Customers & Jobs List entries for Angela.

1. Choose **Customers**→**Customer Center**.
2. Double-click **Campbell, Heather** to open it for editing.
3. Change the customer's name to **Escalona, Heather**.

You will have to change the name in five separate locations. You can use the Copy button to copy the Bill to Address to the Ship to Address field. This customer's name will change in all of the transactions that Heather was involved in, as well as in all of her future transactions.

4. Click **OK** to accept the change.

Add a New Customer

5. Click the **New Customer & Job** button, and then choose **New Customer**.
6. Use the following information to set up the new customer, making sure to select the correct tab to enter each piece of information.

Name	Hector Ramirez
Mailing Address	PO Box 7762, Mt. Angel, OR 97362
Shipping Address	1738 Church Avenue, Mt. Angel, OR 97362
Phone	(503) 555-4431
Type	Referral
Terms	Net 15

7. Click **OK** to accept the new record.

Add a Job to a Customer

8. Single-click the new customer you just created, **Hector Ramirez** to select it.
9. Choose **Edit**→**Add Job**.
10. Type **New Home** as the name of the job; click **OK**.
11. Close the **Customer Center** window.

REINFORCE YOUR SKILLS 3-2

Create a New Service Item

In this exercise, you will create a subitem for an existing service item so you can use it on a sales form.

1. Choose **Lists**→**Item List**.
2. Click on **01 Plans & Permits**, and then choose **Edit**→**New Item**.
3. Use this figure to create a new service subitem:

TYPE	
Service	Use for services you charge for or purchase, like specialized labor, consulting hours, or professional fees.
Item Name/Number	<input checked="" type="checkbox"/> Subitem of
01.4 Remodel Plans	01 Plans & Permits
<input type="checkbox"/> This service is used in assemblies or is performed by a subcontractor or partner	
Description	Rate
Plans for home remodel	0.00
	Account
	4110 · Construction In...

4. Click **OK** to accept the new item and close the window.
5. Close the **Item List**.

REINFORCE YOUR SKILLS 3-3

Enter Sales Transactions

In this exercise, you will create invoices for Quality-Built Construction.

1. Choose **Customers**→**Create Invoices**.
2. Choose **Ramirez, Hector:New Home** as the Customer: Job.
3. Set the date to read **12/16/2018**, and then choose to use the **Intuit Service Invoice Template**.
4. Click in the **Item** column of the invoice and choose **01.1 Plans** as the item.

5. Tap **Tab**, type **15**, tap **Tab** again, and type **New Home** in front of “Plans.”
6. Tap **Tab**, and then type **80** in the **Rate** column.
7. Select **We appreciate your prompt payment** in the Customer Message field.
8. Click **Save & Close** to record the transaction and close the **Create Invoices** window.

Enter a Job “On the Fly” for a Customer in an Invoice

Now you will enter a new job for a customer while creating an invoice.

9. Choose **Customers**→**Create Invoices**.
10. Type **Escalona, Heather:Remodel** in the Customer: Job field; choose to Quick Add the new job.
11. Set the date to read **12/18/2018**.
12. Click the **Item** column of the invoice and choose **01.4 Remodel Plans** as the item.
13. Enter **9** as the quantity and **\$80** as the rate.
14. Click **Save & Close** to record the transaction and close the Create Invoices window.

REINFORCE YOUR SKILLS 3-4

Receive Payments

In this exercise, you will receive the payment for the invoice you created earlier.

1. Choose **Customers**→**Receive Payments**.
2. Choose **Ramirez, Hector:New Home** from the Received From field.
3. Enter **1200** for the amount.
4. Set the date to read **12/24/2018**.
5. The payment was submitted by check number **1574**.
6. Click **Save & Close**.

REINFORCE YOUR SKILLS 3-5

Find and Edit a Transaction

Angela realized that the number of hours recorded on the invoice for Heather Escalona was incorrect, and she needs to edit the transaction. In this exercise, you will use the QuickBooks Find feature to locate the transaction.

1. Choose **Edit**→**Find**.
2. Choose **Invoice** as the Transaction Type, and **Escalona, Heather** as the Customer:Job.
All of the invoices for the customer will be displayed in the bottom of the window. Note that previous invoices created for Heather Campbell have been updated with the new name.
3. Double-click the invoice dated **12/18/2018** in the bottom portion of the window.
The Create Invoices window will open; leave it open for the next step.

Edit a Transaction

4. Change the quantity on the invoice to **8**.
5. Save and close the transaction; close the **Find** window.

REINFORCE YOUR SKILLS 3-6

Run Customer-Related Reports

In this exercise, you will run three reports for Angela, beginning with a QuickReport.

1. Open the **Customer Center**.
2. Single-click **Ramirez, Hector** to select it.
3. Click the **QuickReport** link at the far right of the window.
4. Set the date range to **All**.
You will see a report that shows all of the transactions for Hector Ramirez.
5. Choose **Window**→**Close All**.

Create a List Report and Edit a Customer Record

6. Choose **Reports**→**Customers & Receivables**→**Customer Phone List**.
7. Double-click **Ramirez, Hector**.
QuickBooks will open an Edit Customer window, from where you can make any changes to the customer's information.
8. Change Hector's phone number to **(503) 555-8037**; click **OK**.
9. Choose **Window**→**Close All**.
10. Choose the appropriate option for your situation:
 - If you will continue working, leave QuickBooks open.
 - If you are finished working in QuickBooks for now, choose **File**→**Exit**.

Apply Your Skills



Before you begin the Apply Your Skills exercises, complete one of these options:

- Open **AYS_Chapter03** from your file storage location.
- Restore **AYS_Chapter03 (Portable)** from your file storage location. For a reminder of how to restore a portable company file, see *Develop Your Skills 3-1*. Add your last name and first initial to the end of the filename.

APPLY YOUR SKILLS 3-1

Set Up a Customers & Jobs List

In this exercise, you will work on the Customers & Jobs List for Wet Noses. If you wish, you may explore the Add/Edit Multiple List Entries feature and use it to complete this exercise. It will be introduced fully in *QuickBooks Pro 2014: Level 2*.

1. Open the **Customer Center**.
2. Set up the following customers for Wet Noses Veterinary Clinic:

Name	Edison York	LaShonda Reeves	Ellie Sanders
Address	7931 NE 176th St. Bothell, WA 98011	11908 100th Pl. NE Kirkland, WA 98034	302 Northshore Blvd. Bothell, WA 98011
Phone	425-555-4401	425-555-3953	425-555-7731
Type	From advertisement	Referral	From advertisement
Terms	Due on receipt	Due on receipt	Due on receipt
Account Number	D22	C94	D34

3. Close the **Customer Center**.

APPLY YOUR SKILLS 3-2

Set Up Items

In this exercise, you will set up service and non-inventory items.

1. Set up the following service items:

Item Name	Boarding	Dental
Description	Overnight Boarding	Dental Cleaning
Rate	35.00	45.00
Account	Nonmedical Income	Fee for Service Income

2. Set up the following non-inventory item:

Item Name	Treats
Description	Treats for patients—by the box
Rate	18.43
Account	Boarding Food & Supplies

3. Close the **Item List** window.

APPLY YOUR SKILLS 3-3

Work with Customer Transactions

In this exercise, you will complete sales transactions and receive payments for Wet Noses' customers.

Record Sales Transactions

You will start by helping Dr. James to record invoices and cash sales. Enter the sales information and update the Additional Info tab for the job to capture the custom field information for each pet.

1. On 6/1/14, Emily Dallas brought her dog, Cowboy, in for an Exam, Vaccine Injection Fee, and Rabies Vaccine. Invoice her for these services. Terms are Net 15; choose to save the new terms for the customer.
2. On 6/2/14, Kimberly Wurn brought her cat, Princess, in for a New Patient Exam, Vaccine Injection Fee, Feline DHC, and FIV/FelV. She paid cash, so you will need to create a sales receipt for her.
3. On 6/3/14, Becky Todd brought her dog, Jedi, in for an Exam requiring Venipuncture, ACTH Stimulation Test, CBC Chem, and a Kennel fee. Create an invoice for her.
4. On 6/4/14, Millie Schumann brought her kitten, Smelly, in for an Exam and Pre-A Blood Work. She paid cash, so create a sales receipt for her.

Accept Customer Payments

You will now receive the payments for customer invoices that have been recorded.

5. On 6/7/14, you received check #773 for \$56.90 from Emily Dallas as payment for invoice #173.
6. On 6/8/14, you received check #2310 for \$284.21 from the County Animal Shelter as payment for invoice #163.

APPLY YOUR SKILLS 3-4

Answer Questions with Reports

In this exercise, you will answer questions for Dr. James by running reports. You may wish to display the Report Center in List View to help you to answer the questions. Ask your instructor if you should print the reports, print (save) them as PDF files, export them to Excel, or simply display them on the screen.

1. Are there any unpaid invoices and, if so, when are they due?
2. Would you please provide a summarized list of all customers with a balance?
3. What transactions has Wet Noses had with each customer during June 2014?
4. Would you please produce a report that lists the contact information and current balance for each customer?
5. What are the prices for each item?
Hint: One report will show them all.
6. Submit your reports based on the guidelines provided by your instructor.
7. Choose the appropriate option for your situation:
 - If you will continue working, leave QuickBooks open.
 - If you are finished working in QuickBooks for now, choose **File**→**Exit**.

Extend Your Skills



In the course of working through the following Extend Your Skills exercises, you will be utilizing various skills taught in this and previous chapter(s). Take your time and think carefully about the tasks presented to you. Turn back to the chapter content if you need assistance.

3-1 Sort Through the Stack

Before You Begin: Restore the EYS1_Chapter03 (Portable) file or open the EYS1_Chapter03 company file from your storage location.

You have been hired by Arlaine Cervantes to help her with her organization's books. She is the founder of Niños del Lago, a nonprofit organization that provides impoverished Guatemalan children with an engaging educational camp experience. You have just sat down at your desk and opened a large envelope from her with a variety of documents and noticed that you have several emails from her as well. It is your job to sort through the papers and emails and make sense of what you find, entering information into QuickBooks whenever appropriate and answering any other questions in a word-processing document saved as **EYS1_Chapter03_LastnameFirstinitial**. Remember, you are digging through papers you just dumped out of an envelope and addressing random emails from Arlaine, so it is up to you to determine the correct order in which to complete the tasks.

- **Sticky note:** We now also receive donations from the Hanson Family Trust. Would we set them up as a customer? The information for the trust is 900 SE Commercial St., Salem, OR 97306; (503) 555-9331; contact, Richard Hanson.
- **A handwritten note:** We will be providing cultural competency training to schools and organizations to raise additional funds for the organization. Can we set up a service item directed to 47250•Service to Outside Orgs? (You will need to set this account up as a subaccount for 47200•Program Income.) Set the amount to zero as it will be entered at the time of "sale."
- **Note:** How would we set up the students who participate in our program? They don't pay us money, so are they customers or is there another list we can include them on? Enter the following students when you find an answer: Diego Margarita, Maria Prentice, Felipe Valdez, and Rosa Batres.
- **Scribbled on a scrap of paper:** Provided a Cultural Competency 3-day workshop on 7/9/2014 at St. Martin's Catholic School, received check #3821 for \$4,500. Can we enter this receipt of cash into QuickBooks?
- **A letter from the House Foundation:** They will be providing a \$5,000 grant (not yet received) to the organization to complete construction on the dormitories. Set up the new customer, who is located at 552 Sheridan Avenue, Macon, GA 31205.
- **Handwritten invoice dated 7/10/2014:** Cultural competency workshop to be held at Lakeside Christian School on 7/27/2014 for \$1,500. Due Net 15. (They have agreed to pay 50% upfront.)
- **Scribbled note from Arlaine:** Can you produce a report for me that shows all of the donors and customers for Niños del Lago?

- Photocopy of check #1826 from Lakeside Christian School for \$750 (50% deposit for upcoming training), with a note of “deposited into checking account on 7/15/2014.”
- A handwritten question: I don’t have customers, but I do have donors and grants... How do I set them up if QuickBooks just has customers?

3-2 Be Your Own Boss

Before You Begin: Complete Extend Your Skills 2-2 before starting this exercise.

In this exercise, you will build on the company file that you outlined and created in previous chapters. If you have created a file for your actual business, enter your customers and customer transactions that have occurred since your start date. If you are creating a fictitious company, enter fifteen customers and at least one transaction for each customer. You will make up the names and information for this exercise.

Create Customer Transaction List and Transaction List by Customer reports and submit them to your instructor based on the instructions provided.

Open the company file you created in Extend Your Skills 2-2 and complete the tasks outlined above. When you are finished, save it as a portable company file, naming it as **EYS2_Chapter03_LastnameFirstinitial (Portable)**, and submit it to your instructor based on the instructions provided.

3-3 Use the Web as a Learning Tool

Throughout this book, you will be provided with an opportunity to use the Internet as a learning tool by completing WebQuests. According to the original creators of WebQuests, as described on their website (<http://WebQuest.org>), a WebQuest is “an inquiry-oriented activity in which most or all of the information used by learners is drawn from the web.” To complete the WebQuest projects in this book, navigate to the Student Resource Center and choose the WebQuest for the chapter on which you are working. The subject of each WebQuest will be relevant to the material found in the chapter.

WebQuest Subject: Charging sales tax for services and different types of payment receipt options