Lesson 6

Enter Sales Information

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About the Author

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Esther Friedberg Karp is an internationally-renowned trainer, writer, business consultant and speaker who was named one of the Top 10 QuickBooks ProAdvisors in the world, with the title Top International ProAdvisor.

Based in Toronto, Canada, Esther has the unique distinction of holding ProAdvisor certifications in the United States, Canada and the United Kingdom. She has authored materials and delivered educational and certification courses for Intuit in all those countries, as well as Australia where she conducted live QuickBooks Online training. She has spoken at Scaling New Heights, QuickBooks Connect and other conferences, as well as those of various accounting and professional organizations and written countless articles for Intuit Global.

Esther counts among her clients' companies from around the world, as well as accounting professionals who seek her out on behalf of their own clients for her expertise in various countries' editions of QuickBooks Desktop and Online, and for her talent in customizing QuickBooks usage for different industries.

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Lesson Objectives

- Learn about the different formats available for sales forms

- Save sales and purchase forms in portable document format (PDF)

- Practice creating a new invoice

- Learn the purpose and use of the QuickBooks Item list

- See how QuickBooks records the information you enter on sales forms

- Memorize an invoice transaction for reuse

- Add a new item to the Item list

- Add a new price level to the Price Level list

- Associate a price level with a customer

- Create invoice letters

- Generate reminder statements

Use Sales Forms for Payment in the Future

Any time you make a sale in your business, you record it in QuickBooks on a sales form. A sales form can be an invoice (when you expect payment to come later), a sales receipt (when you receive payment at the time you make the sale), or a credit memo (when you issue a credit on your customer's account or a customer refund, perhaps because they've returned something they've bought).

The type of sales form you use (invoice or sales receipt) depends on whether you expect payment in the future or at the time of the sale. If you expect to receive payment at some future date, you enter an invoice.

Step-by-Step: Display a Completed Invoice Form in QuickBooks

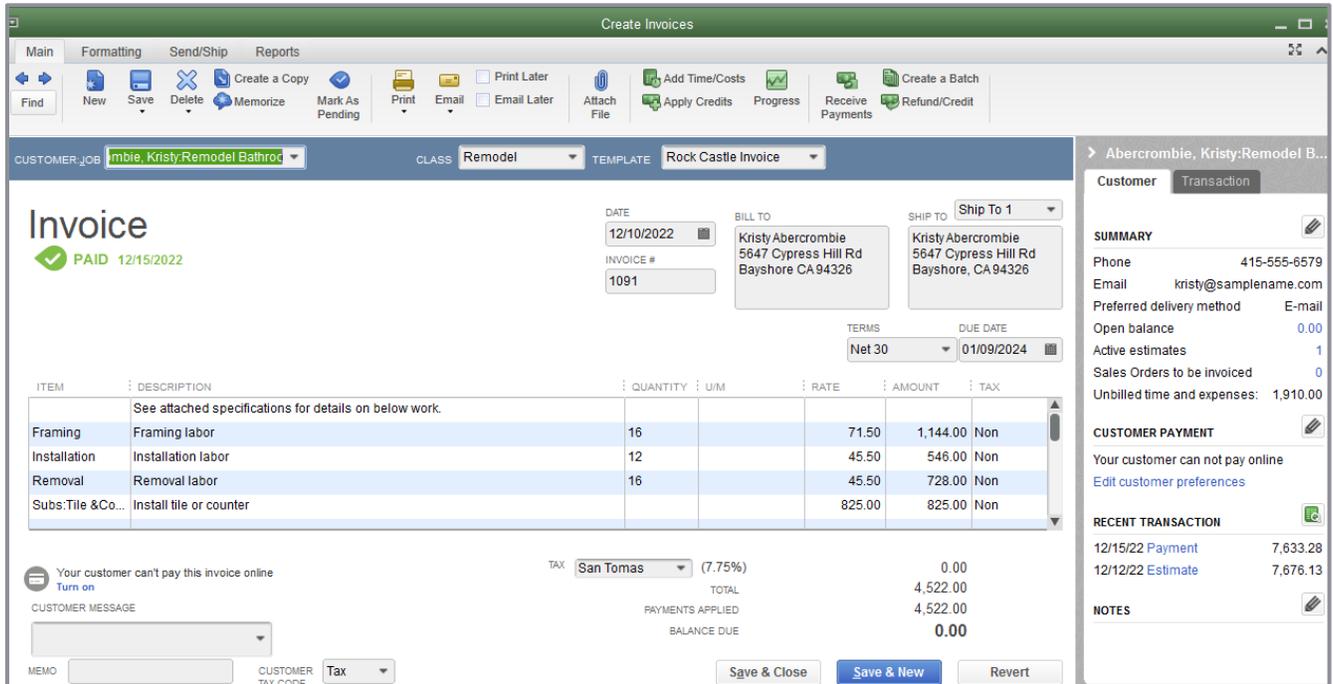1. Open the **Customer Center** from the Customers drop-down menu (or any of the other access points).

2. Click on the name of the customer whose invoice you would like to view.

3. From the Transactions tab for that customer, double-click on the invoice to open the invoice form.

4. Close the invoice (it's already been created and saved, and so you can just hit the **Esc** key to close it).

Use Sales Forms for Payment at the Time of Sale

If you receive full payment at the time you make a sale – either by cash, check or credit card – you fill out a sales receipt instead of an invoice. Like the invoice, the QuickBooks sales receipt includes information about the items or services purchased, but it also includes information about how payment was made. (Think of the sales receipt as the QuickBooks equivalent of a cash register receipt at a retail store.) The sales receipt completely bypasses the Accounts Receivable account.

Step-by-Step: Display a Completed Sales Receipt in QuickBooks

1. Open the **Customer Center** from the Customers drop-down menu (or any of the other access points).

2. Click on the name of the customer whose sales receipt you would like to view.

3. From the Transactions tab for that customer, double-click on the sales receipt to open the Sales Receipt form.

4. Close the Enter Sales Receipts window.

Fill in a Sales Form

Filling in an invoice is just like filling in a paper form: enter the customer information first (this will populate the header portion of the invoice), followed by a description of the charges (this will populate the detail portion of the invoice).

Step-by-Step: Enter Customer Information on an Invoice

1. On the Home page, click **Create Invoices** (or select **CTRL+i** or **Customers → Create Invoices**; there are several other ways to open the Create Invoices window).

2. If you have custom invoice templates, choose the invoice template you would like to use from the drop-down list.

3. In the Customer:Job field, enter the name of the customer/job for whom you wish to create an invoice.

4. If the Billable Time/Costs window pops up, choose to add billable time or expenses.

NOTES

Fill in the Line Item Area

In the bottom half of the invoice (the detail or body of the invoice), you list each service or product you're selling on its own line, along with the amount the customer owes for that item. Because information about individual items is on separate lines, the lines are called line items.

But items are not just products you sell or services you provide to clients. Line items can be anything you might want to put in the detail area of an invoice, like a discount, subtotal line, markup or sales tax calculation.

Step-by-Step: **Complete the Line Item Area of an Invoice**

1. In the Item field, choose the item you would like to add to the invoice. If you chose to add billable expenses from the last exercise, these items will already appear in this section.

2. Press **Tab** until you reach the Quantity column.

3. Enter the quantity of the item for which you wish to invoice in the Quantity column.

4. Press **Tab** to enter the rate or per unit price for this item. If this item has been set up with a default rate, it will automatically appear on the line, but you can overwrite it.

5. Press **Tab** to see the amount or extension of the quantity multiplied by the per unit price.

6. Let QuickBooks populate the Tax code for this item automatically, but you can overwrite it by selecting a different tax code from the drop-down.

ITEM	DESCRIPTION	QUANTI...	U/M	RATE	AMOUNT	TAX
Removal	Removal labor	40		35.00	1,400.00	Non

NOTES

Complete the Sales Form

Step-by-Step: Complete and Record the Invoice

1. At the top of the screen in the Main tab of the ribbon, click on the drop-down under **Print** and choose **Preview**.

2. Click **Zoom In** and use the scroll bars to see the invoice items at greater magnification.

3. Click **Close**.

4. Invoices and other sales forms can be printed, emailed or saved as PDFs by clicking on the drop-down under **Print** or **Email** in the Main tab of the ribbon at the top of the form.

5. In the Create Invoices window, record the sale and close the window by clicking **Save & Close**.

QuickBooks records the invoice in your Accounts Receivable register. If this were a sales receipt, QuickBooks would record the sale in your Undeposited Funds account until you deposit the money at the bank, or record a deposit into the bank account you specified in the Enter Sales Receipts window. (The option to select an account in which to deposit the payment is available only when the Payments preference *Use Undeposited Funds as a default deposit to account* is turned off.)

The Accounts Receivable register keeps track of how much money your customers owe you.

Step-by-Step: See the Accounts Receivable Register

1. Open the Chart of Accounts.

2. In the Chart of Accounts, double-click the **Accounts Receivable** account.

3. To open a transaction, double-click on the transaction in the register, or click on it once and then click the **Edit Transaction** button in the toolbar.

4. Close the register.

Repeat a Sale

Many of the sales you make in your business are ones you repeat again and again. For example, you may have a standing monthly order from a customer, or you may perform essentially the same services for more than one client. QuickBooks lets you memorize sales forms so you don't have to retype the information. In fact, QuickBooks allows you to memorize a transaction so it is automated on a schedule if it's something that happens regularly in exactly the same way.

Step-by-Step: Memorize the Invoice

1. Make sure you have the invoice you want to memorize displayed on your screen.

2. From the Main tab of the ribbon in the upper right of the task bar, choose **Memorize**. The Memorize Transaction window appears on top of the invoice.

3. In the Name field, type a description that will help you recognize the memorized invoice or keep the default description QuickBooks has provided.

4. Click the radio button next to **Do Not Remind Me**.

5. Click **OK**.

6. Close the Create Invoice, Accounts Receivable register and Chart of Accounts windows.

Step-by-Step: Recall a Memorized Sale

1. From the Lists menu, choose **Memorized Transaction List**.

TRANSACTION NAME	TYPE	SOURCE ACCOUNT	AMOUNT	FREQUENCY	AUTO	NEXT DATE
Family Room Example Invoice	Invoice	11000 · Accounts Rec...	1,400.00	Never		
Overhead	General Journal	13100 · Pre-paid Insu...	675.00	Never		
Recurring Depr Entry - Monthly	General Journal	54000 · Job Expense...	19.60	Monthly	✓	12/31/2022
Sergeant Insurance	Check	10100 · Checking	675.00	Monthly		01/15/2023

Memorized Transaction ▾   Enter Transaction

2. Double-click the transaction you just added. Remember, this is just a snapshot copy of an invoice that you've memorized, not the original invoice.

3. Make any necessary changes on this copy of the memorized invoice (such as the date or other details) before you save it.

4. Click **Save & Close** to record the invoice.

5. Press the **Esc** key to close the Memorized Transaction List.

NOTES

Create Batch Invoices

Batch invoices are a way to assemble a list of customers to whom you can send similar invoices all at once. This can be great for recurring service billing.

Step-by-Step: Create a Batch Invoice

1. From the Customers menu, choose **Create Batch Invoices**.

2. Click **OK** to close the *Is your customer info set up correctly?* message.

3. In the *Look for* field, you can search for an item description.

4. Click **Search**.

5. In the Billing Group field, enter a name for your batch. If you enter a name that does not exist, you will receive a prompt to set up this group.

6. Highlight each client from the search results you wish to add to the Billing Group or you can click **Select All**. Use the **Add** button to add clients to your list.

7. Click **Save Group**.

8. Click **Next**.

9. Choose the date of the invoices that are being issued in one batch as well as the invoice template you wish to use for the entire batch.

10. Enter the information you would like on your invoice.

11. Click **Next**.

12. Review the list of customers checked in the next window and click **Create Invoices**.

13. The Batch Invoice Summary appears. Click **Email** to send the invoices to your customers or **Print** to print the invoices.

14. Click **Close** to close the Batch Invoice Summary.

Enter a New Item

Items are what we use on sales forms like estimates, sales orders, invoices and sales receipts. Items show the products/services that are sold and each item is mapped to one or more accounts in QuickBooks. Items can be mapped to one, two or three accounts, depending on the item setup.

● **One-sided items** – These items are used on *either* a sale *or* a purchase form, but not both. For example, if you sell consulting services, you may have an item named Consulting for use on your invoices. This item will be mapped to an income account to view on your Profit & Loss report. If this item (meant for sales transactions, in this example) were used on a purchase transaction, it would post a negative transaction to your income account.

● **Two-sided items** – These items are used on *both* a sale *and* a purchase form. The setup of these items allows you to post to an income account when used on a sales form and post to an expense account when used on a purchase form.

● **Three-sided items** – These items are used for inventory. The setup of these items allows you to purchase the item and receive it into your Inventory asset account (part 1). When you sell the inventory, the item posts to your Income account (part 2) and makes a Cost of Goods Sold entry (part 3).

In this section we will look at a one-sided item entry.

Step-by-Step: Add a One-sided Item

1. From the Lists menu, choose **Item List**.

2. Click the **Item** menu button at the bottom left of the window then choose **New**.

3. In the New Item window, choose an item type from the **Type** drop-down list.

> **IMPORTANT:** *When you select an item type, a description of how that item should be used will appear to the right of the drop-down box.*

4. Assign an item name or number in the Item Name/Number field.

5. In the Description field, enter the default information you would like to appear when this item is used on a form. (This information can be overwritten on any individual transaction.)

6. You can assign a standard per unit selling price in the Rate field.

7. In the Tax Code field, assign a standard taxable or non-taxable code.

> **IMPORTANT:** *Items marked as Non-taxable in the setup will not accrue sales tax on sales forms. See the* Sales Tax *training section for additional information.*

8. In the Account field, choose the appropriate Income account to post to when this item is used on sales forms.

9. Click **OK** to add the new item to the Item List.

10. Close the Item List.

Create New Price Levels

For each price level you create, you assign a name and percentage increase or decrease to the item's base or standard sales price. You can create up to 100 price levels in QuickBooks Pro and Premier to use on invoices, sales receipts, estimates and credit memos. To enable price levels in a company, click **Edit →Preferences →Sales & Customers → Company Preferences → Enable Price Levels**.

Step-by-Step: **Create a New Price Level**

1. From the Lists menu, choose **Price Level List**.

2. From the Price Level menu button, choose **New**.

3. In the Name field, enter a name for the price level.

4. From the Type drop-down list, select **Fixed %** or **Per Item**. This setting determines if you have a fixed markup/discount or if you would like to set up custom prices per item. (Per Item Price Levels are not available in QuickBooks Desktop Pro.)

5. Set your rounding parameters.

6. Click **OK**.

7. Close the Price Level List.

Associate Price Levels with Customers

When you assign price levels to customers, QuickBooks calculates rates and amounts on sales forms based on the price level associated with that customer.

Step-by-Step: Associate a Price Level with a Customer

1. Open the Customer Center.

2. In the Customers & Jobs List, select the customer whose price level you wish to set.

3. Double-click on the customer name to open the customer detail page.

4. Click the **Payment Settings** tab.

5. From the Price Level drop-down list, choose the price level you want to associate with the customer.

6. Click **OK** to close the Edit Customer window and save your changes.

Now when you create a sales form for this customer, the price will automatically be adjusted according to the price level. However, you will still have the opportunity to select the base or standard price, or any of the other prices associated with other price levels, for each item (by clicking on the drop-down next to the rate that appears). You will also be able to overwrite the price altogether and enter a custom price for this sales form. See the next section, *Assign Price Levels to Individual Line Items,* for situations in which you might want to use this feature.

NOTES

Assign Price Levels to Individual Line Items

In addition to associating price levels with customers, you can also use price levels on an individual basis on sales forms. Some examples of when you might want to do this are:

● You've associated a price level with a customer but want to charge the base sales price for an item on a sale to that customer

● You want to use a price level for one or more items but you don't want to assign a price level to the customer for whom you're recording the sale

Step-by-Step: **Apply a Price to a Single Line Item**

1. In a sales form with line items, click in the **Rate** column and select the price level you want to use from the drop-down list that displays (or you can enter your own price for that item, even if it is not in the drop-down list).

2. When you move out of that field on the form, QuickBooks recalculates the amount and balance due.

NOTES

Use the Income Tracker

The Income Tracker Center helps you manage collecting payments from your customers. It lists all overdue and nearly-due invoices in a single place, as well as unbilled estimates. You can send email reminders to one customer or many customers, and it tracks customer notes about your collection efforts.

Step-by-Step: Review Overdue and Nearly-Due Payments for All Customers

1. From the Customers menu, select **Income Tracker** (or open the **Customer Center** and click on **Income Tracker**).

2. Click on any of the money bar's colored tabs on the top to filter the information, if desired.

3. Click on the down-facing arrow next to **Select** in the Action column for a list of actions you can take with each line.

4. In the Unbilled section (the left half) of the money bar, click on the colored tab for **Estimates**. These are open estimates that can be turned into invoices by using the Action field.

5. Place checkmarks in the boxes in the far left column next to each estimate (or one checkmark in the top box to indicate you are choosing all of them). Click on **Batch Actions** at the bottom which, in this case, enables you to batch email them or mark them inactive.

6. The Manage Transactions button at the bottom enables you to launch a new customer-related transaction such as a new invoice or estimate, or to edit the currently highlighted row.

7. Close the Income Tracker.

NOTES

Create Single Invoice Letters

⚙ **Step-by-Step:** **Create an Invoice Letter**

1. From the Reports menu, choose **Customers & Receivables**, and then choose **Open Invoices** from the submenu.

2. In the on-screen Open Invoices report, double-click the open invoice for which you would like to send a letter.

3. Under the Send/Ship tab of the ribbon at the top, click the **Prepare Letter** icon to display the drop-down list.

4. Select **Prepare Letter**. If QuickBooks prompts you to find letters, click **Copy**.

5. Choose the type of letter you wish to create.

6. Click **Next**.

7. Enter the appropriate name and title for the letter signature.

8. Click **Next**.

9. In the next screen, indicate whether you wish to print envelopes as well. If you wish only to print a letter, select **Cancel**.

Rock Castle Construction
1735 County Road
Bayshore, CA 94326

December 15, 2022

Baker, Chris
415 W. Desert Bloom
Bayshore, CA 94326

Dear Chris,

This table summarizes your current invoice activity. Please review this information and let us know if you have any questions.

Invoice Job   Family Room
Invoice Number   1100
Invoice Date   12/15/2022
Invoice Due Date   01/14/2023
Invoice Amount $1,400.00
Invoice Balance $1,400.00

Itemized charges are shown below:

Item	Description	Qty	Rate	Amount	Tax
Removal	Removal labor	40	35.00	1,400.00	Non

Thank you for choosing Rock Castle Construction. We hope to work with you again in the future.

Sincerely,

Esther Friedberg Karp
President for Life
Rock Castle Construction

10. You can choose to print the letter (and envelope) from Microsoft Word® if you wish.

11. From the Window menu, choose **Close All**.

NOTES

Generate Reminder Statements

Reminder statements summarize a customer's account by listing recent invoices, credit memos and payments received. You can use reminder statements when you bill through invoices but want to remind your customers about delinquent payments and/or total outstanding balances.

Reminder statements are different from other forms in QuickBooks such as invoices, sales receipts or checks in that they are not transactions. Furthermore, because QuickBooks already has all the information you need to create reminder statements, you don't have to fill them out. Instead, you review the information that will appear on each statement, decide whether to add finance charges, and generate them.

Step-by-Step: Generate Reminder Statements

1. Click **Home** to display the Home page, and then click **Statements** (or from Customers, select **Create Statements**).

2. For Statement Date, enter the date you want to appear on the statement.

3. Set your statement period in the Statement Period From/To fields, or select **All open transactions as of statement date**.

4. In the Select Customers section, choose how you would like to create the statements. Select additional options as they apply. Click **Assess Finance Charges** if you would like to add finance charges to the statements. (If you want to assess finance charges without sending out statements, you can click on **Customers → Assess Finance Charges** or access the Finance Charges icon from the Home page.)

5. Enter an assessment date in the next window (the Assess Finance Charges window) if applicable. Click **Assess Charges**.

6. Back in the Create Statements window, click **Preview**.

7. Click **Close**.

8. Close the Create Statements window.

NOTES

Enter Sales Information – Review Questions

1. When receiving payment at the time of sale, you create a _____ in QuickBooks.

2. When customers are returning items, you record the return on a _____.

3. In QuickBooks you can record payments by customers made using which of the following?

    a. Cash

    b. Check

    c. Credit card

    d. All of the above

4. True or false: QuickBooks lets you save sales forms as PDF files.

    a. True

    b. False

5. If you regularly invoice a customer for similar items or services, you can _____ the invoice to save time.

6. From which list (or lists) does QuickBooks get the information for A, B and C in the graphic below?

a. _____

b. _____

c. _____

7. List the item types used in the line item area of the invoice above.

_____
_____
_____
_____

8. On which of the following can you not use price levels?

a. Invoices

b. Sales receipts

c. Credit memos

d. Purchase orders

9. QuickBooks Pro allows you to assign price levels to which of the following?

    a. Specific customers

    b. Individual line items on sales forms

    c. Both a and b

    d. None of the above

10. If a wood door's base price is $120.00 and you set the rounding option to 1.00 minus .11 for a certain price level, what price might appear on an invoice for the wood door if that price level is used?

    a. $120.11

    b. $120.89

    c. $119.89

    d. $119.11

11. Which of the two methods described in this lesson for providing customers with information about overdue invoices allows you to assess finance charges?
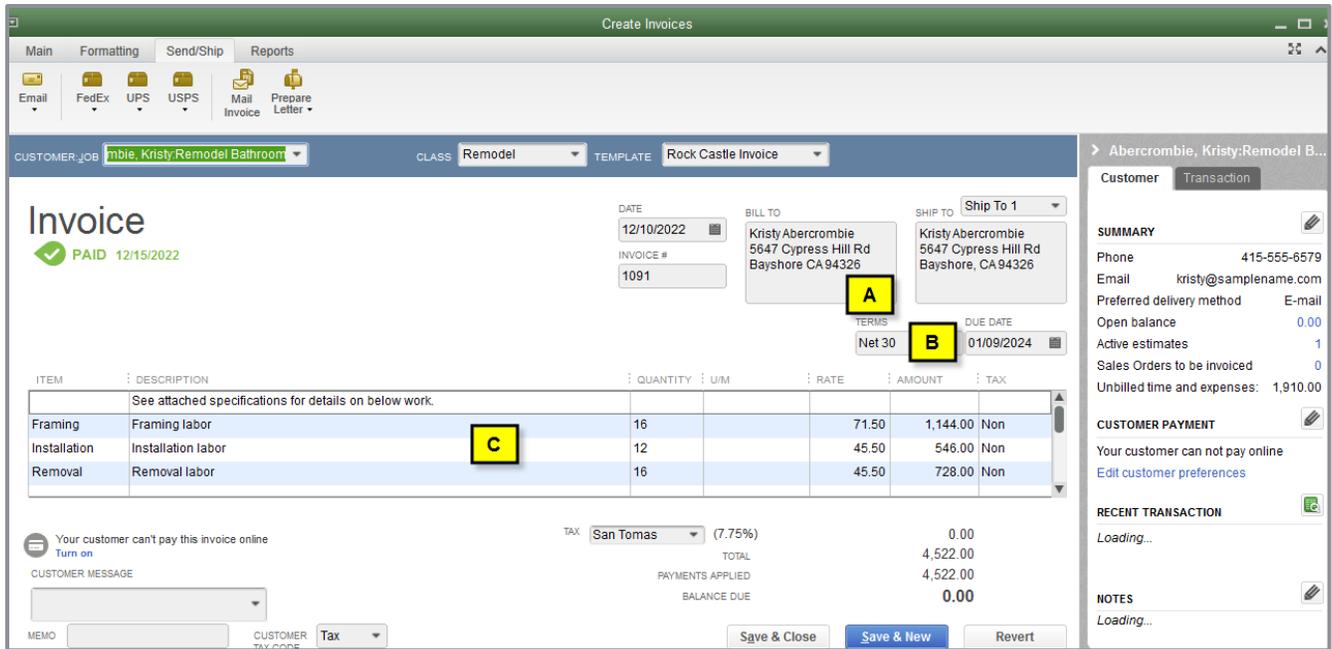
    a. _____

    b. _____

Review Activities

1. Create an invoice for Rock Castle Construction that uses the new Repairs:Plumbing line item. Create the invoice for a new customer by adding information to the Customer list on the fly.

2. Filling out a sales receipt is similar to filling out an invoice form. Create a sales receipt for the customer Rock Castle Construction and select the **Undeposited Funds** option. (You need to select this option only if the preference to use that account as the default deposit to account is not set.) After you create the sales receipt, open the **Undeposited Funds** account register to see the transaction QuickBooks created automatically.

3. Create a new price level for Rock Castle Construction for their January sales event. You want all the prices to be 10% off and rounded to the nearest $.95. Then create an invoice and add some items. Apply the January sales event price level and see the effect on the price. How would you change the price level so all prices are rounded to the nearest $.49?

Answers to Review Questions

1. When receiving payment at the time of sale, you create a *sales receipt* in QuickBooks.

2. When customers are returning items, you record the return on a *credit memo*.

3. In QuickBooks you can record payments received from customers using which of the following?

   a. Cash

   b. Check

   c. Credit card

   d. ✓*All of the above*

4. True or false: QuickBooks lets you save sales forms as PDF files.

   a. ✓*True*

   b. False

5. If you regularly invoice a customer for similar items or services, you can *memorize* the invoice to save time.

6. From which list (or lists) does QuickBooks get the information for A, B and C in the graphic below?

   a. *Customers & Jobs List*

   b. *Customers & Jobs List (if associated terms with the customer); Terms List*

   c. *Item List*

7. List the item types used in the line item area of the invoice above.

   Service

8. On which of the following can you not use price levels?

   a. Invoices

   b. Sales receipts

   c. Credit memos

   d. ✓*Purchase orders*

9. QuickBooks Pro allows you to assign price levels to which of the following?

    a. Specific customers

    b. Individual line items on sales forms

    c. ✓*Both a and b*

    d. None of the above

10. If a wood door's base price is $120.00 and you set the rounding option to 1.00 minus .11 for a certain price level, what price might appear on an invoice for the wood door if that price level is used?

    a. $120.11

    b. $120.89

    c. ✓*$119.89*

    d. $119.11

11. Which of the two methods for providing customers with information about overdue invoices allows you to assess finance charges?

    a. *Invoice letters*

    b. ✓*Reminder statements*