



QUICKBOOKS DESKTOP 2018 STUDENT GUIDE

Lesson 14

Time Tracking

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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.

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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 how to track time worked on a project
- Learn how to invoice a customer for time worked on a project
- Create project reports for time tracking and learn about other project reports
- Learn how to set up items used to track time worked by owners or partners
- Learn how to pay nonemployees for time worked

Track Time and Mileage

QuickBooks provides time tracking for any job. Time tracking lets you keep track of the time a person spends on each job (including sick and vacation time and time spent for general overhead). The person whose time you track can be an employee, an owner or partner or a subcontractor.



Step-by-Step: Turn on Time Tracking

1. Make sure you are signed in to the QuickBooks company as the Admin user. (If other users have been set up on other computers to access the company in multi-user mode, ensure they are not signed in and you are in single-user mode.)
2. From the Edit menu, choose **Preferences**.
3. Click **Time & Expenses** in the left panel then click the **Company Preferences** tab. (You will likely have to scroll down as the list of preferences in the left panel is alphabetical and preferences that are at the end of the alphabet will be at the bottom.)
4. Make sure **Yes** is selected as the answer to the question *Do You Track Time?*
5. Click **OK** to save the preference setting.

NOTES

Enter Time Data

Below are two ways to get time data into a company file:

- Enter time directly onto a weekly timesheet or single activity form in QuickBooks
- Use the Stopwatch in the Time/Enter Single Activity window to time an activity while you are performing it

When you track time with QuickBooks, you have a choice of two forms to enter time: The Weekly Timesheet or the Time/Enter Single Activity window. If you want to enter time for multiple jobs or multiple days, then the Weekly Timesheet is the best choice.

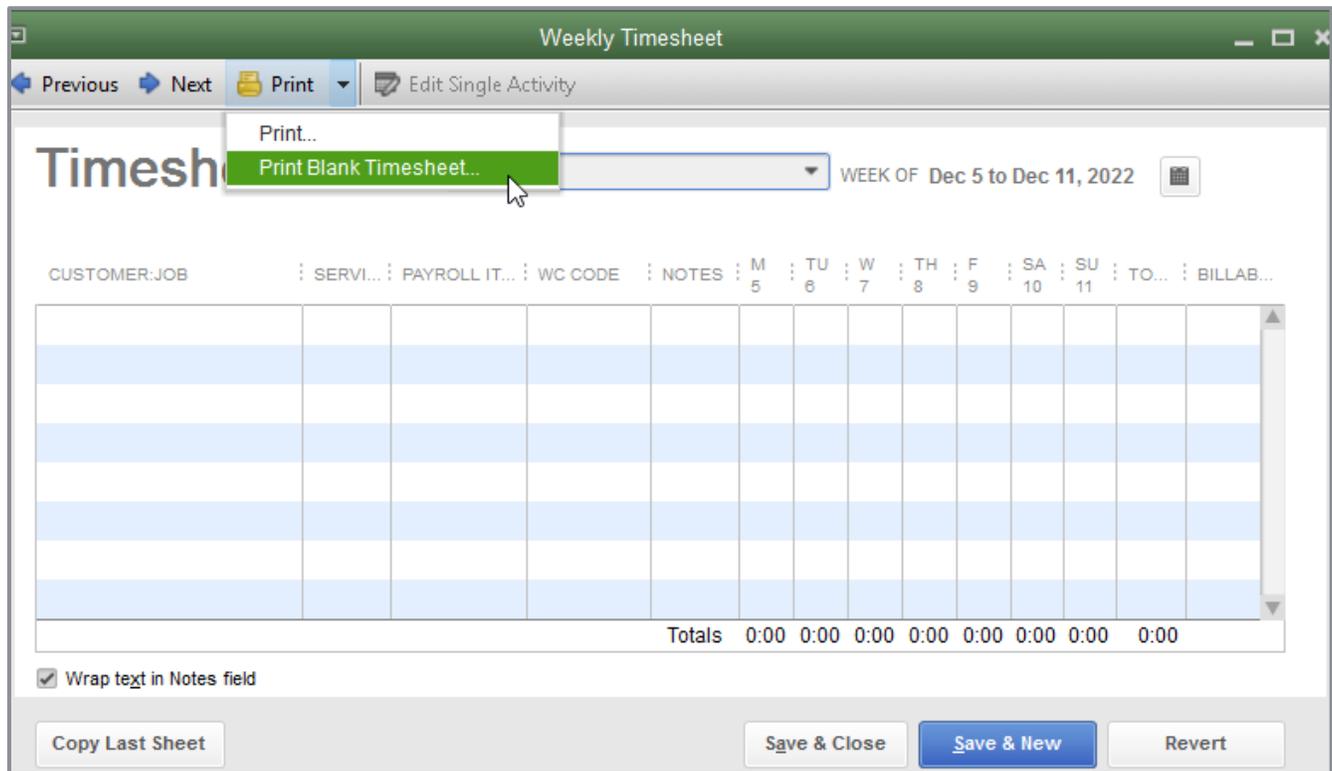
The screenshot shows the 'Weekly Timesheet' window for Elizabeth N. Mason, covering the week of Dec 5 to Dec 11, 2022. The interface includes navigation buttons (Previous, Next, Print, Edit Single Activity) and a table for entering time data.

CUSTOMER:JOB	SERVICE...	NOTES	CLASS	M 5	TU 6	W 7	TH 8	F 9	SA 10	SU 11	TOT...	BILLAB...
Teschner, Anton:Sun Room	Framing						8:00	8:00	8:00	8:00	32:00	<input checked="" type="checkbox"/>
Teschner, Anton:Sun Room	Removal			8:00							8:00	<input checked="" type="checkbox"/>
Totals				8:00	0:00	0:00	8:00	8:00	8:00	8:00	40:00	

At the bottom of the window, there is a checkbox for 'Wrap text in Notes field' and three buttons: 'Copy Last Sheet', 'Save & Close', and 'Save & New'.

A single activity entry shows the time spent by one person performing a single activity for a single job on a single date. If you tend to enter a lot of detailed notes about your activities, or you prefer to enter time data as you complete an activity, use the Time/Enter Single Activity window instead.

If you have employees who don't have access to a computer or who don't have access to QuickBooks, you can print blank copies of the weekly timesheet for your employees to fill out by hand.



Step-by-Step: Print a Blank Timesheet

1. Open the Weekly Timesheet (either from the Home page by clicking the **Enter Time** icon or, from the Employees menu, choose **Enter Time** then choose **Use Weekly Timesheet**).
2. From the Print drop-down menu, choose **Print blank timesheet**.
3. In the Print Timesheets window, click **Print**.

NOTES

Record Employee Time on Weekly Timesheets



Step-by-Step: Enter Information on a Weekly Timesheet

1. On the Home page, click **Enter Time** then click **Use Weekly Timesheet**.

CUSTOMER:JOB	SERVICE...	NOTES	CLASS	M 21	TU 22	W 23	TH 24	F 25	SA 26	SU 27	TOT...	BILLABLE?
Ecker Designs:Office Repairs	Installation					8:00	8:00				16:00	<input checked="" type="checkbox"/>
Jacobsen, Doug	Framing									8:00	8:00	<input checked="" type="checkbox"/>
Jacobsen, Doug:Kitchen	Removal							8:00	8:00		16:00	<input checked="" type="checkbox"/>
Totals				0:00	0:00	8:00	8:00	8:00	8:00	8:00	40:00	

2. In the Name field, select the employee from the drop-down list.



IMPORTANT: Timesheets can be entered in batches by selecting **Multiple Names (Payroll)** or **Multiple Names (Non-Payroll)** in the drop-down list for the Name. Those options are at the very top of the drop-down list.

3. Choose the proper week by clicking on the **calendar** icon.
4. Choose the corresponding Customer:Job in the first column.
5. Enter the corresponding service item in the Service Item column. If you have additional items for Payroll and Workers Comp, enter those as well.

6. Enter the daily hours into the timesheet.
7. The Billable column to the right of the Total column tells QuickBooks if the time will be transferred to an invoice. A checkmark in the field indicates you want to invoice the customer for time worked.
8. If you do not plan on invoicing the customer for time worked, you can click the **checkbox** to remove the checkmark.
9. Click **Save & Close** to record the Weekly Timesheet.



IMPORTANT: Time tracked for employees can be set up to transfer to their paychecks if you are using QuickBooks Payroll. On each employee's information in the Employee Center, select the **Payroll Info** tab and check the box next to **Use time data to create paychecks**. Then their gross pay will be allocated to the correct customer or job, according to how their time was tracked.

NOTES

Enter Mileage

By tracking your vehicle mileage, you can enter, sort and print lists of your vehicles and the mileage you've driven for work-related tasks. You can use this information for tax deductions and billing customers.



Step-by-Step: Record Mileage

1. From the Company menu, choose **Enter Vehicle Mileage**.
2. In the Vehicle field, select the corresponding vehicle.
3. Use the Start Date and End Date fields to note the dates of the mileage.
4. Enter the miles driven in the Total Miles field.
5. Choose the corresponding customer/job from the Customer:Job field.
6. In the Item field, select **Mileage** from the drop-down list.

Enter Vehicle Mileage

Previous Next Spelling Vehicle List Mileage Rates Mileage Reports

VEHICLE 2002 Ford Truck CUSTOMER:JOB Abercrombie, Kristy:Family Room **NOT BILLED**

TRIP START DATE 12/15/2022 ITEM Mileage Billable
How is this item used?

TRIP END DATE 12/15/2022 CLASS

ODOMETER START 0 NOTES Roundtrip to install panels

ODOMETER END 0

TOTAL MILES 48

Save & Close Save & New Clear

7. Click **Save & Close**.

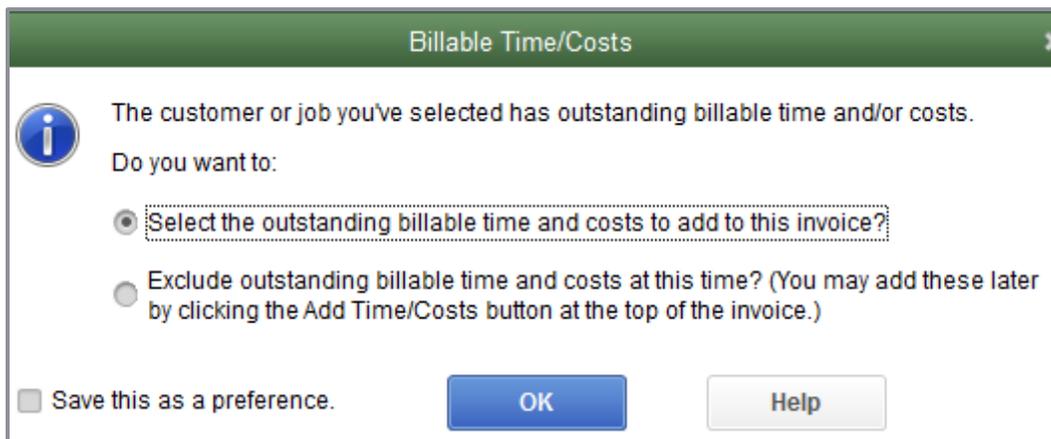
NOTES

Invoice a Customer for Billable Expenses



Step-by-Step: Invoice a Customer for Time and Costs

1. On the Home page, click **Create Invoices**. (You can also access the Invoice window from the **Customers** drop-down menu or by selecting **Ctrl+i**.)
2. Select the customer/job you wish to invoice from the Customer:Job drop-down.
3. If you see a Billable/Time Costs pop-up window, click **Select the outstanding billable time and costs to add to this invoice?** then click **OK**.



4. If you accidentally dismissed this window, you can click on **Add Time/Costs** in the Main tab at the top of the invoice.



Display Project Reports for Time Tracking

The Time by Job Summary report summarizes the total hours for each job. The Time by Job Detail report breaks down those summary figures into hours for each service item and customer/job, as well as if the hours are billable but not billed yet, have been billed, or are not billable.



Step-by-Step: Create a Time by Job Report

1. From the Reports menu, choose **Jobs → Time & Mileage**.
2. From the submenu, choose **Time by Job Summary**.
3. Use the Dates field to specify a typical date range (such as This Fiscal Year-to-Date) or use the From/To fields to customize the date range you would like to view.

Scroll through the report to see the time by job.

Rock Castle Construction	
Time by Job Summary	
January 1 through December 15, 2022	
Jan 1 - Dec 15, 22	
▼	
▼ Abercrombie, Kristy:Family Room	
Framing	1:30
Total Abercrombie, Kristy:Family Room	1:30
▼ Abercrombie, Kristy:Remodel Bathroom	
Framing	8:00
Installation	16:00
Removal	26:00
Total Abercrombie, Kristy:Remodel Bathroom	50:00
▼ Cook, Brian:2nd story addition	
Framing	4:00
Installation	24:00
Removal	8:00
Total Cook, Brian:2nd story addition	36:00
▼ Cook, Brian:Kitchen	
Framing	32:00
Installation	94:00

NOTES

View Time Data in More Detail

Like all QuickBooks reports, you can QuickZoom any of the numbers in a report to see more detail. Suppose you want to see who worked the eight hours on installation for Brian Cook’s kitchen. You can point to that number in the report and double-click to get more information.



Step-by-Step: View more Time Detail in the Report

1. In the Time by Job Summary report, position your mouse pointer over the hours you wish to view in detail then double-click.

The screenshot shows the 'Time by Job Summary' report for 'Rock Castle Construction' from January 1 to December 15, 2022. The report is filtered for 'Total only' and sorted by 'Default'. The data is organized into a table with columns for job/task names and time values. A red box highlights the '26:00' value for the 'Removal' task under the 'Abercrombie, Kristy:Remodel Bathroom' job, with a mouse cursor hovering over it.

Rock Castle Construction	
Time by Job Summary	
January 1 through December 15, 2022	
Jan 1 - Dec 15, 22	
Total Abercrombie, Kristy:Family Room	1:30
Abercrombie, Kristy:Remodel Bathroom	
Framing	8:00
Installation	16:00
Removal	26:00
Total Abercrombie, Kristy:Remodel Bathroom	60:00
Cook, Brian:2nd story addition	
Framing	4:00
Installation	24:00
Removal	8:00
Total Cook, Brian:2nd story addition	36:00
Cook, Brian:Kitchen	
Framing	32:00
Installation	94:00
Removal	28:00
Total Cook, Brian:Kitchen	154:00
Ecker Designs:Office Repairs	
Framing	16:00

Time by Job Detail

Customize Report Comment on Report Share Template Memorize Print E-mail Excel Hide Header Refresh

Dates Custom From 01/01/2022 To 12/15/2022

Show Filters

1:06 PM
12/15/22

Rock Castle Construction
Time by Job Detail
January 1 through December 15, 2022

Date	Name	Billing Status	Duration
Abercrombie, Kristy:Remodel Bathroom			
Removal			
09/29/2022	Dan T. Miller	Unbilled	4:00
10/12/2022	Gregg O. Schnei...	Unbilled	8:00
10/13/2022	Gregg O. Schnei...	Unbilled	8:00
10/14/2022	Gregg O. Schnei...	Unbilled	6:00
Total Removal			26:00
Total Abercrombie, Kristy:Remodel Bathroom			26:00
TOTAL			26:00

2. Close the Time by Job Detail report.
3. Close the Time by Job Summary report.

NOTES

Create Service Items for Subcontractors

When the company file has time data for a person who is not on your payroll, you can write checks based on the time worked. QuickBooks can transfer time data for a specified date range to a check. QuickBooks prefills the Items tab of a check with information from the time data, including hours worked and rate.

When you use service items for subcontractors, QuickBooks records expenses and income for the work in separate accounts. You can use such items on both purchase forms and sales forms.



Step-by-Step: Set up a Service Item for Subcontractors

1. From the Lists menu, choose **Item List**.
2. Click the **Item** menu button (bottom left) then choose **New**.
3. In the Type field of the New Item window, choose **Service** from the drop-down list.
4. In the Item Name/Number field, enter the name for your item (e.g., *Planning*).
5. Select the **This service is used in assemblies or is performed by a subcontractor, owner, or partner** checkbox.
6. In the Description on Purchase Transactions field, enter the default description you would like to appear when the item is used on purchase transactions.
7. In the Cost field, enter the per unit price you pay for the services.
8. From the drop-down list in the **Expense Account** field, choose the corresponding expense account the subcontractor payment should be posted to (e.g., Subcontractor expense).



IMPORTANT: *If you pay owners (or partners) for time worked, you need a service item that records the cost of the work as a draw against equity rather than an expense.*

9. In the Sales Price field, enter the per unit price you charge your customer for the service.
10. Select the appropriate Tax Code (Tax or Non).
11. In the Income Account field, enter the corresponding income account that income should be mapped to when the item is used on invoices.

TYPE
Service Use for services you charge for or purchase, like specialized labor, consulting hours, or professional fees.

Item Name/Number Subitem of
Planning

UNIT OF MEASURE
U/M Set Edit...

This service is used in assemblies or is performed by a subcontractor or partner

PURCHASE INFORMATION
Description on Purchase Transactions
Planning/Blueprints
Cost 50.00
Expense Account 54000 - Job Expenses...
Preferred Vendor

SALES INFORMATION
Description on Sales Transactions
Planning/Blueprints
Sales Price 90.00
Tax Code Tax
Income Account 40115 - Planning

Item is inactive

[How can I set rates by customers or employees?](#)

OK
Cancel
Next
Notes
Custom Fields
Spelling

12. Click **OK** to close the New Item window.

13. Press **Esc** to close the Item List.

NOTES

Record Nonemployee Time Worked



Step-by-Step: Enter Time for Nonemployee Time Worked

1. From the Employees menu, choose **Enter Time** then choose **Time/Enter Single Activity**.

The screenshot shows the 'Time/Enter Single Activity' window. The window title is 'Time/Enter Single Activity'. The navigation bar includes 'Previous', 'Next', 'Spelling', and 'Timesheet'. The form fields are: DATE (12/12/2022), NAME (Tom Ferguson), CUSTOMER:JOB (Abercrombie, Kristy:Family Room), SERVICE ITEM (Planning), and CLASS. There is a 'NOT BILLED' indicator and a 'Billable' checkbox. The 'DURATION' section shows a digital clock set to 8:00 with 'Start', 'Stop', and 'Pause' buttons. The 'NOTES' field contains the text 'Planning meeting and blueprints'. At the bottom are 'Save & Close', 'Save & New', and 'Clear' buttons.

2. In the Name field, choose the corresponding nonemployee name.
3. Choose the corresponding customer in the Customer:Job field.
4. Choose the appropriate item in the Service Item field.
5. Enter the hours in the Duration field then press **Tab**.
6. Enter any Notes as appropriate.
7. Click **Save & Close**.

NOTES

Prepare a Check to Pay for Nonemployee Time Worked

In this section you'll learn how to create a check to pay a subcontractor or reimburse an owner for time worked on a specific job.



Step-by-Step: Prepare a Check for Nonemployee Time Worked

1. On the Home page, click **Write Checks** (or select **Banking** → **Write Checks** or **Ctrl+w**).
2. Make sure the proper checking account is selected in the Bank Account field.

Write Checks - Checking

Main Reports

BANK ACCOUNT: 10100 - Checking ENDING BALANCE: 40,563.72

NO. TO PRINT: DATE: 12/15/2021

PAY TO THE ORDER OF: Tom Ferguson \$ 400.00

Four hundred and 00/100***** DOLLARS

ADDRESS:

MEMO: (12/01/2021 - 12/31/2021)

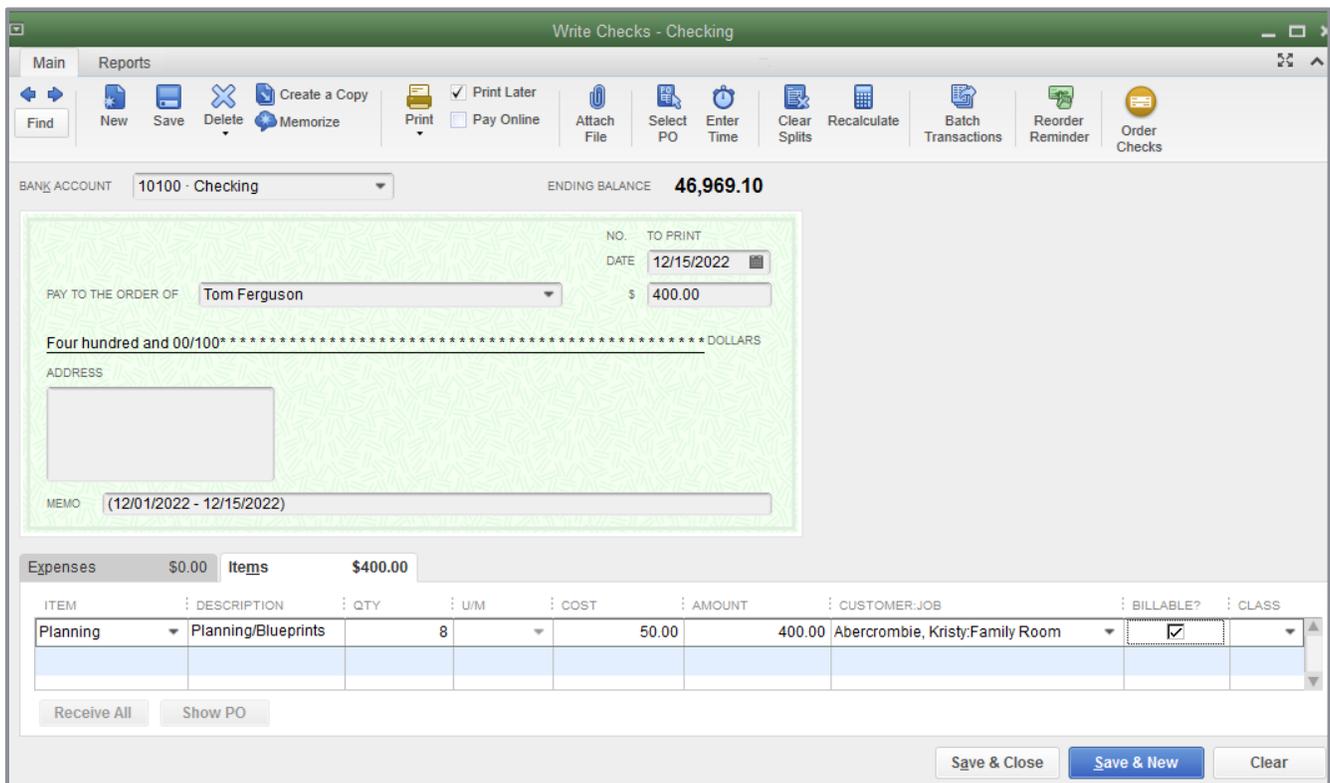
Expenses	\$0.00	Items	\$400.00					
ITEM	DESCRI...	QTY	U/M	COST	AMOUNT	CUSTOMER:JOB	BILL...	CLASS
Planning	Plannin...	8		50.00	400.00	Abercrombie, Kristy:Family Room	<input type="checkbox"/>	

Receive All Show PO

Save & Close Save & New Clear

3. In the Pay to the Order of field, choose the subcontractor or owner from the drop-down list.

4. You should see a pop-up window telling you the vendor has time data. Click **Yes** to search for unpaid time. (If for some reason you do not see this pop-up, or you accidentally click **No**, you can navigate back to this window by clicking **Enter Time** at the top of the check form in the Main tab of the ribbon.)
5. Set the search parameters to look for the time entries. Type the start date in the Start Date field and press **Tab**.
6. Type the end date in the End Date field and click **OK**.
7. Specify if the customer is to be billed for this cost by checking the box in the Billable column.
8. Click **Save & Close**.



NOTES

Time Tracking – Review Questions

1. List ways to enter time in QuickBooks.
 - a. _____
 - b. _____
2. For which of the following can the time tracking features in QuickBooks not be used?
 - a. Notifying you that more staffing is required for a given project
 - b. Tracking the cost of an employee's gross pay by job
 - c. Providing hours worked on an employee's paycheck
 - d. Invoicing customers based on time spent on a job
3. Which report would you use to determine how many hours were spent on each activity and whether or not the customer had been billed for the time?
 - a. Time by item
 - b. Time by name
 - c. Time by job summary
 - d. Time by job detail
4. When paying owners or partners, you should use an _____ account to track the payment.
5. Which of the following is a step involved in the process for invoicing a customer for time worked?
 - a. Select the customer's name in the Create Invoices window
 - b. Click **Add Time/Costs**
 - c. In the Choose Billable Time and Costs window, click to select the items you want to transfer to the invoice
 - d. All of the above

Review Activities

1. Create a single activity timesheet for Gregg Schneider for eight hours worked on the Anton Teschner Sun Room job.
2. Transfer the time you just entered for Gregg Schneider onto an invoice for the Teschner Sun Room job.
3. Display a time by name job report to see how many hours Gregg Schneider worked for each job.

Answers to Review Questions

1. List ways to enter time in QuickBooks.
 - a. ✓ *Enter directly in the Use Weekly Timesheet or Time/Enter Single Activity window*
 - b. ✓ *Stopwatch feature in the Time/Enter Single Activity window*
2. For which of the following can the time tracking features in QuickBooks not be used?
 - a. ✓ *Notifying you that more staffing is required for a given project*
 - b. Tracking the cost of an employee's gross pay by job
 - c. Providing hours worked on an employee's paycheck
 - d. Invoicing customers based on time spent on a job
3. Which report would you use to determine how many hours were spent on each activity and whether or not the customer had been billed for the time?
 - a. Time by item
 - b. Time by name
 - c. Time by job summary
 - d. ✓ *Time by job detail*
4. When paying owners or partners, you should use an *equity* account to track the payment.
5. Which of the following is a step involved in the process for invoicing a customer for time worked?
 - a. Select the customer's name in the Create Invoices window
 - b. Click **Add Time/Costs**
 - c. In the Choose Billable Time and Costs window, click to select the items you want to transfer to the invoice
 - d. ✓ *All of the above*