

Chapter 2

The Sales Process

Topics

In this chapter, you will learn about the following topics:

- Tracking Company Sales (page 29)
- Setting Up Customers (page 32)
- Job Costing (page 38)
- Recording Sales (page 39)
- Receiving Payments from Customers (page 52)
- Making Bank Deposits (page 60)
- Income Tracker (page 68)

Restore this File:

This chapter uses Sales-18.QBW. See page 9 for more information. The password to access this file is **Sleeter18**.

In this chapter, you will learn how QuickBooks can help you record and track revenues in your business. Each time you sell products or services, you will record the transaction using one of QuickBooks' forms. When you fill out a QuickBooks **Invoice** or **Sales Receipt**, QuickBooks tracks the detail of each sale, allowing you to create reports about your sales.

Tracking Company Sales

Sales are recorded two different ways, either with a *Sales Receipt* when the customer pays at the time of sale or service (called *cash customers*), or an *Invoice* when the customer pays after the sale or service (*credit customers*). Transactions with cash customers follow a specific process. At the time of sale, a Sales Receipt is issued, and then a deposit is recorded. This process is displayed graphically on the Home Page (Figure 2-1). A Sales Receipt records both the items sold and the amount received. Then the funds are deposited.

Note:

Payment with a credit card is received immediately, therefore a customer who pays at the time of sale with a credit card is a cash customer.



Figure 2-1 Payment with Cash Sale Workflow

When working with a credit customer, the sales process has a different workflow. Often, the first step is to create an Invoice. The payment is received and the amount is applied to the Invoice. Then a deposit is recorded. This process is displayed in Figure 2-2.

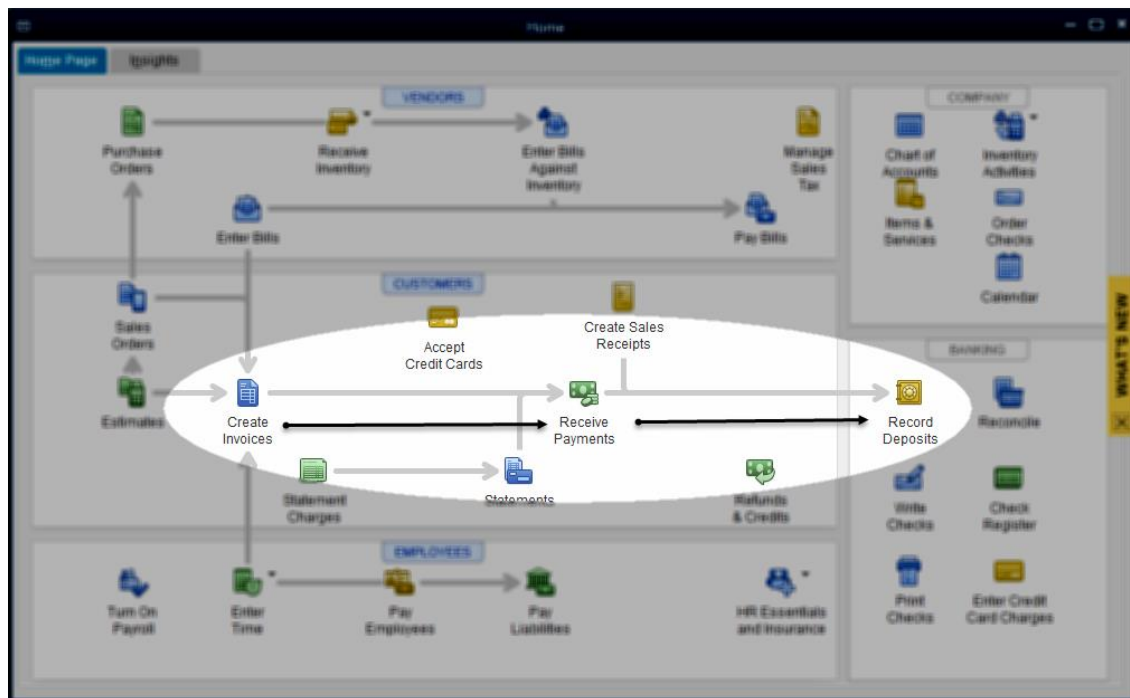


Figure 2-2 Invoicing Workflow

Table 2-1 provides more details about the cash and credit customer sales processes. In this table, you can see how to record business transactions for cash and credit customers. In addition, the table shows the *accounting behind the scenes* of each transaction. As discussed on page 4, the accounting behind

the scenes is critical to your understanding of how QuickBooks converts the information on forms (Invoices, Sales Receipts, etc.) into accounting entries.

Each row in the table represents a business transaction you might enter as you proceed through the sales process.

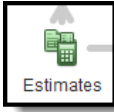
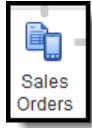
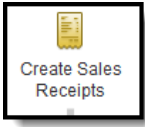
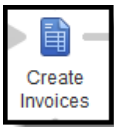
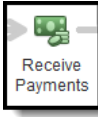
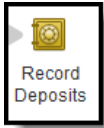
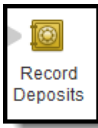
Business Transaction	Cash Customers (Pay at time of sale)		Credit Customers (Pay after the sale date)	
	QuickBooks Transaction	Accounting Entry	QuickBooks Transaction	Accounting Entry
Estimate (Optional)	Not Usually Used			Non-posting entry used to record estimates (bids) for Customers or Jobs
Sales Order (Optional)	Not Usually Used			Non-posting entry used to record customer orders
Recording a Sale		Increase (debit) Undeposited Funds , increase (credit) <i>income</i> account		Increase (debit) Accounts Receivable , increase (credit) <i>income</i> account
Receiving Money in Payment of an Invoice	No additional action is required on the sales form.			Increase (debit) Undeposited Funds , decrease (credit) Accounts Receivable
Depositing Money in the Bank		Decrease (credit) Undeposited Funds , increase (debit) <i>bank</i> account		Decrease (credit) Undeposited Funds , increase (debit) <i>bank</i> account

Table 2-1 Steps in the sales process

The *Sales Receipt* form records the details of who you sold to and what you sold and then uses, by default, a special account called **Undeposited Funds**. This account is an *Other Current Asset* account, and it can be thought of as a drawer where you keep your checks and other deposits before depositing in the bank. See page 43 for more information on **Undeposited Funds**.

The accounting behind the scenes:

When you create a **Sales Receipt**, QuickBooks increases (with a debit) a **bank account** or **Undeposited Funds**, and increases (with a credit) the appropriate *income* account. If applicable, **Sales Receipts** also increase (with a credit) the *sales tax liability* account. If the sale includes an Inventory Item, it also decreases (credits) the *Inventory* asset and increases (debits) the *Cost of Goods Sold* account.

For credit customers, the sales process usually starts with creating an **Invoice**. The **Invoice** form records the details of who you sold to and what you sold.

The accounting behind the scenes:

When you create an **Invoice**, QuickBooks increases (with a debit) **Accounts Receivable** and increases (with a credit) the appropriate *income* account. If applicable, **Invoices** also increase (with a credit) the *sales tax liability* account. If the sale includes an Inventory Item, it also decreases (credits) the *Inventory* asset and increases (debits) the *Cost of Goods Sold* account.

When you receive money from your credit customers, use the **Receive Payments** function to record the receipt. If you have created an *Invoice*, you must accept payment through this process to close the *Invoice*.

The accounting behind the scenes:

When you record a received **Payment**, QuickBooks increases (with a debit) **Undeposited Funds** or a bank account, and decreases (with a credit) **Accounts Receivable**.

Whether you posted to Undeposited Funds through a **Sales Receipt** or a **Payment**, the last step in the process is to make a **Deposit** to your bank account. This step is the same for both cash and credit customers. Use the **Make Deposits** function to record the deposit to your bank account.

If you prepare estimates (sometimes called bids) for Customers or Jobs, you can create an **Estimate** to track the details of what the sale will include. Estimates are provided to customers to help them decide on their purchases, products or services. QuickBooks does not post **Estimates** to the **General Ledger**, but it helps you track the estimate until the job is complete. QuickBooks also provides reports that help you compare estimated vs. actual revenues and costs.

The accounting behind the scenes:

When you create an **Estimate**, QuickBooks records the estimate, but there is no accounting entry made. **Estimates** are “non-posting” entries.

If you use sales orders in your business, you can use a **Sales Order** form to track the details of what the sale will include. For example, if you order goods you currently have out of stock for a specific customer, you could create a **Sales Order** to track the Customer’s order. **Sales Orders** are very similar to **Estimates** because they are both non-posting entries, and they both help you track future sales. QuickBooks does not post **Sales Orders** to the **General Ledger**, but it helps you track your orders until they are shipped to the customer. **Sales Orders** are only available in QuickBooks Premier, Accountant and Enterprise Solutions.

The accounting behind the scenes:

When you create a **Sales Order**, QuickBooks records the sales order, but there is no accounting entry made. **Sales Orders** are “non-posting” entries.

In the following sections, you will learn about each step of the payment at the time of sale and invoicing workflows.

Setting Up Customers

For each of your customers, create a record in the **Customers & Jobs** list of the *Customer Center*. Academy Photography has a new credit customer – Dr. Tim Feng. To add this new customer, follow these steps:

COMPUTER PRACTICE

- Step 1. Select the **Customers** button from the *Icon bar*.
- Step 2. To add a new customer, select **New Customer** from the **New Customer & Job** drop-down menu (see Figure 2-3).

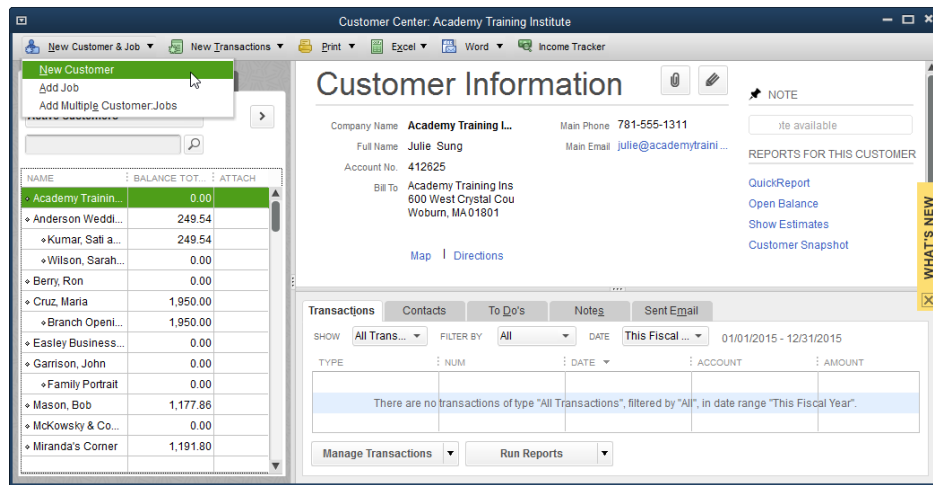


Figure 2-3 Adding a new customer record

- Step 3. Enter **Feng, Tim** in the *Customer Name* field (see Figure 2-4) and then press **Tab**.
- Step 4. Press **Tab** twice to skip the *Opening Balance* and *as of* fields. Since you will not enter an amount in the *Opening Balance* field, there is no need to change the *as of* date.

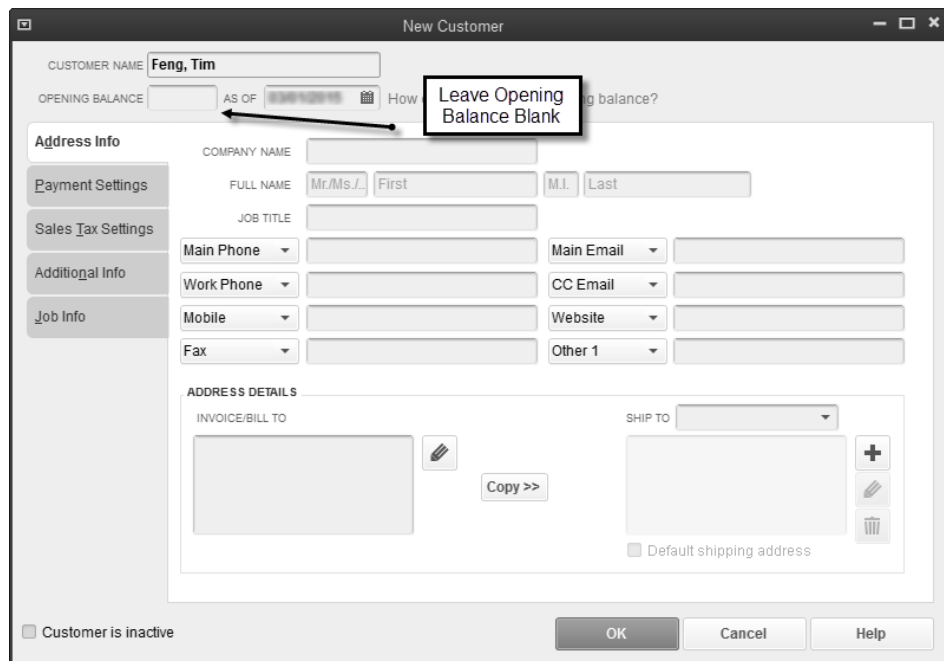


Figure 2-4 New Customer window

Important Tip:

It is best NOT to use the *Opening Balance* field in the customer record. When you enter an opening balance for a customer in the *Opening Balance* field, QuickBooks creates a new account in your Chart of Accounts called **Uncategorized Income**. Then, it creates an **Invoice** that increases (debits) **Accounts Receivable** and increases (credits) **Uncategorized Income**.

It is preferable to enter the actual open *Invoices* for each customer when you set up your company file. That way, you will have all of the details of which Invoice is open, and what Items were sold on the open Invoices. When you use Invoices, the actual income accounts will be used instead of **Uncategorized Income**.

- Step 5. Because this customer is an individual (i.e., not a company), press **Tab** to skip the *Company Name* field.
- Step 6. Continue entering information in the rest of the fields using the data in Table 2-2. You do not need to enter anything in the fields not included below.

Field	Data
Mr./Mrs.	Dr.
First Name	Tim
M.I.	S.
Last Name	Feng
Job Title	Owner
Main Phone	408-555-8298
Main Email	drf@df.biz
Invoice/Bill To Address	Tim S. Feng 300 N. First St. San Jose, CA 95136
Hint: Press Enter to move to a new line in this field.	
Ship To	Click Copy>> . This displays the <i>Add Shipping Address Information</i> window (see Figure 2-5). Type Office in the Address Name field and click OK . In QuickBooks, you can select multiple Ship To addresses for your customers.

Table 2-2 Data to complete the Address Info tab

Figure 2-5 Add Ship To Address Information window

Figure 2-6 shows the finished Address Info section of the customer record. Verify that your screen matches Figure 2-6.

Note:

In QuickBooks, you can use multiple *Ship-To Addresses*. This is useful when one customer requests that products be sent to more than one address.

Figure 2-6 Completed Address Info tab

Tip:

There are four name lists in QuickBooks: **Vendor**, **Customer:Job**, **Employee**, and **Other Names**. After you enter a name in the *Customer Name* field of the *New Customer* window, you cannot use that name in any of the other three lists in QuickBooks.

When Customers are Vendors:

When you sell to and purchase from the same company, you'll need to create two records – one in the Vendor List and one in the Customer:Job list. Make the two names slightly different. For example, you could enter Feng, Tim-C in the *New Customer* window and Feng, Tim-V in the *New Vendor* window. The vendor and customer records for Tim Feng can contain the same contact information.

- Step 7. Click the **Payment Settings** tab on the left of the *New Customer* window to continue entering information about this customer as shown in Figure 2-7.
- Step 8. Enter **3546** in the *Account No.* field to assign a customer number by which you can sort or filter reports. Press **Tab**.
- Step 9. Enter **8,000.00** in the *Credit Limit* field and press **Tab**.

QuickBooks will warn you if you record an Invoice to this customer when the balance due (plus the current sale) exceeds the credit limit. Even though QuickBooks warns you, you'll still be able to record the Invoice.

- Step 10. Select **Net 30** from the *Payment Terms* drop-down list as the terms for this customer and then press **Tab**.

QuickBooks is *terms smart*. For example, if you enter terms of 2% 10 Net 30 and a customer pays within 10 days, QuickBooks will automatically calculate a 2% discount. For more information about setting up your Terms list, see page 217.

The screenshot shows the 'New Customer' window with the 'Payment Settings' tab selected. The 'CUSTOMER NAME' is 'Feng, Tim'. The 'OPENING BALANCE' is empty, with a date of '01/01/2019' and a link 'How do I determine the opening balance?'. The 'Address Info' section is collapsed. The 'Payment Settings' section shows 'ACCOUNT NO.' as '3546', 'CREDIT LIMIT' as '8,000.00', 'PAYMENT TERMS' as 'Net 30', and 'PRICE LEVEL' as 'Commercial'. The 'Sales Tax Settings' section is collapsed. The 'Additional Info' section shows 'PREFERRED DELIVERY METHOD' as 'E-mail' and 'PREFERRED PAYMENT METHOD' as 'Visa'. The 'Job Info' section is collapsed. The 'CREDIT CARD INFORMATION' section shows 'CREDIT CARD NO.' as '1234123412341234', 'EXP. DATE' as '01 / 2020', 'NAME ON CARD' as 'Tim S. Feng', 'ADDRESS' as '300 N. First St.', and 'ZIP / POSTAL CODE' as '95136'. There is a link 'Can I save the Card Security Code?'. The 'ONLINE PAYMENTS' section has a heading 'Let this customer pay you by:' and two options: 'Credit Card' (with icons for Visa, MasterCard, American Express, Discover) and 'Bank Transfer (ACH)' (with a Bank icon). At the bottom, there is a checkbox 'Customer is inactive', and 'OK', 'Cancel', and 'Help' buttons.

Figure 2-7 Completed Payment Settings tab

- Step 11. Select **Commercial** from the *Price Level* drop-down list. See page 219 for information on setting up and using price levels. Press **Tab** twice.
- Step 12. Leave the default setting of **Email** in the *Preferred Delivery Method* field.

You can use the *Preferred Delivery Method* field if you plan to email Invoices to a customer on a regular basis or if you plan to use QuickBooks' Invoice printing and mailing service.

Note:

For more information on the QuickBooks invoice payment and mailing service, select the **Help** menu and then select **Add QuickBooks Services**. You will then be directed online to the Intuit website. Click on the **Learn More** button under the *Get Paid Faster* section. Additional transaction fees apply for this service.

- Step 13. Select **Visa** from the *Preferred Payment Method* drop-down list and then press **Tab**. When you set the fields on this window, you won't have to enter the credit card information each time you receive money from the customer.

Tip:

If more than one person accesses your QuickBooks file, set up a separate user name and password for each additional user. When you set up a user, you can restrict him or her from accessing *Sensitive Accounting Activities*. This will prevent the additional user from seeing the customer's credit card number. See page 382 for more information about setting up user names and passwords.

- Step 14. Enter the remaining data as shown in Figure 2-7 in the *Credit Card Information* section. Some of the fields will auto-populate as you tab into those fields. You may overwrite the auto-populated values if needed.

If you use the QuickBooks merchant account service, enter the default credit card number in the *Preferred Payment Method* area. This sets defaults on sales transactions for this customer.

Note:

If you track multiple jobs for each customer, it is best NOT to enter job information on the *Job Info* tab of the main customer record. If you want to track jobs for this customer, you can create separate job records in the **Customers & Jobs** list.

Step 15. Click the **Sales Tax Settings** tab in the *New Customer* window (see Figure 2-8).

Step 16. Press **Tab** twice to accept the **Tax** default **Sales Tax Code** in the *Tax Code* field.

Sales Tax Codes serve two purposes. First, they determine the default taxable status of a customer, item, or sale. Second, they are used to identify the type of tax exemption. For complete information on sales tax codes, see page 85.

Step 17. Set the *Tax Item* field to **Santa Clara**. This indicates which sales tax rate to charge and which agency collects the tax. Press **Tab** when finished.

Tip:

In most states, you charge sales tax based on the delivery point of the shipment. Therefore, the **Sales Tax Item** should be chosen to match the tax charged in the county (or tax location) of the *Ship To* address on the *Address Info* tab.

Step 18. Leave the *Resale No.* field blank.

If the customer is a reseller, you would enter his or her reseller number.

Figure 2-8 Completed Sales Tax Settings tab

Step 19. Select the **Additional Info** tab in the *New Customer* window (see Figure 2-9).

Step 20. Select **Business** from the *Customer Type* drop-down list and then press **Tab**.

QuickBooks allows you to group your customers into common types. By grouping your customers into types, you'll be able to create reports that focus on one or more types. For example, if you create two types of customers, Residential and Business, you are able to tag each customer with a type. Then you can create reports, statements, or mailing labels for all customers of a certain type.

Step 21. Select **MM** or Mike Mazuki in the *Rep* drop-down list and then press **Tab**.

The *Rep* field can contain the initials of one of your employees or vendors. Use this field to assign a sales rep to this customer. If you use the *Rep* field, you can create reports (e.g., Sales by Rep report) that provide the sales information you need to pay commissions. Each sales form (**Invoice** or **Sales Receipt**) can have a different name in the *Rep* field.

Step 22. Enter **Santa Clara** in the *County* field.

The **Define Fields** button on the **Additional Info** tab allows you to define **Custom Fields** to

track more information about your customers. For more information on setting up and using custom fields, see page 220.

Figure 2-9 Completed Additional Info tab

Step 23. Click **OK** to save and close the *New Customer* window.

Note:

If you see an error message when saving the Feng, Tim customer (see Figure 2-10), you may not be in the correct exercise file. Make sure you restore the correct file at the start of each chapter and problem, otherwise your exercises may not match the activities in this book. For this chapter, you should be using Sales-18.QBW. For instructions on restoring portable files, please see page 9.

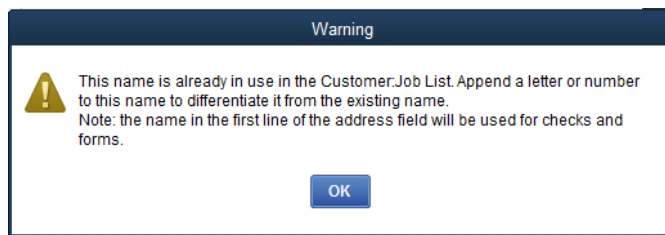


Figure 2-10 Error Message when saving a Name that already exists

Step 24. Close the Customer Center by clicking the close button on the *Customer Center* window or by pressing the **Esc** key.

Job Costing

Each customer listed in the *Customer Center* can have one or more jobs. Setting up *Jobs for Customers* helps you track income and expenses by job and therefore create reports showing detailed or summarized information about each job. This is particularly important for some industries, such as construction.

To create a job for an existing customer record, open the *Customer Center*, then select the customer, and then select **Add Job** from the **New Customer & Job** drop down menu. You don't need to do this now, because the sample data file already has Jobs set up.

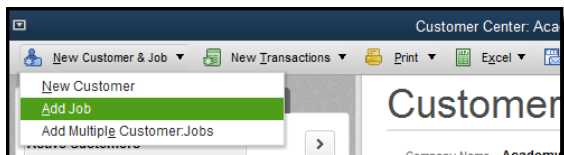


Figure 2-11 Adding a Job to an existing customer record

Key Term:

Tracking income and expenses separately for each Job is known as *Job Costing*. If your company needs to track job costs, make sure you include the Job name on each income and expense transaction as these transactions are entered.

In the **Name** column of the *Customers & Jobs* list, Jobs are slightly indented under the Customer name.

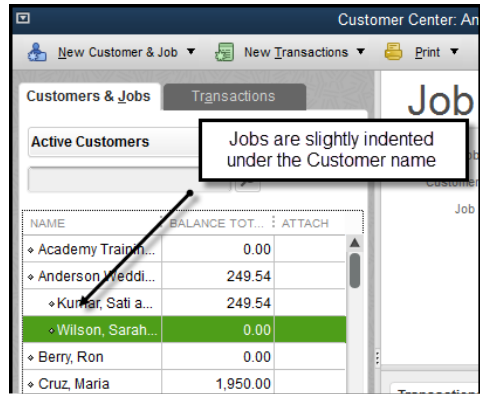


Figure 2-12 Customers & Jobs list

Did You Know?

To *Quick Add* a **Job** for a **Customer** on an Invoice or Sales Receipt, enter the Customer's name followed by a colon (the Customer name must already exist in the Customer list first). After the colon, enter the name of the job. QuickBooks will then prompt you to either *Quick Add* or *Set Up* the Job. If the *Customer* record already includes job information on its Job Info tab, you won't be able to use *Quick Add* to create a Job for the customer. In this case, you will need to create the job in the **Customers & Jobs** list before you begin entering sales.

Recording Sales

Now that you've set up your *Customers*, you're ready to begin entering sales. We will look at the *Sales Receipts* form first. Use this form when you receive a cash, check, or credit card payment at the time of the sale. We will also look at the *Invoice*, the other way to enter sales. Use this form when you record credit sales to customers.

Entering Sales Receipts

When customers pay at the time of the sale by cash, check, or credit card, create a **Sales Receipt** transaction.

COMPUTER PRACTICE

- Step 1. Click the **Create Sales Receipts** icon in the *Customers* section on the *Home* page (see Figure 2-13). This opens the *Enter Sales Receipts* window (see Figure 2-14).

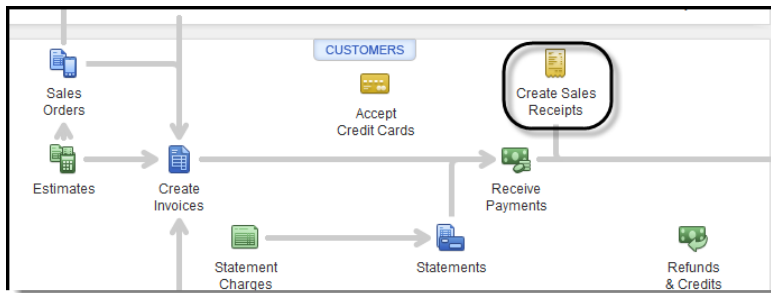


Figure 2-13 Selecting Create Sales Receipts icon on the Home page

Step 2. Enter **Perez, Jerry** in the *Customer:Job* field (Figure 2-14) and press **Tab**.

Note:

Many forms display Customer Summary information in the *History Pane* on the right side of the form, which includes two tabs – one for *Customer* (also called *Name*) information and the other for *Transaction* information. Jerry Perez is a new Customer and therefore does not have any information or history to display.

Step 3. When the *Customer:Job Not Found* warning window appears (see Figure 2-15), click **Quick Add** to add this new customer to the *Customer:Job* list. If you choose this option, you can edit the customer record later to add more details.

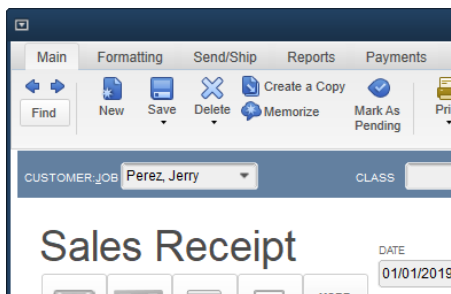


Figure 2-14 Sales Receipt form

Note:

Quick Add works on all your lists. Whenever you type a new name into any field on any form, QuickBooks prompts you to **Quick Add**, **Set Up**, or **Cancel** the name.

Tip:

If your customer is an individual (i.e., not a business), it's a good idea to enter the customer's last name first. This way, your **Customer:Job** list sorts by last name so it will be easier to find names in the list.

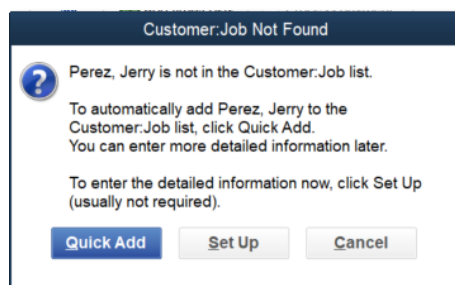


Figure 2-15 Use Quick Add to add new customers

Step 4. Enter **San Jose** in the *Class* field and then press **Tab**.

QuickBooks uses Classes to separately track income and expenses for departments, functions, activities, locations, or profit centers. For more information on classes, see page 105. Note that if the Class has already been set up, it will appear in that field as you type it or in the drop-down menu.

Step 5. In the *Template* field, **Custom Sales Receipt** is already selected. Press **Tab**.

You can create your own custom forms, as you'll learn in the section beginning on page 222.

Step 6. Click on **Check** for payment method, then press **Tab**.

If you wanted to add a new payment method, you would click on the *More* button.

Step 7. Enter **1/27/2019** in the *Date* field and then press **Tab** (see Figure 2-16).

Did You Know?

Whenever you enter a date in QuickBooks, you can use any of several shortcut keys to quickly change the date. For example, if you want to change the date to the first day of the year, press **y**. "Y" is the first letter of the word "year," so it's easy to remember this shortcut. The same works for the end of the year. Press **r** since that's the last letter of the word "year." The same works for "month" (**m** and **h**) and "week" (**w** and **k**). You can also use the **+** and **-** keys to move the date one day forward or back. All of these shortcuts will be relative to the date already entered in the date field. Finally, press **t** for "today" or the system date.

Step 8. Enter **2019-1** in the *Sale No.* field.

The first time you enter a *Sales Receipt*, enter any number you want in the *Sale No.* field. QuickBooks will automatically number future Sales Receipts incrementally. You can change or reset the numbering at any time by overriding the *Sale No.* on a Sales Receipt.

Step 9. Press **Tab** to skip the *Sold To* field.

QuickBooks automatically fills in this field, using the information in the *Invoice/Bill To* field of the customer record. Since you used *Quick Add* to add this customer, there is no address information. You could enter an address in the *Sold To* field by entering it directly on the sales form. When you record the Sales Receipt, QuickBooks will give you the option of adding the address in the *Invoice/Bill To* field of the customer record.

Step 10. Enter **3459** in the *Check No.* field and then press **Tab**.

The number you enter here shows up on your printed deposit slips. If you were receiving a cash or credit card payment, you would leave this field blank.

Step 11. Select **Outdoor Photo Session** from the *Item* drop-down list and then press **Tab**.

Step 12. Press **Tab** to accept the default description *Outdoor Photo Session* in the *Description* column.

As soon as you enter an Item, QuickBooks enters the description, rate, and sales tax code using data from the Item that has already been set up.

Step 13. In the *Tax* column, the *SRV* sales tax code is already selected. Press **Tab**.

Step 14. Enter **3** in the *Qty.* (quantity) column and then press **Tab**.

Step 15. Leave the default rate at **95.00** in the *Rate* column and then press **Tab**.

Step 16. Press **Tab** to accept the calculated amount in the *Amount* column.

After you enter the rate and press **Tab**, QuickBooks calculates the amount by multiplying the quantity by the rate. If you override the *Amount* field, QuickBooks calculates a new rate by dividing the amount by the quantity.

Step 17. Select **Premium Photo Package** from the *Item* drop-down list and then press **Tab** three times.

Step 18. Enter **2** in the *Qty.* column and press **Tab**.

Step 19. Press **Tab** to accept the default rate of 85.00.

You can override this amount directly on the Sales Receipt if necessary. As with the line above, QuickBooks calculates the total in the *Amount* column and QuickBooks uses the default sales tax code *Tax*, which is set up for the *Premium Photo Package* item.

Step 20. Select **Thank you for your business.** from the *Customer Message* drop-down list.

You can enter a message in the *Customer Message* field that will show on the printed *Sales Receipt*. This is typically a thank you message, but it can be whatever you want. If you type in a new message, *Quick Add* will prompt you to add your new message to the *Customer Message* list. If you want to edit an existing Customer Message, or if you want to remove a Customer Message from the list, select the *Lists* menu, then select *Customer & Vendor Profile Lists*, and then select *Customer Message List*.

Step 21. Press **Tab** and enter *Santa Clara* in the *Tax* field, then **Tab** again to advance to the *Memo* field.

The Sales Tax item shown in the *Tax* field determines the rate of tax to be charged on all *Taxable* items shown on the form. Each line in the body of the Invoice is marked with a Sales Tax Code that determines the taxability or non-taxability of the item on that line (see Figure 2-16).

The screenshot shows the 'Enter Sales Receipts' window in QuickBooks. The customer is 'Perez, Jerry', the class is 'San Jose', and the template is 'Custom Sales ...'. The date is 01/27/2019, and the sale number is 2019-1. The sold-to name is 'Perez, Jerry'. The payment method is 'CHECK', and the check number is 3459. The receipt table has two line items:

ITEM	DESCRIPTION	TAX	QTY	RATE	AMOUNT
Outdoor Photo Session	Outdoor Photo Session	SRV	3	95.00	285.00
Premium Photo Package	Premium Package of Photography from Session	Tax	2	85.00	170.00

The tax is 'Santa Clara' at 8.25%, resulting in a tax amount of 14.03. The total amount is 469.03. The customer message is 'Thank you for your business.' The memo field contains 'Outdoor Session, 2 Pre...'. The customer tax code is 'Tax'.

Figure 2-16 Completed Sales Receipt

Step 22. Enter **Outdoor Session, 2 Premium Packages** in the Memo field.

Step 23. Click **Save & Close** to record the sale.

QuickBooks does not record any of the information on any form until you save the transaction by clicking *Save*, *Save & Close*, *Save & New*, *Previous*, or *Next*.

Note:

If you prefer to use your keyboard over the mouse, you can use the *Alt* key in combination with other keys to execute commands. QuickBooks will tell you which key can be used in connection with the *Alt* key by underlining the letter in the command. For example, in the Sales Receipt window, the *S* is underlined on the *Save & New* button. You can save the receipt and move to a new Sales Receipt window by pressing the **Alt** key with the **S**.

Step 24. QuickBooks displays the *Information Changed* dialog box (see Figure 2-17). This dialog box appears because you added the *Class* and *Tax Item* fields after creating the Customer using *Quick Add*. Click the **Yes** button.

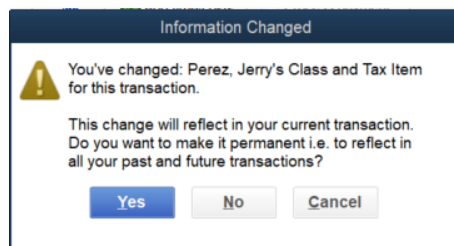


Figure 2-17 Information Changed dialog box

Undeposited Funds

The **Undeposited Funds** account is a special account that is automatically created by QuickBooks. The account works as a temporary holding account where QuickBooks tracks monies received from customers before the money is deposited in a bank account.

As illustrated in Figure 2-18, as you record Payments and Sales Receipts, QuickBooks gives you a choice between (Option 1) grouping all receipts into the **Undeposited Funds** account or (Option 2) immediately depositing the funds to one of your bank accounts.

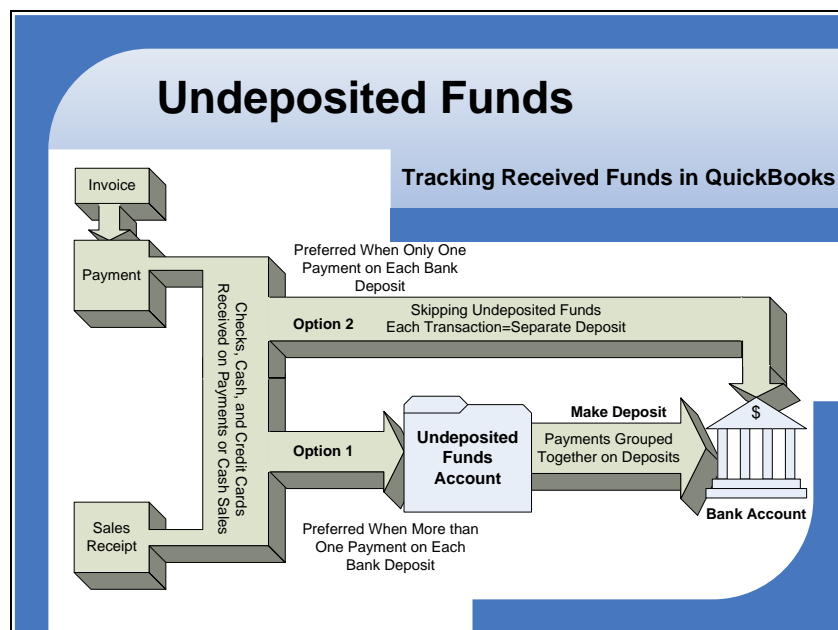


Figure 2-18 All funds from sales transactions go through **Undeposited Funds** or directly to a bank account.

There is a tradeoff here. When you use the **Undeposited Funds** account, you have to create a separate transaction (an additional step) to actually deposit money into a bank account. At first that might seem like extra work. However, when you skip the **Undeposited Funds** account, each sales transaction creates a separate deposit in your bank account.

Since it is most common to have multiple sales transactions per bank deposit, QuickBooks has a default preference setting that makes all Payments and Sales Receipts affect the balance in the **Undeposited Funds** account. Then when you actually make a deposit at the bank, you record a single deposit transaction in QuickBooks that empties the **Undeposited Funds** account into the bank account. This method makes it much easier to reconcile the bank account at the end of each month because the deposits on the bank statement will match the deposits in your QuickBooks bank account. Unless you only make one sale each day and your deposits include only the funds from that single sale, you will want to keep this default preference.

COMPUTER PRACTICE

You can modify the **Undeposited Funds** preference by following these steps:

- Step 1. Select the *Edit* menu and then select **Preferences**.
- Step 2. Select **Payments** on the left side of the *Preferences* window.
- Step 3. In the **Company Preferences** tab, the box next to **Use Undeposited Funds as a default deposit to account** is checked (see Figure 2-19).

Note:

Entering the spacebar on the keyboard when a checkbox is selected will either check or uncheck that checkbox.

- Step 4. If you prefer to deposit payments individually, uncheck the box next to **Use Undeposited Funds as a default deposit to account**. You will then have the option to select an account to deposit to in the *Sales Receipt* and *Receive Payment* windows.
- Step 5. Click **Cancel** to leave default setting for the use of **Undeposited Funds**.

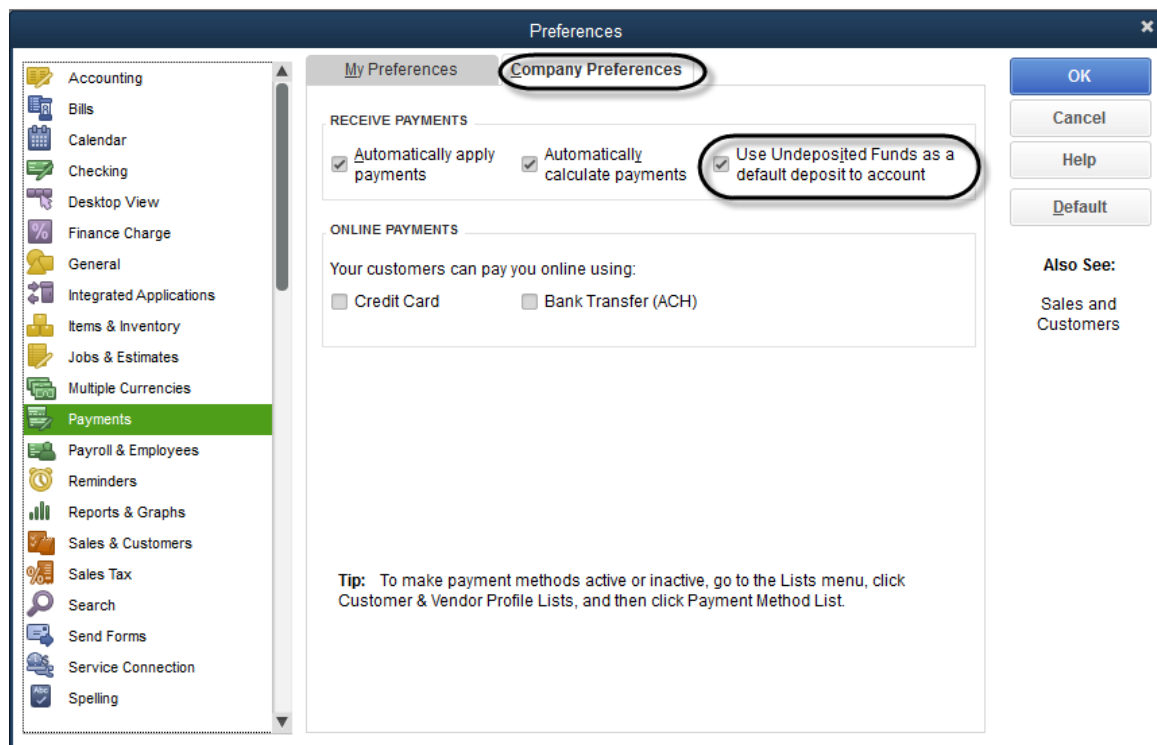


Figure 2-19 Preference for Payments to go to **Undeposited Funds** or another account

When this preference is off (see Figure 2-20), QuickBooks displays the **Deposit To** field on the **Receive Payments** and **Enter Sales Receipt** windows (see Figure 2-21).

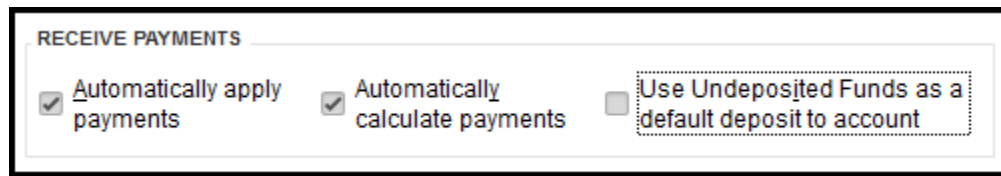


Figure 2-20 Setting for **Undeposited Funds** on Company Preferences for Payments

You must choose a destination account for the transaction from the *Deposit to* drop-down list.

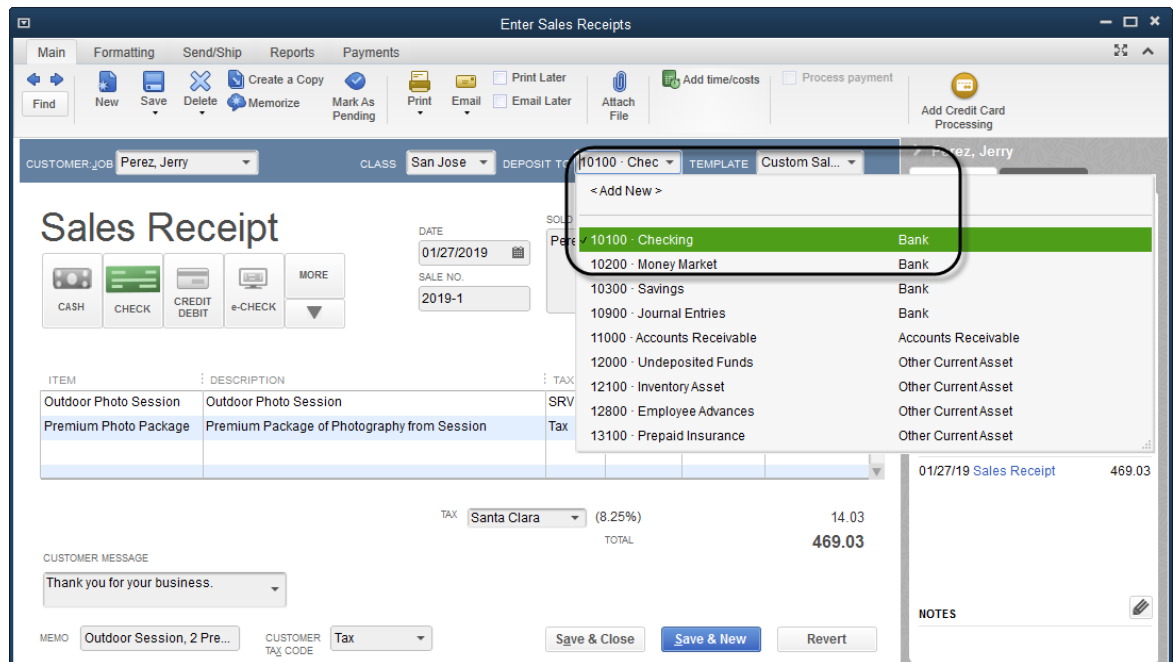


Figure 2-21 The **Deposit To** field shows on Sales Receipts when the **Undeposited Funds** preference is off.

Creating Invoices

Invoices are very similar to **Sales Receipts**. The only difference is that **Invoices** increase **Accounts Receivable** while **Sales Receipts** increase **Undeposited Funds** (or the specified bank account). You should use **Invoices** to record sales to your credit customers.

COMPUTER PRACTICE

To create an Invoice, follow these steps:

- Step 1. From the *Customer Center* select **Mason, Bob** from the *Customers & Jobs* list. Then select **Invoices** from the *New Transactions* drop-down list.

Alternatively, click the **Create Invoices** icon on the *Home page* and select **Mason, Bob** from the *Customer:Job* drop-down list. Press **Tab** (see Figure 2-22).

The screenshot shows the 'Create Invoices' window in QuickBooks. The 'CUSTOMER:JOB' field is set to 'Mason, Bob'. The 'DATE' is 01/27/2019, 'INVOICE #' is 2019-106, and 'SHIP TO' is 'Ship To 1'. The 'History Pane' is visible, showing a list of transactions. A 'Hide Button' (a right-facing triangle) is located at the top left of the History Pane. A callout box labeled 'Two Invoices' points to the list of transactions in the History Pane.

Figure 2-22 Invoice after Customer:Job field selected, before remaining data entered.

Did You Know?

When you type the first few characters of any field that has a list behind it, QuickBooks completes the field using a feature called *QuickFill*. QuickFill uses the first few characters you type to find the name in the list. If the name does not come up right away, keep typing until the correct name appears.

- Step 2. Notice that Bob Mason has two open invoices listed in the *History Pane*.
- The *History Pane* displays recent transactions and notes about a customer or a transaction on *Invoices* and *Sales Receipts*.
- Step 3. Click the **Hide** button to hide the *History Pane*. The Hide button is a right facing triangle on the top left edge of the *History Pane* (see Figure 2-22).
- Step 4. Click in the **Class** field. Enter an **s** in the *Class* field. QuickBooks will QuickFill the field with the full name *San Jose*. Then press **Tab**.
- Step 5. In the *Template* field, select **Academy Photo Service Invoice**. Press **Tab**.
- Step 6. Enter **1/28/2019** in the *Date* field and then press **Tab**.
- Step 7. Leave **2019-106** in the *Invoice #* field and then press **Tab**.

The first time you enter an Invoice, enter any number you want in the *Invoice #* field. QuickBooks will automatically number future Invoices incrementally. You can change or reset the numbering at any time by overriding the number on a future Invoice.

- Step 8. Press **Tab** to accept the default information in the *Bill To* field.

QuickBooks automatically enters the address in this field, using the information in the *Invoice/Bill To* field of the customer record. If necessary, change the *Bill To* address by typing over the existing data.

- Step 9. Leave the *P.O. Number* field blank and then press **Tab**.

The P.O. (purchase order) number helps the customer identify your Invoice. When your customers use purchase orders, make sure you enter their P.O. numbers on Invoices you create for them.

Warning:

Make sure you enter the P.O. number if your customer uses purchase orders. Some customers may reject Invoices that do not reference a P.O. number.

- Step 10. In the *Terms* field, *2% 10 Net 30* is already selected. Press **Tab** to proceed to the next field.

The *Terms* field on the *Invoice* indicates the due date for the *Invoice* and how long your customer can take to pay you. The entry in this field determines how this Invoice is reported on Customers & Receivables reports such as the *A/R Aging Summary* and the *Collections Report*. To learn more about the *Terms List*, and how to set up terms, see page 217.

- Step 11. Enter the sale of **1 Hour** for an **Indoor Photo Session** and **1 Standard Photo Package** into the body of the *Invoice* as shown in Figure 2-23.

- Step 12. Select **Thank you for your business** from the *Customer Message* drop-down list and then press **Tab**.

- Step 13. **Santa Clara** in the *Tax* field is already selected. Press **Tab**.

As with Sales Receipts, QuickBooks selects the *Sales Tax Item* based on the defaults in *Sales Tax Preferences* or in the Customer's record.

- Step 14. Enter **1 Hr Indoor Session, 1 Standard Package** in the *Memo* field at the bottom of the form.

Tip:

If you intend to send statements to your customers, the *Memo* field is extremely important. QuickBooks allows you to show line item detail from your customer's Invoices. However, if you want your statements to be more concise, you can choose not to show the line item detail and show the text from the *Memo* field instead. The text from the *Memo* field will show along with the information in the *Invoice #*, and *Date* fields. The customer's statement will also show a three-letter code "INV" representing the Invoice transaction. Therefore, it is best to include information about the products or services you sold to the customer in the *Memo* field.

- Step 15. Compare your screen with the Invoice shown in Figure 2-23. If you see any errors, correct them. Otherwise, click **Save & Close** to record the Invoice.

Create Invoices

Main Formatting Send/Ship Reports

Find New Save Delete Create a Copy Memorize Mark As Pending Print Email Print Later Email Later Attach File Add Time/Costs Apply Credits Receive Payments Create a Batch Refund/Credit

CUSTOMER_JOB: Mason, Bob CLASS: San Jose TEMPLATE: Academy Photo...

Invoice

DATE: 01/28/2019 INVOICE #: 2019-106

BILL TO: Bob Mason, 376 Pine St, #5E, Morgan Hill, CA 95111

P.O. NO.: TERMS: 2% 10 Net 30

ITEM	QUANTITY	DESCRIPTION	RATE	AMOUNT	CLASS	TAX
Indoor Photo Ses...	1	Indoor Studio Session	95.00	95.00	San Jose	SRV
Standard Photo P...	1	Standard Package of Photography from Session	55.00	55.00	San Jose	Tax

TAX: Santa Clara (8.25%) 4.54

TOTAL: 154.54

PAYMENTS APPLIED: 0.00

BALANCE DUE: 154.54

CUSTOMER MESSAGE: Thank you for your business.

MEMO: 1 Hr Indoor Session, 1 St...

CUSTOMER TAX CODE: Tax

Buttons: Save & Close, Save & New, Revert

Figure 2-23 Completed Invoice

QuickBooks automatically tracks all of the accounting details behind this transaction so that all of your reports will immediately reflect the sale. For example, the Open Invoices report, the Profit & Loss Standard report, and the Balance Sheet Standard report will all change when you record this Invoice.

Adding Calculating Items to an Invoice

On the next Invoice, you'll learn how to include discounts and subtotals on an **Invoice**. Discounts and subtotals are called *Calculating Items*.

Key Term:

Calculating Items use the amount of the preceding line to calculate their amount. For example, if you enter 10% in the Discount item setup window and then enter the Discount item on an Invoice, QuickBooks will multiply the line just above the Discount item by 10% and enter that number, as a negative, in the **Amount** column for the discount line.

COMPUTER PRACTICE

To create an Invoice with a calculating item, follow these steps:

- Step 1. From the *Customer Center* select the **Wilson, Sarah and Michael** job for Anderson Wedding Planners from the *Customers & Jobs* list.
- Step 2. Select **Invoices** from the *New Transactions* drop-down list; or, press Ctrl+ I.
- Step 3. The *Wilson, Sarah and Michael* job for *Anderson Wedding Planners* is already selected. Press **Tab**.
- Step 4. Enter **San Jose** in the *Class* field and then press **Tab**.
- Step 5. The *Academy Photo Service Invoice* template in the *Template* drop-down list is already selected. Press **Tab**.

- Step 6. **1/28/2019** is already entered in the *Date* field. Press **Tab**.
- Step 7. Notice the *Invoice #* is automatically entered for you with the next Invoice number (i.e., **2019-107**). Press **Tab** to skip to the next field.
- Step 8. Press **Tab** to skip the *Bill To* field.
- Step 9. Press **Tab** twice to skip the *P.O. No.* and the *Terms* fields.
- Step 10. Enter the two items shown in Table 2-3 in the body of the **Invoice**.

Item	Description	Qty	Rate	Amount
Camera SR32	Supra Digital Camera SR32	3	695.99	2,087.97
Lens	Supra Zoom Lens	1	324.99	324.99

Table 2-3 Data for use in the Invoice

- Step 11. On the third line of the body of the Invoice, in the **Item** column, enter **Subtotal** to sum the previous two item lines, and press **Tab** twice.

Notice that QuickBooks automatically calculates the sum of the first two lines on the Invoice.

- Step 12. Enter **Disc 10%** in the **Item** column and press **Tab**.

The **Disc 10%** Item is a special Calculating Item that calculates a percentage of the preceding line on sales forms. Since it is a **Discount Item**, QuickBooks performs the calculation and enters a negative amount for your discount. This subtracts the discount from the total of the Invoice and adjusts sales tax accordingly.

The screenshot shows the 'Create Invoices' window in QuickBooks. The customer is 'Anderson Wedding Plann' and the invoice number is '2019-107'. The date is '01/28/2019'. The invoice includes two items: 'Camera SR32' (3 units at 695.99 each) and 'Lens' (1 unit at 324.99 each). The subtotal is 2,412.96. A 10% discount is applied, resulting in a total of 2,350.82. The tax is 179.16. The window also shows a toolbar with various actions like 'Find', 'New', 'Save', 'Delete', 'Create a Copy', 'Print', 'Email', 'Attach File', 'Add Time/Costs', 'Apply Credits', 'Receive Payments', 'Create a Batch', and 'Refund/Credit'.

ITEM	QUANTITY	DESCRIPTION	RATE	AMOUNT	CLASS	TAX
Camera SR32	3	Supra Digital Camera SR32	695.99	2,087.97	San Jose	Tax
Lens	1	Supra Zoom Lens	324.99	324.99	San Jose	Tax
Subtotal		Subtotal		2,412.96		
Disc 10%		10 % Discount	-10.0%	-241.30	San Jose	Tax

TOTAL: 2,350.82
TAX: 179.16
BALANCE DUE: 2,350.82

Figure 2-24 Completed Invoice with discount

Did You Know?

Shortcuts can help you save time when entering items on forms. You can copy, paste, insert or delete lines on an Invoice (or any other form). To copy a line, put your cursor in the line you wish to copy and press **Ctrl+Alt+Y** (or select the **Edit** menu, and then select **Copy Line**). To Paste, put your cursor in the line you wish to paste and press **Ctrl+Alt+V** (or select the **Edit** menu, and then select **Paste Line**). To insert a line between two existing lines, click on the line that you want to move down and press **Ctrl+Insert** (or select the **Edit** menu, and then select **Insert Line**). To delete a line, click on the line you want to delete and press **Ctrl+Delete** (or select the **Edit** menu, and then select **Delete Line**).

- Step 13. Leave the *Customer Message* field blank.
- Step 14. Leave **Santa Clara** in the *Tax* field. Also leave **Tax** in the *Customer Tax Code* field.
- Step 15. Enter **3 Cameras, Lens** in the *Memo* field.
- Step 16. Verify that your screen matches Figure 2-24. To save the Invoice, click **Save** in the *Main* tab at the top of the *Invoice*. Leave this window open for the next Computer Exercise.



Figure 2-25 Recording Transaction window warns you about the customer's credit limit

- Step 17. If you see the *Recording Transaction* warning about Anderson Wedding Planners exceeding their credit limit (Figure 2-25), click **Yes**.

Open Invoices Report

Now that you've entered Invoices for your customers, QuickBooks' reports reflect the Invoices that are "open" and the "age" of each Invoice. The Open Invoices report is shown in Figure 2-27.

COMPUTER PRACTICE

- Step 1. Select the **Reports** tab at the top of the invoice, and click on **View Open Invoices** icon, as shown in Figure 2-26. Or, alternatively, select the **Reports** menu, select **Customers & Receivables**, and then select **Open Invoices**.
- Step 2. Set the *Dates* field at the top of the report to **1/31/2019** and then press **Tab**.
- Step 3. Verify that your Open Invoices report matches Figure 2-27.
- Step 4. Close the report by clicking the X in the upper right corner of the window.

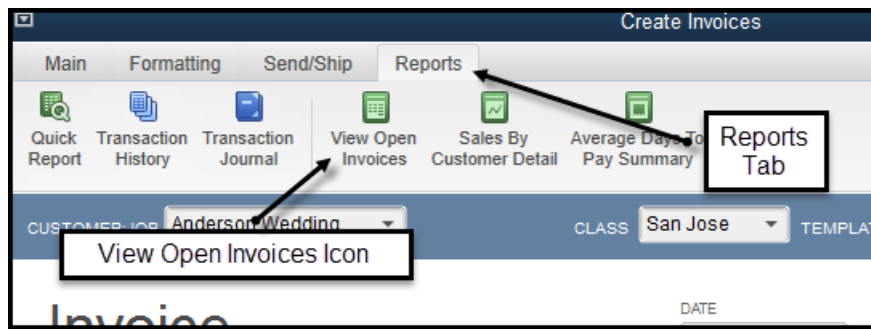


Figure 2-26 View Reports Tab

Type	Date	Num	P. O. #	Terms	Due Date	Class	Aging	Open Balance
Anderson Wedding Planners								
Invoice	12/21/2018	4003		Net 30	01/20/2019	San Jose	11	249.54
Total Kumar, Sati and Naveen								249.54
Wilson, Sarah and Michael								
Invoice	01/28/2019	2019...		Net 30	02/27/2019	San Jose		2,350.82
Total Wilson, Sarah and Michael								2,350.82
Total Anderson Wedding Planners								2,600.36
Cruz, Maria								
Branch Opening								
Invoice	01/05/2019	2019...		2% 10 N...	02/04/2019	Walnut C...		570.00
Invoice	01/06/2019	2019...		2% 10 N...	02/05/2019	Walnut C...		500.00
Invoice	01/13/2019	2019...		2% 10 N...	02/12/2019	Walnut C...		880.00
Total Branch Opening								1,950.00
Total Cruz, Maria								1,950.00
Mason, Bob								
Invoice	12/18/2018	3947		Net 30	01/17/2019	San Jose	14	401.39
Invoice	01/09/2019	2019...		Net 30	02/08/2019	San Jose		776.47
Invoice	01/28/2019	2019...		2% 10 N...	02/27/2019	San Jose		154.54
Total Mason, Bob								1,332.40
Miranda's Corner								
Invoice	01/08/2019	2019...		Net 30	02/07/2019	Walnut C...		1,191.80
Total Miranda's Corner								1,191.80
TOTAL								7,074.56

Figure 2-27 Open Invoices report

- Step 5. If you see a Memorize Report dialog box, click the No button (see Figure 2-28).
- Step 6. Click Save & Close to close the Invoice.
- Step 7. Close the *Customer Center*.

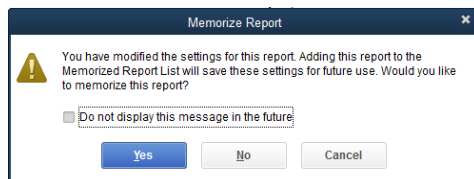


Figure 2-28 Memorize Reports window

Did You Know?

You can adjust the width of any column on the report by dragging the three small dots at the right of the column title to the left (narrowing the columns) or to the right (widening the columns).

Receiving Payments from Customers

Receiving Payments by Check

To record payments received from your customers and apply the payments to specific Invoices, follow these steps:

COMPUTER PRACTICE

- Step 1. Click **Receive Payments** on the *Home* page.
- Step 2. Select **Mason, Bob** in the *Received From* field of the *Receive Payments* window (see Figure 2-29). Once a customer is selected, the *Customer Payment* window shows the open Invoices for that specific customer. This section shows the dates of the Invoices, along with the Invoice number, original amount, the last date for the prompt payment discount, and the amount due.

DATE	NUMBER	ORIG. AMT.	DISC. DATE	AMT. DUE	PAYMENT
12/18/2018	3947	401.39		401.39	0.00
01/09/2019	2019-104	776.47		776.47	0.00
01/28/2019	2019-106	154.54	02/07/2019	154.54	0.00
Totals		1,332.40		1,332.40	0.00

Figure 2-29 Receive Payments window

- Step 3. Enter 401.39 in the *Payment Amount* field and then press **Tab**.
- Step 4. Enter **1/28/2019** in the *Date* field and then press **Tab** (see Figure 2-30).
- Step 5. Select **Check** as *Pmt. Method* and then press **Tab**.
- Step 6. Enter **5256** in the *Check #* field and then press **Tab**.
- Step 7. Confirm that **Invoice #3947** is already checked.

Note:

When One Payment Applies to More than One Invoice

You can apply one check from a customer to multiple Invoices. When you receive payments, you can override the amounts in the **Payment** column to apply the payment to Invoices in whatever combination is necessary.

When You Don't Want to Apply the Entire Amount of the Payment

If you don't want to apply the entire amount of the customer's check to the Invoice, reduce the amount in the **Payment** column. You can apply the remaining balance of the customer's check to additional Invoices. If you do not, QuickBooks will give you a choice to either hold the remaining balance as a credit for the customer or refund the amount to the customer.

Customer Payment CUSTOMER BALANCE 1,332.40

RECEIVED FROM: Mason, Bob

PAYMENT AMOUNT: 401.39

DATE: 01/28/2019

CHECK #: 5256

Where does this payment go?

DATE	NUMBER	ORIG. AMT.	DISC. DATE	AMT. DUE	PAYMENT
12/18/2018	3947	401.39		401.39	401.39
01/09/2019	2019-104	776.47		776.47	0.00
01/28/2019	2019-106	154.54	02/07/2019	154.54	0.00
Totals		1,332.40		1,332.40	401.39

AMOUNTS FOR SELECTED INVOICES

AMOUNT DUE	401.39
APPLIED	401.39
DISCOUNT AND CREDITS APPLIED	0.00

MEMO: Payment Received - Invoice #3947

Buttons: Save & Close, Save & New, Clear

Figure 2-30 Completed Receive Payments window

Step 8. Verify that the **Amount Due** and **Payment** columns for the selected invoice both show **\$401.39**.

The checkmark to the left of the **Date** column indicates the Invoice to which QuickBooks will apply the payment. QuickBooks automatically selected this Invoice because the amount of the customer's check is the same as the unpaid amount of the Invoice (see page 55). If applicable, you can deselect the Invoice by clicking on the checkmark. You can then select another Invoice from the list.

Step 9. Enter **Payment Received - Invoice #3947** in the *Memo* field and then press **Tab**.

When entering a memo, type **Payment Received** followed by the Invoice number. Memos do not affect the application of payments to specific Invoices, but they are helpful in two very important ways. First, if you send your customers statements, only the information in the *Check #*, *Date*, and *Memo* fields will show on statements, along with a three-letter code (PMT), representing the Payment transaction. Also, if you ever have to go back to the transaction and verify that you've applied the payment to the correct Invoice(s), you'll be able to look at the *Memo* field to see the Invoice(s) to which you *should* have applied the payments.

Step 10. Verify that your screen matches Figure 2-30. If you see errors, correct them.

Step 11. Click **Save & Close** to record the Payment transaction.

Handling Partial Payments

In the last example, Bob Mason paid Invoice #3947 in full. However, if a customer pays only a portion of an Invoice, you should record the payment just as you did in the last example except that the amount would be less than the full amount due on any of the open Invoices. Apply the payment to the appropriate Invoice. QuickBooks will give the option to either leave the Invoice open or write off the unpaid amount. By clicking the *View Customer Contact Information* button, QuickBooks displays the *Edit Customer* window that allows you to see the customer's contact information. This is helpful if you need to contact the customer to ask a question about the partial payment (see Figure 2-31).

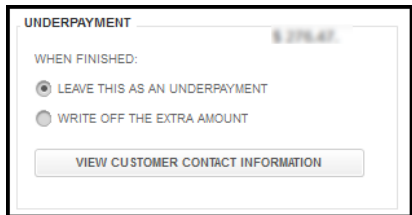


Figure 2-31 Partial Payment of Invoice

If you chose to leave the underpayment, the next time you use the **Receive Payments** function for that customer, the Invoice will show the remaining amount due. You can record additional payments to the Invoice in the same way as before.

Receiving Payments by Credit Card

The next example shows that Maria Cruz paid off the amount owing on the Branch Opening job. Maria Cruz used a credit card to pay her invoices, so this example shows how to receive credit card payments.

COMPUTER PRACTICE

- Step 1. From the *Customer Center* select the **Cruz, Maria:Branch Opening** job from the *Customers & Jobs* list. Select **Receive Payments** from the *New Transactions* drop-down list.
- Step 2. Enter data into the *Amount*, and *Date* fields as shown in Figure 2-33.
- Step 3. Select the **Credit Debit** button as payment method. The *Enter Card Information* window opens (see Figure 2-32).
- Step 4. Enter **Visa** in the *Payment* field.
- Step 5. Enter **1234-1234-1234-1234** in the *Card Number* field. QuickBooks shows the credit card number with some x's for security purposes.
- Step 6. Enter **10/2020** as *Exp Date* as shown in (See Figure 2-32). Click **Done** when finished.

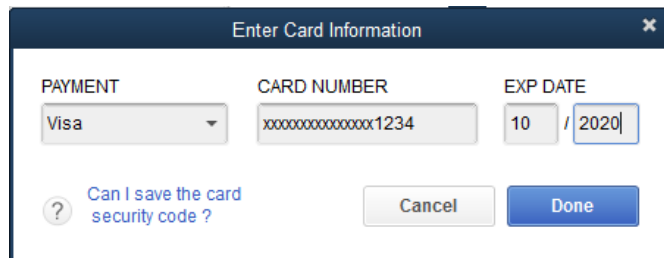


Figure 2-32 Credit Card Information

- Step 7. Leave the *Reference#* field blank. Press **Tab**.
- Step 8. Enter **Payment Received - 3 Invoices** in the *Memo* field.
- Step 9. Verify that your screen matches Figure 2-33 and click **Save & Close**. If the Merchant Account Service Message appears, click the **Not Now** button.

Customer Payment CUSTOMER BALANCE 1,950.00

RECEIVED FROM: Cruz, Maria Branch O...
 PAYMENT AMOUNT: 1,950.00
 DATE: 01/29/2019
 REFERENCE #:
 Where does this payment go?

✓	DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
✓	01/05/2019	2019-101	570.00	570.00	570.00
✓	01/06/2019	2019-102	500.00	500.00	500.00
✓	01/13/2019	2019-105	880.00	880.00	880.00
Totals			1,950.00	1,950.00	1,950.00

AMOUNTS FOR SELECTED INVOICES
 AMOUNT DUE: 1,950.00
 APPLIED: 1,950.00
 DISCOUNT AND CREDITS APPLIED: 0.00

MEMO: Payment Received - 3 Invoices
 Save & Close Save & New Revert

Figure 2-33 Customer Payment by Credit Card

Note:

If you want to keep a record of the customer's credit card information, including card number, expiration date, billing address and billing zip code, enter credit card information into the *Payment Settings* tab of the Customer or Job record before you process the payment through the Receive Payments window. When you enter the customer or job name, QuickBooks will enter the credit card information automatically.

Where Do the Payments Go?

Recall the earlier discussion about **Undeposited Funds** beginning on page 43. Unless you turned off "Use **Undeposited Funds** as a default deposit to account" preference, QuickBooks does not increase your bank balance when you receive payments. Instead, when you record a payment transaction as shown above, QuickBooks reduces the balance in **Accounts Receivable** and increases the balance in **Undeposited Funds**. In order to have your payments show up in your bank account (and reduce **Undeposited Funds**), you must **Make Deposits**. See the section called *Making Bank Deposits* beginning on page 60.

The accounting behind the scenes:

Payments increase (debit) **Undeposited Funds** (or a bank/other current asset account) and decrease (credit) **Accounts Receivable**.

Preferences for Applying Payments

As soon as you enter the customer name at the top of the *Receive Payments* window and press **Tab**, QuickBooks displays all of the open Invoices for that customer in the lower section of the window. See Figure 2-34.

✓	DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
✓	01/05/2019	2019-101		570.00	570.00
	01/06/2019	2019-102		500.00	500.00
	01/13/2019	2019-105		880.00	880.00
Totals			1,950.00	1,950.00	570.00

Figure 2-34 Payment automatically applied to the oldest Invoice

Then, when you enter the payment amount, QuickBooks looks at all of the open Invoices for that customer. If it finds an amount due on an open Invoice that is the exact amount of the payment, it matches the payment with that Invoice. If there is no such match, it applies the payment to the *oldest* Invoice first and continues applying to the next oldest until the payment is completely applied. If this auto application of payments results in a partially paid Invoice, QuickBooks holds the balance on that Invoice open for the unpaid amount. This is a feature called *Automatically Apply Payments*.

If you select an *Invoice* in the *Receive Payments* form before entering an *Amount*, QuickBooks calculates the sum of the selected Invoice(s) and enters that sum into the *Payment Amount* field. This feature is called *Automatically Calculate Payments*.

COMPUTER PRACTICE

To modify the Automatically Apply Payments and Automatically Calculate Payments settings, change the Company Preferences for Payments.

Follow these steps:

- Step 1. Select the *Edit* menu and then select **Preferences**.
- Step 2. Select the **Payments** icon from the preference category in the list on the left. Then click the **Company Preferences** tab (see Figure 2-35).
- Step 3. Check or uncheck the *Automatically apply payments* box to change it. For now, leave it checked.

With this feature disabled, in the Receive Payments window you will have to click Auto Apply Payment for each payment you process, or you will have to manually apply payments to Invoices by clicking in the column to the left of the Invoice and modifying the amount in the Payment column as necessary.

- Step 4. You can change the *Automatically calculate payments* box by checking or unchecking it. For now, leave it checked.

When this preference is on, QuickBooks will automatically calculate the payment received from the customer in the Amount field of the Receive Payments window as you select the Invoices. When this preference is off, QuickBooks does not automatically calculate payments.

- Step 5. Click OK.

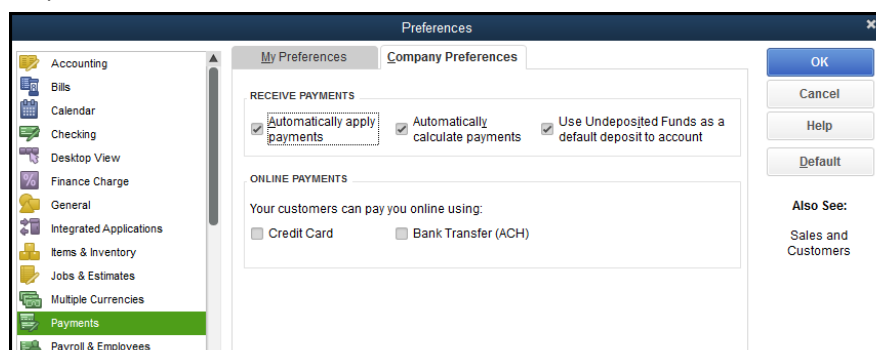


Figure 2-35 Payments Company Preferences

Recording Customer Discounts

What if your customer takes advantage of the discount you offer on your Invoice? In the next example, the payment you receive is less than the face amount of the Invoice because the customer took advantage of the 2% 10 Net 30 discount terms that Academy Photography offers.

COMPUTER PRACTICE

Follow these steps to record a payment on which the customer took a discount:

- Step 1. From the *Customer Center* select **Mason, Bob** from the *Customers & Jobs* list. Then select **Receive Payments** from the *New Transactions* drop-down list.
- Step 2. Enter all the customer payment information as shown in Figure 2-36. The customer is paying for Invoice #2019-106 after taking the discount allowed by the terms.

Figure 2-36 Top portion of the Receive Payments window

- Step 3. The bottom portion of the *Receive Payments* window (see Figure 2-37) displays the open Invoices for this customer. If the customer is eligible for discounts, a message will appear as shown just below the open Invoices. The **Disc. Date** column shows the date through which the customer is eligible to take a discount.

If the amount paid is not an exact match with any Invoice balance, QuickBooks will automatically apply the payment to the oldest Invoices. Here, Invoice #2019-104 is automatically selected since the amount \$151.45 does not match any open invoices. The underpayment is also displayed. We'll fix this in the next step.

DATE	NUMBER	ORIG. AMT.	DISC. DATE	AMT. DUE	PAYMENT
01/09/2019	2019-104	776.47		776.47	151.45
01/28/2019	2019-106	154.54	02/07/2019	154.54	0.00
Totals		931.01		931.01	151.45

UNDERPAYMENT \$ 625.02.

WHEN FINISHED:

☒ LEAVE THIS AS AN UNDERPAYMENT

☐ WRITE OFF THE EXTRA AMOUNT

VIEW CUSTOMER CONTACT INFORMATION

DISCOUNT MESSAGE: THIS CUSTOMER HAS DISCOUNTS AVAILABLE. TO APPLY DISCOUNTS CLICK DISCOUNT_CREDITS...

APPLIED: 776.47

DISCOUNT AND CREDITS APPLIED: 151.45

0.00

Save & Close Save & New Clear

Figure 2-37 Bottom portion shows discount and credit information box, Invoice selected and Underpayment

Note:

In the *Receive Payments* window the Underpayment amount is displayed with options to **Leave this as an underpayment** or **Write off the extra amount**. These options are displayed when the payment is less than the amount due on the selected Invoices. Similarly, Overpayment amounts are displayed with options to **Leave the credit to be used later** or **Refund the amount to the customer** when the payment is more than the amount due on the selected Invoices.

Tip:

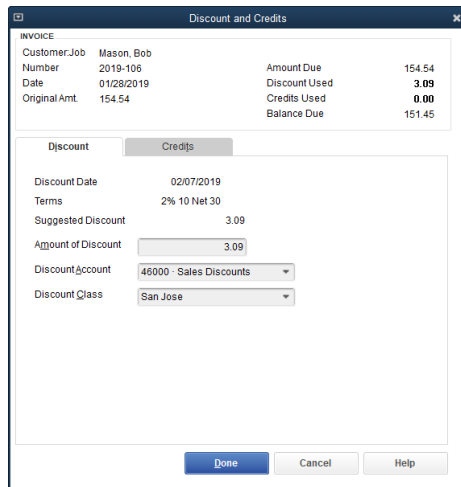
If the payment amount doesn't add up exactly to the discounted amount, you'll need to make a choice. If the payment is too high, you could reduce the amount of the discount by lowering the amount in the *Discounts and Credits* window. If the payment is too low, you could raise the amount in the *Discounts and Credits* window. If the payment amount is significantly different, you can apply the amount of the payment and then send a Statement to the customer showing the balance due (if the payment is too low) or send a refund to the customer (if the payment is too high).

- Step 4. Click in the column to the left of Invoice **#2019-104** to uncheck it and then click to check Invoice **#2019-106** (see Figure 2-38). This moves the payment so that it now applies to Invoice #2019-106. Make sure to uncheck #2019-104 before checking #2019-106, or you will see a Warning message.

DATE	NUMBER	ORIG. AMT.	DISC. DATE	AMT. DUE	PAYMENT
01/09/2019	2019-104	776.47		776.47	0.00
01/28/2019	2019-106	154.54	02/07/2019	154.54	151.45
Totals		931.01		931.01	151.45

Figure 2-38 Payment is now applied to the correct Invoice

- Step 5. Since the customer took advantage of the 2% 10 Net 30 terms that Academy Photography offered him, you'll need to reduce the amount due by 2%. To apply the discount to this Invoice, click **Discount and Credits** button at the top of the *Receive Payments* window.
- Step 6. QuickBooks calculates and enters a suggested discount based on the terms on the customer's Invoice as shown in Figure 2-39. You can override this amount if necessary. Press **Tab**.



Discount and Credits

INVOICE

Customer/Job	Mason, Bob	Amount Due	154.54
Number	2019-106	Discount Used	3.09
Date	01/28/2019	Credits Used	0.00
Original Amt.	154.54	Balance Due	151.45

Discount | Credits

Discount Date: 02/07/2019
Terms: 2% 10 Net 30
Suggested Discount: 3.09
Amount of Discount: 3.09
Discount Account: 46000 - Sales Discounts
Discount Class: San Jose

Done Cancel Help

Figure 2-39 Discounts and Credits window

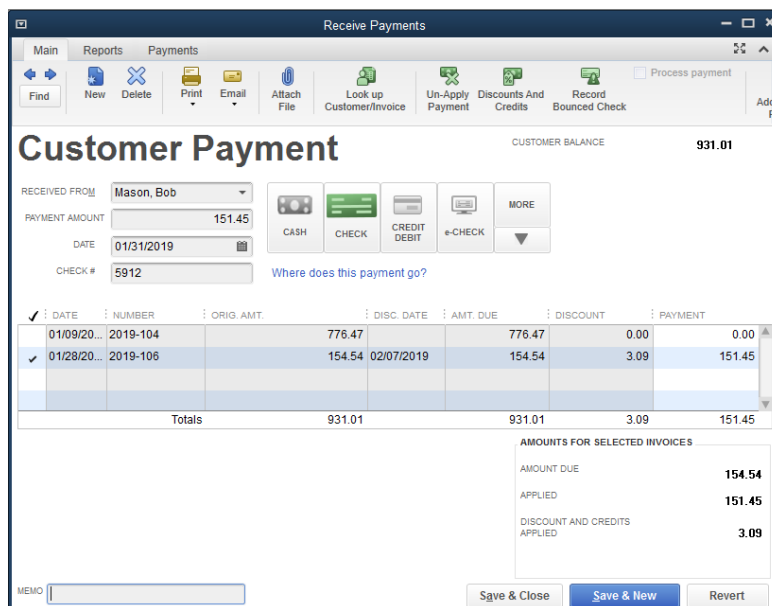
Step 7. Select **46000 Sales Discounts** in the *Discount Account* field. Press **Tab**.

The *Discount Account* field is where you assign an account that tracks the discounts you give to your customers.

Step 8. Enter **San Jose** in the *Discount Class* field and then click **Done**.

Since Academy Photography uses class tracking, you will need to enter the appropriate class in this field. If you do not classify this transaction, QuickBooks will display the amount in an *Unclassified* column on the **Profit & Loss by Class** report. Refer to the Invoice you are discounting to determine the Class. Academy Photography used the **San Jose** Class when recording Invoice 2019-106.

After recording the discount, the *Receive Payments* window reflects Total Discount and Credits Applied at the bottom of the Receive Payments window.



Receive Payments

Main | Reports | Payments

Find | New | Delete | Print | Email | Attach File | Look up Customer/Invoice | Un-Apply Payment | Discounts And Credits | Record Bounced Check | Process payment

Customer Payment CUSTOMER BALANCE 931.01

RECEIVED FROM: Mason, Bob

PAYMENT AMOUNT: 151.45

DATE: 01/31/2019

CHECK #: 5912

Where does this payment go?

✓	DATE	NUMBER	ORIG. AMT.	DISC. DATE	AMT. DUE	DISCOUNT	PAYMENT
	01/09/20...	2019-104	776.47		776.47	0.00	0.00
✓	01/28/20...	2019-106	154.54	02/07/2019	154.54	3.09	151.45
Totals			931.01		931.01	3.09	151.45

AMOUNTS FOR SELECTED INVOICES

AMOUNT DUE	154.54
APPLIED	151.45
DISCOUNT AND CREDITS APPLIED	3.09

MEMO:

Save & Close | Save & New | Revert

Figure 2-40 Receive Payments window after (recording the discount)

Step 9. Verify that your screen matches Figure 2-40.

Step 10. Click **Save & Close** to record the transaction.

Step 11. Close the Customer Center.

Making Bank Deposits

As you record payments from customers using the *Enter Sales Receipts* and *Receive Payments* windows, by default these payments are posted to a special QuickBooks account called **Undeposited Funds**. To deposit these payments into your bank account, you will need to record a *Deposit* transaction. Deposit transactions move money from the **Undeposited Funds** account to the appropriate bank account. As you will see in this section, QuickBooks provides a special window (the *Payments to Deposit* window) to help you identify which payments are included on each deposit.

Since you will probably receive payments from your customers in several different ways (checks, cash, and credit cards), record deposits of each payment type separately. This way, your deposits in QuickBooks will match how your bank posts these transaction. This will make bank reconciliations much easier. Start with the checks and cash, followed by the VISA, MasterCard and Discover receipts and then the American Express receipts.

Depositing Checks and Cash

COMPUTER PRACTICE

To enter a deposit, follow these steps:

Step 1. The Record Deposits Icon on the Home page shows you that you have payments stored in Undeposited Funds. (see Figure 2-41). From the *Home* page select **Record Deposits**.

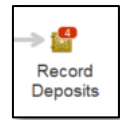
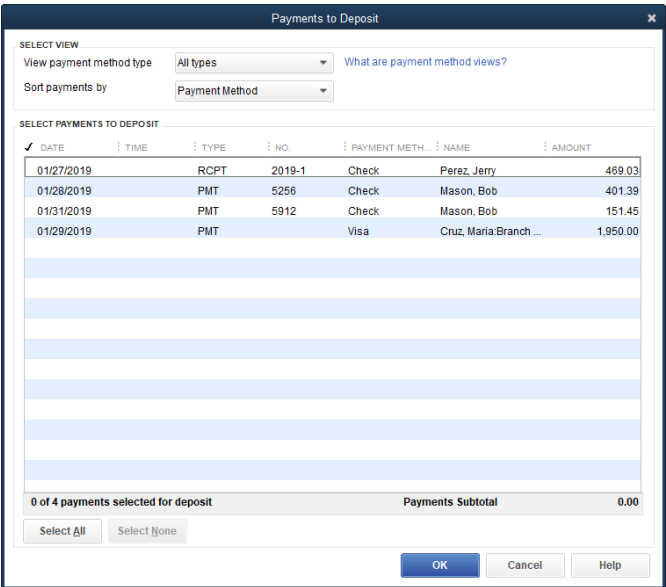


Figure 2-41 Record Deposits Icon on the Home page showing the number of deposits

Step 2. Since you have payments stored in the **Undeposited Funds** account, QuickBooks displays the *Payments to Deposit* window (see Figure 2-42).



✓	DATE	TIME	TYPE	NO.	PAYMENT METH...	NAME	AMOUNT
	01/27/2019		RCPT	2019-1	Check	Perez, Jerry	469.03
	01/28/2019		PMT	5256	Check	Mason, Bob	401.39
	01/31/2019		PMT	5912	Check	Mason, Bob	151.45
	01/29/2019		PMT		Visa	Cruz, Maria Branch ...	1,950.00

0 of 4 payments selected for deposit Payments Subtotal 0.00

Select All Select None OK Cancel Help

Figure 2-42 Select the payments to deposit

Step 3. Select **Cash and Check** from the *View payment method type* drop-down list (see Figure 2-43).

Since the checks and cash you deposit in your bank account will post to your account separately from credit card receipts, it is best to filter the report by payment type and then create a separate deposit for each payment type. Depending on your merchant service, you will probably need to create a single deposit for your VISA, MasterCard and Discover receipts. Most merchant services combine MasterCard, VISA and Discover receipts when they credit your bank account.

Tip:

Since you can filter the *Payments to Deposit* window by only one payment method at a time, using a single *Payment Method* for *Checks* and *Cash* will allow you to filter for both payment methods on this window. Depending on your merchant service, you may want to create a single *Payment Method* for MasterCard, VISA and Discover as well. To edit *Payment Methods* select the *Lists* menu, then select *Customer & Vendor Profile Lists*, and then select *Payment Method List*. Once the *Payment Method List* window opens, select the *Payment Method* and select *Edit Payment Method* from the *Payment Method* menu.

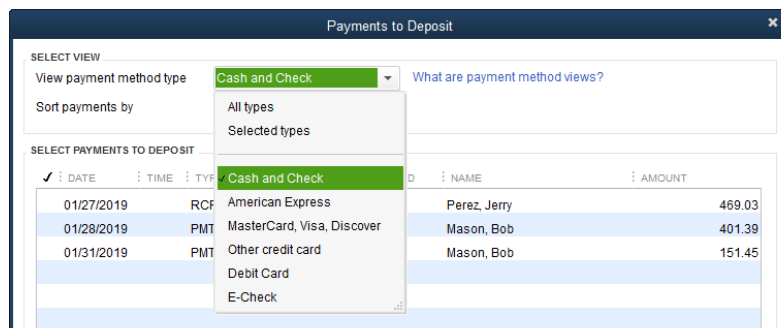


Figure 2-43 Cash and Check payments

- Step 4. The *Payments to Deposit* window now only shows payments received through Cash and Check (see Figure 2-44). Click **Select All** to select all of the cash and check deposits. Click **OK**.
- A checkmark in the column on the left indicates that QuickBooks will include the payment in the deposit.

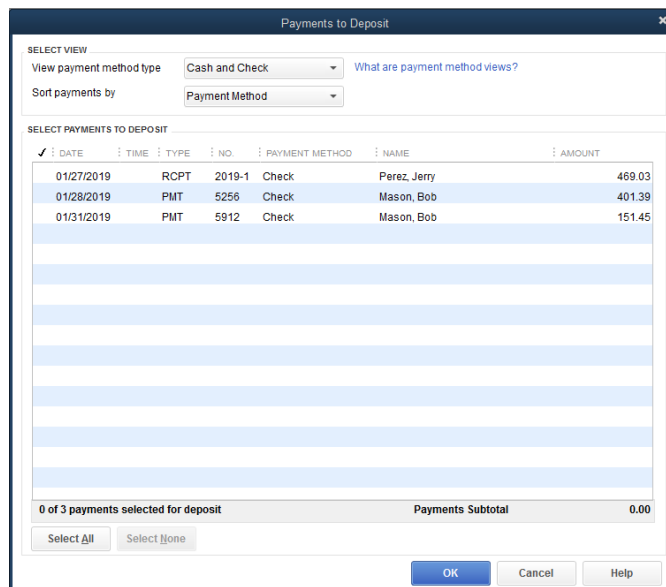


Figure 2-44 Select the payments to deposit

Holding Cash Back from Deposits

If you hold cash back when you make your deposits to the bank, fill in the bottom part of the deposit slip indicating the account to which you want to post the cash (see Figure 2-46).

Figure 2-46 The bottom of the deposit slip deals with cash back

There are two ways you might use the cash back section of the deposit:

1. If you're splitting the deposit between two different bank accounts, you could enter the other bank account and amount here. For example, if you send part of the funds from the deposit to the Money Market account, you could enter **Money Market** in the *Cash back goes to* field and the amount in the *Cash back amount* field.
2. If you routinely hold back funds from your deposits and use them for several different purchases, you may want to set up a new QuickBooks bank account called **Petty Cash** and enter that account in the *Cash back goes to* field. The Petty Cash account is not really a bank account, but it's an account where you can track all your cash expenditures.

Tip:

It's not a good idea to hold cash back from deposits as "pocket money". If your business is a Sole Proprietorship, it's better to write a separate check (or ATM withdrawal) and then code it to **Owner's Draw**. This is a much cleaner way to track the money you take out for personal use. Discuss this with your QuickBooks ProAdvisor, or with your accountant.

Printing Deposit Slips

QuickBooks can print deposit slips on preprinted deposit slips.

DO NOT PERFORM THESE STEPS. THEY ARE FOR REFERENCE ONLY.

To print on preprinted deposit slips, follow these steps:

1. Display the most recent deposit transaction by selecting the *Banking* menu and then selecting **Make Deposits**.

Click **Cancel** if you see the *Payments to Deposit* window. Then click the **Previous** button on the *Make Deposits* window. Alternatively, you could double click the deposit transaction from the checking account register window.

2. Click **Print** on the *Make Deposits* window (see Figure 2-47).
3. Select **Deposit slip and deposit summary** on the window shown in Figure 2-48 and click **OK**.

Normally, you would load the preprinted deposit slips into the printer before printing. However, if you do not have a deposit slip print the deposit on blank paper.

Make Deposits

Previous Next Save **Print** Payments History Journal Attach

Deposit To: 10100 - Chec... Date: 01/31/2019 Memo: Deposit Checks

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 ME...	CLASS	AMOUNT
Perez, Jerry	12000 - Undeposited Funds	Outdoor Session, 2 Premium Packages	3459	Check	San Jose	469.03
Mason, Bob	12000 - Undeposited Funds	Payment Received - Invoice #3947	5256	Check		401.39
Mason, Bob	12000 - Undeposited Funds		5912	Check		151.45
	30500 - Investments	Owner Investment in Company	13451	Check		15,000.00
Deposit Subtotal						16,021.87

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account.

Cash back goes to: [dropdown] Cash back memo: [text box] Cash back amount: [text box]

Deposit Total: 16,021.87

Save & Close Save & New Clear

Figure 2-47 Printing a deposit

Print Deposit

What would you like to print?

☒ Deposit slip and deposit summary

☐ Deposit summary only

OK Cancel

Figure 2-48 Print Deposit window for deposit slips

- Check the settings on the Print Deposit Slips window shown in Figure 2-49.

Print Deposit Slips

Settings Fonts

Printer name: [dropdown] Options...

Printer type: Page-oriented (Single sheets)

Note: To install additional printers or to change port assignments, use the Windows Control Panel.

☒ Include cash in Total Number of Deposited Items

☒ Combine checks with the same number and same customer as one deposit item

Number of copies: 1

☒ Collate

Print Cancel Help Preview Align

Figure 2-49 Settings on the Print Deposit Slips window

- Select your printer in the *Printer name* field.
- Click **Print** to print the deposit slip (see Figure 2-50).
- Click **Save & Close** to save the Deposit.

	469.03	
	401.39	
	151.45	
1/31/2019	15,000.00	
		16,021.87
	04	\$16,021.87

Deposit Summary
Academy Photography Sales Chapter
 Summary of Deposits to 10100 - Checking on 01/31/2019

Chk No.	PmtMethod	Recd From	Memo	Amount
3459	Check	Perez, Jerry	Outdoor Session, 2 Premium Packa...	469.03
5256	Check	Mason, Bob	Payment Received - Invoice #3947	401.39
5912	Check	Mason, Bob		151.45
13451	Check		Owner Investment in Company	15,000.00
			Deposit Subtotal:	16,021.87
			Less Cash Back:	
			Deposit Total:	16,021.87

Figure 2-50 Deposit slip and deposit summary

Depositing Credit Card Payments

As mentioned previously, to ensure that your bank reconciliations go smoothly, you should always deposit your checks and cash separately from your credit card payments.

COMPUTER PRACTICE

- Step 1. Select the **Banking** menu, and then select **Make Deposits**. The *Payments to Deposit* window opens.
- Step 2. Select **MasterCard, Visa, Discover** from the *View payment method type* drop-down list (see Figure 2-51).
- Step 3. Click in the left column on the line to select the payment to deposit. Then click **OK**. The *Make Deposits* window opens.

Figure 2-51 Payments to Deposit window

- Step 4. The **Checking** account is already selected in the *Deposit To* field. Press **Tab**.
- Step 5. Enter **1/31/2019** if it is not already entered in the *Date* field. Press **Tab**.

Step 6. Enter **Deposit Visa** in the *Memo* field.

As stated earlier, make sure you group together receipts in a way that agrees with the actual deposits made to your bank. This is a critical step in making your bank reconciliation process go smoothly.

Step 7. On the first blank line of the deposit slip, enter **Bankcard Fees** in the **From Account** column and then press **Tab**.

You only need to create this line if your credit card processing company (or your bank) charges a discount fee on each credit card deposit rather than monthly.

Step 8. Enter **Discount Fee** in the **Memo** column and then press **Tab**.

Step 9. Press **Tab** to skip the **Chk No.** column.

Step 10. Enter **Visa** in the **Pmt Meth.** column and then press **Tab**.

Step 11. Enter **Walnut Creek** in the **Class** column and then press **Tab**.

Step 12. You can use the QuickMath feature to enter the discount fee directly on the **Make Deposits** window. Enter **1950.00 * -.02** in the *Amount* column and press **Enter**.

QuickMath is a feature that helps you add, subtract, multiply, or divide in any QuickBooks Amount field. When you enter the first number (1950.00), it shows normally in the *Amount* column. Then when you enter the * (asterisk key or Shift+8), QuickMath shows a small adding machine tape on your screen (see Figure 2-52). Continue typing your formula for recording the discount fee. If the discount is 2%, enter **-.02** (minus point zero two) and press **Enter**. The result of the calculation shows in the *Amount* column (-39.00). **The minus sign makes the result a negative number and reduces the amount of your deposit.** This also increases (debits) your **Bankcard Fees** expense account.

Step 13. Press **Tab** to have the total of the deposit updated automatically.

RECEIVED FROM	FROM ACCOUNT	MEMO	CHK NO.	PMT ME...	CLASS	AMOUNT
Cruz, Maria:Branch Opening	12000 - Undeposited Funds			Visa		1,950.00
	60500 - Bankcard Fees	Discount Fee		Visa	Walnut Creek	-.02

Figure 2-52 QuickMath makes an adding machine tape appear

Step 14. Verify that your screen matches Figure 2-53. Click **Save & Close**.

Make Deposits

Previous Next Save Print Payments History Journal Attach

Deposit To: 10100 - Chec... Date: 01/31/2019 Memo: Deposit Visa

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 ME...	CLASS	AMOUNT
Cruz, Maria:Branch Opening	12000 - Undeposited Funds			Visa		1,950.00
	60500 - Bankcard Fees	Discount Fee		Visa	Walnut Creek	-39.00
Deposit Subtotal						1,911.00

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account.

Cash back goes to: Cash back memo: Cash back amount:

Deposit Total: 1,911.00

Save & Close Save & New Revert

Figure 2-53 Make Deposits window after a credit card deposit

Now that you have entered your deposits, the checking account register shows each deposit and the updated balance in the account.

COMPUTER PRACTICE

To see the detail of a deposit, follow these steps:

- Step 1. Click the **Chart of Accounts** icon on the *Home* page.
- Step 2. Double click on the **Checking** account in the *Chart of Accounts* window.
- Step 3. Scroll up until you see the two deposit transactions shown in Figure 2-54.
- Step 4. Close the *Checking* register and *Chart of Accounts*.

10100 - Checking

Go to... Print... Edit Transaction QuickReport Setup Bank Feeds

DATE	NUMBER	PAYEE	PAYMENT	DEPOSIT	BALANCE
	TYPE	ACCOUNT	MEMO		
01/30/2019	329	National Bank	2,152.00		11,937.00
	CHK	22000 - National E 1234-1234-1234-1			
01/31/2019	DEP	-split-	Deposit Checks	16,021.87	27,958.87
01/31/2019	DEP	-split-	Deposit Visa	1,911.00	29,869.87
ENDING BALANCE					29,494.87

Splits 1-Line

Sort by: Date, Type, Number/Ref

Record Restore

Figure 2-54 Checking register after entering deposits

Income Tracker

The **Income Tracker** provides you with a fast way to see the status of your unbilled and unpaid sales transactions all from one location. It also provides features to improve billing/collections as well as create new sales transactions. You can access the **Income Tracker** from the icon in the *Customer Center* (see Figure 2-55). Alternatively, use the *Customer Menu* or the *Icon Bar*.

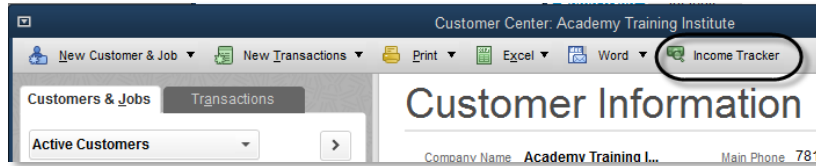


Figure 2-55 Income Tracker icon in Customer Center

From the **Income Tracker** you can:

- See all of your unbilled and unpaid sales transactions
- Select just one category by clicking on the colored bar or using filters
- Right click on any sales transaction for options to view or edit that transaction, *Customer*, or *Job*
- Print or send a copy of a sales transaction by email
- Convert an *Estimate* or *Sales Order* into an *Invoice*
- Sort the list by clicking on any column heading
- Print a group of sales transactions in a batch
- Create new *Customer* transactions

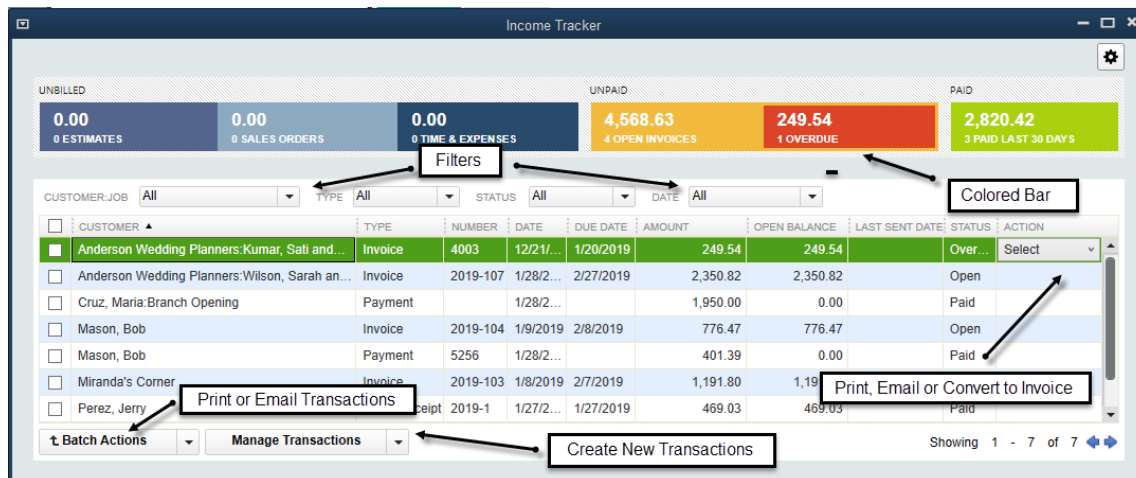


Figure 2-56 Income Tracker. Your screen may vary.

COMPUTER PRACTICE

To use the **Income Tracker** to process a transaction:

- Step 1. Click the **Income Tracker** icon on the *Icon Bar* (Figure 2-57).

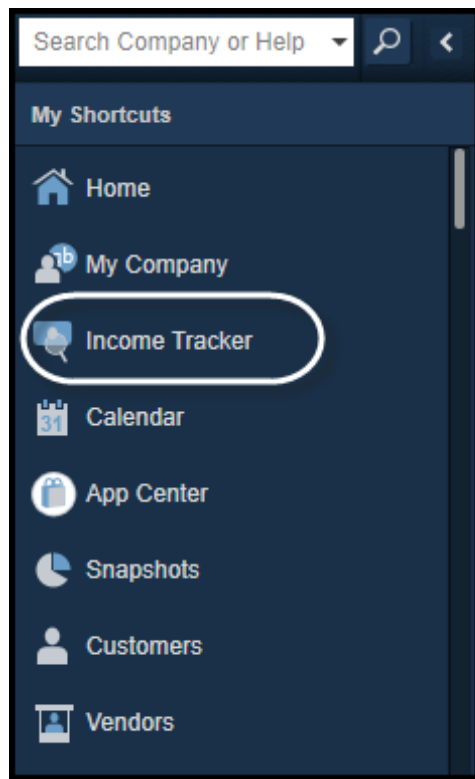


Figure 2-57 Income Tracker on Icon Bar

Step 2. Check **Miranda's Corner**, on the left side of the **Income Tracker**.

Step 3. Click on the drop-down arrow in the *Action* column for **Miranda's Corner**, and choose **Receive Payment**.

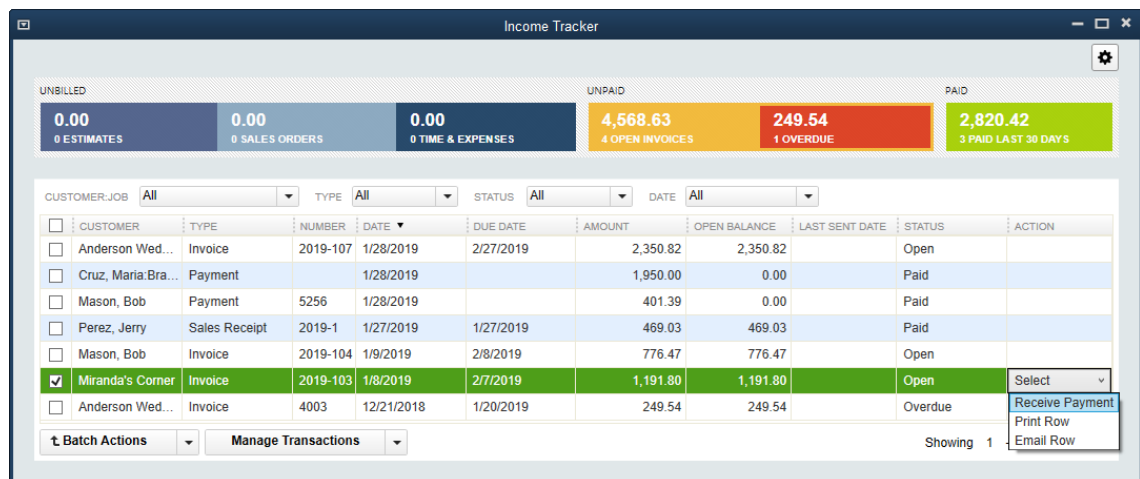


Figure 2-58 Receive Payment in Income Tracker. Your screen may vary.

Step 4. **Receive Payment** for \$1,191.80.

Customer Payment CUSTOMER BALANCE 1,191.80

RECEIVED FROM: Miranda's Corner

PAYMENT AMOUNT: 1,191.80

DATE: 01/31/2019

CHECK #: 4820 [Where does this payment go?](#)

DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
01/08/2019	2019-103	1,191.80	1,191.80	1,191.80
Totals		1,191.80	1,191.80	1,191.80

AMOUNTS FOR SELECTED INVOICES

AMOUNT DUE	1,191.80
APPLIED	1,191.80
DISCOUNT AND CREDITS APPLIED	0.00

MEMO:

Figure 2-59 Payment from Miranda's Corner

- Step 5. Verify that your screen matches Figure 2-59.
- Step 6. Click **Save & Close** to record the transaction.
- Step 7. Close **Income Tracker**.

Review Questions

Select the best answer(s) for each of the following:

1. In the *New Customer* window, you find everything except:
 - a) Customer Name.
 - b) Customer Invoice/Bill To and Ship To address.
 - c) Customer active/inactive status.
 - d) Year-to-date sales information.
2. You should record a Sales Receipt when the customer pays:
 - a) By cash, check, or credit card at the time of sale.
 - b) By cash, check, or credit card at the end of the month.
 - c) Sales tax on the purchase.
 - d) For the order upon receipt of Invoice.

3. Which statement is false?
 - a) Invoices are very similar to the Sales Receipt form.
 - b) Invoices decrease Accounts Receivable.
 - c) Sales Receipts have no effect on Accounts Receivables.
 - d) Invoices should be created when customers are going to pay after the date of the initial sale.
4. You may specify payment Terms on the *New Customer* window; however:
 - a) The payment Terms will only show on Sales Receipt transactions.
 - b) The Terms can only be changed once a year.
 - c) The sales representative must be informed.
 - d) You are also permitted to override the Terms on each sale.
5. Your company has just accepted a payment for an Invoice. What should you do in QuickBooks to record this payment?
 - a) Open the Invoice by clicking the *Invoices* icon on the *Home* page.
 - b) Create a Sales Receipt by clicking the *Sales Receipt* icon on the *Home* page.
 - c) Make a deposit by clicking the *Record Deposits* icon on the *Home* page.
 - d) Receive the payment by clicking the *Receive Payments* icon on the *Home* page.

Sales Problem 1

Restore the Sales-18Problem1.QBM file. The password to access this file is **Sleeter18**.

1. Enter your own name and address information into the *Customer Center*. Then print the Customer List by selecting the *Reports* menu, **List**, and then **Customer Contact List**.
2. Enter a Sales Receipt using the data in Table 2-4. The payment will be automatically grouped with other payments in **Undeposited Funds** account. You'll need to create the customer record using Quick Add, or by setting it up in the list before adding the sale. Print the sale on blank paper.

Field	Data
Customer Name	Pavlovich, Anna
Class	Walnut Creek
Date	1/24/2019
Sale No.	2019-1
Sold To	Anna Pavlovich 512 SW Chestnut St. Walnut Creek, CA 94599
Check No	211
Payment Method	Check
Item	Camera SR32, Qty 4
Sales Tax	Contra Costa (8.25%) – Auto Calculates
Customer Tax Code	Tax
Memo	4 Cameras

Table 2-4 Use this data for a Sales Receipt in Step 2

3. Enter an Invoice using the data in Table 2-5. Print the Invoice on blank paper.

Field	Data
Customer Name	Berry, Ron
Class	Walnut Creek
Custom Template	Academy Photo Service Invoice
Date	1/26/2019
Invoice #	2019-106
Bill To	Ron Berry 345 Cherry Lane Walnut Creek, CA 94599
PO No.	842-5028
Terms	Net 30
Item	Indoor Photo Session, Qty 3, \$95/hour (SRV tax code)
Item	Retouching, Qty 4 (hrs), \$95/hour (SRV tax code)
Sales Tax	Contra Costa (8.25%) – Auto Calculates
Memo	3 Hour Session, 4 Hours Retouching

Table 2-5 Use this data for an Invoice in Step 3

4. Record a payment dated **2/5/2019** for the full amount from Ron Berry (check #9951123) and apply it to Invoice **2019-106**.
5. Deposit everything from the **Undeposited Funds** account into the **Checking** account on **2/8/2019**. Print **Deposit Slip and Deposit Summary** onto blank paper.

Sales Problem 2 (Advanced)

APPLYING YOUR KNOWLEDGE

Restore the Sales-18Problem2.QBM file. The password to access this file is **Sleeter18**.

1. Enter a Sales Receipt using the data in Table 2-6. The payment will be automatically grouped with other payments in **Undeposited Funds** account. You'll need to create the customer record using *Quick Add*, or by setting it up in the *Customer Center* before adding the sale. Print the sale on blank paper.

Field	Data
Customer Name	Pinto, Felix
Class	Walnut Creek
Date	1/29/2019
Sale No.	2019-1
Sold To	Felix Pinto 877 N. Judge St. Walnut Creek, CA 94599
Check No	642
Payment Method	Check
Item	Camera SR32, Qty 3, \$695.99
Item	Lens, Qty 3, \$324.99
Sales Tax	Contra Costa (8.25%) – Auto Calculates
Customer Tax Code	Tax
Memo	Cameras, Lenses

Table 2-6 Use this data for a Sales Receipt in Step 1

2. Enter an Invoice using the data in Table 2-7. Print the Invoice on blank paper.

Field	Data
Customer Name	Pelligrini, George: 1254 Wilkes Rd.
Class	San Jose
Custom Template	Academy Photo Service Invoice
Date	1/30/2019
Invoice #	2019-106
Bill To	Pelligrini Builders 222 Santana Ave. Los Gatos, CA 94482
PO No.	8324
Terms	Net 30
Item	Indoor Photo Session, Qty 4, \$95/hour (SRV tax code)
Item	Retouching, Qty 4(hrs), \$95/hour (SRV tax code)
Sales Tax	Santa Clara (8.25%) – Auto Calculates
Memo	4 Hour Session, 4 Hours Retouching

Table 2-7 Use this data for an Invoice in Step 2

3. Enter a second Invoice using the data in Table 2-8. Print the Invoice on blank paper. You will need to add this customer either through *Quick Add* or entering the customer information in the *Customer Center*.

Field	Data
Customer Name	Masood, Jameel
Class	San Jose
Custom Template	Academy Photo Service Invoice
Date	1/31/2019
Invoice #	2019-107
Bill To	Jameel Masood 339 Walnut St. Santa Clara, CA 95111
PO Number	75224
Terms	2% 10 Net 30
Item	Indoor Photo Session, Qty 3, \$95/hour (SRV tax code)
Sales Tax	Santa Clara (8.25%) – Auto Calculates
Memo	3 Hour Session

Table 2-8 Use this data for an Invoice in Step 3

4. Record a payment dated **2/15/2019** for the full amount from Jameel Masood (check #5342) and apply it to Invoice **2019-107**.
5. On **2/15/2019**, you received a partial payment from George Pelligrini for the *1254 Wilkes Rd.* Job for \$350. Visa payment on card #4321-4321-4321-4321, expires in 5/2020.
6. On **2/15/2019**, deposit everything from the **Undeposited Funds** account using the following:
 - a) Deposit Cash and Check payments together (Memo: Deposit Checks). Print **Deposit Slip and Deposit Summary** onto blank paper.
 - b) Deposit Visa payments separately (Memo: Deposit Visa). Record a 2% bankcard discount fee (use QuickMath to calculate) on the credit card deposit. Use the following data: Account - Bankcard Fee, Payment Method - Visa, Memo-2% Discount Fee. This amount should be a negative number. Print **Deposit Summary Only** onto blank paper.