QUICKBOOKS 2016 STUDENT GUIDE

Lesson 14

Tracking Time

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Lesson Objectives

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

Tracking 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.

To 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 that they are not signed in and that 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 those preferences that are at the end of the alphabet will be hidden 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.

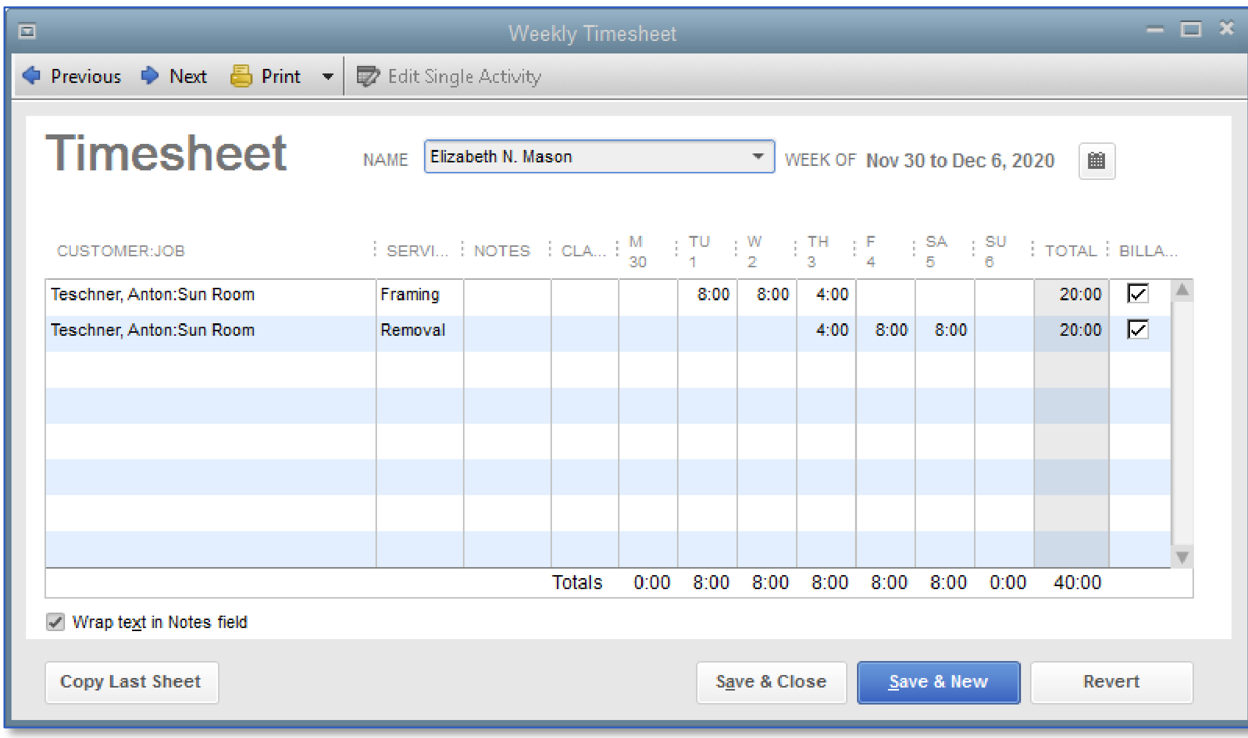
NOTES

Entering Time Data

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

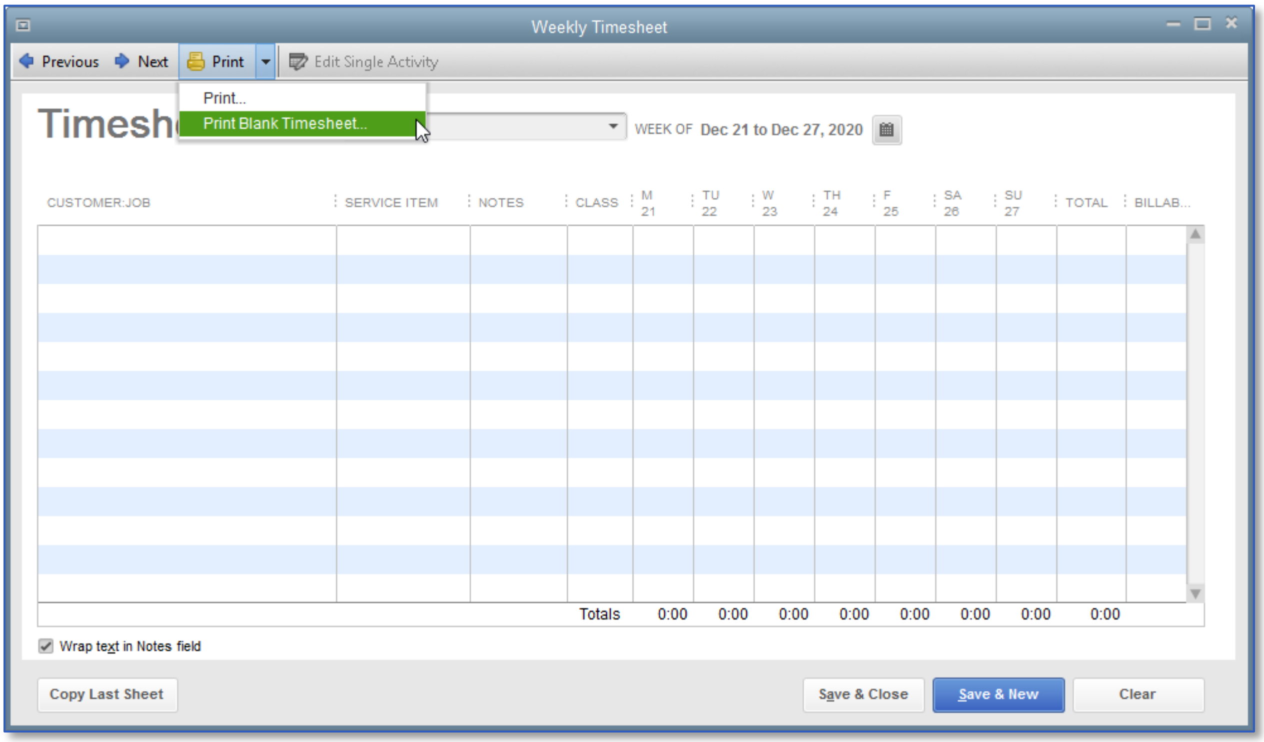
- Enter time directly onto a weekly timesheet or single activity form in QuickBooks
- Use the Stopwatch in the Time/Enter Single Activity window to time an activity while you are performing it

When you track time with QuickBooks, you have a choice of two forms to enter time: Weekly Timesheet or 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.



A single activity entry shows the time spent by one person doing 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.



To print a blank timesheet:

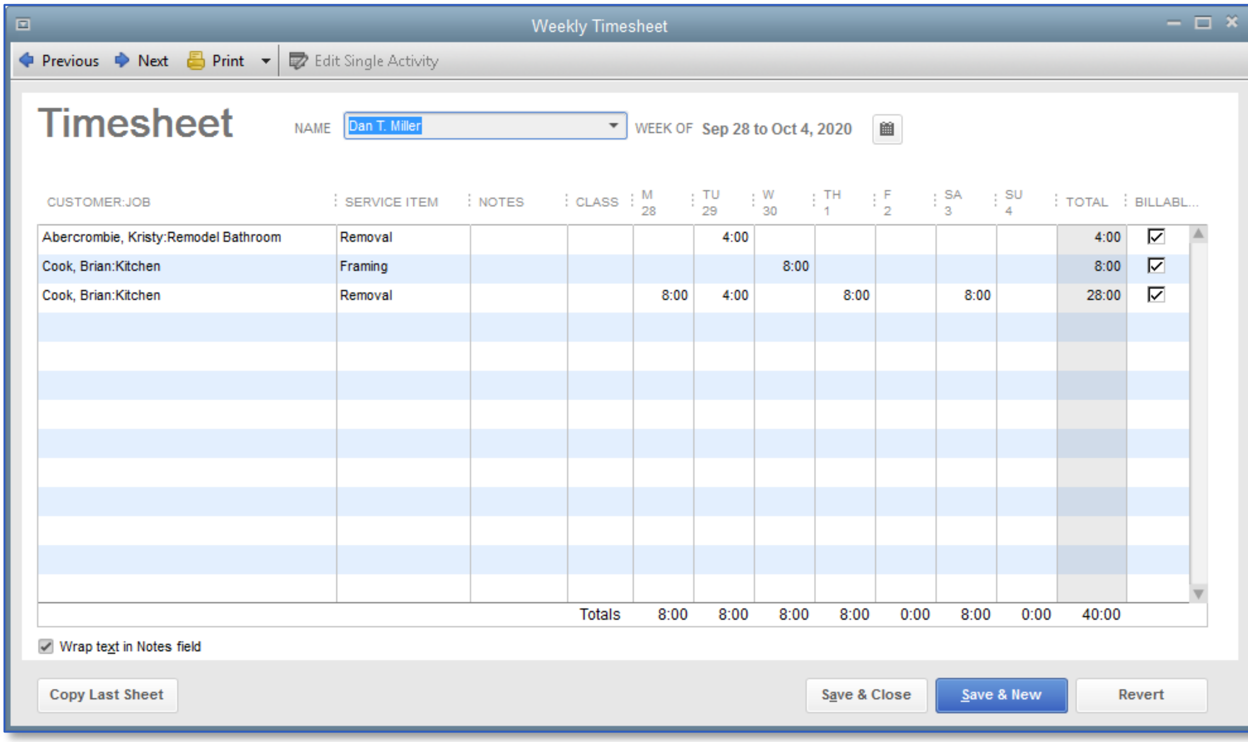
1. Open the Weekly Timesheet (either from the **Home** screen by clicking the **Enter Time** icon or, from the **Employees** menu, **choose Enter Time** then choose **Use Weekly Timesheet**).
2. From the **Print** drop-down menu, choose **Print blank timesheet**.
3. In the **Print Timesheets** window,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

Notes

Recording Employee Time on Weekly Timesheets

To enter information on a weekly timesheet:

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



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)**.*

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 do 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.*

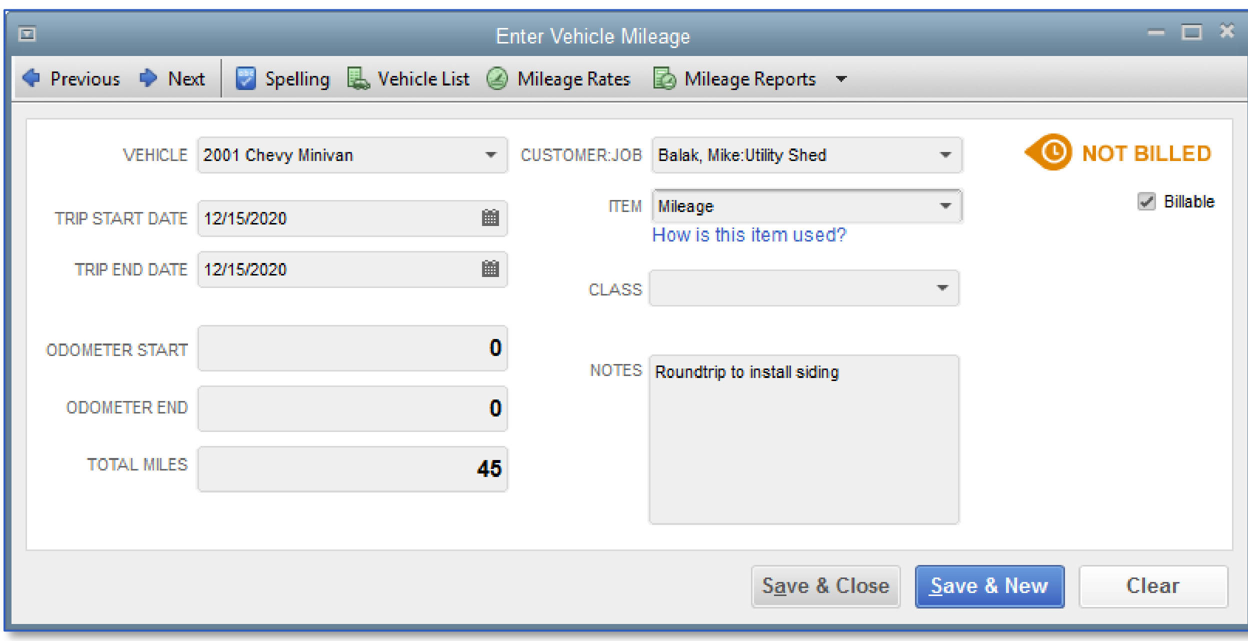
NOTES

Entering 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.

To 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.



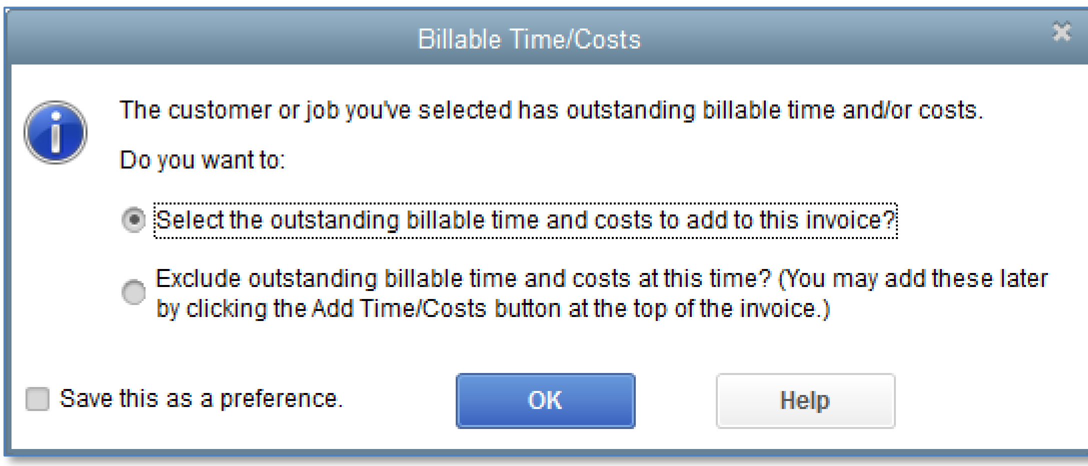
7. Click **Save & Close**.

NOTES

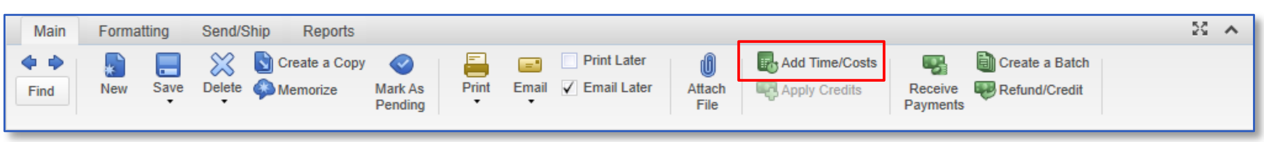
Invoicing a Customer for Billable Expenses

To invoice a customer for time and costs:

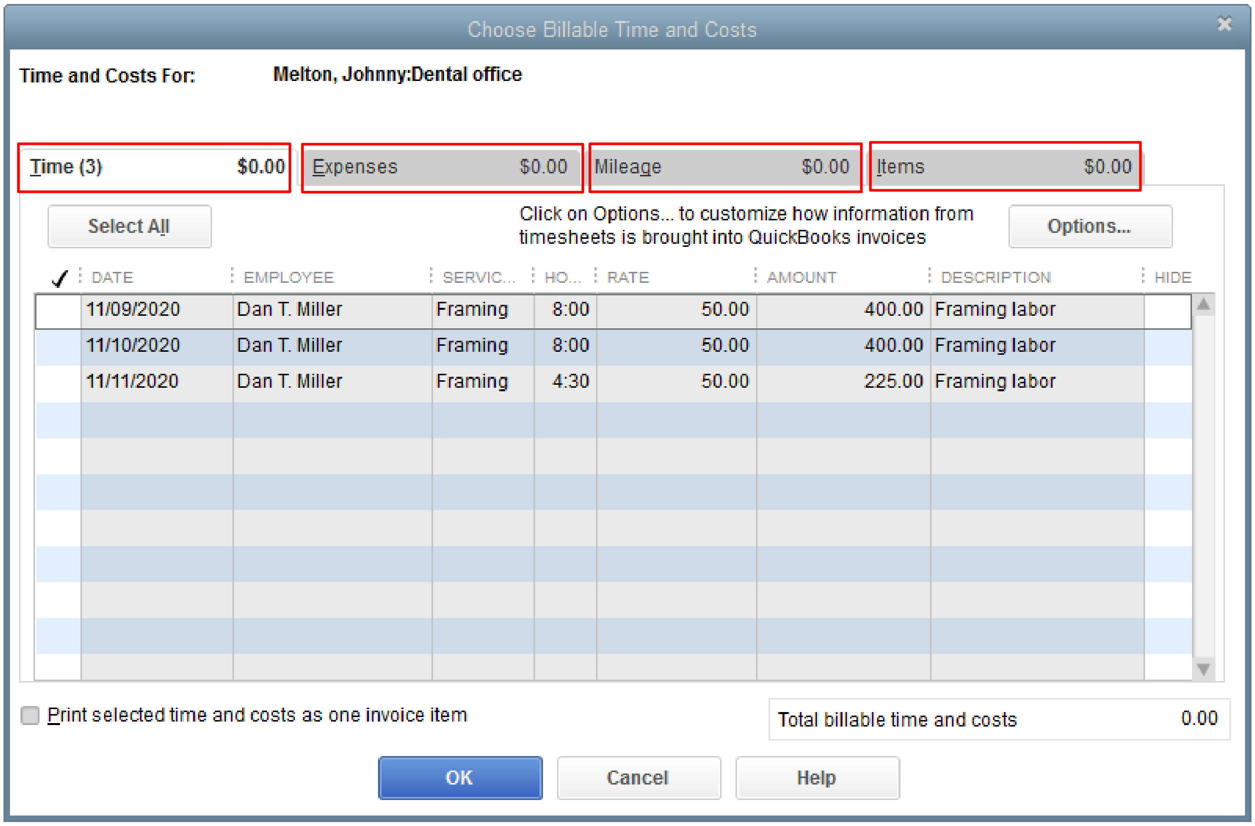
1. On the **Home** page, click **Create Invoices**. (You can also access the Invoice window from the **Customers** drop-down menu, from the **Home** screen, or by selecting **Ctrl+I**).
2. Select the Customer:Job you wish to invoice from the **Customer:Job** drop-down.
3. If you see a Billable/Time Costs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



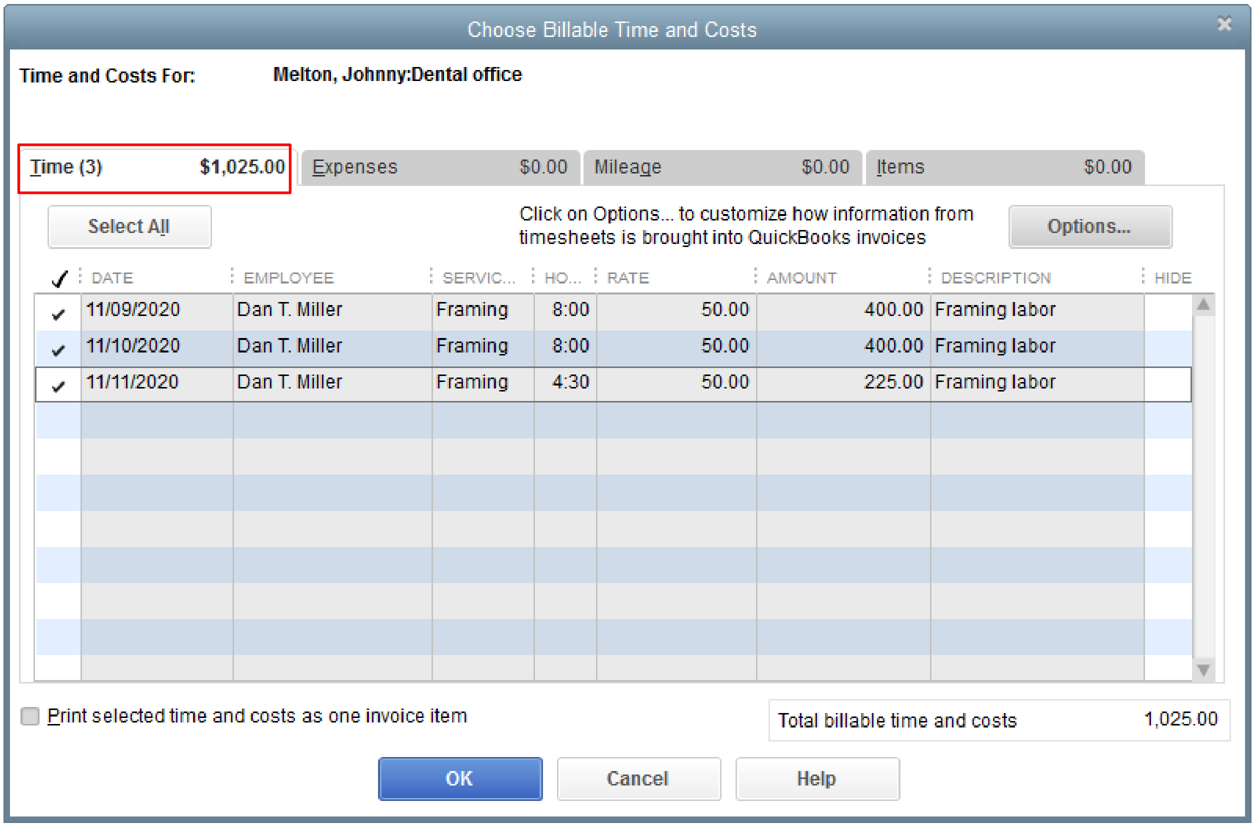
4. If you accidentally dismissed this window, you can click on **Add Time/Costs** in the **Main** tab at the top of the invoice.



5. Select the outstanding billable time and costs in the four tabs of the **Choose Billable Time and Costs** window.



6. Place a checkmark in the **left column** to select each of the lines you wish to bill. Use the tabs to move between billable time, expenses, mileage, and items.



7. Click **OK**. The billable expenses will be added to the invoice.

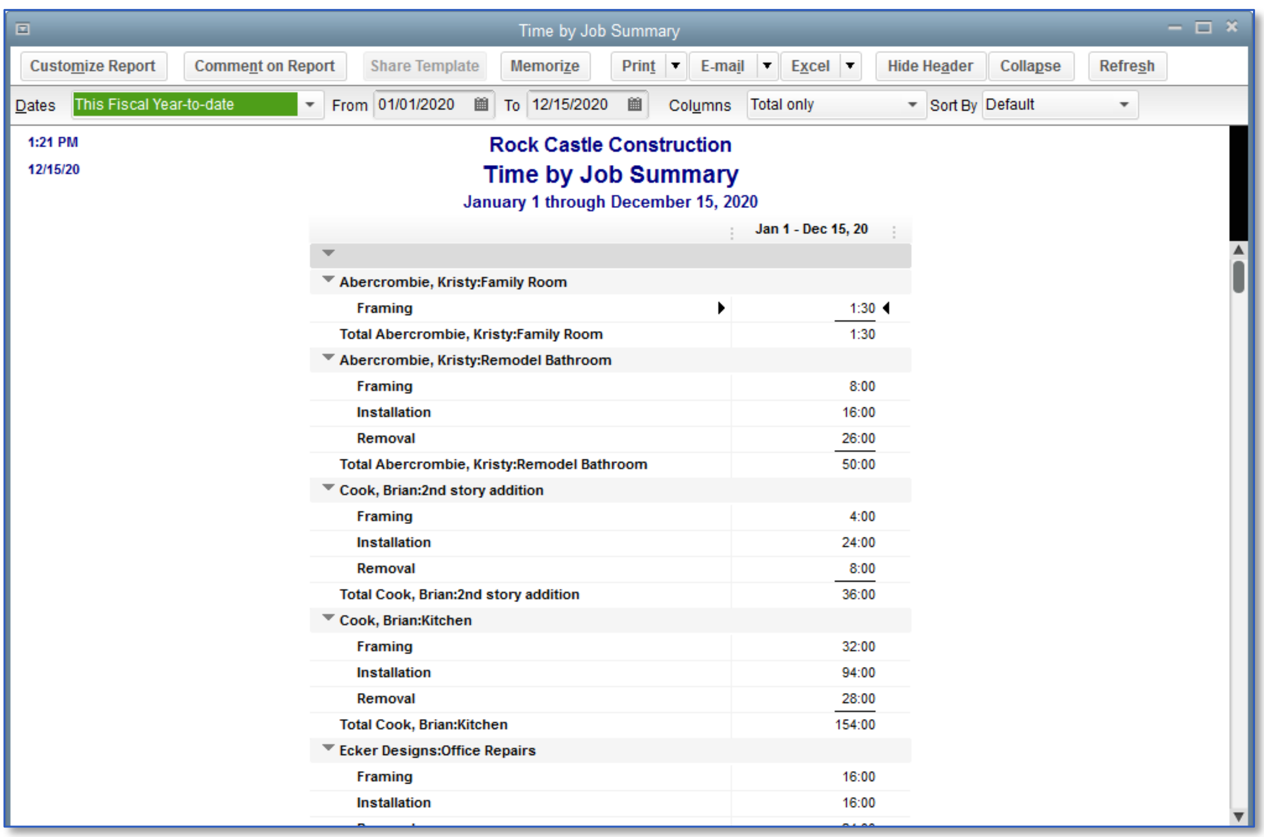
Notes

Displaying 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.

To 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 **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.
4. Scroll through the report to see the time by job.



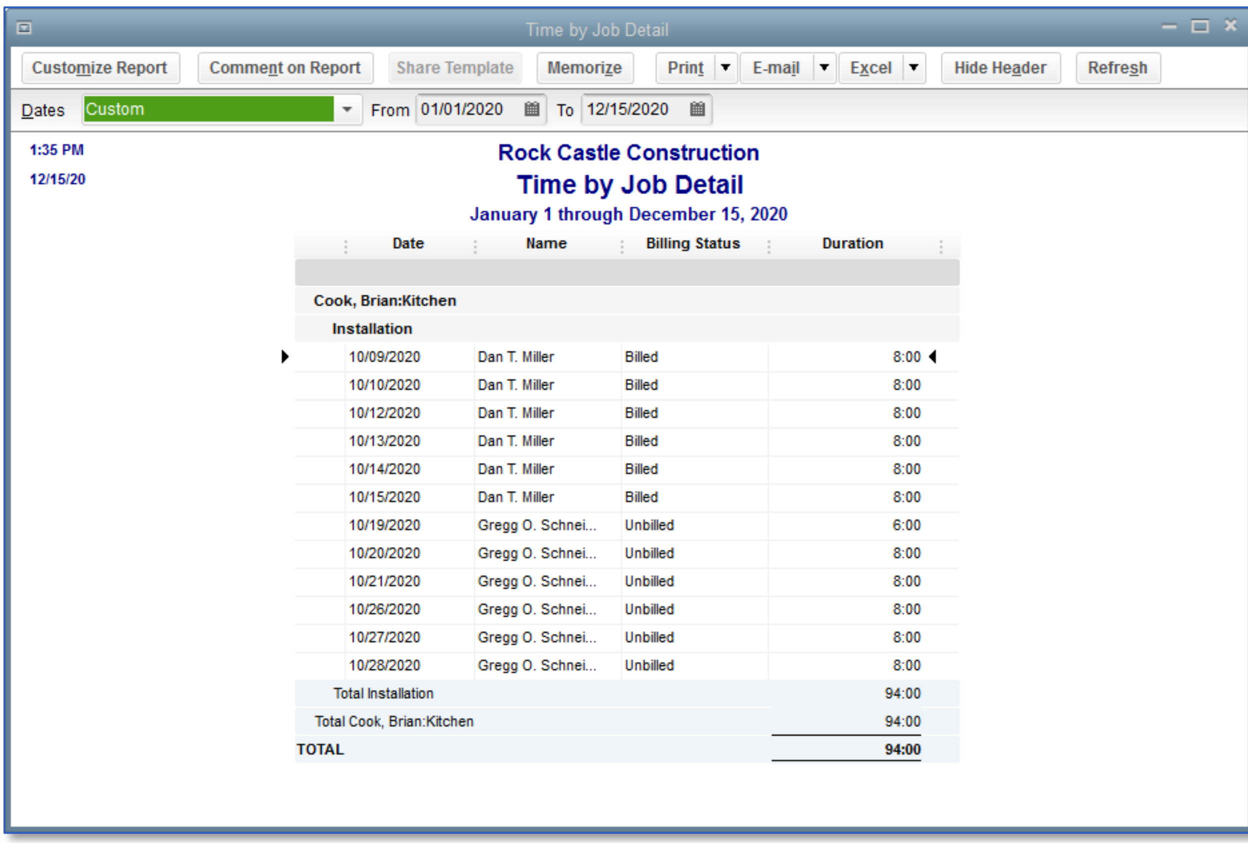
NOTES

Viewing 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.

To view more time detail in the report:

1. Position your mouse pointer over the hours you wish to view in detail then double-click.



Rock Castle Construction
Time by Job Detail
January 1 through December 15, 2020

Date	Name	Billing Status	Duration
Cook, Brian:Kitchen			
Installation			
10/09/2020	Dan T. Miller	Billed	8:00
10/10/2020	Dan T. Miller	Billed	8:00
10/12/2020	Dan T. Miller	Billed	8:00
10/13/2020	Dan T. Miller	Billed	8:00
10/14/2020	Dan T. Miller	Billed	8:00
10/15/2020	Dan T. Miller	Billed	8:00
10/19/2020	Gregg O. Schnei...	Unbilled	6:00
10/20/2020	Gregg O. Schnei...	Unbilled	8:00
10/21/2020	Gregg O. Schnei...	Unbilled	8:00
10/26/2020	Gregg O. Schnei...	Unbilled	8:00
10/27/2020	Gregg O. Schnei...	Unbilled	8:00
10/28/2020	Gregg O. Schnei...	Unbilled	8:00
Total Installation			94:00
Total Cook, Brian:Kitchen			94:00
TOTAL			94:00

2. Close the Time by Job Detail report.

3. Close the Time by Job Summary report.

NOTES

Creating 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.

To set up a service item for subcontractors:

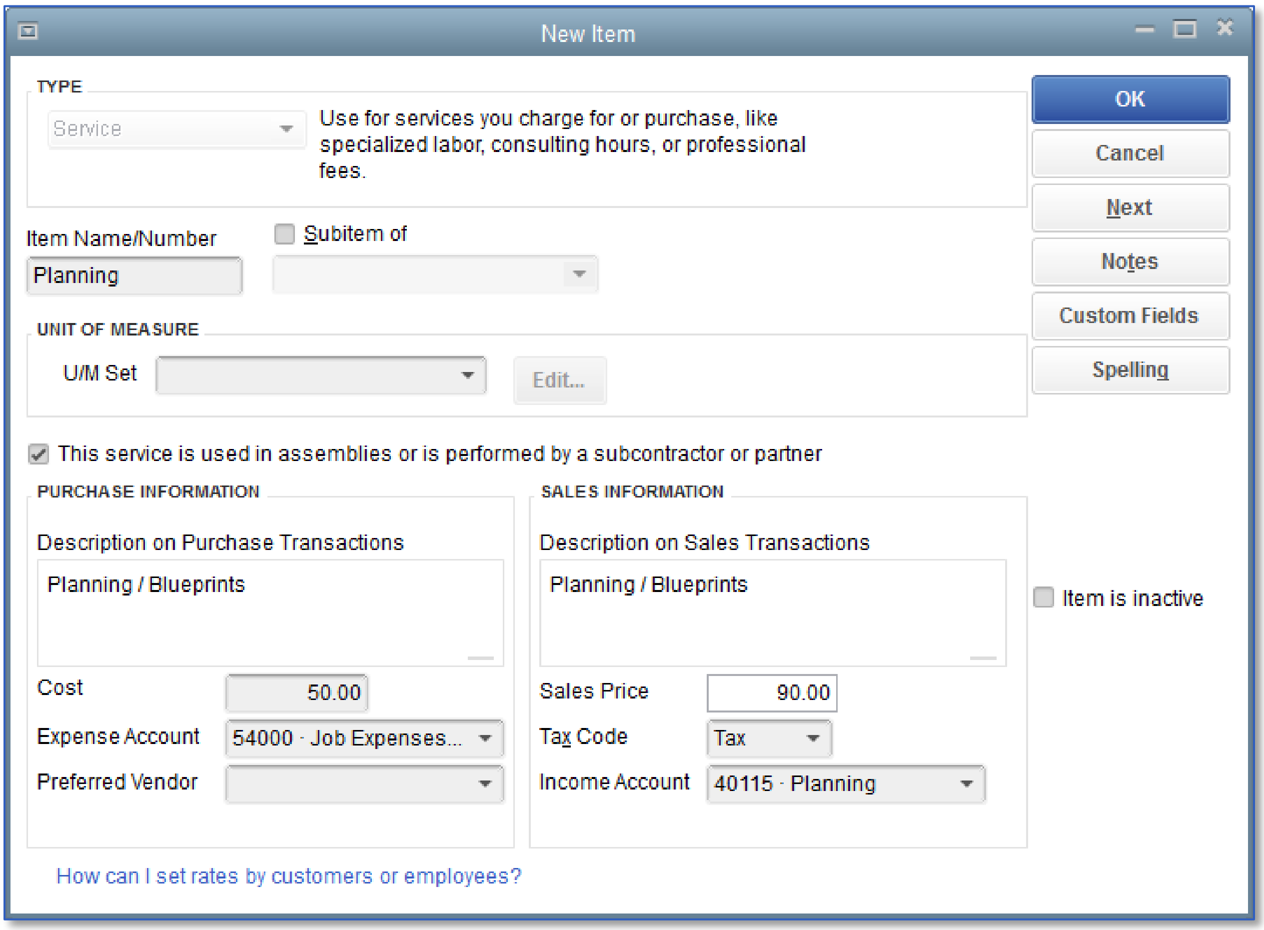
1. From the Lists menu, choose Item List.
2. Click the Item menu button (bottom left) then choose New.
3. In the Type field of the New Item window, choose Service from the drop-down list.
4. In the Item Name/Number field, enter the name for your item (e.g., *Planning*).
5. Select the This service is 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 that 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.



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

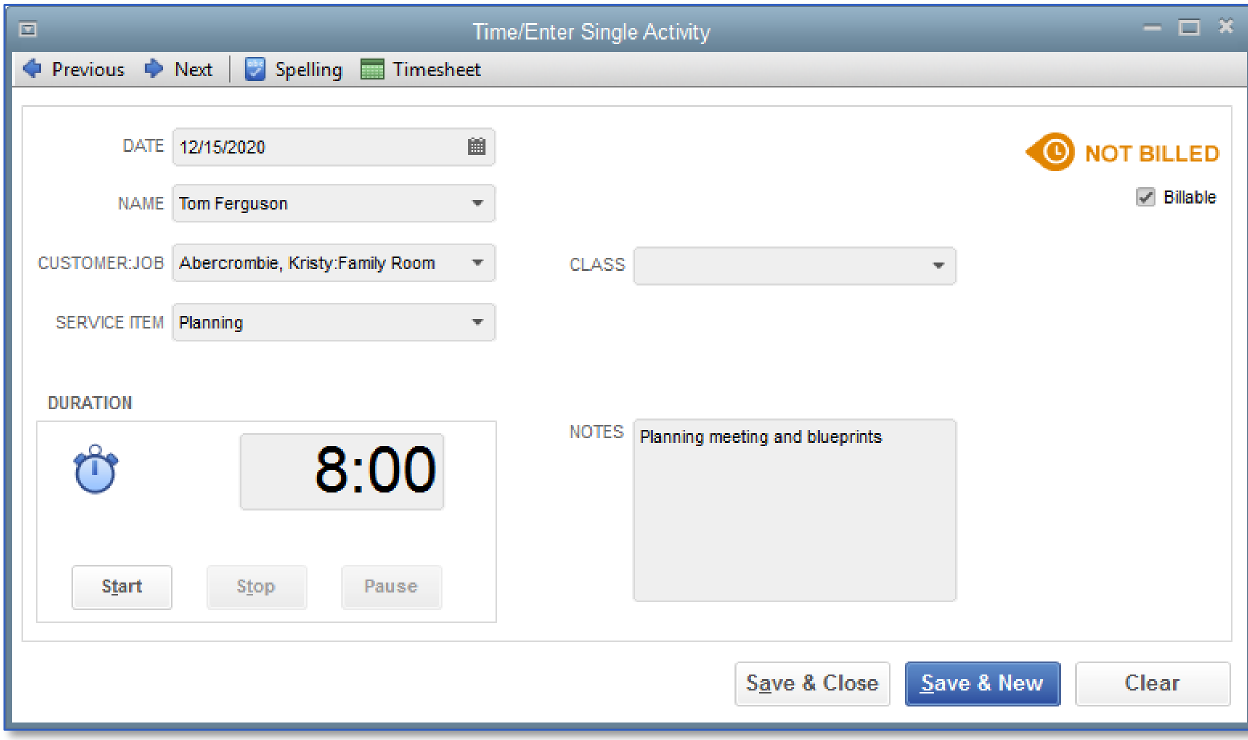
13. Press **Esc** to close the Item list.

Notes

Recording Nonemployee Time Worked

To enter time for nonemployee time worked:

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



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**.

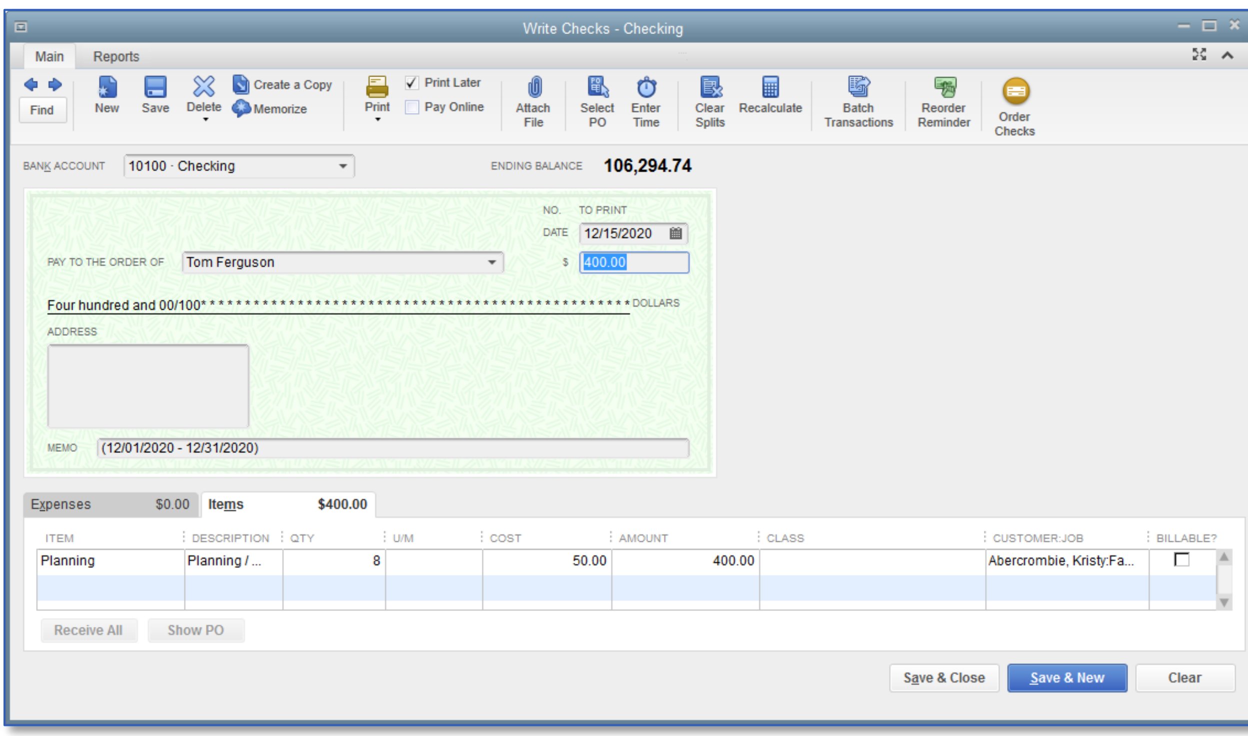
NOTES

Preparing 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.

To 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.
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 on Enter Time at the top of the check form).
5. Next you will 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. Click Save & Close.

NOTES

Tracking Time — 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 has 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