



QUICKBOOKS DESKTOP 2017 STUDENT GUIDE

Lesson 13

Estimates and Progress Invoicing

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Lesson Objectives

- Learn how to create job estimates
- Find an estimate in a data file
- Learn to duplicate an existing estimate
- Create an invoice from an estimate
- Display project reports for estimates
- Update a job's status
- Make an estimate inactive

Turn on Estimates and Progress Invoicing

An estimate is a description of work or products you propose to sell to a current or prospective customer. (You might refer to an estimate as a quote, proposal or some other term.) You can create multiple estimates for each name (customer or Customer:Job combination). If the customer accepts an estimate, you can turn the estimate into an invoice, modifying it as necessary. When you have actual costs and revenues, you can compare them to your estimated costs and revenues to see if you were over or under the estimate.

Estimates are non-posting transactions; they do not affect any financial reports or income and expense balances. QuickBooks allows you to create invoices from estimates, either by transferring the entire estimate to an invoice or by choosing a percentage or selected items to invoice. The ability to bill for only a percentage of the estimate or selected items is called progress invoicing.



Step-by-Step: Turn on Estimates and Progress Invoicing

1. Make sure you are signed in to the QuickBooks company as the Admin user. (If other users have been set up on other computers to access the company in multi-user mode, ensure they are not signed in and you are in single-user mode.)
2. From the Edit menu, choose **Preferences**.
3. Click **Jobs & Estimates** in the left panel.
4. Click the **Company Preferences** tab to display the job and estimate preferences.
5. Click **Yes** after Do You Create Estimates?
6. Click **Yes** after Do You Do Progress Invoicing?
7. Click **OK** to record your selections then close the Preferences window.

NOTES

Create an Estimate



Step-by-Step: Create an Estimate from the Customer Center

1. In the Customers & Jobs list, select the name of the customer or job for which you would like to create an estimate.
2. Click the **New Transactions** menu button then choose **Estimates**.
3. Complete the form with the items and pricing you would like to appear on the estimate.

Estimate

CUSTOMER:JOB **Cook, Brian:Kitchen** [Kitchen Upg...] CLASS **Custom E...**

DATE: 12/15/2021
ESTIMATE #: 615

NAME / ADDRESS: Brian Cook
345 Cherry Lane
Middlefield CA 94482

SHIP TO: Ship To 1
Brian K. Cook
345 Cherry Lane
Middlefield, CA 94482

ITEM	DESCRIPTION	QTY	U/M	COST	AMOU...	MAR...	TOTAL	TAX
	See attached specifications for details on below work.							
Appliance	Microwave oven	1		385.00	385.00	10.0%	423.50	Tax
Appliance	Trash compactor	1		125.00	125.00	10.0%	137.50	Tax

SUBTOTAL: 4,115.00
MARKUP: 60.50
TAX: San Domingo (7.5%) 49.91
TOTAL: 4,225.41

CUSTOMER MESSAGE: [Empty]

MEMO: [Empty] CUSTOMER TAX CODE: Tax

Buttons: Save & Close, Save & New, Revert

SUMMARY

Phone: 415-555-2248
Email: bcook@samplename.com
Open balance: 0.00
Active estimates: 3
Sales Orders to be invoiced: 0
Unbilled time and expenses: 3,030.00

RECENT TRANSACTION

12/15/21 Estimate: 4,225.41
12/15/21 Invoice - Paid: 1,636.69
12/11/21 Invoice - Paid: 5.95
11/25/21 Payment: 2,580.00
11/25/21 Payment: 4,225.41

NOTES

4. Click **Save & Close** to save the estimate.



IMPORTANT: You can also access the Estimates window from the Customers drop-down menu or from the Home screen.



IMPORTANT: *If you are giving or sending this form to a customer, you may wish to create and choose a template design that reads Quote or Proposal or some other term.*

NOTES

Create Multiple Estimates

You can easily create multiple variations of an estimate without having to reenter all the data. First, create a duplicate of the estimate then make the modifications necessary for the second bid.



Step-by-Step: Create a Duplicate of an Existing Estimate

1. In the Main tab at the top of the existing estimate, select **Create a Copy**. (Two other ways to do this are to right-click in the body of the estimate and choose **Duplicate Estimate**, or use the **Edit** drop-down and select **Duplicate Estimate**.)

The screenshot shows the 'Create Estimates' window in QuickBooks. The 'Main' tab is active, and the 'Create a Copy' button is highlighted with a red box. The window displays an estimate for 'Cook, Brian:Kitchen' with the following details:

Estimate
 DATE: 12/15/2021
 ESTIMATE #: 615
 NAME / ADDRESS: Brian Cook, 345 Cherry Lane, Middlefield CA 94482
 SHIP TO: Ship To 1, Brian K. Cook, 345 Cherry Lane, Middlefield, CA 94482

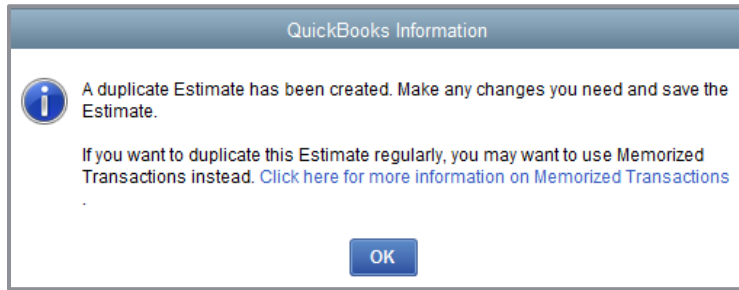
ITEM	DESCRIPTION	QTY	U/M	COST	AMOU...	MAR...	TOTAL	TAX
	See attached specifications for details on below work.							
Appliance	Microwave oven	1		385.00	385.00	10.0%	423.50	Tax
Appliance	Trash compactor	1		125.00	125.00	10.0%	137.50	Tax

SUBTOTAL 4,115.00
MARKUP 60.50
TAX San Domingo (7.5%) 49.91
TOTAL 4,225.41

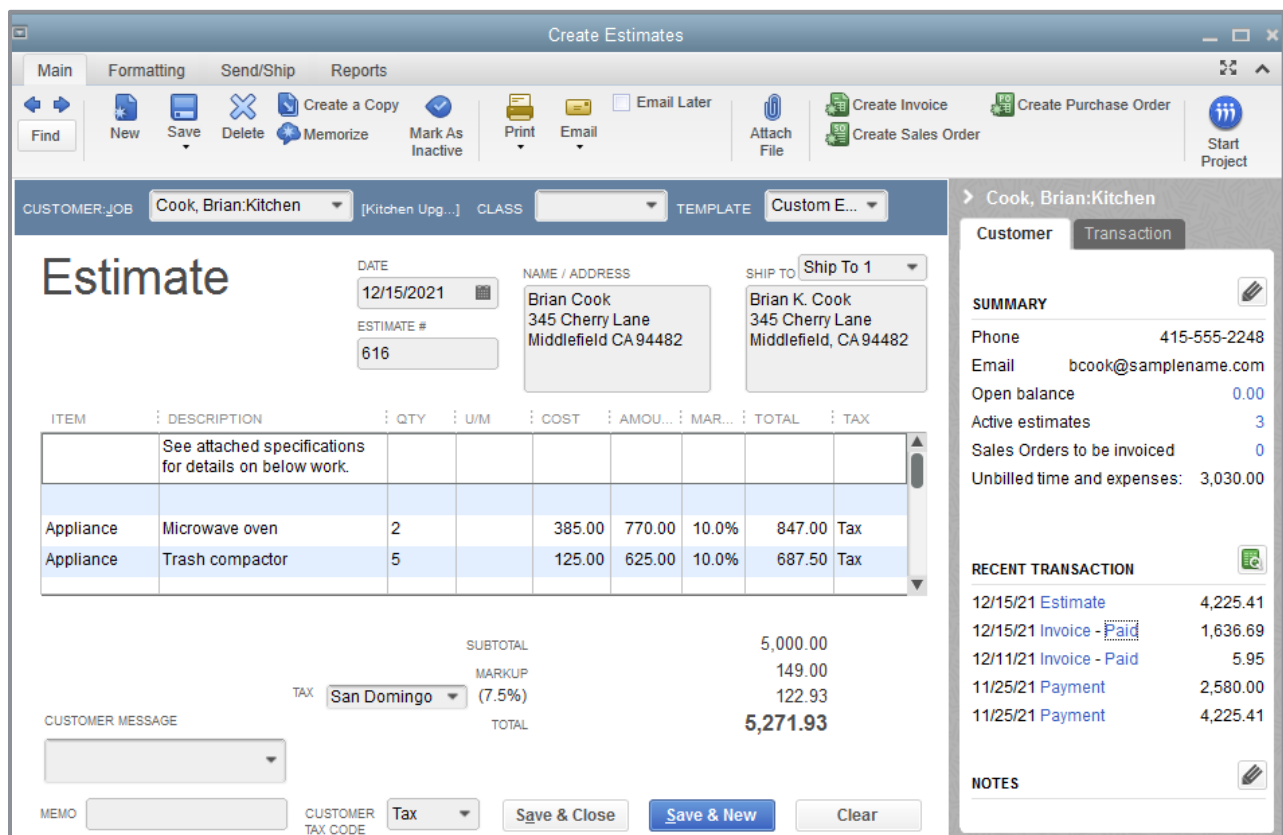
RECENT TRANSACTION

12/15/21 Estimate	4,225.41
12/15/21 Invoice - Paid	1,636.69
12/11/21 Invoice - Paid	5.95
11/25/21 Payment	2,580.00
11/25/21 Payment	4,225.41

- Click **OK** when QuickBooks notifies you the duplicate estimate has been created.



- Modify the duplicate estimate accordingly to create a new, different estimate.



- Click **Save & Close**.

NOTES

Create an Invoice from an Estimate

Once you have created an estimate and the customer has approved it, you can use the estimate to invoice the customer.

Progress invoicing (also known as progress billing) lets you invoice for jobs you complete in phases. When you use progress invoicing, you first create an estimate for the job (which you may or may not give to the customer). Then, as you complete each phase, you can easily transfer items from the estimate to an invoice.



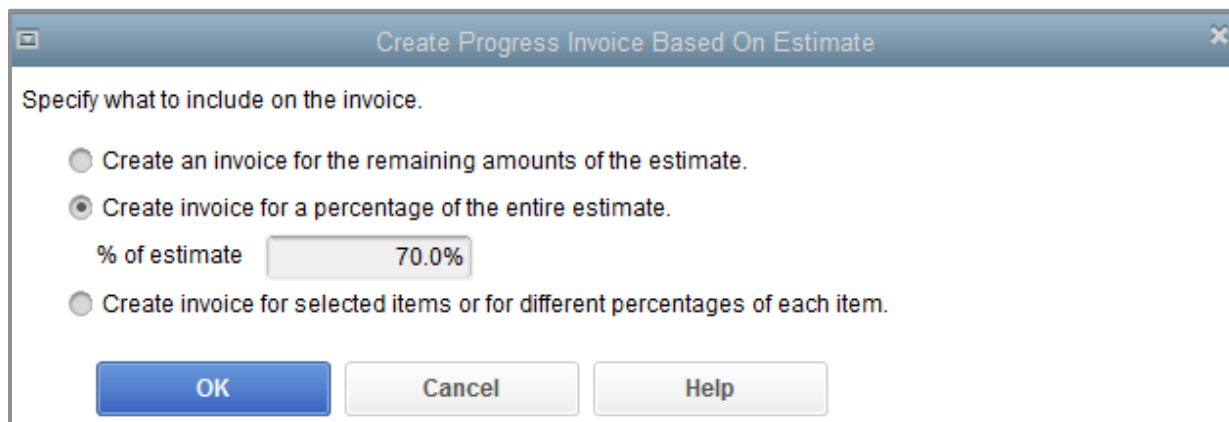
Step-by-Step: Create an Invoice from an Estimate

1. Click **Customers** on the icon bar.
2. In the Customers & Jobs list, choose the Customer:Job you wish to progress bill.
3. Click the **New Transactions** menu button, then choose **Invoices**.
4. Press **Tab** to leave the Customer:Job field. The Available Estimates window appears.

DATE	AMOUNT	CUSTOMER:JOB	EST. NO.
10/11/2021	8,941.69	Cook, Brian:Kitch...	604
11/17/2021	4,225.41	Cook, Brian:Kitch...	610
12/15/2021	4,225.41	Cook, Brian:Kitch...	615
12/15/2021	5,271.93	Cook, Brian:Kitch...	616

5. Highlight the estimate your customer accepted then click **OK**.

6. Select **Create invoice for a percentage of the entire estimate.**
7. Enter the percentage you wish to bill for in the **% of estimate** field.



Specify what to include on the invoice.

Create an invoice for the remaining amounts of the estimate.

Create invoice for a percentage of the entire estimate.

% of estimate

Create invoice for selected items or for different percentages of each item.

OK Cancel Help

8. Click **OK**.
9. If you see a Billable Time/Costs pop-up that indicates the customer or job you've selected has outstanding billable time and/or costs, select **Exclude outstanding billable...** then select **OK**.
10. You may choose to use a different invoice template for progress invoices, in which case you would select the appropriate template from the **Template** drop-down.
11. Click **Save & Close** to record the invoice.
12. Close the Customer Center.



IMPORTANT: You can also access the Invoice window from the Customers drop-down menu, from the Home screen or by selecting **Ctrl+i**.

NOTES

Display Reports for Estimates

Because you've just completed a progress invoice, you can see how QuickBooks records this on the Job Progress Invoices vs. Estimates report. This report shows job status, estimate total, total invoiced from the estimate on progress invoices, and the percentage of the estimate already invoiced on progress invoices.



Step-by-Step: Display the Job Progress Invoices vs. Estimates Report

1. From the Reports menu, choose **Jobs, Time & Mileage**.
2. Choose **Job Progress Invoices vs. Estimates**.

Type	Date	Num	Estimate Active	Estimate Total	Progress Invoice	% Progress
Abercrombie, Kristy						
Remodel Bathroom						
Estimate	10/30/2021	606	✓	3,114.00	0.00	0.0%
Estimate	12/12/2021	613		7,676.13	7,633.28	99.44%
Cook, Brian						
2nd story addition						
Estimate	10/11/2021	605	✓	22,427.44	0.00	0.0%
Kitchen						
Estimate	10/11/2021	604	✓	8,941.69	1,636.69	18.30%
Estimate	11/17/2021	610	✓	4,225.41	0.00	0.0%
Estimate	12/15/2021	615	✓	4,225.41	0.00	0.0%
Estimate	12/15/2021	616	✓	5,271.93	3,690.35	70.0%
Craven, Pam						
Duct Work						
Estimate	05/21/2021	602		602.40	946.80	157.17%
Ecker Designs						
Office Repairs						
Estimate	11/16/2021	609	✓	5,828.80	0.00	0.0%
Jacobsen, Doug						

3. Close the report window.

Update Job Status

Every time you change the status of a job you should update its status in the Customer:Job list. For example, the estimate for the Office Remodel is no longer pending: Wilma Nelson awarded you the job and you have started work.



Step-by-Step: Update the Status of a Job

1. Click **Customers** on the icon bar.
2. In the Customers & Jobs list, select the Customer:Job you wish to work with.
3. Right-click to select **Edit Customer:Job**.
4. Click the **Job Info** tab.
5. In the Job Status field, select **In progress**.

The screenshot shows the 'Edit Job' window with the following details:

- JOB NAME: Office Remodel
- CUSTOMER: Nelson, Wilma
- CURRENT BALANCE: 11,662.00
- Link: How do I adjust the current balance?
- Address Info (tab)
- Payment Settings (tab)
- Additional Info (tab)
- Job Info (tab)
- JOB DESCRIPTION: [Empty text box]
- JOB TYPE: Remodel
- JOB STATUS: In progress
- START DATE: [Calendar icon]
- PROJECTED END DATE: [Calendar icon]
- END DATE: [Calendar icon]
- Job is inactive (checkbox)
- Buttons: OK, Cancel, Help

6. Click **OK**.
7. Close the Customer Center.

Make Estimates Inactive

Once a customer has accepted one of the estimates for the job and you have started work, you might want to make any unaccepted estimates for this job inactive. When you make an estimate inactive, QuickBooks keeps a record of it but does not use the numbers in reports. (This is not the same as deleting it; deleting an estimate will remove the record from QuickBooks.)



Step-by-Step: Mark an Estimate Inactive

1. From the Customer Center, open the estimate you wish to inactivate.
2. Click the **Mark as Inactive** icon at the top of the estimate in the Main tab of the ribbon.
3. Click **Save & Close**.

NOTES

Estimates and Progress Invoicing – Review Questions

1. QuickBooks tracks estimates using what kind of account?
 - a. Posting
 - b. Non-posting
2. True or false: QuickBooks allows you to create multiple estimates for a single customer.
 - a. True
 - b. False
3. Which of the following is not an option when creating an invoice from an estimate?
 - a. Create an invoice for the entire estimate
 - b. Create an invoice for a percentage of the entire estimate
 - c. Create an invoice for selected items or different percentages of each item
 - d. None of the above
4. You prepared an estimate for a customer and were subsequently awarded the contract. How would you change the job status from pending to awarded?
 - a. Create the invoice from the accepted estimate – this changes the status automatically
 - b. Use the Job Status drop-down list in the customer's record
 - c. Use the Job Status drop-down list in the Create Estimates window
 - d. None of the above
5. What QuickBooks feature would you use to charge customers as you complete various phases of a job?
 - a. Progress invoicing
 - b. Phased invoicing
 - c. Partial invoicing
 - d. None of the above

Review Activities

1. Create an estimate for the 75 Sunset Rd. job for Pretell Real Estate. The estimate is for 6 hours of installation labor, 18.5 hours of plumbing work and 4 hours of drywall work.
2. Create a progress invoice for 50% of the estimate just created for the 75 Sunset Rd. job for Pretell Real Estate.

Answers to Review Questions

1. QuickBooks tracks estimates using what kind of account?
 - a. Posting
 - b. ✓ *Non-posting*
2. True or false: QuickBooks allows you to create multiple estimates for a single customer.
 - a. ✓ *True*
 - b. False
3. Which of the following is not an option when creating an invoice from an estimate?
 - a. Create an invoice for the entire estimate
 - b. Create an invoice for a percentage of the entire estimate
 - c. Create an invoice for selected items or different percentages of each item
 - d. ✓ *None of the above*
4. You prepared an estimate for a customer and were subsequently awarded the contract. How would you change the job status from pending to awarded?
 - a. Create the invoice from the accepted estimate – this changes the status automatically
 - b. ✓ *Use the Job Status drop-down list in the customer's record*
 - c. Use the Job Status drop-down list in the Create Estimates window
 - d. None of the above
5. What QuickBooks feature would you use to charge customers as you complete various phases of a job?
 - a. ✓ *Progress invoicing*
 - b. Phased invoicing
 - c. Partial invoicing
 - d. None of the above