# Table of Contents

Lesson Objectives .......................................................................................................................... 5

Using Sales Forms for Payment in the Future .................................................................................. 6

Using Sales Forms for Payment at the Time of Sale ....................................................................... 7

Filling in a Sales Form ...................................................................................................................... 8

Filling in the Line Item Area ............................................................................................................ 9

Completing the Sales Form ............................................................................................................. 10

Repeating a Sale ............................................................................................................................... 12

Creating Batch Invoices ................................................................................................................. 14

Entering a New Item ......................................................................................................................... 16

Creating New Price Levels .............................................................................................................. 18

Associating Price Levels with Customers ....................................................................................... 19

Assigning Price Levels to Individual Line Items ............................................................................ 20

Using the Income Tracker ............................................................................................................... 21

Creating Single Invoice Letters ...................................................................................................... 22
Lesson 6 — Entering Sales Information

Generating Reminder Statements ................................................................. 24

Entering Sales Information — Review Questions .............................................. 27

Review Activities ............................................................................................. 29

Answers to Review Questions ......................................................................... 30
Lesson Objectives

- To learn about the different formats available for sales forms
- To save sales and purchase forms in portable document format (PDF)
- To practice creating a new invoice
- To learn the purpose and use of the QuickBooks Item list
- To see how QuickBooks records the information you enter on sales forms
- To memorize an invoice transaction for reuse
- To add a new item to the Item list
- To add a new price level to the Price Level list
- To associate a price level with a customer
- To create invoice letters
- To generate reminder statements
Using Sales Forms for Payment in the Future

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

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

To display a completed invoice form in QuickBooks:

1. Open the Customer Center from the Customers drop-down menu (or any of the other access points).
2. Click on the name of the customer whose invoice you would like to view.
3. From the Transactions list, double-click on the invoice to open the invoice form.
4. Close the invoice.
Using Sales Forms for Payment at the Time of Sale

If you receive full payment at the time you make a sale — either by cash, check, or credit card — you fill out a sales receipt instead of an invoice. Like the invoice, the QuickBooks sales receipt includes information about the items or services purchased, but it also includes information about how payment was made.

To display a completed sales receipt in QuickBooks:

1. Open the Customer Center from the Customers drop-down menu (or any of the other access points).
2. Click on the name of the customer whose Sales Receipt you would like to view.
3. From the Transactions list, double-click on the sales receipt to open the sales receipt form.
4. Close the Enter Sales Receipts window.

NOTES
Filling in a Sales Form

Filling in an invoice is just like filling in a paper form; enter the customer information first, followed by a description of the charges.

To enter customer information on an invoice:

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

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

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

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

NOTES
Filling in the Line Item Area

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

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

To complete the line item area of an invoice:

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

2. Press Tab.

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

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

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

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

<table>
<thead>
<tr>
<th>ITEM</th>
<th>DESCRIPTION</th>
<th>QUANTITY</th>
<th>UNIT</th>
<th>RATE</th>
<th>AMOUNT</th>
<th>TAX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Removal</td>
<td>Removal labor</td>
<td>40</td>
<td></td>
<td>35.00</td>
<td>1,400.00</td>
<td></td>
</tr>
</tbody>
</table>

NOTES
Completing the Sales Form

To complete and record the invoice:

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

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

3. Click Close.

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

5. In the Create Invoices window, record the sale by clicking Save & Close.
QuickBooks records the invoice in your accounts receivable register. If this were a sales receipt, QuickBooks would record the sale in your Undeposited Funds account until you deposit the money at the bank, or record a deposit in the bank account you specified in the Enter Sales Receipts window. (The option to select an account in which to deposit the payment is only available when the Payments preference Use Undeposited Funds as a default deposit to account is turned off.)

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

To see the Accounts Receivable register:

1. Open the Chart of Accounts.

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

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

4. Close the register.
Repeating a Sale

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

To memorize the invoice:

1. Make sure you have the invoice you want to memorize displayed on your screen.
2. From the task ribbon in the upper right of the task bar, choose Memorize.

3. In the Name field, type a description that helps you recognize the memorized invoice or keep the default description QuickBooks has provided.
4. Click OK.
5. Close the Create Invoice, Accounts Receivable, and Chart of Accounts windows.
To recall a memorized sale:

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

2. Double-click the transaction you just added.

3. Click Save & Close to record the invoice.

4. Press the Esc key to close the Memorized Transaction list.
Creating Batch Invoices

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

To create a batch invoice:

1. From the Customers menu, choose Create Batch Invoices.
2. Click OK to close the message.
3. In the Look for field, you can search for an item description.
4. Click Search.

![Batch Invoice Window](image)
5. In the **Billing Group** field, enter a name for your batch. If you enter a name that does not yet exist, you will receive a prompt to create this group.

6. Use the **Add** button to add clients to your list.

7. Click **Save Group**.

8. Click **Next**.

9. Choose the date of the invoices and the invoice template.

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

11. Click **Next**.

12. Review the list of customers and click **Create Invoices**.

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

14. Click **Close** to close the Batch Invoice Summary.
Lesson 6 — Entering Sales Information

Entering a New Item

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

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

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

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

In this section we are going to look at one-sided item entry.

**To add a one-sided item:**

1. From the Lists menu, choose Item List.

2. Click the Item menu button at the bottom left of the window then choose New.
3. In the **New Item** window, choose an item type from the **Type** drop-down list.

![Important: When you select an item type, a description of how that item should be used will appear to the right of the drop-down box.](image)

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

5. In the **Description** field, enter the information you would like to appear by default when this item is used on a form.

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

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

![Important: Items marked as Non-Taxable in the setup will not accrue sales tax on sales forms. See the Sales Tax training section for additional information.](image)

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

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

10. Close the Item list.
Creating New Price Levels

For each price level you create, you assign a name and percentage increase or decrease to the item’s base or standard sales price. You can create up to 100 price levels in QuickBooks Pro and Premier to use on invoices, sales receipts, estimates, and credit memos.

To create a new price level:

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

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

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

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

5. Set your rounding parameters.

6. Click OK.

7. Close the Price Level list.

NOTES
Associating Price Levels with Customers

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

**To associate a price level with a customer:**

1. Open the Customer Center.
2. In the Customers & Jobs list, select the customer whose price level you wish to set.
3. Double-click on the customer name to open the customer detail page.
4. Click the Payment Settings tab.
5. From the Price Level drop-down list, choose the price level you want to associate with the customer.

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

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

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

- You’ve associated a price level with a customer but want to charge the base sales price for an item on a sale to that customer
- You want to use a price level for one or more items but you don’t want to assign a price level to the customer for whom you’re recording the sale

To apply a price to a single line item:

1. In a sales form with line items, click in the Rate column and select the price level you want to use from the drop-down list that displays (or you can enter your own price for that item, even if it is not in the drop-down list).
2. When you move out of that field on the form, QuickBooks recalculates the amount and balance due.
Using the Income Tracker

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

To review overdue and nearly-due payments for all customers:

1. From the Customers menu, select Income Tracker (or open the Customer Center and click on Income Tracker).
2. Click Income Tracker.
3. Use the Money Bar’s colored tabs on the top to filter the information.
4. Open the down-facing arrow in the Action column for a list of actions you can take with each line.
5. In the Unbilled section of the Money Bar, click on the colored tab for Estimates. These are open estimates that can be turned into invoices from this window by using the Action field.
6. Placing checkmarks in the boxes in the far left column next to each estimate (or one checkmark in the top box to indicate that you are choosing all of them) will allow you to click on Batch Actions at the bottom, which in this case, enables you to batch email them or mark them as inactive.
7. The Manage Transactions button at bottom enables you to launch a new customer-related transaction such as a new invoice or estimate, or to edit the currently highlighted row.
Creating Single Invoice Letters

To create an invoice letter:

1. From the Reports menu, choose Customers & Receivables then choose Open Invoices from the submenu.
2. In the on-screen Open Invoices report, double-click the open invoice for which you would like to send a letter.
3. Under the Send/Ship tab, click the Prepare Letter icon to display the drop-down list.
4. Select Prepare Letter.
   
   If QuickBooks prompts you to find letters, click Copy.

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

6. Click Next.

7. Enter the appropriate name and title for the letter signature.
Lesson 6 — Entering Sales Information

Creating Single Invoice Letters

8. Click Next.

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

![Invoice Letter Example]

December 15, 2020

Rock Castle Construction
1735 County Road
Bayshore, CA 94326

Robert Allard
92834 Chandler St.
Millbrae, CA 94030

Dear Amanda,

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

<table>
<thead>
<tr>
<th>Invoice Job</th>
<th>Remodel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invoice Number</td>
<td>1130</td>
</tr>
<tr>
<td>Invoice Date</td>
<td>12/15/2020</td>
</tr>
<tr>
<td>Invoice Due Date</td>
<td>12/30/2020</td>
</tr>
<tr>
<td>Invoice Amount</td>
<td>$11,862.00</td>
</tr>
<tr>
<td>Invoice Balance</td>
<td>$11,862.00</td>
</tr>
</tbody>
</table>

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

Sincerely,

Esther Friedberg Karp
President for Life
Rock Castle Construction

10. You can choose to print the letter (and envelope as well if you chose) from Word if you wish.

11. From the Window menu, choose Close All.
Generating Reminder Statements

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

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

To generate reminder statements:

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

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

3. In the Enter Statement Date and Type section of the window, set the parameters for the type of statements you would like to generate.

4. Set your statement period in the Statement Period From/To fields, or select All open transactions as of statement date.
5. In the **Select Customers** section, choose how you would like to create the statements.

6. Select additional options as they apply.

7. Click **Assess Finance Charges** if you would like to add finance charges to the statements. Enter an assessment date if applicable.
8. Click **Assess Charges**.

9. Click **Preview**.

10. Click **Close**.

11. Close the Create Statements window.
1. When receiving payment at the time of sale, you create a ___________________________ in QuickBooks.

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

3. In QuickBooks you can record payments made using which of the following?
   a. Cash
   b. Check
   c. Credit card
   d. All of the above

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

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

6. From which list (or lists) does QuickBooks get the information for A, B, and C in the graphic below?
   a. ___________________________
   b. ___________________________
   c. ___________________________
7. List the item types used in the line item area of the invoice above.

__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

8. On which of the following can you not use price levels?
   a. Invoices
   b. Sales receipts
   c. Credit memos
   d. Purchase orders

9. QuickBooks Pro allows you to assign price levels to which of the following?
   a. Specific customers
   b. Individual line items on sales forms
   c. Both a and b
   d. None of the above

10. If a wood door’s base price is $120.00 and you set the rounding option to 1.00 minus .11 for a certain price level, what price would appear on an invoice for the wood door if that price level is used?
   a. $120.11
   b. $120.89
   c. $119.89
   d. $119.11

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

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

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

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

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

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

3. In QuickBooks you can record payments made using which of the following?
   a. Cash
   b. Check
   c. Credit card
   d. All of the above

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

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

6. From which list (or lists) does QuickBooks get the information for A, B, and C in the graphic below?
   a. Customers & Jobs List
   b. Customers & Jobs list (if associated terms with the customer); Terms list
   c. Item List
7. List the item types used in the line item area of the invoice above.

   *Inventory Part, Subtotal, Discount and Service*

8. On which of the following can you not use price levels?
   a. Invoices
   b. Sales receipts
   c. Credit memos
   d. Purchase orders

9. QuickBooks Pro allows you to assign price levels to which of the following?
   a. Specific customers
   b. Individual line items on sales forms
   c. Both a and b
   d. None of the above

10. If a wood door’s base price is $120.00 and you set the rounding option to 1.00 minus .11 for a certain price level, what price would appear on an invoice for the wood door if that price level is used?
   a. $120.11
   b. $120.89
   c. $119.89
   d. $119.11

11. Which of the two methods for providing customers with information about overdue invoices allows you to assess finance charges?
   a. Invoice letters
   b. Reminder statements