Lesson 13
Estimating 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
- Create project reports for estimates
- To update a job’s status
- To make an estimate inactive
Progress invoicing (also known as progress billing) lets you invoice for jobs that you work on and complete in phases. When using progress invoicing, you start by creating an estimate for the job (you don't have to give this estimate to the customer).

Then, as you complete each phase, you can easily transfer items from the original estimate to an invoice. You can specify which items to include on each invoice and change estimated amounts or percentages. When you use estimates to create progress invoices, you can run reports to help you track your estimated versus actual costs.

**Estimates**

An estimate is a description of work you can do or products you can provide for customers. QuickBooks refers to this as creating an estimate, but you can give the form your own title such as bid, grant, or proposal. To use progress invoicing in QuickBooks you'll use the estimate feature in order to use progress invoicing.

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.
To turn on estimates and progress invoicing:

1. From the Edit menu, choose Preferences.
2. Click Jobs & Estimates in the left panel.
3. Click the Company Preferences tab to display the job and estimate preferences.
4. Select Yes to the question Do You Create Estimates?
5. Select Yes to the question Do You Do Progress Invoicing?
6. Click OK to save the changes and close the Preferences window.
Create Estimates

To create an estimate from the Customer Centre:

7. From Home Page click Estimates.
8. Choose the Customer:Job.
9. Complete the header of the Estimate form including the Date, Estimate# and other relevant information like Shipping Address, Class, etc.
10. From the Item column choose the Items that you're going to estimate and eventually sell to the customer.
11. Add or edit the Quantity, Cost and Amount as needed. Note: The Cost is the item's cost as it is setup on the item record.
12. Add the Markup if appropriate.
13. Add the Tax.
14. Click Save & Close to save the estimate.

![Create Estimates screenshot]

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

**To create a duplicate of an existing estimate:**

1. Right-click in the body of the estimate and choose **Duplicate Estimate** from the list that displays (or use the **Edit** drop-down and select **Duplicate Estimate**).
2. Click **OK** when QuickBooks notifies you the duplicate estimate has been created.
3. Edit the estimate to create a new estimate.
4. Click **Save & Close**.

![Create Estimates](image.png)
Reporting on Estimates

You can create an Estimates by Job report to view all of your estimates in one place. This report lists all active estimates assigned to a customer or job. You can see at a glance how many estimates exist for each customer or job.

To create this report:

1. Go to the Reports menu and click Jobs, Time & Mileage.
2. Click Estimates by Job.
3. To open any of the estimates listed, double-click the transaction.
Creating an Invoice from an Estimate

Once you’ve 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 using progress invoicing, you start by creating an estimate for the job. As you complete each phase, you can easily transfer items from the original estimate to an invoice.

To create an invoice for 100% of an Estimate:

1. From the Home Page, click Create Invoices.
2. Choose the Customer: Job name.
3. QuickBooks displays the Available Estimates window. From this window click the Estimate you’d like to convert to an invoice.
4. Click OK.
5. Select **Create invoice for a percentage of the entire estimate**.

6. Enter the percentage you wish to bill for in the **% of estimate** field.

7. Click **OK**.

8. 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.

9. Click **Save & Close** to record the invoice.
To create an invoice for % of an Estimate:

1. From the Home Page, click Create Invoices.
2. Choose the Customer: Job name.
3. QuickBooks displays the Available Estimates window. From this window click the Estimate you'd like to convert to an invoice.
4. Click OK.
5. Select **Create invoice for a percentage of the entire estimate.**

![Create Progress Invoice Based On Estimate dialog box]

6. Enter the percentage you wish to bill for in the **% of estimate** field.

7. Click **OK**.

8. Click **Save & Close**.

![Invoice dialog box with billed items and payment options]
9. Repeat the process for the additional phase of invoicing.

10. Click OK.

11. Repeat the process for the additional phase of invoicing.

12. Click OK.

13. Click Save & Close to complete the final invoice.
Displaying 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.

To display the Job Progress Invoices vs. Estimates report:

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

3. Close the report window.

Notes
Making Estimates Inactive

Once a customer has accepted one of the estimates for the job and you have started work, you might want to make the unaccepted estimate inactive. When you make an estimate inactive, QuickBooks keeps a record of it but does not use the numbers in reports.

To 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.
3. Click Save & Close.

Notes
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Review Activities

1. From the File menu in QuickBooks, choose Open or Restore Company. QuickBooks displays the Open or Restore Company window.
2. Select Restore a backup copy and click Next.
3. Select Local backup and click Next.
4. In the Open Backup Copy window, navigate to the appropriate directory.
5. Select the qlesson.qbb file, and then click Open.
6. In the Open or Restore Company window, click Next.
7. Navigate to your directory.
8. In the File Name field of the Save Company File As window, type Lesson13 and then click Save.
9. Enter the Password: QBDT2018!
10. Click OK when you see the message that the file has been successfully restored.

Review Activities

1. Create a new job under Brad Card called Garage
2. Create an estimate on the last day of the current month for the customer Brad Card:Garage for the following items:
   - $5000 of Plans
   - $20,000 of Concrete work
   - $2900 of Permits
   - $40,000 of Framing
   - $25,000 of Masonry
3. Create Progress Invoice #1 for 33% on the 10th of next month.
4. Create Progress Invoice #2 for 33% on the 20th of next month.
5. Create Progress Invoice #3 for the remainder of the estimate on the last day of next month