



QUICKBOOKS 2018 STUDENT GUIDE

Lesson 6

Customers and Sales Part 2

intuit.

Copyright

Copyright 2018 Intuit, Inc.
All rights reserved.

Intuit, Inc.
5100 Spectrum Way
Mississauga, ON L4W 5S2

Trademarks

©2018 Intuit Inc. All rights reserved. Intuit, the Intuit logo, Intuit ProLine, Lacerte, ProAdvisor, ProSeries and QuickBooks, among others, are trademarks or registered trademarks of Intuit Inc. in the United States and other countries. Other parties' marks are the property of their respective owners.

Notice to Readers

The publications distributed by Intuit, Inc. are intended to assist accounting professionals in their practices by providing current and accurate information. However, no assurance is given that the information is comprehensive in its coverage or that it is suitable in dealing with a client's particular situation. Accordingly, the information provided should not be relied upon as a substitute for independent research. Intuit, Inc. does not render any accounting, legal, or other professional advice nor does it have any responsibility for updating or revising any information presented herein. Intuit, Inc. cannot warrant that the material contained herein will continue to be accurate nor that it is completely free of errors when published. Readers should verify statements before relying on them.

Table of Contents

Lesson Objectives 4

Record Payment in Full for a Single Job 5

Enter a Partial Payment 6

Apply One Payment to Multiple Jobs 7

Enter Overpayments 8

Record Down Payments & Prepayments 9

Making Deposits 12

How QuickBooks Handles the Deposit 14

How to Handle a Customer Bounced Check 16

Customers and Sales Part 2 — Review Questions 19

Review Activities 20

Answers to Review Questions 21

Lesson Objectives



Learn how to record customer payments in QuickBooks



Learn how to handle customer discounts, partial payments, overpayments, or down payments



Learn how to handle customer bounced checks



Learn how to record a deposit in QuickBooks and how QuickBooks treats the deposit behind the scenes



Learn how to enter cash back from a deposit in QuickBooks

Record Payment in Full for a Single Job

Record payments you receive from customers in the Receive Payments window.

Record a payment in full:

1. Click the **Receive Payments** icon.
2. In the **Received From** field, select the Customer:job that you are receiving payment from.
3. In the **Amount** field, enter the amount of the payment.
4. Select the payment method.
5. Enter the reference number for the payment, if applicable.
6. Place a check mark next to the invoices in the list that you are applying the payment to.

Customer Payment

RECEIVED FROM: **Greene, Jeremy:Kitc...** CUSTOMER BALANCE: **8,762.00**

PAYMENT AMOUNT: **6,300.00** DATE: **08/31/2016**

PMT. METHOD: **Cheque** CHEQUE #: **2341** DEPOSIT TO: **Chequing**

✓	DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
✓	12/31/2016	14		6,300.00	6,300.00
	06/25/2017	8		31,328.85	2,462.00
Totals				37,628.85	8,762.00

AMOUNTS FOR SELECTED INVOICES

AMOUNT DUE: **6,300.00**

APPLIED: **6,300.00**

DISCOUNT AND CREDITS APPLIED: **0.00**

MEMO: Process credit or debit card payment when saving

Save & Close **Save & New** **Clear**

7. Click **Save & Close**.



NOTES

Enter a Partial Payment

To enter a partial payment:

1. Click the **Receive Payments** icon.
2. In the **Received From** field, select the customer:job that you are receiving payment from.
3. In the **Amount** field, enter the amount of the payment.
4. Select the payment method.
5. Enter the reference number for the payment, if applicable.
6. Place a check mark next to the invoices in the list that you are applying the payment to.
7. Select **Leave this as an underpayment**.
8. Click **Save & Close** to record the partial payment.



NOTES

Apply One Payment to Multiple Jobs

Apply one payment to multiple jobs:

1. In the **Receive Payments** window, select the parent customer name for the jobs you are receiving payment against. This will enable QuickBooks to show all open invoices for the parent customer and jobs.
2. In the **Amount** field, enter the amount of the payment.
3. Select the payment method.
4. Enter the reference number for the payment, if applicable.
5. Place a check mark next to the invoices in the list that you are applying the payment to.

Customer Payment

RECEIVED FROM: **Uchman, Roy** CUSTOMER BALANCE: **3,396.93**

PAYMENT AMOUNT: **3,396.93** DATE: **08/31/2016**

FMT. METHOD: **Cheque** CHEQUE #: **9845** DEPOSIT TO: **Undeposited Funds**

✓	DATE	JOB	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT	
✓	11/25/2016	2nd Story	15		1,050.00	1,050.00	
✓	12/15/20...	Hangar	12		30,509.33	2,346.93	
Totals					31,559.33	3,396.93	3,396.93

AMOUNTS FOR SELECTED INVOICES

AMOUNT DUE: **3,396.93**

APPLIED: **3,396.93**

DISCOUNT AND CREDITS APPLIED: **0.00**

MEMO: Process credit or debit card payment when saving

Save & Close **Save & New** **Clear**

6. Click **Save & Close**.



NOTES

Enter Overpayments

If a customer sends you an overpayment, enter the amount in the Receive Payments window and QuickBooks keeps track of the additional payment. When the customer has future invoices, you can apply the overpayment to those invoices.

Enter the payment:

1. In the **Received From** field, select the Customer:job that you are receiving payment from.
2. In the **Amount** field, enter the amount of the payment.
3. Select the payment method.
4. Enter the reference number for the payment, if applicable.
5. Place a check mark next to the invoices in the list that you are applying the payment to.
6. Select **Leave the credit to be used later** to leave the overpayment on the customer account or **Refund the amount to customer** to issue a refund.
7. Click **Save & Close**.
 - a. If you chose to refund the amount to your customer, the **Issue a Refund** window will appear. Complete the form appropriately.
 - b. Click **OK**.

Customer Payment

RECEIVED FROM: Rajyaguru, Kamlesh... CUSTOMER BALANCE: 10,104.00

PAYMENT AMOUNT: 15,000.00 DATE: 08/31/2016

PMT. METHOD: Cheque CHEQUE #: DEPOSIT TO: Undeposited Funds

DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
12/15/2016	11		55,104.00	10,104.00
Totals			55,104.00	10,104.00

OVERPAYMENT: \$4,896.00

WHEN FINISHED:

LEAVE THE CREDIT TO BE USED LATER

REFUND THE AMOUNT TO THE CUSTOMER

VIEW CUSTOMER CONTACT INFORMATION

AMOUNTS FOR SELECTED INVOICES

AMOUNT DUE: 10,104.00

APPLIED: 10,104.00

DISCOUNT AND CREDITS APPLIED: 0.00

MEMO: Process credit or debit card payment when saving

Save & Close Save & New Clear

Record Down Payments & Prepayments

If a customer makes a payment before you've invoiced them for services (for example, they may be making a down payment or paying a retainer fee), record this on a sales form using an item linked to another current liability account to record the down payment.

QuickBooks holds the unapplied amount with the customer's name. The next time you enter that customer in the Receive Payments window, QuickBooks displays the credit amount in the Unused Credits area.

Create down payment item:

1. Click the **Items & Services** icon on the Home page.
2. Click the **Item** button and select **New**.
3. Select **Other Charge** as the type.
4. Enter the name of the item, e.g. **Down Payment**.
5. (Optional) Enter a description for the item.
6. Click the **Account** drop-down menu and select the appropriate liability account.
7. Leave the amount at zero, and select the appropriate **Tax Code**.
8. Click **OK**.

The screenshot shows the 'New Item' dialog box with the following fields and values:

- TYPE:** Other Charge (Use for miscellaneous labour, material, or part charges, such as delivery charges, setup fees, and service charges.)
- Item Name/Number:** Down Payment
- Subitem of:** (empty)
- This item is used in assemblies or is a reimbursable charge:** (unchecked)
- Description:** Customer down payment
- Amount or %:** 0.00
- Tag Code:** S
- Account:** Customer Down Payments
- Item is inactive:** (unchecked)

Buttons on the right side of the dialog include: OK, Cancel, Next, Notes, Custom Fields, and Spelling.

Record the down payment:

1. Click the **Sales Receipt** icon.
2. In the **Customer:Job** field, select the customer you are receiving the down payment from.
3. Select the **Down Payment** item you created, and enter the amount of the down payment.
4. Click **Save & Close**.

Enter Sales Receipts

Main Formatting Send Reports

Find New Save Delete Create a Copy Memorize Mark As Pending Print Email Print Later Email Later Attach File Add time/costs

CUSTOMER:JOB Allin, Hilda:600 S... DEPOSIT TO Undeposit... TEMPLATE Custom Sa...

Sales Receipt

DATE 08/31/2016 SOLD TO Allin, Hilda
57 River Avenue
New Westminster, BC
V1S 3T4

SALE NO. 2

CHEQUE NO. PAYMENT METHOD

ITEM	DESCRIPTION	QTY	RATE	AMOUNT	TAX
Down Payment	Customer down payment			300.00	300.00 G

GST 5.0% 15.00
0.00

TOTAL 315.00

CUSTOMER MESSAGE

MEMO CUSTOMER TAX CODE G

Save & Close Save & New Clear

Process credit or debit card payment when saving

Apply down payment to an invoice:

1. Click the **Create Invoices** icon.
2. In the **Customer:Job** field, select the customer you are creating the invoice for.
3. Select the items the customer is purchasing on this invoice.
4. Select the **Down Payment** item.
5. Enter the amount of the down payment as a negative.
6. Click **Save & Close**.

The screenshot shows the 'Create Invoices' window in QuickBooks. The 'CUSTOMER:JOB' field is set to 'Allin, Hilda:600 SQ F...'. The 'TEMPLATE' is 'Intuit Product In...'. The invoice is dated '08/31/2016' with invoice number '19'. The invoice is addressed to 'Allin, Hilda, 57 River Avenue, New Westminster, BC V1S 3T4'. The terms are 'Due on receipt' and the shipping date is '08/31/2016'. The invoice includes three items:

QUANTITY	ITEM	DESCRIPTION	PRICE EACH	AMOUNT	TAX
2	Materials Heading:Cabinets:Cabinet Wall Unit	Light Pine kitchen cabinet wall unit	259.95	519.90	G
6	Materials Heading:Hardware:Door Pulls	Door pulls for kitchen cabinets	2.99	17.94	G
	Down Payment	Customer down payment	-300.00	-300.00	G

At the bottom right, the GST 5.0% is calculated as 11.89. The total amount is 249.73, with 0.00 in payments applied, resulting in a balance due of 249.73. The window includes buttons for 'Save & Close', 'Save & New', and 'Clear'.



NOTES

Making Deposits

When you use the Enter Sales Receipt window (for a sales receipt where you receive payment on the spot), or the Receive Payments window (for payments on invoices), QuickBooks keeps track of the money you've received until you deposit it in the bank. When you receive payments from customers, you can either deposit each payment directly into a QuickBooks bank account or you can group payments together into an account called Undeposited Funds to be moved to that bank account at a later time. QuickBooks allows you to choose the method you prefer for depositing payments.

Select payments to deposit:

1. From the **Banking** menu, choose **Make Deposits**.

Payments to Deposit

SELECT VIEW

View payment method type: All types [What are payment method views?](#)

Sort payments by: Payment Method

SELECT PAYMENTS TO DEPOSIT

✓	DATE	TIME	TYPE	NO.	PAYMENT METHOD	NAME	AMOUNT
✓	03/01/2017		PMT	455		Card, Brad:Theatre Room	4,500.00
✓	12/16/2016		RCPT	15	Cheque	Greene, Jeremy:Kitchen ...	179.15

2 of 2 payments selected for deposit

Payments Subtotal 4,679.15

Select All Select None

OK Cancel Help

2. Click to select the payments you want to deposit.
3. Click **OK**.

- In the **Deposit To** field, make sure the proper bank account is selected.

Make Deposits

Previous Next Save Print Payments History Attach

Deposit To **Chequing** Date 08/31/2016 Memo Deposit

Click Payments to select customer payments that you have received. List any other amounts to deposit below.

RECEIVED FROM	FROM ACCOUNT	MEMO	CHQ NO.	PMT METH.	AMOUNT
Card, Brad:Theatre Room	Undeposited Funds		455		4,500.00
Greene, Jeremy:Kitchen...	Undeposited Funds		1246	Cheque	179.15

Deposit Subtotal 4,679.15

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 4,679.15

Save & Close Save & New Clear

If you have money to deposit that is not the result of a payment you received for a sale, you can enter it in the detail area of the window.

- Click **Save & Close** to record the deposit.



NOTES

How QuickBooks Handles the Deposit

Before you deposit customer payments into your chequing account, QuickBooks holds them in Undeposited Funds. After you record the deposit, QuickBooks moves the payments from Undeposited Funds into your bank account.

Before recording deposit:

NAME	TYPE	BALANCE TOTAL
◊ Chequing	Bank	148,909.30
◊ Petty Cash	Bank	0.00
◊ Savings	Bank	0.00
◊ Accounts Receivable	Accounts Receivable	44,820.43
◊ Allowance for Doubtful Accounts	Other Current Asset	0.00
◊ Construction in Progress	Other Current Asset	0.00
◊ Employee Advances	Other Current Asset	0.00
◊ Inventory Asset	Other Current Asset	30,299.70
◊ Retainage Receivable	Other Current Asset	0.00
◊ Undeposited Funds	Other Current Asset	4,679.15
◊ Work in Progress (WIP)	Other Current Asset	0.00
◊ Accumulated Depreciation	Fixed Asset	0.00
◊ Automotive Equipment	Fixed Asset	0.00
◊ Buildings and Improvements	Fixed Asset	0.00
◊ Construction Equipment	Fixed Asset	50,269.68
◊ Furniture and Equipment	Fixed Asset	0.00

Account Activities Reports Attach Include inactive

After recording deposit:

NAME	TYPE	BALANCE TOTAL
◊ Chequing	Bank	153,588.45
◊ Petty Cash	Bank	0.00
◊ Savings	Bank	0.00
◊ Accounts Receivable	Accounts Receivable	44,820.43
◊ Allowance for Doubtful Accounts	Other Current Asset	0.00
◊ Construction in Progress	Other Current Asset	0.00
◊ Employee Advances	Other Current Asset	0.00
◊ Inventory Asset	Other Current Asset	30,299.70
◊ Retainage Receivable	Other Current Asset	0.00
◊ Undeposited Funds	Other Current Asset	0.00
◊ Work in Progress (WIP)	Other Current Asset	0.00
◊ Accumulated Depreciation	Fixed Asset	0.00
◊ Automotive Equipment	Fixed Asset	0.00
◊ Buildings and Improvements	Fixed Asset	0.00
◊ Construction Equipment	Fixed Asset	50,269.68
◊ Furniture and Equipment	Fixed Asset	0.00

Account Activities Reports Attach Include inactive



NOTES

How to Handle a Customer Bounced Check

When a customer's check bounces, use the built in feature in QuickBooks to quickly record the bounced check, assess bank charges to the customer, and mark the customer's invoice as unpaid.

When a Customer Payment check is returned by the bank:

1. Click **Customers** on the Home page.
2. Highlight the Customer:Job from the list, then double-click on the payment transaction from the transaction list to open it.
3. Select the **Record Bounced Check** icon.

Customer Payment

RECEIVED FROM: myKitchen Renovation CUSTOMER BALANCE: 14,762.00

PAYMENT AMOUNT: 6,000.00 DATE: 06/14/2017

PMT. METHOD: Cheque CHEQUE #: 124 DEPOSIT TO: Chequing

✓	DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
	12/31/2016	14		6,300.00	6,300.00
✓	06/03/2017	6		2,640.75	140.75
✓	06/12/2017	7		8,492.40	5,859.25
Totals				48,762.00	14,762.00
					6,000.00

AMOUNTS FOR SELECTED INVOICES

AMOUNT DUE: 6,000.00

APPLIED: 6,000.00

DISCOUNT AND CREDITS APPLIED: 0.00

MEMO: Process credit or debit card payment when saving

Save & Close Save & New Revert

4. Enter any bank fees charged by your bank for the NSF transaction.

5. If you have a fee you charge your customer you can enter that as well.

Manage Bounced Cheque

What did the bank charge you for this bounced cheque?

BANK FEE DATE

EXPENSE ACCOUNT

How much do you want to charge your customer?

CUSTOMER FEE [Learn more](#)

6. Click **Next**.
7. In the **Bounced Check Summary**, select **Finish**.

Bounced Cheque Summary

When you click Record Bounced Cheque, here's what will happen in QuickBooks:

1. Following invoices will be marked unpaid:

Invoice 14	Kitchen Renovation	Unpaid	0.00
Invoice 6	Kitchen Renovation	Unpaid	140.75

2. These fees will be deducted from your bank account:

Chequing	Check 124	6,000.00
Chequing	Service Fee	25.00

3. This invoice will be created for the fee you want to charge your customer:

Invoice	Kitchen Renovation	35.00
---------	--------------------	-------

8. Notice the **Customer Payment** screen indicates this check bounced.

Customer Payment ! BOUNCED CHEQUE

RECEIVED FROM: myKitchen Renovation CUSTOMER BALANCE: 20,798.75

PAYMENT AMOUNT: 6,000.00 DATE: 06/14/2017

PMT. METHOD: Cheque CHEQUE #: 124 DEPOSIT TO: Chequing

DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
08/31/2016	3	6,000.00	6,000.00	0.00
08/31/2016	18	36.75	36.75	0.00
12/31/2016	14	6,300.00	6,300.00	0.00
Totals		54,798.75	20,798.75	0.00

AMOUNTS FOR SELECTED INVOICES

AMOUNT DUE: 0.00
 APPLIED: 0.00
 DISCOUNT AND CREDITS APPLIED: 0.00

MEMO: Process credit or debit card payment when saving

Buttons: Save & Close, Save & New, Revert

9. Click **Save & Close**.



NOTES

Customers and Sales Part 2 — Review Questions

1. A company has set up three different jobs for a single customer. The customer writes one check to make a partial payment on open balances for all three jobs. In QuickBooks, that payment...
 - a. Must be applied to the first invoice for the first job for the customer
 - b. Must be applied to the most recent invoice for the customer
 - c. Can be applied to any combination of invoices and jobs for the customer
 - d. Cannot be applied to any invoices or jobs for the customer until full payment is received
2. QuickBooks supports which of the following types of payment scenarios?
 - a. Down payments for products or services
 - b. Overpayments from customers
 - c. Partial payments from customers
 - d. All of the above
3. The _____ account is used to hold funds until you deposit them into a bank account.
4. True or false: QuickBooks allows you to print deposit slips that you can take to the bank.
 - a. True
 - b. False

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 **qblesson.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 **Lesson6** 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 an invoice for Brad Card:Theatre Room with the following items:
Cabinet Wall Unit, Quantity 1
Wall Sconce, Quantity 2
Table Lamp, Quantity 2
2. Receive full payment from Brad Card for his open invoice (Payment Method: Cheque). Deposit the payment to the Undeposited Funds account.
3. Record the deposit of Brad's payment into the Chequing account. Deposit any other payments that appear in the Payments to Deposit window.
4. Your customer gives you a down payment for services:
 - a. Set up a down payment item on the items list.
 - b. Create a sales receipt to record the customer's down payment.
 - c. Create an invoice for the customer, and deduct the down payment amount from the invoice.
5. Brad's cheque bounced. Record the bounced check, and assess a \$25 bounced cheque fee to Brad.

Answers to Review Activities

1. A company has set up three different jobs for a single customer. The customer writes one check to make a partial payment on open balances for all three jobs. In QuickBooks, that payment...
 - a. Must be applied to the first invoice for the first job for the customer
 - b. Must be applied to the most recent invoice for the customer
 - c. ✓ Can be applied to any combination of invoices and jobs for the customer
 - d. Cannot be applied to any invoices or jobs for the customer until full payment is received
2. QuickBooks supports which of the following types of payment scenarios?
 - a. Down payments for products or services
 - b. Overpayments from customers
 - c. Partial payments from customers
 - d. ✓ All of the above
3. True or false: You can enter a customer payment directly in the customer register.
 - a. True
 - b. ✓ False, *you must enter payments in the Receive Payments window.*
4. The *Undeposited Funds* account acts like a cash drawer and is used to hold funds until you deposit them into a bank account.
5. True or false: QuickBooks allows you to print deposit slips that you can take to the bank.
 - a. ✓ True
 - b. False