INTUIT QuickBooks®

Lesson 6

Customers and Sales Part 2

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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.

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.

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**.

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**.

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**.

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**.

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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**.

2. Click to select the payments you want to deposit.

3. Click **OK**.

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

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.

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

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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:

After recording deposit:

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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.

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.

6.   Click **Next**.

7.   In the **Bounced Check Summary**, select **Finish**.

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

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