QUICKBOOKS ONLINE PLUS: A COMPLETE COURSE 2016

Chapter 6
Sales and Receivables: Product and Service Items

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Lecture Focus

- Add Company Logo
- Customize Business Forms
- Create Locations and Classes
- Set up Sales Tax
- Record sales on account and cash sales for products/inventory items with sales tax
- Discuss FIFO inventory valuation
- Record Sales Discounts
- Create and convert Delayed Charges
- Record payments by debit and credit cards
- Add new products and terms
- Record NSF transactions
- Prepare, customize, and save customized reports

Lecture Notes

- Lecture for Chapter 6 will not match text material
- Lecture designed to illustrate key points in chapter
- Examples and coverage may not encompass everything in the chapter
- In Chapter 6, Your Name's Beach Barkers is used to present lecture information
- Not all transactions used in reports are shown in detail
- Lecture for illustrative purposes only—not to be completed by students
- Do <u>not</u> record transactions illustrated in lecture
- Google Chrome used for Web browser

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Training Tutorial and Procedures

- Use Test Drive Company to **Drill** and practice
- Use Your Name's Beach Barkers to **Do**
  - Record and save entries—pay careful attention to quantities, amounts, and dates when recording transactions with inventory
  - Enter Additional Transactions at end of chapter to reinforce
- Print, export to Excel, or submit work as instructed
- Use dates provided in text
- Use 2016 as the year
- Note: Test Drive Company has automatic date changes built into company so dates do not always match

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Accounting for Sales and Receivables

- Chapter 3 transactions were prepared for service items
- Chapter 6 transactions include inventory items
- When selling inventory, must charge sales tax
- Inventory valuation method used in QuickBooks Online is FIFO
- Sales Discounts are given for early payments
- May receive Non-Sufficient Funds (NSF) checks
- Reports are prepared to manage A/R, review sales, manage products/inventory, and provide accountant information

Customize QuickBooks Online

- In Chapters 6-8, QuickBooks Online will be customized
- Items customized
  - Add and use Company Logo
    - Small picture that will appear in
      - Home Page of QBO
      - Business Documents
  - Business Forms
  - Reports

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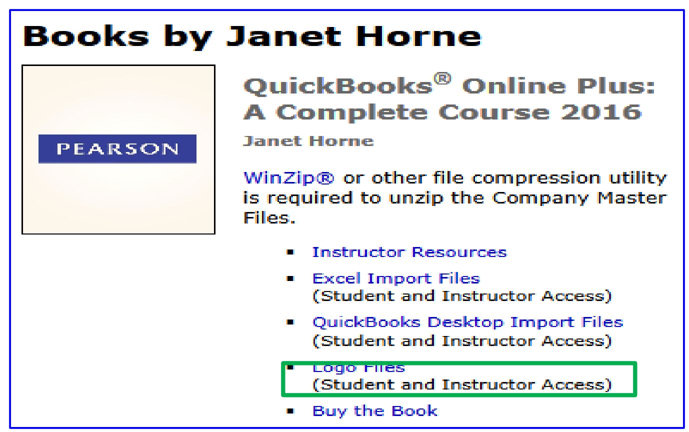
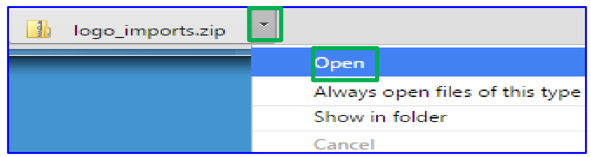
Download Logo Files

- Download Logo Files
  - Use USB drive
  - Open Web browser
  - Enter address: http://www.pearsonhighered.com/horne/
  - Click **Logo Files**

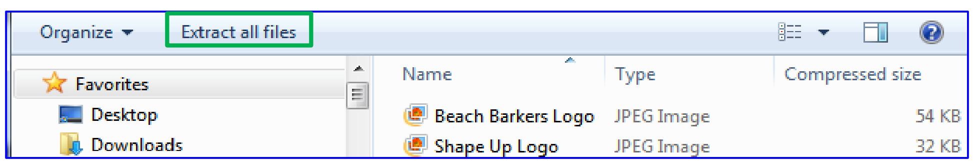


Download Logo Files

- Click the drop-down list arrow next to **logo_imports.zip**

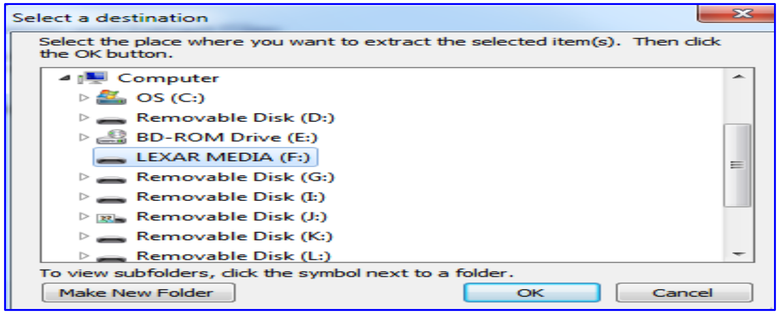


- Click **Open**
- Click **Extract all files**

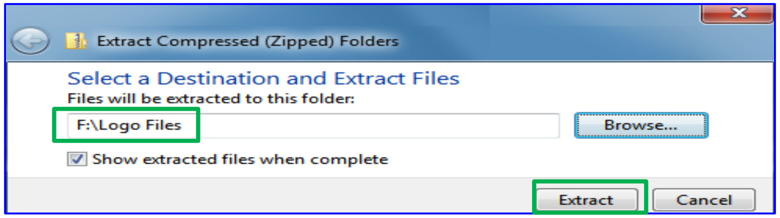


Download Logo Files

- Click the **Browse** button
- Scroll through list of storage locations
- Click USB location



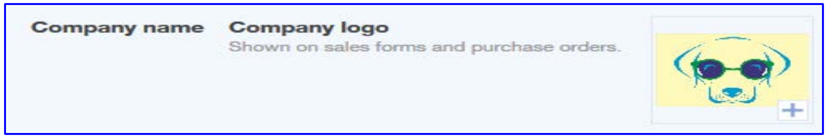
- Enter **Logo Files** next to USB location



- Click **Extract**

Import Logo

- To import Beach Barkers Logo:
  - Click **Gear** icon
  - Click **Account and Settings** or **Company Settings**
    - **QBO Update:** Screens for Your Name's Beach Barkers may match the ones in the Test Drive Company or the ones in the text
  - Click **Pen** icon for Company name
  - Click **+** in the lower-right corner of empty logo
  - Scroll through the list of storage locations
  - Click the USB drive location
  - Double-click the **Logo Files** folder
  - Click **Beach Barkers Logo**, click **Open**



  - Click **Save** then click **Done** on the Settings page

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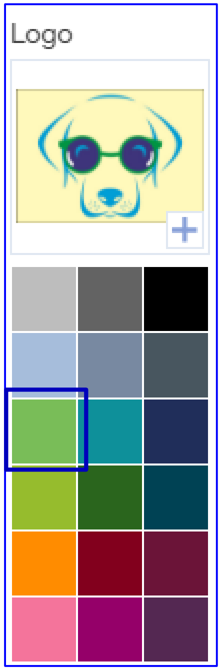
Customize Business Forms

- Click the **Gear** icon
- Click **All Lists** in the Lists column
- Click **Custom Form Styles**
- Click **Edit** for Standard Master form
- To edit the Standard Master form
  - Use the **Style** tab
  - In the Logo box, click the third color in the left column



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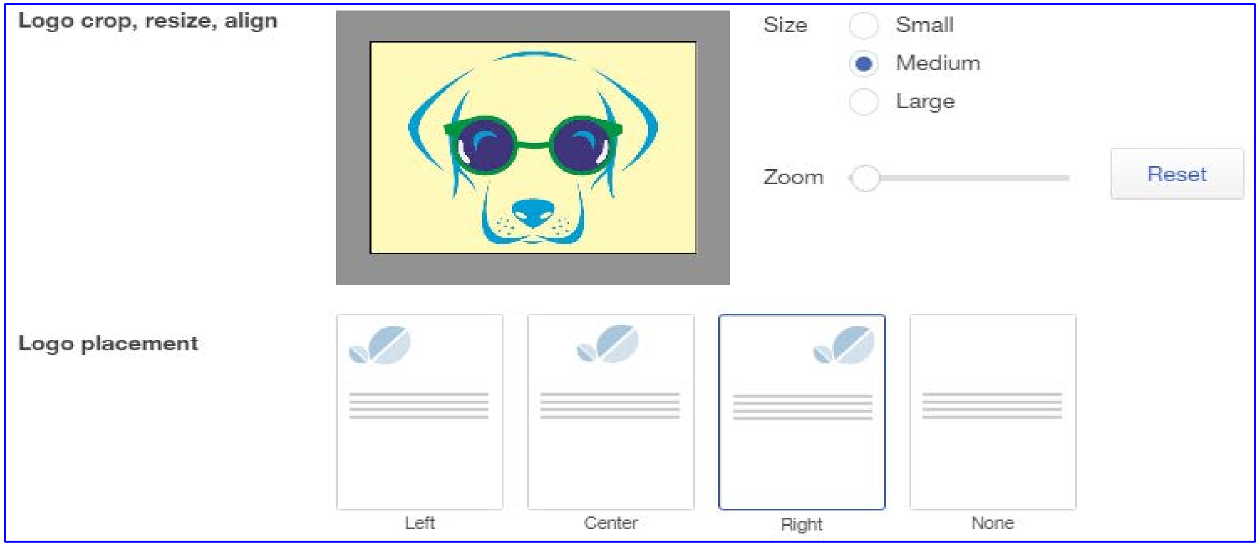
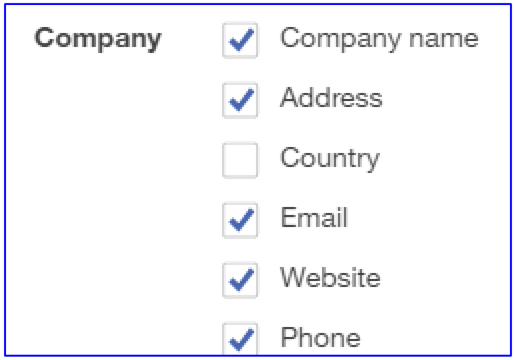
Customize Business Forms

- Click **Appearance** tab on the left side
- Logo
  - Click **Medium** for Logo crop, resize, align section
  - Click **Right** for Logo placement section



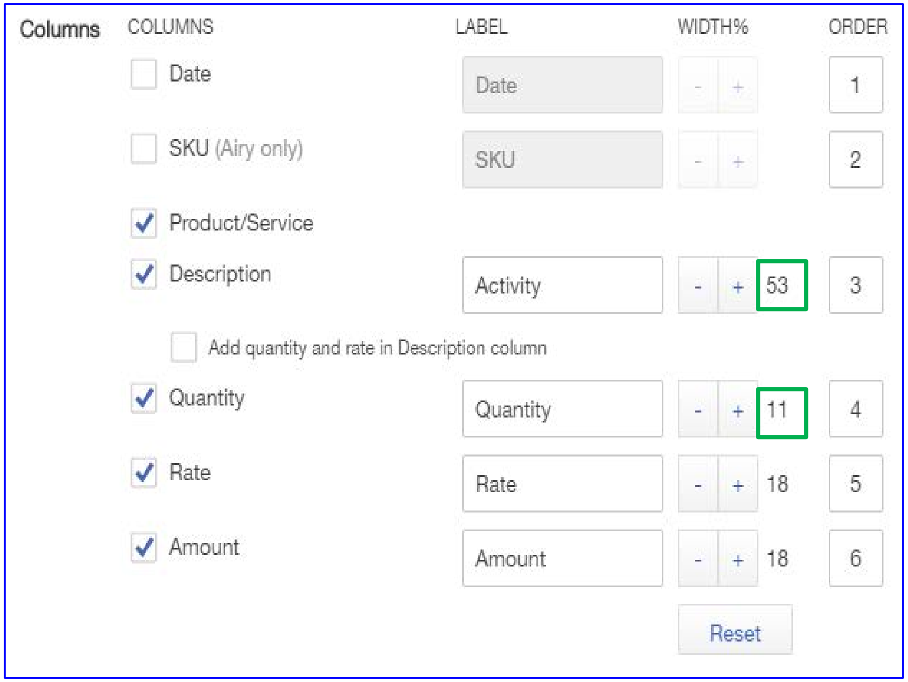
Customize Business Forms

- Click **Header** tab on left side
- Click **Country** to remove check mark
- Verify selection of
  - Company name
  - Address
  - Email
  - Website
  - Phone



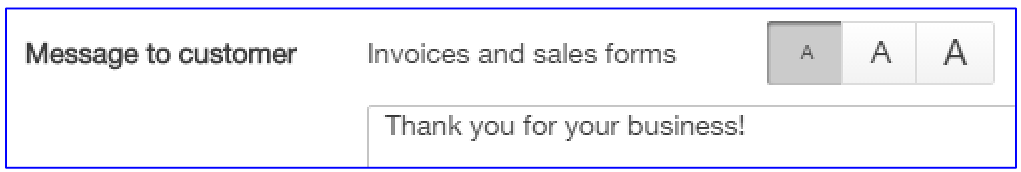
Customize Business Forms

- Click **Activity Table** tab
- Need to have column headings print on a single line
  - Make changes in the **Columns** section
    - Change **Description** width to approximately **53**
      - Click **+** or **–** to increase or decrease
    - Change **Quantity** width to approximately **11**



Customize Business Forms

- Click **Footer** tab
- Verify Message to customer as
  - **Thank you for your business!**



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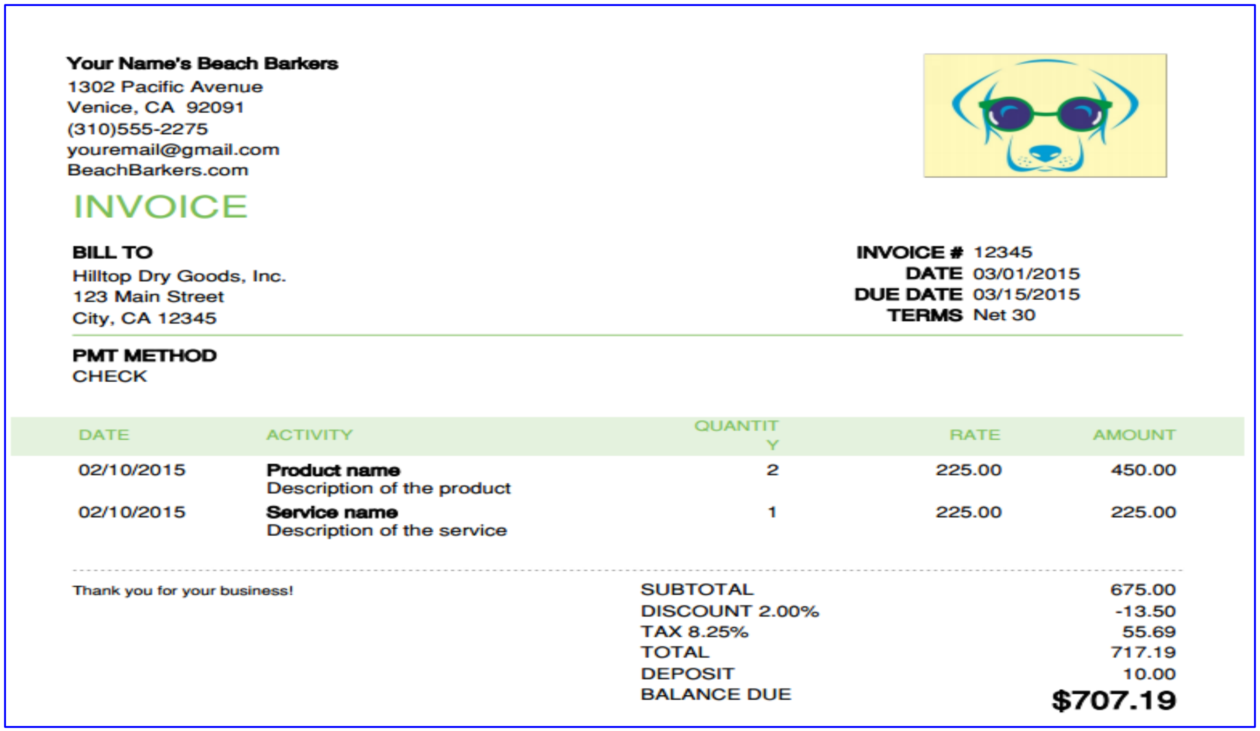
View Customized Business Form

- Click **Preview or print** button



Your Name's Beach Barkers
1302 Pacific Avenue
Venice, CA 92091
(310)555-2275
youremail@gmail.com
BeachBarkers.com

INVOICE

BILL TO
Hilltop Dry Goods, Inc.
123 Main Street
City, CA 12345

INVOICE # 12345
DATE 03/01/2015
DUE DATE 03/15/2015
TERMS Net 30

PMT METHOD
CHECK

DATE	ACTIVITY	QUANTITY	RATE	AMOUNT
02/10/2015	**Product name** Description of the product	2	225.00	450.00
02/10/2015	**Service name** Description of the service	1	225.00	225.00

Thank you for your business!

SUBTOTAL	675.00
DISCOUNT 2.00%	-13.50
TAX 8.25%	55.69
TOTAL	717.19
DEPOSIT	10.00
BALANCE DUE	**$707.19**

- When finished, click the **Save** button

Categorizing Transactions

- Use to track income and expenses for separate parts of your business
- Track by stores, departments, regions, offices, divisions
  - Locations
    - Prepare separate invoice or sales receipt for each store
  - Classes
    - Prepare separate invoice or sales receipt for each class or enter a class on each line
  - Both
    - Combine Location for invoice or sales receipt and Classes for each line

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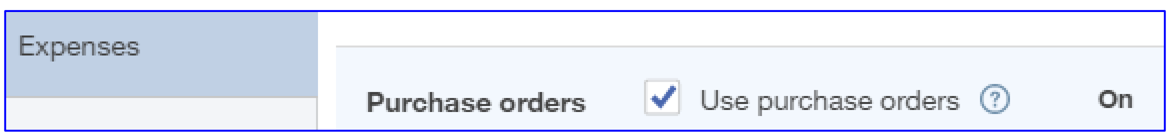
Change Settings

- Change Settings to Track Classes, Track Locations, and to activate Purchase Orders
- Click the **Gear** icon
- Click **Account and Settings** or **Company Settings**
  - **QBO Update**: Company Settings may have been changed to match the Test Drive Company
  - Lecture will point out both

Activate Purchase Orders

- Click **Expenses** tab
- Click the **Pen** icon for Purchase Orders
- Click the check box for **Use purchase orders** to turn the feature **On**
- Click **Save**



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Show Custom Numbering

- **New:** Not in Text
- Locations textbox used in forms
  - Form number not shown
  - To select Customer Transaction Numbers:
    - Click **Sales** tab
    - Click **Pen** icon for **Sales Form Content**
    - Click check box for **Custom Transaction Numbers**
    - Click **Save**

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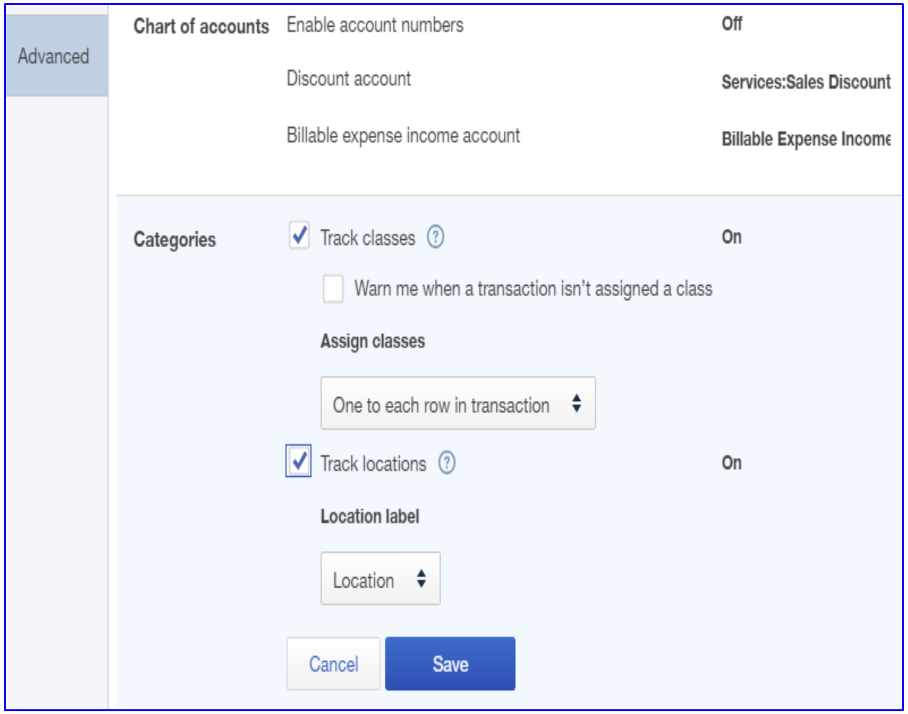
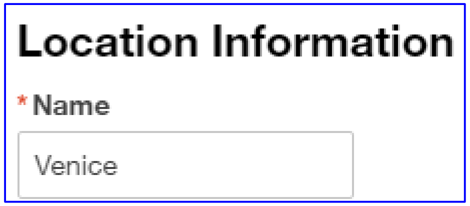
Activate Classes and Locations

- Depending on what is shown on your screen, do one of the following:
  - Company Settings: Use the **Company tab**
  - Account and Settings: Click the **Advanced tab**
- Click the **Pen** icon for Categories
- Click **Track classes** to turn **On**
  - Leave Assign classes as **One to each row in transaction**
- Click **Track locations**
  - Leave Location label as **Location**
- Click **Save**
- Click **Done** on Accounts and Settings screen



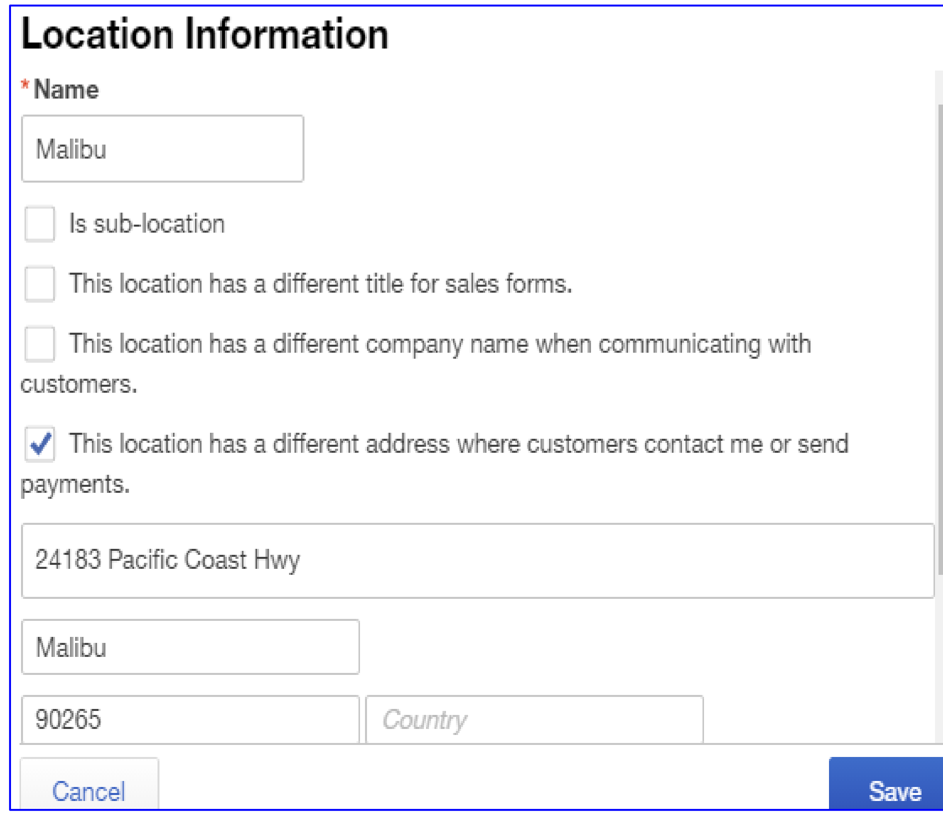
Add Locations

- Location tracking will track transactions for each Location—Venice and Malibu
- Add Locations:
  - Click **Gear** icon
  - Click **All Lists** in Lists column
  - Click **Locations**
  - Click **New**
  - Enter **Venice**
  - Since no changes are required, click **Save**



Add Additional Location

- To add another location, click **New**
- Enter **Malibu**
- Click **This location has a different address where customers contact me or send payments**
- Enter address: **24183 Pacific Coast Hwy**
- Press **Tab**
- Enter city: **Malibu**
- Press **Tab**
- Enter Zip code: **90265**
- Click **Save**



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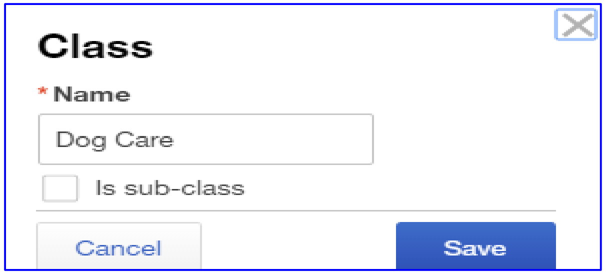
Add Classes

- Since Locations tracks Venice and Malibu, Classes can be used to track departments—Dog Care and Boutique
- Click **<All Lists** at the top of the Locations screen
- Click **Classes**
- Click **New**
- Enter **Dog Care**
  - Used for all service items
  - Not taxed
- Click **Save**



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Add Classes

- Repeat to add **Boutique**
  - Used for all inventory items
  - Sales tax charged
- View Class Lists for Products and Services

ITEM	TYPE	CLASS
Bath	Service	Dog Care
Boarding	Service	Dog Care
Coat Brushing	Service	Dog Care
Day Camp	Service	Dog Care
Dental Care	Service	Dog Care
Dog Walking	Service	Dog Care
Hours	Service	Dog Care
Nails	Service	Dog Care
Poop Scoop	Service	Dog Care
Services	Service	Dog Care
Training 1	Service	Dog Care
Training 2	Service	Dog Care
Training 3	Service	Dog Care
Transportation	Service	Dog Care

ITEM	TYPE	CLASS
Bones	Inventory (Taxable)	Boutique
Brushes	Inventory (Taxable)	Boutique
Collars	Inventory (Taxable)	Boutique
Dog Bed	Inventory (Taxable)	Boutique
Dog Food-Canned	Inventory (Taxable)	Boutique
Dog Food-Dry	Inventory (Taxable)	Boutique
Dog Snacks	Inventory (Taxable)	Boutique
Leashes	Inventory (Taxable)	Boutique
Sweaters	Inventory (Taxable)	Boutique
Vitamins	Inventory (Taxable)	Boutique

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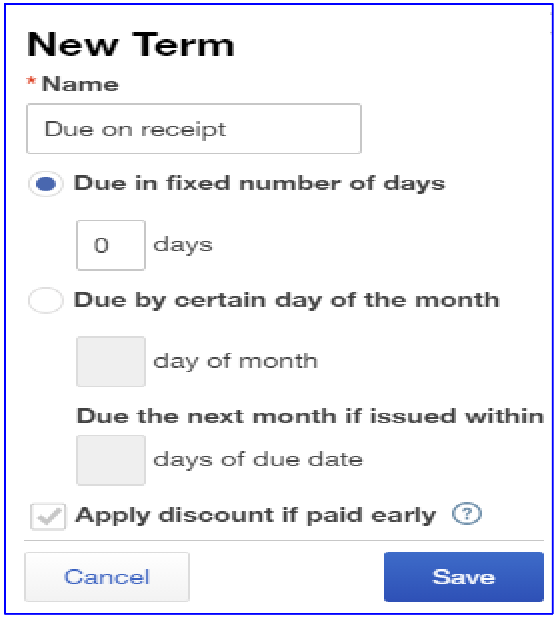
Add New Sales Term for Discount

- In order to allow early payment discounts, a new Sales Term must be added
  - Click **<All Lists**
  - Click **Terms**
  - Click the **New** button
  - Add Terms for: **2% 10 Net 30**
    - Enter Name: **2% 10 Net 30**
    - Click **Due in fixed number of days**
      - Enter **30** for days
    - Click **Apply discount if paid early**
      - Enter **2** for % if paid within
      - Enter **10** for days
    - Click **Save**

Add New Sales Terms for Due on Receipt

- There are instances where you bill a customer and require immediate payment
  - Click **New** button
  - Name: **Due on receipt**
  - Due in fixed number of days: **0**
  - Click **Save**

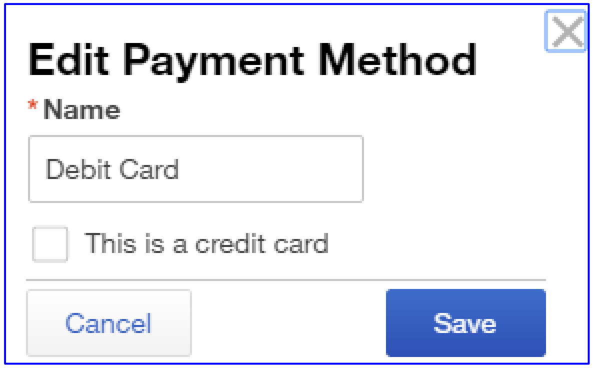


Debit and Credit Cards

- Debit and Credit card payments may be accepted for sales and payment receipts
- Debit and Credit cards are treated like a payment by check
- Payments for Sales or Customer Accounts go into Undeposited Funds account until bank deposit is made
- Accepting Credit card payments means credit card company deals with non-payment of accounts

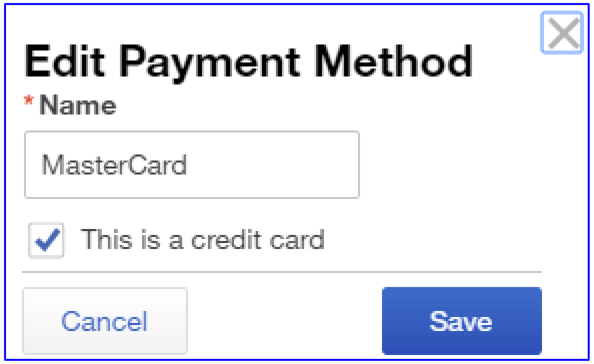
Add Payment Methods: Debit Card

- Payment methods identify which types of payments you accept
- To add Debit card to Payment Methods List:
  - Click **<All Lists**
  - Click **Payment Methods** on Lists screen
  - Click **New**
  - Enter **Debit Card**
  - Click **Save**



Add Payment Methods: Credit Card

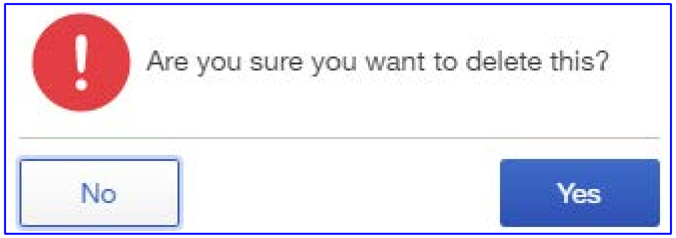
- To add specific Credit Card to Payment Methods List:
  - Click **New**
  - Enter credit card name—**MasterCard**, **Visa**, and others
  - Click **This is a credit card**
  - Click **Save**



Delete Payment Method

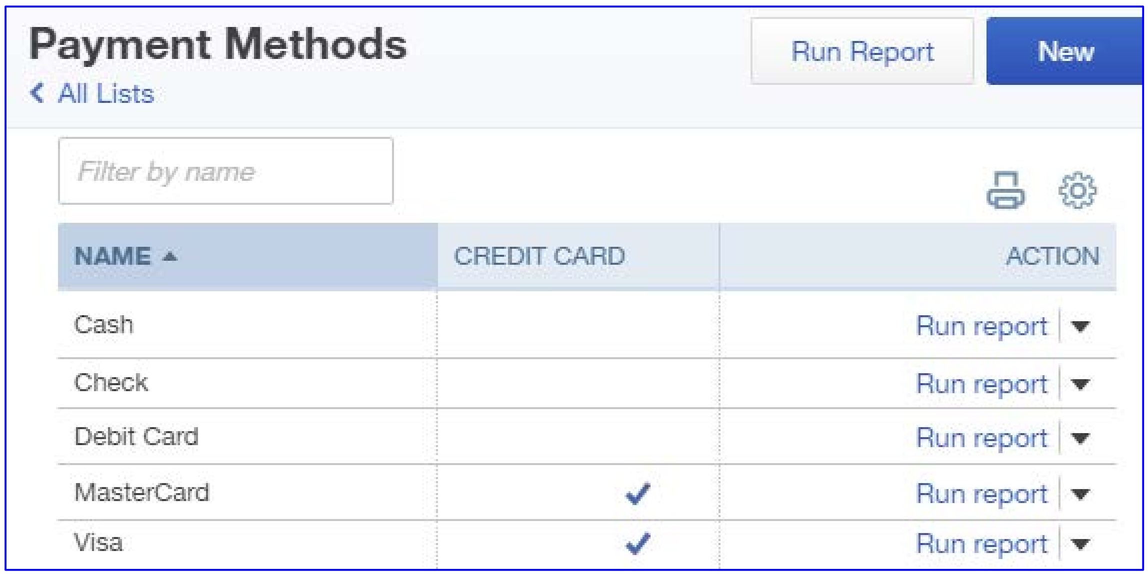
- Delete the generic Credit Card payment method
  - Click the drop-down list arrow for **Credit Card**
  - Click **Delete**

  - Click **Yes** on the message **Are you sure you want to delete this?**



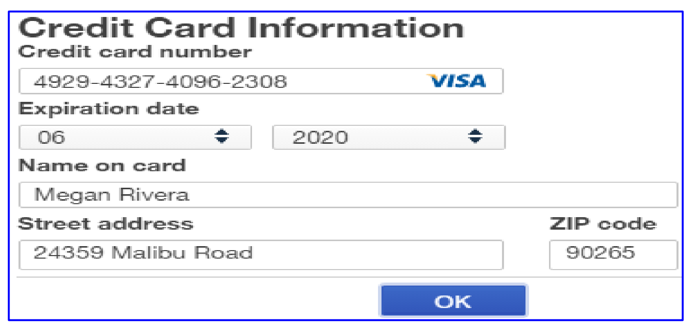
View Payment Methods List

- View your Payment Methods List



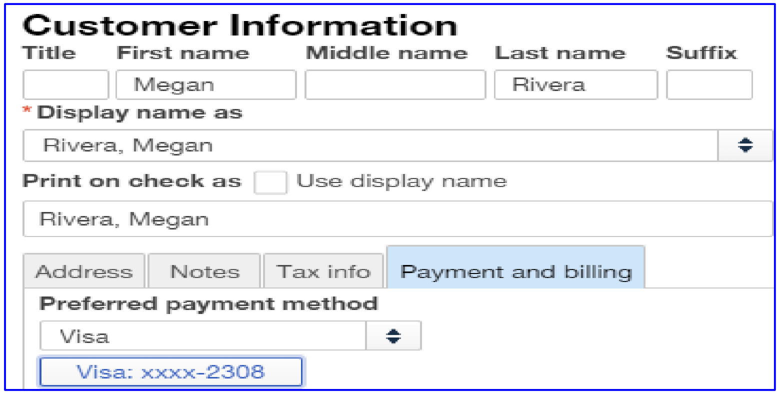
Add Credit Card to Customer’s Account

- Add Credit Card to Customer’s account
  - Click **Customers** on Navigation bar
  - Click the drop-down arrow list for the individual **Customer**
  - Click **Edit**
  - Click **Payment and billing** tab
  - Click **Preferred payment method** drop-down list arrow
  - Click **Credit Card** name—**Visa** in example
  - Click the **No credit card information button**
  - Enter Credit Card:
    - Number
    - Expiration Date
    - Name on Card
  - Click **OK**



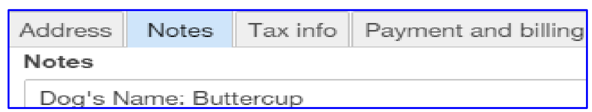
View Customer Information

- Once credit card information entered
  - Shows as the Preferred payment method
  - For security, only last four digits shown for credit card number

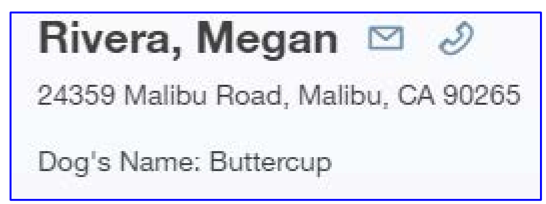


Enter Notes in Customer Accounts

- With Customer Information shown, click **Notes** tab
- Enter the note
  - Example:
    - Enter the note: **Dog's Name: Buttercup**



  - Click **Save**
- View Note in account



Sales Tax

- Percentage of a sale
- Charged by government agencies for sales of
  - Products—charged by some states
  - Services—some states also charge sales tax for services
- California charges sales tax on inventory items
- Customer pays sales tax on purchase price
- Your Name's Beach Barkers responsible to forward sales taxes collected to government

Sales Tax Center

- Must Complete Setup
  - Add government agencies
  - Tax rates
  - Settings
- Pay Taxes
  - View in Sales Tax Center
  - Pay in Sales Tax Center

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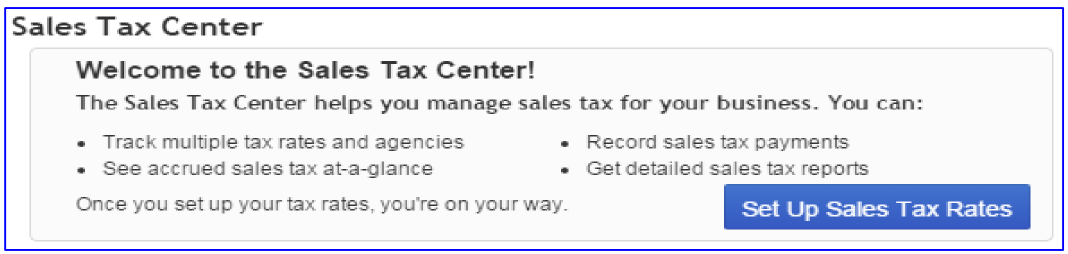
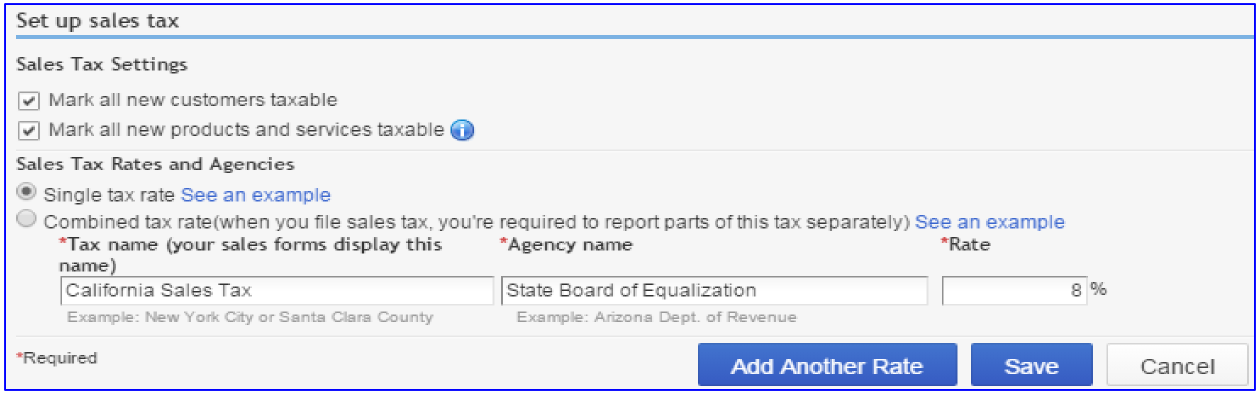
Activate Sales Tax

- Click **Sales Tax** on Navigation bar
- View Sales Tax Center



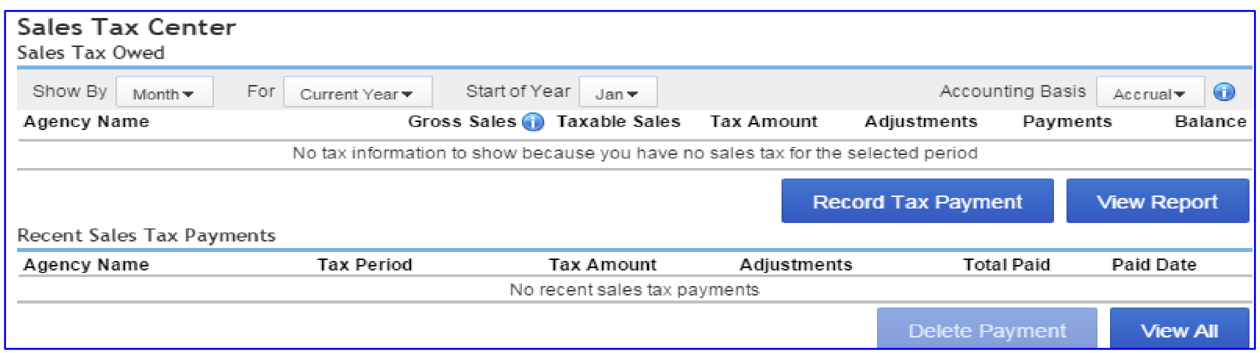
Set Up Sales Tax Rates

- Click the **Set Up Sales Tax Rates** button
  - Accept the Sales Tax Settings selected
  - Accept **Single tax rate**
  - Enter the Tax name: **California Sales Tax**, press **Tab**
  - Enter the Agency name: **State Board of Equalization**, press **Tab**
  - Enter the Rate: **8**
  - Click **Save**



View Sales Tax Center

- Sales Tax Center now shows two sections:
  - Sales Tax Owed
  - Recent Sales Tax Payments
    - No details shown for either because no sales tax or payments recorded



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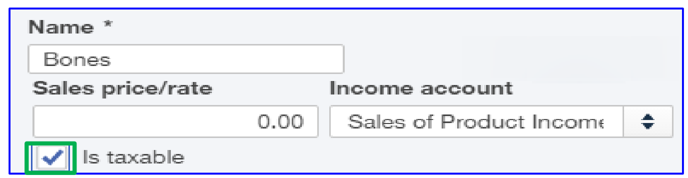
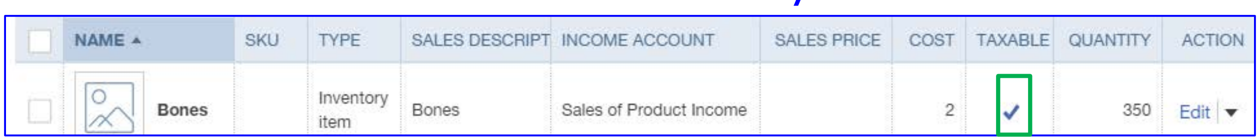
Mark Inventory Items Taxable

- Each Product/Inventory Item must be marked Taxable
  - Click **Gear** icon
  - Click **Product and Services** in the Lists column
  - Click **Edit** for **Bones**
  - Click **Is taxable**
  - Click **Save and Close**



- View Taxable Item in Products/Services List



	NAME ▲	SKU	TYPE	SALES DESCRIPT	INCOME ACCOUNT	SALES PRICE	COST	TAXABLE	QUANTITY	ACTION
	Bones		Inventory item	Bones	Sales of Product Income		2	✓	350	Edit ▾

Inventory

- QBO tracks each inventory item
  - Number on hand
  - Value of items
- Create Inventory Items enter amount paid
  - Amount used to determine value of inventory
- Purchase inventory enter amount paid
  - Purchase price may be different from original price
- QuickBooks Online uses FIFO (First In, First Out) inventory valuation

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Inventory

- Purchase Inventory use Asset account: Inventory Asset
- Sell Inventory Item
  - Removed from Inventory Asset
  - Entered into Cost of Goods Sold
  - Amount entered based on FIFO calculations

FIFO

- Example:
  - First Purchase: 3 Widgets @ $5 = $15 Value
  - Second Purchase: 5 Widgets @ $7 = $35 Value
    - Inventory Value = $50
  - Sell 5 Widgets @ $12 = $60
  - Journal Entry
    - Debit Cash or Accounts Receivable = $64.80
    - Credit Sales = $60
    - Credit Sales Tax Liability = $4.80
    - Debit Cost of Goods Sold = $29
      - FIFO calculation:
        - Sell 3 Widgets @ $5 = $15 (First purchase)
        - Sell 2 Widgets @ $7 = $14 (Second purchase)
    - Credit Inventory Asset = $29

View Inventory Valuation Summary

- Prepare the Inventory Valuation Summary to see information for each product/inventory item on hand
- For each item, report shows
  - Quantity
  - Asset Value
  - Average Cost

Your Name's Beach Barkers
INVENTORY VALUATION SUMMARY
As of February 1, 2016

	TOTAL		
	QTY	ASSET VALUE	AVG COST
Bones	350.00	700.00	2.00
Brushes	35.00	175.00	5.00
Collars	650.00	6,500.00	10.00
Dog Food-Canned	485.00	1,212.50	2.50
Dog Food-Dry	400.00	2,800.00	7.00
Leashes	450.00	4,500.00	10.00
Sweaters	325.00	4,875.00	15.00
Toys & Treats	3,450.00	6,900.00	2.00
Vitamins	450.00	1,350.00	3.00
TOTAL		$29,012.50	

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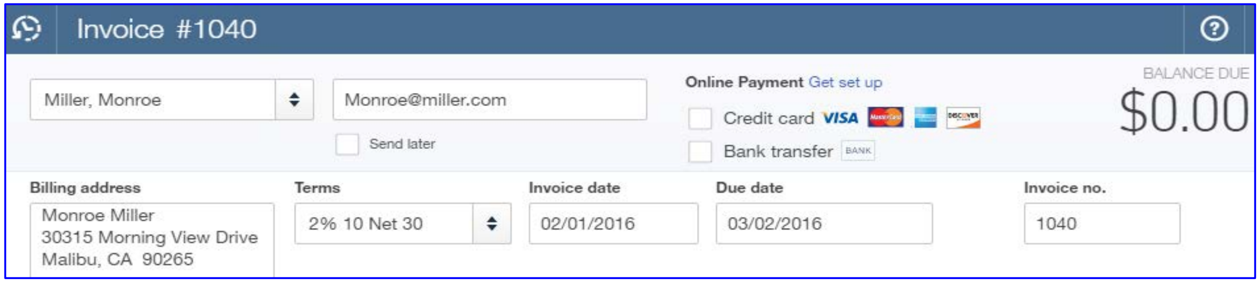
Enter Sale on Account: Merchandise

- Enter Sale on Account for Inventory sale
  - Example: Monroe Miller purchased 1 Sweater $45, 2 Brushes $25 each, 5 Bones $10 each for his dog, Max. Location: Malibu.
  - Click **Plus** icon, click **Invoice** in Customers column
  - Click drop-down list arrow for Customer, click **Monroe Miller**
  - Click drop-down list for **Terms**, click **2% 10 Net 30**
  - Enter **Date**
  - Tab to **Invoice no.** and enter **1040**
    - Lecture shows Invoice no. textbox



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Continue Sale on Account: Merchandise

- Continue Recording Invoice 1040
  - Click drop-down list arrow for **Location**, click **Malibu**
  - Complete Line 1
    - Click drop-down list arrow for Product/Service
    - Click **Sweaters**
    - Tab to **Rate**, enter **45**
    - Click drop-down list arrow for **Class**, click **Boutique**
      - Hint: In text anything with sales tax is **Boutique** for class

Location

Malibu

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX	CLASS
1	Sweaters	Sweaters	1	45	45.00	✓	Boutique

Pearson

Complete Sale on Account: Merchandise

- Complete Invoice 1040
  - Complete Line 2:
    - Product/Service: **Brushes**
    - Qty: **2**
    - Amount: **25**
      - Note: Tax is marked
    - Class: **Boutique**

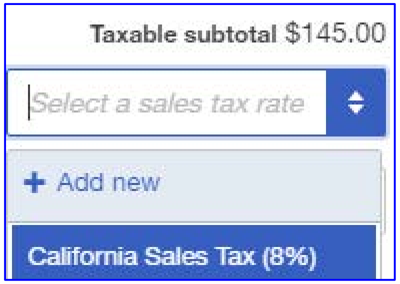
	2	Brushes	Brushes	2	25	50.00	✓	Boutique	

  - Complete Line 3:
    - Product/Service: **Bones**
    - Qty: **5**
    - Rate: **10**
    - Class **Boutique**

	3	Bones	Bones	5	10	50.00	✓	Boutique	

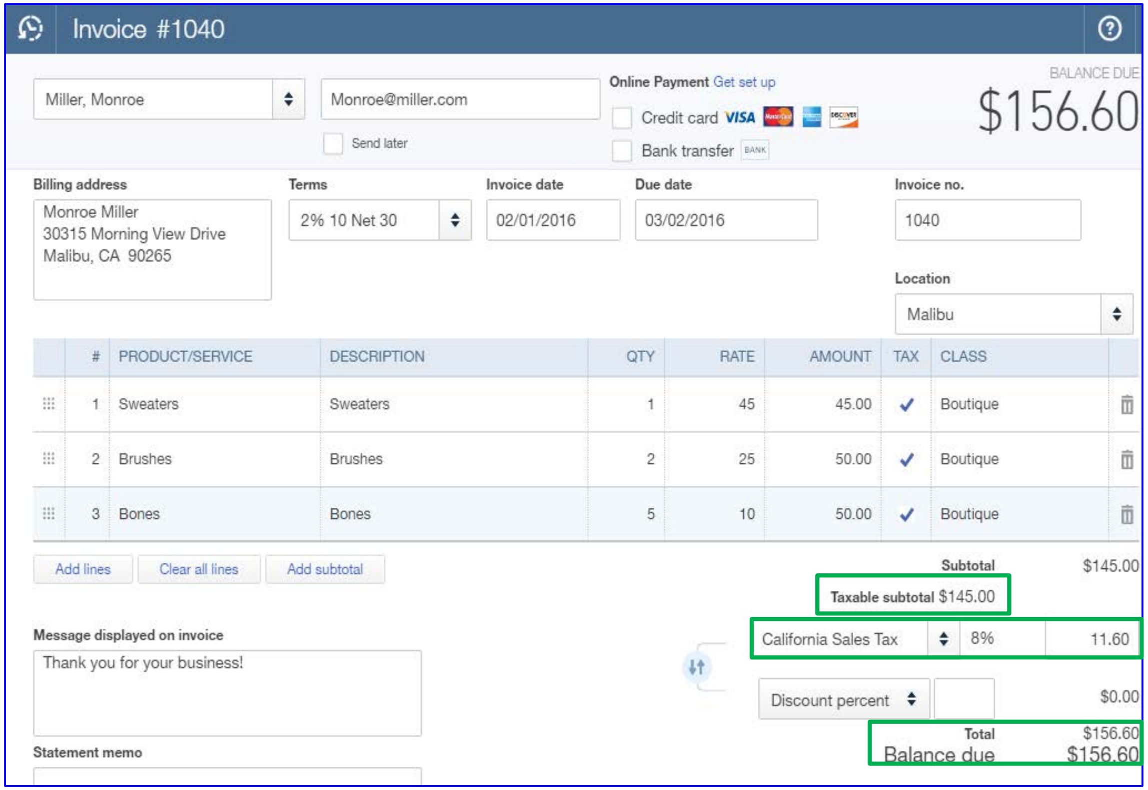
Add Sales Tax to Invoice 1040

- Click drop-down list arrow for **Select a sales tax rate**
- Click **California Sales Tax (8%)**



View Invoice 1040

- View Invoice
  - Note:
    - Taxable Subtotal: $145.00
    - California Sales Tax: $11.60
    - Balance due: $156.60
  - Message entered automatically
  - Click **Save and new**



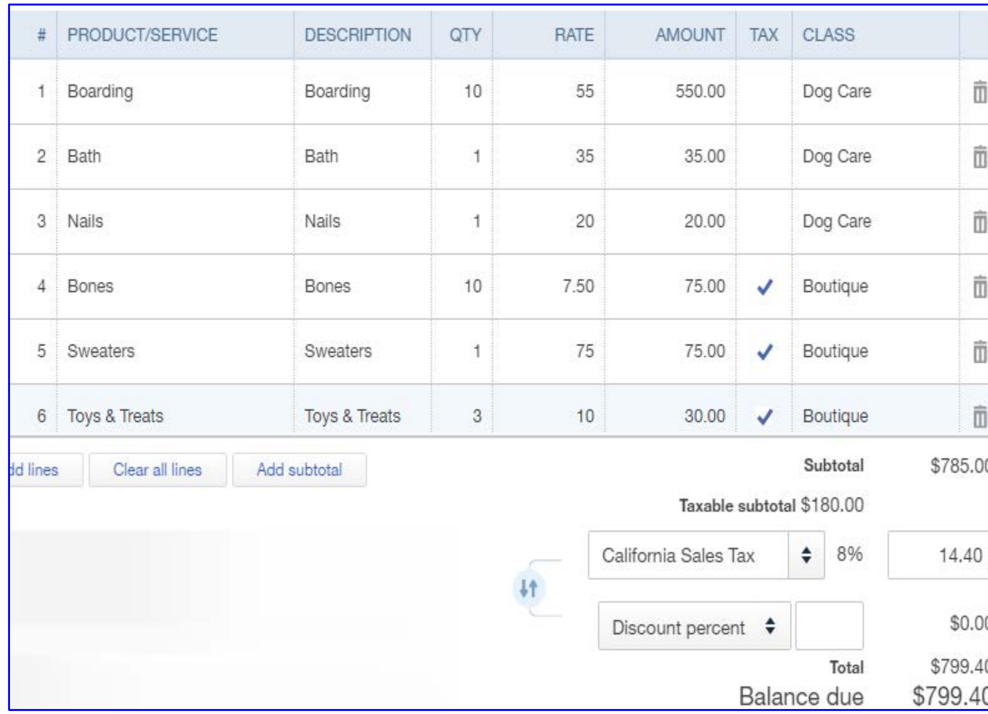
#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX	CLASS
1	Sweaters	Sweaters	1	45	45.00	✓	Boutique
2	Brushes	Brushes	2	25	50.00	✓	Boutique
3	Bones	Bones	5	10	50.00	✓	Boutique

Enter Sale on Account: Service and Merchandise

- Record transaction for sale of services and products
  - Example: Tracy McCarter, Malibu, 10 days Boarding, 1 Bath, 1 Nails, 10 Bones $7.50 each, 1 Sweater $75, 3 Toys $10 each
  - Complete Invoice following steps for Invoice 1040
  - Enter Classes:
    - Service item (no tax) = **Dog Care**
    - Product/Inventory item (tax) = **Boutique**

Add Sales Tax to Invoice 1042

- Add Sales Tax
  - Note:
    - Subtotal: **$785.00**
    - Taxable Subtotal: **$180.00**
      - Only Boutique Class Taxed
  - Follow earlier steps to add **California Sales Tax**
    - Note Total and Balance Due



#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX	CLASS
1	Boarding	Boarding	10	55	550.00		Dog Care
2	Bath	Bath	1	35	35.00		Dog Care
3	Nails	Nails	1	20	20.00		Dog Care
4	Bones	Bones	10	7.50	75.00	✓	Boutique
5	Sweaters	Sweaters	1	75	75.00	✓	Boutique
6	Toys & Treats	Toys & Treats	3	10	30.00	✓	Boutique

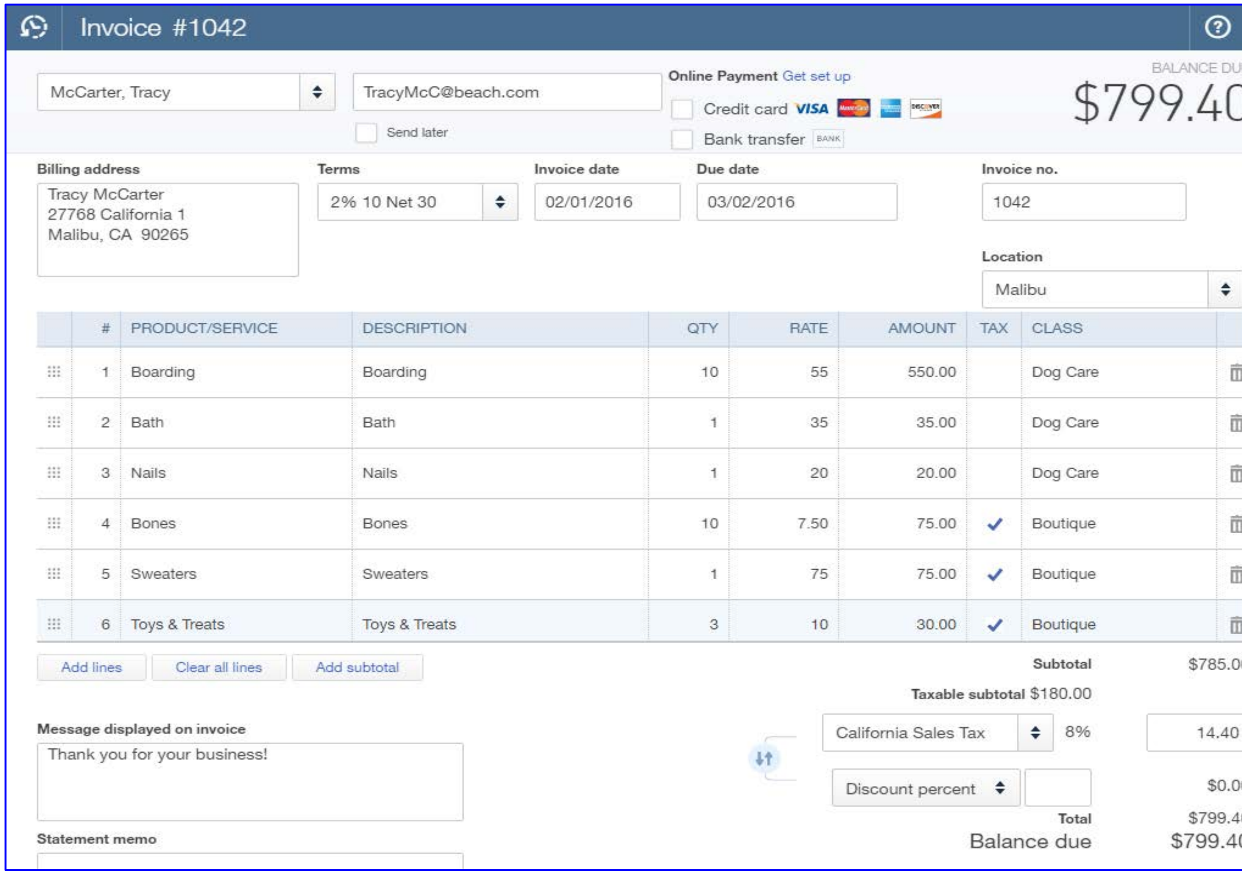
dd lines | Clear all lines | Add subtotal

Subtotal	$785.00
Taxable subtotal $180.00	
California Sales Tax 8%	14.40
Discount percent	$0.00
Total	$799.40
Balance due	$799.40

Pearson

View Invoice 1042

- View completed invoice
- When finished, click **Save and close**



Invoice #1042

McCarter, Tracy | TracyMcC@beach.com | Send later

Online Payment Get set up
Credit card VISA
Bank transfer

BALANCE DUE
$799.40

Billing address: Tracy McCarter, 27768 California 1, Malibu, CA 90265

Terms: 2% 10 Net 30
Invoice date: 02/01/2016
Due date: 03/02/2016
Invoice no.: 1042
Location: Malibu

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX	CLASS
1	Boarding	Boarding	10	55	550.00		Dog Care
2	Bath	Bath	1	35	35.00		Dog Care
3	Nails	Nails	1	20	20.00		Dog Care
4	Bones	Bones	10	7.50	75.00	✓	Boutique
5	Sweaters	Sweaters	1	75	75.00	✓	Boutique
6	Toys & Treats	Toys & Treats	3	10	30.00	✓	Boutique

Add lines | Clear all lines | Add subtotal

Subtotal $785.00
Taxable subtotal $180.00
California Sales Tax 8% 14.40
Discount percent $0.00
Total $799.40
Balance due $799.40

Message displayed on invoice: Thank you for your business!

Statement memo

Analyze Invoice in Journal

- Prepare the Journal and analyze Sales Transaction
  - Note:
    - A/R Debit: $799.40
      - Full Amount
    - Credits:
      - All Sales Items for Sales Amount:
        - Boarding ($550), Bath ($35), Nails ($20), Bones ($75), Sweaters ($75), Toys & Treats ($30) for Sales Amount
      - Sales Tax: $14.40
    - Debits: Cost of Goods Sold for each inventory item for FIFO amount
      - Bones ($20), Sweaters ($15), Toys & Treats ($6)
    - Credits: Inventory Asset for each inventory item for FIFO amount
      - Same amounts as the Cost of Goods Sold debits

02/01/2016	Invoice	1042	McCarter, Tracy		Accounts Receivable (A/R)	$799.40	
				Boarding	Services:Boarding		$550.00
				Bath	Services:Grooming		$35.00
				Nails	Services:Grooming		$20.00
				Bones	Sales of Product Income		$75.00
				Bones	Inventory Asset		$20.00
				Bones	Cost of Goods Sold	$20.00	
				Sweaters	Cost of Goods Sold	$15.00	
				Sweaters	Inventory Asset		$15.00
				Sweaters	Sales of Product Income		$75.00
				Toys & Treats	Cost of Goods Sold	$6.00	
				Toys & Treats	Sales of Product Income		$30.00
				Toys & Treats	Inventory Asset		$6.00
					State Board of Equalization Payable		$14.40
						$840.40	**$840.40**

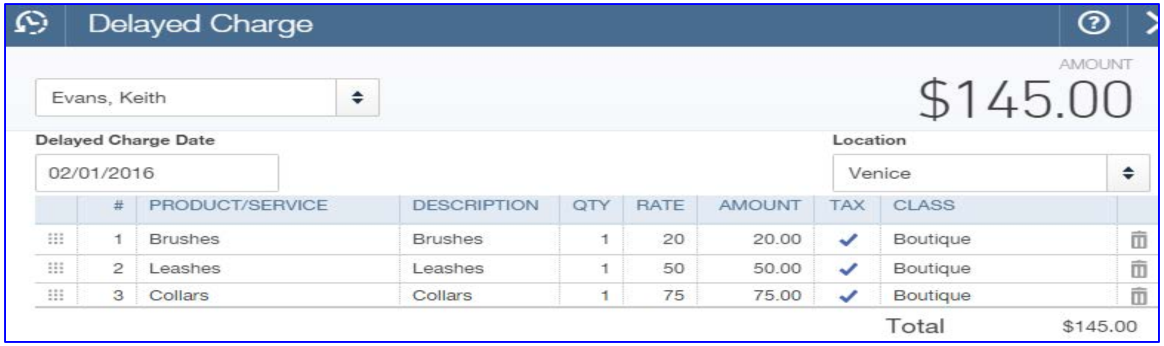
Pearson

Delayed Charge

- Create Charge for services/products converted to invoice at a later date
- Delayed Charge will show up in Customer's account register
  - Amount not added to balance until converted to Invoice
- Example:
  - Keith Evans: 1 Brush $20, 1 Leash $50, 1 Collar $75 for his dog, Boomer. Location: Venice. Class: Boutique

Enter Delayed Charge

- Enter Delayed Charge
  - Click **Plus** icon
  - Click **Delayed Charge** in Customers column
  - Click drop-down list arrow, click **Keith Evans**
  - Enter Date **02/01/16**
  - Click drop-down list arrow for Location, click **Venice**
  - Enter details
  - Click **Save and close**



View Delayed Charge

- Open Register for **Keith Evans**
- View Delayed Charge
  - Notice Balance column shows $0.00 for Delayed Charge

Evans, Keith

203 Palisades Avenue, Santa Monica, CA 90123

Add notes

Edit | New transaction

$95.00 OPEN

$95.00 OVERDUE

Transaction List | Customer Details

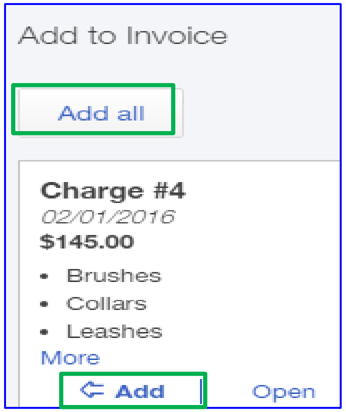
Batch actions | Filter

DATE	TYPE	NO.	DUE DATE	BALANCE	TOTAL	STATUS	ACTION
02/01/2016	Charge	2	02/01/2016	$0.00	$145.00	Open	Start invoice
01/17/2016	Payment		01/17/2016	$0.00	$0.00	Closed	
01/17/2016	Credit Memo	1037	01/17/2016	$0.00	$-25.00	Closed	Print
01/15/2016	Invoice	1034	02/14/2016	$95.00	$120.00	Overdue	Receive payment
01/10/2016	Sales Receipt	1025		$0.00	$650.00	Paid	Print

Pearson

Convert Delayed Charge

- Click **Plus** icon, click **Invoice** in Customers column
- Click the drop-down list arrow for Customer
- Click **Keith Evans**
- Insert **Terms** and **Date**
- Click **Add All** or **Add**
  - Delayed Charge added to Invoice
  - Delayed Charge automatically closed

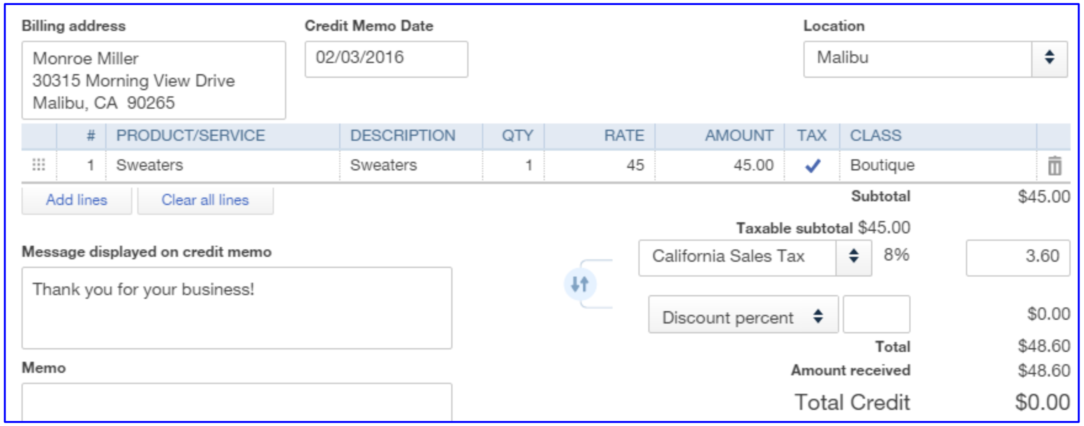


Credit Memo

- Prepared when customer returns item on unpaid Invoice
- QBO creates a Receive Payment to apply Credit Memo to Invoice and create a link between them
  - Automatically uses current date
  - Helpful to change to same date as Credit Memo
- Example:
  - 02/03/16 Monroe Miller returned 1 Sweater, $45.00

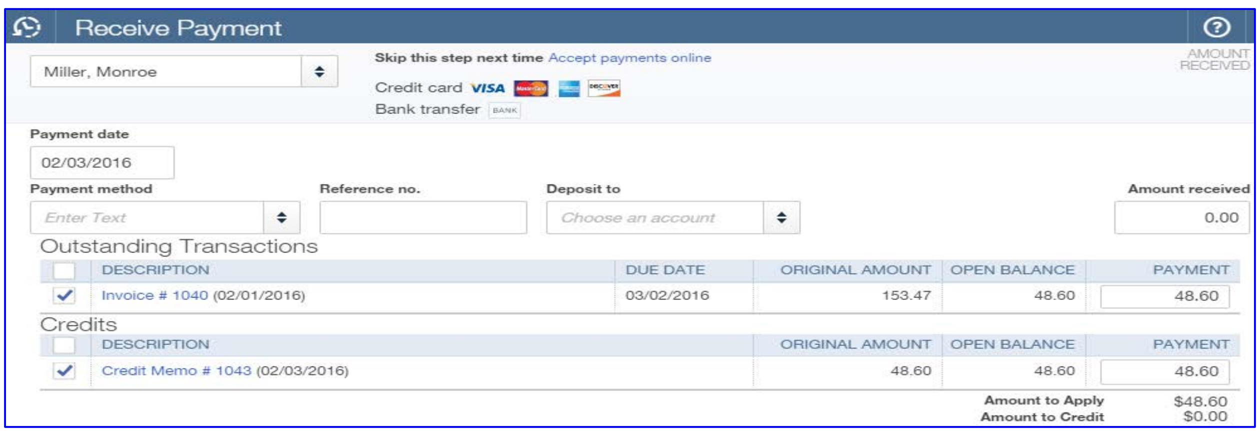
Prepare Credit Memo

- Click **Plus** icon, click **Credit Memo** in Customers column
- Prepare as previously directed
  - Customer
  - Credit Memo Date
  - Location: Malibu
  - Complete Line 1:
    - Product: **Sweaters**
    - Qty: **1**
    - Rate: **$45**
    - Class: **Boutique**
  - Complete Sales Tax select California Sales Tax
- Click **Save and close**



Edit Payment in Customer Register

- Go to the Monroe Miller's account register as previously instructed
- Click **Payment** transaction for the current date
- Change date to Credit Memo Date: **02/03/16**



- Click **Save and close**

Pearson

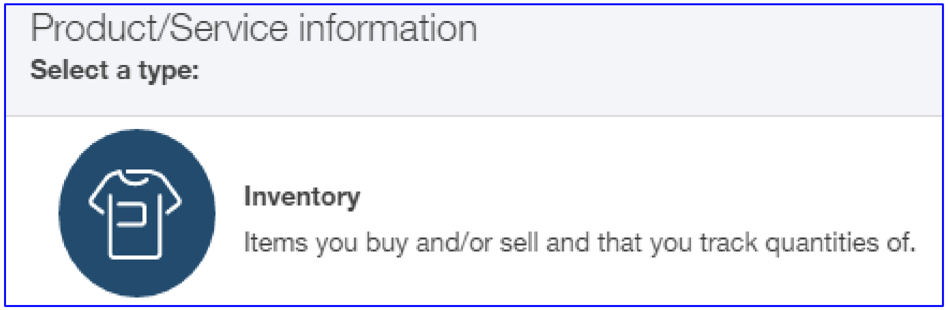
Add New Product

- Inventory products may be added at any time
- Chapter 6 adds
  - Inventory item with Quantity on Hand for immediate sale
    - Note: Chapter 7 adds inventory item without quantity on hand
- Example:
  - 02/03/16 Add new taxable Inventory Item:
    - Name: **Dog Snacks**
    - Initial Quantity on Hand: **200**
    - As of: **12-31-15**
    - Sales and Purchasing information:
      - Name: **Dog Snacks**
      - Sales price/rate: **5**
      - Cost: **1**
      - Is taxable: √

Pearson

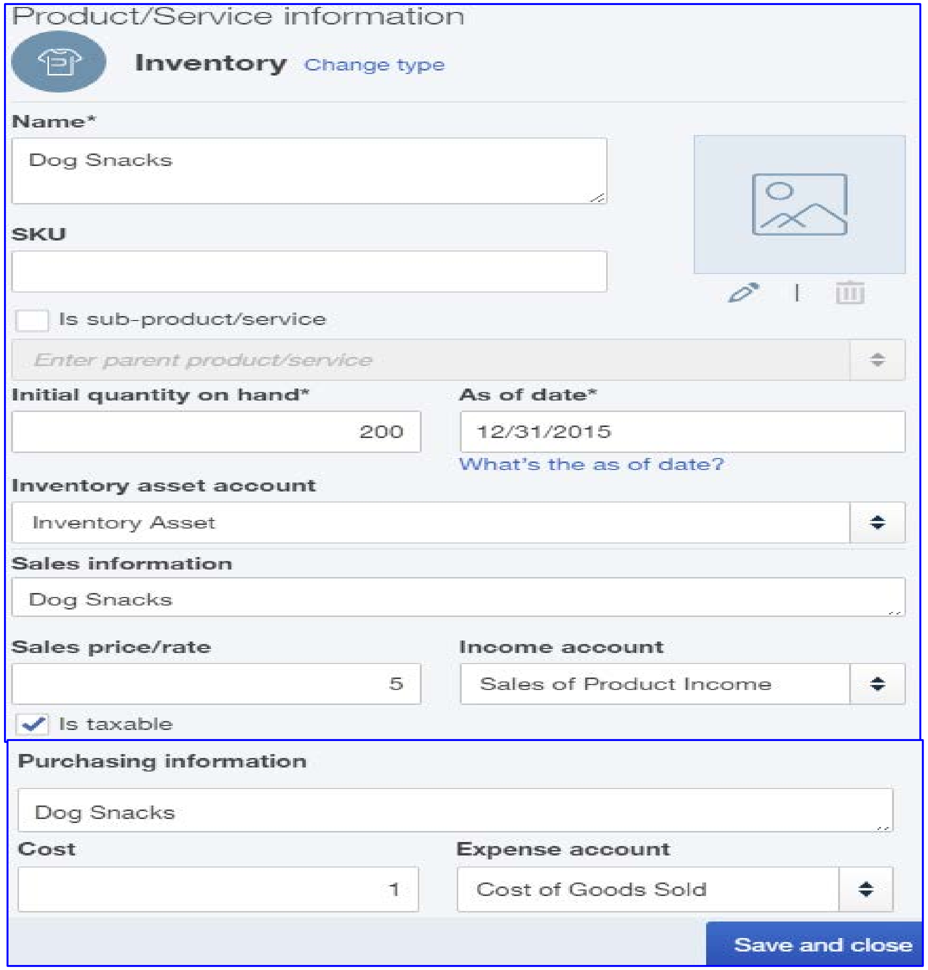
Enter New Product

- Click **Gear** icon
- Click **Products and Services** in Lists column
- Click **New** button
- Click **Inventory**



Continue Adding New Product

- Enter Product Information:
  - Name: **Dog Snacks**
  - Initial quantity on hand: **200**
  - As of date: **12/31/15**
    - Note: Entered as an Opening Balance
  - Use accounts shown
  - Sales and Purchase information: **Dog Snacks**
  - Sales Price: **5**
  - Cost **1**
  - Click **Save and close**



Pearson

View New Product in List

- View Dog Snacks in Products/Services List
  - Note information and quantity entered

NAME	SKU	TYPE	SALES DESCRIPTION	INCOME ACCOUNT	SALES PRICE	COST ▲	TAXABLE	QUANTITY
Dog Snacks		Inventory	Dog Snacks	Sales of Product Income	5	1	✓	200

Sales Receipts

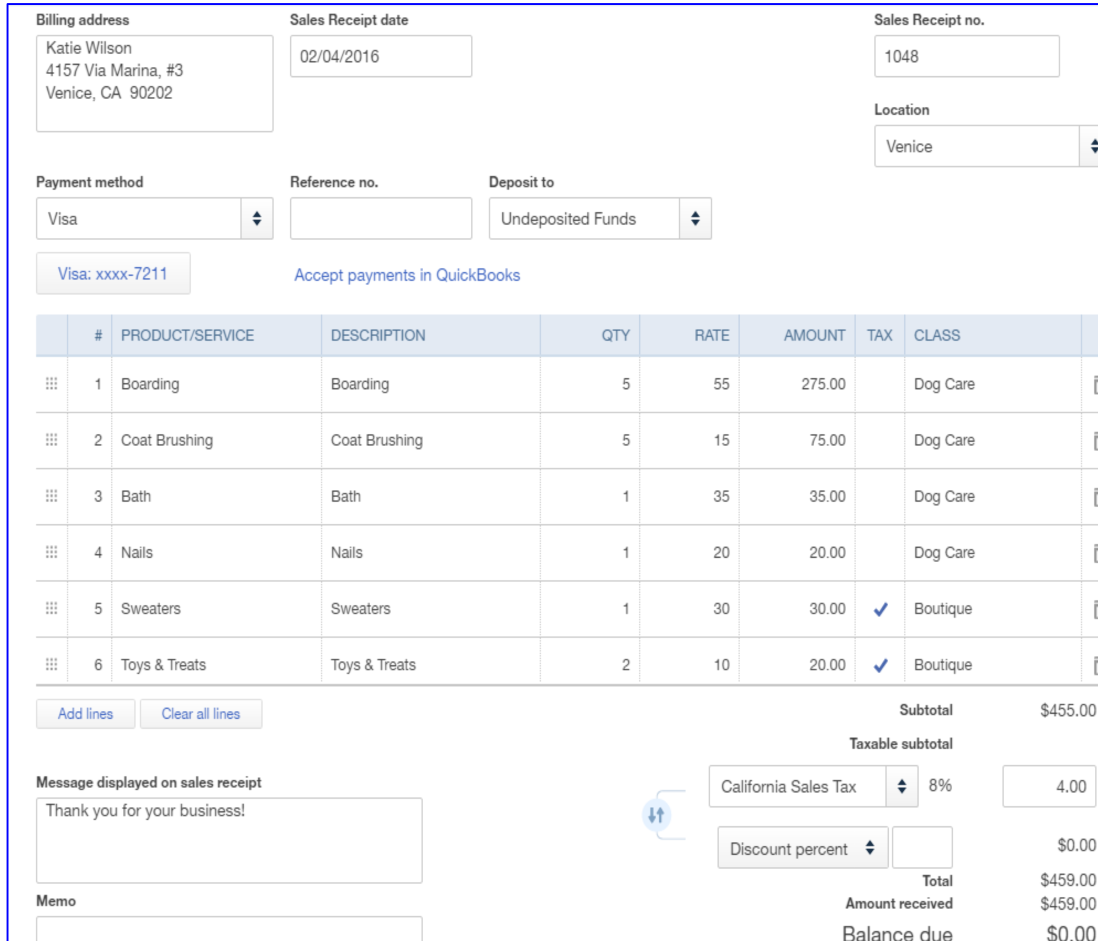
- Sales Receipts are used when payment is made at the time of sale
- Credit card and Debit card transactions entered the same as sales paid by cash or check
- When selling inventory items, sales tax is added to Sales Receipt

Sales Receipt

- Record Sales Receipt as previously instructed
- Example:
  - Katie Wilson brought her dog to Venice location. Used Visa to pay for: 5 Boarding, 5 Coat Brushing, 1 Bath, 1 Nails, 1 Sweater $30, 2 Toys $10 each
- Lecture shows Sales Receipt no. text box

Enter Sales Receipt

- Enter transaction information as previously instructed
- New:
  - Payment method: click drop-down list arrow, click **Visa**
  - Add **California Sales Tax** at bottom of Sales Receipt



Billing address
Katie Wilson
4157 Via Marina, #3
Venice, CA 90202

Sales Receipt date
02/04/2016

Sales Receipt no.
1048

Location
Venice

Payment method
Visa

Reference no.

Deposit to
Undeposited Funds

Visa: xxxx-7211

Accept payments in QuickBooks

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX	CLASS
1	Boarding	Boarding	5	55	275.00		Dog Care
2	Coat Brushing	Coat Brushing	5	15	75.00		Dog Care
3	Bath	Bath	1	35	35.00		Dog Care
4	Nails	Nails	1	20	20.00		Dog Care
5	Sweaters	Sweaters	1	30	30.00	✓	Boutique
6	Toys & Treats	Toys & Treats	2	10	20.00	✓	Boutique

Add lines | Clear all lines

Subtotal $455.00
Taxable subtotal
California Sales Tax 8% 4.00
Discount percent $0.00
Total $459.00
Amount received $459.00
Balance due $0.00

Message displayed on sales receipt
Thank you for your business!

Memo

Pearson

Refund Receipt

- When Item paid for is returned, record Refund Receipt
- Credit Card payment use Credit Card for refund
- Include Sales Tax
- Lecture shows Refund Receipt no. textbox
- Example:
  - 02/07/16 Sales Receipt 1048: Katie Wilson included 2 Dog Toys for $10 each. One toy damaged, returned for refund. Prepare Refund Receipt for 1 Dog Toy. Payment Method: Visa, Location: Venice

Record Refund Receipt

- Record Refund Receipt as previously instructed
- Payment method: Visa
- Add Sales Tax to transaction

Discounts

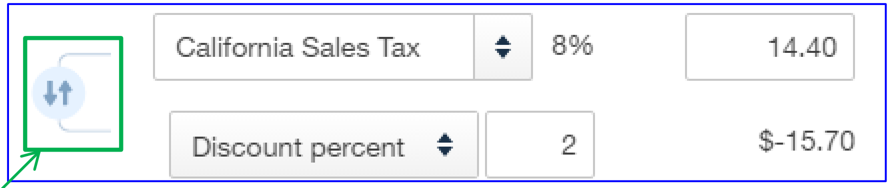
- Three type of early payment discounts
  - Sales Discount—early payment discount to customer
    - Chapter 6
  - Merchandise Discount—early payment discount on inventory items purchased for resale
    - Chapter 7
  - Purchase Discount—early payment discount on purchases made to run the business (example: Office Supplies)
    - Chapter 7

Receive Payments with Sales Discount

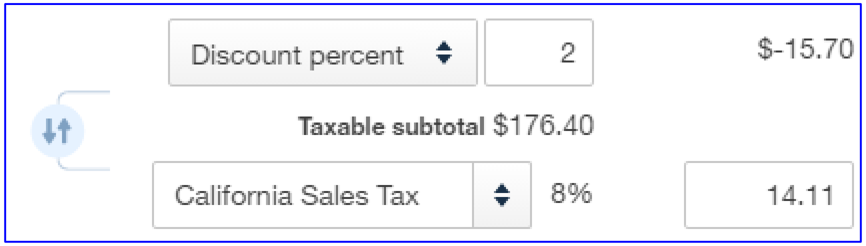
- Receive Payments same as Chapter 3
- New:
  - Sales Discounts taken by customers for early payment
- Example:
  - Tracy McCarter paid Invoice 1042 within ten days. Record 2% discount and payment using MasterCard
- Open **Invoice 1042**

Record Payment Receipt and Discount

- Enter **2** for Discount Percent, press **Tab**
  - Discount Amount Entered
    - Notice it is calculated after Sales Tax

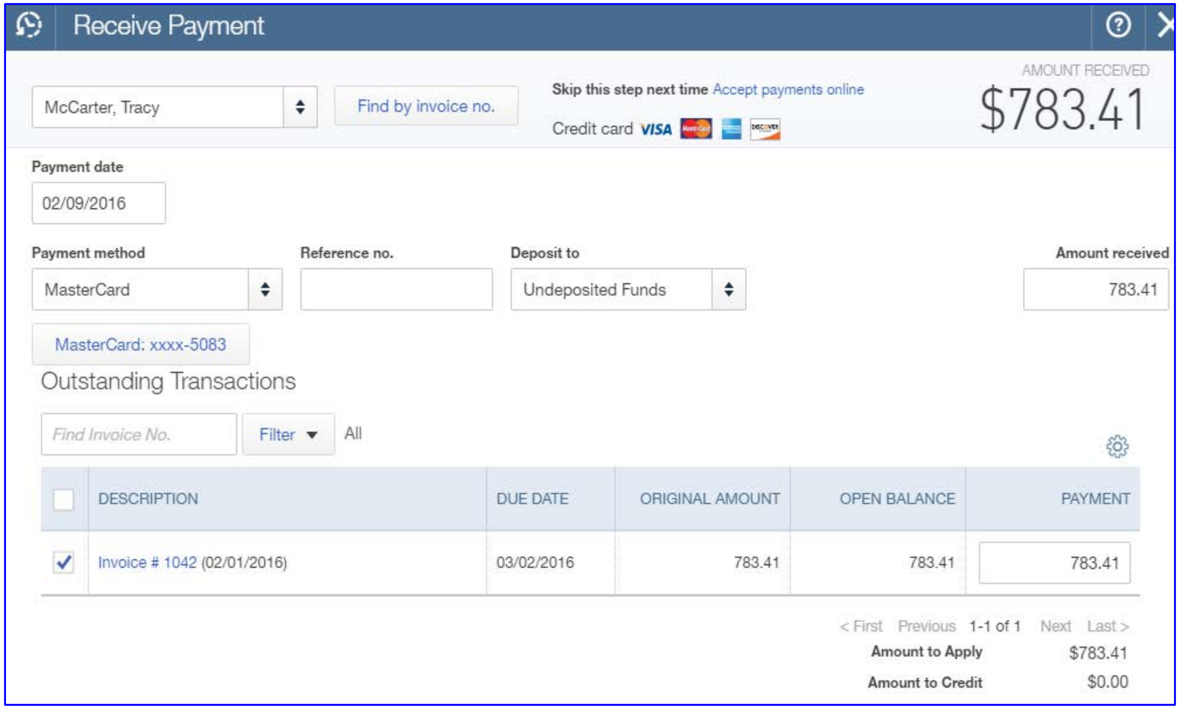


  - Click **Reverse** button
    - Discount calculated before Sales Tax
      - Notice new amount for Sales Tax
        - Calculated on Taxable subtotal after Discount applied



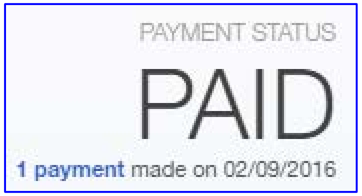
Continue Recording Receive Payment

- Click **Save** on Invoice 1042 to save Discount
- At the top of Invoice 1042, click **Receive Payment**
- Enter Receive Payment information
  - Payment date: **02/09/16**
  - Payment method: **MasterCard**
- Click **Save and close**



View Paid Status of Invoice 1042

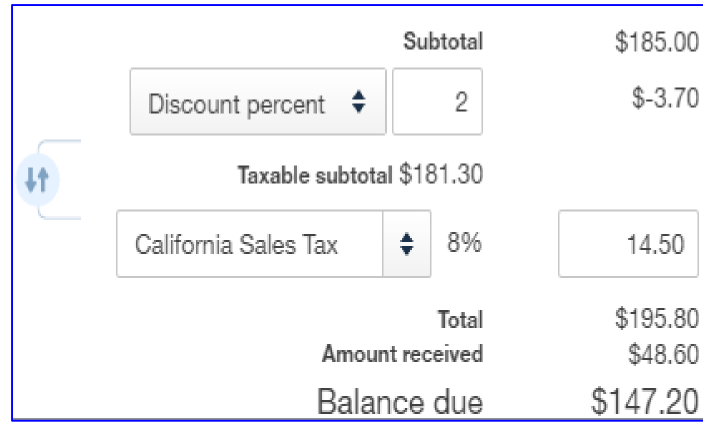
- You are returned to Invoice 1042
- Notice it is marked **PAID**
- Payment date shown

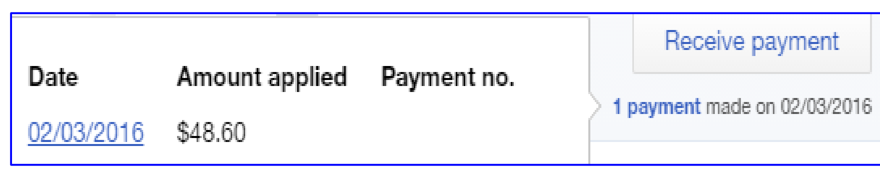


- Close Invoice 1042

Add Discount to Invoice

- Open Invoice 1040 for Monroe Miller
- Enter **2** as the Discount percent
- Make the Discount <u>before</u> California Sales Tax
- Note Amount Received shows $48.60
- Click **1 payment** made
  - Information shown for return of Sweater

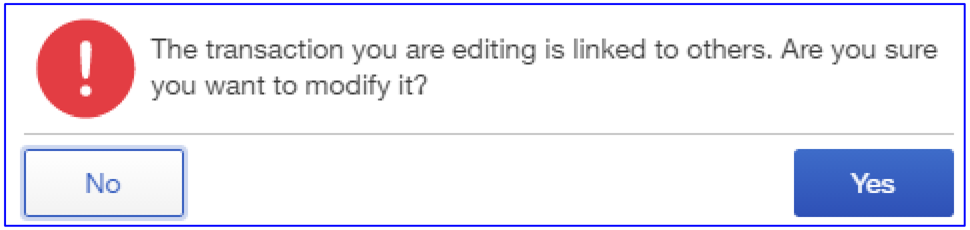




Pearson

Receive Payment for Sale with Return

- Click **Save**
- Click **Yes** on linked transaction message

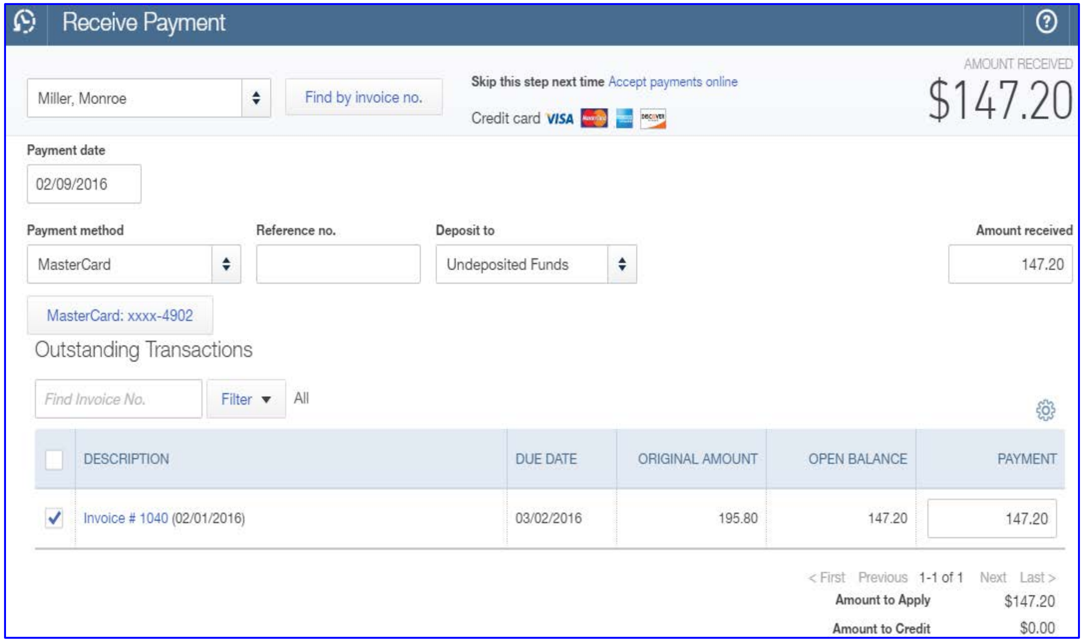


- Click **Receive Payment** button
- Enter Payment date: **02/09/16**

Pearson

View Payment Receipt

- Review payment information
  - Note:
    - Original Amount: $195.80
    - Open Balance: $147.20
      - Return of $48.60 subtracted from Open Balance
    - Payment Amount: $147.20



Record Bank Deposit

- Credit and Debit cards used for Sales Receipts and Receive Payments
- Bank Deposit uses same procedures as Chapter 3
- View Deposit Summary

Deposit Summary

03/08/2016

Summary of Deposits to Checking on 02/09/2016

CHECK NO.	PMT METHOD	RECEIVED FROM	MEMO	AMOUNT
	MasterCard	Wagner, Nick		1176.80
1983	Check	Cash Customer		244.30
	Visa	Wilson, Katie		459.00
	Debit Card	De Los Santos, David		161.46
1050	Visa	Wilson, Katie		-10.80
7925	Check	Montez, Annabelle		80.00
	Debit Card	Evans, Keith		153.47
	MasterCard	McCarter, Tracy		783.41
	MasterCard	Miller, Monroe		104.87

DEPOSIT SUBTOTAL	3152.51
LESS CASH BACK	
DEPOSIT TOTAL	3152.51

Pearson

Non-Sufficient Funds Check

- Check received and deposited for payment without enough funds in customer's bank account is a **Non-Sufficient Funds (NSF)** or Bounced check
- If this occurs,
  - Amount of NSF check must be subtracted from Checking
  - Customer needs to pay
    - Full amount due
    - NSF bank fees you are charged
    - Processing fees you charge

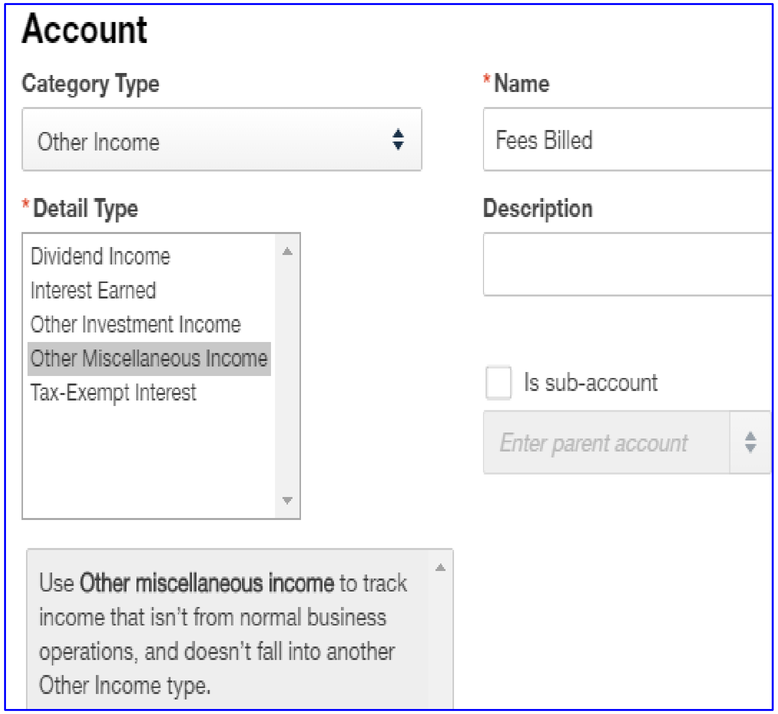
Pearson

Record NSF Check

- Example:
  - 02/10/16 Check 7925
    - $80 from Annabelle Montez returned as NSF check
    - Record NSF check and $40 processing fee
      - Processing fee covers
        - Bank charges for NSF check
        - Fees you charge

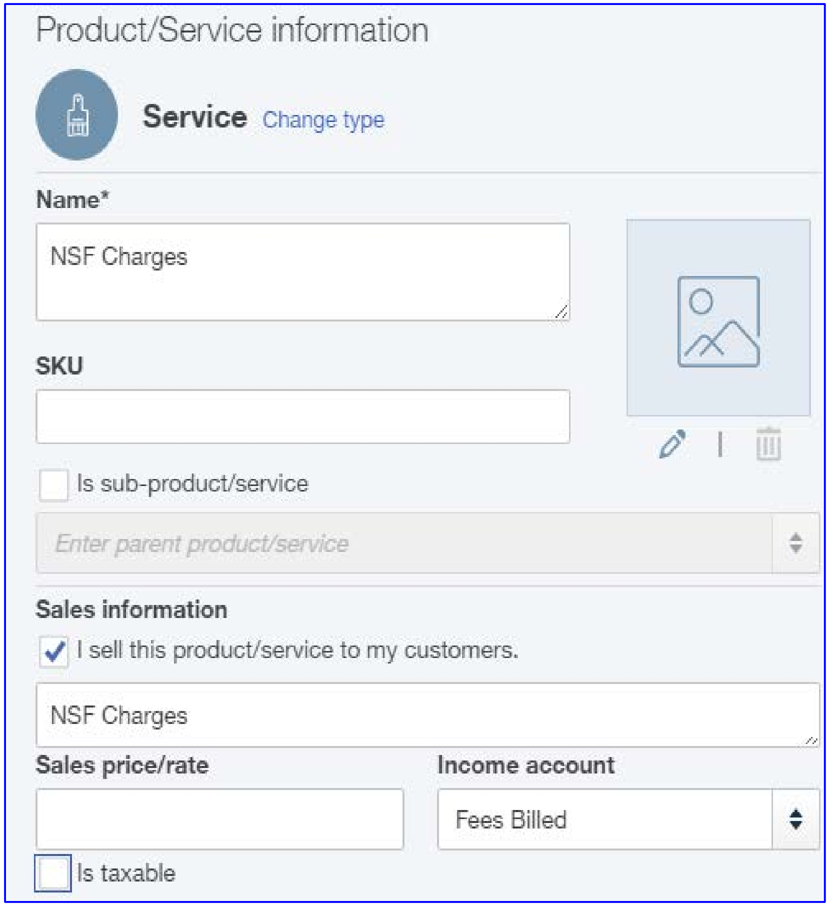
Create New Account for NSF Charges

- Create New Income account for NSF fees
  - Open Chart of Accounts
  - Click **New**
  - Type: **Other Income**
  - Detail Type: **Other Miscellaneous Income**
  - Name: **Fees Billed**
  - Click **Save and Close**



Add New Item for NSF Check

- Add an Service Item to use for NSF Charges
  - Click **Gear** icon
  - Click **Products and Services** in Lists column
  - Click **New** button
  - Type: **Service**
  - Name: **NSF Charges**
  - Sales information: **NSF Charges**
  - Income account: **Fees Billed**
  - Remove check for Is taxable
  - Click **Save and close**



Pearson

Record Journal Entry for NSF Check

- Record Journal Entry as previously instructed
  - Date: **02/10/16**
  - Line 1:
    - Account: **Accounts Receivable**
    - Debits: **80**
    - Description: **NSF Check**
    - Name: **Annabelle Montez**
    - Location: **Venice**
  - Line 2:
    - Account: **Checking**
      - QBO enters everything else
    - Click **Save and close**

Journal Entry #17

Journal date: 02/10/2016

Journal no.: 17

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION
1	Accounts Receivable (A/R)	80.00		NSF Check	Montez, Annabelle	Venice
2	Checking		80.00	NSF Check		Venice
	Total	80.00	80.00			

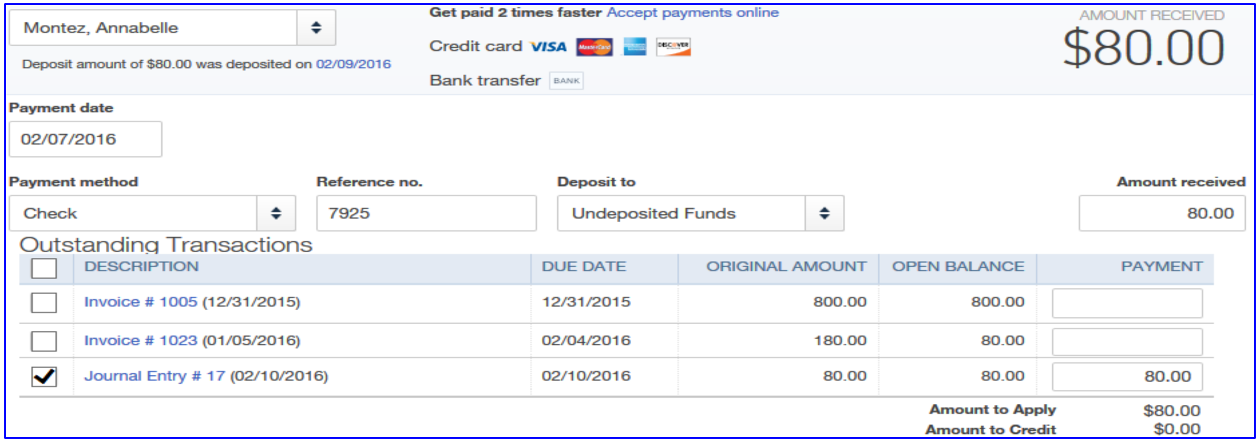
Pearson

Apply Journal Entry for NSF Check

- Access Annabelle Montez's account register from Customers List
- In Transaction list, click **Payment 7925** to open Receive Payment
- Click check box for **Invoice 1023** to remove check mark
- Click check box for **Journal Entry 17** to enter check mark
  - This removes $80 payment for Invoice 1023 and applies it to Journal Entry 17

View Receive Payment

- Invoice 1023 now shows that it has not been paid



Montez, Annabelle

Deposit amount of $80.00 was deposited on 02/09/2016

Get paid 2 times faster Accept payments online

Credit card VISA

Bank transfer BANK

AMOUNT RECEIVED

$80.00

Payment date

02/07/2016

Payment method Check

Reference no. 7925

Deposit to Undeposited Funds

Amount received 80.00

Outstanding Transactions

	DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
☐	Invoice # 1005 (12/31/2015)	12/31/2015	800.00	800.00	
☐	Invoice # 1023 (01/05/2016)	02/04/2016	180.00	80.00	
☑	Journal Entry # 17 (02/10/2016)	02/10/2016	80.00	80.00	80.00

Amount to Apply $80.00

Amount to Credit $0.00

Pearson

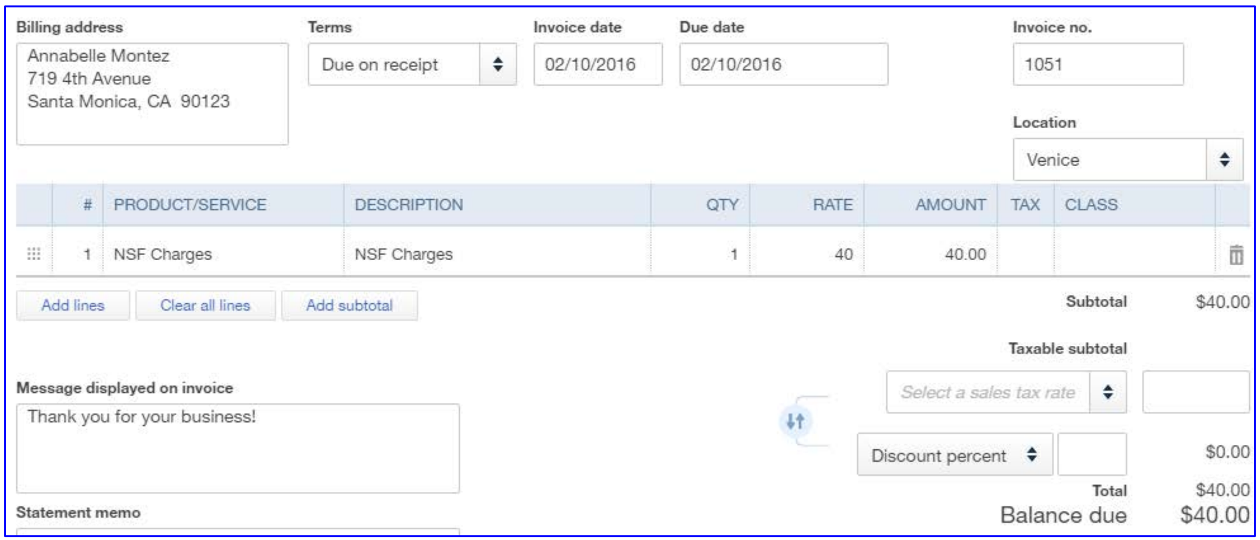
Record Invoice for NSF Check Charges

- Prepare Invoice as previously instructed
  - Terms: **Due on receipt**
  - Date: **02/10/16**
  - Location: **Venice**
  - Line 1:
    - Product/Service: **NSF Charges**
    - Rate: **40**
      - Your Name's Beach Barkers Charges: **20**
      - Bank Charges: **20**
        - Bank Statement will show $20 NSF Charge
        - Will be entered in Bank Charges expense account
        - Result: Income from bank charges offset by expense

Pearson

View Invoice for NSF Charges

- View the Invoice for NSF Charges



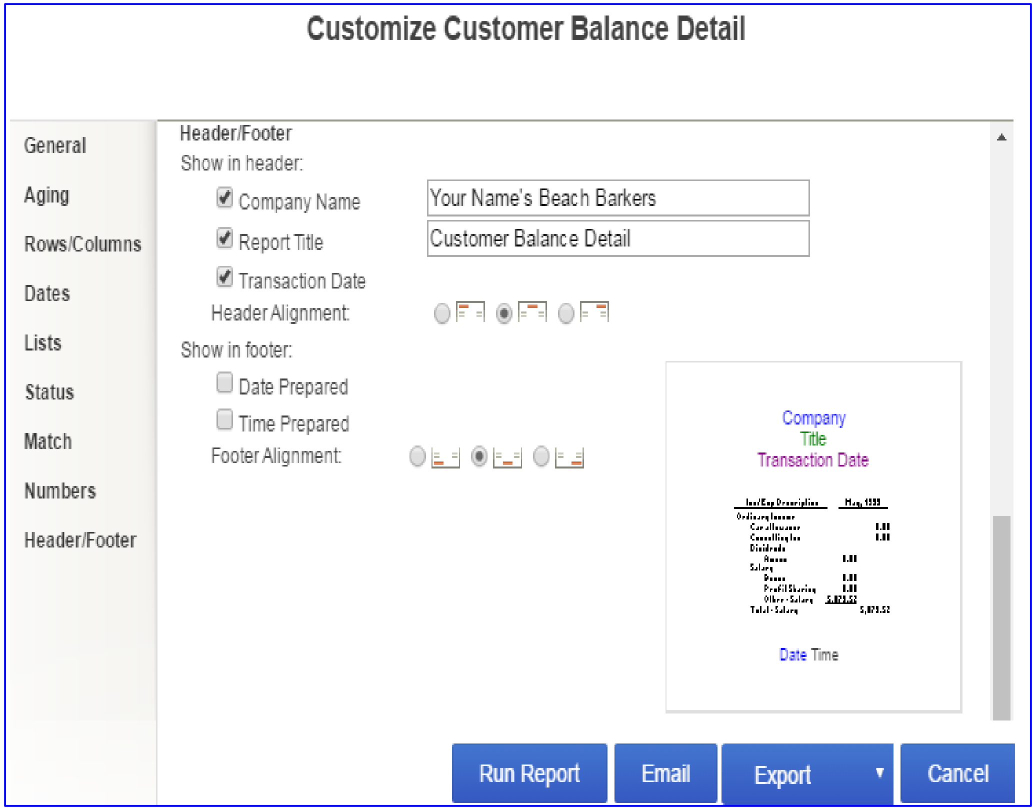
- When finished, click **Save and close**

Customer Balance Detail

- Report shows
  - Unpaid Invoices for each customer
  - Includes
    - Customer name
    - Invoices with a balance
    - Invoice date
    - Invoice number
    - Amount of Invoice
    - Open balance (Unpaid amount)
    - Total balance due from each customer

Customize Customer Balance Detail

- Access **Manage Accounts Receivable** category in All Reports
- Click **Customer Balance Detail**
- Click **Customize** button
  - Click **Date Prepared** to remove
  - Click **Time Prepared** to remove
  - Click **Run Report**



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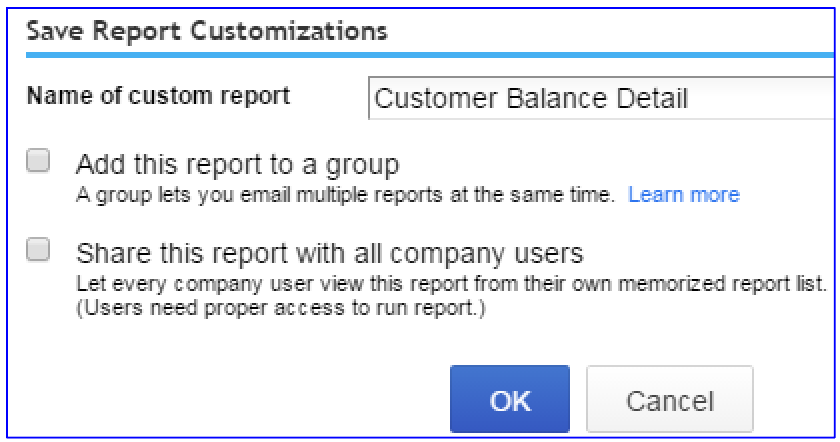
Save Customized Report

- Immediately click **Save Customizations**
  - Report Name: **Customer Balance Detail**
  - Click **OK**



Prepare Customer Balance Detail

- If necessary, enter Report Dates
- Click **Run Report**
- View partial report:

Your Name's Beach Barkers
CUSTOMER BALANCE DETAIL
All Dates

DATE	TRANSACTION TYPE	NUM	LOCATION	DUE DATE	AMOUNT	OPEN BALANCE	BALANCE
Anderson, Dori							
12/31/2015	Invoice	1001		12/31/2015	2,500.00	2,500.00	2,500.00
Total for Anderson, Dori					**$2,500.00**	**$2,500.00**	
Bailey, Larry							
12/31/2015	Invoice	1002		12/31/2015	2,500.00	2,500.00	2,500.00
Total for Bailey, Larry					**$2,500.00**	**$2,500.00**	
Egkan, Sandi							
02/03/2016	Invoice	1044	Malibu	03/04/2016	567.00	567.00	567.00
Total for Egkan, Sandi					**$567.00**	**$567.00**	
Evans, Keith							
01/15/2016	Invoice	1034		02/14/2016	120.00	95.00	95.00
Total for Evans, Keith					**$120.00**	**$95.00**	
Gilbert, Oscar							
12/31/2015	Invoice	1004		12/31/2015	500.00	500.00	500.00
01/01/2016	Invoice	1022		01/31/2016	650.00	350.00	850.00
Total for Gilbert, Oscar					**$1,150.00**	**$850.00**	

Sales by Product/Service Summary

- Prepared from **Review Sales** report category
- Summarizes sales for each item in the Product/Service List
- Information includes:
  - Quantity
  - Amount
  - % of Sales
  - Average Price
- Example does not match text

Your Name's Beach Barkers
SALES BY PRODUCT/SERVICE SUMMARY
February 1-10, 2016

	TOTAL			
	QUANTITY	AMOUNT	% OF SALES	AVG PRICE
Bath	5.00	175.00	3.62 %	35.00
Boarding	20.00	1,100.00	22.76 %	55.00
Bones	16.00	137.00	2.83 %	8.5625
Brushes	9.00	220.00	4.55 %	24.4444444
Coat Brushing	5.00	75.00	1.55 %	15.00
Collars	8.00	275.00	5.69 %	34.375
Day Camp	16.00	480.00	9.93 %	30.00
Dental Care	1.00	50.00	1.03 %	50.00
Dog Bed	2.00	130.00	2.69 %	65.00
Dog Food-Canned	42.00	206.50	4.27 %	4.9166667
Dog Food-Dry	4.00	55.50	1.15 %	13.875
Dog Snacks	23.00	115.00	2.38 %	5.00
Leashes	7.00	200.00	4.14 %	28.5714286
Nails	4.00	80.00	1.66 %	20.00
NSF Charges	1.00	40.00	0.83 %	40.00
Sweaters	7.00	255.00	5.28 %	36.4285714
Toys & Treats	14.00	190.00	3.93 %	13.5714286
Training 2	1.00	350.00	7.24 %	350.00
Training 3	1.00	650.00	13.45 %	650.00
Vitamins	4.00	70.00	1.45 %	17.50
Not Specified	-1,075.00	-21.50	-0.44 %	0.02
TOTAL		$4,832.50	100.00 %	

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Sales by Class Summary

- Prepared in **Review Sales** report category
- Summarizes sales based on classes assigned to transactions
  - Note: Example does not match text

Your Name's Beach Barkers

SALES BY CLASS SUMMARY

February 1-10, 2016

	TOTAL
Boutique	1,854.00
Dog Care	2,960.00
Not Specified	18.50
TOTAL	**$4,832.50**

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Sales by Location Summary

- Prepared in **Review Sales** Report Category
- Summarizes sales amounts for all Locations in List
  - Note: Example does not match text

Your Name's Beach Barkers

SALES BY LOCATION SUMMARY

February 1-10, 2016

	TOTAL
Malibu	3,232.90
Venice	1,599.60
Total	**$4,832.50**