Entering Sales Information

Lesson 6

Lesson objectives

- Learn about the different formats available for sales forms
- Save sales and purchase forms in Portable Document Format (PDF)
- Practice creating a new invoice
- Learn the purpose and use of the QuickBooks Item list
- See how QuickBooks records information you enter on sales forms
- Memorize an invoice transaction for reuse
- Add a new item to the Item list
- Add a new price level to the Price Level list
- Associate a price level with a customer
- Create invoice letters
- Generate reminder statements
- Create sales orders (QuickBooks: Premier and higher)
- Track backorders (QuickBooks: Premier industry-specific editions)

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For payment in the future

To display a completed invoice form in QuickBooks:

1. Click the Create Invoices icon on the Home page.

2. Click Previous to display the previously created invoice.

3. Close the Create Invoices window.

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For payment at the time of sale

To display a completed sales receipt in QuickBooks:

1. Click Create Sales Receipts on the Home page.

2. If the Integrated Payment Process window appears, click No Thanks or Show me later.

3. Click Previous to view the previously entered sale.

4. Close the Enter Sales Receipts window.

Filling in the customer information

To enter customer information on an invoice:

1. Click Create Invoices on the Home page.

2. In the Template field, select Custom Invoice.

3. In the Customer:Job field, click the arrow next to the drop-down list.

4. Choose Jacobsen, Doug:Kitchen for the customer and job.

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Filling in the line item area

To complete the line item area of an invoice:

1. In the Item field, type the letters rem (for Removal).

2. Press Tab.

3. Type 40 in the Quantity column.

4. Press Tab to have QuickBooks update the invoice total.

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Completing the sales form

To complete and record the invoice:

1. Click the Print Preview button.

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

3. Click Close.

4. In the Create Invoices window, record the sale by clicking Save & Close.

Completing the sales form

To see the Accounts Receivable register:

1. From the Company menu, choose Chart of Accounts.

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

3. Select the sale we just recorded in the register (for Doug Jacobsen).

4. Double-click the entry.

5. Keep the invoice window open, you'll use it in the next exercise.

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Memorizing a sale

To memorize the invoice:

1. Make sure you have the invoice you want to memorize displayed on your screen.

2. From the Edit menu, choose Memorize Invoice.

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 the Chart of Accounts windows.

Memorizing a sale

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.

Entering a new service item

To create a new service item:

1. From the Customers menu, choose Item List.

2. Click the Item menu button, and then choose New.

3. In the Type field, select Service from the drop-down list.

4. In the Item Name/Number field, type Plumbing.

5. Click the Subitem of checkbox to select it.

6. In the drop-down list below the "Subitem of" field, select Repairs.

Entering a new service item

To create a new service item:

7. In the Description field, type Plumbing repairs and maintenance and press Tab.

8. In the Rate field, type 55.

9. In the Tax Code drop-down list, select Non.

10. In the Account field, select Construction:Labor from the drop-down list.

11. Click OK to add the new item to Rock Castle Construction's Item list.

12. Close the Item list.

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Creating new price levels

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 type Commercial.

4. From the Price Level Type list, select Fixed %. (QuickBooks Premier or higher)

5. Leave decrease selected in the "This price level will" field, and then type 10 in the percentage field.

6. From the "Round up to nearest" drop-down list, choose 1.00 minus .01.

6. Click OK.

7. Close the Price Level list.

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Associating price levels with customers

To associate a price level with a customer:
1. Click Customer Center on the navigation bar.
2. In the Customers & Jobs list, select Lew Plumbing - C.
3. Click Edit Customer, and then click the Additional Info tab.
4. From the Price Level drop-down list, choose Commercial.
5. Click OK to close the Edit Customer window and save your changes.
6. Leave the Customer Center open for the next exercise.

Using price levels on sales forms

To use a price level associated with a customer:

1. Make sure Lew Plumbing - C is selected in the Customers & Jobs list.
2. Click the New Transactions menu button and choose Invoices from the drop-down menu.
3. Press Tab.
4. Click in the Item column and choose Framing.
5. In the Quantity field, type 8.

Using price levels on sales forms

To use a price level associated with a customer:

6. Click below Framing in the Item field and choose Wood Door:Exterior from the drop-down list.

7. In the Quantity field, type 2 and then press Tab.

8. Keep the invoice open and choose Item List from the Lists menu.

9. In the Item list, go to Framing.

Note that the price for framing is $55.00, but the rate on the invoice is $49.99—10 percent less than the base sales price, rounded to the nearest dollar minus one cent.

Using price levels on sales forms

To use a price level associated with a customer:

10. Scroll to the Wood Door:Exterior item and note that the base sales price is $120—10 percent greater than the rate listed on the invoice using the Commercial price level. It appears on the invoice as $107.99, including the discount and rounding settings.

11. Close the Item list.

12. Record the invoice by clicking Save & Close.

Assigning price levels to individual line items

To apply a price to a single line item:

- 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.

Creating invoice letters

To create an invoice letter:

1. From the Reports menu, choose Customers & Receivables, and then choose Open Invoices.

2. In the report window, scroll down until you see the listings for Anton Teschner:Sun Room.

3. Double-click on the line for invoice # 60.

4. In the Create Invoices window, click the down arrow next to the letter and envelope icon to display the drop-down list.

5. Select Prepare an Invoice Letter.

6. If QuickBooks prompts you to find letters, click Copy.

7. Choose Cover Letter.

Creating invoice letters

To create an invoice letter:

8. Click Next.

9. Type Tom Ferguson in the Name field and then type President in the Title field.

10. Click Next.

11. You don't need to save the letter for this exercise, so close the Microsoft Word file without saving.

12. In QuickBooks, click Cancel because you don't need to print envelopes now.

13. From the Window menu, choose Close All.

Generating reminder statements

To generate reminder statements:

1. Click Home to display the Home page, then click Statements.

2. For the Statement Date, enter 1/15/2016.

3. In the Enter Statement Date and Type section of the window, select the All open transactions as of Statement Date option.

4. Click to select the Include only transactions over checkbox.

5. Leave the number of days past due field entry at 30.

6. In the Select Customers section, select All Customers.

Generating reminder statements

To generate reminder statements:

6. In the Select Additional Options section, click to select the Show invoice item details on statements checkbox.

7. Click to select Do not create statements with a balance less than 0.00.

8. Click Assess Finance Charges.

9. Verify that there is a checkmark next to Lew Plumbing -C.

10. Click Assess Charges.

11. Answer Yes when QuickBooks displays the message telling you that finance charges have already been assessed today.

12. Click Preview.

13. Click Close.

14. Close the Create Statements window.

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Processing sales orders (QuickBooks Premier Edition)

To create an invoice from a sales order:

1. Click Report Center, choose Sales and then choose Open Sales Orders by Item.
2. Click Display Report.
3. Double-click the sales order for Decking in the report window (Sales Order #2 for Fran Smallson).

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Processing sales orders (QuickBooks Premier Edition)

To create an invoice from a sales order:

4. Click the Create Invoice menu button on the toolbar at the top of the Create Sales Orders window.
5. Leave Create invoice for all of the sales order(s) selected, and click OK.
6. Click Save & Close.
7. Close the report window and Report Center.

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Tracking Backorders (QuickBooks Premier Edition)

To create a sales order and track backorders:

1. On the Home page, click Sales Orders.

2. In the Customer:Job drop-down list, select Roche, Diarmuid:Room Addition.

3. Click in the Item column and select Frames:Exterior Frame from the drop-down list.

4. In the Ordered column, click the Availability icon.

Tracking Backorders (QuickBooks Premier Edition)

To create a sales order and track backorders:

5. Click Close, and then type 4 in the Ordered column.

6. Press Tab, and then click OK at the two messages that appear.

7. Type 40.00 in the Rate column.

8. Press Tab again to have QuickBooks update the total.

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Tracking Backorders (QuickBooks Premier Edition)

To create a sales order and track backorders:

9. In the Create Sales Orders window, click the arrow next to the Create Invoice menu button on the toolbar and choose Invoice.

10. Click Create invoice for selected items and click OK.

11. Make sure 2 appears in the To Invoice column and click OK to invoice for the two exterior frames you have in inventory.

12. Click Save & Close.

Receiving items (QuickBooks Premier Edition)

To receive items into inventory:

1. From the Vendors menu, choose Receive Items.
2. In the Create Item Receipts window, choose Perry Windows & Doors from the Vendor drop-down list.
3. Click No at the message that appears.
4. In the Item column, select Frames:Exterior Frame.
5. Press Tab twice to go to the Quantity column and type 10.
6. Press Tab and QuickBooks updates the amounts.
7. Click Save & Close.

Receiving items (QuickBooks Premier Edition)

To fill Diarmuid's order:

1. From the Customers menu, choose Create Sales Orders.
2. Click the Previous button to display Diarmuid's sales order.
3. In the Create Sales Orders window, click the Create Invoice menu button on the toolbar and choose Invoice.
4. Click Create invoice for selected items and click OK.
5. Make sure 2 appears in the To Invoice column and click OK to invoice for the two exterior frames for Diarmuid's room addition.

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Receiving items (QuickBooks Premier Edition)

To fill Diarmuid's order:

6. Click Save & Close to save the invoice and close the Create Invoices window.
7. On the Home page, click Sales Orders.
8. Click the Previous button to display Diarmuid's sales order.
9. Close the Create Sales Order window.

LESSON 6 Review questions and activities

Lesson 6: Entering sales information

Review questions

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 Which item type should you use when recording a partial payment from a customer on an invoice?

   a Subtotal

   b Payment

   c Service

   d Non-inventory Part

5 True or false: QuickBooks lets you save sales forms as PDF files.

   a True

   b False

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

7 From which list (or lists) does QuickBooks get the information for A, B, and C in the graphic below?

a _____

b _____

c _____

8 List the item types used in the line item area of the invoice above.

_____

_____

_____

_____

9 On which of the following can you **not** use price levels?

a Invoices

b Sales receipts

c Credit memos

d Purchase orders

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10 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

11 If a wood door costs $120.00 and you set the rounding option to 1.00 minus .11, what price would appear on an invoice for the wood door?

    a $120.11

    b $120.89

    c $119.89

    d $119.11

12 True or false: Price levels affect Discount items.

    a   True

    b   False

13 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 a customer of 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 affect on the price listed. How would you change the price level so that all prices are rounded to the nearest $.49?

Lesson 6: Entering sales information

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 Which item type should you use when recording a partial payment from a customer on an invoice?

   a Subtotal

   b *Payment*

   c Service

   d Non-inventory Part

5 True or false: QuickBooks lets you save sales forms as PDF files.

   a *True*

   b False

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

7 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*

8 List the item types used in the line item area of the invoice above.

Inventory Part, Subtotal, Discount, and Service.

9 On which of the following can you **not** use price levels?

   a Invoices

   b Sales receipts

   c Credit memos

   d *Purchase orders*

10 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

11 If a wood door costs $120.00 and you set the rounding option to 1.00 minus .11, what price would appear on an invoice for the wood door?

a $120.11

b $120.89

c *$119.89*

d $119.11

12 True or false: Price levels affect Discount items.

a True

b *False (Price levels only affect Service, Inventory, Non-Inventory Part, and Inventory Assembly items)*

13 Which of the two methods described in this lesson for providing customers with information about overdue invoices allows you to assess finance charges?

a *Invoice letters*

b *Reminder statements*