Receiving Payments and Making Deposits

Lesson 7

Lesson objectives

- To learn how to record customer payments in QuickBooks

- To learn how to handle customer discounts, partial payments, overpayments, or down payments

- To see how to record a deposit in QuickBooks, and learn how QuickBooks treats the deposit behind the scenes

- To learn how to enter cash back from a deposit in QuickBooks

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Recording a payment in full for a single job

To record a payment in full:

1. From the Customers menu, choose Receive Payments.

2. In the Received From field, select Violette, Mike: Workshop from the drop-down list.

3. Press Tab to move to the Amount field.

4. In the Amount field, type 4735.73 and press Tab.

5. In the Payment Method field, select Check from the drop-down list and then press Tab.

6. In the Check # field, type 6745.

7. Click Save & New.

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Entering a partial payment

To enter a partial payment:

1. In the Received From field, select Ecker Designs:Office Repairs from the drop-down list.

2. Press Tab to move to the Amount field, and then type 1000. Then press Tab again.

3. Click Un-Apply Payment.

4. In the Payment column, type 1000 as the amount you want to apply to the second invoice, and then press Tab.

5. In the Pmt. Method field, leave Check selected.

6. In the Check # field, type 5678.

7. Leave the Leave this as an underpayment option selected.

8. Click Save & New to record the partial payment and clear the window.

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Applying one payment to multiple jobs

To apply one payment to multiple jobs:

1. In the Receive Payments window, select Cook, Brian from the Received From drop-down list.

2. Press Tab to move to the Amount field.

3. In the Amount field, type 7812.63 and then press Tab.

4. In the Pmt. Method drop-down list, confirm that Check is selected.

5. In the Check # field, type 375.

6. Click Save & New.

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Entering overpayments

To enter the payment:

1. In the Received From field of the Receive Payments window, select Pretell Real Estate:75 Sunset Rd. from the drop-down list.

2. Press Tab and type 12500 in the Amount field.

3. Press Tab again.

4. Select the Refund the amount to the customer option.

5. Click Save & New.

6. In the Issue a Refund window, click OK.

Handling down payments or prepayments

To enter the down payment you've received:

1. In the Received From field, select Abercrombie, Kristy:Kitchen from the drop-down list and then press Tab.

2. Type 1000 in the Amount field and then press Tab.

3. Leave the Leave the credit to be used later option selected.

4. In the Pmt. Method field, make sure Check is selected.

5. In the Check # field, type 4321.

6. Click Save & Close.

7. Click OK in the message that displays.

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Handling down payments or prepayments

To create an invoice for a customer who made a down payment:

1. From the Customers menu, choose Create Invoices.

2. In the Customer:Job field, select Abercrombie, Kristy: Kitchen from the drop-down list.

3. QuickBooks displays the Available Estimates window. You don't want to create the invoice from the estimate listed, so click Cancel.

4. From the Template drop-down list, choose Custom Invoice.

5. Click in the Item column, select Removal from the Item drop-down list, and then press Tab.

Handling down payments or prepayments

To create an invoice for a customer who made a down payment:

6. In the Quantity column, type 40 and press Tab.

7. Click Apply Credits to apply the down payment amount made earlier towards this invoice.

8. Click Yes at the message that displays.

9. This is the credit that you want to apply to the invoice, so click Done.

10. Click Save & Close to record the transaction.

Making deposits

To select payments to deposit:

1. From the Banking menu, choose Make Deposits.

2. Click to select the payments you want to bring to the bank.

3. Click OK.

4. In the Deposit To field, make sure that Checking is selected.

5. Click Save & Close to record the deposit.

How QuickBooks handles the deposit

To view the Undeposited Funds account:

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

2. In the chart of accounts, double-click the Undeposited Funds account.

3. Close the account register window.

4. In the chart of accounts, double-click the checking account.

5. Close the checking account register and the chart of accounts.

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Getting cash back from a deposit

To record getting cash back from a deposit:

1. On the Home page, click Record Deposits.

2. In the Payments to Deposit window, select the payment from Doug Jacobsen.

3. Click OK.

4. In the Make Deposits window, type Petty Cash in the "Cash back goes to" field and press Tab.

5. When QuickBooks displays a message telling you that Petty Cash is not on the account list, click Set Up.

Intuit ProLine

Getting cash back from a deposit

To record getting cash back from a deposit:

6. Make sure Bank is selected in the Type drop-down list, and then click Save & Close to return to the Make Deposits window.

7. In the "Cash back amount" field, type 200 and press Tab.

8. Click Save & Close.

9. To see the effect on these accounts, choose Chart of Accounts from the Lists menu.

10. Close the chart of accounts.

LESSON 7   Review questions and activities

Lesson 7: Receiving payments and making deposits

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 True or false: You can enter a customer payment directly in the customer register.

    a True

    b False

4 The _____ _____ 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

Review activities

1 Create an invoice for Bryan Ruff's utility shed job.

Add items to Rock Castle Construction's Item list as needed.

2 After you invoice Bryan, record a payment from him in the Receive Payments window.

3 Record Rock Castle Construction's deposit of the payment.

Lesson 7: Receiving payments and making deposits

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 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