Topic 1: **Sales and Revenue Transactions**

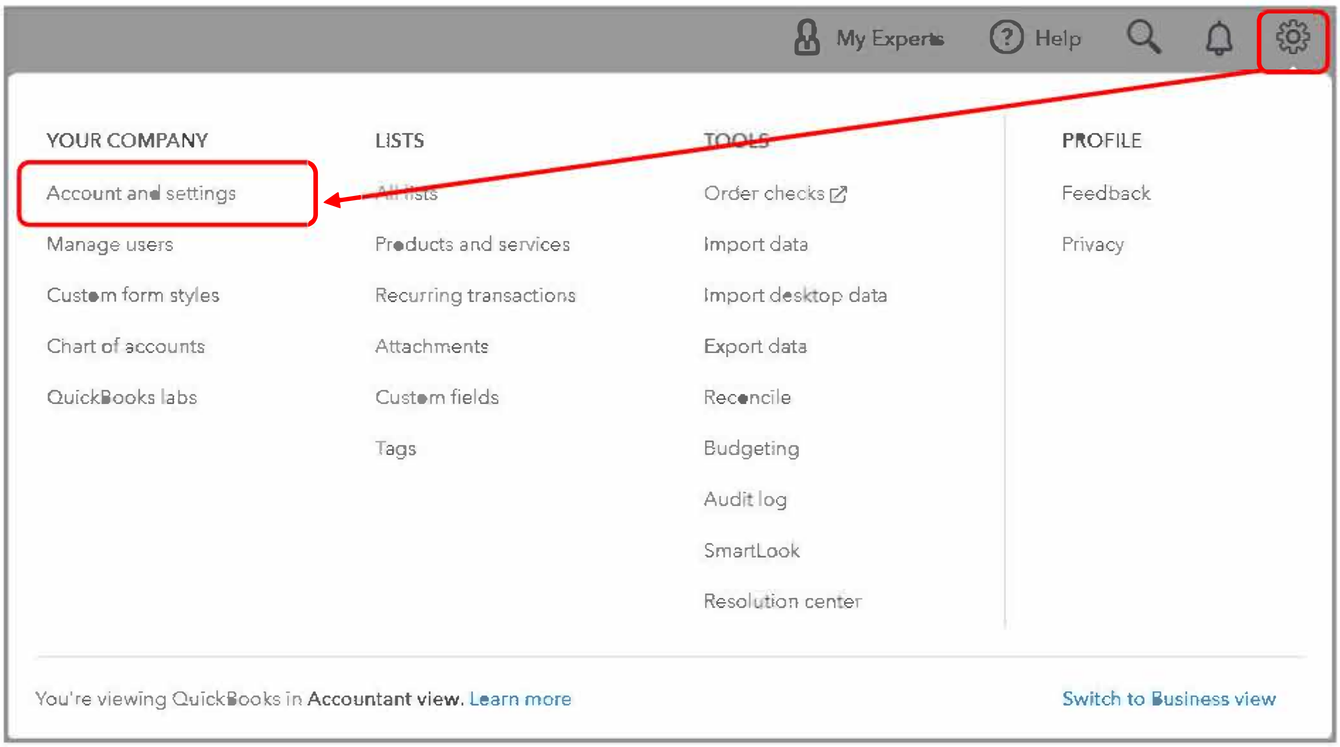
All these transactions types relate to monies coming in. Most of these transactions can be launched from more than one access point, whereas others can be launched only from one.

- **Estimates** are non-posting transactions that provide your customers with information on what you think you are going to charge them. Think of an estimate as a quote or proposal.
- **Invoices** are the sales transactions used when you want the customer to pay on account. An Invoice will increase accounts receivable, generally increase income and perhaps sales taxes if they are being collected.
- **Receive payment** is the type of transaction used to receive payment against an invoice. A Receive payment decreases accounts receivable and increases either a bank account or Undeposited Funds.
- **Sales receipts** are the sales transaction used when you receive payment at the time of sale; it has no effect on accounts receivable. It increases income and increases either a bank account or Undeposited Funds. Think of it as the equivalent of a cash register receipt when you buy a pack of gum at the store.
- **Credit memos** are used when a customer returns something or negotiates a lower price after the original invoice has been issued. This creates a credit in accounts receivable that can be used against future invoices.
- **Refund receipts** are also used when a customer returns something or negotiates a lower price, but with a refund receipt you are refunding their payment. It has no effect on accounts receivable. Refund receipts are often used if the customer to whom you are refunding the money has no outstanding accounts receivable balance with you.
- **Delayed charges and credits** are only available in QuickBooks Online Essentials, Plus and Advanced; they are non-posting transactions that reflect a potential revenue increase or decrease, as they are *reminders* to add these charges or credits to future invoices.

Appropriate Sales-related Settings

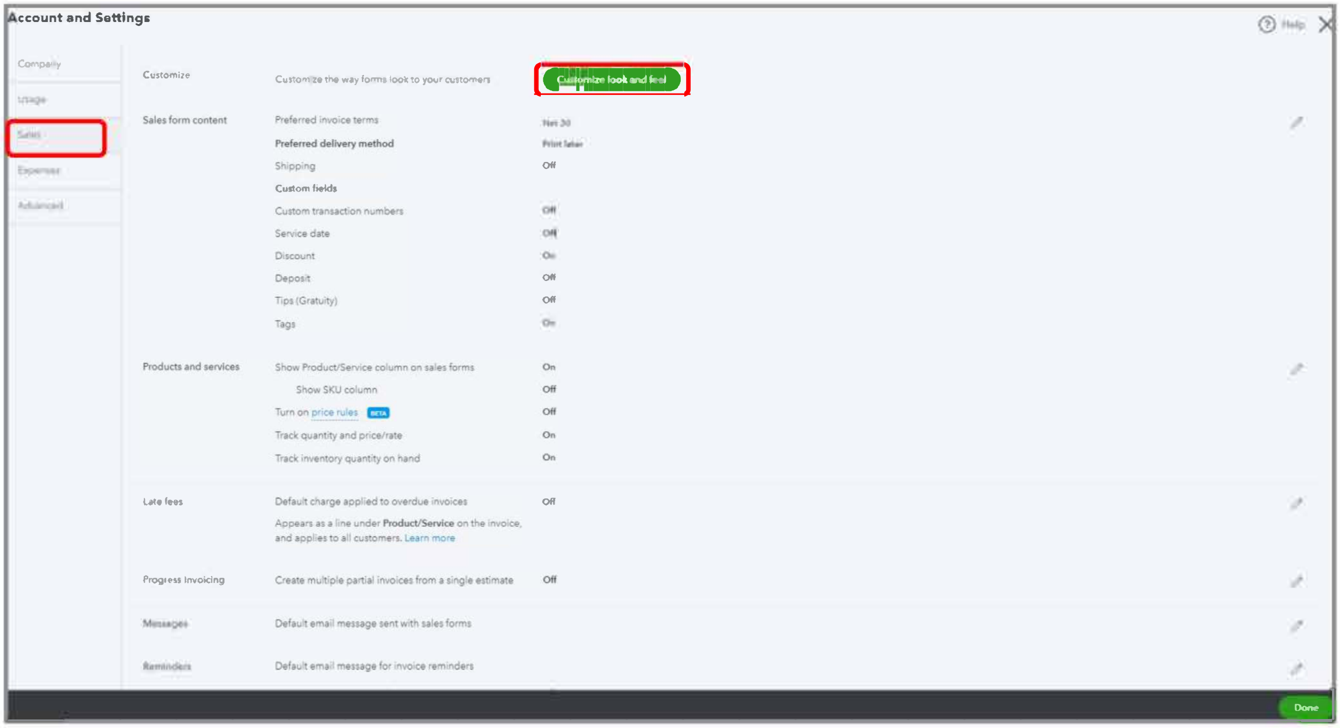
Account and Settings

Click the **gear** icon to access the **Account and Settings** under Your Company.



There are several tabs down the left side of Account and Settings to set the preferences you want to use with the company file. The Sales tab is its own category, but there are also sales-related settings under the Advanced tab.

Note: *In an actual QuickBooks Online company (as opposed to the test drive company below), you would see more tabs down the left side, including ones for Billing and Subscription, and one for QuickBooks Payments. Signing up for QuickBooks payments lets your customers pay online by ACH or by credit card (fees apply).*

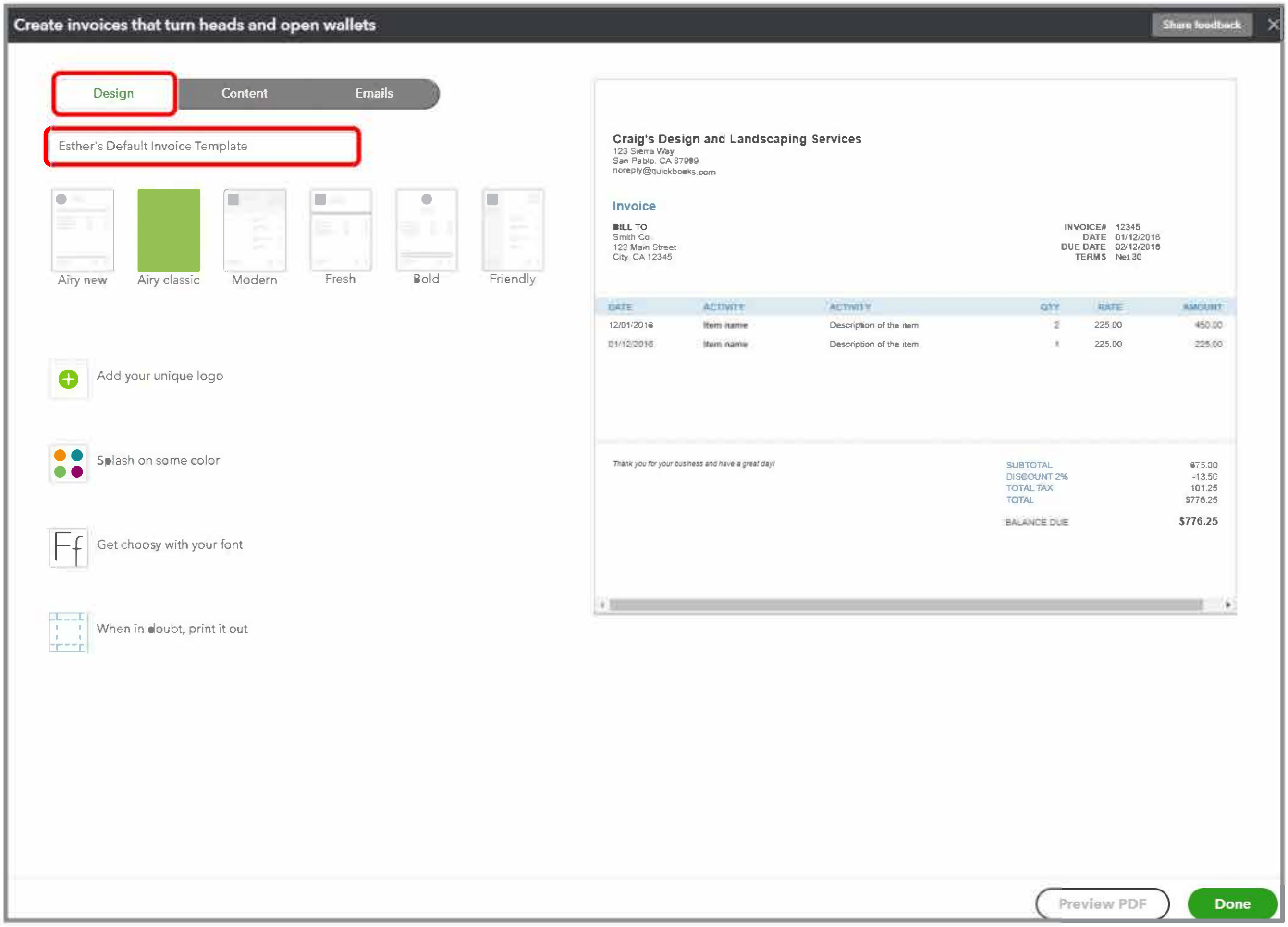


Customize Sales Forms

The first setting under the Sales tab allows you to customize the sales forms. Click **Customize look and feel**. Click **New Style**, then decide if you are going to create a new style for an invoice, estimate or sales receipt. Click **Invoice**.

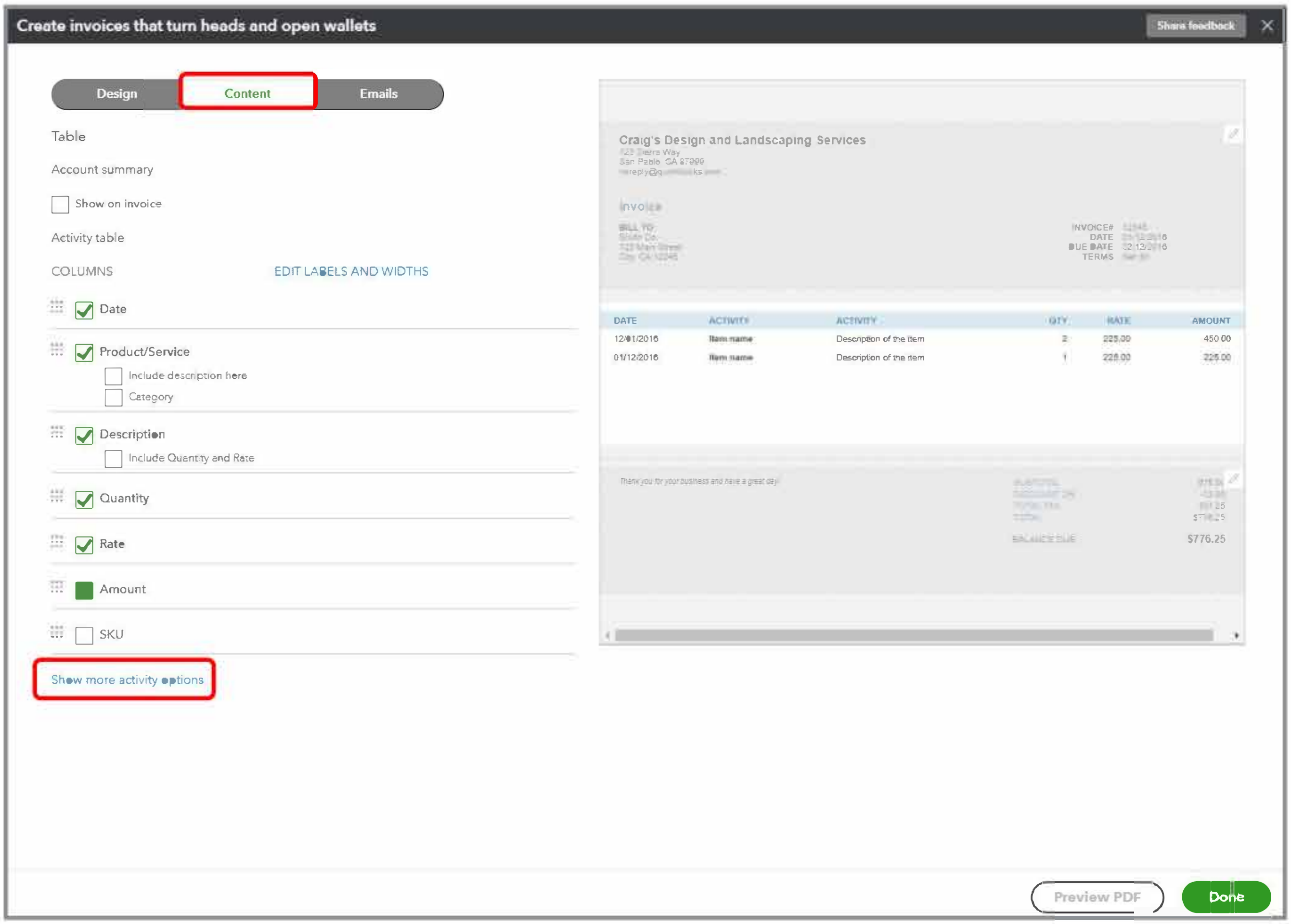
Change the name of the invoice template from the generic *My INVOICE Template – DD-YY (xxxxx)* to something meaningful.

In the Design tab, you can rename the title of this sales form, choose your template (Airy new, Airy classic, Modern, Fresh, Bold or Friendly), upload up to 10 logos (you can use only one at a time on a form), add color and choose your font. You can also print your in-progress template to test how it looks on plain paper or letterhead with various margins or preview a PDF of the form.

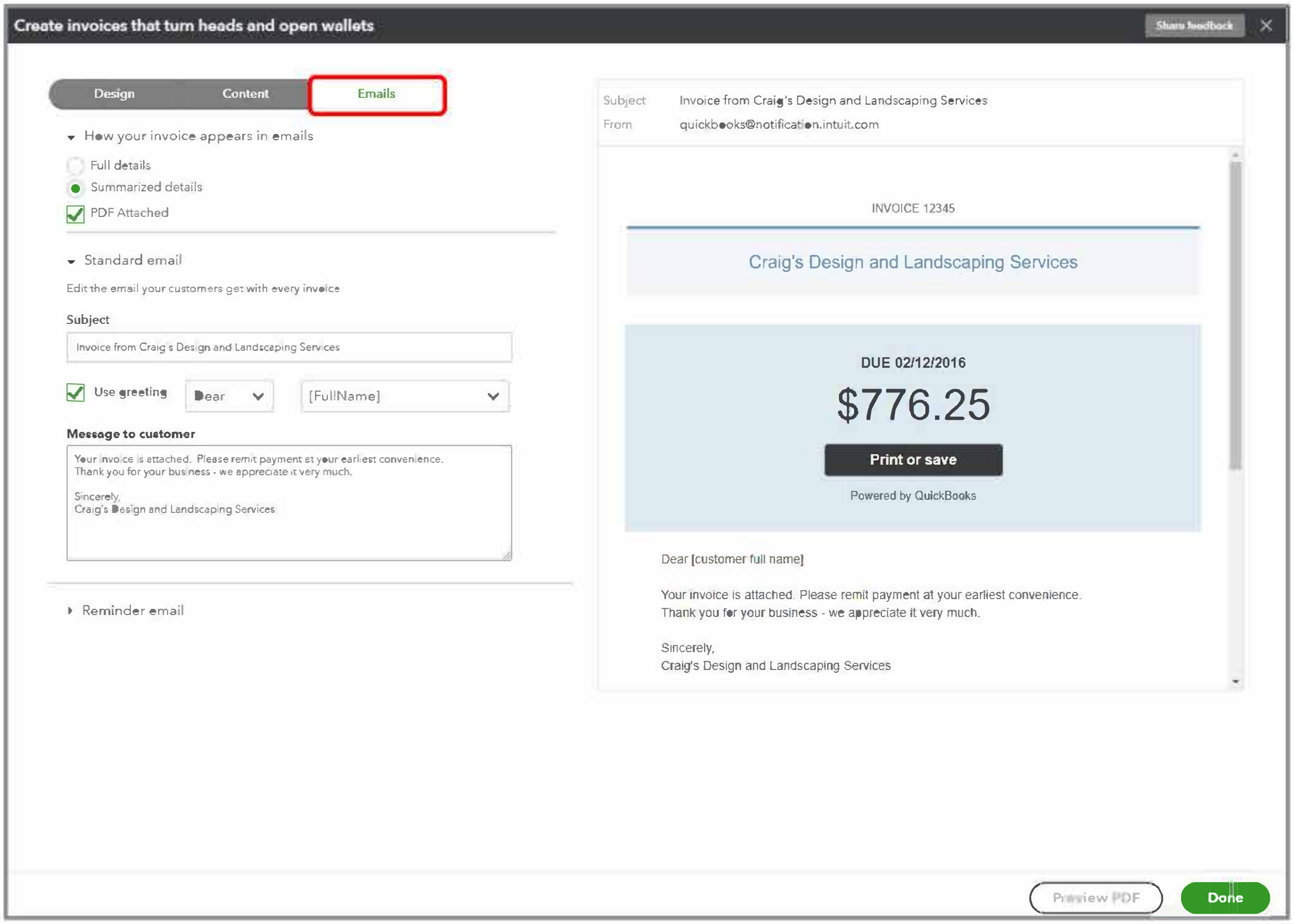


Click **Content** tab → **pencil** icon in any of the three sections (Header at the top, Table in the middle or Footer at the bottom) to review and edit the content in that section; you can also edit labels, column widths and so forth.

Make sure to look at the options for billable expenses and billable time if you invoice based on time and expenses. In the Table area you can include the employees' names on the form, and you can group activities by day, week, month or type, and have the groups subtotaled. If these options are not visible you can make them appear by clicking **Show more activity options**.



The Emails tab allows you to set the default email subject and message that accompanies the sent form (the Standard email), as well as the format of any Reminder emails you might send.

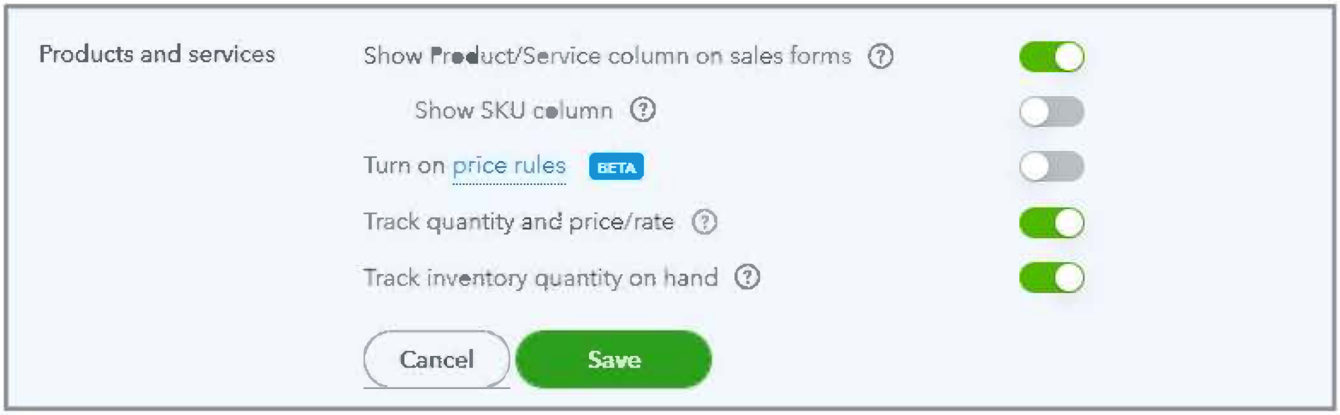


Sales Form Content

This section of the Sales tab of Account and Settings allows you to set options such as Preferred invoice terms and Preferred delivery method, which can be changed on an actual individual sales form. The Content section sets defaults. Here you specify if you allow custom user-entered transaction numbers on sales forms (as opposed to a numbering sequence put in place by QuickBooks, with no option to change the numbers) as well as a service date column. You can also add additional line items such as shipping, discount, deposit, tips fields or tags.

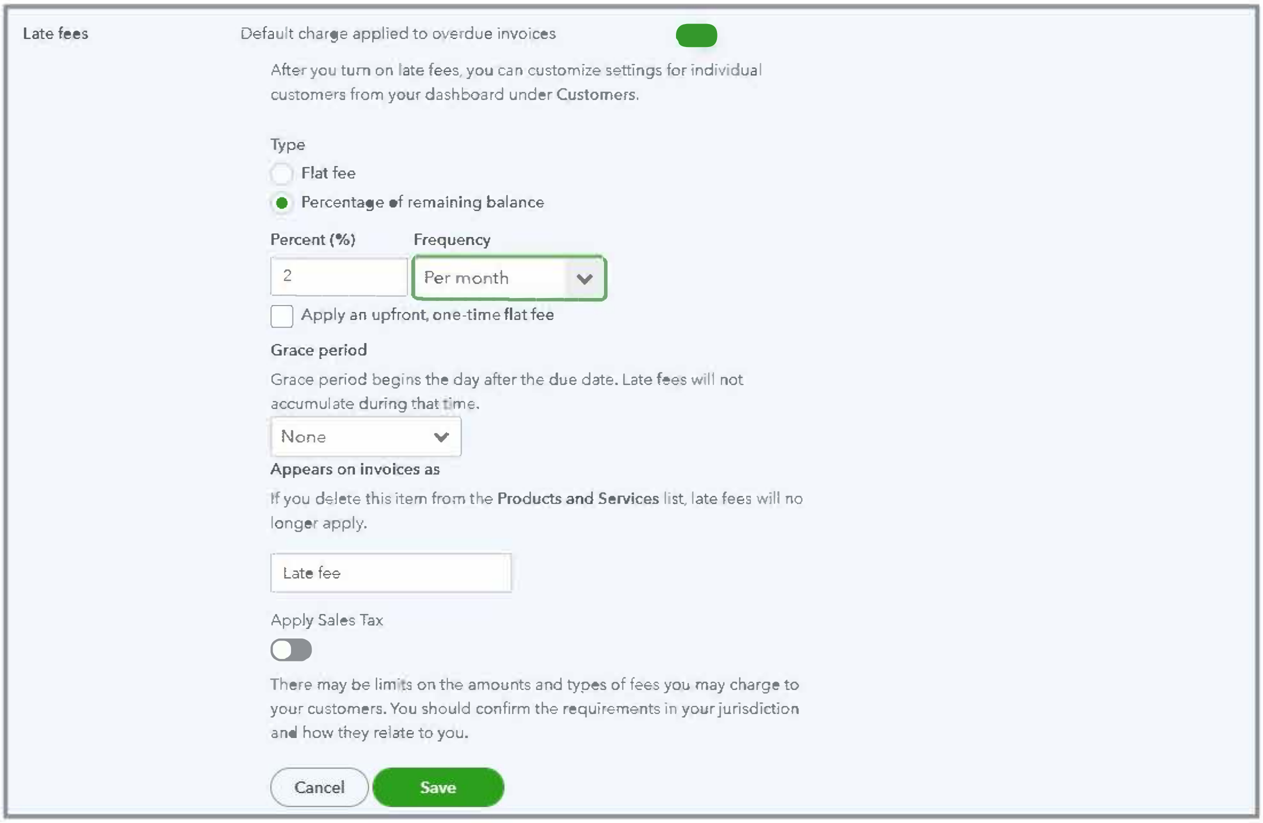
Products and Services

In this section of the Sales tab in Account and Settings, you identify if you want to Show the Product/Service column on sales forms so the drop-down list of products and services is available. Also, this where you turn on the preference to track inventory and price rules. Inventory tracking and price rules are available only in QuickBooks Online Plus and Advanced.



Late fees

You can turn on Late Fees, which applies a default charge to overdue invoices, either in the form of a flat fee or a percentage of the remaining balance. You can define the frequency, if it is an upfront, one-time fee, as well as the grace period and the terminology to be used for the charge (e.g., *Late fee*). Lastly, you can specify if sales tax is to be applied to this charge.

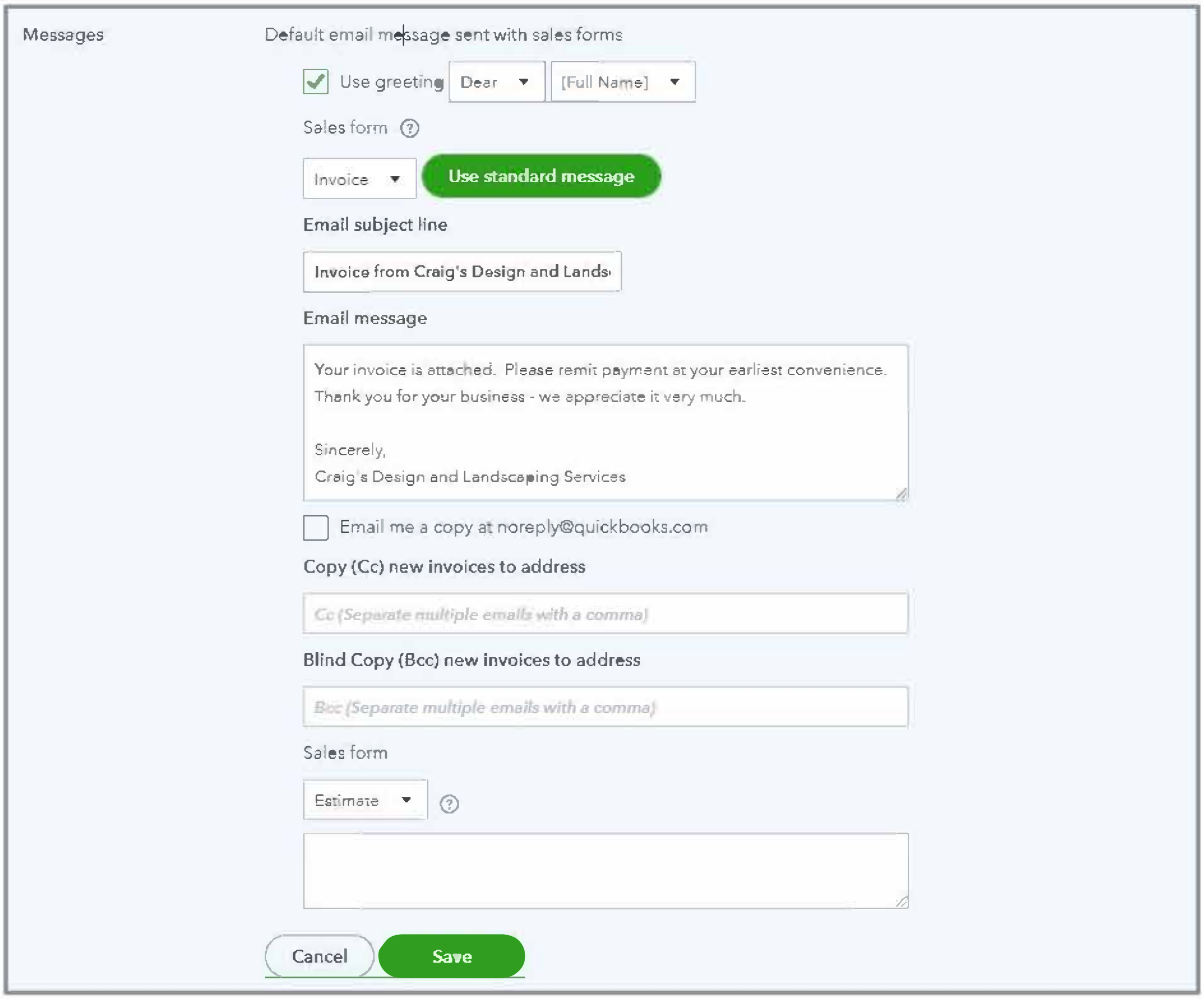


Progress Invoicing

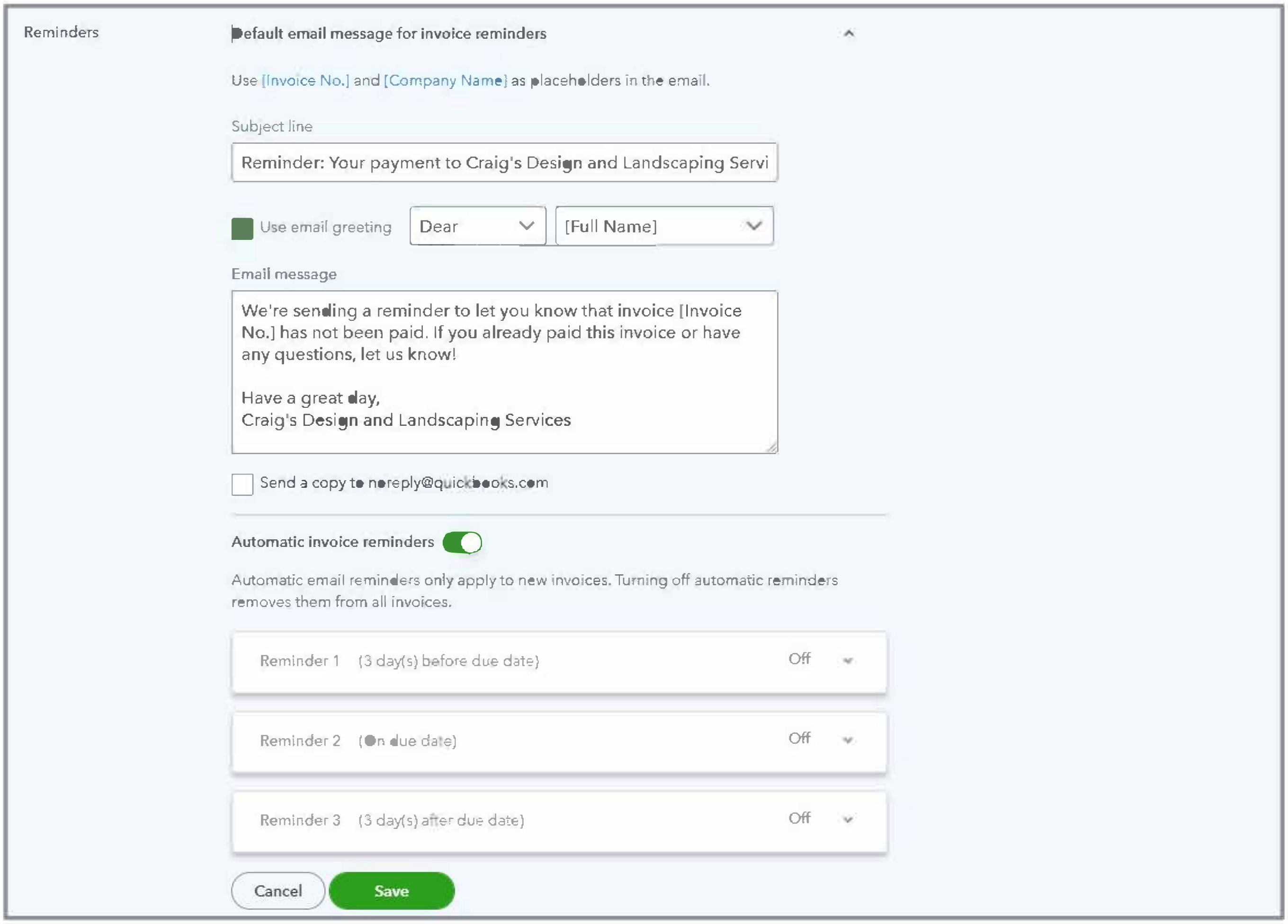
You can create multiple invoices from an estimate with Progress Invoicing, allowing you to keep track of the progress of a job. It is available in all subscription levels of QuickBooks Online. This is the section in the Sales tab of Account and Settings where you turn on the ability to perform Progress Invoicing.

Other Sales Settings

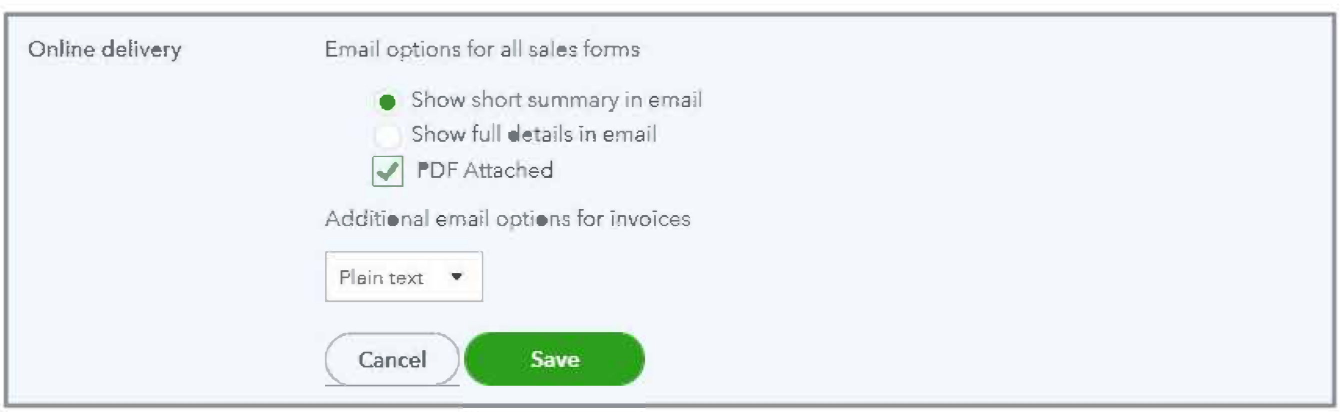
The Messages setting allows you to create default email forms when emailing sales forms.



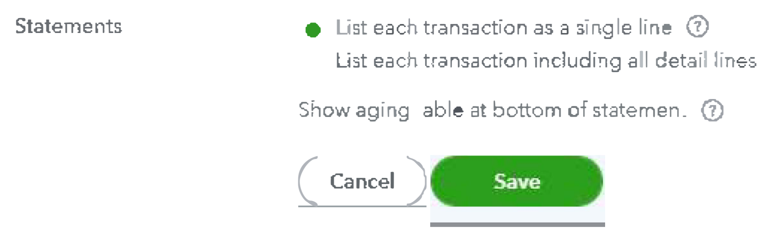
The Reminders setting, like the Messages setting, allows you to create default emails when sending reminders.



Online delivery settings relate to emailing your forms and what you want the customer to see. There are options of sending as plain text, HTML or using an online invoice.

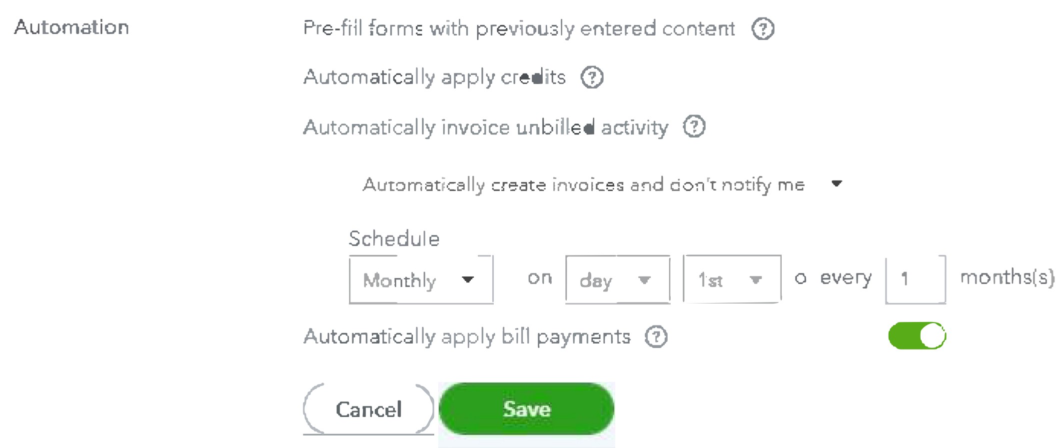


There are a couple of preferences to choose from regarding Statements. See below:



Advanced Settings

For more sales-related preferences, look at the Automation section of Advanced settings.



If you turn on the preference to **Pre-fill forms with previously entered content**, QuickBooks Online will copy the information from the last transaction using the same customer.

If you turn on the preference to **Automatically apply credits**, QuickBooks Online will apply any available credits to the next invoice. Beware of turning on this or any other automation preference. It may be that you don't want to apply the credit to the very next invoice, but instead to some future invoice.

You can turn on a preference to **Automatically invoice unbilled activity**. Once this preference is turned on, you then choose one of the following automation options:

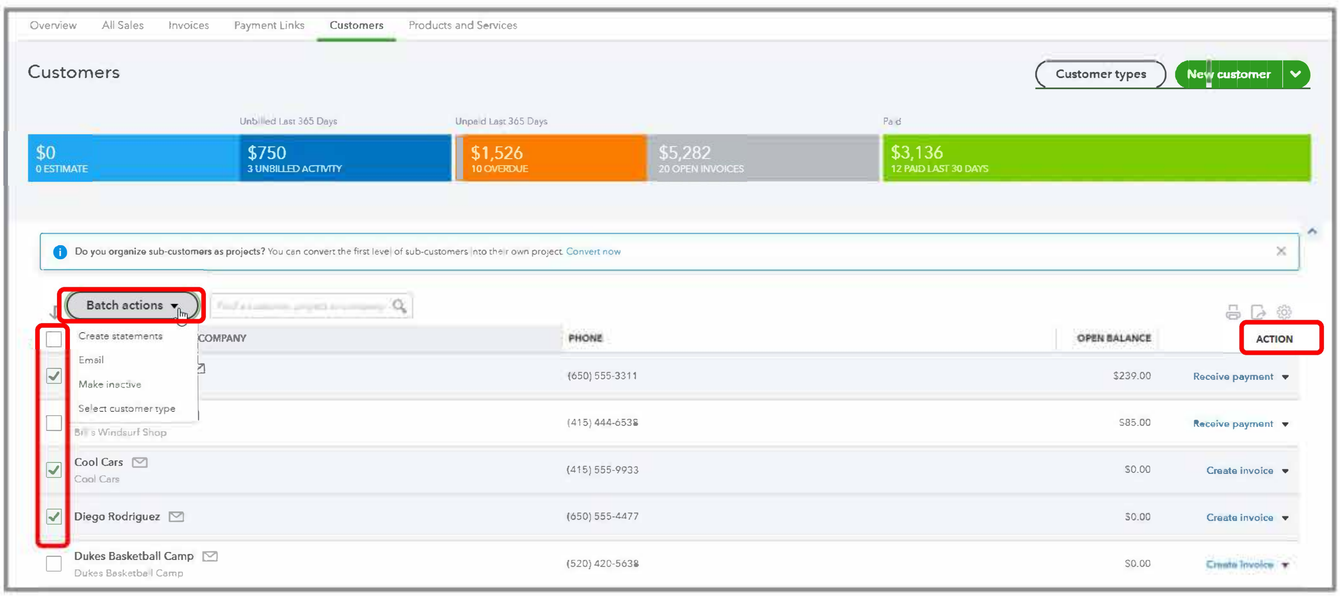
In addition, you specify a schedule regarding how often (in days, weeks, months or years) and when this automation function runs.

You need to understand the ramifications of the Automation preferences to know if they make sense for you. If you have problems with accounts receivable, check these settings.

ALTERNATE ENTRY POINTS TO ENTER SALES TRANSACTIONS

Customer Center

The Customer Center, accessed by selecting **Sales → Customers** in the left navigation bar, is a dashboard for adding, editing and reviewing customers with whom your QuickBooks Online company does business. The list of customers can be printed or exported to Microsoft Excel®, and it can be sorted by various parameters or filtered. In the far-right Action column, beside each customer listing in the Customer Center, is a drop-down box from which to create transactions such as invoices or estimates, send a reminder of a balance due, or print or send a statement. In addition, batch actions can be performed for one customer, selected customers or the entire list: send or print statements and send emails directly from within QuickBooks Online.



Enter Transactions from the Customer Center

Step by Step: **Create an Estimate**

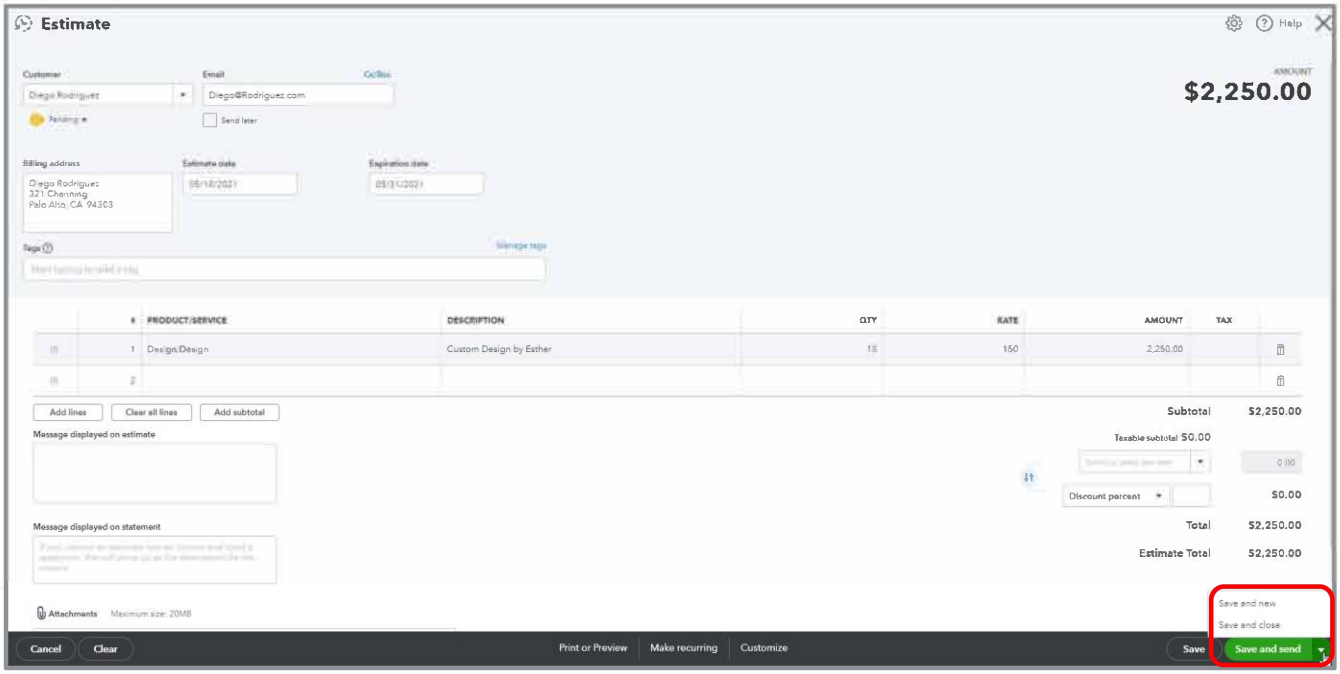
There are several ways to create an estimate in QuickBooks Online. To create an estimate from the Customer Center, follow these steps:

1. Select **Sales → Customers** from the left navigation bar.
2. If necessary, remove any filters from the search bar at the top of the customer list to produce a full list of customers.

3. Select the drop-down box in the far-right column for **Diego Rodriguez → Create estimate**.

4. Complete the on-screen estimate for Diego Rodriguez with the desired date, expiration date of the estimate (if any), products and services of your choosing, the quantity, description (override the description if you want) and rate (override the rate if you like) of each and the sales tax (check the **Tax** box for specific items, then select the **sales tax** to be applied in the drop-down box in the footer).
5. Complete any other desired fields such as Discount and Message displayed on estimate.

6. Select **Save and close** or (by clicking the **drop-down** next to Save and Send) **Save and new**.



Step by Step: **Create an Invoice from an Estimate**

To create an invoice from the estimate you just created, the easiest way to find that estimate is from the Money Bar in the Customer Center.

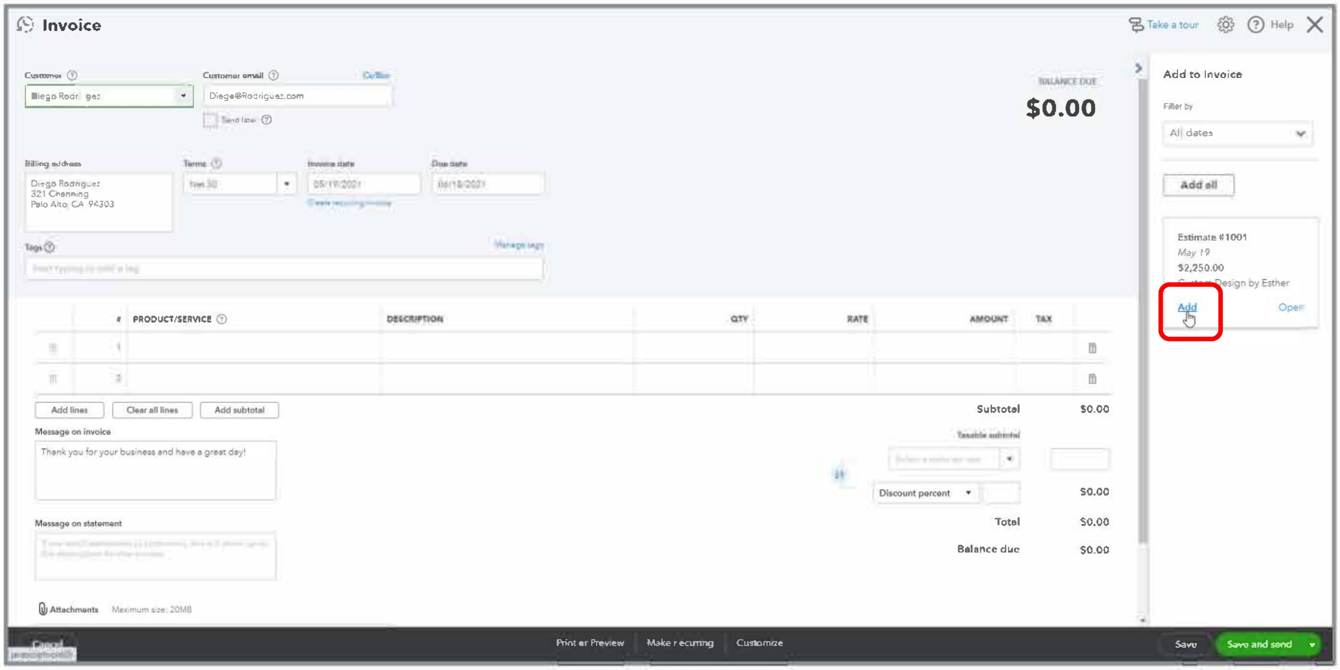
1. Select **Sales → Customers** from the left navigation bar.

2. Click the **Estimates** rectangle in the far-left section of the Money Bar to display a list of open estimates.

3. Locate Diego Rodriguez on the list of open estimates.

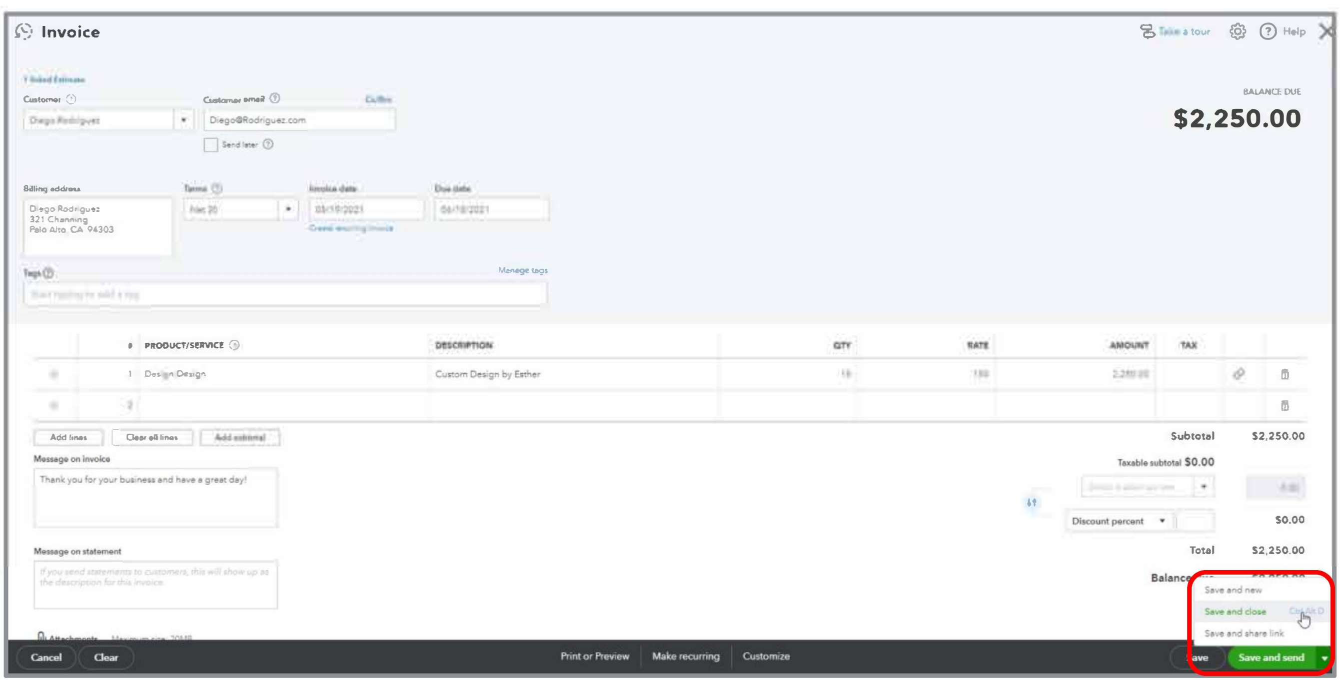
4. Find the estimate you want to turn into an invoice, then select **Start invoice** at the far right.

5. **Add** the open estimate from the drawer on the right.



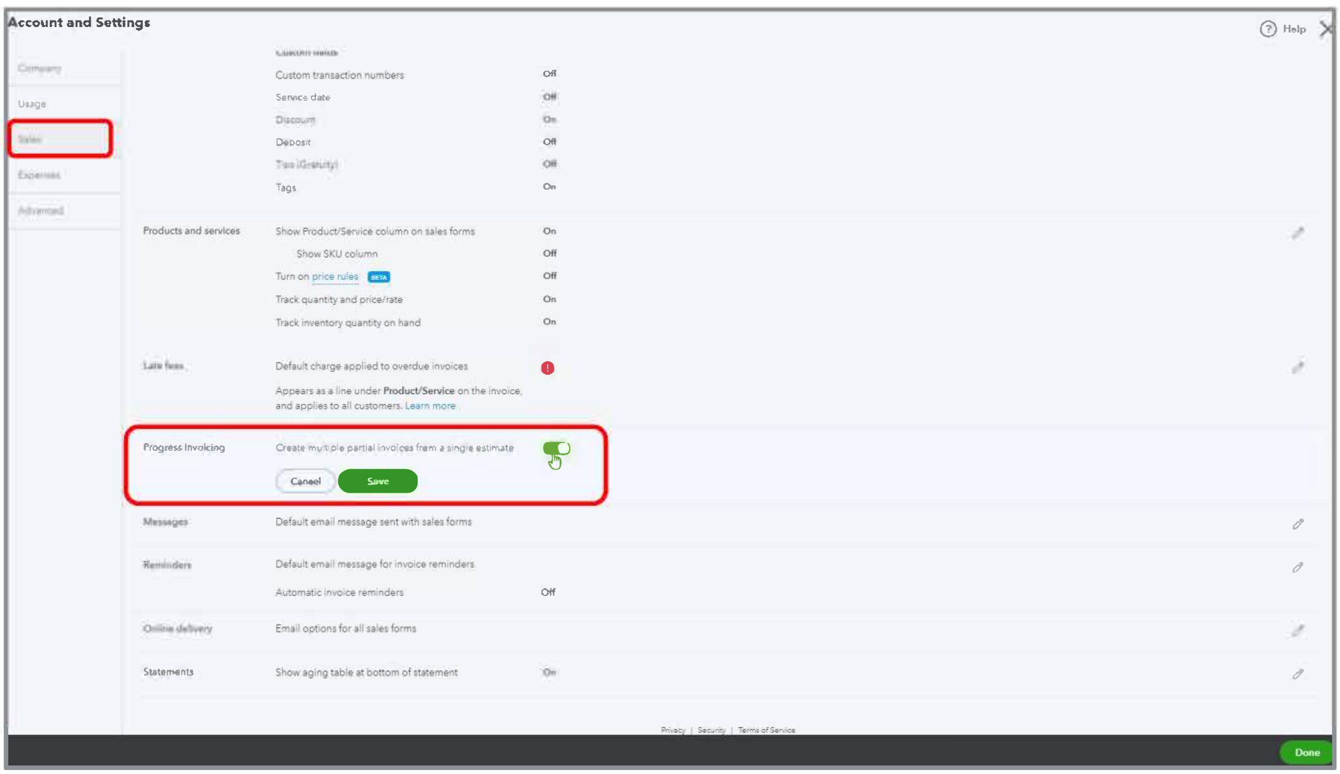
6. Make changes to the already-populated invoice, as required.

7. Select **Save**, **Save and close** (by clicking the drop-down box next to Save and Send), **Save and new**, or **Save and share link**.



When you create an invoice from the estimate, you can change the quantity of the line items on the invoice. If you are invoicing for a smaller quantity than on the estimate you have the option for QuickBooks Online to keep track of the quantity of each item on the original estimate and the cumulative number of each item sold on subsequent related invoices. For this, turn on Progress Invoicing. It will affect the number of each item available to bring over to future invoices from the same estimate.

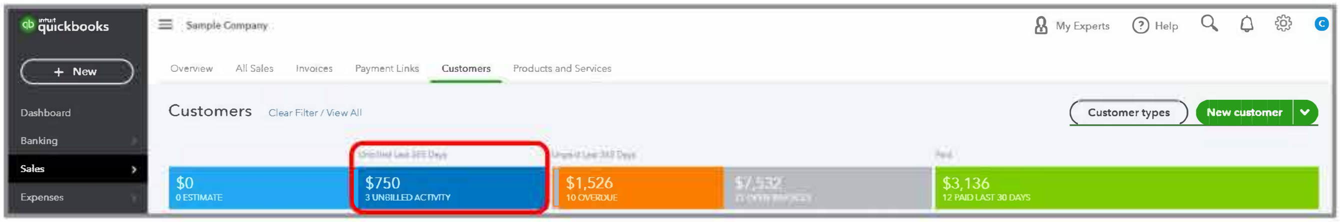
NOTE: *If you do not want to invoice for the entire amount of the estimate, you can perform progress invoicing, which is available in all subscription levels of QuickBooks Online. First, ensure that Progress Invoicing is turned on. To do this click the **gear** icon → **Account and Settings** under Your Company → **Sales** tab → **Progress Invoicing** → **pencil** icon (or click anywhere in that section) and toggle **Create multiple partial invoices from a single estimate**. Then click **Save** and **Done**.*



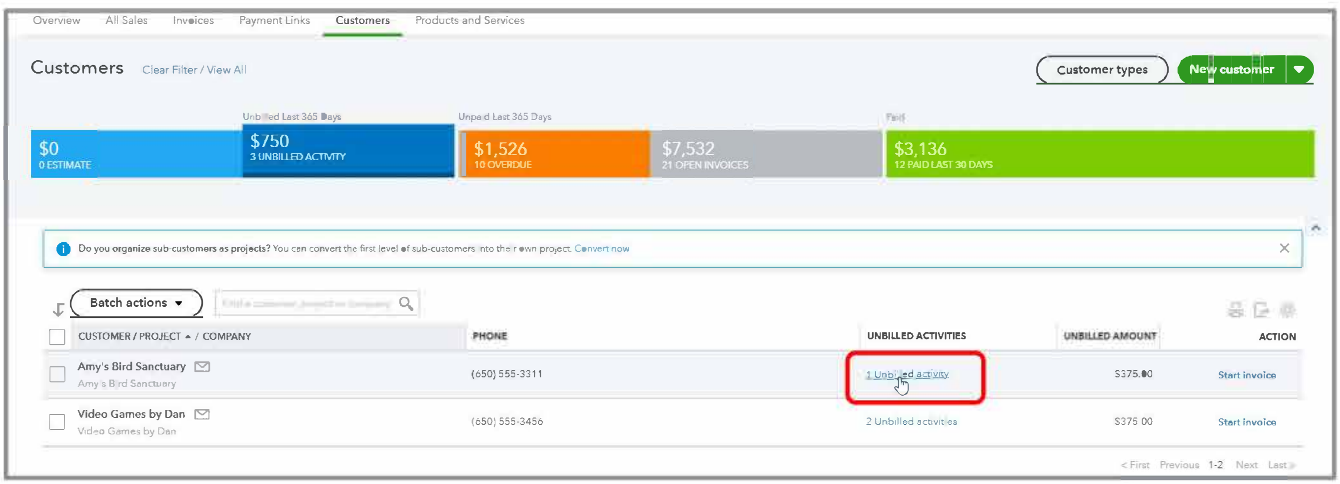
Step by Step: **Create an Invoice for Unbilled Activity**

You can also easily create invoices for any unbilled activity.

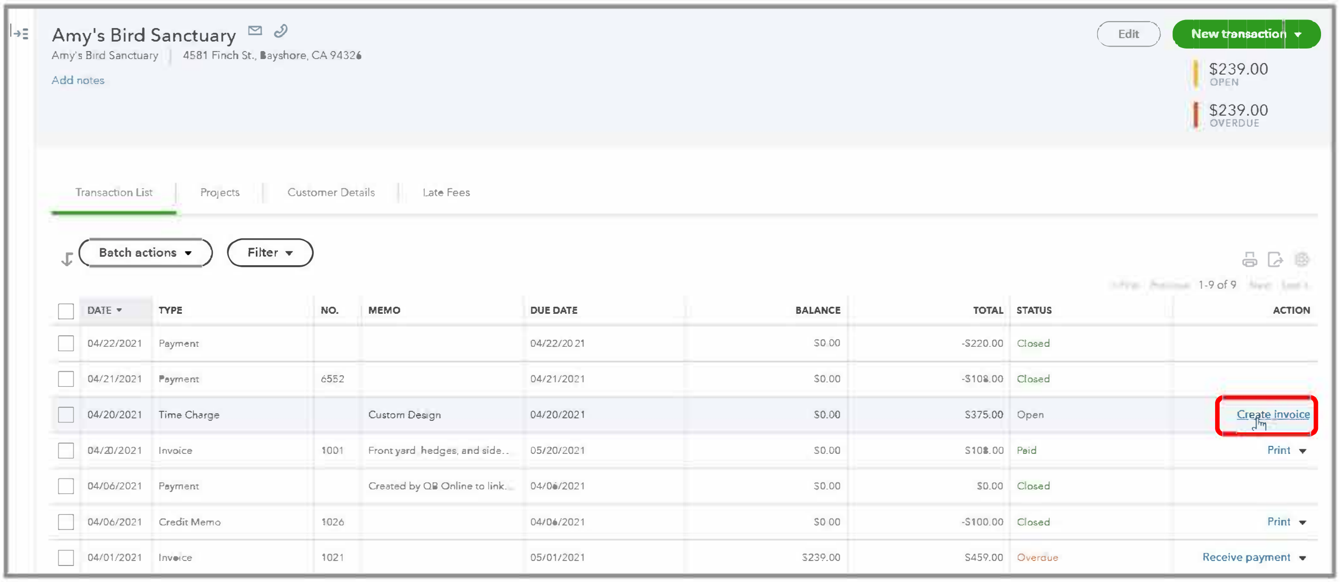
1. Select **Sales → Customers** from the left navigation bar.
2. Click the **Unbilled Activity** rectangle in the left section of the Money Bar to display a list of unbilled activity.



3. You could click **Start Invoice** in the far-right column from here to see the unbilled activity. Instead, however, click **Unbilled activity** for Amy's Bird Sanctuary.

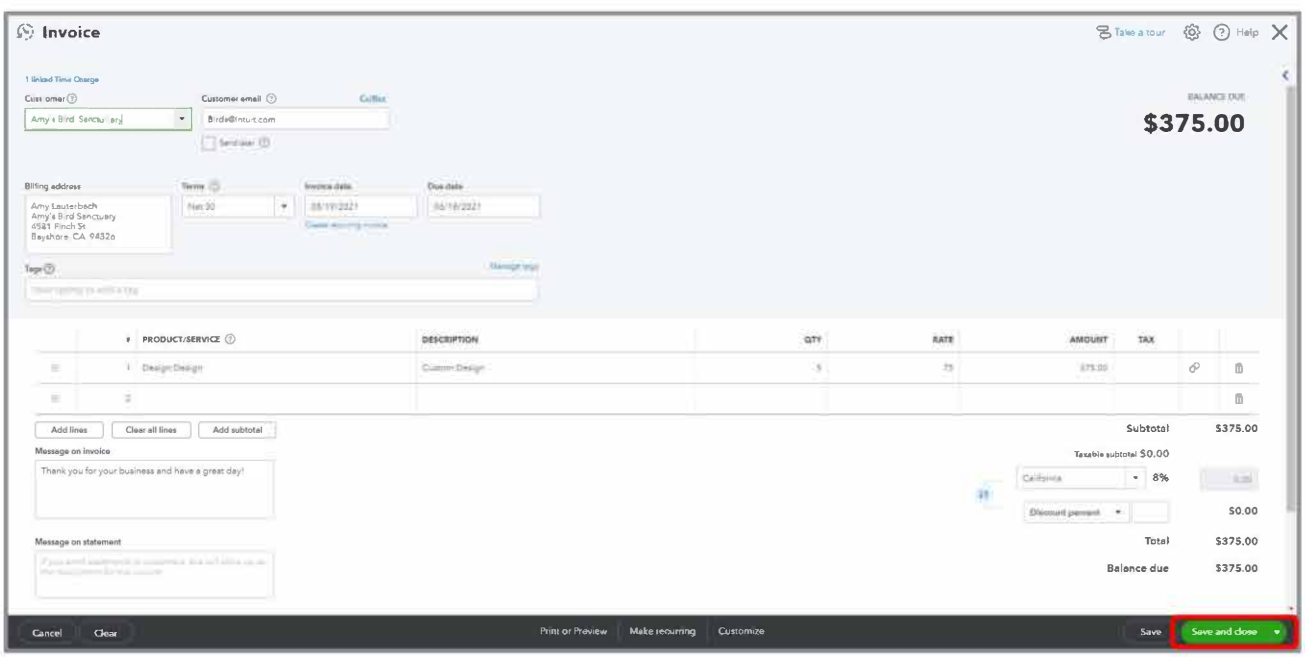


4. Find the one Time Charge activity that is outstanding (unbilled) for this customer; it will display Start Invoice in the far-right column. Click **Create Invoice**.



NOTE: *If you have multiple activities listed here (instead of just one), you can start an invoice for one unbilled activity and bring other unbilled activities in from the drawer on the right to add them as well.*

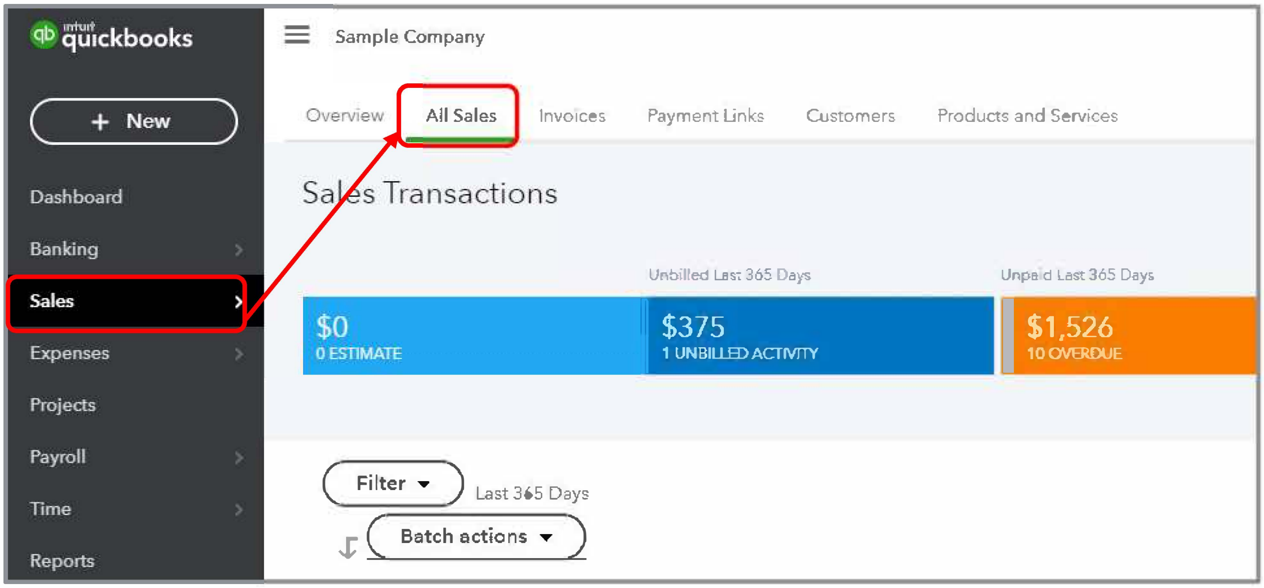
5. Add any additional charges, sales tax or discounts then click **Save**, **Save and close**, **Save and new**, **Save and send** or **Save and share link**.



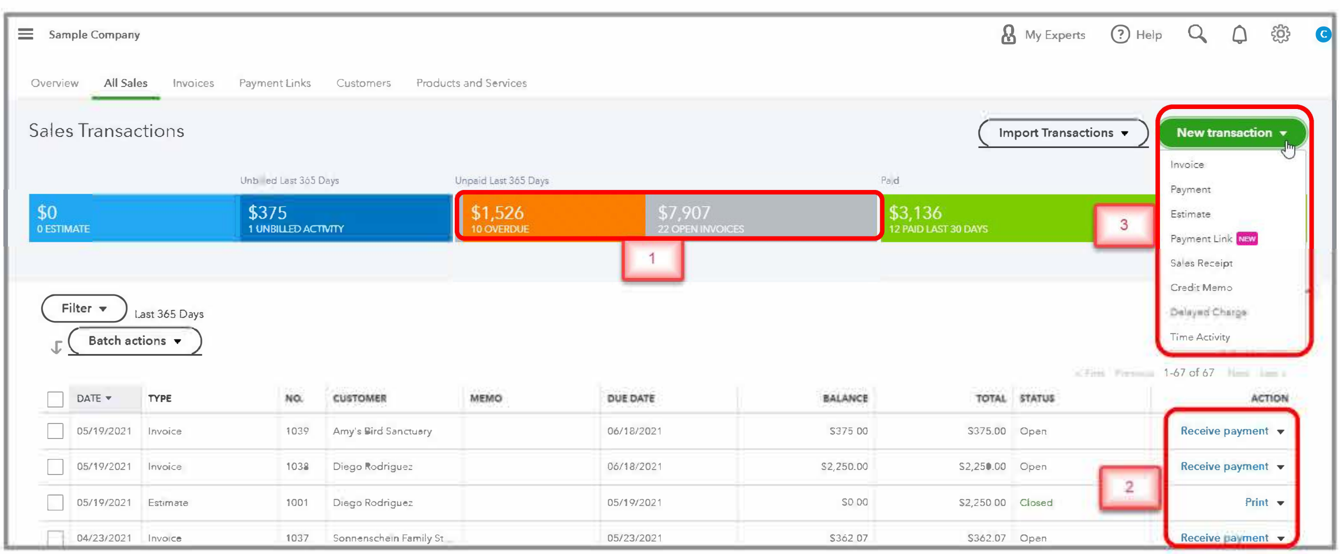
Enter Transactions from the Sales Transactions Page (Sales Center)

Step by Step: Create an Invoice

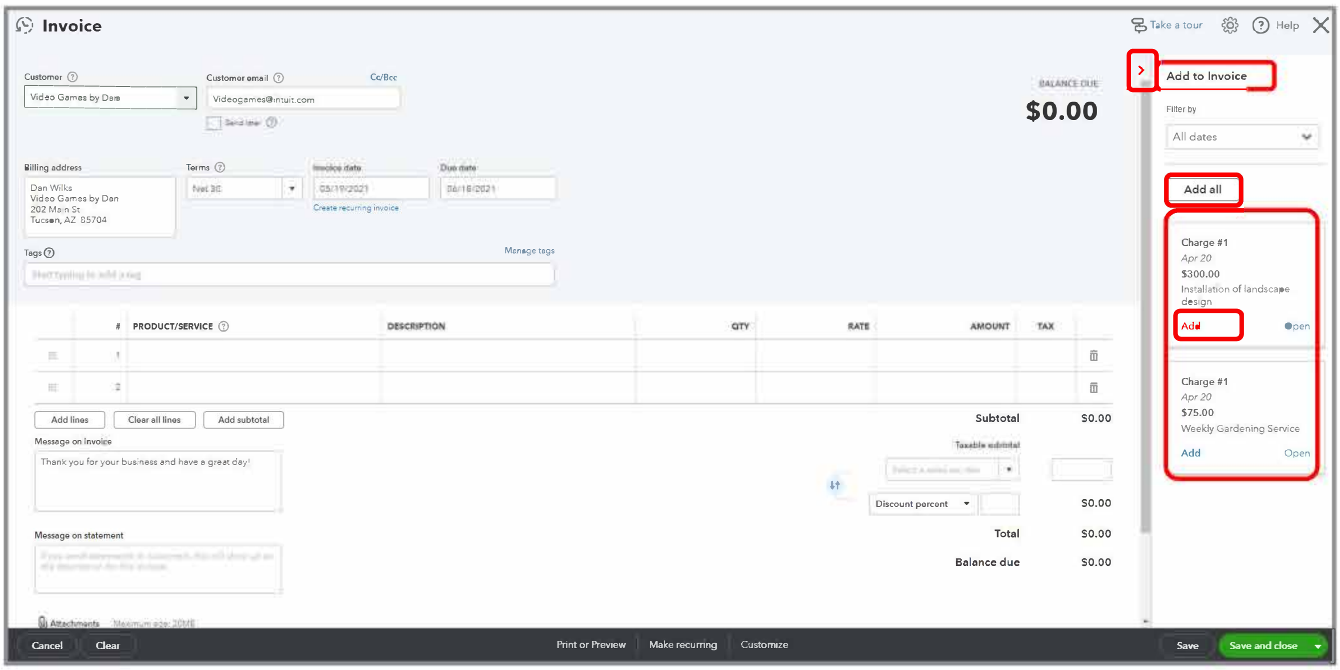
1. Click **Sales → All Sales** from the left navigation bar.



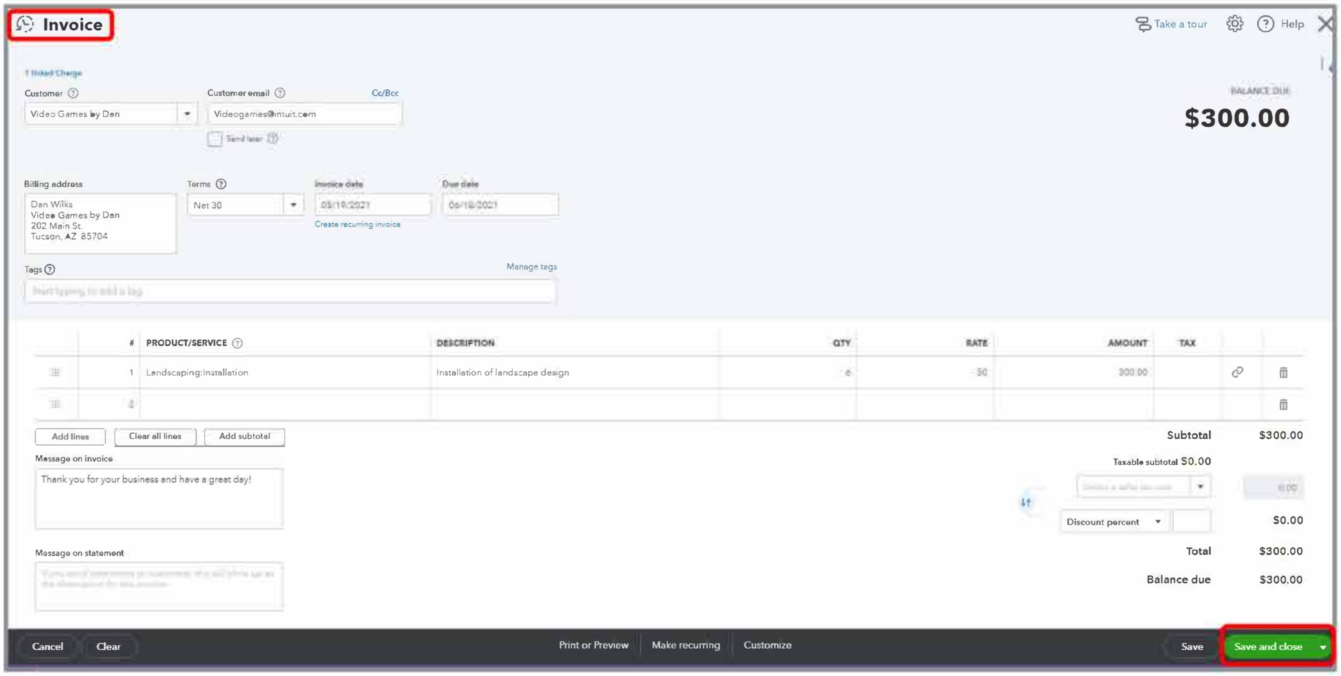
2. This opens the Sales Transactions or Sales Center. Under the Action column (1), there are suggested next steps. You can filter the Money Bar (2) here the same way you can in the Customer Center. You can also create a New Transaction at the top right of the screen. Click **New transaction → Invoice** (3).



3. Create a new invoice for Video Games by Dan. When you enter the customer name, QuickBooks Online opens a drawer on the right that shows time or expense activities that have been marked billable or any delayed charges or credits for this customer. You can easily add them to the invoice. The difference between creating the invoice from here (in the Sales Center) vs. creating it from the Action column for that customer or activity, is in the Sales Center you have a choice of what you are adding (you can click **Add** for each item you wish to add or you can click **Add all** if you wish to add them all); if you create an invoice from the Action column, it automatically puts the unbilled activity on the invoice.

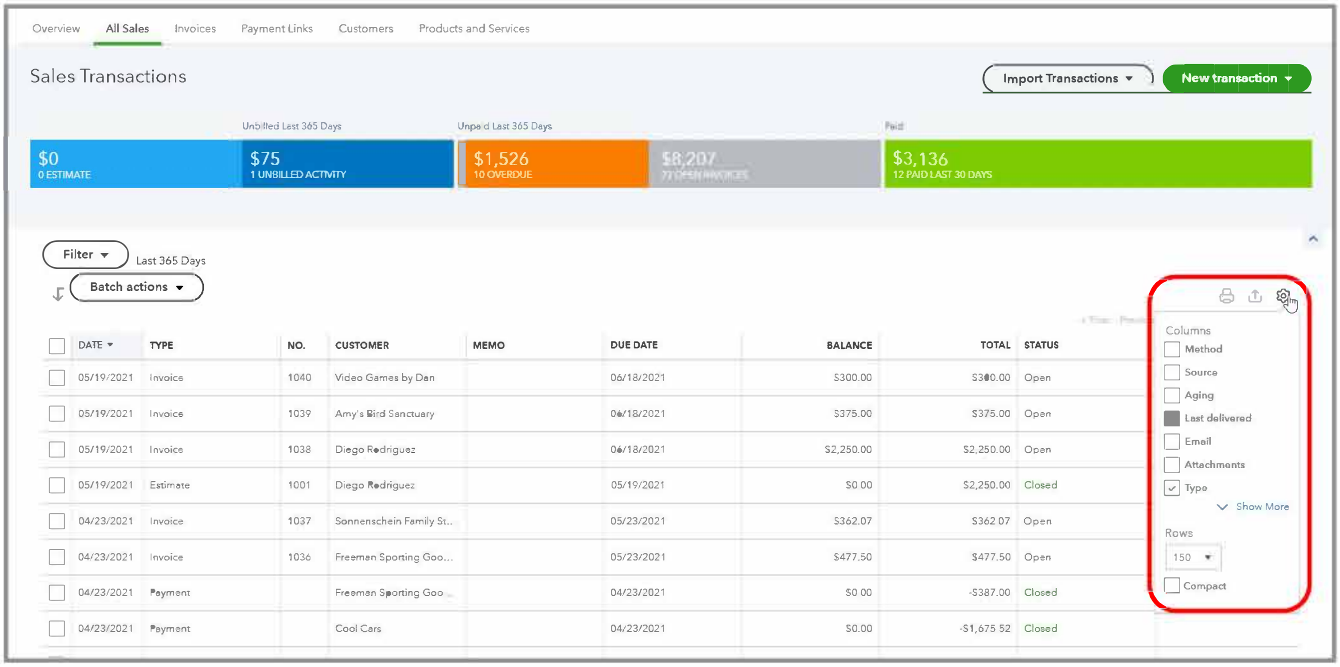


4. Invoice just for the installation by clicking **Add** (and you can collapse the drawer by clicking the sideways caret if you want, as indicated in the previous screen capture), and you'll see there is a hyperlink to 1 linked Charge in the top left portion of the invoice. Then **Save and close**.



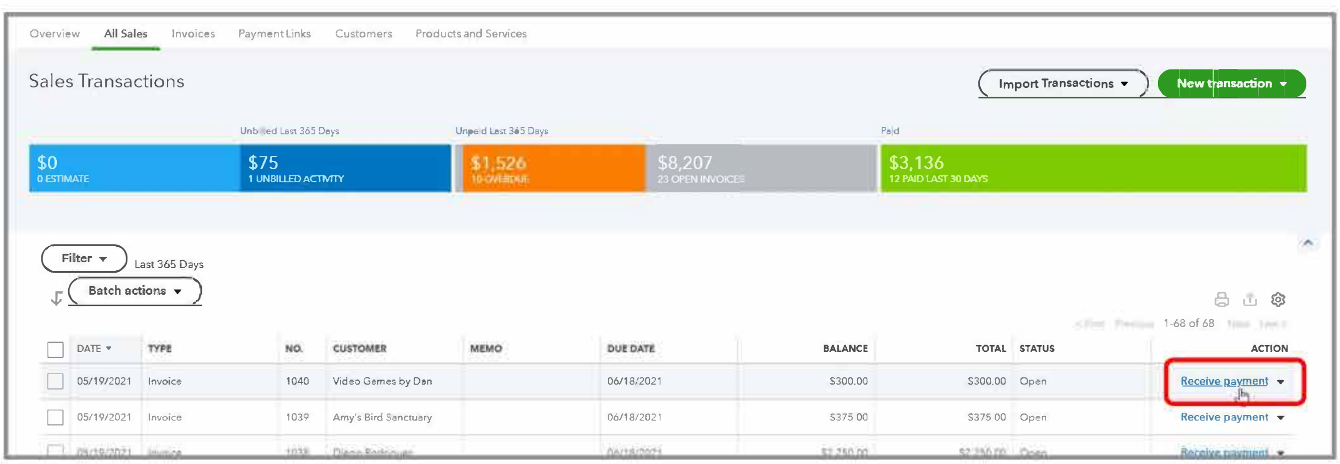
5. This brings you back to the Sales Transactions list. To clear any filter resulting from the Money Bar selection, so you can see all the transactions, click **Clear filter / View all** at the top of the table, if it is visible. Note this table is sorted by date. You can sort by any column header by clicking that column's **header** (clicking sorts by that parameter; clicking twice sorts it in reverse order).

6. If you don't see the columns you need, click the **grid gear** icon above the Action column and choose the columns you want to display. Then click the **grid gear** icon again to make that list of columns disappear.

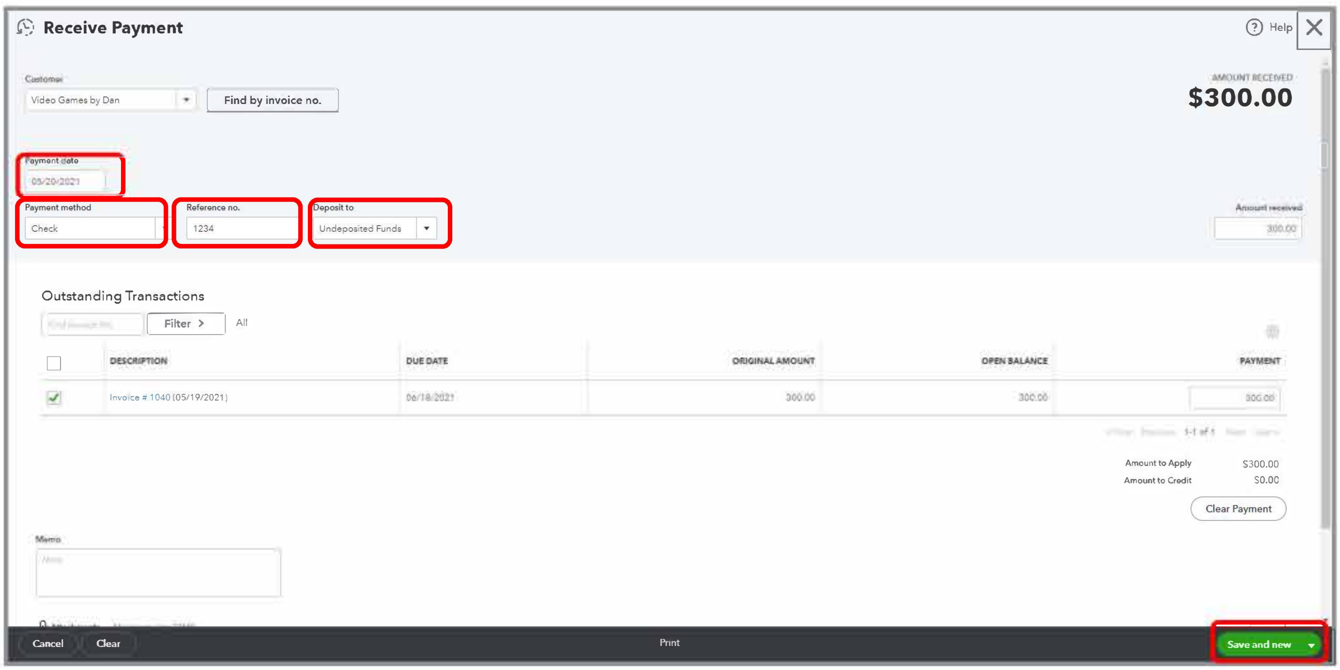


Step by Step: **Receive Payment**

1. The next step is to receive payment. Dan sent us a check for $300. Click **Receive payment** next to his name.



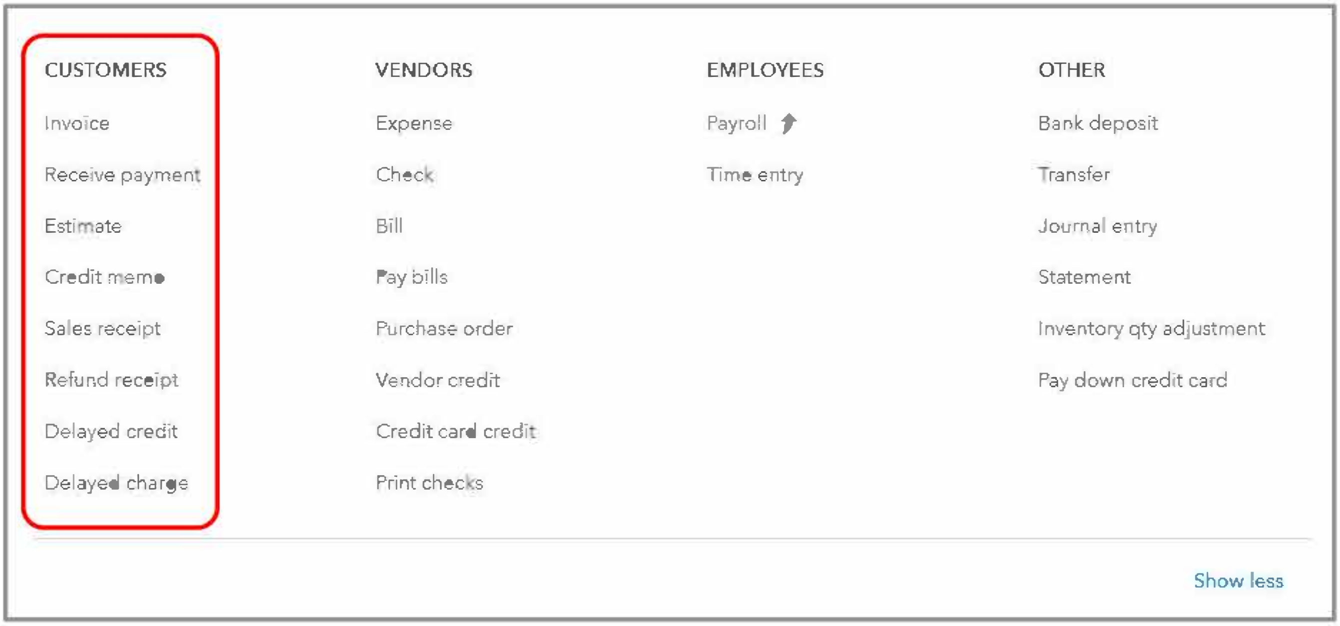
2. A list of Outstanding Transactions shows up for this customer with the invoice being paid checked. You can deposit to Undeposited Funds or directly into a bank account. In a real company, if you're signed up for QuickBooks Payments, you would see a box to check to process a credit card here. You'll learn more about payments in Module 5. Specify the **Payment date**, the **Payment method**, the **Reference no.** (check number), choose **Undeposited Funds → Save and close**.



From the Sales Transactions page you can enter transactions contextually based on the currently listed transaction (click the **drop-down** in the Action column for that transaction), or you can create new sales transactions (click the **New transaction** drop-down at the top of the page).

Enter Transactions from +New

If you have the expanded view of +New open, you can see a list of sales type transactions under the Customers column.

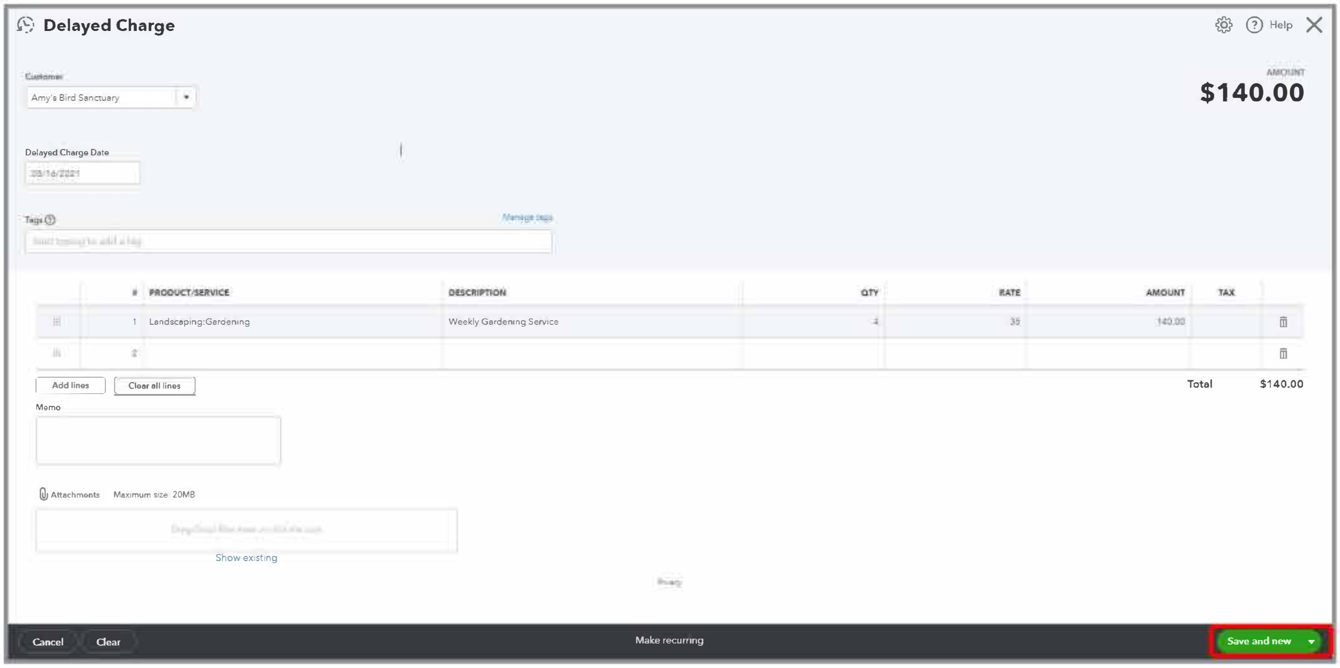


Step by Step: Enter a Delayed Charge

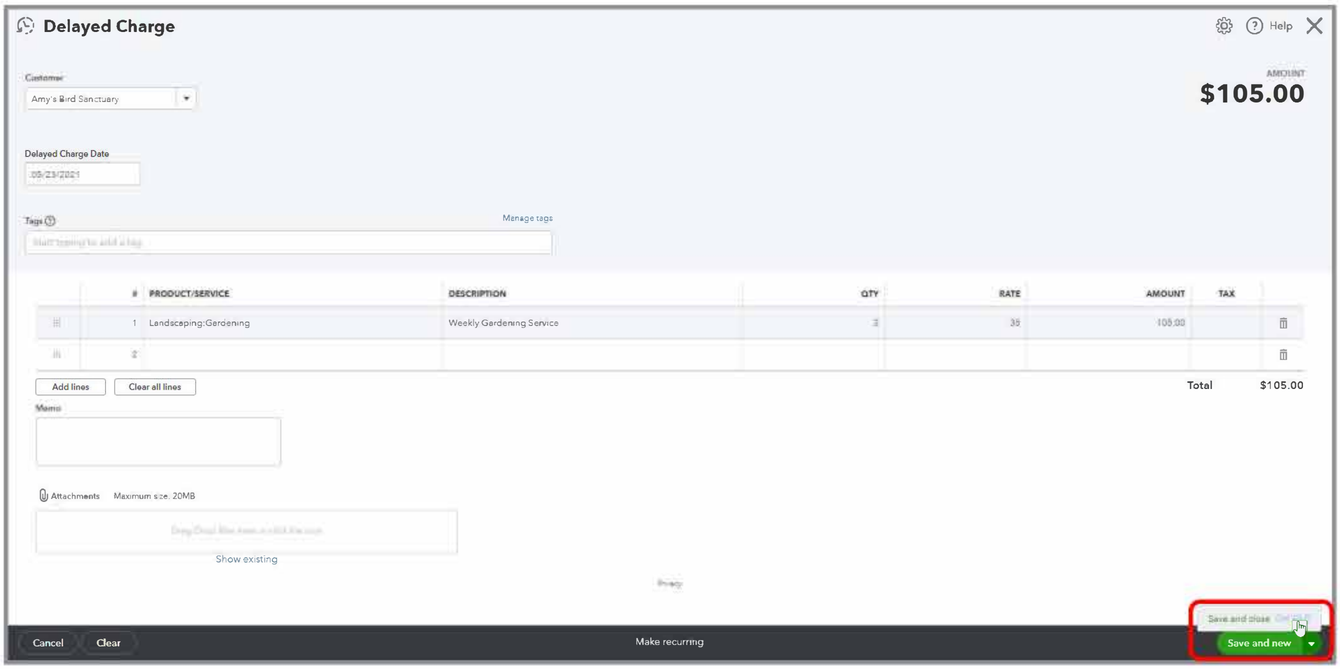
1. To open +New, click the **+New** sign at the top of the left navigation bar in QuickBooks; if you don't see the expanded view, click **Show more**.

2. Click **Delayed Charge**. A delayed charge is a non-posting transaction; you're telling QuickBooks Online you will need to invoice a customer for something in the future. Let's say you are a landscaping service and do gardening for multiple customers. Every day you record where you gardened that day, but you invoice only once a month. You can record that activity in QuickBooks Online as a delayed charge and, at month end, create an invoice.

3. Enter *Amy's Bird Sanctuary*. In the Date field type a *w* to select the beginning of the currently displayed week. Enter *Gardening* under the Product/Service column. Enter *4* under the QTY (Quantity) column and *$35* under the Rate column. Click **Save and new**.

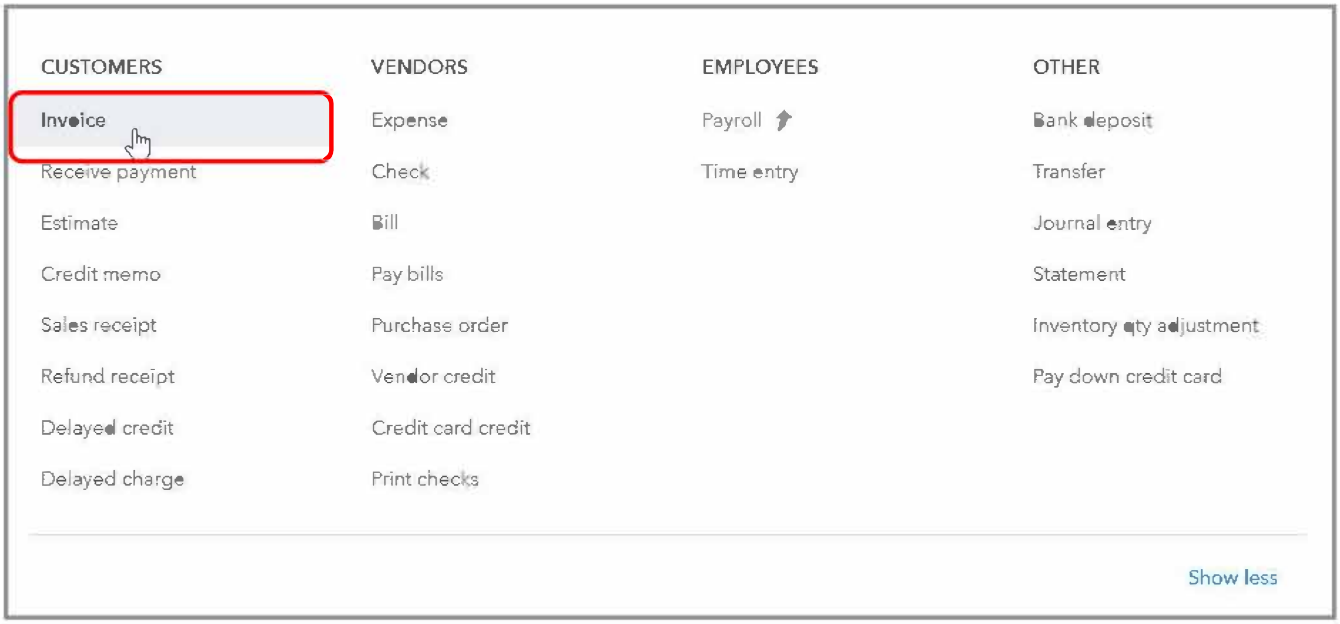


4. Enter *Amy's Bird Sanctuary*. In the Date field, type a **k** and **+**. K brings you to the end of the currently-displayed week and the **+** advances a day, which brings you to the beginning of next week. Enter *Gardening* under the Product/Service column. (Some of this might be there already, if the Automation preferences are set to *Pre-fill forms with previously entered content* in Account and Settings.) Enter *3* under the QTY column and *$35* under the Rate column. Click **Save and close**.

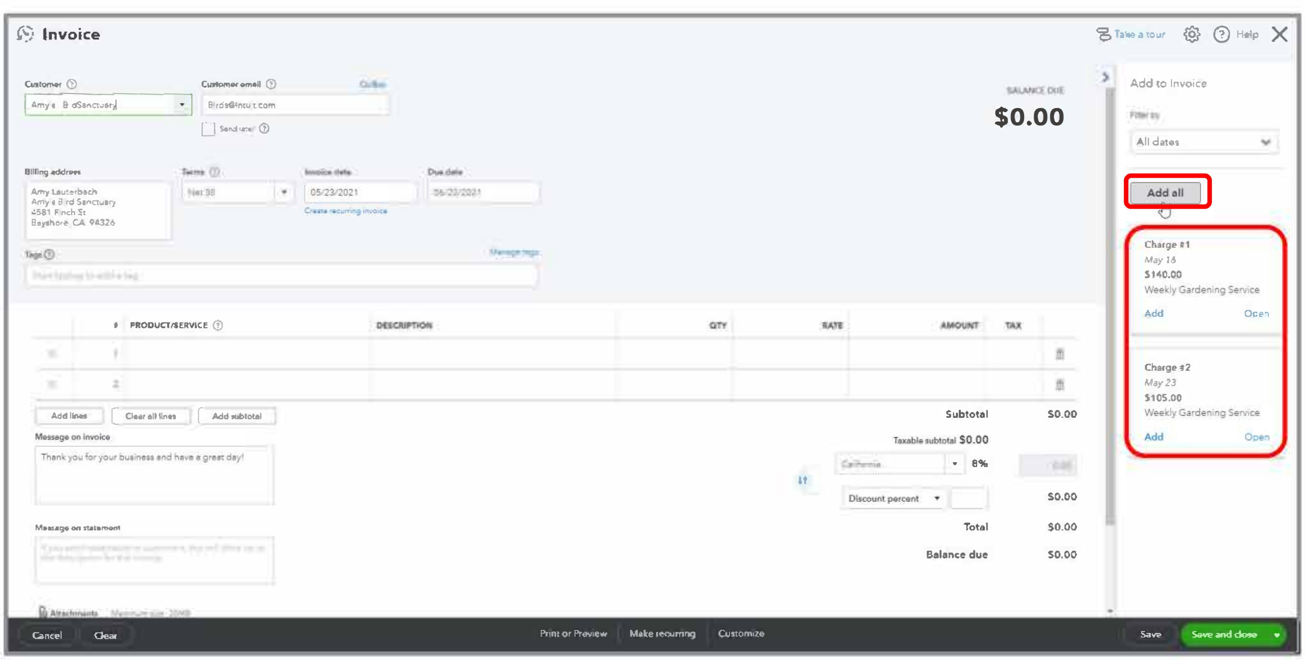


Step by Step: Create an Invoice from +New

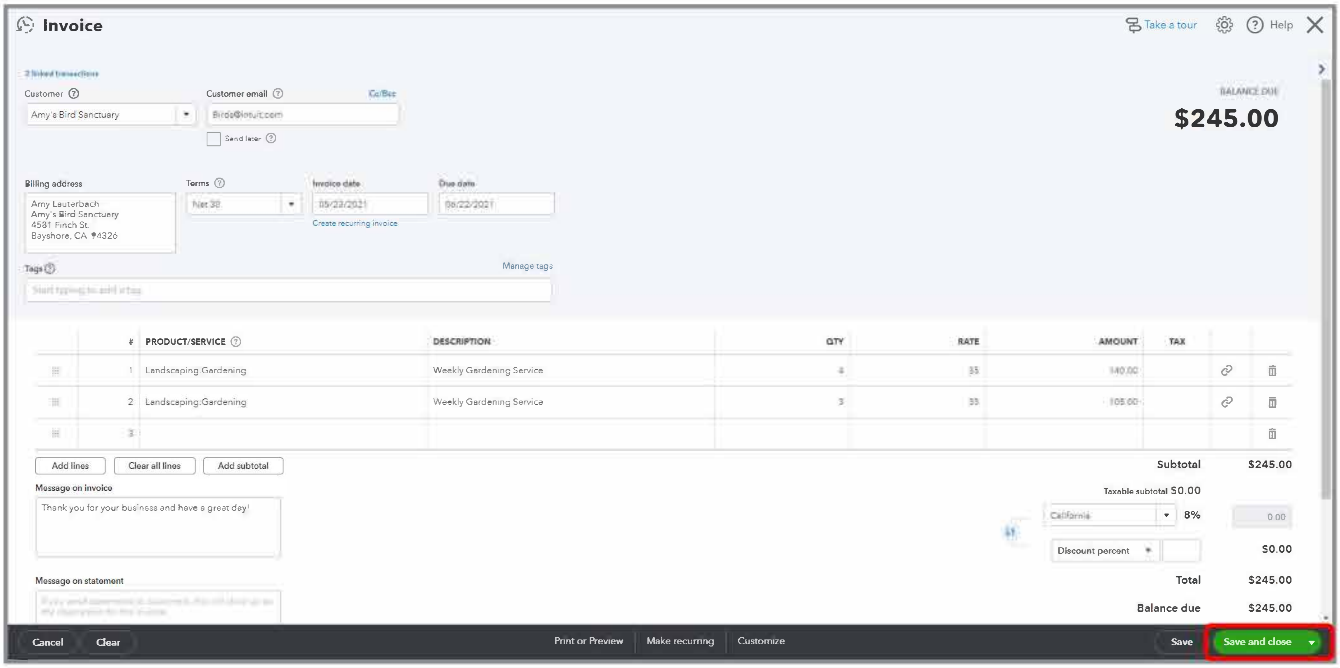
1. From +New choose **Invoice**.



2. Enter *Amy's Bird Sanctuary*. As soon as you enter the customer name, if there are any unbilled (delayed) charges (or credits) or unbilled time (or expenses), a drawer opens on the right so you can easily add them to the invoice.



3. Click **Add all** then **Save and close**.

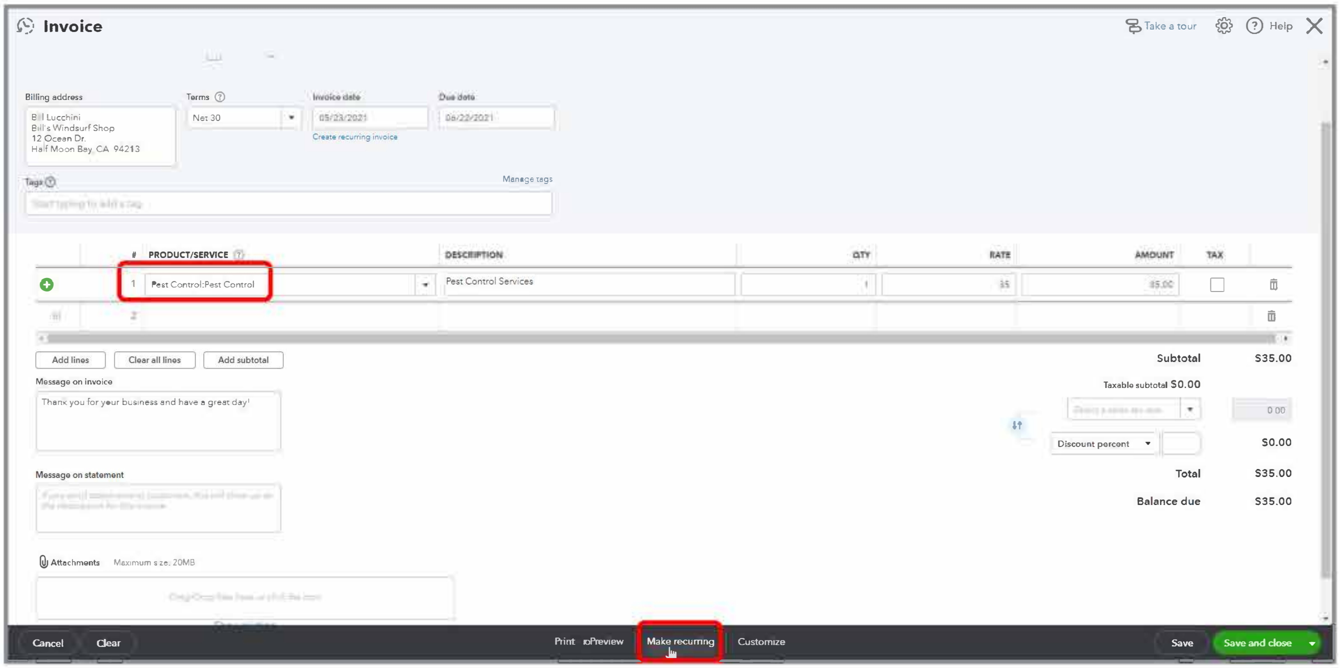


Step by Step: Recurring Transactions

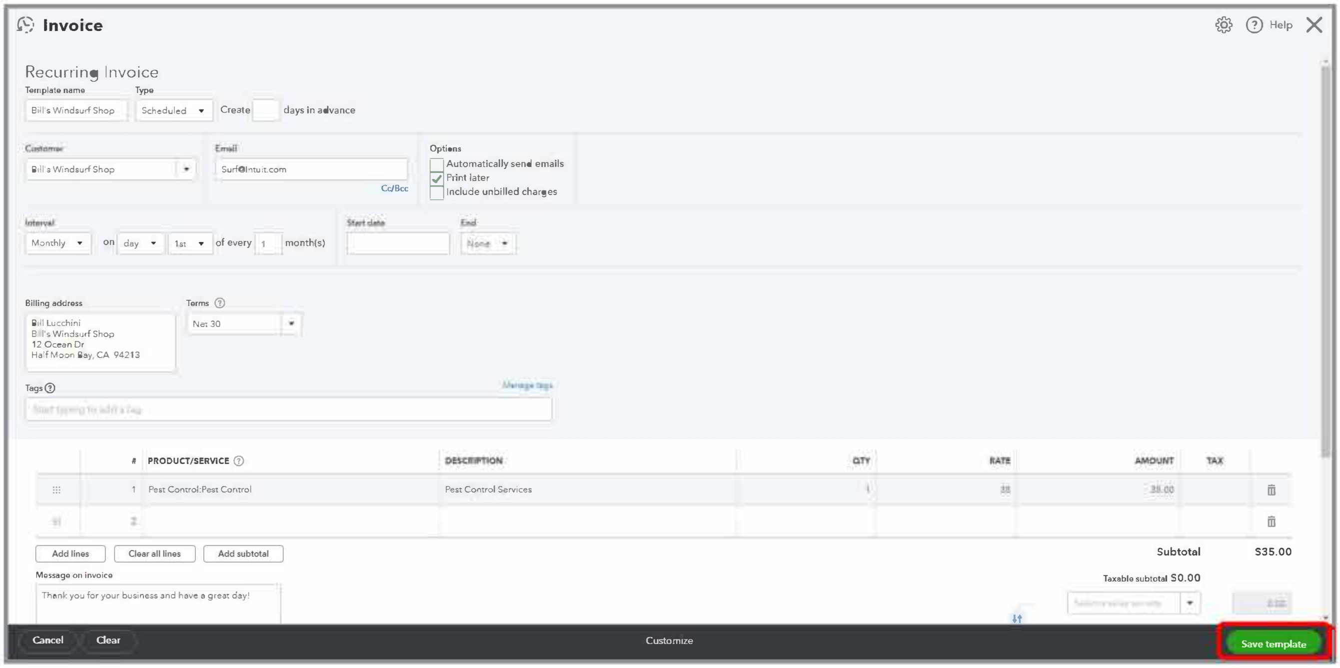
If you have monthly recurring charges and you don't want to have to remember to enter them, QuickBooks Online can create an invoice automatically and email it to your customers. Use the Recurring Transactions feature. Most transactions (sales, purchases and journal entries) can be made recurring.

1. From +New click **Invoice**.

2. Type *Bill's Windsurf Shop* and choose **Pest Control** under Product/Service. Leave the quantity at 1 and the rate at $35. At the bottom of the screen click **Make recurring**.



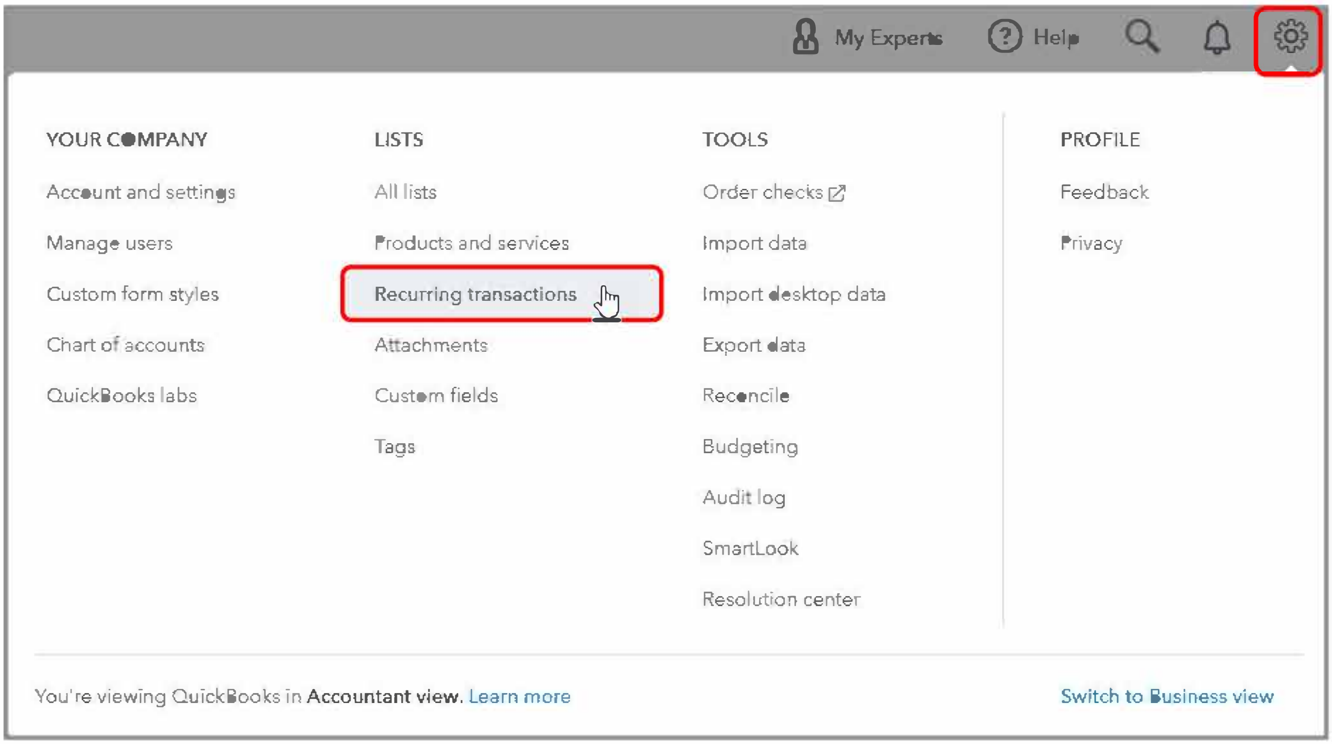
3. This opens a screen where you can create a recurring invoice template. You can name the template, say whether you want it automatically entered, choose to send an email automatically and, if scheduled, set up the schedule. Click **Save template**.



You have a lot of flexibility when creating a template. Experiment with it in the sample file. Note that if you have an already-recorded transaction and want to make it recurring, you can open it up and click **Make recurring** at the bottom of the screen. Remember that most transactions can be made recurring.

Step by Step: Recurring Transaction List

1. To see a list of recurring transactions, click the **gear** icon and open **Recurring Transactions** under Lists.



2. From here you can add new templates, edit an existing template, use an existing template, duplicate it (a good starting point for a new template) or delete it.