

Intuit ProLine

QuickBooks 2011 Student Guide

Estimating and Progress Invoicing

Lesson 13

Lesson Objectives

- To learn how to create job estimates
- To find an estimate in a data file
- To learn to duplicate an existing estimate
- To create an invoice from an estimate
- To display project reports for estimates
- To update a job's status
- To make an estimate inactive

Notes

Turning On Estimates & Progress Invoicing

An estimate is a description of work or products you propose to sell to a current or prospective customer. You can create multiple estimates for each name (customer or customer:job combination). If the customer accepts an estimate, you can turn the estimate into an invoice, modifying it as necessary. When you have actual costs and revenues, you can compare them to your estimated costs and revenues to see if you were over or under the estimate.

Estimates are “non-posting” transactions—they do not affect any financial reports or income and expense balances. QuickBooks allows you to create invoices from estimates either by transferring the entire estimate to an invoice or by allowing you to choose a percentage or selected items to invoice from the estimate. The ability to bill for only a percentage of the estimate or selected items on an estimate is called *progress invoicing*.

To turn on estimates and progress invoicing:

1. From the Edit menu, choose **Preferences**.
2. Click **Jobs & Estimates** in the left panel.
3. Click the **Company Preferences** tab to display the job and estimate preferences.
4. Click Yes for **Do You Create Estimates?**
5. Click Yes for **Do You Do Progress Invoicing?**
6. Click **OK** to record your selections and close the Preferences window.

Notes

Creating a New Job

Now that you've turned on the estimates feature, you can add a new job for a bathroom remodel project for your customer, Ernesto Natiello. Then you'll create an estimate for the job.

To create a new job:

1. Click **Customer Center** on the icon bar.
2. In the Customers & Jobs list, select **Natiello, Ernesto**.
3. Click the **New Customer & Job** menu button, and then choose **Add Job**.
4. If the New Feature screen for Add/Edit Multiple List Entries appears, click the box for "Do not display this message in the future" and click OK.
5. In the Job Name field, type **Bathroom remodel**.
6. Click the **Job Info** tab.
7. In the Job Status field, select **Pending** from the drop-down list.
8. In the Start Date field, type **1/4/2016**, and then press Tab.

Notes

Creating a New Job

9. In the Projected End field, type **2/28/2016**.
10. Press Tab to move to the End Date field, and then press Backspace to clear this field.
11. In the Job Description field, type **Remodel bathroom**.
12. In the Job Type field, choose **Remodel** from the drop-down list.

Job types give you a way to classify your jobs so you can group and subtotal similar jobs on your reports. By using them, you'll be able to determine which kinds of jobs are the most profitable for your business.

The screenshot shows the 'New Job' dialog box with the following details:

- Job Name:** Bathroom remodel
- Opening Balance:** [Empty] as of 12/15/2015
- How do I determine the opening balance?** [Link]
- Tabs:** Address Info, Additional Info, Payment Info, **Job Info**
- Job Info Tab:**
 - Job Status:** Pending
 - Start Date:** 01/04/2016
 - Projected End:** 02/28/2016
 - End Date:** [Empty]
 - Job Description:** Remodel bathroom
 - Job Type:** Remodel
- Buttons:** OK, Cancel, Next, Help
- Job is inactive:**

13. Click **OK**.
14. Click the expand arrow to show full details in the Customers & Jobs list.

Notes

Writing an Estimate

To create an estimate:

1. In the Customers & Jobs list, select **Natiello, Ernesto:Bathroom remodel**.
2. Click the **New Transactions** menu button, and then choose **Estimates**.
3. Press Tab to accept Natiello, Ernesto:Bathroom remodel in the Customer:Job field.
4. Select **Custom Estimate** in the Template field.

Create Estimates

Customer:Job: Natiello, Ernesto:Bathroom... Estimate: Active Template: Custom Estimate

Date: 12/15/2015 Estimate #: 35

Estimate

Name / Address: Ernesto M Natiello, 376 Pine St, #5E, Bayshore CA 94326

Item	Description	Qty	Cost	Amount	Markup	Total	Tax

Customer: Message Tax: San Tomas (7.75%) Total: 0.00

To be e-mailed Customer Tax Code: Tax

Memo: [] Save & Close Save & New Clear

Natiello, Ernesto:Bathroom remodel

Summary

Phone: 415-555-9811
Email: ernie@samplename.com
Open balance: 0.00
Active estimates: 0
Sales Orders to be invoiced: 0

Recent Transactions QuickReport

Notes Edit

5. Click in the Item column in the middle of the form.
6. Type **Installation**.
7. Press Tab twice to move to the Qty column.
8. Type **10** in the Qty column, and then press Tab.

The total amount is calculated by QuickBooks when you move out of this field.

Notes

Writing an Estimate

9. Click the line under “Installation” in the Item column.
10. Type **Framing**.
11. Press Tab twice to move to the Qty column, and then type **40**.
12. In the line under Framing in the Item column, type **Rough**.
13. Press Tab three times to move to the Cost column, and then type **2500**.
14. Press Tab to move to the Markup column.
15. Type **15%**, and then press Tab twice.
16. Click **Save & Close** to save the estimate.

QuickBooks returns you to the Customers & Jobs list. Notice the Estimate Total column for the Pending Bathroom remodel job for Ernesto Natiello now has a balance of 5,647.81. (Click the expand arrow if you don’t see the Estimate column.)

Name	Balance T...	Notes	Job Status	Estimate Total	Attach
◊ Natiello, Ernesto	-622.26			20,243.06	
◊ Bathroom remodel	0.00		Pending	5,647.81	
◊ Kitchen	-622.26		Closed	14,595.25	
◊ Nelson, Wilma	0.00			6,278.80	

17. Click the collapse arrow to collapse the Customers & Jobs list, then close the Customer Center.

Notes

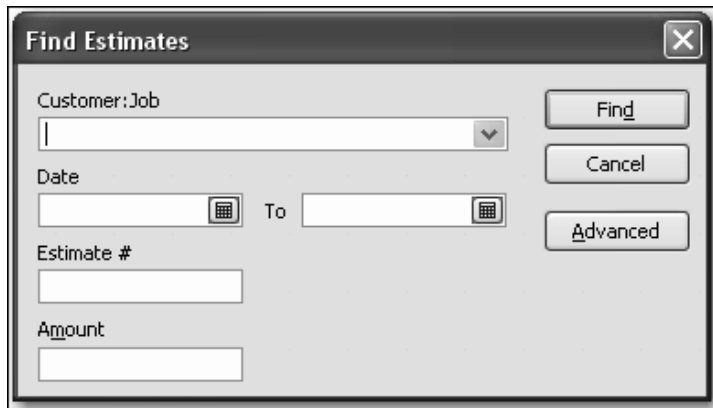
Creating Multiple Estimates

Just as you've completed the estimate for this customer, he calls and asks you to prepare a second estimate for the same job. He'd like you to price a couple of different options.

Because you just created the estimate, you can open the Create Estimates window and press Prev and that will take you to the correct estimate. However, when you don't know where an estimate is, there are a couple of methods you can use to locate the estimate you want quickly.

To find an estimate:

1. From the Customers menu, choose **Create Estimates**.
2. Click the magnifying glass icon on the button bar.



3. In the Customer:Job drop-down list, select **Natiello, Ernesto:Bathroom remodel**.
4. Click **Find**.
5. If QuickBooks asks if you want to save the current transaction, click **No**.
6. Keep the estimate open; you'll use it in the next exercise.

Notes

Creating Multiple Estimates

Your customer wants you to prepare a second estimate for the bathroom remodel job because he is considering buying the cabinets from you in addition to having you do the installation work. First, you'll create a duplicate of the original estimate, and then make the modifications necessary for the second bid.

To create a duplicate of an existing estimate:

1. Right-click in the body of the estimate and choose **Duplicate Estimate** from the list that displays.
2. Click **OK** when QuickBooks notifies you that the duplicate estimate has been created.
3. Select the number in the Qty column on the line for Installation.
4. Type **18**.
5. Click in the Item column in the line below Lumber:Rough, and select **Cabinets:Light Pine** from the drop-down list.
6. Press Tab twice and type **6** in the Qty column.
7. Click in the Item column in the line below Cabinets:Light Pine and select **Cabinets:Cabinet Pulls** from the drop-down list.
8. Press Tab twice and type **12** in the QTY column.
9. Press Tab and type **10** in the Cost field.
10. Press Tab.

Item	Description	Qty	Cost	Amount	Markup	Total	Tax
Installation	Installation labor	18	35.00	630.00		630.00	Non
Framing	Framing labor	40	55.00	2,200.00		2,200.00	Non
Lumber:Rough	Rough lumber	2,500	2,500.00	2,500.00	15.0%	2,875.00	Tax
Cabinets:Light ...	Light pine kitchen cabinet wall unit	6	1,500.00	9,000.00	19.9333...	10,794.00	Tax
Cabinets:Ca...	Cabinet Pulls	12	10.00	120.00		120.00	Tax
Customer Message			Tax (San Tomas) (7.75%)			1,068.65	
Total				14,450.00	2,169.00	17,687.65	

11. Click **Save & Close**.

Notes

Creating an Invoice from an Estimate

Once you have created an estimate and the customer has approved it, you can use the estimate to invoice the customer.

Progress invoicing (also known as progress billing), lets you invoice for jobs that you work on and complete in phases. When using progress invoicing, you start by creating an estimate for the job (you don't have to give this estimate to the customer). Then, as you complete each phase, you can easily transfer items from the original estimate to an invoice.

To create an invoice from an estimate:

1. Click **Customer Center** on the icon bar.
2. In the Customers & Jobs list, select **Natiello, Ernesto:Bathroom remodel**.
3. Click the **New Transactions** menu button, and then choose **Invoices**.
4. Press Tab to leave the Customer:Job field.



5. The customer accepted the first estimate you created, so select the line containing Estimate #35, and click **OK**.
6. Select Create **invoice for a percentage of the entire estimate**.
7. Type **33.333** in the “% of estimate” field.
8. Click **OK**.
9. In the Template drop-down list, select **Progress Invoice**.
10. Click **Save & Close** to record the invoice.
11. Close the Customer Center.

Notes

Displaying Reports for Estimates

Because you've just completed a progress invoice, you can see how QuickBooks records this on the job progress invoices vs. estimates report. This report shows job status, estimate total, total invoiced from the estimate on progress invoices, and the percentage of the estimate already invoiced on progress invoices.

To display the job progress invoices vs. estimates report:

1. From the Reports menu, choose **Jobs, Time & Mileage**.
2. Choose **Job Progress Invoices vs. Estimates**.

Type	Date	Num	Estimate Active	Estimate Total	Progress Invoice	% Progress
Natiello, Ernesto						
Bathroom remodel						
Estimate	12/15/2015	35	✓	5,647.81	1,882.59	33.33%
Estimate	12/15/2015	36	✓	17,687.65	0.00	0.0%
Kitchen						
Estimate	12/13/2015	25	✓	14,595.25	13,560.39	92.91%
Nelson, Wilma						
Office Remodel						
Estimate	12/10/2015	19	✓	6,278.80	0.00	0.0%
Pretell Real Estate						
75 Sunset Rd.						
Estimate	11/05/2015	29		15,712.56	0.00	0.0%
Estimate	11/12/2015	29-CO	✓	18,409.93	0.00	0.0%

3. Close the report window.

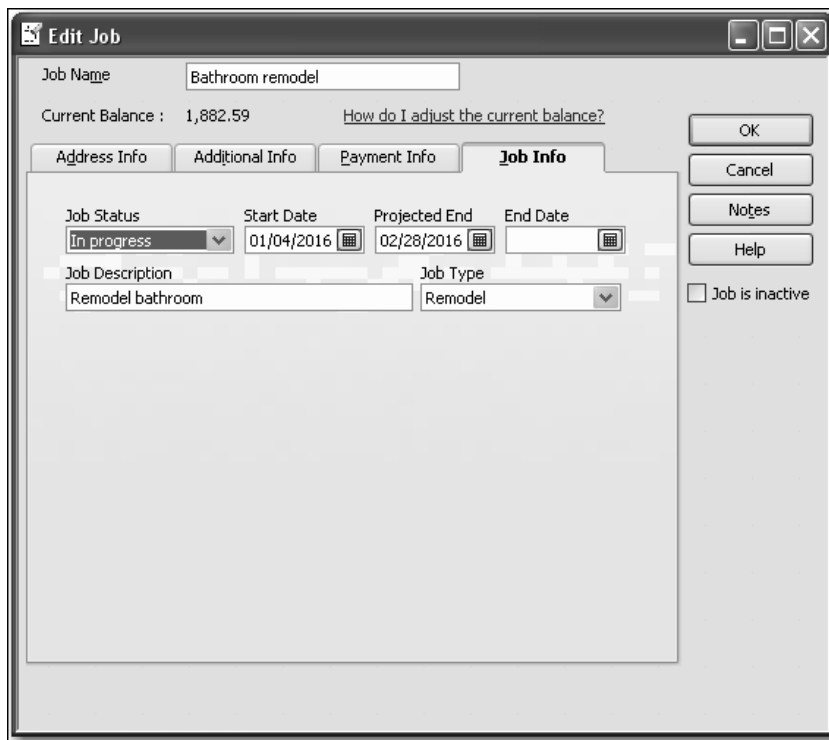
Notes

Updating Job Status

Every time you change the status of a job, you should update its job status in the Customer:Job list. For example, the estimate for the bathroom remodel is no longer pending: Ernesto Natiello awarded you the job and you have started work.

To update the status of a job:

1. Click **Customer Center** on the icon bar.
2. In the Customers & Jobs list, select **Natiello, Ernesto:Bathroom remodel**.
3. Click **Edit Job**.
4. Click the **Job Info** tab.
5. In the Job Status field, select **In progress**.



The screenshot shows the 'Edit Job' dialog box with the 'Job Info' tab selected. The 'Job Name' field contains 'Bathroom remodel'. Below it, the 'Current Balance' is 1,882.59, with a link 'How do I adjust the current balance?'. The 'Job Info' tab is active, showing a 'Job Status' dropdown menu set to 'In progress'. The 'Start Date' is 01/04/2016, and the 'Projected End' is 02/28/2016. The 'Job Description' is 'Remodel bathroom' and the 'Job Type' is 'Remodel'. On the right side of the dialog, there are buttons for 'OK', 'Cancel', 'Notes', 'Help', and a checkbox for 'Job is inactive'.

6. Click **OK**.
7. Click the expand arrow to display the full details on the Customers & Jobs list.
8. Collapse the Customers & Jobs list, and then close the Customer Center.

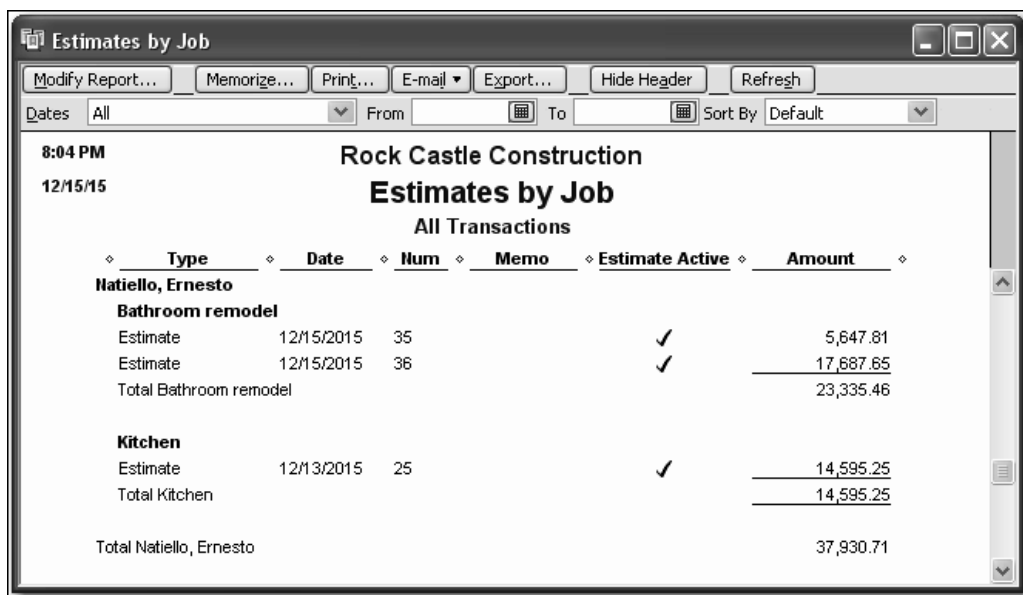
Notes

Making Estimates Inactive

Now that the customer has accepted one of the estimates for the bathroom remodel job and you have started work, you might want to make the unaccepted estimate inactive. When you make an estimate inactive QuickBooks keeps a record of it, but does not use the numbers in reports.

To mark an estimate inactive:

1. From the Reports menu, choose Jobs, **Time & Mileage**.
2. Choose **Estimates by Job** from the submenu.



8:04 PM
12/15/15

Rock Castle Construction
Estimates by Job
All Transactions

Type	Date	Num	Memo	Estimate Active	Amount
Natiello, Ernesto					
Bathroom remodel					
Estimate	12/15/2015	35		<input checked="" type="checkbox"/>	5,647.81
Estimate	12/15/2015	36		<input checked="" type="checkbox"/>	17,687.65
Total Bathroom remodel					23,335.46
Kitchen					
Estimate	12/13/2015	25		<input checked="" type="checkbox"/>	14,595.25
Total Kitchen					14,595.25
Total Natiello, Ernesto					37,930.71

3. Scroll to the section of the report that displays the estimates for Ernesto Natiello.
4. Double-click anywhere on the line for Estimate #36.
5. Click to clear the checkmark in the Estimate Active checkbox.
6. Click **Save & Close**.
7. Answer **Yes** to the message asking if you want to save the changes you made to the transaction.
8. Close the report.

Notes

Lesson 13: Estimating and Progress Invoicing

Review questions

1. QuickBooks tracks estimates using what kind of account?
 - a Posting
 - b Non-posting
2. True or false: QuickBooks allows you to create multiple estimates for a single customer.
 - a True
 - b False
3. Which of the following is not an option when creating an invoice from an estimate?
 - a Create an invoice for the entire estimate
 - b Create an invoice for a percentage of the entire estimate
 - c Create an invoice for selected items or different percentages of each item
 - d None of the above
4. You prepared an estimate for a customer and were subsequently awarded the contract. How would you change the job status from “Pending” to “Awarded?”
 - a Create the invoice from the accepted estimate—this changes the status automatically
 - b Use the Job Status drop-down list in the customer’s record
 - c Use the Job Status drop-down list in the Create Estimates window
 - d None of the above
5. What QuickBooks feature would you use to charge customers as you complete various phases of a job?
 - a Progress invoicing
 - b Phased invoicing
 - c Partial invoicing
 - d None of the above

Review activities

1. Create an estimate for the 75 Sunset Rd. job for Pretell Real Estate. The estimate is for 6 hours of installation labor, 18.5 hours of plumbing work, and 4 hours of drywall work.
2. Create a progress invoice for 50% of the estimate just created for the 75 Sunset Rd. job for Pretell Real Estate.

Answers to review questions

1. QuickBooks tracks estimates using what kind of account?
 - a Posting
 - ✓ b *Non-posting*

2. True or false: QuickBooks allows you to create multiple estimates for a single customer.
 - ✓ a *True*
 - b False

3. Which of the following is not an option when creating an invoice from an estimate?
 - a Create an invoice for the entire estimate
 - b Create an invoice for a percentage of the entire estimate
 - c Create an invoice for selected items or different percentages of each item
 - ✓ d *None of the above*

4. You prepared an estimate for a customer and were subsequently awarded the contract. How would you change the job status from “Pending” to “Awarded?”
 - a Create the invoice from the accepted estimate—this changes the status automatically
 - ✓ b *Use the Job Status drop-down list in the customer’s record*
 - c Use the Job Status drop-down list in the Create Estimates window
 - d None of the above

5. What QuickBooks feature would you use to charge customers as you complete various phases of a job?
 - ✓ a *Progress invoicing*
 - b Phased invoicing
 - c Partial invoicing
 - d None of the above