

Intuit ProLine

QuickBooks 2011 Student Guide

Receiving Payments & 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

Notes

Recording Payment in Full for a Single Job

If you're receiving payment at the time of a sale, and you fill out a sales receipt, QuickBooks records a customer payment. When you invoice a customer, and you receive payment later, you enter the payment in the QuickBooks Receive Payments window.

To record a payment in full:

1. From the Customers menu, choose **Receive Payments**.
2. If the QuickBooks Payment Interview window displays, close it.
3. In the Received From field, select **Violette, Mike: Workshop** from the drop-down list.
4. Press Tab to move to the Amount field.
5. In the Amount field, type **4735.73** and press Tab.
6. In the Payment Method field, select **Check** from the drop-down list and then press Tab.
7. In the Check # field, type **6745**.

✓	Date	Job	Number	Orig. Amt.	Amt. Due	Payment
✓	12/05/2...	Workshop	66	5,735.73	4,735.73	4,735.73
Totals				5,735.73	4,735.73	4,735.73

8. Click **Save & New**.

Notes

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.

Date	Number	Orig. Amt.	Amt. Due	Payment
11/30/2015	62	1,468.30	1,468.30	1,000.00
12/15/2015	73	4,757.81	4,757.81	0.00
Totals			6,226.11	1,000.00

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.

Notes

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**.

✓	Date	Job	Number	Orig. Amt.	Amt. Due	Payment
✓	10/15/2...	Kitchen	42	3,100.00	700.00	700.00
✓	11/25/2...	Kitchen	57	1,636.69	466.69	466.69
✓	11/25/2...	2nd story addition	58	5,418.00	5,003.30	5,003.30
✓	12/11/2...	Kitchen	FC 6	5.95	5.95	5.95
✓	12/15/2...	Kitchen	76	1,636.69	1,636.69	1,636.69
Totals				11,797.33	7,812.63	7,812.63

6. Click **Save & New**.

Notes

Entering Overpayments

If a customer sends you an overpayment, you simply enter the amount in the Receive Payments window, and QuickBooks keeps track of the additional payment. When the customer has future invoices, you can apply the overpayment to those amounts—you can even apply the credit directly to the invoice.

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**.

The screenshot shows the 'Issue a Refund' dialog box with the following fields and values:

- A refund is due to:** Pretell Real Estate:75 Sunset Rd.
- Issue this refund via:** Check
- Refund Amount:** \$ 87.82
- Account:** Checking
- Date:** 12/15/2015
- Ref/Check No. To Print:** (empty)
- Ending Balance:** 46,423.98
- Address:** Pretell Real Estate, 222 Middlefield Ave, Middlefield CA 94482
- Memo:** (empty)
- To be printed:**
- Buttons:** OK, Cancel

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

Notes

Handling Down Payments & Prepayments

If a customer makes a payment before you've invoiced him for services (for example, he may be making a down payment or paying a retainer fee), you can still record the payment at the Receive Payments window. However, because you don't have any invoices to which to apply the payment, QuickBooks records the payment as an unused payment (just like an overpayment).

QuickBooks holds the unapplied amount with the customer's name. The next time you enter that customer in the Receive Payments window, QuickBooks displays the credit amount in the Unused Credits area. The customer's balance also reflects the credit amount.

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.

Date	Number	Orig. Amt.	Amt. Due	Payment
There are no unpaid invoices for this customer				
Totals			0.00	0.00

Amounts for Selected Invoices	
Amount Due	0.00
Un-Applied Payment Applied	0.00
Discount and Credits Applied	0.00

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.

Notes

Handling Down Payments & Prepayments

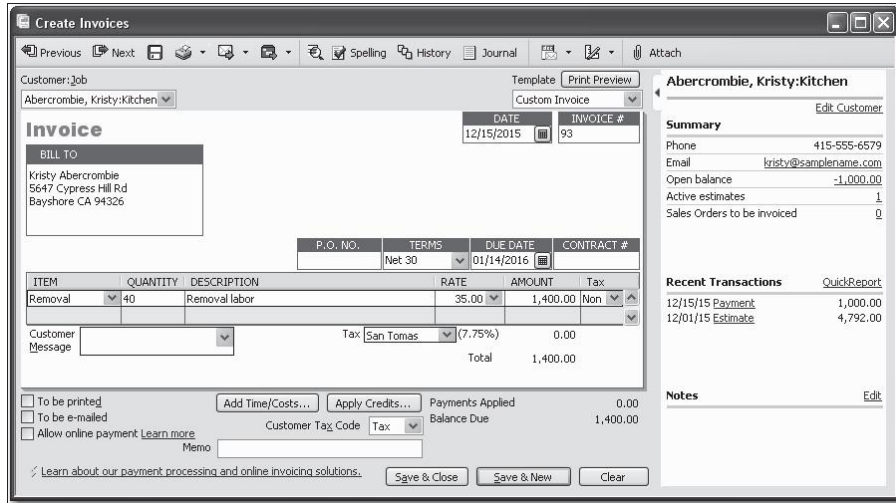
To create an invoice for a customer who made a down payment:

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.

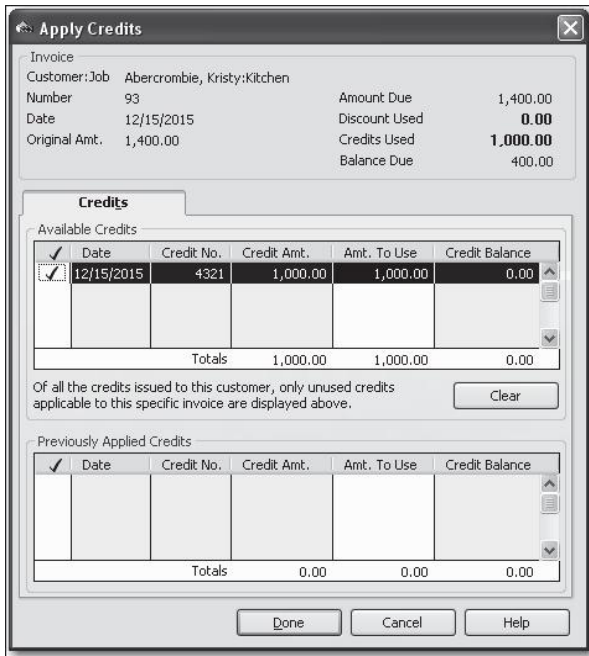
Notes

Handling Down Payments & Prepayments

- In the Quantity column, type **40** and press Tab.



- Notice that the \$1000 payment you entered appears in the Recent Transactions list of the Customer Snapshot.
- Click **Apply Credits** to apply the down payment amount made earlier towards this invoice.
- Click **Yes** at the message that displays.



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

Create Invoices

Customer: Job
Abercrombie, Kristy:Kitchen

Template: Print Preview
Custom Invoice

Invoice

DATE: 12/15/2015
INVOICE #: 93

BILL TO
Kristy Abercrombie
5647 Cypress Hill Rd
Bayshore, CA 94326

P.O. NO.	TERMS	DUE DATE	CONTRACT #
	Net 30	01/14/2016	

ITEM	QUANTITY	DESCRIPTION	RATE	AMOUNT	Tax
Removal	40	Removal labor	35.00	1,400.00	Non
Customer Message					
		Tax San Tomas (7.75%)		0.00	
Total				1,400.00	

To be printed
 To be e-mailed
 Allow online payment [Learn more](#)

Add Time/Costs... Apply Credits... Payments Applied: 1,000.00
Balance Due: 400.00

Customer Tax Code: Tax
Memo:

[Learn about our payment processing and online invoicing solutions.](#) Save & Close Save & New Revert

Abercrombie, Kristy:Kitchen Edit Customer

Summary

Phone: 415-555-6579
Email: kristy@samplename.com
Open balance: 400.00
Active estimates: 1
Sales Orders to be invoiced: 0

Recent Transactions QuickReport

12/15/15 Payment	1,000.00
12/15/15 Invoice	1,400.00
12/01/15 Estimate	4,792.00

Notes Edit

11. Click **Save & Close** to record the transaction.

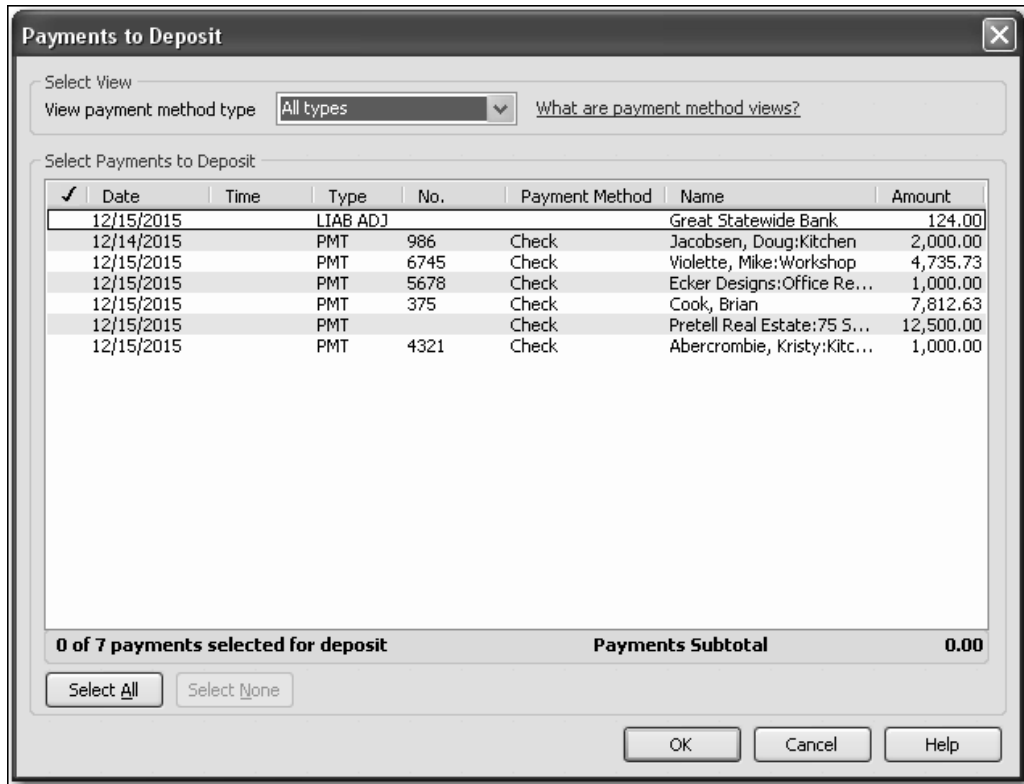
Notes

Making Deposits

When you use the Enter Sales Receipt window (for a sales receipt where you receive payment on the spot), the Receive Payments window (for payments on invoices), or a payment item on an invoice, QuickBooks keeps track of the money you've received until you deposit it in the bank. When you receive payments from customers, you can either deposit each payment directly into a QuickBooks bank account or you can group payments together to be moved to that account at a later time. QuickBooks allows you to choose the method you prefer for depositing payments.

To select payments to deposit:

1. From the Banking menu, choose **Make Deposits**.



Notes

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

Payments to Deposit

Select View
View payment method type: All types

Select Payments to Deposit

✓	Date	Time	Type	No.	Payment Method	Name	Amount
	12/15/2015		LIAB ADJ			Great Statewide Bank	124.00
	12/14/2015		PMT	986	Check	Jacobsen, Doug:Kitchen	2,000.00
✓	12/15/2015		PMT	6745	Check	Violette, Mike:Workshop	4,735.73
✓	12/15/2015		PMT	5678	Check	Ecker Designs:Office Re...	1,000.00
✓	12/15/2015		PMT	375	Check	Cook, Brian	7,812.63
✓	12/15/2015		PMT		Check	Pretell Real Estate:75 S...	12,500.00
✓	12/15/2015		PMT	4321	Check	Abercrombie, Kristy:Kitc...	1,000.00

5 of 7 payments selected for deposit Payments Subtotal 27,048.36

Select All Select None

OK Cancel Help

- Click **OK**.

QuickBooks displays the Make Deposits window, which shows the payments you just selected.

Make Deposits

Previous Next Save Print Payments History Journal Attach

Deposit To: Checking Date: 12/15/2015 Memo: Deposit

Click Payments to select customer payments that you have received. List any other amounts to deposit below.

Received From	From Account	Memo	Chk. No.	Pmt. Meth.	Amount
Violette, Mike:Works...	Undeposited Funds		6745	Check	4,735.73
Ecker Designs:Office...	Undeposited Funds		5678	Check	1,000.00
Cook, Brian	Undeposited Funds		375	Check	7,812.63
Pretell Real Estate:7...	Undeposited Funds			Check	12,500.00
Abercrombie, Kristy:...	Undeposited Funds		4321	Check	1,000.00

Deposit Subtotal 27,048.36

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account.

Cash back goes to: Cash back memo: Cash back amount:

Deposit Total 27,048.36

Save time using printable or manual deposit slips.

Save & Close Save & New Clear

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

If you have money to deposit that is not the result of a payment you received for a sale, you can enter it in the detail area of the window. For example, if you received a premium refund from your insurance vendor, you would enter it here.

5. Click **Save & Close** to record the deposit.

Notes

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.

Date	Ref Type	Payee Account	Memo	Decrease	Increase	Balance
12/15/2015	4321 DEP	Abercrombie, Kristy:Kitchen	Checking [split]	1,000.00		2,000.00
12/15/2015	5678 PMT	Ecker Designs:Office Repairs	Accounts Receivat		1,000.00	3,000.00
12/15/2015	5678 DEP	Ecker Designs:Office Repairs	Checking [split]	1,000.00		2,000.00
12/15/2015	6745 PMT	Violette, Mike:Workshop	Accounts Receivat		4,735.73	6,735.73
12/15/2015	6745 DEP	Violette, Mike:Workshop	Checking [split]	4,735.73		2,000.00
12/15/2015		Great Statewide Bank			124.00	2,124.00
	LIAB ADJ	-split-				
Ending balance						2,124.00

1-line
Sort by: Date, Type, Number/...

3. Close the account register window.

Notes

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

Date	Number	Type	Payee	Payment	Deposit	Balance
12/15/2015		PMT	Lew Plumbing - C Accounts Receivab See Bill #20001		45.00	46,660.26
12/15/2015		DEP	-split- Deposit		27,048.36	73,908.62
12/15/2015		PMT	Natiello, Ernesto:Kitchen Accounts Receivab		13,560.39	87,469.01
12/15/2015	294	BILLPMT	Sloan Roofing Accounts Payable	5,700.00		81,769.01
12/15/2015		To Print BILLPMT	Daigle Lighting Accounts Payable	640.92		81,128.09
12/15/2015		To Print BILLPMT	Perry Windows & Doors Accounts Payable	6,935.75		74,192.34
12/15/2015		To Print BILLPMT	Lew Plumbing Accounts Payable 5-487	45.00		74,147.34
12/15/2015		To Print CHK	Sergeant Insurance -split-	675.00		73,472.34
12/15/2015		To Print CHK	Pretell Real Estate:75 Sunset Rd. Accounts Receivab	87.82		73,384.52
12/15/2015						
Ending balance						73,384.52

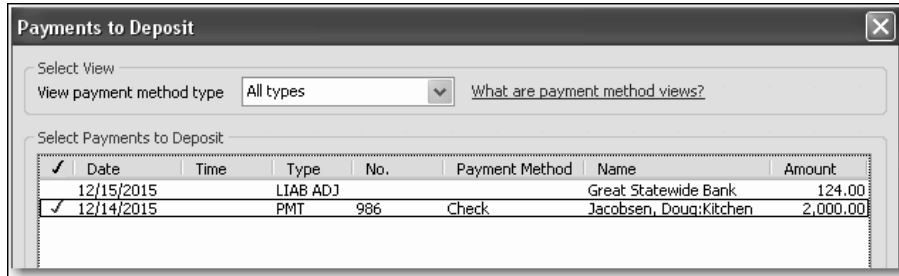
- Close the checking account register and the chart of accounts.

Notes

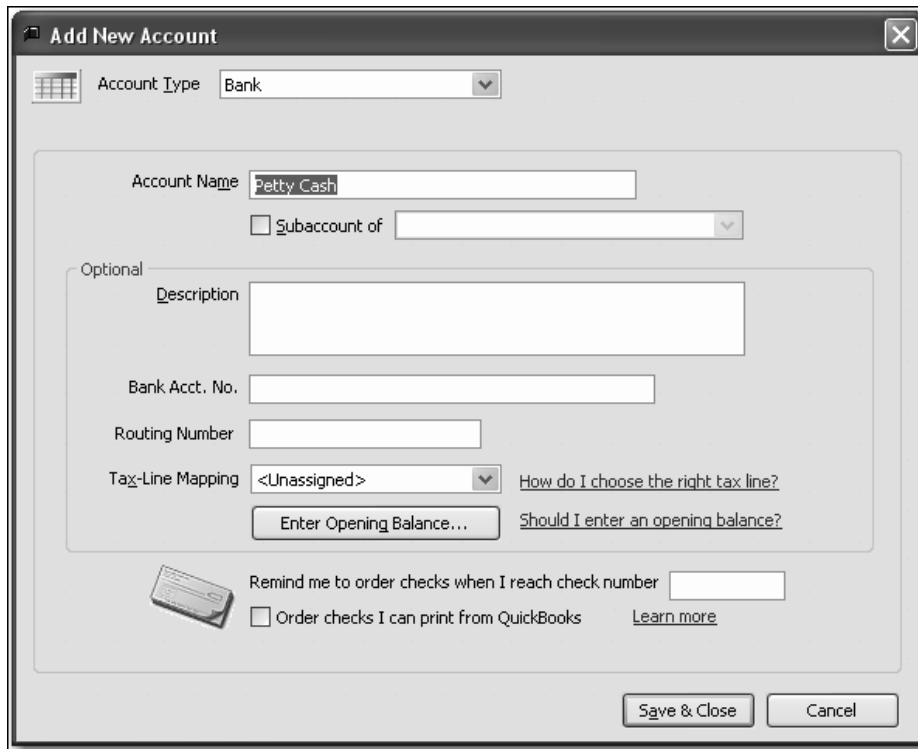
Getting Cash Back from a Deposit

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**.



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.

Received From	From Account	Memo	Chk No.	Pmt Meth.	Amount
Jacobsen, Doug:Kitc...	Undeposited Funds		986	Check	2,000.00

Deposit Subtotal 2,000.00

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account.

Cash back goes to: Petty Cash
Cash back memo:
Cash back amount: 200.00

Deposit Total 1,800.00

[Save time using printable or manual deposit slips.](#)

Save & Close Save & New Clear

8. Click **Save & Close**.

Notes

9. To see the effect on these accounts, choose **Chart of Accounts** on the Home page.

Name	Type	Balance Total	Attach
◊Petty Cash	Bank	200.00	
◊Checking	Bank	75,184.52	
◊Savings	Bank	13,868.42	
◊Accounts Receivable	Accounts Receivable	36,481.40	
◊Tools & Equipment	Other Current Asset	5,000.00	
◊Employee Loans	Other Current Asset	0.00	
◊Inventory Asset	Other Current Asset	27,042.93	
◊Retainage	Other Current Asset	2,461.80	
◊Undeposited Funds	Other Current Asset	124.00	
◊Trucks	Fixed Asset	24,852.91	
◊Original Cost	Fixed Asset	33,852.91	
◊Depreciation	Fixed Asset	-9,000.00	
◊Pre-paid Insurance	Other Asset	1,041.85	
◊Accounts Payable	Accounts Payable	30,739.38	
◊QuickBooks Credit Card	Credit Card	70.00	
◊QBCC Dept #1	Credit Card	45.00	

Account Activities Reports Attach Include inactive

10. Close the chart of accounts.

Notes

Lesson 7: Receiving Payments & 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.

Answers to 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