Intuit ProLine

QuickBooks 2011 Student Guide

Tracking Time

Lesson 14

Lesson Objectives

- To learn how to track time worked on a project
- To learn how to invoice a customer for time worked on a project
- To create project reports for time tracking and learn about other project reports
- To learn how to set up items used to track time worked by owners or partners
- To learn how to pay nonemployees for time worked

Notes

Tracking time and mileage

QuickBooks provides time tracking for any job. Time tracking lets you keep track of the time a person spends on each job (including sick and vacation time and time spent for general overhead). The person whose time you track can be an employee, an owner or partner, or a subcontractor.

To turn on time tracking:

1. From the Edit menu, choose **Preferences**.
2. Click **Time & Expenses** in the left panel. Then click the **Company Preferences** tab.
3. Make sure **Yes** is selected as the answer to the question “Do You Track Time?”
4. Click **OK** to save the preference setting.

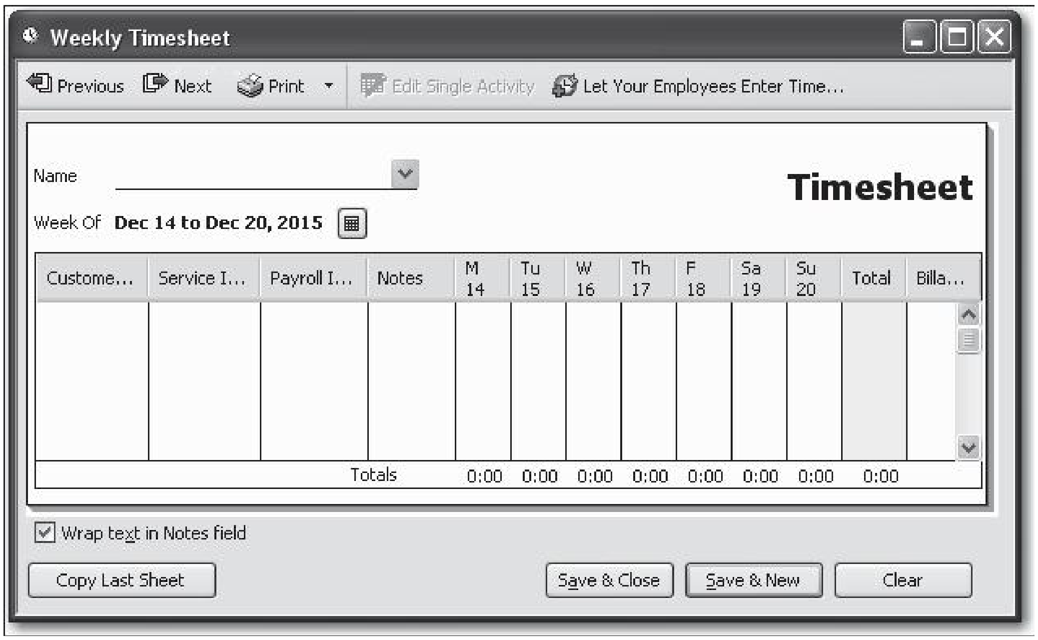
Notes

Entering Time Data

There are four ways to get time data into a company file:

- Enter time directly onto a weekly timesheet or single activity form in QuickBooks.
- Use the Stopwatch in the Time/Enter Single Activity window to time an activity while you are performing it.
- Use the QuickBooks Time Tracker service to track time and then import the time directly into QuickBooks.
- Download online timesheets using the QuickBooks Time & Billing Manager.[1]

When you track time with QuickBooks, you have a choice of two forms to enter time: Weekly Timesheet or Time/Enter Single Activity window. If you want to enter time for multiple jobs or multiple days, then the Weekly Timesheet is the best choice.



A single activity entry shows the time spent by one person doing a single activity for a single job on a single date. If you tend to enter a lot of detailed notes about your activities, or you prefer to enter time data as you complete an activity, use the Time/Enter Single Activity window instead.

[1] QuickBooks Time & Billing manager works with QuickBooks for Windows 2009 or later (Pro, Premier, and Enterprise versions), updated to the most current release. Internet access is required. Additional fees, terms, and conditions apply.

Notes

Entering Time Data

If you have employees who don't have access to a computer or who don't have access to QuickBooks, you can print blank copies of the weekly timesheet for your employees to fill out by hand.

To print a blank timesheet:

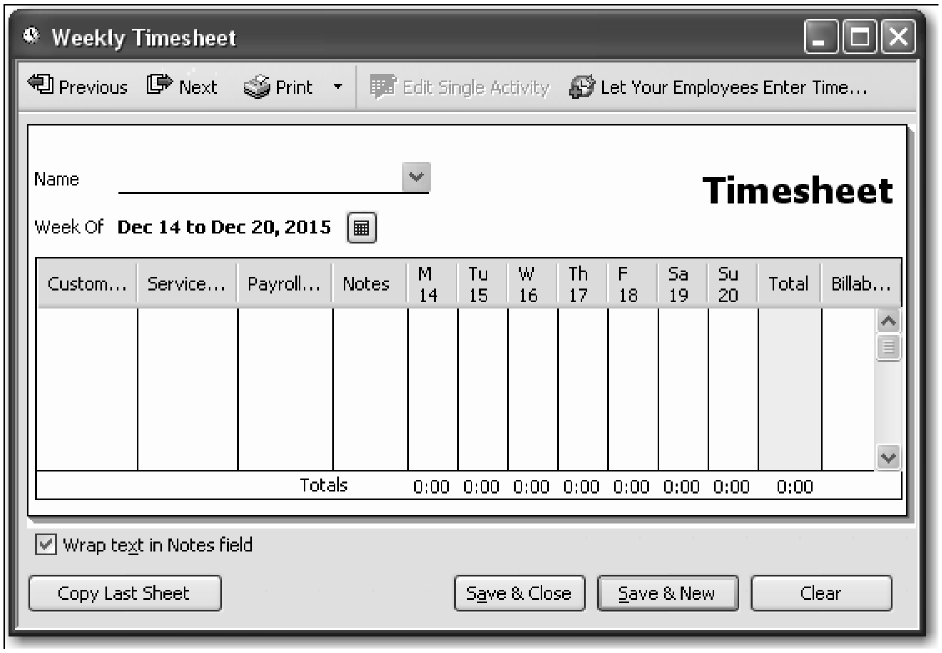
1. From the Employees menu, choose **Enter Time** and then choose **Use Weekly Timesheet**.
2. From the Print drop-down menu, choose **Print Blank timesheet**.
3. In the Print Timesheets window, click **Print**.

Notes

Recording Employee Time on Weekly Timesheets

To enter information on a weekly timesheet:

1. On the Home page, click Enter Time, and then click Use Weekly Timesheet.



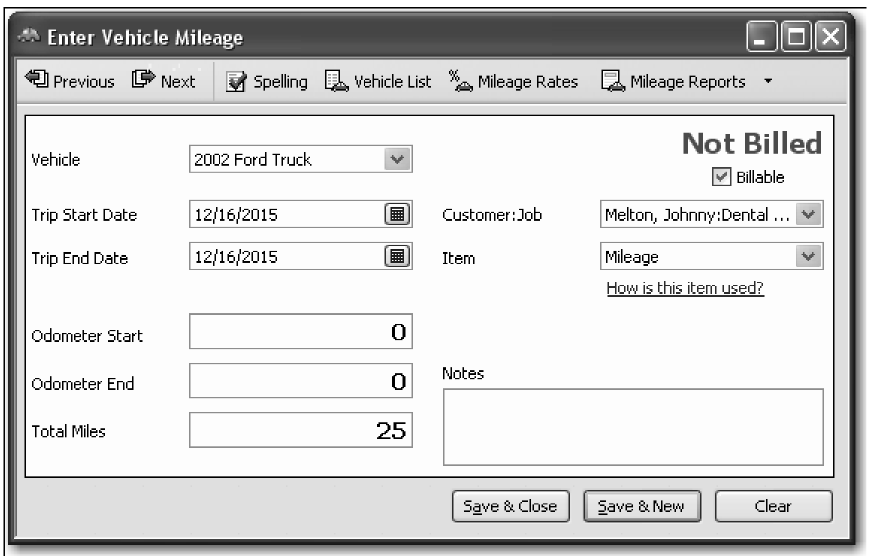
2. In the Name field, select **Gregg O. Schneider** from the drop-down list.
3. On the line below the existing entries, click in the **Customer:Job column**, and then choose **Melton, Johnny:Dental office** from the drop-down list.
4. In the Service Item column, type **Installation**.
5. Click in the **W 16 column** for the row in which you entered **Johnny Melton's job**.
6. Type **8** to enter the number of hours worked on Wednesday.
7. In the Th field, type **8**.
8. In the **F field**, type **8**, and then press Tab.
9. The Billable column to the right of the Total column tells QuickBooks if the time will be transferred onto an invoice. A checkmark in the field indicates that you do want to invoice the customer for time worked.
10. If you do not plan on invoicing the customer for time worked, you can click the checkbox to remove the checkmark.
11. Click **Save & Close** to record the Weekly Timesheet.

Entering Mileage

By tracking your vehicle mileage, you can enter, sort, and print lists of your vehicles and the mileage you've driven for work-related tasks. You can use this information for your tax deductions and for billing your customers.

To record mileage:

1. From the Company menu, choose **Enter Vehicle Mileage**.
2. In the Vehicle field, select **2002 Ford Truck**.
3. In the Start Date field, enter **12/12/2015**.
4. In the End Date field, enter **12/12/2015**.
5. In the Total Miles field, type **25**.
6. In the Customer:Job field, select **Melton, Johnny:Dental Office** from the drop-down list.
7. In the Item field, select **Mileage** from the drop-down list.

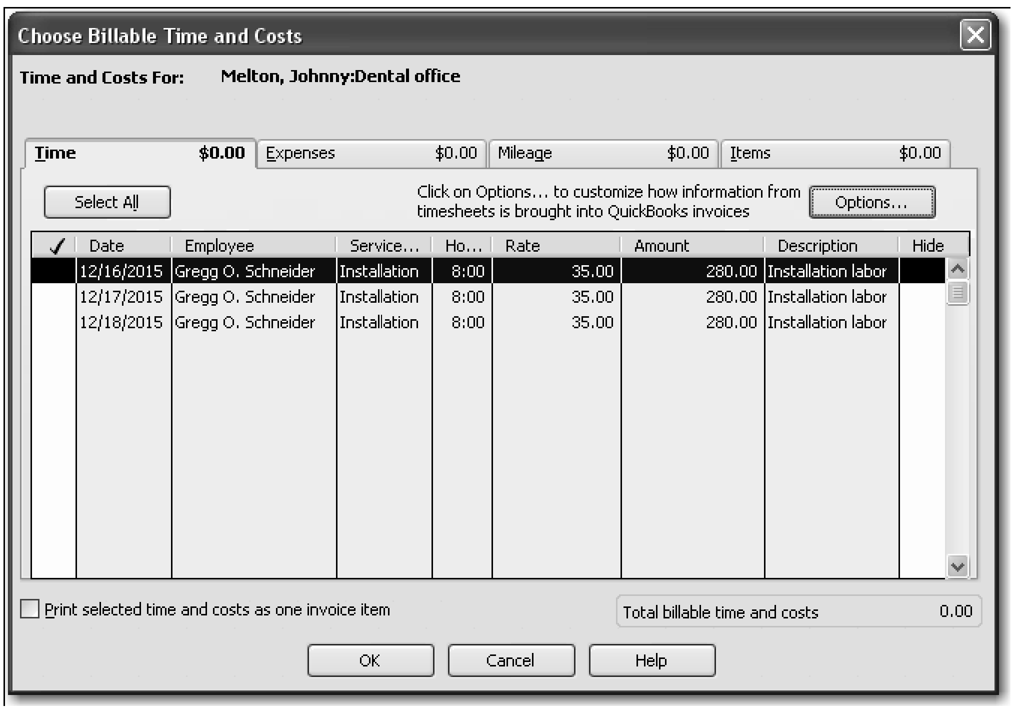


8. Click **Save & New**.
9. Repeat the steps above to enter **25** miles for the same vehicle and customer:job for December 17 and **25** additional miles for December 18.
10. Click **Save & Close**.

Invoicing a Customer for Time and Mileage

To invoice a customer for time:

1. On the Home page, click **Create Invoices**.
2. Select **Melton, Johnny:Dental office** as the customer:job.
3. Click **Cancel** in the Available Estimates window.
4. In the Date field, type **12/18/2015**.
5. Click **Add Time/Costs**.



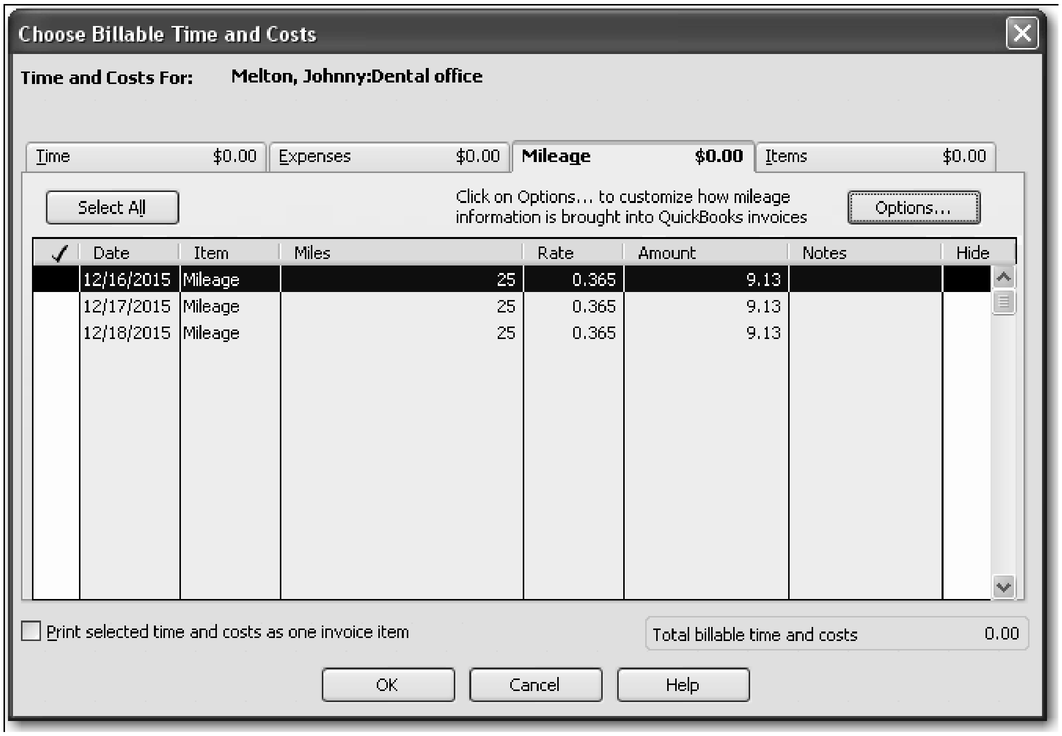
6. Click in the Use column to select each of the lines that represents time worked by Gregg Schneider.
7. Click **OK**.
8. From the Template drop-down list, select **Intuit Service Invoice**.
9. Keep the invoice open. You'll use it in the next exercise.

Notes

Invoicing a Customer for Time and Mileage

To invoice a customer for mileage:

1. In the Create Invoices window, click **Add Time/Costs**, and then click the **Mileage** tab.



2. Click **Select All** to select each of the lines that represents the mileage for this job.
3. You want to combine mileage on a single line, so click **Options**.
4. Select the **Combine activities with the same service items** option.
5. Click **OK**.
6. Click **OK** to transfer the mileage to the invoice.
7. Click **Save & Close** to record the invoice.

Notes

Creating an invoice from a list of time and expenses

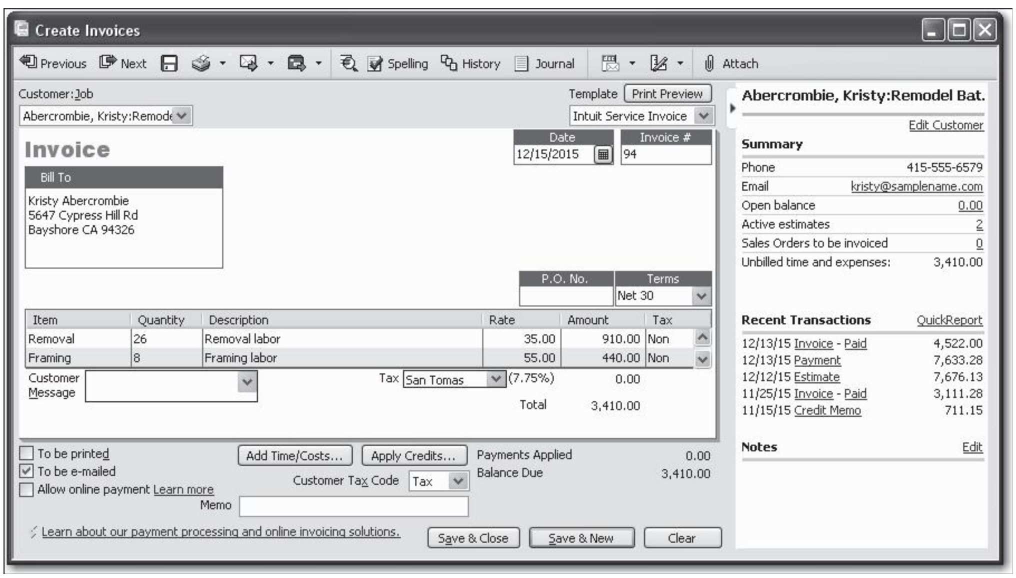
QuickBooks provides a list of all billable time and expenses by customer and job that you can use as the starting point for billing customers.

To display a list of time and expenses for all customers:

1. From the Edit menu, choose **Preferences**.
2. Click **Time & Expenses** in the list on the left, and then click the **Company Preferences** tab.
3. Click to select the **Create invoices from a list of time and expenses** checkbox.
4. Click **OK**.

To create an invoice for time and expenses:

1. From the Customers menu, choose **Invoice for Time & Expenses**.
2. Select **Abercrombie, Kristy: Remodel Bathroom**.
3. Click **Create Invoice** to invoice Kristy for all outstanding billable items for this job.



4. From the Template menu, choose **Intuit Service Invoice**.
5. Click **Save & Close**.
6. Close the Invoice for Time & Expenses window.

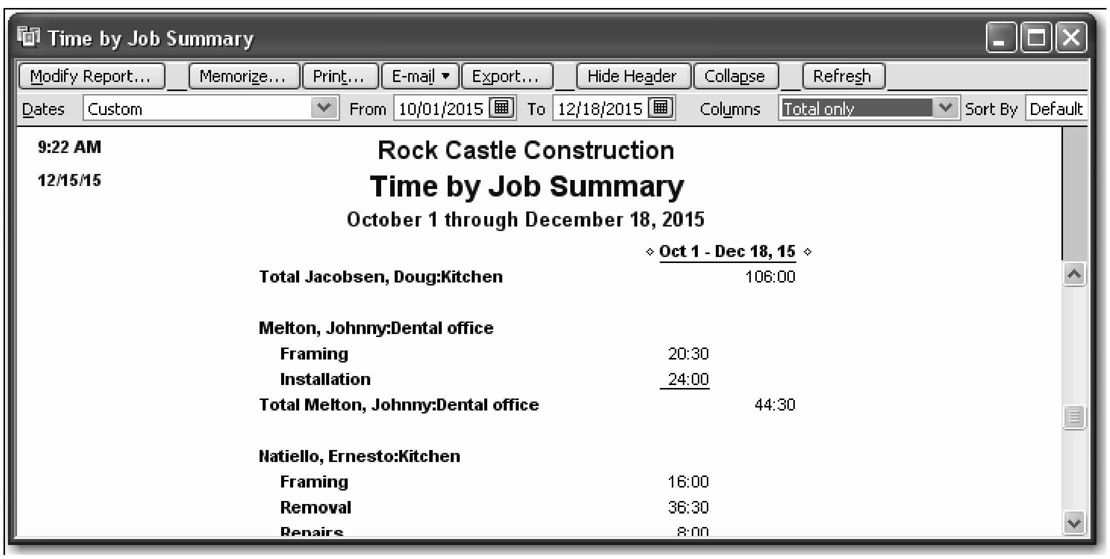
Notes

Displaying Project Reports for Time Tracking

The time by job summary report summarizes the total hours for each job, and the time by job detail report breaks down those summary figures into hours for each service item and hours for each customer:job.

To create a time by job report:

1. From the Reports menu, choose **Jobs, Time & Mileage**.
2. From the submenu, choose **Time by Job Summary**.
3. In the To field, change the date to **12/18/2015** and click Tab.
4. Scroll the report until you see the time worked for the Melton, Johnny:Dental office job.



Notice that the report shows the 24 hours for Installation work performed by Gregg Schneider.

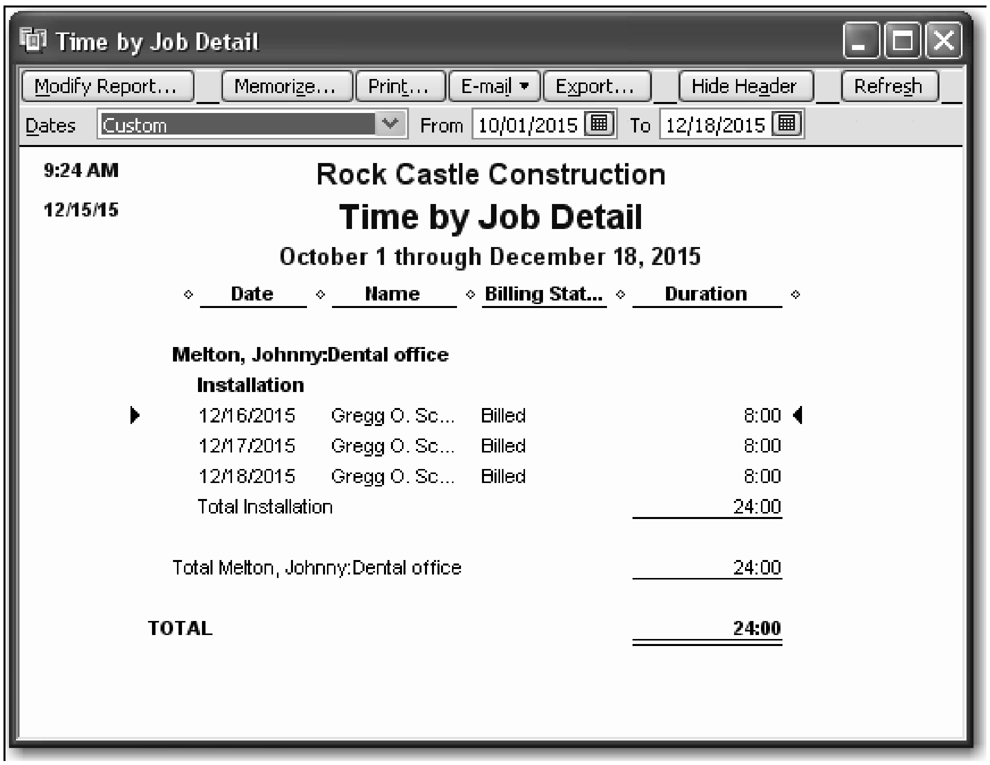
Notes

Viewing Time Data in More Detail

Like all QuickBooks reports, you can QuickZoom any of the numbers in a report to see more detail. Suppose you want to see who worked the eight hours on installation for Johnny Melton. You can point to that number in the report and double-click to get more information.

To view more time detail in the report:

1. Position your mouse pointer over the 24 hours for Installation on the Melton, Johnny:Dental office job, and then double-click.



2. Close the Time by Job Detail report.
3. Close the Time by Job Summary report.

Notes

Creating Service Items for Subcontractors, Owners, or Partners

When the company file has time data for a person who is not on your payroll, you can write checks based on the time worked. QuickBooks can transfer time data for a specified date range to a check. QuickBooks prefills the Items tab of a check with information from the time data, including hours worked and rate.

When you use service items for subcontractors, QuickBooks records expenses and income for the work in separate accounts. You can use such items on both purchase forms and sales forms.

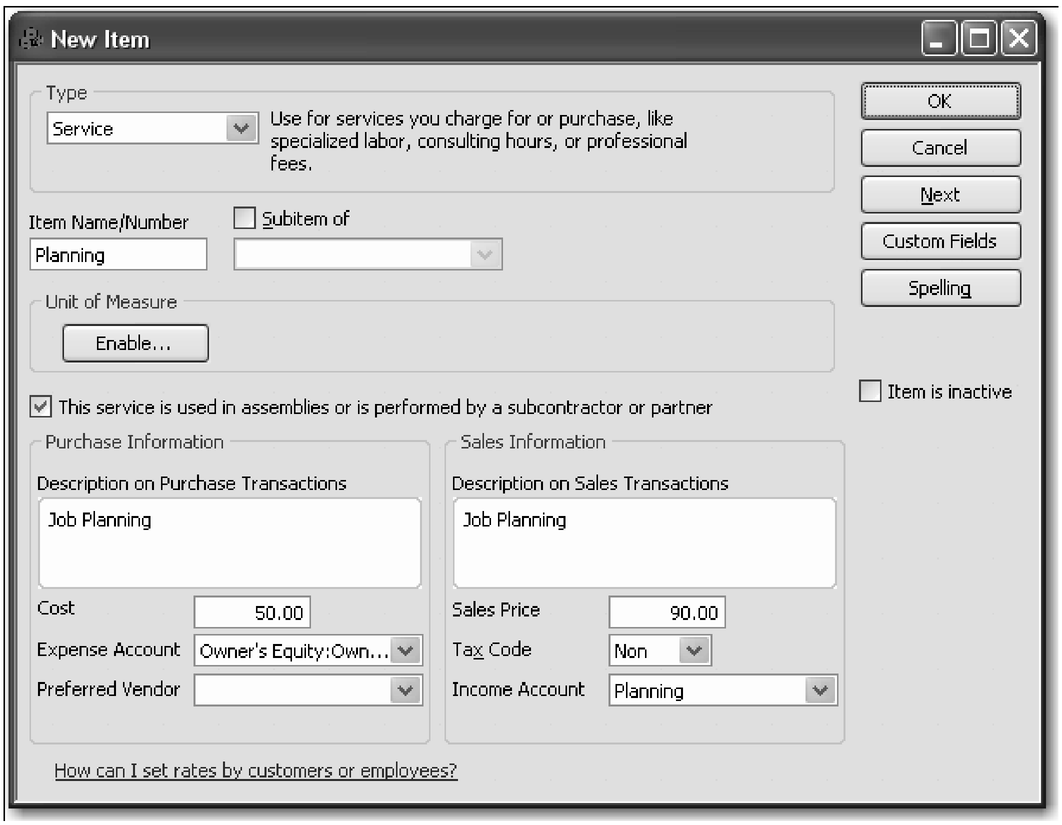
To set up a service item for owners or partners:

1. From the Lists menu, choose **Item List**.
2. Click the **Item** menu button, and choose **New**.
3. In the Type field of the New Item window, choose **Service** from the drop-down list.
4. In the Item Name/Number field, type **Planning**.
5. Select the **This service is used in assemblies or is performed by a subcontractor, owner, or partner** checkbox.
6. In the Description on Purchase Transactions field, type **Job Planning** and press Tab.
7. In the Cost field, type **50** and press Tab.
8. From the drop-down list in the Expense Account field, choose the equity subaccount called **Owner's Draw**.
9. If you pay owners (or partners) for time worked, you need a service item that records the cost of the work as a draw against equity, rather than an expense.

Notes

Creating Service Items for Subcontractors, Owners, or Partners

9. In the Sales Price field, type **90**.
10. In the Tax Code drop-down list, select **Non**.
11. In the Income Account field, type **Planning** and press Tab.
12. When QuickBooks tells you that Planning is not on the Account list, click **Set Up**.
13. In the Add New Account window, make sure **Income** is selected in the Type drop-down list and click **Save & Close**.

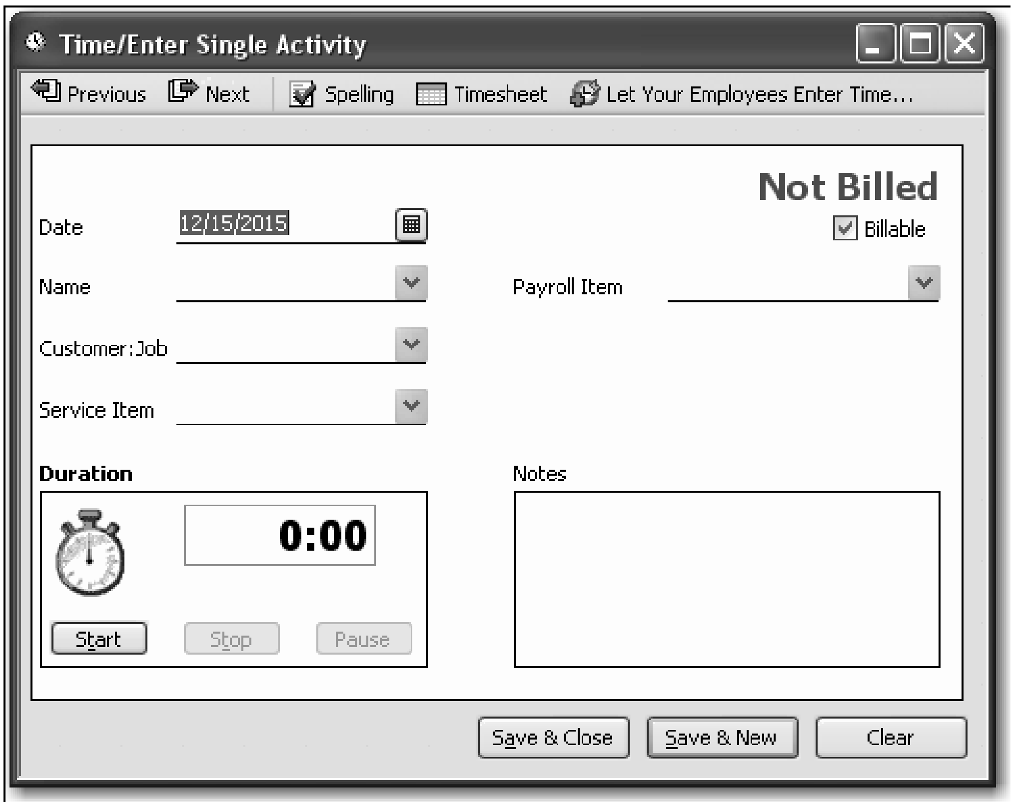


14. Click OK to close the New Item window.
15. Press Esc to close the Item list.

Recording Nonemployee Time Worked

To enter time for nonemployee time worked:

1. From the Employees menu, choose **Enter Time**. Then choose **Time/Enter Single Activity**.



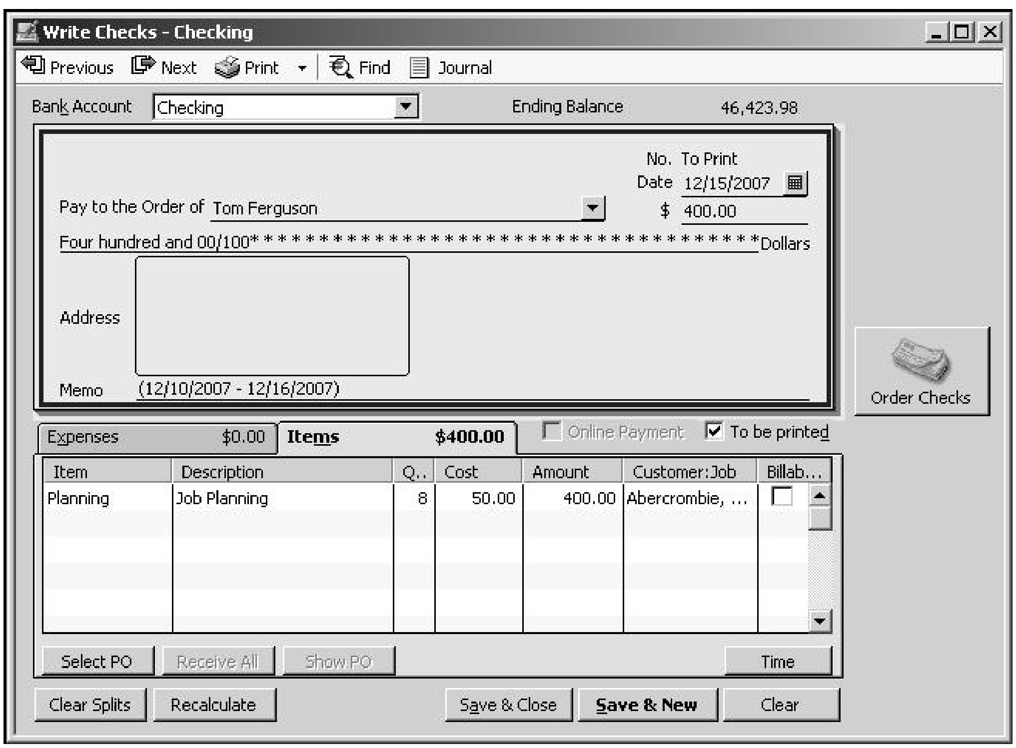
2. In the Name field, choose **Tom Ferguson** from the drop-down list.
3. In the Customer:Job field, choose **Abercrombie, Kristy:Family Room**.
4. In the Service Item field, select **Planning** from the drop-down list and press Tab.
5. Type **8** in the Duration field and press Tab.
6. Click **Save & Close**.

Preparing a Check to Pay for Nonemployee Time Worked

In this section, you'll learn how to create a check to reimburse an owner for time worked on a specific job.

To prepare a check for nonemployee time worked:

1. On the Home page, click **Write Checks**.
2. Make sure that **Checking** is selected in the Bank Account field.
3. Click to put a checkmark in the **To be printed** checkbox.
4. In the Pay to the Order of field, choose **Tom Ferguson** from the drop-down list.
5. Click **Yes** at the message QuickBooks displays asking if you want this check to pay for time worked.
6. Type **12/10/15** in the Start Date field and press Tab.
7. Type **12/16/15** in the End Date field and click **OK**.



8. Click **Save & Close** in the Write Checks window.

Lesson 14: Tracking Time

Review questions

9. List four ways to enter time in QuickBooks.

   a ____
   b ____
   c ____
   d ____

5. For which of the following can the time tracking features in QuickBooks not be used?

   a Notifying you that more staffing is required for a given project
   b Tracking the cost of an employee's gross pay by job
   c Providing hours worked on an employee's paycheck
   d Invoicing customers based on time spent on a job

6. Which report would you use to determine how many hours were spent on each activity and whether or not the customer had been billed for the time?

   a Time by item
   b Time by name
   c Time by job summary
   d Time by job detail

7. When paying owners or partners, you should use an _______________ account to track the payment.

8. Which of the following is a step involved in the process for invoicing a customer for time worked?

   a Select the customer's name in the Create Invoices window
   b Click Add Time/Costs
   c In the Choose Billable Time and Costs window, click to select the items you want to transfer to the invoice
   d All of the above

Review activities

10. Create a single activity timesheet for Gregg Schneider, for eight hours worked on the Anton Teschner Sun Room job.
11. Transfer the time you just entered for Gregg Schneider onto an invoice for the Teschner Sun Room job.
12. Display a time by name job report to see how many hours Gregg Schneider has worked for each job.

Answers to review questions

13. List three ways to enter time in QuickBooks.

a *Weekly timesheet*
b *Time/Enter Single Activity window*
c The *Timer application available with QuickBooks: Pro and higher editions*
d *QuickBooks Time Tracker (additional requirements, terms, conditions, and fees apply).*

9. For which of the following can the time tracking features in QuickBooks not be used?

✔ **a** *Notifying you that more staffing is required for a given project*
b Tracking the cost of an employee’s gross pay by job
c Providing hours worked on an employee’s paycheck
d Invoicing customers based on time spent on a job

10. Which report would you use to determine how many hours were spent on each activity and whether or not the customer had been billed for the time?

a Time by item
b Time by name
c Time by job summary
✔ **d** *Time by job detail*

11. When paying owners or partners, you should use an *equity* account to track the payment.

12. Which of the following is a step involved in the process for invoicing a customer for time worked?

a Select the customer’s name in the Create Invoices window
b Click Add Time/Costs
c In the Choose Billable Time and Costs window, click to select the items you want to transfer to the invoice
✔ **d** *All of the above*