QUICKBOOKS DESKTOP 2019 CLIENT TRAINING

Lesson 7

Receive Payments and Make Deposits

Copyright

Copyright 2019 Intuit, Inc.
All rights reserved.

Intuit, Inc.
5601 Headquarters Drive
Plano, TX 75024

Trademarks

©2019 Intuit, Inc. All rights reserved. Intuit, the Intuit logo, Intuit ProLine, Lacerte, ProAdvisor, ProSeries and QuickBooks, among others, are trademarks or registered trademarks of Intuit, Inc. in the United States and other countries. Other parties' marks are the property of their respective owners.

Notice to Readers

The publications distributed by Intuit, Inc. are intended to assist accounting professionals in their practices by providing current and accurate information. However, no assurance is given that the information is comprehensive in its coverage or that it is suitable in dealing with a client's particular situation. Accordingly, the information provided should not be relied upon as a substitute for independent research. Intuit, Inc. does not render any accounting, legal or other professional advice, nor does it have any responsibility for updating or revising any information presented herein. Intuit, Inc. cannot warrant that the material contained herein will continue to be accurate nor that it is completely free of errors when published. Readers should verify statements before relying on them.

Table of Contents

About the Author 4

Lesson Objectives 5

Record Payment in Full for a Single Job 6

Enter a Partial Payment 8

Apply One Payment to Multiple Jobs of the Same Customer 10

Enter Overpayments 12

Handle Down Payments & Prepayments 14

Make Deposits 18

How QuickBooks Handles the Deposit 21

How to Handle a Customer Bounced Check 22

Receive Payments & Make Deposits – Review Questions 25

Review Activities 26

Answers to Review Questions 27

About the Author

Esther Friedberg Karp, MBA

President, EFK CompuBooks Inc.

esther@e-compubooks.com

Esther Friedberg Karp is an internationally-renowned trainer, writer, business consultant and speaker who was named one of the Top 10 QuickBooks ProAdvisors in the world, with the title Top International ProAdvisor.

Based in Toronto, Canada, Esther has the unique distinction of holding ProAdvisor certifications in the United States, Canada and the United Kingdom. She has authored materials and delivered educational and certification courses for Intuit in all those countries, as well as Australia where she conducted live QuickBooks Online training. She has spoken at Scaling New Heights, QuickBooks Connect and other conferences, as well as those of various accounting and professional organizations and written countless articles for Intuit Global.

Esther counts among her clients' companies from around the world, as well as accounting professionals who seek her out on behalf of their own clients for her expertise in various countries' editions of QuickBooks Desktop and Online, and for her talent in customizing QuickBooks usage for different industries.

Esther holds a BSc from the University of Toronto in Actuarial Science and Mathematics, and an MBA in Marketing and Finance from York University's Schulich School of Business.

She can be reached at esther@e-compubooks.com or 416-410-0750.

COMPUBOOKS
Business Services

Lesson Objectives

- Learn how to record customer payments in QuickBooks
- Learn how to handle customer discounts, partial payments, overpayments or down payments
- Learn how to handle customer bounced checks
- See how to record a deposit in QuickBooks and how QuickBooks treats the deposit behind the scenes
- Learn how to enter cash back from a deposit in QuickBooks

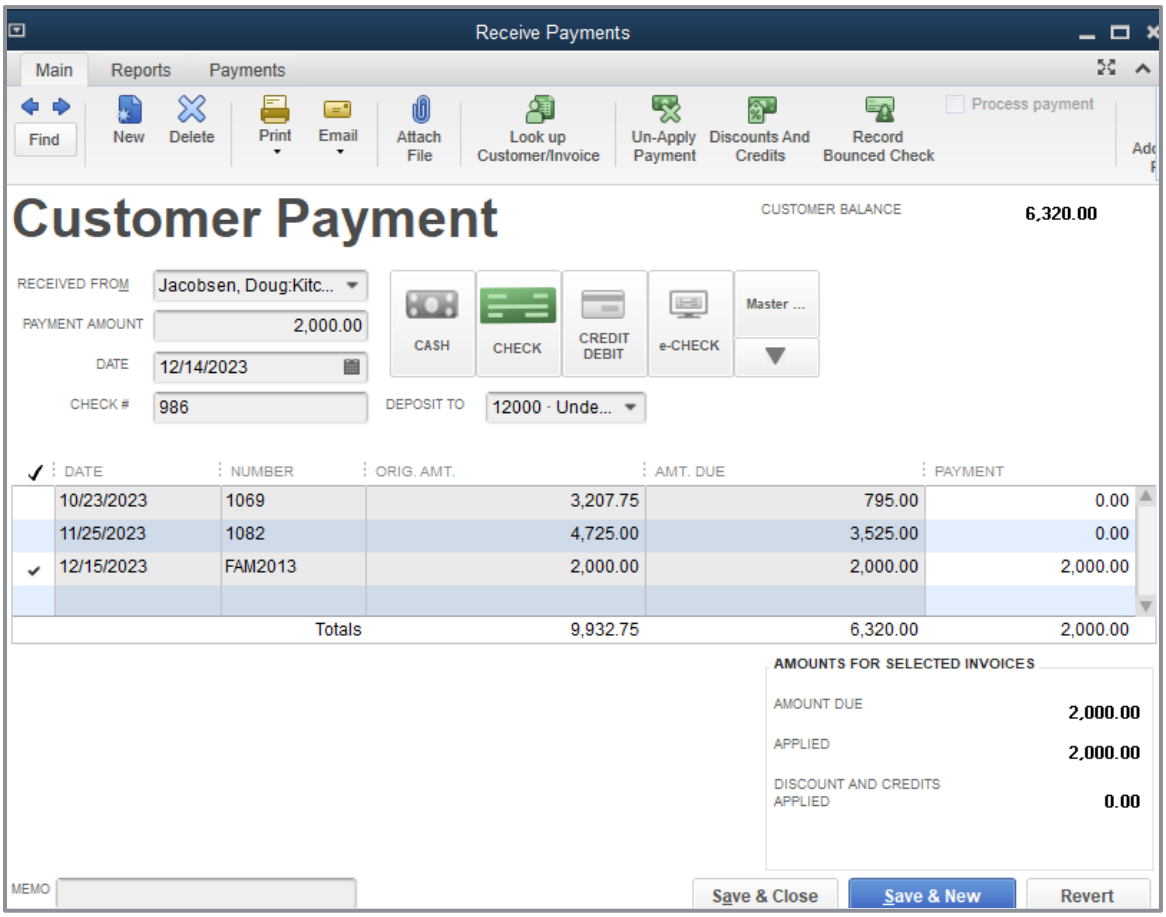
Record Payment in Full for a Single Job

If you receive payment at the time of a sale and fill out a sales receipt, the customer payment is part of that sales receipt transaction. When you invoice a customer and receive payment later, you must enter the payment in the QuickBooks Receive Payments window as a transaction that is separate from the sale.

Step-by-Step: Record a Payment in Full

1. From the Customers menu, choose **Receive Payments**. (If the QuickBooks Payment Interview window displays, close it.)
2. In the Received From field, select the Customer:Job from whom you are receiving the payment. Press **Tab**.
3. In the Amount field, type the amount of the payment. Press **Tab**.
4. In the Date field, enter the date the payment was received. Press **Tab**.
5. Select the payment method from the payment icons. Press **Tab**.
6. Enter the reference number for the payment, if applicable.

7. Place a checkmark next to the invoices in the grid to which you are applying the payment. (If *Automatically apply payments* has been chosen in **Edit → Preferences → Payments → Company Preferences**, you can remove checkmarks and add your own if the automatic application of payment doesn't suit your needs.)



8. Click **Save & Close**.

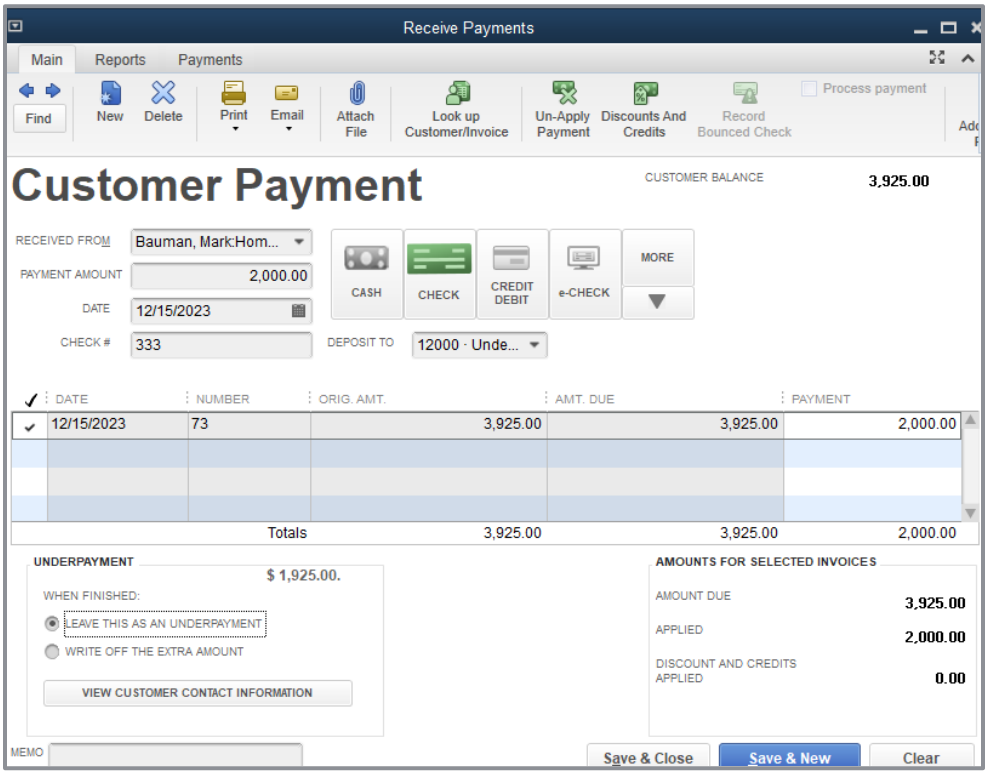
NOTES

Enter a Partial Payment

Step-by-Step: Enter a Partial Payment

1. From the Customers menu, choose **Receive Payments**. (If the QuickBooks Payment Interview window displays, close it.)
2. In the Received From field, select the Customer:Job from whom you are receiving the payment. Press **Tab**.
3. In the Amount field, type the amount of the payment. Press **Tab**.
4. In the Date field, enter the date the payment was received. Press **Tab**.
5. Select the payment method from the payment icons. Press **Tab**.
6. Enter the reference number for the payment, if applicable.
7. Place a checkmark next to the invoices in the grid to which you are applying the payment. (If *Automatically apply payments* has been chosen in **Edit → Preferences → Payments → Company Preferences**, you can remove checkmarks and add your own if the automatic application of payment doesn't suit your needs.)

8. Enter the amount of the payment to be applied to each invoice in the Payment column in the far right.



9. In the Underpayment section at the bottom, ensure the **When finished: Leave this as an underpayment** option is selected.

10. Click **Save & Close** to record the partial payment.

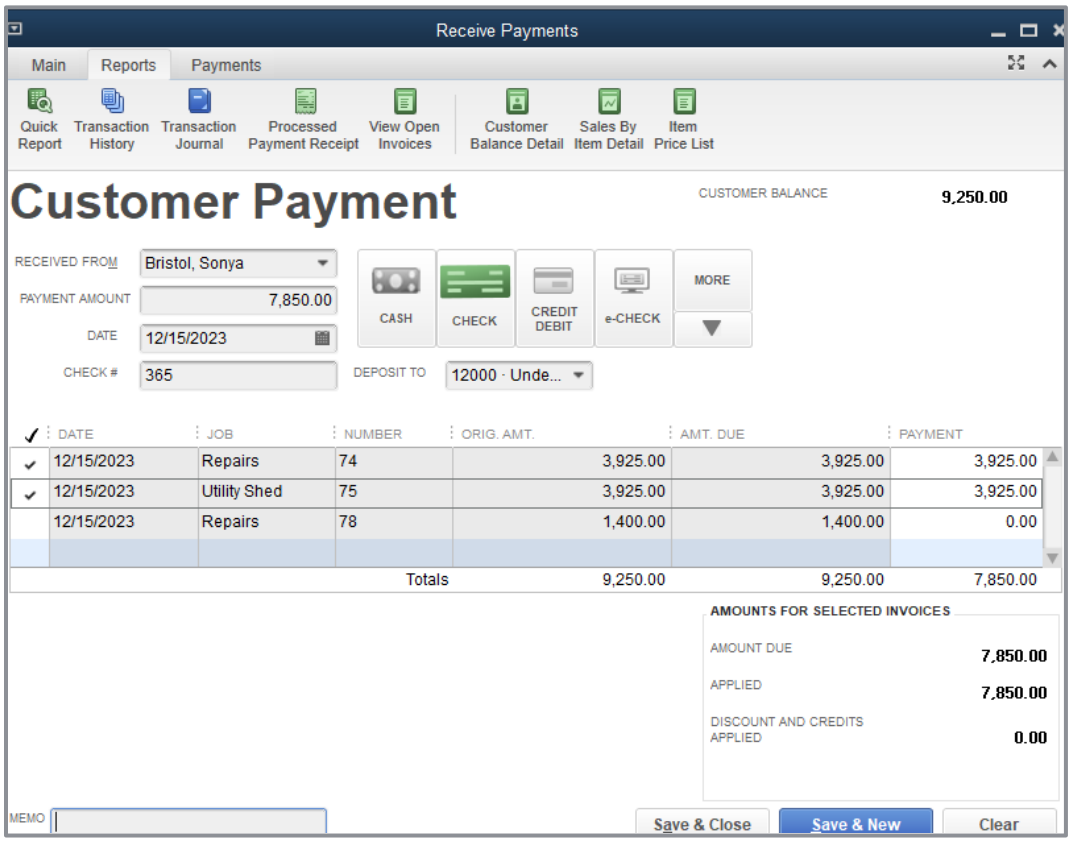
NOTES

Apply One Payment to Multiple Jobs of the Same Customer

Step-by-Step: Apply One Payment to Multiple Jobs of the Same Customer

1. From the Customers menu, choose **Receive Payments**. (If the QuickBooks Payment Interview window displays, close it.)
2. In the Received From field, select the *parent* customer name for the jobs against which you are receiving payment. This will enable QuickBooks to show all open invoices for the parent customer and all its jobs. Press **Tab**.
3. In the Amount field, type the amount of the payment. Press **Tab**.
4. In the Date field, enter the date the payment was received. Press **Tab**.
5. Select the payment method from the payment icons. Press **Tab**.
6. Enter the reference number for the payment, if applicable.

7. Place a checkmark next to the invoices in the grid to which you are applying the payment. (If *Automatically apply payments* has been chosen in **Edit → Preferences → Payments → Company Preferences**, you can remove checkmarks and add your own if the automatic application of payment doesn't suit your needs.) You will be able to identify the invoice number as well as the job to which it relates.



8. Click **Save & Close**.

NOTES

Enter 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.

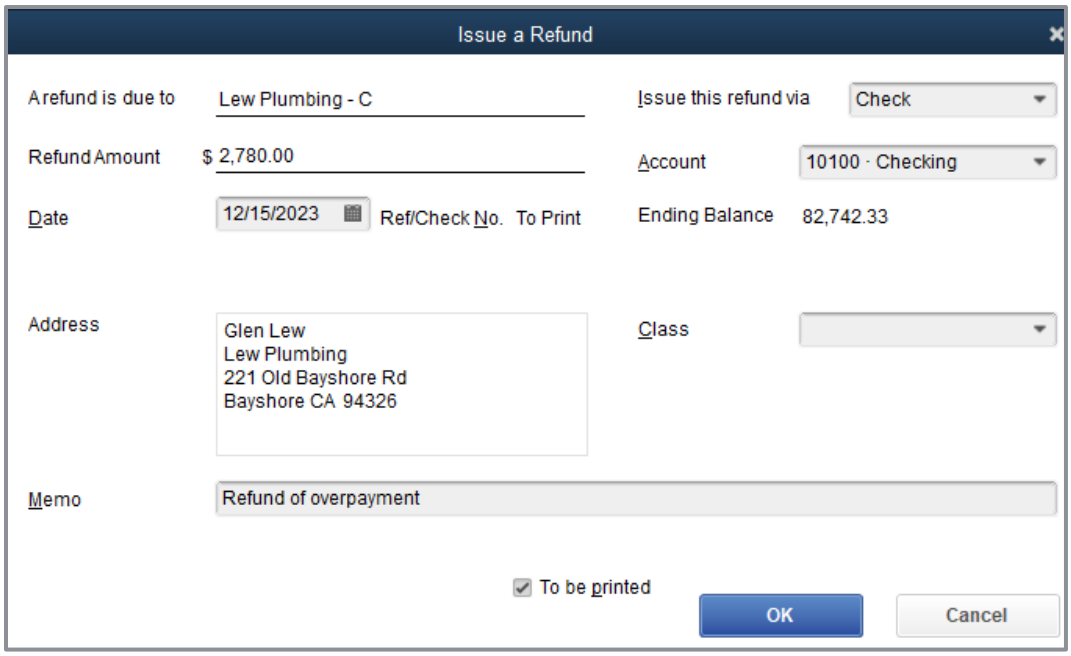
Step-by-Step: Enter the Payment

1. From the Customers menu, choose **Receive Payments**. (If the QuickBooks Payment Interview window displays, close it.)
2. In the Received From field, select the Customer:Job from whom you are receiving the payment. Press **Tab**.
3. In the Amount field, type in the amount of the payment. Press **Tab**.
4. Select the payment method from the payment icons. Press **Tab**.
5. Enter the reference number for the payment, if applicable.
6. Place a checkmark next to the invoices in the grid to which you are applying the payment. (If *Automatically apply payments* has been chosen in **Edit → Preferences → Payments → Company Preferences**, you can remove checkmarks and add your own if the automatic application of payment doesn't suit your needs.) The total in the Payment column may not add up to the total payment amount at the top of the Customer Payment window if you don't know how to apply all the money.
7. In the Overpayment section at the bottom, you may choose **Leave the credit to be used later** to leave the overpayment on the customer account or **Refund the amount to customer** to issue a refund.

8. Click **Save & Close**.

   a. If you chose to refund the amount to your customer, the **Issue a Refund** window will appear. Complete the form appropriately (including a memo, if desired).

   b. Click **OK**.



NOTES

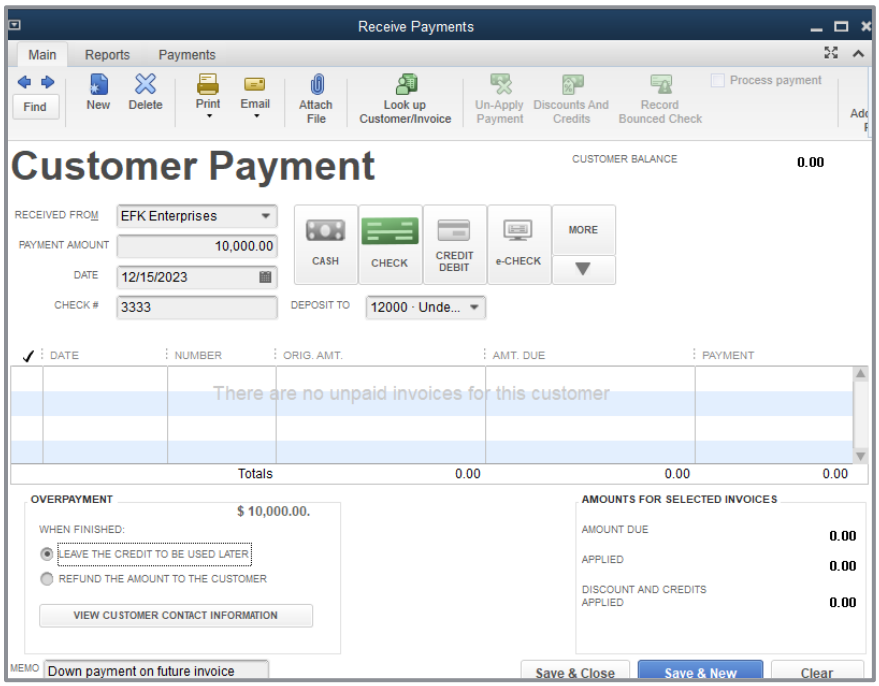
Handle Down Payments & Prepayments

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 in the Receive Payments window. However, because you don't have any invoices against which to apply the payment, QuickBooks records it as an unused payment (just like an overpayment for which you have not issued a refund).

QuickBooks holds the unapplied amount in Accounts Receivable with the customer's name (as a negative amount). The next time you enter that customer in the Receive Payments window, QuickBooks displays the credit amount in the Available Credits area. The customer's balance also reflects the credit amount.

Step-by-Step: Enter the Down Payment

1. From the Customers menu, choose **Receive Payments**. (If the QuickBooks Payment Interview window displays, close it.)
2. In the Received From field, select the Customer:Job from whom you are receiving the down payment. Press **Tab**.
3. In the Amount field, type in the amount of the down payment. Press **Tab**.

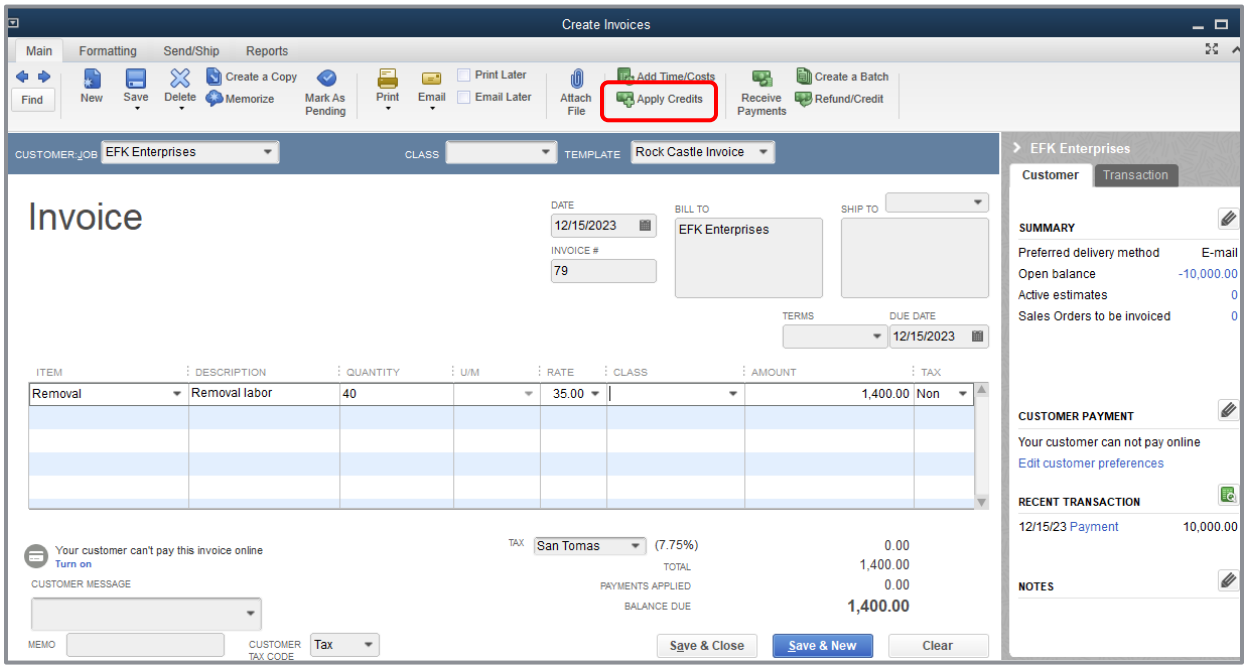


4. Select the payment method from the payment icons. Press **Tab**.
5. Enter the reference number for the payment, if applicable.
6. Ensure that no invoices are selected for applying the payment.
7. Ensure the **Leave the credit to be used later** option is selected.
8. Enter a memo indicating that it's a down payment, if desired.
9. Click **Save & Close**.
10. In the Payment Credit window that appears, click **OK**.

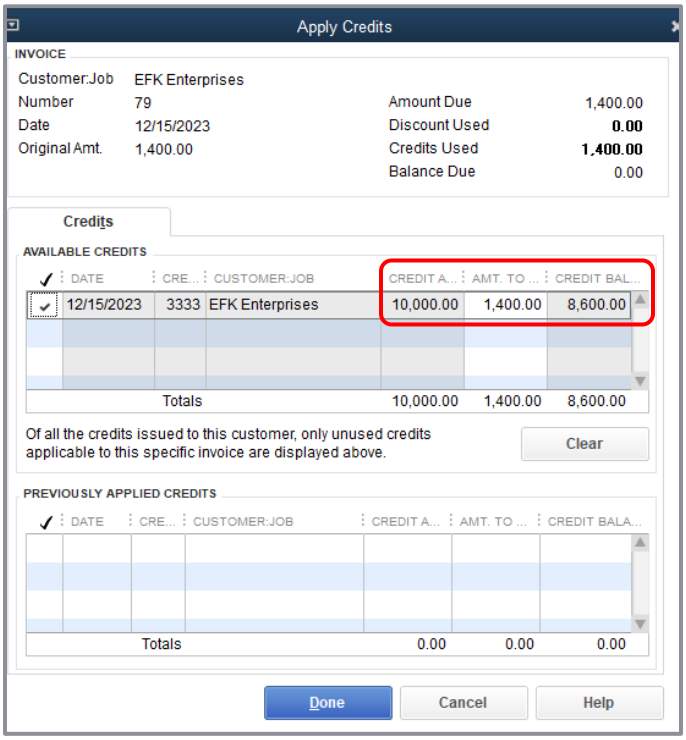
Step-by-Step: Create an Invoice for a Customer Who Made a Down Payment

1. From the Customers menu, choose **Create Invoices**.
2. In the Customer:Job field, select the customer for whom you are creating the invoice.
3. Add any billable time/costs, if applicable.
4. If you use custom invoice templates, select the appropriate template from the Template drop-down.
5. Complete the invoice form appropriately.
6. Click **Save** in the Main tab of the ribbon at the top of the invoice to save your invoice but keep it open.

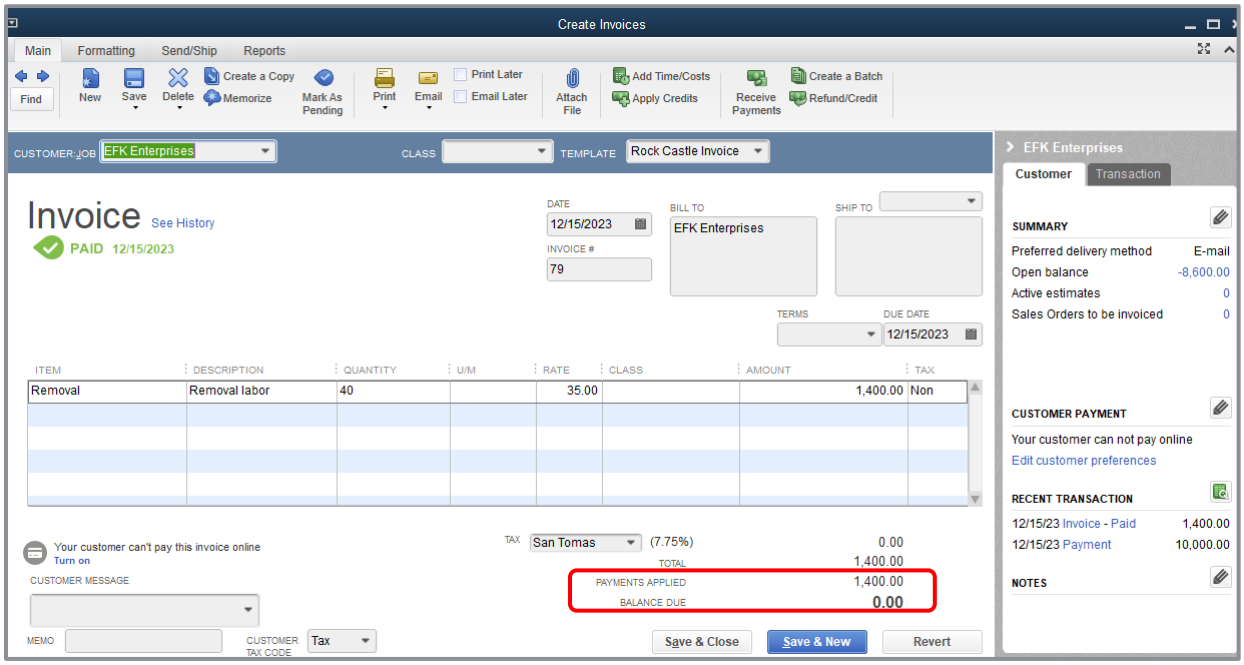
7. Click **Apply Credits** to apply the down payment amount toward this invoice.



8. Choose the credits you wish to apply to the invoice (if they're not chosen for you already) and click **Done**. In this case, only part of a credit is being used and there is a remaining credit balance.



9. You will see the invoice is now changed to reflect the application of a credit and the balance due is also affected.



10. Click **Save & Close**.

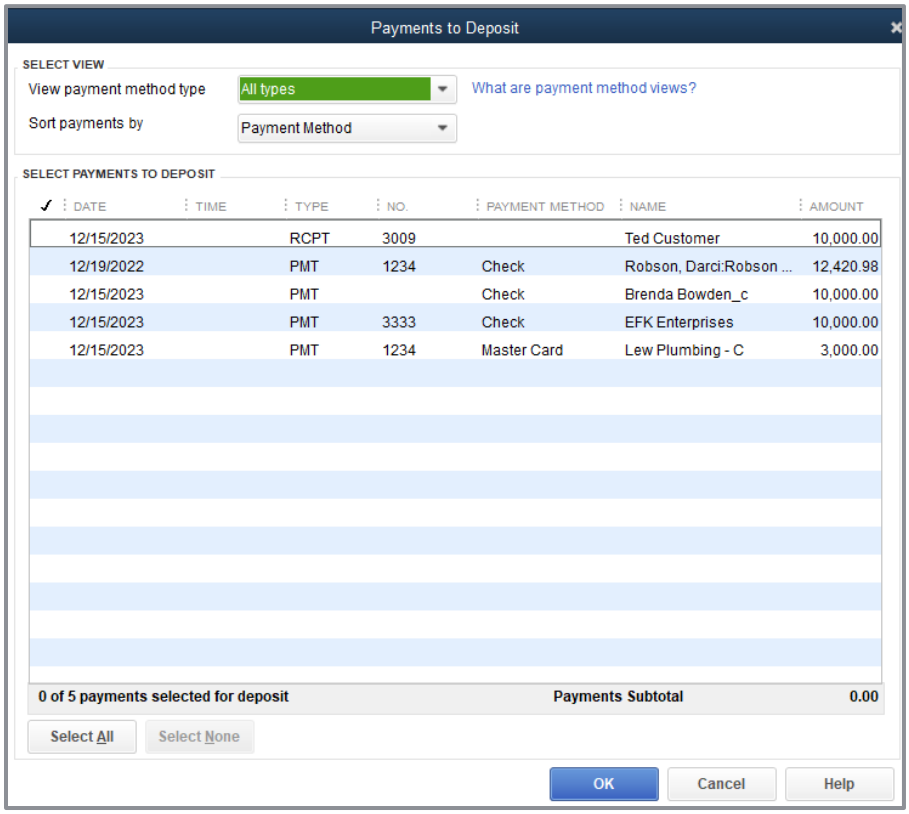
NOTES

Make Deposits

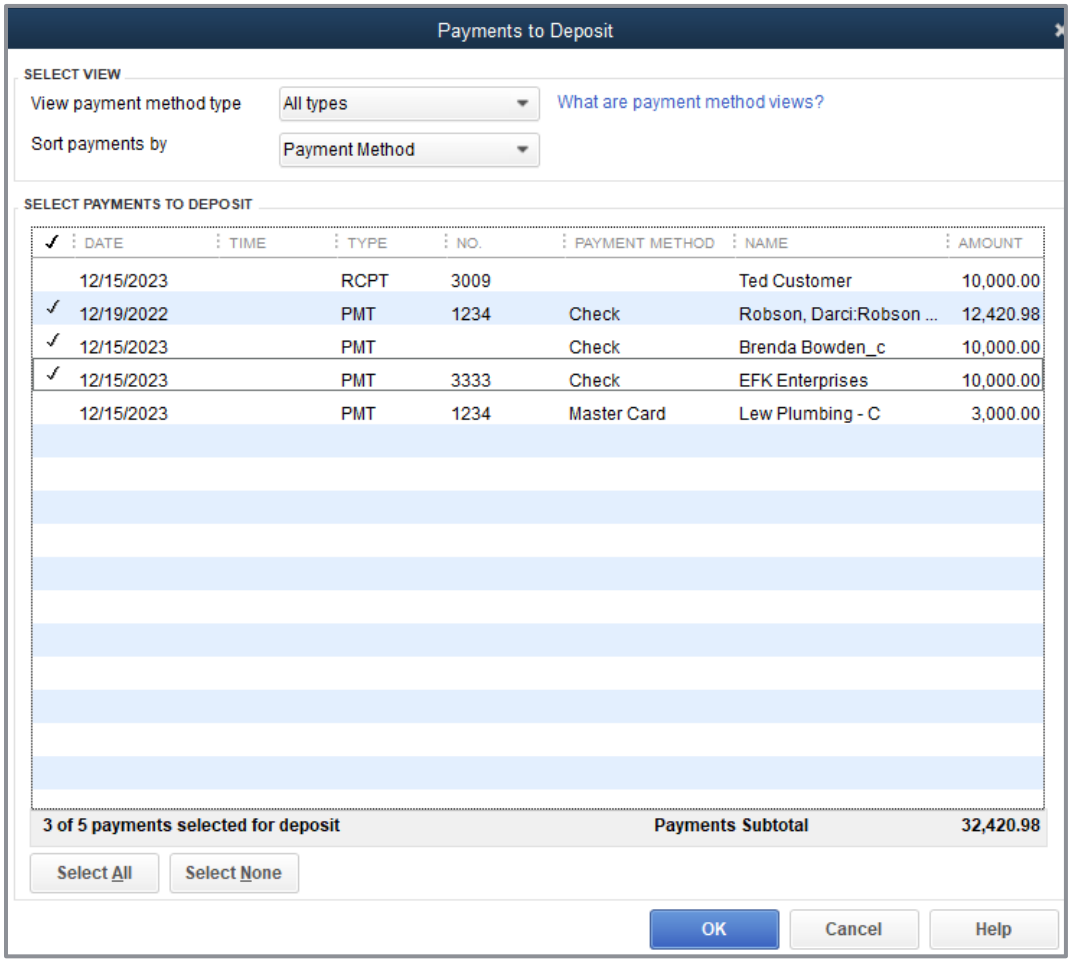
When you use the Enter Sales Receipts window (for a sale where you receive payment on the spot), the Receive Payments window (for payments on invoices), or a payment item in the body of an invoice, QuickBooks keeps track of the money you've received until you deposit it in the bank. When you receive payments from customers, you can either deposit each payment directly into a QuickBooks bank account or you can accumulate those payments in an account called Undeposited Funds to be moved to a bank account at a later time. (This makes reconciling the bank accounts much easier to do; you don't need to use a calculator to add up individual payments to match the total deposit for the day when comparing the amounts in QuickBooks to the bank statement. QuickBooks allows you to choose the method you prefer for depositing payments in the Company Preferences for Payments.)

Step-by-Step: 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 in one batch (e.g., a deposit slip).



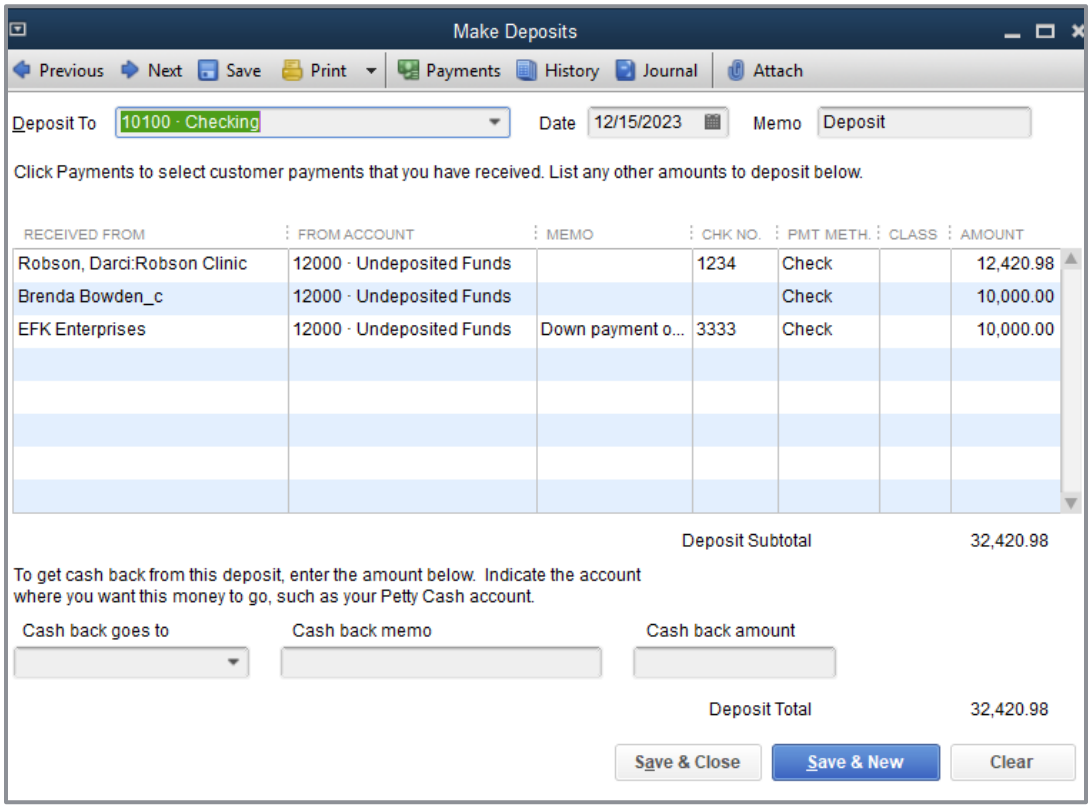
3. Click **OK**.

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

4. In the Deposit To field, make sure the proper bank account is selected.

5. Ensure you enter the correct date and a memo, if desired.

6. Add any information, such as missing check numbers and extra memo information, for a particular line, etc.



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 in the next vacant row. For example, if you are also depositing a premium refund from your insurance company or funds from a shareholder loan, you would enter it here.

7. If any funds are deducted from the deposit because, for example, they're diverted to Petty Cash, fill out the area in **Cash back goes to,** the **Cash back memo** and the **Cash back amount**.

8. You can print the deposit slip by selecting the **Print** icon at the top of the Make Deposits window and take that to your bank to accompany the deposit. You also have the choice of printing a summary.

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

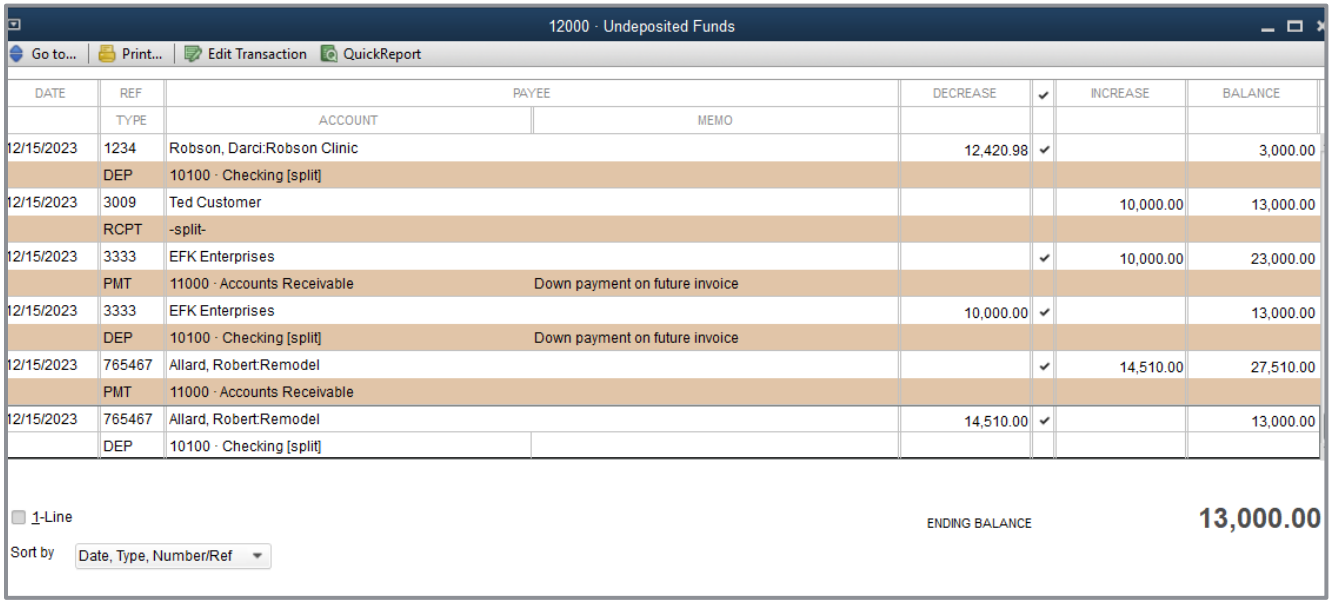
NOTES

How QuickBooks Handles the Deposit

Step-by-Step: 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.

   When receiving payment on an Invoice or use a Sales Receipt and Undeposited Funds is chosen as the account, the balance in Undeposited Funds is increased. When creating a Make Deposit transaction and selecting payments from Undeposited Funds to deposit into a bank account, the balance in Undeposited Funds is reduced. If there is nothing left in Undeposited Funds to deposit into the bank, the balance in the account will be zero. *(In the screen capture below it shows a non-zero balance in Undeposited Funds. Therefore, choosing Make Deposits would show payments left to deposit into the bank.)*


12000 · Undeposited Funds

Go to... | Print... | Edit Transaction | QuickReport

DATE	REF	PAYEE		DECREASE	✔	INCREASE	BALANCE
	TYPE	ACCOUNT	MEMO				
12/15/2023	1234	Robson, Darci:Robson Clinic		12,420.98	✔		3,000.00
	DEP	10100 · Checking [split]					
12/15/2023	3009	Ted Customer				10,000.00	13,000.00
	RCPT	-split-					
12/15/2023	3333	EFK Enterprises			✔	10,000.00	23,000.00
	PMT	11000 · Accounts Receivable	Down payment on future invoice				
12/15/2023	3333	EFK Enterprises		10,000.00	✔		13,000.00
	DEP	10100 · Checking [split]	Down payment on future invoice				
12/15/2023	765467	Allard, Robert:Remodel			✔	14,510.00	27,510.00
	PMT	11000 · Accounts Receivable					
12/15/2023	765467	Allard, Robert:Remodel		14,510.00	✔		13,000.00
	DEP	10100 · Checking [split]					

1-Line

Sort by Date, Type, Number/Ref

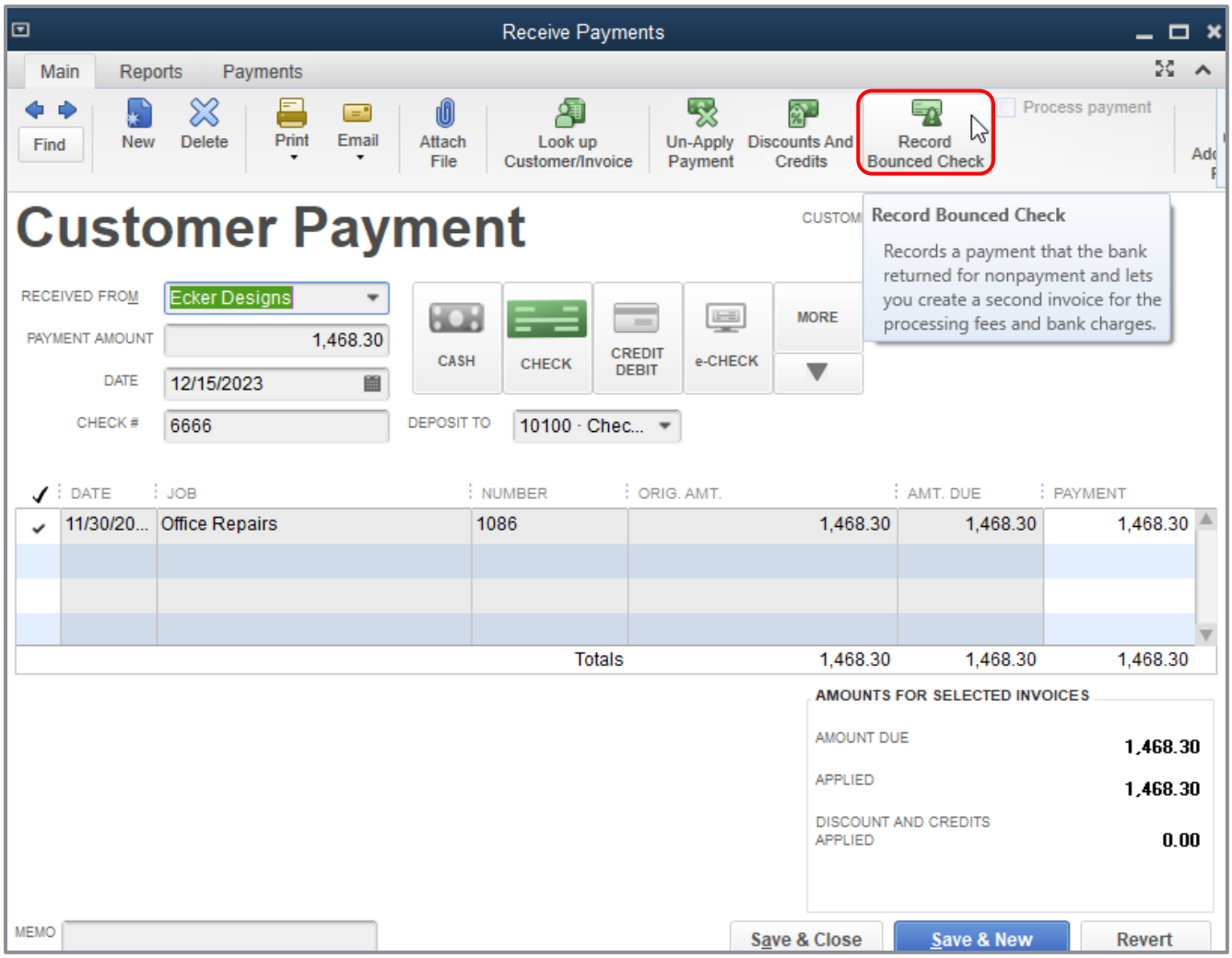
ENDING BALANCE 13,000.00

NOTES

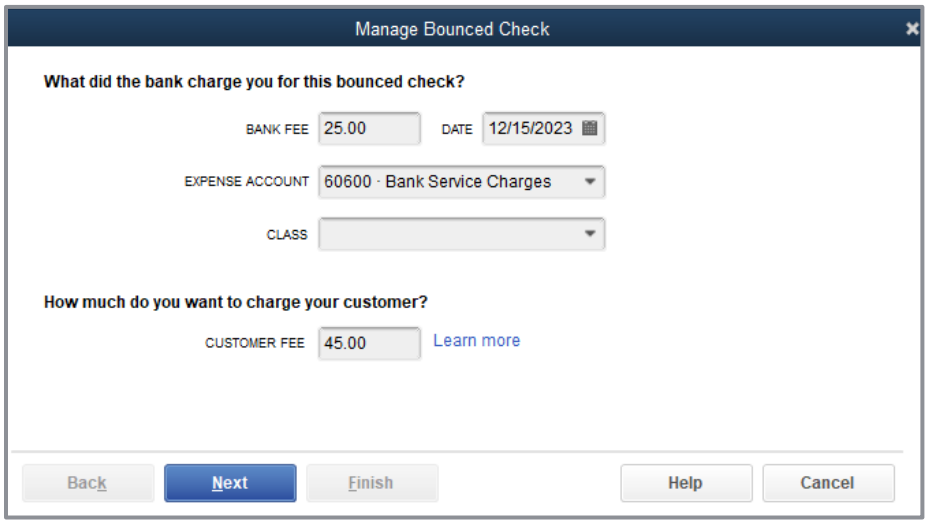
How to Handle a Customer Bounced Check

Step-by-Step: When a Customer Payment Check is Returned by the Bank

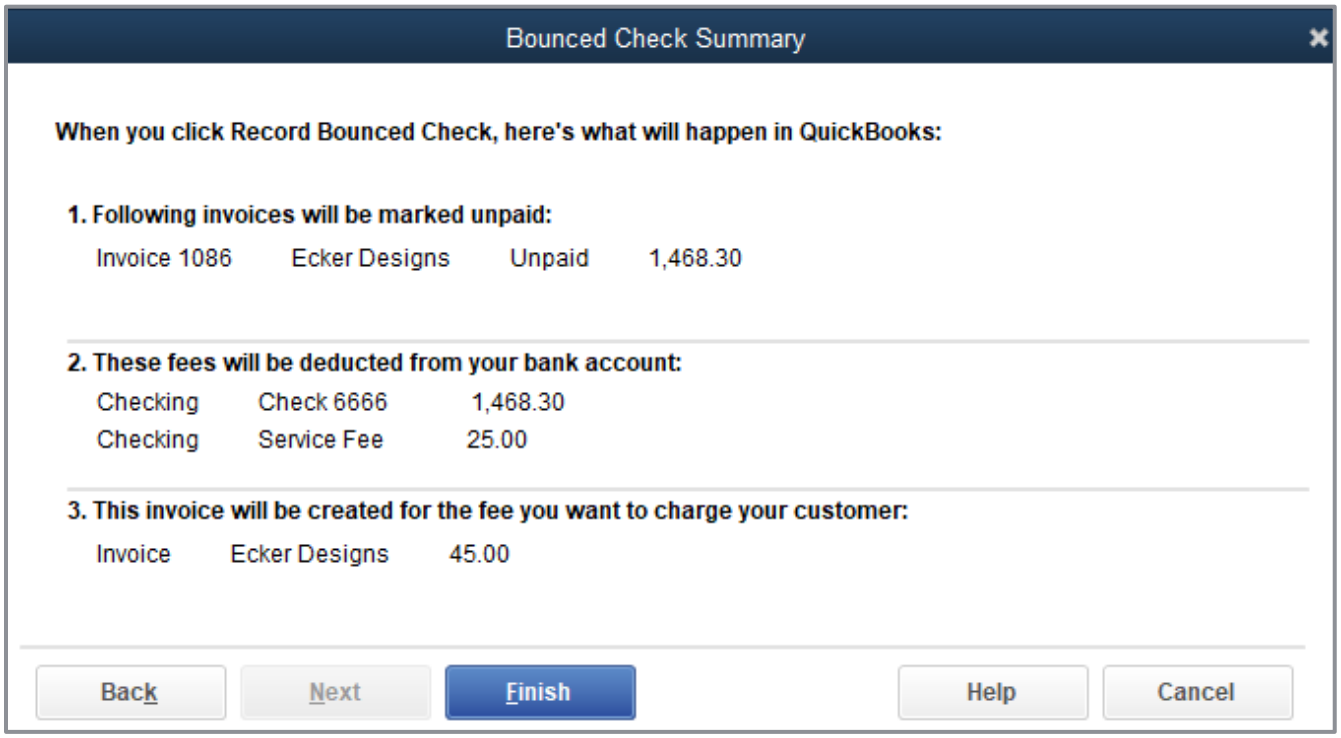
1. Open the **Customer Center** from the Customers drop-down menu (or press **CTRL+j**).
2. Highlight the Customer:Job from the list, then double-click on the payment transaction from the transaction list to open it.
3. Select the **Record Bounced Check** icon.



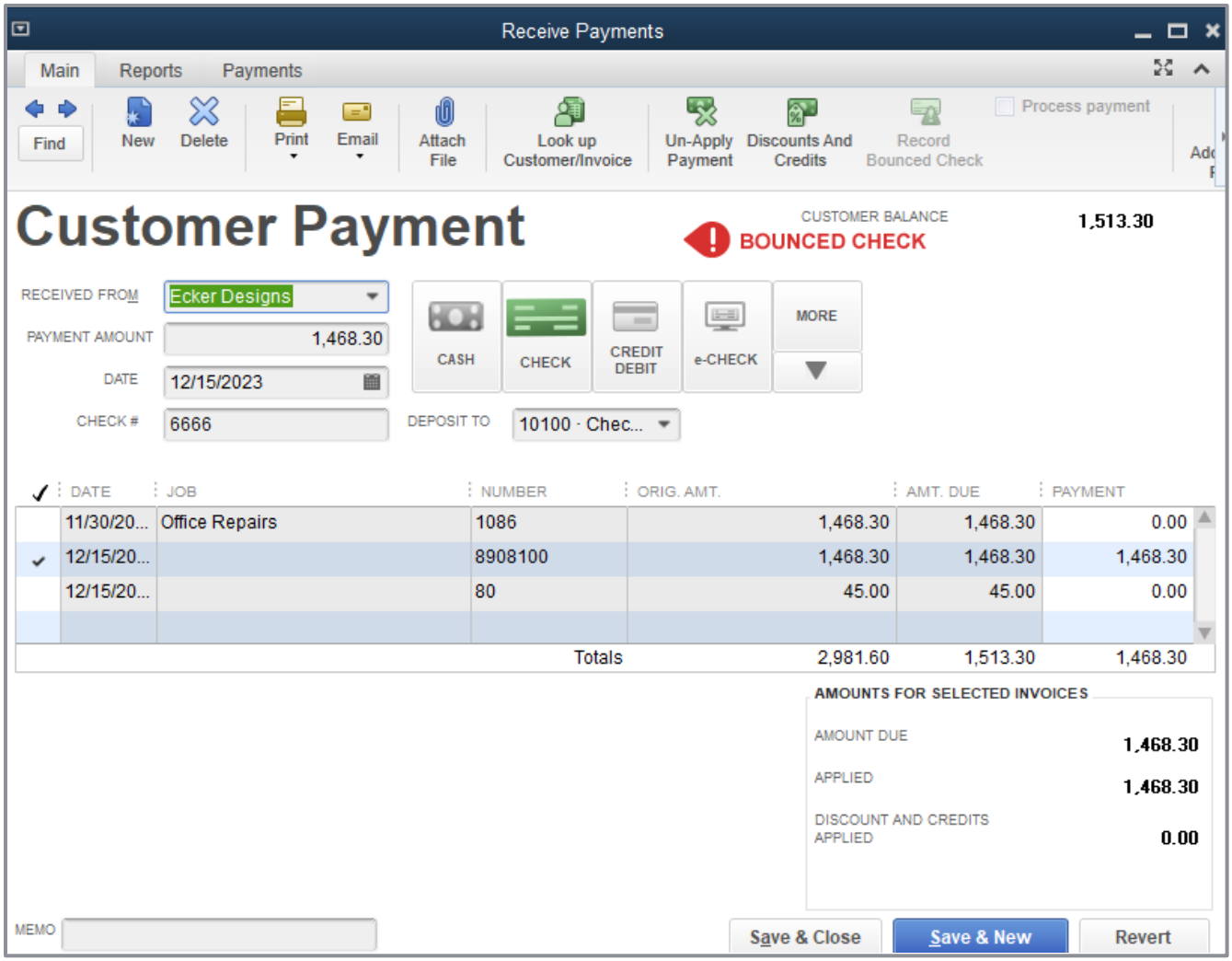
4. Enter any bank fees charged by your bank for the NSF transaction.
5. If you charge your customer a fee for NSF checks, you can enter that as well.



6. Click **Next**.
7. In the Bounced Check Summary, select **Finish**.



8. Notice the Customer Payment screen indicates this check bounced.



9. **Save & Close**.

To see the effect of the bounced check, open the bank register by double-clicking the bank account from your Chart of Accounts (**CTRL**+**a**).

NOTES

Receive Payments & Make 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 you can take to the bank.
   a. True
   b. False

Review Activities

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