



QUICKBOOKS 2016 STUDENT GUIDE

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## Lesson 13

### Estimating and Progress Invoicing

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## 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

## Turning on Estimates and Progress Invoicing

An estimate is a description of work or products you propose to sell to a current or prospective customer. (You might refer to an estimate as a *quote* or a *proposal* or some other term.) 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 choosing a percentage or selected items to invoice. The ability to bill for only a percentage of the estimate or selected items is called progress invoicing.



### To turn on estimates and progress invoicing:

1. Make sure you are signed in to the QuickBooks company as the Admin user. (If other users have been set up on other computers to access the company in multi-user mode, ensure that they are not signed in and that you are in single-user mode.)
2. From the **Edit** menu, choose **Preferences**.
3. Click **Jobs & Estimates** in the left panel.
4. Click the **Company Preferences** tab to display the job and estimate preferences.
5. Click **Yes** after **Do You Create Estimates?**
6. Click the radio button next to **Yes** after **Do You Do Progress Invoicing?**
7. Click **OK** to record your selections then close the Preferences window.



### NOTES

## Creating an Estimate



### To create an estimate from the Customer Center:

1. In the **Customers & Jobs** list, select the name of the customer or job for which you would like to create an estimate.
2. Click the **New Transactions** menu button, and then choose **Estimates**.
3. Complete the form with the items and pricing you would like to show on the estimate.

ITEM	DESCRIPTION	Q...	U/M	C...	AMOUNT	MARKUP	TOTAL	TAX
	See attached specifications for details on below work.							
Appliance	Microwave oven	1		38...	385.00	10.0%	423.50	Tax
Appliance	Trash compactor	1		12...	125.00	10.0%	137.50	Tax
							<b>SUBTOTAL</b>	4,115.00
							<b>MARKUP</b>	60.50
							<b>TAX</b>	49.91
							<b>TOTAL</b>	<b>4,225.41</b>

4. Click **Save & Close** to save the estimate.



**IMPORTANT:** You can also access the Estimates window from the Customers drop-down menu or from the Home screen.



**IMPORTANT:** If you are giving or sending this form to a customer, you may wish to create and choose a template design that reads Quote or Proposal or some other term.

## Creating Multiple Estimates

You can easily create multiple variations of an estimate without having to reenter all of the data. First, 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. In the Main tab at the top of the existing estimate, select **Create a Copy**. (Two other ways of doing this are to right-click in the body of the estimate and choose **Duplicate Estimate** from the list that displays, or use the **Edit** drop-down and select **Duplicate Estimate**).

**Estimate**

DATE: 12/15/2020  
ESTIMATE #: 615

NAME / ADDRESS: Brian Cook, 345 Cherry Lane, Middlefield CA 94482

SHIP TO: Ship To 1, Brian K. Cook, 345 Cherry Lane, Middlefield, CA 94482

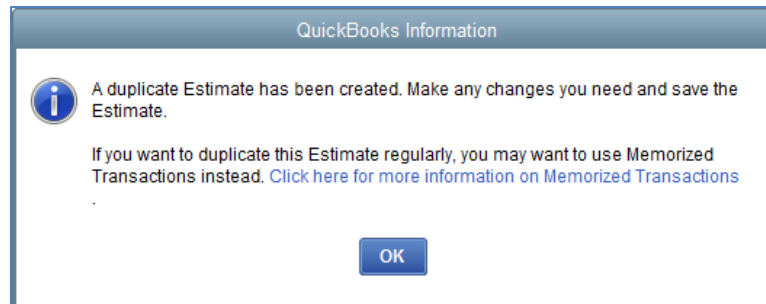
ITEM	DESCRIPTION	Q...	U/M	C...	AMOUNT	MARKUP	TOTAL	TAX
	See attached specifications for details on below work.							
Appliance	Microwave oven	1		38...	385.00	10.0%	423.50	Tax
Appliance	Trash compactor	1		12...	125.00	10.0%	137.50	Tax

SUBTOTAL: 4,115.00  
MARKUP: 60.50  
TAX: San Domingo (7.5%) 49.91  
TOTAL: 4,225.41

RECENT TRANSACTION:

12/15/20 Estimate	4,225.41
12/15/20 Invoice	1,636.69
12/15/20 Invoice	11,662.00
12/11/20 Invoice	5.95
11/25/20 Payment	2,580.00

2. Click **OK** when QuickBooks notifies you the duplicate estimate has been created.



- Modify the duplicated estimate accordingly to create a new, different estimate.

Create Estimates

Main Formatting Send/Ship Reports

Find New Save Delete Create a Copy Memorize Mark As Inactive Print Email Email Later Attach File Create Invoice Create Purchase Order Create Sales Order Start Project

CUSTOMER\_JOB Cook, Brian:Kitchen [Kitchen Upp...] CLASS TEMPLATE Custom Estim...

## Estimate

DATE 12/15/2020 NAME / ADDRESS Brian Cook 345 Cherry Lane Middlefield CA 94482 SHIP TO Ship To 1 Brian K. Cook 345 Cherry Lane Middlefield, CA 94482

ESTIMATE # 616

ITEM	DESCRIPTION	QTY	U/M	COST	AMOUNT	MARK...	TOTAL	TAX
	See attached specifications for details on below work.							
Appliance	Microwave oven	2		385.00	770.00	10.0%	847.00	Tax
Appliance	Trash compactor	5		125.00	625.00	10.0%	687.50	Tax

SUBTOTAL 5,000.00  
MARKUP 149.00  
TAX San Domingo (7.5%) 122.93  
TOTAL 5,271.93

CUSTOMER MESSAGE

MEMO CUSTOMER TAX CODE Tax

Save & Close Save & New Clear

Cook, Brian:Kitchen

Customer Transaction

**SUMMARY**

Phone 415-555-2248  
Email bcook@samplename.com  
Open balance 15,641.33  
Active estimates 3  
Sales Orders to be invoiced 0  
Unbilled time and expenses: 3,410.00

**RECENT TRANSACTION**

12/15/20 Estimate 4,225.41  
12/15/20 Invoice 1,636.69  
12/15/20 Invoice 11,662.00  
12/11/20 Invoice 5.95  
11/25/20 Payment 2,580.00

**NOTES**

- 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 you complete in phases. When using progress invoicing, you start by creating an estimate for the job (which you may or may not give to the customer). Then, as you complete each phase, you can easily transfer items from the original estimate to an invoice.



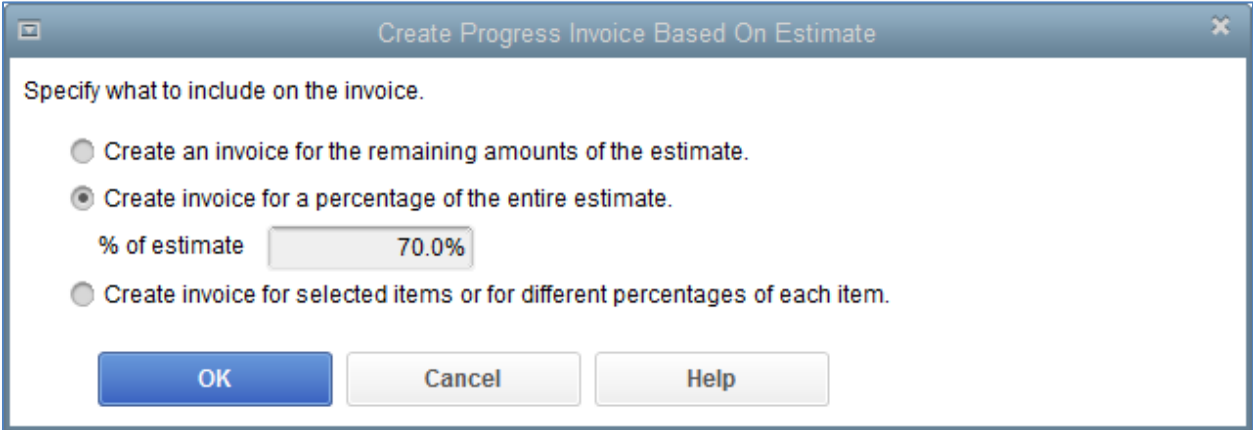
### To create an invoice from an estimate:

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

DATE	AMOUNT	CUSTOMER:JOB	EST. NO.
10/11/2020	8,941.69	Cook, Brian:Kitch...	604
11/17/2020	4,225.41	Cook, Brian:Kitch...	610
12/15/2020	4,225.41	Cook, Brian:Kitch...	615
12/15/2020	5,271.93	Cook, Brian:Kitch...	616

5. Select the estimate your customer accepted, and then click **OK**.

6. Select **Create invoice for a percentage of the entire estimate**.
7. Enter the percentage you wish to bill for in the **% of estimate** field.



Specify what to include on the invoice.

Create an invoice for the remaining amounts of the estimate.

Create invoice for a percentage of the entire estimate.

% of estimate

Create invoice for selected items or for different percentages of each item.

OK Cancel Help

8. Click **OK**.
9. If you see a Billable Time/Costs pop-up that indicates that the customer or job you've selected has outstanding billable time and/or costs, select the radio button next to **Exclude outstanding billable...** and select **OK**.
10. You may choose to use a different invoice template for progress invoices, in which case you would select the appropriate template from the **Template** drop-down.
11. Click **Save & Close** to record the invoice.
12. Close the Customer Center.



**IMPORTANT:** You can also access the Invoice window from the **Customers** drop-down menu, from the **Home** screen, or by selecting **Ctrl+I**.

## 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
<b>Abercrombie, Kristy</b>						
<b>Remodel Bathroom</b>						
Estimate	10/30/2020	606	✓	3,114.00	0.00	0.0%
Estimate	12/12/2020	613		7,676.13	7,633.28	99.44%
<b>Cook, Brian</b>						
<b>2nd story addition</b>						
Estimate	10/11/2020	605	✓	22,427.44	0.00	0.0%
<b>Kitchen</b>						
Estimate	10/11/2020	604	✓	8,941.69	1,636.69	18.30%
Estimate	11/17/2020	610	✓	4,225.41	0.00	0.0%
Estimate	12/15/2020	615	✓	4,225.41	0.00	0.0%
Estimate	12/15/2020	616	✓	5,271.93	3,690.35	70.0%
<b>Craven, Pam</b>						
<b>Duct Work</b>						
Estimate	05/21/2020	602		602.40	946.80	157.17%
<b>Ecker Designs</b>						
<b>Office Repairs</b>						
Estimate	11/16/2020	609	✓	5,828.80	0.00	0.0%
<b>Jacobsen, Doug</b>						
<b>Poolhouse</b>						
Estimate	12/05/2020	612		6,323.50	0.00	0.0%
<b>Melton, Johnny</b>						
<b>Dental Office</b>						

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 Office Remodel is no longer pending: Wilma Nelson awarded you the job and you have started work.



### To update the status of a job:

1. Click **Customers** on the icon bar.
2. In the **Customers & Jobs** list, select the Customer:job with which you wish to work.
3. Right-click to select **Edit Customer:Job**.
4. Click the **Job Info** tab.
5. In the **Job Status** field, select **In progress**.

The screenshot shows the 'Edit Job' dialog box. The 'JOB NAME' field contains 'Office Remodel' and the 'CUSTOMER' dropdown is set to 'Nelson, Wilma'. The 'CURRENT BALANCE' is displayed as '11,662.00'. The 'JOB STATUS' dropdown menu is open, showing 'In progress' selected. The 'JOB TYPE' is set to 'Remodel'. There are also fields for 'START DATE', 'PROJECTED END DATE', and 'END DATE', each with a calendar icon. At the bottom, there are 'OK', 'Cancel', and 'Help' buttons.

6. Click **OK**.
7. Close the Customer Center.



### NOTES

## Making Estimates Inactive

Once a customer has accepted one of the estimates for the job and you have started work, you might want to make any unaccepted estimates for this job inactive. When you make an estimate inactive, QuickBooks keeps a record of it but does not use the numbers in reports. (This is not the same as deleting it; deleting an estimate will remove the record from QuickBooks.)



### To mark an estimate inactive:

1. From the **Customer Center**, open the estimate you wish to inactivate.
2. Click the **Mark as Inactive** icon at the top of the estimate.
3. Click **Save & Close**.



### NOTES

## Estimating & 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