



QUICKBOOKS 2016 STUDENT GUIDE

Lesson 7

Receiving Payments & Making Deposits

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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 learn how to handle customer bounced checks
- ◆ To see how to record a deposit in QuickBooks and how QuickBooks treats the deposit behind the scenes
- ◆ To learn how to enter cash back from a deposit in QuickBooks

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**. (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, and then press **Tab**.
6. Enter the reference number for the payment, if applicable.
7. Place a check mark next to the invoices in the grid to which you are applying the payment. (Unless Automatically apply payments has been chosen in **Edit → Preferences → Payments → Company Preferences**. In that case, you can remove checkmarks and add your own if the automatic application of payment doesn't suit your needs.)

Customer Payment CUSTOMER BALANCE 27,489.95

RECEIVED FROM: Teschner, Anton

PAYMENT AMOUNT: 4,165.95

DATE: 12/15/2020

CHECK #: 3434

Where does this payment go?

DATE	JOB	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
✓ 11/28/2020	Sun Room	1085	8,305.95	4,065.95	4,065.95
✓ 12/15/2020	Sun Room	1106	100.00	100.00	100.00
12/15/2020		1254	11,662.00	11,662.00	0.00
Totals			31,729.95	27,489.95	4,165.95

AMOUNTS FOR SELECTED INVOICES

AMOUNT DUE 4,165.95

APPLIED 4,165.95

DISCOUNT AND CREDITS APPLIED 0.00

MEMO: _____

Save & Close Save & New Clear

8. Click **Save & Close**.



NOTES

Entering a Partial Payment



To 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, and then press **Tab**.
6. Enter the reference number for the payment, if applicable.
7. Place a check mark next to the invoices in the grid to which you are applying the payment. (Unless Automatically apply payments has been chosen in **Edit → Preferences → Payments → Company Preferences**. In that case, 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.
9. Leave the **Leave this as an underpayment** option selected.
10. Click **Save & Close** to record the partial payment.



NOTES

Applying One Payment to Multiple Jobs



To apply one payment to multiple jobs:

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, and then press **Tab**.
6. Enter the reference number for the payment, if applicable.
7. Place a check mark next to the invoices in the grid to which you are applying the payment. (Unless Automatically apply payments has been chosen in **Edit → Preferences → Payments → Company Preferences**. In that case, 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.

Customer Payment CUSTOMER BALANCE 41,262.50

RECEIVED FROM: Pretell Real Estate

PAYMENT AMOUNT: 6,276.50

DATE: 12/15/2020

CHECK #: 365

Where does this payment go?

✓	DATE	JOB	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT	
✓	10/10/2020	155 Wilks Blvd.	1065		3,439.00	3,439.00	
✓	11/15/2020	155 Wilks Blvd.	1074		1,072.50	1,072.50	
✓	12/10/2020	155 Wilks Blvd.	1090		1,715.00	1,715.00	
Totals					41,262.50	41,262.50	6,276.50

AMOUNTS FOR SELECTED INVOICES

AMOUNT DUE **6,276.50**

APPLIED **6,276.50**

DISCOUNT AND CREDITS APPLIED **0.00**

MEMO:

8. Click **Save & Close**.



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. 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, and then press **Tab**.
5. Enter the reference number for the payment, if applicable.
6. Place a check mark next to the invoices in the grid to which you are applying the payment. (Unless Automatically apply payments has been chosen in **Edit → Preferences → Payments → Company Preferences**. In that case, 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. 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.
 - b. Click **OK**.

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 in 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 in Accounts Receivable 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:

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, and then press **Tab**.
5. Enter the reference number for the payment, if applicable.
6. Ensure that no invoices are selected for applying the payment.

7. Leave the **Leave the credit to be used later** option selected.
8. Click **Save & Close**.
9. In the **Payment Credit** window that appears, click **OK**.



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 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 **Main** tab 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.

Apply Credits

INVOICE

Customer:Job	EFK Enterprises		
Number	1269	Amount Due	1,400.00
Date	12/15/2020	Discount Used	0.00
Original Amt.	1,400.00	Credits Used	1,400.00
		Balance Due	0.00

Credits

AVAILABLE CREDITS

<input checked="" type="checkbox"/>	DATE	CREDIT NO.	CREDIT AMT.	AMT. TO USE	CREDIT BALANCE
<input checked="" type="checkbox"/>	12/15/2020	3333	10,000.00	1,400.00	8,600.00
Totals			10,000.00	1,400.00	8,600.00

Of all the credits issued to this customer, only unused credits applicable to this specific invoice are displayed above.

PREVIOUSLY APPLIED CREDITS

<input checked="" type="checkbox"/>	DATE	CREDIT NO.	CREDIT AMT.	AMT. TO USE	CREDIT BALANCE
Totals			0.00	0.00	0.00

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

The screenshot shows the 'Create Invoices' window in QuickBooks. The invoice is for 'EFK Enterprises' with invoice number 1269, dated 12/15/2020. The invoice is marked as 'PAID' on 12/15/2020. The item 'Removal labor' has a quantity of 40, a rate of 35.00, and a total amount of 1,400.00. The tax is San Tomas (7.75%) with an amount of 0.00. The total amount is 1,400.00, and the payments applied are 1,400.00, resulting in a balance due of 0.00, which is highlighted with a red box. The right sidebar shows a summary of the customer's account, including a recent transaction of 10,000.00 payment.

ITEM	DESCRIPTION	QUANTI...	U/M	RATE	AMOUNT	TAX
Removal	Removal labor	40		35.00	1,400.00	Non

TOTAL 1,400.00
 PAYMENTS APPLIED 1,400.00
 BALANCE DUE 0.00

RECENT TRANSACTION
 12/15/20 Invoice - Paid 1,400.00
 12/15/20 Payment 10,000.00

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



NOTES

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

Payments to Deposit

SELECT VIEW

View payment method type: All types [What are payment method views?](#)

Sort payments by: Payment Method

SELECT PAYMENTS TO DEPOSIT

✓	DATE	TIME	TYPE	NO.	PAYMENT METHOD	NAME	AMOUNT
	12/15/2020		PMT	1234	Check	Allard, Robert:Remodel	14,510.00
✓	12/15/2020		PMT		Check	Burch, Jason:Room Addi...	1,005.00
✓	12/15/2020		PMT	3434	Check	Teschner, Anton	4,165.95
✓	12/15/2020		PMT	365	Check	Pretell Real Estate	10,000.00
	12/15/2020		PMT	3333	Check	EFK Enterprises	10,000.00

3 of 5 payments selected for deposit

Payments Subtotal 15,170.95

Select All Select None

OK Cancel Help

- Click **OK**.

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

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.

This is the register where QuickBooks records all payments posted to Undeposited Funds.

DATE	REF	PAYEE	DECREASE	INCREASE	BALANCE
	TYPE	ACCOUNT			
12/15/2020	365	Pretell Real Estate	10,000.00		-3,000.00
	DEP	10100 - Checking [split]			
12/15/2020	986	Jacobsen, Doug.Kitchen	2,000.00		-5,000.00
	DEP	10100 - Checking [split]			
12/15/2020	1234	Allard, RobertRemodel		14,510.00	9,510.00
	PMT	11000 - Accounts Receivable			
12/15/2020	3009	EFK		5,000.00	14,510.00
	RCPT	-split-			
12/15/2020	3333	EFK Enterprises		10,000.00	24,510.00
	PMT	11000 - Accounts Receivable			
12/15/2020	3434	Teschner, Anton		4,165.95	28,675.95
	PMT	11000 - Accounts Receivable			
12/15/2020	3434	Teschner, Anton	4,165.95		24,510.00
	DEP	10100 - Checking [split]			
ENDING BALANCE					24,510.00

1-Line
 Sort by Date, Type, Number/Ref



NOTES

How to Handle a Customer Bounced Check



When a Customer Payment check is returned by the bank:

1. Open the **Customer Center** from the **Customer** 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 .

Customer Payment CUSTOMER BALANCE **12,667.00**

RECEIVED FROM: Burch, Jason:Room ...

PAYMENT AMOUNT: 1,005.00

DATE: 12/15/2020

CHECK #

Where does this payment go?

DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
11/25/2020	1083		1,005.00	1,005.00
12/15/2020	1143		11,662.00	0.00
Totals			12,667.00	1,005.00

AMOUNTS FOR SELECTED INVOICES

AMOUNT DUE	1,005.00
APPLIED	1,005.00
DISCOUNT AND CREDITS APPLIED	0.00

MEMO

Save & Close Save & New Revert

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

Manage Bounced Check

What did the bank charge you for this bounced check?

BANK FEE DATE

EXPENSE ACCOUNT

CLASS

How much do you want to charge your customer?

CUSTOMER FEE [Learn more](#)

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

Bounced Check Summary

When you click Record Bounced Check, here's what will happen in QuickBooks:

1. Following invoices will be marked unpaid:

Invoice 1086	Office Repairs	Unpaid	1,000.00
--------------	----------------	--------	----------

2. These fees will be deducted from your bank account:

Master Checking Account	Check 5678	1,000.00
Master Checking Account	Service Fee	10.00

3. This invoice will be created for the fee you want to charge your customer:

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

Customer Payment ! BOUNCED CHECK CUSTOMER BALANCE 12,692.00

RECEIVED FROM: Jason:Room Addition
 PAYMENT AMOUNT: 1,005.00
 DATE: 12/15/2020
 CHECK #:

DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
11/25/2020	1083		1,005.00	1,005.00
12/15/2020	1143		11,662.00	11,662.00
12/15/2020	bounce		1,005.00	1,005.00
12/15/2020	1270		25.00	25.00
Totals			13,697.00	12,692.00

AMOUNTS FOR SELECTED INVOICES

AMOUNT DUE **1,005.00**

APPLIED **1,005.00**

DISCOUNT AND CREDITS APPLIED **0.00**

MEMO:

9. **Save & Close.**

10. 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

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 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