QUICKBOOKS DESKTOP 2021 CLIENT TRAINING

Lesson 13

Estimates and Progress Invoicing

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Esther Friedberg Karp is an internationally renowned trainer, writer, business consultant and speaker who has been repeatedly listed as one of Insightful Accountant's Top 100 QuickBooks ProAdvisors in the world. She has also been named to their Top 10 list on two occasions: as Top International ProAdvisor and Top Trainer/Writer ProAdvisor.

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Business Services

Lesson Objectives

- Learn how to create job estimates
- Find an estimate in a data file
- Learn to duplicate an existing estimate
- Create an invoice from an estimate
- Display project reports for estimates
- Update a job's status
- Make an estimate inactive

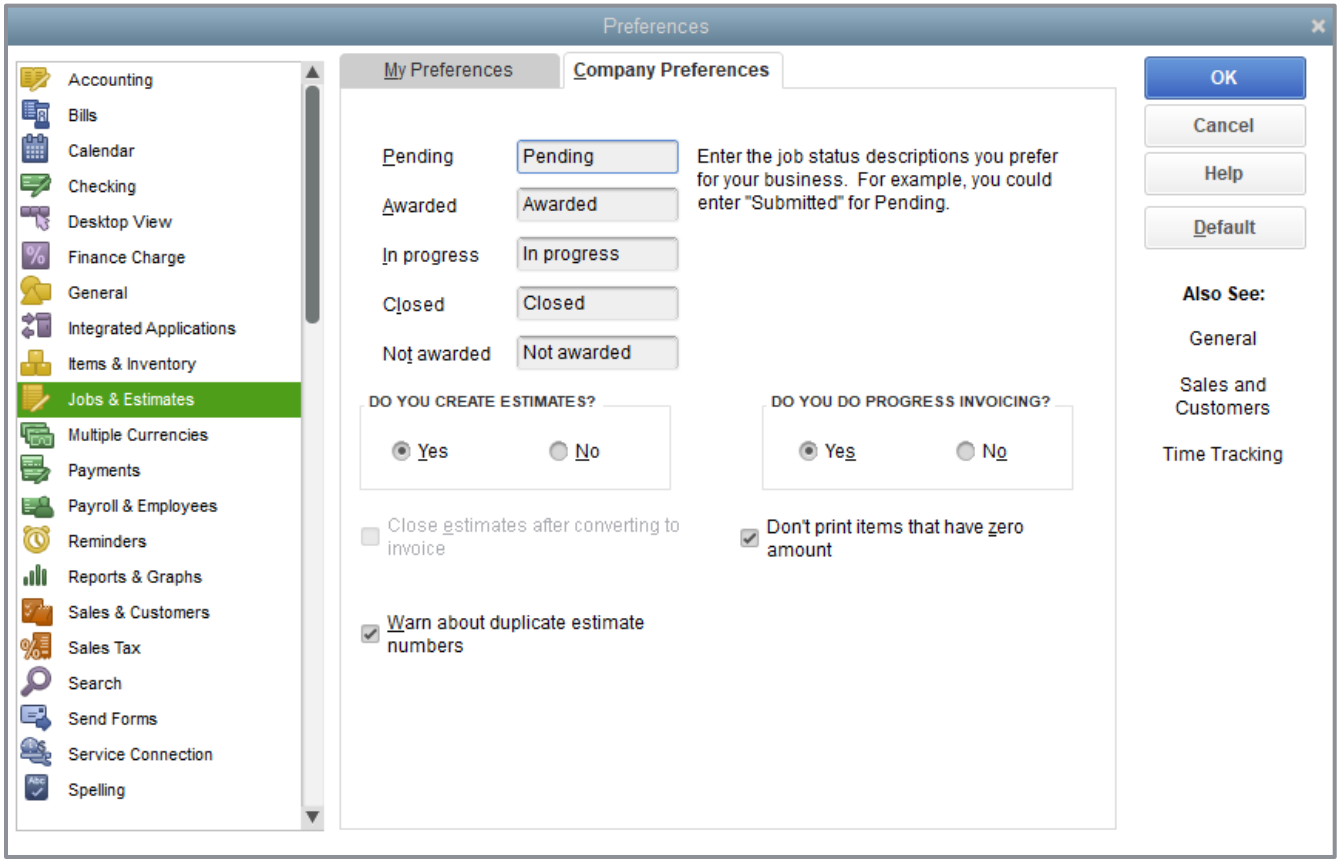
Turn on Estimates and Progress Invoicing

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, 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. Although they are recorded in QuickBooks, 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*.

Step-by-Step: Turn on Estimates and Progress Invoicing

1. Make sure you are signed into 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 they are not signed in and 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 Jobs & Estimate preferences.
5. Click **Yes** after Do You Create Estimates?
6. Click **Yes** after Do You Do Progress Invoicing?
7. Click **OK** to record your selections then close the Preferences window.

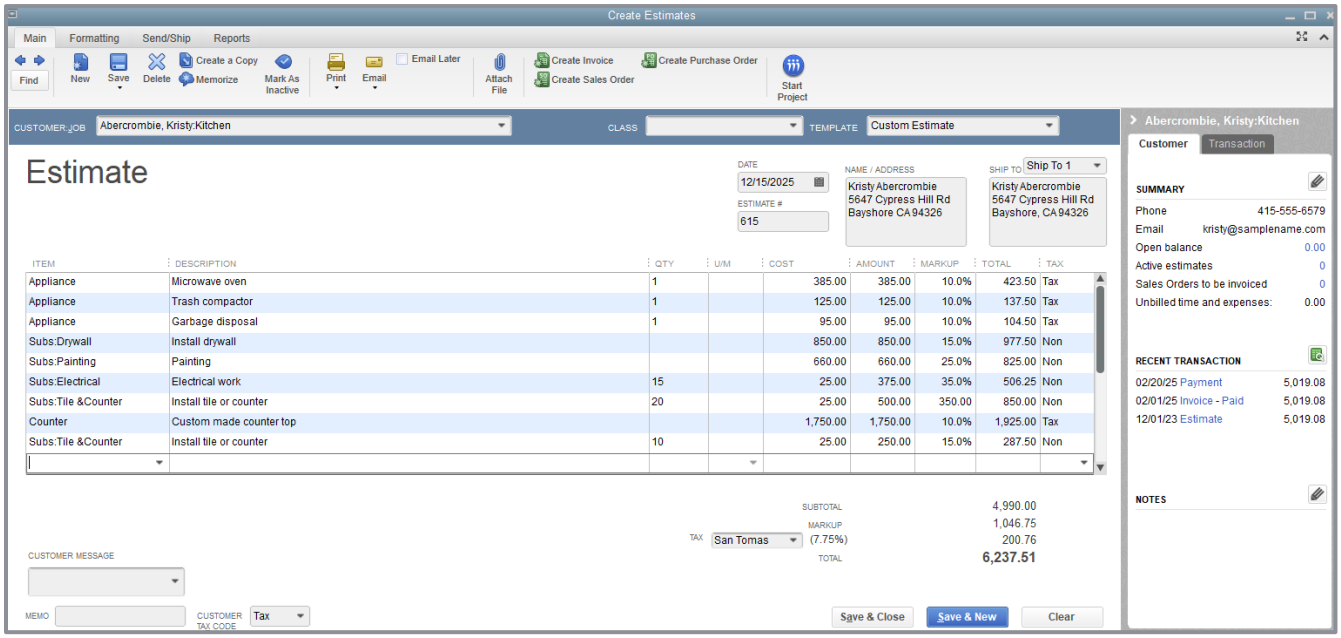

Preferences
Accounting
Bills
Calendar
Checking
Desktop View
Finance Charge
General
Integrated Applications
Items & Inventory
Jobs & Estimates
Multiple Currencies
Payments
Payroll & Employees
Reminders
Reports & Graphs
Sales & Customers
Sales Tax
Search
Send Forms
Service Connection
Spelling
My Preferences
Company Preferences
Pending
Pending
Awarded
Awarded
In progress
In progress
Closed
Closed
Not awarded
Not awarded
Enter the job status descriptions you prefer for your business. For example, you could enter "Submitted" for Pending.
DO YOU CREATE ESTIMATES?
Yes
No
DO YOU DO PROGRESS INVOICING?
Yes
No
Close estimates after converting to invoice
Don't print items that have zero amount
Warn about duplicate estimate numbers
OK
Cancel
Help
Default
Also See:
General
Sales and Customers
Time Tracking

NOTES

Create an Estimate

Step-by-Step: Create an Estimate from the Customer Center

1. In the Customers & Jobs list of the Customer Center, select the name of the customer or job for which you would like to create an estimate.
2. Right-click on that name and select **Create Estimates**.
3. Complete the form with the items and pricing you would like to appear on the estimate.



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.*

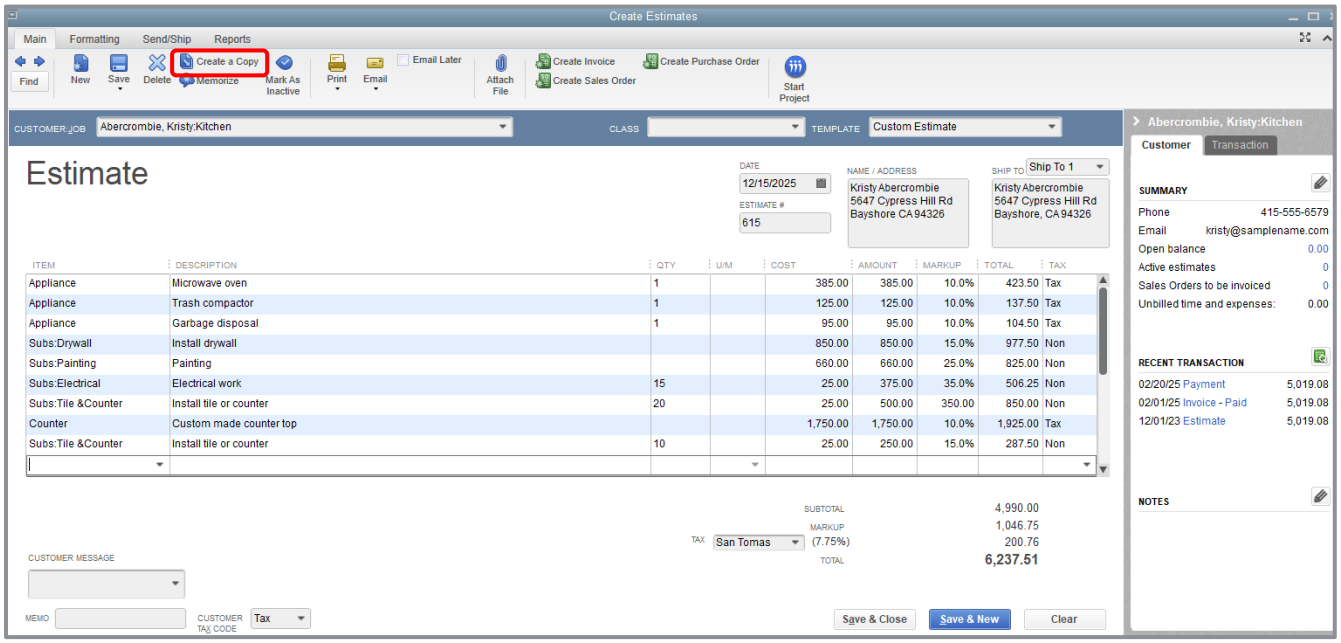
NOTES

Create Multiple Estimates

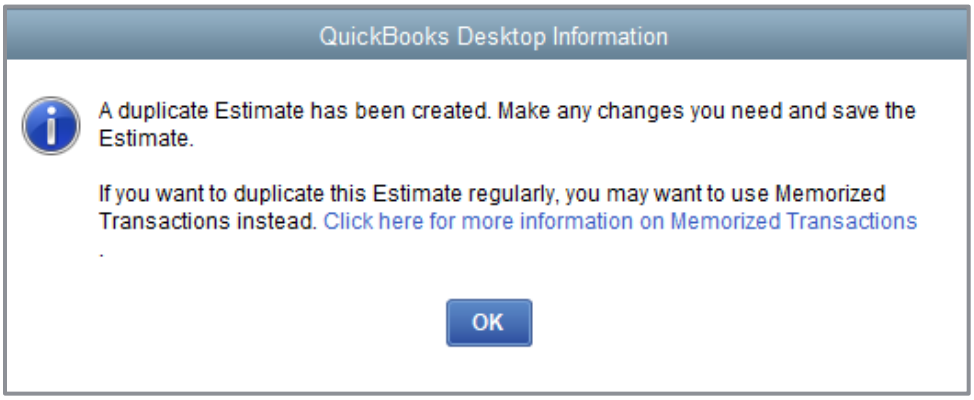
You can easily create multiple variations of an estimate without having to reenter all the data. First, create a duplicate of the estimate, then make the modifications necessary for the second bid.

Step-by-Step: Create a Duplicate of an Existing Estimate

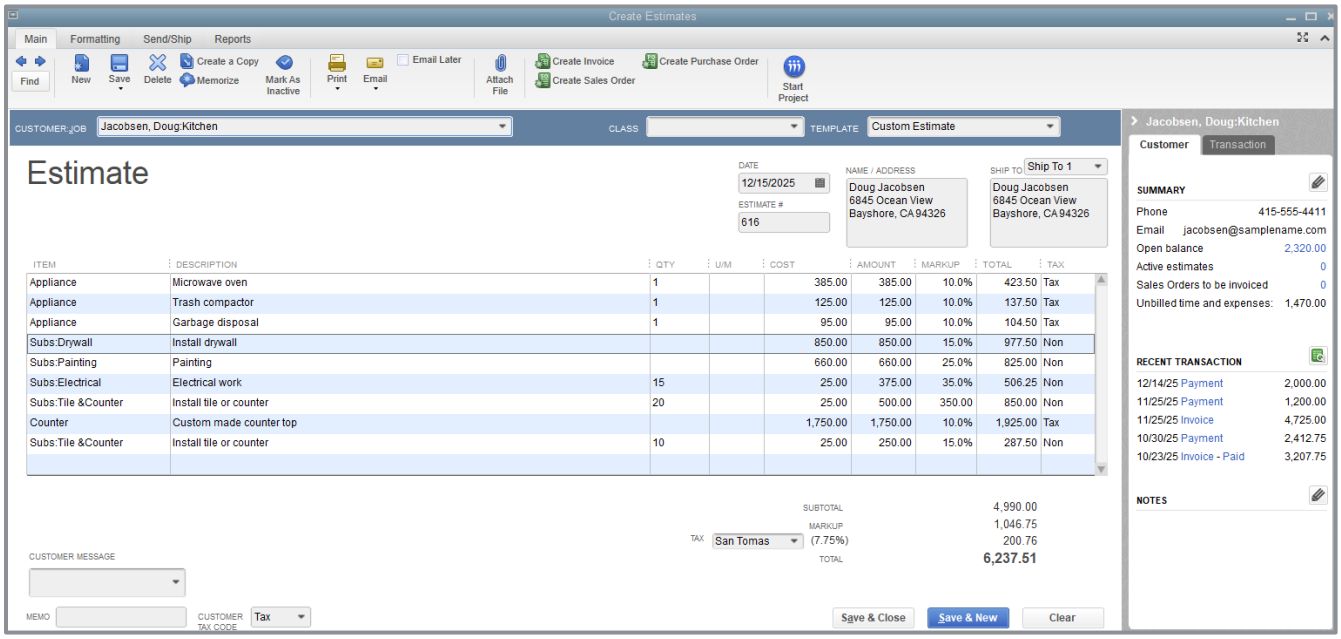
1. In the Main tab at the top of the existing estimate, select **Create a Copy**. (Two other ways to do this are to right-click on any blank area in the body of the estimate and choose **Duplicate Estimate**, or use the **Edit** drop-down and select **Duplicate Estimate**.)



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



3. Modify the duplicate estimate accordingly to create a new, different estimate (in this case, the customer and job were changed).



4. Click **Save & Close**.

NOTES

Create 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.

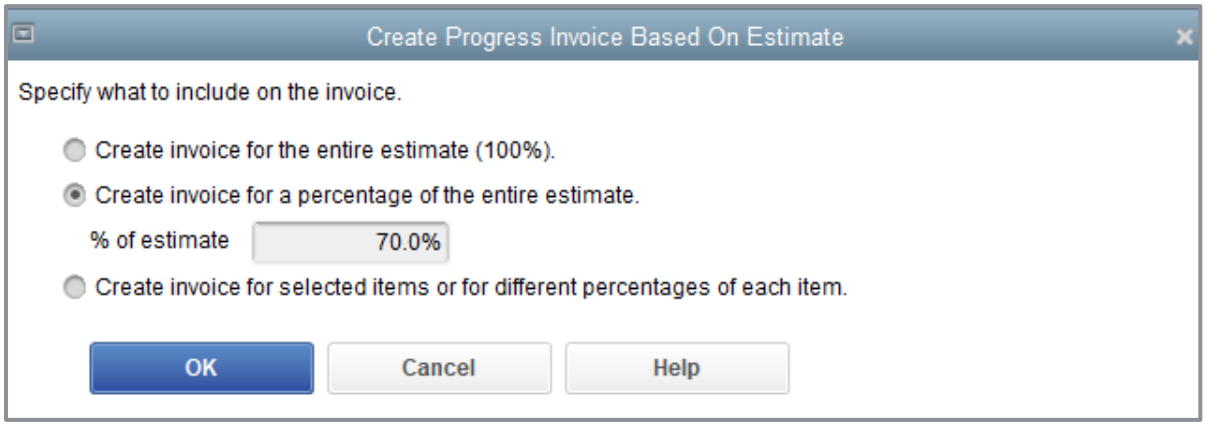
Progress invoicing (also known as progress billing) lets you invoice for jobs you complete in phases. When you use progress invoicing, you first create an estimate for the job (which you might or might not give to the customer, depending on your needs – some QuickBooks users use estimates for internal purposes only). Then, as you complete each phase, you can easily transfer items from the estimate to an invoice.

Step-by-Step: Create an Invoice from an Estimate

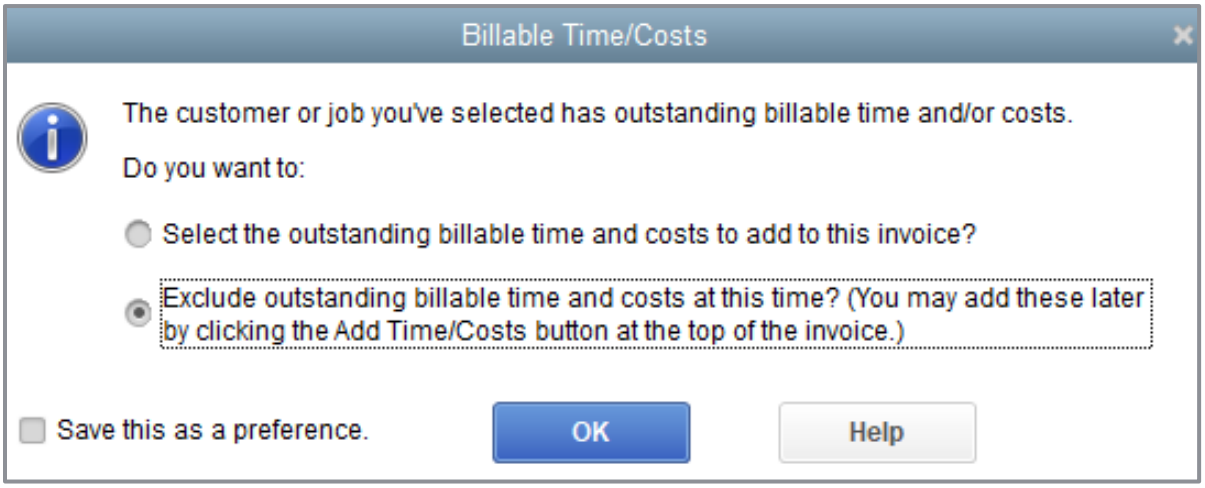
1. Click **Customers** on the menu bar.
2. In the Customers & Jobs list, choose the Customer:Job you wish to progress bill.
3. Right-click on that name and select **Create Invoices**.
4. Press **Tab** to leave the Customer:Job field. The Available Estimates window appears.

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

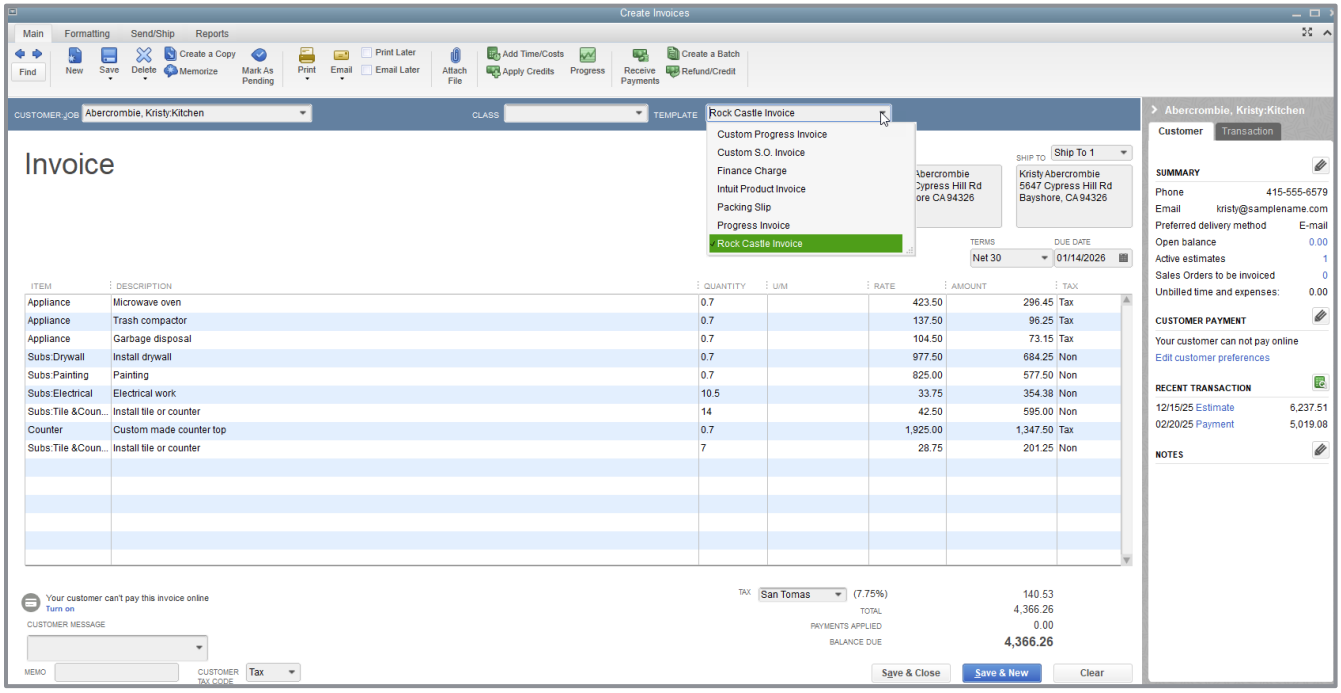
6. Select **Create invoice for a percentage of the entire estimate**.
7. Enter the percentage you wish to bill for in the **% of estimate** field.



8. Click **OK**.
9. Since you are invoicing from the estimate, you probably don't want to include any billable items or costs. If the Billable Time/Costs window appears, choose **Exclude outstanding billable time and costs at this time? (You may add these later by clicking the Add Time/Costs button at the top of the invoice.)** Click **OK**.



10. You may choose to use a different invoice template for progress invoices, in which case select the appropriate template from the **Template** drop-down.



11. Make any edits (such as the date, adding a memo, etc.). Select **Save & Close**.

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****.*

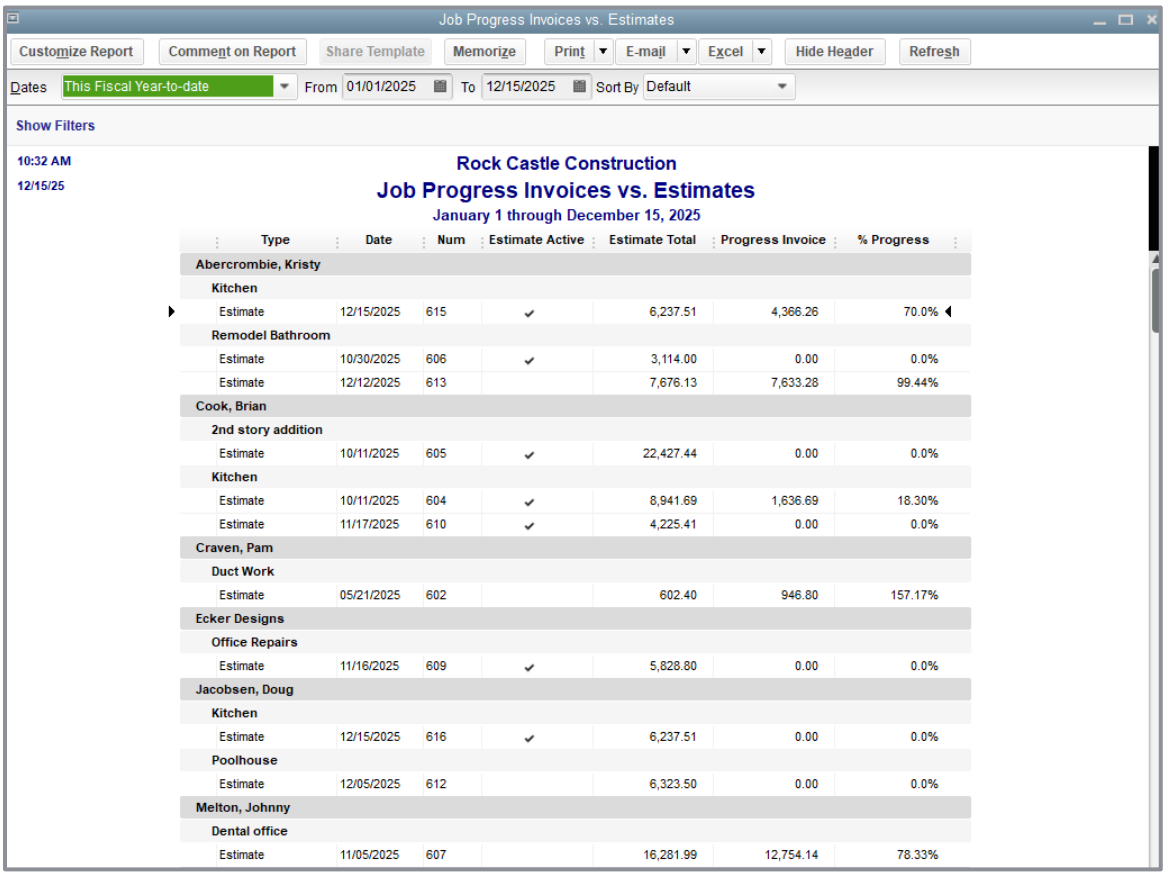
NOTES

Display 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.

Step-by-Step: Display the Job Progress Invoices vs. Estimates Report

1. From the Reports menu, choose **Jobs, Time & Mileage**.
2. Choose **Job Progress Invoices vs. Estimates**. (The default date range is This Fiscal Year-to-date. Change that if necessary. You can even choose **All**.)



Type	Date	Num	Estimate Active	Estimate Total	Progress Invoice	% Progress
Abercrombie, Kristy						
Kitchen						
Estimate	12/15/2025	615	✓	6,237.51	4,366.26	70.0%
Remodel Bathroom						
Estimate	10/30/2025	606	✓	3,114.00	0.00	0.0%
Estimate	12/12/2025	613		7,676.13	7,633.28	99.44%
Cook, Brian						
2nd story addition						
Estimate	10/11/2025	605	✓	22,427.44	0.00	0.0%
Kitchen						
Estimate	10/11/2025	604	✓	8,941.69	1,636.69	18.30%
Estimate	11/17/2025	610	✓	4,225.41	0.00	0.0%
Craven, Pam						
Duct Work						
Estimate	05/21/2025	602		602.40	946.80	157.17%
Ecker Designs						
Office Repairs						
Estimate	11/16/2025	609	✓	5,828.80	0.00	0.0%
Jacobsen, Doug						
Kitchen						
Estimate	12/15/2025	616	✓	6,237.51	0.00	0.0%
Poolhouse						
Estimate	12/05/2025	612		6,323.50	0.00	0.0%
Melton, Johnny						
Dental office						
Estimate	11/05/2025	607		16,281.99	12,754.14	78.33%

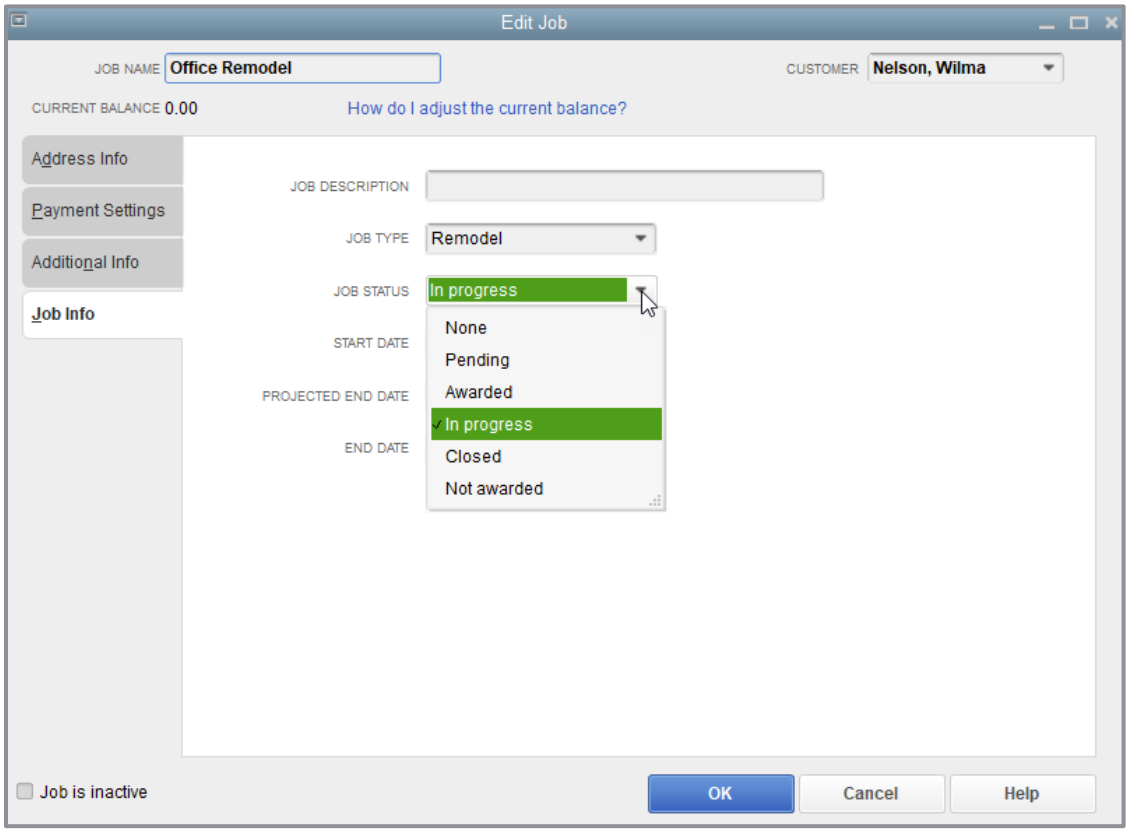
3. Close the report window.

Update Job Status

Every time you change the status of a job, you should update its 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.

Step-by-Step: 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**.



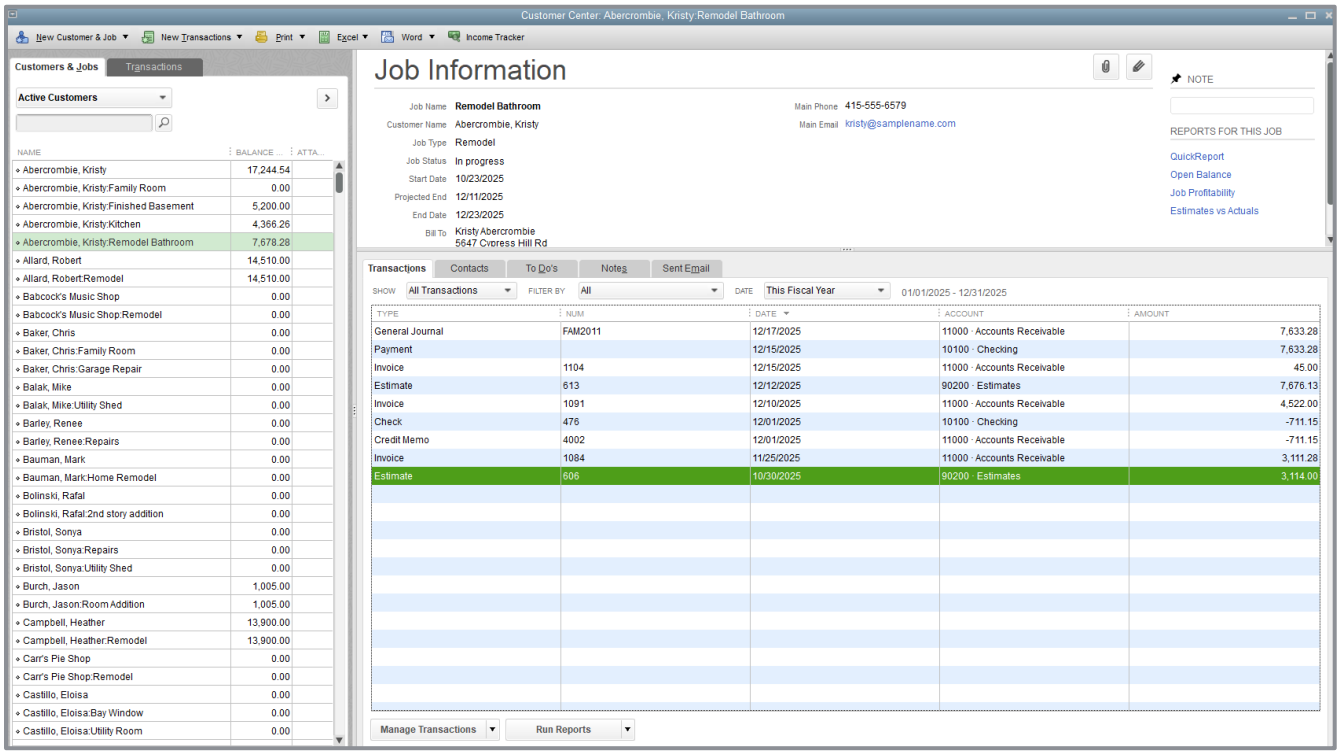
6. Enter the **Start Date**.
7. Enter the **Projected End Date**.
8. Click **OK**.
9. Close the Customer Center.

Make Estimates Inactive

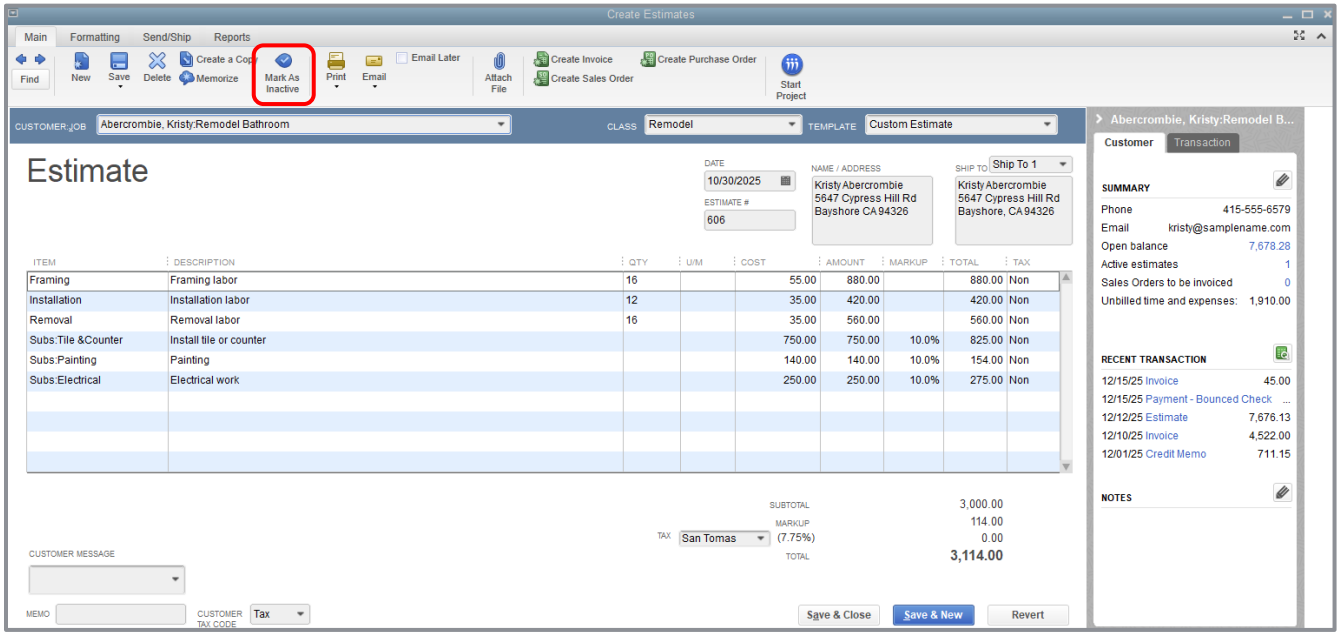
Once a customer has accepted one of the estimates for the job and you have started work, you might want to make any unaccepted estimates for this job inactive. When you make an estimate inactive, QuickBooks keeps a record of it but does not use the numbers in reports. (This is not the same as deleting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

Step-by-Step: Mark an Estimate Inactive

1. From the Customer Center, find the relevant Customer:Job, and in the Transactions Tab on the left, double-click on and open the estimate you wish to inactivate.



2. Click the **Mark as Inactive** icon at the top of the estimate in the Main tab of the ribbon. (If you click that icon in error, it turns into the Mark as Active icon, which you can click to undo your action.)



3. Click **Save & Close**.

NOTES

Estimates and 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

Use Rock Castle Construction (sample product-based company) to do these 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