QuickBooks® for Contractors

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QUICKBOOKS FOR CONTRACTORS

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SECTION OBJECTIVES

- To edit the company chart of accounts
- To add a new customer to the Customer:Job list
- To add a new vendor to the Vendor list
- To learn about custom fields, and to practice adding custom fields
- To see how to manage lists in QuickBooks

USING QUICKBOOKS LISTS

QuickBooks lists organize a wide variety of information, including data on customers, vendors, inventory items, and more. Lists save you time by helping you enter information consistently and correctly. When you store information on a list, you enter it once and never need to retype it. Think about how much information you use more than once in your business:

- Names, addresses, and other information about customers who purchase from you on a regular basis
- Contact information for vendors from whom you purchase your supplies
- Descriptions and prices for products or services you sell again and again

Simply enter repetitive information into a list once, and then use it over and over on checks, on invoice forms, and other daily transactions. You don't have to enter all the information for your company lists before you begin working with QuickBooks. You can add information to lists as you go along.

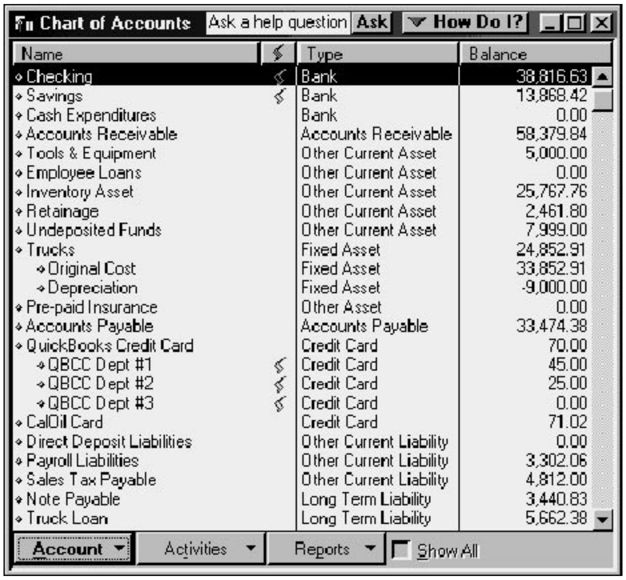
EDITING THE CHART OF ACCOUNTS

The chart of accounts is your most important list because it shows how much your business has, how much it owes, how much money you have coming in, and how much you're spending. When you set up your own company in QuickBooks, the EasyStep Interview lets you choose a chart of accounts designed especially for your type of business. However, not every business has the same needs; you'll want to make a few changes to the list.

To display the chart of accounts:

1 From the Lists menu, choose Chart of Accounts.

QuickBooks displays the chart of accounts for Rock Castle Construction.



2 Scroll through the list. The chart of accounts displays balance sheet accounts first, followed by income and expense accounts.

EDITING AN ACCOUNT

If any of the accounts don't suit your needs, you can edit or delete them. In the next exercise, you'll edit Rock Castle Construction's Checking account to provide the account number.

To edit an account:

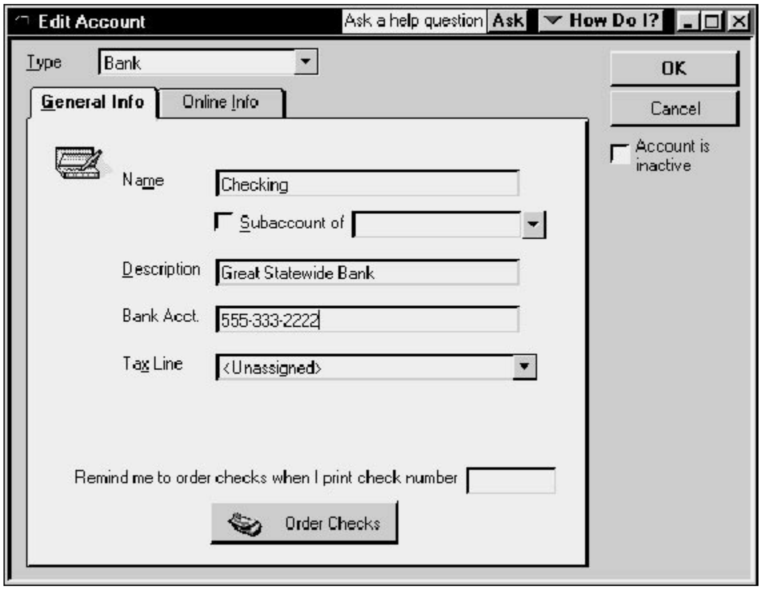
1 In the chart of accounts, select Checking.

2 Click the Account menu button (at the bottom of the window), and then select Edit.

QuickBooks displays the Edit Account window.

3 In the Description field, type ***Great Statewide Bank***.

4 In the Bank Acct. field, type ***555-333-2222***. Your window should look like this.



5 Click OK.

ADDING SUBACCOUNTS

The Dues and Subscriptions expense account has one subaccount called Union Dues. Rock Castle Construction wants to add a second subaccount for trade publications.

To add a subaccount:

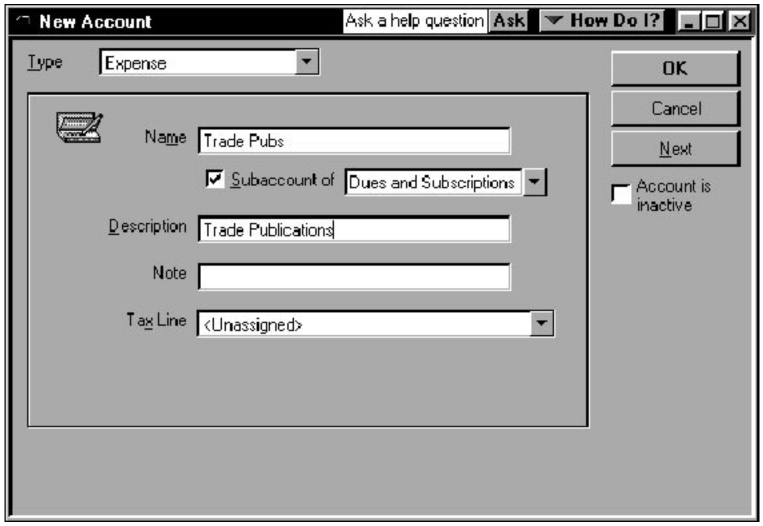
1 In the chart of accounts, click the Account menu button and then choose New. QuickBooks displays the New Account window.

2 In the Type field, select Expense from the drop-down list.

3 In the Name field, type ***Trade Pubs***.

4 Select the “Subaccount of” checkbox, and then select Dues and Subscriptions in the drop-down list.

5 In the Description field, type ***Trade Publications***.



6 Click OK.

QuickBooks displays the new subaccount in the chart of accounts list.

7 Close the chart of accounts.

WORKING WITH THE CUSTOMER:JOB LIST

The Customer:Job list stores names, addresses, and other information about your customers. It also holds information about the jobs or projects you may want to track for each customer.

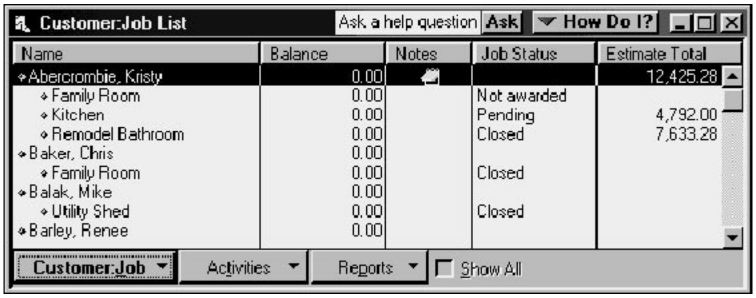
ADDING NEW CUSTOMERS

In this exercise, you'll add a new customer to the Customer:Job list.

To add a new customer:

1 From the Customers menu, choose Customer:Job List.

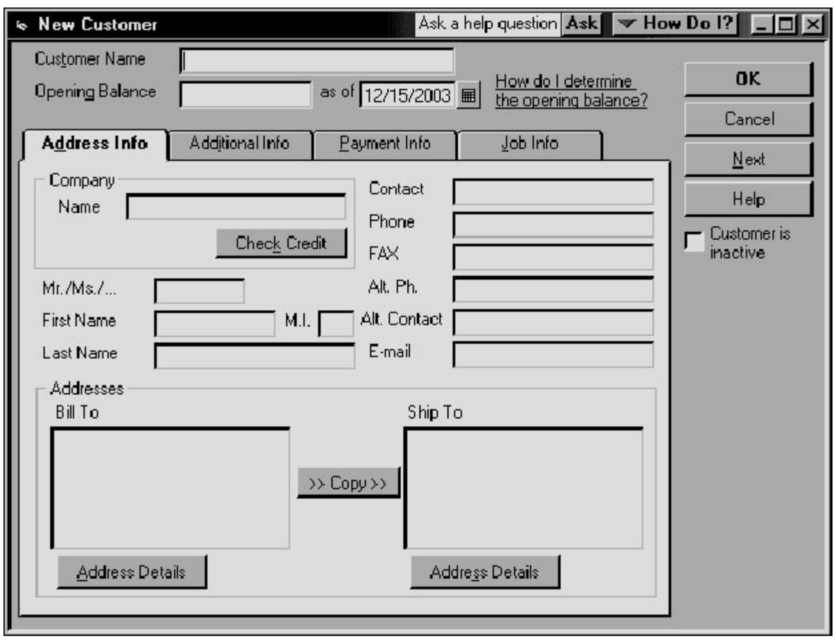
QuickBooks displays the Customer:Job list.



The Customer:Job list lets you add, edit, and get reports on your customers. Each customer in the list can have multiple jobs (you may call them projects or accounts). Notice that this Customer:Job list already has quite a few entries.

2 Click the Customer:Job menu button (at the bottom of the list window), and select New.

QuickBooks displays the New Customer window.



The New Customer window is where you enter all the information about a new customer, including billing and shipping addresses, contacts, credit limit, and payment terms. QuickBooks uses the information you enter to complete invoices, bills, and receipts. When you're setting up your company file, you use this window to record customers' opening balances.

3 In the Name field in the Company section, type ***Godwin Manufacturing,*** and then press Tab.

Notice that QuickBooks fills in the Customer Name field and the first line of the Bill To field with the information you typed in the Company Name field.

QuickBooks displays the name listed in the Customer Name field in the Customer:Job list. By default, QuickBooks sorts the list alphabetically.

Tip: If you are entering individual names, you may want to use last name, first name in the Customer Name field so that your Customer:Job list displays the names with the last name first.

4 In the Bill To field, click the line below the company name. Type ***376 Pine Street***, and then press Enter.

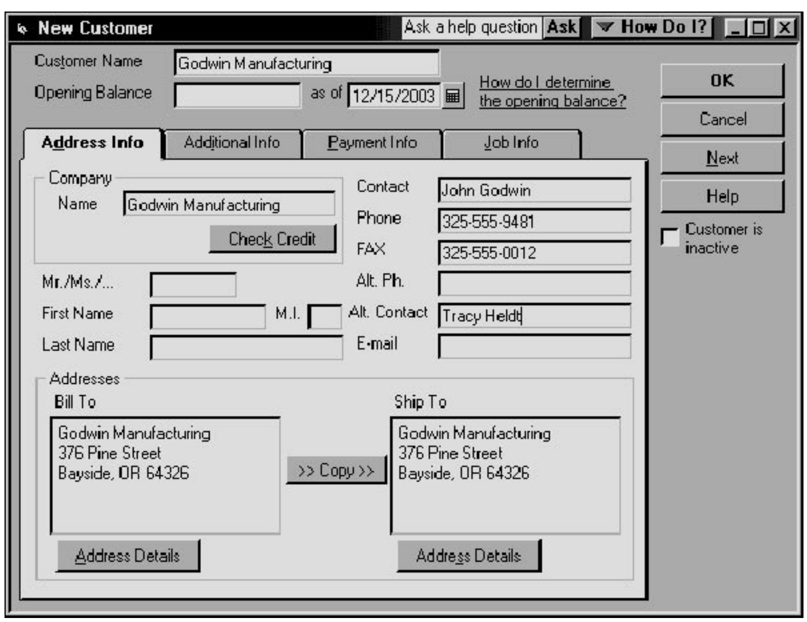
Notice that you press Tab to move between fields, but you press Enter to move from one line to the next within a field.

5 On the next line of the Bill To field, type ***Bayside, OR 64326***.

6 Click Copy to have QuickBooks copy the billing address to the Ship To field.

7 Continue filling out the customer information by providing the following information:

- Contact: ***John Godwin***
- Phone: ***325-555-9841***
- Fax: ***325-555-0012***
- Alt Contact: ***Tracy Heldt***



Note: If you use plan to e-mail invoices or statements to customers using the Send Forms feature, use this window to enter your customers' e-mail addresses.

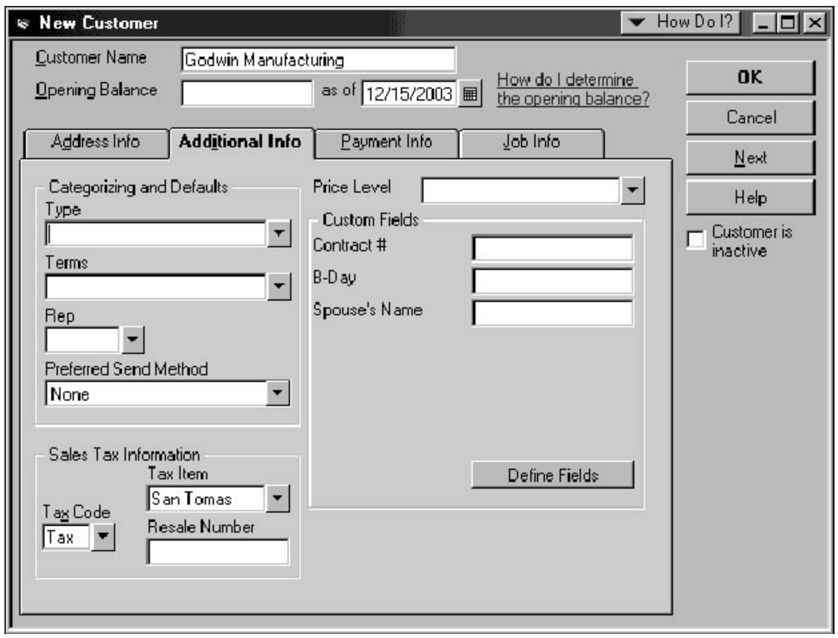
PROVIDING ADDITIONAL CUSTOMER INFORMATION

You've just completed the Address Info tab for a new customer. The Additional Info tab is where you can provide other important information, such as customer type (if you want to categorize your customers in some way), payment terms, and sales tax information.

To add additional information to a customer record:

1 Click the Additional Info tab.

QuickBooks displays the Additional Info tab of the New Customer window.



2 In the Type field, type ***Industrial***.

The Type field lets you track customers in any way that is meaningful for your business. For example, if you run ads on television, radio, and in print, and you want to know which advertising method brings you the most customers, you can assign customers a "type" (TV, Radio, or Print) and run reports that tell you which referral source is most effective. Rock Castle Construction uses the Type field to categorize customers by the type of service provided.

3 Press Tab.

QuickBooks tells you that Industrial is not currently on the Customer Type list and asks if you wish to add it.

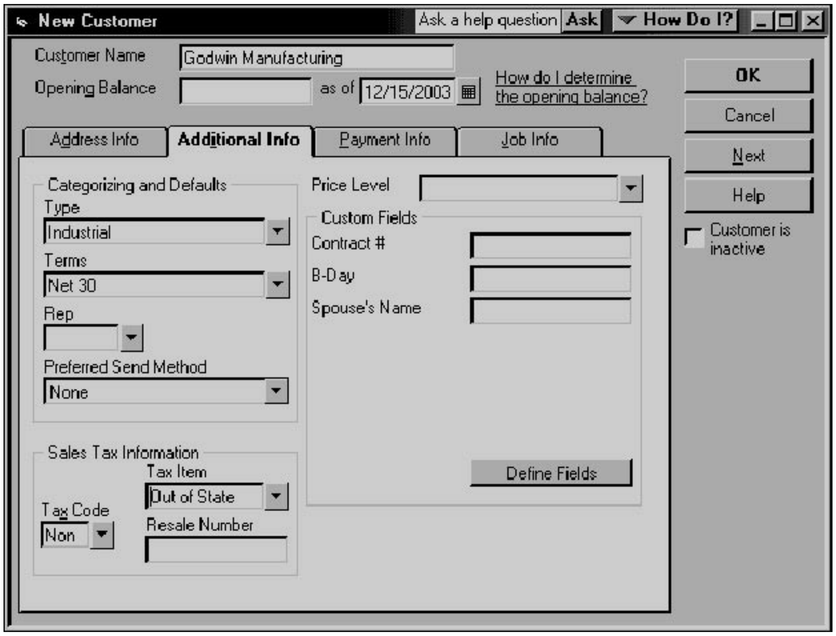
4 Click the Quick Add button to add the customer type to the list.

Quick Add lets you set up the item with a minimum amount of data. If you click Set Up, you can enter more detailed information, but that interrupts the process of creating a new customer.

5 In the Terms field, type ***Net 30***.

6 In the Tax Code field, select Non from the drop-down list.

7 In the Tax Item drop-down list, select Out of State. Your screen should now look like this.



PROVIDING CUSTOMER PAYMENT INFORMATION

The Payment Info tab is where you enter customer account numbers and credit limits. QuickBooks remembers each customer's credit limit and warns you when a customer is about to exceed it. You can also record information about each customer's preferred payment method. For customers who pay by credit card, you can enter credit card numbers and expiration dates.

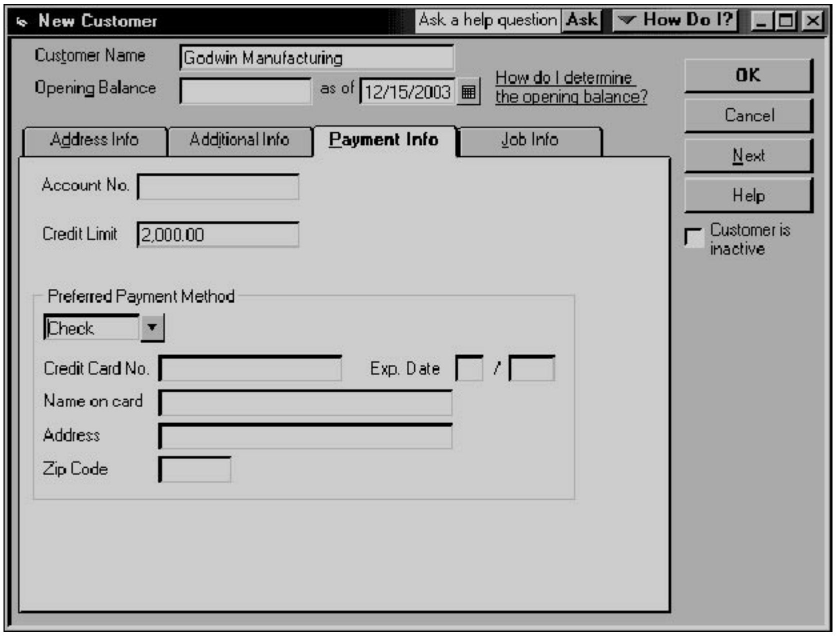
To add payment and credit information to a customer record:

1 Click Payment Info.

2 In the Credit Limit field, type ***2000***.

3 In the Preferred Payment Method drop-down list, choose Check.

When you finish, your window should look like this.



4 Click OK to add the customer and close the New Customer window.

QuickBooks displays the Customer:Job list with Godwin Manufacturing added.

5 Close the Customer:Job list.

WORKING WITH THE EMPLOYEE LIST

The Employee list stores information about your employees such as name, address, and social security number. It also stores information QuickBooks needs to calculate your employee paychecks (if you are using QuickBooks for payroll). You'll learn how to enter employee payroll information later in this course. For now, enter only the basic employee information.

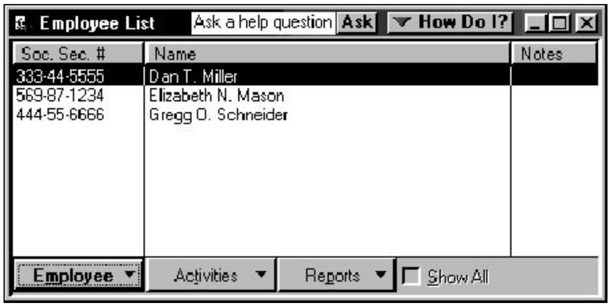
QuickBooks uses the information you enter in the Employee list to track sales and fill in information on checks and other forms.

ADDING NEW EMPLOYEES

Suppose that Rock Castle Construction has hired a new employee and you want to add her information to the Employee list.

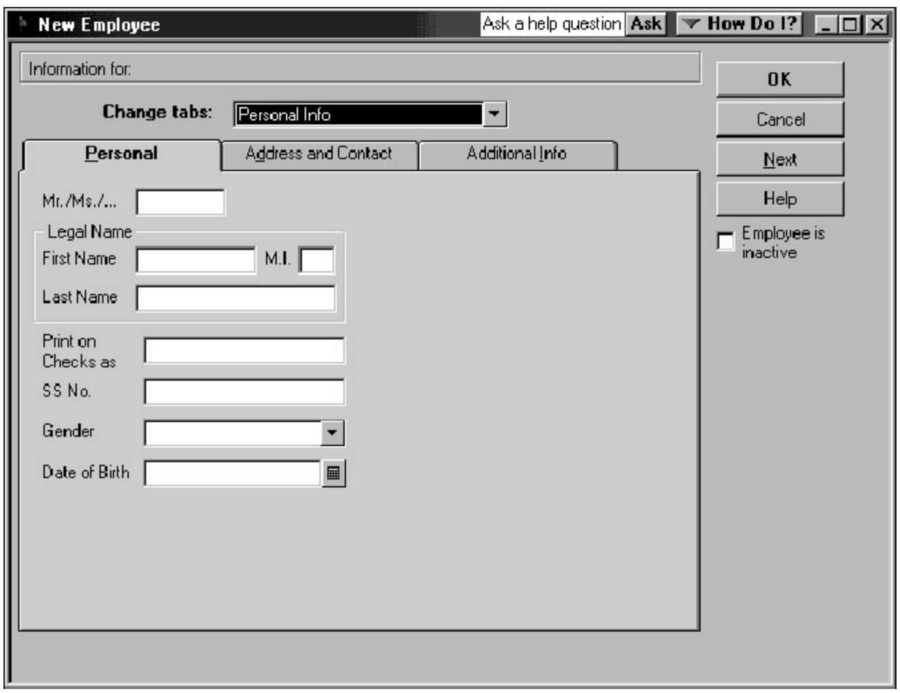
1 From the Employees menu, choose Employee List.

QuickBooks displays the Employee list.



The Employee list is where you add a new employee, edit information for an existing employee, or delete an employee name (as long as you have not used the employee name in any transactions).

2 Click the Employee menu button and choose New. QuickBooks displays the New Employee window.



The Personal tab is where you enter basic information about the employee, such as name, Social Security Number, and date of birth.

3 In the First Name field, type ***Marlene***.

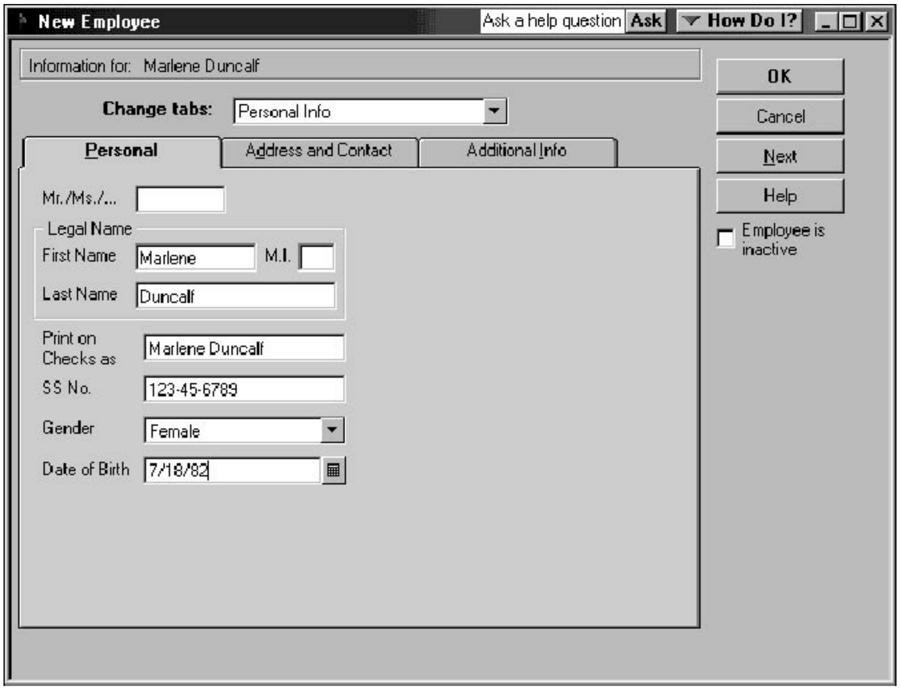
4 In the Last Name field, type ***Duncalf***.

Notice that QuickBooks fills in the Print on Check as field with the information you entered in the name fields. You can enter a different name if you wish.

5 In the Social SS No. field type ***123-45-6789***.

6 In the Gender field, select Female from the drop-down list.

7 In the Date of Birth field, type ***7/18/82***. The Personal tab should look like this.

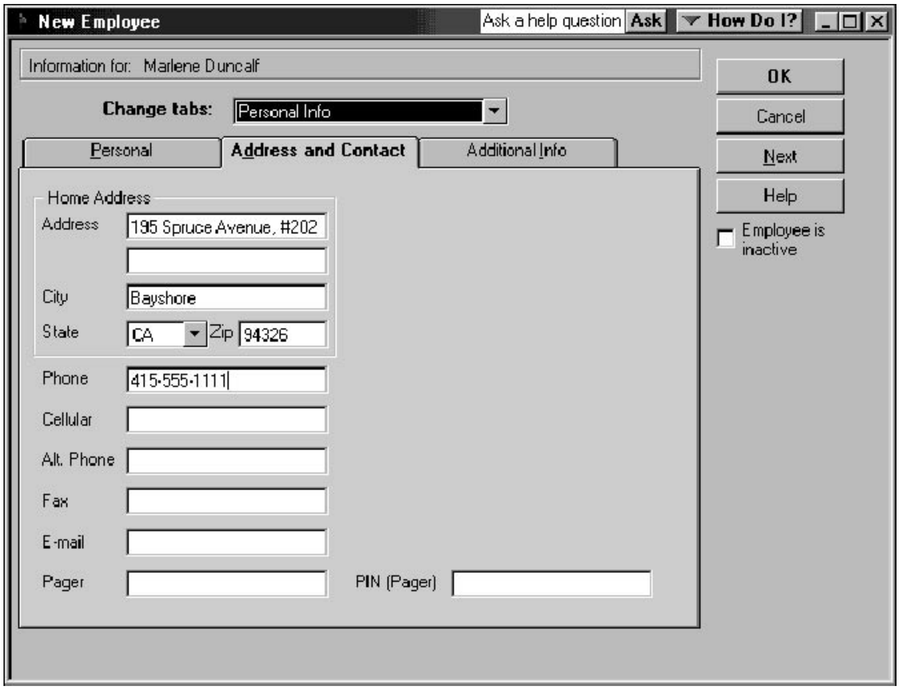


8 Click the Address and Contact tab.

9 In the Address field, type ***195 Spruce Avenue, #202***.

10 For the City, State, and Zip fields, type ***Bayshore, CA 94326***.

11 In the Phone field, type ***415-555-1111***.
When you finish, the window should look like this.



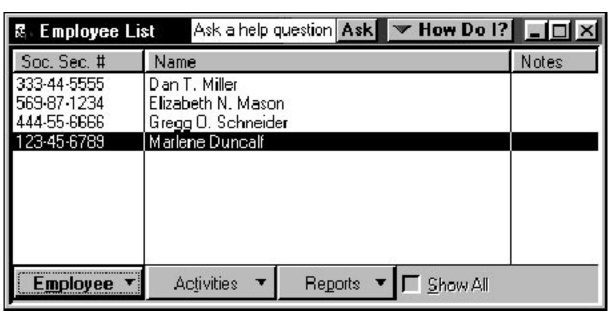
12 In the Change tabs field, select Employment Info from the drop-down list.

13 In the Hire Date, type 11/25/2003.

14 Click OK.

15 When QuickBooks asks if you want to set up payroll information, click Leave As Is.

16 QuickBooks updates and displays the Employee list with the new employee's name added.



17 Close the Employee list.

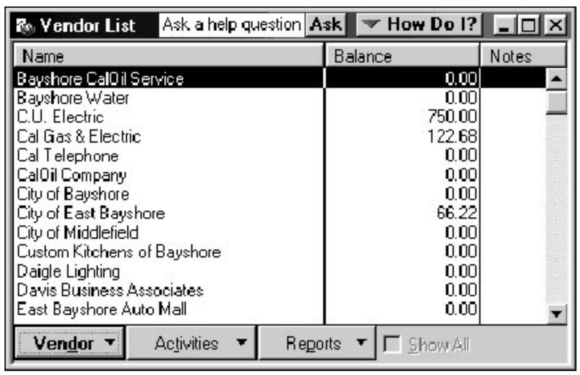
WORKING WITH THE VENDOR LIST

The Vendor list is where you record information about the companies or people from whom you buy goods or services. QuickBooks uses the data in the Vendor list to fill in purchase orders, receipts, bills, and checks as you receive and pay for goods and services.

ADDING NEW VENDORS

In this exercise, you'll add a new vendor to the Vendor list. Suppose Rock Castle Construction is working with a new subcontractor, and it needs to add information about the new vendor to its QuickBooks Vendor list.

1 From the Vendors menu, choose Vendor List. QuickBooks displays the Vendor list.



2 Click the Vendor menu button, and then choose New. QuickBooks displays the New Vendor window.

The New Vendor window is where you enter all of the information regarding a new vendor, such as name, phone, contact, address, and opening balance. Just as when you add a new customer, you start by providing basic information on the Address Info tab.

3 In the Vendor Name field, type ***Hughes Electric***.

This is the name QuickBooks displays for this vendor in the Vendor list. If the vendor is an individual, you may wish to enter the last name first, then the first name.

4 In the Company Name field, type ***Hughes Electric***.

5 Click in the Address field, below the company name displayed on the first line. Notice that QuickBooks displays the company name on the first line of the Address field.

6 On the second line of the Address field, type ***P.O. Box 2316***.

7 Press Enter to move to the next line.

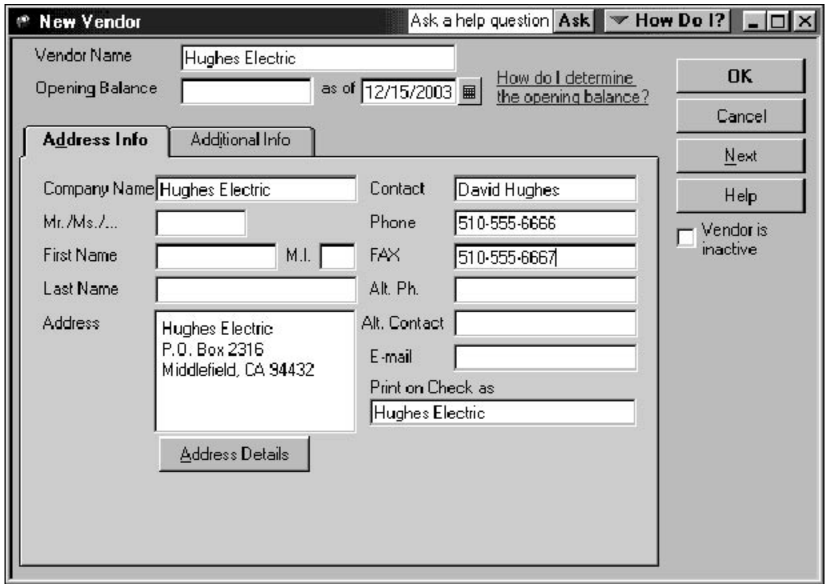
8 Type ***Middlefield, CA 94432***.

9 In the Contact field, type ***David Hughes***.

10 In the Phone field, type ***510-555-6666***.

11 In the FAX field, type ***510-555-6667***.

When you finish, your window should look like this.



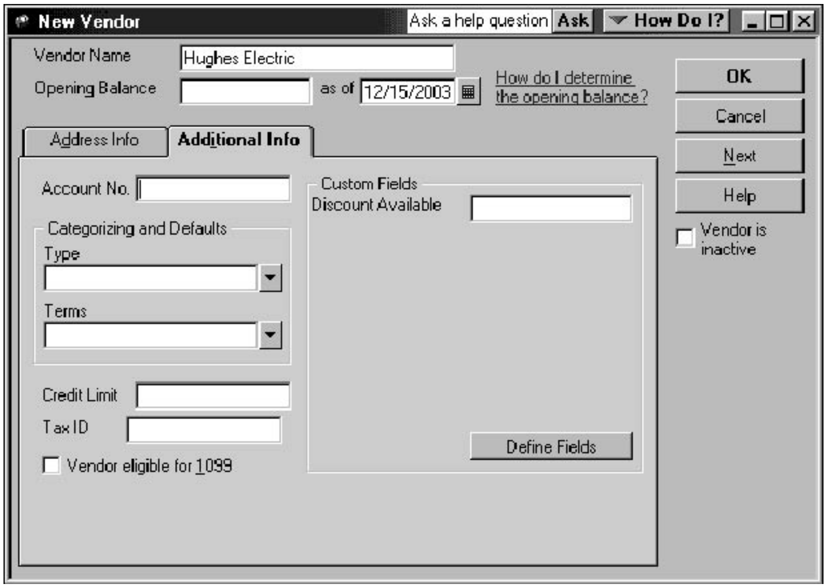
PROVIDING ADDITIONAL VENDOR INFORMATION

The Additional Info tab in the New Vendor window is where you can enter a vendor type (if you want to categorize your vendors), payment terms, your credit limit, the vendor's tax identification number, whether this vendor is eligible for a 1099 form, and your opening balance. You'll add this information now for Hughes Electric.

To add information to a vendor record:

1 Click the Additional Info tab.

QuickBooks displays the Additional Info tab of the New Vendor window.



2 In the Account No. field, type ***123-445***.

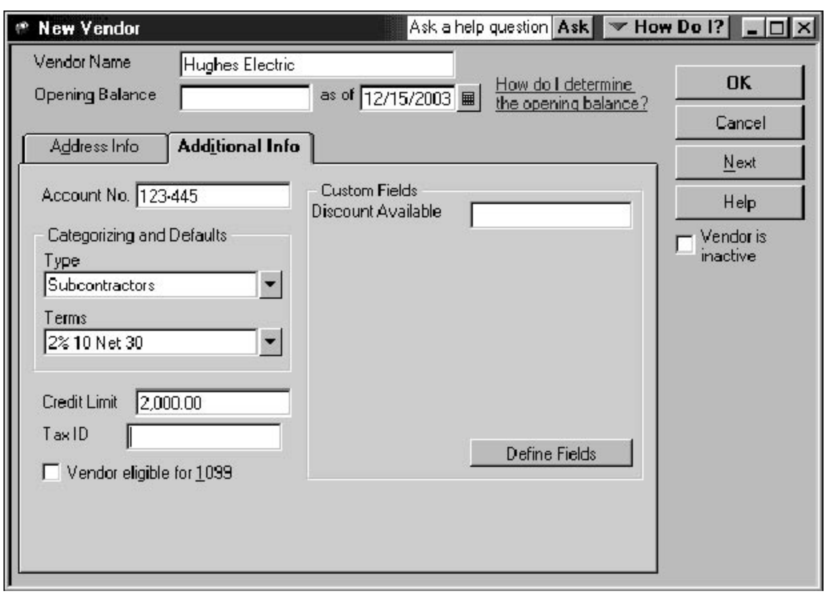
3 In the Type field, type ***Subcontractors***.

Notice that when you type “sub,” QuickBooks fills in the rest.

4 In the Terms field, choose 2% 10 Net 30 from the drop-down list.

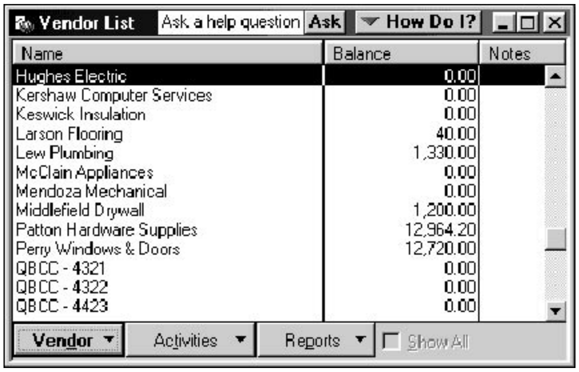
5 In the Credit Limit field, type ***2000*** and press Tab.

Your New Vendor window should resemble the figure below.



6 Click OK.

QuickBooks adds the vendor and displays the updated Vendor list.



Notice that Hughes Electric has been added to the list.

7 Close the Vendor list.

ADDING CUSTOM FIELDS

QuickBooks lets you add custom fields to your Customer:Job, Vendor, Employee, and Item lists. Custom fields give you a way to track additional information specific to your business. For example, you can add a field for pager numbers to your Vendor and Employee lists, a field for customers' birthdays to your Customer:Job list, and fields for units of measurement, color, and size to your Item list.

When you add the custom fields to your sales forms or purchase orders, the fields are prefilled with the information for that specific customer, employee, vendor, or item (if you specified a value for the custom field when you added the customer, for example). You don't have to add the custom fields to your forms, however; you can also use custom fields as a way to record information just for your use, such as a credit rating for each customer. QuickBooks remembers the information you entered in the custom fields when you import and export data and when you memorize transactions.

For each customer, vendor, and employee, you can add up to seven custom fields, including fields that overlap. For example, if you add a custom birthday field for customers, vendors, and employees, QuickBooks counts it as one field used for each. You can add up to five custom fields for each item your company sells.

After you add custom fields, you can use them on invoices, credit memos, sales receipts, estimates (QuickBooks Pro and Premier only), and purchase orders.

ADDING CUSTOM FIELDS FOR CUSTOMERS, VENDORS, AND EMPLOYEES

You can enter information in the custom fields only through the New or Edit windows (for example, the New Customer or Edit Customer windows). You can display information from the custom fields on form as well as add custom fields to reports.

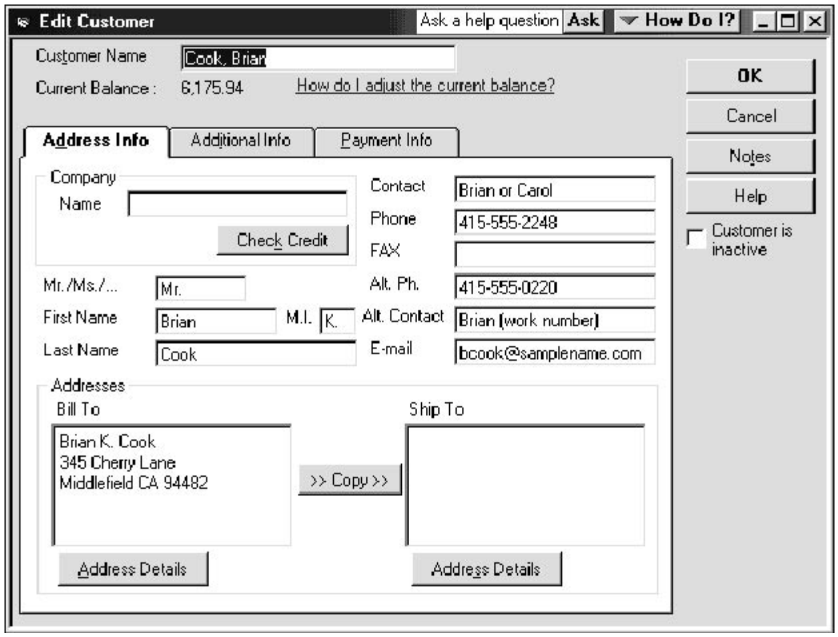
First, look at the custom fields that Rock Castle Construction has already added to its Customer:Job, Vendor, and Employee lists. Then, you'll add two new custom fields.

To add custom fields:

1 From the Customers menu, choose Customer:Job List. QuickBooks displays the Customer:Job list.

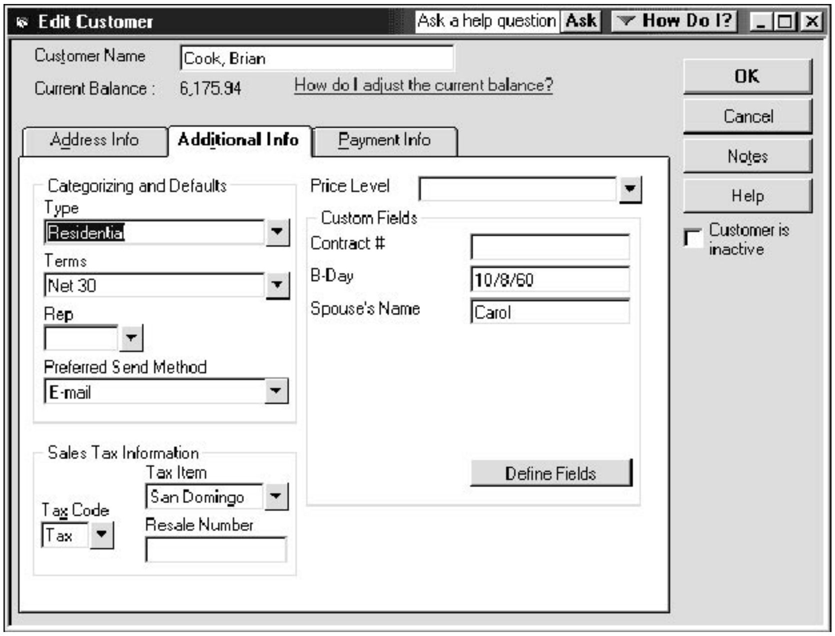
2 In the Customer:Job list, select Cook, Brian.

3 Click the Customer:Job menu button, and then choose Edit. QuickBooks displays the Edit Customer window.



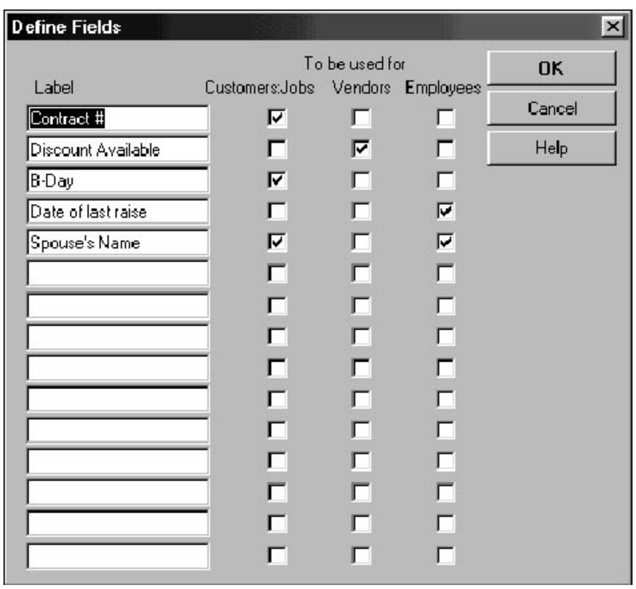
4 Click the Additional Info tab.

QuickBooks displays the Additional Info tab in the Edit Customer window.



5 Click Define Fields.

QuickBooks displays the Define Fields window.



Notice that Rock Castle Construction has already set up custom fields in the Customer:Job list for contract number, birthday, and spouse's name. In the Vendor list, they have set up a custom field for discount available. In the Employee list, they have set up custom fields for the date of last raise and spouse's name.

Now, you'll add a custom field for pager numbers to the Customer:Job and Vendor lists. You'll also add a custom field to the Employee list that tracks the date of each employee's last review.

6 In the first blank Label field, type ***Pager Number***.

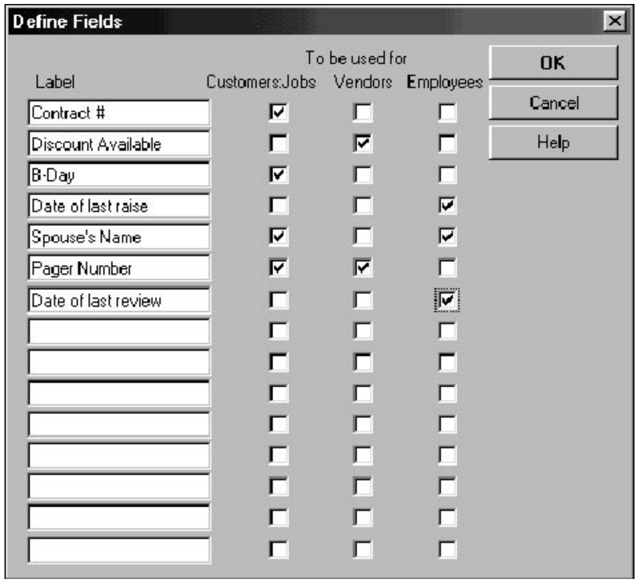
7 Click the Customers:Jobs checkbox to select it.

8 Click the Vendors checkbox to select it.

9 In the next blank Label field, type ***Date of last review***.

10 Click the Employees checkbox to select it.

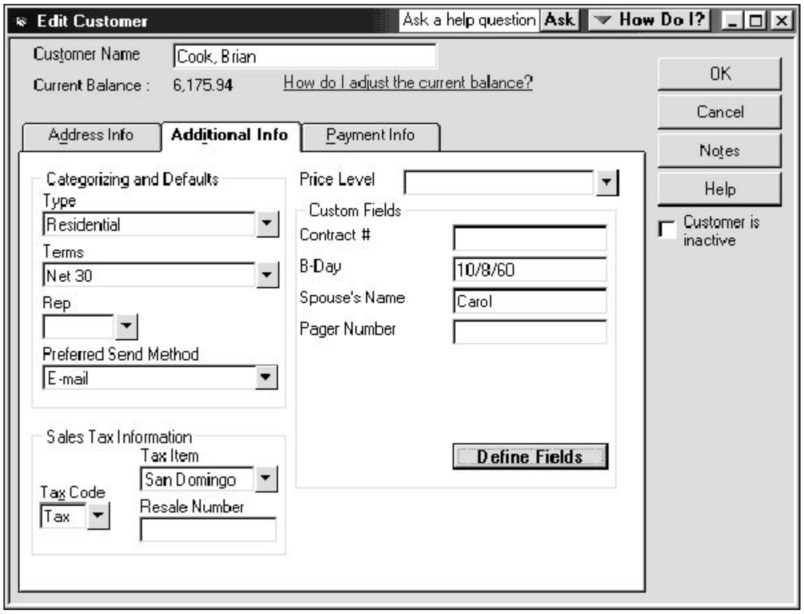
Your Define Fields window should now look like this.



11 Click OK.

12 If you see an informational message about using the custom fields in transactions by turning them on in your custom templates, click OK.

QuickBooks has added the Pager Number field to the Edit Customer window.



13 In the Pager Number field, type ***415-555-9876***.

If you customize your sales forms to display the Pager Number field, this number displays whenever you create a form for this customer. It also displays on reports modified to display the Pager Number column.

14 Click OK to close the Edit Customer window.

15 Close the Customer:Job list.

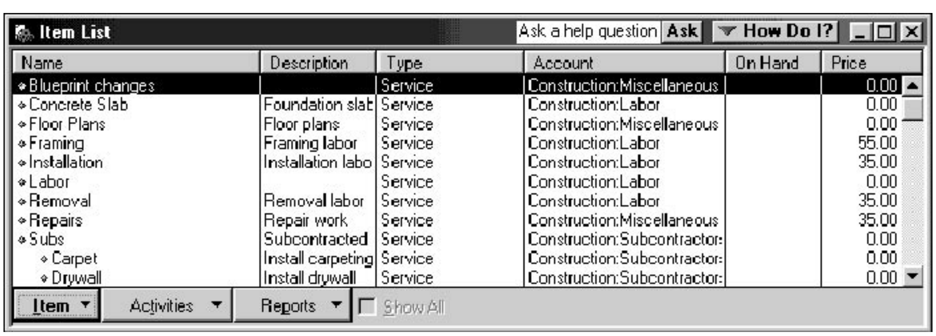
ADDING CUSTOM FIELDS FOR ITEMS

Now suppose that Rock Castle Construction wants to add another custom field to its Item list. The company purchases several types of locking doorknobs. The Item list already has custom fields for Color and Material, but now Rock Castle wants to add an additional field to track Style.

To add custom fields for items:

1 From the Lists menu, choose Item List.

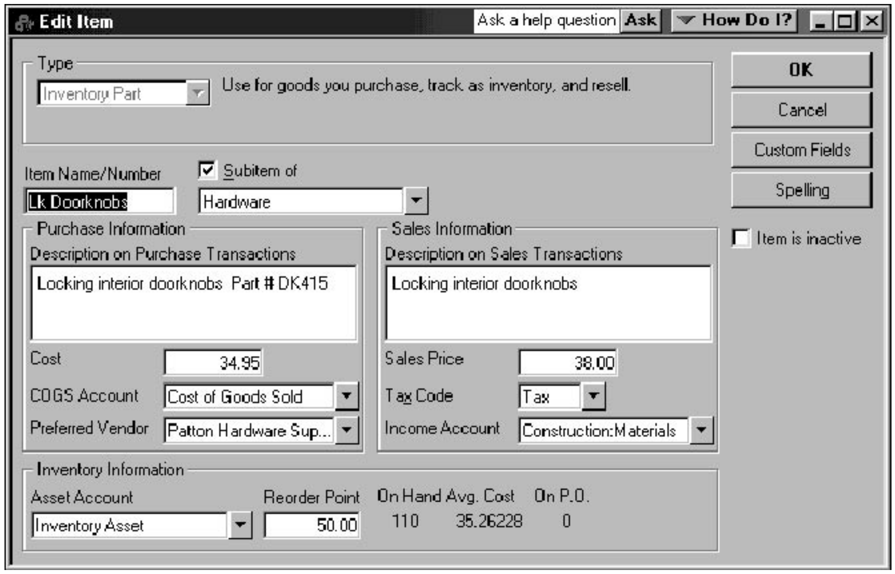
QuickBooks displays the Item list, as shown below.



2 In the Item list, select Lk Doorknobs (a sub item of Hardware).

3 Click the Item menu button, and then choose Edit.

QuickBooks displays the Edit Item window.



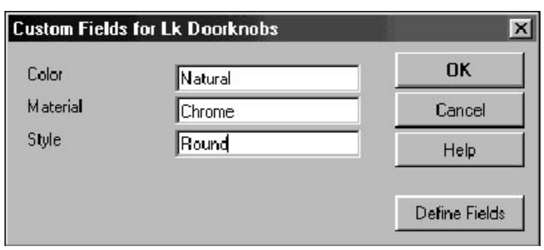
4 Click Custom Fields.

QuickBooks displays the custom fields already defined for this item.

5 Click Define Fields.

QuickBooks displays the Define Custom Fields for Items window.

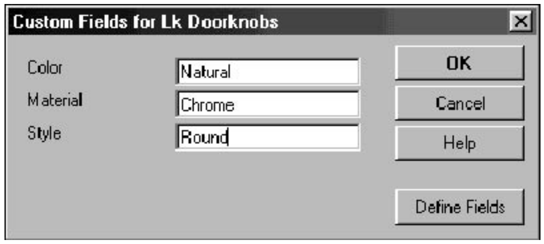
6 Under Use, click the first blank checkbox to select it. Then type ***Style*** in the Label field.



7 Click OK to close the window.

8 If you see an informational message about using the custom fields in transactions by turning them on in your custom templates, click OK.

9 In the Custom Fields for Lk Doorknobs window, type ***Round*** in the Style field.



10 Click OK to close the Custom Fields for Lk Doorknobs window, and then click OK to close the Edit Item window.

11 Close the Item list.

MANAGING LISTS

Lists are easy to manage in QuickBooks. You can sort lists, combine (merge) list items, rename list items, delete list items, make list items inactive, and print lists.

SORTING LISTS

You can sort many QuickBooks lists manually or alphabetically. To sort a list manually, simply use the mouse to drag a list item to its new location. Lists that you can sort this way are the Chart of Accounts, Customer:Job, Class, Customer Type, Vendor Type, Job Type, and Memorized Transaction lists.

If you have changed the order of a list by dragging items and then decide you'd rather have an alphabetically sorted list, QuickBooks has a Re-sort List command. In the chart of accounts, the Re-sort List command sorts alphabetically within account type; in the Item list, the Re-sort List command sorts alphabetically within item type.

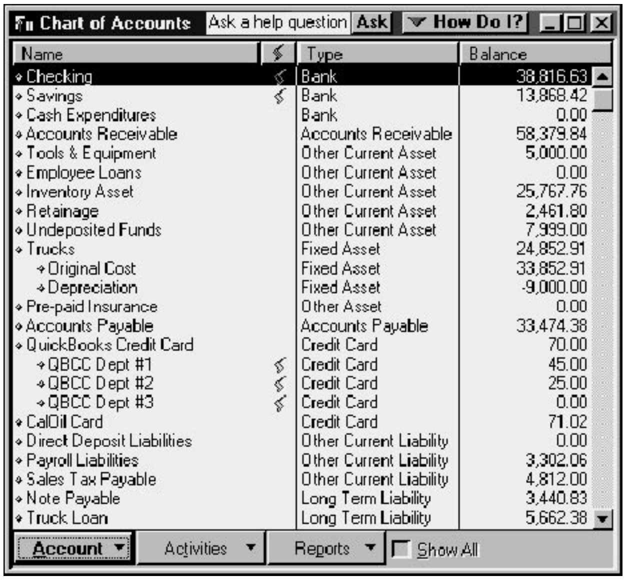
SORTING LISTS MANUALLY

In this exercise, you'll sort a list manually, and then re-sort it to put it back in alphabetical order.

To sort a list manually:

1 From the Lists menu, choose Chart of Accounts.

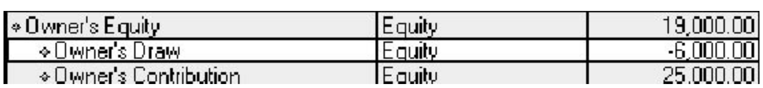
QuickBooks displays the chart of accounts for Rock Castle Construction.



2 Click the diamond to the left of the Owner's Draw subaccount of Owner's Equity. The mouse pointer becomes a four-directional arrow.

3 Click and hold the mouse button, and drag the pointer upward until you see a dotted line directly below Owner's Equity.

4 Release the mouse button to drop the account in the new position. The Owner's Draw account is now directly under the Owner's Equity account.



Now you can use the Re-sort List command to return the list to alphabetical order.

5 To re-sort the list alphabetically, click the Account menu button, and select Re-sort List.

QuickBooks asks you to confirm that you want to return the list to its original order.

6 Click OK.

QuickBooks re-sorts the chart of accounts alphabetically by account type.

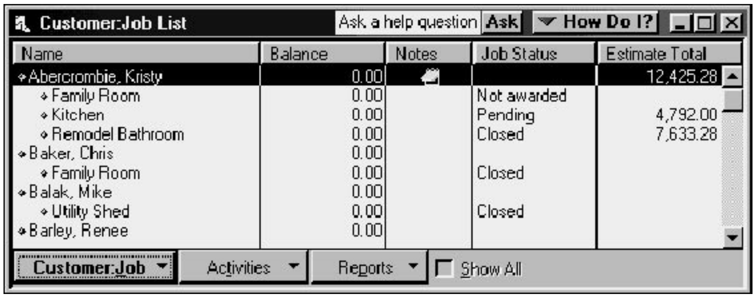
7 Close the chart of accounts.

SORTING LISTS IN ASCENDING OR DESCENDING ORDER

Depending on the type of business you have, you may want to order your list entries in a certain way. For example, perhaps you'd like to see people who owe you money at the top of your Customer:Job list. In this exercise, you'll learn how to sort the Customer:Job list in descending order by customer balance.

To sort a list in descending order:

1 From the Lists menu, choose Customer:Job List.

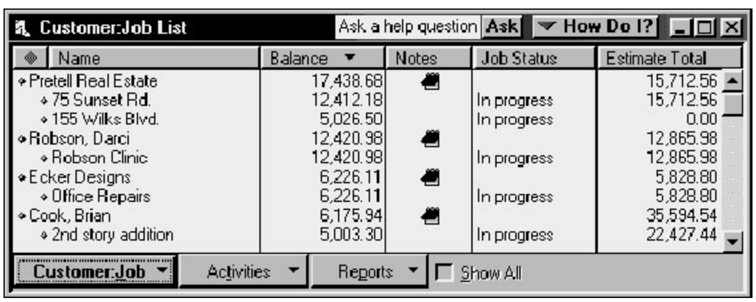


2 Click the Balance column heading.

Notice that an arrow pointing up appears on the heading and the list is sorted in ascending order by customer balance.

3 Click the column heading again.

Notice that the arrow now points down and the list is sorted in descending order with the customers with the highest balances at the top of the list.



4 To return to the order you started with, click the large diamond to the left of the Name column heading.

5 Close the Customer:Job list.

MERGING LIST ITEMS

In most lists, you can combine two list items into one. For example, you may find that you've been using two customers (because of different spellings) when you really need only one on your Customer:Job list. You can merge list items in the Chart of Accounts, Item, Customer:Job, Vendor, Employee, and Other Names lists.

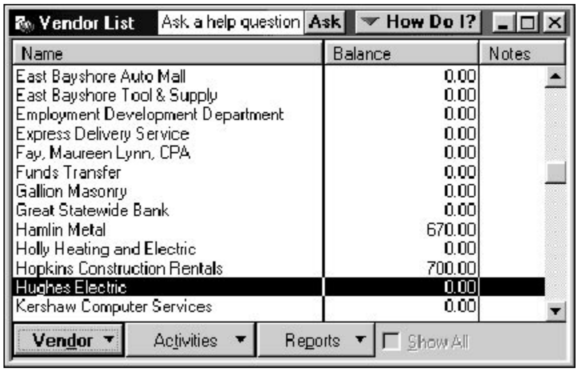
> **Important:** After you merge list items, you cannot separate them. When working in your own company file, we recommend that you back up your data before merging list items.

In this exercise, suppose you want to merge Hughes Electric (the vendor you added earlier in the section) with C.U. Electric. To merge them, you edit the incorrect name to match the spelling of the correct name.

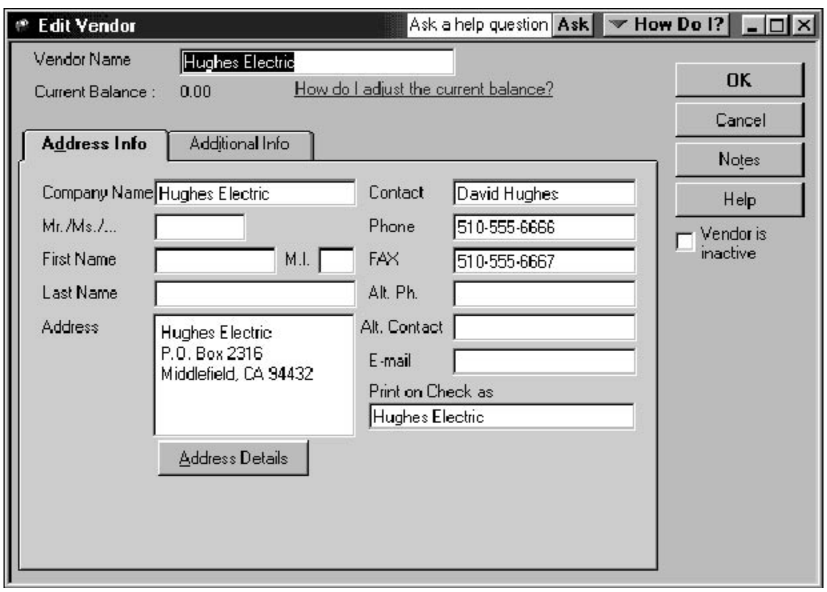
To merge items on a list:

1 From the Vendors menu, choose Vendor List. QuickBooks displays the Vendor list.

2 Select Hughes Electric.



3 Click the Vendor menu button, and then choose Edit. QuickBooks displays the Edit Vendor window.



4 In the Vendor Name field, type ***C.U. Electric***. (This is the vendor name you want to merge with.)

5 Click OK.

QuickBooks asks if you would like to merge the names.

6 Click Yes.

QuickBooks merges the two names, and you now have only C.U. Electric in the Vendor list.

7 Close the Vendor list.

Note: If you use assembly items in QuickBooks Premier Edition products, you cannot merge them with other assembly items or with any other type of item.

RENAMING LIST ITEMS

You can rename any list item. When you make the change, QuickBooks automatically modifies all existing transactions containing the item.

Tip: If you don’t want to change existing transactions, add a new name or item instead.

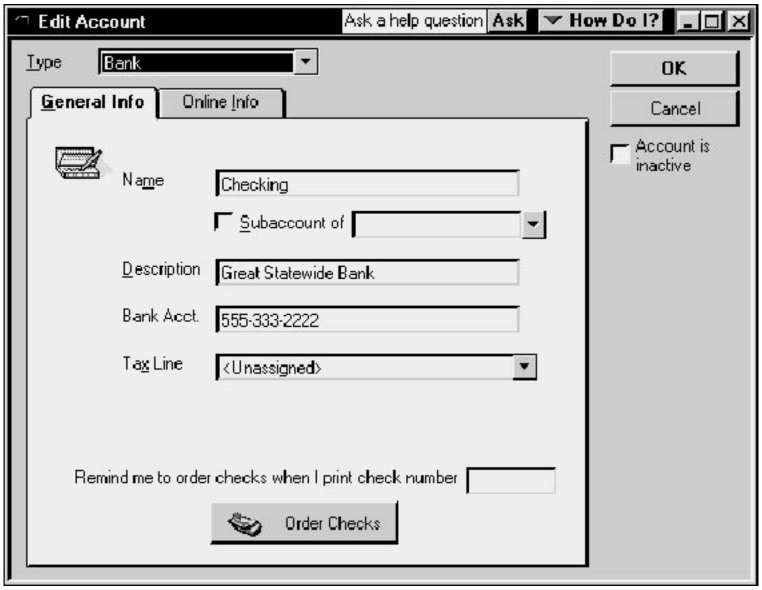
To rename a list item in the chart of accounts:

1 From the Lists menu, choose Chart of Accounts to display the chart of accounts for Rock Castle Construction.

2 In the chart of accounts, select Checking.

3 Click the Account menu button, and choose Edit.

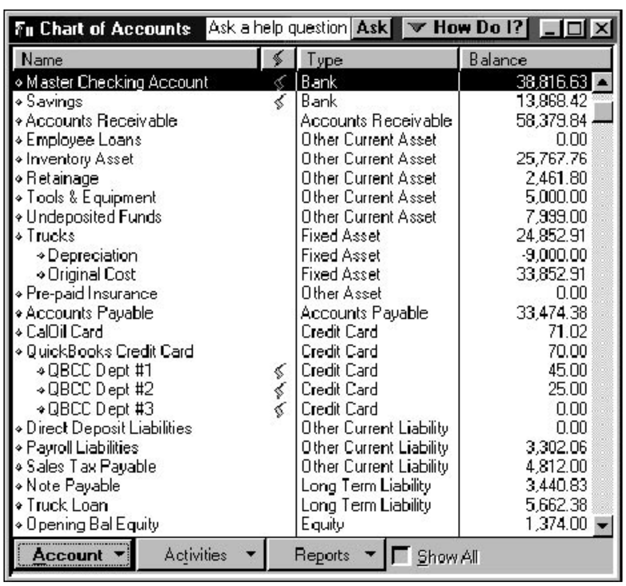
QuickBooks displays the Edit Account window.



4 In the Name field, type ***Master Checking Account***.

5 Click OK.

QuickBooks changes the account name in the chart of accounts.



6 Close the chart of accounts.

DELETING ITEMS AND MAKING LIST ITEMS INACTIVE

You can delete list items only if you have not used them in any transactions. If you try to delete a list item that is used in a transaction, QuickBooks displays a warning that the item can't be deleted. If you don't want to use a list item but you can't delete it, you can make it inactive.

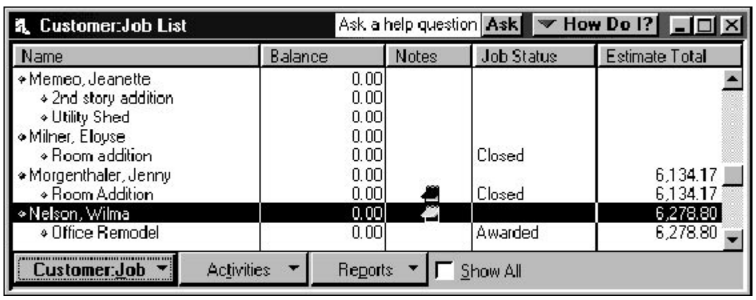
To make a list item inactive:

1 From the Customers menu, choose Customer:Job List. QuickBooks displays the Customer:Job list.

2 Select Natiello, Ernesto in the list. (Select his name, not the job.)

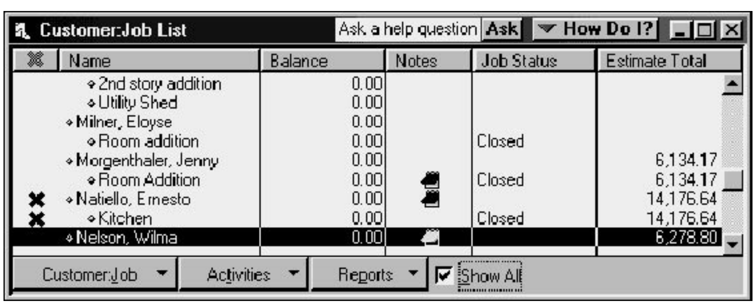
3 Click the Customer:Job menu button, and choose Make Inactive.

Notice that Ernesto Natiello (and the job for his kitchen) no longer appears on the Customer:Job list. (The customer:job item is only removed from the list—transactions associated with this customer:job will still show in reports.)



4 To see inactive list items, select the Show All checkbox in the list window.

QuickBooks displays all the list items again, but the Xs signify that this customer is still inactive. (You make the customer active again by choosing Make Active from the Customer:Job menu button.)



5 Leave the Customer:Job list open, you'll print it in the next exercise.

PRINTING A LIST

You can print a QuickBooks list for reference, or you may print a list to a file to use in your word processor or spreadsheet.

To print a list of customers:

1 Click the Customer:Job menu button, and then choose Print List.

QuickBooks displays a message telling you that you can also print list information from the Reports menu.

2 Click OK to bypass the List Reports message.

QuickBooks displays the Print Lists window, which displays the name of your printer and printer port.

You can select to print to a printer or to a file.

3 Click Print.

Note: This is a fairly long list, so if you don't want to print it now, click Cancel.

4 Close the Customer:Job list.