



## *The QuickBooks™ Client Newsletter*

Helping You Grow a Profitable Business with QuickBooks™ Software  
From the office of:

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## **4 Ways to Get Paid Faster Using QuickBooks**

*It is probably one of your toughest challenges. How do you encourage customers to make payments faster?*

Cash flow is a problem for so many businesses right now. Unless you sell products or services that are in high demand during the COVID-19 pandemic, you are probably struggling to get payments from customers who are also cash-strapped. Unfortunately adding a line to your invoices that says something like, “We appreciate your prompt payment” is not making a difference any longer.

QuickBooks provides numerous ways for you to nudge customers who have let payments slide beyond their due dates. You do not have to be heavy-handed about it (though you may have to be eventually on seriously delinquent accounts). Here are four ways you can speed up your receivables.

### **Allow Your Customers to Pay Online – via eCheck or Credit Card**

This is our number one suggestion for getting paid timely. You are not penalizing your customers in any way. You are simply providing them with an easier way for them to settle their debts. It is a convenience to your clients, for they do not have to dig for their checkbooks and stamps, address an envelope, and get their payment to the post office. QuickBooks adds information to your invoices telling customers exactly how to proceed.

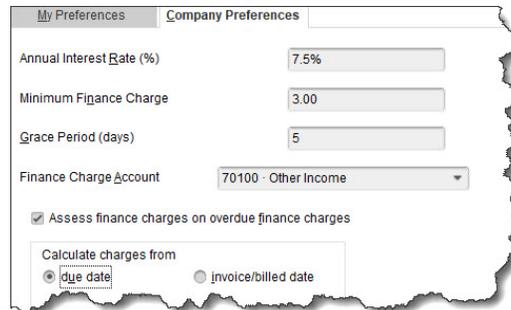
The benefits to you are obvious: You are more likely to get paid quicker, and you will not have to deal with cashing checks and chasing down deposits.

To offer this service you will have to first sign up for **QuickBooks Payments**, which will allow you to accept credit card, debit card, and ACH bank transfer (eCheck) payments electronically. **You are not charged any monthly or setup fees**, however, you will pay transaction fees.

When your client pays electronically you will receive an email from Intuit Merchant Services advising you of your customer’s payment. The money should be in your bank account by the next business day, and QuickBooks takes care of all the background work, matching payments with invoices. Please call our office if you need assistance with offering this service to your customers.

## Assess Finance Charges on Late Payments

You do not want to make customers unhappy, but consumers and businesses are accustomed to having interest assessed on late or partial payments. QuickBooks can help you set up finance charges. Once you are logged in as the Admin, open the **Edit** menu and select **Preferences | Finance Charge | Company Preferences**. You will see a window like this:



The screenshot shows the 'Company Preferences' window for 'My Preferences'. It includes the following fields and options:

- Annual Interest Rate (%): 7.5%
- Minimum Finance Charge: 3.00
- Grace Period (days): 5
- Finance Charge Account: 70100 - Other Income
- Assess finance charges on overdue finance charges
- Calculate charges from:
  - due date
  - invoice/billed date

***Setting up and assessing finance charges can be complicated. We suggest you consult with us if you want to take this route.***

You might consider what you pay some of your other vendors when you are deciding on variables like **Annual Interest Rate (%)** and **Grace Period (Days)**. Keep in mind that in some jurisdictions, you cannot charge finance charges on existing finance charges, so you will need to know your local laws if you want to check that box. Then, tell QuickBooks how you want it to calculate the charges.

To see who owes finance charges and have them applied, click **Customers | Assess Finance Charges**. Select the **Assessment Date** and the customers who should be charged. If you click the box in front of **Mark invoices: "To be printed,"** QuickBooks will print a separate finance charge invoice in addition to the main invoice for each customer. Otherwise, the charges will just be included on their next statement.

***Warning:*** Please let us work with you if you decide to add finance charges. We can help prevent mistakes that will most likely make your customers very unhappy.

## Send Statements

You can always run an **A/R Aging** report to see who is past due. However, sending statements serves two purposes:

- ❖ Reminds your customers of what they owe and if their account is in arrears.
  - Your customer can reconcile their statement with all the invoices they have received and see if anything is past due.
- ❖ Minimize internal fraud, errors, or omissions.
  - You can set the statement to show ALL transactions over a specific time-period.
  - Include a "customer message" on the statement, advising your customer should they see any errors or missing invoices or payments, to call someone **other** than your employee who sends out invoices or applies payments. We offer this service in our monthly monitoring packages.

To send statements click **Customers | Create Statements**. This will produce comprehensive lists of your customers' invoices and payments. You can define a date range and send statements to everyone (or a hand-selected group).

There is an option to send statements to everyone who is a specified number of days past due, as pictured below. However, sending statements to **all** your customers allows **each** customer to review the history of their account with your company and advise you if anything is incorrect, i.e., misapplied payment.

**SELECT STATEMENT OPTIONS**

Statement Date: 12/15/2022

Statement Period From: 11/16/2022 To: 12/15/2022

All open transactions as of Statement Date

Include only transactions over 30 days past due date

**SELECT CUSTOMERS**

All Customers

Multiple Customers Choose...

**SELECT ADDITIONAL OPTIONS**

Template: Intuit Standard Statement Customize

Create One Statement: Per Customer

Show invoice item details on statements

Print statements by billing address zip code

Print due date on transactions

Do not create statements:

with a zero balance

*You can tell QuickBooks which customers should receive statements by completing the fields in this window.*

## Polish Up Your Invoices and Send Them Promptly

You have more control over your sales forms' content and layout than you might realize. Open the **Lists** menu and select **Templates**. Double-click on the invoice form you use the most, then click **Manage Templates**. Highlight the desired form and click **Copy** (it is best not to alter your existing templates) Give the template a new **Template Name**, then click OK.

You can change colors and fonts in the window that opens. Click **Additional Customization** at the bottom of the window, and you will be able to add, edit, and delete fields and columns in your forms.

Send your invoices as soon as possible after you have completed the sale. You want customers to remember shortly after the fact that they need to pay you. If you are requiring a down payment, that is another reason to send your invoice as soon as your customer accepts your quote.

Your payment terms should be marked clearly on your invoice, and you can also embed a customer message, stating a deposit of a certain amount is required on a specific date before work can be accomplished, along with advising your customer they can pay the deposit via eCheck or credit card for their convenience.

Poor cash flow is a perpetual problem for a lot of small businesses – and not just during a pandemic.



If we can help you use QuickBooks' tools to evaluate your current cash flow and forecast into the future, or if you need further explanations of anything we discussed here, please do not hesitate to contact us.



**Snapshot of a sample QuickBooks Company File**

We hope you find these QuickBooks tips helpful. Please visit our company website often at <http://www.accountingconnections.org> for we update it constantly. Our website offers a wealth of tax and accounting tips, along with links that will better serve your business needs. We archive our QuickBooks Tips newsletters on our website as well. They are printable PDFs for easy reference, as are our tax tips PDFs. Accounting and Taxation is **our** business; making us a part of your team allows **you** to concentrate on **your** core business.



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