

The QuickBooks™ Client Newsletter

Helping You Grow a Profitable Business with QuickBooks™ Software



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Tracking Time in QuickBooks, Part 2

We'll be continuing the two-part series we started last month.

Last month, we learned about getting QuickBooks ready for time-tracking by activating it in **Preferences**. We also created a record for a service item. This month, we'll actually use that record in the two ways you'll be using it in QuickBooks: to pay employees for their hourly work and to bill customers for services.

Recording Employee Hours

There are two ways to enter hours for your employees who provide services to customers and are paid by the hour. The first is to create a work ticket for a single activity. Click **Enter Time** on the home page, and then **Time/Enter Single Activity** to open this window:

The screenshot shows the 'Time/Enter Single Activity' window in QuickBooks. At the top, there are navigation buttons for 'Previous' and 'Next', and checkboxes for 'Spelling' and 'Timesheet'. The main form has several fields: 'DATE' set to 12/15/2021, 'NAME' set to Jim Hewitt, 'CUSTOMER:JOB' set to Bauman, Mark:Home Remodel, and 'SERVICE ITEM' set to Subs:Carpet Installation. The 'PAYROLL ITEM' dropdown is open, showing options like Salary, Sick Salary, Vacation Salary, Overtime Rate, Regular Pay (highlighted), Sick Hourly, and Vacation Hourly. There is a 'WC CODE' field with '< Add New >' and a 'Billable' checkbox that is checked. A 'DURATION' section features a timer icon and a large display showing '8:00', with 'Start', 'Stop', and 'Pause' buttons below it. A 'NOT BILLED' icon is visible in the top right, and a 'NOTES' field is at the bottom right.

Single-activity work tickets for employee hours are especially useful if you need to set a timer.

First, check the date to make sure it displays the day when the work was actually done, not recorded. Click the arrow in the field next to **Name** and select the employee's name from the drop-down list that opens, then do the same in the **Customer:Job** field below. The **Service Item** field needs to display the name of the service performed by the employee.

If you want to time a period of activity, use the **Start**, **Stop**, and **Pause** buttons under **Duration**. You can also replace the **0:00** that appears by default with the number of hours and minutes that were worked.

In the middle column, you'll select the correct **Payroll Item** from the drop-down list. You can add a new employee if necessary without completing his or her entire record, but be sure to go back and complete it before your next payroll.

Hidden behind the drop-down menu is a field titled **WC Code**, which stands for **Workers' Compensation Code**. It will only appear if you're using QuickBooks Enhanced Payroll and have that feature turned on.

Tip: If these two fields do not appear, you've selected an employee who isn't timesheet-based.

In the upper right hand corner, you'll see a field labeled **Billable**. Be sure you click in the box to create a checkmark if you'll be invoicing a customer for the work done.

Save the activity record when you've completed it.

Using Timesheets

CUSTOMER:JOB	SERVICE ITEM	PAYROLL ITEM	WC CODE	NOTES	M 13	TU 14	W 15	TH 16	F 17	SA 18	SU 19	TOTAL	BILLABLE?
Bauman, Mark	Subs: Carpet Installation	Regular Pay					8:00					8:00	<input checked="" type="checkbox"/>

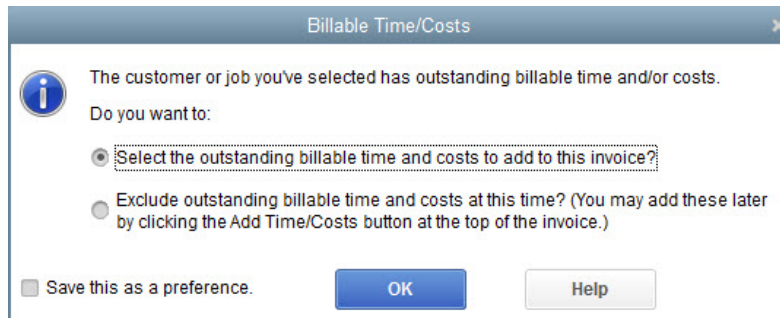
You can enter employees' hours directly on a timesheet instead of creating a single activity record.

QuickBooks offers a second option for entering employee hours: timesheets. You'll notice that there's a **Timesheet** icon in the toolbar of the **Time/Enter Single Activity** window. If you click on it with a completed record open, a new window opens containing a graphical representation of a paper timesheet.

If you enter employee hours in a single activity record, they will appear on a timesheet, and vice versa. There are two advantages to entering hours directly on the timesheet, though. The first is that it's faster. And secondly, you can click the **Copy Last Sheet** icon if you're just going to duplicate an employee's previous pay period's hours. If you want to go there straight from the home page, click **Enter Time | Use Weekly Timesheet**.

Billing Customers for Time

QuickBooks makes it very easy to transfer billable hours worked by employees to the corresponding customers' invoices. After you've entered blocks of time spent on services, open an invoice form and select the customer. This window will open:



Once you've entered billable hours worked by an employee, simply open an invoice form and select that customer to open this window.

By default, "Select the outstanding billable time and costs to add to this invoice?" is checked. When you click **OK**, a new window opens displaying a grid that contains all of that customer's billable time. You can **Select All** or click in front of each entry you want to include. You'll notice here that there are also tabs on the grid for **Expenses, Mileage, and Items** that can be billed back to the customer.

If you choose not to carry billable hours over to the invoice at the present time, you can always add them by clicking **Add Time/Costs** in the invoice's toolbar.

Questions? We're always available to help ensure that you're billing customers for all costs they incur – and to talk about any other element of accounting that affects your cash flow.

We hope you find this QuickBooks tip helpful. Please visit our company website <http://www.accountingconnections.org> often as it is updated constantly and offers a wealth of tax and accounting tips, along with links to better serve your business needs. Our QuickBooks Tips newsletters are archived on our website as well.

Accounting and Taxation is **our** business; having us a part of your team allows **you** to concentrate on **your** core business.



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NATIONAL ASSOCIATION OF ENROLLED AGENTS

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