



## The QuickBooks™ Client Newsletter

Helping You Grow a Profitable Business with QuickBooks™ Software

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### Using “Sales Receipts” in QuickBooks (instead of Invoicing)

*Documenting every sale carefully helps ensure that your financial records and reports will be accurate. The sales receipt is the right tool for this in specific situations.*

You know how important it is to obtain receipts for the expenses you and your employees incur. You need to record them, analyze their impact on your cash flow, and claim some of them on your income taxes.

Your customers expect to receive forms documenting purchases they've made from you. When they pay you immediately for goods or services, you'll give them a sales receipt, rather than invoicing them for future remittance. Not only will your customers have a record of the transaction – you will, too.

QuickBooks supports the creation and tracking of sales receipts. It manages the mechanics of this important task incredibly well. It eliminates the need to enter receipt data twice, once on a paper copy for your customer and again in your accounting system. This QuickBooks feature not only minimizes errors, but saves time and lessens the possibility of disputes down the road.

#### A Simple Form

Here's an example of a situation that illustrates the importance of really learning about and understanding QuickBooks before you start entering live data. Say you got a check from a customer on the spot for a house painting job you completed. When you look at QuickBooks' home page, which icon do you click?

You might be tempted to click **Receive Payments**, since that's exactly what you're doing. But that screen is reserved for revenue that comes in to satisfy outstanding invoices and unpaid items on billing statements. Instead, you'd click **Create Sales Receipts** to open the **Enter Sales Receipts** window. Here's a partial view of what you'd see:

ITEM	DESCRIPTION	QTY	RATE	AMOU.
Subs.Painting	Painting	16	25.00	400.00

*When a customer pays you immediately for goods or services, you need to open and complete the **Enter Sales Receipts** window.*

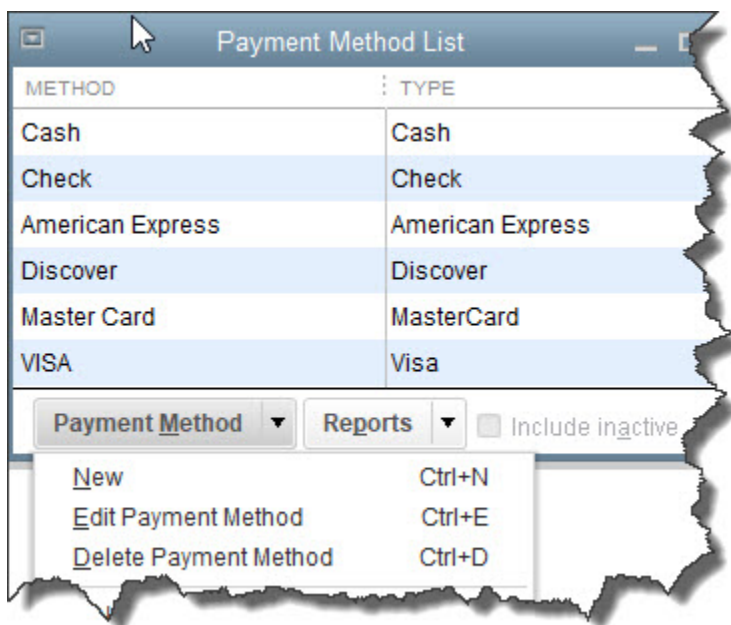
QuickBooks comes with a template for creating sales receipts, but you have the ability to modify it if needed. Ask us about the software's customization tools.

*If you've already entered your customer and item/service records in QuickBooks, you can record your sale very quickly here. Even if you haven't, or if you need to create a new record on the fly, you can select <Add New> when you open the drop-down option lists for the **Customer:Job** and **Item** fields.*

**Warning: Do you need to track inventory levels for products you sell? Have you created thorough records for these items? There is information that QuickBooks needs to help ensure that you don't run out of stock or keep too much on hand. Let us walk you through the software's inventory-management tools so you can take advantage of all the benefits they offer.**

Once you've selected the appropriate **Customer**, **Class** (if you use this feature), and **Template** (Here again, do you understand that you can either use the default sales receipt form provided by QuickBooks or customize it? We can help here), make sure that the **Date** and **Sale No.** are correct.

Next, click on the icon representing the transaction's payment method, choosing from **Cash**, **Check**, **Credit Card**, or **eCheck**. Click the **More** button if your method isn't listed there. Here, you can add new options by selecting **Add New Payment Method**. A small window will open allowing this. If you want to modify this list further by, for example, editing and deleting the default methods, clear and close the current sales receipt, open the **Lists** menu, and select **Customer & Vendor Profile Lists | Payment Method List**. This window will open:



*Click the down arrow in the **Payment Method** field near the bottom of this window to see your modification options.*

Once you've chosen the desired **Payment Method** (and entered a check number if necessary), you'll complete the rest of the sales receipt much like you would an invoice, by selecting the correct products or services, the quantity you're selling, and the transaction's tax status. QuickBooks will fill in the rest if you've created complete item records.

When you're done, save the sales receipt. Information about the transaction will be available in standard places like the **Customer Information** screens and various reports.

Whether your revenue comes instantly (documented by a sales receipt) or as longer-term payment on an invoice, your company's income is just one element of the cash flow equation.

Are you able to create and interpret the reports that can help you understand these complex calculations, like **Cash Flow Forecast** and **Profit & Loss**? You probably run some of QuickBooks' more basic sales reports regularly, but consider bringing us in to do the deep analysis needed to make better business decisions. Analyzing your company's cash flow is more complicated than simply comparing income to expenses. We can help you understand how this works, and why you need to know.

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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**ENROLLED AGENT** | **AMERICA'S TAX EXPERT**  
NATIONAL ASSOCIATION OF ENROLLED AGENTS

*An **Enrolled Agent (EA)** is a federally licensed tax professional, who has taken an extensive test in taxation and must comply with continuing education in tax law to maintain their license.*

*Enrolled Agents are allowed to represent clients before all administrative levels of IRS without their clients' presence (the same as a CPA).*