



The QuickBooks™ Client Newsletter

Helping You Grow a Profitable Business with QuickBooks™ Software
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How Do You Deal with Payments and Deposits in QuickBooks Desktop?

Depositing customer payments is one of your more pleasant business tasks. Here's how it's done in QuickBooks.

If you are still doing your accounting manually, depositing checks and cash that come in from customers takes a lot of work. You probably wait until you have several payments to deposit to minimize your trips to the bank. When you are ready, you fill out a deposit slip and calculate a total, though you have probably already recorded the transactions elsewhere in your bookkeeping system. You must store the transaction receipt from the bank in a safe place, probably in a folder with your documentation from the deposit.

QuickBooks simplifies the process of recording deposits. If you are using QuickBooks Payments, deposits get processed automatically. If you are not, you can use QuickBooks tools that help you prepare deposits by selecting payments you have already recorded and getting them ready to present to the bank. This is another example of how the software helps you avoid doing unnecessary, tedious bookkeeping chores.

Here is how it works.

How Do You Record a Payment In QuickBooks?

When you receive cash or a check from a customer, QuickBooks allows you to record it in the **Receive Payments** window. You can select the customer and enter the amount in the fields provided. You can also select the type of payment (cash, check, credit/debit card, or e-check). If the customer has outstanding invoices, you'll see them listed at the bottom of the window. Double-check your work and save the transaction.

Tip: You can add or delete **payment methods** so you will only see the ones you offer. Open the **Lists** menu and click **Customer & Vendor Profile Lists | Payment Method List**. Open the **Payment Method** menu in the lower right to add a new one or edit or delete existing ones.

Customer Payment

CUSTOMER BALANCE **480.00**

RECEIVED FROM: Adam's Candy Shop

PAYMENT AMOUNT: 480.00

DATE: 12/15/2025

CHECK #: 4274

Where does this payment go?

CASH CHECK CREDIT DEBIT e-CHECK MORE

✓	DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
✓	11/18/20...	141		40.00	40.00
✓	12/15/20...	143		440.00	440.00
Totals				480.00	480.00

USED CREDITS AMOUNTS FOR SELECTED INVOICES

You can record customer payments in this QuickBooks window.

Where Do the Payments Go?

Unless you have instructed QuickBooks to do otherwise, payments you record in the software automatically go in an account called **Undeposited Funds**, where they remain until you deposit them.

Warning: There *is* a way to specify a different account for your payments. You can also set up QuickBooks so you are able to choose a different account for individual transactions. We do not recommend that you try this on your own. Let us explain how to do it and how QuickBooks will be affected.

To see your **Undeposited Funds** account, click the **Chart of Accounts** icon on the home page or open the **Company** menu and select **Chart of Accounts**. Scroll down a bit until you see **Undeposited Funds**. Double click it to see all the transactions contained there, but do not alter them. This account is just a **holding place for transactions in transition**.

How Do You Process a Deposit?

When you are ready to take cash and checks to the bank and you have your deposit slip ready, click **Record Deposits** on the home page. A window like this will open:

Payments to Deposit

SELECT VIEW

View payment method type: All types What are payment method views?

Sort payments by: Name

SELECT PAYMENTS TO DEPOSIT

✓	DATE	TIME	TYPE	NO.	PAYMENT METH...	NAME	AMOUNT
✓	12/15/2025		PMT		Check	Adam's Candy Shop	40.00
✓	12/15/2025		PMT		Check	Blackwell, Edward	1,125.00
✓	12/15/2025		PMT		Check	Gregory, Dru	784.16
✓	12/15/2025		PMT		Cash	Heldt, Bob	101.82
✓	12/15/2025		PMT		Check	Hughes, David	336.88

You will select the payments you want to deposit in this window.

Make any changes you want to the options under **Select View** at the top of the window, and click in front of any payments you want to include in the deposit to create checkmarks. Compare the **Payment Subtotal** to your deposit slip to make sure they match. When you are satisfied, click **OK**.

In the upper left corner of the **Make Deposits** window that opens, make sure the **Deposit To** window is showing the account where the funds should go and that the **Date** of deposit is correct. Add a **Memo** if you like.

Tip: A quick way to look at an account register is to open the **Banking** menu and select **Use Register**. Choose the account in the window that opens.

Can We Help in Any Way?

Deposits are another QuickBooks feature that looks deceptively simple. That is, the mechanics are not complicated, but you do not want to be making any mistakes here. If we can help you by walking you through the process, please let us know. It is a lot easier to learn how to use this tool up front than to go in and try to untangle errors.

We are always available to handle your QuickBooks questions.

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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