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## Billing for Time and Expenses: How It Works

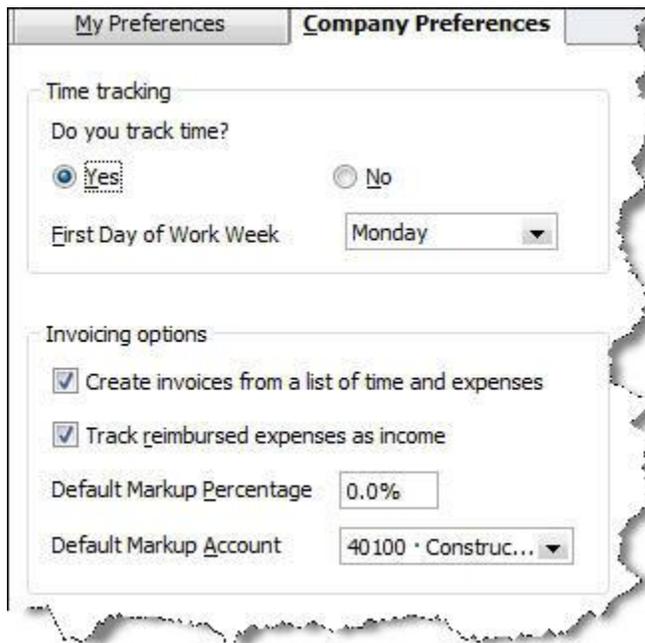
*QuickBooks handles billable expenses capably, but it's critical that you understand the process thoroughly before proceeding.*

Billing for inventory parts is easy. Pick the items from a list and specify a quantity. Poof. Done.

Billing for costs, time or mileage is a little more complex. QuickBooks has built-in tools to help you do this, but it's a bit of a process.

To simplify your workflow, do this groundwork first:

- Go to **Edit | Preferences | Time & Expenses | Company Preferences**. Click the **Yes** button under **Time tracking** and indicate your choices under **Invoicing options**. If you plan to mark up some costs and want a default number, enter a percentage and account (these can be changed on individual invoices).



The screenshot shows the 'Company Preferences' dialog box in QuickBooks. It has two tabs: 'My Preferences' and 'Company Preferences'. The 'Company Preferences' tab is active. Under the 'Time tracking' section, 'Do you track time?' has the 'Yes' radio button selected, and 'No' is unselected. 'First Day of Work Week' is set to 'Monday'. Under the 'Invoicing options' section, 'Create invoices from a list of time and expenses' and 'Track reimbursed expenses as income' are both checked. 'Default Markup Percentage' is set to '0.0%' and 'Default Markup Account' is set to '40100 \* Construc...'. The dialog box has a decorative, torn-edge border.

Figure 1: As you do with other QuickBooks processes, make sure that your **Preferences** are set correctly.

- Add any billing items necessary by clicking **Lists | Item List** and then **Item | New** in the lower left corner.

- If you plan to bill for mileage, go to **Lists | Customer & Vendor Profile List | Vehicle List** and enter information about every business vehicle.

## Invoicing for Services

If you're a service-oriented company, you bill for time frequently. This is easy. You're probably already familiar with the **Enter Time** entry in the **Employees** menu. Whether you make individual time entries or complete a timesheet, it's critical that you make the correct selections for each **Customer: Job, Service Item** and **Payroll Item** field, and check the **Billable** box.

When you create invoices, this box will open after you select a customer:

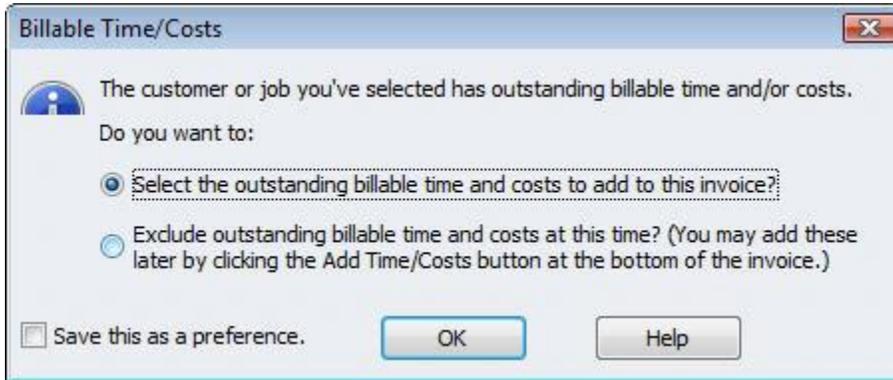


Figure 2: QuickBooks lets you know when there are time and costs to be billed for each customer.

You can let QuickBooks enter the time totals now, or add them later by clicking the **Add Time/Costs** button. Either way, the **Choose Billable Time and Costs** window opens. Add a checkmark next to each entry that should be billed, and click **Options...** to indicate whether you want one line for each time entry or would rather combine all similar service item types.

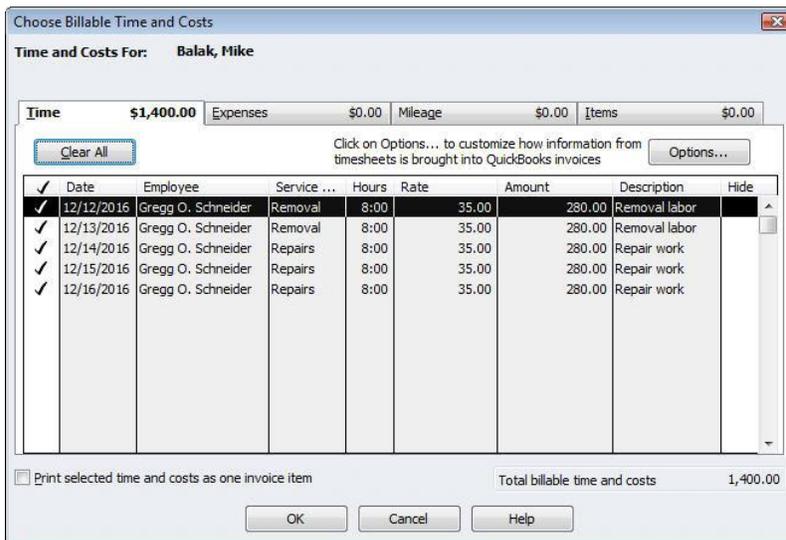


Figure 3: QuickBooks wants to know which entries should be invoiced.

## More Complexity

If you're done with billable expenses for this invoice, click **OK**. If there are other costs that you covered, click the **Expenses** tab to see all transactions that you earmarked for this client on a bill, check or credit card. You have the option here to mark up the cost by a percentage or amount (even if you established this in **Preferences**), and to specify an account.

Do the same for **Mileage**, which you would have entered previously - when it was incurred -- at

**Company | Enter Vehicle Mileage.** Then select any **Items** that you purchased for the customer. Your records should be correct - assuming that you were conscientious about assigning expenses to customers and jobs.

Vehicle	2001 Chevy Minivan	<b>Not Billed</b> <input checked="" type="checkbox"/> Billable	
Trip Start Date	12/15/2016	Customer:Job	Balak, Mike
Trip End Date	12/15/2016	Item	Business Mileage
Odometer Start	25,730	Class	Remodel
Odometer End	26,253	Notes	Trip to Madison to pick up additional equipment needed for job.
Total Miles	523		

Figure 4: It's easy to pull billable expenses into invoices if they're documented carefully.

Turning expenses into invoices *and then into income* can be complicated. Let us know if we can help. We are your partner in building a successful business.

## QuickBooks Tip

Here's a cool little keyboard shortcut. Hit F2 while you're in QuickBooks, and you'll get the Product Information screen. It'll tell you everything you want to know about your specific copy of QuickBooks, like your release and license number, the file size, number of users logged in, audit trail status and the total number of accounts, customers, employees, etc.

## QuickBooks News

As of May 31, 2012, Intuit is discontinuing support for QuickBooks Pro, Premier and Simple Start 2009, QuickBooks for Mac 2009 and QuickBooks Enterprise Solutions 9. You can continue to use these solutions, of course, but live technical support and add-on services like payroll, credit card processing, online banking and bill-pay will not be accessible. Talk to us about upgrading if you're using any of these products or services.