

Applying Customer Deposits to Multiple Jobs

Copyright © The Sleeter Group, Inc.

This section uses **Apply Deposits to Multiple Jobs.QBW**.

This option for handling customer deposits allows you to apply the deposits from one job to the invoices of another job.

In this example, assume you have a customer with two jobs. The customer gives you deposits for both jobs separately, and then when you later apply the credits, the customer requests that you apply some or all of the credit from one job to the invoice of another job. The example also works if you have two customers, owned by the same parent company where you would like to apply the credits of one company to the invoices of a different company.

Although QuickBooks 2002 and above allows you to apply one payment to multiple jobs, you cannot apply one job's **credit** to another job using the receive payments/apply credits screen. So, to apply an existing credit for one job to a different job, we'll have to use the following workaround.

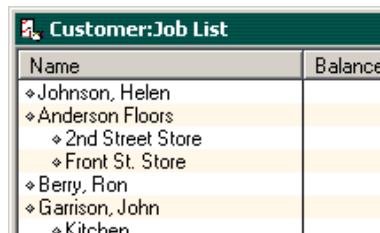
Step 1. Create an Other Current Liability account called "Customer Deposits".

Tip For Cash Basis Taxpayers

If you need to treat customer prepayments as Income on your tax return, use an Other Current Liability account for management purposes and then change the account type to Income when preparing year-end financial reports or the company's tax return.

Step 2. Create an Other Current Asset account called "Clearing". This clearing account will be used to "wash out" the credits from one job and transfer them to the other job.

Step 3. Set up your customer list with the main customer and with each job under that customer. In this example, we'll use Anderson Floors and their two jobs (2nd Street Store, and Front St. Store).



Name	Balance
♦ Johnson, Helen	
♦ Anderson Floors	
♦ 2nd Street Store	
♦ Front St. Store	
♦ Berry, Ron	
♦ Garrison, John	
♦ Kirchen	

Figure 1 Set up each job under the main customer name.

Step 4. For each of the deposits (prepayments or retainers), create a Deposit transaction and use the "Customer Deposits" account in the Account column. Also, enter the customer and job name in the Received From column (see Figure 2 and Figure 3).

Make Deposits

Deposit To: Checking Date: 12/23/2002 Memo: Deposit

Click Payments to select customer payments that you have received. List any other amounts to deposit below.

Received From	From Account	Memo	Chk No.	Pmt Meth.		
Anderson Floors:2nd Stre...	Customer Deposits	Prepayment on 2nd stree...				5,000.00

Deposit Subtotal 5,000.00

Cash back goes to: Cash back memo: Cash back amount:

Deposit Total 5,000.00

Buttons: Save & Close, Save & New, Revert

Figure 2 Deposit to record prepayment on the 2nd street job.

Make Deposits

Deposit To: Checking Date: 12/23/2002 Memo: Deposit

Click Payments to select customer payments that you have received. List any other amounts to deposit below.

Received From	From Account	Memo	Chk No.	Pmt Meth.		
Anderson Floors:Front St. ...	Customer Deposits	Prepayment on Front Street				2,000.00

Deposit Subtotal 2,000.00

Cash back goes to: Cash back memo: Cash back amount:

Deposit Total 2,000.00

Buttons: Save & Close, Save & New, Revert

Figure 3 Deposit to record prepayment on the Front street job.

Step 5. After Academy Glass provides products and services, the company creates the Invoice shown in Figure 4. Save the Invoice with a "To-be-printed" status. Do not print the Invoice during this step.

Customer: Job Anderson Floors: 2nd Street

DATE: 12/23/2002 INVOICE #: 2001-300

Invoice

BILL TO
Anderson Floors
5647 Cirrus Rd
San Jose, CA 95199

P.O. NO.	TERMS	REP	CITY
	Net 30		San Jose

ITEM	DESCRIPTION	QUANTITY	RATE	AMOUNT	Tax
Window	Window		2,000.00	2,000.00	Tax
Customer Message					
Tax Santa Clara (8.0%)				160.00	
Total				2,160.00	

To be printed To be sent Customer Tax Code Tax Balance Due 2,160.00

Memo **Save & Close** Save & New Revert

[Incorporate your business online!](#)

Figure 4 Invoice for the 2nd Street job with the prepayment applied

Customer: Job Anderson Floors: Front St. ...

DATE: 12/23/2002 INVOICE #: 2001-301

Invoice

BILL TO
Anderson Floors
5647 Cirrus Rd
San Jose, CA 95199

P.O. NO.	TERMS	REP	CITY
	Net 30		San Jose

ITEM	DESCRIPTION	QUANTITY	RATE	AMOUNT	Tax
Skylight	Skylight		5,000.00	5,000.00	Tax
Customer Message					
Tax Santa Clara (8.0%)				400.00	
Total				5,400.00	

To be printed To be sent Customer Tax Code Tax Balance Due 5,400.00

Memo **Save & Close** Save & New Revert

[Incorporate your business online!](#)

Figure 5 Invoice for the Front St. job with the prepayment applied

- Step 6.** Create three journal entries. Two to reallocate the deposits to the appropriate jobs and a third one to zero out the clearing account. Three journal entries are necessary because QuickBooks doesn't allow you to use A/R more than once on the same journal entry. See the three journal entries in Figure 6, Figure 7, and Figure 8. In the first journal entry, we're crediting the 2nd street job (for which we received a \$5,000 deposit) by \$2,000 and moving that amount into the Clearing account. On the second journal entry (Figure 7), we're crediting the Front St. job (for which we received a \$2,000 deposit) by \$5,000 and moving that amount into the Clearing account. Finally, on the last journal entry we're zeroing out the Clearing and Customer Deposits accounts.

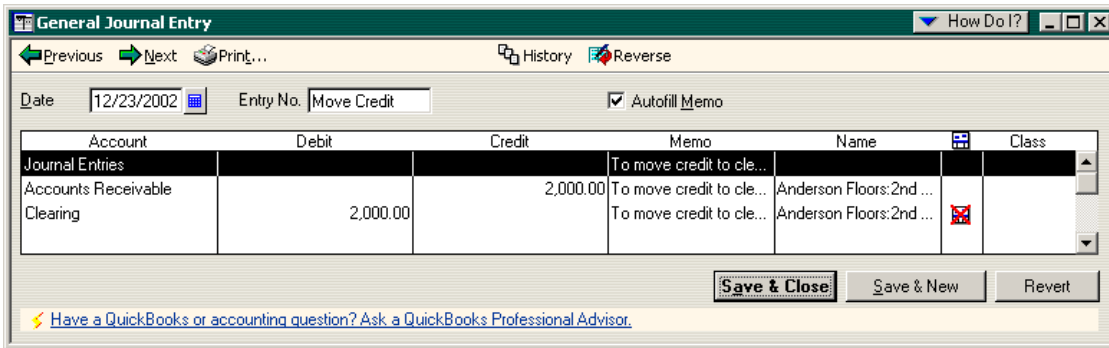


Figure 6 Journal Entry to Credit AR for the 2nd Street job by \$2,000.

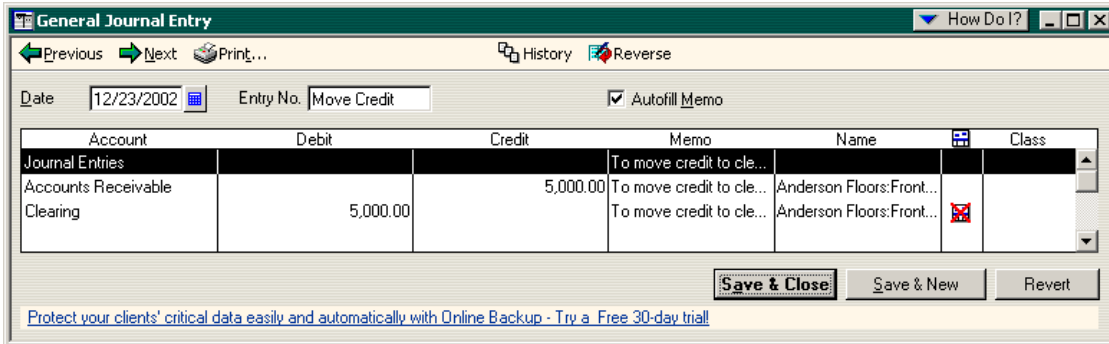


Figure 7 Journal Entry to Credit AR for the Front St. job by \$5,000.

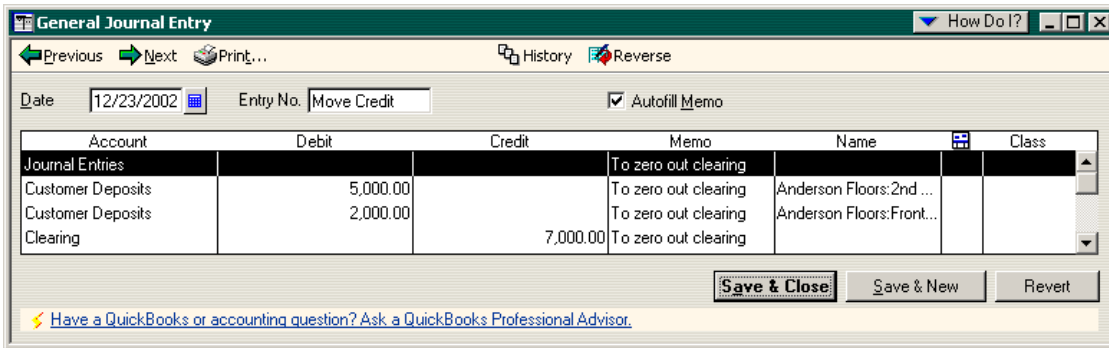


Figure 8 Journal Entry to zero out Clearing and Customer Deposits for each prepayment amount.

Step 7. At this point, your open invoices report looks like the report in Figure 9. The journal entries have created credits at the job level, but they have not yet been applied to the open invoices.

Type	Date	Num	Terms	Due Date	Open Balance
Anderson Floors					
2nd Street Store					
General Journal	12/23/2002	Mov...			-2,000.00
Invoice	12/23/2002	2001...	Net 30	01/22/2003	2,160.00
Total 2nd Street Store					160.00
Front St. Store					
General Journal	12/23/2002	Mov...			-5,000.00
Invoice	12/23/2002	2001...	Net 30	01/22/2003	5,400.00
Total Front St. Store					400.00
Total Anderson Floors					560.00
TOTAL					560.00

Figure 9 Open Invoices report after creating journal entries to move credits between jobs.

Step 8. Now we have to apply the credits in AR (created by the journal entries above) to the open invoices. Using the Receive Payments screen, apply the \$5,000 credit to the Front St. job and the \$2,000 credit to the 2nd Street job. Start by entering the main customer name (Anderson Floors) at the top of the receive payments screen (see Figure 10). Click the **“Show discounts and credit information”** if it is not already selected.

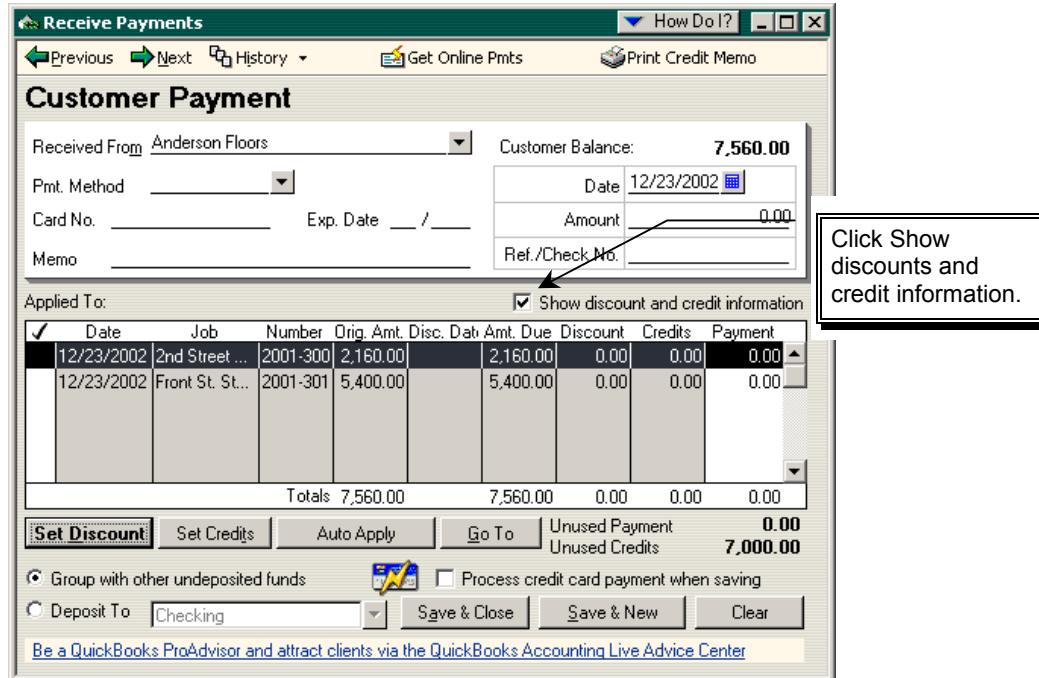


Figure 10 A Customer Payment screen with the main customer entered.

Step 9. Click to select the first open invoice (the 2nd Street job), and then click **Set Credits**.

Step 10. Notice in Figure 11 that the credit for \$2,000 (created by the journal entry in Figure 6) is already selected. Click **Done** to apply the credit.

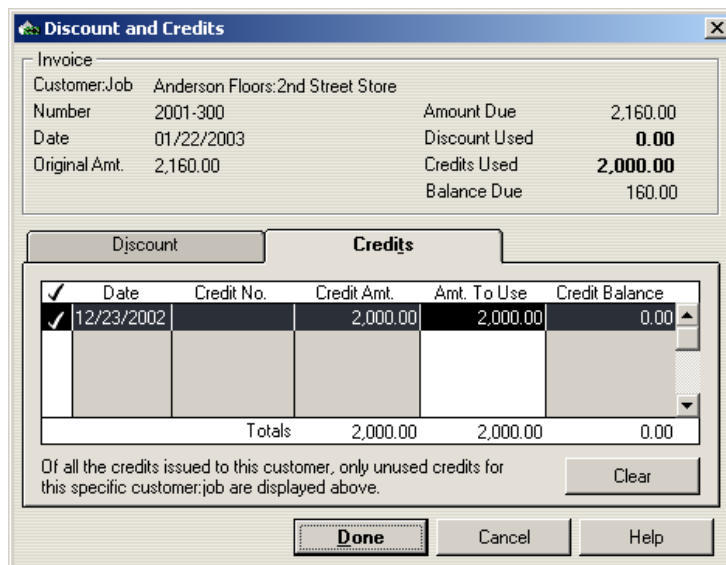


Figure 11 Applying Credit to the 2nd Street open invoice.

Step 11. You can see in Figure 12 that the credit has reduced the balance due on the 2nd Street job.

Receive Payments [How Do I?] [Previous] [Next] [History] [Get Online Pmts] [Print Credit Memo]

Customer Payment

Received From: Anderson Floors Customer Balance: **7,560.00**

Pmt. Method: [] Date: 12/23/2002

Card No. [] Exp. Date [] / [] Amount: 0.00

Memo [] Ref./Check No. []

Applied To: [] Show discount and credit information

✓	Date	Job	Number	Orig. Amt.	Disc. Dat.	Amt. Due	Discount	Credits	Payment
✓	12/23/2002	2nd Street ...	2001-300	2,160.00		2,160.00	0.00	2,000.00	0.00
	12/23/2002	Front St. St...	2001-301	5,400.00		5,400.00	0.00	0.00	0.00
Totals				7,560.00		7,560.00	0.00	2,000.00	0.00

Unused Payment: **0.00**
 Unused Credits: **5,000.00**

Group with other undeposited funds Process credit card payment when saving
 Deposit To: [Checking]

[Be a QuickBooks ProAdvisor and attract clients via the QuickBooks Accounting Live Advice Center](#)

Figure 12 The customer payment screen after applying the credit for the 2nd Street job.

Step 12. Next, select the second line (Front St. invoice) and click **Set Credits**. Then click **Done** to apply the credit to the invoice just as before.

Discount and Credits [X]

Invoice

Customer:Job Anderson Floors:Front St. Store

Number 2001-301 Amount Due 5,400.00

Date 01/22/2003 Discount Used 0.00

Original Amt. 5,400.00 Credits Used 5,000.00

Balance Due 400.00

✓	Date	Credit No.	Credit Amt.	Amt. To Use	Credit Balance
✓	12/23/2002		5,000.00	5,000.00	0.00
Totals			5,000.00	5,000.00	0.00

Of all the credits issued to this customer, only unused credits for this specific customer:job are displayed above.

Figure 13 Applying Credit to the Front St. open invoice.

Received From: Anderson Floors Customer Balance: 7,560.00

Pmt. Method: _____ Date: 12/23/2002

Card No. _____ Exp. Date ____/____ Amount: 0.00

Memo _____ Ref./Check No. _____

Applied To: Show discount and credit information

Date	Job	Number	Orig. Amt.	Disc. Dat.	Amt. Due	Discount	Credits	Payment
12/23/2002	2nd Street ...	2001-300	2,160.00		2,160.00	0.00	2,000.00	0.00
12/23/2002	Front St. St...	2001-301	5,400.00		5,400.00	0.00	5,000.00	0.00
Totals			7,560.00		7,560.00	0.00	7,000.00	0.00

Unused Payment: 0.00
Unused Credits: 0.00

Group with other undeposited funds: Process credit card payment when saving:

Deposit To: Checking

Buttons: Set Discount, Set Credits, Auto Apply, Go To, Save & Close, Save & New, Clear

Figure 14 The customer payment screen after applying both credits.

Step 13. After you've applied both credits to the open invoices, your screen should match Figure 14. Click **Save & Close** to record.

Step 14. Now, to print the invoices showing the credits applied, make sure your invoice format is modified to show the payments/credits and Balance Due at the bottom of the invoice.

Template Name: Academy Glass Invoice

Buttons: OK, Cancel, Default, Help

	Screen	Print	Title
Message	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Customer Message
Subtotal	<input type="checkbox"/>	<input type="checkbox"/>	Subtotal
Sales Tax	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sales Tax
Total	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Total
Payments/Credits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Payments/Credits
Balance Due	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Balance Due
Long text (disclaimer)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Payment is due within 30 days of invoice date. Any payments received after that date will be assessed a 1% per month finance fee.

Callout: Modify the invoice template to show Payments/Credits and Balance Due in the footer of the invoice as shown here.

Figure 15 Customizing an Invoice template to show Payments/Credits and Balance Due.

Step 15. Next, select the **File** menu, choose **Print Forms**, and then choose **Invoices**

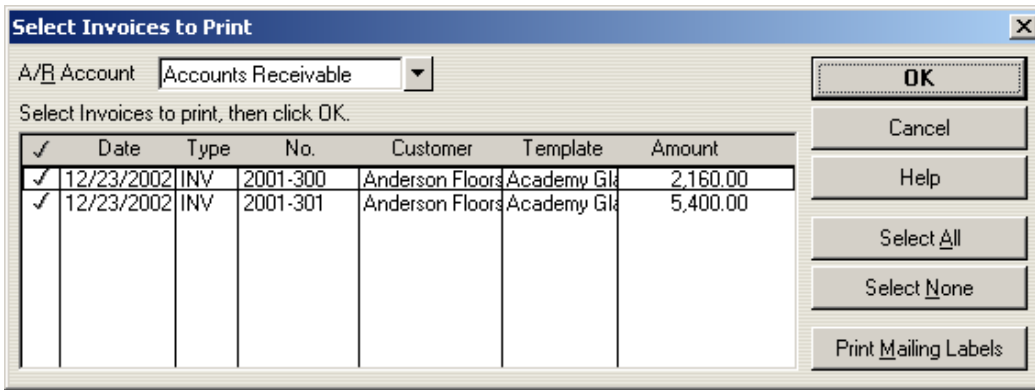


Figure 16 The Select Invoices to Print screen showing both invoices selected.

Step 16. Click **OK** to print the invoices. The printed Invoices show the prepayments applied and the balance due (see Figure 17). Also, the statements will show the full amount of the invoices, plus on separate lines, the statements will show the amount of the credits for each invoice.

Academy Glass, Inc. 123 Main St. Pleasanton, CA 94588		Invoice			
		DATE	INVOICE #		
		12/23/2002	2001-300		
<table border="1" style="width: 100%;"> <tr> <td style="text-align: center;">BILL TO</td> </tr> <tr> <td>Anderson Floors 5647 Cirrus Rd San Jose, CA 95199</td> </tr> </table>				BILL TO	Anderson Floors 5647 Cirrus Rd San Jose, CA 95199
BILL TO					
Anderson Floors 5647 Cirrus Rd San Jose, CA 95199					
		P.O. NO.	TERMS		
			Net 30		
		REP	PROJECT		
			2nd Street Store		
DESCRIPTION	QUANTITY	RATE	AMOUNT		
Window		2,000.00	2,000.00T		
Santa Clara County Sales Tax		8.00%	160.00		
		Total	\$2,160.00		
		Payments/Credits	\$-2,000.00		
		Balance Due	\$160.00		
<small>Payment is due within 30 days of invoice date. Any payments received after that date will be assessed a 1% per month finance fee.</small>					

Figure 17 The Invoice for the 2nd Street job showing the \$2,000 credit applied.

Reports for Tracking Customer Deposits:

Follow these steps to create a report that tracks prepayments by customer:

- Step 1. Select the **Reports** menu and choose **Customer Summary Report**.
- Step 2. Click **Modify Report**.
- Step 3. Enter "All" in the *Dates* field and "Customer" in the *Display rows by* field as shown in Figure 18.

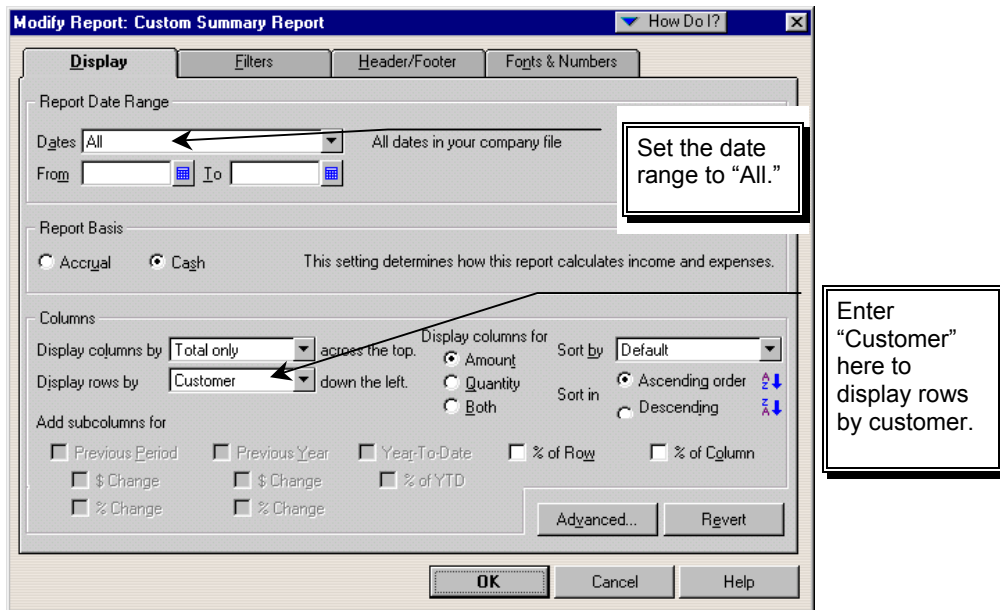


Figure 18 The Display tab of the Modify Report screen.

Step 4. Click the **Advanced** button and set only **Non-zero** rows to display.

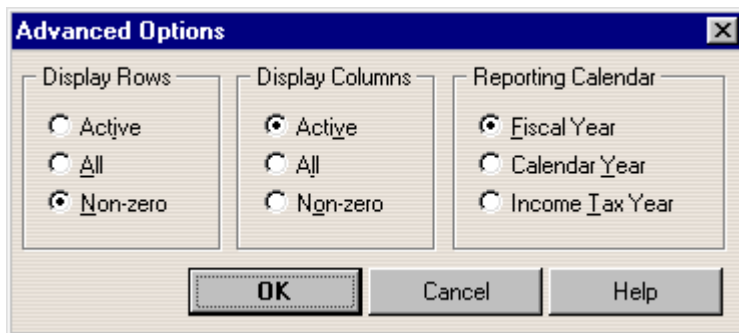


Figure 19 Show only rows with a balance.

Step 5. Click the **Filters** tab and filter by **Account** for the "Customer Deposits" account (see Figure 20).

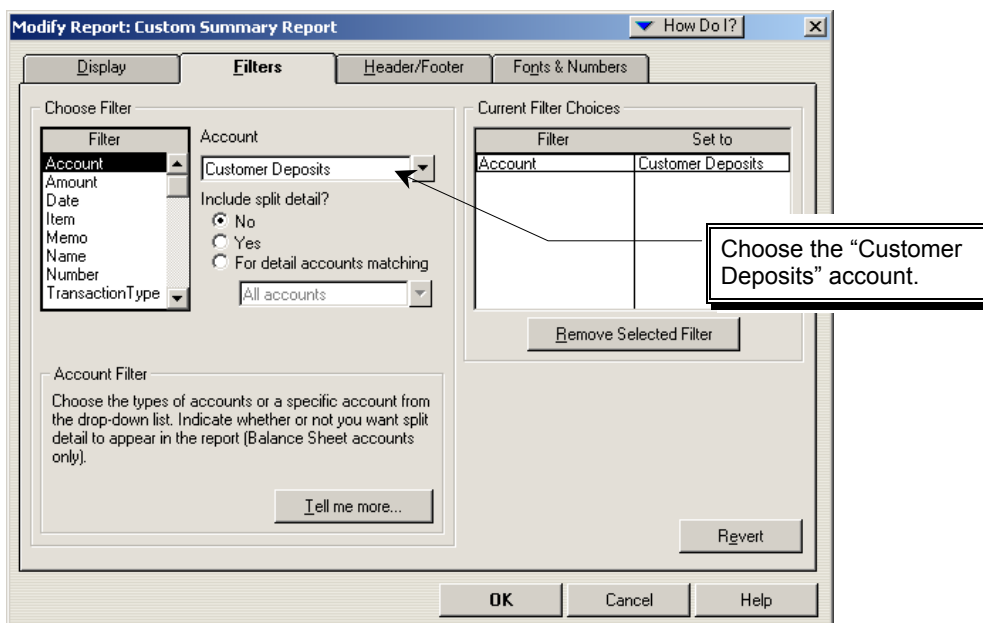


Figure 20 Filter the report to include only the Customer Discounts account.

Step 6. Click the Header/Footer tab and change enter “Customer Deposits” in the *Report Title* field. Then unselect the *Subtitle*, *Date Prepared*, *Time Prepared* and *Report Basis* fields (see Figure 21).

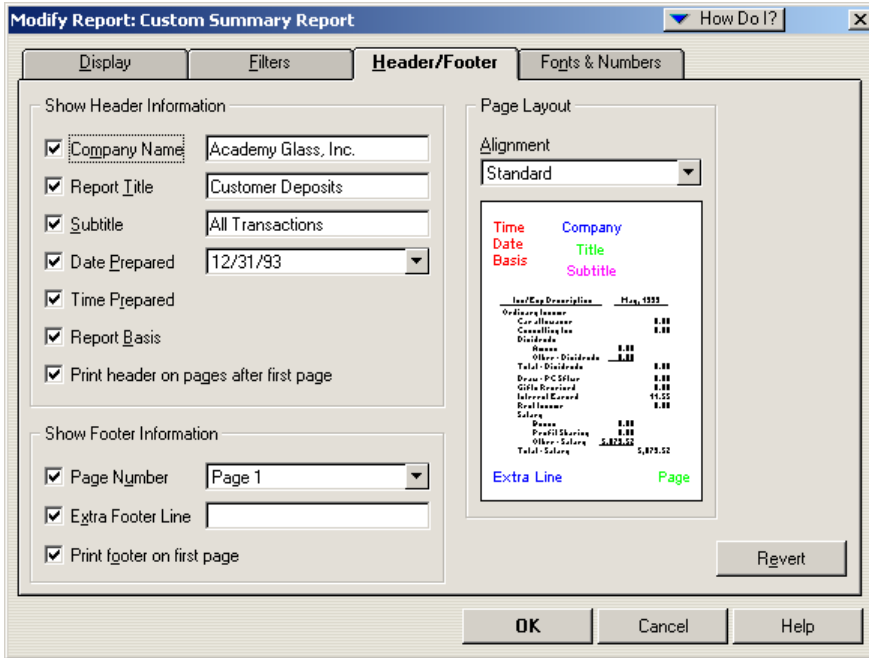


Figure 21 Change the report title to read “Customer Prepayments.”

Step 7. Click **OK** to save your changes. QuickBooks displays the report shown in Figure 22. Memorize the report for future use.

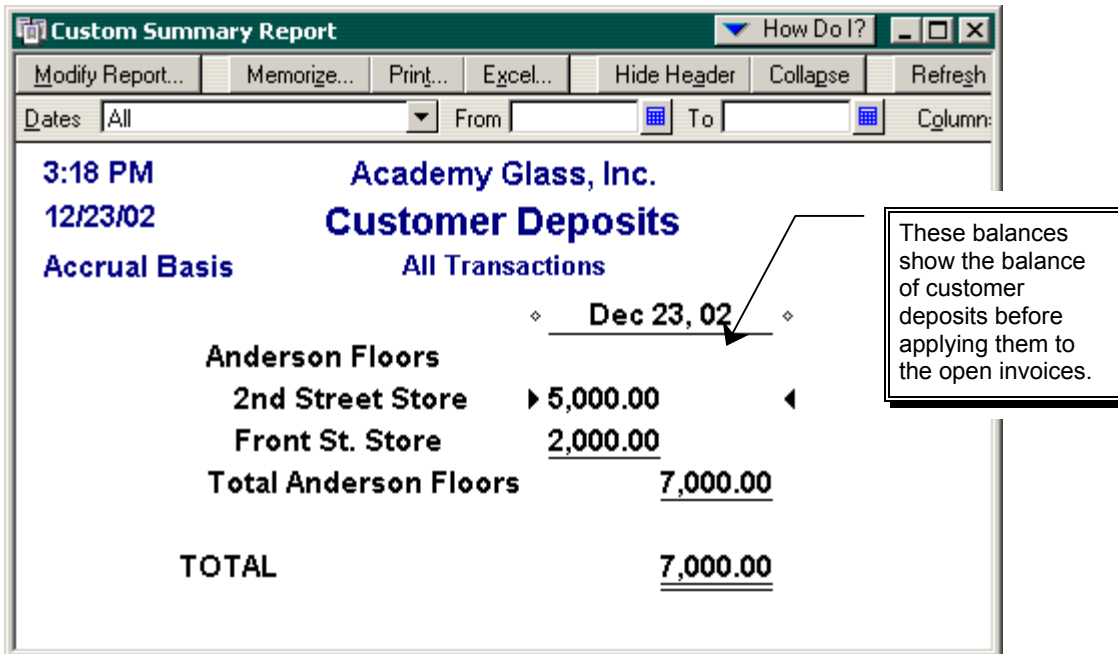


Figure 22 The report shows deposits by customer before they are applied to invoices or refunded.