

QUICKBOOKS TRANSACTIONS

BILLING FOR EXPENSES FROM CHECKS OR BILLS

Any expense that will be paid on behalf of a customer from the operating checking account should be allocated to the customer for purposes of billing. This can be done when entering a bill from a vendor or when writing a check.

To enter a bill from a vendor, open the Enter Bills window (click on *Enter Bills* from the Vendor Navigator; select *Vendors – Enter Bills* from the menu, or click on *Bill* from the Icon Bar).

On the bill form, fill in the Vendor and other information needed. On the expenses tab, under account, fill in the expense category (usually client costs). Enter the amount. Under memo, fill in any description you want to have automatically included on the client invoice. Fill in the customer:job information and an icon will appear in the Allocation column between customer:job and class (see the screen shot below). If the icon does not appear in the Allocation column, then the account you entered is probably not an expense account.

If the bill covers expenses for more than one customer, or if you want additional items on the client bill, add the additional items on the bill.

To write a check, open the Write Checks window (click on *Write Checks* from the Banking Navigator; select *Banking – Write Checks* from the menu, or click on *Check* from the Icon Bar).

Account	Amount	Memo	Customer:Job	Allocation Column	Class
5275 · Professional	350.00	This text will appear on customer invoice	Test Cusotmer	[Icon]	

After the bills or checks have been entered, you can create a customer invoice including the expenses. To access the Invoice function, open the Invoices window (click on *Invoices* from the Customer Navigator; select *Banking – Write Checks* from the menu, or click on *Invoice* from the Icon Bar).

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Enter the name of the customer:job and click on Time/Costs from the top of the invoice window. Click on the expenses tab to get a list of expenses billable for this customer. Check the expenses that you wish to have included on the invoice and click ok. The entries will be listed on the invoice.

If you want to mark up the expenses you can indicate this at the top of the window. The markup will apply to all items you check. Therefore, if you want to mark up only some of the items, you will need to select the items to be included on the invoice in two groups.

You can modify the expenses as they appear on the invoice. Modifications will not impact the original expenses as listed on the check or bill. If you change the check or bill after creating the invoice, the transactions on the invoice will not change.

NOTE: If you are tracking time or importing time from another program, you can click on the Time tab to bring in the time entries.

NOTE: If you want the time entries to appear above the expense entries, you must bring them in first.

The image shows two overlapping windows from the QuickBooks software. The background window is titled 'Create Invoices' and shows an invoice for 'Mike Balak' at '1800 Applesseed Ct, Bayshore CA 94326'. The foreground window is titled 'Choose Billable Time and Costs' and is for customer 'Balak, Mike:330 Main St'. It has tabs for 'Items', 'Expenses', 'Time', and 'Mileage'. The 'Expenses' tab is selected, showing a table of billable items:

U...	Date	Payee	Memo	Amount	Hide
<input checked="" type="checkbox"/>	08/21/2007	Gussman's Nursery		45.00	
<input checked="" type="checkbox"/>	08/21/2007	Robert Carr Masonry		40.00	

Below the table, it shows 'Total Selected Charges' as 85.00. At the bottom, it indicates 'Total expenses with markup' as 93.50 and 'Total billable time and costs' as 93.50. A 'Markup Amount or %' field is set to 10.0%.

Annotations with arrows point to the 'Time/Costs' button in the 'Create Invoices' window, the 'Expenses' tab in the 'Choose Billable Time and Costs' window, and the 'Markup Amount or %' field.

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Entering Trust Payments Received from Clients

When you receive a trust payment from a client, open the deposit window (click on *Record Deposits* from the Banking Navigator or select *Banking – Make Deposits* from the menu).

In the *Deposit to* field, select the Trust Bank Account. In the *Received From* column, enter the name of the customer:job (client) to whom this Trust retainer belongs. The *From Account* will always be the Client Trust Liability account. The *Memo*, *Chk No.* and *Pmt. Meth.* fields can be filled in if desired. The *Class* field can be filled in if you are using classes. The *Amount* field should be filled in with the Amount of the Retainer.

If you are depositing Retainer checks from multiple clients, repeat the appropriate information on each line.

Received From	From Account	Memo	Chk No.	Pmt. Meth.	Class	Amount

Note: You cannot display Retainers on a customer invoice automatically. One way to include the information is to type a memo on each customer invoice with their trust fund balances.

If you wish to track client trust fund balances on an account basis without having to use multiple bank accounts and separate deposits for each client, you can set up separate Client Trust Liability accounts for each client. The following section will help you generate a report, assuming that you have one Client Trust Liability account.

REPORT ON CLIENT TRUST FUND BALANCES

To determine how much money clients have in Trust Fund accounts, a memorized report has been created. This can be accessed from Reports – Memorized Reports. Generating this report will show the client funds transactions for all clients.

If you wish to limit the clients included in the report, open the report and click on *Modify Report* and click on the *Filters* tab. In the first column (under *Filter*), click on *Name*. The *Name* box will appear with *All Customer:Jobs* filled in. Click on the drop down arrow and select a name from the list. To include multiple names, click on the drop down arrow and click on *Multiple Names*. A list will appear and you can select as many names as needed. When done, click *OK* to view the revised report. If you want to use this report with the same filters again, you can memorize it as a new report by clicking on *Memorize* and choosing *Add*. If you select *Replace*, you will overwrite the original memorized report.

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WITHDRAW FUNDS FROM CLIENT TRUST BANK ACCOUNT

Funds are usually withdrawn from the Client Trust Bank Account for two reasons: (1) to pay an outside vendor, and (2) to receive payment on your invoice. Regardless of which of these you are doing, the first step is the same - writing a check. If you are receiving payment on your own invoice, there is a second step that must be taken.

Writing a Check from Trust Funds

Open the Write Checks window (click on *Write Checks* from the Banking Navigator; select *Banking – Write Checks* from the menu, or click on *Check* from the Icon Bar). The *Bank Account* should be the Trust Bank Account. If you are handwriting the check, enter the *check number*; if you wish to print the check, check the *To Be Printed* checkbox. Enter the name of the payee and the amount.

In the lower part of the window, under *Account*, enter the Client Trust Liability account. Under *Customer:Job*, enter the name of the *Customer:Job* (Client) whose trust funds are being used to pay this vendor. If you are paying a single vendor for multiple customer:jobs you can enter additional lines with the appropriate dollar amount on each line.

NOTE: If you are withdrawing funds to pay your firm, the vendor will be your firm. If you are moving the funds via phone and do not need a physical check, you can enter *Phone* or *Debit* instead of the check number.

Account	Amount	Memo	Customer:Job	Class
Client Retainers	223.00		Bake Thomas:Matter #19	

When the information is complete, click on *Save & New* to write another Check or *Save & Close* to finish this process. To Print checks, select *File – Print Forms – Print Checks* from the menu.

Paying Your Firm Invoice from Trust Funds

If the check you wrote was to pay your own invoice, then the vendor on the check will have been entered as your firm name. You will then need to enter the receipt of the payment from the client and deposit it into the Operating account.

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Select *Customers – Receive Payments* from the menu or click on *Receive Payments* from the Customer Navigator. Enter the name of the Customer in the *Received From* box. Fill in the amount and the other boxes as appropriate. Make sure the invoice(s) paid by this transaction are checked off on the lower half of the window and click *Save & New* or *Save & Close*.

Be sure to select the Customer:Job (not just the Customer)

Verify that the appropriate invoice(s) are checked

Date	Number	Orig. Amt.	Amt. Due	Payment
12/01/2007	71054	218.75	218.75	218.75
12/07/2007	71053	220.00	220.00	0.00
Totals			438.75	218.75

The next step is to tell QuickBooks which bank account the money was deposited into. Open the deposit window (click on *Record Deposits* from the Banking Navigator or select *Banking – Make Deposits* from the menu).

You will see a list of the received payments waiting to be deposited. Check the payments that will be part of this deposit and click on OK.

Date	Time	Type	No.	Payment Method	Name	Amount
12/15/2007		PMT	123	Check	Abraham J. Williams:...	218.75
03/12/2008		RCPT	Retainer	Check	Tingey Worldwide Fre...	2,000.00
03/12/2008		RCPT	Retainer	Check	Brenda Bowden Show...	1,000.00

