

FROM THE OFFICES OF...

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The **QuickBooks**® Client newsletter

The **QBC**

Helping You Grow A Profitable Business with QuickBooks® Software

Get the Job Done--and Track Costs too!

Many businesses can benefit from tracking revenue and expenses by project. Known as job tracking in QuickBooks parlance, it's ready for your immediate use. For instance, let's say that your company installs residential elevators. Several different builders contract with you to install your product in their high-end homes. In such cases the builder would be the customer, while each house that you install an elevator in would be a job. You can associate as many jobs with a customer as you wish. As you'll read in this article, you can not only associate revenues, but also expenses with jobs, as well as create a budget so that you can track your prognostication against reality.

Jobs versus Classes

Users sometimes confuse jobs with classes. Both allow you to track revenue and expenses, but are typically used for different purposes:

- **Jobs** are helpful when you want to track activity for a specific project for any of your customers. In addition, jobs allow you to create estimates and utilize progress invoicing.
- **Classes** are effective when you want to track costs by department, for an internal project, or other activities where you're not necessarily billing a customer. In addition, you must enable classes in QuickBooks by choosing Edit, Preferences, Accounting, and then choose Use Class Tracking on the Company Preferences tab. For instance, a medical office might create a class for each doctor, so that expenses can be allocated fairly among practitioners. Once you enable class tracking, you'll notice Class fields appear on various transaction screens that you can use as needed.

Note that you can associate customer invoices and expenses with classes, but you'll find that jobs typically work better

for that purpose. However, you can also use jobs and classes in conjunction with each other, for even greater tracking capabilities.

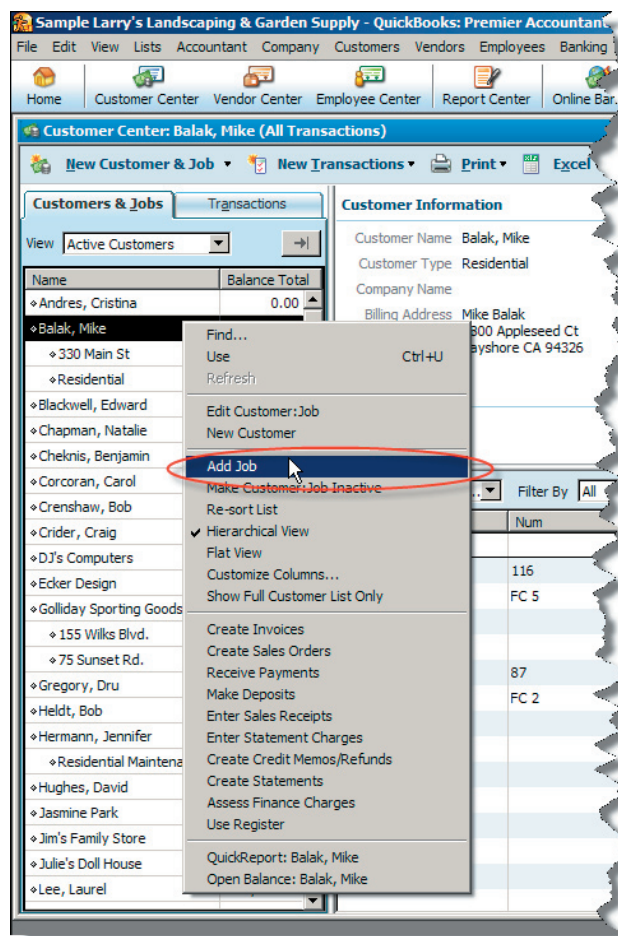


Figure 1: The Add Job choice appears amidst many other choices.

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We believe in the value of relationships. We view every client relationship like a partnership, and truly believe that our success is a result of your success. We are committed to providing close, personal attention to our clients. We take pride in giving you the assurance that the personal assistance you receive comes from years of advanced training, technical experience and financial acumen. Our continual investment of time and resources in professional continuing education, state-of-the-art computer technology and extensive business relationships is indicative of our commitment to excellence.

Create a Job

Unlike classes, no special set up is required for jobs, which are always associated with a customer. Since you probably already have numerous customers established in QuickBooks, let's see how to add a job:

1. Click on the Customer Center button on the toolbar (or press Ctrl+J).
2. Right-click on a customer name in on the Customers & Jobs tab, and then choose Add Job, as shown in **Figure 1**. Alternatively, you can choose Add Job from the Edit menu after you select a customer name.

Beware: It's possible to create a job within a job, so be sure that you click on the customer name, and not a job name, when you click Add Job.

3. At this point the New Job window appears, as shown in **Figure 2**. Assign a job name, and then complete the Address Info tab. Much of this should carry forward from the associated customer record, but you can override the information as needed for this job.
4. The Additional Info and Payment Info tabs work in the same fashion as with customers, but you'll note that jobs have an additional Job Info tab. This allows you to maintain these fields:

Job Status: This field lets you assign one of these labels to the job: None, Pending, Awarded, In Progress, Closed, and Not Awarded. You cannot add additional choices to this list, but you should change the status as the job works through the various stages of its lifecycle.

Figure 2: The New Job dialog box is almost a mirror image of the New Customer dialog box.

Start Date: Enter the date the job begins.

Projected End: Enter the expected end date for the job. Doing so will later let you compare how your projected job end dates match up to the actual job end dates.

End Date: Leave this field blank until the job is completed.

Job Description: This field allows you to assign an additional description beyond what appears in the Job Name field at the top of the screen.

Job Type: This user-definable field allows you to assign types to jobs as you wish—choose Add New from the list to add a new type. You can edit or delete this list by choosing Lists, Customer & Vendor Profile Lists, and then Job Type List.

Job Info tab: Confusingly, the Job Info tab also appears when you add a new customer. However, you cannot add a customer and a job at the same time. You can use the Job Info tab to store information about that customer, but it's best to first add the new customer, and then add the job in the fashion described above.

Assign Jobs to Transactions

Estimates, Sales Orders, and Invoices can only be assigned to a single job, but you can split other transaction types among multiple jobs. Therefore you'll choose a job name from the Customer:Job drop down at the top of the Invoice screen—estimates and sales orders work in the same fashion. Other transaction types have either a Customer:Job column or a Name column where you can assign line items to specific jobs. For instance, **Figure 3** shows the Customer:Job field on the Enter Bills screen. In addition, each transaction screen includes a Billable column where you can indicate whether an expense is reimbursable by your customer. You'll leave the

Figure 3: The Customer:Job column on the Enter Bills window is one way to assign expenses to a job.

Billable field blank if you're simply tracking costs for a given job, or click in the field to place a checkmark that will indicate that your customer should be billed for the charge.

Payroll: The paycheck detail screen allows you to assign payroll to a job, but it's best to use QuickBooks time tracking feature to do so. The paycheck detail screen doesn't allow you to specify whether time is billable, but the other screens do. Choose Employees, Enter Time, and either Use Weekly Timesheet or Time/Enter Single Activity. The Enter Time window is shown in **Figure 4**.

Enable Time Tracking: Choose Edit, Preferences, Time Tracking, and then Yes to enable time tracking.

Apply payments: Remember to apply customer payments against the job and not the customer itself. Otherwise you might encounter situations where the customer has a credit balance and the job has a debit balance that net out to zero.

Budgets

QuickBooks enables you to create a budget for your job, but there's a catch: you can only budget within a single fiscal year. So, if your job spans more than 12 months, or crosses fiscal years, you may have to use some creativity, such as splitting the job budget between two fiscal years. However, with that caveat in mind here's how you'll create a budget for your jobs:

1. Choose Company, Planning & Budgeting, and then Set Up Budgets.
2. Click the Create New Budget button to launch the Create

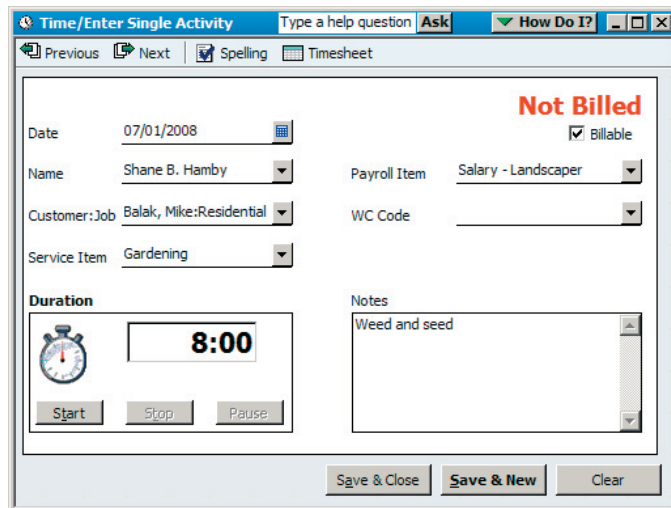


Figure 4: Use the Enter Time window to assign billable hours to a job.

New Budget wizard.

3. Specify a fiscal year, choose Profit and Loss, and then click Next.
4. Choose Customer:Job on the Additional Profit and Loss Criteria screen, and then click Next.
5. Choose Create Budget from Scratch on the Choose How You Want To Create a Budget screen, and then click Finish.
6. You're now presented with the screen shown in **Figure 5**, where you can select a customer and/or job, and then enter your budget on an account by account basis.

Consolidated Budget: Keep in mind that you only need to run the Create New Budget wizard once for a given fiscal year. Simply change the Customer:Job field on the budget screen to budget additional jobs. Once you've run the wizard, you can view or maintain your budget by choosing Company, Planning & Budgeting, and then Set Up Budgets. If necessary, choose your budget from the drop-down list. QuickBooks automatically assigns a name like FY2009–Profit and Loss by Account and Customer :Job.

Reports

Although job tracking is a helpful way to ensure that you bill your customers for reimbursable expenses, most business owners would agree that the primary benefit is the report capability. As you would expect, QuickBooks provides a variety of job-specific reports—choose Reports, and then Jobs, Time & Mileage to access these choices:

- **Job Profitability Summary:** This report compares actual costs to actual revenues and shows a dollar difference. You can optionally display a percentage difference—this is helpful if you want to determine margins. To do so, display the report onscreen, and then click Modify Report.

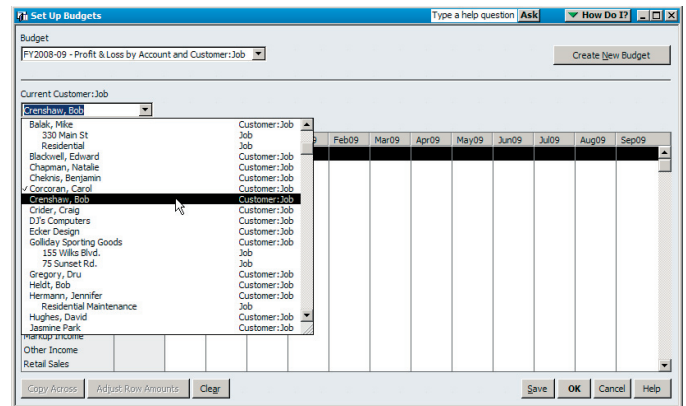


Figure 5: All customer and job budgets are stored on a single budget screen.

Click % Difference, and then click OK. By default this report summarizes all jobs, but you can limit the time frame or filter the report to view selected jobs or types of jobs.

- **Job Profitability Detail:** As shown in **Figure 6**, this report allows you to view one customer or job at a time, and provides much more detail than the Job Profitability Summary report. However, this job shows data by inventory item. Note that if you select a customer, then all jobs for that customer are summarized together, but you can also select a single job instead.
- **Profit & Loss by Job:** This report provides a column for every job for the specified report period, and details activity by account—as opposed to the Item ID approach used by the Job Profitability Detail report.
- **Unbilled Costs by Job:** This key report enables you to track any expenses that you’ve marked as billable but haven’t yet passed along to customers. For instance, the Enter Bills and Write Checks screens enable you to assign expenses to a job. An adjacent field enables you to also mark the charge as billable. In turn, QuickBooks notifies of pending unbilled charges when you invoice the customer.

Inventory	Act. Cost	Act. Revenue	(\$) Diff.
Pump	53.66	75.00	21.34
Total Inventory	53.66	75.00	21.34
Parts			
Plants/Trees			
Hedges & Shrubs	0.00	150.00	150.00
Misc Plants & Flowers	0.00	140.00	140.00
Total Plants/Trees	0.00	290.00	290.00
Ponds	0.00	210.00	210.00
Total Parts	0.00	500.00	500.00
Service			
Gardening	0.00	650.00	650.00
Installation	0.00	210.00	210.00
Pest Control	0.00	45.00	45.00
Trimming	0.00	75.00	75.00
Total Service	0.00	980.00	980.00
No item	100.00	0.00	-100.00
TOTAL	153.66	1,555.00	1,401.34

Figure 6: The Job Profitability Detail report provides the best overview of a single job.

TIP: It’s easy to disable the “unbilled charges available” prompt on QuickBooks invoicing screen, so it’s a good practice to click the Add Time/Costs button on the Invoicing screen and look for unbilled charges on each tab.

- Open Purchase Orders by Job: Most small businesses don’t use purchase order tracking, but those that do can use this report to determine what items are still on order for jobs in progress.
- Mileage by Job Summary and Detail: Most small businesses simply have to absorb the cost of mileage, and therefore don’t choose to track mileage by job. However, if tracking this level of detail is helpful to your business, these reports will be a key tool. In such cases, use Enter Vehicle Mileage on the Company menu to log your travel, as shown in **Figure 7**.

The Job Is Done

In this article we helped you get up and running with QuickBooks job tracking feature. We discuss how job tracking differs from class tracking, and showed how you can use job tracking to allocate revenue and expenses to jobs, as well as track billable charges. We helped you establish budgets for your jobs, and then we wrapped up the article with an overview of QuickBooks job tracking reports.

Figure 7: You can assign vehicle mileage to jobs—and specify whether the miles are billable.

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