



QUICKBOOKS DESKTOP 2020 CLIENT TRAINING

Lesson 13

Estimates and Progress Invoicing



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About the Author



Esther Friedberg Karp, MBA

President, EFK CompuBooks Inc.

esther@e-compubooks.com

Esther Friedberg Karp is an internationally renowned trainer, writer, business consultant and speaker who has been repeatedly listed as one of Insightful Accountant's Top 100 QuickBooks ProAdvisors in the world. She has also been named to their Top 10 list on two occasions: as Top International ProAdvisor and Top Trainer/Writer ProAdvisor.

Based in Toronto, Canada, Esther has the unique distinction of holding ProAdvisor certifications in the United States, Canada and the United Kingdom. She has authored materials and delivered educational and certification courses for Intuit in all those countries, as well as Australia where she conducted live QuickBooks Online training. She has spoken at Scaling New Heights, QuickBooks Connect and other conferences, and has written countless articles for Intuit Global.

Esther's clients include companies worldwide and accounting professionals who seek her out on behalf of their own clients. She is sought out for her expertise in various countries' editions of QuickBooks Desktop and Online, and for her talent in customizing QuickBooks usage for different industries. She also teaches QuickBooks Core and Advanced certification classes to accounting professionals in Canada.

Esther holds a BSc from the University of Toronto in Actuarial Science and Mathematics, and an MBA in Marketing and Finance from York University's Schulich School of Business.

She can be reached at esther@e-compubooks.com or 416-410-0750.



Lesson Objectives

- Learn how to create job estimates
- Find an estimate in a data file
- Learn to duplicate an existing estimate
- Create an invoice from an estimate
- Display project reports for estimates
- Update a job's status
- Make an estimate inactive

Turn on Estimates and Progress Invoicing

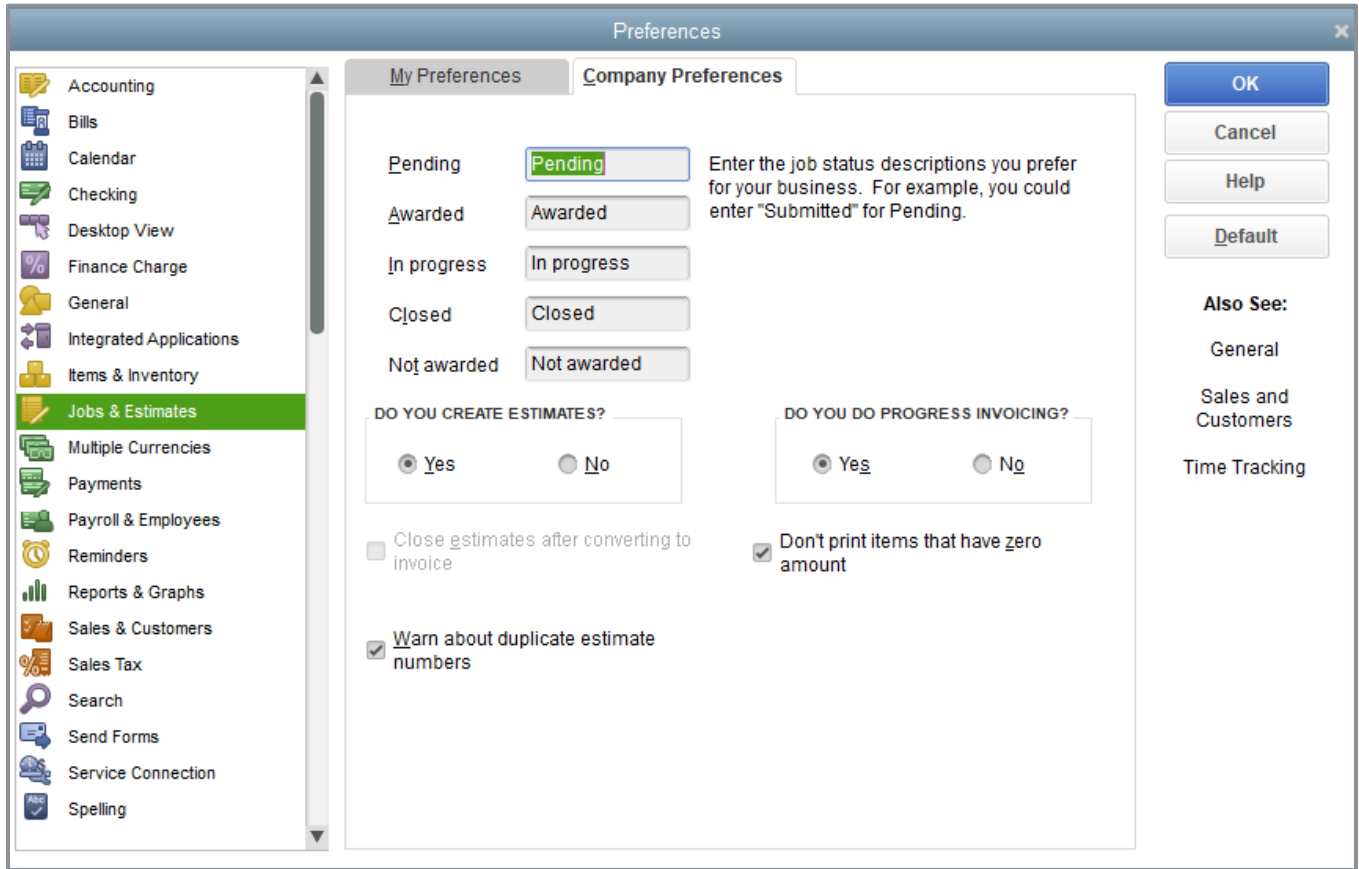
An estimate is a description of work or products you propose to sell to a current or prospective customer. (You might refer to an estimate as a quote, proposal or some other term.) You can create multiple estimates for each name (customer or Customer:Job combination). If the customer accepts an estimate, you can turn the estimate into an invoice, modifying it as necessary. When you have actual costs and revenues, you can compare them to your estimated costs and revenues to see if you were over or under the estimate.

Estimates are non-posting transactions; they do not affect any financial reports or income and expense balances. QuickBooks allows you to create invoices from estimates, either by transferring the entire estimate to an invoice or by choosing a percentage or selected items to invoice. The ability to bill for only a percentage of the estimate or selected items is called *progress invoicing*.



Step-by-Step: Turn on Estimates and Progress Invoicing

1. Make sure you are signed in to the QuickBooks company as the Admin user. (If other users have been set up on other computers to access the company in multi-user mode, ensure they are not signed in and you are in single-user mode.)
2. From the Edit menu, choose **Preferences**.
3. Click **Jobs & Estimates** in the left panel.
4. Click the **Company Preferences** tab to display the Jobs & Estimate preferences.
5. Click **Yes** after Do You Create Estimates?
6. Click **Yes** after Do You Do Progress Invoicing?
7. Click **OK** to record your selections then close the Preferences window.



NOTES

Create an Estimate



Step-by-Step: Create an Estimate from the Customer Center

1. In the Customers & Jobs list of the Customer Center, select the name of the customer or job for which you would like to create an estimate.
2. Click the **New Transactions** menu button then choose **Estimates**.
3. Complete the form with the items and pricing you would like to appear on the estimate.

ITEM	DESCRIPTION	QTY	U/M	COST	AMOUNT	MARKUP	CLASS	TOTAL	TAX
Appliance	Microwave oven	1		385.00	385.00	10.0%		423.50	Tax
Appliance	Trash compactor	1		125.00	125.00	10.0%		137.50	Tax
Appliance	Garbage disposal	1		95.00	95.00	10.0%		104.50	Tax
Subs:Drywall	Install drywall			850.00	850.00			850.00	Non
Subs:Painting	Painting			660.00	660.00			660.00	Non

SUBTOTAL: 4,115.00
 MARKUP: 60.50
 TAX: San Domingo (7.5%) 49.91
 TOTAL: 4,225.41

4. Click **Save & Close** to save the estimate.



IMPORTANT: You can also access the Estimates window from the Customers drop-down menu or from the Home screen.



IMPORTANT: If you are giving or sending this form to a customer, you may wish to create and choose a template design that reads Quote or Proposal or some other term.

NOTES

Create Multiple Estimates

You can easily create multiple variations of an estimate without having to reenter all the data. First, create a duplicate of the estimate then make the modifications necessary for the second bid.



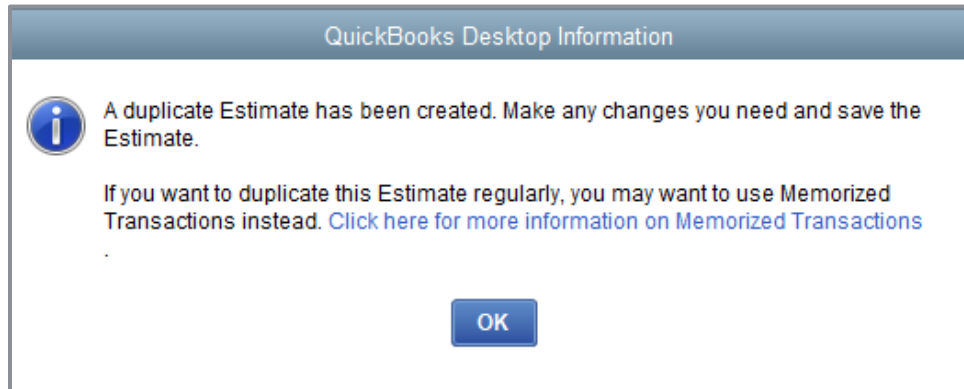
Step-by-Step: Create a Duplicate of an Existing Estimate

1. In the Main tab at the top of the existing estimate, select **Create a Copy**. (Two other ways to do this are to right-click in the body of the estimate and choose **Duplicate Estimate**, or use the **Edit** drop-down and select **Duplicate Estimate**.)

The screenshot shows the 'Create Estimates' window in QuickBooks Desktop. The 'Main' tab is selected, and the 'Create a Copy' button is highlighted with a red box. The window displays an estimate for 'Cook, Brian:Kitchen' with a date of 11/17/2024 and estimate number 610. The estimate includes a table of items with columns for ITEM, DESCRIPTION, QTY, UOM, COST, AMOUNT, MARKUP, TOTAL, and TAX. The total amount is 4,225.41.

ITEM	DESCRIPTION	QTY	UOM	COST	AMOUNT	MARKUP	TOTAL	TAX
See attached specifications for details on below work.								
Appliance	Microwave oven	1		385.00	385.00	10.0%	423.50	Tax
Appliance	Trash compactor	1		125.00	125.00	10.0%	137.50	Tax
Appliance	Garbage disposal	1		95.00	95.00	10.0%	104.50	Tax
Subs:Drywall	Install drywall			850.00	850.00		850.00	Non
Subs:Painting	Painting			660.00	660.00		660.00	Non
Subs:Plumbing	Plumbing			800.00	800.00		800.00	Non
Subs.Tile &Counter	Install tile or counter			1,200.00	1,200.00		1,200.00	Non
				SUBTOTAL			4,115.00	
				MARKUP			60.50	
				TAX	San Domingo	(7.5%)	49.91	
				TOTAL			4,225.41	

- Click **OK** when QuickBooks notifies you the duplicate estimate has been created.



- Modify the duplicate estimate accordingly to create a new, different estimate.

Estimate

CUSTOMER: **Cook, Brian:Kitchen** [Kitchen Upg.] CLASS: [] TEMPLATE: **Custom Estimate**

DATE: **12/15/2024** NAME / ADDRESS: **Brian Cook, 345 Cherry Lane, Middlefield CA 94482** SHIP TO: **Ship To 1, Brian K. Cook, 345 Cherry Lane, Middlefield, CA 94482**

ESTIMATE #: **616**

ITEM	DESCRIPTION	QTY	U/M	COST	AMOUNT	MARKUP	TOTAL	TAX
	See attached specifications for details on below work.							
Appliance	Microwave oven	1		385.00	385.00	10.0%	423.50	Tax
Appliance	Trash compactor	1		125.00	125.00	10.0%	137.50	Tax
Appliance	Garbage disposal	2		95.00	190.00	10.0%	209.00	Tax
Subs:Drywall	Install drywall			1,500.00	1,500.00		1,500.00	Non
Subs:Painting	Painting			1,000.00	1,000.00		1,000.00	Non
Subs:Plumbing	Plumbing			1,520.00	1,520.00		1,520.00	Non
Subs:Tile &Counter	Install tile or counter			1,200.00	1,200.00		1,200.00	Non
							SUBTOTAL	5,920.00
							MARKUP	70.00
							TAX (San Domingo) (7.5%)	57.75
							TOTAL	6,047.75

CUSTOMER MESSAGE: []

MEMO: [] CUSTOMER TAX CODE: **Tax**

Buttons: **Save & Close** **Save & New** **Clear**

Summary: Phone: 415-555-2248, Email: bcook@samplename.com, Open balance: 3,979.33, Active estimates: 3, Sales Orders to be invoiced: 0, Unbilled time and expenses: 3,030.00

Recent Transaction: 12/15/24 Invoice: 1,636.69, 12/11/24 Invoice: 5.95, 11/25/24 Payment: 2,580.00, 11/25/24 Payment: 4,225.41, 11/25/24 Invoice: 1,636.69

- Click **Save & Close**.

NOTES

Create an Invoice from an Estimate

Once you have created an estimate and the customer has approved it, you can use the estimate to invoice the customer.

Progress invoicing (also known as progress billing) lets you invoice for jobs you complete in phases. When you use progress invoicing, you first create an estimate for the job (which you may or may not give to the customer). Then, as you complete each phase, you can easily transfer items from the estimate to an invoice.



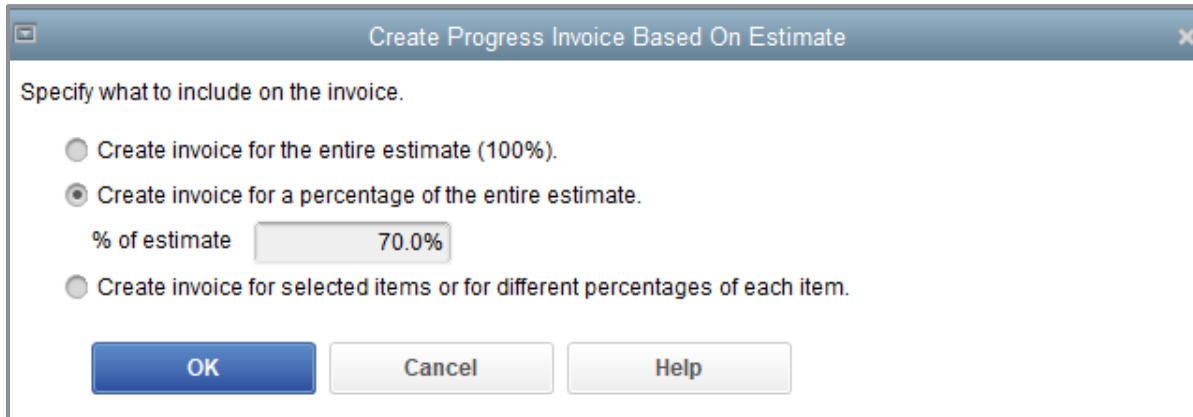
Step-by-Step: Create an Invoice from an Estimate

1. Click **Customers** on the icon bar.
2. In the Customers & Jobs list, choose the Customer:Job you wish to progress bill.
3. Click the **New Transactions** menu button, then choose **Invoices**.
4. Press **Tab** to leave the Customer:Job field. The Available Estimates window appears.

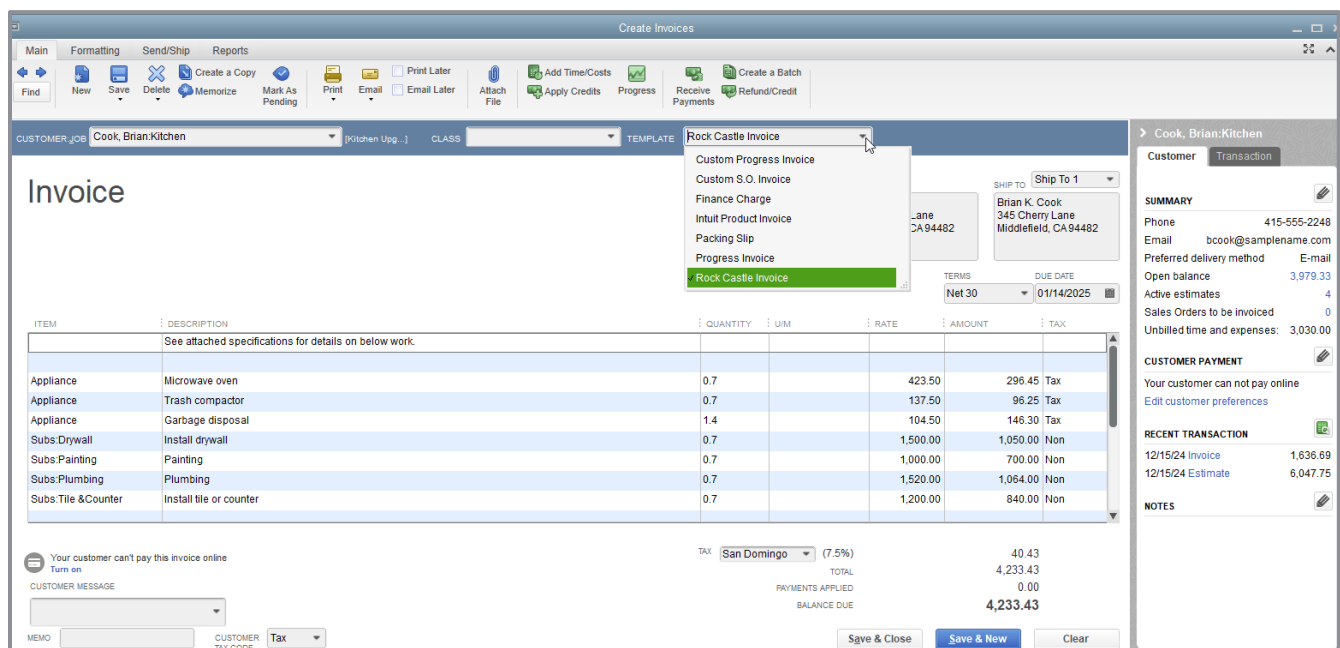
DATE	AMOUNT	CUSTOMER:JOB	EST. NO.
10/11/2024	8,941.69	Cook, Brian:Kitchen	604
11/17/2024	4,225.41	Cook, Brian:Kitchen	610
11/17/2024	2,997.09	Cook, Brian:Kitchen	615
12/15/2024	6,047.75	Cook, Brian:Kitchen	616

5. Highlight the estimate your customer accepted, then click **OK**.

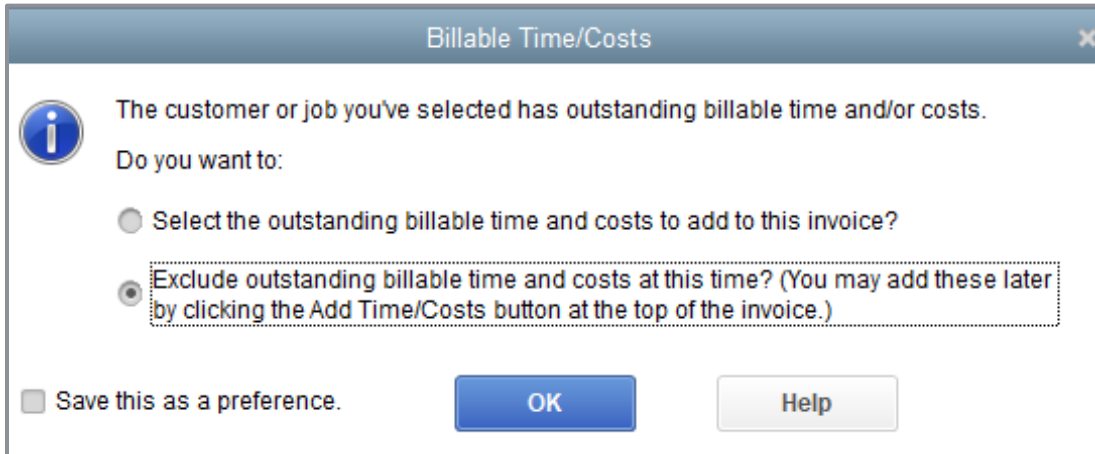
6. Select **Create invoice for a percentage of the entire estimate.**
7. Enter the percentage you wish to bill for in the **% of estimate** field.



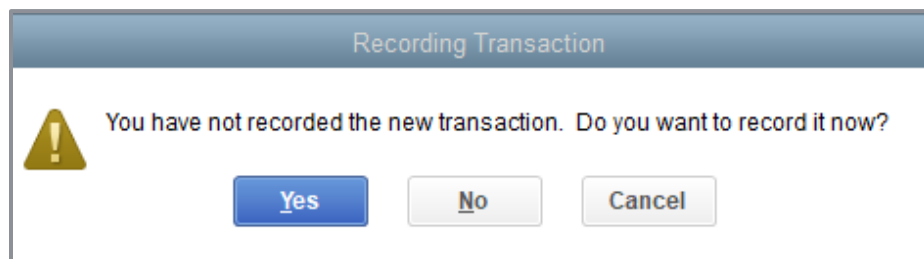
8. Click **OK.**
9. You may choose to use a different invoice template for progress invoices, in which case select the appropriate template from the **Template** drop-down.



10. If you see a Billable Time/Costs message pop-up that indicates the customer or job you've selected has outstanding billable time and/or costs, select **Exclude outstanding billable...** then select **OK.**



11. If you see another message pop-up asking you to record the new transaction (the estimate) now, select **Yes**.



12. If you are taken back to the open invoice you are creating, click on **Save & Close** to record the invoice.

13. Close the Customer Center.



IMPORTANT: You can also access the Invoice window from the Customers drop-down menu, from the Home screen or by selecting **Ctrl+i**.

NOTES

Display Reports for Estimates

Because you've just completed a progress invoice, you can see how QuickBooks records this on the Job Progress Invoices vs. Estimates report. This report shows job status, estimate total, total invoiced from the estimate on progress invoices, and the percentage of the estimate already invoiced on progress invoices.



Step-by-Step: Display the Job Progress Invoices vs. Estimates Report

1. From the Reports menu, choose **Jobs, Time & Mileage**.
2. Choose **Job Progress Invoices vs. Estimates**.

Job Progress Invoices vs. Estimates

Customize Report Comment on Report Share Template Memorize Print E-mail Excel Hide Header Refresh

Dates This Fiscal Year-to-date From 01/01/2024 To 12/15/2024 Sort By Default

Show Filters

12:27 PM
12/15/24

Rock Castle Construction
Job Progress Invoices vs. Estimates
January 1 through December 15, 2024

Type	Date	Num	Estimate Active	Estimate Total	Progress Invoice	% Progress
Abercrombie, Kristy						
Remodel Bathroom						
Estimate	10/30/2024	606	✓	3,114.00	0.00	0.0%
Estimate	12/12/2024	613		7,676.13	7,633.28	99.44%
Cook, Brian						
2nd story addition						
Estimate	10/11/2024	605	✓	22,427.44	0.00	0.0%
Kitchen						
Estimate	10/11/2024	604	✓	8,941.69	1,636.69	18.30%
Estimate	11/17/2024	610	✓	4,225.41	0.00	0.0%
Estimate	11/17/2024	615	✓	2,997.09	0.00	0.0%
Estimate	12/15/2024	616	✓	6,047.75	4,233.43	70.0%
Craven, Pam						
Duct Work						
Estimate	05/21/2024	602		602.40	946.80	157.17%
Ecker Designs						
Office Repairs						
Estimate	11/16/2024	609	✓	5,828.80	0.00	0.0%
Jacobsen, Doug						
Poolhouse						
Estimate	12/05/2024	612		6,323.50	0.00	0.0%
Melton, Johnny						
Dental office						
Estimate	11/05/2024	607		16,281.99	12,754.14	78.33%
Morgenthaler, Jenny						
Room Addition						

3. Close the report window.

Update Job Status

Every time you change the status of a job, you should update its status in the Customer:Job list. For example, the estimate for the Office Remodel is no longer pending: Wilma Nelson awarded you the job and you have started work.



Step-by-Step: Update the Status of a Job

1. Click **Customers** on the icon bar.
2. In the Customers & Jobs list, select the Customer:Job with which you wish to work.
3. Right-click to select **Edit Customer:Job**.
4. Click the **Job Info** tab.
5. In the Job Status field, select **In progress**.

The screenshot shows the 'Edit Job' dialog box. The 'JOB NAME' field contains 'Kitchen' and the 'CUSTOMER' dropdown is set to 'Cook, Brian'. The 'CURRENT BALANCE' is 8,212.76. The 'Job Info' tab is active, and the 'JOB STATUS' dropdown menu is open, with 'In progress' selected. The 'JOB TYPE' is 'Repairs'. The 'START DATE', 'PROJECTED END DATE', and 'END DATE' fields are empty. The 'Job is inactive' checkbox is unchecked. The 'OK', 'Cancel', and 'Help' buttons are visible at the bottom.

6. Enter the **Start Date**.
7. Enter the **Projected End Date**.
8. Click **OK**.
9. Close the Customer Center.

Make Estimates Inactive

Once a customer has accepted one of the estimates for the job and you have started work, you might want to make any unaccepted estimates for this job inactive. When you make an estimate inactive, QuickBooks keeps a record of it but does not use the numbers in reports. (This is not the same as deleting it; deleting an estimate will remove the record from QuickBooks.)



Step-by-Step: Mark an Estimate Inactive

1. From the Customer Center, open the estimate you wish to inactivate.
2. Click the **Mark as Inactive** icon at the top of the estimate in the Main tab of the ribbon. (If you click that icon in error, it turns into the Mark as Active icon, which you can click to undo your action.)

The screenshot shows the 'Create Estimates' window in QuickBooks Desktop. The ribbon is set to 'Main' and the 'Mark As Inactive' icon is highlighted with a red box. The estimate is for customer 'Cook, Brian:Kitchen' and is titled 'Estimate'. The table below shows the items included in the estimate:

ITEM	DESCRIPTION	QTY	U/M	COST	AMOUNT	MARKUP	TOTAL	TAX
Appliance	Microwave oven	1		365.00	365.00	25.0%	456.25	Tax
Appliance	Trash compactor	1		125.00	125.00	25.0%	156.25	Tax
Appliance	Garbage disposal	1		95.00	95.00	25.0%	118.75	Tax
Subs:Drywall	Install drywall			850.00	850.00	10.0%	935.00	Non
Subs:Painting	Painting			660.00	660.00	10.0%	726.00	Non
Blueprints	Blueprints	1		500.00	500.00	10.0%	550.00	Non

Summary of Totals:

SUBTOTAL	2,595.00
MARKUP	347.25
TAX (San Domingo) (7.5%)	54.84
TOTAL	2,997.09

3. Click **Save & Close**.

NOTES

Estimates and Progress Invoicing – Review Questions

1. QuickBooks tracks estimates using what kind of account?
 - a. Posting
 - b. Non-posting
2. True or false: QuickBooks allows you to create multiple estimates for a single customer.
 - a. True
 - b. False
3. Which of the following is not an option when creating an invoice from an estimate?
 - a. Create an invoice for the entire estimate
 - b. Create an invoice for a percentage of the entire estimate
 - c. Create an invoice for selected items or different percentages of each item
 - d. None of the above
4. You prepared an estimate for a customer and were subsequently awarded the contract. How would you change the job status from pending to awarded?
 - a. Create the invoice from the accepted estimate – this changes the status automatically
 - b. Use the Job Status drop-down list in the customer's record
 - c. Use the Job Status drop-down list in the Create Estimates window
 - d. None of the above
5. What QuickBooks feature would you use to charge customers as you complete various phases of a job?
 - a. Progress invoicing
 - b. Phased invoicing
 - c. Partial invoicing
 - d. None of the above

Review Activities

1. Create an estimate for the 75 Sunset Rd. job for Pretell Real Estate. The estimate is for 6 hours of installation labor, 18.5 hours of plumbing work and 4 hours of drywall work.
2. Create a progress invoice for 50% of the estimate just created for the 75 Sunset Rd. job for Pretell Real Estate.

Answers to Review Questions

1. QuickBooks tracks estimates using what kind of account?
 - a. Posting
 - b. ✓ *Non-posting*
2. True or false: QuickBooks allows you to create multiple estimates for a single customer.
 - a. ✓ *True*
 - b. False
3. Which of the following is not an option when creating an invoice from an estimate?
 - a. Create an invoice for the entire estimate
 - b. Create an invoice for a percentage of the entire estimate
 - c. Create an invoice for selected items or different percentages of each item
 - d. ✓ *None of the above*
4. You prepared an estimate for a customer and were subsequently awarded the contract. How would you change the job status from pending to awarded?
 - a. Create the invoice from the accepted estimate – this changes the status automatically
 - b. ✓ *Use the Job Status drop-down list in the customer's record*
 - c. Use the Job Status drop-down list in the Create Estimates window
 - d. None of the above
5. What QuickBooks feature would you use to charge customers as you complete various phases of a job?
 - a. ✓ *Progress invoicing*
 - b. Phased invoicing
 - c. Partial invoicing
 - d. None of the above