

# COMPUTER ACCOUNTING WITH QUICKBOOKS 2018

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CHAPTER 7  
INVENTORY

# SECTION 7.1 SATNAV

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## QB SatNav

### QB SETTINGS

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Company Settings

Chart of Accounts

### QB TRANSACTIONS

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> *Money in*    *Money out* >

Banking

Customers & Sales

Vendors & Expenses

Employees & Payroll

### QB REPORTS

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Reports

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## CHAPTER 7 OVERVIEW

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- **Vendor and Customer Transactions**
- **Item List**
- **Purchases of Inventory**
- **Vendor Reports**

# VENDOR AND CUSTOMER TRANSACTIONS

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We can use QuickBooks for inventory to record:

1. Vendor transactions, including placing product orders, receiving products, entering bills, and paying bills
2. Customer transactions, including recording sales of inventory on invoices and receiving customer payments



# VENDOR NAVIGATION

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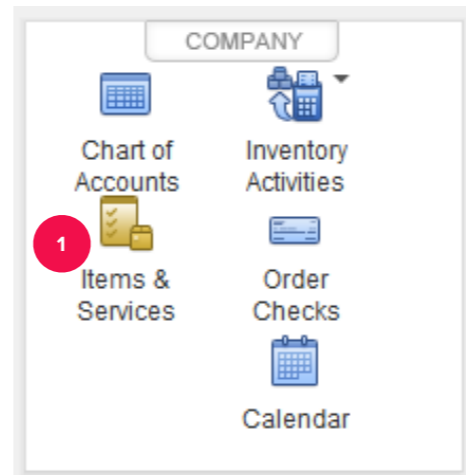
5 main steps to processing inventory transactions using QuickBooks:

1. Purchase Orders
2. Receive Inventory
3. Enter Bills Against Inventory
4. Pay Bills
5. Manage Sales Tax



# ITEM LIST

- Item List contains information about items purchased and sold
- Items can be:
  - ▶ Service items
  - ▶ Inventory items
  - ▶ Non-inventory items



A screenshot of the 'Item List' window. The window title is 'Item List'. At the top, there is a search bar with 'Look for' and 'in All fields' dropdown, and buttons for 'Search' and 'Reset'. There is also a checkbox for 'Search within results'. Below the search bar is a table with the following columns: NAME, DESCRIPTION, TYPE, ACCOUNT, TOTAL QUANTITY..., ON SALES..., PRICE, and ATTACH. The table contains various items such as Roofing, Tile & Counter, Cabinets, Cabinet Pulls, Light Pine, Door Frame, Hardware, Brass hinges, Doorknobs Std, Lk Doorknobs, Wood Door, Exterior, Interior, Interior Door kit, Lumber, Trim, Decking, Rough, Appliance, and Cabinets - Custom. A red circle with the number '2' is above the window title bar, and a red circle with the number '3' is above the 'TYPE' column header.

NAME	DESCRIPTION	TYPE	ACCOUNT	TOTAL QUANTITY...	ON SALES...	PRICE	ATTACH
Roofing	Roofing	Service	40100 - Construction Inc...			0.00	
Tile & Counter	Install tile or counter	Service	40100 - Construction Inc...			0.00	
Cabinets	Cabinets	Inventory Part	40100 - Construction Inc...	0	0	0.00	
Cabinet Pulls	Cabinet Pulls	Inventory Part	40100 - Construction Inc...	423	0	0.00	
Light Pine	Light pine kitchen cabinet w...	Inventory Part	40100 - Construction Inc...	6	2	1,799.00	
Door Frame	standard interior door frame	Inventory Part	40100 - Construction Inc...	21	0	0.00	
Hardware		Inventory Part	40100 - Construction Inc...	0	0	0.00	
Brass hinges	standard interior brass hinge	Inventory Part	40100 - Construction Inc...	245	0	0.00	
Doorknobs Std	Standard Doorknobs	Inventory Part	40100 - Construction Inc...	124	0	30.00	
Lk Doorknobs	Locking interior doorknobs	Inventory Part	40100 - Construction Inc...	121	0	38.00	
Wood Door	Doors	Inventory Part	40100 - Construction Inc...	1	0	0.00	
Exterior	Exterior wood door	Inventory Part	40100 - Construction Inc...	15	0	120.00	
Interior	Interior wood door	Inventory Part	40100 - Construction Inc...	46	0	72.00	
Interior Door kit	complete Interior door	Inventory Assembly	40100 - Construction Inc...	20	0	0.00	
Lumber	Lumber	Non-inventory Part	40100 - Construction Inc...			0.00	
Trim	Trim lumber	Non-inventory Part	40100 - Construction Inc...			0.00	
Decking	Decking lumber	Non-inventory Part	40100 - Construction Inc...			0.00	
Rough	Rough lumber	Non-inventory Part	40100 - Construction Inc...			0.00	
Appliance		Non-inventory Part	40100 - Construction Inc...			0.00	
Cabinets - Custom	Custom counters	Non-inventory Part	40100 - Construction Inc...			0.00	

# VENDOR TRANSACTIONS

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## Two types of vendor transactions

1. **Enter Bills > Pay Bills.** This is used to record services, such as utilities or accounting services.
2. **Enter Purchase Orders > Receive Inventory > Enter Bills Against Inventory > Pay Bills.** This approach is used to record the purchase of inventory items.

# CREATE PURCHASE ORDERS

A purchase order is a record of an order to purchase inventory from a vendor.



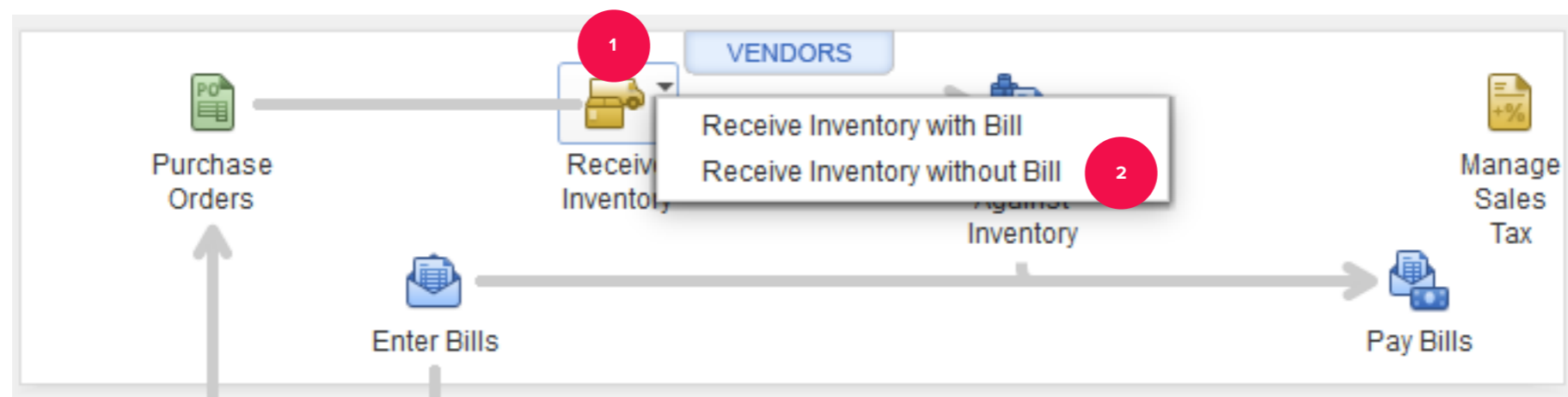


# RECEIVE INVENTORY

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When inventory items are received from vendor, the items must be recorded as received by creating an item receipt in QuickBooks.

1. **Receive Inventory with Bill** is used if the bill is received at the same time as the inventory items are received
2. **Receive Inventory without Bill** is used if the inventory items is received at a different time than the bill is received



# ENTER BILLS AGAINST INVENTORY

- **Enter Bills Against Inventory** is used to record bills received after inventory items are received and recorded



# PAY BILLS

- After receiving the items and entering the bill, the next step is to pay the bill.



# PAY SALES TAX

- QuickBooks tracks the sales tax that you collect from customers and must remit to governmental agencies
- Use Manage Sales Tax when it is time to pay the governmental agencies the sales tax collected



# VENDOR REPORTS

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**QuickBooks provides vendor reports to answer the following questions:**

- **How much do we owe? (Accounts Payable reports)**
- **How much have we purchased? (Purchase reports)**
- **How much inventory do we have? (Inventory reports)**

# VENDOR REPORTS

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**Access vendor reports from:**

- **Report Center**
- **Reports Menu**
- **Vendor Center**

TO LEARN MORE... SEE CHAPTER 7

