If you deliver goods or provide services before the customer pays, record the sale with an invoice. Invoices record an increase in sales income and Accounts Receivable, which tracks how much customers owe you. The invoice date reflects the sale date, and the due date tells the customer when payment is due. QuickBooks will automatically calculate the due date for you based on the terms you enter. What are terms? These tell your customer how long they have to pay.

CREATE AND SEND AN INVOICE

1. Click the + sign.
2. Select Invoice.
3. Click the Customer drop-down arrow and select an existing customer, or add a new one.
4. Click the **Terms** drop down to select when the invoice is due.

5. Click the **Product/Service** drop-down arrow to select an existing service. You can also add a new one if necessary.

NOTE: Each product or service “points” to an income account that tells QuickBooks to increase that income account each time you sell that product/service.
6. Click **Print or Preview** to view what the invoice you print or send will look like. You can print the invoice directly from this window.

7. Click **Print or Preview** to view what the invoice you print or send will look like. You can print the invoice directly from this window.

**SEE A LIST OF OVERDUE CUSTOMERS**

1. Click the **Customers** tab.
2. Click the **Overdue** filter on the top money bar to see any customers with an overdue balance.

3. Click the **Reports** tab.
Use the Receive Payment form to record customer payments against invoices. However, to record the deposit correctly you must answer 1 question. Does this customer payment amount match the actual deposit you made at the bank? If you only deposited that 1 customer payment, the answer is YES and you can record that the customer payment was deposited into the bank account.

However, in many cases the answer is NO. Why? Because most businesses deposit multiple customer payments together. That customer payment is part of a bigger deposit that includes other customer payments. For example, if you receive 3 checks for $100 each, and make one deposit at the end of the day for $300, you should NOT record that each customer payment was deposited into the bank account. If you do, your QuickBooks records will show 3 deposits of $100 each, and the bank will show 1 deposit for $300. You won’t be able to reconcile your bank account, and when the bank downloads the deposit of $300, it won’t “match” the 3 deposits of $100 each.

To solve this issue, deposit each payment to “Undeposited Funds” first, and then deposit the combined amount from Undeposited Funds into the bank account. You learn how in the next steps.

**RECEIVE AND DEPOSIT INVOICE PAYMENTS (USING UNDEPOSITED FUNDS)**

4. Enter A/R Aging Summary in the search field.

5. This report displays how much of each customer’s balance is current (i.e. not overdue) versus overdue.

**RECEIVE INVOICE PAYMENT**

1. Click the **Receive** sign.
2. Select Receive Payment.
3. Select the customer.

RECEIVE AND DEPOSIT INVOICE PAYMENTS
(Using Undeposited Funds)

4. Enter the remaining information. Receive the payment ten days later. Deposit it to Undeposited Funds.
5. Select the Outstanding Transaction(s)

6. Enter a Memo. (Optional)

7. Click the Save and close. You can see the Undeposited Funds account on the Chart of Accounts. In this case, the balance is $701.28 which represents 2 payments. The $314.28 payment we just received, and a payment of $387 that we received earlier.

Now we’ll deposit this amount to the checking account which currently has a balance of $3,876.52.
RECORD DEPOSIT

1. Click the + sign. Say you received other checks as well today, and you need to deposit these at the bank.

2. Select Bank Deposit.

3. Click the Account drop-down arrow and select the account to deposit to.
4. Select the payments to deposit.

5. Enter a Memo. (Optional)

6. Click **Save and close**. Now Undeposited Funds is zero and the checking account reflects the deposit. When you reconcile your bank account, your QuickBooks records will match the bank’s records exactly.