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QuickBooks Helps You Make a Statement

How do you let customers know they owe you money? Probably by sending invoices. And how's that working for you? If your customers are all conscientious and pay on time, maybe that's all you need to do.

But perhaps you need to consider doing at least part of your billing by dispatching statements. These forms have their drawbacks. For example, you can't include sales tax or discounts on them. You can't group related charges and subtotal them. And your customization options are weaker than in invoices.

Still, you may want to send statements when you're billing on a regular basis for services, or when a client has built up numerous charges, some of which are past due. Statements lay out the customer's current financial obligation to you, including finance charges, should you choose to impose them.

Outlining the charges

To get started, click on the **Statement Charges** icon on the desktop. (If there's no icon and you want one, click **Edit | Preferences**, then **Desktop View | Company Preferences**, then click in the box next to **Statements and Statement Charges**.) Or you can just click **Customers | Enter Statement Charges**.
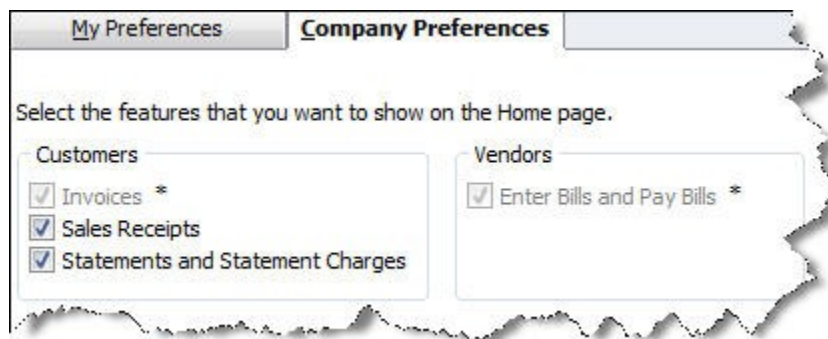

*Figure 1: Click on **Edit | Preferences** to add **Statement Charges** and **Statements** icons to your desktop.*

The customer register opens. Select the customer you want to create a charge for by clicking the down arrow next to **Customer:Job**. If you are in the middle of more than one job for the customer, make sure you make the correct one active.

Go down to the first blank line and change the date if necessary. Tab to the **Item** field, and drop the list to select the relevant product or service. Tab and enter the **Quantity**. The **Rate** and **Amt Chrg** should be filled in (if not, go back to **Lists | Item List** and edit the record). QuickBooks will have entered **STMTCHG** in the **Type** field. Tab to the **Description** field and complete it if it's blank, and select a **Class** if you'd like. Your window will look something like this:

Figure 2: It's very easy to enter statement charges in QuickBooks.

If you have another charge for that job, go ahead and enter it. When you're done with charges for that job, click **Record**.

Build a statement

When you've entered all of the charges, you can easily convert them to statements. From the Home page, click on the **Statements** icon. This window opens:
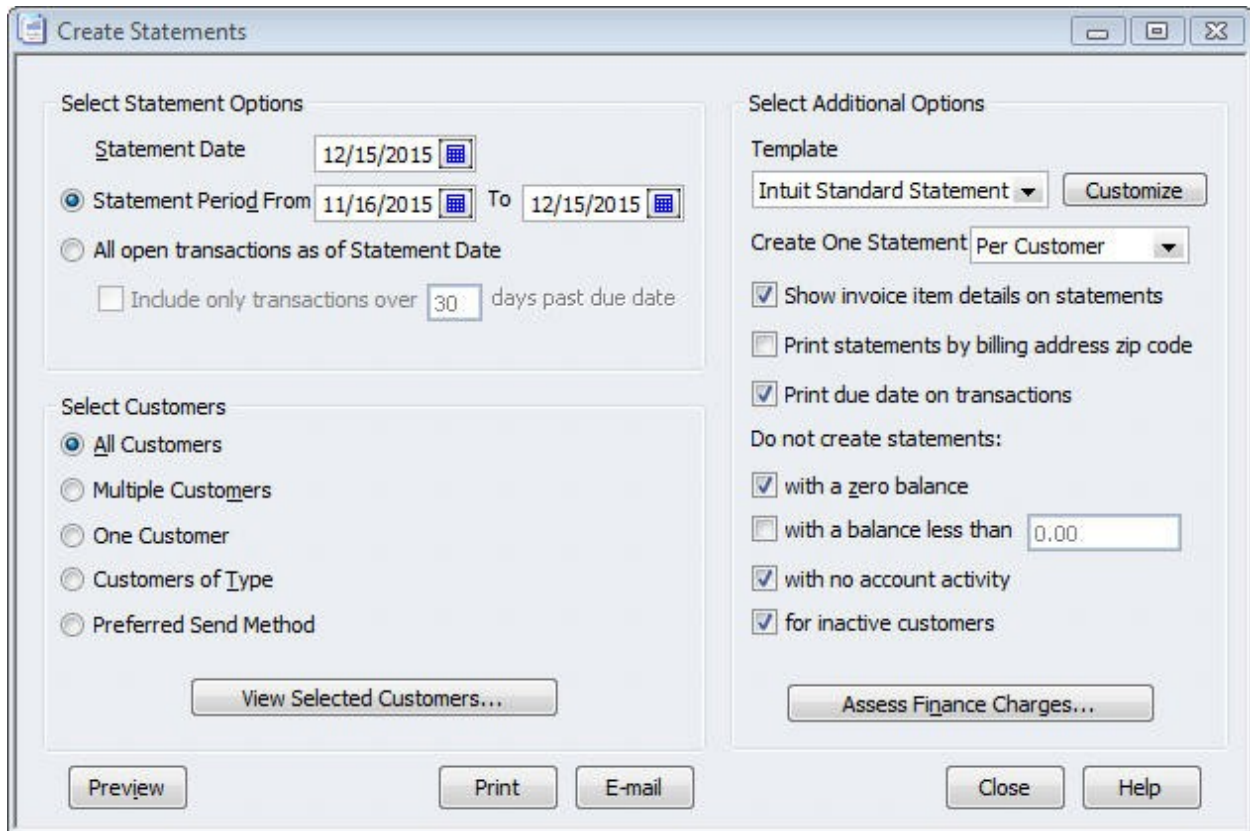
Figure 3: You'll select options from this window when you're building a statement run.

If the window contains an A/R field, that means that you have more than one receivables account. Be sure to select the appropriate one. Verify, too, that the date is correct. This will appear in the customer's register as the **Billed Date**.

Here, too, you can choose a range of transaction dates for your statement(s), or simply opt to create forms for all customers with open transactions (in the latter case, you can limit it to transactions that are more than 30 days past due). You must also indicate whether you want statements sent to all customers or a subset. You can manually choose one or many customers, or select by **Type** (commercial, residential) or **Preferred Send Method** (E-mail or Mail).

QuickBooks gives you some control over your statements' layout; click **Customize** if you want to explore this. Next, you can indicate whether you want to create one statement per customer or per job. The other options here are self-explanatory, but be sure to go through them every time you create statements.

Another decision

Will you be wanting to assess finance charges on the past due charges? This is a decision you may want to talk over with us. It's a complex issue. Should you want to do so, though, clicking on **Assess Finance Charges** will open the **Assess Finance Charges** window.

When you're satisfied with your choices, you can **Preview** your statements. Here's an example:

				Amount Due	Amount Enc.
				$9,397.33	

U/M	Date	Transaction		Amount	Balance
	11/15/2015	Balance forward			11,590.71
		2nd story addition-			
	11/25/2015	INV #1081. Due 12/25/2016.		5,418.00	17,008.71
	11/25/2015	PMT		-4,085.30	12,923.41
		Kitchen-			
	11/25/2015	INV #1080. Due 12/25/2016.		1,636.69	14,560.10
	11/25/2015	PMT		-2,580.00	11,980.10
	11/25/2015	PMT		-4,225.41	7,754.69
	12/11/2015	INV #FC 6 Due 01/10/2017. Finance Charge		5.95	7,760.64
	12/15/2015	INV #1098. Due 01/14/2017.		1,636.69	9,397.33

CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
9,397.33	0.00	0.00	0.00	0.00	$9,397.33

Figure 4: Statements lay out all transaction activity within a given period.

Statements don't take over the role of invoices, but they can be an effective way to let your customers—and you—get a comprehensive view of their financial interaction with you. If you're still unclear on how these forms can fit into your accounting workflow, we can help.