

Job Costing Using WIP Accounts

Objectives

After completing this chapter, you should be able to:

- Set up the Chart of Accounts and Item List to track Job Cost codes (page 2).
- Track Insurance and Worker's Compensation Certificates for subcontractors (page 9).
- Work with Estimates and Use Estimates for Budgeting by Job (page 11).
- Enter Job Costs Using Items for Cost Codes (page 17).
- Track Retainage Withheld from Subcontractors (page 18).
- Using Zero-Dollar Checks as Journal Entries (page 20).
- Depositing Refunds from Vendors that Affect Job Costs (page 21).
- Tracking Customer Advances (page 22).
- Closing out Jobs (page 23).
- Job Cost Reports When Using a WIP Account (page 26).

Restore This File

This chapter uses Academy Construction.QBW. To open this file, restore the Academy Construction.QBB file to your hard disk. Refer to the Sleeter Group's *QuickBooks Fundamentals* book for instructions on restoring files.

For builders and contractors who purchase land and then develop it, QuickBooks needs to be set up and used somewhat differently than normal. This is because of the accounting requirements for revenue and expense recognition.

In this chapter, you'll learn how to use an asset account to accumulate all job costs by cost code. The codes used here are roughly equivalent to those specified by the National Association of Home Builders (NAHB), but you are free to modify your item list as needed to track additional cost codes.

The accounting rules for builders says that revenue and costs are not to be recognized on financial statements as income and expense until the job is complete, or in some cases as certain milestones are completed for the job. The methodology described here assumes that all revenue and costs will be tracked as assets (for costs) and liabilities (for revenues). Then, at the end of the job, you'll learn how to record the closing entries to transfer revenue and costs to the income and expense accounts.

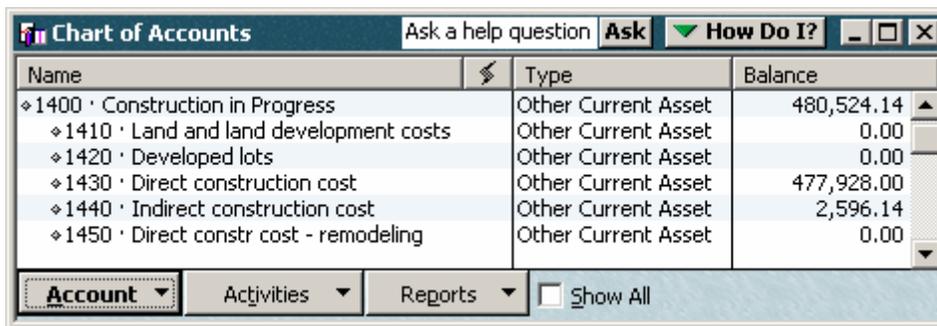
Special Setup Issues for Builders

Most of the data file setup is already completed in the sample file. Therefore, you won't need to add the accounts and items shown in this section, but you should verify that the setup shown matches your needs, and make changes as necessary.

Setting up WIP Accounts in Your Chart of Accounts

Set up a **Work in Progress (WIP)** or **Construction in Progress (CIP)** account as an **Other Current Asset** type of account on your **Chart of Accounts**.

Many builders choose to use just one of these accounts while others utilize several of the accounts recommended by the National Association of Home Builders (NAHB). Figure 1-1 shows the recommended structure for WIP accounts.



Name	Type	Balance
1400 · Construction in Progress	Other Current Asset	480,524.14
1410 · Land and land development costs	Other Current Asset	0.00
1420 · Developed lots	Other Current Asset	0.00
1430 · Direct construction cost	Other Current Asset	477,928.00
1440 · Indirect construction cost	Other Current Asset	2,596.14
1450 · Direct constr cost - remodeling	Other Current Asset	0.00

Figure 1-1 Setup for Construction in Progress (CIP) account(s)

1410 Land and Land Development Costs accumulates the cost of purchasing and developing raw land into finished lots. This account is used by lot developers as well as homebuilders who develop their own lots. It is often also called **Acquisition and Development Costs (A&D)**. This account is used to track the costs for a tract of land. Upon completion of the tract, the pro-rata cost of individual lots developed in the tract is then transferred to account **142 Developed Lots** (below).

1420 Developed Lots tracks the cost of individual finished lots accumulated in account **141 Land and Land Development Costs** (above) or the cost of lots purchased directly by the home builder. Some builders elect to skip this account and instead allocate these costs to a separate cost code for lot cost in the **143 Direct Construction Costs** account (below). When a unit is sold, the costs accumulated for that unit are transferred to the cost of sales account.

1430 Direct Construction Costs accumulates those costs that can be directly identified to a particular unit (“bricks and sticks”). When a unit is sold, the costs accumulated for that unit are transferred to the cost of sales account.

1440 Indirect Construction Costs accumulates those costs that are incurred for a group of units, but which cannot be directly identified to any particular unit, such as job supervision, marketing costs, etc. When a unit is sold a proportionate amount of these costs are transferred to the cost of sales account.

1450 Direct Construction Costs, Remodeling is used by remodeling contractors to accumulate those costs that can be directly identified to a particular remodeling job. When revenue is recognized on a particular job, a proportionate share of these costs are transferred to Cost of Sales.

Special Note for Contractors with Short Term Jobs:

The concept of the WIP or CIP accounts discussed above is used primarily for builders and contractors who have projects that span several months or more from the start date to the completion date. Contractors who have short-term projects usually do not use these accounts, and generally charge job costs directly to an expense account, bypassing the balance sheet entirely.

Also on your chart of accounts, set up one income account (preferably **Sales**) to record revenues and one **Cost of Sales** account to record completed job costs transferred out of **WIP**.

Special Account for Journal Entries

Making Journal Entries that affect job cost will be discussed later. However, to accommodate special needs for journal entries using this system, set up a bank account called Journal Entries. This account will never carry a balance but it will be used to record transactions such as Journal Entries and Zero-Dollar Checks as discussed later in this chapter.

Setting Up Items for Job Cost Codes

The methods described herein use **Items** to track the specific types of costs (job cost codes) that are charged to the **WIP** accounts noted above.

Each job cost code should therefore be set up as an **Item** in the **Item List**. Each cost code should be set up as a **Service** item in QuickBooks. On item reports, **Service** items are listed first, and then subtotaled before any **Other** type items are displayed. **Other** items will be used for job closeout entries. For construction job costing purposes, **do not** set up your job cost codes as **inventory, non-inventory** or **other** types of items.

QuickBooks does not have a special field for **Item** numbers as it has for **Account** numbers so you'll use the item name field for the cost code. If you use numbers for your cost codes, set the numbers up as the first few characters of the cost code name.

Use sub-items to group related cost codes. For example, **Labor** and **Materials** could be separate sub-items of **Drywall**.

For builders who use a **WIP** or **CIP** account, identify the appropriate **WIP** or **CIP** account that the cost will be charged.

Figure 1-2 Typical Item setup for a project cost code

Contractors who charge costs directly to a cost of sales account instead of a **WIP** or **CIP** account should set up **two-sided items**. This is done by checking the box that says “**This service is performed by a subcontractor, owner or partner**” on the new item screen. If you use two-sided items, code the **Purchase Information** to a cost of sales or expense account and code the **Sales information** to **Sales**.

Setting Up Customers and Jobs

It’s best to use **Customer names** to track overall subdivisions and **Jobs** to track individual Sublots or units. If the builder builds custom homes on scattered sites, then **Customers** alone will suffice and **Jobs** will not be necessary.

- Step 1. Set up the subdivision name as a **customer**.
- Step 2. Set up each subplot in a subdivision as a **Job**.
- Step 3. Once a contract is executed for a subplot, edit the job and enter the purchaser’s name and address specifics.
- Step 4. Use **Customer Type** on the **Additional Info** tab of the customer setup screen to identify broad project categories, such as condo or single family.
- Step 5. Use **Job Type** on the **Job Info** tab of the customer setup screen to identify specific project types, such as a model name for a home.
- Step 6. Set up a “dummy” **Overhead Customer** to accumulate any non job-specific payroll taxes that will be automatically allocated to **WIP** by QuickBooks, so they can be later identified and reallocated.

Name	Balance	Notes	Job Status	Estimate Total
Anderson	0.00			120,000.00
01Anderson	0.00		Closed	120,000.00
02Anderson	0.00			0.00
03Anderson	0.00			0.00
04Anderson	0.00			0.00
Bayshore Industries	0.00			1,575.00
Jackson	0.00			0.00
01Jackson	0.00			0.00
02Jackson	0.00			0.00
03Jackson	0.00			0.00
Millhouse	0.00			0.00
01Millhouse	0.00			0.00
02Millhouse	0.00			0.00
03Millhouse	0.00			0.00
Overhead -- To be Allocated	0.00			0.00
SandwichKing	0.00			0.00
77SandwichKing - Ridge Roa	0.00			0.00
79SandwichKing - Medina	0.00			0.00
87SandwichKing - Detroit Ro	0.00			0.00
90SandwichKing - Lorain Roa	0.00			0.00
Time & Material Customer	0.00			0.00

Figure 1-3 Structure of the Customer:Job list for construction jobs.

Contractors who only do one job per customer also only use **Customers** and not **Jobs**. But if the contractor does multiple jobs for a single customer (such as remodeling individual restaurants for a company that owns a chain of restaurants), then the company that owns the chain is the **Customer** and each separate restaurant that the contractor does work for is a **Job** of the Customer.

Job Name: 01Anderson
 Current Balance: 0.00 [How do I adjust the current balance?](#)

Price Level: [Dropdown]

Customer Type: [Single Family] (Selected)
 < Add New >
 ✓ Single Family

Custom Fields:
 Contract #: [Field]
 Union status: [Field]
 B-Day: [Field]
 Spouse's Name: [Field]
 Rate Code: [Field]

Job is inactive:

Enter product lines in "Customer Type" field to allow you to filter reports (e.g. P&L – Single Family Units) by product line.

Figure 1-4 Identify broad project category using Customer Type.

Adding Additional Jobs (or Sublots)

- Step 1. Display the **Customer:Job** list.
- Step 2. Click the **Customer:Job** button in the lower left corner and then **Add Job** from the menu that appears.
- Step 3. The **New Job** screen appears with the customer information already present.
- Step 4. Enter the name for this job in the **Job Name** field. For builders and developers, this will be the subplot number. If you already know the purchaser's name, it can be added after the subplot number. Otherwise, it can be added later when the purchaser signs their contract. If you will be sending invoices for this job to a different person or address than appears in the customer's record, then change the address information in the **Bill to** section.

The screenshot shows a software window titled "New Job". At the top, there are fields for "Job Name" (containing "05Anderson"), "Opening Balance" (empty), and "as of" (containing "05/23/2004"). A link "How do I determine the opening balance?" is visible. Below these are tabs for "Address Info", "Additional Info", "Payment Info", and "Job Info". The "Address Info" tab is active, showing fields for "Customer" (dropdown with "Anderson"), "Company Name", "Mr./Ms./...", "First Name", "Last Name", "Contact", "Phone", "FAX", "Alt. Ph.", "Alt. Contact", and "E-mail". There is also a checkbox for "Job is inactive". At the bottom, there are two sections: "Bill To" and "Ship To", each with a large text area and an "Address Details" button. A ">> Copy >>" button is between them.

Figure 1-5 Setup for a new job.

Setting up Vendors

Vendor setup is generally no different for construction than any other industry. However, creative use of the **Vendor Name** field, the **Vendor Type** field, and **Custom Fields** enables additional management shortcuts and reports for construction clients.

Tips for Setting up Vendors for Construction Clients

- Add the cost code usually used for purchases from the vendor to the end of the vendor’s name in the Vendor field. This makes data entry easier for builders who code purchases at the time of data entry.
- Enter the vendor’s name without the cost code in the “Print on Check as” field so checks to the vendor print properly.
- Set up the Vendor type list to list the types of Vendors you work with. Specifying the vendor type (such as “subcontractor”) in the Type field will enable creation of special reports, such as for insurance audits, which can be filtered to show purchases from subcontractors or all purchases of materials, etc.
- Use Custom Fields to track insurance certificate expiration dates.

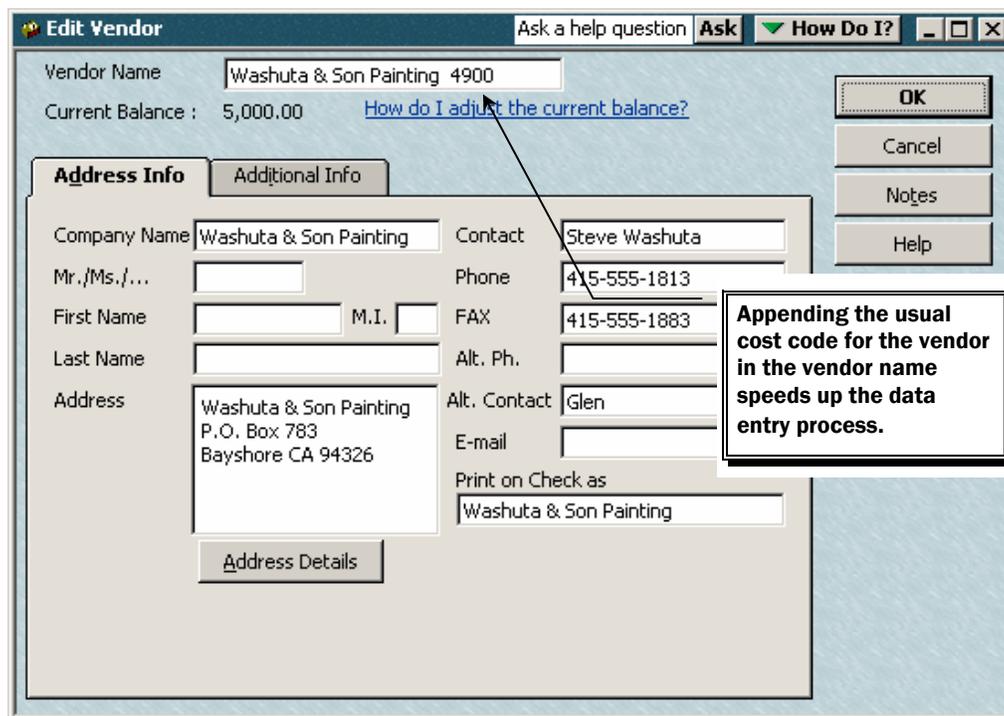


Figure 1-6 Put cost code (Item number) in vendor’s name.

Payroll Item Setup for Job Costing When Using a WIP Account

Compensation Items

To track wages for workers compensation category purposes, set up separate compensation items for each workers compensation category of wages. For example, you may want to have one compensation item for superintendents, a second for laborers and a third for office workers. This may mean that you need to have separate sick, vacation and overtime items as well.

Make sure that job cost related compensation items post an asset account (such as 1430-Direct construction costs) on the **Expense Account** window of the item setup.

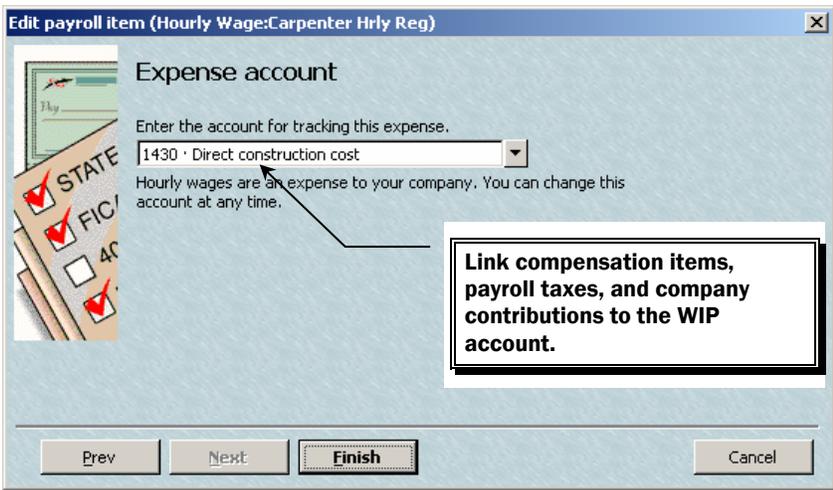


Figure 1-7 Setup to job cost a compensation payroll item.

Fringe Benefits

Benefits that are paid to a third party (such as contribution to a union vacation fund) are set up as a **company contribution** type of **payroll items**. To job cost these types of benefits, check the **Track expenses by job** box in the **payroll item** setup, and code the item to the appropriate **WIP** account at the expenses field.

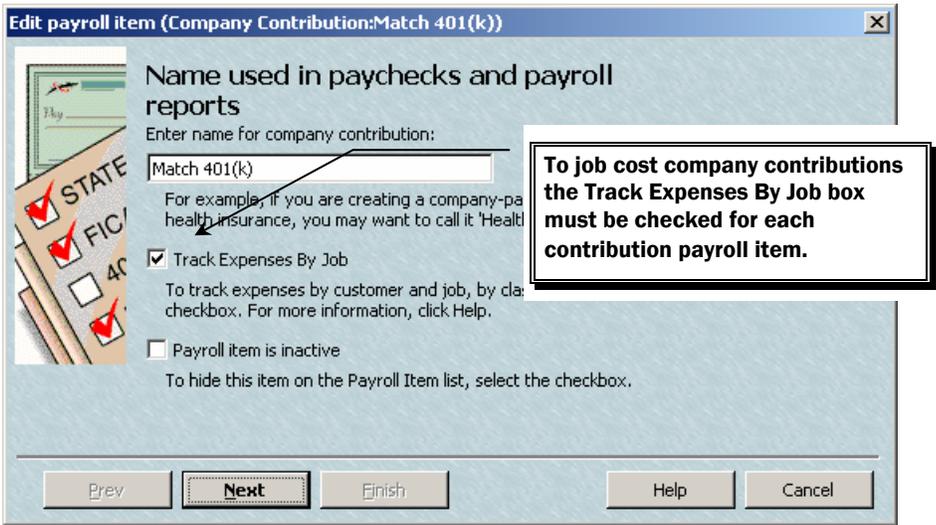


Figure 1-8 Setup for a fringe benefit (company contribution) payroll item.

Tracking Employees’ Time / Job Costing Wages

In order to job cost wages to a specific cost code (**service item**) you must use the QuickBooks **Time Tracking** to create the paychecks. This feature then automatically transfers the payroll costs to the appropriate Customer:Job and to the appropriate cost code. The job cost code that will be charged for the wages will be the service item used on the time sheet.

Follow these steps to record time for job costing:

- Step 1. From the Employees menu select Time Tracking and then select Use Weekly Timesheet.
- Step 2. In the **Name** field select the employee you wish to record time for.

- Step 3. Fill in the appropriate fields to record the time for that week.
- Step 4. Remember that the payroll tax items are all coded to the WIP account. Therefore, all payroll taxes, even those for office employees or sick time will be posted to WIP. So always enter a name in the Customer:Job column or QuickBooks will not post payroll taxes to any job. For administrative (non-job costed time) or sick time, use a dummy customer called **Admin**.
- Step 5. If any rows are not billable place an X over the invoice icon at the end of the row by clicking it with the mouse.

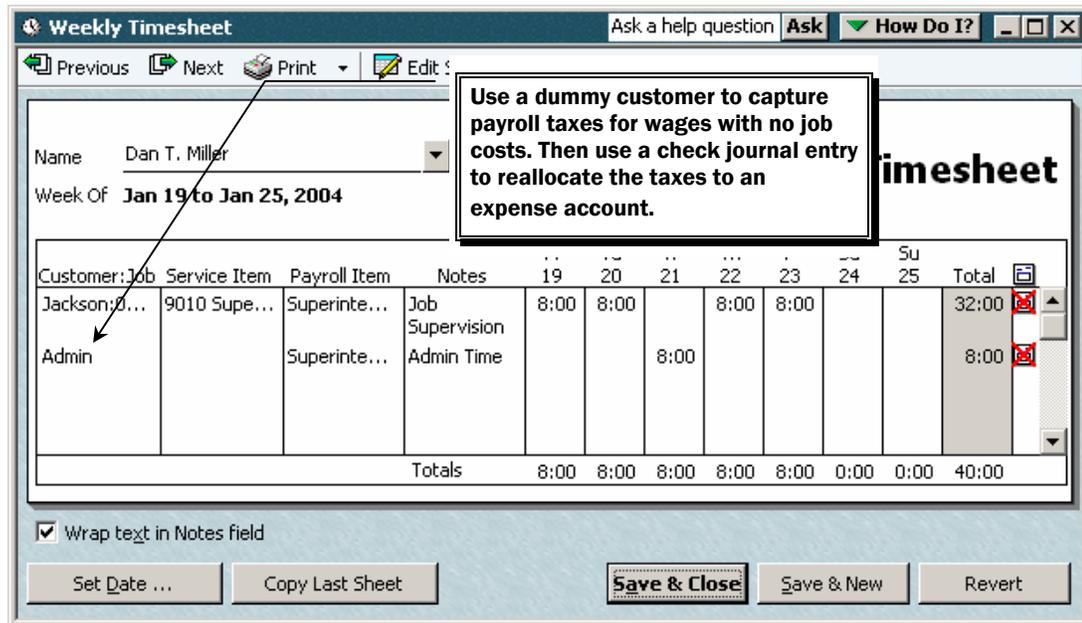


Figure 1-9 Completed time sheet to job cost wages and taxes to jobs.

- Step 6. Click **Save & Close** to record this employee's time or **Save & New** to record this employee's time and display a new blank timesheet that you can use to record time for another employee.

NOTE:
 Entering the Employee's time on the timesheet does not record any job costs. It merely enters a record of the hours the employee worked. Job costs are not recorded until the paychecks are created based on the time that was entered on the time sheets. However, even before the paychecks are created, these hours can be summarized and printed on time sheets and they can be passed through to customer invoices.

Tracking Insurance and Workers Compensation Certificates

Creating an Insurance Certificate Expirations List

- Step 1. On the *Additional Info* tab of the **New Vendor** or **Edit Vendor** window, click the **Define Fields** button.

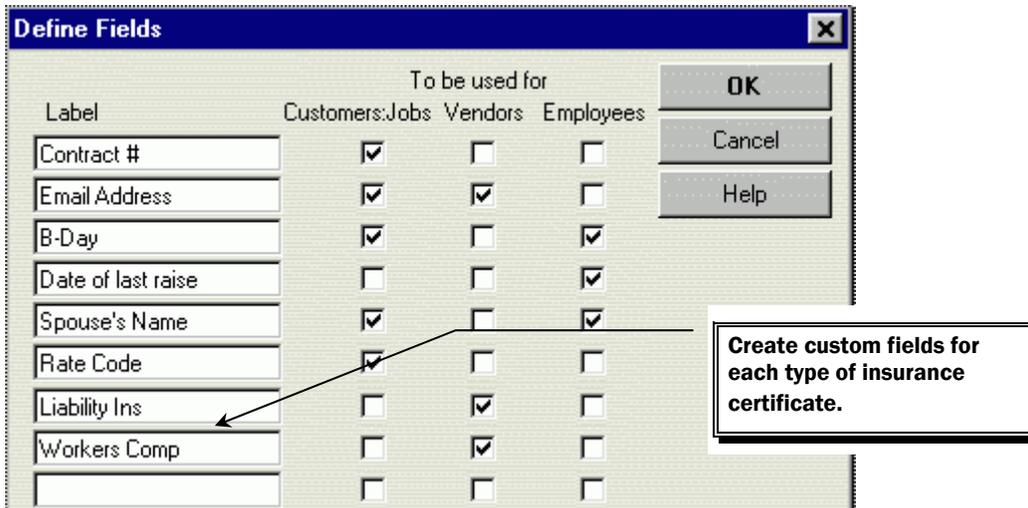


Figure 1-10 Setting up Custom Fields to track insurance certificate expirations.

- Step 2. Add fields for Liability Insurance and Workers Comp.
- Step 3. For each vendor enter the appropriate expiration date in the respective field on the **Additional Info** tab of the vendor's setup screen.
- Step 4. Select Subcontractor from the **Type** drop-down menu.

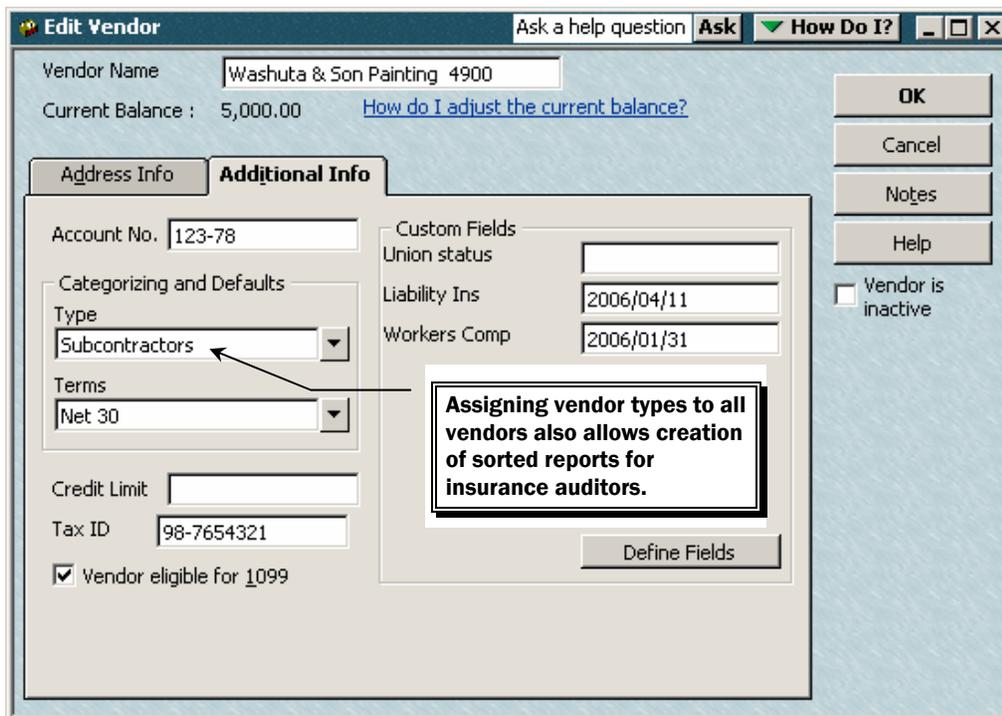


Figure 1-11 Identifying vendor Type. Entering insurance certificate expirations.

- Step 5. To create a list of insurance expiration dates select the **Reports** menu, then select **Vendors & Payables**, and then select **Vendor Phone List**.
- Step 6. Click the **Modify Reports** button. On the *Display* tab select the Custom Fields that were set up above as columns for the report.
- Step 7. On the *Filters* tab filter for **Vendor Type = Subcontractors**.

- Step 8. On the *Header/Footer* tab change the Report Title to Insurance Certificate Expirations.
- Step 9. To list the expirations in date order, select the type of certificate that you want sorted by date in the **Sort by** drop-down box. Memorize the report for easy future retrieval.

Company	Phone	Liability ...	Workers C...
C. U. Electric	415-555-0797	2005/12/31	2006/01/31
Gallion Masonry, Inc	415-555-2436	2006/03/19	2006/01/31
Hamlin Metal	415-555-8965	2004/09/22	2005/01/31
Keswick Insulation	415-555-0305	2005/11/17	2006/01/31
Larson Flooring	415-555-2046	2006/06/04	2007/01/31
Lew Plumbing	415-555-5483	2005/03/27	2005/01/31
Middlefield Drywall	415-555-0046	2006/05/15	2006/01/31
Sloan Roofing	415-555-1284	2006/12/22	2006/01/31
Washuta & Son Painting	415-555-1813	2006/04/11	2006/01/31
Wheeler's Tile Etc.	415-555-9977	2006/02/16	2006/01/31

Figure 1-12 Insurance certificate expirations report.

Working with Estimates

QuickBooks **estimates** were primarily intended as a tool for creating bids or proposals to be sent out to prospective customers. And then when the work is completed the estimate information can be easily transferred to an invoice with a few mouse clicks. But QuickBooks **estimates** are also used as budgeting tools. Additionally, certain of the job cost reports will not work unless an **estimate** has been created for each job. Therefore, even **WIP** jobs will utilize the QuickBooks **estimates** feature.

Using Estimates as a Budgeting Tool

Homebuilders will use estimates for budgeting purposes only and generally do fixed-bid jobs. Therefore, the estimates in QuickBooks can be used to set budgets for the total revenue on the job as well as the costs for each phase of the job.

To create an estimate for a fixed-bid job, follow these steps:

DO NOT PERFORM THESE STEPS NOW. THEY ARE FOR REFERENCE ONLY.

1. Select the Customers menu, then Create Estimates.

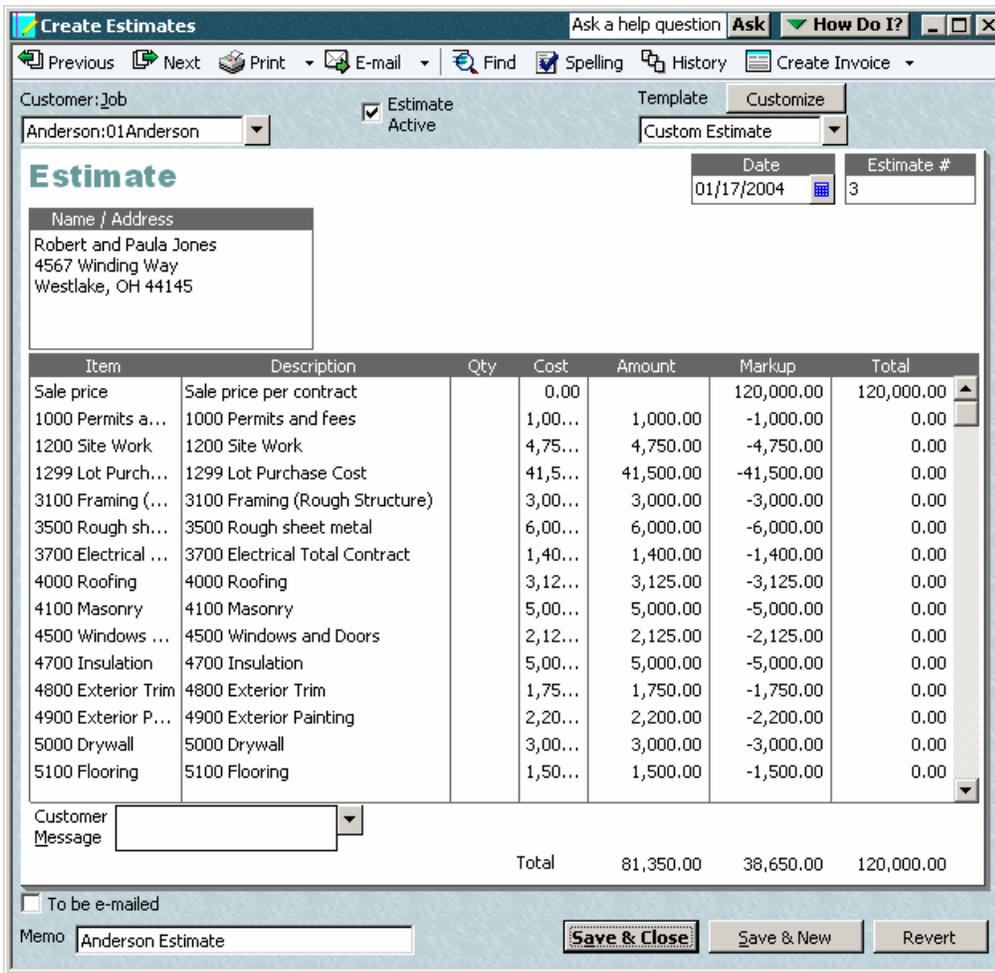


Figure 1-13 Creating an estimate to be used only as a budgeting tool.

2. Enter the appropriate information in the **Customer:Job, Class** (if you are using class tracking), **Date** and **Estimate No.** fields.
3. On the first line, enter an **Item** representing your total Bid Price for the job, followed by the bid amount.
4. Next, enter each cost **Item** and the estimated cost for each phase the job.
5. Edit the **Description, Quantity, Cost** and **Markup** fields if necessary.
6. For **fixed-bid** jobs, enter the markup as a negative amount for each cost code. This is done because you'll never have any revenue on the marked-up costs of a fixed bid job and if you leave an amount on each line, the Estimates vs. Actuals reports will show estimated revenue, but no actual revenue on each cost code. The amount entered in the **Cost** column becomes the cost-code-by-cost-code budget for the job.
7. Enter a **Customer Message** if desired.
8. Click **Save & New** to close and enter another **Estimate** or **Save & Close** to record the estimate and close out of the **Estimate** feature.

Creating Estimates for Short-Term Fixed Price Jobs

A contractor who will be using estimates as both a budgeting tool and as a billing tool for short term bid jobs, creates the estimates essentially in the same manner. There are only a couple of differences:

For jobs that will not be charged to a WIP account use two-sided items, with the Purchase Information side of the item coded to a job cost Expense or Cost of Goods Sold type of account and the Sales Information side coded to an Income type of account.

Figure 1-14 Setup of a two-sided item for short term fixed price jobs.

Handling Change Orders

Method 1 – Treat as Separate Job

Create a completely separate job with its own estimate for each change order. Use separate cost codes on the estimate for each change order to reflect each category of cost for the change order. Using this method, you will have to invoice each change order separately from the rest of the job. There will be separate job cost reports for each change order.

Name	Balance	Notes	Job Status	Estimate Total
♦ Burger King	0.00			
♦ Ridge Road	0.00			
♦ Original Contract	0.00			
♦ Change Order 1	0.00			
♦ Change Order 2	0.00			
♦ Medina	0.00			
♦ Detroit Road	0.00			

Figure 1-15 Customer list reflecting change order treated as separate job.

Method 2 – Use Change Order Tracking in Contractor Edition

Some builders prefer to track change orders along with all other job costs. All they are concerned about are the total budget and cost for each change order.

The QuickBooks Premier:Contractor Edition has a change order tracking feature that allows you to see change orders clearly on estimates and invoices.

Step 1. Add two additional lines to the original Estimate for the Time & Material Customer. Then click **Save & Close** to save the Estimate.

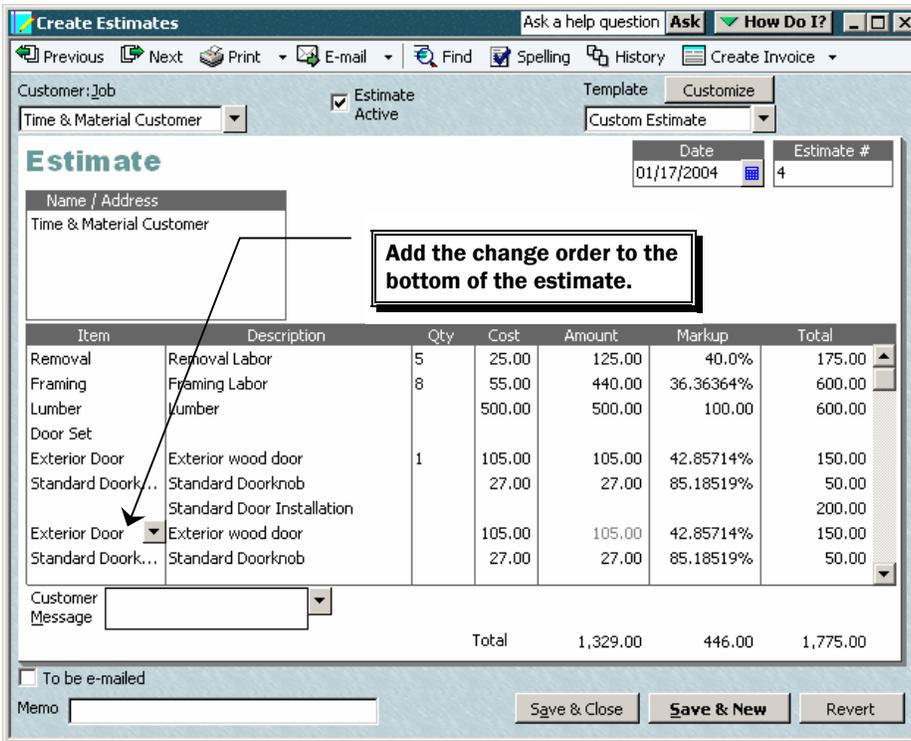


Figure 1-16 Change order reflected as single line item on estimate.

Step 2. The Add Change Order window explains how the change order will be recorded. Click **Add**.

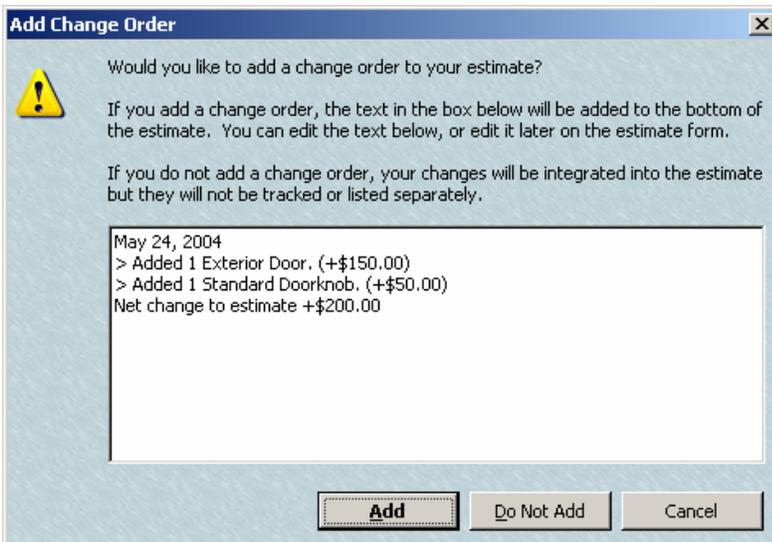


Figure 1-17 Add Change Order window.

Creating Estimates for Time and Material Jobs

Create the estimate in the normal way described above. Add a **Markup** % or dollar amount in the **Markup** column of the **Create Estimate** window. A two-sided item with both a purchase sale price will have its markup amount calculated automatically. You can modify this calculated markup on the **Create Estimates** window if desired. QuickBooks will use the amount in the **Total** column to invoice customers.

The screenshot shows the 'Create Estimates' window in QuickBooks. The customer is 'Time & Material Customer'. The estimate is active and uses a 'Custom Estimate' template. The date is 01/17/2004 and the estimate number is 4. The estimate details are as follows:

Item	Description	Qty	Cost	Amount	Markup	Total
Removal	Removal Labor	5	25.00	125.00	40.0%	175.00
Framing	Framing Labor	8	55.00	440.00	36.36364%	600.00
Lumber	Lumber		500.00	500.00	100.00	600.00
Door Set						
Exterior Door	Exterior wood door	1	105.00	105.00	42.85714%	150.00
Standard Doorknob	Standard Doorknob		27.00	27.00	85.18519%	50.00
	Standard Door Installation					200.00
Total				1,197.00	378.00	1,575.00

Figure 1-18 Estimate for a time and material job.

Hiding the Estimate Detail on the Customer's Invoice

Many Contractors wish to use the estimate form to budget their jobs and to bill their customers, but do not wish to have the full estimate detail appear on the customer's invoice. The way to accomplish this is to use **group items** without the "Print Items in Group" box selected (see Figure 1-20). The individual cost code items are entered on the estimate form, but inside the group item. When QuickBooks bills a group item, the printed invoice shows only the description for the group item. Also, the description can be changed on each individual invoice.

DO NOT PERFORM THESE STEPS NOW. THEY ARE FOR REFERENCE ONLY.

1. Create an **other charge** type item called **placeholder**. No costs or billings will ever accrue to the **placeholder** item. Its purpose is merely to facilitate the setup of an estimate inside a group. Once other items are entered into the group, then the **placeholder** item can be discarded from the group on that estimate.

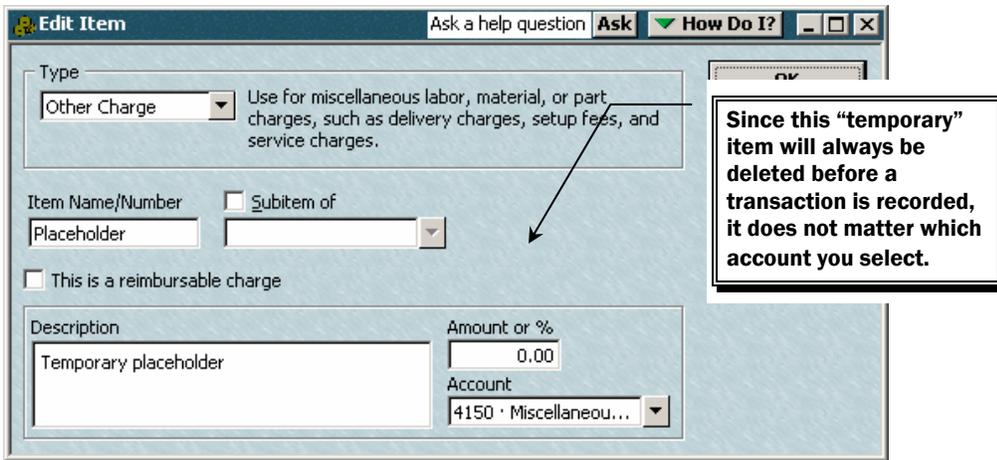


Figure 1-19 Create a “temporary” placeholder item.

2. Create a **group item** the same way you create any other item, but select **group** as the **item type**. Name it anything you wish. We suggest the name **Billing Group**. The only item in this **group item** will be the **placeholder item**.

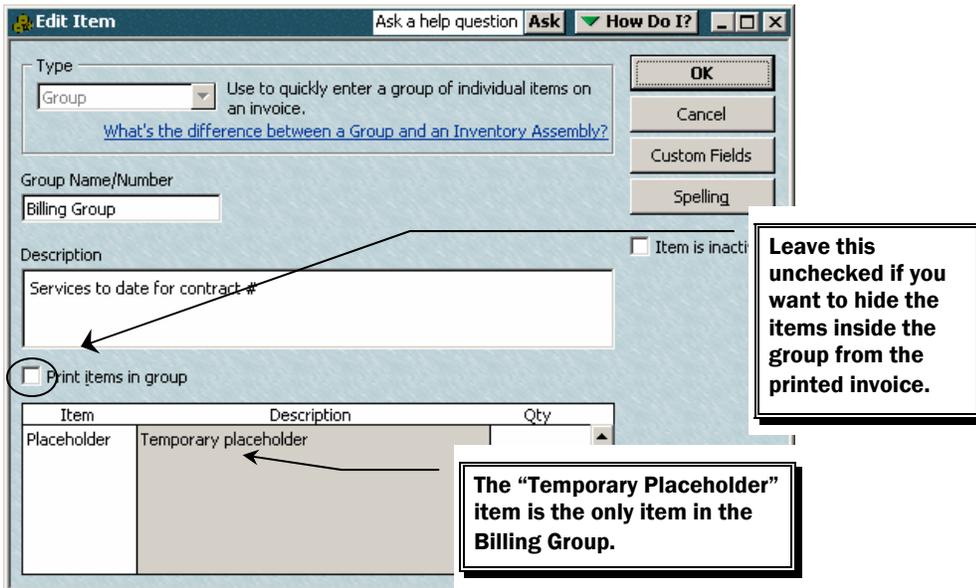


Figure 1-20 Creating a billing group item to hide invoice detail.

3. Enter the **Group** item on the **Estimate** form. The body of the **Estimate** form will appear as follows:

ITEM	DESCRIPTION	QTY	COST	AMOUNT	MARKUP	TOTAL
Billing Group						
Placeholder	Temporary placeholder		0.00			
	Services to date for contract #					0.00

Figure 1-21 Appearance of billing group item in body of estimate.

4. Place the cursor anywhere on the line that includes the **placeholder**, and, while holding down the **Ctrl** key, press the **Insert** key as many times as are necessary to insert enough blank lines within the group item to fit the individual cost items.
5. On the blank lines, enter the individual cost code items for this estimate. The body of the **Estimate** form will appear as follows:

ITEM	DESCRIPTION	QTY	COST	AMOUNT	MARKUP	TOTAL
Billing Group						
Removal	Removal Labor				40.0%	280.00
Framing	Framing Labor				36.36364%	1,500.00
Lumber	Lumber				450.00	1,650.00
Placeholder	Temporary placeholder					
	Services to date for contract #					3,430.00

Figure 1-22 Appearance of billing group item after individual items have been entered.

6. Once additional items have been entered into the group on the face of the estimate, the **placeholder** line can be deleted.
7. Complete the estimate in the normal manner. When the estimate is converted to an invoice (in the same manner as described above), the printed invoice that the customer sees will only show “**Services to date for contract # 3,430**”.

Entering Job Costs

Entering Bills and Checks

Each time you enter bills, use the Items tab to record the cost code and the Customer:Job. Follow these steps:

- Step 1. On the bill, click the **Items tab** and enter the **item (job cost code)** to be charged. A bill can be **split** between any number of **items** and/or expenses by entering the amount for each **item** or **expense** on separate lines and tabs.
- Step 2. Tab to the **Description** field and enter any information you wish to appear in your accounting reports.
- Step 3. If this bill is for a job, and you wish to track the costs of this job, tab to the **Customer:Job** field and enter the job name from the Customer:Job list.

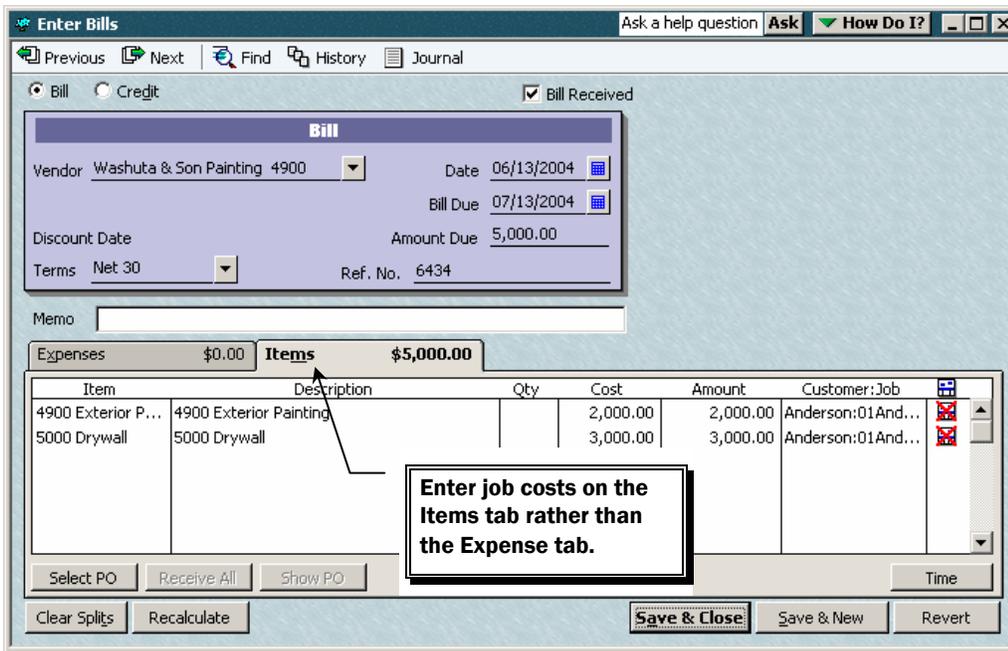


Figure 1-23 Entering a bill to affect job cost for particular jobs and cost codes.

Note:

If this cost was incurred for a time and material job, and you wish to pass it through to the customer, tab to the **Customer:Job** field and enter the job name from the Customer:Job list. The little invoice symbol appears in the last or next-to-last column indicates the cost is “billable.”

IMPORTANT: If you do not intend to bill this cost back to a customer, click an **X** through the invoice symbol.

Tracking Retainage Owed

If your client holds back retainage from a vendor, follow these steps:

- Step 1. To track the retainage amount, create an Other charge type of Item that is keyed to a Retainage payable other current liability type of account.
- Step 2. On the Items tab of the bill, enter the full amount due on the first line and the retainage amount as a negative on the second line.
- Step 3. Be sure to enter the Customer:Job name in the Customer:Job column (see Figure 1-24).

Later, when it is time to pay the retainage, write a regular check (outside of accounts payable) and use the same Other charge item to charge the retainage account.

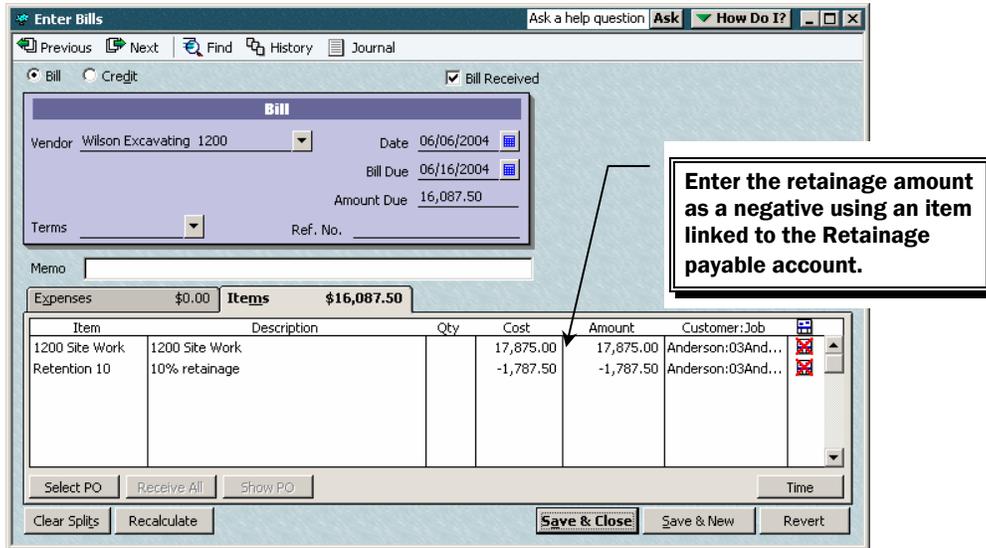


Figure 1-24 Recording a bill that includes retainage.

Create a transaction detail report to track the retainage detail for each job. Start by creating a **Custom Transaction Detail** report, and modifying it as follows:

- Step 1. Select Customer from the **Total by** drop-down menu.
- Step 2. Add a column for **Source Name**.
- Step 3. Filter the report for the **Retentions Payable** account.
- Step 4. Change the report header to read “Retentions Payable by Job.”
- Step 5. Memorize the report for easy future retrieval.

The screenshot shows the 'Retentions Payable by Job' report. The title is 'Academy Construction Retentions Payable by Job'. Below the title, it says 'Accrual Basis' and 'All Transactions'. The report is a table with columns: Type, Date, Num, Source Name, Memo, Debit, Credit, and Balance. The data is grouped by customer: Anderson, Jackson, and a TOTAL row.

Type	Date	Num	Source Name	Memo	Debit	Credit	Balance
Anderson							
02Anderson							
Bill	04/18/2004	6434	Wilson Excavatin...	10% retainage		2,000.00	2,000.00
Total 02Anderson					0.00	2,000.00	2,000.00
03Anderson							
Bill	06/06/2004		Wilson Excavatin...	10% retainage		1,787.50	1,787.50
Total 03Anderson					0.00	1,787.50	1,787.50
Total Anderson					0.00	3,787.50	3,787.50
Jackson							
02Jackson							
Bill	05/30/2004		Wilson Excavatin...	10% retainage		1,250.00	1,250.00
Total 02Jackson					0.00	1,250.00	1,250.00
Total Jackson					0.00	1,250.00	1,250.00
TOTAL					0.00	5,037.50	5,037.50

Figure 1-25 Retention payable detail report.

To create a report listing the total only of the Retentions Payable account by job, follow these steps:

- Step 1. Create a Custom Summary Report and click Modify Report.

- Step 2. Set the date range to **All**.
- Step 3. Select **Vendor** from Display rows by drop-down menu.
- Step 4. Filter the report to include only the Retentions payable account.
- Step 5. Change the report header to Retentions Payable Summary.
- Step 6. Memorize the report for easy future retrieval.

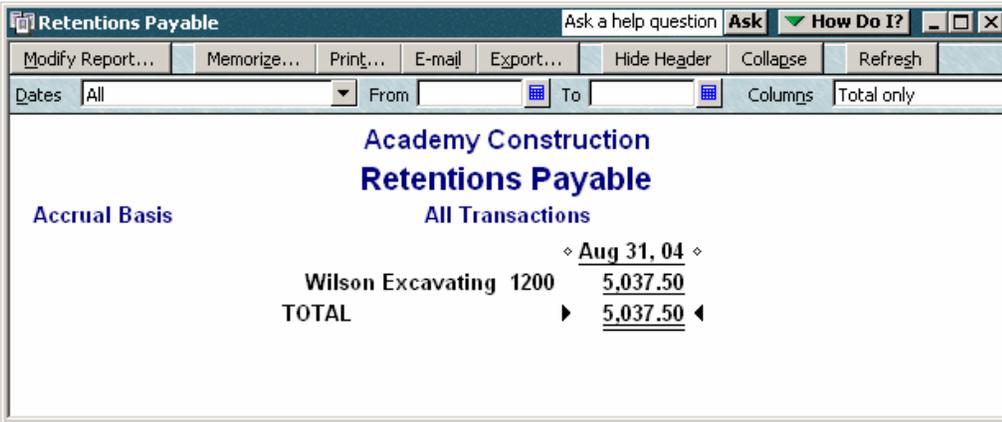


Figure 1-26 Retentions payable summary report.

Use Zero-Dollar Checks as Journal Entries

If you use items to track the specific job costs as discussed here, QuickBooks will track all transactions to the accounts as defined by the items. When you enter bills using the cost code Items, most of the transactions will debit the WIP accounts defined in the items.

When you need to “adjust” the WIP account (e.g., to reclassify and expense), or when you want to “close” the job out and send the costs to the P&L, you would assume that you could use a Journal Entry to make the adjustment.

However, the journal entry feature in QuickBooks has no provision for entering items as part of the journal entry. In addition, a journal entry posted to one of the **WIP** accounts will display on an item-based job cost report under the heading “No Item.” How then do we make a journal entry that will properly affect job costs?

The workaround for this is to trick QuickBooks by using a transaction (such as a check) that was designed to accept items. The check will be a “Zero-Dollar Check” in that it will have an equal amount of debits and credits. We write checks on our “Journal Entries” bank account so as not to muddy up the normal bank account with zero-dollar checks.

Follow these steps to use zero-dollar checks as journal entries:

- Step 1. Create a check in the **Journal Entries** bank account.
- Step 2. Enter the “debits” as **items** with positive amounts and the “credits” as **items** with negative amounts. **Expense accounts** can be affected by entering them on the **Expenses tab** (see Figure 1-27).
The key is that the total check amount should net to zero. This way the check effectively becomes a journal entry using **items**.

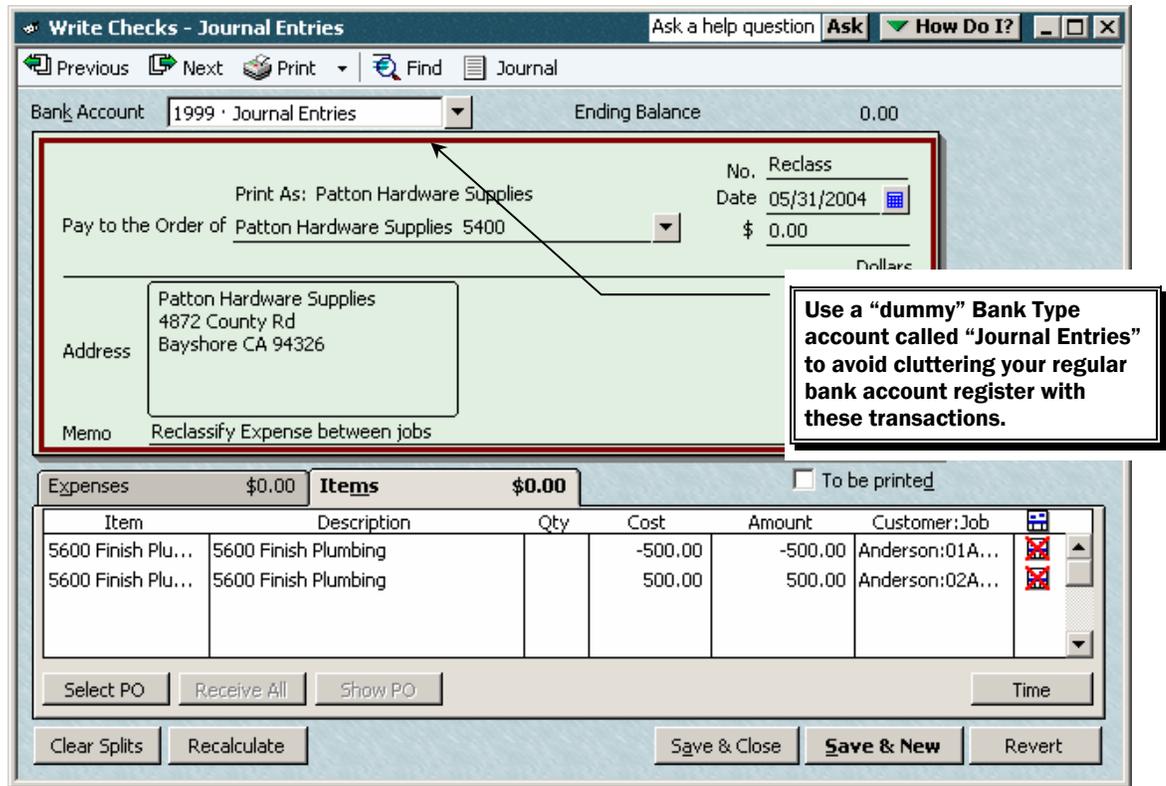


Figure 1-27 Using the Write Checks window to create a journal affecting job cost.

Depositing Vendor Refunds that Affect Job Costs

Suppose you receive a refund from a Vendor for some job materials. You had previously coded the expense to a job using items as instructed above.

Because the QuickBooks deposit window doesn't include an Item column, any Deposit transaction that affects the **WIP** account (reduce job costs) will not show up as a line item in individual job cost detail reports.

So again, we need to trick QuickBooks into recording the deposit so that it affects the proper Item code.

Follow these steps to handle this situation:

NOTE: This is only required for depositing refunds that affect job costs. All other deposits can be handled in the normal manner.

- Step 1. Create a **Check** on the Journal Entries account.
- Step 2. Enter the **Bank Account** to which the check is being deposited on the **Expenses** tab with a positive amount (see Figure 1-28).
- Step 3. On the Items Tab, enter the appropriate job cost code (**Item**) and the amount as a negative amount (see Figure 1-29).

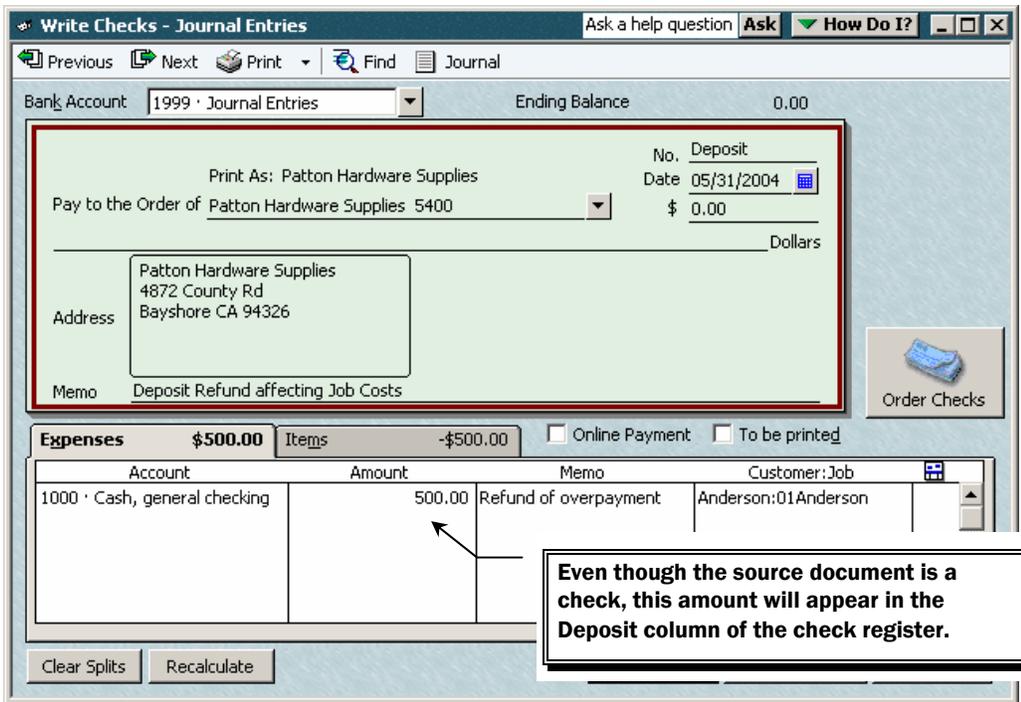


Figure 1-28 Using the “Check Journal Entry” to record a deposit affecting job cost.

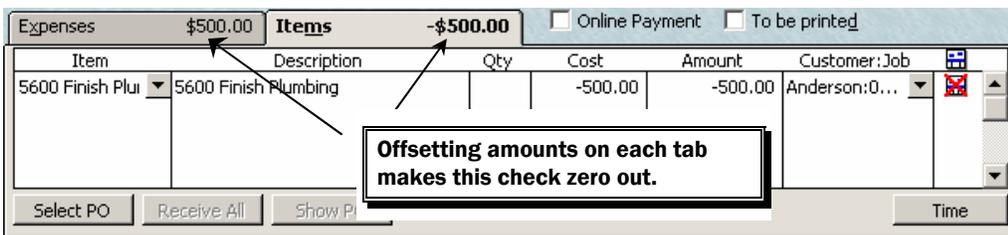


Figure 1-29 The items tab of a “Check Journal Entry” to record a deposit affecting job cost.

Tracking Customer Advances

QuickBooks has the ability to track multiple loans and advances of each of these types of transactions in a single account for each type.

You do not need to create separate accounts on the chart of accounts to track advances for each customer, loan, or commission advance. Instead, you can separately track balances in a single account by appending a Customer:Job name to each transaction in the account.

Then, a customized report can be designed to break out the details of balances that are lumped in a single account.

Follow these steps to separately track customer advances in a single account:

- Step 1. Record the customer advance or loan draw normally using the **Make Deposits** window (see Figure 1-30).
- Step 2. Be sure to enter the appropriate **Customer:Job** name in the **Received From** box.
- Step 3. For loan draws, use the **Memo** column to enter the bank name.

- Step 4. Create detail and summary reports for customer advances and construction loans in the same manner as described earlier for retainage.

Received From	From Account	Memo	Chk No.	Pmt Meth.	Amount
Anderson:01Anderson	2130 · Contract dep...	Deposit on Job	54	Check	5,000.00
Anderson:03Anderson	2130 · Contract dep...	Deposit on Job	4613	Check	7,000.00
Deposit Subtotal					12,000.00
Deposit Total					12,000.00

Figure 1-30 Use Make Deposits to record customer advances or loan draws received.

When the closing statement is recorded (discussed later), an item on the closing statement entry form is coded to the **Contract Deposits** account to transfer the advance into a revenue account.

Closing Out Jobs

Recording the Closing Statement

When the project is complete and title is transferred, a **Closing** or **Settlement** statement is issued by the escrow company detailing the transaction. The closing statement reflects all of the receipts and payoffs for the customer, including customer advances.

If this type of transaction occurs frequently, consider using a **memorized Check Journal Entry** as a data entry tool. This data entry form will be an accounting document that mirrors the closing statement. The **memorized Check Journal Entry** will include separate items for all of those entries that usually appear on a closing statement. Each Item points to the appropriate account, such as Sales, Down Payments, Construction Loan, etc. Some of these items could be coded to job cost codes and some could be coded to cost of sales.

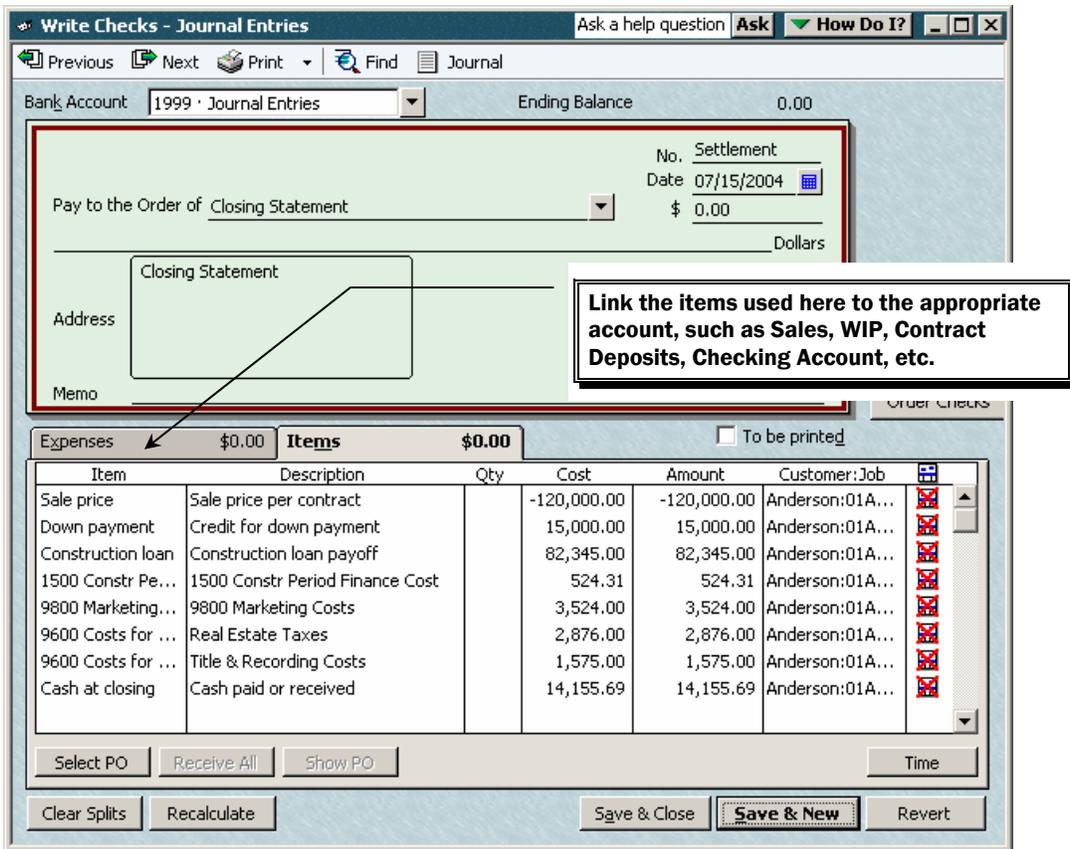


Figure 1-31 Use a memorized check journal entry to record the closing statement.

Note that the description for the **Cash at Closing** item says **Cash paid or received**. Sometimes a seller has to pay funds to close a unit. This item is used to balance the form to the cash paid or received. The total at the check journal entry will always be zero.

Once all of the appropriate items have been entered, and while this form is displayed, memorize it by selecting the **Edit** menu and then **Memorize Check**. Name the memorized transaction **Closing Statement**.

When it is time to record a sale, select **Memorized Transactions** from the **Lists** menu, select the **Closing Statement** and click **Enter Memorized Transaction**.

Then simply enter the amounts from the closing statement into the corresponding line on the form and record it.

Transferring Job Costs to Cost of Sales

When the job is complete or when revenue is recognized during the project (e.g., when you use the Percentage Completion method of revenue recognition), you will need to transfer costs out of the **WIP** or **CIP** account and into the **Cost of Sales** account. Journal entries in QuickBooks are not appropriate for this purpose, since they cannot affect items. Therefore, use a **Zero-Dollar Check** as described earlier. On the items tab, enter positive and negative amounts on separate lines that will net out to a zero check, but which will end up increasing and decreasing appropriate items. Here's how:

Create two **Other Charge** type items, one to charge the **Cost of Sales** account, and the other to relieve the **WIP** account. These can be one-sided items. Set them up as subitems of an item called Job Closeout.

The screenshot shows the 'Edit Item' dialog box with the following settings:

- Type: Other Charge
- Item Name/Number: Charge COS
- Subitem of: Job Closeout (checked)
- This is a reimbursable charge:
- Description: Charge cost of sales
- Amount or %: 0.00
- Account: 361 - Cost of sales, si...
- Item is inactive:

A callout box points to the 'Account' dropdown menu with the text: **Charges costs to Cost of Sales.**

Figure 1-32 Setup for item used to charge cost of sales.

The screenshot shows the 'Edit Item' dialog box with the following settings:

- Type: Other Charge
- Item Name/Number: Relieve WIP
- Subitem of: Job Closeout (checked)
- This is a reimbursable charge:
- Description: Relieve work in progress
- Amount or %: 0.00
- Account: 143 - Direct construct...
- Item is inactive:

A callout box points to the 'Account' dropdown menu with the text: **Removes costs from WIP.**

Figure 1-33 Setup for item used to relieve WIP.

Use these items on the **Zero-Dollar Check** as follows:

- Step 1. On the *Items* tab of the check, enter a positive amount on the first line for the **Charge Cost of Sales** item.
- Step 2. Enter an equal negative amount on the second line for the **Relieve Work in Process** item.
- Step 3. Be sure to enter the Job name in the Customer:Job columns and “X” out the invoice symbol that appears in the next column.

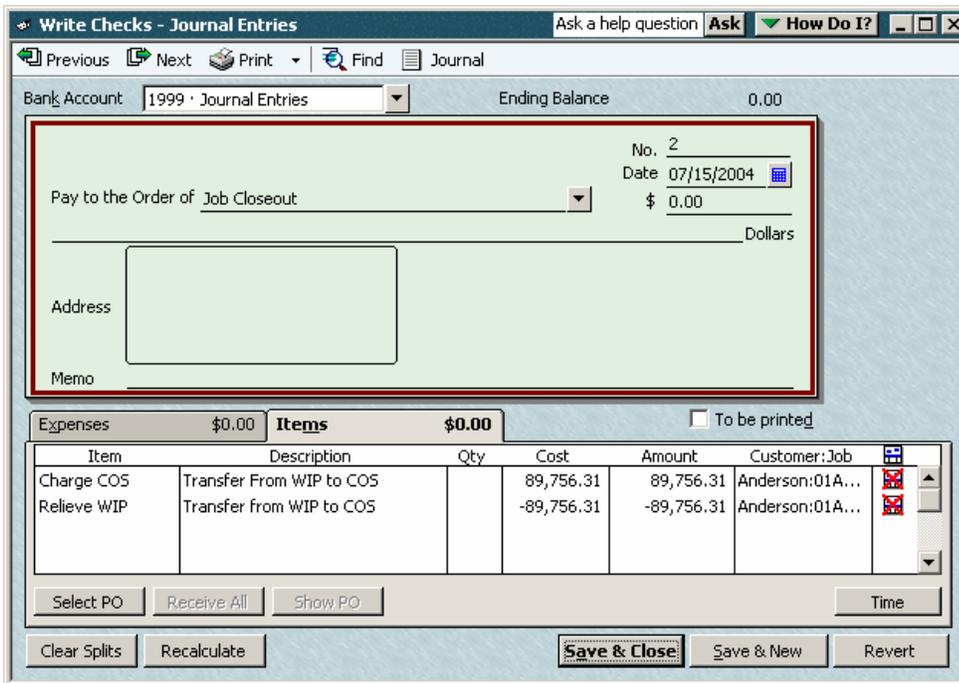


Figure 1-34 Use a zero-dollar check to charge cost of sales and relieve WIP.

Job Cost Reports When Using a WIP Account

Job Cost Report Basics

QuickBooks Pro has over 100 built-in reports, including several specific job cost reports. These built-in reports can be modified to provide the following additional reports that are helpful to builders.

NOTE:

For these reports to work for a job whose costs are charged to a WIP account, the job **must** have an estimate created for it.

- Work in Progress – Total by Job
- Job Costs by Cost Code – One Job
- Estimates vs. Actual – One Job
- Transaction Details – One Job
- Job Details by Cost Code – One Job
- Job Costs by Vendor – One Job
- Profit & Loss by Job

Once each report is created for the first time, it can be memorized by clicking the **Memorize** button in the upper right section of the report. In the future, the report can be easily created without having to repeat the initial customization.

Work in Progress – Totals by Job

This report reflects the balance included in the **WIP** account for each job as of a specific date.

Academy Construction	
Work in Progress - Total by Job	
Accrual Basis	All Transactions
◇ Aug 31, 04 ◇	
Anderson	
01Anderson	88,956.70
02Anderson	80,426.09
03Anderson	58,657.88
04Anderson	47,723.51
Total Anderson	275,764.18
Bayshore Industries 73.99	
Jackson	
01Jackson	47,683.38
02Jackson	59,801.58
03Jackson	47,000.00
Total Jackson	154,484.96
Millhouse	
01Millhouse	46,000.00
02Millhouse	46,500.00
03Millhouse	45,000.00
Total Millhouse	137,500.00
TOTAL	<u>567,823.13</u>

Figure 1-35 Work in Progress – Total by Jobs report.

To create this report, follow these steps:

- Step 1. Select the **Reports** menu, and then choose **Custom Summary Report**.
- Step 2. At the **Display** tab set the dates to **All** and change the **Row Axis** to **Customer**.

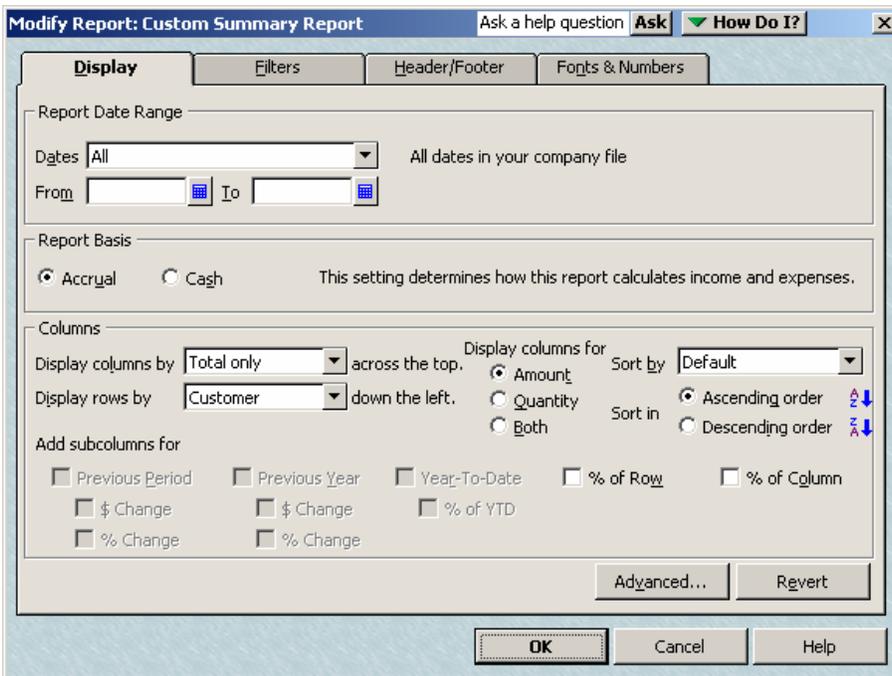


Figure 1-36 Make selections for date and columns on the Display tab.

Step 3. Click the **Advanced** button on the **Display** tab, and at the **Advanced Options** window change **Display Rows** to **Non-Zero**. This will remove old closed out jobs from the report.

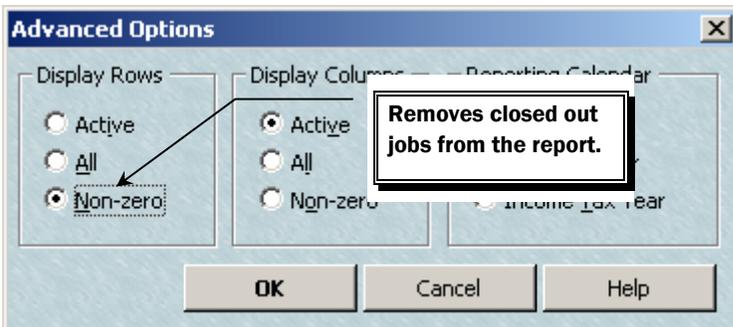


Figure 1-37 Eliminate closed out jobs from the report.

Step 4. Select the **Filters** tab, and change the **Account** filter to the **WIP** account.

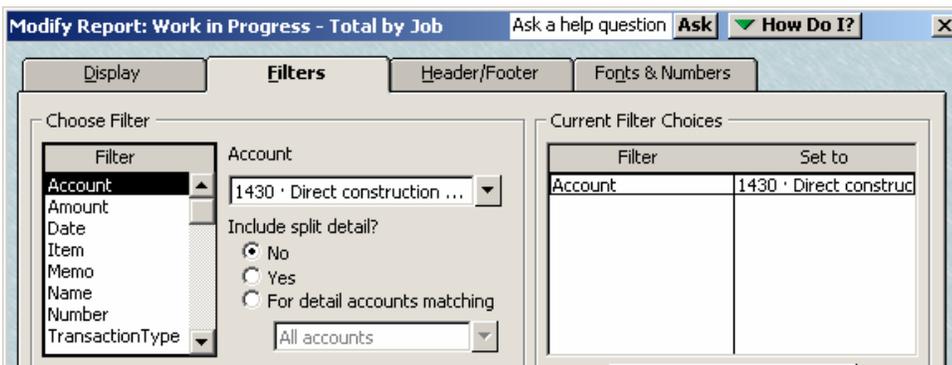


Figure 1-38 Filter the report to only include the WIP account.

Step 5. On the Header/Footer tab, change the Report Title to **Work in Progress - Total by Job**.

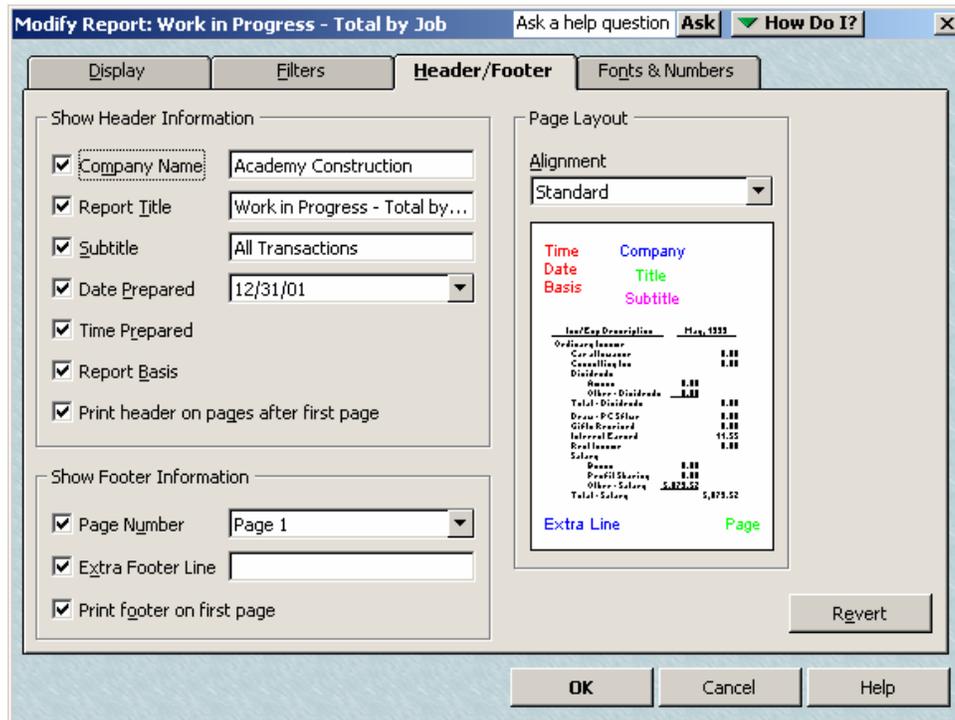


Figure 1-39 Change the report title to an appropriate name.

Step 6. Click **OK** to display the report.

Job Costs by Cost Code

This report breaks down costs on a cost code by cost code basis for a single job.

The screenshot shows a software window with a menu bar (Modify Report..., Memorize..., Print..., E-mail, Export..., Hide Header, Collapse, Refresh) and a toolbar (Dates: All, From, To, Columns: Total only). The main content area displays the following report:

Academy Construction	
Job Costs by Cost Code - 01Anderson Job	
All Transactions	
	◇ Act. Cost ◇
Service	
1000 Permits and fees	1,000.00
1200 Site Work	4,750.00
1299 Lot Purchase Cost	41,500.00
1500 Constr Period Finance Cost	524.31
3100 Framing (Rough Structure)	3,405.24
3500 Rough sheet metal	5,000.00
3700 Electrical Total Contract	1,425.00
4000 Roofing	3,000.00
4100 Masonry	5,250.00
4500 Windows and Doors	2,200.00
4700 Insulation	5,000.00
4800 Exterior Trim	1,750.00
4900 Exterior Painting	2,000.00
5000 Drywall	3,000.00
5100 Flooring	1,500.00
5600 Finish Plumbing	-1,000.00
6000 Building Clean-Up	603.16
9010 Superintendents	73.99
9600 Costs for Unsold Units	4,451.00
9800 Marketing Costs	3,524.00
Total Service	88,956.70
TOTAL	88,956.70

Figure 1-40 Job cost by cost code report for one job.

- Step 1. Select the Reports menu, then Jobs, Time & Mileage, and then select Job Estimates vs. Actuals Detail.
- Step 2. QuickBooks asks you to select a job to report on. When you have made your selection, click OK.

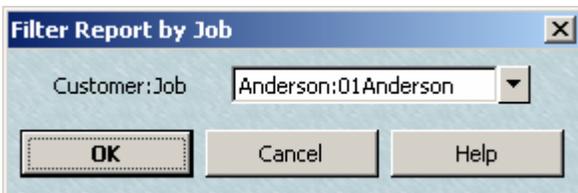


Figure 1-41 Choose the job you wish to report on.

- Step 3. Click the **Modify Reports** button and at the **Display** tab remove check marks from all columns except **Act. Cost**.
- Step 4. Set the report dates to **All**.

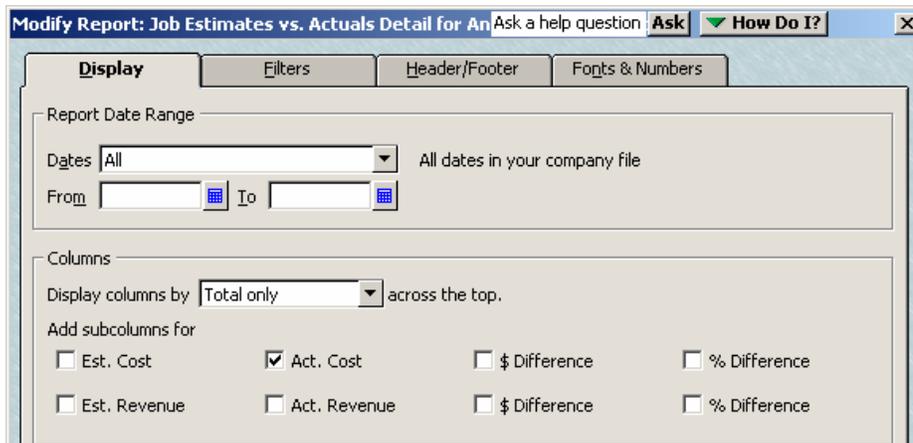


Figure 1-42 Set the report dates and select Act. Cost as the only column for the report.

Step 5. On the **Filters** tab, select the **WIP** account for the **Account** filter.

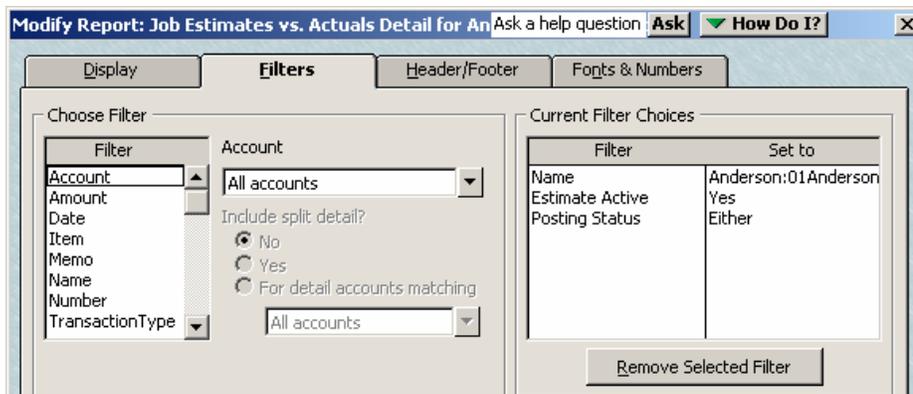


Figure 1-43 Filter the report to include only the WIP account.

Step 6. On the *Header/Footer* tab, change the report title to **Job Costs by Cost Code – (Job Name)**.

Step 7. Click **OK** to display the report.

Estimate vs. Actual – One Job

This report compares the budgeted costs (per the **Estimate**) to the actual cost incurred on a cost code by cost code basis. The dollar difference and/or percentage difference between the budgeted and actual cost can optionally be shown.

Academy Construction
Estimates vs. Actuals for 01Anderson
All Transactions

Service	Est. Cost	Act. Cost	(\$ Diff.)	(% Diff.)
1000 Permits and fees	1,000.00	1,000.00	0.00	0.0%
1200 Site Work	4,750.00	4,750.00	0.00	0.0%
1299 Lot Purchase Cost	41,500.00	41,500.00	0.00	0.0%
1500 Constr Period Finance Cost	0.00	524.31	524.31	100.0%
3100 Framing (Rough Structure)	3,000.00	3,405.24	405.24	13.5%
3500 Rough sheet metal	6,000.00	5,000.00	-1,000.00	-16.7%
3700 Electrical Total Contract	1,400.00	1,425.00	25.00	1.8%
4000 Roofing	3,125.00	3,000.00	-125.00	-4.0%
4100 Masonry	5,000.00	5,250.00	250.00	5.0%
4500 Windows and Doors	2,125.00	2,200.00	75.00	3.5%
4700 Insulation	5,000.00	5,000.00	0.00	0.0%
4800 Exterior Trim	1,750.00	1,750.00	0.00	0.0%
4900 Exterior Painting	2,200.00	2,000.00	-200.00	-9.1%
5000 Drywall	3,000.00	3,000.00	0.00	0.0%
5100 Flooring	1,500.00	1,500.00	0.00	0.0%
5600 Finish Plumbing	0.00	-1,000.00	-1,000.00	100.0%
6000 Building Clean-Up	0.00	603.16	603.16	100.0%
9010 Superintendents	0.00	73.99	73.99	100.0%
9600 Costs for Unsold Units	0.00	4,451.00	4,451.00	100.0%
9800 Marketing Costs	0.00	3,524.00	3,524.00	100.0%
Total Service	81,350.00	88,956.70	7,606.70	9.4%
TOTAL	81,350.00	88,956.70	7,606.70	9.4%

Figure 1-44 Estimates vs. Actuals report for one job.

- Step 1. Start with the **Job Cost by Cost Code** report for a single job as noted above.
- Step 2. Click the **Modify Report** button, and at the **Display** tab check all the cost boxes and remove the checks from all of the revenue boxes.

Modify Report: Job Estimates vs. Actuals Detail for An Ask a help question Ask How Do I?

Display Filters Header/Footer Fonts & Numbers

Report Date Range

Dates: All (dropdown) All dates in your company file

From: [] To: []

Columns

Display columns by: Total only (dropdown) across the top.

Add subcolumns for

<input checked="" type="checkbox"/> Est. Cost	<input checked="" type="checkbox"/> Act. Cost	<input checked="" type="checkbox"/> \$ Difference	<input checked="" type="checkbox"/> % Difference
<input type="checkbox"/> Est. Revenue	<input type="checkbox"/> Act. Revenue	<input type="checkbox"/> \$ Difference	<input type="checkbox"/> % Difference

Figure 1-45 Select all of the cost columns for this report.

- Step 3. On the **Header/Footer** tab, change the report title to **Estimates vs. Actuals for (Job Name)**. Click **OK** to display the report.

Job Transaction Detail

This report gives a chronological history of all costs recorded for a job.

Type	Date	Num	Source Name	Item	Payroll Item	Amount	Balance
Bill	01/03/2004		City of Bayshore...	1000 Pe...		1,000.00	1,000.00
Check	01/03/2004	1	Davis Business A...	1299 Lo...		41,500.00	42,500.00
Payc...	01/03/2004	2	Dan T. Miller	9010 Su...	CA - Emplo...	0.17	42,500.17
Payc...	01/03/2004	2	Dan T. Miller	9010 Su...	Social Sec...	10.73	42,510.90
Payc...	01/03/2004	2	Dan T. Miller	9010 Su...	Medicare C...	2.51	42,513.41
Payc...	01/03/2004	2	Dan T. Miller	9010 Su...	Federal Un...	1.38	42,514.79
Payc...	01/03/2004	2	Dan T. Miller	9010 Su...	CA - Unem...	0.00	42,514.79
Payc...	01/03/2004	3	Jim Moen	6000 Bu...	Laborer Hr...	552.00	43,066.79
Payc...	01/03/2004	3	Jim Moen	6000 Bu...	CA - Emplo...	0.56	43,067.35
Payc...	01/03/2004	3	Jim Moen	6000 Bu...	Social Sec...	34.40	43,101.75
Payc...	01/03/2004	3	Jim Moen	6000 Bu...	Medicare C...	8.12	43,109.87
Payc...	01/03/2004	3	Jim Moen	6000 Bu...	Federal Un...	4.48	43,114.35
Payc...	01/03/2004	3	Jim Moen	6000 Bu...	CA - Unem...	3.60	43,117.95
Payc...	01/03/2004	4	Katie Reynolds	3100 Fr...	Carpenter ...	880.00	43,997.95
Payc...	01/03/2004	4	Katie Reynolds	3100 Fr...	CA - Emplo...	0.88	43,998.83
Payc...	01/03/2004	4	Katie Reynolds	3100 Fr...	Social Sec...	54.56	44,053.39
Payc...	01/03/2004	4	Katie Reynolds	3100 Fr...	Medicare C...	12.76	44,066.15

Figure 1-46 Job Transaction History report for a single job.

- Step 1. Select the Reports menu, and then select Custom Transaction Detail Report.
- Step 2. A **Transaction Detail** report reflecting all transactions posted to the account is displayed. Remove the **Name, Memo, Account, Clr, Split, Debit,** and **Credit** columns from the report by dragging the diamond located to the right of each of the column headings for these columns, across the diamond located to the left of each of the column headings. Resize any other columns that might be too wide the same way.
- Step 3. Click the **Modify Report** button at the top left corner of the report. At the **Display** tab set the report dates as discussed above and add columns for **Source Name, Item, Payroll Item,** and **Amount** by checking them in the **Columns** box.

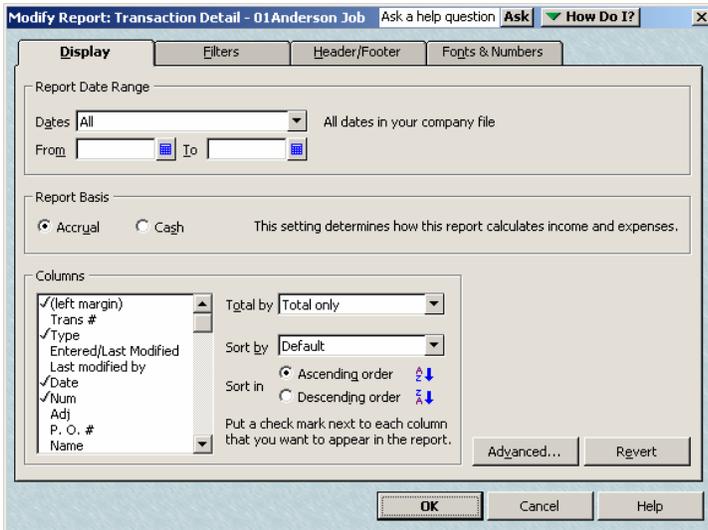


Figure 1-47 Add columns by checking them in the Columns box.

Step 4. On the **Filters** tab, select the job name that you wish to report on.

Step 5. On the Header/Footer tab, change the report title to Transaction Detail (Job Name).

Job Detail by Cost Code

This report shows the detailed charges to a job on a cost code by cost code basis. Note that this particular report reflects job costs as negative numbers.

Date	Num	Source Name	Payroll Item	Amount	Balance
Service					
1000 Permits and fees					
01/03/2004		City of Bayshore...		-1,000.00	-1,000.00
Total 1000 Permits and fees				-1,000.00	-1,000.00
1200 Site Work					
02/08/2004	6466	Wilson Excavatin...		-4,750.00	-4,750.00
Total 1200 Site Work				-4,750.00	-4,750.00
1299 Lot Purchase Cost					
01/03/2004	1	Davis Business A...		-41,500.00	-41,500.00
Total 1299 Lot Purchase Cost				-41,500.00	-41,500.00
1500 Constr Period Finance Cost					
07/15/2004	Sett...	Closing Statement		-524.31	-524.31
Total 1500 Constr Period Finance Cost				-524.31	-524.31
3100 Framing (Rough Structure)					
01/03/2004	4	Katie Reynolds	Carpenter ...	-880.00	-880.00
01/03/2004	4	Katie Reynolds	CA - Emplo...	-0.88	-880.88
01/03/2004	4	Katie Reynolds	Social Sec...	-54.56	-935.44
01/03/2004	4	Katie Reynolds	Medicare C...	-12.76	-948.20
01/03/2004	4	Katie Reynolds	Federal Un...	-7.04	-955.24

Figure 1-48 Job cost details by cost code for one job.

- Step 1. Start with the **Transaction Detail** report for the job as described earlier.
- Step 2. In the **Total by** box on the top bar of the report, select **Item Detail**.
- Step 3. Remove the **Item** column, as it is redundant in this report.
- Step 4. Click the **Modify Report** button. On the **Header/Footer** tab, change the report title to **Job Detail by Cost Code (Job Name)**.

To create this report or any other single job report for a different job, display the report and then change the **Filter** to include the other job’s name and change the **Report Title** to include the other job’s name.

Job Costs by Vendor – One Job

This report lists the costs incurred on one job for a single vendor or multiple vendors, whose costs may have been charged to several cost codes. This report cannot be completely prepared inside QuickBooks. It must be completed in Microsoft Excel. You will need to have Microsoft Excel installed on the same computer to create this report.

1	A	B	C	D	E	Formula Bar	H	I	J	K	L	M	N	O
				Type	Date		Num		Source Name		Memo		Amount	
2				140-149 - Construction in Progress										
3				143 - Direct construction cost										
4				Bill	09/30/2003				C.U. Electric 3700		3700 Electrical Total Contract		750.00	
5				Bill	10/31/2003		4566		C.U. Electric 3700		3700 Electrical Total Contract		675.00	
6									C.U. Electric 3700 Total				1,425.00	
7				Bill	09/01/2003				City of Cleveland 1000		1000 Permits and fees		1,000.00	
8									City of Cleveland 1000 Total				1,000.00	
9				Check	07/01/2003		1		Davis Business Associates		1299 Lot Purchase Cost		41,500.00	
10									Davis Business Associates Total				41,500.00	

Figure 1-49 Job costs by vendor report for a single job.

- Step 1. Start with the **Transaction Detail** report created for the job earlier.

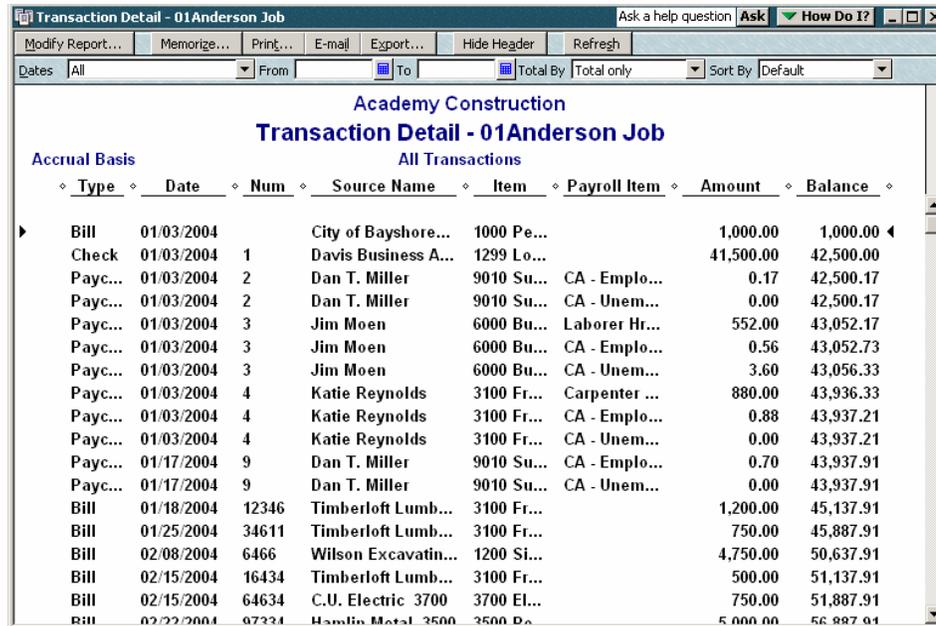


Figure 1-50 Use the job transaction history report as a starting point.

Step 2. Set the **Sort by** box in the top right corner to **Source Name**.



Figure 1-51 Sort the report by Source name.

Step 3. Click the **Export** button at the top of the report.

Step 4. On the **Export Report** screen, choose a **New Excel workbook**. Then Click **OK**.

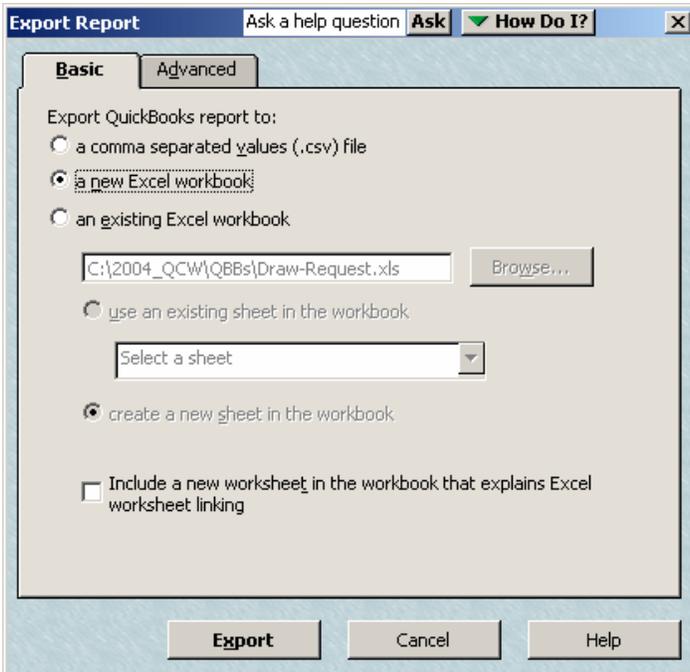


Figure 1-52 Send the report to a new Excel spreadsheet for sorting and totaling.

Step 5. In Excel use the mouse to highlight the entire data range of the report. Then from Excel's **Data** menu, choose **Subtotals**. Ignore the message that Excel cannot determine which rows have labels, etc.

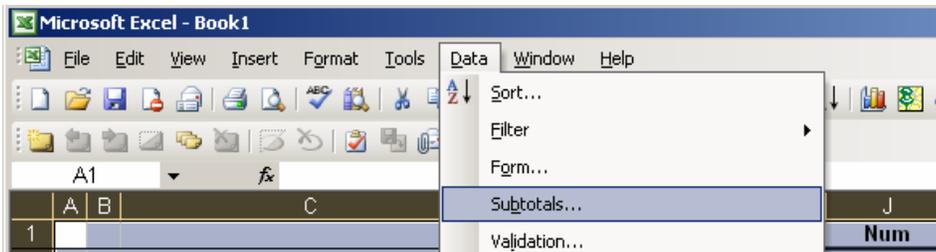


Figure 1-53 Excel can insert subtotals for Source Name into the report.

Step 6. In the Subtotal dialog box, select Source Name for At each change in and check Amount for Add subtotal to.

	Type	Date	Num	Source Name	Item
1					
2	1400			Construction in Progress	
3	1430			Direct construction cost	
4	Bill	02/15/2004	64634	C.U. Electric 3700	3700 Electrical Total C
5	Bill				3700 Electrical Total C
6	Bill				1000 Permits and fees
7	Check				1500 Constr Period Fin
8	Check				9800 Marketing Costs
9	Check				9600 Costs for Unsold I
10	Check				9600 Costs for Unsold I
11	Paycheck				9010 Superintendents
12	Paycheck				9010 Superintendents
13	Paycheck				9010 Superintendents
14	Paycheck				9010 Superintendents
15	Check				1299 Lot Purchase Cos
16	Bill				4100 Masonry
17	Bill				4100 Masonry
18	Bill				3500 Rough sheet met
19	Paycheck				6000 Building Clean-U
20	Paycheck				6000 Building Clean-U
21	Paycheck				6000 Building Clean-U
22	Paycheck				3100 Framing (Rough
23	Paycheck	01/03/2004	4	Katie Reynolds	3100 Framing (Rough
24	Paycheck	01/03/2004	4	Katie Reynolds	3100 Framing (Rough
25	Bill	05/16/2004	4673	Keswick Insulation 4700	4700 Insulation
26	Check	05/31/2004		Patton Hardware Supplies 5400	5600 Finish Plumbing
27	Check	05/31/2004		Patton Hardware Supplies 5400	5600 Finish Plumbing
28	Bill	05/09/2004	6434	Perry Windows & Doors 4500	4500 Windows and Do
29	Bill	04/11/2004	65434	Sloan Roofing 4000	4000 Roofing
30	Bill	01/18/2004	12346	Timberloft Lumber 3100	3100 Framing (Rough

Figure 1-54 Tell Excel where to place the subtotals.

Step 7. This spreadsheet now has “levels” that allow you to view the totals of each vendor. Click the “2” in the top left of the spreadsheet to view only the subtotals for each vendor.

	Date	Num	Source Name	Item	Payroll Item	Amount	Balance
5			City of Bayshore 1000 Total			1,000.00	
7			Davis Business Associates Total			41,500.00	
13			Dan T. Miller Total			14.79	
20			Jim Moen Total			603.16	
27			Katie Reynolds Total			955.24	
33			Dan T. Miller Total			59.20	
36			Timberloft Lumber 3100 Total			1,950.00	
38			Wilson Excavating 1200 Total			4,750.00	
40			Timberloft Lumber 3100 Total			500.00	
42			C.U. Electric 3700 Total			750.00	
44			Hamlin Metal 3500 Total			5,000.00	
46			Timberloft Lumber 3100 Total			1,500.00	
48			Gallion Masonry 4100 Total			2,750.00	
50			C.U. Electric 3700 Total			675.00	
52			Sloan Roofing 4000 Total			3,000.00	
54			Perry Windows & Doors 4500 Total			2,200.00	
56			Keswick Insulation 4700 Total			5,000.00	
59			Patton Hardware Supplies 5400 Total			-1,000.00	
62			Washuta & Son Painting 4900 Total			5,000.00	
64			Gallion Masonry 4100 Total			2,500.00	
66			Timberloft Lumber 3100 Total			1,750.00	
73			Closing Statement Total			177,913.4	

Figure 1-55 Total Costs by Vendor for one Job

Profit & Loss by Job

This report shows (on a job-by-job basis) all revenues and expenses that have been recorded in income statement accounts for all jobs and all costs that have been transferred from **WIP** to Cost of Sales. It will not include any dollar amounts that are remaining in **WIP**.

Select the Reports menu, then Company and Financial, then Profit and Loss by Job.

Academy Construction Profit & Loss by Job						
All Transactions						
	01Ander...	(Anderson)	Total An...	Bayshore...	Time & M...	TOTAL
Ordinary Income/Expense						
Income						
4000 · Sales, land...	120,000.00	120,000.00	0.00	1,823.00	121,823.00	
Total Income	120,000.00	120,000.00	0.00	1,823.00	121,823.00	
Cost of Goods Sold						
4200 · Cost of Sales	89,756.31	89,756.31	0.00	0.00	89,756.31	
Total COGS	89,756.31	89,756.31	0.00	0.00	89,756.31	
Gross Profit	30,243.69	30,243.69	0.00	1,823.00	32,066.69	
Expense						
4620 · Cost of Sal...	0.00	0.00	1,200.00	1,123.00	2,323.00	
Total Expense	0.00	0.00	1,200.00	1,123.00	2,323.00	
Net Ordinary Income	30,243.69	30,243.69	-1,200.00	700.00	29,743.69	
Net Income	30,243.69	30,243.69	-1,200.00	700.00	29,743.69	

Figure 1-56 Profit and loss by job report.

Chapter Review

In this chapter, you learned about how to use QuickBooks to track Job Costs using a Work in Process (WIP) account. You learned how to:

- Set up the Chart of Accounts and Item List to track Job Cost codes (page 2).
- Track Insurance and Worker’s Compensation Certificates for subcontractors (page 9).
- Work with Estimates and Use Estimates for Budgeting by Job (page 11).
- Enter Job Costs Using Items for Cost Codes (page 17).
- Track Retainage Withheld from Subcontractors (page 18).
- Using Zero-Dollar Checks as Journal Entries (page 20).
- Depositing Refunds from Vendors that Affect Job Costs (page 21).
- Tracking Customer Advances (page 22).
- Closing out Jobs (page 23).
- Job Cost Reports When Using a WIP Account (page 26).