

Job-costing in QuickBooks™

For years, Bookkeepers and Contractors have been utilizing QuickBooks™ to do effective job-costing. Intuit now offers a Premier Version of their software customized for Contractors. I have been asked by many businesses if this version is worth the extra cost. Having used both versions extensively myself, I would answer definitely yes if only for the reports offered exclusively in this version. Having said this, Contractors Edition or no, job-costing in QuickBooks™ is not without its pitfalls. The number one issue you must be aware of is that the fantastic job-costing reports offered in QuickBooks™ are possible only through the use of Items. If you are a contractor, all job-related costs and income should be entered into your system using Items. It is critical that the Items be set up properly as a two-sided item allowing mapping to the appropriate Income and Cost of Goods Sold accounts. It is also important to realize that each item can only be mapped to *one* COGS or Income account. In order to get good job-costing reports every Vendor Bill, check written, and even petty cash expenses must be entered into the system under the Item rather than the Expense tab of the transaction screen. Invoices must be created using items for all income. Because the Deposit, Journal Entry and Direct Register screens do not allow for use of items, all job-related income or expenses must be entered through Transactions. This sometimes takes a little creative thinking. I always recommend hiring a professional and experienced consultant to set up your new company and set up some type of support and review process. Next QuickBooks™corner I will address Job-Costing and Payroll. Tip: If you occasionally pay for items with cash – capture these in a bank account called “Petty Cash”. Fund this account with Owner’s equity in small increments.

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Penny Lane Crull is a certified Quickbooks Pro advisor and specializes in Construction accounting in QuickBooks™ as well as other compliance issues . Business Matters offers QuickBooks™ consulting, training and support plans, new company set-up, Point-of-Sale, Payroll and Bookkeeping Services. Order Intuit Products, Including checks at a discount on our web site :

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