



Module 5

Order Processing & Invoicing

During this lesson, we are going to talk about the entire Order Processing starting with taking an order from the customer all the way through to Invoicing and Shipping the finished order. This is an exciting class because you are going to see how all of this works together and how easy and efficient it really is. I was very excited putting it together for you!

Before we get started, I wanted to give you a step by step process of the entire sequence of taking an order to shipping out the finished order.

1. Take the order-write it up on the Sales order form (Apparel or Cap Order form) If artwork is involved, make sure it is correct and exactly what the customer is asking for.
2. Take the Deposit
3. Make sure all copy and information is correct and complete on the Sales Order
4. Create the Estimate complete with all the information on the Sales Order
5. Post the Customer Deposit into the Customer Deposits Account by Creating a Sales Receipt
6. Add Job to the Scheduler
7. Order the Products
8. Check to see if you have the correct backing, thread and hoops
9. Write up the Order for the Design
10. Send out the Design to the Digitizer or the person setting up the Design
11. Receive Goods from Distributor
12. Sew out Design
13. Send proof of Design to Customer
14. Prepare Job for Production
15. Run the Job
16. Finish the job

17. Pull up Estimate and Check to see if information on Production order matches the information on the Estimate. Make Corrections if necessary
18. Convert to Invoice- Apply Customer Deposit from the Sale Receipt if it was not done
19. Send Invoice to Customer
20. Ship the Order

Step 1 Order Process In QuickBooks - Creating the Work Order With An Estimate Form

Add your order to QuickBooks as soon as you get finished taking your physical order from the client is going to save you time and steps as you go through your process. It is also a way to increase your Cash Flow by having the whole process automated, so to speak, you will have the invoice in the hands of the customer as soon as you have the job completed and you will be paid much quicker.

We are going to start the process by changing the name of the Estimate to the Work Order. That can be done in **Custom Form Styles**.

Click on Custom Form Styles and it will bring up another page to create the form.

Custom form styles

NAME	FORM TYPE	LAST EDITED	ACTION
Standard	Master	04/02/2019	Edit
My WORK ORDER Template - 3-31 (66434)	Estimate	04/02/2019	Edit
Work Order	Estimate	02/01/2018	Edit

You can click on the standard form to see what it looks like or you can Click on New Style and create your new form. I found it very easy to select one that is already there and change the wording or Title on it. To do so, click on the Edit on the form you select, and it will bring up the page to edit the form. Click on Content and then select the Pencil on the right side of the section that you want to change.

Change the name of the **Estimate Form** to **Work Order**. It will still have the name Estimate on it when you want to create an Estimate or Work Order for a customer, but when you print it out, it will have Work Order on it. Now that this is ready to go, you are ready to start using your Estimate to create your Work Orders!

Edit estimates that turn heads and open wallets Share feedback

Design
Content
Emails
Payments

Header

☒ Business name
Designer Marketing Inc-Designer Gifts

☒ Phone
(607) 427-1026

☒ Email
theembroiderycoach@gmail.com

[+ Address](#)

[+ Website](#)

Form

☒ Form names
Estimate

☒ Form numbers
☐ Use custom transaction numbers

Display

☒ Billing address
☒ Shipping
☒ Expiration date

[+ Custom field](#)

Designer Marketing Inc-Designer Gifts
112 Krager Road
Binghamton, NY 13904
(807) 427-1026
theembroiderycoach@gmail.com

WORK ORDER



ADDRESS
Smith Co.
123 Main Street
City, CA 12345

SHIP TO
John Smith
20637 Palm Drive
City, CA 12345

WORK ORDER#	DATE	TOTAL DUE	EXPIRATION DATE	ENCLOSED
12345	01/12/2016	\$665.00	02/12/2016	

SHIP DATE: 01/03/2015 SHIP VIA: FedEx TRACKING NO.: 12345678 PURCHASE ORDER NO. CUSTOM-1

ACTIVITY	QTY	RATE	AMOUNT
Item name Description of the item	2	225.00	450.00
Item name Description of the item	1	225.00	225.00

This quote expires in 30 days

SUBTOTAL	875.00
DISCOUNT 2%	-13.50
TOTAL TAX	101.25
SHIPPING	3.50
BALANCE DUE	\$776.25

Thank you for your order

Step 2- Creating A Liability Account To Hold Customer Deposits

Inside of your **Chart of Accounts** you will create an account for your Customer Deposits. This is the account where the money that you receive for the deposit from the customer is held until the **Work Order** or Estimate is converted into the invoice.

Click on Chart of Accounts and click on the Green button that says New to create the new account. It will bring up the dialog box where you will set up the new account.

Chart of Accounts

[Run Report](#) [New](#)

[All Lists](#)

You're using 92 accounts. [Learn how to manage usage limits.](#)

Need help with your chart of accounts? Connect with an accountant. [Invite yours.](#) | [Find one](#)

Account

Account Type

Other Current Liabilities

*Detail Type

Trust Accounts - Liabilities

Use **Trust accounts - liabilities** to offset **Trust accounts** in assets.

Amounts in these accounts are held by your business on behalf of others. They do not belong to your business, so should not appear to be yours on your balance sheet. This "contra" account takes care of that, as long as the two balances match.

*Name

Custsomer Deposits

Description

Customer Deposits

☐ Is sub-account

Enter parent account

Balance

as of

03/31/2019

Cancel

Save and Close

This is exactly how the Account box should look when it is finished.

Now you need to create a Service Item in Products and Services that you will use as you are creating the deposit. This will connect to the Customer Deposit Account.

Go to Lists and then select Products and Services. It will bring up the dialog box to create the Customer Deposits item.

The screenshot shows a web-based form titled "Product/Service information". At the top, there is a blue circular icon with a white building and a "Service" label with a "Change type" link. Below this, the form is divided into several sections:

- Name***: A text input field containing "Customer Deposits".
- SKU**: An empty text input field.
- Category**: A dropdown menu with the placeholder text "Choose a category".
- Class**: A dropdown menu with the placeholder text "Assign a class".
- Sales information**: A section containing a checked checkbox and the text "I sell this product/service to my customers." Below this is a large text area with the placeholder "Description on sales forms".
- Sales price/rate**: An empty text input field.
- Income account**: A dropdown menu with "Customer Deposits" selected.

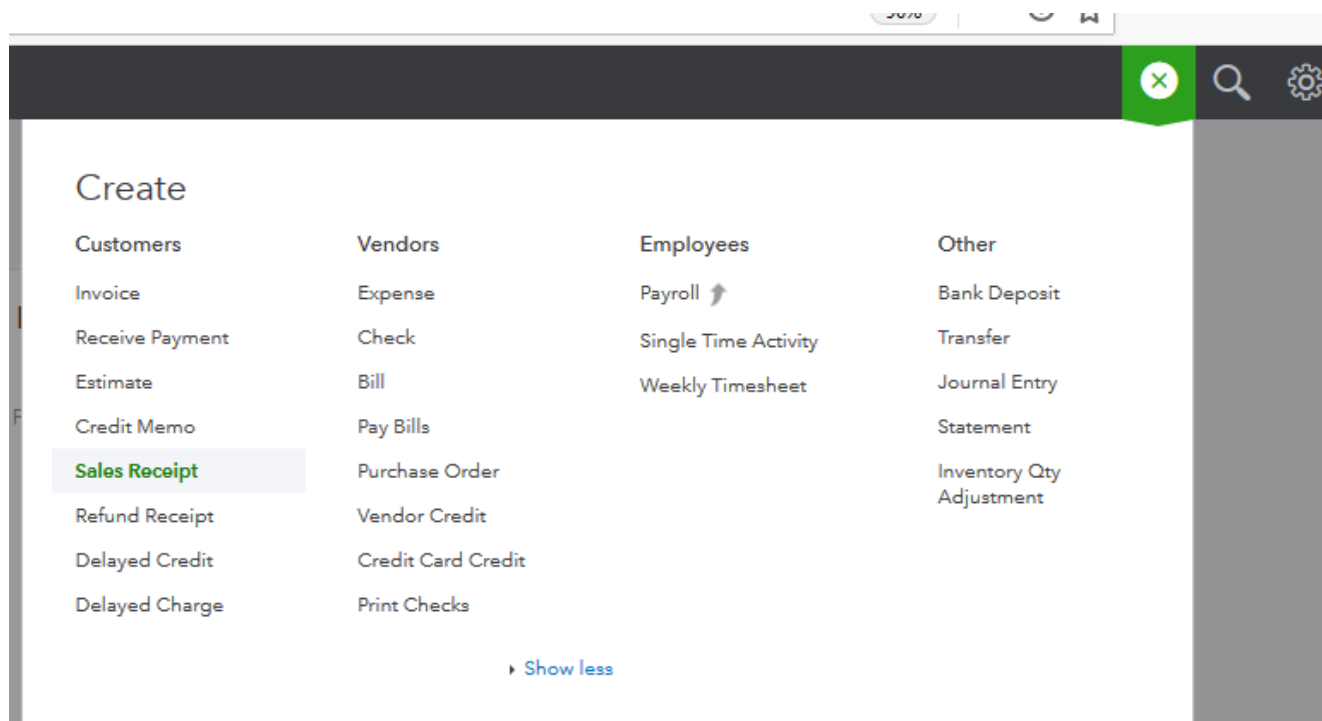
At the bottom of the form, there is a "SHOW MORE" link with a downward arrow. In the bottom right corner, there is a green button labeled "Save and close" with a downward arrow.

Step 3 - Taking the Deposit for an Order-Creating A Sales Receipt For The Customer

Your goal is to always have a 50% deposit on each order. Sometimes this is not possible with Wholesale orders or orders that come through to you with Purchase Orders. Some large companies will not work with you if you are demanding the 50% up front; however, if they do not pay their bills on time, this is a must, or you simply cannot work with them. They will kill your business if you do not get a handle on this right away.

Create a Sales Receipt

Create a Sales Receipt to accept a deposit from a customer. Go up to the Plus



sign at the top of the page and Click on Sales Receipt. This will open up the Sales Receipt. Fill in the top with the customer's information, the date of the receipt and click on the drop-down arrow in the Deposited To box: and select Undeposited Funds.

In the Product/Service box, select Customer Deposits. In the Description box, type in what order the deposit is for. In the Quantity box, type in 1, In

the Amount box, type in the total amount of the deposit, and in the Class box, select Customer Deposits from the drop-down menu.

If you do not have a Class called Customer Deposits, create one. This way you can easily track all of your customer deposits and you will not have to worry if something is not getting credited correctly. You can run a report for your Classes to check this out. **Send a copy to your Customer and attach a copy to your Work Order.**

Sales Receipt #1057 Help X

Billing address
Ron Sall
Sall Stearns
52 Court Street
Binghamton, NY 13901

Sales Receipt date
03/31/2019

Location of sale
112 Krager Road, Binghamton, NY

Ship via **Shipping date** **Tracking no.**

Shipping to

Purchase Order No.

Payment method **Reference no.** **Deposit to**
Choose payment method Undeposited Funds

[Accept payments in QuickBooks](#)

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX	CLASS
1	Customer Deposits	Explanation of what the deposit is for	1	148	148.00		Customer Deposit
2							

[Add lines](#) [Clear all lines](#)

Message displayed on invoice

Subtotal \$148.00
Taxable subtotal \$0.00
Sales tax \$0.00

Step 4 - Create an Estimate or Work Order for the Customers Order

Go to the top of the page and click on the Plus sign and click on Estimate. This will bring up the Estimate form so that you can create your customers Work Order.

Create

Customers	Vendors	Employees	Other
Invoice	Expense	Payroll	Bank Deposit
Receive Payment	Check	Single Time Activity	Transfer
Estimate	Bill	Weekly Timesheet	Journal Entry
Credit Memo	Pay Bills		Statement
Sales Receipt	Purchase Order		Inventory Qty Adjustment
Refund Receipt	Vendor Credit		
Delayed Credit	Credit Card Credit		
Delayed Charge	Print Checks		

Adding Your Products and or Services to the Work Order

This scenario is for a product that the customer is purchasing along with the embroidery as one package. In the first Product/Service box, pull up your Item Code for that Product with Embroidery. In the Description box, type in all of the information about the product order from the customers order form including the Style Number, quantity for each of the individual sizes, and colors. In the Quantity box type in the quantity of items in the order, in the Rate box, type in the price for each item with the embroidery. If the item is taxable, you will check the Tax box. Lastly, add the class from the Drop-down menu to the Class box, something like Polo Shirt. What is happening here is that the price for the garment and the embroidery are both being credited to the Sale of Product Income account

© Joyce Jagger, The Embroidery Coach

you add your embroidery code. Check the Tax box if it is taxable, and add the Class such as Corporate Embroidery. What is happening here is that you are crediting the Corporate Embroidery account with the actual embroidery.

In the next Product/Service box select Discount from your Items List. In the Quantity box add the number of embroideries that you are doing. In the Rate box, type in the same price that you charged for each embroidery using a minus sign in front of the price. What is happening here, is you are pulling the dollar amount for the Corporate Embroidery out of the Sales for Product Income account for the garments and adding it to the Corporate Embroidery account so that the Corporate Embroidery account gets credit for the actual embroidery. Your customer will think that they are getting a discount, but in all reality, the price for the embroidery is included in the price of the shirt or other garment.

In the next Product/Service box, select Customer Deposits from your Items List. In the Description box, type in the Sales Receipt number and the date of the Customer Deposit. In the Quantity box, type in 1 and in the Rate box, type in the amount of the Customer's Deposit with a minus sign in front of it. In the Class box type in Customer Deposit. This will add the Customer's Deposit to the Work Order and it will pull it out of the Customer Deposit Liability account.

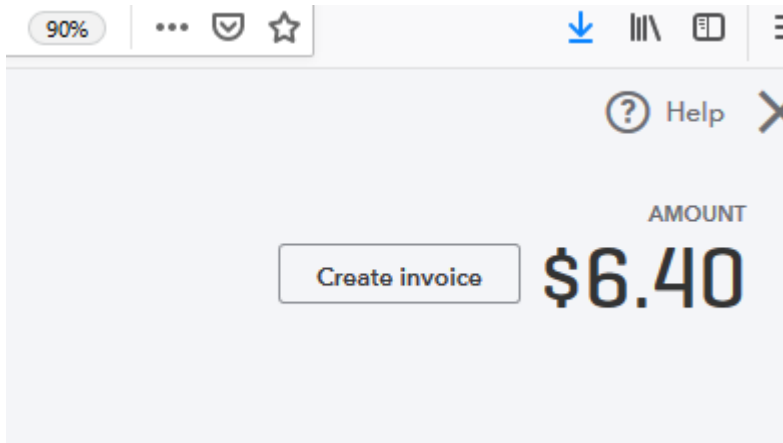
You can also add a .jpg of the customers logo to the Estimate or Work Order so that you know for sure all of the information is correct.

Step 5 - Converting The Estimate or Work Order into an Invoice

When job is completed, go to the Dashboard, click on Sales on the left hand column and then select All Sales. This will bring up the total list. Select the correct Estimate from the list. Check the Estimate - Work Order to make sure that the information is the same. Make any adjustments that are necessary. If you have not added the Deposit onto the Estimate or Work Order yet, add that amount as I have shown you above.

Click on the Create Invoice button on the top right corner of the Estimate.

This will automatically convert the Estimate into an Invoice.



Finished Invoice

Invoice #1058

Customer: Ron Sall
Customer email: sallsaarn@aol.com
Online payments: ☐ Cards ☒ Free bank transfer ☐ Get paid faster with online payments. Finish setting up online payments. And let your customers pay you even faster. [Finish setup](#)

1 linked transaction
☐ Send later [Go Back](#)

PAID
1 payment made (\$128.36)

Location of sale: 112 Krager Road, Binghamton, NY

Billing address: Ron Sall, Sall Stearns, 52 Court Street, Binghamton, NY 13901
Terms: Due on receipt
Invoice date: 04/02/2019
Due date: 04/02/2019
Ship via:
Shipping date:
Tracking no.:
Purchase Order No.:

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX	CLASS
1	OG140EMBCC-12	OGIO Gravitate Polo S-XL 12 Pieces-w EMB. 1 Medium-3 Large - 2 XL Navy/Heather shirts embroidered with BUCK logo	6	46.06	276.36		Polo Shirt
2	EMBCC6	Corporate Embroidery - BUCK Logo - BUCK White thread Buckingham 1896 in Dark Green thread on the Left Chest	6	12.22	73.32		Embroidery
3	Discount	Customer Discount	6	-12.22	-73.32		Discount
4	Customer Deposits	Customer Deposit #1057 3/31/19	1	-148	-148.00		Customer Deposit
5							

Add lines Clear all lines Add subtotal

Message on invoice: This will show up on the invoice.

Subtotal: \$128.36
Taxable subtotal: \$0.00
Sales tax: \$0.00
Discount percent: \$0.00

You are now ready to email this invoice to the customer. Do this as soon as you complete it along with a note letting the customer know that he or she will need to bring in the balance of the money with them in order to pick up their finished products.

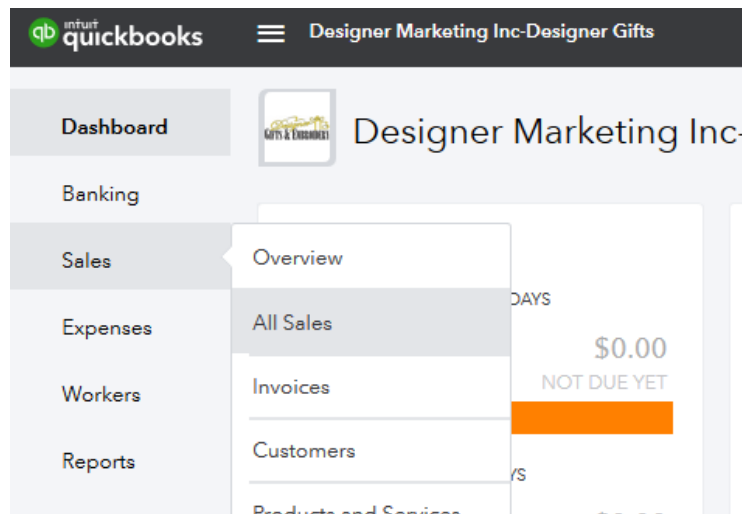
If the order is going to be shipped out on a retail or corporate level, they must pay before the order can be shipped. If it is on a wholesale level, you have

notified them that the order is complete, and it will be shipped out immediately. You will definitely see your Cash Flow increase.

Step 6 Creating a Report for All of the Outstanding Orders

Go to your Dashboard and scroll down to **Sales**, then select **All Sales**.

It will bring up all of your sales Transactions.



Getting customers is hard. Check out these four tips to grow your customer base with ease. [Learn more.](#)

Filter ▾ Last 365 Days

Batch actions ▾

☐	DATE ▾	TYPE	NO.	CUSTOMER	DUE DATE	BALANCE	TOTAL	STATUS	ACTION
☐	04/03/2019	Estimate	1017	Ron Sall	04/03/2019	\$0.00	\$6.40	Pending	Create invoice ▾
☐	04/02/2019	Invoice	1058	Ron Sall	04/02/2019	\$0.00	\$128.36	Paid	Print ▾
☐	04/02/2019	Payment		Ron Sall	04/02/2019	\$0.00	\$-128.36	Closed	
☐	03/31/2019	Sales Receipt	1057	Ron Sall		\$0.00	\$148.00	Paid	Print ▾
☐	03/31/2019	Estimate	1016	Ron Sall	03/31/2019	\$0.00	\$276.36	Closed	Print ▾
☐	03/30/2019	Estimate	1015	Ron Sall	03/30/2019	\$0.00	\$35.92	Pending	Create invoice ▾
☐	09/30/2018	Estimate	1014	Frank Kushner	09/30/2018	\$0.00	\$8.00	Pending	Create invoice ▾
☐	07/08/2018	Sales Receipt	1054	Frank Kushner		\$0.00	\$15.00	Paid	Print ▾
☐	07/08/2018	Payment		Frank Kushner	07/08/2018	\$0.00	\$-10.00	Closed	
☐	07/08/2018	Invoice	1056	Frank Kushner	08/07/2018	\$34.50	\$44.50	Overdue	Receive payment ▾

Click on Filter in the top left corner and it will bring up all of the Transactions. On the drop-down menu on Filter, select Estimates. In the Status drop down menu select Open. Set it up just as I have it set below. This will show you all of your open Work Orders or Estimates that have not been converted to Invoices. They must be all of your open orders that have not been completed. Then click the green Apply button and it will bring up all of the open Estimates.

This can be done at the end of every day for an accurate up to date account or it can be done once per week to help you plan out the next weeks

Getting customers is hard. Check out these four tips to grow your customer base with ease. [Learn more.](#)

Filter ▾

Last 365 Days

Estimates ✕

Open ✕

[Clear filter / View all](#)

Type

Estimates ▾

[View deleted/voided transactions](#)

Status

Open ▾

Delivery method

Any ▾

Date

Last 365 Days ▾

From

To

04/04/2018

Customer

All ▾

Reset

Apply

CUSTOMER	TOTAL	LAST DELI
Ron Sall	\$6.40	
Ron Sall	\$35.92	
Frank Kushner	\$8.00	
	\$50.32	

schedule.

Print

Export

Settings

ACTION

Create invoice ▾

On the top right corner of the report, you can now select Print it out or you can export it on an Excel spreadsheet.

Print version

Getting customers is hard. Check out these four tips to grow your customer base with ease. [Learn more.](#)

Filter ▾

Last 365 Days

Estimates ✕

Open ✕

[Clear filter / View all](#)

Batch actions ▾

☐	DATE ▾	TYPE	NO.	CUSTOMER	TOTAL	LAST DELIVERED	☐	STATUS	ACTION
☐	04/03/2019	Estimate	1017	Ron Sall	\$6.40			Pending	Create invoice ▾
☐	03/30/2019	Estimate	1015	Ron Sall	\$35.92			Pending	Create invoice ▾
☐	09/30/2018	Estimate	1014	Frank Kushner	\$8.00			Pending	Create invoice ▾
Total					\$50.32				

Excel Version - In the Excel version you can copy it to your Scheduler.

With either version, you can check it against your scheduler to see exactly where you are with your production and see if there is something that has been missed. This is going to be a very handy report.

Type: Estimates · Status: Open · Delivery method: Any · Date:							
Date	Type	No.	Customer	Total	Last delivered	Attachments	Status
04/03/2019	Estimate	1017	Ron Sall	6.40			open
03/30/2019	Estimate	1015	Ron Sall	35.92			open
09/30/2018	Estimate	1014	Frank Kushner	8.00			open

Action Steps:

1. Create your Liability Account for Customer Deposits
2. Create your Work Order
3. Start adding all of your Orders into QuickBooks