CHAPTER 7
INVENTORY
## Section 7.1 SATNAV

### QB SatNav

#### QB Settings
- Company Settings
- Chart of Accounts

#### QB Transactions
- Money in
- Money out
- Banking
- Customers & Sales
- Vendors & Expenses
- Employees & Payroll

#### QB Reports
- Reports
CHAPTER 7 OVERVIEW

- Vendor and Customer Transactions
- Item List
- Purchases of Inventory
- Vendor Reports
VENDOR AND CUSTOMER TRANSACTIONS

We can use QuickBooks for inventory to record:

1. Vendor transactions, including placing product orders, receiving products, entering bills, and paying bills

2. Customer transactions, including recording sales of inventory on invoices and receiving customer payments

<table>
<thead>
<tr>
<th>VENDORS</th>
<th>Purchase Products from Vendors</th>
<th>OUR COMPANY</th>
<th>Sell Products to Customers</th>
<th>CUSTOMERS</th>
</tr>
</thead>
<tbody>
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</tbody>
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5 main steps to processing inventory transactions using QuickBooks:

1. Purchase Orders
2. Receive Inventory
3. Enter Bills Against Inventory
4. Pay Bills
5. Manage Sales Tax
ITEM LIST

- Item List contains information about items purchased and sold
- Items can be:
  - Service items
  - Inventory items
  - Non-inventory items
VENDOR TRANSACTIONS

Two types of vendor transactions

1. Enter Bills > Pay Bills. This is used to record services, such as utilities or accounting services.

2. Enter Purchase Orders > Receive Inventory > Enter Bills Against Inventory > Pay Bills. This approach is used to record the purchase of inventory items.
CREATE PURCHASE ORDERS

A purchase order is a record of an order to purchase inventory from a vendor.
When inventory items are received from vendor, the items must be recorded as received by creating an item receipt in QuickBooks.

1. Receive Inventory with Bill is used if the bill is received at the same time as the inventory items are received.

2. Receive Inventory without Bill is used if the inventory items is received at a different time than the bill is received.
ENTER BILLS AGAINST INVENTORY

- Enter Bills Against Inventory is used to record bills received after inventory items are received and recorded.
After receiving the items and entering the bill, the next step is to pay the bill.
PAY SALES TAX

- QuickBooks tracks the sales tax that you collect from customers and must remit to governmental agencies.
- Use Manage Sales Tax when it is time to pay the governmental agencies the sales tax collected.
QuickBooks provides vendor reports to answer the following questions:

- How much do we owe? (Accounts Payable reports)
- How much have we purchased? (Purchase reports)
- How much inventory do we have? (Inventory reports)
VENDOR REPORTS

Access vendor reports from:

- Report Center
- Reports Menu
- Vendor Center
TO LEARN MORE... SEE CHAPTER 7