

# Understanding Billing

It's all about the basics!

## What is the Chart of Accounts?

- A chart of accounts gives you an easy way to see where money is coming from (income) or where it is going (expense).
- A chart of accounts allows you to set up a way to track money still owed to you (accounts receivable), money you owe to someone (accounts payable), or money you currently have (bank accounts).

*Our system only focuses on the Accounts Receivable side of things and is therefore heavy on the income accounts.*

## What is the Chart of Accounts (cont'd)?

- In typical situations money owed to you (Accounts Receivable) is considered Income, and money you owe to someone (Accounts Payable) is considered an Expense.

## Accounts Receivable is just a 'holding' account.

- A balance exists when someone owes you money (open invoice)
- When invoices are paid the balance decreases
- Writeoffs on invoices decrease the balance
- Credits to a client's account decrease the balance



When money is owed to you  
Accounts Receivable increases

When money is received by you  
Accounts Receivable decreases



When it comes to Income Accounts, think of each account as a bucket.



Membership  
Income



Event  
Income



Advertising  
Income



Rent  
Income



Other  
Income

Each bucket can hold multiple smaller buckets.....These are referred to as Sub-Accounts.



Event  
Income



Golf  
Tournament



Annual  
Dinner



Arts in  
the Park



Fourth of  
July



Business  
After Hours



Holiday  
Expo

This can continue as far as they want....



Golf  
Tournament



Registration



Sponsor



Lunch



Dinner

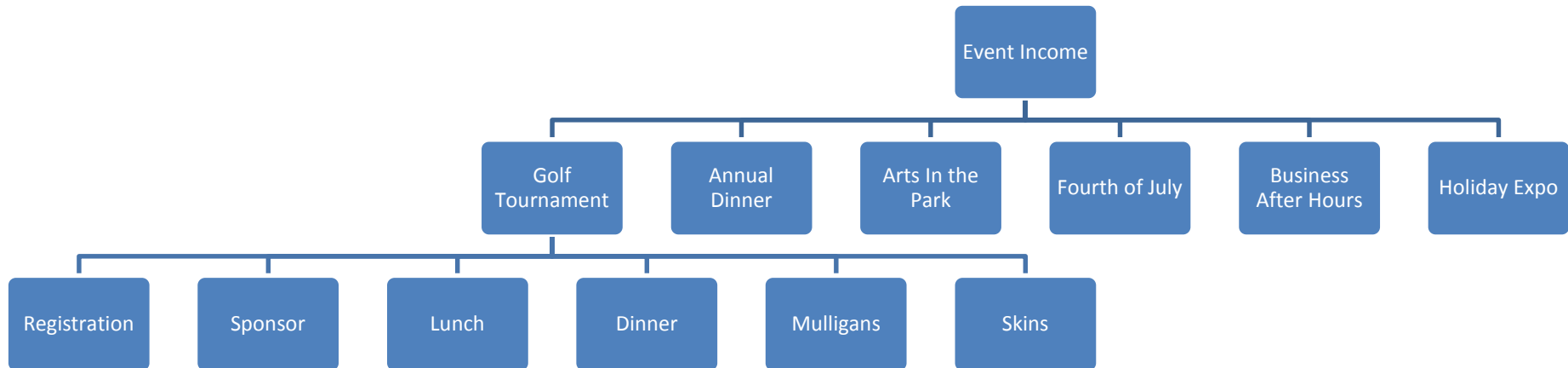


Mulligans



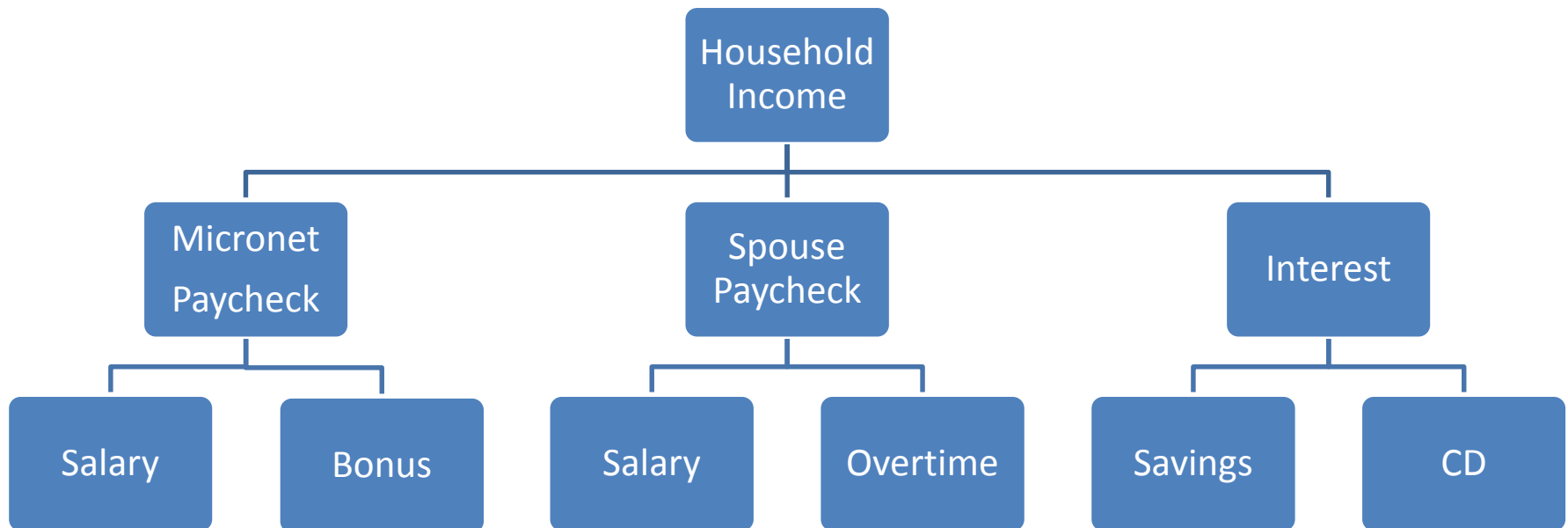
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Look at it as a Hierarchy.....





You use the same principles in daily life.....

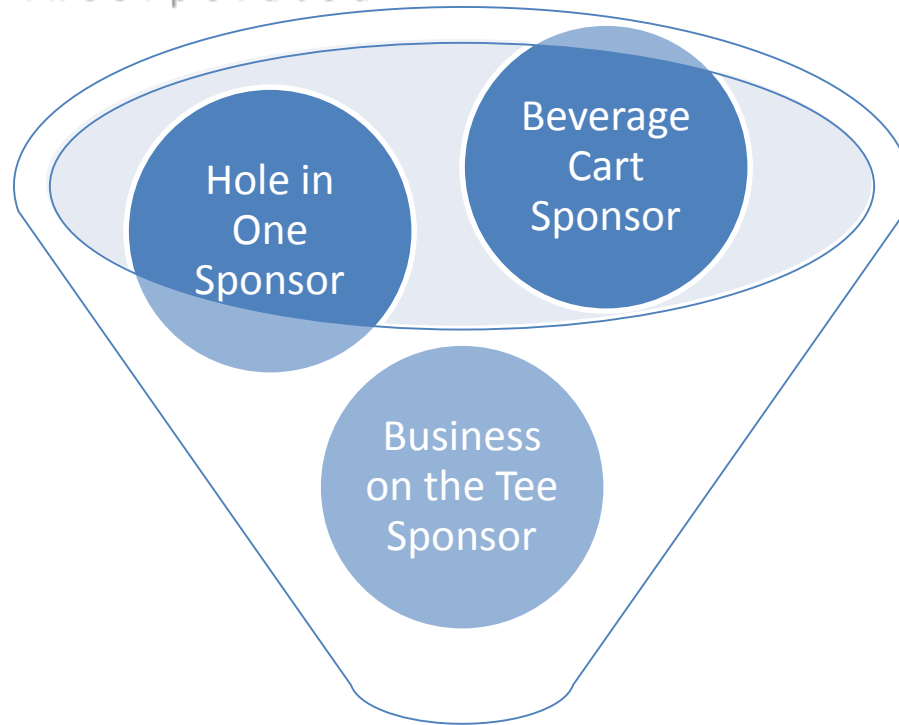


## What are Fee Items?

- Anything that is available for purchase and placed on an invoice or sales receipt.
  - ✓ Membership
  - ✓ Meal tickets
  - ✓ Sponsorships
  - ✓ Mailing lists
  - ✓ Hot deals
  - ✓ Advertising
  - ✓ Event attendance
  - ✓ Parking space rent
  - ✓ Gift center items
  - ✓ Attraction tickets

## How do Fee Items work?

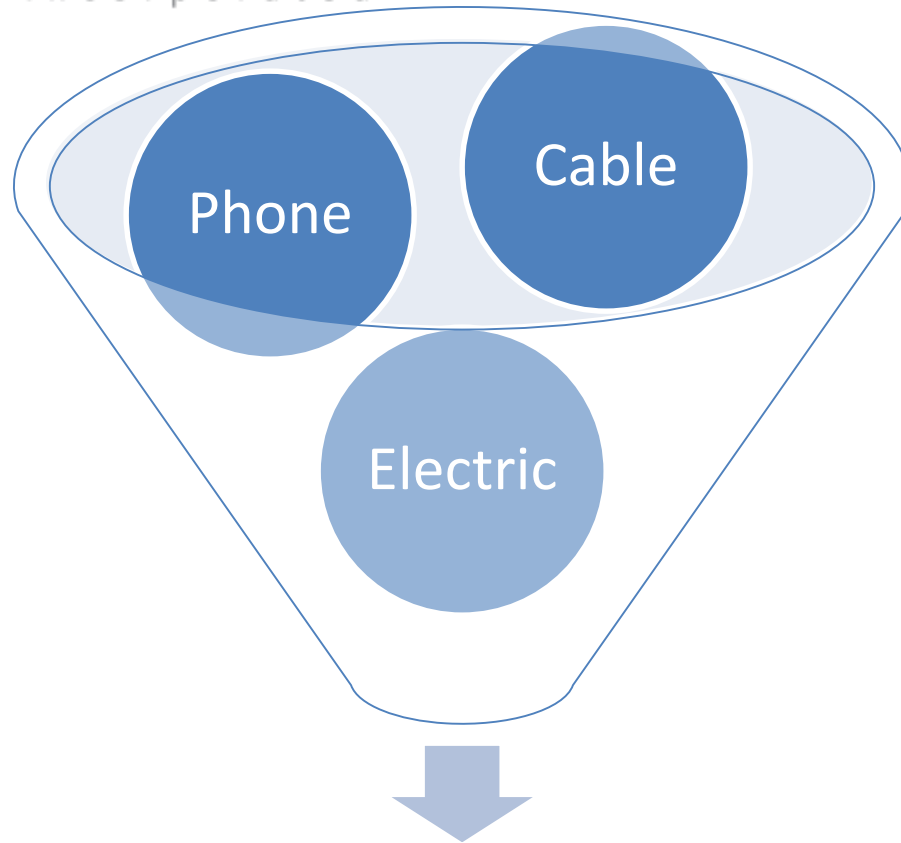
- Fee Items allow the user a way to give further detail to activity within an account. This prevents the need to make the chart of accounts overly lengthy.
- There has to be a MINIMUM of one fee item per Chart of Account item, but there can be as many per account as desired.



Event Income

-Golf Tournament

-Sponsor



Household Expenses  
-Utilities

## What are Classes?

- Classes are unique to QuickBooks
- Classes offer the ability to break-down accounts into separate reports.
  - ✓ ex: You have Advertising Income that comes from a variety of different sources (tourism, community, economic development, etc.) but it is all just reported as Advertising Income. Assigning a class for each of the different sources allows for quick reporting to see totals for just what you want.

|               | Tourism  | Community | Economic<br>Development | Unclassified | Total      |
|---------------|----------|-----------|-------------------------|--------------|------------|
| Income        |          |           |                         |              |            |
| • Membership  | 0.00     | 0.00      | 0.00                    | 256,775.00   | 256,775.00 |
| • Advertising | 2,500.00 | 825.00    | 7,968.00                | 0.00         | 11,293.00  |
| Total Income  | 2,500.00 | 825.00    | 7,968.00                | 256,775.00   | 268,068.00 |

|               |            |
|---------------|------------|
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