ACCOUNTS RECEIVABLE

While the billing and collection of tuition is decided at the local parish level, it is necessary that the accounting for such tuition be standardized in order to simplify Archdiocesan analysis and assessment calculations.

Section 4.1 Archdiocesan Accounting Policies states that tuition revenue should be recorded as it is earned, not as it is received. Elementary schools charging tuition should report revenue on an accrual basis. The account number for Tuition Revenue is 441100. This account should reflect gross tuition (tuition before grants or allowances are awarded to families).

Parishes can choose from various billing/collection methods (i.e. FACTS, SMART or in-house) and frequency (i.e. annually or monthly). Archdiocesan standards require that all school families be set up in Accounts Receivable no matter which billing/collection method is used. Recording the collection of tuition on a cash basis distorts the Profit & Loss statement for a given year and does not accurately reflect the balances due by families.

Enrollment Spreadsheet

When the registration process begins, we highly the preparation of an enrollment spreadsheet with columns for:

- a. Family Name
- b. # of children
- c. Annual tuition rate
- d. Registration fees
- e. Book fees or other fees
- f. Separate columns for any type of grant or allowance awarded
- g. The last column would be net tuition due from the family.

The spreadsheet should be updated throughout the registration process. In the end, you will know who, and how many students you actually have enrolled and the spreadsheet will be used to agree data entered in QuickBooks.

A. INVOICE ENTRY

Family records and customer jobs should be set up as follows:

1. Set up a family record for each school family. This is the master account and any information entered in the family record will be copied to subsequent jobs that are set up for this family.

🛒 St. Polycor	p - Intuit Quick	Books Enterprise So	lutions 12.0(multi-	user)(Admin) - [Ed	it Customer]		_ & ×
🦁 File Edit Vie	ew Lists Favorite	s Company Customers	Vendors Employees	Banking Reports C	Inline Solutions Window	Help	_ 8 ×
Home Calenda	ar App Center S	napshots Customers V	endors Employees Or	iline Banking Docs	Reports Invoice Cha		Search Company or Help 💽
Customer Name Current Balance Company Name Mr./Ms./ First Name Last Name Addresses Bill To Jaffrey Abb 425 Filmore St. Louis, MX Edt	Abbott, Jeffrey 1,052.94 Additional Info Jeffrey & Mary N Abott Xt St St St St	r & Mary How do I adjust th Esyment Info Contact / 2e Phone At, Phone At, Phone At, Contact E-mai Cc Ship To Copy >> Add New Default	E current belance?	OK Cancel Noiges Help			
🦺 start	🕑 🖸 🖉 🦉	😡 Inbox - Micr	🖉 Citrix XenAp	📑 St. Polycorp	🔄 Documentati	Accounts Re	🔇 🖻 💽 % 🛞 🗑 🎒 💺 12:59 PM 🛛

- 2. After the family record is added, a new job is added for each family every fiscal year. You can either select Add Job from Edit tab on the top toolbar or you can right-click on the family record name in the customer list and select Add Job.
- 3. Under the "Additional Info" tab, you can create different "customer types" that will be of assistance in printing statements for specific groups of customers, for example Annual Pay statements. Customer types are also helpful for Pre-school customers or After Care customers.

营 St. Polycor	p - Intuit QuickBook	s Enterprise Sol	utions 12.0(multi-us	er)(Admin) - [Edit	Job]			_ & ×
🍸 File Edit Vie	ew Lists Favorites Co	mpany Customers	Vendors Employees I	Banking Reports Onl	ine Solutions Windo	ow Help		_ 8 ×
Home Calenda	ar App Center Snapsh		endors Employees Onlin		eports Invoice	Check Bill Reg	* Search Company or Help	-
Job Na <u>m</u> e	11/12 Tuition							
Current Balance	: -100.00	How do I adjust the	current balance?	ок				
Address Info	Additional Info	Payment Info	Job Info	Cancel				
Customer	Abbott, Jeffrey & Mary	▼ Contact Jef	frey Abbott					
Company Name		Phone		Notes				
Mr./Ms./		FAX		Help				
First Name	Jeffrey M.I.	Alt. Phone		Dob is inactive				
Last Name	Abott	Alt. Contact						
		E-mail						
Addresses		Cc						
Bill To		Ship To	•					
Jeffrey Abbo 4250 Fillmore								
St. Louis, mo		>> vv						
Edit		Add New	Edit Delete					
		🗖 Default :	shipping address					
🛃 start	@ 0 🖉 » 💽	Inbox - Micro	Citrix XenApp	📑 St. Polycorp	Cap Documentatio	o 🔯 Accounts Rec.		1:17 PM

Page 2 of 13 Accounts Receivable

4. You will establish a new 151xxx A/R account each fiscal year. This new account should be established at the time you begin receiving registrations for the next fiscal year. By maintaining a separate A/R account each fiscal year, it is easier to track what the balance owed from each family is for a particular fiscal year as well as total receivables due for the specific year.

📑 St. Polycorp -	Intuit OuickB	ooks Enterprise So	lutions 12.0(multi-	user)(Admin) - l'Tri	al Balance'l			_ @ >
File Edit View	Lists Favorites	Company Customer	Vendors Employees	Banking Reports O	nline Solutions Windo	w Help	_	_ 8 3
Home Calendar	*		/endors Employees Or	🗞 🖾		Check Bill Reg	>> Search Company or Help	- 🥄
Customize Report	Share Template	Memorize Print	E-mail 🔹 E <u>x</u> cel 💌	Hide He <u>a</u> der Colla	pse 🥢 Refre <u>s</u> h 🥢			
Dates Last Month		 From 04/01/2013 	3 📕 To 04/30/2013 📕	Sort By Default	•			
1:13 PM				St. Polycor	p			
05/07/13				Trial Balar	ce			
Accrual Basis				As of April 30, 20	013			
			110 · Accounts Rec 113 · Accounts Rec -		Apr 30, 1 ◆ Debit	3 <u>Credit</u> ↔		
🛃 start 🔰 🚺	9 🖸 🏉 " 🛛	🐼 Inbox - Micro	Citrix XenApp	📑 St. Polycorp	🔄 😂 Documentatio	o 🛛 🖄 Accounts Rec	. 🔹 🖻 🔂 📽 📎 🕲 🛃	

Typically schools will begin receiving registration fees in the spring for the next fiscal year. To properly account for the receipt of these fees in the current fiscal year, follow the steps outlined below.

1. Post a payment to the family account, to the new job, to the new A/R account number using the current date.

St. Polycorp - I			-	lutions 12.0(m Vendors Empl					u Holo					s ×
See 14	*		~	endors Employee			Reports	Invoice	<u> </u>		2 »	Search Comp	uuaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaa	
Previous 🗭 Next	🇳 Print	+ Ch History	y 👻 📃 Jou	urnal 🛛 🕕 Attac	:h									
Accept Payments ≥ Add credit card processing Add e⊆heck processing		Customer Payment Received From Abbott, Jeffrey & Mary:11/12 Tuition Amount 100.00 Pmt. Method Check Memo Pre-paid Registration fees for 11/12				A/R Account 151119 • Accounts Rec. • Tuitio • Customer Balance 0.00 Date 03/02/2011 C Check # 1002 Where does this payment go?								
		Date	Numbe	r c There are	orig. Amt. no unpaie	d invoices		mt. Due CUSTOR	mer		Pa	yment		
														-
				Totals			0.00				0.00		0.0	<u></u>
												ounts for Selected		
		want to: © Leave the	he credit to b	When you finis	sh, do you) mananananan an	pply Paymer n <u>t</u> & Credits.		ount and Credits		0.00 0.00 0.00
🛃 start 🛛 🔞	9 (2)			cact Information		5t. Polycorp		cumentatio	ाल	Save	e & Close	5ave & Nee	um Barrowson	

2. This will create a credit balance in the family account/new job and next year's A/R account. This will also affect your overall A/R balance in the current year. To properly state your current year A/R you will post a journal entry to move the credit (prepaid) balance to a prepaid fees account. This account is an "other current liability" type account on the balance sheet. It is typically a 2715xx account.

The entry would be:

Debit 151xxx Accts Rec-20xx/xx Tuition In the Customer Name field, you will enter a newly created customer called "Prepaid 20xx/xx" Credit 2715xx Prepaid Tuition and Fees

You will use a current date for this entry.

Home Cale	ndar 🛛 App Center	r Snapshots (Customers Ven	🖵 🔂 dors Employees On	ine Banking Docs Reports	Invoice Check Bill Reg	» Se	earch Company or Help] 🤍
Previous [🎐 Next 🛛 🕞 Save	e 🗳 Print	🗟 Find ଦିଇ	History 🛛 🗱 Reverse	🔚 Reports 👻 🔋 🕅 Attach				
ate 02/01/2	011 🔝 Entry No	•	🗌 🗖 Adju:	sting Entry					
Account		Debit	Credit	Memo		Name	Billa	Class	
	unts Rec Tuiti	620.00			ation Fees deposited on 2-1-11	Prepaid Tuition:11/12 Tuition		200 Elementary School	
1500 · Prep-	aid Tuition & Fees		620.00	11/12 Prepaid Registr	ation Fees deposited on 2-1-11				_
	Totals	620.00	620.00						
of Selected	l General Journal Er	ntries: Last Mo	onth	-					
ate	Entry, No.	Adj	Account	Memo	Debit/Credit(+/-)				

Before you click on Save & Close, you will click on the Reverse button near the top of the journal entry. A journal entry will appear that is a reverse entry of the one you just entered. You will enter a date of 7/1/XX for next fiscal year. This will reverse the amounts out of A/R and prepaid so that you can properly invoice each family account/job when the next fiscal year begins.

Home Calendar App Cent	5		ndors Employees Onlin	e Banking Docs Reports In	voice Check Bill Reg	» Se	earch Company or Help 🖵	_ <u>e</u> .
🛛 Previous 🕞 Next 🕞 Sav	************************		***************************************			9091110, 917 1 .000		111111
ate 07/01/2011 🔜 Entry N	10.	🗖 Adju	isting Entry					
Account	Debit	Credit	Memo		Name	Billa	Class	
151119 · Accounts Rec Tuiti 271500 · Prepaid Tuition & Fees		620.00		1/12 Prepaid Registration Fees dep ion Fees deposited on 2-1-11	. Prepaid Tuition:11/12 Tuition		200 Elementary School	
Tota	ils 620.00	620.00						
st of Selected General Journal B	Entries: Last Me	onth	<u> </u>					
Date Entry. No.	Adj	Account	Memo	Debit/Credit(+/-)				

Invoicing for the new school year can be done at any time, but invoices need to be properly dated to avoid overstating your Accounts Receivable balance at June 30. Tuition invoices should never be dated prior to July 1st. Registration, Book or Other Fees should be dated when the payment is expected; however, should not be recognized as revenue until the appropriate date in the new fiscal year.

Annual Invoicing

For annual invoicing the following items are recommended and should track to the accounts indicated.

Registration Fees – track to a 271xxx Unearned Fees account Book Fees – track to a 271xxx Unearned Fees account Tuition – track to a 271xxxx Unearned Tuition account Separate items for grants awarded such as CFTA, Alive in Christ, PTTA, PEEF, etc. – track to a 271xxx Unearned Assistance account, with a separate account established for each source of assistance.

To set up new items for the coming school year in QuickBooks

- 1. Go to Lists, choose Item Lists
- 2. Under the Item button at the bottom of the screen select "New"
- 3. Complete the fields:
 - a. leave item type as "service"
 - b. enter a name for the item
 - c. a full description (this is what shows on the invoice detail)
 - d. an amount (if standard)
 - e. the account to which the charges will track (see above)

You will now create invoices using the correct fiscal year job and the correct fiscal year A/R account number. You should have two separate invoices --- one for Registration and Book Fees and one for the annual family tuition amount. Credit memos would be entered for any applicable grants and allowances.

Registration and books fees can be combined into one invoice, but it is highly recommended that Tuition and any applicable grants and allowances be invoiced separately.Separate invoices are required when invoiced items have different due dates.

To create invoices in QuickBooks:

- 1. Go to Customer Center and click on "Create Invoices"
- 2. Choose the correct Customer name and job
- 3. Enter a Class and choose the correct Accounts Receivable account.
- 4. Enter the date of the invoice based on published tuition schedule.
- 5. Enter the terms of the invoice; ie: Registration may be due upon receipt, Monthly tuition may be due on May 31; Annual Tuition may be due August 1, etc.
- 6. Choose the correct item, amount and again choose a class.
- 7. Enter a brief description in the memo line.
- 8. Note: when you create statements, there is an option to "Show Invoice Details on Statement". If you choose this option, the details entered the item set up will appear on the statement. If this box is not

Page 6 of 13 Accounts Receivable

checked, the description entered in the memo line will appear on the statement. However, the detail in the Memo line is what will be displayed in any reports generated by QuickBooks

Tuition revenue is amortized (divided) over 9, 10, 11 or 12 months depending on how many months you wish to record revenue.

Book fee revenue is generally amortized over 2 or 3 months at the beginning of the school year to match when textbook expenses are paid.

Assistance such as CFTA, Alive in Christ, etc. is recognized in the months that the funds are received.

NOTE: Please see the Section on Unearned Revenue for instructions on how and when to recognize your tuition and fee revenue and your grant allowances. Please note that all balances in all 271xxx Unearned accounts must be \$0.00 @ June 30.

Monthly Invoicing

For monthly invoicing the following items are recommended and should track to the accounts indicated.

Registration Fees – track to a 4413xx Registration Fees revenue Book Fees – track to a 4414xx Book Fees revenue Tuition – track to a 441100 Tuition revenue

Grants and allowances awarded such as CFTA, Alive in Christ, PTTA, PEEF, etc. – track to a 4412xx Tuition Grants & Allowances accounts.

If monthly invoicing is selected, the total registration and book fees would be invoiced in one month rather than spread out over the entire school year.

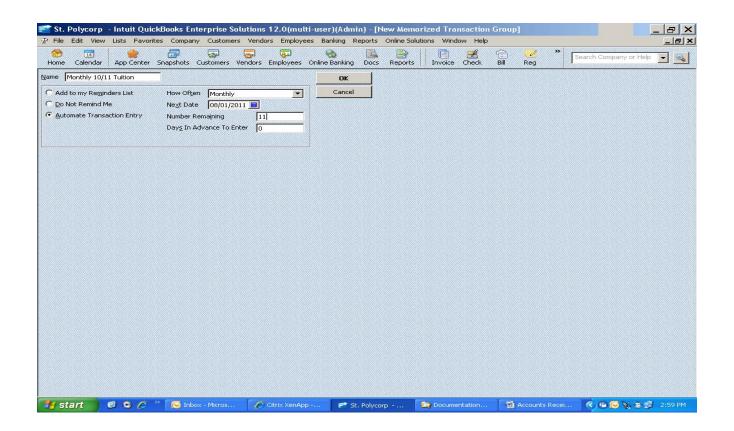
NOTE: As you will not be able to create a report to verify that the monthly invoices total the annual tuition charge, it is very important that the enrollment spreadsheet mentioned above is created and documents the total billing as well as how the monthly billing was determined.

Invoices are created as outlined above under Annual Invoicing. Monthly invoices should be dated on the 1^{st} of the month and the terms should be consistent with the last pay date of the month. For some schools this might be the 20^{th} or 25^{th} as opposed to the last day of the month. Entering the term agreement for individual invoices will allow for accurate reporting on your Accounts Receivable Aging Report at month end.

Tuition would be divided over whatever term you select -9, 10, 11 or 12 months. Invoices should be memorized and set up as a group to be entered automatically each month.

WARNING: If a family withdraws or a change is made to the tuition amount you have to remember to edit the memorized invoice for that family.

To set up a new group go to the Memorized transaction list. Click on the Memorized Transaction box in the bottom left corner of the screen. Select New Group. You will enter a name for the group, choose Automate transaction entry, How often should be set to monthly, next date would be 8/1/XX and enter the number of times you wish to have the transaction entered.



To memorize an invoice, enter the invoice, dated July 1, and click on Memorize Invoice under Edit on the toolbar. Click on Add to Group and enter the family name in the Name box, select the group name you created for the monthly tuition invoices. Click on OK in the Memorize transaction box. Then you will click on Save & Close, or Save & New to enter another invoice.

File	Edit View Lists Favorite		Customers	Vendor:	s Employees	Banking Report	ts Online Soluti	ons Windov	v Help			_ 8
Home	Undo Typing Revert	Ctrl+Z	ustomers V	/endors E	🛺 Employees Onli	ne Banking Do		Invoice 0	🛃 😭 Check Bil		Search Company or H	Help 💽 🔍
🛛 Previ	Cut	⊂trl+X	Send 🗸	toreate	e 👻 🗔 Ship 🤜	🛛 💐 Find 🛛 📝	Spelling 62 H	listory 📃 J	lournal 🛛 🖟	名 Customize	- 🕖 Attach	
ustome	Copy Paste	Ctrl+C Ctrl+V	Ac	count				Temp	late Print P	Preview 📈	Customer Transact	ion
bbott,			0 💌 19	51113 · Ad	counts Rec Tu	Jitio 💌		Intu	it Professiona	al I 💌	Abbott, Jeffrey & Mai	
nve	Insert Line Delete Line	Ctrl+Ins Ctrl+Del						Date		ice #		Edit Custome
	New Invoice	Ctrl+Dei Ctrl+N					0	7/01/2010	1		Summary	
Bill T	Delete Invoice	Ctrl+D	1								Open balance	1,152.9
Jeffrey	Duplicate Invoice		1								Sales Orders to be invoiced	
4250 F St. Lou	Memorize Invoice	Ctrl+M	1									
	Void Invoice		1									
	Go To Transfer	Ctrl+G	1						T-	ms		
	Transaction History	Ctrl+H	1						Ter	1115 •		
Item	Mark Invoice As Pending Notepad					Qty	Rate	Class	Amount			
10/11	Change Account Color							200 Elem		4.33 🔺	Recent Transactions	QuickRepo
	Use Register	Ctrl+R						•			02/05/11 Payment	384.3
	- Use Calculator										01/05/11 Payment	384.3
	Use Calculator		1								12/05/10 Payment	384.3
	Find Invoices	Ctrl+F									12/05/10 Payment 11/05/10 Payment	384.3 384.3
	Search	F3									11/03/10 rayment	301.3
_	Preferences		1								Notes	Ec
										-		
Custome		-										
<u>M</u> essage	,							Total	38	4.33		
To be	arinted			ha Milli	d Time/Costs	Apply Credits	s Payment:	s Applied		3,734.06		
	e-mailed					- ipply cloud	Balance [0.00		
						ISIAMAN SAAMAN SAA						
			M	1emo								
Enable	online payment Lear	rn more					Save & Close	Save & N	New	Revert		

≓ St. Polycorp - Intuit QuickBooks Enterprise Solutions 12.0(multi-user)(Admin) - [Create Invoices - Accounts Rec Tuition	FY11/12 (Edit 문 X
Home Calendar App Center Snapshots Customers Vendors Employees Online Banking Docs Reports Invoice Check Bill Reg	* Search Company or Help 💽 🔍
🝽 Previous 🕩 Next 🕞 Save 🥪 Print + 🗔 Send + 🛅 Create + 🕰 Ship + 🟹 Find 📝 Spelling 🗞 History 📄 Journal 🚂 Customiz	e 🕶 🗍 Attach
Customer: Job Class Account Template Print Preview Abbott, Jeffrey & Mary: 200 Elem 151119 · Accounts Rec Tuitio Intuit Professional I Invoice 200 Elem 151119 · Accounts Rec Tuitio Intuit Professional I	Customer Transaction Abbott, Jeffrey & Mary:10/11 Tui Edit Customer
Dill To 07/01/2013 3 Deffrey Abbott 4250 Fillmore St. 3 St. Louis, mO 63116 Terms	Summary Open balance <u>1,152,91</u> Sales Orders to be invoiced <u>0</u>
Item Description Qty Rate Class Amount 10/11 T., 10/11 T., 10/11 T., 10/11 T., 384.33 200 Elem 384.33 3 Version Version Version Version Version Version 384.33 Version Value Add to my Reginders List How Often Never Cancel Version Version	Recent Transactions QuickReport 02/05/11 Payment 384.34 01/05/11 Payment 384.34 12/05/10 Payment 384.34 12/05/10 Payment 384.34 11/05/10 Payment 384.34 11/05/10 Payment 384.34 Notes Edit
Customer Message Total 384.33 To be printed To be e-mailed Add Time/Costs Apply Credits Payments Applied Belance Due 384.33	
Memo Save & Close Save & New Clear	its Recei 🏾 🌾 🖷 🏹 😨 🛒 3:14 PM

Repeat for each family you wish to create a monthly invoice for.

HINT: To save time, you can create a group of invoices at once using the "**Batch Invoice**" feature in QuickBooks.

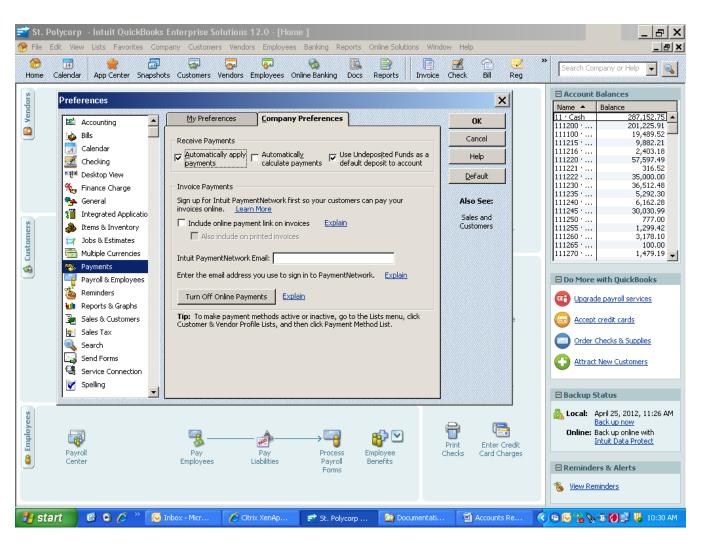
- 1. Group families into 1 child, 2 child, 3 child, etc.
- 2. Under Customers, choose "Create Batch Invoices"
- 3. Create a Billing Group based on the sort done in Step 1, ie: 1 Child, Monthly Parishioner
- 4. Select the names that should be a part of this group and click "Add".
- 5. Save the group.
- 6. Click "Next" and enter the details of the invoice. *THIS IS A VERY IMPORTANT STEP*. Make sure that all items are entered correctly and all details are present. Click Next

Review your list of families and hit enter.

Repeat this process for each group of invoices. It is recommended that you print and review each invoice to make certain the invoice accurately reflects charges, terms and dates.

B. PAYMENT ENTRY

First make certain that the preferences are set correctly. Go to Edit, Preferences from the tool bar. Select Payments, Company Preferences. The boxes next to Automatically apply payments and Use Undeposited Funds as a default should be checked. Undeposited Funds should be account #1199 in your chart of accounts.



- 1. To record customer payments, select Receive Payments from the Home screen under Customers.
- 2. Select the appropriate A/R account number and Customer Job. (Be careful to select the actual Customer job and not just the "header" Customer name.)
- 3. To avoid having a balance in account 1199 Undeposited Funds at the end of a month and for ease of reconciliation, you should date the customer payment using the date of the deposit rather than the date the customer check was written or the date received by the parish/school. If you'd like to record one of those other dates you can use the memo field on the receive payment screen.
- 4. Enter the amount of the payment, the type of payment (cash, check, ACH, etc) and the amount.

				ions 12.0 - [Recei /endors Employees		Online Solution	is Window Help			<u>× 6 _</u>
Home Calenda		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	~~~~	lors Employees Onli	ane Banking Docs	Reports	Invoice Check Bill	Reg	>> Search Company	or Help 💽 🔍
🔁 Previous 🕩	-	🔹 🖣 🖓 History	🛛 📃 Journa	al 🛛 🕼 Attach						
Accept Paymer	processing	Amount	Adams, Joe & Check	Laurie:10/11 Tuition 205.44	Customer Ba Date Check #	Mannennonnen]	Find a Customer	/Invoice
		✓ Date	Number	Orig. Am	5.000000000000000000000000000000000000	0	nt. Due	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Payment	
		 ✓ 07/01/201 	0 2			4,887.00		205.44		205.44
				Totals		4,887.00		205.44		205.44
							Un-Apply Pa Discount & C	ayment	Amounts for Selected Inv Amount Due Applied Discount and Credits Applied	0ices 205.44 205.44 0.00
🛃 start	6 0 6	🐣 😡 Inbox -	Micr	🗲 Citrix XenAp	📑 St. Polycorp	😂 Docun	nentati 🔄 🖄 Accour	its Re	< C 🖉 📽 📎 C 💋	🗊 🖕 10:44 AM

When all payments have been entered, choose Make Deposit from the Home screen, under Banking.

- 1. A box will appear with all the payments that have been entered.
- 2. Select the payments to be included in the deposit that is being recorded. Click OK.
- 3. A deposit screen will open. Enter any additional deposit information (funds other than customer payments, etc). When the total deposit has been entered, click on Save & Close.

St. Polycorp - Intuit QuickBooks Enterprise Solutions 12	.0 - [Make Deposits] Employees Banking Reports Online Solutions Window Help	_ @ ×
Home Calendar App Center Snapshots Customers Vendors Em		Bill Reg Search Company or Help
Previous P Next Save Save Payments to Deposit Click Payments to select customer pa	ann 🗈 Teanna I 🗐 Albach	Amount
✓ Date T T No ✓ 05/21/2013 PMT 493 ✓ 05/21/2013 PMT 859 ✓ 05/21/2013 PMT 153	Check Adams, Joe & Laurie: 10/11 Tuition Check Bock, Jon & Bridgette: 10/11 Tuition	Amount 205.44 200.00 800.00
3 of 3 payments selected for Select All Select None	deposit Payments Subtotal	1,205.44 v
To get cash back from this deposit, e where you want this money to go, st Cash back goes to Cash back memo	OK Cancel	Help Deposit Total Save & Close Save & New Clear
🛃 start 🛛 🙆 🔾 🏉 🐩 闷 Inbox - Micros 🌈 Citris	x XenApp 📑 St. Polycorp 🏠 Accounts Pay	🖷 Accounts Rec 🔇 🖻 🕞 🇞 🕼 🛃 🖕 10:55 AM

To correct a payment that has been entered to the wrong family or job:

Within the current month:

- 1. Delete the payment from the deposit
- 2. Locate the payment on the wrong customer / job
- 3. Edit the customer / job to the correct family and hit save
- 4. Go back to the deposit, click on the "Payments" icon. Your edited payment should be in the window of Payments to Deposit.
- 5. Select the payment and click OK. Verify the total deposit amount and hit save and close.

Outside of the current month (closed period)

- 1. Create an item for "Misapplied Payments" This item should track to Cash Exchange
- 2. Go to the family/job where the payment is posted.
- 3. On this family/job, you will enter an invoice using the Misapplied Payments item for the amount of the misapplied payment. Note the payment date and reference / check # in the description and memo fields.
- 4. Go to the current family/job and you will enter a credit memo using the Misapplied Payments item for the amount of the misapplied payment. Again, note the payment date and reference / check # in the description and memo fields.

C. RECONCILIATION

There is not a specific reconciliation feature in QuickBooks for Accounts Receivable. However there are some reports you can print to make certain the billing is correct and complete.

- 1. Customer Balance Detail it can be found under Reports, Customers & Receivables. You can filter the report to make the information more useful. For example:
 - a. First filter by date. Enter the date you used when entering your transactions. i.e. annual invoices on July, 1, select July 1 July 1
 - b. Second filter would be account. Select the current A/R 151 account number
 - c. Third filter would be transaction type. Select invoice.
 - d. You can further filter by selecting Item to filter by 1 child, 2 child, etc.

You should be able to verify totals to your enrollment spreadsheet using the various filtering options of this report.

- 2. You can also choose to do quick reports on the billing items.
 - a. Go to lists. Open the Item List.
 - b. Highlight an item ie. Tuition-1 child
 - c. Right click and choose Quick Report
 - d. Edit date range to fit your needs

C. WORKPAPERS

Accounts receivable workpapers should include the following:

- 1. Trial balance lead sheet of the 15xxxx Accounts Receivable accounts.
- 2. A/R Customer Aging Reports *for each separate* 151 A/R account.
- 3. If an annual billing method is used, monthly amortization schedules for tuition and assistance should be included.

D. CONTROLS, COMMON ERRORS, ISSUES

Careful attention should be given when posting customer payments. Please be certain to select the correct A/R account and customer job.