



## Billing Customers for Time and Expenses in QuickBooks Online

*Sometimes, you have to spend money on your customers. Make sure you're billing them for it.*

Usually, money flows from your customers to your business. But there may be times when you have to purchase items for a job whose costs will eventually be reimbursed. Or you, or an employee, might spend time providing services for customers and get paid for those hours by your company before you receive payment from the responsible party. If you're a sole proprietor with no payroll and no reserves, of course, you just have to wait to be paid for your work.

In the first two cases, you're spending money upfront that will eventually be paid back. In all three cases, QuickBooks Online calls these *billable expenses* and *billable time*, and it does a good job of tracking these transactions – much better than if you were scribbling notes on a receipt or a paper timecard.

Obviously, you want to be paid for these expenditures as soon as possible to minimize their impact on your own cash flow. So QuickBooks Online “reminds” you that they need to be billed when you create an invoice for a customer. It also offers reports that help you track unbilled time and expenses. Here's a look at how it works.

### Tracking Billable Time

It's easy to create a billable time activity. Click **+New**, then **Single time activity**. Fill in the blanks and select items from drop-down lists until you've completed a form. The critical section of this screen is pictured below:

A screenshot of the 'Single time activity' form in QuickBooks Online. The form is light blue with a torn-edge effect on the right side. It contains several fields: 'Name' (Susan James), 'Cost rate (/hr)' (50.00), 'Customer/Project' (Elsvette Cruz Buenaventura:Annual M), 'Service' (Social Media Consulting), 'Time' (8:00 AM to 4:30 PM), 'Break' (0:30), 'Billable (/hr)' (65.00, with a checked checkbox), and 'Taxable' (unchecked checkbox). A 'Description' field is also present at the bottom right.

*When you create a record of a billable single time activity, be sure you've marked it as such.*

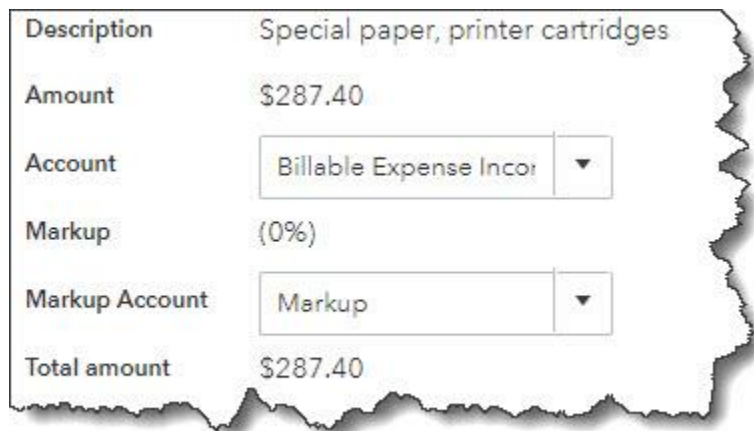
In this example, the employee will receive \$50/hour for the work done (**Cost rate**). Because the **Service** being provided will be billed back to the customer, you click in the box in front of **Billable** to create a checkmark. You're charging the customer \$65/hour (a \$15/hour markup), so you enter that number in the **Billable** field.

You don't have to worry about remembering that. QuickBooks Online, as it does with all of your other company information, retains that and makes it available to you.

## Tracking Expenses

You probably already know how to record expenses in QuickBooks Online. You can either click the **+New** button and then **Expense**, or you can click the **Expenses** link in the toolbar and the **New transaction | Expense**. Just as you did in recording time activities, you complete the fields and place a checkmark in the **Billable** column and select the **Customer/Project** from the drop-down list.

Once you've saved a billable expense, it will appear in the table on the **Expense Transactions** page. To display is again, click **View/Edit** at the end of the corresponding row. The transaction will open, and you'll notice that there's a small **View** link in the **Billable** column. Click it, and you'll see this:



A screenshot of the 'Billable Expense' screen in QuickBooks Online. The screen has a white background with a torn paper effect on the right side. It contains the following fields:

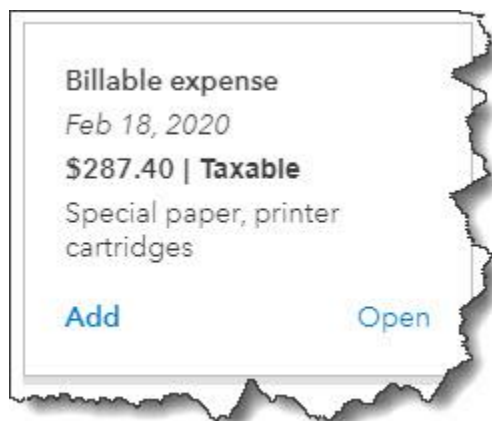
Description	Special paper, printer cartridges
Amount	\$287.40
Account	Billable Expense Inco: ▼
Markup	(0%)
Markup Account	Markup ▼
Total amount	\$287.40

*A partial view of the **Billable Expense** screen*

In this example, there's been no markup applied to the transaction. If you want to add markup costs to all billable expenses, click the gear icon in the upper right and go to **Account and settings | Expenses**. Click the pencil icon to the far right of the **Bills and expenses** block of options. Click the box in front of **Markup with a default rate of** to create a checkmark and enter a percentage. All of your billable expenses will now include a markup of that percentage.

## Invoicing Time and Expenses

The next time you invoice a customer who has outstanding time and expenses, QuickBooks Online will remind you that they're pending. Open an invoice form and select a customer who you know has billables. The right vertical pane will contain a box containing information like this:



A screenshot of a 'Billable expense' reminder box in QuickBooks Online. The box has a white background with a torn paper effect on the right side. It contains the following information:

Billable expense  
Feb 18, 2020  
\$287.40 | Taxable  
Special paper, printer cartridges

At the bottom, there are two buttons: **Add** and **Open**.

*QuickBooks Online reminds you when a customer you're invoicing has outstanding billable time and/or expenses.*

Click **Open** if you want to see the original expense record. Clicking **Add** will, of course, include that transaction on the invoice.

QuickBooks Online offers another way to see your pending billables. Click the **Reports** link in the toolbar and scroll down to the **Who owes you** section. You'll see two related reports here: **Unbilled charges** and **Unbilled time**.

We want you to make sure that you're getting reimbursed for all of the time and expenses you incur on behalf of your clients. So please let us know if you have further questions on this topic or if you have other QuickBooks Online issues.

## **SOCIAL MEDIA POSTS** for you to use on your social media platforms

Do you ever spend money on behalf of your customers? QuickBooks Online calls these *billable expenses*, and it can track them. Here's how.

If you provide services for customers, you'll have to invoice those hours as *billable time*. Did you know you can record this activity in QuickBooks Online? Here's how.

Did you know when you invoice customers with outstanding time and expense charges, QuickBooks Online reminds you about them? Find out more here.

Confused about which customers owe you for billable time and expenses? QuickBooks Online provides specific reports for that. Find out more here.

