Customers & Sales

In Chapter 11, you learned how to use Peachtree’s Purchases/Receive Inventory and Payments features.

Now that you have purchased merchandise from vendors, you are ready to sell that merchandise. To do that, you need to learn how to use Peachtree’s Customers & Sales Navigation Center.

Before using the Sales/Invoicing window, you need to set up customer defaults, sales tax information, and customer maintenance information. After you set these defaults, Peachtree will use this information when you record a sale.
Set up customer default information.
Set up sales tax information.
Set up customer maintenance information.
Record credit sales, cash sales, and sales returns.
Record customer receipts, partial payments, and edit invoices.
Make four backups: 1) back up Chapter 12 beginning data; 2) back up Chapter 12 data; 3) back up Exercise 12-1; 4) back up Exercise 12-2.
Web Objectives, p. 445

- Use your Internet browser to go to the book’s website at www.mhhe.com/yacht2008.
- Use a word processing program to write summaries of the websites that you visited.
Print and send an invoice to the customer.

The customer sends a check to pay for the credit sale.

Select the invoice that applies to the customer's check, then select the Pay box.
On the Customers & Sales Navigation Center, Peachtree illustrates the accounts receivable system.
Peachtree Tips

You must complete Chapter 11 before you start Chapter 12.

If the general ledger account (GL account column) is not displayed on the Sales/Invoicing window, check the global options. In the Hide General Ledger Accounts section, all boxes must be unchecked (see Preface, pp. xix-xx, steps 1-4).
Backing Up Chapter 12

The chart below shows the size of the backups made in Chapter 12. The textbook steps show you how to back up to Peachtree’s default hard drive location at C:\Program Files\Sage Software\Peachtree\Company[shortened company name]. You can also specify a hard drive location, or back up to external media such as a floppy disk, Zip disk, CD-R, or USB media. The chart for the size of all the backups made in Part 3 (Chapters 11-14) is shown on page 380.

<table>
<thead>
<tr>
<th>Backup Name</th>
<th>Kilobytes</th>
<th>Page Nos.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 12 Begin</td>
<td>990 KB</td>
<td>457</td>
</tr>
<tr>
<td>Chapter 12</td>
<td>1,013 KB</td>
<td>486-487</td>
</tr>
<tr>
<td>Exercise 12-1</td>
<td>958 KB</td>
<td>493</td>
</tr>
<tr>
<td>Exercise 12-2</td>
<td>965 KB</td>
<td>494</td>
</tr>
</tbody>
</table>
Chapter 12 Topics

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11. Backing up Chapter 12 data, pp. 486-487
12. Internet activity, p. 487
13. Summary and review, p. 487
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   d. Exercise 12-2, p. 494
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Getting started, pp. 447-449

Complete steps 1 – 2g. on p. 447-447. Then, complete steps 1 - 5 for setting up customer defaults on pp. 448-449. The Customer Defaults window is shown on p. 449 below step 5.

Click on <OK>.
Setting up sales tax defaults, pp. 449-450

Read the instructions on page 449. Then, complete steps 1 – 4 on pp. 450-451 for setting up sales tax defaults. The Set Up New Sales Tax window is shown below step 4, p. 451

![Set Up New Sales Tax window]

Click Next. Complete steps 6-10 on p. 451.
Add Sales Tax Agency window, pp. 452-453

After completing step 10 on page 451, the Add Sales Tax window appears on p. 452.

Click Next. Complete steps 12 and 13, p. 452.
After completing step 13, p. 452, the Sales Tax Entered window appears.

Click Finish; close the sales tax wizard. Click Finish; you are returned to the Customers & Sales Tasks page.

To check that sales taxes are set up, complete steps 1-3, p. 453.
Select \[ \text{Customers} \] ; New Customer. Complete step 2, p. 454. The Maintain Customers/Prospects window appears.

Click on the Sales Info tab.
Maintain Customers/Prospects, Sales Info tab, p. 455-457

- Make sure Account No. 40000, Sales-Hardware, is shown in the GL Sales Account field.

Backing up your data, p. 457

- Complete steps 1 – 6 to back up your data.
- Use Chapter 12 Begin as the back up name.
Recording sales, p. 457-458

Read the information on pp. 457-458. Then, complete steps 1-6 on p. 459 for entering invoices for credit sales. The Sales/Invoicing window is shown on p. 460.
Printing the Sales Invoice, pp. 460-465

Complete steps 1, 2 and 3 on page 460. The Print Forms: Invoices/Pkg. Slips window is shown on page 461.

Complete steps 4, 5 and 6 on p. 461. Invoice 101 is shown on p. 462. Complete steps 7 and 8. Compare Invoices 102, 103 and 104 to the ones shown on pages 463, 464 and 465.
Entering a service invoice, pp. 466-468

- Read the information about service invoices on page 466.
- Complete steps 1 – 7 on pp. 466-467.
- Compare your invoice to the one shown on p. 468.
- Complete step 8 on p. 468.
Read the information about sales returns on p. 469. Complete steps 1 – 7 on pp. 469-470. The Credit Memos window is shown on p. 470.

Click <Save> to post, then close. Complete steps 1-6 to apply a sales return, pp. 470-471.
After completing steps 1-6 on pp. 470-471, the Receipts window appears.

Click <Save> to post; then close.
Entering a receipt, pp. 472-473


- Click <Save> to post.
Complete steps 1 – 5 on p. 473-474. The Receipts window is shown on p. 474.

Click <Save> to post. Record the transactions shown at the bottom of p. 474.
Enter cash sales, pp. 475-476

- Read the information about cash sales on p. 475-476.
- Complete steps 1-11 on pages 475 and 476 to enter cash sales.
Receipts window for cash sale, p. 476

After completing steps 1-11 on pp. 474 and 475, the Receipts window is shown on p. 476.

Click <Save> to post, then Close. Read the information about finance charges on p. 476.
Printing customer forms, pp. 477-480

- Read the information on pages 477-479.
- Complete steps 1 and 2 on page 480.
Collection Manager window, p. 480

After completing step 2 on page 480, the Collection Manager window appears.

Complete steps 3 – 8 on pages 480-481.
Printing the sales journal, pp. 481-482

- Complete steps 1 and 2 on pp. 481
- Compare your sales journal to the one shown on p. 482.
Complete steps 1 – 2 on pp. 482-483.

Compare your cash receipts journal to the one shown on p. 483.
Printing the customer ledgers, pp. 483-484

Complete steps 1 and 2 on page 484.

Compare your printout of the customer ledgers to the one shown on p. 484.
Printing the general ledger trial balance, pp. 484-485

- Complete steps 1 and 2 on page 484.
- Compare your general ledger trial balance to the one shown on p. 484.
From the Customers & Sales page, select View and Edit Payments Received. Highlight Invoice 104.

Click <Open>. The original Receipts window with Judy Prince’s partial payment appears. Close all windows.
Backing Up Chapter 12 Data, pp. 486-487

- Complete steps 1 - 6 on pp. 486-487.
- The back up name is Chapter 12.
Chapter 12
Glossary of Terms
Accounts receivable, p. 446

- Money that is owed by customers to the business.
Credit transactions from customers.

When Susan's Service Merchandise sells merchandise on account to customers, the transactions are known as accounts receivable transactions.
A bill that shows an itemized list of goods shipped or services rendered, stating quantities, prices, fees, and shipping charges.
Sales on account are recorded in the sales journal.

In Peachtree, all the information about a sale is recorded in the Sales/Invoicing window. Then, Peachtree takes the necessary information from this window and automatically journalizes the transaction in the sales journal.
A journal used to record all inflows of cash.

Peachtree takes the necessary information from the Receipts window and automatically journalizes the transactions in the cash receipts journal.
The customer ledger shows account activity for each customer.
Accounts receivable ledger, p. 458

- The accounts receivable ledger shows the account activity for each customer.
- In Peachtree, this is called the customer ledger.
An alternative to the standard invoice. Use it when you want to create an invoice without inventory items.

Susan's Service Merchandise sells and repairs household items. When repairs are done, a service invoice is used.
## Internet Activity, p. 487

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2</strong></td>
<td>Link to Student Edition.</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td>In the Course-wide Content list, link to Part 3 Internet Activities for Chapters 11-14. Open or Save. (You can also choose Chapter 12, then link to Internet Activities. If you Choose a Chapter, observe that other chapter-specific links are available; for example, Quizzes, PowerPoints, and Going to the Net Exercises.)</td>
</tr>
<tr>
<td><strong>4</strong></td>
<td>Complete the WebCPA—Tools and Resources for the Electronic Accountant exercise. Read steps 1–3.</td>
</tr>
<tr>
<td><strong>5</strong></td>
<td>Follow the steps shown on the book’s website to complete this Internet activity.</td>
</tr>
<tr>
<td><strong>6</strong></td>
<td>Using a word processing program, write a brief summary of what you find. Include all appropriate website addresses.</td>
</tr>
</tbody>
</table>
Access the Business Owner’s Toolkit website at [http://www.toolkit.cch.com/text/P06_1430.asp](http://www.toolkit.cch.com/text/P06_1430.asp). Read the accounts receivable page, and then answer the following questions.

What is the common abbreviation for accounts receivable?

What is the control account for customer sales on account?

How is the ending accounts receivable total computed?