

Chapter 3

Customers

Customer Transactions

- In Chapter 3, you learn about Bellwether Garden Supply's customers. In this chapter, you learn how Peachtree handles accounts receivable transactions with customers.

Software Objectives, p. 91

- Restore data from Exercise 2-2. This backup was made on pp. 88-89.)
- Go to the Customers & Sales page to enter quotes and sales orders.
- Enter customer terms in the Maintain menu.
- Record a sales invoice on the Sales/Invoicing window.
- Print a sales invoice.
- Analyze receipts and customer credit memos.
- Post a receipt for the previously invoiced amounts.
- Make two backups: back up Chapter 3 data; and back up Exercise 3-2.

Web Objectives, p. 91

- Use your Internet browser to go to the book's website at www.mhhe.com/yacht2008.
- Complete the Internet activity for the American Accounting Association.
- Use a word processing program to write a summary about the websites(s) that you visited.



Peachtree Tips

- All work in Chapters 1 and 2, including the end-of-chapter exercises, must be completed before starting Chapter 3.
- If the Sales/Invoicing window or Receipts window does *not* show the G/L account column, see textbook page 57, step 1, for setting global options.
- You need to record (enter the sale to a customer), post, then print Invoice No. 101 (pages 102-114) before entering Receipts. (Text pages 114-117)



Peachtree Tips

- If the GL Account column is not displayed on the Quotes, Receipts, or Sales/Invoicing windows you need to check your global settings. Refer to the steps on page 57 to make sure that the boxes in the Hide General Ledger Accounts section are unchecked (see Options; Global).

Backing Up Chapter 3

Make two backups: back up Chapter 3 data on pages 121-122; and back up Exercise 3-2 on page 127.

Backup Name	KB	Page Nos.
Chapter 3.ptb	3,345 KB	121-122
Exercise 3-2.ptb	3,363 KB	127

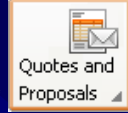
Chapter 3 Topics

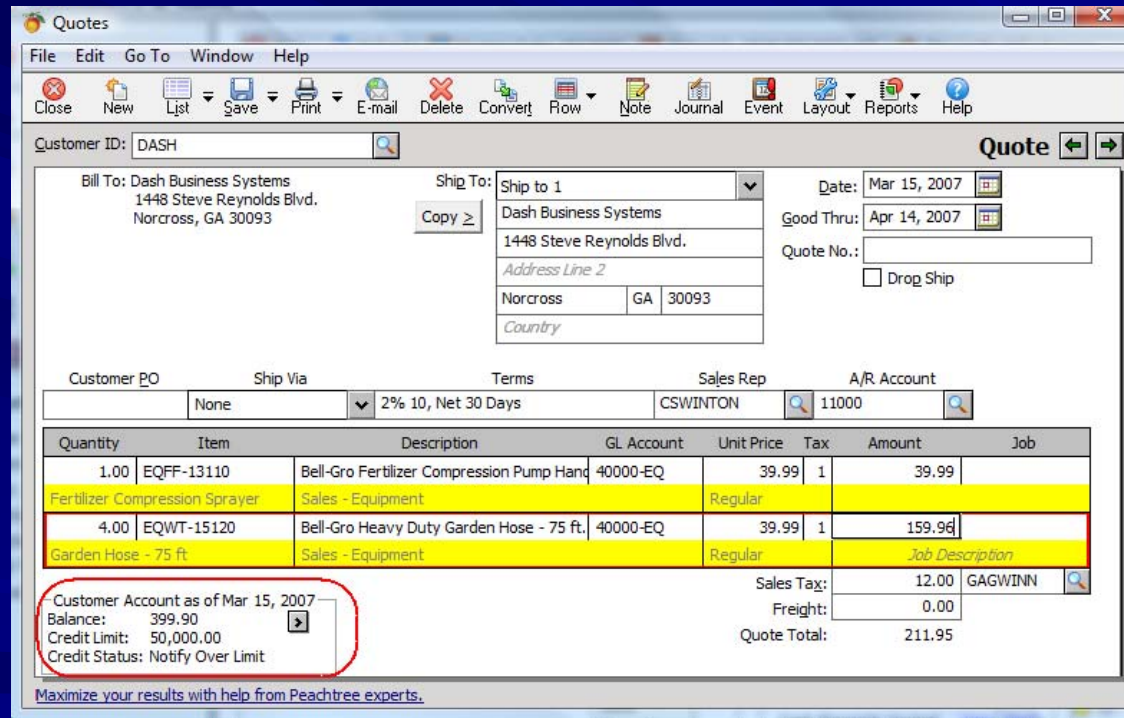
1. Software & Web Objectives, p. 91
2. Getting Started, pp. 92
3. Accounts receivable tasks, p. 93-94
 - a. Entering a quote, pp. 94-96
 - b. Converting a quote to a sales order, p. 96-97
 - c. Sales orders, pp. 97-98
 - d. Printing (or displaying) a sales order, pp. 98-99
4. The maintain customers/prospects window, pp. 99-101
 - a. Entering a discount for a customer, pp. 101-102
 - b. Entering a sale to a customer, pp. 102-107
 - c. Distributing against a specific account, pp. 107-109
 - d. Discount information, p. 109-110

Chapter 3 Topics continued

5. Posting the invoice, p. 110
6. Printing (or displaying) invoices, pp. 111-114
7. Entering receipts, pp. 114-117
8. Analyzing customer payments, pp. 117-119
9. Displaying the customer ledgers, pp. 118-120
10. Credit memos, pp. 120-121
11. Backing up Chapter 3 data, p. 121-122
12. Internet activity, p. 122
13. Summary and review, p. 122
 - a. Going to the net, p. 123
 - b. Short-answer questions, pp. 124-126
 - c. Exercise 3-1, pp. 126-127
 - d. Exercise 3-2, p. 127
 - e. Chapter 3 index, p. 128

Quotes window, pp. 94-96

- From the Customers & Sales page, click  then select New Quote.
- Complete the steps on pages 94-96. The Quotes window is shown on p. 95.



Quotes

File Edit Go To Window Help

Close New List Save Print E-mail Delete Convert Row Note Journal Event Layout Reports Help

Customer ID: DASH

Quote

Bill To: Dash Business Systems
1448 Steve Reynolds Blvd.
Norcross, GA 30093

Ship To: Ship to 1
Dash Business Systems
1448 Steve Reynolds Blvd.
Address Line 2
Norcross GA 30093
Country

Date: Mar 15, 2007
Good Thru: Apr 14, 2007
Quote No.:
☐ Drop Ship

Customer PO Ship Via Terms Sales Rep A/R Account

None 2% 10, Net 30 Days CSWINTON 11000

Quantity	Item	Description	GL Account	Unit Price	Tax	Amount	Job
1.00	EQFF-13110	Bell-Gro Fertilizer Compression Pump Hand	40000-EQ	39.99	1	39.99	
	Fertilizer Compression Sprayer	Sales - Equipment		Regular			
4.00	EQWT-15120	Bell-Gro Heavy Duty Garden Hose - 75 ft.	40000-EQ	39.99	1	159.96	
	Garden Hose - 75 ft	Sales - Equipment		Regular			Job Description

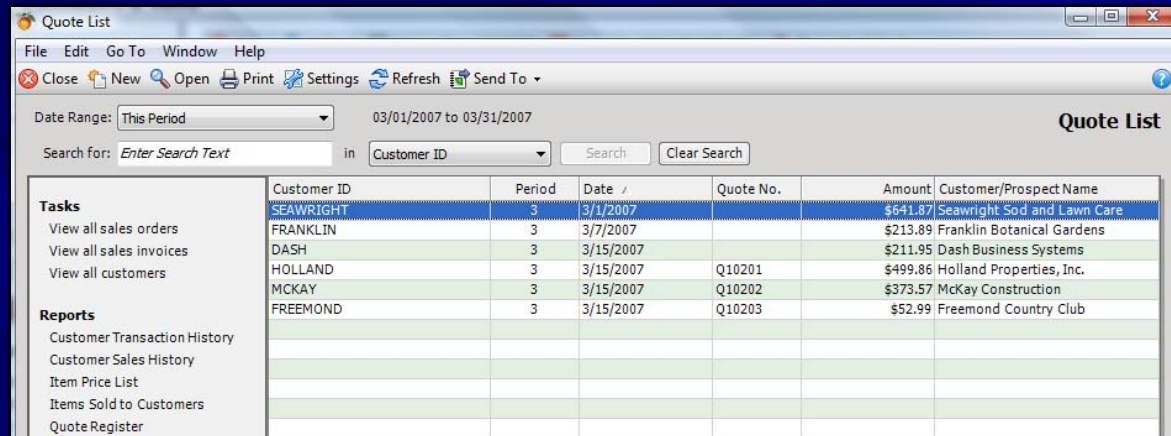
Customer Account as of Mar 15, 2007
Balance: 399.90
Credit Limit: 50,000.00
Credit Status: Notify Over Limit

Sales Tax: 12.00
Freight: 0.00
Quote Total: 211.95

Maximize your results with help from Peachtree experts.

Converting a Quote to a Sales Order, pp. 96-97

- From the Customers & Sales page, click  then select View and Edit Quotes. The Quote List window appears.



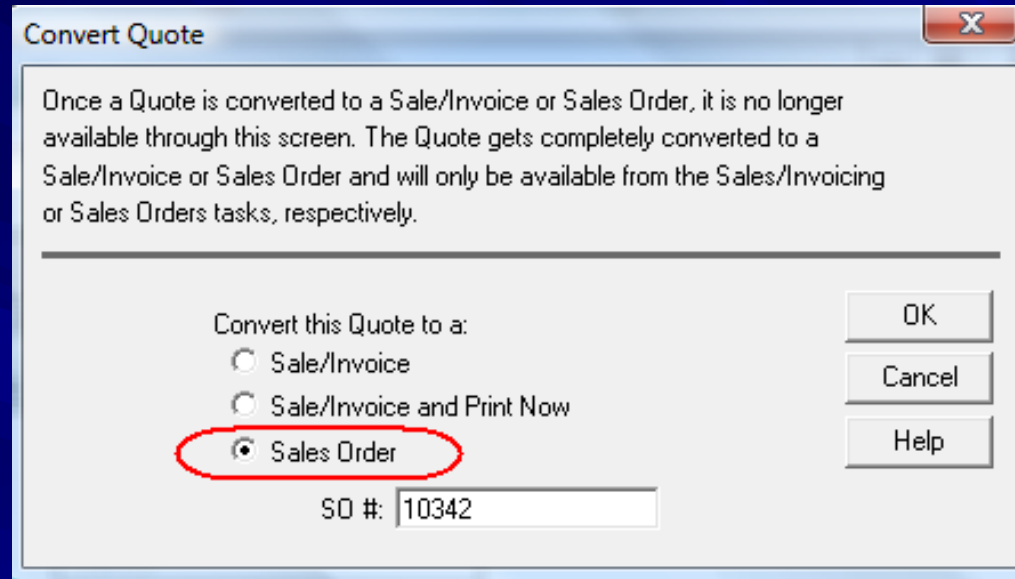
The screenshot shows the 'Quote List' window with a menu bar (File, Edit, Go To, Window, Help) and a toolbar (Close, New, Open, Print, Settings, Refresh, Send To). The window displays a table of quotes with columns: Customer ID, Period, Date, Quote No., Amount, and Customer/Prospect Name. A left sidebar contains 'Tasks' and 'Reports' sections. The 'Tasks' section includes 'View all sales orders', 'View all sales invoices', and 'View all customers'. The 'Reports' section includes 'Customer Transaction History', 'Customer Sales History', 'Item Price List', 'Items Sold to Customers', and 'Quote Register'.

Customer ID	Period	Date	Quote No.	Amount	Customer/Prospect Name
SEAWRIGHT	3	3/1/2007		\$641.87	Seawright Sod and Lawn Care
FRANKLIN	3	3/7/2007		\$213.89	Franklin Botanical Gardens
DASH	3	3/15/2007		\$211.95	Dash Business Systems
HOLLAND	3	3/15/2007	Q10201	\$499.86	Holland Properties, Inc.
MCKAY	3	3/15/2007	Q10202	\$373.57	McKay Construction
FREEMOND	3	3/15/2007	Q10203	\$52.99	Freemond Country Club

- Double-click DASH. The Quotes window displays. Click . Read step 3 on p. 97.

Convert Quote, p. 97

- Click on the radio button next to Sales Order.



Convert Quote

Once a Quote is converted to a Sale/Invoice or Sales Order, it is no longer available through this screen. The Quote gets completely converted to a Sale/Invoice or Sales Order and will only be available from the Sales/Invoicing or Sales Orders tasks, respectively.

Convert this Quote to a:

☐ Sale/Invoice

☐ Sale/Invoice and Print Now

☒ Sales Order

SO #: 10342


OK

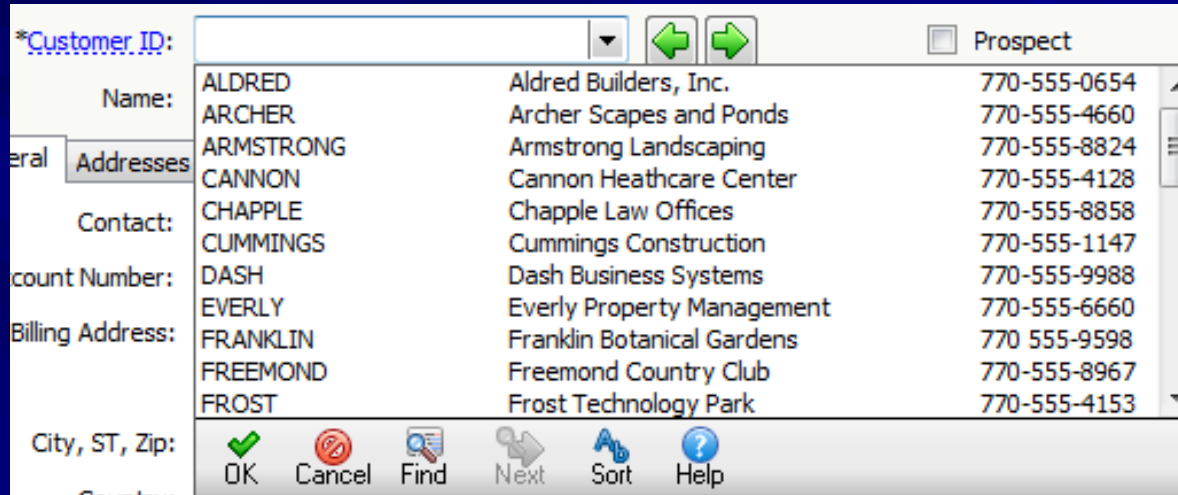
Cancel

Help

- Click on <OK>; then Close.
- Complete the steps on pages 98-99.

Maintain Customers/Prospects window, pp. 99-100

- From the Customers & Sales page, click  ; New Customers. Click on the down-arrow in the Customer ID field. The customer list appears



The screenshot shows a software window titled "Maintain Customers/Prospects". At the top, there is a field for "*Customer ID:" with a dropdown arrow and two green arrow buttons. To the right of this field is a checkbox labeled "Prospect". Below the field is a list of customers with columns for Name, Address, and Phone Number. The list is scrollable, with a vertical scrollbar on the right. At the bottom of the window, there is a toolbar with icons for OK, Cancel, Find, Next, Sort, and Help.

Name:	Address:	Phone Number:
ALDRED	Aldred Builders, Inc.	770-555-0654
ARCHER	Archer Scapes and Ponds	770-555-4660
ARMSTRONG	Armstrong Landscaping	770-555-8824
CANNON	Cannon Healthcare Center	770-555-4128
CHAPPLE	Chapple Law Offices	770-555-8858
CUMMINGS	Cummings Construction	770-555-1147
DASH	Dash Business Systems	770-555-9988
EVERLY	Everly Property Management	770-555-6660
FRANKLIN	Franklin Botanical Gardens	770 555-9598
FREEMOND	Freemond Country Club	770-555-8967
FROST	Frost Technology Park	770-555-4153

- Complete step 3, p. 100.

Customer file displayed, p. 101

- From the customer list, select TEESDALE, Teesdale Real Estate.

The screenshot displays a software window titled "Maintain Customers/Prospects". The window has a menu bar with "File", "Edit", "Go To", "Window", and "Help". Below the menu bar is a toolbar with icons for "Close", "New", "List", "Save", "Save & New", "Delete", "Change ID", "Event", "Log", "Letters", and "Reports". The main content area is titled "Maintain Customers" and contains a form for editing customer information.

Customer ID: TEESDALE (with a dropdown arrow and two green arrows icon)
Name: Teesdale Real Estate

☐ Prospect
☐ Inactive

General | **Addresses** | **History** | **Sales Info** | **Payment & Credit**

Contact: Wade Teesdale
Account Number: [empty field]
Billing Address: 4555 Indian Lake Lane
City, ST, Zip: Marietta GA 30069
Country: [empty field]
Sales Tax: GACOB [dropdown arrow]

Customer Type: LAND (dropdown arrow)
Telephone 1: 770-555-6488
Telephone 2: 770-555-6489
Fax: 770-555-6490
E-mail: wteesdale@sample.peachtree.com (with email icon)
Web Site: www.peachtree.com (with globe icon)
Balance as of Mar 15, 2007: [\\$12,816.54](#)

[Copy to Ship Address 1](#)

Customizable Fields

1. Second Contact Ward Thomason	4. Qtrly Mailing? Yes
2. Lawn Care Srv? Yes	5. Referral Magazine Ad
3. Monthly Service? No	

[Customize these fields for your business](#)

Customer Terms completed, pp. 101-102

- From the Teesdale Real Estate Maintain Customers/Prospects window, click on the Payment & Credit tab. Complete steps 1-4 on pp. 101-102. Check this information the save.

Maintain Customers/Prospects

File Edit Go To Window Help

Close New List Save Save & New Delete Change ID Event Log Letters Reports

Maintain Customers

*Customer ID:

Name:

☐ Prospect
☐ Inactive

General Addresses History Sales Info **Payment & Credit**

Credit Card Information

Cardholder's Name:

Address:

City, ST, Zip:

Country:

Credit Card Number:

Expiration Date: / (MM/YY)

Terms and Credit

▼

☐ C.O.D.
☐ Prepaid
☒ Due in number of days
☐ Due on day of next month
☐ Due at end of month

Net due in days

☒ Use discounts

Discount in days

Discount Percent:

Receipt Settings

☒ Use payment method and cash account from last saved receipt.

Payment Method: ▼

Cash Account: ▼

☒ Charge Finance

Credit Limit:

Credit Status: ▼

Completed Sales/Invoicing window, p. 107

- After completing the steps on pp. 102-106, the Sales/Invoicing window is shown on p. 107.

Sales/Invoicing

File Edit Go To Window Help

Close New List Save Print E-mail Delete Recur Row Note Journal Event Layout Reports Attach Help

Customer ID: **TEESDALE** **Invoice** [←] [→]

Bill To: Teesdale Real Estate
4555 Indian Lake Lane
Marietta, GA 30069

Ship To: Ship to 1
Teesdale Real Estate
4555 Indian Lake Lane
Address Line 2
Marietta GA 30069
Country

Copy [≥]

Date: Mar 1, 2007
Invoice No.:
☐ Drop Ship

Customer PO Ship Via Ship Date Terms Sales Rep A/R Account

None [v] 5% 15, Net 30 Days CSWINTON 11000

Apply to Sales Order: 0.00 **Apply to Sales: 49.95**

Quantity	Item	Description	GL Account	Unit Price	Tax	Amount	Job
5.00	EQFF-13120	Bell-Gro Plant All-Purpose Plastic Sprayer/ Hand Sprayer/Mister	40000-EQ	9.99	1	49.95	
		Sales - Equipment		Regular			
0.00			40000	0.00	1		
	Item Description	Sales		Regular			Job Description

Apply Tickets/Expenses

Customer Account as of Mar 1, 2007
Balance: 7,578.42
Credit Limit: 50,000.00
Credit Status: Notify Over Limit

Other Applied Credits: 0.00
Amount Paid at Sale: 0.00

Sales Tax: 3.00
Freight: 0.00
GAC0BB

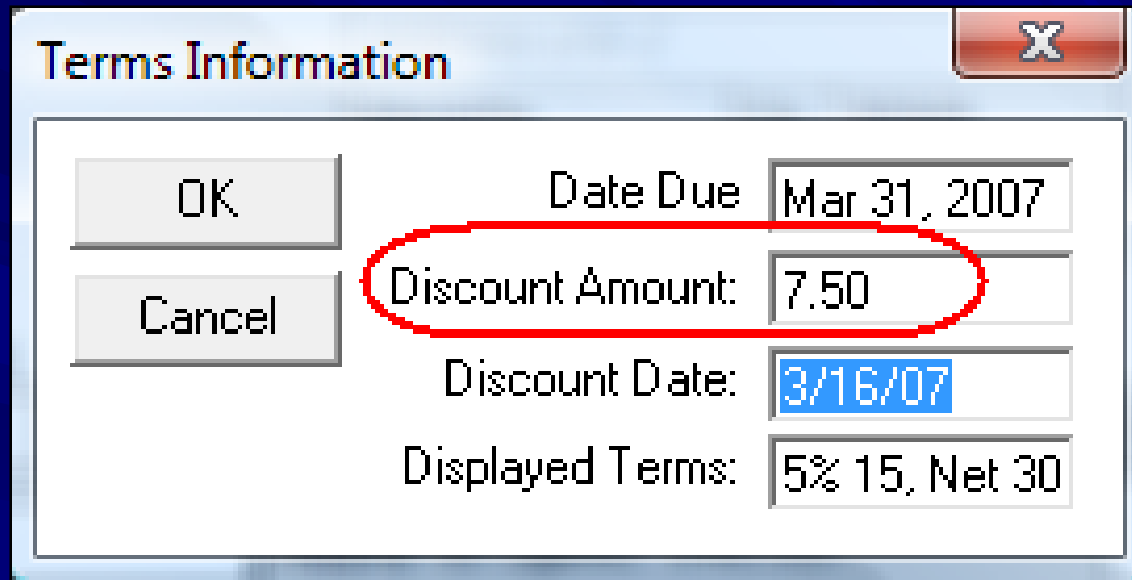
52.95 Invoice Total
52.95 Net Due

Take control of mailing and shipping the easy way!

- Complete pp. 107-109.

Discount Information, p. 110

- After completing steps 1 and 2 on pages 109-110, the Terms Information window appears.



Terms Information	
OK	Date Due: Mar 31, 2007
Cancel	Discount Amount: 7.50
	Discount Date: 3/16/07
	Displayed Terms: 5% 15, Net 30

- Complete steps 1 and 2, Posting the Invoice, p. 110.

Printing Invoices, p. 111

- Complete steps 1 and 2 on p. 111.

The screenshot shows a software interface with two tabs: 'Reports' and 'Forms'. The 'Forms' tab is active. Under the 'Form Types:' section, 'Invoices and Packing Slips' is selected and highlighted with a red circle. Below this, under the 'Forms:' section, 'Invoice' is selected and highlighted with a red circle. The list of forms includes: Inv w/Frght & BO Preprinted, Invoice, Invoice Continuous, Invoice w/ Freight, Invoice w/ Freight & Backorder, Invoice w/ Ship To & Freight, Invoice w/ Ship To Preprinted, Invoice w/Freight Continuous, Negative Invoice, Negative Invoice Continuous, Packing Slip, Service Invoice, Service Invoice Preprinted, and Service Invoice w/ Item Detail.

- Complete the steps 3-6 on pp. 111-112 to print Invoice Number 101.

Completed Receipts window, p. 116

- Complete steps 1-9, pp. 114-116. The completed Receipts window is shown on page 116.

Receipts

File Edit Go To Window Help

Close New List Save Print E-mail Delete Row Detail Journal Event Reports Attach Help

Receipt [Left Arrow] [Right Arrow]

Deposit Ticket ID: 03/15/07 Reference: 8818

Customer ID: TEESDALE Receipt Number: [Empty]

Teesdale Real Estate
4555 Indian Lake Lane
Marietta, GA 30069 Date: Mar 15, 2007

Receipt Amount: **151.45**

Payment Method: Check [Dropdown Arrow]

☐ Use credit card swipe

Cash Account: 10200
Regular Checking Account

Cash Account Balance: 23,389.83

Apply to Invoices: 151.45 Apply to Revenues: 0.00 ☐ Prepayment

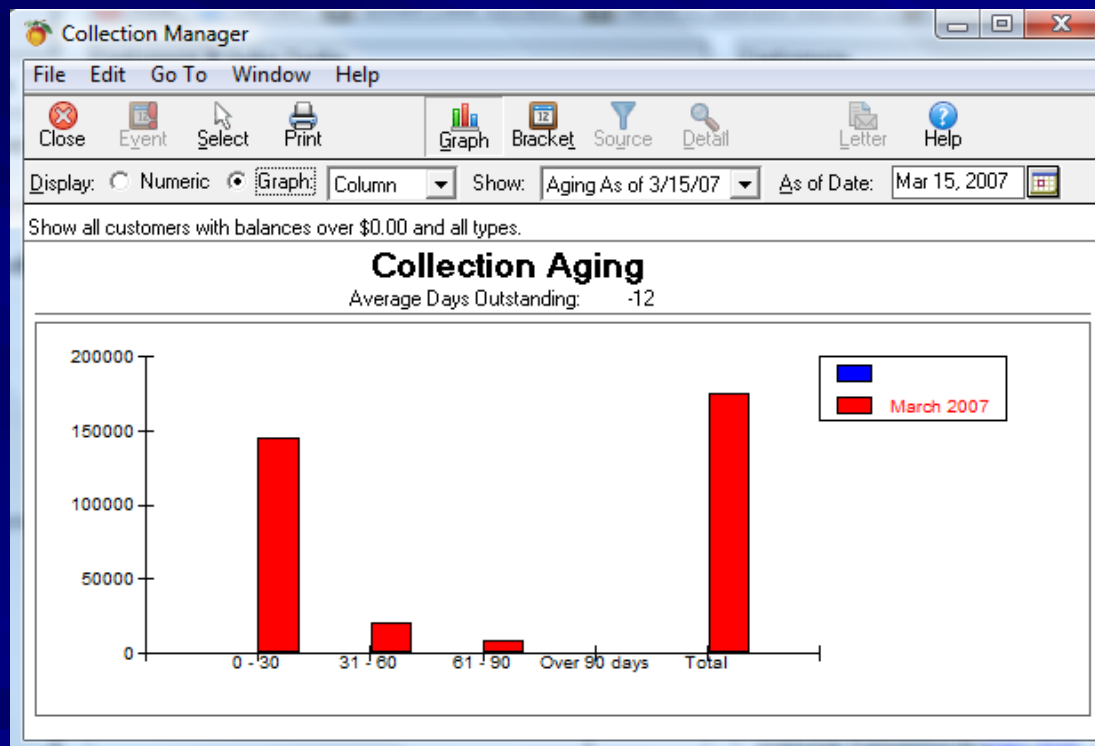
Invoice	Date Due	Amount Due	Description	Discount	Amount Paid	Pay
10122	Jan 31, 2007	7,578.42				<input type="checkbox"/>
101	Mar 31, 2007	158.95		7.50	151.45	<input checked="" type="checkbox"/>
10311	Apr 14, 2007	5,238.12		104.76		<input type="checkbox"/>

Discount Account: 49000

[Turn time into money and now link with your Peachtree data.](#)

Collection Manager window, p. 117

- From the menu bar, click Analysis; Collection Manager. The Collection Aging bar graph appears.



Total Bracket window, p. 118

- Select the Bracket icon.

Collection Manager

File Edit Go To Window Help

Close Event Select Print Graph Bracket Source Detail Letter Help

Days Past Due Total As of Date: Mar 15, 2007

Show all customers with balances over \$0.00 and all types.

Total Bracket

Age	Name	Ref	Document Date	Due Date	Total Amount	Letter
-2	Aldred Builders, Inc.	10129	2/15/07	3/17/07	5,426.94	<input type="checkbox"/>
-19	Aldred Builders, Inc.	10332	3/4/07	4/3/07	129.97	<input type="checkbox"/>
-10	Archer Scapes and Ponds	10209	2/23/07	3/25/07	7,374.69	<input type="checkbox"/>
-19	Archer Scapes and Ponds	10329	3/4/07	4/3/07	59.98	<input type="checkbox"/>
-30	Archer Scapes and Ponds	10317	3/15/07	4/14/07	49.99	<input type="checkbox"/>
-30	Archer Scapes and Ponds		3/15/07	4/14/07	-49.99	<input type="checkbox"/>
18	Armstrong Landscaping	10119	1/26/07	2/25/07	9,645.26	<input type="checkbox"/>
-9	Armstrong Landscaping	10120	2/22/07	3/24/07	5,554.08	<input type="checkbox"/>

Total: 174,816.86

Customer Detail window, p. 118

- Highlight Teesdale Real Estate. Select the Source icon. The Customer Detail window appears.

Customer Detail

File Edit Go To Window Help

Close Event Select Print Graph Bracket Source Detail Letter Help

Customer: Teesdale Real Estate Terms: 5% 15, Net 30 Day

Contact/Ph: Wade Teesdale, 770-555-6488 Credit Limit: 50,000.00

Fax: 770-555-6490

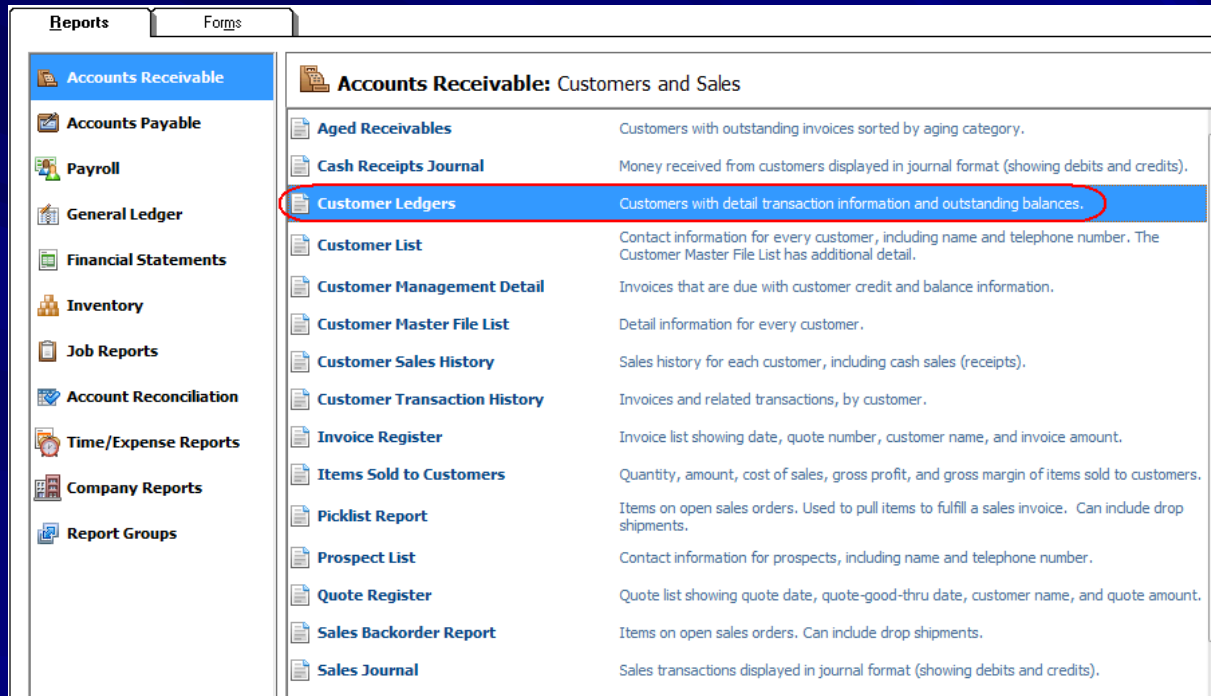
Age	Ref	Doc Date	Disc Date	Due Date	Tot Amt	Amt Rec'd	Amt Due
-30	10311	3/15/07	3/25/07	4/14/07	5,238.12		5,238.12
43	10122	1/1/07	1/11/07	1/31/07	7,578.42		7,578.42

Total: 12,816.54

- Click on Close.

Displaying Customer Ledgers, p. 119

- From the Customers & Sales page, link to View All Customer & Sales Reports in the Recently Used Customer Reports area. Select Customer Ledgers.



- Click Display or Print.

Customer Ledgers, p. 120

- The customer ledger is shown on page 120.

Bellwether Garden Supply Customer Ledgers For the Period From Mar 1, 2007 to Mar 31, 2007						
Filter Criteria includes: Report order is by ID. Report is printed in Detail Format.						
Customer ID Customer	Date	Trans No	Type	Debit Amt	Credit Amt	Balance
SNYDER	3/1/07	Balance Fwd				2,981.04
Snyder Securities	3/4/07	10334	SJ	59.98		3,041.02
	3/13/07	CC0006	CRJ	99.98	99.98	3,041.02
STEVENSON	3/8/07	10318	SJ	49.99		49.99
Stevenson Leasing, Inc.	3/12/07	10118	SJ	7,790.42		7,840.41
TACOMA	3/1/07	Balance Fwd				4,675.57
Tacoma Park Golf Cours	3/14/07	10322	SJ	49.99		4,725.56
	3/15/07	10327	SJ	1,049.01		5,774.57
TEESDALE	3/1/07	Balance Fwd				7,578.42
Teesdale Real Estate	3/1/07	101	SJ	158.95		7,737.37
	3/15/07	10311	SJ	5,238.12		12,975.49
	3/15/07	8818	CRJ	7.50	7.50	12,975.49
	3/15/07	8818	CRJ		158.95	12,816.54
THURMAN	3/1/07	Balance Fwd				3,610.39
Thurman Golf Course De	3/15/07	10343	SJ	9,998.00		13,608.39
TRENT		No Activity				0.00
Trent Bank and Trust						
WILLIAMS	3/3/07	4452	CRJ	220.31	220.31	0.00
Williams Industries	3/5/07	10312V	SJ		939.72	-939.72
	3/15/07	10312	SJ	939.72		0.00
Report Total				90,818.51	80,942.32	174,816.86

- Close the customer ledgers.

Credit Memos, pp. 120-121

- Read about credit memos on pp. 120-121. After completing steps 1 and 2 on pp. 120 and 121, the Credit Memos window appears.

Credit Memos

File Edit Go To Window Help

Close New List Save Print E-mail Delete Return Note Journal Event Reports Help

Customer ID: **ARMSTRONG** **Credit Memo** [Left Arrow] [Right Arrow]

Bill To: Armstrong Landscaping
2300 Club Drive
Suite A
Norcross, GA 30093

Date: Mar 2, 2007
Credit No.: CCM4002

APPLIED

Customer PO: Terms: 2% 10, Net 30 Days Sales Rep: Return Authorization: A/R Account: 11000

Apply to Invoice No.: 10326 Apply to Sales: 0.00

Item	Quantity	Returned	Description	GL Account	Unit Price	Tax	Amount	Job
LAND-17500	1.00	1.00	Lawn and Turf Care Service	40000-LS	39.99	2	39.99	
			Lawn Care Service	Sales - Landscape Services				

Sales Tax: 0.00 GAGWINN
Freight: 0.00

Customer Account as of Mar 2, 2007
Balance: 35,928.39
Credit Limit: 50,000.00
Credit Status: No Credit Limit

Other Applied Receipts: 0.00
Credit Applied to Invoice: 99.97
Credit Total: 99.97
Net Credit Due: 0.00

Improve your sales and customer service efforts with ACT!

Backing up Chapter 3 data, pp. 121-122

- Follow steps 1-6 on pages 121-122 to back up your data.
- The backup filename is **Chapter 3**.

Chapter 3

Glossary of Terms

Sales discount, p. 101

- A cash discount that is offered to customers for early payment of their sales invoices. For example, Bellwether Garden Supply offers Teesdale Real Estate a 5% discount for payments received within 15 days of the invoice date. In Peachtree, the discount period (number of days) and discount percentage can be changed.

Real-time posting, p. 110

- The sample company, Bellwether Garden Supply, uses real-time posting. When real-time posting is used, the transactions that you enter are posted as you save them. On the Tasks windows, click on the Save icon to post to the general ledger.

Batch posting, p. 110

- Journal entries are held in temporary storage on your disk and not made part of the permanent records of the company until you decide you are satisfied with them and select Post from the icon bar. After you post, the General Ledger and all other accounting reports are updated.

Chapter 3, Internet Activity, p. 122

1	Go to the book's website at www.mhhe.com/yacht2008 .
2	Link to Student Edition.
3	In the Course-wide Content list, link to Internet Activities; then link to Part 1 Internet Activities for Chapter 1-8. Open or save. (In the Choose a Chapter field, if you select Chapter 3 observe that other chapter-specific links are available; for example, Multiple Choice Quiz, True or False, PowerPoint Presentations and Going to the Net Exercises.) Also observe that Course-wide Content includes a Glossary link.
5.	If necessary, scroll down to the AMERICAN ACCOUNTING ASSOCIATION – Chapter 3. Complete steps 1-3.
6.	Using a word processing program, write a summary about the site (s) you selected. Remember to include the website address(es) of each link. Your summaries should be no more than 75 words or less than 50 words.

Going to the Net, p. 123

- Access the Financial Accounting Standards Board website at <http://raw.rutgers.edu>. In the Quick links field, click on the down arrow. In the Accounting Organizations list, select Financial Acct .Standards Board (FASB). Link to Facts about FASB; select FASB Board Members.
- 1. How many board members serve on the Financial Accounting Standards Board? Do they serve part time or full time?
- 2. What are the qualifications for the board members?