Collect an Account Receivable

The Receive Payment window is used to process and record the collection of an account receivable. After entering information and saving the completed Receive Payment window, the following has occurred:

Transactions	DR	CR	Subsidiary Records Updated	General Ledger Updated
Undeposited Funds or Cash	$			✓
Accounts Receivable		$	✓	✓

QBO keeps track of cash and checks received in the Payments to Deposit or Undeposited Funds Account. Funds are kept in the account until they are deposited into the bank. Electronic payments are kept track of in whichever cash account receives the electronic payment from the customer (checking, savings. etc.).

Quick Reference Table

Step	Box or Other Location	Procedure
A	**QBO Navigation bar**	If there is an early payment discount on the invoice being collected, click **Sales → All Sales** to open the listing of all sales transactions. **If there is no early payment discount, skip to step G.**
B	**Specific invoice line and related Edit invoice button**	Locate the invoice being collected with an early payment discount, and then click anywhere on that invoice's line to open a pop-out window summary of the invoice. Then click the **Edit invoice button** in the pop-out window to open the invoice. If you receive a new view of the Sales tab, you can click on the Edit button for this invoice in the Action column to reopen the invoice.
C	**Discount percent/ Discount value**	Accept the default method or select the alternative method of entering the early payment discount (percentage or dollar). Enter the discount percentage or discount amount. Example entry for a 2% discount would be 2.
D	**Balance due (Invoice total in new layout)**	Review the **Balance due** (or **Invoice total**) amount for accuracy. It should reflect the original amount of the invoice less the early payment discount.
E	**Save button**	Click the **Save button** to save the revised invoice, **but do not close it yet**.
F	**Receive payment**	Click the **Receive payment button** to open the **Receive Payment window**. If you are working with the new layout, the Receive payment option is in the **Review and send** drop-down list in the bottom-right corner of the window. **Skip to step I**.
G	**QBO Home Page**	Click the **+ New button → Receive Payment** (in the **Customers category**) to open the **Receive Payment window**.
H	**Customer**	Select a customer from the drop-down list.

(continued)

Quick Reference Table *(continued)*

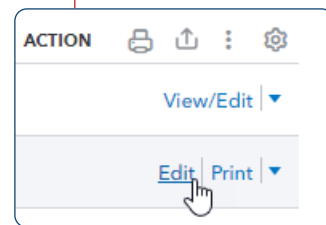| Step	Box or Other Location	Procedure
I	**Payment date**	Accept default date or change.
J	**Payment method**	Select payment method used by the customer.
K	**Reference no.**	Type the customer's check or electronic payment number, if available.
L	**Deposit to**	Accept the default or change the general ledger account where the customer's payment should be recorded. For checks, the general ledger account should be **Payments to deposit** or **Undeposited funds**. For electronic payments, the general ledger account should be the cash account where the electronic payment is being transferred to.
M	**Amount received**	Enter or accept the customer payment amount.
N	**Outstanding Transactions check box(es)**	Examine the **Outstanding Transactions section** of the window to see which invoice(s) that *QBO* applied the payment to. If the default selection is not the invoice being paid, click the check next to that invoice to deselect it and select the correct invoice(s) being paid by the customer.
O	**Receive Payment window**	Review the information to verify that it is correct. When a customer payment is fully applied, the **Amount to Credit** box should be 0.
P	**Save options**	Save the transaction and close the window.

Collect an Account Receivable
QBO windows
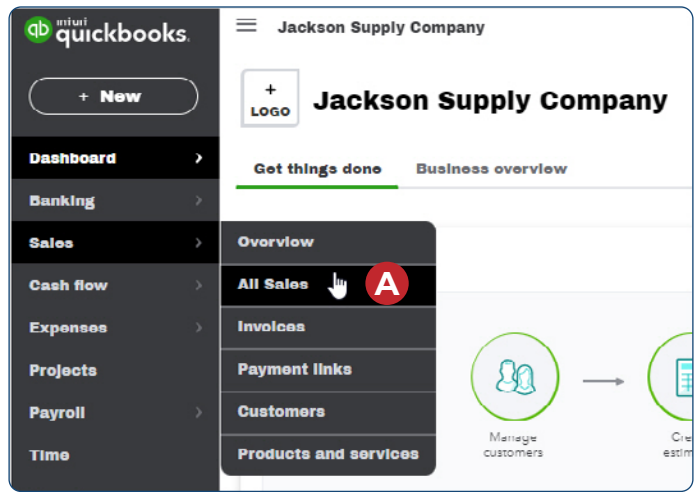
This pop-out summary window appears after the invoice line is clicked.
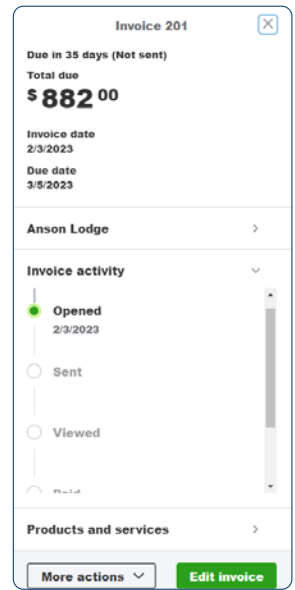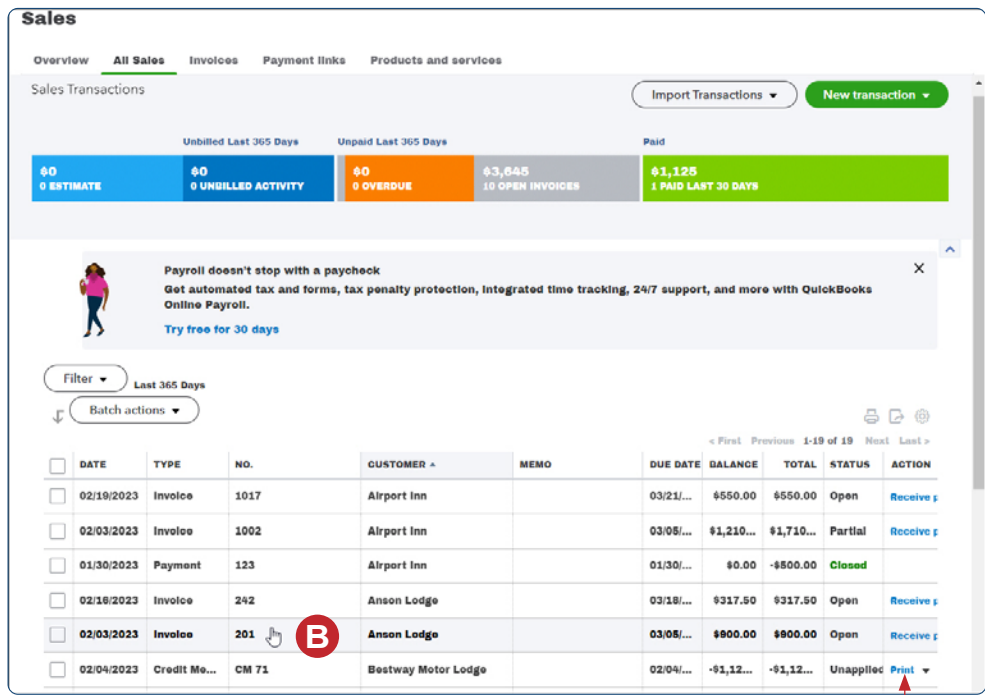
If you receive the new view of the All Sales tab, you can click on the Edit option in the Action column to open the invoice.
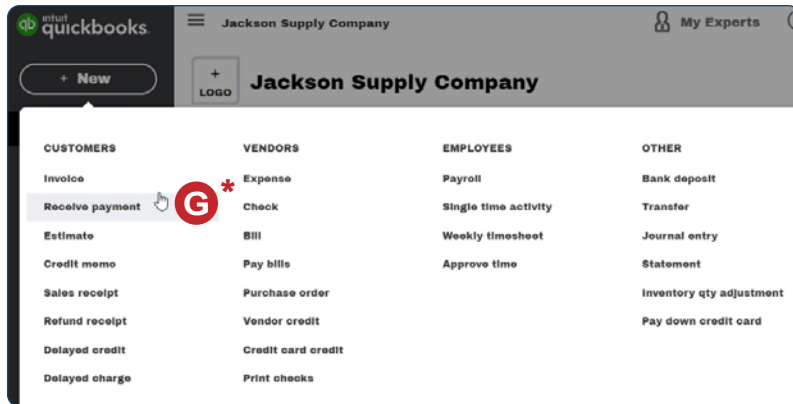
Standard View (see below for new layout view)

New Layout View

Not necessary if you completed steps A-F for a collection with an early payment discount because the Receive Payment window will already be open.

Note: This illustration appears with the Customer already entered in order to display all pertinent information.

Reference — Sales and Cash Receipts Cycle Activities:
Collect an Account Receivable