

Which Item Type to use

When you set up a new item – QuickBooks displays 8 different types of items. As it is not always possible to change the item type later on, it is important to understand exactly what the different item types mean so you select the correct one. Following is a brief explanation of the different item types

<u>Service</u>	<p>Services you charge for or purchase. Examples include specialised labour, consulting hours, and professional fees.</p> <p>If you both purchase and sell the item – eg Subcontractor hours that are invoiced to a client – tick the box – ‘This service is used in assemblies or is performed by a subcontractor or partner.’ Then you will be able to record both the Sales and Cost of Sales information.</p>
<u>Inventory part</u>	<p>Goods you purchase, track as inventory, and resell.</p> <p>Here you can record the Cost of Sales and sales account and the GST codes and the Stock Asset account as well as the descriptions that will appear on purchase orders and sales invoices</p>
<u>Non-inventory part</u>	<p>Goods you buy but don't track in inventory such as office supplies, or materials you buy for a specific job that you charge back to your customer which again you don't want to track in inventory.</p> <p>If you both purchase and sell the item – eg Subcontractor hours that are invoiced to a client – tick the box – ‘This item is used in assemblies or is purchased for a specific customer/job.’ Then you will be able to record both the Sales and Cost of Sales information.</p>
<u>Other charge</u>	<p>Miscellaneous labour, material, or part charges such as delivery charges, setup fees, and service charges, bounced cheques, late fees, opening balance, reimbursable expenses, retainers, surcharges, gift certificates, prepayments, retainers, tax, and shipping and handling fees.</p> <p>Use this for example to set up an item for a dishonoured cheque</p>
<u>Subtotal</u>	<p>Totals all items above it on a form, up to the last subtotal. Useful for applying a percentage discount or surcharge to many items.</p> <p>You should only ever need one item of this type</p>
<u>Group</u>	<p>A way of associating individual items that often appear together on invoices, purchase orders, and so on, so that all items in the group can be added to the form at one time.</p> <p>Leave the box ‘Print Items in a Group’ unticked to print just the group item or tick to print all the items in the group on the customer invoice or purchase order</p> <p>Once you have set up the Group Item, you can then add in the individual</p>

	items that are part of this group
<u>Discount</u>	Subtracts a percentage or fixed amount from a total or subtotal – not to be confused with an early payment discount which is set up via Terms of Payment. You should only ever need one item of this type
<u>Payment</u>	Records a partial payment you received at the time of the sale. It reduces the amount owed on an invoice. You should only ever need one item of this type
<u>Inventory assembly</u> (Premier and Enterprise editions only)	Assembled goods you build or purchase, track as inventory, and resell. Note: QuickBooks cannot track the costs associated with the manufacturing process itself. In other words, the cost of a built assembly item depends only on the cost of its components. Record the details for the assembly item and then add in the items that make up this assembly