

Projects

About this Guide and Webinar

This guide is designed to accompany our webinar entitled *Projects*, in which you will be introduced to the concept, setup and use of *Projects* in QuickBooks Online. *Projects* are a different, centralized way of looking at your jobs, and you may find them very useful.

Note: this supplemental guide and the video it accompanies were prepared using QuickBooks Online (“QBO”) Plus Canada and a Construction Demo company set up specifically by the author for this purpose. This company is not available to students taking this webinar, but you can set up your own company with this Demo company as a model. You can also access the QuickBooks Online Canada Sample Company, *Long for Success – Event Planning* to test out what you’ve learned. *Long for Success – Event Planning* is a “dummy” set of QBO Plus books that will maintain your additions, deletions, and edits only as long as the browser windows you use to access it are open, or after a period of inactivity. *Do not use this company as your real set of books.* The *Long for Success – Event Planning* is accessible here: <http://tinyurl.com/canadasampledta>.

What are Projects in QuickBooks Online?

The *Projects* feature in QuickBooks Online simplifies job costing and reporting. It is an alternative to using the sub-customers tracking capability. Each project, like a sub-customer, is linked to a customer. You can have as many projects as you like under a customer.

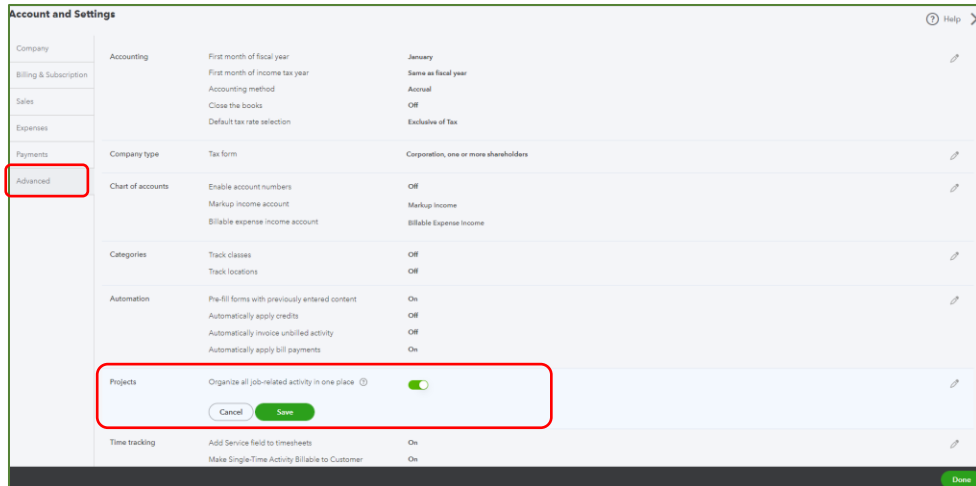
QuickBooks Projects help you organize all the pieces involved in a project, (including income and expense transactions, time tracking, and reports) to make it easy to track your progress and the status of your project. Project tracking also lets you create project profitability reports to measure the profitability of any project for your client.

You should use Projects to provide you with a central place to get a snapshot of your projects along with all the associated transactions, notes, and reports.

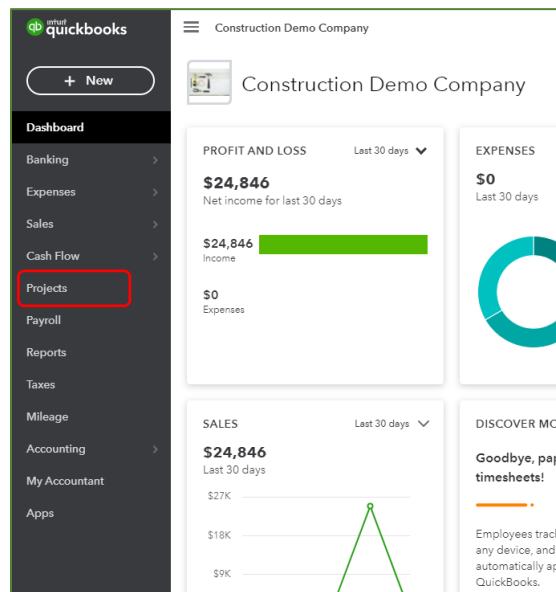
Projects are available only in QuickBooks Online Plus, and you must enable the feature first.

Enabling Projects

Select the **gear icon** at the top right of the QBO screen > **Account and settings** > **Advanced** > **Projects** and then toggle to **Organize all job-related activity in one place**. Select **Save** in the *Projects* section and **Done** at the bottom right of the screen.

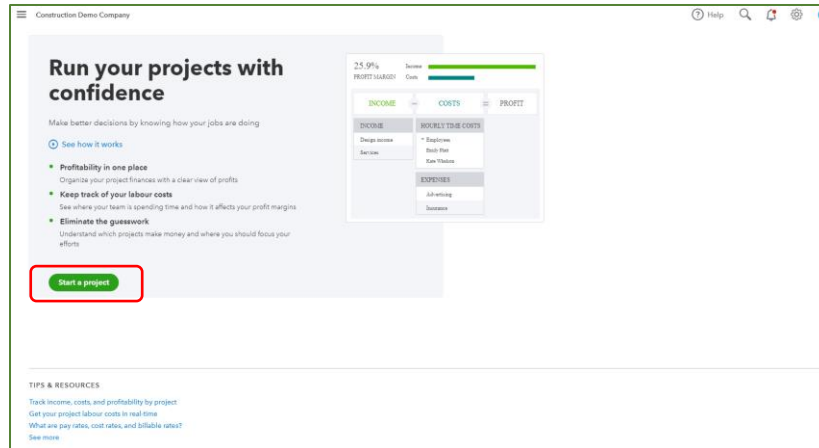


You will now see a *Projects* tab in the left navigation bar.



Using Projects for Transactions

1. Select **Projects** in the left navigation bar. If you've never used this feature before, you'll see this initial screen in which you can select **Start a project**. This screen will not appear after you've created one or more projects. Instead, you'll be able to select **New project** at the right side of the *Projects* menu.



2. A *New project* drawer pops open from the right side of the screen. The *Project name* and the *Customer* are required fields, signified by the asterisk. The *Notes* field is optional. Select **Save** when you are finished.

New project ✕

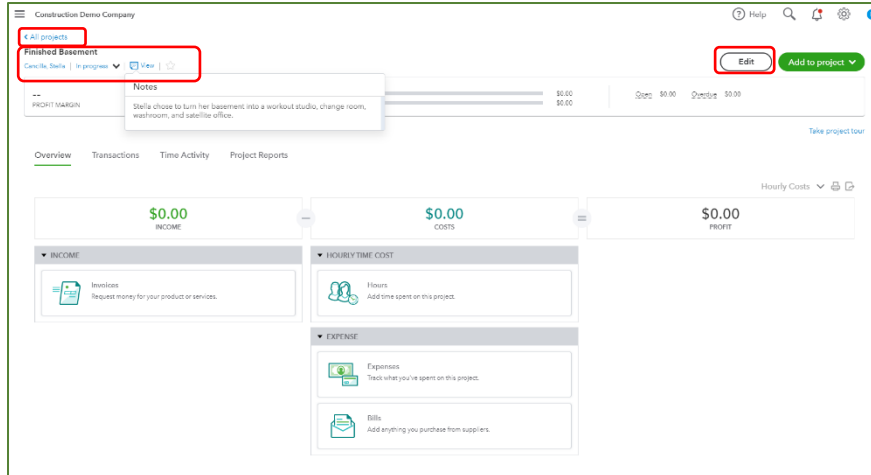
Project name *

Customer *

Notes

Save

3. The Project you just created opens with all zeroes, as there are no transactions linked to it.



- There is a hyperlink to the parent customer name in the Customer list.
- You can also see the status of the project is *In progress*, which is the default status a new project is assigned.
- You can change the status by selecting the **drop-down next to the status**.
- You can view the notes that were entered for the project in the setup screen.
- You can select the **star icon** to pin this project to the top of the Projects list.
- Select **Edit** in the top right to make changes to the project name and/or the notes. The *Edit your project* drawer will pop open. Make your changes and select **Save** to close it.

Edit your project ✕

For Candilla, Stella

Project name *

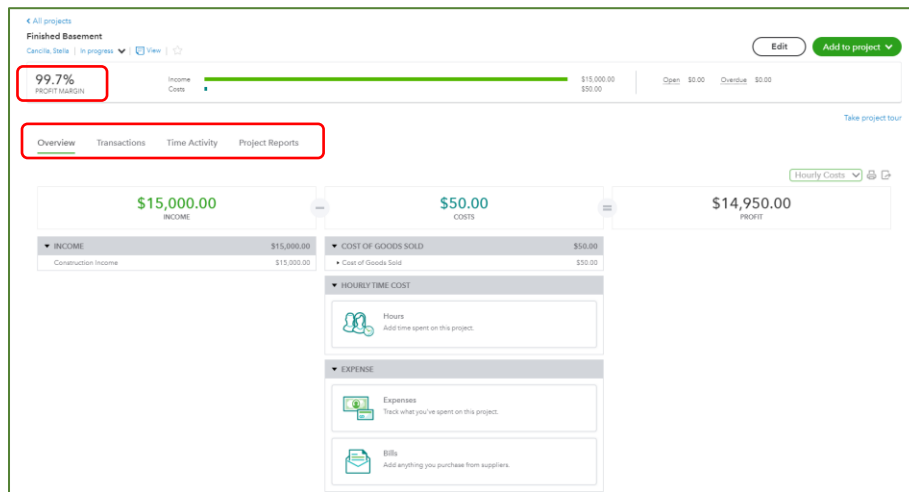
Notes

Stella chose to turn her basement into a workout studio, change room, washroom, and satellite office.

Save

- From inside a project, to return to the list of all projects, select the **All projects** hyperlink in the top left. That will take you to the *Projects* menu, which will be your first access point after you select **Projects** in the left navigation bar going forward.
- Each project has four tabs: *Overview*, *Transactions*, *Time Activity*, and *Project Reports*.

- *Overview* shows totals for income, costs, and profit, as well as the profit margin.



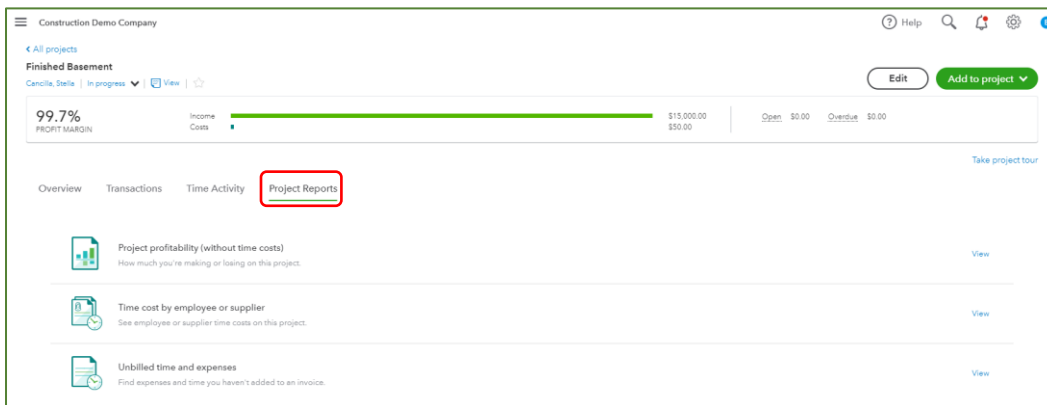
- *Transactions* shows all the different transactions that have been entered for this project

DATE	TYPE	NO.	DUE DATE	BALANCE	TOTAL	STATUS	ACTION
02/22/2021	Bill	33333	03/09/2021	\$169.50	\$169.50	Open	
02/22/2021	Time Charge			\$0.00	\$0.00	Open	Create invoice
02/01/2021	Invoice	1005	03/03/2021	\$16,950.00	\$16,950.00	Open	Receive payment

- *Time Activity* shows all the time entries related to this project. These entries can be viewed by *Month*, *Week* or *Service*. And they can be grouped by *Employee* or by *month* or by *week*.

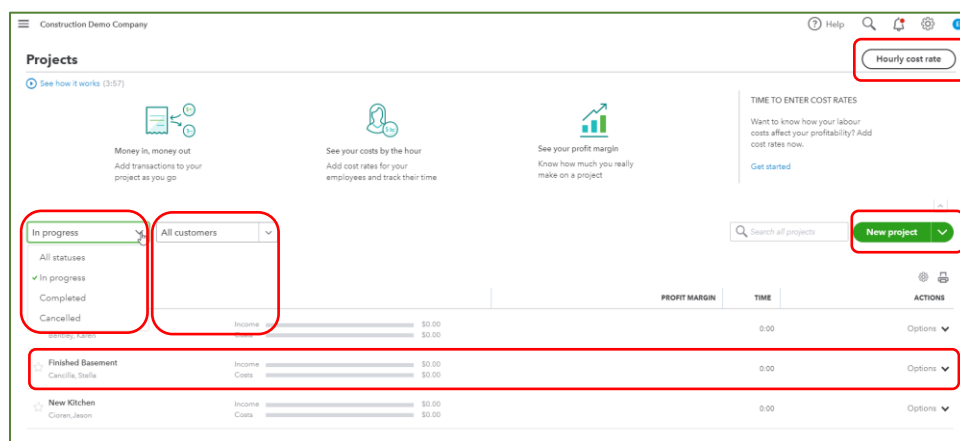
DATE	EMPLOYEE/SUPPLIER	SERVICE	TOTAL TIME	TOTAL COST	BILLABLE TIME	BILLABLE AMOUNT
02/01/2021 - 02/28/2021			\$:00	\$0.00	\$:00	\$0.00
	▶ Esther Friedberg Karp		5:00	\$0.00	5:00	\$0.00

- *Project Reports* has three available reports; the fully loaded time costs are not available anywhere else in QuickBooks, and it would take some customization and hunting through the program to find the other reports. This is a convenient, all-in-one place for these reports:
 - *Project profitability (without fully loaded time costs)*
 - *Time cost by employee or supplier (fully loaded)*
 - *Unbilled time and expenses*



The Projects Menu

Once you have your first project created, you can see the list of projects in the *Projects* menu, accessed from the left navigation bar by selecting **Projects**. Once in an individual project, you can access this menu by selecting the **All projects** hyperlink.

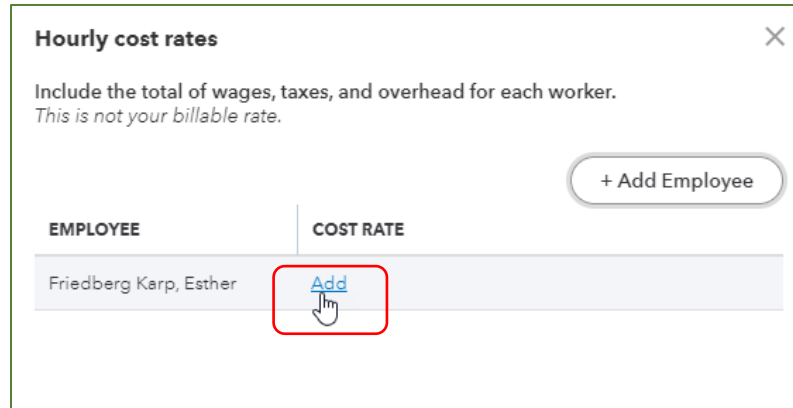


The following is a list of what you can do in the *Projects* menu:

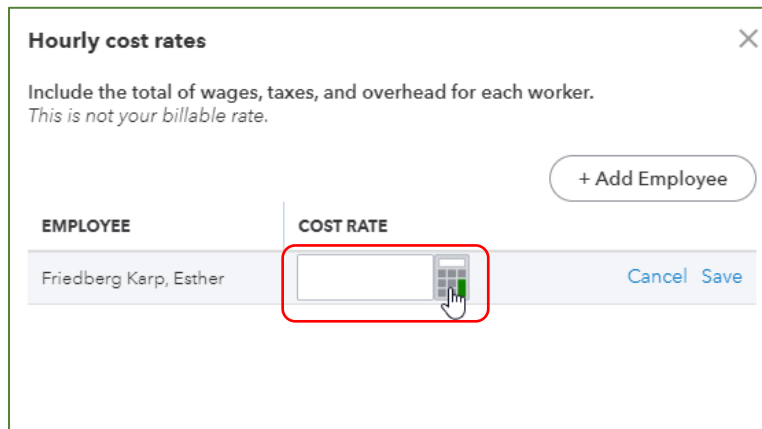
- Click on an individual project from the list to open it
- Click on the drop-down options in the Actions column to:
 - Edit the project (change the name and/or the notes)
 - Mark the project as completed

- Mark the project as cancelled
- Delete the project
- Filter the list of projects by status and/or by customer
- Add a new project by selecting the green **New project** button
- Click on the **Hourly cost rate** icon in the top right to access the *Hourly cost rates drawer* and set up employees and their fully loaded cost to the company, including wages, taxes, and overhead.
 - This is not an hourly rate for paying employees or invoicing customers; rather, it is a calculated cost to the company for each employee.
 - This way, you can get a realistic picture of what each project truly costs the company.
 - Select **+Add Employee** to add employees (you can select **+Details** to provide more information). **Save** after each employee is added.

- Once an employee is added, you can click on **Add** under the *Cost Rate* column to enter the various components of an employee's fully loaded cost rate.



- A calculator appears. Click on it to reveal the Hourly cost rate calculator. Populate all the fields that relate to this employee and select **Add**.



EMPLOYEE	COST RATE
Friedberg Karp, Esther	<input type="text"/>

Hourly cost rate calculator

Wages (/hr)	<input type="text" value="\$75.00"/>
Employer taxes (/hr) <small>CPP/QPP, EI, QPIP</small>	<input type="text" value="\$25.00"/>
Additional employer taxes (/hr)	<input type="text" value="\$15.00"/>
Workers compensation (/hr)	<input type="text" value="\$12.00"/>
Overhead (/hr)	<input type="text" value="\$35.00"/>
Total hourly cost rate	\$162.00

- Select **Save** next to each employee whose rates you added and then select **Done** at the bottom of the *Hourly cost rates* drawer. (Don't worry; you can edit the numbers at any time.)

Hourly cost rates ✕

Include the total of wages, taxes, and overhead for each worker.
This is not your billable rate.

EMPLOYEE	COST RATE
Friedberg Karp, Esther	162.00 <input type="text"/>

- Time can be tracked for employees as well as subcontractor suppliers, although fully loaded cost should be entered only for employees.
- Time entries for this employee related to any project will now have an inherent cost for calculating the profitability of a project.

Using Projects in Transactions

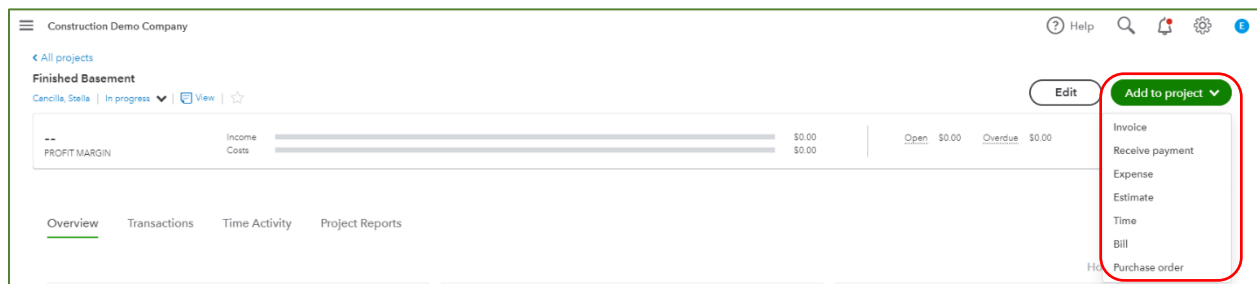
Projects can be associated with transactions in two ways: either from inside or from outside the *Projects Centre*.

Adding a project to a transaction from inside a project

To add new transactions of various types and link them to the project you are viewing, select **Add to project** in the top right and select the transaction from the drop-down. You can select from the following seven most common transaction types:

- Invoice
- Receive payment
- Expense
- Estimate
- Time
- Bill
- Purchase order (if this is enabled in QuickBooks Online Plus)

The customer/project field of any of these transactions will be pre-populated with the project from which you launched the transaction (but you can edit the field to change it to another project or sub-customer).



Adding a Project to a transaction from outside a Project

It may not always be possible or convenient to add a project to a transaction from inside its project. Consider these scenarios:

- You may wish to associate multiple projects with a transaction (for example, a separate project for each line in the *Item details* grid in a bill), and you manually edit the parts of the transaction that require a different project.
- You find a bill or expense transaction that should have been associated with a project, but no project was added to the *Customer/Project* field. You can edit the transaction and add the project or projects as needed.
- You might want to use a different transaction type from one of the seven listed here, such as a credit memo or a supplier credit.

In these cases, you can simply open the new transaction from the *+New* menu and specify the project in the Customer/Project field for each line.

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	SALES TAX	CUSTOMER / PROJECT
1	Direct Costs Demolition Materials	Demolition Materials	1	\$0	\$0.00	HST ON	Cancellla, Stella/Finished Basement
2	Direct Costs Bricklaying Materials	Bricklaying Materials	1	100.00	100.00	HST ON	Bentley, Lisa/Tea and Crumpets Room
3							

Reporting on Projects

You can run *Project Reports* as indicated earlier, but you can also run other reports that give you critical business information related to your jobs, whether they are set up as Projects or sub-customers.

One such report starts off with a Profit and Loss by Customer report, say for this month. Each column will be a customer or a sub-customer/project representing a job under it.

	BARATA, LUIS	TEA AND CRUMPLETS ROOM	TOTAL BARATA, LUIS	BENTLEY, KAREN	ROOF AND ATTIC	TOTAL BENTLEY, KAREN	CANCELLA, STELLA	FINISHED BASEMENT	TOTAL CANCELLA, STELLA	ODIAN, JASON	600 SQ FT ADDITION	TOTAL ODIAN, JASON	TOTAL
= INCOME													
Construction Income		24,346.00	24,346.00		500.00	500.00		15,000.00	15,000.00				\$39,846.00
Total Income	\$0.00	\$24,346.00	\$24,346.00	\$0.00	\$500.00	\$500.00	\$0.00	\$15,000.00	\$15,000.00	\$0.00	\$0.00	\$0.00	\$39,846.00
= COST OF GOODS SOLD													
Cost of Goods Sold													\$0.00
Direct Materials Costs		1,700.00	1,700.00					50.00	50.00		500.00	500.00	\$2,250.00
Total Cost of Goods Sold		1,700.00	1,700.00					50.00	50.00		500.00	500.00	\$2,250.00
Total Cost of Goods Sold	\$0.00	\$1,700.00	\$1,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50.00	\$50.00	\$0.00	\$500.00	\$500.00	\$2,250.00
GROSS PROFIT	\$0.00	\$22,646.00	\$22,646.00	\$0.00	\$500.00	\$500.00	\$0.00	\$14,950.00	\$14,950.00	\$0.00	\$-500.00	\$-500.00	\$37,596.00
PROFIT	\$0.00	\$22,646.00	\$22,646.00	\$0.00	\$500.00	\$500.00	\$0.00	\$14,950.00	\$14,950.00	\$0.00	\$-500.00	\$-500.00	\$37,596.00

Then, change the *Display columns by* field in the header from *Customers* to **Products/Services**, click on the title to edit it, and then select **Run report**.

Profit and Loss by Service Report

Report period: 02/01/2021 to 02/28/2021

Display columns by: Products/Services

Show non-zero or active only: Active rows/active columns

Compare another period: Select period

Accounting method: Cash Accrual

Run report

Construction Demo Company

Profit and Loss by Service
February 2021

	DIRECT COSTS	BRICKLAYING LABOUR	BRICKLAYING MATERIALS	CABINETS & COUNTERTOPS	CABINETS & COUNTERTOPS LABOUR	CLEAN UP LABOUR	CLEAN UP MATERIALS	DEMOLITION MATERIALS	DESIGN SERVICES	ELECTRICAL FIXTURES	EXTERIOR WINDOWS & DOORS	TOTAL DIRECT COSTS	TOTAL
= INCOME													
Construction Income		\$00.00		\$22,800.00	\$1,546.00	\$0.00	\$0.00		\$10,000.00	\$3,000.00		\$39,846.00	\$39,846.00
Total Income	\$0.00	\$500.00	\$0.00	\$22,800.00	\$1,546.00	\$0.00	\$0.00	\$0.00	\$10,000.00	\$5,000.00	\$0.00	\$39,846.00	\$39,846.00
= COST OF GOODS SOLD													\$0.00
Cost of Goods Sold													\$0.00
Direct Material's Costs			\$100.00					\$0.00			\$2,100.00	\$2,200.00	\$2,200.00
Total Cost of Goods Sold			\$100.00					\$0.00			\$2,100.00	\$2,200.00	\$2,200.00
Total Cost of Goods Sold	\$0.00	\$0.00	\$100.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,100.00	\$2,200.00	\$2,200.00
GROSS PROFIT	\$0.00	\$500.00	\$ -100.00	\$22,800.00	\$1,546.00	\$0.00	\$0.00	\$ -30.00	\$10,000.00	\$5,000.00	\$ -2,100.00	\$37,996.00	\$37,996.00
PROFIT	\$0.00	\$500.00	\$ -100.00	\$22,800.00	\$1,546.00	\$0.00	\$0.00	\$ -30.00	\$10,000.00	\$5,000.00	\$ -2,100.00	\$37,996.00	\$37,996.00

Should a Job be a Project or a Sub-customer?

Although projects and sub-customers are used in the same fields in sales and purchase forms, there is a difference between them. Depending on your needs, you may want your job to be classified as a project or as a sub-customer.

Use projects if:

- You want to see the costs related to time entered for employees or suppliers
- You want to centralize the projects
- You want to add notes to the projects
- You want to view all the projects and their summary info and profit margin all in one place
- The job is only one level in from the parent customer
- The billing address of the job is the same as that of the parent (i.e. "Bill with parent")

Use sub-customers if:

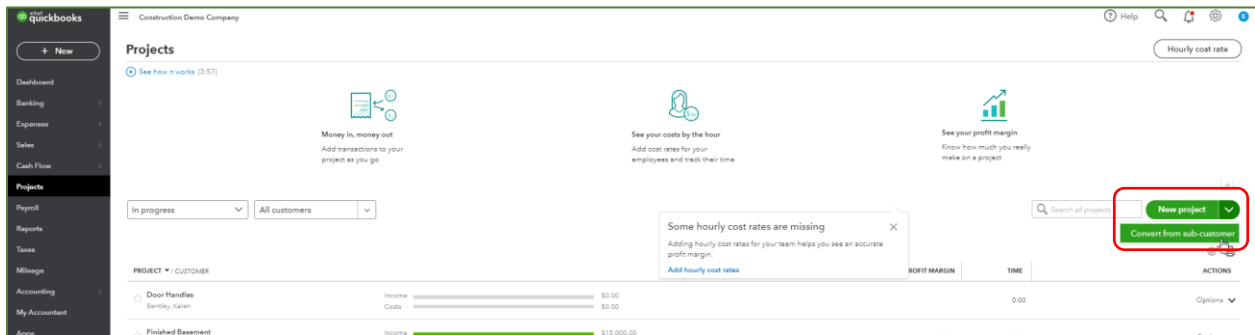
- The work you want to do is for a sub-sub-customer or deeper (sub-customers can be on the Customer list up to four levels deep down from the parent customer)
- You want to invoice a different name and/or address the job from its parent (i.e. "Bill this customer")
- You want to access the job using the mobile app; at this point, Projects do not function in the mobile app

*Note: In the Customers list, if you don't see your projects, select the **small gear icon** at the top right of the list and check the box next to **Include projects**.*

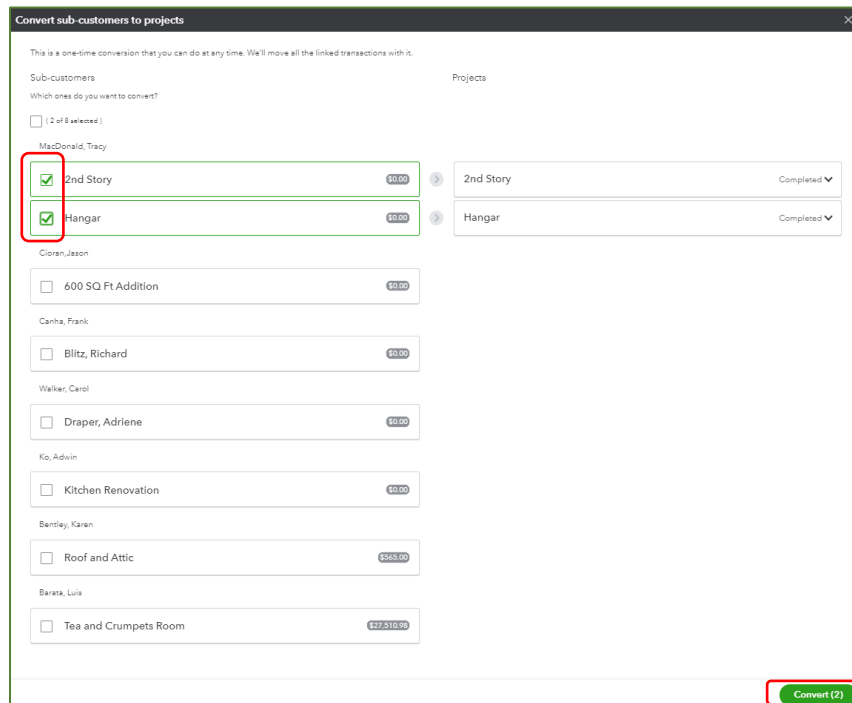
Converting Sub-customers to Projects

If you started out in QuickBooks using sub-customers, and you want to convert them to projects, there are two ways of doing this. Remember a sub-customer has to be “bill with parent” and only one level deep to be converted to a project.

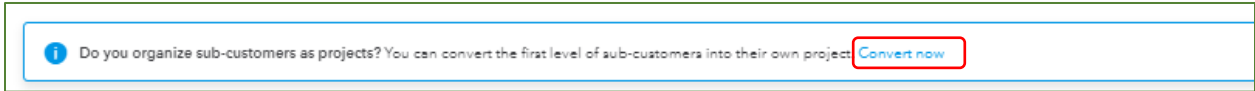
One way is to open the *Projects Centre* and select the **drop-down** next to **New project**, then select **Convert from sub-customer**.



The *Convert sub-customers to projects* window appears. Check the boxes next to the sub-customers that are eligible for conversion and that are ones you want to convert to projects. Select **Convert** (the number of sub-customers being converted appears next to that word).



The other way to convert sub-customers to projects is via the Customers Centre. If any sub-customers are eligible to convert to projects, you'll see a box at the top of the list containing the message below. Select **Convert now**:



You'll see the same *Convert sub-customers to projects* window. Proceed as instructed above.

Note: Projects cannot be converted to sub-customers, so a conversion to projects is irreversible.

Be sure to catch our video on using the QuickBooks Online *Mobile App* in a construction setting.