

Process for Entering CASH purchases on Social Quarters Sales Receipts

The Cash Purchase needs to be shown as an expense so that your P&L reflects the proper amount of income, and your expenses are accurate also. We also need to keep the correct amount of cash in the receipt so that the Deposit is correct.

If we sell \$300.00 worth of merchandise, pull out \$25 for a cash purchase of food, we will only have \$275 left to deposit. Our income should show the full \$300, our Deposit should show \$275, and our Cost of Goods Sold should show \$25.

The process I recommend is to create a new ITEM for the expenses, tied to the proper expense account. In the example above, the purchase is for food, so the expense should be handled in a COGS account number to give us an accurate picture of our mark-up and profit.

I created item # 5050 COGS Kitchen, tied to Account 5050.00 Kitchen COGS.

The screenshot shows the 'Edit Item' dialog box with the following details:

- Title Bar:** Edit Item, Type a help question Ask, How Do I?
- Type:** Service (dropdown), Use for services you charge for or purchase, like specialized labor, consulting hours, or professional fees.
- Item Name/Number:** 5050 COGS Kitchen (text box), Subitem of (checkbox and dropdown).
- Description:** COGS Kitchen (text box).
- Rate:** 0.00 (text box).
- Account:** 5050.00 · Kitchen C... (dropdown).
- Other Options:** This service is used in assemblies or is performed by a subcontractor or partner (checkbox), Item is inactive (checkbox).
- Buttons:** OK, Cancel, Custom Fields, Spelling.

When I enter the receipt, I enter the full amounts for the sales (less Sales Tax), the sales tax amount with the Item 2305 tied to Sales Tax Liabilities, and the Cash Purchase using the Item # 5050 is entered as a negative number to show it went out instead of in.

Enter Sales Receipts Type a help question **Ask** **How Do I?**

Previous Next Spelling History Get Online Pmts

Customer: Job Class Template Print Preview

Social Quarters Custom Sales Receipt

Sales Receipt

Sold To
Social Quarters

Date: 11/11/2010 Calendar Sale No.: 68

Check No. Payment Method

Item	Description	Class	Amount
4230 - Beer	Beer sales	SQ	93.02
4235 - Liquor	Liquor sales	SQ	93.02
4255 - Food	Food sales	Kitchen	93.02
5050	Food sales cash Purchase	Kitchen	-25.00
2305 - Sales Ta...	Sales Tax	Sports Com...	20.94

Customer Message Customer

Total 275.00

To be printed To be e-mailed Memo

Add Time/Costs...

Process credit card payment when saving

Save & Close Save & New Revert

The P&L shows the correct amount of income, and COGS, base on the sales receipt.

Total Income = \$279.06. (Sales Tax = \$20.94 on the Balance Sheet.)

Total COGS = the \$25 expense for food.

Gross Profit = \$254.06.

Profit & Loss Detail										
Type a help question Ask How Do I?										
Modify Report... Memorize... Print... E-mail Export... Hide Header Refresh										
Dates This Fiscal Year-to-date From 05/01/2010 To 11/11/2010 Sort By Default										
10:38 AM										
Jefferson Lodge 9999										
11/11/10										
Profit & Loss Detail										
Accrual Basis										
May 1 through November 11, 2010										
Type	Date	Num	Name	Memo	Class	Clr	Split	Amount	Balance	
Sales Receipt	11/11/2010	68	Social Quarters	Beer sales	SQ		1199.00 · Und...	93.02	93.02	
Total 4230.00 · Beer Sales								93.02	93.02	
4235.00 · Liquor Sales										
Sales Receipt	11/11/2010	68	Social Quarters	Liquor sales	SQ		1199.00 · Und...	93.02	93.02	
Total 4235.00 · Liquor Sales								93.02	93.02	
Total 4225.00 · Social Quarters Sales								186.04	186.04	
4250.00 · Kitchen Sales										
4255.00 · Food Sales										
Sales Receipt	11/11/2010	68	Social Quarters	Food sales	Kitchen		1199.00 · Und...	93.02	93.02	
Total 4255.00 · Food Sales								93.02	93.02	
Total 4250.00 · Kitchen Sales								93.02	93.02	
Total Income								279.06	279.06	
Cost of Goods Sold										
5025.00 · Social Quarters Cost/Goods Sold										
5030.00 · Beer - Cost of Goods Sold										
Sales Receipt	11/11/2010	68	Social Quarters	Beer sales	SQ		1199.00 · Und...	0.00	0.00	
Total 5030.00 · Beer - Cost of Goods Sold								0.00	0.00	
5035.00 · Liquor - Cost of Goods Sold										
Sales Receipt	11/11/2010	68	Social Quarters	Liquor sales	SQ		1199.00 · Und...	0.00	0.00	
Total 5035.00 · Liquor - Cost of Goods Sold								0.00	0.00	
Total 5025.00 · Social Quarters Cost/Goods Sold								0.00	0.00	
5050.00 · Kitchen Cost of Goods Sold										
Sales Receipt	11/11/2010	68	Social Quarters	Food sales	Kitchen		1199.00 · Und...	0.00	0.00	
Sales Receipt	11/11/2010	68	Social Quarters	Food sales c...	Kitchen		1199.00 · Und...	25.00	25.00	
Total 5050.00 · Kitchen Cost of Goods Sold								25.00	25.00	
Total COGS								25.00	25.00	
Gross Profit								254.06	254.06	
Expense									0.00	
Net Income								254.06	254.06	

Now I make the Deposit, and it shows the actual cash I have left, which is the total \$300 I took in at the register, minus the \$25 I spent in cash; the remaining \$275.

Payments to Deposit **Ask** **How Do I?**

Select View
View payment method type: [What are payment method views?](#)

Select Payments to Deposit

<input checked="" type="checkbox"/>	Date	Time	Type	No.	Payment Met...	Name	Amount
<input checked="" type="checkbox"/>	11/11/2010		RCPT	68		Social Quarters	275.00

0 of 1 payments selected for deposit **Payments Subtotal** **0.00**