

CHAPTER 8

STONE ARBOR LANDSCAPING: TIME & BILLING

When you installed Peachtree Complete Accounting 2005, 9e 12, Educational Version, two sample companies were included with the software: Bellwether Garden Supply and Stone Arbor Landscaping. In Chapters 1 – 7 your students worked with Bellwether Garden Supply. In this chapter, your students will focus on how the second sample company, Stone Arbor Landscaping, uses PCA's time and billing feature.

TIME & BILLING

Time & Billing gives your students a way to track expenses and time when working with customers. For example, there are daily services that employees perform for your customers like making copies, designing a proposal, and out-of-pocket expenses. These expenses can be tracked and documented using PCA's time and billing feature. The purpose of PCA's time and billing feature is to give your students the tools to record customer-related work or expenses.

To track time and expenses, PCA uses two forms or tickets: the time ticket and the expense ticket. Each ticket type can be specific to a customer, job, or non-billable administrative tasks (miscellaneous items). Each ticket has its own special type of inventory item: the activity item for time tickets and the charge item for expense tickets.

Time Tickets

Time tickets are used to record time-based activities such as research or consultations. They record the activities of either an employee or a vendor. The two methods of entering time ticket information are weekly or daily.

The billing rate used for a recorded activity can be based on the employee who records the ticket or one of the five billing rates assigned to the activity item. Or, you can record the billing at the time you enter the time ticket.

Expense Tickets

Expense tickets are used to track and aid in the recovery of customer-related expenses. These expenses are *not* based on time. Expenses can be based on the various charges related to the service being offered. For example, if you were an accountant, you might charge your client for copying fees or faxing fees.

Both time and expense tickets can be used in the Sales/Invoicing window to bill your customers. The Sales/Invoicing window includes a feature called Apply Tickets/Reimbursable Expenses which takes you to the time and billing feature. The rate for expense tickets is determined by the unit price of the charge item multiplied by the quantity.

The chart below shows how time and billing works:

Time & Billing Ticket Types			
Ticket Type	Inventory Item Class	Examples	Billing Amount Equals
Time Ticket	Activity Item	Research Consultants Writing Reports	Billing Rate Time Activity Divisions
Expense Ticket	Charge Item	Copying Faxing Court Fees	Unit Price of the Charge Item Times Quantity

SOFTWARE OBJECTIVES: In Chapter 8, your students use the software to:

1. Start the sample company, Stone Arbor Landscaping.
2. Use Peachtree's time and billing feature.
3. Make one backup in Chapter 8.

WEB OBJECTIVES: In Chapter 8, your students do these Internet activities:

1. Use their Internet browser to go to the book's website.
2. Complete the Internet activity for Search Engines.
3. Complete the steps shown for this activity.

PCA TIPS, CHAPTER 8

- To complete Chapter 8, students use the other sample company, Stone Arbor Landscaping.

LECTURE OUTLINE FOR CHAPTER 8

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ANSWERS TO GOING TO THE NET

- 1. Peachtree 2005 serves the needs of all customers, including those automating their accounting for the first time, or seasoned, advanced users needing to consolidate financials for multiple companies. To compare the features found in each product side-by-side, use the Compare Products link.
- 2. All products come with a New Company Setup Wizard to walk you through the steps of setting up your accounting, as well as a Preparation Checklist, which tells you what information you should have on hand prior to setting up Peachtree. In addition, there is also a tutorial to guide you through the various features in Peachtree along with 20 instructional demos to help you learn more about key functions in Peachtree.

ANSWERS TO MULTIPLE CHOICE QUESTIONS

- 1. e (None of the above)
- 2. d (Look at PCA's time and billing features)
- 3. a (Give you the tools to record customer-related work or expenses)
- 4. c (Record time-based activities)
- 5. a (Track and aid in the recovery of customer-related expenses)
- 6. b (Research, consultants, writing reports)
- 7. c (Copying, faxing, court fees)
- 8. c (Defaults)
- 9. b (How much was billed to a customer)
- 10. e (None of the above)

SOLUTION TO EXERCISE 8-1:

1. \$60.00
2. Regular
3. Account No. 40000-HS, Sales-Hardware
4. INSTL HARD-COMM

SOLUTION TO EXERCISE 8-2:

1. \$15,289.31
2. \$728.06
3. 57000
4. 8 hours