

Understanding Products and Services

In simple words, a Product or Service is what you put on the invoice or the receipt that you hand to your client



They can be set up as:



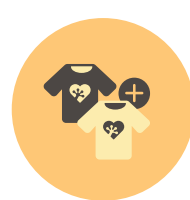
Services Offered



Non Inventory Products



Inventory Products



Bundled Products and/or Services

Let's imagine...



You own a convenience store

And you sell two beverages to a customer



The sales receipt in QuickBooks shows the sale of a "small beverage" and a "big beverage" because that's how it's set up in the list of products and services

But then the **Income Account**, if you look at the Profit and Loss Report, just says "Beverage Income"



Multiple products can funnel down



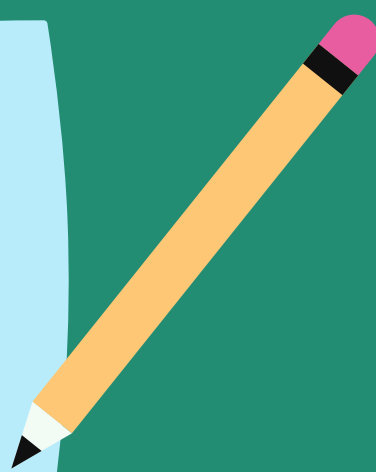
into summary Income Accounts

Products & Services can be used for:

Income

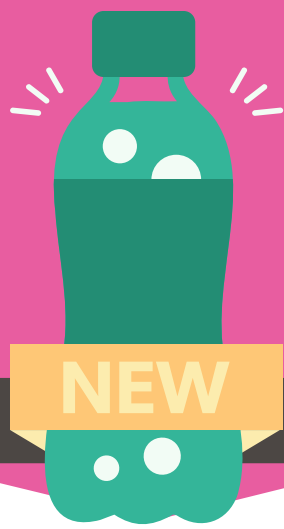
Expenses

- ✓ Sales Receipts
- ✓ Invoices
- ✓ Credit Memos
- ✓ Refund Receipts
- ✓ Expenses
- ✓ Bills



Info you can enter when a product or service is set up:

- ✓ Name of the item
- ✓ Default description
- ✓ Default sales price



- ✓ Income account on the chart of accounts
- ✓ Expense account on the chart of accounts

What happens when a product or service is used?

- Sales receipts
Invoices → The income account used in set up is increased
- Credit memos
Refund receipts → The income account used in set up is decreased
- Bills
Expenses → The expense account used in set up is increased

