

Tracking Quantities Purchased In QuickBooks

Background

In business, it is often necessary or desirable to track quantities of items purchased. This is mostly done for items that are purchased for resale, but it can also be used for tracking items that are used internally by the business or are used as a component for manufacture.

Some examples of these purchases are:

- litres of diesel for use in a truck;
- tonnes of feed purchased for stock;
- litres of a component used in manufacture.

Versions

As this feature uses Inventory functions, you will require QuickBooks Plus, Pro, Premier or Enterprise.

Aim

Our aim is to set up QuickBooks to track the quantities of these products purchased.

Example

In this example, I will use the purchase of Diesel as an example of tracking quantities.

Set-up

You will need to set up a Chart of Accounts expense account called Diesel to track the dollar value of your purchases. You will also need to set up an item as follows:

The screenshot shows the 'New Item' dialog box in QuickBooks. The 'Type' is set to 'Non-stock Part'. The 'Item Name/Number' is 'Diesel'. The 'Description' is 'Diesel Purchased'. The 'Price' is '0.00'. The 'Sales Tax Code' is 'NCG'. The 'Account' is 'Diesel'. There are buttons for 'OK', 'Cancel', 'Next', 'Custom Fields', and 'Spelling'.

There are 2 key differences to this item compared to a normal item:

- it is for use in purchases (Bills/Cheques/Credit Card) rather than for sales;
- it is linked to an Expense Account rather than the traditional income account.

Ongoing Use

Purchases can now be entered. In this example, we are purchasing 500 litres of diesel at \$1.10 per litre including GST:

Write Cheques - ABC Bank

Bank Account: ABC Bank Ending Balance: \$256,840.43

No. 138
Date 15/12/2007
Pay to the Order of: Aust Diesel Supplies \$ 550.00
Five hundred fifty dollars and 0 cents*****
Address: Aust Diesel Supplies
Memo: _____

Expenses \$0.00 **Items \$550.00** Amts inc Tax Cash/Cheque

Item	Description	Qty	Cost	Tax	Gross Amt	Tax Amt
Diesel	Diesel Purchased	500	1.10	NCG	550.00	50.00

Note that this entry uses the "Items" tab instead of the normal "Expenses" tab. This allows us to enter a quantity value as well as a dollar amount.

If the Items tab is not showing on your version of QuickBooks, you may need to turn on "Stock and Purchase Orders are active" under Edit > Preferences.

Preferences

My Preferences **Company Preferences**

Purchase Orders and Stock

- Stock and purchase orders are active
- Warn about duplicate purchase order numbers.
- Warn if quantity exceeds stock on hand.
- Warn if quantity exceeds stock available.
- * On saving invoices, prompt for SO if qty exceeds inventory available.
- Units of Measure are active.

* Sales Orders must be enabled in the Sales & Customers preferences.

OK
Cancel
Help
Default

Also See:
General
Sales and

You can now run a Report > Purchases > Purchases by Item Detail Report.

10:14 PM
15/12/07

Stadium Construction & Hardware Pty Ltd
Purchases by Item Detail
December 1 - 15, 2007

Type	Date	Item	Memo	Source Name	Qty	Cost Price	Amount
Parts							
Diesel							
Cheque	01/12/2007	139	Diesel Purchased	Aust Diesel Supplies	450	0.95455	429.55
Cheque	07/12/2007	140	Diesel Purchased	Aust Diesel Supplies	530	0.98182	520.36
Cheque	15/12/2007	138	Diesel Purchased	Aust Diesel Supplies	500	1.00	500.00
Total Diesel							1,449.91
▶ Total Parts							1,449.91
TOTAL							1,449.91

Although the report doesn't add up the quantities, you can drop this report into Excel (via Export Button on the top of the report), and quickly sum the column.

Variations on the Theme

If you buy and sell a product, but you don't want to run inventory, you can tick the "This Item is Purchased for and sold to a specific Customer:Job" tickbox, and use the same item for purchasing and sales. This function is only available on QuickBooks Pro & above.

New Item

Type: Non-stock Part (Use for goods you buy but don't track, like office supplies, or materials for a specific job that you charge back to the customer.)

Item Name/Number: Cattle (Subitem of:)

This item is purchased for and sold to a specific customer:job

Purchase Information: Description on Purchase Transactions: Cattle Purchases

Sales Information: Description on Sales Transactions: Cattle Purchases

Cost: 0.00 Sales Price: 0.00

Purch Tax Code: NCG Sales Tax Code: GST

Expense Account: Cattle Purchases Income Account: Cattle Sales

Preferred Supplier: Amts Inc Tax:

Barcode:

-- End --