Simple example to help you manage invoices, expenses & books of your services business with TopNotepad

Industry: Services Provider

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Here is an example to make it simple for you to use TopNotepad for managing books of accounts of your services business.

Let's say you have a new client, Mr. Jon, who purchased services worth $1000 from you, which includes Service A ($300), Service B ($500) and Service C ($200).

Service A is based on time and is provided by you or your employee. You charge client $100 per hour (100x3 =300).

Service B and Service C are further outsourced to your vendor, who charge you as per below structure.

M/S Vendor B, supplier of Service B, charges $400

M/S Vendor C, supplier of Service C, charges $150

Please note, you add your margin to the fee charged by your vendors and extended these other services further to Mr. Jon.

You also have recurring/non-recurring expenses for your office, like rent, internet, salaries and others.

In the tutorial, we will show how to log other expenses as well.

Now, let' learn how to log every aspect of the above transaction of Mr. Jon and other office expenses in TopNotepad.

All set? Let's do it!

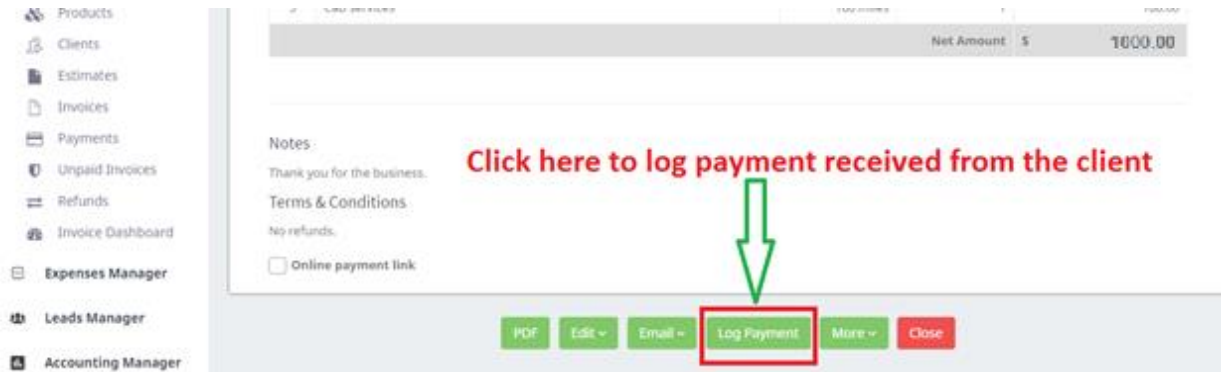**Step 1:** Create an invoice and log payment received from Mr. Jon against the invoice
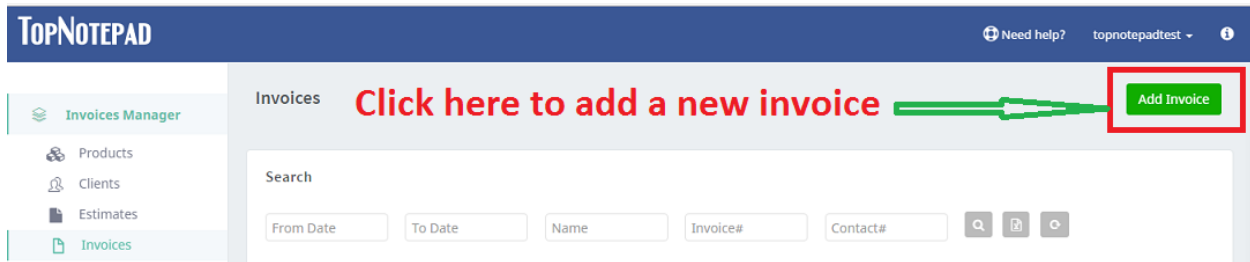
An invoice form would open up, supply all the necessary information and click on **generate invoice** button at the end of the form.
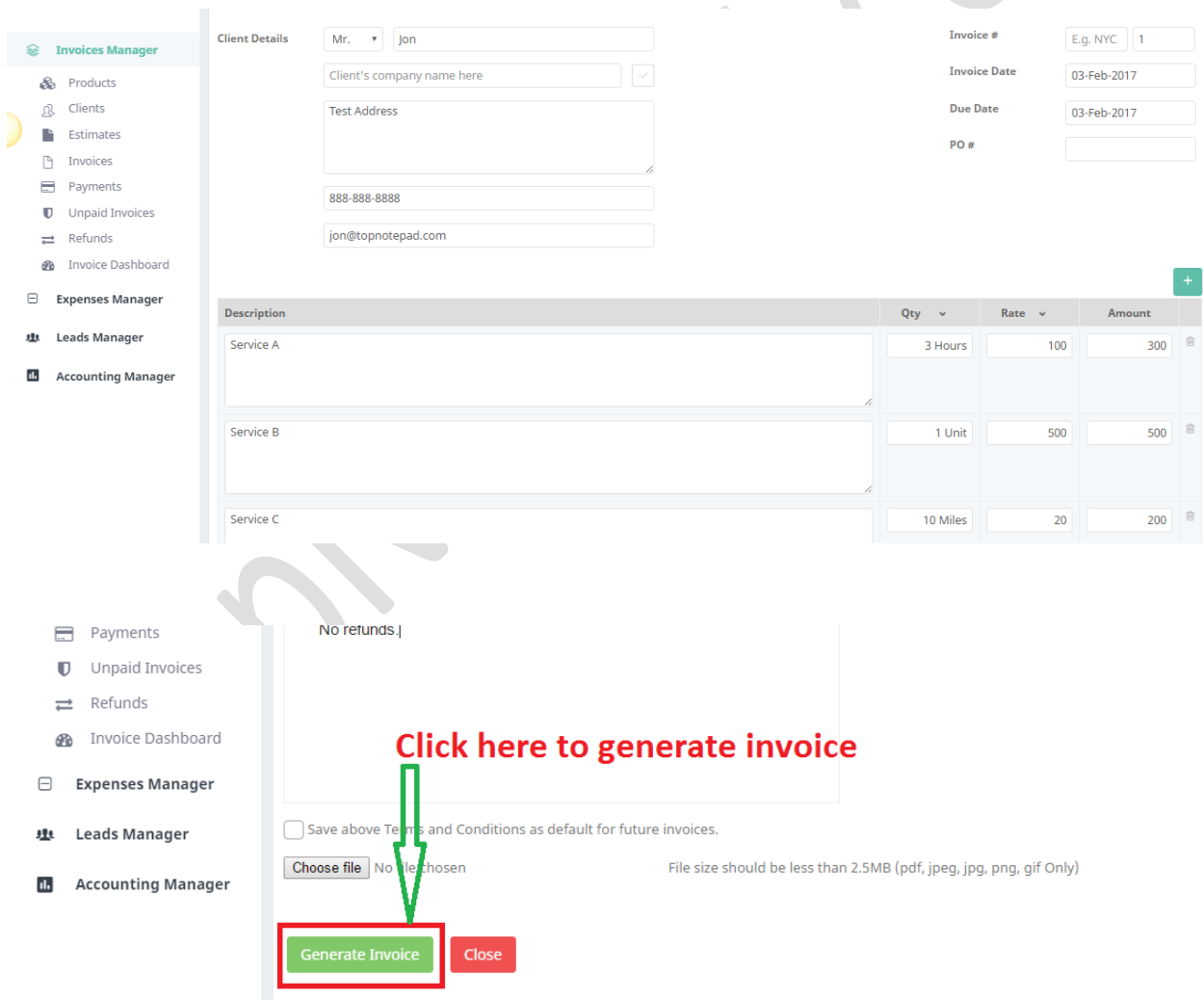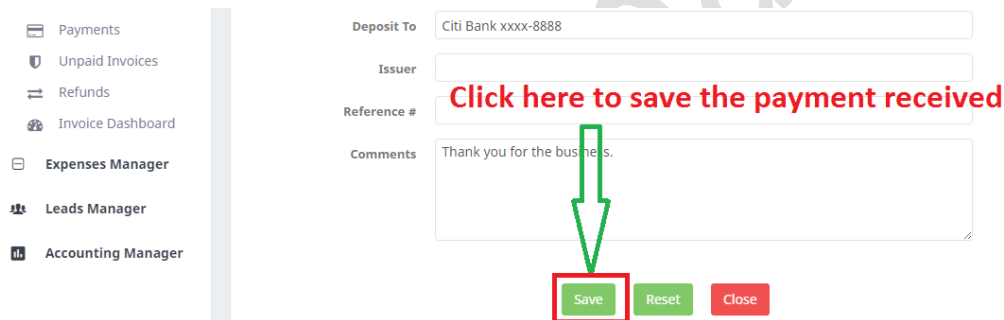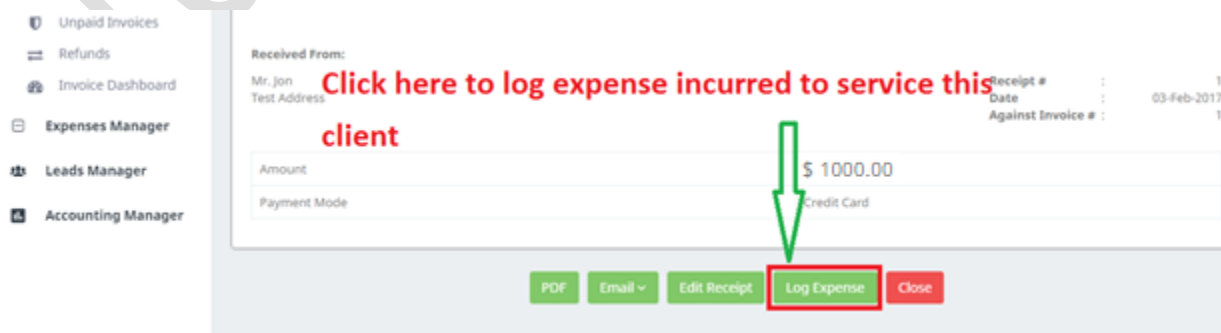

Screen shot 1.1

Click on log payment to record the payment received from the client.

A payments form would open up, supply all the necessary information and click on **save** button at the end of the form.

Step 2: Log all expenses, against the invoice you created in step 1, incurred to service your client.

By logging expense through the 'Log Expense' button, you are linking invoice and expense, you would want to do this only when you incurred the expense for the client and not otherwise i.e., you should not log rent, salary and other expense via the 'log expense' button. While all the expenses would be saved in expenses manager, you need to log the other recurring/non-recurring business expenses through a different workflow, which will be explained in this tutorial at later point.

An expense form would open, log expenses incurred to service Mr. Jon i.e., service fee paid to Vendor B and Vendor C needs to logged, one at a time.

A payments form would open and if you have made the payment to your vendor, select the appropriate payment mode and log the payment amount (full or partial) and save the payment. For our example, we are assuming full payment is made to the vendor.

You have learnt how to create an invoice and log one expense incurred against the invoice, let's log another expense that were incurred to service this client.

Go back to invoices and log the remaining expenses as shown below:

Expense form would open, log expense incurred at M/S Vendor C

Log the payment against the above incurred expense as shown below and click on save.

Step 3: You have made all the entries for this transaction required to maintain your books perfectly. Now, you can track gross margin on this transaction as shown below.

Please note, you still must add other expenses that you incur on regular basis. Further we will show you how you can log the remaining expense that are incurred for operating the business.

Step 4: You can also log all the other expenses you incur for running your business through expenses manager.
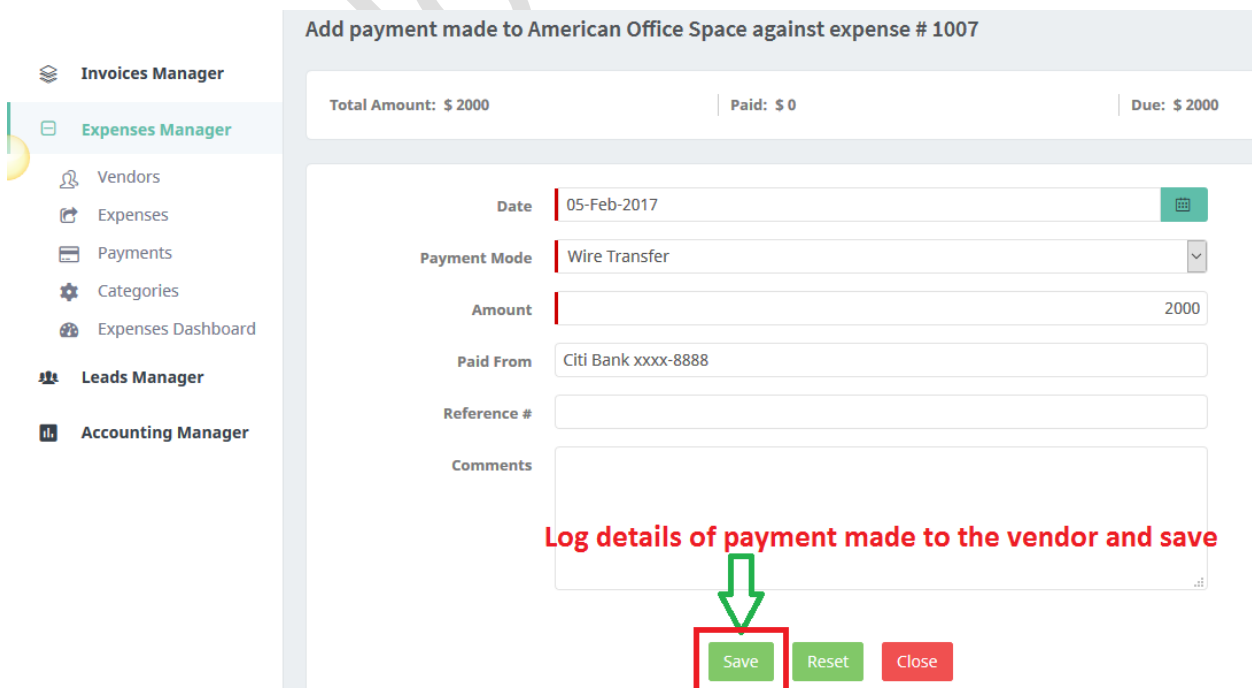
Click on add expense to start recording business expenses:
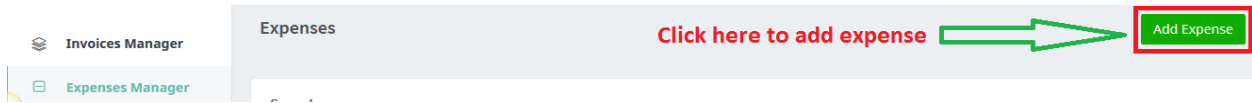
Enter expense details and click on save
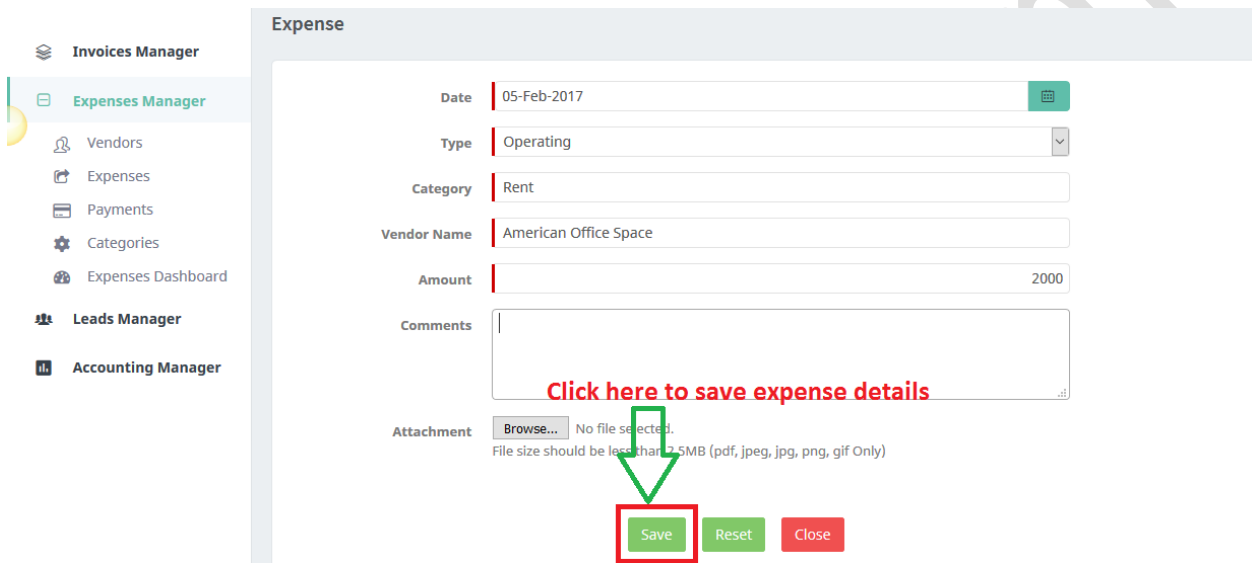
Log the payment against the above incurred expense as shown below and click on save.

Hope the document was helpful. As noted, the example covers a very basic case, the objective of the document is to get you started. In case of specific question for transactions not covered in the document, please feel free to write to us. We will try to do our best to help answer your queries.

Also, please note, balance sheet is a critical statement for any business, we advise seeking a professional's (CPA, Accountant) help for creating this. What we have in balance sheet report of TopNotepad gives a high-level view of your business basis invoices and expenses. There are many aspects that needs to be considered for creating a balance sheet like capital, loans, stocks-in-trade, value of assets etc. We strongly advise a professional support for creating balance sheet of your business.