

QuickBooks Tips and Tricks

Software: QuickBooks Pro, Premier and Enterprise

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Using Price Levels in QuickBooks

One of the most under-utilized features in QuickBooks is the ability to set custom price levels for automatic discounts to your customers.

This feature is available in all versions of QuickBooks: Pro, Premier and Enterprise. The time it takes for the initial setup will save you plenty of time down the road.

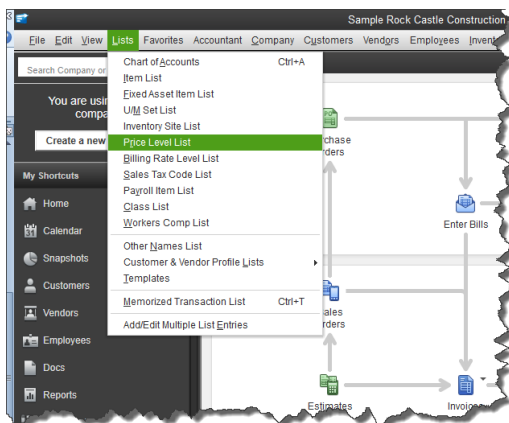
Nearly every business has price variations depending on the customer, with 'preferred' pricing given to certain customers based on their relationship with the customer. Perhaps employees get a certain discount, friends and family another discount, frequent visitors and high spenders another discount, etc. The Price Levels option in QuickBooks allows you to create the various rules to apply to your customer base.

Enable Price Codes – Turn the Feature On:

Before you can start setting up your rules, you must turn the preference on. Go to **Edit >> Preferences**. On the left side, select **Sales & Customers**. Click on the **Company Preferences** tab, and check the box for **Use Price Levels**. Click **OK**.

Define Your Levels

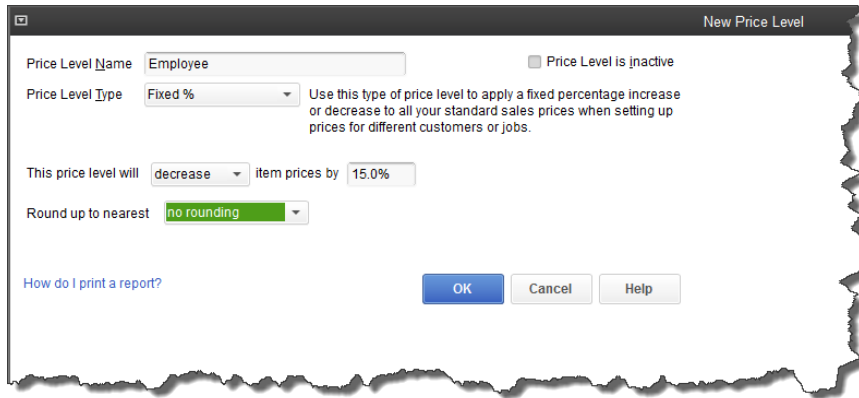
Now that you have enabled the feature, go to **Lists >> Price Level List** to create (or edit) your various levels.



The next window will list all of the Price Rules you have set up (once you have set a few up!). For now, it may appear empty. Just go to the bottom left of the screen and click **Price Level >> New** (or Control-N).

Price Levels in QuickBooks, Cont.

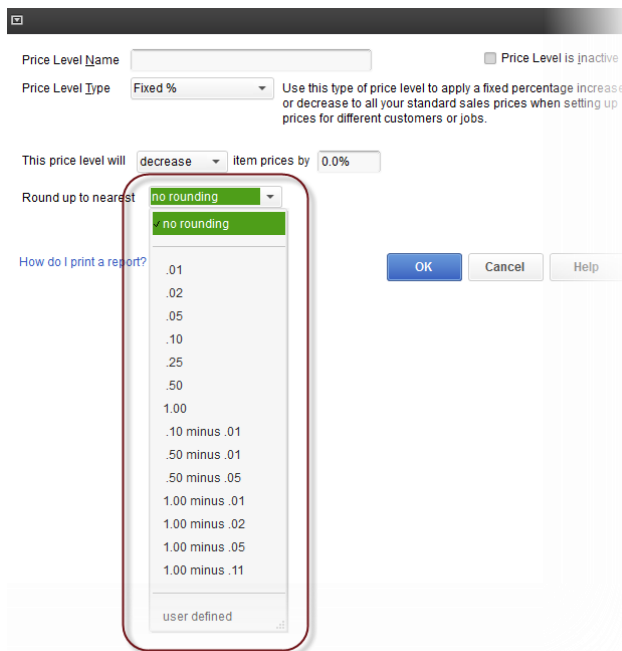
On the next screen, enter a name for your Price Level (ie. "Employee Discount"). Decide whether you want to apply discounts based on a fixed percentage, or if you want the discount to vary for each item sold. (**Note:** *the Per Item option is available only in the Premier and Enterprise versions*).



The screenshot shows the 'New Price Level' dialog box. The 'Price Level Name' field contains 'Employee'. The 'Price Level Type' is set to 'Fixed %'. A note below the dropdown reads: 'Use this type of price level to apply a fixed percentage increase or decrease to all your standard sales prices when setting up prices for different customers or jobs.' The 'This price level will' dropdown is set to 'decrease' and 'item prices by' is '15.0%'. The 'Round up to nearest' dropdown is set to 'no rounding'. At the bottom, there are 'OK', 'Cancel', and 'Help' buttons. A link 'How do I print a report?' is also visible.

Fixed Percentage Changes:

Choosing the fixed percentage option allows you to either markup a certain percentage above your standard sales price, or discount a certain percentage below. You can also round the price if you wish, for example to the nearest dollar, nearest 99 cents, etc. There are some pre-defined options for rounding, or you can create your own.



This screenshot shows the same 'New Price Level' dialog box, but with the 'Round up to nearest' dropdown menu open. The menu lists the following options: 'no rounding', '.01', '.02', '.05', '.10', '.25', '.50', '1.00', '.10 minus .01', '.50 minus .01', '.50 minus .05', '1.00 minus .01', '1.00 minus .02', '1.00 minus .05', '1.00 minus .11', and 'user defined'. The 'no rounding' option is highlighted in green.

Per Item Changes:

The Per Item option available in the Premier and Enterprise versions of QuickBooks allows you to more specifically work through your entire item list and apply specific prices to specific items.

Price Levels in QuickBooks, Cont.

Here, the prices can be a combination of percentage discounts off retail, markups from cost, set pricing you pick arbitrarily, and any combination thereof.

You also have the ability to select multiple items from this list and apply the same rule to a group of them at once.

Price Level Name: Price Level is inactive

Price Level Type: Use this type of price level to set custom prices for individual items when setting up prices for different customers or jobs.

ITEM	COST	STANDARD ...	U/M	CUSTOM PRICE
<input checked="" type="checkbox"/> Subs:Drywall	25.00	60.00		54.00
<input checked="" type="checkbox"/> Subs:Duct Work	25.00	50.00		45.00
<input checked="" type="checkbox"/> Subs:Electrical	25.00	55.00		49.50
<input checked="" type="checkbox"/> Subs:Insulating	25.00	45.00		40.50
<input checked="" type="checkbox"/> Subs:Metal Wrk	25.00	45.00		40.50
<input checked="" type="checkbox"/> Subs:Painting	25.00	39.00		35.10

Mark All

Adjust price of marked items to be than its

Round up to nearest

[How do I print a report?](#)

Price Levels can also be utilized for periodic sale events. Let's say, for example you run a promotion and want to offer a 10% discount on all items in a certain department through a certain time period. You can define the Level, turn it on, and then turn it off at the end of the event by either deleting it, or simply marking it Inactive (to be re-activated at a later date).

Price Level Name: Price Level is inactive

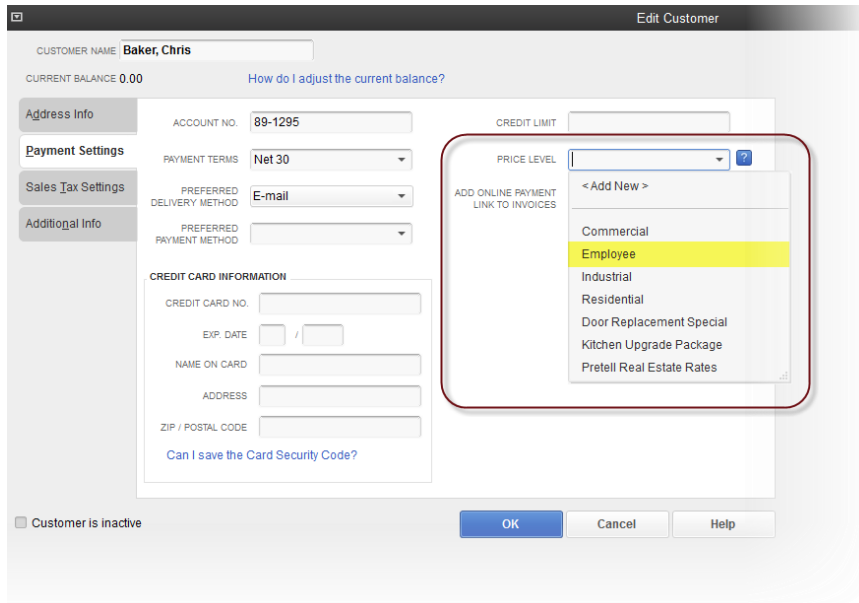
Price Level Type: Use this type of price level to set custom prices for individual items when setting up prices for different customers or jobs.

ITEM	COST	STANDARD ...	U/M	CUSTOM PRICE
<input checked="" type="checkbox"/> Subs:Drywall	25.00	60.00		54.00
<input checked="" type="checkbox"/> Subs:Duct Work	25.00	50.00		45.00

Once you have defined the various Price Levels you may wish to use, you must then attach them to the appropriate customers in your Customer List. If there are few, you can do so

Price Levels in QuickBooks, Cont.

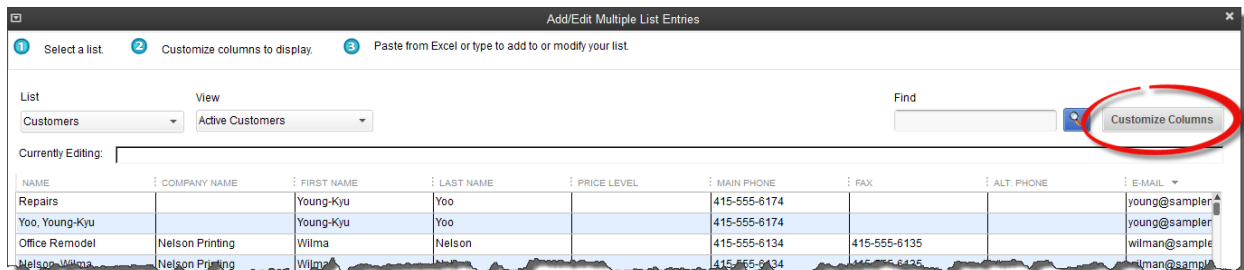
individually by selecting your customer, clicking on the **Payment Settings** tab, and choosing the **Price Level** from the dropdown list:



The screenshot shows the 'Edit Customer' window for 'Baker, Chris'. The 'Payment Settings' tab is active. A dropdown menu for 'PRICE LEVEL' is open, showing the following options: '< Add New >', 'Commercial', 'Employee' (highlighted), 'Industrial', 'Residential', 'Door Replacement Special', 'Kitchen Upgrade Package', and 'Pretell Real Estate Rates'. The 'Employee' option is highlighted in yellow.

Or you can tackle them en masse by going to **Lists >> Add/Edit Multiple List Entries**:

You will first need to click the button to **Customize Columns**.



The screenshot shows the 'Add/Edit Multiple List Entries' window. The 'Customize Columns' button is circled in red. The window displays a list of customers with the following columns: NAME, COMPANY NAME, FIRST NAME, LAST NAME, PRICE LEVEL, MAIN PHONE, FAX, ALT. PHONE, and E-MAIL. The 'PRICE LEVEL' column is currently empty for all customers.

NAME	COMPANY NAME	FIRST NAME	LAST NAME	PRICE LEVEL	MAIN PHONE	FAX	ALT. PHONE	E-MAIL
Repairs		Young-Kyu	Yoo		415-555-6174			young@sampl
Yoo, Young-Kyu		Young-Kyu	Yoo		415-555-6174			young@sampl
Office Remodel	Nelson Printing	Wilma	Nelson		415-555-6134	415-555-6135		wilman@sampl
Nelson, Wilma	Nelson Printing	Wilma	Nelson		415-555-6134	415-555-6135		wilman@sampl

Add the **Price Levels** field to your columns. (Remove any other columns that are not important to you as you make these updates.) Click **OK**.

Click down through the customer list assigning the appropriate Price Level to each customer.

Price Levels in QuickBooks, Cont.

NAME	COMPANY NAME	FIRST NAME	LAST NAME	PRICE LEVEL	MAIN PHONE	FAX	ALT. PHONE	E-MAIL
Home Remodel		Lyn	Sauler	Residential	650-555-1990		650-555-9382	lsauler@myema
Sauler, Lyn		Lyn	Sauler	Residential	650-555-1990	650-555-1991	650-555-9382	lsauler@myema
Rice, Linda		Linda	Rice		415-555-7423			lrice@samplena
Repairs		Linda	Rice					lrice@samplena
Kitchen		Kristy	Abercrombie					kristy@samplena
Remodel Bathroom	Kristy Abercrombie	Kristy	Abercrombie					kristy@samplena
Abercrombie, Kristy		Kristy	Abercrombie					kristy@samplena
Family Room		Kristy	Abercrombie					kristy@samplena
Remodel Bathroom		Kirby	Freeman				415-555-7414	kfreeman@samy
Freeman, Kirby		Kirby	Freeman				415-555-7414	kfreeman@samy
Repairs		Kirby	Freeman				415-555-7414	kfreeman@samy
Remodel	Babcock's Music Shop	Bettie	Wilson			650-555-9823	650-555-0983	kbabcock@myer
Babcock's Music Shop	Babcock's Music Shop	Kristie	Babcock			650-555-9823	650-555-0983	kbabcock@myer
Rahn, Jennifer		Jennifer	Rahn		650-555-8349	650-555-9242	650-555-4234	jrahn@myemail
Remodel		Jennifer	Rahn		650-555-8349	650-555-9242	650-555-4234	jrahn@myemail
Utility Shed		Jessette	Mlemeo		415-555-6567		415-555-8888	jlemeo@sampl

Click the **Save Changes** button as you work through the list. Click **Close** when you are done.



NOTE: When you are in the Customize Columns window, keep in mind that you can add other columns here that may help you to sort the list for quicker updating. For example, you may have all of your Employees already set as a specific Customer Type in the Customer Type field. Adding this field to your columns will allow you to easily sort the list by Customer Type and make a quick update to the entire group.

As you can see, the Price Level feature can be a very powerful tool and a huge time saver when used properly. Take a minute to put it to use for you!

OPTIONAL: Advanced Pricing Module

*For more complex pricing rules, there is an Add-On Module available for QuickBooks Enterprise Users. This module allows you to create a myriad of automatic discounts, based on any combination of Customers, Items, Vendors, Classes, Custom Fields and more. Multiple rules can be applied to a single customer; multiple quantity break discounts can be defined, date ranges can be pre-defined, etc. **This module was introduced in version 14.0.***