

**Intuit QuickBooks Training**  
by Real World Training

**Mastering  
QuickBooks®**

**Level 2**

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## **Real World Training**

11816 Inwood Rd. pmb 5000

Dallas, TX 75244

[www.quickbookstraining.com](http://www.quickbookstraining.com)

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# Chapter 1

# Introduction and Product Overview

## Introduction

Welcome to Mastering QuickBooks Level 2. The focus of this training is using QuickBooks to its fullest potential, and getting what you need from QuickBooks.

## Goals/Learning Objectives

1. Learn the advanced features and capabilities of QuickBooks (including those features that advanced users use most)
2. Discover solutions to errors (that are difficult to find using available help)
3. Apply workarounds to handle tricky transactions
4. Learn tricks and tips to get the most from QuickBooks
5. Gain insight into QuickBooks functionality to avoid unexpected results
6. Learn how best to set up QuickBooks for your company
7. Learn advanced reporting techniques to access the information you need

## About Intuit

Intuit Inc. is a leading provider of business and financial management solutions for small businesses, consumers and accounting professionals. Its flagship products and services, including QuickBooks®, Quicken® and TurboTax® software, simplify small business management and payroll processing, personal finance, and tax preparation and filing. ProSeries® and Lacerte® are Intuit's leading tax preparation software suites for professional accountants. For more information, visit [www.intuit.com](http://www.intuit.com) on the internet.

## About Real World Training

Real World Training was founded in 1992 by David J. O'Brien, CPA. Initially the company provided one-on-one accounting software training to small businesses. In 1994, the company began focusing exclusively on QuickBooks and began offering training courses on the program. In 1996, Real World Training developed the *Mastering QuickBooks* seminar. Since that time, Real World Training has taught over 1,000,000 students how to master QuickBooks for their business. For more information on Real World Training or to see seminar schedules online, visit [www.quickbookstraining.com](http://www.quickbookstraining.com) on the internet.

## Intuit Resources

The QuickBooks website is located at [quickbooks.intuit.com](https://quickbooks.intuit.com). This website has resources to help you better use QuickBooks. You will find information on Intuit's technical support options. You can find Certified ProAdvisors in your area, or learn how to become a Certified ProAdvisor.

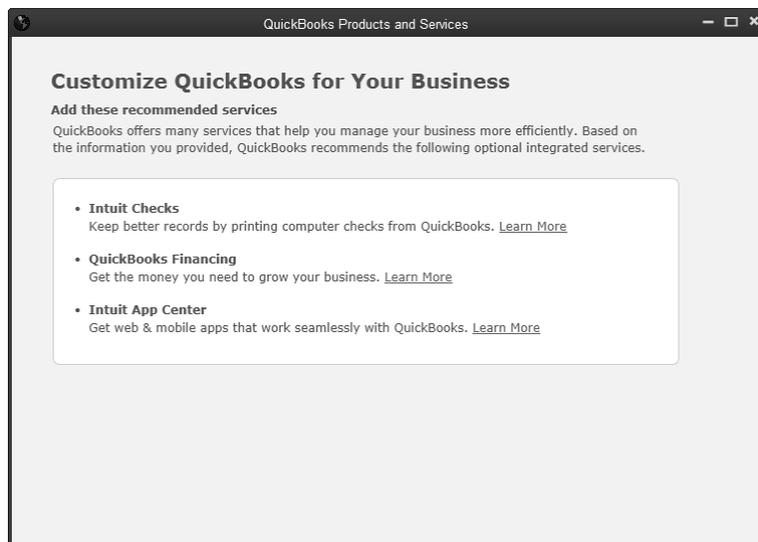
The website offers other Intuit products and services that integrate with QuickBooks. You can find information on merchant credit card accounts, payroll services, checks and forms, and other products/services.

The website also includes various small business resources. This includes links to other websites of particular interest to the QuickBooks user.

## Intuit Business Services

Intuit has formed strategic partnerships with other companies to offer you helpful resources for running your business. This helps you take advantage of emerging technologies usually reserved for larger companies.

Select Help:Add QuickBooks Services from the menu.

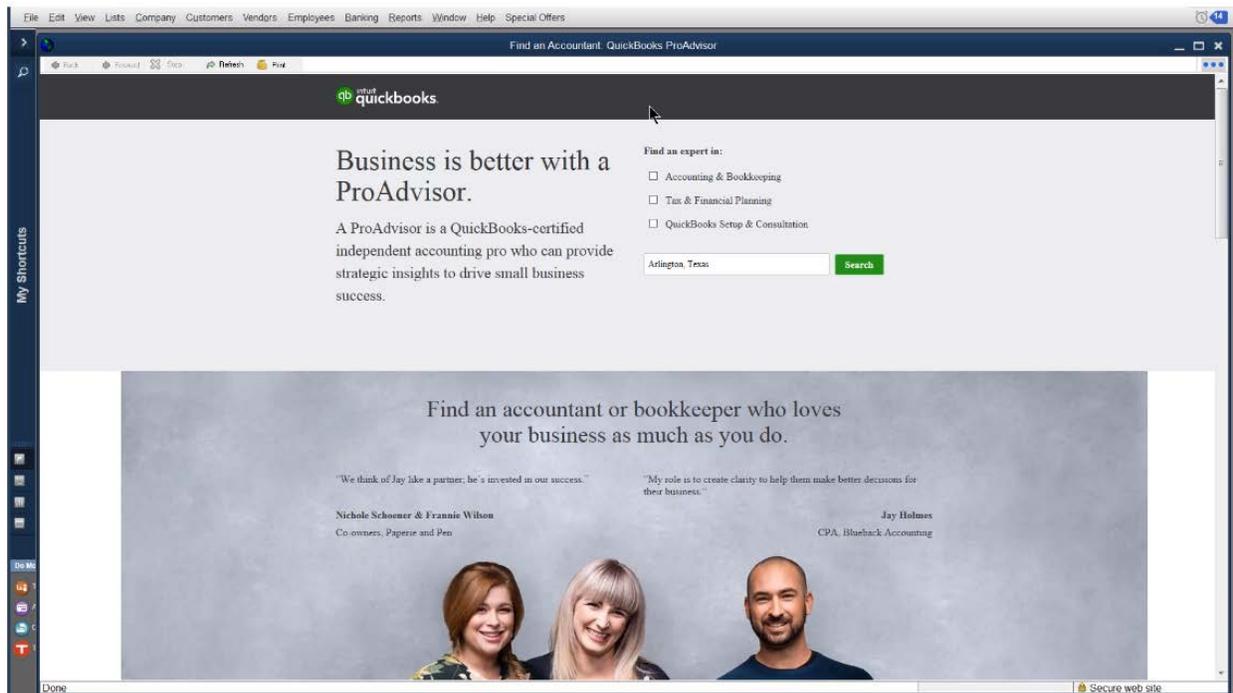


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## Locate a Certified QuickBooks ProAdvisor<sup>(SM)</sup>

Certified QuickBooks ProAdvisors are accounting professionals and computer consultants who work with small businesses using QuickBooks. They offer guidance on anything from installing QuickBooks to more advanced features such as customizing the program. Use a QuickBooks ProAdvisor to solve your toughest QuickBooks problems.

1. Select Help:Find A Local QuickBooks Expert from the menu.
2. Enter appropriate search information.
3. Click **Search**.



# Editions of QuickBooks

There are several editions of QuickBooks: QuickBooks Online, QuickBooks for Mac, QuickBooks Pro, QuickBooks Premier, and QuickBooks Enterprise Solutions.

Each edition includes basic features such as check writing, paying bills, entering sales and making deposits, and additional features and capabilities to support your growing business.

As an additional benefit, QuickBooks Pro, Premier, and Enterprise Solutions share a common look and feel. QuickBooks Premier and QuickBooks Enterprise Solutions are also available in industry-specific editions.

Your most important decision is whether to use online software or desktop software.

QuickBooks Editions
QuickBooks Online
QuickBooks for Mac
QuickBooks Pro
QuickBooks Premier
QuickBooks Enterprise Solutions
Industry-Specific Editions

## What QuickBooks Doesn't Do

QuickBooks might not be the best solution for some situations. These include the following:

1. Businesses with transaction levels too high for QuickBooks.
2. Companies that require more than five users simultaneously accessing company data files. QuickBooks Enterprise Solutions allows up to 30 concurrent users.
3. Businesses that need lists larger than the limits shown in the following table.

List Name	Pro & Premier	Enterprise Only
Customers & Jobs	14,500	Unlimited*
Vendors	14,500	Unlimited*
Employees	14,500	Unlimited*
Other Names List	14,500	Unlimited*
Chart of accounts	10,000	100,000
Items-including inventory items	14,500	Unlimited*
Sales reps	10,000	10,000
Price levels	100	100
Sales tax codes	10,000	10,000
Job types	10,000	10,000
Vendor types	10,000	100,000
Customer types	10,000	100,000
Payroll items	10,000	10,000
Classes	10,000	100,000
A/R terms & A/P terms (added together)	10,000	29,000
Payment methods	10,000	10,000
Shipping methods	10,000	10,000
Customer messages	10,000	100,000
To do's	10,000	100,000
Memorized transactions	14,500	50,000
Memorized reports	14,500	29,000

4. \*Performance testing was conducted at 100,000 list entries. You may see performance degradation as you add more than 100,000 items, customers or vendors.

# Chapter 2

# Setup Issues

## Should I Start Over?

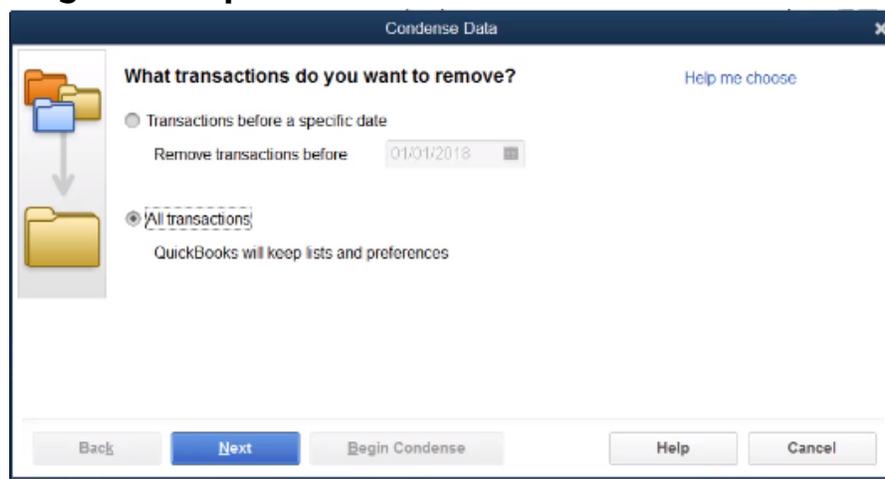
You may want to start a new file if your current file is too large, or if there are too many errors in the file. Starting over allows you to correct past mistakes, and set the file up correctly based on a better understanding of QuickBooks. Before you start over, here are some questions to consider:

1. Would fixing your current file be better than starting a new file?
2. How much time can you invest in setting up your file correctly?
3. Would starting over provide additional information you would use?
4. Can you wait until the end of the current financial period to start over?  
(This is the best time to start over)

## Remove All Transactions from a Company File

What if you already use QuickBooks and wish to start over? QuickBooks has a feature that makes this easier. The feature removes all transactions from an existing file. This option leaves lists, preferences, and service subscriptions in the file. However, all balances are removed. You must enter opening balances for accounts, customers, vendors, and inventory. Removing transactions is not allowed if payroll transactions exist in the current year. QuickBooks creates an archive copy of your data file before removing the transactions. Open this archive file if you need to access any of the removed transactions.

1. Select **File:Utilities:Condense Data** from the menu.
2. Click **Yes** in the **Budget Data May Be Affected** window (if applicable).
3. Click the **All transactions** button.
4. Click the **Next** button.
5. Click **Yes** in the **Condense Data** window.
6. Click the **Begin Cleanup** button.



## Setup Order

Follow the correct order to ensure the new file is set up correctly.

1. **Start Setup/Advanced Setup/From an existing company file**

Use one of these tools to create your company file. Enter company information, customize QuickBooks for your business, set up your chart of accounts, and password protect your company file.

2. **Complete & Modify Lists**

This could include importing lists from your old file. This is covered in

- 3.

4. Chapter 13.

5. **Enter Opening Balances**

Enter bank account balances through the EasyStep Interview. There are multiple ways to enter the rest of your opening balances. These are discussed later in the chapter.

6. Payroll Setup

7. **Enter History**

Enter transactions that have occurred from the start date to the current date.

8. Check Setup

9. Customize the File

10. Customize Home Page

11. Set Preferences

12. Add Custom Fields

13. Customize Forms

## Suggestions for New Start

The ideal start date is the beginning of a financial year. If this is not realistic, the beginning of a financial period (such as a month or quarter) is the next best option. Ideally, you should have an accurate balance sheet dated on the previous day.

Proper planning eases the transition to a new QuickBooks file. When starting a new file, follow these recommendations.

1. Gather necessary information
2. If you import lists, delete unnecessary entries in the new file
3. Practice with QuickBooks by entering transaction history (entering history is covered later in this chapter).
4. If possible, enter transactions in your new file AND your old file (or other accounting system) to ensure data is being entered correctly (i.e. run parallel systems)
5. If you don't have an accounting background, consider hiring an accounting professional or consultant.

## **Starting a New File**

It is important to have a number of items ready before you set up a new QuickBooks company file. Your accountant can provide valuable assistance in gathering this information.

### **Company information**

QuickBooks needs basic information such as company name, address, and tax IDs.

### **Bank account balances**

Look at recent bank statements and in company checkbooks for the current balances.

### **Sales taxes due**

If your business collects sales taxes, you need to know how much sales taxes were due as of the start date. After the start date, QuickBooks calculates the sales tax for you.

### **Inventory quantities and value**

QuickBooks needs starting information for inventory such as quantities on hand and value.

### **How much customers owe you**

You should know how much each customer owes you.

### **How much you owe vendors**

A vendor is someone from whom you purchase goods or services. You should know how much you owe each vendor.

### **Chart of accounts**

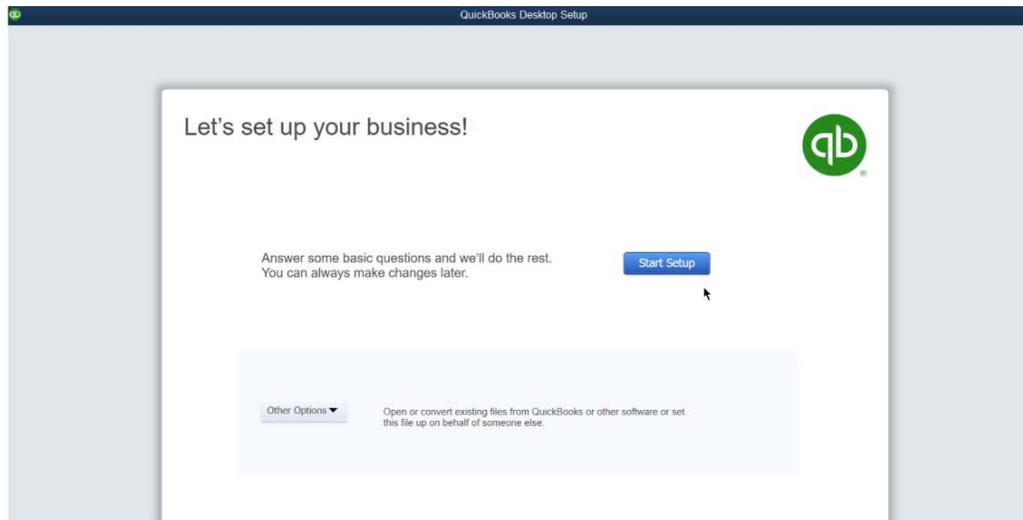
If you have a current chart of accounts, you will need this for the set up process.

An accountant can provide valuable assistance during the setup process.

## Create Company File

QuickBooks makes it easy to create your QuickBooks company file. Just answer some basic questions about your business to get started.

1. Select **File:New Company** from the menu.
2. Click the **Start Setup** button.
3. Enter appropriate information into the windows displayed by QuickBooks.

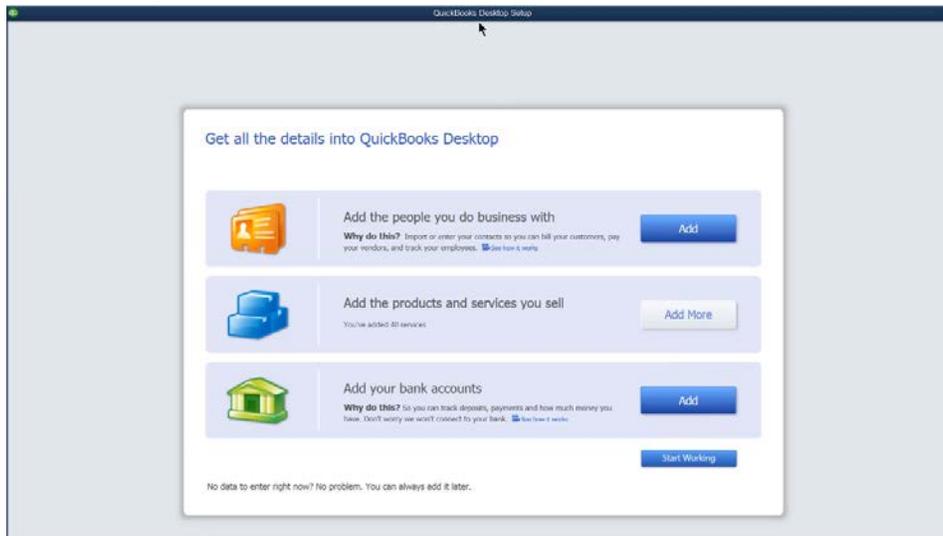


## Complete Your Setup

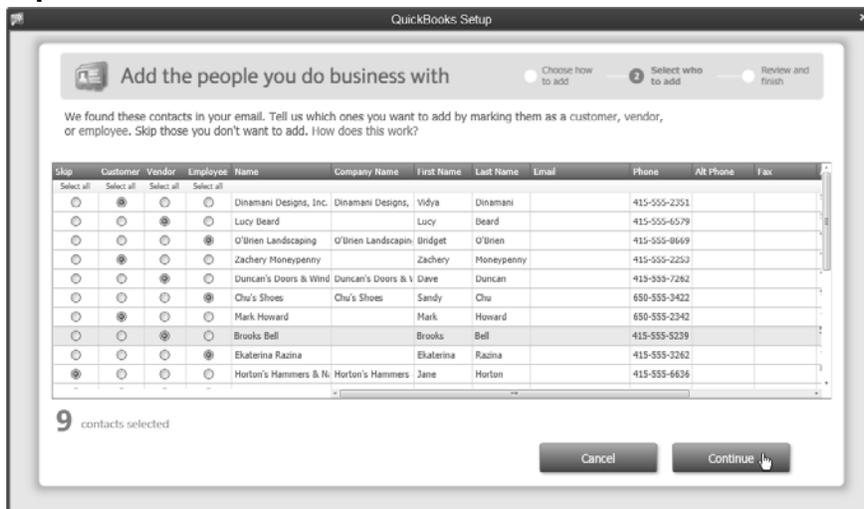
After the Advanced Setup, use QuickBooks Setup to set up your customers, vendors, employees, items, and bank accounts.

1. When you finish the **Advanced Setup**, QuickBooks opens the **QuickBooks Setup** window.
2. Click the **Add** button to enter customers, vendors, employees, items, and bank accounts.
3. Click **Start Working** to begin using QuickBooks.

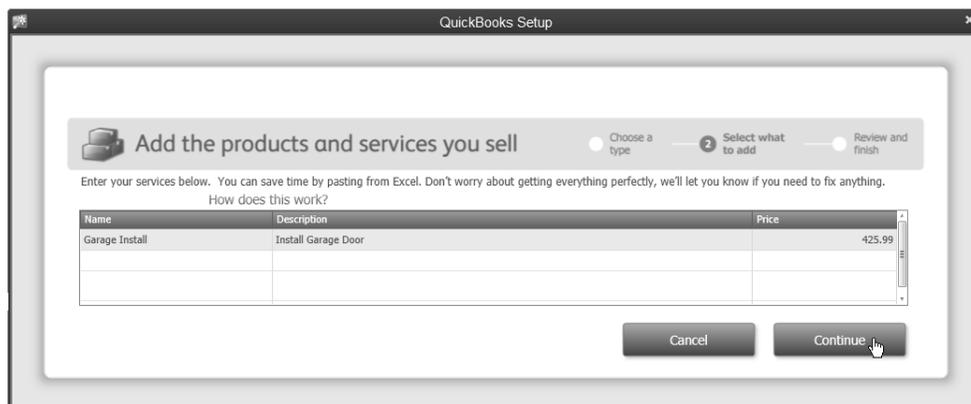
# QuickBooks Setup



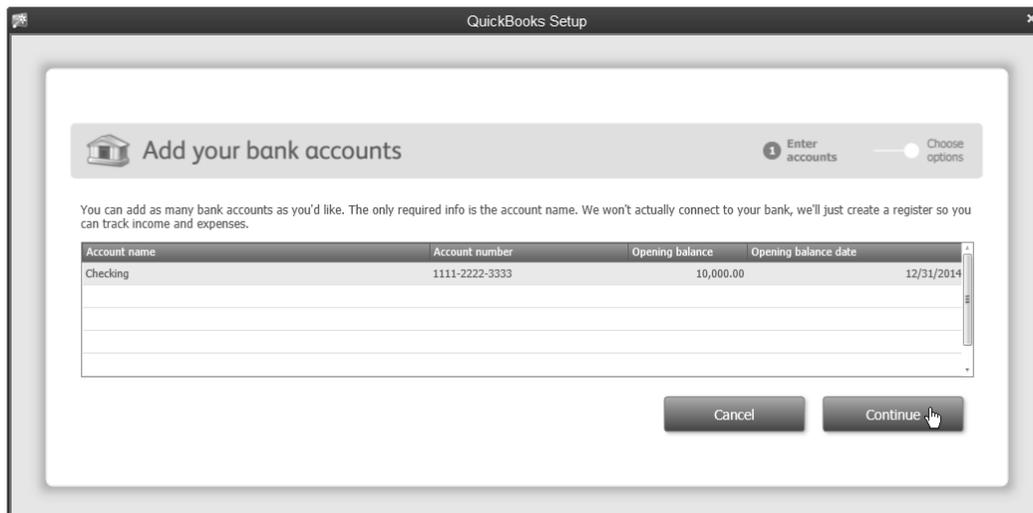
## Add the People You Do Business With



## Add the Products and Services You Sell



## Add Your Bank Accounts

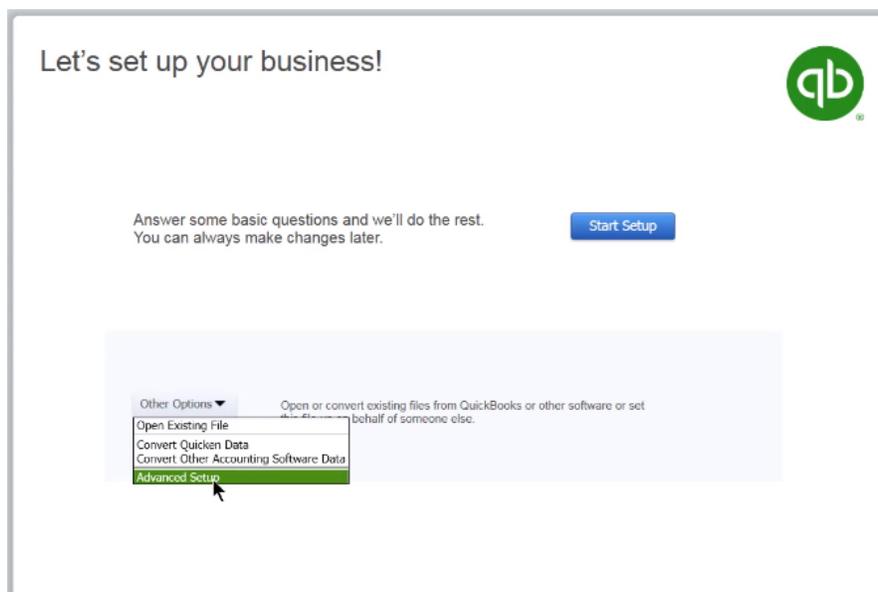


### Advanced Setup

The *Advanced Setup* walks you through the process of setting up a QuickBooks company. The tool simplifies the process of making important start-up decisions and customizing various elements of QuickBooks for your business.

1. Select **File:New Company** from the menu.
2. Click the **Other Options** drop-down list and select **Advanced Setup**.
3. Enter appropriate information on each window of the interview.

### Get Started



## Enter Company Information

The screenshot shows the 'Enter your company information' step of the QuickBooks EasyStep Interview. The interface includes a progress bar on the left, a 'Get answers' link, and a 'Need help setting up?' section with links to 'Find A Local QuickBooks Expert' and 'QuickBooks Expert (fees may apply)'. The main form contains the following fields:

- Company name: Buildem, Inc.
- Legal name: Buildem, Inc.
- Tax ID: 75-1234567
- Street address: 123 LBJ Freeway, #100
- City: Dallas, State: TX, Zip: 75248
- Country: U.S.
- Phone: 214-555-1212, Fax: 214-555-1111
- E-mail address: kelsey@buildem.com
- Web site: www.buildem.com

At the bottom, there are 'Leave...', '< Back', and 'Next >' buttons. A note at the bottom right asks 'What if I have more than one business?'.

## Select Your Industry

The screenshot shows the 'Select your industry' step of the QuickBooks EasyStep Interview. The interface includes a progress bar on the left, a 'Get answers' link, and a 'Need help setting up?' section with links to 'Find A Local QuickBooks Expert' and 'QuickBooks Expert (fees may apply)'. The main form contains the following elements:

- Text: 'Tell us your industry and we'll customize QuickBooks to work best for you. You will be able to review our recommendations and change them in this interview. And, you can always change each of these settings later. Explain'
- Note: 'Note: Don't see your industry? Choose an industry that is similar to yours. Examples'
- Text: 'Select an industry from the list'
- Industry selection list with the following options:
  - Accounting or Bookkeeping
  - Advertising or Public Relations
  - Agriculture, Ranching, or Farming
  - Art, Writing, or Photography
  - Automotive Sales or Repair
  - Church or Religious Organization
  - Construction General Contractor
  - Construction Trades (Plumber, Electrician, HVAC, etc.)
  - Design, Architecture, or Engineering
  - Financial Services other than Accounting or Bookkeeping
- Text: 'How does QuickBooks use my industry selection?'

At the bottom, there are 'Leave...', '< Back', and 'Next >' buttons.

## Enter Opening Balances

You must enter opening balances if you want accurate financial statements. You can enter most opening balances with a journal entry. However, several accounts require special attention. These accounts are shown in this section.

## General Journal Entry

Use a Journal Entry to enter most opening balances. Use Opening Balance Equity to “balance” this entry. You adjust Opening Balance Equity later in this chapter.

ACCOUNT	DEBIT	CREDIT	MEMO	NAME	BILLA...
Employee Loan	2,500.00				
Vehicles	24,448.00				
Sales Tax Payable		350.00			
Loan Payable		14,000.00			
Vehicle Loan		11,000.00			
Opening Bal Equity		1,598.00			
Totals	26,948.00	26,948.00			

## Bank Accounts

During QuickBooks Setup, QuickBooks asks for the last *bank statement balance*. It does not ask for the *book balance* on the balance sheet. Convert the bank’s balance to the book balance by entering the outstanding transactions into the checking account. Entering outstanding bank transactions is also necessary for your first bank reconciliation. However, do not use the original expense or income accounts used in those transactions. Use the Opening Balance Equity account instead.

Account name	Account number	Opening balance	Opening balance date
Checking	1111-2222-3333	10,000.00	12/31/2014

## Account Register (Enter Outstanding Transactions)

DATE	NUMBER	ACCOUNT	PAYEE	MEMO	PAYMENT	DEPOSIT	BALANCE
12/09/2022	445	CHK	Opening Bal Equity	uncleared at start date	2,000.00		-2,000.00
12/13/2022	446	CHK	Opening Bal Equity	uncleared at start date	800.00		-2,800.00
12/25/2022		TRANSFR	Opening Bal Equity	uncleared at start date		500.00	-2,300.00
12/26/2022		DEP	Opening Bal Equity	Account Opening Balance		5,000.00	2,700.00
ENDING BALANCE							2,700.00

## Accounts Receivable

There are 2 ways to enter beginning Accounts Receivable using forms. The appropriate method depends upon your requirements.

### 1. Enter A/R without Invoice Detail

Create an item linked to Opening Balance Equity. QuickBooks uses this account as the offset for each beginning balance entry. Build the Accounts Receivable detail by entering each outstanding invoice with the original date. Enter the invoice balance using the item linked to Opening Balance Equity. This enters the detail for Accounts Receivable without entering each invoice's detail.

**Invoice** See History  
**PAST DUE**

CUSTOMER: Isabella Incorporated  
TEMPLATE: Intuit Service...

DATE: 12/11/2022  
INVOICE #: 1

BILL TO: Isabella Rosa  
212 Topretty Street  
Dallas, TX 78776

ITEM	QUANT.	DESCRIPTION	RATE	AMOUNT
Opening Balance		Beginning balance for customer	2,500.00	2,500.00

TOTAL: 2,500.00  
PAYMENTS APPLIED: 0.00  
BALANCE DUE: 2,500.00

Buttons: Save & Close, Save & New, Revert

## 2. Enter A/R with Invoice Detail

Build the Accounts Receivable detail by entering each outstanding invoice using the original date. Use items that are linked to the appropriate income accounts. Because the invoices will likely be dated in the prior year, the activity is included in beginning Retained Earnings. This enters the detail for Accounts Receivable and the individual invoice's detail.

Use this method if you are on the cash basis of accounting. The income is not recognized until the money is received. Therefore, enter the invoices using the appropriate items so the proper accounts are affected when payment is received.

The screenshot shows the 'Create Invoices' interface in QuickBooks. The main window displays the following information:

- Customer:** Isabella Incorporated
- Template:** Intuit Service...
- DATE:** 12/11/2022
- INVOICE #:** 2
- BILL TO:** Isabella Rosa, 212 Topretty Street, Dallas, TX 78776

ITEM	QUANT.	DESCRIPTION	RATE	AMOUNT
General Service	2.5	Services provided by the hour	90.00	225.00

**TOTAL:** 225.00  
**PAYMENTS APPLIED:** 0.00  
**BALANCE DUE:** 225.00

The right sidebar shows customer information for 'Isabella Incorporated' and a summary of balances:

- Phone: 214-782-0485
- Email: bella@iwilbreakhearts.com
- Open balance: 5,000.00
- Active estimates: 0
- Sales Orders to be invoiced: 0

Recent transactions include:

- 12/30/22 Invoice: 500.00
- 12/29/22 Invoice: 2,000.00

## Accounts Payable

There are 2 ways to enter beginning Accounts Payable using forms. The appropriate method depends on your requirements.

1. Build the Accounts Payable detail by entering each outstanding bill using the original date. Use Opening Balance Equity as the expense account.
2. Build the Accounts Payable detail by entering each outstanding bill using the original date. Use appropriate accounts, or items linked to the appropriate accounts. Because the bills will likely be dated in the prior year, the activity is included in beginning Retained Earnings.
3. Use this method if you are on the cash basis of accounting. The expense is not recognized until the bill is paid. Therefore, enter the bills using the appropriate items or accounts so QuickBooks affects the correct accounts when you pay the bills.

## Credit Cards

Credit card account balances cannot be entered during QuickBooks Setup. Instead, enter your credit card opening balance using the account register or a journal entry which you learned earlier. Use the credit card statement balance as the opening balance. However, this creates the same reconciliation issue explained in the bank account section. The solution is the same. Enter the outstanding credit card charges and payments using the Opening Balance Equity account.

DATE	REF	PAYEE	CHARGE	PAYMENT	BALANCE
TYPE	ACCOUNT	MEMO			
12/26/2022			2,000.00		2,000.00
	CC	Opening Bal Equity	Account Opening Balance		
12/28/2022		Restaurant	87.00		2,087.00
	CC	Opening Bal Equity	Last Year Charge		
12/29/2022		Visa		2,000.00	87.00
	CC CRED	Opening Bal Equity	Last Year Payment		
1/01/2023	Ref	Payee	Charge	Payment	
		Account			
ENDING BALANCE					<b>87.00</b>

## Equity Accounts

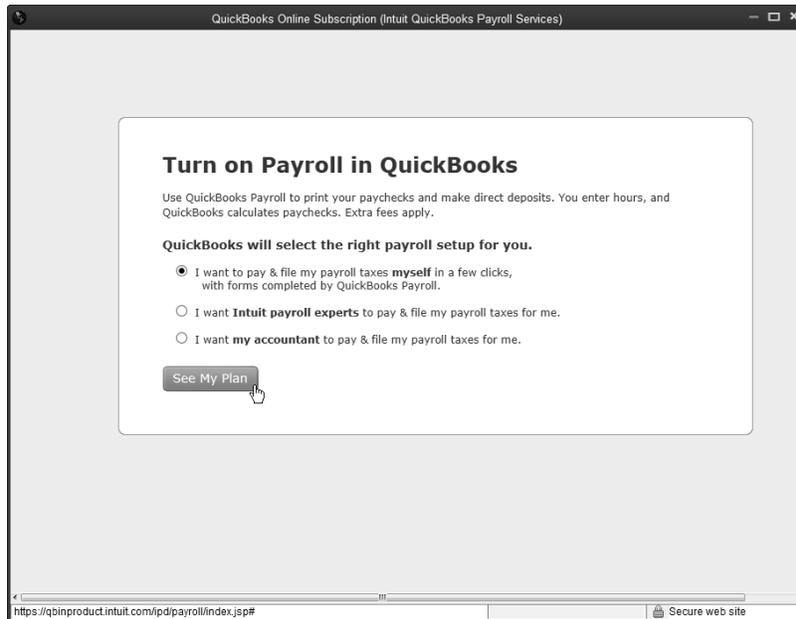
Equity is the last opening balance you should enter. Enter Equity balances with a journal entry. This journal entry should also transfer the Opening Balance Equity balance to the appropriate equity accounts.

ACCOUNT	DEBIT	CREDIT	MEMO	NAME	BILLAB...
Opening Bal Equity	14,011.00		Classify beginning equity		
Additional Paid in Capital		5,000.00	Classify beginning equity		
Capital Stock		2,750.00	Classify beginning equity		
Retained Earnings		6,261.00	Classify beginning equity		
Totals		14,011.00	14,011.00		

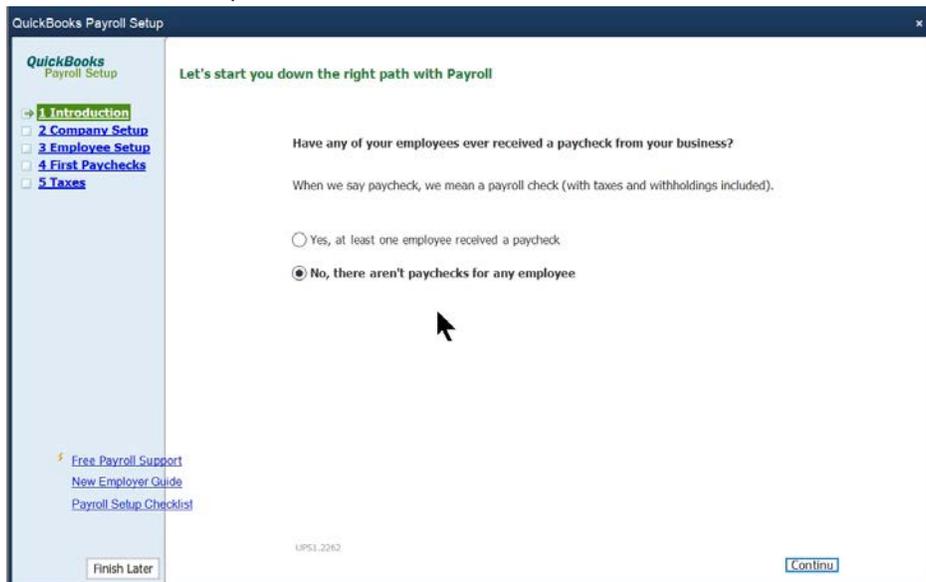
## Payroll Setup

The Payroll Setup interview streamlines payroll setup. Use QuickBooks Payroll Setup to enter all necessary payroll information and payroll related account opening balances.

1. Click the **Turn on Payroll** icon on the **Home** page.



2. Select **Employees:Payroll Setup** from the menu.
3. Enter appropriate information in the **QuickBooks Payroll Setup** windows.
4. Click **Finish** when complete.



## Enter History

Your accounting records are not complete until the transactions from the start date to the current date are entered. There are two ways to enter the history.

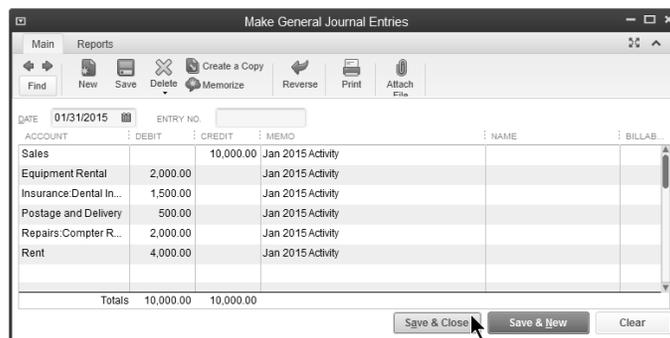
## Enter Individual Transactions

A list of the historical transactions and the order they should be entered follows:

- Sales & Accounts Receivable History
- Invoices
- Statement Charges
- Sales Receipts
- Customer Credits>Returns
- Customer Payments
- Deposits of Customer Payments
- Sales Tax Payments
- Vendor & Accounts Payable History
- Bills
- Vendor Credits
- Bill Payments
- Payroll History
- Use the *Year-to-Date Payrolls* step of the QuickBooks Payroll Setup interview
- Bank & Credit Card History
- Checks (do not duplicate bill payments)
- Deposits (do not duplicate customer payments/deposits)
- Bank Fees and Transfers
- Credit Card Charges/Credits
- Reconcile Bank Accounts
- Reconcile each month to ensure greatest accuracy

## Enter Summary Journal Entries

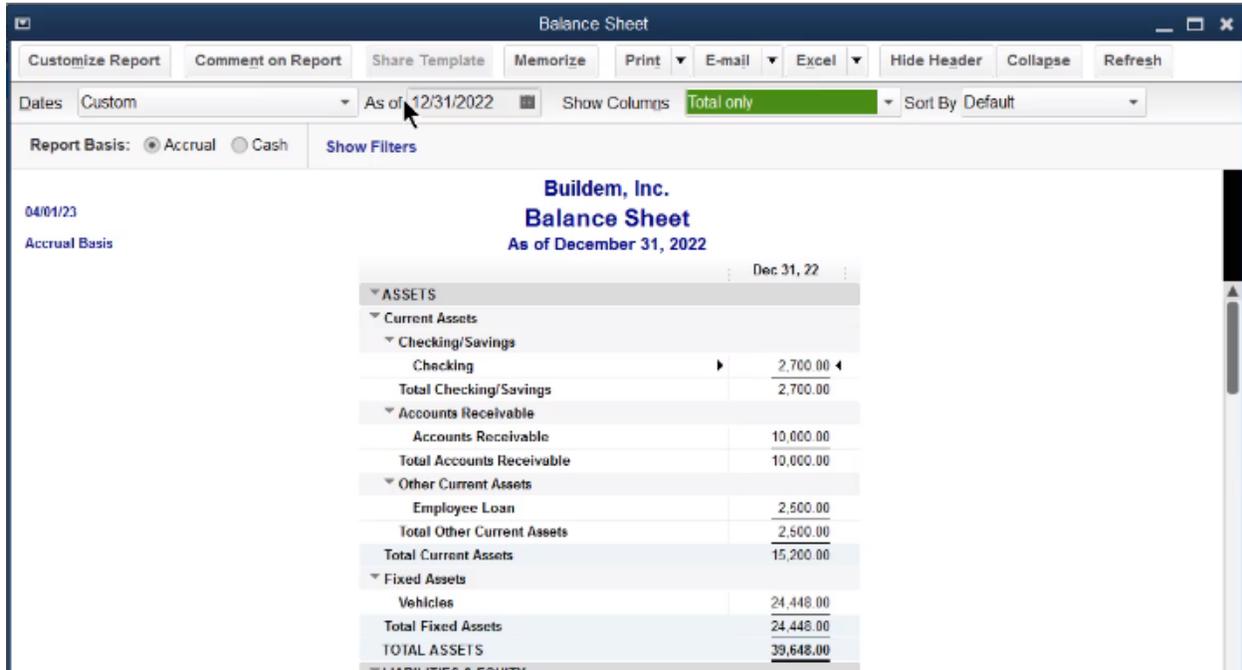
Journal entries can be used to summarize transactions between the start date and the current date.



## Check Setup

After you enter opening balances and history, test their accuracy by running several reports. Compare the reports to the supporting schedules or last year's tax return.

1. Use the Balance Sheet as of the day before your start date to verify beginning account balances.



**Buildem, Inc.**  
**Balance Sheet**  
As of December 31, 2022

	Dec. 31, 22
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Checking	2,700.00
<b>Total Checking/Savings</b>	2,700.00
<b>Accounts Receivable</b>	
Accounts Receivable	10,000.00
<b>Total Accounts Receivable</b>	10,000.00
<b>Other Current Assets</b>	
Employee Loan	2,500.00
<b>Total Other Current Assets</b>	2,500.00
<b>Total Current Assets</b>	15,200.00
<b>Fixed Assets</b>	
Vehicles	24,448.00
<b>Total Fixed Assets</b>	24,448.00
<b>TOTAL ASSETS</b>	<b>39,648.00</b>

2. Use the Profit & Loss Statement for the periods since the start date to verify historical transactions.
3. Use the Open Invoices report to verify accounts receivable detail as of the start date.
4. Use the Unpaid Bills Detail report to verify accounts payable detail as of the start date.
5. Use the Inventory Valuation Summary report to verify inventory.
6. Use the Payroll Liabilities report to verify payroll liability detail as of the start date.
7. Use the Payroll Summary report to check year-to-date payroll transactions.

## Edit Beginning Balance/Start Date

If you need to change either the beginning balance or the start date of an account, the easiest way to do so is through the account register.

1. Click the **Chart of Accounts** icon on **Home** page.
2. Double-click on the appropriate account.
3. Click the entry with the **Memo** entered as **Account Opening Balance**.
4. Enter the new **Date** to change the account's start date.
5. Press **Tab** until the cursor is in the amount field.
6. Enter the correct beginning balance.
7. Click the **Record** button.

DATE	NUMBER	PAYEE		PAYMENT	DEPOSIT	BALANCE
	TYPE	ACCOUNT	MEMO			
12/09/2022	445			2,000.00		-2,000.00
	CHK	Opening Bal Equity	uncleared at start date			
12/13/2022	446			800.00		-2,800.00
	CHK	Opening Bal Equity	uncleared at start date			
12/25/2022					500.00	-2,300.00
	TRANSFR	Opening Bal Equity	uncleared at start date			
2/22/2022		Number	Payee	Payment	5,000.00	2,700.00
	DEP	Opening Bal Equity	Account Opening Bala...			
04/01/2023						

ENDING BALANCE **2,700.00**

Buttons: Splits, 1-Line, Sort by (Date, Type, Number/Ref), Record, Restore

# Chapter 3

# Customizing QuickBooks

## **Customize QuickBooks**

You should customize QuickBooks to suit your needs. During this chapter, you learn to customize preferences, the Icon Bar and custom fields. You also customize QuickBooks using account numbers and class tracking.

### **1. Preferences**

You turn features on and off with preferences. Some preferences are set automatically during the Advanced Setup, but you can change them at any time. Some preferences also change how QuickBooks looks. You change and set preferences during this chapter.

### **2. Icon Bar**

Use the Icon Bar to create shortcuts to activities you perform often. You learn to customize the Icon Bar during this chapter.

### **3. Custom Fields**

Create custom fields to track information specific to your business. You set up and use custom fields during this chapter.

### **4. Account Numbers**

Most people only use account numbers at the request of their accountant. You learn about account numbers during this chapter.

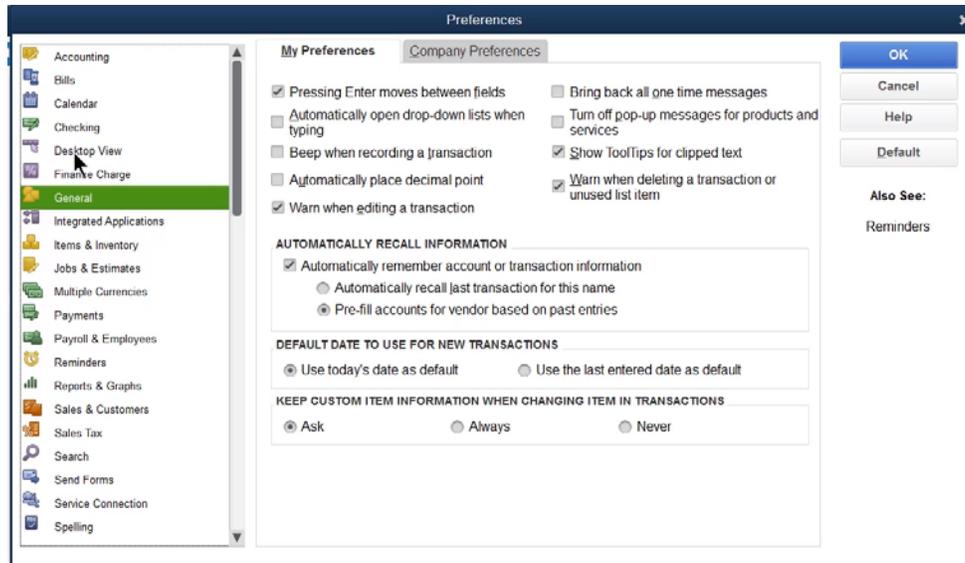
### **5. Class Tracking**

Classes provide a way to classify income and expense transactions. Use classes for departments, business offices or locations, separate properties, or whatever else is appropriate for your business. You learn about class tracking during this chapter.

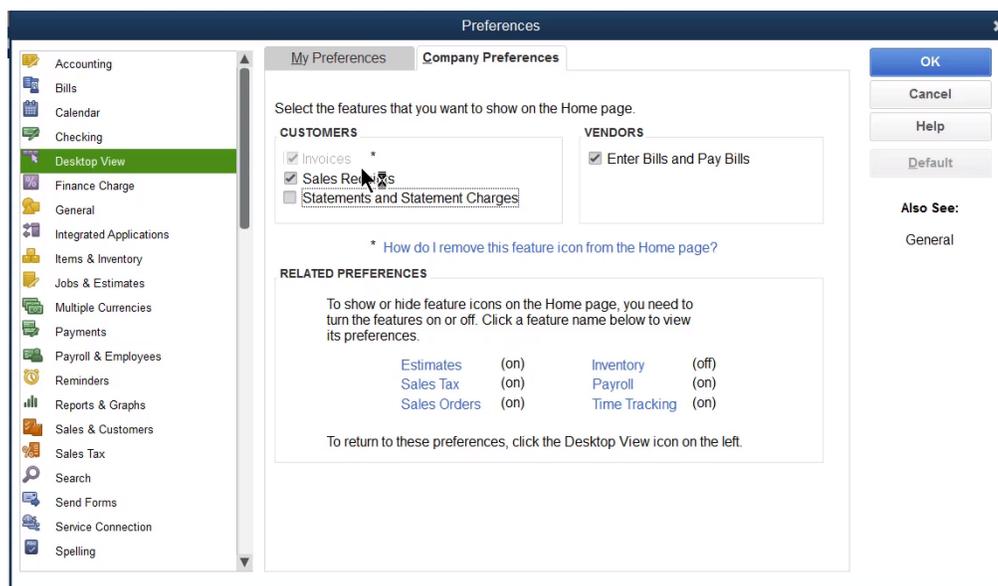
## Preferences

To learn more about a particular preference, open the appropriate preferences window and press the F1 key. QuickBooks displays a help window explaining each preference.

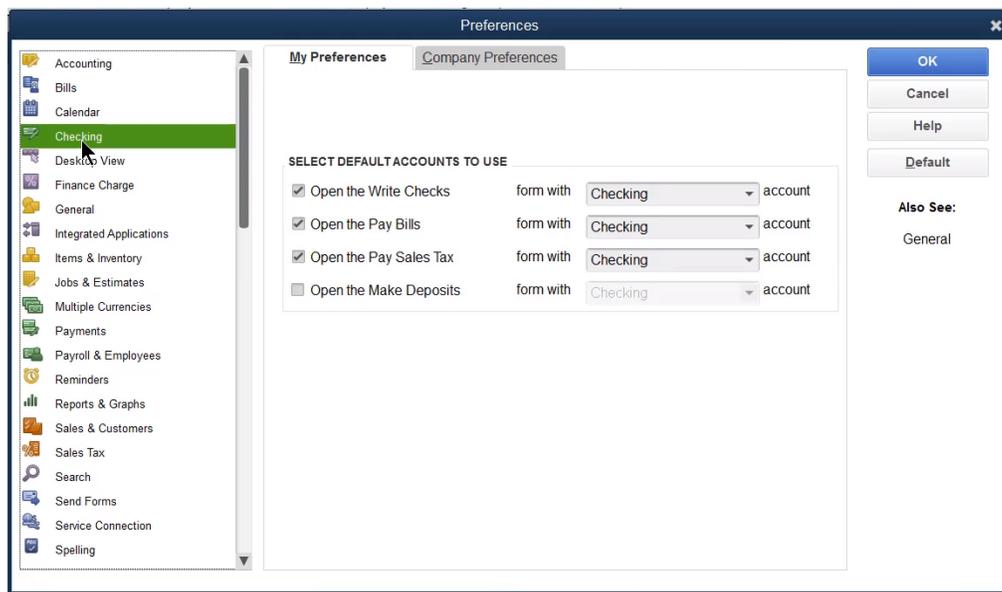
1. Select **Edit:Preferences** from the menu.
2. Click the **General** icon in the list to the left.
3. Change appropriate information in the **Preferences** window.
4. Click **OK**.



5. Select **Edit:Preferences** from the menu.
6. Click the **Desktop View** icon in the list to the left.
7. Change appropriate information in the **Preferences** window.
8. Click **OK**.

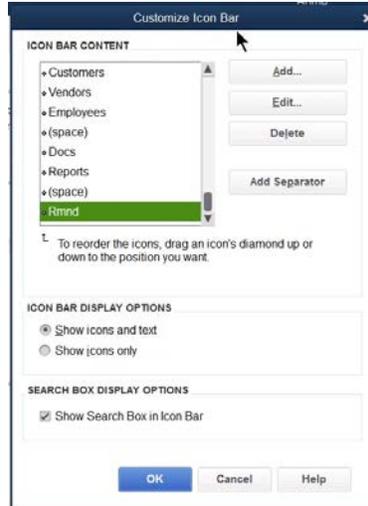


9. Select **Edit:Preferences** from the menu.
10. Click the **Checking** icon in the list to the left.
11. Change appropriate information in the **Preferences** window.
12. Click **OK**.
13. Select **Edit:Preferences** from the menu.
14. Click the **Checking** icon in the list to the left.
15. Click the Company Preferences tab.
16. Change appropriate information in the **Preferences** window.
17. Click **OK**.

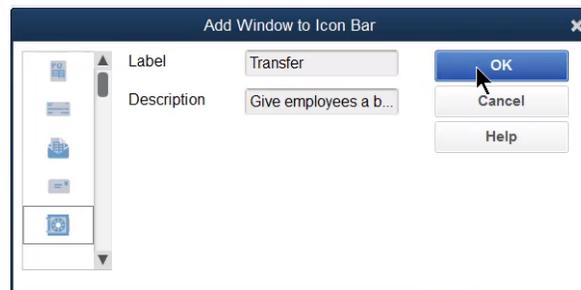


## Customize Icon Bar

1. Select View:Customize Icon Bar from the menu.
2. Change appropriate information in the **Customize Icon Bar** window.
3. Click **OK**.



4. Display the window to be added to the **Icon Bar**.
5. Select View:Add (Window Name) to Icon Bar from the menu.
6. Change appropriate information in the **Add Window to Icon Bar** window.
7. Click **OK**.



## Custom Fields

QuickBooks lets you add up to 7 custom fields for customers, vendors, and employees. You can add up to five custom fields for items. The custom fields can then be added to reports and forms.

1. Display the Customer Center, Vendor Center or Employee Center.
2. Edit or create a new entry.
3. Click the Additional Info tab.
4. Click the **Define Fields** button.
5. Enter the custom fields and make the appropriate selections in the **Set up Custom Fields for Names** window.
6. Click **OK**.
7. Click **OK**.

Label	Use for:		
	Cust	Vend	Empl
Service Person	✓		
Credit Rating	✓		
Pager #	✓		
Birthday			

## Enter Custom Field Information

CUSTOMER NAME: Chicago Hotel Builders  
CURRENT BALANCE: 1,515.93  
How do I adjust the current balance?

Address Info  
Payment Settings  
Sales Tax Settings  
Additional Info

CUSTOMER TYPE: Commercial  
REP: TIC

**CUSTOM FIELDS**  
SERVICE PERSON: Smith  
CREDIT RATING: AA  
PAGER #: 312-555-0011  
BIRTHDAY: 10/15

Define Fields

Customer is inactive

OK Cancel Help

## Custom Fields-Enterprise Solutions

Enterprise Solutions has enhanced custom field capabilities, such as assigning a data type/format, creating a multiple choice list, and the option to require entry of the field on transactions and/or lists. These enhancements improve data entry accuracy and consistency.

1. Display the Customer Center, Vendor Center or Employee Center.
2. Edit or create a new entry.
3. Click the Additional Info tab.
4. Click the **Define Fields** button.
5. Enter the custom fields and make the appropriate selections in the **Set up Custom Fields for Names** window.
6. Click **OK**.
7. Click **OK**.

## Set up Custom Fields for Names

Label	Use for:			What kind of data?	Required on:	
	Cust	Vend	Empl		Trans	List
Birthday	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Date (mm/dd/yyyy)	<input type="checkbox"/>	<input type="checkbox"/>
Service Person	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	User's multi-choice list...	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

## Enter Custom Field Information

CUSTOMER NAME: O'Brien, Bethany

CURRENT BALANCE 0.00 [How do I adjust the current balance?](#)

**Additional Info**

CUSTOMER TYPE: [Dropdown]

REP: [Dropdown]

**CUSTOM FIELDS**

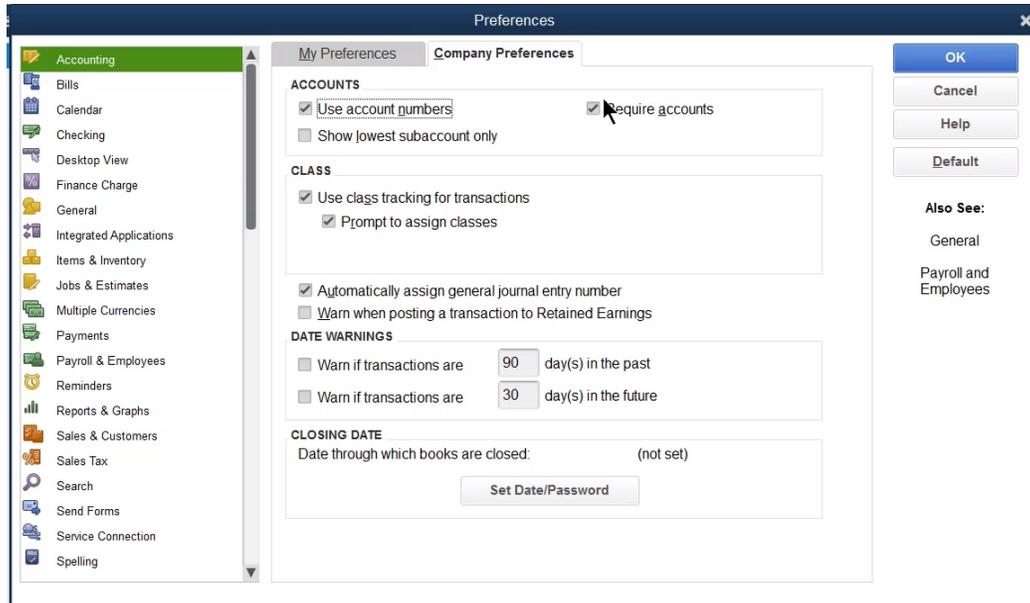
BIRTHDAY: 07/03/1967

SERVICE PERSON: Mike

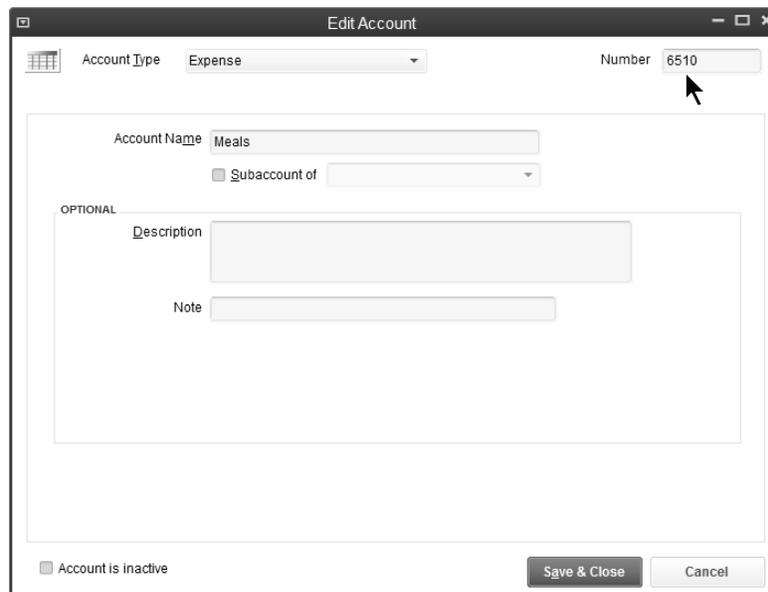
## Account Numbers

1. Select **Edit:Preferences** from the menu.
2. Click the **Accounting** icon in the list to the left.
3. Click the Company Preferences tab.
4. Click the box next to **Use account numbers**.
5. Click **OK**.

## Accounting Preferences



## Edit Account

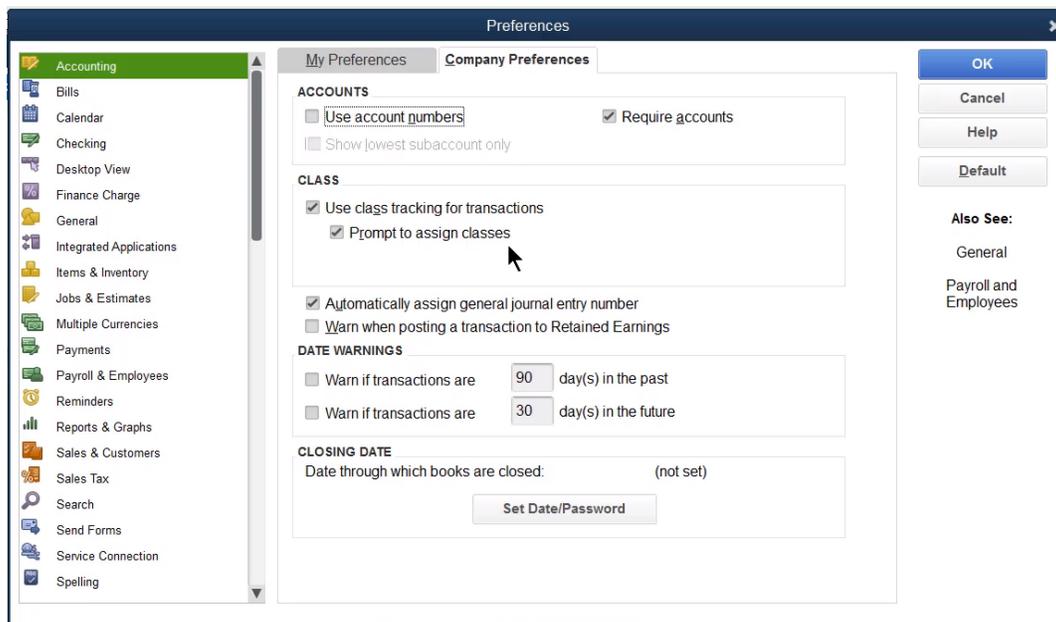


## Classes

Classes provide a way to classify account balances. This allows you to generate profit & loss statements and balance sheets by *class*.

Use classes for departments, business offices or locations, separate properties, or whatever else is appropriate for your business. This is much easier than setting up an extensive chart of accounts to provide the same information.

1. Select **Edit:Preferences** from the menu.
2. Click the **Accounting** icon in the list to the left.
3. Click the Company Preferences tab.
4. Click the box next to **Use class tracking**.
5. Click **OK**.



6. Select **Lists:Class List** from the menu.
7. Click the **Class** button.
8. Select **New** from the menu.
9. Enter appropriate information in the **New Class** window.
10. Click **OK**.

11. Select **Reports:Company & Financial:Balance Sheet by Class** from the menu.

**Buildem, Inc.**  
**Balance Sheet by Class**  
 As of April 1, 2023

Accrual Basis

	Dallas	Fort Worth	Houston	Unclassified	TOTAL
<b>ASSETS</b>					
<b>Current Assets</b>					
<b>Checking/Savings</b>					
Checking	(27,868.63)	(8,438.95)	13,037.76	29,711.97	6,442.15
Money Market Account	0.00	0.00	0.00	4,500.00	4,500.00
<b>Total Checking/Savings</b>	(27,868.63)	(8,438.95)	13,037.76	34,211.97	10,942.15
<b>Accounts Receivable</b>					
Accounts Receivable	52,704.29	15,484.50	8,748.40	0.00	76,937.19
<b>Total Accounts Receivable</b>	52,704.29	15,484.50	8,748.40	0.00	76,937.19

12. Select **Reports:Company & Financial:Profit & Loss by Class** from the menu.

**Buildem, Inc.**  
**Profit & Loss by Class**  
 January 1 through April 1, 2023

Accrual Basis

	Dallas	Fort Worth	Houston	TOTAL
Materials	24,117.50	12,279.55	749.23	37,146.28
<b>Total COGS</b>	57,567.50	50,902.13	3,169.23	111,638.86
<b>Gross Profit</b>	59,452.86	(22,468.01)	37,331.42	74,316.27
<b>Expense</b>				
Advertising	350.00	0.00	3,250.00	3,600.00
Automobile Expense	5.30	4.99	0.00	10.29
Bank Service Charges	0.00	0.00	25.00	25.00
Building Supplies	158.87	0.00	98.22	257.09
Cleaning	0.00	320.00	0.00	320.00
Contributions	0.00	0.00	10.00	10.00
Depreciation Expense	1,200.00	600.00	0.00	1,800.00
Dues and Subscriptions	78.55	62.50	0.00	141.05

# Chapter 4

# Items & Inventory

## Expenses vs. Items

When entering a bill or check, you have the option of entering the line item as an *Expense* or *Item*. Use the *Items* tab in the following instances:

1. The line item relates to the purchase of an *Inventory Part*.
2. The cost relates directly to a job. Then, the cost appears in a meaningful fashion on job cost reports.

Use the *Expenses* tab for all other transactions.

## Job Profitability Detail Report

**Buildem, Inc.**  
**Job Profitability Detail for Lake Michigan Development**  
 All Transactions

	Act. Cost	Act. Revenue	(\$) Diff.
<b>Inventory</b>			
Cedar Door (Natural Cedar D...	2,999.90	4,999.50	1,999.60
<b>Total Inventory</b>	2,999.90	4,999.50	1,999.60
<b>Service</b>			
Knob Install (Install door knob)	150.00	0.00	(150.00)
<b>Total Service</b>	150.00	0.00	(150.00)
<b>No item</b>	99.00	0.00	(99.00)
<b>TOTAL</b>	<b>3,248.90</b>	<b>4,999.50</b>	<b>1,750.60</b>

## Bill Using Items

**Bill**

VENDOR: Spendalot, Inc. DATE: 04/01/2023  
 ADDRESS: Spendalot, Inc., 12 East White Mesquite, TX 83488 REF. NO.: 0040  
 AMOUNT DUE: 150.00  
 TERMS: Net 15 DISCOUNT DATE: BILL DUE: 04/16/2023

ITEM	DESCRIPTION	QTY	COST	AMOUNT	CUSTOMER JOB	BILLABLE?
Knob Install	Install door knob	2	75.00	150.00	Lake Michigan Development	<input checked="" type="checkbox"/>

Expenses: \$0.00 Items: \$150.00

Buttons: Receive All, Show PO, Save & Close, Save & New, Revert

## Inventory Limitations

There are certain situations where QuickBooks might not be the best solution for inventory. These include:

1. Inventory consists of unique items
2. You track inventory items by serial number
3. Inventory consists of rental items
4. Items sold are not owned (such as items held on consignment)
5. You need to value inventory using LIFO or FIFO or another cost flow assumption

Also, an important consideration when setting up items is how they are labeled in the list. When entering line items on a sales form, the Item Name/Number is entered. Name items so they are easily retrievable using Quick Fill.

NAME	D...	TYPE	ACCOUNT	TOTAL Q...	A...	PRICE	P...	ATTACH
• Door Assembly La...	La...	Service	Service Income	0.00		132.00		
• Double Install	Ins...	Service	Construction Inco...	0.00		1,295.00		
• Garage Install	Ins...	Service	Service Income	0.00		425.99		
• Glass Install	Ins...	Service	Service Income	0.00		295.00		
• Install Cedar Door	Ins...	Service	Service Income	0.00		150.00		
• Install Patio Locks	Ins...	Service	Service Income	0.00		150.00		
• Knob Install	Ins...	Service	Service Income	0.00		99.95		
• Lock Repairs	R...	Service	Service Income	0.00		0.00		

## Other Uses for Inventory Adjustments

Use inventory adjustments to change the on-hand quantities in QuickBooks to match the actual quantity on-hand. There are other situations when you need to adjust inventory quantities. For example, if you donate inventory, use inventory internally, or give away inventory as a promotion.

1. Click the **Inventory Activities** icon on the **Home** page.
2. Click Adjust Quantity/Value On Hand.
3. Click the **Adjustment Type** drop-down list and select **Quantity**.
4. Enter appropriate information in the **Adjust Quantity/Value on Hand** window.
5. Enter either the **New Qty** or **Qty Difference** in the window.
6. Click Save & Close.

## Charitable Contribution

Adjust Quantity/Value on Hand

Previous Next Attach

Adjustment Type: Quantity  
 Adjustment Date: 04/01/2023  
 Adjustment Account: Charitable Contributions  
 Reference No: 1  
 Customer Job:

Find & Select Items...

ITEM	DESCRIPTION	QTY ON HAND	NEW QUANTITY	QTY DIFFERENCE
Door Knob	Deluxe Brass Door Knob	165	164	-1

Memo: Homeless shelter

Total Value of Adjustment: -35.95  
 Number of Item Adjustments: 1

ITEM INFO AFTER ADJUSTMENT

Quantity on Hand	164
Avg Cost per Item	35.95
Value	5,895.80

Save & Close Save & New Clear

## Sales Promotion

Adjust Quantity/Value on Hand

Previous Next Attach

Adjustment Type: Quantity  
 Adjustment Date: 04/01/2023  
 Adjustment Account: Sales Promotion  
 Reference No: 1  
 Customer Job: Auldridge Windows

Find & Select Items...

ITEM	DESCRIPTION	QTY ON HAND	NEW QUANTITY	QTY DIFFERENCE
Door Knob	Deluxe Brass Door Knob	164		-1

Memo:

Total Value of Adjustment: 0.00  
 Number of Item Adjustments: 0

ITEM INFO AFTER ADJUSTMENT

Quantity on Hand	164
Avg Cost per Item	35.95
Value	5,895.80

Save & Close Save & New Clear

## Value Adjustments

QuickBooks uses the average cost method for inventory. Adjust the average cost and inventory asset value by making a *Value Adjustment*.

1. Select Reports:Inventory:Inventory Valuation Detail from the menu.

Type	Date	Name	Num	Qty	Cost	On Hand	Avg Cost	Asset Value
<b>Inventory</b>								
<b>Door Knob (Standard Door Knob)</b>								
Credit Memo	04/01/2023	The Jones...	39	1		165	35.95	5,931.75
Inventory Adjust	04/01/2023		1	(1)		164	35.95	5,895.80
Inventory Adjust	04/01/2023	Auldridge...	1	(1)		163	35.95	5,859.85
<b>Total Door Knob (Standard Door Knob)</b>						163		5,859.85
<b>Garage Door (All-weather customer garage door.)</b>								
Bill	04/01/2023	Columbia...		20	14,999.00	55	749.95	41,247.25
<b>Total Garage Door (All-weather customer garage door.)</b>						55		41,247.25
<b>Total Inventory</b>						218		47,107.10
<b>TOTAL</b>						218		47,107.10

2. Click the **Inventory Activities** icon on the **Home** page.
3. Click Adjust Quantity/Value On Hand.
4. Click the **Adjustment Type** drop-down list and select **Total Value**.
5. Enter appropriate information in the **Adjust Quantity/Value on Hand** window.
6. Enter the correct **New Value** for the item.
7. Enter remaining information in the **Adjust Quantity/Value on Hand** window.
8. Click Save & Close.

ITEM	DESCRIPTION	QTY ON HAND	TOTAL VALUE	NEW VALUE
Door Knob	Deluxe Brass Door Knob	163	5,859.85	4,890.00

Memo: As instructed by accountant

Total Value of Adjustment: -969.85  
Number of Item Adjustments: 1

ITEM INFO AFTER ADJUSTMENT

Quantity on Hand	163
Avg Cost per Item	30.00
Value	4,890.00

Buttons: Save & Close, Save & New, Clear

## Group Items

Group items are a group of items or services often sold together as a package. Group items speed data entry and are a creative way to hide details on purchase and sales forms.

**TYPE**  
Group

Use to quickly enter a group of individual items on an invoice.  
[What's the difference between a Group and an Inventory Assembly?](#)

**Group Name/Number**  
Patio Door Group

**Description**  
Installation of patio door

Item is inactive

Print items in group

ITEM	DESCRIPTION	QTY
Glass Door	Deluxe, Customized Clear Glass Patio Door	2
Glass Install	Installation of New Patio Door	2
Patio Locks	Kryptonite locks used on patio doors	4
Patio Loc...	Customized Installation of Deluxe Kryptonite Lock	4

## Group Item on Invoice

**Invoice**

DATE: 04/01/2023  
INVOICE #: 40

BILL TO: David O'Brien Landscaping  
David J O'Brien  
123 Gaston Street  
Dallas, TX 75214

TERMS: Due on receipt

ITEM	QUANTITY	DESCRIPTION	RATE	AMOUNT	TAX
<b>Patio door group</b>					
Glass Door	2	Deluxe, Customized Clear Glass Patio Door	395.99	791.98	Tax
Glass Install	2	Installation of New Patio Door	295.00	590.00	Non
Patio Locks	4	Kryptonite locks used on patio doors	99.95	399.80	Tax
Patio Lock Install	4	Customized Installation of Deluxe Kryptonite Lock	199.95	199.95	Non

TAX: Dallas County (8.25%) 98.32  
TOTAL: 2,080.05  
PAYMENTS APPLIED: 0.00  
BALANCE DUE: 2,080.05

# Inventory Assemblies

Inventory assemblies are inventory items that you assemble from other inventory, non-inventory, service, other charge, and inventory assembly items and then sell.

TYPE
Use for inventory items that you assemble from other inventory items and then sell.  
[What's the difference between an Inventory Assembly and a Group?](#)

Subitem of

I purchase this assembly item from a vendor

Item is inactive

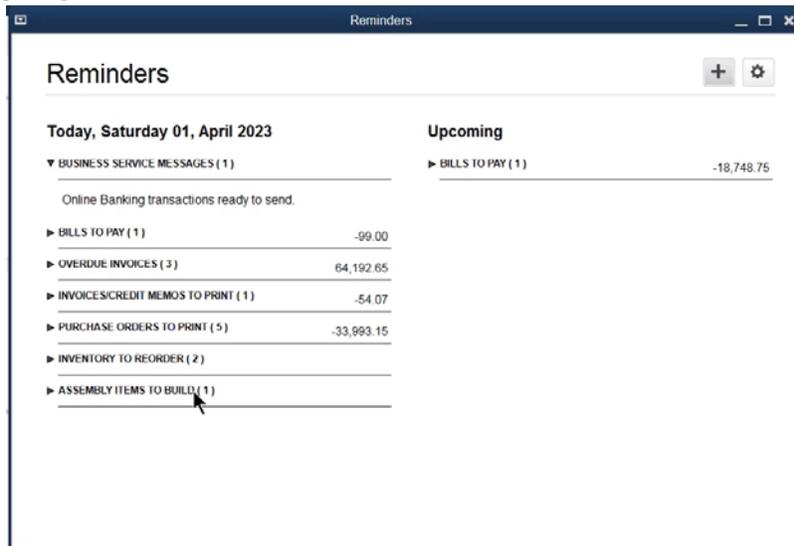
ITEM	DESCRIPTION	TYPE	COST	QTY	TOTAL
Hinges	Hinges used on new ...	Inv Part	15.00	2	30.00
Door Assembly L...	Labor to assemble d...	Service	120.00		120.00
Total Bill of Materials Cost:					521.89

**INVENTORY INFORMATION**

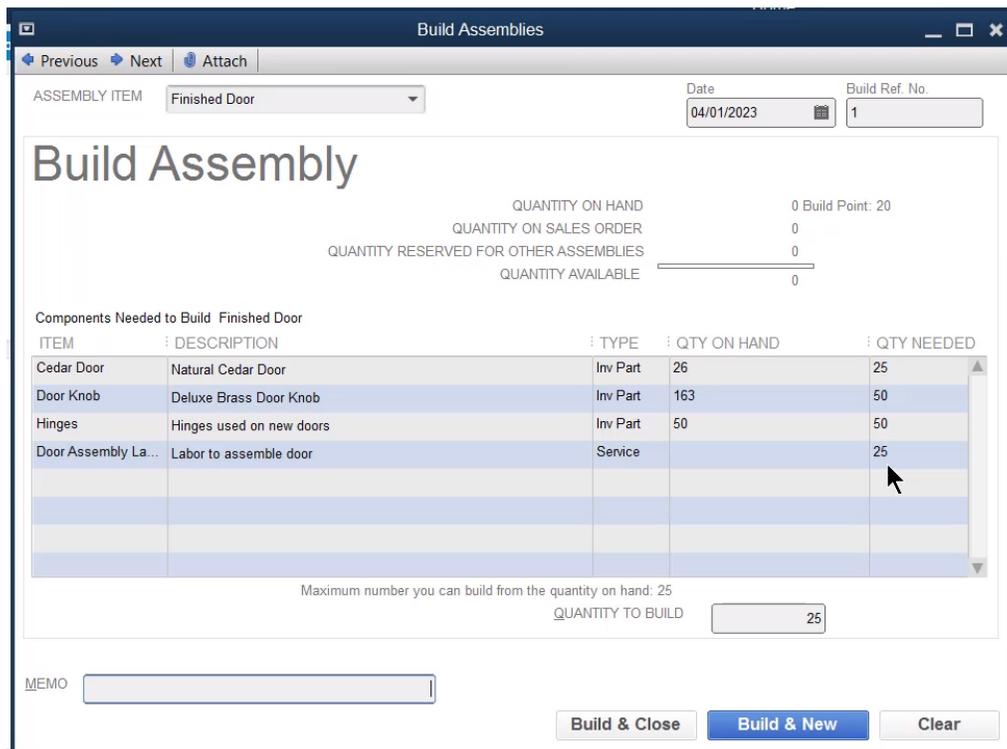
Asset Account	Build Point (Min)	Max	On Hand	Total Value	As of
<input type="text" value="Inventory"/>	<input type="text" value="20"/>	<input type="text"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="04/01/2023"/>

## Building Inventory Assemblies

1. Select **Company:Reminders** from the menu.



2. Click the **Inventory Activities** icon on the Home page.
3. Click Build Assemblies.
4. Click the **Build Assemblies** icon on the **Home** page.
5. Click the **Assembly Item** drop-down list and select the appropriate item to assemble.
6. Enter an appropriate amount as the **Quantity to Build**.
7. Click Build & Close.



## Group vs. Inventory Assemblies

### Differences Between Groups and Assemblies

What are the differences between Group Items and Inventory Assemblies?

1. Group items let you print the detail on an invoice...Inventory Assemblies do not.
2. Inventory Assemblies appear on sales reports...Group Items do not.
3. You can set a unique sales price for Inventory Assemblies. Group items calculate a price based on the sales prices of the individual items within the group.
4. An inventory transaction occurs when you build Inventory Assemblies before the sale. The inventory transaction for a Group Item occurs when you sell the group.

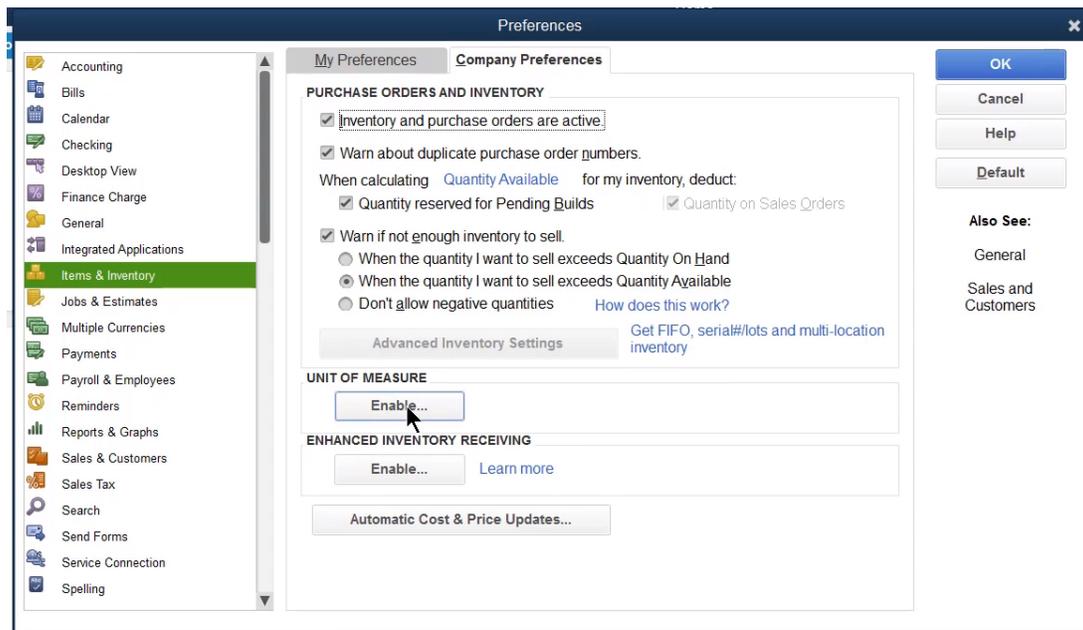
The following table compares group and assembly items to help you decide which item type is appropriate for your situation.

Group item	Inventory assembly item
Can include any item type except other groups.	Can contain any of the following item types: service, inventory part, inventory assembly, non-inventory part, other charge. Notice that you can include other inventory assemblies (subassemblies) within an inventory assembly.
Enables you to print on sales forms the individual items contained in the group.	Prints only the assembly name, not component part names, on sales forms.
No reports available specifically for groups.	Appears after inventory part items on standard inventory reports; Pending Builds report lists assembly builds in the pending state.
Quantity on hand of each item included in the group is adjusted in inventory at the time of sale.	Quantity on hand of component items is adjusted in inventory when the assembly is built.
Sales tax is calculated by individual items included in the group item.	One sales tax code applies to the entire assembly, even if component item tax codes differ.
Cannot be included in another group item (nested) or in an inventory assembly item.	Can be included (nested) in other inventory assembly items and included in group items.
For groups of inventory parts, QuickBooks tracks inventory of items in the group, not the group itself.	QuickBooks tracks assembly items in inventory.
Price of a group item is the sum of the items in the group (although you can include an item in the group for a discount or additional charge to adjust the simple sum calculation).	Price of an assembly item can be anything you specify.
Can include both taxable and nontaxable items.	Must be designated as either taxable or nontaxable.

## Units of Measure

The Units of Measure feature is available in QuickBooks Premier and Enterprise Solutions. You should use multiple units of measure if you buy, stock, or sell items in different units or quantities. For example, you can purchase items by the case, track items by a single unit, and sell them by the pair or dozen.

1. Select **Edit:Preferences** from the menu.
2. Click the Items & Inventory icon.
3. Click the Company Preferences tab.
4. Click Enable below Unit of Measure.
5. Click **OK**.

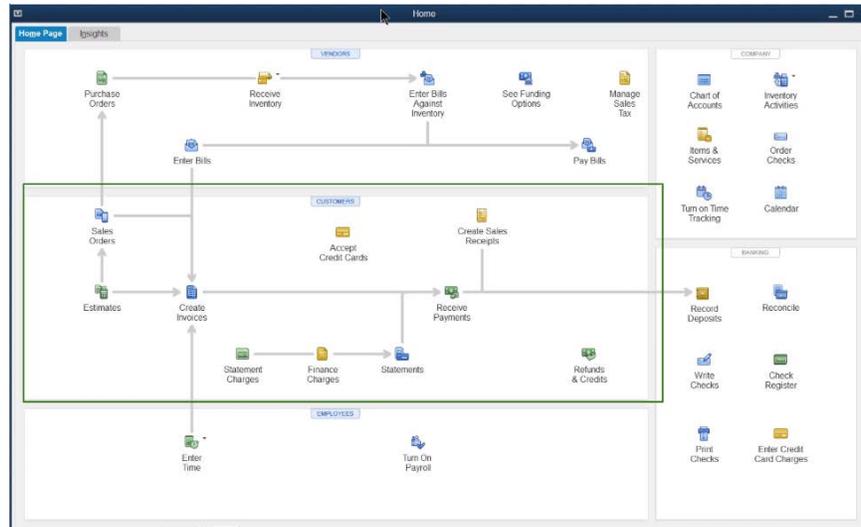


6. Click the **Lists** menu and select **U/M Set List**.
7. Click the **U/M Set** button and select **New**.
8. Select a **Unit of Measure** type and click **Next**.
9. Select a Base Unit of Measure and click Next.
10. Make selections in the **Add Related Units** window and click **Next**.
11. Enter appropriate information in the **Select Default Units of Measure** window and click **Next**.
12. Name the Unit of Measure Set and click Finish.

# Chapter 5

# Sales Transactions

## Home Page

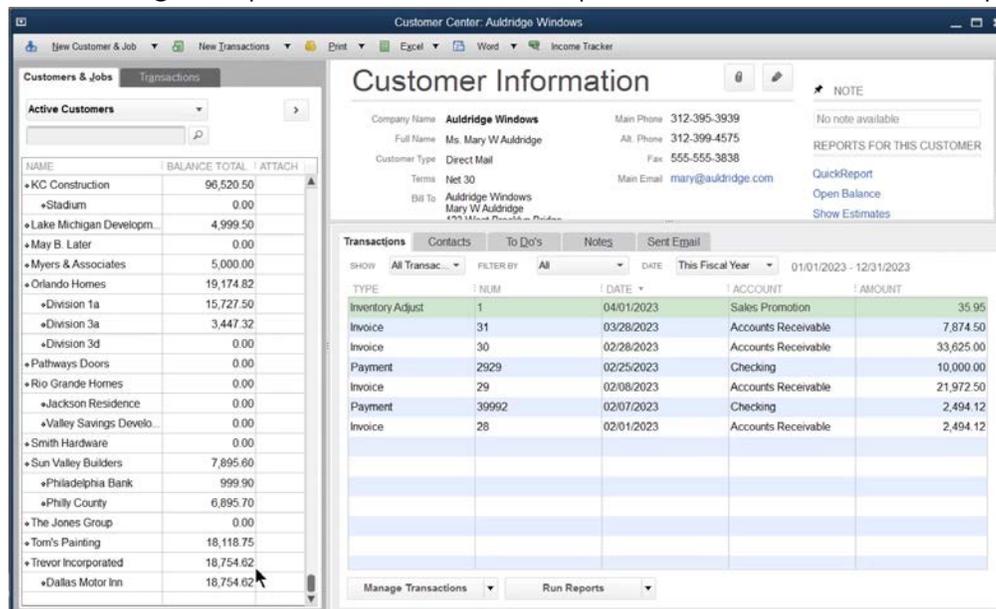


## Customer Center

The customer center stores information about your customers and the jobs you perform for them.

QuickBooks uses jobs to track income and expense by project. Some uses of jobs include:

1. A customer's project for which you want to track revenue and expenses
2. In property management, the building or property might represent a customer and the individual tenants might represent the jobs
3. For schools that invoice tuition, the family can represent the customer and each child within the family can represent the job
4. If you invoice against purchase orders, each purchase order can be set up as a job



## Estimates

Estimates allow you to enter projected costs and revenue for jobs. Also, you can quickly compare projected costs and revenue for a job to actual costs and revenue.

Individual estimates can be e-mailed to customers, or you can batch them to send all at once.

1. Click the **Estimates** icon on the **Home** page.
2. Click the **Customer:Job** drop-down list and select the appropriate customer or job.
3. Enter appropriate information in the **Create Estimates** window.
4. Click Save & Close.

The screenshot shows the 'Create Estimates' window with the following details:

- CUSTOMER\_JOB:** Trevor Incorporated Dallas Motor Inn
- TEMPLATE:** Custom Estimate
- DATE:** 04/01/2023
- ESTIMATE #:** 9
- NAME / ADDRESS:** Trevor Incorporated, Trevor Matheson, 7621 Main Street, Dallas, TX 75212

ITEM	DESCRIPTION	QTY	COST	AMOUNT	MARKUP	TOTAL	TAX
Door Knob	Deluxe Brass Door Knob	40	35.95	1,438.00	10.0%	1,581.80	Tax
Knob Install	Install door knob	40	75.00	3,000.00	2,000.00	5,000.00	Non
Oak Door	Old-fashioned varnished oak door	20	749.00	14,980.00	100.27%	30,000.00	Tax

**SUBTOTAL:** 19,418.00  
**MARKUP:** 17,163.80  
**TAX (Dallas County, 8.25%):** 2,605.50  
**TOTAL:** 39,187.30

Buttons: Save & Close, Save & New, Clear

## Invoice from Estimate

An estimate for a job might have many line items. QuickBooks lets you convert an estimate into an invoice, and will copy the line items saving you time.

1. Click the **Create Invoices** icon on the **Home** page.
2. Click the **Customer:Job** drop-down list and select the appropriate customer or job.
3. Select the appropriate estimate to invoice in the **Available Estimates** window.
4. Click **OK**.
5. If using Progress Invoicing, specify what to include on the invoice in the first window.
6. Click **OK**.
7. Enter appropriate information in the Specify Invoice Amounts for Items on Estimate window.
8. Click **OK**.
9. Enter or change information in the **Create Invoices** window.
10. Click Save & Close.

### Select Available Estimates

DATE	AMOUNT	CUSTOMER:JOB	EST. NO.
04/01/2023	39,187.30	Trevor Incorporate...	9

### Progress Invoice Options

Specify what to include on the invoice.

Create invoice for the entire estimate (100%).

Create invoice for a percentage of the entire estimate.  
% of estimate

Create invoice for selected items or for different percentages of each item.

## Amounts for Progress Invoice

Specify Invoice Amounts for Items on Estimate

Progress Invoice for: **Trevor Incorporated:Dallas Motor Inn**

For each item below, specify the quantity, rate, amount or % of the estimate amount to have on the invoice.

Show Quantity and Rate     Show Percentage

ITEM	EST QTY	EST RATE	EST AMT	PRIOR QTY	PRIOR AMT	P...	QTY	RATE	AMOUNT	CURR %	TOT...	TAX
Door Kn...	40	39.545	1,581.80	0	0...	0...	15	39.545	593.18	37.50%	37.5...	Tax
Knob Ins...	40	125.00	5,000.00	0	0...	0...	15	125.00	0.00	0.0%	0.0%	Non
Oak Door	20	1,500.00	30,000.00	0	0...	0...	10	1,500...	0.00	0.0%	0.0%	Tax

## Progress Invoice (Print Later)

Create Invoices

Main    Formatting    Send/Ship    Reports

Find    New    Save    Delete    Create a Copy    Memorize    Mark As Pending    Print    Email     Print Later    Email Later    Attach File    Add Time/Costs    Apply Credits    Progress    Receive Payments    Create a

CUSTOMER: J... Trevor Incorporated:    TEMPLATE: Progress Inv...

# Invoice

DATE: 04/01/2023    BILL TO: Trevor Incorporated  
Trevor Matheson  
7621 Main Street  
Dallas, TX 75212

INVOICE #: 40

P.O. NO.    TERMS: Net 30

ITEM	DESCRIPTION	EST AMT	PRIOR A...	QTY	RATE	TOTAL...	AMOUNT	TAX
Door Knob	Deluxe Brass Door Knob	1,581.80		15	39.545	37.50%	593.18	Tax
Knob Install	Install door knob	5,000.00		15	125.00	37.50%	1,875.00	Non
Oak Door	Old-fashioned varnished oak door	30,000.00		10	1,500.00	50.0%	15,000.00	Tax

Your customer can't pay this invoice online  
Turn on

TAX: Dallas County (8.25%)    1,286.44

TOTAL: 18,754.62

PAYMENTS APPLIED: 0.00

BALANCE DUE: 18,754.62

CUSTOMER MESSAGE:

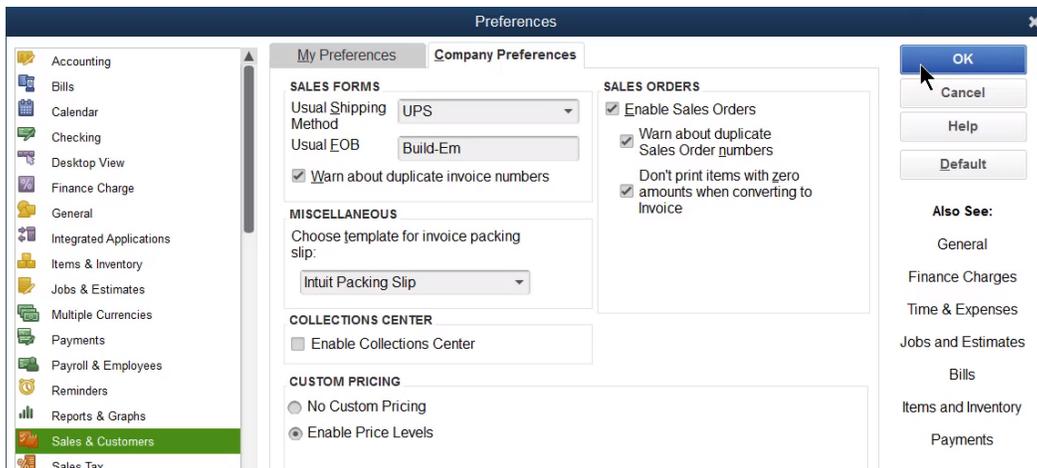
MEMO:     CUSTOMER TAX CODE: Tax

Save & Close    Save & New    Clear

## Price Levels

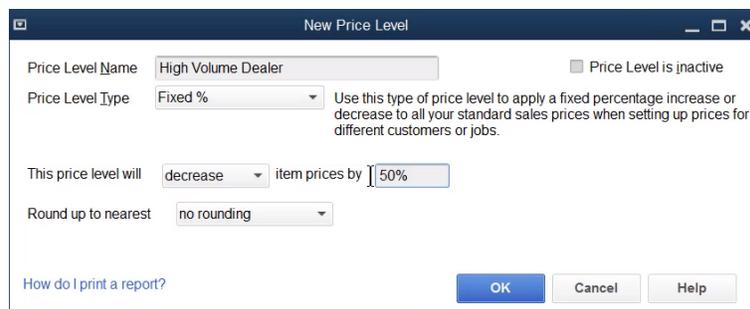
The *Price Level List* stores price levels for customers. A price level lets you automatically adjust certain customer's sales price for inventory parts, inventory assemblies, non-inventory parts, and service items. QuickBooks has two types of price levels: Fixed % and Per Item. Fixed % price levels are used to increase or decrease the price of all items sold by a fixed percentage. Per Item price levels allow custom prices to be set for individual items. Per item price levels are only available in QuickBooks Premier and Enterprise Solutions.

1. Select **Edit:Preferences** from the menu.
2. Click the **Sales & Customers** icon in the list to the left.
3. Click the Company Preferences tab.
4. Click the box next to **Use price levels**.
5. Click **OK**.



## Fixed % Price Levels

1. Select Lists:Price Level List from the menu.
2. Click the **Price Level** button.
3. Select **New** from the menu.
4. Click the **Price Level Type** drop-down list and select **Fixed %**.
5. Enter additional information in the **New Price Level** window, as appropriate.
6. Click **OK**.



7. Click the **Customers** icon.
8. Edit or create a customer on the list.
9. Click the Payment Settings tab.
10. Click the **Price Level** drop-down list and select the appropriate price level.
11. Click **OK**.

### Assign Price Level

**Edit Customer**

CUSTOMER NAME: **Frugal Discount Store**

CURRENT BALANCE: **0.00** [How do I adjust the current balance?](#)

**Address Info**

ACCOUNT NO.:  CREDIT LIMIT:

**Payment Settings**

PAYMENT TERMS: **Net 10** PRICE LEVEL: **High Volume Dealer**

**Sales Tax Settings**

PREFERRED DELIVERY METHOD: **None**

**Additional Info**

PREFERRED PAYMENT METHOD:

**Job Info**

**CREDIT CARD INFORMATION**

CREDIT CARD NO.:

EXP. DATE:  /

NAME ON CARD:

ADDRESS:

ZIP / POSTAL CODE:

[Can I save the Card Security Code?](#)

**ONLINE PAYMENTS**

Let this customer pay you by:

Credit Card

Bank Transfer (ACH)

Customer is inactive

**OK** **Cancel** **Help**

### Fixed % Price Level on Invoice

**Create Invoices**

Main Formatting Send/Ship Reports

Find New Save Delete Memorize Mark As Pending Print Email Email Later Attach File Add Time/Costs Apply Credits Receive Payments Refund/Credit

CUSTOMER: **Frugal Discount Store** [High Volume...] TEMPLATE: **Intuit Service...**

# Invoice

DATE: **04/01/2023**

INVOICE #: **41**

BILL TO: **Frugal Discount Store  
Bob B Frugal  
123 Cheaper  
Lower, TX 73999**

P.O. NO.:  TERMS: **Net 10**

ITEM	QUANTITY	DESCRIPTION	RATE	AMOUNT	TAX
Door Knob	1	Deluxe Brass Door Knob	24.98	24.98	Tax

Your customer can't pay this invoice online [Turn on](#)

TAX: **Dallas County** (8.25%) 2.06

TOTAL 27.04

PAYMENTS APPLIED 0.00

BALANCE DUE **27.04**

CUSTOMER MESSAGE:

MEMO:  CUSTOMER TAX CODE: **Tax**

**Save & Close** **Save & New** **Clear**

## Per Item Price Levels

1. Select Lists:Price Level List from the menu.
2. Click the **Price Level** button.
3. Select **New** from the menu.
4. Click the **Price Level Type** drop-down list and select **Per Item**.
5. Enter additional information in the **New Price Level** window, as appropriate.
6. Click **OK**.

## Per Item Price Level

Price Level Name: New Customer  Price Level is inactive

Price Level Type: Per Item 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 PRICE	CUSTOM PRICE
Weekly Mowing Service			40.00
Cedar Door	299.99	499.95	
Door Knob	35.95	49.95	39.95
Garage Door	749.95	1,599.95	
Glass Door	199.95	395.99	
Hinges	15.00	25.00	

Mark All

Adjust price of marked items to be  lower than its

Round up to nearest

How do I print a report?

## Per Item Price Level on Invoice

Customer: Smith Hardware [New Customer] TEMPLATE: Intuit Service...

Invoice Title: Invoice

DATE: 04/01/2023 INVOICE #: 42

BILL TO: Smith Hardware, 5736 North California, Dallas, TX 84334

PO. NO. TERMS: Net 30

ITEM	QUANTITY	DESCRIPTION	RATE	AMOUNT	TAX
Door Knob	1	Deluxe Brass Door Knob	39.95	39.95	Non
Lock	1	Lock with Kryptonite key	69.95	69.95	Non

TAX: Out of State (0.0%) 0.00

TOTAL: 109.90

PAYMENTS APPLIED: 0.00

BALANCE DUE: 109.90

Buttons:

## Sales Orders

QuickBooks Premier and QuickBooks Enterprise Solutions allow you to create Sales Orders. Use sales orders to enter backorders for inventory you do not have on hand. You can also use sales orders to record future sales of services or goods. Sales orders are non-posting, so they do not affect financial statements.

### Turn Sales Orders On/Off

1. Select **Edit:Preferences** from the menu.
2. Click the **Sales & Customers** icon in the list to the left.
3. Click the Company Preferences tab.
4. Click the box next to **Enable Sales Orders**.
5. Click **OK**.

### Prepare Sales Order-Back Order

1. Click the **Sales Orders** icon on the **Home** page.
2. Click the **Customer:Job** drop-down list and select the appropriate customer or job.
3. Enter remaining information in the **Create Sales Orders** window.
4. Click Save & Close.

The screenshot shows the 'Create Sales Orders' window in QuickBooks. The window title is 'Create Sales Orders'. The 'CUSTOMER\_JOB' dropdown is set to 'Pathways Doors'. The 'TEMPLATE' dropdown is set to 'Custom Sa...'. The 'Sales Order' form shows the date as 04/01/2023, S.O. NO. as 3, and the customer address as Pathways Doors, 123 Sheraton Avenue, Dallas, TX 75213. The 'SHIP TO' dropdown is also set to 'Pathways Do...'. The 'ITEM' table contains one row: 'Lock with Kryptonite key' with an order rate of 20, a unit price of 89.95, an amount of 1,399.00, and a tax of 115.42. The 'TOTAL' is 1,514.42. The 'CUSTOMER TAX CODE' is 'Tax'. The 'Save & Close' button is highlighted with a mouse cursor.

## Invoice Sales Orders

You can invoice a customer based on a sales order after receiving backordered parts.

1. Click the **Create Invoices** icon on the **Home** page.
2. Click the **Customer:Job** drop-down list and select the appropriate customer or job.
3. Select the appropriate sales order to invoice in the **Available Sales Orders** window.
4. Click **OK**.
5. Specify what to include on the invoice in the first window.
6. Click **OK**.
7. Enter appropriate information in the **Specify Invoice Quantities for Items on Sales Order** window (if applicable).
8. Click **OK**.
9. Enter or change appropriate information in the **Create Invoices** window.
10. Click Save & Close.

**Create Invoices**

Main Formatting Send/Ship Reports

Find New Save Delete Memorize Mark As Pending Print Email Email Later Attach File Add Time/Costs Apply Credits Receive Payments Create a Batch Refund/Credit

CUSTOMER: J... Pathways Doors TEMPLATE Intuit Service...

# Invoice

DATE: 04/01/2023  
INVOICE #: 43

BILL TO: Pathways Doors  
123 Sheraton Avenue  
Dallas, TX 75213

P.O. NO. TERMS: Net 10

ITEM	QUANTITY	DESCRIPTION	RATE	AMOUNT	TAX
Lock	8	Lock with Kryptonite key	69.95	1,399.00	Tax

Your customer can't pay this invoice online  
Turn on

TAX: Dallas County (8.25%) 115.42  
TOTAL 1,514.42  
PAYMENTS APPLIED 0.00  
BALANCE DUE 1,514.42

CUSTOMER MESSAGE  
MEMO  
CUSTOMER TAX CODE: Tax

Save & Close Save & New Clear

## Sales Order Reports

1. Select Reports:Sales:Open Sales Orders by Customer from the menu.

**Buildem, Inc.**  
**Open Sales Orders by Customer**  
All Transactions

Type	Date	Num	Memo	Amount	Open Balance
<b>Auldrige Windows</b>					
Sales Order	04/01/2015	2		6,909.90	6,909.90
Total Auldrige Windows				6,909.90	6,909.90
<b>Home &amp; Hardware Stop</b>					
Sales Order	04/01/2015	1		36,182.96	36,182.96
Total Home & Hardware Stop				36,182.96	36,182.96
<b>May B. Later</b>					
Sales Order	04/01/2023	4	Estimate 10:	14,245.00	14,245.00
Total May B. Later				14,245.00	14,245.00
<b>Pathways Doors</b>					
Sales Order	04/01/2023	3		1,514.42	908.65
Total Pathways Doors				1,514.42	908.65
<b>TOTAL</b>				<b>58,852.28</b>	<b>58,246.51</b>

2. Select Reports:Sales:Open Sales Orders by Item from the menu.

**Buildem, Inc.**  
**Open Sales Orders by Item**  
All Transactions

Type	Date	Ship Date	Num	Name	Qty	Invoiced	Backordered	Amount	Open Balance
<b>Inventory</b>									
<b>Glass Door (Deluxe, Customized Clear Glass Patio Door)</b>									
Sales Order	04/01/2015	06/15/2010	1	Home & Hardware...	50	0	50	19,799.50	19,799.50
Sales Order	04/01/2015	04/10/2010	2	Auldrige Windows	10	0	10	3,959.90	3,959.90
Total Glass Door (Deluxe, Customized Clear Glass Patio Door)					60	0	60	23,759.40	23,759.40
<b>Lock (Lock with Kryptonite key)</b>									
Sales Order	04/01/2023	04/01/2023	3	Pathways Doors	20	8	12	1,399.00	839.40
Total Lock (Lock with Kryptonite key)					20	8	12	1,399.00	839.40
Total Inventory					80	8	72	25,158.40	24,598.80
<b>Service</b>									
<b>Glass Install (Installation of New Patio Door)</b>									
Sales Order	04/01/2015	06/15/2010	1	Home & Hardware...	50	0	50	14,750.00	14,750.00
Sales Order	04/01/2015	04/10/2010	2	Auldrige Windows	10	0	10	2,950.00	2,950.00
Total Glass Install (Installation of New Patio Door)					60	0	60	17,700.00	17,700.00
Total Service					60	0	60	17,700.00	17,700.00
<b>TOTAL</b>					<b>140</b>	<b>8</b>	<b>132</b>	<b>42,858.40</b>	<b>42,298.80</b>

## Batch Invoicing

Batch invoicing makes it easy to invoice multiple customers for the same items or services. Before you create batch invoices, check your customer's information to be sure you have selected the method the customer prefers to receive invoices (email or regular mail). If a customer prefers email, be sure there is an email address associated with that customer.

1. Select **Customers:Create Batch Invoices** from the menu.
2. Click **OK**.
3. Select the customers to invoice.
4. Click **Next**.
5. Select the items to include on the invoices.
6. Click **Next**.
7. Click Create Invoices.
8. In the **Batch Invoice Summary** window, select to **Print** or **Email** the invoices.
9. Click **Close**.

## Create Batch Invoices

Batch Invoice

**Step 3 of 3:** Review the list of invoices to be created for this batch and click **Create Invoices**.

Invoice Date: 04/01/2023

SELECT	CUSTOMER	TERMS	SEND METHOD	AMOUNT	TAX CODE	TAX RATE	TAX	TOTAL	STATUS
<input checked="" type="checkbox"/>	Dallas Hardwar...	Net 15	Email	40.00	Tax	8.25%	3.30	43.30	OK
<input checked="" type="checkbox"/>	Trevor Incorpora...	Net 30	None	40.00	Tax	8.25%	3.30	43.30	OK
<input checked="" type="checkbox"/>	David O'Brien L...	Due on rec...	Email	40.00	Tax	8.25%	3.30	43.30	OK
<input checked="" type="checkbox"/>	Jupiter Homes:...	Net 30	None	40.00	Tax	8.25%	3.30	43.30	OK
<input checked="" type="checkbox"/>	Jupiter Homes	Net 30	None	40.00	Tax	8.25%	3.30	43.30	OK
<input checked="" type="checkbox"/>	Pathways Doors	Net 10	Print	40.00	Tax	8.25%	3.30	43.30	OK
<input checked="" type="checkbox"/>	Jupiter Homes:...	Net 30	None	40.00	Tax	8.25%	3.30	43.30	OK
<input type="checkbox"/>	Smith Hardware	Net 30	None	40.00	Non	0.0%	0.00	40.00	OK
<input checked="" type="checkbox"/>	Tom's Painting	Net 30	Print	40.00	Tax	8.25%	3.30	43.30	OK
<input checked="" type="checkbox"/>	Trevor Incorpora...	Net 30	None	40.00	Tax	8.25%	3.30	43.30	OK
<input checked="" type="checkbox"/>	Jupiter Homes:...	Net 30	None	40.00	Tax	8.25%	3.30	43.30	OK

Buttons: Back, Next, **Create Invoices**, Help, Cancel

## Print or Email Batch Invoices

Batch Invoice Summary

Your invoices are created. They're marked for print or email based on each customer's **Preferred Send Method**. [How do I enter or change the Send Method?](#)

2 marked for print

2 marked for email

6 unmarked (you can send these later)

## Collections Center

The Collections Center keeps track of almost due and overdue invoices to make it easier to send collections emails. When you send a collections email, QuickBooks attaches the overdue invoice to the email as a PDF.

1. Select Edit:Preferences.
2. Click Sales & Customers.
3. Check the box next to Enable Collections Center.
4. Click **OK**.
5. Click **OK**.
6. In the Customer Center, click the Collections Center button.
7. Click Select and Send Email.
8. Check the box next to the customer's invoices to email.
9. (Optional) Make any edits to the email **Subject** or message.
10. Click **Send**.

The screenshot shows the 'Collections Center' window with the following data:

<input checked="" type="checkbox"/>	CUSTOMER NAME	BALANCE	DAYS OVERDUE
<input checked="" type="checkbox"/>	KC Construction	48,260.25	
<input checked="" type="checkbox"/>	Invoice #32	48,260.25	49
<input checked="" type="checkbox"/>	Auldrige Windows	12,472.45	
<input checked="" type="checkbox"/>	Invoice #29	11,972.50	22
<input checked="" type="checkbox"/>	Invoice #40	499.95	15
<input type="checkbox"/>	Sun Valley Builders:Philly County	3,959.90	
<input type="checkbox"/>	Invoice #4	3,959.90	9

The email composition form on the right includes:

- To: [Appropriate customer's email address will be used here]
- From: kelsey@buildem.com
- Cc: [Empty field]
- Bcc: [Empty field]
- Subject: Please respond -- overdue payment from Buildem, Inc.
- Message body: We'd like to bring your attention to the attached invoice where you have an overdue account balance. Can you please remit payment immediately? Please contact us if you have any questions. Sincerely, Buildem, Inc. 214-555-1212
- Footer: [Your Invoice will be attached to the message as a PDF file]
- Buttons: Back, Send

## Billable Costs

QuickBooks offers a convenient way of invoicing based on your costs.

1. Click the **Create Invoices** icon on the **Home** page.
2. Click the **Customer:Job** drop-down list and select the appropriate customer or job.
3. Click the Select the outstanding billable time and costs to add to this invoice? button.
4. Click **OK**.
5. Select the Time, Expenses, Mileage, and Items to invoice in the Choose Billable Time and Costs window.
6. Enter the **Markup Amount or %** and **Markup Account** fields if necessary for billable expenses.
7. Click **OK**.
8. Enter remaining information in the **Create Invoices** window.
9. Click Save & Close.

Choose Billable Time and Costs

Time and Costs For: Columbia Management:Spokane Civic Center

Time (12) \$0.00 Expenses (1) \$1,100.00 Mileage \$0.00 Items (2) \$0.00

Select All Markup Amount or % 10.0% Markup Account Freight Income

DATE	PAYEE	MEMO	AMOUNT	HIDE
03/25/2023	General Carriers, Inc.		1,000.00	
Total Selected Charges			1,000.00	

Selected expenses are taxable Total expenses with markup 1,100.00

Print selected time and costs as one invoice item Total billable time and costs 1,100.00

OK Cancel Help

## Advanced Sales Tax

### Charging Multiple Sales Tax Rates

If multiple sales taxes must be applied to different portions of a sale, the regular method for handling sales tax will not work. Instead, follow these procedures to charge multiple sales tax rates on the same invoice.

1. Create a special *Sales Tax Item* with a rate of 0%.
2. Use this 0% tax item in the tax field at the bottom of the invoice.
3. When preparing an invoice, list the items taxed at an individual tax rate together on the invoice.
4. After each list of taxable items, include a *Subtotal* item.
5. On the line after each subtotal, include the applicable *Sales Tax Item*. The result is that all taxable items in the subtotal are taxed at the *Sales Tax Item's* tax rate.
6. Repeat steps 3) to 5) for each different sales tax rate you need to charge on the invoice.

### Zero % Sales Tax Item

TYPE: Sales Tax Item (Use to calculate a single sales tax at a specific rate that you pay to a single tax agency.)

Sales Tax Name: See Above

Description: See Above

Tax Rate (%): 0.0%

Tax Agency (vendor that you collect for): [Dropdown]

Item is inactive:

### Invoice Charging Multiple Sales Tax Rates

Invoice # 43

DATE: 04/01/2023

BILL TO: Bayshore Building Supplies, 8753 S. Mountain View, Bayshore, CA 94326

ITEM	QUANTI	DESCRIPTION	RATE	AMOUNT	TAX
Garage Door	2	All-weather customer garage door	1,599.95	3,199.90	Tax
Oak Door	2	Old-fashioned varnished oak door	999.00	1,998.00	Tax
Subtotal		Subtotal		5,197.90	
San Domingo		CA Sales Tax, San Domingo County	7.5%	389.84	
Bag Of Nails	5	Deluxe Container with 2" Heavy Duty Nails	19.95	99.75	Tax
Bag of Wash...	5	Heavy duty deluxe bag of washers (various sizes)	29.95	149.75	Tax
Subtotal		Subtotal		249.50	
San Thomas		CA Sales Tax, San Thomas County	7.0%	17.47	

TOTAL: 5,854.71

PAYMENTS APPLIED: 0.00

BALANCE DUE: 5,854.71

## Sales Taxes Paid Incorrectly

What if sales tax was paid incorrectly? For instance, the **Write Checks** feature was used to pay sales tax, instead of the built-in **Pay Sales Tax** feature. Correcting this is a two-step process:

1. Find the original payment and delete the check.

DATE	NUMBER	PAYEE	PAYMENT	DEPOSIT	BALANCE
03/31/2023				10,485.00	45,373.08
	DEP	Ur De			
03/31/2023			12,368.55		33,004.53
	GENJRNL Cc				
4/01/2023	11	S.	962.48	Deposit	32,042.05
	CHK	M.			
04/01/2023					

Buttons: Splits, 1-Line, Sort by: Date, Type, Number/Ref, Record, Restore

ENDING BALANCE: 32,042.05

2. Pay sales tax correctly by clicking **Manage Sales Tax** on the **Home** page. If the original check was marked as *cleared* in QuickBooks, manually reconcile the new sales tax payment in the checking account register.

## Reports

Prepare a numerical list of invoices and credit memos to help you find transactions and identify missing forms.

### Finding Invoices and Credit Memos

1. Select Reports:Banking:Missing Checks from the menu.
2. Click the **Specify Account** drop-down list and select **Accounts Receivable**.
3. Click **OK**.
4. Click the **Customize Report** button.
5. Click the **Filters** tab.
6. Click **Amount** from the list of filters to the left and select **Any** from the list of options to the right.
7. Click **Transaction Type** from the list of filters to the left.
8. Click the Transaction Type drop-down list and choose Multiple Transaction Types.
9. Select Invoice and Credit Memo in the Select Transaction Types window.
10. Click **OK**.
11. Click **OK**.

Missing Checks

Customize Report Comment on Report Share Template Memorize Print E-mail Excel Hide Header Refresh

Dates All From To

Show Filters

04/01/23

**Buildem, Inc.**  
**Missing Checks**  
**All Transactions**

Type	Date	Num	Name	Memo	Account	Split	Amount
*** Missing numbers here ***							
Invoice	03/05/2023	15	Sun Valley Builde...		Accounts Receiva...	-SPLIT-	999.90
*** Duplicate document numbers ***							
Invoice	03/12/2023	15	Rio Grande Home...		Accounts Receiva...	-SPLIT-	10,485.00
Invoice	03/21/2023	16	Sun Valley Builde...		Accounts Receiva...	-SPLIT-	2,935.80
Invoice	03/21/2023	17	Jupiter Homes.Fa...		Accounts Receiva...	-SPLIT-	1,331.37
Invoice	03/21/2023	18	Jupiter Homes.Ru...		Accounts Receiva...	-SPLIT-	29.95
Invoice	02/25/2023	19	Columbia Manage...		Accounts Receiva...	-SPLIT-	32,738.44
Invoice	03/25/2023	20	Dallas Hardware a...		Accounts Receiva...	-SPLIT-	3,374.69
Invoice	03/27/2023	21	Lake Michigan De...		Accounts Receiva...	-SPLIT-	4,999.50
Invoice	03/27/2023	22	Orlando Homes.D...		Accounts Receiva...	-SPLIT-	15,727.50
Invoice	03/27/2023	23	Myers & Associates		Accounts Receiva...	-SPLIT-	24.95
Invoice	03/28/2023	24	The Jones Group		Accounts Receiva...	-SPLIT-	54.07
*** Missing numbers here ***							
Invoice	03/28/2023	26	Crandall Contracto...		Accounts Receiva...	-SPLIT-	4,990.00
Invoice	03/28/2023	27	Crandall Contracto...		Accounts Receiva...	-SPLIT-	22,330.34
Invoice	02/01/2023	28	Auldridge Windows		Accounts Receiva...	-SPLIT-	2,494.12
Invoice	02/08/2023	29	Auldridge Windows		Accounts Receiva...	-SPLIT-	21,972.50
Invoice	02/08/2023	30	Auldridge Windows		Accounts Receiva...	-SPLIT-	21,972.50

## Aging Errors

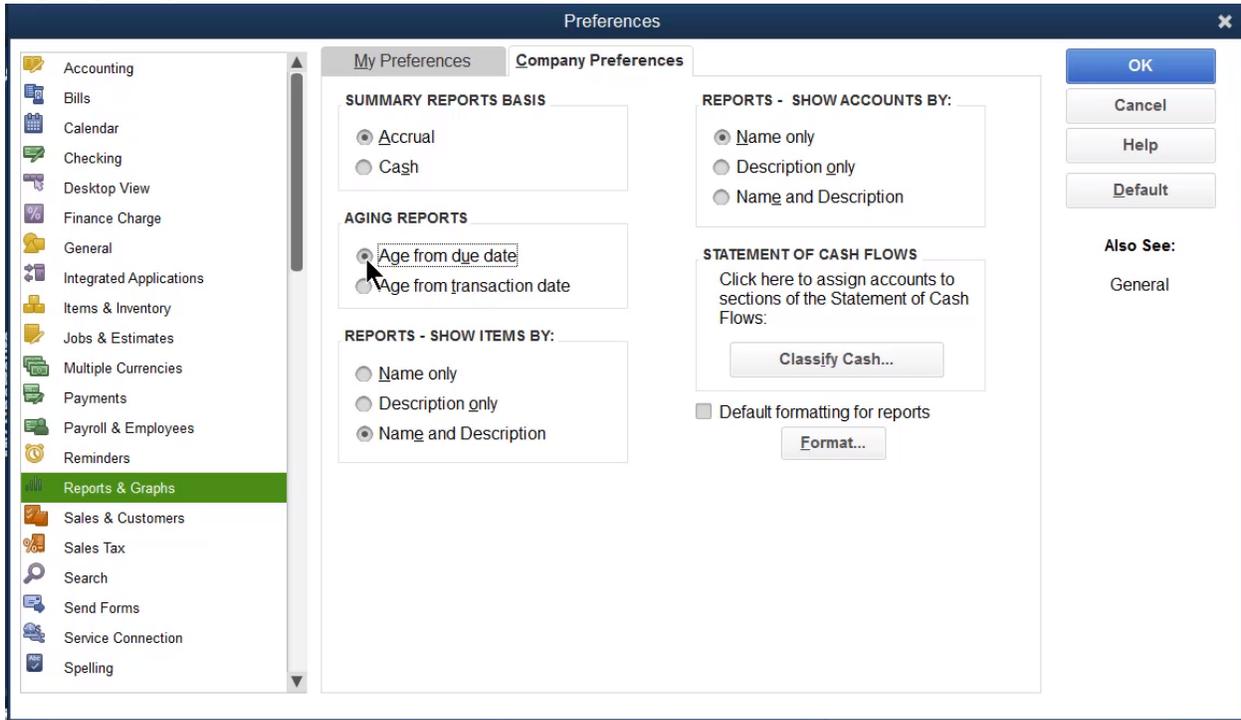
Setting the Aging Reports preference to *Age from transaction date* means QuickBooks shows all invoices as due the day after they were issued! This causes errors on aging reports and customer statements. Follow these steps to fix this error.

1. Select **Edit:Preferences** from the menu.
2. Click the **Reports & Graphs** icon in the list to the left.
3. Click the Company Preferences tab.
4. Select the appropriate **Aging Reports** preference (normally **Age from due date**).
5. Click **OK**.

## Aging Information on Customer Statement-Before

CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
0.00	27,320.34	0.00	0.00	0.00	\$27,320.34

## Aging Reports Preference



## Aging Information on Customer Statement-After

CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
27,320.34	0.00	0.00	0.00	0.00	\$27,320.34

# Chapter 6

# Sales Transaction Workarounds

## Customer Deposits-Method 1

Real World Training recommends the following method for handling customer deposits/down payments because it is the easiest to follow for non-accountants. A journal entry to reclassify unused deposits might be required to prepare year-end financial statements.

- Record the deposit as a payment when you receive the money
- Create an invoice when you provide the products or services
- Apply the deposit to the invoice
- Print the invoice showing the balance due and send to your customer

### Step 1. Receive Payment

Customer Payment

RECEIVED FROM: Isabella Rosa

PAYMENT AMOUNT: 5,000.00

DATE: 04/01/2023

CHECK #: 545

DEPOSIT TO: Checking

CUSTOMER BALANCE: 0.00

DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
There are no unpaid invoices for this customer				
Totals			0.00	0.00

OVERPAYMENT: \$ 5,000.00

WHEN FINISHED:

LEAVE THE CREDIT TO BE USED LATER

REFUND THE AMOUNT TO THE CUSTOMER

VIEW CUSTOMER CONTACT INFORMATION

AMOUNTS FOR SELECTED INVOICES

AMOUNT DUE	0.00
APPLIED	0.00
DISCOUNT AND CREDITS APPLIED	0.00

MEMO: Down Payment

Save & Close Save & New Clear

## Step 2. Invoice Customer

**Invoice**

CUSTOMER: Isabella Rosa

DATE: 04/01/2023

INVOICE #: 42

BILL TO: Isabella Rosa  
212 Topogrety Street  
Dallas, TX 76776

ITEM	QUAN	DESCRIPTION	RATE	AMOUNT	TAX
Services		For services rendered at your request	12,000.00	12,000.00	0.00

TAX: Dallas County (8.25%)

TOTAL: 12,000.00

PAYMENTS APPLIED: 0.00

BALANCE DUE: 12,000.00

Buttons: Save & Close, Save & New, Clear

## Step 3. Apply Deposit/Down Payment to Invoice

1. Click the **Apply Credits** button in the **Create Invoices** window.
2. Click **Yes** in the **Recording Transaction** window.
3. Enter appropriate information in the **Apply Credits** window.
4. Click **Done**.
5. Click Save & Close in the Create Invoices window.

**Apply Credits**

**INVOICE**

Customer: Job Isabella Rosa

Number 42 Amount Due 12,000.00

Date 04/01/2023 Discount Used 0.00

Original Amt. 12,000.00 Credits Used 5,000.00

Balance Due 7,000.00

**Credits**

**AVAILABLE CREDITS**

DATE	CRE	CUSTOMER:JOB	CREDIT A...	AMT. TO U...	CREDIT BAL...
04/01/...	545	Isabella Rosa	5,000.00	5,000.00	0.00
Totals			5,000.00	5,000.00	0.00

Of all the credits issued to this customer, only unused credits applicable to this specific invoice are displayed above. Clear

**PREVIOUSLY APPLIED CREDITS**

DATE	CRE	CUSTOMER:JOB	CREDIT A...	AMT. TO U...	CREDIT BAL...
Totals			0.00	0.00	0.00

Buttons: Done, Cancel, Help

## Down Payment "Credit" Applied

The screenshot shows the 'Create Invoices' interface in QuickBooks. The customer is 'Isabella Rosa' and the invoice date is 04/01/2023. The invoice number is 42. The total amount is 12,000.00. A payment of 5,000.00 has been applied, resulting in a balance due of 7,000.00, which is highlighted with a green box. The right-hand pane shows customer details and a summary of recent transactions.

### 4. Print Invoice with Balance Due

	<b>Total</b>	\$12,000.00
	<b>Payments/Credits</b>	-\$5,000.00
	<b>Balance Due</b>	\$7,000.00

## Reclassification Journal Entry

A journal entry to reclassify unused deposits might be required to prepare year-end financial statements.

The screenshot shows the 'Make General Journal Entries' window. The date is set to 12/31/2023. The entry number is blank. The journal entry table is as follows:

ACCOUNT	DEBIT	CREDIT	MEMO	NAME	BILLAB...
Accounts Receivable	20,000.00		Reclassify Accounts Receivable at Year-End	CPA Use Only	
Customer Deposits		20,000.00	Reclassify Accounts Receivable at Year-End		
Totals 20,000.00 20,000.00					

Buttons at the bottom: Save & Close, Save & New, Clear.

## Customer Deposits-Method 2

This method involves tracking customer deposits/down payments in a separate liability account. To use this method, follow these steps.

1. Create a liability account for customer deposits
2. Create an item for the deposit, linked to the liability account
3. Invoice the customer using the deposit item (original deposit)
4. Receive the payment from the customer
5. Apply the deposit to the final invoice, using the deposit item with a negative amount

## 1. Add Customer Deposits Liability Account

**Edit Account**

Account Type: Other Current Liability

Account Name: **Customer Deposits**

Subaccount of

**OPTIONAL**

Description:

Account No.:

Routing Number:

You can change the opening balance in the account register.

Account is inactive

## 2. Create Deposit Item

**New Item**

**TYPE**  
Other Charge Use for miscellaneous labor, material, or part charges, such as delivery charges, setup fees, and service charges.

Item Name/Number:  Subitem of  
Deposit

This item is used in assemblies or is a reimbursable charge

Description: Your deposit for services

Amount or %: 0.00 Tax Code: Non

Account: Customer Deposits

Item is inactive

### 3. Invoice Customer for Deposit/Down Payment

**Invoice**

CUSTOMER: Isabella Rosa

DATE: 04/01/2023

INVOICE #: 43

BILL TO: Isabella Rosa  
212 Toopretty Street  
Dallas, TX 78776

ITEM	QUANT.	DESCRIPTION	RATE	AMOUNT	TAX
Deposit		Your deposit for services	5,000.00	5,000.00	0.00

TOTAL: 5,000.00  
BALANCE DUE: 5,000.00

TAX: Dallas County (8.25%) 0.00

Customer: Isabella Rosa  
Phone: 214-782-0485  
Email: bella@iwilbreakhearts.com  
Open balance: 7,000.00  
Active estimates: 0  
Sales Orders to be invoiced: 0

RECENT TRANSACTION  
04/01/23 Payment: 5,000.00  
04/01/23 Invoice: 12,000.00

### 4. Receive Payment from Customer

**Customer Payment**

CUSTOMER BALANCE: 5,000.00

RECEIVED FROM: Isabella Rosa

PAYMENT AMOUNT: 5,000.00

DATE: 04/01/2023

CHECK #: 545

DEPOSIT TO: Checking

DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
04/01/2023	43	5,000.00	5,000.00	5,000.00
Totals			5,000.00	5,000.00

AMOUNTS FOR SELECTED INVOICES  
AMOUNT DUE: 5,000.00  
APPLIED: 5,000.00  
DISCOUNT AND CREDITS APPLIED: 0.00

## 5. Final Invoice With Deposit Applied

The screenshot shows the 'Create Invoices - Accounts Receivable' window in QuickBooks. The customer is 'Isabella Rosa' and the account is 'Accounts Re...'. The invoice date is 04/01/2023 and the invoice number is 56. The bill-to address is 212 Toopretty Street, Dallas, TX 76776. The invoice includes two items: 'Services' for 12,000.00 and 'Deposit' for -5,000.00. The total amount due is 7,000.00. The tax is Dallas County (8.25%) at 0.00. The recent transaction history shows a payment of 5,000.00 on 04/01/23 and an invoice payment of 5,000.00 on 03/19/19.

ITEM	QUANT.	DESCRIPTION	RATE	AMOUNT	TAX
Services		For services rendered at your request	12,000.00	12,000.00	Non
Deposit		Your deposit for services	-5,000.00	-5,000.00	Non

	TOTAL
TOTAL	7,000.00
PAYMENTS APPLIED	0.00
BALANCE DUE	7,000.00

### Determine Customer's Deposit Balance

To determine a customer's deposit balance, run a QuickReport for the customer in the liability account register. You can also create a *Customer Deposit Support Schedule* using the technique shown on **Page 111**.

# Customer Deposits Support Schedule

Register QuickReport

Customize Report Comment on Report Share Template Memorize Print E-mail Excel Hide Header Refresh

Dates All From To Sort By Default

Report Basis:  Accrual  Cash Show Filters

04/01/23  
Accrual Basis

**Buildem, Inc.**  
**Register QuickReport**  
**All Transactions**

Type	Date	Num	Memo	Account	Clr	Split	Amount
<b>Isabella Rosa</b>							
Invoice	04/01/2023	55	Your depos...	Customer Deposits		Accounts Re...	5,000.00
Invoice	04/01/2023	56	Your depos...	Customer Deposits		Accounts Re...	(5,000.00)
Total Isabella Rosa							0.00
TOTAL							0.00

## Bad Debts

There are two ways to write off bad debts in QuickBooks. The easier method is to write off the receivable as a discount. However, this method does not adjust sales taxes. The second method uses a credit memo to write off the bad debt. This method does adjust for sales taxes.

## Method 1-No Sales Tax

If the original sale did not include sales taxes, this is the recommended method.

1. Click the **Receive Payments** icon on the **Home** page.
2. Click the **Received From** drop-down list and select the appropriate customer or job.
3. In the bottom section of the screen, click once in the **Payment** column for the invoice being written off.
4. Click the Discount & Credits button.
5. Enter the invoice amount due as the **Amount of Discount**.
6. Click the **Discount Account** drop-down list and select an appropriate bad debt expense account.
7. Click **Done**.
8. Click Save & Close.

Customer Payment

CUSTOMER BALANCE 4,999.50

RECEIVED FROM: Lancaster County

PAYMENT AMOUNT: 0.00

DATE: 04/01/2023

CHECK #

DEPOSIT TO: Checking

DATE	NUMBER	ORIG AMT.	DISC. DATE	AMT DUE	DISC.	PAYMENT
01/01/2023	21	4,999.50	04/01/2023	4,999.50	4,999.50	0.00
Totals		4,999.50		4,999.50	4,999.50	0.00

AMOUNTS FOR SELECTED INVOICES

AMOUNT DUE 0.00

APPLIED 0.00

DISCOUNT AND CREDITS APPLIED 0.00

MEMO: Bad Debt

Save & Close Save & New Clear

## Method 2-Sales Tax

If the original sale included sales taxes, this is the recommended method.

1. Create a bad debt item which points to a bad debt expense account
2. Enter a credit memo using the bad debt item
3. Apply the credit against the invoice using the *Receive Payments* window

### Step 1. Add Item

1. Click the **Items & Services** icon on the **Home** page.
2. Click the **Item** button.
3. Select **New** from the menu.
4. Click the **Type** drop-down list and select **Other Charge**.
5. Enter Bad Debt as the Item Name/Number.
6. Click the **Account** drop-down list and select an appropriate bad debt expense account.
7. Enter remaining information in the **New Item** window.
8. Click **OK**.

The screenshot shows the 'New Item' dialog box with the following details:

- TYPE:** Other Charge (Use for miscellaneous labor, material, or part charges, such as delivery charges, setup fees, and service charges.)
- Item Name/Number:** Bad Debt
- Subitem of:** (empty)
- This item is used in assemblies or is a reimbursable charge:** (unchecked)
- Description:** Write-off bad debt
- Amount or %:** 0.00
- Tax Code:** Tax
- Account:** Bad Debt Expense
- Item is inactive:** (unchecked)
- Buttons:** OK, Cancel, Next, Notes, Custom Fields, Spelling

## Step 2. Issue Credit Memo

1. Click the **Refunds & Credits** icon on the **Home** page.
2. Click the **Customer:Job** drop-down list and select the appropriate customer or job.
3. Use the **Bad Debt** item as a line item.
4. Enter the amount of the bad debt to write off as the **Amount**.
5. Choose the appropriate **Tax Code** in the **Tax** column of the bad debt line item.
6. Click the **Tax** drop-down list and specify the appropriate sales tax item if the original sale was taxable.
7. Enter remaining information in the **Create Credit Memos/Refunds** window.
8. Click Save & Close.
9. Select Apply to an invoice in the Available Credit window.
10. Click **OK**.
11. Select the appropriate invoice in the **Apply Credit to Invoices** window.
12. Click **Done**.

## Create Credit Memos/Refunds

ITEM	DESCRIPTION	QTY	RATE	AMOUNT	TAX
Bad Debt	Write-off bad debt		4,000.00	4,000.00	Tax

TAX: Midland (7.75%) 310.00  
TOTAL: 4,310.00  
REMAINING CREDIT: 4,310.00

## Available Credit

This credit memo or refund has a remaining balance which you may use.

What would you like to do with this credit?

- Retain as an available credit
- Give a refund
- Apply to an invoice

OK

### Step 3. Apply Credit to Invoices

The screenshot shows a software window titled "Apply Credit to Invoices". Inside, there is a "CREDIT MEMO" section with the following details:

- Customer: Job Donna Pay
- Ref. No. 45
- Date 04/01/2023
- Original Amt. 4,310.00
- Remaining Credit 0.00

Below this is a table with the following columns: DATE, JOB, NUMBER, ORIG. AMT., AMT. DUE, and AMT. APPLIED. The first row is checked and contains the following data:

DATE	JOB	NUMBER	ORIG. AMT.	AMT. DUE	AMT. APPLIED
01/22/2023		41	4,310.00	4,310.00	4,310.00
Totals			4,310.00	0.00	4,310.00

At the bottom of the window, there are three buttons: "Clear Selections", "Done", and "Cancel". A mouse cursor is pointing at the "Done" button.

### Customer Under/Over Payments

#### Customer Underpayments

If a customer makes a partial payment, the invoice remains open until full payment is received. But a problem arises if the customer underpays by a nominal amount that you do not intend to collect. Write off small underpayments using the *Receive Payments* window.

1. Click the **Receive Payments** icon on the **Home** page.
2. Click the **Received From** drop-down list and select the appropriate customer or job.
3. In the Underpayment section, select Write off the extra amount.
4. Click Save & Close.
5. Select an appropriate bad debt expense account as the **Account**, in the **Write Off Amount** window.
6. Click **OK**.

## Write Off Underpayment

Receive Payments

Main Reports Payments

Find New Delete Print Email Attach File Look up Customer/Invoice Un-Apply Payment Discounts And Credits Record Bounced Check Process payment Add Credit Ca Processing

### Customer Payment

CUSTOMER BALANCE 18,118.75

RECEIVED FROM: Tom's Painting

PAYMENT AMOUNT: 18,118.00

DATE: 04/01/2023

CHECK #: 123

DEPOSIT TO: Checking

DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
03/15/2023	34	10,000.00	10,000.00	10,000.00
03/15/2023	35	2,706.25	2,706.25	2,706.25
03/28/2023	36	5,412.50	5,412.50	5,411.75
Totals		18,118.75	18,118.75	18,118.00

UNDERPAYMENT \$ 0.75.

WHEN FINISHED:

LEAVE THIS AS AN UNDERPAYMENT

WRITE OFF THE EXTRAAMOUNT

VIEW CUSTOMER CONTACT INFORMATION

MEMO

Save & Close Save & New Clear

## Write Off Amount

Write Off Amount

Write off \$0.75 to

Account: Bad Debt Expense

How do I choose the right account?

OK Cancel

## Customer Overpayments

There are two methods for issuing customer refunds. If you know the customer wants a refund when you record the payment, use Method 1. If the customer has an existing credit, use Method 2.

### Issue a Refund-Method 1

1. Click the **Receive Payments** icon on the **Home** page.
2. Click the **Received From** drop-down list and select the appropriate customer or job.
3. Enter the payment **Amount**.
4. Select the appropriate invoice.
5. In the Overpayment section, select Refund the amount to the customer.
6. Click Save & Close.
7. Enter remaining information in the **Issue a Refund** window.
8. Click **OK**.

## Issue a Refund-Method 2

Follow these steps to refund an overpayment if the customer already has a credit in QuickBooks.

- Issue a check to refund the money to the customer
- Apply the check to the credit using the *Receive Payments* window

### Step 1. Issue Check to Customer

1. Click the **Write Checks** icon on the **Home** page.
2. Enter the Customer:Job in the Pay to the Order of field.
3. Use Accounts Receivable as the Account.
4. Enter remaining information in the **Write Checks** window.
5. Click Save & Close.

### Step 2. Apply Credit to Check

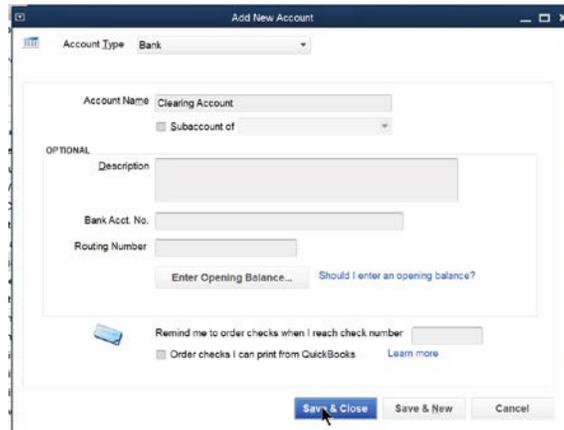
1. Click the **Receive Payments** icon on the **Home** page.
2. Click the **Received From** drop-down list and select the appropriate customer or job.
3. Click the **Discount & Credits** button.
4. Make the appropriate selections in the **Apply Credits** window.
5. Click **Done**.
6. Click Save & Close.

## Transferring Credits Between Customers/Jobs

What if a customer wants to apply a credit (or overpayment) from one job to a different job? This method uses a *Clearing Account* to transfer the credit between jobs.

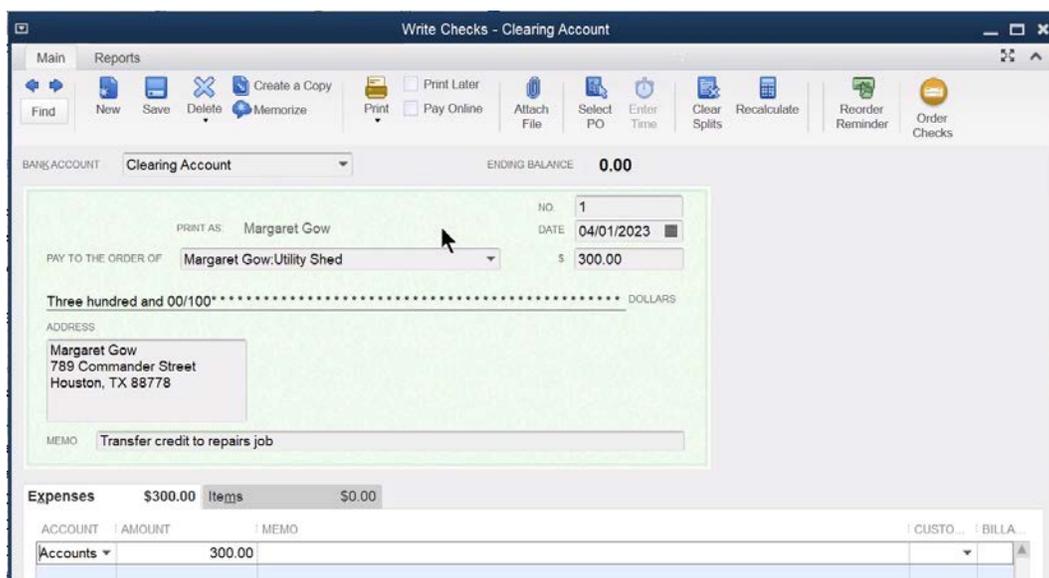
- Set up Clearing Account
- Remove the credit from Customer/Job1
- Apply the credit to Customer/Job2

### Step 1. Set Up Clearing Account



### Step 2. Remove Credit from Customer/Job 1

1. Click the **Write Checks** icon on the **Home** page.
2. Click the **Bank Account** drop-down list and select **Clearing Account**.
3. Enter the Customer:Job whose credit you want to remove as the **Pay to the Order of**.
4. Enter Accounts Receivable as the Account.
5. Click Save & Close.



ACCOUNT	AMOUNT	MEMO	CUSTO...	BILLA...
Accounts	300.00			

### Step 3. Apply Credit to Customer:Job 2

1. Click the **Receive Payments** icon on the **Home** page.
2. Click the **Received From** drop-down list and select the customer:job that will receive the credit.
3. Enter the amount of the credit as the **Amount**.
4. Click on the individual invoices to apply the credit (if appropriate).
5. Click the **Deposit to** drop-down list and select **Clearing Account\***.
6. Enter remaining information in the **Receive Payments** window.
7. Click Save & Close.

Customer Payment

CUSTOMER BALANCE 0.00

RECEIVED FROM: Margaret Gow:Repairs

PAYMENT AMOUNT: 300.00

DATE: 04/01/2023

REFERENCE #

DEPOSIT TO: Clearing Acco...

DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
There are no unpaid invoices for this customer				
Totals			0.00	0.00

OVERPAYMENT \$ 300.00

WHEN FINISHED:

LEAVE THE CREDIT TO BE USED LATER

REFUND THE AMOUNT TO THE CUSTOMER

VIEW CUSTOMER CONTACT INFORMATION

AMOUNTS FOR SELECTED INVOICES

AMOUNT DUE 0.00

APPLIED 0.00

DISCOUNT AND CREDITS APPLIED 0.00

MEMO: Transfer credit from utility shed job

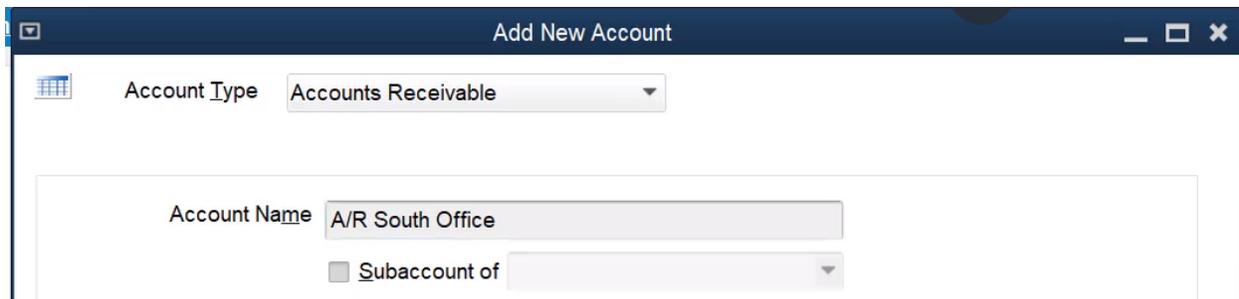
Save & Close Save & New Clear

\*The **Deposit to** option may not be enabled in your QuickBooks. Turn this option on by selecting **Edit:Preferences** from the menu. Click **Payments** in the list to the left. Click the **Company Preferences** tab. Uncheck the box next to **Use Undeposited Funds as a default deposit to account**.

## Multiple A/R Accounts

Creating multiple A/R accounts allows you to separate your Accounts Receivables on reports. For example, you may want separate A/R reports for different divisions or types of customers. However, you will have to specify an accounts receivable account every time you perform the following activities:

- Enter Invoices
- Receive Payments
- Issue Credit Memos
- Enter Statement Charges
- Create Statements
- Assess Finance Charges
- Print Invoices and Credit Memos



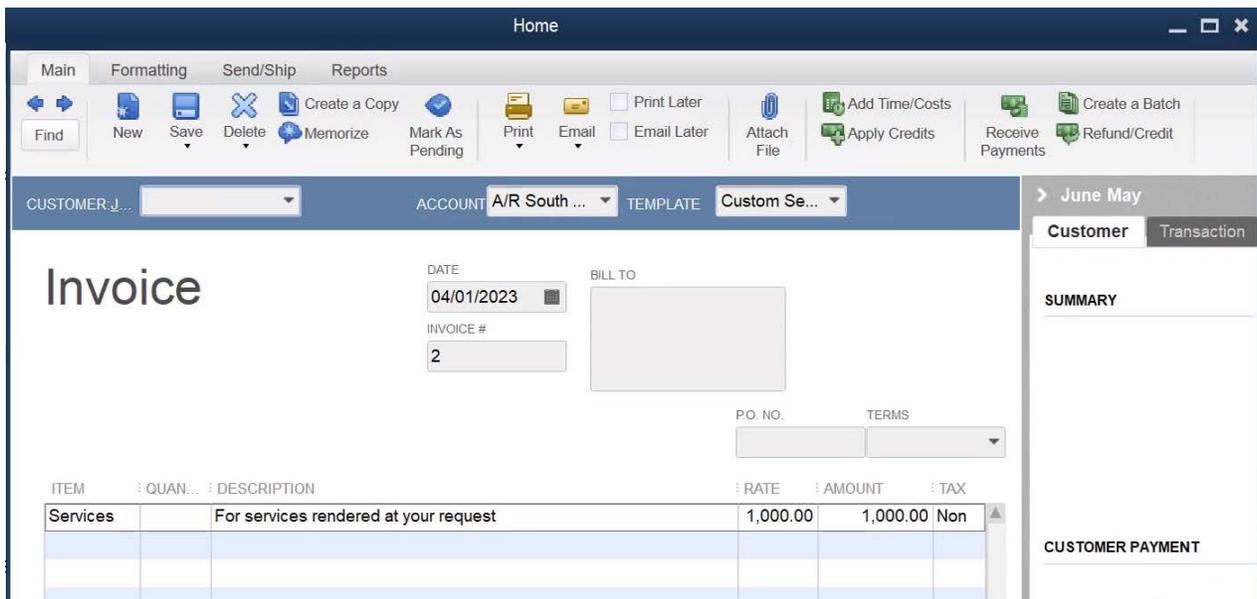
**Add New Account**

Account Type: Accounts Receivable

Account Name: A/R South Office

Subaccount of: [Empty Dropdown]

## Invoice



**Home**

Main | Formatting | Send/Ship | Reports

CUSTOMER: J... | ACCOUNT: A/R South ... | TEMPLATE: Custom Se...

**Invoice**

DATE: 04/01/2023 | INVOICE #: 2

BILL TO: [Empty Field]

P.O. NO.: [Empty Field] | TERMS: [Empty Dropdown]

ITEM	QUAN...	DESCRIPTION	RATE	AMOUNT	TAX
Services		For services rendered at your request	1,000.00	1,000.00	Non

CUSTOMER: June May

SUMMARY

CUSTOMER PAYMENT

## Report Filter

The screenshot shows the 'Modify Report: Open Invoices' dialog box with the 'Filters' tab selected. The dialog is divided into several sections:

- CHOOSE FILTER:** A search box labeled 'Search Filters' is above a list of filter categories: Account, Aging, Amount, Billing Status, Class, and Cleared. The 'Account' filter is currently selected.
- Account Filter:** A dropdown menu shows 'A/R South Office'. Below it, the 'Include split detail?' section has three radio button options: 'No' (selected), 'Yes', and 'For detail accounts matching'. A secondary dropdown menu shows 'All accounts'.
- ACCOUNT FILTER:** A text box contains instructions: 'Choose the types of accounts or a specific account from the drop-down list. Indicate whether or not you want split detail to appear in the report (Balance Sheet accounts only).' A 'Tell me more...' button is located below this text.
- CURRENT FILTER CHOICES:** A table lists the active filters:

FILTER	SET TO
Account	A/R South Office
Date	Today
Name	All customers/jobs
Paid Status	Open

A 'Remove Selected Filter' button is positioned below the table.

At the bottom of the dialog, there are 'OK', 'Cancel', and 'Help' buttons. A 'Revert' button is also present in the lower right area.

## Retail Sales

### Items for Retail Sales

1. Click the **Items & Services** icon on the **Home** page.
2. Click the **Item** button.
3. Select **New** from the menu.
4. Click the **Type** drop-down list and select the appropriate item type.
5. Enter remaining information in the **New Item** window.
6. Click **OK**.

## Taxable Sales

The 'Edit Item' dialog box is shown with the following configuration:

- TYPE:** Other Charge (selected). Description: Use for miscellaneous labor, material, or part charges, such as delivery charges, setup fees, and service charges.
- Item Name/Number:** Taxable Sales.  Subitem of.
- This item is used in assemblies or is a reimbursable charge.
- Description:** Taxable sales for the day.
- Amount or %:** 0.00.
- Tax Code:** Tax.
- Account:** Food Sales.
- Item is inactive.

Buttons on the right: OK, Cancel, Notes, Custom Fields, Spelling.

## Non-taxable Sales

The 'Edit Item' dialog box is shown with the following configuration:

- TYPE:** Other Charge (selected). Description: Use for miscellaneous labor, material, or part charges, such as delivery charges, setup fees, and service charges.
- Item Name/Number:** Non-Tax Sales (highlighted with a green box).  Subitem of.
- This item is used in assemblies or is a reimbursable charge.
- Description:** Nontaxable sales.
- Amount or %:** 0.00.
- Tax Code:** Non.
- Account:** Food Sales.
- Item is inactive.

Buttons on the right: OK, Cancel, Notes, Custom Fields, Spelling.

## Paid-Outs

The 'Edit Item' dialog box is shown with the following configuration:

- TYPE:** Other Charge (selected). Description: Use for miscellaneous labor, material, or part charges, such as delivery charges, setup fees, and service charges.
- Item Name/Number:** Paid Outs.  Subitem of.
- This item is used in assemblies or is a reimbursable charge.
- Description:** Paid out of register for the day.
- Amount or %:** 0.00.
- Tax Code:** Non.
- Account:** Miscellaneous.
- Item is inactive.

Buttons on the right: OK, Cancel, Notes, Custom Fields, Spelling.

Set up separate "paid out" items for expenses other than miscellaneous.

## Payment

The screenshot shows the 'Edit Item' window for a 'Payment' item. The 'TYPE' dropdown is set to 'Payment', with a description: 'Use to record a partial payment at the time of the sale. It reduces the amount owed on an invoice.' The 'Item Name/Number' field contains 'AMEX'. The 'Description' field contains 'Paid by American Express credit cards'. The 'Payment Method' dropdown is set to 'American Express'. There are two radio buttons: 'Group with other undeposited funds' (selected) and 'Deposit To' (set to 'Checking'). On the right side, there are buttons for 'OK', 'Cancel', 'Notes', 'Custom Fields', and 'Spelling', along with an 'Item is inactive' checkbox.

## Over/Short

The screenshot shows the 'Edit Item' window for an 'Other Charge' item. The 'TYPE' dropdown is set to 'Other Charge', with a description: 'Use for miscellaneous labor, material, or part charges, such as delivery charges, setup fees, and service charges.' The 'Item Name/Number' field contains 'Over/Short'. There is a 'Subitem of' dropdown and a checkbox 'This item is used in assemblies or is a reimbursable charge'. The 'Description' field contains 'Over/Short in register for the day'. To the right of the description are fields for 'Amount or %' (0.00), 'Tax Code' (Non), and 'Account' (Over/Short). On the right side, there are buttons for 'OK', 'Cancel', 'Notes', 'Custom Fields', and 'Spelling', along with an 'Item is inactive' checkbox.

## Daily Sales Entry

1. Click the **Create Sales Receipts** icon on the **Home** page.
2. Select a **Customer:Job** from the drop-down list. (Optional)
3. Enter remaining information in the **Enter Sales Receipts** window.
4. Click Save & Close.

The screenshot shows the 'Enter Sales Receipts' window. At the top, there is a menu bar with 'Main', 'Formatting', 'Send/Ship', 'Reports', and 'Payments'. Below the menu is a toolbar with various icons for actions like 'Find', 'New', 'Save', 'Delete', 'Create a Copy', 'Memorize', 'Mark As Pending', 'Print', 'Email', 'Email Later', 'Attach File', 'Add time/costs', and 'Process payment'. The main area is titled 'DAILY SALES' and includes a 'DATE' field set to '04/01/2023'. Below this is a table with columns for 'ITEM', 'DESCRIPTION', 'AMOUNT', and 'TAX'. The table contains the following entries:

ITEM	DESCRIPTION	AMOUNT	TAX
Taxable Sales	Taxable sales for the day	1,000.00	Tax
Non-Tax Sales	Nontaxable sales	450.00	Non
Paid Outs	Paid out of register for the day	-37.50	Non
AMEX	Paid by American Express credit cards	-812.36	
Over/Short	Over/Short in register for the day	-0.64	Non

Below the table, there is a 'TAX' section showing 'Dallas County' at 8.25% with a total of 82.50. The 'CASH IN' total is 682.00. At the bottom, there are fields for 'MEMO' and 'CUSTOMER TAX CODE', and buttons for 'Save & Close', 'Save & New', and 'Clear'. On the right side, there is a sidebar with sections for 'Name', 'Transaction', 'SUMMARY', 'RECENT TRANSACTIONS', and 'NOTES'.

## Deposit Credit Card Receipts

1. Click the **Record Deposits** icon on the **Home** page.
2. Select the appropriate payment method in the box next to **View payment method type**.
3. Click the line items to deposit.
4. Click **OK**.
5. Enter an additional line for any credit card fees, using a negative amount.
6. Enter a batch number in the memo (if applicable).
7. Click Save & Close.

## Select Payments to Deposit

**Payments to Deposit** ✕

---

SELECT VIEW

View payment method type: American Express What are payment method views?

Sort payments by: Payment Method

---

SELECT PAYMENTS TO DEPOSIT

✓	DATE	TIME	TYPE	NO.	PAYMENT METHOD NAME	AMOUNT
✓	04/01/2015		RCPT	3	American Express	812.36
<b>1 of 1 payments selected for deposit</b>						<b>Payments Subtotal 812.36</b>

Select All
Select None
See an easier way to match these payments with your bank deposits.

OK
Cancel
Help

## Make Deposit

**Make Deposits** \_ □ ✕

---

Previous
Next
Save
Print
Payments
History
Attach

---

Deposit To: Checking
Date: 04/01/2015
Memo: Deposit
Save time reconciling your merchant service account with QuickBooks. [Learn More](#)

Click Payments to select customer payments that you have received. List any other amounts to deposit below.

RECEIVED FROM	FROM ACCOUNT	MEMO	CHK NO.	PMT METH.	AMOUNT
	Undeposited Funds	Paid by American Express credit cards		American Express	812.36
	Credit Card Fees	Amex Charge			-24.37
<b>Deposit Subtotal</b>					<b>787.99</b>

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account.

Cash back goes to:  
Cash back memo:  
Cash back amount:  

**Deposit Total 787.99**

Save & Close
Save & New
Clear

# Chapter 7

# Purchases & Payables

## Review

To ensure proper processing of transactions and accurate reporting, enter transactions in the order presented on the **Home** page.

## Vendor Center

Vendor Center: American Express

New Vendor... New Transactions Print Excel Word

Vendors Transactions

Active Vendors

NAME	BALANCE	TOTAL	ATTA...
American Express		0.00	
Boise County		0.00	
Buildings, Inc.		0.00	
Cal Gas & Telephone C...		0.00	
City of Boise		0.00	
Dallas Doors		0.00	
Dave's Cafe		0.00	
Door Knob Corporation		3,749.75	
Door Tools, Inc.		0.00	
East Bayshore Tool & S...		0.00	
Edgar Leasing		0.00	
Electric, Inc.		0.00	
General Carriers, Inc.		7,250.00	
Great Statewide Bank		0.00	

### Vendor Information

Company Name: American Express  
Full Name: Greg Jansen  
Billed From: American Express  
3400 Watson Ave  
Springfield, MO 3455:  
Main Phone: 800-363-8585  
Alt. Phone: 316-987-3499  
Fax: 800-363-8500  
Main Email: greg@amex.com

QuickReport  
Open Balance  
Order Checks

Map | Directions

### Transactions

Contacts To Do's Noteg

SHOW: All Trans... FILTER BY: All DATE: This Fisc... 01/01/2015 - 12/31/2015

TYPE	NUM	DATE	ACCOUNT	AMOUNT
Check		03/10/2015	Checking	-550.00

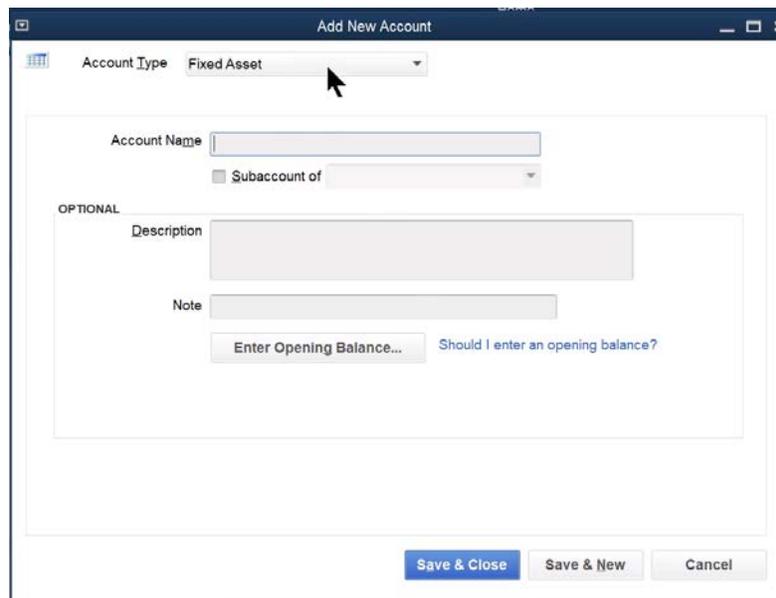
Manage Transactions Run Reports

## Purchase Fixed Assets

A Fixed Asset Tracker is available in QuickBooks. You create *Fixed Asset Items* to track relevant information for each fixed asset. To enter the purchase of a fixed asset, follow these steps:

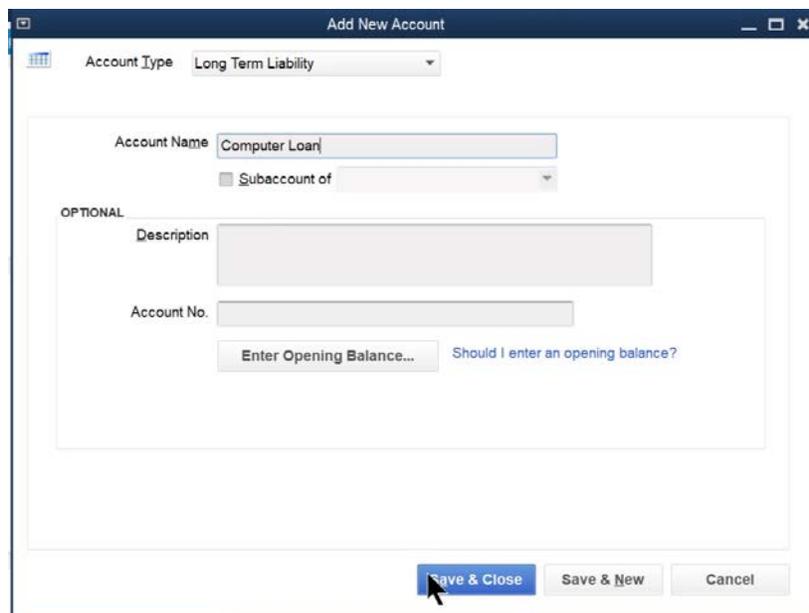
1. Create a Fixed Asset account for each general fixed asset category
2. Create a Liability account to track amount owed/financed. This is only necessary if you financed a portion of the purchase.
3. Set up the new asset on the *Fixed Asset Item List*
4. Enter a bill or check to record the purchase of the fixed asset

## Creating the Fixed Asset Account



The screenshot shows the 'Add New Account' dialog box with the 'Account Type' dropdown set to 'Fixed Asset'. The 'Account Name' field is empty. Below it is a 'Subaccount of' dropdown menu. The 'OPTIONAL' section contains a 'Description' text area, a 'Note' text area, and an 'Enter Opening Balance...' button. To the right of the button is the text 'Should I enter an opening balance?'. At the bottom right are three buttons: 'Save & Close', 'Save & New', and 'Cancel'. A mouse cursor is pointing at the 'Fixed Asset' dropdown menu.

## Liability Account



The screenshot shows the 'Add New Account' dialog box with the 'Account Type' dropdown set to 'Long Term Liability'. The 'Account Name' field contains the text 'Computer Loan'. Below it is a 'Subaccount of' dropdown menu. The 'OPTIONAL' section contains a 'Description' text area, an 'Account No.' text field, and an 'Enter Opening Balance...' button. To the right of the button is the text 'Should I enter an opening balance?'. At the bottom right are three buttons: 'Save & Close', 'Save & New', and 'Cancel'. A mouse cursor is pointing at the 'Save & Close' button.

## Fixed Asset Item

1. Select Lists:Fixed Asset Item List from the menu.
2. Click the **Item** button.
3. Select **New** from the menu.
4. Enter appropriate information in the **New Item** window.
5. Click **OK**.

**TYPE**  
Fixed Asset Use for property you purchase, track, and may eventually sell. Fixed assets are long-lived assets, such as land, buildings, furniture, equipment, and vehicles.

**Asset Name/Number**  
Dellway Pentium VI - Sales

**Asset Account**  
Computers

**PURCHASE INFORMATION**  
Purchase Description Item is  new  used  
Dellway Pentium VI  
Date 04/01/2023  
Cost 2,500.00  
Vendor/Payee Kershaw Computer Services

**SALES INFORMATION**  
Sales Description  Item is sold  
Sales Date  
Sales Price 0.00  
Sales Expense 0.00

Item is inactive

**ASSET INFORMATION**  
Asset Description  
Pentium VI with DVD Drive  
Location PO Number Serial Number Warranty Expires  
Sales  
987AB10 04/01/2025  
Notes  
Warranty covers parts and labor

Buttons: OK, Cancel, Next, Custom Fields, Spelling

## Purchase Fixed Asset

**Write Checks - Checking**

Main Reports  
Find New Save Delete Memorize Print Pay Online Attach File Select PO Enter Time Clear Splits Recalculate Recorder Reminder Order Checks

BANK ACCOUNT: Checking ENDING BALANCE: 44,863.45

NO. 13 DATE: 04/01/2023  
PAY TO THE ORDER OF: Kershaw Computer Services \$ 300.00  
Three hundred and 00/100\* ..... DOLLARS  
ADDRESS: Kershaw Computer Services, 101 Main Street, Garland, TX 76678  
MEMO:

Expenses -\$2,200.00 Items \$2,500.00

ACCOUNT	AMOUNT	MEMO	CUSTO...	BILLA...
Computer Loan	2,200.00			

Buttons: Save & Close, Save & New, Clear

## Loan Manager

The QuickBooks Loan Manager helps you manage loans for long term liability and other current liability accounts set up on your chart of accounts. You can view payment schedules, schedule loan payments, and evaluate “what if” scenarios.

### Add Loan Account

1. Click the **Chart of Accounts** icon on the **Home** page.
2. Click the **Account** button.
3. Select **New** from the menu.
4. Select Other Current Liability or Long Term Liability as the Type.
5. Enter remaining information in the **New Account** window.
6. Click **OK**.

Account Type Long Term Liability

Account Name Equipment Loan

Subaccount of

OPTIONAL

Description

Account No. 02933-99

Enter Opening Balance... Should I enter an opening balance?

Save & Close Save & New Cancel

## Deposit Loan Proceeds

1. Click the **Record Deposits** icon on the **Home** page.
2. Click on the first available deposit line in the **Make Deposits** window.
3. Click the **Received From** drop-down list and select the appropriate vendor.
4. Click the **From Account** drop-down list and select the appropriate long term liability or other current liability for which you are receiving a loan.
5. Enter other appropriate information in the **Make Deposits** window.
6. Click Save & Close.

RECEIVED FROM	FROM ACCOUNT	MEMO	CHK.	PMT METH.	AMOUNT
Texas Bank	Equipment Loan	Proceeds from Equipment Loan	1234	Check	40000

## Add Loan to Loan Manager

1. Select **Banking:Loan Manager** from the menu.
2. Click the **Add a Loan** button.
3. Enter appropriate information in the **Add Loan** windows.
4. Click **Finish** in the last **Add Loan** window.

ACCOUNT NAME: Equipment Loan

CURRENT BALANCE: 40,000.00

LENDER: Texas Bank

ORIGINATION DATE: 04/01/2023

ORIGINAL AMOUNT: 40,000.00

TERM: 60 Months

## Make Loan Payment from Loan Manager

1. Select **Banking:Loan Manager** from the menu.
2. Select the appropriate loan in the loan list.
3. Click the **Set Up Payment** button.
4. Change information in the **Set Up Payment** window (if appropriate).
5. Click **OK**.
6. Change information in the **Write Checks** or **Enter Bills** window (if appropriate).
7. Click Save & Close.

## Set Up Payment

Set Up Payment

This payment is **A regular payment**

Why should I pay my loans from the Loan Manager?  
What is the difference between a regular and an extra payment?

**ACCOUNT INFORMATION**

ACCOUNT NAME: Equipment Loan  
LENDER: Texas Bank  
BANK ACCOUNT: Checking

**PAYMENT INFORMATION**

PRINCIPAL (P) 551.52 FEES & CHARGES 0.00 PAYMENT NUMBER 1  
INTEREST (I) 250.00 ESCROW 0.00  
TOTAL (P+I) 801.52 TOTAL PAYMENT 801.52

**PAYMENT METHOD**

I want to **Write a check**

OK Cancel Help

## Loan Payment

Write Checks - Checking

Main Reports

Find New Save Delete Create a Copy Memorize Print Play Online Attach File Select PO Enter Time Clear Splits Recalculate Recorder Reminder Order Checks

BANK ACCOUNT: Checking ENDING BALANCE: 83,761.93

NO: 14 DATE: 04/01/2023

PAY TO THE ORDER OF: Texas Bank \$ 801.52

Eight hundred one and 52/100 \*\*\*\*\* DOLLARS

ADDRESS: Texas Bank, 8765 Bank Street, Dallas, TX 74248

MEMO: Accnt# 02633-99 - Pmt# 1

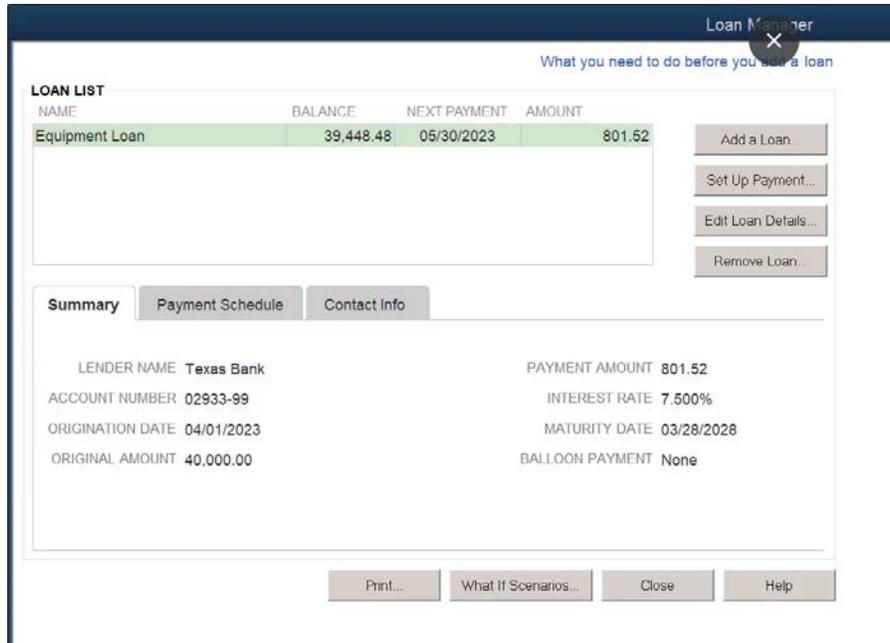
Expenses \$801.52 Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTO	BILLA
Equipment Loan	551.52			
Interest Expense	250.00			

Save & Close Save & New Revert

## Review Loan Information

1. Select **Banking:Loan Manager** from the menu.
2. Select the appropriate loan in the loan list.
3. Click appropriate tab to view loan information.



The screenshot shows the 'Loan Manager' window with a close button (X) in the top right corner. Below the title bar is a blue header with the text 'What you need to do before you add a loan'. The main content area is titled 'LOAN LIST' and contains a table with the following data:

NAME	BALANCE	NEXT PAYMENT	AMOUNT
Equipment Loan	39,448.48	05/30/2023	801.52

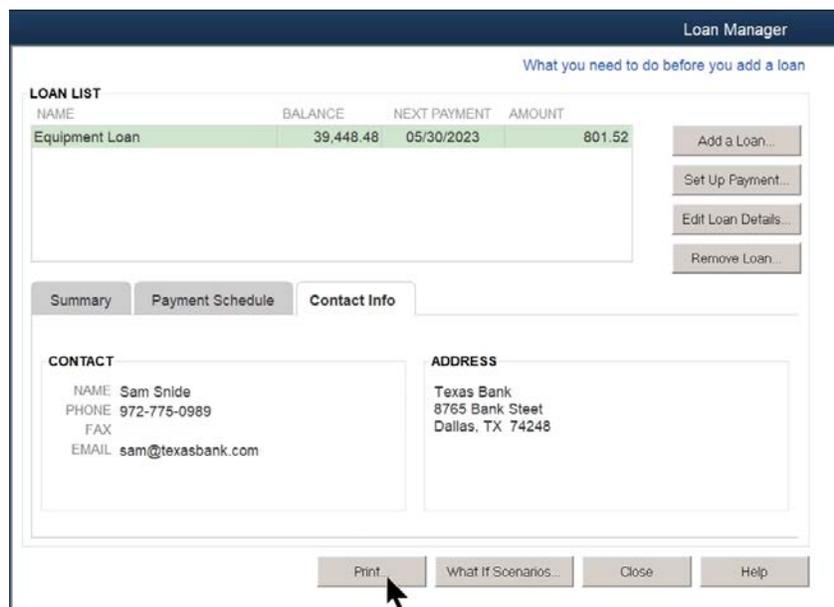
To the right of the table are four buttons: 'Add a Loan...', 'Set Up Payment...', 'Edit Loan Details...', and 'Remove Loan...'. Below the table are three tabs: 'Summary' (selected), 'Payment Schedule', and 'Contact Info'. The 'Summary' tab displays the following information:

LENDER NAME	Texas Bank	PAYMENT AMOUNT	801.52
ACCOUNT NUMBER	02933-99	INTEREST RATE	7.500%
ORIGINATION DATE	04/01/2023	MATURITY DATE	03/28/2028
ORIGINAL AMOUNT	40,000.00	BALLOON PAYMENT	None

At the bottom of the window are four buttons: 'Print...', 'What If Scenarios...', 'Close', and 'Help'.

## Print Loan Information

1. Select **Banking:Loan Manager** from the menu.
2. Select the appropriate loan in the loan list.
3. Click the **Print** button.
4. Select the appropriate printer in the **Print** window.
5. Click **Print**.



The screenshot shows the 'Loan Manager' window with a close button (X) in the top right corner. Below the title bar is a blue header with the text 'What you need to do before you add a loan'. The main content area is titled 'LOAN LIST' and contains a table with the following data:

NAME	BALANCE	NEXT PAYMENT	AMOUNT
Equipment Loan	39,448.48	05/30/2023	801.52

To the right of the table are four buttons: 'Add a Loan...', 'Set Up Payment...', 'Edit Loan Details...', and 'Remove Loan...'. Below the table are three tabs: 'Summary', 'Payment Schedule', and 'Contact Info' (selected). The 'Contact Info' tab displays the following information:

<b>CONTACT</b>	<b>ADDRESS</b>
NAME Sam Snide	Texas Bank
PHONE 972-775-0989	8765 Bank Steet
FAX	Dallas, TX 74248
EMAIL sam@texasbank.com	

At the bottom of the window are four buttons: 'Print' (with a mouse cursor pointing to it), 'What If Scenarios...', 'Close', and 'Help'.

## Lines of Credit

Use the following steps to track the use and payback of a line of credit.

1. Set up Liability account to track the line of credit
2. Transfer Funds to record use of the line of credit or overdraft facility
3. Pay back the line of credit

### 1. Set Up Liability Account to Track Line of Credit

Account Type: Other Current Liability

Account Name: Line of Credit

Subaccount of

OPTIONAL

Description

Account No.

Routing Number

Enter Opening Balance... Should I enter an opening balance?

Save & Close Save & New Cancel

### 2. Transfer Funds to Checking Account

Transfer Funds Between Accounts

Previous Next Save Attach

Transfer Funds

DATE: 04/01/2023

TRANSFER FUNDS FROM: Line of Credit ACCOUNT BALANCE: 0.00

TRANSFER FUNDS TO: Checking ACCOUNT BALANCE: 82,960.41

TRANSFER AMOUNT: 2000

MEMO: Funds Transfer

Save & Close Save & New Clear

Estimates Create Invoices FICA/MED Payable FIT Withheld

### 3. Write Check to Pay Line of Credit

The screenshot displays the 'Write Checks - Checking' window in QuickBooks. The window title is 'Write Checks - Checking'. The 'Main' menu is open, showing options like 'Find', 'New', 'Save', 'Delete', 'Memorize', 'Print', 'Pay Online', 'Attach File', 'Select PO', 'Enter Time', 'Clear Splits', 'Recalculate', 'Reorder Reminder', and 'Order Checks'. The 'BANK ACCOUNT' is set to 'Checking' with an 'ENDING BALANCE' of '102,960.41'. The check is for 'Great Statewide Bank' dated '04/01/2023' for '\$ 1,000.00'. The 'NO.' field contains 'EFT'. The address is 'Great Statewide Bank, Bucksville, TX 99898'. The memo is 'Line of credit payment and interest expense'. The expenses table shows 'Line of Credit' for \$900.00 and 'Interest Expense' for \$100.00. The 'Save & Close' button is highlighted with a mouse cursor.

If the payment is made with an Electronic Fund Transfer, type "EFT" in the No. field.

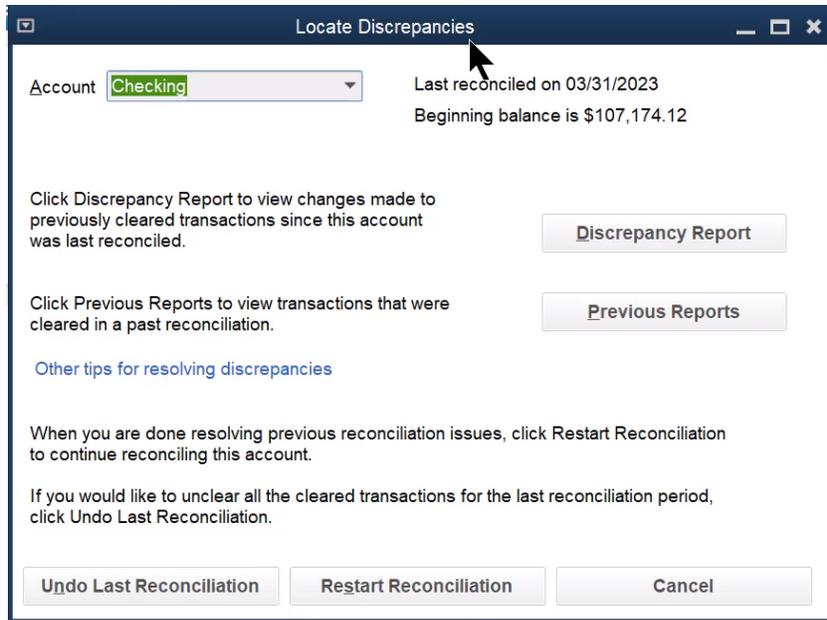
## Reconcile Bank Accounts

### Beginning Reconciliation Balance

What if this month's Beginning Balance has changed from last month's bank statement ending balance? In QuickBooks, the Beginning Balance is the sum of all cleared transactions in the account. If a cleared transaction is modified or deleted, the Beginning Balance changes. Then, the account cannot be reconciled until the problem is corrected.

What if it doesn't match? Follow step 1 below if you use QuickBooks Premier or Enterprise Solutions. Follow steps 2 through 5 if you use QuickBooks Pro.

1. Run Reconciliation Detail reports for prior months. Compare these reports to the bank statements for those periods. Look for transactions that cleared on the statements but do not appear on the Reconciliation Detail reports.
2. Run the Reconcile Discrepancy Report. This report shows any cleared transactions that were modified or deleted since the last bank reconciliation.
3. As a first step, search for any difference in the account register.
4. Run the Audit Trail Report and look for an amount that equals the difference.
5. Compare past bank statements and reconciliation reports to the bank activity in QuickBooks. Look for any transactions that are missing or have changed in QuickBooks.



## Review Previous Reconciliation Report

QuickBooks Premier and Enterprise Solutions let you print past reconciliation reports. QuickBooks Pro only lets you print a copy of the last report.

1. Click the **Reconcile** icon on the **Home** page.
2. Click the **Account** drop-down list and select the appropriate bank account.
3. Click the Locate Discrepancies button.
4. Click the **Previous Reports** button.
5. Select the **Statement Ending Date** and make other appropriate choices in the **Select Previous Reconciliation Report** window.
6. Click **Display**.

Buildem, Inc.						
Reconciliation Detail						
Checking, Period Ending 02/28/2015						
Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						106,992.94
Cleared Transactions						
Checks and Payments - 1 item						
Check	2/28/2015	1003	Edgar Leasing	X	(2,818.82)	(2,818.82)
Total Checks and Payments					(2,818.82)	(2,818.82)
Deposits and Credits - 1 item						
Deposit	2/28/2015			X	10,000.00	10,000.00
Total Deposits and Credits					10,000.00	10,000.00
Total Cleared Transactions					7,181.18	7,181.18
Cleared Balance					7,181.18	114,174.12
Register Balance as of 02/28/2015					7,181.18	114,174.12

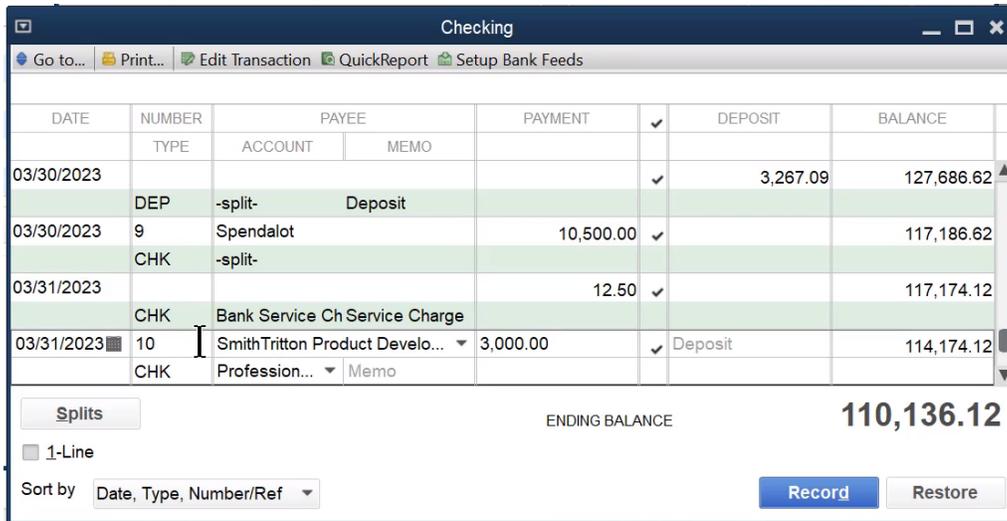
## Run Reconcile Discrepancy Report

Run a Reconcile Discrepancy Report to identify why the beginning balance has changed since the last statement. This report lists all previously reconciled transactions that were changed since the last statement date. Use this report to identify changed amounts and changes in cleared status.

This report does not show deleted transactions. If you suspect a deleted transaction, identify it by comparing a previous reconciliation report to the bank register.

Run Reconcile Discrepancy Report

1. Select **Banking:Reconcile** from the menu.
2. Click the **Account** drop-down list and select the appropriate bank account.
3. Click the Locate Discrepancies button.
4. Click the **Discrepancy Report** button.



DATE	NUMBER	PAYEE	PAYMENT	DEPOSIT	BALANCE
03/30/2023				3,267.09	127,686.62
	DEP	-split- Deposit			
03/30/2023	9	Spendalot	10,500.00		117,186.62
	CHK	-split-			
03/31/2023			12.50		117,174.12
	CHK	Bank Service Ch Service Charge			
03/31/2023	10	Smith Tritton Product Develo...	3,000.00		114,174.12
	CHK	Profession... Memo		Deposit	

**ENDING BALANCE 110,136.12**

Sort by: Date, Type, Number/Ref

Buttons: Splits, 1-Line, Record, Restore

## Changing Cleared Status

The primary cause of beginning balance changes is when you change or delete a cleared transaction. This includes changing the cleared status of a transaction. If this occurs, change the cleared status in the account register.

1. Click the **Chart of Accounts** icon on the **Home** page.
2. Double-click on the appropriate bank account.
3. Click once on the transaction with the incorrect cleared status (look at the column labeled with a check mark).
4. Click in the check mark column for the transaction until the appropriate cleared status appears.
5. Click the **Record** button.

DATE	NUMBER	PAYEE	PAYMENT	✓	DEPOSIT	BALANCE
	TYPE	ACCOUNT	MEMO			
03/31/2023	10	Tritton Product Development	10,000.00	✗	Deposit	107,174.12
	CHK	Profession...	Memo			
04/01/2023	1011	General Carriers, Inc.	788.00			106,386.12
	CHK	-split-				
04/01/2023	1012	Lew Plumbing	3,250.00			103,136.12
	CHK	Repairs:Building Bill #4558: Fix th				
04/01/2023						

Splits

ENDING BALANCE **103,136.12**

1-Line

Sort by Date, Type, Number/Ref

**Record** Restore

Manually change cleared transactions to fix errors only. Use the *Reconcile* window in QuickBooks to clear transactions.

## Fix Bill Payment Errors

A common mistake is paying bills using the *Write Checks* feature. This leaves the original bill unpaid and doubles the expense. There are two ways to handle this:

### 1. Delete Original Bill

Find the original bill and delete the transaction.

1. Select Reports:Vendors & Payables:Unpaid Bills Detail from the menu.
2. Double-click on the bill to delete.
3. Select **Edit>Delete Bill** from the menu.
4. Click **OK**.

## 2. Delete Original Check and Pay the Bill

Find the check and delete the transaction. Pay the bill using *Pay Bills* and make sure the reconciled status and the check number of the new check matches that of the deleted check.

**SELECT BILLS TO BE PAID**

Show bills  Due on or before 04/11/2023  Show all bills

Filter By  Sort By Due Date

DATE DUE	VENDOR	REF. NO.	DISC. DATE	AMT. DUE	DISC. USED	CREDITS USED	AMT. TO PAY
<input type="checkbox"/>	03/15/20... Spandalot	0039		14,000.00	0.00	0.00	0.00
<input type="checkbox"/>	04/04/20... JoJo, Inc.	343	03/15/2023	18,748.75	0.00	0.00	0.00
<input type="checkbox"/>	04/14/20... JoJo, Inc.	343v	03/25/2023	2,999.90	0.00	0.00	0.00
<input checked="" type="checkbox"/>	04/14/20... Lew Plumbing	4558		3,250.00	0.00	0.00	3,250.00
Totals				66,582.65	0.00	0.00	3,250.00

Clear Selections

**DISCOUNT & CREDIT INFORMATION FOR HIGHLIGHTED BILL**

Vendor: Lew Plumbing Terms: Net 30 Number of Credits: 0  
Bill Ref. No.: 4558 Sugg. Discount: 0.00 Total Credits Available: 0.00

Go to Bill Set Discount Set Credits

**PAYMENT**

Date: 04/01/2023 Method: Check Account: Checking  
Ending Balance: 103,136.12

To be printed  Assign check number

Pay Selected Bills Cancel

## Check Detail Report

Bill payments on reports and in registers usually do not show what expenses were paid. To see what expenses were paid with a bill payment, run the *Check Detail* report.

## Bill Payment in Checking Register

DATE	NUMBER	PAYEE	PAYMENT	DEPOSIT	BALANCE
	TYPE	ACCOUNT	MEMO		
03/31/2023	10	Smith Tritton Product Developmen	10,000.00		107,174.12
	CHK	Professional Fee			
04/01/2023	1011	General Carriers, Inc.	788.00		106,386.12
	CHK	-split-			
04/01/2023	1012	Lew Plumbing	3,250.00		103,136.12
	BILLPMT	Accounts Payabl Fix the Loo			
4/01/2023	Number	Payee	Payment	Deposit	
		Account			

ENDING BALANCE **103,136.12**

1-Line

Sort by

## Check Detail Report

Select Reports:Banking:Check Detail from the menu.

Buildem, Inc.  
**Check Detail**  
 January 1 through April 1, 2023

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
					Professional Fees	(10,000.00)	10,000.00
TOTAL						(10,000.00)	10,000.00
Bill Pmt -Check	1000	01/29/2023	Walnut, Inc.		Checking		(7,499.75)
Bill	AD2...	01/12/2023	Cedar D...	Raw Materials Inve...		(7,499.75)	7,499.75
TOTAL						(7,499.75)	7,499.75
Check	1001	02/20/2023	Supply-A-Lot		Checking		(12,154.15)
					Cost of Assemble...	(7,542.58)	7,542.58
					Advertising	(125.00)	125.00

## 1099s/1096

Printing 1099s is a seven step process. You perform most of these steps using the *1099 Wizard*.

- Turn on 1099 preference
- Select Your 1099 Vendors
- Verify Vendor Information
- Set 1099 Account Mapping
- Review 1099 Data
- Confirm 1099 Entries
- Print or E-file 1099s and 1096

### 1. Turn on 1099 Preference

1. Turn on 1099 Preference
2. Select **Edit:Preferences** from the menu.
3. Select **Tax:1099** from the list to the left.
4. Click the Company Preferences tab.
5. Select Yes next to Do you file 1099-MISC forms?.



The screenshot shows a software interface with two tabs: 'My Preferences' and 'Company Preferences'. The 'Company Preferences' tab is active. Below the tabs, the text 'Do you file 1099-MISC forms?' is followed by two radio buttons. The 'Yes' radio button is selected, and a mouse cursor is pointing at it. The 'No' radio button is unselected.

## Step 1: Start the 1099 and 1096 Wizard

Open 1099s/1096 Wizard

1. Select Vendors:Print/E-file 1099s:1099 Wizard from the menu.



## Step 2. Select 1099 Vendors and Verify Information

1. Click Get Started in the QuickBooks 1099 Wizard window.
2. Review the vendor information and make any necessary changes.
3. Click Continue.



### Step 3. Map Accounts

1. Click the drop-down arrow to the right of each account in the list and select the appropriate 1099 box.
2. Click Continue.

**QuickBooks 1099 Wizard**

#### Map vendor payment accounts

You used these QuickBooks accounts to track payments to your 1099 vendors. Now, tell QuickBooks where the amounts paid from each account should appear on Form 1099-MISC.

1 Select Vendors 2 Verify Vendors 3 **Map Accounts** 4 Review Payments 5 Confirm Entries 6 Close Filing

Show 1099 accounts ▾

**Tip!**  
Most companies map the accounts they use to pay 1099 vendors to Box 7: Nonemployee Compensation on Form 1099-MISC.  
Tell me more about the 1099 boxes.  
 Report all payments in Box 7

Accounts used for 1099	Account type	Apply payments to this 1099 box
Office Supplies	Expense	Omit these payments from 1099 ▾
Payroll Expenses	Expense	Omit these payments from 1099 ▾
Postage and Delivery	Expense	Omit these payments from 1099 ▾
Professional Fees	Expense	Omit these payments from 1099 ▾
Rent : Car Rental	Expense	Omit these payments from 1099 ▾
Rent : Equipment Rental	Expense	Omit these payments from 1099 ▾
Rent : Office Rent	Expense	Omit these payments from 1099 ▾
Subcontractors	Expense	Box 7: Nonemployee Compensation ▾
Taxes : Federal Payroll	Expense	Omit these payments from 1099 ▾
Taxes : Property	Expense	Omit these payments from 1099 ▾
Taxes : State	Expense	Omit these payments from 1099 ▾
Tools and Machinery	Expense	Omit these payments from 1099 ▾

Show IRS 1099-MISC filing thresholds

Need more information? Back Save & Close **Continue**

## Step 4. Review Vendor Payments and Confirm Entries

1. Review 1099 Summary
2. Review the information in the **Review 1099 Summary** window.
3. Click Continue.

## Step 5. Choose a Filing Method

1. Click Print 1099s in the 1099 Wizard window.
2. Select the date range for 1099s in the **Printing 1099-MISC and 1096 Forms** window.
3. Click **OK**.
4. Click Print 1099 in the Select 1099s to Print window.
5. Click **Print** in the **Print 1099s** window.
6. Click Print 1096 in the Select 1099s to Print window.
7. Enter appropriate information in the **1096 Information** window.
8. Click **OK**.
9. Click **Print** in the **Print 1096** window.



## 1099s/1096 Date Range

Printing 1099-MISC and 1096 Forms

Please specify a date range:

This Calendar Year

From 01/01/2015

To 12/31/2015

OK

Cancel

Help

Select 1099s to Print

Select vendors to print 1099-MISC / 1096 forms:

<input checked="" type="checkbox"/>	VENDOR	VALID ID	VALID ADD...	TOTAL
<input checked="" type="checkbox"/>	Spendalot	Yes	Yes	3,000.00
<input checked="" type="checkbox"/>	Supply-A-Lot	Yes	Yes	25,125.00

1096 SUMMARY INFORMATION

Number of vendors selected: 2

Total for vendors selected: 28,125.00

Preview 1099

Print 1099

Print 1096

Cancel

Help

Select All

Select None

1096 Information

Form 1096 summarizes the 1099s.

Please fill in the additional information below to complete your Form 1096.

Contact Name: Kelsey Auldrige

This is my final return.

OK

Cancel

# Chapter 8

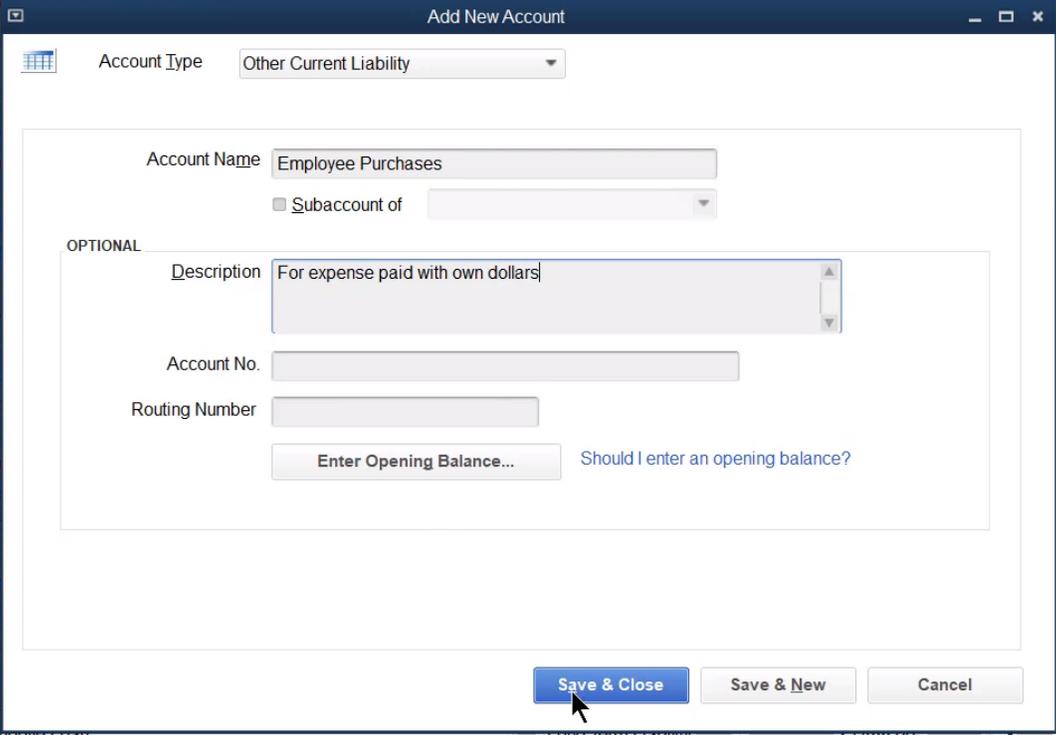
# Advanced Purchase Transactions

## Employee/Owner Purchases

When an owner or employee pays for goods or services using their own funds, the transaction must be recorded to show that the services or goods were bought, and that the money is owed to the owner or employee. Follow these steps to track employee/owner purchases.

1. Set up account to track money owed to Employee/Owner
2. Record purchase using zero-based check
3. Reimburse Employee/Owner if necessary

### 1. Set Up Account to Track Money Owed to Employee/Owner



The screenshot shows the 'Add New Account' window in QuickBooks. The 'Account Type' is set to 'Other Current Liability'. The 'Account Name' is 'Employee Purchases'. There is a checkbox for 'Subaccount of' which is unchecked. Under the 'OPTIONAL' section, the 'Description' is 'For expense paid with own dollars'. There are empty fields for 'Account No.' and 'Routing Number'. At the bottom of the optional section, there is a button labeled 'Enter Opening Balance...' and a link that says 'Should I enter an opening balance?'. At the bottom of the window, there are three buttons: 'Save & Close' (highlighted with a mouse cursor), 'Save & New', and 'Cancel'.

This may be an Equity type account for owner purchases. An accountant can help with this decision.

## 2. Record Purchase Using Zero-Based Check

Write Checks - Checking

Main Reports

Find New Save Delete Memorize Create a Copy Print Pay Online Print Later Attach File Select PO Enter Time Clear Splits Recalculate Reorder Reminder Order Checks

BANK ACCOUNT: Checking ENDING BALANCE: 79,252.04

NO: ZB DATE: 04/01/2023

PAY TO THE ORDER OF: Office Solutions \$ 0.00

ADDRESS: Office Solutions, 78 West Howard, Dallas, TX 75838

MEMO: 8374k38

Expenses \$0.00 Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER	BILLABLE
Office Supplies	50.00	Paid by Pete		
Employee Purchases	-50.00	Owed to Pete		

Save & Close Save & New Clear

Reconcile this check on your next bank reconciliation.

## 3. Reimburse Employee/Owner

Write Checks - Checking

Main Reports

Find New Save Delete Memorize Create a Copy Print Pay Online Print Later Attach File Select PO Enter Time Clear Splits Recalculate Reorder Reminder Order Checks

BANK ACCOUNT: Checking ENDING BALANCE: 79,252.04

NO: 18 DATE: 04/01/2023

PAY TO THE ORDER OF: Pete J Smith \$ 50.00

Fifty and 00/100 DOLLARS

ADDRESS: Pete J Smith, 38 Elm #1078, Dallas, TX 75241

MEMO: Pay back for office supplies

Expenses \$50.00 Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER	BILLABLE
Employee Purchases	50.00			

Save & Close Save & New Clear

## Prepaid Expenses

You should track prepaid expenses as an asset when paid, and use a journal entry to expense the cost in the appropriate month. Use the following steps to record a prepaid expense. You could memorize this journal entry to automatically record the monthly expense for the rest of the fiscal year.

1. Create a prepaid expense asset account
2. Record prepaid expense
3. Create journal entry for monthly expense

### 1. Create a Prepaid Expense Asset Account

The screenshot shows the 'Add New Account' window. The 'Account Type' dropdown is set to 'Other Current Asset'. The 'Account Name' field contains 'Prepaid Insurance'. Below it is a 'Subaccount of' dropdown. An 'OPTIONAL' section contains a 'Description' text area and an 'Account No.' text field. At the bottom of this section are two buttons: 'Enter Opening Balance...' and 'Should I enter an opening balance?'. At the very bottom of the window are three buttons: 'Save & Close', 'Save & New', and 'Cancel'. A mouse cursor is pointing at the 'Save & Close' button.

### 2. Record Prepaid Expense

The screenshot shows the 'Write Checks - Checking' window. The 'Main' menu is open, showing various options like 'Find', 'New', 'Save', 'Delete', etc. The 'Bank Account' is set to 'Checking' with an ending balance of 79,202.04. The check number is 19, dated 04/01/2023, for \$1,200.00, payable to 'General Carriers, Inc.'. The amount is written in words as 'One thousand two hundred and 00/100'. The address is 'General Carriers, Inc., 77 Main Street, Dallas, TX 75002'. The memo field contains 'Monthly General Liability'. Below the check details, the 'Expenses' section shows a total of \$1,200.00, with 'Prepaid Insurance' selected as the account and 'Monthly General Liability' as the memo. At the bottom are buttons for 'Save & Close', 'Save & New', and 'Clear'. A mouse cursor is pointing at the 'Save & Close' button.

### 3. Create Journal Entry for Monthly Expense

The screenshot shows the 'Make General Journal Entries' window. The date is 04/01/2023 and the entry number is 18. The journal entry table is as follows:

ACCOUNT	DEBIT	CREDIT	MEMO	NAME	BILLABLE?
Insurance	100.00		Expense one month's prepaid insurance		
Prepaid Insurance		100.00	Expense one month's prepaid insurance		
Totals	100.00	100.00			

Buttons at the bottom: Save & Close, Save & New, Clear.

### Memorize Transaction

The screenshot shows the 'Memorize Transaction' dialog box. The name is 'Prepaid Insurance Adjustment'. The options are:

- Add to my Reminders List
- Do Not Remind Me
- Automate Transaction Entry
- Add to Group

Fields:

- How Often: Monthly
- Next Date: 05/31/2023
- Number Remaining: 12
- Days In Advance To Enter: 0
- Group Name: <None>

Buttons: OK, Cancel.

## Vendor Deposits

To correctly track vendor deposits in a separate asset account, follow these steps:

1. Create a Vendor Prepayments asset account
2. Use the Vendor Prepayments account when the deposit is paid
3. Use the Vendor Prepayments account with a negative amount on the check/bill when applying the deposit

## Add Vendor Prepayments Account

Account Type: Other Current Asset

Account Name: Vendor Prepayments

Subaccount of: [Empty]

OPTIONAL

Description: For vendor deposits

Account No.: [Empty]

Change Opening Balance... You can change the opening balance in the account register.

Account is inactive

Save & Close Cancel

## Pay Vendor Deposit

Main Reports

Find New Save Delete Memorize Create a Copy Print Print Later Pay Online Attach File Select PO Enter Time Clear Splits Recalculate Reorder Reminder Order Checks

BANK ACCOUNT: Checking ENDING BALANCE: 78,002.04

NO: 20 DATE: 04/01/2023

PAY TO THE ORDER OF: East Bayshore Tool & Supply \$ 1,000.00

One thousand and 00/100\* \*\*\*\*\* DOLLARS

ADDRESS: East Bayshore Tool & Supply, 87 Hammer St, Wrenchville, TX 77887

MEMO: 453

Expenses \$1,000.00 Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER	BILLAB...
Vendor Prepayments	1,000.00	Deposit on BIG Hammer		

Save & Close Save & New Clear

## Apply Vendor Prepayment

Write Checks - Checking

Main Reports

Find New Save Delete Memorize Create a Copy Print Print Later Pay Online Attach File Select PO Enter Time Clear Splits Recalculate Reorder Reminder Order Checks

BANK ACCOUNT: Checking ENDING BALANCE: 77,002.04

NO: 21 DATE: 04/01/2023

PAY TO THE ORDER OF: East Bayshore Tool & Supply \$ 2,000.00

Two thousand and 00/100\* DOLLARS

ADDRESS: East Bayshore Tool & Supply, 87 Hammer St, Wrenchville, TX 77887

MEMO: 453

Expenses \$2,000.00 Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER	BILLAB...
Tools and Machinery	3,000.00	Big Hammer		
Vendor Prepayments	-1,000.00	Apply vendor deposit		

Save & Close Save & New Clear

## Support Schedules

Other Balance Sheet accounts can be reconciled. This can help provide a support schedule for accounts such as deposits, retainage, or employee advances. To create a support schedule, follow these steps:

1. Reconcile the Balance Sheet account using the QuickBooks *Reconcile* feature. Clear any amounts that are "finished" (both sides of the transaction are complete).
2. Run a Custom Transaction Detail Report for the account. Total the report by customer or vendor as appropriate. Filter the report to include only the Balance Sheet account and uncleared transactions.

## Step 1: Reconcile Balance Sheet Account

1. Click the Reconcile icon on the Home page.
2. Click the Account drop-down list and select the appropriate balance sheet account.
3. Enter the date of the schedule as the Statement Date.
4. Enter the Ending Balance.  
This should be the same as the Beginning Balance.
5. Click Continue.
6. Click the items that have "cleared" the account (check both sides of each cleared item).
7. Click the Reconcile Now button.
8. Select the type of reconciliation report and click Print.

## Reconcile Window

Reconcile - Vendor Prepayments

For period: 03/31/2023  Hide transactions after the statement's end date

Checks and Payments				Deposits and Other Credits					
✓ DATE	CHK #	PAYEE	AMOUNT	✓ DATE	CHK #	PAYEE	MEMO	TYPE	AMOUNT
✓ 03/26/2023		Buildings, Inc.	2,000.00	✓ 03/01/2023		Buildings,...		CHK	2,000.00
✓ 03/28/2023		Otto Mekanix	1,300.00	03/05/2023		JoJo, Inc.		CHK	5,000.00
✓ 03/31/2023		General Carriers	1,212.00	✓ 03/08/2023		Otto Mek...		CHK	1,300.00
✓ 04/01/2023		East Bayshore T...	1,000.00	03/13/2023		General ...		CHK	1,212.00
				03/25/2023		Locks, Inc.		CHK	3,000.00
				✓ 04/01/2023		East Bay...	Deposit on...	CHK	1,000.00

Highlight Marked
 Mark All
Unmark All
Go To
Columns to Display...

Beginning Balance	0.00	
Items you have marked cleared		0.00
4 Deposits and Other Credits	5,512.00	
4 Checks and Payments	5,512.00	

Modify	Service Charge	0.00
	Interest Earned	0.00
	Ending Balance	0.00
	Cleared Balance	0.00
	Difference	0.00

Reconcile Now
Leave

## Reconciliation Detail Report

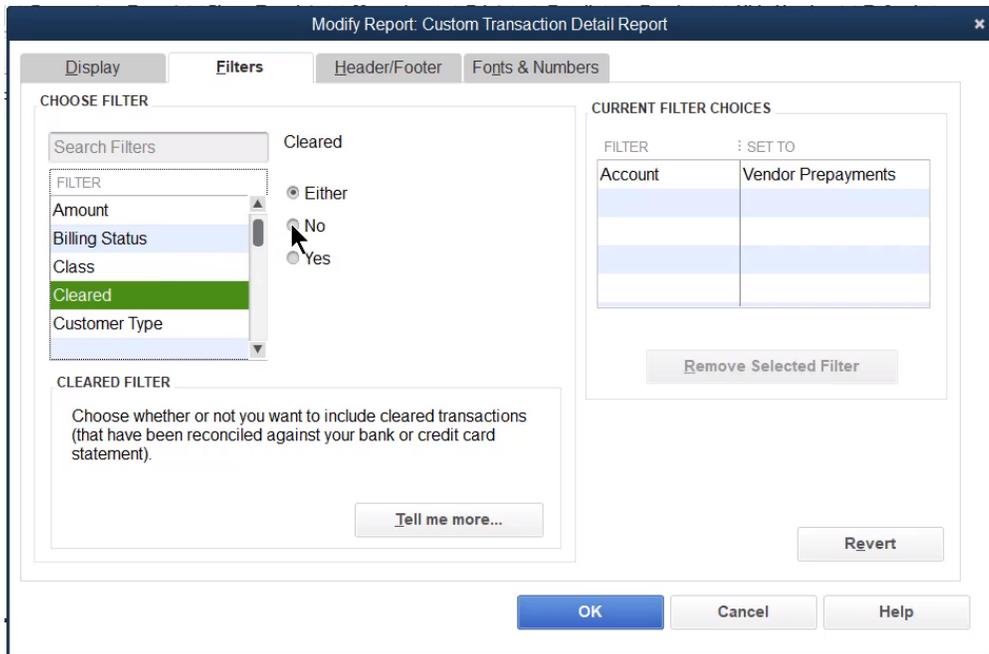
Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						0.00
Cleared Transactions						
Checks and Payments - 4 items						
Check	03/26/2015	15	Buildings, Inc.	✓	(2,000.00)	(2,000.00)
Check	03/28/2015	16	Otto Mekanix	✓	(1,300.00)	(3,300.00)
Check	03/31/2015	17	General Carriers, L...	✓	(1,212.00)	(4,512.00)
Check	04/01/2015	21	East Bayshore Too...	✓	(1,000.00)	(5,512.00)
Total Checks and Payments					(5,512.00)	(5,512.00)
Deposits and Credits - 4 items						
Check	03/01/2015	10	Buildings, Inc.	✓	2,000.00	2,000.00
Check	03/08/2015	12	Otto Mekanix	✓	1,300.00	3,300.00
Check	03/13/2015	13	General Carriers, L...	✓	1,212.00	4,512.00
Check	04/01/2015	20	East Bayshore Too...	✓	1,000.00	5,512.00
Total Deposits and Credits					5,512.00	5,512.00
Total Cleared Transactions					0.00	0.00
Cleared Balance					0.00	0.00

## Step 2. Prepare Support Schedule

Review Support Schedule for Account

1. Select Reports:Custom Reports:Transaction Detail from the menu.
2. Click the **Total by** drop-down list and select customer or vendor (as appropriate).
3. Click the **Dates** drop-down list and select **All**.
4. Click the **Filters** tab.
5. Click **Account** in the list of filters to the left.
6. Click the **Account** drop-down list and select the appropriate account.
7. Click **Cleared** in the list of filters to the left.
8. Select **No** to the right.
9. Click the **Header/Footer** tab.
10. Rename the **Report Title** as appropriate.
11. Click **OK**.

## Modify Custom Transaction Detail Report



## Vendor Prepayments Support Schedule

Custom Transaction Detail Report

Customize Report | Comment on Report | Share Template | Memorize | Print | E-mail | Excel | Hide Header | Refresh

Dates: All | From: | To: | Total By: Vendor | Sort By: Default

Report Basis:  Accrual  Cash | Show Filters

04/01/23  
Accrual Basis

**Buildem, Inc.**  
**Custom Transaction Detail Report**  
 All Transactions

Type	Date	Num	Name	Memo	Clr	Amount	Balance
<b>JoJo, Inc.</b>							
Check	03/05/2023	11	JoJo, Inc.	83848		5,000.00	5,000.00
Total JoJo, Inc.						5,000.00	5,000.00
<b>Locks, Inc.</b>							
Check	03/25/2023	14	Locks, Inc.	43437G		3,000.00	3,000.00
Total Locks, Inc.						3,000.00	3,000.00
<b>TOTAL</b>						<b>8,000.00</b>	<b>8,000.00</b>

## Vendor Refunds

### Method 1-Credit Already Entered in QuickBooks

If a credit has already been entered in QuickBooks, use the Make Deposits window to deposit the refund. Enter the vendor's name in the *Received From* field and *Accounts Payable* in the *From Account* field. Next, apply the vendor credit against this deposit in the *Pay Bills* window.

- Deposit vendor check
- Apply credit to refund

### Deposit Vendor Check

Make Deposits

Previous Next Save Print Payments History Attach

Deposit To: Checking Date: 04/01/2023 Memo: Deposit

Click Payments to select customer payments that you have received. List any other amounts to deposit below.

RECEIVED FROM	FROM ACCOUNT	MEMO	CHK NO.	PMT METH.	AMOUNT
Smith & Smith	Accounts Payable	Refund check	898	Check	1000

Deposit Subtotal

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account.

Cash back goes to: [dropdown] Cash back memo: [text] Cash back amount: [text]

Deposit Total

Save & Close Save & New Clear

## Apply Credit to Refund

1. Click the **Pay Bills** icon on the **Home** page.
2. Click the deposit amount which is listed among the bills.
3. Click the **Set Credits** button.
4. Select the appropriate credits and amounts to apply in the **Discount and Credits** window.
5. Click **Done**.
6. Enter remaining information in the **Pay Bills** window.
7. Click Pay Selected Bills.

**SELECT BILLS TO BE PAID**

Show bills  Due on or before 04/11/2023  Show all bills

Filter By

Sort By

<input checked="" type="checkbox"/>	DATE DUE	VENDOR	REF. NO.	DISC. DATE	AMT. DUE	DISC. USED	CREDITS USED	AMT. TO PAY
<input type="checkbox"/>	03/15/2023	Spendalot	0039		14,000.00	0.00	0.00	0.00
<input type="checkbox"/>	03/30/2023	Fort Worth Homes-V	398		10,000.00	0.00	0.00	0.00
<input checked="" type="checkbox"/>		Smith & Smith			1,000.00	0.00	0.00	1,000.00
<input type="checkbox"/>	04/04/2023	JoJo, Inc.	343	03/15/2023	18,748.75	0.00	0.00	0.00
Totals					66,082.65	0.00	0.00	1,000.00

**DISCOUNT & CREDIT INFORMATION FOR HIGHLIGHTED BILL**

Vendor **Smith & Smith** Terms

Bill Ref. No.  Sugg. Discount **0.00** Number of Credits **1**

Total Credits Available **1,000.00**

**PAYMENT**

Date  Method   To be printed  Assign check number

Account  Ending Balance **75,002.04**

## Method 2-Credit Not Entered in QuickBooks

If a credit has not been entered in QuickBooks, enter the deposit using the original expense account as the *From Account*.

RECEIVED FROM	FROM ACCOUNT	MEMO	CHK NO.	PMT METH.	AMOUNT
Smith & Smith	Freight & Delivery	Refund for bad service	399	Check	1000

## Trading A/R & A/P Account Balances

Do you have a balance in accounts payable (money you owe) that you would like to offset against a balance in accounts receivable (money owed to you)? Examples of this include:

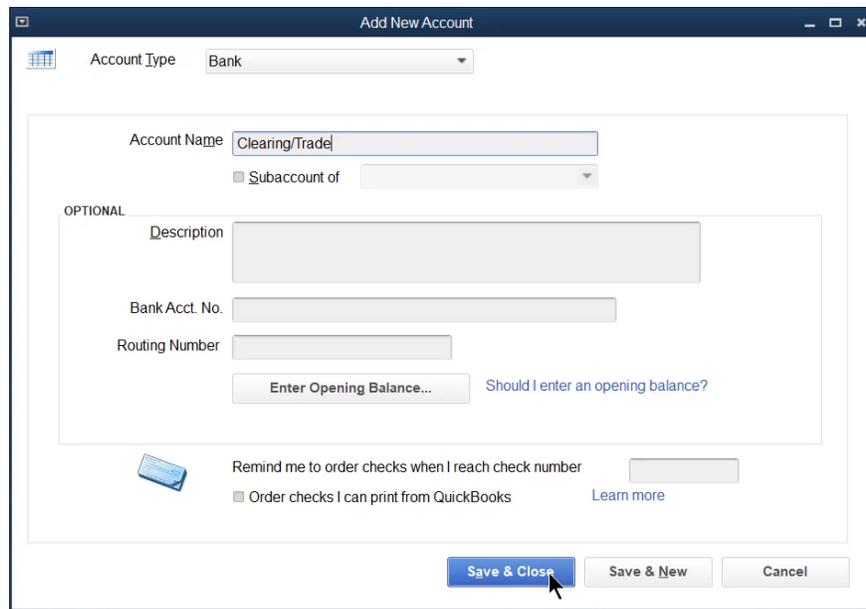
1. You have a customer who is also a vendor.
2. You receive a 3 party check (customer, vendor, and you), which you endorse and forward to the vendor. You must show that the customer has paid you AND you have paid your vendor.
3. You accept something in trade. First, you enter a bill for what you received. Then you offset that with the money the customer owes you.

In these and other similar situations, use the following steps.

1. Set up clearing/trade bank account
2. Offset the receivable
3. Offset the payable

## Set Up "Clearing/Trade" Bank Account

1. Click the **Chart of Accounts** icon on the **Home** page.
2. Click the **Account** button.
3. Select **New** from the menu.
4. Select **Bank** as the **Type**.
5. Click Continue.
6. Enter Clearing/Trade as the Account Name.
7. Click Save & Close.



The screenshot shows the 'Add New Account' window. At the top, 'Account Type' is set to 'Bank'. The 'Account Name' field contains 'Clearing/Trade'. Below it is a 'Subaccount of' dropdown menu. An 'OPTIONAL' section contains a 'Description' text area, 'Bank Acct. No.', and 'Routing Number' text boxes. There is a button labeled 'Enter Opening Balance...' and a link 'Should I enter an opening balance?'. At the bottom of the window, there are three buttons: 'Save & Close', 'Save & New', and 'Cancel'. A mouse cursor is pointing at the 'Save & Close' button.

## Offset the Receivable

1. Click the **Receive Payments** icon on the **Home** page.
2. Click the **Received From** drop-down list and select the appropriate customer or job.
3. Enter the amount to clear against the payable as the **Amount**.
4. Click on the individual invoices to offset against the payable.
5. Click the **Deposit to** drop-down list and select **Clearing/Trade**.
6. Enter remaining information in the **Receive Payments** window.
7. Click Save & Close.

The screenshot shows the 'Receive Payments' window in a software application. The title bar reads 'Receive Payments'. The main area is titled 'Customer Payment' and shows a customer balance of 33,000.00. The 'RECEIVED FROM' field is set to 'Fort Worth Homes'. The 'PAYMENT AMOUNT' is 10,000.00 and the 'DATE' is 04/01/2023. The 'DEPOSIT TO' dropdown is set to 'Clearing/Trade'. A table of invoices is displayed below, with columns for DATE, NUMBER, ORIG. AMT., AMT. DUE, and PAYMENT. The table shows two invoices: one from 02/21/2023 for 25,832.71 and another from 03/28/2023 for 7,167.29. The totals row shows 33,000.00 for both ORIG. AMT. and AMT. DUE, and 10,000.00 for PAYMENT. Below the table, there is an 'UNDERPAYMENT' section showing \$15,832.71 and two radio button options: 'LEAVE THIS AS AN UNDERPAYMENT' (selected) and 'WRITE OFF THE EXTRA AMOUNT'. To the right, an 'AMOUNTS FOR SELECTED INVOICES' section shows AMOUNT DUE of 25,832.71, APPLIED of 10,000.00, and DISCOUNT AND CREDITS APPLIED of 0.00. At the bottom, there is a 'MEMO' field and three buttons: 'Save & Close', 'Save & New', and 'Clear'.

DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
02/21/2023	6	25,832.71	25,832.71	10,000.00
03/28/2023	13	7,167.29	7,167.29	0.00
Totals		33,000.00	33,000.00	10,000.00

## Offset the Payable

1. Click the **Pay Bills** icon on the **Home** page.
2. Click the **Payment Method** drop-down list and select **Check**.
3. Click the **Payment Account** drop-down list and select **Clearing/Trade**.
4. Click on the individual bills to offset against the receivable.
5. Enter the amount to offset as the **Amt. To Pay**.
6. Enter remaining information in the **Pay Bills** window.
7. Click Pay Selected Bills.

**SELECT BILLS TO BE PAID**

Show bills  Due on or before 04/11/2023  Show all bills

Filter By

Sort By Due Date

<input type="checkbox"/>	DATE DUE	VENDOR	REF. NO.	DISC. DATE	AMT. DUE	DISC. USED	CREDITS USED	AMT. TO PAY
<input type="checkbox"/>	03/15/2023	Spendalot	0039		14,000.00	0.00	0.00	0.00
<input checked="" type="checkbox"/>	03/30/2023	Fort Worth Homes-V	398		10,000.00	0.00	0.00	10,000.00
<input type="checkbox"/>	04/04/2023	JoJo, Inc.	343	03/15/2023	18,748.75	0.00	0.00	0.00
<input type="checkbox"/>	04/14/2023	JoJo, Inc.	343v	03/25/2023	2,999.90	0.00	0.00	0.00
Totals					65,082.65	0.00	0.00	10,000.00

**DISCOUNT & CREDIT INFORMATION FOR HIGHLIGHTED BILL**

Vendor **Fort Worth Homes-V** Terms **Net 30** Number of Credits **0**

Bill Ref. No. **398** Sugg. Discount **0.00** Total Credits Available **0.00**

**PAYMENT**

Date  Method   To be printed  Assign check number

Account  Ending Balance **0.00**

## Void a Prior Period Check-Simple

Void prior period checks using the built-in void feature if the check only used Expense type accounts (simple check).

## Void a Simple Check

1. Display the appropriate check.
2. Click the **Delete** button and select **Void**.
3. Click Save & Close.
4. Click **Yes** in the **QuickBooks** window.
5. Click **Yes (Recommended)** to have QuickBooks make the appropriate journal entries.

## Simple Check

The screenshot displays the 'Write Checks - Checking' window in QuickBooks. The 'BANK ACCOUNT' is set to 'Checking' with an 'ENDING BALANCE' of 77,002.04. The check is for 'Electric, Inc.' dated 03/13/2022 for \$0.00. The address is 7838 Conductor Blvd, Irving, TX 73848. The 'VOID' checkbox is checked. Below the check form, the 'Expenses' table shows one entry: 'Utilities:Electricity' with an amount of 0.00. At the bottom, the 'Save & Close' button is highlighted with a mouse cursor.

## Void a Prior Period Check-Alternate

Void checks using this method if the check used Items and/or included Asset or Liability accounts (non simple check).

Voiding a check in QuickBooks deletes the financial statement impact of the original check. This changes the financial statements for the original accounting period. To avoid this, follow these steps:

1. Find the original check and run the Transaction Journal report. Note the Date, Debit and Credit amounts, and the Accounts in the entry.
2. Make a journal entry that reverses (does the opposite of) the original check. Date the journal entry in the current period.
3. Clear the original check and journal entry the next time you reconcile the bank account.

## Run Transaction Journal Report

1. Display the appropriate check.
2. Press **Ctrl+Y** on your keyboard.

Trans #	Type	Date	Num	Name	Memo	Account	Class	Debit	Credit
79	Check	03/10/2022	5	Edgar Leasing		Checking			1,700.00
				Edgar Leasing		Materials		1,700.00	
TOTAL								1,700.00	1,700.00

## Reversal Journal Entry

1. Select Company:Make General Journal Entries from the menu.
2. Enter appropriate information in the **Make General Journal Entries** window.
3. Click Save & Close.

ACCOUNT	DEBIT	CREDIT	MEMO	NAME	BILLABLE?
Checking	1,700.00		To void check #5 (3/13/2022)		
Materials		1,700.00	To void check #5 (3/13/2022)		

## Cash Flow Projector

Use the cash flow projector to predict your cash flow for the next six weeks. QuickBooks walks you step-by-step through the process. When complete, you can view a report that shows available cash.

1. Select Company:Planning & Budgeting:Cash Flow Projector from the menu.
2. Enter appropriate information in the windows displayed by QuickBooks.
3. Click Finish Projection in the last Cash Flow Projector window.

## Project Cash Receipts

The screenshot shows the 'Cash Receipts' step of the Cash Flow Projector. It includes a progress bar with steps: Welcome, Beginning Balance, Cash Receipts (active), Business Expenses, and Accounts Payable. The main area prompts the user to choose a projection method, with 'I want to project cash receipts manually' selected. Below is a table of itemized cash receipts:

DATE	DESCRIPTION	AMOUNT
04/02/2023	Fort Worth Homes	45,000
04/15/2023	Smith Hardware	25,000
04/26/2023	Orlando Homes	20,000

Below the table is a 'CASH RECEIPTS SUMMARY' table with columns for weeks (CURRENT WEEK, 4/2/23, 4/9/23, 4/16/23, 4/23/23, 4/30/23, 5/7/23) and rows for CURRENT WEEK and ADJUSTMENT values.

## Project Business Expenses

The screenshot shows the 'Business Expenses' step of the Cash Flow Projector. It includes a progress bar with steps: Welcome, Beginning Balance, Cash Receipts, Business Expenses (active), and Accounts Payable. The main area prompts the user to choose an existing account or type an expense description. Below is a table of business expenses:

EXPENSE	DATE	FREQUENCY	AMOUNT
Payroll Expenses	04/11/2023	Semi-Monthly	4,500
Rent: Office Rent	04/30/2023	Monthly	2,500
Loan Payable	04/22/2023	Monthly	5,000

Below the table is a 'BUSINESS EXPENSES SUMMARY' table with columns for weeks (CURRENT WEEK, 4/2/23, 4/9/23, 4/16/23, 4/23/23, 4/30/23, 5/7/23) and rows for CURRENT WEEK and ADJUSTMENT values.

# Cash Flow Projection Report

Projection - Cash Flow Projector

**Buildem, Inc.**

## Weekly Cash Flow Projection

April 02 through May 13, 2023

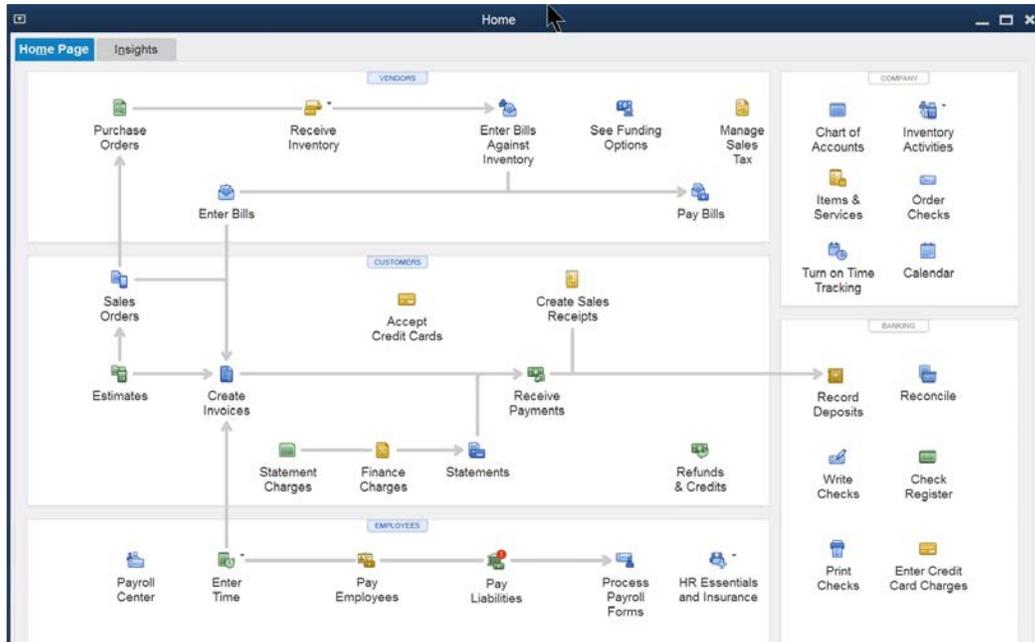
	Current Week	4/2/23	4/9/23	4/16/23	4/23/23	4/30/23	5/7/23
<b>Cash:</b>							
Beginning Cash	83,290	83,290	95,541	109,791	104,791	119,206	81,707
Cash Receipts	0	45,000	25,000	0	20,000	0	0
Adjustments	0	0	0	0	0	0	0
<b>Total Cash</b>	<b>83,290</b>	<b>128,290</b>	<b>120,541</b>	<b>109,791</b>	<b>124,791</b>	<b>119,206</b>	<b>81,707</b>
<b>Business Expenses:</b>							
Payroll Expenses	0	0	4,500	0	4,500	0	4,500
Rent:Office Rent	0	0	0	0	0	2,500	0
Loan Payable	0	0	0	5,000	0	0	0
Adjustments	0	0	0	0	0	0	0
<b>Total Business Expenses</b>	<b>0</b>	<b>0</b>	<b>4,500</b>	<b>5,000</b>	<b>4,500</b>	<b>2,500</b>	<b>4,500</b>
<b>Cash Available for Disbursement</b>	<b>83,290</b>	<b>128,290</b>	<b>116,041</b>	<b>104,791</b>	<b>120,291</b>	<b>116,706</b>	<b>77,207</b>
<b>Accounts Payable:</b>							
Spendalot	0	14,000	0	0	0	0	0
JoJo, Inc.	0	18,749	3,000	0	1,085	0	0
King & King	0	0	3,250	0	0	0	0
Sella Doors, Inc.	0	0	0	0	0	14,999	0
Adjustments	0	0	0	0	0	20,000	0
<b>Total Accounts Payable</b>	<b>0</b>	<b>32,749</b>	<b>6,250</b>	<b>0</b>	<b>1,085</b>	<b>34,999</b>	<b>0</b>
<b>Ending Cash Balance</b>	<b>83,290</b>	<b>95,541</b>	<b>109,791</b>	<b>104,791</b>	<b>119,206</b>	<b>81,707</b>	<b>77,207</b>

# Chapter 9

# Payroll

## Review

To ensure proper processing of transactions and accurate reporting, enter transactions in the order presented on the **Home** page.



## Employee Center

The screenshot shows the Employee Center for Mary B Auldridge. The interface includes a navigation menu on the left, a main information section, and a transactions table.

**Employee Information:**

- Full Name: Mary B Auldridge
- Address: Mary B Auldridge, 100 East Collins, Dallas, TX 75248
- Main Phone: 214-515-0577
- Alt. Phone: 214-515-0580
- Mobile: 800-564-2688
- Main Email: mary@buildem.com

**REPORTS FOR THIS EMPLOYEE:** QuickReport, Payroll Summary, Paid Time Off Report, Payroll Transaction Detail

**Transactions Table:**

TRANSACTION TYPE	DATE	ACCOUNT	AMOUNT
Paycheck	01/31/2013	Checking	1,500.95

## Payroll Items

QuickBooks uses Payroll Items for anything that affects the amount on a payroll check and for company expenses related to payroll. After turning on QuickBooks Payroll, you can add payroll items as needed.

In QuickBooks, you add payroll items in 2 ways:

1. *EZ Method*-Uses the *Payroll Setup Interview* to create new payroll items. This method allows you to quickly set up common payroll items. After you add the item, you must edit the item to supply/dit information.
2. *Custom Method*-Use for less common payroll items and for additional state and other taxes.

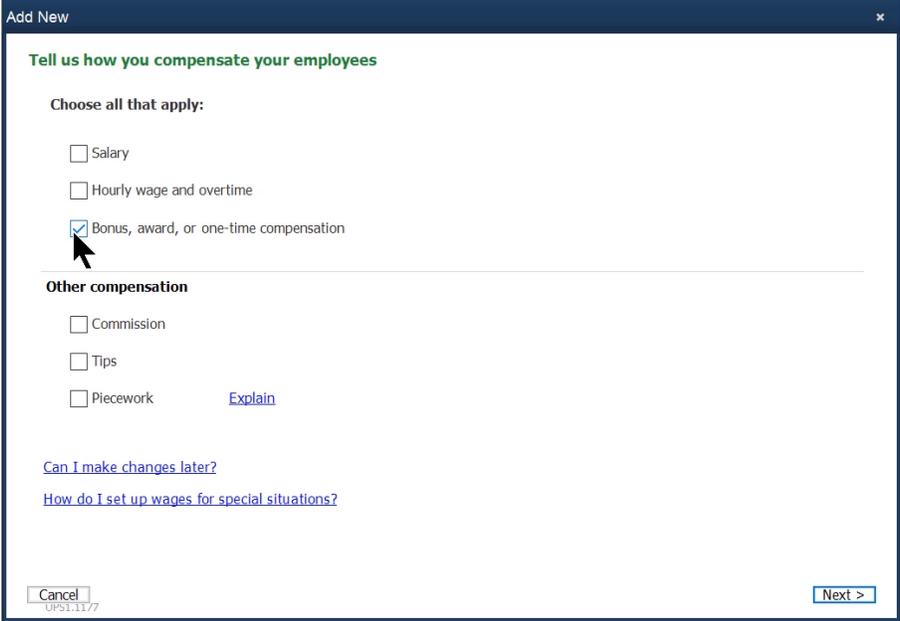
### Payroll Item Types

	Item Type	Description	Example
EZ Method	Compensation	Hourly or salary wage, commission, or bonus paid to employee	Straight Time, Salary, Sales Commission, Bonus
	Insurance Benefits	Taxable and pre-taxable Insurance benefits	Health Insurance, Sec 125 Insurance, Dental Insurance
	Retirement Benefits	Employee benefits related to retirement	401(K) Plans, Simple IRA
	Paid Time Off	Vacation and sick time	Vacation Salary, Vacation Hourly, Sick Hourly
	Other Additions	Other common additions to a paycheck	Mileage Reimbursement, Employee Advance
	Other Deductions	Other common deductions from a paycheck	Wage Garnishments, Union Dues
Custom Method	Custom	Payroll items not falling within another type	State Income Tax, State Unemployment Tax

## EZ Method

1. Select Employees:Manage Payroll Items:New Payroll Item from the menu.
2. Select **EZ Setup** and click **Next**
3. Select one of the top payroll item types and click **Next**.
4. Enter remaining information in the **Add new payroll item** windows.
5. Click Finish.

## Bonus



The screenshot shows a window titled "Add New" with a close button (X) in the top right corner. The main heading is "Tell us how you compensate your employees". Below this, there is a section "Choose all that apply:" with three checkboxes: "Salary", "Hourly wage and overtime", and "Bonus, award, or one-time compensation". The "Bonus, award, or one-time compensation" checkbox is checked, and a mouse cursor is pointing at it. Below this section is a horizontal line, followed by the heading "Other compensation" and three checkboxes: "Commission", "Tips", and "Piecework". A blue link "Explain" is positioned to the right of the "Piecework" checkbox. At the bottom left, there are two blue links: "Can I make changes later?" and "How do I set up wages for special situations?". At the bottom left corner, there is a "Cancel" button and the text "UPS1.1177". At the bottom right corner, there is a "Next >" button.

## Medical Insurance

Add New x

### Set up the payment schedule for vision insurance

Payee (Vendor)  [Explain](#)

Account #   
(The number the payee uses to identify you. Example: 99-99999X)

Payment frequency

- Weekly, on  for the previous week's liabilities
- Monthly, on the**
- Quarterly, on the  day of the month for the previous month's liabilities
- Annually, on  day of the month for the previous quarter's liabilities
- I don't need a regular payment schedule for the year

for the previous year's liabilities

UPS7.3689

## Edit Payroll Items

1. Select Employees:Manage Payroll Items:View/Edit Payroll Item List from the menu.
2. Select payroll item to edit.
3. Click the **Payroll Item** button.
4. Select **Edit Payroll Item** from the menu.
5. Enter remaining information in the **Edit payroll item** windows.
6. Click **Finish**.

Agency for employee-paid liability

Enter name of agency to which liability is paid: Texas Medical

Enter the number that identifies you to agency: 51233

Liability account (employee-paid): Payroll Liabilities

This liability account tracks deductions to be paid. You can change this account at any time.

Back Next Finish Cancel

## Custom Method

1. Select Employees:Manage Payroll Items:New Payroll Item from the menu.
2. Select Custom Payroll Item Setup.
3. Click **Next**.
4. Select appropriate payroll item type.
5. Click **Next**.
6. Enter remaining information in the **Add new payroll item** windows.
7. Click **Finish**.

Company tax rates for 2019

Enter the tax rate specified by your state agency, as a percentage. For example, enter three and a quarter percent as 3.25% (not .0325). Your tax rate can change at the beginning of any quarter.

Year	For	Company rate
2019	1/1 - 3/31:	2.7%
	4/1 - 6/30:	2.7%
	7/1 - 9/30:	2.7%
	10/1 - 12/31:	2.7%

[Explain these rates](#)

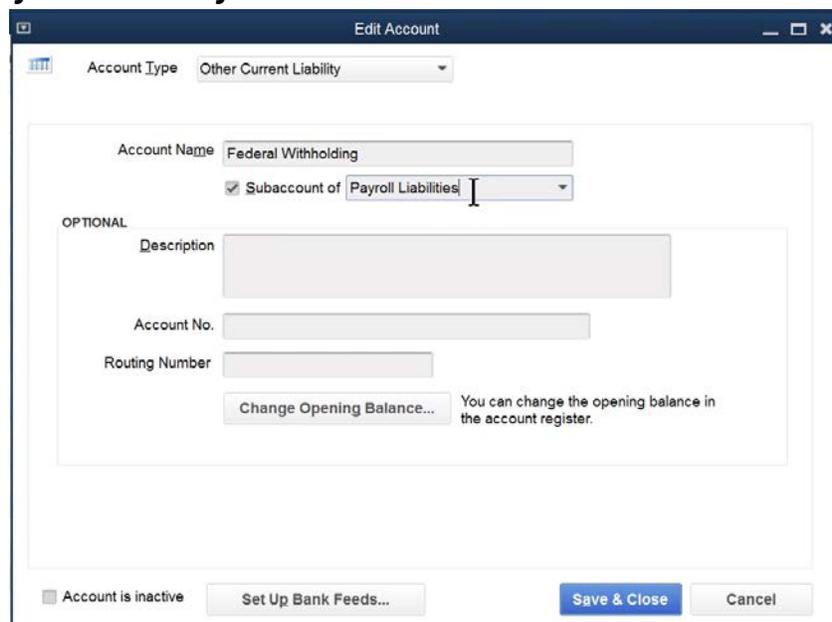
Back Next Finish Help Cancel

## Mapping Payroll Items

QuickBooks suggests using just one liability account for payroll-related liabilities (*Payroll Liabilities*), and one expense account named *Payroll Expenses*. However, mapping payroll items to appropriate subaccounts provides more meaningful financial statements. For proper payroll item mapping, follow these steps:

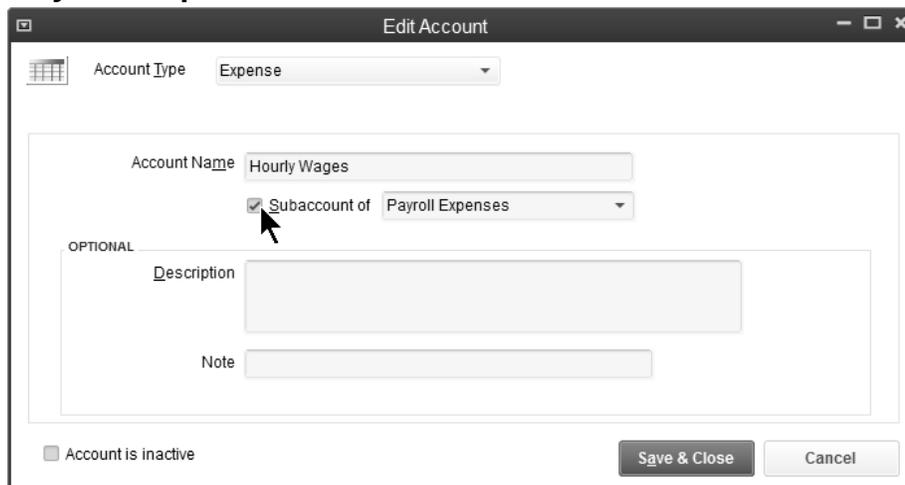
- Create subaccounts of Payroll Liabilities for each type of payroll liability
- Create subaccounts of Payroll Expenses and Taxes to track these expenses in detail
- Map payroll items to the appropriate subaccount  
This change is retroactive so adjusting history is not necessary

### 1. Create Payroll Liability Subaccounts



The screenshot shows the 'Edit Account' window in QuickBooks. The 'Account Type' is set to 'Other Current Liability'. The 'Account Name' is 'Federal Withholding'. The 'Subaccount of' dropdown is set to 'Payroll Liabilities'. Below this, there is an 'OPTIONAL' section with fields for 'Description', 'Account No.', and 'Routing Number'. A 'Change Opening Balance...' button is present with a tooltip that reads 'You can change the opening balance in the account register.' At the bottom, there are buttons for 'Account is inactive', 'Set Up Bank Feeds...', 'Save & Close', and 'Cancel'.

### 2. Create Payroll Expenses/Taxes Subaccounts



The screenshot shows the 'Edit Account' window in QuickBooks. The 'Account Type' is set to 'Expense'. The 'Account Name' is 'Hourly Wages'. The 'Subaccount of' dropdown is set to 'Payroll Expenses'. Below this, there is an 'OPTIONAL' section with fields for 'Description' and 'Note'. At the bottom, there are buttons for 'Account is inactive', 'Save & Close', and 'Cancel'.

### 3. Map Payroll Items to Subaccounts

### Mapping Problems

Financial statements typically show problems with incorrectly mapped Payroll Items. Look for the financial statement lines "Payroll Liabilities-Other" or "Payroll Expenses-Other". This indicates that a Payroll Item is mapped to a parent account instead of a subaccount.

Run the Payroll Item Listing report and review the account columns to see which payroll items are incorrectly mapped.

Review Payroll Item Listing Report

1. Select Reports:List:Payroll Item Listing from the menu.

Payroll Item	Type	Amount	Limit	Expense Account	Liability Account	Tax Tracking
Salary	Yearly Salary			Payroll Expenses:Salaries		Compensation
Sick Salary	Yearly Salary			Payroll Expenses:Salaries		Compensation
Vacation Salary	Yearly Salary			Payroll Expenses:Salaries		Compensation
Overtime	Hourly Wage			Payroll Expenses:Hourly Wag...		Compensation
Sick Hourly Rate	Hourly Wage			Payroll Expenses:Hourly Wag...		Compensation
Straight Time	Hourly Wage			Payroll Expenses:Hourly Wag...		Compensation
Vacation Hourly Rate	Hourly Wage			Payroll Expenses:Hourly Wag...		Compensation
Bonus	Bonus	0.00		Payroll Expenses:Bonuses		Compensation
Expense Reimb	Addition	0.00		Miscellaneous		None
Piecework	Addition	10.00		Payroll Expenses		Compensation
401(k) Emp	Deduction	5.0%			Payroll Liabilities:401k Payab...	401(k)
Dental Insurance	Deduction	20.00			Payroll Liabilities:Dental Insur...	None
Health Insurance	Deduction	95.00			Payroll Liabilities	None
Vision Insurance	Deduction	15.00			Payroll Liabilities:Vision Insur...	None
Advanced Income Credit	Federal Tax				Payroll Liabilities	Advance EIC Pay...
Federal Unemployment	Federal Tax	0.6%	7,000.00	Taxes:Federal Payroll	Payroll Liabilities:Federal Un...	FUTA
Federal Withholding	Federal Tax				Payroll Liabilities:Federal Wi...	Federal
Medicare Company	Federal Tax	1.45%		Taxes:Federal Payroll	Payroll Liabilities:Medicare P...	Comp: Medicare
Medicare Employee	Federal Tax	1.45%			Payroll Liabilities:Medicare P...	Medicare
Social Security Company	Federal Tax	6.2%	132,900.00	Taxes:Federal Payroll	Payroll Liabilities:Social Secu...	Comp: SS Tax
Social Security Employee	Federal Tax	6.2%	132,900.00		Payroll Liabilities:Social Secu...	SS Tax
FL - Unemployment Company	State Unemploymen...	2.7%	7,000.00	Taxes:State Payroll	Payroll Liabilities:FL Unemplo...	Comp: SUI
TX - Unemployment Company	State Unemploymen...	2.7%	9,000.00	Taxes:State Payroll	Payroll Liabilities:Texas Unem...	Comp: SUI
Medicare Employee Addl Tax	Other Tax	0.9%			Payroll Liabilities	Medicare Addl Tax

You can also use this report to check the tax table rates and limits QuickBooks uses for Payroll Items.

# Paycheck Issues

## Order of Payroll Items

The order of *Other Payroll Items* on a paycheck could be important. If an *Other Payroll Item* performs calculations, the calculation includes only those items appearing above it in the list. Therefore, Payroll Items that perform calculations should be last in the list.

Review Paycheck
X

**Thelma I Crabtree**

**Earnings**

ITEM NAME	RATE	HOURS	CUSTOMER:JOB
Straight Time	10.00	90:00	
Overtime	15.00	8:00	
TOTALS			
		1,020.00	98:00 hrs

PAY PERIOD 01/31/2019 - 01/31/2019

Use Direct Deposit

SICK AVAILABLE 2:00

VACATION AVAIL 12:00

SICK ACCRUED 2:00

VAC. ACCRUED 4:00

Do not accrue sick/vac

**Other Payroll Items**

ITEM NAME	RATE	QUANTITY
Dental Insurance	-20.00	
Piecework	10.00	10.00
401(k) Emp.	-5.0%	

**Employee Summary** [How are these items calculated?](#)

ITEM NAME	AMOUNT	YTD
Straight Time	900.00	2,700.00
Overtime	120.00	360.00
Dental Insurance	-20.00	-60.00
Piecework	100.00	100.00
401(k) Emp.	-56.00	-56.00
Medicare Employee...	0.00	0.00
Federal Withholding	-47.00	-135.00
Social Security Em...	-69.44	-195.92
Medicare Employee	-16.24	-45.82
<b>Check Amount:</b>		<b>911.32</b>

**Company Summary** [How are these items calculated?](#)

ITEM NAME	AMOUNT	YTD
Social Security Co...	69.44	195.92
Medicare Company	16.24	45.82
Federal Unemploy...	6.72	18.96
TX - Unemploymen...	30.24	85.32

Lock Net Pay  
  Unlock Net Pay  
  Enter net/Calculate gross

## Tracking Benefits/Taxes to Classes/Jobs

QuickBooks lets you track wages, payroll taxes, and benefits by class and/or customer:job. To do this, several options must be set:

- Class tracking must be turned on
- The proper payroll preferences must be set
- The *Payroll Item* needs to be set up to track expenses by job

### Step 1. Turn Class Tracking On

1. Select **Edit:Preferences** from the menu.
2. Click the **Accounting** icon in the list to the left.
3. Click the Company Preferences tab.
4. Check the box next to **Use class tracking**.
5. Click **OK**.

### Step 2. Set Payroll Preferences

1. Select **Edit:Preferences** from the menu.
2. Click the **Payroll & Employees** icon in the list to the left.
3. Click the Company Preferences tab.
4. Check the box next to Job Costing, Class and Item tracking for paycheck expenses.
5. Click **OK**.

### Step 3. Set Up Payroll Item

Addition and Company Contribution payroll items must be set up to Track Expenses By Job.

Edit payroll item (Addition:Piecework)

**Name used in paychecks and payroll reports**

Enter name for addition:  
Piecework

For example, if you are creating an addition for an employee loan, you may want to call it 'Employee Loan'.

Track Expenses By Job  
To track expenses by customer and job, by class, and by service item, select the checkbox. For more information, click Help.

Payroll item is inactive  
To hide this item on the Payroll Item list, select the checkbox.

Back Next Finish Help Cancel

## Job Cost for Salaried Employee

What if you need job costing for a salaried employee? This is confusing because the employee is not paid based on the number of hours worked. QuickBooks handles this by automatically allocating the salary based on the number of hours worked on each job. To job cost a salaried employee, do the following:

1. In the Payroll and Compensation Info section of the Edit Employee window, select Use time data to create paychecks
2. Use the **Weekly Timesheet** or **Time/Enter Single Activity** windows to enter time for the salaried employee
3. Process the paycheck in the normal fashion

## Job Cost on Paycheck

Review Paycheck

**Pete J Smith**

**Earnings**

ITEM NAME	RATE	HOURS	CUSTOMER:JOB	CLASS	SERVICE ITEM
Salary	145.83	8:00	Crandall Contractors...		
Salary	583.33	32:00	Fort Worth Homes:Ma...		
Salary	291.67	16:00	Columbia Managemen...		
Salary	145.83	8:00	Crandall Contractors:C...		
Salary	291.67	16:00	Fort Worth Homes:Lak...		
<b>TOTALS</b>			1,458.33	80:00 hrs	

PAY PERIOD 01/16/2019 - 01/31/2019

Use Direct Deposit

SICK AVAILABLE 0:00

VACATION AVAIL. 10:00

SICK ACCRUED 1:40

VAC. ACCRUED 2:00

Do not accrue sick/vac

**Other Payroll Items**

ITEM NAME	RATE	QUANTITY
Dental Insurance	-20.00	

**Employee Summary**

ITEM NAME	AMOUNT	YTD
Salary	145.83	2,916.66
Salary	583.33	2,916.66
Salary	291.67	2,916.66
Salary	145.83	2,916.66
Salary	291.67	2,916.66
Dental Insurance	-20.00	-40.00
Medicare Employee...	0.00	0.00
Federal Withholding	-148.00	-297.00
Social Security Em...	-90.41	-180.83
Medicare Employee	-21.14	-42.29
<b>Check Amount:</b>		1,178.78

**Company Summary**

ITEM NAME	AMOUNT	YTD
Social Security Co...	90.41	180.83
Medicare Company	21.14	42.29
Federal Unemploy...	8.75	17.50
TX - Unemploymen...	39.38	78.75

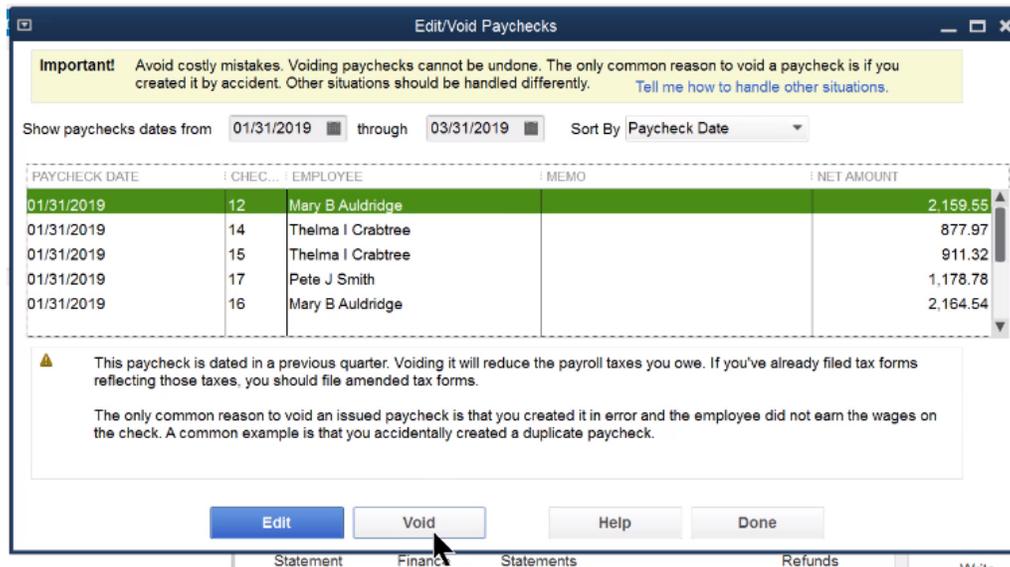
OK
Cancel
Help

Lock Net Pay
  Unlock Net Pay
  Enter net/Calculate gross

## Void Paycheck

What happens if a paycheck is lost or damaged? The paycheck should be voided in QuickBooks. However, the new paycheck must be recreated from scratch.

1. Select Employees>Edit/Void Paychecks from the menu.
2. Enter the appropriate date range and sort order in the **Edit/Void Paychecks** window.
3. Select the appropriate paycheck.
4. Click the **Void** button.
5. Click **Done**.



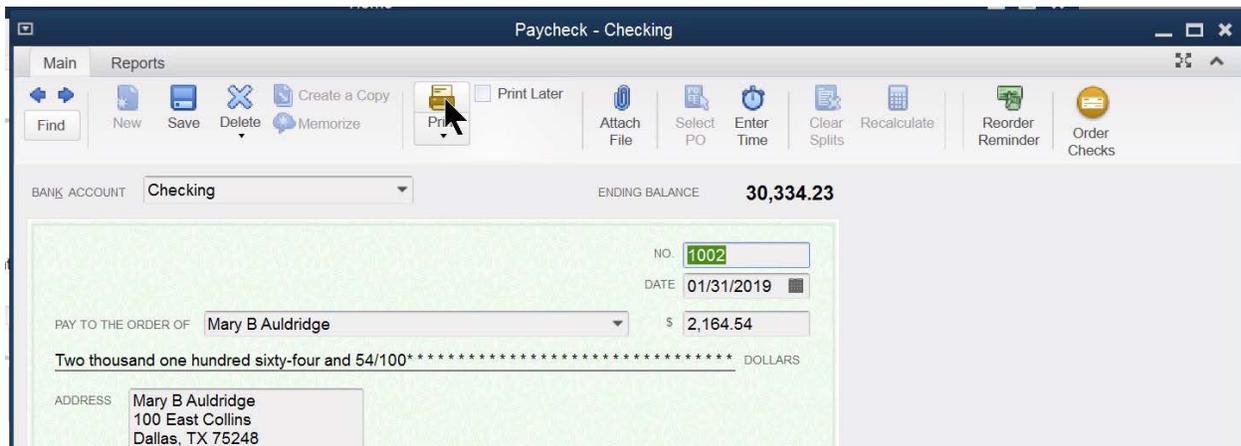
## Void/Reprint Paycheck-A Faster Method

To save time, you can void and reprint a paycheck without recreating the paycheck. There are several ways to do this. This is the suggested method:

1. Reprint the original check with the next available check #
2. Void a new check using the old check #

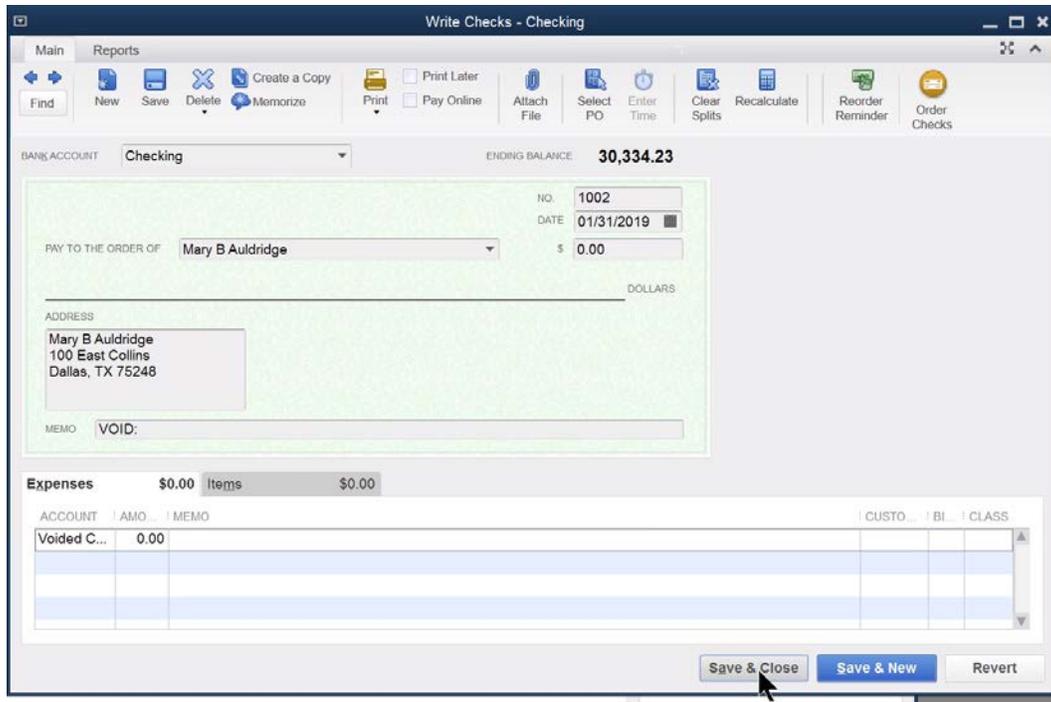
## Step 1. Reprint Original Paycheck

1. Display the appropriate paycheck in the **Paycheck** window.
2. Click **Print**.
3. Enter the next available paycheck number in the **Print Paycheck** window.
4. Click **OK**.
5. Select the **Check Style** in the **Print Checks** window.
6. Click **Print**.
7. Click **OK** in the Print Checks - Confirmation window.
8. Click **Save & Close**.



## Step 2. Void New Check

1. Click the **Write Checks** icon on the **Home** page.
2. Enter the employee's name as the **Pay to the Order of**.
3. Select **Edit:Void Check** from the menu.
4. Enter the original paycheck number as the **No.**
5. Enter remaining information in the **Write Checks** window.
6. Click **Save & Close**.



QuickBooks requires an account on voided checks. Create and use an Asset account called Voided Checks. This creates a register of all voided checks.

## Track Employee Loans

*Employee loans* can be a tricky area in QuickBooks payroll. This example assumes that the loan is not taxable. An effective way to handle this follows.

### Set up Employee Loans Account

1. Click the **Chart of Accounts** icon on the **Home** page.
2. Click the **Account** button.
3. Select **New** from the menu.
4. Click the **Other Account Types** drop-down list and select **Other Current Asset**.
5. Click Continue.
6. Enter Employee Loans as the Account Name.
7. Click Save & Close.

## Write Check to Employee

If the loan is paid on a paycheck, add an *Addition* payroll item. This item should not be taxable. If the loan is paid on a regular check, use the *Employee Loans* account.

1. Click the **Write Checks** icon on the **Home** page.
2. Click the **Pay to the Order of** drop-down list and select the employee name.
3. Click the **Account** drop-down list and select **Employee Loans**.
4. Enter remaining information in the **Write Checks** window.
5. Click Save & Close.

## Add Employee Loan Repayment Payroll Item

If the loan is repaid via paychecks, add a *Deduction* payroll item. This item should not be taxable.

1. Select Lists:Payroll Item List from the menu.
2. Click the **Payroll Item** button.
3. Select **New** from the menu.
4. Select Custom Payroll Item Setup.
5. Click **Next**.
6. Select Deduction as the Payroll item type.
7. Click **Next**.
8. Enter a name for the new payroll item.
9. Click **Next**.
10. Select the **Employee Loans** asset account as the **Liability account**.
11. Make additional selections in remaining windows.
12. Click **Finish**.

Add new payroll item (Deduction:Employee Loan Repayment)

**Agency for employee-paid liability**

Enter name of agency to which liability is paid:

Enter the number that identifies you to agency:

Liability account (employee-paid):

This liability account tracks deductions to be paid. You can change this account at any time.

Back Next Finish Cancel

## Edit Employee Setup

Add the relevant information to the employee setup for the repayment of the loan.

1. Click the **Employees** icon.
2. Select the employee in the list to edit.
3. Click the **Edit Employee** button.
4. Click the Change tabs drop-down list and select Payroll and Compensation Info.
5. Add the Employee Loan Repayment payroll item, amount, and limit below Additions, Deductions and Company Contributions.
6. Enter appropriate information in the **Edit Employee** window.
7. Click **OK**.

INFORMATION FOR **Mary B Auldridge**

Personal  
Address & Contact  
Additional Info

Payroll Info

Employment Info  
Workers' Comp

PAYROLL SCHEDULE: Semi-Monthly Regular  
PAY FREQUENCY: Semimonthly  
CLASS:

Direct Deposit  
Taxes...  
Sick/Vacation...

ITEM NAME	HOURLY/ANNUAL RATE
Salary	70,000.00

ITEM NAME	AMOUNT	LIMIT
Health Insurance	-95.00	
Employee Loan Repayment	-200.00	

Use time data to create paychecks  
 Employee is covered by a qualified pension plan

Employee is inactive

OK Cancel Help

## Balances/Limits

You can determine an employee's loan balance by running a *QuickReport* from the Employee Loans account register.

### Determine Employee's Loan Balance

1. Click the **Chart of Accounts** icon on the **Home** page.
2. Double-click on the **Employee Loans** account.
3. Click on any entry for the selected employee.
4. Click the **QuickReport** button.

You must decide how to treat the *Employee Loan Repayment* limit. Make this decision when setting up the *Payroll Item* deduction. You can click the *This is an annual limit* box to tell QuickBooks this is an Annual Limit. If you DO click the box, the amount paid toward the limit is reset to zero at the beginning of each year. That means you have to edit the employee record each year, and change the employee limit to reflect their unpaid balance.

If you do NOT click the box, QuickBooks continues deducting the repayments until the limit is reached.

What if an employee receives a second loan during the same year? One approach is to create separate payroll items for the repayment of each loan. A more efficient approach is to change the *Limit* to the sum of the first and second loan.

## Company & Employee Expenses

What if a payroll liability payment includes amounts deducted from paychecks plus amounts not deducted from paychecks? Consider an insurance plan in which an employee's premium is paid by the company. However, the cost for dependents is paid by the employee through payroll deductions. There are two ways to handle this situation.

1. Add the company-paid portion to the payroll liability check
2. Link the payroll deduction item to an expense account. Then, record the employee and the company-paid portions on a regular bill or check.

### Method 1-Pay as a Liability Check

1. Click the **Pay Liabilities** icon on the **Home** page.
3. Select **Create Custom Payments** at the bottom of the window.
4. Enter appropriate dates in the **Select Date Range For Liabilities** window.
5. Click **OK**.
6. Click on the individual payroll items to pay.
7. Click the button indicating you will review the liability check.
8. Enter remaining information in the **Pay Liabilities** window.
9. Click the **Create** button.
10. Enter company-paid expenses on the **Expenses** tab in the **Liability Check** window.
11. Click the **Recalculate** button.
9. Click **Save & Close**.
10. Click **Yes** to confirm the change.

Liability Payment - Checking

Payment 1 of 1 Print

Bank Account: Checking Ending Balance: 82,536.53

No. To Print  
Date: 01/31/2019  
Pay to the Order of: Dental Insurers, Inc. \$ 200.00  
Two hundred and 00/100\* \*\*\*\*\* Dollars

Address: Dental Insurers, Inc.  
Whitey Teeth  
938 Clean Road  
Lewisville, TX 75883

Memo: REG-3399

Period: 12/01/18 - 12/31/18

Expenses \$160.00 Payroll Liabilities \$40.00  To be printed

ACCOUNT	AMOUNT	MEMO	CUSTOMER	BILL	CLASS
Insurance...	160.00				

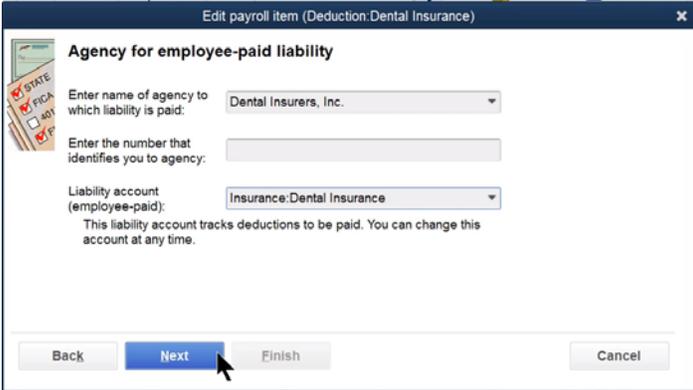
Recalculate Save & Close Save & Next Cancel

## Method 2-Pay with Bill/Check

This method records the deduction on the paycheck as a credit to an expense account. Then, the bill or check includes the full amount of the payment as an expense. Therefore, the resulting net expense will equal the gross expense less the employee-paid payroll deductions.

1. Select Lists:Payroll Item List from the menu.
2. Click the **Payroll Item** button.
3. Select **New** from the menu.
4. Select Custom Payroll Item Setup.
5. Click **Next**.
6. Select Deduction as the Payroll item type.
7. Click **Next**.
8. Enter an appropriate name for the deduction.
9. Click **Next**.
10. Enter an appropriate expense account as the **Liability account**.
11. Enter remaining information in the **Add new payroll item** windows.
12. Click **Finish**.

### Payroll Item Linked to Expense



Agency for employee-paid liability

Enter name of agency to which liability is paid: Dental Insurers, Inc.

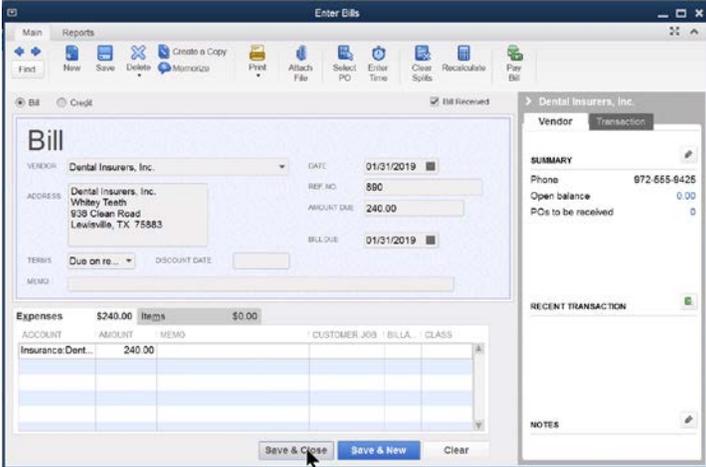
Enter the number that identifies you to agency:

Liability account (employee-paid): Insurance:Dental Insurance

This liability account tracks deductions to be paid. You can change this account at any time.

Back Next Finish Cancel

### Enter Bill/Check for Full Amount Owed



Enter Bills

Bill

VENDOR: Dental Insurers, Inc. DATE: 01/31/2019

ADDRESS: Dental Insurers, Inc.  
Whitney Teeth  
928 Clear Road  
Lewisville, TX, 75083

TERMS: Due on re... DISCOUNT DATE:

MEMO:

Expenses \$240.00 Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER JOB	BILLA.	CLASS
Insurance:Dent...	240.00				

Vendor: Dental Insurers, Inc.

SUMMARY

Phone: 972-555-6425

Open balance: 0.00

PCs to be received: 0

RECENT TRANSACTION

NOTES

Save & Close Save & New Clear

## W-2s and W-3

1. Click the **Process Payroll Forms** icon on the **Home** page.
2. Select Annual Form W-2/W-3 - Wage and Tax Statement/Transmittal from the list.
3. Click File Form.
4. Make the appropriate selections in the **Select Payroll Form** window.
5. Click **OK**.
6. Select the employee forms to review.
7. Click Review/Edit.
8. Click the **Next** button until the interview is complete.
9. Click the **Check for errors** button.
10. After all errors are corrected, click **Print forms** to print W-2 and W-3 forms.
11. Click **Print**.
12. Click Close Window.
13. Click Save & Close.

## Process W-2s

Employee	SSN	Review...	Printed?
<input checked="" type="checkbox"/> Auldrige, Mary B	449-29-4444	No	No
<input checked="" type="checkbox"/> Crabtree, Thelma I	355-26-8544	No	No
<input checked="" type="checkbox"/> Smith, Pete J	123-45-6789	No	No

## Employee W-2

**Payroll Tax Form**

1. Interview 2. Form W-2 3. Form W-3 4. Printing Instructions

Tax Form for EIN: 75-1234567 Employees with last names A through Z  
3 of 3 employees selected

**Step 2: Form W-2 Worksheet** 2018

Displaying: AULDRIDGE, MARY B Employee 1 of 3

Employer's Name as Shown on Forms KELSEY AULDRIDGE DBA BUILDEM, INC		Federal ID Number 75-1234567
a Employee's SSN ..... 449-29-4444	1 Wages, tips, other compensation 2,916.67	2 Federal income tax withheld 439.00
b Employee's ID number ... 75-1234567	3 Social security wages 2,916.67	4 Social security tax withheld 180.83
c Employee's name, address, and ZIP code KELSEY AULDRIDGE DBA BUILDEM, INC 123 LBJ FREEWAY, #100 DALLAS State TX 75248	5 Medicare wages and tips 2,916.67	6 Medicare tax withheld 42.29
d Control number 75248	7 Social security tips	8 Allocated tips
e Employee's name First MARY MI B Suffix Last AULDRIDGE	9	10 Dependent care benefits
f Employee's address and ZIP code 100 EAST COLLINS DALLAS State TX 75248	11 Nonqualified plans	12 Box 12 instr.
	13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	a _____ b _____ c _____ d _____
	14 Other descr _____ Amt _____ descr _____ Amt _____ descr _____ Amt _____ descr _____ Amt _____	
15 Employer's state identification no.	16 State wages, tips, etc	17 State income tax
	18 Local wages, tips, etc	19 Local income tax
		20 Locality Name

View details about this form Select Employees <<< Previous Next >>>

## Manually Adjust W-2s & W-3

1. Click the **Process Payroll Forms** icon on the **Home** page.
2. Select Annual Form W-2/W-3 - Wage and Tax Statement/Transmittal from the list.
3. Make the appropriate selections in the **Select Payroll Form** window.
4. Click **OK**.
5. Click on individual employees to select for W-2 purposes.
6. Click the **Review/Edit** button to review the forms.
7. Click Next twice to get to Step 2: Form W-2 Worksheet.
8. To enter information in empty fields, click on the field.  
To edit existing information, right-click on the amount and select **Override** from the menu.
9. Enter appropriate information in the **Payroll Tax Form** windows.
10. Click **Next** until all forms are reviewed.
11. Click **Print forms** to print the appropriate form.
12. Click **Close Window** after printing all forms.
13. Click **Save & Close**.

## Employee W-2

Payroll Tax Form

1. Interview 2. Form W-2 3. Form W-3 4. Printing Instructions

Tax Form for EIN: 75-1234567 Employees with last names A through Z  
1 of 3 employees selected

**Step 2: Form W-2 Worksheet** 2018

Displaying: CRABTREE, THELMA I Employee 1 of 1

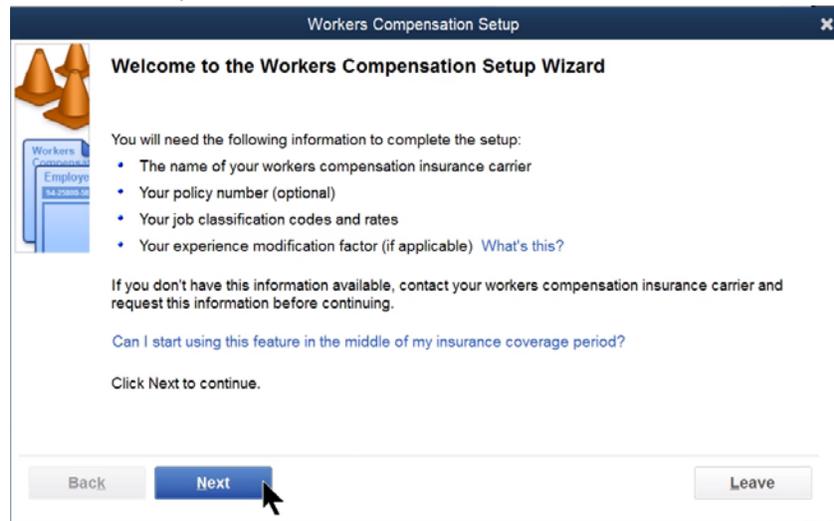
Employer's Name(s) as Shown on Forms KELSEY AULDRIDGE DBA BUILDEM, INC		Federal ID Number 75-1234567
a Employee's SSN ..... 355-26-8544	1 Wages, tips, other compensation 1,020.00	2 Federal income tax withheld 44.00
b Employer's ID number ... 75-1234567	3 Social security wages 1,020.00	4 Social security tax withheld 63.24
c Employer's name, address, and ZIP code KELSEY AULDRIDGE DBA BUILDEM, INC BUILDEM, INC. 123 LBJ FREEWAY, #100 DALLAS State TX 75248	5 Medicare wages and tips 1,020.00	6 Medicare tax withheld 14.79
d Control number	7 Social security tips	8 Allocated tips
e Employee's name First THELMA MI I Suffix Last CRABTREE	9 11 Nonqualified plans 200	10 Dependent care benefits
f Employee's address and ZIP code 6700 EERTBARC DALLAS State TX 75993	13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	12 Box 12 instrs. a b c d
	14 Other descr _____ Amt _____ descr _____ Amt _____ descr _____ Amt _____ descr _____ Amt _____	

## Workers Compensation

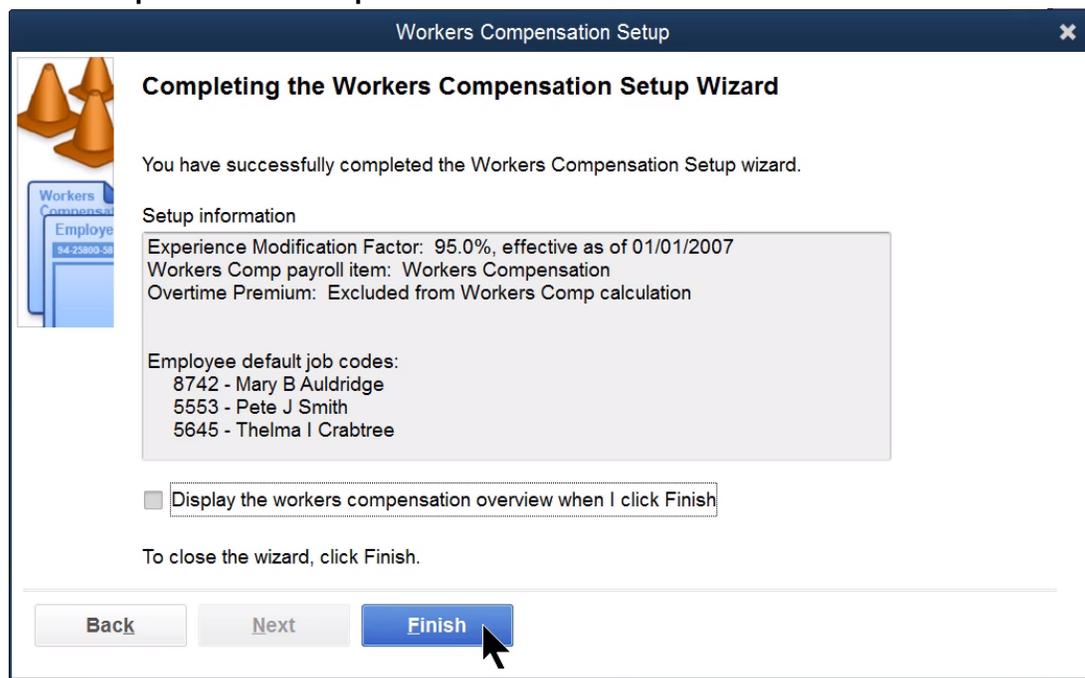
The QuickBooks Enhanced Payroll service includes a Workers Compensation Setup wizard that walks you through the process of setting up workers compensation. If you have not started using QuickBooks workers compensation, you should use the wizard.

### Set Up Workers Compensation

1. Select Employees:Workers Compensation:Set Up Workers Comp from the menu.
2. Click Yes to turn on the Workers Compensation feature (if prompted).
3. Enter appropriate information in the Workers Compensation Setup windows.
4. Click Finish when complete.



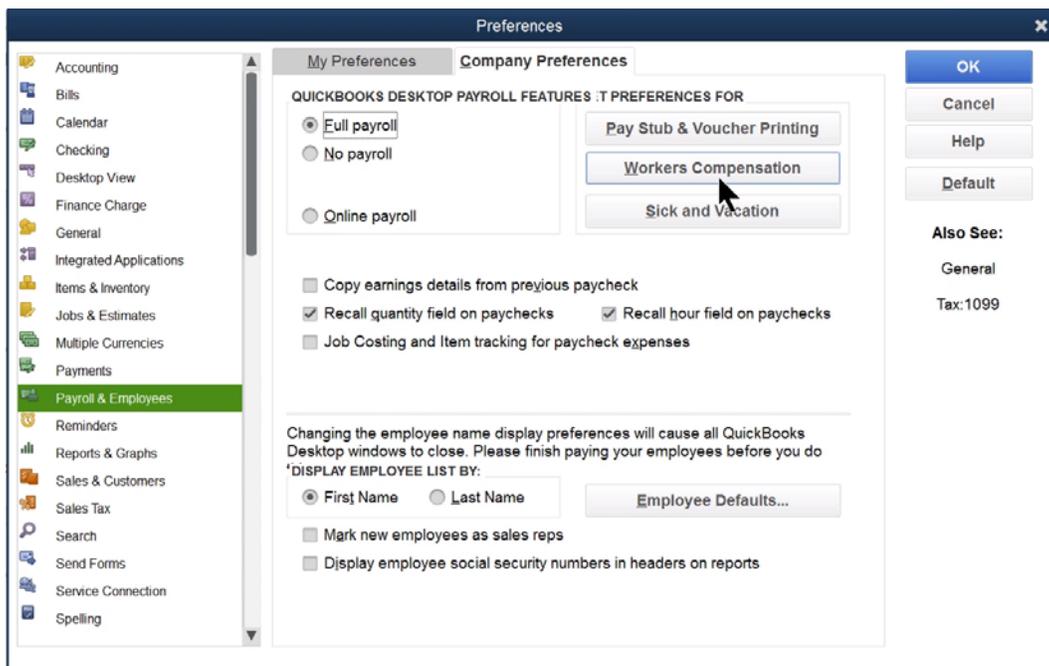
### Workers Compensation Setup-Finish



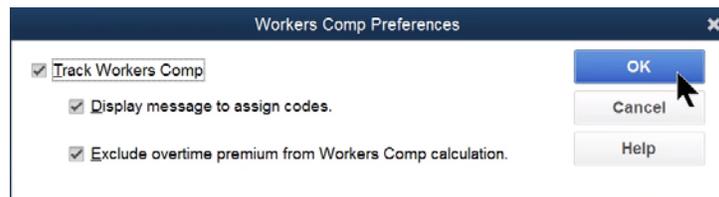
## Workers Compensation Preferences

1. Select **Edit:Preferences** from the menu.
2. Click the **Payroll & Employees** icon in the list to the left.
3. Click the **Company Preferences** tab.
4. Click the **Workers Compensation** button below **Set preferences for**.
5. Make appropriate selections in the **Workers Comp Preferences** window.
6. Click **OK**.
7. Click **OK** in the **Preferences** window.

### Preferences



### Workers Comp Preferences



## Set Up Workers Compensation Codes

1. Select List:Workers Comp List from the menu.
2. Click the Workers Comp Code button.
3. Select New from the menu.
4. Enter appropriate information in the New Workers Compensation Code window.
5. Click OK.

### Workers Comp Code List

NAME	DESCRIPTION	RATE	EFFECTIVE DATE
5553	Roofing	17.55	01/01/2007
5645	Carpentry	10.81	01/01/2007
8742	Salesperson-Outside	1.22	01/01/2007
8810	Clerical	1.00	01/01/2007
Exempt		0.00	09/21/2005

### New Workers Compensation Code

Code: 5646  Code is inactive

Description: Light Carpentry

Rate: 8.00

Enter rate per \$100.00 of gross wages.  
Example: enter 2.10 for two-dollars-ten-cents.

Start using rate on: 01/31/2019

Buttons: OK, Cancel, Next

## Use Workers Compensation Codes

1. Start paying employees in the normal fashion.
2. To enter or change Workers Compensation Codes, click the employee's name in the **Review and Create Paychecks** window.
3. Enter workers comp codes in the **WC Code** column.
4. Enter remaining information in the **Review Or Change Paycheck** window.
5. Click **OK**.
6. Click the **Create Paychecks** button.
7. Click **Close**.

## Review and Create Paychecks

**Review and Create Paychecks**

Enter Payroll Information | **Review & Create Paychecks** | Print & Distribute Paychecks

How do I pay my employees? Checking

**PAYROLL INFORMATION**

PAY EMPLOYEES: [Employee Name] PAY PERIOD ENDS: 12/31/2018 BANK ACCOUNT: Checking  
 NUMBER OF PAYCHECKS: 1 CHECK DATE: 01/31/2019 BANK ACCOUNT BALANCE: 17,074.94

**CHECK OPTIONS**

Print paychecks on check stock First Check#  
 Handwrite & Assign check numbers 998

Open Paycheck Detail...

Employee	Gross Pay	Taxes	Deductions	Net Pay	Employer Tax Contributions	Total Hours	Direct Debit
Pete J Smith	1,458.33	-259.57	-20.00	1,178.76	159.69	243.14	
<b>TOTALS</b>	1,458.33	-259.57	-20.00	1,178.76	159.69	243.14	0:00

< Back Finish Later Create Paychecks

## Enter WC Codes

**Review Paycheck**

Pete J Smith PAY PERIOD: 01/16/2019 - 01/31/2019

**Earnings**  Use Direct Deposit

ITEM NAME	RATE	HOURS	WC CODE	CUSTOMER JOB	SICK AVAILABLE
Salary	1,458.33		5553		-1:40
<b>TOTALS</b>	1,458.33	0:00 hrs			

**Other Payroll Items**

ITEM NAME	RATE	QUANTITY
Dental Insurance	-20.00	

**Company Summary**

ITEM NAME	AMOUNT	YTD
Social Security Co...	90.41	180.83
Medicare Company	21.14	42.29
Federal Unemploy...	8.75	17.50
TX - Unemploymen...	39.38	78.75
Workers Compens...	243.14	486.28

**Employee Summary**

ITEM NAME	AMOUNT	YTD
Salary	1,458.33	2,916.66
Dental Insurance	-20.00	-40.00
Medicare Employe...	0.00	0.00
Federal Withholding	-148.00	-297.00
Social Security Em...	-90.41	-180.83
Medicare Employee	-21.14	-42.29
<b>Check Amount:</b>	1,178.78	

OK Cancel Help  Lock Net Pay  Unlock Net Pay  Enter net/Calculate gross

## Net to Gross Calculation

Subscribers of QuickBooks Enhanced Payroll can easily create “net” bonus checks using the Net to Gross calculation feature. You enter the net check amount and let QuickBooks calculate the correct gross check amount.

1. Click the **Pay Employees** icon on the **Home** page.
2. Click the **Unscheduled Payroll** button.
3. Click in the check mark column next to the appropriate employee’s name.
4. Click **Continue**.
5. Click the employee’s name in the **Review and Create Paychecks** window.
6. Enter the **Item Name** under **Earnings**.
7. Click the **Enter net/Calculate gross** box.
8. Enter the **Check Amount**.
9. Press **Tab** to see the gross amount in the **Rate** field.
10. Click **Save & Close**.
11. Click the **Create Paychecks** button.

Preview Paycheck

Pete J Smith PAY PERIOD 12/17/2018 - 12/31/2018

Use Direct Deposit

**Earnings**

ITEM NAME	RATE	HOURS	WC CODE	CUSTOMER JOB
Bonus	1,210.62		5553	
TOTALS 1,000.00 0:00 hrs				

SICK AVAILABLE 0:00  
VACATION AVAIL 14:00  
SICK ACCRUED 1:40  
VAC. ACCRUED 2:00  
 Do not accrue sick/vac

**Other Payroll Items**

ITEM NAME	RATE	QUANTITY

**Employee Summary** How are these items calculated?

ITEM NAME	AMOUNT	YTD
Bonus	1,210.62	1,210.62
Medicare Employee...	0.00	0.00
Federal Withholding	-118.00	-415.00
Social Security Em...	-75.06	-255.89
Medicare Employee	-17.56	-59.85

**Company Summary** How are these items calculated?

ITEM NAME	AMOUNT	YTD
Social Security Co...	75.06	255.89
Medicare Company	17.56	59.85
Federal Unemploy...	7.26	24.76
TX - Unemploymen...	32.69	111.44
Workers Compens...	201.84	688.12

Check Amount: 1,000.00

Save & Previous   Save & Next   **Save & Close**   Cancel   Help    Enter net/Calculate gross

## Time Reports by Billed Status

Follow these steps to see the billing status on the time reports.

1. Display the appropriate time report from the **Reports** menu.
2. Click the **Customize Report** button.
3. Click the Billed, Unbilled, and Not Billable boxes below Add subcolumns for.
4. Click **OK**.

## Modify Report: Time by Name Window

Modify Report: Time by Name

Display Filters Header/Footer Fonts & Numbers

REPORT DATE RANGE

Dates Custom The date range you specify in the From and To fields

From 01/01/2019 To 01/31/2019

COLUMNS

Display columns by Total only across the top. Sort by Ascending order Descending order

Display time grouped by Time by Name by Job as row data.

Add subcolumns for

Previous Period  Previous Year  Year-To-Date  % of Row  % of Column

\$ Change  \$ Change  % of YTD  Billed  Unbilled

% Change  % Change  Not Billable  Estimated

Advanced... Revert

OK Cancel Help

## Time by Name Report With Billed Status

Time by Name

Customize Report Comment on Report Share Template Memorize Print E-mail Excel Hide Header Collapse Refresh

Dates Custom From 01/01/2019 To 01/31/2019 Columns Total only Sort By Default

Show Filters

**Buildem, Inc.**  
**Time by Name**  
January 2019

	Billed	Unbilled	Not Billable	Jan 19
<b>Mary B Auldrige</b>				
Columbia Management:Seattle School	0.00	0.00	24.00	24.00
Crandall Contractors:Cheyenne 2	0.00	0.00	16.00	16.00
<b>Total Mary B Auldrige</b>	0.00	0.00	40.00	40.00
<b>Pete J Smith</b>				
Cecil's Lawn & Garden	0.00	28.00	0.00	28.00
Crandall Contractors:Cheyenne 1	0.00	0.00	5.00	5.00
<b>Total Pete J Smith</b>	0.00	28.00	5.00	33.00
<b>Thelma I Crabtree</b>				
Fort Worth Homes:Madison Developm...	0.00	0.00	24.00	24.00
Home & Hardware Stop #10	0.00	0.00	16.00	16.00
<b>Total Thelma I Crabtree</b>	0.00	0.00	40.00	40.00
<b>TOTAL</b>	<b>0.00</b>	<b>28.00</b>	<b>85.00</b>	<b>113.00</b>

## Summarize Payroll Data in Excel<sup>®</sup>

QuickBooks allows you to send payroll data to Excel in powerful preformatted *Pivot Tables*.

1. Select **Reports:Employees & Payroll:Summarize Payroll Data** in Excel from the menu.
2. Click **Enable Macros** in the **Security Warning** window (if asked).
3. Select appropriate dates in the **QuickBooks Payroll Workbook** window.
4. Click the **Get QuickBooks Data** button.

You can use the drop down arrows ▼ to change which views of your data you want. Select the worksheet tabs at the bottom of the Excel window to view the different reports. Click the Get QuickBooks Data button to update Excel with current payroll information.

The following reports are available:

- Employee Journal by Check
- Employee YTD Summary
- Employee YTD Recap
- Hours
- Rates & Hours Worked
- State Wage Listing
- Compensation & Deferred Compensation by Tax Tracking Type
- Quarterly Employee Summary
- 943 Worksheet
- Federal Form 8846-Social Security & Medicare Credit Worksheet
- Effective Rates by Item & Employee

# Employee Journal

Employee Journal by Check												
Summary												
						Item Type	Pay Item					Total/Net
						Compensation	Federal Tax	Social Security	Medicare	Medicare Additional Tax	None	Health Insurance
SSN	Employee	Date	Num	Period Start	Period End						Dental Insurance	Health Insurance
123-45-6789	Pete J Smith	1/15/2019	1006	1/1/2019	1/15/2019	1,458.33	-149.00	-90.42	-21.15	0.00	-20.00	0.00
		1/31/2019	1009	1/16/2019	1/31/2019	1,458.33	-149.00	-90.41	-21.14	0.00	-20.00	0.00
<b>Pete J Smith Total</b>						<b>2,916.66</b>	<b>-298.00</b>	<b>-180.83</b>	<b>-42.29</b>	<b>0.00</b>	<b>-40.00</b>	<b>0.00</b>
355-26-8544	Thelma I Crabtree	1/15/2019	1007	1/1/2019	1/15/2019	1,020.00	-44.00	-63.24	-14.79	0.00	-20.00	0.00
		1/31/2019	1010	1/16/2019	1/31/2019	1,020.00	-44.00	-63.24	-14.79	0.00	-20.00	0.00
<b>Thelma I Crabtree Total</b>						<b>2,040.00</b>	<b>-88.00</b>	<b>-126.48</b>	<b>-29.58</b>	<b>0.00</b>	<b>-40.00</b>	<b>0.00</b>
449-29-4444	Mary B Auldridge	1/15/2019	1005	1/1/2019	1/15/2019	2,916.67	-439.00	-180.83	-42.29	0.00	0.00	-95.00
		1/31/2019	1008	1/16/2019	1/31/2019	2,916.67	-439.00	-180.84	-42.29	0.00	0.00	-95.00
<b>Mary B Auldridge Total</b>						<b>5,833.34</b>	<b>-878.00</b>	<b>-361.67</b>	<b>-84.58</b>	<b>0.00</b>	<b>0.00</b>	<b>-190.00</b>
<b>Total/Net</b>						<b>10,790.00</b>	<b>-1,264.00</b>	<b>-668.98</b>	<b>-156.45</b>	<b>0.00</b>	<b>-80.00</b>	<b>-190.00</b>
												<b>8,430.57</b>

# Chapter 10

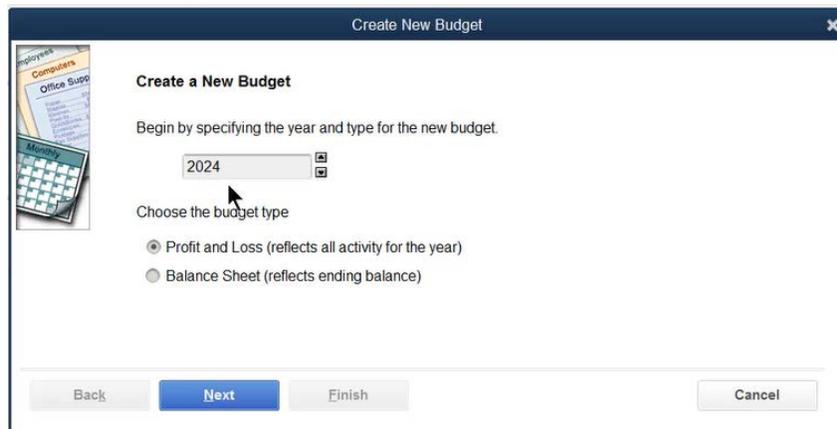
# Reports

## Budgets & Forecasts

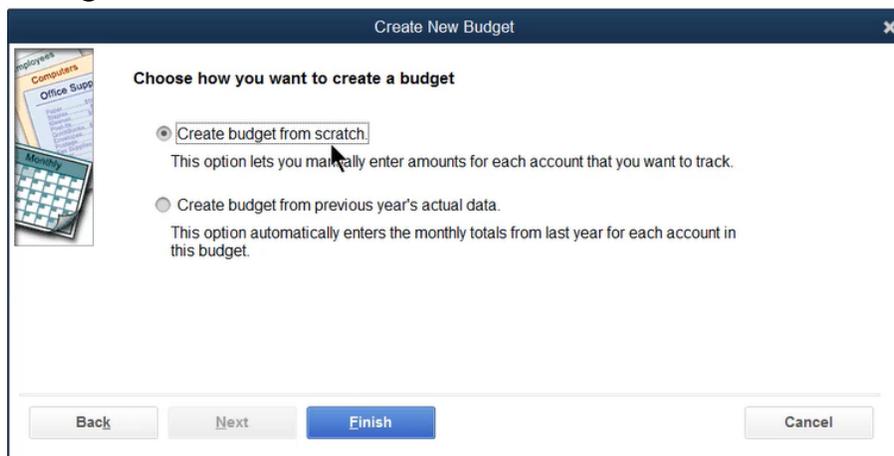
QuickBooks makes it easy to enter your budgets and financial forecasts. QuickBooks can create a budget based on last year's actual numbers. QuickBooks Premier and Enterprise Solutions also have a forecast tool. Once entered, you can compare your actual results against your budget and forecast.

1. Select **Company:Planning & Budgeting:Set Up Budgets** or **Company:Planning & Budgeting:Set Up Forecast** from the menu.
2. Click the **Create New Budget** or **Create New Forecast** button.
3. Specify the year and type for the new budget/forecast.
4. Continue making appropriate selections in the **Create New Budget** or **Create New Forecast** windows.
5. Click **Finish** in the last window.
6. Enter or modify budget/forecast amounts as appropriate for each account.
7. Click **Save**.
8. Click **OK** when the last account's budget/forecast is entered.

### Select Budget Year and Type



### Create New Budget



## Set Up Budgets Window

Set Up Budgets

Budget  
FY2024 - Profit & Loss by Account

Create New Budget

ACCOUNT	ANNUAL TOTAL	JAN24	FEB24	MAR24	APR24	MAY24	JUN24	JUL24	AUG24	SEP24	OCT24	NOV24	DEC24
Sales	132,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00
Parts Sales													
Service Income													
Freight Income													
Uncategorized Income													
Construction Labor													
Cost of Sales													
Materials													
Advertising	2,850.00	100.00	125.00	150.00	175.00	200.00	225.00	250.00	275.00	300.00	325.00	350.00	375.00
Automobile Expense													
Bank Service Charges													
Building Supplies													
Cleaning													
Contributions													

Copy Across    Adjust Row Amounts    Clear    Save    **OK**    Cancel    Help

## Set Up Forecast Window

Set Up Forecast

Forecast  
FY2023 - Profit & Loss Forecast by Account

Create New Forecast

ACCOUNT	ANNUAL T...	JAN23	FEB23	MAR23	APR23	MAY23	JUN23	JUL23	AUG23	SEP23	OCT23	NOV23	DEC23
Sales	360,000.00	30,000...	30,000...	30,000...	30,000...	30,000...	30,000...	30,000...	30,000...	30,000...	30,000...	30,000...	30,000.00
Parts Sales	240,000.00	20,000...	20,000...	20,000...	20,000...	20,000...	20,000...	20,000...	20,000...	20,000...	20,000...	20,000...	20,000.00
Service Income	12,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Freight Income	60,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Uncategorized Inc...													
Construction Labor	24,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Cost of Sales	2,400.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
Materials	3,600.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00
Advertising	12,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Automobile Expe...	2,400.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
Bank Service Ch...	240.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Building Supplies	540.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
Cleaning	348.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00
Contributions	4,800.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00

Copy Across    Adjust Row Amounts    Clear    Save    **OK**    Cancel    Help

## Review a Budget/Forecast Overview

1. Select **Reports:Budgets & Forecasts:Budget Overview or Forecast Overview** from the menu.
2. Make appropriate selections in the **Budget Report** or **Forecast Report** windows.
3. Click **Finish** in the last window.

**Buildem, Inc.**  
**Profit & Loss Budget Overview**  
 January 1 through April 1, 2023

	Jan 23	Feb 23	Mar 23	Apr 1, 23	TOTAL Jan 1 - Apr 1, 23
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
Sales	27,500.00	27,500.00	27,500.00	916.67	83,416.67
Parts Sales	38,000.00	38,000.00	38,000.00	1,266.67	115,266.67
Service Income	4,070.00	4,070.00	4,070.00	136.67	12,346.67
Freight Income	1,000.00	1,000.00	1,000.00	33.33	3,033.33
Uncategorized Income				0.00	0.00
<b>Total Income</b>	<b>70,570.00</b>	<b>70,570.00</b>	<b>70,570.00</b>	<b>2,352.34</b>	<b>214,062.34</b>
<b>Cost of Goods Sold</b>					
Construction Labor	30,000.00	30,000.00	30,000.00	1,000.00	91,000.00
Cost of Sales	8,000.00	8,000.00	8,000.00	266.67	24,266.67
Materials	8,000.00	8,000.00	8,000.00	266.67	24,266.67
<b>Total COGS</b>	<b>46,000.00</b>	<b>46,000.00</b>	<b>46,000.00</b>	<b>1,533.34</b>	<b>139,533.34</b>
<b>Gross Profit</b>	<b>24,570.00</b>	<b>24,570.00</b>	<b>24,570.00</b>	<b>819.00</b>	<b>74,529.00</b>
<b>Expense</b>					
Advertising	200.00	200.00	200.00	6.67	606.67
Automobile Expense	50.00	50.00	50.00	1.67	151.67
Bank Service Charges	25.00	25.00	25.00	0.83	75.83
Building Supplies	50.00	50.00	50.00	1.67	151.67
Cleaning	75.00	75.00	75.00	2.50	227.50
Contributions	100.00	100.00	100.00	3.33	303.33
Depreciation Expense	250.00	250.00	250.00	8.33	758.33
Dues and Subscriptions	83.00	83.00	83.00	2.77	251.77

## Review a Profit & Loss Budget Performance Report

1. Select **Reports:Budgets & Forecasts:Profit & Loss Budget Performance** from the menu.
2. Make appropriate selections in the Budget Report windows.
3. Click **Finish** in the last window.

**Buildem, Inc.**  
**Profit & Loss Budget Performance**  
 March 2023

	Mar 23	Budget	Jan - Mar 23	YTD Budget	Annual Budget
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
Sales	9,698.70	27,500.00	9,762.70	82,500.00	330,000.00
Parts Sales	11,739.65	38,000.00	66,063.14	114,000.00	456,000.00
Service Income	39,102.95	4,070.00	106,667.73	12,210.00	48,840.00
Freight Income	223.57	1,000.00	3,461.55	3,000.00	12,000.00
<b>Total Income</b>	<b>60,764.87</b>	<b>70,570.00</b>	<b>185,955.13</b>	<b>211,710.00</b>	<b>846,840.00</b>
<b>Cost of Goods Sold</b>					
Construction Labor	10,500.00	30,000.00	65,500.00	90,000.00	360,000.00
Cost of Sales	1,450.00	8,000.00	8,992.58	24,000.00	96,000.00
Materials	5,097.63	8,000.00	37,146.28	24,000.00	96,000.00
<b>Total COGS</b>	<b>17,047.63</b>	<b>46,000.00</b>	<b>111,638.86</b>	<b>138,000.00</b>	<b>552,000.00</b>
<b>Gross Profit</b>	<b>43,717.24</b>	<b>24,570.00</b>	<b>74,316.27</b>	<b>73,710.00</b>	<b>294,840.00</b>
<b>Expense</b>					
Advertising	3,475.00	200.00	3,600.00	600.00	2,400.00
Automobile Expense	0.00	50.00	10.29	150.00	600.00
Bank Service Charges	12.50	25.00	25.00	75.00	300.00
Building Supplies	98.22	50.00	257.09	150.00	600.00
Cleaning	160.00	75.00	320.00	225.00	900.00
Contributions	0.00	100.00	10.00	300.00	1,200.00
Depreciation Expense	600.00	250.00	1,800.00	750.00	3,000.00
Dues and Subscriptions	128.55	83.00	141.05	249.00	996.00
Equipment Rental	3,601.55	83.00	8,883.10	249.00	996.00
Freight & Delivery	144.55	29.00	162.79	87.00	348.00

## Types of Reports

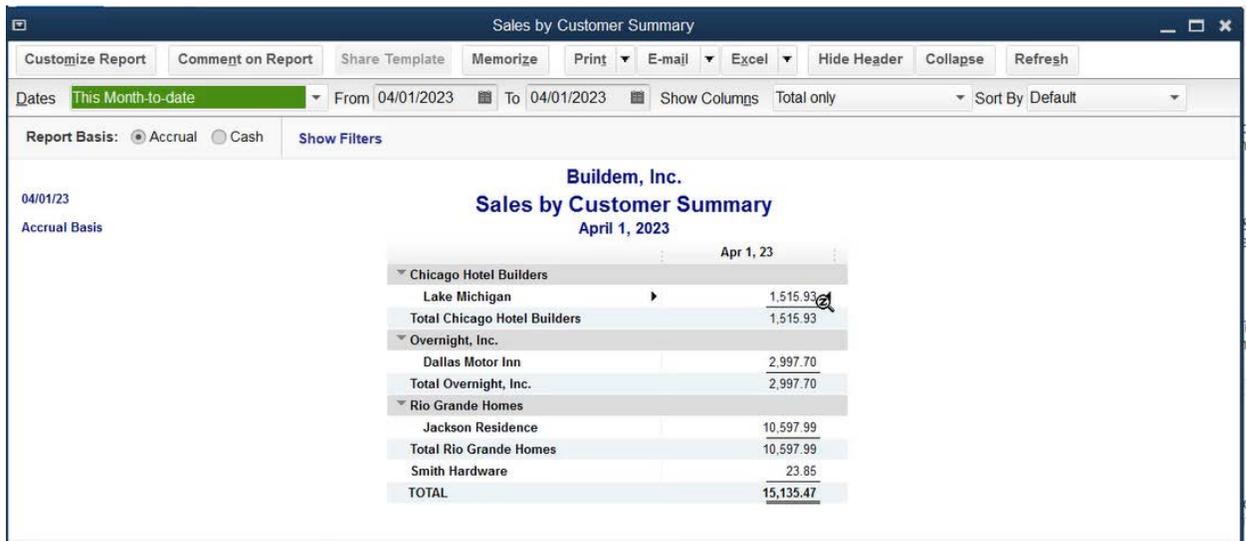
Reports in QuickBooks can be classified into three types.

- **Transaction Summary Report**-summarizes and subtotals data
- **Transaction Detail Report**-shows every transaction that makes up a subtotal
- **List Report**-presents information stored on a list

To get more detail about an amount on a report, QuickBooks offers a powerful feature called QuickZoom®.

### QuickZoom on Reports/Graphs

1. Display the appropriate report/graph from the **Reports** menu.
2. Move the cursor directly over the appropriate item (cursor changes to a magnifying glass).
3. Double-click.



The screenshot shows the 'Sales by Customer Summary' report for 'Buildem, Inc.' on 'April 1, 2023'. The report is displayed on an 'Accrual Basis' for the period 'This Month-to-date' from '04/01/2023' to '04/01/2023'. The report shows sales by customer with a total of 15,135.47. A magnifying glass cursor is over the 'Lake Michigan' entry.

	Apr 1, 23
▼ Chicago Hotel Builders	
Lake Michigan	1,515.93
Total Chicago Hotel Builders	1,515.93
▼ Overnight, Inc.	
Dallas Motor Inn	2,997.70
Total Overnight, Inc.	2,997.70
▼ Rio Grande Homes	
Jackson Residence	10,597.99
Total Rio Grande Homes	10,597.99
Smith Hardware	23.85
TOTAL	15,135.47

QuickZoom produces different results on different types of reports.

1. On Transaction Summary Reports, it produces a transaction report showing the detail supporting the amount
2. On Transaction Detail Reports, it displays the transaction
3. On List Reports, it displays the edit window for the list entry



## Open Custom Transaction Detail Report

Select Reports:Custom Reports:Transaction Detail from the menu.

## Modify Report Window

## Custom Transaction Detail Report

Type	Date	Num	Name	Memo	Account	Class	Clr	Split	Amount	Balance
<b>Apr 1, 23</b>										
Invoice	04/01/2023	24	Overnight, Inc.:Da...	Dallas Moto...	Accounts Receiva...			-SPLIT-	3,245.01	3,245.01
Invoice	04/01/2023	24	Overnight, Inc.:Da...	Deluxe Bras...	Parts Sales			Accounts Re...	(199.80)	3,045.21
Invoice	04/01/2023	24	Overnight, Inc.:Da...	Deluxe Bras...	Inventory			Accounts Re...	(143.80)	2,901.41
Invoice	04/01/2023	24	Overnight, Inc.:Da...	Deluxe Bras...	Materials			Accounts Re...	143.80	3,045.21
Invoice	04/01/2023	24	Overnight, Inc.:Da...	Install New ...	Construction Income			Accounts Re...	(300.00)	2,745.21
Invoice	04/01/2023	24	Overnight, Inc.:Da...	Old-fashione...	Parts Sales			Accounts Re...	(1,998.00)	747.21
Invoice	04/01/2023	24	Overnight, Inc.:Da...	Old-fashione...	Inventory			Accounts Re...	(182.31)	564.90
Invoice	04/01/2023	24	Overnight, Inc.:Da...	Old-fashione...	Materials			Accounts Re...	182.31	747.21
Invoice	04/01/2023	24	Overnight, Inc.:Da...	Install Oak ...	Construction Income			Accounts Re...	(499.90)	247.31
Invoice	04/01/2023	24	State Of Texas	Sales Tax R...	Sales Tax Payable			Accounts Re...	(247.31)	0.00
Invoice	04/01/2023	25	Smith Hardware		Accounts Receiva...			-SPLIT-	25.82	25.82
Invoice	04/01/2023	25	Smith Hardware	Deluxe Con...	Parts Sales			Accounts Re...	(19.90)	5.92
Invoice	04/01/2023	25	State Of Texas	Sales Tax R...	Sales Tax Payable			Accounts Re...	(1.97)	3.95
Invoice	04/01/2023	25	Smith Hardware	Shipping Fees	Freight Income			Accounts Re...	(3.95)	0.00
Invoice	04/01/2023	26	Chicago Hotel Bui...	Our first pat...	Accounts Receiva...			-SPLIT-	1,515.93	1,515.93
Invoice	04/01/2023	26	Chicago Hotel Bui...	Out-of-state...	Sales Tax Payable			Accounts Re...	0.00	1,515.93
Invoice	04/01/2023	26	Chicago Hotel Bui...	Deluxe, cus...	Parts Sales			Accounts Re...	(791.98)	723.95
Invoice	04/01/2023	26	Chicago Hotel Bui...	Deluxe, cus...	Inventory			Accounts Re...	(399.90)	324.05
Invoice	04/01/2023	26	Chicago Hotel Bui...	Deluxe, cus...	Materials			Accounts Re...	399.90	723.95
Invoice	04/01/2023	26	Chicago Hotel Bui...	Installation ...	Construction Income			Accounts Re...	(590.00)	133.95

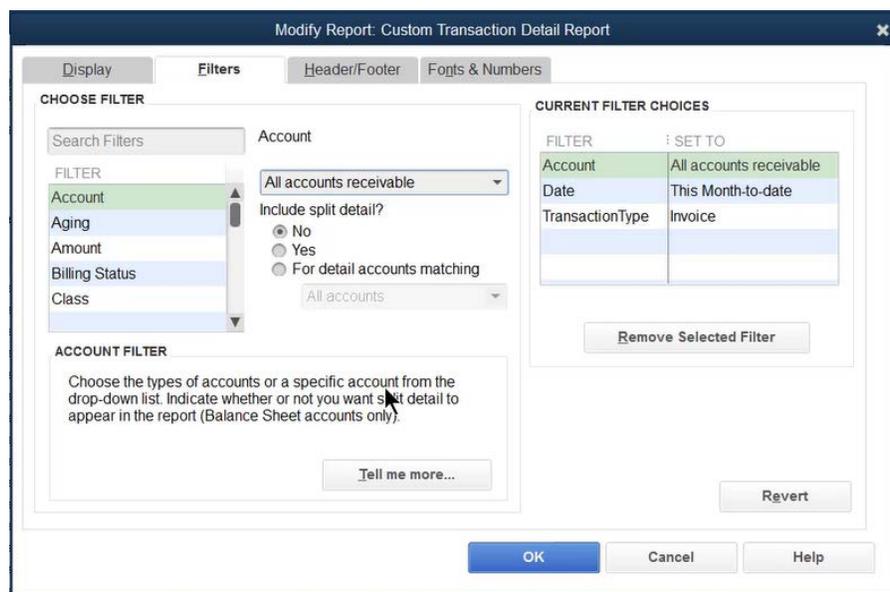
# Modify Reports

## Filters

Filters let you change what is included on the report. Filters can be applied individually or in combination.

### Filter Report

1. Display the appropriate report from the **Reports** menu.
2. Click the **Customize Report** button.
3. Click the **Filters** tab.
4. Change appropriate information in the **Modify Report** window.
5. Click **OK**.



## Troubleshoot Filters

To better understand filters, or if a filter doesn't work, try the following:

1. An explanation of the filter appears in the bottom left corner of the **Modify Report:Filters** window.
2. For further explanation of a filter, choose the filter, and then click the **Tell me more** button on the bottom left of the **Modify Report:Filters** window.
3. On Transaction Detail reports, add the desired filter as a column (on the **Modify Report:Display** window). If no information appears in the column, then applying the filter will not work.
4. Apply the same filter to a more detailed report.

## Display

The display tab allows you to change:

- Report Date Range
- Report Basis
- Columns
- Column Sort Order

## Modify Report Display

1. Display the appropriate report from the **Reports** menu.
2. Click the **Customize Report** button.
3. Change appropriate information in the **Modify Report** window.
4. Click **OK**.

## Sort Report

1. Display the appropriate report from the **Reports** menu.
2. Click the **Customize Report** button.
3. Click the **Sort by** drop-down list and select the appropriate sort field.
4. Click the appropriate **Sort In** button.
5. Click **OK**.

Modify Report: Custom Transaction Detail Report

Display Filters Header/Footer Fonts & Numbers

**REPORT DATE RANGE**

Dates All All dates in your company file

From To

**REPORT BASIS**

Accrual  Cash This setting determines how this report calculates income and expenses.

**COLUMNS**

Search Columns

Total by Customer type

Sort by Default

Sort in  Ascending order  Descending order

Advanced...

Revert

Put a check mark next to each column that you want to appear in the report.

OK Cancel Help

## Header/Footer

The Header/Footer tab allows you to add or change:

- Report Title
- Date Prepared Format
- Extra Footer Line
- Page Layout
- Time Prepared
- Report Basis

### Change Header/Footer

1. Display the appropriate report from the **Reports** menu.
2. Click the **Customize Report** button.
3. Click the **Header/Footer** tab.
4. Change appropriate information in the **Modify Report** window.
5. Click **OK**.

## Fonts & Numbers

The Fonts & Numbers tab allows you to do the following:

1. Change font size and color for various report elements
2. Change how QuickBooks displays negative numbers
3. Divide all numbers by 1000
4. Show amounts without cents  
This option is not always desirable because it removes the cents from each row and totals without rounding. This can cause a report to not “foot” correctly.
5. Exclude zero amounts from report (on transaction summary reports only)  
When the **Advanced** button on the **Modify Report:Display** window is set to display all rows, this option displays blank spaces instead of zero amounts.

### Change Fonts

1. Display the appropriate report from the **Reports** menu.
2. Click the **Customize Report** button.
3. Click the Fonts & Numbers tab.
4. Select the appropriate report element in the **Change Font For** list.
5. Click the **Change Font** button.
6. Enter appropriate information in the window.
7. Click **OK**.
8. Select whether to change all related fonts.
9. Enter remaining information in the **Modify Report** window.
10. Click **OK**.

## Column Width & Order

1. Display the appropriate report from the **Reports** menu.
2. Click and drag the divider between column headings to the left or right.

## Change Column Order (Transaction Detail & List Reports Only)

1. Display the appropriate report from the **Reports** menu.
2. Place the cursor over the column heading you want to move. A hand appears.
3. Click and drag the column title until the red arrow is positioned where you want the column.
4. Release the mouse button.

04/01/23

Accrual Basis

**Buildem, Inc.**  
**Open Invoices Over \$2000**

By Customer Type

Type	Date	Num	Name	Name Contact	Name Phone #	Class	Amount
<b>Commercial-Government</b>							
Invoice	03/22/2023		Jupiter Homes Ru...	Fred Ellis	214-555-4155		31,406.49
Invoice	03/27/2023	22	Orlando Homes D...	Pat West	456-555-1833		15,727.50
Invoice	03/05/2023	10	Orlando Homes D...	Pat West	456-555-1833		3,447.32
Invoice	03/25/2023	20	Dallas Hardware a...	Eddie Sinclair	214-555-4747		3,374.69
Invoice	03/21/2023	16	Sun Valley Builde...	Reggie Gibbs	245-555-5488		3,178.00
Total Commercial-Government							57,134.00
<b>Commercial-Private</b>							
Invoice	04/01/2023	24	Overnight, Inc.:Da...	Josephine Patranella	214-555-8765		3,245.01
Total Commercial-Private							3,245.01

## Memorize and Manage Reports

### Memorizing Reports

Memorizing a report saves the current settings for the report, but not the report data. When memorizing a report, pay attention to the *Dates* memorized with the report. When using a relative date, such as "Last Month", the report date will change based on when you run the report. When using a "Custom" date, the report date does not change based on when you run the report.

### Memorize a Report

1. Display the appropriate report from the **Reports** menu.
2. Make appropriate changes to the report.
3. Click the **Memorize** button.
4. Enter the report name in the **Memorize Report** window.
5. Click **OK**.

## Run a Memorized Report

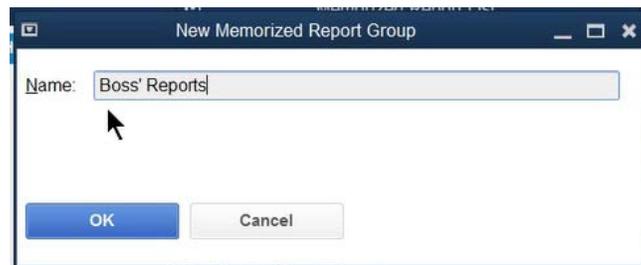
1. Select Reports:Memorized Reports:Memorized Report List from the menu.
2. Select the appropriate report in the **Memorized Report List** window.
3. Click the **Display** button.

## Report Groups

QuickBooks lets you display/print multiple reports at one time. To do so, set up a Memorized Report Group. Once a group is added, you can click and drag memorized reports to make them part of a group.

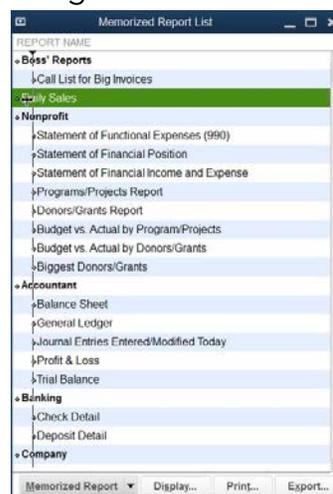
## Add a Memorized Report Group

1. Select Reports:Memorized Reports:Memorized Report List from the menu.
2. Click the **Memorized Report** button.
3. Select **New Group** from the menu.
4. Enter the Name in the New Memorized Report Group window.
5. Click **OK**.



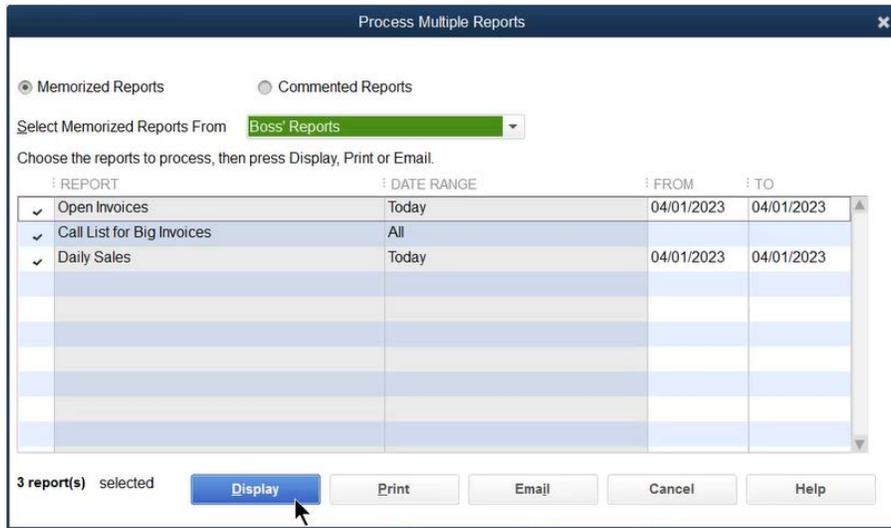
## Add Memorized Report to Group

1. Select **Reports:Memorized Reports:Memorized** Report List from the menu.
2. Move the cursor over the diamond to the left of the report that will become part of the group.
3. Click and drag the report below the appropriate **Group**.
4. Click and drag the report to the right.



## Display/Print a Memorized Report Group

1. Select **Reports:Process Multiple Reports** from the menu.
2. Select the reports to display/print in the **Process Multiple Reports** window.
3. Change the **From and To dates** of the report as appropriate.
4. Click **Display or Print**.



## Report Shortcuts

You can create a button on the **Icon Bar** for reports you access often.

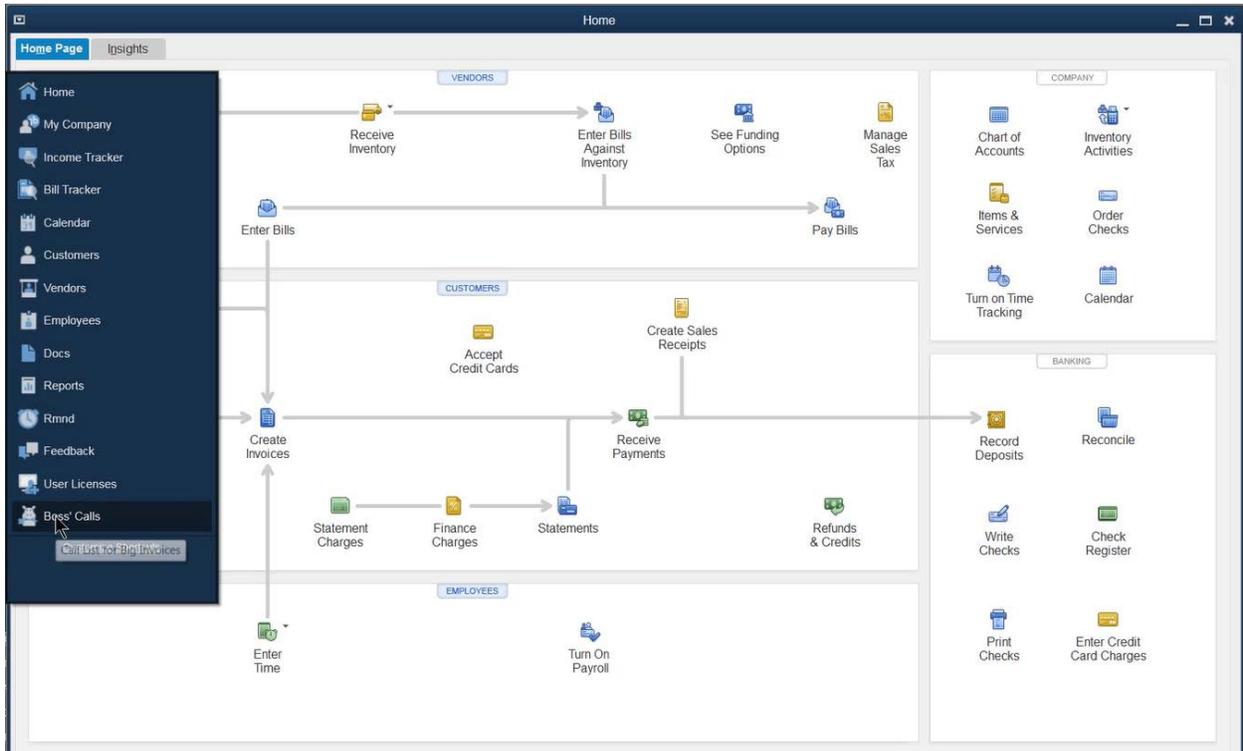
Display the report to be added to the **Icon Bar** from the **Reports** menu.

1. Select **View:Add (Report Name) to Icon Bar...** from the menu.
2. Enter appropriate information in the **Add Window to Icon Bar** window.
3. Click **OK**.

## Add Report to Icon Bar



# Report Added to Icon Bar



# Chapter 11

# Reports- Expert

## Report Considerations

Reports will not provide needed information unless you enter transactions with the following considerations.

### Customers & Receivables Reports

Only transactions that affect Accounts Receivable (invoices, statement charges, customer payments, and credit memos) appear on these reports. This is not true for the **Unbilled Costs by Job**, **Transaction List by Customer**, and **List** reports.

### Sales Reports

- Must use **Invoice**, **Sales Receipt**, **Credit Memo**, or **Statement Charge**. Other transactions will not appear on these reports.
- All **invoices** appear on these reports, including non-sales invoices used for deposits or other tricky transactions.
- **Rep** field must appear on the sales form for the **Sales by Rep** reports to work correctly.

### Jobs & Time

- Must use **Items** on all job related transactions (including payroll) or detail report will display amount as **"No item"**.
- **Item Profitability** report only works when a customer is specified on the purchase form. This is not necessary for inventory items because cost information is recorded at the time of invoicing.
- **Profit & Loss by Job** only displays information if the **Customer:Job** field was used. Therefore the **Profit & Loss by Job** total will not match the **Profit & Loss Standard** report.

## Vendors & Payables

- Only transactions that affect Accounts Payable (bills, credits, or bill payments) appear on these reports. This is not true for the **Transaction List by Vendor, Sales Tax Liability, Sales Tax Revenue Summary**, and **List** reports.
- All **invoices** and **sales receipts** affect the **Sales Tax Liability** and **Sales Tax Revenue Summary** reports. This includes invoices used to handle special situations.

## Purchase Reports

Only transactions using **items** will appear on these reports.

## Employees & Payroll

Only transactions using **payroll items** will appear on transaction based reports. List reports are based on information you enter on lists.

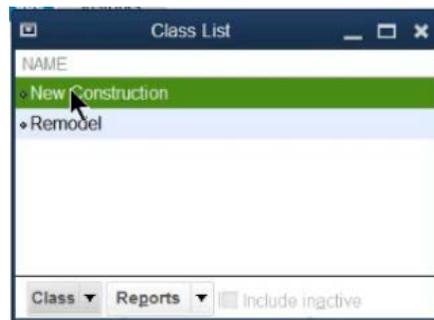
## Special Fields

QuickBooks has numerous fields available to track additional information and improve report customization. However, before using a field, confirm that the field is available and can be used on the desired reports.

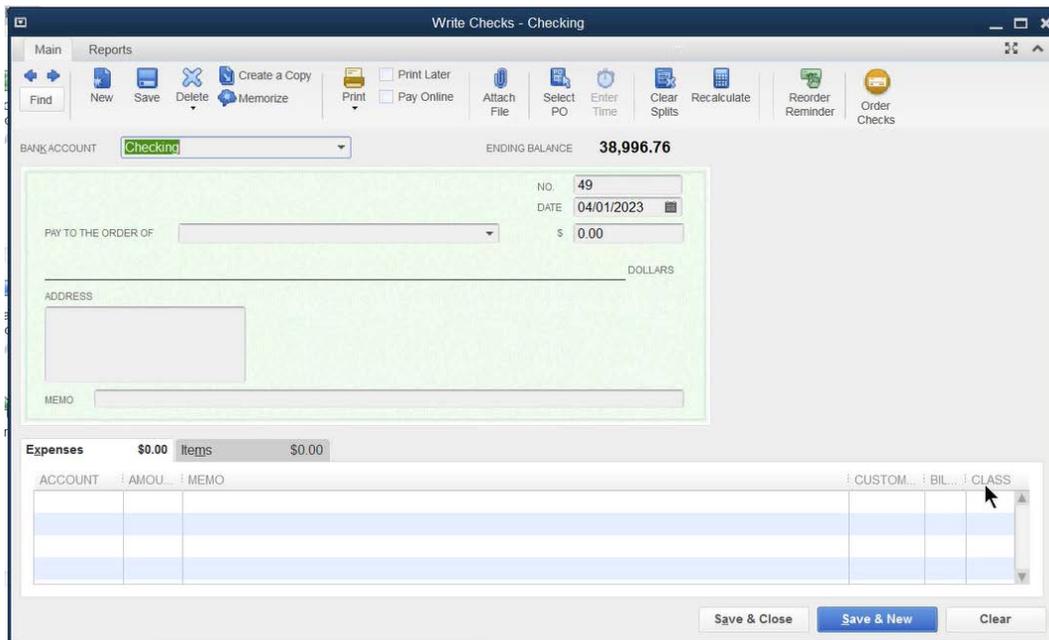
## Class

Use class tracking to track divisions or profit centers of your company. Classes can be linked to specific transactions. However, class tracking does not work for balance sheet transactions. Also, classes cannot be linked to list entries.

- Select **Lists:Class List** from the menu.



## Classes-Use

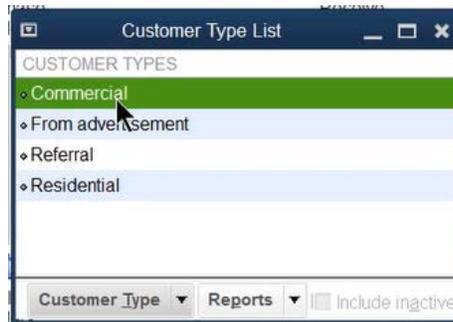


## Customer Type

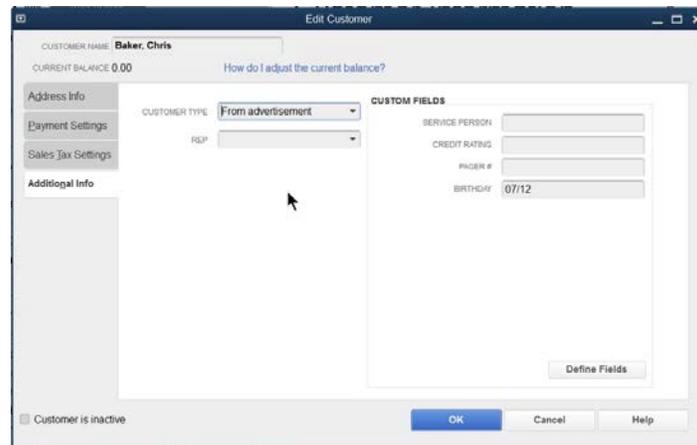
Use customer types to categorize your customers into meaningful groups. This is useful for tracking customer or job related expenses and income. Mailing labels can be selected by Customer Type.

- Select Lists:Customer & Vendor Profile Lists:Customer Type List from the menu.

## Customer Type List



## Customer Type-Assign



## Customer Type-On Report

The screenshot shows a report titled "Buildem, Inc. Customer Phone List" dated "April 1, 2023". The report includes a table with columns for Customer, Main Phone, and Customer Type. The data is as follows:

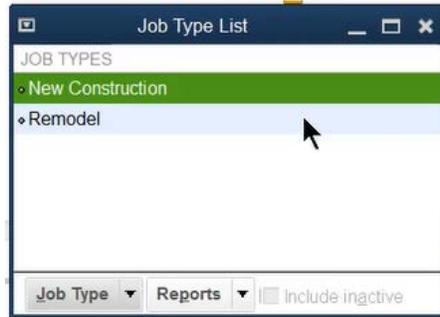
Customer	Main Phone	Customer Type
Chicago Hotel Builders	312-555-1251	Commercial
Chicago Hotel Builders:Lake Michigan	312-555-0621	Commercial
Fort Worth Homes	817-555-8909	Commercial
Fort Worth Homes:Lake Worth Homes	817-555-8909	Commercial
Jupiter Homes	214-555-4155	Commercial
Jupiter Homes:Fannin Residence	214-555-4155	Commercial
Jupiter Homes:Rucker Residence	214-555-4155	Commercial
Overnight, Inc.	214-555-1111	Commercial
Overnight, Inc.:Dallas Motor Inn	214-555-8765	Commercial
Rio Grande Homes	214-555-7777	Commercial
Rio Grande Homes:Jackson Residence	214-555-7777	Commercial
Rio Grande Homes:Valley Savings Deve...	214-555-7777	Commercial
Baker, Chris	972-357-3333	From advertisement
Dallas Hardware and Tools	214-555-4747	From advertisement

## Job Type

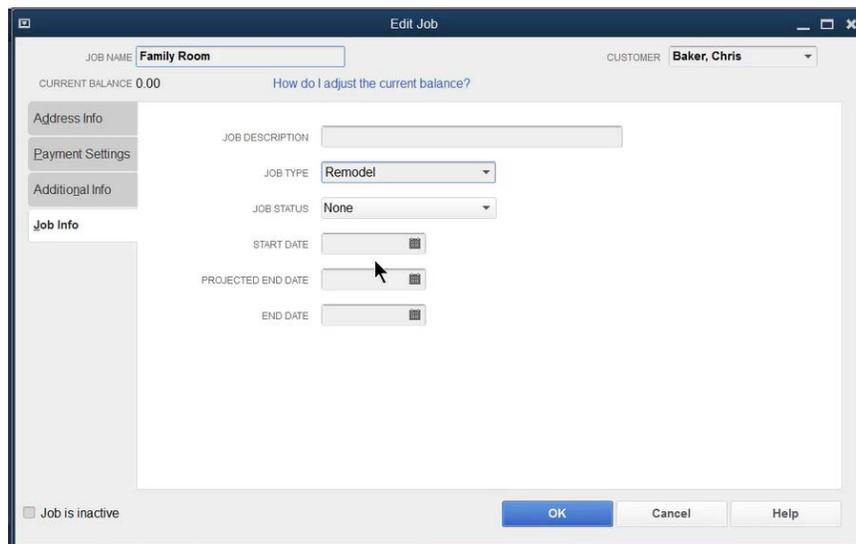
Job types are similar to customer types. Use job types to group your customer's jobs into meaningful categories. This is useful for job related expenses and income.

- Select Lists:Customer & Vendor Profile Lists:Job Type List from the menu.

## Job Type List



## Job Type-Assign



## Report Filtered By Job Type

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Chicago Hotel Bui...	1,515.93	0.00	0.00	0.00	0.00	1,515.93
Fort Worth Homes	0.00	11,003.68	25,832.71	0.00	0.00	36,836.39
Jupiter Homes	0.00	32,770.28	0.00	0.00	0.00	32,770.28
<b>TOTAL</b>	<b>1,515.93</b>	<b>43,773.96</b>	<b>25,832.71</b>	<b>0.00</b>	<b>0.00</b>	<b>71,122.60</b>

## Customer Custom Field

Use custom customer fields to track additional information about customers. Custom field data entry is manual. This can result in inconsistent data entry and inconsistent results on reports.

### Define Customer Custom Fields

1. Click the **Customers** icon.
2. Click the Customers & Jobs tab.
3. Click the **Edit Customer** button.
4. Click the **Additional Info** tab.
5. Click the **Define Fields** button.
6. Enter appropriate information in the **Define Fields** window.
7. Click **OK**.
8. Click **OK**.

### Custom Customer Field-Define & Assign

The screenshot shows the 'Edit Customer' dialog box for 'Chicago Hotel Builders'. The 'CUSTOM FIELDS' section is active, displaying the following information:

Field Name	Value
SERVICE PERSON	Smith
CREDIT RATING	AA
PAGER #	312-555-0011
BIRTHDAY	10/15

Buttons at the bottom include 'Define Fields', 'OK', 'Cancel', and 'Help'. A checkbox for 'Customer is inactive' is also present.

### Custom Customer Field-On Report

The screenshot shows a 'Customer Phone List' report for 'Buildem, Inc.' dated April 1, 2023. The report includes a table with the following data:

Customer	Main Phone	Birthday
Baker, Chris	972-357-3333	07/12
Baker, Chris-Family Room	972-357-3333	
Chicago Hotel Builders	312-555-1251	10/15
Chicago Hotel Builders-Lake Michigan	312-555-8621	
Columbia Management	405-555-3540	05/25
Columbia Management-Seattle School	405-555-3540	
Columbia Management-Spokane Civic C...	405-555-3540	
Crandall Contractors	845-555-1235	07/04
Crandall Contractors-Cheyenne 1	845-555-1235	
Dallas Hardware and Tools	214-555-4747	10/30
Fort Worth Homes	817-555-8989	10/01
Fort Worth Homes-Lake Worth Homes	817-555-8989	

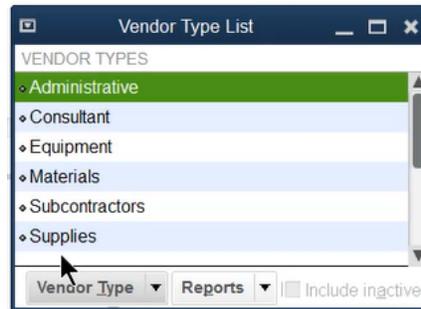
## Vendor Type

Use vendor types to categorize vendors into meaningful groups. Mailing labels can be selected by vendor type.

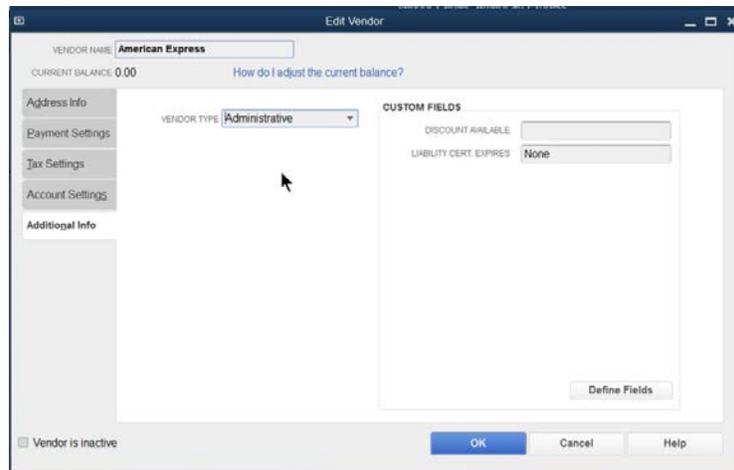
### Open the Vendor Type List

1. Select Lists:Customer & Vendor Profile Lists:Vendor Type List from the menu.

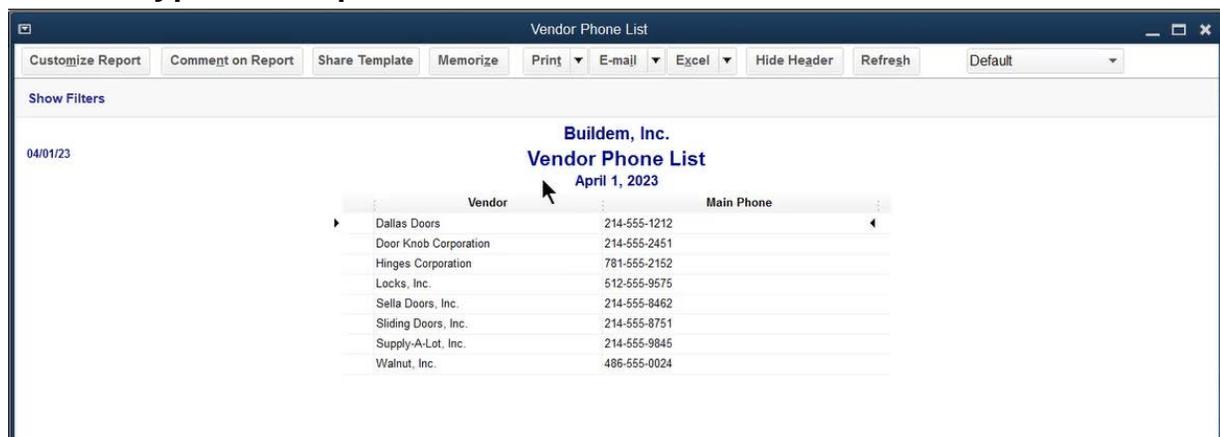
### Vendor Type List



### Vendor Type-Assign



### Vendor Type-On Report



Vendor	Main Phone
Dallas Doors	214-555-1212
Door Knob Corporation	214-555-2451
Hinges Corporation	781-555-2152
Locks, Inc.	512-555-9575
Sella Doors, Inc.	214-555-8462
Sliding Doors, Inc.	214-555-8751
Supply-A-Lot, Inc.	214-555-9845
Walnut, Inc.	486-555-0024

## Vendor Custom Field

Use custom vendor fields to track additional information about vendors. Custom field data entry is manual. This can result in inconsistent data entry and inconsistent results on reports.

### Define Vendor Custom Fields

1. Click the **Vendors** icon.
2. Click the **Vendors** tab.
3. Click the **Edit Vendor** button.
4. Click the **Additional Info** tab.
5. Click the **Define Fields** button.
6. Enter appropriate information in the **Define Fields** window.
7. Click **OK**.
8. Click **OK**.

### Custom Vendor Field-Define & Assign

The screenshot shows the 'Edit Vendor' window for 'Dave's Landscaping'. The current balance is 0.00. The vendor type is 'Subcontractors'. The 'CUSTOM FIELDS' section includes 'DISCOUNT AVAILABLE' and 'LIABILITY CERT. EXPIRES' set to '4/2024'. A 'Define Fields' button is located at the bottom right of the custom fields section. The window also has 'OK', 'Cancel', and 'Help' buttons at the bottom.

### Custom Vendor Field-On Report

The screenshot shows the 'Vendor Phone List' report for 'Buildem, Inc.' dated April 1, 2023. The report includes a table with the following columns: Vendor, Main Phone, and Liability Cert. Expires. The data is as follows:

Vendor	Main Phone	Liability Cert. Expires
American Express	800-363-8585	None
Buildings, Inc.	214-555-1254	None
Chamber of Commerce	972-652-3535	None
Contractor, Connie	972-355-6500	2/2024
Craig's Gasoline	972-315-6212	None
Dallas Doors	214-555-1212	None
Dave's Landscaping	972-233-1366	4/2024
Door Knob Corporation	214-555-2451	None
Door Tools, Inc.	214-555-9923	None
Edgar Leasing	817-555-3491	None
Electric, Inc.	214-555-7111	None
General Carriers, Inc.	214-555-9999	None

## Item Custom Field

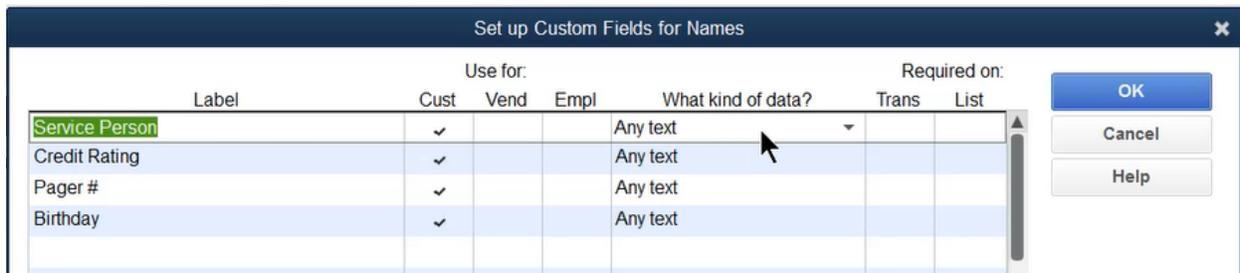
Use custom item fields to track additional information about items and services. Custom field data entry is manual. This can result in inconsistent data entry and inconsistent results on reports.

### Define Item Custom Fields

1. Click the **Items & Services** icon on the **Home** page.
2. Click the **Item** button and select **Edit Item** from the menu.
3. Click the **Custom Fields** button.
4. Click the **Define Fields** button.
5. Enter appropriate information in the **Define Custom Fields for Items** window.
6. Click **OK**.
7. Click **OK** in the **Custom Fields** window.
8. Click **OK** in the **Edit Item** window.

### Custom Fields in Enterprise Solutions

QuickBooks Enterprise Solutions offers advanced custom fields capabilities. You can format fields for specific types of data such as numbers, dates, phone numbers, or multiple choice lists.



### Work with Microsoft® Excel®

QuickBooks lets you create custom reports in Excel without having to re-enter the data. This feature requires Excel 2000, 2002, 2003, 2007, or 2010.

### Export a Report to Excel

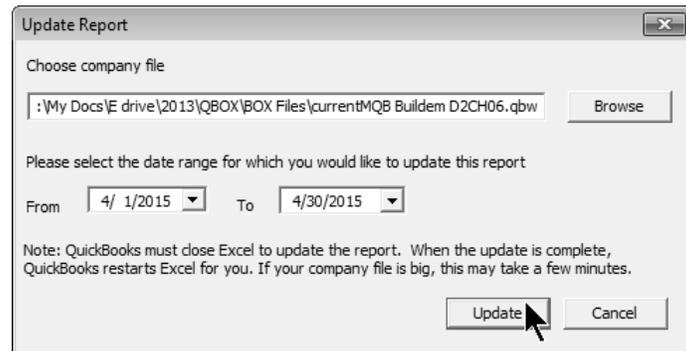
1. Display the appropriate report from the **Reports** menu.
2. Click the **Excel** button.
3. From the menu, select whether to send the report to a new or existing spreadsheet.
4. Click the **Advanced** button to modify the transfer options.
5. Click **OK**.
6. Click **Export**.
7. QuickBooks automatically runs Excel and displays the report.

## Export Report-Update Report

QuickBooks makes it easy to update report data in Excel if the QuickBooks data changes after export. The first time you do this, your QuickBooks Company File must be open.

### Update Report in Excel

1. Save the report in Excel.
2. Click the **QuickBooks** tab and select **Update Report**.
3. Click **Browse** to select the location of your company file (if necessary).
4. Click the drop-down arrows to change the date range for the report (if necessary).
5. Click **Update**.



### Export Report-Best Practices

If you make changes to your exported report, Excel only keeps certain changes:

1. Renamed report titles
2. Font formatting in row and column headers
3. Resized columns
4. Renamed column and row headers
5. Inserted rows and columns with information entered
6. Formulas (the updated report must contain the row associated with the formula)
7. Inserted text

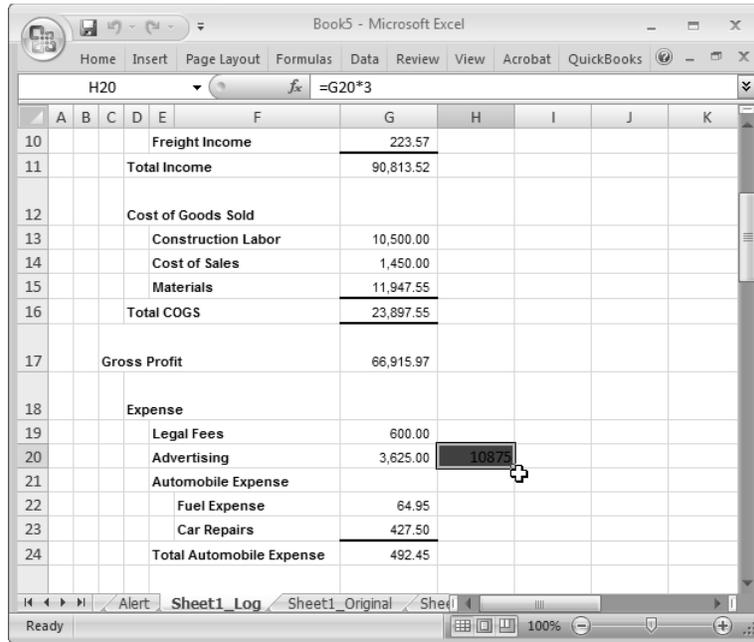
Any of the following changes you make to your exported report will have to be updated manually when the report is updated:

1. Font formatting in non-header cells
2. Formatting other than changes to Font
3. Moved data cells
4. Renamed date columns
5. Inserted rows or columns that are left empty
6. Sorted columns

If you entered a formula in your Excel report and you receive an error when you update the report, you have two choices:

1. Close the workbook without saving to retain the report before the update.
2. Save the report on Sheet1 to keep the updated report without the formula.

### Updated Report-Formula Error



### Auto Filter-Audit Trail

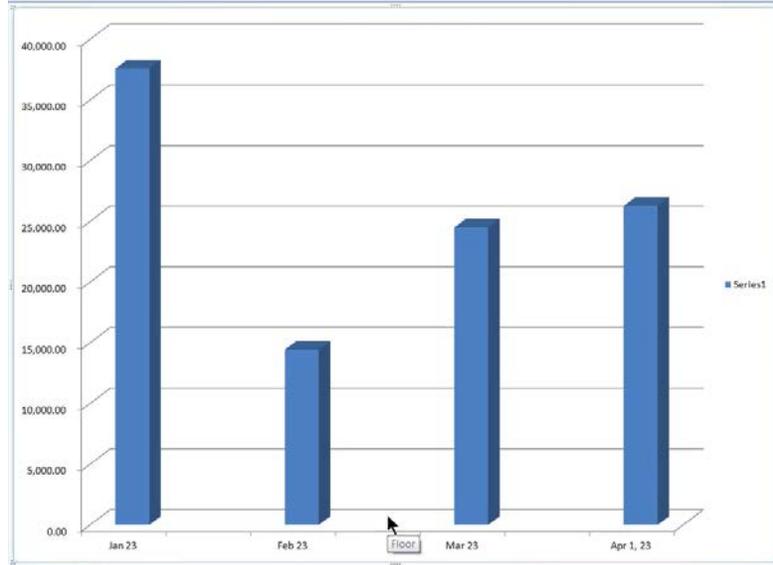
D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Num	Entered/Last Modified	Last modified by	State	Date	Name	Memo	Account							
AD285	02/28/2015 15:24:31	David	Prior	02/28/2015	Walnut, Inc.	Natural Cedar Door	Accounts Payable							
AD285	02/28/2015 15:24:31	David	Prior	02/28/2015	Walnut, Inc.	Natural Cedar Door	Inventory							
AD285	02/28/2015 15:24:31	David	Prior	02/28/2015	Walnut, Inc.	Natural Cedar Door	Accounts Payable							
AD285	02/28/2015 15:24:31	David	Prior	02/28/2015	Walnut, Inc.	Natural Cedar Door	Inventory							
AD285	02/28/2015 15:24:31	David	Prior	02/28/2015	Walnut, Inc.	Natural Cedar Door	Accounts Payable							
AD285	02/28/2015 15:24:31	David	Prior	02/28/2015	Walnut, Inc.	Natural Cedar Door	Inventory							
4558	12/31/2012 15:08:41	King & King	Latest	12/31/2012	King & King	Advertising Budget	Accounts Payable							
4558	12/31/2012 15:08:41	King & King	Latest	12/31/2012	King & King	Advertising Budget	Advertising							
4558	01/11/2011 15:03:24	David (Admin)	Prior	12/31/2014	King & King	Advertising Budget	Accounts Payable							
4558	01/11/2011 15:03:24	David (Admin)	Prior	12/31/2014	King & King	Advertising Budget	Advertising							
4558	01/10/2011 15:24:31	David (Admin)	Prior	12/31/2015	King & King	Advertising Budget	Accounts Payable							
4558	01/10/2011 15:24:31	David (Admin)	Prior	12/31/2015	King & King	Advertising Budget	Advertising							
4558	04/01/2007 19:55:51	David	Prior	03/15/2007	King & King	Advertising Budget	Accounts Payable							
4558	04/01/2007 19:55:51	David	Prior	03/15/2007	King & King	Advertising Budget	Advertising							
4558	03/28/2007 15:08:41	David (Admin)	Prior	03/15/2010	King & King	Advertising Budget	Accounts Payable							
4558	03/28/2007 15:08:41	David (Admin)	Prior	03/15/2010	King & King	Advertising Budget	Advertising							

## Using Excel<sup>®</sup> to Graph

QuickBooks graphs are limited to those available from the **Reports** menu. However, Excel allows you to graph numeric data from any report.

### Graph Data in Excel

1. Display the appropriate report from the **Reports** menu.
2. Click the **Export** button.
3. From the menu select whether to send the report to a new or existing spreadsheet.
4. Click the **Export** button.
5. QuickBooks automatically runs Excel and displays the report.
6. In Excel highlight the data you want to graph.
7. Click the **Insert** tab in Excel.
8. Select a graph type from the **Charts** group.



## Combine Reports in Excel<sup>®</sup>

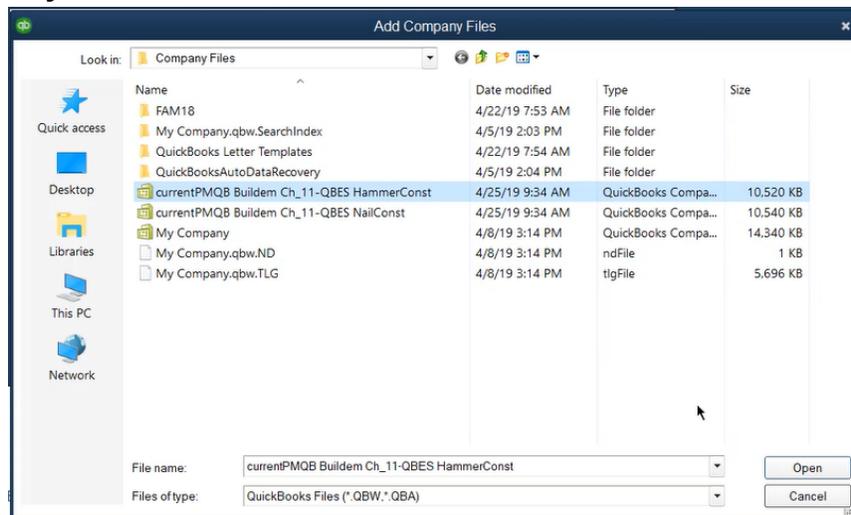
QuickBooks Enterprise Solutions lets you combine financial statements from multiple company files. You do this in a few easy steps.

There are seven reports that you can combine from different company files: Balance Sheet Standard, Balance Sheet Summary, Profit & Loss Standard, Statement of Cash Flows, Trial Balance, Profit & Loss by Class, and Sales by Customer Summary.

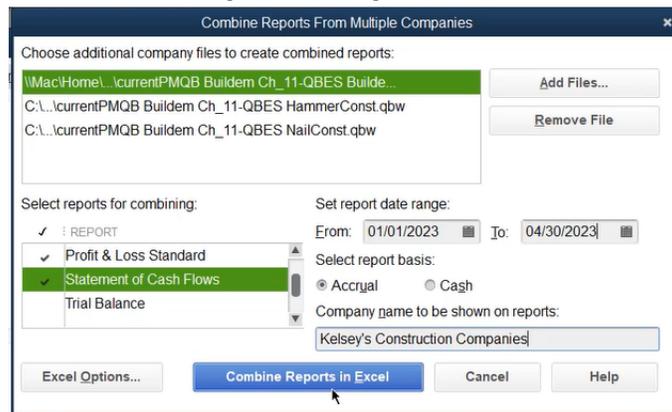
## Combine Reports from Multiple Companies

1. Select Reports:Combine Reports from Multiple Companies from the menu.
2. Click **Add Files** to combine financial statements for additional company files.
3. Click **Open**.
4. Repeat steps 2 and 3 until all appropriate company files are included.
5. Select appropriate reports to combine below **Select reports for combining**.
6. Enter remaining information in the **Combine Reports from Multiple Companies** window.
7. Click the Combine Reports in Excel button.
8. QuickBooks Enterprise Solutions automatically runs Excel and displays the combined report.

## Add Company Files



## Combine Reports From Multiple Companies



## Combined Report in Microsoft Excel

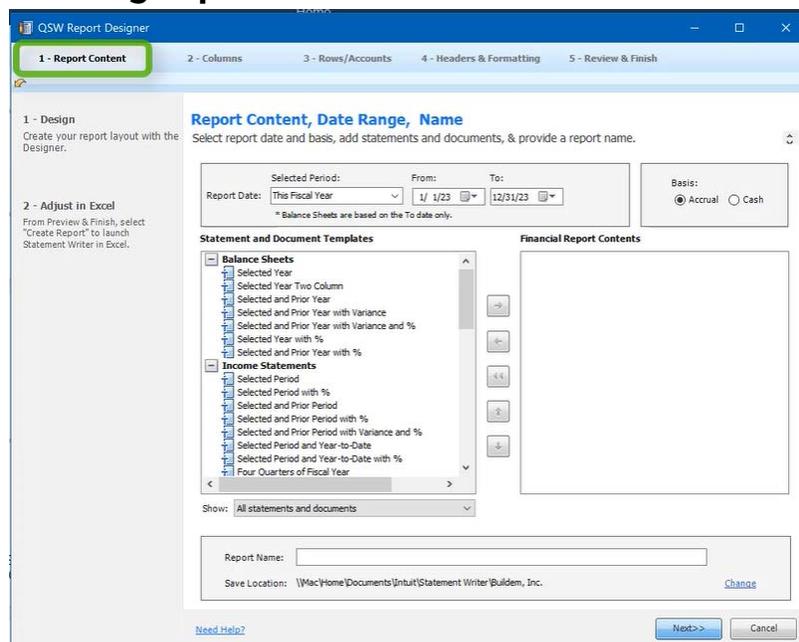
	Buildem Const	Hammer Construction	Nail Construction	TOTAL
<b>ASSETS</b>				
<b>Current Assets</b>				
Checking/Savings				
Checking	17,792.13	40,051.40	3,825.59	61,669.12
Money Market Account	4,528.39	4,528.39	4,528.39	13,585.17
<b>Total Checking/Savings</b>	<b>22,320.52</b>	<b>44,579.79</b>	<b>8,353.98</b>	<b>75,254.29</b>
Accounts Receivable				
Accounts Receivable	78,229.14	38,145.07	61,249.19	177,623.40
<b>Total Accounts Receivable</b>	<b>78,229.14</b>	<b>38,145.07</b>	<b>61,249.19</b>	<b>177,623.40</b>
<b>Other Current Assets</b>				
Prepaid Expenses	1,620.00	1,620.00	(180.00)	3,060.00
Employee Loans	800.00	0.00	800.00	1,600.00
Inventory	51,530.74	55,279.64	51,530.74	158,341.12
<b>Total Other Current Assets</b>	<b>53,950.74</b>	<b>56,899.64</b>	<b>52,150.74</b>	<b>163,001.12</b>
<b>Total Current Assets</b>	<b>154,500.40</b>	<b>139,624.50</b>	<b>121,753.91</b>	<b>415,878.81</b>
<b>Fixed Assets</b>				
<b>Furniture &amp; Fixtures</b>				
Furniture & Fixtures Cost	17,268.29	9,389.75	4,689.75	31,347.79
Accumulated Depreciation	(4,200.00)	(2,100.00)	(600.00)	(6,900.00)
<b>Total Furniture &amp; Fixtures</b>	<b>13,068.29</b>	<b>7,289.75</b>	<b>4,089.75</b>	<b>24,447.79</b>
<b>Office Equipment</b>				
Office Equipment Cost	9,500.00	4,250.00	12,500.00	26,250.00
Accumulated Depreciation	(2,200.00)	(800.00)	(2,350.00)	(5,350.00)
<b>Total Office Equipment</b>	<b>7,300.00</b>	<b>3,450.00</b>	<b>10,150.00</b>	<b>20,900.00</b>
<b>Total Fixed Assets</b>	<b>20,368.29</b>	<b>10,739.75</b>	<b>14,239.75</b>	<b>45,347.79</b>
<b>TOTAL ASSETS</b>	<b>174,868.69</b>	<b>150,364.25</b>	<b>135,993.66</b>	<b>461,226.60</b>
<b>LIABILITIES &amp; EQUITY</b>				

## QuickBooks Statement Writer

The QuickBooks Statement Writer, available in Premier Accountant and Enterprise Solutions editions\*, helps you create custom, professional statements. Because it works directly with QuickBooks data, you can customize a statement without having to reformat the statement each time it is produced. Create multiple statements and supporting documents, including cover letters, engagement letters, disclosures, and more.

## QuickBooks Statement Writer

1. Select Reports:QuickBooks Statement Writer from the menu.
2. Choose Create New Report.
3. Select or enter an appropriate **Report Date** range.
4. Select **Cash** or **Accrual** as the **Basis**.
5. Below **Statement and Document Templates**, select the desired statement, template or related document, and click the right arrow to add it to your selection. Repeat this step for each desired report.
6. Enter an appropriate **Report Name**.
7. Click **OK**.
8. Use the **Document Actions** pane to further customize your reports.
9. To save the report template, select **Statement Writer:Save Report** below **Document Actions**.
- 10.To generate a **PDF** version of the report, select **Statement Writer:Save As:PDF**.
- 11.To review or customize the report later, open **QuickBooks Statement Writer** and select **Open Existing Report**.



\*QuickBooks Statement Writer included with QuickBooks Enterprise Solutions. Sold separately for QuickBooks Premier: Accountant Edition. 30 day free trial included with Accountant Edition. Requires Excel and Word 2003 or 2007 (sold separately).

# Chapter 12

# File Utilities

## Scheduled Backups

QuickBooks lets you schedule an unattended backup. Run the *Backup Wizard* to create the backup schedule.

### Schedule Backups

1. Select File:Backup Company:Create Local Backup from the menu.
2. Select Local backup.
3. Click **Next**.
4. Select Only schedule future backups.
5. Click **Next**.
6. Click **New** to create a backup schedule.
7. Select when to back up.
8. Click **OK**.
9. Enter your **Username** and **Password** if necessary, and click **OK**.
10. Click **Finish**.

Screenshot of the "Schedule Backup" dialog box. The dialog is titled "Schedule Backup" and contains the following fields and options:

- DESCRIBE THE BACKUP TASK YOU WANT TO SCHEDULE:**
  - Description: Weekly
  - Location: C:\Users\Jason Ruvaldt\Docu... (with a Browse... button)
  - Number of backup copies to keep: 3
- SELECT THE TIME AND DAY YOU WANT TO SAVE THE BACKUP:**
  - Start time: 02 : 00 AM
  - Run this task every: 1 weeks on:
  - Monday,  Tuesday,  Wednesday,  Thursday,  Friday,  Saturday,  Sunday
  - Store Password... (button)
- Buttons: OK, Cancel, Help

## Condense Data

QuickBooks stores all transactions in your company file. After time passes, you may not need details of the transactions in your company data file. The Condense Data feature lets you delete the transactions you no longer need. Once the detail is deleted, you can delete list entries that are no longer in use. You also have the option to condense uncleared bank and credit card transactions, transactions marked to be printed or to be sent, and transactions containing unbilled costs.

This consists of the following:

- Create a backup copy of your file in case you need summarized detail
- Delete transactions that are no longer needed for your current records
- Add monthly transactions that summarize the deleted transactions
- Delete list items you no longer need (optional)

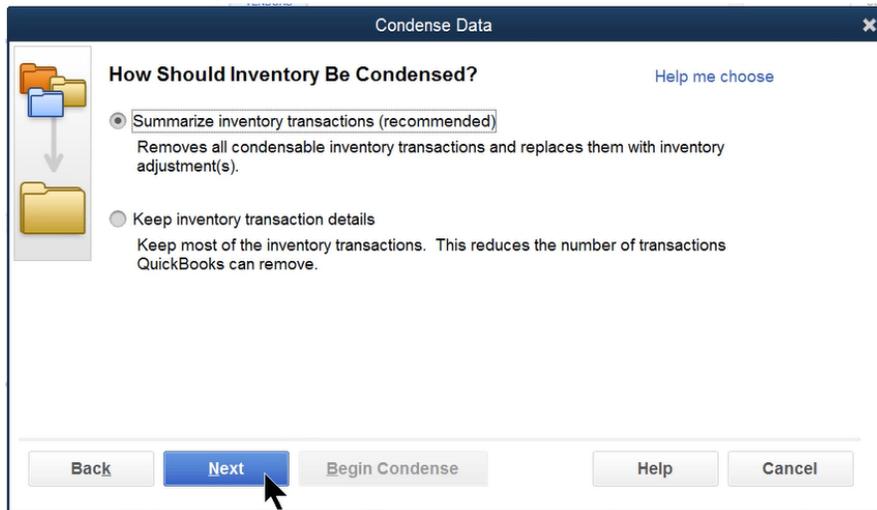
Certain entries are not condensed during this process. These include:

1. Transactions that have an open balance
2. Transactions linked to other transactions that can't be closed
3. Payroll transactions in the current year
4. Transactions considered "open", including all credits, payments, and journal entries that are not applied to the respective invoices
5. Transactions containing Unbilled costs (can be overridden)
6. Uncleared/unreconciled bank and credit card transactions (can be overridden)
7. Transactions marked To be printed or To be sent (can be overridden)

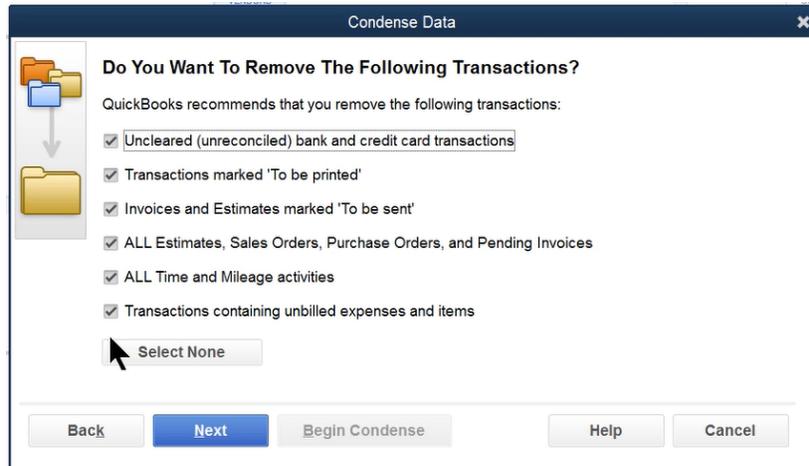
## Condense Company Data File

1. Select File:Utilities:Condense Data from the menu.
2. Click **Yes** in the **Budget Data May Be Affected** window (if applicable).
3. Click the Remove transactions as of a specific date button.
4. Enter appropriate information in the **Condense Data** windows.
5. Click the **Begin Condense** button.
6. Click OK in the QuickBooks Information window.
7. Complete the backup of the company file.
8. Click **OK** in the final **QuickBooks Information** window.

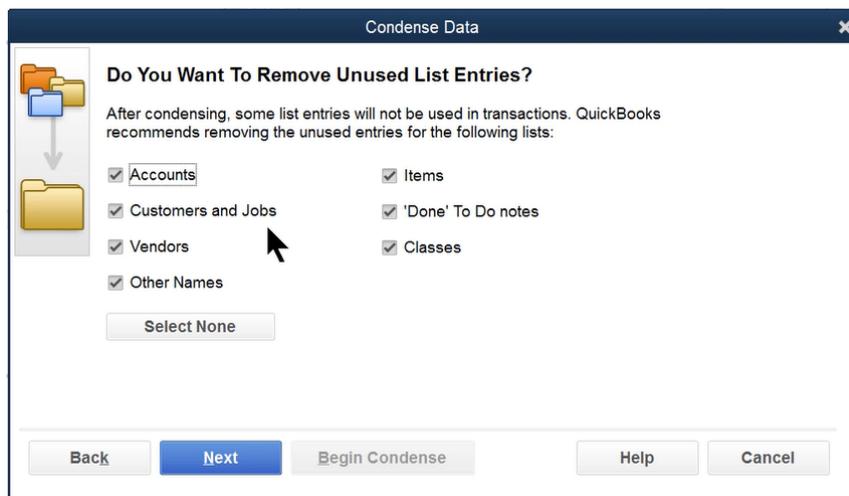
## Choose a Condense Option



## Select Additional Criteria for Removing Transactions



## Select Unused List Items To Remove



## Improve Performance

As the size of your data file increases, QuickBooks becomes slower and slower. There are some techniques that you can use to improve the performance of QuickBooks.

### Within QuickBooks

1. Turn *off* these preferences in QuickBooks:
2. Auto recall last transaction
3. Refresh reports automatically
4. Warnings about duplicate estimates, purchase orders, checks, invoices, and sales orders as well as transaction date warnings (these warnings can be important)
5. For multi-user systems, perform processor intensive tasks in *Single-user Mode*, such as:
6. Running long reports
7. Pay employees, payroll liabilities, or sales taxes
8. Reconcile accounts
9. Change inventory prices
10. Adjust the value or quantity of inventory
11. For multi-user systems, place the data file on the most powerful computer available
12. Set up "hosting" of multi-user access on the same computer as the data file
13. Perform regular company file backups

### Within Windows

1. Turn off all unnecessary programs that run in the background when Windows starts. These programs reduce the amount of memory available for other programs such as QuickBooks.
2. Quit other programs before starting QuickBooks
3. Check your hard drive space and virtual memory. Also, check your hard drive by running utilities such as ScanDisk and Defrag.
4. Add more RAM to your computer

## Upgrade to QuickBooks Enterprise Solutions

If the above recommendations do not improve the performance of your level of QuickBooks, consider upgrading to QuickBooks Enterprise Solutions. Enterprise Solutions is intended for companies that are outgrowing other QuickBooks editions. Enterprise Solutions allows up to 30 concurrent users, removes names list limits, and improves the performance of entering transactions and running reports in a larger file. For more information about Enterprise Solutions, visit the QuickBooks website at [quickbooks.intuit.com](http://quickbooks.intuit.com).

## Corrupt Data Files

There are several reasons why a QuickBooks file might become damaged. These include:

- Your computer experienced a power fluctuation
- Your hard drive is damaged
- You experienced network interference while working in a multi-user environment
- Your computer is infected with a virus

If you suspect your file is damaged, here are a few techniques to try:

### 1) Restart Computer

Restarting the computer commonly solves many unusual computer problems.

### 2) Current Version

If you have multiple versions of QuickBooks installed on your computer, make sure the most current version and maintenance release is being used.

### 3) Problems with Program

There could be a problem with the QuickBooks program rather than your file. Try opening the file on another computer. Or, try opening a QuickBooks sample file from your computer. If there is a problem with the QuickBooks program, re-install the program from the CD-ROM.

#### **4) Verify & Rebuild Data**

Try the *Verify Data* and *Rebuild Data* functions. These are explained in the next section.

#### **5) Memorized Transaction Problem**

If there is a problem opening the data file, change the system date to one year ago and re-open the file. If this works, this indicates that a damaged memorized transaction is set to enter automatically. Delete the memorized transaction. Change the system date back to the current date. Open the data file and re-create the memorized transaction.

#### **6) Problem Updating QuickBooks**

If there is a problem updating to a new version of QuickBooks, run the *Verify Data* and *Rebuild Data* features in the *earlier* version of the software. A data file problem can keep the data file from converting to a new version. Running *Verify Data* and *Rebuild Data* in the earlier version may fix the damage.

#### **7) Restore from Backup**

Restore from the most recent backup that is not damaged. However, this means you will lose the work since the backup was made.

#### **8) Intuit Data Recovery Service**

As a last resort, use the *Intuit Data Recovery Service*. This service may be able to fix the file. Service fees apply. Check the QuickBooks website or QuickBooks help system for more information.

## Verify/Rebuild Data Files

Use *Verify Data* and *Rebuild Data* when your data file is damaged. The *Verify Data* feature often detects the damage in the data file. The *Rebuild Data* feature often fixes the damage. Intuit recommends that you rebuild data only when directed to do so by Intuit Technical Support. This is because Rebuilding Data could create additional problems in the data file.

### Verify Data File

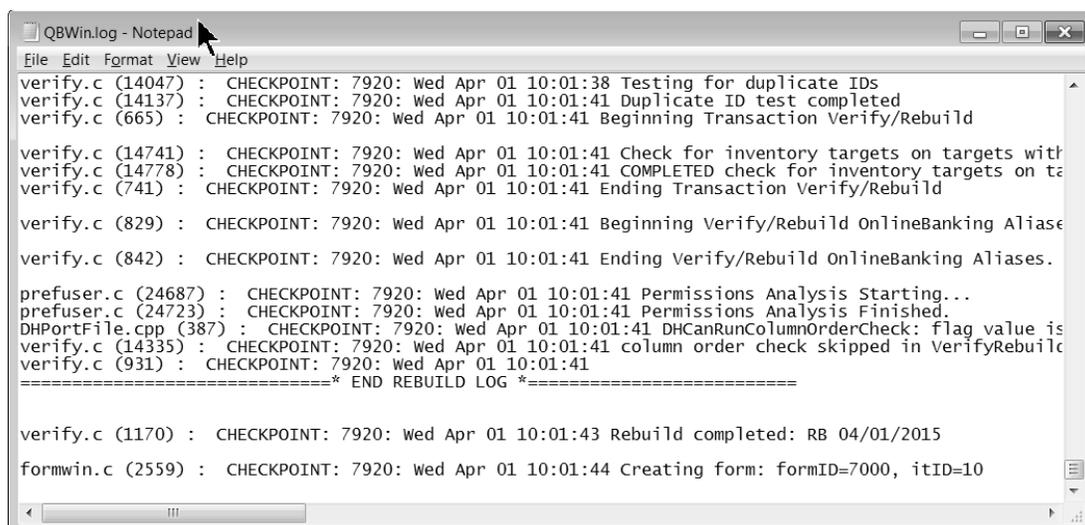
1. Select File:Utilities:Verify Data from the menu.
2. Click **OK** in the **Verify Data** window.
3. Click OK in the QuickBooks Information window.

### Rebuild Data File

1. Select File:Utilities:Rebuild Data from the menu.
2. Click **OK** in the **Rebuild Data** window.
3. Click OK in the QuickBooks Information window.
4. Complete the backup of the company file, then click **OK**.
5. Click OK in the QuickBooks Information window.

### View Results of Verify/Rebuild Data

1. Press **F2** to display the **Product Information** window.
2. Press **F3** to display the **Tech Help** window.
3. Click the **Open File** tab.
4. Select QBWIN.LOG below Select a file to open.
5. Click the **Open File** button.
6. Scroll to the end of the document.



```
QBWin.log - Notepad
File Edit Format View Help
verify.c (14047) : CHECKPOINT: 7920: Wed Apr 01 10:01:38 Testing for duplicate IDs
verify.c (14137) : CHECKPOINT: 7920: Wed Apr 01 10:01:41 Duplicate ID test completed
verify.c (665) : CHECKPOINT: 7920: Wed Apr 01 10:01:41 Beginning Transaction Verify/Rebuild

verify.c (14741) : CHECKPOINT: 7920: Wed Apr 01 10:01:41 Check for inventory targets on targets with
verify.c (14778) : CHECKPOINT: 7920: Wed Apr 01 10:01:41 COMPLETED check for inventory targets on t
verify.c (741) : CHECKPOINT: 7920: Wed Apr 01 10:01:41 Ending Transaction Verify/Rebuild

verify.c (829) : CHECKPOINT: 7920: Wed Apr 01 10:01:41 Beginning Verify/Rebuild OnlineBanking Aliase
verify.c (842) : CHECKPOINT: 7920: Wed Apr 01 10:01:41 Ending Verify/Rebuild OnlineBanking Aliases.

prefuser.c (24687) : CHECKPOINT: 7920: Wed Apr 01 10:01:41 Permissions Analysis Starting...
prefuser.c (24723) : CHECKPOINT: 7920: Wed Apr 01 10:01:41 Permissions Analysis Finished...
DHPortFile.cpp (387) : CHECKPOINT: 7920: Wed Apr 01 10:01:41 DHCanRunColumnOrderCheck: flag value is
verify.c (14335) : CHECKPOINT: 7920: Wed Apr 01 10:01:41 column order check skipped in VerifyRebuild
verify.c (931) : CHECKPOINT: 7920: Wed Apr 01 10:01:41
=====
* END REBUILD LOG *=====

verify.c (1170) : CHECKPOINT: 7920: Wed Apr 01 10:01:43 Rebuild completed: RB 04/01/2015
formwin.c (2559) : CHECKPOINT: 7920: Wed Apr 01 10:01:44 Creating form: formID=7000, itID=10
```

# Chapter 13

# Importing & Exporting

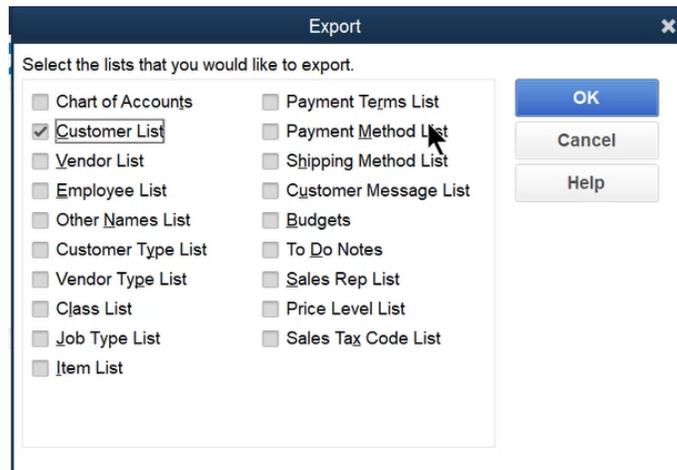
## Between QuickBooks Files

QuickBooks allows you to transfer lists and templates between QuickBooks files. You can also export memorized reports from QuickBooks Premier and Enterprise Solutions. However, you cannot export transactions out of QuickBooks, unless you use a data-transfer utility which you can find at [marketplace.intuit.com](http://marketplace.intuit.com).

## Lists

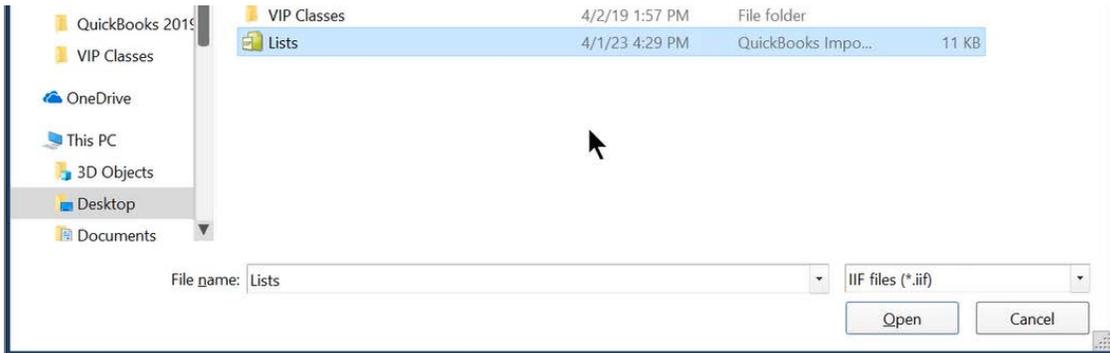
### Export Lists

1. Select File:Utilities:Export:Lists to IIF Files from the menu.
2. Click the appropriate boxes to select lists to export.
3. Click **OK**.
4. Enter the **File name:** and location in the **Export** window.
5. Click **Save**.
6. Click OK in the QuickBooks Information window.



## Import Lists

1. Open the company importing the list.
2. Select File:Utilities:Import:IIF Files from the menu.
3. Select the appropriate file to import in the **Import** window.
4. Click **Open**.
5. Click OK in the QuickBooks Information window.

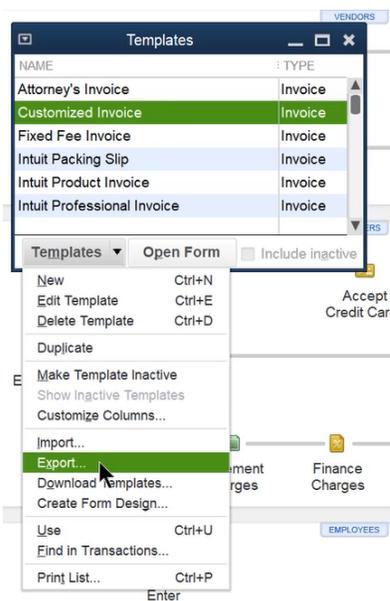


## Templates

There is a different process for exporting and importing templates (customized forms).

### Export Template

1. Select **Lists:Templates** from the menu.
2. Click to select the template for export.
3. Click the **Templates** button.
4. Select **Export** from the menu.
5. Enter the **File name** and location in the **Specify Filename for Export** window.
6. Click **Save**.



## Import Template

1. Open the company importing the template.
2. Select **Lists:Templates** from the menu.
3. Click the **Templates** button.
4. Select **Import** from the menu.
5. Select the template file to import in the **Select File to Import** window.
6. Click **Open**.
7. Click the **Manage Templates** button in the **Basic Customization** window.
8. Enter the form's name as the **Template Name**.
9. Click **OK**.
10. Click **OK**.

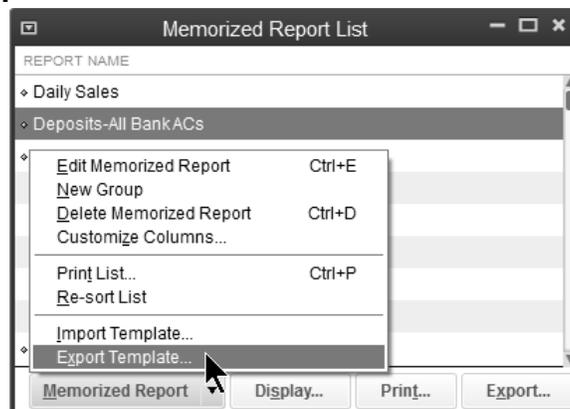
## Memorized Reports and Report Groups

Report templates (memorized reports) and report groups can be exported using QuickBooks Premier and Enterprise Solutions. These reports and group templates can then be imported into QuickBooks Pro, Premier, or Enterprise Solutions.

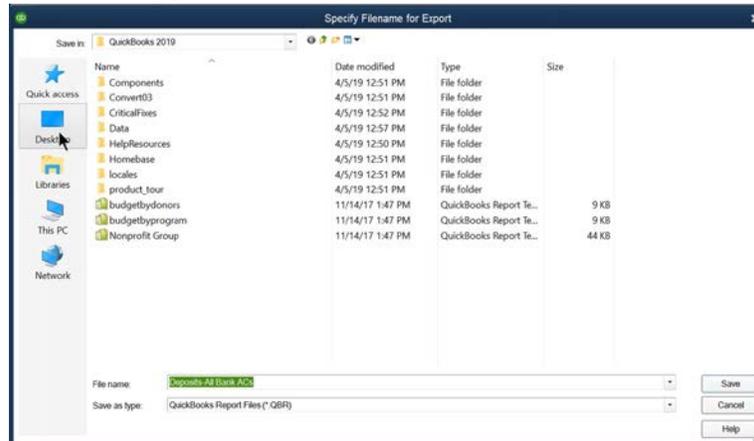
## Export Report Template or Group

1. Select Reports:Memorized Reports:Memorized Report List from the menu.
2. Click the memorized report or report group to export.
3. Click the **Memorized Report** button.
4. Select **Export Template** from the menu.
5. Enter the **File name** and location of the report template or group.
6. Click **Save**.

## Export Report Template



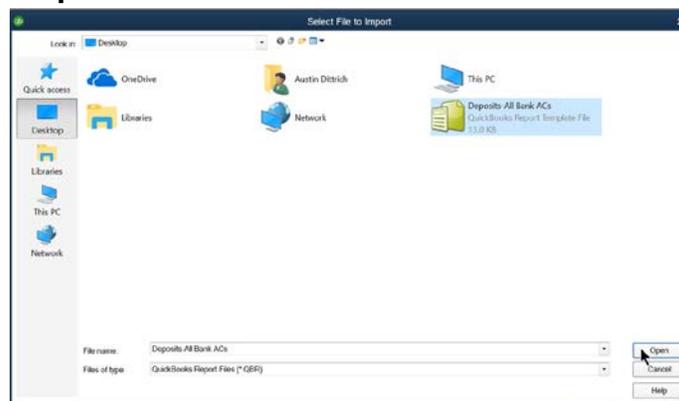
## Specify Filename for Export



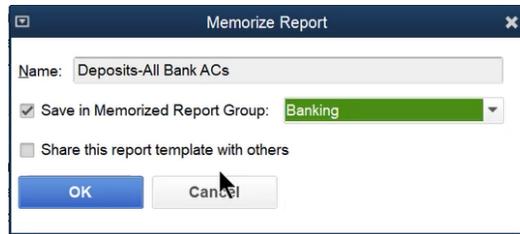
## Import Report Template or Group

1. Open the company importing the report template or group.
2. Select Reports:Memorized Reports:Memorized Report List from the menu.
3. Click the **Memorized Report** button.
4. Select **Import Template** from the menu.
5. Select the report template or group file to import in the **Select File to Import** window.
6. Click **Open**.
7. Enter the report template or group name as the **Name**.
8. Click **OK**.

## Import Report Template



## Name Memorized Report



## QuickBooks and Other Programs

### Export Lists to Other Programs

QuickBooks can export lists from QuickBooks to other programs. To export a list, follow the instructions shown in the last section. You cannot select which fields to export, specify the sort order, or filter the list information during the export process. However, the export file can be opened in a spreadsheet program and modified to meet the requirements of the other software program.

### Export Transactions to Other Programs

QuickBooks cannot export transactions. An alternative is to create a transaction report and print/save it as a tab-delimited file, or export the report as a comma separated values (.CSV) file. However, important internal transaction information cannot be added to QuickBooks reports. Therefore, the tab-delimited file or CSV file cannot be imported back into QuickBooks without modification. You can also export a list of transactions from the Transaction Tab of the Centers. First display the transactions you want. Then click the Excel drop-down list and select Export Transactions.

### Import Lists/Transactions from Other Programs

QuickBooks can import lists and transactions from other programs not on the list of integrated applications, if the data is formatted correctly. If you are converting from another accounting system, it may be possible to import lists and transactions from the other system. To do so, the other program must allow you to export a tab or comma-delimited text file.

#### There are 4 options for importing lists or transactions:

1. Create an IIF file from scratch
2. Reformat an existing file to IIF format
3. Write a computer program to reformat data to IIF format
4. Use a data transfer utility\*

For the first two options, it is suggested that a spreadsheet program be used to create/reformat the data to IIF format. There are two considerations.

First, creating IIF files can be extremely difficult and complex. It is recommended only for users with programming experience.

Second, unless you are importing a very large file (more than 200 transactions), it is likely more efficient to enter the data directly into QuickBooks.

\*You can also use a data-transfer utility to automatically transfer transactions. To find these solutions, visit [marketplace.intuit.com](http://marketplace.intuit.com) and type "IIF" or "data transfer utility" in the search field.

To build the IIF file using another program, follow these instructions:

## Import Lists or Transactions from Another Program

1. In the other program, export the list or transactions to a tab or comma-delimited file.
2. Open the file in a spreadsheet program.
3. Insert a column to the left so that the first column is blank.
4. Insert a row at the top so that the first row is blank.
5. Enter the **List Type** in cell **A1**.
6. Fill in the remaining cells of the first column using the **List Type** from **Step 5**.
7. Add the column headings to the first row.  
These headings can be found in **QuickBooks Help**. Look in **QuickBooks Help** for **importing data:IIF file format**. Select the help topic titled **Reference Guide to Import files**. Click the appropriate **List Type** in the **QuickBooks Help** window.
8. Verify that the column headings match the information in the columns.  
*The spreadsheet columns might require modification.*
9. Save the spreadsheet as a tab or comma-delimited file, with the .iif extension.
10. In QuickBooks, open the company importing the file.
11. Select File:Utilities:Import:IIF Files from the menu.
12. Select the appropriate file to import in the **Import** window.
13. Click **Open**.
14. Click OK in the QuickBooks Information window.

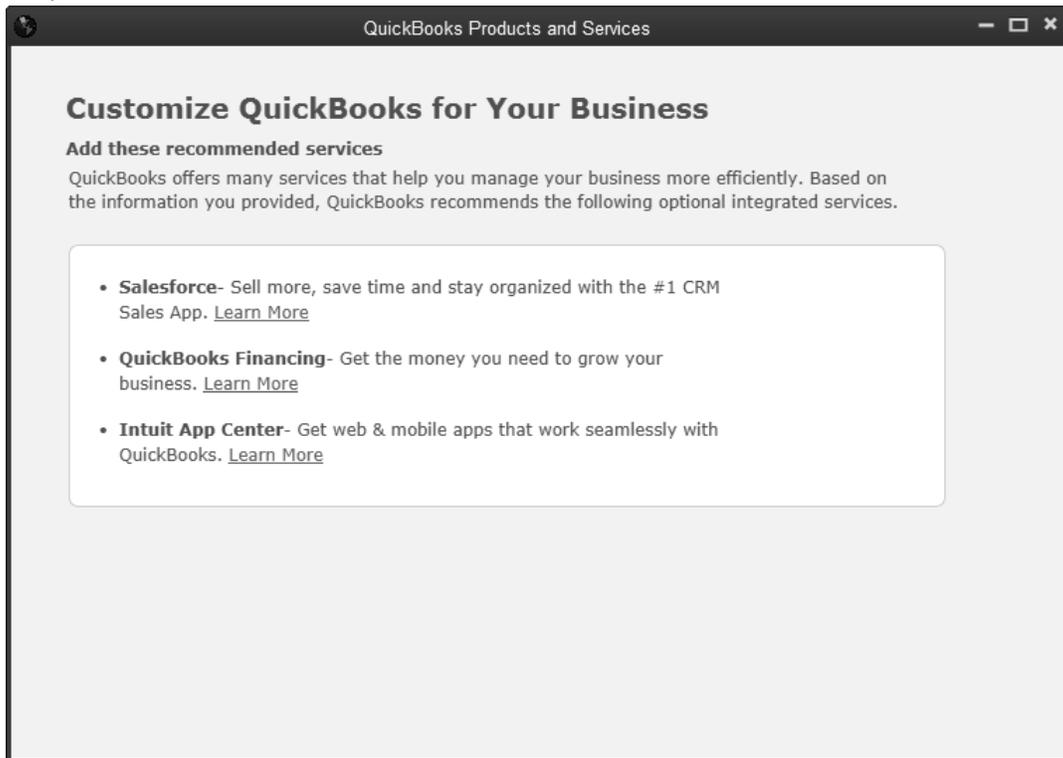
	A	B	C	D	E	F	G	H	I	J	K
19	!TRNS	TRNSID	TRNSTYPE	DATE	ACCNT	NAME	CLASS	AMOUNT	DOCNUM	MEMO	CLEAR
20	!SPL	SPLID	TRNSTYPE	DATE	ACCNT	NAME	CLASS	AMOUNT	DOCNUM	MEMO	CLEAR
21	!ENDTRNS										
22	TRNS		INVOICE	1-Apr	Accounts	Customer		220.89		1	N
23	SPL		INVOICE	1-Apr	Construction:	Labor		-55		Framing l	N
24	SPL		INVOICE	1-Apr	Construction:	Materials		-120		Exterior w	N
25	SPL		INVOICE	1-Apr	Construction:	Materials		-30		Standard	N
26	SPL		INVOICE	1-Apr	Sales Tax	Sales Tax Vendor		-15.89		1	N
27	!ENDTRNS										

## QuickBooks & Integrated Applications

QuickBooks can integrate other programs' data with QuickBooks data\*. To find an integrated application for your industry, follow these steps.

### Find Integrated Applications

Click Help:Add QuickBooks Services



\*Additional fees apply. Terms, conditions, pricing, features and service offerings subject to change. Internet access may be required.

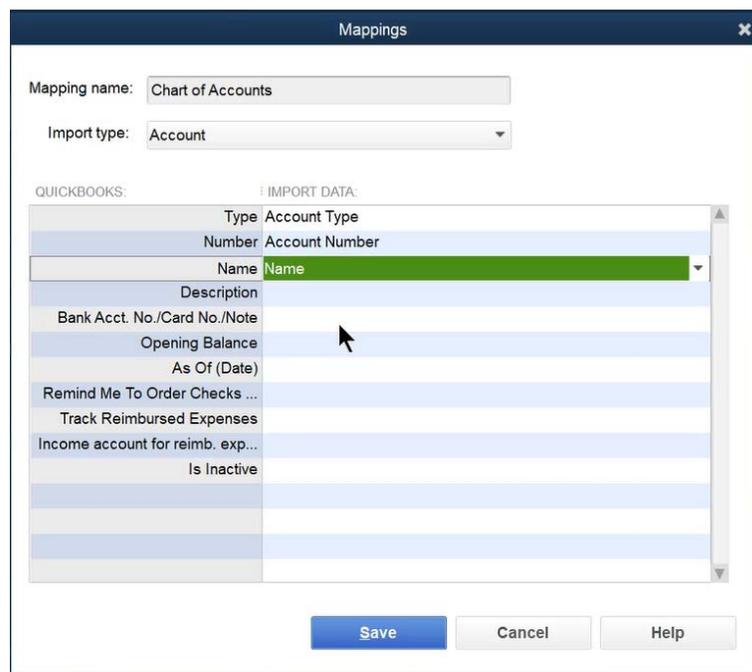
## QuickBooks and Excel<sup>®</sup>

You can import selected lists from Excel into QuickBooks. Those lists include Accounts, Vendors, Customers, and Items.

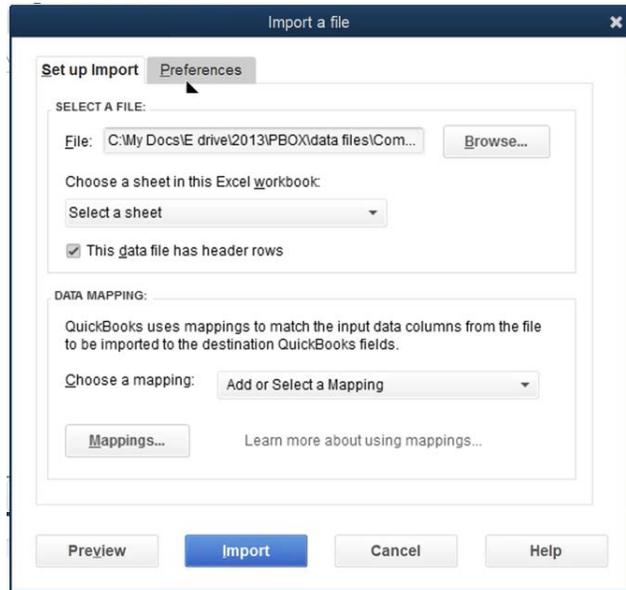
### Import Lists from Excel

1. Select File:Utilities:Import:Excel Files from the menu.
2. Enter the name of the import file in the **Import a file** window.
3. Click the **Browse** button to change the file name or import file location.
4. Click **Open**.
5. Add or select a data mapping (if necessary).
6. Click **Import**.
7. Click OK in the QuickBooks Information window.

### Map Excel List Data

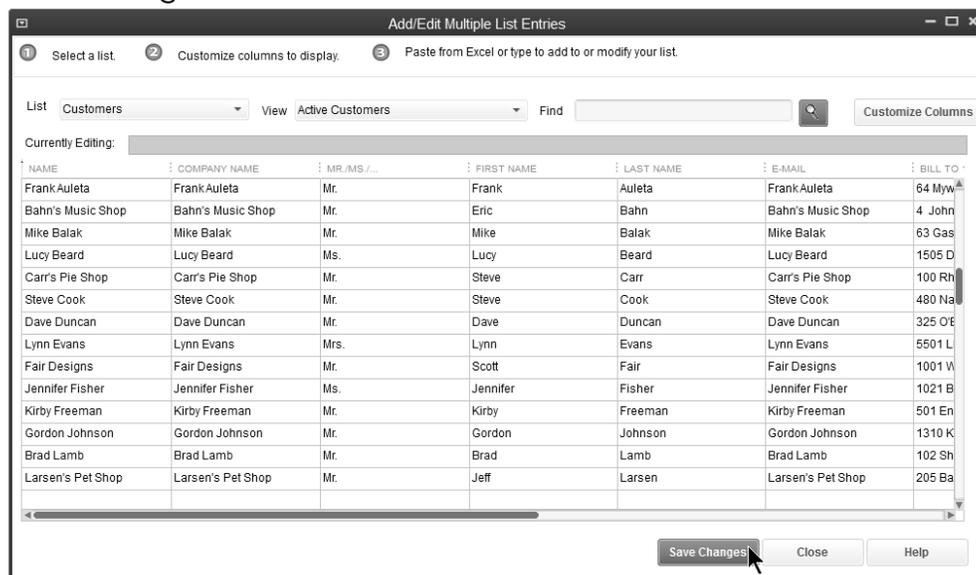


### Import a File



## Add/Edit Multiple List Entries

1. Select Lists:Add/Edit Multiple List Entries from the menu.
2. Click the **Lists** drop-down list and select **Customers**.
3. Click Customize Columns.
4. Add, remove, or reorder columns so the QuickBooks columns match the Excel columns.
5. Click **OK**.
6. Copy the records to be imported from the Excel document.
7. Paste the records to be imported into the **Add/Edit Multiple List Entries** window.
8. Clean up, add or edit data as necessary.
9. Click Save Changes.



# Chapter 14

# Working with Accountants

## Journal Entries

1. Select Company:Make General Journal Entries from the menu.
2. Enter appropriate information in the **Make General Journal Entries** window.
3. Click Save & Close.

Below are some special considerations before making journal entries.

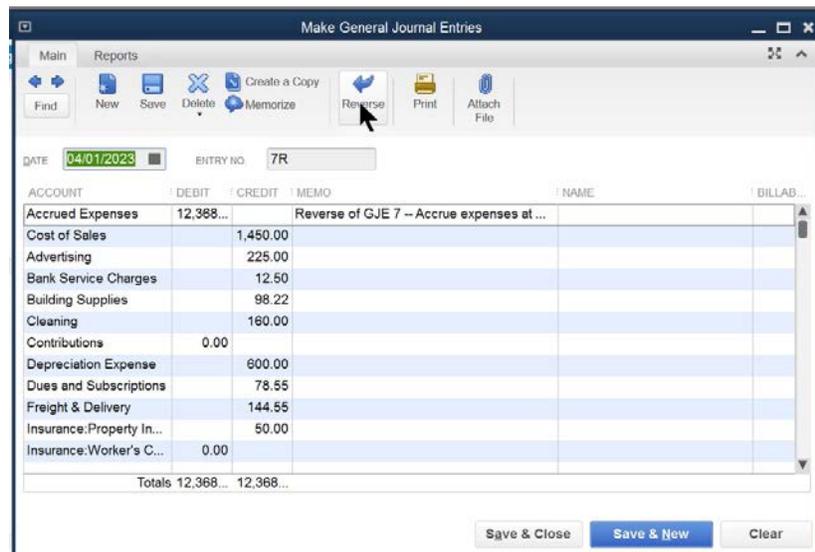
- You must specify a name for entries to accounts receivable, accounts payable, and sales tax payable accounts. This way, QuickBooks can assign the entry to the proper name in the subledger.
- You can only use one accounts receivable or accounts payable line per journal entry. Make multiple journal entries if you need to adjust multiple accounts receivable, accounts payable, or sales tax payable accounts.
- Journal entries to accounts payable or accounts receivable will affect the sub-ledgers but still need to be applied.
- Journal entries can affect 1099s, but they can also create unexpected results.
- Journal entries to accounts receivable will affect customer statements printed for customers.
- Journal entries made to any payroll tax liability accounts will not affect the liabilities shown in the built-in payroll system and payroll reports.

## Reversing Journal Entry

It's easy to reverse a journal entry in QuickBooks Premier and Enterprise Solutions.

### Reverse Journal Entry

1. Display the journal entry to be reversed.
2. Click the **Reverse** button.
3. Check the accuracy of the reversing entry **Date**.
4. Click Save & Close.



## Year-End Procedures

You can keep as many years of data in QuickBooks as you wish. However, there are certain procedures you should follow at year-end. In this chapter, you learn six steps to complete in QuickBooks at year-end.

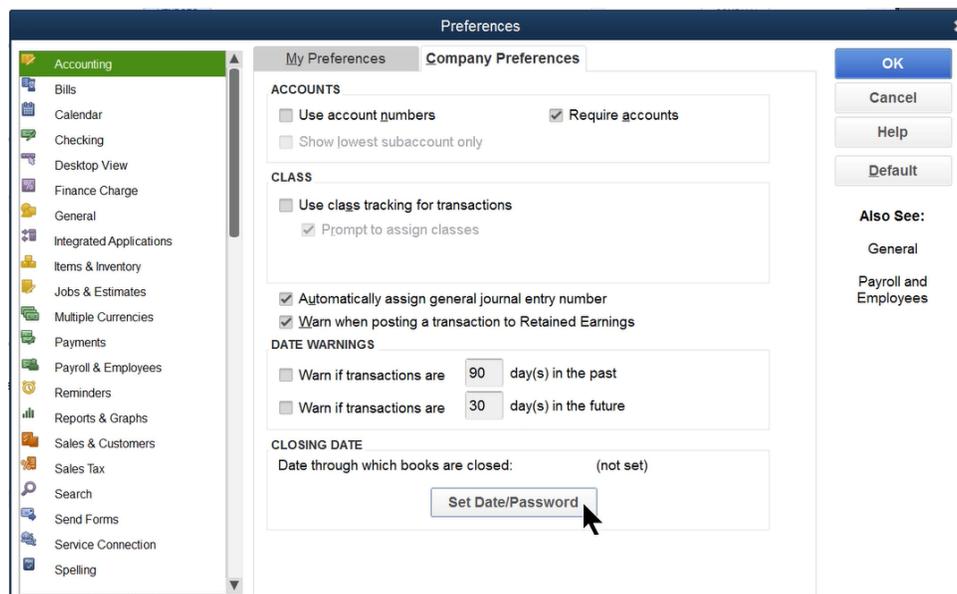
1. Consult the QuickBooks Year-End Guide and an accountant to build a complete list of tasks you need to perform at year-end
2. Set a closing date and password to restrict users from a prior period
3. Provide your accountant with your QuickBooks financial information using a method such as the *Accountant's Copy*
4. Incorporate changes from accountant
5. Clean up company data files to delete a prior period's detail transactions
6. The automatic year-end transfer of net income (loss) to retained earnings

## Set a Closing Date

The second year-end procedure involves restricting user access to prior accounting periods and setting a closing date and password. To make a change to a prior period, a user must have access and must know the closing date password.

## Set a Closing Date & Password

1. Select Company: Set Closing Date from the menu.
2. Click the **Set Date/Password** button.
3. Enter the Closing Date in the Set Closing Date and Password window.
4. Enter the password as the **Closing Date Password:**
5. Enter the password as the **Confirm Password:**
6. Click **OK**.
7. Click **OK**.



## Accountant-Client Scenarios

At least once a year, your accountant probably reviews your file. What is the best way for your accountant to work on your file? In this section, you learn common real world scenarios.

### 1. Accountant Travels to Your Office

With this scenario, you do not transfer data or files back and forth. The disadvantage is this can result in lots of travel time. Plus, the accountant's time on your computer might mean unproductive time for you.

### 2. Accountant's Copy Sent/Changes Received

You send an accountant's copy of the data file to your accountant. The accountant makes the adjustments and returns the adjustments to you. With this option, both the accountant and the client can work on the data file at the same time. You learn more about the Accountant's Copy process on **Page 204**.

These are the steps involved:

1. Client creates an accountant's copy and specifies an appropriate *Dividing Date*
2. Accountant opens the accountant's copy
3. Accountant makes adjustments to the accountant's copy. Meanwhile, the client continues to work with the original file.
4. Accountant creates export file of adjustments
5. Client imports adjustments into the original file

### 3. Data File Sent/Data File Received Back

You send a copy of the data file. The accountant makes changes directly to the data file and sends the data file to you. In order to make this effective, you and your accountant must have the same version and release of QuickBooks. The following is a summary of the steps involved:

1. You create a portable company file
2. You send the accountant the portable company file
3. Accountant opens the portable company file and saves it to their hard drive
4. Accountant makes necessary adjustments to the data file. Because this is not the accountant's copy, the accountant is not restricted to journal entries.
5. When complete, the accountant creates an updated portable company file
6. Accountant sends you the portable company file
7. You open the portable company file and save it to your hard drive. If you save the file using the original filename and location, you will overwrite your existing file.

You will not be able to continue making entries in your data file while the accountant is reviewing your file. **Accountant changes cannot be merged into your existing file.**

#### 4. Data File Sent/Report of AJE's Received

In this scenario, you send a portable company file to your accountant. Your accountant makes the appropriate changes and entries. Then, your accountant prepares a report of changes which is sent back, so you can enter the changes into the original data file. One possible problem with this method is that you are responsible for entering the adjustments. However, you can continue working on your data file while the accountant determines any necessary adjustments. The following is a summary of the steps involved with this method:

- You close the period for which your accountant is making adjustments by setting the closing date and password.
- You create a portable company file.
- You send the accountant the portable company file.
- Your accountant opens the portable company file and saves it to their hard drive. To open the file, the accountant will need to have the same (or higher) version and release of QuickBooks.
- The accountant makes the adjustments as needed to the data file. Because this is not the accountant's copy, the accountant is not restricted to journal entries. It is suggested that the accountant make only general journal entries for the adjustments. This way, he/she can easily generate a report of the adjustments for you.
- The accountant prints a journal report of adjustments for the client. For the accountant to create this report, the accountant should complete the following steps:
  1. Select Reports:Accountant & Taxes:Journal from the menu.
  2. Enter appropriate **Dates** to include on the report.
  3. Click the **Customize Report** button and click the **Filters** tab.
  4. Click **Transaction Type** in the list of **Filters** to the left.
  5. Click the **Transaction Type** drop-down list and select **Journal**.
  6. Click **Entered/Modified** in the list of **Filters** to the left, then enter appropriate dates to the right.
  7. Click **OK**.
  8. Also, the accountant could enter their initials in the Entry No. or Memo fields on their adjustments and add an appropriate filter to include only *their* journal entries.
  9. The accountant sends the report to you.
  10. You enter the adjustments into the data file.

## Accountant's Copy-Step by Step

The *Accountant's Copy* is an easy way to work with accountants that use QuickBooks. The full Accountant's Copy process involves five steps. See Scenario (2) on **Page 202** for an overview. There are some client and accountant restrictions during the Accountant's Copy.

### What You Can Do

While your accountant is working with the Accountant's Copy, you can continue to work in the current period (after the dividing date). To prevent your work from conflicting with your accountant's work, there are limitations to what you can do after creating an Accountant's Copy.

- **Transactions:**
  - You can work only on transactions dated after the dividing date.
- **Accounts:**
  - You can add a new account, but you cannot add a new subaccount to an existing account.
  - Existing accounts: You cannot edit, merge, or make an existing account inactive.
  - New accounts: You can edit an account or make any account inactive that you **created while your accountant has the Accountant's Copy**.
- **Lists (other than Chart of Accounts):**
  - You can edit, sort, and make list items inactive.
  - You cannot delete or merge list items.
- **Reconciling:**
  - You can reconcile your accounts while your accountant has an Accountant's Copy.
  - All reconciliations that include transactions in the current period (after the dividing date) are saved and will not be undone.
  - To prevent conflicts with your accountant's changes, reconciliations that include transactions dated **on or before** the dividing date will be undone when you import your accountant's changes.
  - If your accountant has reconciled or undone a reconciliation for any period, any reconciliations you did will be undone when you import your accountant's changes.

### What Accountant Can Do

As an accountant working in an Accountant's Copy, you can work on transactions dated on or before the dividing date. Your client continues to work in the company file on transactions dated after the dividing date. To prevent your work from conflicting with your client's work, there are limitations to what you can do in an Accountant's Copy.

**Note:** If the restrictions on using an Accountant's Copy won't accommodate your situation, you can convert it to a regular company file. If you do this, your client will not be able to automatically import your changes. He or she will have to enter your changes manually in the company file.

**How do I know what I can do?**

An Accountant's Copy prevents you from making any changes that may conflict with your client's work. Some fields may be disabled in an Accountant's Copy. In other areas, you may see fields with a highlighted background.

- **Highlighted background.** Information you enter in fields with a highlighted background **will be** included in changes you send back to your client.
- **Without highlighted background.** For fields without the highlighted background, you can change the information in the field if it helps you with your work, but that information **will not** be included in the changes you send back to your client.

Sent back to client?

Rate  ← No

Tax Code Tax  ← Yes

**Transaction restrictions in Accountant's Copy**

In an Accountant's Copy, you can add, edit, void, and delete most transactions. However, you can't add, edit, void, or delete the following transactions:

- Payroll
- Nonposting transactions (such as estimates, sales orders)
- Transfer of funds between accounts
- Build assemblies
- Sales tax payments

**You can add or delete, but not edit or void:**

- Bill payments by credit card

**You can add, delete, and edit, but not void:**

- Payments received

**Reconciliation restrictions in Accountant's Copy**

You can reconcile any period that ends before the dividing date, and your changes will be sent back to your client. Also, if you change the reconcile status of a transaction in the register, the change will go back to your client.

You can also reconcile periods ending after the dividing date if it helps you with your work, but those changes won't be sent back to your client. You can unrecognize any period.

**List restrictions in Accountant's Copy**

**Note:** The chart of accounts has no restrictions. You can work with the chart of accounts as you would in a regular QuickBooks file.

Generally, you can only view lists in an Accountant's Copy, but there are exceptions. You can edit and delete list items, and make any list items you create **in the Accountant's Copy** inactive. For lists with items dated before the Accountant's Copy was created, you can **only view** the lists. You can edit the following lists:

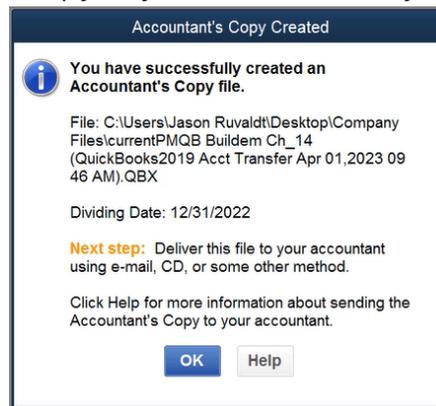
- Item lists
- Vendor lists

Also, you can add items to the following lists:

- Class list
- Customer list
- Vendor list
- Employee list
- Item list
- Fixed asset item
- Sales tax code list (you can't edit or inactivate items on this list)
- Other names lists

## Step 1-Create Accountant's Copy (Client)

1. Select File:Send Company File:Accountant's Copy:Save File from the menu.
2. Click **Next**.
3. Enter the Dividing Date.
4. Click **Next**.
5. Click **OK** in the **Close All Windows** window.
6. Change the **Save in** location and **File name** if necessary.
7. Click **Save**.
8. Click OK in the Accountant's Copy Created window.
9. Deliver the Accountant's Copy to your accountant by email, CD, or other method.

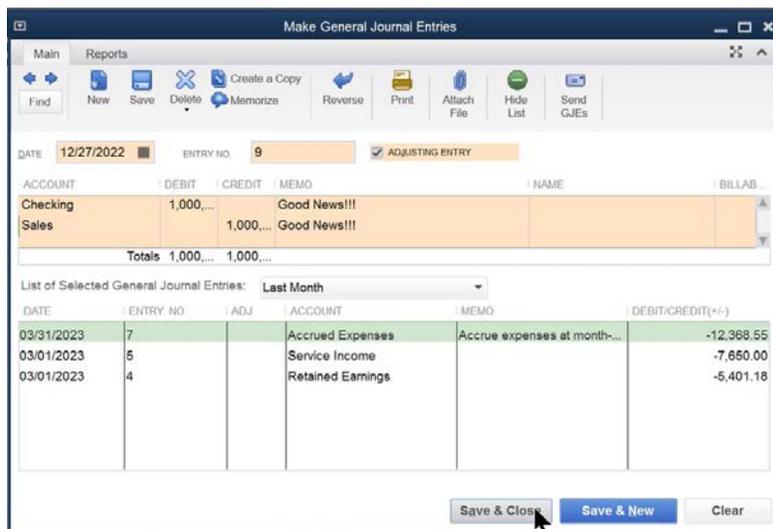


## Step 2-Open Accountant's Copy (Accountant)

1. Save the Accountant's Copy file you received from your client to your computer.
2. From the menu select File:Send Company File:Accountant's Copy:Open & Convert Transfer File from the menu.
3. Click **Next**.
4. Click **Next**.
5. Select the Accountant's Copy file in the **Open Accountant's Copy Transfer File** window.
6. Click **Open**.
7. Change the **Save in** location and the **File name** in the **Save As Accountant's Copy** window.
8. Click **Save**.
9. Click **OK**.

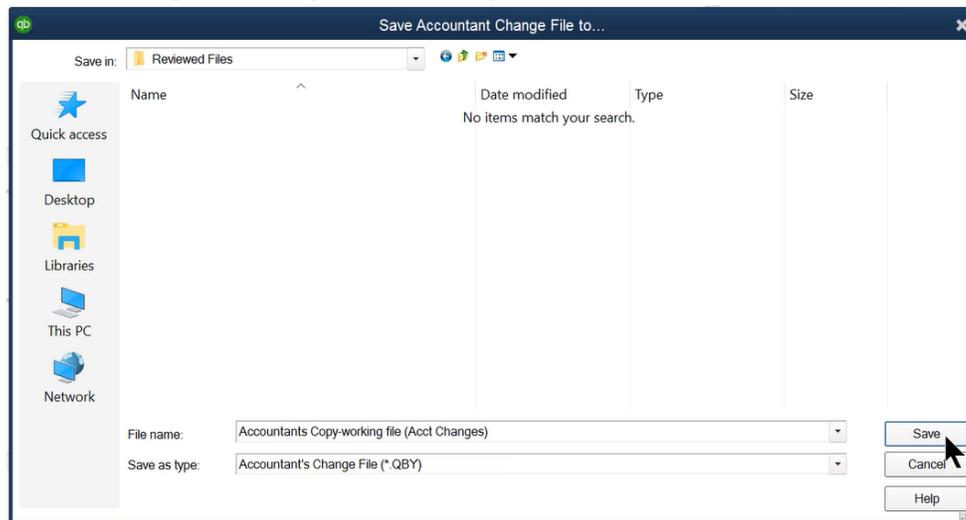
### Step 3-Make Adjustments (Accountant)

1. Select Company:Make General Journal Entries from the menu.
2. Enter adjustments in the **Make General Journal Entries** window.
3. Click Save & Close.



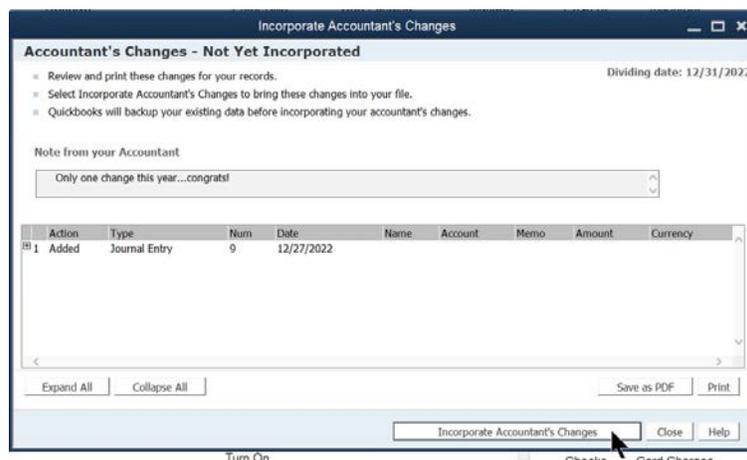
### Step 4-Export Changes from Accountant's Copy (Accountant)

1. Select File:Send Company File:Accountant's Copy:View/Export Changes for Client.
2. (Optional) Enter a **Note for your client**.
3. Click Create Change File.
4. Select the **Save in** location and change the **File name** if necessary.
5. Click **Save**.
6. Click **OK**.
7. Deliver the Change File to your client by email, CD, or other method.



## Step 5-Import Accountant's Changes (Client)

1. Select File:Send Company File:Accountant's Copy:Import Accountant's Changes from File from the menu.
2. Select the appropriate file in the **Import Accountant's Changes** window.
3. Click **Open**.
4. Click Incorporate Accountant's Changes.
5. Click **OK** to close all the windows.
6. Click **OK** to create a backup of the data file.
7. Click **Save**.
8. Click OK in the QuickBooks Information window.
9. Click **Close**.



## Condense Data

QuickBooks allows you to delete unnecessary detail from past years through a process called *Condense Data*. It is suggested that you choose a condense date that keeps at least one year of detail in your data file.

This is not a required task at year-end. However, there are some benefits. For instance, once the detail is deleted, QuickBooks lets you delete list items that are no longer in use.

### What Does Condensing Company Data Do?

- Creates a *Backup* copy of your file before transactions are deleted
- Deletes transactions no longer needed for your current records
- Adds monthly transactions that summarize the deleted transactions

The backup file name contains the date you clean up data, your company name, and the label "Archive Copy". This file coexists with your regular file and should not be used for entering daily transactions.

## What Transactions are Not Deleted?

Various transactions are not deleted during this process. These include:

1. Transactions that have an open balance
2. Transactions linked to other transactions that can't be closed
3. Payroll transactions dated in the current year
4. Transactions considered "open", including all credits, payments, and journal entries that are not applied to the respective invoices
5. Transactions containing *Unbilled* costs (can be overridden)
6. Uncleared/unreconciled bank and credit card transactions (can be overridden)
7. Transactions marked *To be printed* or *To be sent* (can be overridden)

## Condense Data

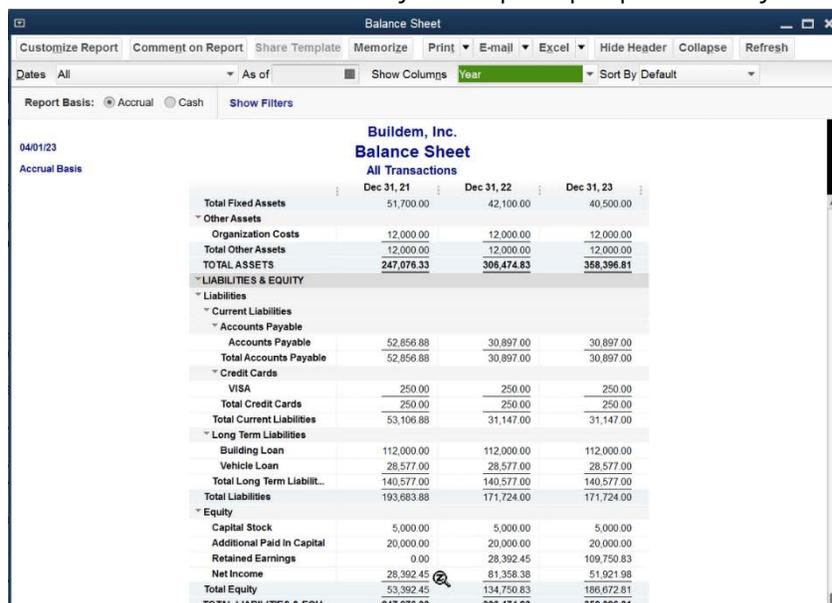
Complete the following steps to *Condense Data*.

### Clean Up a Company Data File

1. Select File:Utilities:Condense Data from the menu.
2. Click **Yes** in the **Budget Data May Be Affected** window (if applicable).
3. Click the **All transactions** button.
4. Click the **Next** button.
5. Click **Yes** in the **Condense Data** window.
6. Click the **Begin Condense** button.

### Year-End Closing Entry

Most accounting software programs make an entry at year-end to transfer the current year's net income (loss) to the equity accounts. QuickBooks automatically transfers the current year's net income (loss) to Retained Earnings. This can be called a *virtual entry* because QuickBooks makes the entry for report purposes only.



	Dec 31, 21	Dec 31, 22	Dec 31, 23
<b>Total Fixed Assets</b>	51,700.00	42,100.00	40,500.00
<b>Other Assets</b>			
Organization Costs	12,000.00	12,000.00	12,000.00
<b>Total Other Assets</b>	12,000.00	12,000.00	12,000.00
<b>TOTAL ASSETS</b>	<b>247,076.33</b>	<b>306,474.83</b>	<b>358,396.81</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Accounts Payable</b>			
Accounts Payable	52,856.88	30,897.00	30,897.00
<b>Total Accounts Payable</b>	52,856.88	30,897.00	30,897.00
<b>Credit Cards</b>			
VISA	250.00	250.00	250.00
<b>Total Credit Cards</b>	250.00	250.00	250.00
<b>Total Current Liabilities</b>	53,106.88	31,147.00	31,147.00
<b>Long Term Liabilities</b>			
Building Loan	112,000.00	112,000.00	112,000.00
Vehicle Loan	28,577.00	28,577.00	28,577.00
<b>Total Long Term Liabilt.</b>	140,577.00	140,577.00	140,577.00
<b>Total Liabilities</b>	193,683.88	171,724.00	171,724.00
<b>Equity</b>			
Capital Stock	5,000.00	5,000.00	5,000.00
Additional Paid in Capital	20,000.00	20,000.00	20,000.00
Retained Earnings	0.00	28,392.45	109,750.83
Net Income	28,392.45	81,358.38	51,921.98
<b>Total Equity</b>	<b>53,392.45</b>	<b>134,750.83</b>	<b>186,672.81</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>247,076.33</b>	<b>306,474.83</b>	<b>358,396.81</b>

## Closing Entries

QuickBooks makes the transfer of net income (loss) to Retained Earnings *for report purposes only*. There are no actual entries made to the Retained Earnings account. Also, Retained Earnings does not have an account register like other Balance Sheet accounts. Changes to a prior period will change the Retained Earnings balance. However, it is difficult to find these changes.

## Retained Earnings-A Better Way

In this section, you learn a better way of handling Retained Earnings. There are two benefits to this method:

1. You use Retained Earnings like any other QuickBooks account. This means you can see year-end closing entries in the account register.
2. It will be easier to find changes made to prior year's balances.

Remember that QuickBooks does not make the actual journal entry at year-end. With this method, you make the journal entry that QuickBooks does not make. This method includes the following steps:

3. Change the name of the account titled *Retained Earnings* to *Prior Period Adjustments*. Later, only changes made to the prior year will be shown in this account.
4. Add a new Equity account titled *Retained Earnings* to the chart of accounts.
5. As of the *Start Date* of the company, make a journal entry to transfer the balance in the "*Prior Period Adjustments*" account to the new "*Retained Earnings*" account. The amounts for the journal entry can be found by running a Balance Sheet as of the Start Date.
6. As of the first day of each new fiscal year, make a journal entry to transfer the last year's net income from *Prior Period Adjustments* to *Retained Earnings*. In other words, you are making the journal entry that QuickBooks does not make! The amount of the entry can be found by running a Balance Sheet as of the first day of the next year.

### (1) Change Account Name

The screenshot shows the 'Edit Account' window in QuickBooks. The 'Account Type' is set to 'Equity'. The 'Account Name' field contains 'Prior Period Adjustments'. Below it is a 'Subaccount of' dropdown menu. Under the 'OPTIONAL' section, the 'Description' field contains 'QuickBooks Default Retained Earnings Account'. There is a 'Note' field, a 'Tax-Line Mapping' dropdown set to '<Unassigned>', and an 'Enter Opening Balance...' button. At the bottom right, there are 'Save & Close' and 'Cancel' buttons. A mouse cursor is pointing at the 'Save & Close' button. At the bottom left, there is a checkbox for 'Account is inactive' which is currently unchecked.

## (2) Create New "Retained Earnings" Account

Account Type: Equity

Account Name: Retained Earnings

Subaccount of

OPTIONAL

Description: User-created Retained Earnings Account.

Note:

Tax-Line Mapping: <Unassigned> [How do I choose the right tax line?](#)

[Should I enter an opening balance?](#)

## (3) Journal Entry as of Start Date

DATE: 01/01/2022 ENTRY NO:

ACCOUNT	DEBIT	CREDIT	MEMO	NAME	BI...	CLASS
Prior Period Adju...	28,39...		Transfer 2021 Net Income to Retai...			
Retained Earnings		28,39...	Transfer 2021 Net Income to Retain...			
Totals 28,39... 28,39...						



## Balance Sheet After Journal Entry

**Buildem, Inc.**  
**Balance Sheet**  
As of January 1, 2023

Jan 1, 23	
Total Office Equipment	27,700.00
Total Fixed Assets	42,100.00
Other Assets	
Organization Costs	12,000.00
Total Other Assets	12,000.00
<b>TOTAL ASSETS</b>	<b>306,474.83</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	30,897.00
Total Accounts Payable	30,897.00
Credit Cards	
VISA	250.00
Total Credit Cards	250.00
Total Current Liabilities	31,147.00
Long Term Liabilities	
Building Loan	112,000.00
Vehicle Loan	28,577.00
Total Long Term Liabilities	140,577.00
Total Liabilities	171,724.00
Equity	
Capital Stock	5,000.00
Additional Paid In Capital	20,000.00
Retained Earnings	109,750.83
Total Equity	134,750.83
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>306,474.83</b>

## Retained Earnings Account Register

Now, the balance in Retained Earnings acts like any other balance sheet account. You can double-click on the account to see the transactions. Transactions now appear on reports such as the General Ledger.

DATE	NUMBER	PAYEE	INCREASE	DECREASE	BALANCE
	TYPE	ACCOUNT			
01/01/2022			28,392.45		28,392.45
	GENJRNL	Prior Period Adjustments			
		Transfer 2021 Net Income to Retained Earnings			
01/01/2023			81,358.38		109,750.83
	GENJRNL	Prior Period Adjustments			
		Transfer 2022 Net Income to Retained Earnings			
2/28/2023	Number	Payee	Increase	Decrease	
	Account	Memo			
ENDING BALANCE					<b>109,750.83</b>

## Find Prior Year Changes

The method shown in the last section allows you to see changes to prior year's balances. The changes appear in the Prior Period Adjustments account. This section focuses on finding prior period changes.

## Closing Date Exception Report

QuickBooks Premier and Enterprise Solutions provide a "Closing Date Exception Report" which lists changes made to transactions dated before the closing date. This report works even if the *Audit Trail* feature is not enabled. The Closing Date Exception Report does not show deleted transactions.

## Display Closing Date Exception Report

1. Select Reports:Accountant & Taxes:Closing Date Exception Report from the menu.

## Finding Changed Transactions

To see the changes made to the prior year's balances, follow these steps:

1. Run a Balance Sheet as of the current date. If a balance appears in the Prior Period Adjustments account, this is the amount of prior year's changes.
2. To find the changes, run an Audit Trail report. Modify the report so that it shows transactions entered or changed with a transaction date in the prior period. Also, modify the report to show transactions entered since you made the annual retained earnings adjustment. QuickBooks Premier and Enterprise Solutions users should run the *Closing Date Exception Report*.
3. Make necessary adjustments to correct the prior year's balances.

The suggested method does not find changes that were not specific changes to transactions. For instance, changing the Income Account for an Item would not appear on the *Audit Trail* or *Closing Date Exception Report*.

## (1) Current Balance Sheet

The screenshot displays a Balance Sheet for Buildem, Inc. as of March 31, 2023. The report is based on the Accrual Basis. The total assets and total liabilities & equity both amount to 355,915.02.

Buildem, Inc. Balance Sheet As of March 31, 2023	
Mar 31, 23	
Other Assets	
Organization Costs	12,000.00
Total Other Assets	12,000.00
TOTAL ASSETS	355,915.02
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	30,897.00
Total Accounts Payable	30,897.00
Credit Cards	
VISA	250.00
Total Credit Cards	250.00
Total Current Liabilities	31,147.00
Long Term Liabilities	
Building Loan	112,000.00
Vehicle Loan	28,577.00
Total Long Term Liabilities	140,577.00
Total Liabilities	171,724.00
Equity	
Capital Stock	5,000.00
Additional Paid In Capital	20,000.00
Retained Earnings	109,750.83
Prior Period Adjustments	10,500.00
Net Income	38,940.19
Total Equity	184,191.02
TOTAL LIABILITIES & EQUITY	355,915.02

## (2) Audit Trail Report

### Identify Prior Year's Changes

1. Select Reports:Accountant & Taxes: Audit Trail from the menu.
2. Click the **Customize Report** button.
3. Enter a date before the Start Date of the data file as the **From** below **Report Date Range**.
4. Enter the last day of the prior year as the **To**.
5. Enter the date of the last Retained Earnings adjustment as the **From** below **Days Entered/Last Modified**.
6. Enter the current date as the **To**.
7. Click **OK**.

### Modify Report Window

Modify Report: Audit Trail

Display Filters Header/Footer Fonts & Numbers

REPORT DATE RANGE

Dates Custom The date range you specify in the From and To fields

From 01/01/2021 To 12/31/2022

DAYS ENTERED / LAST MODIFIED

Dates Custom The date range you specify in the From and To fields

From 02/28/2023 To 03/31/2023

COLUMNS

Show Deleted Transactions

(left margin)  
Trans #  
Type  
 Entered/Last Modified

Put a check mark next to each column that you want to appear in the report.

Revert

OK Cancel Help

### Audit Trail Report Showing Changes

Audit Trail

Customize Report Comment on Report Share Template Memorize Print E-mail Excel Hide Header Refresh

Date Entered/Last Modified Custom From 02/28/2023 To 03/31/2023

Show Filters

**Buildem, Inc.**  
**Audit Trail**  
Entered/Last Modified February 28 through March 31, 2023

Num	Entered/Last Modified	Last modified by	State	Date	Name	Memo	Account	Split	Amount
Transactions entered or modified by [Deleted User]									
Check 129									
129	03/31/2023 12:08:42	admin	Deleted						0.00
129	04/02/2019 11:00:59	admin	Prior	02/28/2022	Spendalot, Inc.		Manhattan Bank	Equipment R...	-10,500.00
					Spendalot, Inc.		Equipment Rental	Manhattan B...	10,500.00

Accept Credit Cards

## Report Issues

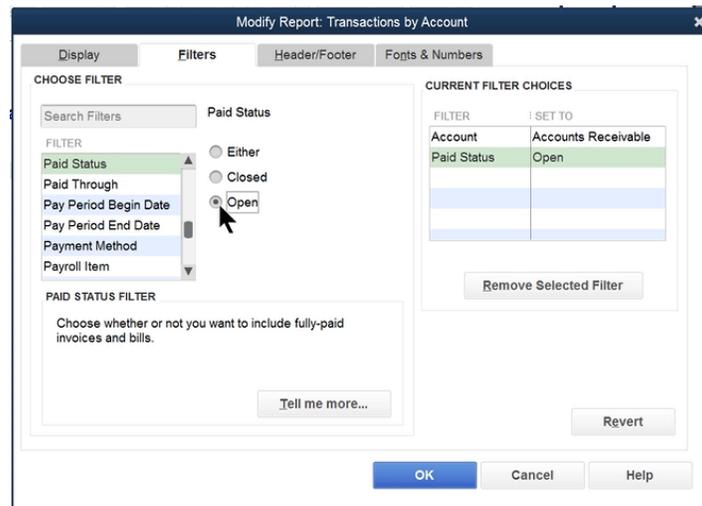
### Cash Basis Balance Sheet

A common problem is the inclusion of Accounts Receivable and/or Accounts Payable balances on a cash basis balance sheet. This is because of the way QuickBooks handles certain transactions on a cash basis balance sheet.

#### Review Balance in Cash Basis A/R or A/P

1. Select Reports:Company & Financial:Balance Sheet Standard from the menu.
2. Click the **Customize Report** button.
3. Click the **Cash** button below **Report Basis**.
4. Click **OK**.
5. Double-click the balance in Accounts Receivable or Accounts Payable.
6. Click the **Customize Report** button.
7. Click the **Filters** tab.
8. Click **Paid Status** in the list of filters to the left.
9. Select Open below Paid Status.
10. Click **OK**.

### Modify Report Window



### Transactions by Account: Cash Basis A/R

Type	Date	Num	Name	Memo	Clr	Paid Amount	Balance
<b>Accounts Receivable</b>							
Invoice	03/21/2023	17	Famin Residence	Your deposit		5,000.00	5,000.00
Invoice	03/27/2023	21	Lake Michigan De...	Natural Ced...		2,999.90	7,999.90
Payment	03/30/2023	2621	Columbia Manage...			(2,621.25)	5,378.65
<b>Total Accounts Receivable</b>						5,378.65	5,378.65
<b>TOTAL</b>						5,378.65	5,378.65

# What's Included on a Cash Basis Balance Sheet?

## Accounts Receivable

For Accounts Receivable, the following transactions are included on a cash basis balance sheet:

- Using an item linked to a balance sheet account on an invoice. A cash basis balance sheet will include the following entry:

(dr) Accounts Receivable     XXX

(cr) Balance Sheet Account     XXX

ITEM	QUANTI...	DESCRIPTION	RATE	AMOUNT	TAX
Customer...		Your deposit	5,000.00	5,000.00	Non

TOTAL 5,000.00  
PAYMENTS APPLIED 0.00  
BALANCE DUE 5,000.00

- Selling inventory on an invoice. A cash basis balance sheet will include the following entry:

(dr) Accounts Receivable     XXX

(cr) Inventory     XXX

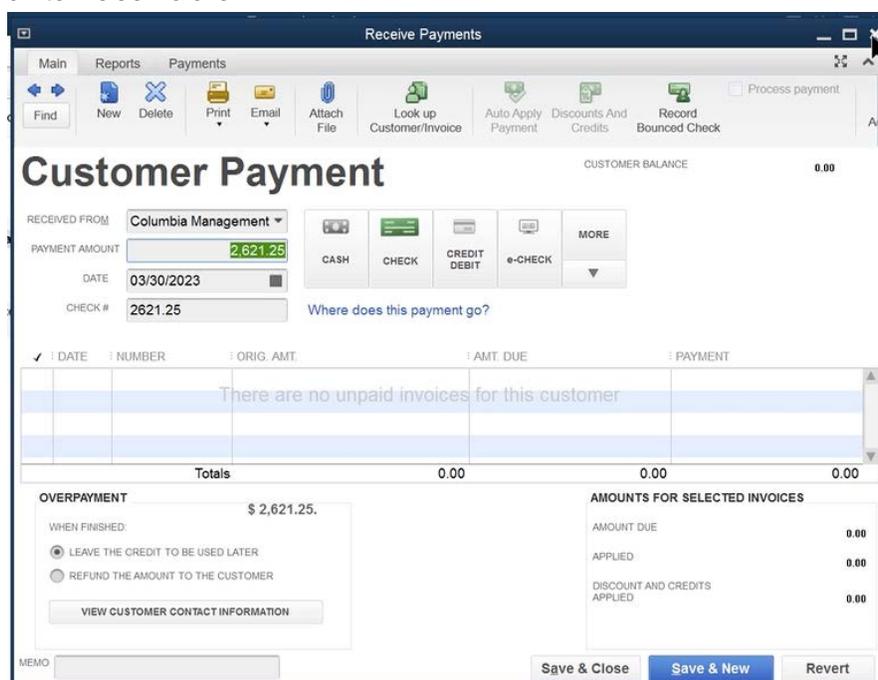
ITEM	QUANTI...	DESCRIPTION	RATE	AMOUNT	TAX
Cedar Door	10	Natural Cedar Door	499.95	4,999.50	Non

TOTAL 4,999.50  
PAYMENTS APPLIED 0.00  
BALANCE DUE 4,999.50

3. Unapplied payments in Accounts Receivable. A cash basis balance sheet will include this entry:

(dr) Bank Account/Undeposited Funds      XXX

(cr) Accounts Receivable      XXX



## Accounts Payable

For Accounts Payable, the following transactions are included on a cash basis balance sheet:

1. Using an item linked to a balance sheet account on a bill
2. Buying inventory on a bill
3. Using a balance sheet account on the expense tab of a bill

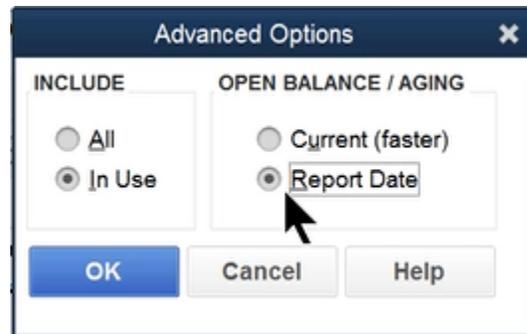
## A/R Reports Do Not Match Balance Sheet

What if Accounts Receivable on the Balance Sheet does not match Accounts Receivable reports like the *Open Invoices* report? There are three reasons why this might occur.

1. The reports are run at different times (easy to distinguish with the Time Prepared header option).
2. The Balance Sheet is run on a cash basis (easy to distinguish with the Report Basis header option).
3. The A/R report is aging based on the wrong date. This is usually caused by reports run using a date in the past.

## Change Date Used for A/R Aging Option

1. Run the appropriate report from the **Reports** menu.
2. Click the **Customize Report** button.
3. Click the **Advanced** button.
4. Click the Report Date button below Open Balance/Aging in the Advanced Options window.
5. Click **OK**.
6. Click **OK**.



## General Ledger for a Few Accounts

You may need to print the general ledger report for only a few accounts. If you filter for just these accounts, the report still prints the other accounts with zero balances! Use the following advanced display feature to solve the problem.

1. Select Reports:Accountant & Taxes:General Ledger from the menu.
2. Click the **Customize Report** button.
3. Click the **Filters** tab.
4. Click **Account** in the list of filters to the left.
5. Click the **Account** drop-down list and select **Multiple accounts**.
6. Choose the appropriate accounts from the list.
7. Click **OK**.
8. Click the **Display** tab.
9. Click the **Advanced** button.
10. Click the **In Use** button below **Include** in the **Advanced Options** window.
11. Click **OK**.
12. Click **OK**.

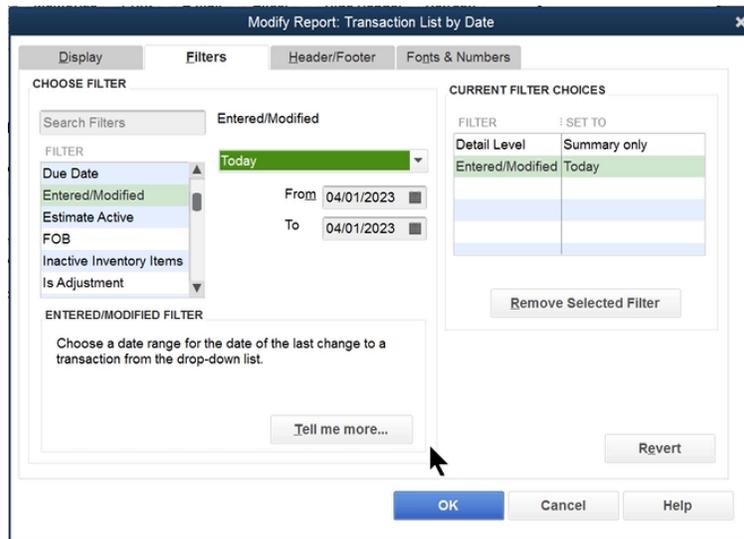


## Entry Journal

To generate a report listing transactions entered during a specific period, regardless of the transaction dates, follow these steps:

### Generate an Entry Journal Report

1. Select Reports:Custom Reports:Transaction Detail from the menu.
2. Click the **Filters** tab.
3. Click **Entered/Modified** from the list of filters to the left.
4. Enter the dates for which you want to see transactions entered or modified.
5. Click **OK**.



# Appendix- Multicurrency

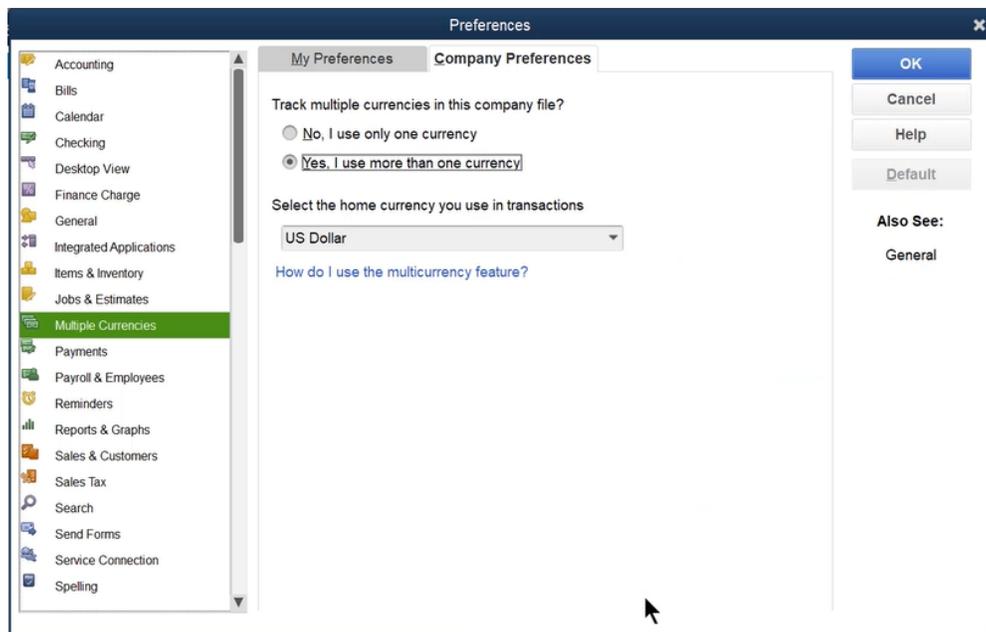
## Set Up Multiple Currencies

To use multiple currencies in your company file you must do the following:

1. Turn on the multiple currencies preference
2. Activate the foreign currency (or currencies) for your transactions
3. Download the latest exchange rates or enter the exchange rates manually
4. Assign a foreign currency to each foreign customer

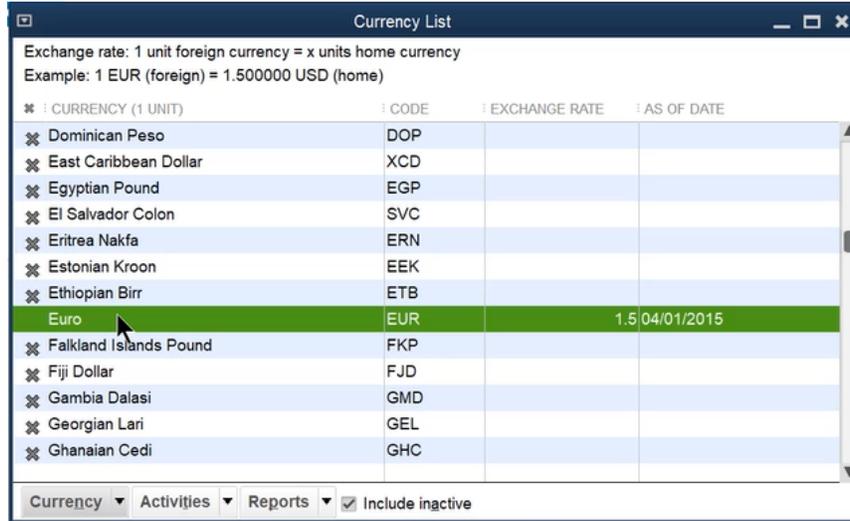
## Turn on Multiple Currencies

1. Select **Edit:Preferences** from the menu.
2. Click the **Multiple Currencies** icon in the list to the left.
3. Click the Company Preferences tab.
4. Click Yes, I use more than one currency.
5. Click **Yes**.
6. Select your **Home currency**.
7. Click **OK**.



## Activate Foreign Currencies

1. Select **Lists:Currency List** from the menu.
2. Check the box to **Include inactive**.
3. Click to remove the **X** from the currency you want to use.
4. Uncheck **Include inactive** to show only the active currencies.



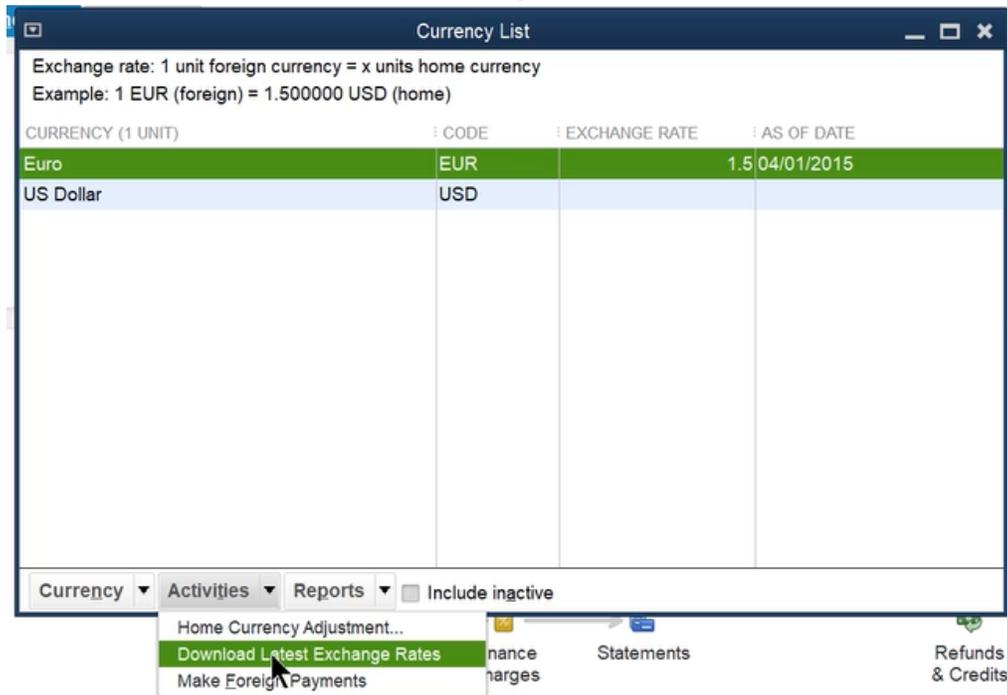
Exchange rate: 1 unit foreign currency = x units home currency  
Example: 1 EUR (foreign) = 1.500000 USD (home)

CURRENCY (1 UNIT)	CODE	EXCHANGE RATE	AS OF DATE
<input checked="" type="checkbox"/> Dominican Peso	DOP		
<input checked="" type="checkbox"/> East Caribbean Dollar	XCD		
<input checked="" type="checkbox"/> Egyptian Pound	EGP		
<input checked="" type="checkbox"/> El Salvador Colon	SVC		
<input checked="" type="checkbox"/> Eritrea Nakfa	ERN		
<input checked="" type="checkbox"/> Estonian Kroon	EEK		
<input checked="" type="checkbox"/> Ethiopian Birr	ETB		
<input type="checkbox"/> Euro	EUR	1.5	04/01/2015
<input checked="" type="checkbox"/> Falkland Islands Pound	FKP		
<input checked="" type="checkbox"/> Fiji Dollar	FJD		
<input checked="" type="checkbox"/> Gambia Dalasi	GMD		
<input checked="" type="checkbox"/> Georgian Lari	GEL		
<input checked="" type="checkbox"/> Ghanaian Cedi	GHC		

Currency ▾ Activities ▾ Reports ▾  Include inactive

## Download Current Exchange Rates

1. Select **Lists:Currency List** from the menu.
2. Select the currency you want to update exchange rates for.
3. Click Activities:Download Latest Exchange Rates from the menu.



Exchange rate: 1 unit foreign currency = x units home currency  
Example: 1 EUR (foreign) = 1.500000 USD (home)

CURRENCY (1 UNIT)	CODE	EXCHANGE RATE	AS OF DATE
<input type="checkbox"/> Euro	EUR	1.5	04/01/2015
<input type="checkbox"/> US Dollar	USD		

Currency ▾ Activities ▾ Reports ▾  Include inactive

- Home Currency Adjustment...
- Download Latest Exchange Rates**
- Make Foreign Payments

Finance charges Statements Refunds & Credits

## Assign Foreign Currency to Customer

1. Click the **Customers** icon.
2. Edit a customer or add a new customer.
3. Click the **Currency** drop-down list and select the customer's payment currency.
4. Click **OK**.

The screenshot shows the 'New Customer' window. At the top, the customer name is 'Central Paris Homes' and the currency is 'Euro'. The 'ADDRESS DETAILS' section is visible, showing 'INVOICE/BILL TO' and 'SHIP TO' address fields. The 'OK' button is highlighted with a mouse cursor.

## Foreign A/R Account

When assigning a foreign currency to a customer, QuickBooks automatically creates an accounts receivable account for that currency.

The screenshot shows the 'Chart of Accounts' window. The table below lists various accounts, including 'Accounts Receivable - EUR' which is highlighted in green. The columns are NAME, TYPE, CURRENCY, and BALANCE TOTAL.

NAME	TYPE	CURRENCY	BALANCE TOTAL
•Checking	Bank	USD	29,954.53
•Money Market Account	Bank	USD	4,500.00
•Petty Cash	Bank	USD	0.00
•Accounts Receivable	Accounts Rec...	USD	283,768.73
•Accounts Receivable - EUR	Accounts Rec...	EUR	5,500.00
•Finished Goods Inventory	Other Current ...	USD	9,749.75
•Inventory	Other Current ...	USD	130,944.29
•Raw Materials Inventory	Other Current ...	USD	0.00
•Retainage Receivable	Other Current ...	USD	10,724.50
•Undeposited Funds	Other Current ...	USD	0.00
•Computer Equipment	Fixed Asset	USD	2,500.00
•Furniture & Equipment	Fixed Asset	USD	13,037.83
•Accumulated Depreciation	Fixed Asset	USD	-4,200.00
•Furniture & Equipment	Fixed Asset	USD	17,237.83
•Accounts Payable	Accounts Paya...	USD	59,598.90

## Foreign Price Level

1. Click Lists:Price Level List.
2. Click Price Level:New.
3. Click **Price Level Type** drop-down list and select **Per Item**.
4. Select the **Currency** you want to use for the price level.
5. Assign a foreign price for each Item as appropriate.
6. Click **OK**.

## New Foreign Price Level

The 'New Price Level' dialog box is shown with the following details:

- Price Level Name: Euro Price
- Price Level Type: Per Item
- Currency: Euro
- Price Level is inactive:
- Use this type of price level to set custom prices for individual items when setting up prices for different customers or jobs.
- Table of items and prices:

ITEM	COST (US)	STANDARD PRICE (US)	CUSTOM PRICE (EUR)
Garage Door	749.95	1,599.95	
Glass Door	199.95	395.99	
Hinges	15.00	25.00	
Lock	29.95	148.00	100.00
Oak Door	749.00	1,000.00	1,000.00
Patio Locks	50.00	99.95	
Regular Door	49.95	69.95	

Additional options:  Mark All, Adjust price of marked items to be 0.0% lower than its standard price, Round up to nearest: no rounding. Buttons: OK, Cancel, Help.

## Assign Price Level to Customer

The 'Edit Customer' dialog box for 'Central Paris Homes' is shown with the following details:

- CUSTOMER NAME: Central Paris Homes
- CURRENT BALANCE: EUR0.00
- CURRENCY: Euro
- ACCOUNT NO.:
- CREDIT LIMIT: EUR
- PAYMENT TERMS:
- PRICE LEVEL: Euro Price
- PREFERRED DELIVERY METHOD: E-mail
- PREFERRED PAYMENT METHOD:
- CREDIT CARD INFORMATION:
  - CREDIT CARD NO.:
  - EXP. DATE: /
  - NAME ON CARD:
  - ADDRESS:
  - ZIP / POSTAL CODE:
- Can I save the Card Security Code?:
- Customer is inactive:
- Buttons: OK, Cancel, Help.

# Multiple Currency Transactions

## Invoice Customer

Create Invoices - Accounts Receivable - EUR

Customer: Central P... EUR [Euro Price] Account: Accounts R... Template: Intuit Servic...

### Invoice

DATE: 04/01/2023 INVOICE #: 21

ITEM	QUANTITY	DESCRIPTION	RATE	AMOUNT
Lock		Lock with Kryptonite key	100.00	100.00

EXCHANGE RATE 1 EUR = 1.5 USD

TOTAL	EUR	100.00
PAYMENTS APPLIED	EUR	0.00
BALANCE DUE	EUR	100.00
	USD	150.00

Buttons: Save & Close, Save & New, Clear

## Receive Payment

Receive Payments

### Customer Payment

RECEIVED FROM: Central Paris Homes A/R ACCOUNT: Accounts Receivable...

PAYMENT AMOUNT: EUR 100.00 DATE: 04/01/2023 DEPOSIT TO: Undeposited ... EXCHANGE RATE 1 EUR = 1.5 USD

DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
04/01/...	21		100.00	100.00
Totals EUR			100.00	100.00

AMOUNTS FOR SELECTED INVOICES

AMOUNT DUE	EUR	100.00
APPLIED	EUR	100.00
DISCOUNT AND CREDITS APPLIED	EUR	0.00
AMOUNT RECEIVED	USD	150.00

Buttons: Save & Close, Save & New, Clear

## Profit & Loss Statement after Customer Payment

Buildem, Inc.  
Profit & Loss  
April 1, 2023

	Apr 1, 23
<b>Ordinary Income/Expense</b>	
Income	
Parts Sales	150.00
<b>Total Income</b>	<b>150.00</b>
Cost of Goods Sold	
Materials	29.95
<b>Total COGS</b>	<b>29.95</b>
<b>Gross Profit</b>	<b>120.05</b>
<b>Net Ordinary Income</b>	<b>120.05</b>
Other Income/Expense	
Other Expense	
Exchange Gain or Loss	(50.00)
<b>Total Other Expense</b>	<b>(50.00)</b>
<b>Net Other Income</b>	<b>50.00</b>
<b>Net Income</b>	<b>170.05</b>

## Record Deposit

Make Deposits

Deposit To: Checking Date: 04/01/2023 Memo: Deposit

Currency: Euro EXCHANGE RATE 1 EUR 2 USD

Click Payments to select customer payments that you have received. List any other amounts to deposit below.

RECEIVED FROM	FROM ACCOUNT	MEMO	CHK...	PMT METH.	AMOUNT (EUR)
Central Paris Homes	Undeposited F...			Check	100.00

Deposit Subtotal EUR 100.00

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account.

Cash back goes to: Cash back memo: Cash back amount: EUR

Deposit Total EUR 100.00 USD 200.00

Save & Close Save & New Clear

# Reports/Activities

## Report Realized Gains/Losses

1. Select Reports:Company & Financial:Realized Gains & Losses from the menu.

Realized Gains & Losses

Buildem, Inc.  
Realized Gains & Losses  
All Transactions

04/01/23  
Accrual Basis

Type	Date	Name	Realized Amount (USD)	Exchange Rate	Realized Gain/Loss
Deposit	04/01/2023		0.00	2	50.00
<b>Total Realized Gains &amp; Losses</b>					<b>50.00</b>

## Report Unrealized Gains/Losses

1. Select Reports:Company & Financial:Unrealized Gains & Losses from the menu.
2. Enter the appropriate information in the **Enter Exchange Rates** window.
3. Click Continue.

Unrealized Gains & Losses

Buildem, Inc.  
Unrealized Gains & Losses  
As of April 30, 2023

04/30/23  
Accrual Basis

Accounts	Currency	Foreign Balance	Exchange Rate	Adjusted Balance	Current Balance	Gain/Loss
Accounts Receivable - EUR	EUR	24,300.00	2	48,600.00	36,450.00	12,150.00
<b>Total Unrealized Gains &amp; Lo...</b>						<b>12,150.00</b>

Rates: EUR 2;

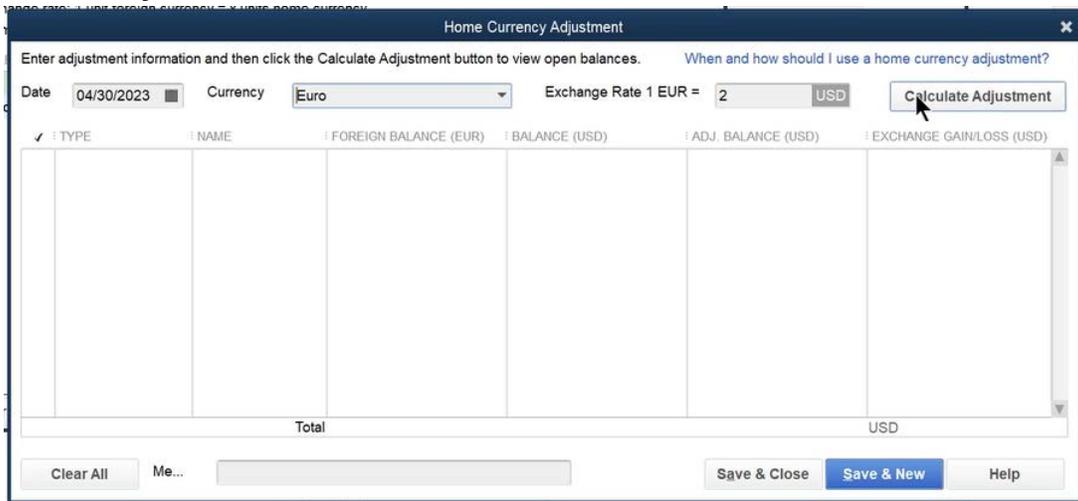
## Home Currency Adjustment

A Home Currency Adjustment adjusts your financial statements to reflect the amount of realized gain/loss you would have if your customers paid remaining balances at the current exchange rate. Perform a Home Currency Adjustment when you prepare your financial statements.

## Home Currency Adjustment

1. Click Lists:Currency List.
2. Click Activities:Home Currency Adjustment.
3. Click the **Currency** drop-down list and select the currency to adjust.
4. Click Calculate Adjustment.
5. Select the customers you want to adjust.
6. Click Save & Close.

## Calculate Adjustment



The screenshot shows the 'Home Currency Adjustment' window. At the top, it says 'Enter adjustment information and then click the Calculate Adjustment button to view open balances.' and 'When and how should I use a home currency adjustment?'. Below this, there are input fields for 'Date' (04/30/2023), 'Currency' (Euro), and 'Exchange Rate 1 EUR = 2 USD'. A 'Calculate Adjustment' button is visible. Below the input fields is a table with the following columns: TYPE, NAME, FOREIGN BALANCE (EUR), BALANCE (USD), ADJ. BALANCE (USD), and EXCHANGE GAIN/LOSS (USD). The table is currently empty. At the bottom of the table, there are 'Total' and 'USD' labels. Below the table are buttons for 'Clear All', 'Me...', 'Save & Close', 'Save & New', and 'Help'.

## Home Currency Adjustment

Home Currency Adjustment

Enter adjustment information and then click the Calculate Adjustment button to view open balances. [When and how should I use a home currency adjustment?](#)

Date: 04/30/2023 Currency: Euro Exchange Rate 1 EUR = 2 USD Calculate Adjustment

TYPE	NAME	FOREIGN BALANCE (EUR)	BALANCE (USD)	ADJ. BALANCE (USD)	EXCHANGE GAIN/LOSS (USD)
Customer	Big Ben Homes	5,500.00	8,250.00	11,000.00	2,750.00
Customer	Central Paris Hom...	4,000.00	6,000.00	8,000.00	2,000.00
Customer	Croissant Investm...	10,300.00	15,450.00	20,600.00	5,150.00
Customer	Munich Mansions	2,000.00	3,000.00	4,000.00	1,000.00
Customer	Piazza Custom De...	2,500.00	3,750.00	5,000.00	1,250.00
Total				USD	12,150.00

Clear All Me... Save & Close Save & New Help

## Balance Sheet after Adjustment

Balance Sheet

Customize Report Comment on Report Share Template Memorize Print E-mail Excel Hide Header Collapse Refresh

Dates: This Fiscal Year-to-date As of: 04/30/2023 Show Columns: Total only Sort By: Default

Report Basis:  Accrual  Cash Show Filters

04/30/23  
Accrual Basis

**Buildem, Inc.**  
**Balance Sheet**  
As of April 30, 2023

ASSETS		Apr 30, 23
Current Assets		
Checking/Savings		
Checking		29,954.53
Money Market Account		4,500.00
<b>Total Checking/Savings</b>		<b>34,454.53</b>
Accounts Receivable		
Accounts Receivable		283,768.73
Accounts Receivable - EUR		48,600.00
<b>Total Accounts Receivable</b>		<b>332,368.73</b>