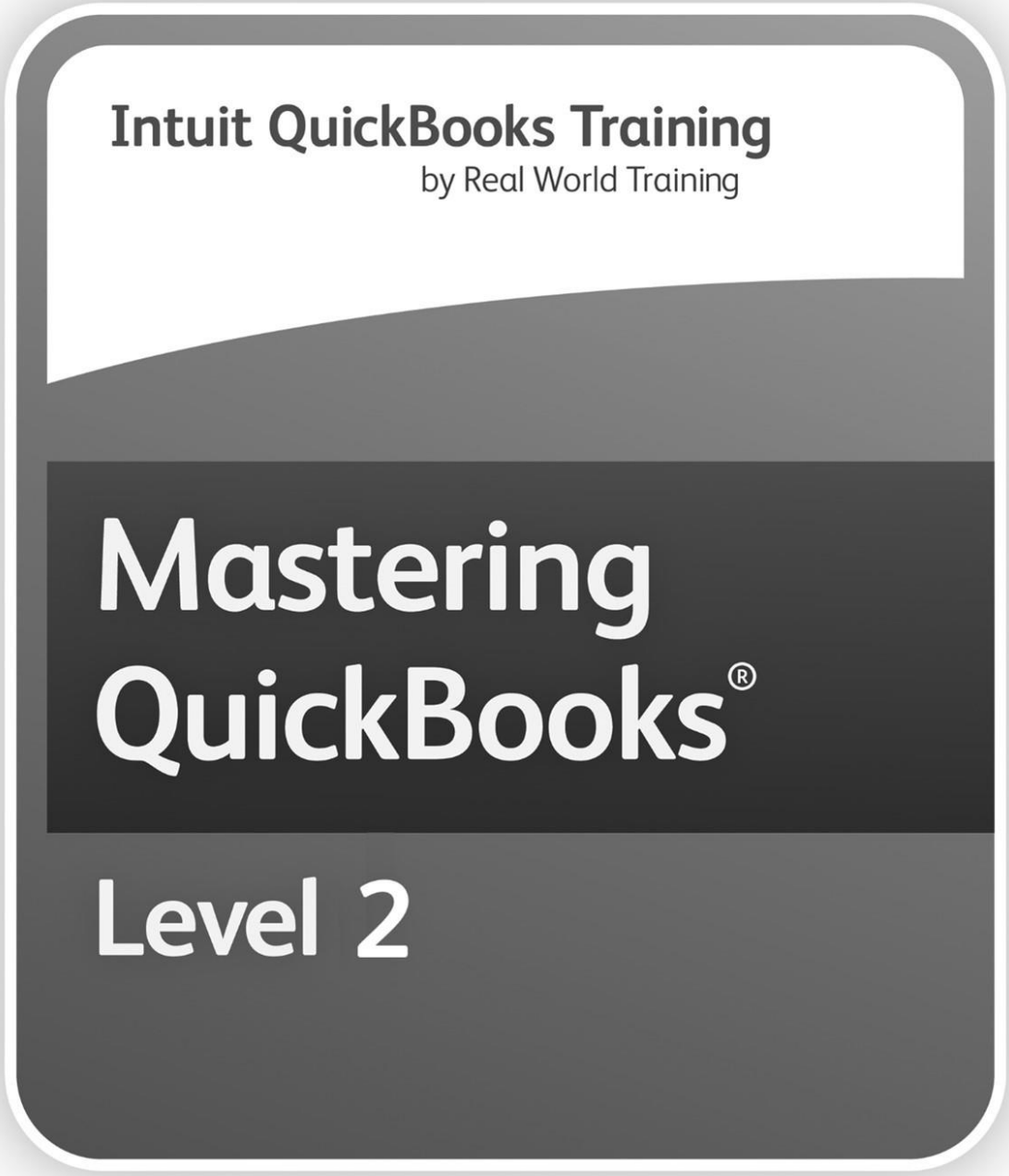

Learning Manual

Mastering QuickBooks Desktop Level 2 © Learning Manual

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Real World Training

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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** 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** on the internet.

Intuit Resources

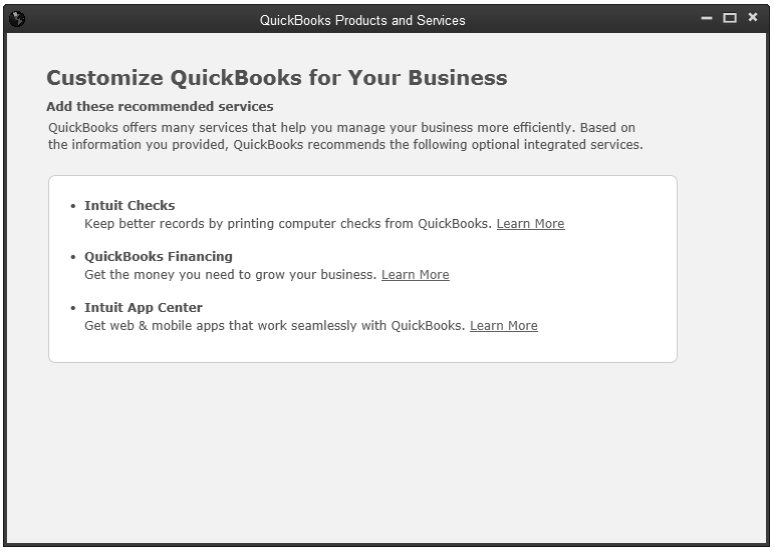
The QuickBooks website is located at **quickbooks.intuit.com**. This website has resources to help you better use QuickBooks. You will find information on Intuit's technical support options. You can find Certified ProAdvisors in your area, or learn how to become a Certified ProAdvisor.

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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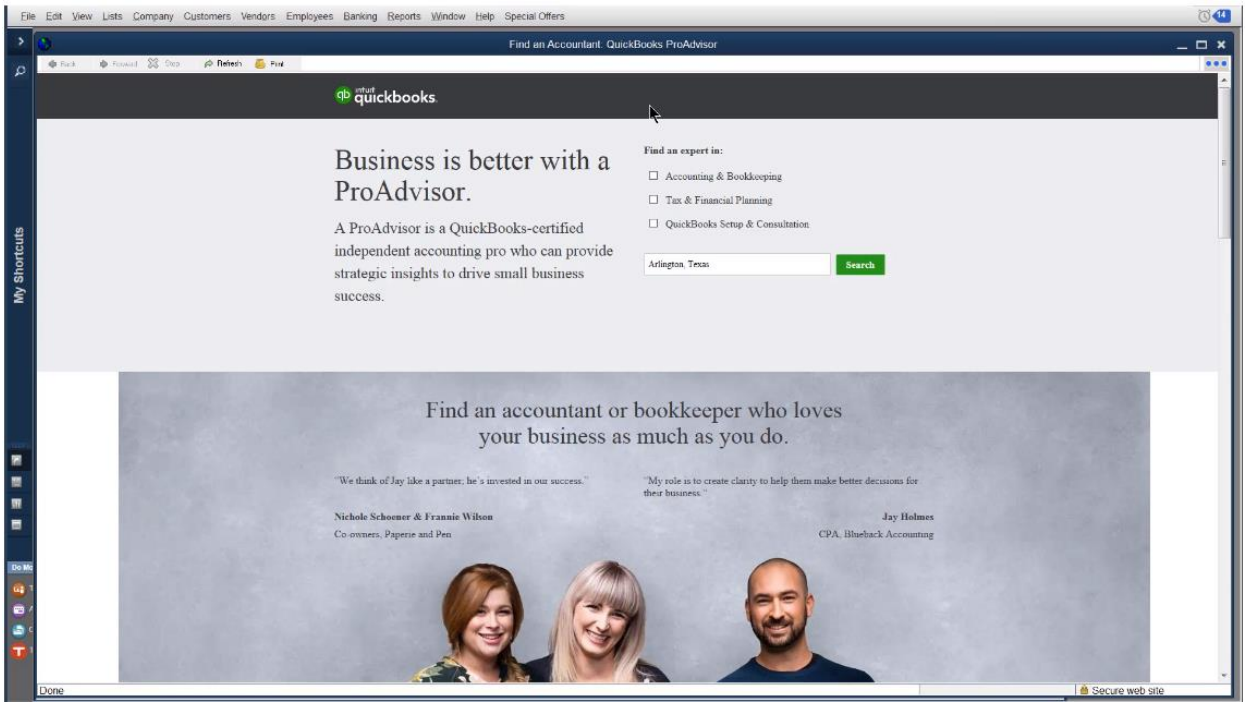
Locate a Certified QuickBooks ProAdvisor(SM)

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:

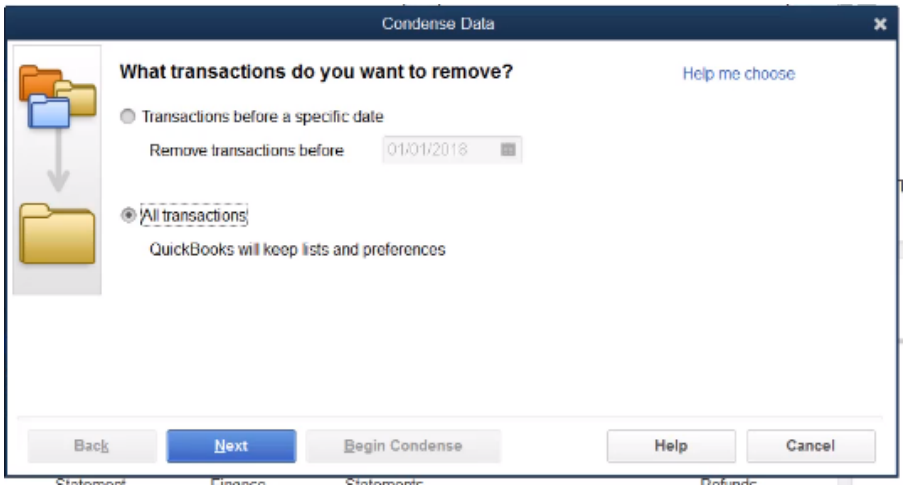
1. Would fixing your current file be better than starting a new file?
2. How much time can you invest in setting up your file correctly?
3. Would starting over provide additional information you would use?
4. Can you wait until the end of the current financial period to start over?

(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

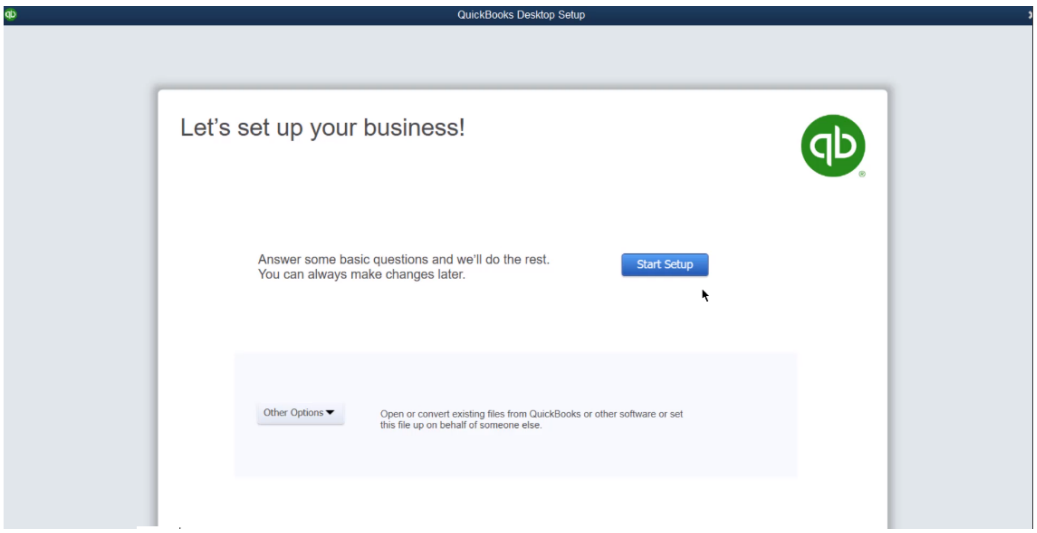
If you have a current chart of accounts, you will need this for the set up process.

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.

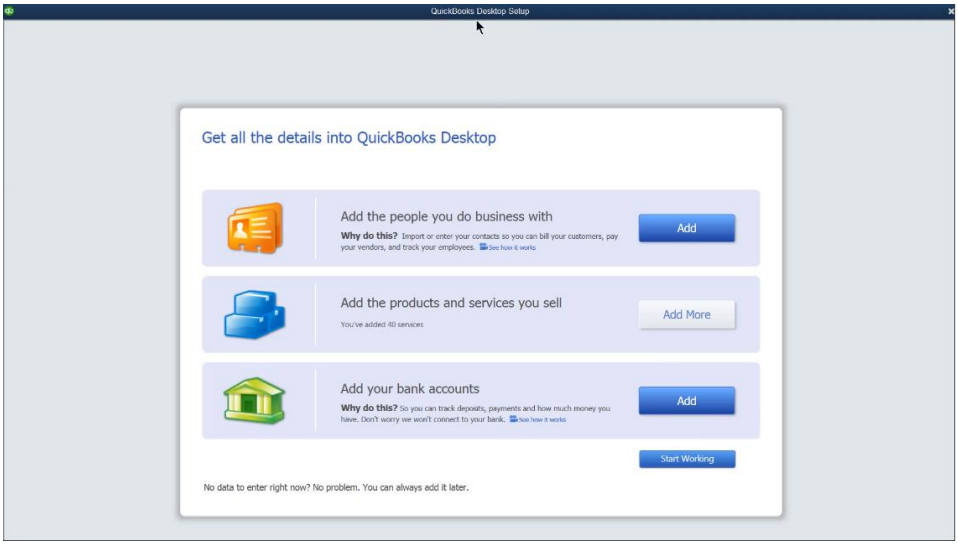


Complete Your Setup

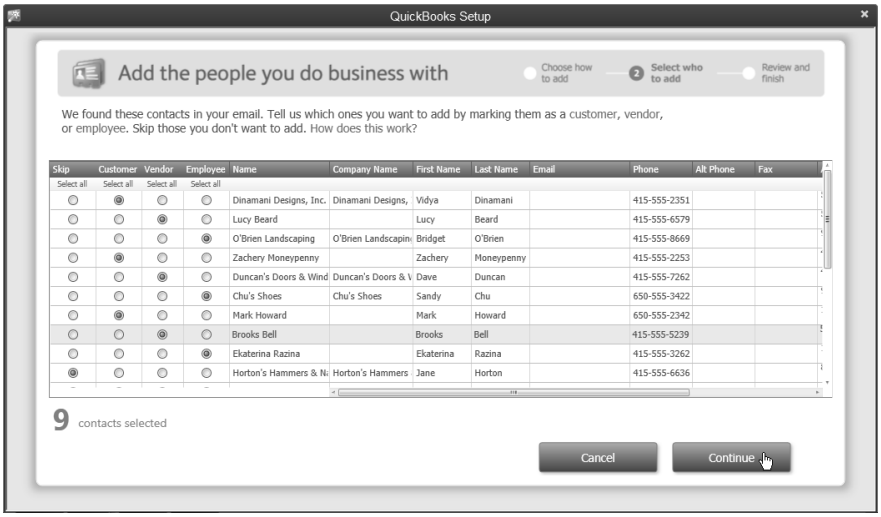
After the Advanced Setup, use QuickBooks Setup to set up your customers, vendors, employees, items, and bank accounts.

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.

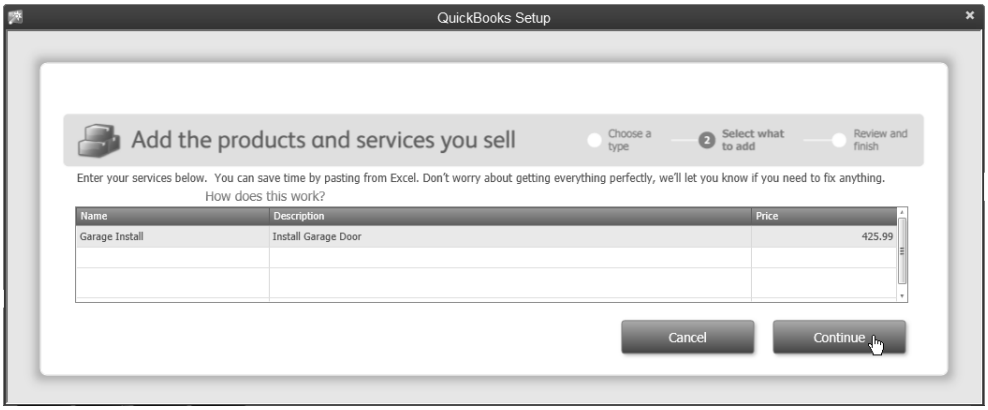
QuickBooks Setup



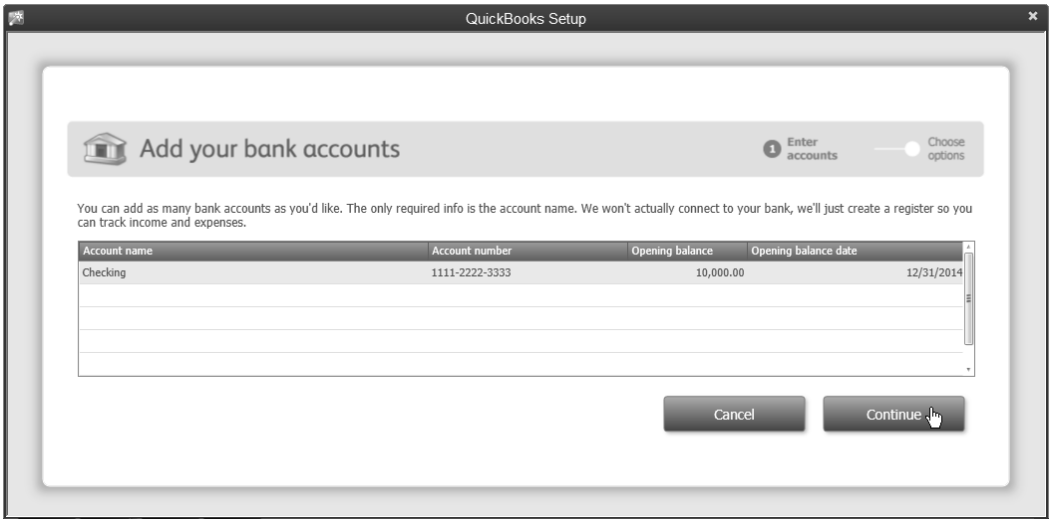
Add the People You Do Business With



Add the Products and Services You Sell



Add Your Bank Accounts

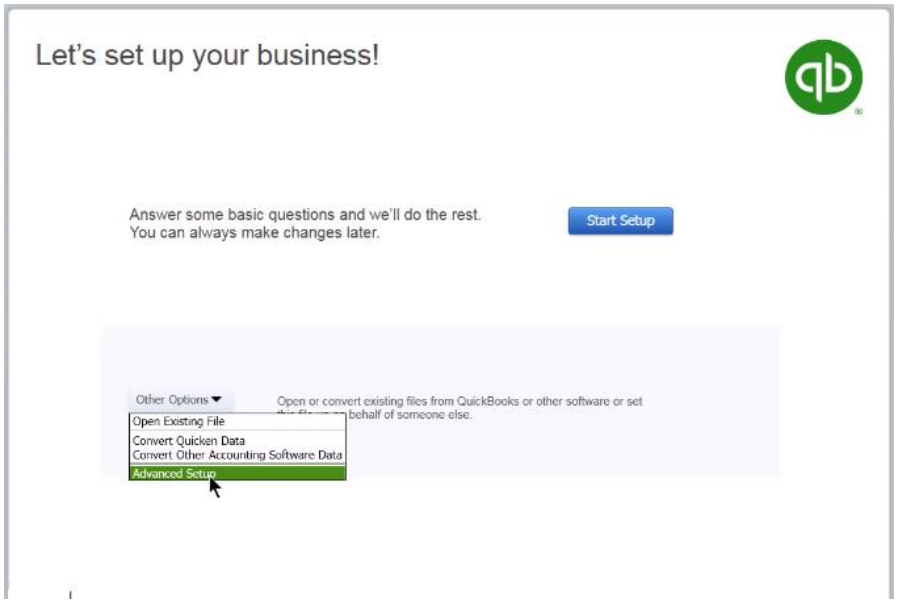


Advanced Setup

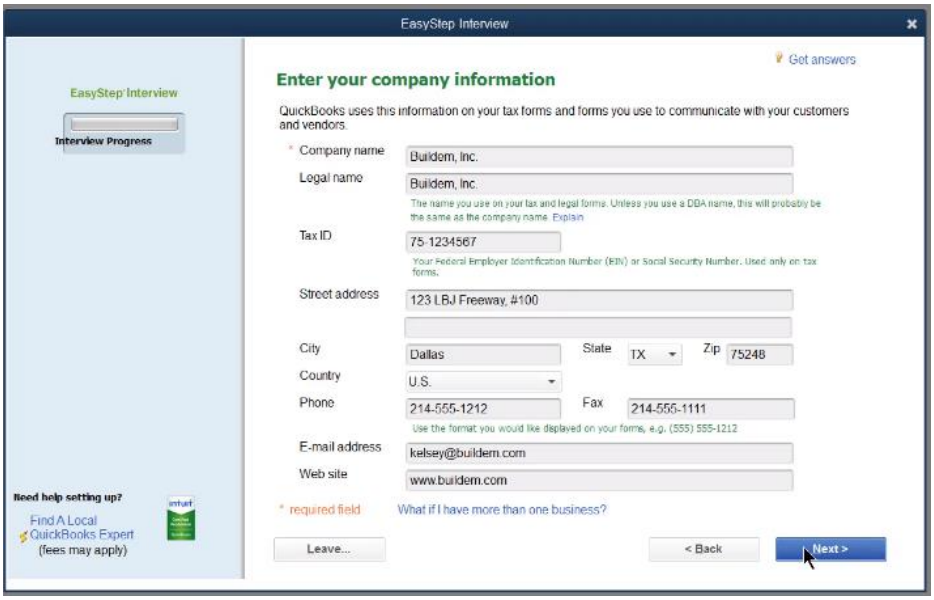
The *Advanced Setup* walks you through the process of setting up a QuickBooks company. The tool simplifies the process of making important start-up decisions and customizing various elements of QuickBooks for your business.

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.

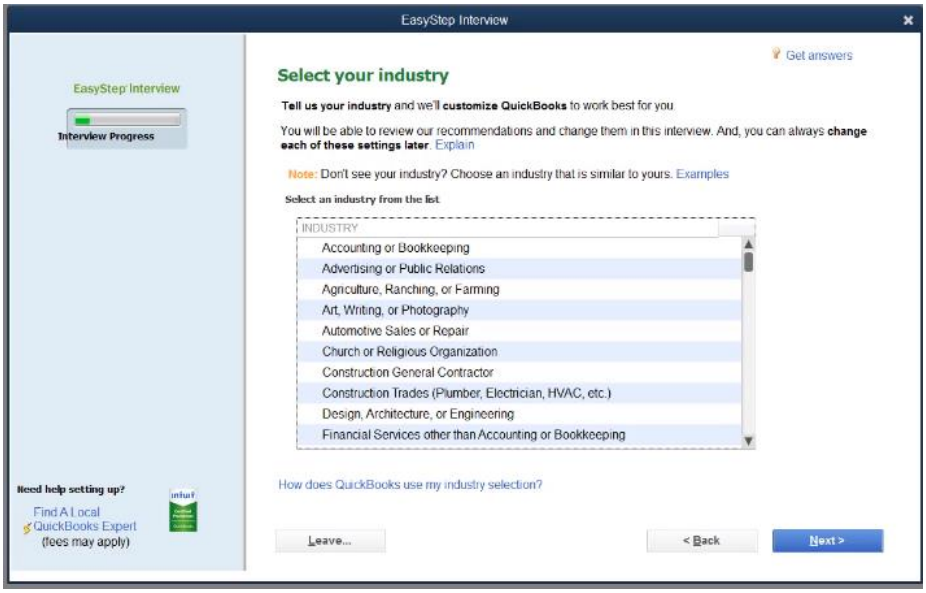
Get Started



Enter Company Information



Select Your Industry

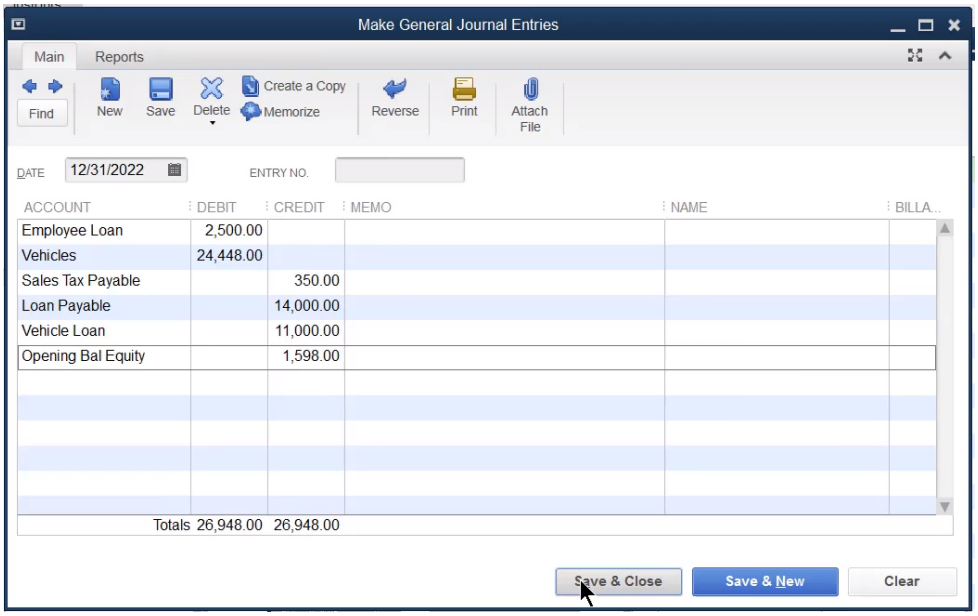


Enter Opening Balances

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.

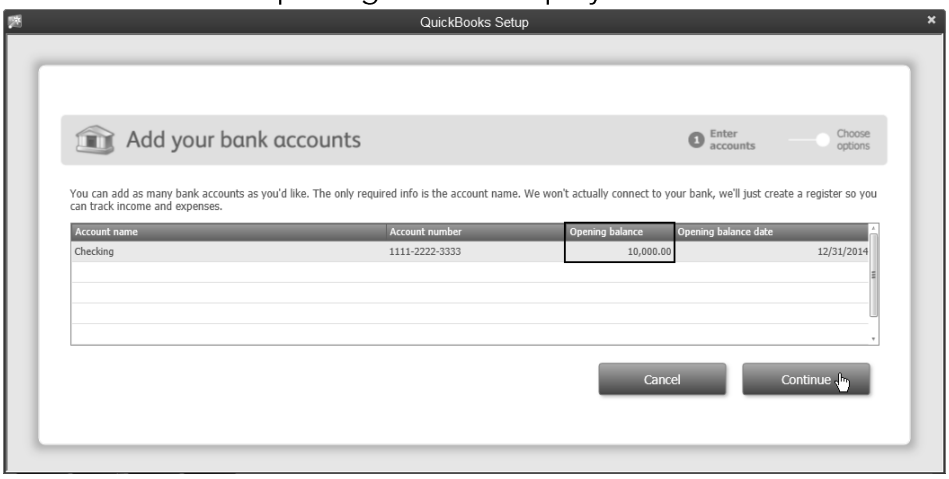
General Journal Entry

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.

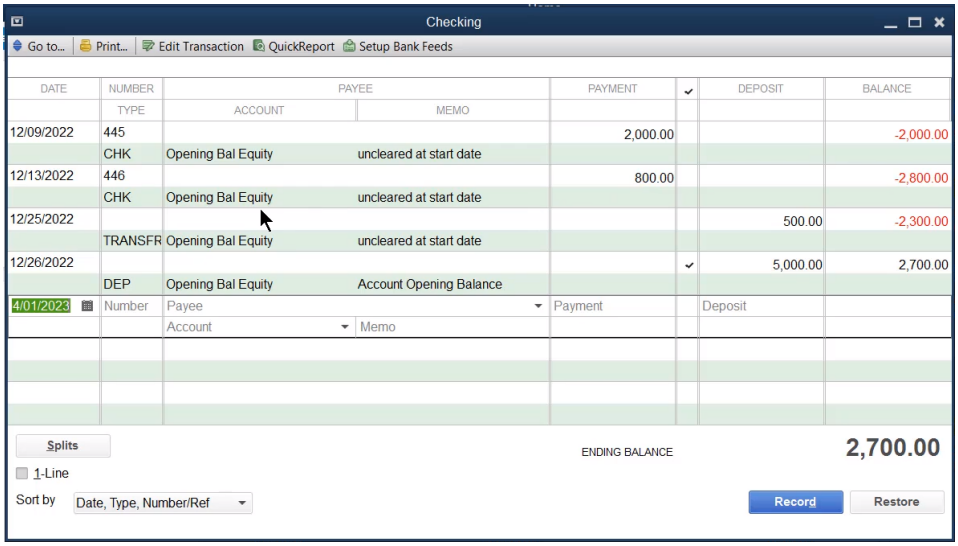


Bank Accounts

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 Register (Enter Outstanding Transactions)

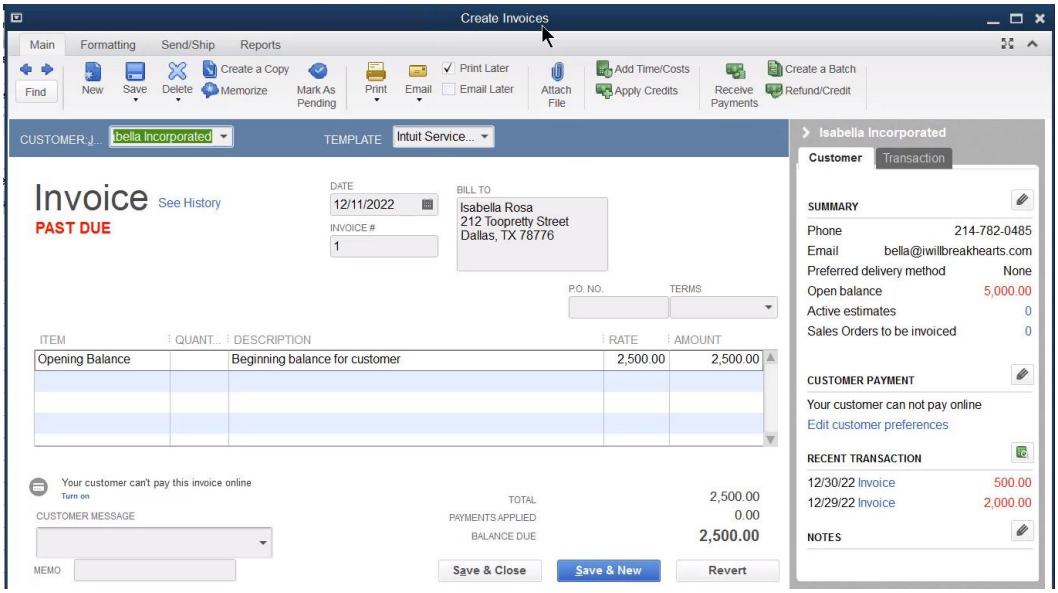


Accounts Receivable

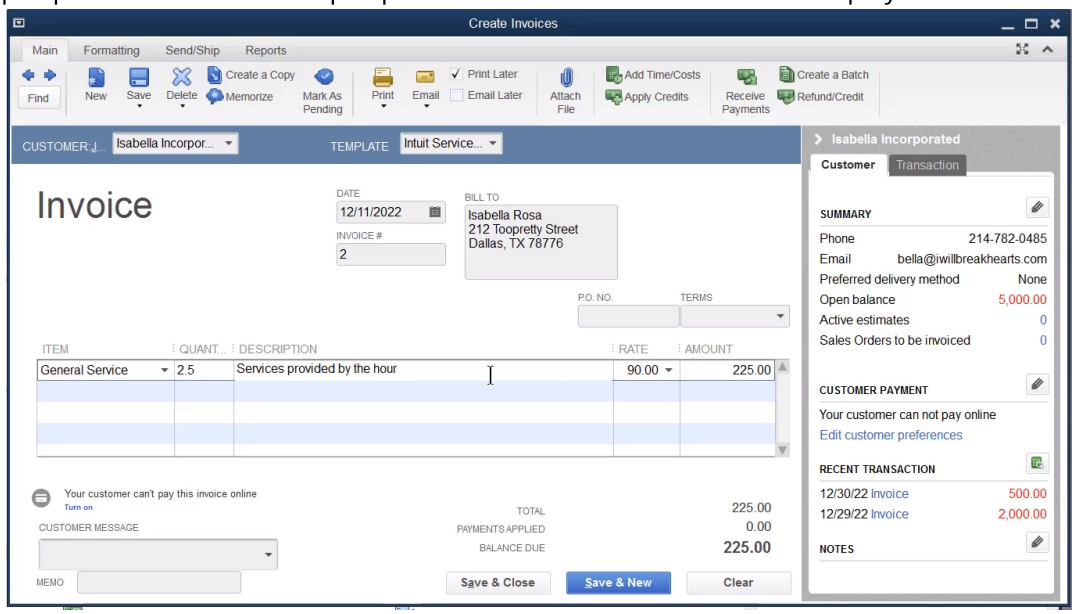
There are 2 ways to enter beginning Accounts Receivable using forms. The appropriate method depends upon your requirements.

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.



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.



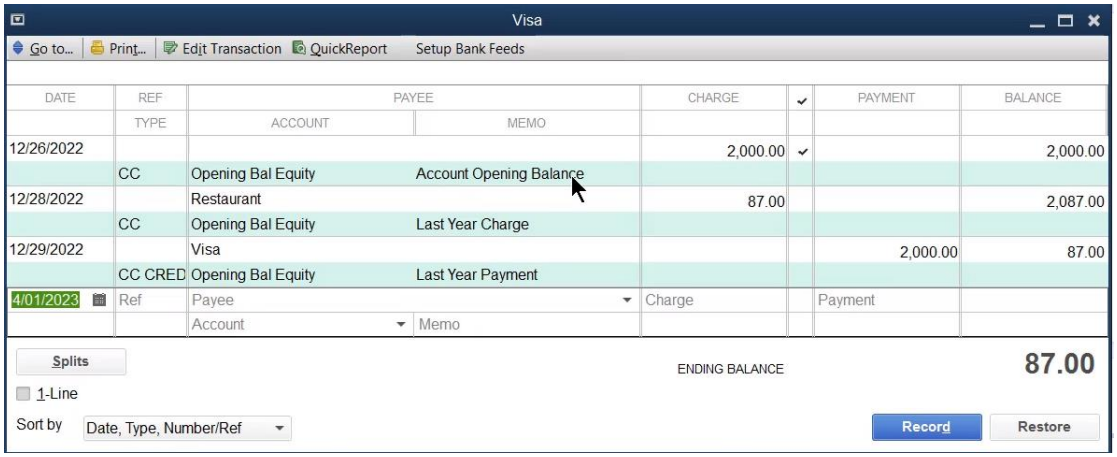
Accounts Payable

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.

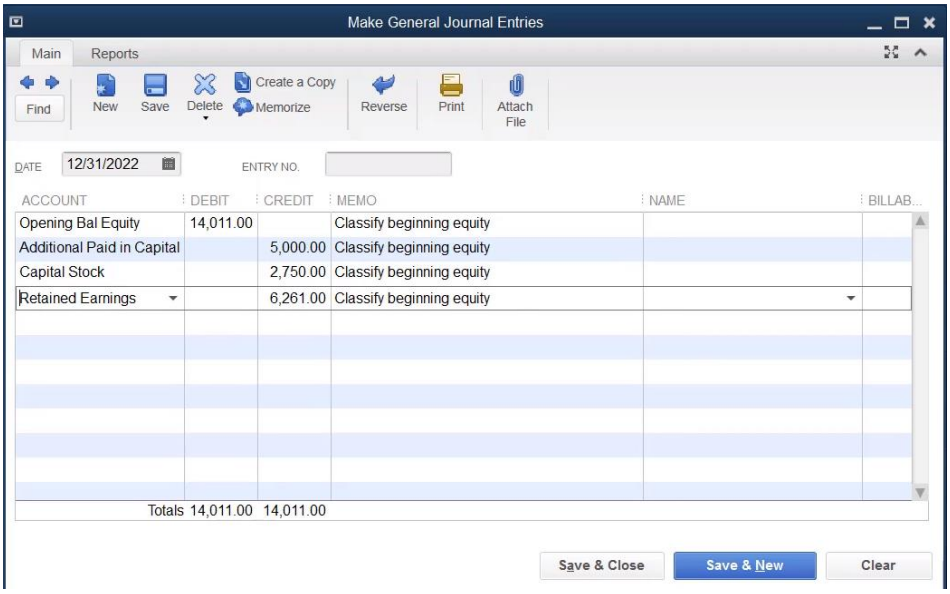
Credit Cards

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.



Equity Accounts

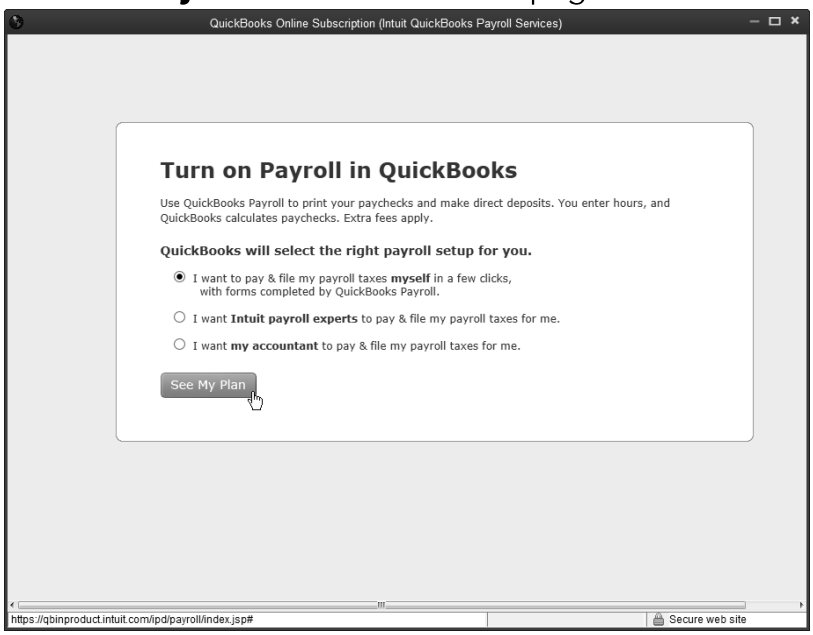
Equity is the last opening balance you should enter. Enter Equity balances with a journal entry. This journal entry should also transfer the Opening Balance Equity balance to the appropriate equity accounts.



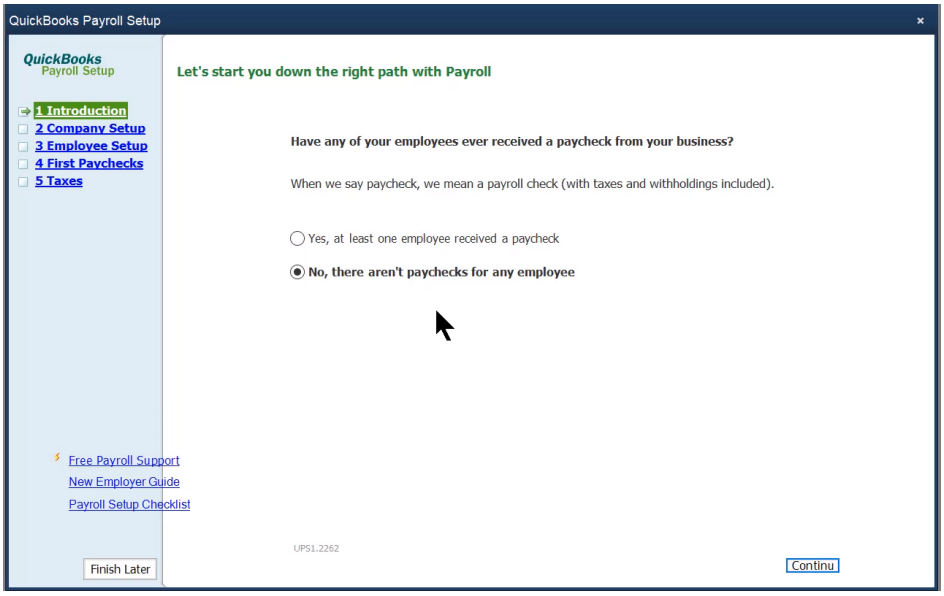
Payroll Setup

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.

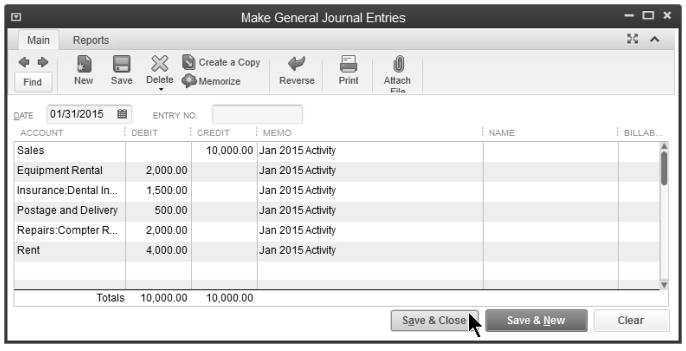
Enter Individual Transactions

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

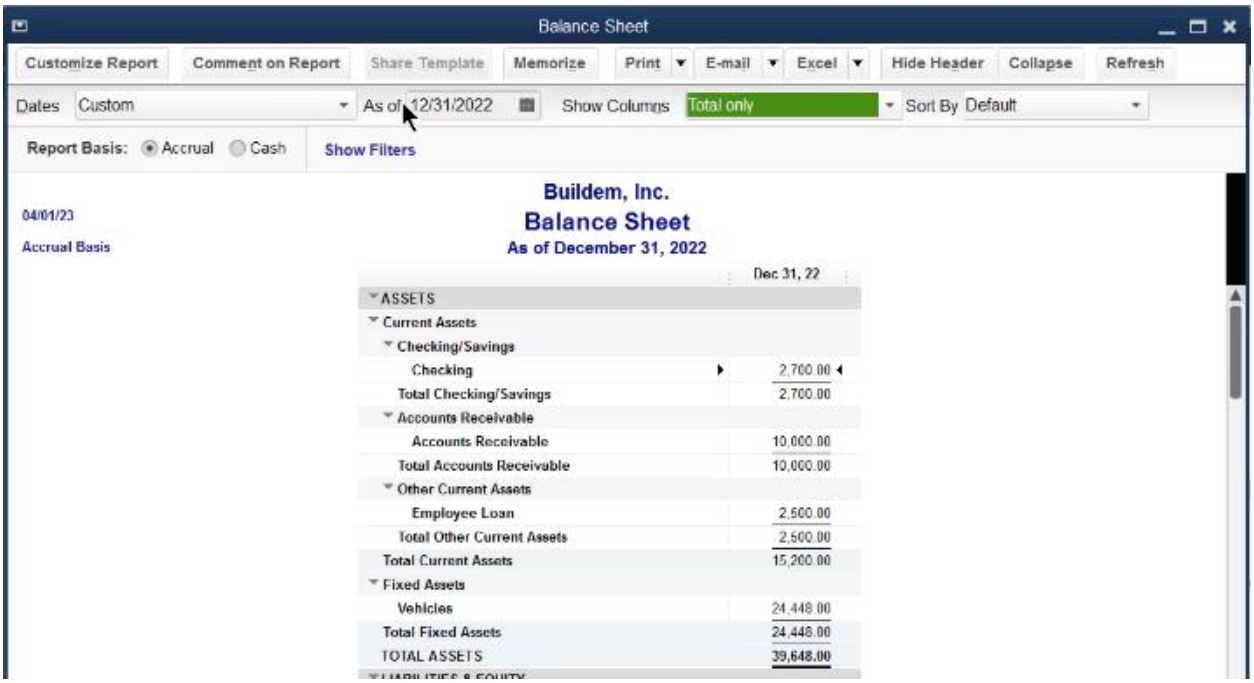
Journal entries can be used to summarize transactions between the start date and the current date.



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.

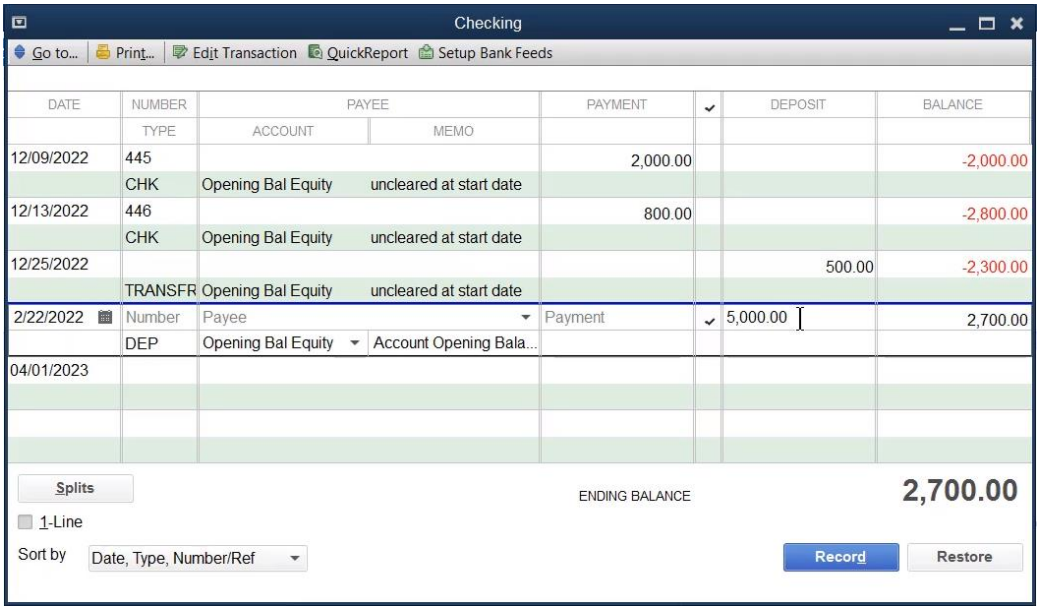


2. Use the Profit & Loss Statement for the periods since the start date to verify historical transactions.
3. Use the Open Invoices report to verify accounts receivable detail as of the start date.
4. Use the Unpaid Bills Detail report to verify accounts payable detail as of the start date.
5. Use the 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.



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.

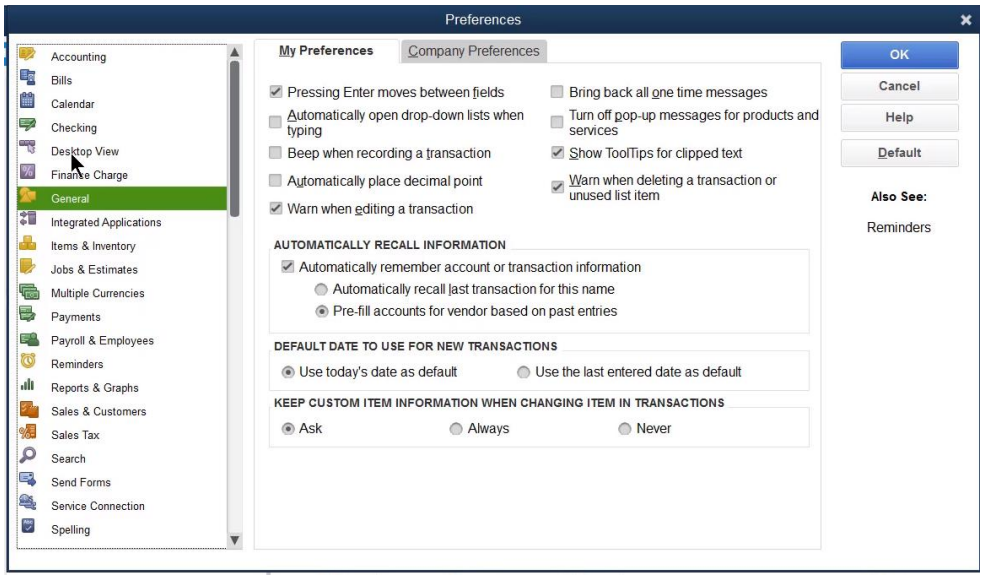
5. Class Tracking

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.

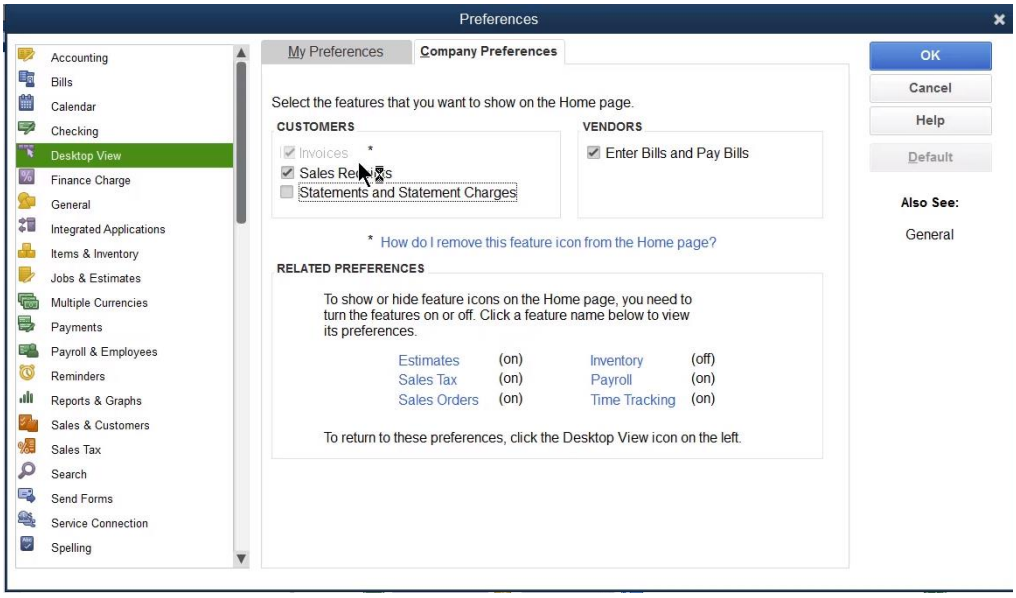
Preferences

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.

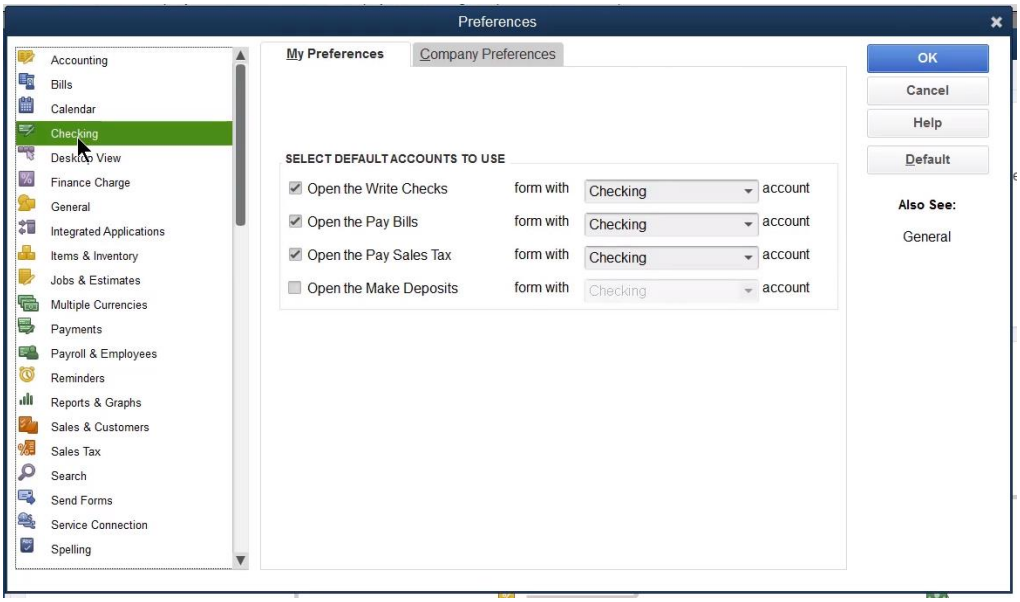
1. Select **Edit:Preferences** from the menu.
2. Click the **General** icon in the list to the left.
3. Change appropriate information in the **Preferences** window.
4. Click **OK**.



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**.

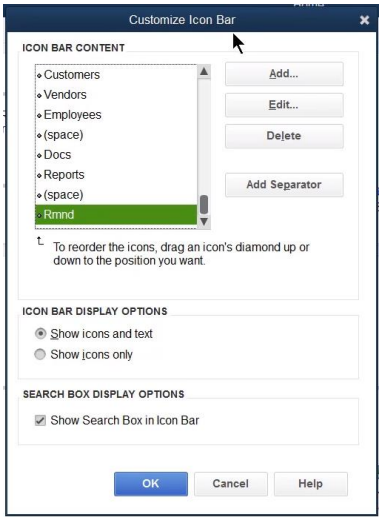


9. Select **Edit:Preferences** from the menu.
10. Click the **Checking** icon in the list to the left.
11. Change appropriate information in the **Preferences** window.
12. Click **OK**.
13. Select **Edit:Preferences** from the menu.
14. Click the **Checking** icon in the list to the left.
15. Click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

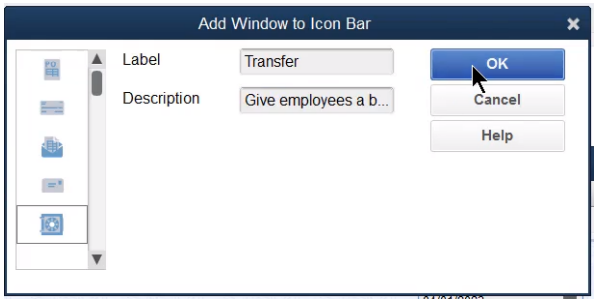


Customize Icon Bar

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



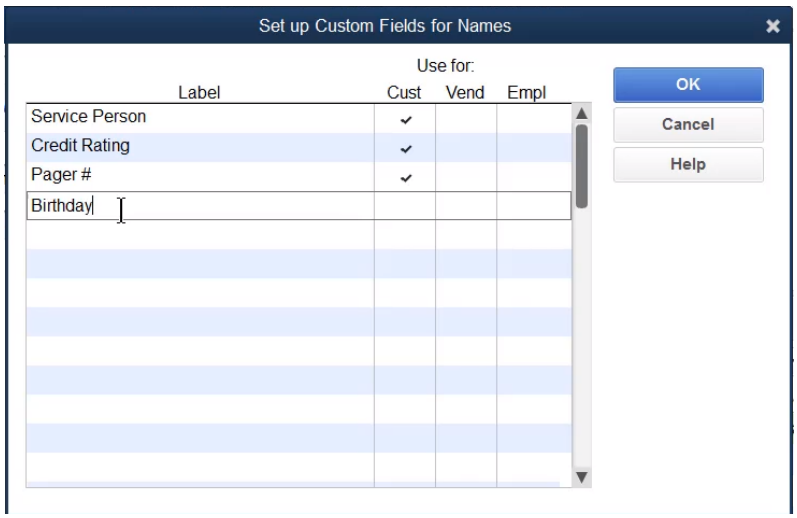
4. Display the window to be added to the **Icon Bar**.
5. Select View:Add (Window Name) to Icon Bar from the menu.
6. Change appropriate information in the **Add Window to Icon Bar** window.
7. Click **OK**.



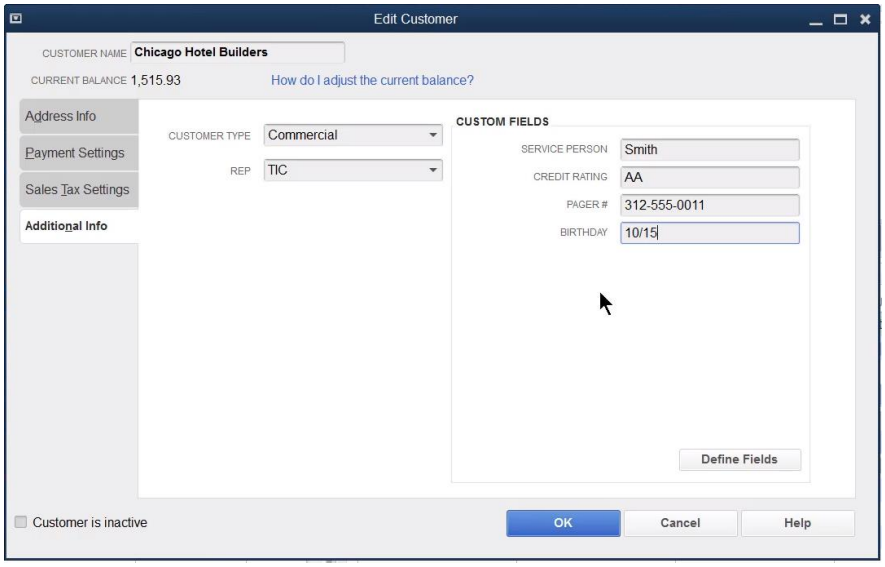
Custom Fields

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**.



Enter Custom Field Information

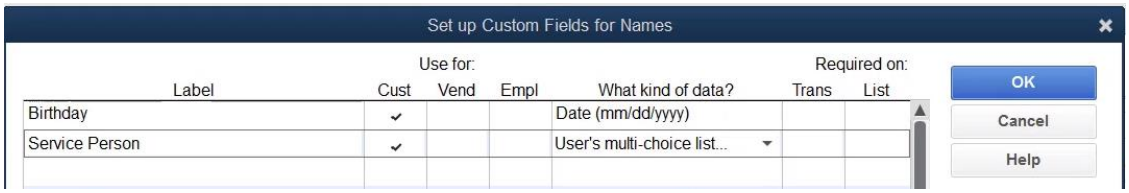


Custom Fields-Enterprise Solutions

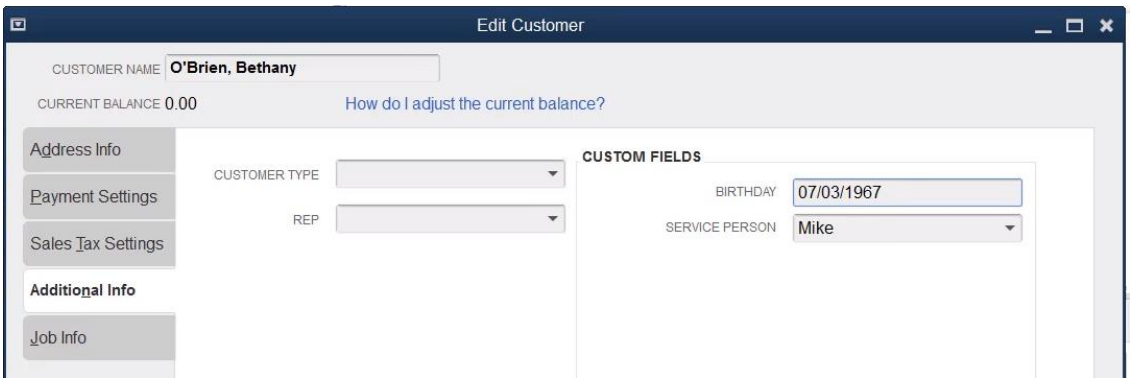
Enterprise Solutions has enhanced custom field capabilities, such as assigning a data type/format, creating a multiple choice list, and the option to require entry of the field on transactions and/or lists. These enhancements improve data entry accuracy and consistency.

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



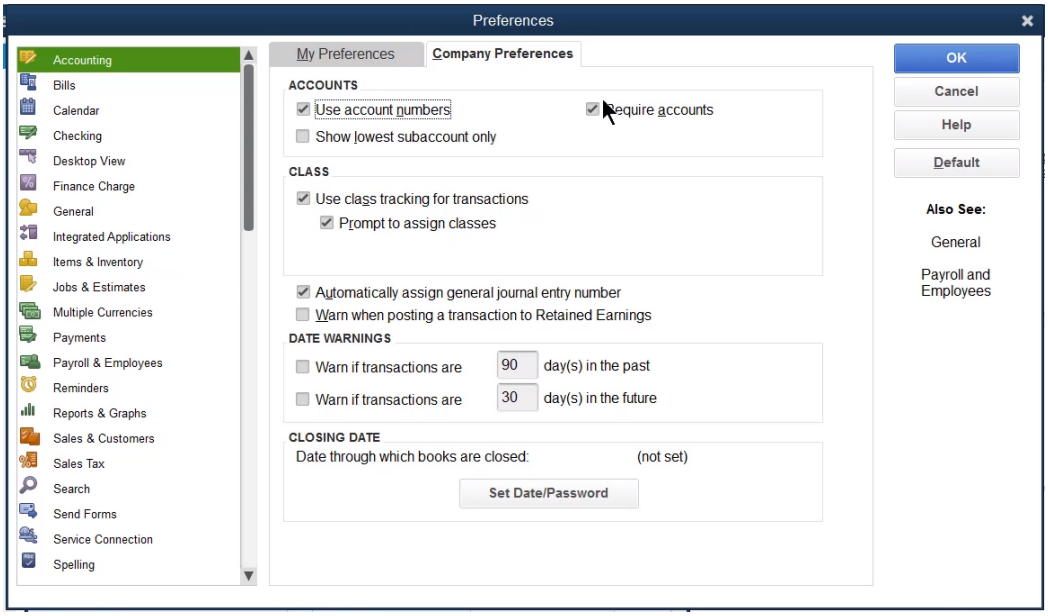
Enter Custom Field Information



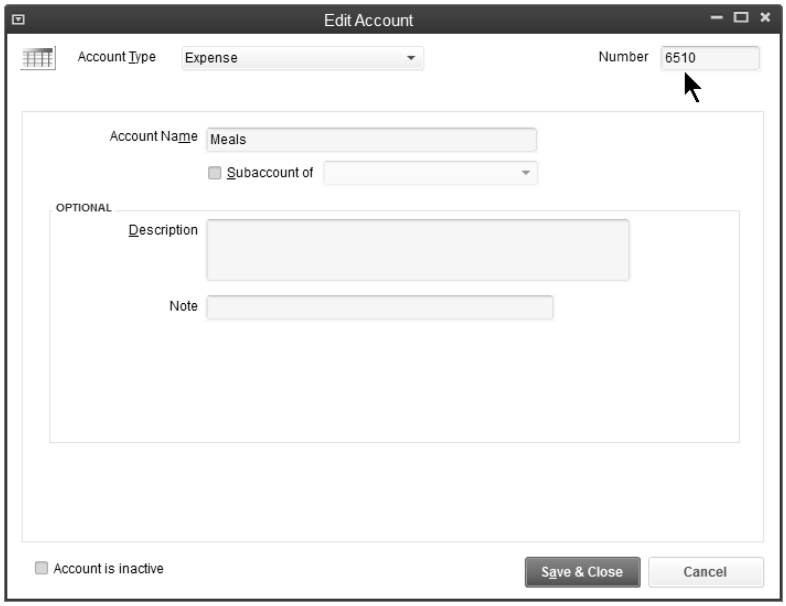
Account Numbers

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

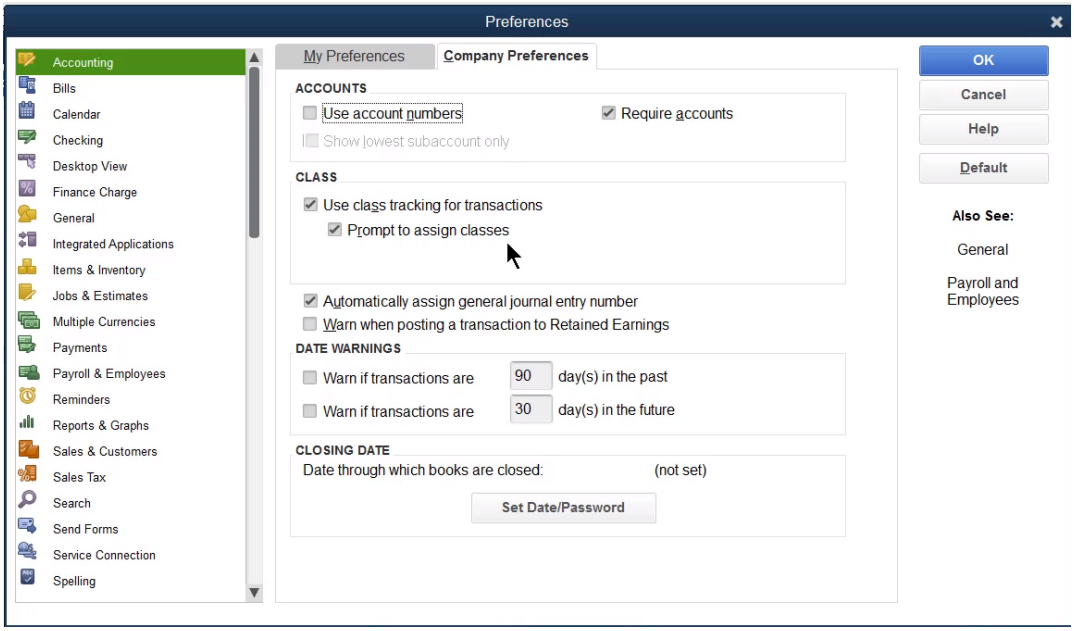


Classes

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

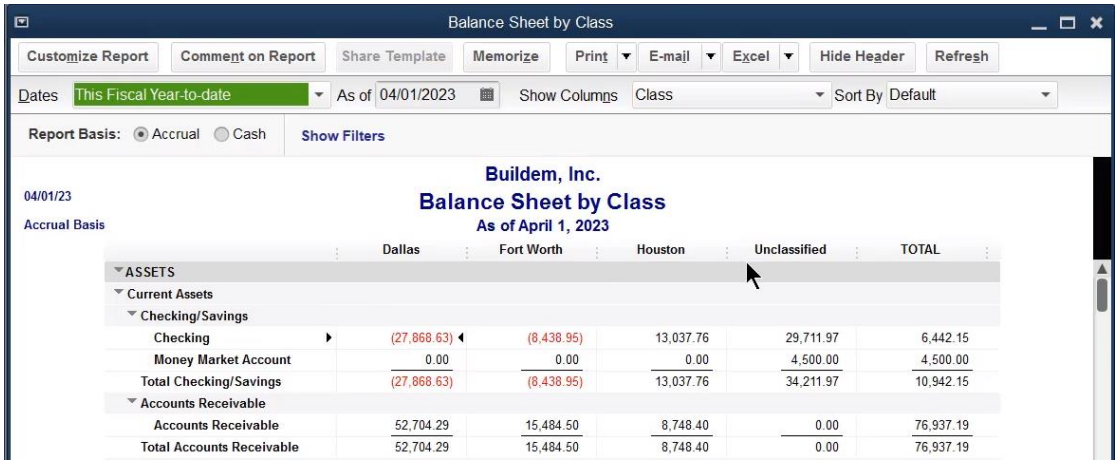
Use classes for departments, business offices or locations, separate properties, or whatever else is appropriate for your business. This is much easier than setting up an extensive chart of accounts to provide the same information.

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**.



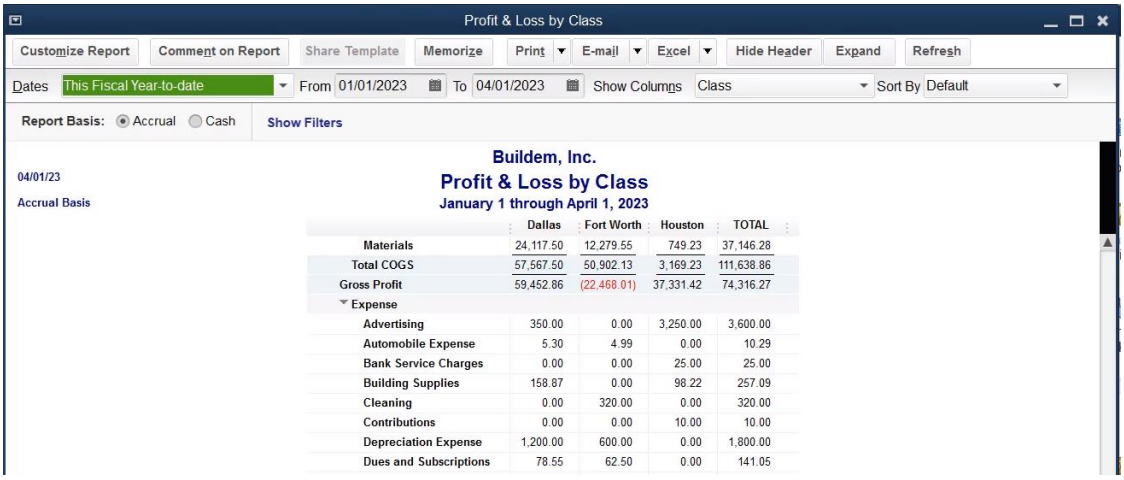
6. Select **Lists:Class List** from the menu.
7. Click the **Class** button.
8. Select **New** from the menu.
9. Enter appropriate information in the **New Class** window.
10. Click **OK**.

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



	Dallas	Fort Worth	Houston	Unclassified	TOTAL
ASSETS					
Current Assets					
Checking/Savings					
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
Total Checking/Savings	(27,868.63)	(8,438.95)	13,037.76	34,211.97	10,942.15
Accounts Receivable					
Accounts Receivable	52,704.29	15,484.50	8,748.40	0.00	76,937.19
Total Accounts Receivable	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.



	Dallas	Fort Worth	Houston	TOTAL
Materials	24,117.50	12,279.55	749.23	37,146.28
Total COGS	57,567.50	50,902.13	3,169.23	111,638.86
Gross Profit	59,452.86	(22,468.01)	37,331.42	74,316.27
Expense				
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

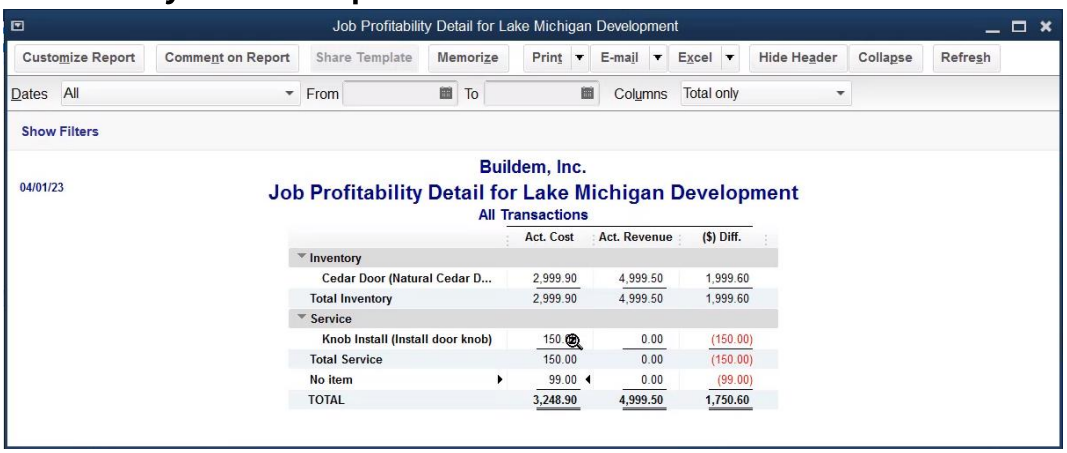
Expenses vs. Items

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:

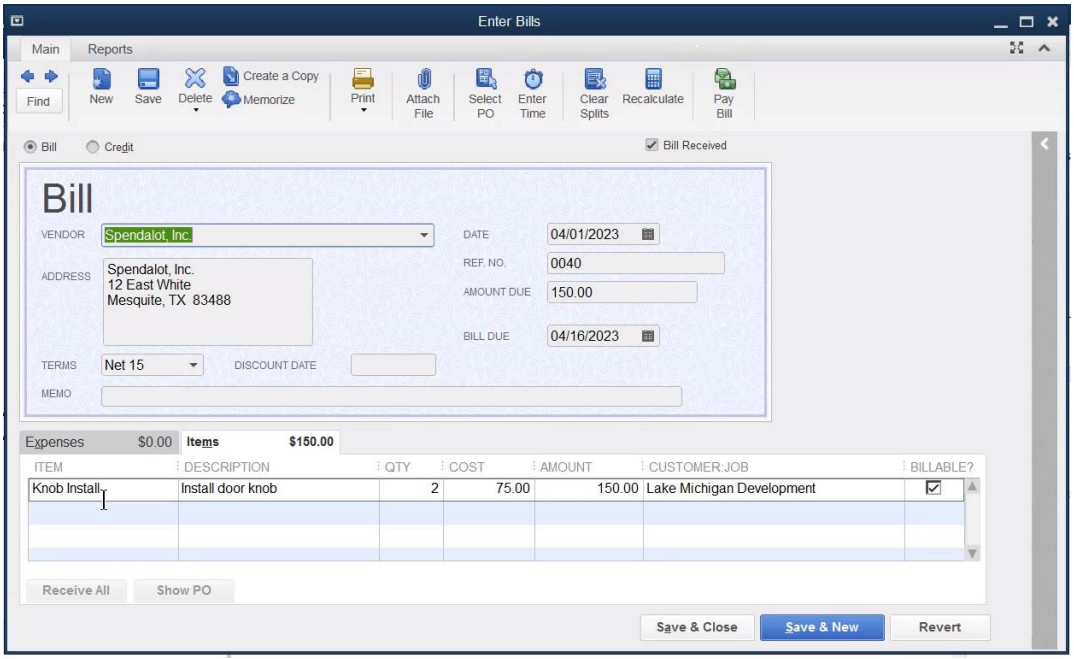
1. The line item relates to the purchase of an *Inventory Part*.
2. The cost relates directly to a job. Then, the cost appears in a meaningful fashion on job cost reports.

Use the *Expenses* tab for all other transactions.

Job Profitability Detail Report



Bill Using Items

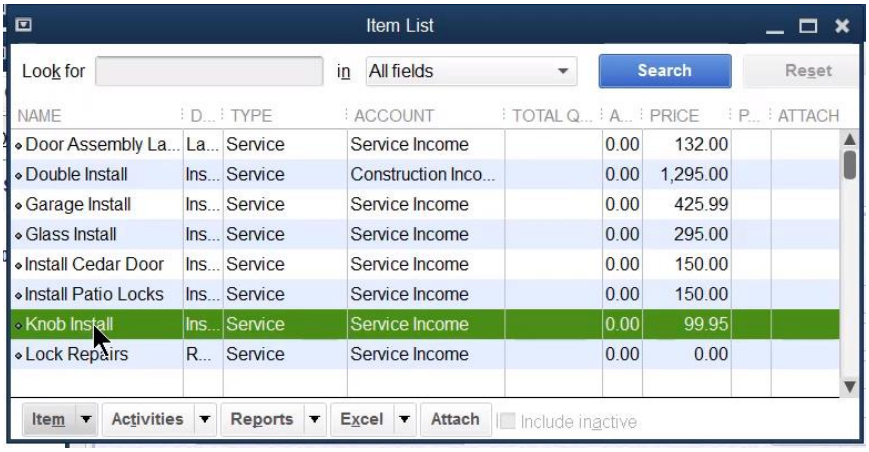


Inventory Limitations

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.

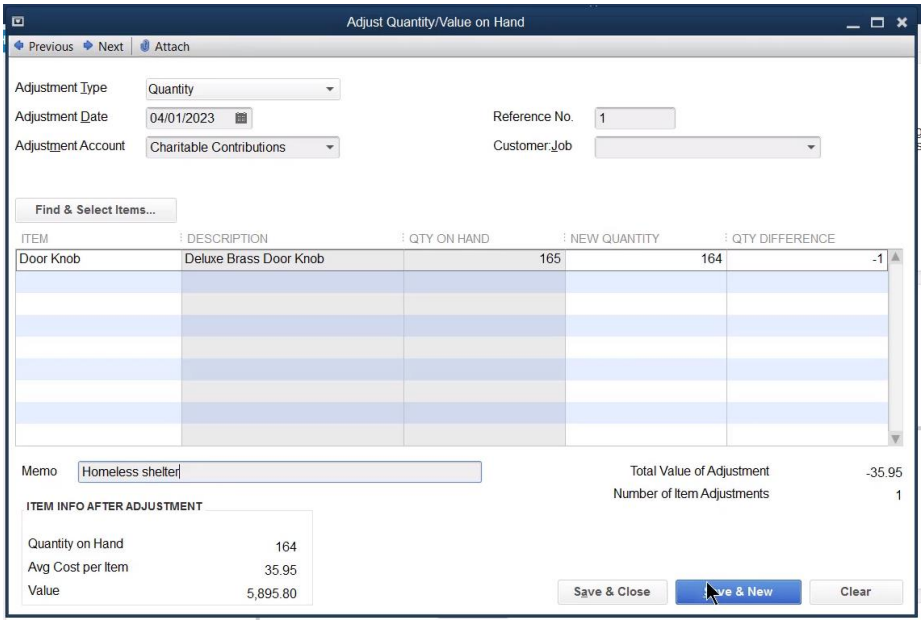


Other Uses for Inventory Adjustments

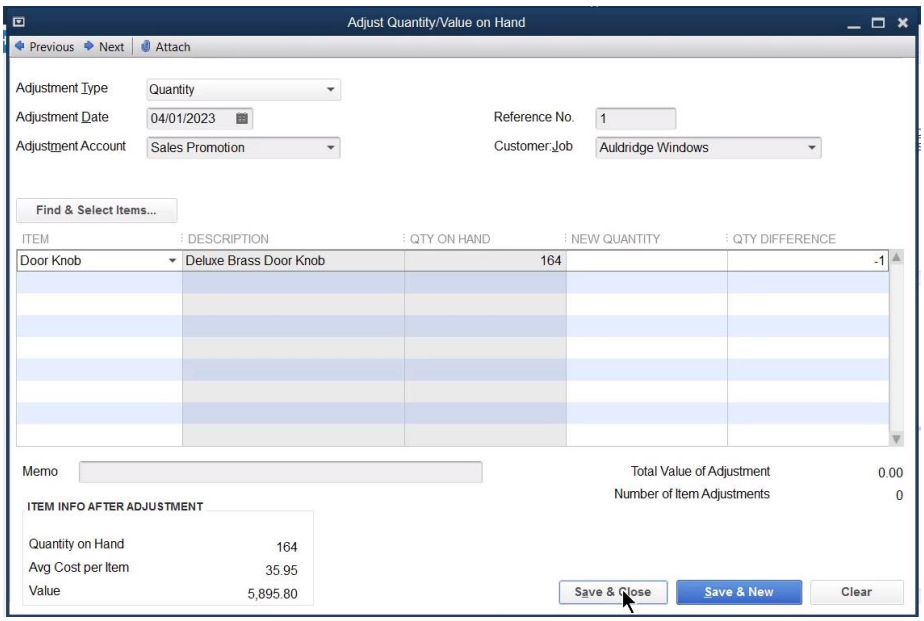
Use inventory adjustments to change the on-hand quantities in QuickBooks to match the actual quantity on-hand. There are other situations when you need to adjust inventory quantities. For example, if you donate inventory, use inventory internally, or give away inventory as a promotion.

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



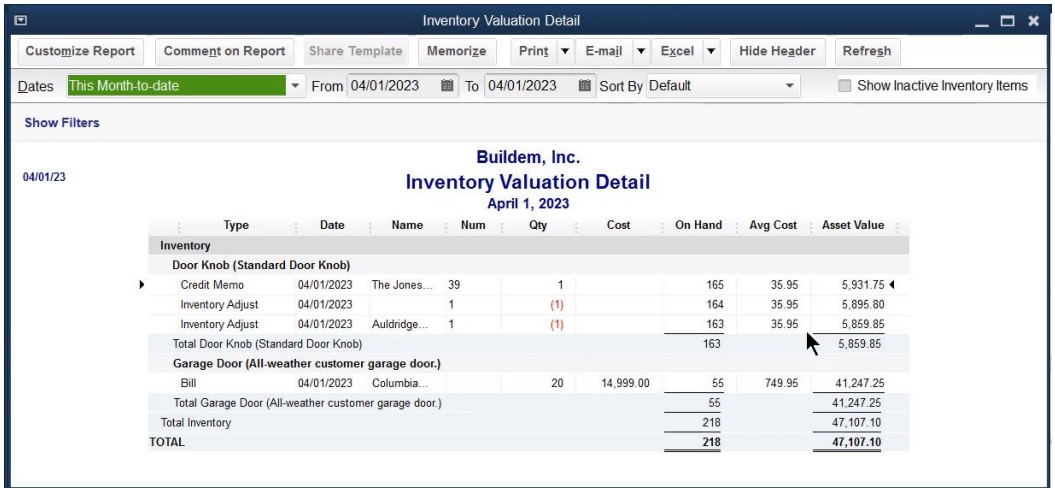
Sales Promotion



Value Adjustments

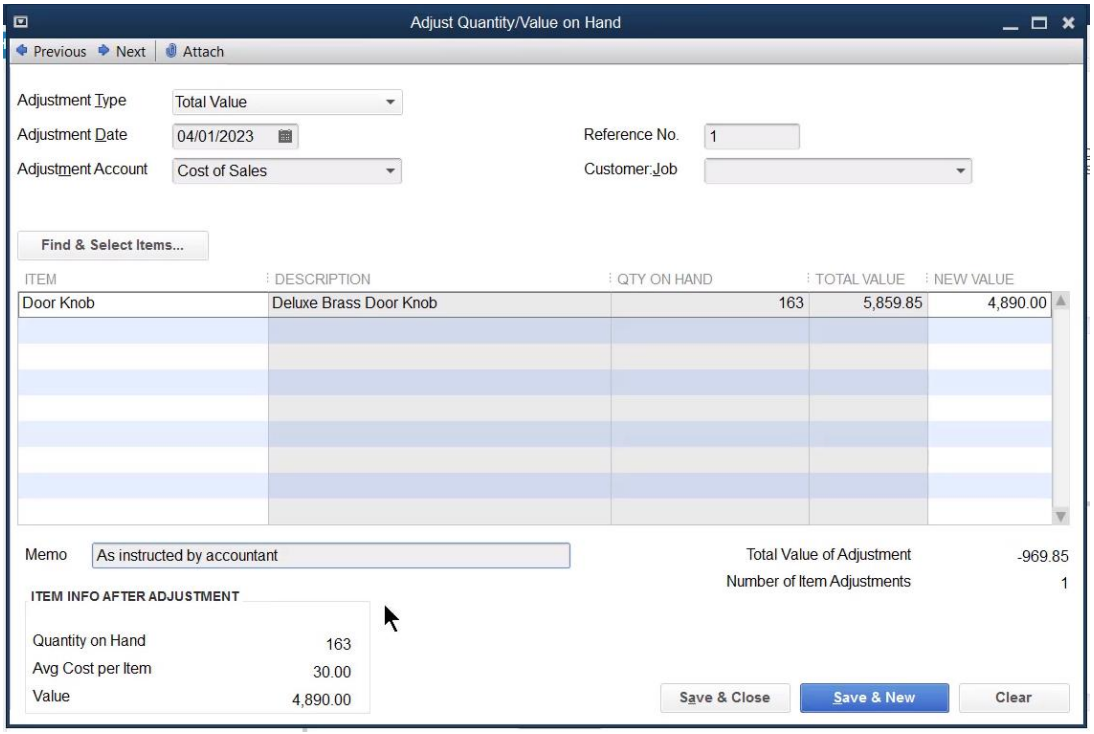
QuickBooks uses the average cost method for inventory. Adjust the average cost and inventory asset value by making a *Value Adjustment*.

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



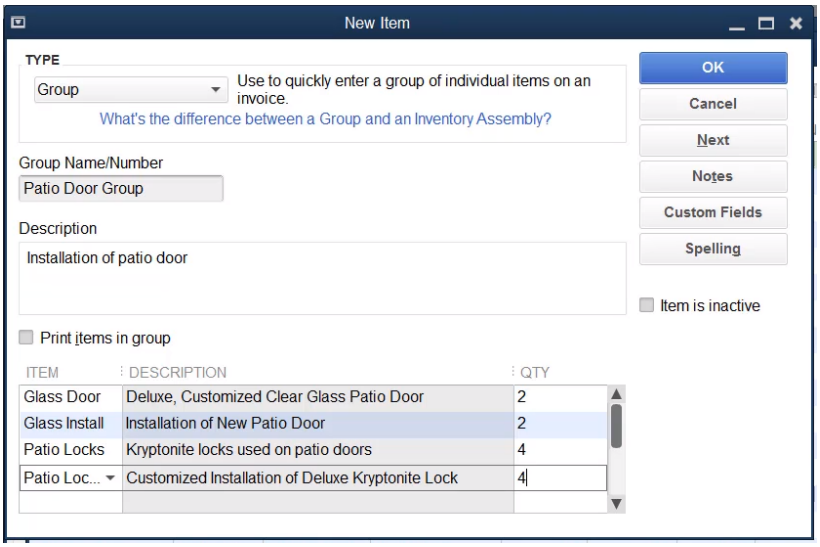
Type	Date	Name	Num	Qty	Cost	On Hand	Avg Cost	Asset Value
Inventory								
Door Knob (Standard Door Knob)								
Credit Memo	04/01/2023	The Jones...	39	1		165	35.95	5,931.75
Inventory Adjust	04/01/2023		1	(1)		164	35.95	5,895.80
Inventory Adjust	04/01/2023	Auldridge...	1	(1)		163	35.95	5,859.85
Total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

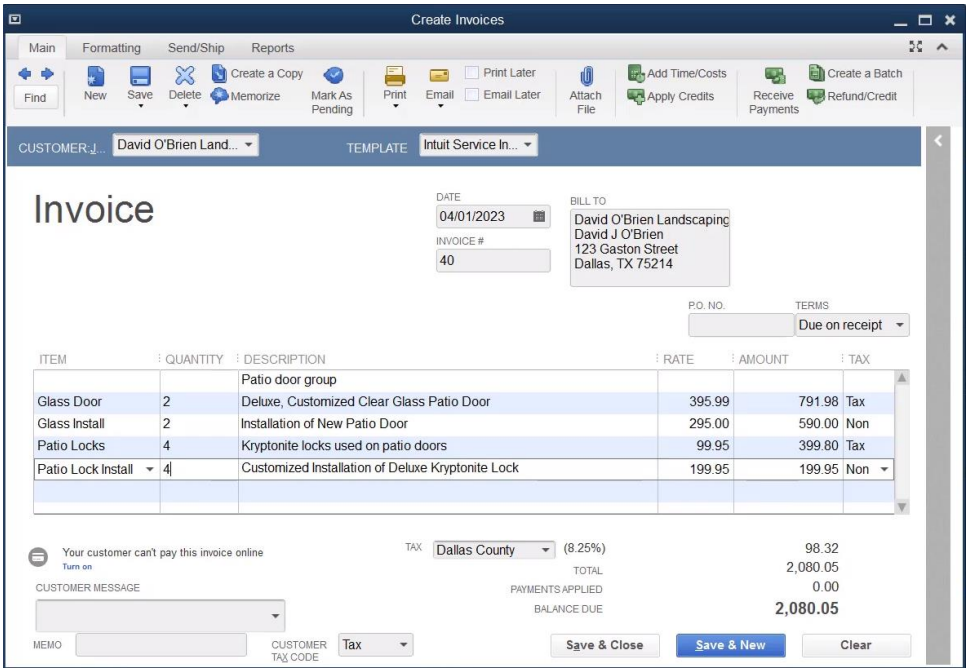


Group Items

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.

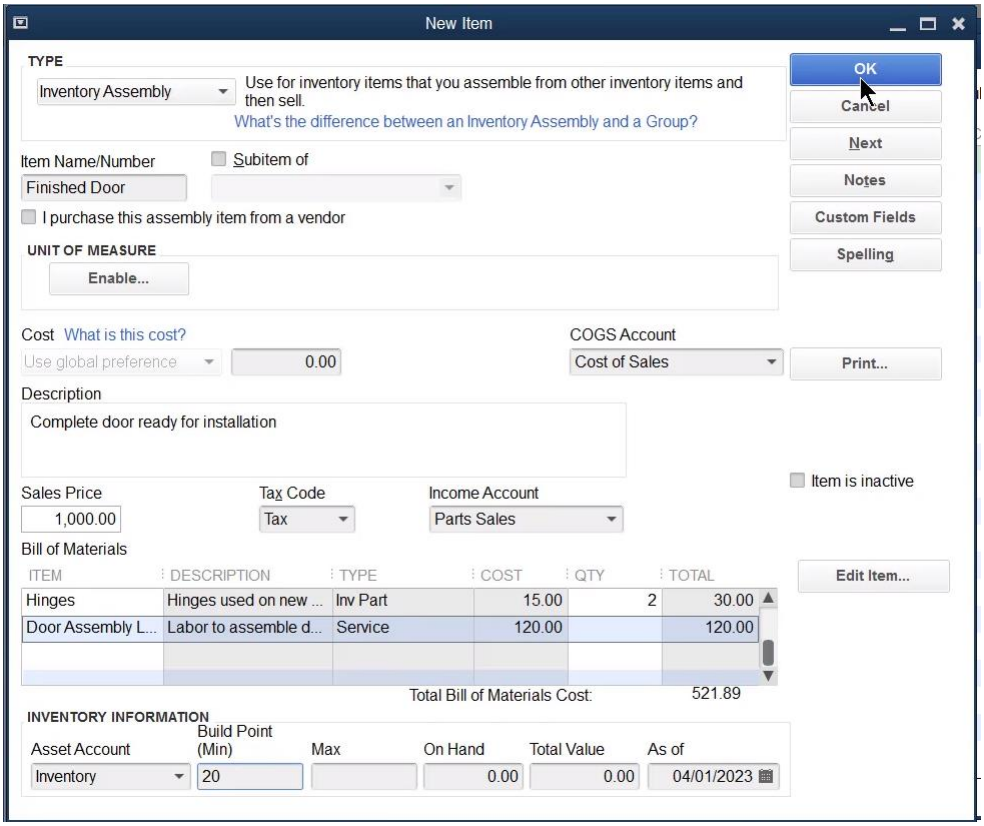


Group Item on Invoice



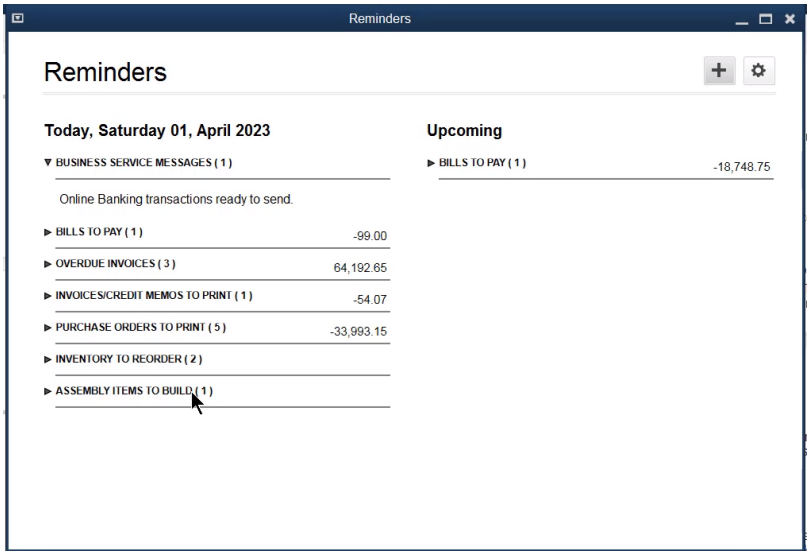
Inventory Assemblies

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

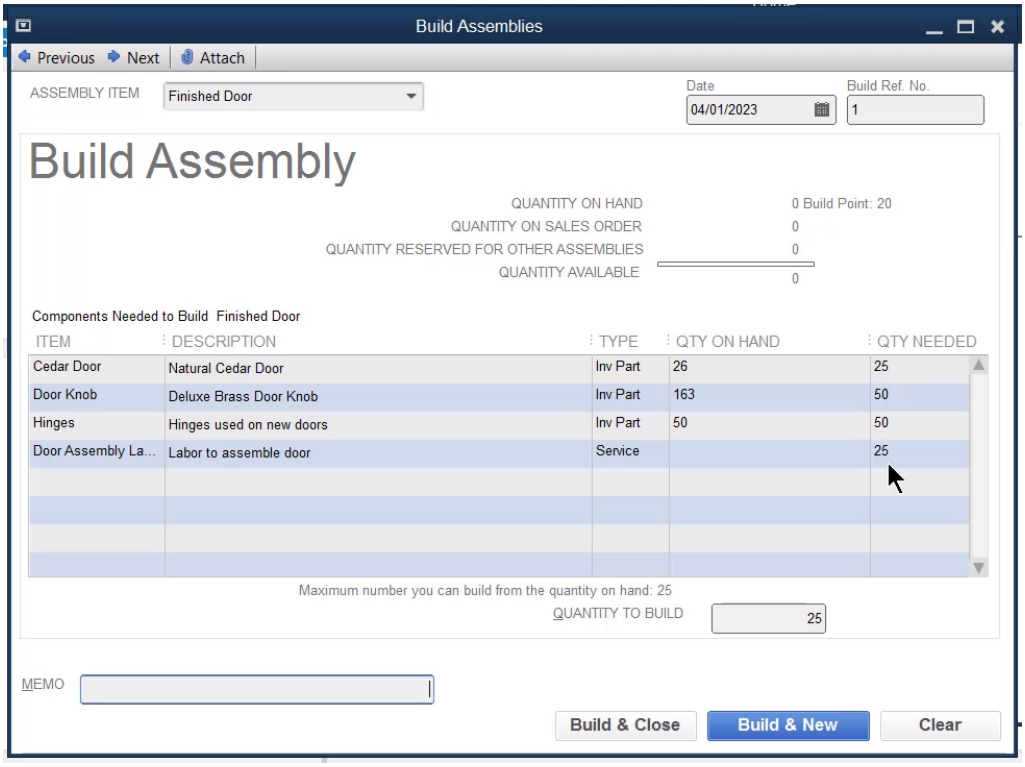


Building Inventory Assemblies

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.

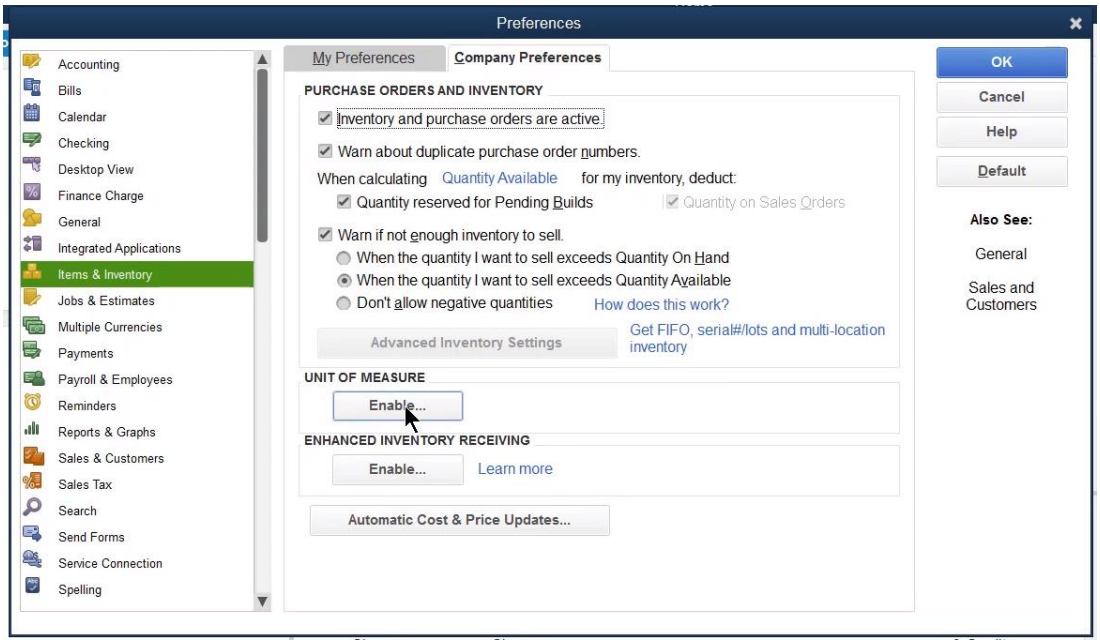
The following table compares group and assembly items to help you decide which item type is appropriate for your situation.

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**.

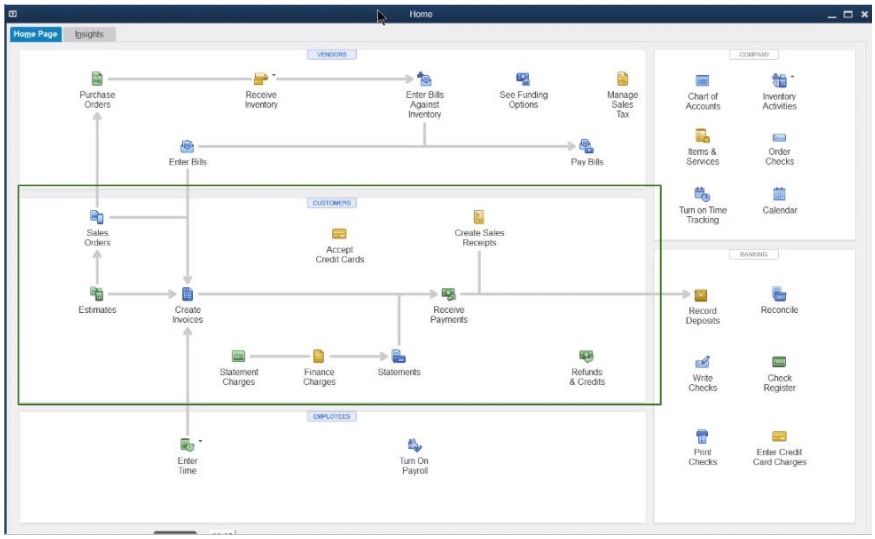


6. Click the **Lists** menu and select **U/M Set List**.
7. Click the **U/M Set** button and select **New**.
8. Select a **Unit of Measure** type and click **Next**.
9. Select a Base Unit of Measure and click Next.
10. Make selections in the **Add Related Units** window and click **Next**.
11. Enter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

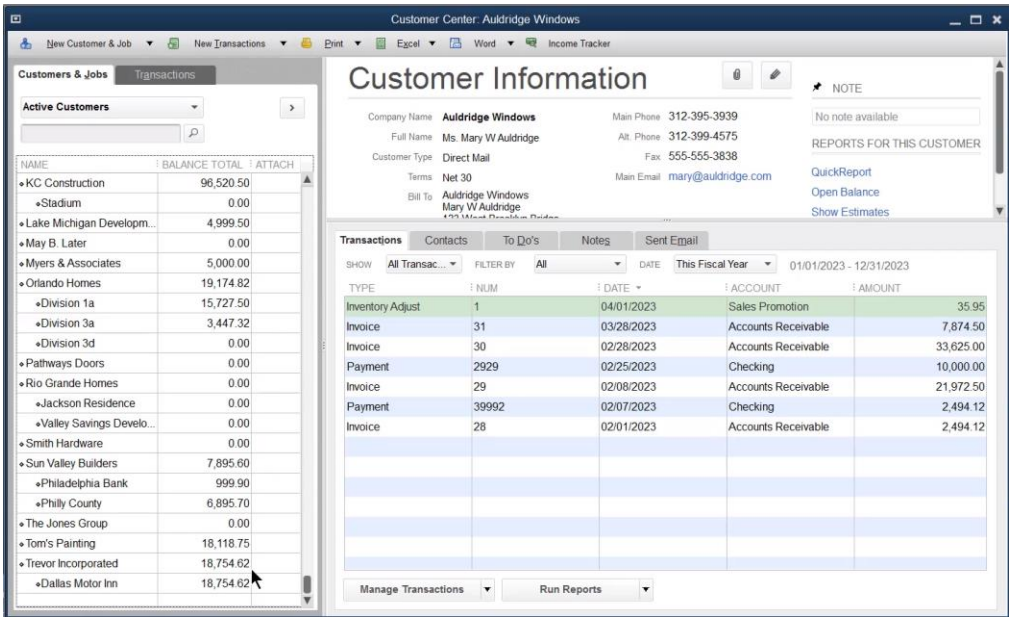


Customer Center

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

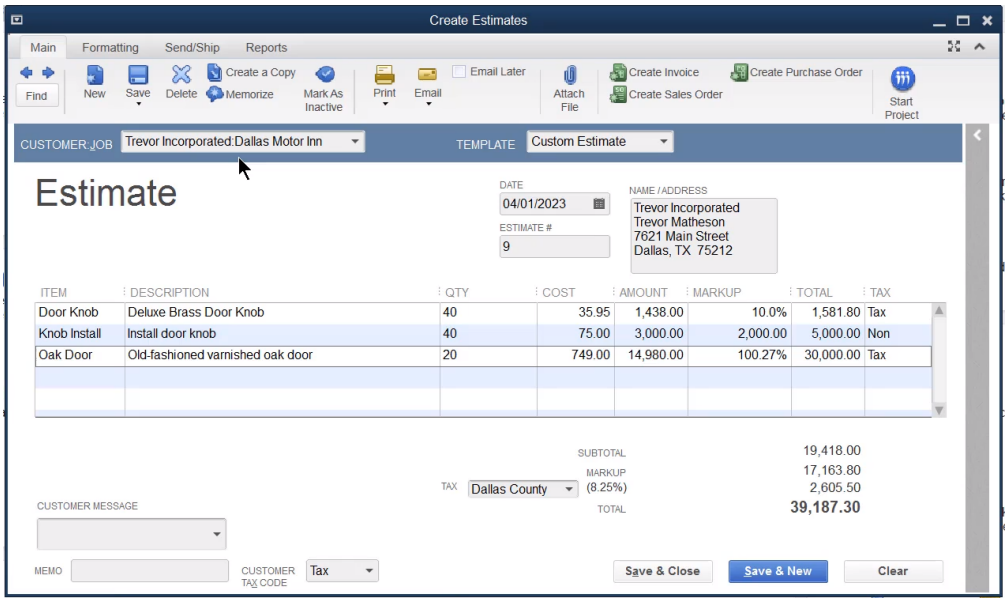

Customer Center: Auldridge Windows
New Customer & Job
New Transactions
Print
Excel
Word
Income Tracker
Customers & Jobs
Transactions
Active Customers
NAME
BALANCE TOTAL
ATTACH
KC Construction 96,520.50
Stadium 0.00
Lake Michigan Developm... 4,999.50
May B. Later 0.00
Myers & Associates 5,000.00
Orlando Homes 19,174.82
Division 1a 15,727.50
Division 3a 3,447.32
Division 3d 0.00
Pathways Doors 0.00
Rio Grande Homes 0.00
Jackson Residence 0.00
Valley Savings Develo... 0.00
Smith Hardware 0.00
Sun Valley Builders 7,895.60
Philadelphia Bank 999.90
Philly County 6,895.70
The Jones Group 0.00
Tom's Painting 18,118.75
Trevor Incorporated 18,754.62
Dallas Motor Inn 18,754.62
Customer Information
Company Name Auldridge Windows
Full Name Ms. Mary W Auldridge
Customer Type Direct Mail
Terms Net 30
Bill To Auldridge Windows
Mary W Auldridge
Main Phone 312-395-3939
Alt. Phone 312-399-4575
Fax 555-555-3838
Main Email mary@auldridge.com
NOTE
No note available
REPORTS FOR THIS CUSTOMER
QuickReport
Open Balance
Show Estimates
Transactions
Contacts
To Do's
Notes
Sent Email
SHOW All Transac...
FILTER BY All
DATE This Fiscal Year
01/01/2023 - 12/31/2023
TYPE NUM DATE ACCOUNT AMOUNT
Inventory Adjust 1 04/01/2023 Sales Promotion 35.95
Invoice 31 03/28/2023 Accounts Receivable 7,874.50
Invoice 30 02/28/2023 Accounts Receivable 33,625.00
Payment 2929 02/25/2023 Checking 10,000.00
Invoice 29 02/08/2023 Accounts Receivable 21,972.50
Payment 39992 02/07/2023 Checking 2,494.12
Invoice 28 02/01/2023 Accounts Receivable 2,494.12
Manage Transactions
Run Reports

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.

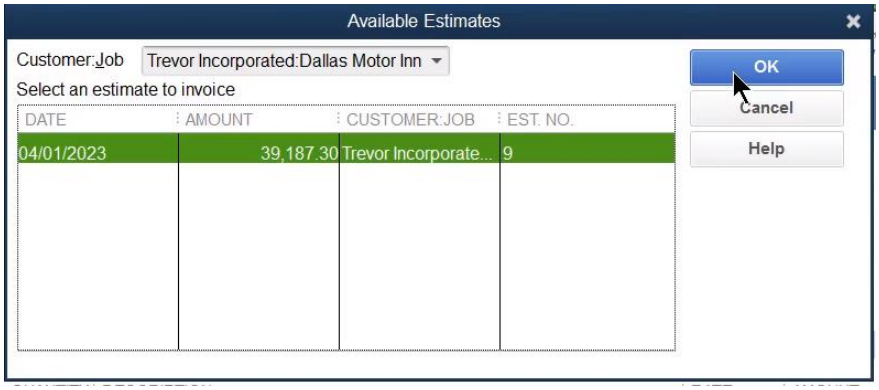


Invoice from Estimate

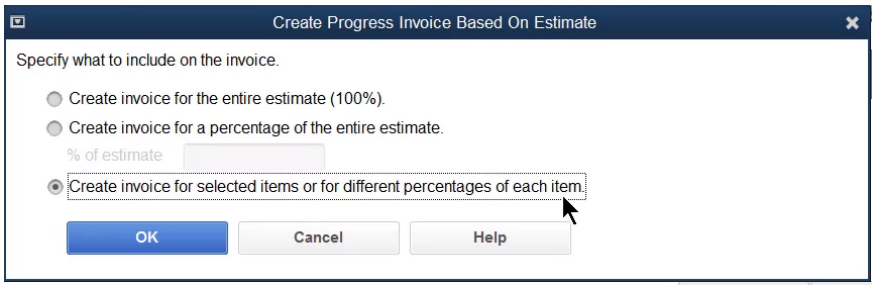
An estimate for a job might have many line items. QuickBooks lets you convert an estimate into an invoice, and will copy the line items saving you time.

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.

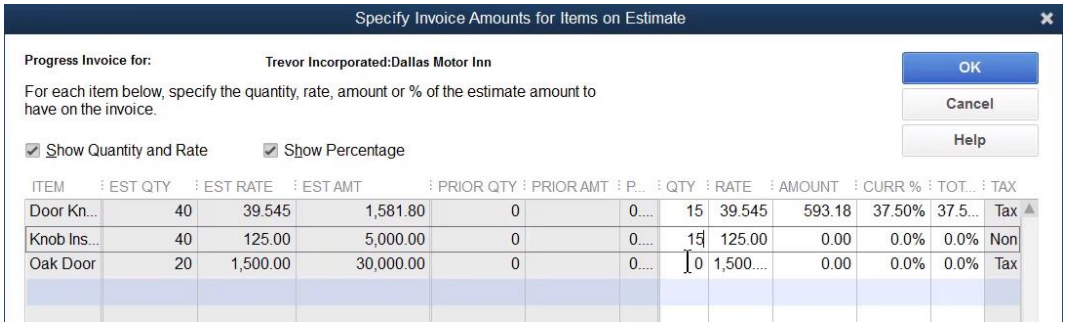
Select Available Estimates



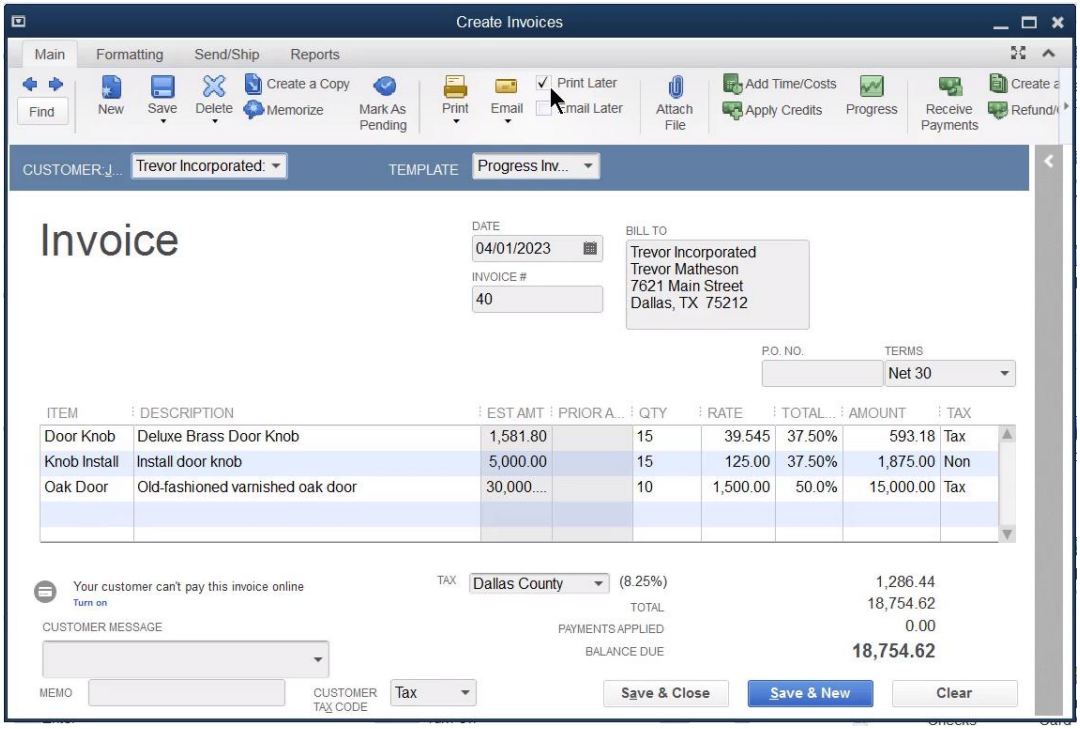
Progress Invoice Options



Amounts for Progress Invoice



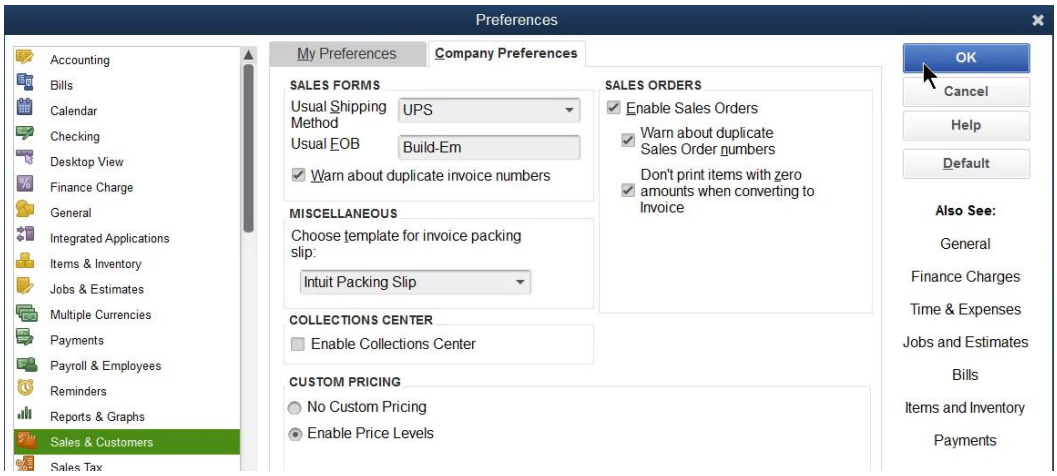
Progress Invoice (Print Later)



Price Levels

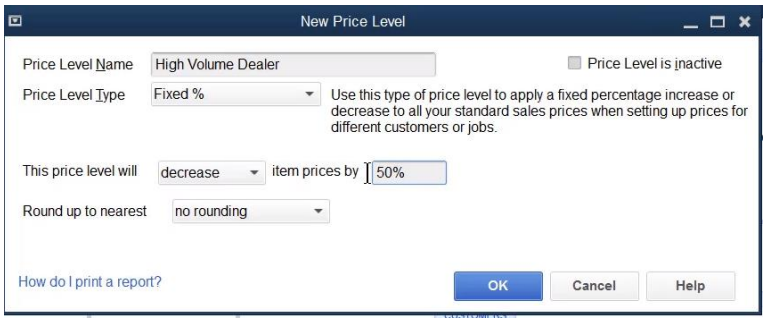
The *Price Level List* stores price levels for customers. A price level lets you automatically adjust certain customer's sales price for inventory parts, inventory assemblies, non-inventory parts, and service items. QuickBooks has two types of price levels: Fixed % and Per Item. Fixed % price levels 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**.



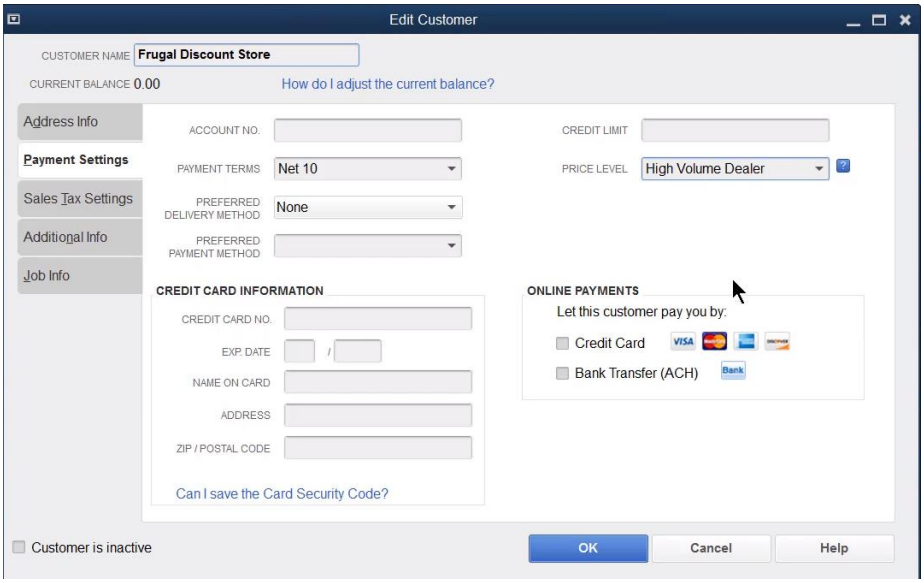
Fixed % Price Levels

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**.

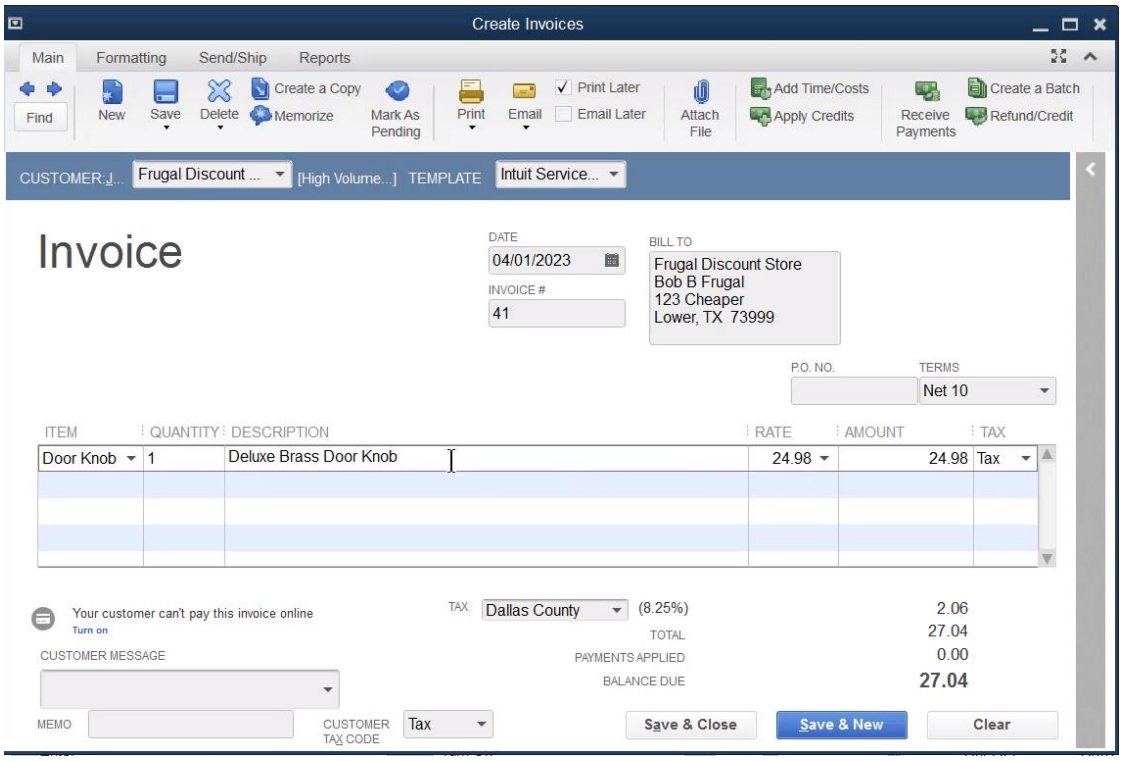


7. Click the **Customers** icon.
8. Edit or create a customer on the list.
9. Click the Payment Settings tab.
10. Click the **Price Level** drop-down list and select the appropriate price level.
11. Click **OK**.

Assign Price Level



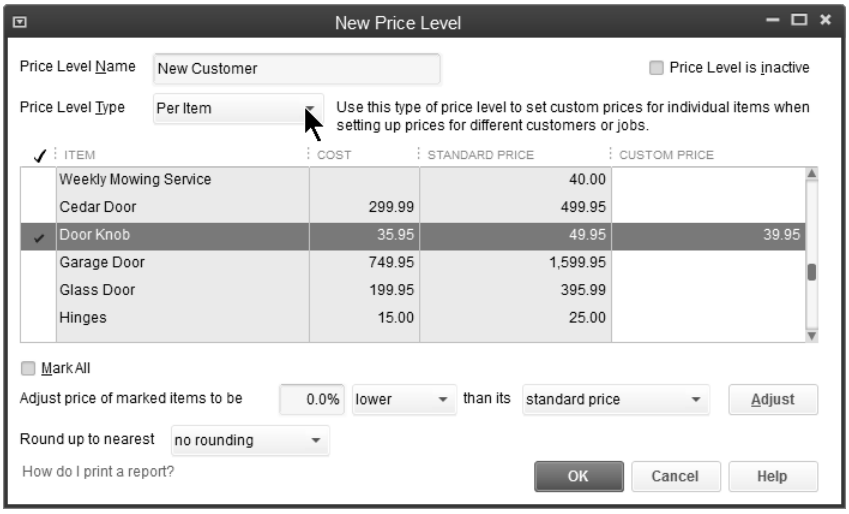
Fixed % Price Level on Invoice



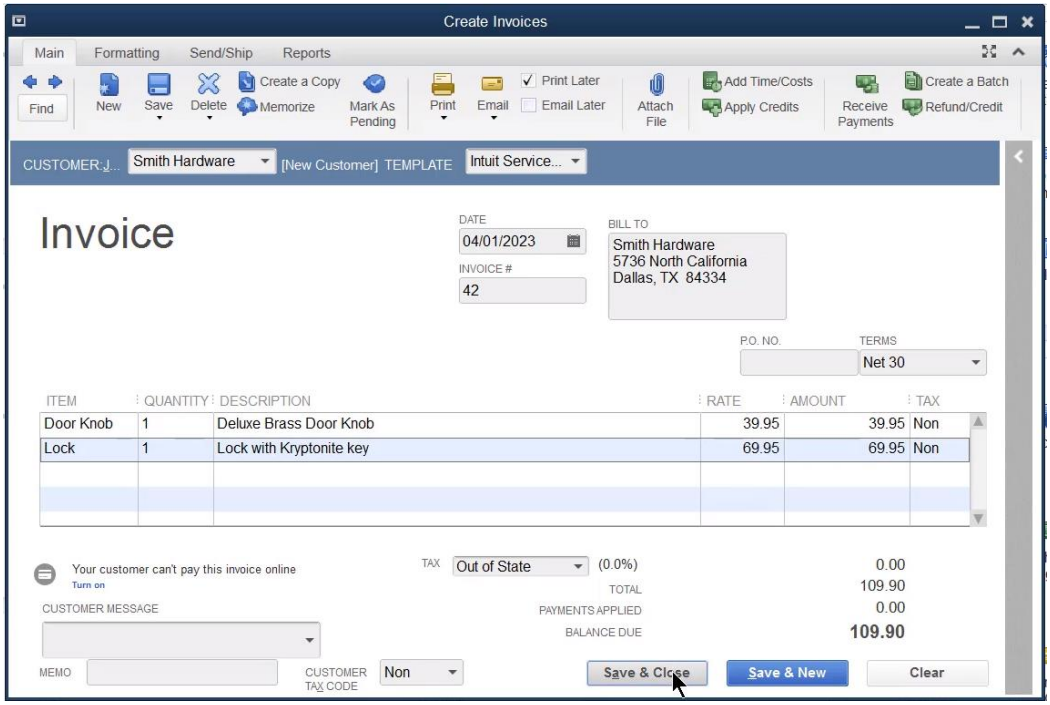
Per Item Price Levels

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



Per Item Price Level on Invoice



Sales Orders

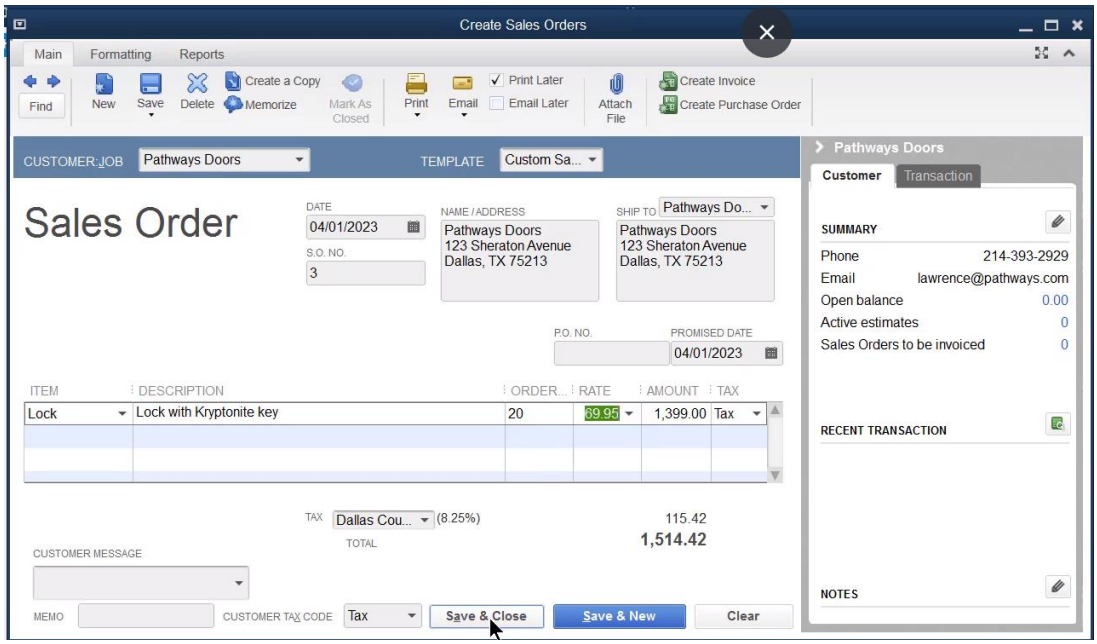
QuickBooks Premier and QuickBooks Enterprise Solutions allow you to create Sales Orders. Use sales orders to enter backorders for inventory you do not have on hand. You can also use sales orders to record future sales of services or goods. Sales orders are non-posting, so they do not affect financial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

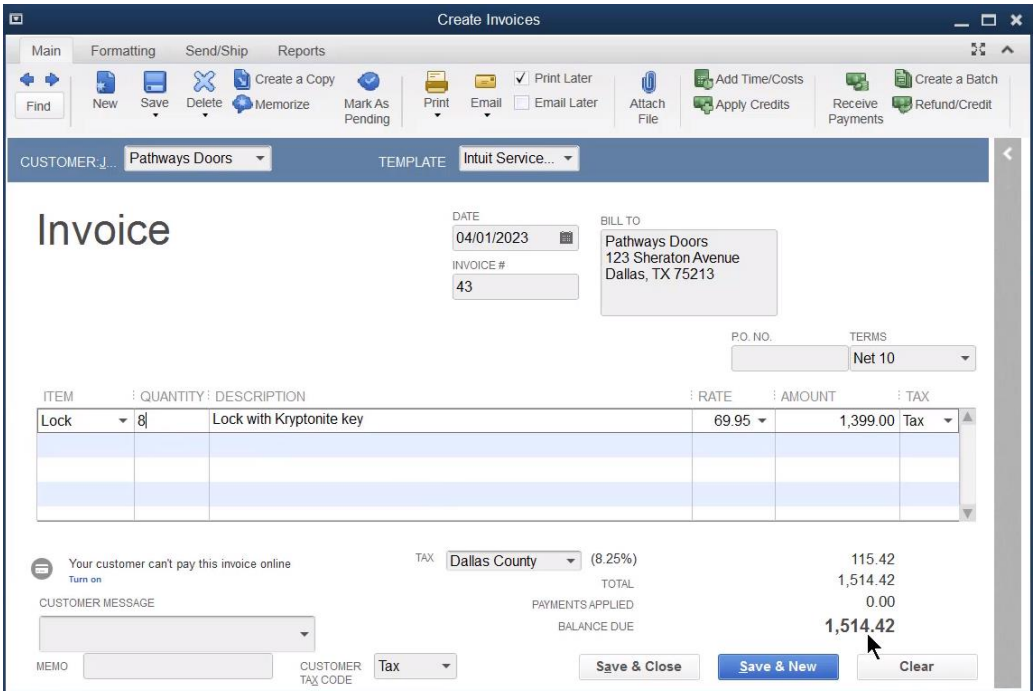
1. Click the **Sales Orders** icon on the **Home** page.
2. Click the **Customer:Job** drop-down list and select the appropriate customer or job.
3. Enter remaining information in the **Create Sales Orders** window.
4. Click Save & Close.



Invoice Sales Orders

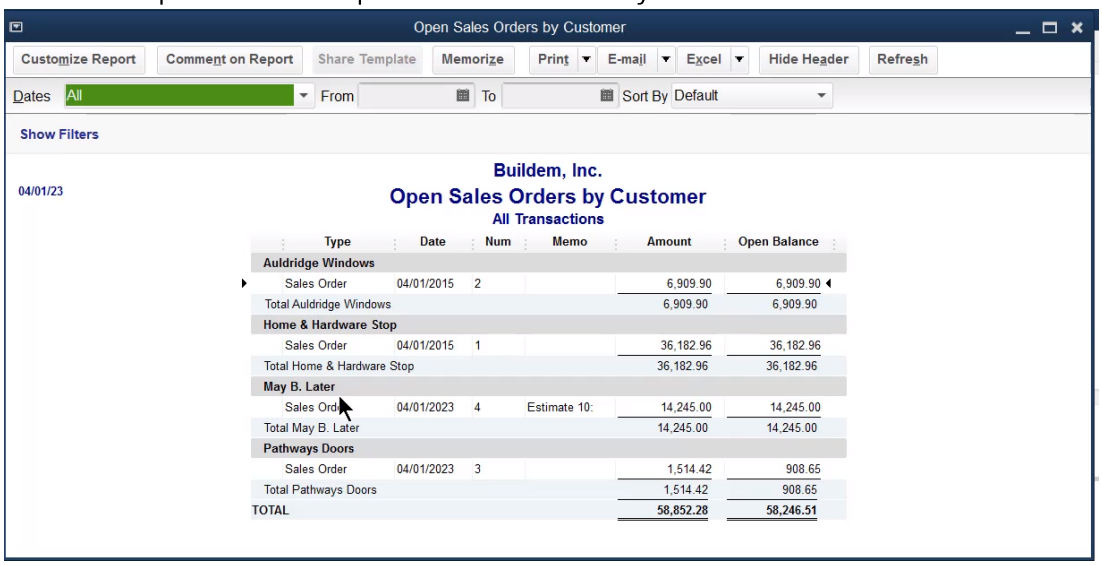
You can invoice a customer based on a sales order after receiving backordered parts.

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. Cick **OK**.
9. Enter or change appropriate information in the **Create Invoices** window.
10. Click Save & Close.

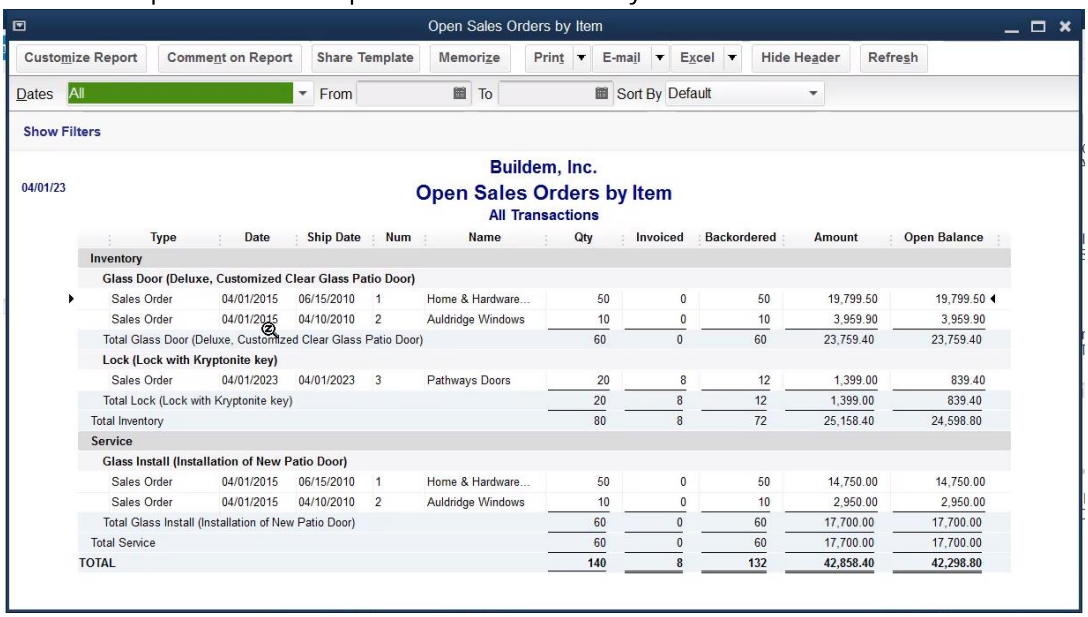


Sales Order Reports

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



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

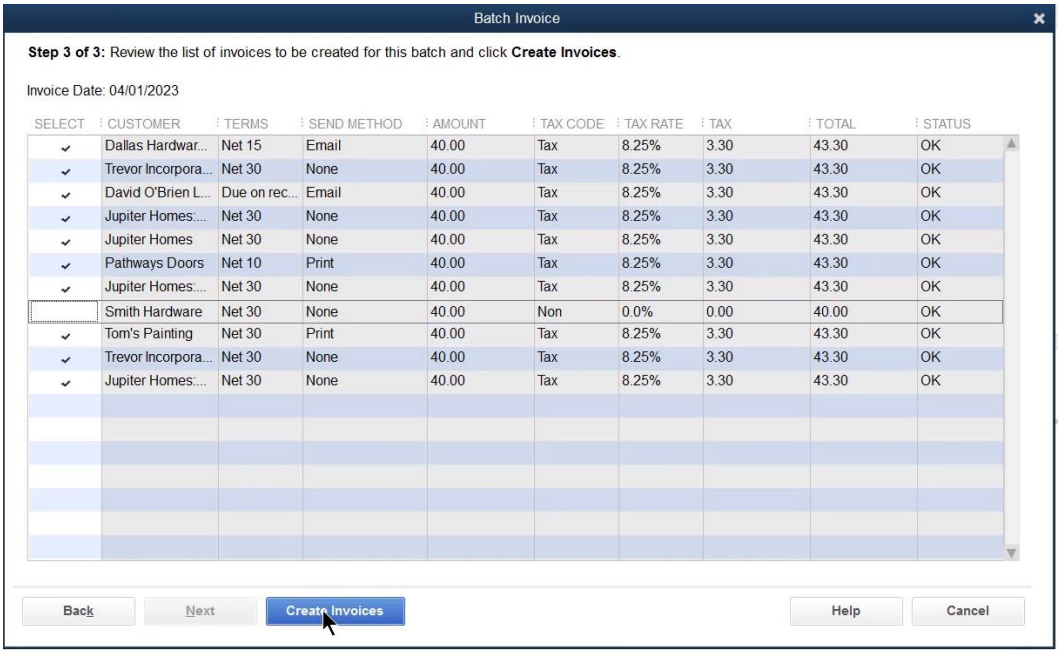


Batch Invoicing

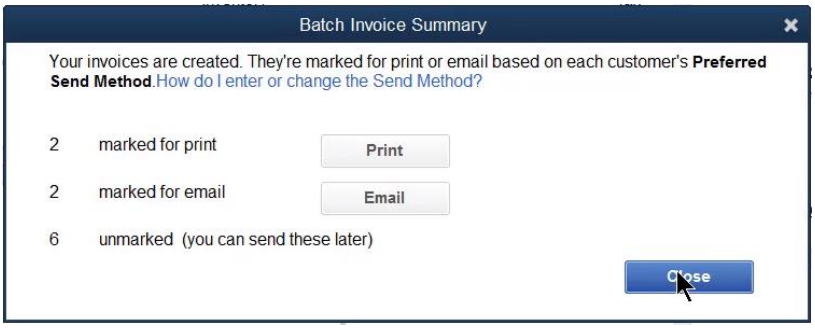
Batch invoicing makes it easy to invoice multiple customers for the same items or services. Before you create batch invoices, check your customer's information to be sure you have selected the method the customer prefers to receive invoices (email or regular mail). If a customer prefers email, be sure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



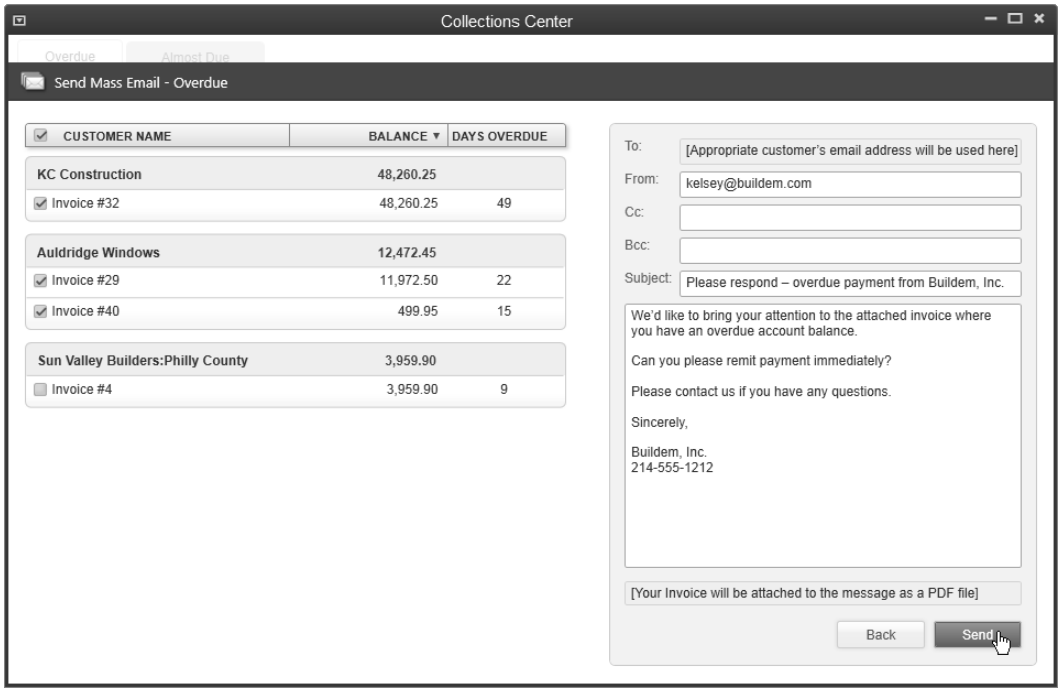
Print or Email Batch Invoices



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.

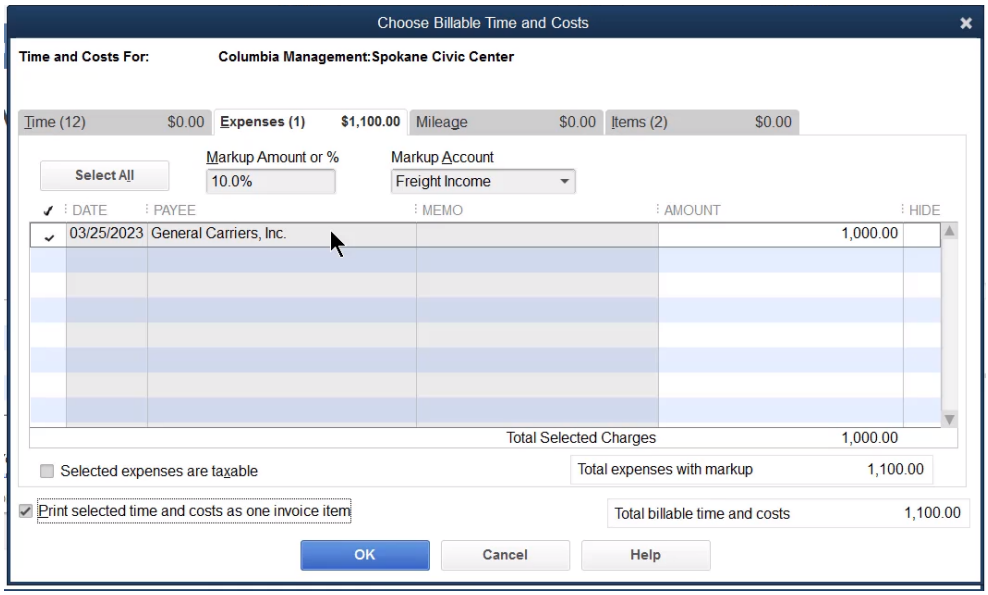
1. Select Edit:Preferences.
2. Click Sales & Customers.
3. Check the box next to Enable Collections Center.
4. Click **OK**.
5. Click **OK**.
6. In the Customer Center, click the Collections Center button.
7. Click Select and Send Email.
8. Check the box next to the customer's invoices to email.
9. (Optional)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



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.



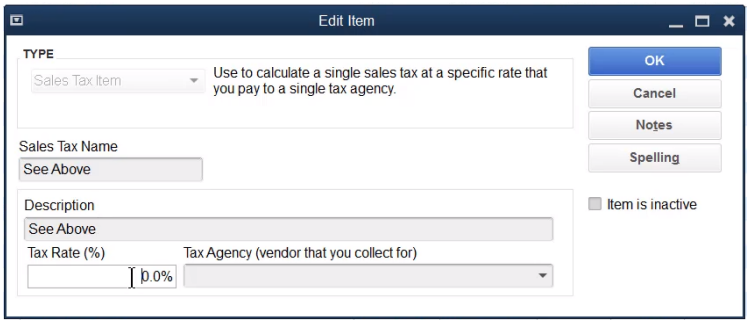
Advanced Sales Tax

Charging Multiple Sales Tax Rates

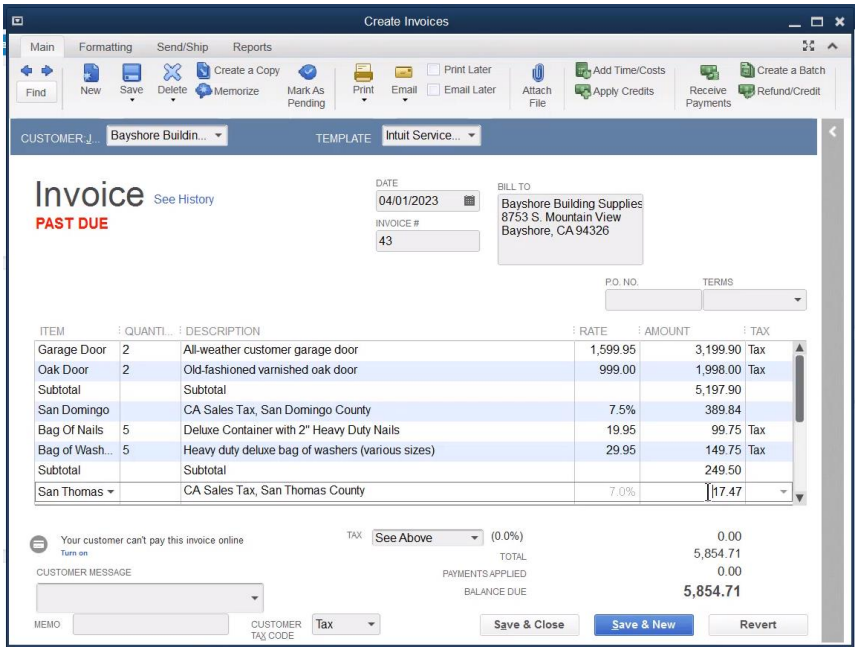
If multiple sales taxes must be applied to different portions of a sale, the regular method for handling sales tax will not work. Instead, follow these procedures to charge multiple sales tax rates on the same invoice.

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



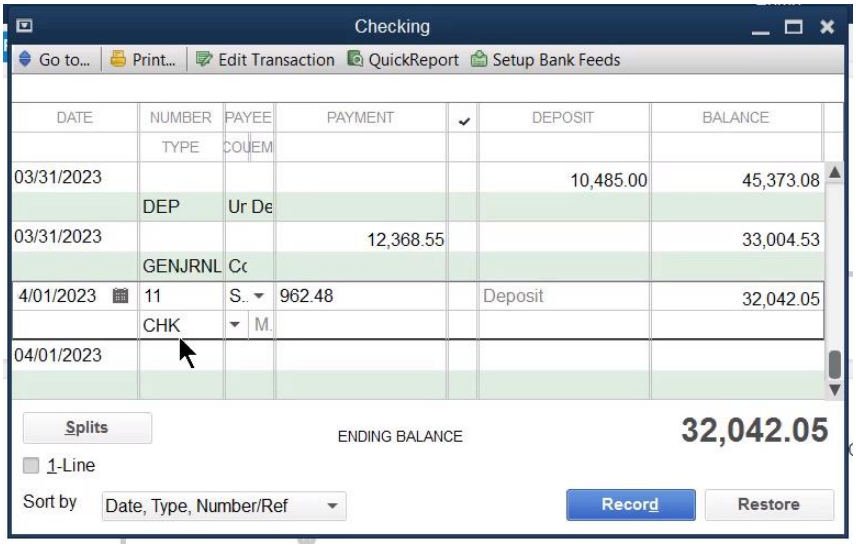
Invoice Charging Multiple Sales Tax Rates



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.



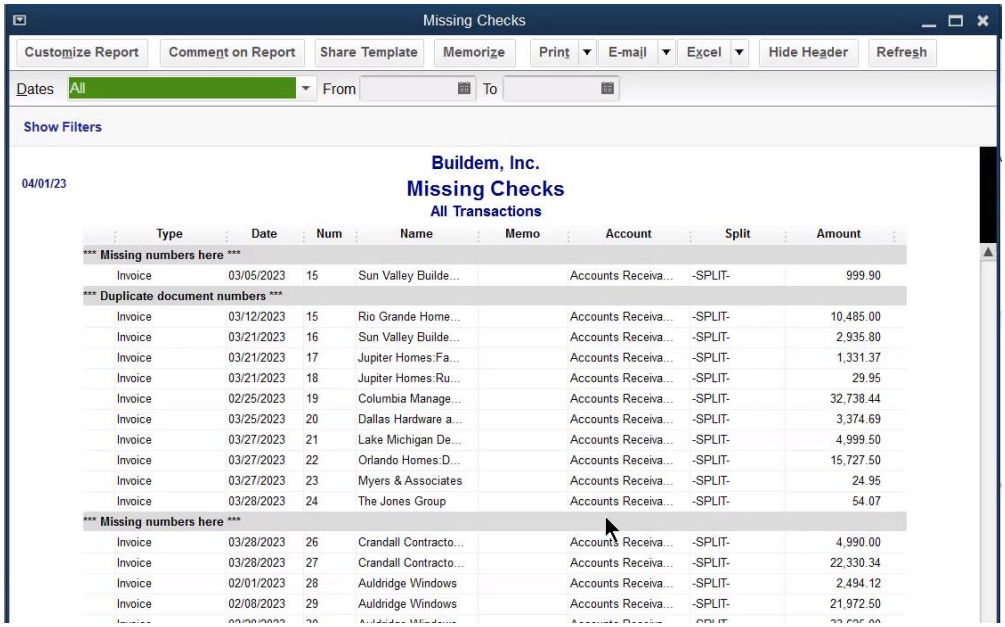
2. Pay sales tax correctly by clicking **Manage Sales Tax** on the **Home** page. If the original check was marked as *cleared* in QuickBooks, manually reconcile the new sales tax payment in the checking account register.

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**.



Aging Errors

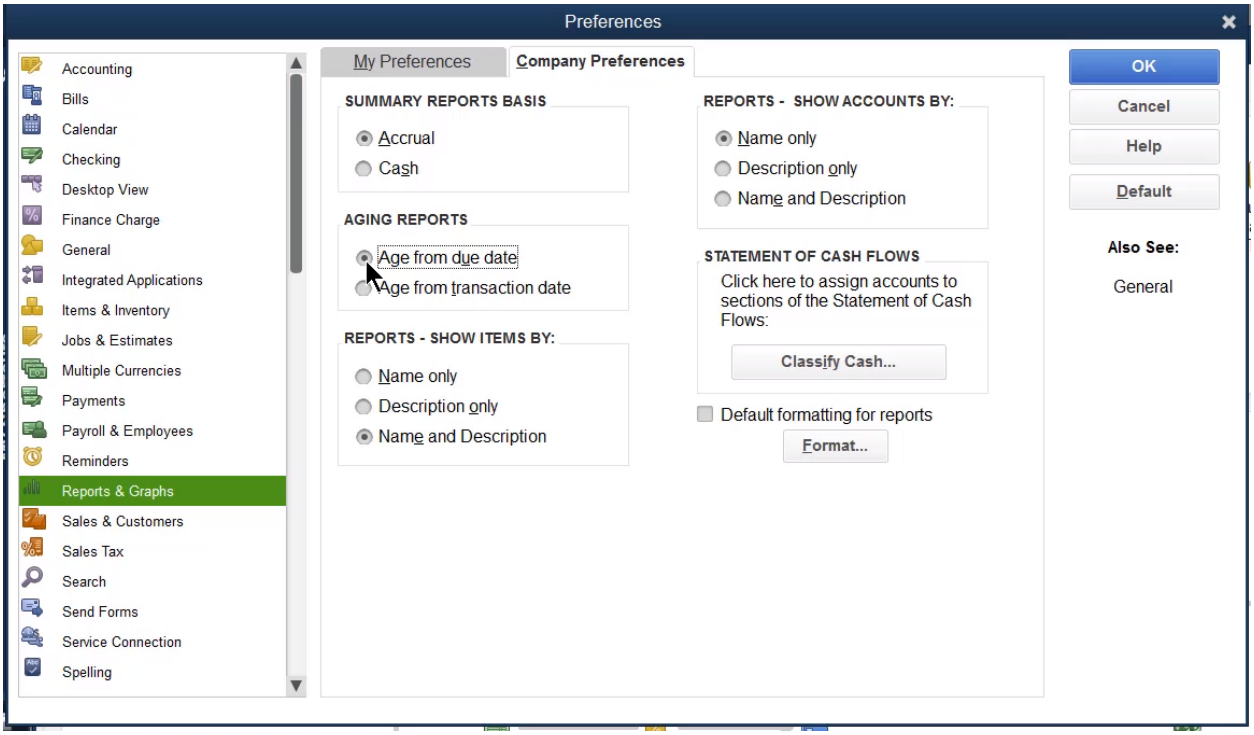
Setting the Aging Reports preference to *Age from transaction date* means QuickBooks shows all invoices as due the day after they were issued! This causes errors on aging reports and customer statements. Follow these steps to fix this error.

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

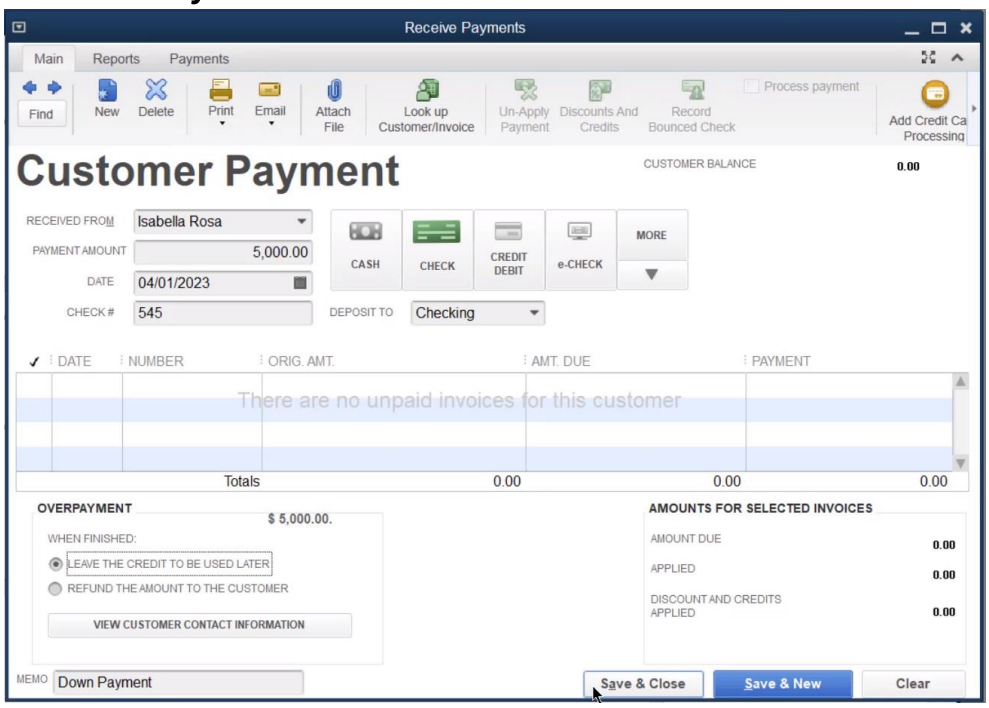
Sales Transaction Workarounds

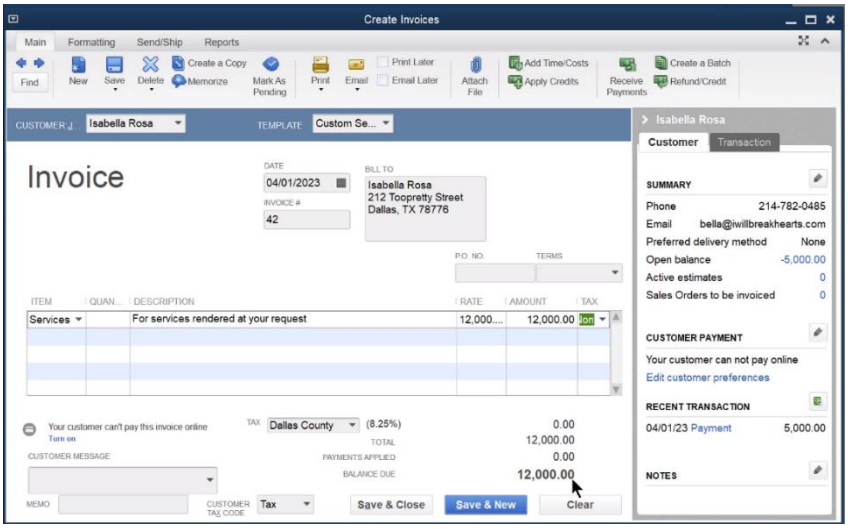
Customer Deposits-Method 1

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

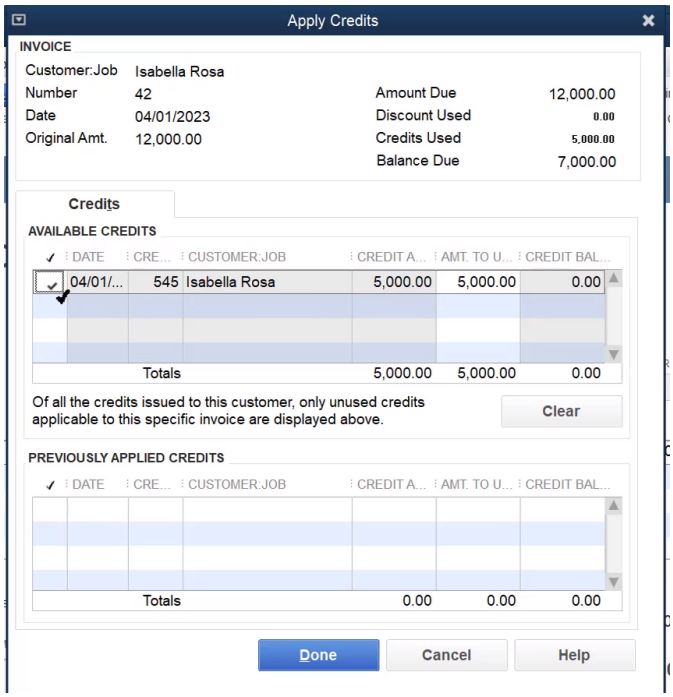




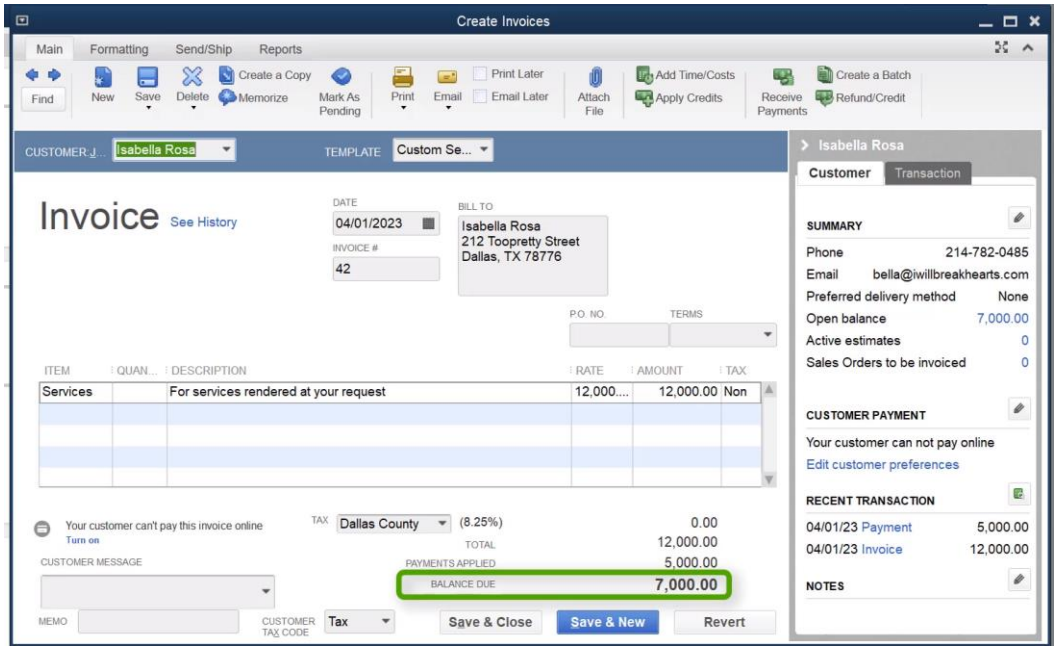
Step 2. Invoice Customer

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.



Down Payment "Credit" Applied

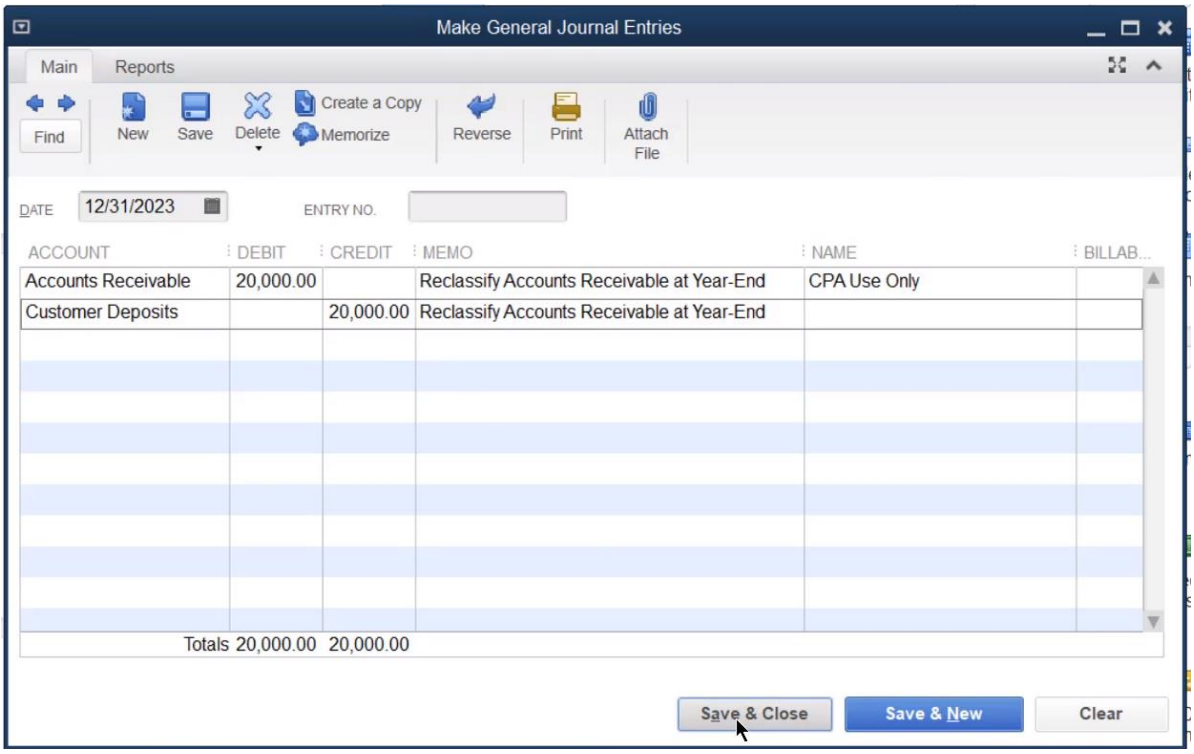


4. Print Invoice with Balance Due

	Total	$12,000.00
	Payments/Credits	-$5,000.00
	Balance Due	$7,000.00

Reclassification Journal Entry

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

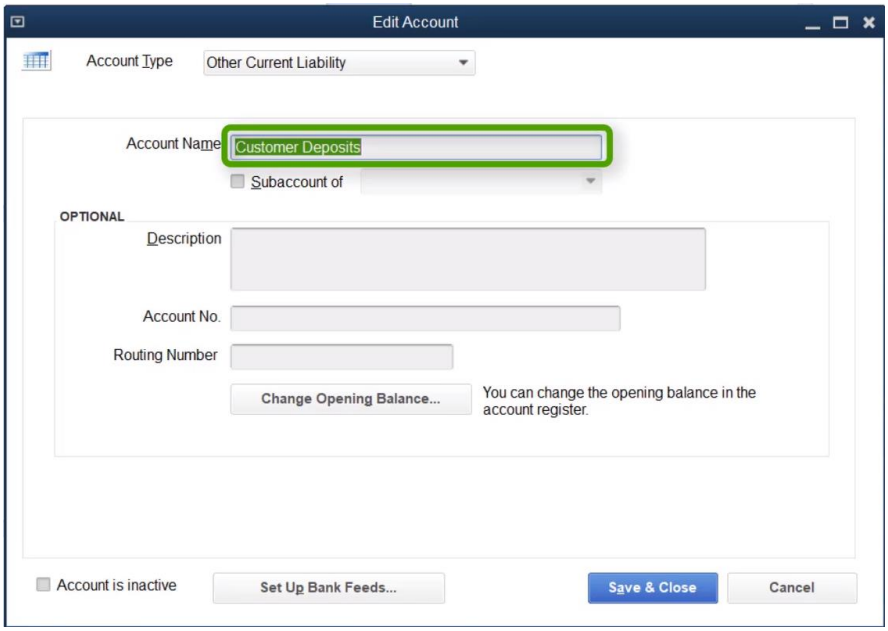


Customer Deposits-Method 2

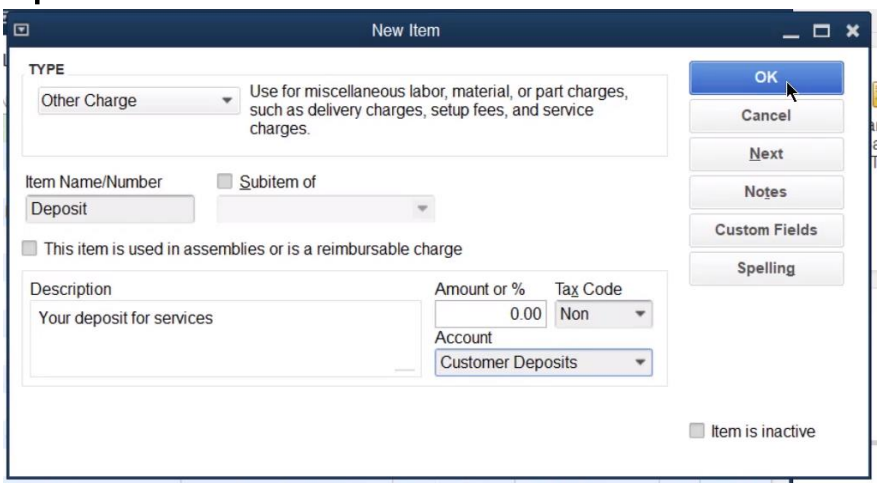
This method involves tracking customer deposits/down payments in a separate liability account. To use this method, follow these steps.

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

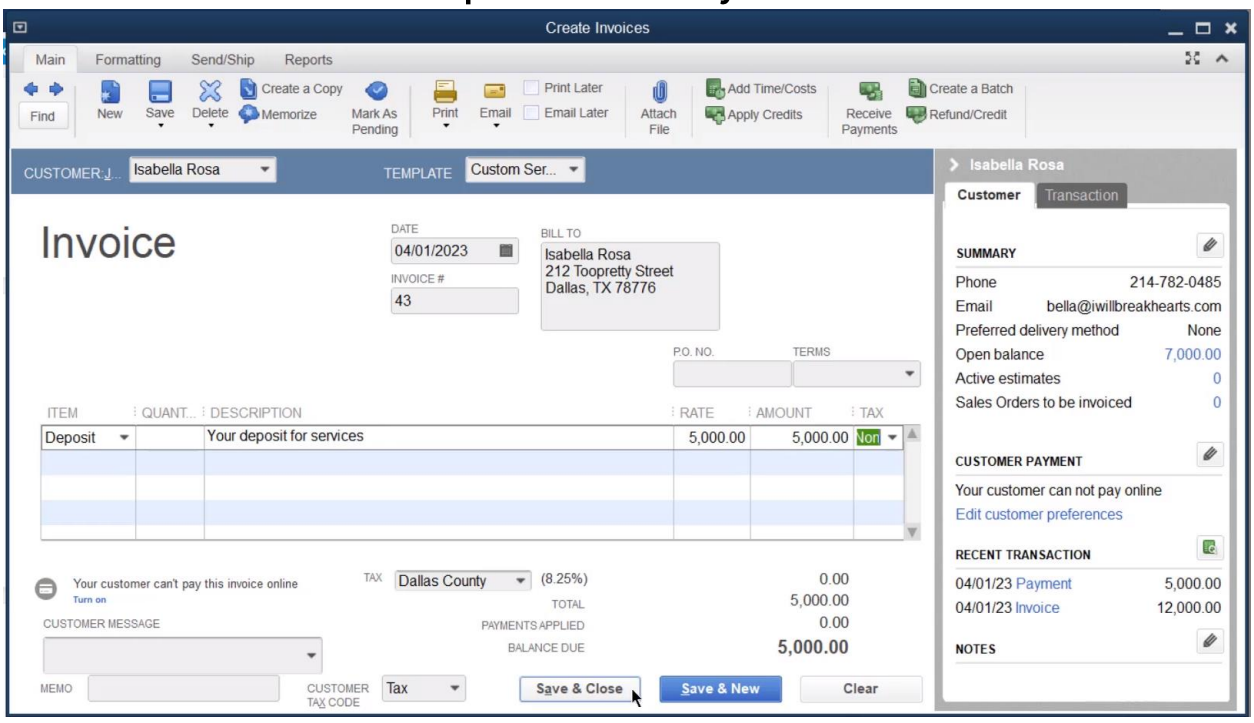
1. Add Customer Deposits Liability Account



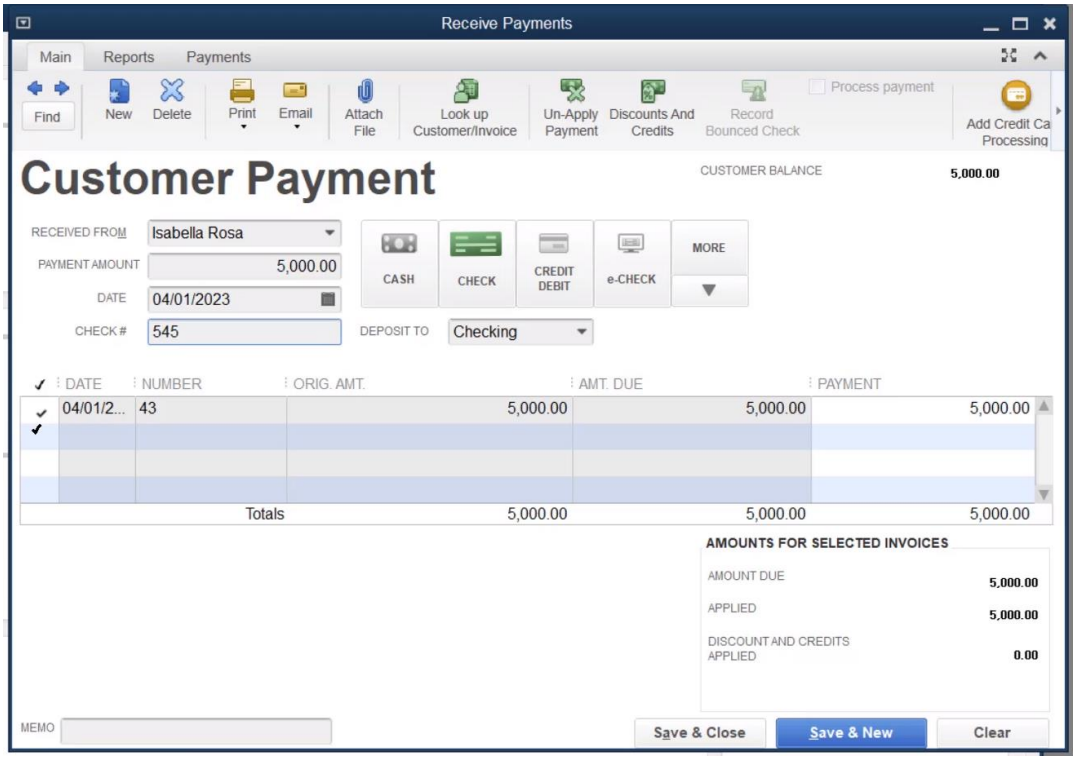
2. Create Deposit Item



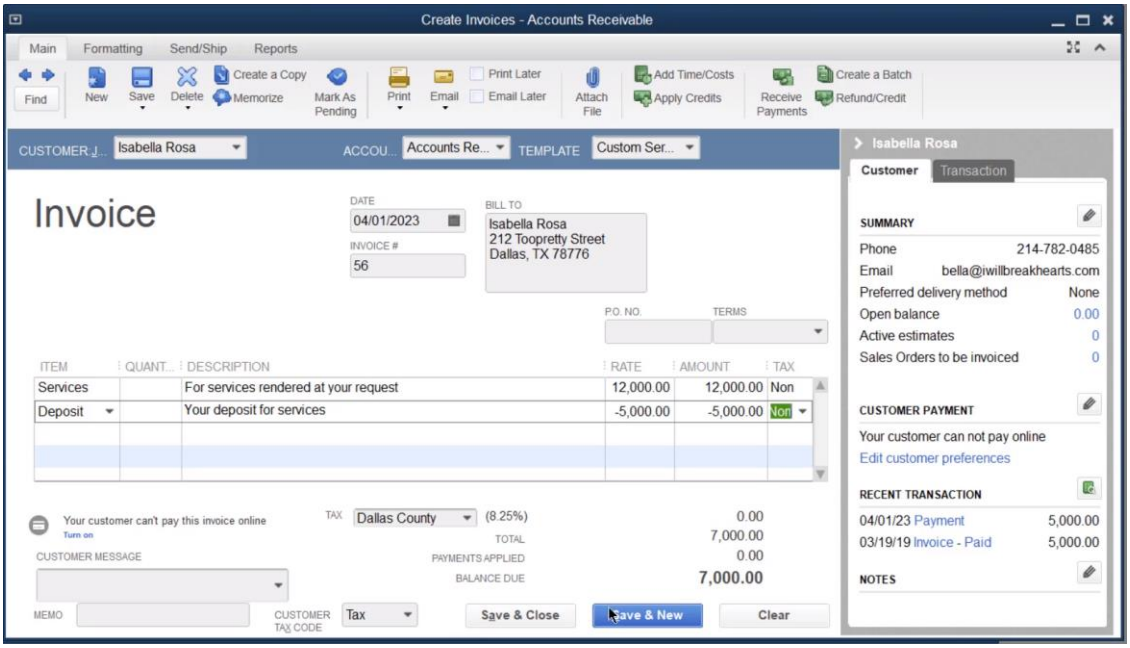
3. Invoice Customer for Deposit/Down Payment



4. Receive Payment from Customer



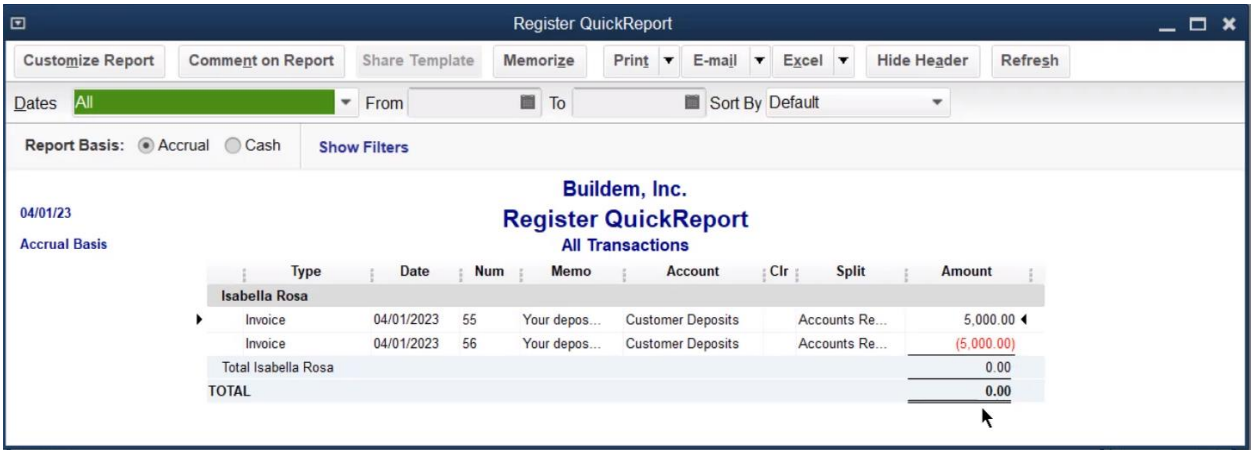
5. Final Invoice With Deposit Applied



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 113**.

Customer Deposits Support Schedule



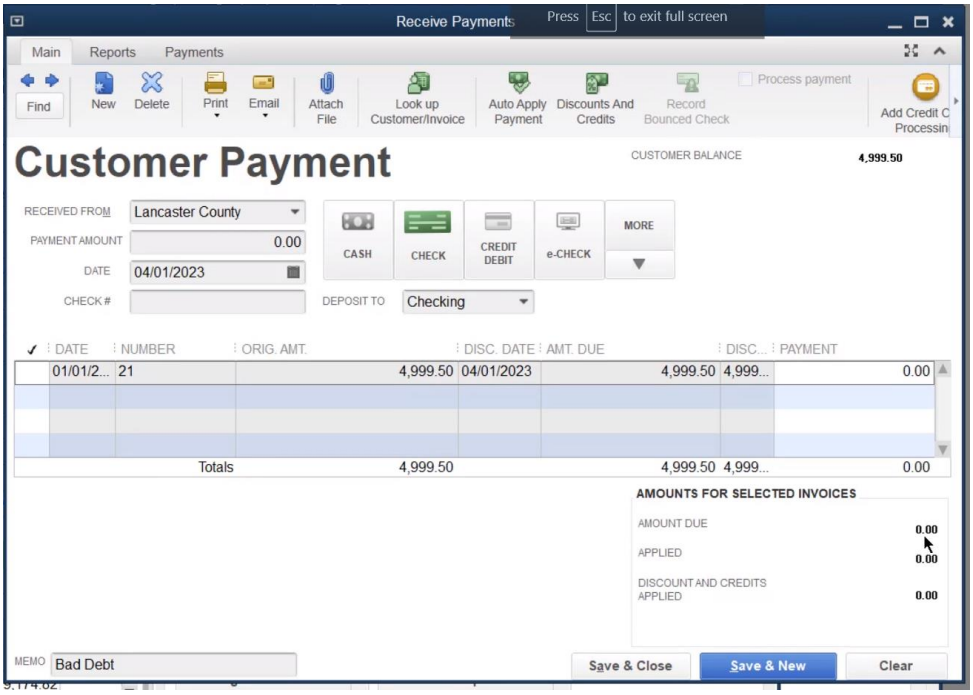
Bad Debts

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.



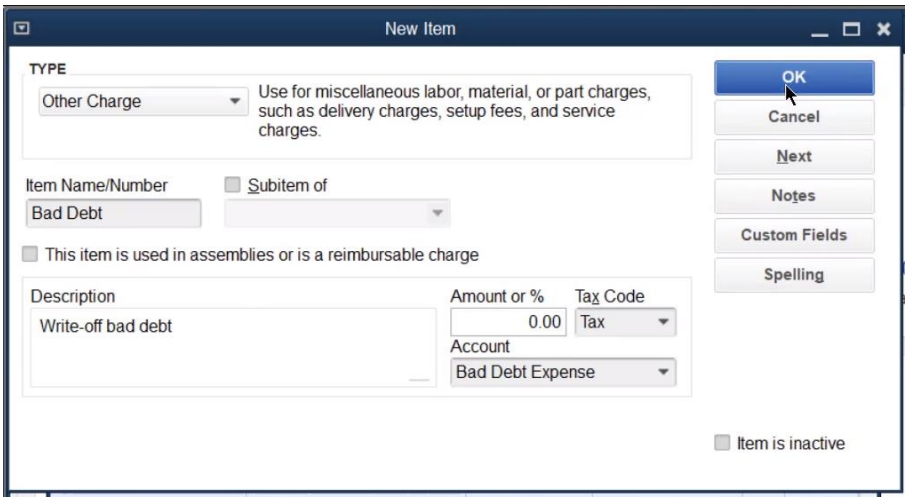
Method 2-Sales Tax

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

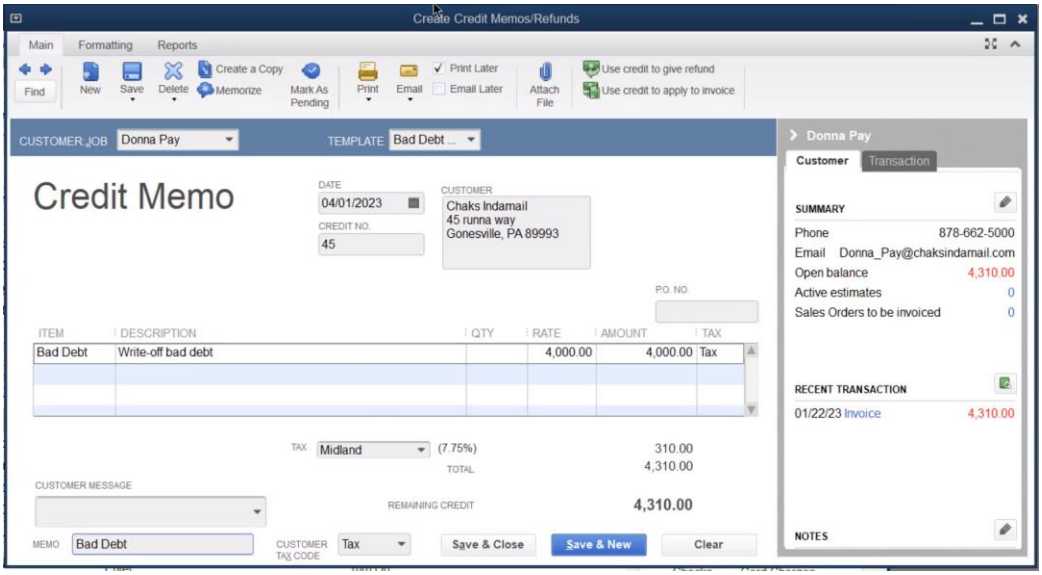
1. Click the **Items & Services** icon on the **Home** page.
2. Click the **Item** button.
3. Select **New** from the menu.
4. Click the **Type** drop-down list and select **Other Charge**.
5. Enter Bad Debt as the Item Name/Number.
6. Click the **Account** drop-down list and select an appropriate bad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



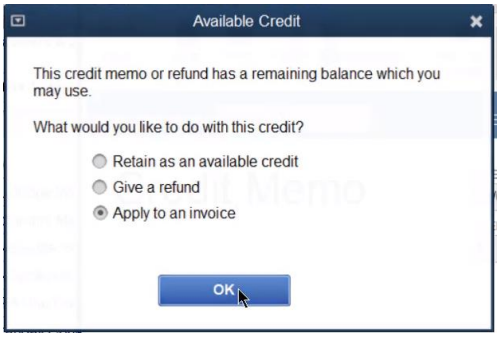
Step 2. Issue Credit Memo

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**.

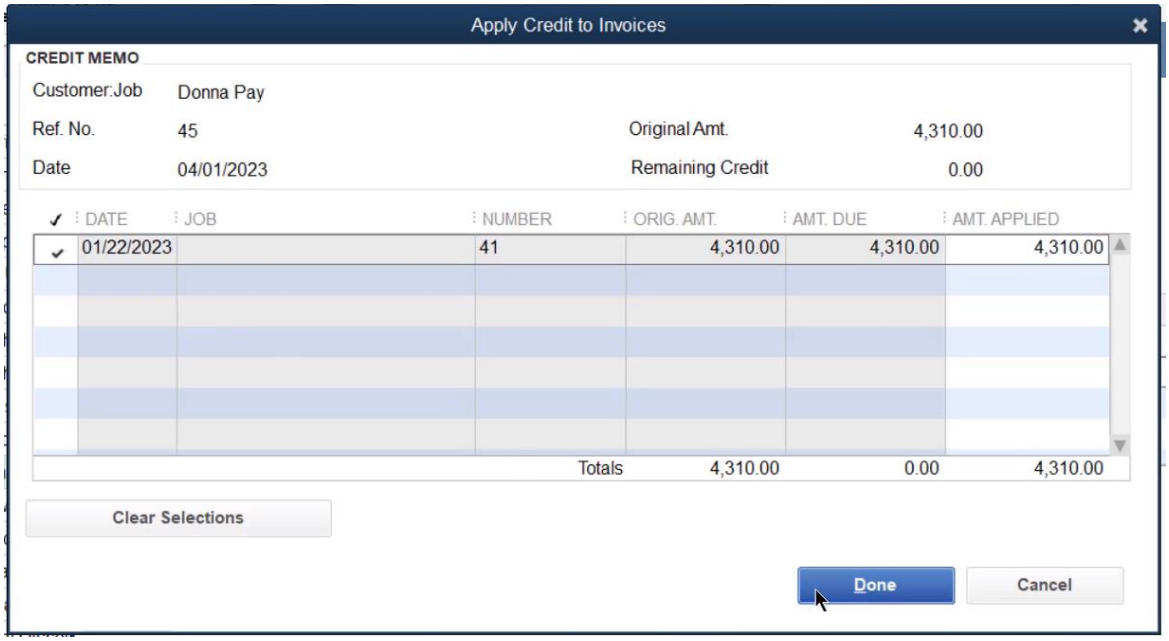
Create Credit Memos/Refunds



Available Credit



Step 3. Apply Credit to Invoices



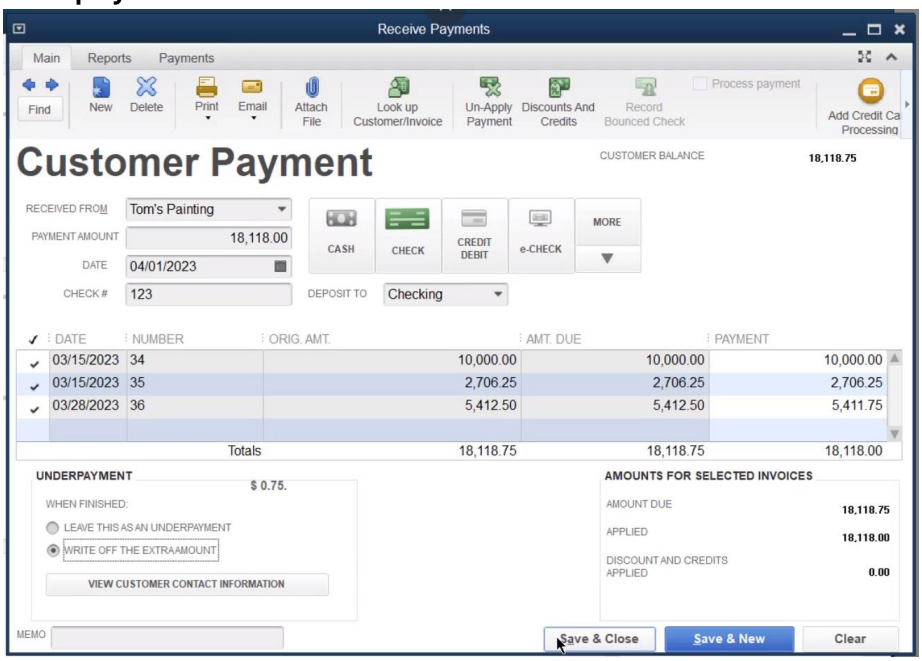
Customer Under/Over Payments

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



Write Off Amount

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

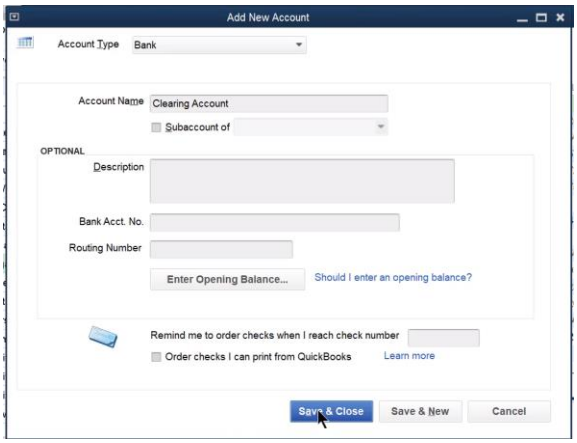
1. Click the **Receive Payments** icon on the **Home** page.
2. Click the **Received From** drop-down list and select the appropriate customer or job.
3. Click the **Discount & Credits** button.
4. Make the appropriate selections in the **Apply Credits** window.
5. Click **Done**.
6. Click Save & Close.

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.

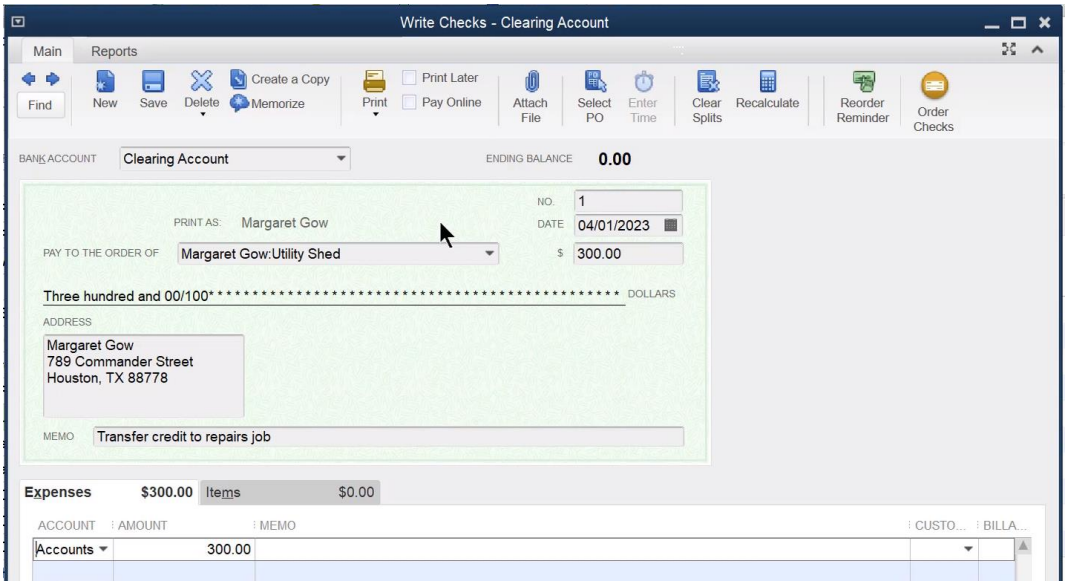
- Set up Clearing Account
- Remove the credit from Customer/Job1
- Apply the credit to Customer/Job2

Step 1. Set Up Clearing Account



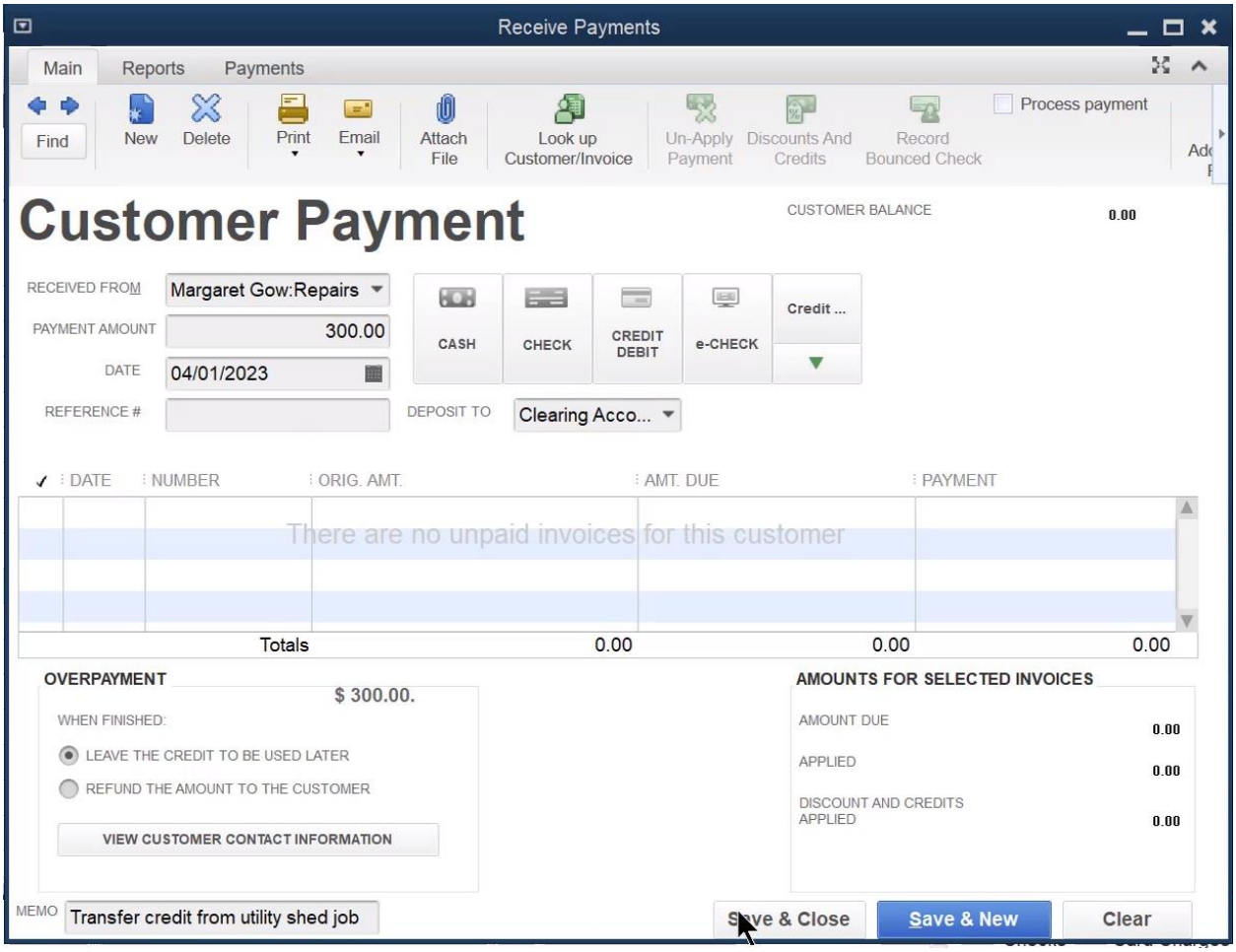
Step 2. Remove Credit from Customer/Job 1

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.



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.

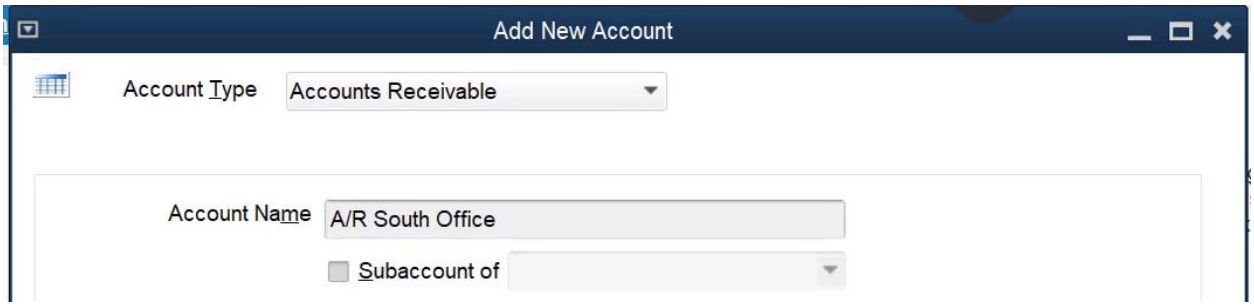


*The **Deposit to** option may not be enabled in your QuickBooks. Turn this option on by selecting **Edit:Preferences** from the menu. Click **Payments** in the list to the left. Click the **Company Preferences** tab. Uncheck the box next to **Use Undeposited Funds as a default deposit to account**.

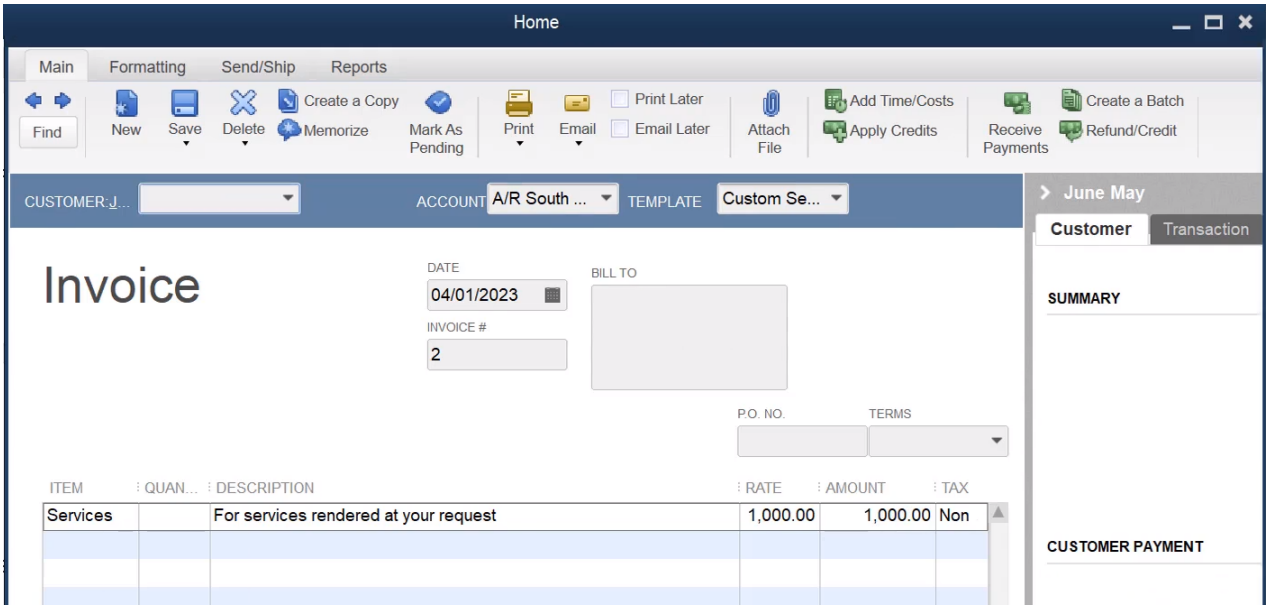
Multiple A/R Accounts

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:

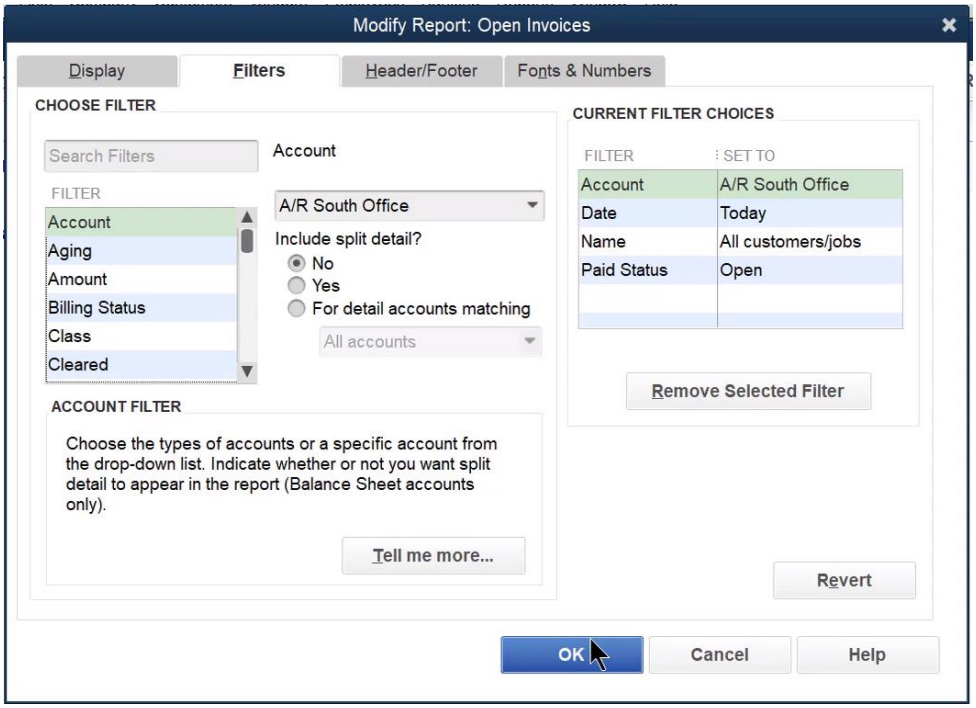
- Enter Invoices
- Receive Payments
- Issue Credit Memos
- Enter Statement Charges
- Create Statements
- Assess Finance Charges
- Print Invoices and Credit Memos



Invoice



Report Filter

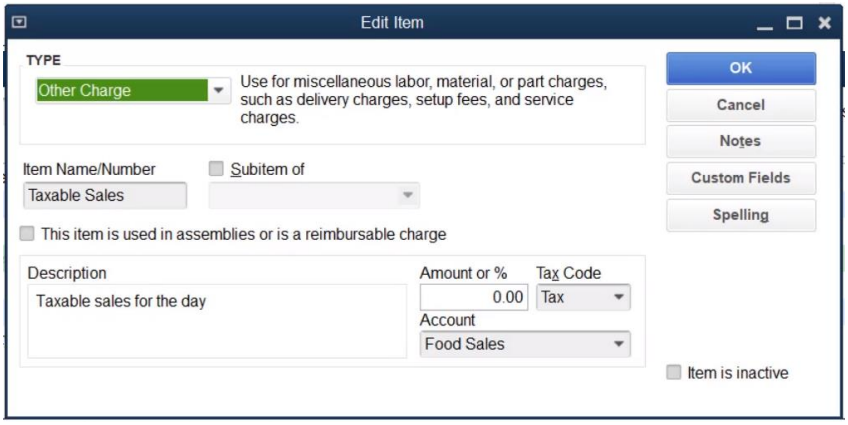


Retail Sales

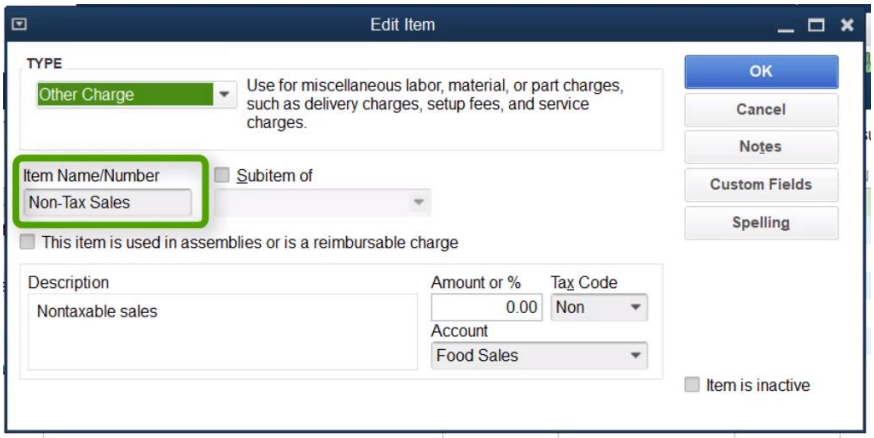
Items for Retail Sales

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**.

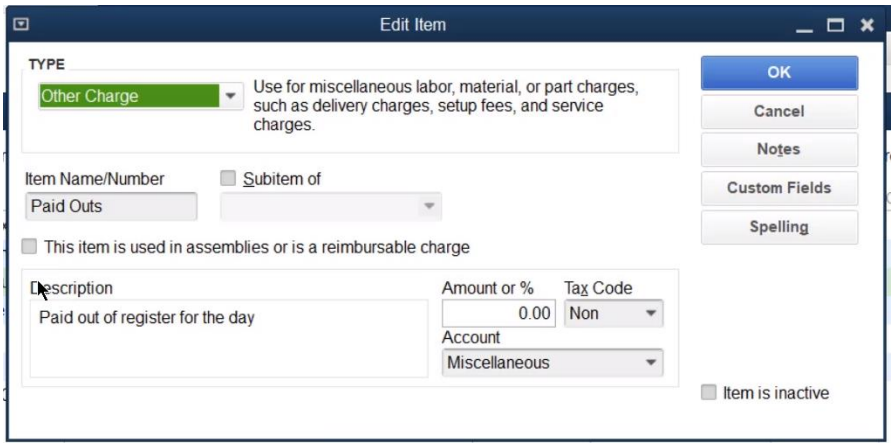
Taxable Sales



Non-taxable Sales

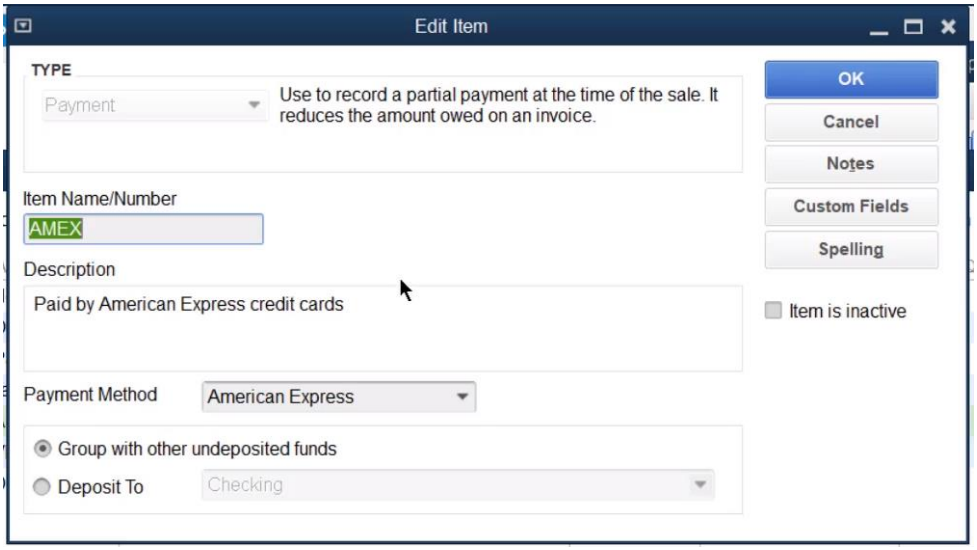


Paid-Outs

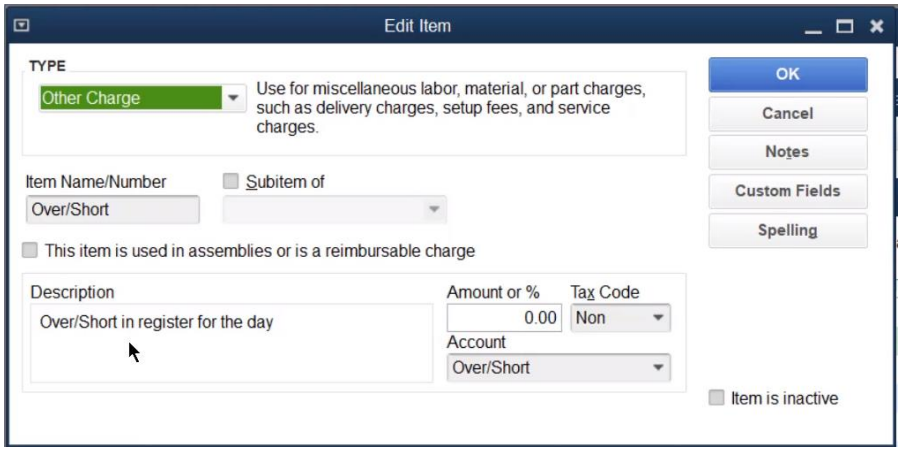


Set up separate "paid out" items for expenses other than miscellaneous.

Payment

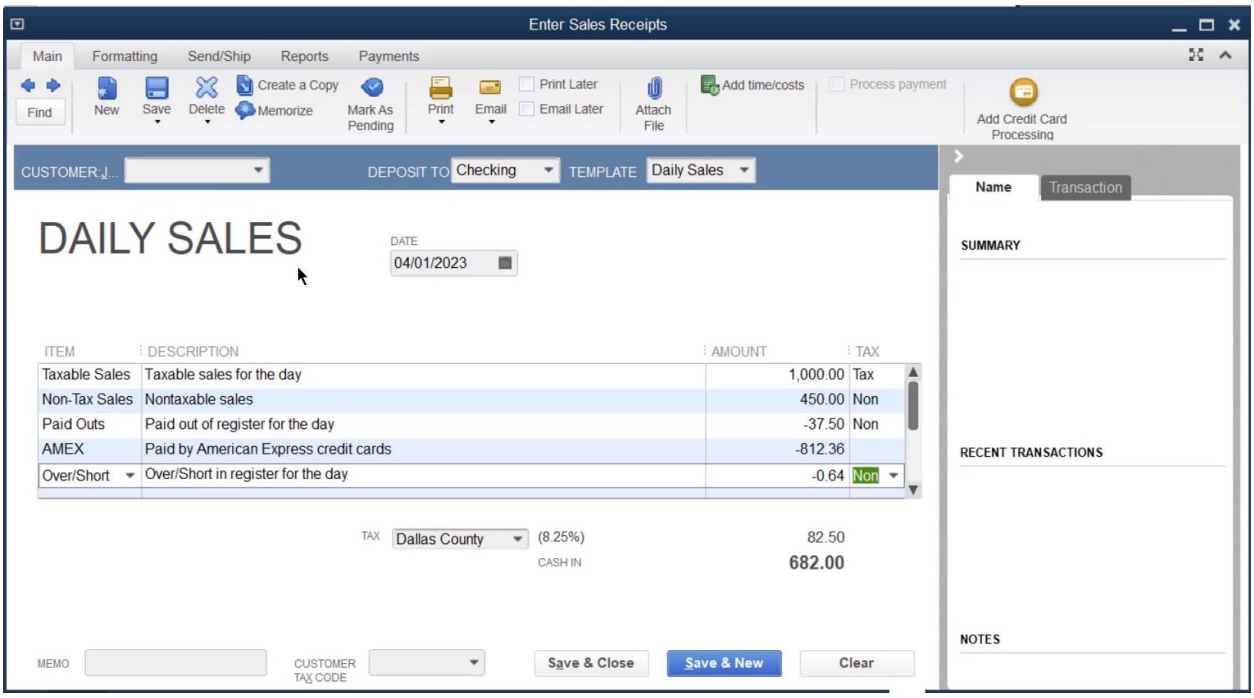


Over/Short



Daily Sales Entry

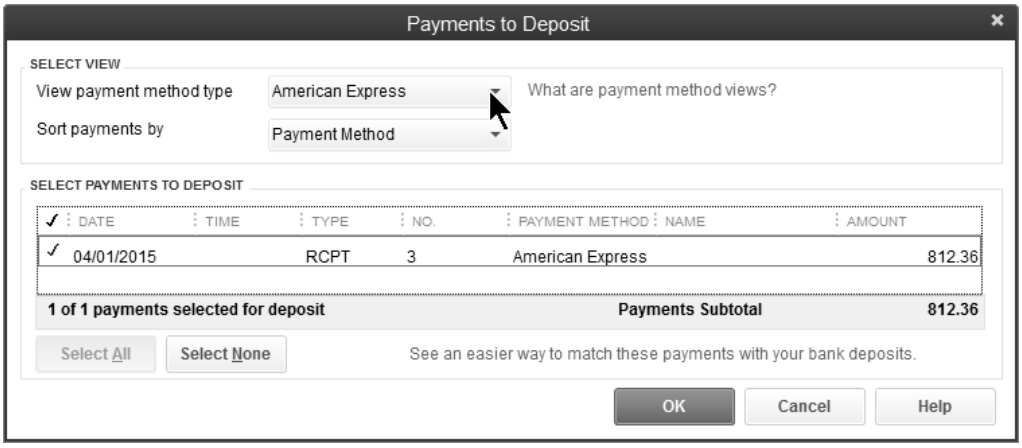
1. Click the **Create Sales Receipts** icon on the **Home** page.
2. Select a **Customer:Job** from the drop-down list. (Optional)
3. Enter remaining information in the **Enter Sales Receipts** window.
4. Click Save & Close.



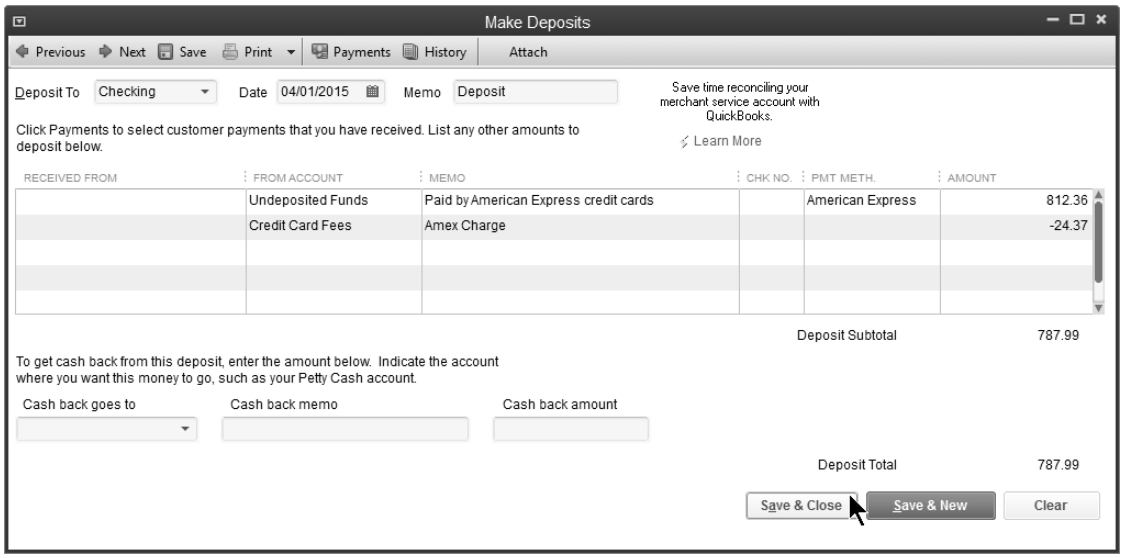
Deposit Credit Card Receipts

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



Make Deposit



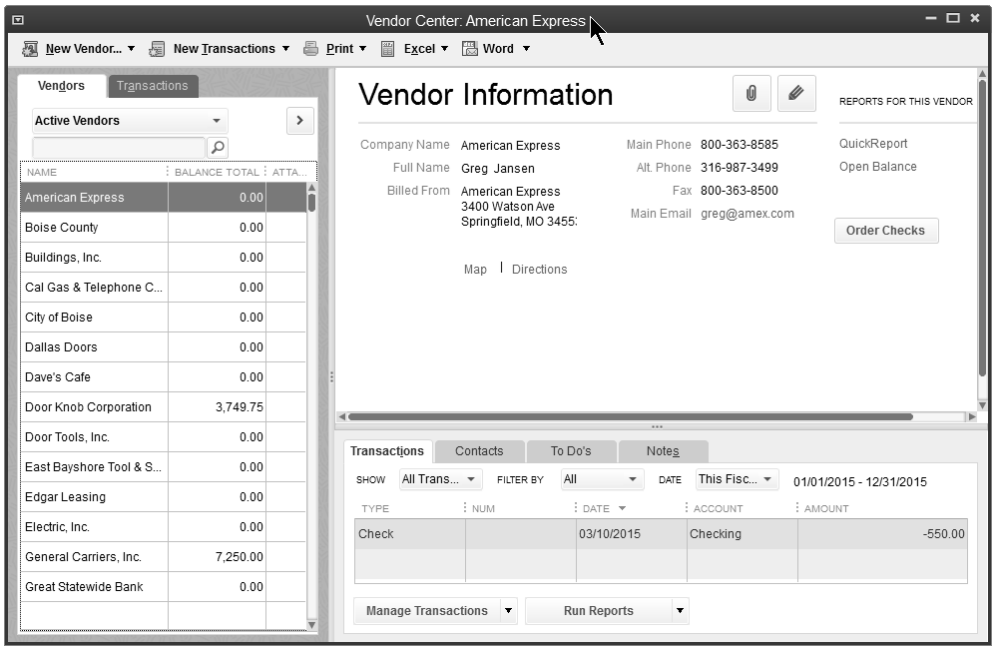
Chapter 7

Purchases & Payables

Review

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

Vendor Center

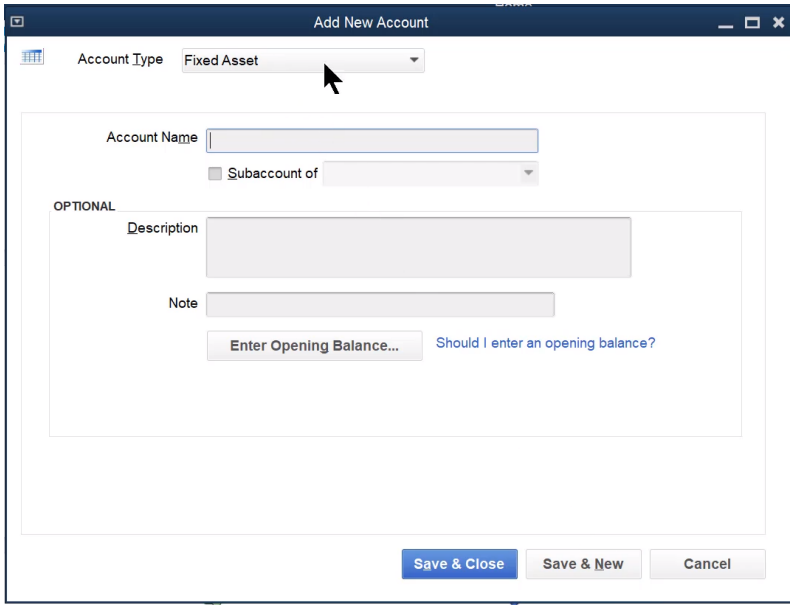


Purchase Fixed Assets

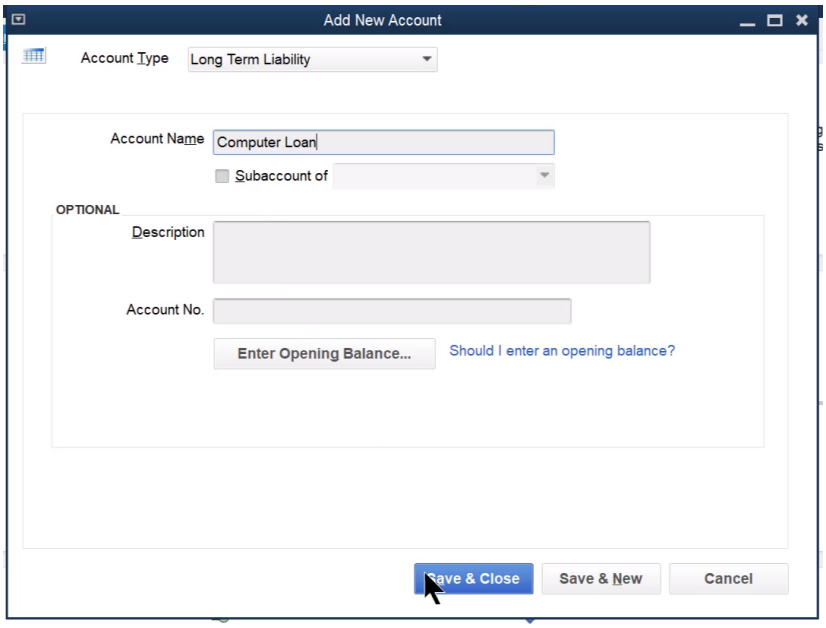
A Fixed Asset Tracker is available in QuickBooks. You create *Fixed Asset Items* to track relevant information for each fixed asset. To enter the purchase of a fixed asset, follow these steps:

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

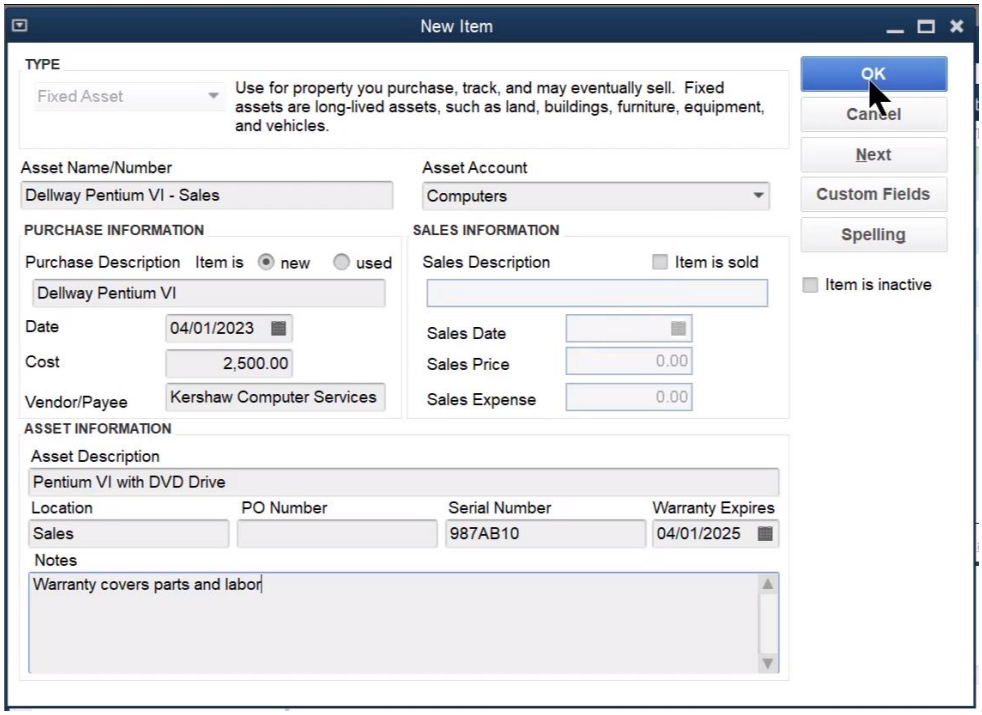


Liability Account

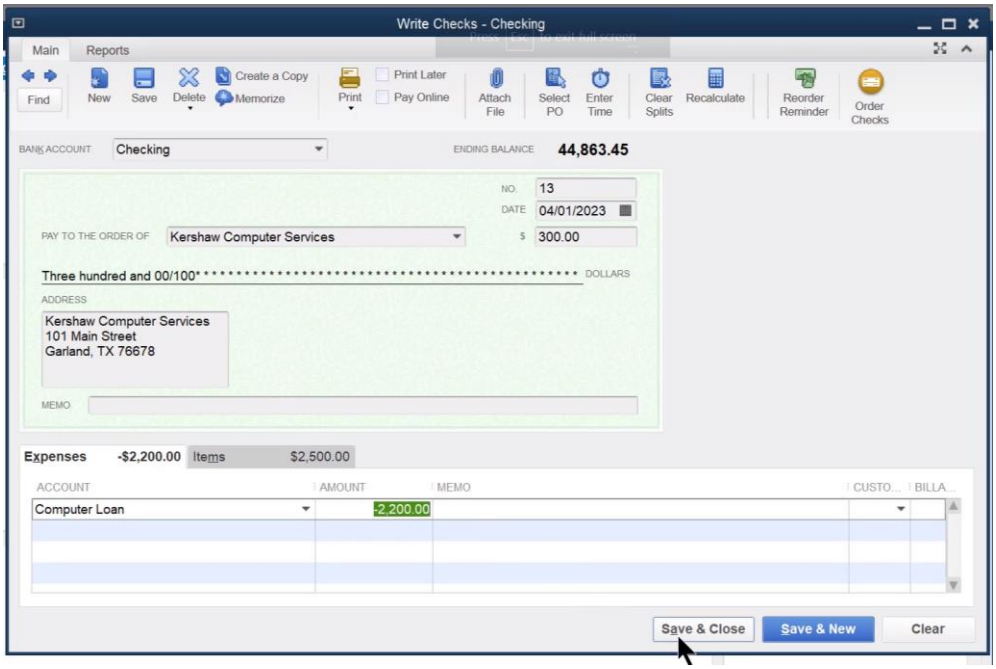


Fixed Asset Item

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**.



Purchase Fixed Asset

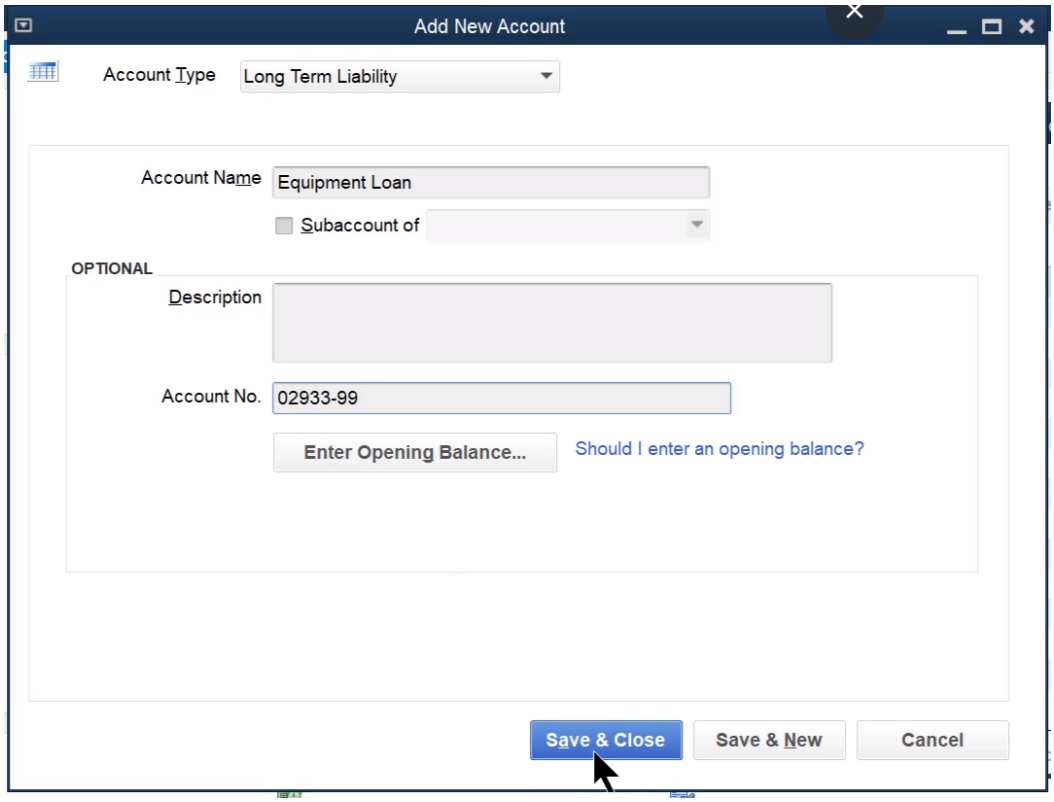


Loan Manager

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.

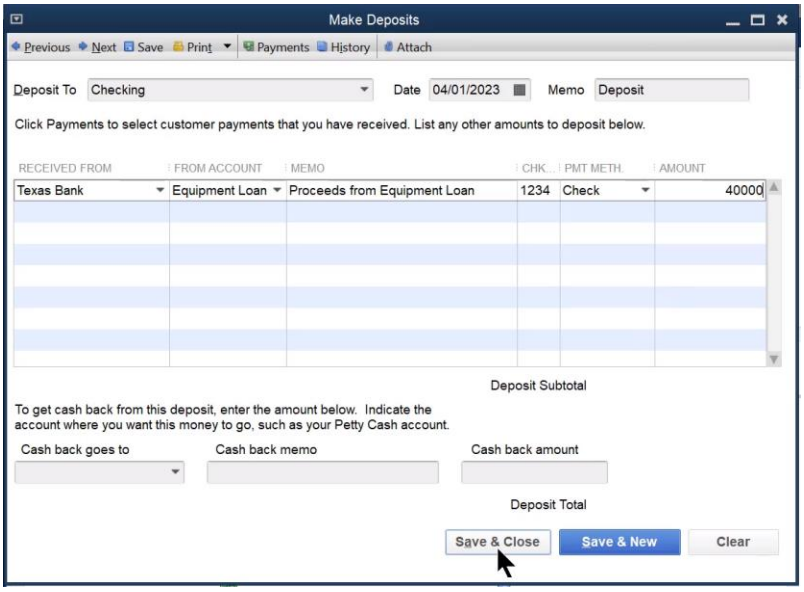
Add Loan Account

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**.



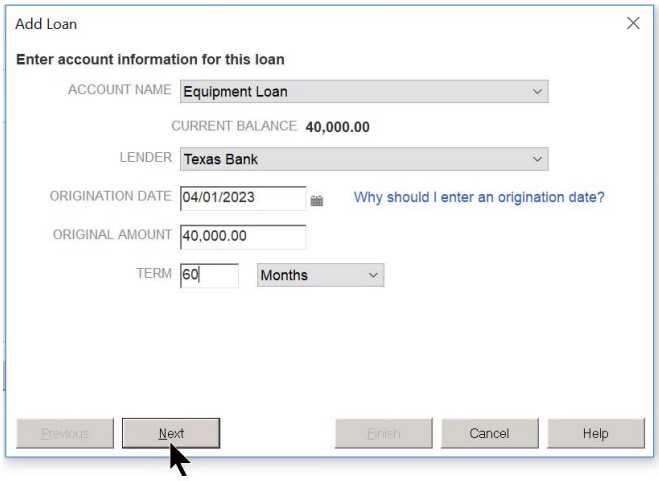
Deposit Loan Proceeds

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.



Add Loan to Loan Manager

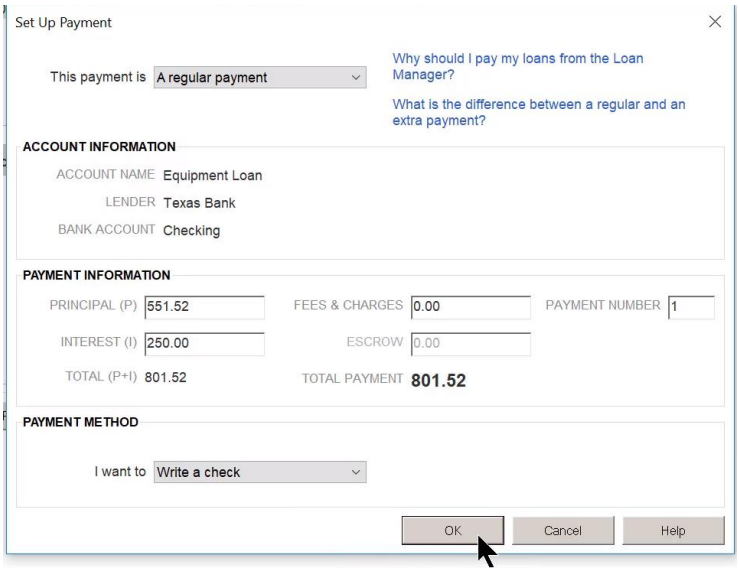
1. Select **Banking:Loan Manager** from the menu.
2. Click the **Add a Loan** button.
3. Enter appropriate information in the **Add Loan** windows.
4. Click **Finish** in the last **Add Loan** window.



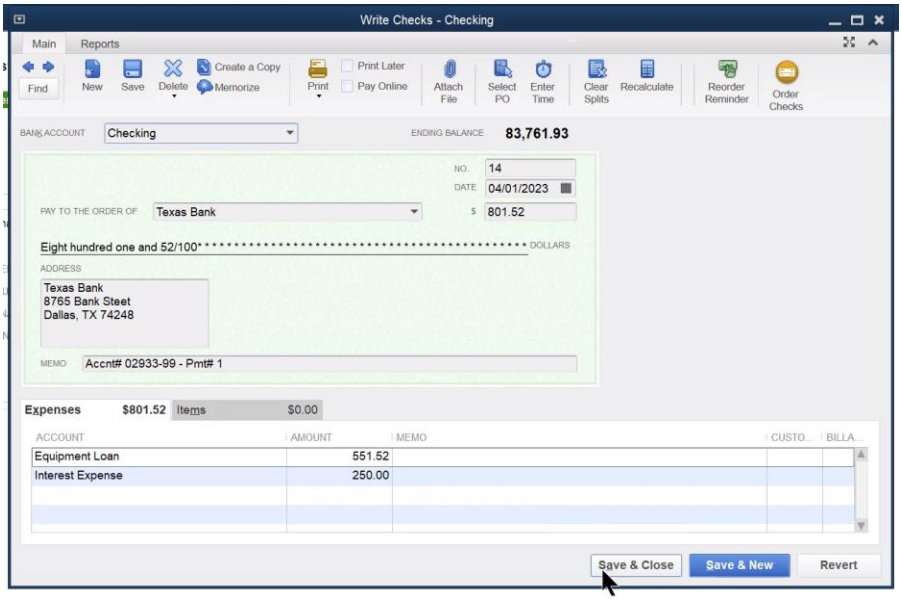
Make Loan Payment from Loan Manager

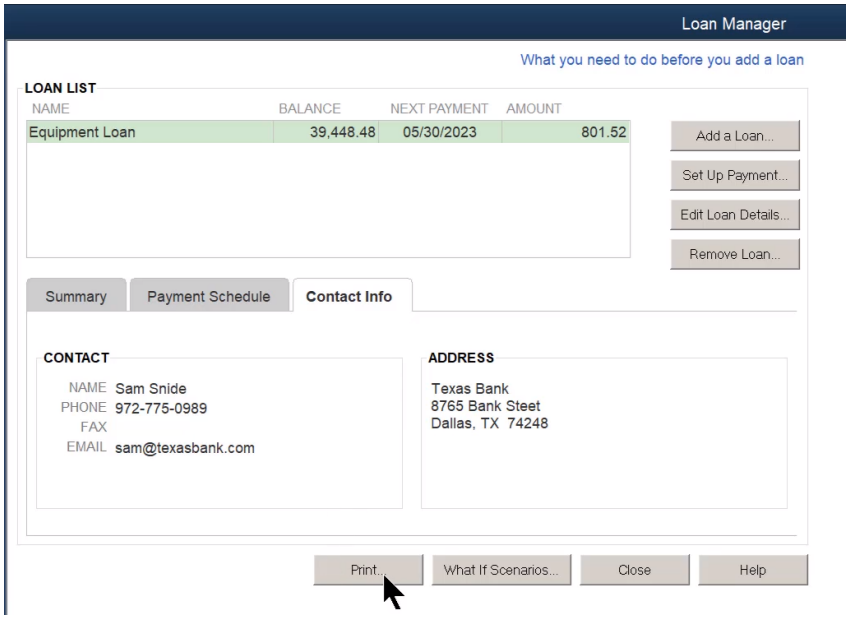
1. Select **Banking:Loan Manager** from the menu.
2. Select the appropriate loan in the loan list.
3. Click the **Set Up Payment** button.
4. Change information in the **Set Up Payment** window (if appropriate).
5. Click **OK**.
6. Change information in the **Write Checks** or **Enter Bills** window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

Set Up Payment



Loan Payment


Write Checks - Checking
Main
Reports
Find
New
Save
Delete
Create a Copy
Memorize
Print
Print Later
Pay Online
Attach File
Select PO
Enter Time
Clear Splits
Recalculate
Reorder 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* * * *

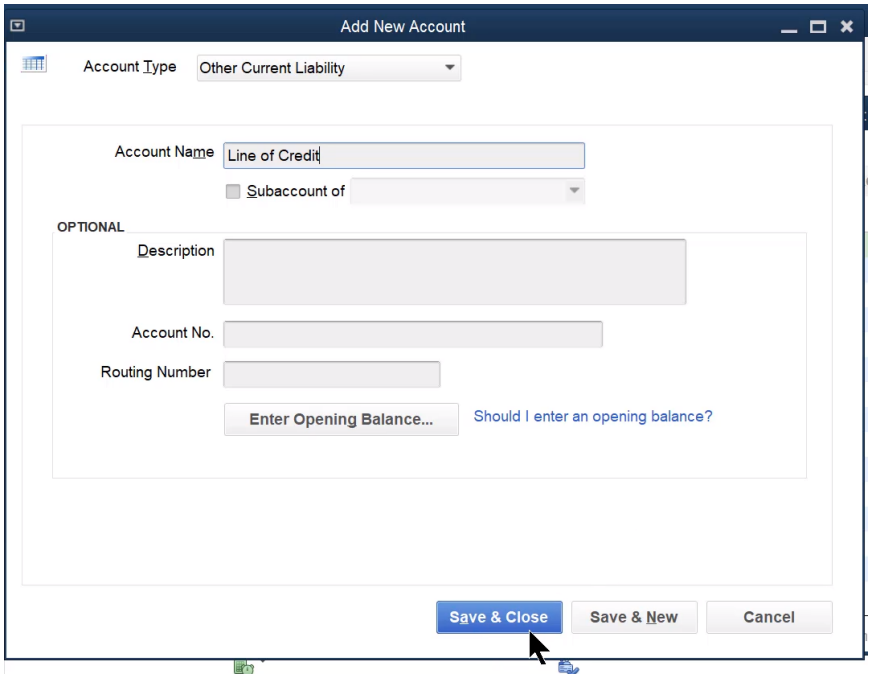


Lines of Credit

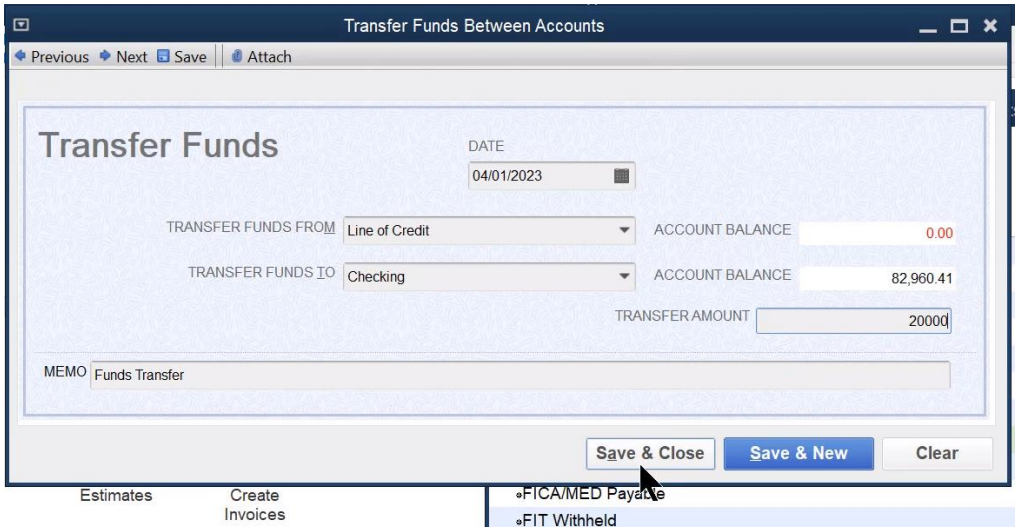
Use the following steps to track the use and payback of a line of credit.

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

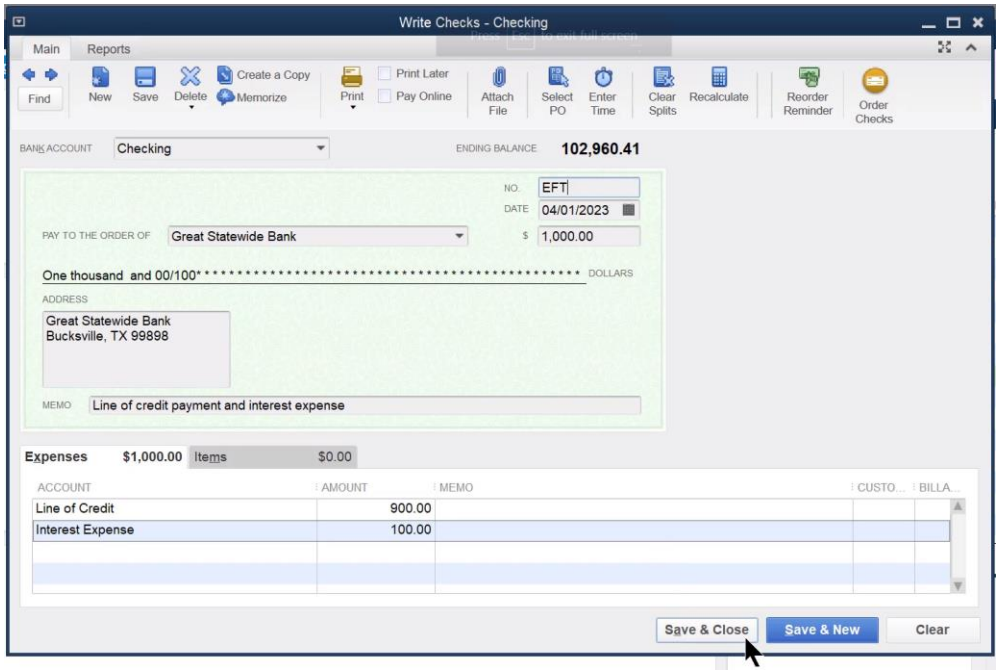
1. Set Up Liability Account to Track Line of Credit



2. Transfer Funds to Checking Account



3. Write Check to Pay Line of Credit



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

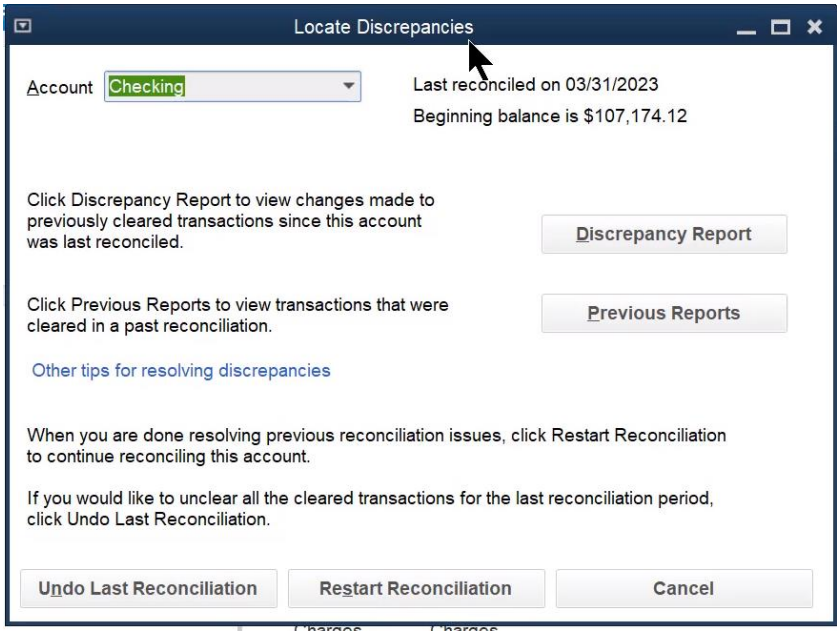
Reconcile Bank Accounts

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.

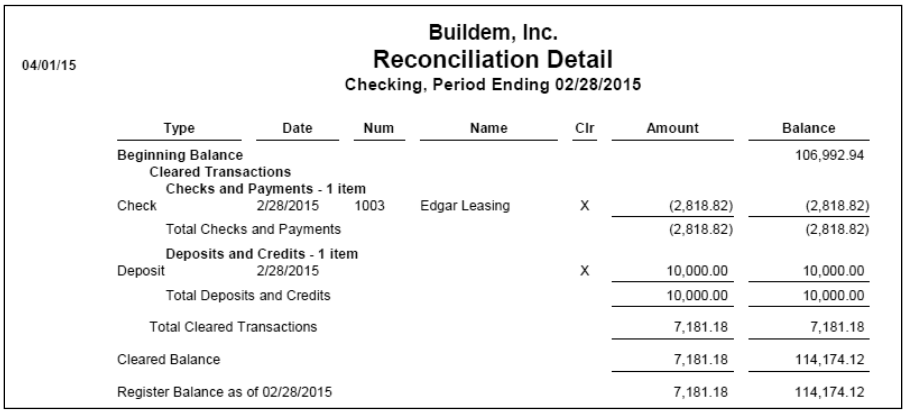


Review Previous Reconciliation Report

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**.



04/01/15

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

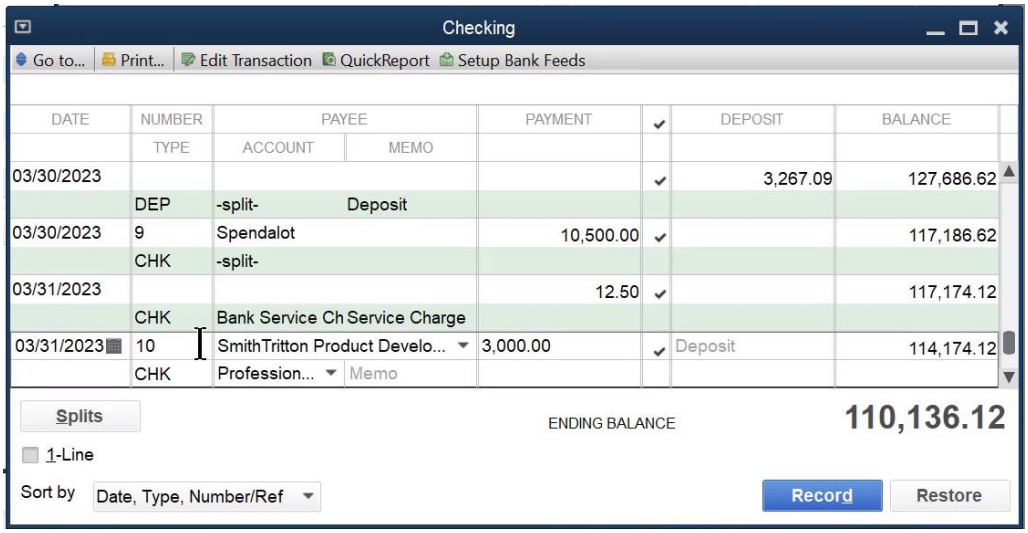
Run Reconcile Discrepancy Report

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

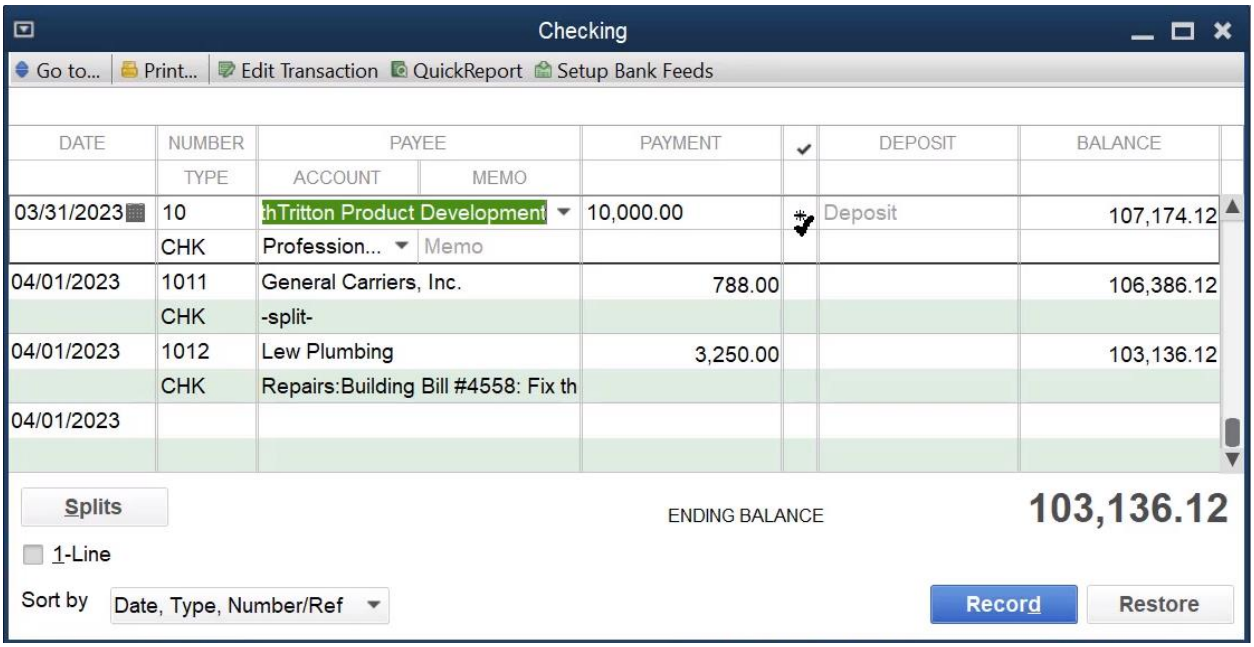
1. Select **Banking:Reconcile** from the menu.
2. Click the **Account** drop-down list and select the appropriate bank account.
3. Click the Locate Discrepancies button.
4. Click the **Discrepancy Report** button.



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.



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:

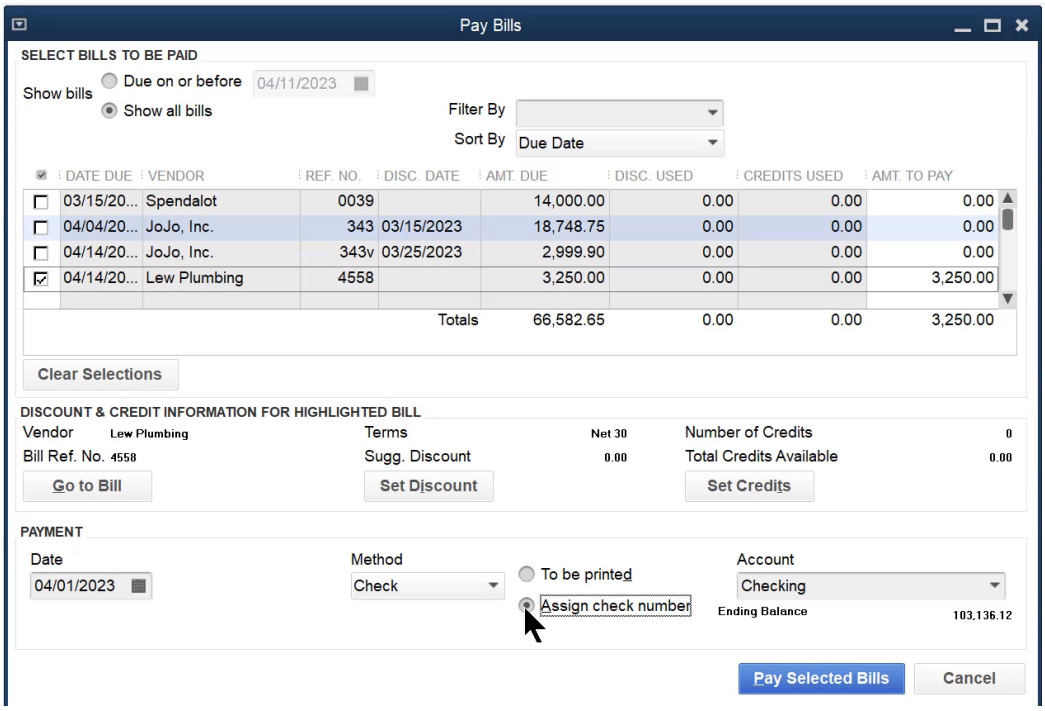
1. Delete Original Bill

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

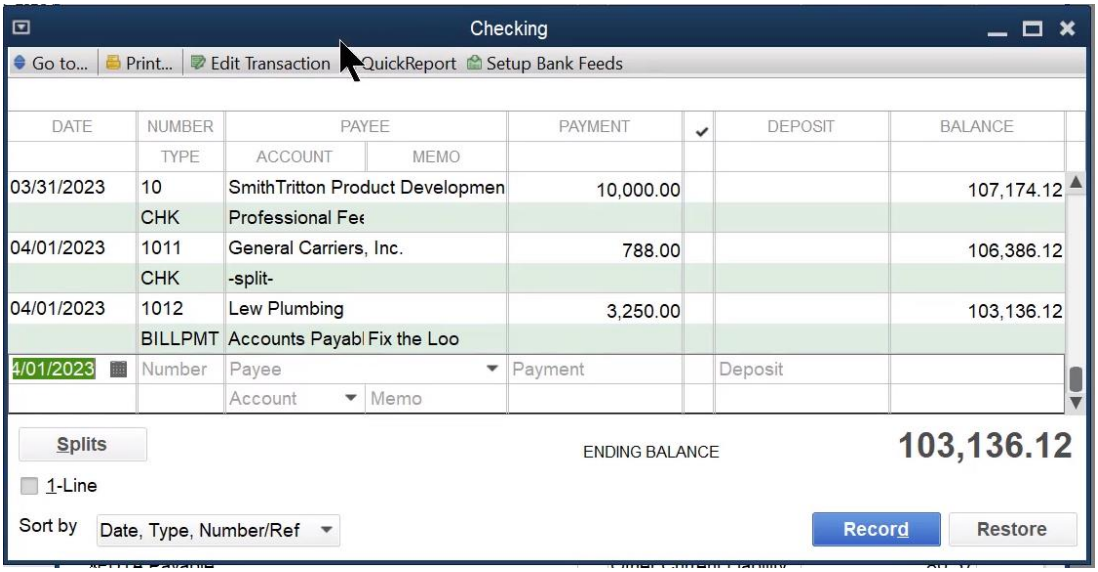
Find the check and delete the transaction. Pay the bill using *Pay Bills* and make sure the reconciled status and the check number of the new check matches that of the deleted check.



Check Detail Report

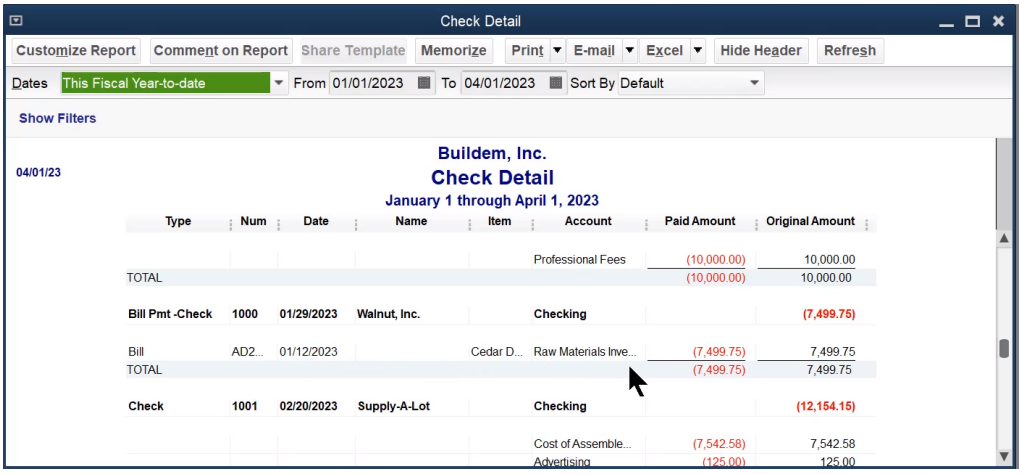
Bill payments on reports and in registers usually do not show what expenses were paid. To see what expenses were paid with a bill payment, run the *Check Detail* report.

Bill Payment in Checking Register



Check Detail Report

Select Reports:Banking:Check Detail from the menu.



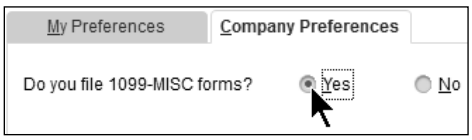
1099s/1096

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?.



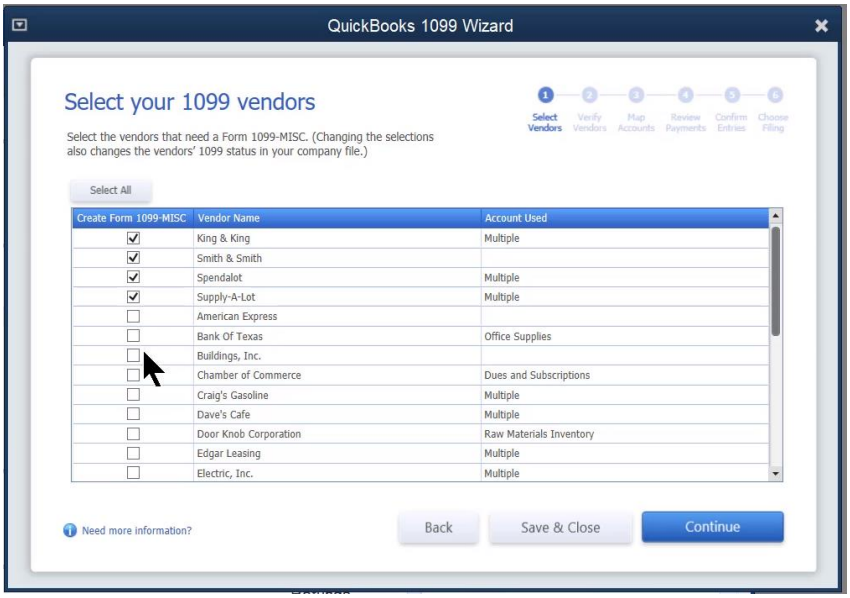
Step 1: Start the 1099 and 1096 Wizard

Open 1099s/1096 Wizard

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

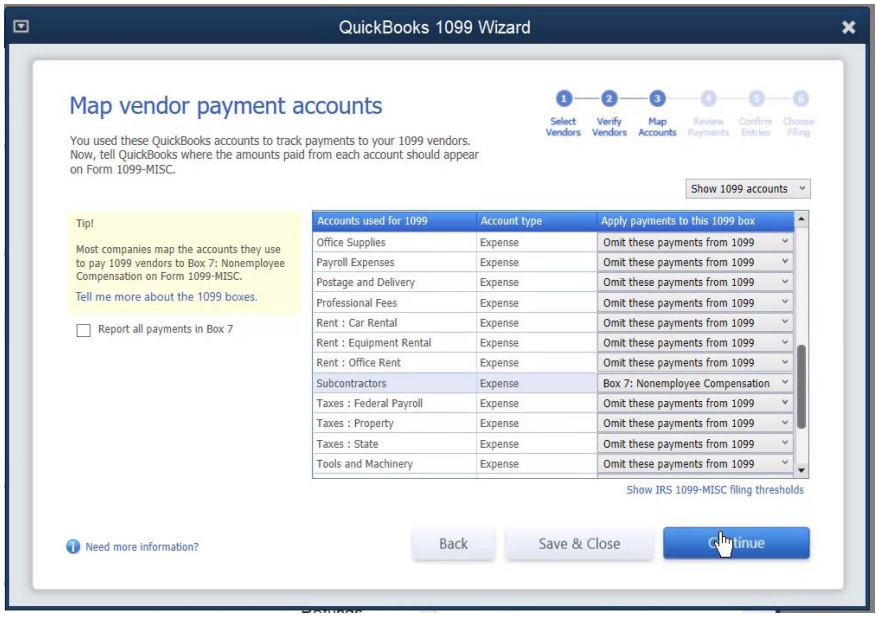
Step 2. Select 1099 Vendors and Verify Information

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.



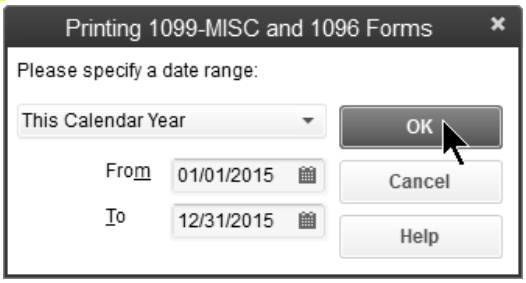
Step 4. Review Vendor Payments and Confirm Entries

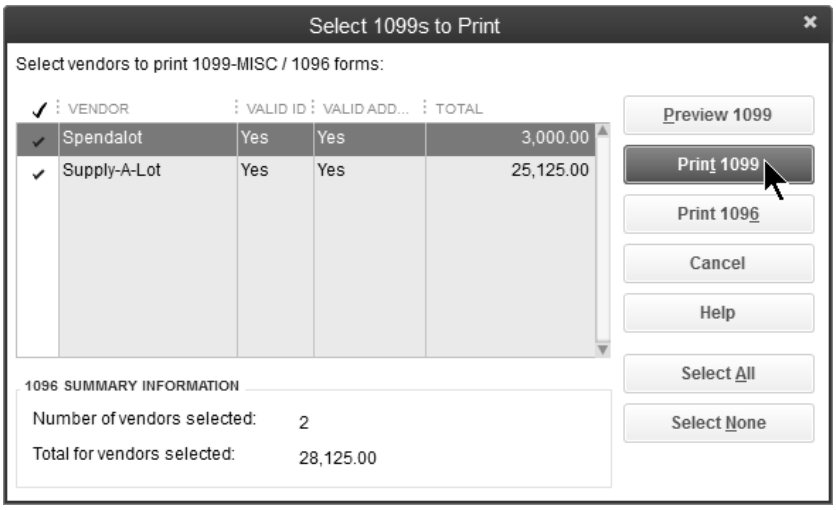
1. Review 1099 Summary
2. Review the information in the **Review 1099 Summary** window.
3. Click Continue.

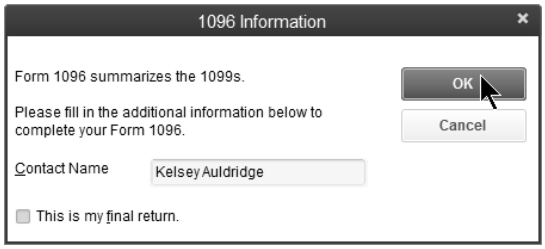
Step 5. Choose a Filing Method

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







Chapter 8

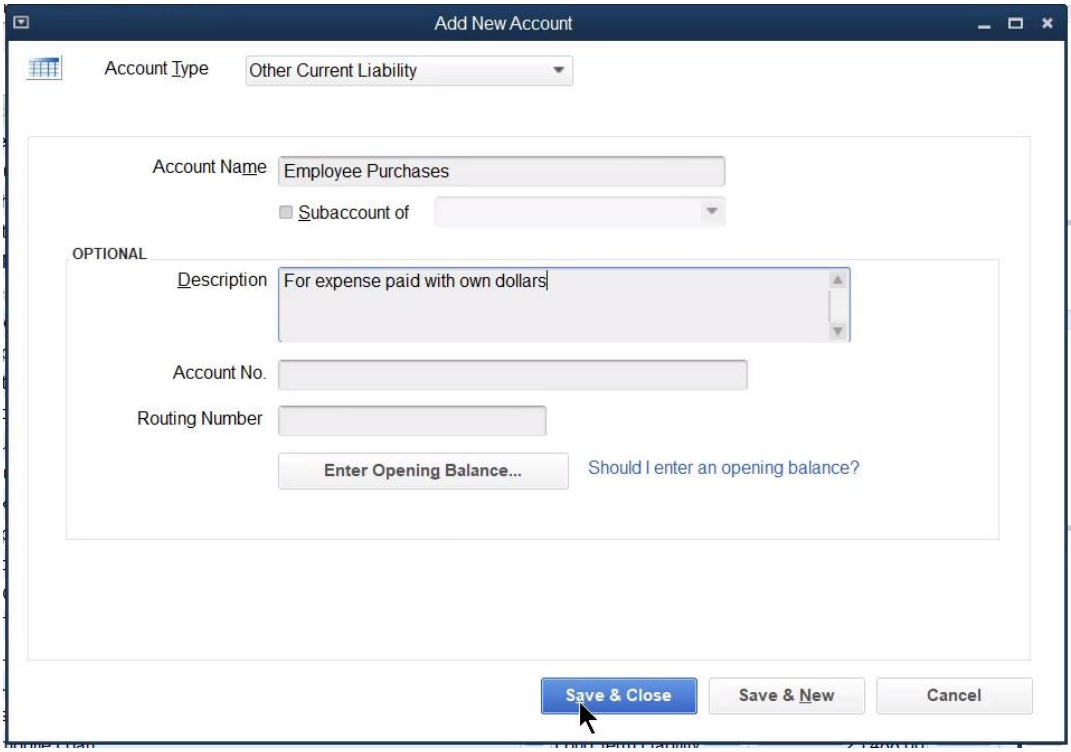
Advanced Purchase Transactions

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.

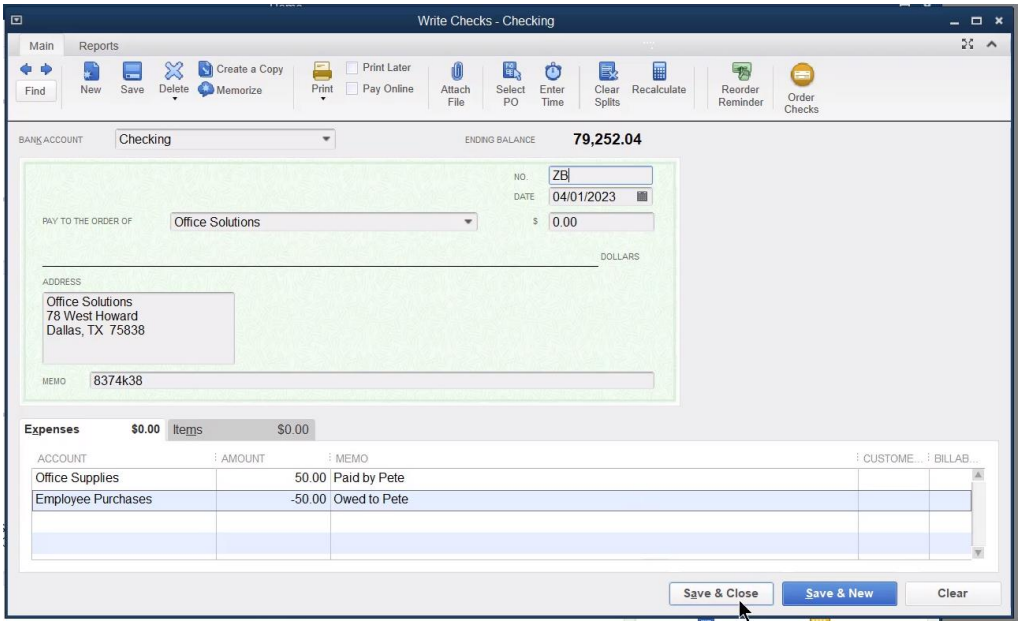
1. Set up account to track money owed to Employee/Owner
2. Record purchase using zero-based check
3. Reimburse Employee/Owner if necessary

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



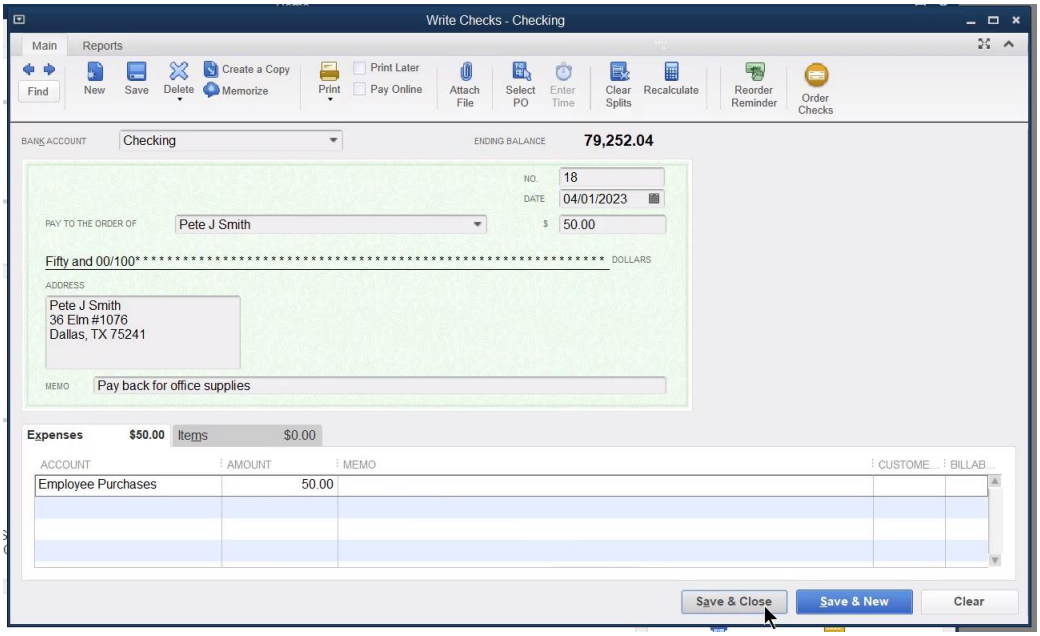
This may be an Equity type account for owner purchases. An accountant can help with this decision.

2. Record Purchase Using Zero-Based Check



Reconcile this check on your next bank reconciliation.

3. Reimburse Employee/Owner

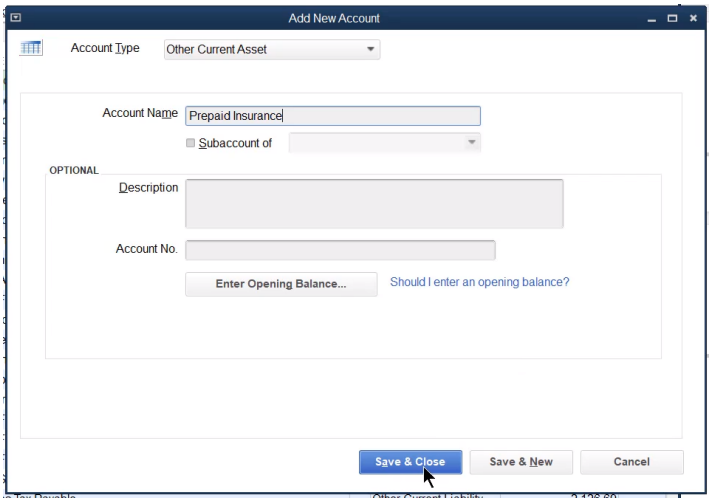


Prepaid Expenses

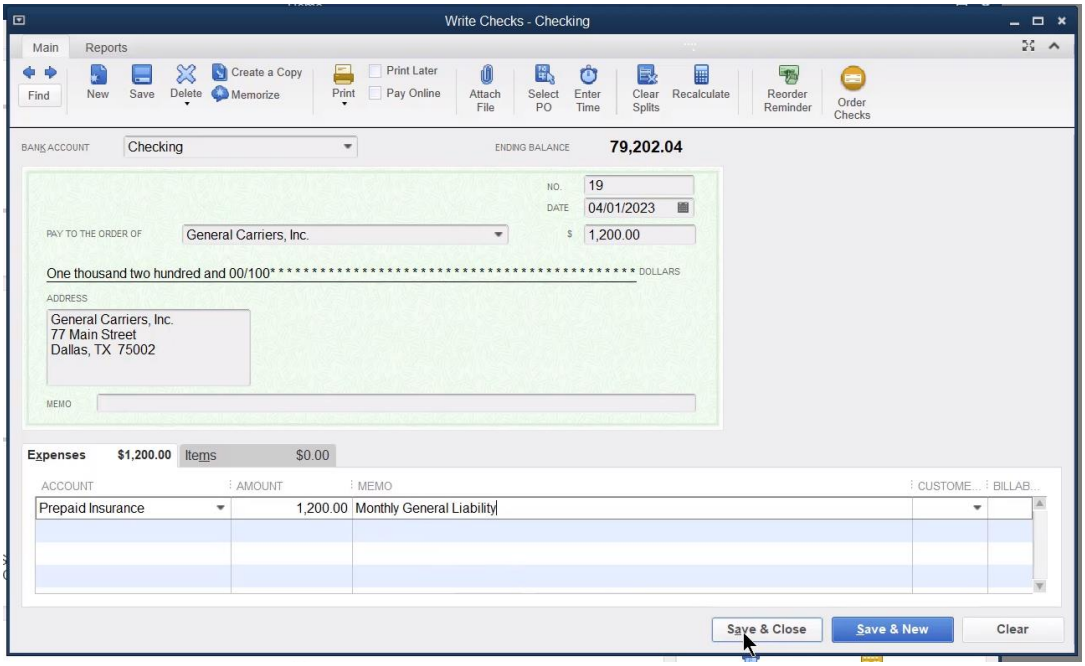
You should track prepaid expenses as an asset when paid, and use a journal entry to expense the cost in the appropriate month. Use the following steps to record a prepaid expense. You could memorize this journal entry to automatically record the monthly expense for the rest of the fiscal year.

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

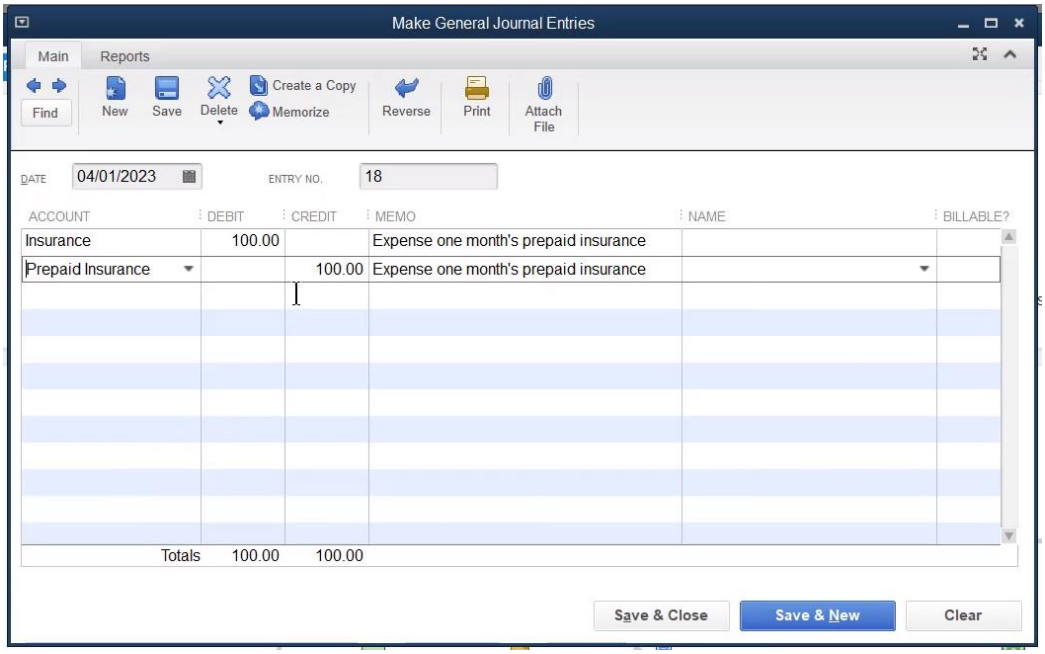
1. Create a Prepaid Expense Asset Account



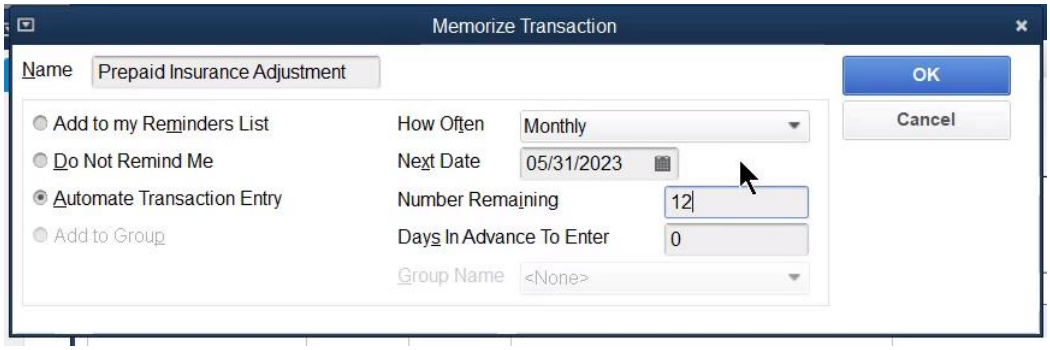
2. Record Prepaid Expense



3. Create Journal Entry for Monthly Expense



Memorize Transaction

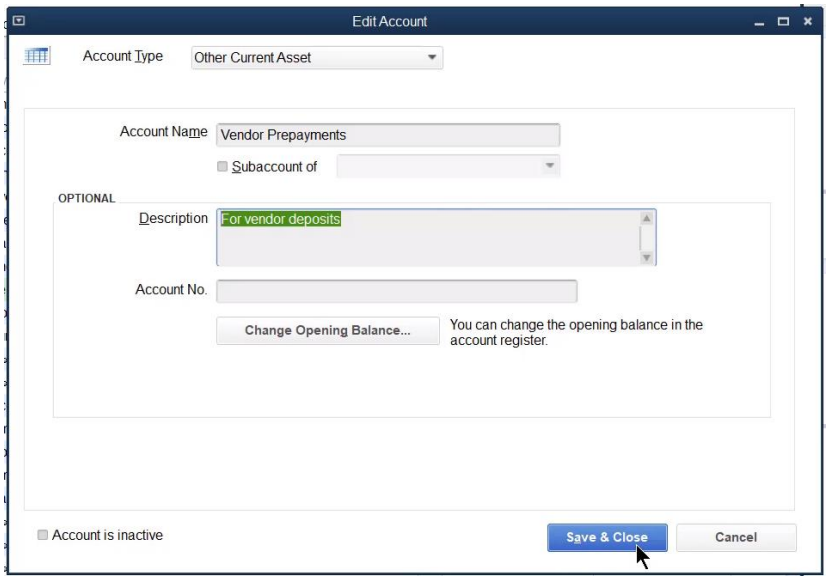


Vendor Deposits

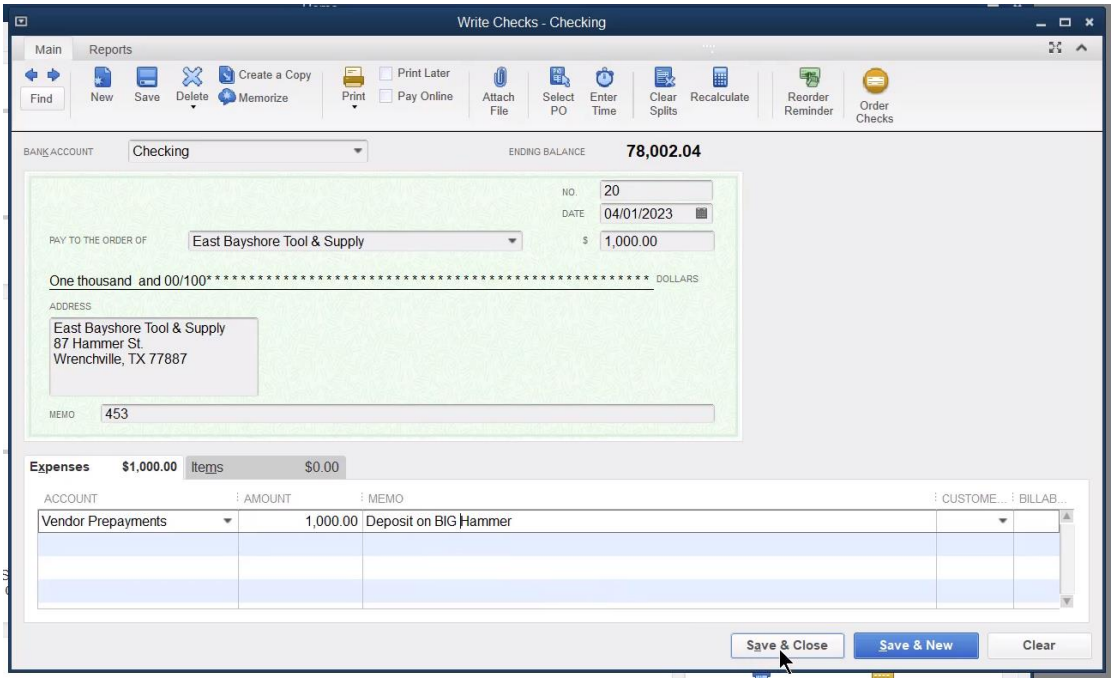
To correctly track vendor deposits in a separate asset account, follow these steps:

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

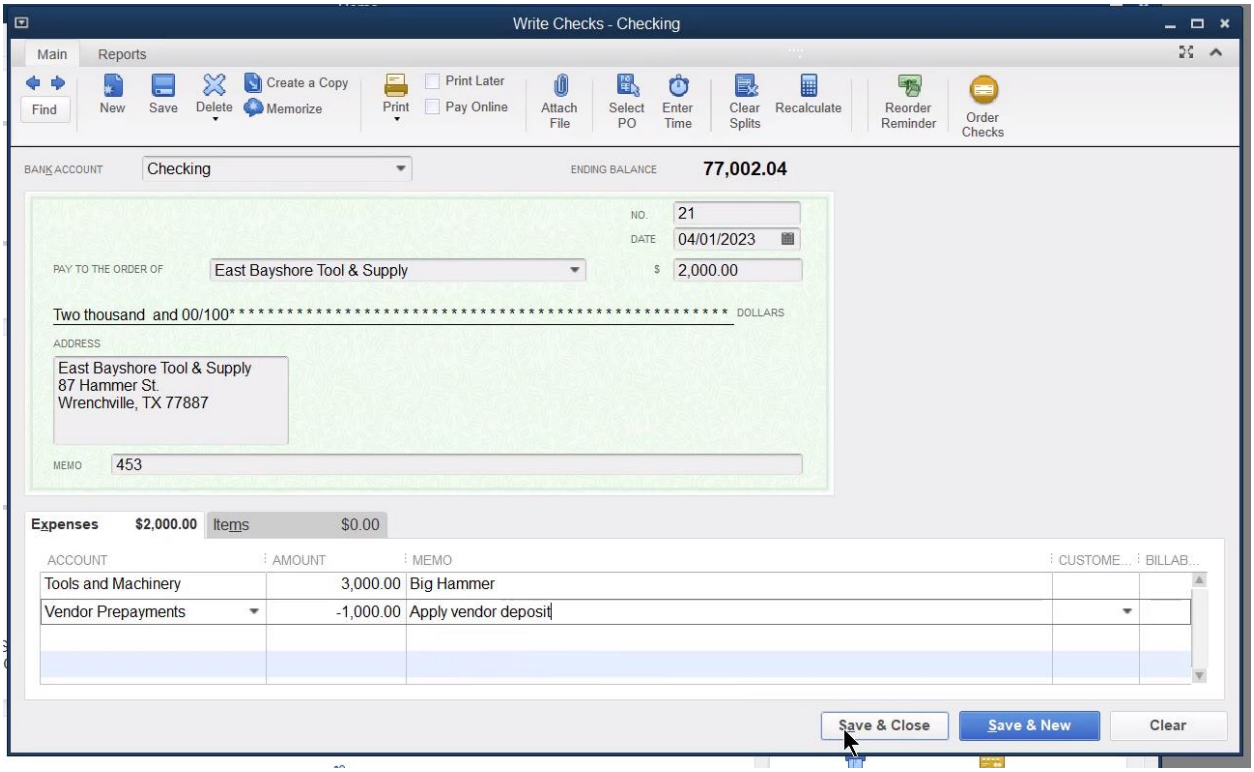
Add Vendor Prepayments Account



Pay Vendor Deposit


Write Checks - Checking
Main
Reports
Find
New
Save
Delete
Create a Copy
Memorize
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* * * *

Apply Vendor Prepayment



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.

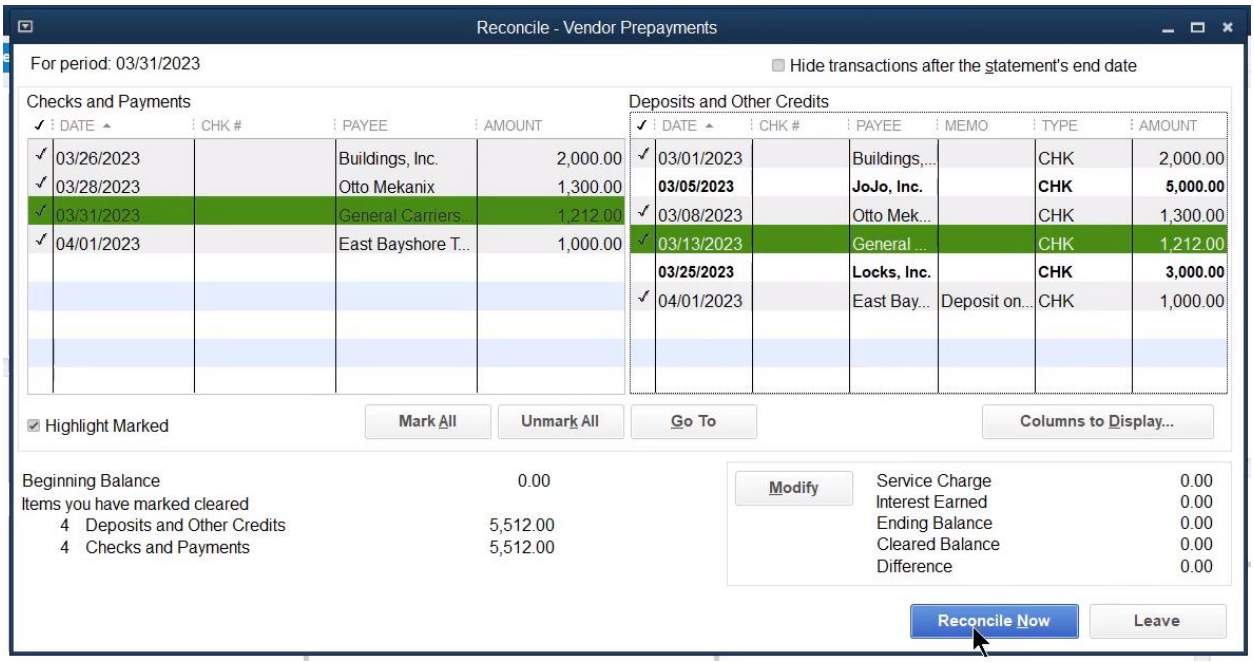
Step 1: Reconcile Balance Sheet Account

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.

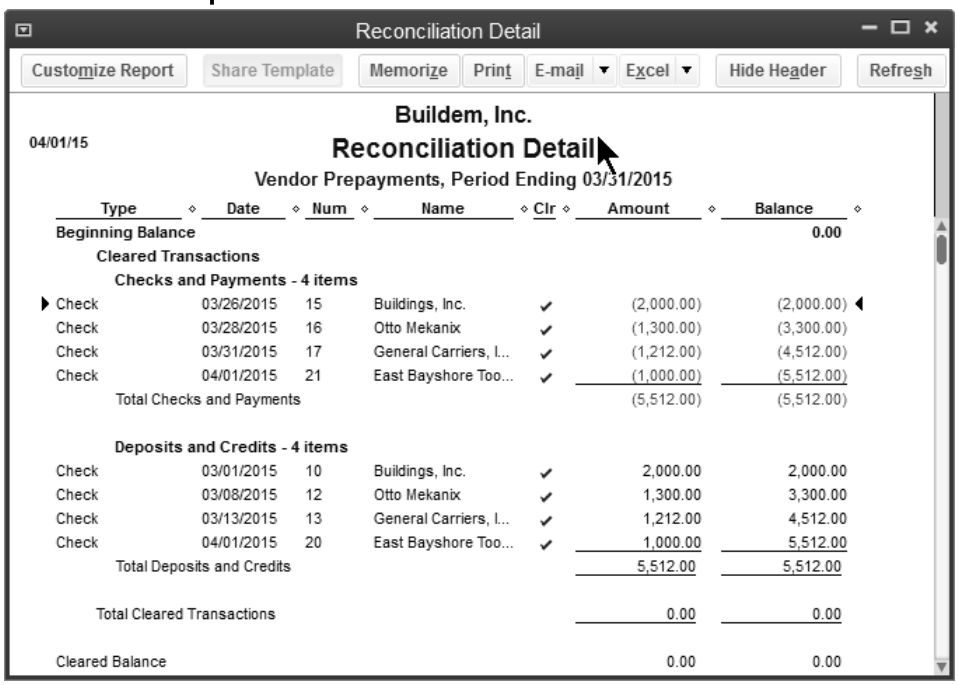
This should be the same as the Beginning Balance.

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



Reconciliation Detail Report



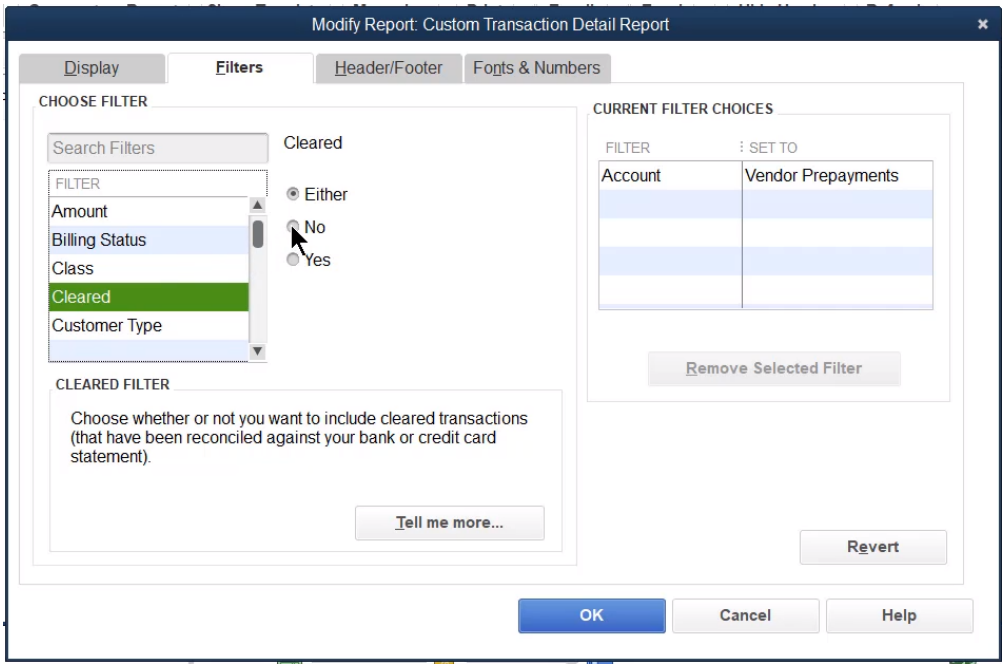
Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						0.00
Cleared Transactions						
Checks and Payments - 4 items						
Check	03/26/2015	15	Buildings, Inc.	✔	(2,000.00)	(2,000.00)
Check	03/28/2015	16	Otto Mekanix	✔	(1,300.00)	(3,300.00)
Check	03/31/2015	17	General Carriers, I...	✔	(1,212.00)	(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, I...	✔	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

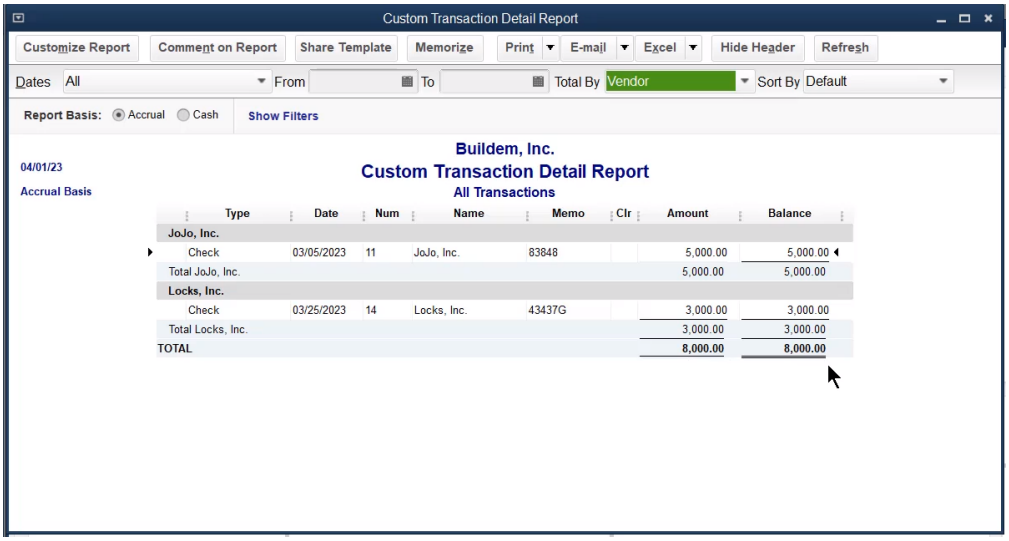
Review Support Schedule for Account

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



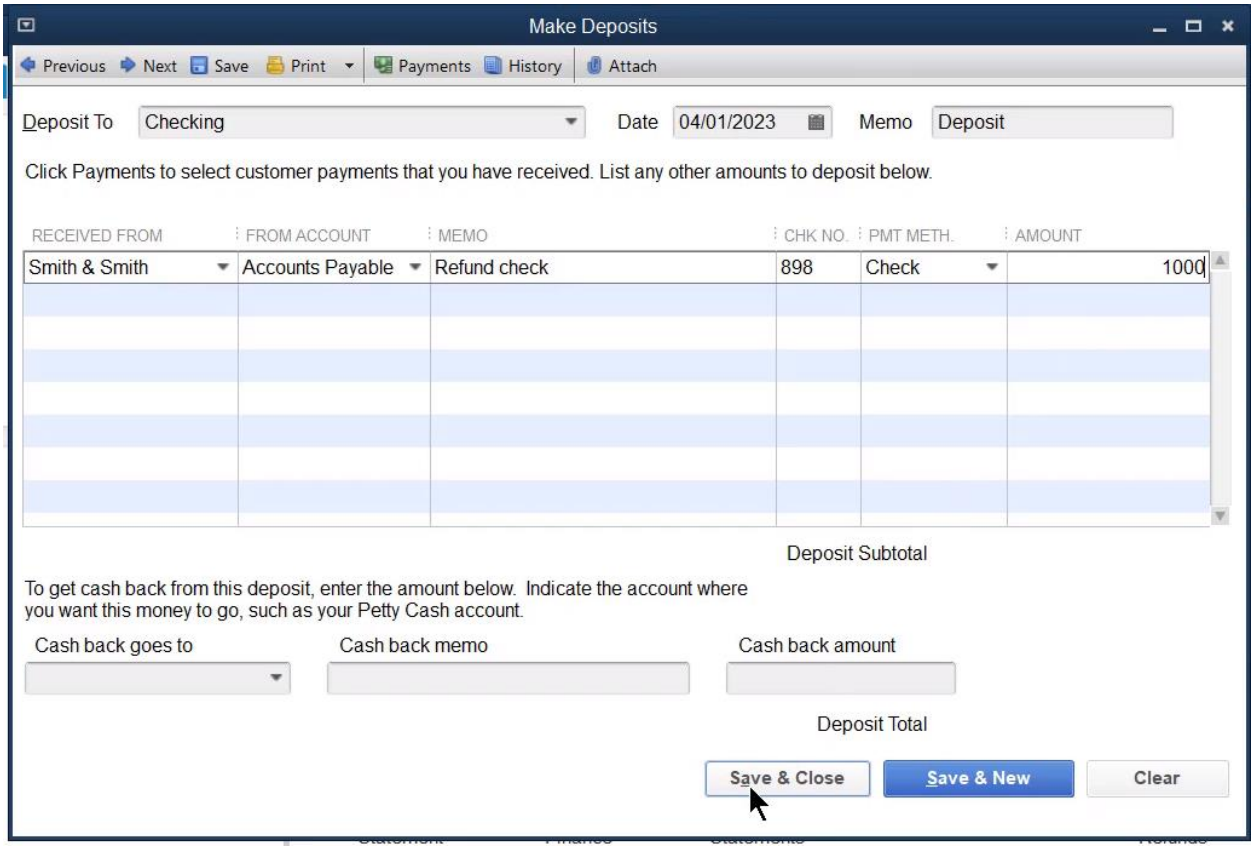
Vendor Refunds

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.

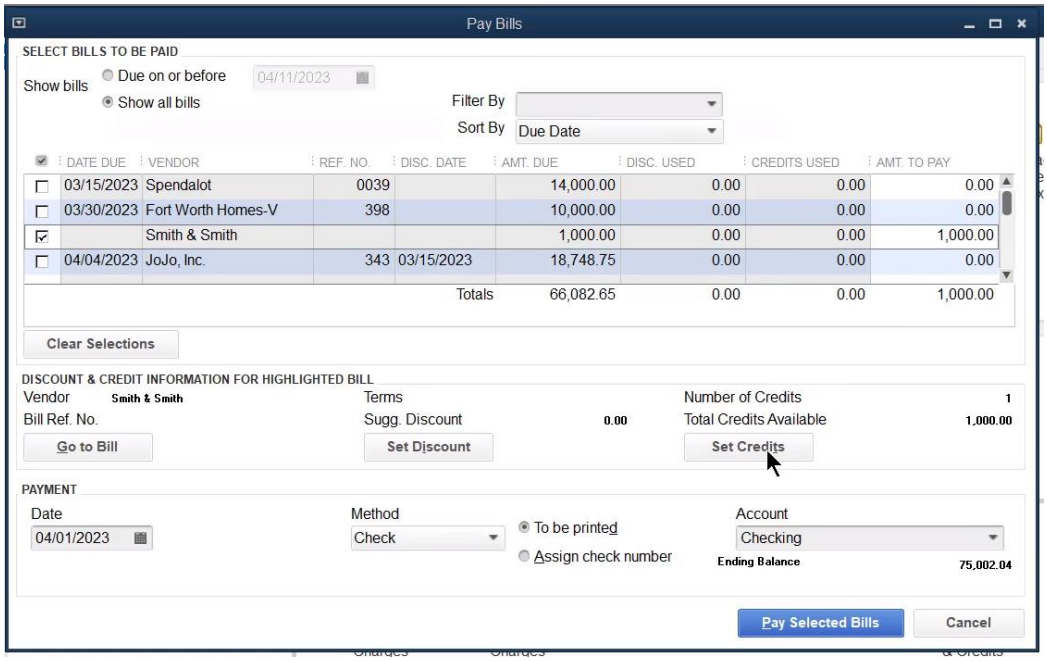
- Deposit vendor check
- Apply credit to refund

Deposit Vendor Check



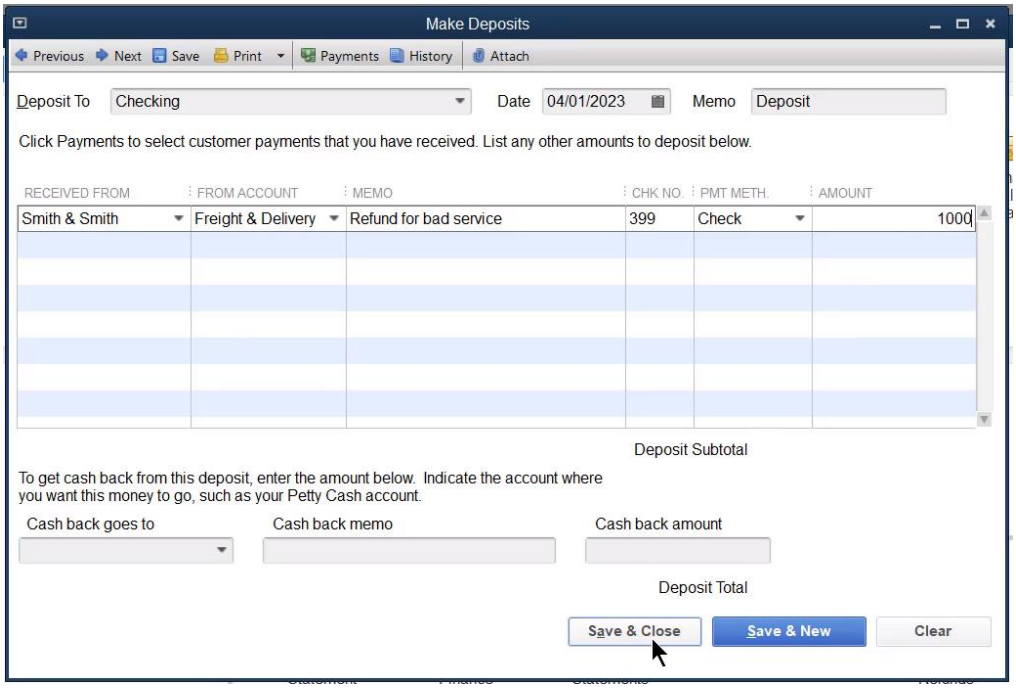
Apply Credit to Refund

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.



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*.



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:

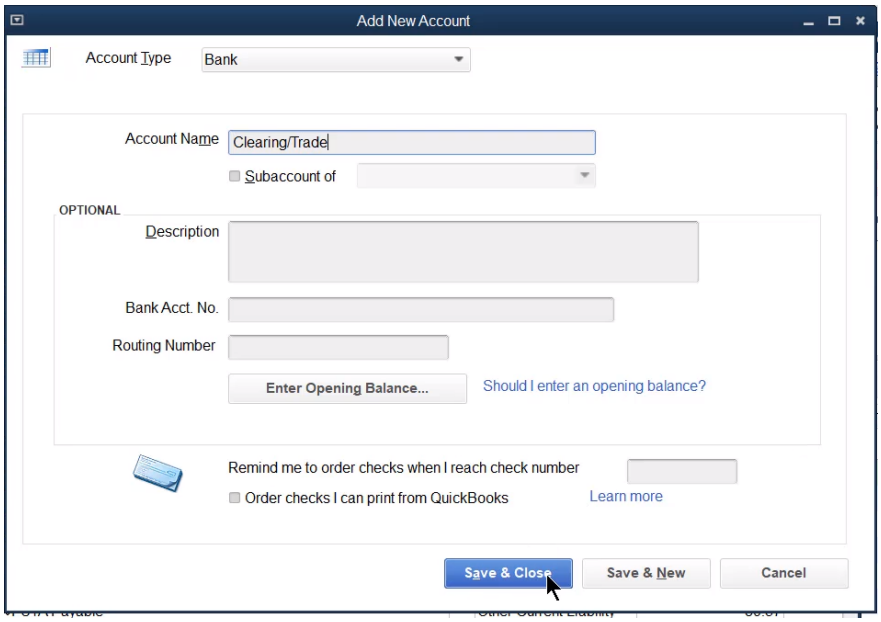
1. You have a customer who is also a vendor.
2. You receive a 3 party check (customer, vendor, and you), which you endorse and forward to the vendor. You must show that the customer has paid you AND you have paid your vendor.
3. You accept something in trade. First, you enter a bill for what you received.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

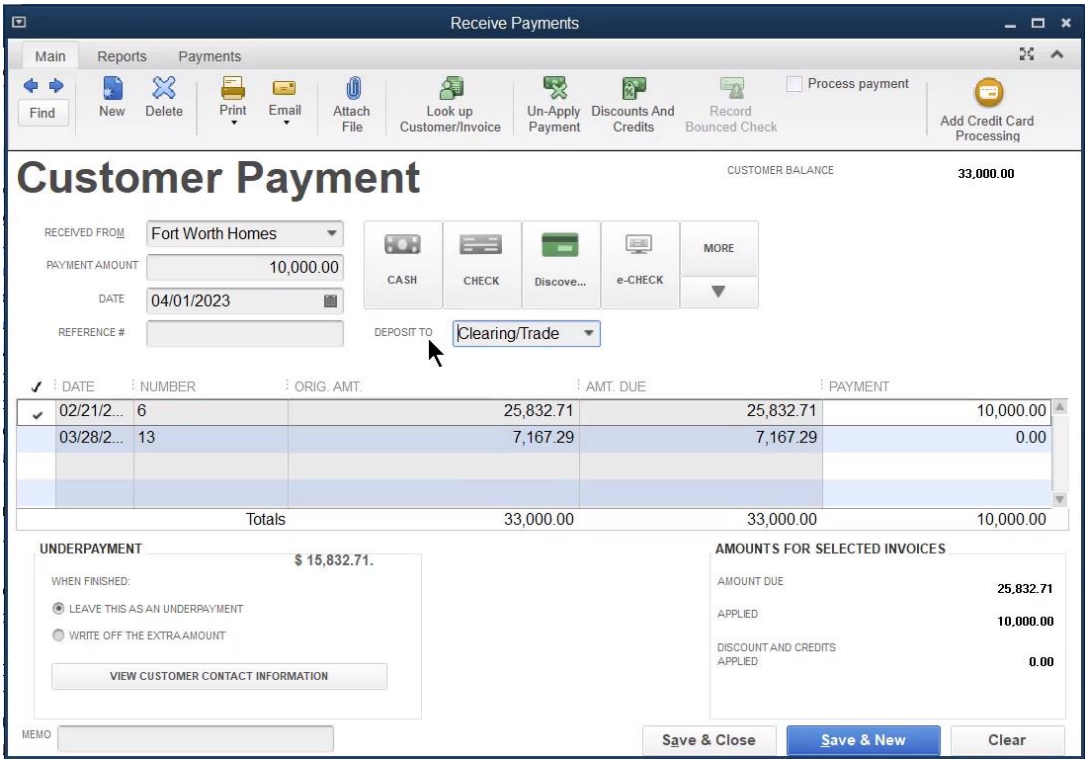
Set Up "Clearing/Trade" Bank Account

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.



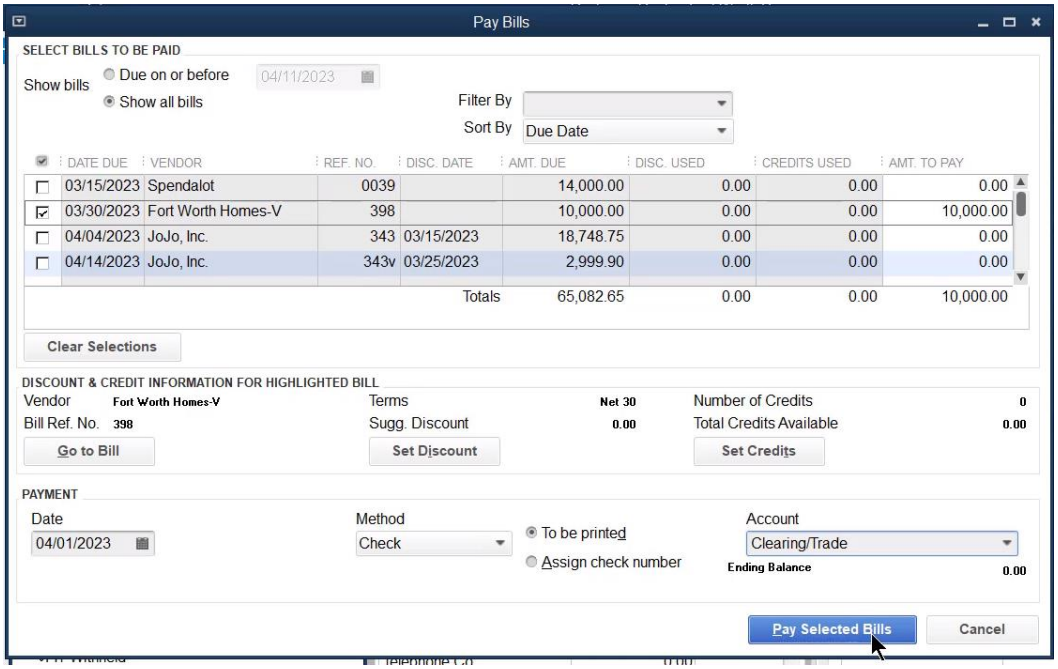
Offset the Receivable

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.



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.



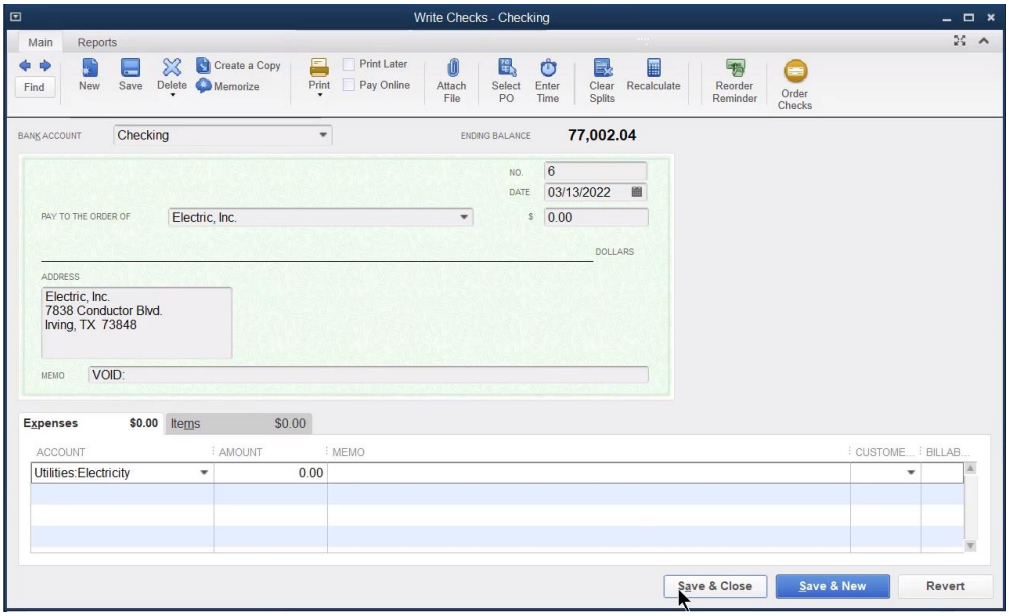
Void a Prior Period Check-Simple

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



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:

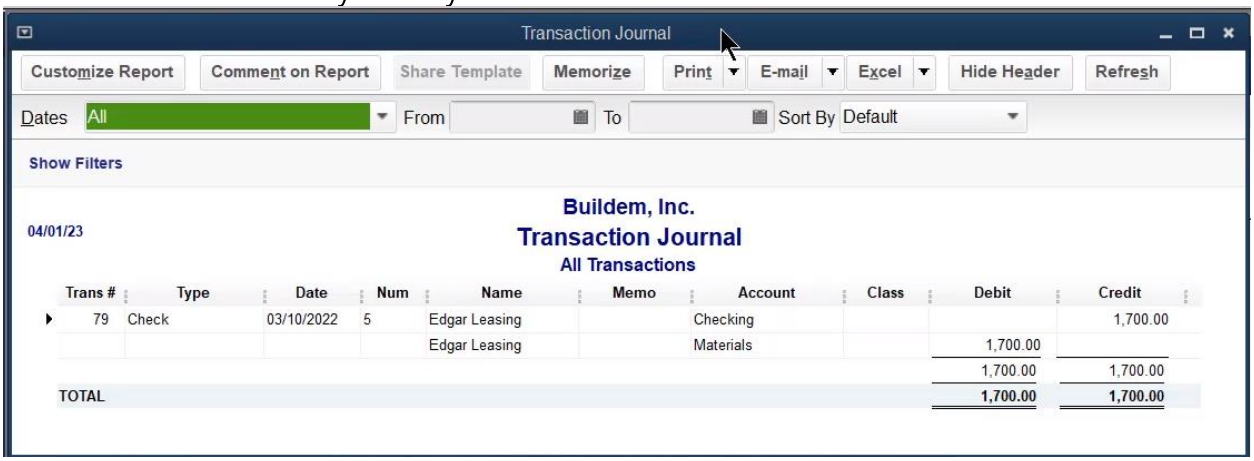
1. Find the original check and run the Transaction Journal report. Note the Date, Debit and Credit amounts, and the Accounts in the entry.

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.

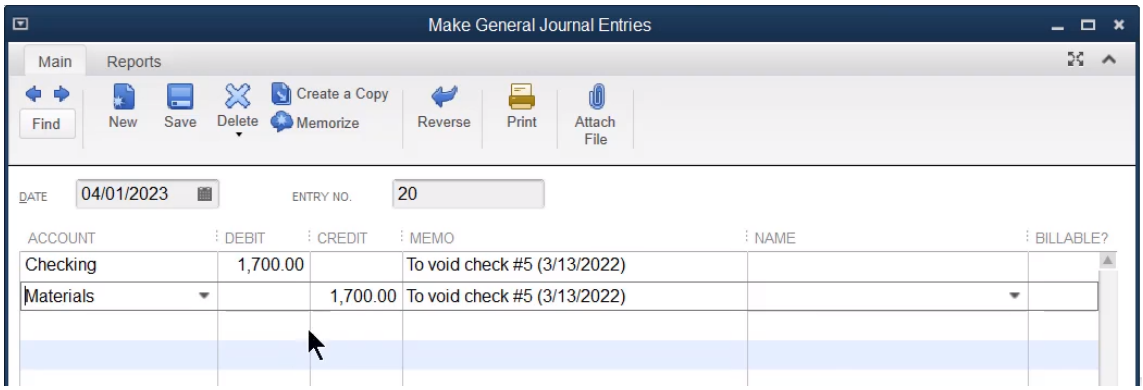
Run Transaction Journal Report

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



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.

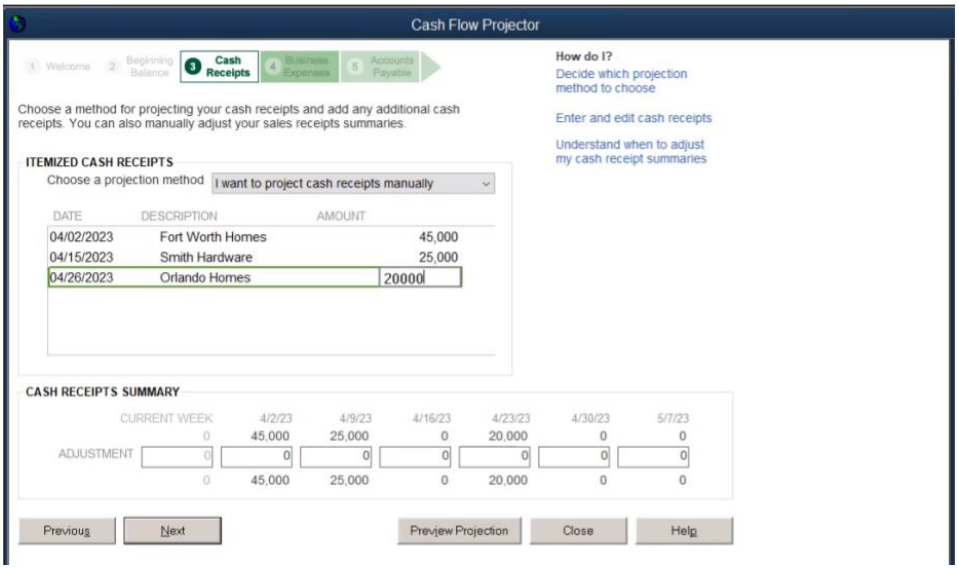


Cash Flow Projector

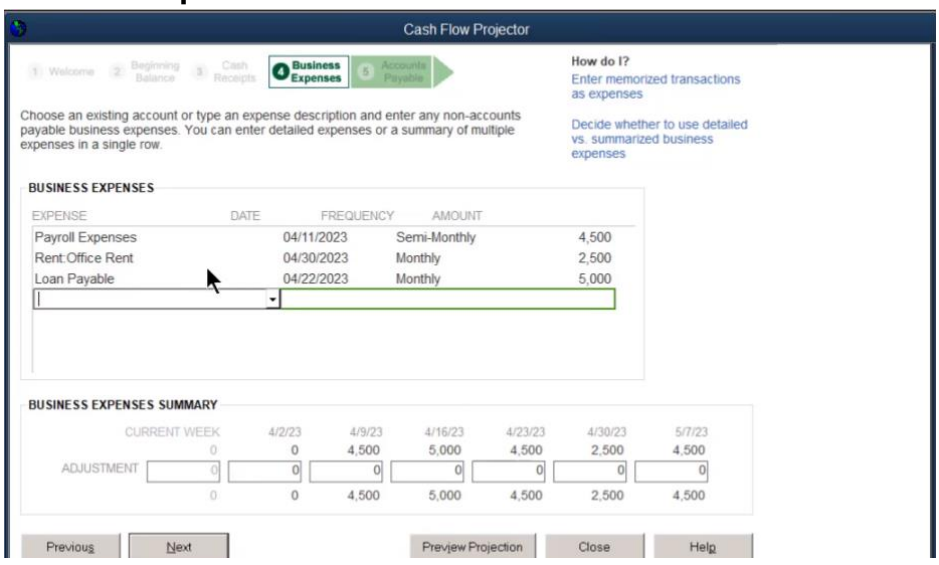
Use the cash flow projector to predict your cash flow for the next six weeks. QuickBooks walks you step-by-step through the process. When complete, you can view a report that shows available cash.

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.

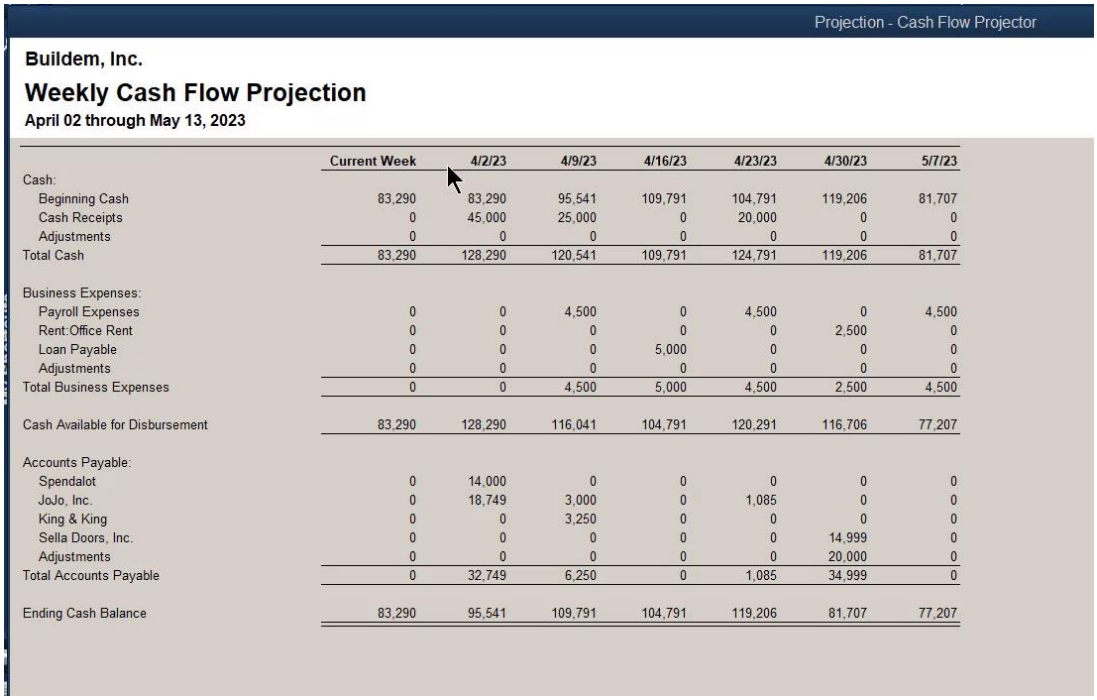
Project Cash Receipts



Project Business Expenses



Cash Flow Projection Report



Projection - Cash Flow Projector

Buildem, Inc.

Weekly Cash Flow Projection

April 02 through May 13, 2023

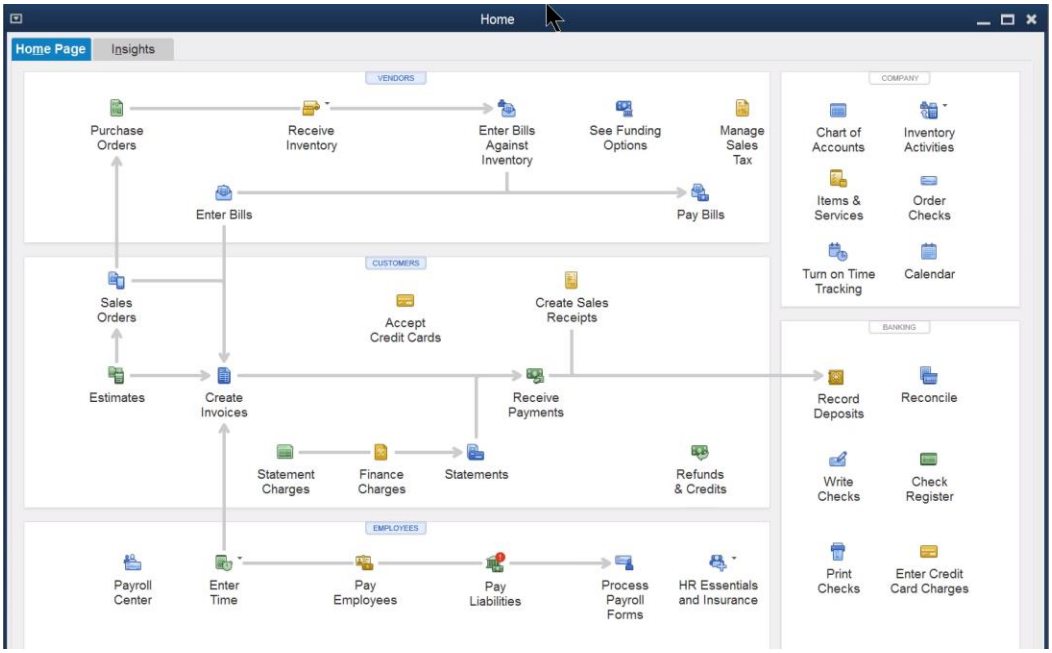
	Current Week	4/2/23	4/9/23	4/16/23	4/23/23	4/30/23	5/7/23
Cash:							
Beginning Cash	83,290	83,290	95,541	109,791	104,791	119,206	81,707
Cash Receipts	0	45,000	25,000	0	20,000	0	0
Adjustments	0	0	0	0	0	0	0
Total Cash	83,290	128,290	120,541	109,791	124,791	119,206	81,707
Business Expenses:							
Payroll 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
Total Business Expenses	0	0	4,500	5,000	4,500	2,500	4,500
Cash Available for Disbursement	83,290	128,290	116,041	104,791	120,291	116,706	77,207
Accounts Payable:							
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
Total Accounts Payable	0	32,749	6,250	0	1,085	34,999	0
Ending Cash Balance	83,290	95,541	109,791	104,791	119,206	81,707	77,207

Chapter 9

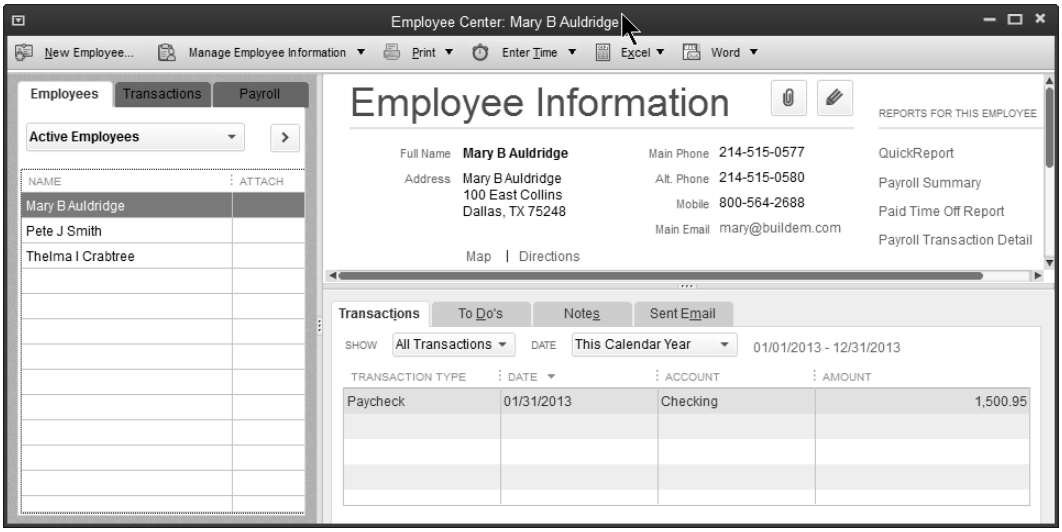
Payroll

Review

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



Employee Center



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

EZ Method

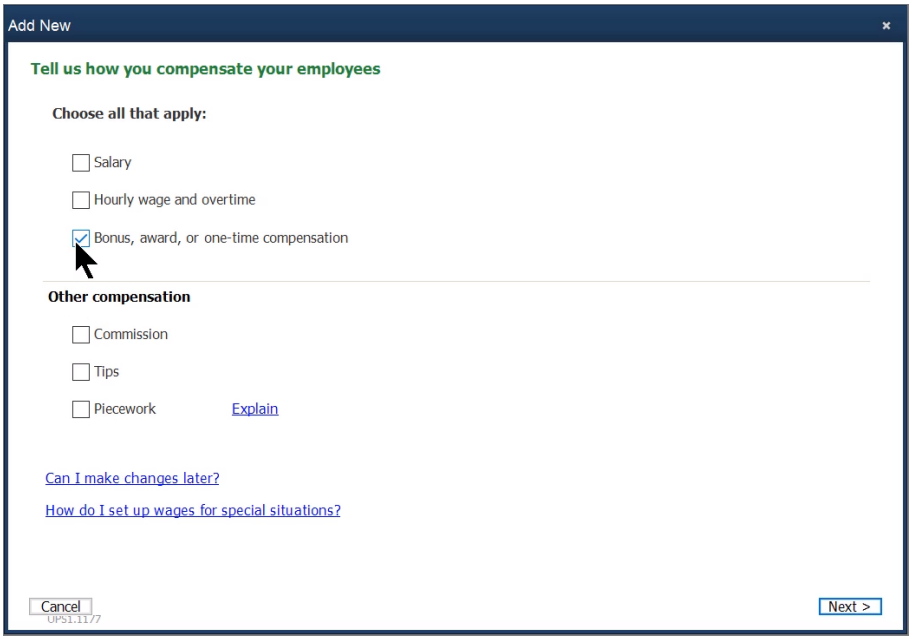
Custom Method

Item Type	Description	Example
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	Payroll items not falling within another type	State Income Tax, State Unemployment Tax

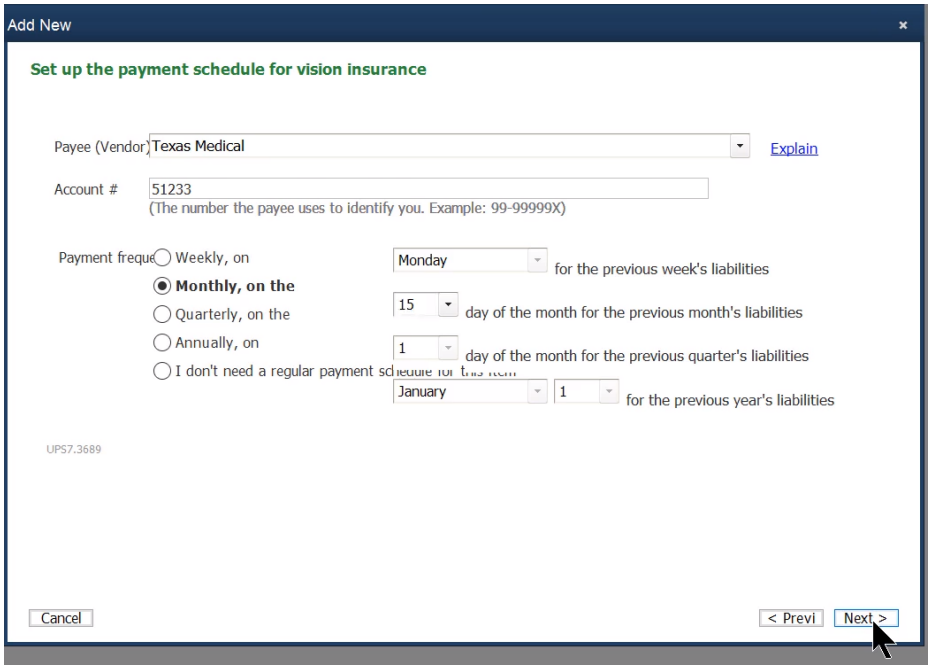
EZ Method

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

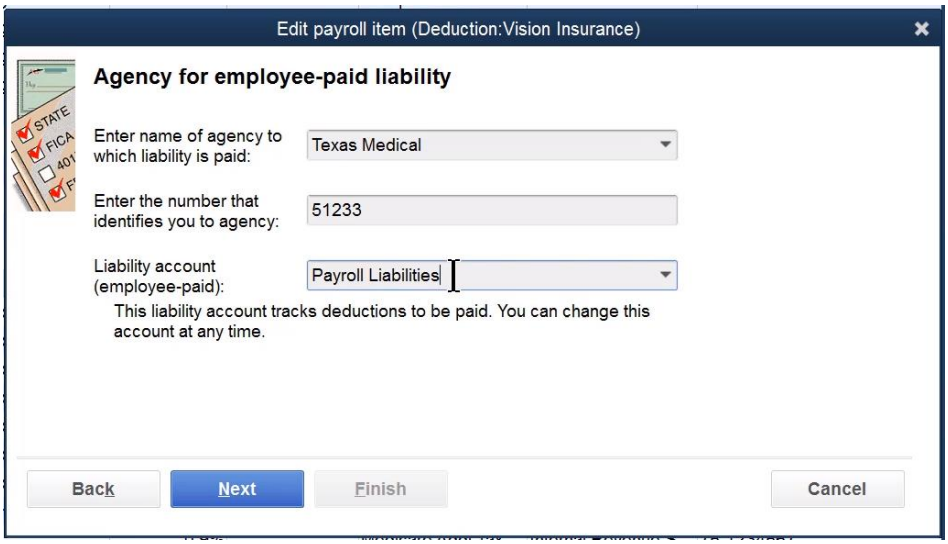


Medical Insurance


Add New
Set up the payment schedule for vision insurance
Payee (Vendor)
Texas Medical
Explain
Account #
51233
(The number the payee uses to identify you. Example: 99-99999X)
Payment freque
Weekly, on
Monday
for the previous week's liabilities
Monthly, on the
Quarterly, on the
15
day of the month for the previous month's liabilities
Annually, on
1
day of the month for the previous quarter's liabilities
I don't need a regular payment schedule for this item
January
1
for the previous year's liabilities
UPS7.3689
Cancel
< Previ
Next >

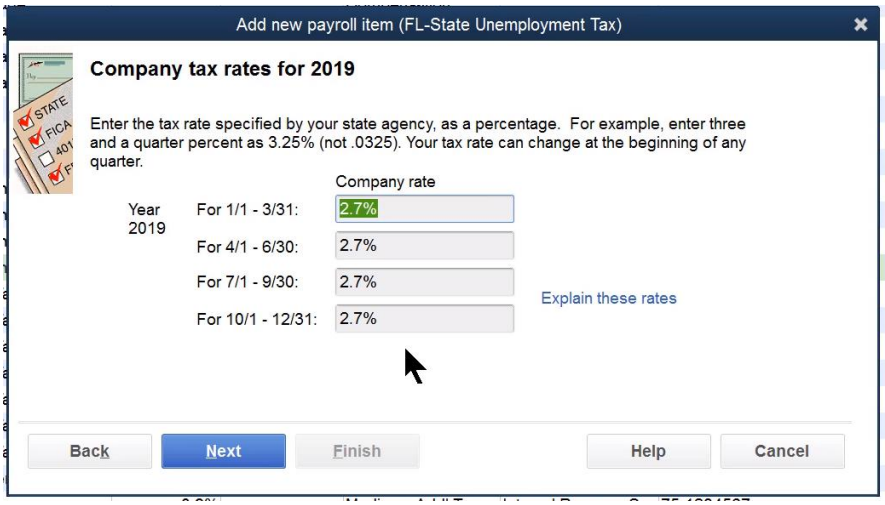
Edit Payroll Items

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**.



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**.



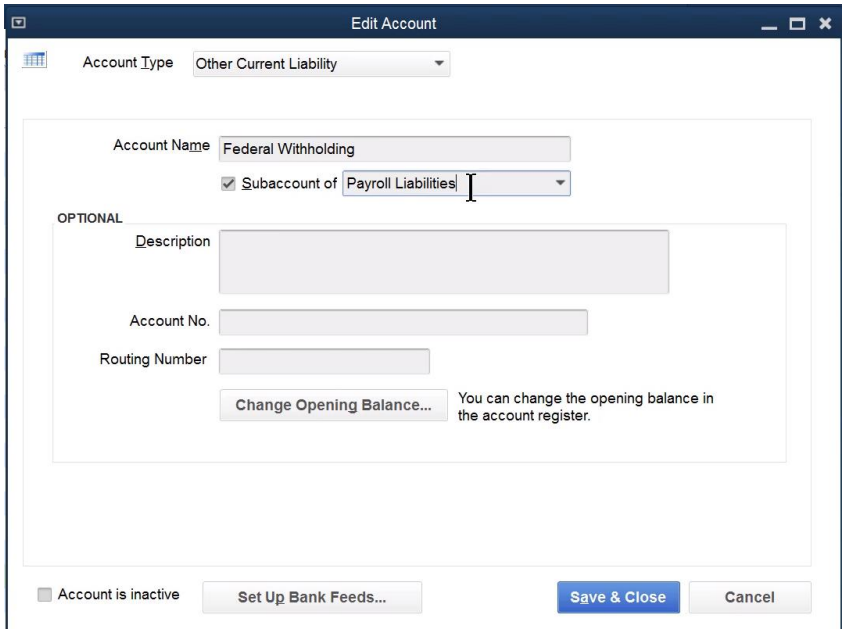
Mapping Payroll Items

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:

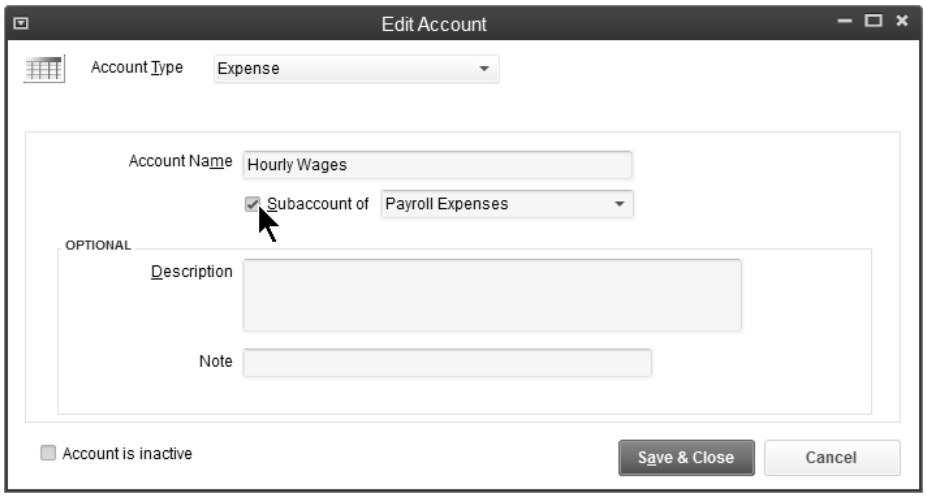
- Create subaccounts of Payroll Liabilities for each type of payroll liability
- Create subaccounts of Payroll Expenses and Taxes to track these expenses in detail
- Map payroll items to the appropriate subaccount

This change is retroactive so adjusting history is not necessary

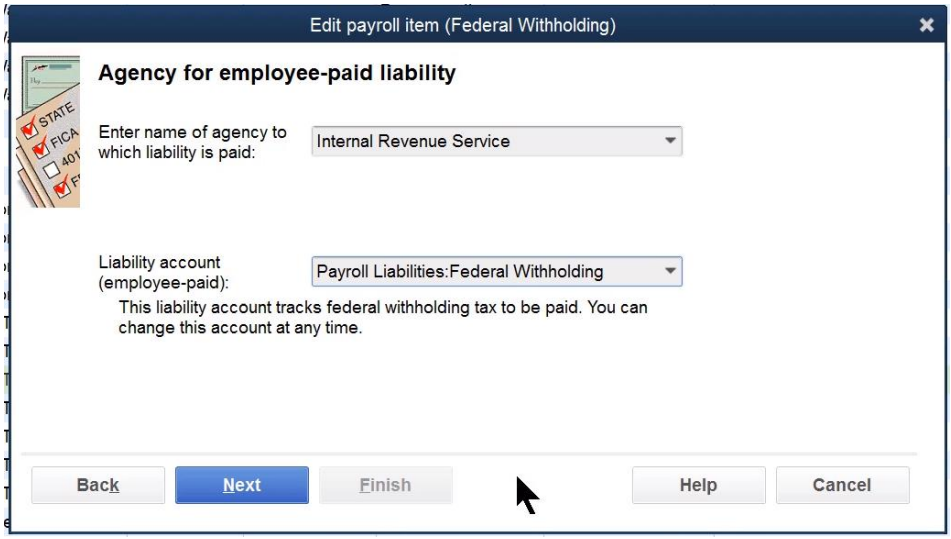
1. Create Payroll Liability Subaccounts



2. Create Payroll Expenses/Taxes Subaccounts


Edit Account
Account Type
Expense
Account Name
Hourly Wages
Subaccount of
Payroll Expenses
OPTIONAL
Description
Note
Account is inactive
Save & Close
Cancel

3. Map Payroll Items to Subaccounts



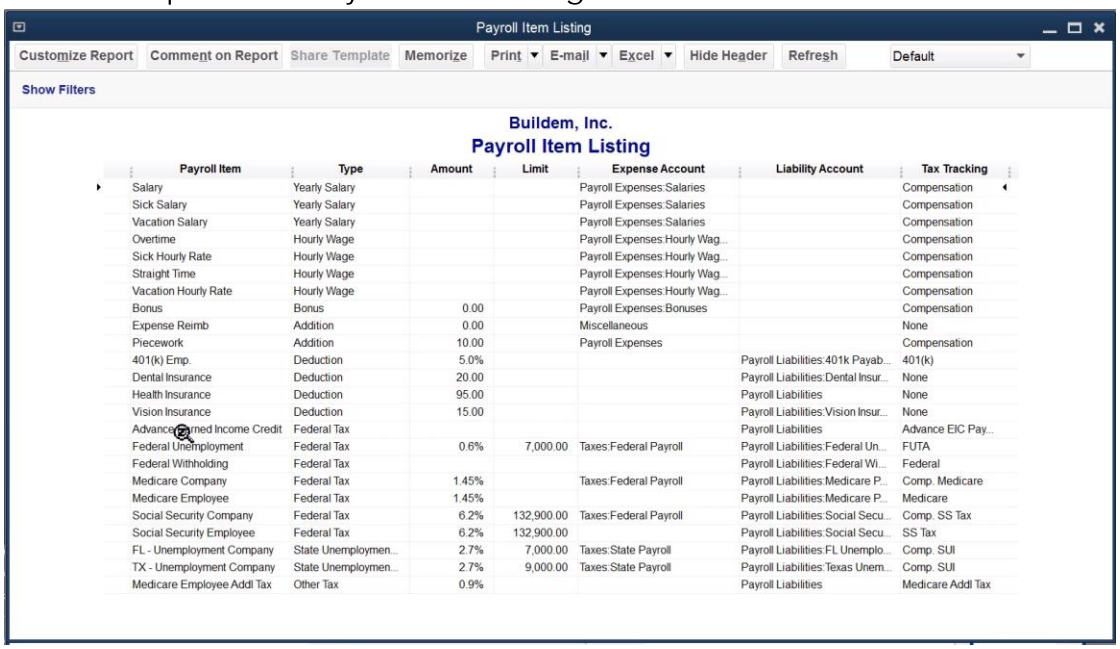
Mapping Problems

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.



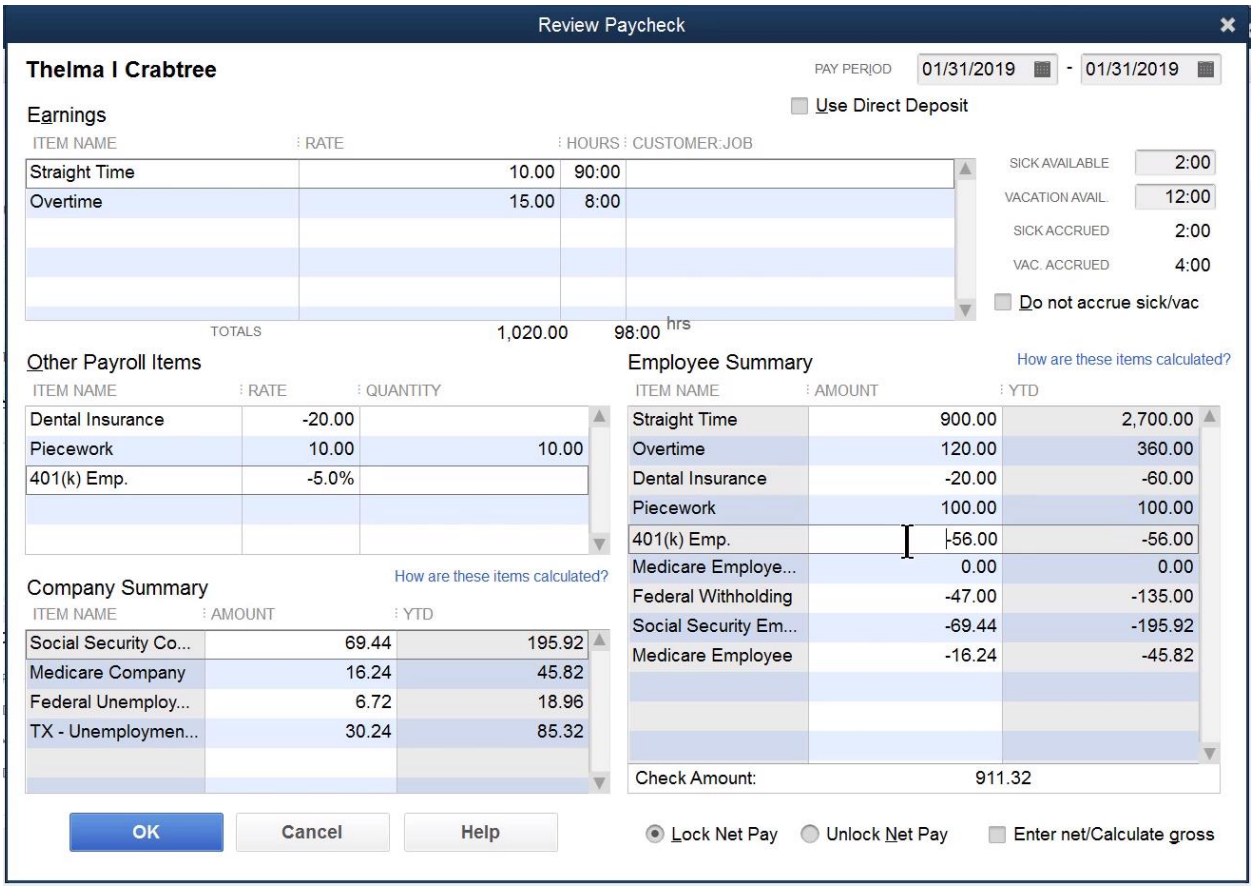
Payroll Item	Type	Amount	Limit	Expense Account	Liability Account	Tax Tracking
Salary	Yearly Salary			Payroll Expenses:Salaries		Compensation
Sick Salary	Yearly Salary			Payroll Expenses:Salaries		Compensation
Vacation Salary	Yearly Salary			Payroll Expenses:Salaries		Compensation
Overtime	Hourly Wage			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
Advance Earned 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.



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

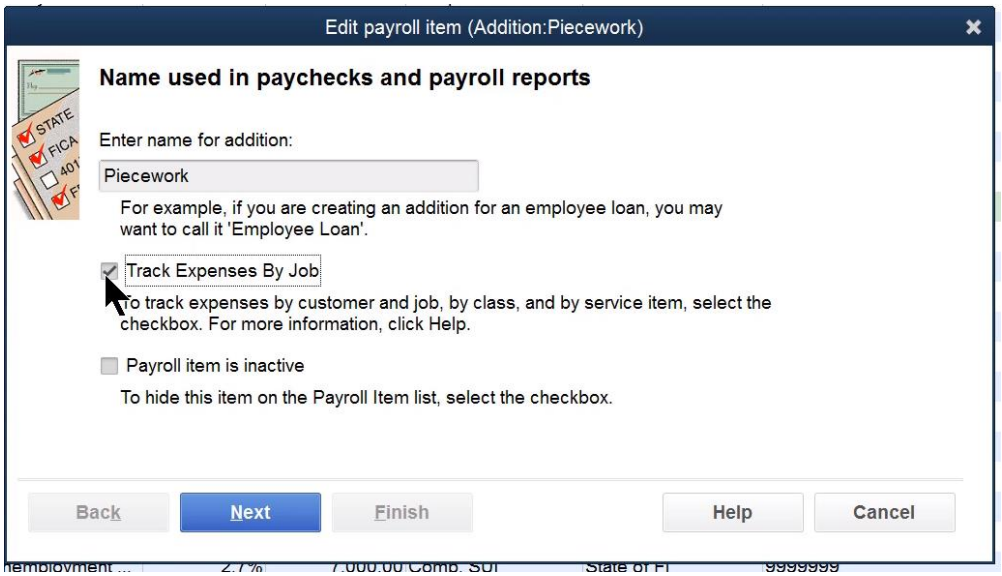
1. Select **Edit:Preferences** from the menu.
2. Click the **Accounting** icon in the list to the left.
3. Click the Company Preferences tab.
4. Check the box next to **Use class tracking**.
5. Click **OK**.

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.

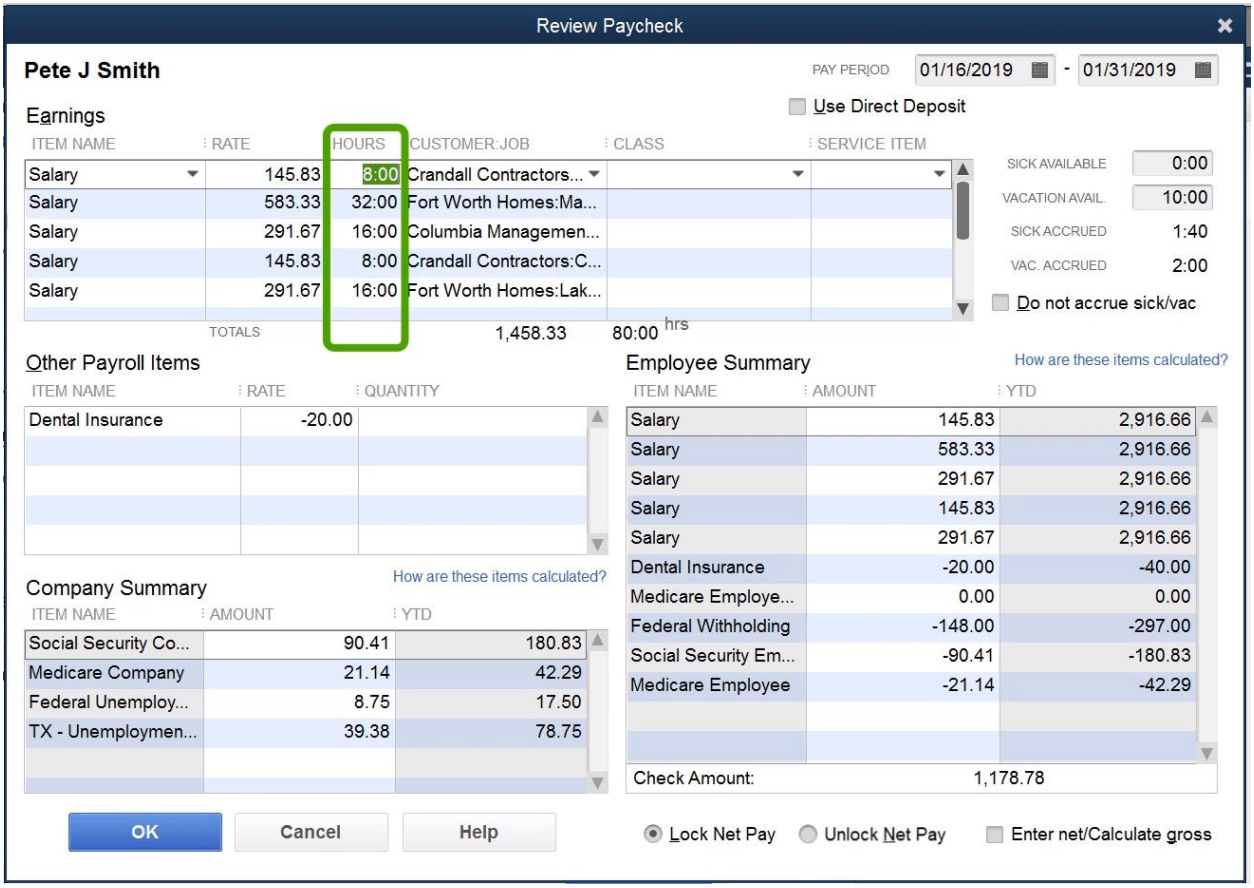


Job Cost for Salaried Employee

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

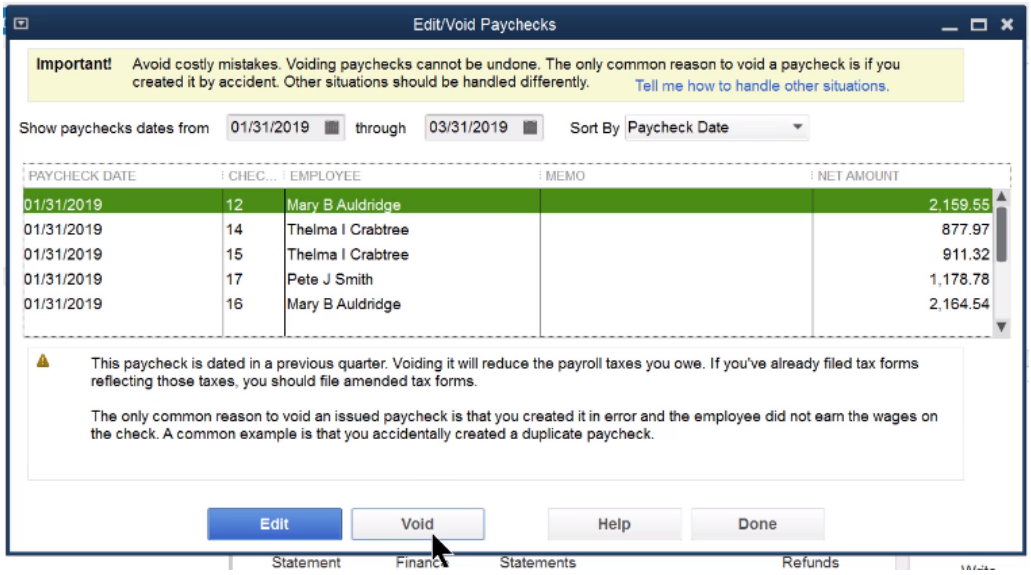
Job Cost on Paycheck



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**.



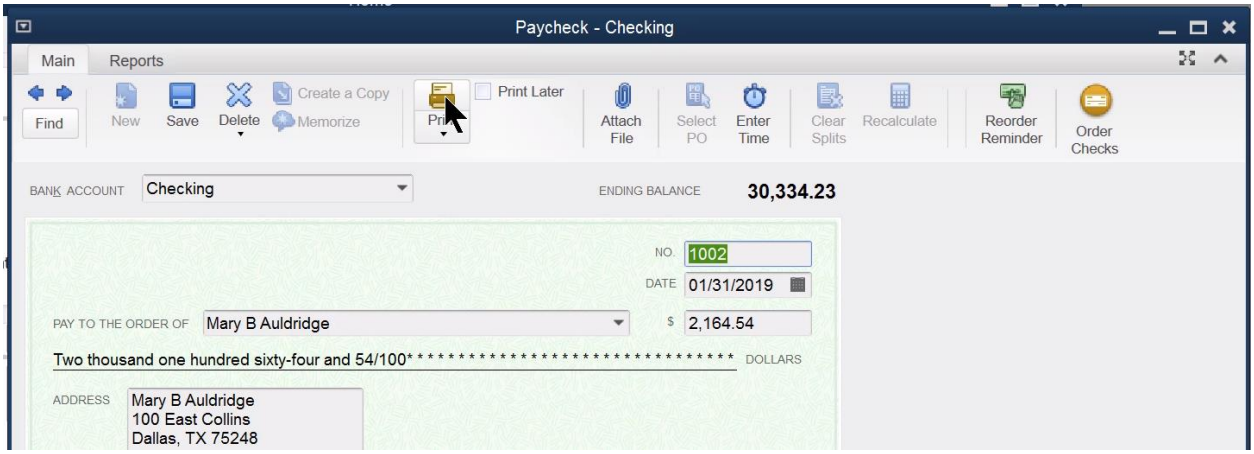
Void/Reprint Paycheck-A Faster Method

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 #

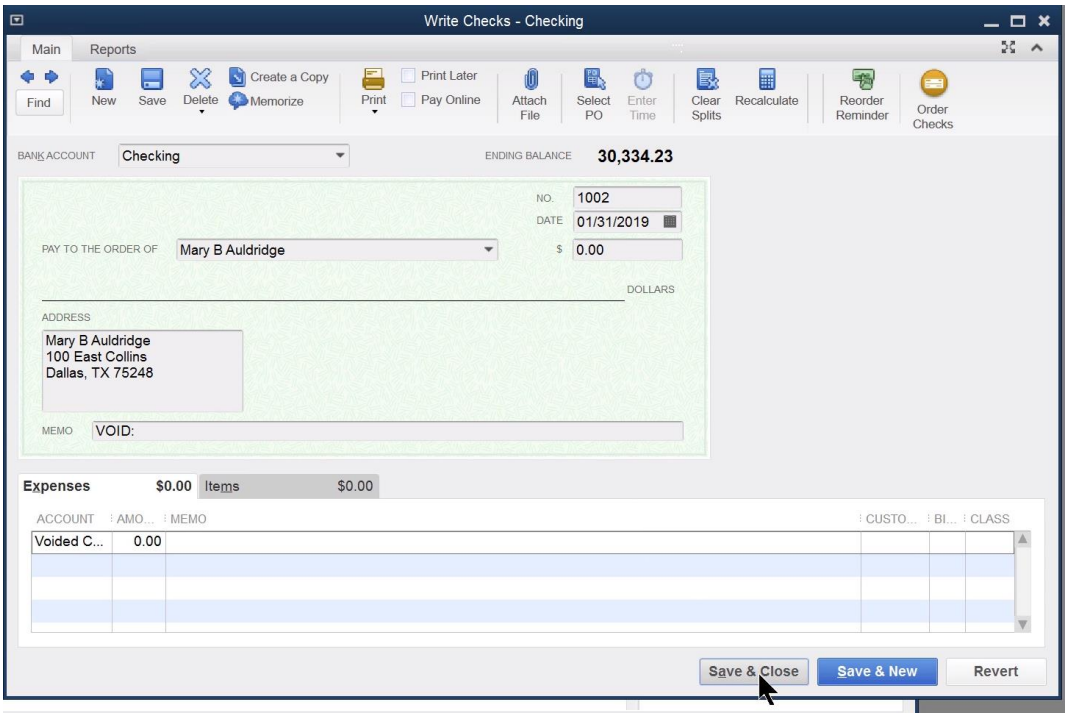
Step 1. Reprint Original Paycheck

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.



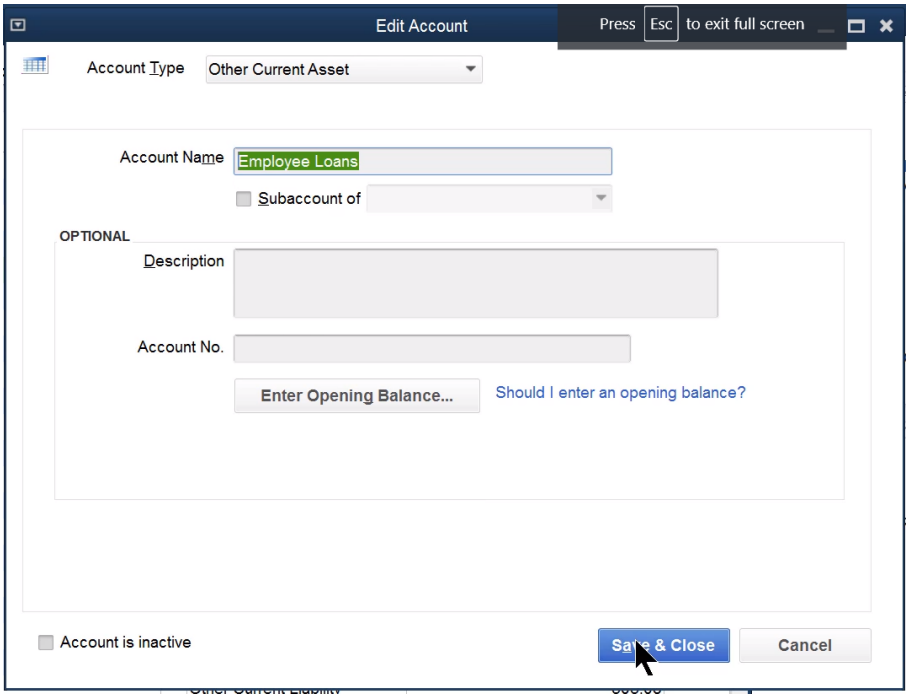
QuickBooks requires an account on voided checks. Create and use an Asset account called Voided Checks. This creates a register of all voided checks.

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

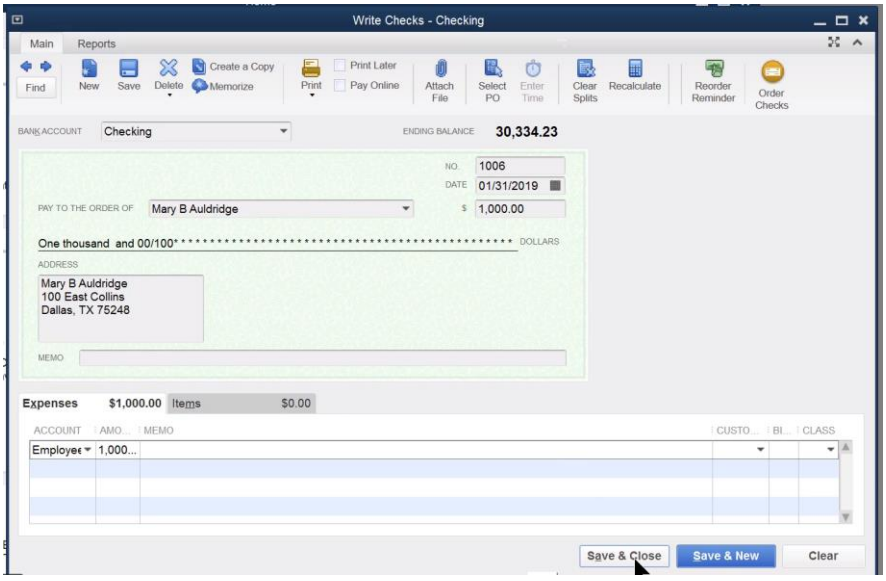
1. Click the **Chart of Accounts** icon on the **Home** page.
2. Click the **Account** button.
3. Select **New** from the menu.
4. Click the **Other Account Types** drop-down list and select **Other Current Asset**.
5. Click Continue.
6. Enter Employee Loans as the Account Name.
7. Click Save & Close.



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

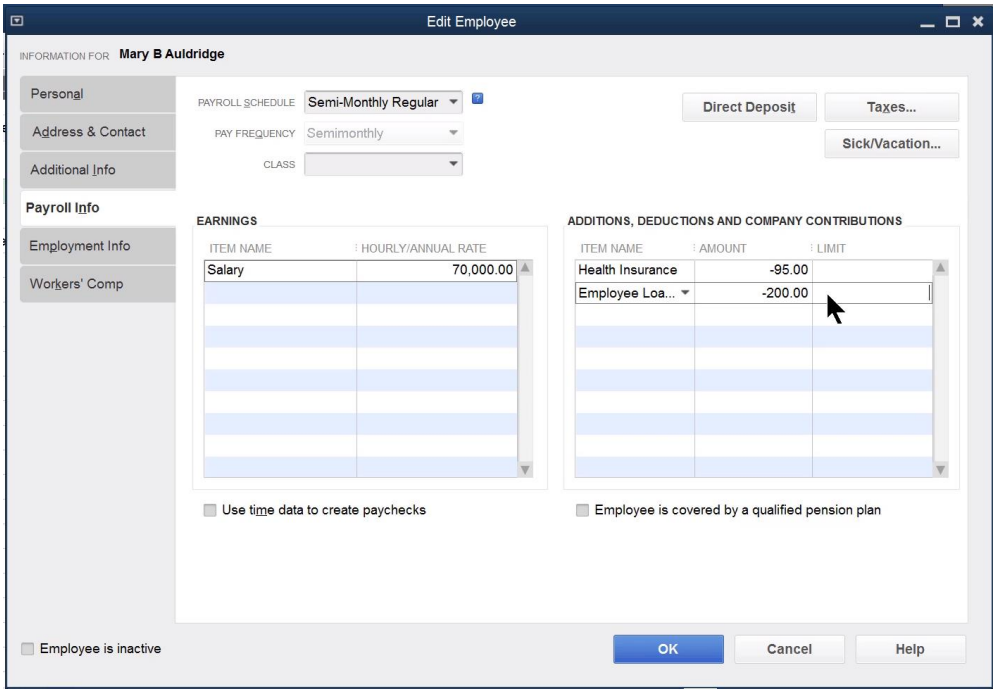
If the loan is repaid via paychecks, add a *Deduction* payroll item. This item should not be taxable.

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**.

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**.



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.

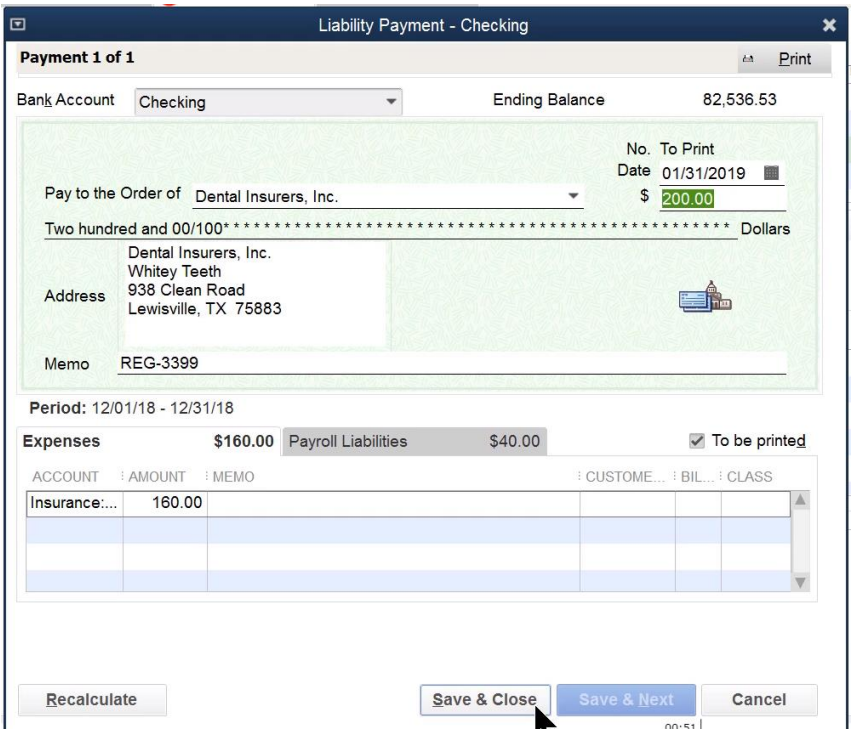
Company & Employee Expenses

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.

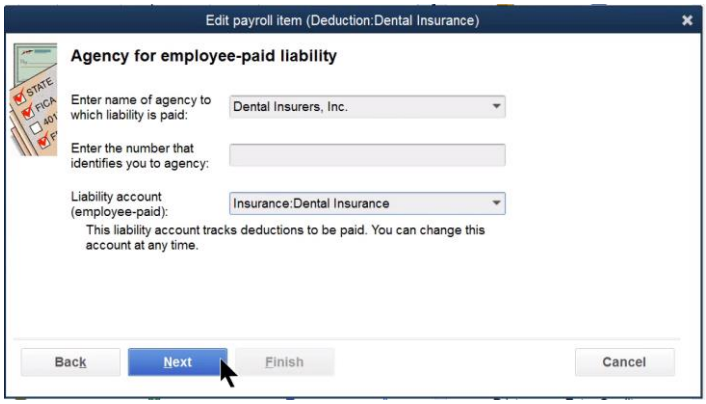


Method 2-Pay with Bill/Check

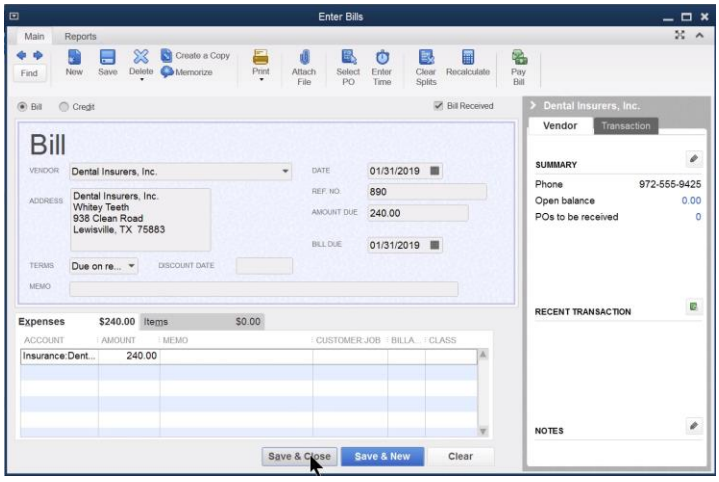
This method records the deduction on the paycheck as a credit to an expense account. Then, the bill or check includes the full amount of the payment as an expense. Therefore, the resulting net expense will equal the gross expense less the employee-paid payroll deductions.

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



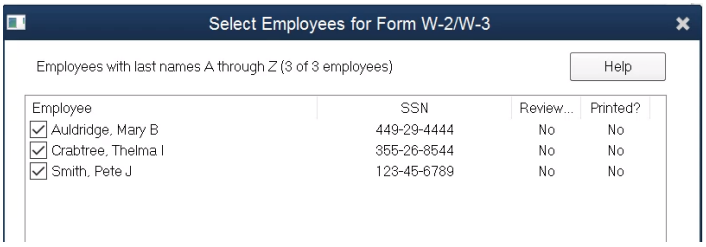
Enter Bill/Check for Full Amount Owed



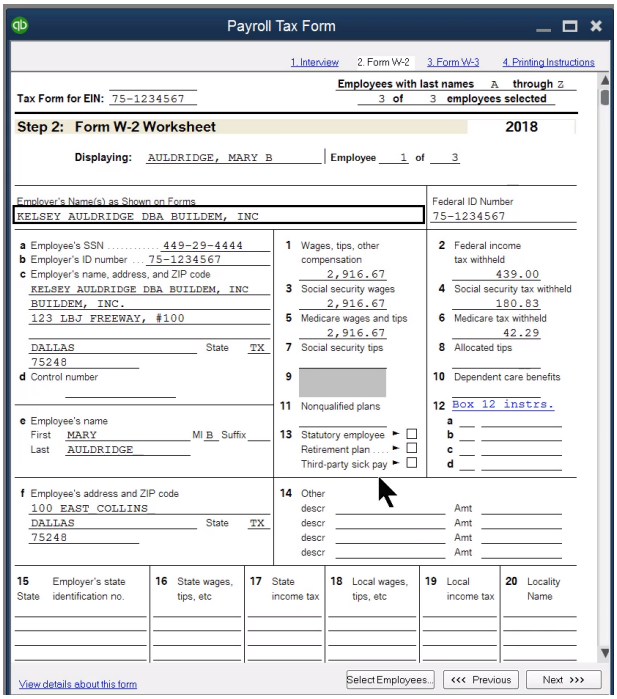
W-2s and W-3

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 W-2



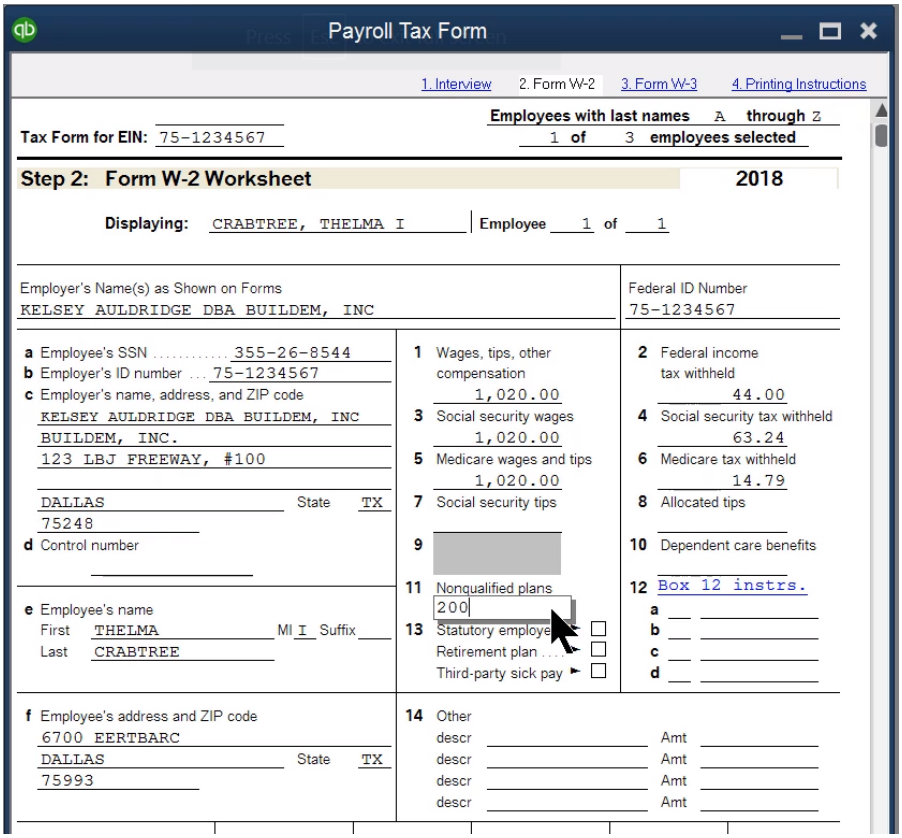
Manually Adjust W-2s & W-3

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

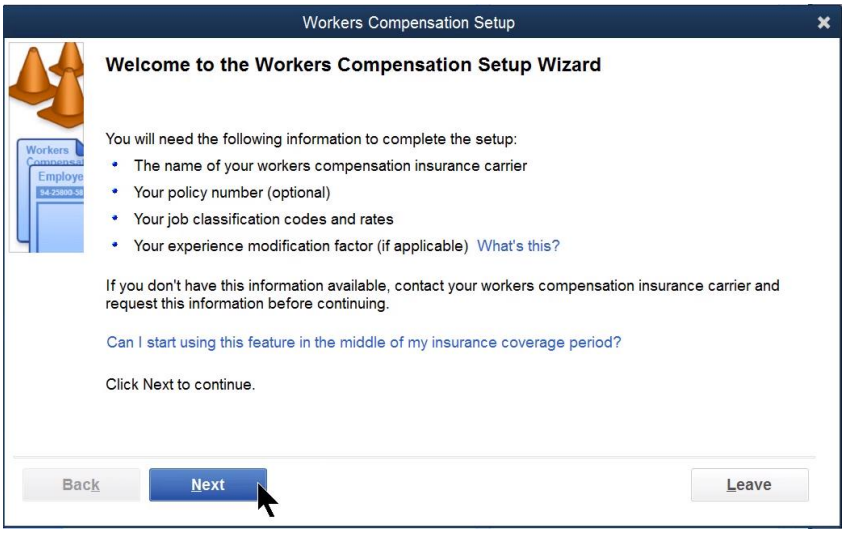


Workers Compensation

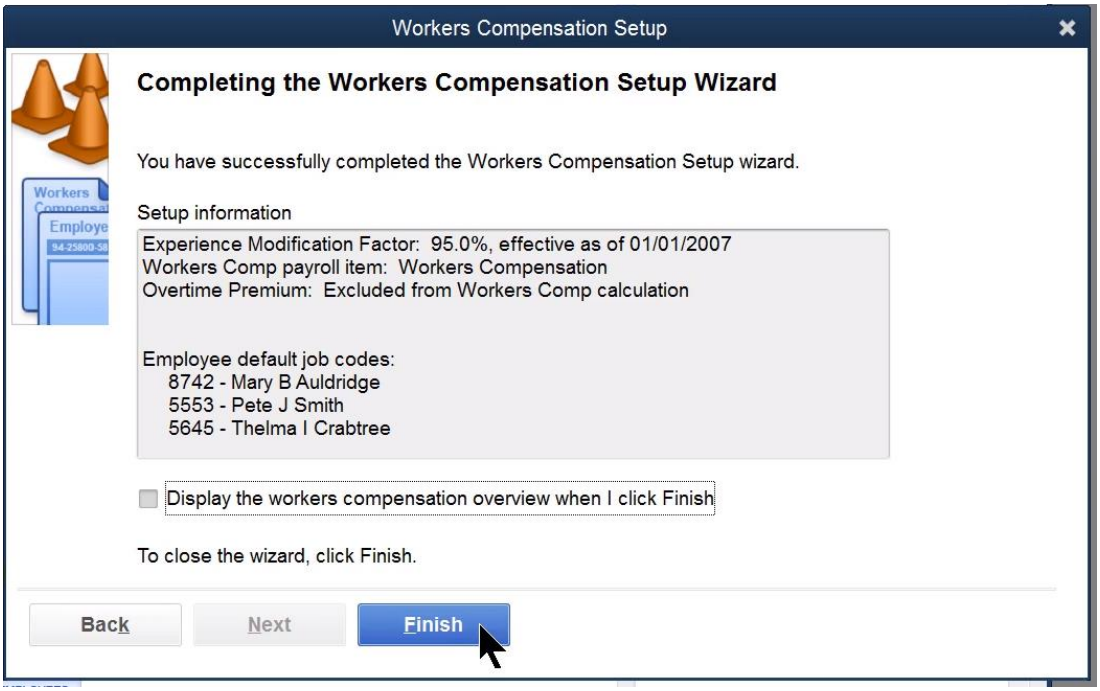
The QuickBooks Enhanced Payroll service includes a Workers Compensation Setup wizard that walks you through the process of setting up workers compensation. If you have not started using QuickBooks workers compensation, you should use the wizard.

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.



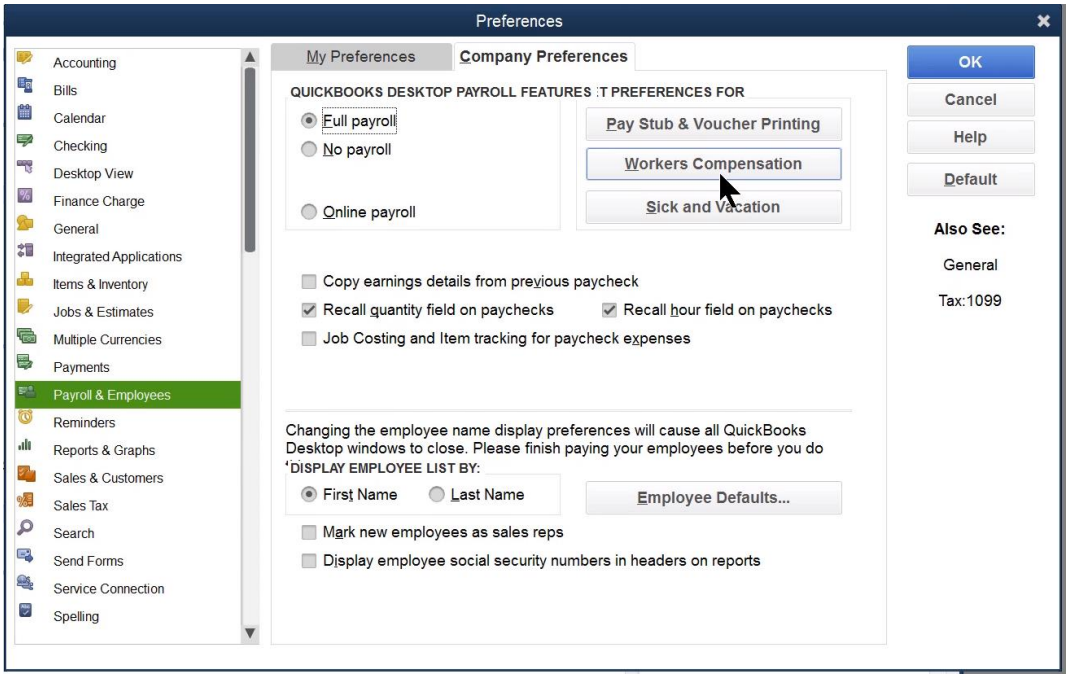
Workers Compensation Setup-Finish



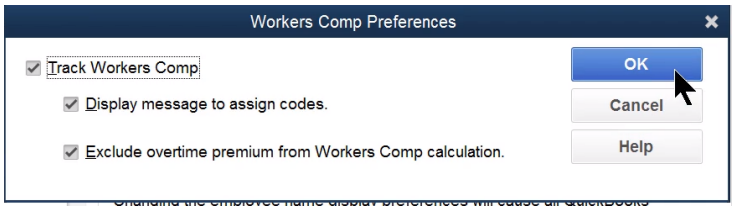
Workers Compensation Preferences

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



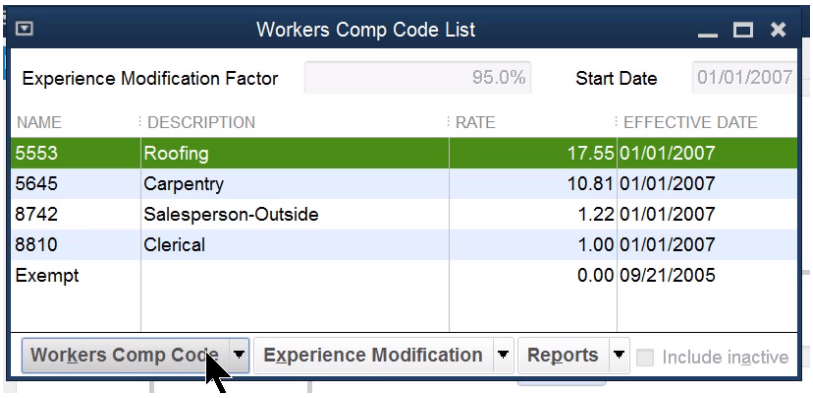
Workers Comp Preferences



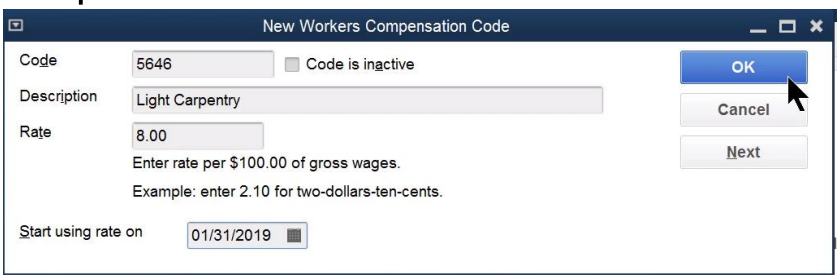
Set Up Workers Compensation Codes

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



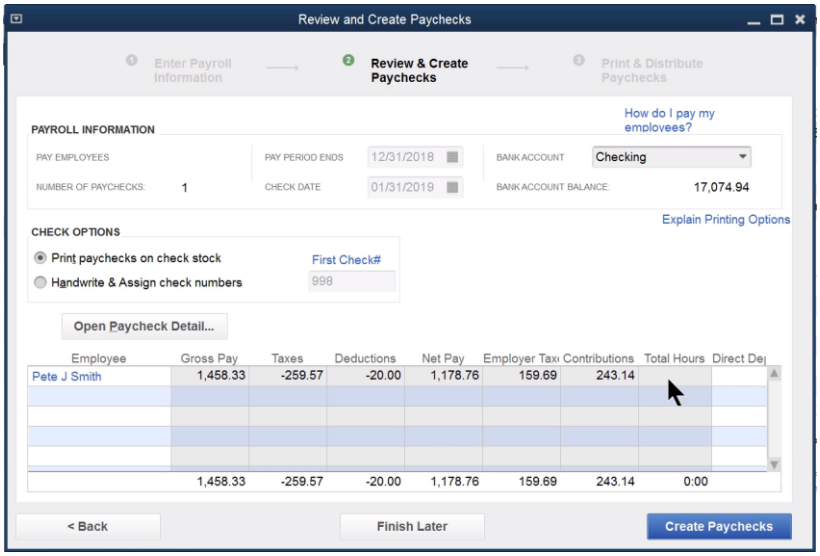
New Workers Compensation Code



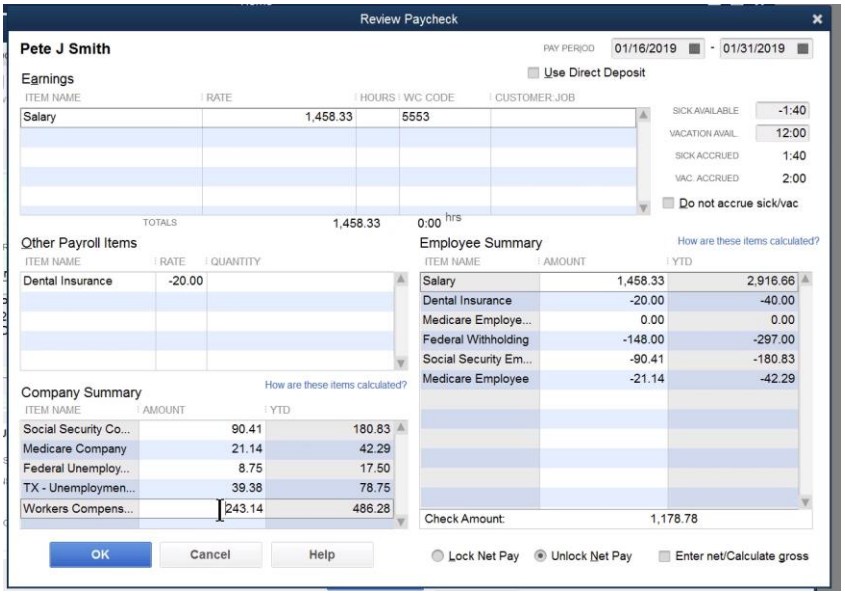
Use Workers Compensation Codes

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



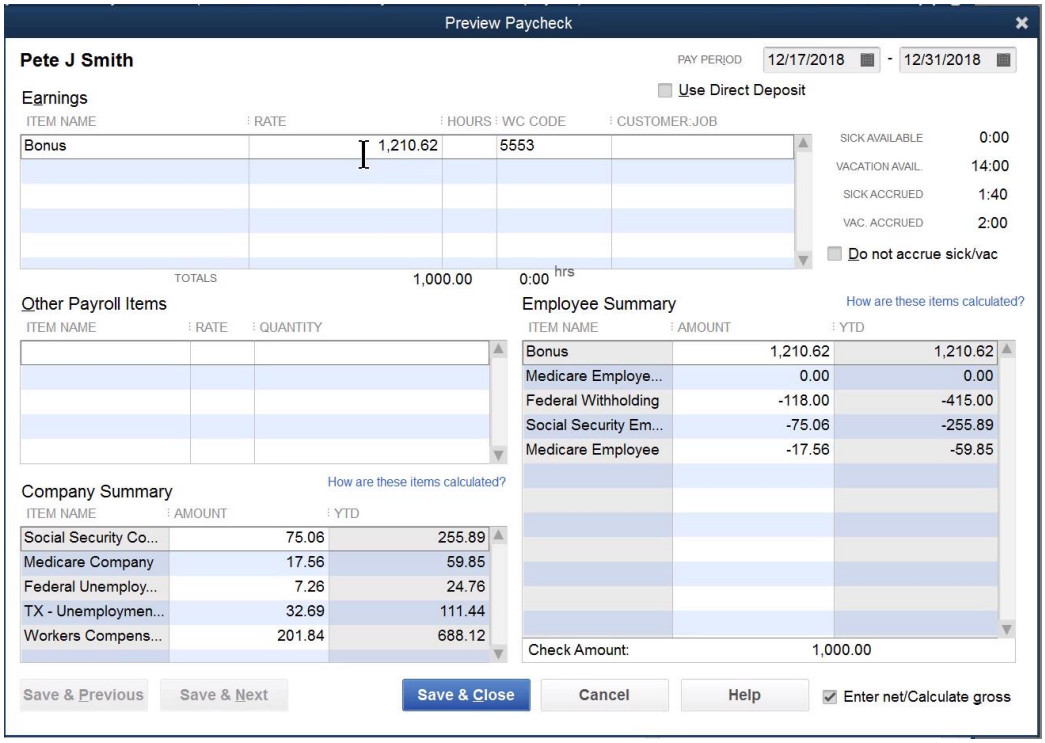
Enter WC Codes



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.

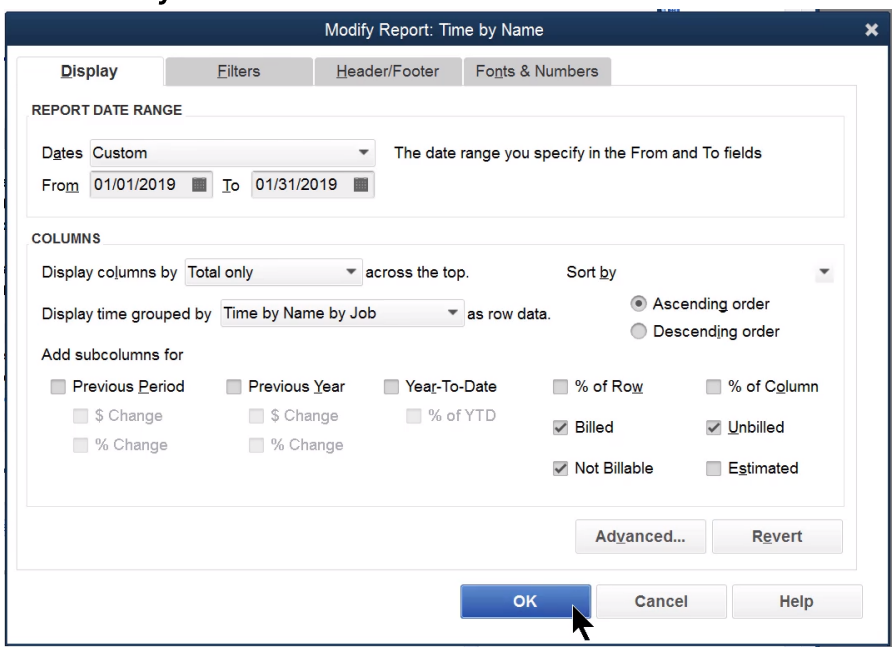


Time Reports by Billed Status

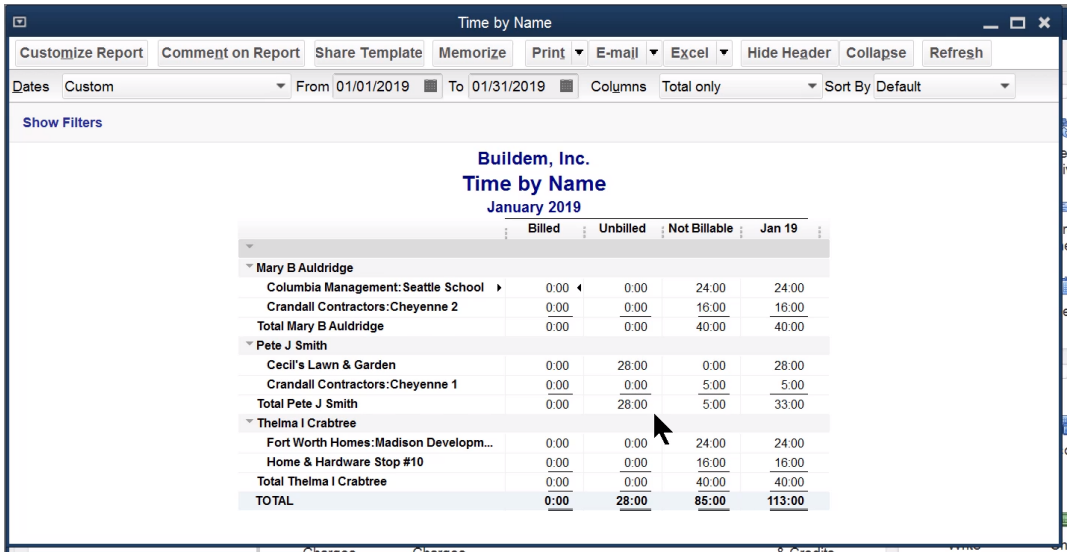
Follow these steps to see the billing status on the time reports.

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



Time by Name Report With Billed Status



	Billed	Unbilled	Not Billable	Jan 19
Mary B Auldridge				
Columbia Management:Seattle School	0:00	0:00	24:00	24:00
Crandall Contractors:Cheyenne 2	0:00	0:00	16:00	16:00
Total Mary B Auldridge	0:00	0:00	40:00	40:00
Pete J Smith				
Cecil's Lawn & Garden	0:00	28:00	0:00	28:00
Crandall Contractors:Cheyenne 1	0:00	0:00	5:00	5:00
Total Pete J Smith	0:00	28:00	5:00	33:00
Thelma I Crabtree				
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
Total Thelma I Crabtree	0:00	0:00	40:00	40:00
TOTAL	0:00	28:00	85:00	113:00

Summarize Payroll Data in Excel®

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

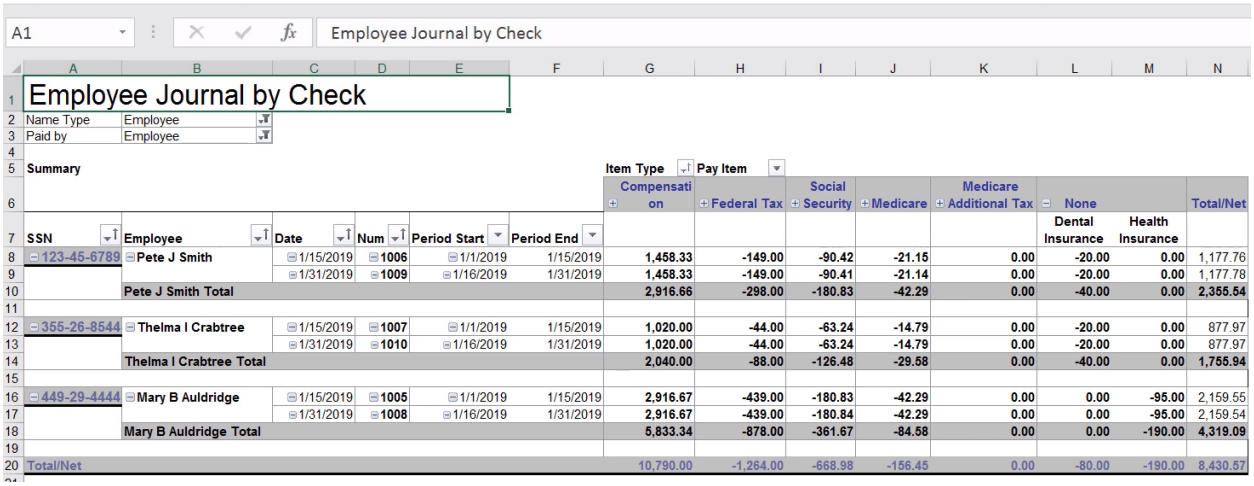
1. Select **Reports:Employees & Payroll:Summarize Payroll Data** in Excel from the menu.
2. Click **Enable Macros** in the **Security Warning** window (if asked).
3. Select appropriate dates in the **QuickBooks Payroll Workbook** window.
4. Click the **Get QuickBooks Data** button.

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



	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Employee Journal by Check													
2	Name Type	Employee												
3	Paid by	Employee												
4														
5	Summary						Item Type	Pay Item						
6							Compensation	Federal Tax	Social Security	Medicare	Medicare Additional Tax	None		Total/Net
7	SSN	Employee	Date	Num	Period Start	Period End						Dental Insurance	Health Insurance	
8	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	1,177.76
9			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	1,177.78
10		Pete J Smith Total					2,916.66	-298.00	-180.83	-42.29	0.00	-40.00	0.00	2,355.54
11														
12	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	877.97
13			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	877.97
14		Thelma I Crabtree Total					2,040.00	-88.00	-126.48	-29.58	0.00	-40.00	0.00	1,755.94
15														
16	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	2,159.55
17			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	2,159.54
18		Mary B Auldridge Total					5,833.34	-878.00	-361.67	-84.58	0.00	0.00	-190.00	4,319.09
19														
20	Total/Net						10,790.00	-1,264.00	-668.98	-156.45	0.00	-80.00	-190.00	8,430.57

Chapter 10

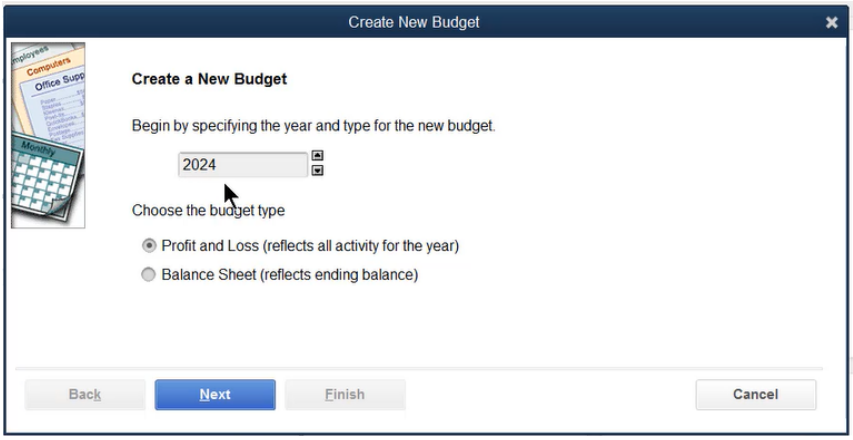
Reports

Budgets & Forecasts

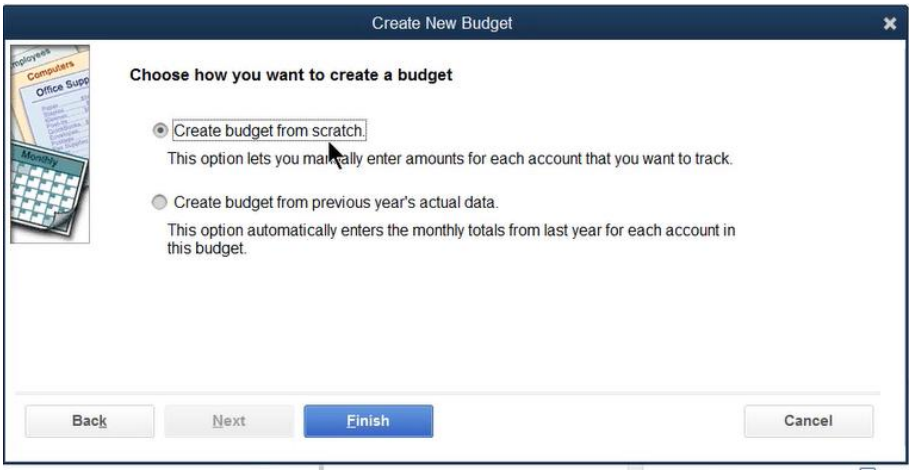
QuickBooks makes it easy to enter your budgets and financial forecasts. QuickBooks can create a budget based on last year's actual numbers. QuickBooks Premier and Enterprise Solutions also have a forecast tool. Once entered, you can compare your actual results against your budget and forecast.

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.

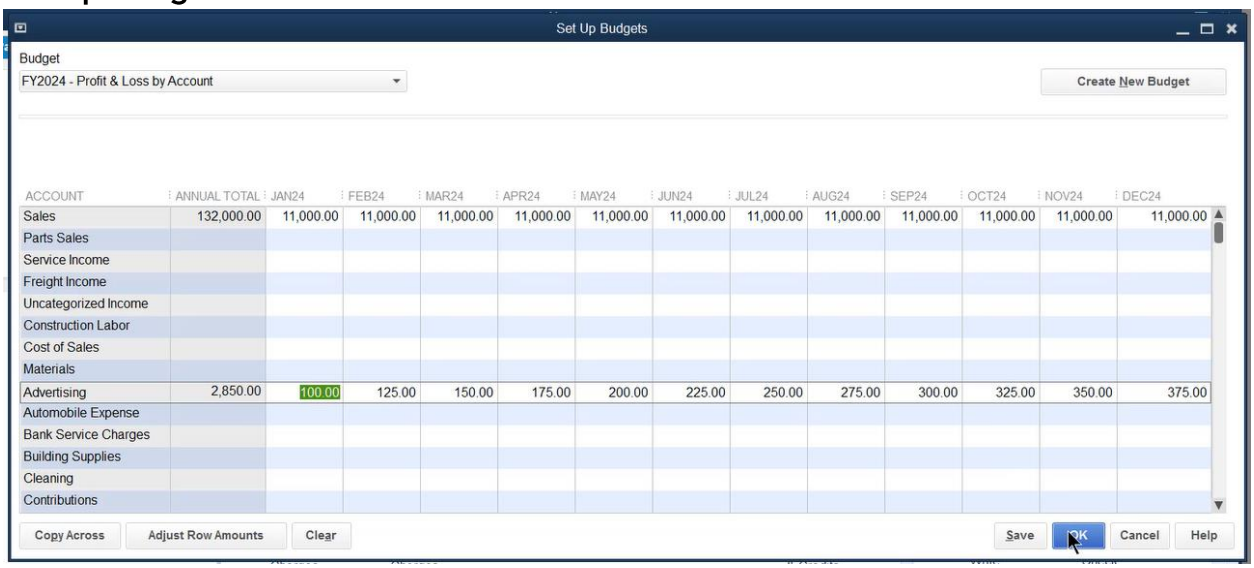
Select Budget Year and Type



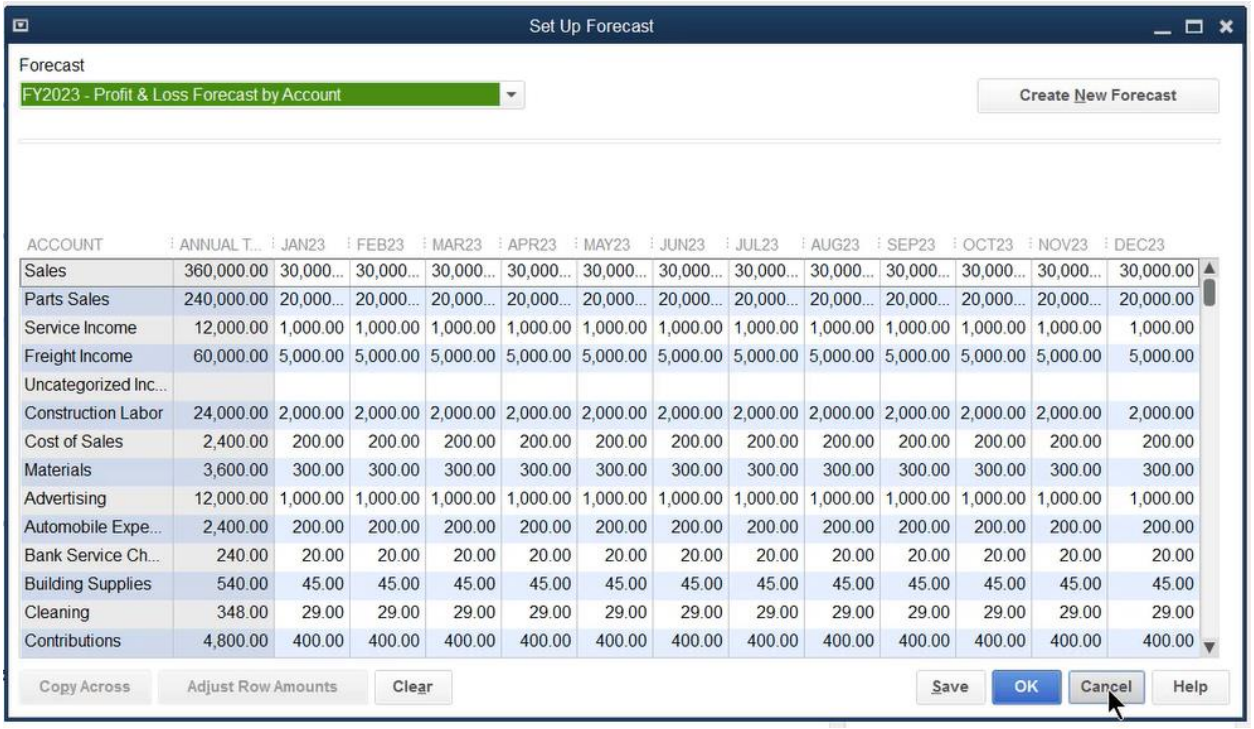
Create New Budget



Set Up Budgets Window

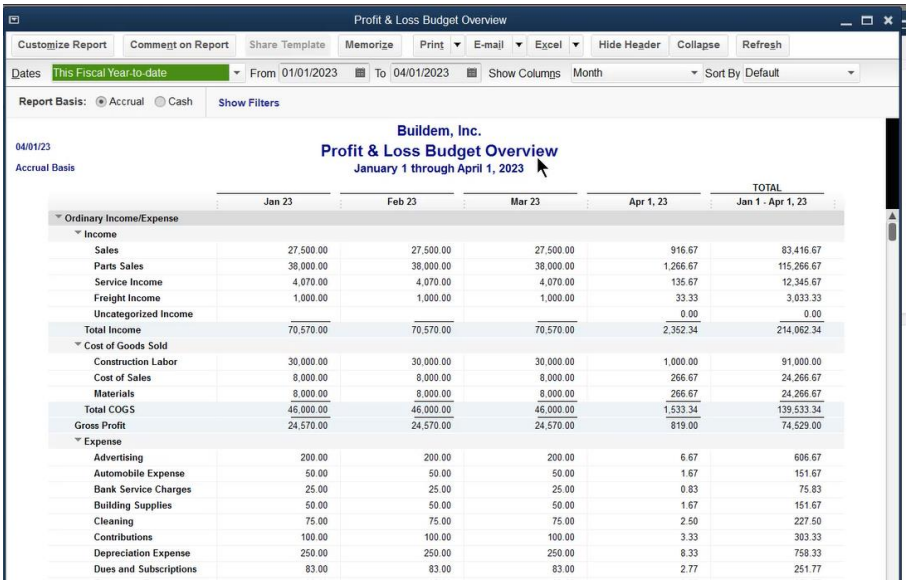


Set Up Forecast Window



Review a Budget/Forecast Overview

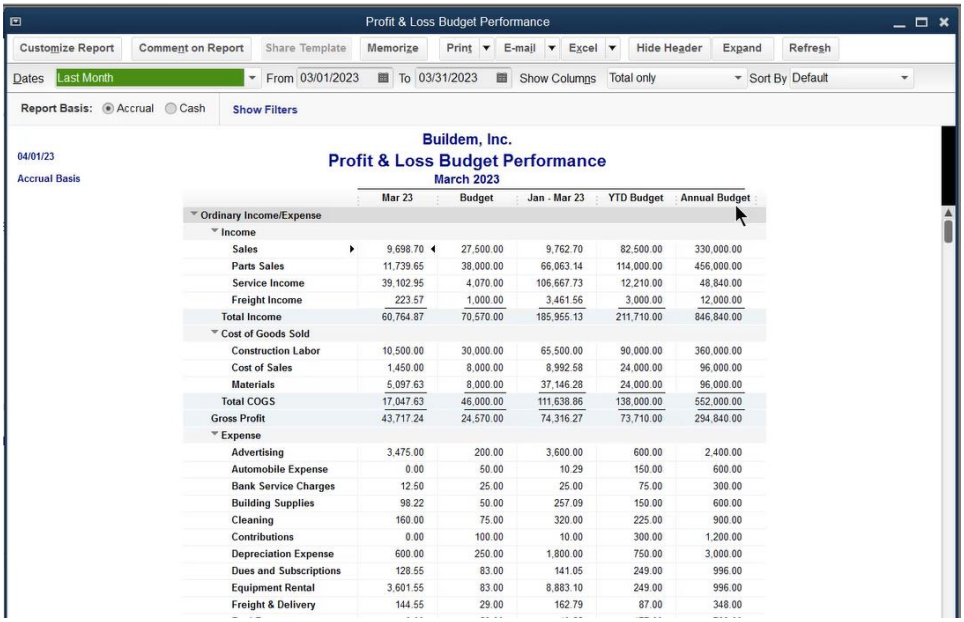
1. Select **Reports:Budgets & Forecasts:Budget Overview or Forecast Overview** from the menu.
2. Make appropriate selections in the **Budget Report** or **Forecast Report** windows.
3. Click **Finish** in the last window.



	Jan 23	Feb 23	Mar 23	Apr 1, 23	TOTAL Jan 1 - Apr 1, 23
Ordinary Income/Expense					
Income					
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	135.67	12,345.67
Freight Income	1,000.00	1,000.00	1,000.00	33.33	3,033.33
Uncategorized Income				0.00	0.00
Total Income	70,570.00	70,570.00	70,570.00	2,352.34	214,062.34
Cost of Goods Sold					
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
Total COGS	46,000.00	46,000.00	46,000.00	1,533.34	139,533.34
Gross Profit	24,570.00	24,570.00	24,570.00	819.00	74,529.00
Expense					
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.



	Mar 23	Budget	Jan - Mar 23	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
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	3,461.56	3,000.00	12,000.00
Total Income	60,764.87	70,570.00	185,955.13	211,710.00	846,840.00
Cost of Goods Sold					
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
Total COGS	17,047.63	46,000.00	111,638.86	138,000.00	552,000.00
Gross Profit	43,717.24	24,570.00	74,316.27	73,710.00	294,840.00
Expense					
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

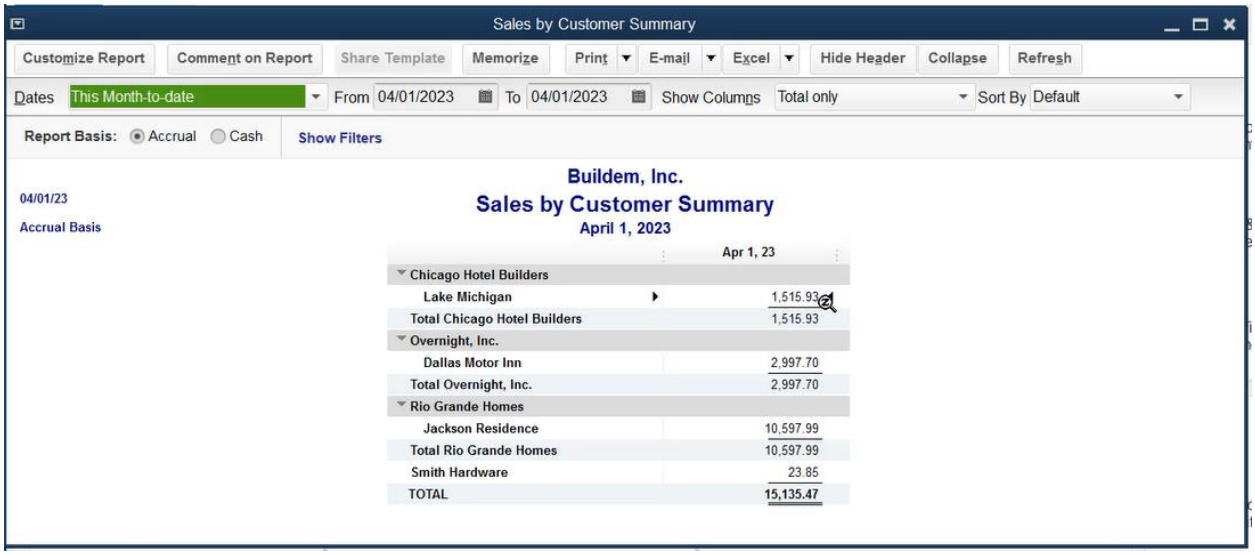
Reports in QuickBooks can be classified into three types.

- **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.



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

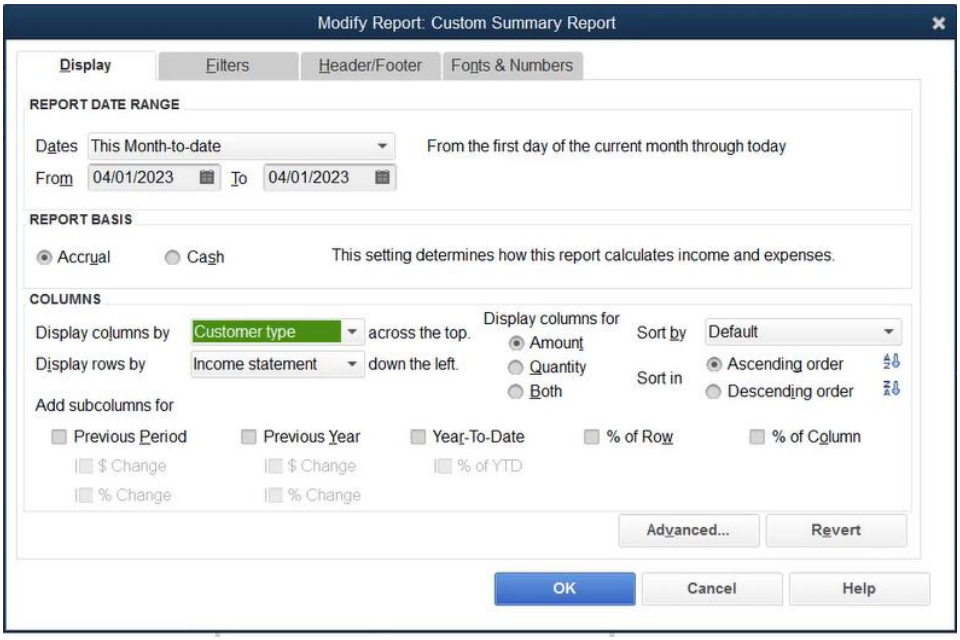
Custom Reports

You can modify any of the hundreds of reports available in QuickBooks. In addition, two custom reports are available that provide different levels of detail. These are excellent starting points for creating new reports.

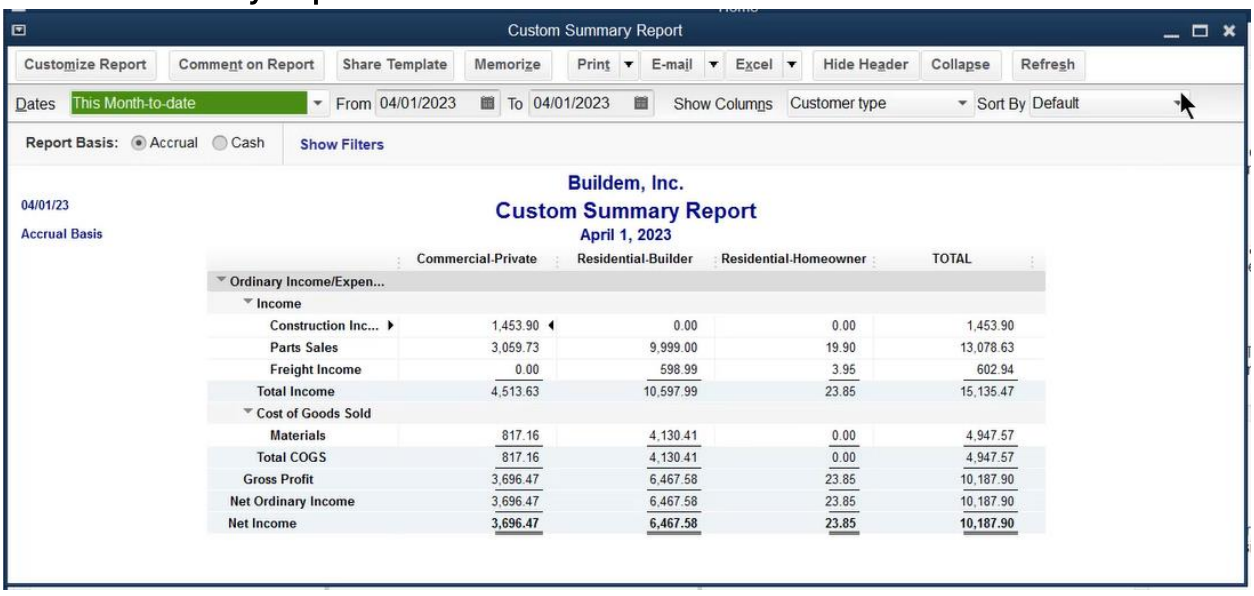
Open Custom Summary Report

Select **Reports:Custom Reports:Summary** from the menu.

Modify Report Window



Custom Summary Report

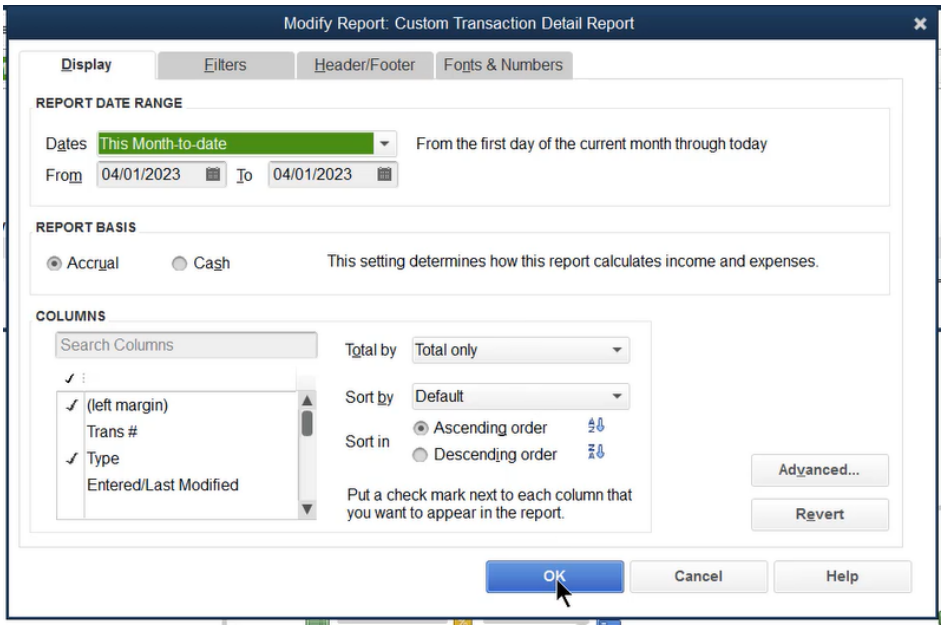


	Commercial-Private	Residential-Builder	Residential-Homeowner	TOTAL
Ordinary Income/Expen...				
Income				
Construction Inc...	1,453.90	0.00	0.00	1,453.90
Parts Sales	3,059.73	9,999.00	19.90	13,078.63
Freight Income	0.00	598.99	3.95	602.94
Total Income	4,513.63	10,597.99	23.85	15,135.47
Cost of Goods Sold				
Materials	817.16	4,130.41	0.00	4,947.57
Total COGS	817.16	4,130.41	0.00	4,947.57
Gross Profit	3,696.47	6,467.58	23.85	10,187.90
Net Ordinary Income	3,696.47	6,467.58	23.85	10,187.90
Net Income	3,696.47	6,467.58	23.85	10,187.90

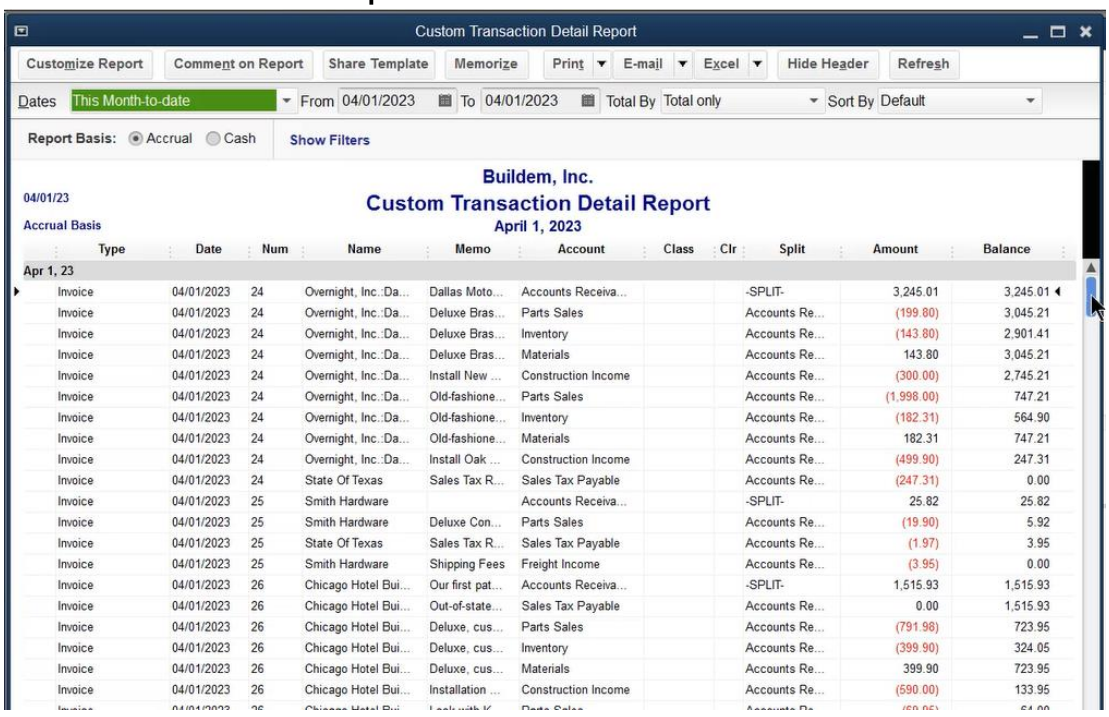
Open Custom Transaction Detail Report

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

Modify Report Window



Custom Transaction Detail Report



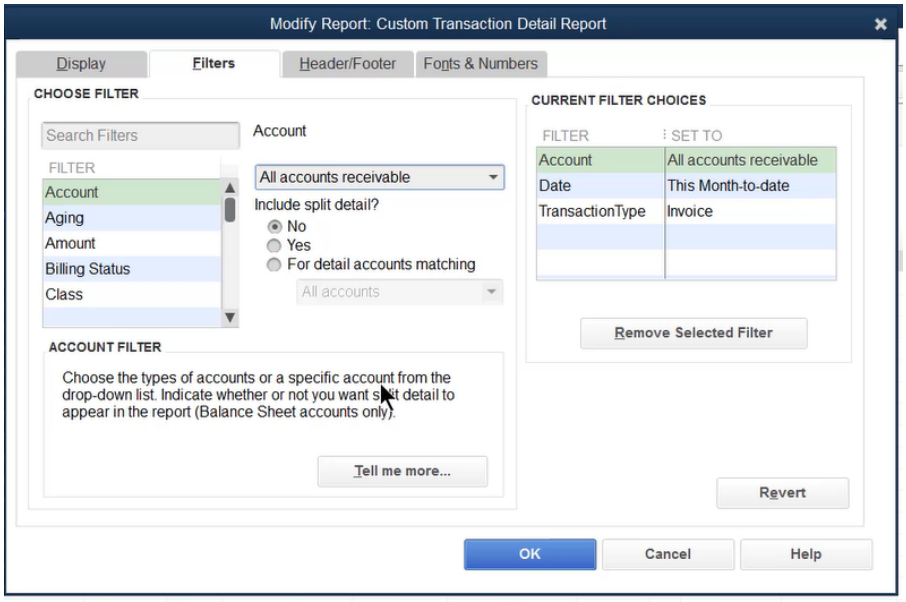
Modify Reports

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:

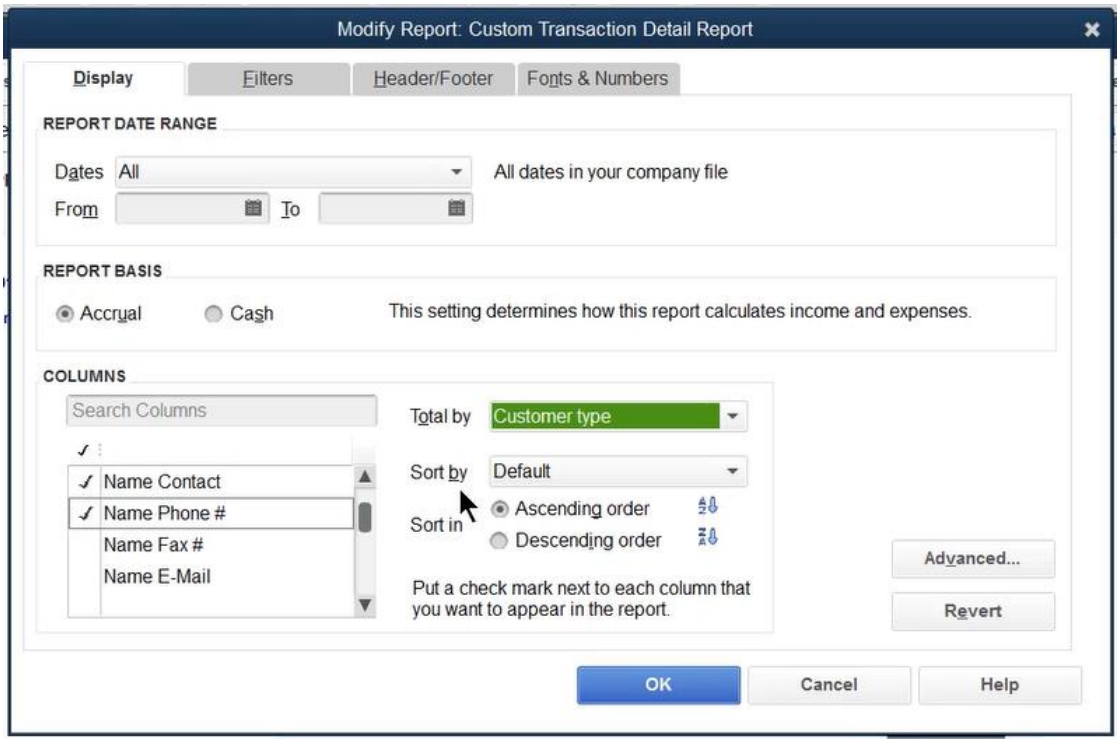
- Report Date Range
- Report Basis
- Columns
- Column Sort Order

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**.



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

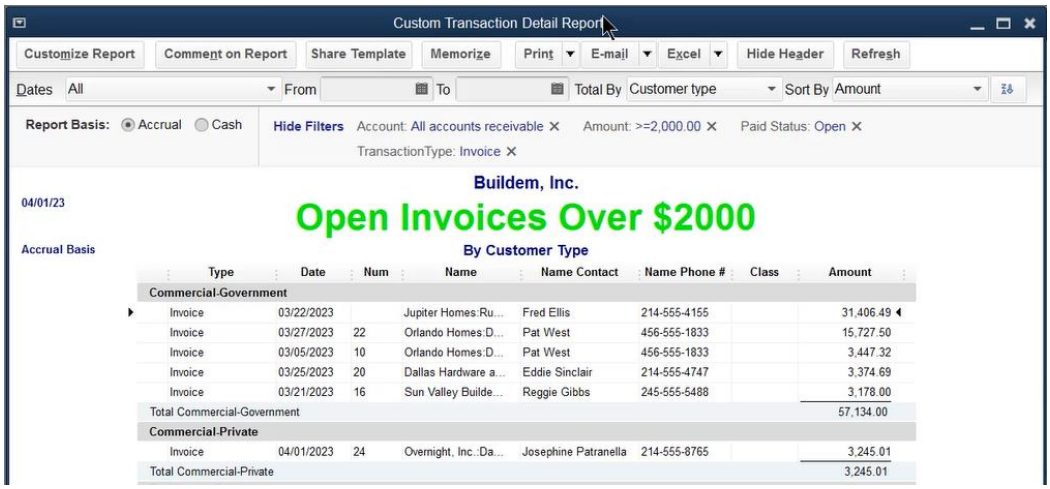
1. Display the appropriate report from the **Reports** menu.
2. Click the **Customize Report** button.
3. Click the Fonts & Numbers tab.
4. Select the appropriate report element in the **Change Font For** list.
5. Click the **Change Font** button.
6. Enter appropriate information in the window.
7. Click **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.



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

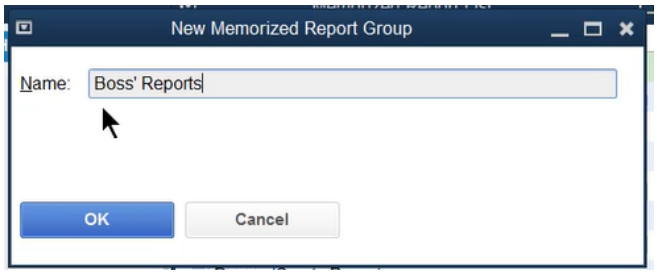
1. Select Reports:Memorized Reports:Memorized Report List from the menu.
2. Select the appropriate report in the **Memorized Report List** window.
3. Click the **Display** button.

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.

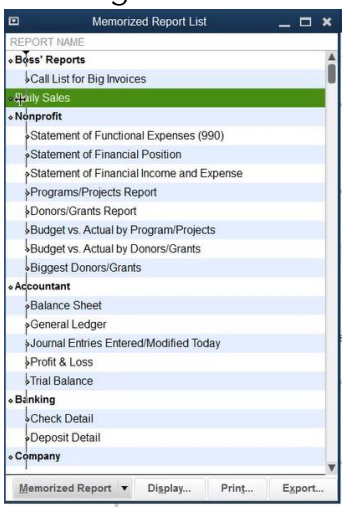
Add a Memorized Report Group

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**.



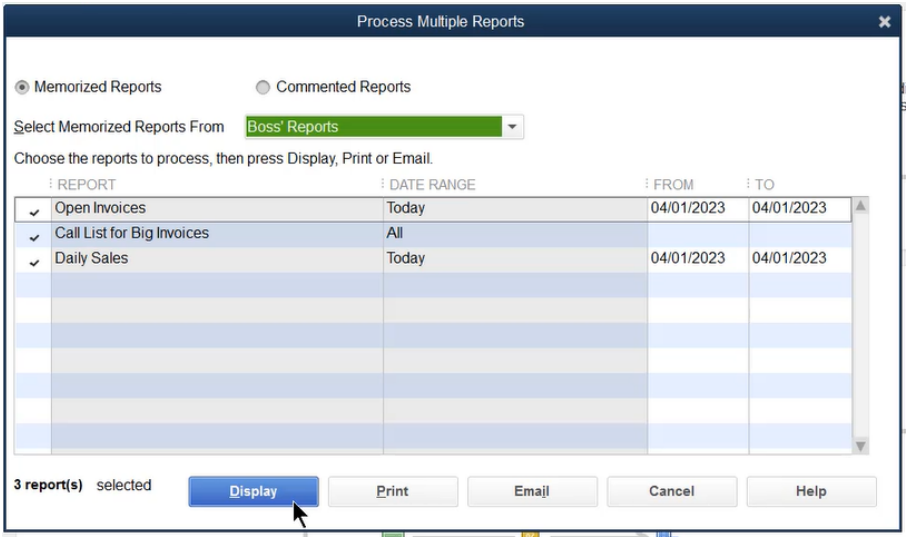
Add Memorized Report to Group

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

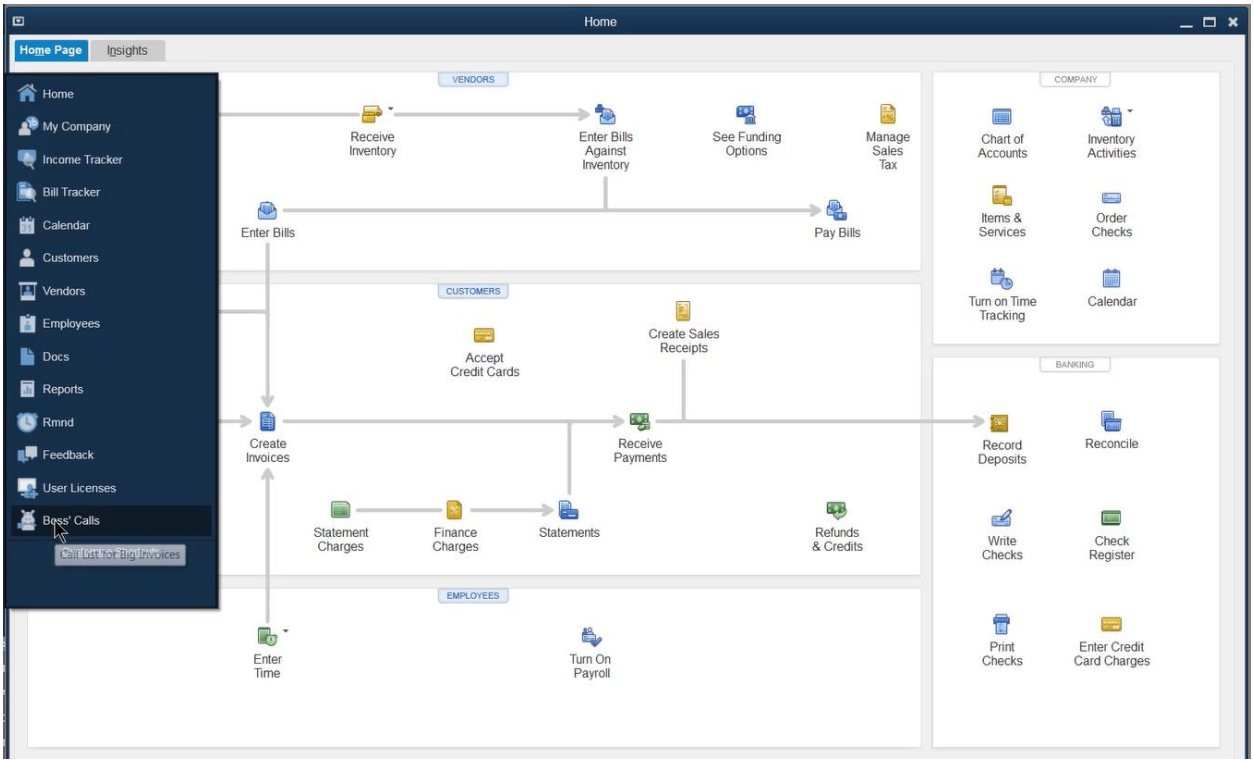
You can create a button on the **Icon Bar** for reports you access often.

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.

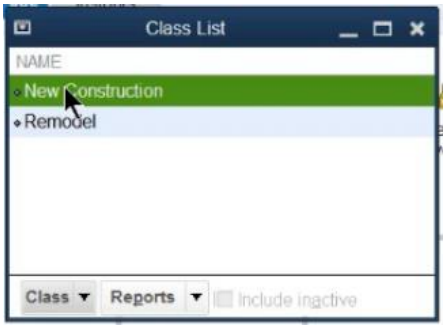
Special Fields

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.

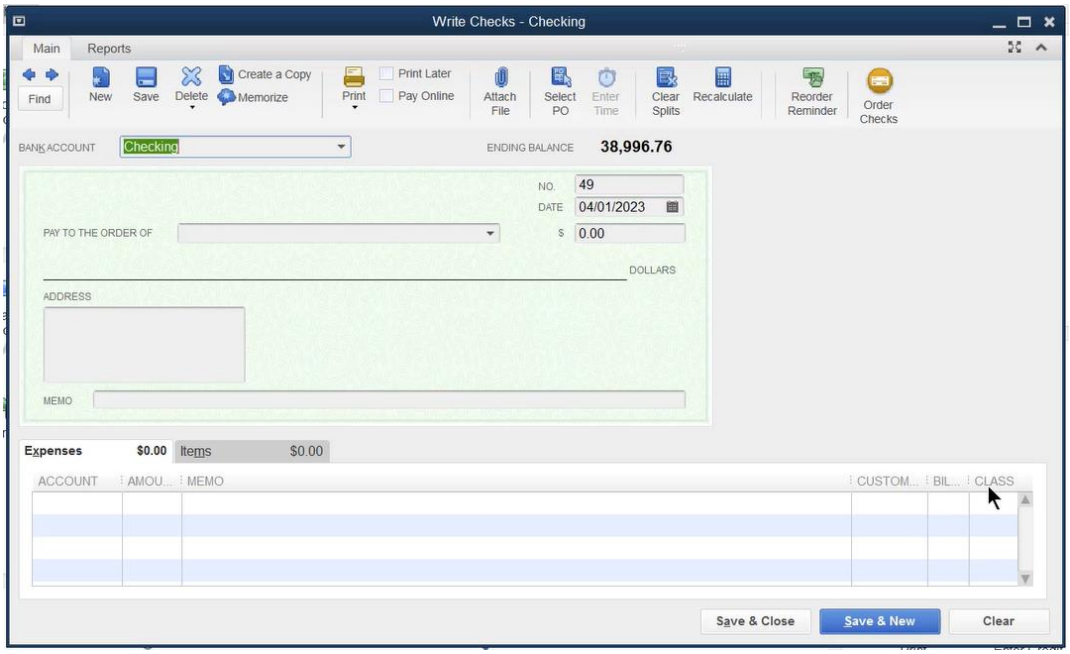
Class

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

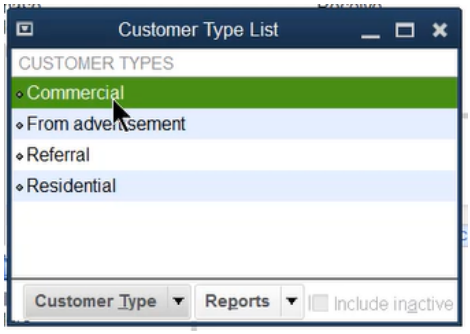


Customer Type

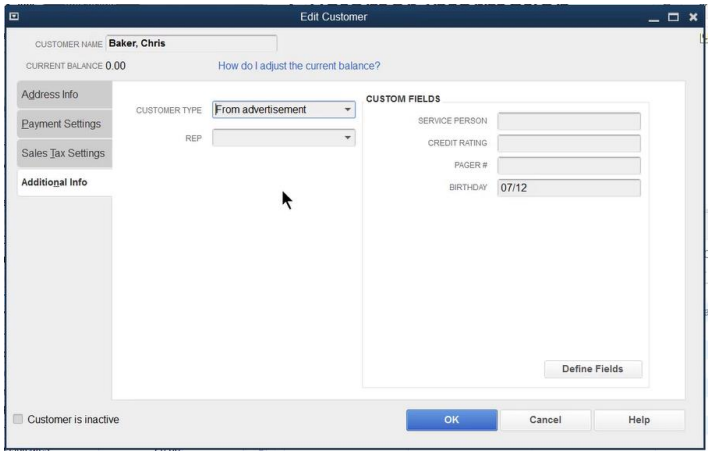
Use customer types to categorize your customers into meaningful groups. This is useful for tracking customer or job related expenses and income. Mailing labels can be selected by Customer Type.

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

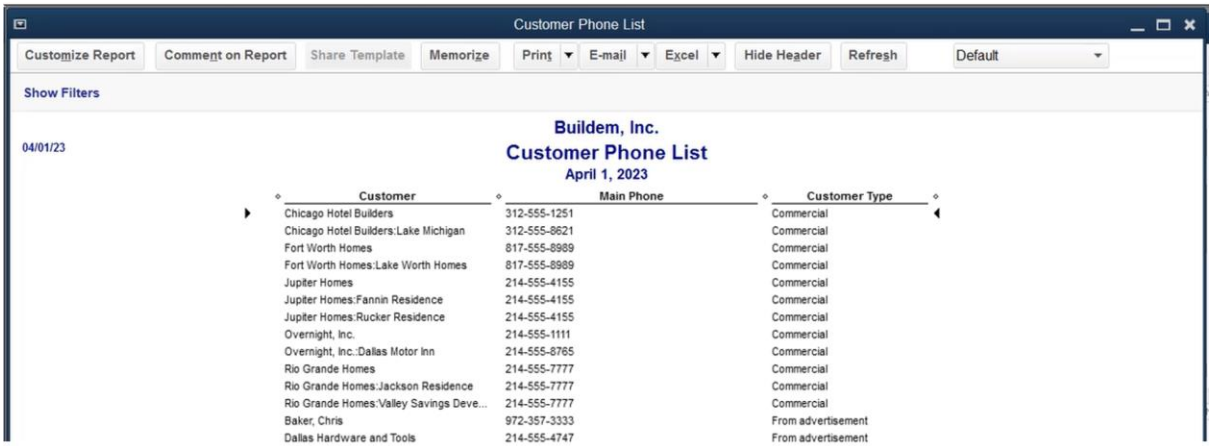
Customer Type List



Customer Type-Assign



Customer Type-On Report

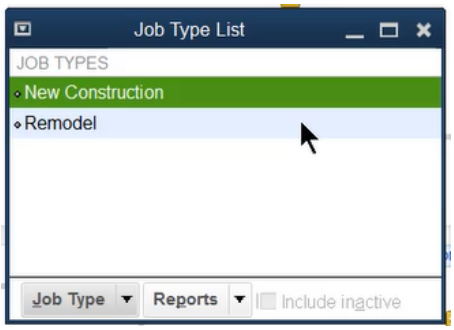

Customer Phone List
Customize Report
Comment on Report
Share Template
Memorize
Print
E-mail
Excel
Hide Header
Refresh
Default
Show Filters
04/01/23
Buildem, Inc.
Customer Phone List
April 1, 2023
Customer
Main Phone
Customer Type
Chicago Hotel Builders 312-555-1251 Commercial
Chicago Hotel Builders:Lake Michigan 312-555-8621 Commercial
Fort Worth Homes 817-555-8989 Commercial
Fort Worth Homes:Lake Worth Homes 817-555-8989 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

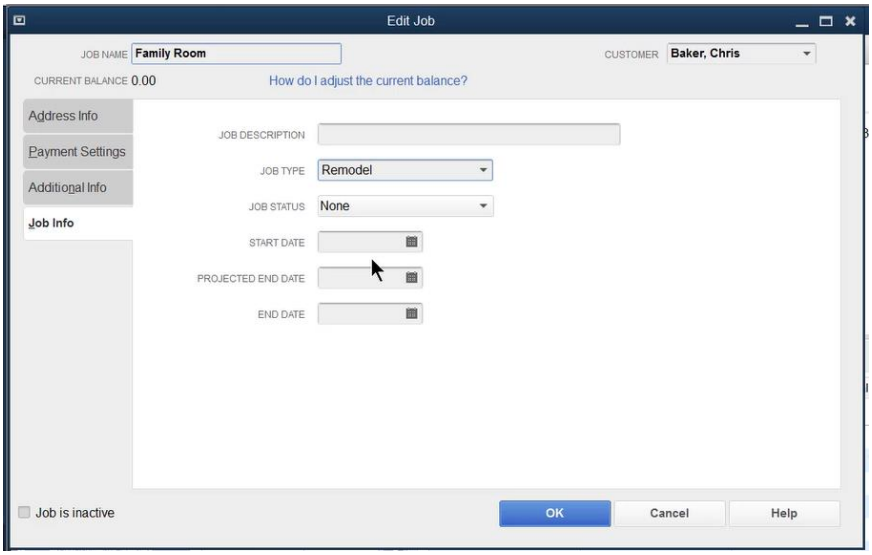
Job types are similar to customer types. Use job types to group your customer's jobs into meaningful categories. This is useful for job related expenses and income.

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

Job Type List



Job Type-Assign



Report Filtered By Job Type

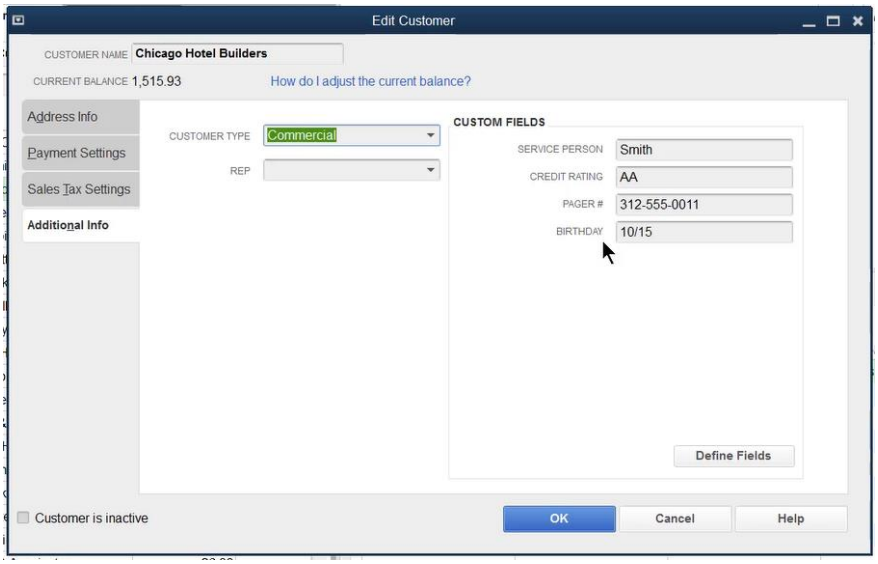
Customer Custom Field

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.

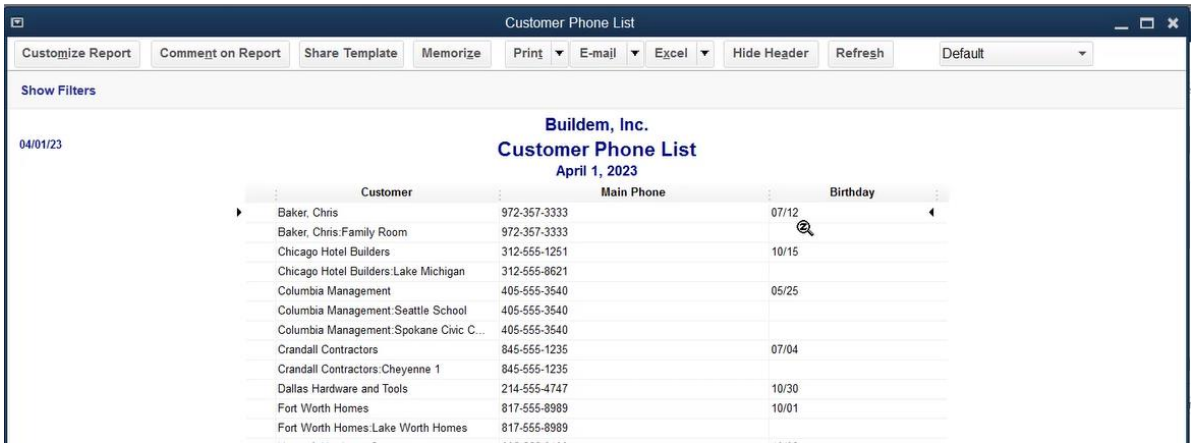
Define Customer Custom Fields

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



Custom Customer Field-On Report



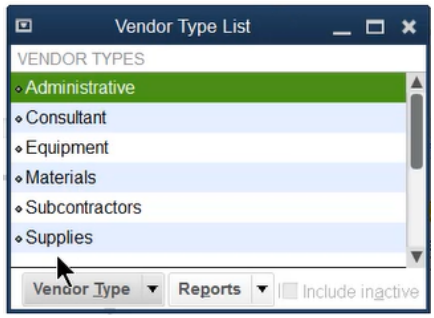
Vendor Type

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

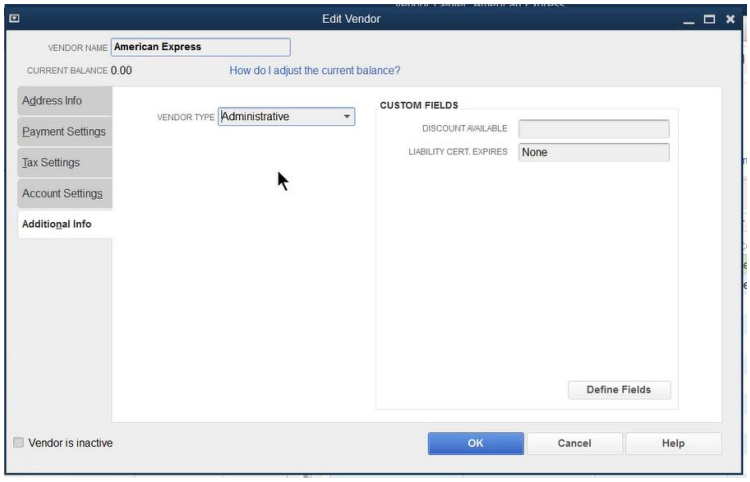
Open the Vendor Type List

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

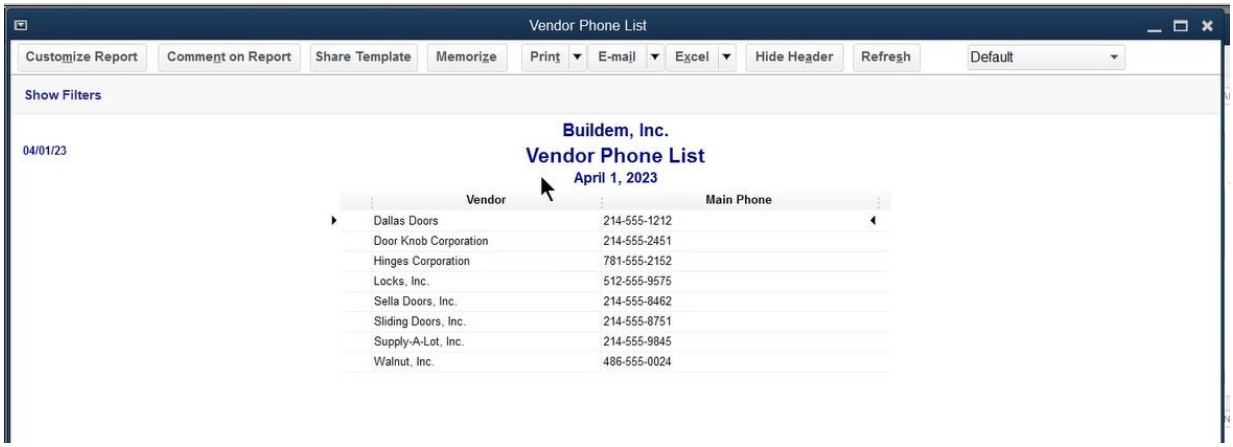
Vendor Type List



Vendor Type-Assign



Vendor Type-On Report



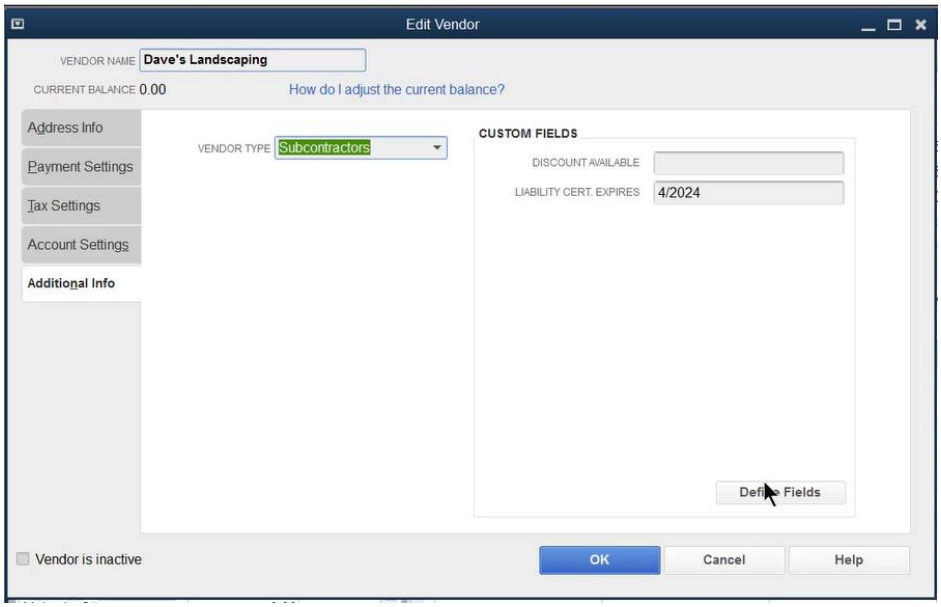
Vendor Custom Field

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.

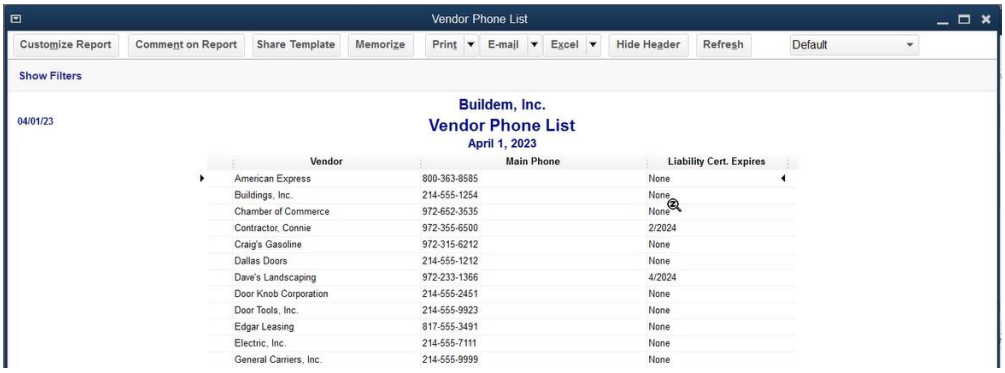
Define Vendor Custom Fields

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



Custom Vendor Field-On Report



Item Custom Field

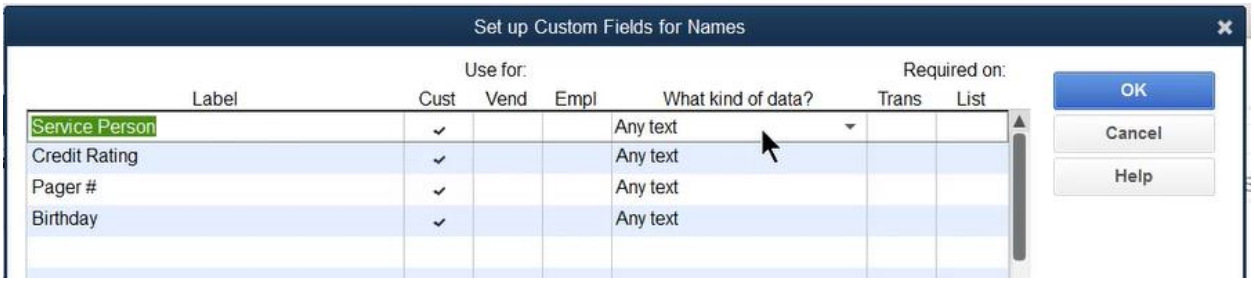
Use custom item fields to track additional information about items and services. Custom field data entry is manual. This can result in inconsistent data entry and inconsistent results on reports.

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

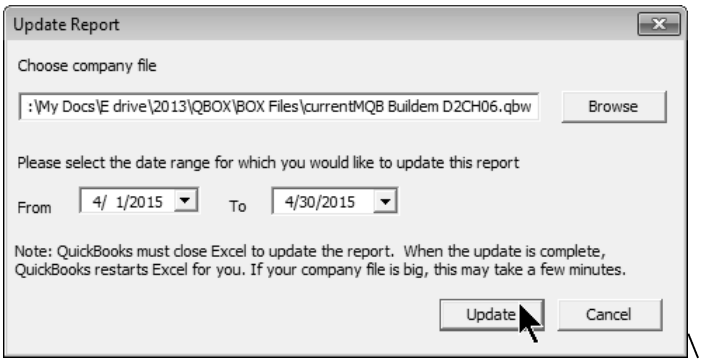
1. Display the appropriate report from the **Reports** menu.
2. Click the **Excel** button.
3. From the menu, select whether to send the report to a new or existing spreadsheet.
4. Click the **Advanced** button to modify the transfer options.
5. Click **OK**.
6. Click **Export**.
7. QuickBooks automatically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

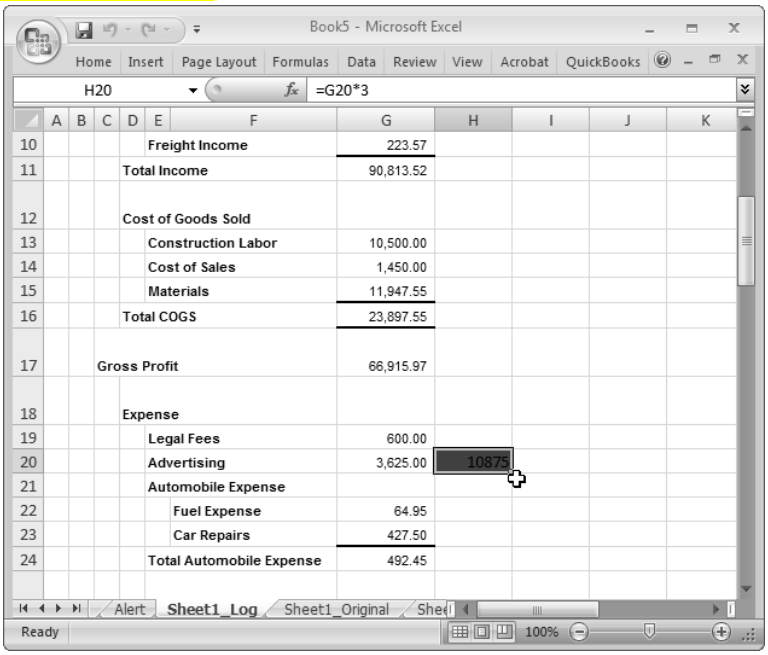
Any of the following changes you make to your exported report will have to be updated manually when the report is updated:

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

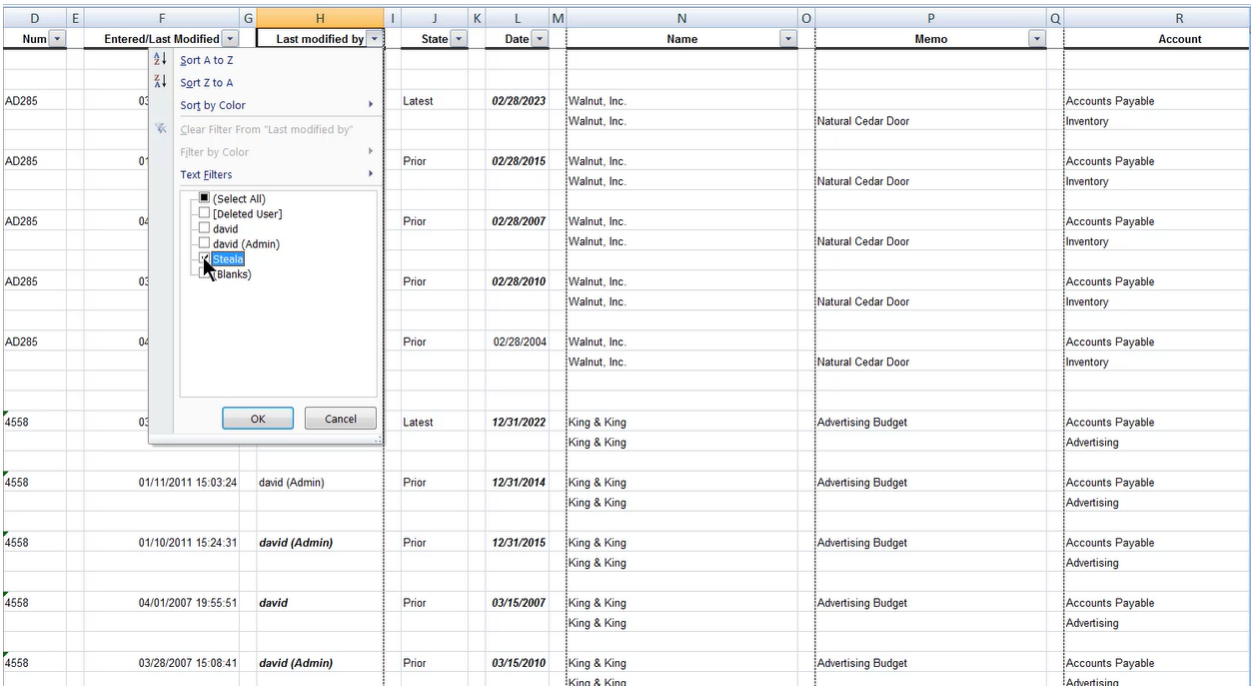
If you entered a formula in your Excel report and you receive an error when you update the report, you have two choices:

1. Close the workbook without saving to retain the report before the update.
2. Save the report on Sheet1to keep the updated report without the formula.

Updated Report-Formula Error



Auto Filter-Audit Trail

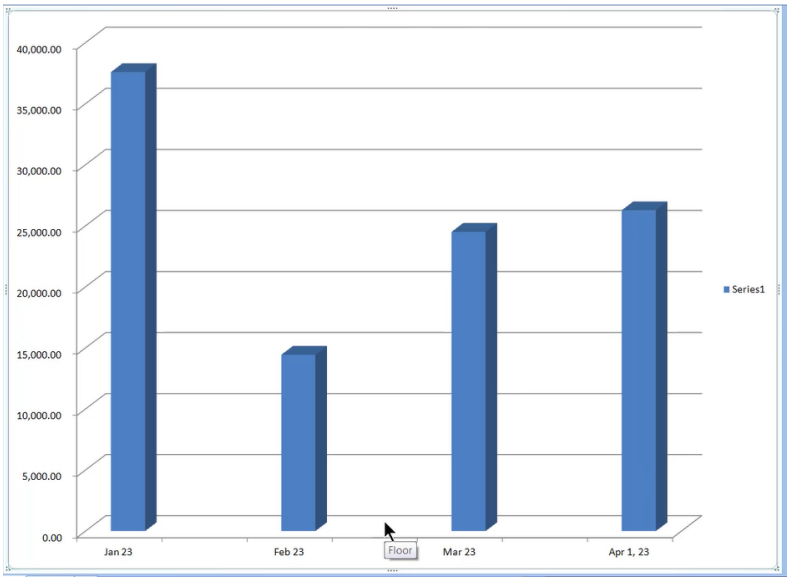


Using Excel® to Graph

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®

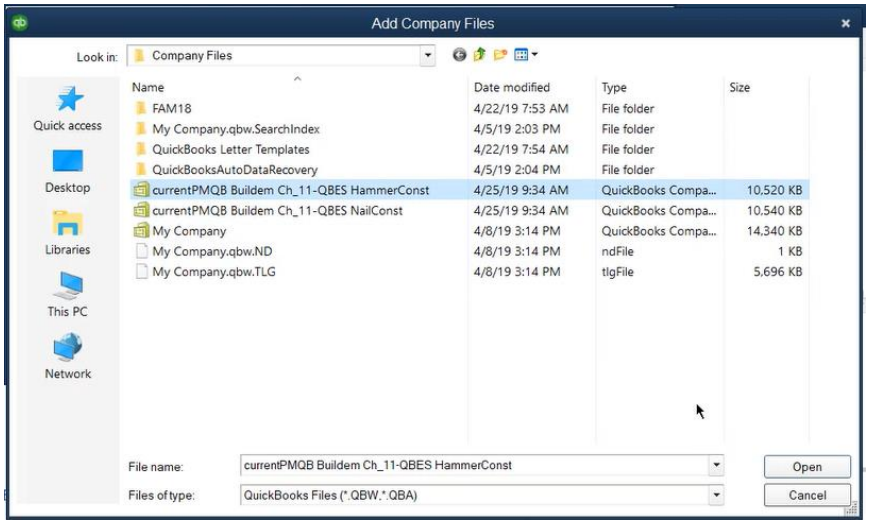
QuickBooks Enterprise Solutions lets you combine financial statements from multiple company files. You do this in a few easy steps.

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.

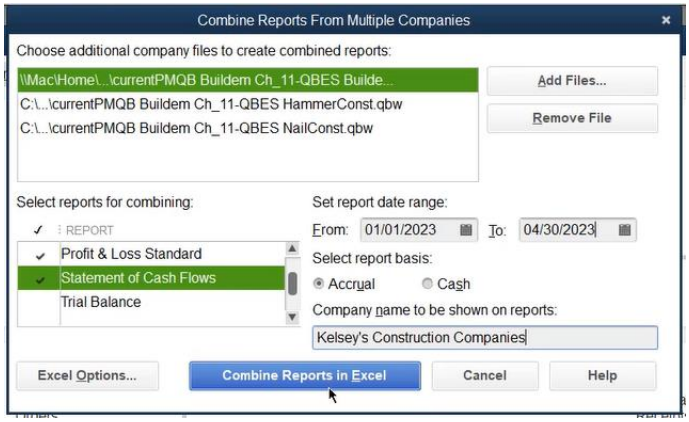
Combine Reports from Multiple Companies

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.

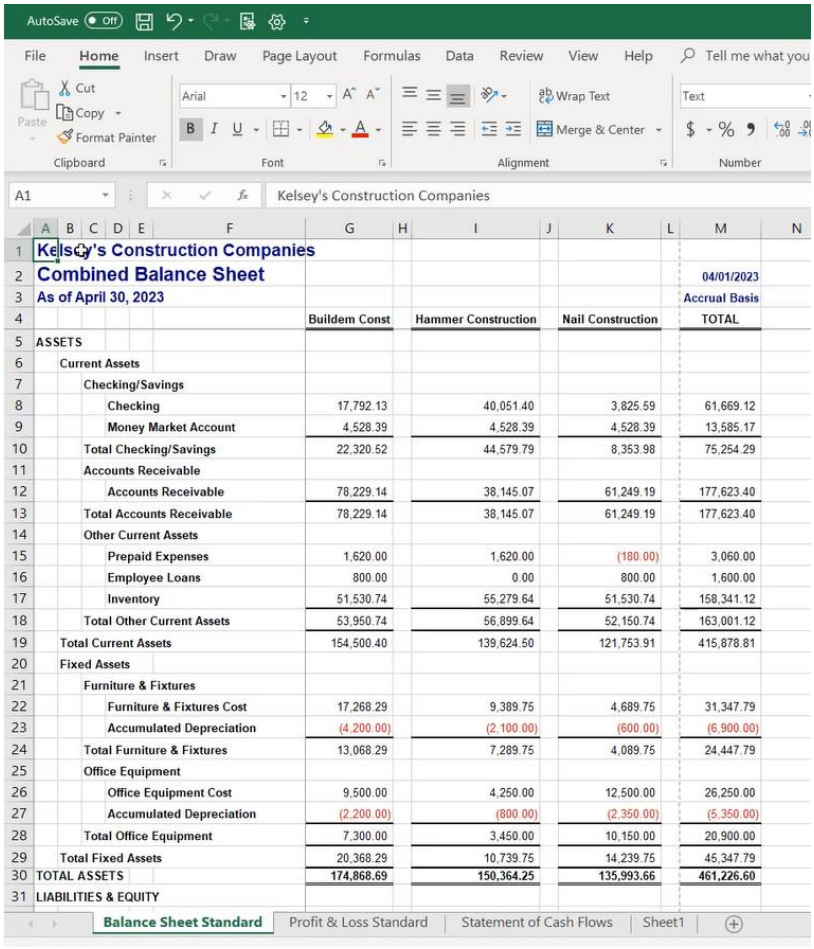
Add Company Files



Combine Reports From Multiple Companies



Combined Report in Microsoft Excel



Kelsey's Construction Companies
Combined Balance Sheet
As of April 30, 2023

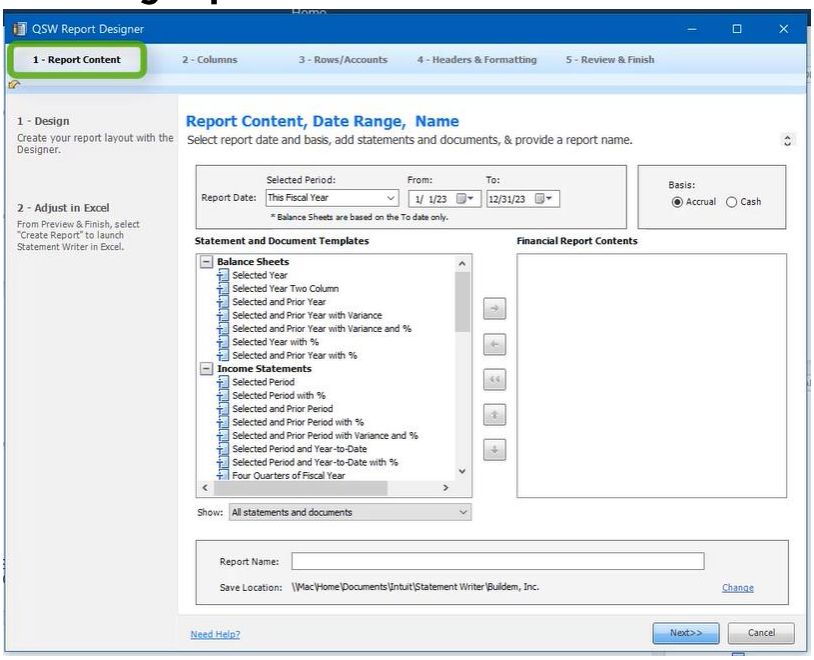
	Buildem Const	Hammer Construction	Nail Construction	TOTAL
ASSETS				
Current Assets				
Checking/Savings				
Checking	17,792.13	40,051.40	3,825.59	61,669.12
Money Market Account	4,528.39	4,528.39	4,528.39	13,585.17
Total Checking/Savings	22,320.52	44,579.79	8,353.98	75,254.29
Accounts Receivable				
Accounts Receivable	78,229.14	38,145.07	61,249.19	177,623.40
Total Accounts Receivable	78,229.14	38,145.07	61,249.19	177,623.40
Other Current Assets				
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
Total Other Current Assets	53,950.74	56,899.64	52,150.74	163,001.12
Total Current Assets	154,500.40	139,624.50	121,753.91	415,878.81
Fixed Assets				
Furniture & Fixtures				
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)
Total Furniture & Fixtures	13,068.29	7,289.75	4,089.75	24,447.79
Office Equipment				
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)
Total Office Equipment	7,300.00	3,450.00	10,150.00	20,900.00
Total Fixed Assets	20,368.29	10,739.75	14,239.75	45,347.79
TOTAL ASSETS	174,868.69	150,364.25	135,993.66	461,226.60
LIABILITIES & EQUITY				

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

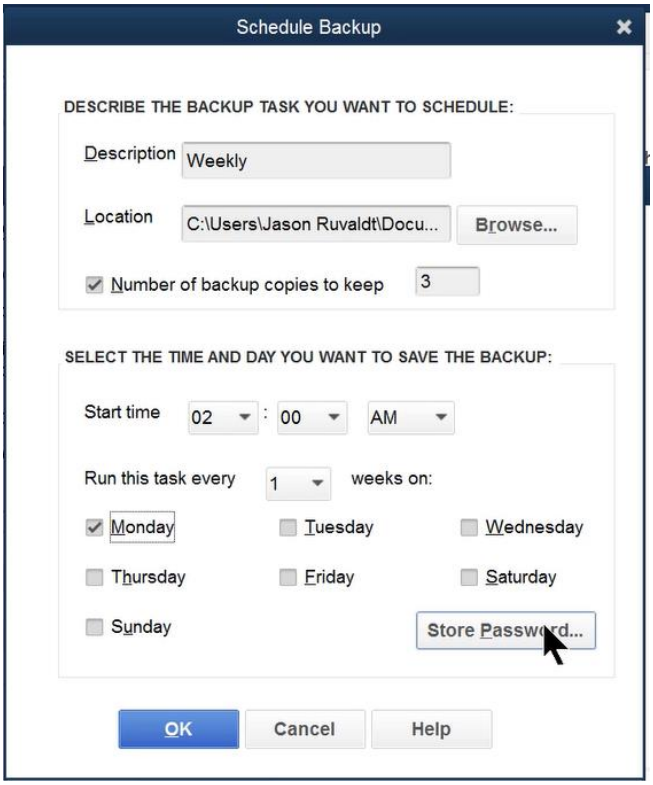
File Utilities

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**.



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)

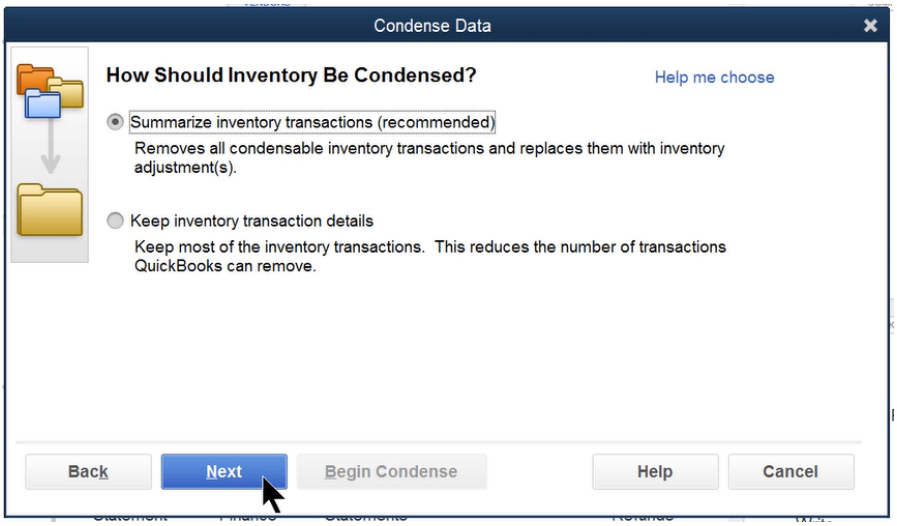
Certain entries are not condensed during this process. These include:

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)

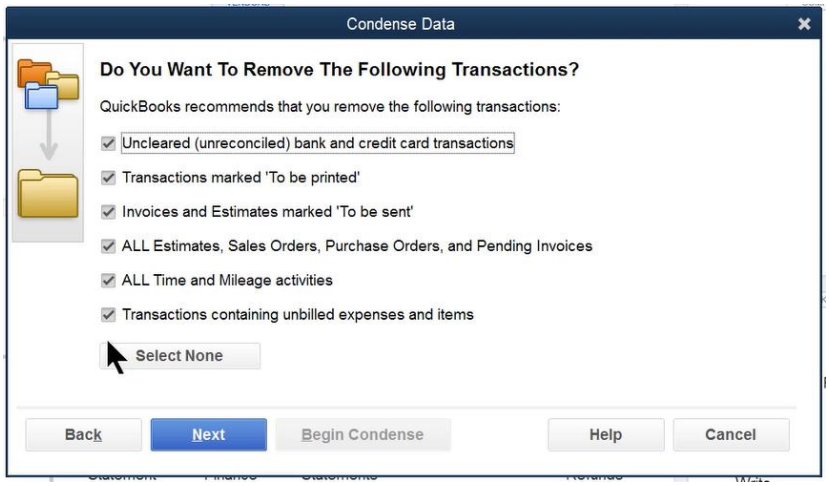
Condense Company Data File

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.

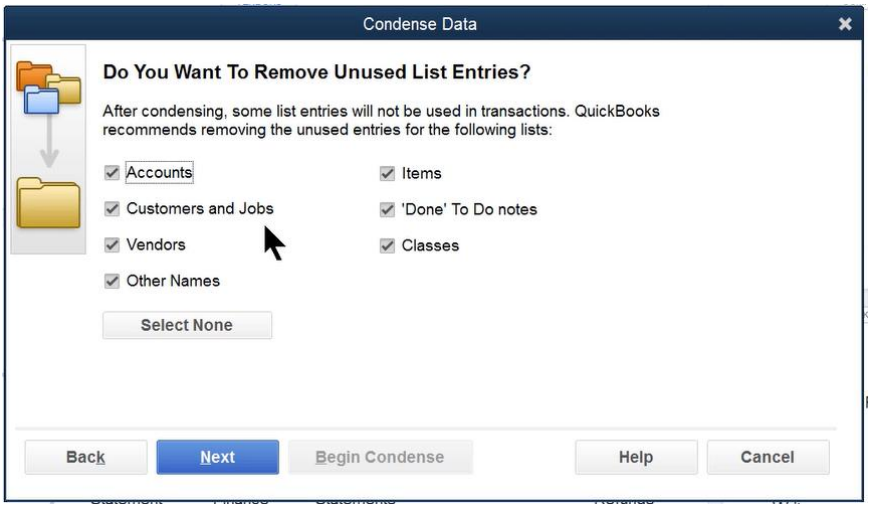
Choose a Condense Option



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.**

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

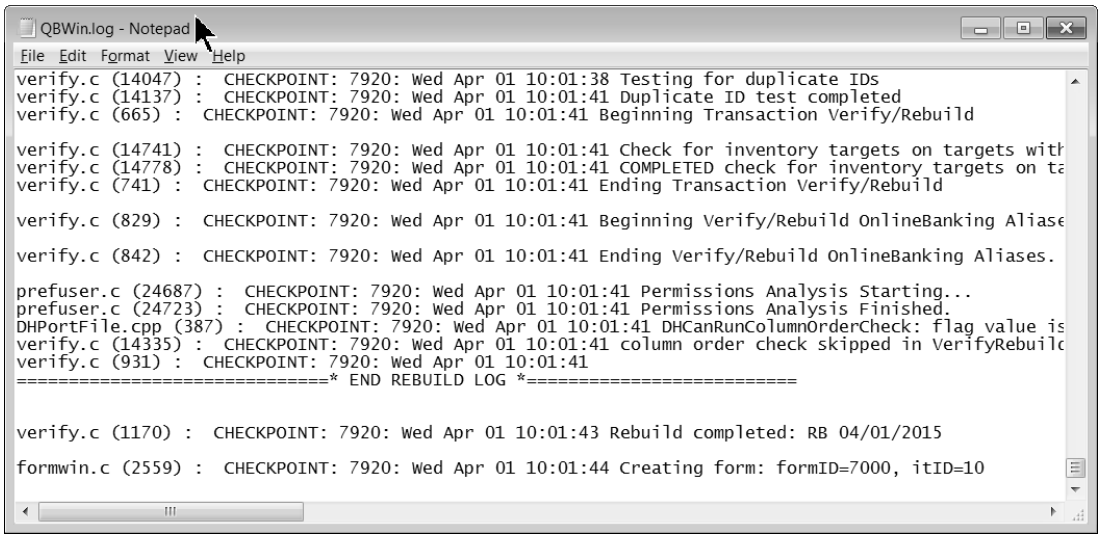
1. Select File:Utilities:Verify Data from the menu.
2. Click **OK** in the **Verify Data** window.
3. Click OK in the QuickBooks Information window.

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.



Chapter 13

Importing & Exporting

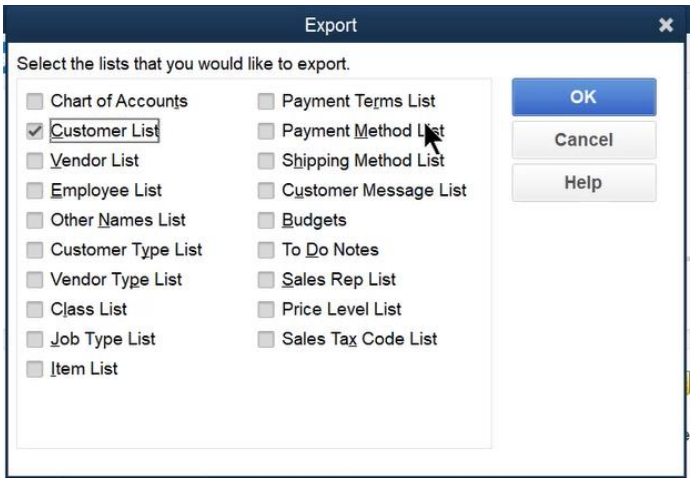
Between QuickBooks Files

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**.

Lists

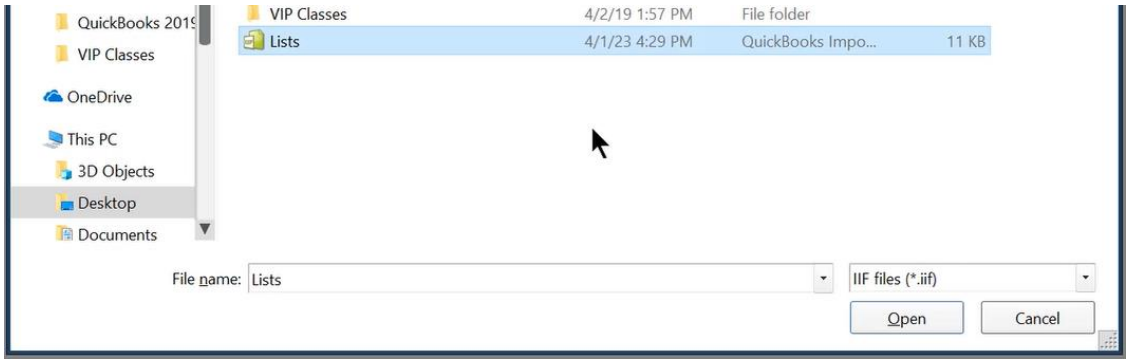
Export Lists

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.

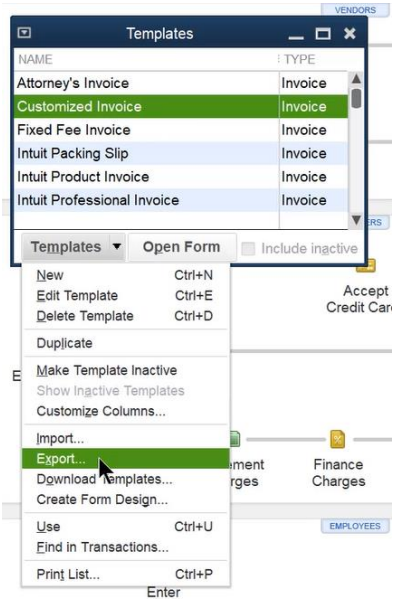


Templates

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**.

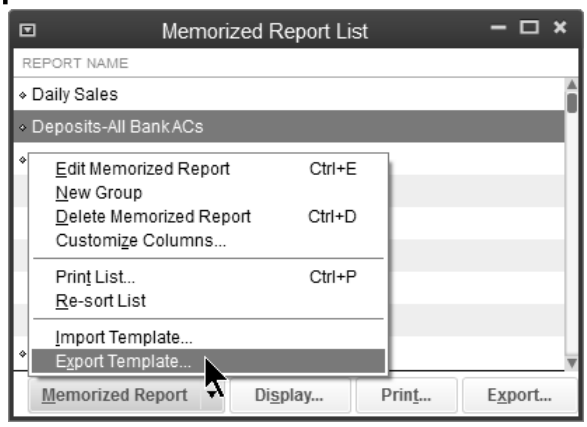
Memorized Reports and Report Groups

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.

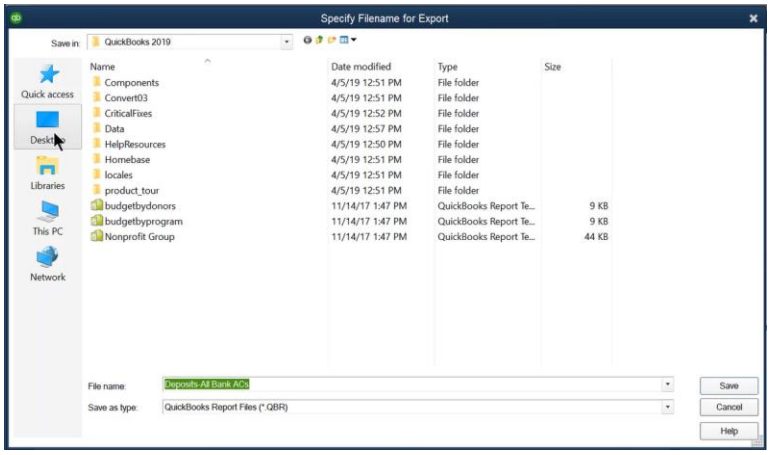
Export Report Template or Group

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



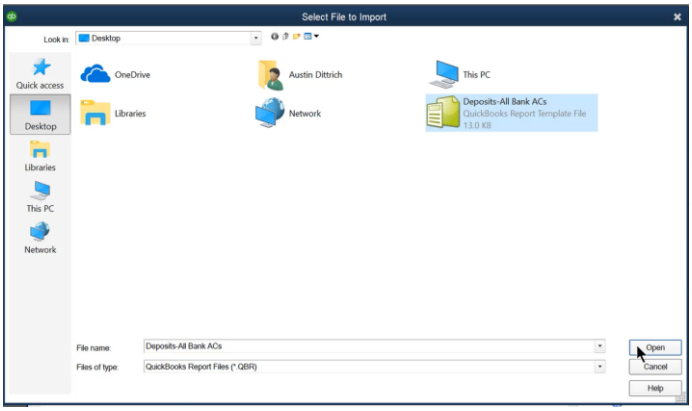
Specify Filename for Export



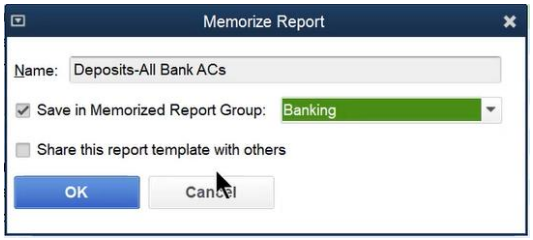
Import Report Template or Group

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** 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

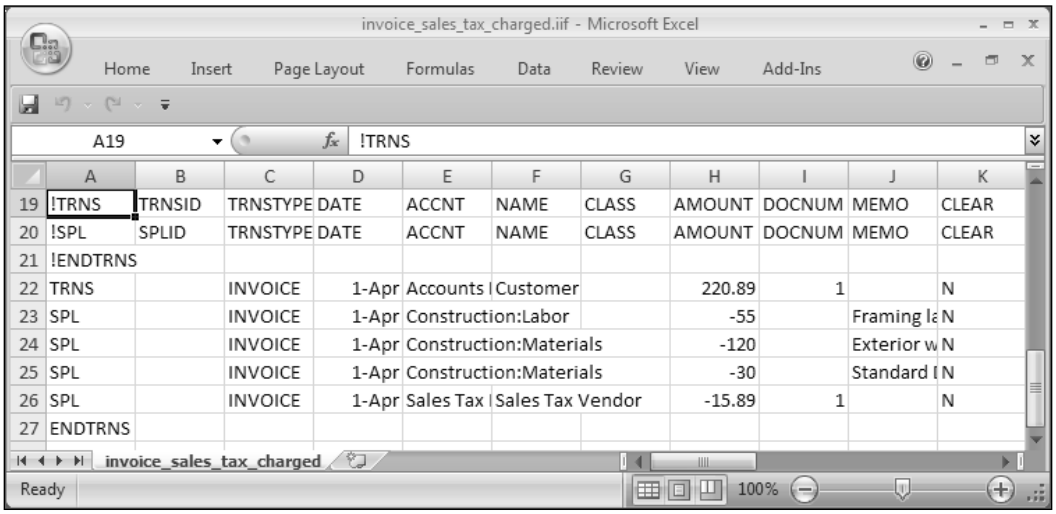
1. In the other program, export the list or transactions to a tab or comma-delimited file.
2. Open the file in a spreadsheet program.
3. Insert a column to the left so that the first column is blank.
4. Insert a row at the top so that the first row is blank.
5. Enter the **List Type** in cell **A1**.
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.



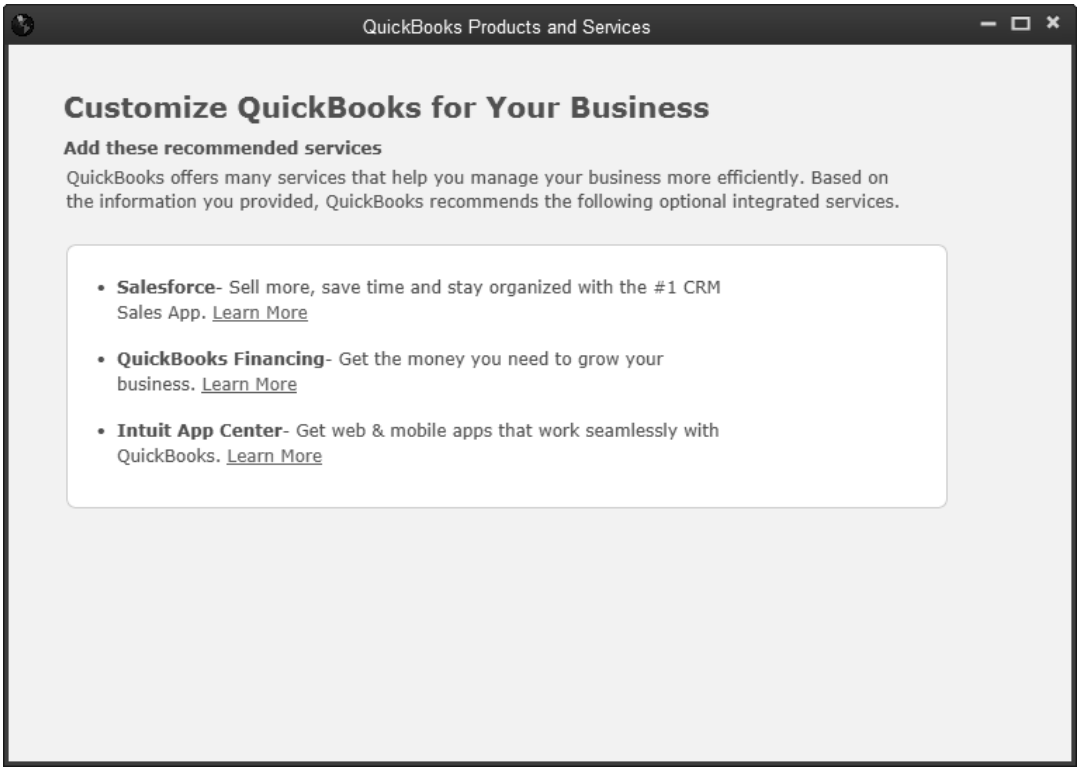
	A	B	C	D	E	F	G	H	I	J	K
19	!TRNS	TRNSID	TRNSTYPE	DATE	ACCNT	NAME	CLASS	AMOUNT	DOCNUM	MEMO	CLEAR
20	!SPL	SPLID	TRNSTYPE	DATE	ACCNT	NAME	CLASS	AMOUNT	DOCNUM	MEMO	CLEAR
21	!ENDTRNS										
22	TRNS		INVOICE	1-Apr	Accounts I	Customer		220.89	1		N
23	SPL		INVOICE	1-Apr	Construction:Labor			-55		Framing la	N
24	SPL		INVOICE	1-Apr	Construction:Materials			-120		Exterior w	N
25	SPL		INVOICE	1-Apr	Construction:Materials			-30		Standard I	N
26	SPL		INVOICE	1-Apr	Sales Tax I	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.

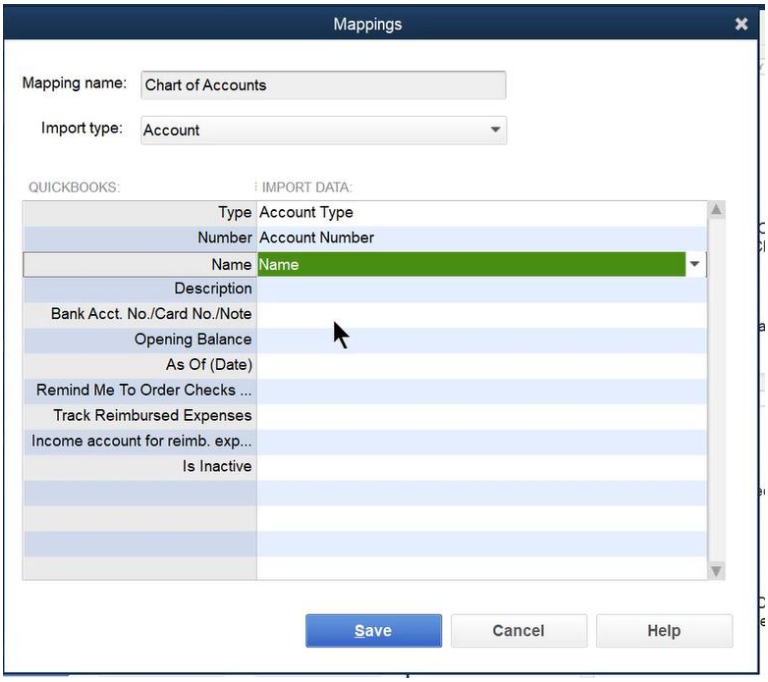
QuickBooks and Excel®

You can import selected lists from Excel into QuickBooks. Those lists include Accounts, Vendors, Customers, and Items.

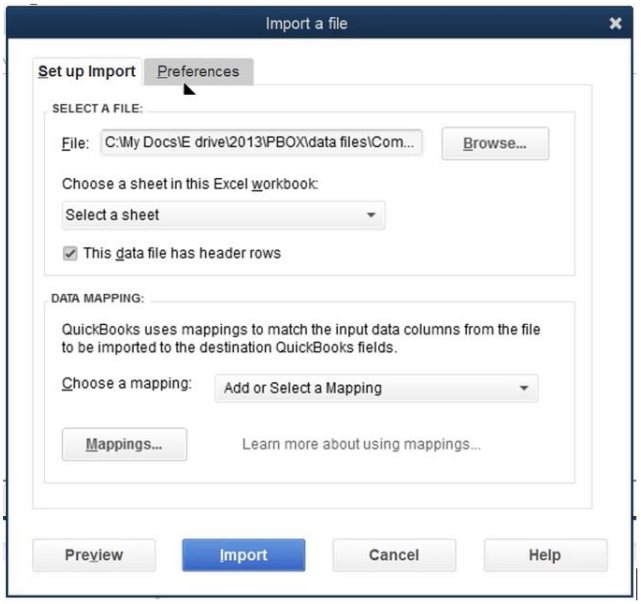
Import Lists from Excel

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

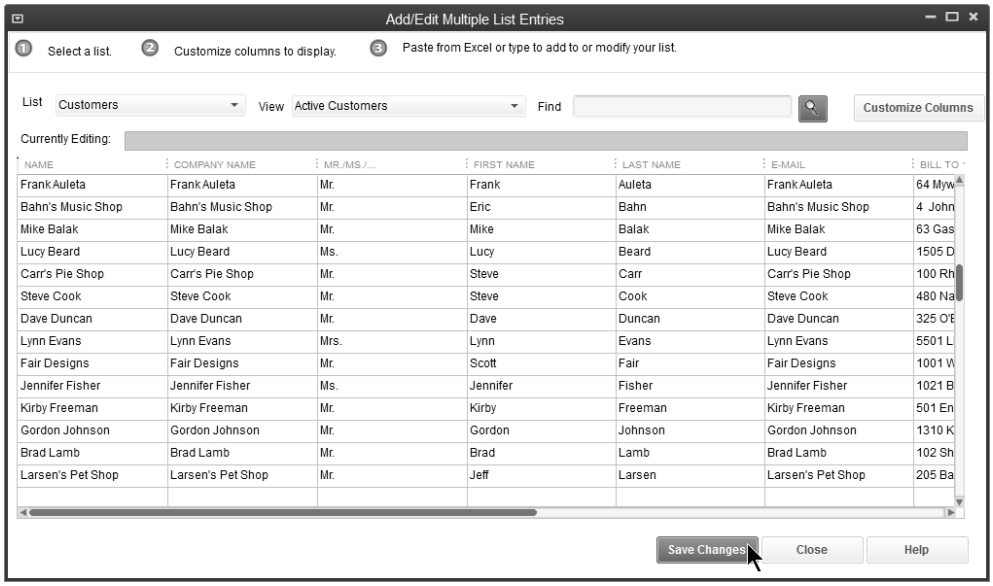


Import a File



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.

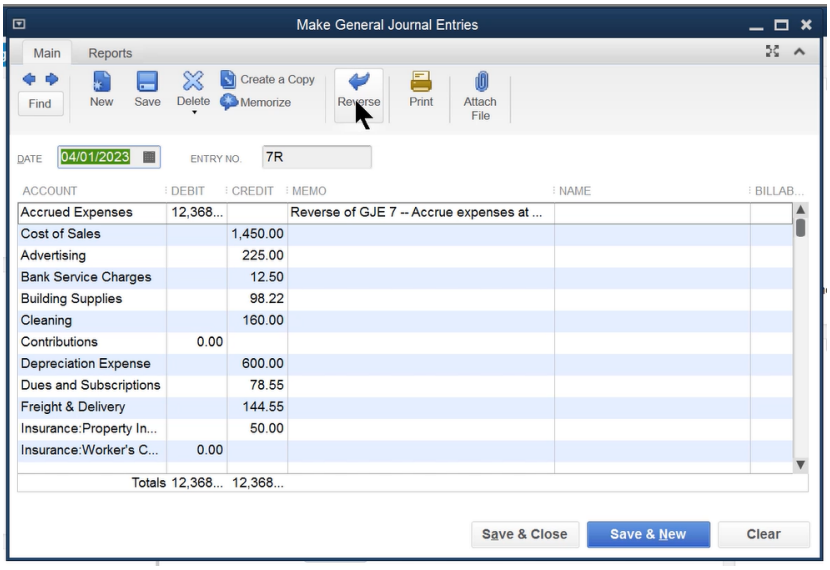
- You must specify a name for entries to accounts receivable, accounts payable, and sales tax payable accounts. This way, QuickBooks can assign the entry to the proper name in the subledger.
- You can only use one accounts receivable or accounts payable line per journal entry. Make multiple journal entries 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.

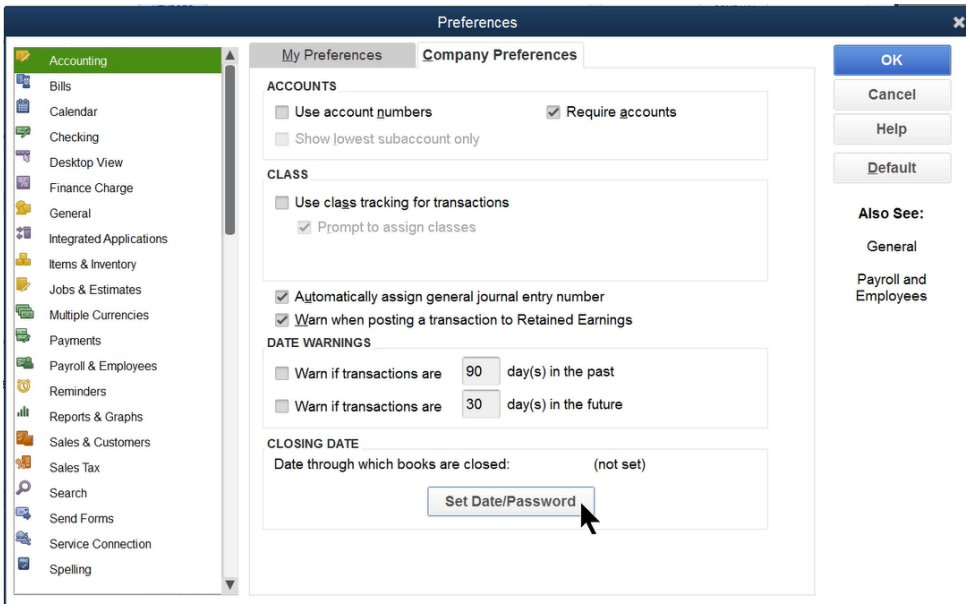
1. Consult the QuickBooks Year-End Guide and an accountant to build a complete list of tasks you need to perform at year-end
2. Set a closing date and password to restrict users from a prior period
3. Provide your accountant with your QuickBooks financial information using a method such as the *Accountant's 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:

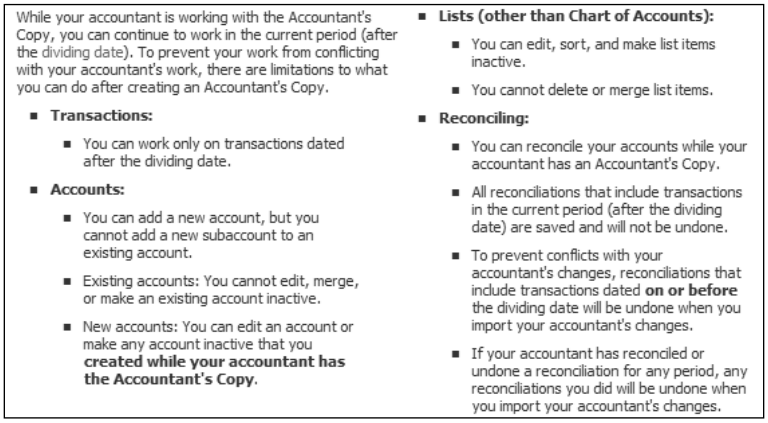
- You close the period for which your accountant is making adjustments by setting the closing date and password.
- You create a portable company file.
- You send the accountant the portable company file.
- Your accountant opens the portable company file and saves it to their hard drive. To open the file, 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.

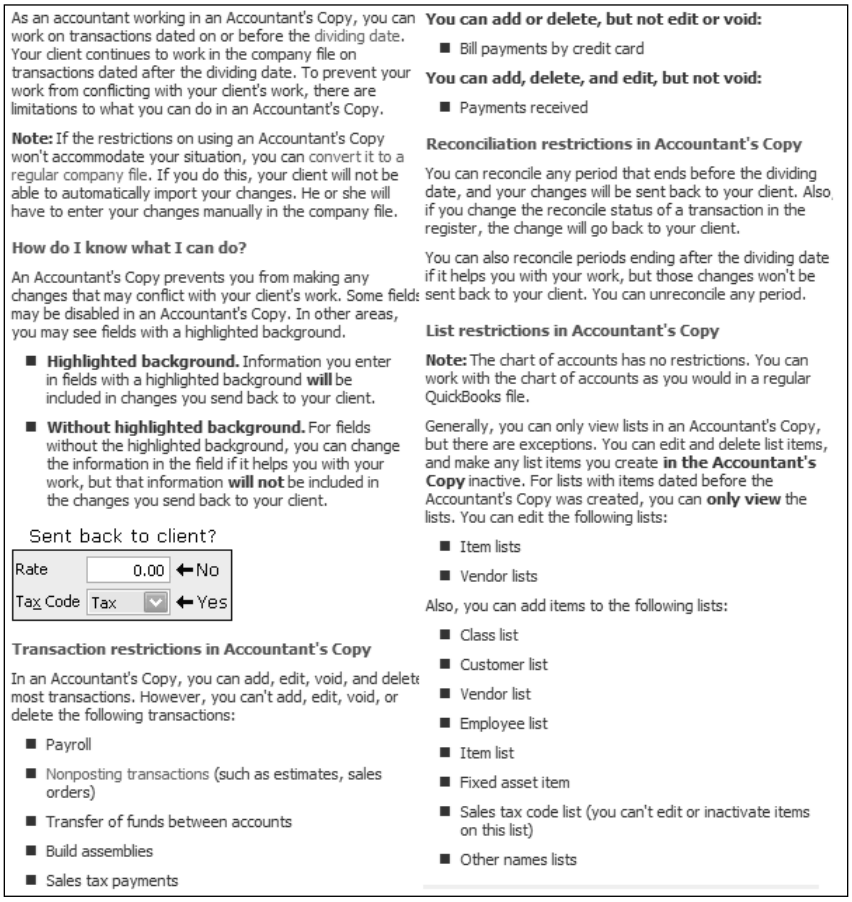
What You Can Do



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	0.00	← 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 unreconcile 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:

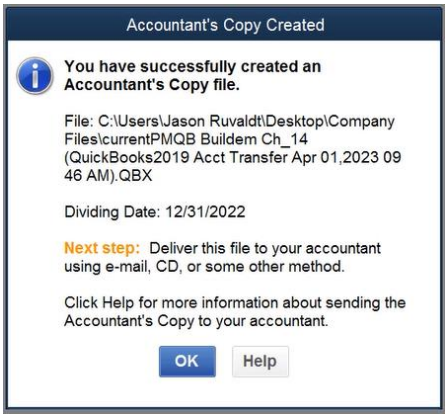
- Item lists
- Vendor lists

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.

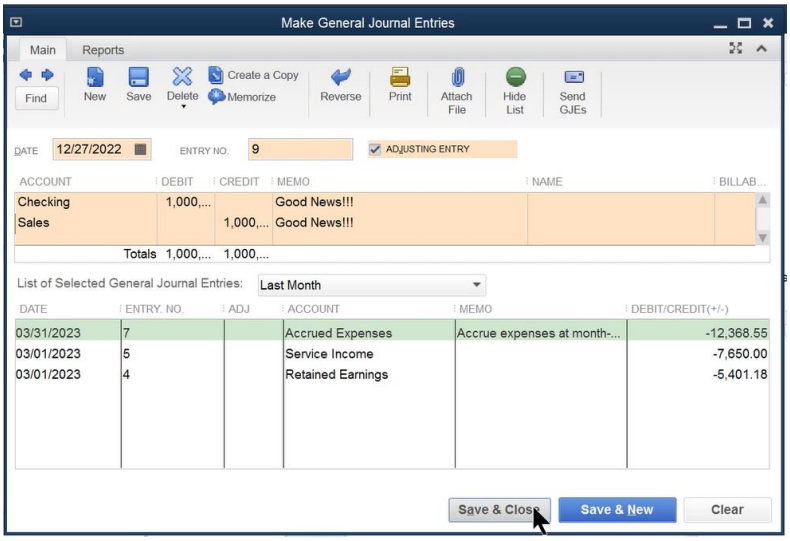


Step 2-Open Accountant's Copy (Accountant)

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**.

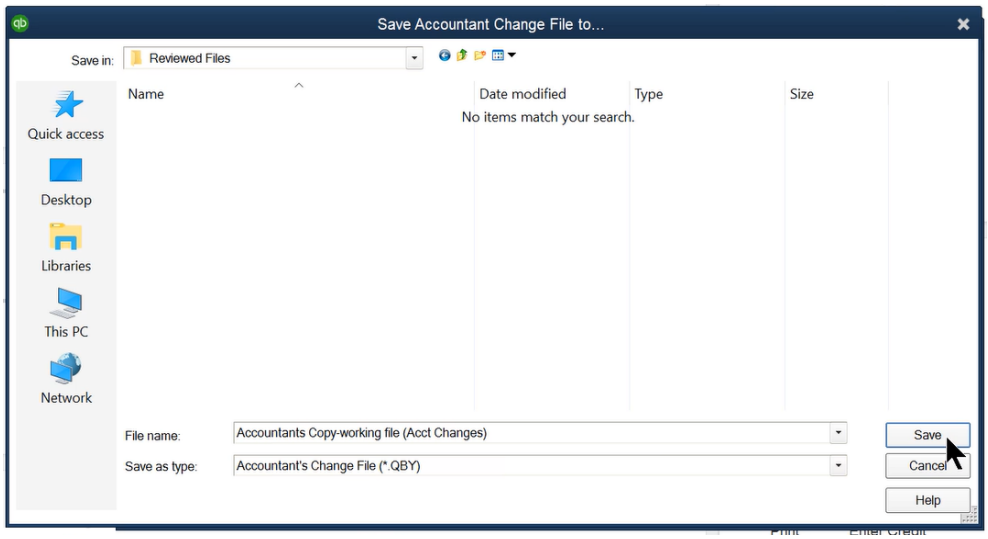
Step 3-Make Adjustments (Accountant)

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



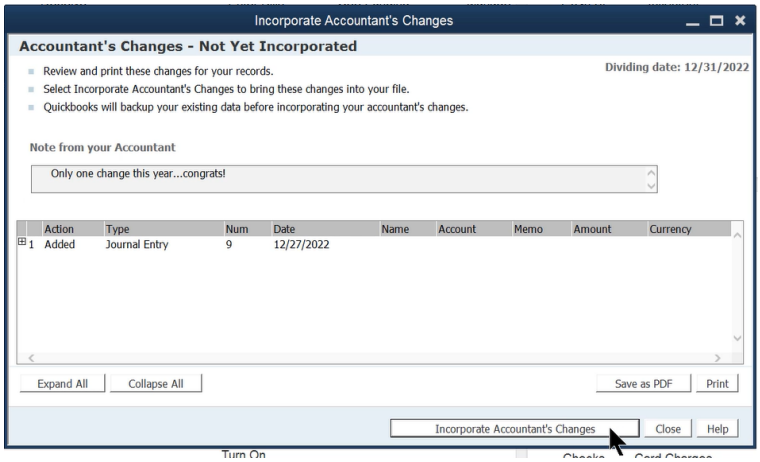
Step 4-Export Changes from Accountant's Copy (Accountant)

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

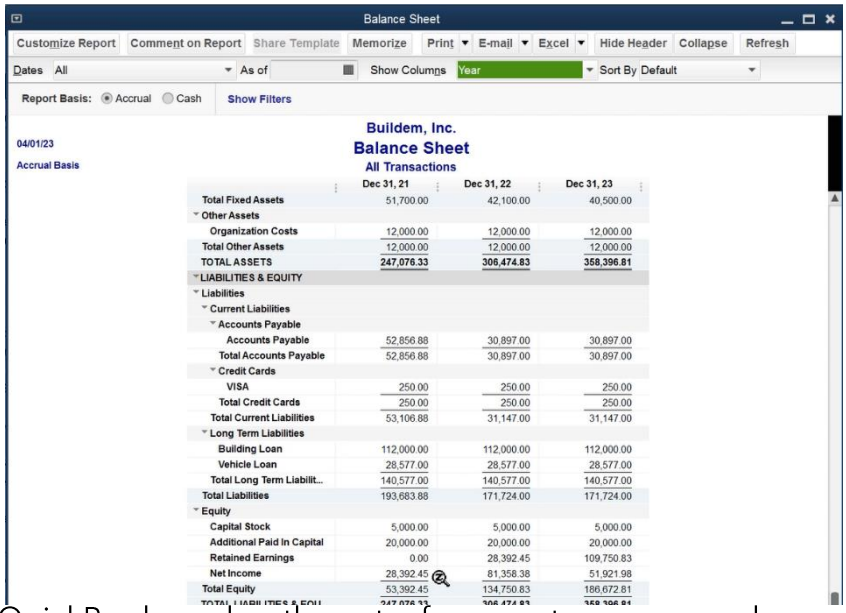
Complete the following steps to *Condense Data*.

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
Total Fixed Assets	51,700.00	42,100.00	40,500.00
Other Assets			
Organization Costs	12,000.00	12,000.00	12,000.00
Total Other Assets	12,000.00	12,000.00	12,000.00
TOTAL ASSETS	247,076.33	306,474.83	358,396.81
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	52,856.88	30,897.00	30,897.00
Total Accounts Payable	52,856.88	30,897.00	30,897.00
Credit Cards			
VISA	250.00	250.00	250.00
Total Credit Cards	250.00	250.00	250.00
Total Current Liabilities	53,106.88	31,147.00	31,147.00
Long Term Liabilities			
Building Loan	112,000.00	112,000.00	112,000.00
Vehicle Loan	28,577.00	28,577.00	28,577.00
Total Long Term Liabilit...	140,577.00	140,577.00	140,577.00
Total Liabilities	193,683.88	171,724.00	171,724.00
Equity			
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
Total Equity	53,392.45	134,750.83	186,672.81

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:

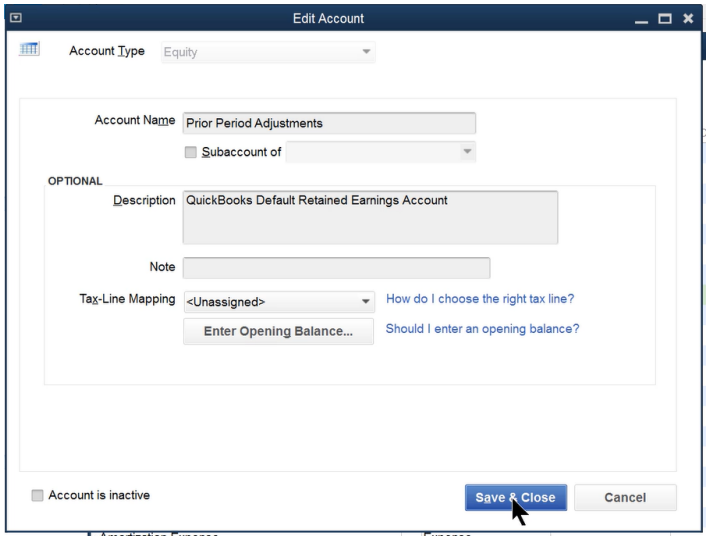
1. You use Retained Earnings like any other QuickBooks account. This means you can see year-end closing entries in the account register.
2. It will be easier to find changes made to prior year's balances.

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:

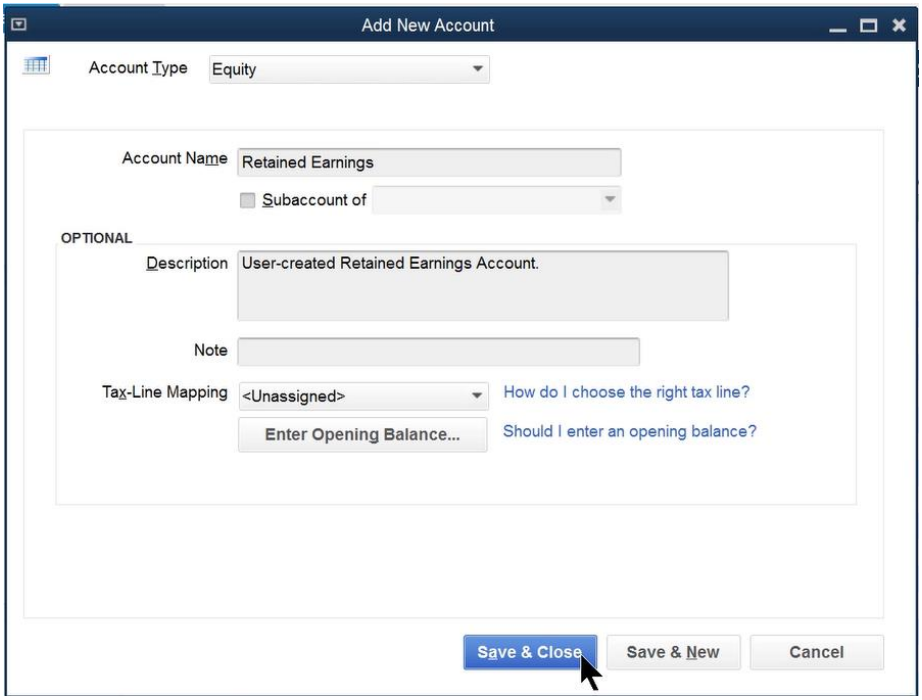
3. Change the name of the account titled *Retained Earnings* to *Prior Period Adjustments*. Later, only changes made to the prior year will be shown in this account.
4. Add a new Equity account titled *Retained Earnings* to the chart of accounts.
5. As of the *Start Date* of the company, make a journal 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.

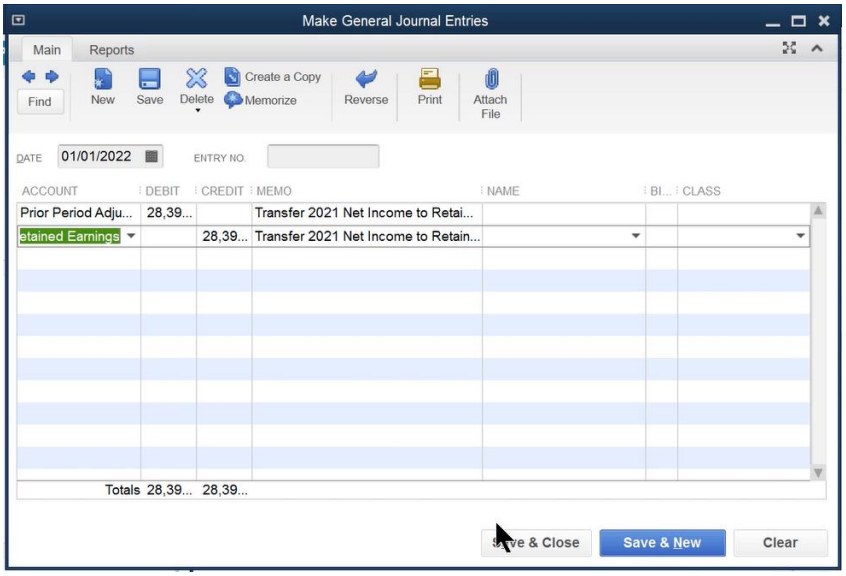
(1) Change Account Name



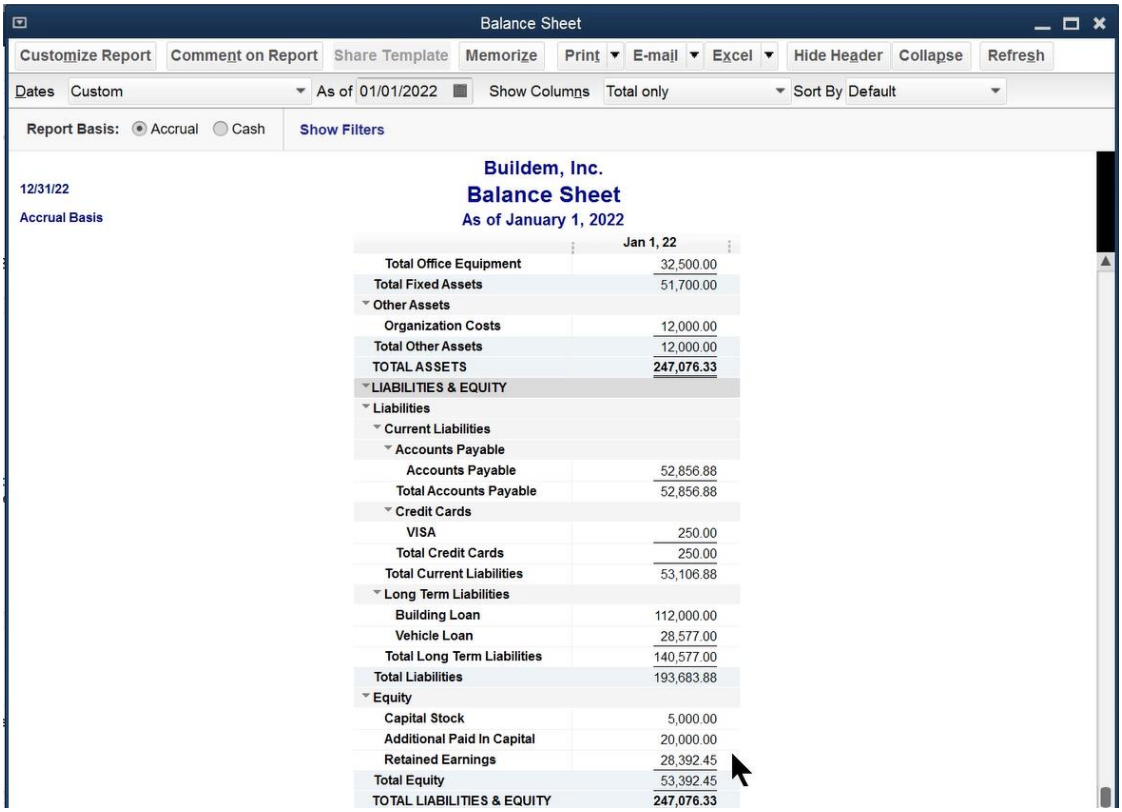
(2) Create New "Retained Earnings" Account



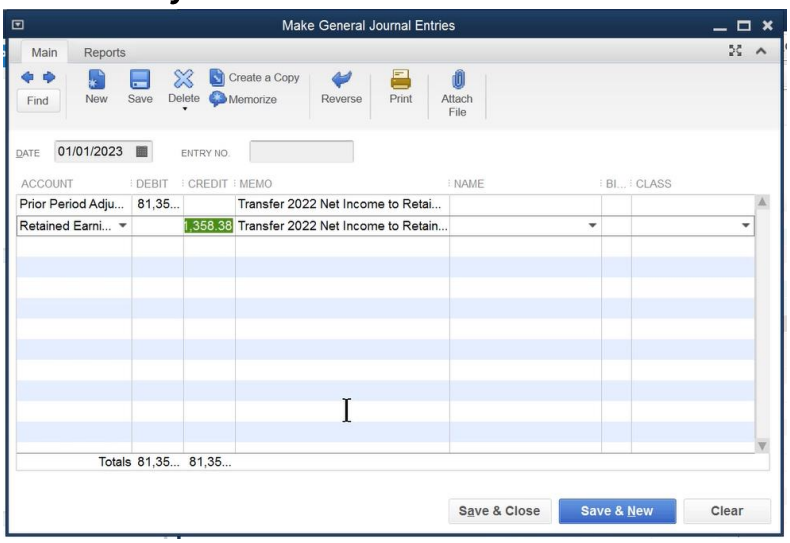
(3) Journal Entry as of Start Date



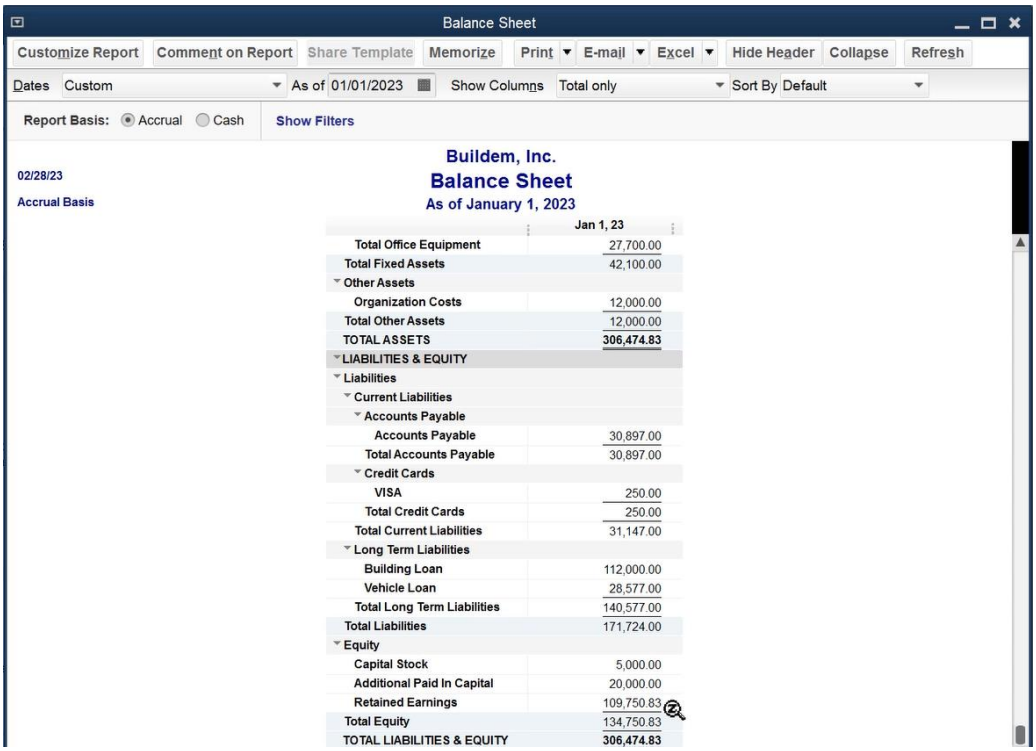
Balance Sheet After Entry



(4) Annual Journal Entry



Balance Sheet After Journal Entry



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.

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.

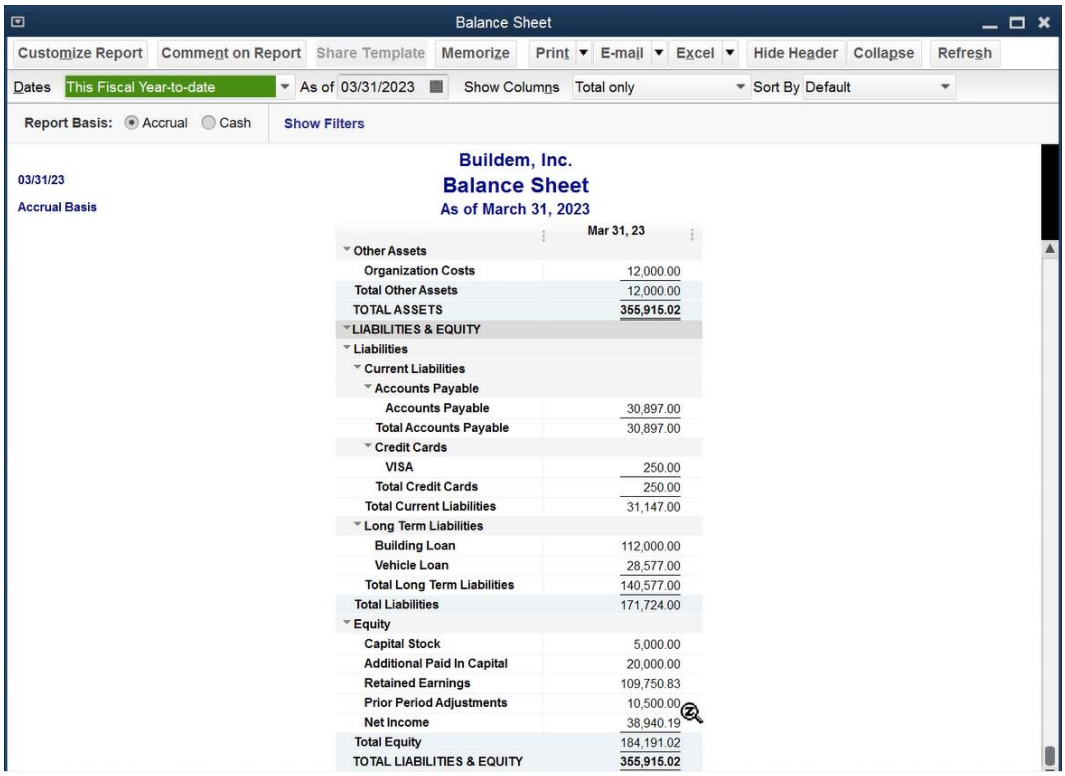
Finding Changed Transactions

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

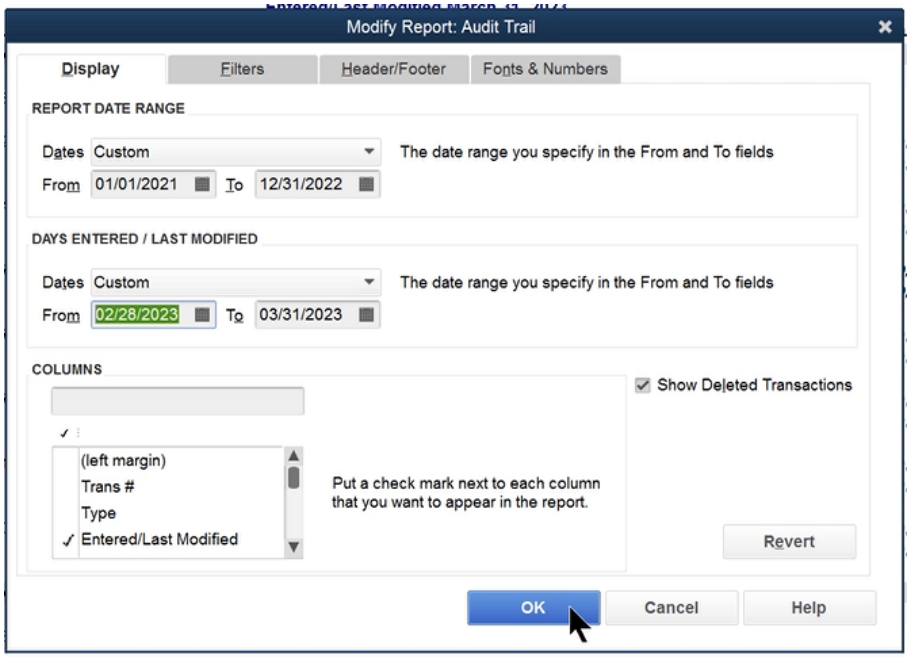


(2) Audit Trail Report

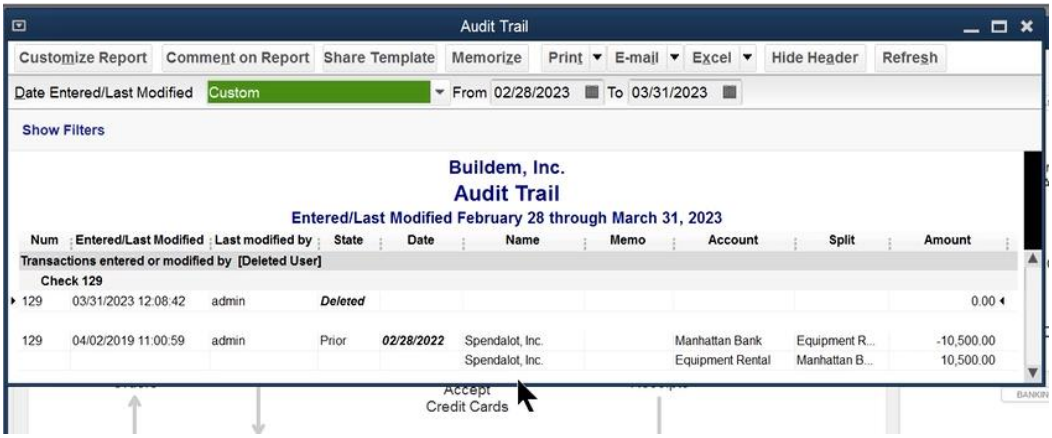
Identify Prior Year's Changes

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



Audit Trail Report Showing Changes



Report Issues

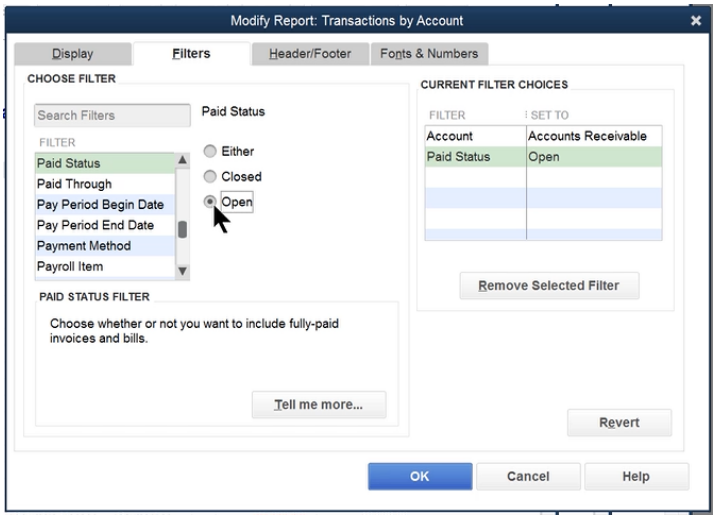
Cash Basis Balance Sheet

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.

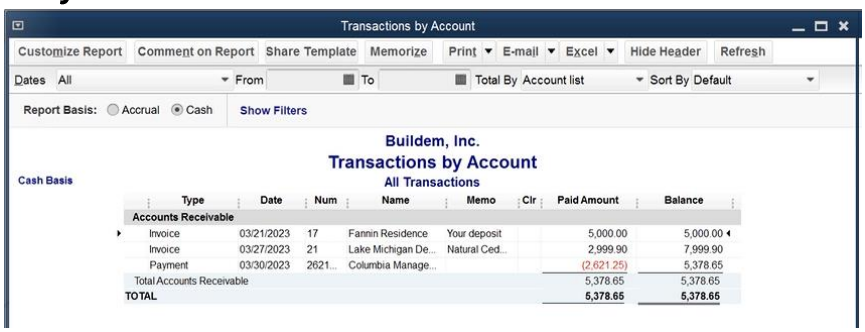
Review Balance in Cash Basis A/R or A/P

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



What's Included on a Cash Basis Balance Sheet?

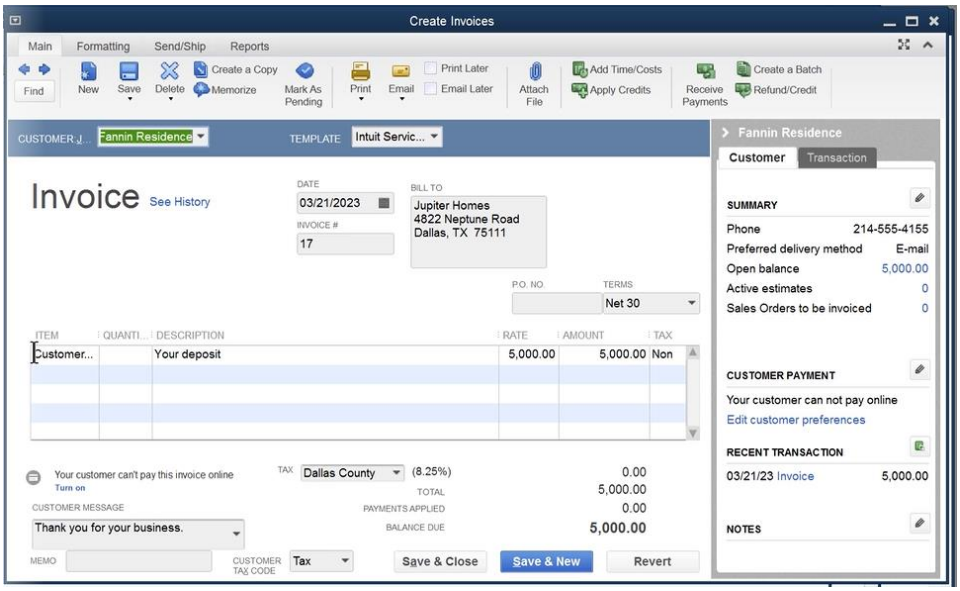
Accounts Receivable

For Accounts Receivable, the following transactions are included on a cash basis balance sheet:

1. 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

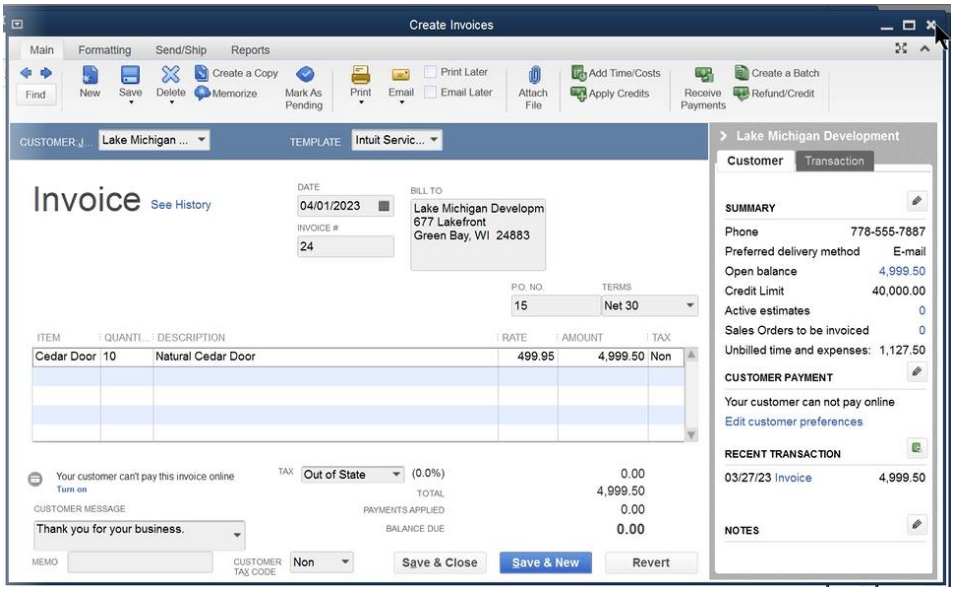
(cr) Balance Sheet Account XXX



2. Selling inventory on an invoice. A cash basis balance sheet will include the following entry:

(dr) Accounts Receivable XXX

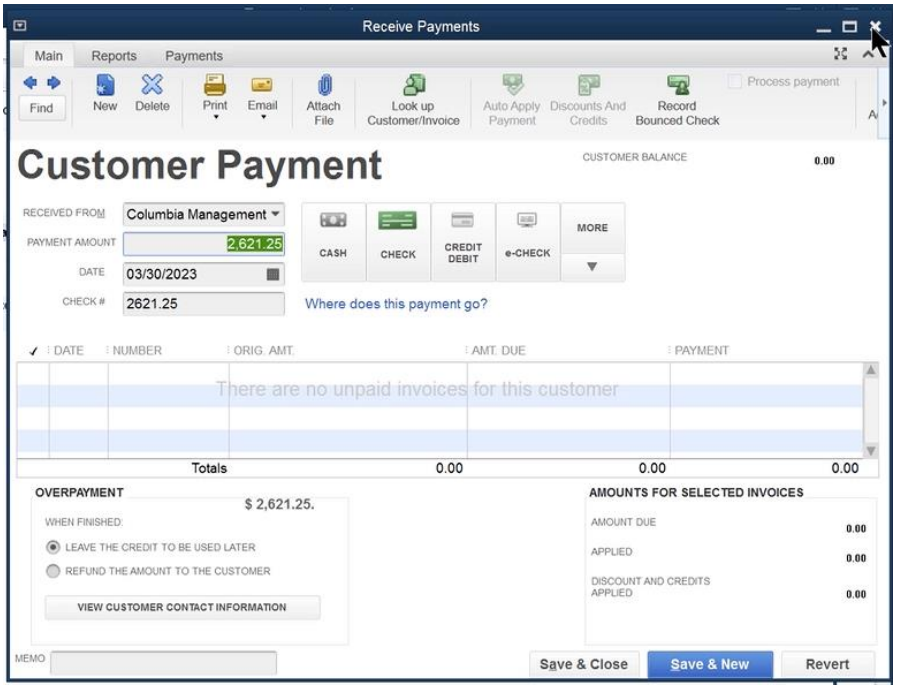
(cr) Inventory XXX



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

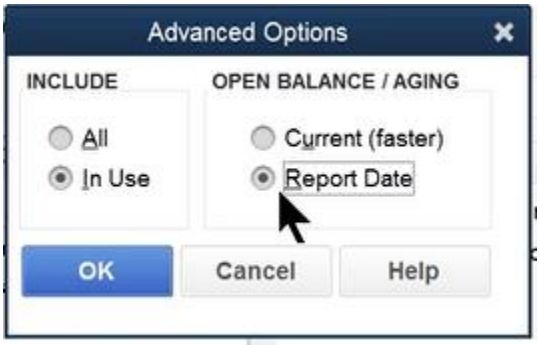
A/R Reports Do Not Match Balance Sheet

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.

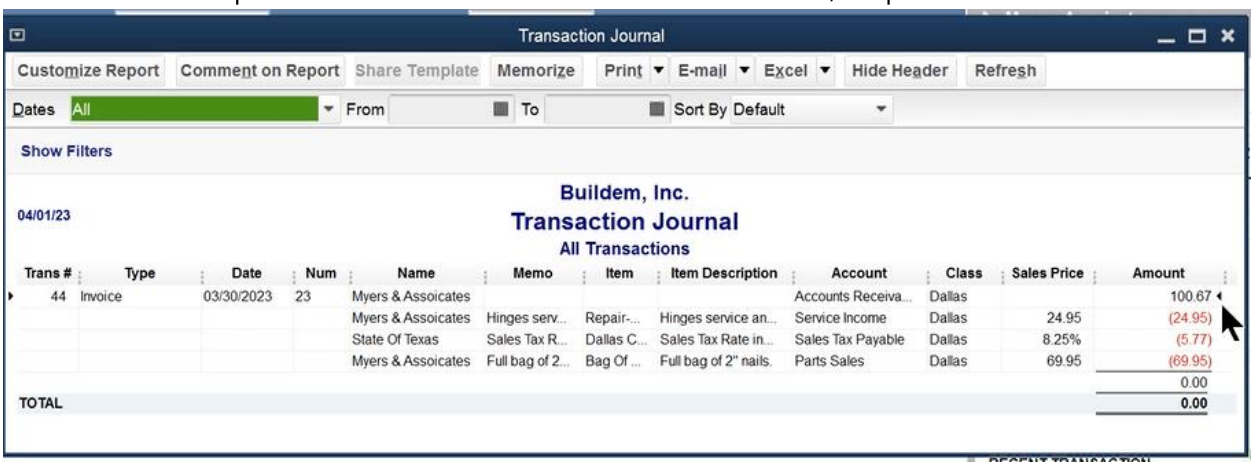
1. Select Reports:Accountant & Taxes:General Ledger from the menu.
2. Click the **Customize Report** button.
3. Click the **Filters** tab.
4. Click **Account** in the list of filters to the left.
5. Click the **Account** drop-down list and select **Multiple accounts**.
6. Choose the appropriate accounts 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**.

Transaction Journal

QuickBooks makes the journal entries when you enter checks, invoices, or other transactions. To see the journal entry made by QuickBooks, display the original transaction and run the *Transaction Journal* report.

Review the Transaction Journal

1. Display the original transaction.
2. Select Reports:Transaction Journal from the menu, or press Ctrl+Y.

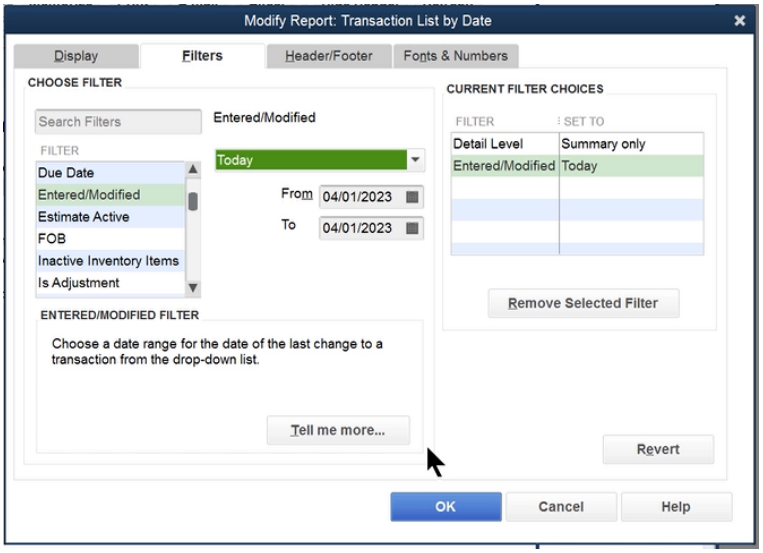


Entry Journal

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**.



Chapter 15

Multicurrency

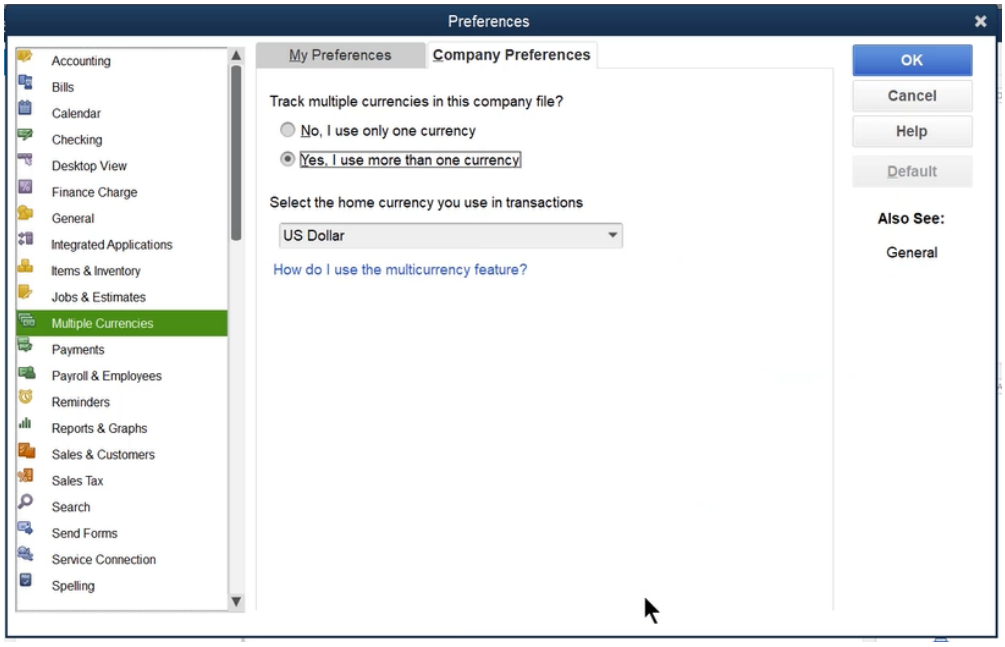
Set Up Multiple Currencies

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

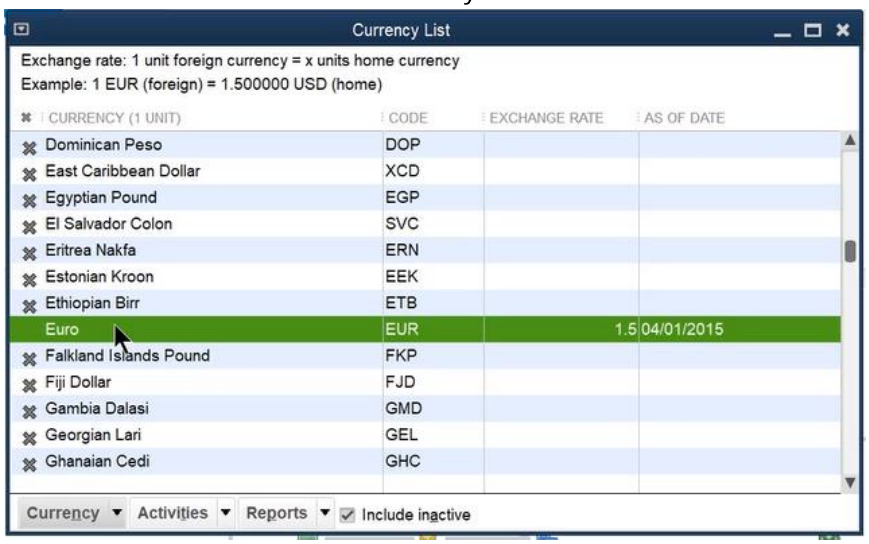
Turn on Multiple Currencies

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**.



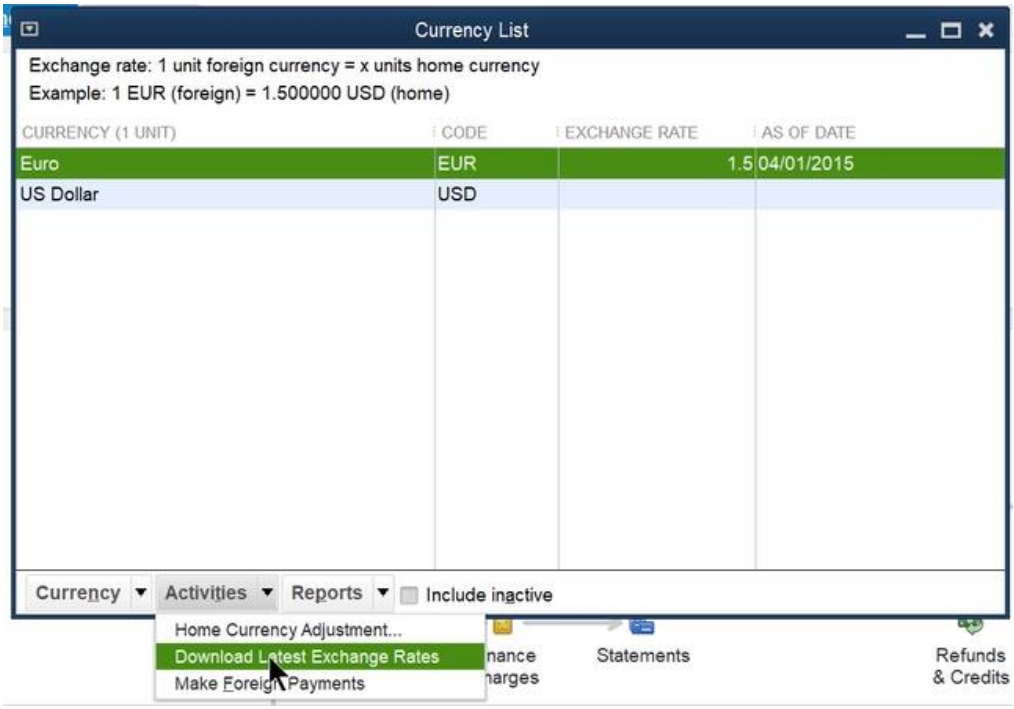
Activate Foreign Currencies

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.



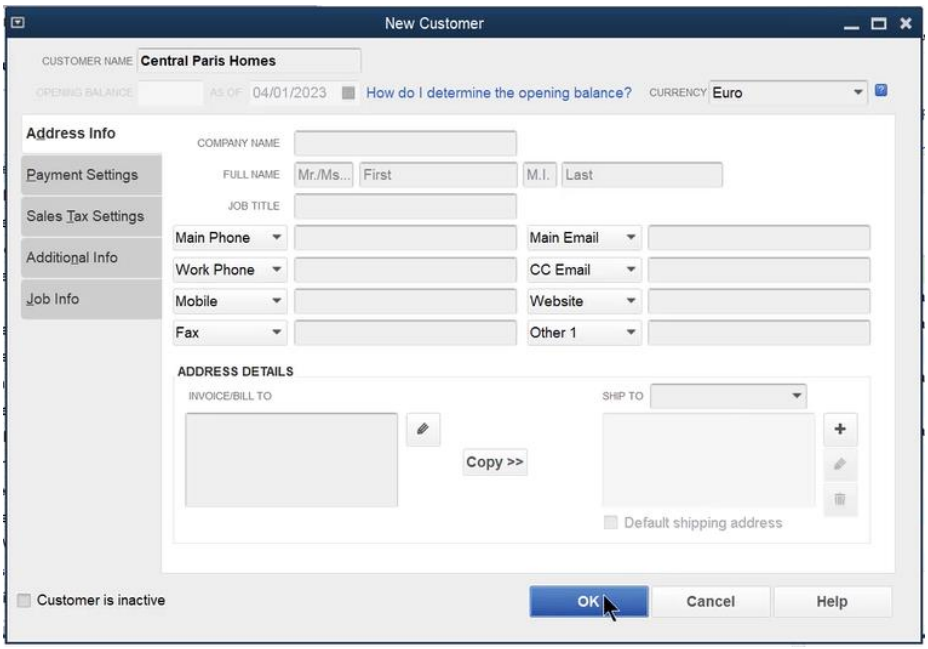
Download Current Exchange Rates

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.



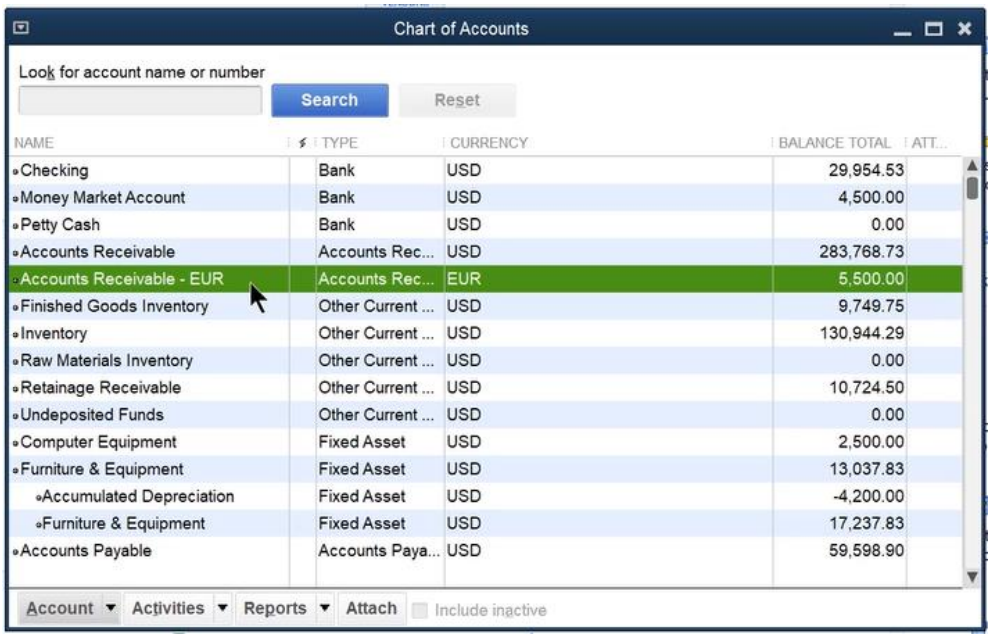
Assign Foreign Currency to Customer

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**.



Foreign A/R Account

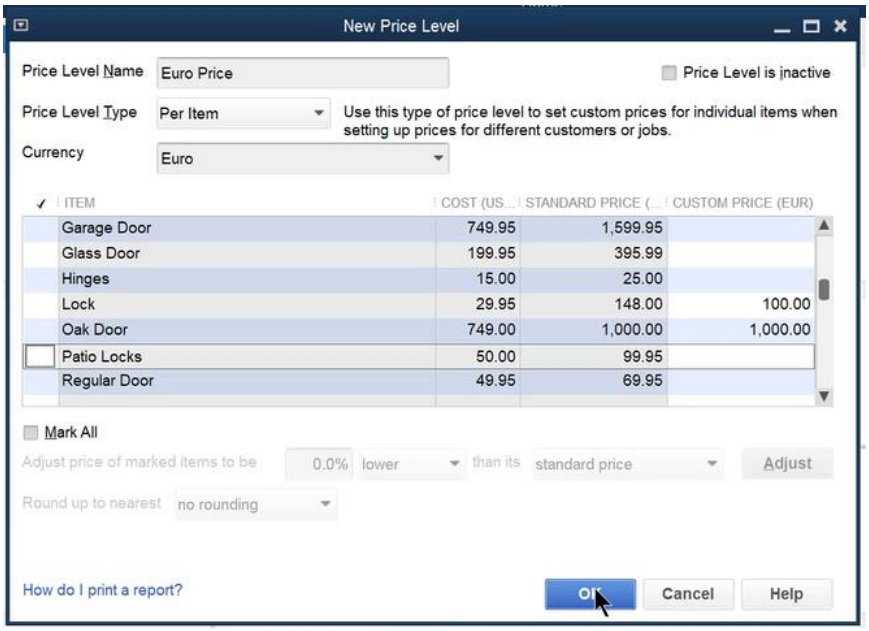
When assigning a foreign currency to a customer, QuickBooks automatically creates an accounts receivable account for that currency.



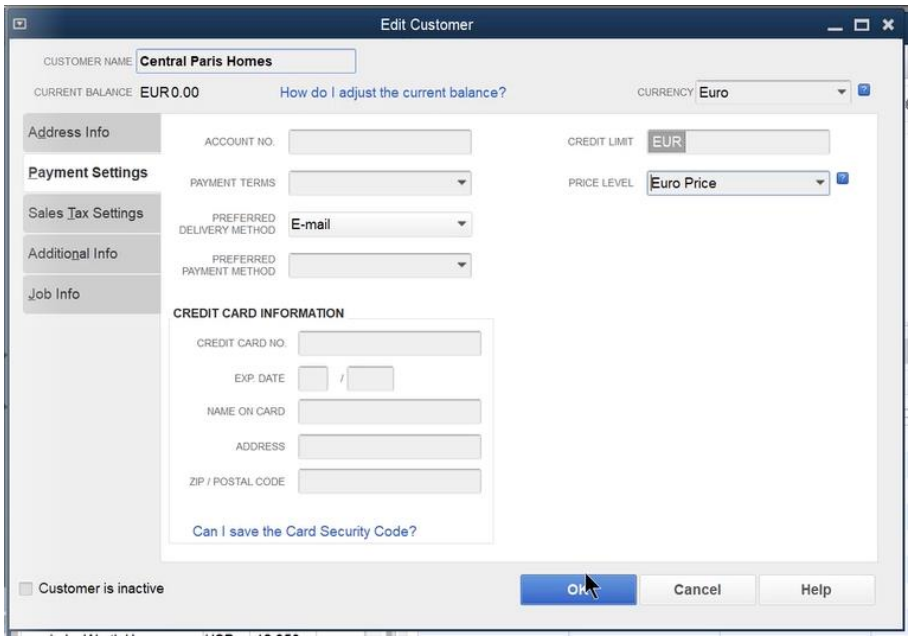
Foreign Price Level

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

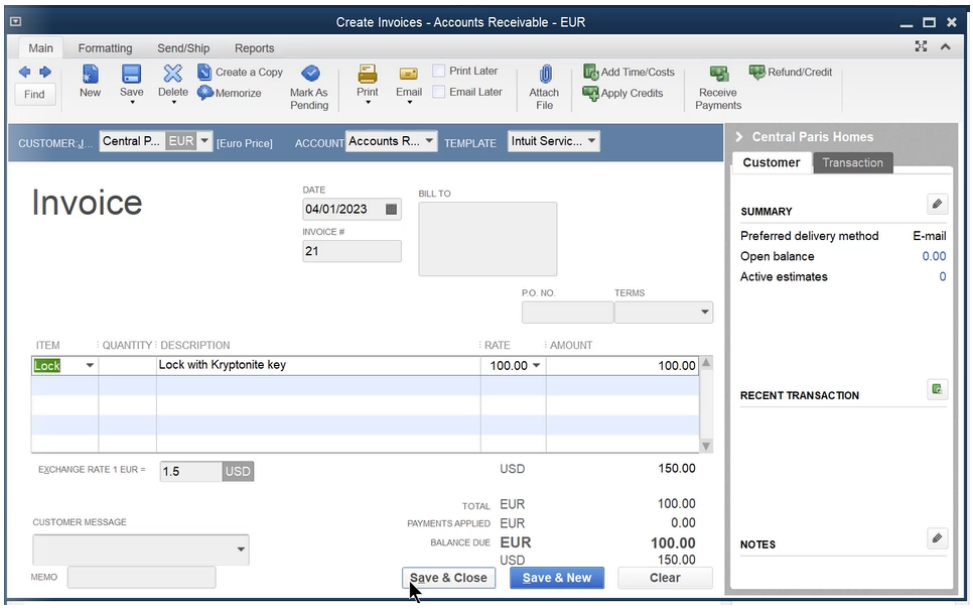


Assign Price Level to Customer

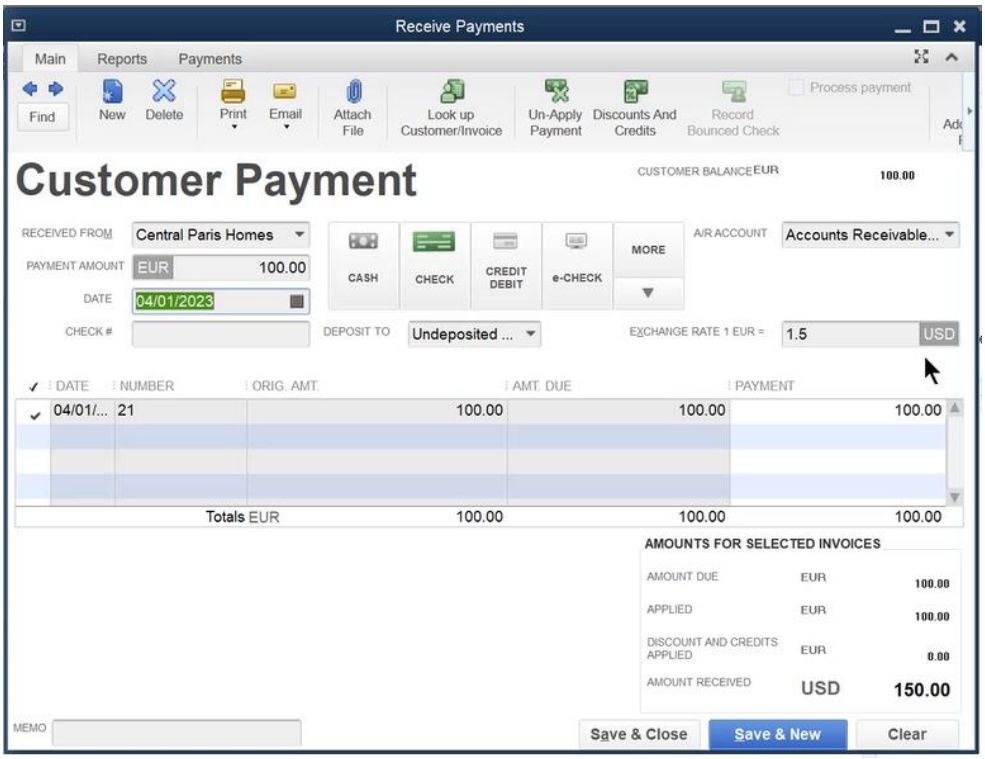


Multiple Currency Transactions

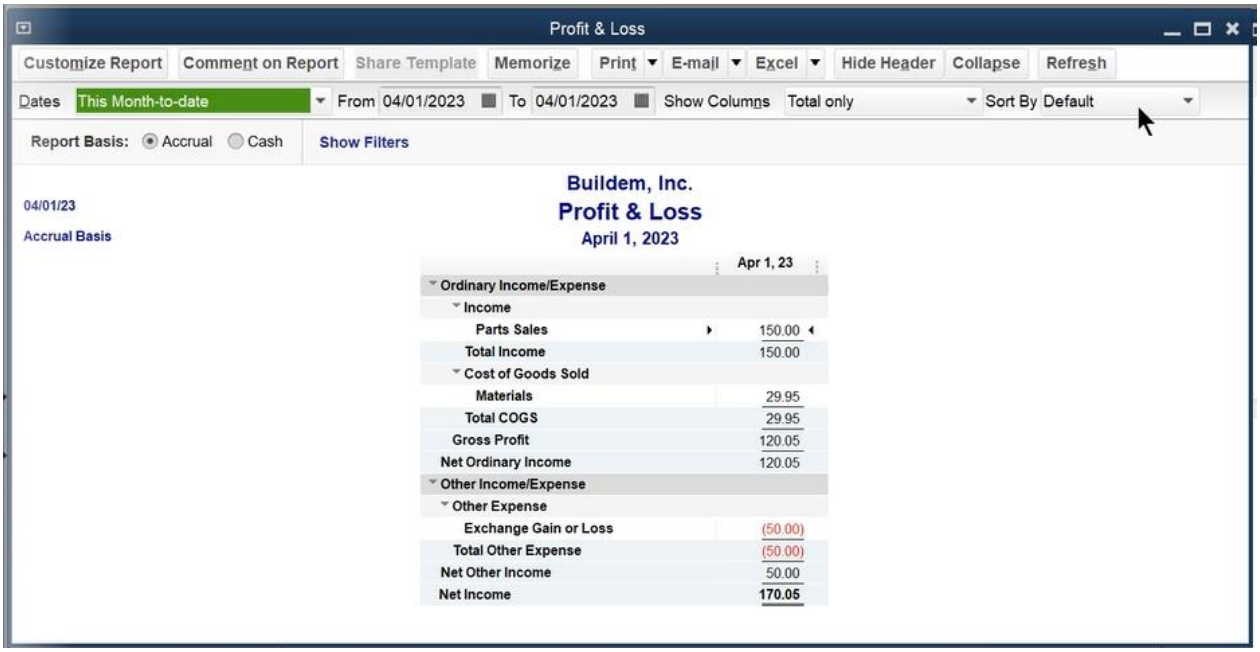
Invoice Customer



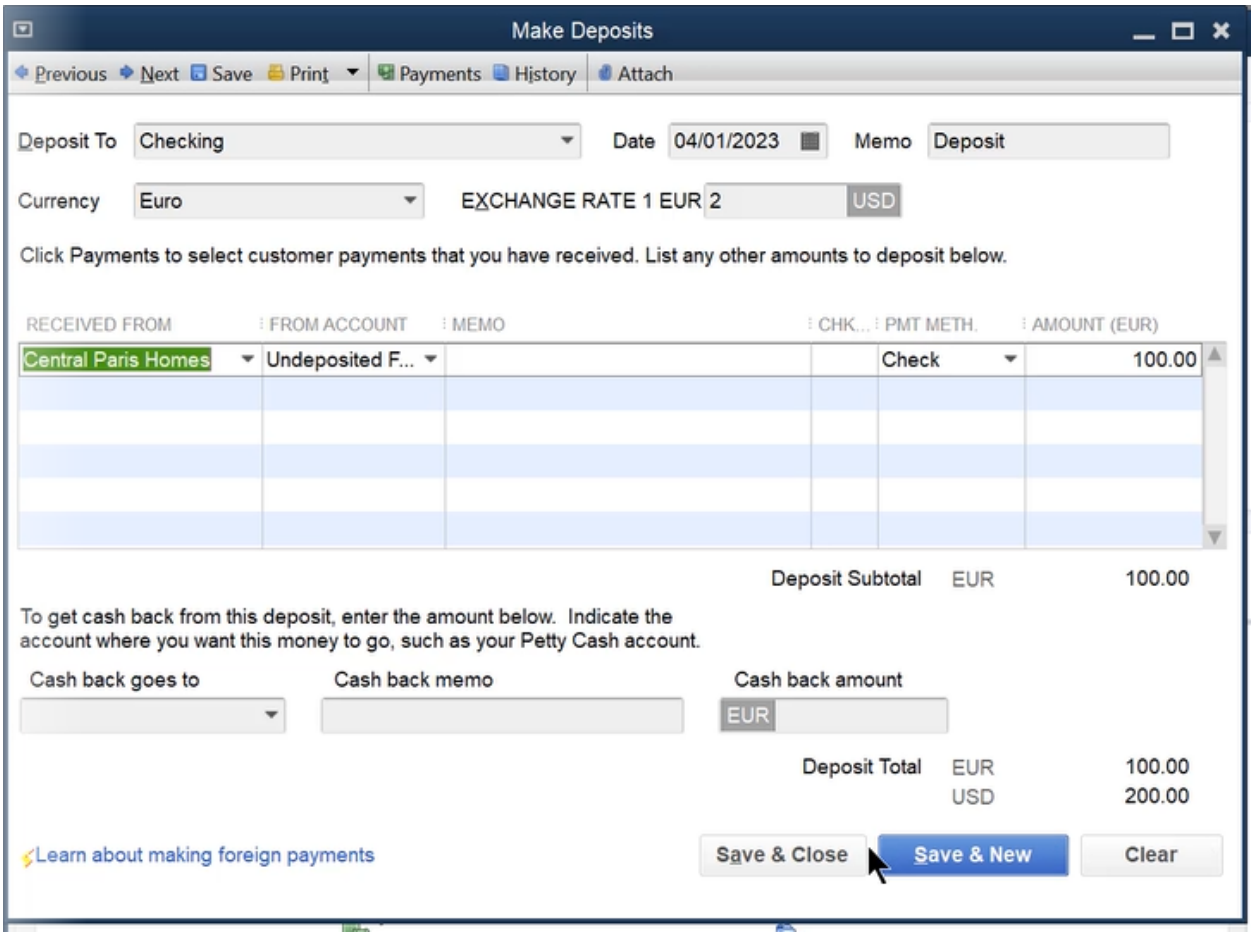
Receive Payment



Profit & Loss Statement after Customer Payment



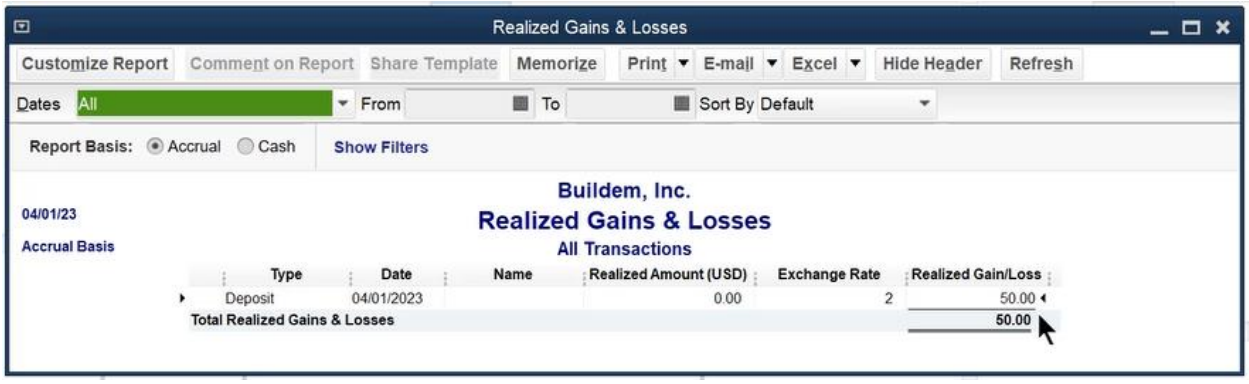
Record Deposit



Reports/Activities

Report Realized Gains/Losses

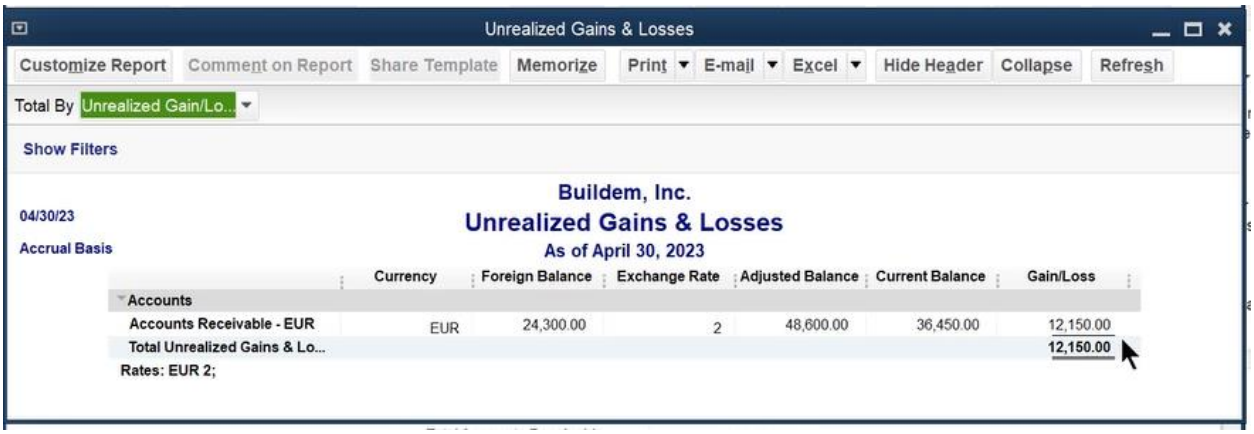
1. Select Reports:Company & Financial:Realized Gains & Losses from the menu.



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.



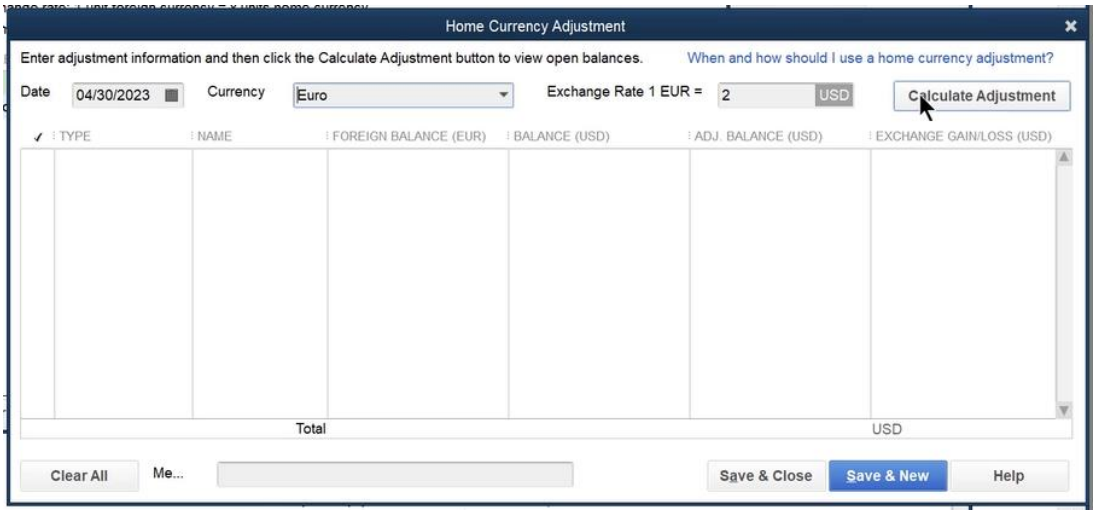
Home Currency Adjustment

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.

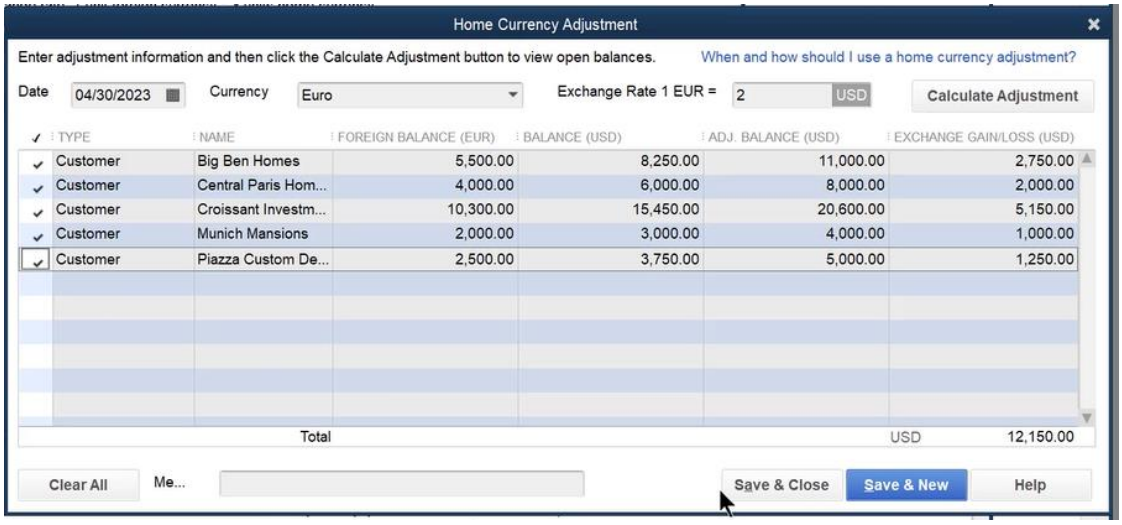
Home Currency Adjustment

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.

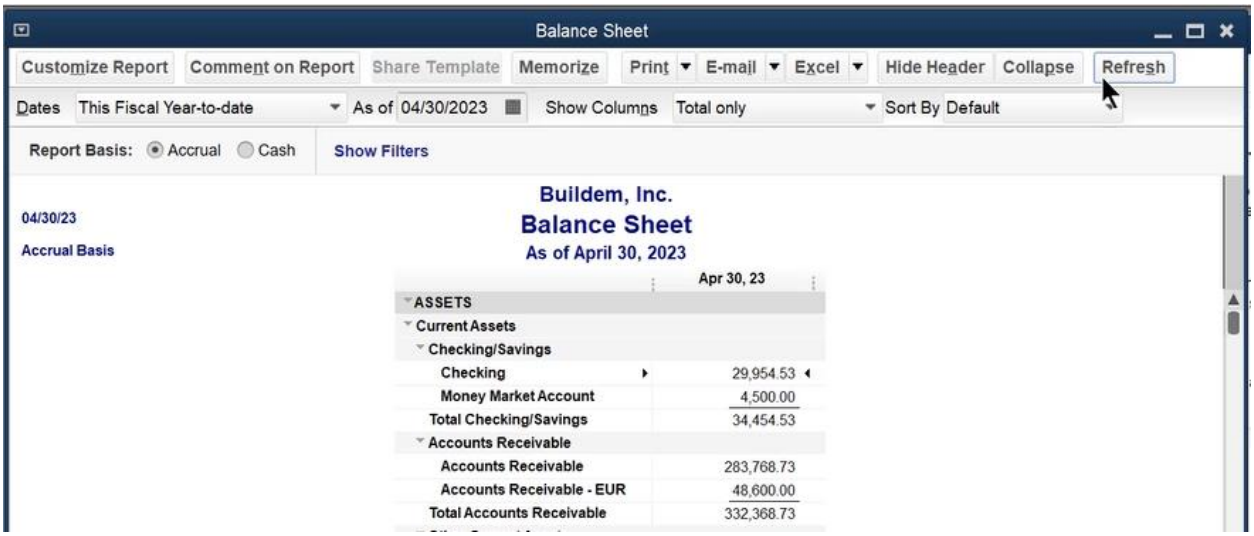
Calculate Adjustment



Home Currency Adjustment



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
Apr 30, 23
ASSETS
Current Assets
Checking/Savings
Checking
29,954.53
Money Market Account
4,500.00
Total Checking/Savings
34,454.53
Accounts Receivable
Accounts Receivable
283,768.73
Accounts Receivable - EUR
48,600.00
Total Accounts Receivable
332,368.73

Past this point, you'll only see these features in **QuickBooks Enterprise Solutions**.

Chapter 16

Advanced Pricing

Price Levels vs. Advanced Pricing

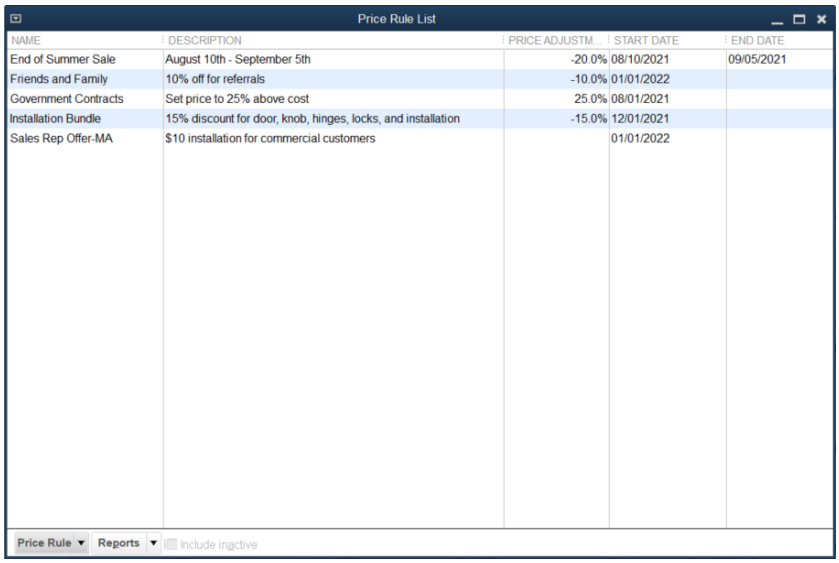
1. Select **Edit:Preferences** from the menu.
2. Select **Sales & Customers:Company Preferences**.
3. Choose **Enable Price Levels** or **Enable Advanced Pricing.**
4. If **Enable Advanced Pricing** is turned on, choose **rounding** preferences.
5. Select **OK.**

Below are some special considerations when deciding between Advanced Pricing and Price Levels.

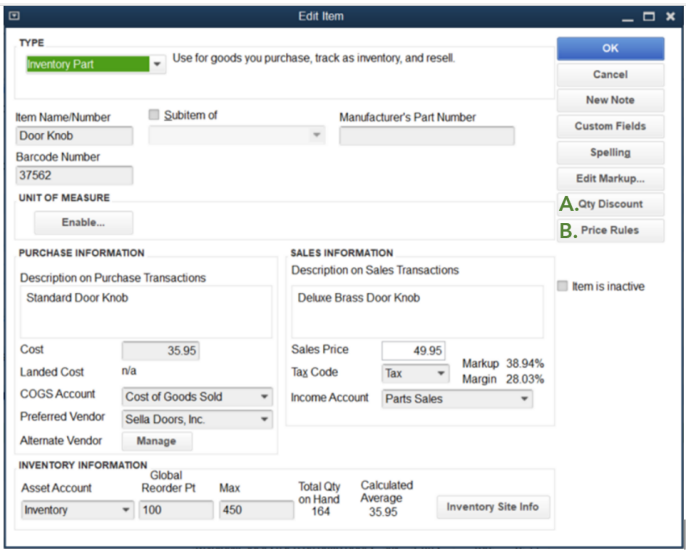
- Both additional pricing features can automatically adjust the prices of the items you sell by a fixed percentage up or down, or by a specific amount for each item. You can assign these levels to your customer.
- Price Levels are available for QuickBooks Premier or higher.
- Price Levels apply to every customer labeled with that price level, and customers can only have one price level.
- Price Levels are explained in Chapter 5 of this manual.
- Advanced Pricing is only available for QuickBooks Enterprise Solutions.
- Advanced Pricing uses multiple conditions like customer, class, item, sales rep, or date range to automatically calculate price adjustments.
- Advanced pricing automates volume discounts.

Price Rule List

1. Select Lists:Price Rule List from the menu.



Note: After turning on Price Rules, selecting an item in the Lists:Items List give additional buttons.



- A: **Qty Discounts** gives options for volume discounts.
- B: **Price Rules** shows which price rules are in effect for this item from the Price Rules List.

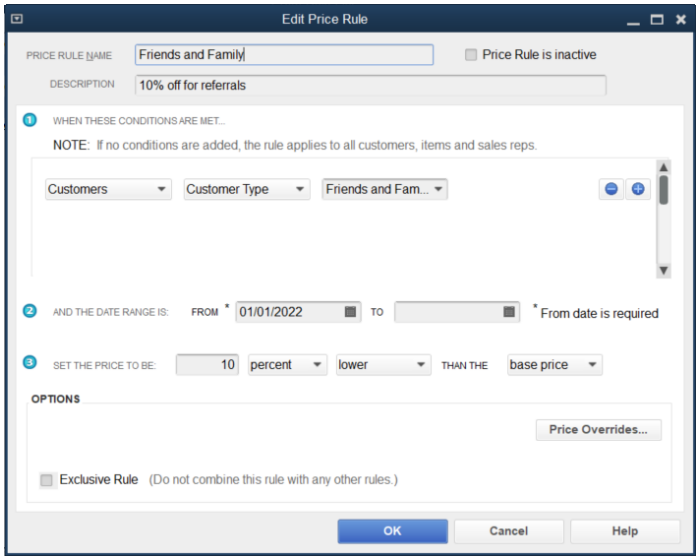
Set up Customer Type Price Rule

A Customer Type price rule is useful to differentiate one group of customers from another and assign custom prices based upon that criteria.

2. Select Lists:Price Rule List from the menu.
3. Select Price Rule:New.
4. Enter a **name** for this rule.
5. Enter any additional information about the rule in the **description** field.
6. Select the **+ Button**. From the dropdown menu, select **Customers**. This adds a condition to the price rule so it only applies to customers.

Note: If no conditions are added, the price rule applies to all customers, items, classes, and sales reps.

7. Select **Customer Type** from the second menu.
8. Select the customer type to apply the rule to from the third menu.
9. Add the **date range**. In the **From** field, enter the date the price rule goes into effect. In the **To** field, enter the date the price rule expires. If there is not an expiration date for the price rule, leave the **To** field blank.
10. **Set the price**. Enter the number by which the price should change. Select whether this should change by **percent** or **amount**, and if the price should be **lower** or **higher** by the value you entered. Select whether this change should affect the **base price** or **cost** of the item.
11. (**Optional**) If some item prices will be different than the rule, set **Price Overrides** on specific items.
12. (**Optional**) If this rule should not combine with other Price Rules, select the **Exclusive Rule** checkbox.
13. Once all conditions for this rule are set, select **OK**.



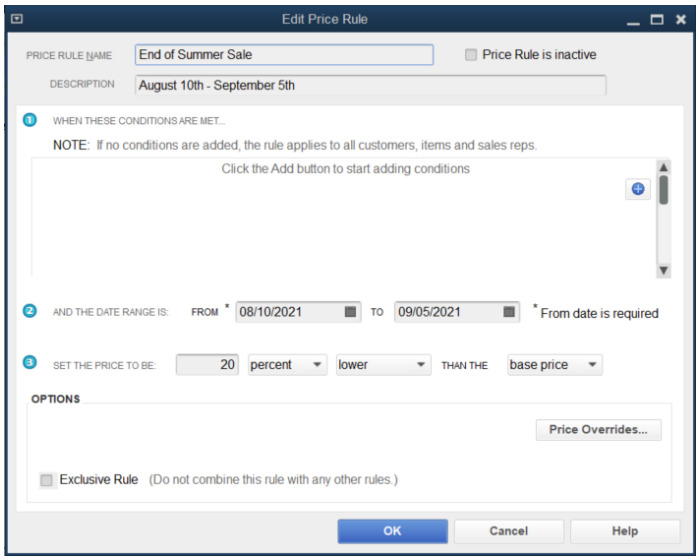
Set up a Temporary Price Rule

Some price rules may only apply to items for a specific time. For example, a seasonal sale.

1. Select Lists:Price Rule List.
2. Select Price Rule:New.
3. Enter a **name** for this rule.
4. Enter any additional information about the rule in the **description** field.
5. Leave the **conditions** area blank if this rule should apply to all items and customers.

Note: Select the **+ Button** to add conditions if applicable.

6. Add the **date range**. In the **From** field, enter the date the price rule goes into effect. In the **To** field, enter the date the price rule expires.
7. **Set the price**. Enter the number by which the price should change. Select whether this should change by **percent** or **amount**, and if the price should be **lower** or **higher** by the value you entered. Select whether this change should affect the **base price** or **cost** of the item.
8. Click **OK**.



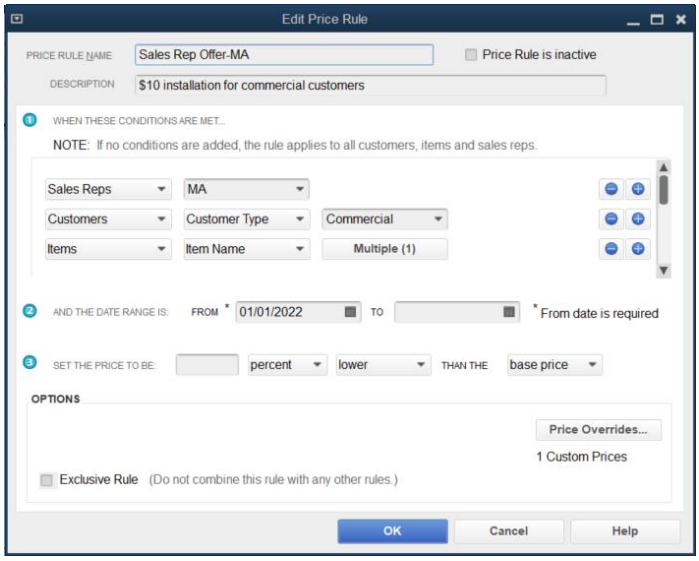
Price Overrides

Price overrides change the price of a specific item based upon multiple conditions if all conditions are met.

1. Select **Lists:Price Rule List**.
2. Select **Price Rule:New**.
3. Enter a **name** for this rule.
4. Enter any additional information about the rule in the **description** field.
5. Select the **+ Button** to add desired conditions.

Note: Price overrides work best when applied to specific conditions; for example, if a customer buys a certain item, from a certain sales rep, and they fall within a certain customer type. If all conditions aren't met, this rule will not apply.

6. Add the **date range**. In the **From** field, enter the date the price rule goes into effect. In the **To** field, enter the date the price rule expires. If there is not expiration date for the price rule, leave the **To** field blank.
7. Select **price overrides**.
8. Enter a **custom price** to charge when all conditions are met.
9. Click **OK**.
10. Click **OK**.



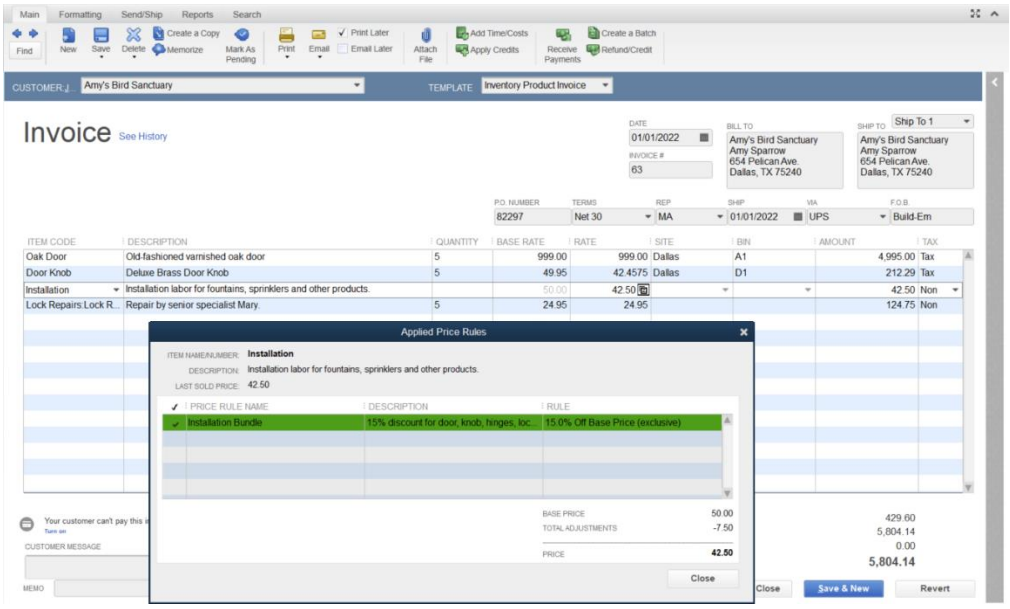
Use Price Rules

Price rules can be used on sales transactions like invoices and sales receipts.

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. Enter the **date** this transaction occurred.
4. (**Optional**) Enter any additional information about the transaction, like the **sales rep**, **terms**, **shipping information**, etc.
5. Enter the **items** the customer purchased.
6. If a price rule is available to be set, select the **icon** in the **Rate** column.
7. Check the checkbox next to the applicable price rule for this item.
8. Select **OK**.

Note: Most price rules will calculate automatically.

9. When all information is entered on the transaction, select **Save & Close**.



Quantity Discounts

With quantity discounts, QuickBooks calculates a discount rate for different quantities of an item a customer purchases. Quantity discounts don't use customer type or any other Price Rule conditions, instead only calculating based on how many the customer buys.

Set up Quantity Discounts

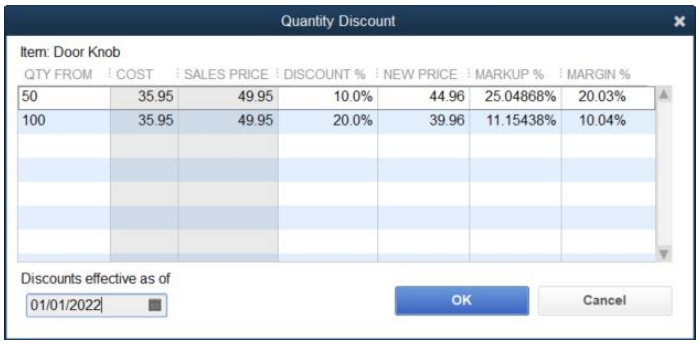
1. Select **Lists:Item List**.
2. Double click on the desired item to open its settings.

Note: Make sure the item has a default **sales price** entered. This is the amount QuickBooks uses to calculate the discount.

3. Select the **Quantity Discount** button.
4. In the **Quantity From** field, enter the minimum number a customer must purchase to receive a discount.
5. Set the **Discount %** to reduce the price by a percentage, or a **New Price** to enter a flat rate item price for this quantity discount.

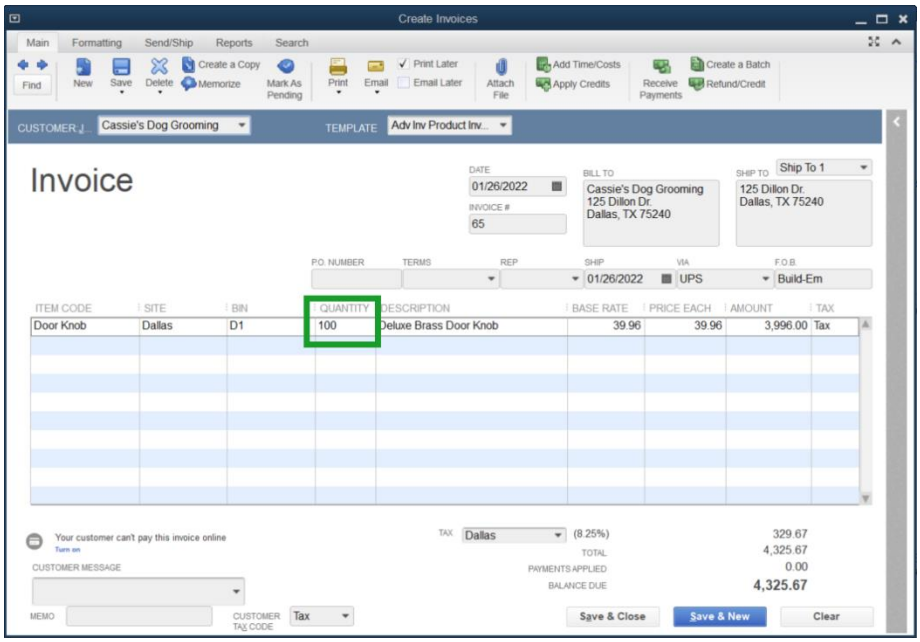
Note: Additional quantity discounts can be created for the item by clicking on the next available blank line and repeating steps 4-5.

6. Confirm the **effective date** of the quantity discount.
7. Select **OK**.



Use Quantity Discounts

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. Enter the **date** this transaction occurred.
4. (**Optional**) Enter any additional information about the transaction, like the **sales rep**, **terms**, **shipping information**, etc.
5. Enter the **items** the customer purchased.
6. Enter the **quantity** of the items the customer purchased. If the quantity is large enough, the discount will automatically calculate.

Note: Quantity discounts may need to be manually adjusted per site if multiple inventory sites are being used.

7. When all information is entered on the transaction, select **Save & Close**.