

ASA Research

Beginning QuickBooks for CPAs



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BEGINNING QUICKBOOKS FOR CPAs

COURSE INFORMATION

Learning Objectives	To increase the productivity of accountants using QuickBooks
Course Level	Beginning and some Intermediate material
Pre-Requisites	None
Advanced Preparation	None
Presentation Method	Lecture with follow up materials
Recommended CPE Credit	8 hours
Handouts	Checklists, manual
Instructors	J. Carlton Collins, CPA



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Some of the features discussed within this manual apply only to certain versions of Excel, and from time to time, Microsoft might remove some functionality. Microsoft Excel is known to contain numerous software bugs which may prevent the successful use of some features in some cases. Accounting Software Advisor makes no representations or warranty with respect to the contents of these materials and disclaims any implied warranties of merchantability of fitness for any particular use. The contents of these materials are subject to change without notice.



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EDITIONS OF QUICKBOOKS 2013

CHAPTER 1

Editions of QuickBooks

For 2013 Intuit has dramatically simplified its offerings. Intuit officially offers 9 different versions of QuickBooks at 27 different price points. Most of these versions are merely lighter editions of the primary product which is QuickBooks Accountant's Edition 2013 ²⁰. The Accountant's Edition contains all of the features from all of the other products combined (except for the online and point-of-sale editions) - Intuit simply turns off selected features to produce differing and lower cost editions of the product. As proof, consider that the Accountant's Edition can produce all of the industry specific reports ²¹. As further proof, consider that the Accountant's Edition's appearance can be toggled to look like any of the other products ²². This toggle feature makes it easier for a consultant to quickly change their menus to match those menus of a client that is being supported via telephone.

Pricing ²³

As a marketing strategy, Intuit produces multiple versions at differing price points in order to appeal to users in specific industries and companies of differing sizes. The 9 versions of QuickBooks with the number of supported users and Standard Retail Price (SRP) for each product are summarized below.

QuickBooks Product Editions	Users	SRP ⁽¹⁾
1. QuickBooks Online Accountant 2013 Online Simple Start Online Essentials Online Plus Online Essentials with Payroll Online Plus with Payroll	1 user 3 users 5 users 3 users 5 users	Free to \$12.95/month \$26.95/month \$39.95/month \$52.76/month \$63.16/month
2. QuickBooks Pro 2013	1 user 2 users 3 users	\$249.95 \$399.96 \$599.96
3. QuickBooks Premier 2013	1 user 2 users 3 users 4 users 5 users	\$319.96 \$639.96 \$956.96 \$1,279.96 \$1,599.96
4. QuickBooks 2013 for Mac	1 user 2 user 3 user 4 user 5 users	\$199.96 \$399.65 \$599.96 \$799.92 \$999.58
5. QuickBooks Accountant 2013	1 user 3 users	\$499.95 \$1,399.95
6. QuickBooks Pro Advisor Program (Includes 1 users QuickBooks Accountant 2013 with Advanced Inventory ,15 user QuickBooks Accountant Enterprise 2013, 1 user QuickBooks MAC), and QuickBooks Online Plus	1 user	\$49.95/per month or \$549

7. QuickBooks Enterprise Solution 13.0	5 to 30 users	\$420 per user Or \$2,100 to \$12,600
8. QuickBooks Enterprise Advanced Inventory 13.0		\$799 and up


1. Not including additional fees for add-on services - payroll tax service, support, training, online banking, etc.
2. Pricing for the online editions of QuickBooks is per company. Intuit does offer a 20% price break discount for each additional company.

Small Business Software

Intuit QuickBooks Financial Software

Compare Products What's New for 2013

Find the right product to help you save time and get more organized.




QuickBooks Online
Anytime, Anywhere
Online Access

30 Days Free
[Try It Free](#)

From \$12.95/mo. after trial

- Instantly create invoices, track sales & expenses
- Keep your data backed-up and secure - automatically
- Includes support and upgrades

[Learn More](#)




QuickBooks for Mac
My business is up and running - on a Mac

20% OFF*

From ~~\$249.95~~ **\$199.96**
[Add to Cart](#)

- Manage your business better on a Mac
- Organize your finances all in one place
- Instant reports on sales, expenses and profit

[Learn More](#)




QuickBooks Pro
My business is up and running

20% OFF*

From: ~~\$249.95~~ **\$199.96**
[Add to Cart](#)

- Manage your business better on a PC
- Organize your finances all in one place
- Instant reports on sales, expenses and profit

[Learn More](#)




QuickBooks Premier
We are established and expanding

20% OFF*

From: ~~\$399.95~~ **\$319.96**
[Add to Cart](#)

- Tailored to your business needs
- Industry specific reports
- Tools tailored to your business type
- Forecasting and business planning tools

[Learn More](#)



QuickBooks Enterprise Solutions
We are managing more complexity in our business

From **\$600/user**
[Try It Free](#)

- The most flexible QuickBooks
- Enhanced reporting customization
- Expanded user roles and permissions
- Sophisticated inventory capabilities
- Get the help you want with the Full Service Plan

[Learn More](#)



Quickbooks Accountant 2013

The master program for accountants

For a limited time, get QuickBooks Accountant 2013 and save

- Find and fix client entry errors faster
- Includes Pro, Premier & Industry editions
- Powerful write-up & financial reporting tools
- Create a time-bound copy of your clients' QuickBooks files.

From **\$499.95**

[Learn More](#)

QUICKBOOKS COMPARISON TABLES

Compare QuickBooks Products

The QuickBooks lineup at-a-glance

Whether you're just starting out or your business is growing, there's a QuickBooks that fits your needs. Learn how different versions compare with this easy-to-use QuickBooks comparison chart.



Online	Desktop			Desktop
Plus	Mac	Pro	Premier	Enterprise Solutions
\$39.95/month	\$249.95 \$199.96	From \$249.95 \$199.96	From \$399.95 \$319.96	From \$600/user
Try It Free	Add to Cart	Add to Cart	Add to Cart	Try It Free
Learn More	Learn More	Learn More	Learn More	Learn More

Save time when tracking your finances	Online Plus	Mac	Pro	Premier	Enterprise Solutions
Easily print checks, pay bills & track expenses	•	•	•	•	•
Track sales, sales taxes & customer payments	•	•	•	•	•
Manage payroll & payroll taxes; offer Direct Deposit ¹ (sold separately)	•	•	•	•	•
Create e-mail estimates, invoices, reports ²	•	•	•	•	•
Create and customize professional-looking invoices & forms. Included with QuickBooks Online and QuickBooks for Mac. Free trial available for QuickBooks for Windows. ³	•	•	•	•	•
Accept credit & debit cards right in QuickBooks ⁴	•	•	•	•	•
Quickly locate any account, report or invoice with QuickBooks Search.		•	•	•	•
See invoices, billing and other important tasks in a calendar view. Add to iCal for QuickBooks for Mac.		•	•	•	•
Stay on top of your receivables with the Collections Center			•	•	•
Invoice multiple customers at once with Batch Invoicing		•	•	•	•
Scan and deposit your checks with Intuit Check Solution for QuickBooks (subscription required) ⁵			•	•	•
Track time and expenses to bill clients	•	•	•	•	•
Access to U.S.-based product experts, unlimited technical support, upgrades and online backup ⁶	•				Included for 1 year
Easily find and locate inventory tasks all in one place with the Inventory Center				•	•
Work in two company files at the same time ⁷					•
Integrates with Mac OS X tools such as Numbers, iChat, iCal, and AddressBook ⁸		•			

Get insights so you make better decisions	Plus	Mac	Pro	Premier	Enterprise Solutions
Purchase additional user licenses and allow multiple users to work in QuickBooks at the same time ⁹	Up to 5	Up to 5	Up to 3	Up to 5	Up to 30
One-click financial, sales & tax reports	65+	100+	100+	150+ Industry	150+ Industry Specific
Import data from Excel, Quicken, Microsoft Office Accounting & prior QuickBooks versions ¹⁰	QuickBooks import only	•	•	•	•
Track inventory & create purchase orders	•	•	•	•	•
Set and manage inventory reorder points		•	•	•	•
Download your bank & credit transactions into QuickBooks ¹¹	•	•	•	•	•
Get a consolidated view into your business with Company Snapshot	•	•	•	•	•
Track international sales & expenses in multiple currencies			•	•	•
See key customer information at a glance with the Customer Snapshot.			•	•	•
Track and follow up on sales leads with the Lead Center			•	•	•
Search and access industry-specific report templates created by other QuickBooks users			•	•	•
Easily create a business plan				•	•
Track your Balance Sheet by Class				•	•
Forecast sales & expenses				•	•
Sample files, menus & chart of accounts tailored to your industry	•			•	•
Consolidate reports from multiple company files ¹²					•
Manage inventory using bin location tracking, bar code scanning, serial number or lot tracking, FIFO costing, and multiple location inventory ¹³					•
Create custom reports with ODBC-compliant applications using a direct connection to the QuickBooks database ¹⁴					•

Choose the Plan That's Best for Your Business

Do you currently use QuickBooks?

Compare QuickBooks Online to your current QuickBooks solution.

[Compare now »](#)

<p>Online Simple Start</p> <p>Try It Free</p> <p>No contract, cancel anytime</p>	<p>Online Essentials</p> <p>Try It Free</p> <p>No contract, cancel anytime</p>	<p>Online Plus</p> <p>Try It Free</p> <p>No contract, cancel anytime</p>	<p>Online Essentials with Payroll</p> <p>Try It Free</p> <p>No contract, cancel anytime</p>	<p>Online Plus with Payroll</p> <p>Try It Free</p> <p>No contract, cancel anytime</p>
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Price	30 days free, then \$12.95/mo*	30 days free, then \$26.95/mo*	30 days free, then \$39.95/mo*	30 days free, then \$65.95 \$52.76/mo*	30 days free, then \$78.95 \$63.16/mo*
Access					
Work with multiple users ¹	1 user	3 users	5 users	3 users	5 users
Works on iPhone™, BlackBerry®, and Android™ ²	✓	✓	✓	✓	✓
Anytime, anywhere online access ³	✓	✓	✓	✓	✓
Automatic data backup	✓	✓	✓	✓	✓
Get Started Easily					
Free Customer support ⁹	✓	✓	✓	✓	✓
No accounting knowledge necessary	✓	✓	✓	✓	✓
Import customer data from Excel NEW	✓	✓	✓	✓	✓
Import from QuickBooks desktop ⁴		✓	✓	✓	✓
Track Income and Expenses					
1-click business reports	20+	40+	65+	55+	80+
Create & manage invoices	✓	✓	✓	✓	✓
Track sales & expenses	✓	✓	✓	✓	✓
Apply sales tax	✓	✓	✓	✓	✓
Print checks	✓	✓	✓	✓	✓
Track payments	✓	✓	✓	✓	✓

Track payments	✓	✓	✓	✓	✓
Export data to Excel ⁵	✓	✓	✓	✓	✓
Customer Center	✓	✓	✓	✓	✓
Accept credit cards ⁶	Add-on	Add-on	Add-on	Add-on	Add-on
Stay on top of your business					
Connect your bank and credit card accounts ⁷	1 account	Unlimited accounts	Unlimited accounts	Unlimited accounts	Unlimited accounts
Automated invoicing		✓	✓	✓	✓
Create estimates		✓	✓	✓	✓
Enter & manage bills		✓	✓	✓	✓
Business trends for your industry NEW		✓	✓	✓	✓
Company Snapshot, Scorecard NEW		✓	✓	✓	✓
Delayed billing		✓	✓	✓	✓
Permission controls		✓	✓	✓	✓
Billing by customer			✓		✓
Create and send purchase orders NEW			✓		✓
Inventory tracking NEW			✓		✓
Track multiple locations			✓		✓
Class tracking			✓		✓
Budgeting & planning			✓		✓
Manage Employees & Contractors					
Time tracking			✓		✓
Prepare and print 1099s			✓		✓
Payroll					
Pay employees in 3 easy steps				✓	✓
Free Direct deposit available*				✓	✓
Run unlimited payrolls each month				✓	✓
Automatically calculates federal and state payroll taxes ⁸				✓	✓



BEGINNING QUICKBOOKS 2013

Basic Learning Points

CHAPTER 2

Beginning QuickBooks

This chapter covers some of the more important basic skills needed to operate QuickBooks. Many of the concepts learned, such as navigation, drillability, searching, etc. in these facets of QuickBooks apply throughout QuickBooks as well.

Navigating

1. Move around QuickBooks...
2. **Help**, What's New?
3. New menu on left collapses and expands
4. Return to Icon bar menu
5. **Preferences**, **Desktop View**, Switch to Colored icons
6. **Home** screen, functional areas – Vendors, Customers, Employees, Company, Banking
7. Suppressing icons (such as estimates or inventory) in preferences
8. Drop down menu – Lists, Company, Customers, Vendors, Employee, Banking, Reports, etc.
9. To view all open windows – **View**, **All Open Windows**
10. Close windows using the **X** in the upper right corner
11. Close all windows **Window** tab, **Close All**
12. Get help...
13. Customize your Menus from the **Favorites** tab by **selecting Customize Favorites**
14. Customize your **Icon Bar** by clicking the chevron and selecting **Customize Icon Bar**

Bank Accounts

15. Create at least one bank account, (during new company setup or from Chart of Accounts)
16. Add description and opening balance from the statement and statement date
17. Set up second account, such as savings or money market
18. Record transfer, **Banking** tab, **Transfer Funds**, then view COA to see changed balances

Service Items

19. Create the new service item “**Consulting**”
20. Make it a sub-item of “Landscaping Services”, affects reporting only (collapse and expand)
21. Note checkbox labeled “This service is used in assemblies or performed by subcontractor”
(The assemblies feature is not available in QuickBooks Pro, just Premier and Enterprise)
22. Add description – this will appear on the invoice
23. Enter rate as either a flat fee or hourly rate
(As an option, you could leave the rate blank and enter a rate as needed, but why would you)
24. Sales taxes can be complicated and are discussed later, for now choose “Non-Taxable”
25. Create the new service item “**Tree Removal**”
26. Make it a sub-item of “Landscaping Services”
27. Check the box labeled “This service is used in assemblies or performed by subcontractor”
(Checking this box makes the item available for both sales orders and purchase orders)
(Note that checking box reveals both Cost and Sales fields)
(To help you understand the flow of 2 sided items, enter different descriptions for cost and sales)
28. Enter a preferred vendor *(optional)*
29. Leave cost and sales blank *(since those amounts typically vary from one job to the next)*
30. To see two-sided item in action, open PO and an SO and then select Tree Removal, note differences

Sales Tax Items

31. First turn on sales taxes under **Edit, Preferences, Sales Tax, Company Pref**, check **Yes**
32. Set up a new item (from preference screen or from **Lists, Items, New Item**)
33. Set up a state sales tax item (include percentage sign with the rate)

34. Set up a city sales tax item (include percentage sign with the rate)
35. Set up a local sales tax item (include percentage sign with the rate)
36. Setup a sales tax group combing those three sales tax items
(You will need a separate sales tax group for each location where you do business)
(This way, the customer sees only one sales tax applied on their invoice)
37. Make the group item your default setting **Edit, Pref, Sales Taxes, Company, Most Common**
38. Set up sales tax codes *(Code limited to 3 characters)*
(Sales tax codes are used by QB to determine whether an item, or a customer is taxable)
(QB already has Taxable and Non Taxable options, but some states require more detail such as “Out of State Sales, Wholesale customers or Sales to Government agencies)
39. Assign default tax codes to customers and items, as needed
40. Consider checking preference item “T” to identify taxable items when printing invoices

Adding Customers

- (You can add all customers up front or on the fly as you enter transactions)*
(Skip opening balances, because you won’t be able to tell where those balances came from or collect payments against open amounts receivable)
(Instead enter each outstanding invoice into QuickBooks individually)
(Only the Customer Name is needed, the rest is optional)
41. Note the following:
 - a. Many fields of data for phone, web site, LinkedIn account, etc.
 - b. Supports multiple shipping addresses
 - c. Credit limit field, enter \$0 to prevent new orders, \$1,500 to limit orders to \$1,500
 - d. Payment terms, most standard options already set up for you
 - e. Price levels – very powerful, price your products by customer or by item
 - f. Preferred sending method – mail or email

- g. Preferred payment method, such as credit card info
 - i. *(QBs does not allow you to save the security code)*
- h. Online payments allows customers to pay you immediately online *(but this service costs money)*
- i. Preferred tax code
- j. Customer type (how they heard about you, maybe)
- k. Sales Rep
- l. Custom fields

Adding Vendors

(You can add all vendors up front or on the fly as you enter transactions)

- 42. Note that the left side of the Vendor Center offers two tabs – Vendors and Transactions, and the right side displays either vendor or transaction information
- 43. You can expand or collapse the left side menu
- 44. After selecting a vendor, click the X to go back to the vendor list
- 45. Click the pencil (Edit) icon to add information or make changes
- 46. The paperclip icon enables you to attach documents
- 47. In the upper right corner are links to reports for the specific vendor selected
- 48. The **Transaction** tab displays that vendor's transactions; you can filter by type or date
 - (You can see transactions by type (POs, Item Receipts, Bills, Payments, Checks, etc.)*
 - (You can sort the list by clicking on column headings)*
 - (The vendor info button displays info for the selected transaction)*
 - (You can open a transaction by double-clicking on it)*
 - (NOTE: When viewing a transaction, you can edit it here to make changes, but if you reduce the amount, QB's creates a credit for that vendor, and if you increase the amount QBs considers the bill partially paid – these results may not be what you intended)*
- 49. You can also create new transactions from the **Transactions** tab
- 50. The **Contacts** tab allows you to enter multiple contacts

51. The **To Do's** tab allows you to create or view To Do's related to that vendor, and you can set up To Do's as a tickler
52. The **Notes** tab can be used to collect any information, not the **Time Stamp** tool
53. **NOTE:** You cannot delete vendors with outstanding transactions, but you can make them inactive which will hide them from the list

Class Accounting

(Short for "Classification", classes let you segment your business by department or location or fund or territory or product lines, etc.)

54. Using classes is optional
55. To use Classes, select **Edit, Pref, Accounting, Company** and select **Use Class Tracking**
56. You can set QB to remind you to enter classes, but this can be annoying
57. Classes can be sub-classes to other Classes
58. When you create an Invoice (**Ctrl+I**), you have two options for indicating the class (*at the top for all line items, or individually on each line item*)
59. Classes show up on Invoices, Bills, POs, estimates, Credit Memos, Refunds, Statements, & Reports

Estimates

60. Estimates are also known as bids, quotes or proposals
61. Estimates don't post in QuickBooks, but upon acceptance, you can convert an estimate into an invoice or sales orders
62. Generally estimates are used with job costing, but it is possible to quote an item too
63. Turn estimates on by selecting **Edit, Pref, Jobs and Estimates, Company** and click **Yes**
64. Also select **Yes** to **Process Invoicing** to use percentage of completion pricing or pricing based on milestones; use **No** only if you always invoice in full
65. To see this in action, create an Invoice and select a customer with an estimate, note the window option for invoicing that customer

Credits, Refunds and Prepayments

66. If a customer returns an item, open the invoice and select **Return/Credit**
(If multiple line items, delete all lines items except those items being returned, by right clicking the line and selecting **Delete**)
(If there are multiple quantities on that line, edit the quantity to the amount returned)
67. Then click **Save & Close** to create the **Return/Refund**, then indicate whether the refund is to be retained, refunded as cash or a check, or applied to another invoice
68. Always provide a memo in every transaction
69. Create a check and then view the Credit Memo and note the **REFUNDED** stamp

Overpayments, Credits, and Discounts

(You must first turn on this preference in order for QBs to calculate payment discounts)

70. When a customer overpays you, select **Customers**, Receive Payments, enter the full payment and in the lower left indicate whether to refund or retain the overage; the next time you create an invoice, QuickBooks will offer to offset that invoice
71. If you have multiple invoices outstanding, QuickBooks will automatically apply the payment to the oldest invoices first, check this application and adjust as necessary
72. If you wish to retain the overpayment for later, uncheck the line where the overpayment was applied
73. If you offer discounts for early payment, you must honor that discount. To receive a payment and apply the early payment discount, receive the customer payment and click the Discounts and Credits button in the upper right menu, then either accept or adjust the early discount computations offered by QuickBooks
(Discounts are considered negative income and therefore should post to an income account titled "Discounts")
(If the discount date has passed, QuickBooks will not offer a discount computation, but you can enter the customer's discount anyway and accept that discount even if they did not actually qualify)

Reminder Statements and Collection Letters

74. You can remind your customer that they owe you money with reminder statements

75. From the **Customer** menu, select **Create Statements**, pick a date, and select **All Open Transactions** and then indicate the **Days Past Due**
76. To add finance charges,
77. You can also produce collection letters from the **Customer Center** select **Word, Prepare Collection Letters**, select your options, **Next**, select a template, enter your name, **Next**, and your collection letters will be produced in Word.

Tracking Time for a Single Activity

78. QuickBooks has a stop watch for tracking & billing a single activity, such as a phone call
79. You can set your default time format under preferences
80. From the **Employees** tab, select **Track Time Single Activity**, select a **Customer** and then click **Start**, when done click the **Save & Close** button
(Notes entered can appear on invoices or job reports)

Inventory Adjustments

81. Make sure you first set up an **Inventory Adjustment Account** (An **expense account** labeled **Inventory Adjustments**)
82. From the **Vendors** tab, select **Inventory Activities, Adjust Quantity/Value on Hand**
83. Choose either **Quantity** or **Value**
84. Select the **Adjustment Account**
85. Click **Find and Select Items** and check the items to be adjusted, click **Add Selected Items**
86. Enter the new quantity, QuickBooks will compute the difference and calculate the adjustment
87. If you want to write off obsolete items, first create an account labeled **Obsolete Items**
88. Repeat the steps above using the **Obsolete Items** account, and set the quantity to zero

Bounced Checks

89. First create two charge items: One to remove items and another to record the service charges. From the **List** tab, select **Items**, add a **New Item, Other Charge**, and name it

Bad Check, and select the proper checking account. Add another **New Item, Other Charge**, and name it **Bad Check Service Charges**, select the proper checking account.

90. Next, rebill the customer by creating a new Invoice, in the line item area select the new item you created called **Bad Checks**. Then add another line item labeled **Bad Check Service Charges**.

91. To record your bank charge, click **Check Register**, select checking, leave number and payee blank, choose the **Splits** button and select **Bad Check Service Charges**, remove the checkmark in the billable column, then record.

Fiscal year End Tasks

92. From **Help**, select **Year-End Guide**

93. Before year end, pay as many expenses as you can so you can deduct them for tax purposes, Review your year-end reports, starting with the Balance Sheet, confirm each amount, such as Inventory from a physical inventory count; do the same for your profit and loss statement

Everyday Transactions

94. Selling: invoices, sales receipts, payments, deposits, credit memos, and customer statements

95. Buying: bills, bill payments, checks, bill payment stubs, bills vs. checks, and credit memos

96. Inventory: purchase orders, receive items, adjust inventory

97. Sales Taxes: set up, adjust, pay, and report sales taxes

98. Banking: bank reconciliation and locate discrepancies, online banking

Tips & Tricks

99. Special "Window" tricks

100. Clean up lists (delete, hide and merge)

101. Sort and customize lists

102. "Collapse" financial statements

103. Show P&L by month, or as a percent of income
104. Cash vs. Accrual accounting
105. Using general journal entries
106. Use petty cash
107. Use multi-user
108. Password protecting QuickBooks
109. Updating QuickBooks
110. Working with Microsoft Word and Microsoft Excel
111. Closing the books
112. Find transactions FAST and other time saving features
113. Work with the accountant's review
114. Protect your QuickBooks data
115. Setting up and using subaccounts
116. Add, delete, resize, and reorder columns in reports
117. Filtering and formatting reports
118. Saving reports and creating memorized report groups
119. Keyboard shortcuts
120. Adding custom fields
121. Create custom invoices and other forms
122. Adding logos



QUICKBOOKS 2013

OFFICIAL STUDY GUIDE

CHAPTER 3

Intuit® QuickBooks Certified User

intuit®

Study Guide



succeed

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The following lists the topic areas and percentages of questions delivered in each topic area:

Topic Area	% of Exam
QuickBooks Setup	6%
QuickBooks Utilities and General Product Knowledge	10%
List Management	6%
Items	8%
Sales	10%
Purchases	10%
Payroll	12%
Reports	16%
Basic Accounting	10%
Customization/Saving Time	12%



Number of Questions, Time and Versions

- 50 questions
- 50 minutes
- Covers QuickBooks Premier/Pro 2009, 2010, and 2011
- Multiple choice
- Online proctored exam

After taking the exam, your score is electronically reported and a PDF of your certificate will be located on your digital transcript. You can access your transcript once you are registered at www.certiport.com.



Exam Objectives

Domain 1.0 QuickBooks Setup

A student should know:

- 1.1 What information is required before they set up a QuickBooks file
- 1.2 How to start a new company data file in QuickBooks (Easy Step Interview)
- 1.3 How to keep the lists and preferences from an old file while removing old transactions
- 1.4 How to customize the home page
- 1.5 How to set up lists (customers, vendors, items, etc.). This includes understanding which names and items should appear on which lists.

Domain 2.0 QuickBooks Utilities and General Product Knowledge

A student should know:

- 2.1 How to navigate or move around QuickBooks (use home page, menus, icon bar, etc.)
- 2.2 How to back up and restore a data file
- 2.3 How to determine the release number and how to update QuickBooks
- 2.4 How to use QuickBooks in single-user and multi-user mode
- 2.5 What versions and editions of QuickBooks are available for a specific year (desktop version)
- 2.6 How to password protect QuickBooks
- 2.7 How and why to use preferences

Domain 3.0 List Management

A student should know:

- 3.1 How to manage lists (customers, vendors, items, etc.). List management include:
 - 3.1.1 Adding new entries
 - 3.1.2 Deleting entries
 - 3.1.3 Editing entries
 - 3.1.4 Merging entries

Domain 4.0 Items

A student should know:

- 4.1 How QuickBooks uses items to perform the necessary accounting entries
- 4.2 The different types of items and when to use each type
- 4.3 How to use items for different types of scenarios. These include companies that sell:
 - 4.3.1 Products for a specified price
 - 4.3.2 Services for a specified price
 - 4.3.3 Unique products or services that have different prices for each sale
 - 4.3.4 One service or product

Domain 5.0 Sales

A student should know:

- 5.1 Who should be listed in the Customer Center
- 5.2 How to navigate and use the Customer Center



- 5.3 How to complete the workflow (from the sale to making the deposit) for:
 - 5.3.1 Invoicing (A/R)
 - 5.3.2 Sales Receipts (no A/R)
- 5.4 How QuickBooks uses the Undeposited Funds, Accounts Receivable, and checking accounts in the invoicing cycle.
- 5.5 How and why to record a customer credit
- 5.6 How and why to create statements
- 5.7 How to handle bounced (NSF) checks

Domain 6.0 Purchases

A student should know:

- 6.1 Who should be listed in the Vendor Center
- 6.2 How to navigate and use the Vendor Center
- 6.3 The different workflows for making purchases
 - 6.3.1 Entering and paying bills (A/P)
 - 6.3.2 Writing checks
 - 6.3.3 Using a Credit Card
 - 6.3.4 Using a Debit Card
- 6.4 How to record the transactions in the purchase workflows
- 6.5 How and why to record a Vendor credit
- 6.6 How to complete the inventory workflow (PO to payment)
- 6.7 How to set up, collect and pay sales tax
- 6.6 Bank reconciliation

Domain 7.0 Payroll

A student should know:

- 7.1 The differences between the Payroll Services available from QuickBooks
- 7.2 How to set up Payroll (including employees, Federal and State taxes and basic Payroll deductions) using the Payroll Setup Wizard.
 - 7.2.1 How to set up an employee's earnings and sick or vacation time
 - 7.2.2 How to track sick or vacation time (accruing hours and using "banked" hours)
- 7.3 How and why to setup Payroll Schedules
- 7.4 How to run Payroll
- 7.5 How and why to pay Payroll Liabilities
- 7.6 How to prepare payroll forms (941, W2) in

QuickBooks

- 7.7 Track time and use it for payroll or for invoicing customers

Domain 8.0 Reports

A student should know:

- 8.1 Why and how to use the Report Center
- 8.2 How to customize reports (report modifications, collapsing subaccounts, etc.)
- 8.3 The basic question that each report answers (basic understanding of each report)
- 8.4 How and why to process multiple reports
- 8.5 How and why to send reports to Excel (understand and use the basic and advanced tab)
- 8.6 How and why to process multiple reports
- 8.7 How to memorize reports

Domain 9.0 Basic Accounting

A student should know:

- 9.1 What the basic financial statements are and have a basic understanding of what they mean.
- 9.2 The difference between cash and accrual reports
- 9.3 How and why to set a closing date
- 9.4 How to enter a Journal Entry if asked to do so by an accountant (they do not need to fully understand what accounts to debit or credit)

Domain 10.0 Customization/Saving Time and Shortcuts

A student should know:

- 10.1 How and why to memorize transactions (automatically enter)
- 10.2 How to set up multiple users and what level of access can be granted or denied
- 10.3 How and why to create custom fields (customers, vendors, and employees)
- 10.4 How to customize an invoice



Study Guide
Activities



This section of the study guide will provide guidance to complete key QuickBooks exercises that could be included on the certification exam. It will cover the following QuickBooks exercises:

1. How to Add a Payroll Deduction
2. How to Create a Customer Statement
3. How to Issue a Vendor Credit in QuickBooks
4. How to Merge (Combine) Entries on a List
5. How to Create a Progress Invoice
6. How to Send a Report from QuickBooks to Excel





QuickBooks Exercises

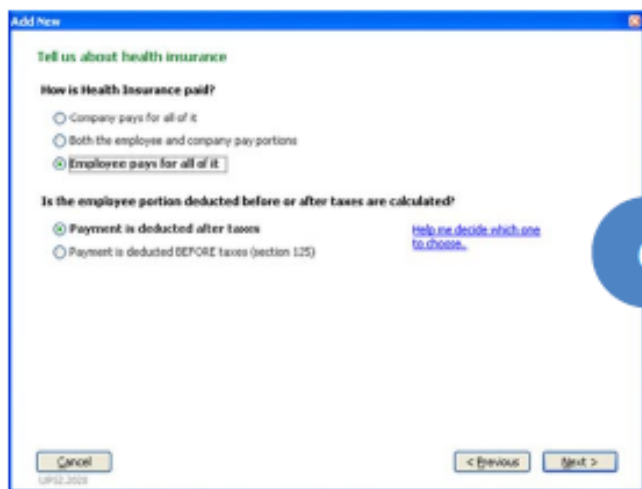
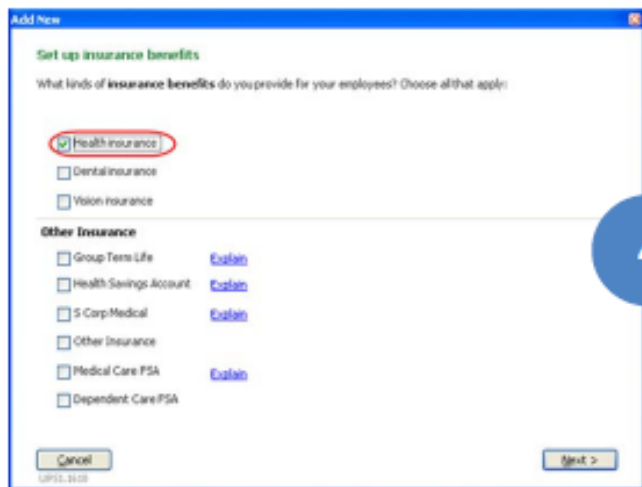
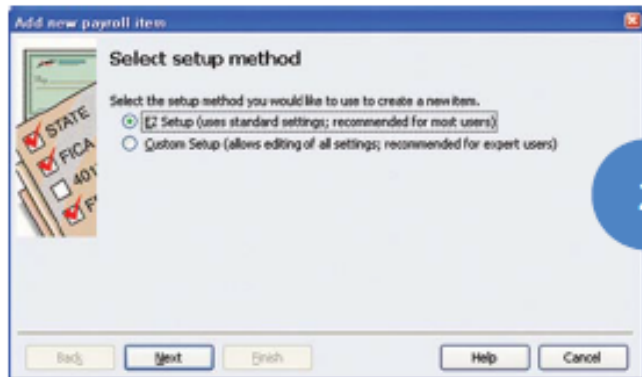
1. How to Add a Payroll Deduction

In this section, you create payroll items. A payroll item is anything that affects the amount of a paycheck. It also includes company expenses (like matched taxes). For instance, if you pay an employee a salary, it affects the amount of their paycheck and must be set up as a payroll item or a deduction for medical insurance. If you deduct it from an employee's check, it must be set up as a Payroll Item.

When you first set up payroll, the QuickBooks Payroll Setup wizard helps create your company's payroll items. However, as your needs change, you might need to add or edit payroll items. You learn how during this practice exercise.

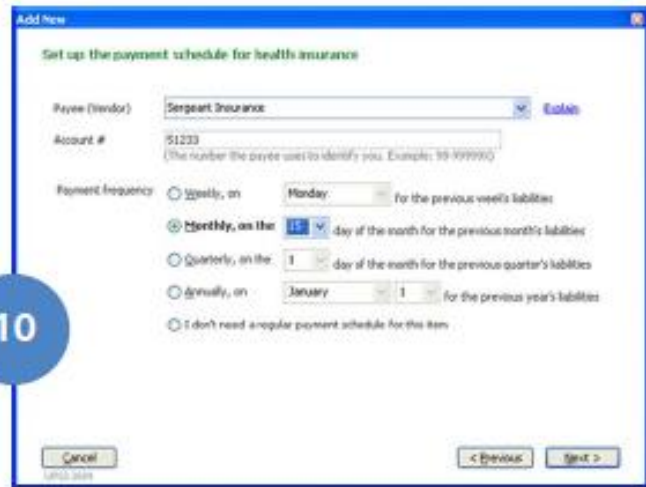
Add Payroll Item

1. You decide to offer health insurance at your company. Add the payroll item. Click the Employees menu and select **Manage Payroll Items > New Payroll Item**.
2. Choose the **EZ Setup** method and click **Next**.
3. Select **Insurance Benefits** as the type and click **Next**.
4. QuickBooks loads the **Payroll Setup Interview**. Select **Health insurance**. Click **Next**.
5. QuickBooks asks how your company pays health insurance. In this case, the employee pays the full cost. Select the third option.
6. QuickBooks gives you two more choices. In this case, health insurance is an after-tax deduction, so click **Payment is deducted after taxes** and click **Next**. Please note: The only way you can deduct money before taxes are calculated is if Congress passed a law that allows you to do this. With certain health insurance plans, there is a law (Section 125) that allows health insurance deductions before taxes are calculated. If you're not sure, always check with an accountant.
7. Next, enter information about when and who you pay for the insurance. Click the **Payee** drop-down list and select **Sergeant Insurance**.
8. Enter account number 51233. This account number appears as the Memo on the Payroll Liability check QuickBooks creates when you pay **Sergeant Insurance**.



9. Then, enter the **Payment frequency** for the insurance. In this case, payment is due on the 15th of the month for the prior month's insurance. Click **Monthly**. This step is very important. If you don't set the frequency, the Liability will not show up in the "Pay Scheduled Liabilities" section of the Payroll Center. This means you may forget to pay it!
10. Then, click the drop-down list, select 15 and click **Next**.
11. Click **Finish**.

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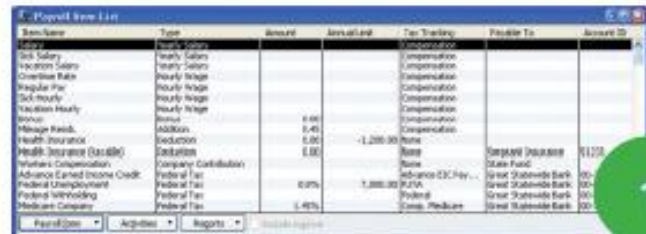


Edit Payroll Item

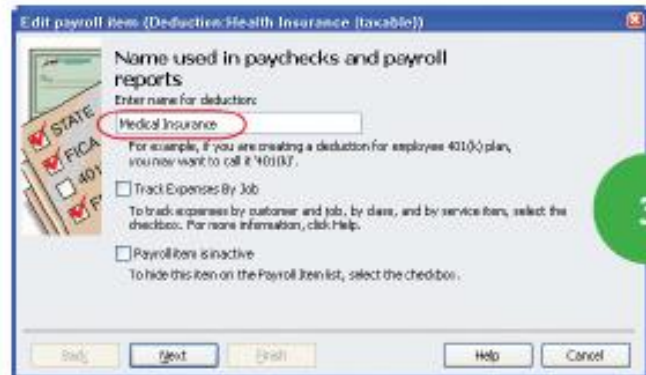
1. To edit a payroll item, first open the Payroll Item List. Click the Employees menu and select **Manage Payroll Items > View/Edit Payroll Item List**.
2. Why do you need to edit the payroll item? The standard employee deduction for Health Insurance is \$50 per week. Did QuickBooks enter the rate for you? No. For this (and other reasons) we recommend that you always edit an item after you set it up. Double-click **Health Insurance**.
3. QuickBooks calls the deduction **Health Insurance (taxable)**. Change the name to **Medical Insurance**. The name you enter here will appear on paycheck and reports. So choose something you know your employees will recognize and understand. Click **Next**.
4. Now, enter the **Liability** account for the deduction. QuickBooks automatically points the deduction to an account called **Payroll Liabilities** (because this is money you owe). If you want more detail on financial statements, create subaccounts for payroll liabilities. Then, point individual payroll items to the subaccounts. Point the deduction to a subaccount called **Employee Health Insurance Payable** and click **Next**.

In the next few windows, you will just click next to get to the end of the Wizard. In most cases, you don't need to make any changes.

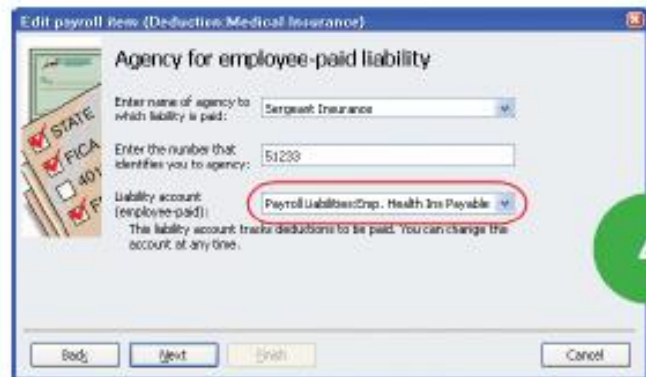
5. In Tax tracking type window, specify how to classify the deduction on tax forms. QuickBooks enters the correct information, so click **Next**.



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- In the Taxes window, enter how the deduction affects taxes in this window. Again, QuickBooks enters the information for you, so click **Next**.



- Do you base the insurance deduction on a quantity or hours, or neither? In this case, select **Neither** and click **Next**.



- In the **Gross vs. net** window, identify how QuickBooks calculates the deduction based on gross pay, or based on net pay. **Medical Insurance** is not calculated, it's a flat amount per paycheck. In this window, you also specify how the deduction appears on payroll reports, subtracted directly from gross pay, or subtracted from net pay. QuickBooks already specified that this is a net pay deduction. Click **Next**.

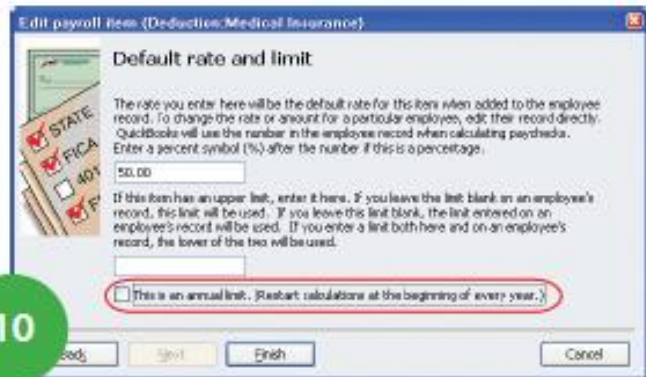


- In the **Default Rate and Limit** window, enter the **Default rate** and limit for the deduction. **Default** means you CAN change the information later, if necessary. Enter the amount of \$50 per paycheck. QuickBooks will use this number when you assign this Medical Insurance deduction to an employee. But if necessary, you can change the amount for each employee (e.g. if an employee wants to add their spouse or child).



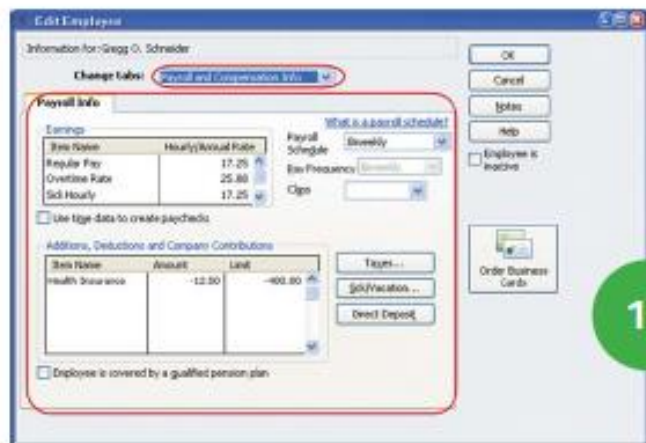
10. If there is an annual limit, enter it in the second box. There is no annual limit for the Medical Insurance, so leave the box blank. Note: If you do enter a limit, specify whether it is an annual limit by checking this box. In this case there is no limit for the medical insurance, so make sure the box is unchecked.
11. Click Finish.

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12. When you set up or edit an employee's record, you enter this deduction on the Payroll and compensation info tab below Additions Deductions and Company Contributions.

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grow



2. How to Create a Customer Statement

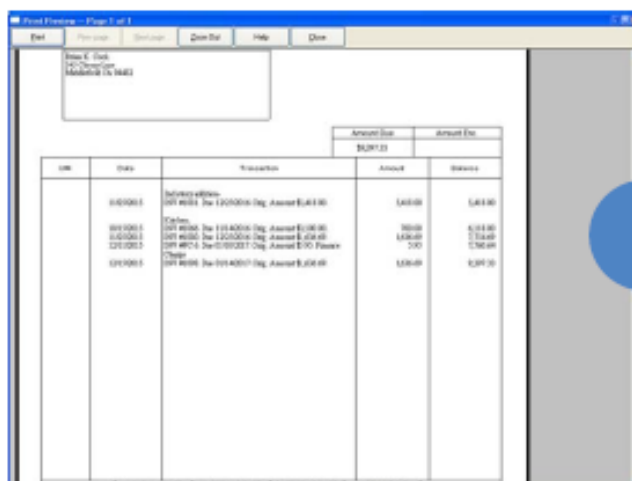
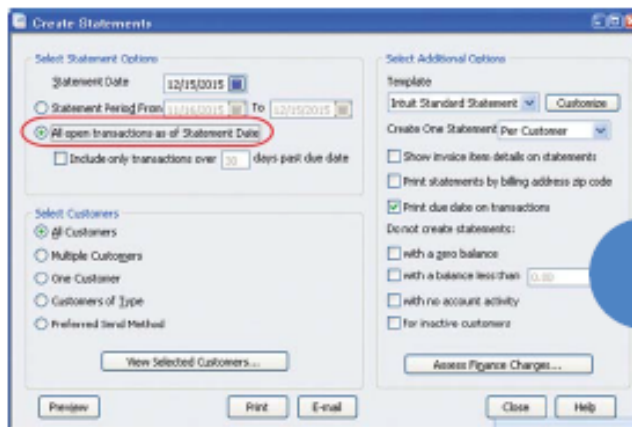
Sometimes you want to send statements to customers to remind them of overdue balances, or to list statement charges a customer owes.

There are two types of statements in QuickBooks. The first is called an Open Transaction Statement. This example shows only open transactions as of the statement date. This way, a customer knows exactly how much they owe you but doesn't see the history of payments and credits.

The second type of statement is called "Activity Based". This shows you the customer's activity over a period of time, including payments and credits. In this exercise you prepare an Open Transaction Statement and a list of customer's activity over a period of time.

Customer statements: Process an open transaction statement

1. From the Home page, click the Statements icon.
2. In the Select Statement Options section, select a type of statement. Select **All open transactions as of Statement Date**. This statement shows only open transactions as of a specific date.
3. Click One Customer.
4. Click the drop-down list and select Brian Cook.
5. Click Preview.
6. Click the mouse to Zoom in.
7. This statement shows only what the customer owes you. The description shows the original invoice amount, and the **Amount** column shows the unpaid portion of the invoice.
8. Prepare this type of statement if your customer only wants to see outstanding balances without the detail. Click Close.

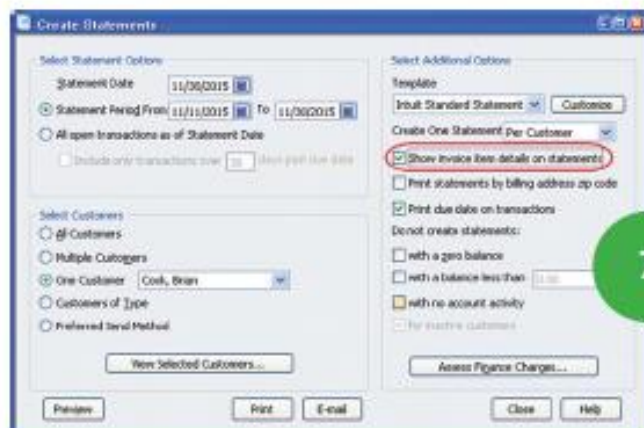
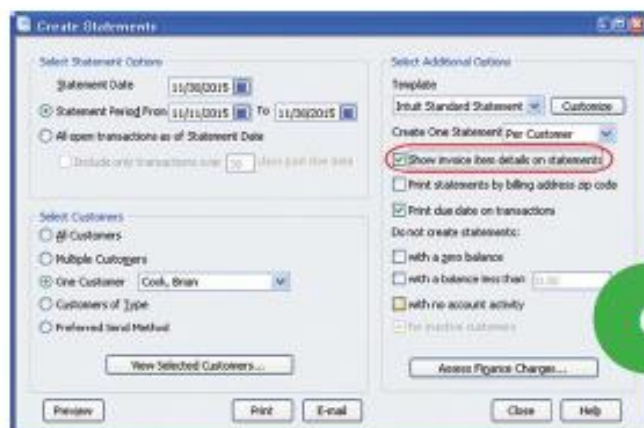
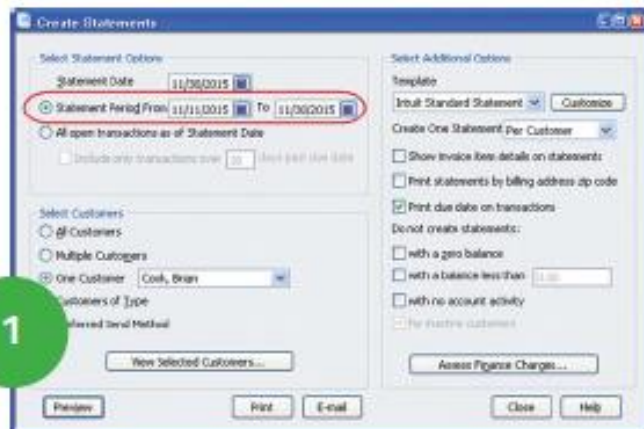


Customer Statements : Process a Customer Activity Statement

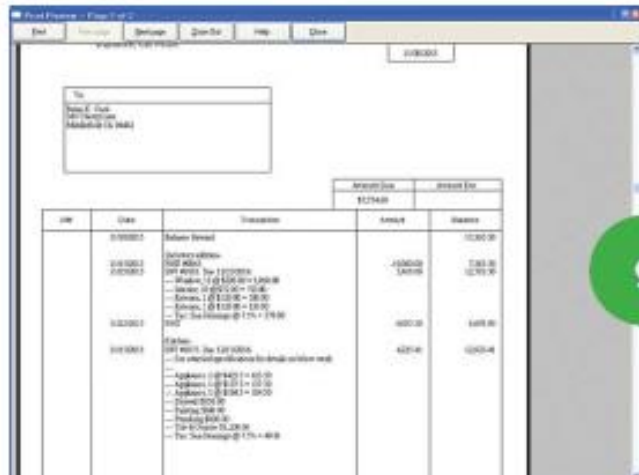
1. Brian Cook claims he sent a check that wasn't applied to his account. Prepare a statement that shows his activity over a date range. In the Statement Options section, select Statement Period From.
2. Enter a date of November 1st, 2015 to November 30th, 2015.
3. In the Select Customers section, select Brian Cook.
4. Click the Preview button.
5. Click the mouse to Zoom In.
6. An Activity-Based Statement shows all customer account transactions during the time period. Note: it only shows Accounts Receivable transactions which include invoices, payments, statement charges and credit memos. It does not show Sales Receipts or cash transactions.

Prepare this type of statement if your customer wants to see the transactions that make up their outstanding balance. This statement also shows the aging periods. Click Close.

7. What if Brian Cook reviews his statement but can't find the invoice you sent earlier, so he wants to see the detail of each invoice. Click the box next to Show invoice item details on statements.
8. Click Preview.



9. Click the mouse to Zoom In.
10. Now, the statement shows each line item on every invoice. Use this if your customer needs to see the invoice detail as a reminder.



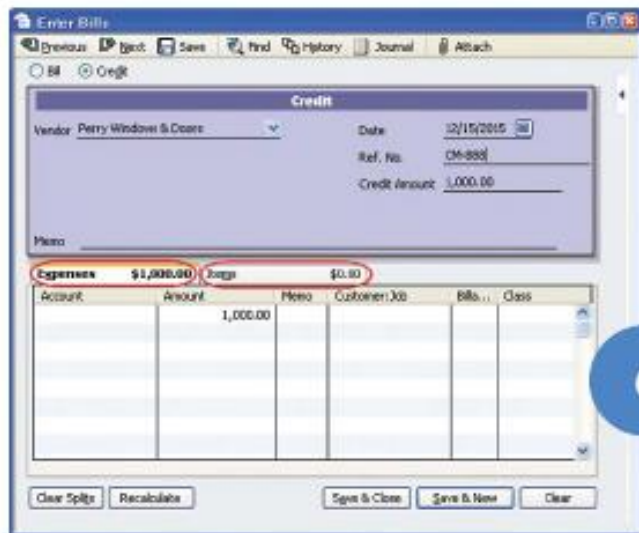
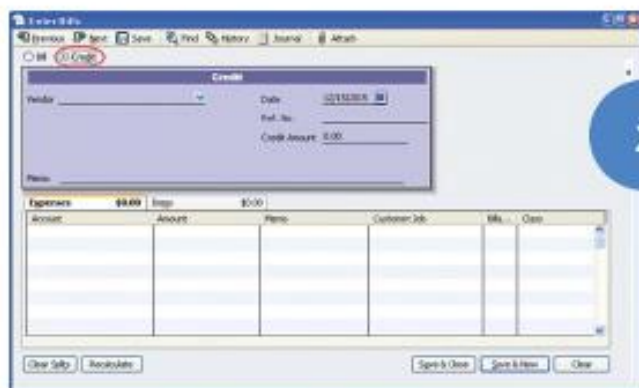
3. How to Issue a Vendor Credit in QuickBooks

Why would a vendor issue you a credit memo? Maybe they sent you a bill and over-charged for freight. Or, a vendor ships some inventory and you discover that some of it is damaged. So, you return it and receive a "credit memo". Remember, vendor credit memos reduce what you owe the vendor.

What should you do with a vendor credit? You can keep the credit to use later, apply it to unpaid bills, or request a refund of your money. In this exercise you record a credit memo and apply it to a bill.

Enter a credit memo

1. From the Home page, click the Enter Bills icon.
2. To record a credit, click the Credit button.
3. Suppose you receive a \$1,000 credit from a vendor that over-billed you for freight. Click the Vendor drop-down list and select the vendor's name, Perry Windows & Doors.
4. Enter the credit memo number, CM-888.
5. Enter the Credit Amount, \$1,000.
6. Notice the Items tab and Expenses tab. You should use the Items tab if a transaction is for a Job or for inventory. (If a credit memo is related to a specific bill, use whatever tab was used on the bill). In this case, click the Expenses tab.





7. Next, click the drop-down list and select Freight & Delivery as the Account.
8. How does this credit affect the vendor's balance? Before you save this credit, let's look at how much you owe the vendor. From the Home page, click the Vendor Center icon.
9. Select Perry's Windows & Doors from the list. Before recording this credit, you owe them \$6,705.00
10. Click the Window menu and select Enter Bills to return to the credit memo.
11. Click Save & Close to save the credit memo.



Vendor Center: Perry Windows & Doors (All Transact)

New Vendor... New Transactions Print

Vendors Transactions

View Active Vendors

Find

Name	Balance Total	Attach
Wick Insulation	0.00	
on Flooring	0.00	
Low Plumbing	1,330.00	
Madrid, Winnie	0.00	
Mason, Elizabeth	0.00	
McClain Appliances	0.00	
Mendoza Mechanical	0.00	
Middlefield Drywall	1,200.00	
Miller, Dan	0.00	
Pacific Paint Supplies	0.00	
Patton Hardware Supplies	4,479.20	
Perry Windows & Doors	6,705.00	
QuickBooks MasterCard	0.00	
Rand, Jenn	0.00	

12. Now look at the balance for Perry in the Vendor Center. Now you only owe them \$5,705.00.
13. In the next exercise, you apply the credit against bills you owe the vendor.



Miller, Dan	0.00
Pacific Paint Supplies	0.00
Patton Hardware Supplies	4,479.20
Perry Windows & Doors	5,705.00
QuickBooks MasterCard	0.00
Rand, Jenn	0.00



Apply a credit memo

14. To apply the credit memo against specific bills, first look at Perry Windows & Doors' balance in more detail. Click the **Open Balance** link on the right side of the Vendor Center.
15. The **Vendor Open Balance** report lists each unpaid bill and credit memo for a vendor. It shows you what transactions make up a vendor's balance.

When you enter a credit memo, QuickBooks does not know which bill to apply it against. You tell QuickBooks which bill to apply the credit to in the **Pay Bills** window. Click the Home page icon to bring it to the front of the screen.

16. Click the **Pay Bills** icon.
17. Use this window to apply vendor credits. Here are two bills for Perry Windows & Doors. Pay the first bill. Click the box in the left-most column to select the bill.
18. QuickBooks shows credit applied to the bill in the **Credits Used** column.

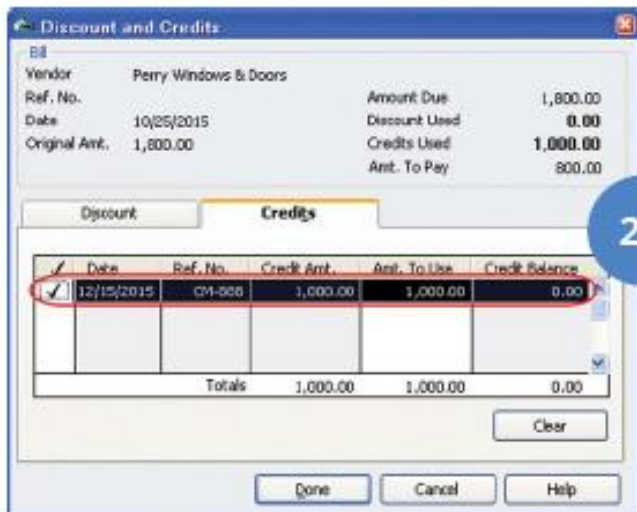
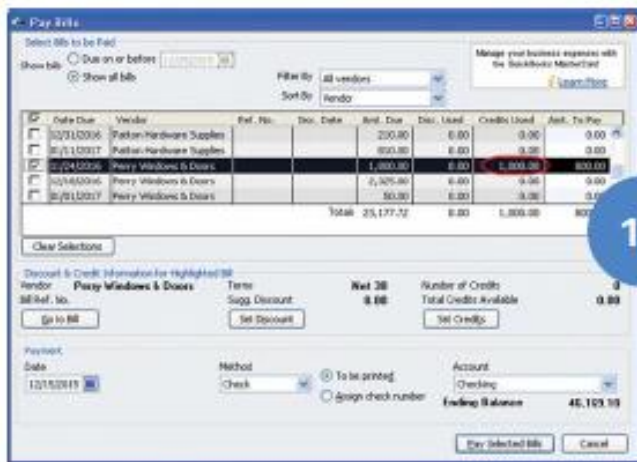
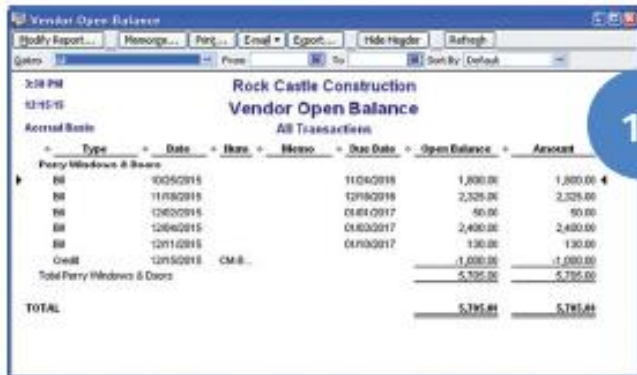
Note that QuickBooks applies all \$1,000 of the credits automatically against the first bill. Why did it do this automatically? Because of a preference that tells QuickBooks to automatically apply credits. To set this preference click **Edit > Preferences**. Then click the **Bills** icon and click the **Company Preferences** tab. Set the preference in that window.

In this case, suppose you want to only apply \$500 credit against the first bill, and the remaining \$500 against the second bill.

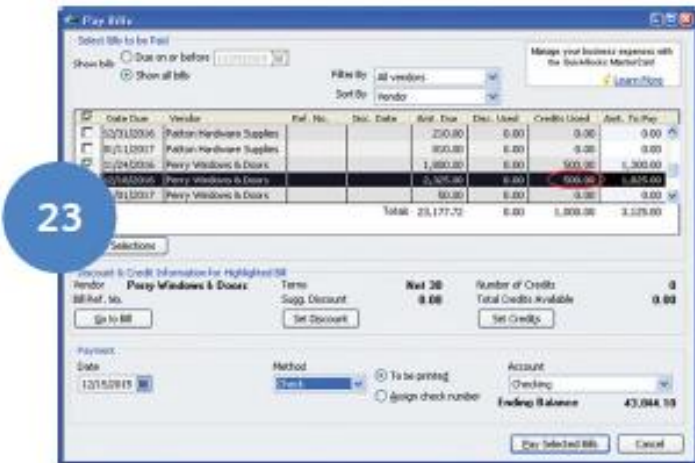
19. First, select the bill to which QuickBooks has already applied the credits. Next, click the **Set Credits** button.
20. QuickBooks lists the credits. The checkmark means that QuickBooks applied the credit against bill number 888.

Click in the **Amount to Use** field and enter \$500.00.

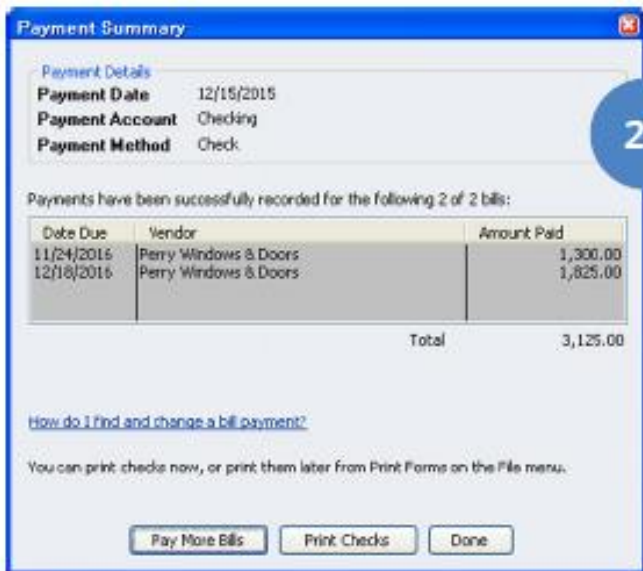
21. Click **Done**.
22. Click the box for the 2nd bill from Perry's Windows & Doors to select it for payment.



- 23. QuickBooks automatically applies the remaining credit against the bill.
- 24. You are paying with a check that is To be printed.
 Note: You could also pay with a credit card (if you set one up on the chart of accounts).
 Click the Pay Selected Bills button.



- 25. Click Done in the Payment Summary window.
- 26. Review the effect of the bill payment on the Open Balance Report. Select Window > Vendor Open Balance from the menu.



- 27. The two bills and two credits do not appear on the report. That's because you applied the credits against the bills and then paid the bills.
- 28. Close the windows.



4. How to Merge (Combine) Entries on a List

You'll probably come across this real-world scenario. Someone accidentally enters the same "thing" (name, account, etc.) on a list by accident. This often happens because they misspell the entry. Now you have a problem. The list contains duplicate entries for the same thing. For example, you already had a vendor named "Cal Telephone" and someone else entered a check for "CA Phone". The same vendor is now represented twice in the list. This exercise will show you how to fix that error by merging two entries on the Vendor List (note: this technique works on other lists too with some exceptions - mentioned later).

1. From the Home page, click the Vendor Center.
2. Notice there are 2 names (CA Phone and Cal Telephone).

You want to keep Cal Telephone and merge CA Phone and all the associated transactions into Cal Telephone.

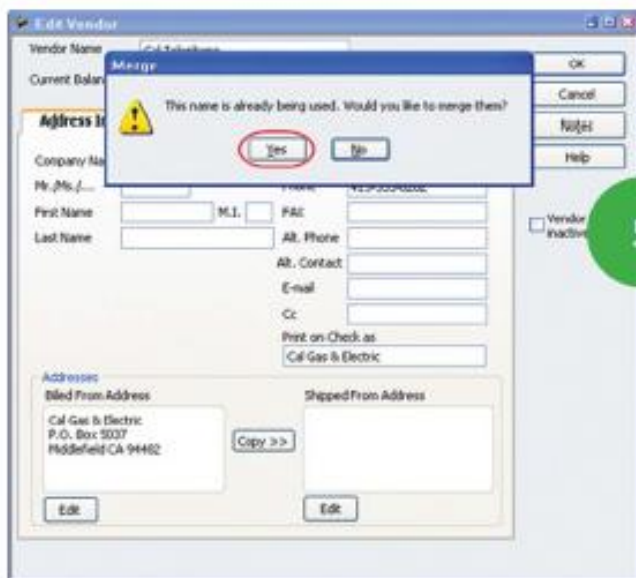
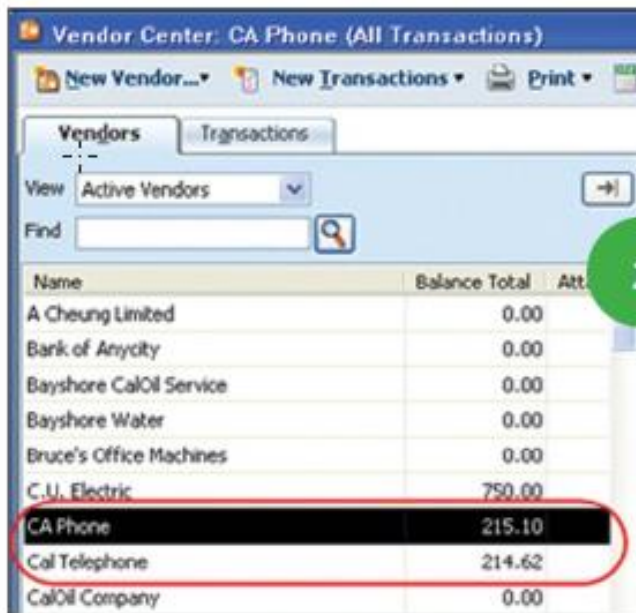
Note: if there were no transactions, you could delete an unwanted name, but that is not the case here. Let's merge the two names into one. Think of Merging as Combining because Merging effectively combines names on a list. Double-click on CA Phone (the entry you want to get rid of).

3. Type the correct name, Cal Telephone.
4. Click OK.
5. Click Yes to merge the two names.

Now only the correct name, Cal Telephone, appears on the list.

QuickBooks also merged the history (all the transactions) for the two names. That means checks written to both of the vendors are now included in the history for Cal Telephone.

Note: There are two restrictions to merging. First, QuickBooks does not allow you to merge names on several lists. For example, you cannot merge entries on the Customer Message List.





The second restriction only applies to lists with a Type column, like the Chart of Accounts. You can only merge names of the same type. For example, you can merge one expense account with another expense account, but can't merge an expense account with an income account.

Name	Type
+Construction Income	Income
+Design Income	Income
+Equipment Rental Income	Income
+Labor Income	Income
+Less Discounts given	Income
+Materials Income	Income
+Subcontracted Labor Income	Income
+Reimbursement Income	Income
+Mileage Income	Income
+Permit Reimbursement Income	Income
+Reimbursed Freight & Delivery	Income
+Cost of Goods Sold	Cost of Goods Sold
+Job Expenses	Cost of Goods Sold
+Bond Expense	Cost of Goods Sold
+Equipment Rental	Cost of Goods Sold
+Freight & Delivery	Cost of Goods Sold
+Job Materials	Cost of Goods Sold
+Less Discounts Taken	Cost of Goods Sold
+Permits and Licenses	Cost of Goods Sold
+Subcontractors	Cost of Goods Sold
+Automobile	Expense
+Fuel	Expense
+Insurance	Expense
+Repairs and Maintenance	Expense
+Bad debt	Expense
+Bank Service Charges	Expense
+Depreciation Expense	Expense
+Dues and Subscriptions	Expense
+Freight & Delivery	Expense
+Insurance	Expense
+Disability Insurance	Expense
+Less Employee Portion - Health	Expense



5. How to Progress Invoice

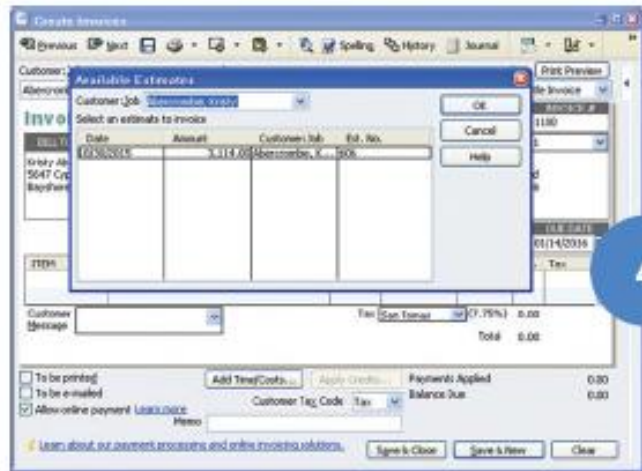
Sometimes your company might have a Job that takes months or even years to finish. Do you wait until the Job is finished to start invoicing? In most cases you want to be paid for the work you've completed. This process is called Progress Invoicing. Essentially, you invoice in increments based on an estimate. In this exercise, assume you have already created an estimate for \$3,114 for your customer Kristy Abercrombie.

1. First, make sure to turn the progress invoice feature on. To do this click Edit > Preferences and click the Jobs & Estimates icon. Click the Company Preferences tab. In this window select "yes" below "Do you create estimates? And select "yes" below "Do you do progress invoicing?"
2. Prepare an invoice based on the Kristy Abercrombie estimate. Click the Create Invoices icon.
3. Click the Customer:Job drop-down arrow and select the Kristy Abercrombie Job.
4. QuickBooks opens the Available Estimates window. Select an estimate to convert it to an invoice. Select estimate number 606.
5. Click OK.
6. QuickBooks opens the Create Progress Invoice Based on Estimate window.

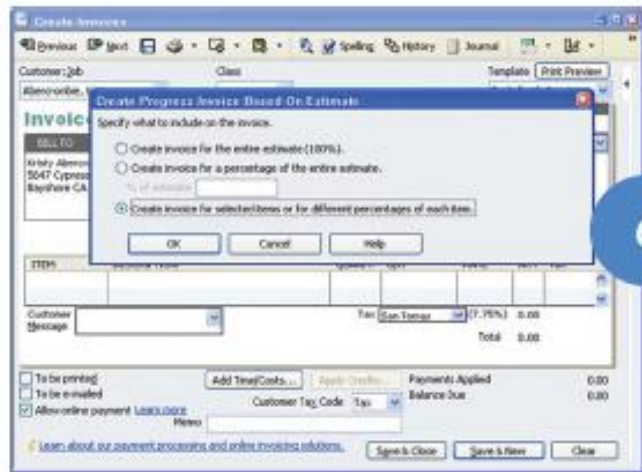
Progress Invoicing means you invoice against the estimate in increments until the Job or contract is complete. If you choose the first option, Create invoice for the entire estimate, QuickBooks copies all line items and quantities from the estimate to the invoice. The second choice lets you invoice a percentage of the estimate. The third choice lets you specify the items and quantities to transfer from the estimate to the invoice. In this case, select the third option.

7. Click OK.
8. Decide which items and quantities to invoice. Click the Show Quantity and Rate and the Show Percentage boxes.
9. The first four columns show information from the Estimate. The next three columns show anything already invoiced for the Job. The last six columns show what you want to charge the customer on this invoice.

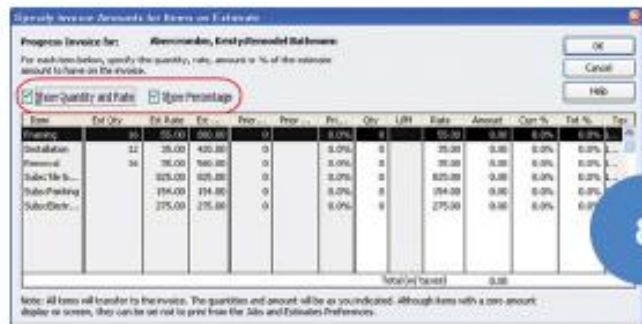
To transfer an item to the invoice, enter a Quantity, Amount, or Percentage. In this case, enter 3 quantities. For the first line item, enter 5 for Framing.



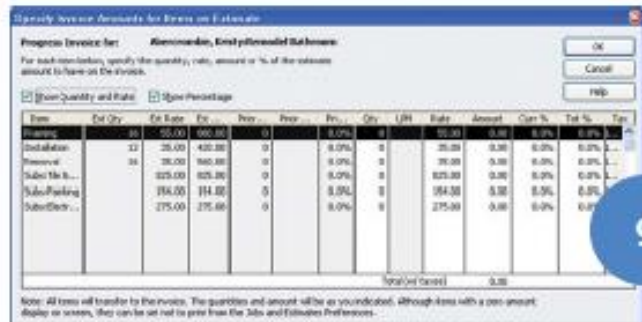
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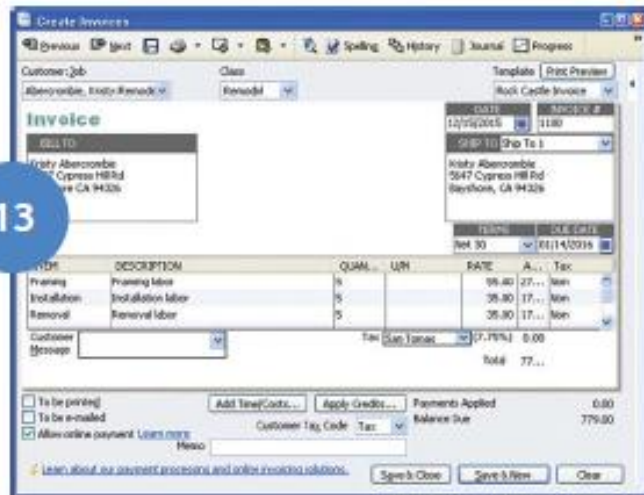
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9

10. For the second line item, enter that you installed 5 Frames.
11. For the third line item, enter that you removed 5 Frames.
12. Click **OK**.
13. QuickBooks copies the selected items to the invoice.
To print the invoice later, select the **To be printed** checkbox.
14. Click **Save & Close**.

13



perform





IMPLEMENTING QUICKBOOKS 2013

CHAPTER 4

Implementing QuickBooks 2013

I realize that implementing QuickBooks is a basic step and this is an intermediate to advanced course, but I have found that starting out with a quick review of installing and setting up QuickBooks helps many CPAs feel more comfortable with the remainder of the course. Additionally, a few years ago, Intuit streamlined the setup procedures, reducing the number of setup screens from 130 to just 15 to 30 screens¹. Because many participants today have not installed QuickBooks in a while, it is worth a very quick review. Here is what I would like for you to know:

1. **Download** - You can now download QuickBooks and try it for 30 days free².
<http://support.quickbooks.intuit.com/support/pages/knowledgebasearticle/1006369>.
2. **Create New Company** - Once installed, select “File”; “New Company” and following the wizard to complete the installation.
3. **Company Type** - Don’t get stuck on the type of company question, your answer here only affects the wording of the equity section of the balance sheet. I see some people hold off here waiting advice from their lawyer as to what type of company they should establish. From a QuickBooks setup point of view, this does not matter because you can change the equity wording later.
4. **Starting Date** - The most important question you will face is the beginning date to start entering data³.
 - a. **Don’t Enter History**⁴ - Many CPAs incorrectly choose to start at the beginning of the year so they have all of their history. In my opinion, this is wrong thinking because you already have all of your history. It may be contained in another accounting system, in Excel, or in a paper based system, but you have it already.
 - b. **History Not That important** - After 90 days, you will rarely refer to that history⁵ – so who really cares if it is contained in a different system?
 - c. **Start with an Accurate TB** - The correct answer is to choose the most recent month end for which you have an accurate trial balance⁶. (For example, if it is September and the most recent accurate trial balance you had was December for the previous year, then December of the previous year should be your starting point). Starting with trashy numbers accomplishes nothing.
 - d. **Exception** - You might make an exception and choose a date in which you conducted a physical count to verify the inventory on hand. (For example, assume it is September and you have an accurate August 30 trial balance but conducted a

physical inventory on June 30. In this case, starting as of July 1 might make the most sense if you have a lot of inventory.)

- e. **Why Entering History is Problem** - Entering historical data just needlessly piles more work on your staff⁷. They already have to install, learn and set up a new system – making them reenter old data just makes the work pile bigger. As mentioned, history is typically lightly referred to for 90 days, and then rarely. It won't kill you to refer to this data in a different accounting system for three months.
 - f. **Compilation May Be Necessary**⁸ - If no accurate trial balance numbers exists, then you should conduct a compilation or hire a CPA firm to compile the trial balance as of a recent date so that you have good numbers to start with.
5. **Enter List Data**⁹ - Once you have created a new company and completed the setup wizard, the next step is to enter your lists as follows:
- a. **Chart of Accounts** – Edit and add accounts as necessary
 - b. **Customers** – Set up all customers
 - c. **Vendors** - Set up all vendors
 - d. **Employees** - Set up all employees
 - e. **Items** - Set up all inventory and service items
 - f. **Other Lists** – Classes, Sales tax Codes, Job types, payment terms, sales reps, etc.
6. **Enter Start Up Data**¹⁰ – You are now ready to enter your start up data as of the starting date mentioned above. The critical information to be entered is summarized as follows:
- a. **AP Detail** - Enter all open payables bills using the “Enter Bills” screen. Be sure to date them with the original date. Do not assign them to an expense or COGS account. Instead assign the debit side of the entry to an Equity account called Opening AP Balances¹¹. This will establish your Accounts Payable details in QuickBooks. The total amount of bills entered should agree to the AP line item on your beginning trial balance.
 - b. **AR Detail** - Enter all open customer receivables using the “Create Invoice” screen. Be sure to use the original invoice number and date. Do not assign them to an income account. Instead assign the credit side of the entry to an Equity account called Opening AR Balances.¹² This will establish your Accounts Receivable details in QuickBooks. The total amount of receivables entered should agree to the AR line item on your beginning trial balance. Be sure to enter the full amount of the invoice, including the tax, for each receivable and mark each invoice as Non-taxable. *(Remember that your taxes for this have already been calculated and accumulated in your old accounting system.)*

- c. **Beginning Balances** – Next create a General Journal Entry dated as of your starting date discussed above. In this entry enter the Trial Balance amounts for each account (except for Accounts Payable and Accounts Receivable) ¹³ as a debit or credit depending on what the balance is. Then offset each of them with the corresponding debit or credit to the Opening AP and Opening AR accounts.
7. **Training** – The most important part of implementing a new accounting system is training. ¹⁴ The lack of training is the number one reason for failed accounting systems. I recommend the following training methods:
 - a. **Full Day Training Session** ¹⁵ – To begin the QuickBooks implementation process, assemble all of the employees (and the bosses) and conduct a full day training session. Introduce the employees to QuickBooks, go through an overview, describe the implementation process and timing, process a variety of transactions, and preview a variety of reports. Use a large screen and projector to demonstrate common activities in QuickBooks. Explain the pitfalls, pain, and problems of a typical implementation to set expectations. This way, everybody goes in with a project oriented mindset and they all have the benefit of hearing the questions and answers of others.
 - b. **Tutorials** – As part of the implementation process, assign each staff to go through the training tutorials included in QuickBooks using a sample company so they could practice their skills without worrying about making mistakes. The built-in tutorials are excellent ¹⁶ and they can be paused and replayed as needed.
 - c. **Homework Assignments** ¹⁷ - As part of the implementation process, assign each employee the task of entering 3 customers, vendors, employees, and items; entering 3 transactions; producing a variety of reports. This allows you to check and grade the reports to reinforce learning.
 - d. **One-on-One Training** ¹⁸ – As you enter data and start using the system, work one-on-one with each users to answer questions and help them get comfortable with QuickBooks.
8. **Mission Accomplished** – You will know that the new QuickBooks accounting system is working properly when the client’s staff has no more questions, and accurate financial reports and statements are produced and distributed each month on a timely basis ¹⁹.
9. **Other** – Of course there are many other steps depending upon your business and the features you use. For example, you may need to set up online banking, online back up, and timesheet activity. You may need to create the depreciation schedule, budgets and report groups. The above steps represents a basic implementation plan.



QUICKBOOKS CPA ESSENTIALS

“WHAT CPAs SHOULD KNOW”

CHAPTER 5

ESSENTIALS

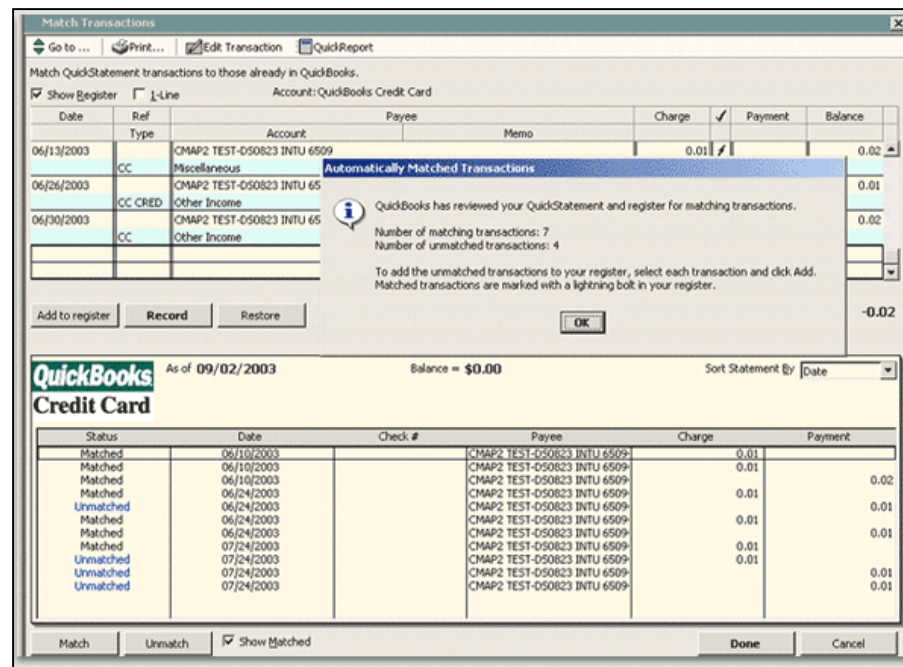
This course is designed to be an intermediate to advanced CPE course, and it is promoted in the state CPA society and association literature that way. Therefore, we will purposely ignore basic QuickBooks instruction such as setting up a customer or vendor. Instead, this chapter focuses on those aspects of QuickBooks 2013 that CPAs probably should know, but often do know. The idea is to elevate those CPAs with a basic understanding of QuickBooks to a more advanced level. Most CPAs who are not familiar with QuickBooks find this approach perfectly acceptable, as they can usually figure out the basics on their own.

1. Importing Credit Cards Transactions into QuickBooks ²⁶

Have you ever entered a credit card statement into QuickBooks? It can be a tedious task, especially when you have a 4 or 5 page credit card statement. Not only can it take several hours to accomplish this task, the results often contain an input error that can be difficult to find. The solution is easy, especially if you use a QuickBooks credit card – just select the “Import Credit Card Charges Option” and choose “Download Credit Card Charges”. If you don’t have a QuickBooks Credit Card, you can still accomplish this same task by logging into your credit card online and downloading the activity. Here are the steps:

1. **Log into Your Credit Card Online** - The URL will be printed on the back of your credit card. The first time you perform this operation, you will be asked several security questions and you will also create a user name and password. The resulting security will be tied to your computer’s unique machine address (MAC Address), so in the future, you will only be able to access your credit card account from that same computer.
2. **File Format** - Search the credit card help for instructions for downloading transactions into a QuickBooks format. The process will be slightly different for each credit card company.
3. **Download the File** - Complete the download following the instructions provided in your credit card’s help screen.
4. **Credit Card Account** - In QuickBooks, you will need to set up a new credit card account – this process is similar to setting up a new bank account.
5. **Import File** - In QuickBooks, use the “File, Utilities, Import” option to import the transactions. Once completed, QuickBooks will automatically open a screen that displays the transactions on the bottom of the page, and the credit card account register at the top.

6. **Post Each Transaction** - Next you need to visit each transaction and add it to the register²⁷, apply an account number and insert a memo description, and record. Repeat this process for all transactions. This process is called “Matching”.
- In the future, QuickBooks will automatically match transactions it recognizes to the proper account. You will still need to enter a suitable memo description for each transaction.
 - Note the Alias feature which enables you to add an alias vendor name such as “Gasoline” to which all future gasoline purchases can be applied, even if you purchase from different gasoline stations.
 - Not the “Process multiple Transactions” feature which would allow you to process all of your gasoline transactions in one step, instead of individual steps.



In the end, all this process really does is prevent you from having to input the date, description and amount for each credit card transaction – but that is enough. The result is that it saves time and improves accuracy.

Carlton’s Hint - Importing credit card sales transactions or bank account information to facilitate a bank reconciliation works almost the same way.

2. Memorized Transactions

QuickBooks allows you to memorize recurring transactions ²⁸. These memorized transactions save time, help reduce mistakes and increase accuracy ²⁹. You can set up transactions to be recorded automatically ³⁰ at predetermined intervals, or if you prefer you can have QuickBooks simply remind you to record the transaction. The key points that I would like for you to know about memorized transactions are as follows:

- a. You can memorize all types of transactions including ³¹:
 - i. Estimates
 - ii. Sales Orders
 - iii. Invoices
 - iv. Credit Memos
 - v. Checks
 - vi. Purchase Orders
 - vii. Bills or Vouchers
 - viii. Deposits
 - ix. Journal Entries

- b. You can control the frequency and duration ³² of memorized transactions, including the start dates and ending dates for entering memorized transactions.

Here are examples of recurring transactions that will save you time to set up as memorized transactions in QuickBooks:

1. **Recurring Lawn Mowing Payment** ³³ - Each week you write the same check to pay the lawn boy for dropping by and mowing the lawn. Instead of creating 52 checks a year, create just one check, memorize it, and have QuickBooks enter and process the remaining 51 checks for you.



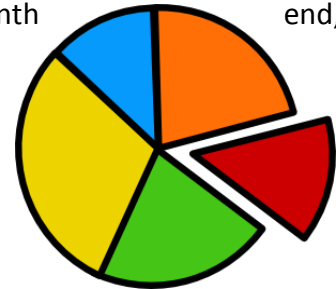
2. **Recurring Apartment Rent Collections** ³⁴ – Each month an apartment building sends out 400 invoices to collect the rent from their 400 tenants. Instead of producing 400 invoices each month, have QuickBooks do the work for you.



3. **Recurring Depreciation Entry** ³⁵ – Each month you could have QuickBooks enter the monthly depreciation entry so you don't have to. Not only does this save time, but it keeps you from forgetting and it enforces greater accuracy.



4. **Recurring Allocations** ³⁶ – It is a common practice for many companies to accumulate various overhead costs and expenses in a single account, and then distribute those costs across all departments, locations, or Partners each month before producing reports. In this case, the amounts are not known until month end, but the journal entry accounts are. Therefore you could memorize an allocation journal entry containing all zero amounts, and each month you would need only drop in the relevant amounts before posting. Thus even when the amounts are unknown, using the memorized transaction feature can save time and increase accuracy.



5. **Other Examples** – Examples of other memorized transaction situations include:

- Recurring loan or lease payments such as a monthly car loan payment.
- Recurring bills such as the electricity or water bill.
- Recurring electronic withdrawals from checking such as internet access.
- Recurring sales transactions
- Recurring rental fees for a rental shop
- Monthly installments payments due from customers
- Repeating tuition invoices
- Purchase Orders that are repeated with many of the same items
- Recurring Estimates for situations where you frequently quote the same items.

You memorizing transactions while the transaction activity window is open. Here are the necessary steps:

1. Enter the transaction as you would like it memorized.
2. Control + M or from the edit menu select “memorize”.
3. Enter a name that will help you recognize the transaction.
4. Complete the options: How often, Next Date to enter, Number of remaining payments .

Later, to use the Memorized Transaction

5. Retrieve and use the memorized transactions from the list menu or use the shortcut CTRL+ T.
6. From this list window (CTRL + T) you can also:
 1. *Permanently discontinue a memorized transaction - highlight and delete the transaction (CTRL + D).*
 2. *To keep the transaction on the list but not active, highlight and edit the transaction (CTRL + E).*
 3. *Change the date or the frequency by highlighting and edit the transaction (CTRL + E).*
 4. *Occasionally there is a need to change the amounts within a memorized transaction (see below). Whenever a change to the amount is made, be sure to confirm that the date of the next transaction is correct. The date of the next entry appears on the memorized transaction list (CTRL + T)*

Some of the transactions which cannot be memorized include payroll checks, time records, bill payments, or sales tax payments.

3. Running an Efficient Accounting System

When operating an accounting system, (any other accounting system – QuickBooks or otherwise), it wise to schedule common accounting tasks to be performed at specified intervals throughout the week ³⁷. Otherwise, a bookkeeper can waste a great deal of time jumping around from one task to the next.

For example, it is a common practice for companies to produce checks on Wednesday afternoon and place them on the officer’s desk for review, approval and signing on Thursday. The checks are then typically handed out or mailed on Friday so that the recipient will not have the opportunity to deposit or cash the check until next Monday at the earliest. A bookkeeper that ignores this traditional timing might instead enter, process, and print checks throughout the week – resulting in disorganization and redundant activities such as swapping check stock in and out of the printer.



A sample weekly schedule of accounting tasks might look like this ³⁸:

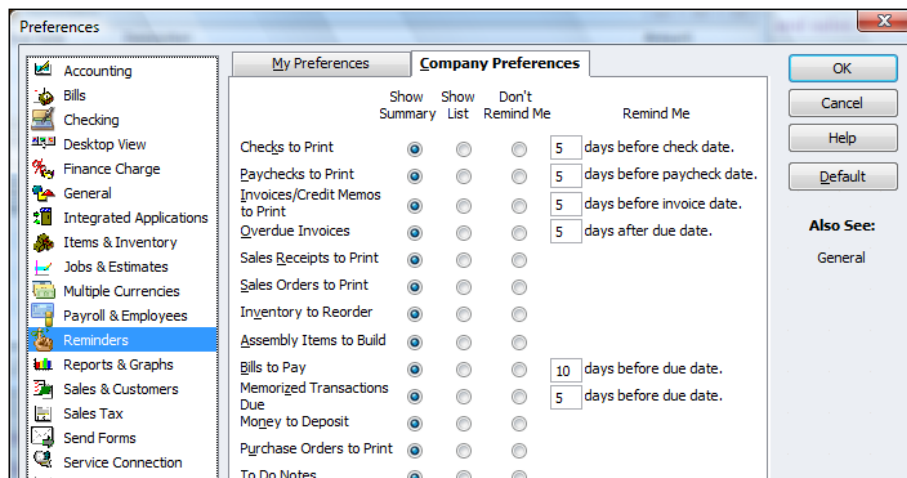
	Monday	Tuesday	Wednesday	Thursday	Friday
8:00 AM					
9:00 AM					
10:00 AM		Bills Entered		Bills Entered	Credit Memos Processed Statements Sent
11:00 AM					
12:00 PM					
1:00 PM			Sales Orders Processed		Sales Orders Processed
2:00 PM			Process Payroll	Sales Orders Processed	Payroll Mailed
3:00 PM	Sales Orders Processed	Sales Orders Processed	Process Checks	Checks Signed	Checks Mailed
4:00 PM	Invoices mailed	Invoices mailed	Invoices mailed	Invoices mailed	Invoices mailed
5:00 PM	Receipts Deposited	Receipts Deposited	Receipts Deposited	Receipts Deposited	Receipts Deposited

In fact, it probably is best to create a monthly schedule of accounting tasks which also includes entering monthly transactions, processing and distributing reports, reconciling bank statements, importing and entering credit card details, etc.

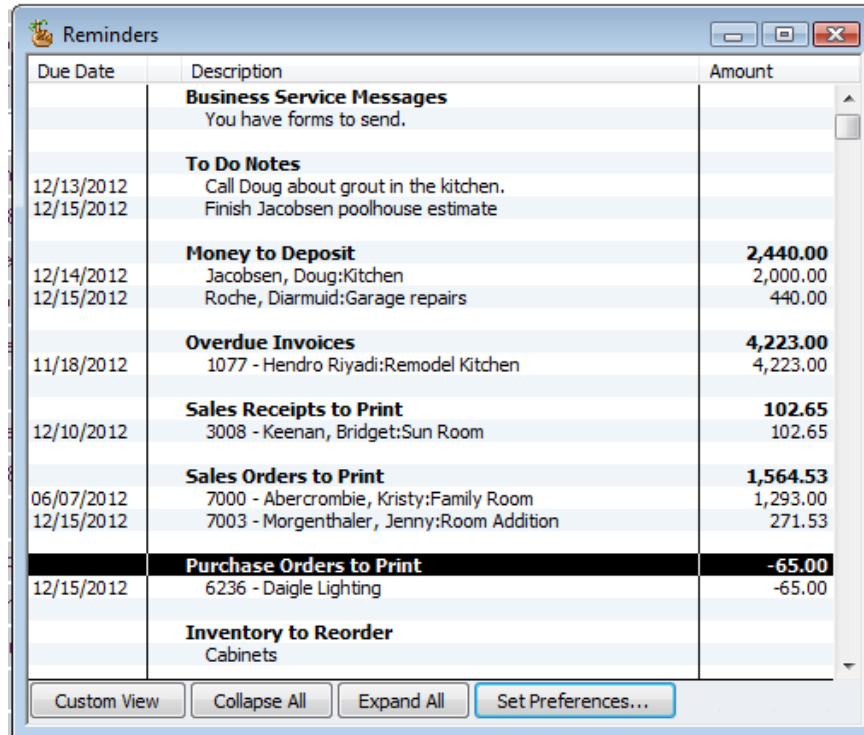
4. Reminders

Keeping in mind the efficiency discussion presented above, Reminders offer a great way to help you stay on top of your company’s accounting tasks because it reminds you of tasks which QuickBooks thinks you need to do ³⁹ (such as printing checks, producing invoices, paying bills, and so on). QuickBooks provides three features that can help you keep up manage your tasks as follows, the 1. Reminder’s List; 2. The To Do List; and 3. The Alerts Manager. These items are discussed below:

Reminders List – To use the Reminder’s List, start by setting your reminder preferences in the Company Preferences dialog box shown below:



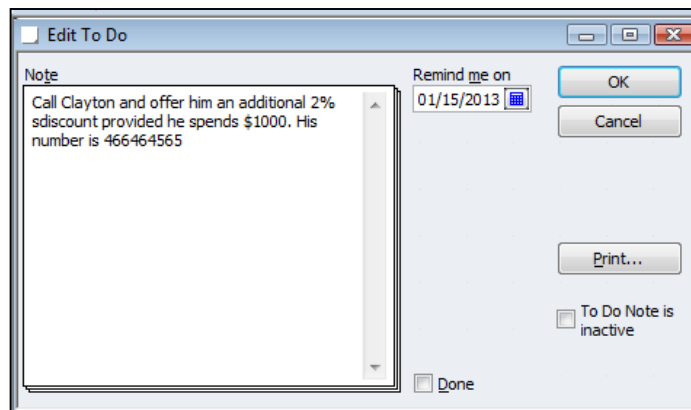
View your Reminders List - Once you set up your Reminders preferences, your Reminders will be displayed as follows:



Due Date	Description	Amount
	Business Service Messages You have forms to send.	
	To Do Notes	
12/13/2012	Call Doug about grout in the kitchen.	
12/15/2012	Finish Jacobsen poolhouse estimate	
	Money to Deposit	2,440.00
12/14/2012	Jacobsen, Doug:Kitchen	2,000.00
12/15/2012	Roche, Diarmuid:Garage repairs	440.00
	Overdue Invoices	4,223.00
11/18/2012	1077 - Hendro Riyadi:Remodel Kitchen	4,223.00
	Sales Receipts to Print	102.65
12/10/2012	3008 - Keenan, Bridget:Sun Room	102.65
	Sales Orders to Print	1,564.53
06/07/2012	7000 - Abercrombie, Kristy:Family Room	1,293.00
12/15/2012	7003 - Morgenthaler, Jenny:Room Addition	271.53
	Purchase Orders to Print	-65.00
12/15/2012	6236 - Daigle Lighting	-65.00
	Inventory to Reorder Cabinets	

QuickBooks can remind you of upcoming events or deadlines in summary or detail, you can toggle details on and off by double-clicking.

“To Do” List - To help ensure that you never miss a deadline or forget an important task, you can add “To Do” items to your Reminder List⁴⁰; they will not be displayed until they are due.



Edit To Do

Note

Call Clayton and offer him an additional 2% sdiscout provided he spends \$1000. His number is 466464565

Remind me on 01/15/2013

OK Cancel

Print...

To Do Note is inactive

Done

Marking Items as Done - To mark a “To Do” item as completed, place a check mark⁴¹ displays in the “Done” box for that “To Do” note. You can also print your “To Do” list by clicking the “Print” button in the “To Do” List window.

Examples⁴² – Presented below are a list of possible “To Do” notes you might set up in your Reminder’s list.

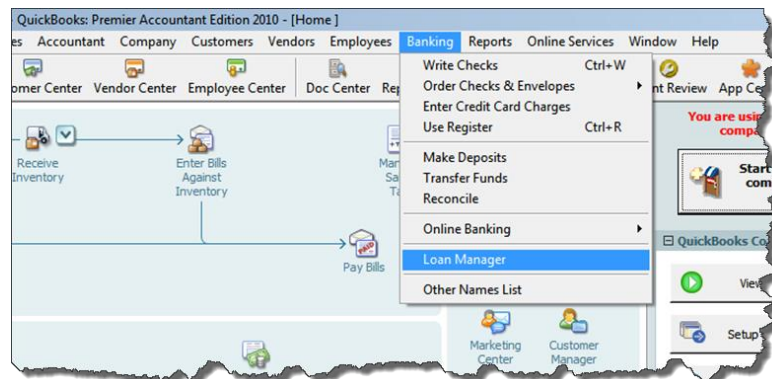
1. Employee birthdays or anniversaries.

2. Employee review dates or raise dates.
3. Employee's scheduled vacations.
4. Employee appointments.
5. Business events such as conferences, meetings or training sessions.
6. Payroll tax deadlines.
7. Important phone calls you need to make.
8. Scheduled marketing events.
9. Tax filing deadlines.
10. Physical inventory schedules.
11. Financial reporting activities.
12. Inventory reordering.

5. Loan Manager

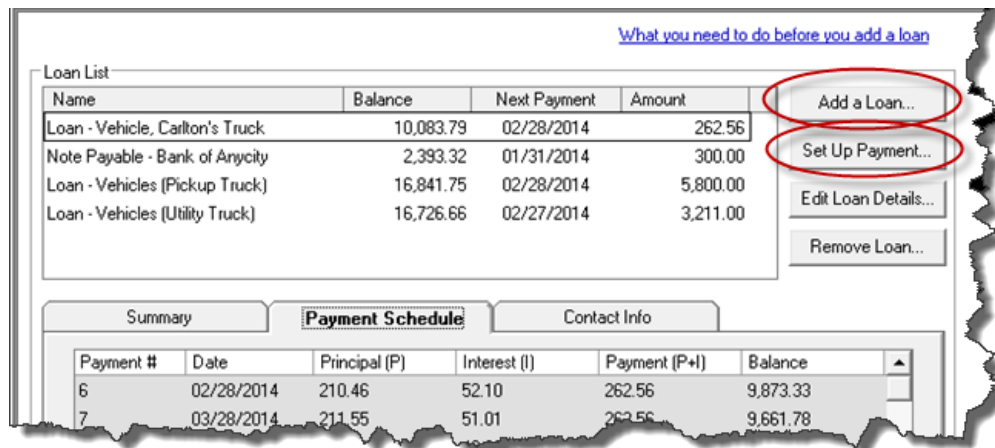
When it comes to recording loan payments, many small businesses record the transaction improperly. Often, they incorrectly debit the outstanding loan balance by the full amount of the payment instead of separating the loan payment into the proper interest and principal portions. Even bookkeepers who record this transaction correctly often expend too much time referring to amortization schedules or complicated calculations to manually enter the proper transaction. The QuickBooks Loan Manager tool provides a good solution to this problem.

QuickBooks Loan Manager manages basic loan repayments as well as complicated loans involving additional principal payments, escrow payments, adjustable interest rates, fees, charges, and what-if scenarios. Before you use Loan Manager, first make sure that you have set up the lender to whom the loan is payable as a vendor and a balance sheet account to track the loan. (To access the **New Vendor** dialog box, press **CTRL+ N** in the **Vendor Center** screen. To access the **New Accounts** dialog box, press **CTRL+ N** in the **Chart of Account List** screen). To start using Loan Manager select **Banking, Loan Manager** from the QuickBooks menu as shown below.

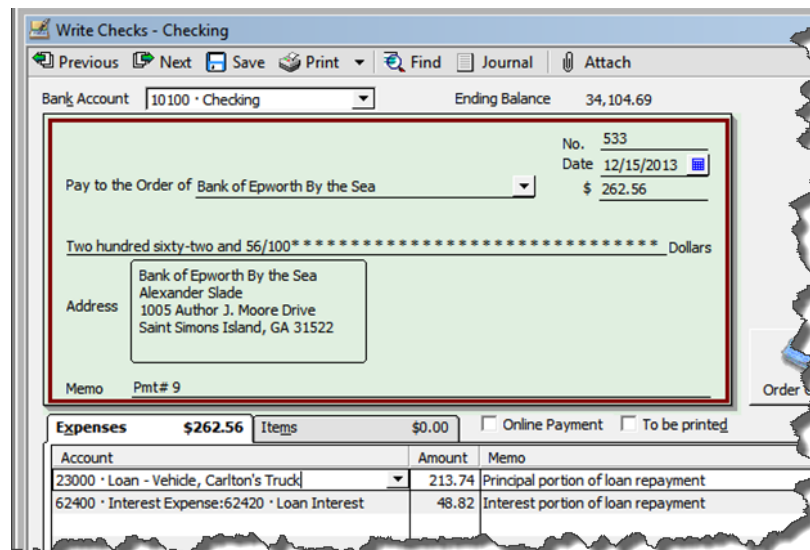


This action will open **Loan Manager**. Click the **Add a Loan** button to set up each outstanding loan. At a minimum, for each loan you will need the account name, lender name, origination date, original loan amount, interest rate, payment amount, number of periods, payment account and due date of the next payment in order to complete the set up process.

Once you have set up a loan, Loan Manager is ready to create the proper monthly (or periodic) payment transaction. To create the payment, in the Loan Manager dialog box, select a loan from the **Loan List** and click the **Set Up Payment** button as show in the screen below. Repeat this step for each loan to be paid.



This action will create the proper loan payment transaction including the appropriate allocations of interest and principal to the proper accounts as shown below.



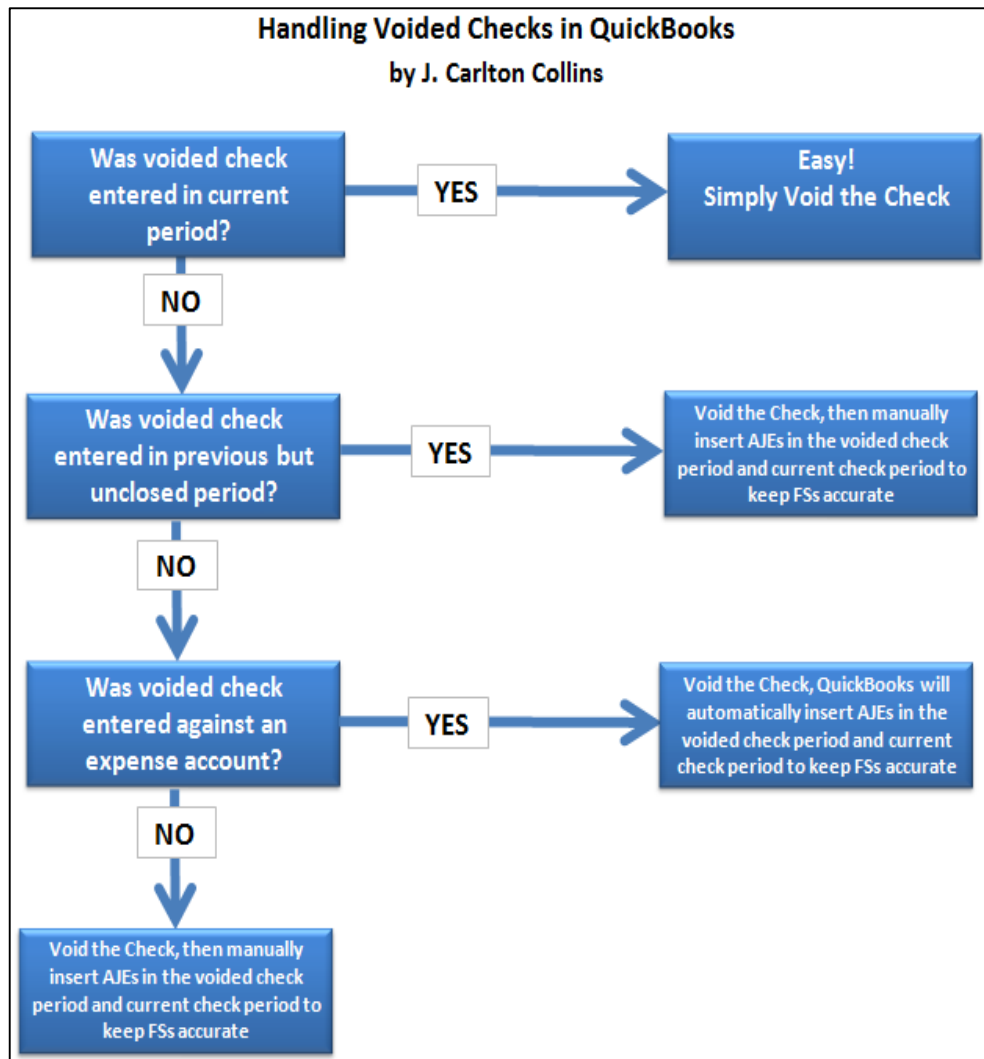
Using this tool, your bookkeeper will be able to generate the necessary loan payment transactions correctly; and then, you and your bookkeeper will be off the hook.

6. Voiding Checks in QuickBooks

Voiding checks in QuickBooks is either an easy process or a major headache. In some cases QuickBooks handles voided checks correctly and in other cases it does not⁴⁴. The results depend on your answers to these three questions⁴⁵:

1. Was the check to be voided entered in the current period?
2. Was the check entered to be voided in a previous **closed** period?
3. Was the check to be voided posted against a expense account?

Answer these three questions and use the decision tree shown below to determine the proper course of action.



The problem is that QuickBooks zeros out voided checks in the prior period instead of the current period, which retroactively changes prior period financial statements. Therefore if prior periods

are involved, you must enter adjusting journal entries in the voided period and the current period to correct for this error. The exception is that if the previous period in question has already been closed, and the check was written against an expense account, then QuickBooks creates journal entries to keep your prior period reports accurate. For example:

Assume:

Today is 3/10/09

Your close date is set to 12/31/08

You void a check dated 12/15/08 for a \$1,000 rent payment.

In this case, QuickBooks will record the following:

- 1. The original check is set to zero and marked as cleared.*
- 2. A journal entry dated on the date of the original check with a credit to the bank account for \$1,000 and a debit to the rent expense account for \$1,000.*
- 3. A reversing journal entry dated in the current period (on the date you voided) with a debit to the bank account for \$1,000 and a credit to the rent expense account for \$1,000.*

Memos are added to all three transactions explaining the purpose of each.



The Matching Principle - The Matching Principle is based on accrual accounting and states that revenue and expenses should be recognized in the period when the revenue or expense event occurs ⁴⁶. For example, let us say that a lawn fertilizer company bills you for lawn treatment in the month of June, so you record the bill and write a check as of the month of June. However, the lawn company discovers that due to a mistake, they did not actually treat your lawn, so they hold off on cashing the check pending an internal investigation as to what went wrong. They finally sort the problem out in August, and notify you that they will not be cashing the check. In this case, according to the matching principle, you had a legitimate belief that your lawn would be treated in June, and the recording of the expense is correct. Now in August, you have new knowledge that your previous payment will not be accepted, so you have a revenue event in the month of August – not in the month of June.

Tips for Voiding Checks

Carlton's Voided Check Tip 1: When you record the voided check, you can override the creation of automatic journal entries by choosing "No, just void the check" from the prompt. It isn't recommended because it will change your financial reports for the closed period, potentially making your taxes inaccurate.

Carlton's Voided Check Tip 2: The problem is that checks that have been outstanding show up on prior reports; therefore if you void the check it will throw off all previously printed reports. However, if you are the business owner and you do not print or provide your reports to anyone, then you can go ahead and void the check and be done with it – without journal entries.

Carlton's Voided Check Tip 3: Some people use a different approach as follows: Before voiding a check, first see what account the check was originally posted to. Then, make a deposit but don't use the income account for the deposit. Instead use the account that the check was originally posted to. Next time you reconcile QuickBooks to your bank statement, click the check off as having cleared the bank, but also click off the deposit you made to offset this check. This will wash each other out and your reports will be accurate.

Carlton's Voided Check Tip 4: Voiding and deleting a check deleting a check both zero out the amounts. However voiding is preferable because:

1. This keeps a record in your books as to what happened to that particular check number.
2. In some cases, the journal entries are created for you – not so when you delete a check.
3. Deleting a check irreversibly removes the transaction from QuickBooks and can't be undone.

Carlton's Voided Check Tip 5: To change the closing period, simply move the closing date forward. This action will trigger automatic correcting journal entries when checks are voided.

Carlton's Voided Check Tip 6: More Details regarding the voiding of checks written against non-Expense accounts or items. If the check you are voiding is associated with other accounts (non-expense), QuickBooks notifies you that voiding the check could affect previous financial reports. Examples include checks with associated items, bill payments, paychecks, payroll liability payments, and sales tax payments. You can choose to override the warning and proceed, but we recommend that you consult your accountant because the voided check could create the following situations:

1. Voiding a check that was used to purchase inventory items may falsely reduce inventory on hand, making inventory balances inaccurate. Make sure to [adjust your inventory](#) as necessary after voiding a related check.

2. Voiding a check used to pay a bill will change your results in Accounts Payable aging accounts and bill reports. You must make [adjustments to the accounts payable](#) after voiding a related check.
3. [Voiding a paycheck](#) will not automatically create adjusting general journal entries. You must make adjustments directly to these accounts for the new amounts.
4. Voiding a check written for payroll liability payments will not automatically create adjusting general journal entries. You must make [adjustments to the liability balance for payroll items](#) after voiding a related check.
5. Voiding a check for sales tax payments will not automatically create adjusting general journal entries. You must make [sales tax adjustments for the new amounts](#).

7. Missing and Duplicate Documents

QuickBooks provides a report titled, Missing Check Numbers ⁴⁷. This report is useful for identifying missing checks that might have been stolen, or for some reason unexplained. This report is useful for control and error checking, but for unknown reasons, QuickBooks does not produce this report for other missing document numbers such as invoices or sales receipts. Not to worry, you can create these other missing document number reports ⁴⁸ rather easily by following these steps:

1. Start with Missing Checks Report
2. Remove Account Filter
3. Add Transaction Type Filter
4. Change Title
5. Memorize

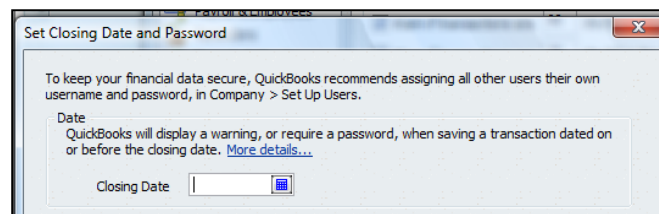
At a minimum, the missing document reports you should check regularly include the following:

Missing Check Numbers Report	<i>(Included)</i>
Missing & Duplicate Invoices Numbers Report	<i>(Custom)</i>
Missing & Duplicate JE Numbers Report	<i>(Custom)</i>
Missing & Duplicate Estimate Numbers Reports	<i>(Custom)</i>
Missing & Duplicate Sales Receipt Numbers	<i>(Custom)</i>

8. Prevent Users from Making Prior Period Changes

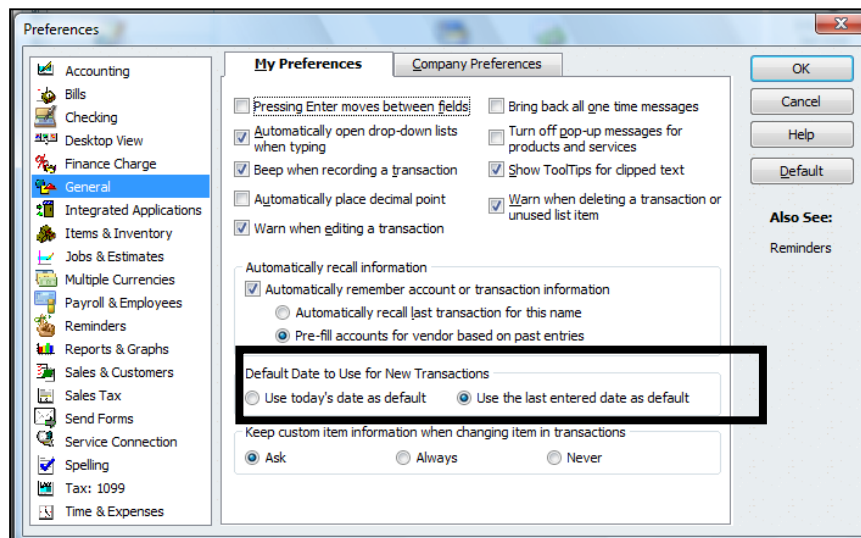
A common problem is that QuickBooks users can easily make changes to prior periods either intentionally, or unintentionally. You can just as easily prevent prior period changes from being made by taking the following four steps ⁴⁹:

1. *Set up user names and passwords so users can't log in as administrator.*
2. *Edit user preferences to prohibit bypassing the closing date.*
3. *Establish a closing date and move it forward each month after review and adjustments.*
4. *Set a closing date password.*



9. Yippy - Intuit Changes Default Date Setting ⁵⁰

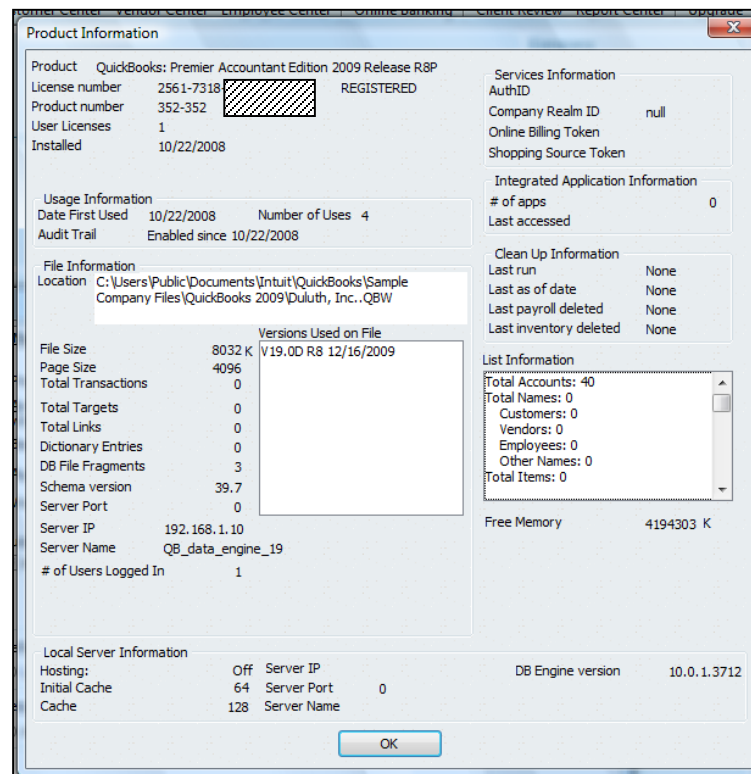
Prior to QuickBooks 2008, the default date setting for date fields in QuickBooks was set to “Use the Last Entered Date as the Default”, instead of “Use Today’s Date as Default”. This older setting often led to problems when a user would enter a prior date for legitimate reasons, but fail to change the date back to the proper date when entering the next transaction.



10. CTRL + 1 Product Information

Pressing the CTRL+1 key combination in QuickBooks will display a summary of product information ⁵² related to that particular installation of QuickBooks. Some of the more useful data displayed is as follows:

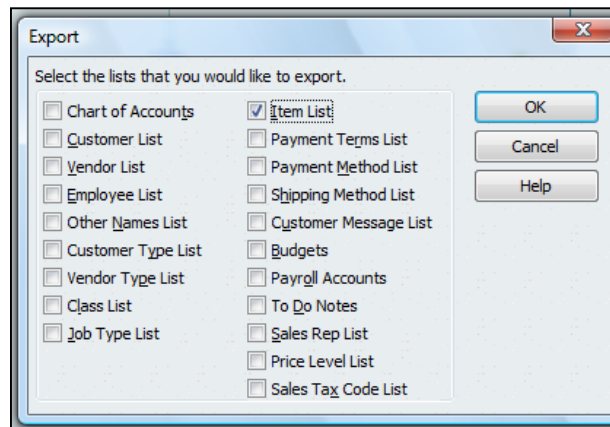
1. **The QuickBooks Edition and Year**
2. **Data File Location**
3. **Product or Serial Number**
4. **License Number**
5. **File Size** - For QuickBooks Pro or Premier, file sizes of 200 to 500 MB indicates that the company is outgrowing QuickBooks. For QuickBooks Enterprise, files sizes of 1 GB or larger indicates that the company is outgrowing QuickBooks Enterprise.
6. **List Size** - For QuickBooks Pro or Premier, list sizes close to 28,000 Items or 14,000 Customers, Vendors, Employees and other names indicates that the company is outgrowing QuickBooks. For QuickBooks Enterprise, list sizes close to 150,000 Items, Customers, Vendors, Employees and other names indicates that the company is outgrowing QuickBooks Enterprise.



As a consultant, you should press the Print Screen button, then Paste the results into Word and e-mail it to yourself from the client's computer. This way you will have a copy of the clients information for the file and to help protect the client in the event that the hard drive crashes.

11. Edit Your QuickBooks Data in Excel

All of your account information, budgets and List data in QuickBooks can be exported out to Excel, edited, and imported back into QuickBooks in less than 30 seconds⁵³. Many CPAs are apprehensive to use this feature for fear of squirreling up the data – but it is easy and you should give it a try. Presented below is the export dialog box found under File; Utilities; Export.



Simply open the IIF file in Excel, edit it, and save the file to the same format. Then in QuickBooks, select File; Utilities, Import...it's just that easy.

Note that importing data from Excel "overwrites" the list data in QuickBooks with all of your changes. However, you cannot delete list data using this method, you can only add to or change existing list data⁵⁴.

12. Import Transactions Into QuickBooks

It is also possible to import transactions into QuickBooks⁵⁵ from Excel and other sources. To do this, you should first download the IIF import Resources Kit⁵⁶ for free here:

[javascript:QBURL\('http://support.quickbooks.intuit.com/support/Search.aspx?kbID=bde7b06f'\)](http://support.quickbooks.intuit.com/support/Search.aspx?kbID=bde7b06f)

Importing transactions to QuickBooks

IIF import resources

There are additional resources available online to help you create and use IIF files:

- **IIF Import Kit**

When you ⚡ [download the import kit](#), you get an import manual, IIF header help, and sample IIF files.

The QuickBooks IIF Import Kit is a reference guide for creating and working with IIF import files. It contains the following components:

1. IIF Import Manual (a PDF document that outlines IIF common pitfalls and best practices)
2. IIF Header Help (the column headings used to import list data)
3. IIF Example Files (a folder that contains version specific IIF transaction examples)

Note: A similar reference guide for importing Microsoft Excel and CSV files is also available.

Note: There are also many third party applications that are designed to assist you in importing transactions into QuickBooks.

13. How to Record A Customer Deposit ⁵⁷

To record customer deposits for a job, and have those deposits not show up as income until the job is 100% complete, follow these steps:

1. Create an account called “Deposits” as an “Other Current Liability” account type.
2. Create an Item called Deposit and assign it to the Deposits account you just created.
3. As you receive job deposits, enter a sales receipt for the deposit amount and the item created above.
4. Once the job is complete, create a new invoice for the full amount of the job. Add an additional line to the invoice using the item above along with a negative amount that matches the original deposit received. This invoice will reduce the amount owed on the invoice by the deposit amount and will reduce your “Deposits” account to zero.



14. Custom Data Fields

In my opinion, custom fields are one of the most powerful features in all of accounting software.⁵⁸ QuickBooks provides 26 customer data fields (7 for customers, 7 for employees, 7 for vendors, and 5 for inventory items) but you are limited using just 20 custom data fields overall.

QuickBooks' custom data fields allow you to track additional information about your customers, vendors, employees, and items. You can add these custom data fields to sales and purchase forms. QuickBooks treats the information you enter into a custom field the same way it treats information entered into any other field. If you memorize a transaction that has a custom data field, QuickBooks memorizes what you entered in the custom data field along with the other details of the transaction. If you export a list that contains data in custom fields, QuickBooks exports that data along with the other data from the list. The custom field screen is shown below:

Label	To be used for		
	Customers:Jobs	Vendors	Employees
Contract #	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discount Available	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
B-Day	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Date of last raise	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Spouse's Name	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Many accounting system developers concluded more than a decade ago that the process of adding a never-ending stream of enhancements to any accounting system eventually results in “bloatware” - a bloated solution that is so cluttered with features that the product is difficult, if not impractical, to use. To alleviate this problem, developers adopted forward-thinking philosophy of providing core features, coupled with built-in tools designed to allow end users to customize the product specifically for their needs. This approach allows end users to meet approximately 80% to 85% of their needs right out of the box, or approximately 90% to 95% of their needs using the built-in customization tools. The example scenario presented below provides a basic understanding of how this process works.

For Example ⁵⁹ - Assume that QuickBooks is implemented by the local U. S. Corps of Engineers office that oversees and manages a large lake. In this case, the agency has identified specific customized additions to the system that would be beneficial. For example, one of the functions of the agency is to license and inspect the various boat docks of residents who live on the edge of the lake. Using QuickBooks's built-in tools, the agency could easily add new data fields to collect pertinent information such as the following:

***Examples of User Defined Data Fields
that Might be used by the U. S. Corps of Engineers***

1. Size of the dock.
2. Year the dock was erected.
3. Type of materials used.
4. Date of the last inspection.
5. Date when the current dock permit expires.
6. Depth of the water at this dock location.
7. Description of all vehicles docked at this particular dock.

All of this additional customized data would benefit the U. S. Corps of Engineers in rendering their services. These fields could be set up QuickBooks in just a few minutes by a non programmer.

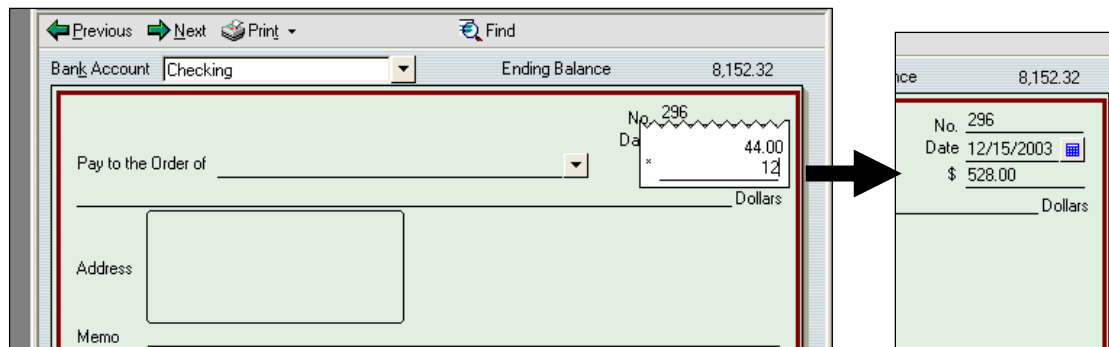
All organizations have the need to collect, maintain, and report specific unique information about customers, inventory items, vendors, employees, etc. The ease in which QuickBooks meets complex customization needs is frequently a deciding factor in the accounting software purchase decision – it is a common deal closer.

Filtering By Custom Data Field – One of the best aspects of the QuickBooks Custom Data Fields is that they can be included on your reports ⁶⁰ and used to filter your reports ⁶¹. For example, assume that at your boat marina, 23 of your 140 customers subscribe to your monthly engine cranking service. You could use the subscription field to filter a customer list to include only those customers who subscribe. You could also include the boat name and slip number in the report making it easier for a work to pull out the correct boats and start the engines.

15. Calculator Tape

- a. All numeric fields in QuickBooks support calculator tape ⁶².

The use of the calculator tape in the various QuickBooks data fields can be a big time saver. All the user need do in any field is simply type in an Excel-like formula. QuickBooks calculates the results automatically.



16. How to Assess the Skills of a Potential QuickBooks Bookkeeper

I am frequently asked to assist my clients in the interview, evaluation and selection of a QuickBooks bookkeeper. Presented below are a few tips that might help you perform this task. It is important to evaluate a potential bookkeeper for both their knowledge of QuickBooks and their knowledge of accounting. Any accountant can learn QuickBooks, it is the accounting knowledge that is much harder to come by.

Evaluating a Candidate's Knowledge of QuickBooks ⁶³ – I have found it useful to ask the candidate to launch the check writing screen, invoice screen, and checkbook register screen. If the candidate uses the graphical menus or drop down menus – they are a novice at QuickBooks. If they use the keyboard shortcuts CTRL+W, CTRL+I, CTRL+R, then they have probably driven QuickBooks around the block a few times. You should also ask the candidate to complete a few common tasks such as editing a template, filtering a report, memorizing a transaction, adding an account, finding a check written to a specific vendor, or assessing a finance charge. If the candidate can do all of those things, they are probably well worth hiring.

Evaluating a Candidate's Knowledge of Accounting/Bookkeeping ⁶⁴ – Most companies rely on the candidate's job experience but I prefer to ask a few simple questions instead, as follows:

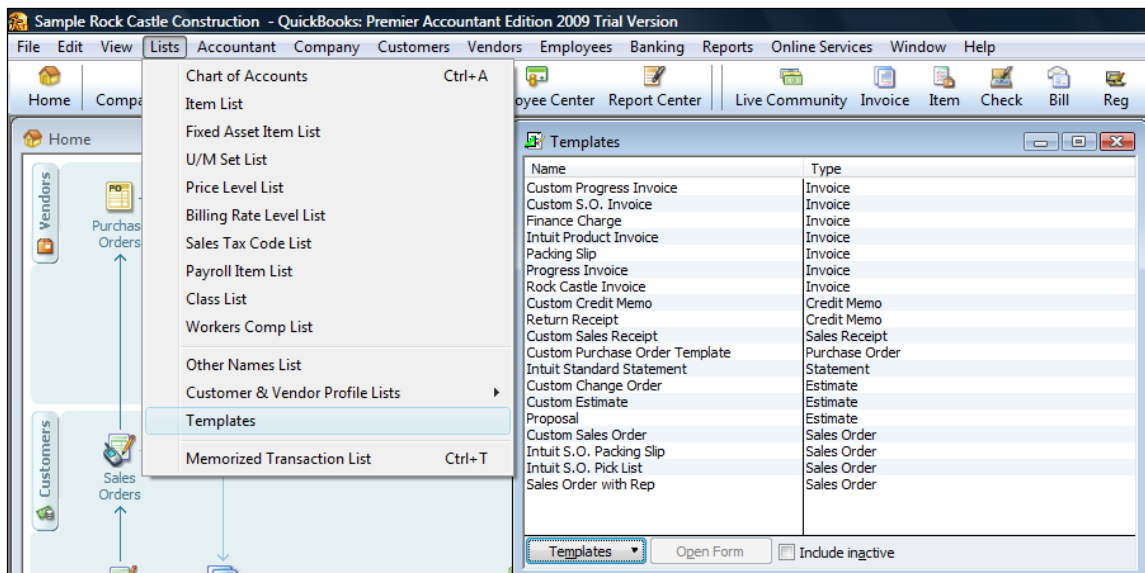
1. **Insurance Payment** - When you pay the insurance 6 months in advance, do you set it up as an asset and write off one-sixth's worth each month? *If the candidate looks at*

you silly and makes fun of you for thinking that insurance expense is an asset, that is proof that they do not fully understand accrual based accounting.

2. **Bank Reconciliation** - When you reconcile the bank statement each month, and the statement does not balance, what types of measures do you take to locate the difference? Bank reconciliations seldom balance on the first try, there are almost always discrepancies. If the candidate stammers around and offers no logical thinking process for locating the discrepancies, then they probably have limited accounting experience.
3. **Loan Payment** - What is the correct entry to record a loan payment? *If they fail to break out the interest and principal portions, and debit the appropriate interest expense and loan payable accounts – their accounting skills are lacking.*
4. **Allocation** - Explain how you might enter an adjusting journal entry to allocate rent expense across multiple departments. *If the candidate has trouble explaining a reasonable formula for allocating the rent, or has difficulty explaining the potential AJE, then their accounting skills are lacking.*

2. Templates

CPAs should understand that not only can QuickBooks templates be edited, templates should be edited⁶⁵. Elements such as company logos, columns to be included on the forms, and the specific data that flows to the form can be customized. I've never met a template that could not be improved upon in just a few minutes time. To edit a template, choose List, Templates and double click a template.



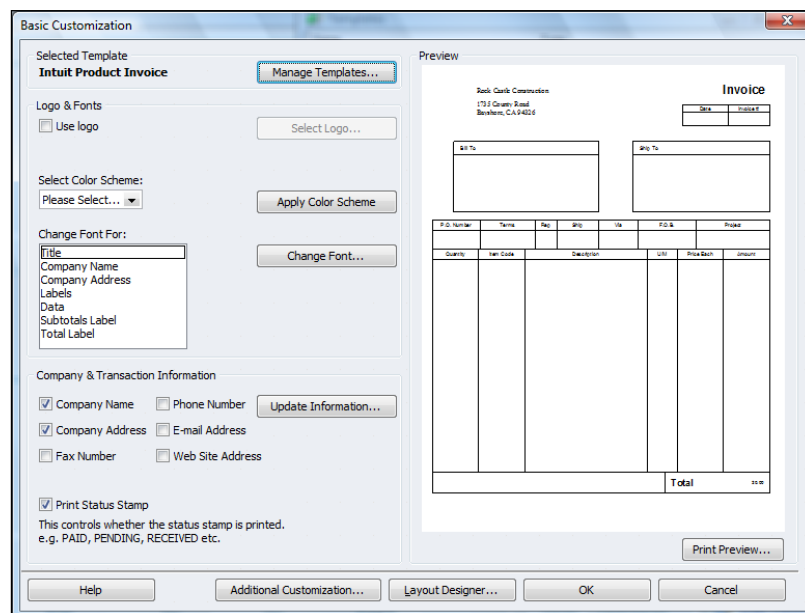
Why Edit Your Templates?

It is foolish to think that the default data fields and columns included on the templates are exactly what the company needs. For example, you might use a different invoice format when billing for services versus selling items, or selling to government versus private companies. You can create as many templates as you want – why try to make one invoice format fit all situations – it's easier to use the invoice that's right for a given situation.

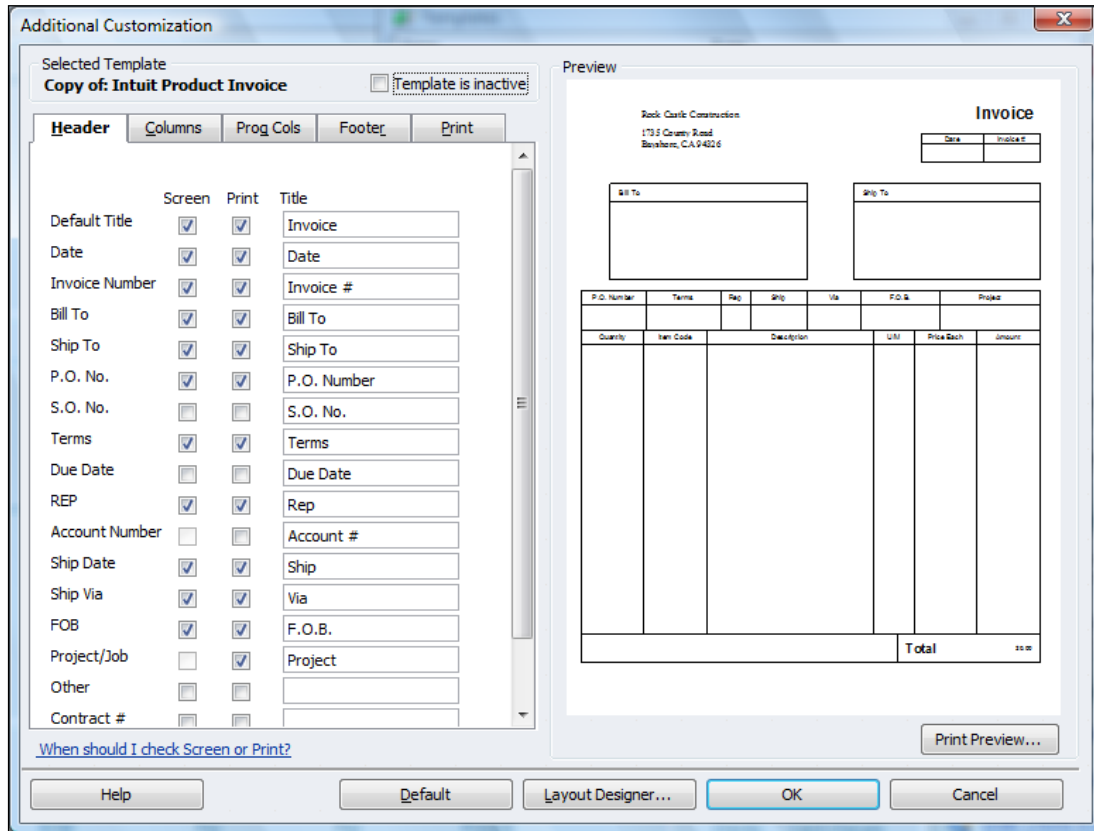
Note - Prior to 2005, this feature was complicated to use because users had to first make a duplicate of the original template, and then edit that duplicate in order to have complete access to all of the customization tools. However, that issue has been cleaned up and is no longer a problem unless you find yourself working in an older version of QuickBooks. Still, you might have attempted to use this feature prior to 2005 and incorrectly concluded that there was not much substance to customizing templates.

Demonstration Points – The primary features that CPAs should know about customizing templates are as follows:

- a. Adding New Columns ⁶⁶
- b. Adding New Data Fields ⁶⁷
- c. Adding Images (Such as A Logo) ⁶⁸
- d. Adding Text (Great marketing Opportunity) ⁶⁹
- e. Using the Re-layout Tool (Drag and Drop, Resize items) ⁷⁰
- f. Adjusting the Envelope Window (So the Postman can read the address) ⁷¹
- g. Using the Lasso Tool (To move multiple objects) ⁷²
- h. Naming the Template (Make it easier to identify) ⁷³
- i. Exporting Templates (For use with other clients) ⁷⁴
- j. Importing Templates (More template designs available from the web) ⁷⁵
- k. Make default the Template Default – (Just by Using It) ⁷⁶

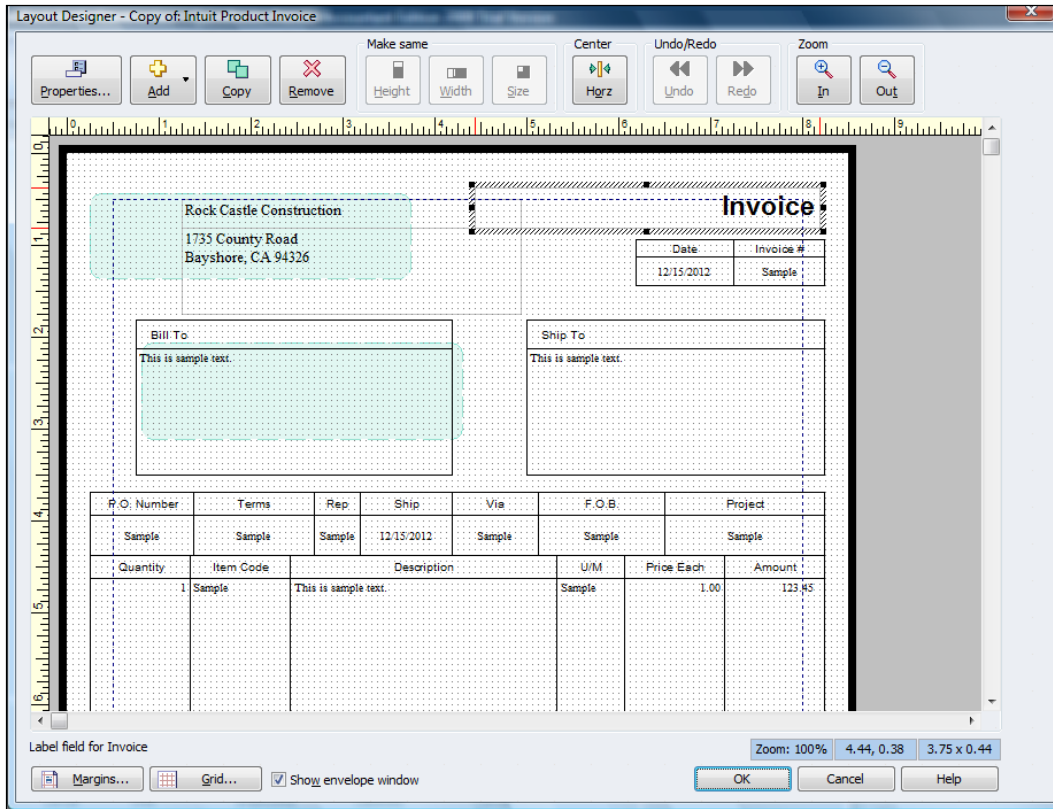


At this stage, you might drop in a company logo and include your company phone number and e-mail address on the invoice. However the serious editing takes place only after you click the “Additional Customization” button at the bottom of the screen (shown above). This more powerful editing screen is shown below.

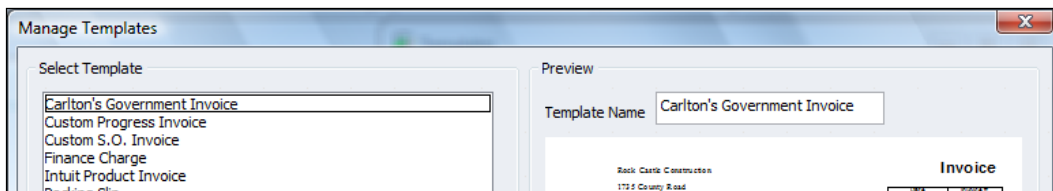


At a minimum, you should move the send to address box over and down a little bit so that it fits properly in the standard Intuit Window envelopes. Next scan the data list and place a check mark next to any other elements you would like to appear on the template – depending upon the business, there may be a few, or many additional data bits you would like displayed.

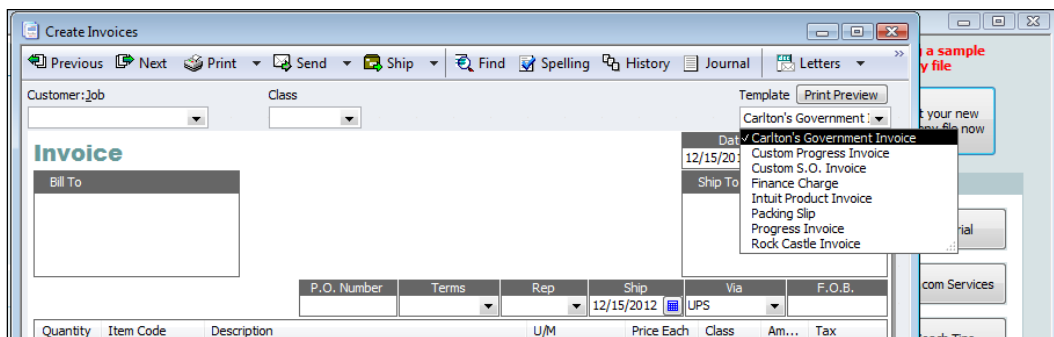
The layout designer tool shown below enables you to resize and move form elements around. This step is necessary because QuickBooks throws different elements on the template as you add them, but not necessarily in the right places. You need to visit the layout to make sure that no items overlap or are positioned outside the printable margins.



Use the manage templates button to rename your template as shown below:



Now to use the template, simply select it from the drop down box on the invoice screen as shown below.



3. Financial Reporting

Financial Reporting – QuickBooks offers some of the strongest financial reporting capabilities in all of accounting software ⁷⁷, stronger even than the standard financial reporting provided by SAP BusinessOne, Sage MAS 200, or Sage ACCPAC ERP. What makes it strong? Consider the following features:

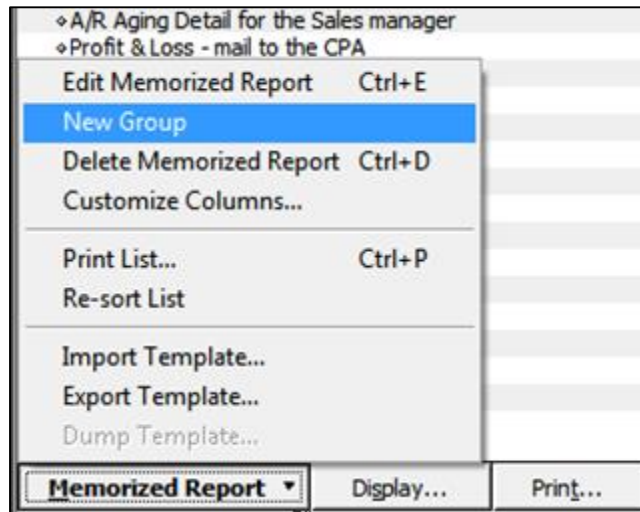
- a. Modify Date Report Using English Phrases ⁷⁸
- b. Modify Dates Using date Ranges (Not Recommended) ⁷⁹
- c. Add Columns ⁸⁰
- d. Drill Report ⁸¹
- e. Stratify Reports (ie: by customer and job; by inventory item detail) ⁸²
- f. Filter Reports ⁸³
- g. E-Mail Report (QuickBooks Now Uses Outlook) ⁸⁴
- h. Export to Excel ⁸⁵
 - i. Excel Options
 - ii. Send Header to Page Setup
 - iii. Gridlines
- i. Memorize Reports ⁸⁶
- j. Processing Multiple Reports ⁸⁷
- k. Suppress Account Numbers on Reports ⁸⁸
- l. Financial Statement Designer (Discontinued in 2008)
- m. Statement Writer ⁸⁹
- n. Graphs
- o. Report Finder & Report Center
- p. Display Options Box Before Displaying Reports ⁹⁰

Often, a bookkeeper using QuickBooks does a nice job; however refuse to consistently produce and distribute the necessary reports each day, week and month for the staff to use in order to properly manage the business. These bookkeepers frequently report that they have too much work to constantly print the reports that company officials would like to see circulated throughout the organization on a recurring basis. This a common problem and you might ask, how much time should it normally take to produce the typical reports for the average company?

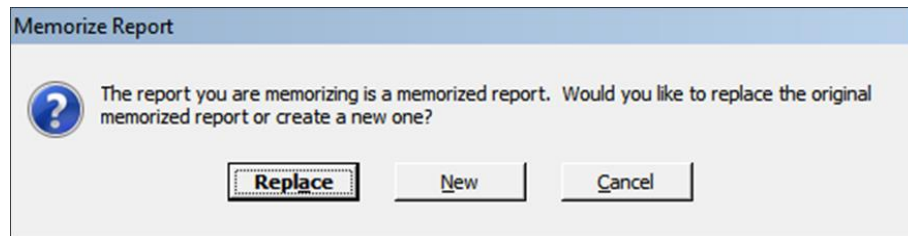
The accounting system should function exactly as described above, but the bookkeeper is correct too, it does take a great deal of time to produce all of the required reports, even for a smaller sized business. QuickBooks provides a good solution called **Process Multiple Reports** which could solve your problem. Here's how it works:

1. Start by opening your Memorized Report List in QuickBooks by selecting **Reports, Memorized Reports, Memorized Report List** from the QuickBooks Menu. Next click the **Memorized Report** button in the bottom left corner of the Memorized

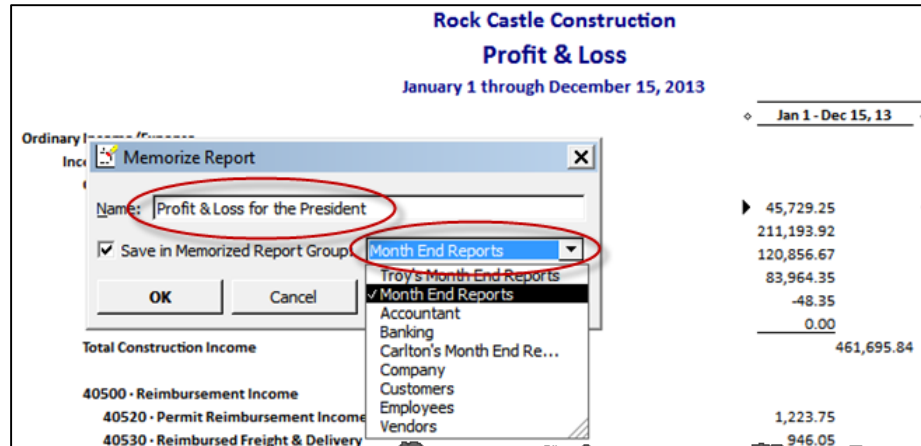
Report List (shown below) and select **New Group**. Name the new group **Month End Reports** and then select **OK**.



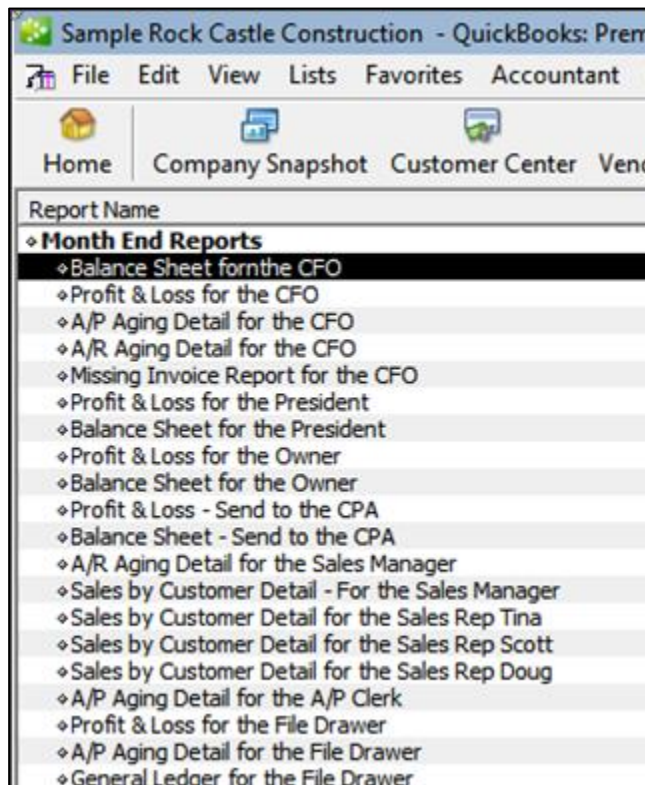
2. Next, open each report that you would like to produce at month end and memorize that report into the new **Month End Reports Group** as follows:
 - a. Launch a report that you want produced each month;
 - b. Customize that report to include the desired columns, date ranges, filters, etc.;
 - c. Click the **Memorize** button and if asked, then click the **New** button;



- d. Edit the **Name** of the report to also include the name of the intended recipient of the report as circled in the screen below. Check the check box titled **Save in Memorized Report Group** and select **Month End Reports** from the drop down box, then select **OK**.

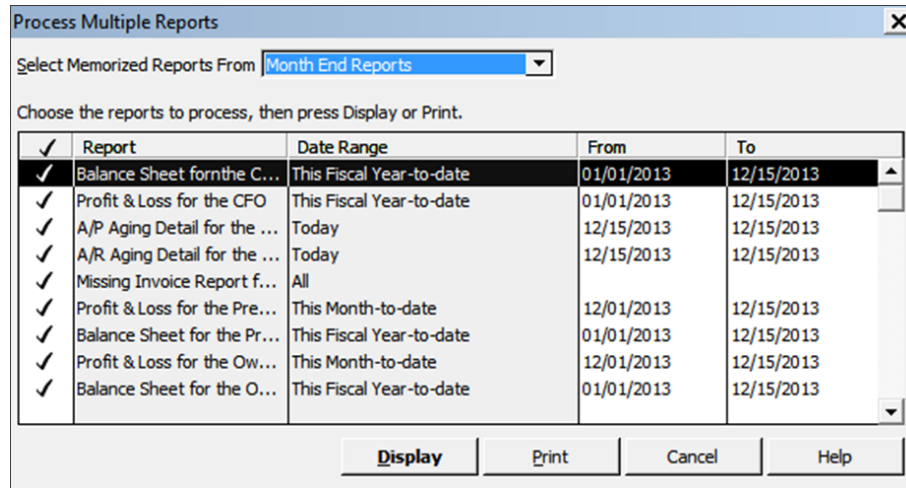


- e. Repeat the above process until you have memorized each report to be produced at month end, including duplicates of the same report for distribution to different personnel. Be sure to include the name of the intended recipient in the report title name so it will be easier for a staff person to distribute the printed reports. Ultimately the goal is to build a group of memorized reports similar to the example shown below:



Tip: You can rearrange the order of the reports by clicking and dragging the small diamonds to the left of each report name so the reports will print in collated order for easier distribution.

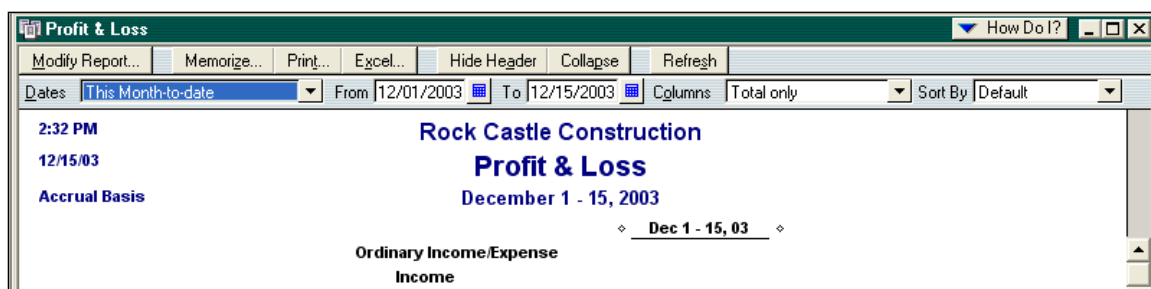
- f. At month end when the time comes to produce the reports, select **Reports, Process Multiple Reports** from the **QuickBooks Menu** to display the **Process Multiple Reports** dialog box shown below.



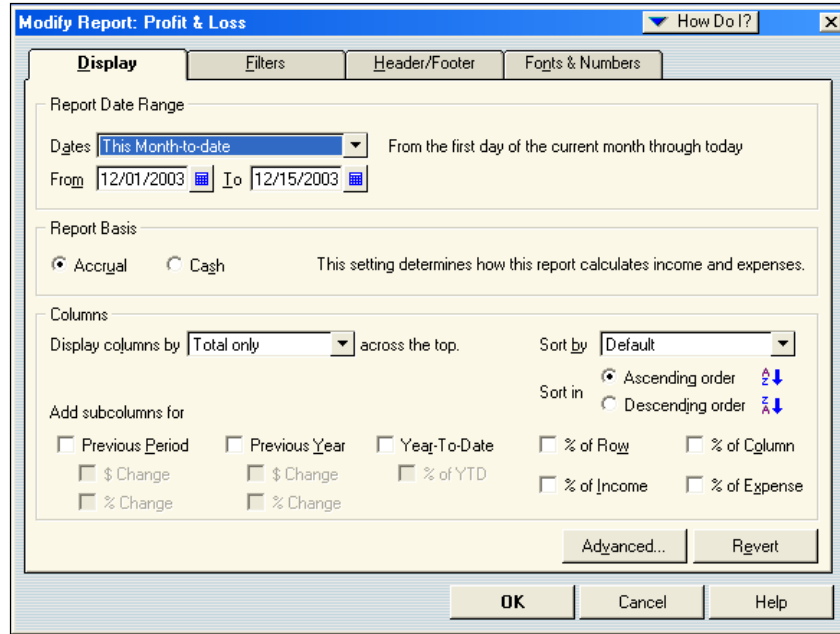
Select the desired group to be printed from the **Select Memorized Reports From** drop down box at the top of the dialog box, and click the **Print** button.

Tip: For those that would like to distribute electronic reports rather than paper-based reports, you can choose to print to Adobe Acrobat PDF or Excel formats, and then e-mail the reports as attachments.

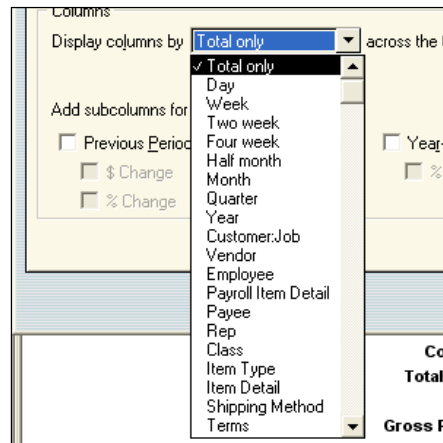
Reporting Tools - Once you have printed a report to the screen, the real reporting power of QuickBooks starts to shine. As shown in the screen below, buttons at the top of each report make it easy to modify, memorize, print, or export the report to Microsoft Excel.



Modifying Reports - The Modify Report dialog box allows you to specify the date range, toggle cash or accrual, add sub-columns, and choose from a variety of display columns. You can also control the sorting of data and add columns showing percents to totals. The Advanced button allows you to suppress the printing of zero balance amounts, rows, or columns.



The display columns pull down shown below is particularly powerful as it allows you to indicate the types of columns to be displayed. This pull-down is also available at the top of the displayed report, as “Columns”.



For example, here is the same report presented with two different column formats:

The first screenshot shows the Profit & Loss report for Rock Castle Construction, December 1 - 15, 2003, organized by customer and job. The columns are: Family Room (Bakers, Chets), Total Bakers, Chets, 2nd story addition (Cook, Brian), and Change Order #1 (Batches). The second screenshot shows the same report organized by item sold, with columns: Cabinet Pulls (Cabinets), Light Pine (Cabinets), and Total Cabinets.

The first report shows P&L data by customer and job, while the second report displays the same P&L data by item sold.

Adding or Deleting Report Columns - Reports that list individual transactions can display additional columns of data. To do this, click Modify Report and from the Display tab, click Add Columns and select the columns you want to add. To delete columns, clear the checkmark for each column you want to delete. As a tip, the column titled "left margin" adds white space along the left edge of the report. By deleting this column, you can gain some extra room for report data.

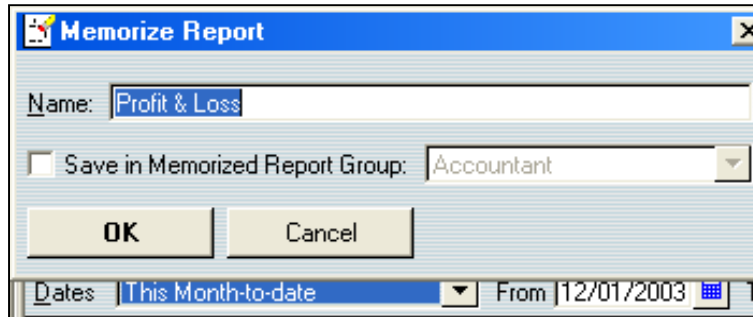
Drilling Reports – One of QuickBooks' best reporting features is the ability to drill down. Just double click on any number you see in QuickBooks to see the details for that number. Keep clicking until you reach the source document.

Refresh Button - The refresh button appears in the toolbar of every report and graph. If refresh is needed, a message appears in the title bar indicating that the report or graph doesn't reflect the latest changes to your company data.

Memorizing a Report – Whenever you change the settings for a report or title, you can memorize the report with the new settings. Then, when you want to view that same report in the future, you can recall it from your own list of memorized reports. When QuickBooks memorizes a report, it memorizes your custom report settings, not the data in the report.

If you have recalled a memorized report and changed it further, you can indicate whether you want QuickBooks to replace the earlier report (under the same name) or create a new memorized report (under a new name).

Memorized Report Group - You can assign the report to a memorized report group by selecting "Save in Memorized Report Group", then choose the desired group from the drop-down list. The memorize report dialog box is shown below:



Suppress Account Numbers on Reports – QuickBooks allows you to toggle the display of account numbers throughout QuickBooks on or off. The benefits of using account numbers are as follows:

1. With account numbers turned on, you can dictate the sort order in which accounts are displayed within an account type (i.e. you can make sure that the accumulated depreciation account appears below property and equipment, not above.)
2. Many CPAs find that account numbers provide faster data entry, especially when the account numbers are memorized and a number key pad is used.

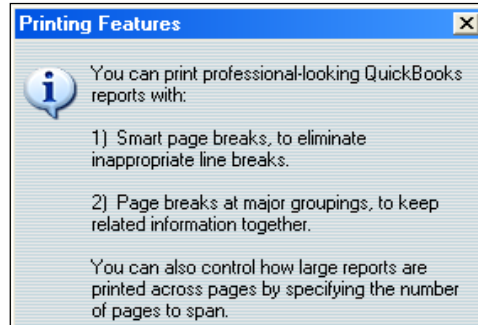
However, there is a problem with turning on account numbers because many CPAs don't want the account numbers to be displayed in the financial statements and reports. To solve this problem, there is an option to hide them in a report, but you must be logged in as the administrator and running in single user mode. Even then, this option does not stick – you must reapply the feature to hide the account numbers each time the report is produced, even if you memorize the report with the account numbers hidden.

There is a better solution to suppressing account numbers from financial statements, as follows:

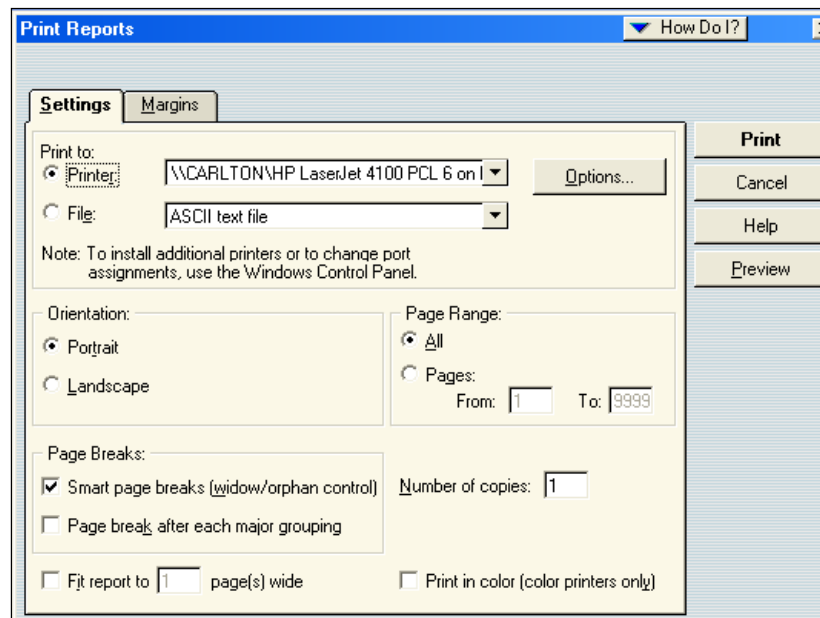
- a. First, edit all account descriptions
- b. Next, select “Show Reports Based on Description Only” from the preferences screen.

This action will now suppress account numbers from your financial statements, and use the account description instead of the alphanumeric account number. Please note that descriptions can differ from accounts (*AR vs. Trade Receivables*)

Print Breaks – QuickBooks provides a smart feature that can insert page breaks in your reports so that groups of information remain together. Or, to conserve paper, QuickBooks can insert as few line breaks as possible. This option is shown in the dialog box below:

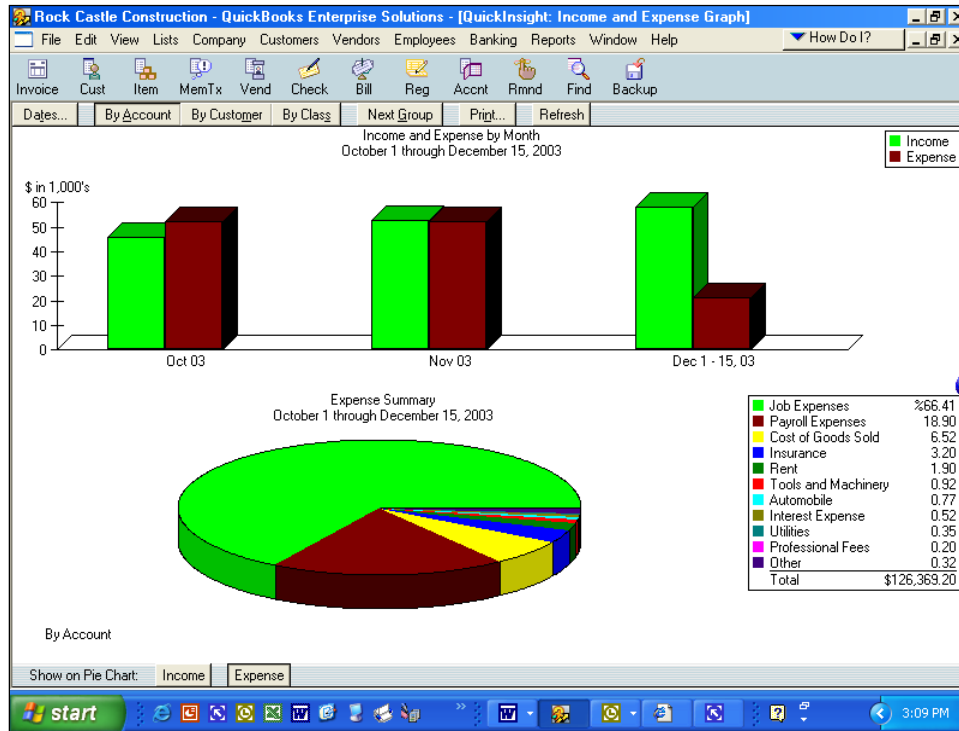


Once you print a report, you will find a wide number of print options available – some of which will differ slightly depending upon the printer you are printing to.



Print Preview – You should always use is print preview before printing to ensure the report appears as intended before paper is wasted. In many cases, you can access the information you need without actually printing the report to paper. Printing to paper not only takes time, but it costs money for paper and toner, and creates wear and tear on your printer. Ultimately the reports you print will need to be burned or thrown away in a landfill or garbage heap. Why eat valuable time and money? Use the screen and avoid printing on paper whenever possible.

Graphs - QuickBooks produces a wide variety of graphs and charts, like the sample income and expense graph shown below:



Drilling Graphs - Graphs can be drilled just like reports – to do this, just double click on the desired bar or pie slice to see the underlying supporting details. ³³

Report Center - The screen below displays the Report Center – a utility that helps you locate the report you are looking for. With the Report Center, you can browse the reports related to what you are interested in, briefly learn what each report has to offer, and locate exact reports by search terms. When you find the report you want, you can display it in the Report window, just as if you had created the report by choosing its name from the Report menu. If you don't need to view the report in the Report window, you can print the report or send it to Excel directly from the Report Center. You can also customize the report's content, filter the report, or change the report's date range without displaying the report. This is a faster way to create, modify, or print reports.

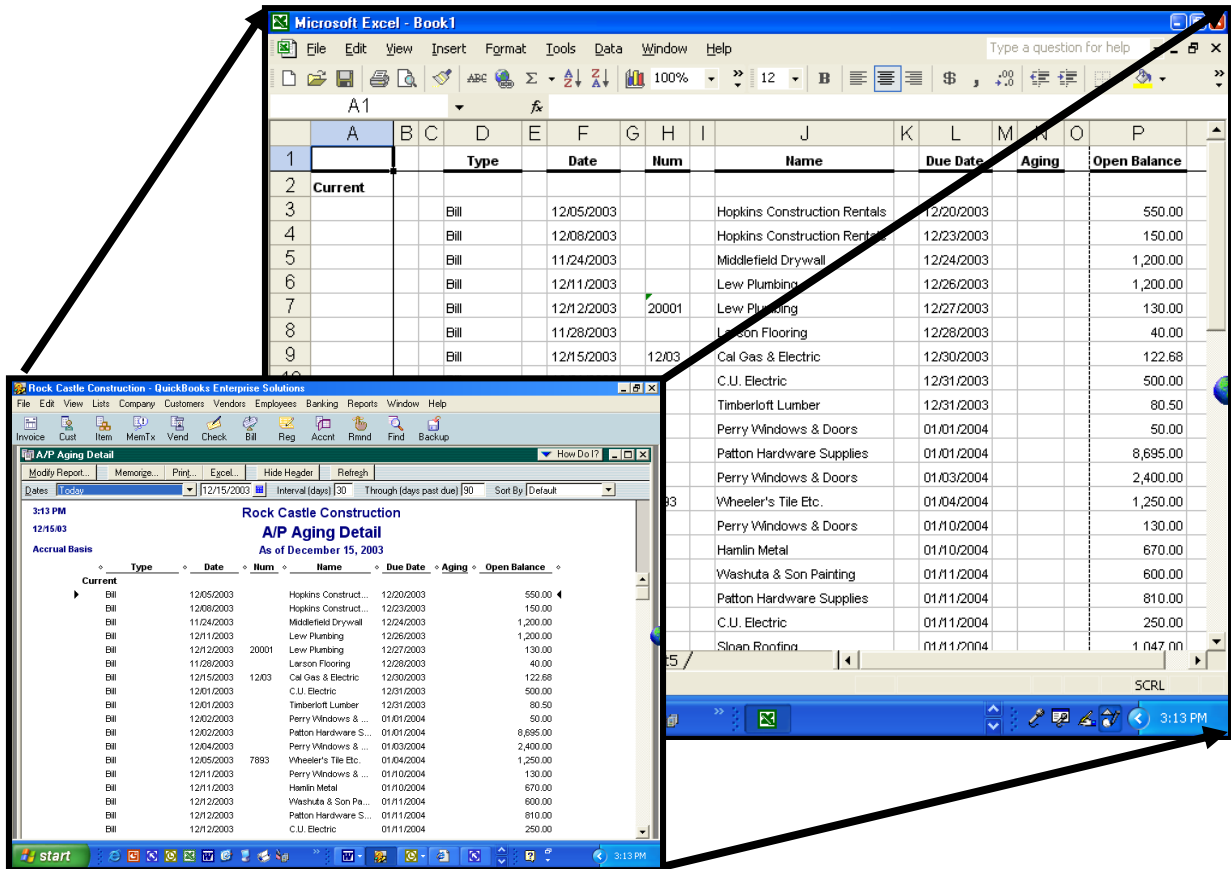


As discussed, the reports menu shown below provides access to the same reports as does the Report Center, and does it a little quicker.

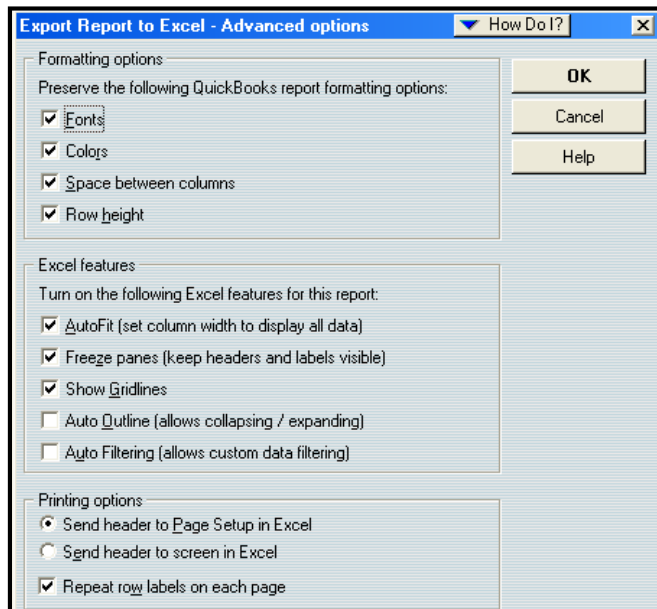
The screenshot shows the 'Reports' menu in QuickBooks Enterprise Solutions. The menu is open, displaying various report categories and options. The 'Company & Financial' sub-menu is expanded, showing the following reports:

- Profit & Loss Standard
- Profit & Loss Detail
- Profit & Loss YTD Comparison
- Profit & Loss Prev Year Comparison
- Profit & Loss by Job
- Profit & Loss by Class
- Profit & Loss Unclassified
- Income by Customer Summary
- Income by Customer Detail
- Expenses by Vendor Summary
- Expenses by Vendor Detail
- Income & Expense Graph
- Balance Sheet Standard
- Balance Sheet Detail
- Balance Sheet Summary
- Balance Sheet Prev Year Comparison
- Net Worth Graph
- Statement of Cash Flows
- Cash Flow Forecast

Any QuickBooks report can be exported to Excel with a simple click of a button. Be aware that this is a one way ride, data changes in Excel cannot be automatically carried back into QuickBooks as this action would violate all the rules of data validation and a secure audit trail.



Excel Options - When sending report to an existing Excel spreadsheet, you can either send your data to a new blank worksheet, or open Microsoft Excel and add the contents of the QuickBooks report to an existing spreadsheet. The spreadsheet could be one that you previously created in Excel or one that QuickBooks created during a previous export. Some of the advanced options are shown in the screen to the right.



Company Snapshot ⁹¹



The QuickBooks Company Snapshot doesn't really add any new functionality, but it does organize important data to make it faster and easier for managers to quickly view this key information which means they are more likely to look at as often as they should. The QuickBooks Company Snapshot includes five sections as follows:

- **Income and Expense Trend Graph** - A bar graph displaying income and expenses for the period of time you select.
- **Reminders** - You can select from the list of Reminders to be displayed.
- **Account Balances** - The account balances section allows you to view details for any account.
- **Customers Who Owe Money** - List of who owes you money, the amount and the due date. You can sort it by customer, due date, or amount due.
- **Vendors to Pay** - List of who you owe money to, the amount and the due date. Again, you can sort it by vendor, due date, or amount due.

Department Accounting

q. Understanding the need for Account Number Segments ⁹²

In order to produce sub reports (such as departmental reports, reports by location, fund reports, sub-account reports, reports by territory, reports by type, reports by state, etc), accounting systems rely on segments. Each account number segment is then used to track a certain facet of every revenue and expense transaction. An example of a 4 segment account number structure is shown below:

Department - Expense – Subaccount – Fund
--

For example, assume a school purchases \$800 worth of text books for the English department. In this case, the transaction is recorded using the school's four segment account number as follows:

Date	Account	Debit	Credit
3/1/2006	6050-SMITH-ENG-FED	800	
3/1/2006	Cash		800

To record the purchase of \$800 worth of text books for the English department, for Mrs. Smith's class, using federal funds

In this example the account number "6050" represents the expense account ("Book Expense"); "SMITH" represents the subaccount; "ENG" represents the department; and "FED" represents the funds used to pay for the books. If you really were using a fund accounting system, before this transaction is posted, the accounting system would first check to make sure that the federal funds in question are not being used for a restricted purpose, such as to fund teacher pensions or to pay for football uniforms. The system would also check to make sure that the funds being used are permitted to be expended during this time period. If none of the stated restrictions are violated, then the transaction would be accepted and posted throughout the system.

Let us further assume that the school purchases \$2,000 worth of school football uniforms and attempts to enter this transaction into the system using federal funds to pay for these uniforms as follows:

Date	Account	Debit	Credit
3/5/2006	6560-SLADE-PE-FED	2,000	
3/5/2006	Cash		2,000

To record the purchase of \$2,000 worth of football uniforms for the Physical Education department, for Mr. Slade's class, using federal funds

r. Reporting by Classes

QuickBooks officially provides one extra account number segment which it calls a “Class” ⁹³. “Classes” is short for “Classification” and the Class segment can be used to classify revenue and expense transactions further than just by account number. It helps to think of this feature as a way to further “classify” business activities. To use classes, you must enable the feature ⁹⁴, which is listed in the Accounting section of the Preferences window.

You can only use the QuickBooks “Class” feature to establish a single segment ⁹⁵ (such as department or location, but not both). When you enable classes, QuickBooks adds a Class field to your transaction windows.

TIP - Assigning Classes by Invoice Line Item - When you enter an invoice in QuickBooks, you can assign the invoice to a single class. However, it is sometimes more useful to assign a class to each line item of the invoice. (For example, you may bill your customer for goods, services and support on a single invoice, but you would like to account for that revenue by departments which consist of sales, services and support.) To accomplish this, you must customize your invoice forms to add classes as a column ⁹⁶. When you add the Class column, you should add it to the screen form, but not the printed form because most customers don't care how you posted the transaction.

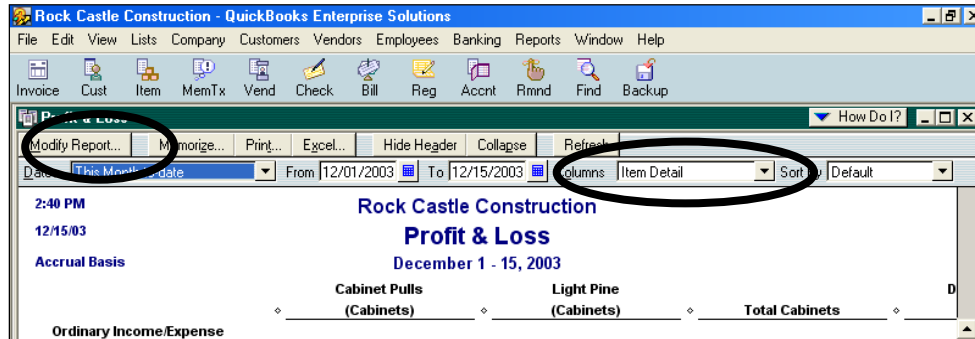
Reporting by Class - There are two different types of reports you can run from the Class List screen– 1. Individual Class Reports; and 2. Reports for all Classes. To report on a single class:

1. *Open the “Classes” list and select the class you want.*
2. *Press CTRL+Q to open a QuickReport on the class.*
3. *When the Class QuickReport appears you can change the date range or customize the report as needed.*

To produce a report in which all classes are displayed:

1. *Open the “Classes” list and click the “Reports” button (at the bottom of the Class list window).*
2. *Choose “Reports On All Classes” and then select either Profit & Loss By Class, or Graphs.*
3. *Note - The Graphs menu item will offer a choice between producing an Income & Expenses Graph or a Budget vs. Actual Graph.*
4. *Note - The Profit & Loss By Class report is the same as a standard Profit & Loss report, except that each class uses a separate column.*

Displaying Reports by Class - Most of the QuickBooks reports you run regularly can also be stratified by Class (for example, Aging reports). Use the Columns drop down box to stratify your report by Class⁹⁷; or use the “Modify Report”, “Filters Option” to display the report for just one Class,⁹⁸ as shown in the screen below.



Using Classes to Track Partners – Many Law firms and CPA firms use classes is to track revenue and expenses by partner⁹⁹. In effect, using this method each partner is tracked as an individual profit center. Typically, firms who use this approach set up each partner as a Class, and also set up two additional classes as follows:

1. **Other** - Used to record revenue or expense transactions that are not related to a specific partner.
2. **Split** - Used to record revenue or expense transactions that are related to two or more specific partners, and is to be allocated later using some predetermined formula.

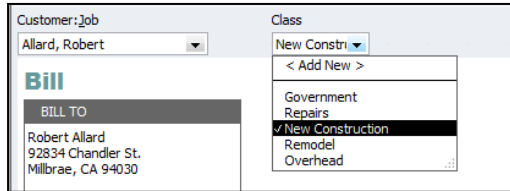
Allocations - At month end before reports are produced, the totals for the “Split” class are reapportioned or reallocated with appropriate journal entries. In many cases, the percentage of income is used as a guide for the allocation percentages based on the assumption that the overhead expenses consumed are commensurate with a partner’s share of revenue. While this approach to allocating expenses isn’t terribly exact, it is considered to be approximately fair.

Year-end Close - When the year is closed, a percentage of the retained earnings figure is posted to each partner's equity account. However, since Classes do not apply to balance sheet or equity account numbers, you must set up a separate equity account number for each Partner. Thereafter, the profit for each partner is the revenue, less the expenses incurred by each partner is allocated from retained earnings account to each partner equity account. This system may also provide a decent basis to calculate end-of-year bonuses, since the partners can base the amount of the bonus on the amount of the current year retained earnings for each partner.

Using Classes to Track Accounts Receivable or Accounts Payable¹⁰⁰ – Often CPAs complain that because classes do not apply to balance sheet items, there is no way to classify accounts

receivable or accounts payable on the balance sheet. Actually there is a way to do this. It takes a little effort, but here is what you do:

1. As invoices (or vouchers) are recorded, assign a master Class to the invoice in the upper right hand corner. (Assigning Class by line item isn't sufficient.)



2. At this point, the balance sheet will still display a single line item for accounts receivable (or accounts payable).
3. Produce a balance sheet and double click the accounts receivable amount to drill into the details.
4. Expand the report to show all details.
5. Use the "Sort By" drop down to sort by Class.
6. Use the "Total By" drop down to total by Class.
7. The result is a report that breaks down accounts receivable or accounts payable by Class, as shown below.

The screenshot shows a detailed report in QuickBooks. The report is titled 'Rock Ca' and 'Transact'. It shows a list of transactions with columns for Type, Date, Num, Adj, Name, Memo, Class, and Balance. The transactions are grouped by Class: Government, New Construction, and Remodel. The 'Total' for each class is shown at the bottom of each group.

Type	Date	Num	Adj	Name	Memo	Class	Debit	Credit	Balance
Government									
Invoice	12/15/2012	1126		Abercrombie, Kris...			792.00	0.00	792.00
Total Government							792.00	0.00	792.00
New Construction									
Invoice	12/01/2012	1089		Robson, Darci/Rob...			445.00		268,562.31
Invoice	12/01/2012	FC 5		Nguyen, Tuan/Gar...	Finance		37.58		269,044.89
Invoice	12/05/2012	1089		Violette, Mike/Work...			5,732.23		274,777.12
Invoice	12/10/2012	1090		Pretell Real Estate...			1,715.00		276,492.12
Invoice	12/15/2012	1097		Robson, Darci/Rob...			12,420.98		288,913.10
Invoice	12/15/2012	1127		Allard, Robert			500.00		289,413.10
Total New Construction							20,850.79	0.00	289,413.10
Remodel									
Invoice	11/30/2012	1086		Ecker Designs/Off...	Remodel		1,468.30		338,833.35
Credit Memo	12/01/2012	4002		Abercrombie, Kris...	Remodel			711.15	338,222.20
Invoice	12/01/2012	1087		Roche, Diarmuid/G...	Remodel		440.00		338,662.20
Invoice	12/10/2012	1091		Abercrombie, Kris...	Remodel		4,522.00		343,184.20
Invoice	12/10/2012	1092		Campbell, Heather...	Remodel		13,900.00		357,084.20
Invoice	12/11/2012	FC 6		Cook, Brian/Kitchen	Remodel		5.95		357,090.15
Invoice	12/12/2012	1093		Lew Plumbing - C...	Remodel		220.00		357,310.15
Invoice	12/14/2012	1094		Natiello, Ernesto/K...	Remodel		2,080.11		359,390.26
Invoice	12/14/2012	1095		Natiello, Ernesto/K...	Remodel		8,656.25		368,046.51
Invoice	12/14/2012	1096		Natiello, Ernesto/K...	Remodel		2,824.03		370,870.54
Invoice	12/15/2012	1098		Cook, Brian/Kitchen	Remodel		1,636.69		372,507.23
Invoice	12/15/2012	1100		Burch, Jason	Remodel		936.00		373,443.23
Invoice	12/15/2012	1104		Abercrombie, Kris...	Remodel		4,324.00		377,767.23
Total Remodel							41,013.33	711.15	377,767.23

8. Memorize the report so that you don't have to "recreate the wheel" next time.
9. As an alternative you could also filter the report to display only one particular Class of outstanding receivables or payables.

QuickBooks Online

Intuit produces an online accounting system called QuickBooks Online ¹⁰¹. For purposes of this class, I think it is important that CPAs know about this product, but I do not plan to spend much time on this product. The primary aspects of QuickBooks Online that I would like for you to know are as follows:

- s. You can try it for free here: <https://qbo.intuit.com/redirect/trialperiod>. ¹⁰²
- t. The cost is as follows ¹⁰³:

8. QuickBooks Free Online Accounting	1 user	Free
9. QuickBooks Online Basic	1 user + accountant	\$9.95/Month
10. QuickBooks Online Plus	3 users + accountant	\$34.95/Month
	10 users + accountant	\$49.95/Month
	25 users + accountant	\$79.95/Month

- u. No up-front cost to purchase software or a new server ¹⁰⁴.
- v. No software installation effort ¹⁰⁵. Just login and start setting up your data.
- w. No annual upgrade fees or upgrade effort ¹⁰⁶.
- x. QuickBooks Online is NOT QuickBooks *online*. It is similar, but not the same ¹⁰⁷.
- y. The Higher-end database never slows down, not even with 1 million records ¹⁰⁸.
- z. It is instantly accessible from multiple locations, including work from home employees, traveling sales representatives, etc ¹⁰⁹.
- aa. Data is secured via 128 bit encryption.
- bb. QuickBooks Online has built-in world class facility, firewalls, virus protection ¹¹⁰.
- cc. Server is mirrored.
- dd. Back ups are included ¹¹¹.
- ee. Drawbacks –
 - i. You must pay for each separate company ¹¹².
 - ii. If the Internet goes down...

iii. QuickBooks Online features not as a robust as regular QuickBooks. Some of the missing features from QuickBooks Online are as follows ¹¹³:

1. Purchase orders
2. Inventory tracking
3. Sales order tracking
4. Job costing or estimating
5. Customized price levels
6. Integration with ACT!, Word, or Outlook,
7. Online bill payment
8. Payroll input
9. Support for multiple companies in one subscription, and
10. Forecasts
11. Business plans
12. Third Party add-ons

The screenshot shows the QuickBooks Online Edition interface for 'Craig's Design & Landscaping Services'. The browser window title is 'QuickBooks Online Edition - Craig's Design & Landscaping Services - Windows Internet Explorer'. The address bar shows the URL 'https://qbo.intuit.com/c5/v32.142/298586351/frameset'. The page header includes the QuickBooks Online Edition logo, a navigation menu with 'Company', 'Customers', 'Vendors', 'Employees', 'Banking', and 'Reports', and the Intuit logo. The main content area is titled 'Home' and 'Craig's Design & Landscaping Services'. It features a 'Getting Started' section with links to 'See how' and 'Try it', and a 'Money In/Out' section with a flowchart showing the process from 'Estimates' and 'Invoices' to 'Bank Accounts' and 'Reports'. The flowchart is divided into 'Money In' (Estimates, Invoices, Receive Payments, Deposits, Sales Receipts) and 'Money Out' (Vendors, Checks, Cash, Credit Cards, Refunds or Credit, Enter Bills, Pay Bills). The footer includes the copyright notice '© 2010 Intuit Inc. All rights reserved.' and links for 'Feedback | Blog | Support'.

Fixed Assets

The QuickBooks' Accountant Edition includes Fixed Asset Manager¹¹⁴ – formerly a third party add-on product which Intuit purchased and added into to QuickBooks in 2004. It is a fairly decent solution and it is believed that Intuit added this functionality because at the time, Peachtree Software included a copy of Best Fixed Assets product (limited to 100 assets). The Fixed Asset Manager screen is shown below.

The screenshot shows the QuickBooks Fixed Asset Manager window for an asset named 'Copier/Printer'. The interface includes a menu bar (File, Edit, View, QuickBooks, Asset, Reports, Tools, Help) and a toolbar with icons for Save, Add, Delete, Asset Tools, Find, Prev Asset, Next Asset, and a percentage icon. Below the toolbar are tabs for Schedule, Asset (selected), Disposal, Projection, Notes, and Calendar.

General Asset Information

Asset number: [Redacted]
 Asset description: Copier/Printer
 Asset description line 2: Color Printer/Copier
 Purchase order number: [Redacted] Serial number: 7394732947
 Warranty expires: 12/31/2008 ?Personal property return: ?New:

Link to Federal Form

Form: Form 1120S, US Inc Tax Return for an S Corp, pg. 1

	Federal	AMT	ACE	Book	State
Date placed in service	04/26/2010	04/26/2010	04/26/2010	04/26/2010	04/26/2010
Cost or basis	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Tax system	MACRS	MACRS	MACRS	MACRS	MACRS
Depreciation method	200% DB	150% DB	POST 93	200% DB	200% DB
(Recovery period (YY/MM)	05/00	05/00	05/00	05/00	05/00
Convention	Half-Year	Half-Year	Half-Year	Act-Days	Act-Days
Section 179 deduction	0.00	0.00	0.00	0.00	0.00
Qualified for Special Depr. Allowance	<input type="checkbox"/> 30%	<input type="checkbox"/> 30%	<input type="checkbox"/> 30%	<input type="checkbox"/> 30%	<input type="checkbox"/> 30%
(Check both to elect 30% if post- 5/5/03)	<input type="checkbox"/> 50%	<input type="checkbox"/> 50%	<input type="checkbox"/> 50%	<input type="checkbox"/> 50%	<input type="checkbox"/> 50%
Special Depr. Allowance	0.00	0.00	0.00	0.00	0.00

For Help, press F1 3 - Copier/Printer CALC SAVE SOLD NOTE CAP NUM 12/31/2012

The Fixed Asset Manager tracks six different depreciation calculations per asset, reports in total nicely, supports section 179 depreciation, supports asset disposal, and provides templates which makes it easier to use the product. The product provides functionality to automatically synchronized data to and from QuickBooks, but I have found that most CPAs that use Fixed Asset Manager run it as a stand-alone product¹¹⁵, and simply enter a journal entry each month in QuickBooks manually to keep depreciation expense and accumulated depreciation in sync.

Keyboard Shortcuts

- ff. Y, K, M, H, R, etc.
- gg. Home, Home, Home; End, End, End
- hh. CTRL + A, I, E, F, J, M, P, W etc.

Presented below are a variety of keyboard shortcuts available within QuickBooks:

DATE RELATED SHORTCUTS ¹⁴¹

Y	First day of the Year	W	First day of the Week
R	Last day of the year	K	Last day of the week
M	First day of the Month	+	Next day (also next form #)
H	Last day of the month	-	Prior day (also prior form #)
T	Today		

MOVING AROUND IN QUICKBOOKS SHORTCUTS

1 (or 2, 3 ...)	Before popular list items (fast)
Down arrow	Move down a line
Up arrow	Move up a line
Ctrl + 1	Show important QuickBooks data
Ctrl + 2	Turn on QBWIN.LOG
Ctrl + H	<u>Get transaction history</u> ¹⁴²
Ctrl + N	<u>New transaction</u> ¹⁴³
Ctrl + R	<u>Go to transaction register</u> ¹⁴⁴
Ctrl + >	Next word in field (right arrow)
Ctrl + <	Prior word in field (right arrow)
Ctrl + DownArrow	Scroll through list while in form
Ctrl + Enter	Record entry (if Enter moves)
Ctrl + Page Up	First item/ list, prior month/ register
Ctrl + Page Down	Last item/ list (next month/ register)
Ctrl + UpArrow	Scroll through list while in form
End	End of field
End End	End of transaction
End End End	End of register
Enter	Record transaction, default
Esc	Cancel edit, close window
Home	Beginning of field
Home Home	Beginning of transaction
Home Home Home	Beginning of register
Page Down	Scroll down a page
Page Up	Scroll up a page
Shift + Tab	Move to prior field
Shift	Center open window
Tab	Move to next field (or Enter)
Ctrl + 1	Show important QuickBooks data.
Ctrl + 2	Turn on QBWIN.LOG
Ctrl + A	<u>Chart of Accounts</u> ¹⁴⁵
Ctrl + C	<u>Copy text to clipboard</u> ¹⁴⁶
Ctrl + D	Delete transaction – item
Ctrl + E	Edit
Ctrl + F	Find
Ctrl + G	Go to other account register
Ctrl + H	Get transaction history
Ctrl + I	<u>Create Invoice</u> ¹⁴⁷

Ctrl + J	Customers, Jobs
Ctrl + L/Down Arrow	List
Ctrl + M	<u>Memorize</u> ¹⁴⁸
Ctrl + N	New transaction
Ctrl + O	Copy transaction in register
Ctrl + P	<u>Print</u> ¹⁴⁹
Ctrl + Q	<u>Quick Report from List</u> ¹⁵⁰
Ctrl + R	Go to transaction register
Ctrl + T	Recall memorized transaction
Ctrl + U	Use item on list
Ctrl + V	<u>Paste text from clipboard</u> ¹⁵¹
Ctrl + W	<u>Write checks</u> ¹⁵²
Ctrl + X	Cut text to clipboard
Ctrl + Y	Display transaction journal
Ctrl + Z	Drill down report/undo last change
Ctrl + Up Arrow	Scroll through list entries in form
Ctrl + Del	<u>Delete line</u> ¹⁵³
Ctrl + Down Arrow	Scroll through list while in form
Ctrl + Enter	Record entry (if Enter moves)
Ctrl + F1	Hide / show cue cards
Ctrl + F6	Next window
Ctrl + Ins	Insert line
Ctrl + Left Arrow	Prior word in field
Ctrl + Page Up	First item/ list, prior month/ register
Ctrl + Page Down	Last item/ list (next month/ register)
Ctrl + Right Arrow	Next word in field
Ctrl + Up Arrow	Scroll through list while in form

CUT & PASTE SHORTCUTS

Ctrl + C	Copy text to clipboard
Ctrl + D	Delete transaction – item
Ctrl + V	Paste text from clipboard
Ctrl + X	Cut text to clipboard
Ctrl + Z	Undo last change or drill down report
Ctrl + Del	Delete line
Ctrl + Ins	Insert line

OTHER SHORTCUTS

Alt + Down Arrow	Display list for a field
Alt + F4	Exit program
Ctrl + F1	Hide / show cue cards
Ctrl + F6	Next window
Ctrl + Up Arrow	Scroll through list entries in form
Diamond	Move list item, make sub-item
Escape	Cancel entry or close window
F1	Help
F2	Edit data
F5	Refresh

Ins	Insert
Shift	Open window in center of screen
Space bar	Mark or unmark check boxes
Type initial letters	Quick Fill names in list

QUICKBOOKS DATA ENTRY SHORTCUTS

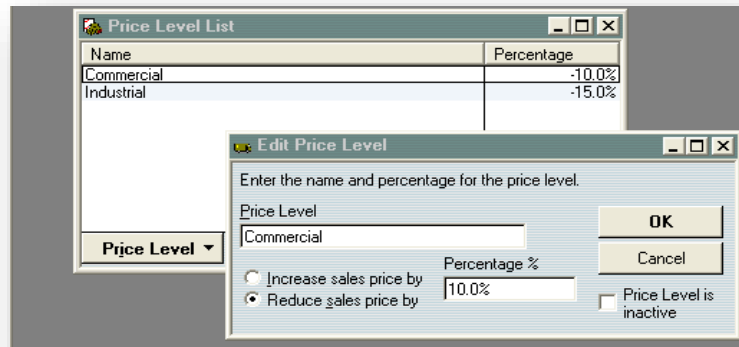
+	Next day (also next form #)
-	Prior day (also prior form #)
1 (or 2, 3 ...)	Before popular list items (fast)
Alt + down arrow	Display list for a field
Alt + F4	Exit program
Diamond	Move list item, make sub-item
Down arrow	Move down a line
End	End of field
End End	End of transaction
End End End	End of register
Enter	Record transaction, default
Esc	Cancel edit, close window
H	Last day of the monthH (in date)
Home	Beginning of field
Home Home	Beginning of transaction
Home Home Home	Beginning of register
Ins	Insert
K	Last day of the weeK (in date)
M	First day of the Month (in date)
Page Down	Scroll down a page
Page Up	Scroll up a page
R	Last day of the yearR (in date)
Shift	Open window in center of screen
Shift + Tab	Move to prior field
Space bar	Mark or unmark check boxes
T	Today (in date)
Tab	Move to next field (or Enter)
Type first letters	Quick Fill names in list
Up arrow	Move up a line
W	First day of the Week (in date)
Y	First day of the Year (in date)

Inventory Pricing

Price Levels – You can use price levels in two different ways. You can apply a price level directly to items on a sales form or you can associate a price level with a customer ¹⁶¹. If you associate a price level with a customer, whenever you create a sales form for that customer, items will automatically appear with the new amount.

- ii. You are limited to 20 pricing levels. ¹⁶²
- jj. You can use these price levels to mark prices up or down. ¹⁶³

kk. You can assign default price level to customers. ¹⁶⁴



Price levels let you automatically increase or decrease inventory, non-inventory, and service item prices. You create price levels, then use them on sales forms to adjust the price of an item. For example, you might create a price level called "wholesale" and specify a decrease of 20%. Then when you sell an item and assign the "wholesale" price level, the amount of that item is automatically reduced by 20%. ¹⁶⁵ For each price level you create, you assign a name and percentage of increase or decrease. You can use price levels on invoices, sales receipts, sales orders, or credit memos. When you apply a price level to an item on a sales form, the adjusted price appears in the Rate column. You can also assign price levels to customers and jobs. Then the associated price level is automatically used to calculate the item price.

Note: Price levels associated with customers will not automatically be used when reimbursable items are added to invoices or sales receipts or when invoices are created from estimates. In both cases, the item amount you originally entered will be carried over. You can then manually adjust the rate, using price levels, after the invoice or sales receipt has been created.

QuickBooks Networking Limitations

QuickBooks was not originally designed to be a multi-user product ¹⁶⁶, the networking capabilities were added as an afterthought. As a result:

- ll. You must toggle between single user and multi-user mode to perform certain tasks.
- mm. QuickBooks uses file locking, not record locking; which means that when one user is editing a customer record, another user cannot generate an aged receivables report until after the first user is done.
- nn. Not a true networking environment compared to most systems because QuickBooks must be installed on every computer and QuickBooks must be up and running on the host computer for others to access the data file.

Steps to Take When QuickBooks System is Running Slow ¹⁶⁷

The Achilles heel of QuickBooks is its' slower performing databases. Don't misunderstand me, they work very well with smaller data files. However, it is possible to outgrow QuickBooks and the system will start running slower, eventually to the point that it may take 30 seconds for each screen to appear. When this happens, here are measures you can take to speed things up.

- oo. Defragment hard drive.
- pp. Use Clean Up Tool (formerly called Archive and Condense).
- qq. Create a portable company file, move the original file, and then open and use the portable company file. This re-indexes the database on the fly and makes the system run much faster. You will need to repeat this process periodically. ¹⁶⁸
- rr. Turn off QuickBooks Preferences (auto-refresh graphs, alerts, reminders).
- ss. Turn off audit trail (in versions prior to 2006 only).
- tt. Run in single user mode (or run in single user mode part of the day).
- uu. Add more RAM to your computer.
- vv. Get a faster computer.
- ww. Install faster network (100 mbs or faster)
- xx. Upgrade to 2006+ version with faster database.
- yy. Upgrade to QuickBooks Enterprise – much faster database.

Online Banking

“Paperless” has arrived. There are many ways to take advantage of the new paperless technologies, and online banking is one of them. Save money on printed checks, envelopes, stamps, and toner cartridges. By paying your bills online, you will save money and time ¹⁶⁹. Here are a few comments regarding online banking.

- zz. **It Really Is Easy** – Just sign up using the “Banking”; “Online banking” option in QuickBooks. Takes 5 minutes to sign up – three to five days to get approved.
- aaa. **Save Time** – Imagine never having to stuff envelopes and lick stamps again. Enough said – right?
- bbb. **Allow Five Days and Six Hours of Float Time** – By law a bank has 5 days to deliver your money. Intuit takes your money out immediately and holds it for 5 days before delivering it ¹⁷⁰.
- ccc. **Why Six Hours?** - Intuit officially moved it's banking operations to Hawaii to increase float time ¹⁷¹, therefore if you live in the Eastern time zone, they could take your money out immediately, and hold it until 5:00pm five days later before delivery.

ddd. **Even More Float Time Needed** – 40% of the nation’s vendors accept paperless checks, but 60% do not. In this case, Intuit waits 5 days and 6 hours, and then prints a paper check in the FiServ building in Norcross, GA and mail it through the Norcross Post Office ¹⁷² – which is the absolute worst post office in the entire world. How do I know this?



QuickBooks

What's New "2013 thru 2005"

CHAPTER 6

How Intuit Updates QuickBooks Each Year

Avoiding Bloatware - Intuit has a problem that it does not like to discuss publicly. Specifically, Intuit does not want to improve QuickBooks by adding features¹⁷³. I know this sounds strange, but hear me out. Every time Intuit adds new functionality to QuickBooks, the product becomes more complicated and difficult to use. Hundreds of accounting systems before QuickBooks have taken the “*Add every feature you can to your product, including the kitchen sink*” approach. But those companies have ended up with “bloatware” that many companies simply don’t want.

Restraint - Intuit knows that most companies ask for more features, but they restrain themselves in order to keep the product simple. If you really want a product with a thousand more features, then go out there and buy Sage MAS 200, Microsoft Dynamics GP, or SAP Business One. Those products each have several thousand more features than QuickBooks. But if you look at the results, those products which are among the top accounting software products in the world aren’t doing too well. Their sales are flat and have been under achieving for a dozen years. When it is all said and done, companies really want inexpensive, simple solutions - and that is exactly what QuickBooks offers¹⁷⁴. If Intuit started piling on the features (which they easily could), they would ruin what they have.

Handful of Features - For this reason, Intuit barely updates their product each year¹⁷⁵. They come out with 10 to 15 new features a year just so the marketing department has something new to tout in order to encourage you to upgrade. If you look closely, typically half of those new features touted were already in QuickBooks the previous year. Look closer still and you will find only 2 or 3 new features each year that are really worth getting excited about. The reality is that QuickBooks gets a little better each year, but only by the smallest of margins.



Airplane Analogy¹⁷⁶ - Look at it this way. If you wanted to learn to fly an airplane today, you could march down to your local community airport and your instructor would let you take the wheel of a little Cessna airplane on your very first flight. There are only a few gizmos and gadgets you would need to learn to make that happen. Within a few weeks you’d be flying high. Now assume that you wanted to learn to fly a 777 jumbo jet. There are gizmos and gadgets located all over the cockpit – even on the ceiling and walls. It might take you three years to learn how to fly










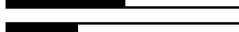
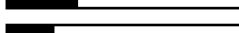
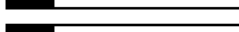
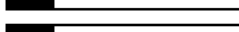



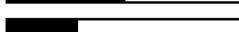
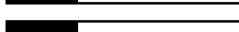
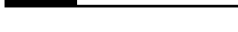
that jumbo jet because of the complexity. In this analogy, QuickBooks is the small Cessna aircraft and SAP Business One is the jumbo jet. One is cheap and simple to operate, the other is expensive and complicated to operate. American companies across the country have shunned the jumbo jet in favor of the cheaper and easier to use two seater plane – why would Intuit destroy that by heaping on a massive amount of new features each year?

Committed to Quality - Please don't mistake me as saying that Intuit is not committed to quality – they are extremely committed to eliminating bugs from the system, it's just the add-on features that they resist most, and rightfully so.

New Features ¹⁷⁷ – Presented below is a list of each significant new feature added or improved over the past 6 years. I've inserted a rating next to each new feature or improvement that shows in my opinion how excited I am about that new or feature or improvement. This information is presented in summary form, but you can see lengthier discussions of each of these features including screen shots, on my web site: www.QuickBooksAdvisor.INFO.







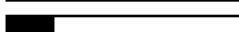

New in QuickBooks Pro Advisor Program 2013: Carlton's Ten Star Rating

Major New Features:






- | | |
|---|---|
| 1. Batch Transaction Entry (Write up) |  |
| 7. Splits, Excel, Customize, checks, deposits, credit card transactions |  |
| 1. Paste 1,000+ transactions from Excel |  |
| 2. Email journal entries that clients can import |  |
| 3. New left pane menu for improved navigation |  |
| 4. Reclassify hundreds of transactions in batch |  |
| 5. Create new QB company from existing company |  |
| 6. More contact info fields for customers and vendors |  |
| 7. Customize up to 8 contact fields |  |
| 8. New ribbon layout on customer forms shows more info |  |
| 9. New tabs show "transactions", "contacts", "to dos" and "notes" |  |
| 10. Shop for apps right from QuickBooks |  |
| 11. MAC Edition - Added attached documents |  |
| 12. MAC Edition – Added batched invoicing |  |
| 13. QBE – Bin location tracking |  |
| 14. QBE – Barcode scanning |  |
| 15. QBE - A New button creates Purchase Orders automatically |  |
| 16. QBE – Assign default classes to items for quicker data entry |  |
| 17. QBE - Supports more Accounts, Classes, To Do's, etc. |  |

New Navigation Features:












- | | |
|-------------------------------------|---|
| 18. New Sidebar Menu |  |
| 19. Ability to minimize the Sidebar |  |
| 20. No Panel on right (by default) |  |

- 21. Panel on right now appears on bottom of sidebar 
- 22. No icons at the top (by default) 
- 23. Ability to add back the icon bar and close sidebar menu 
- 24. Up arrow minimizes the ribbon 
- 25. Larger fonts 
- 26. Hyperlink based menus, which better supports the cloud 
- 27. Closing with the X no longer asks are you sure? (FIXED IT) 
- 28. Color schemes gone (FIXED IT) 





Customers:



- 29. Banded rows on invoices and other screens 
- 30. Invoice provides Delete, Print, Receive, Payment, etc. options 
- 31. Customers now have multiple contacts; each with many fields 
- 32. Customer screen tracks To Do Notes and Historical Comments 
- 33. Default setting to mark all time & expenses items as billable
(Set this up in Preferences under Time.) 

Bills:




- 34. You can now print bills (for sharing purposes perhaps) 
- 35. Preference payments option for online payments. 
- 36. Preference payments option for receiving credit card payments
(You must use the Intuit payment network, ie transaction fees) 
- 37. Sales by Item Detail Report now shows name and description
(Like the FS)
(Set Preference under Reports and Graphs) 
- 38. Drop down list for adding columns to reports is now alphabetized 
- 39. You can now copy and paste into the search box 
- 40. JE screen in Accountants Edition has new option to Send JEs
(Recipient clicks email to import JE)
(JE's can add accounts, items, customers, etc) 
- 41. DUP is added to duplicate accounts, customer, vendors, names 
- 42. Statement Writer now works on 64 bit computers too. 
- 43. Writing off multiple invoices now adjusts the sales taxes too. 
- 44. New Professional bookkeeper 2013 Edition. (Released in 2012)
(Update multiple companies at once, see bank recs quickly, etc.) 

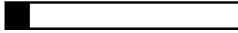

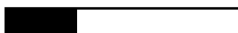
Enterprise:

- 45. Set default class for each item or name.
(Turn on under Preferences accounting, then option shows up.) 
- 46. Groups expanded to 50 items (previously limited to 20.) 
- 47. Up to 10,000 classes, customer types. 
- 48. Up to 100,000 chart of account numbers. 






- 49. New inventory reorder report- checks items that need reordering 
- 50. Auto PO feature using the preferred vendor 

Enterprise with Advanced Inventory:




- 51. Bin & Shelf tracking 
 - (To add this, transfer everything in your distribution center to your distribution center, and add the bin and shelf as you do)
- 52. Stock status report by SITE report – See where items are located. 
- 53. Bar code scanning 
 - (Preferences, Advance Inventory Settings, Barcode tab, enable)
 - (Works with USB or Bluetooth scanner)
 - (EAN13 and code 128 barcodes are supported, but not UPC barcodes)
 - (Reading is limited to just 30 characters)
 - (If you have already recorded the barcode in another QB field, a new tool can copy that data to the new barcode field so you don't have to reenter it.)

- 54. Only 1 QB Enterprise user license (not 5) 
- 55. Now QuickBooks for Mac included in ProAdvisor 
- 56. New pay per month plan - \$20 per month 

QuickBooks for Mac:








- 57. Batch Invoicing 
- 58. Attach documents 
- 59. Bank rec improvements 
- 60. Import multiple lists 
- 61. Intuit payment network integration 













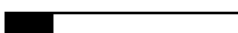
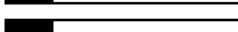
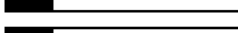
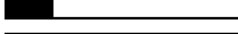
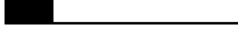
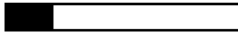
QuickBooks Online:

- 62. Income list with money bar 
- 63. Improved downloaded transactions work flow 
- 64. Sales tax processing improvements 

New in QuickBooks 2012:








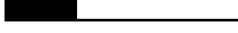
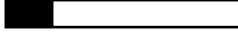

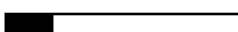
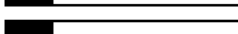
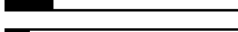
Carlton's Ten Star Rating

- 1. QuickBooks Statement Writer now Included (Acct's Editions) 
- 2. Period copy – Create data file based on desired dates 
- 3. Starter copy – Copy your QB data to create a new company 
- 4. Reclassify hundreds of transactions in a single window 
- 5. Inventory Center supports Images 
- 6. Enhanced Inventory Receiving (Bill & Receipt now separate) 
- 7. Fix incorrectly recorded sales tax payments 

- | | |
|---|---|
| 8. Condense Improvements – reduces file size further |  |
| 9. View and then fix inventory discrepancies from one screen |  |
| 10. More price levels (from 99 to 750) |  |
| 11. Match unapplied vendor and customer payments window |  |
| 12. Clean up un-deposited funds account from one screen |  |
| 13. Write off uncollectible invoices to an account you choose |  |
| 14. Improved Accountant Center – new reconcile widget |  |
| 15. identify added, changed, deleted, or merged list items |  |
| 16. View changes to account balances from the previous close |  |
| 17. File Manager improvements – auto identifies file version |  |
| 18. Improved Accountants Copy (credits now save to client copy) |  |
| 19. Acct's edition opens all versions (this is not new) |  |
| 20. Open two files simultaneously (this was added in 2011) |  |
| 21. Depreciation calculations added to QuickBooks |  |
| 22. Working Trail Balance screen (this is not new) |  |
| 23. Multi-currency (This is not new) |  |
| 24. Edit the "No Company Open" Window |  |
| 25. Improved Statement Writer (several design tools) |  |

New in QuickBooks 2011:



Carlton's Ten Star Rating







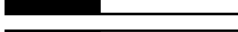
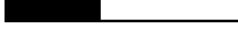
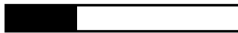

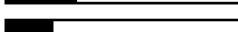
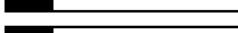
- | | |
|---|---|
| 26. Work in two companies at the same time - Accts' Edition only |  |
| 27. New QuickBooks Search – Search all of QB, Works off a keyword |  |
| 28. Batch Invoicing - Invoice multiple customers at once |  |
| 29. Send e-mail via Outlook, Yahoo, Hotmail, or Gmail – Nice |  |
| 30. Assign Classes to Balance Sheet Accounts - Not all accounts |  |
| 31. Free 1 hour phone session with Intuit QuickBooks expert |  |
| 32. New Vendor Field - Track vendors' remittance address |  |
| 33. Manage Passwords - Accts' Edition only |  |
| 34. Batch Upgrade - Upgrade client files at once - Accts' Edition only |  |
| 35. Customer Snapshot - See key customer info at a glance – not new |  |
| 36. Mark paid invoices with Paid Date stamp – Yawn |  |
| 37. Use Client Data Review in Multi-user Mode - Accts' Edition only |  |
| 38. Collections Center – Just another view of data you already have |  |

Movies - <http://proadvisor.intuit.com/product/whatsnew/?segment=pap-member>

New in QuickBooks 2010:







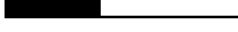
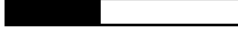

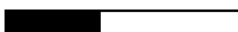
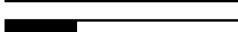
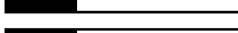
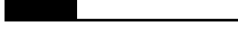
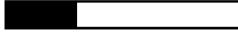
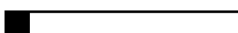
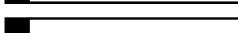
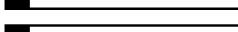
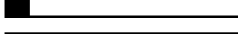

Carlton's Ten Star Rating

- | | |
|--|---|
| 1. Paperless Support - Attach scanned documents to transactions |  |
| 2. Intuit Check Solution - Scan and deposit your checks |  |

- | | |
|--|---|
| 3. More Custom Fields – Added to QuickBooks Enterprise Only |  |
| 4. Job/Lot/Serial Numbers – Added to QuickBooks Enterprise Only |  |
| 5. Batch - Batch entry and edit for item and account information |  |
| 6. New Tool - Mass comparison and reclass. of expense accounts |  |
| 7. Intuit Statement Writer – Now supports Word-based letters |  |
| 8. New Client Review Screen - Helps CPAs troubleshoot inventory |  |
| 9. Role Base Security – Added to QuickBooks Enterprise Only |  |
| 10. Re-Designed Report Center – Better organized, easier to read |  |
| 11. Forms - New professionally designed invoices & statements |  |
| 12. New Tool - Write-offs of an entire customer's balance at once |  |
| 13. Restrict Data Input – Added to QuickBooks Enterprise Only |  |
| 14. Setup Improvements - New installation options |  |




New in QuickBooks 2009:

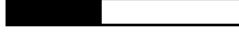
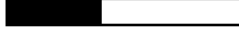

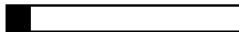
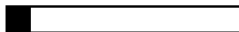
Carlton's Ten Star Rating

- | | |
|--|---|
| 1. Larger Numbers - Supports 11 digits, up from 8 digits |  |
| 2. Client Review Data Center – Helps CPAs review and fix errors. |  |
| 3. Lists - You can now duplicate a transaction or list item |  |
| 4. Company Snapshot - New dashboard screen |  |
| 5. Point of Sale Improvements – Touch screen, up to 20 POSs |  |
| 6. Intuit Statement Writer - Sold separately, create reports in Excel |  |
| 7. Multi-Currency – Supports realized and unrealized Gains & Losses |  |
| 8. QuickBooks Live Community – Chat with other QuickBooks users |  |
| 9. Time Tracker – Now tracks both billable and non-billable time |  |
| 10. Improved Bank Reconciliation – Sort columns |  |
| 11. Multiple-User Enhancements - To QuickBooks Enterprise |  |
| 12. Online Banking – Automatic mapping & new wizard |  |
| 13. Improved Accountant's Copy – Better import, mapping to 1099. |  |
| 14. Free Business Web Site – Still no integration to QuickBooks |  |
| 15. History – Easier to enter after-the-fact payroll data |  |
| 16. Adobe – New invoice, sales order & estimate templates |  |
| 17. Conversion – Updated tools for Peachtree & MOA files |  |
| 18. Vista - Microsoft Vista Logo Certified |  |
| 19. Stronger Encryption - 2048-bit key replaces 1024-bit key |  |

New in QuickBooks 2008:






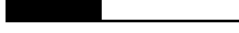
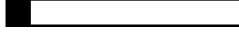
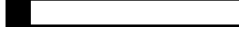
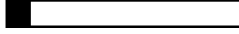
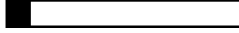
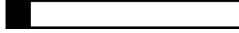
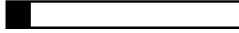
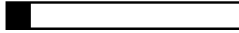
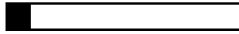
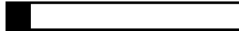

Carlton's Ten Star Rating

- | | |
|---|---|
| 1. E-Mail through Outlook – Contact lists, sent folder |  |
| 2. New Excel Template – Import Excel data into QuickBooks |  |
| 3. Improved Help – See screen and help window at same time |  |

- | | |
|--|---|
| 4. Merchant Service – New ability to validate credit card funds |  |
| 5. Time Tracker – Track billable hours from Outlook |  |
| 6. Share Records with CPA – Dividing date, track CPA’s changes |  |
| 7. New Time & Expense Screen – See both on one screen |  |
| 8. New Premier 3 User Edition – Really just a new price point |  |




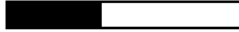
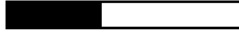
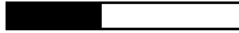
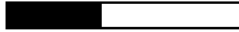
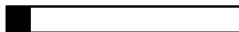
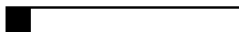
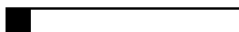
New in QuickBooks 2007:

Carlton’s Ten Star Rating

- | | |
|---|---|
| 1. Time Tracker – Excellent online fully integrated timesheet |  |
| 2. Portable File – Smaller files, Re-indexes file to gain more speed |  |
| 3. Unit of Measure Conversions – Typically a higher-end feature |  |
| 4. Multi-Parcel Shipping – Via UPS and FedEx |  |
| 5. Convert Sales Orders to Purchase Orders – Yeah! |  |
| 6. Larger List Limits – Up to 10,000 items, customers or vendors |  |
| 7. Better Payroll Data – Key payroll data at a glance for \$7/month |  |
| 8. Preview Forms before Printing – I guess this is good |  |
| 9. Automatic Vendor Expense Classifications - Did that in 2006 |  |
| 10. Google Desktop Searching - Give me a break, not a QB feature |  |
| 11. Improved Backup Wizard - Big yawn |  |
| 12. Thermal Printing Shipping - Bigger yawn |  |
| 13. Google Marketing - Sale pitch for Google Adwords, Come on |  |
| 14. Improved Accountants Copy – Use Remote Access instead |  |
| 15. “Always On” Audit Trails - Did that in 2006, doesn’t hit GL |  |
| 16. New Pro 3 User Edition – Just a new price point |  |









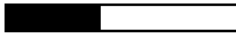

New in QuickBooks 2006:

Carlton’s Ten Star Rating

- | | |
|---|---|
| 1. New Set Up Screens – 15 to 30 screens instead of 130 |  |
| 2. New Home Page - Organizes key data on a single screen |  |
| 3. Toggle Editions – Make menus look like any other QB product |  |
| 4. Other New Screens - Customer, vendor, employee, reports |  |
| 5. New Database – Faster, but new problems in multi-user mode |  |
| 6. More Users in QB Enterprise – Up from 10 to 15 users |  |
| 7. Permanent Audit Trail – I wish it hit the GL |  |
| 8. Basic Dropped - QuickBooks Basic Edition has been dropped |  |
| 9. Lower Pricing - By \$100, not a feature |  |
| 10. Goodbye Upgrades - Eliminated upgrade pricing options |  |

New in QuickBooks 2005:

Carlton’s Ten Star Rating

- | | |
|---|---|
| 1. Financial Statement Designer – Control indent, add columns |  |
| 2. Working Trial Balance Tool – Uses CPA Work paper formats |  |
| 3. Voided/Deleted Transactions Report – Show voided transactions |  |
| 4. Interactive Tutorials – High quality training videos, voice & pause |  |
| 5. Version Detector – Hover icon to see data file year & edition |  |
| 6. Payroll Enhancements - Do-it-yourself payroll solution |  |
| 7. Enhanced Security - More control over users |  |
| 8. QuickZoom - View retained earnings entries |  |
| 9. Manage Customer Payments Better - streamline AR tasks |  |
| 10. Simple Start Edition – Checkbook caliber version of QuickBooks |  |

See my detailed discussion of these 2008 features at <http://www.QuickBooksAdvisor.com>

Carlton’s QuickBooks Wish List

While I do agree and approve of Intuit’s strategy to keep QuickBooks as simple as possible, there are critical features that I would like for Intuit to add to QuickBooks as follows¹⁷⁸:

1. Quantity-break pricing.
2. Automated e-mail delivery of financial reports based on custom schedule.
3. Dozens more custom user definable fields.
4. More account number segments.
5. ~~Ability to attach electronic documents to transactions.~~ (done in 2010 – thank you)
6. Picture support for inventory items.
7. Automatic allocation calculations and journal entries based on formulas.
8. An integrated web store solution that exports the inventory data (and pictures) right out of QuickBooks to automatically create an online integrated web store.
9. An audit trail that actually hits the general ledger.
10. The ability to schedule automatic delivery of reports to e-mail recipients.
11. The option to have voided checks hit the current period.
12. Ratio reports, including comparisons to industry averages.
13. Automatically hide unused menu items to keep menus simple.



Bio for J. Carlton Collins, CPA

ASA Research Carlton@ASAResearch.com 770.842.5902

J. Carlton Collins, CPA is a Certified Public Accountant with experience in technology, tax, auditing, accounting systems, financial reporting, and bond financing. He is an author, lecturer, and technology & accounting systems consultant. He has published books, articles, and web pages and is the author of the monthly technology Q&A column for the [Journal of Accountancy](#). As a public speaker, Mr. Collins has delivered more than 2,000 lectures in 44 states and 5 countries addressing more than 500,000 CPAs and business professionals. As a consultant, Mr. Collins has assisted 275+ large and small companies with the selection and implementation of accounting systems. Mr. Collins has a Bachelor's degree in Accounting from the University of Georgia, is a 25+ year member of the American Institute of CPAs and the Georgia Society of CPAs, and is also a licensed realtor.

Summary of Selected Positions, Awards & Accomplishments:

1. Honored as one of the CPA Industries Top 25 Thought Leaders by [CPA Technology Advisor Magazine](#)
2. Author of the monthly Technology Q&A column for the [Journal of Accountancy](#).
3. Recipient of the 2012 AICPA Lawler Award for Excellence in professional writing.
4. Recipient of the AICPA's Lifetime Technical Contribution to the CPA Profession Award.
5. Chairman of the Southeast Accounting Show - the South's largest CPA event.
6. Recipient of the Tom Radcliff Outstanding Discussion Leader Award.
7. Named "Top Ten CPA Technologists" by [Accounting Technologies Magazine](#) (multiple years).
8. Named "Top 100 Most Influential CPAs" by [Accounting Technologies Magazine](#) (multiple years).
9. Has personally delivered over 2,000 technology lectures around the world.
10. Recipient of the Outstanding Discussion Leader Award from the Georgia Society of CPAs.
11. Lead author for PPC's Guide to Installing Microcomputer Accounting Systems.
12. Has installed accounting systems for more than 200 companies.
13. Chairperson of the AICPA Technology Conference.
14. Recipient of the ACCPAC Partner of the Year Award.
15. Determined by SAP to be one of the country's "Top Ten Most Influential ERP Systems Consultants".
16. Has delivered keynote and session lectures at dozens of accounting software conferences.
17. Sworn in as a Certified Public Accountant on September 18, 1985.
18. Member of the American Institute of CPAs since 1985.
19. Member of the Georgia Society of CPAs since 1982.

As an auditor, Mr. Collins has audited businesses in the areas of health care, construction, distribution, automobile dealerships, insurance, manufacturing, and general business. Mr. Collins' tax experience includes corporate, individual, partnership, fiduciary, and estate tax planning work. In the area of finance, Mr. Collins has prepared (or assisted in preparing) feasibility studies and financial forecasts for nearly 300 projects seeking more than \$3 billion in startup capital. Mr. Collins is familiar with bond issues, Medicare and Medicaid reimbursement, and conventional financing matters. In 1992, Mr. Collins contributed and demonstrated more than 500 pages of suggested design improvements to the Microsoft Excel development team of programmers - and many of those improvements are found in Excel today.

At the University of Georgia, Mr. Collins was elected President of the Phi Eta Sigma Honor Society, was initiated into the BIFTAD Honor Society, served three years in the Judicial Defender/Advocate program, and was a member of Alpha Tau Omega fraternity. At Glynn Academy High School, Mr. Collins was Senior Class President, Class Valedictorian (1 of 6), and received a principle nomination to Annapolis Naval Academy. Mr. Collins has been married for 27 years and has two children. He devotes his leisure time to family, travel, tennis, fishing, snow skiing, and riding motorcycles (both dirt and street). Mr. Collins is president of his homeowners association, participates in the Gwinnett Clean and Beautiful program, and volunteers for Cooperative Ministries food drive.