

ASA Research

QuickBooks for CPAs



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ENTER THE PARTICIPANT PRIZE DRAWINGS

To show our appreciation to you, we are giving away a technology product each month, and a new Windows 7 computer system at year-end

Prize Code for this Course: TQBNAN

Here at ASA Research, we've given away thousands of door prizes to participants attending our CPE courses, consisting of thousands of copies of Microsoft Office and Peachtree Software, more than seventy-five 21-speed bicycles, hundreds of optical mice, headsets, web cameras, keyboards, computer speakers, copies of virus protection software, and yes, numerous ceramic chickens and other silly stuff. Thousands of attendees have won door prizes and in 2011, we are stepping up the giveaway with a new online giveaway program, which provides you with the opportunity to keep winning long after the course is over. This is our way of saying thank you to our wonderful, loyal attendees.

To enter, visit www.CarltonCollins.com and click on **Prize Drawings** as shown below:



The screenshot shows the website for J. Carlton Collins, CPA - Keynote Speaker. The navigation menu includes 'Prize Drawings', 'About Carlton', 'Carlton's Links', 'QuickBooks', 'Excel', 'Acct. Software', 'Security', 'Inventory', 'Technology', and 'Miscellaneous'. The 'Prize Drawings' menu item is highlighted with a red arrow. The main content area is titled 'Enter Here to Win Prizes' and contains a registration form with the following fields and options:

- First Name:
- Last Name:
- E-Mail Address:
- Prize Code: (Required field - Use the code printed on Page 1 of your course manual)
- Click here to receive our monthly technology tips sent to your e-mail
- Click here to receive notices of low cost online CPE opportunities
- Submit Reset

On the left side, under 'Win Technology Prizes:', there are links for 'Enter here for the Monthly Prize Drawing', 'Join Our Facebook Group for Another Chance to Win', 'Follow Us on Twitter for Yet Another Chance to Win', and 'Try Carlton's NEW Low-Cost Online CPE'. A blue stick figure is also visible on the right side of the form.

Example Prizes



Official Rules & Fine Print

1. Entries are cumulative and do not expire. Each time you enter, your name remains entered. For example, a person who obtains 3 prize codes and enters three times, will have three chances to win each month, every month thereafter.
2. You may enter once for each prize code you receive. multiple times using the unique prize codes printed in each of Mr. Collins' CPE courses you attend, and provided for each online CPE course you take.
3. You must enter a prize code to enter. Prize codes can be obtained by attending a CPE course taught by Mr. Collins, or by taking Mr. Collins' online CPE courses. Bonus prize codes are also awarded occasionally throughout the year to those CPAs who are friends of CPE for CPAs Facebook page and CPAs who follow us on Twitter.
4. A prize will be awarded each month to at least one person, selected at random from among the cumulative entries. An e-mail will be sent to the winner(s) requesting a mailing address for prize delivery.
5. Prizes will continue to be awarded each month until this prize giveaway is terminated. Monthly prizes generally consist of less expensive technology items such as headsets, optical mice, GPS devices, camcorders, cordless keyboards, digital cameras, USB thumb drives, SD flash cards, computer monitors, wireless routers, etc. and will also include an annual grand prize of a new Windows 7 computer system.
6. ASA Research reserves the right to change these rules at any time, without notice. ASA Research reserves the right to terminate this prize giveaway at any time, without notice.

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QUICKBOOKS FOR CPAs

COURSE INFORMATION

Learning Objectives	To increase the productivity of accountants using QuickBooks
Course Level	Intermediate material & advanced material
Pre-Requisites	Basic familiarity with QuickBooks
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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IMPLEMENTING QUICKBOOKS 2011

CHAPTER 1

Implementing QuickBooks 2011

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 staff ⁷. 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 Balances ¹¹. 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 a 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.



EDITIONS OF QUICKBOOKS 2011

CHAPTER 2

Editions of QuickBooks

For 2011 Intuit officially offers 16 different versions of QuickBooks at 61 different price points; however, this is mostly a marketing gimmick because 14 of these versions are merely lighter editions of the primary product which is QuickBooks Accountant's Edition 2010²⁰. 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 reports²¹. As further proof, consider that the Accountant's Edition's appearance can be toggled to look like any of the other products²². 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.

Pricing²³

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 16 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 Simple Start 2011	1 user	\$99.95
2. QuickBooks Pro 2011 (New or Upgrade is same price)	1 user 1 user upgrade 2 users 3 users	\$229.95 \$199.95 \$459.95 \$649.95
3. QuickBooks 2011 for Mac	5 users	\$199.95
4. QuickBooks Accounting Premier 2011	1 user 2 users 3 users	\$399.95 \$749.95 \$995.95
5. QuickBooks Premier Accountant Edition 2011 Productivity Bundle (Includes Intuit Statement Creator, 3 Months Tech Support, One Instance of Data Conversion)	1 user 2 users 3 users 4 users 5 users	\$299.95 \$674.95 \$999.95 \$1,329.95 \$1,674.85
6. QuickBooks Premier Accountant Edition 2011	1 user 3 users	\$249.95 \$725.95
7. QuickBooks Free Online Accounting	1 user	Free
8. QuickBooks Online Simple Start	1 user + accountant	\$12.95/Month ⁽²⁾
9. QuickBooks Online Essentials	1 user + accountant	\$24.95/Month ⁽²⁾
10. QuickBooks Online Plus	3 users + accountant 10 users + accountant 25 users + accountant	\$34.95/Month ⁽²⁾ \$49.95/Month ⁽²⁾ \$79.95/Month ⁽²⁾
11. QuickBooks Enterprise Solution 11.0 - Accountants	5 users	\$3,000.00


	10 users 30 users	\$5,000.00 \$8,000.00
12. Advanced Inventory (with QuickBooks Enterprise)		\$699 per year
12. QuickBooks Enterprise Solution 10.0 – Contractors	5 users 10 users 15 users 20 users 25 users 30 users	\$2,400.00 \$4,000.00 \$5,600.00 \$7,200.00 \$8,800.00 \$10,400.00
13. QuickBooks Enterprise Solution 10.0 - Manufacturers	5 users 10 users 15 users 20 users 25 users 30 users	\$2,400.00 \$4,000.00 \$5,600.00 \$7,200.00 \$8,800.00 \$10,400.00
14. QuickBooks Enterprise Solution 10.0 - Retail	5 users 10 users 15 users 20 users 25 users 30 users	\$2,400.00 \$4,000.00 \$5,600.00 \$7,200.00 \$8,800.00 \$10,400.00
15. QuickBooks Enterprise Solution 10.0 – Professional Services	5 users 10 users 15 users 20 users 25 users 30 users	\$2,400.00 \$4,000.00 \$5,600.00 \$7,200.00 \$8,800.00 \$10,400.00
16. QuickBooks Enterprise Solution 10.0 – Wholesales & Distributors	5 users 10 users 15 users 20 users 25 users 30 users	\$3,000.00 \$5,000.00 \$7,000.00 \$9,000.00 \$11,000.00 \$13,000.00
Other Related QuickBooks Products and Services ⁵		
17. Online Payroll		\$17.00 Per Month
18. Basic Payroll	3 payees Unlimited payees	\$11.00 Per Month Plus \$1.05 Per Paycheck \$20.00 Per Month Plus \$1.05 Per Paycheck
19. Enhanced Payroll	3 payees Unlimited payees	\$17.00 Per Month Plus \$1.05 Per Paycheck \$24.00 Per Month Plus \$1.05 Per Paycheck
20. Assisted Payroll Monthly Service fee One Time Set Up Fee Direct Deposit W-2 Printing		\$60.00 Per Month \$49.00 One Time \$1.05 Per Paycheck \$40.00 + \$4.25 Per W-2




Additional State Fee		\$10 / Month Per State
21. QuickBooks Cash Register Plus Free Edition		Free
22. QuickBooks Point-of-Sale Basic 9.0	1 store	\$899.95
23. QuickBooks Point-of-Sale Basic 9.0 (Upgrade Pricing)	1 store	\$599.95
24. QuickBooks Point-of-Sale Basic - Peripherals Bundle 9.0	1 store	\$1,499.95
25. QuickBooks Point-of-Sale Pro 9.0	1 store	\$1,299.95
26. QuickBooks Point-of-Sale Pro 9.0 (Upgrade Pricing)	1 store	\$799.95
27. QuickBooks Point-of-Sale Pro with Peripherals Bundle 9.0	1 store	\$1,899.95
28. QuickBooks Point-of-Sale Pro 9.0	Multiple stores	\$1,699.95
29. QuickBooks Point-of-Sale Pro 9.0 (Upgrade Pricing)	Multiple stores	\$999.95
30. QuickBooks Point-of-Sale Pro with Peripherals Bundle 9.0	Multiple stores	\$2,299.95
31. QuickBooks Time Tracker	1 user 2-5 users 6-10 users 11-20 users 21-50 users 51-100 users 101-200 users	\$10 Per Month \$25 Per Month \$50 Per Month \$75 Per Month \$100 Per Month \$150 Per Month \$200 Per Month
32. Remote Access – QuickBooks Only Access	1 computer 10 computers	\$3.95 Per Month \$29.95 Per Month
33. Remote Access – Entire Computer Access	1 computer 10 computers	\$7.95 Per Month \$69.95 Per Month
34. Bill Pay Service	20 payments 10 add'l payments	\$15.95 Per Month \$6.95 Per Month
35. Shipping Manager		Free
36. Website	5 web pages	\$4.99 Per Month
37. Online Backup Service	5 GBs of data 25 GBs of data 75 GBs of data	\$4.95 Per Month \$14.95 Per Month \$24.95 Per Month
38. Intuit Statement Writer		\$150


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.*




QUICKBOOKS COMPARISON TABLES

Intuit QuickBooks Small Business Accounting Solutions

PC Desktop Solutions			Mac Desktop	Online
 <p>QuickBooks Pro 2011 Starting from \$229.95</p> <p>For clients who are up and running, QuickBooks Pro 2011 helps save time with new features like batch invoicing, QuickBooks Search, launch QuickBooks in seconds, and more.</p>	 <p>QuickBooks Premier 2011 Starting from \$399.95</p> <p>For clients who are established and expanding, QuickBooks Premier 2011 offers tools tailored to their industry and new features like Track Balance Sheet by Class to improve their bottom lines.</p>	 <p>QuickBooks Enterprise Solutions Starting from \$600/user</p> <p>For clients growing in size and complexity, QuickBooks Enterprise 11.0 delivers an advanced accounting system, now with multi-location inventory tracking,^[1] and more.</p>	 <p>QuickBooks Mac 2011 Starting from \$229.95</p> <p>For Mac-based clients who are up and running, QuickBooks 2011 for Mac now comes in a 3-User Edition^[2] and includes new tools that save time on back office tasks.</p>	 <p>QuickBooks Online Free for 30 days Starting from \$12.95/mo</p> <p>The web-based approach to QuickBooks that makes it easy for you and your clients to fully access QuickBooks, anytime, anywhere — now offers inventory tracking, purchase orders,^[3] and more.</p>

PC DESKTOP SOLUTIONS		 Pro 2011 From \$199.95	 Premier 2011 From \$359.95	 Enterprise Solutions 11.0 From \$2,400
Maximum number of simultaneous users (1 user included; fees apply for additional licenses)		3	5	30
Maximum number of inventory items, employees, customers and vendors ¹		14,500	14,500	100,000+
NEW! Four new built-in reports		100	100 + industry	150 + industry
NEW! Batch invoicing lets clients create a template once and invoice many customers at once		•	•	•
NEW! Quickly prioritize customers with the new Customer Snapshot		•	•	•
NEW! Quickly locate any account, report or invoice in QuickBooks Search		•	•	•
NEW! Stay on top of receivables and email collection notices with Collections Center ²		•	•	•
NEW! Send invoices and estimates right from business Yahoo!®, Gmail™ or Hotmail® account ²		•	•	•
NEW! Keep track of vendors' remittance addresses with a convenient new field		•	•	•
NEW! Access basic QuickBooks customer and transaction data online from PC, iPhone® or BlackBerry® with QuickBooks Connect (sold separately) ³		•	•	•
IMPROVED! Mark which invoices have been paid with the Paid Date stamp		•	•	•
Integrates with Intuit® Payroll Services (sold separately)		•	•	•
Integrates with QuickBooks Merchant Services (sold separately)		•	•	•
Back up client-company data or entire PC online with Intuit Data Protect (sold separately in Pro/Premier) ⁴		•	•	Included in Full Service Plan
Securely store electronic documents linked to QuickBooks online with QuickBooks Attached Documents (sold separately in Pro/Premier) ⁵		•	•	Included in Full Service Plan
Forecast sales and expenses			•	•
NEW! Track balance sheet by class			•	•
NEW! Create custom reports with ODBC-compliant applications using a new direct connection to the QuickBooks database (applications sold separately)				•
NEW! Work in two company files at one time ⁶				•
NEW! Track inventory in multiple locations with Advanced Inventory (sold separately) ⁷				•
Restrict individual user access to specific reports, bank accounts, lists and activities				•
Connect multiple locations and remote workers via Remote Desktop Services ⁸				•
Combine reports from multiple company files ⁹ and create professional financial statements ¹⁰				•
Unlimited technical support and access to U.S.-based product experts for one year ¹¹				•
Adjust inventory, delete list items and change sales tax rates while in multi-user mode				•

MAC® DESKTOP SOLUTIONS		 QuickBooks 2011 for Mac From \$199.95
NEW! 3-User Edition grows with your client's business ¹²		•
NEW! Track job-related mileage by job or by vehicle		•
NEW! Layout Designer templates for creating professional-looking forms ¹³		•
NEW! Free Little Square online magazine gives tips and advice ¹⁴		•
Integrates with Intuit Payroll for Mac (available separately)		•
Integrates with QuickBooks Merchant Services for Mac (available separately)		•

<p>ONLINE SOLUTIONS</p>	 <p>QuickBooks Online Simple Start Free for 30 days, \$12.95/month (or \$129.95/yr in retail)</p>	 <p>QuickBooks Online Essentials Free for 30 days, \$24.95/month</p>	 <p>QuickBooks Online Plus Free for 30 days, \$39.95/month</p>
Maximum number of simultaneous users ¹⁵	1 user + your accountant	3 users + your accountant	New! 5 users + your accountant
NEW! Works on Internet Explorer, Firefox, Safari, and Chrome ¹⁶	•	•	•
NEW! Works on iPhone, BlackBerry, and Android ¹⁷	•	•	•
Automatic backup	•	•	•
Customer support included	Email support included ¹⁸	Call-back and chat support included	Call-back and chat support included
Create professional-looking invoices, then print or send them via email	•	•	•
Track sales and expenses	•	•	•
Apply sales tax	•	•	•
IMPROVED! Customer Center	•	•	•
Get a clear picture of how your business is doing with easy-to-read reports	20	40	65+
Report customization	Limited	Complete	Complete
Export data to Excel ¹⁹	•	•	•
NEW! Import customer data from Excel	•	•	•
Track payments and print checks	•	•	•
Can add Payroll for QuickBooks Online (sold separately)	•	•	•
NEW! Business trends for your industry		•	•
NEW! See how your company is doing at a glance and compare with others in your industry with Customer Snapshot and Customer Scorecard		•	•
Enter and manage bills		•	•
Import data from QuickBooks desktop software ²⁰		•	•
Download the most up-to-date transactions from your bank with online banking ²¹		•	•
Automated invoicing		•	•
Permission controls		•	•
Custom fields		•	•
Process your bills on the go, and schedule payments for later with delayed and recurring billing		•	•
Create estimates		•	•
NEW! Create and print or email purchase orders right from your QuickBooks Online account			•
NEW! FIFO-based inventory tracking			•
Track sales and profitability by business location			•
Categorize income and expenses separately for different parts of your business with class tracking			•
Track employee-time spent on a project so you can bill customers for that time and prepare 1099 forms for subcontractors			•
Charge sales tax			•
Budgeting and planning			•



QUICKBOOKS CPA ESSENTIALS

“WHAT CPAs SHOULD KNOW”

CHAPTER 3

ESSENTIALS

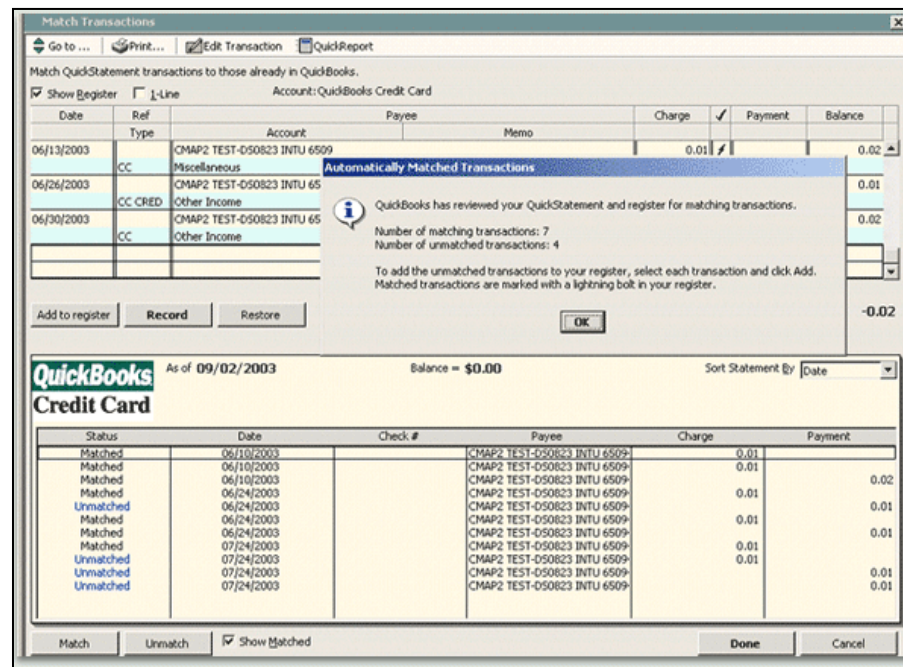
This course is designed to be an intermediate to advanced CPE course, and it is promoted in the state CPA society and association literature that way. Therefore, we will purposely ignore basic QuickBooks instruction such as setting up a customer or vendor. Instead, this chapter focuses on those aspects of QuickBooks 2011 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.



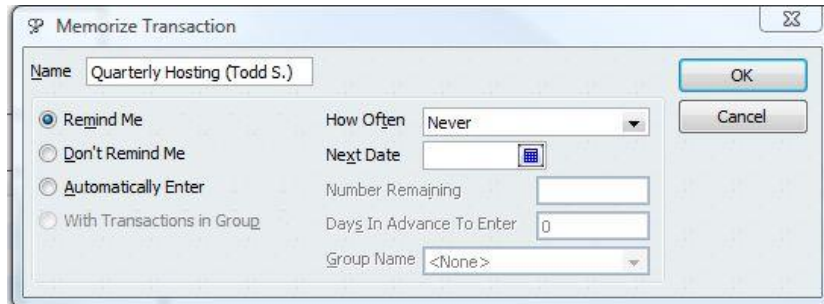
In the end, all this process really does is prevent you from having to input the date, description and amount for each credit card transaction – but that is enough. The result is that it saves time and improves accuracy.

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.



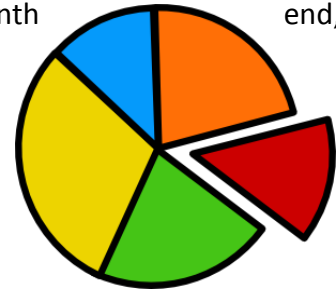
2. **Recurring Apartment Rent Collections**³⁴ – Each month an apartment building sends out 400 invoices to collect the rent from their 400 tenants. Instead of producing 400 invoices each month, have QuickBooks do the work for you.



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 week³⁷. 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:

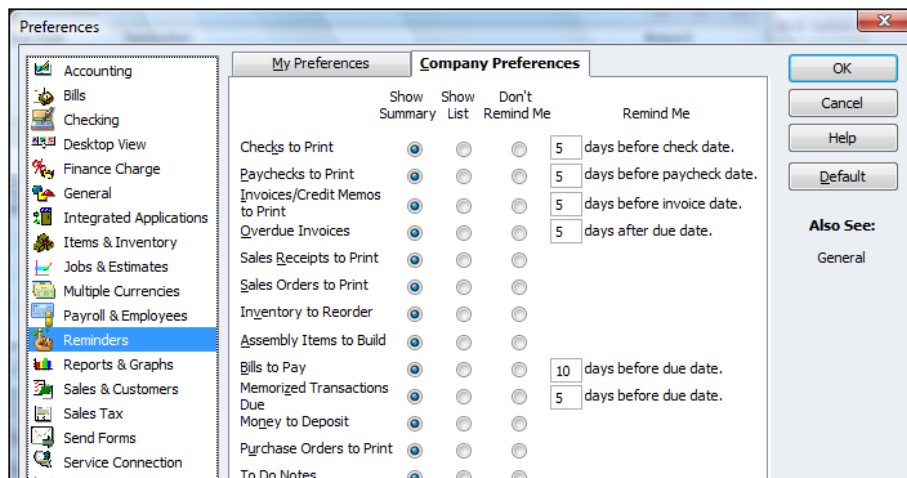
	Monday	Tuesday	Wednesday	Thursday	Friday
8:00 AM					
9:00 AM					
10:00 AM		Bills Entered		Bills Entered	Credit Memos Processed
11:00 AM					Statements Sent
12:00 PM					
1:00 PM			Sales Orders Processed		Sales Orders Processed
2:00 PM			Process Payroll	Sales Orders Processed	Payroll Mailed
3:00 PM	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.

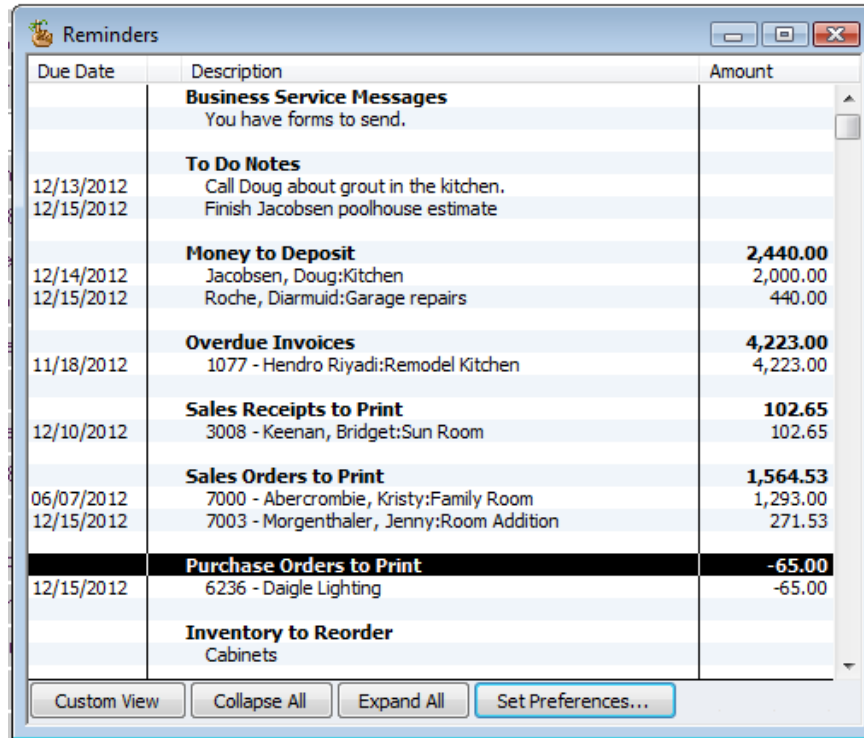
4. Reminders

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:



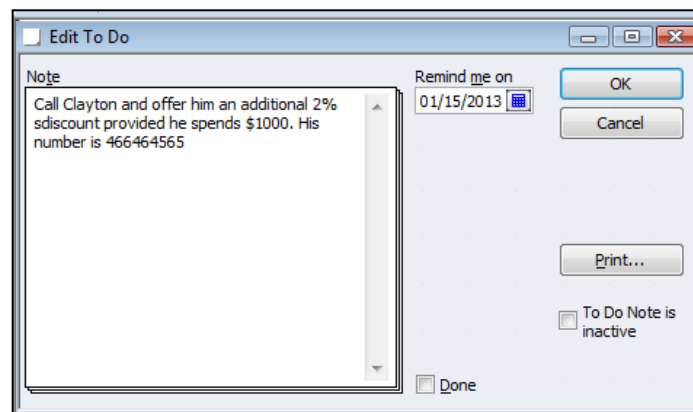
View your Reminders List - Once you set up your Reminders preferences, your Reminders will be displayed as follows:



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 List**⁴⁰; they will not be displayed until they are due.



Edit To Do

Note

Call Clayton and offer him an additional 2% discount 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.

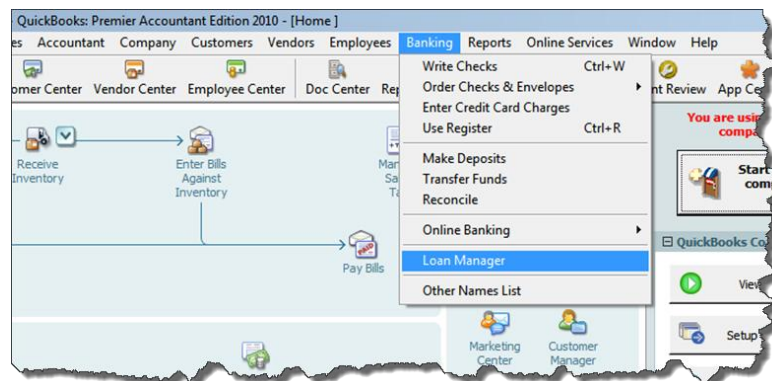
Examples⁴² – Presented below are a list of possible “To Do” notes you might set up in your Reminder’s list.

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

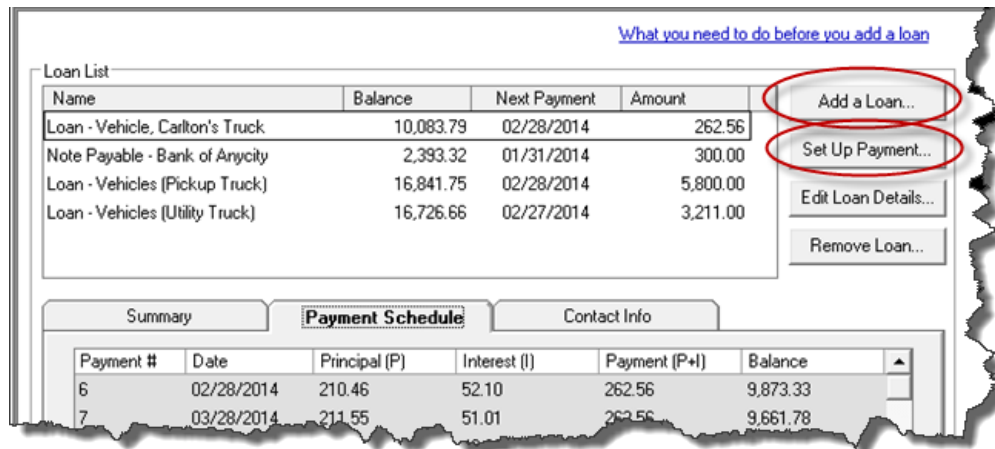
When it comes to recording loan payments, many small businesses record the transaction improperly. Often, they incorrectly debit the outstanding loan balance by the full amount of the payment instead of separating the loan payment into the proper interest and principal portions. Even bookkeepers who 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.

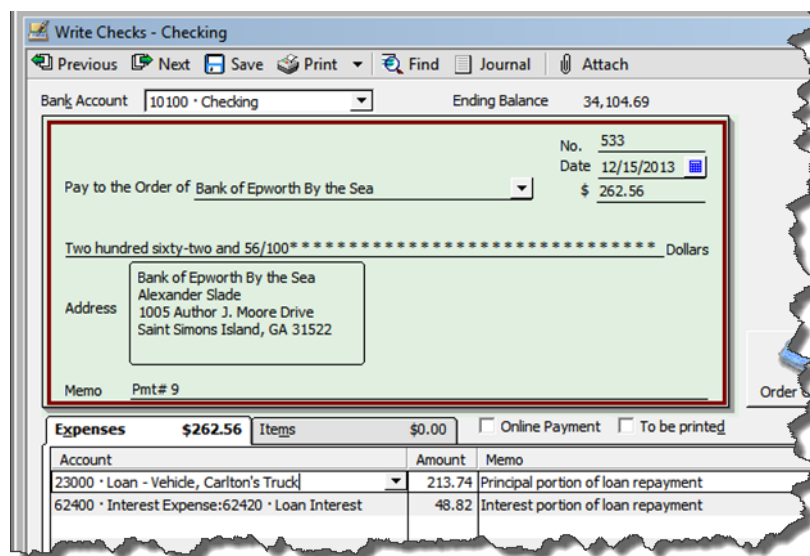


This action will open **Loan Manager**. Click the **Add a Loan** button to set up each outstanding loan. At a minimum, for each loan you will need the account name, lender name, origination date, original loan amount, interest rate, payment amount, number of periods, payment account and due date of the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



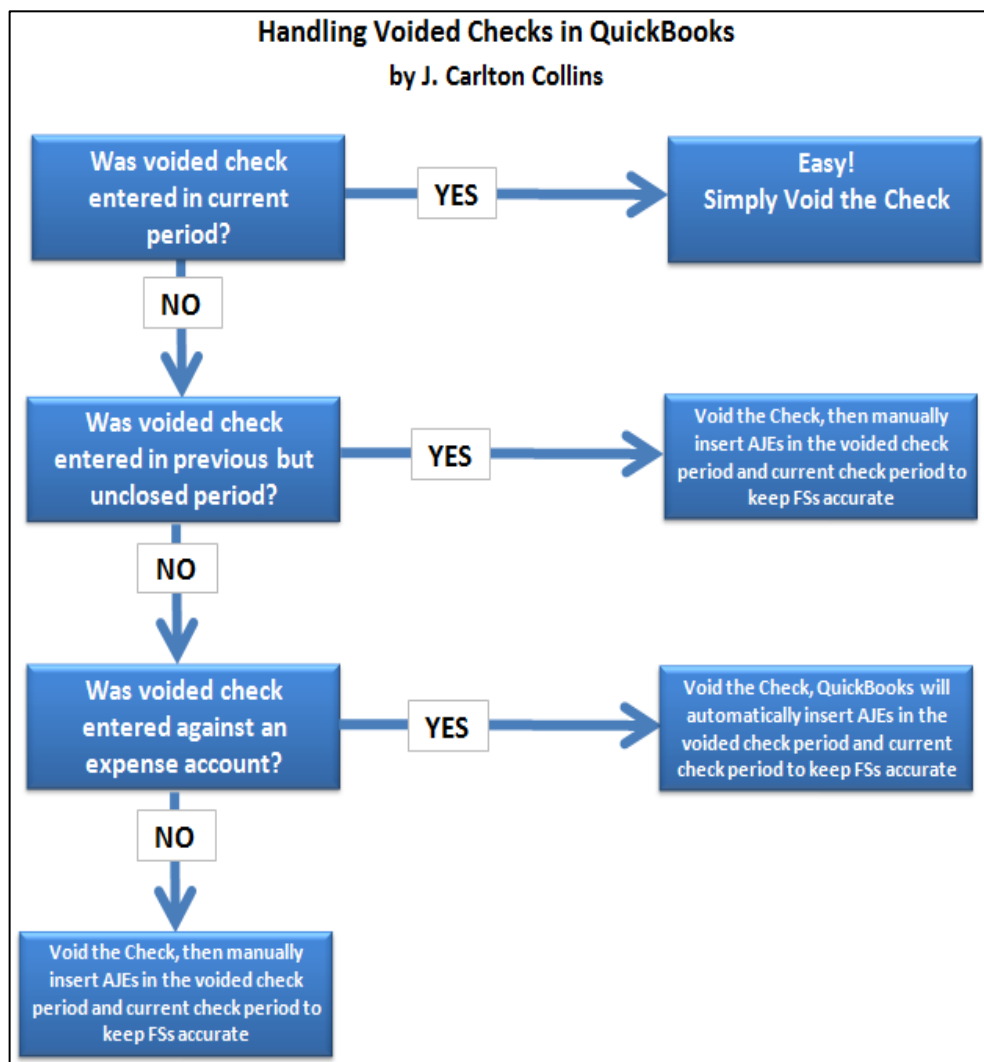
Using this tool, your bookkeeper will be able to generate the necessary loan payment transactions correctly; and then, you and your bookkeeper will be off the hook.

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 occurs⁴⁶. 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

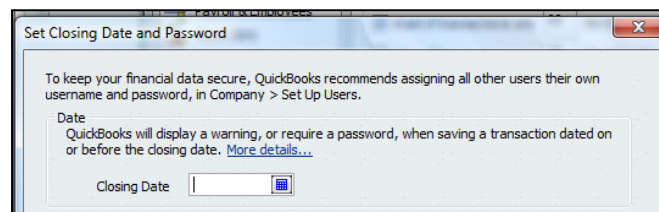
At a minimum, the missing document reports you should check regularly include the following:

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

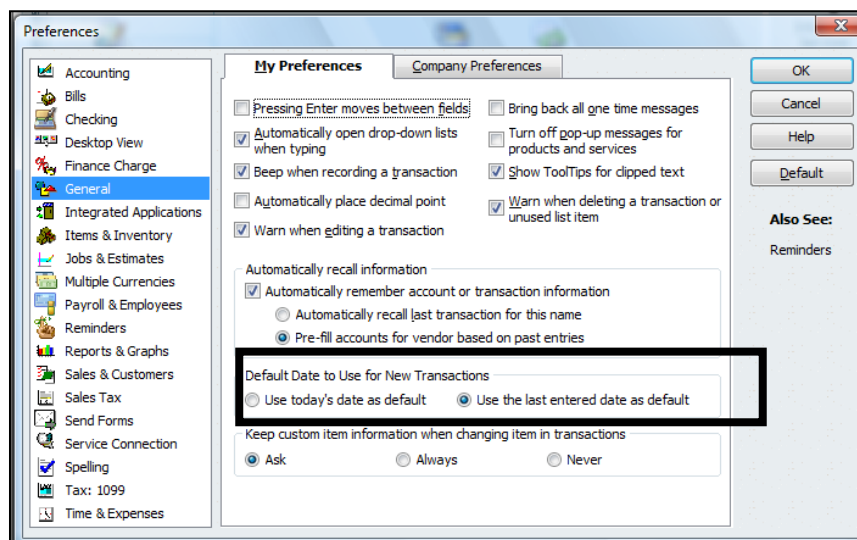
A common problem is that QuickBooks users can easily make changes to prior periods either intentionally, or unintentionally. You can just as easily prevent prior period changes from being made by taking the following four steps⁴⁹:

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 Setting⁵⁰

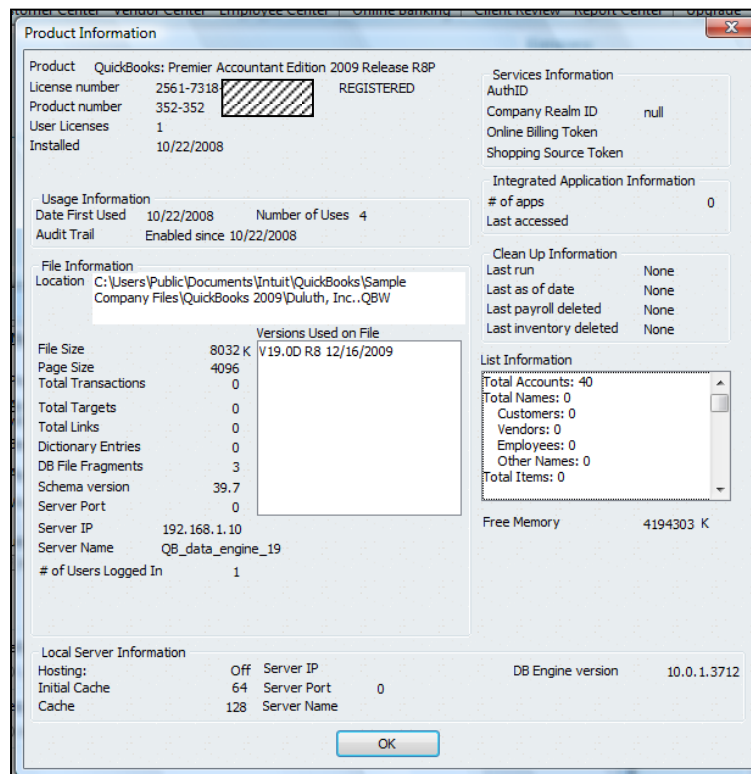
Prior to QuickBooks 2008, the default date setting for date fields in QuickBooks was set to “Use the Last Entered Date as the Default”, instead of “Use Today’s Date as Default”. This older setting often led to problems when a user would enter a prior date for legitimate reasons, but fail to change the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

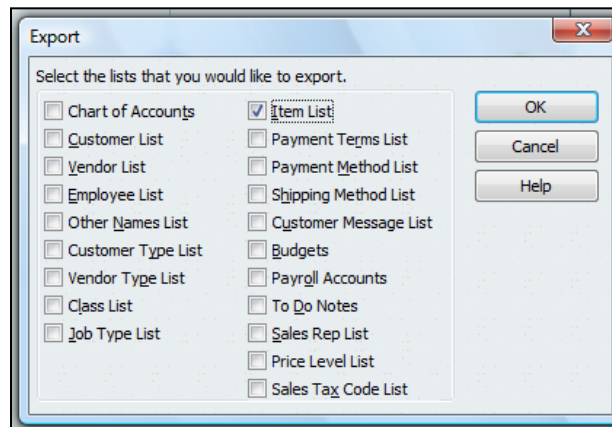
1. **The QuickBooks Edition and Year**
2. **Data File Location**
3. **Product or Serial Number**
4. **License Number**
5. **File Size** - For QuickBooks Pro or Premier, file sizes of 200 to 500 MB indicates that the company is outgrowing QuickBooks. For QuickBooks Enterprise, files sizes of 1 GB or larger 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"/>
	<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.

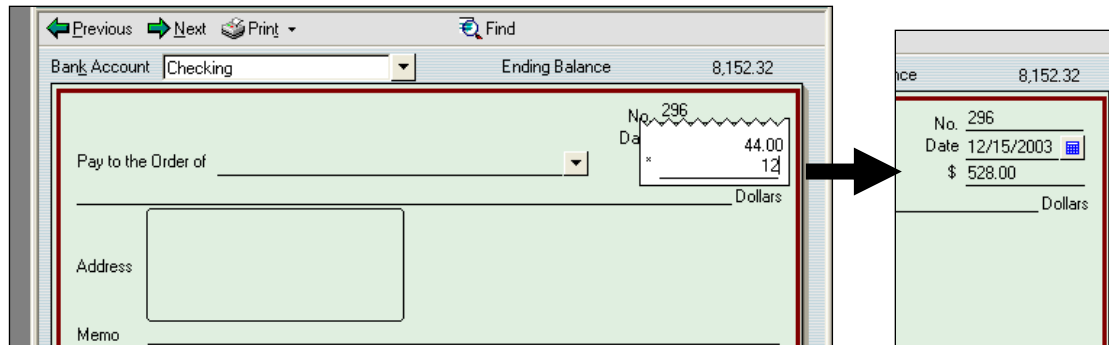
All organizations have the need to collect, maintain, and report specific unique information about customers, inventory items, vendors, employees, etc. The ease in which QuickBooks meets complex customization needs is frequently a deciding factor in the accounting software purchase decision – it is a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

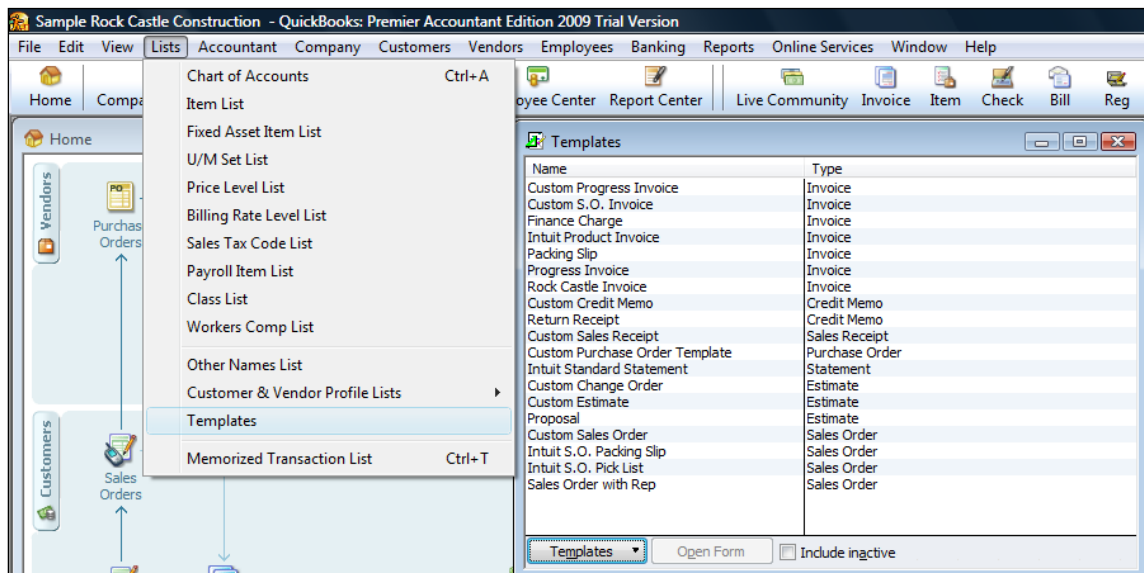
- 1. Insurance Payment** - When you pay the insurance 6 months in advance, do you set it up as an asset and write off one-sixth's worth each month? *If the candidate looks at*

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.



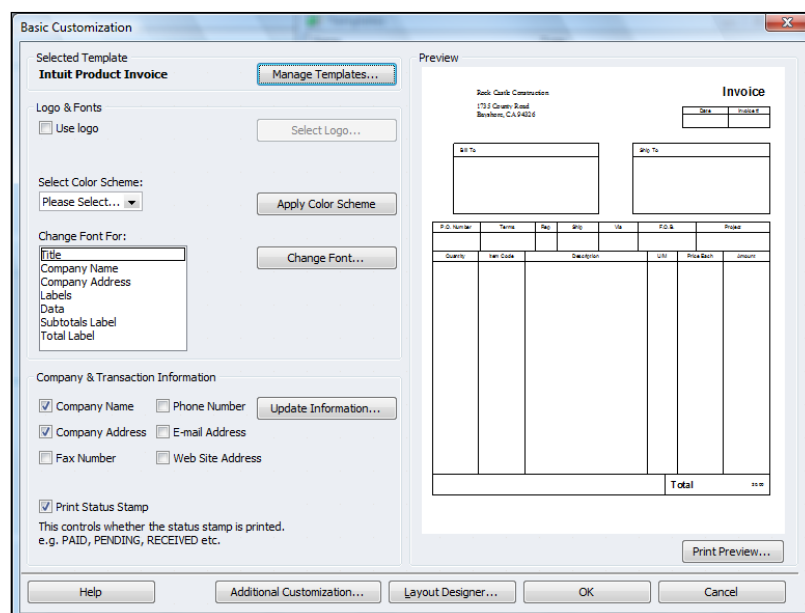
Why Edit Your Templates?

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.

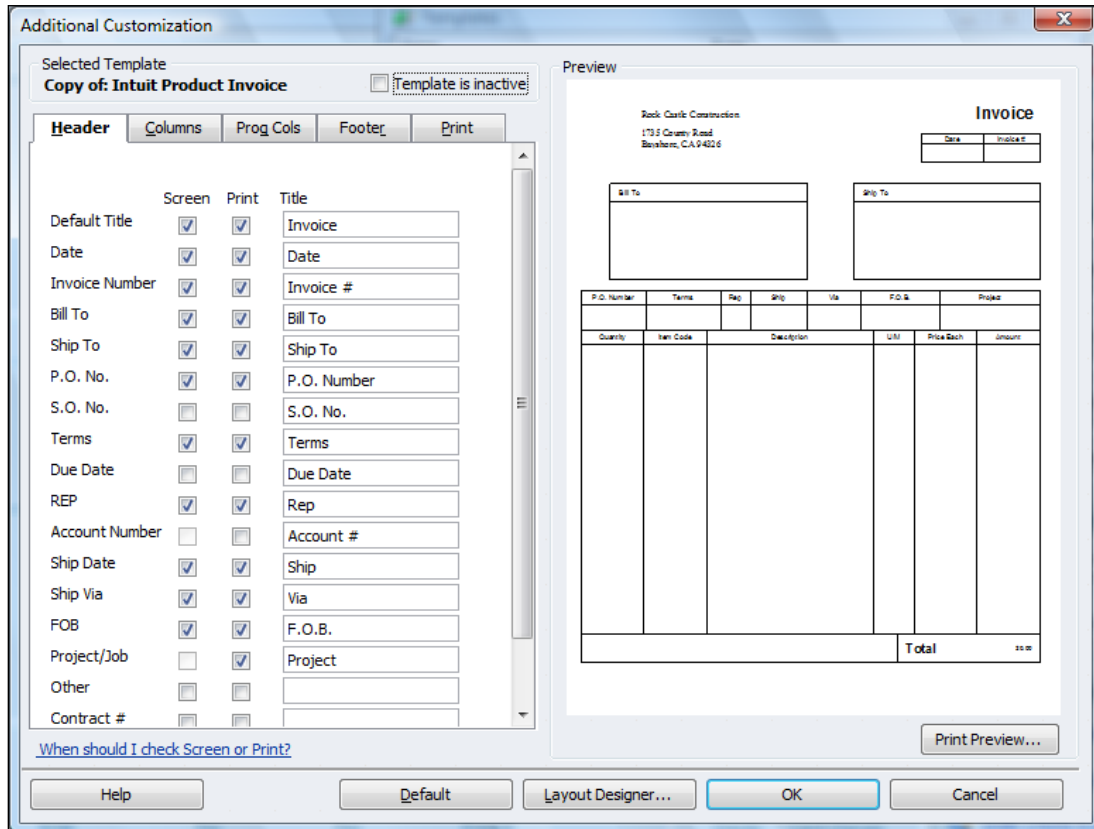
Note - Prior to 2005, this feature was complicated to use because users had to first make a duplicate of the original template, and then edit that duplicate in order to have complete access to all of the customization tools. However, that issue has been cleaned up and is no longer a problem unless you 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

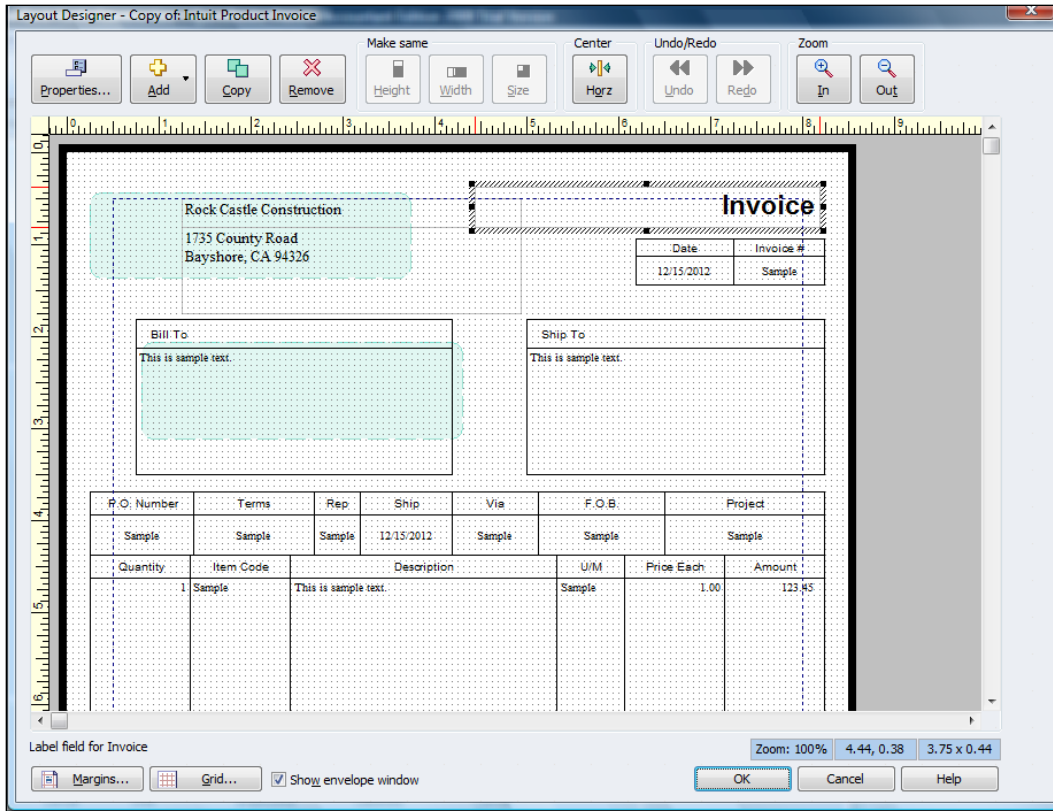


At this stage, you might drop in a company logo and include your company phone number and e-mail address on the invoice. However the serious editing takes place only after you click the “Additional Customization” button at the bottom of the screen (shown above). This more powerful editing screen is shown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

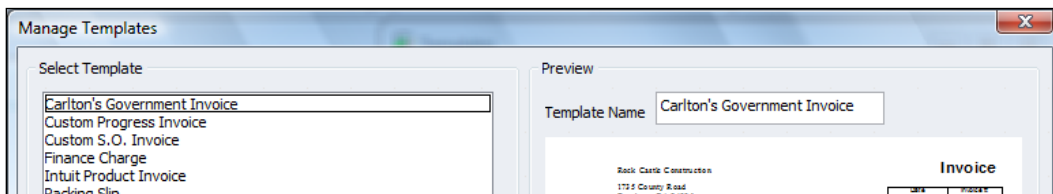


At a minimum, you should move the send to address box over and down a little bit so that it fits properly in the standard Intuit Window envelopes. Next scan the data list and place a check mark next to any other elements you would like to appear on the template – depending upon the business, there may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

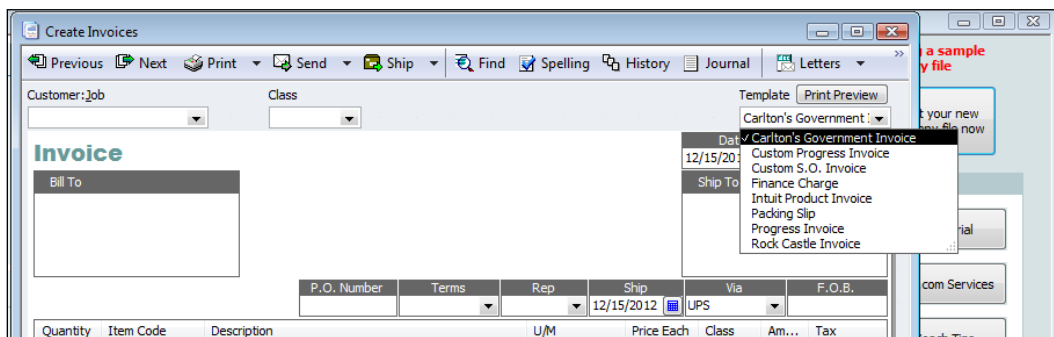
The layout designer tool shown below enables you to resize and move form elements around. This step is necessary because QuickBooks throws different elements on the template as you add them, but not necessarily in the right places. You need to visit the layout to make sure that no items overlap or are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

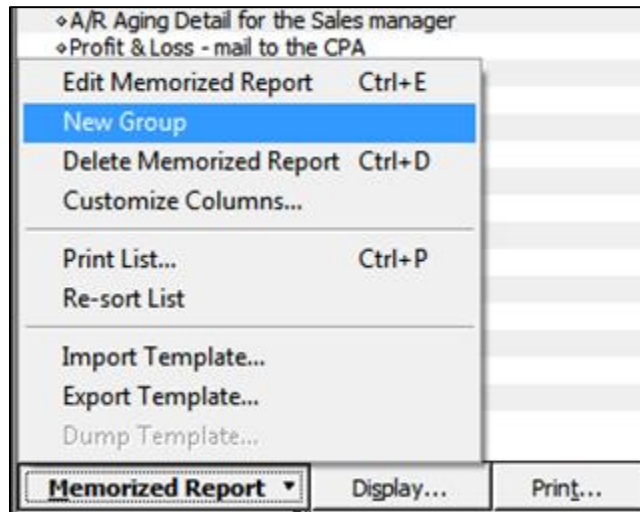
- a. Modify Date Report Using English Phrases ⁷⁸
- b. Modify Dates Using date Ranges (Not Recommended) ⁷⁹
- c. Add Columns ⁸⁰
- d. Drill Report ⁸¹
- e. Stratify Reports (ie: by customer and job; by inventory item detail) ⁸²
- f. Filter Reports ⁸³
- g. E-Mail Report (QuickBooks Now Uses Outlook) ⁸⁴
- 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?

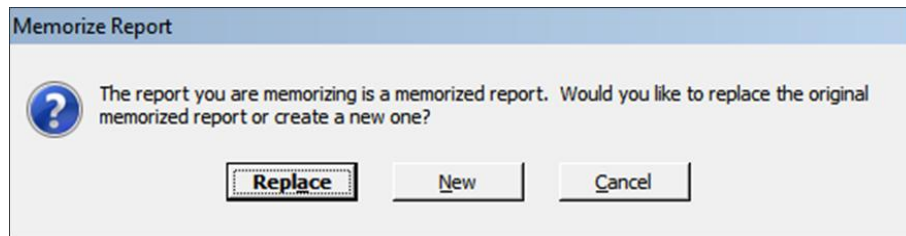
The accounting system should function exactly as described above, but the bookkeeper is correct too, it does take a great deal of time to produce all of the required reports, even for a smaller sized business. QuickBooks provides a good solution called **Process Multiple Reports** which could solve your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

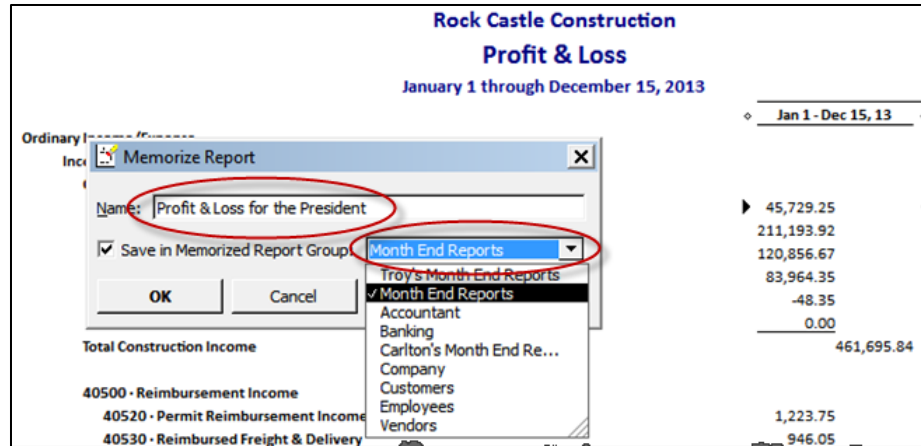
Report List (shown below) and select **New Group**. Name the new group **Month End Reports** and then select **OK**.



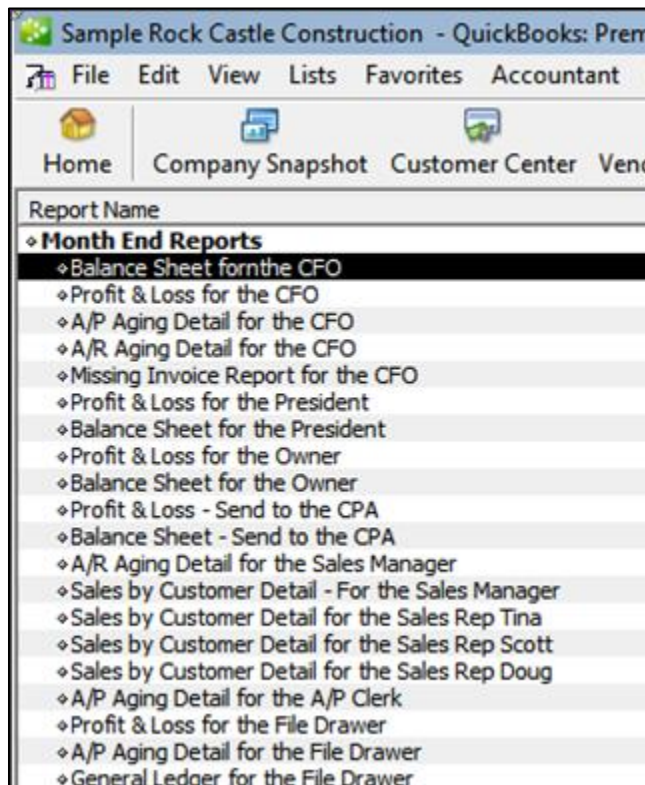
2. Next, open each report that you would like to produce at month end and memorize that report into the new **Month End Reports Group** as follows:
 - a. Launch a report that you want produced each month;
 - b. Customize that report to include the desired columns, date ranges, filters, etc.;
 - c. Click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

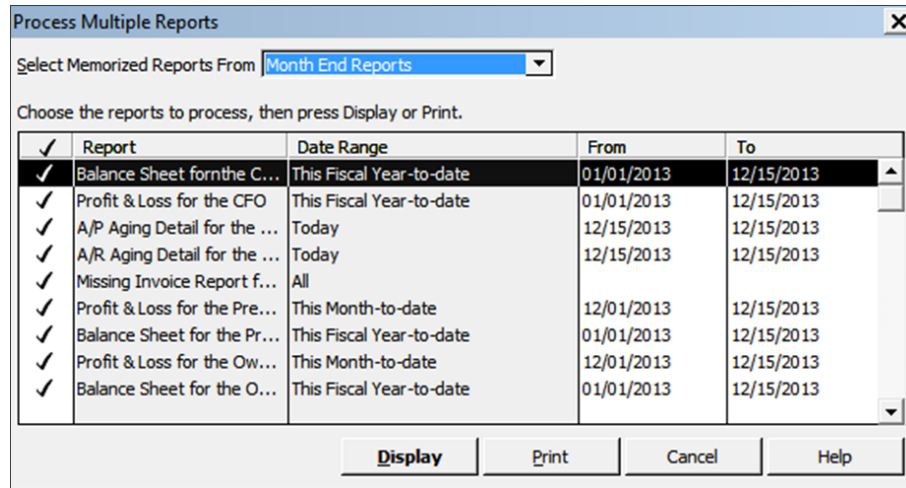


- e. Repeat the above process until you have memorized each report to be produced at month end, including duplicates of the same report for distribution to different personnel. Be sure to include the name of the intended recipient in the report title name so it will be easier for a staff person to distribute 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.



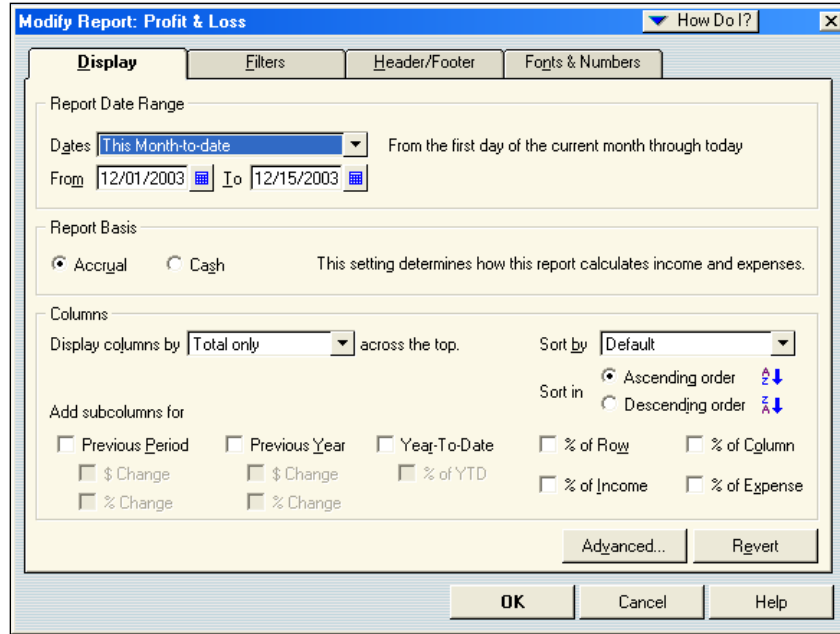
Select the desired group to be printed from the **Select Memorized Reports From** drop down box at the top of the dialog box, and click the **Print** button.

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.

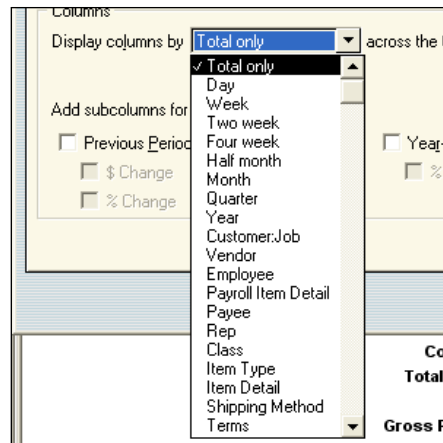
Reporting Tools - Once you have printed a report to the screen, the real reporting power of QuickBooks starts to shine. As shown in the screen below, buttons at the top of each report make it easy to modify, memorize, print, or export the report to Microsoft Excel.



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, with columns for Family Room (Baker, Chris), Total Baker, Chris, 2nd story addition (Cook, Brian), and Change Order #1 (Batches). The second screenshot shows the same report with columns for 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.

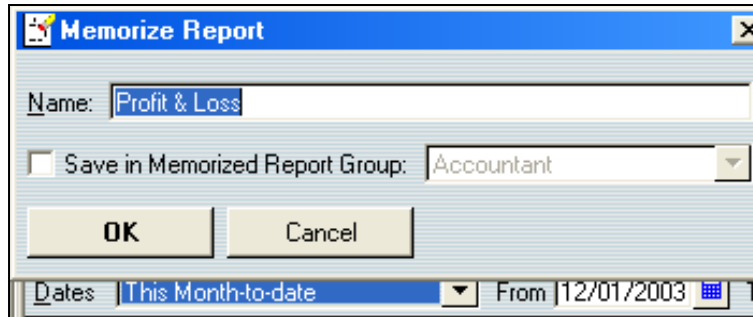
Drilling Reports – One of QuickBooks' best reporting features is the ability to drill down. Just double click on any number you see in QuickBooks to see the details for that number. Keep clicking until you reach the source document.

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.

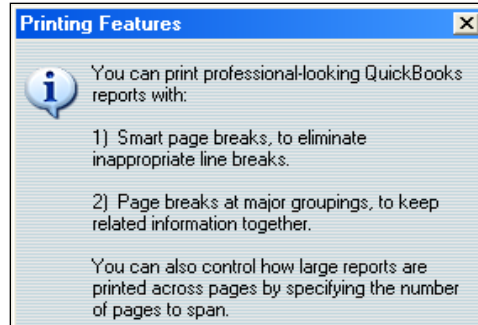
However, there is a problem with turning on account numbers because many CPAs don't want the account numbers to be displayed in the financial statements and reports. To solve this problem, there is an option to hide them in a report, but you must be logged in as the administrator and running in single 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:

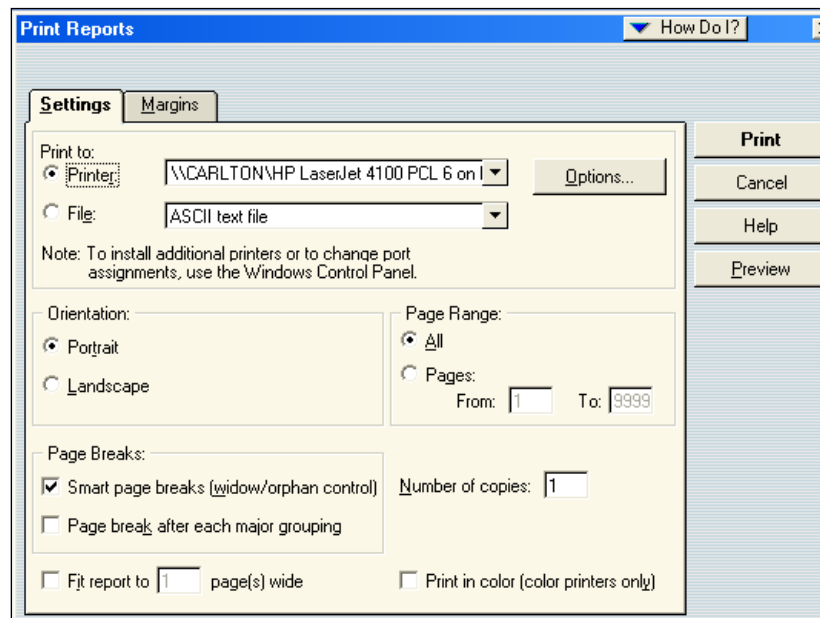
- a. First, edit all account descriptions
- b. Next, select "Show Reports Based on Description Only" from the preferences screen.

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:

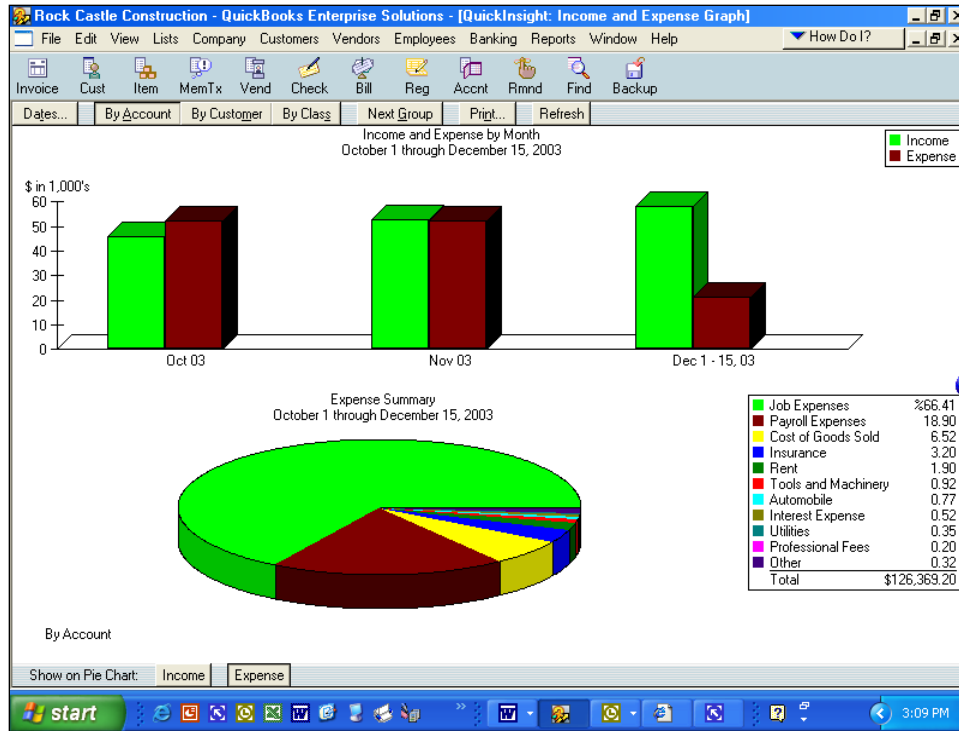


Once you print a report, you will find a wide number of print options available – some of which will differ slightly depending upon the printer you are printing to.



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.

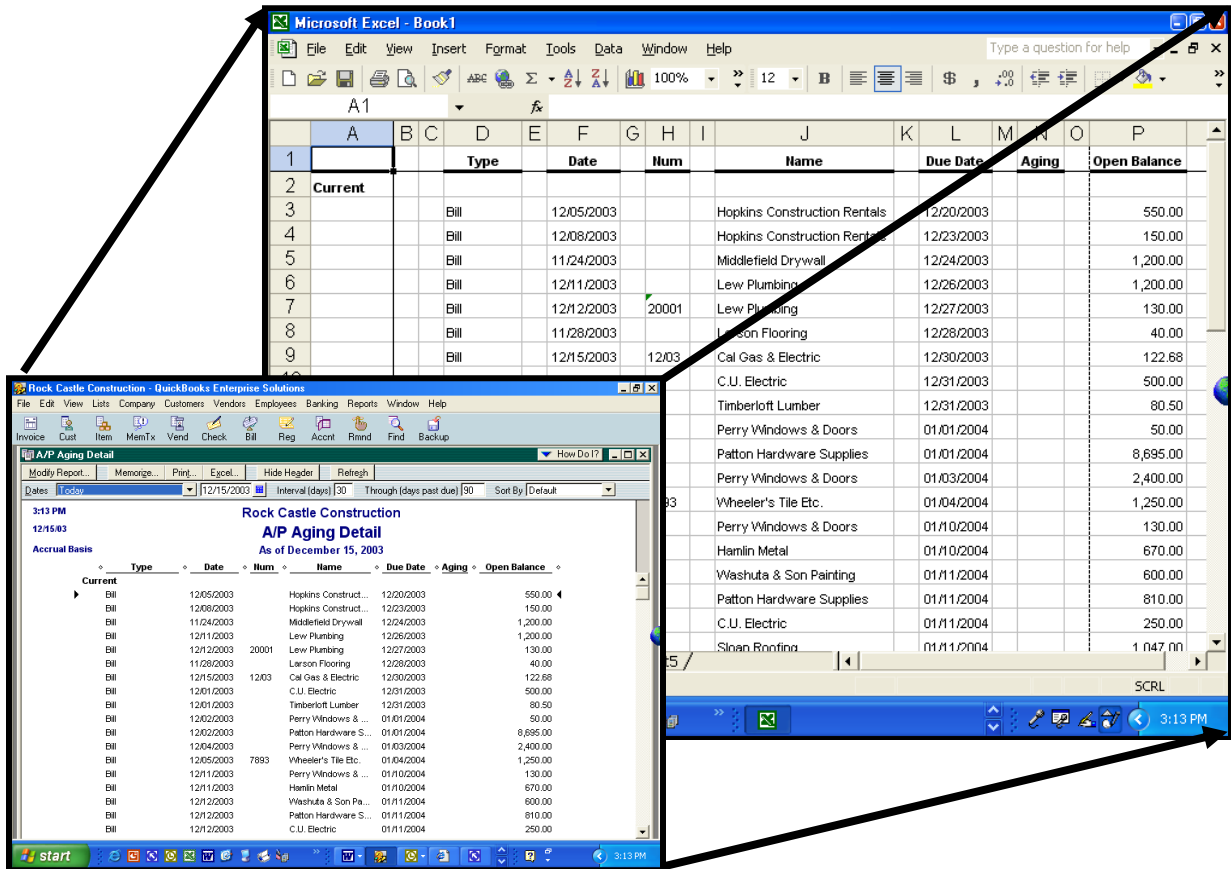


As discussed, the reports menu shown below provides access to the same reports as does the Report Center, and does it a little quicker.

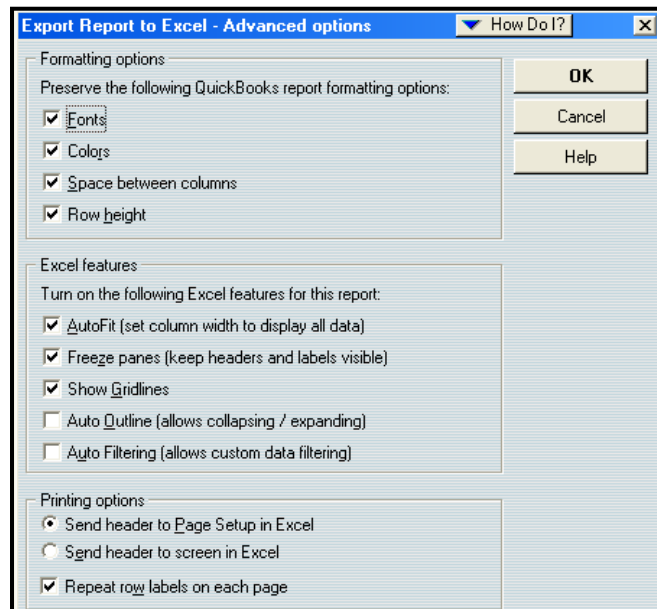
The screenshot shows the 'Reports' menu in QuickBooks Enterprise Solutions. The menu is open, displaying a list of report categories and specific report names. The 'Company & Financial' category is highlighted. The menu items are as follows:

- Report Finder
- Memorized Reports
- Process Multiple Reports
- Combine Reports from Multiple Companies
- Company & Financial**
 - Customers & Receivables
 - Sales
 - Jobs & Time
 - Vendors & Payables
 - Purchases
 - Inventory
 - Employees & Payroll
 - Banking
 - Accountant & Taxes
 - Budget
 - List
 - Expert Analysis
- Custom Summary Report
- Custom Transaction Detail Report
- QuickReport (Ctrl+Q)
- Transaction History
- Transaction Journal

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.



4. 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.

5. Department Accounting

a. 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

b. 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 feature⁹⁴, which is listed in the Accounting section of the Preferences window.

You can only use the QuickBooks “Class” feature to establish a single segment⁹⁵ (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 column⁹⁶. 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.

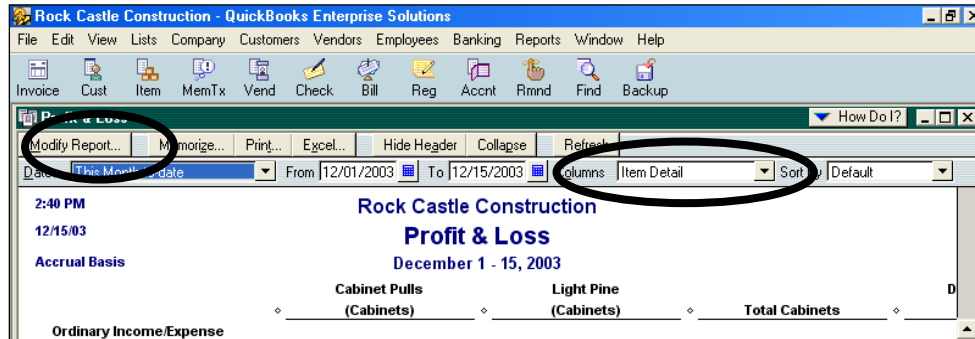
Reporting by Class - There are two different types of reports you can run from the Class List screen– 1. Individual Class Reports; and 2. Reports for all Classes. To report on a single class:

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:

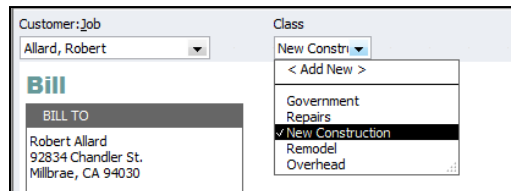
1. **Other** - Used to record revenue or expense transactions that are not related to a specific partner.
2. **Split** - Used to record revenue or expense transactions that are related to two or more specific partners, and is to be allocated later using some predetermined formula.

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 Payable ¹⁰⁰ – 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.

Type	Date	Num	Adj	Name	Mem	Class	Debit	Credit	Balance
Government									
Invoice	12/15/2012	1126		Abercrombie, Kristy					0.00
Total Government							792.00	0.00	792.00
New Construction									
Invoice	12/01/2012	1088		Robson, Darci Rob...					268,562.31
Invoice	12/01/2012	FC 5		Nguyen, Tuan Gar...	Finance				269,007.31
Invoice	12/05/2012	1089		Violette, Mike/Work...					269,044.89
Invoice	12/10/2012	1090		Pretell Real Estate...					274,777.12
Invoice	12/15/2012	1097		Robson, Darci Rob...					276,492.12
Invoice	12/15/2012	1127		Allard, Robert					288,913.10
Total New Construction							20,850.79	0.00	289,413.10
Remodel									
Invoice	11/30/2012	1086		Ecker Designs Off...	Remodel		1,468.30		337,465.05
Credit Memo	12/01/2012	4002		Abercrombie, Kris...	Remodel			711.15	338,933.35
Invoice	12/01/2012	1087		Roche, Darruid G...	Remodel		440.00		338,222.20
Invoice	12/15/2012	1091		Abercrombie, Kris...	Remodel				338,662.20
Invoice	12/15/2012	1092		Campbell, Heather...	Remodel		4,522.00		343,184.20
Invoice	12/11/2012	FC 6		Cook, Brian/Kitchen	Finance		13,900.00		357,084.20
Invoice	12/12/2012	1093		Lew Plumbing - C...	Remodel		5.95		357,090.15
Invoice	12/14/2012	1094		Natiello, Ernesto K...	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.

6. 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:

a. You can try it for free here: <https://qbo.intuit.com/redir/trialperiod>. ¹⁰²

b. 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

c. No up-front cost to purchase software or a new server ¹⁰⁴.

d. No software installation effort ¹⁰⁵. Just login and start setting up your data.

e. No annual upgrade fees or upgrade effort ¹⁰⁶.

f. QuickBooks Online is NOT QuickBooks *online*. It is similar, but not the same ¹⁰⁷.

g. The Higher-end database never slows down, not even with 1 million records ¹⁰⁸.

h. It is instantly accessible from multiple locations, including work from home employees, traveling sales representatives, etc ¹⁰⁹.

i. Data is secured via 128 bit encryption.

j. QuickBooks Online has built-in world class facility, firewalls, virus protection ¹¹⁰.

k. Server is mirrored.

l. Back ups are included ¹¹¹.

m. 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 'Questions before you buy? Call 1-800-286-6800' button, and navigation links for Home, My Account, Help, Find, and Logout. The main navigation menu includes Company, Customers, Vendors, Employees, Banking, Reports, and a search icon. The page content is divided into two main sections: 'Getting Started' and 'Money In/Out'. The 'Getting Started' section includes a 'See how' section with links to online training, a 'Try it' section with links to various features, and a 'Play with optional features, too!' section. The 'Money In/Out' section is a flowchart showing the flow of money from Customers to Bank Accounts, and then from Bank Accounts to Vendors, with various transaction types like Estimates, Invoices, Receive Payments, Deposits, Sales Receipts, Checks, Cash, Credit Cards, Refunds or Credit, Enter Bills, and Pay Bills. The footer includes the copyright notice '© 2010 Intuit Inc. All rights reserved.' and links for Feedback, Blog, and Support.

7. 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 a company named "Rock Castle Construction, Inc.". The window title is "QuickBooks Fixed Asset Manager - [Rock Castle Construction, Inc.]". The menu bar includes File, Edit, View, QuickBooks, Asset, Reports, Tools, and Help. The toolbar contains icons for Save, Print, Copy, Paste, Add, Delete, Asset Tools, Find, Prev Asset, Next Asset, and a percentage icon. The main window has 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.

8. Accountant's Copy

The Accountant's copy function enables the client to send a special file copy of the QuickBooks data to the accountant for review and adjustments, while also allowing the client to continue to use QuickBooks at the same time¹¹⁶. Thereafter, once the accountant has completed their review and adjustments, the accountant can send the adjusting journal entries back to the client for automatic posting. The beauty of this approach is that the

client does not have to stop using their accounting system while the accountant is reviewing and adjusting that accounting system. This is an excellent idea, unfortunately this approach has had more than its share of problems as follows:

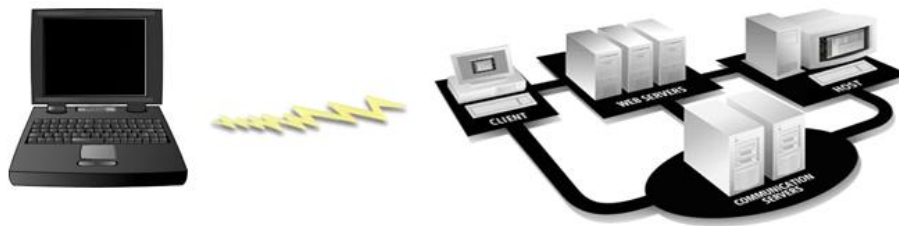
1. **Missing Data and Functionality**¹¹⁷ - Initially, accountants could not add accounts or drill into data details. While Intuit has addressed this problem many times, the Accountant’s Copy still does not give the CPA full access to all data details. The chart below⁷⁷, each “N” on the following chart represents a function that CPAs or clients cannot perform when using the Accountant’s Copy feature.

Transaction Date	Accountant								Client							
	Historical Period: On or before dividing date				Current Period: After Dividing date				Historical Period: On or before dividing date				Current Period: After the Dividing Date			
	1. Can add new transactions. 2. Can edit and delete transactions created after AC was created. 3. Can edit and delete transactions created before AC was created.				1. Can add new transactions. 2. Cannot edit and delete transactions created before AC was created.				1. Cannot add new transactions. 2. Cannot edit and delete transactions.				1. Can add new transactions. 2. Can edit and delete transactions created after AC was created. 3. Can edit and delete transactions created before AC was created.			
More information	Add	Edit	Del	Void	Add	Edit	Del	Void	Add	Edit	Del	Void	Add	Edit	Del	Void
Banking																
1 Journal Entries	Y	Y	Y	NA	Y	N	N	NA	N	N	N	NA	Y	Y	Y	NA
2 Write Checks	Y	Y	Y	Y	Y	N	N	N	N	N	N	N	Y	Y	Y	Y
3 Make Deposit	Y	N	Y	N	Y	N	N	N	N	N	N	N	Y	Y	Y	Y
4 Credit Card Charge	Y	Y	Y	Y	Y	N	N	N	N	N	N	N	Y	Y	Y	Y
5 Credit Card Credit	Y	Y	Y	Y	Y	N	N	N	N	N	N	N	Y	Y	Y	Y
Sales and Customers																
6 Sales Receipts	Y	Y	Y	Y	Y	N	N	N	N	N	N	N	Y	Y	Y	Y
7 Invoices	Y	Y	Y	Y	Y	N	N	N	N	N	N	N	Y	Y	Y	Y
8 Credit Memo	Y	Y	Y	Y	Y	N	N	N	N	N	N	N	Y	Y	Y	Y
9 Statement Charges	Y	Y	Y	Y	Y	N	N	N	N	N	N	N	Y	Y	Y	Y
10 Receive Payment	Y	Y	Y	NA	Y	N	N	NA	N	N	N	NA	Y	Y	Y	NA
Purchases and Vendors																
11 Enter Bills	Y	Y	Y	Y	Y	N	N	N	N	N	N	N	Y	Y	Y	Y
12 Vendor Credit	Y	N	Y	N	Y	N	N	N	N	N	N	N	Y	Y	Y	Y
13 Item Receipt	Y	N	Y	N	Y	N	N	N	N	N	N	N	Y	Y	Y	Y
14 Pay Bills	Y	Y	Y	Y	Y	N	N	N	N	N	N	N	Y	Y	Y	Y
15 Pay Bills (credit card)	Y	N	Y	N	Y	N	N	N	N	N	N	N	Y	Y	Y	Y
16 Pay Sales Tax	N	N	N	NA	N	N	N	NA	N	N	N	NA	Y	Y	Y	NA
17 Adjust quantity/value on hand	Y	N	Y	N	Y	N	N	N	N	N	N	N	Y	Y	Y	Y
18 Build Assemblies	N	N	Y	NA	N	N	N	NA	N	N	N	NA	Y	Y	Y	NA
Payroll																
Enter Time	N	N	N	N	N	N	N	N	N	N	N	N	Y	Y	Y	Y
Pay Employees	N	N	N	N	N	N	N	N	N	N	N	N	Y	Y	Y	Y
Pay Payroll Liabilities	N	N	N	N	N	N	N	N	N	N	N	N	Y	Y	Y	Y
YTD Adjustment	N	N	N	N	N	N	N	N	N	N	N	N	Y	Y	Y	Y
Adjust Payroll Liabilities	N	N	N	N	N	N	N	N	N	N	N	N	Y	Y	Y	Y

2. **Too Technical** - This approach requires the client create files, send files, and then import adjusting entries. This is a manual procedure that may be too little technical for many client’s bookkeepers to handle without frustrations.
3. **Multiple Copies of QuickBooks** - This approach requires the CPA to maintain multiple copies of QuickBooks (different years and different editions)¹¹⁸ in order to accommodate the multiple versions of QuickBooks data files they receive.
4. **Begs for Once a Year Assistance**¹¹⁹ – Because of the troubles, the Accountant’s Copy feature practically begs the CPA to delve into and review the client’s data only once a year – after the end of the year. By then, it is too late to fix major accounting errors, or offer on-going professional advice throughout the year. Typically QuickBooks clients need the hand holding and advice from a professional CPA throughout the year, not just at the end of the year.

5. **Remote Access is Better** - Remote Access technology has made Accountants Copy feature obsolete ¹²⁰. Using Remote Access, a CPA can “dial” into the client’s QuickBooks data each month or each quarter, review the data, make the necessary adjustments, produce the financials, and provide the client with professional observations and advice. If you refer to the chart in bullet point 1 above, you will find that the Remote Access approach provides 100% of the functionality to both CPA and client. ¹²¹

9. Remote Access



Using Remote Access, a CPA can log into their client’s QuickBooks accounting system in about 30 seconds, review the system, correct problems, post adjusting journal entries, and log out ¹²². This approach is elegant and works very well. This approach makes the Accountant’s Copy approach obsolete for many reasons as follows:

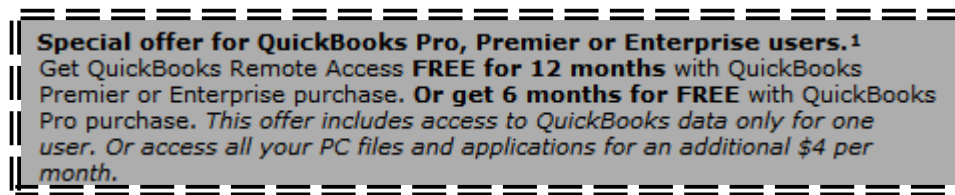
1. **Full Access to all QuickBooks Functions and Data** – With Remote Access, the CPA can see all data and make all necessary changes ¹²³ without any of the restrictions imposed by the Accountant’s Copy approach.
2. **No Need to Maintain Multiple QuickBooks Copies** - With Remote Access, there is no need for the CPA to maintain multiple copies ¹²⁴ (different years and different editions) of QuickBooks on their computer. Instead, the CPA simply uses the client’s copy of QuickBooks – not matter which year and edition it is.
3. **No Need to Send, Receive, or Juggle Files** ¹²⁵ – With Remote Access, the CPA and client waste no time producing, sending, receiving, storing, opening, saving, and exchanging data files.
4. **Real Time Training** – Many Remote Access solutions also transmit voice through the connection, which means that not only can both CPA and client see the same screen, but they can hear one another too ¹²⁶. Therefore, using Remote Access, the CPA can log into the client’s QuickBooks accounting system to demonstrate functionality and to train the client and client’ staff ¹²⁷ in the use of QuickBooks.

5. **Professional Assistance Throughout the Year** – Your client needs you throughout the year, not just at the end of the year¹²⁸ after the year is completed. Using Remote Access, a CPA can log in regularly to help keep the books in order, and to make observations about the data and to advise the client throughout the year¹²⁹. Because the Accountant's Copy approach is so tedious, I know of no CPAs in America that use the Accountant's Copy feature with a single client multiple times throughout the year.

Intuit's Remote Access Solution¹³⁰ - For just \$3.95 a month¹³¹, QuickBooks Remote Access allows you to access your client's QuickBooks data from anywhere in the world using a computer and Internet connection. (No long-term contract required). This solution is nice because it only allows the user access to the QuickBooks application and data¹³², but not to the other files and data residing on the client's computer.

For just \$7.95 per month¹³³ the CPA can access the client's entire computer system (all files and software programs). (Once again, no long-term contract required).

Coupon - Here is a special coupon¹³⁴ for free Remote Access Service.



http://quickbooks.intuit.com/product/add_ons/remote_access.jsp

Other Remote Access Solutions¹³⁵ – Here is a link to more than 425 downloadable Remote Access solutions: http://www.download.com/Remote-Access/3150-7240_4-0.html; Some of the most popular Remote Access solutions are as follows:

**Some Low Cost
Remote Access Solutions**

GoToMyPC

LogMeIn

webex™

Symantec
pcAnywhere 12.0
Remote Desktop
Connection

remotepc

beinsync

**Some High End
Remote Access Solutions**

CITRIX®

Windows
Terminal Services

Array
NETWORKS
Access. Security. Performance.

Benefits of Using Remote Access – In addition to QuickBooks access, there are numerous situations that call for a remote access solution. Traveling employees often need access to

their e-mail, calendar or contact list. Traveling sales representatives need access or to the accounting system for entering orders or looking up inventory levels and customer history information. Work-at-home employees need access to their office computer. Multiple location companies need to connect remote locations to a centralized accounting system. Troubleshooting/support professionals need to log into the customer's remote system for maintenance purposes.

10. Keyboard Shortcuts

- a. Y, K, M, H, R, etc.
- b. Home, Home, Home; End, End, End
- c. 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

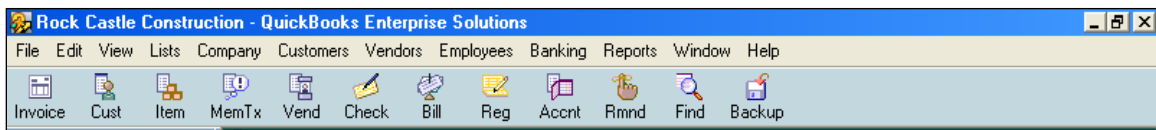
QUICKBOOKS DATA ENTRY SHORTCUTS

+	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 month (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 year (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)

11. Editing the Icon Bar ¹⁵⁴

The Icon Bar provides a fourth method for navigating in QuickBooks. If your icon bar is not visible, go to "View," "Icon Bar" to turn the icon bar on (or off). You can also control whether the icons show pictures, text or both. You can also remove items you don't need, add icons, or move items around to your suit your personal preference.



12. QuickBooks' Backup Versus Online Backup

Regular Backup - I am not a fan of the built in QuickBooks backup utility ¹⁵⁵ because it makes many QuickBooks users falsely believe that they are making proper backups. From the cheap seats one more time: "YOU SHOULD BACK UP ALL OF UYOUR DATA, EVEN YOUR ENTIRE COMPUTER HARD DRIVE...NOT JUST YOUR QUICKBOOKS DATA FILE!!!!".

Online Backup - On the other hand I really do like the QuickBooks Online Backup option ¹⁵⁶ which does allow you to back up your entire computer hard drive for a fairly low amount of dollars. Think of a back up as insurance. You hope and pray that your insurance payments are a complete waste of money – otherwise something really bad has happened. The same thinking applies to back-ups. You hope and pray that your back-up efforts and expense are a complete waste of money. The old adage, "Expect the Best, but Plan for the Worst" applies.

The Online option allows you to set it up once, and never worry about back-ups again. Simply pay your fees as follows:


5 GBs of data	\$4.95 Per Month
25 GBs of data	\$14.95 Per Month
75 GBs of data	\$24.95 Per Month

When it comes to backups, keep the following in mind:

1. If you conducted your own back-ups manually using CDs or USB drives, it would take you many hours each year to complete this task. (Just 10 minutes a day adds up to 41.67 hours per year.)
2. It would also cost you the price of USB drives or CDs.
3. Your back-ups should be maintained off sight.

QuickBooks Online Backup Service
The easy way to protect your critical business data.

A virus, hardware failure, natural disaster or simple human error could wipe out your most important files. Now you can protect your data with QuickBooks Online Backup Service.



Easy — Selecting files to back up is fast and easy. And you can retrieve your files from any computer with an Internet connection.

Convenient — Backups run automatically on a schedule that you set.

Safe and Secure — Your data is encrypted¹ and stored identically at two unique data centers for maximum security.

13. Common Problems in QuickBooks

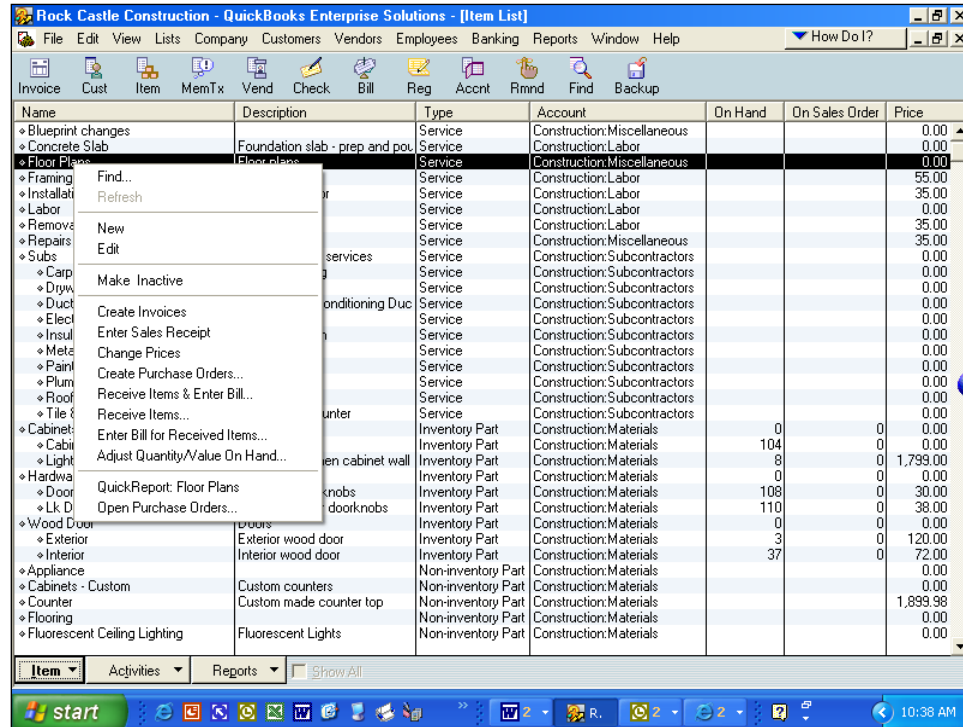
Following is a list of the more commonly reported problems and an explanation to help you correct or avoid these common problems.

- a. **Duplicate Customers, Vendors, Items, Employees, etc.** – A simple misspelling could result in the automatic set up of a duplicate customer, vendor, employee, or item. To fix duplicates, simply edit the spelling of the incorrect customer, vendor, employee, or item and QuickBooks will merge the data¹⁵⁷ into the correctly spelled customer, vendor, employee, or item.
- b. **Date Problems** – As discussed earlier, inputting data into the correct period has been a common problem in QuickBooks, but this problem has been largely resolved as the default setting for date fields has been changed to today's date. Additionally, the ability to set closing periods and lock down previous periods helps prevent improper postings. If you are still having problems with this check your default date field setting and closing date status.
- c. **Voiding Checks** - As discussed earlier, QuickBooks sometimes handles voided checks improperly. Follow the Voided Check Decision tree provided earlier to help you address any voided check problems.

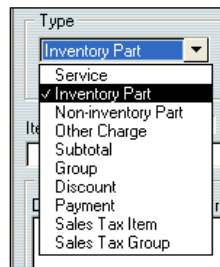
14. Inventory Items

There are four types of items you can set up in QuickBooks ¹⁵⁸ as follows:

- Service items.
- Inventory items.
- Non-inventory items.
- Assemblies.



When creating a new inventory item, QuickBooks supports a variety of inventory types, most notably service items and inventory items. The difference is that inventory items sit on the shelf, while service items are non-tangible labor items. It is common for most companies to sell both types of items. For example, an auto repair shop might charge you \$250 for a new fender (inventory item), and \$200 for 8 repair hours (service items) ¹⁵⁹. Presented below is the item type screen.



QuickBooks also has four item types that perform calculations on the amounts of a sales form - subtotals, discounts, payments, and sales taxes. You must use a subtotal item before calculating a discount or a charge that covers several items. If you are applying the discount to more than one item, you must first use a subtotal item and then apply the discount to the subtotal.

The screenshot displays the 'New Item' dialog box in QuickBooks Enterprise Solutions. The window title is 'Rock Castle Construction - QuickBooks Enterprise Solutions - [New Item]'. The menu bar includes File, Edit, View, Lists, Company, Customers, Vendors, Employees, Banking, Reports, Window, and Help. The toolbar contains icons for Invoice, Cust, Item, MemTx, Vend, Check, Bill, Reg, Acct, Rmnd, Find, and Backup. The dialog is divided into several sections:

- Type:** A dropdown menu is set to 'Inventory Part'. A note states: 'Use for goods you purchase, track as inventory, and resell. QuickBooks cannot track manufacturing inventory for products you build and sell.'
- Item Name/Number:** A text field contains 'Widget'. There is a checkbox for 'Subitem of' and a dropdown menu.
- Purchase Information:**
 - Description on Purchase Transactions: 'This is a brightly colored widget used for building widget boards.'
 - Cost: 12.00
 - COGS Account: Cost of Goods Sold
 - Preferred Vendor: Low Plumbing
- Sales Information:**
 - Description on Sales Transactions: 'This is a brightly colored widget used for building widget boards.'
 - Sales Price: 24.00
 - Tag Code: Tax
 - Income Account: Uncategorized Income
- Inventory Information:**
 - Asset Account: Inventory Asset
 - Reorder Point: 120
 - On Hand: 230
 - Total Value: 2,760.00
 - As of: 12/15/2003

Buttons on the right side include OK, Cancel, Next, Custom Fields, Spelling, and a checkbox for 'Item is inactive'.

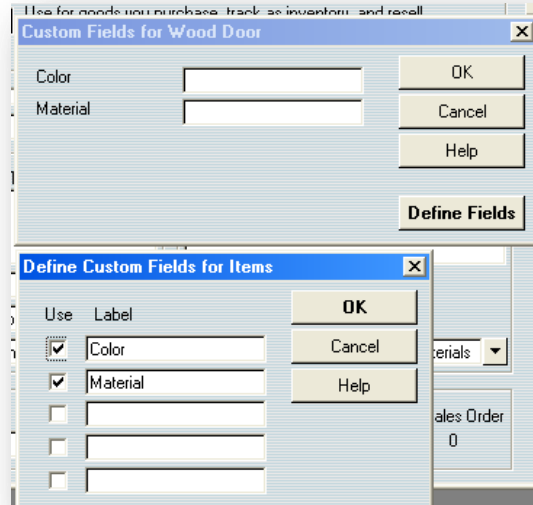
According to Intuit, a common inventory mistake made by QuickBooks users is to create separate inventory part items for both sales and purchases¹⁶⁰. You must use the same inventory part item on both sales forms and purchase orders to keep the inventory accurate. (For example, you should not receive green doorknobs, and sell purple doorknobs.) Why people make this mistake, I have no idea. Most likely this is a common occurrence because you can set up items on the fly in the Sales Order screen.

Item Name or Number – You can set up inventory items as a name or number. Which you use depends largely on what you are selling. Basically, the best rule is to use a name or number that will help you distinguish this item from all the others on the list.

Sub items – You can create a sub item of an existing item. For example, you may set up the item Door Knockers, with sub items of brass, metal, plastic, or solid gold. Sub items let you create a hierarchy of items so you can group information about similar items in sales reports and graphs. Sub items are purely for your own convenience. They look the same as items on sales forms and purchase orders.

EOQ Modeling – QuickBooks supports minor Economic Order Quantity (EOQ) functions such as reorder points. This information is useful in producing a list of inventory items that need to be re-ordered.

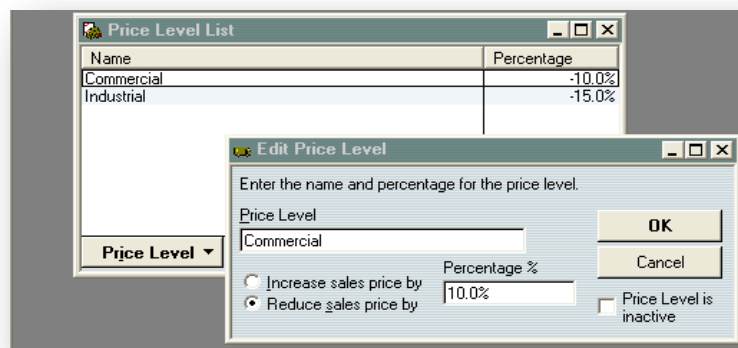
Custom Fields – QuickBooks provides only 5 custom fields for inventory items, but they work the same way as other custom fields found elsewhere in the system. The screen where these fields are set up is shown below:



15. 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 customer¹⁶¹. 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.

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

16. QuickBooks Networking Limitations

QuickBooks was not originally designed to be a multi-user product¹⁶⁶, the networking capabilities were added as an afterthought. As a result:

- a. You must toggle between single user and multi-user mode to perform certain tasks.
- b. 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.
- c. 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.

17. Steps to Take When QuickBooks System is Running Slow¹⁶⁷

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.

- a. Defragment hard drive.
- b. Use Clean Up Tool (formerly called Archive and Condense).
- c. 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
- d. Turn off QuickBooks Preferences (auto-refresh graphs, alerts, reminders).
- e. Turn off audit trail (in versions prior to 2006 only).

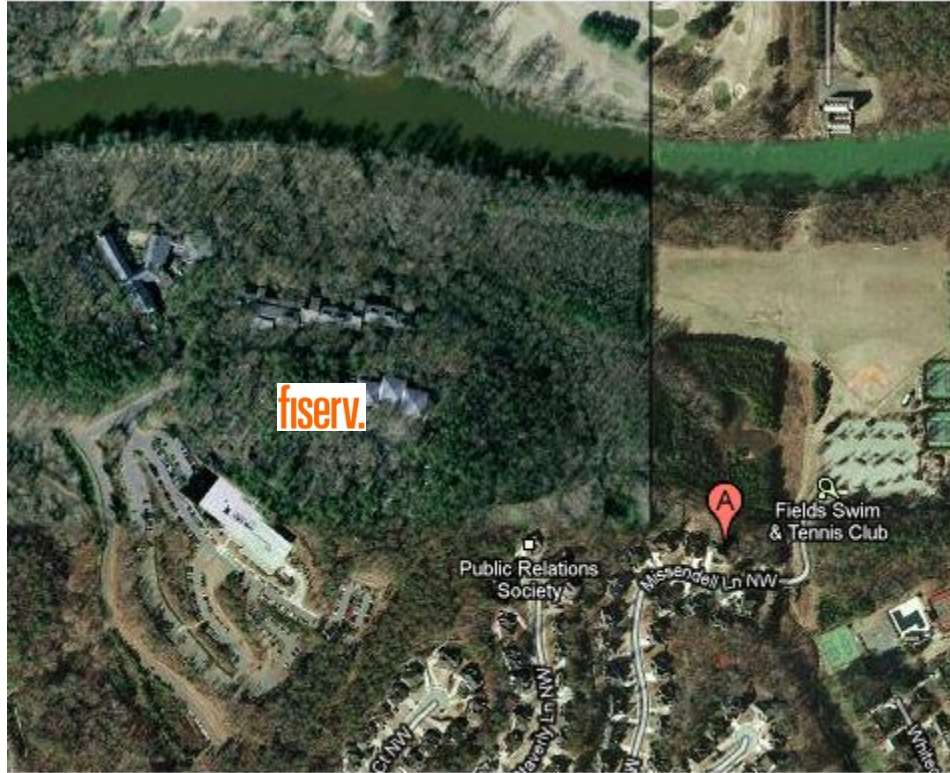
- f. Run in single user mode (or run in single user mode part of the day).
- g. Add more RAM to your computer.
- h. Get a faster computer.
- i. Install faster network (100 mbs or faster)
- j. Upgrade to 2006+ version with faster database.
- k. Upgrade to QuickBooks Enterprise – much faster database.

18. 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 time¹⁶⁹. Here are a few comments regarding online banking.

- a. **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.
- b. **Save Time** – Imagine never having to stuff envelopes and lick stamps again. Enough said – right?
- c. **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 it¹⁷⁰.
- d. **Why Six Hours?** - Intuit officially moved it’s banking operations to Hawaii to increase float time¹⁷¹, 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.
- e. **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 Office¹⁷² – which is the absolute worst post office in the entire world. How do I know this?

The picture below shows where I live in Norcross, GA as well as the FiServ building located along the Chattahoochee River right next to my house. Many of my neighbors and tennis pals work for FiServ. Also, as President of our homeowner’s association I receive the complaints from our residents regarding the poor mail service – (except for when Henry delivers the mail, he is amazingly dedicated).





QuickBooks What's New “2011 thru 2005”

CHAPTER 4

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







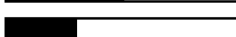
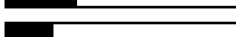
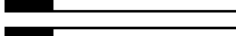
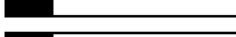
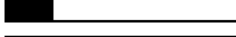
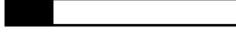
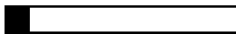
learn how to fly that jumbo jet because of the complexity. In this analogy, QuickBooks is the small Cessna aircraft and SAP Business One is the jumbo jet. One is cheap and simple to operate, the other is expensive and complicated to operate. American companies across the country have shunned the jumbo 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 Features¹⁷⁷ – 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 2011:






Carlton's Ten Star Rating



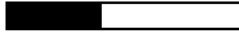

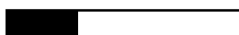
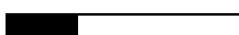
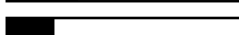
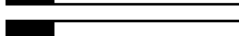
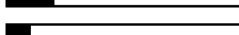
- | | |
|--|---|
| 1. Work in two companies at the same time - Accts' Edition only |  |
| 2. New QuickBooks Search – Search all of QB, Works off a keyword |  |
| 3. Batch Invoicing - Invoice multiple customers at once |  |
| 4. Send e-mail via Outlook, Yahoo, Hotmail, or Gmail – Nice |  |
| 5. Assign Classes to Balance Sheet Accounts - Not all accounts |  |
| 6. Free 1 hour phone session with Intuit QuickBooks expert |  |
| 7. New Vendor Field - Track vendors' remittance address |  |
| 8. Manage Passwords - Accts' Edition only |  |
| 9. Batch Upgrade - Upgrade client files at once - Accts' Edition only |  |
| 10. Customer Snapshot - See key customer info at a glance – not new |  |
| 11. Mark paid invoices with Paid Date stamp – Yawn |  |
| 12. Use Client Data Review in Multi-user Mode - Accts' Edition only |  |
| 13. Collections Center – Just another view of data you already have |  |

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

New in QuickBooks 2010:






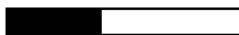
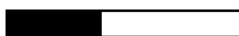
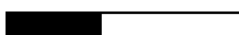
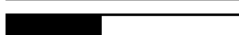
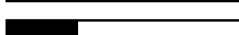
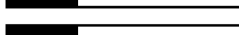
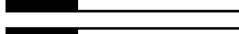
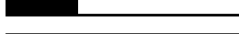
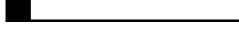
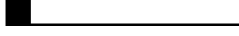
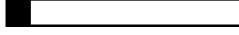
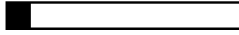
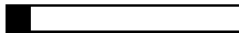
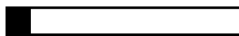
Carlton's Ten Star Rating

- | | |
|---|---|
| 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 |  |




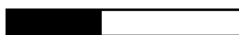
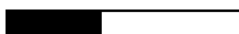

New in QuickBooks 2009:

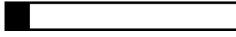
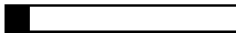
Carlton’s Ten Star Rating

- | | |
|--|---|
| 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:







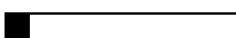
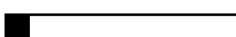
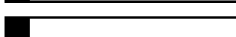
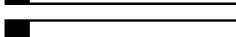
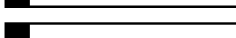
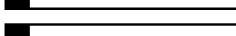
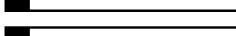
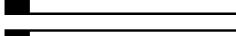
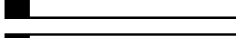
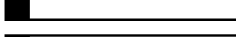
Carlton’s Ten Star Rating

- | | |
|--|---|
| 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 |  |




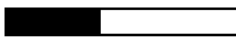
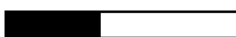

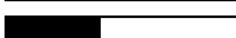
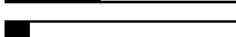
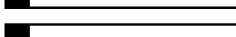
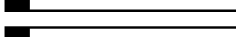
New in QuickBooks 2007:

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:







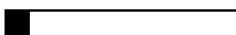
Carlton's Ten Star Rating

- | | |
|---|---|
| 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.



THE QUICKBOOKS ADVISOR PROGRAM

CHAPTER 5

BECOME A QUICKBOOKS ADVISOR

The screenshot displays the Intuit ProLine website for the QuickBooks ProAdvisor Program. The page features a navigation bar with options like 'QuickBooks Accounting', 'Payroll', 'Lacerte Tax', 'ProSeries Tax', 'ProLine Tax Online', and 'More Solutions'. The main content area is titled 'The QuickBooks ProAdvisor® Program' and includes a 'Join the QuickBooks ProAdvisor Program' section. This section highlights benefits such as reaching new clients, training and certification, software and discounts, and unlimited support. A testimonial from Keith Gormezano, a Certified QuickBooks ProAdvisor, is also featured. At the bottom, there is an 'Enroll Now' button and a '\$100 Off the QuickBooks ProAdvisor Program' offer.

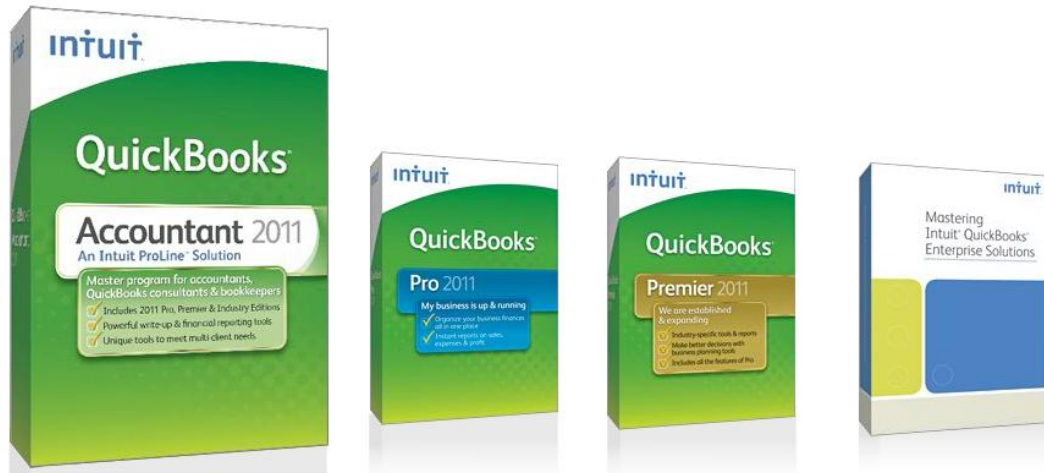
CPAs and professionals can enroll to become a Certified QuickBooks ProAdvisor and have their name listed in QuickBooks Advisor referral database. There are currently 55,000 QuickBooks ProAdvisors. Here is a video on the ProAdvisor program.

http://accountant.intuit.com/member_programs/qb_advisor/downloads/proadvisor_overview.aspx

The program costs \$499 (\$574 with payroll). There is a \$100 off if you enroll before 5/31/2011. As a Certified QuickBooks ProAdvisor:

1. You will receive a useable copy of \$3,000 worth of QuickBooks products including the following:
 - i. QuickBooks Accountant Plus 2011 (exclusive to ProAdvisors)
 - ii. QuickBooks Enterprise Solutions Accountant 11.0 (\$849 value)
 - iii. QuickBooks Enterprise Advanced Inventory (\$699 value)
 - iv. QuickBooks Online Plus (\$479.40 value)
 - v. QuickBooks Online Essentials (a \$299.40 value)

- vi. New features throughout the year — and automatic upgrades



2. You will receive unlimited free priority technical support.
3. 16 Hours of CPE training.

Once you complete Certification, you are eligible to receive 16 CPE credits, and are authorized to use the Certified QuickBooks ProAdvisor logo.

Become a Certified QuickBooks ProAdvisor

Recently, Intuit has implemented mandatory certification in order to receive the same benefits you used to get as a regular QuickBooks ProAdvisor. Therefore your next step above QuickBooks ProAdvisor is becoming a Certified QuickBooks ProAdvisor, which means that you've taken and passed the certification exam. The exam is not hard, and there is no cost to ProAdvisors. Here is an example of two questions:

Section 1: Setting up clients

Certification Exam
Questions 1-5 of 35

Please select **the best answer**.

- Use a journal entry to reverse the incorrect opening balance entry and another journal entry to enter the correct start date.
- Open the account register for the balance sheet account and change the date of the beginning balance entry.
- Open the EasyStep Interview and change the start date.
- Use the Company Information window and modify the start date field.

4. How would you best describe the purpose of the Prepare Letters with Envelopes feature in QuickBooks?

Please select **the best answer**.

- Lets you import customer information from Microsoft Word Letters into QuickBooks
- Lets you synchronize contacts between QuickBooks and Microsoft Word
- Allows you to modify QuickBooks reports in Microsoft Word
- Allows you to write letters in Microsoft Word using information stored in a QuickBooks

By becoming certified, your name can appear in the QuickBooks Advisor referral database. This database receives 450,000 visitors each year. Here is a video on this subject:

http://accountant.intuit.com/member_programs/qb_advisor/downloads/proadvisor_overview.aspx

Additionally, Intuit will submit your information to more than 90 web sites such as Google, so you will have greater visibility. Becoming certified allows you to display the official certified logo on your web site and business cards and letterhead.



Requisite certification is required to display logos

Certified QuickBooks ProAdvisors report that they charge \$21 more per hour compared to what they were previously charging.

You will also receive the Intuit ProLine Newsletter, special Alerts, Newsletters and reference materials.

intuit.

ProLine Newsletter

Dear ProAdvisor Member:

You may have noticed we've changed the name of our newsletter from **Intuit ProAdvisor** to **Intuit ProLine**. It's the same valuable content but now under the Intuit ProLine brand. If you have been receiving both the ProConnection and ProAdvisor newsletters, you'll now receive one newsletter, with the articles in the special ProAdvisor section "unlocked" for your reading enjoyment.

ProAdvisor Exclusive: Program Benefits and Updates

Intuit ProLine WebListings Offer Extended to July 31—FREE 90-Day Trial

As a ProAdvisor, WebListings helps you reach

July 2010
IN THIS ISSUE

- ▶ [ProAdvisor Exclusive: Program Benefits and Updates](#)
- ▶ [Grow Your Business](#)
- ▶ [Increase Productivity](#)
- ▶ [Intuit & Industry News](#)

Intuit & Industry News

CEO Letter to Customers

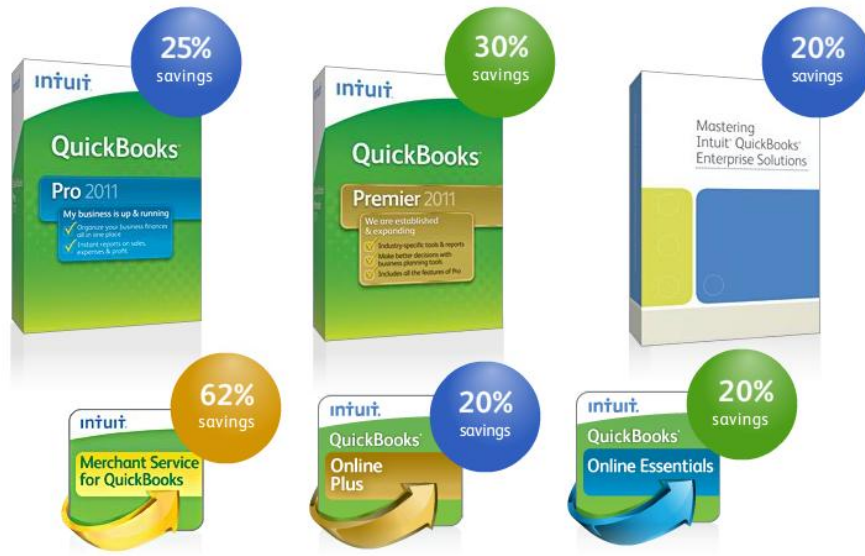
Intuit's goal is to be a world-class provider of highly available online services. [Please read this note](#) from our CEO, Brad Smith, regarding the recent outage.

You will also receive unlimited support from a US based team of support personnel and you can purchase other Intuit products at up to 87% off as follows:

The image displays five Intuit software products, each with a callout indicating a discount percentage:

- QuickBooks Accountant**: 32% savings
- QuickBooks Accountant 2011**: 38% savings
- QuickBooks Billing Solution**: 100% savings
- Merchant Service for QuickBooks**: 87% savings
- Statement Writer**: 34% savings

You can also purchase products at the following discounted prices for resell to your clients.





QUICKBOOKS FACTS

CHAPTER 6

QuickBooks Facts

Intuit Inc. is a leading provider of business and financial management solutions for small and mid-sized businesses; financial institutions, including banks and credit unions; consumers and accounting professionals. Intuit's flagship products and services include **QuickBooks**, **Quicken** (bookkeeping); **TurboTax**, **ProSeries**, & **Lacerte**, (tax preparation); and **Digital Insight** (on-demand banking services).

Intuit's self-described workplace mantra is "**Bring Your Whole Self to Work**", a slogan which is meant to "acknowledge the overlap between the professional and the personal, and that one should not dominate the other. Intuit believes that you should work efficiently to get your work done because you won't get "extra credit" for staying late just to do more work.

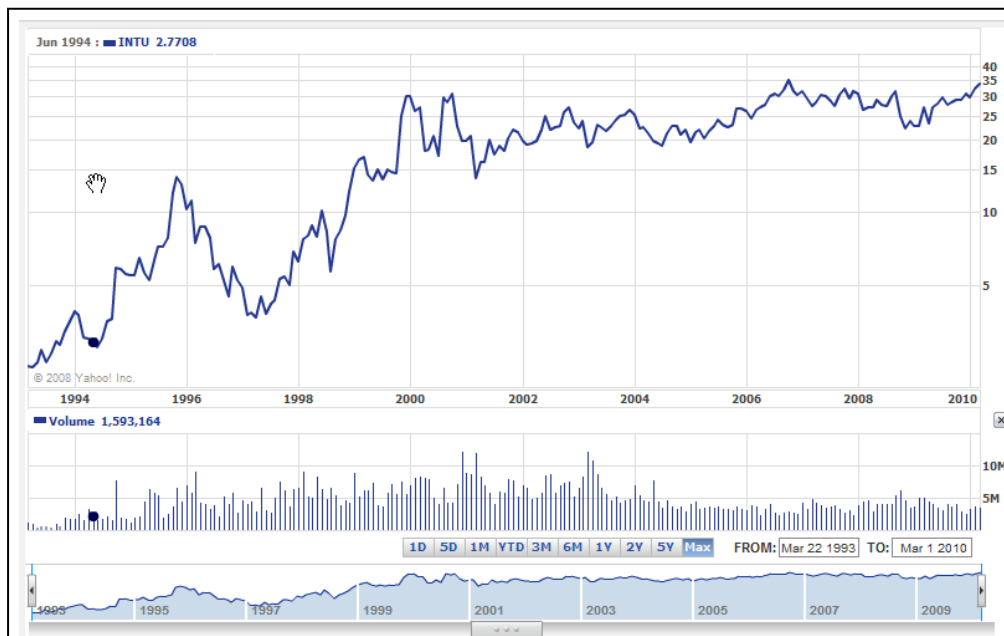
Corporate Headquarters: 2632 Marine Way, Mountain View, CA 94043, 650-944-6000

Founded in 1983 by Scott Cook and Tom Proulx, Intuit went public in 1993. The current Executives are Brad Smith, President and Chief Executive Officer; Bill Campbell, Chairman of the Board; and Scott Cook, Chairman of the Executive Committee. Financials:



Intuit's Significant Company Acquisitions:

- 1993** ChipSoft, Inc. (TurboTax product line)
- 1998** Lacerte Software Corporation and Lacerte Educational Services Corporation (Professional tax)
- 1999** TaxByte, Inc. (Professional tax)
- 1999** Computing Resources, Inc. (Payroll services)
- 1999** Compucraft Tax Services, LLC (Professional tax)
- 1999** Boston Light Software Corporation (Small business services)
- 1999** SecureTax, Inc. (Professional tax)
- 1999** Turning Mill Software, Inc. (Small business services)
- 1999** Rock Financial Corporation (Quicken Loans) Business sold to Quicken Loans management team in August 2002.
- 2000** Greenpoint Software Ltd. (Professional tax - Canada)
- 2000** EmployeeMatters, Inc. (Employee administration services)
- 2001** Tax and Accounting Software Corporation (Professional tax)
- 2002** CBS Employer Services (Payroll services)
- 2002** Management Reports Inc. (Property manager solutions)
- 2002** Eclipse, Inc. (Wholesale durable goods distributors management software) Business sold to Activant Solutions in August 2007.
- 2003** Income Dynamics, Inc (Consumer tax)
- 2003** Innovative Merchant Solutions (Small business services)
- 2005** MyCorporation.com (Online business incorporation services)
- 2006** StepUp Commerce Inc. (Online shopping services)
- 2007** Digital Insight Corp. (On-demand banking services)
- 2007** Homestead Technologies Inc. (Web site and Web store solutions)
- 2008** Electronic Clearing House Inc. (Electronic payment processing solutions)





CARLTON'S

QUICKBOOKS 2011

MONTHLY CONSULTING CHECKLIST

CHAPTER 7

Monthly or Quarterly Procedures for CPAs

Intuit reports that the average QuickBooks consultant generates approximately \$2,800 per year in QuickBooks consulting fees¹³⁶. These fees just include QuickBooks related consulting and do not include additional fees for tax preparation, write up work, compilation or review work, etc.

The reality is that most QuickBooks users do not have a CPA on staff to assist them with the expert management of their accounting system, but they need that level of assistance. For just a few hundred dollars each month, the valuable input of a CPA can mean the difference between success and failure for many small businesses. For this reason, I have long provided this type of service to my clients, charging approximately \$275 to \$400 per month, or \$3,300 to \$4,800 per year. Presented below is an example of the monthly services I include in this fee:

Carlton's Monthly QuickBooks Review - 25 Point Checklist¹³⁷

By the 10th of each month, I log in and review the prior month. I use the following checklist to conduct this review. Basically - I identify and fix any errors that I find. I post any adjustments that need posting. I move the posting date forward. I review financial statements and I provide the client with an e-mail containing advice based on my review. Initially this process takes 3 to 5 hours, sometimes more. But after 4 or 5 months, I can usually accomplish this task in about 90 minutes each month (sometimes more, sometimes less).

1. Review Retained Earnings for improper entries, correct any problems.
2. Review audit trail report for inappropriate changes, note any unusual changes, and investigate any suspicious activity.
3. Review cash balances, ensure that company is maintaining/investing proper cash levels. To do this, I review my notes in the client file which summarize the target amount of cash the client should maintain in checking and investments. I typically obtain this information during our initial interview.
4. Post depreciation entries as needed. (Use memorized transactions Feature)
5. Post amortizations and accruals as needed. (Use memorized transactions Feature)
6. Enter and post allocations adjustments as needed. (Use memorized transactions Feature)
7. Make sure all checks have been printed and sent. (I use Reminders to check this)

8. Make sure all quotes, sales orders, and invoices have been printed and sent. (I use Reminders to check this)
9. Make sure all deposits have been deposited. (I use Reminders to check this)
10. Make sure all purchase orders have been printed and sent. (I use Reminders to check this)
11. Calculate days in AR, determine if collections are being managed properly. To do this, I review my notes in the client file which summarize the days in AR over the past several years, and based on the targeted number of days according to the client. Once again, I typically obtain this information during our initial interview.
12. Calculate days in AP, determine if payables are being managed properly. To do this, I review my notes in the client file which summarize the days in AP over the past several years, and based on the targeted number of days according to the client. Once again, I typically obtain this information during our initial interview.
13. Calculate days in inventory, determine if inventory levels are at or near expected levels. To do this, I review my notes in the client file which summarize the days in Inventory over the past several years, and based on the targeted number of days according to the client. Once again, I typically obtain this information during our initial interview.
14. Scan Inventory reorder reports, determine whether inventory is being ordered timely and in correct quantities. In the early months of the engagement, I often find that I must help the client adjust the reorder levels in order for the reorder reports to be of value. For some clients, we have come up with seasonal reorder points for all inventory items, otherwise the report is not very meaningful throughout the year.
15. Scan for duplicate vendors, customers, employees, and accounts. Make corrections as necessary.
16. Review the voided transaction report, make corrections as needed. (In some cases, QuickBooks handles voided checks improperly.)
17. Review bank reconciliation, make sure bank reconciliation was processed, and processed correctly.
18. Print Balance Sheet to screen, spot check for accuracy. Review numbers, look for problem areas. Ferret out advice to give client.
19. Print Income Statement (actual to budget) to screen, spot check for accuracy. Compare to budget, review numbers, look for problem areas. Ferret out advice to give client.

20. Check to ensure that all necessary tax payments (federal, state, payroll, sales taxes, etc.) have been paid on a timely manner.
21. Review other reports as needed. Review numbers, look for problem areas. Ferret out advice to give client.
22. Move closing date forward by one month (or by one quarter if logging in quarterly).
23. Print month-end reports for client (using the Process Multiple Reports feature). The next morning, all of the necessary reports are printed, and the bookkeeper distributes them accordingly.
24. Send client an e-mail advising them that I have logged into their system, reviewed their financials, made corrections and entered adjustments as necessary, provide summary of adjustments and corrections made, advise client of the status of the financial statements, summarize any key observations, provide list of recommendations and advice based on my review.
25. Schedule training session with bookkeeper and appropriate personnel to address and correct any improper data entry practices.

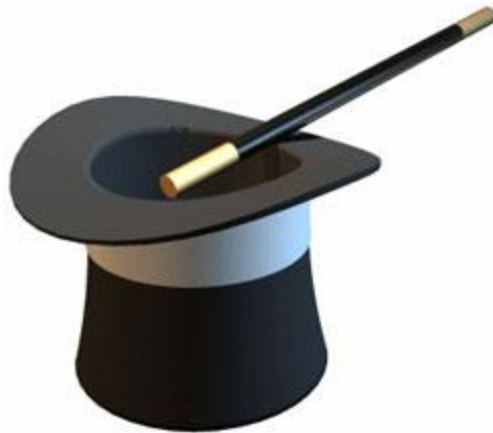
The key to making this work is to be committed to bringing all errors to the attention of the bookkeeper and training them not to repeat the same error each month¹³⁸. Before logging into the client's accounting system (usually in the evening hours), I call the bookkeeper to coordinate and schedule my remote access session. I ask them to make sure that there is plenty of paper in the printer so I can print the reports. With persistent training, you will soon find yourself logging into an error free system – which should be your goal. This approach allows you to minimize your time, and primarily ensure that the client's books are accurate, and that a professional is helping them review the financial results regularly.

Depending upon the client, additional steps to review payroll, inventory prices, job versus job estimates, job billing, etc. may also become part of the standard service I provide each month or quarter. This explains the difference between a \$275 per month fee and a \$400 per month fee. Each additional procedure costs just a little bit extra. Additional locations, retail point of sale systems, and consolidated financials are all examples of situations which would call for additional billings.

Ethical Issues – Please be aware that some CPAs take the position that if you personally make just one change in the client's accounting system, you are obligated to prepare a compilation file and conduct a complete engagement as if you were compiling, reviewing or even auditing the client's books. Further the same CPAs feel that your engagement efforts should be subject to peer review¹³⁹. Of course, most of the CPAs who feel this way conduct peer reviews, and therefore their stance is somewhat self-servicing. There are other CPAs who believe that as long as you are not producing

financial statements with your CPA Firm name and letterhead associated with them, then you are not obligated to treat each consultation as a full blown compilation engagement. Of course most the CPAs who feel this way provide this type of consulting service, therefore their stance is also a little self serving.

How I Sleep At Night - My files are well documented. I do not produce cover letters or opinion letters with CPA firm logos that a banker or other financial professional might rely upon. My e-mails are fully disclaimed "For the Client's Eyes only". I am confident that I am not rendering services that may be construed in any way as a compilation, review or audit. However, you should evaluate your particular practices and conduct your engagements and document your files accordingly¹⁴⁰.



QUICKBOOKS TIPS & TRICKS

CHAPTER 8

1. **Quick Checking Boxes** – Check Boxes are used throughout QuickBooks. You can select check boxes fast by holding down the mouse button and running the pointer across the boxes. Try it the next time you are filtering a report in QuickBooks.
2. **941 Tip** - Do not pay your payroll liabilities from the "Write Checks" window. If you do, your 941 form will not reflect any payments that you made using the "Write Checks" window. Instead, use the "Pay Liabilities" window to create checks for all tax liabilities. Using this window will ensure that the payments are reflected accurately on the 941 report and that your liability accounts are properly reduced.
3. **Setting Up QuickBooks On A Network** – You should install QuickBooks on every computer that will be involved in this network. One of those installed copies becomes the main network copy and that copy can reside on a network server or on a user's computer. To set up shared access of the QuickBooks company files, perform the following steps:
 1. On the computer that will act as the QuickBooks server, open Windows Explorer and right-click on the folder into which you installed QuickBooks.
 2. Choose Sharing from the shortcut menu to open the Folder Properties dialog box.
 3. Select "Shared As" and the folder name will automatically be entered as the Share Name, or you can change the name of the share if you so desire.
 4. Set permissions for "Full Control" and click OK.

Depending upon the operating system you are using, the exact tab where you adjust these settings may be slightly different, but the spirit of the setting remains the same.

Turn on Multi-User Mode - On the computer that is hosting your QuickBooks data, you must enable multi-user mode before other users can access the data files. To do this, make sure the QuickBooks data file you want to share is the current company, and choose "File"; "Switch to Multi-user Mode". All the QuickBooks windows will be closed while this switch is made. Thereafter, the title bar of the QuickBooks window will announce that the software is in multi-user mode, and will display the name of the user who is logged into that window.

Map Drives - It is also a good idea to map the shared folder as a drive on the other users' computers. While this is not a necessary step, it speeds up access to the QuickBooks data file:

1. On each user's computer, open Network Neighborhood and select the remote computer that's acting as the server for QuickBooks.
2. Right-click the shared resource for QuickBooks.
3. Choose Map Network Drive from the shortcut menu.

4. In the Map Network Drive dialog box, select a drive letter for this resource.
 5. Select the Reconnect at logon option.
 6. Click OK.
4. **Switching Between Multi-user Mode and Single-User Mode Tip** - The following is a summary of the administrative tasks that must be performed in single-user mode:
1. Backing up
 2. Restoring
 3. Compressing files
 4. Deleting items from lists
 5. Exporting or importing accountant's review copies
 6. Certain other setup tasks (QuickBooks displays a message telling you to switch to single-user mode when you access those setup tasks)

Accessing QuickBooks from Other Computers – Once this is set up, remote QuickBooks will need to take these steps:

1. Launch QuickBooks.
2. Select “File”; “Open Company/Login”.
3. Navigate to the mapped drive letter where the QuickBooks is located. *(If the resource is not mapped, select Network Neighborhood, the host computer, and the correct drive letter, and the shared QuickBooks folder.)*
4. In the “Open A Company” window, toggle to the company you want to open and double-click the company name.

NOTE 1: If you attempt to open a QuickBooks data file that someone else on the network is already logged into, you will see a message that “QuickBooks is already open in multi-user mode and that someone else is using the file”. Click OK and login with your name and password.

NOTE 2: If your login name is already being used by another user, a message will appear telling you to use a different name or try later.

5. **Paying Commissions to Sales Representatives** - To track and pay commissions to sales representatives, the sales reps can be Vendors, Other Names, or Employees. However, you must also add each sales representative to the Sales Rep List. QuickBooks differentiates between a sales representative's listing by using the

person's initials. If your sales reps are also employees, be sure to create a commission item in the Payroll Items list and enter the specific commission information in the employee's record.

The QuickBooks Accountant Edition – This version includes the following features not found in any other version of QuickBooks:

- AutoReverse Journal Entries
- Autofill Memo Fields in Journal Entries
- Previous Bank Reconciliation Reports
- Bank Reconciliation Discrepancy Reports
- Closing Date Exception Reports

Invoicing and Tracking Reimbursed Costs Tip - To track reimbursed costs from customers, you need to do three things: 1. Create an income account that holds the revenue that comes in as a reimbursed cost. 2. Create the configuration options to automate postings to that income account when you invoice your customers for a reimbursable cost. 3. Use the accounts configured for reimbursement when you enter transactions for reimbursed costs.

Unfortunately, QuickBooks is limited in its methods for tracking reimbursed costs. Unlike many other accounting software applications, QuickBooks does not let you post all of your reimbursable expenses into one income account. Instead, it insists on a one-to-one relationship between a reimbursable expense and the income from a reimbursable expense. As a result, if you have more than one expense account for reimbursement, you must also create more than one income account for accepting reimbursed expenses. The best way to do this is to create a parent income account and subaccounts for each reimbursement type.

To create the income accounts, click Chart of Accounts (COA) on the Shortcuts pane to open the COA window. Press Ctrl+N to open a New Account window. Select Income as the account type. Enter an account number (if you use numbers) and name the account Reimbursed Expenses (or something similar). Click OK. Then create the specific child accounts in the COA window, by pressing Ctrl+N to open the New Account window. Select Income as the account type.

Enter a number (use the next sequential number after the number of the parent account) and a name for the account. Select the Subaccount check box. Enter the parent account you created. Repeat this process as many times as necessary. Assign the Income Account to the Expense Accounts. You must tell QuickBooks that when an expense account is used to invoice a customer for reimbursement, it should automatically post the Reimbursed Costs invoice item to the Income account you created for that purpose. To do this, open the Chart of Accounts; Select (highlight) the expense you bill back to customers for reimbursement. Press Ctrl+E to edit this account. Select the check box Track reimbursed expenses in. Entering the check mark automatically makes the Income Account field accessible. Enter the appropriate income account. Click OK. Repeat for the additional Expense accounts that are reimbursed.

To create Transactions for Reimbursed Costs, when you enter a vendor bill, if that bill, or part of the bill, is subject to customer billing for reimbursement, you must indicate that fact with two additional steps: Enter the job in the Customer:Job column making sure the little "Invoice" icon is showing in the last column. When you enter the customer's Invoice, take these steps: Enter the invoice items as usual, along with the amount. Click the Time/Costs icon at the top of the Invoice form. Click the Expenses tab to see all the reimbursable expenses you've posted for this job since the last time you invoiced this job. Click Select All to select all reimbursable costs for this invoice. A check mark appears in the Use column for every cost. To select only certain costs, click the Use column to the left of that cost's listing to place a check mark in the column. Costs you do not use for this invoice will be displayed on this window the next time you create an invoice for this job, so take this step only for costs you're not ready to pass on to the customer at this time (this rarely occurs). Click Print Selected Time And Costs As One Invoice Item if you just want one line (Reimbursed Expenses) to show on the invoice, instead of listing each reimbursement by category. Click Hide for any cost that you don't want to invoice the expense to the customer. This removes the cost permanently from the list of reimbursable expenses for this job. It does not remove the original transaction from your records. Your Customer:Job reports will still show the cost as associated with the customer or job. After you've made your selections, click OK. QuickBooks automatically makes the appropriate entries in the Invoice. *Your P&L Report will list the subtotals for each individual income item that's a reimbursed cost, and give you a total for all reimbursed costs. It does the same thing on the expense side . The totals 'wash' but you get information about how much of your spending and income is within these items.*

Bio for J. Carlton Collins, CPA

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

Because I had an extra page left in this book, I'll throw in a few jokes and quotes to brighten your day. Enjoy!

- I'm so poor I can't even pay attention
- I have enough money to last me the rest of my life...unless I buy something.
- It's so simple to be wise. Just think of something stupid to say and then don't say it!
- I'm searching for fun and happiness that does not involve food or money...
- We make a living by what we get, we make a life by what we give.
- Count your age with friends but not with years.
- Never play leapfrog with a unicorn.
- Friction can be a drag.
- When I want your opinion, I'll remove the duct tape.
- Light travels faster than sound. That's why some people appear bright until you hear them speak.
- Football is a combination of two of America's worst elements: Violence and committee meetings.
- I haven't spoken to my wife in years; I don't like to interrupt her.
- My fake plants died because I did not pretend to water them
- Never let a computer know you're in a hurry.
- I totally take back all those times I didn't want to nap when I was younger.
- I planned to surprise my wife with a new centerpiece for the table...but the taxidermist was closed.
- I have kleptomania, but when it gets bad, I take something for it.
- For every action, there is an equal and opposite government program.
- Even free advice costs more than it used to.
- Love is holding hands in the street. Marriage is holding arguments in the street.
- I always try to hold hands with my wife...because if I let go she'll start shopping!
- My back goes out more than I do.
- An Adult is a person who has stopped growing at both ends and is now growing in the middle.
- The journey of a thousand miles ... begins with a broken fan belt.
- I'm getting serious about exercising - I've moved my TV set much farther away from my refrigerator.
- A Freudian slip is when you say one thing but mean your mother.
- While in the army, Will never liked the phrase "Fire at will".
- Studies have shown that you can live longer by having more birthdays.
- My wife keeps saying that I don't listen to her...or something like that.
- My life goal is to be filthy stinking rich...well, 2 out of 3 ain't bad.
- A child of five would understand this. Send someone to fetch a child of five.
- Warning: Dates in Calendar are closer than they appear.
- Because of these hard economic times, I have started selling furniture on the side. The trouble is, it is my own.

Carlton's CPE Prayer

Now I lay me back to sleep.
The speaker's dull; the subject's deep.
If he should stop before I wake,
Give me a nudge for goodness' sake.

