

**ASA Research**

# **QuickBooks 2010 For Beginners**



**ASA RESEARCH**

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# QUICKBOOKS 2010 FOR CPAs

## COURSE INFORMATION

<b>Learning Objectives</b>	To increase the productivity of accountants using QuickBooks.
<b>Course Level</b>	Intermediate material & advanced material
<b>Pre-Requisites</b>	Basic familiarity with QuickBooks
<b>Advanced Preparation</b>	None
<b>Presentation Method</b>	Lecture with follow up materials
<b>Recommended CPE Credit</b>	8 hours
<b>Handouts</b>	Checklists, manual
<b>Instructors</b>	J. Carlton Collins, CPA



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**Participant Notes**



# **IMPLEMENTING QUICKBOOKS 2010**

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## **CHAPTER 1**

# Implementing QuickBooks 2010

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 screens<sup>1</sup>. 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 free<sup>2</sup>.  
<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 data<sup>3</sup>.
  - a. **Don’t Enter History**<sup>4</sup> - 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 history<sup>5</sup> – 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 balance<sup>6</sup>. *(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 <sup>7</sup>. 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** <sup>8</sup> - 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** <sup>9</sup> - 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** <sup>10</sup> – 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 <sup>11</sup>. 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. <sup>12</sup> 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)<sup>13</sup> 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.<sup>14</sup> The lack of training is the number one reason for failed accounting systems. I recommend the following training methods:
  - a. **Full Day Training Session**<sup>15</sup> – 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<sup>16</sup> and they can be paused and replayed as needed.
  - c. **Homework Assignments**<sup>17</sup> – 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**<sup>18</sup> – 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<sup>19</sup>.
9. **Other** – Of course there are many other steps depending upon your business and the features you use. For example, you may need to set up online banking, online back up, and timesheet activity. You may need to create the depreciation schedule, budgets and report groups. The above steps represents a basic implementation plan.



## QuickBooks Training

Now that QuickBooks has been installed and set up, the next step is training.

**Assessment** - The amount of training needed will vary depending upon the experience and skills of the person being trained. It is rather easy to teach an experienced accountant to use QuickBooks, but it is a rather difficult job to teach an inexperienced bookkeeper accounting. Therefore you might be well advised to assess the student's knowledge of both QuickBooks and accounting before you start training. This topic is discussed in depth in Chapter 3, Item P of this manual.

**Built-in Tutorials** – By this time, the student should have already watched the built-in QuickBooks tutorials and practiced in a sample company.

**The Training Process** - Experienced consultants agree that training is crucial to achieving a successful installation. Without competent, well-trained client personnel, an accounting system installation could miscarry. However, two potential problems may occur when training clients.

1. Client Personnel May Lack Competence and Initiative.
2. Consultant May Lack Experience and Skill as a Trainer.

**Client Personnel May Lack Competence and Initiative** - Some client personnel are highly motivated and will learn the system practically on their own using the manuals, tutorials, and help screens. Others will need to be taught how the system works. A few employees will struggle to learn the new system at all, even with extensive guidance from the consultant. However, the consultant should have addressed this problem before accepting the engagement. Consultants who accept an engagement knowing that the client personnel's ability and initiative are marginal must realize that the chances for a successful installation are significantly reduced.

**Consultant May Lack Experience and Skill as a Trainer** - The second potential training problem involves the consultant, not the client. Experienced consultants may be unable to effectively communicate their knowledge and demonstrate their proficiency. Good teaching is hard work that requires skill, experience, and thorough preparation. To teach well, consultants must analyze the students, recognizing their knowledge levels and ability to grasp new concepts. Effective teaching also requires consultants to motivate while exercising patience and understanding. Using a well-organized training approach can be very helpful.

It is difficult, if not impossible, to teach consultants to be good instructors. Consultants who lack teaching experience or consider teaching to be a weakness may consider delegating these responsibilities to other firm consultants, who are proven instructors.

**Preliminary Training Assignments** - One beneficial and expedient tactic is to assign client personnel preliminary training exercises before initiating the actual instructor-led training. Preliminary training allows the client personnel to learn the new computer accounting system at

their own pace. The consultant may delegate the following preliminary training exercises to client personnel.

- Attend an operating system and/or basic computer skills class.
- Read selected sections of the accounting software manuals.
- Practice with the accounting software tutorial and/or sample company data files.

**Consider the Need to Train the Personnel on the Operating System** – If the client personnel is unfamiliar with using a computer, Windows, or the operating system, then training in this area might be wise. Consultants generally should not provide extensive operating system training to novice users, who may require many hours of practice to learn the operating system. The client cannot usually justify the cost of one-on-one operating system training at the consultant's billing rate. In larger cities, third-party vendors routinely offer one-day operating system training classes that are inexpensive, yet thorough. Similarly, several low-cost “basic skills” courses for first-time computer users are available through retail computer outlets or local schools and colleges.

**Read Accounting Software Manuals or View Tutorials** - Another preliminary training measure is to require client personnel to read the QuickBooks manuals or view the training tutorials. As a practical matter, simply instructing the staff to read the manuals is not effective. Client personnel will more likely read the manuals or view the tutorials if the consultant emphasizes certain chapters, pages, or video clips for their review.

**Practice with the Accounting System** - The consultant may elect to have client personnel practice with the actual system, preferably using the tutorial or sample company information provided with QuickBooks. These training exercises will generally require some setup assistance from the consultant, such as explaining how to access the system and navigate through the menus. The consultant should encourage client personnel not to worry about making mistakes with the sample company, but to try their best to solve problems. Many accounting software packages are basically intuitive, making it easy for first-time users to learn the product's functionality.

**Initial Group Training Session** - If training facilities are available, a four-hour introductory training session may benefit all client personnel involved with the new QuickBooks system, including management. This initial group training session is typically a classroom-style lecture, as opposed to hands-on training. Consultants may also use this class time to review the overall installation plan for completing the engagement.

In this group session, the consultant can teach client personnel about QuickBooks' various modules, features, and reporting capabilities. This approach offers the following advantages.

- a. The consultant saves time. By conducting one four-hour presentation for several individuals, the consultant saves a significant amount of time that would otherwise be spent conveying this information repeatedly on a one-on-one basis.

- b. Participants learn from each other's questions and comments.
- c. Employees can see the overall QuickBooks system, not just the modules that pertain to their individual responsibilities.
- d. Group training sessions allow consultants to establish themselves as the project coordinator, explain the installation work plan, and build team unity toward achieving a successful installation.

This session also provides the consultant a good opportunity to demonstrate QuickBooks' advanced capabilities, such as memorizing transactions, graphic reporting, drilling reports, editing templates, report formatting, or filtering reports.

The following are some factors that the consultant should consider when conducting a group training session.

- Inform the audience that the presentation provides only a brief overview of the entire system.
- Emphasize that each person will receive individual, hands-on training as the installation continues.
- Avoid getting bogged down in a complex discussion about minor points that may not interest the entire group.
- Adhere to the schedule.

**Avoids Distractions** - The classroom approach also allows the consultant to remove client personnel from the distractions of their work environment. If the firm does not have a large classroom, the consultant should consider other training locations, such as those described earlier, or even a local hotel.

**Using a Projection System** - When conducting the group training session, a computer projector permits consultants to project the new accounting system from their computer screen onto a large wall or projection screen. The projector may be a little expensive to purchase or rent, but they may also reduce the time spent training the client.

**Individualized Training** - Throughout the individualized training process, the consultant should continually refer to the QuickBooks help files to reinforce the concept that the answers a user seeks are often provided by the help files. The QuickBooks help files provide detailed, step-by-step procedures for entering the company data. The consultant should encourage client personnel to follow these procedures carefully, initiating each procedure upon completion.

Another reason for encouraging client personnel to use the help files is to get them accustomed to researching and answering their own questions. Client personnel often run into problems while learning the new product and may become overly dependent upon the consultant to provide the solution.

In the best interest of both parties, client personnel must learn how to resolve their own problems or questions. The following approaches may encourage personnel to use QuickBooks help.

- a. Before responding to a question, the consultant should look up the answer in the QuickBooks help files. This approach shows client personnel that the answer is close at hand.
- b. The consultant should encourage the client to purchase the QuickBooks support and use the telephone or online support to get questions answered fast.

As the data input process continues, the consultant should provide one-on-one training for each user. The individualized training should focus on the following activities.

- Data Input Process.
- Daily Operations.

**Learning via Live Data** - It is easier for an employee to learn using "live data" on the actual QuickBooks system rather than "playing around" with sample data on a sample company. Therefore the data input process provides an excellent opportunity to begin this individualized training.

**No Fingers** - An important rule for individualized training is that the consultant's fingers should never touch the keyboard. Instead, the consultant should look over the employee's shoulder and walk them through the necessary menus, screens, and procedures. It is best to have the employee sit at the computer and take control of the keyboard. While this method takes more time, the employee will absorb more and learn quicker.

**Homework** - After the initial training session, you should assign the employee some more homework problems. Generic written assignments are ideal for this purpose. These problems should later be picked up and graded. This measure will encourage the employee to do the homework and think through the process on their own - without your help and guidance.

**Short Training Sessions** - Each individualized one-on-one training session should be short - 30 to 90 minutes. It is counterproductive to force the employee to endure longer training as they are less likely to retain information beyond 90 minutes of training. However, these one-on-one training sessions should continue frequently throughout the remainder of the installation process. Each training session should become shorter until there is no additional need for further training.

**Pace Yourself** - When providing individualized training, it is important to explain to the employee that they are not expected to learn the complete system all at once. In addition, you should explain the scope of each training session before it starts. For example:

*"Hello Chris. Today, we are going to cover how to set up a new vendor. We will go through the process once, setting up names, addresses, terms, historical information, ID numbers, etc. Next, I will watch as you input several more vendors on your own. Once you feel comfortable with this process, it will be your job to enter all vendors before our next meeting on Thursday."*

**Data Input Process** - The QuickBooks data input training is usually a quick and simple task. Once the data has been prepared and reviewed, the consultant simply demonstrates how to select the proper menu options and begin entering the data. After inputting two or three items, the staff member will usually become comfortable with the data entry process. At that point, the consultant should retreat from the field and give client personnel sufficient time to complete the data entry tasks.

Once the necessary data has been input, the consultant should review the resulting reports to verify the information's accuracy. If the information is correct, the consultant should begin training of daily operations.

**Daily Operations** - More supervision and guidance is required when training client personnel about daily operations. Using transaction source documents (such as vendor invoices, cash receipts, customer orders, receiving reports, etc.), the consultant should teach client personnel how these documents travel through the system. A sample of these current period transactions should be collected and prepared for input into the system.

The consultant should closely supervise the process of entering current period transactions, noting possible measures to improve the paper flow and the overall process. Client personnel should select the necessary menu options and begin entering the transactions from the source documents. If applicable, batch totals should be predetermined. Once entered, the source documents should be properly canceled to prevent double entry. Upon entering the source documents, the staff should then process the information, print the various audit trail reports, and file those reports in the appropriate binders.

Before concluding the general ledger daily operations training, the consultant should teach client personnel how to format the desired financial statements. From the consultant's point of view, the best approach is typically to teach personnel how to format the financial statements and have them perform this activity. Then, when revisions to the financial statement format are needed, the staff can make the changes without the consultant's assistance.

**Training Exercises** – The following pages provide training exercises to be delegated to the student. These training exercises should be completed without the assistance of the consultant. If desired, you can grade the exercises using a grading system you deem fit.

## TRAINING PRACTICE EXERCISES: GENERAL LEDGER

Prepared by: \_\_\_\_\_ Date Completed: \_\_\_\_

**Instructions** - Before starting, review all of the general ledger module setup screens, examine each setup criteria, and input any default settings as needed. Perform the following exercise, and attach all reports to this page when completed. Be sure to write down all of your questions for later review.

1. Make sure that the following Accounts are set up: Add accounts if needed:

1001 Cash—Operating	6002 Salaries & Wages
2001 Accounts Payable—Trade	6003 Office Expense
3000 Retained Earnings	6004 Utilities
4000 Sales	7500 Miscellaneous Expenses
5000 Cost of Goods Sold	8000 Interest Income
6001 Depreciation Expense	

2. Print a chart of accounts, and check your work.

3. Enter the following journal entries.

<u>Description</u>	<u>Debit</u>	<u>Credit</u>
a. Cash	4,200.94	
Sales		4,200.94
b. Office Expense	2,322.88	
Accounts Payable		2,322.88
c. Miscellaneous Expense	1,111.43	
Cash		1,111.43
d. Cash	8,433.90	
Interest Income		8,433.90

4. Print a journal entry control report, and check your work.
5. Select option to post these transactions. A posting report will be printed.
6. Print a general ledger.
7. Print a trial balance.
8. **EXTRA CREDIT:**
  - a. Set up a simple balance sheet and income statement format.
  - b. Print a balance sheet and income statement.
  - c. On the balance sheet, do total assets equal total liabilities and equity?

## TRAINING PRACTICE EXERCISES: ACCOUNTS PAYABLE

Prepared by: \_\_\_\_\_ Date Completed: \_\_\_\_\_

**Instructions** - Before starting, review all of the accounts payable module setup screens, examine each setup criteria, and input any default settings as needed. Perform the following exercise, and attach all reports to this page when completed. Be sure to write down all of your questions for later review.

1. Set up the following vendors. (Make assumptions where applicable related to terms, 1099 candidate, TIN number, etc.)

Global Contractors 1414 Wesley Way Dallas, TX 44444 (333) 564-9999	Sydney Supplies 2222 Saratoga Blvd. Long Island, FL 54444 (555) 888-4333	City Power 1000 Peachtree Street Atlanta, GA 22222 (404) 777-7777
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2. Print a vendor listing, and check your work.
3. Input the following invoices. (You may need to create terms prior to entering these invoices.)

V e n d o r :	City Power	Global Contractors	Sydney Supplies	Global Contractors
Account:	Utilities	Misc. Exp	Office Supplies	Cost of Goods Sold
Date of invoice:	March 19	March 3	21-Mar	16-Mar
Amount:	380.12	1,233.75	421.34	3,444.59
Terms:	2%/10, net 30	2%/10, net 30	Net 30	2%/10, net 30

4. Select option to post these transactions. A posted transaction report should be printed automatically.
5. Print checks (on blank paper if checks have not yet arrived).
6. Post accounts payable to general ledger (if this step is required by your software).
7. Print a trial balance report.
8. Print a general ledger report for the office expense account only.
9. **EXTRA CREDIT:**
  - a. Set up three additional vendors as 1099 candidates.
  - b. Post several transactions to each vendor, and print checks.
  - c. Post accounts payable to the general ledger.
  - d. Print 1099s for each of these vendors.

## TRAINING PRACTICE EXERCISES: ACCOUNTS RECEIVABLE

Prepared by: \_\_\_\_\_ Date Completed: \_\_\_\_\_

**Instructions** - Before starting, review all of the accounts receivable module setup screens, examine each setup criteria, and input any default settings as needed. Perform the following exercise, and attach all reports to this page when completed. Be sure to write down all of your questions for later review.

1. Set up the following customers. (Make assumptions where applicable related to terms, classifications, etc.)

Dixie Furnishings 2000 Wayland Park Drive Richmond, VA (444) 828-1212	Pepper & Salt 612C Gladmore Way Charlotte, NC (433) 231-3984	Lady Living 1000 Peachtree Street Atlanta, GA 22222 (404) 777-7777
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2. Print a customer listing, and check your work.
3. Input the following invoices. (You may need to create terms prior to entering invoices.)

Customer:	Dixie Furnishings	Pepper & Salt	Lady Living	Dixie Furnishings
Account:	Sales	Sales	Sales	Sales
Date of invoice:	7-Mar	2-Mar	28-Mar	23-Mar
Amount:	1,037.85	597.48	439.75	2,568.35
Terms:	Net 30	2%/10, net 30	2%/10, net 30	Net 30

4. Print invoices.
5. Input cash receipts as follows.

Date:	March 29	March 12
Customer:	Dixie Furnishings	Pepper & Salt
Amount received:	1,037.85	585.53
6. Print statements for all three customers.
10. Print a trial balance report & general ledger report for the sales account only.

### 11. EXTRA CREDIT:

- a. Set up three additional customers.
- b. Post several transactions to each customer, and print invoices.
- c. Post accounts receivable to general ledger.



## TRAINING PRACTICE EXERCISES: PAYROLL

Prepared by: \_\_\_\_\_ Date Completed: \_\_\_\_\_

**Instructions** - Before starting, review all of the payroll module setup screens, examine each setup criteria, and input any default settings as needed. Perform the following exercise, and attach all reports to this page when completed. Be sure to write down all of your questions for later review.

1. Set up the following employees. (Make assumptions where applicable related to filing status, exemptions, other deductions, etc.)

Name:	Charles C. Campbell	David Davis	Sherry Single
Address:	1234 Windsor Road	5555 Donaldson Drive	7878 Rivertree Lane
City:	Dallas, TX 33333	Dallas, TX 30003	Dallas, TX 33333
SS#:	288-86-6888	587-77-5877	264-64-6644
Pay period:	Biweekly	Biweekly	Biweekly
Pay type:	Salaried	Hourly	Salaried
Pay rate:	35,000	10.75	40,000

2. Print an employee list, and check your work.
3. Input the following time for a pay period, then calculate and process the payroll.
  - a. David Davis            38 hours
4. Print checks.
5. Post payroll to general ledger.
6. Print a payroll journal report.
7. Print a trial balance report.
8. Print a general ledger report for the "salaried" account only.
9. **EXTRA CREDIT:**
  - a. Set up two additional employees.
  - b. Post time to the next pay period, including some vacation and sick time.
  - c. Calculate the payroll, and post to general ledger.
  - d. Print an employee record for each employee.

## TRAINING PRACTICE EXERCISES: INVENTORY

Prepared by: \_\_\_\_\_ Date Completed: \_\_\_\_\_

**Instructions** - Before starting, review all of the inventory module setup screens, examine each setup criteria, and input any default settings as needed. Perform the following exercise and attach all reports to this page when completed. Be sure to write down all of your questions for later review.

1. Set up the following inventory items, making any necessary assumptions.

Description:	Poster board	Pencils	Rolls of tape
Unit:	Each	Dozen	Dozen
Unit cost:	0.12	0.79	6.90/dozen
Selling price:	0.35	1.99	1.25/each

2. Print an inventory listing, and check your work.
3. Enter the following inventory receipts.

Vendor:	Sydney Supplies	Sydney Supplies
Date received:	March 14	March 16
Item received:	Rolls of tape	Pencils
Quantity received:	12 dozen	48 dozen
Total cost:	86.94	37.92

4. Enter the following sales of inventory.

Date:	March 25	March 25
Item sold:	Rolls of tape	Pencils
Sales price per unit:	1.25	1.99/dozen
Units sold:	5	3 dozen
Total sale:	6.25	5.97

5. Print an inventory transaction report, and review your work.

**6. EXTRA CREDIT:**

- a. Set up a new inventory item comprised of several other inventory items.
- b. Print an inventory on hand report.
- c. Assemble three units of the new inventory item.
- d. Once again, print out an inventory on hand report.



# **EDITIONS OF QUICKBOOKS 2010**

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## **CHAPTER 2**

## Editions of QuickBooks

For 2010 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 2010<sup>20</sup>. The Accountant's Edition contains all of the features from all of the other products combined (except for the online and point-of-sale editions) - Intuit simply turns off selected features to produce differing and lower cost editions of the product. As proof, consider that the Accountant's Edition can produce all of the industry specific reports<sup>21</sup>. As further proof, consider that the Accountant's Edition's appearance can be toggled to look like any of the other products<sup>22</sup>. This toggle feature makes it easier for a consultant to quickly change their menus to match those menus of a client that is being supported via telephone.

## Pricing<sup>23</sup>

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 <sup>(1)</sup>
1. QuickBooks Simple Start 2010 Free Edition	1 user	Free
2. QuickBooks Simple Start 2010	1 user	\$99.95
3. QuickBooks Pro 2010 (New or Upgrade is same price)	1 user 2 users 3 users	\$159.95 \$303.95 \$439.95
4. QuickBooks 2010 for Mac	5 users	\$199.95
5. QuickBooks Premier 2010 (New or Upgrade is same price)	1 user 2 users 3 users 4 users 5 users	\$319.95 \$599.95 \$879.95 \$1,329.95 \$1,674.85
6. QuickBooks Premier Accountant Edition 2010 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
7. QuickBooks Premier Accountant Edition 2010	1 user 3 users 4 users 5 users	\$249.95 \$1,099.95 \$1,329.95 \$1,674.85
8. QuickBooks Free Online Accounting	1 user	Free
9. QuickBooks Online Basic	1 user + accountant	\$9.95/Month <sup>(2)</sup>

10. QuickBooks Online Plus	3 users + accountant 10 users + accountant 25 users + accountant	\$34.95/Month <sup>(2)</sup> \$49.95/Month <sup>(2)</sup> \$79.95/Month <sup>(2)</sup>
11. QuickBooks Enterprise Solution 10.0 - Accountants	1 user 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
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
<b>Other Related QuickBooks Products and Services <sup>5</sup></b>		
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		\$60.00 Per Month
One Time Set Up Fee		\$49.00 One Time
Direct Deposit		\$1.05 Per Paycheck
W-2 Printing		\$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	\$10 Per Month
	2-5 users	\$25 Per Month
	6-10 users	\$50 Per Month
	11-20 users	\$75 Per Month
	21-50 users	\$100 Per Month
	51-100 users	\$150 Per Month
	101-200 users	\$200 Per Month
32. Remote Access – QuickBooks Only Access	1 computer	\$3.95 Per Month
	10 computers	\$29.95 Per Month
33. Remote Access – Entire Computer Access	1 computer	\$7.95 Per Month
	10 computers	\$69.95 Per Month
34. Bill Pay Service	20 payments	\$15.95 Per Month
	10 add'l payments	\$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	\$4.95 Per Month
	25 GBs of data	\$14.95 Per Month
	75 GBs of data	\$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.

## Comparison <sup>24</sup>

Basic explanations as to the major differences between these QuickBooks Editions are provided below, and a side-by-side comparison table follows:

<b>ENTERPRISE SOLUTIONS</b>	<p>Priced at \$2,400, \$4,000, \$5,600, \$7,200, \$8,800 or \$10,400. This edition comes with 12 months of technical support and free upgrades. The Enterprise edition offers 30-user capacity, customizable user security controls, improved performance, up to 100,000 customers, vendors and inventory items, and multiple company report creation. You can also consolidate multiple companies, statement writer, have 25 GB online backup, have unlimited technical support.</p> <p>Six industry-specific editions available: Accountant, Contractor, Manufacturing, Wholesale &amp; Distributors, Professional Services, and Retail.</p>
<b>PREMIER</b>	<p>Priced from \$299.95 to \$1,674.85. This edition provides all features of Basic and Pro plus inventory assemblies, creation of sales orders from estimates, creation of purchase orders from sales orders or estimates, forecasting, and strong job costing such as new reports and change orders.</p> <p>The Accountant edition comes with a financial statement designer, editor for compilation letters and footnotes, working trial balance, fixed asset manager, voided/deleted transaction report, retained earnings detail view, and is compatible with Basic, Pro, and Premier including the industry-specific editions.</p> <p>Six industry-specific editions available: Accountant, Contractor, Manufacturing &amp; Wholesale, Professional Services, and Retail.</p>
<b>PRO</b>	<p>Priced at \$159.95 to \$439.95. This edition provides all features of Basic plus 5-user capacity; handles multiple currencies, integration with Microsoft Office; up to 100 price levels; customizable forms; job costing; budgeting; cash flow projections; vehicle mileage and expense tracking; and PDF creation and emailing. This is the most popular edition used by businesses.</p>
<b>SIMPLE START</b>	<p>Priced from free to \$99.95. This edition of QuickBooks was first offered in 2005. It should be considered for use by first-time QuickBooks users who do not have a computerized bookkeeping system only. It is for a single-user. This edition was designed to target businesses without a computerized bookkeeping system by providing a quick, easy way for businesses with simple accounting needs to switch to a computerized bookkeeping system. This edition provides for tracking income and expenses, invoicing customers, paying bills, creating estimates, generating reports, and reconciling bank accounts.</p>
<b>ONLINE</b>	<p>Priced from free to \$84.90 per month for 13 users. Additional unlimited can be arranged with Intuit. Three editions are available—Free, QuickBooks Online Basic, and QuickBooks Online Plus. Although the online edition names might seem just like the</p>

	<p>name of another edition of QuickBooks above, they are <u>not</u> the same. The online editions are built similarly to the other QuickBooks editions, but they are not based on the other QuickBooks editions. You will find many differences. The online editions allow multiple users 24/7 access from anywhere, but none of the online editions are as feature rich as the non-online editions.</p> <p>NOTE: The non-online editions of QuickBooks can also be hosted online using an application service provider other than Intuit.</p>
<b>PRO FOR MAC</b>	<p>Priced at \$199.95. This edition is the only edition available for MAC users and requires OS X. The Pro MAC edition is <u>not</u> the same as the Pro Windows edition. The features of the MAC edition are not as powerful as the Windows edition. Pro MAC users can share their QuickBooks data with an accountant who uses a Windows edition.</p>
<b>QUICKBOOKS POINT OF SALE</b>	<p>Priced starting at \$899.95 to \$2,299.95. Six editions are available – Basic, Basic with peripherals, Basic with HP computer, Pro, Pro with peripherals, and Pro with HP computer. Replaces a cash register and rings up sales, tracks inventory, stores customer information, transfers summarized sales data and inventory asset account values into QuickBooks Pro, Premier, or Enterprise editions only, works with Intuit-tested point of sale hardware – receipt printer, cash drawer, bar code scanner, and credit card swipe, which can be purchased for an additional \$700.</p>



## QUICKBOOKS COMPARISON TABLE

### The QuickBooks lineup at-a-glance

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

					
Online	Desktop				Growing Businesses
Plus	Simple Start	Mac	Pro	Premier	Enterprise Solutions
\$34.95/month	\$99.95	\$199.95	From \$199.95 \$159.95	From \$399.95 \$319.95	From \$600/user
<a href="#">Sign Up</a>	<a href="#">Add to Cart</a>	<a href="#">Add to Cart</a>	<a href="#">Add to Cart</a>	<a href="#">Add to Cart</a>	<a href="#">Try It Now</a>
<a href="#">Learn More</a>	<a href="#">Learn More</a>	<a href="#">Learn More</a>	<a href="#">Learn More</a>	<a href="#">Learn More</a>	<a href="#">Learn More</a>

### Save time when tracking your finances

Easily print checks, pay bills & track expenses	•	•	•	•	•	•
Track sales, sales taxes & customer payments	•	•	•	•	•	•
Manage payroll & payroll taxes; offer Direct Deposit <sup>1</sup> (sold separately)	•	•	•	•	•	•
E-mail estimates, invoices, reports <sup>2</sup>	•	•	•	•	•	•
Create and customize professional-looking invoices & forms <sup>3</sup>	•	•	•	•	•	•
Organize and back-up documents by attaching them to your QuickBooks records <sup>4</sup>	•	•	•	•	•	•
Accept credit & debit cards right in QuickBooks <sup>5</sup>	•	•	•	•	•	•
Scan and deposit your checks with Intuit Check Solution for QuickBooks (subscription required) <sup>6</sup>	•	•	•	•	•	•
Track time and expenses to bill clients	•	•	•	•	•	•
Unlimited technical support, free product upgrades, 25GB online back-up, and more included for a full 12 months <sup>7</sup>	•	•	•	•	•	•
Integrates with Mac OS X tools such as MobileMe, AddressBook, and iCal <sup>8</sup>	•	•	•	•	•	•

### Get insights so you make better decisions

	Plus	Simple Start	Mac	Pro	Premier	Enterprise Solutions
Allow <b>multiple users</b> to work in QuickBooks at the same time <sup>9</sup>	Up to 3 users + accountant	1		Up to 5	Up to 5	Up to 30
One-click business reports	65+	14	100+	100+	150+ Industry	150+ Industry Specific
Import data from Excel, Quicken, Microsoft Office Accounting & prior QuickBooks versions <sup>10</sup>	QuickBooks import only	Excel import only	•	•	•	•
Track inventory, set reorder points & create purchase orders			•	•	•	•
Download your bank & credit transactions into QuickBooks <sup>11</sup>	•		•	•	•	•
Get an immediate view into your bottom line all in one page with Company Snapshot	•		•	•	•	•
Track international sales & expenses in multiple currencies				•	•	•
Easily create a business plan					•	•
Forecast sales & expenses					•	•
Sample files, menus & chart of accounts tailored to your industry	•				•	•
Create industry-specific reports and install industry features					•	•
Consolidate reports from multiple company files <sup>12</sup>						•
Create professional financial statements with the included Intuit Statement Writer (a \$150 value) <sup>13</sup>						•

## Participant Notes



# QUICKBOOKS CPA ESSENTIALS

“WHAT CPAs SHOULD KNOW”

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## CHAPTER 3

## QUICK HISTORY

QuickBooks is the world's most popular accounting system with more than 4.2 million customers<sup>25</sup>, most of which are located throughout the United States. QuickBooks was originally introduced in 1987 as the Quicken Check-Writing tool that featured a basic check register and a great WYSIWYG check writing screen. In 1994, QuickBooks was released to include full balance sheet and income statement reporting, followed a few years later with multi-user access and limited customization capabilities. Today, QuickBooks comes in many versions and offers a wide and growing breadth of modules that can intimidate even the most knowledgeable of CPAs. Whether you are a user yourself, or you are providing advice and services to your clients, it's time that you mastered QuickBooks once and for all.

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### 1. Importing Credit Cards Transactions into QuickBooks<sup>26</sup>

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.

**2. Post Each Transaction** - Next you need to visit each transaction and add it to the register<sup>27</sup>, 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.

The screenshot shows the 'Match Transactions' window in QuickBooks. The window title is 'Match Transactions'. It has a toolbar with 'Go to...', 'Print...', 'Edit Transaction', and 'QuickReport'. Below the toolbar, it says 'Match QuickStatement transactions to those already in QuickBooks.' There are checkboxes for 'Show Register' (checked) and '1-Line'. The account selected is 'QuickBooks Credit Card'.

Date	Ref	Type	Account	Payee	Memo	Charge	Payment	Balance
06/13/2003		CC	CMAP2 TEST-050823 INTU 6509			0.01		0.02
06/26/2003		CC CRED	Miscellaneous					0.01
06/30/2003		CC	CMAP2 TEST-050823 INTU 65					0.02
			Other Income					
			CMAP2 TEST-050823 INTU 65					
			Other Income					

Buttons: Add to register, Record, Restore, OK

Message: QuickBooks has reviewed your QuickStatement and register for matching transactions. Number of matching transactions: 7. Number of unmatched transactions: 4. To add the unmatched transactions to your register, select each transaction and click Add. Matched transactions are marked with a lightning bolt in your register.

Below the window, the 'QuickBooks Credit Card' register is shown for the date 'As of 09/02/2003'. The balance is '\$0.00'. The register has columns: Status, Date, Check #, Payee, Charge, and Payment.

Status	Date	Check #	Payee	Charge	Payment
Matched	06/10/2003		CMAP2 TEST-050823 INTU 6509	0.01	
Matched	06/10/2003		CMAP2 TEST-050823 INTU 6509	0.01	
Matched	06/10/2003		CMAP2 TEST-050823 INTU 6509		0.02
Matched	06/24/2003		CMAP2 TEST-050823 INTU 6509	0.01	
Unmatched	06/24/2003		CMAP2 TEST-050823 INTU 6509		0.01
Matched	06/24/2003		CMAP2 TEST-050823 INTU 6509	0.01	
Matched	06/24/2003		CMAP2 TEST-050823 INTU 6509	0.01	
Matched	07/24/2003		CMAP2 TEST-050823 INTU 6509	0.01	
Unmatched	07/24/2003		CMAP2 TEST-050823 INTU 6509		0.01
Unmatched	07/24/2003		CMAP2 TEST-050823 INTU 6509		0.01

Buttons: Match, Unmatch, Show Matched, Done, Cancel

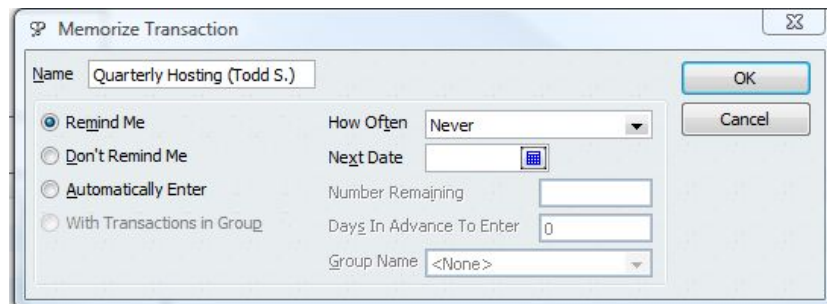
In the end, all this process really does is prevent you from having to input the date, description and amount for each credit card transaction – but that is enough. The result is that it saves time and improves accuracy.

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

### 3. Memorized Transactions

QuickBooks allows you to memorize recurring transactions <sup>28</sup>. These memorized transactions save time, help reduce mistakes and increase accuracy <sup>29</sup>. You can set up transactions to be recorded automatically <sup>30</sup> 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 <sup>31</sup>:
  - 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 <sup>32</sup> 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** <sup>33</sup> - 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** <sup>34</sup> –

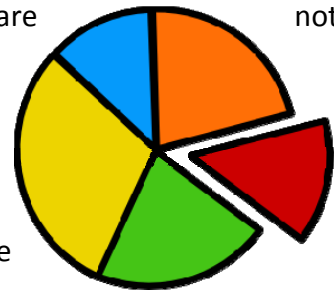
Each month an apartment building sends out 400 invoices to collect the rent from their 400 tenants. Instead of producing 400 invoices each month, have QuickBooks do the work for you.



3. **Recurring Depreciation Entry** <sup>35</sup> – 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** <sup>36</sup> – 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.

---

## 4. Running an Efficient Accounting System

When operating an accounting system, (any other accounting system – QuickBooks or otherwise), it wise to schedule common accounting tasks to be performed at specified intervals throughout the week<sup>37</sup>. 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<sup>38</sup>:

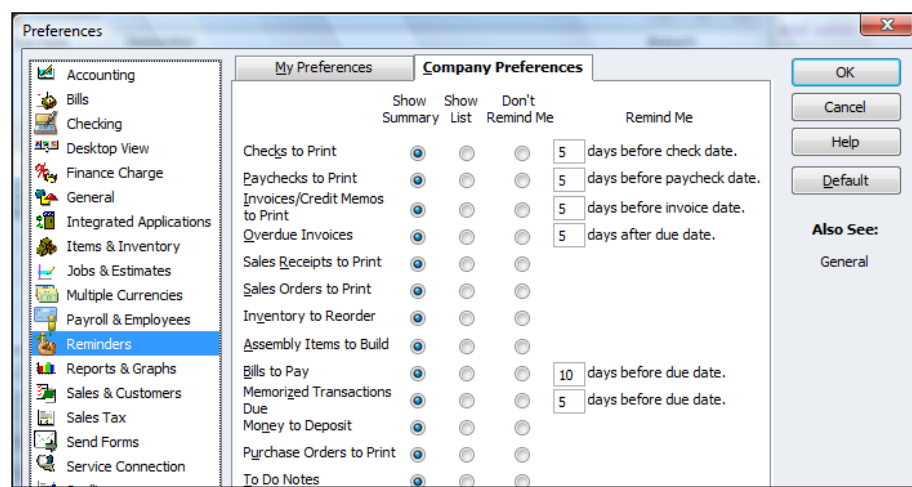
	Monday	Tuesday	Wednesday	Thursday	Friday
8:00 AM					
9:00 AM					
10:00 AM		Bills Entered		Bills Entered	Credit Memos Processed Statements Sent
11:00 AM					
12:00 PM					
1:00 PM			Sales Orders Processed		Sales Orders Processed
2:00 PM			Process Payroll	Sales Orders Processed	Payroll Mailed
3:00 PM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

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

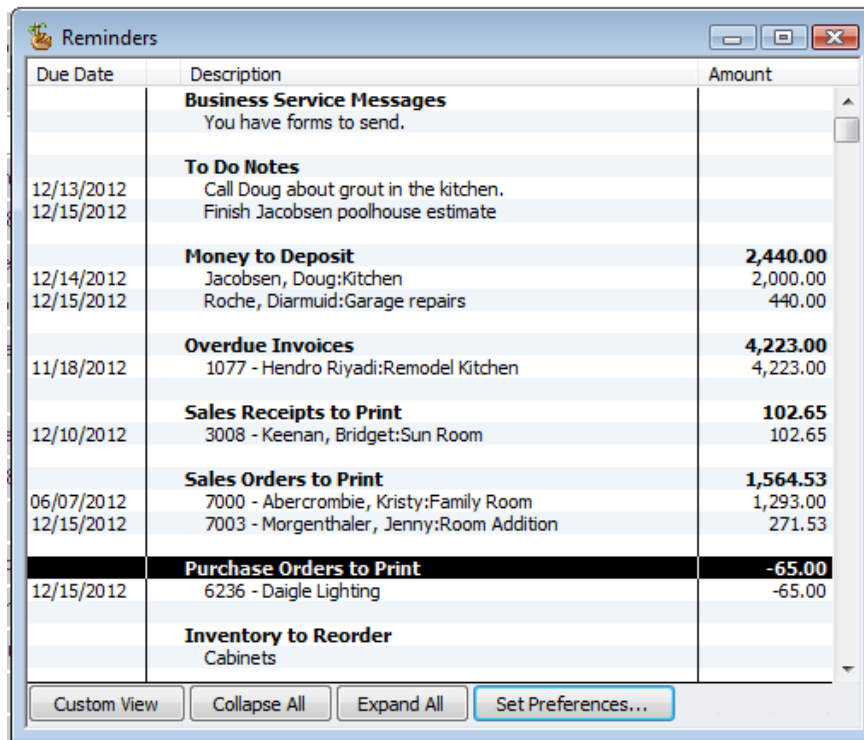
## 5. Reminders

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<sup>39</sup> (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:

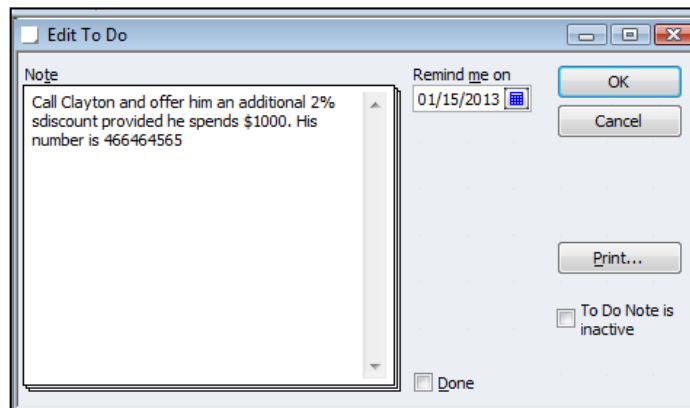


Due Date	Description	Amount
	<b>Business Service Messages</b> You have forms to send.	
	<b>To Do Notes</b>	
12/13/2012	Call Doug about grout in the kitchen.	
12/15/2012	Finish Jacobsen poolhouse estimate	
	<b>Money to Deposit</b>	<b>2,440.00</b>
12/14/2012	Jacobsen, Doug:Kitchen	2,000.00
12/15/2012	Roche,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

Custom View Collapse All Expand All Set Preferences...

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<sup>40</sup>; 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 mark<sup>41</sup> 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.

**Examples** <sup>42</sup> – 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.

## 6. Loan Manager

When it comes to recording loan payments, most small businesses handle it incorrectly. They write down the loan by the full amount instead of separating the loan into interest and principal payments. Thankfully, QuickBooks provides Loan Manager – a utility that automatically records each loan payment properly <sup>43</sup>. The Loan Manager’s payment calculator computes the principal and interest portion of your loan payment, and handles any escrow payment or fees and charges. The Loan Manager also creates payment schedules that you can view and print.

Sample Rock Castle Construction - QuickBooks: Premier Accountant Edition 2009

File Edit View Lists Accountant Company Customers Vendors Employees Banking Reports Online Service

Home Reminders Company Snapshot Customer Center Vendor Center Employee Center Report Center Rmnd

Loan Manager

[What you need to do before you add a loan](#)

Name	Balance	Next Payment	Amount
Due to Owner	0.00	01/31/2013	0.00

Add a Loan...  
Set Up Payment...  
Edit Loan Details...  
Remove Loan...

**Summary** | Payment Schedule | Contact Info

Lender Name: QuickBooks MasterCard      Payment Amount: 0.00  
 Account Number:      Interest Rate: 0.043%  
 Origination Date: 12/29/2012      Maturity Date: 12/29/2015  
 Original Amount: 4,500.00      Balloon Payment: None

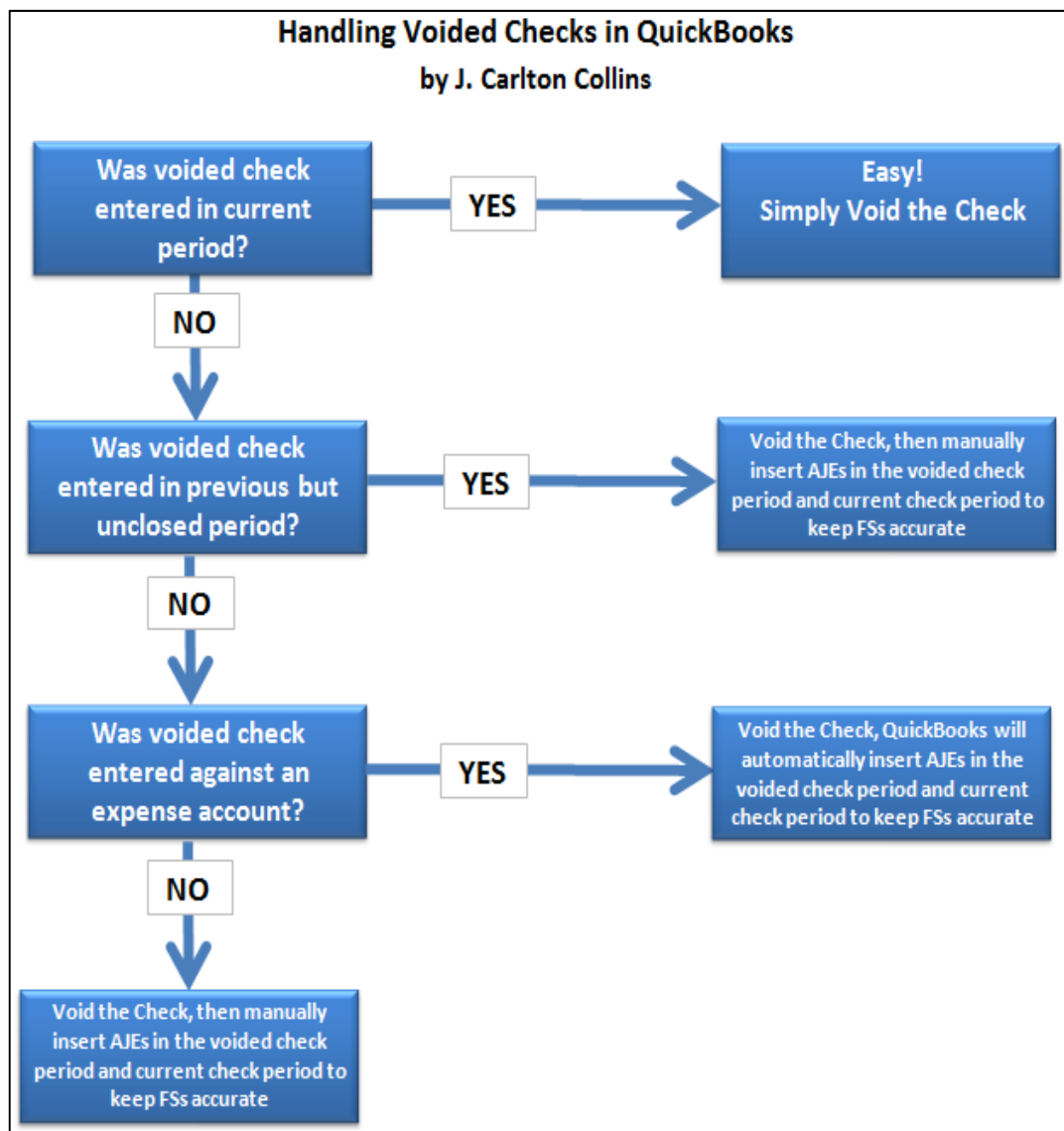
Print... What If Scenarios... Close Help

## 7. 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 not<sup>44</sup>. The results depend on your answers to these three questions<sup>45</sup>:

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

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



The problem is that QuickBooks zeros out voided checks in the prior period instead of the current period, which retroactively changes prior period financial statements. Therefore if prior periods are involved, you must enter adjusting journal entries in the voided period and the current period to correct for this error. The exception is that if the previous period in question has already been closed, and the check was written against an expense account, then QuickBooks creates journal entries to keep your prior period reports accurate. For example:

*Assume:*

*Today is 3/10/09*

*Your close date is set to 12/31/08*

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

*In this case, QuickBooks will record the following:*

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

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



**The Matching Principle** - The Matching Principle is based on accrual accounting and states that revenue and expenses should be recognized in the period when the revenue or expense event occurs<sup>46</sup>. 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](#).

## 8. Missing and Duplicate Documents

QuickBooks provides a report titled, Missing Check Numbers <sup>47</sup>. 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 <sup>48</sup> 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:

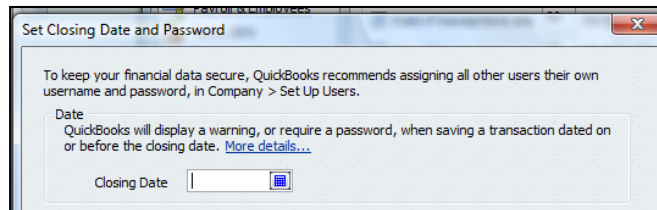
Missing Check Numbers Report	<i>(Included)</i>
Missing & Duplicate Invoices Numbers Report	<i>(Custom)</i>
Missing & Duplicate JE Numbers Report	<i>(Custom)</i>

Missing & Duplicate Estimate Numbers Reports (Custom)  
 Missing & Duplicate Sales Receipt Numbers (Custom)

## 9. Prevent Users from Making Prior Period Changes

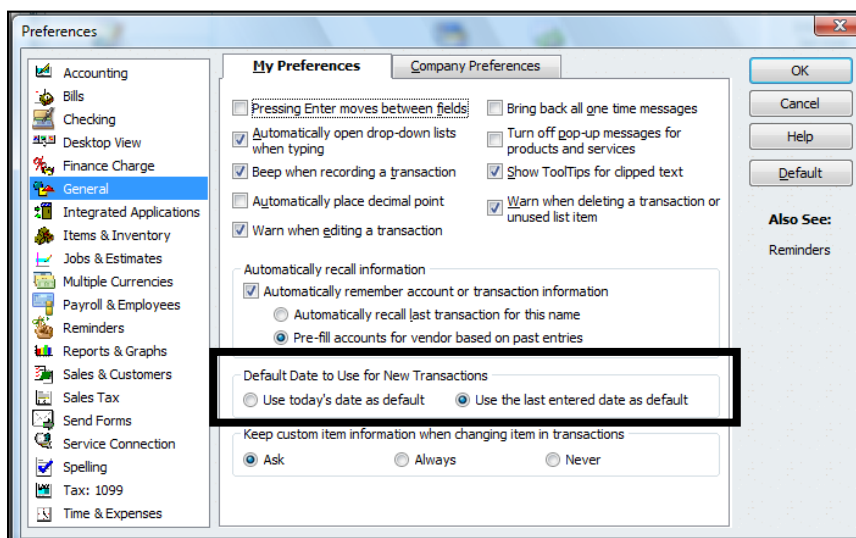
A common problem is that QuickBooks users can easily make changes to prior periods either intentionally, or unintentionally. You can just as easily prevent prior period changes from being made by taking the following four steps<sup>49</sup>:

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.



## 10. Yippy - Intuit Changes Default Date Setting<sup>50</sup>

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.

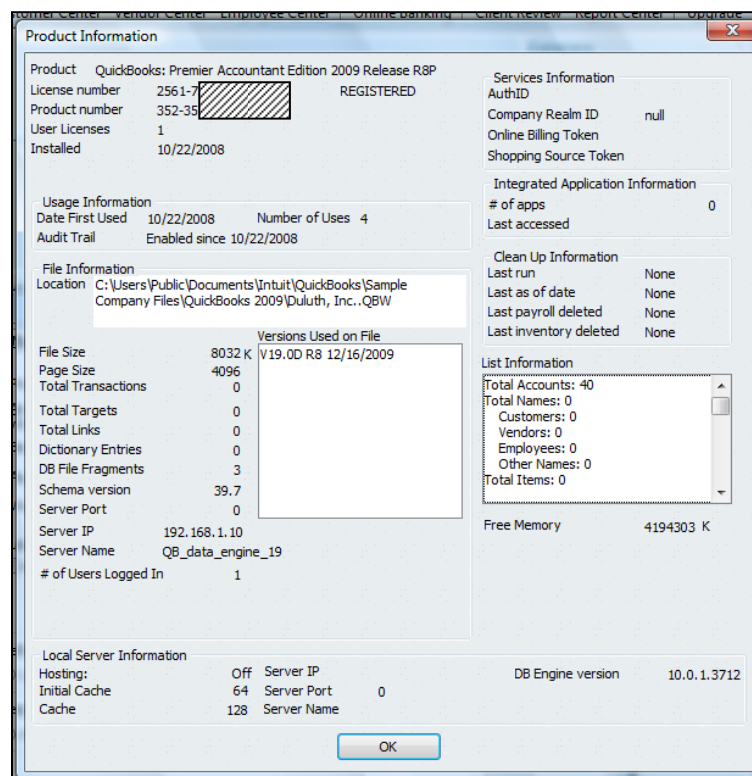




## 11. CTRL + 1 Product Information

Pressing the CTRL+1 key combination in QuickBooks will display a summary of product information<sup>52</sup> 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.

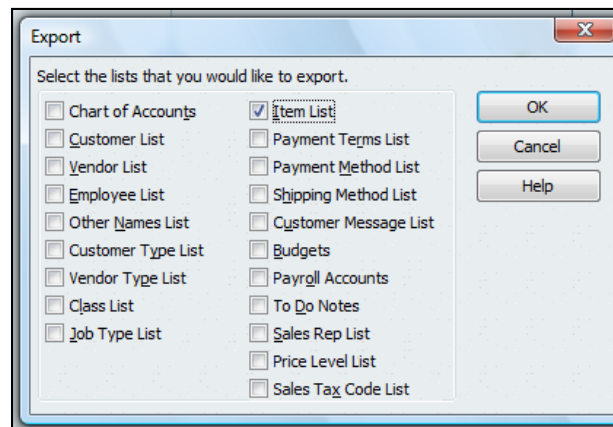


As a consultant, you should press the Print Screen button, then Paste the results into Word and e-mail it to yourself from the client's computer. This way you will have a copy of the clients information for the file and to help protect the client in the event that the hard drive crashes.

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## 12. 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 seconds<sup>53</sup>. 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 data<sup>54</sup>.

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## 13. Import Transactions Into QuickBooks

It is also possible to import transactions into QuickBooks<sup>55</sup> from Excel and other sources. To do this, you should first download the IIF import Resources Kit<sup>56</sup> 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.

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## 14. How to Record A Customer Deposit <sup>57</sup>

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.



## 15. Custom Data Fields

In my opinion, custom fields are one of the most powerful features in all of accounting software.<sup>58</sup> 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"/>
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	<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** <sup>59</sup> - 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.

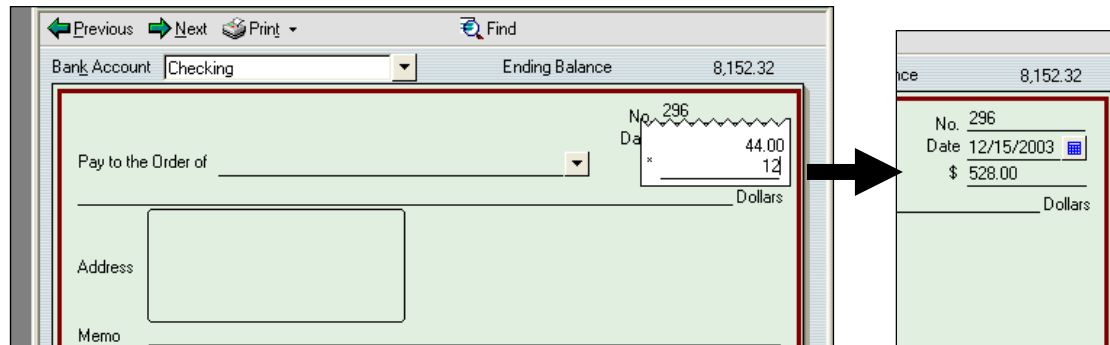
**Filtering By Custom Data Field** – One of the best aspects of the QuickBooks Custom Data Fields is that they can be included on your reports <sup>60</sup> and used to filter your reports <sup>61</sup>. For example, assume that at your boat marina, 23 of your 140 customers subscribe to your monthly 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.

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## 16. Calculator Tape

- a. All numeric fields in QuickBooks support calculator tape <sup>62</sup>.

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.



## 17. 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**<sup>63</sup> – 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**<sup>64</sup> – Most companies rely on the candidate's job experience but I prefer to ask a few simple questions instead, as follows:

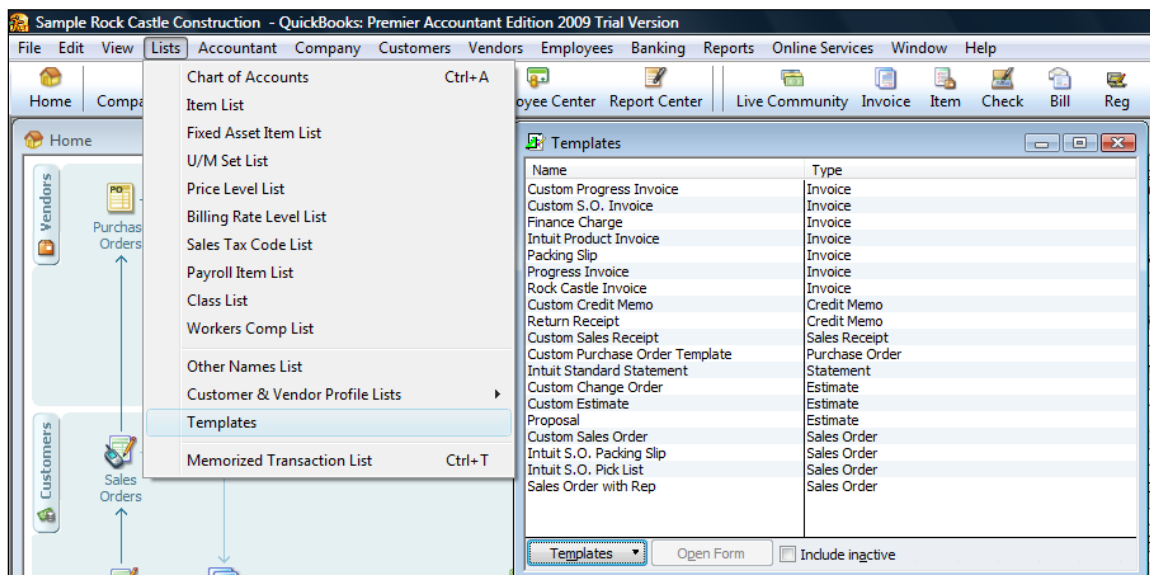
2. **Insurance Payment** - When you pay the insurance 6 months in advance, do you set it up as an asset and write off one-sixth's worth each month? *If the candidate looks at you silly and makes fun of you for thinking that insurance expense is an asset, that is proof that they do not fully understand accrual based accounting.*
3. **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.

4. **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.*
5. **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.*

## 18. Templates

CPAs should understand that not only can QuickBooks templates be edited, templates should be edited<sup>65</sup>. 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?

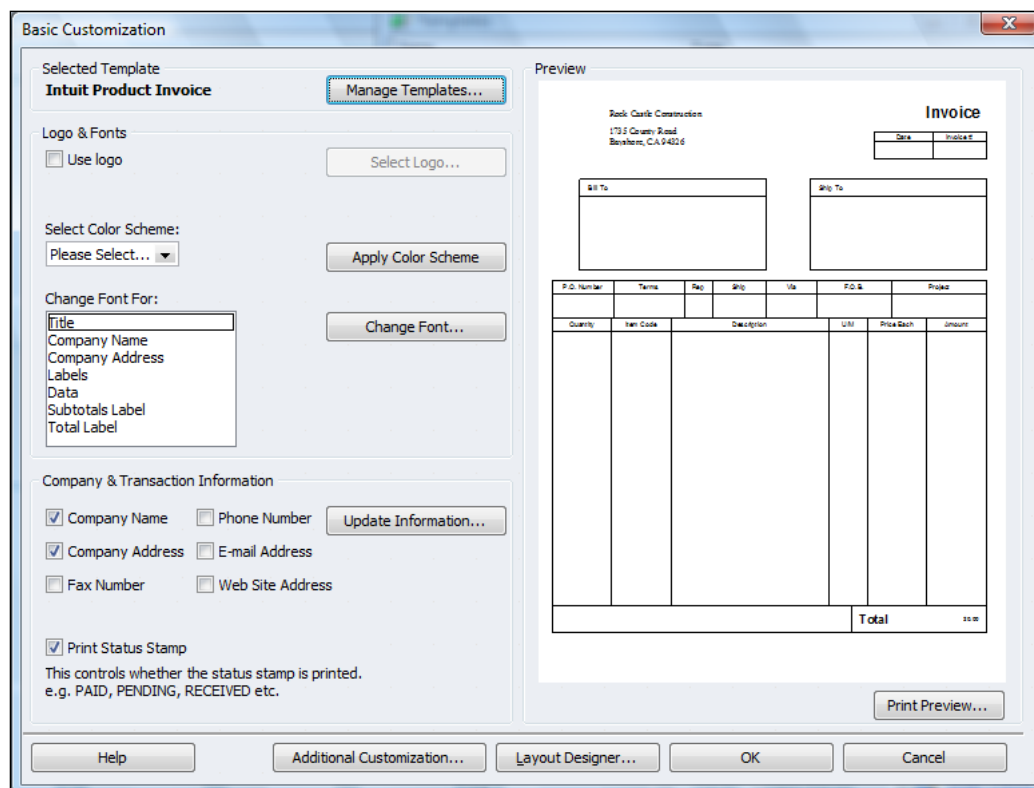
It is foolish to think that the default data fields and columns included on the templates are exactly what the company needs. For example, you might use a different invoice format when billing for services versus selling items, or selling to government versus private companies. You can create as many 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 <sup>66</sup>
- b. Adding New Data Fields <sup>67</sup>
- c. Adding Images (Such as A Logo) <sup>68</sup>
- d. Adding Text (Great marketing Opportunity) <sup>69</sup>
- e. Using the Re-layout Tool (Drag and Drop, Resize items) <sup>70</sup>
- f. Adjusting the Envelope Window (So the Postman can read the address) <sup>71</sup>
- g. Using the Lasso Tool (To move multiple objects) <sup>72</sup>
- h. Naming the Template (Make it easier to identify) <sup>73</sup>
- i. Exporting Templates (For use with other clients) <sup>74</sup>
- j. Importing Templates (More template designs available from the web) <sup>75</sup>
- k. Make default the Template Default – (Just by Using It) <sup>76</sup>





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.

**Additional Customization**

Selected Template: **Copy of: Intuit Product Invoice** ☐ Template is inactive

Header Columns Prog. Cols Footer Print

	Screen	Print	Title
Default Title	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Invoice
Date	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Date
Invoice Number	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Invoice #
Bill To	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Bill To
Ship To	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Ship To
P.O. No.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	P.O. Number
S.O. No.	<input type="checkbox"/>	<input type="checkbox"/>	S.O. No.
Terms	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Terms
Due Date	<input type="checkbox"/>	<input type="checkbox"/>	Due Date
REP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Rep
Account Number	<input type="checkbox"/>	<input type="checkbox"/>	Account #
Ship Date	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Ship
Ship Via	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Via
FOB	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	F.O.B.
Project/Job	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Project
Other	<input type="checkbox"/>	<input type="checkbox"/>	
Contract #	<input type="checkbox"/>	<input type="checkbox"/>	

[When should I check Screen or Print?](#)

**Preview**

Rock Castle Construction  
173 S County Road  
Beverly Hills, CA 94026

**Invoice**

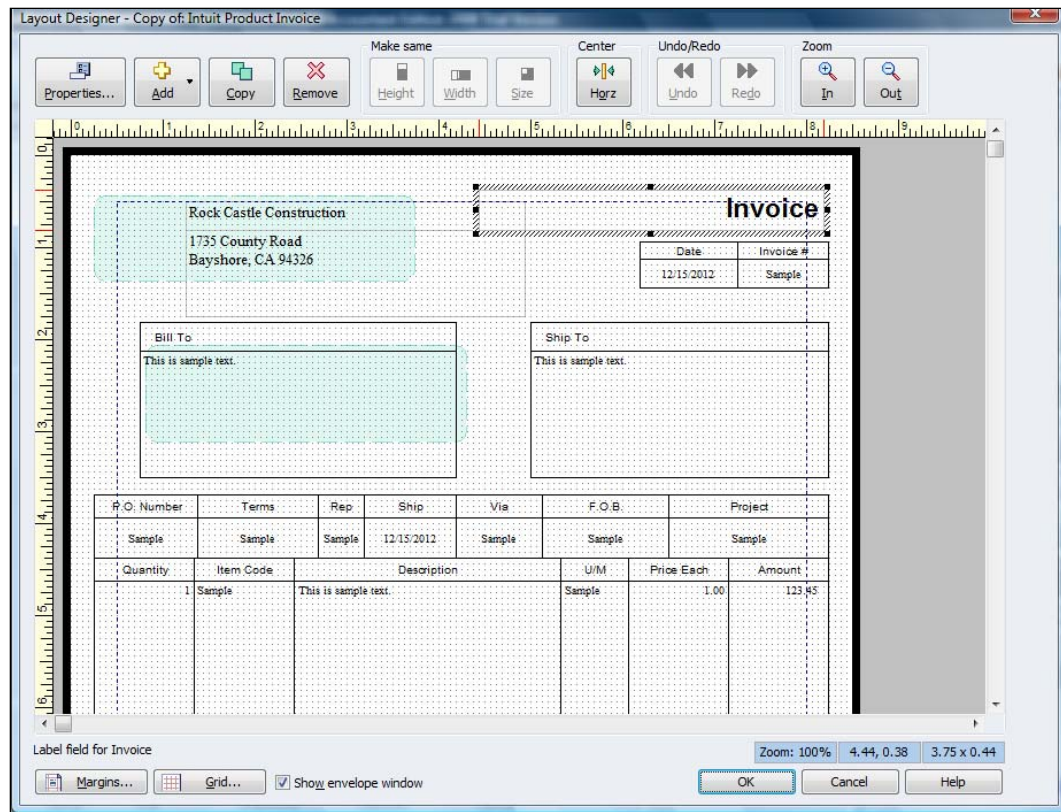
Date		Invoice #	
Bill To		Ship To	
P.O. Number	Terms	Rep	Ship Via
F.O.B.		Project	
Quantity	Item Code	Description	U/M
Price Each	Amount		
Total			00.00

Print Preview...

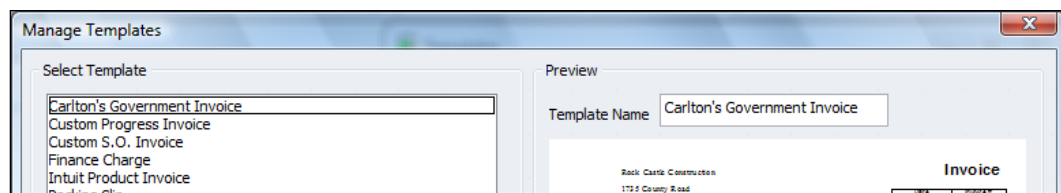
Help Default Layout Designer... OK Cancel

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.

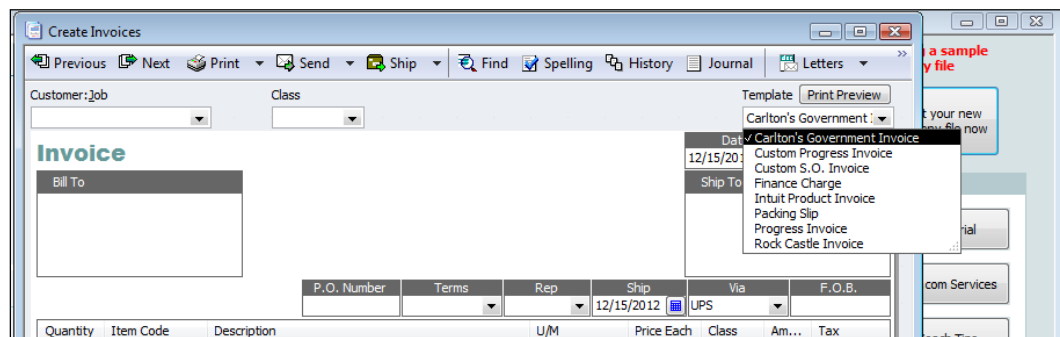
The layout designer tool shown below enables you to resize and move form elements around. This step is necessary because QuickBooks throws different elements on the template as you add them, but not necessarily in the right places. You need to visit the layout to make sure that no items overlap or are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

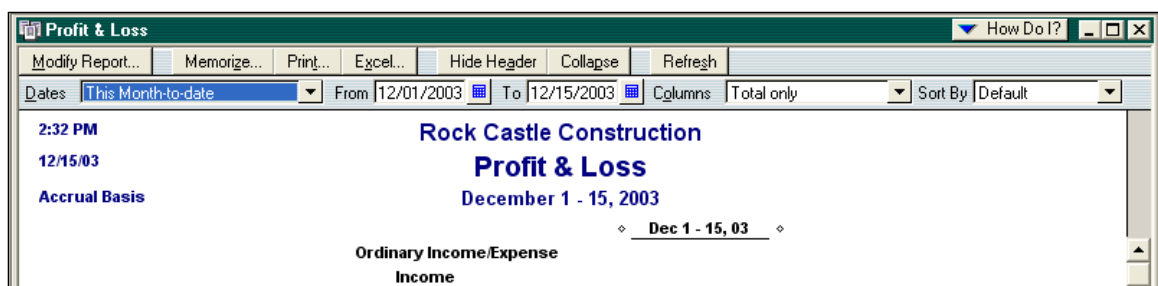


## 19. Financial Reporting

**Financial Reporting** – QuickBooks offers some of the strongest financial reporting capabilities in all of accounting software <sup>77</sup>, 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 <sup>78</sup>
- b. Modify Dates Using date Ranges (Not Recommended) <sup>79</sup>
- c. Add Columns <sup>80</sup>
- d. Drill Report <sup>81</sup>
- e. Stratify Reports (ie: by customer and job; by inventory item detail) <sup>82</sup>
- f. Filter Reports <sup>83</sup>
- g. E-Mail Report (QuickBooks Now Uses Outlook) <sup>84</sup>
- h. Export to Excel <sup>85</sup>
  - i. Excel Options
  - ii. Send Header to Page Setup
  - iii. Gridlines
- i. Memorize Reports <sup>86</sup>
- j. Processing Multiple Reports <sup>87</sup>
- k. Suppress Account Numbers on Reports <sup>88</sup>
- l. Financial Statement Designer (Discontinued in 2008)
- m. Statement Writer <sup>89</sup>
- n. Graphs
- o. Report Finder & Report Center
- p. Display Options Box Before Displaying Reports <sup>90</sup>

**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.

**Modify Report: Profit & Loss** [How Do I?]

**Display** | Filters | Header/Footer | Fonts & Numbers

Report Date Range

Dates: [This Month-to-date] From the first day of the current month through today

From: [12/01/2003] To: [12/15/2003]

Report Basis

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

Columns

Display columns by: [Total only] across the top. Sort by: [Default]

Sort in: ☒ Ascending order ☐ Descending order

Add subcolumns for

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

☐ \$ Change ☐ \$ Change ☐ % of YTD ☐ % of Income ☐ % of Expense

☐ % Change ☐ % Change

[Advanced...] [Revert]

[OK] [Cancel] [Help]

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".

Columns

Display columns by: [Total only] across the top

Add subcolumns for

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

☐ \$ Change ☐ \$ Change ☐ % of YTD ☐ % of Income ☐ % of Expense

☐ % Change ☐ % Change

[Advanced...] [Revert]

[OK] [Cancel] [Help]

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

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

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.

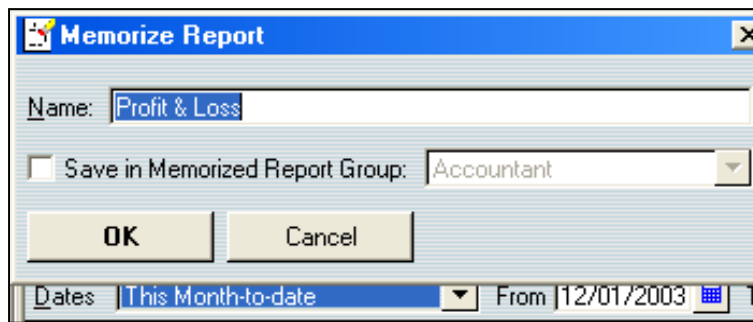
**Drilling Reports** – One of QuickBooks' best reporting features is the ability to drill down. Just double click on any number you see in QuickBooks to see the details for that number. Keep clicking until you reach the source document.

**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.

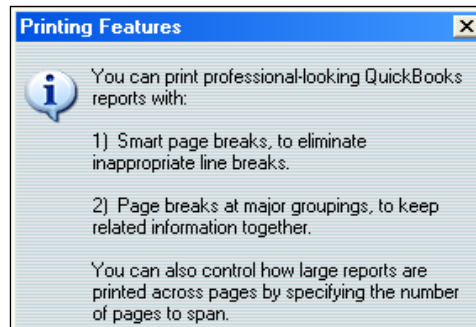
There is a better solution to suppressing account numbers from financial statements, as follows:

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

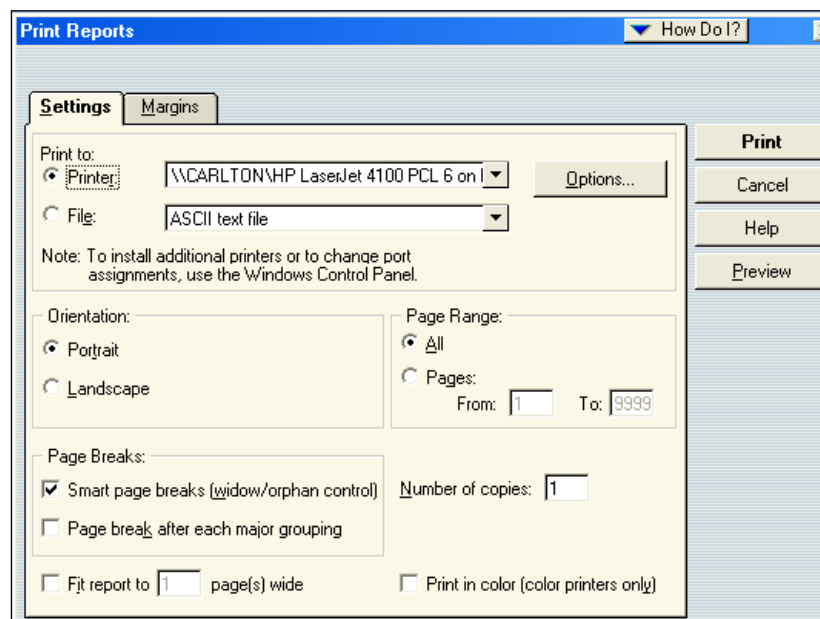
This action will now suppress account numbers from your financial statements, and use the account description instead of the alphanumeric account number. Please note that descriptions can differ from accounts (*AR vs. Trade Receivables*)

**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:

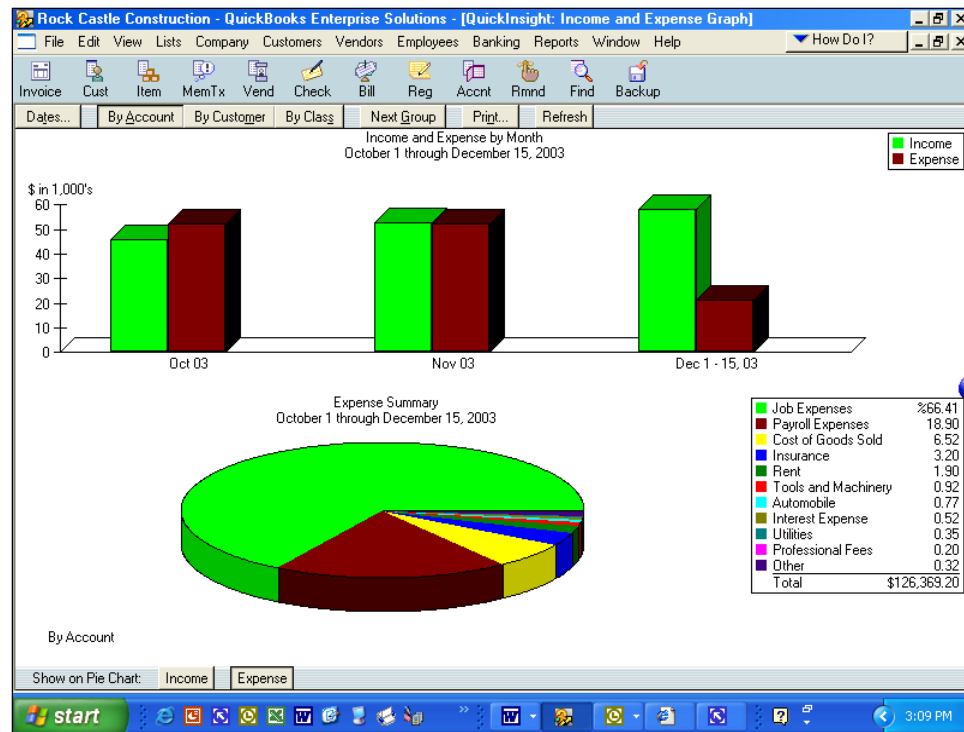


Once you print a report, you will find a wide number of print options available – some of which will differ slightly depending upon the printer you are printing to.



**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:



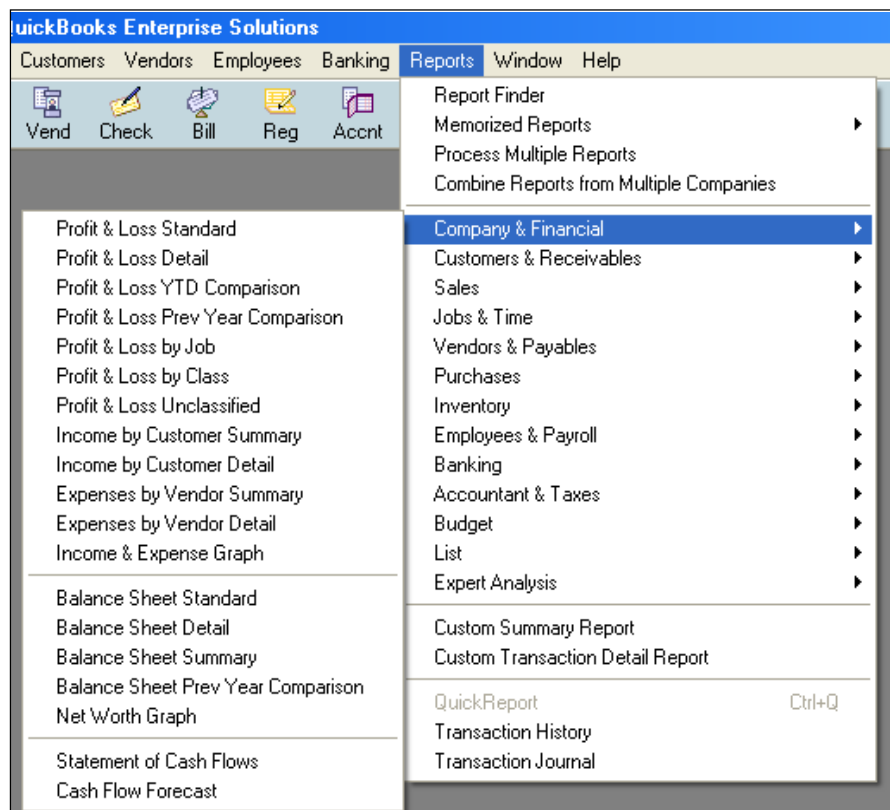
**Drilling Graphs** - Graphs can be drilled just like reports – to do this, just double click on the desired bar or pie slice to see the underlying supporting details.<sup>33</sup>

**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.

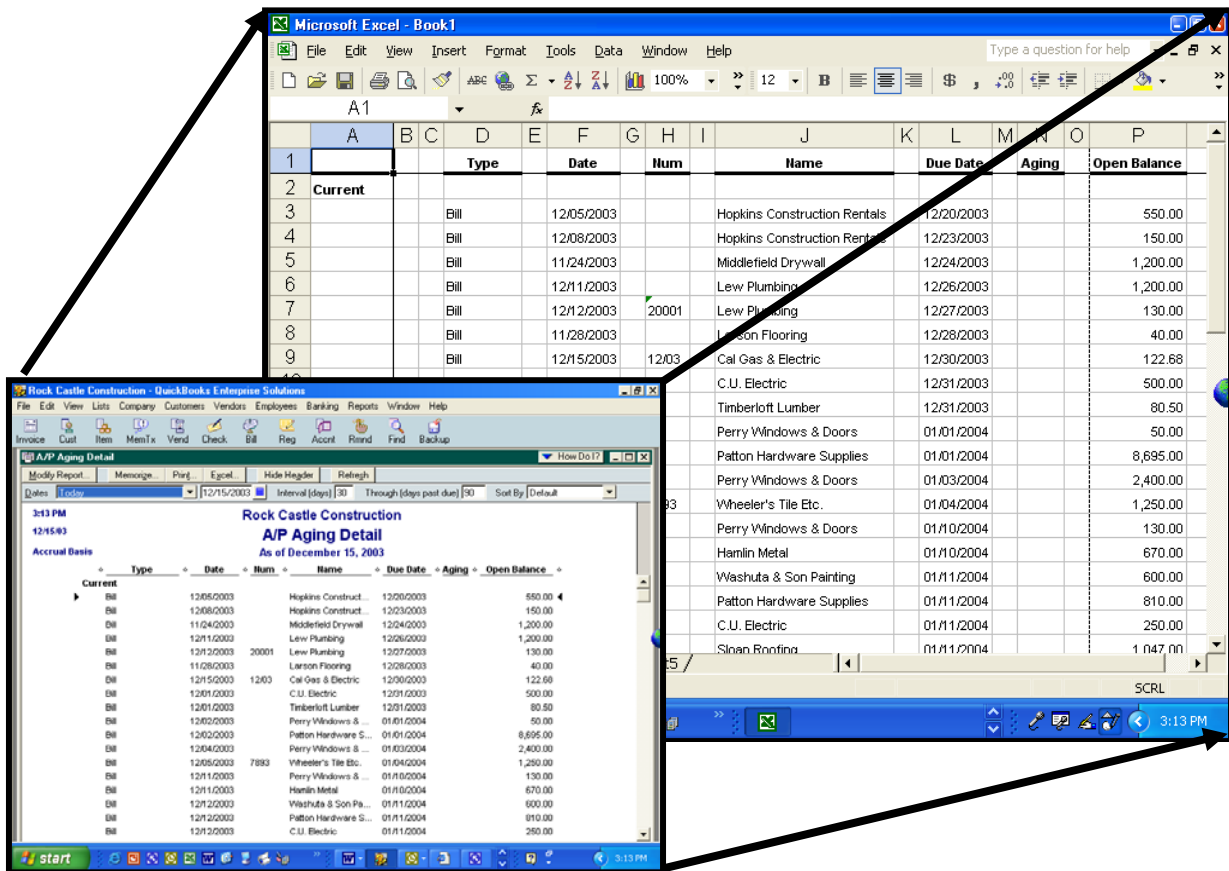




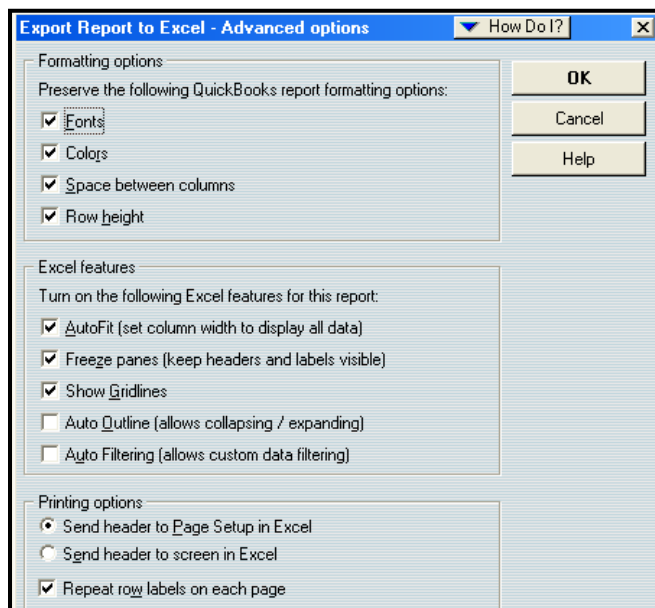
As discussed, the reports menu shown below provides access to the same reports as does the Report Center, and does it a little quicker.



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.



## 22. Company Snapshot <sup>91</sup>



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.

## 23. Department Accounting

### a. Understanding the need for Account Number Segments<sup>92</sup>

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

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

**TIP - Assigning Classes by Invoice Line Item** - When you enter an invoice in QuickBooks, you can assign the invoice to a single class. However, it is sometimes more useful to assign a class to each line item of the invoice. (For example, you may bill your customer for goods, services and support on a single invoice, but you would like to account for that revenue by departments which consist of sales, services and support.) To accomplish this, you must customize your invoice forms to add classes as a column<sup>96</sup>. 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:

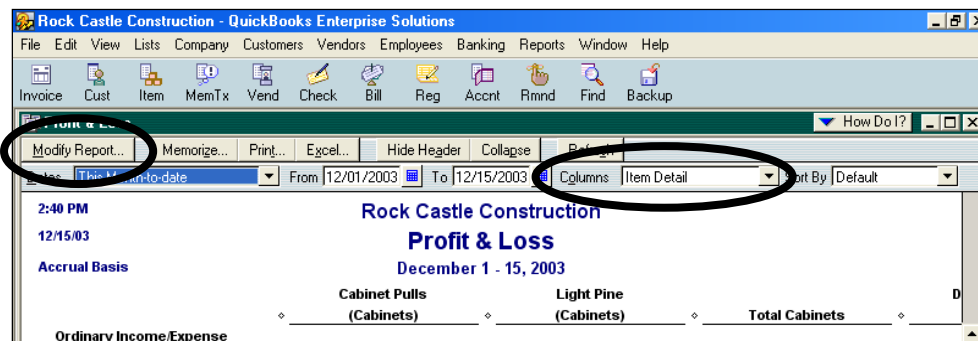
1. *Open the “Classes” list and select the class you want.*
2. *Press CTRL+Q to open a QuickReport on the class.*
3. *When the Class QuickReport appears you can change the date range or customize the report as needed.*

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 Class<sup>97</sup>; or use the “Modify Report”, “Filters Option” to display the report for just one Class,<sup>98</sup> as shown in the screen below.



**Using Classes to Track Partners** – Many Law firms and CPA firms use classes to track revenue and expenses by partner<sup>99</sup>. 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.

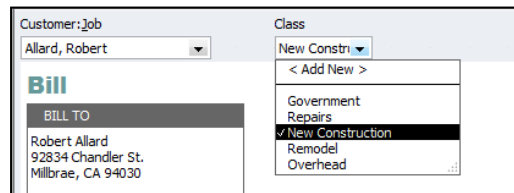
**Allocations** - At month end before reports are produced, the totals for the “Split” class are reapportioned or reallocated with appropriate journal entries. In many cases, the percentage of income is used as a guide for the allocation percentages based on the assumption that the overhead expenses 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**<sup>100</sup> – 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
<b>Government</b>									
Invoice	12/15/2012	1126		Abercrombie, Kristy		New Construction	792.00		792.00
Total Government							792.00	0.00	792.00
<b>New Construction</b>									
Invoice	12/01/2012	1088		Robson, Darci Rob...		New Construction			268,562.31
Invoice	12/01/2012	FC 5		Nguyen, Tuan Gar...		New Construction	37.58		269,044.89
Invoice	12/05/2012	1089		Violette, Mike Work...		New Construction	5,732.23		274,777.12
Invoice	12/10/2012	1090		Pretel Real Estate...		New Construction	1,715.00		276,492.12
Invoice	12/15/2012	1097		Robson, Darci Rob...		New Construction	12,420.98		288,913.10
Invoice	12/15/2012	1127		Allard, Robert		New Construction	500.00		289,413.10
Total New Construction							20,850.79	0.00	289,413.10
<b>Remodel</b>									
Invoice	11/30/2012	1086		Ecker Design's Off...		Remodel	1,468.30		338,933.35
Credit Memo	12/01/2012	4002		Abercrombie, Kris...		Remodel		711.15	338,222.20
Invoice	12/01/2012	1087		Roche, Diarmuid G...		Remodel	440.00		338,662.20
Invoice	12/10/2012	1091		Abercrombie, Kris...		Remodel	4,522.00		343,184.20
Invoice	12/10/2012	1092		Campbell, Heather...		Remodel	13,900.00		357,084.20
Invoice	12/11/2012	FC 6		Cook, Brian Kitchen		Remodel	5.95		357,090.15
Invoice	12/12/2012	1093		Lew Plumbing - C...		Remodel	220.00		357,310.15
Invoice	12/14/2012	1094		Natiello, Ernesto K...		Remodel	2,080.11		359,390.26
Invoice	12/14/2012	1095		Natiello, Ernesto K...		Remodel	8,656.25		368,046.51
Invoice	12/14/2012	1096		Natiello, Ernesto K...		Remodel	2,824.03		370,870.54
Invoice	12/15/2012	1098		Cook, Brian Kitchen		Remodel	1,636.69		372,507.23
Invoice	12/15/2012	1100		Burch, Jason		Remodel	936.00		373,443.23
Invoice	12/15/2012	1104		Abercrombie, Kris...		Remodel	4,324.00		377,767.23
Total Remodel							41,013.33	711.15	377,767.23



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

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## 24. QuickBooks Online

Intuit produces an online accounting system called QuickBooks Online<sup>101</sup>. 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:

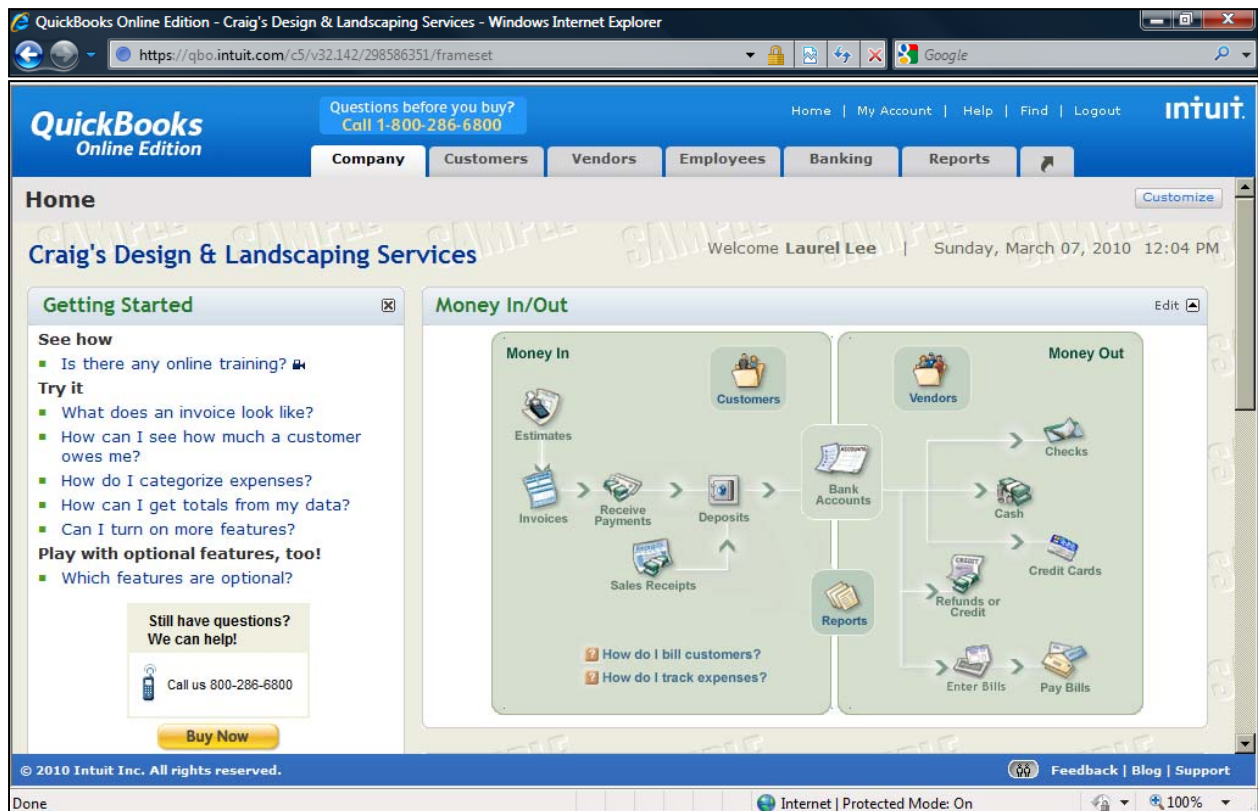
- a. You can try it for free here: <https://qbo.intuit.com/redir/trialperiod>.<sup>102</sup>
- b. The cost is as follows<sup>103</sup>:

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<sup>104</sup>.
- d. No software installation effort<sup>105</sup>. Just login and start setting up your data.
- e. No annual upgrade fees or upgrade effort<sup>106</sup>.
- f. QuickBooks Online is NOT QuickBooks *online*. It is similar, but not the same<sup>107</sup>.
- g. The Higher-end database never slows down, not even with 1 million records<sup>108</sup>.
- h. It is instantly accessible from multiple locations, including work from home employees, traveling sales representatives, etc<sup>109</sup>.
- i. Data is secured via 128 bit encryption.
- j. QuickBooks Online has built-in world class facility, firewalls, virus protection<sup>110</sup>.
- k. Server is mirrored.
- l. Back ups are included<sup>111</sup>.
- m. Drawbacks –



- i. You must pay for each separate company <sup>112</sup>.
- ii. If the Internet goes down...
- iii. QuickBooks Online features not as robust as regular QuickBooks. Some of the missing features from QuickBooks Online are as follows <sup>113</sup>:
  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



## 25. Fixed Assets

The QuickBooks' Accountant Edition includes Fixed Asset Manager<sup>114</sup> – 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.

QuickBooks Fixed Asset Manager - [Rock Castle Construction, Inc.]

File Edit View QuickBooks Asset Reports Tools Help

Save Add Delete Asset Tools Find Prev Asset Next Asset 129 40%

Schedule Asset Disposal Projection Notes Calendar

**General Asset Information**

Asset number: [3]

Asset description: Copier/Printer

Asset description line 2: Color Printer/Copier

Purchase order number: [ ] Serial number: 7394732947

Warranty expires: 12/31/2008 ?Personal property return: [X] ?New: [ ]

**Link to Federal Form**

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

Property: [ ]

	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 product<sup>115</sup>, and simply enter a journal entry each month in QuickBooks manually to keep depreciation expense and accumulated depreciation in sync.

## 26. 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 time<sup>116</sup>. 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**<sup>117</sup> - 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 below<sup>77</sup>, 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
<b>Banking</b>																
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
<b>Sales and Customers</b>																
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
<b>Purchases and Vendors</b>																
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
<b>Payroll</b>																
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

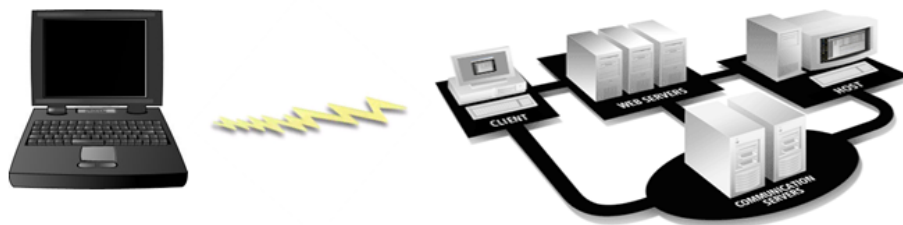
2. **Too Technical** - This approach requires the client create files, send files, and then import adjusting entries. This is a manual procedure that may be too little technical for many client's bookkeepers to handle without frustrations.
3. **Multiple Copies of QuickBooks** - This approach requires the CPA to maintain multiple copies of QuickBooks (different years and different editions)<sup>118</sup> in order to accommodate the multiple versions of QuickBooks data files they receive.
4. **Begs for Once a Year Assistance**<sup>119</sup> – 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<sup>120</sup>. 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.<sup>121</sup>

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## 27. 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<sup>122</sup>. This approach is elegant and works very well. This approach makes the Accountant’s Copy approach obsolete for many reasons as follows:

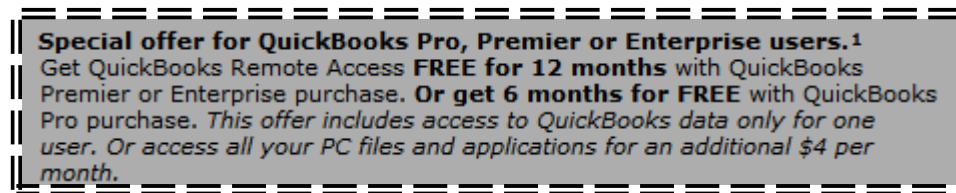
1. **Full Access to all QuickBooks Functions and Data** – With Remote Access, the CPA can see all data and make all necessary changes<sup>123</sup> without any of the restrictions imposed by the Accountant’s Copy approach.
2. **No Need to Maintain Multiple QuickBooks Copies** - With Remote Access, there is no need for the CPA to maintain multiple copies<sup>124</sup> (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**<sup>125</sup> – 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<sup>126</sup>. 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<sup>127</sup> 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 year<sup>128</sup> 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 year<sup>129</sup>. 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 Solution**<sup>130</sup> - For just \$3.95 a month<sup>131</sup>, 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 data<sup>132</sup>, but not to the other files and data residing on the client's computer.

For just \$7.95 per month<sup>133</sup> 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 coupon<sup>134</sup> for free Remote Access Service.



[http://quickbooks.intuit.com/product/add\\_ons/remote\\_access.jsp](http://quickbooks.intuit.com/product/add_ons/remote_access.jsp)

**Other Remote Access Solutions**<sup>135</sup> – Here is a link to more than 425 downloadable Remote Access solutions: [http://www.download.com/Remote-Access/3150-7240\\_4-0.html](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**



**Some High End  
Remote Access Solutions**



**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 of 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.

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## 28. Monthly or Quarterly Procedures for CPAs

Intuit reports that the average QuickBooks consultant generates approximately \$2,800 per year in QuickBooks consulting fees<sup>136</sup>. 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, 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 Checklist**<sup>137</sup>

By the 10<sup>th</sup> 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 month<sup>138</sup>. 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 review<sup>139</sup>. 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 accordingly<sup>140</sup>.

## 29. 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**<sup>141</sup>

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> <sup>142</sup>
Ctrl + N	<u>New transaction</u> <sup>143</sup>
Ctrl + R	<u>Go to transaction register</u> <sup>144</sup>
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> <sup>145</sup>
Ctrl + C	<u>Copy text to clipboard</u> <sup>146</sup>
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> <sup>147</sup>
Ctrl + J	Customers, Jobs
Ctrl + L/Down Arrow	List
Ctrl + M	<u>Memorize</u> <sup>148</sup>
Ctrl + N	New transaction
Ctrl + O	Copy transaction in register
Ctrl + P	<u>Print</u> <sup>149</sup>
Ctrl + Q	<u>Quick Report from List</u> <sup>150</sup>
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> <sup>151</sup>
Ctrl + W	<u>Write checks</u> <sup>152</sup>
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> <sup>153</sup>
Ctrl + Down Arrow	Scroll through list while in form
Ctrl + Enter	Record entry (if Enter moves)
Ctrl + F1	Hide / show cue cards
Ctrl + F6	Next window
Ctrl + Ins	Insert line
Ctrl + Left Arrow	Prior word in field
Ctrl + Page Up	First item/ list, prior month/ register
Ctrl + Page Down	Last item/ list (next month/ register)
Ctrl + Right Arrow	Next word in field
Ctrl + Up Arrow	Scroll through list while in form

## CUT & PASTE SHORTCUTS

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

**OTHER SHORTCUTS**

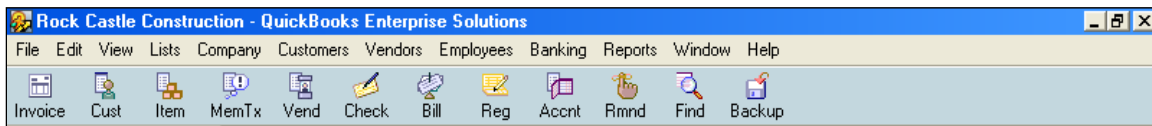
Alt + Down Arrow	Display list for a field
Alt + F4	Exit program
Ctrl + F1	Hide / show cue cards
Ctrl + F6	Next window
Ctrl + Up Arrow	Scroll through list entries in form
Diamond	Move list item, make sub-item
Escape	Cancel entry or close window
F1	Help
F2	Edit data
F5	Refresh
Ins	Insert
Shift	Open window in center of screen
Space bar	Mark or unmark check boxes
Type initial letters	Quick Fill names in list

**QUICKBOOKS DATA ENTRY SHORTCUTS**

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

### 30. Editing the Icon Bar <sup>154</sup>

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.



### 31. QuickBooks' Backup Versus Online Backup

**Regular Backup** - I am not a fan of the built in QuickBooks backup utility <sup>155</sup> 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 <sup>156</sup> 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.

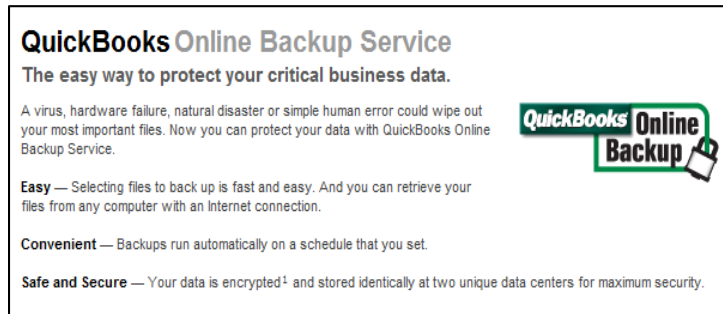
The Online option allows you to set it up once, and never worry about back-ups again. Simply pay your fees as follows:

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.



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## 32. 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.

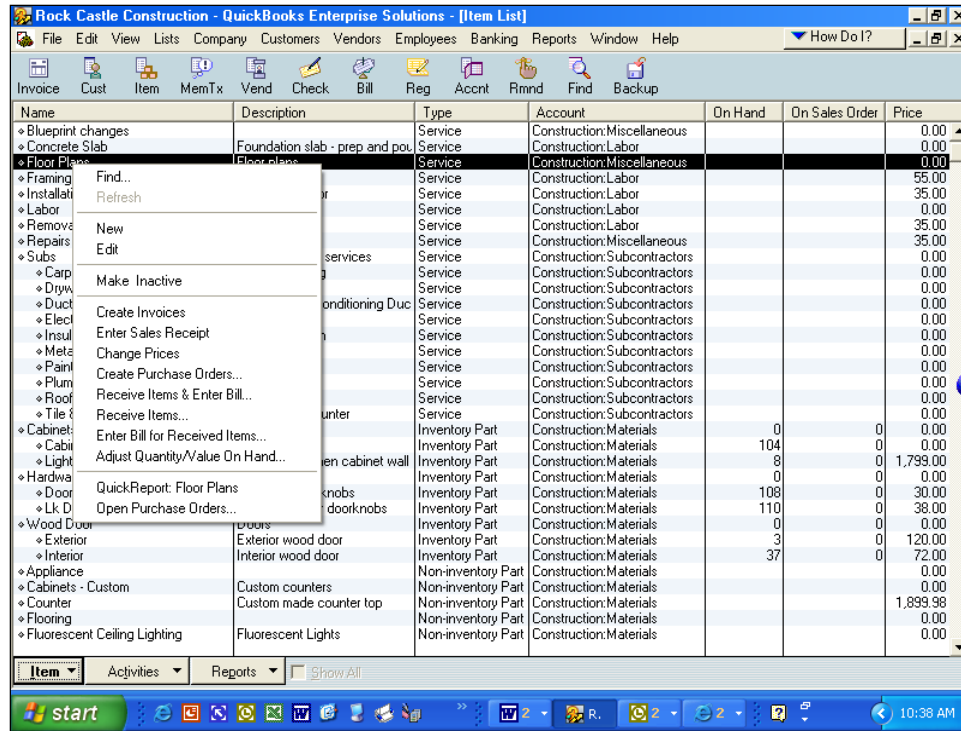
- a. **Duplicate Customers, Vendors, Items, Employees, etc.** – A simple misspelling could result in the automatic set up of a duplicate customer, vendor, employee, or item. To fix duplicates, simply edit the spelling of the incorrect customer, vendor, employee, or item and QuickBooks will merge the data<sup>157</sup> 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.

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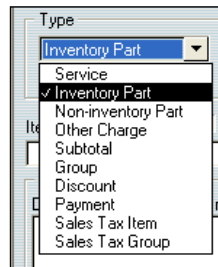
## 33. Inventory Items

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

- a. Service items.
- b. Inventory items.
- c. Non-inventory items.
- d. 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)<sup>159</sup>. 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.

**Rock Castle Construction - QuickBooks Enterprise Solutions - (New Item)**

File Edit View Lists Company Customers Vendors Employees Banking Reports Window Help

Invoice Cust Item MemTx Vend Check Bill Reg Acct Rmnd Find Backup

Type:  Use for goods you purchase, track as inventory, and resell. QuickBooks cannot track manufacturing inventory for products you build and sell.

Item Name/Number:  ☐ Subitem of

**Purchase Information**

Description on Purchase Transactions: This is a brightly colored widget used for building widget boards

Cost:

COGS Account:

Preferred Vendor:

**Sales Information**

Description on Sales Transactions: This is a brightly colored widget used for building widget boards

Sales Price:

Tag Code:

Income Account:

☐ Item is inactive

**Inventory Information**

Asset Account	Reorder Point	On Hand	Total Value	As of
<input type="text" value="Inventory Asset"/>	<input type="text" value="120"/>	<input type="text" value="230"/>	<input type="text" value="2,760.00"/>	<input type="text" value="12/15/2003"/>

OK Cancel Next Custom Fields Spelling

According to Intuit, a common inventory mistake made by QuickBooks users is to create separate inventory part items for both sales and purchases<sup>160</sup>. 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.

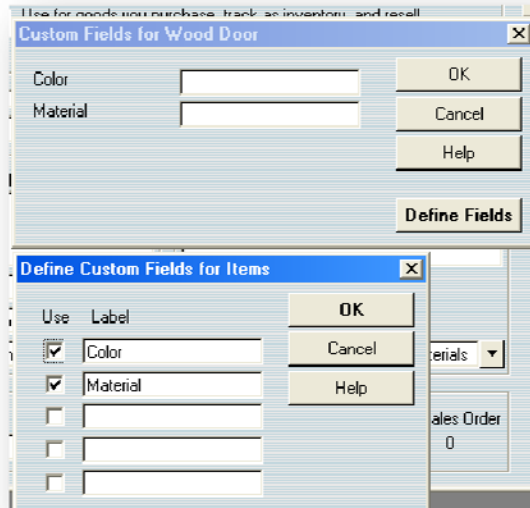
**Item Name or Number** – You can set up inventory items as a name or number. Which you use depends largely on what you are selling. Basically, the best rule is to use a name or number that will help you distinguish this item from all the others on the list.

**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:

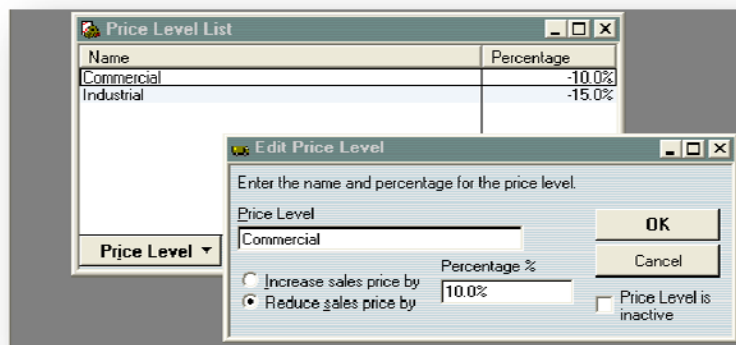




### 34. Inventory Pricing

**Price Levels** – You can use price levels in two different ways. You can apply a price level directly to items on a sales form or you can associate a price level with a customer<sup>161</sup>. 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.<sup>162</sup>
- You can use these price levels to mark prices up or down.<sup>163</sup>
- You can assign default price level to customers.<sup>164</sup>



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%.<sup>165</sup> 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.

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## 35. QuickBooks Networking Limitations

QuickBooks was not originally designed to be a multi-user product<sup>166</sup>, 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.

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## 36. Steps to Take When QuickBooks System is Running Slow<sup>167</sup>

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.<sup>168</sup>
- 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.

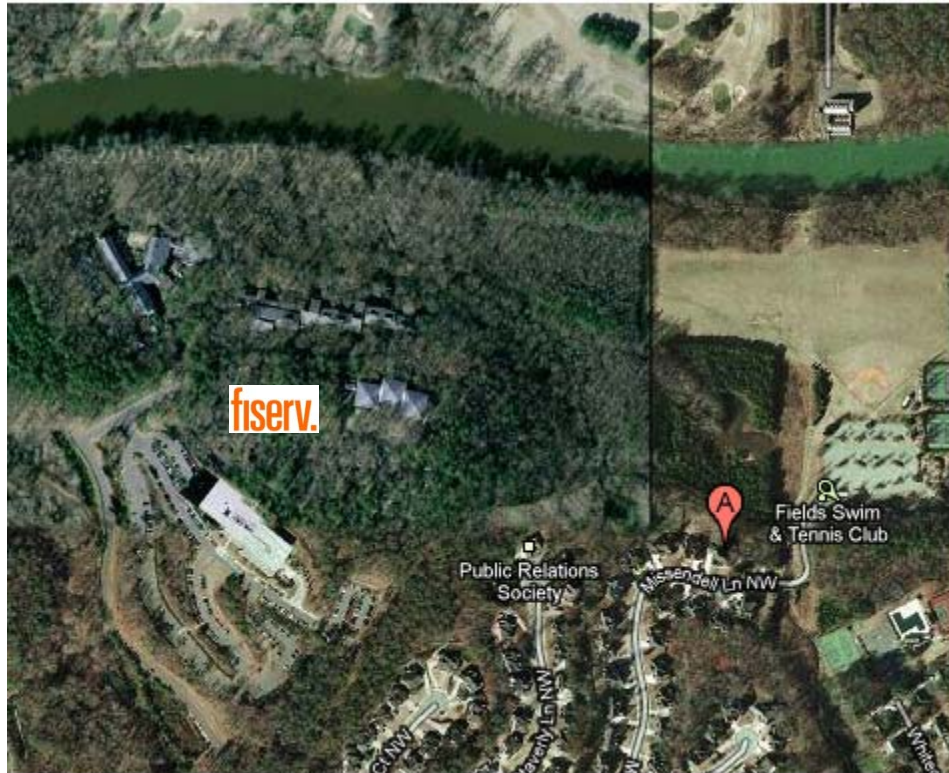
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## 37. Online Banking

“Paperless” has arrived. There are many ways to take advantage of the new paperless technologies, and online banking is one of them. Save money on printed checks, envelopes, stamps, and toner cartridges. By paying your bills online, you will save money and time<sup>169</sup>. 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 it<sup>170</sup>.
- d. **Why Six Hours?** - Intuit officially moved it’s banking operations to Hawaii to increase float time<sup>171</sup>, 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 Office<sup>172</sup> – 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 “2010 thru 2005”

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## 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 features<sup>173</sup>. 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 offers<sup>174</sup>. 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 year<sup>175</sup>. 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 Analogy**<sup>176</sup> - Look at it this way. If you wanted to learn to fly an airplane today, you could march down to your local community airport and your instructor would let you take the wheel of a little Cessna airplane on your very first flight. There are only a few gizmos and gadgets you would need to learn to make that happen. Within a few weeks you’d be flying high. Now assume that you wanted to learn to fly a 777 jumbo jet. There are gizmos and gadgets located all over the cockpit – even on the ceiling and walls. It might take you three years to










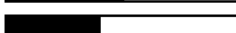
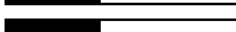
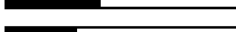
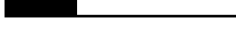

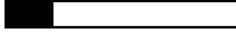
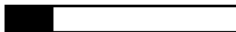
learn how to fly that jumbo jet because of the complexity. In this analogy, QuickBooks is the small Cessna aircraft and SAP Business One is the jumbo jet. One is cheap and simple to operate, the other is expensive and complicated to operate. American companies across the country have shunned the jumbo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

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

**New Features** <sup>177</sup> – 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](http://www.QuickBooksAdvisor.INFO).






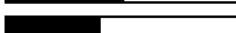
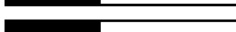
## New in QuickBooks 2010:

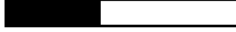
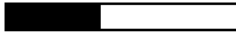
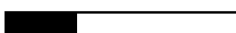
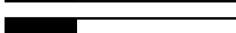
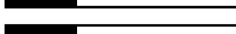
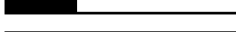
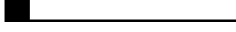
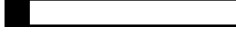
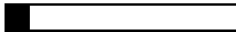
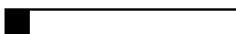
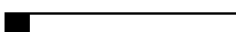
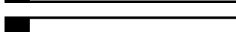
### Carlton's Ten Star Rating

- |  |   |
|--|---|
| 1. <b>Paperless Support</b> - Attach scanned documents to transactions   |    |
| 2. <b>Intuit Check Solution</b> - Scan and deposit your checks           |    |
| 3. <b>More Custom Fields</b> – Added to QuickBooks Enterprise Only       |   |
| 4. <b>Job/Lot/Serial Numbers</b> – Added to QuickBooks Enterprise Only   |  |
| 5. <b>Batch</b> - Batch entry and edit for item and account information  |  |
| 6. <b>New Tool</b> - Mass comparison and reclass. of expense accounts    |  |
| 7. <b>Intuit Statement Writer</b> – Now supports Word-based letters      |  |
| 8. <b>New Client Review Screen</b> - Helps CPAs troubleshoot inventory   |  |
| 9. <b>Role Base Security</b> – Added to QuickBooks Enterprise Only       |  |
| 10. <b>Re-Designed Report Center</b> – Better organized, easier to read  |  |
| 11. <b>Forms</b> - New professionally designed invoices & statements     |  |
| 12. <b>New Tool</b> - Write-offs of an entire customer's balance at once |  |
| 13. <b>Restrict Data Input</b> – Added to QuickBooks Enterprise Only     |  |
| 14. <b>Setup Improvements</b> - New installation options                 |  |

## New in QuickBooks 2009:




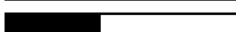
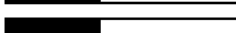
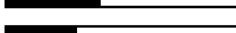
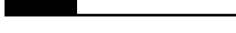

### Carlton's Ten Star Rating

- |   |   |
|---|---|
| 15. <b>Larger Numbers</b> - Supports 11 digits, up from 8 digits              |  |
| 16. <b>Client Review Data Center</b> – Helps CPAs review and fix errors.      |  |
| 17. <b>Lists</b> - You can now duplicate a transaction or list item           |  |
| 18. <b>Company Snapshot</b> - New dashboard screen                            |  |
| 19. <b>Point of Sale Improvements</b> – Touch screen, up to 20 POSs           |  |
| 20. <b>Intuit Statement Writer</b> - Sold separately, create reports in Excel |  |
| 21. <b>Multi-Currency</b> – Supports realized and unrealized Gains & Losses   |  |

22. <b>QuickBooks Live Community</b> – Chat with other QuickBooks users	
23. <b>Time Tracker</b> – Now tracks both billable and non-billable time	
24. <b>Improved Bank Reconciliation</b> – Sort columns	
25. <b>Multiple-User Enhancements</b> - To QuickBooks Enterprise	
26. <b>Online Banking</b> – Automatic mapping & new wizard	
27. <b>Improved Accountant's Copy</b> – Better import, mapping to 1099.	
28. <b>Free Business Web Site</b> – Still no integration to QuickBooks	
29. <b>History</b> – Easier to enter after-the-fact payroll data	
30. <b>Adobe</b> – New invoice, sales order & estimate templates	
31. <b>Conversion</b> – Updated tools for Peachtree & MOA files	
32. <b>Vista</b> - Microsoft Vista Logo Certified	
33. <b>Stronger Encryption</b> - 2048-bit key replaces 1024-bit key	







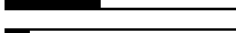
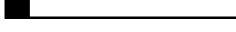
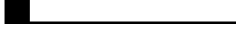
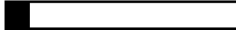

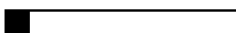

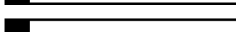
## New in QuickBooks 2008:

### Carlton's Ten Star Rating

1. <b>E-Mail through Outlook</b> – Contact lists, sent folder	
2. <b>New Excel Template</b> – Import Excel data into QuickBooks	
3. <b>Improved Help</b> – See screen and help window at same time	
4. <b>Merchant Service</b> – New ability to validate credit card funds	
5. <b>Time Tracker</b> – Track billable hours from Outlook	
6. <b>Share Records with CPA</b> – Dividing date, track CPA's changes	
7. <b>New Time &amp; Expense Screen</b> – See both on one screen	
8. <b>New Premier 3 User Edition</b> – Really just a new price point	

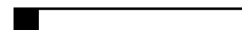
## New in QuickBooks 2007:

### Carlton's Ten Star Rating

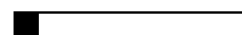
1. <b>Time Tracker</b> – Excellent online fully integrated timesheet	
2. <b>Portable File</b> – Smaller files, Re-indexes file to gain more speed	
3. <b>Unit of Measure Conversions</b> – Typically a higher-end feature	
4. <b>Multi-Parcel Shipping</b> – Via UPS and FedEx	
5. <b>Convert Sales Orders to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



15. **“Always On” Audit Trails** - Did that in 2006, doesn’t hit GL



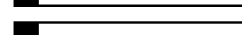
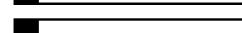
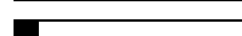
16. **New Pro 3 User Edition** – Just a new price point



## New in QuickBooks 2006:

### Carlton’s Ten Star Rating

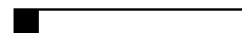
1. **New Set Up Screens** – 15 to 30 screens instead of 130
2. **New Home Page** - Organizes key data on a single screen
3. **Toggle Editions** – Make menus look like any other QB product
4. **Other New Screens** - Customer, vendor, employee, reports
5. **New Database** – Faster, but new problems in 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

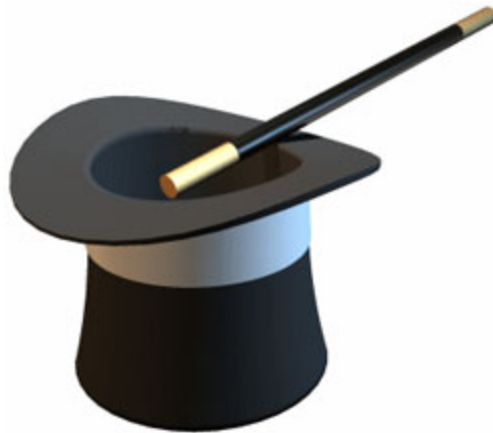


See my detailed discussion of these 2008 features at <http://www.QuickBooksAdvisor.com>

## 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 follows<sup>178</sup>:

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



# **QUICKBOOKS TIPS & TRICKS**

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## **CHAPTER 5**

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.*

## Participant Notes





# **THE QUICKBOOKS ADVISOR PROGRAM**

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## **CHAPTER 6**

## BECOME A QUICKBOOKS ADVISOR



CPAs and professionals can enroll to become a Certified QuickBooks ProAdvisor and have their name listed in QuickBooks Advisor referral database.

The program costs \$459 and as a Certified QuickBooks ProAdvisor:

1. You will receive a useable copy of QuickBooks Premier: Accountant Edition, QuickBooks Enterprise Accountants Edition, and QuickBooks Enhanced Payroll for a year.
2. You will receive unlimited priority technical support.
3. 16 Hours of CPE training.
4. Your name can appear in the QuickBooks Advisor referral database.
5. You will receive special Alerts, Newsletters and reference materials.
6. You will have access to informative webcasts.
7. You will receive training guides.
8. You will receive trial versions.
9. Purchase of \$99 each, your choice of additional licenses of QuickBooks: Premier Accountant Edition, Point-of Sale Multi-Store, Pro for Mac, or QuickBooks Merchant Services (One year subscription of credit card service)

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



# QUICKBOOKS FACTS

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## CHAPTER 7

## 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:

Income Statement			
		Get Income Statement for: <input type="text"/> <input type="button" value="GO"/>	
View: <a href="#">Annual Data</a>   <a href="#">Quarterly Data</a>		All numbers in thousands	
PERIOD ENDING	31-Jul-09	31-Jul-08	31-Jul-07
Total Revenue	3,182,537	3,070,974	2,672,947
Cost of Revenue	676,848	624,258	509,446
Gross Profit	2,505,689	2,446,716	2,163,501
Operating Expenses			
Research Development	566,232	605,818	472,516
Selling General and Administrative	1,215,275	1,190,131	1,033,451
Non Recurring	42,122	-	19,964
Others	-	-	-
Total Operating Expenses	-	-	-
Operating Income or Loss	682,060	650,767	637,570
Income from Continuing Operations			
Total Other Income/Expenses Net	22,555	99,508	85,933
Earnings Before Interest And Taxes	704,615	750,275	723,503
Interest Expense	51,184	52,290	27,091
Income Before Tax	653,431	697,985	696,412
Income Tax Expense	205,222	245,579	251,607
Minority Interest	(1,168)	(1,656)	(1,337)
Net Income From Continuing Ops	447,041	450,750	443,468
Non-recurring Events			
Discontinued Operations	-	26,012	(3,465)
Extraordinary Items	-	-	-
Effect Of Accounting Changes	-	-	-
Other Items	-	-	-
Net Income	447,041	476,762	440,003
Preferred Stock And Other Adjustments	-	-	-
Net Income Applicable To Common Shares	\$447,041	\$476,762	\$440,003

**Intuit's Significant Company Acquisitions:**

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



**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 more than two dozen books, two hundred articles, and thousands of web pages. As a public speaker, Mr. Collins has delivered more than 2,000 lectures in 44 states and 5 countries addressing more than 500,000 business professionals, and has delivered numerous keynote lectures at national and international conferences. Key awards include: "[AICPA Lifetime Achievement Award](#)", "[Tom Radcliffe Outstanding Discussion Leader Award](#)", "[GSCPA Outstanding Discussion Leader Award](#)", and "[Accounting Technologies' Top Ten CPA Technologists Award](#)". As a consultant, Mr.

Collins has assisted 275+ large and small companies with the selection and implementation of accounting systems. Mr. Collins has a Bachelors degree in Accounting from the University of Georgia, is a 26-year member of the AICPA and the Georgia Society of CPAs, and is also a licensed realtor.

At the University of Georgia Mr. Collins was elected President of the Phi Eta Sigma Honor Society, was initiated into the BIFTAD Honor Society, was a member of Alpha Tau Omega fraternity, and served three years in the Judicial Defender/Advocate program. At Glynn Academy High School Mr. Collins was Senior Class President, Class Valedictorian, and received a principle nomination to Annapolis Naval Academy. Mr. Collins has been married for 25 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 home owners association, participates in the Gwinnett Clean and Beautiful program, and volunteers for Cooperative Ministries food drive.

**Selected Positions, Awards & Accomplishments:**

1. 2008 and 2009 Chairman of the Southeast Accounting Show - the south's largest CPA event.
2. Recipient of the 2008 Tom Radcliff Outstanding Discussion Leader Award.
3. Named "Top Ten CPA Technologists" by Accounting Technologies Magazine; Named "Top 100 Most Influential CPAs" by Accounting Technologies Magazine in multiple years.
4. Has personally delivered over 1,500 technology lectures around the world.
5. Has published 80+ pages of accounting software articles in the Journal of Accountancy.
6. Recipient of the AICPA Lifetime Technical Contribution to the CPA Profession Award.
7. Recipient of the Outstanding Discussion Leader Award from the Georgia Society of CPAs.
8. Lead author for PPC's Guide to Installing Microcomputer Accounting Systems.
9. Has installed accounting systems for more than 200 companies.
10. Past Chairperson of the AICPA Technology Conference.
11. Has delivered keynote and session lectures at dozens of accounting software conferences including seven Microsoft Partner Conferences, five Sage Conferences, and multiple conferences for Epicor, Open Systems, Exact Software, Sage ACCPAC ERP, Dynamics.NAV, Dynamics. AX, SouthWare, Axapta .
12. Has provided consulting services to many computer companies (including Compaq, IBM, Microsoft, Apple, Novell, Peachtree, Epicor, Sage Software, Exact, ACCPAC, Intuit, Peachtree, Great Plains, and others).

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 feasibility studies and financial forecasts for nearly 300 projects seeking more than \$3 billion in startup capital, including field work for 80 of those projects. Mr. Collins is familiar with bond issues, Medicare and Medicaid reimbursement, and conventional financing matters. As a consultant, Mr. Collins worked with the entire Microsoft Excel development team contributing more than 500 pages of design improvements - many of which are found in Excel today.