
General Accounting Policy and Procedures Manual

and QuickBooks Information

December 2013

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General Accounting Information Section

Understanding Financial Statements

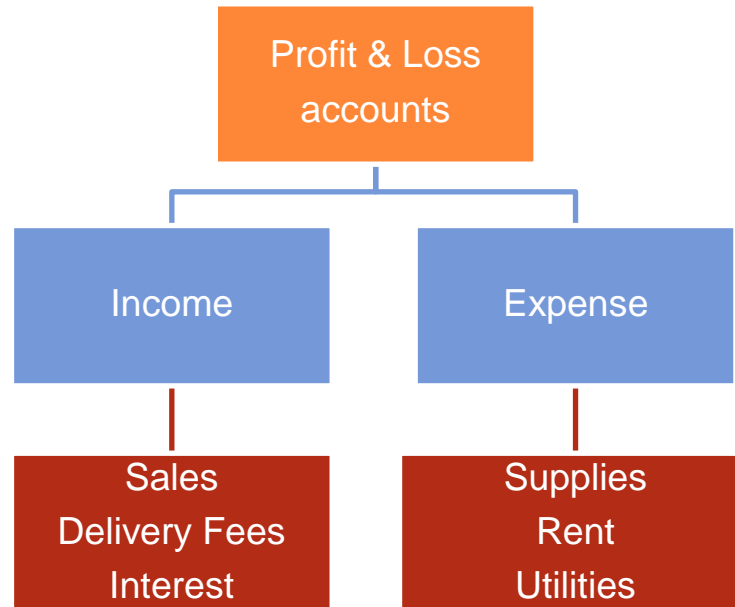
Financial statements (or **financial report**) are records of the financial activities of a business.

"The purpose for these **financial statements** is to provide information about the financial position, performance and changes in financial position of an enterprise that is useful to a wide range of users in making economic decisions. The financial goal for your business is to yield high rate of return for your money but in order to maintain this control all companies must start with a comprehensive record-keeping system (in your case QuickBooks) that produces thorough accounting records.

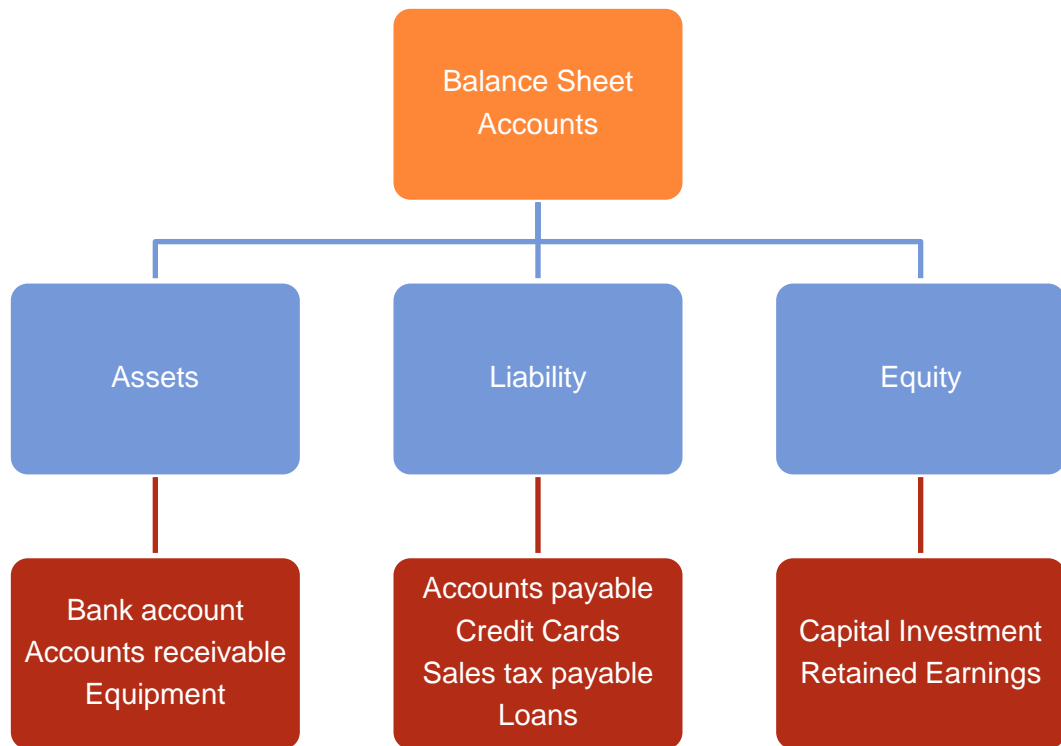
For a business, all the relevant financial information, presented in a structured manner and in a form easy to understand, are called the **financial statements**. They typically include three basic **financial statements**:

1. The Profit & Loss (Income Statement)
2. The Balance Sheet
3. Statement of Cash-Flows

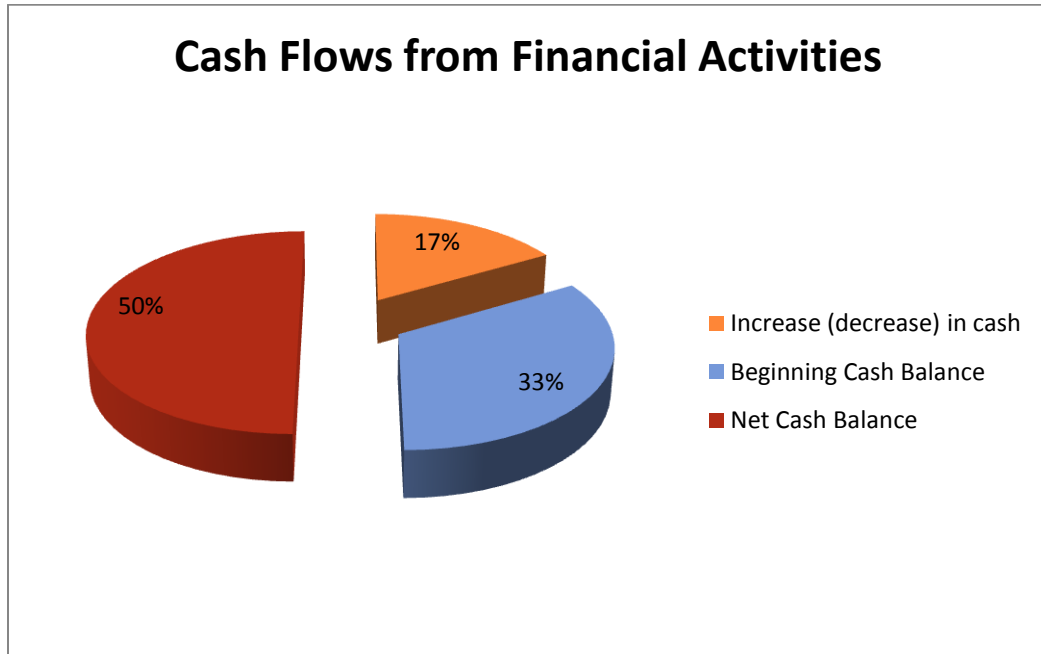
***Profit and Loss Statement** which is also referred to as **Income Statement** provides information on the company's income, expenses, and profits over a period of time usually one quarter or one year. The accounts which feed the Profit and Loss Statement provide information on the operation of the business and measures economic performance.



***Balance Sheet** provides information regarding the company's financial condition and reports on a company's assets, liabilities, and ownership equity at a given point in time. The accounts which feed the Balance Sheet gives the business owner (s) a snapshot of their businesses financial position and tracks accumulated net wealth.



***Statement of Cash Flows** reports on a company's actual flow of cash through your business and summarizes the operating, investing, and financial activities as they relate to the inflow and outflow of cash. The Statement of Cash Flow charts a business' performance over a specific accounting period of time.



Understand What Normal Balance Means

Normal balance is the accounting classification of an account. It is part of **Double-entry bookkeeping** technique.

Every account has either credit or debit **Normal Balance**. Therefore in order to:

- Increase the value of an account with **Normal Balance** of credit, one would credit the account
- Increase the value of an account with **Normal Balance** of debit, one would likewise debit the account

Using this accounting principle – if someone invests cash into a business, the business records the financial transaction as a:

- Debit to Cash (an increase to cash)
and
- Credit to Capital (an increase to capital)

The fundamental accounting equation is the following:

$$\text{Asset} = \text{Liability} + \text{Equity}$$

The account on left side (Asset) of this equation has a **Normal Balance** of debit. The accounts on right side (Liability + Equity) of this equation have a **Normal Balance** of credit. The **Normal Balance** of all other accounts is derived from their relationship with these three accounts.

Normal Balance of common accounts:

- Asset: Debit
- Liability: Credit
- Shareholder Equity: Credit
- Revenue: Credit
- Expense: Debit
- Retained Earnings : Credit
- Dividend: Debit

The double-entry bookkeeping system refers to a set of rules to record financial information. In our modern accounting system this “double-entry system” is done using debits and credits, and serves as a kind of **error-detection system**: if, at any point, the sum of debits does not equal the corresponding sum of credits, then an error has occurred.

For the accounts to remain in balance, a change in one account must be matched with a change in another account. These changes are made by debits and credits to the accounts and since the

accounts must always balance, for each transaction there will be a debit made to one or several accounts and a credit made to one or several accounts. The sum of all debits made in any transaction must equal the sum of all credits made.

In other words, after posting a series of transactions, the sum of all the accounts with a debit balance will equal the sum of all the accounts with a credit balance.

Understanding the Importance of the Chart of Accounts

The **Chart of Accounts** contains a complete list of your business's accounts and their balances. It is used to track:

- How much money your company has;
- How much money it owes;
- How much money is coming in;
- How much is going out.

They include assets like bank accounts, buildings, and money that people owe you; they also include liabilities like credit cards or loans from banks.

Another category of **Balance Sheet Accounts** is **Equity Accounts**. These represent the worth of your business including any investments the owners have made in the company. Your company's equity is all of your assets (what you own) minus your liabilities (what you owe). This is sometimes called the "**net worth**" of your company.

Types of Accounts in the Chart of Accounts

There are two main types of accounts in the QBs **Chart of Accounts**:

- **Balance Sheet Accounts**
- **Income and Expense Accounts**

Balance Sheet Accounts

QuickBooks provides ten types of **Balance Sheet Accounts** to choose from as you create and add to your chart of accounts. The following table describes each type of **Balance Sheet Account** and the transactions you can use it for.

The **Balance Sheet Accounts** have a register which contains the information. To open any **Balance Sheet Account** (except Retained Earnings) **Double-Click** on it.

Bank	Checking, savings, and money market accounts. Add one bank account for every account your company has at a bank or other financial institution. (You can also use this type for petty cash.)
Accounts	Transactions related to the customers that owe you money, including

Receivable (A/R)	invoices, payments, deposits of payments, refunds, credit memos, and statements. Most companies have only one A/R account.
Other current asset	Assets that is likely to be converted to cash or used up within one year, such as petty cash, notes receivable due within a year, prepaid expenses, and security deposits.
Fixed asset	Depreciable assets your company owns that aren't likely to be converted into cash within a year, such as equipment or furniture.
Other asset	Any asset that is neither a current asset nor a fixed asset, such as long-term notes receivable.
Accounts payable (A/P)	Transactions related to money you owe, including bills, bill payments, and any credit you have with vendors. See also current and long-term liability accounts.
Credit card	Credit card purchases, bills, and payments.
Current liability	Liabilities that are scheduled to be paid within one year, such as sales tax, payroll taxes, accrued or deferred salaries, and short-term loans.
Long-term liability	Liabilities such as loans or mortgages scheduled to be paid over periods longer than one year.
Equity	Owner's equity, including capital investment, drawings, and retained earnings.

Income and Expense Accounts

Income and Expense Accounts track the sources of your income and the purpose of each expense. When you record transactions in one of your **Balance Sheet Accounts**, you usually assign the amount of the transaction to one or more income or expense accounts. For example, not only do you record that you took money out of your checking account, but you keep track of what you spent the money on: utilities, perhaps, or office supplies.

QBs **does not** display balances for **Income** and **Expense Accounts** in the **Chart of Accounts**.

- To see these balances, go to the **Reports** menu, choose **Company & Financial**, and then click one of the **Profit And Loss Report** options.
- You can also select the **Income or Expense Account** in the chart of accounts and click **QuickReport**.

Income	The main source of money coming into your company.
Other income	Money received for something other than normal business operations, such as interest income.
Expense	Money that's leaving your company.
Other expense	Money spent on something other than normal business operations, such as corporate taxes.
Cost of Goods sold	<ul style="list-style-type: none">• The direct costs attributable to the production of the goods sold or service by a company.• The cost of goods and materials held in inventory and then sold.

Prior Month Adjustment Procedure

Use when you need to change an invoice or a bill from a prior month.

Overpayment / Higher Merge Report

- Update order in **Order Entry System**
- Create an **Invoice** in QBs
 - Use today's date
 - Use the original order number as the **Invoice number**
 - Use Item "**A/R Brokerage Adjustment**" or "**A/R Mgmt Adjustment**" depending on if it is a brokerage or management order
 - Be sure to describe what happened in the description field
- Create a **New Bill** in QBs
 - Use today's date
 - Use the original order number as the Ref number
 - Use expense account 5020 or 5021 depending on if it is a brokerage or management order
 - Be sure to describe what happened in the description field
 - Receive Payment with the new adjusted invoice(s)

Underpayment / Lower Merge Report

- Update Order in Order Entry System
- Create a **Credit Memo** in QBs
 - Use today's date
 - Use the original order number as the credit memo number
 - Use Item "**A/R Brokerage Adjustment**" or "**A/R Mgmt Adjustment**" depending on if it is a brokerage or management order
 - Be sure to describe what happened in the description field
 - Apply the credit to the appropriate invoice
- Create a **Vendor Credit** in QBs
 - Use today's date
 - Use the original order number as the Ref number
 - Use expense account 5020 or 5021 depending on if it is a brokerage or management order
 - Be sure to describe what happened in the description field

- Receive Payment with the new adjusted invoice(s)

Current Period Adjustment Procedure

Use when you need to change an invoice from the current period.

- Update Order in **Order Entry System**
 - Edit existing Invoice in QBs
 - Be sure to describe what happened in the description field
 - Edit existing Bill in QBs
 - Be sure to describe what happened in the description field
 - Receive Payment with the new adjusted invoice(s)

Accounts Receivable Collection Procedure

Accounts Payable Procedure

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QuickBooks Instructional Section

Bank Account Reconciliation

In QBs each **Bank Account** (checking, savings, etc.) contains a record of the all transactions such as; checks written, receipts from customers, etc. At the same time the bank or financial institution also creates a record of the company's account when it processes these transactions. Soon after each month's closing date the bank usually mails a **bank statement** which lists the activity in the bank account during the recent month as well as the balance in the bank account.

When you receive this statement, it must be verified that the amounts on the bank statement are consistent with the amounts in the QBs **Bank Account** and vice versa. This process of confirming the amounts is referred to as reconciling the bank statement. The benefit of reconciling the bank statement is knowing that the amount of Cash reported in QBs by the company is consistent with the amount of cash shown in the bank's records.

Therefore, reconciling your account means “matching” the balances for your paper statement and QBs account.

Important reconciliation features in QuickBooks

- Saved reports are created in PDF (Portable Document Format) so that they can be emailed and viewed easily
- Each time you reconcile a new statement it replaces the prior report (depending on the version of QBs).

When your Accounts Do Not Match

It is important to take the time when performing reconciliations to ensure there are no errors. As you clear each transaction, make sure the amounts are exactly the same.



Once you have cleared transactions through the reconciliation process, it is **IMPORTANT TO NOT CHANGE THEM**. Changes may alter your starting balance for the next reconciliation. If you find yourself in such a situation, you can run a **Reconciliation Discrepancy report** to find the problem(s)

Problem Resolution Process

- Looks for a transaction that is exactly the same amount as the difference and ensure whether it should be cleared
- Determine whether you are missing a deposit or payment by looking at the difference and ensure whether it should be cleared
- Determine Whether you are missing a deposit or payment by looking at the totals of each on the bank statements and the QB reconciliation window

- Compare the number of transactions on the bank statement to the number of cleared transactions in QBs
- Verify the individual amount of each transaction on the bank statement and compare it to the amounts you have in QBs
- Determine whether it is a bank error (the bank may have recorded a transaction for the wrong amount)
- It is a bank error, you can have QB create an adjustment transaction, notify the bank, and then reverse the adjustment transaction after the bank corrects the error.
- Run a Reconciliation Discrepancy report to see if any changes were made to previously cleared transactions.

Performing Account Reconciliation

1. Go to the **Banking** menu and click **Reconcile** to open the **Begin Reconciliation** window.

2. In the **Account** field, enter or select the account you want to reconcile.
3. In the **Statement Date** field, enter the date of the bank statement you are trying to reconcile.
4. Compare the opening balance amount shown on your statement to the amount shown in the **Beginning Balance** field.
5. Find the ending balance on your statement and enter it in the **Ending Balance** field.
6. Enter any **Service Charges** (choose Bank Service Charges for account) or **Interest Earned** (choose Interest Income for account) in the fields provided.
7. Click **Continue** to open the **Reconcile window** for the account you've chosen.

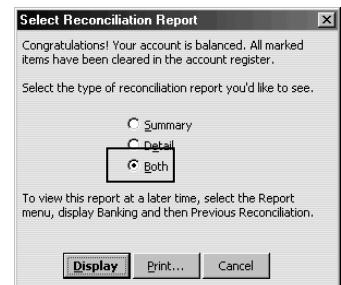


Click in the “Hide Transactions after the statement’s ending date” box

8. When you find a transaction in the **Reconcile** window that matches a transaction on the statement, click the transaction to mark it as cleared.

- For each transaction you select, verify that the amount in the **Reconcile** window matches the amount shown on your statement.
9. When you've finished selecting the transactions, look at the **DIFFERENCE LINE** to see if it is zero which is located in the bottom right corner of the **Reconcile** window:
- **If the amount is 0.00.** Click **Reconcile Now**. You've reconciled the account with the statement. At this point, you can have QBs print a reconciliation report.
 - **If the amount is not zero.** Your account does not balance for the period of time covered by the statement, and you need to correct the difference
 - If there is a difference, look to see if there is a transaction listed above for the same amount, and **Click** once to remove the checkmark to the left of the date and return to the register to correct this transaction. (see below for ways to resolve amounts which do not match)
10. After a successful reconcile clicking the **Reconciliation Now** button.

- The **Select Reconciliation Report** window is displayed, select the **Both** option
- Then click **Print** to print the report and staple it to the bank statement



Understanding “Matched” & “Unmatched” in Online Banking

When transactions are downloaded from any financial institution which allows you to download your daily transactions, QB assigns each a **Matched** or an **Unmatched** status > then places all of them into the QB online banking center’s **QuickStatement**.

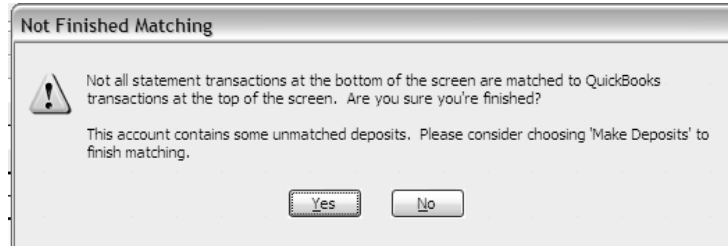
This **Matched** status means that you have already entered that transaction into the register. Therefore, when that transaction cleared and is downloaded, the program **matched** it with the transaction already entered into the register.

The **Unmatched** status is where problems occur. The **Unmatched** status can mean one of four things:

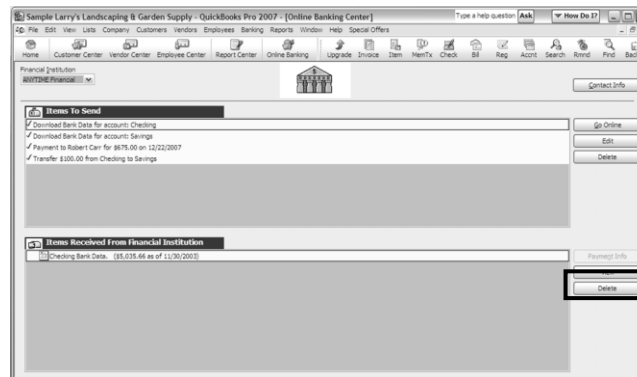
1. **It’s Brand New.** The transaction was not previously entered. This can often happen when a debit card is used for purchases.
 - In these types of situations, enter the transaction now and QB will assign it the **Matched** status.
2. **The Amounts are Different.** The transaction was previously entered into the register but is a different amount than how it cleared the bank.
 - If you are sure you already entered the transaction into QB, scroll through the register to find it. Once you do, change the amount to the downloaded amount and QB will automatically match it.
3. **It’s Already Downloaded.** Sometimes people accidentally overlap download dates, meaning that they download the same transaction more than once.
 - Transactions which have a small lightning bolt in the **Cleared** column have already been downloaded and will need to be deleting from the **Online Banking Center**. (see below instructions)
4. **It’s Already Reconciled.** This is similar to #3, but instead of being previously downloaded, the transaction is reconciled.
 - To verify if this is the case, scroll through the register and look for transactions with a **checkmark or lightning bolt** in the **Cleared** column. Then delete them from the **Online Banking Center**.

For any transaction that needs to be deleted in the **QuickStatement** window always remember to make sure that all matchable transactions are matched because if you accidentally delete matchable transactions, you may later have to enter them manually.

- Once all matchable transactions are matched, click **Done**.
- QBs will prompt you with the **Not Finished Matching** window. Click **Yes**. You are now at the **Online Banking Center** main page.



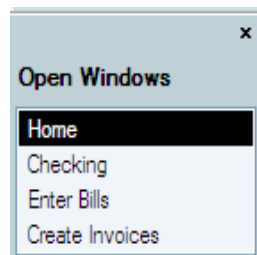
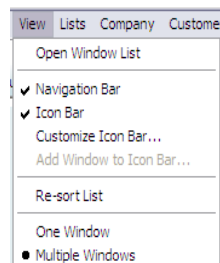
- To delete the **QuickStatement** click the **Delete** button located near the lower right corner.



Online Banking Tips

The following tips will help you use QBs Online Banking feature more efficiency.

1. **Backup Before downloading.** While it may not happen a great deal, sometimes when you bring over the transactions from your institution (banking/credit card company) not everything goes as planned. Then if something were you happen, you can simply restore the backup company and the file will be as it was before you downloaded.
2. **Download New Transactions before Reconciling.** QBs is set up to only download transactions that have not been reconciled, even if it is the same transactions.
 - Only have one (1) **QBs Online Banking Window** Open. Unfortunately, QBs will allow more than one banking window open at the same time which can make it very confusing when you add any new transactions. To view what is open access the **Open Window List**. To open this list:
 - ✓ Go to **View >** then **Open Window List**
 - ✓ The list of open windows will then be visible on the left side of the **Home** window
 - ✓ Select each window and click on the black “**X**” to close



3. **Understand Your Connections.** In QBs there are two (2) ways to download transactions:
 - The first way is through a “**Web-connect.**” When using this type of connection the internal QB web browser opens and takes you to the financial institution’s website. Once there > **sign into your account**, and navigate to the place where you can **download** transactions.
 - The second way is a **Direct Connection.** (typically your financial institution will charge for this service) In this way QB asks for your **password**, then **downloads transaction directly**, without opening the WB web browser.
4. **Correct Dates for Download.** Sometimes your financial institution may not keep track of the last date you downloaded. If yours doesn’t you will have to try to remember the last time you downloaded. Always double check that you do not accidentally overlap dates or you will be downloading transactions twice.

5. **Be Careful about Deleting the QuickStatement.** “QuickStatement” refers to the transactions that have been downloaded but not yet entered into QB. Sometimes, the QuickStatement gets filled with unmatchable transactions and you can simply delete it. However, before deleting it, make sure that every transaction that can be matched, is matched. If matchable transaction remain on the deleted QuickStatement you will have to enter them manually since many times your financial institution will not download them a second time.

Transferring Funds

Most people have transferred money between their bank accounts. QuickBooks has a feature that allows you to record this transfer seamlessly between accounts.

Since you are transferring funds between two asset accounts, you want to debit the account that is increasing and credit the account that is decreasing. Such as transferring funds from the Savings is a debit and into Checking is a credit.

Transfer Funds between Accounts

1. Choose **Banking** then **Transfer Funds** from the menu bar
2. Select the date current in the field and **Enter** correct date
3. Choose the **Account** you are transferring the account from
4. Choose the **Account** you are transferring the account to
5. Tab **TAB** key and **enter the amount**

The screenshot shows the 'Transfer Funds Between Accounts' window in QuickBooks. The window title is 'Transfer Funds Between Accounts'. It has a search bar at the top with the text 'Type a help question' and an 'Ask' button. There are also 'Previous' and 'Next' navigation buttons. The main area contains a 'Date' field with '06/19/2008' and a calendar icon. Below this are two dropdown menus for 'Transfer Funds From' and 'Transfer Funds To'. To the right of the 'From' dropdown is the 'Account Balance' field showing '950.00'. Below the dropdowns is a checkbox for 'Online Funds Transfer' and a 'Transfer Amount \$' field with a blank line. At the bottom, there is a 'Memo' field containing 'Funds Transfer' and three buttons: 'Save & Close', 'Save & New', and 'Clear'.

6. Click **Save & Close** to record the transfer and close the window.

Memorizing Transactions

Set-up recurring transactions to record at regular intervals over a period of time reduces errors, increases efficiency, and accuracy. This process is achieved by having QBs remind you or just add the transaction to a list and it's ready for entry with one mouse click at any time. This **recurring transaction that has been set-up in QBs is called a memorized transaction.**

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

Recurring outgoing cash flows

- Loan or lease payments
- Recurring bills
- Recurring checks
- All monthly bills
- Monthly electronic withdrawals from checking such as internet access payments or business insurance installment payments
- Rent

Recurring sales

- Recurring sales transactions
- Rent collections
- Monthly installments payments due from customers

Recurring purchases orders

- Purchase Orders that are repeated with many of the same items

Recurring journal entries

- Recurring Monthly depreciation journal entries
- Allocation of overhead to other departments

Instructions for Memorizing All Types of Transactions

1. Click within the transaction you wish to memorize.
2. Choose **Edit** then **Memorize** the type transaction you have chosen from the menu drop-down.
3. Enter the information regarding how you want QBs to deal with the memorized transaction.

Name	Work Comp Ins	
<input type="radio"/> Remind Me	How Often	Monthly
<input type="radio"/> Don't Remind Me	Next Date	08/01/2009
<input checked="" type="radio"/> Automatically Enter	Number Remaining	4

4. Click OK.

How to use a Memorized Transaction

1. Click **Edit** from the menu bar then **Memorized List**
2. Click on the **memorized transactions** from the list menu
3. Change transaction date, number, etc. (such as Check #) and click **Save** and **Close** button

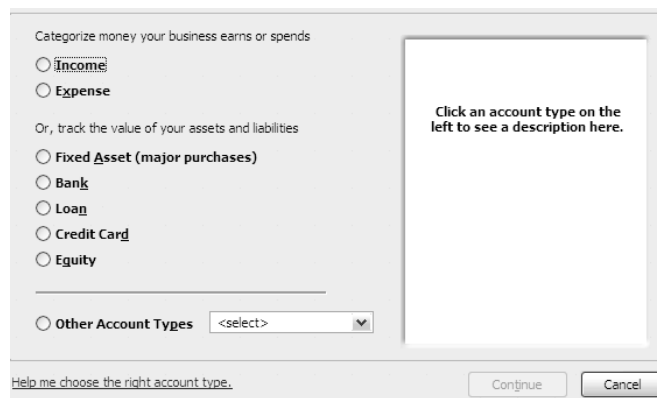
Transactions which cannot be memorized include payroll checks, time records, bill payments, deposits of payments.

Instructions for Adding an Account to the Chart of Accounts

1. From the **Home** window in the **Company** center click **Chart of Accounts** icon.
2. Click **Account** at the bottom of the list and click **New**.

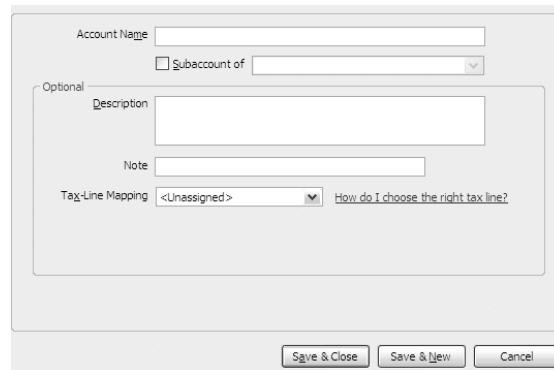


3. Click the **radio button** for the type of account you want to add. Information about the account type displays in the right side of the window.



4. When you are ready to add the new account, click **Continue**.

5. In the **Account Name** field, enter the **Name** of the account.



The screenshot shows a dialog box for creating an account. It features the following fields and controls:

- Account Name:** A text input field.
- Subaccount of:** A checkbox followed by a dropdown menu.
- Optional:** A section containing:
 - Description:** A text area.
 - Note:** A text input field.
 - Tax-Line Mapping:** A dropdown menu currently set to "<Unassigned>". A link "How do I choose the right tax line?" is visible next to it.
- Buttons:** "Save & Close", "Save & View", and "Cancel" are located at the bottom of the dialog.

6. If you use account numbers, enter the account's number in the **Number** field.

- (Optional) Enter a short description of the account in the **Description** field.

7. Click **Next** to save the account and enter another one. Or Click **OK** to save the account and close the window.

- ✓ For **Bank or Credit Card Accounts** it is a good idea to enter the number for this account.
 - If this account is a **Subaccount**, select the **Subaccount of** checkbox and then click the drop-down arrow to select the account under which this account will be added.
- ✓ For **Bank Accounts** you will want to enter the opening balance.
 - Click the **Enter Opening Balance** button and enter the amount for the account.
- ✓ For **Balance Sheet Accounts** it is best that you enter an opening balance based on the account's balance as of your QBs start date. If you're not sure of the balance, you can leave the field blank and enter the information later.

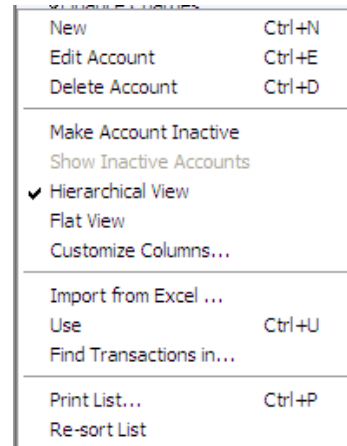
If you are working with a CPA or Tax Accountant you may want to fill out the Tax line.

How?

- ✓ Click the **Tax Line** drop-down list and choose the appropriate tax line.

Instructions for Delete, Edit, or make an Account Inactive:

1. Select **Account**
2. Click **Account** at the bottom of the list and **click desired option. Delete, Edit or Make Account Inactive**



About Item Types

In QuickBooks, an item is anything that your company buys, sells, or resells in the course of business, such as products, shipping and handling charges, discounts, and sales tax. You can think of an item as something that shows up as a line on an invoice or other sales form.

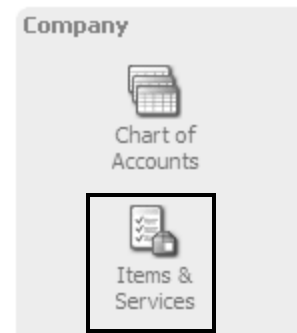
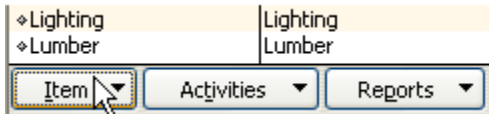
Items help you fill out the line item area of a sales or purchase form quickly. When you choose an item from your Item List, QuickBooks fills in a description of the line item and calculates its amount for you.

QuickBooks provides 11 different types of items. Some—such as the service item or the inventory part item—help you record the services and products your business sells. Others—such as the subtotal item or discount item—are used to perform calculations on the amounts in a sale.

Instructions for Adding a New Item

To do this task

1. Go to the **Company** center and click **Item & Services** icon.
2. Click **Item** at the bottom of the list and click **New**.



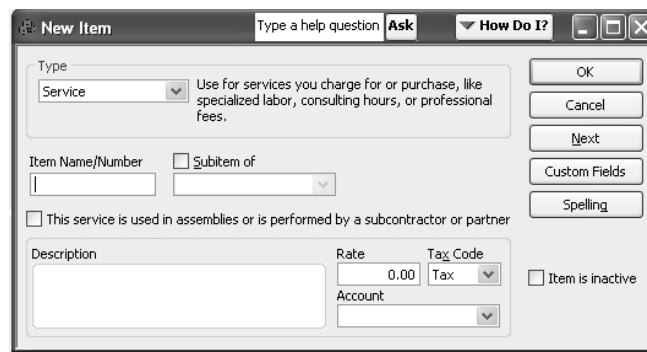
3. In the **New Item** window, click the **Type** drop-down arrow and then click **Service**.



You cannot change a service item to another item type.

4. Enter an **item** name or **number**.

What you enter here appears on the drop-down list of items when you are filling out an invoice, sales form or purchase order. Enter a name or number that will help you distinguish this item from all the others on the list.



If this item is a **subitem** of an existing service item, select the **Subitem of** checkbox and specify the parent item's name.

5. Click **TAB** until you move into the **Description** area and enter in a **SHORT description of the service**.

This description will display on the sales and purchase forms. If the description varies, you can leave this field blank, set up a separate item for each possible description, or enter the most common description and change it on the sales or purchase forms as necessary.

6. Enter a **rate** for the **service**.

7. If it is a **TAXABLE** Service, use the drop-down arrow to choose between the following terms:

< Add New >		
<input checked="" type="checkbox"/>	Taxable Sales	Taxable
<input type="checkbox"/>	LBR Non-Taxable Labor	Non-Taxable
<input type="checkbox"/>	Non Non-Taxable Sales	Non-Taxable

8. Then **ACCOUNT** section and choose the appropriate **INCOME ACCOUNT** where the revenue will be posted **CHART OF ACCOUNTS**.



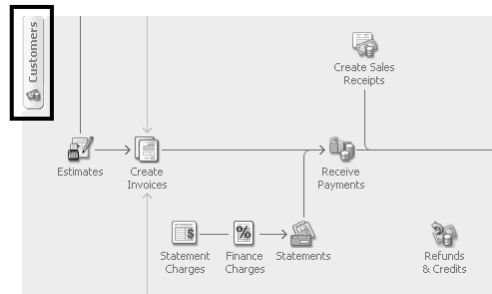
Items handle the behind-the-scenes accounting. When you create an item for a service or product you sell, you associate it with an income account. When the item is used on a form or register, it posts an entry to that income account and another entry to **Accounts Receivable** or another appropriate account.

Instructions for Adding a New Customer/Job

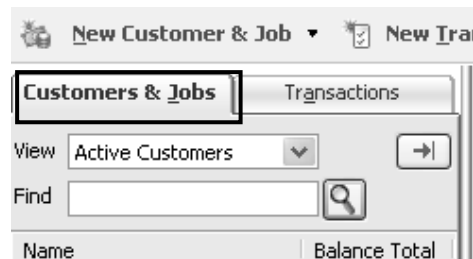
In QBs, the term "**customer**" means anyone who pays **you** for your services or products.

You can add **new customers** to the list at any time. QB uses the list to hold information about the people and companies to whom you sell your products and services.

1. From the **Customer Center** click on **Customers** button



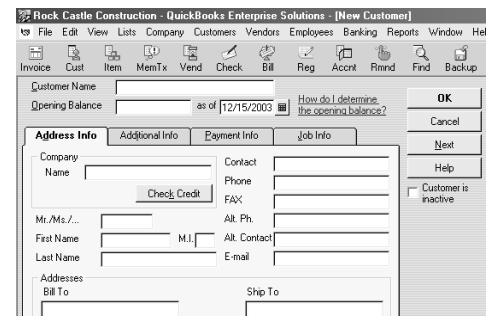
2. Then click on the **New Customer & Jobs** button as seen below:



3. This screen is used to:
 - Add new customers to your **Customer: Job** list
 - To change information about customers who are already on the list.
While most of the fields should be obvious you need to make sure the information entered is correct and complete.

4. Use the **Customer Name** box to give the customer a name that you will recognize when recording transactions making sure to:

- Correctly spell their name
- Put last name first unless you want to identify them by their company's name
- Capitalize the first letter



It is best to ignore the Opening Balance and As Of boxes.



If you do this, you are essentially setting up the debit part of an entry without the corresponding credit part and will have to perform several journal entries in order to fix your incomplete bookkeeping.

Additional Information Tab

It is best to supply as much additional information you can about your customers. If you click the **Additional Info** tab, QB displays several other boxes that you can use to collect and store customer information.

Type drop-down list box to categorize a customer as fitting into a particular "customer type".

Once you have assigned a **customer type** to each customer, you can create reports that provide useful information about the customers you serve. For example, if you have categorized your customers by market segment, you can create a separate sales report for each segment such as residential, commercial, industrial, etc.

Terms drop-down list box to identify the customer's default payment terms such as **Due Upon Receipt** or **Net 30**.

Rep drop-down list box identifies the customer's default sales representatives.

Preferred Send Method is used to preset how you want to send invoices, statements, or estimates to this customer, including e-mail or Fax.

Resale Number is entered indicating that you don't charge sales tax on items that a customer buys for resale. However, be cautioned that this field is for information only; you will still need to suppress sales taxes in the ordering process.

You can also specify a default price level, and even click the Define Fields button to specify additional fields that you want to collect and report for the customer.

A screenshot of the 'New Customer' dialog box in QuickBooks Enterprise Solutions. The window title is 'Rock Castle Construction - QuickBooks Enterprise Solutions - (New Customer)'. The 'Additional Info' tab is selected. The dialog is divided into several sections: 'Categorizing and Defaults' with fields for Type, Terms, Rep, and Preferred Send Method; 'Sales Tax Information' with Tax Code and Resale Number; 'Price Level' and 'Custom Fields' (Contract #, B-Day, Spouse's Name); and 'Payment Info' and 'Job Info'. A 'Define Fields' button is located at the bottom right of the Custom Fields section. On the far right, there are buttons for 'OK', 'Cancel', 'Next', and 'Help', along with a checkbox for 'Customer is inactive'. The top of the dialog shows the 'Opening Balance' and 'as of' date (12/15/2003) with a help link 'How do I determine the opening balance?'. The menu bar includes File, Edit, View, Lists, Company, Customers, Vendors, Employees, Banking, Reports, Window, and Help.

Payment Info tab

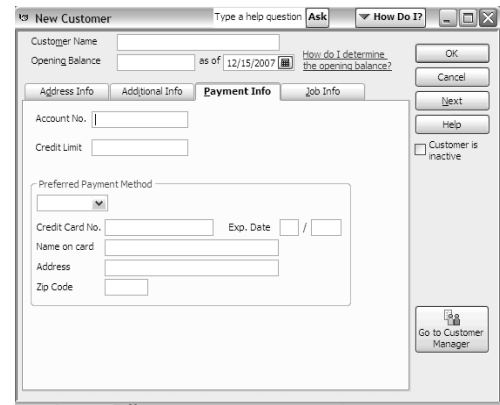
Contains a set of boxes where you can record:

- Customer's Account Number
- Credit Limit
- Preferred Payment Method
- Credit Card Information

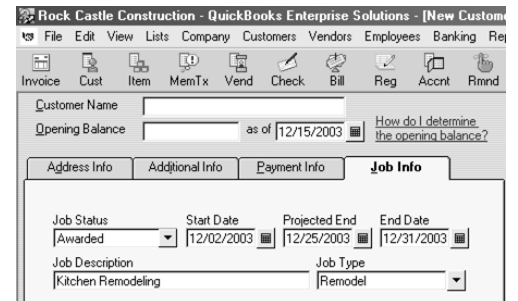
Job Info tab (Optional)

The **Job Info** tab lets you describe information associated with a particular job being performed for a customer. You use the **Job Info** tab if you not only set up a customer but also set up a job for that customer.

To add more than one job to a given customer, you need to choose “**Add Job**” from the **customer menu** screen.



The screenshot shows the 'New Customer' dialog box with the 'Payment Info' tab selected. The fields include: Customer Name, Opening Balance (as of 12/15/2007), Account No., Credit Limit, Preferred Payment Method (dropdown), Credit Card No., Exp. Date (MM/YY), Name on card, Address, and Zip Code. There are also buttons for OK, Cancel, Next, Help, and a checkbox for 'Customer is inactive'. A 'Go to Customer Manager' button is at the bottom right.



The screenshot shows the 'New Customer' dialog box with the 'Job Info' tab selected. The fields include: Job Status (dropdown, set to 'Awarded'), Start Date (12/02/2003), Projected End (12/25/2003), End Date (12/31/2003), Job Description (Kitchen Remodeling), and Job Type (dropdown, set to 'Remodel'). The dialog box is titled 'Rock Castle Construction - QuickBooks Enterprise Solutions - [New Custom...]' and has a menu bar with options like File, Edit, View, Lists, Company, Customers, Vendors, Employees, Banking, and Reports. The 'Job Info' tab is highlighted in the tab bar.

Instructions for Creating Invoices

To do this task

1. Go to the **Customer** center and click **Invoices** icon.
2. Click the drop-down arrow at the top of the invoice form and choose client's name from your **Customer & Job List**. Then, tap **Tab** 3 times to move to the date field.

A screenshot of a software interface showing a dropdown menu. The text "Customer: Job" is displayed above a white rectangular input field. A small downward-pointing arrow is visible on the right side of the input field.

Notice that the customer's address and terms fill in for you from the underlying list.

3. Choose the **correct date** (reconfirm terms).



When you type in a date you *do not need* to include the slash marks, QBs will format the date properly for you once you tab to the next field.

4. Fill in the **item(s)** name for which you wish to bill your customer.
5. Type the **quantity** for each item entered.
6. Choose or type a **customer message**, if desired.
7. Then decide how you want to print each invoice such as one-at-a-time for in batches from File menu, click **Print Forms**, and then click the type of form you want to print.
8. In the **Select (forms) to Print** window, select the items you want to print.
9. Click **OK**
10. Review your print options, and make any necessary changes to them.
11. Click **Print**.

Create Invoices Type a help question **Ask** How Do I?

Previous Next Spelling History

Customer: Job Template Print Preview

Intuit Service Invoice

Invoice Date Invoice #
05/30/2010 8

Bill To

P.O. No. Terms

Item	Quantity	Description	Rate	Amount

Customer Message

Total

To be printed Add Time/Costs... Apply Credits... Payments Applied 0.00
 To be e-mailed Balance Due 0.00

Memo

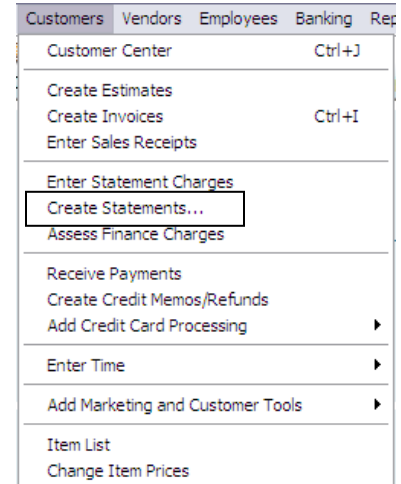
[Let QuickBooks help you get your Invoice paid online by credit card.](#) Save & Close Save & New Clear

Be sure to remove the **“To be printed”** option if you are printing invoice one-at-a-time

Instructions for Creating Statements

To do this task

1. Choose > **Create Statements** from the menu bar or from the **Customer Center** click on the **Statements** icon.
2. Choose the **date range** for which you wish to create statements.
3. Choose the **customer(s)** for whom you wish to create statements.
4. Choose any additional options, such as a custom template and whether to create statements with zero balances.
5. Click **Preview** to view the statement(s) to double check they are correct.
6. Click **Print or Email** to deliver the statement(s) to the customer(s).



A screenshot of the 'Create Statements' dialog box. The dialog is divided into several sections:

- Enter Statement Date and Type:** Includes a 'Statement Date' field set to 05/30/2010, a 'Statement Period From' field set to 05/01/2010, and a 'To' field set to 05/30/2010. There are radio buttons for 'All open transactions as of Statement Date' and a checkbox for 'Include only transactions over 30 days past due date'.
- Select Customers:** Includes radio buttons for 'All Customers', 'Multiple Customers', 'One Customer', 'Customers of Type', and 'Preferred Send Method'. A 'View Selected Customers...' button is at the bottom.
- Select Additional Options:** Includes a 'Template' dropdown set to 'Intuit Standard Statement', a 'Create One Statement' dropdown set to 'Per Customer', and several checkboxes: 'Show invoice item details on statements', 'Print statements by billing address zip code', 'Print due date on transactions' (checked), 'Do not create statements: with a zero balance', 'with a balance less than 0.00', 'with no account activity', and 'for inactive customers'. An 'Assess Finance Charges...' button is at the bottom.

At the bottom of the dialog are buttons for 'Preview', 'Print', 'E-mail', 'Close', and 'Help'.

Instructions for Recording a Payment toward an Invoice

When receiving payments from an invoice the preferred method for proper accounting is to use the **Receive Payments** form to record a payment you've received for an invoice.

Terms

- A **customer** is anyone who pays you for your services or products
- **Terms for Payments** is when you expect to receive payment from a customer
- A **discount** is the amount deducted from your customer's payment
- A **credit** is a customer over payment



Receiving a Payment

1. Go to the **Customers Center** and click **Receive Payments**
2. Choose the **Customer or Job** from whom you are receiving a payment
3. Choose the correct **Date**
4. Type the **Amount Received**
5. Choose the correct **Payment Method** and type any **Reference** or **Check Number**
6. Check the column to the left of the **Invoice** to which you want to apply the payment (see below for dealing with early payments or discounts)
 - QB automatically applies any invoice to the oldest invoice in the list
7. **Save** the payment

Date	Number	Orig. Amt.	Amt. Due	Payment
Select the customer or job in the Received From field				
Totals			0.00	0.00

Amounts for Selected Invoices

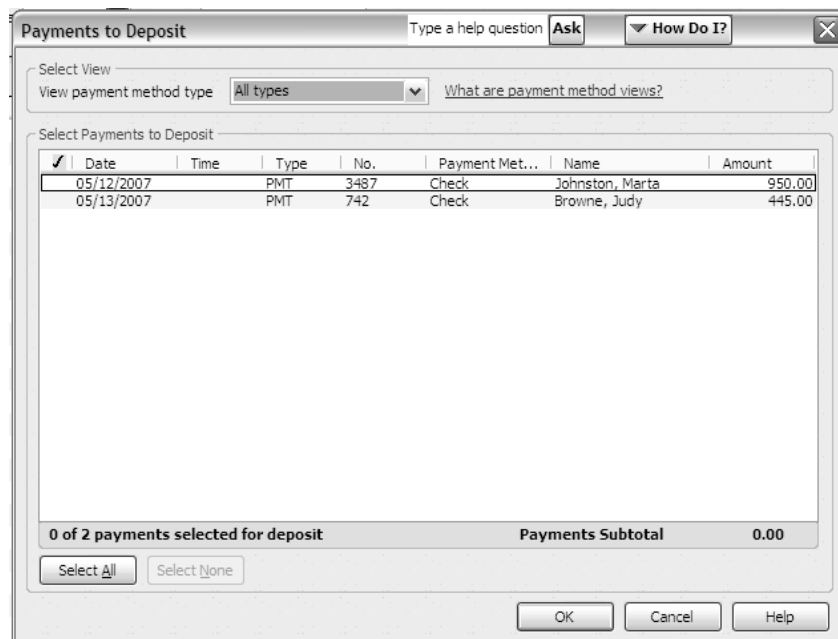
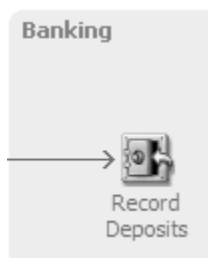
Amount Due	0.00
Applied	0.00
Discount and Credits Applied	0.00

Buttons: Save & Close, Save & New, Clear

Where this Payment Goes in the Program

When you receive a payment they are automatically grouped together in the **Record Deposits** account so that they are available to be deposited later. (sometimes known as **Undeposited Funds**)

1. To make a **Deposit**
2. Go to the **Recording Deposits** icon in the **Banking Center**
3. In the **Payment to Deposit** window
 - Select the payment(s) that you want to deposit
 - Verify the date and the list of payments to deposit
4. Click **OK** button
 - Double check the correct **Bank** account to which you deposited the funds from the Deposit To drop-down list



BE SURE TO ALWAYS GROUP THE PAYMENTS TOGETHER AS YOU HAVE DEPOSITED THEM IN YOUR BANK!!

Applying a Discount for Early Customer Payment

Sometimes in order to speed-up payments a business will offer a **discount** to customers on payments that are received on or before the payment **due date**. In addition, if payments are received after the specified **discount date**, you may choose to accept the discounted amount or ask the customer to pay the full amount.

A **discount** is a shorthand way of expressing when you expect to receive payment from a customer. Terms show the number of days (or date) by which payment is due and can include a **discount** for early payment.

Example: 1% 10 Net 30 means payment due in 30 days, 1% discount if paid within 10 days.

1. From the **Receive Payment** window click **Discount & Credits** button to apply a discount for early payment for customers whose payment terms include a discount for payment before the due date

QBs automatically calculates a **discount** amount based on your **payment terms** with the **customer** and the **payment date** however, the amount of the discount cannot be higher than the original invoice

2. Enter the **Name** of the **Expense Account** you use to track discounts such as **Discount Expense** account then click **Done** to record the discount and **Save** the payment (can also be tracked in an **Income Account**)



Invoice	
Customer/Job	Holiday Sporting Goods:155 Wilks Blvd.
Number	108
Date	11/30/2007
Original Amt.	300.00

Amount Due	
Amount Due	300.00
Discount Used	3.00
Credits Used	0.00
Balance Due	297.00

Discount | Credits

Discount Date: 12/10/2007
Terms: 1% 10 Net 30
Suggested Discount: 3.00
Amount of Discount: 3.00
Discount Account: Discount Expense
Discount Class: [Empty]

Done Cancel Help

Using a Customer Credit as Payment

From a previously created a **Credit Memo** for a customer, you can apply the amount of the credit memo to the unpaid invoices and billing statements for that customer. QBs holds any credit amount in accounts receivable until you apply it to an invoice or issue a refund check.

1. From the **Receive Payment** you will notice on the left side of this window that the customer has a credit available. Then click **Discount & Credits** button to apply the credit toward the amount due.

The credit window will appear as shown in the Discount and Credits window below

2. Click **Done** which saves the credit

Customer Payment

Received From: Lochrie, Steven Customer Balance: 118.53

Amount: 0.00 Date: 12/15/2007

Pmt. Method: Check Check #:

Memo: Where does this payment go?

✓	Date	Number	Orig. Amt.	Amt. Due	Payment
	12/15/2007	142	118.53	118.53	0.00
Totals			118.53	118.53	0.00

This customer has credits available. To apply credits click Discount & Credits...

Available Credits: 37.72

Amounts for Selected Invoices

Amount Due	0.00
Applied	0.00
Discount and Credits Applied	0.00

Buttons: Save & Close, Save & New, Clear

Discount & Credits...

Discount and Credits

Invoice

Customer: Job Lochrie, Steven

Number 142 Amount Due 118.53

Date 12/15/2007 Discount Used 0.00

Original Amt. 118.53 Credits Used 37.72

Balance Due 80.81

Buttons: Discount, Credits

Available Credits

✓	Date	Credit No.	Credit Amt.	Amt. To Use	Credit Balance
	12/15/2007	567	37.72	37.72	0.00
Totals			37.72	37.72	0.00

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

Previously Applied Credits

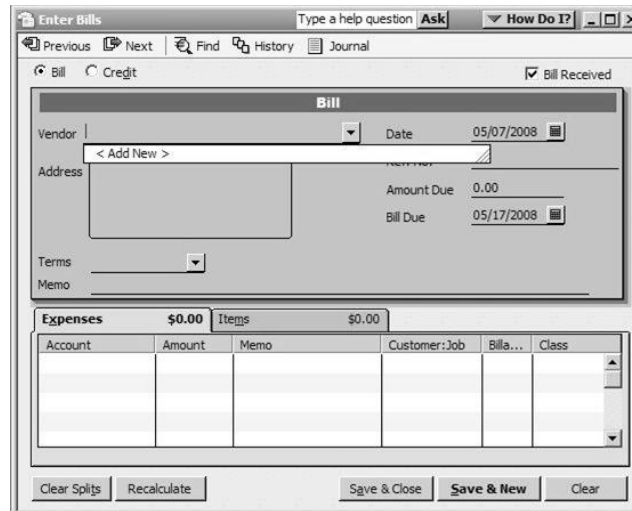
✓	Date	Credit No.	Credit Amt.	Amt. To Use	Credit Balance
Totals			0.00	0.00	0.00

Buttons: Done, Cancel, Help

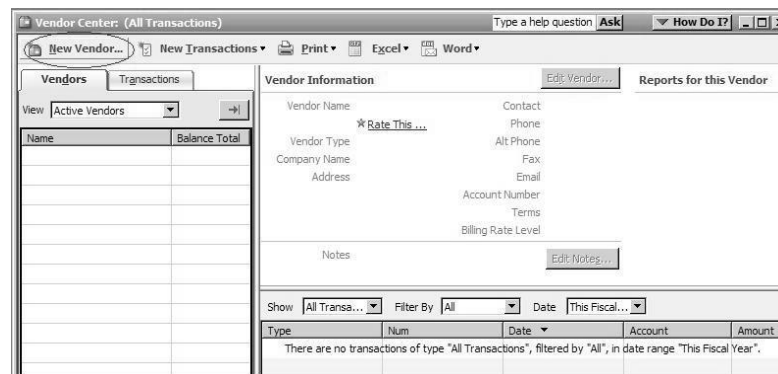
Instructions for Adding a New Vendor

In QBs **New Vendors** can be added at any time. When you add a **vendor** to QB there are two ways to add vendors.

1. First, you can do so by selecting **Add New** when entering a bill or entering a payment directly into your check register



2. Second, you can do so from the **Vendor Center** by  clicking on **New Vendor button**



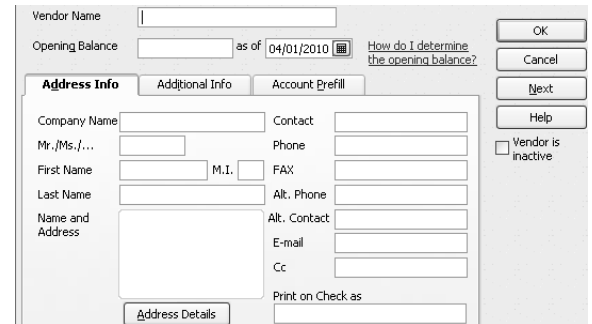
Either way, it is important that you enter in as much information as possible so that you can save time when entering the **bills** as well as manage your **Accounts Payable** properly. This information includes some of the following:

- Name
- Address
- Telephone Number
- Payment Terms
- Vendor Type
- Account Number

Instructions for Completing the New Vendor Window

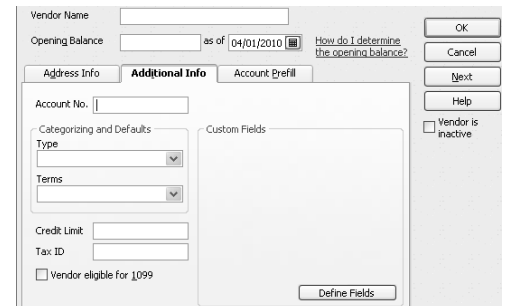
From The Address Tab You Should Add:

- The **Vendor Name** in the **New Vendor** window makes sure to correctly spell their name.
 - It is best to leave the **Opening Balance** blank because it will not allow you to have any of the historical information related to the amount in QB.
- Then tap the **TAB** key to move forward and fill out the **Company Name, First/Last Name, Address, Contact, Phone Number** information.

A screenshot of the 'New Vendor' window in a software application, showing the 'Address Info' tab. The window has a title bar 'New Vendor' and a close button. It contains several input fields: 'Vendor Name' (empty), 'Opening Balance' (empty), 'as of' (04/01/2010), and a dropdown for 'How do I determine the opening balance?'. Below these are three tabs: 'Address Info' (selected), 'Additional Info', and 'Account Prefill'. The 'Address Info' tab has fields for 'Company Name', 'Mr./Ms./...', 'First Name', 'Last Name', 'Name and Address', 'Contact', 'Phone', 'FAX', 'Alt. Phone', 'Alt. Contact', 'E-mail', 'Cc', and 'Print on Check as'. There are also buttons for 'Address Details', 'OK', 'Cancel', 'Next', and 'Help', and a checkbox for 'Vendor is inactive'.

On The Additional Info Tab You Can Add:

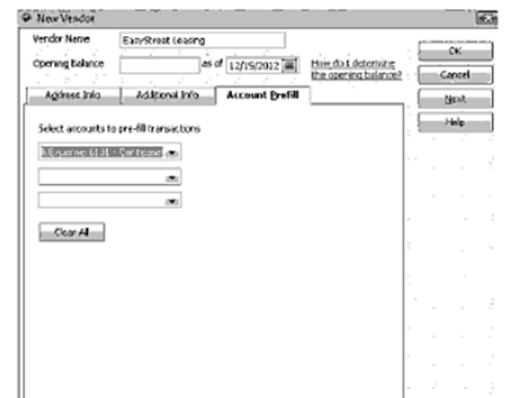
- **Account Number**
- **Billing Rate Level** (use this if you will bill the expenses associated with this vendor back to your customers)
- **Vendor Type** (use this if you want to categorize your vendors in a way that is meaningful to you - such as be geographic location or industry)
- **Payment Terms** (A shorthand way of expressing when a vendor expects to receive payment from you. Terms show the number of days (or date) by which payment is due and can include a discount for early payment)
- **Credit limit** (set by the vendor)
- **Tax ID** (If the vendor is eligible for a 1099, then it is important to check the "vendor eligible for 1099" box and to fill out their Tax ID and complete address information)

A screenshot of the 'New Vendor' window in a software application, showing the 'Additional Info' tab. The window has a title bar 'New Vendor' and a close button. It contains several input fields: 'Vendor Name' (empty), 'Opening Balance' (empty), 'as of' (04/01/2010), and a dropdown for 'How do I determine the opening balance?'. Below these are three tabs: 'Address Info', 'Additional Info' (selected), and 'Account Prefill'. The 'Additional Info' tab has fields for 'Account No.', 'Categorizing and Defaults' (Type and Terms dropdowns), 'Credit Limit', 'Tax ID', and a checkbox for 'Vendor eligible for 1099'. There is also a 'Custom Fields' section and a 'Define Fields' button. There are buttons for 'OK', 'Cancel', 'Next', and 'Help', and a checkbox for 'Vendor is inactive'.

On The Account Prefill Tab:

You can **prefill** the expense accounts for payments to vendors, making it quicker and easier to accurately track expenses.

For each vendor, you can choose up to three expense accounts that you typically use when you pay that vendor. Plus, any pre-filled information can always be overridden at the time of payment if the need arises.

A screenshot of the 'New Vendor' window in a software application, showing the 'Account Prefill' tab. The window has a title bar 'New Vendor' and a close button. It contains several input fields: 'Vendor Name' (Easy/Rest leasing), 'Opening Balance' (empty), 'as of' (12/15/2012), and a dropdown for 'How do I determine the opening balance?'. Below these are three tabs: 'Address Info', 'Additional Info', and 'Account Prefill' (selected). The 'Account Prefill' tab has a section for 'Select accounts to pre-fill transactions' with three dropdown menus and a 'Clear All' button. There are buttons for 'OK', 'Cancel', 'Next', and 'Help', and a checkbox for 'Vendor is inactive'.

When you have finished entering information, click **Next** to add another Vendor or **OK** finish.

Finally, you can always edit vendors in QBs. Therefore, if you don't have all the information you want to add in front of you (such as the Tax ID for a vendor eligible for a 1099), add the vendor anyway and make a note to yourself to add the additional info later.

Understand Bill Paying Process

With QBs, you can pay your **vendors** by check, credit card, electronic funds transfer, or in cash through a **Petty Cash Account**.

In order to track your bills and bill payments (preferred method for proper accounting) it is paramount that you to use the **Pay Bills** process. The pay bills process is as follows:

Terms

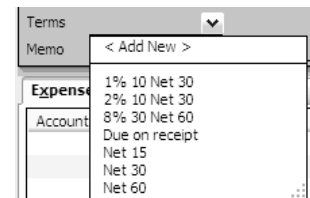
- A **vendor** is anyone you pay to run your business
- **Payment Terms** is the date payments are due
- **Account** is the expense account on the **Chart of Accounts**
- A **discount** is an amount deducted from your bill by a vendor
- A **credit** (or **bill credit**) is money due to you from a vendor for overpayment of a previous bill, return of items, or any other reason



Understanding Payment Terms

In QBs you can specify **Payment Terms** when you set up the vendor's record in order to properly pay your vendors. QB uses the terms to determine:

- Bill due date
- Date you must pay by, to receive a discount for early payment



Example: 2% 10 Net 30 means "2% discount if paid within 10 days, with the net (or total) amount due in 30 days" if the terms are standard terms, or "2% discount if paid by the 10th of the month, with the net amount due by the 30th of the month" if the terms are date-driven terms.

Instructions for Paying Bills

In order to track your bills and bill payments (preferred method for proper accounting) it is paramount that you to use the **Pay Bills** process. The pay bills process is as follows:

Terms

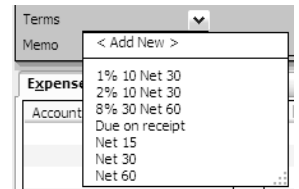
- A **vendor** is anyone you pay to run your business
- **Payment Terms** is the date payments are due
- **Account** is the expense account on the **Chart of Accounts**
- A **discount** is an amount deducted from your bill by a vendor
- A **credit** (or **bill credit**) is money due to you from a vendor for overpayment of a previous bill, return of items, or any other reason



Understanding Payment Terms

In QB you can specify **Payment Terms** when you set up the vendor's record in order to properly pay your vendors. QB uses the terms to determine:

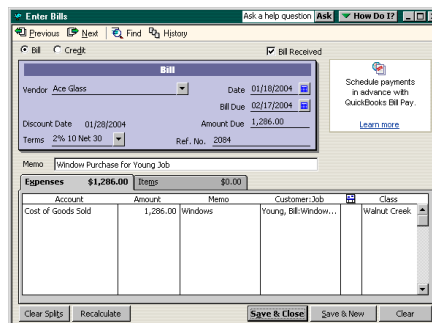
- Bill due date
- Date you must pay by, to receive a discount for early payment



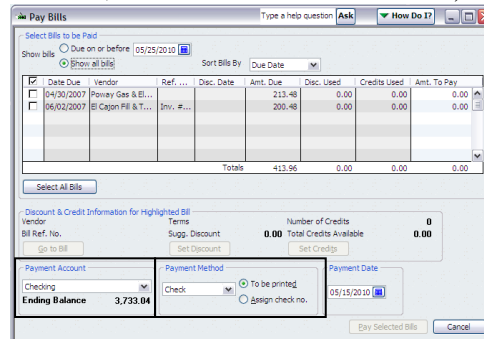
Example: 2% 10 Net 30 means "2% discount if paid within 10 days, with the net (or total) amount due in 30 days" if the terms are standard terms, or "2% discount if paid by the 10th of the month, with the net amount due by the 30th of the month" if the terms are date-driven terms.

From the Vendors Center

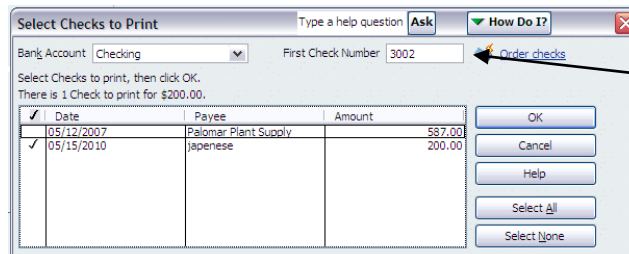
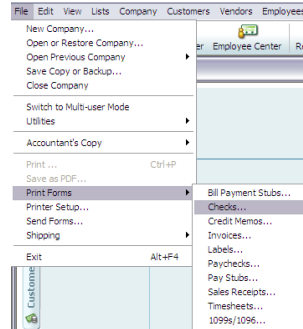
- Enter the Bill—using the **Enter Bills** form type all pertinent information related to the vendor
 - Select a **Vendor**
 - Enter the **Amount** of the bill
 - Ensure that the **Payment Terms** are correct per bill or vendor (should be set-up at the time you create a new vendor or anytime you pay a bill)
 - **Expense** the bill, making sure to select the correct account(s) on the Expense tab
 - If desired, select a **Customer: Job** to whom you wish to pass the expense
 - Click **OK**



- Pay a Bill—**Open the Pay Bills** window
 - Select the bill (s) waiting to be paid
 - Be sure to double check the **Payment Account** and **Payment Method** for type of payment (checks, credit cards, Electronic Funds Transfer)



- Finally, if the **Payment Account/Method** is Checking go to **File > Print Forms > Checks**



Be sure to double-check that the Check # is correct!!

Important technical information: If you enter a bill in the **Enter Bills** window, always use **Pay Bills** window to pay it.

If you're sure you don't need to track your bills and bill payments, you can use the:

- Write Checks or
- Enter Credit Card Charges window

Just make sure to not mix your methods for a given bill

Instructions for Applying Discounts or Credits to Bills You Pay

Applying a discount to a bill payment

- ✓ Enter the bill as normal and complete the payment information but don't record the payment yet
- ✓ Select and highlight the bill for which you want to apply a discount
- ✓ Click the **Set Discount** button
- ✓ From the **Discount and Credits** window choose the **Discount Account** where you track income from discounts
- ✓ Click the **Done** button.
- ✓ Click the **Pay Selected Bills** button

Discount & Credit Information for Highlighted Bill

Vendor	Nolan Hardware and ...	Terms	Net 30	Number of Credits	0
Bill Ref. No.		Sugg. Discount	0.00	Total Credits Available	0.00

Discount and Credits

Bill

Vendor	Nolan Hardware and Supplies	Amount Due	610.00
Ref. No.		Discount Used	0.00
Date	11/27/2007	Credits Used	0.00
Original Amt.	610.00	Amt. To Pay	610.00

Discount Credits

Discount Date

Terms

Suggested Discount

Amount of Discount

Discount account

Discount Class

Applying credits to a bill payment

- ✓ Enter the bill as normal and complete the payment information but don't record the payment yet
- ✓ Select and highlight the bill to which you want to apply a credit
- ✓ Click the **Set Credits** button
- ✓ In the **Credits** pane, select each credit waiting to be used for this bill
- ✓ Click the **Done** button
- ✓ Finish paying the bill in the **Pay Bills** window
- ✓

Discount & Credit Information for Highlighted Bill

Vendor	Nolan Hardware and ...	Terms	Net 30	Number of Credits	0
Bill Ref. No.		Sugg. Discount	0.00	Total Credits Available	0.00

Discount and Credits

Bill

Vendor	Nolan Hardware and Supplies	Amount Due	610.00
Ref. No.		Discount Used	0.00
Date	11/27/2007	Credits Used	0.00
Original Amt.	610.00	Amt. To Pay	610.00

Discount Credits

<input checked="" type="checkbox"/>	Date	Ref. No.	Credit Amt.	Amt. To Use	Credit Balance
Totals				0.00	0.00

Using Prepaid Accounts

A type of asset that arises on a **Balance Sheet** as a result of business making payments for goods and services to be received in the near future. While **prepaid expenses** are initially recorded as assets, their value is expensed over time as the benefit is received onto the Profit and Loss, because unlike conventional expenses, the business will receive something of value in the near future.

Create the Prepaid Account

1. Click the **Chart of Account** task icon in the **Company Center**
2. Click the **Account** menu button and choose **New**
3. Click the **radio button** and select **Other Current** Asset for the type of account
4. Click **Continue**.
5. Click **Save and Close** to record the new account
6. Close the **Chart of Accounts** window
7. Then, enter **Bill** > pay the **Bill** > and **Write Check** (or use Credit Card) and pay total amount due
 - Typically when you write the check the Accounts are split between the Prepaid and Expense Accounts (as see below)

The screenshot shows the 'Enter Bills' window with the following details:

- Vendor:** Farmer's Insurance
- Date:** 05/23/2010
- Ref. No.:** Insurance Premium
- Amount Due:** 1,200.00
- Bill Due:** 06/22/2010
- Terms:** Net 30
- Memo:** Insurance Premium 05/10 to 05/11

Expenses	\$1,200.00	Items	\$0.00	
Account	Amount	Memo	Customer:Job	Billable?
Prepaid Insurance	1,000.00			
Insurance Expense	200.00			

Buttons at the bottom: Clear Splits, Recalculate, Save & Close, Save & New, Clear

8. Save and close

Record Next Month's Insurance Expense

9. Choose **Chart of Account** from **Company Center**

10. Double-click account **Prepaid Insurance** (to open register)

11. From this **Register** enter in:

- **Next Month's Date**
- **Monthly Amount Due**
- **Insurance Expense** for the account

12. From this **Register** enter in:

Date	Ref	Payee	Decrease	Increase	Balance
05/23/2010	Insurance	Farmer's Insurance		1,000.00	1,000.00
	BILL	Accounts Payable [split]			
06/23/2010	2		200.00		800.00
	GENJRNL	Insurance Expense			
06/23/2010	Ref	Payee	Decrease	Increase	
		Account	Memo		

Ending balance 800.00

13. Click **Record** at the bottom right of this register window

Memorize the Transaction

14. Click anywhere within the ref two lines of the transaction you just recorded

15. Choose **Edit > Memorize General Journal** form the menu bar

16. Enter **name of memorized transaction**

17. Choose radio button for:

- How you want to be reminded
- Frequency
- Next Date, etc.

- Click **OK** to record the memorized transaction
- Then, close the **Prepaid Insurance account register**

Memorize Transaction

Name: Health Insurance Premium

Remind Me
 Don't Remind Me
 Automatically Enter
 With Transactions in Group

How Often: Monthly

Next Date: 05/23/2011

Number Remaining:

Days In Advance To Enter: 0

Group Name: <None>

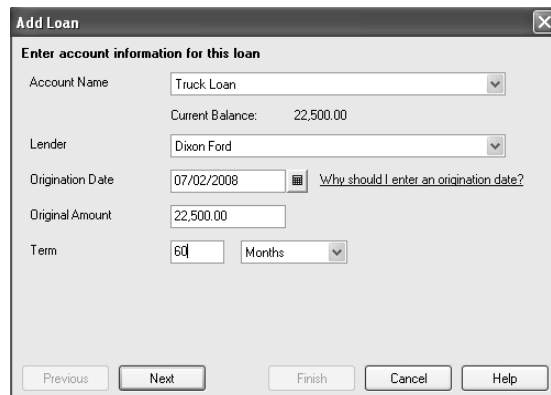
OK Cancel

Using Loan Manager

In order to track long-term liability or current liability accounts it is best to use the Loan Manager which tracks principle and interest payments with in QBs.

Set-Up Loan Manager

18. Choose **Bank** then **Loan Manager** from the menu bar
19. Click the **Add a Loan Button**
20. In the **Account** Name area, choose the correct **Account**
21. Tap **TAB** and choose the **Lender** from the **Vendor List**
22. Tap **TAB** and type the **Origination Date**
23. Tap **TAB** and type in the **Terms** of the loan
24. Click the **Next** button



The screenshot shows a dialog box titled "Add Loan" with a close button (X) in the top right corner. The main heading is "Enter account information for this loan". The fields are as follows:

- Account Name: Truck Loan (dropdown menu)
- Current Balance: 22,500.00
- Lender: Dixon Ford (dropdown menu)
- Origination Date: 07/02/2008 (calendar icon) with a tooltip that says "Why should I enter an origination date?"
- Original Amount: 22,500.00
- Term: 60 (input field) and Months (dropdown menu)

At the bottom, there are five buttons: Previous, Next, Finish, Cancel, and Help.

25. Type in the **Due Date of Next Payment**
26. Tap **TAB** and in the **Payment Account** area enter in payment amount
27. Click the **Next** button

Add Loan

Enter payment information for this loan

Due Date of Next Payment: 08/02/2008

Payment Amount (Principal + Interest): 400.24 Next Payment Number: 1 (optional)

Payment Period: Monthly

Does this loan have an escrow payment? Yes No

Escrow Payment Amount: 0.00

Escrow Payment Account: [Dropdown]

Total Payment: \$400.24

Alert me 10 days before a payment is due

Buttons: Previous, Next, Finish, Cancel, Help

28. Type in the **Interest Rate**

29. Choose **Checking** or **Credit Card** as the **Payment Account**

30. Make sure that **Loan Interest** is chosen as the **Interest Expense Account**

31. Make sure that **Bank Service Charges** is chosen as the **Fees/Charges Expense Account**

32. Click the **Finish** Button

Add Loan

Enter interest information for this loan

Interest Rate: 6.500 %

Compounding Period: Monthly What is an exact days compounding period?

Compute Period: 365/365

Payment Account: Checking

Interest Expense Account: Loan Interest

Fees/Charges Expense Account: Bank Service Charges

Buttons: Previous, Next, Finish, Cancel, Help

Setting Up and Dealing with Long Term Liabilities

Create the Long Term Liability Account

1. Choose **Chart of Accounts** from **Company Center**
2. Click the **Account** menu button and choose **New**
3. Choose **Other Account Types** option
4. Choose **Long Term Liability** from the drop-down list
5. Click **Continue**
6. Type the **Account number** and the name of the new account
7. Click **Save & Close**

Enter the Funds for the Loan

1. Choose **Chart of Accounts** from **Company Center**
2. Double-click the **Long Term Liability** account for which you wish to enter the funds
3. Enter the **Date** for the transaction
4. Enter the **Amount** of the funds
5. Choose the **Original Costs** subaccount of the **Fixed Asset** as the account to debit
6. Click **Record**

Writing Off Bad Debt

In QuickBooks, you can deal with writing off money owed as bad debt in either of two ways:

1. You can treat it as a discount (your sales tax liability will not be affected)
2. You can also use a credit memo (your sales tax liability will be affected). This is the recommended procedure unless the business has ready paid the Board of Equalization).

Regardless of the method, you will need to create an expense account in which to direct the bad debt.

Treating Bad Debt as a Discount

In order to treat bad debt as a discount, you would enter it as a discount in the Receive Payment window. Make sure, though, that you use the proper expense account for the bad debt (i.e., Bad Debt Expense). If you receive a partial payment from a customer, you can also choose to “Write Off the extra amount” in the Receive payments window if you do not expect to ever receive the remaining balance.

Using a Credit Memo to Write Off a Bad Debt

In this method, you will create a credit memo in order to write off a bad debt. When you choose this method, you will use an “OTHER CHARGE” item to “route” the bad debt to the appropriate expense account (which will be debited), and Accounts Receivable will be credited. You can include both taxable and non-taxable bad debts on a single credit memo. You will finish the procedure by applying the credit memo to the original invoice.

Create New Expense Account in Chart of Accounts

1. Click on **Chart of Accounts** icon from **Company Center**
2. Click on **Account** button on bottom left
3. Choose **Expense** as the account type, and then click **Continue**
4. Tap **TAB 2X** – and type **Bad Debt Expense**
5. Click **Save & Close**

How to create the Bad Debt Item

1. Click the **Items & Services** Link in the **Company Center** of the **Home Window**
2. Click the **Item** Menu icon and choose **NEW**
3. Choose **Other Charge** as the type
4. Tap **TAB** and then type **Bad Debt**
5. Tap **TAB** and type amount of **Bad Debt** or leave it blank so you can in exact amount due by Customer
6. Tap **TAB** and then type “n” to choose **Non** as the **Tax Code**
7. Choose **Bad Debt Expense** as the account
8. Click **OK**

Type: Other Charge (Use for miscellaneous labor, material, or part charges, such as delivery charges, setup fees, and service charges.)

Item Name/Number: Bad Debt (Subitem of:)

This item is used in assemblies or is a reimbursable charge

Description: Bad Debt Write-Off

Amount or %: 215.00

Tax Code: Non

Account: 60300 - Bad Debt E...

Item is inactive

Buttons: OK, Cancel, Custom Fields, Spelling

Creating the Credit Memo

1. Click the **Refunds & Credits** link in the **Customers** area of the **Home** window
2. Choose the correct customer from the **Customer: Job field**

3. Tap **TAB**, and type “**BD1**” as the **Credit No.**
4. Click to remove the checkmark from the “**To Be Printed Option**”
5. Click in the **Item** column, type “b” to choose **Bad Debt**, and then tap **TAB**

QuickBooks displays a warning that the Bad Debt Write-Off Item is directed to an expense account. In this case it is appropriate because a bad debt is an expense.

6. Click **OK** to dismiss the warning.
7. Click **Save & Close**
8. Choose the **APPLY TO AN INVOICE** option to apply the credit to an invoice as shown below, and then click OK
9. Click done to apply the credit to all the selected invoices.

Customer: Mission Builders
 Customer: James Jones, 378 N. Maine Ave., Oceanside, CA 92056
 Date: 06/25/2007, Credit No.: BD1
 Item: Bad Debt, Description: Bad Debt Write-Off, Qty: 1, Rate: 215.00, Amount: 215.00, Tax: Non
 Tax: San Diego C... (7.75%), Amount: 0.00
 Total: 215.00
 Remaining Credit: 0.00

Available Credit
 This credit memo or refund has a remaining balance which you may use.
 What would you like to do with this credit?
 Retain as an available credit
 Give a refund
 Apply to an invoice
 OK

Accounting for Assets

Purpose

This policy establishes the fundamental guidelines and practices for properly accounting and reporting assets on the Infocore's or "Company" Balance Sheet. An asset is an element of the financial statements constituting economic resources as of a certain date, and expected to benefit future operations i.e. land, buildings, work-in-process, and receivables.

Assets are recorded on the Company's Balance Sheet using the accrual basis of accounting. Increases in **Assets** are recorded as debits.

Assets represent items of **value** that the Company **owns** or controls. Assets have three primary characteristics:

- They are an economic resource expected to provide future benefits to the Business.
- The Company will obtain that benefit and maintain control over the asset.
- The event giving rise to the Company's right to control of the asset has already occurred.

It is important for the Company to maintain a series of internal control which will help protect their investment. This control can be in many forms such as an internal control checklists which can be review on a regular basis.

Division of Duties

In most companies, the person responsible for recording fixed assets does not make general ledger entries. This person should on a regular basis:

- Reconciliation of the Fixed Asset detail accounts with the fixed asset control accounts and making entries as needed
- Will assign a Property Custodian to be responsible for tagging fixed assets
 - Including locating any missing fixed assets
- Will be the only person authorized to make capital asset purchases
- Authorized to dispose of any fixed asset

Responsibilities for the Property Custodians are:

- To notifying the President whenever fixed assets are acquired lost, destroyed, stolen or disposed of
- Identify and report to the President any property which is useable but not needed, or which should be disposed of
- Assist in taking physical inventories

Individual employees are responsible for:

- The proper use, care and protection of company property ensuring that company property is used only for the conduct of official company business
- Reporting any suspected fraud, theft, or embezzlement

Asset Categorization

Assets are classified into three groups:

- **Fixed Assets** cannot be converted into cash easily in fact you typically, you do not want to convert them into cash unless you no longer need them, replace them with better equipment or larger building. Examples of Fixed Assets are buildings, computers, an automobile or truck that is **used** for the business, furniture & fixtures
- **Other Current Assets** are anything that can be converted into cash within a 12 month period such as cash in checking account, Accounts Receivable and prepaid expenses (insurance)
- **Long Term Assets** consists of other items that are not classified as a current/fixed asset which are considered long-term investments and therefore not intended to be converted to cash in a short-term

It is suggested that any asset belong to the Company be organized on the Company's Balance Sheet in descending order of liquidity.

Capitalization Policy

The Company will capitalize assets which have an expected useful life of more than one year and a value of \$1,000.00 or more. Exceptions to this include certain office equipment.

Expenditures on assets must be capitalized (amounts added to the carrying amount of the asset) when it improves the condition of the asset beyond its originally assessed standard of performance or capacity. This can occur through an increase in the annual service potential provided by the asset or increasing the useful life of the asset.

Expenditures that do not meet the above criteria or merely restore the asset to its original function must be expensed as repairs and maintenance as incurred.

Portable Assets

Certain assets like personal computers, which do not meet the capitalization threshold shall be assigned and tracked in order to prevent theft and loss.

Valuation Accounts

A contra account is an account which partially or wholly offsets another account. Contra accounts are used to change the carrying amount of an asset. The contra account accumulates amounts that are typically subtracted from the original asset balance, such as **depreciation**.

Asset Contra accounts have a credit balance, which is the offset against the asset account.

Examples of valuation and contra accounts include:

- Allowance for doubtful accounts (contra valuation account to Accounts Receivable)
- Accumulated depreciation (contra valuation account Equipment)
- Unrealized gain or loss on investments (contra valuation account to Long-term investments)

For financial reporting purposes, the Company may report assets net of their respective valuation or contra accounts.

Depreciation

A **Fixed Asset** is used to produce income over a period of time and depreciation allows the company to record the appropriate expense for the same period. Therefore, **Depreciation** provides a business with a way to match income to expenses. Depreciation is an income tax deduction that allows a taxpayer to recover the cost or other basis of certain property. It is an annual allowance for the wear and tear, deterioration, or obsolescence of the property.

Some assets will be made up of a number of different components with differing useful lives. The company shall depreciate these components separately over their useful lives, if not doing so would have a material impact on the total reported depreciation expense.

Asset Valuation

Assets are reported on the **Balance Sheet** using the following valuation methods:

Original cost—is the amount actually paid for the asset, as evidenced by checks and other documents. This is ordinarily adjusted over time for amortization, such as depreciation.

Current Book Value—is the value of that asset listed in the Balance Sheet (original cost minus Accumulated Depreciation)

Fair Market Value—is the price that property would sell for on the open market. It is the price that would be agreed on between a willing buyer and a willing seller

Accumulated Depreciation— is the total decrease in the value of an asset on the balance sheet of a business, over time. An asset which is new will have no accumulated depreciation. Therefore, as the asset ages, **Accumulated Depreciation** increases.

The value of assets on the **Balance Sheet** is expressed as:

- Cost of asset
- Less accumulated depreciation
- Equals book value of that asset.

Accurate depreciation methods and estimated useful life is critical in correctly determining company financial performance. Estimated useful lives shall be as accurate as possible and take into account physical wear and tear, technical obsolescence and commercial obsolescence, and conform to any government regulations.

The following table lists the asset categories, description, and suggested valuation method.

Cash	Cash deposited in accounts with less than 120 days maturity	Replacement
Marketable Securities	Stocks, Bonds and Other Liquid Assets	Replacement
Prepaid Expenses	Unused or unexpired prepaid economic benefits	Replacement
Accounts Receivable	Funds earned but not yet received from customers	Net Realizable Value
Equipment	Amount paid for capital equipment	Historical Cost
Equipment – Accumulated Depreciation	Contra account used to offset the depreciation charge. Accumulated depreciation is the reduction of the carrying amount of the assets on the balance sheet to reflect the loss of value due to wear, tear, and usage.	Allowance, created by a charge against earnings, to provide for changes in the value of a company's assets.

Setting Up and Dealing with Fixed Assets and Depreciation

Create the Fixed Asset Account

1. Choose **Chart of Accounts** from **Company Center**
2. Click the **Account** menu button and choose **New** from the menu
3. Choose **Fixed Asset** as the account type
4. Click **Continue**
5. Type the name and account number of the new **Fixed Asset**
6. Click the **Save and New** button
7. Create a **Fixed Asset** subaccount called **Accumulated Depreciation**
8. Click the **Save and New** button
9. Create another **Fixed Asset** subaccount called **Original Cost**

Create a Fixed Asset Item List

Allows you to track; Purchase information, Sales information, Corresponding asset account, Serial number, Warranty information, and any Notes and descriptions.

Asset Name/Number		Asset Account	
Ford Truck I		16500 - Company Truck	
Purchase Information		Sales Information	
Purchase Description	Item is <input checked="" type="radio"/> new <input type="radio"/> used	Sales Description	<input type="checkbox"/> Item is sold
2008 Ford F-150, green			
Date	07/02/2008	Sales Date	
Cost	25,000.00	Sales Price	0.00
Vendor/Payee	Dixon Ford	Sales Expense	0.00
Asset Information			
Asset Description			
Ford F-150 Truck			
Location	PO Number	Serial Number	Warranty Expires
		V02	07/01/2010

1. Choose **Lists** then **Fixed Asset Item List** from the menu bar
2. Click the **Item** menu button and choose **New** from the menu

3. Enter purchase information:
 - a. **Purchase Description**—Enter a brief description of the purchase of your fixed asset
 - b. **New/Used**—Select whether your asset is new or used
 - c. **Date**—Enter the date you purchased your fixed asset, or click the pop-up calendar icon to the right of the field and select one (today's date is selected by default)
 - d. **Cost**—Enter the cost of your fixed asset
 - e. **Vendor/Payee**—Enter a brief description of your fixed asset.

The Vendor/Payee name is not saved to your Vendor list when you save this transaction. Click Vendor Center and add the vendor there if necessary.

4. (Optional) Enter asset information
 - a. **Asset Description**—Enter a brief description of your fixed asset.
 - b. **Location**—Enter a location; for example, if your asset is real estate, enter an address.
 - c. **PO Number**—Enter the number of the purchase order you used to purchase your asset, if applicable.
 - d. **Serial Number**—Enter the serial number of your asset.
 - e. **Warranty Expires**—Enter the date the warranty for your asset expires.
 - f. **Notes**—Enter any notes concerning your asset that you want to track.

5. Leave the sales information blank

6. Click **OK**

Record a Depreciation Transaction

1. Choose **Chart of Accounts** from the **Company Center**
2. Double-Click the **Accumulated Depreciation** Account for which you wish to record the transaction
3. Enter the **Date** for the transaction
4. Enter the **Amount** of depreciation to record in the decrease column (be sure to work with your CPA regarding this process)
5. Choose **Depreciation Expense** as the account to debit
6. Click **Record**
7. Then **Memorize the Depreciation Transaction**

Infocore, Inc.

Report Section

How to Create the Balance Sheet Report

To Create this report

What this report tells you

The Balance Sheet Report summarizes the financial position of a business. A balance sheet shows the value of your company's assets, liabilities, and equity as of a particular day. It is called a balance sheet because the value of the assets is always exactly equal to the combined value of the liabilities and equity.

QBs offers four different preset balance sheet reports. You'll find these reports under Company & Financial on the Report Center or Reports menu.

Skortis Landscaping Balance Sheet As of May 23, 2010

	◇ <u>May 23, 10</u>
ASSETS	
Current Assets	
Checking/Savings	
Checking	▶ 3,733.04
Savings	<u>13,000.00</u>
Total Checking/Savings	16,733.04
Accounts Receivable	
Accounts Receivable	<u>3,732.00</u>
Total Accounts Receivable	3,732.00
Other Current Assets	
Undeposited Funds	<u>1,395.00</u>
Total Other Current Assets	<u>1,395.00</u>
Total Current Assets	<u>21,860.04</u>
TOTAL ASSETS	<u>21,860.04</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	<u>213.96</u>
Total Accounts Payable	213.96
Credit Cards	
Poway National Bank Visa	<u>152.83</u>
Total Credit Cards	<u>152.83</u>
Total Current Liabilities	<u>366.79</u>
Total Liabilities	366.79
Equity	
Opening Bal Equity	17,500.00
Owners Equity	<u>3,993.25</u>
Total Equity	21,493.25
TOTAL LIABILITIES & EQUITY	<u>21,860.04</u>

How to Create the Profit and Loss Standard Report

To Create this report

What this report tells you

This report is also known as an income statement. It summarizes your income and expenses for the month, so you can tell whether you're operating at a profit or a loss. The report shows subtotals for each income or expense account in your chart of accounts. The last line shows your net income (or loss) for the month.

To see a list of the transactions that make up an amount, double-click the amount.

Date range

The default date range is for the current month to date. You can show profit and loss for a different date range by choosing another date range from the Dates dropdown list.

Skortis Landscaping	
Profit & Loss	
All Transactions	
◇ <u>May 15, 10</u> ◇	
Ordinary Income/Expense	
Income	
Design Services	▶ 1,540.00 ◀
Installation Services	4,420.00
Maintenance Services	<u>180.00</u>
Total Income	6,140.00
Cost of Goods Sold	
Materials Costs	<u>428.91</u>
Total COGS	<u>428.91</u>
Gross Profit	5,711.09
Expense	
Auto and Truck Expenses	75.59
Bank Service Charges	25.00
Job Materials	51.15
Office Supplies	222.84
Rent Expense	1,000.00
Telephone Expense	164.78
Uncategorized Expenses	<u>213.48</u>
Total Expense	<u>1,752.84</u>
Net Ordinary Income	3,958.25
Other Income/Expense	
Other Income	
Other Income	<u>35.00</u>
Total Other Income	<u>35.00</u>
Net Other Income	<u>35.00</u>
Net Income	<u><u>3,993.25</u></u>

How to Create the Cash Flow Report

To Create this report

What this report tells you

A **Cash Flow Statement** shows changes of cash over time rather than absolute dollar amounts at a point in time. It shows the amount of cash earned from profit, where you received additional cash, and where your cash was spent. Basically, a **Cash Flow Statement** can tell you whether the company generated cash.

The report shows how much cash was provided or used by:

- Operating Activities
- Investing Activities
- Financing Activities

To see a list of the transactions that make up an amount, double-click the amount.

Date range

The report shows your cash flow for the fiscal year to date, but you can change the reporting period by choosing a different date range from the Dates drop-down list.

Rock Castle Construction	
Statement of Cash Flows	
October 1 through December 15, 2007	
	Oct 1 - Dec 15, 07
OPERATING ACTIVITIES	
Net Income	38,239.15
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-46,571.69
Employee Loans	-62.00
Inventory Asset	-18,827.16
Retainage	-2,461.80
Accounts Payable	29,189.66
QuickBooks Credit Card	70.00
CalOil Card	-18.88
Sales Tax Payable	687.65
Net cash provided by Operating Activities	244.95
INVESTING ACTIVITIES	
Trucks	-44,500.00
Pre-paid Insurance	2,322.66
Net cash provided by Investing Activities	-42,177.34
FINANCING ACTIVITIES	
Bank of Anycity Loan	-888.42
Equipment Loan	3,911.32
Note Payable	-17,059.17
Truck Loan	43,013.06
Opening Bal Equity	-11,697.50
Owner's Equity: Owner's Draw	-8,000.00
Retained Earnings	8,863.39
Net cash provided by Financing Activities	20,162.88
Net cash increase for period	-21,769.71
Cash at beginning of period	-21,818.48
Cash at end of period	-43,588.19

How to Create the Accounts Receivable Aging Summary Report

To Create this report

What this report tells you

This report summarizes the status of unpaid invoices and statement charges in accounts receivable. For each customer who owes money, the report shows:

- What the customer owes for the current billing period
- What the customer hasn't paid from previous billing periods
- Subtotal balances for each job (if the customer has multiple jobs with your company)

To see a list of the transactions that make up a balance, **double-click** the balance in the report.

5:23 PM
05/07/10

Skortis Landscaping
A/R Aging Detail
As of May 7, 2010

Type	Date	Num	P. O. #	Name	Terms	Due Date	Aging	Open Balance
Current								
Stmt Charge	05/15/2007			Mission Renovations	Net 30			35.00
Total Current								35.00
1 - 30								
Total 1 - 30								
31 - 60								
Total 31 - 60								
61 - 90								
Total 61 - 90								
> 90								
Invoice	04/30/2007	3		Sam Jones Constr...	Net 15	05/15/2007	1088	2,040.00
Check	05/15/2007			Mission Renovations				150.00
Invoice	04/30/2007	1		Martinez, Phoebe B...	Net 30	05/30/2007	1073	890.00
Invoice	05/01/2007	5		Mission Renovations	Net 30	05/31/2007	1072	30.00
Invoice	05/16/2007	7		Sam Jones Constr...	Net 15	05/31/2007	1072	587.00
Total > 90								3,697.00
TOTAL								3,732.00

Sample Report

Date range

The 1-30, 31-60, 61-90, and >90 columns show overdue balances from previous billing periods. For example, an amount in the 31-60 columns is between 31 and 60 days overdue.

Changing the date range of a report

All reports have a preset or "default" date range. You can change the date range to cover a different period of time.

To change the date range for a report

1. Open the report you want to modify.
2. Define the date range to use:
 - Click the **Dates** drop-down list at the top of the report and choose a different date range.

What do the different date ranges mean?

To change to a period of time not specified by one of the preset ranges, click the calendars to change the dates shown in the **From** and **To** fields. When the calendar appears, click the arrows to display the month you want, then click the day of the month.

How to Create the Open Invoices Report

To Create this report

What this report tells you

This report lists unpaid invoices and statement charges, grouped and subtotaled by customer and job. To see the detailed information for any transaction in this report, double-click on the transaction.

Note: You can also display the open invoices for all customers on the **Transactions** tab of the **Customer Center**.

Date range

The report shows all open invoices as of the current date.

Type	Date	Num	P. O. #	Terms	Due Date	Aging	Open Balance
Mission Renovations							
Check	05/15/2007						150.00
Stmt Charge	05/15/2007			Net 30			35.00
Invoice	05/01/2007	5		Net 30	05/31/2007	1084	30.00
Total Mission Renovations							215.00
Sam Jones Construction							
Bonita Park							
Invoice	04/30/2007	3		Net 15	05/15/2007	1100	2,040.00
Invoice	05/16/2007	7		Net 15	05/31/2007	1084	587.00
Total Bonita Park							2,627.00
Total Sam Jones Construction							2,627.00
Martinez, Phoebe							
Backyard							
Invoice	04/30/2007	1		Net 30	05/30/2007	1085	890.00
Total Backyard							890.00
Total Martinez, Phoebe							890.00
TOTAL							3,732.00

Sample Report

How to Create the Accounts Payable Aging Summary Report

To Create this report

What this report tells you

It summarizes the status of unpaid bills in accounts payable, showing what you owe, who you owe it to, and how much is overdue.

For each vendor to whom your company owes money, the report shows how much your company owes for the current and previous billing periods, and it shows the total amount. The report also shows the total amount owed to all vendors.

12:11 PM
12/15/07

Larry's Landscaping & Garden Supply A/P Aging Detail As of December 15, 2007

Type	Date	Num	Name	Due Date	Aging	Open Balance
Current						
Bill	11/25/2007		Townley Insurance ...	12/25/2007		427.62
Bill	11/27/2007		Nolan Hardware an...	12/27/2007		610.00
Bill	12/14/2007	12/03	Cal Gas & Electric	12/29/2007		137.50
Bill	12/13/2007		Robert Carr Masonry	01/12/2008		196.25
Bill	12/15/2007	12/03	Cal Telephone	01/14/2008		45.00
Total Current						1,416.37
1 - 30						
Bill	11/03/2007	125-7...	Robert Carr Masonry	12/03/2007	12	675.00
Item Receipt	12/05/2007		Nolan Hardware an...			336.00
Total 1 - 30						1,011.00
31 - 60						
Total 31 - 60						
61 - 90						
Total 61 - 90						
> 90						
Bill	08/22/2007		Conner Garden Sup...	09/01/2007	105	127.20
Total > 90						127.20
TOTAL						2,554.57

Sample Report

Date range

Starting with today, and looking back for 90 days. The 1-30, 31-60, 61-90, and >90 columns show overdue balances from previous billing periods. For example, an amount in the 31-60 columns is between 31 and 60 days overdue.

See the above information for other changes to this report such as:

- Changing the Date Range
- What do different date ranges mean

How to Create the Unpaid Bills Detail Report

To Create this report

What this report tells you

This report shows all the bills and payments related to each vendor. The totals shown in the Balance column are your company's unpaid balances. If a bill is overdue, the Aging column shows the number of days past due.

Type	Date	Num	Due Date	Aging	Open Balance
Academy Glass					
Unpaid Bills Detail					
As of January 18, 2004					
◆	◆	◆	◆	◆	◆
Ace Glass					
▶ Bill	01/18/2004	2084	02/17/2004		1,286.00 ◀
Total Ace Glass					1,286.00
Wagner & Son Painting					
Bill	12/21/2003	2342	01/20/2004		142.00
Total Wagner & Son Painting					142.00
TOTAL					1,428.00

Sample Report

How to Create the Open Invoices Report

To Create this report

What this report tells you

This report shows all the bills and payments related to each vendor. The totals shown in the Balance column are your company's unpaid balances. If a bill is overdue, the Aging column shows the number of days past due.

Type	Date	Num	Due Date	Aging	Open Balance
Academy Glass					
Unpaid Bills Detail					
As of January 18, 2004					
◆	◆	◆	◆	◆	◆
Ace Glass					
▶ Bill	01/18/2004	2084	02/17/2004		1,286.00 ◀
Total Ace Glass					1,286.00
Wagner & Son Painting					
Bill	12/21/2003	2342	01/20/2004		142.00
Total Wagner & Son Painting					142.00
TOTAL					1,428.00

Infocore, Inc.

QuickBooks General Information Section

QuickBooks Keyboard Shortcuts

Activity	Key
Account List, display	Ctrl + A
Check, write	Ctrl + W
Customer: Job list, display	Ctrl + J
Delete Check, invoice, transaction, or items from list	Ctrl + D
Edit Lists or Registers	Ctrl + E
QuickFill and Recall (type few letters of name and press tab, name fills in)	Abcxyz Tab
Find Transaction	Ctrl + F
Go to register of transfer account	Ctrl + G
Help in context, display	F1
History of A/R or A/P Transaction	Ctrl + H
Invoice, Create	Ctrl + I
List (for current field, display	Ctrl + L
Memorize transaction or report	Ctrl + M
Memorized transaction list, display	Ctrl + T
New invoice, bill, check, or list item	Ctrl + N
Paste copied transaction in register	Ctrl + V
Print	Ctrl + P
QuickZoom on report	Enter
QuickReport on transaction or list item	Ctrl + Q
Register, display	Ctrl _ R
Use list item	Ctrl + U
Transaction Journal, display	Ctrl + Y

Moving Around A Window	Key
Next Field	Tab
Previous Field	Shift + Key
Report Column to the right	Right arrow
Report Column to the left	Left arrow
Beginning of current field or report row	Home
End of current field or report row	End
Line below in detail area or on report	Down arrow
Line above in detail area or on report	Up arrow
Down one screen	Page Down
Up one Screen	Page up
Next word in field	Ctrl + Right Arrow
Previous word in field	Ctrl + Left Arrow
First item on list or previous month in register	Ctrl + Page Up
List item on list or next month in register	Ctrl + Page Down
Close active window	Escape or Ctrl + F4
Move to Message area in Invoices	Alt + M

Dates	Key
Next day	+ (plus key)
Previous day	- (minus key)
Today	T
First Day of the Week	W
Last Day of the Week	K
Last Day of the Month	H
First Day of the Year	Y
Last Day of the Year	R
Date calendar	Alt + down arrow

Editing	Key
Edit transaction in selected register	Ctrl + E
Delete character to right of insertion point	Del
Delete character to left of insert point	Backspace
Delete line from detail area	Ctrl + Delete key
Insert line in detail area	Ctrl + Insert key
Cut selected characters	Ctrl + X
Copy selected characters	Ctrl + C
Paste cut or copied characters	Ctrl + V
Increase check or other form number by one	+ (plus Key)
Decrease check or other form number by one	- (minus Key)
Undo changes made in field	Ctrl Z

Access Menu buttons	Key
Banking	Alt + B
Company	Alt + C
Edit	Alt + E
File	Alt + F
Help	Alt + H
Lists	Alt + L
Moves Cursor to the Message area in an invoice	Alt + M
Vendor	Alt + O
Reports	Alt + R
Customer	Alt + U
View	Alt + V
Employee	Alt + Y

QuickBooks Resources

Intuit's online resource for **Tax, Accounting,** and **QuickBooks Practitioners**

I of course also use Intuit as a major resource for solving very difficult problems. What is nice about Intuit is that they also have a blog on their site which helps users manage your company because the bloggers are the end users of this program and the answers come from other business owners or people who actually perform the work.

Intuit provides the following types of support:

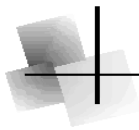
Small Business Forums		
Starting & Growing Your Business The Future of Small Business	Women Entrepreneurs Marketing Tools	Google Small Business Experts
Expert Assistance		
Educator's Corner Accountants	Bookkeeping IT Consultants	Small Business Experts QuickBooks Experts
QuickBooks Tasks - Pro & Premier		
Banking Fixed Assets Manager Importing & Exporting Data Installation, Update & Conversion Center Update & Conversion Forums	Inventory Journal Entries & Accounting Tasks & Vendor Management Payroll Center Payroll Forums Performance Issues & Program Errors	Printing Receiving Money & Managing Customers Reports Shipping Manager Working with the Data File

Sign Up for their Newsletter at

http://accountant.intuit.com/member_programs/proconnection/newsletter.aspx?lid=leftnav

Finally, don't forget, in the QuickBooks Program you have the following tools:

1. "Help" button (located on the menu bar)
 - Help is used to search for specific topics.
2. Videos
 - Before you get started, trying watching all the videos. It will help build your confidence with the program.
3. Sample Companies
 - Intuit has provided the 'perfect' company as one of your resources. With them (service/product) you can see how to correct use the program.



CPA911

One of the sources I use to solve the problems in QuickBooks is CPA911. This organization provides solutions to very difficult and obscure problems in a way that even beginning users of QuickBooks can understand and implement. Tricks and Tips for QuickBooks

- [Archived Newsletter Tips from 2005 and 2006](#)
- [Accountant's Copy Rules for QuickBooks 2008](#)
- [Aliases for Downloaded Transactions](#)
- [Apply Excess Credits for One Job to Another Job](#)
- [Applying Additional Credits to a Vendor Bill](#)
- [Cost of Goods Accounts for Vendor Payments, Customer Reimbursements, and 1099s](#)
- [Creating a Test Company for Testing and Training](#)
- [Doing Payroll Manually](#)
- [Entering Payroll as a Journal Entry](#)
- [Fixing Vendor Bills Paid with Direct Disbursements](#)
- [Franchise Purchase Credits](#)
- [Group Items](#)
- [Handling Checks with Two Payees](#)
- [Import Sales Tax Changes to Customer List](#)
- [Inter-company Transactions](#)
- [Inventory Additional Costs](#)
- [Inventory Freebies](#)
- [Invoice Report – Just the Basics](#)
- [Invoicing and Tracking Reimbursed Costs](#)
- [Managing Retainers](#)
- [Managing Sales Tax Discounts](#)
- [Moving an Applied Credit to a Different Invoice](#)
- [Payroll Deductions for Employee Purchases](#)
- [Prepaid Fees and Commissions](#)
- [Prepayments for Purchase Orders](#)
- [Purchasing and Selling in Different Lot Sizes](#)
- [Reconciling the Payroll Account](#)
- [Reimbursable Internal Costs](#)
- [Reminders \(that are really sales pitches\) - How to Get Rid of Them](#)
- [Sales Tax Rates that Differ By Item Type](#)
- [Tracking Referrals](#)
- [Understanding Sales Tax in QuickBooks](#)
- [Unprinted Documents Piling Up?](#)
- [Upgrading QuickBooks to a New Version](#)
- [Using a Hidden Account](#)
- [Using the power of the Classes feature effectively.](#)

Sign Up for their Newsletter at www.CPA911.com

Creating Portable Company Files and Backup File

What is a Portable File

A **portable company file** is a compact version of your company file containing only financial data, and is small enough to be sent by e-mail or saved to portable media. You can use a portable company file whenever you need to move your company financial data to another location or send it to another person.

Procedure for creating a Portable Company File

1. Choose **File > Save Copy or Backup** from the menu bar
2. Choose **Portable** company file, and then click **Next**
3. Choose the location in which to store the portable company file, and then click **Save**
4. Click **OK** to Allow QBs to close and reopen your file
5. Click **OK** to acknowledge the portable company file creation

What is a Backup File

A **backup file** is a compressed file containing everything you need to recreate your company file and QBs environment. Use a backup file to safeguard your QBs files against accidental data loss.

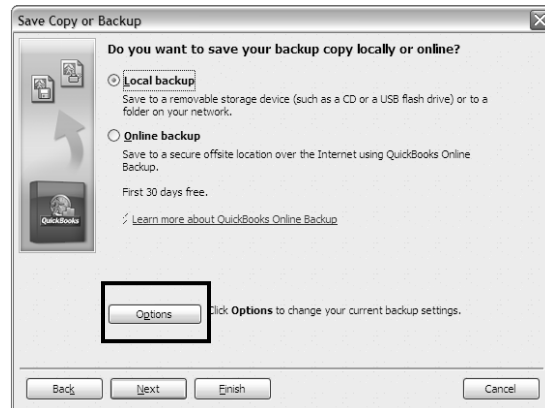
The backup file is saved with a .QBB extension.

To keep your company file operating correct the Internal QBs backup procedure must be used periodically. These internal processes that take place during the Backup Process which MUST be performed or the company file will begin to run more and more slowly.

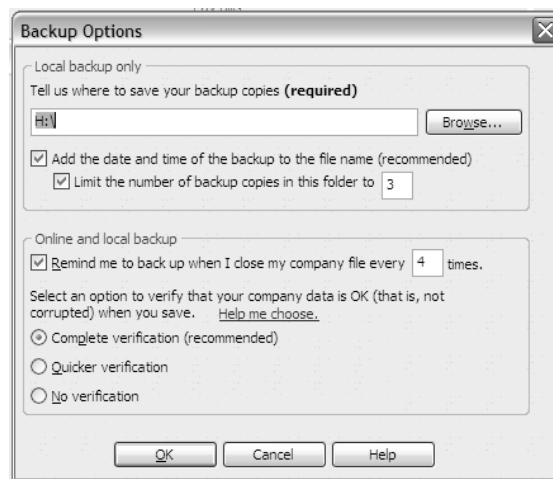
Procedure for creating a Backup Company File

1. Choose **File > Save Copy or Backup** from the menu bar
2. Choose **Backup copy** company file, and then click **Next**
3. Choose the location in which to store the backup company file either **Local backup or Online Backup**

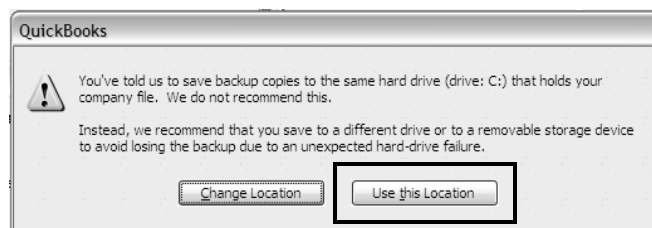
- It is very important to save the backup version to a folder that does not contain your regular company file such as a CD or a USB Flash drive or to a folder on your network



4. Click **Options** to make sure where the backup is going to be stored. The **Backup Options** window opens



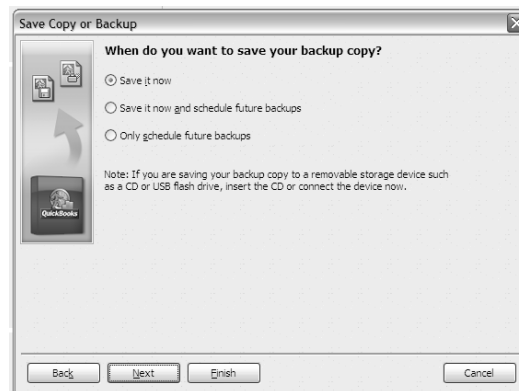
5. Click the **Browse** button and navigate to the desired folder window
6. Click **OK**
7. Leave the other defaults as they are. You may see a window that looks like the below image:



8. It happens when QBs has detected that you are not backing up the file to another drive, and is recommending that you do so. Just ignore the window and click **Use this Location**

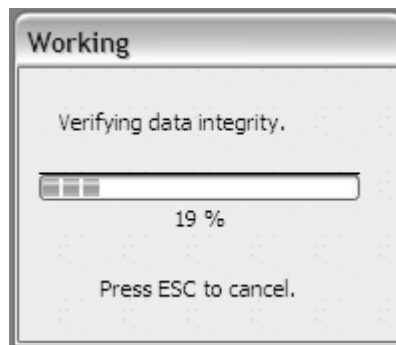
9. Click **Next**, choose **Save it now**, and click **Next** again

10. Choose **Save it now**. Click Next. QB wants to verify your backup location.

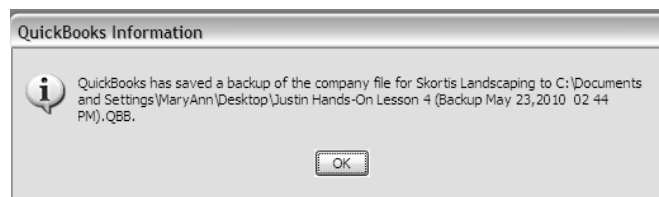


11. It should show you the location in the **Save in box** since that is what you selected previously. Click **Save**.

- QKs will now verify your data integrity



- Assuming the data is stable, you will receive a confirmation message that the backup has been saved



12. Click **OK**

How to Restore a Backup Company file

If your backup file is not on your hard disk or in a network folder, insert the CD, USB flash drive, or other storage device in the appropriate drive.

1. Go to the **File** menu and click **Open or Restore Company** to open the restore wizard.
2. Click **Restore a backup copy (.qbb)** and then click **Next**.
3. Click **Local backup** and then click **Next**. The **Open Backup Copy** window opens.
4. If needed, click the **Look in** drop-down arrow and navigate to the location where you saved the backup file, which has a .qbb file extension (for example, mycompanyname.qbb).
5. Select the backup file and click **Open**.
6. Click **Next**.
7. If needed, click the **Save in** drop-down arrow and navigate to the location where you want to restore the backup file.
8. Select the backup file, click **Save**, and respond to any messages QBs may display.

The company file is converted to a regular company file, with a .qbw extension (or a .qba extension if the backup was made from an Accountant's Copy). The company file and all of its related files are stored in this location.

Important Information about Backing up

The backup process is cumulative, from the beginning date of when you started using QKs up until the time the backup was created