QuickBooks

MULTIBUSINESS SOLUTIONS

QuickBooks Desktop Beginner Training for Magnifi Financial

11/13/24

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QuickBooks Desktop Foundations

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About Your Trainer

Certified QuickBooks ProAdvisor Natalie Remund

Natalie is a certified QuickBooks expert who can guide you through the maze of efficiently running a business. Natalie has been providing QuickBooks training to a variety of businesses for over 6 years. Natalie earned her Bachelor's degree from South Dakota State University in Brookings, SD.

The Multi Business Solutions team will help you master QuickBooks and ensure your financial information is accurate and timely; better yet they will arm you with critical knowledge of how to use the data to improve company performance.

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QuickBooks® Desktop Foundations

Important Information About the Structure of this Training.

Today's course is intended as the foundation for using QuickBooks® as a bookkeeping, business management and cash flow building tool. The material provides a critical basis for establishing bookkeeping best practices and ensuring accurate financial information.

Please ask questions throughout the presentation.

Your Instructor is also available for one-on-one consultations.

In addition to what you will learn today these manuals are for use as a post-class reference guide.

We are happy you are here today and look forward to helping you master QuickBooks!

QuickBooks® Desktop Foundations

The most important reason to advance our knowledge of QuickBooks® Desktop and basic bookkeeping principles, whether you are a business owner or employee, is to improve business performance.

While we identify specific learning objectives at the beginning of each section,

3 Overall Objectives include:

1. Introduction to basic features in QuickBooks and how they apply to best practice bookkeeping principles.
2. How to effectively and efficiently use QuickBooks to manage daily bookkeeping tasks and develop an understanding of how the data is entered, processed and reviewed.
3. How to customize QuickBooks to meet the specific needs of a business.

Why we teach Cash Flow with QuickBooks®:

Business owners typically identify Cash Flow as their number one area of concern. QuickBooks Accounting Software, when utilized correctly, allows users to run Cash Flow projections and develop a Cash Flow management strategy to prevent shortfalls. This training will help participants develop a strong knowledge base of how to use QuickBooks reports to manage a business and build cash flow.

The foundation of business success is in the daily use of accurate, real-time financial data.

What we measure, we manage; what we manage, we improve.

QuickBooks® Desktop Foundations

It is important to focus on the areas of our business that contribute most to profitability. QuickBooks helps us easily identify areas of focus if we know where to look.

The 80/20 rule, or the 'Pareto Principle', is a powerful concept that consistently rings true.

In most cases, 20% of our customers generate 80% of our net profit. At the same time, 20% of the goods or services we sell contribute 80% of our revenue, etc. You get the idea.

The most important value good bookkeeping brings to a business is an understanding of where to focus.

By generating daily reports that uncover the best customers, jobs, services, or products, you will soon see how you can refocus your internal efforts on doing highly valuable work.

Accurate real-time data with one click reports, is an enormous benefit of using QuickBooks® the 'right-way'.

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QuickBooks Desktop Foundations

SECTION 1
GETTING STARTED

Objectives
Create New Company
Menu Bars
Home Page
Insights
Practice Test

Section 1 Objectives

Upon completion of Section 1 each participant will become familiar with the following objectives:

- Options for creating a new company file.
- How to setup a new company file.
- How to move around QuickBooks® using menu, icon, and navigation bars.
- How to view and utilize the Home Page.
- How to view and utilize the Insights Page.

Create New Company

Once the installation of QuickBooks® is complete, a start process will begin. There are several options that include:

Detailed Start where you will be prompted through the setup process.

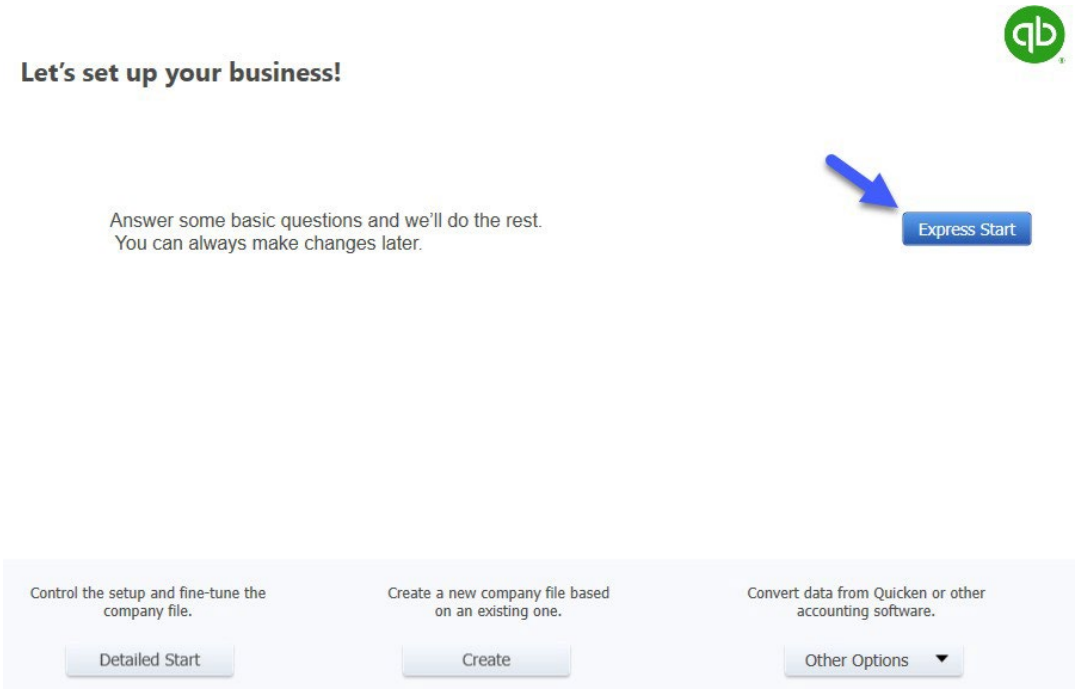
Create a company based on an existing one.

Convert from Quicken or other accounting Software.

Express Start where information entered auto populates default settings and accounts.

Although it is simple to turn preferences on and off, it is important to correctly set up your company default preferences and data.

Click **Express Start.**

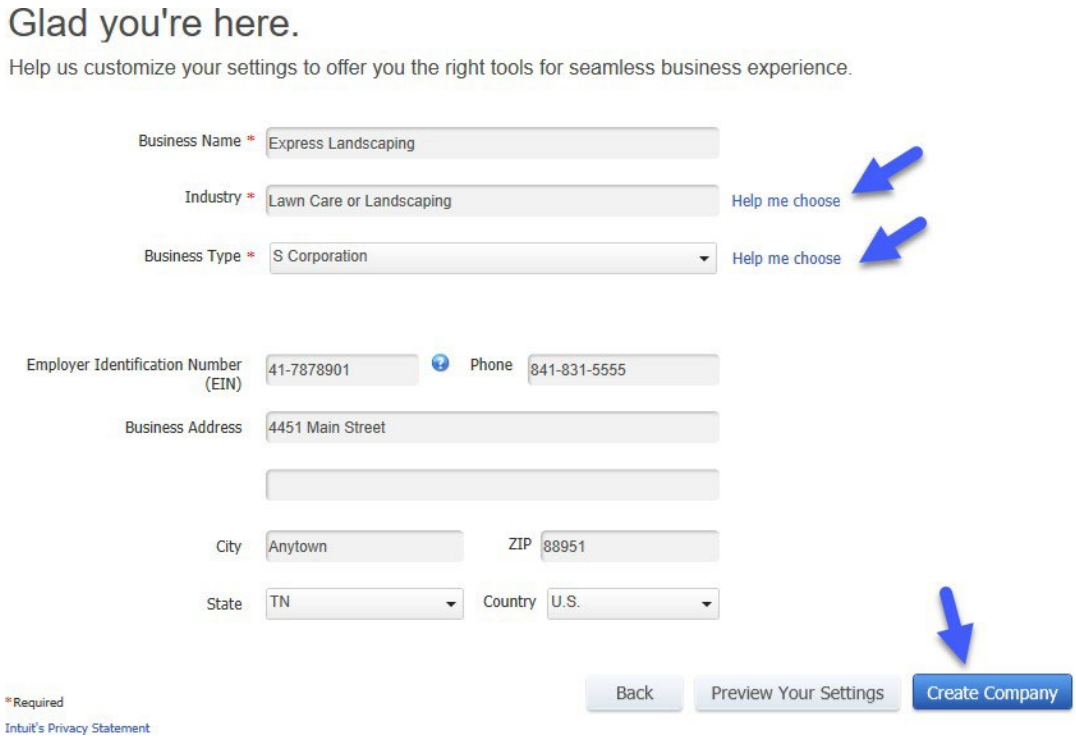


Create New Company

The next step is to enter your company information: **Business Name, Industry, Type, EIN, Address and Phone Number**. Use the **Help Me Choose** option to determine the Industry and Business Type. Choosing a specific Industry will auto populate a chart of accounts. If you choose Industry type Other/None, you will be able to customize or import an existing chart of accounts.

Note: The Business Type is based on how you have set up your entity and how you file tax returns with the Internal Revenue Service.

Click **Preview Your Settings.**



Create New Company

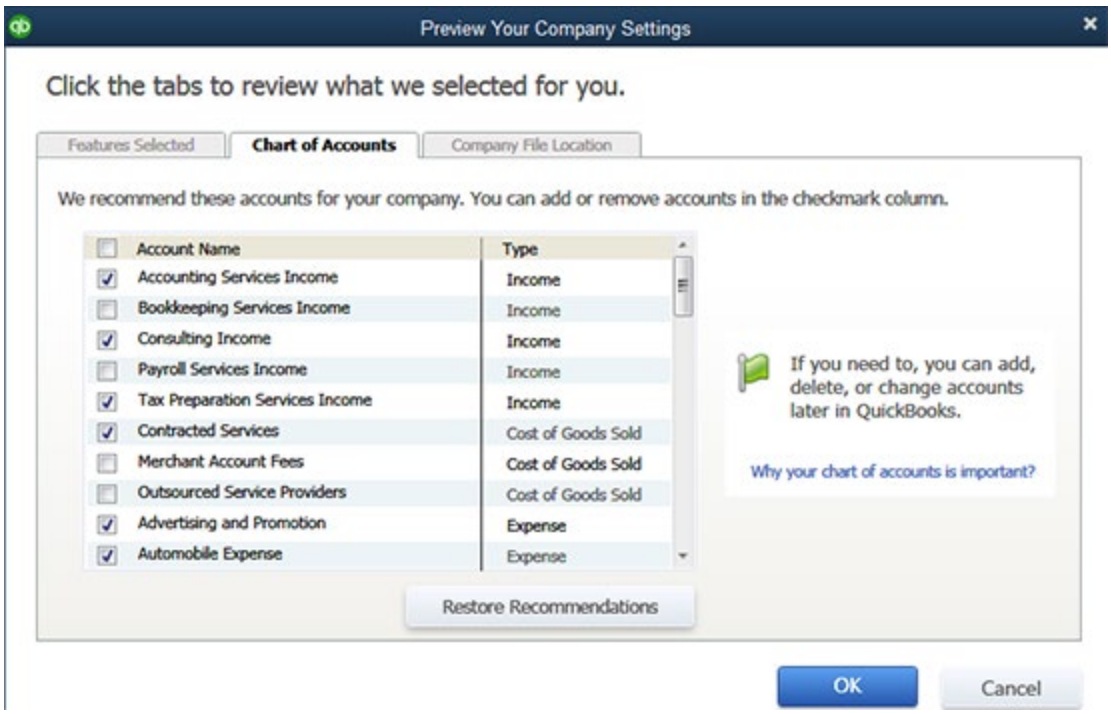
Previewing Your Company Settings window gives you the opportunity to select or remove accounts from your **Chart of Account** List before it auto populates.

Click the **Features Selected** tab to turn default company settings on or off.

Click the **Company File Location** tab to change the location of where your company data file is stored.

Note: You can always turn on and off features in **Preferences** within your company data file.

Click **OK**, to return to the **Company Information** window, then click **Create Company.**



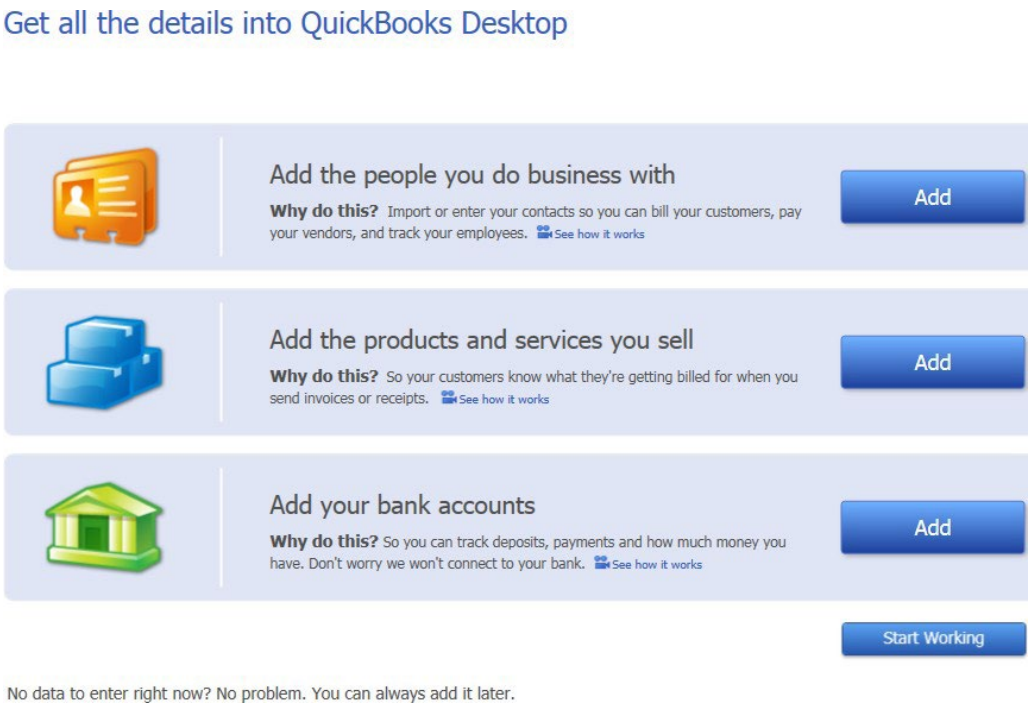
Create New Company

QuickBooks will assist you in adding the following information:

Customers, Vendors, Employees, Products, Services and **Bank Accounts**

You can choose to enter this information later.

Click **Start Working.**



Menu Bars

There are many ways to move around QuickBooks®. Take time to explore the various avenues for accessing data, reports, centers and more…

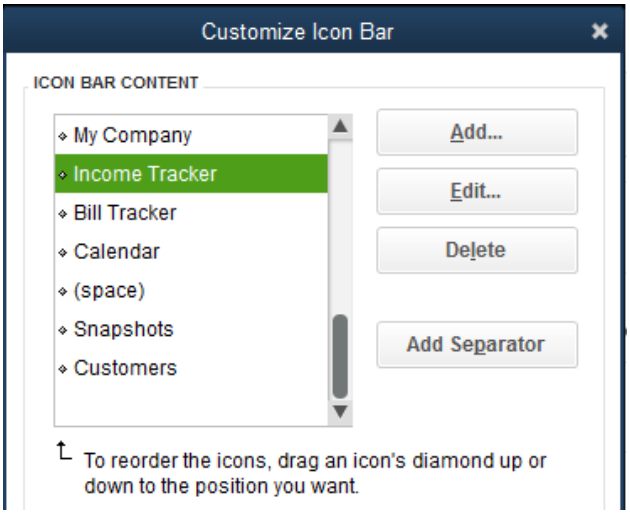
The **MENU Bar** is the main bar that leads to every area in QuickBooks®.

If you prefer Icons use the **ICON Bar** to access your favorite areas of QuickBooks®.

Right Click anywhere on the **ICON Bar.**

Click **Customize ICON Bar.**

Here you can Add, Edit or Delete Icons. Change the order and add separators to create fast and efficient shortcuts.



Menu Bars

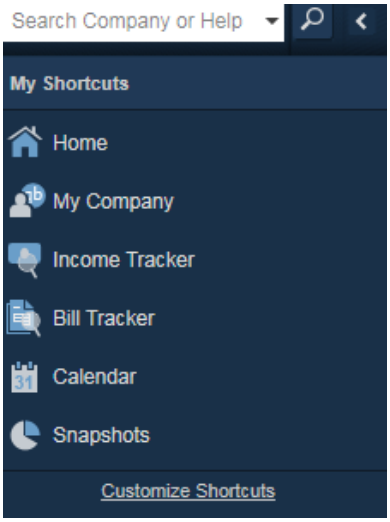
The **Left Icon** or **Shortcuts Bar** can be used in place of the **ICON Bar.** Notice the list of icons under **My Shortcuts** is the same as the customized **ICON Bar.**

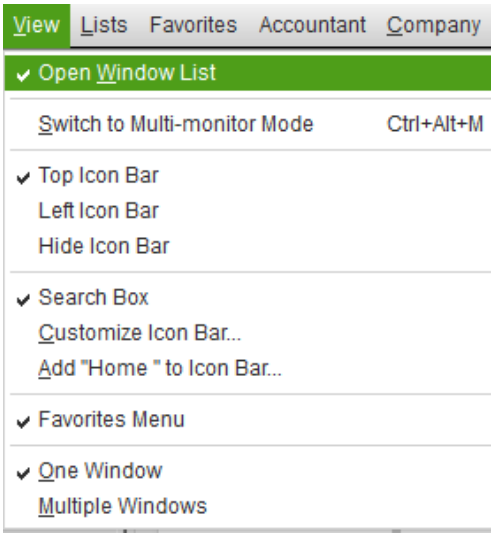
You can view balances, run your favorite reports and manage open windows.

Right click in the **My Shortcuts** section to Customize the list.

Click **View** from the **Menu Bar** to customize and select top or left **ICON Bar** and window views.

The Open Windows List allows you to toggle between open window screens.





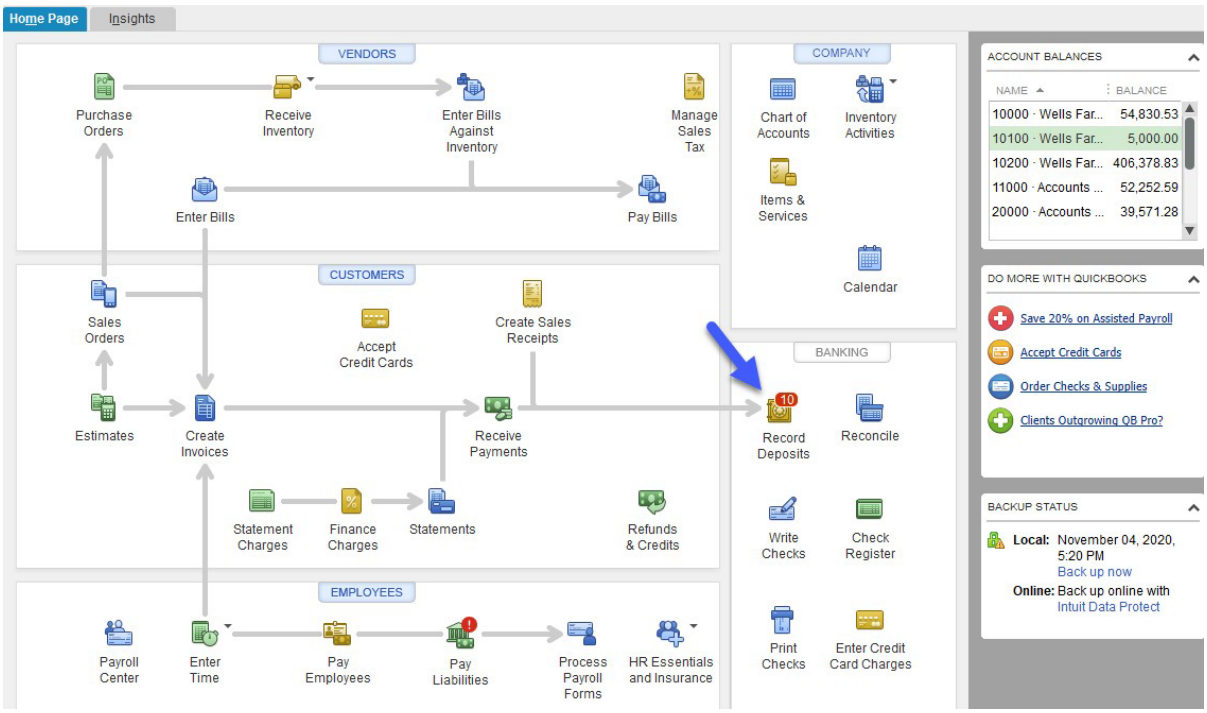
Home Page

Welcome to the **Home Page**. Here you can access centers and transaction screens. Notice the arrows that lead you through the proper sequences for entering transactions. As preferences are turned on/off the associated icons appear/disappear.

Click the tab for the center you wish to access. **Vendors, Customers, Employees, Company** and **Banking.**

Click the specific icon to access the transaction windows, such as **Write Check, Record Deposits, Chart of Accounts** etc.

Note: It is very important to follow the proper sequence of steps when entering transactions in QuickBooks® which will avoid costly cleanup. For example, Create Invoice, Receive Payments, and Record Deposits (follow the arrows). The Home Page indicates the number of deposits waiting in undeposited funds.

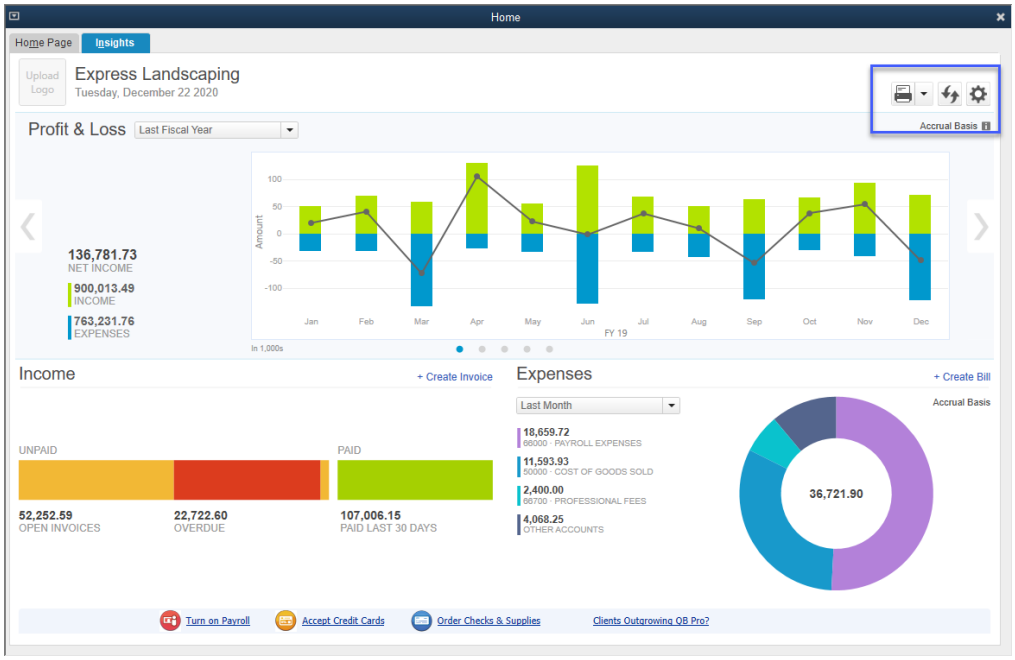


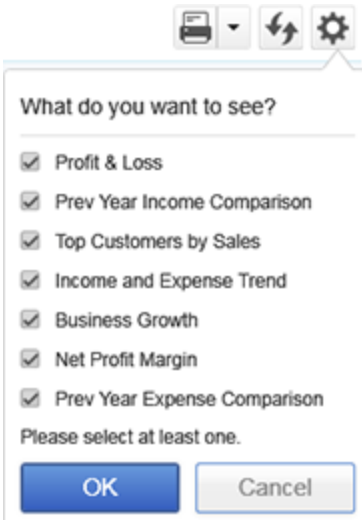
Insights

Welcome to the QuickBooks® Insights dashboard.

You can monitor the activity and status of your company.

Access and drill down to detailed information with a simple click.





Note: The additional icons provide the following functions:

Settings Gear - select the report graphs you want to see.

Print or **Save** the graph as a PDF.

Refresh the screen.

Desktop Foundations

SECTION 2
SET UP YOUR NEW QUICKBOOKS® COMPANY

Objectives
Company Preferences
Manage Users
Chart of Accounts
Manage Sales Tax
Items
Beginning Balances
Historical Transactions
Practice Test

Section 2 Objectives

Upon completion of section 2 each participant will become familiar with the following objectives:

- How to turn on/off preferences or settings for both user and company.
- How preferences are used as default settings and how they effect the company data file.
- How to setup and manage users.
- How to set up and utilize the Chart of Accounts and how it connects to all transactions.
- How to use the Sales Tax center and where to turn on the feature.
- How to setup and maintain items.
- The best practice approach to entering beginning balances, outstanding invoices, and unpaid bills when setting up a new company file.

Company Set-up is Vital

An accurate QuickBooks configuration is essential to effectively using the accounting system. The initial set up will affect all future reports in QuickBooks. We recommend you practice a company set-up from scratch.

QuickBooks is a very forgiving program. Most mistakes can be fixed as you can go back and make historical changes, however a correct setup will prevent the need in most cases.

Here are some questions for you to consider:

Do you need all historical transactions entered or can you just use correct opening balances for all accounts to date and enter new transactions going forward?

If you currently use the software, do you trust the accuracy of information in your QuickBooks® file?

Accounting Preferences

Preferences are default settings for your Company data file. We use preferences to turn on/off features in QuickBooks®. Although it is simple to turn settings on and off, it is important to set up your company preferences and data correctly. Seek help from your Accountant to avoid costly cleanup.

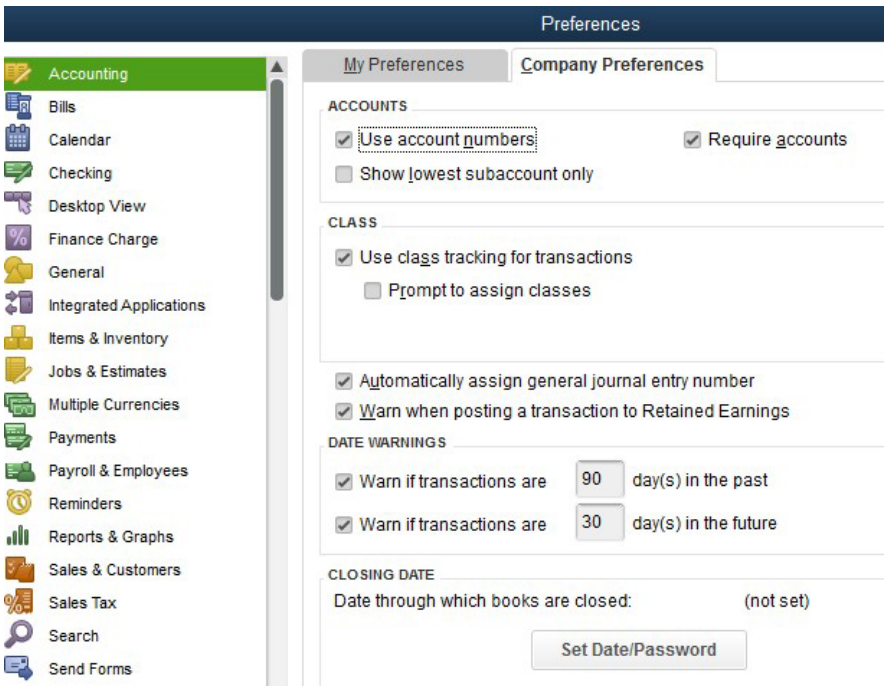
Accounting: Company Preferences

Click **Edit** from the **Menu Bar.**

Click **Preferences.**

Click **Accounting** from the preference list.

Company Preferences are default settings applied to all users and managed by the Admin user. tabs are managed by the Admin User. All other users with an assigned login can access **My Preferences** to customize their own user preferences.

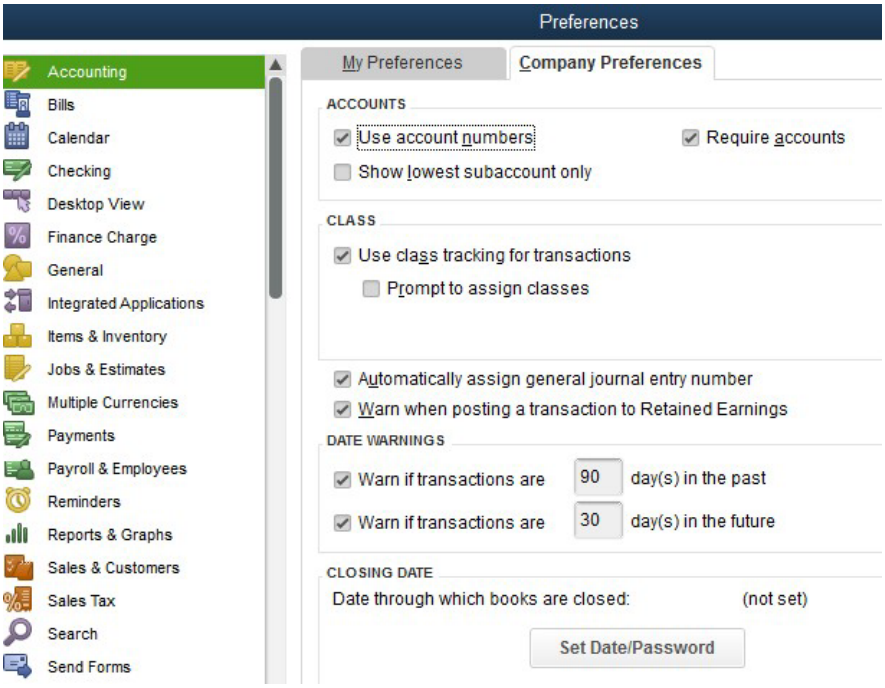


Accounting Preferences

Select **Use Account Numbers** when you want your chart of accounts and financials to display account numbers as well as account names.

The **Show Lowest Subaccount Only** option shortens the appearance of a subaccount name in reports by showing only the subaccount name instead of both the parent account name and the subaccount name.

Require accounts forces users to always allocate Money in and Money out. Unallocated amounts will end up in Uncategorized Income and Uncategorized Expense. Therefore, we recommend that **Require accounts** be checked.



Accounting Preferences

Classes are used to assign transactions to different divisions or track information by a specific class category.

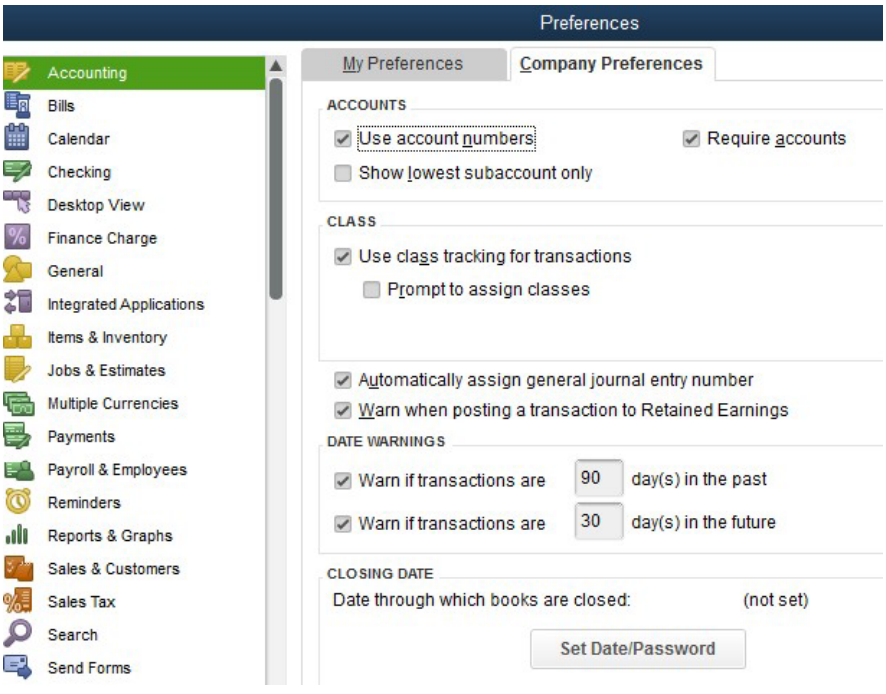
For example: ABC company has several departments and would like to view a Profit & Loss report for each individual department.

Click the appropriate box to turn on **Use Class Tracking.** Then click **Prompt to Assign Classes,** which will create an alert when the class field is missed during the data entry process.

Automatically Assign General Journal Entry Number tells QuickBooks® to auto populate a reference number for all general journal entries.

Transaction Warnings are selected to prevent data entry errors. Turn off **days in the past** when entering historical data, then turn it back on when your data is current.

Closing Date and **Password** are used to prevent users from changing historical data and is highly recommended.



Checking Preferences

Checking: Company Preferences

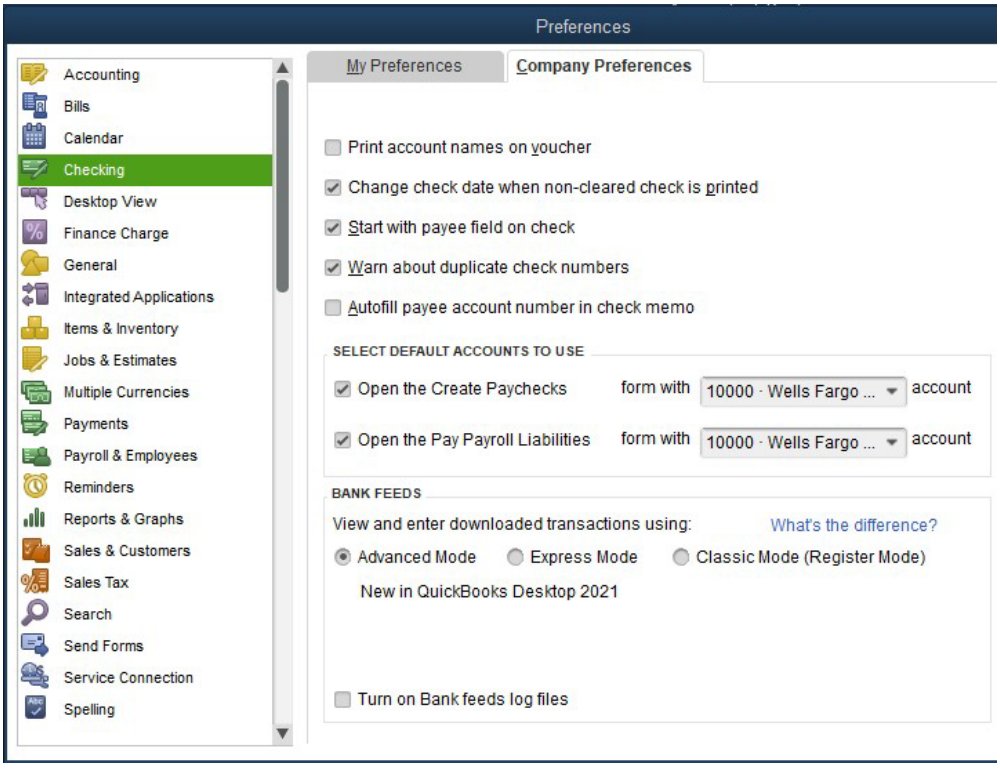
Change Check Date is turned on when you setup checks to print and print them on a different day.

Turning on **Warn about duplicate check numbers** is always a good idea.

Autofill payee account number in check memo is useful when printing checks.

Default Accounts are helpful when you have several bank accounts and want to reduce the error of selecting the wrong account when processing transactions.

Bank Feeds – **Advanced** and **Express Mode** allow us to create rules to assist in posting transactions that have been imported from bank and credit card accounts, then posted to bank and credit card registers through a transaction list window.

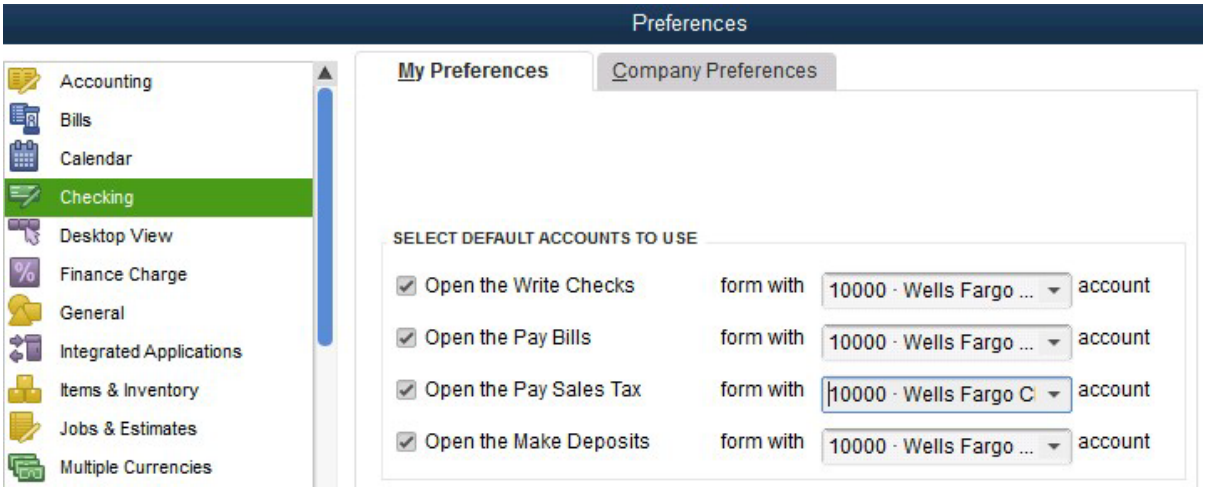


Checking Preferences

Checking: My Preferences

Default Accounts – Each user can select default account for Write Checks, Pay Bills, Pay Sales Tax and Make Deposit transactions.

Creating efficiencies and reducing errors while entering transactions is another way to improve cash flow as you will spend less time on data entry and fixing mistakes.



Desktop View

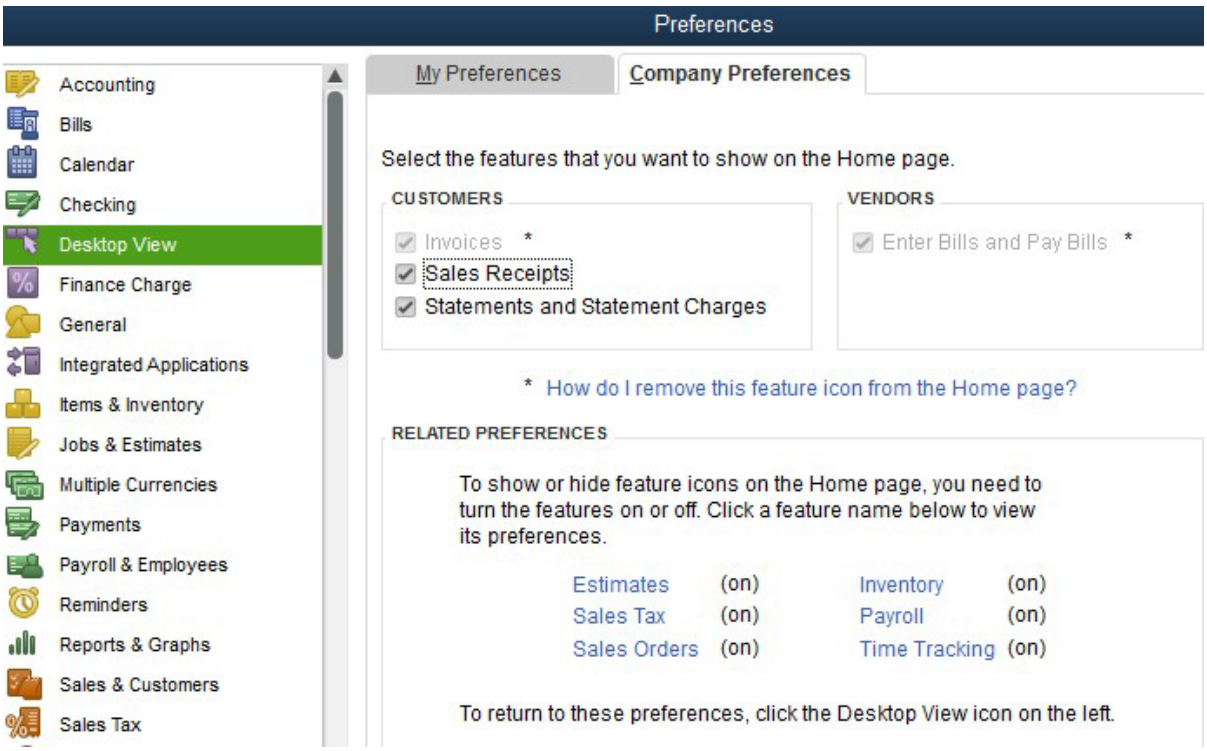
Desktop View: Company Preferences

Home Page Features - turning on features in the Desktop View will trigger icons and features on the Home Page.

Turn on **Sales Receipts** if you need to record sales after the fact.

Statements are useful for managing your Accounts Receivable and reminding customers of balances past due.

Clicking **Related Preferences** will take you to the preference window also available in the preference list.



Desktop View

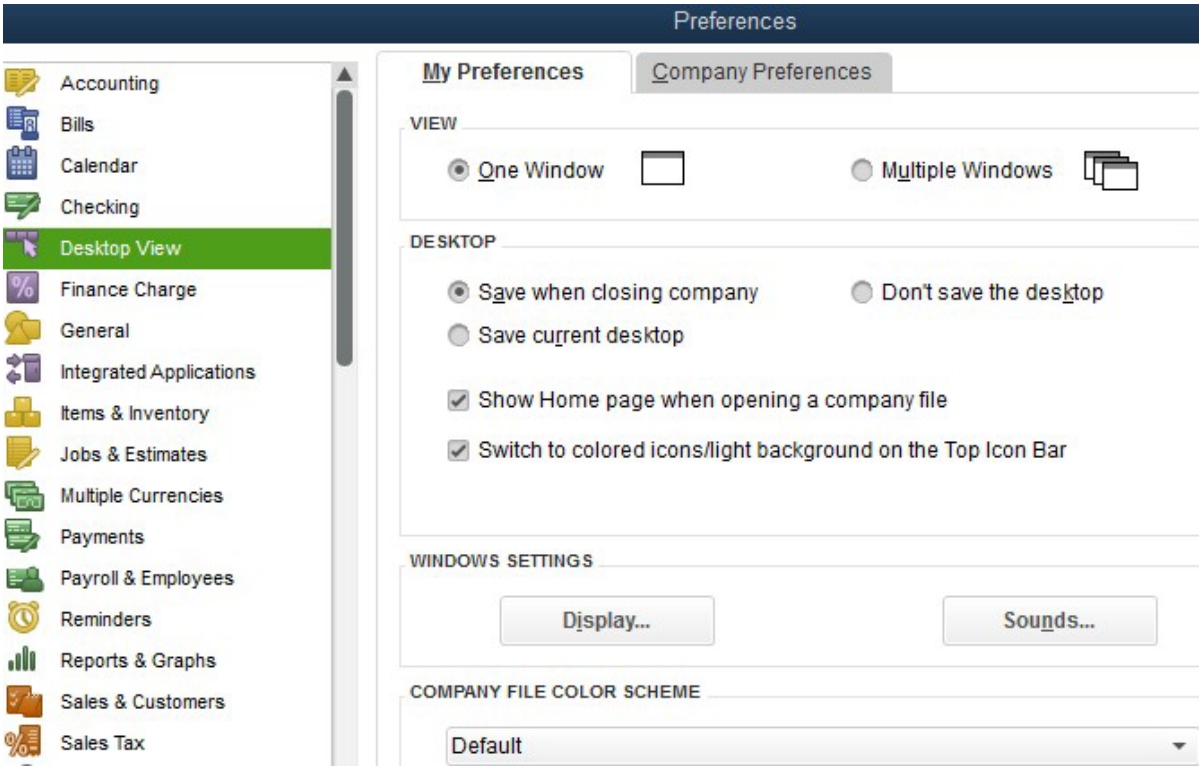
Desktop View: My Preferences

Multiple Windows allow you to view several windows on your monitor. One Window works well with the **Open Window List** in the **View Menu.**

The **Home Page** is a great way to get around in QuickBooks®. All daily tasks are easily accessed through the icons in each center.

Colored Icons changes the colors of the icon bar to a light background.

Color Scheme allows you to change the company file display colors for window headers. This is useful when working with several company files.



Note: Default settings can be changed any time. You can change some of the **Desktop View** settings on the fly, from the **Menu Bar -> View.**

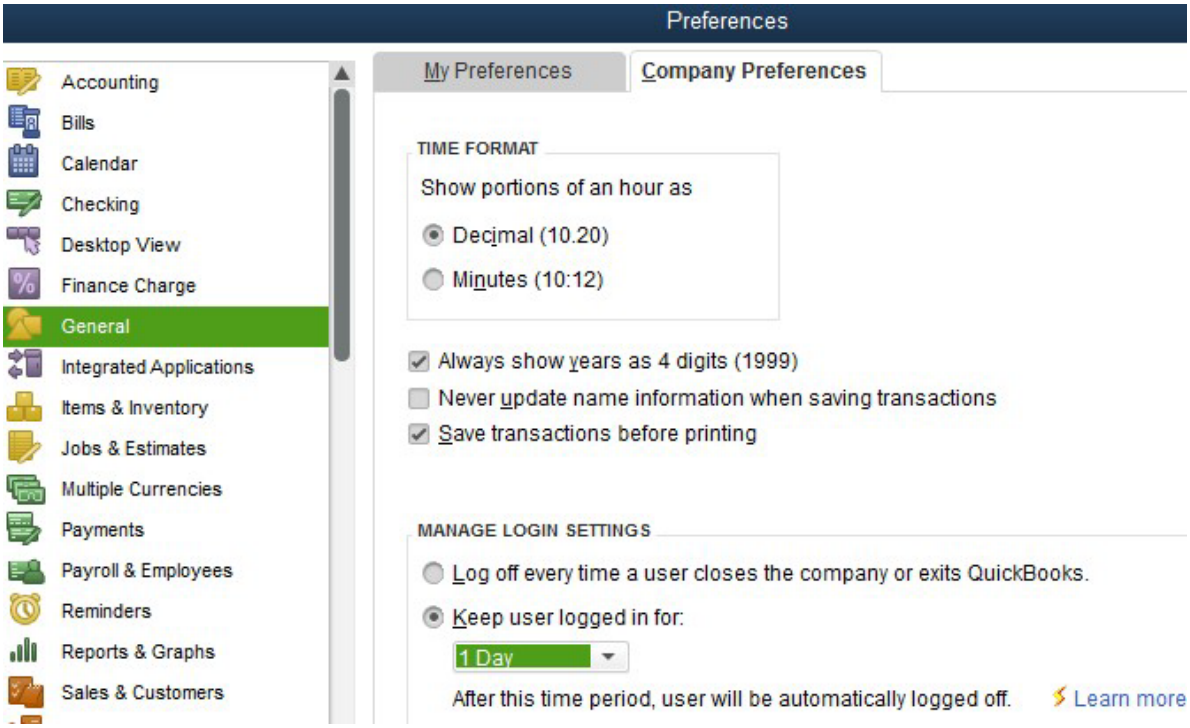
General Preferences

General: Company Preferences

Time Format allows you to change default settings from **Decimal** to **Minutes** when entering time transactions.

Save Transactions before Printing is a good way to make sure you do not lose information when printing directly from an entry window.

Manage Login Settings allows you to determine how long users can be logged in. Many users forget to logout when they go to lunch or take a break. Logging out helps to reset computer resources being used by QuickBooks® and helps to keep your data file more secure.



Note: Logging off every time a user closes the company file or exits QuickBooks® could be useful for those working in multi-user mode.

General Preferences

General: My Preferences

Pressing Enter between Fields allows you to use the enter key to move to the next field when entering transaction data.

Beep when recording a transaction if you want to hear a sound every time a transaction is recorded. Some users like the re-assurance and others find it annoying.

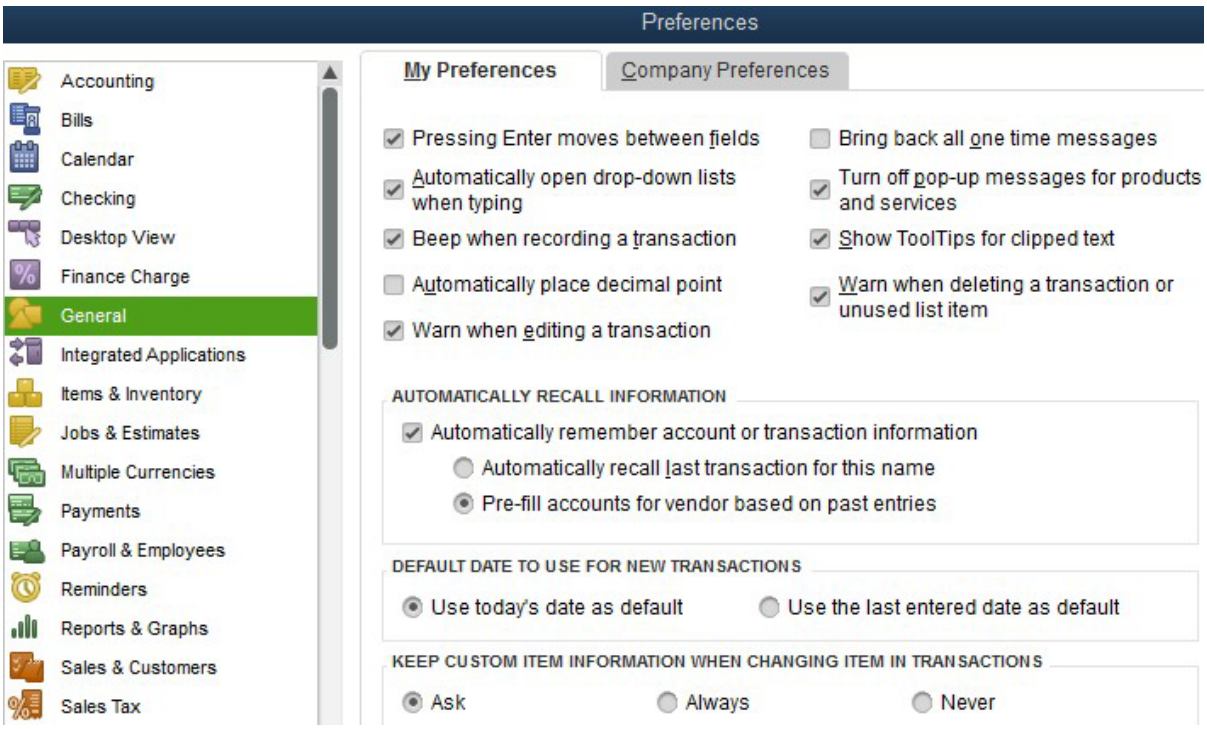
Turn off Pop-Up Messages if you want to stop pop-up messages. Click check the box.

Show ToolTips if you want to stop tooltips from appearing in windows. Uncheck the box.

Warn when Editing and Deleting a Transaction if you would like to receive a warning. (Recommended)

Automatically Recall Information or **Pre-Fill Accounts for Vendors** using Pre-Fills allows you to set default categories in each vendor. Using prefills is a great way to reduce errors when categorizing transactions.

Default Date – Use **Today's Date** if your data entry is current. **Use Last Entered Date** when entering historical transactions.

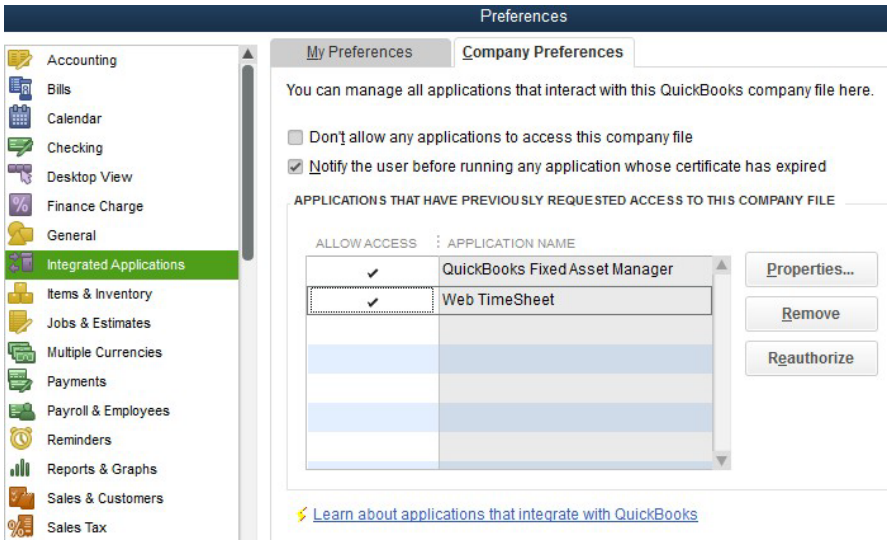


Integrated Applications

Integrated Applications: Company Preferences

Many companies have developed add-on products that work with QuickBooks®. You can allow the integration from the **Company** tab.

You can log into the **Intuit App Center** to find out if any of your favorite software integrates with QuickBooks®.



Payments

Payments: Company Preferences

Receive Payments are default settings used when receiving payments from customers.

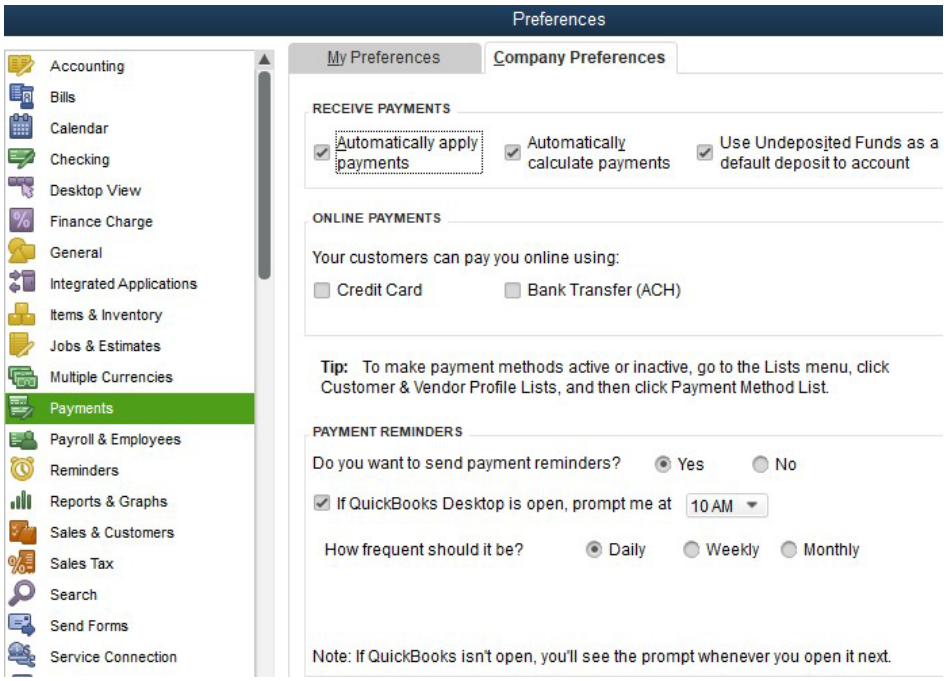
Automatically Apply Payments if you want invoices to be checked oldest to latest when receiving a payment from a customer.

Automatically Calculate Payments will calculate the total received as you check off invoices.

Undeposited Funds is a very important preference that allows you to group payments when recording a deposit.

Online Payments allows your customers to pay invoices online. You will be prompted to setup an account with **Intuit's Payment Network** and make the payment method active in the **Payment Method List.**

Payment Reminders are set to remind us to send invoices to customers.



Reports & Graphs Preferences

Reports & Graphs: Company Preferences

Here you will need to determine if you would like your reports to default to the **Accrual** or **Cash** basis. This is a default setting that can be changed on the fly when viewing financial reports.

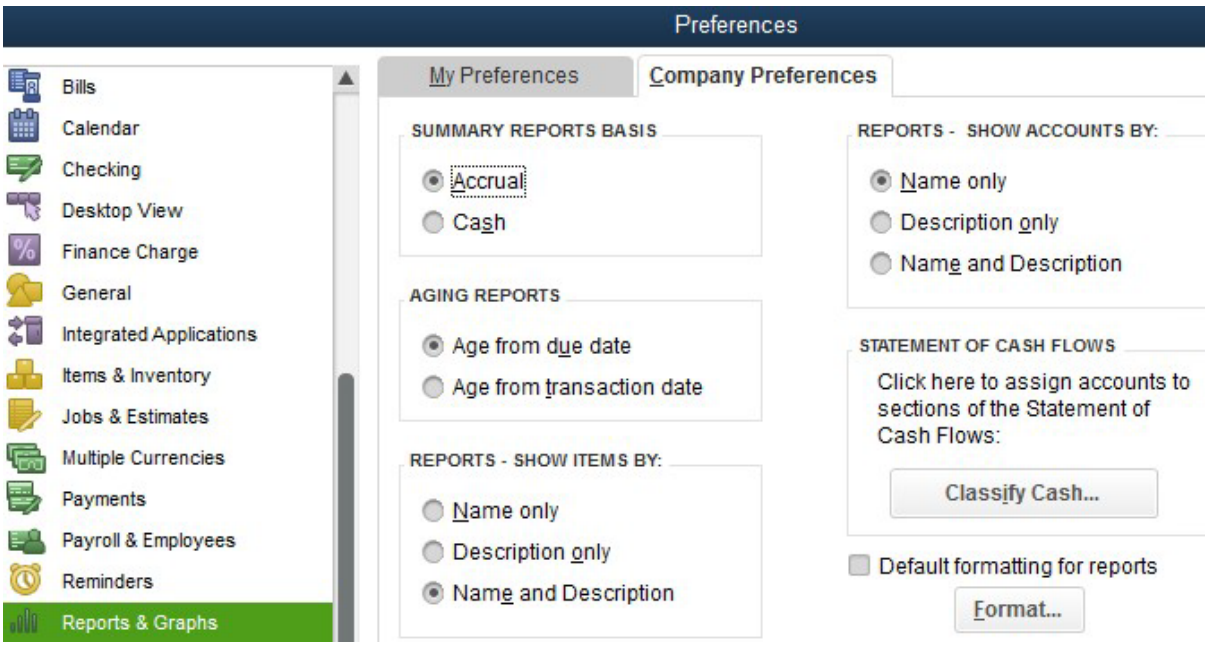
If you invoice customers and maintain **Accounts Receivable,** then it is recommended you view reports on both the **Accrual** and **Cash** basis.

Aging Reports gives you the option to **Age from due date** or **Age from transaction date.** This will impact the **A/R Aging Reports.**

Report preferences for **Items** and **Accounts** will determine how they are displayed on the reports.

Statement of Cash Flows will require setup to determine which accounts will be viewed on a **Cash Flow Statement.**

Default Formatting is used to customize reports such as **Headers/Footers** and **Fonts/Numbers.**

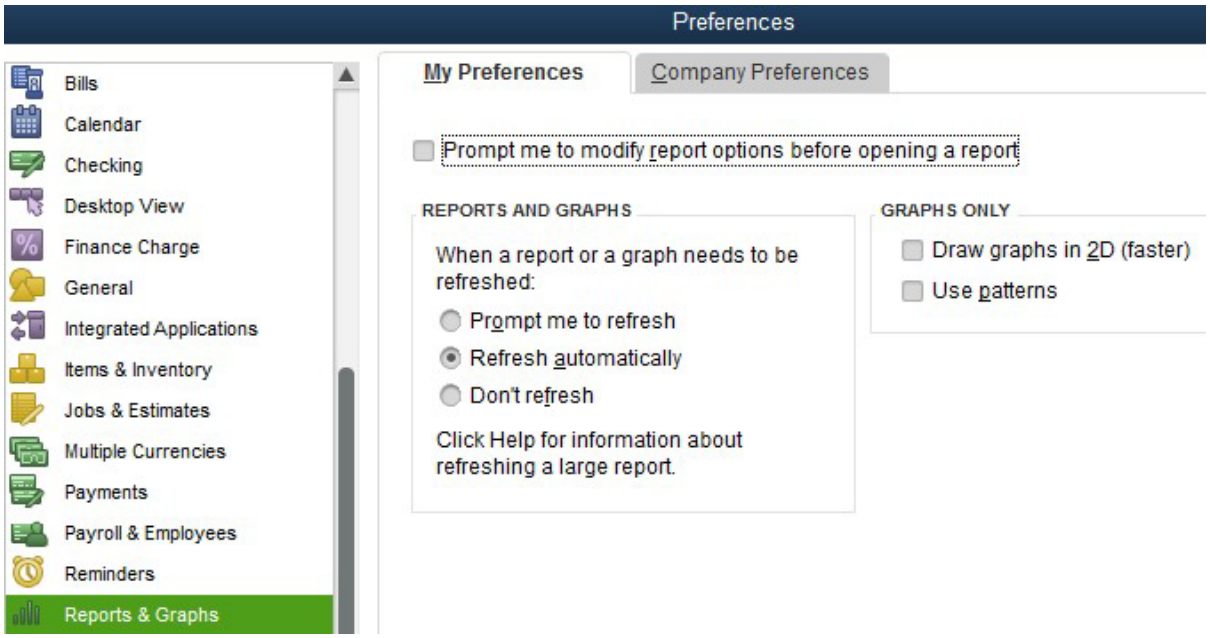


Reports & Graphs Preferences

Reports & Graphs: My Preferences

Prompts and defaults for **Reports & Graphs** are specific to each user.

Refreshing a report every time you make a change can take longer depending on the amount of data being processed. Graphs provide a visual picture of your financial data.



Sales Tax Preferences

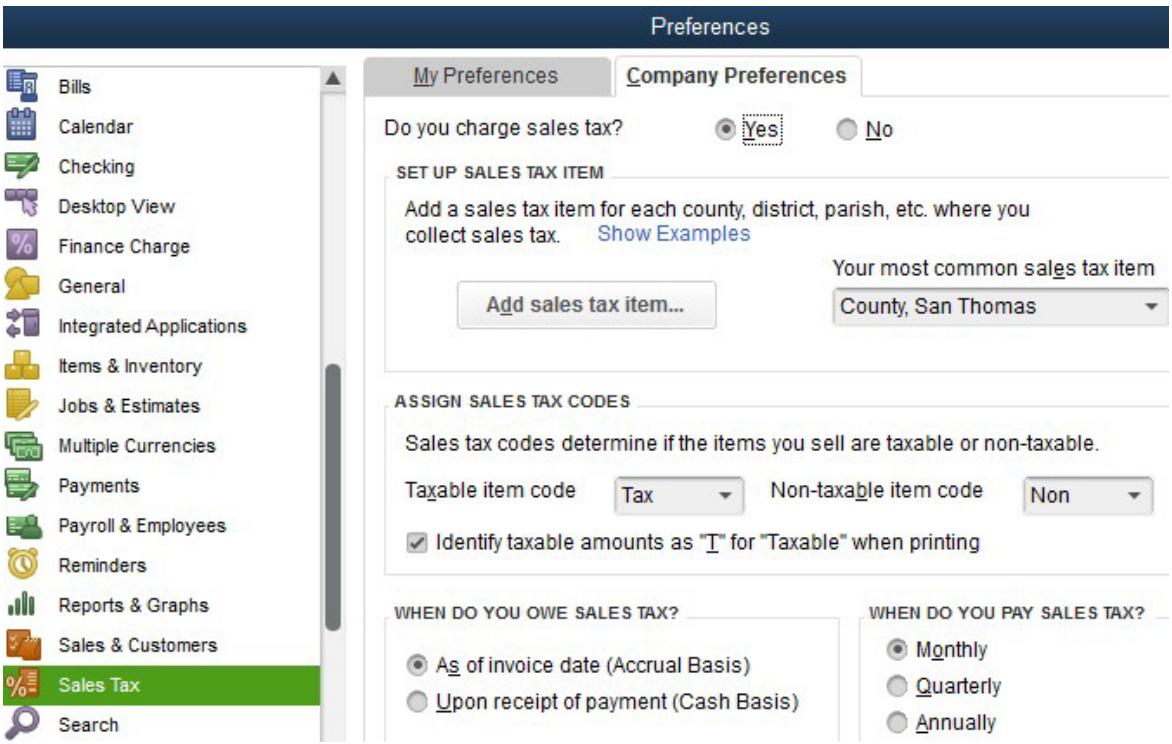
Sales Tax: Company Preferences

Turning on Sales Tax will require you to add and maintain **Sales Tax Items.** You can add an item for each individual county and respective percentage. The tax is calculated when entering Sales Receipts and Invoices.

Assign Sales Tax Codes are default codes used when setting up product or service items.

When you **Owe Sales Tax** is based on your state's filing requirements.

When you **Pay Sales Tax** is also based on your state filing requirements.



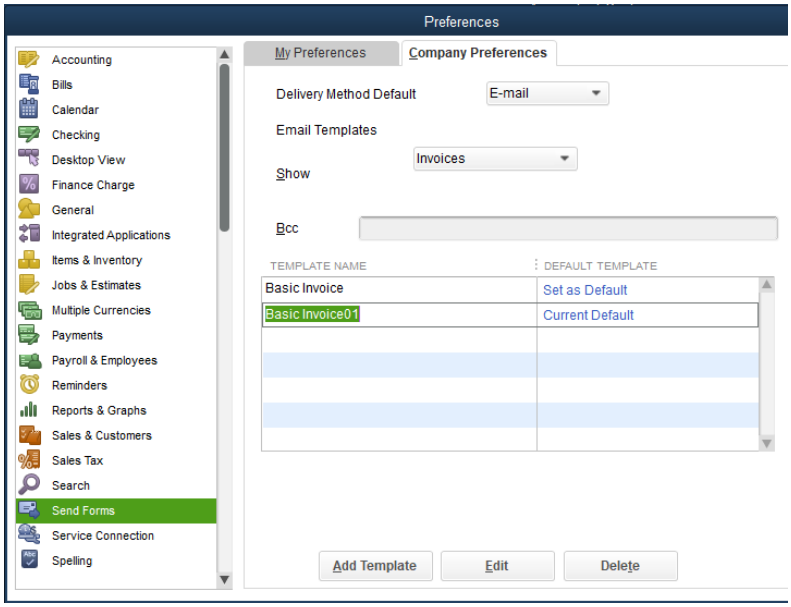
Send Forms Preference

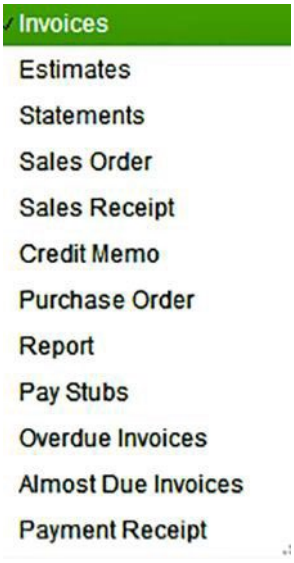
Send Forms: Company Preferences

Sending invoices and statements through email is a great way to reduce costs related to mailing invoices to your customers.

Choose **Email** for the **Default Delivery Method** and customize the various **Email Templates.**

Add or edit a **Default Template** and set up a default **Bcc** email address.





Send Forms Preference

Send Forms: My Preferences

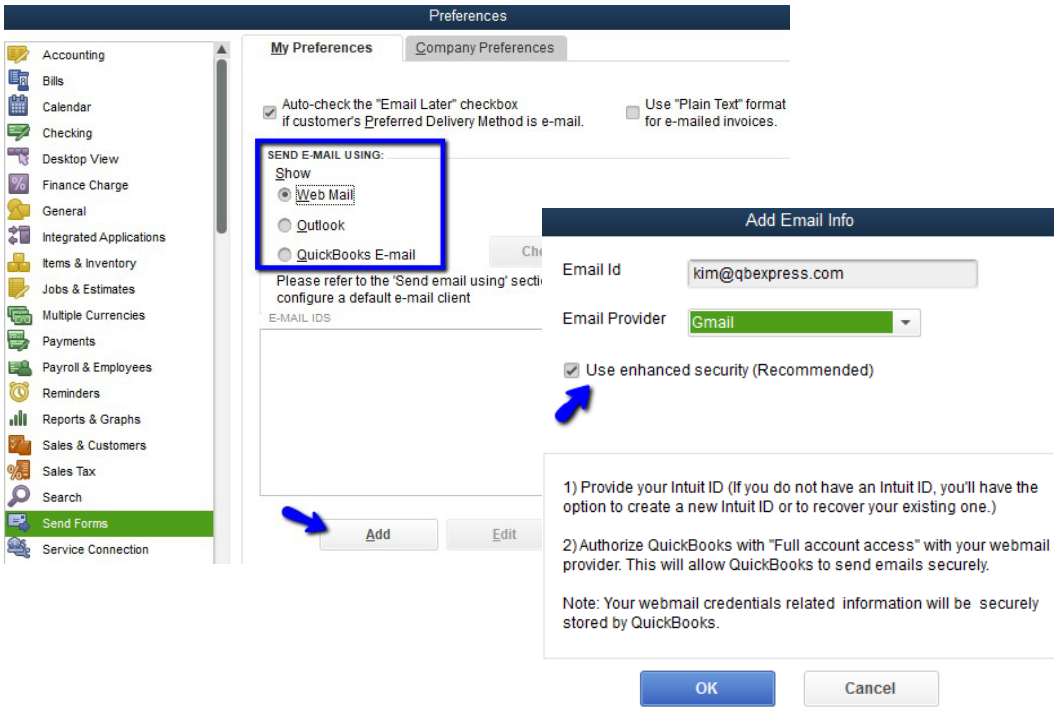
To send invoices and reports via email, each user will need to setup their own **Email Info.**

Select **Auto-Check the Email Later** box to automatically flag invoices to send later. This feature requires you to add the **E-Mail: Preferred Delivery Method** in each customer's profile.

Select one of the of the default email clients. If you are using Outlook, this option will appear on the list. If you choose Web Mail click the **Add** button and enter the **Email ID.**

Choose an **Email Provider** from the drop-down list. If your provider is not listed, you will need to locate the **SMTP Server Details** and enter them here.

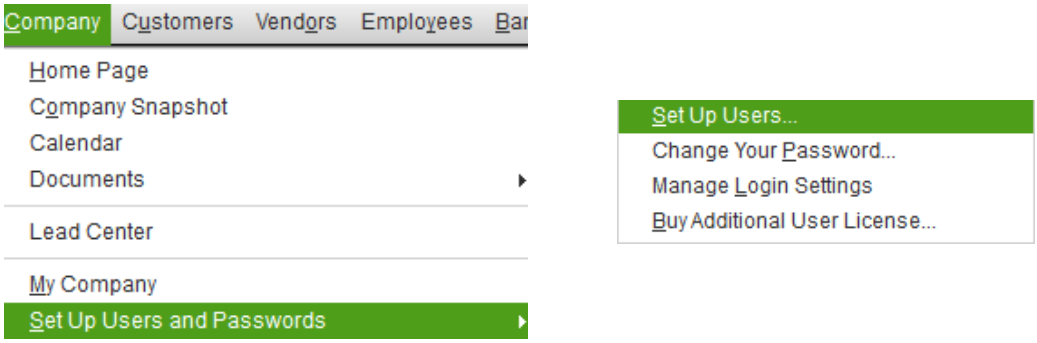
When you click **Use enhanced security** you will be required to enter your Intuit ID and allow Intuit to connect to your email provider.



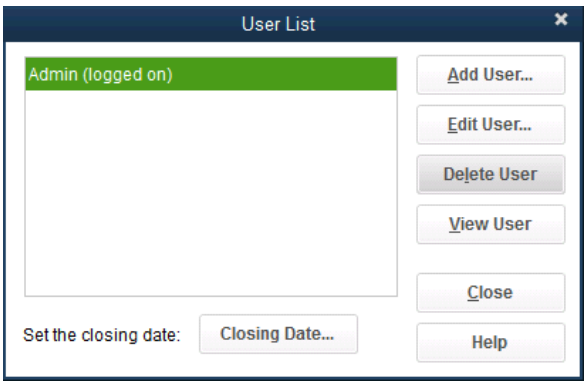
Manage Users

When inviting users, you can determine how much or little access a user has to your company data. Maintaining user access is important to implement **checks and balances** and view activity by user. This can serve as a training tool to address and avoid common errors.

To set up users, click **Company -> Set Up Users and Passwords -> Set up Users** from the menu bar.



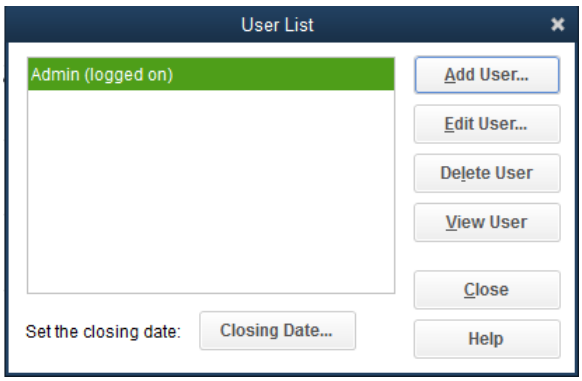
You will need to login as Administrator and will be prompted for the Admin Password to manage users. Click **Edit User.** Enter **Username, Password,** and **Confirm Password,** if prompted select a **Challenge Question** and enter your **Challenge Answer.** Click **Next -> Finish.**



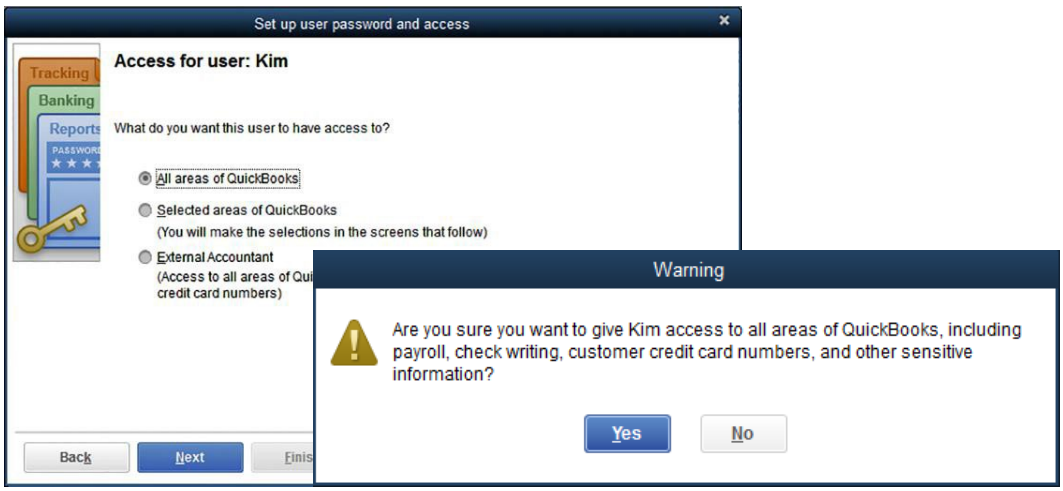
Manage Users

Users with Limited Permissions or Access

Click **Add User** from the User List window. Enter the **Username, Password** and **Confirm Password**. Click **Next.**



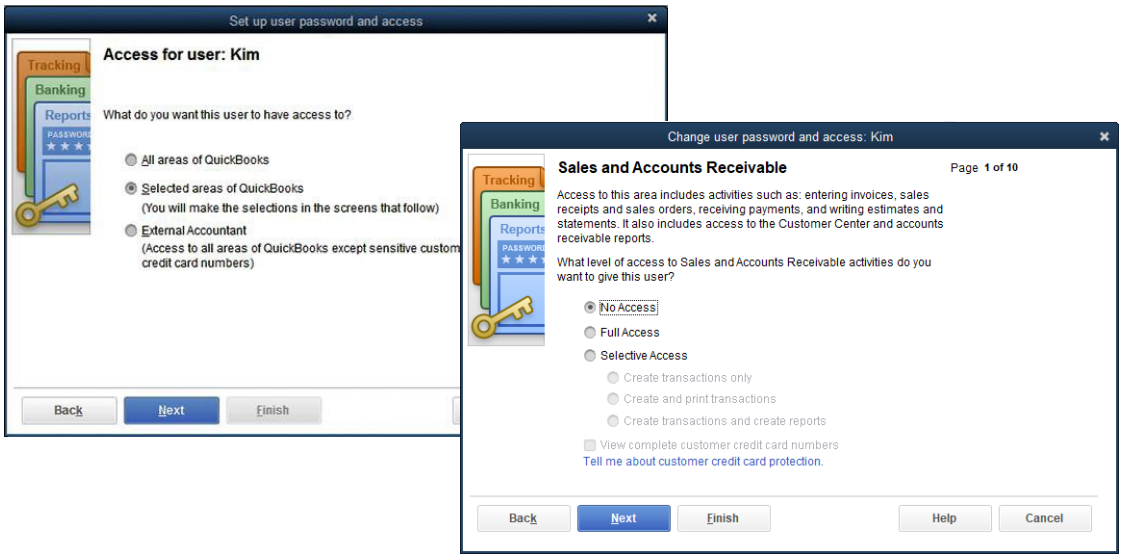
You will need to select the level of access for the new user; **All Areas** or **Selected Areas.** The **External Accountant** works well for your accountant as it provides more access without the ability to view credit card numbers. Select **All Areas of QuickBooks** and click **Next.** A **Warning** dialog box will appear and ask you to confirm this request. Click **Yes -> Finish.**

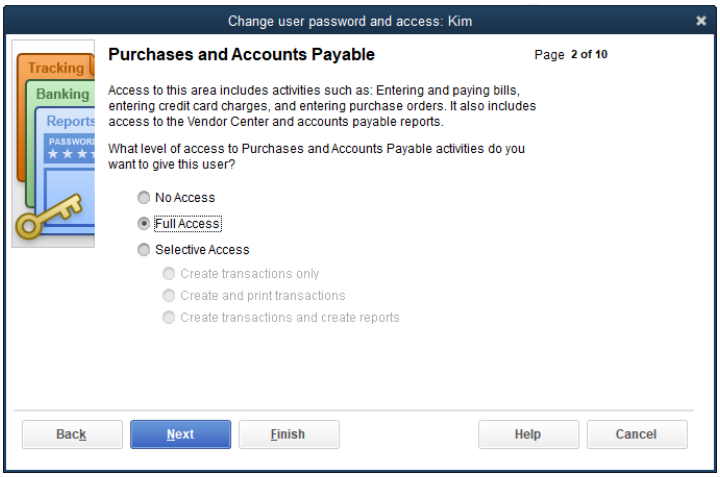


Manage Users

Restricted Access

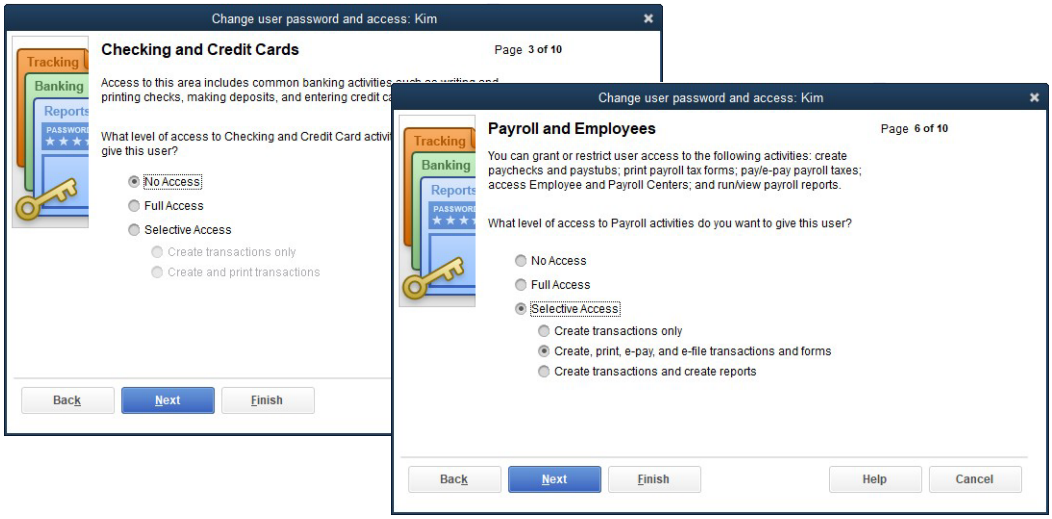
Choose **Selected areas of QuickBooks®** and click **Next.** A window will appear for all areas that pertain to your company file and will require you to choose between **No Access, Full Access** or **Selective Access.** No Access was selected for **Sales and Accounts Receivable.** Click **Next.** choose an option for **Purchases and Accounts Payable** and click **Next.**



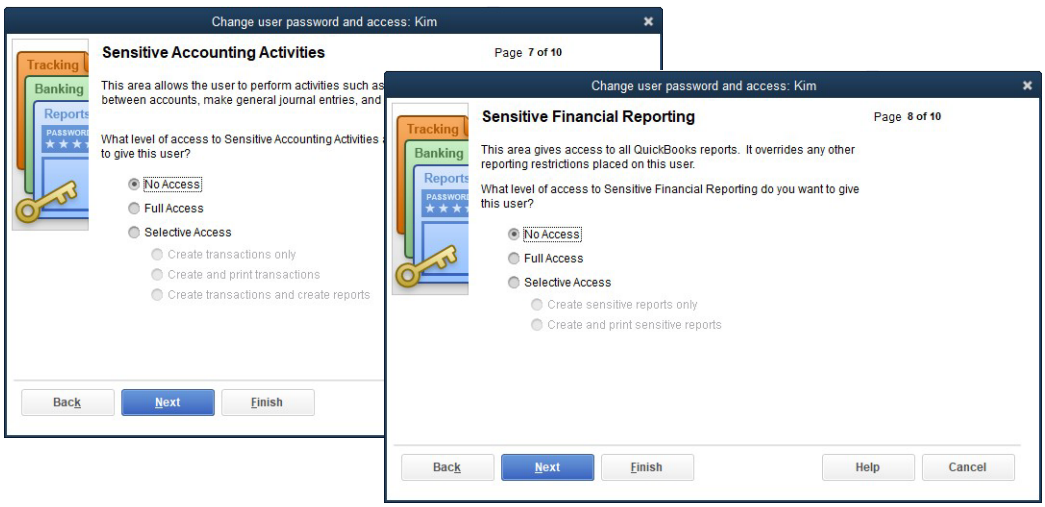


Manage Users

Choose options for **Checking and Credit Cards, Payroll and Employees.** Click **Next** for each window that appears. Remember the access windows that appear are based on the default settings turned on in preferences.

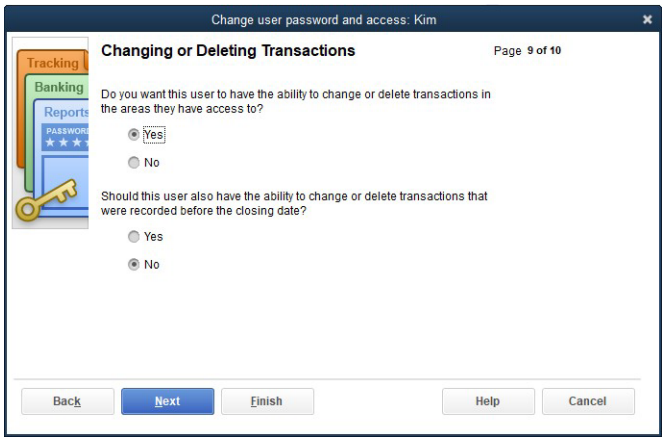


Choose options for **Sensitive Accounting Activities** and **Sensitive Financial Reporting.** Click **Next.**



Manage Users

Determine if this user will be able to **Change or Delete** Transactions.



A dialog window will display a summary of access for each user you set up.

Review and click **Finish.** Your new user will now appear in the User List. You can edit, delete, or view a user in this list.

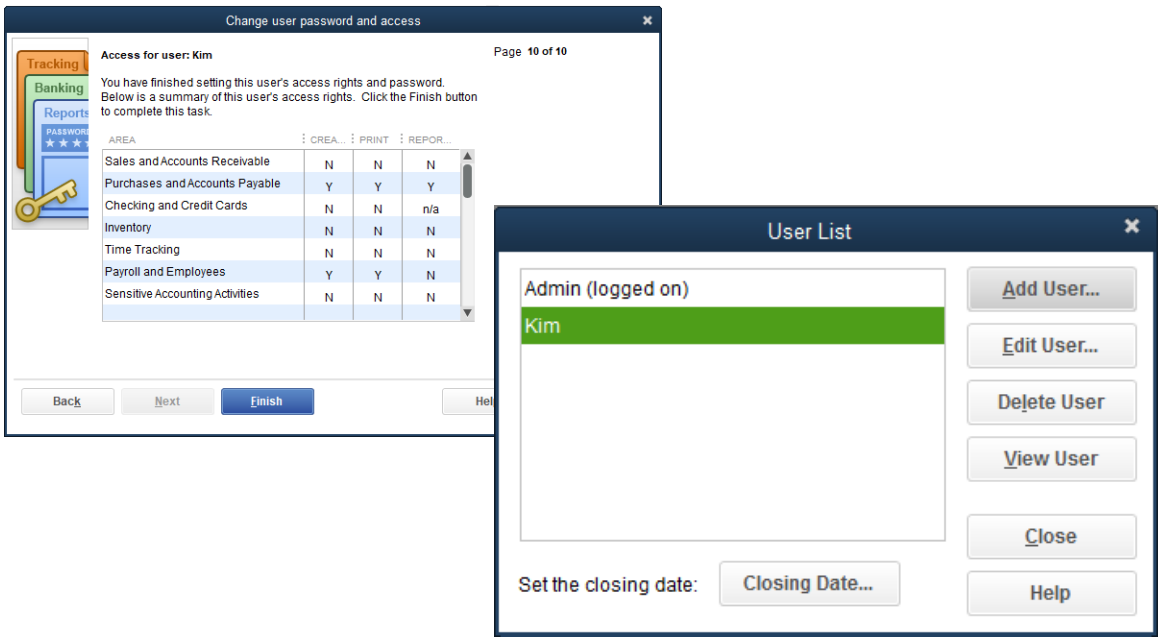


Chart of Accounts

The Chart of Accounts is a list of categories that make up your Balance Sheet and Profit & Loss Statements. Every transaction entered into QuickBooks® will post to this accounts list. This is how data is compiled to produce important reports you will use to manage your business.

Balance Sheet

Assets (**What your company owns)** - Bank Accounts, Petty Cash, Fixed Assets (Equipment or Vehicles), Inventory, Undeposited Funds (Payments from customers waiting to be deposited).

Liabilities (**What your company owes) -** Accounts Payable, Loans, Sales and Payroll Taxes.

Equity (The net worth of your company) = Assets - Liabilities

Business owners contribute or draw from the business and an accumulation of net profits and losses from the start of the business to present or sale.

Profit & Loss

Income (What you have earned) - Sales of Products, Labor, Interest, Rental Income, Materials, etc.

Expense (What you have spent) - Office Expenses, Wages, Professional Fees, Rent, Utilities, etc.

The Profit & Loss Statement determines the net loss or gain for a period. At the end of a calendar or fiscal year the net profit or loss rolls into the equity section of the Balance Sheet.

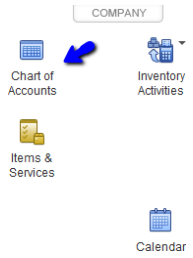
Note: Keep your chart of accounts simple. Add new accounts when you need to track specific information. Utilize reports to customize information within an account. Discuss account changes with your accountant. Start by adding bank and credit card accounts.

Chart of Accounts

There are several ways to access the Chart of Accounts list.

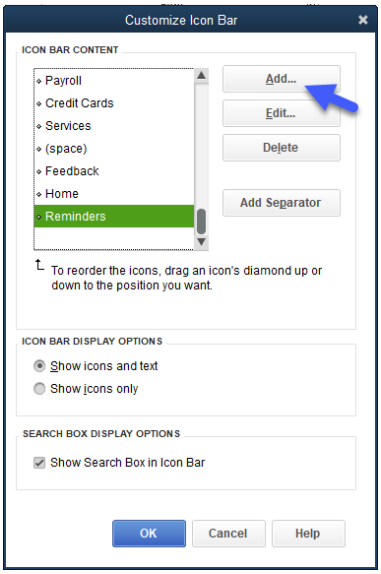
The **Menu Bar, Home Page** or **Icon Bar.**

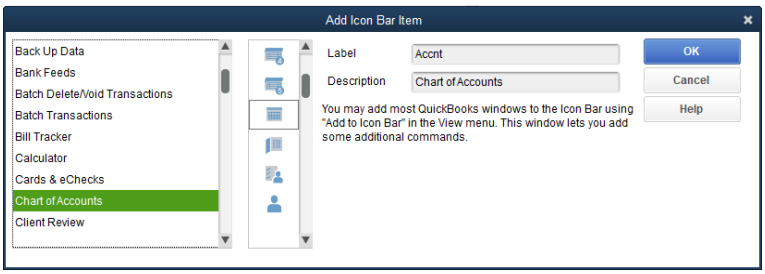
Click **Home -> Chart of Accounts** in the Company Section.



Right Click in the body of the **Icon Bar -> Customize Icon Bar.**

You can choose which columns are displayed in the account list.





When you sort your **Chart of Accounts** by **Type**, the top half is the Balance Sheet (Assets, Liabilities and Equity) and the bottom half is the Profit & Loss (Income and Expenses).

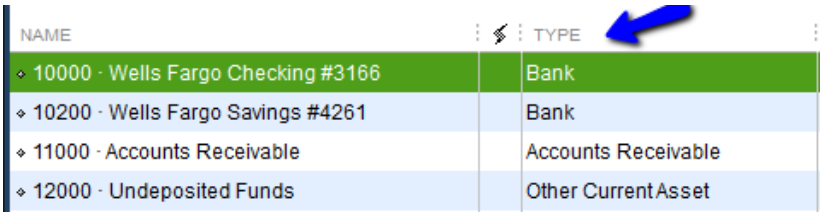
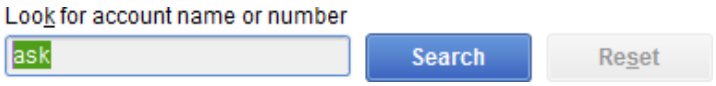


Chart of Accounts

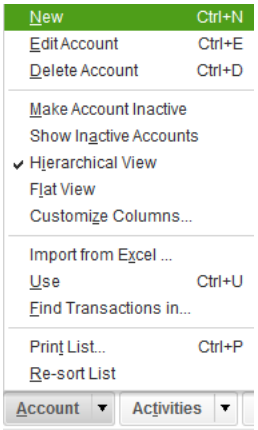
Search Accounts

Use the search feature to find your chart of accounts categories quickly. You can type a portion of a word in the category name or use the account number.



Add Accounts

Right click in the body of the Chart of Accounts, then click **New** or click the **Account Tab -> New.**



Determine the **Type** of account to set up.

There are 16 preset Account Types in QuickBooks®.
Your Advisor can assist you in selecting the correct one to use.

Let's set up another **Expense** account.

Click **Other Account Types.**

Click **Other Expense** from the drop-down list.

Click **Continue.**

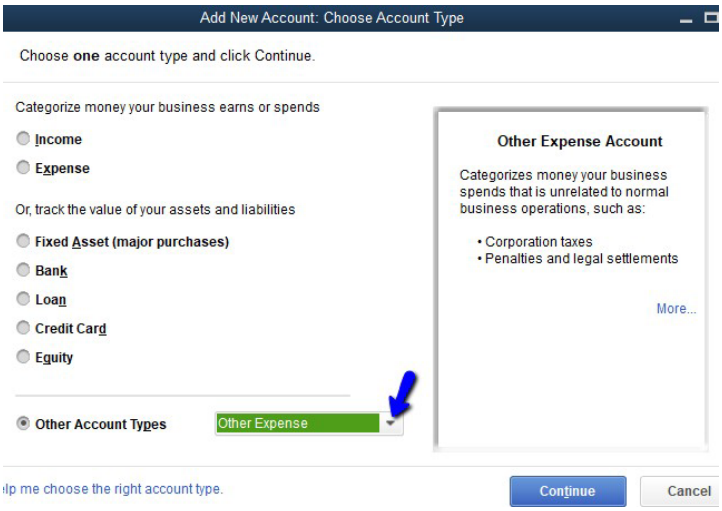


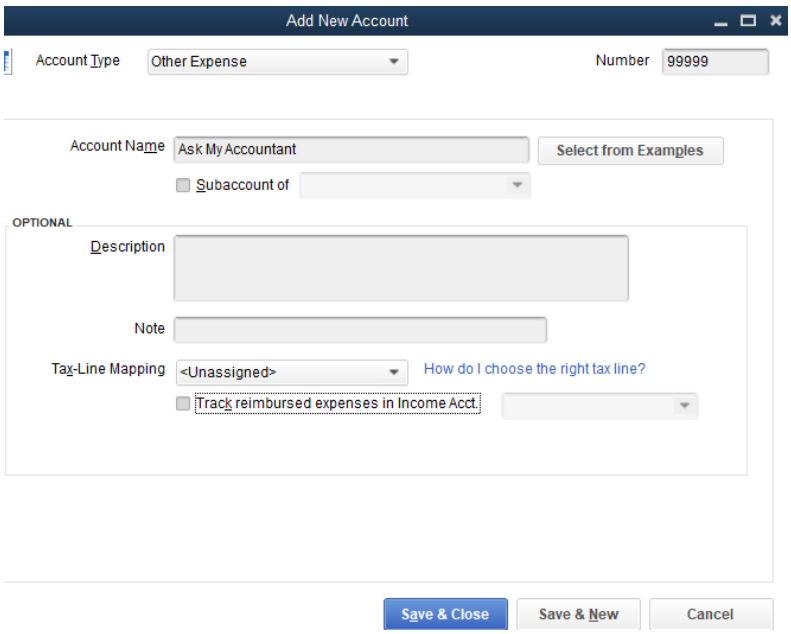
Chart of Accounts

If account numbers are turned on in the accounting preferences, enter **99999** for the account **Number** and **Ask My Accountant** for the **Account Name. Description and Notes** are optional fields.

By using the **Tax-Line Mapping,** you can Link the **Tax Line** to an item on your tax form, which will allow for easy downloads to TurboTax®.

Select **Track Reimbursed Expenses in Income** if you want to post all transactions related to this expense account to a specific income account. This option can be turned on in preferences. Click **Edit -> Preferences -> Time & Expenses - > Company Preferences -> Invoicing Options -> select Track reimbursed expenses as income.**

Click **Save & Close.** This account will now appear in your **Chart of Accounts** List.

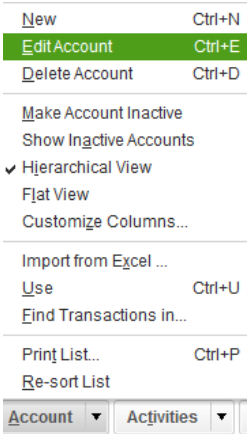


Note: Ask My Accountant is an account used for transactions when we are uncertain where to post them. Send your accountant a list of transactions in **Ask My Accountant** for clarification. This is a great way to avoid mistakes and learn about categorizing transactions.

Chart of Accounts

Edit Account

From the **Chart of Accounts List**, right click the account you would like to change, then click **Edit** or click the **Account Tab -> Edit.**



In this example we will change a 5-year vehicle loan from the account type **Other Current Liability** to **Long Term Liability.**

Use the **Account Type** drop-down list to change the type **from Other Current Liability** to **Long Term Liability.** Verify **Account Name** and change **Account Number**. Click **Save & Close.**

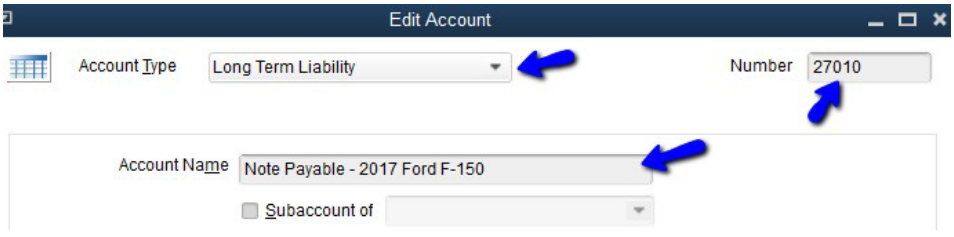


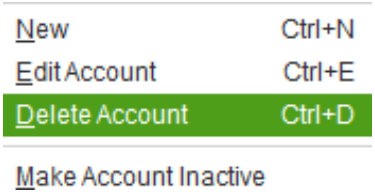
Chart of Accounts

Delete Account

Right-Click on the **Account** you would like to delete.

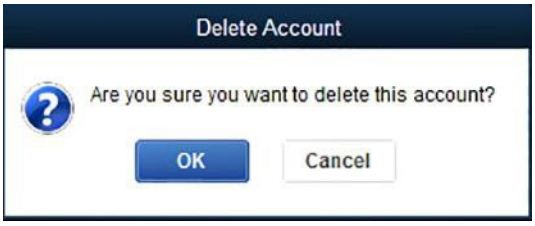
Click **Delete Account**.

For this example, we will delete **2010 Equipment Loan.**



27000 · 2010 Equipment Loan		Long Term Liability
27002 · 2016 New Tractor Loan		Long Term Liability
27004 · 2018 Equipment Loan		Long Term Liability

An **Alert** will pop up and ask you to confirm. Click **OK.** If there are historical transactions for this account a message will appear. Click **Make Inactive** to remove the account from the account list.



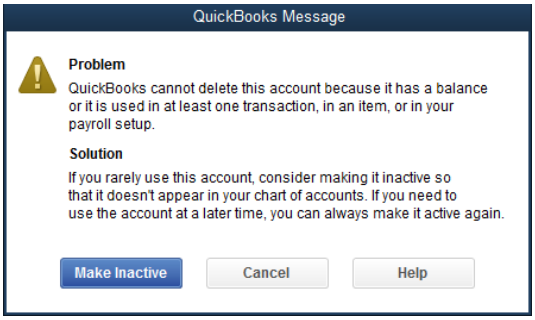


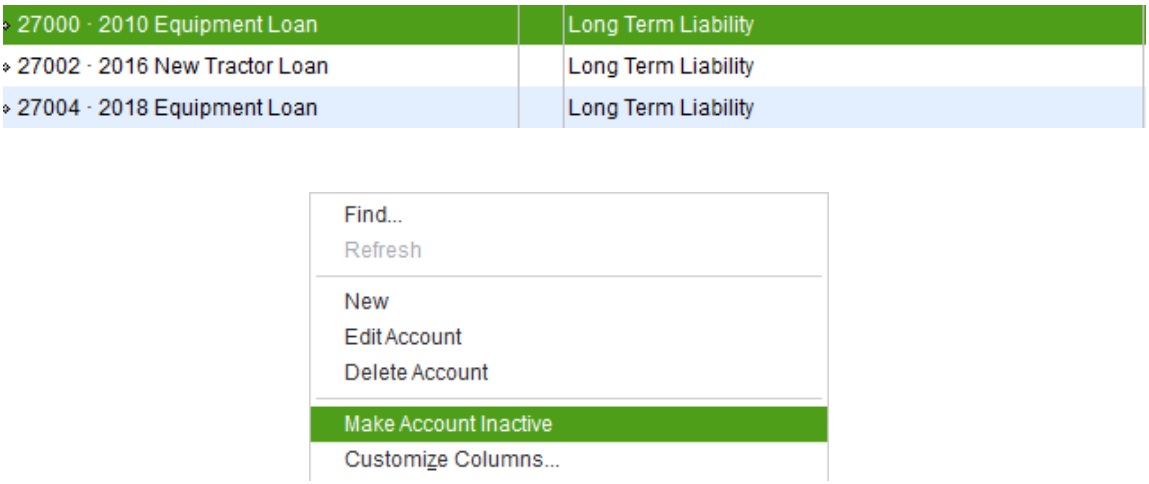
Chart of Accounts

Make Account Inactive

If you are unable to delete an account due to attached transactions, you can make an account inactive.

Right-Click on the **Account** you would like to make inactive.

Click **Make Account Inactive**.



You can view all inactive accounts or to make an account active again, click the **Include Inactive Box** from the Chart of Accounts List. Click the **X** next to the account you wish to make active again.

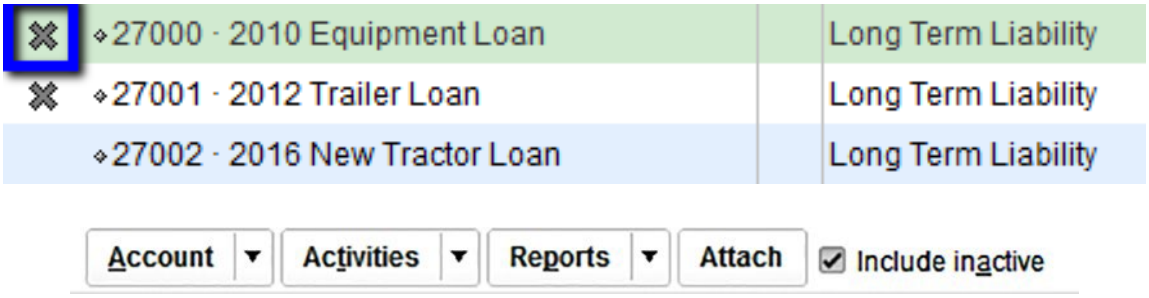


Chart of Accounts

Merge Accounts

Merging accounts is helpful if two or more accounts are being used for the same types of transactions and you want to combine the transactions into a single account.

Caution: The merge process cannot be undone and is permanent. It is important to confirm the merge process will not affect the financial statements used to file tax returns.

It is advisable to discuss the clean up of your **Chart of Accounts** with your accountant or business advisor before merging accounts.

In this example we have two accounts being used to track office expenses.

We will merge **Office Supplies** with **Office Expenses.**

from the Chart of Accounts Settings Window.

Click one time to highlight the Account you will keep **Office Expense.**

Click the **Account Tab** or **Right Click** on the screen.

Click **Edit.**

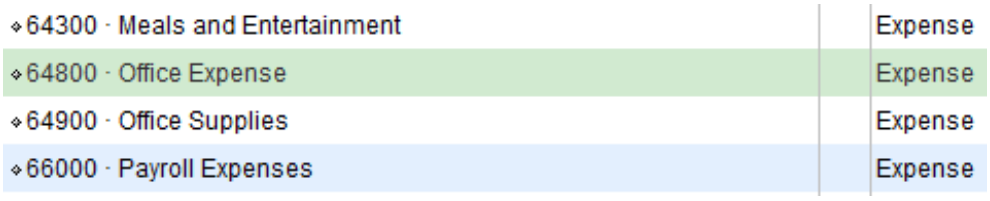
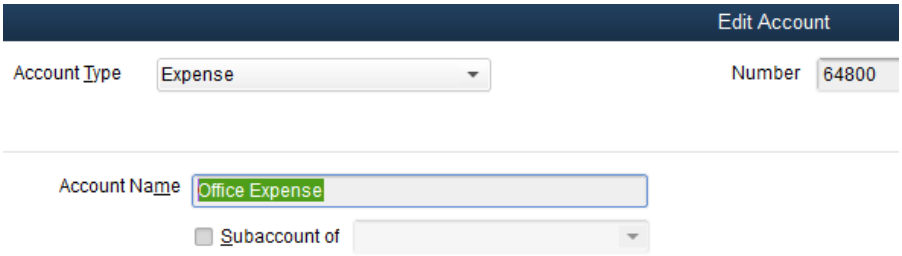


Chart of Accounts

Highlight the Name **Office Expenses ->** Copy **(Ctrl + C)** the account name. Click the Cancel button in lower right to return to the **Chart of Accounts List.**



Highlight the Name **Office Supplies -> Edit ->** paste **(Ctrl + V)** to replace **Office Supplies** with **Office Expense** then click **Save.** Click **Yes.**

Sub Accounts are a great way to organize your chart of accounts when used properly. It is important to select the sub-accounts in all transactions and avoid using the main account. For this example, we will create three **Sub-Accounts** for "Auto and Truck Expense."

Click the **Account Tab** from the Chart of Accounts List. Click **New.**

Select **Account Type** "Expense."

Click **Continue.**

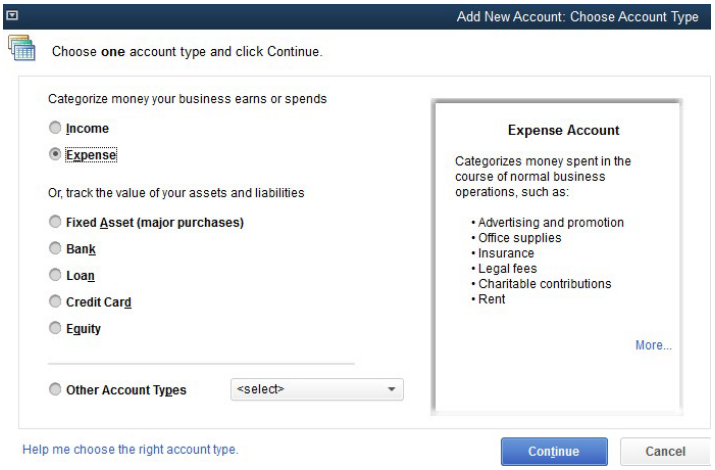
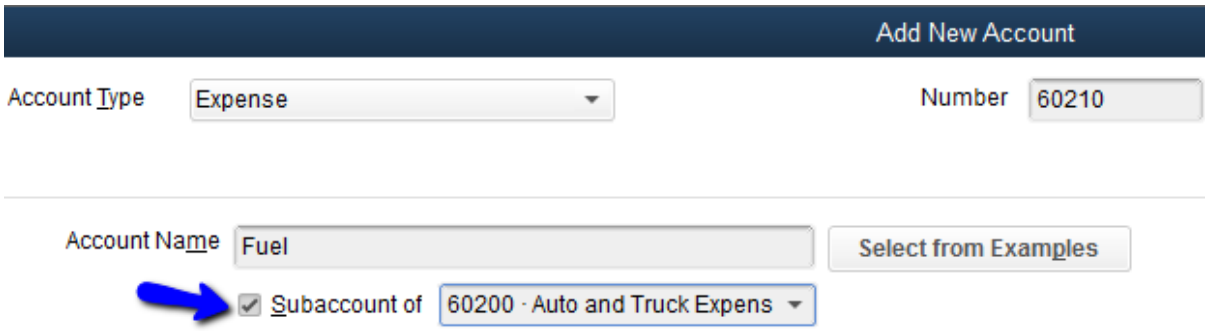


Chart of Accounts

The first **Account Type** is "Expense." The **Account Name** is "Fuel."

Click the box **Subaccount of** and select the main account "Automobile Expense."

Click **Save & New.** Repeat the process for "License and Service".



Now that you have a **Main Account** for "Automobile Expense" and **Sub-Accounts** for "Fuel, License, and Service" the **Chart of Accounts** should look like the following:

◆60200 · Auto and Truck Expenses		Expense
◆60210 · Fuel		Expense
◆60220 · License		Expense
◆60230 · Service		Expense

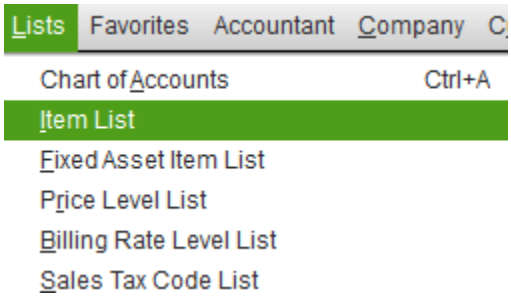
Items

Products and Services

It is time to setup a list of Products and Services offered to customers.

We create **Items** to track services, inventory, non-inventory, sales tax etc. The items are used in Sales Receipts, Invoices, Bills and Checks and are the link between transactions and the chart of accounts.

Click **Lists** from the **Menu Bar**



The **Items List** displays the **Name**, **Description**, **Type**, **Account** and more…

Right-Click in the **Items List,** then click **Customize Columns** to add viewable columns such as: Cost, Price etc.

01 Plans and Permits	Plans and Permits	Service	45100 · Job Income
01 Plans and Permits:01....	Plans	Service	45100 · Job Income
01 Plans and Permits:01....	Building Permits	Service	45100 · Job Income
01 Plans and Permits:01....	City License Fee	Service	45100 · Job Income
02 Site Work	Site Work	Service	45100 · Job Income

Items

Add Product or Service

Click the **Item** tab.

Click **New.**

Select the **Item Type** from the drop-down list. For this example we choose “Service”.

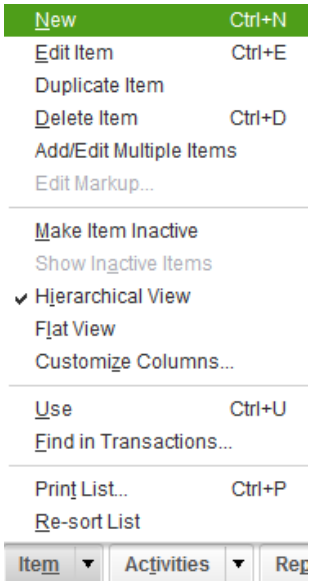
Enter the Item **Name/Number.**

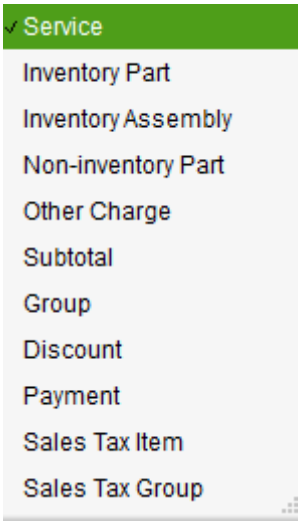
Enter a **Description** that will auto-populate in the Sales Receipt of Invoice, you can always change or add to the description during the entry process.

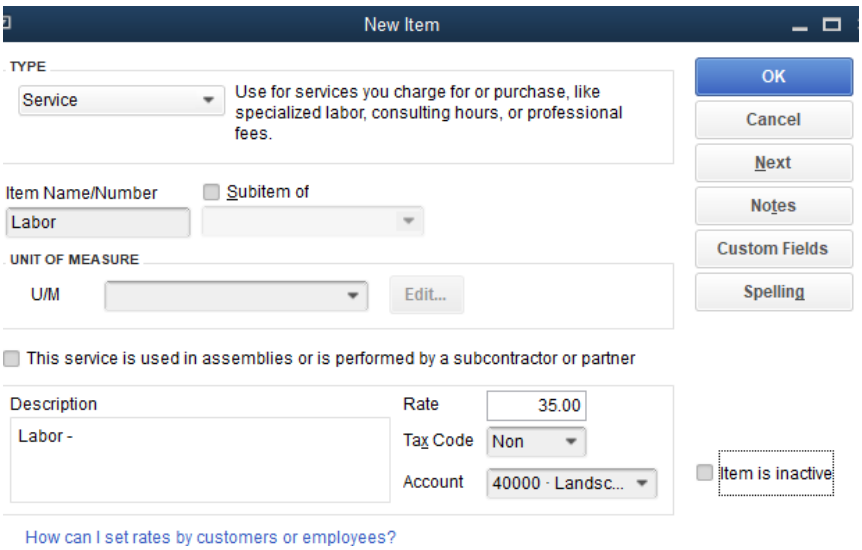
Enter a default **Rate.**

Select the default **Tax Code** for the item.

Select the default **Account** from the drop-down account list. Click **OK.**







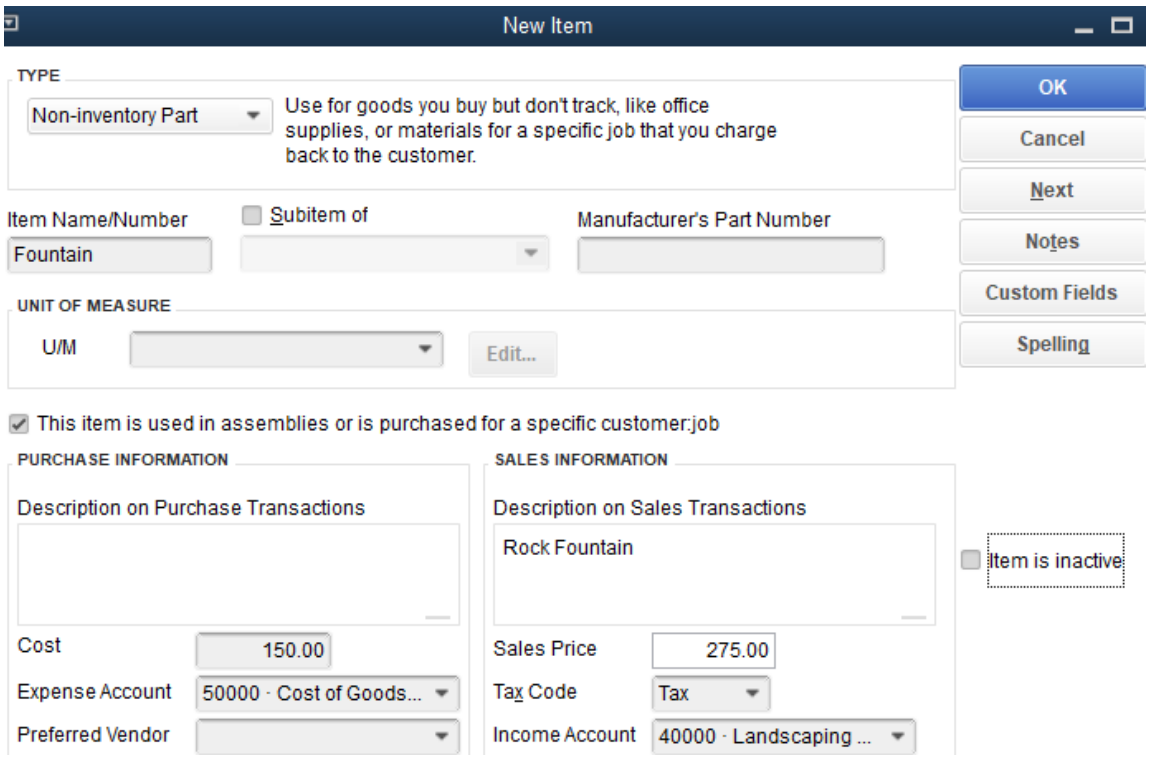
Items

Items can be setup for both purchases and sales. For this example, we have added a **Non-Inventory Part** and will track the cost and sales of this item without adding it to inventory.

Select the box **This item is used in assemblies** or **is purchased for a specific customer:job.**

Enter the default **Purchase Information** (Cost, Description and Expense Account). This is especially important when tracking inventory or using items in bills and checks.

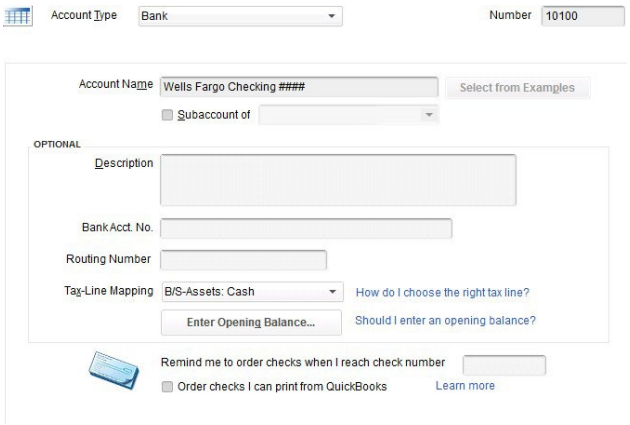
Enter the default **Sales Information** (Description, Sales Price, Tax Code and Income Account).



Note: Descriptions auto-populate when items are used in an invoice, sales receipt, bill, or check.

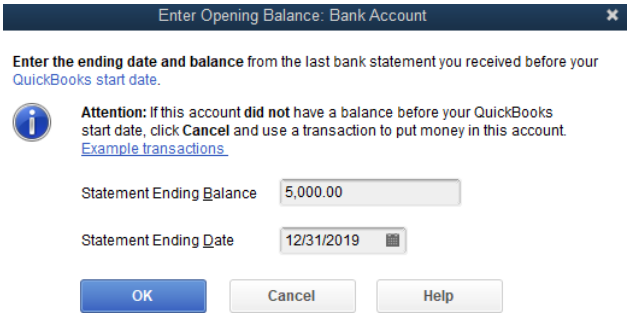
Beginning Balances

It is important to verify or enter beginning balances and historical data. Your accountant can assist you in using a journal entry or you can add beginning balances when you add accounts to your chart of accounts list. Enter beginning balances when setting up a new bank account, credit card and other assets/liabilities. In this example a new bank account was added with a beginning balance of $5,000.00. The beginning balance is posted to the bank register as a debit and a default account referred to as **Opening Balance Equity** is credited. From the **Chart of Accounts List,** right click in the body of the list **-> New.** Add Account Type **Bank** then click **Enter Opening Balance.**



Enter the **Statement Ending Balance** and **Statement Ending Date.**

Click **OK.** Click **Save & Close.**



Historical Information

Entering Historical Information

When entering historical information use the following process:

Accounts Receivable – enter transactions (invoices, credit memos, payments and deposits) in the same order and date they were created or received. This process creates a historical record of transactions by customer.

Invoice – Click **Home Page (Customers Section) -> Create Invoices** and enter each Invoice sent between your start date and today. Be sure to use the correct dates as well as the **Items List**.

Credit Memos – Click **Customers** from the **Menu Bar -> Create Credit Memos/Refunds** to add customer credits given between your start date and today.

Receive Payment – Click **Home Page (Customers Section) -> Receive Payments** in the customers section and enter all payments received from customers between your start date and today. When payments are received, they are posted to a default holding account known as **Undeposited Funds**.

Bank Deposit – Click **Home Page (Banking Section) -> Record Deposits** to select payments and post deposits to the bank register. This is a very important step intended to group payments that match the deposit sent to the bank. This step clears out the **Undeposited Funds** holding account.

Historical Transactions

Bank Transactions – If you are entering historical transactions for more than a one-month time frame, enter the transactions one month at a time and reconcile all bank and credit card accounts before going on to the next month.

There are two ways to enter historical bank transactions; manually and through the bank feed center.

Use the following process to enter bank transactions:

1) Manually enter all checks and debits – **Home Page (Banking Section) -> Write Check** and enter all checks posted, one month at a time.
2) Web Connect the bank account to QuickBooks® – **Menu Bar -> Banking -> Bank Feeds-> Setup Bank Feed for an Account** and follow the setup process. Use caution when selecting the period to download transactions to avoid duplicate transactions.
3) Complete Bank Reconciliation – **Home Page (Banking Section) -> Reconcile**.

Desktop Foundations

SECTION 3
REPORTS

Objectives
Memorized Reports
Balance Sheet
Profit & Loss
Ask My Accountant
Audit Trail
Practice Test

Section 3 Objectives

Upon completion of section 3 each participant will become familiar with the following objectives:

- How to memorize and group reports.
- How to setup and review a Balance Sheet.
- How to setup and review a Profit & Loss.
- How to setup a custom report for Ask My Accountant.
- How to review an Audit Trail.
- How financial reports are key to cash flow and profitability.

Memorized Reports

Customizing and viewing reports on a regular basis is key to ensure the accuracy of your company data, improve your cash flow and help make better management decisions.

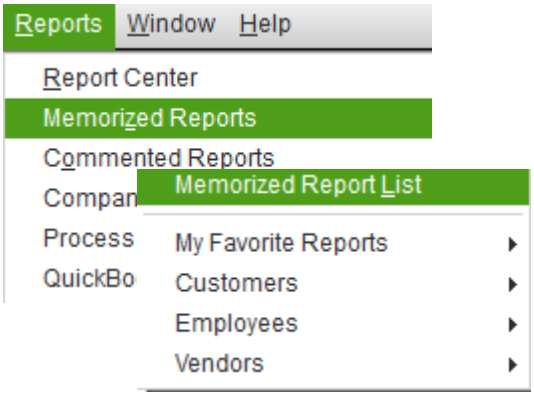
You can manage reports using the **Report Center** or **Memorized Reports List** which allows you to save custom reports in groups and streamline the time it takes to review reports daily, weekly, monthly etc.

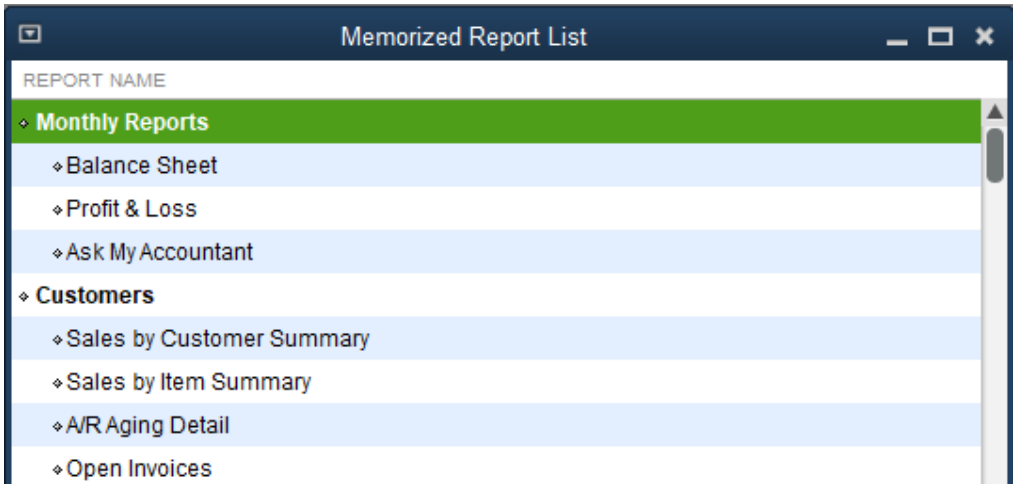
Click **Reports** from the **Menu Bar.**

Click **Memorized Reports.**

Click **Memorized Report List.**

Note: All new company data files will have a pre-existing **Memorized Report List.**

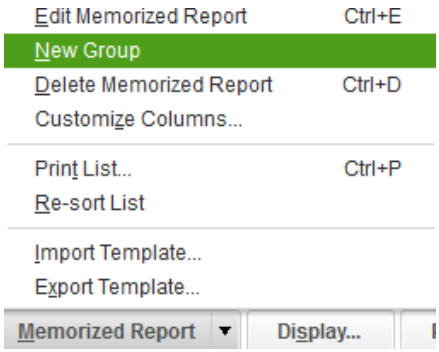




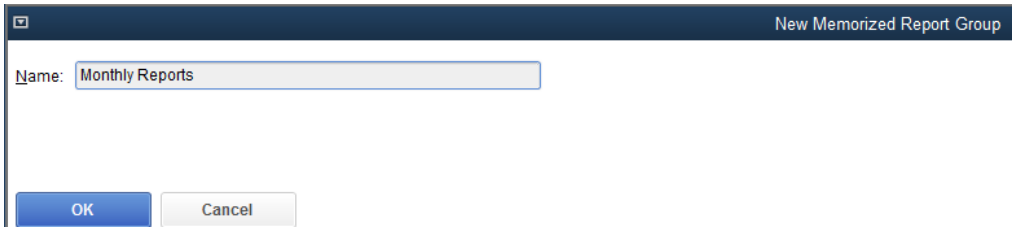
Memorized Reports

Click the **Memorized Report** tab from the **Memorized Report List.**

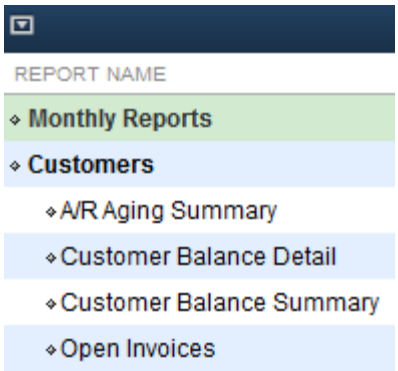
Click **New Group.**



Enter a **Name** for your new report group, for example **Monthly Reports, Review Reports, My Favorite Reports etc.**



The new group **Monthly Reports** will now appear in the **Memorized Report List.**



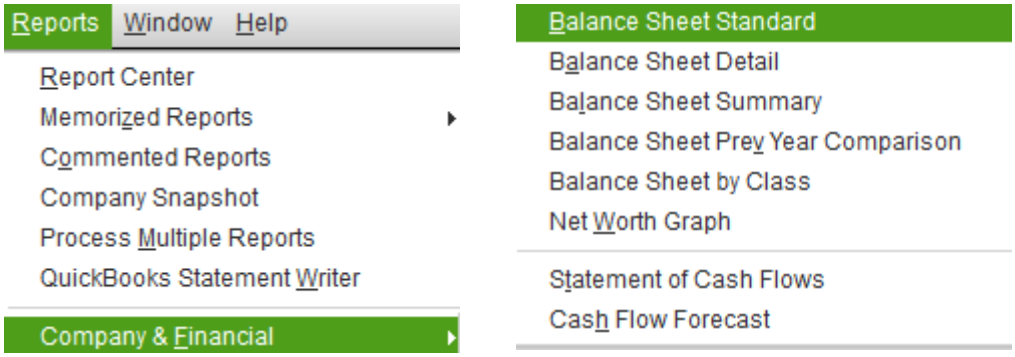
Memorized Reports

Balance Sheet

The **Balance Sheet** and **Profit & Loss** are two very important reports. The **Balance Sheet** is often overlooked by business owners. This report displays assets, liabilities, and equity. It is a snapshot of your company's net worth.

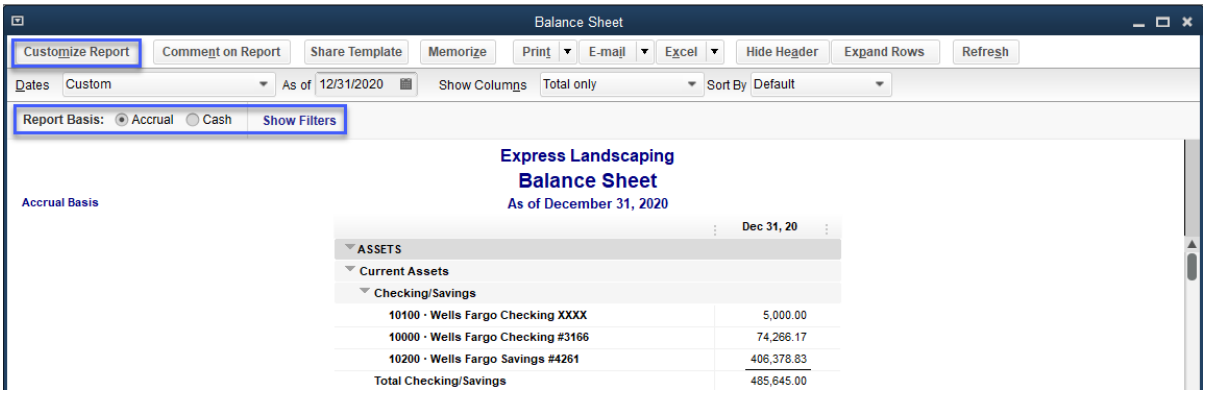
Click **Reports** in the **Menu Bar.**

Click **Company & Financial -> Balance Sheet Standard.**



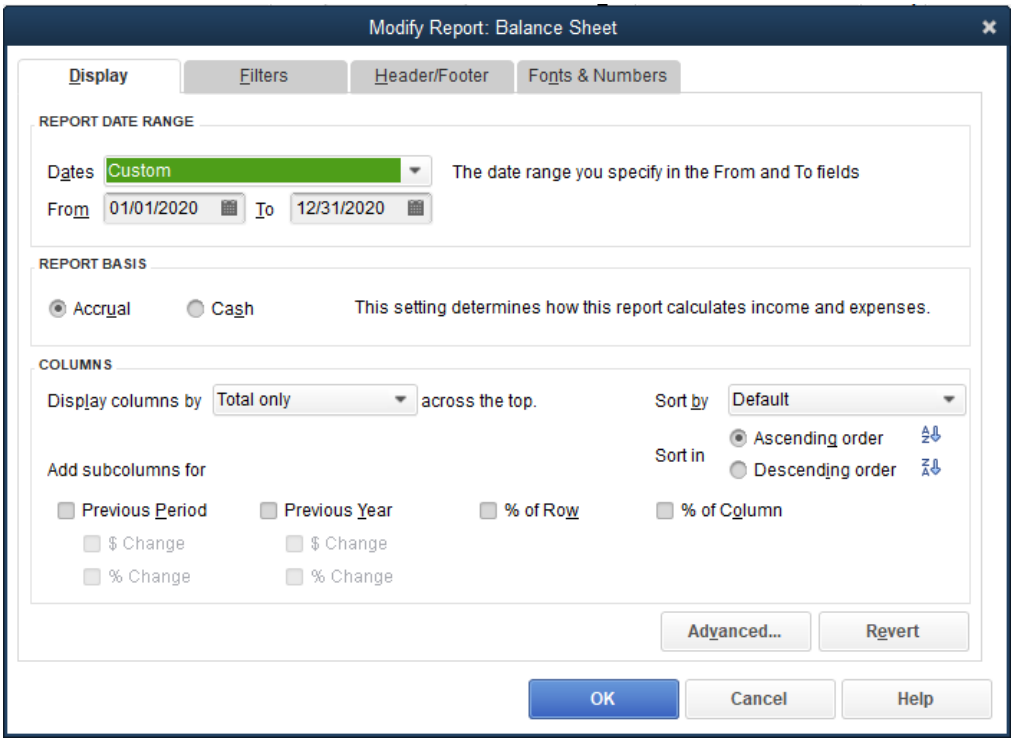
Notice the **Ribbon Bar** options for processing reports. Print, Email, Expand/Collapse, Refresh, etc. Notice you can toggle the report basis between accrual and cash.

Click **Customize Report.**

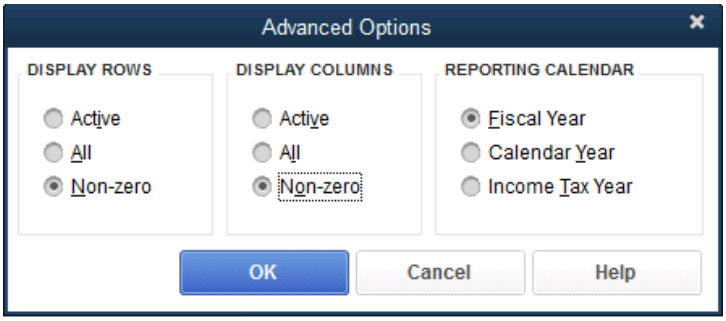


Memorized Reports

In the Customize Report window you have many options. Select a **Date** range, select **Accrual** or **Cash.** Click the **Advanced** tab next.



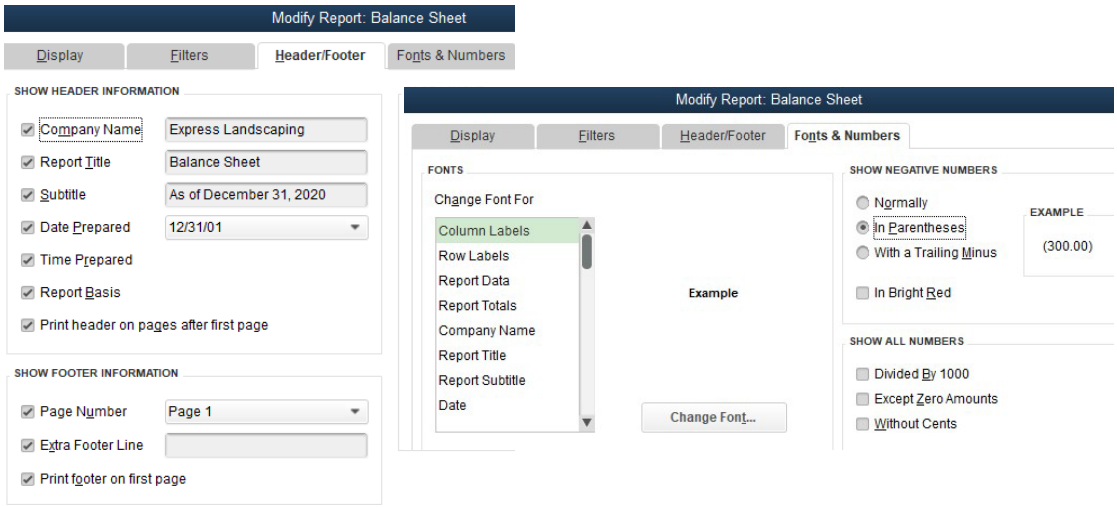
Select **Non-Zero** for **Display Rows** and **Columns**. This will remove all accounts with a zero balance.



Memorized Reports

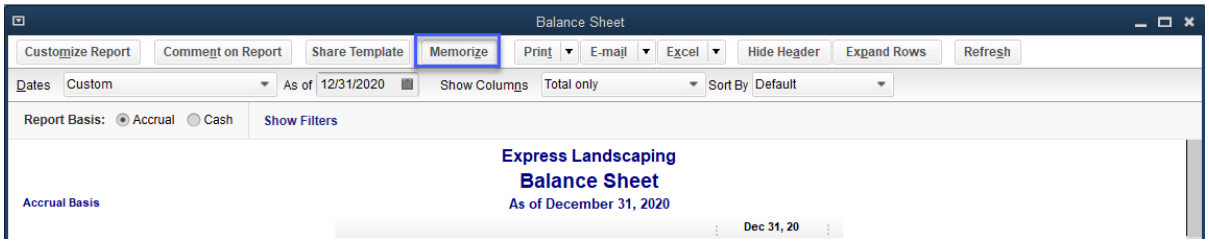
Click the **Header/Footer** tab to select information you would like to populate on the balance sheet. Change the report title and add a footer line.

Click **Fonts & Numbers** tab to Select **Show Negative Numbers -> In Parentheses** or select the area you would like to change the font style and click **Change Font.**



Customize the Balance Sheet the way you want to view it each time.

Click **Memorize** in the **Ribbon Bar.**

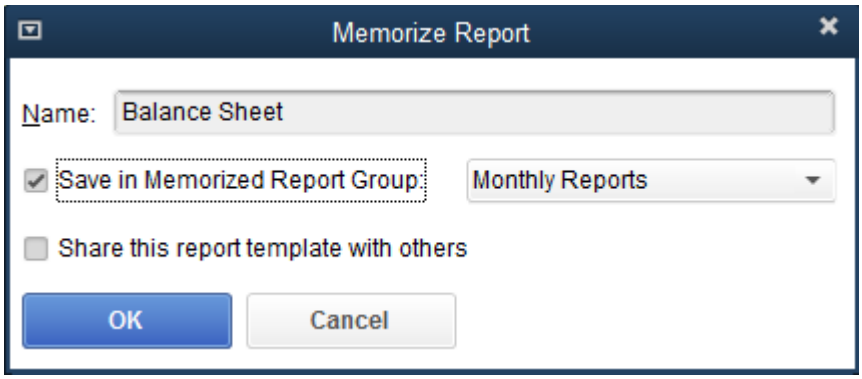


Memorized Reports

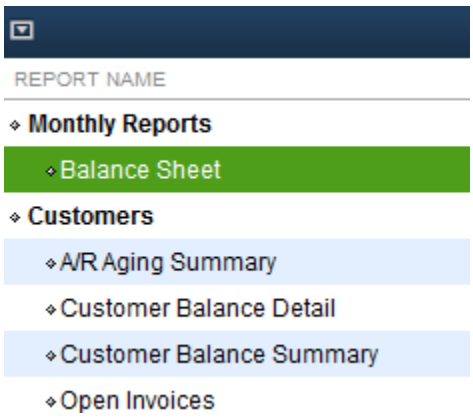
The **Memorize Report Name** will auto populate. You can change the name of the report.

Select **Save in Memorized Report Group** and Select the **Group** from the drop-down list.

Click **OK.**



Notice the customized **Balance Sheet** now appears in the **Monthly Reports Group.**



Double-Click the **Balance Sheet** to view or edit the customization. You will need to save the changes when you edit a memorized report.

Memorized Reports

The Balance Sheet tells a story and provides numbers that can be used in mathematical calculations referred to as Key Performance Indicators (KPIs.)

Do we have enough in assets to pay our liabilities? (Also known as Liquidity.) When dividing current assets by current liabilities we can determine our current ratio and compare to industry standards. Saving three months of expenses can improve our current ratio. (The higher the ratio, the better.)

Do we maintain a positive equity balance in our business? Banks use this data to determine if a business can pay back borrowed debt. There is much more to this story than most business owners realize; when your Balance Sheet is accurate it becomes a great cash flow management tool.

Express Landscaping
Balance Sheet
As of December 31, 2020

	Dec 31, 20
ASSETS	
Current Assets	
Checking/Savings	485,645.00
Accounts Receivable	52,252.59
Other Current Assets	127,889.13
Total Current Assets	665,786.72
Fixed Assets	96,421.86
TOTAL ASSETS	**762,208.58**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	39,571.28
Credit Cards	5,230.25
Other Current Liabilities	83,172.82
Total Current Liabilities	127,974.35
Long Term Liabilities	75,832.22
Total Liabilities	203,806.57
Equity	558,402.01
TOTAL LIABILITIES & EQUITY	**762,208.58**

Memorized Reports

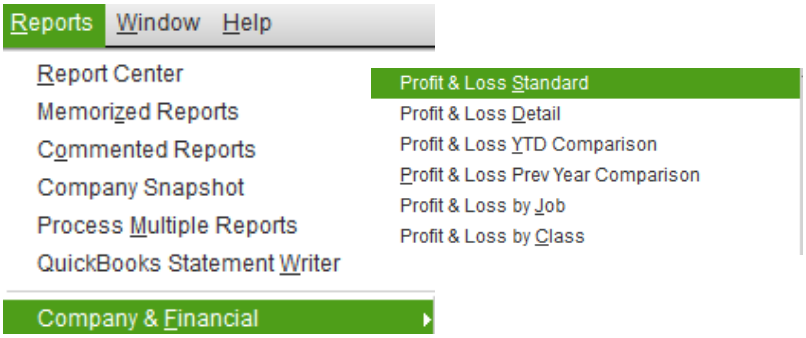
Profit & Loss

The **Profit & Loss** report is an accumulation of income and expense for a period of time. At the end of each year the net profit or loss rolls into the equity section of the Balance Sheet. Each new year starts with a zero balance for income and expenses.

Click **Reports** from the **Menu Bar.**

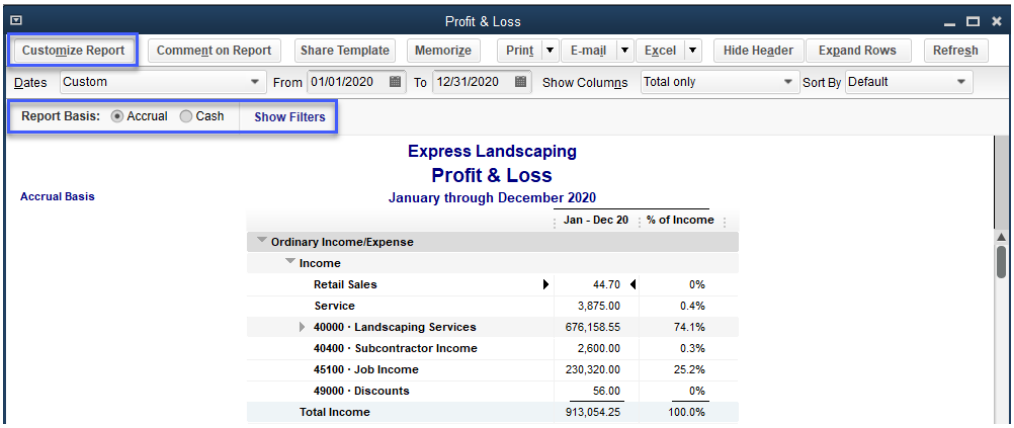
Click **Company & Financial**

Click **Profit & Loss Standard.**



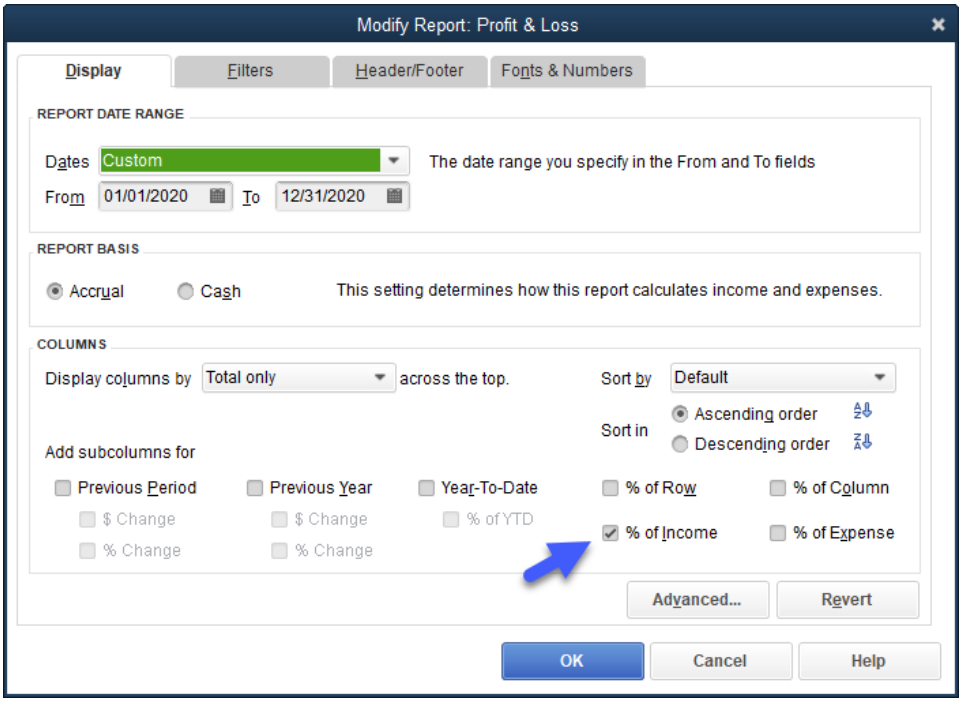
Notice the **Ribbon Bar** options for processing reports. Print, Email, Expand/Collapse, Refresh, etc. Notice you can toggle the report basis between accrual and cash.

Click **Customize Report.**

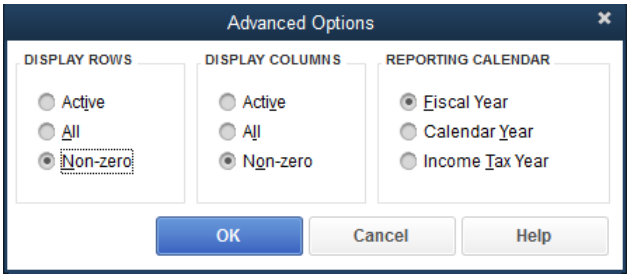


Memorized Reports

In the Customize Report window you have many options. Select a **Date** range, select **Accrual** or **Cash** and **% of Income**, then click the **Advanced** tab.

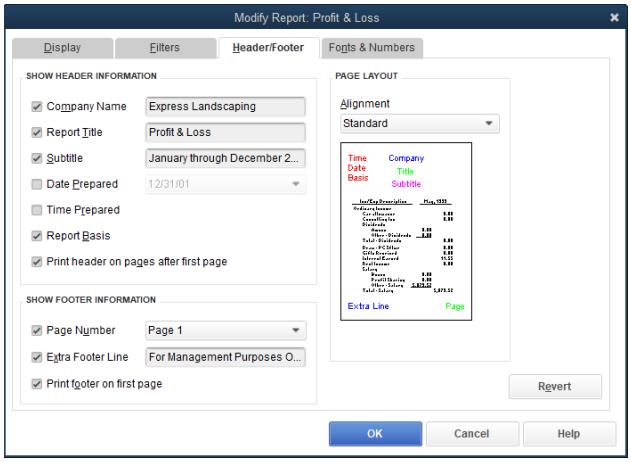


Select **Non-Zero** for **Display Rows** and **Columns**. This will remove all accounts with a zero balance.

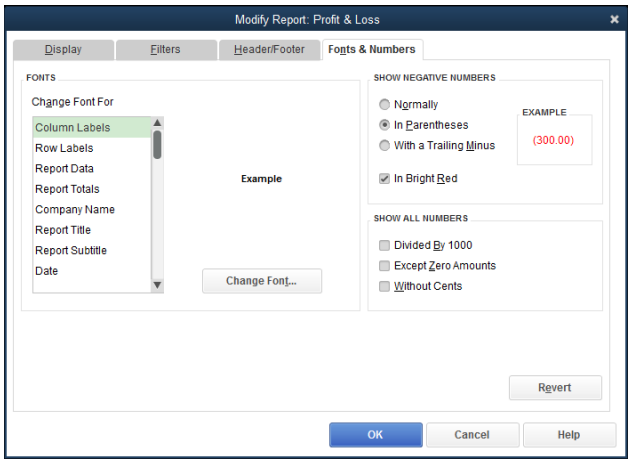


Memorized Reports

Click the **Header/Footer** tab to select information you would like to populate on the Profit & Loss Statement. Change the **Report Title** and add a footer line. Select **Date** and **Time Prepared.**

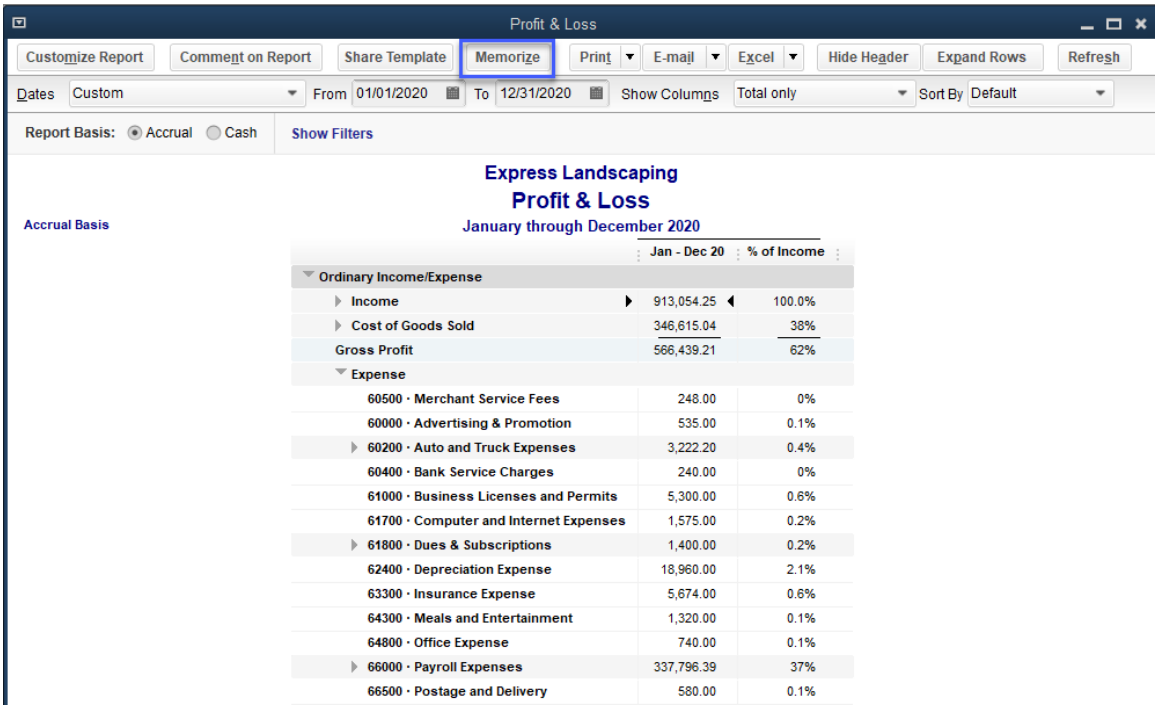


Click the **Fonts & Numbers Tab.** Select **In Parentheses** and **In Bright Red** to display negative numbers. Select the area you would like to change the font style and click **Change Font.**



Memorized Reports

Now you have customized the Profit & Loss Statement the way you want to view it each time. Click **Memorize** in the **Ribbon Bar.**

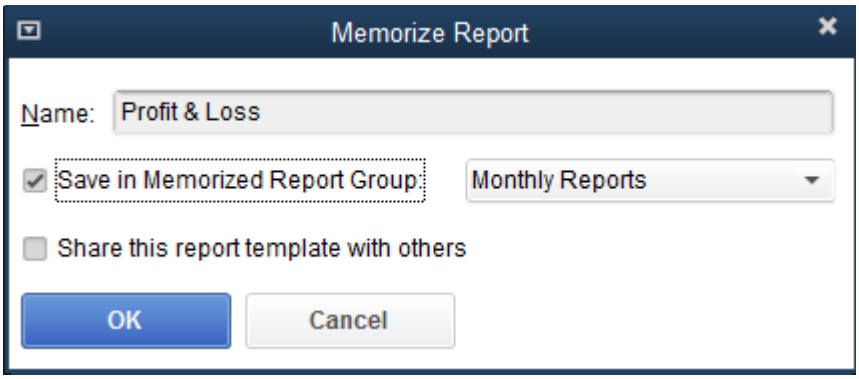


Memorized Reports

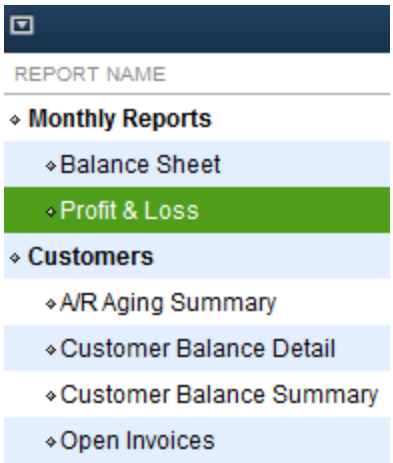
The **Memorized Report Name** will auto populate. You can change the name of the report.

Select **Save in Memorized Report Group** and Select the **Group** from the drop-down list.

Click **OK.**



Notice the customized **Profit & Loss** now appears in the **Monthly Reports Group.**



Double-Click the **Profit & Loss** to view or edit the customization. You will need save changes when you edit a memorized reports.

Memorized Reports

The **Profit & Loss** continues with the story about the health of our business. Are we meeting our sales growth targets? When we subtract expenses directly related to revenue, we can determine our **Gross Profit Margin**.

Do we have enough Gross Profit to pay all other costs? When we subtract all other expenses from Gross Profit, we can determine net income before tax and if we are profitable. Each category is a percentage of Income which we use for cash management.

Express Landscaping
Profit & Loss
January through December 2020

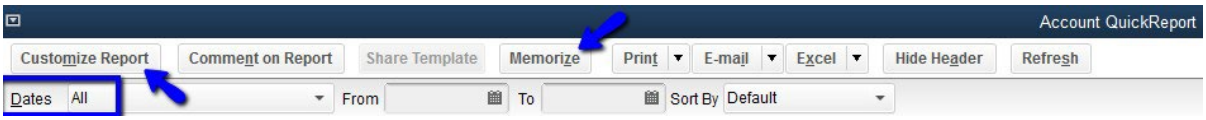
	Jan - Dec 20	% of Income
Ordinary Income/Expense		
Income	913,054.25	100.0%
Cost of Goods Sold	346,615.04	38%
Gross Profit	566,439.21	62%
Expense		
60500 · Merchant Service Fees	248.00	0%
60000 · Advertising & Promotion	535.00	0.1%
60200 · Auto and Truck Expenses	3,222.20	0.4%
60400 · Bank Service Charges	240.00	0%
61000 · Business Licenses and Permits	5,300.00	0.6%
61700 · Computer and Internet Expenses	1,575.00	0.2%
61800 · Dues & Subscriptions	1,400.00	0.2%
62400 · Depreciation Expense	18,960.00	2.1%
63300 · Insurance Expense	5,674.00	0.6%
64300 · Meals and Entertainment	1,320.00	0.1%
64800 · Office Expense	740.00	0.1%
66000 · Payroll Expenses	337,796.39	37%
66500 · Postage and Delivery	580.00	0.1%
66600 · Printing and Reproduction	1,260.00	0.1%
66700 · Professional Fees	28,800.00	3.2%
67100 · Rent Expense	28,600.00	3.1%
67200 · Repairs and Maintenance	3,200.00	0.4%
68000 · Taxes - Property	2,100.00	0.2%
68100 · Telephone Expense	1,220.00	0.1%
68600 · Utilities	4,340.00	0.5%
Total Expense	447,110.59	49%
Net Ordinary Income	119,328.62	13.1%
Other Income/Expense	(6,708.53)	(0.7%)
Net Income	112,620.09	12.3%

Memorized Reports

Ask My Accountant

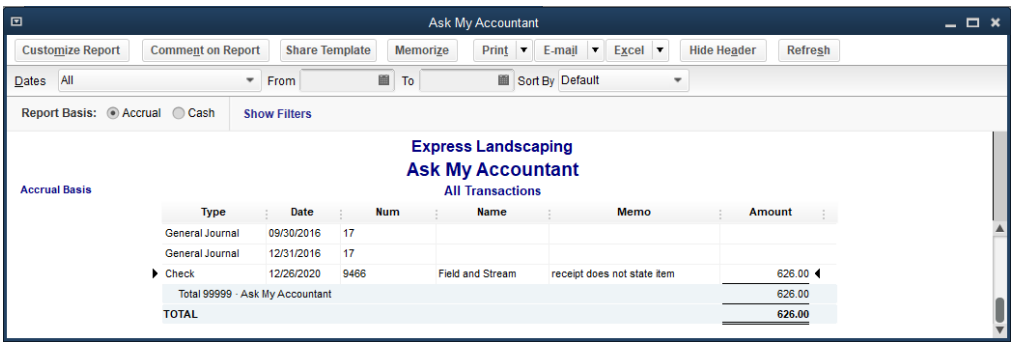
This report can be a very helpful tool. It is used to post transactions when the user is not sure which category to use. The memo field allows the user to post notes and questions for their Accountant. It is a great tool to train a new bookkeeper or business owner.

Click **Lists** in the menu bar **-> Chart of Accounts .** Locate **Ask My Accountant** in other expense type, then click the **Reports tab -> Quick Report**.



Click **Customize Report -> Header/Footer** to change the **Header** to **Ask My Accountant**. Change the **Report Period** to **All Dates** then click **Run Report.** Remember click Memorize to save your custom report in the **Memorized Report List.**

Notice the Accountant's response in the Memo/Description field to post the transaction to Fixed Assets/Computer Equipment.



Note: It is important to clear up all transactions on this report before year end and especially before filing a tax return. This is a temporary place holder for transactions that need more information to post in the correct account.

Memorized Reports

Fraud Prevention

Fraud prevention is a growing topic. Many business owners have experienced this firsthand. Implementing policies, processes and procedures can help detect and prevent fraudulent activity.

Biz Q&A:

- *Would you like to prevent fraud from occurring?*
- *Would you like to identify areas where the likelihood of fraud is the greatest?*
- *Would you like to protect business assets and cash?*
- *Did you know that businesses with strong internal controls in place have more accurate financial statements?*

PIP Wow Fact:

According to the Association of Certified Fraud Examiners, the average business will lose approximately 7% of revenues due to employee theft. Small businesses have a 38% greater amount of fraud than larger companies.

Let's view and save an **Audit Trail** in **My Customized Reports.**

Memorized Reports

Audit Trail

The Audit Trail report is a great way to view activity by user. This is also an effective training tool used to enforce accurate data entry. Additionally, use of the Audit Trail is a good way to enforce an accountability policy for all users.

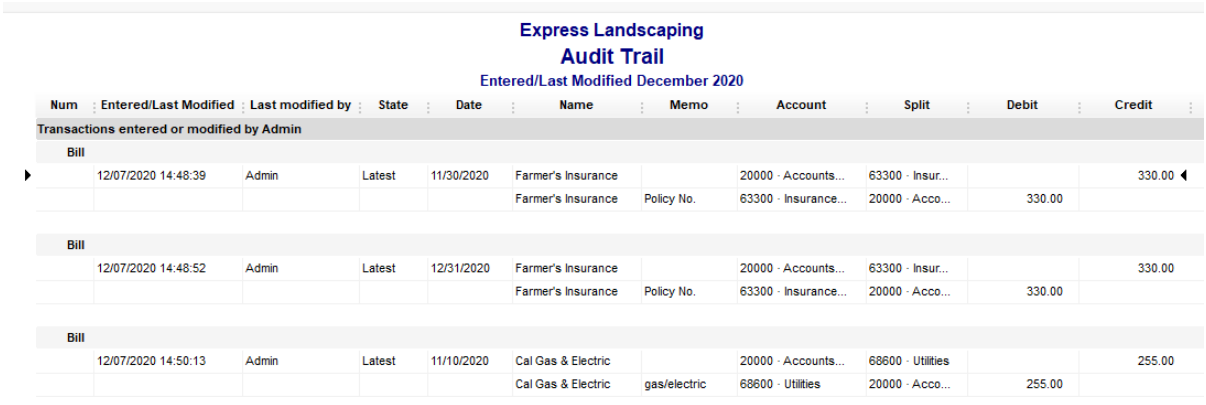
Click **Reports** from the **Menu Bar.**

Click **Accountant & Taxes -> Audit Trail.**

The Audit Trail report displays the **Dates Entered/Last Modified** date and time, Last Modified By, State, Original Transaction Date, Name, detailed transaction information and other useful information.

Use the **Ribbon Bar** to modify the date range, add a comment, customize, print, etc.

Click **Memorize** to save the **Audit Trail** in your memorized report list group.



Express Landscaping
Audit Trail
Entered/Last Modified December 2020

Num	Entered/Last Modified	Last modified by	State	Date	Name	Memo	Account	Split	Debit	Credit
Transactions entered or modified by Admin										
Bill										
	12/07/2020 14:48:39	Admin	Latest	11/30/2020	Farmer's Insurance		20000 · Accounts...	63300 · Insur...		330.00
					Farmer's Insurance	Policy No.	63300 · Insurance...	20000 · Acco...	330.00	
Bill										
	12/07/2020 14:48:52	Admin	Latest	12/31/2020	Farmer's Insurance		20000 · Accounts...	63300 · Insur...		330.00
					Farmer's Insurance	Policy No.	63300 · Insurance...	20000 · Acco...	330.00	
Bill										
	12/07/2020 14:50:13	Admin	Latest	11/10/2020	Cal Gas & Electric		20000 · Accounts...	68600 · Utilities		255.00
					Cal Gas & Electric	gas/electric	68600 · Utilities	20000 · Acco...	255.00	

Speed is Critical to Positive Cash Flow

Business Tip: Cash flow includes all transactions that go in and out of your bank accounts. Some transactions will post to the Balance Sheet and some will post to the Profit & Loss.

Cash Flow is generated by the business cycle.

Think of the cycle as a clock.

Any event that slows down the clock, thereby interrupting the process, hurts cash flow.

The proper use of QuickBooks will significantly increase efficiencies and the speed of the business cycle.

QuickBooks Desktop Foundations

SECTION 4
ACCOUNTS RECEIVABLE

Objectives
Sales and Customer Preferences
Customer Center
Sales Receipts
Invoices
Receive Payments
Bank Deposits
Credit Memos
Apply Credits
Refunds
Income Tracker
Sales and A/R Reports
Statements
Practice Test

Section 4 Objectives

Upon completion of section 4 each participant will become familiar with the following objectives:

- Overview of Accounts Receivable.
- How to correctly use Customer and Accounts Receivable related settings/preferences.
- How to use the customer center.
- How and when to use a Sales Receipt vs. an Invoice.
- How to receive payments and record deposits.

Accounts Receivable

In the Accounts Receivable section, we will discuss the importance of managing open invoices owed to you by your customers. You would be amazed how costly this process can be and the impact it has on your cash flow.

Biz Q&A: Why do you think it is important to manage your Accounts Receivable?

Why do you think business owners should have an Accounts Receivable and Collections Policy?

BPA Wow Fact:

According to the Harvard Business Review, here is an average of what receivables cost a company:

30 day – 1.82 %

60 days – 9.20%

90 days – 17.74%

120 days – 26.71%

"Success is a few simple disciplines, practiced every day; while failure is simply a few errors in judgment repeated every day."

- Jim Rohn, American Entrepreneur

Sales and Customer Preferences

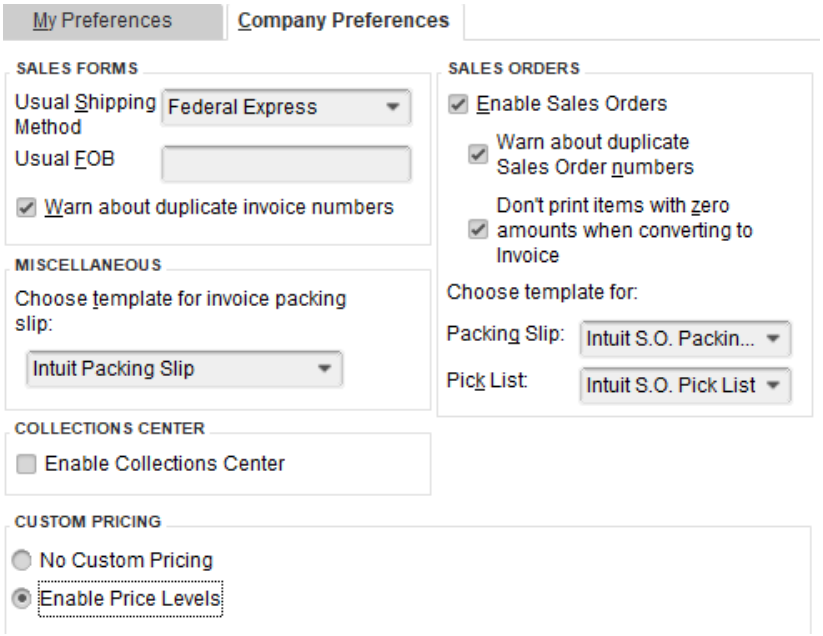
Company Preferences

There are several preferences that can be modified related to sales and customers.

Click **Edit** from the **Menu Bar -> Preferences -> Sales & Customers -> Company Preferences. Note:** You will need to be in Single-user mode.

Enable Sales Orders (Premier and Enterprise Version only). If you sell a product, the customer can call in an order for delivery later, allowing you to track those sales without posting to revenue. Also, you can track what sales orders are outstanding from the **Sales Order By Customer Report**.

Select the **Usual Shipping Method** when you need to ship items and want to charge the customer for shipping expenses.



Note: You can ship directly from QuickBooks® through Federal Express or UPS. Click **File** from the **Menu Bar -> Shipping.** We add a standard **5% Markup** onto the FedEx charges for time spent handling shipments.

Customer Center

The Customer Center includes maintaining customer lists.

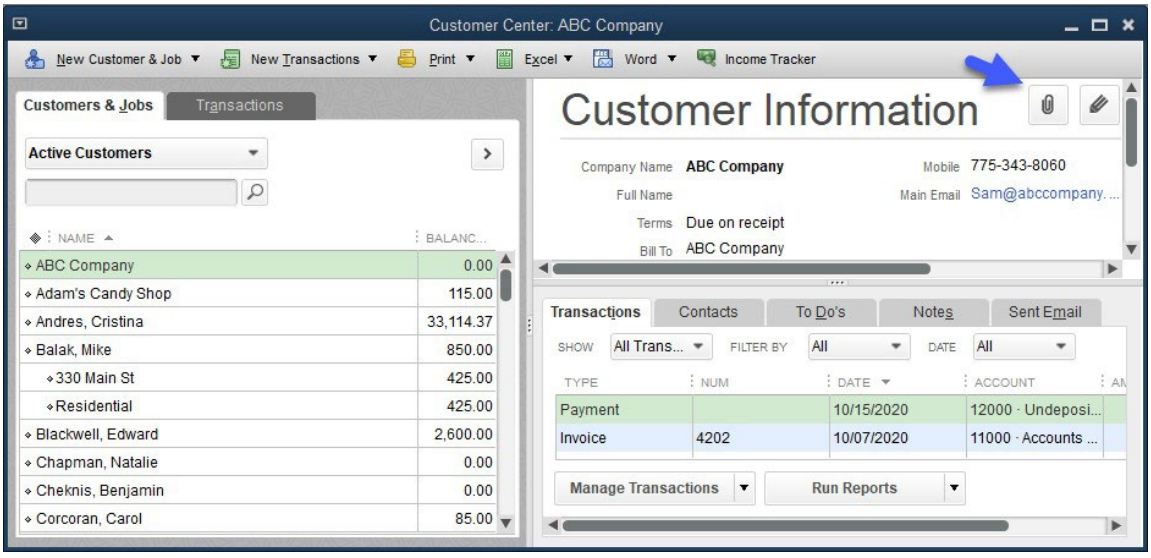
Click **Home Page -> Customers** or **Menu Bar -> Customers -> Customer Center.**

The **Customer Information** window has many features that will assist you in tracking and filtering historical transactions such as: **Contact Info**, **To do's**, **Notes**, **Sent Emails**. View a **QuickReport** or **Snapshot** for each customer.

Click the **Paperclip** to add documents or contracts to your customer center.

Use the **Ribbon Bar** to add **Customers**, **Jobs**, **Invoices**, **Sales Receipts**, **Receive Payments** and more.

Keeping Customer Information up to date is key to managing your accounts receivable and improving cash flow.



Customer Center

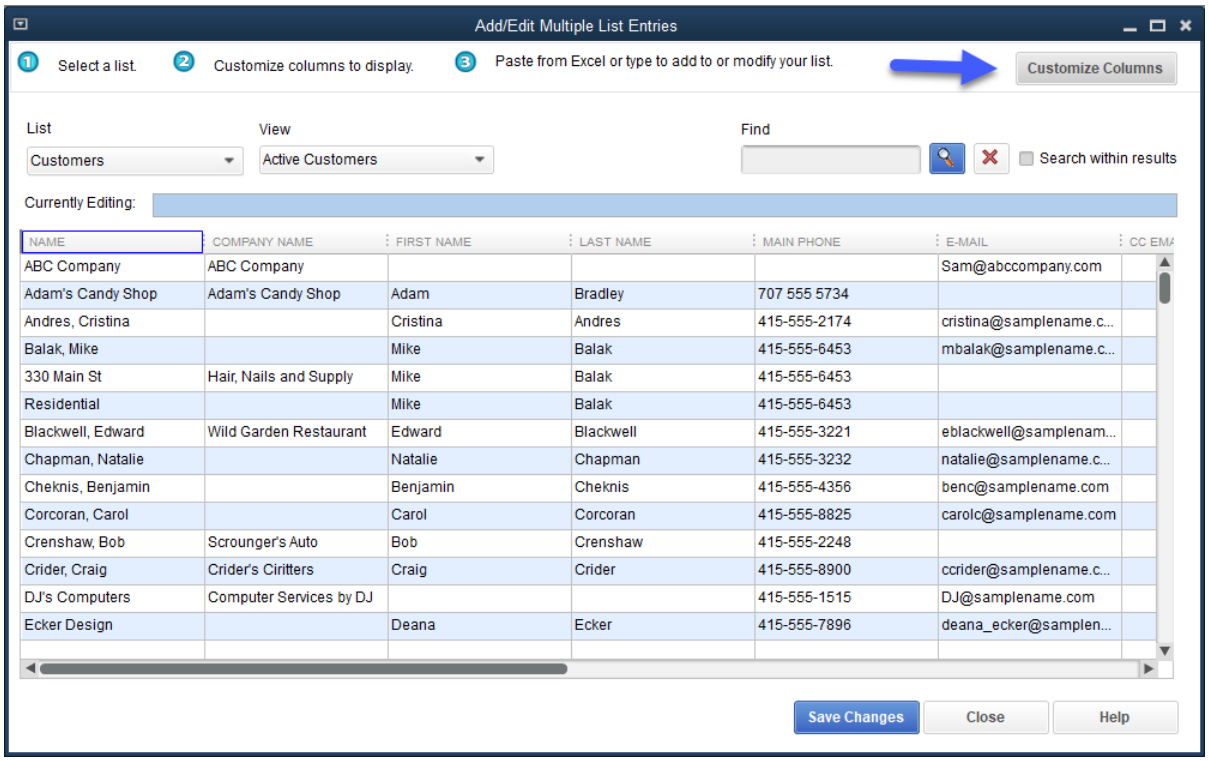
The **Add/Edit Multiple List Entries** is a much more efficient way of maintaining customer information. Click the **Customers** tab from the **Home Page -> New Customer & Job** from the **Ribbon Bar -> Add Multiple Customers:Jobs.**

Select a list, **Customize Columns** or **Paste Lists** of information from Excel.

From the **Customized Column** you can change fields for all or multiple customers without having to edit the customer information individually.

For example, click the drop-down arrow in the first field of the **Preferred Send Message** column and change all customers to preferred delivery method **Email.**

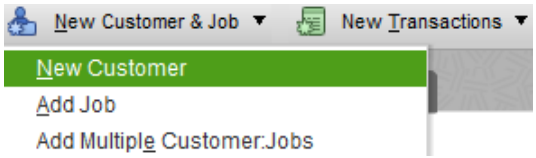
Use this search function to quickly narrow your list.



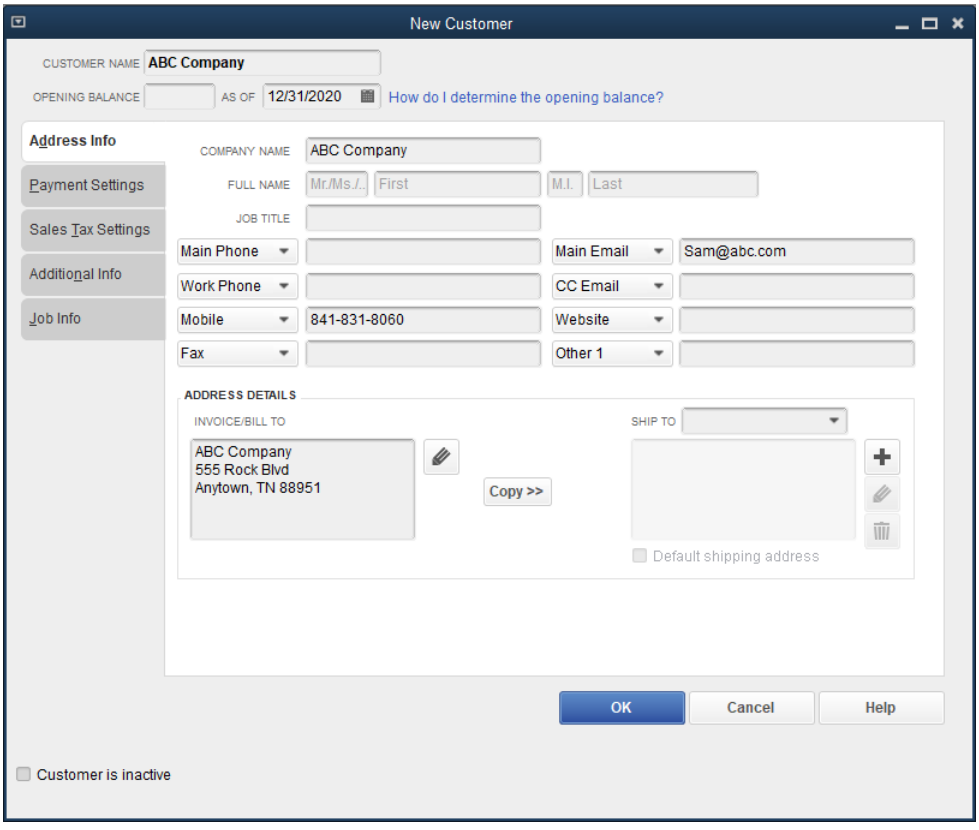
Customer Center

Add New Customer

Click **New Customer & Job -> New Customer** from the **Ribbon Bar** in the **Customer Center.**



Enter Address and Contact information from the **Address Info** tab.

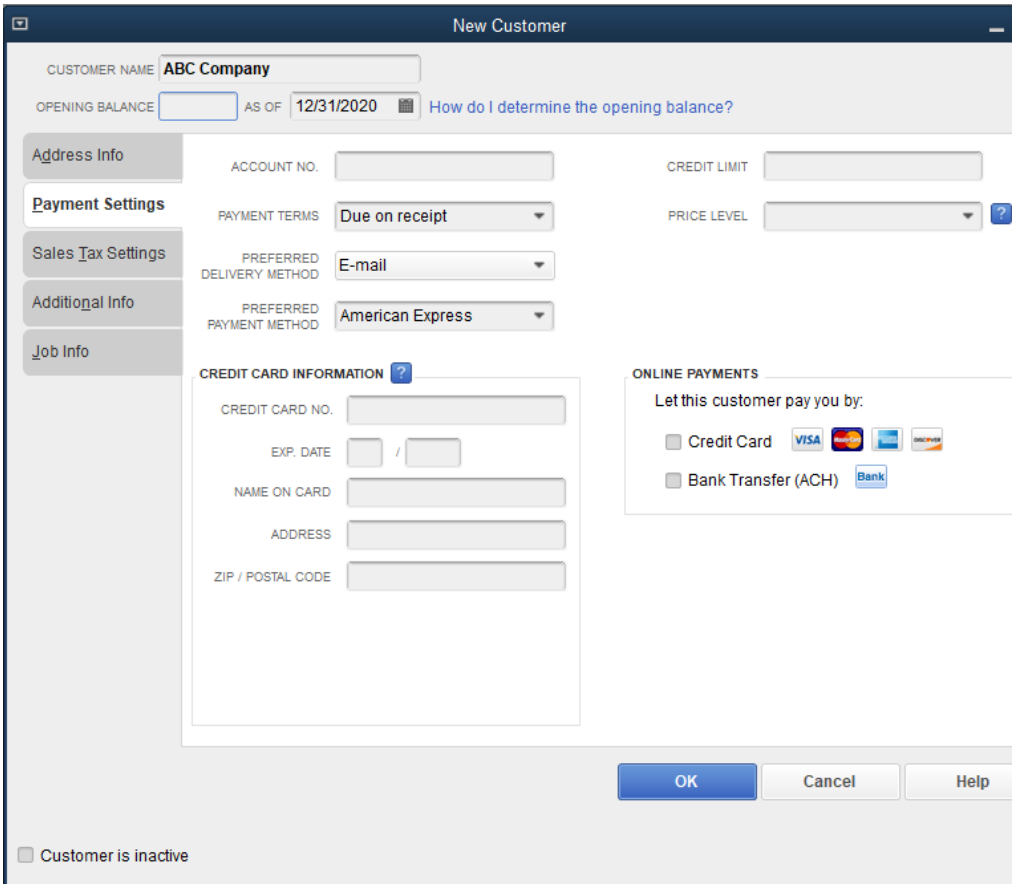


Customer Center

Click the **Payment Settings** tab.

Select the **Payment Terms**, **Preferred Delivery Method** and **Preferred Payment Method.**

These defaults will populate when entering and sending sales receipts and invoices.

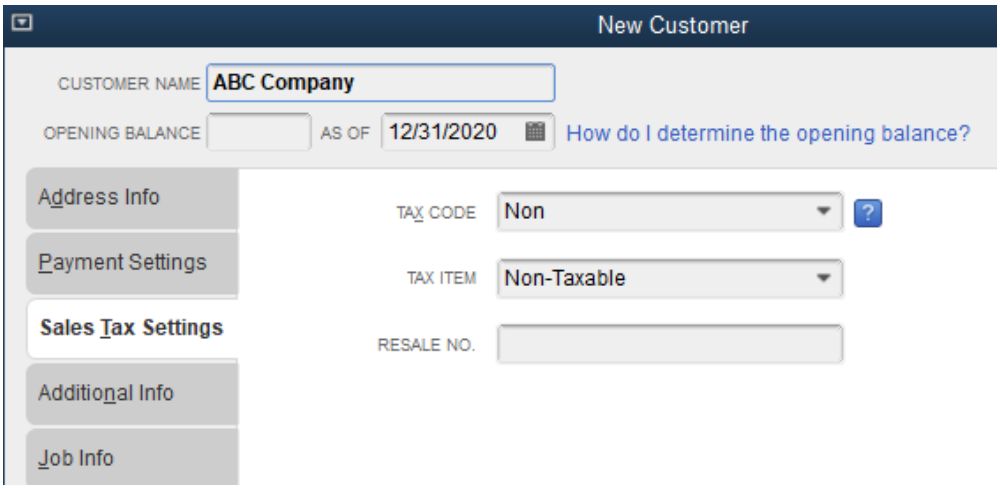


Note: With a credit card listed as the **Preferred Payment Method** you can easily process credit cards on-line.

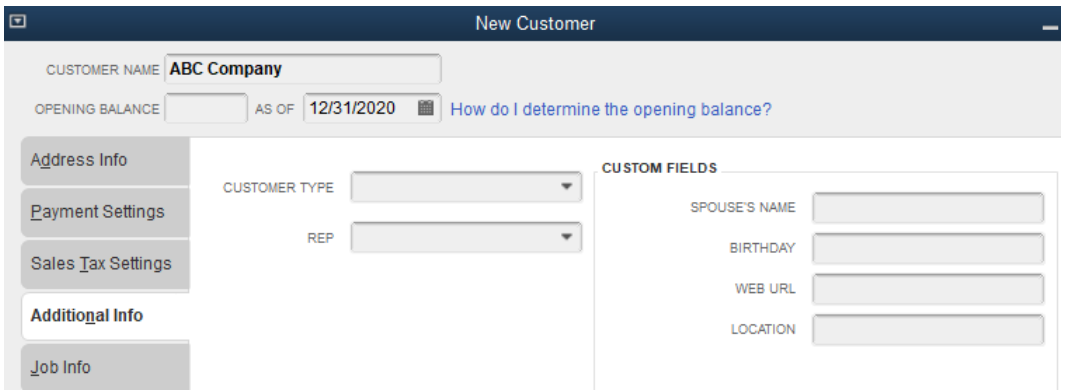
Customer Center

Click the **Sales Tax Settings** tab.

Enter the default tax code, tax item and/or resale number.



Click the **Additional Info** or **Job Info** tab to add optional information.



Customer Center

Edit Customer

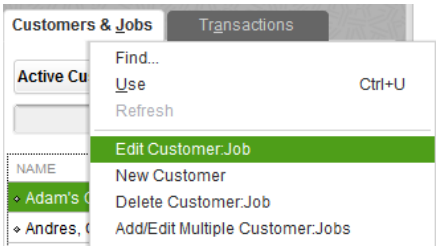
Editing your customer information is important to ensure all sales receipts and invoices are sent to the accurate location or email address.

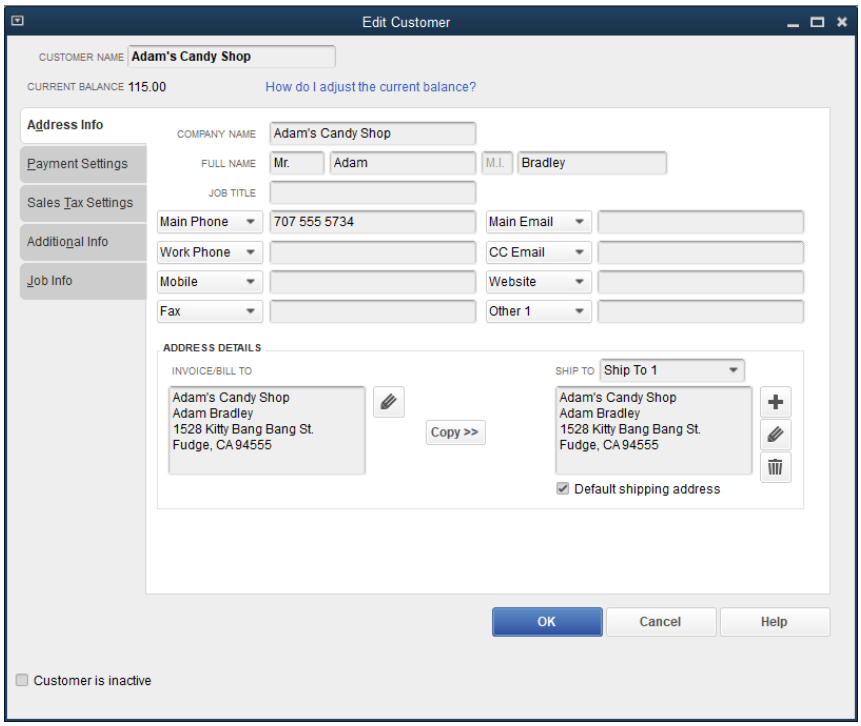
Click the **Customers** tab from the **Home Page.**

Right Click on the **Customer Name** you wish to edit.

Click **Edit Customer:Job** and add changes to fields from the appropriate tabs.

Click **OK.**





Customer Center

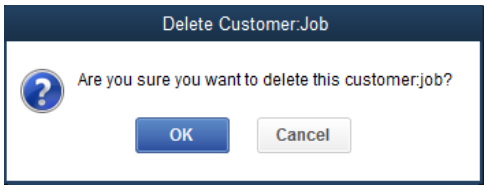
Delete or Make Customer Inactive

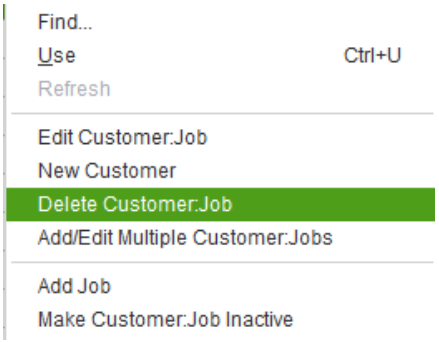
Making a customer inactive does not remove them from the system. You will have the option to view inactive customers in the **Customer Center.** Maintaining your customer list is very useful and cuts down on time searching for customers while entering transactions.

From the **Customer Center** right-click on the **Customer** you would like to **Delete** or **Make Inactive.**

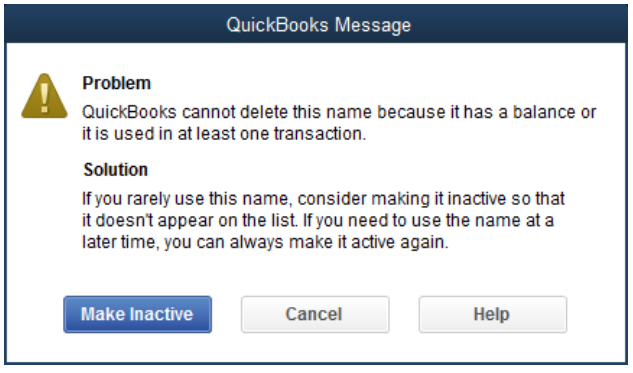
Click **Delete Customer:Job** from the menu that appears. (You can use this same menu to make a customer Inactive.)

Click **OK.**





When a customer has historical transactions attached a message box will appear to inform you that you cannot delete this customer. You will however have the option to make the customer inactive.



Customer Center

Merge Customers

Merging customers is useful when there are duplicate names in the customer list.

For this example, we will merge ABC Company with Adam's Candy Shop.

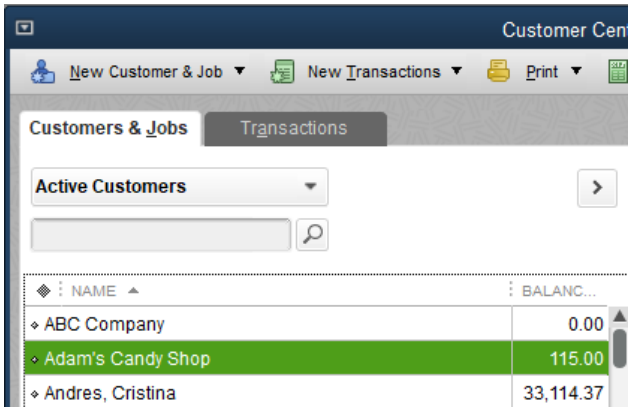
From the **Customer Center,** Double-Click the **Customer** you intend to keep.

Highlight the Customer Name and Copy **(Ctrl + C)** then click **Cancel.**

Double-Click the **Customer** you intend to merge.

Highlight the Customer Name then Paste **(Ctrl + V).**

Click **Save.**



A **Please Confirm** warning box will appear, click **Yes** to confirm.

Note: The **merge** process cannot be undone.

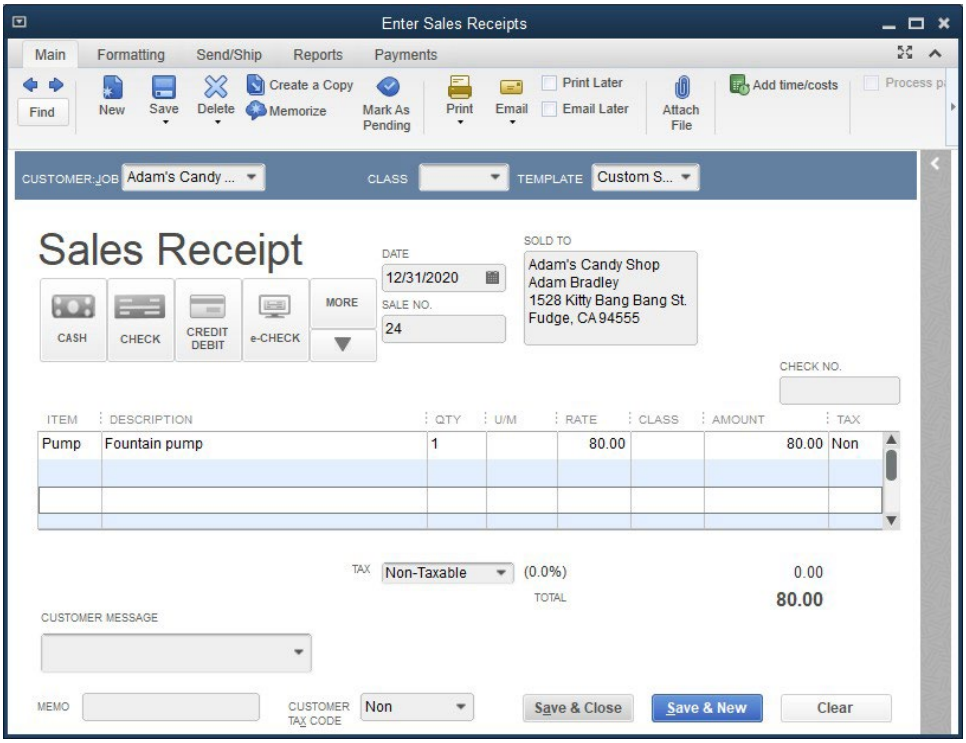
Sales Receipt

Sales receipts are used to record income for transactions that are after the fact. You have already collected the payment and do not expect to collect anything in the future for this transaction.

Click **Create Sales Receipts** from the **Home Page** or **New Transactions -> Sales Receipts** from the **Ribbon Bar** in the **Customer Center.** Enter or verify the following information:

Customer Name, Email, Sale Date, Product or Service, Qty, Rate, Amount and Tax.

Add an **invoice message** or **statement memo**. Verify county and percentage for sales tax if applicable.



If you have a cash business or use other software for your receivables, you can use the sales receipts as a method to batch your daily sales. Check for an integrated option at **https://desktop.apps.com/home**

Invoices

Invoices are used to record sales of product and services when we carry our customers balances and receive payments based on terms.

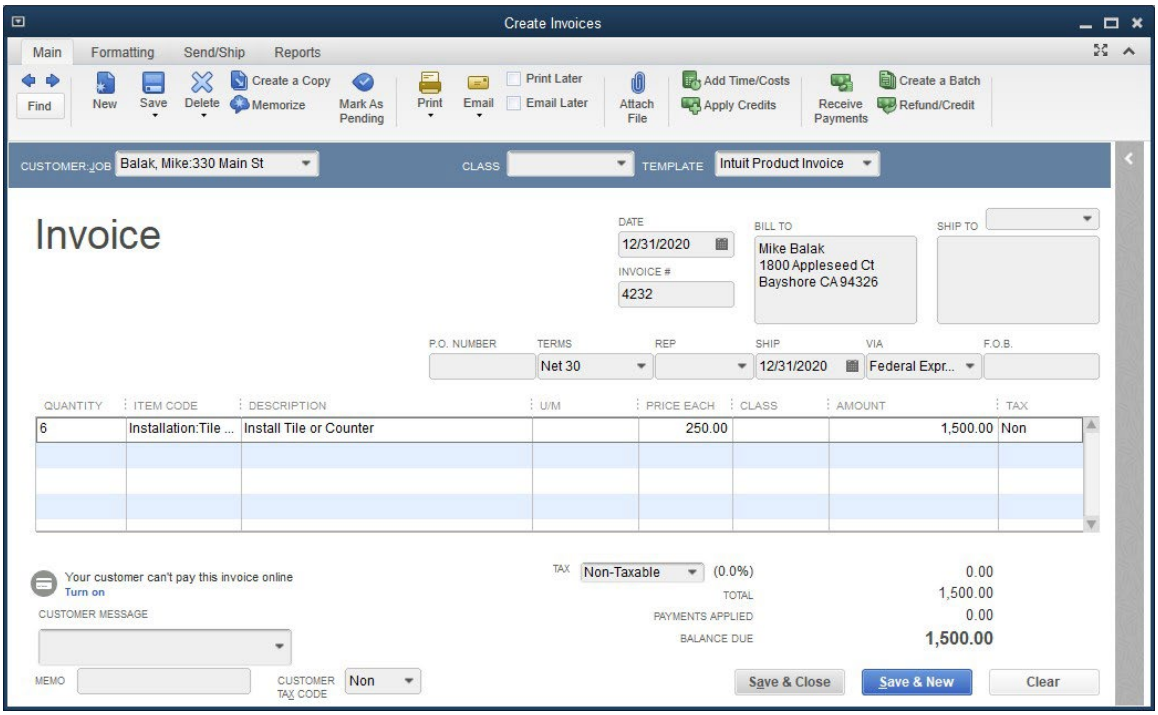
Click **Create Invoices** from the **Home Page** or **New Transactions -> Invoices** from the **Ribbon Bar** in the **Customer Center.**

Enter the following information:

Customer Name, invoice date, item code, qty, rate, amount and mark taxable if applicable.

Add an invoice message, verify county and percentage for sales tax if applicable.

Click **Save & Close** or **Save & New** to continue entering invoices.



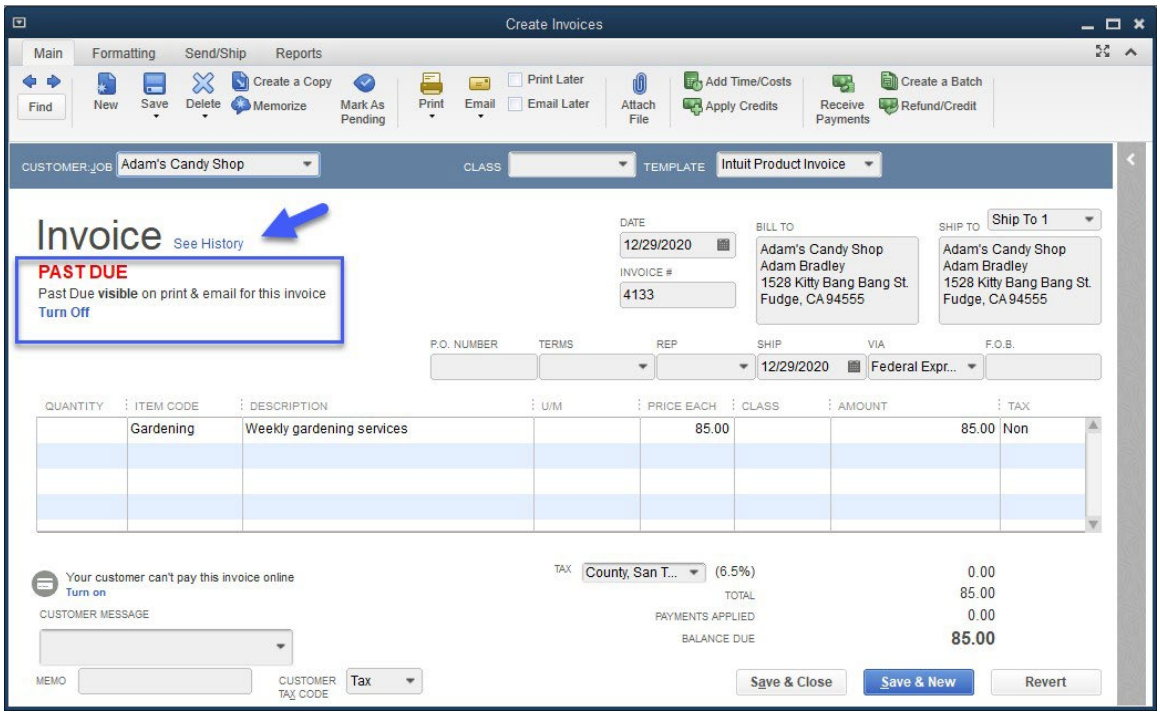
Note: The **Ribbon Menu Bar** has many additional options such as: Email Later, Refund/Credit, Historical Reports, Receive Payments, Apply Credits and More...

Invoices

Add Past Due Stamp on Invoices

Click the **Formatting** tab in the **Ribbon Bar**. Click **Manage Templates -> Double-click the invoice template -> Check the Print Past Due Stamp and/or Print Status Stamp -> Click OK.**

See History provides a historical view of transactions related to an invoice.



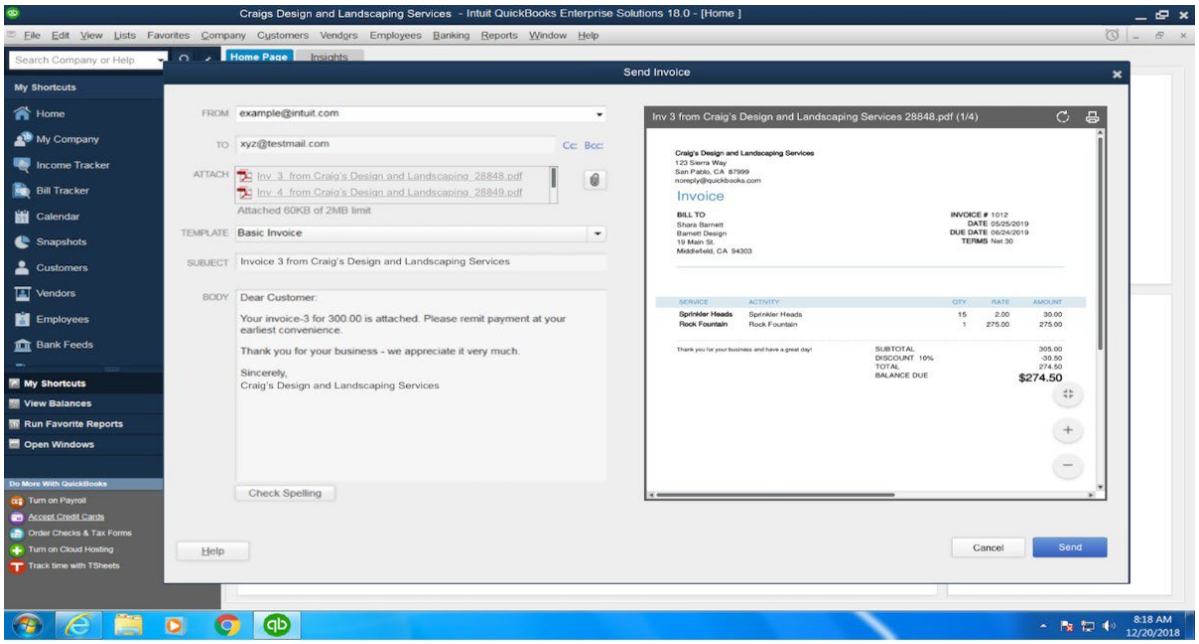
Note: Use this feature to get customers to pay you faster. The stamp will appear on overdue invoices sent to customers.

Invoices

PDF Preview

When you create a new invoice, you can preview the PDF during the email process prior to sending the invoice to your customer. This feature requires you to setup your default email in preferences as we discussed in Section Two of this training. You will be required to add an email address for each customer.

Menu Bar -> Customers -> Create Invoice -> Email (Ribbon Bar) -> Invoice.



PDF Preview

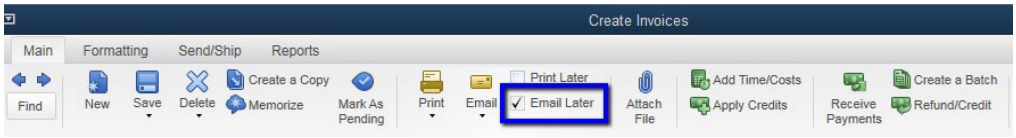
Increase confidence and accuracy in your customer emails by automatically previewing attachments before sending them.

See it in action (Path):
Customers > Create Invoice > Email > Invoice

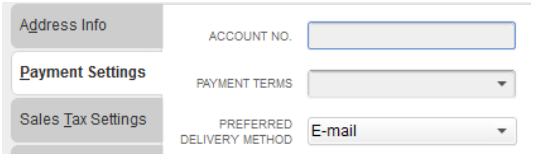
Invoices

Delivery Method

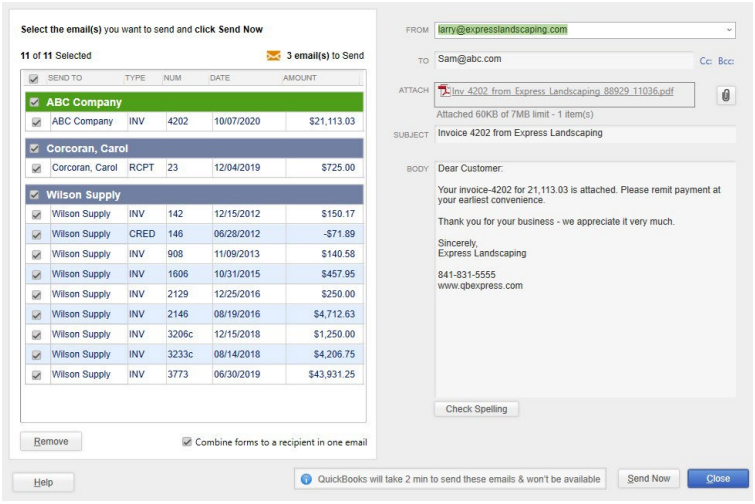
E-Mail Invoices - Verify the **E-mail Later Box** is checked in the **Create Invoice Ribbon Menu Bar.**



You can set the **Preferred Delivery Method** default to **E-mail** in the **Payment Settings** tab for each customer. This will auto check the **E-mail Later** box when entering invoices.



Click **File** from the **Menu Bar -> Send Forms -> Send Now.** If you need to change the outgoing email message, click **Edit -> Preferences -> Send Forms -> Company Preferences -> Add Template.** Verify the new template is set as **Current Default.**



Note: You can also e-mail estimates, statements and sales receipts with Pro, Premier and Enterprise versions.

Receive Payments

Receiving full or partial payments against open invoices is part of the Account Receivable management process. Having accurate customer balances is key to avoiding messy cleanup and cash flow issues.

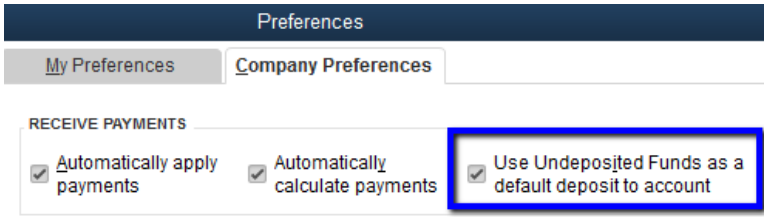
Note: Always receive the amount received against the appropriate invoice. This will ensure that the invoice is closed out properly. If a partial payment is received, then a balance will remain on your Accounts Receivable Aging Report for that customer.

If you use Square or PayPal, fees are deducted on each transaction. Other merchant services such as Worldpay deduct their fees at the end of the month. Not to worry! Merchant fees will be addressed in the Bank Deposit process.

Undeposited funds is simply an asset account that acts like a clearing account. When payments are posted to undeposited funds, they sit in this account until a deposit is made to offset the balance.

When a payment is received Undeposited Funds is debited and Accounts Receivable is credited. When a deposit is made, the bank account is debited, and Undeposited Funds is credited. This account should have a zero balance.

It is recommended to select **Use Undeposited Funds as a default deposit to account** in the **Payments Preferences**. This will allow you to group cash, checks and credit card payments to match the deposit sent to the bank. It is very important to match deposits in QuickBooks to the deposits posted at your bank. This will help to create a more efficient reconciliation process.



Receive Payments

Business Tip: Few industries continue to carry Receivables because they can quickly eat up cash flow and jeopardize a company's ability to efficiently operate.

If you are not currently accepting electronic payments, you should consider getting set up with a merchant services account, a critical component of controlling cash flow. Intuit, the maker of QuickBooks, provides merchant services that fully integrate into QuickBooks. If interested, visit https://quickbooks.intuit.com/payments

Get Set-Up to Accept Payments Anytime, Anywhere

The ability to collect money owed at the time services are rendered or products are sold has a dramatic impact on cash flow. Research shows that credit cards increase the probability, speed and size of customer purchases. Electronic payment methods provide a guarantee you will be paid and reduces time and money spent on the billing process, collections, and more.

Payments can be accepted anytime, anywhere and QuickBooks® can be updated at the time of the transaction, increasing the speed of the business cycle.

Receive Payments

Click **Receive Payments** from the **Home Page** or **New Transactions -> Receive Payments** from the **Ribbon Bar** in the **Customer Center.**

Select the **Customer:Job.**

Enter the **Amount** received or processed.

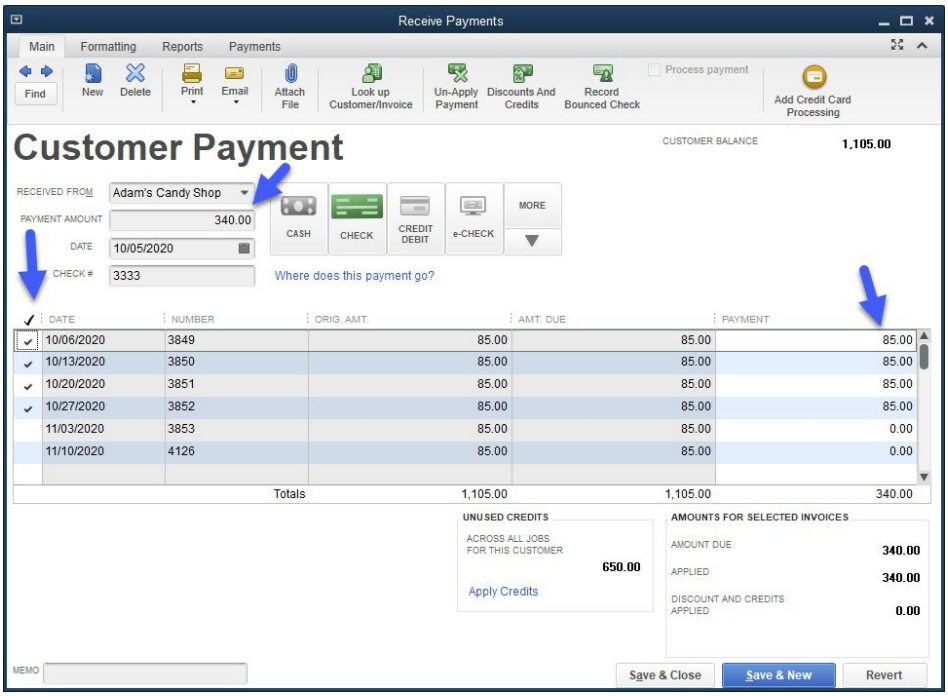
Select **Payment Method.**

Verify **Date.**

Enter **Reference #** (Check No. or Credit Card Authorization).

Verify the proper invoice has been checked off and the amount in the payment column matches the amount received. If there is a difference a window will appear letting you know that the customer has either underpaid or overpaid.

Click **Save & Close.**



Note: All merchant fees are adjusted in the deposit transaction.

Receive Payments

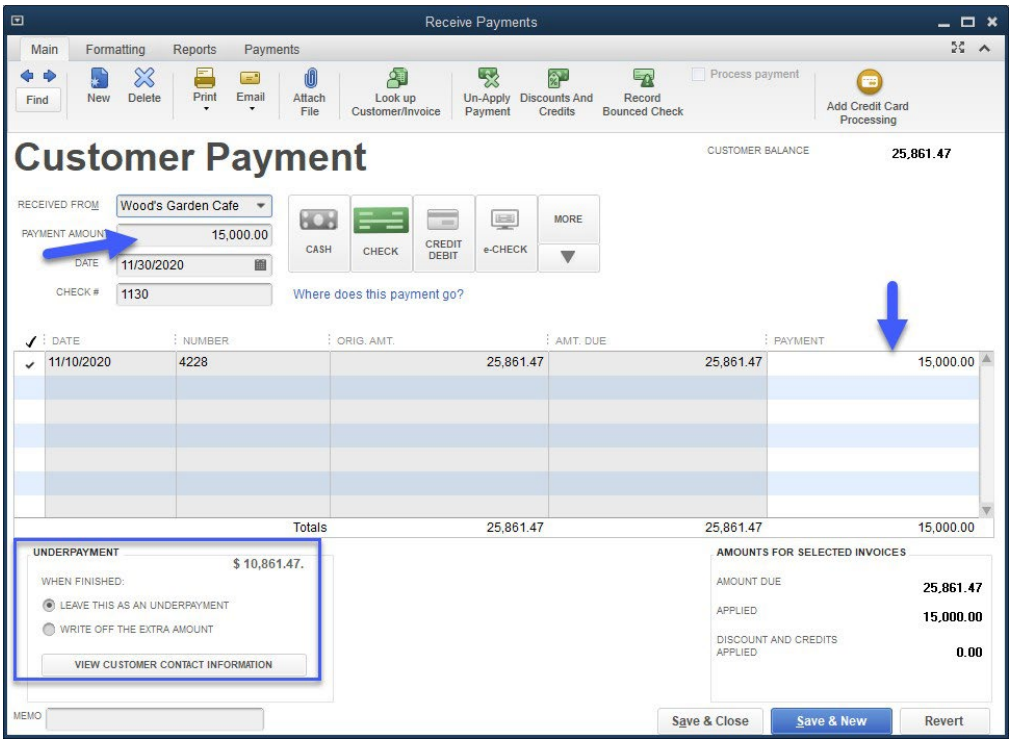
Receive Partial Payment

Click **Receive Payments** from the **Home Page** or **New Transactions -> Receive Payments** from the **Ribbon Bar** in the **Customer Center.**

Select the **Customer: Job.** Enter the **Amount** received or processed.

Select **Payment Method** & Verify **Date.** Enter **Reference #.**

We received $15,000 against an outstanding invoice balance of $25,861.47 leaving an underpayment balance of $10,861.47. An **Underpayment** options box appears in the lower left section of the window. Select **Leave This As An Underpayment** or **Write Off The Extra Amount.**



Note: Payments can be automatically applied when received or you can specify how you want payments applied. **Edit -> Preferences -> Receive Payments -> Select Automatically Apply Payments.**

Receive Payments

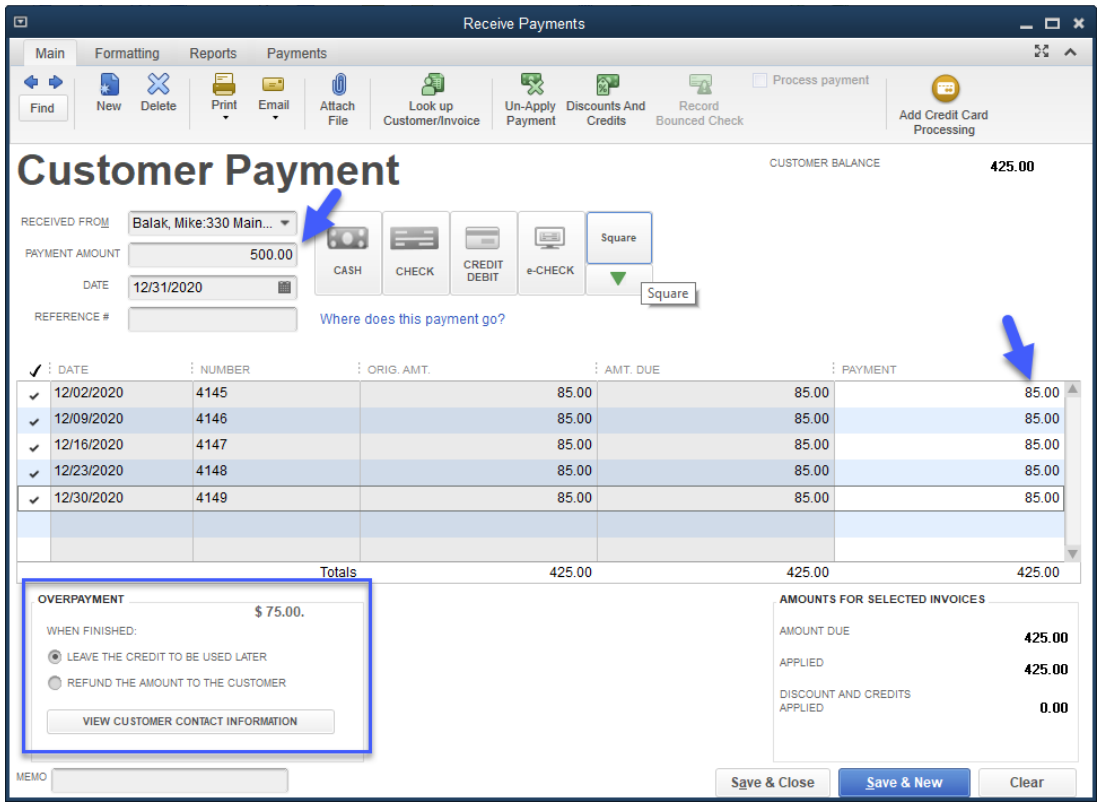
Receive Overpayment

Click **Receive Payments** from the **Home Page** or **New Transactions -> Receive Payments** from the **Ribbon Bar** in the **Customer Center.**

Select the **Customer: Job.** Enter the **Amount** received or processed, select **Payment Method** & Verify **Date.**

Enter **Reference #** (Check No. or Credit Card Authorization).

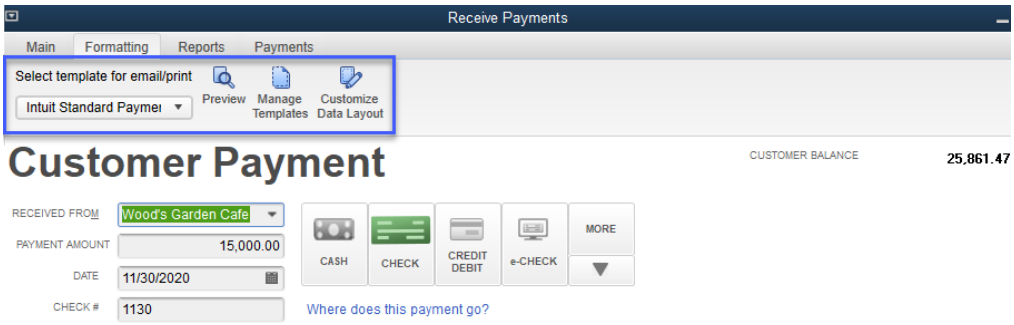
We received $500.00 against an outstanding invoice balance of $425.00, leaving an overpayment balance of $75.00. The **Overpayment** options box appears in the lower left section of the window. Select **Leave The Credit To Be Used Later** or **Refund The Amount To The Customer.**



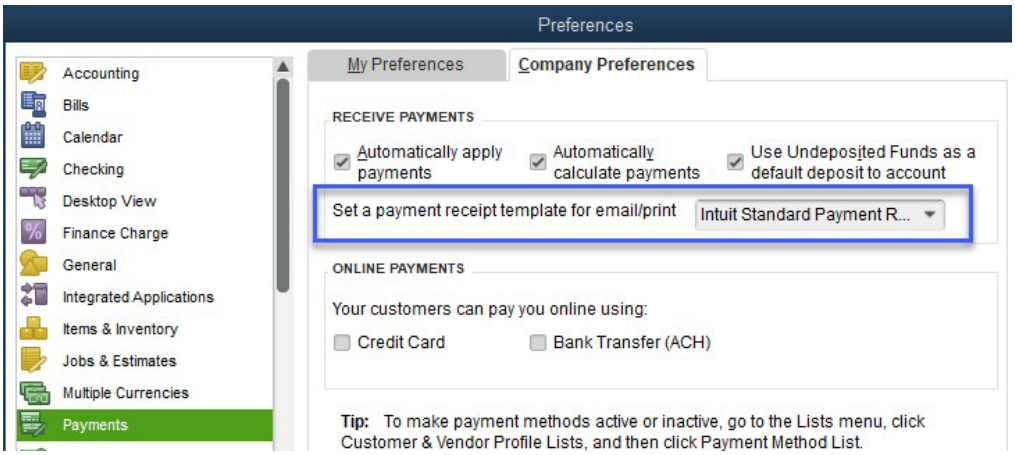
Receive Payments

Customized Payment Receipts

This new 2021 feature allows you to customize the way a payment receipt is displayed when sending it to a customer. Click **Customers -> Receive Payments -> Formatting (Ribbon Bar) -> Choose a template.** To create your own custom templates, go to **Lists** in the Menu Bar -> **Templates.**



To set a default template for all payments received, click **Edit -> Preferences -> Payments -> Receive Payments -> Set a payment receipt template for email and print.**



Bank Deposits

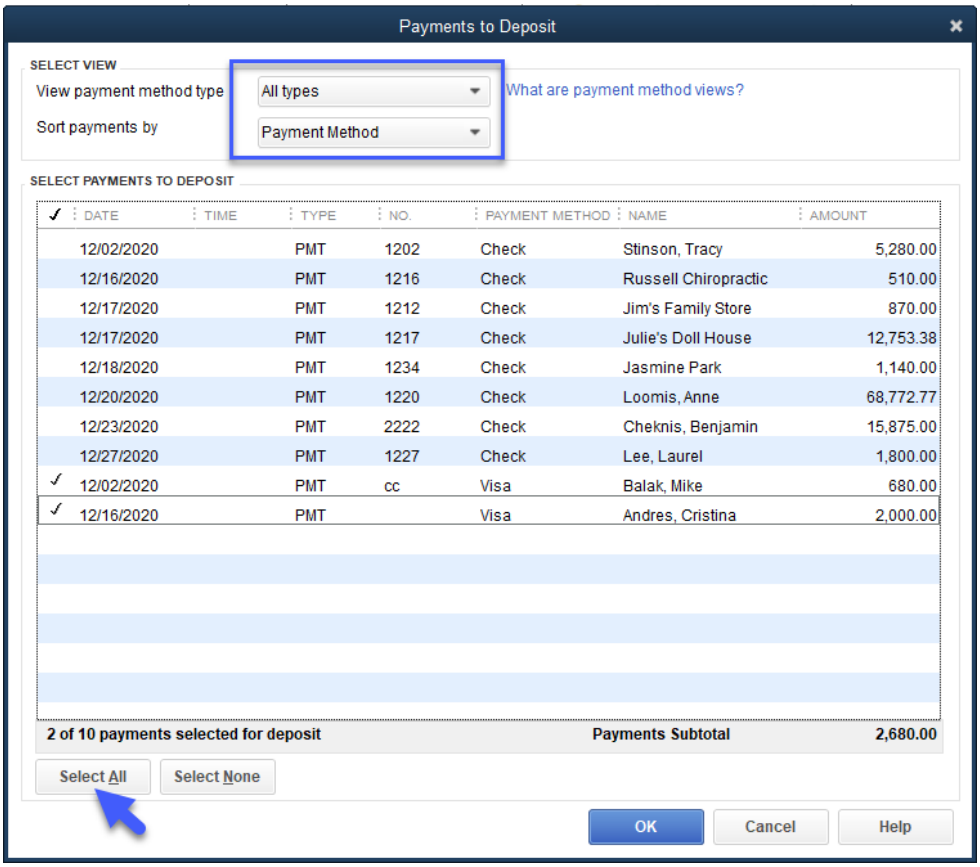
Creating **bank deposits** is a very important step that follows a **Sales Receipt** or **Receive Payment** and is often overlooked. This can lead to a compounding issue with **Undeposited Funds** and is costly to cleanup. The bank deposit transaction is where we adjust for merchant fees and vendor refunds.

Click **Record Deposits** from the **Home Page**.

The **Payments to Deposit** window displays all payments received and ready to deposit.

Select the **Payment Method Type** from the drop-down list to group credit card, cash and check payments.

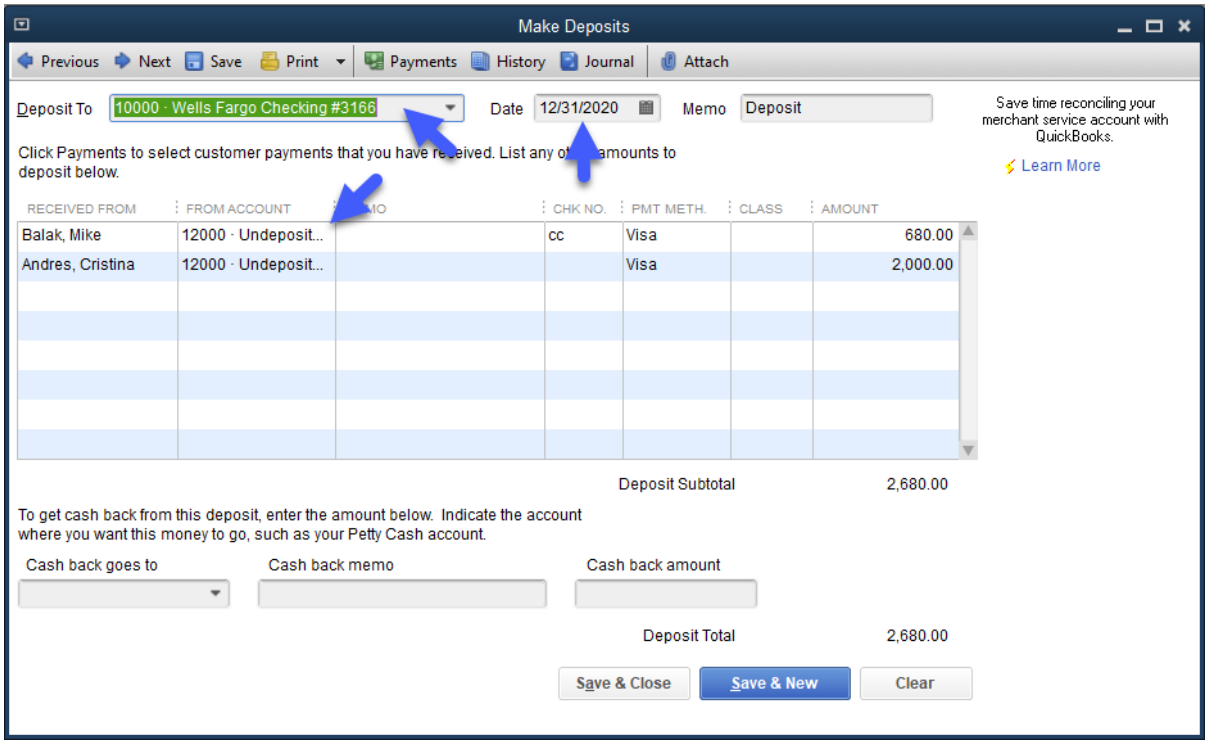
Click the **Select All** button or select the individual payments to match the deposit sent to the bank. Click **OK**.



Record Deposits

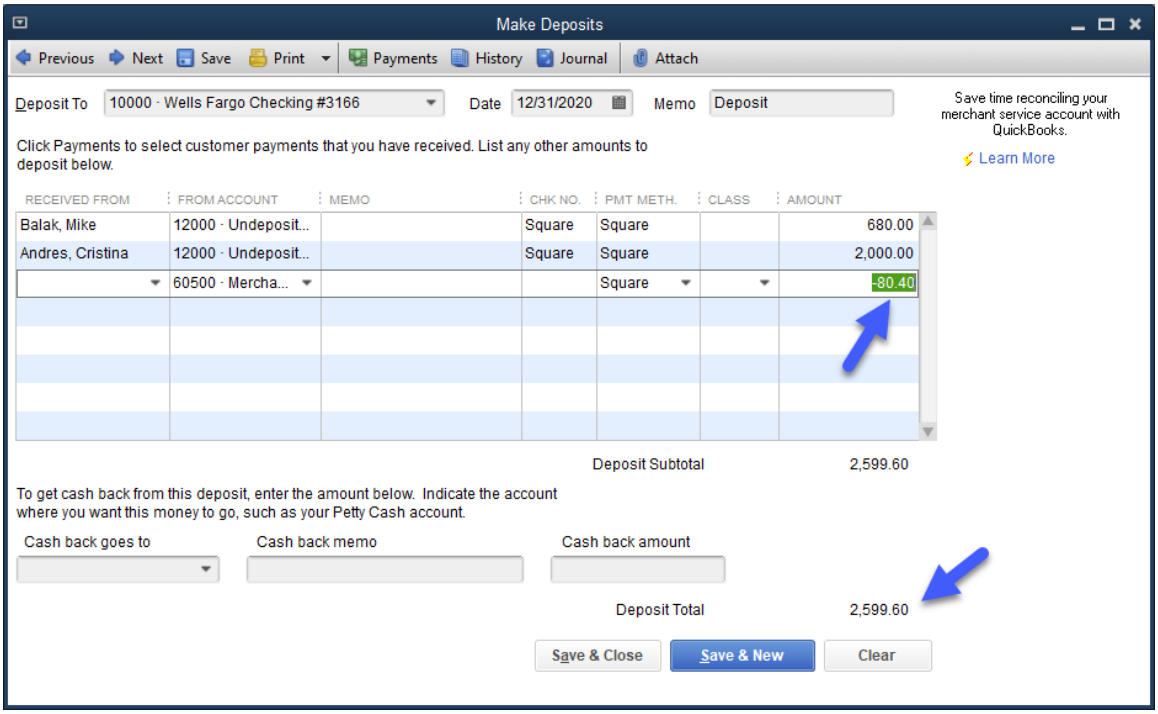
It is very important to select the correct **Deposit To** account for each deposit. Some businesses have separate accounts for merchant services.

Verify the date and add memo information. In this example we have received two check payments that match the deposit sent to the bank.



Record Deposits

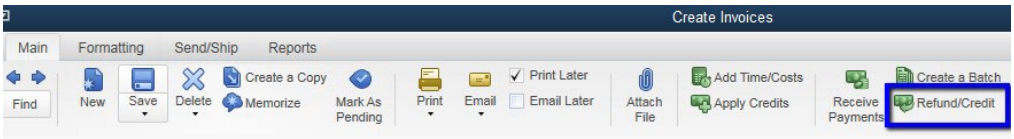
Depositing a Square or PayPal payment: We received a $2,680.00 square payment and entered a negative $80.40 to the account **Merchant Service Fees.** Our net deposit transmitted to the bank is $2,599.60.



Credit Memos

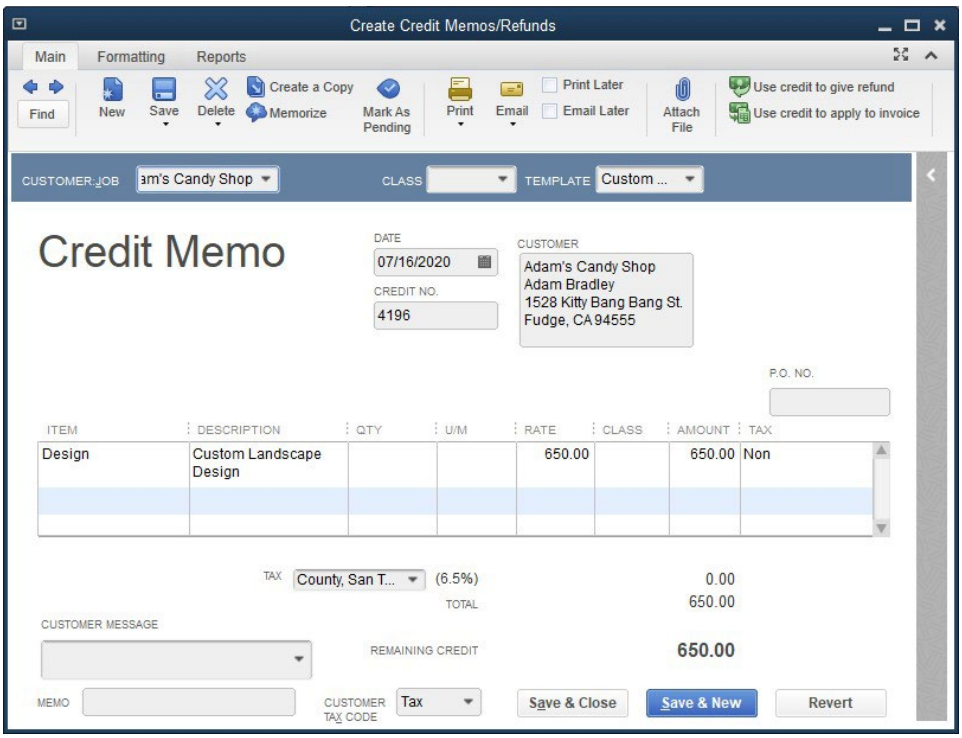
Credit Memos are used to clear out uncollectible invoices, to clean up odd transactions in Accounts Receivable or to refund a customer.

Click **Refunds & Credits** from the **Home Page** or open the outstanding **Invoice** and click **Refund/Credit** in the Ribbon bar.



This will populate a credit memo based on the original invoice. You will need to adjust the credit memo to reflect the actual credit amount. Verify that the date of the credit memo is in the current period.

Click **Save & Close.**



QuickBooks Desktop Foundations

SECTION 5
ACCOUNTS PAYABLE

Objectives
Vendor Preferences
Vendor Center
Write Check
Enter Bills
Pay Bills
Vendor Credits
Apply Vendor Credits
Print Checks
Bill Tracker
Receipt Management
A/P Reports
Practice Test

Section 5 Objectives

Upon completion of section 5 each participant will become familiar with the following objectives:

- Overview of Accounts Payable
- How to turn on/off Accounts Payable related preference settings.
- How to use the Vendor Center.
- How and when to create and Pay Bills.
- How to Print Checks.

Accounts Payable

In the Accounts Payable section, we will discuss the importance of managing your bill payment process and take advantage of discounts your vendors offer. You will be amazed at the impact this process has on your cash flow and how developing a policy reduces potential fraud.

Biz Q&A: Why do you think it is important to manage your Accounts Payable?

Why do you think business owners should have an Accounts Payable policy?

PIP WOW FACT:

According to JPMorgan, 60% of organizations were exposed to attempted or actual payments fraud in 2013.

The typical financial loss as a result of payments fraud was $23,100 in 2013.

The lack of internal controls and ineffective Accounts Payable processes can end up substantially costing the business in fraudulent payments, double payments, late fees, lost discounts, additional allocation of labor to locate invoices, etc. Also, think about how the Accounts Payable process can affect vendor relationships (i.e. reduced credit, requiring payment upfront, and reduced payment terms.)

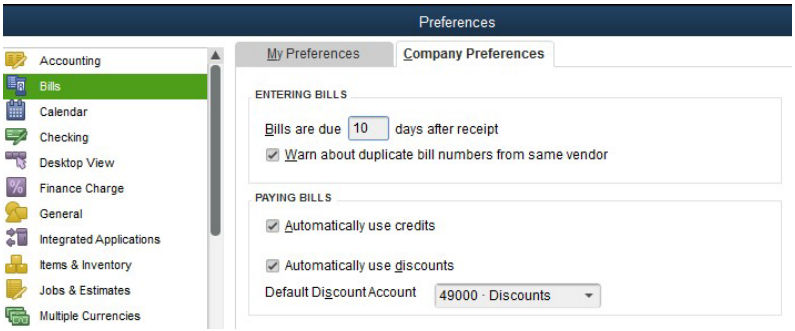
Vendor Preferences

Bills: Company Preferences

There are several default preferences related to bills, inventory and expenses.

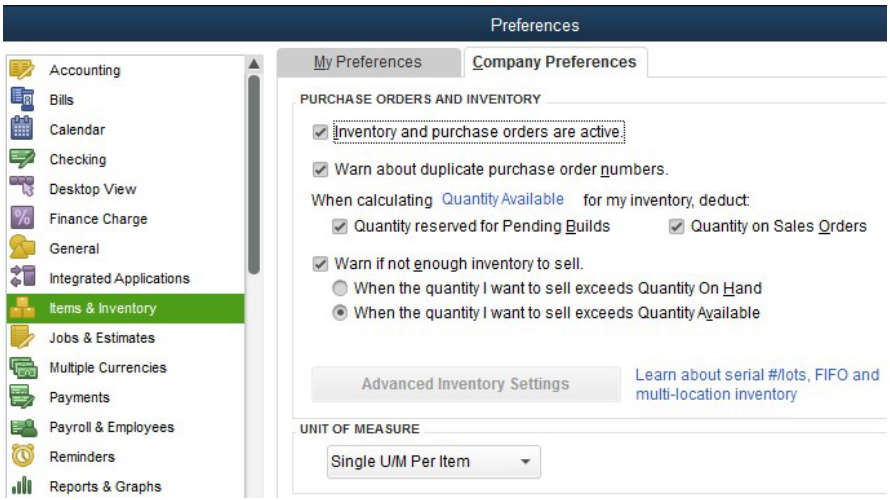
Click **Edit** from the **Menu Bar -> Preferences -> Bills.**

Select when **bills are due**, **warn about duplicate bill numbers** or **automatically use credits** and **discounts.** You will need to add the default discount category from the chart of accounts.



Items & Inventory: Company Preferences

Select **Inventory and purchase orders are active** to turn this feature on and add icons to the **Home Page.** Select **Warn about duplicate purchase order numbers** and **Warn if not enough inventory to sell.**

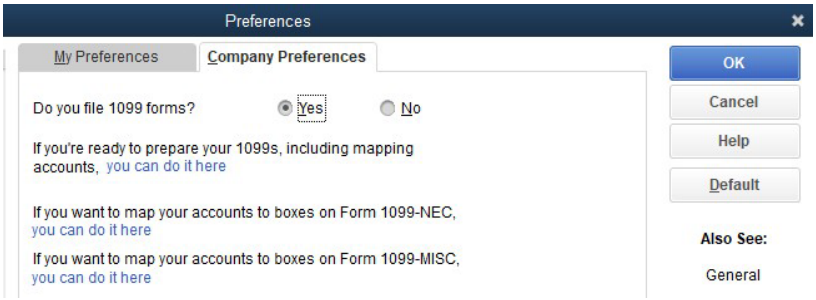


Vendor Preferences

Tax: 1099: Company Preferences

Click **Tax: 1099** from the **Preference Menu List.**

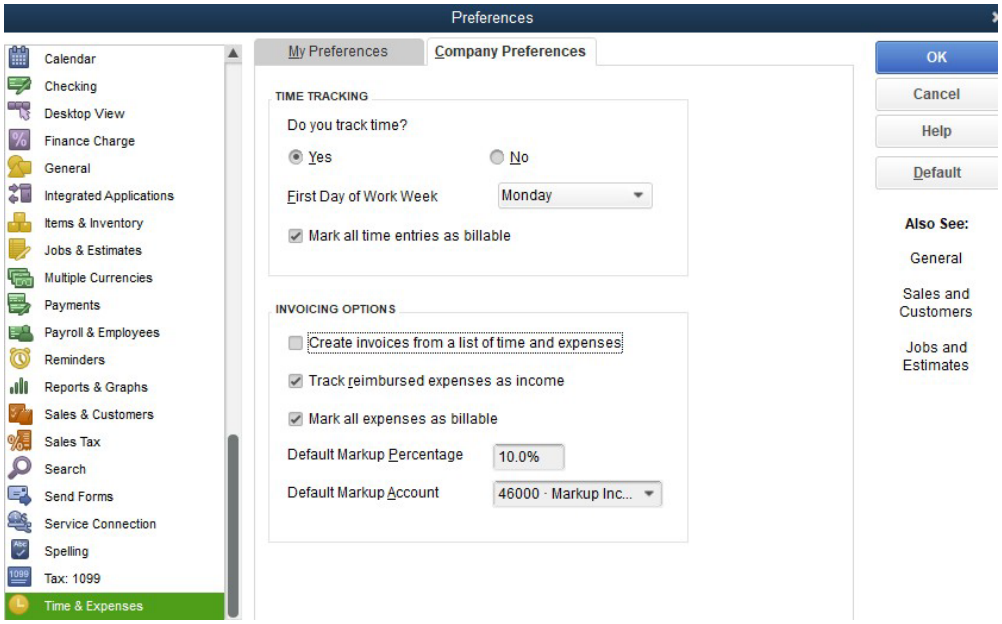
You will need to map all accounts associated with 1099's. Follow the mapping wizard to prepare your data file. Ask your accountant for assistance and review all 1099 reports before processing required forms.



Time & Expense: Company Preferences

Select default **Time Tracking** and **Invoicing Options** related to your company policies.

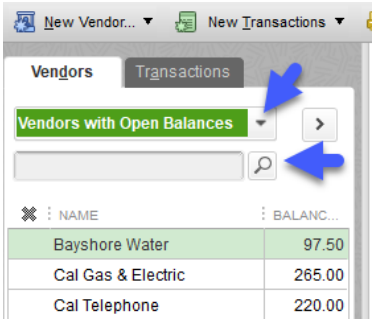
Set a **Default Markup Percentage** and **Account.** Create invoices from time and expenses.

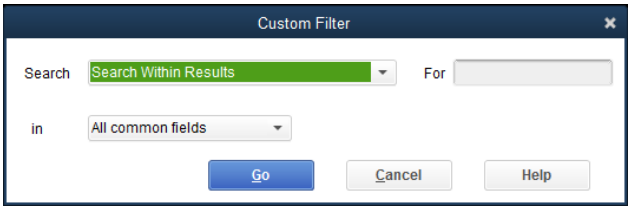


Vendor Center

The **Vendor Center** includes maintaining vendor lists, adding a bill, paying bills, bill tracker, viewing status, and other transactions related to your vendors.

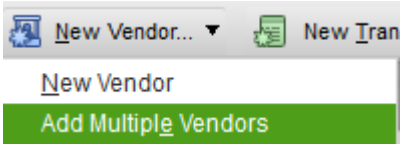
Click the drop-down arrow to **Filter** the vendor list. Click the **Search** icon to search All **Common** or **Custom** fields or type a name in the search box.





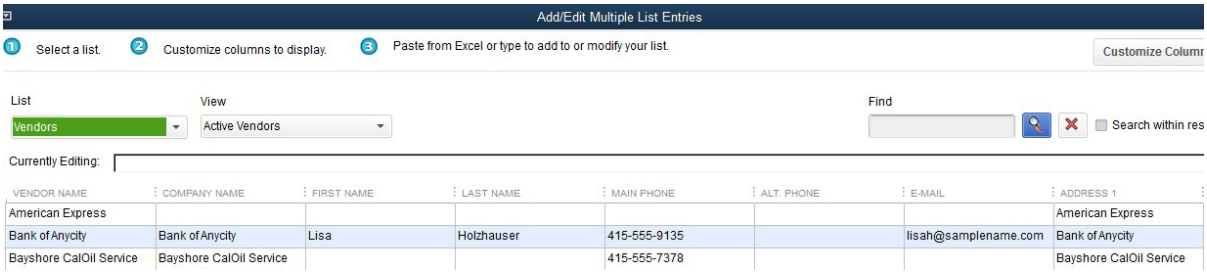
Click the **Vendors** tab from the **Home Page.** Click **New Vendor** from the **Ribbon Bar.**

Click **Add Multiple Suppliers.**



The **Add/Edit Multiple Suppliers** is a much more efficient way of changing vendor information. **Customize Columns** or paste lists of information from Excel.

Change fields for all Vendors such as **Eligible for 1099** without having to edit the vendor information individually.

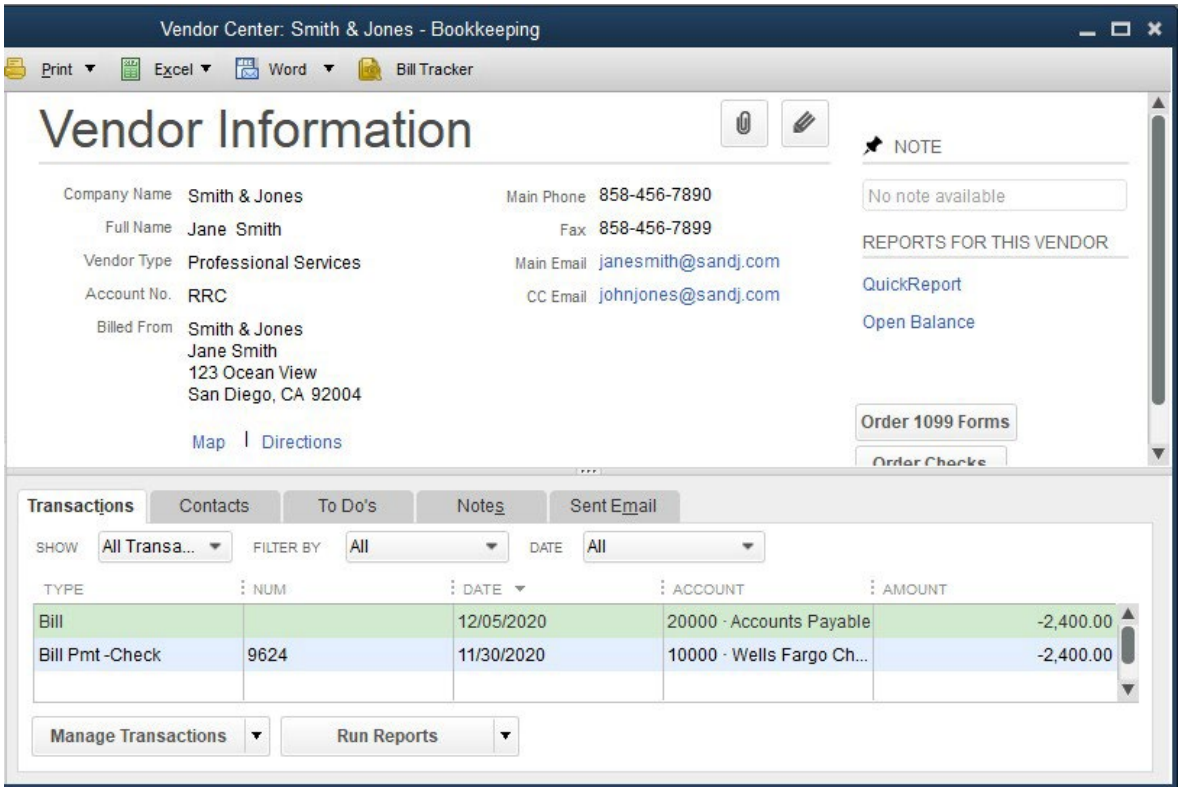


Vendor Center

The **Vendor Information** window has many features that will assist you in tracking and filtering historical transactions. Track **Vendor Info**, **To Do's**, **Notes** and **Sent Emails** for each vendor. View a **QuickReport**, filter transactions by type and date or click the paperclip to add documents to the vendor center.

Use the **Ribbon Bar** to add **Vendors**, **Enter Bills**, **Pay Bills** and more…

Keeping vendor information up to date is key to managing your accounts payable, track discounts and avoid late fees that directly affect cash flow.



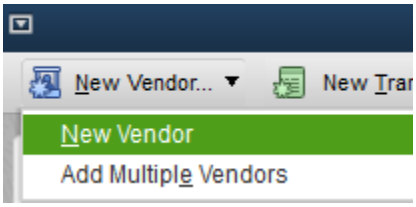
Vendor Center

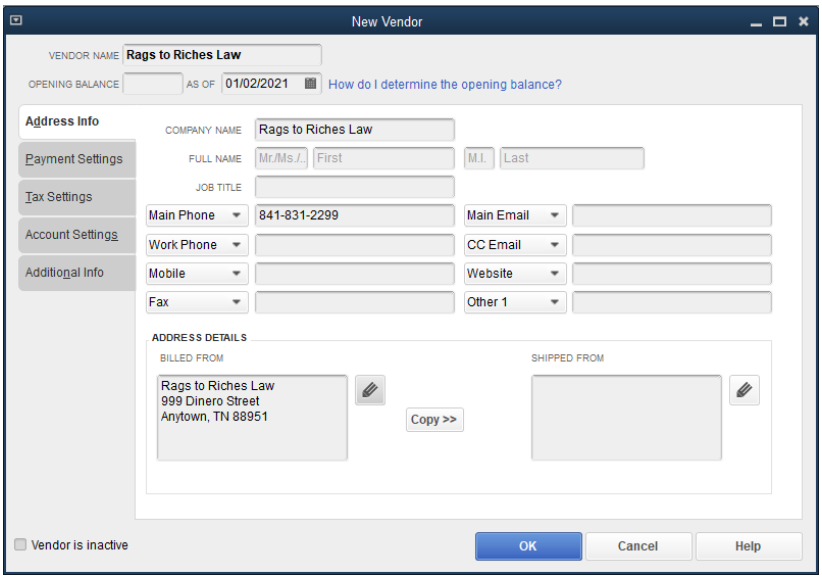
Add New Vendor

Click **New Vendor** from the

Ribbon Bar in the **Vendor Center.**

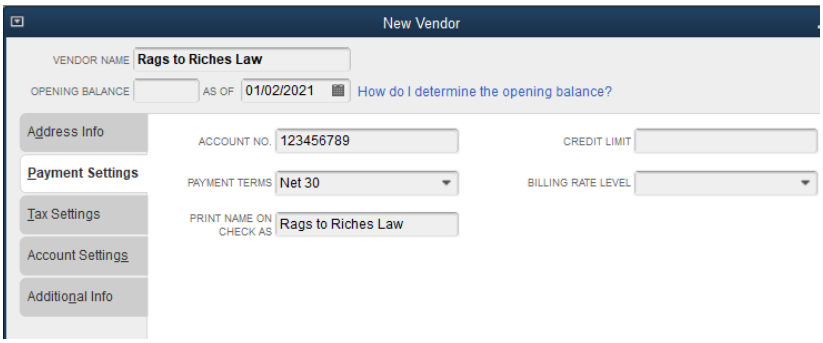
Enter the **Address** and **Contact** information.





Select the **Payment Settings** tab.

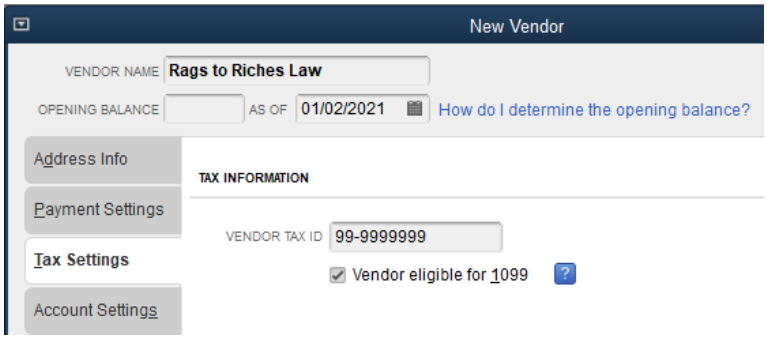
Enter **Account No.,** (prints in memo field of checks) **Payment Terms** and **Print Name on Check As.** (Use this option when the remit to name is different than the vendor name in the list.)



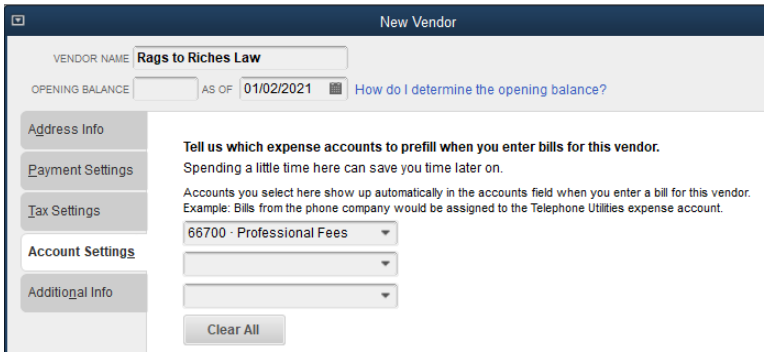
Vendor Center

Click the **Tax Settings** tab.

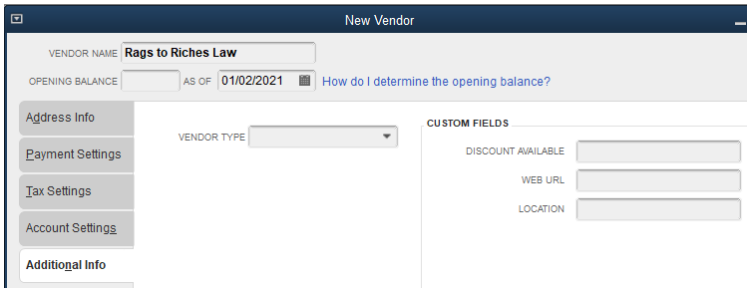
When applicable: **Enter Vendor Tax ID** and select **Vendor eligible for 1099.**



Click the **Account Settings** tab to add a **Prefill** account to the vendor. This default will reduce errors when entering transactions. **Note:** Click on **How do Account Prefills work with Bank Feeds.**



Click the **Additional Info** tab to add custom information.



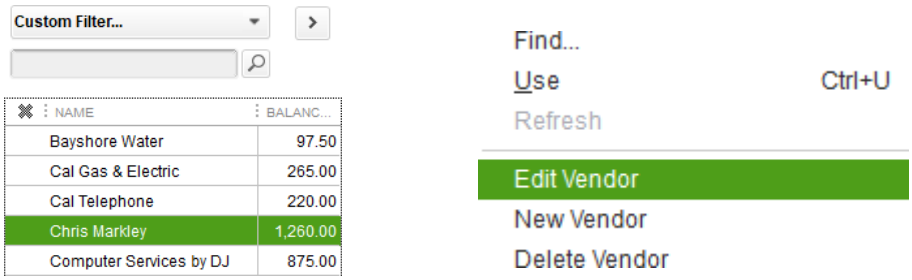
Vendor Center

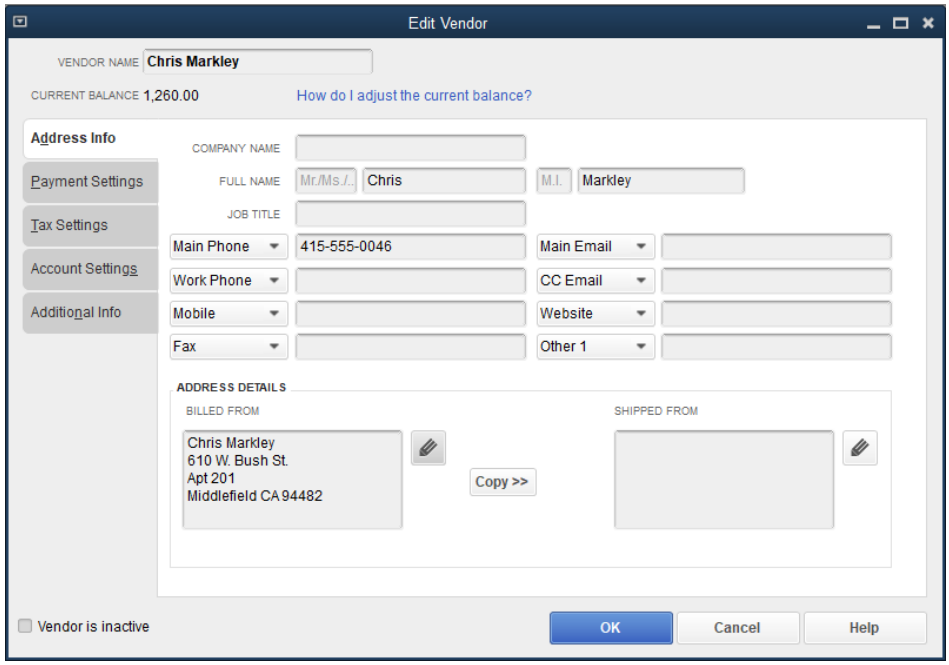
Edit Vendor

Editing your vendor information is important to ensure checks and tax forms are sent to the accurate location or email address.

Click the **Vendors** tab from the **Home Page.**

Right-Click or double click the **Vendor Name** you wish to edit. Click **Edit Vendor** add changes to fields in the appropriate tabs. Click **OK.**





Vendor Center

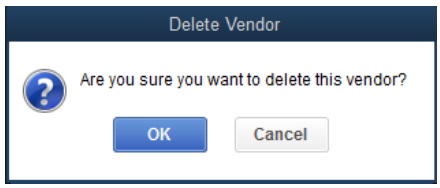
Delete or Make Vendor Inactive

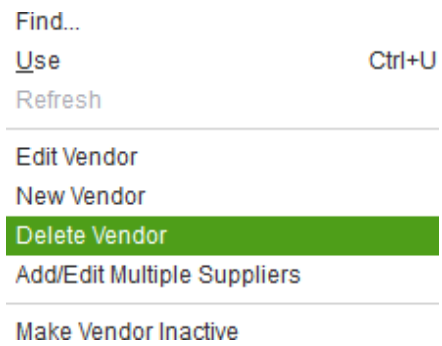
Making a vendor inactive does not remove them from the system. You will have the option to view inactive vendors in the vendor center. Maintaining your vendor list is very useful and cuts down on time searching for vendors while entering transactions.

From the **Vendor Center** right-click on the **Vendor** you would like to **Delete** or **Make Inactive.**

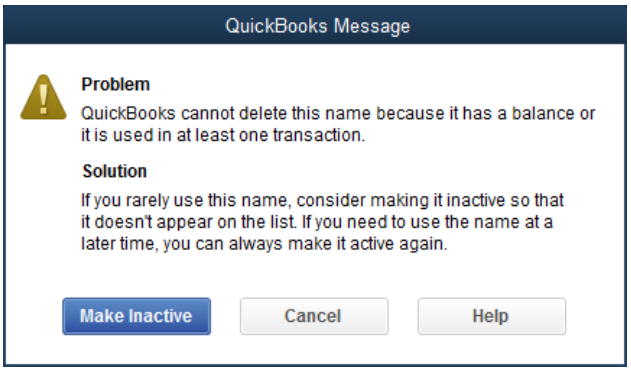
Click **Delete Vendor** from the menu that appears. (You can use this same menu to make a vendor Inactive)

Click **OK.**





When a Vendor has historical transactions attached a message box will appear to inform you that you cannot delete this vendor. You will however have the option to make the vendor inactive.



Vendor Center

Merge Vendors

Merging vendors is useful when there are duplicate names in the vendor list.

For this example, we will merge CalOil Company with Cal Gas & Electric.

From the Vendor Center double-click the **Vendor** you intend to keep.

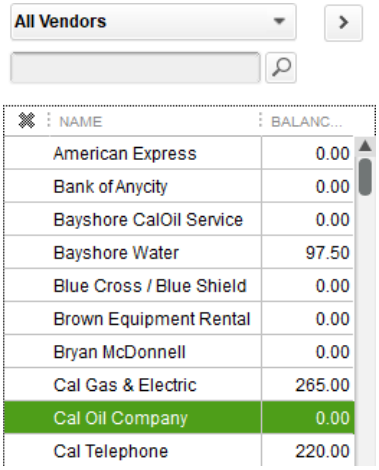
Highlight the **Vendor Name** and Copy **(Ctrl + C)** then click **Cancel.**

Double-Click the **Vendor** you intend to merge.

Highlight the **Vendor Name** then Paste **(Ctrl + V).**

Click **Save.**

A **Please Confirm** warning box will appear, click **Yes** to confirm.



Note: The **merge** process cannot be undone.

Write Checks

This is where we enter debits/ACH, manually written checks or checks to be printed. It is recommended to enter all manual checks before importing transactions from your bank.

Click **Write Checks** from the **Home Page.**

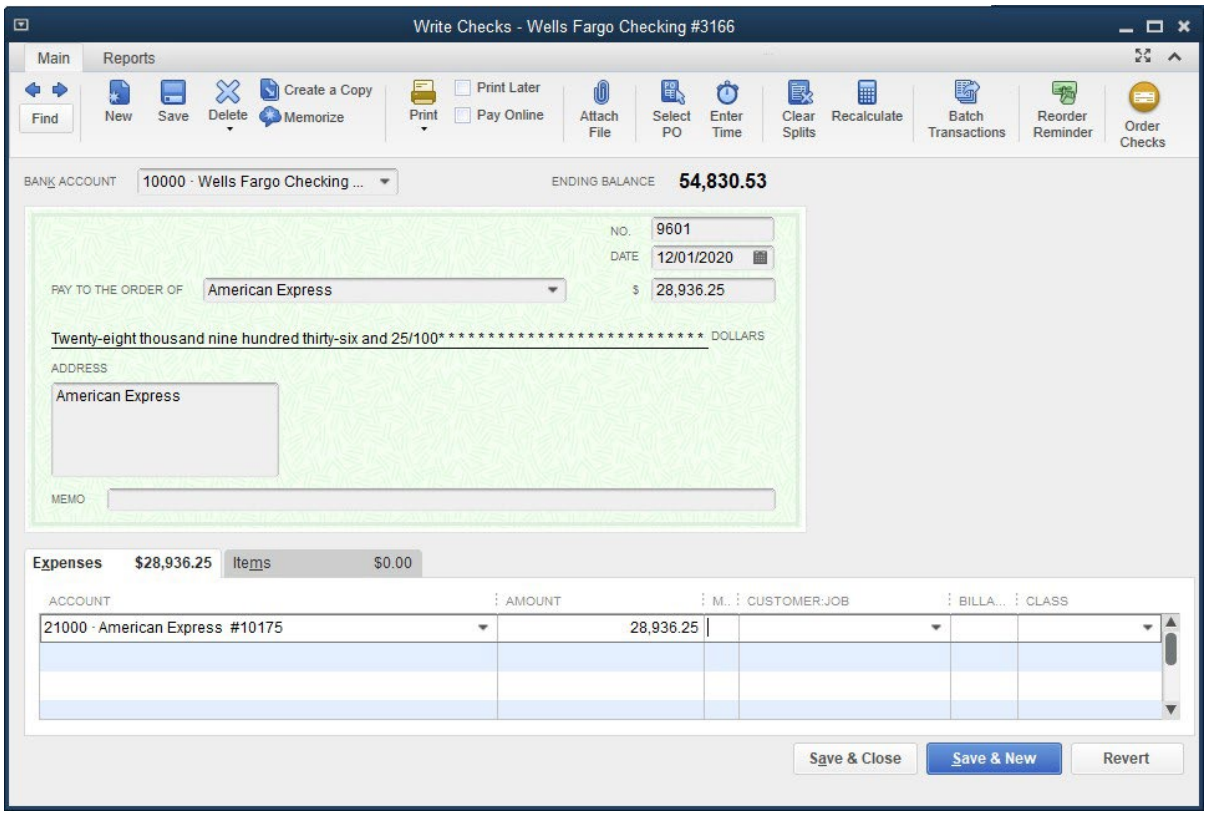
Enter or verify the following information:

Bank Account, No., Date, Payee Name, Amount, Account and Memo.

Select **Customer:Job, Billable** or **Class** when applicable.

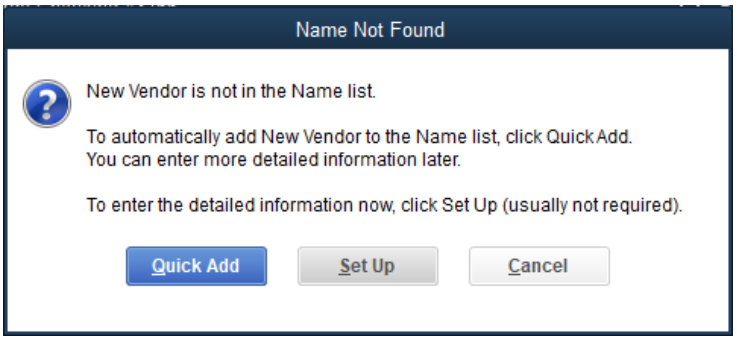
Use the **Items** tab to record purchases of Inventory & Non-Inventory items.

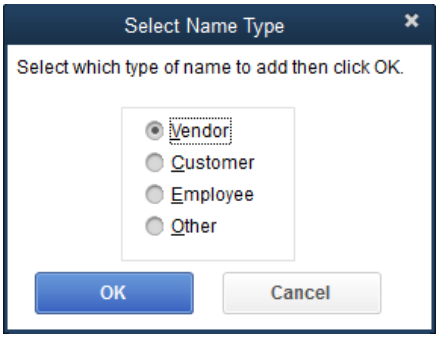
Click **Save & Close.**



Write Checks

New vendor names can be added on the fly. If the name does not appear on the vendor list, the following message will appear. It is recommended that you choose **Set Up** versus **Quick Add** to avoid choosing the incorrect name type.

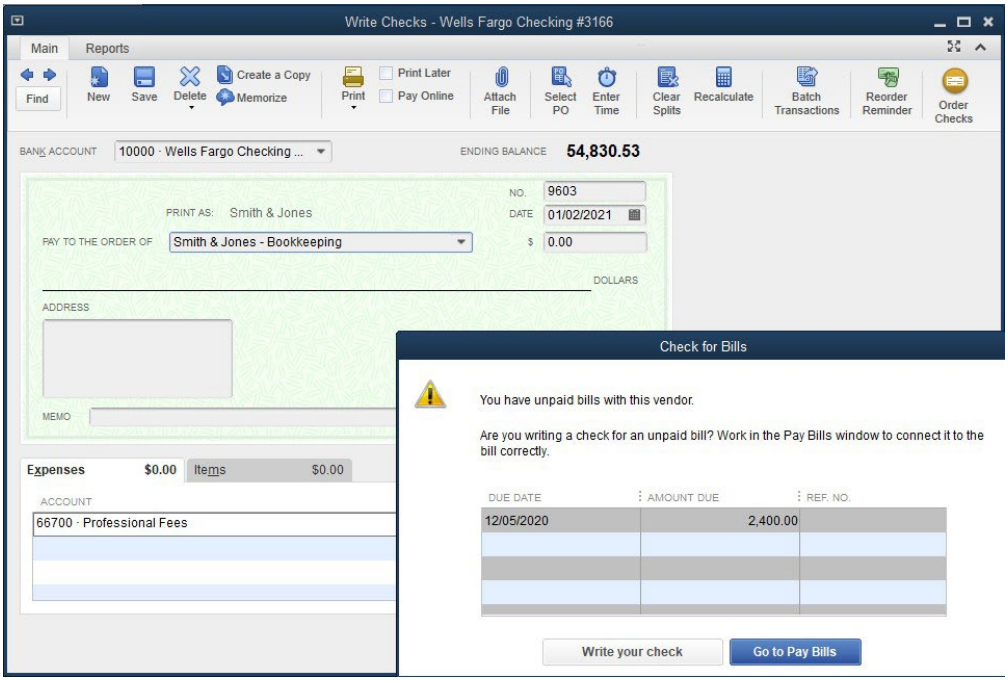




Write Checks

Link checks to unpaid bills was added in 2019. So many users write checks directly to vendors with unpaid bills. This process eliminates errors by checking to see if there are unpaid bills for vendors during the write check process.

Click **Write your check** if you want to create a new check while leaving the unpaid bills open. Click **Go to Pay Bills** to properly pay and close out an unpaid bill.



Note: It is very important that users follow the proper steps when paying bills to avoid duplicate expenses and outstanding bills that never clear out.

Enter Bills

Click the **Enter Bills** from the **Home Page** or **New Transactions** from the **Ribbon Bar** in the **Vendor Center**.

Click **Enter Bills.**

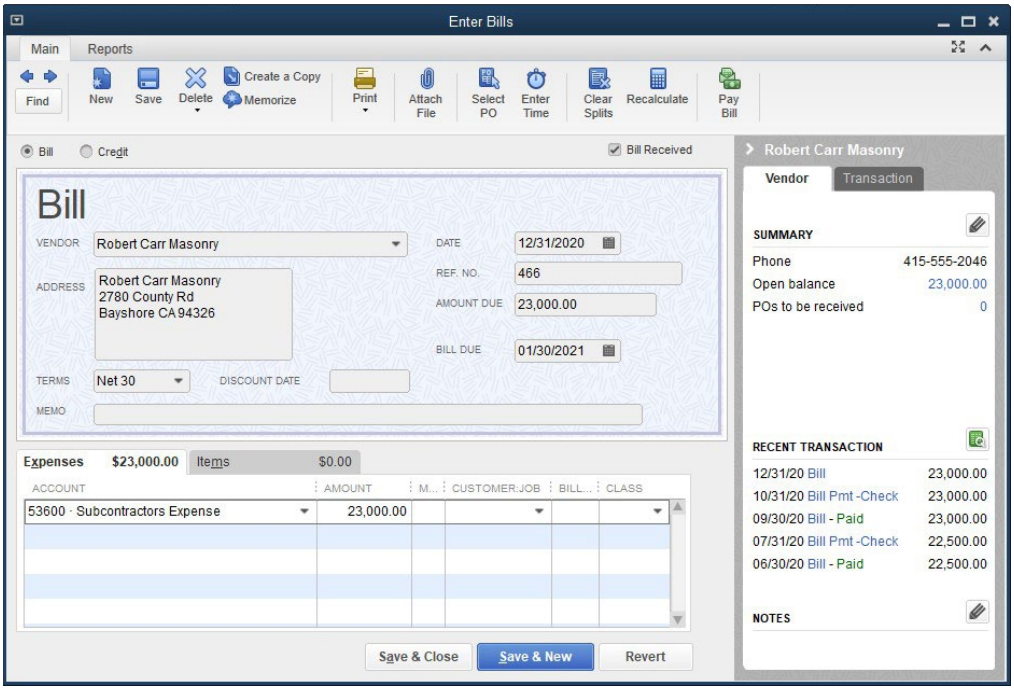
Enter or verify the following information:

Vendor, Address, Terms, Bill Date, Ref No., and Due Date.

Enter account, amount, determine if billable, apply sales tax and assign the transaction to a Customer or Job.

Click the **Items** tab to enter Product/Service you are tracking. This section is typically used when tracking inventory related products.

Click **Save and Close.**



Pay Bills

Click **Pay Bills** from the **Home Page.**

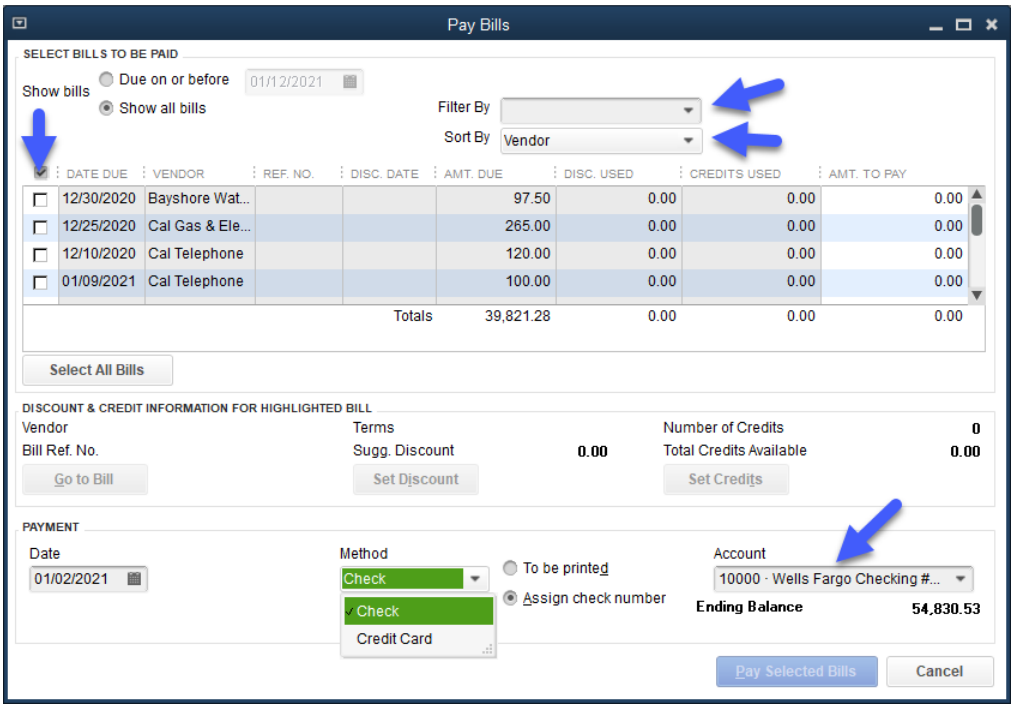
Filter and sort how bills are displayed in the **Pay Bills** window.

Select the **Bills** you intend to pay. Change the amount in the **Amt to Pay** column to make a partial payment.

Verify the Payment Date, Method and Bank or Credit Card Account.

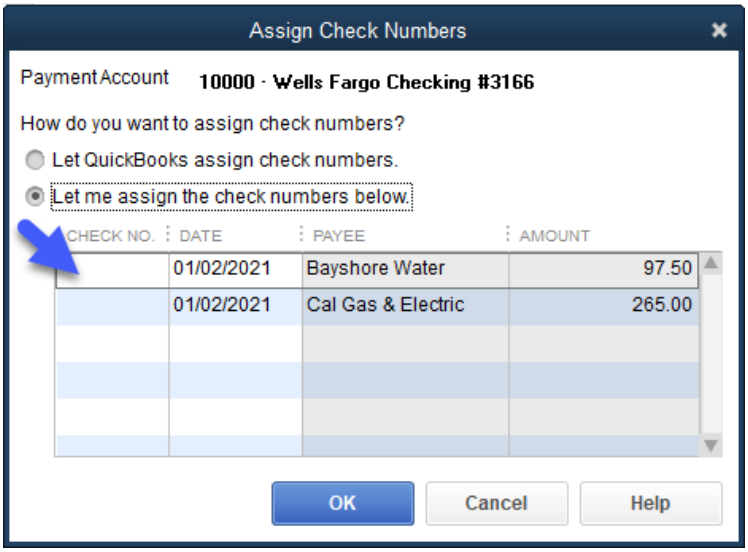
Select **To Be Printed** if you intend to print checks. Select **Assign Check Number** to post manual checks used to pay bills.

Click **Pay Selected Bills.**



Pay Bills

If you selected “assign check numbers” this window will appear with the option to add next check number or let QuickBooks assign the number before printing.



Next, the **Payment Summary** window will appear.

Click **Pay More Bills**, **Print Checks** or **Done**.

Print Checks

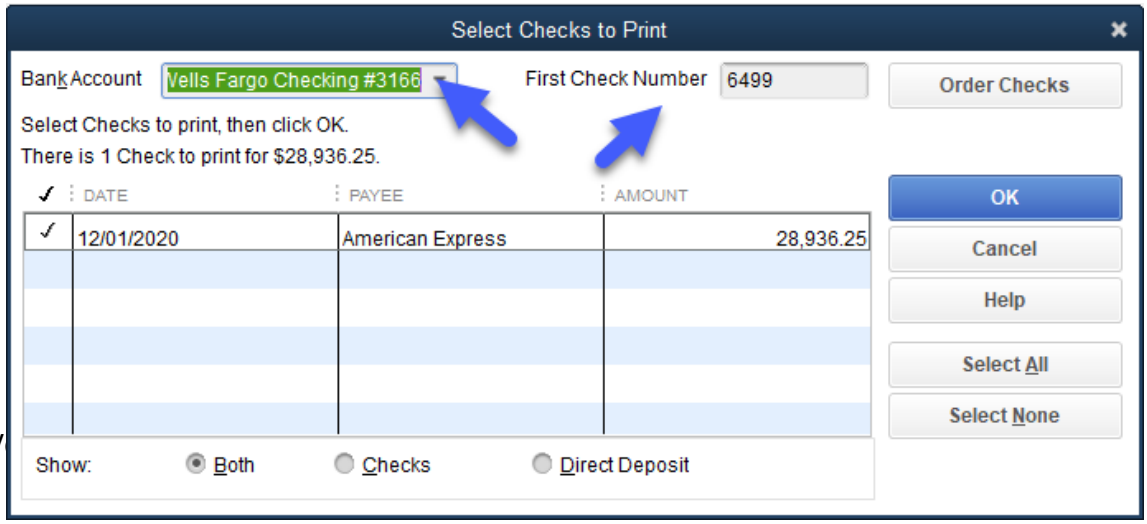
Click **File** from the **Menu Bar.**

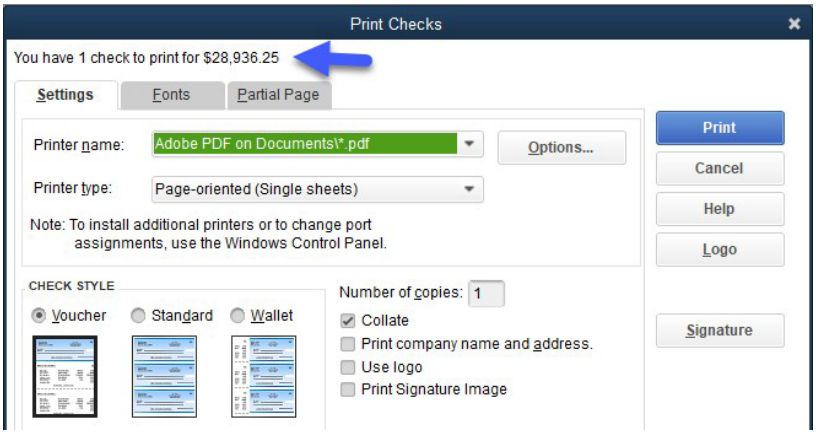
Click **Print Forms -> Checks.**

Verify the **Bank Account** and First **Check Number.**

Verify the number of checks to print and the total amount deducted from the checking account, then review the confirmation window.

Click **OK.**





QuickBooks Desktop Foundations

SECTION 6
BANK & CREDIT CARD ACCOUNTS

Objectives
Bank Feeds Center
Bank Transactions
Transfer Funds
Reconcile
Bank Reports
Practice Test

Section 6 Objectives

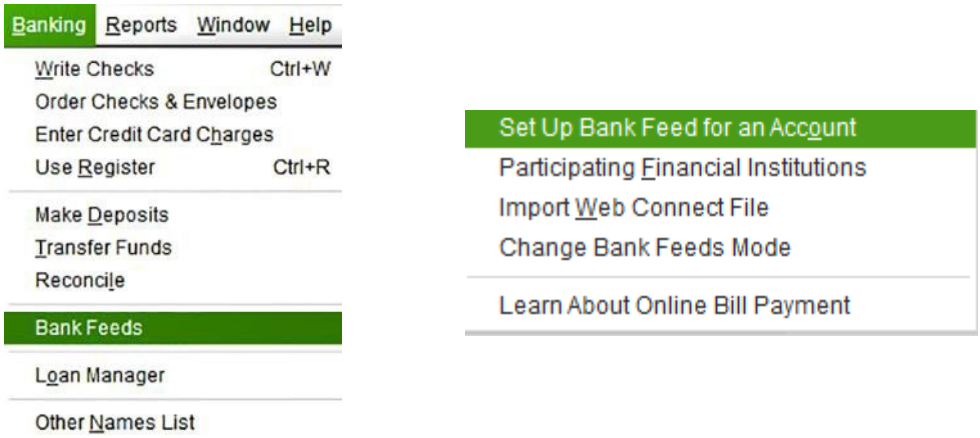
Upon completion of Section 6 each participant will become familiar with the following objectives:

- Overview of the banking center.
- How to enter bank transactions.
- How to connect bank and credit card accounts.
- How to transfer funds.
- How to reconcile bank and credit card accounts.
- How to access and view bank reports.

Bank Feed Center

Connecting bank and credit card accounts to QuickBooks® is easy to do. An understanding of how to manage the Bank Feeds Center is important and will help you avoid posting old and/or duplicate transactions. However, this is a great way to enter historical transactions. It is recommended that new users are comfortable entering transactions manually. Please seek help from your accountant to avoid costly clean up.

Click **Banking** from the **Menu Bar**. Click **Bank Feeds -> Set Up Bank Feed for an Account.**



Once the bank or credit card accounts have been connected to QuickBooks®, whether it be from the **web connect** or **direct connect** process, you can import transactions into the **Bank Feed Center**. Use the Bank Feed Center to manage and post transactions directly to the bank and credit card registers.

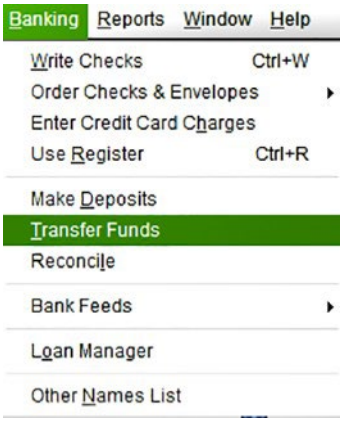
Note: It is recommended that you seek help from your accountant to learn the proper posting process to avoid costly mistakes.

Transfer Funds

Many business owners have multiple bank accounts and setup automatic transfers between accounts. For example: A monthly transfer from checking to savings.

Click **Banking** from the **Menu Bar.**

Click **Transfer Funds**.

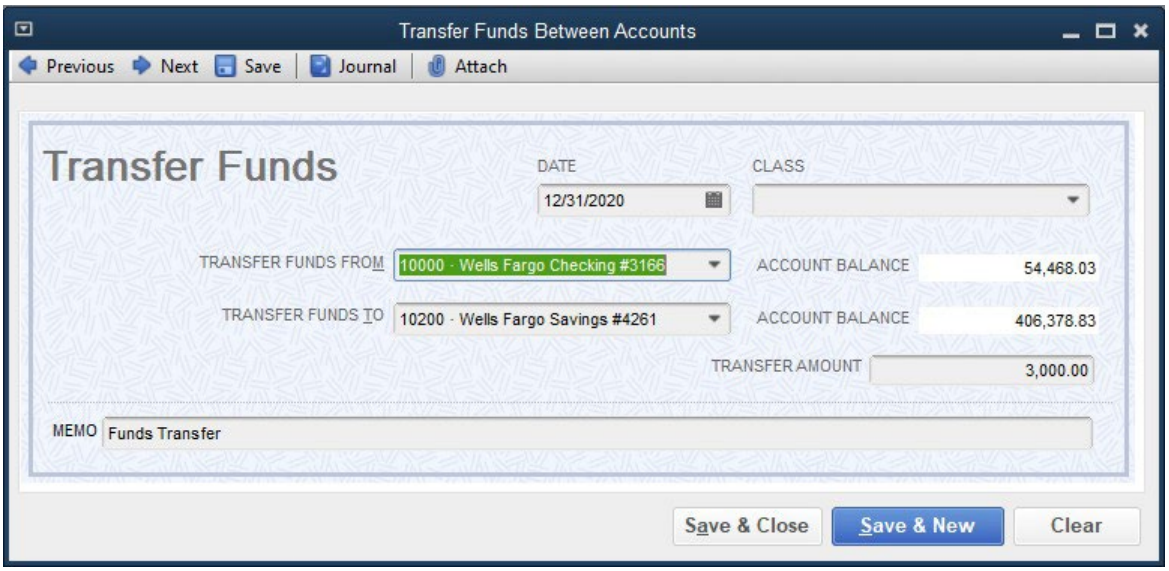


Verify the **Date**.

Select the **Transfer Funds From** account.

Select the **Transfer Funds To** account.

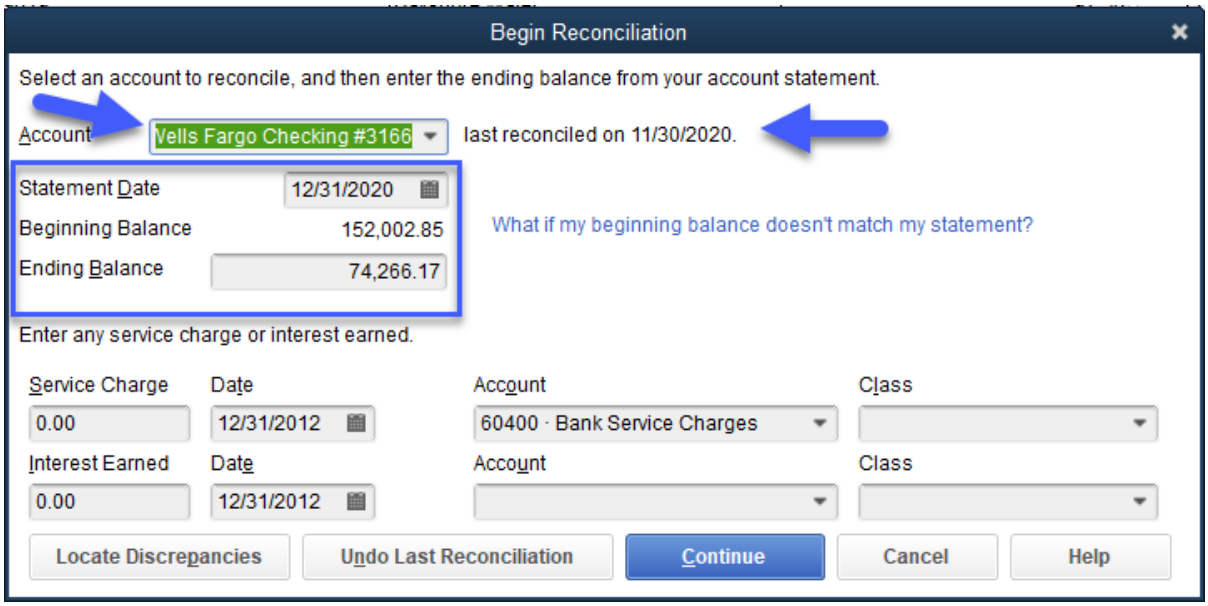
Enter the **Transfer Amount -> Save & New.**



Bank Reconciliation

Reconciling your bank and credit card accounts is an important task to ensure that all transactions are accounted for. It also helps to correct input errors and verify all outstanding transactions. Completing the bank reconciliation process for all bank and credit card accounts is key to ensure all information is accounted for and financial statements are accurate.

Click **Reconcile** from the **Home Page** or **Banking** from the **Menu Bar -> Reconcile.** Select the **Account** you wish to reconcile from the drop-down list. Refer to the current period bank statement to enter the **Statement Closing Date**, **Beginning Balance**, and **Ending Date.** Click **Continue.**



Note: You can use the **Locate Discrepancies** or **Undo Last Reconciliation** to locate previous transactions that have been changed after the prior bank reconciliation or start the last reconciliation over.

Bank Reconciliation

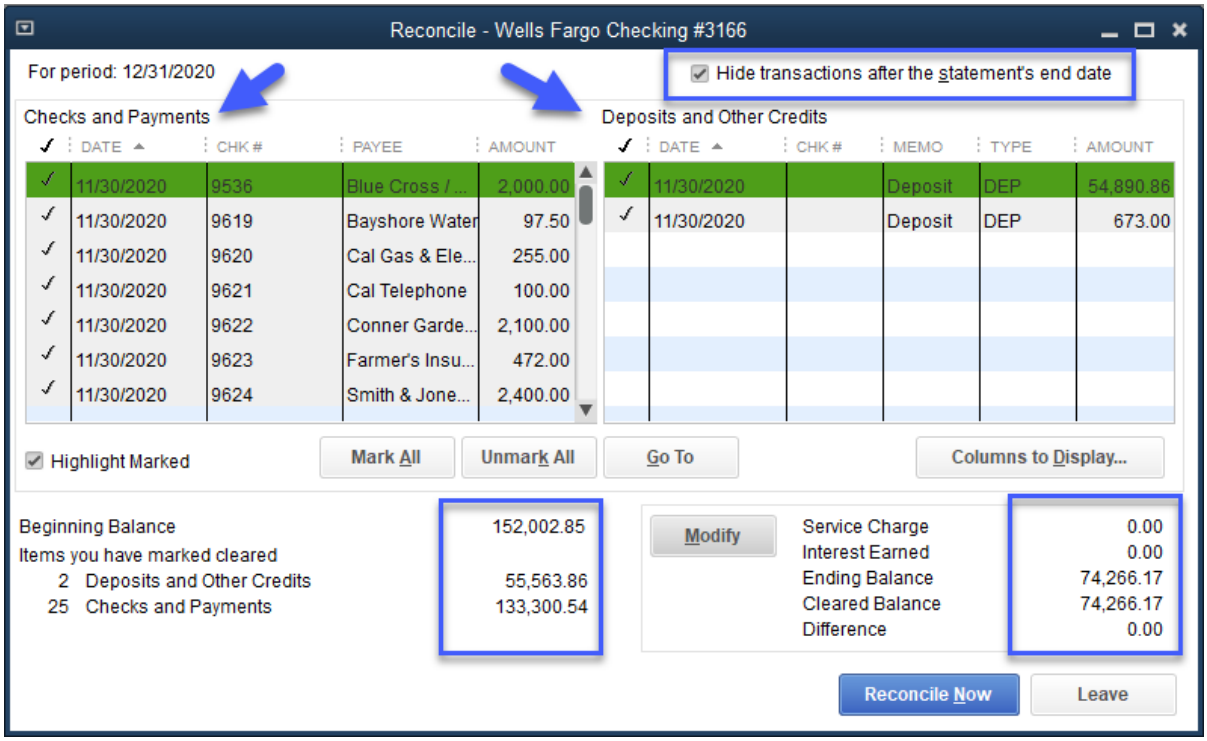
Note: Click **Hide transactions after the statement's end date** when reconciling several months at a time.

Check off all **Deposits and Other Credits** transactions that appear on the bank statement. Verify outstanding transactions and make corrections as needed.

Verify that total **Deposits and Other Credits** match the bank statement.

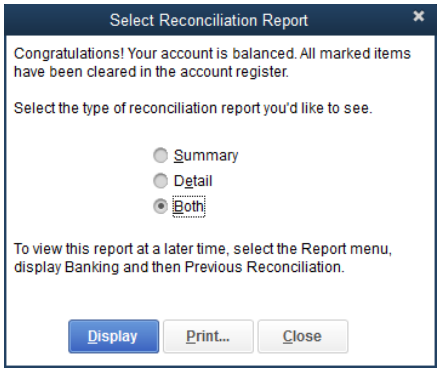
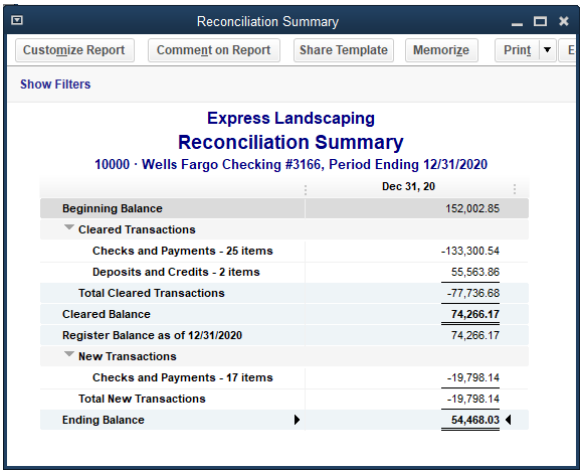
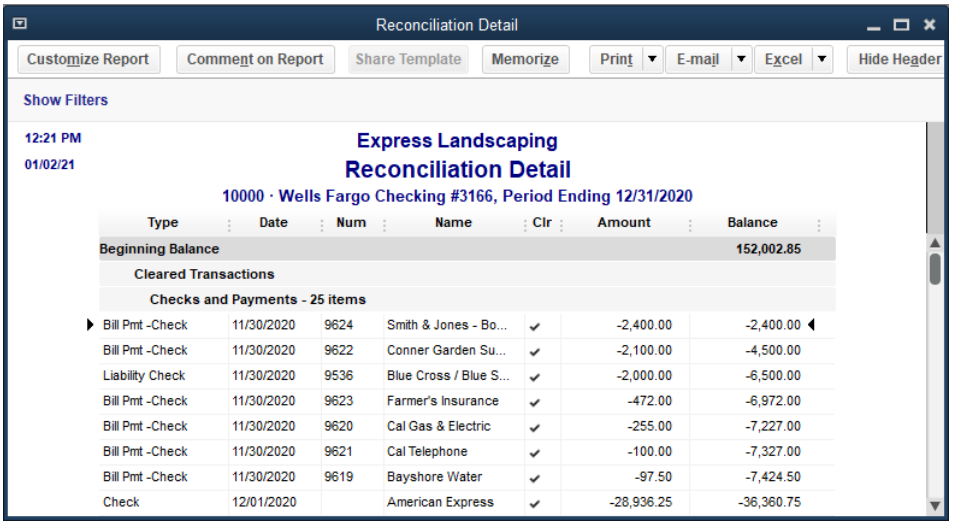
Check off all **Checks and Payments** transactions that appear on the bank statement.

Research and verify outstanding transactions, make corrections as needed.



Click **Modify** to **locate discrepancies** or **undo** the **last reconciliation**.

Click **Reconcile Now** or **Leave** to complete the reconciliation at another time.

Bank Reports

When you click **Reconcile Now,** the **Select Reconciliation Report** window will appear. Select to Display or Print the Summary and Detail Reports. These reports provide support documentation for the completed reconciliation.