QuickBooks®

REFERENCE GUIDE

QuickBooks Professional Advisors Programme

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Introduction

As an accountant, you probably have many clients who either use QuickBooks or could benefit from using QuickBooks. Many accountants have found that clients who use QuickBooks are a boon to the firm: besides allowing you to work from more organized financial information, a client's use of QuickBooks can represent a source of additional revenue. For example, if your clients use QuickBooks, you can offer these additional services:

- Setting up QuickBooks companies for clients who own small businesses.
- Reviewing clients' QuickBooks chart of accounts and recommending corrections if necessary.
- Training clients on how to use QuickBooks for day-to-day financial transactions.
- Providing business and financial management advice. See Chapter 8, "Evaluating client data"
- Providing secure, off-site data storage for clients' QuickBooks data disks. (They can deliver data disks to your office on a periodic—weekly or monthly—basis.)

QuickBooks can give you the opportunity to provide full-service financial analysis and business consulting services to clients who desire such assistance.

Using this guide

Because this guide is written for QuickBooks, QuickBooks Pro and QuickBooks Accountant, all references to "QuickBooks" will mean all programs. When a feature or example applies to specific versions only, it will be noted in the text.

The graphics and examples in this guide were created using QuickBooks Accountant. If you are working with other versions of QuickBooks, or if you are using Microsoft Windows XP, some of your screens may look different from the examples given.

When other sources of documentation provide additional information on a subject, they are referenced in the text.

Finding the information you need

To help you find the information you need to work with your clients, we've divided this guide into two sections.

Section 1 provides technical details about QuickBooks. It includes detailed descriptions of report customisation options, information on how to import and export QuickBooks data, and answers to frequently asked questions about QuickBooks features.

Section 2 contains information to help you work with your clients who use QuickBooks. You'll find information on how to help clients set up their QuickBooks company files—including suggestions for setting up QuickBooks for different industries. This section also contains information about specific QuickBooks reports you might want to create to help you prepare financial statements and evaluate client data. Finally, you'll find information to help you diagnose and fix common client errors.

Using other QuickBooks resources

In addition to this reference guide, there are a number of other resources you can use to help you work with QuickBooks and your clients who use QuickBooks.

QuickBooks Training Guide

The *QuickBooks Training Guide* is included in your membership materials, and is available to download. The training guide contains a set of lessons that cover key QuickBooks features.

Use this guide to introduce your clients to QuickBooks features. The training guide is modular so you can skip lessons that don't apply to a client's business.

QuickBooks printed and onscreen documentation

For an overview of QuickBooks features, refer to the QuickBooks *User Guide*. This book contains direct references to onscreen help topics to help your clients easily find the step-by-step information they need to use QuickBooks on a day-to-day basis. QuickBooks even allows the user to launch specific QuickBooks features directly from the onscreen help.

Most QuickBooks windows also include a natural language query box in the title bar, giving easy access to help, tips and troubleshooting.

The *User Guide* also provides step-by-step instructions on how to install QuickBooks and convert existing QuickBooks or Quicken files to QuickBooks.

Follow-Me Help and Support

The Find and Follow-Me Help panels consolidate the many ways of getting QuickBooks help and support information into a single convenient location. The information available draws upon advice, help, and tips provided within QuickBooks, as well as from various sources on the World Wide Web.

The Follow-Me Help panel automatically shows help related to what you are doing in QuickBooks.

Introduction

Alternatively you can use the Search to look for topics in the help, or look online, or contact Intuit for further advice. You can also use the Index to locate information. The results are shown in the Follow-Me Help panel.

To display the Help if it is not already shown, choose Help & Support from the Help menu.

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Section 1 Working with QuickBooks

The first section of this book contains five chapters designed to help you work with QuickBooks. Unlike Section 2 of this guide—which details ways you might want to work with your clients who use QuickBooks—this first section provides technical information about working with QuickBooks data files.

To introduce you to QuickBooks Regular, QuickBooks Pro and QuickBooks Accountant, the book starts with a list of the new features and services with this version that may interest your clients. Chapter 1 briefly describes each new feature and service and tells you where to find more information.

As an accountant, you may have clients who might benefit from using QuickBooks. Chapter 2 contains information about some of the technical and practical limitations of QuickBooks data files and how forms can be customised, which can help you determine whether a small business is right for QuickBooks.

If you have clients with questions about getting information into and out of QuickBooks, Chapter 3 gives instructions for importing and exporting QuickBooks data—including instructions for exporting QuickBooks reports to Microsoft Excel. In this chapter, you'll also find instructions for using the Accountant's Review feature to work with your clients' data files.

If you run reports for clients, you may find the extensive information about QuickBooks reports in Chapter 4 especially useful. You'll learn how to find the report you're looking for; how to customise and filter data to get the information you want; and how to save the settings so you can create customised reports that clients can generate later.

Finally, in Chapter 5 you'll find answers to some frequently asked questions about QuickBooks features that you might hear from clients.

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Maximum number of list items and transactions

Technical limitations

- The maximum number of transactions QuickBooks can handle is two billion. (In other words, maximum transactions are limited more by your system's disk space and memory than by QuickBooks.)
- Each list in QuickBooks can hold a certain number of items. Once that number is reached, no new items can be created. The maximum number of items that can be created in each list is shown in the following tables.

List names	Maximum
Chart of accounts	10,000
Items—including inventory items	14,500
Price Level (Fixed % and/or Per Item, up to a total of 100 combined)	100
Payroll Items	10,000
Class	10,000
Total Customer:Job, Supplier, Employee, and Other Names lists added together (Any one of these lists can contain up to 10,000 names, but they cannot exceed 14,500 combined).	14,500
Sales Rep	14,500
Customer Type	10,000
Supplier Type	10,000
Job Type (QuickBooks Pro/Accountant only)	10,000
A/R Terms and A/P Terms added together	10,000
Customer Messages	10,000
Payment Method	10,000
Ship Via	10,000
Templates	14,500
Memorised Transaction	14,500
To Do	10,000
Memorised Reports	14,500

Practical limitations

The typical QuickBooks customer is a small business with 20 or fewer employees and annual revenue of less than a million pounds. The ideal use of QuickBooks is to keep at least two years of detailed transactions in a data file so you can run comparative reports and have prior-year project information.

The rate of growth of a QuickBooks data file varies dramatically from company to company. There is no "average" or "typical" size data file, since each business will track different information for each type of transaction entered into QuickBooks. But it is not uncommon for a QuickBooks data file to grow as large as 30 Mb. How quickly a data file grows depends on the number of transactions, the amount of information entered per transaction, and the number of "links" per transaction. For example, someone who enters 500 one-line invoices per month might find that their data file is smaller than another person who enters 100 five-line invoices per month. Or someone who usually receives five separate payments per invoice would have a larger file than someone who typically receives only one payment per invoice.

To determine whether a small business is right for QuickBooks, you can do a quick check by taking the average number of monthly transactions—remember, an invoice, payment, and deposit would be three separate transactions, and a bill and bill payment would count as two—and multiplying that number by 2000. This gives you an estimate of how much the data file will grow each month.

For example, if a company enters 300 transactions per month, on average, the data file would grow by around 600 Kb per month $(300 \times 2000 = 600 \text{ Kb})$, or 7 Mb per year $(600 \text{ Kb} \times 12 = 7 \text{ Mb})$. If the annual data file size is less than 15 Mb, then QuickBooks should be more than suitable for their company.

Important: The 2000 multiplier does not include list information, which will also

grow as new names are added to the data file, and is only an approximation that may not be a good estimate for all QuickBooks data files.

Important: The upper limit on how large a QuickBooks data file can grow without

causing noticeable performance degradation varies *greatly*. As a general guideline, using an IBM-compatible Pentium computer, 166 MHz or faster, with 32 Mb of RAM, should allow the typical small business to keep two or three years of data with little performance degradation.

If performance becomes an issue or you decide you do not want to keep detailed transactions for prior years, you can condense a QuickBooks data file. Before you condense a data file, please read "Condensing data to reduce file size" on page 193 which explains how condensing data will affect the data file and what should be done before a data file is condensed.

Technical details about QuickBooks data files

If you find that QuickBooks is getting slow when entering or recording transactions, you might want to check the following preference:

Note: Only the QuickBooks Administrator can change Company preferences.

■ Is auto-recall for last name on?

From the Edit menu, choose Preferences. Click General on the scrolling iconbar in the Preferences window; click the My Preferences tab. If the "Automatically recall last transaction for this name" option is selected, you can increase performance by clearing it. This option requires QuickBooks to search backward for the last transaction using the payee name. If the register contains a large number of transactions, this can slow down data entry.

Customising QuickBooks forms

QuickBooks allows customisation of all forms—invoice, delivery note, sales receipt, credit memo, statement, estimate, sales order and purchase order. You can modify the name (label) of each field, select which fields display and/or print, and choose the order and width of all columns. Using the Layout Designer, you can decide exactly where columns and fields appear on the printed form. QuickBooks lets you save your custom forms as templates, so you can easily recall your custom layouts.

To set QuickBooks to display years as two digits (DD/MM/YY):

- **1** From the Edit menu, choose Preferences.
- **2** Select General in the scroll box, and click the Company Preferences tab.
- Click to clear the "Always show years as 4 digits" tick box.Note: Only the QuickBooks Administrator can change Company preferences.
- 4 Click OK.

QuickBooks also gives you the ability to create custom fields in the Customer, Supplier, Employee, and Item lists, and to add these fields to sales and purchase forms. You can have up to seven custom fields each for customers, suppliers, and employees (up to a total of 15 custom fields), and up to five custom fields for items.

The number of fields and/or columns QuickBooks can print depends on the size of each field/column and the number of fields/columns you choose to print. To see how the custom form will print, click the Print Preview button before printing the form. In addition to the layout options possible with the layout designer, you can choose to print using one of the built-in standard templates on blank paper or letterhead paper and decide whether to let QuickBooks draw lines around each field.

Forms have a number of fields available to include on the onscreen version, the printed version, or both. For example, a printed invoice would include the VAT registration number which is not shown on the onscreen form; on an estimate the onscreen version could include markup information which would not be included in the printed version that is sent out to customers.

To customise a form:

- **1** Open a form, such as an invoice.
- **2** Click Customise.
- **3** Select an existing form and click New.
- **4** Select each tab in turn and select the tick boxes for the items you want to include, or clear them for items you do not want to include.
- **5** To customise the print layout (all versions), or to add graphics, text boxes and borders (Pro/Accountant), click Layout Designer, make the required changes and click OK.

For guidance on the options available, see the next section.

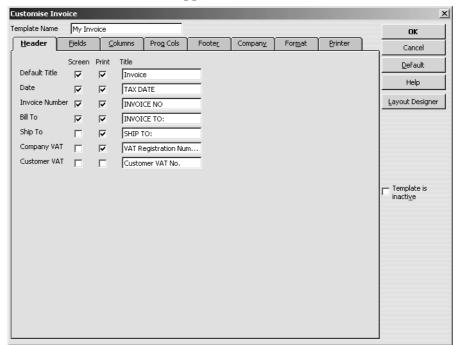
Guidance on customising forms

Using the Customise window

Each form is divided into areas, each of which are represented by tabs in the Customise Form window.

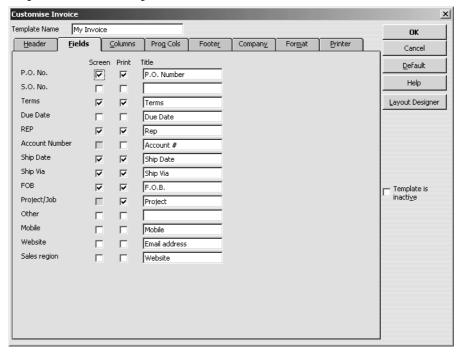
In the following illustrations, Customise Invoice is shown, but the exact fields available depend on the type of form, which features you have turned on, and whether you have added any custom fields.

■ **Header:** This information typically includes the form title and number, and details of the customer or supplier to whom the form is addressed.

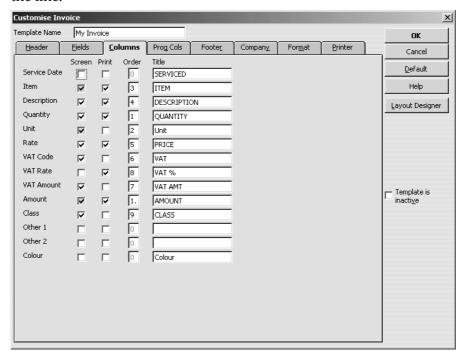


Technical details about QuickBooks data files

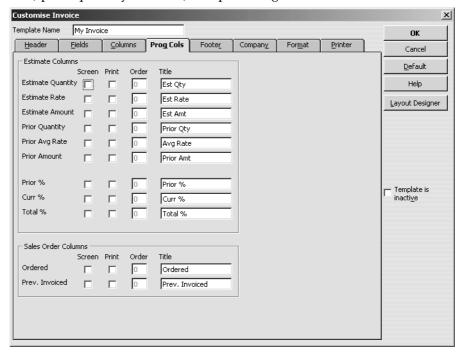
■ **Fields:** This includes details specific to the transaction, such as the terms, due date, ship date and sales representative.



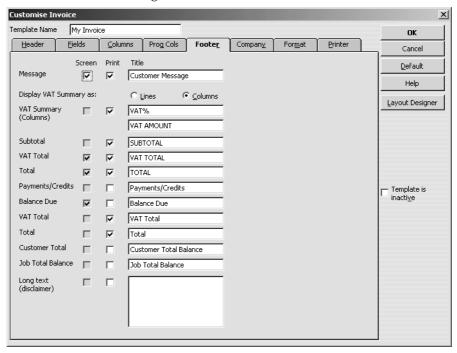
■ Columns: This provides the area to enter item lines, and typically includes the item name or code, description, quantity, rate or cost, VAT and total amount for the line.



■ **Prog Cols:** (QuickBooks Pro/Accountant) This section on invoice forms includes additional columns related to progress invoicing, including estimate quantity and rate, prior quantity and rate, and percentages.

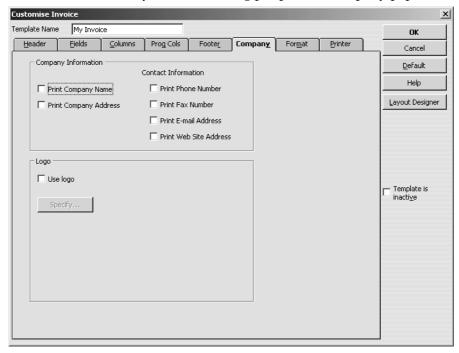


■ Footer: This provides the subtotals and totals, together with any other summary information and messages.

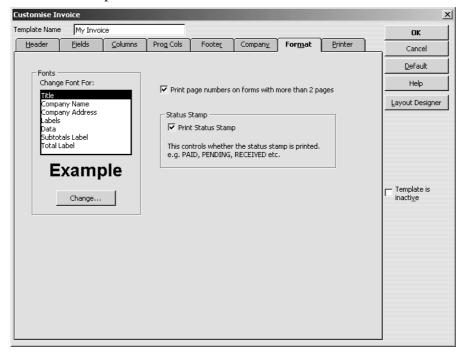


Technical details about QuickBooks data files

■ Company: This enables you to specify whether to print the company logo, name and address details if you are not using pre-printed company paper.

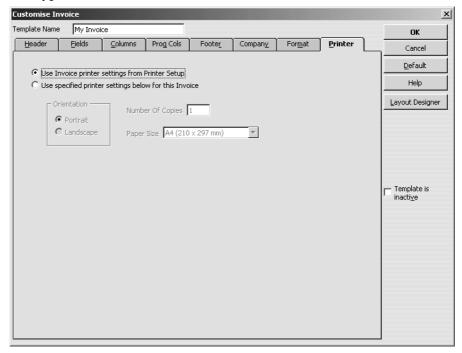


■ Format: This controls the font and size of different types of text, and whether to use status stamps.



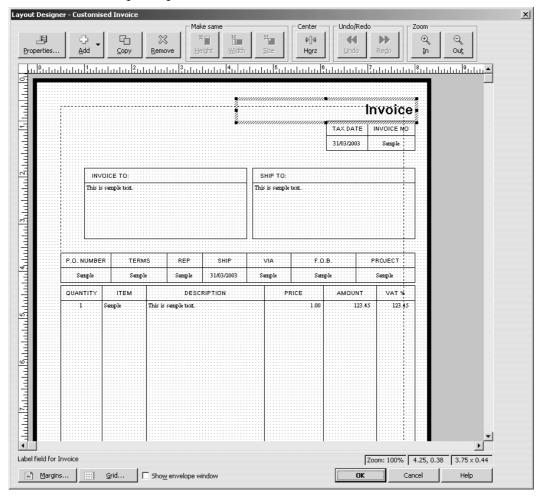
1

■ **Printer:** Choose whether to use printer settings, or set print options specifically for this type of form.



Using the Layout Designer

In the Layout Designer, you can immediately see the effects of your changes, and drag the fields to the required positions.



You can:

- Change the properties of a field, such as its label
- Add graphics or text boxes, with or without borders which can have rounded corners (Pro/Accountant)
- Copy fields, which you can move to any position on the page for exampleheader-type fields can be moved to the bottom of the form (Pro/Accountant)
- Delete unwanted fields.

Note: The changes you make in the Layout Designer affect the printed version of the form only.

For step-by-step instructions on customising forms, search the onscreen Help for *customising forms*.

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Overview

Your clients who ask about importing and exporting QuickBooks data may be interested in a variety of topics. Among these may be importing from and exporting to word processors, spreadsheets, other bookkeeping software, contact management software, other QuickBooks company files, or files for review by an accountant. QuickBooks has features that accomplish each of these tasks. Some perform automatically, but others require a little skill and work to accomplish. This chapter covers the import/export questions your clients are most likely to ask.

Understanding import and export formats

QuickBooks can export and import data in a format called IIF (Intuit Interchange Format), which is different from QIF (used by Quicken). QuickBooks imports only IIF data.

When you export information from QuickBooks, the program formats the data into IIF. You can then import the IIF file into spreadsheets, word processors, and database programs.

If you want to import data from other software applications, you need to create an IIF file from scratch or reformat data you already use to conform to IIF standards. (See "What is an IIF file?" on page 28.)

Creating an IIF file from scratch or changing data from another accounting program into an IIF file is technically complex. It is not recommended for those who do not have programming experience.

You do not need to learn about the IIF format to export lists and import them back into QuickBooks. Furthermore, you will not need to learn about the IIF format when exporting report data to Microsoft Excel, using the Write Letters feature with Microsoft Word, or when synchronising your QuickBooks list information with contact management software.

Capabilities and limitations of import and export

Description	Import/Export?			
Lists (customers, suppliers, items, etc.)	Yes (most)			
Transactions (invoices, payments, etc.)	Import ONLY; must use IIF format			
Estimates	No			
Timesheets	No			

Importing and exporting between QuickBooks files

Using the Accountant's Review to create an Accountant's Copy file

The Accountant's Review makes it easy for you to review and correct your client's QuickBooks data. You make correcting entries in an "Accountant's Copy" of the QuickBooks company file, while your client continues to make entries as usual in the original QuickBooks file. When you are finished, your client imports your changes. The table that follows gives you a quick reference for the capabilities of the Accountant's Review feature. For full details on using the Accountant's Review feature, refer to the onscreen Help.

For information on more ways to exchange QuickBooks data with your clients, see "Accessing client data" on page 161.

What an accountant can do with an Accountant's Review copy

Accountant can	Accountant cannot	Client cannot
View all existing transactions and lists.	Enter transactions other than general journal transactions.	Delete any items from lists.
Add new items to the chart of accounts, Item list, Payroll Item list, To Do Notes list, Memorised Transaction list (general journal transactions only).	Memorise transactions other than general journal transactions.	Reorganise lists (move items, make one item a subitem of another).
Edit existing account name and numbers.	Edit or delete existing transactions, including pay cheques.	N/A
Edit existing payroll items.	Reorganise lists (move items, make an item a subitem).	N/A
Edit account and tax information for existing items on Item list.	Make items inactive.	N/A
Enter general journal transactions.	Edit names of existing items on Item list.	N/A
Reconcile new transactions.	Adjust payroll liabilities.	N/A
Adjust stock values or quantities.	Enter or edit employee YTD payroll setup transactions.	N/A
Create reports.	Memorise reports.	N/A
Change preferences temporarily.	Export changes to preferences.	N/A

Transferring QuickBooks transactions between company files

There is no way to automatically transfer transactions from one QuickBooks file to another.

Transferring QuickBooks lists between company files

QuickBooks allows you to export most lists and their related information (addresses, phone numbers, and so on). You simply mark the lists that you would like to export, and QuickBooks creates a file that you can import into another QuickBooks company. This may be useful for a person who owns more than one company and uses the same customers and suppliers in each. Or, as a professional advisor, you may have a preset chart of accounts that you like to use when you set up a new client's QuickBooks data file.

You should be cautious when importing lists into an *existing* QuickBooks company that already contains list data. QuickBooks assumes you are importing information that is more current than that contained in the existing file, so when it encounters duplicate entries, it replaces the entry in the existing company file with the one from the import file.

For example, suppose that both Supplier lists (in the existing file and the import file) have entries for Sergeant Insurance. The existing company file shows the address for Sergeant Insurance as 3 Dean Street, while the import file has Sergeant Insurance's address as 26 Mellor Road. When you import the new Supplier list, QuickBooks replaces the Dean Street address with the Mellor Road address. Of course, this is only a problem if the import file contains incorrect or outdated information. We recommend that you always make a backup copy of an existing QuickBooks company file before you import new list data.

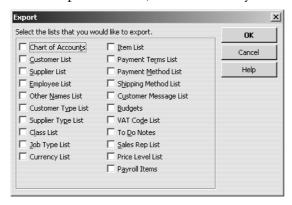
You can export these QuickBooks lists and information from one QuickBooks company to another.

Budgets	Item list	Ship Via list
Chart of Accounts	Job Type list	Templates list*
Class list	Other Names list	Terms list
Currency list	Payment Method list	To Do list
Customer:Job list	Payment Terms list	Supplier list
Customer Message list	Payroll Item list	Supplier Type list
Customer Type list	Price Level list	VAT Code list
Employee list	Sales Rep list	

^{*} QuickBooks templates are imported and exported only from the Templates list.

To export lists from one company and import them into another:

- 1 Open the company that contains the lists you want to transfer. Exporting lists does not remove or modify the lists in the original file.
- **2** From the File menu, choose Utilities, and then choose Export.
- **3** In the Export window, select the lists you want included in the export file.



- 4 Click OK.
- **5** Enter a filename for the export file.

 The filename must have the IIF extension (for example, *customer.iif*).
- 6 Click Save.
- **7** From the File menu, choose Open Company. Select the filename of the company that you want to import into, and click Open.
- **8** From the File menu, choose Utilities, and then choose Import.
- **9** Select the export file you just created (for example, *customer.iif*).
- 10 Click Open.

To export templates from one company and import them into another:

- **1** Open the company file that contains the templates you want to transfer.
- **2** From the Lists menu, choose Templates.
- **3** Select the template you want to transfer.
- **4** From the Templates menu button, choose Export.
- **5** Enter a filename for the template.

 The filename must have the DES extension (for example, *invoice.des*).
- 6 Click Save.
- **7** From the File menu, choose Open Company. Select the filename of the company into which you want to import the templates, and click OK.
- **8** From the Lists menu, choose Templates.
- **9** From the Templates menu button, choose Import.
- **10** Select the export file you just created (for example, *invoice.des*).

- 11 Click Open.
- **12** Enter a filename for the template and click OK.

Exporting from QuickBooks to other software

When you export information from QuickBooks, the program formats the data into IIF. You can then import the IIF file into spreadsheets, word processors or database programs.

You do not need to use IIF files when exporting report data to Microsoft Excel or CSV files, saving reports in PDF format, using the Write Letters feature with Microsoft Word, or when synchronising QuickBooks list information with contact management software.

Exporting QuickBooks lists

If you want to import information from a QuickBooks list into another program, you first need to determine if the other program has an import feature and which formats it supports. If the other program lets you import from a spreadsheet program, you may be able to modify the QuickBooks export file from within a spreadsheet, to match the format used by the other software program. You must have detailed information on the other program's import specifications and be very knowledgeable about manipulating data in your spreadsheet program.

To export lists to a tab-delimited file:

- 1 Open the company file that contains the lists you want to transfer. Exporting lists does not remove or modify the lists in the original file.
- **2** From the File menu, choose Export, then Lists to IIF files.
- **3** In the Export window, select the lists you want to include in the export file.
- 4 Click OK.
- **5** Enter a filename for the export file. The filename must have the IIF extension (for example, *customer.iif*).
- **6** Select the drive and folder where you want the export file to be created.
- 7 Click Save.

Exporting QuickBooks list data to Microsoft Word

Exporting QuickBooks list information to Microsoft Word requires QuickBooks Pro or Accountant and Microsoft Word 97, 2000 or 2002.

You can export most information included in QuickBooks lists to Microsoft Word using QuickBooks Letters. QuickBooks Letters are prewritten, preformatted business letters which include collection letters for customers, credit requests for suppliers,

memos for employees, and more. You can use the preset letters as is, or you can modify them by adding or removing QuickBooks fields or by changing the wording.

You create and modify letters using the QuickBooks Write Letters wizard which walks you through each step. When you've made all of your selections, you'll leave the wizard and start creating letters in Microsoft Word.

When you modify existing letters, or create new ones, you use QuickBooks toolbars in Microsoft Word to add fields for QuickBooks information. Then, when you create letters to send, QuickBooks fills in the information from the fields you included in the QuickBooks Letter.

This is an example of one of the preset QuickBooks collection letters. The << >> symbols represent QuickBooks fields. The information in the fields is replaced with data from QuickBooks when you generate letters to send to customers.



To start writing letters:

■ From the Company menu, choose Write Letters.

For more information, search the onscreen Help index for write letters.

Exporting QuickBooks reports

You can export QuickBooks report data to other programs using Microsoft Excel, a CSV file or an ASCII file. You can also save QuickBooks reports as PDF files (QuickBooks Pro or Accountant only).

Exporting a report to Microsoft Excel

For greater flexibility in report formatting, data manipulation, and customisation, you can export QuickBooks report data to a Microsoft Excel spreadsheet. Because the changes you make in Excel do not affect the QuickBooks data, you are free to customise reports as needed and even change data to run "what-if" scenarios.

Note: To use this feature, you must be using QuickBooks Pro/Accountant and Microsoft Excel 97, 2000, 2002 or 2003.

When exporting a report to Microsoft Excel, you indicate whether or not you want to preserve the formatting of the QuickBooks report. You also have the option to turn on or off several Excel features from within QuickBooks.

By default, QuickBooks preserves the look of your report when exporting to Excel, and turns on the following features:

- AutoFit sets column widths in Excel wide enough to display data without cutting off words or numbers.
- Freeze panes allows you to scroll though data while keeping the row and column headers in view.
- **Show Gridlines** turns on gridlines in Excel.

To export a report to Microsoft Excel:

- **1** Generate the report you want to export.
- **2** On the report buttonbar, click Excel.
- **3** Choose whether you want to send the report to a new or existing spreadsheet file. If you want to import data into another spreadsheet or database program, you can export QuickBooks report data to a CSV file.
- **4** (Optional) Click Advanced to select formatting options, turn on or off the Excel features listed, or to set printing options.
- Click Export.QuickBooks exports the report data (and formulas) to an Excel spreadsheet.

To show clients how to export reports to Microsoft Excel, refer to Lesson 9, "Analysing financial data," in the *QuickBooks Training Guide*.

Printing a report to a file

If you are not using QuickBooks Pro, or do not have Microsoft Excel 97 or higher, you can use the process described here to export a list or report from QuickBooks to another software program.

Almost any list or report can be printed to an ASCII or tab-delimited file. This makes it easy to transfer your transactions to a spreadsheet (tab-delimited) or word processing (ASCII) program. You simply customise and filter a QuickBooks report until it shows the transactions you need to export, and then print the report to a file.

To print a report to a file:

- **1** Display the report that contains the data you want to use in another program (word processor or spreadsheet).
- **2** Click Print on the report buttonbar, and select File in the "Print to" field.
- **3** From the drop-down menu, choose "ASCII text file" (word processor), "Tab delimited file" (spreadsheet), or "Comma delimited file" (spreadsheet).
- 4 Click Print.
- **5** In the Create Disk File window, enter a name for the file and select the drive and folder where you want the file to be saved.
- 6 Click Save.
- 7 Open the file with your word processor or spreadsheet program to format or edit it.

Saving a report in PDF format

With QuickBooks Pro or Accountant, you also have the option to save reports in PDF format.

To save a report in PDF format:

- **1** Generate the report.
- **2** (Optional) Modify the report if you want to change the fonts.
- **3** From the File menu, choose Save as PDF.
- **4** In the Save Report as PDF window, enter a name for the PDF file and select the drive and folder where you want to save the file.
- **5** Click Save.

Importing information from other programs to QuickBooks

This section describes the two methods you can use to import information from other programs into QuickBooks:

- Intuit Interchange Format (IIF)
- Cmma Separated Value (CSV)

Importing information using IIF

This section gives an overview of the Intuit Interchange Format, and provides examples to guide you in constructing your own IIF files. The online help provides specific information about what is required for each type of file (search the index for *Importing data* then choose *Reference guide to importing files*).

A QuickBooks import file must be a text-only (ASCII) file that adheres to the Intuit Interchange Format (IIF). IIF files may contain transaction data (cheques, invoices, and so on) or list data (customers, suppliers, or items for sale). In fact, most QuickBooks information can be imported using an IIF file. If you would like to use this feature, you need to create an IIF file from scratch, reformat data you already use to conform to IIF standards, or write a computer program to reformat the data for you.

If you decide to create an IIF file from scratch or reformat the data "by hand," we suggest that you use a spreadsheet program. We cannot offer specific suggestions about writing a computer program to create or reformat the data for you. You must already be proficient in a computer language to try this option.

Before you attempt to create an IIF file using any of these methods, we offer you these cautions:

- Creating an IIF file from scratch or changing data from another accounting program into an IIF file is technically complex, and is not recommended for those without programming experience.
- Unless you have a very large customer data base or more than 200 transactions, it may be easier and less time-consuming to enter the data directly into QuickBooks.

This section gives an overview of the Intuit Interchange Format and gives examples to guide you as you construct your own IIF files. For more information on creating IIF files, please search the onscreen Help index for *importing data* or *IIF file format*.

Important: As you read this section and create your own IIF file, you must take care to position the columns and rows correctly, and type the IIF headers exactly as they appear. A misspelt header or omitted punctuation mark will cause your import to fail.

What is an IIF file?

An IIF (Intuit Interchange Format) file is a tab-delimited or comma-delimited text file.

In a tab-delimited text file, the data fields are separated by tabs. This format is typical of files created in spreadsheet programs. Here is an example of a chart of accounts import file using tab-delimited format:

!ACCNT	NAME	ACCNTTYPE	DESC
ACCNT	Current	BANK	Lloyds TSB
ACCNT	Sales	INC	Sales Income

In a comma-delimited text file, the data fields are separated by commas. This format is typical for files created in word processing programs. Here is an example of a chart of accounts import file using comma-delimited format:

!ACCNT,NAME,ACCNTTYPE,DESC

ACCNT, Current, BANK, Lloyds TSB

ACCNT, Sales, INC, Sales Income

Although you can create such text files using either a word processor or a spreadsheet program, we recommend that you use a spreadsheet, since the column and row layout found in spreadsheet programs makes editing data easier.

What are IIF file headers?

File headers are markers used to tell QuickBooks the type of data that follows. Without them, QuickBooks would not know how to interpret the data in your import file.

IIF file headers always begin with an exclamation point. In the example below, the file header "!CUST" tells QuickBooks that the information that follows should be imported as a customer list. The file headers for lists (groups of customers, suppliers, employees, and so on) should always be placed in the first row of the data.

!CUST	NAME	BADDR1	BADDR2	\rightarrow
CUST	Abercrombie, Kristy	Kristy Abercrombie	47 Elm Road	\rightarrow
CUST	Cook, Brian	Brian Cook	5 Cherry Lane	\rightarrow

The headers used to import transactions (cheques, invoices, and so on) usually use both the first and second rows. In the following example, "!TRNS" tells QuickBooks that the information that follows is for a transaction. "!SPL" indicates the transaction is split among several accounts.

!TRNS	TRNSTYPE	DATE	ACCNT	NAME	CLASS	AMOUNT	\rightarrow
!SPL	TRNSTYPE	DATE	ACCNT	NAME	CLASS	AMOUNT	\rightarrow
TRNS	CHEQUE	3/3/07	Main Current	Mobil Oil Company		-70	\rightarrow
SPL	CHEQUE	3/3/07	Fuel	Cook, Brian		10	\rightarrow
SPL	CHEQUE	3/3/07	Car Repair			60	\rightarrow
ENDTRNS							

When you export a list from a QuickBooks company file, the program automatically creates an export file header similar to the one that follows. This header provides identifying information about the version of QuickBooks that created the file. It is not necessary to include this header when you create your own import files.

!HDR	PROD	VER	REL	IIFVER	DATE	TIME
HDR	QuickBooks	Version 14.0	Release R9P	1	03/03/2007	794236875

Each list that can be imported into QuickBooks requires its own unique file header. (For more information, search the onscreen Help index for *importing data, Reference guide to import files*.)

Importing lists with QuickBooks

This table is an example of a chart of accounts import file.

	Α	В	C	D	E
1	!ACCNT	NAME	ACCNTTYPE	DESC	ACCNUM
2	ACCNT	Main Current	BANK	Master Bank Curren	1000
3	ACCNT	Sales	INC		6001
4	ACCNT	COGS	cogs	Cost of Good Sold	6500
5	ACCNT	Lease	EXP		7001

Importing transactions into QuickBooks

Creating a transaction import file is more complex than importing lists. Thus, it is essential that you read the "Reference guide to import files" topic in the onscreen Help. To view the topic, search on *importing data*. Then select the topic *Reference guide to import files*.

Importing and exporting data

The tables below show all the file headers that can be used in an IIF file to import transactions into QuickBooks. Because there are too many columns to show, we have split the information into four tables. Also, we added the row labels (1 to 2) and column labels (A to AH) found in spreadsheet programs to make the information easier to understand. For example, the "CLEAR" header in box K1 of Table 2 would follow to the right of "MEMO" in box J1.

Table 1 of 4

	Α	В	С	D	E	F	G	Н		J
1	!TRNS	TRNSID	TRNSTYPE	DATE	ACCNT	NAME	CLASS	AMOUNT	DOCNUM	МЕМО
2	!SPL	SPLID	TRNSTYPE	DATE	ACCNT	NAME	CLASS	AMOUNT	DOCNUM	мемо

Table 2 of 4

	К	L	М	N	0	Р	0	R	S
1	CLEAR	TOPRINT	ADDR1	ADDR2	ADDR3	ADDR4	ADDR5	DUEDATE	TERMS
2	CLEAR	QNTY	PRICE	INVITEM	PAYMETH	TAXABLE	REIMBEXP	EXTRA	

Table 3 of 4

	Т	U	ν	W	Х	Υ	Z	AA	AB
1	PAID	PAYMETH	SHIPVIA	SHIPDATE	REP	FOB	PONUM	INVTITLE	INVMEMO
2									

Table 4 of 4

		AC	AD	AE	AF	AG	АН
	1	SADDR1	SADDR2	SADDR3	SADDR4	SADDR5	EXTRA
Г	2						

It is not necessary to include every column shown here. Use only the columns that are related to the transaction you are importing. For example, if you only import cheques and deposits, there is no need to include columns like DUEDATE or INVITEM (stock item), since they do not contain information relevant to a cheque or a deposit. On the other hand, INVITEM is required if you are importing invoices. To find whether a column is required for a particular transaction, search the onscreen Help index for *importing data*, *Reference guide to import files*.

For examples of import transactions for various QuickBooks forms, visit www.QuickBooks.co.uk and search for *IIF*. Internet access is required.

Importing information in Excel or CSV format

You can import an existing Excel (97, 2000 or 2002) file or CSV (comma-separated value) file into QuickBooks. You can import information for:

- Customers
- Suppliers
- Accounts
- Items

To avoid errors in data transfer, we recommend that you do the following before you import data:

- **1** Prepare the file for import into QuickBooks.
- **2** Map the data from the source file to QuickBooks.
- **3** Preview the data before you bring it into QuickBooks.

These stages are covered in more detail below.

Preparing a file for import

It is important that you format your Excel or CSV file data properly before you import it into QuickBooks. This reduces the likelihood of errors and makes the import process cleaner and faster.

Tip: The easiest way to see and understand the format that QuickBooks needs to import data is to export some QuickBooks lists and view the resulting file in a spreadsheet. If you don't already have a QuickBooks company file, you can open a sample file and export lists from its data.

To prepare a data file for import into QuickBooks:

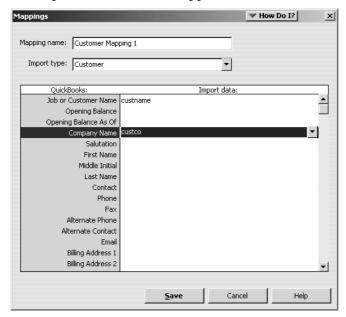
- **1** Open the spreadsheet that contains the data.
- **2** Move the contents of all the cells down by one row, so that the first row is blank.
- **3** In the blank row, create a header that follows the field recommendations for the type of data.
- **4** Check the structure of the spreadsheet. Each type of list (account, customer, item and supplier) should be in a separate spreadsheet or in a separate worksheet inside a master spreadsheet.

Mapping data to QuickBooks

Mappings tell QuickBooks how to import the Excel or CSV data into the companay data file. You can create and save mappings. You only need to map required fields i order to save a mapping; mapping other fields is optional.

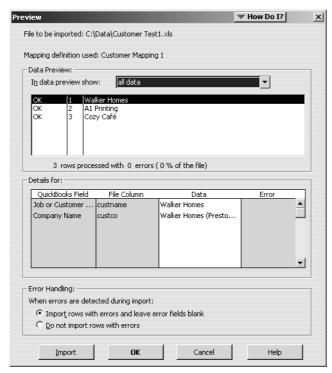
To map data to QuickBooks:

- From the File menu, choose Import, then choose Excel Files.
- Select the Excel or CSV file you want to import.
- Select a sheet. If your worksheet contains only one page, select Sheet 1.
- From the Choose a mapping drop-down list, select Add New.
- Type in a name for your mapping.
- Select an Import type (Account, Customer, Supplier or Item).
- 7 In the QuickBooks column, select the row of information you want to map.
- **8** In the Import data column, use the drop-down button to select which column in the import file should be mapped to the QuickBooks column.



- Repeat this process for each row of information you want to import.
- 10 Click Save.

11 To preview the data (and correct any errors) before importing into QuickBooks, click Preview.



Importing the file

To import an Excel or CSV file:

- **1** From the File menu, choose Import, then choose Excel Files.
- **2** At the Set up Import tab, choose the file you want to import.
- **3** Select the sheet. If there is only one sheet, select Sheet 1.
- **4** Specify whether the file you're importing has header rows.
- **5** From the drop-down list, choose the mapping.
- **6** At the Preferences tab, set your preferences about how you want to handle duplicate data and errors.
- **7** (Optional) Click Preview to see how the data will be imported into QuickBooks.
- **8** Click Import.

Integrating QuickBooks Pro/Accountant with other applications

Integrating QuickBooks with other software is much more secure than manually importing and exporting your data, and QuickBooks validates integrated data as it goes. Some applications may be able to run automatically even when no one is working in QuickBooks.

We recommend that you back up your QuickBooks data prior to installing any third-party application. Control of the third-party application will remain in your hands. You must give the application permission before it can access your QuickBooks files. You can also set permissions on a third-party application by using the existing user permissions feature.

The first time the application tries to access a company file, an authorisation window appears. You can then choose whether to allow the application to:

- Access the file once
- Access the file in the future without asking
- Deny the application permission to access the file

In some cases, the application developer may digitally "sign" the application. Associated with the signature is a certificate containing the name and other information of the developer of the software. If the certificate is valid and the application has not been modified since it was signed, the certificate shows the application's name, the developer's name, and the name of the certificate authority—the agency that issued the certificate. For questions and details regarding the trustworthiness of a particular certificate authority or digital certificate, consult the certificate authority's Web site.

You may be able to get additional information about the application and its developer by going to the QuickBooks Solutions Marketplace.

There may be instances in which you want an integrated application—one designed to share data with QuickBooks—to access QuickBooks files automatically, without user intervention. This might permit, for example, a particular application to run during the night when there is no other activity on the company file.

If you want to allow applications to access QuickBooks files automatically, you may also want to restrict what those applications can do. You can do this by creating a user specifically for the application to use to log into QuickBooks, then restricting the access permissions that user has.

You can also restrict an application's ability to access QuickBooks files by using the preferences to set or modify permissions or restrictions on an integrated application.

Allowing an integrated application to access QuickBooks

Note: The QuickBooks Administrator is the only user who can do this.

You enable permission in the authorisation window when the application first tries to access QuickBooks, which adds it to the Authorised Applications List. You then set Preferences to specify the user and permissions for the application.

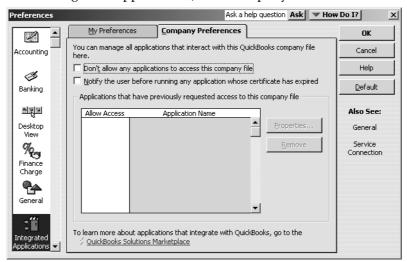
To allow the application to access QuickBooks:

In the authorisation window, choose whether to allow the application to:

- Access the file once click "Yes, This Time".
- Access the file in the future without asking click "Yes, Always"
- Deny the application permission to access the file click "No"

To specify permissions through Preferences

- 1 In QuickBooks, from the Edit menu, choose Preferences.
- **2** Select Integrated Applications, and Company Preferences.



- **3** Make sure that the "Don't allow any applications to access this company file"box is clear, not ticked.
- **4** To restrict an application from accessing QuickBooks automatically if its certificate expires, select "Notify the user before running any applications whose certificate has expired".
- **5** For each application you want to access QuickBooks, tick the Allow Access column.
- **6** Select the application, and click Properties.
- **7** To enable integration, tick "Allow this application to access this company file".
- **8** To enable automatic integration, clear "Prompt before Allowing Access" and tick "Allow this application to log in automatically".
- **9** If your company has multiple users, select a user for the application to log in as.

Importing and exporting data

10 Click OK.

11 In the third-party application, set it to log in to QuickBooks and run at the desired time.

Note: This requires leaving your computer on. If you leave the computer unattended, it should be in a locked room or otherwise physically secured.

Sharing QuickBooks Pro/Accountant data with contact management software

You can configure QuickBooks Pro/Accountant to synchronise information from the Customer:Job, Supplier, and Other Names lists with Symantec ACT! or Microsoft Outlook contact management software. Being able to synchronise the information between QuickBooks and a contact management program means not having to enter contact information in two applications.

Synchronising with contact management software requires QuickBooks Pro/Accountant and one of the contact management software programs listed in the following table.

Product	Versions supported
Symantec ACT!	3.0.8, 4.0.2, 2000
Microsoft Outlook	97, 98, 2000, 2002

Only a subset of the information contained in the contact manager can be synchronised with QuickBooks because contact managers store so much more information than QuickBooks needs for lists. However, you can synchronise the most vital contact information (including name, address, and fax number).

When synchronising information between QuickBooks Pro/Accountant and Symantec ACT! or Microsoft Outlook, you have three options for transferring data:

- QuickBooks to contact manager
- Contact manager to QuickBooks
- QuickBooks to contact manager and contact manager to QuickBooks

Information is not deleted with any of the transfer options.

Note: QuickBooks currently can't accommodate the direct transfer of contact information from a personal digital assistant (PDA).

After completing a brief setup process, you can synchronise information between QuickBooks and the contact management software. During synchronisation, the contact management wizard will point out records in which the information in QuickBooks and the contact manager do not match and will offer a number of options for resolving the conflicts or discrepancies between the software programs.

To set up for sharing information with a contact manager:

- **1** As a precaution, back up the company data file.
- **2** From the Company menu, choose Synchronise Contacts.
- **3** Follow the onscreen instructions.

For more information, see the chapter "Staying in touch with important contacts" in the QuickBooks *User Guide*, or search the Help index for *contact management*.

Using QuickBooks Remote Access

With QuickBooks Accountant, you can use the QuickBooks remote access service to access a QuickBooks company file on another computer.

There are two ways you can do this:

- You can check something in a client's file, enter changes, or even set up a new company file without being at your client's place of business.
 - To do this, both you and your client must have an Internet connection. Remote access lets you work with your client's QuickBooks software and other programs that integrate with QuickBooks, but not programs unrelated to QuickBooks.
- You can access your own company file from a remote location.
 - To do this, your company computer must be running QuickBooks with the company file open, and it must have an active Internet connection.
 - The computer you are using does not have to be running QuickBooks, so you can always access your file when you are away from the office.

Note: To use remote access, Internet access is required. One 12-month basic subscription valid for customers who purchase and install QuickBooks Accountant Edition software before the end of December. After 12 months, users can subscribe to the service for a fee. Fees apply for additional subscriptions. Service subject to change.

To sign up for remote access:

- **1** Connect to the Internet as you usually would.
- **2** From the Accountant menu, choose Remote Access.
- **3** Click the link to Sign Up Now.

To access a client's QuickBooks file:

- **1** Connect to the Internet as you usually would.
- **2** From the Accountant menu, choose Remote Access.
- **3** Log in with your user name and password.
- **4** Call or email your client with his or her unique session number and the web page he or she should visit.
- **5** Request control of your client's QuickBooks file.

Importing and exporting data

6 When the client approves your request, work with their QuickBooks data as you normally would.

Note: Internet access is required. Service subject to change.

To access your own QuickBooks file:

- **1** Connect to the Internet as you usually would.
- **2** Log in to the Remote Access web page with your user name and password.
- **3** Select your work computer.
- **4** Enter your access code.
- **5** Work with your QuickBooks data as you normally would.
- **6** Once you have finished, make sure you choose End Session, and close the browser on the remote computer, especially if you are working on one that other people can access.

Note: Internet access is required. Service subject to change.

Setting up QuickBooks for income tax selfassessment

Sole traders can use QuickBooks income tax reports to prepare UK Self-Assessment Tax Returns. Follow the steps below to get accurate tax information for these reports.

Setting up QuickBooks income tax information

Follow these steps to set up QuickBooks to track self-assessment tax information:

- **1** From the Company menu, choose Company Information.
- **2** In the Legal Name field, enter the company name as you want it to appear on tax forms.
- **3** In the Legal Address area, enter the complete business address as you want it to print on legal forms.
- **4** Choose the first month of your income tax year from the drop-down list.
- **5** Choose Self-Assessment Tax Return from the drop-down list in the Income Tax Form Used field.
- 6 Click OK.

Associating tax-related accounts with income tax lines

For each tax-related (i.e., expense or income) account on the chart of accounts, follow these steps to associate the account with an income tax line:

- **1** From the Lists menu, choose Chart of Accounts.
- **2** Highlight a tax-related account on the list.

- **3** Click on the Account button and choose Edit.
- **4** From the Tax Line drop-down list, select the tax line you want to associate with the account.
- **5** Click OK.
- **6** Repeat the previous steps for each tax-related account.

QuickBooks is now set up to associate tax-related accounts with the assigned tax line when transactions are entered.

Converting from Quicken or earlier versions of QuickBooks

For complete information on how to install QuickBooks and how to convert data from Quicken or earlier versions of QuickBooks, please refer to the *User Guide*.

For information about setting up company files for clients who are converting from Quicken, see "Converting from Quicken to QuickBooks" on page 151 of this guide.

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CHAPTER 3 Working with QuickBooks reports

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Overview

This chapter describes how to find and generate the preset reports in QuickBooks. If you find that a particular preset report doesn't meet your needs, take advantage of the extensive customisation and filtering options described in this chapter to create the reports you want for you and your clients.

Once you've customised and filtered report data, see "Saving report settings" on page 89 for instructions on how to save (memorise) the settings so you don't have to recreate the report from scratch each time.

Once they are memorised, you and your clients can easily recall these reports. You can use report templates to export the layout and filters of memorised reports so your clients can import them (provided they are using the same release version of QuickBooks).

See "Evaluating client data" on page 167 for more information about specific reports that you might use to evaluate client data.

When reviewing the reports you or your clients have created, you can use QuickZoom® to see the transactions affecting the income and expense accounts. For example, when you review QuickBooks reports, you may see errors or discrepancies in particular areas. When you question an amount on a report, you can QuickZoom (double-click) the amount to see a detailed transaction report of the figures that make up that amount. This lets you return to the source of the transaction and make corrections. For example, you might find that your client has inadvertently created two expense accounts for car expenses—one named "Auto expense" and one named "Car expense"—that you need to merge together.

If there are entries that would affect the balance sheet accounts, you can make changes in the form of a journal entry, and provide the client with the journal entry. (To make journal entries in QuickBooks, choose Make Journal Entry from the Company menu.)

Generating QuickBooks reports

This section describes how to find and generate the QuickBooks reports you need. If the preset report does not meet your needs exactly, use the information in the following sections to customise the data to get the report you want.

For information on how to restrict access to reports when using multi-user QuickBooks, see "Setting up clients" on page 143.

Using the Report Finder

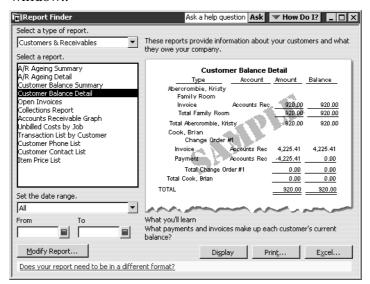
With the Report Finder, you can quickly review and choose among the many preset reports that QuickBooks provides. To help you choose an appropriate report, the

Working with QuickBooks reports

Report Finder displays a sample of each report, as well as a summary of what the report conveys.

To use the Report Finder:

1 From the Reports menu, choose Report Finder to display the Report Finder window:.



- 2 Choose the category of report that you want to view from the Select a type of report drop-down list, and then select the name of the report you want to view. QuickBooks displays an example of the report, using sample data from a fictitious company.
- **3** Click Display to generate the report you've selected in the list using data from the company file in which you are working.

Using the Reports menu

Once you are familiar with the available preset reports, if you know which report you want, you may prefer to select it directly from the Reports menu.

To generate a preset report:

■ From the Reports menu, choose the category of report you want to generate, then choose the report you want from the submenu.

To generate a list report:

■ From the Reports menu, choose List. Then choose the report you want to create.

QuickBooks report types

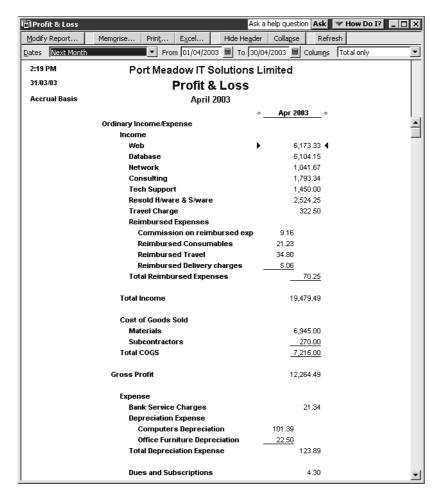
QuickBooks provides a wide variety of preset reports designed to give you and your clients easy access to company information.

QuickBooks reports can be classified as one of these three types:

- Summary reports
- Transaction reports
- List reports

Summary reports

A summary report summarises and subtotals the data. For example, a standard profit and loss report summarises the amounts for each income or expense account:

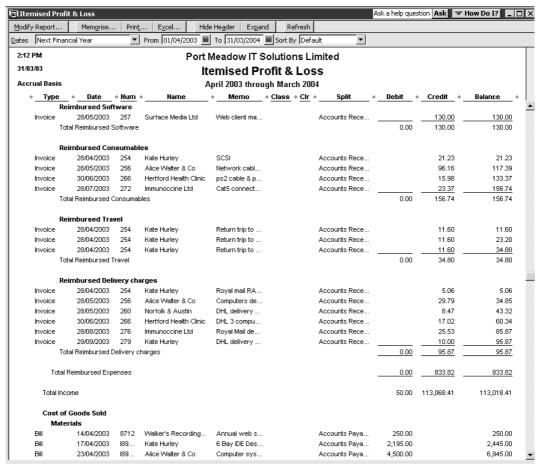


Tip: You can double-click (QuickZoom) any number in a summary report to get a transaction report, so you can easily see the detailed transactions behind the numbers.

Transaction reports

A transaction report shows each transaction that makes up the subtotals.

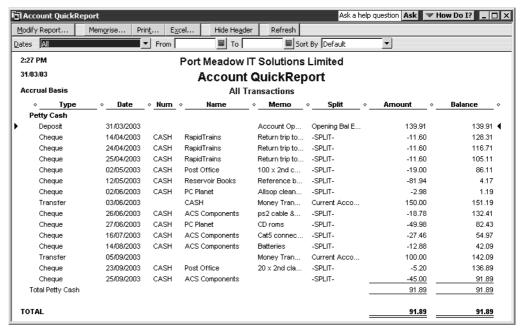
The profit and loss detail report shows year-to-date transactions (instead of totals only) for each income and expense account. It is considered a transaction report:



Tip: You can double-click (QuickZoom) any line in a transaction report to open the original transaction (for example invoice or bill).

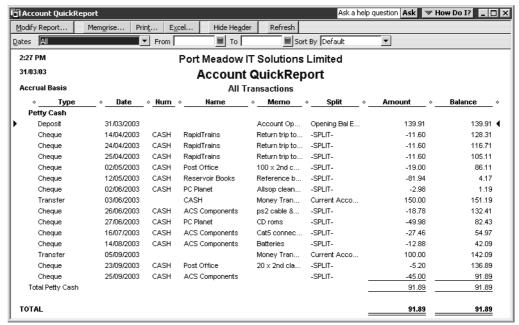
List reports

List reports do not display transaction information like summary or transaction reports; instead, they allow you to report on information stored in your Customer, Supplier, or Employee lists.



QuickReports

QuickReports display all the transactions recorded in QuickBooks for a specific list entry. For example, you can generate a QuickReport for an account on the chart of accounts list—like a bank account—or generate one for a customer, supplier or item.



Understanding basic customisation options

The choices you have for customising a report depend on the type of report you want to create. Certain options apply globally to all preset reports, certain similar options apply to all types of summary reports, and other options to all types of transaction reports are similar, and finally there are options that are similar for all types of report.

Global options

Certain settings control all reports generated in QuickBooks.

Hiding account numbers on financial statements

If the option to use account numbers is turned on, QuickBooks displays and prints the account numbers on all financial reports. If you want to print financial statements without the account numbers, you must temporarily turn off the "Use account number" preference while printing the reports, and then turn it back on when you have finished printing them.

To turn on/off account numbers:

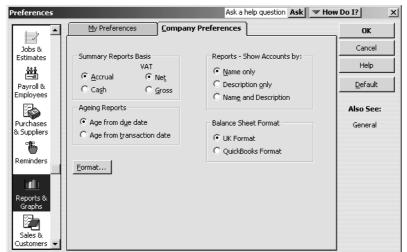
- **1** From the Edit menu, choose Preferences.
- **2** Click Accounting in the scroll box.
- **3** Click the Company Preferences tab.
- **4** Click "Use account numbers" to turn the preference on or off.

Setting report preferences

There are a number of other global preferences you can set, which will affect the default settings used as the basis for most reports. You can also set the default report format, which you can reset on individual reports as required.

To change report preferences:

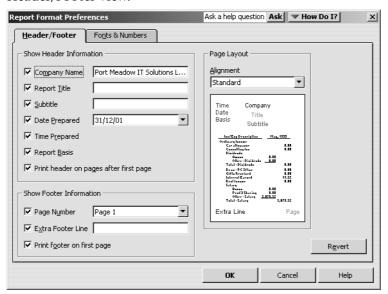
- **1** From the Edit menu, choose Preferences.
- **2** Select Reports & Graphs.
- **3** Click the Company Preferences tab.



Note: Only the QuickBooks Administrator can change Company Preferences.

- **4** Change the settings as required by clicking the appropriate button:
 - the report basis for summary reports as accrual or cash (note that you can reset this default on most individual summary reports)
 - whether ageing reports are based on the due date or the transaction date
 - show accounts by name, description or both
 - whether to show balance sheets in UK format or QuickBooks format
- **5** Click Format.

QuickBooks displays the Report Format Preferences window, with the Header/Footer view.



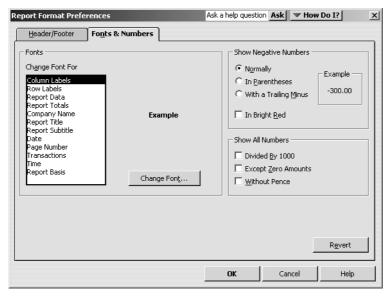
6 To change which items are included in the header or footer, tick or clear the boxes.

Working with QuickBooks reports

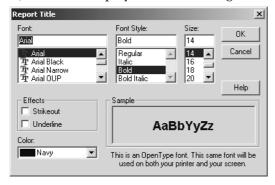
7 To change the date format in the header, select the required format from the drop-down list.



8 Click the Fonts & Numbers tab.



9 To change the font, select the text type (e.g. Report Title) and click Change Font. QuickBooks displays the font dialog box for the selected type of text.

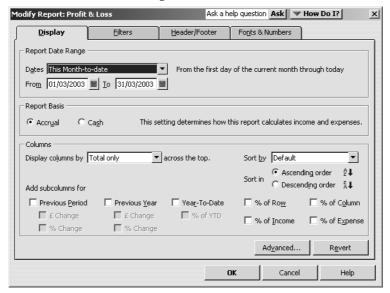


- **10** Change the font, style, size and colour, and click OK.
 - When QuickBooks asks if you want to change all related fonts, click Yes to change the font for all types of text, or click No to change only the selected type of text.
- **11** To switch to a different format for negative amounts, select the option you want (for example, show negative numbers in bright red).
- **12** To reduce numbers to multiples of 1000, select "Divided By 1000." For example, the amount 15,523 displays as 15.5.
- **13** To show pound amounts without pence, select "Without Pence." This rounds each amount up to the nearest pound.
- 14 Click OK.

Customising summary reports

In QuickBooks, report customisation is simple because most customisation features are grouped together. In a single window, you change the date range for reports, add or delete columns, change the reporting basis, select filters for the report, modify header and footer information, and adjust the page layout. In the same location, you can also select the fonts you want to use for a given report, and tell QuickBooks how you want to numbers to display.

To customise QuickBooks preset reports, click Modify Report on the report buttonbar. This displays the Modify Report window, with different report settings on the four tabs according to the type of report. For example, if you create a summary report, the window looks something like this:



For a description of each option in the Modify Report window, see the tables below.

Important: Not all options are available for all summary reports. See "Customising QuickBooks preset reports" on page 60 for a list of the options available.

If you want a summary-style report, and none of the preset reports meet your needs, try a custom summary report. For a custom report, QuickBooks lets you specify the columns you want across the top (how you want to subtotal the data) and the type of information you want on the rows (such as income or expense accounts or customers).

Changing summary report default information

By default, most summary reports in QuickBooks display only "Active" information for rows and columns in financial statements. (Active includes only those rows and columns that show activity during the period of the report.) You can change this default to "All" or "Non-zero".

"All" displays accounts and names even if there was no activity during the specified report period.

Working with QuickBooks reports

• "Non-zero" hides all accounts and names that have a zero balance during the report period.

The preset time period for most summary reports is the current financial year, so for example year-to-date reports always start with the first month of your client's financial year. You can change the date range of the report to "Calendar year" or "Payroll year," if different.

To change summary report default information:

- **1** Create a summary-style report (for example, a profit and loss standard report).
- **2** Click Modify Report.
- **3** Click Advanced to display this dialog box:



- **4** Select desired options for Display Rows, Display Columns, Reporting Calendar.
- **5** Click OK to close the Advanced Options dialog box.
- **6** Click OK to close the Modify Report window.

Selecting cash or accrual-based summary reporting

You can view most summary reports on a cash or accrual basis by customising the report when you create it (transaction reports are always on a cash basis).

To change the basis of the current report:

- **1** In the Report window, click Modify Report.
- **2** On the Display tab, select either Cash or Accrual as the report basis.
- 3 Click OK.

If you wish to change the reporting basis for summary reports, follow the procedure below. Changing this preference affects most summary reports.

To change the basis for all summary reports:

- **1** From the Edit menu, choose Preferences.
- **2** Select Reports & Graphs.
- **3** Click the Company Preferences tab.

Note: Only the QuickBooks Administrator can change Company Preferences.

- **4** Under "Summary reports basis," select either Cash or Accrual.
- 5 Click OK.

Basic customisation options for summary reports

Summary report option	Use to:
Report Dates	Set the date range for the report. You can choose a time period from the drop-down list, or enter a custom date range in the From and To fields.
Report Basis	Choose whether the report is done on an accrual or cash basis.
Columns	Subtotal amounts in columns for time periods or other factors. For example, if you choose Month, QuickBooks displays your report with separate columns for each month, within the date range of the report.
Add Subcolumns	Select the additional columns you want included in the report (such as Previous Period, Previous Year, Year-to-date, % of YTD, % of Income, % of Expenses, % of Row, % of Column). Column headings with a tick are included.
Sort By	Choose whether to sort by transaction order (Default) or amount order (Total); also by ascending or descending order for either.
Units of Measure (Pro/Accountant)	Choose whether to express quantities and units in stocking, selling or purchasing units.

Additional options for customising budget reports

Budget report customise option	Use to:
Show Actuals	Choose whether the report should show actual amounts in addition to budgeted amounts. If you select "Show actuals," you can also select either or both of the next two options: "£ Difference" and "% of Budget."

Additional options for customising ageing reports

Ageing report customise option	Use to:
Days per ageing period?	Restrict transactions included in the report according to their ageing period. In this field, enter the period of time you want each column to represent. For example, if you type 30 , the column headings would be "Current," "1-30," "31-60," and so on.
Age through how many days?	Specify the maximum number of days for which you want a breakdown of ageing intervals. For example, if you don't want the report to go past 90 days, type 90 in this field.

Additional options for customising time reports (QuickBooks Pro/Accountant only)

Time report customise option	Use to:
Formats	Determine how the report breaks down the amounts for time worked. For example, if the format is "Time by Job by Item," the report shows how much time went into each type of work your company did for each job. If, instead, you wanted the report to show how much time each employee worked on each job, you would choose "Time by Job by Name."

Additional options for customising cash flow forecast reports

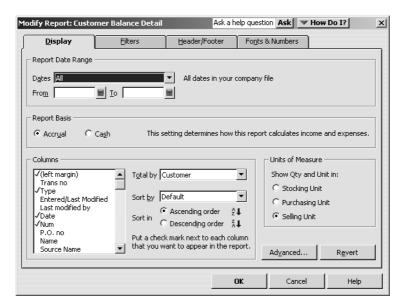
Cash Flow Forecast report customise option	Use to:
Reporting Periods	Choose a time period that you want QuickBooks to use for the report. For example, if you have the reporting period set to one week, the report shows your cash flow at 7-day intervals for the date range you specify.
Delay receipts how many days?	Slow down receipts to produce a more conservative and realistic cash flow. If you leave this field set to 0, QuickBooks includes all receipts where the due date falls within the date range of the report. If you type a number greater than zero, QuickBooks doesn't include a receipt until it is that number of days past its due date.

Additional options for customising custom summary reports

Custom report customise option	Use to:
Display rows by	Customise the row headings you want for your report by choosing them from a drop-down list.
Display columns for	Specify whether the report should include columns for Amount, Quantity, or Both.

Customising transaction reports

When you create a transaction report and click the Modify Report button from the report window, QuickBooks displays a Modify Report window similar to this one:



When you click the Advanced button, QuickBooks displays a window similar to this:



The table below describes each option available for customising transaction reports.

Important: Not all options are available for all transaction reports. See "Customising QuickBooks preset reports" on page 60 for a list of the options available and the default settings for each option.

Customise option	Use to:
Report Dates	Set the date range for the report. You can choose a time period from the drop-down list, or type a custom date range in the From and To fields.
Report Basis	Choose accrual or cash basis.
Columns	Select the columns you want included in the report. Column headings with a tick are included.
Total By	Change how QuickBooks groups and subtotals the individual transactions on the report.

Customise option	Use to:
Sort By	Change how QuickBooks sorts the transactions on a report. Transactions normally appear in date order (earliest first) on a report; you can also sort by amount or document order.
Units of Measure (Pro/Accountant)	Choose whether to express quantities and units in stocking, selling or purchasing units.
Show Detail (Journal report)	Choose whether the report shows each individual transaction or summarises totals.
Date Entered/Last Modified (Audit trail report)	Set the date range for the transactions included in the report. QuickBooks includes a transaction if it was either entered or modified within the date range you specified.
Include	Specify whether you want to include all transactions, or only those that show activity during the period covered by the report.
Open Balance/ Ageing	Determine how QuickBooks calculates a customer's open balance on an ageing report. Choose "Current" to show the customer's open balance as of today. Choose "As of Report Date" to show the customer's open balance as of the ending date of the report.
VAT Basis	Choose Net or Gross.

If you want a transaction-style report, the most flexible is the custom transaction detail report. This report lets you specify how QuickBooks groups and subtotals the individual transactions on the report (in the Total By field), as well as the order in which transactions appear within a group (for example, in date order).

Displaying Debit and Credit columns on transaction reports

By default, QuickBooks displays transaction-style reports to show amounts as positive and negative, rather than as debits and credits. You can modify a QuickBooks report to display and print Debit and Credit columns, instead of the preset Amount column.

To display Debit and Credit columns on transaction reports:

- **1** Create any transaction-style report (for example, a transaction by date report).
- **2** In the report window, click Modify Report.
- **3** In the Columns section on the first tab, select Debit and Credit, and clear the Amount column. (A tick shows that a column is selected.)
- **4** Click OK.

 QuickBooks replaces the Amount column with Debit and Credit columns.

Important: The trial balance report (summary) and the journal report (transaction) are always preset to show the Debit and Credit columns. Both reports are on the Accountant & Taxes submenu.

Changing columns on transaction reports

If a report has too many columns to display all information on your screen, as is true of most transaction reports, you can choose to hide columns that you don't need.

To hide columns on a transaction report:

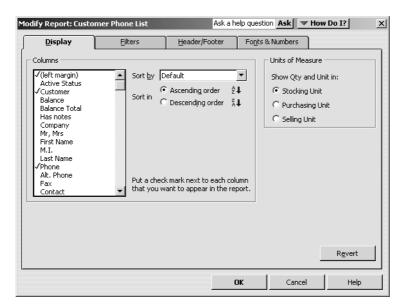
- **1** Create a transaction-style report (for example, a general ledger report).
- **2** Click Modify Report.
- **3** For Columns, clear (click) columns you do not need to view onscreen. For example; Left Margin, Memo, and Split can usually be removed from the general ledger report.
- 4 Click OK.

You can also follow these steps to add columns to the report. For example, to add the transaction number (trans no), date last modified, or custom field information to the general ledger report, just tick the columns you want to display.

You can use this feature to combine transaction information with contact details. For example, adding columns for customer contact name and phone number to an A/R Ageing Summary gives you a list of overdue receivables with details of who you need to chase for payment.

Customising list reports

When you customise list reports, QuickBooks displays the fields available in the particular list you are reporting on. Because each list contains different fields, the Modify Report window for each list report is unique. For example, the Modify Report window for the customer phone list looks like this:



In addition to the customisation options described earlier in this chapter, you can sort report data by column and rearrange columns in reports.

Sorting report data

If you wish, you can change the columns on which certain QuickBooks reports are sorted. You can also change the report settings to sort report data in ascending or descending order.

Sorting behavior varies by type of report and is not available for all reports. This table provides examples of the types of reports that can and can't be sorted in QuickBooks.

Report type	Examples	Able to sort
Regular Detail	Customer Balance Detail, Transaction Detail by Account	Yes
Specialised Detail	Profit & Loss Detail, Sales by Item Detail	Yes
Transaction	Journal, Deposit Detail	Yes
List	Supplier Contact list, Item Price list	Yes
Specialised Summary	Profit & Loss Standard, Balance Sheet Summary	Yes
Regular Summary	A/R Aging Summary, Purchases by Supplier Summary	Yes
Time Summary (Pro/Accountant)	Time by Job Summary, Time by Name	Yes
Time Detail (Pro/Accountant)	Time by Job Detail	No

Because you can only sort on columns displayed in a report, you may need to add columns to standard QuickBooks reports to be able to sort the data the way you want.

Adding and deleting report columns

QuickBooks makes it easy to create the reports you want by allowing you to add, delete, and rearrange report columns. The ability to add or delete columns is not available on all reports.

To add or remove columns from a report:

- **1** Generate the report you want to modify.
- **2** Click Modify Report on the report buttonbar.
- **3** In the columns section of the Display tab, click the columns you want to add or delete from the report (a checkmark indicates that a column is included in the report).
- 4 Click OK.

When you add a column to a report, QuickBooks adds that column to the "Sort by" drop-down list (for reports that allow sorting).

If you are adding columns to a report which currently has the original column order, QuickBooks inserts the new columns in the order in which they appear in the column list for that report. If you have altered the display order of columns, QuickBooks inserts each new column to the left of the column in front of which it would normally appear.

Moving report columns

You move columns in transaction and list reports by dragging and dropping them (not available for summary reports).

To move a report column:

- **1** Generate the report in which you want to change column order.
- 2 Place the mouse pointer over the header for the column you want to move.

 Note: You can move only one column at a time.
- **3** Hold down the mouse button and drag the column to the new position, and then release the mouse button.

You can only move columns to areas you can see onscreen. If you have a very wide report and you want to move a column to a part of the report that you can't see, move the column in the desired direction until you reach to the edge of the report window. Then, scroll through the report and move the column again. Continue this process until you have moved the column to the desired location.

Turning off the date, time, and report basis stamps

QuickBooks reports are set to display the date, time, and report basis in the header area. However, you can turn the stamps off on a report-by-report basis.

To turn off the date, time, and basis stamps on reports:

- **1** Generate the report in which you want turn off the stamps.
- **2** Click Modify Report, and then click the Header/Footer tab.
- **3** Click to clear the checkmarks for those items you do not wish to display.
- 4 Click OK.
- **5** (Optional) Click Memorise to save the report settings for future use.

Changing fonts and colours in a report

To change fonts and colours in a report:

- **1** In the report window, click Modify Report.
- **2** Click the Fonts & Numbers tab.
- **3** To change the font for a particular type of text, select the text type (for example Report Title) and click Change Font.
 - QuickBooks displays the font dialog box for the selected type of text.
- **4** Change the font, style, size and colour, and click OK.
- **5** Click OK again.

Note: To change for all reports, see global settings on page 48.

Changing how numbers display in a report

To change how numbers display in a report:

- **1** In the report window, click Modify Report.
- **2** Click the Fonts & Numbers tab.
- **3** To switch to a different format for negative amounts, select the option you want.
- **4** To reduce numbers to multiples of 1000, select "Divided By 1000." For example, the amount 15,523 displays as 15.5.
- **5** To show pound amounts without pence, select "Without Pence." This rounds each amount up to the nearest pound.
- 6 Click OK.

Note: To change for all reports, see global settings on page 48.

Customising QuickBooks preset reports

The following tables show which options you can set in the Modify Report window for each type of QuickBooks report. The type is shown after the report name and tells you whether the report type is a summary (S), transaction (T) or list (L) report. If a customise option has a preset value, it is listed in parentheses after the option name. Advanced options are shown in italics.

Note: If a feature isn't turned on, reports relating to that feature will not appear on the menus (for example if you don't have Time Tracking turned on, the time-related reports do not appear on the Jobs, Time & Mileage report menu).

Tip: If you have a question about one of the options shown in the "Customise options" column, refer to "Customising summary reports" above.

Profit and loss reports

To generate these reports from the Reports menu, choose Company & Financial, and then choose the report you want to create.

P&L report (type)	Description	Modify Report options
Profit & Loss Standard (S)	Summarises income and expenses, totalled by income or expense account.	 Report Dates (Month-to-date) Report Basis (Accrual) Columns (Total only) Subcolumns Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year)
Profit & Loss Detail (T)	Lists each income and expense transaction for the financial year to date, grouped and subtotalled by income and expense account.	 Report Dates (Financial Year-to-date) Report Basis (Accrual) Columns Units of Measure (Stocking Unit) Include (In Use) Open Balance/Ageing (Current)
Profit & Loss YTD Comparison (S)	Like the standard profit and loss statement, but with one column for this month to date and a second column for this year to date.	 Report Dates (Month-to-date) Report Basis (Accrual) Columns (Total only) Subcolumns (Year-to-date) Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year)
Profit & Loss Prev Year Comparison (S)	Like the standard profit and loss statement, but with columns for this year to date, previous year to date, amount and % change.	 Report Dates (Financial Year-to-date) Report Basis (Accrual) Columns Subcolumns (Previous Year, £ Change, % Change) Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year)
Profit & Loss by Job (S)	Like the standard profit and loss statement, but with columns for each customer and job. Amounts are for the financial year to date.	 Report Dates (Financial Year-to-date) Report Basis (Accrual) Columns (Customer:Job) Subcolumns Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year)

P&L report (type)	Description	Modify Report options
Profit & Loss by Class (S)	Like the standard profit and loss statement, but with columns for each class and subclass. Amounts are for the financial year to date.	 Report Dates (Financial Year-to-date) Report Basis (Accrual) Columns (Class) Subcolumns Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year)
Profit & Loss Unclassified (S)	Like the standard profit and loss statement, but showing only unclassified totals. Amounts are for the month to date.	 Report Dates (Month-to-date) Report Basis (Total only) Columns (Class) Subcolumns Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year)
Income by Customer Summary (S)	Summarises net sales income by customer and job for financial year to date.	 Report Dates (Financial Year-to-date) Report Basis (Accrual) Columns (Total only) Subcolumns Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year) VAT Basis (Net)
Income by Customer Detail (T)	Lists sales, returns, and reimbursed expenses for the financial year to date, grouped and subtotalled by customer and job.	 Report Dates (Financial Year-to-date) Report Basis (Accrual) Columns Units of Measure (Selling Unit) Include (In Use) Open Balance/Ageing (Current) VAT Basis (Net)
Expenses by Supplier Summary (S)	Summarises net expenses by supplier for the financial year to date.	 Report Dates (Financial Year-to-date) Report Basis (Accrual) Columns (Total only) Subcolumns Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year) VAT (Net)
Expenses by Supplier Detail (T)	Lists each expense and credit transaction for the financial year to date, grouped and subtotalled by supplier.	 Report Dates (Financial Year-to-date) Report Basis (Accrual) Columns Units of Measure (Selling Unit) Include (In Use) Open Balance/Ageing (Current) VAT (Net)

Balance sheet reports

To generate these reports from the Reports menu, choose Company & Financial, and then choose the report you want to create.

Balance sheet report (type)	Description	Modify Report options
Balance Sheet Standard (S)	Shows the balance in each balance sheet account, with subtotals for assets, liabilities, and equity.	 Report Dates (Financial Year-to-date) Report Basis (Accrual) Columns (Total only) Subcolumns Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year)
Balance Sheet Detail (T)	Shows the starting balance at the beginning of last month, transactions entered in the account for this month to date, and the ending balance as of today.	 Report Dates (This Month-to-date) Report Basis (Accrual) Columns Units of Measure (Stocking Unit) Include (All) Open Balance/Ageing (Current)
Balance Sheet Summary (S)	Shows amounts for each account type but not for individual accounts.	 Report Dates (Financial Year-to-date) Report Basis (Accrual) Columns (Total only) Subcolumns Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year)
Balance Sheet Prev Year Comparison (S)	Has columns for today, a year ago, amount and % change.	 Report Dates (Financial Year-to-date) Report Basis (Accrual) Columns (Total only) Subcolumns (Previous Year, £ Change, % Change) Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year)

Cash flow reports

To generate these reports, from the Reports menu, choose Company & Financial, and then choose the report.

For instructions on how to classify cash, use the Search facility in the onscreen Help for *statement of cash flows report* or *cash flows forecast report*.

Cash flow reports (type)	Description	Modify Report options
Statement of Cash Flows (S)	Shows net change in cash during a period.	 Report Dates (Financial Year-to-Date) Display Rows (Non-zero) Display Columns (Active) Reporting Calendar (Fiscal Year)
Cash Flow Forecast (S)	Shows expected cash inflows, expected cash disbursements, and expected bank account balances, so you can forecast how much cash you'll have.	 Report Dates (Next 4 Weeks) Reporting Periods (Week) Delay receipts how many days (0)

Customers and receivables reports

To generate these reports from the Reports menu, choose Customers & Receivables, and then choose the report you want to create.

A/R report	Description	Modify Report options
A/R Ageing Summary (S)	Shows when invoice payments are or were due, subtotalled by customer.	 Report Dates (Today) Days per ageing period (30) Age through how many days (90) Open Balance/Ageing (Report date)
A/R Ageing Detail (T)	Lists each unpaid invoice and open credit memo, grouped and subtotalled by days overdue. Tells how many days an invoice is overdue.	 Report Dates (Today) Report Basis (Accrual) Columns Units of Measure (Purchasing Unit) Open Balance/Ageing (Report date)
Customer Balance Summary (S)	Shows balances for customers with unpaid balances, as of the ending date.	 Report Dates (All) Columns (Total only) Subcolumns Display Rows (Non-zero) Display Columns (Active) Reporting Calendar (Fiscal Year) VAT Basis (Net)

A/R report	Description	Modify Report options
Customer Balance Detail (T)	Lists each invoice, credit memo, payment, cash sale, and general journal entry, subtotalled by customer. Total for customer equals customer's unpaid balance.	 Report Dates (All) Report Basis (Accrual) Columns Total by (Customer) Units of Measure (Selling Unit) Include (In Use) Open Balance/Ageing (Current) VAT Basis (Net)
Open Invoices (T)	Lists each unpaid invoice, grouped and subtotalled by customer.	 Report Dates (Today) Columns Units of Measure (Selling Unit) Include (In Use) Open Balance/Ageing (Current)
Collections Report (T)	Displays which invoices are overdue by a specified number of days, along with customer names and phone numbers.	 Report Dates (Today) Columns Units of Measure (Stocking Unit) Include (Active) Open Balance/Ageing (Report date) Days Past Due (1) (on report header)
Unbilled Costs by Job (T)	Shows any outstanding reimbursed expenses that have not yet been charged back to a customer.	■ Report Dates (All) ■ Report Basis (Accrual) ■ Columns ■ Total by (Customer) ■ Units of Measure (Selling Unit) ■ Include (In Use) ■ Open Balance/Ageing (Current) ■ VAT Basis (Net)
Transaction List by Customer (T)	Lists all transactions, grouped by customer.	 Report Dates (Month-to-date) Columns Units of Measure (Selling Unit) Include (In Use) Open Balance/Ageing (Current)

Sales reports

To generate these reports from the Reports menu, choose Sales, and then choose the report you want to create.

Sales report	Description	Modify Report options
Sales by Customer Summary (S)	Summarises sales income (for parts, services, discounts, or other charges) by customer for this month.	 Report Dates (Month-to-date) Report Basis (Accrual) Columns (Total only) Subcolumns Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year) VAT Basis (Net)
Sales by Customer Detail (T)	Like the customer summary report, but with sales transactions listed for each customer.	 Report Dates (Month-to-date) Report Basis (Accrual) Columns Total By (Customer) Units of Measure (Selling Unit) Include (In Use) Open Balance/Ageing (Current) VAT (Net)
Sales by Item Summary (S)	Summarises month-to-date unit and pound sales, subtotalled by invoice item (parts, services, discounts, other charges).	 Report Dates (Month-to-date) Report Basis (Accrual) Units of Measure (Selling Unit) Columns (Total only) Subcolumns (COGS, Avg. COGS, Gorss margin, Gross Margin %) Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year)
Sales by Item Detail (T)	Like the item summary report, but with sales transactions listed for each line item for this month.	 Report Dates (Month-to-date) Report Basis (Accrual) Columns Units of Measure (Selling Unit) Include (In Use) Open Balance/Ageing (Current)
Sales by Rep Summary (S)	Summarises sales income (for parts, services, discounts, or other charges) by employee for this month.	 Report Dates (Month-to-date) Report Basis (Accrual) Columns (Total only) Subcolumns Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year) VAT Basis (Net)

Job, time and mileage reports (QuickBooks Pro/Accountant only)

To generate these reports from the Reports menu, choose Jobs, Time & Mileage, and then choose the report you want to create.

Job/mileage/ time report (type)	Description	Modify Report options
Job Profitability Summary (S)	Compares actual cost to actual revenue for all customers and jobs. Subtotals data first by customer and then by job.	 Report Dates (All) Columns (Total only) Subcolumns (Act. Cost, Act. Revenue, £ Difference)

Job/mileage/ time report (type)	Description	Modify Report options
Job Profitability Detail (for one customer:job) (S)	For a customer or job, compares actual costs to actual revenues and shows the difference between the two amounts. Subtotals the data first by item type and then by item.	 Report Dates (All) Columns (Total only) Subcolumns (Act. Cost, Act. Revenue, £ Difference)
Job Estimates vs. Actuals Summary (S)	Compares estimated to actual cost and estimated to actual revenue for all customers and jobs, showing the difference between the two amounts. Subtotals data by customer and then by job.	 Report Dates (All) Columns (Total only) Subcolumns (Est. Cost, Act. Cost, £ Difference; Est. Revenue, Act. Revenue, £ Difference)
Job Estimates vs. Actuals Detail (for one job) (S)	For a customer or job, compares estimated to actual costs and estimated to actual revenues, showing the difference between the two amounts. Subtotals data by item type and then by item.	 Report Dates (All) Columns (Total only) Subcolumns (Est. Cost, Act. Cost, £ Difference; Est. Revenue, Act. Revenue, £ Difference)
Job Progress Invoices vs. Estimates (S)	Show estimates, and the amount and percentage of any progress invoices. Subtotals data by customer and then by job.	 Report Dates (Financial Year-to-date) on report header Columns Units of Measure (Stocking Unit)
Item Profitability (S)	For each item, compares the actual cost to actual revenue and shows the difference between the two amounts. Subtotals data by item type and then by item.	 Report Dates (All) Columns (Total only) Subcolumns (Act. Cost, Act. Revenue, £ Difference)
Item Estimates vs. Actuals (S)	For each item, compares estimated to actual cost and estimated to actual revenue, showing the difference between the two amounts. Subtotals data by item type and then by item.	 Report Dates (All) Columns (Total only) Subcolumns (Est. Cost, Act. Cost, £ Difference, Est. Revenue, Act. Revenue, £ Difference)
Profit & Loss by Job (S)	Like the standard profit and loss statement, but with columns for each customer and job. Amounts are for the financial year to date.	 Report Dates (Financial Year-to-date) Report Basis (Accrual) Columns (Customer:Job) Subcolumns Display Rows (Non-zero) Display Columns (Active) Reporting Calendar (Fiscal Year)

Job/mileage/ time report (type)	Description	Modify Report options
Estimates by Job (T)	Shows all estimates, grouped and subtotalled by customer and then by job.	 Report Dates (AII) Report Basis (Accrual) Columns (Customer:Job) Units of Measure (Stocking Unit) Include (In Use) Open Balance/Ageing (Current)
Unbilled Costs by Job (T)	Shows any outstanding reimbursed expenses that have not yet been charged back to a customer.	 Report Dates (All) Report Basis (Accrual) Columns Total by (Customer) Units of Measure (Selling Unit) Include (In Use) Open Balance/Ageing (Current) VAT Basis (Net)
Open Purchase Orders by Job (T)	For each customer:job, the report shows the remaining line items that have not been received and their expected delivery date. You must enter customer:job information on purchase orders to have the information display in this report.	 Report Dates (AII) Columns Units of Measure (Purchasing Unit) Include (In Use) Open Balance/Ageing (Current)
Time by Job Summary (S)	Shows hours worked subtotalled first by customer or job and then by service item.	 Report Dates (Financial year-to-date) Columns (Total only) Formats (Time by Job by Item) Subcolumns Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year)
Time by Job Detail (T)	Lists each time activity (work done by one person for a particular customer or job on a specific date) and shows whether it is billed, unbilled, or not billable.	 Report Dates (This Month-to-date) Columns Units of Measure (Stocking Unit) Include (In Use)
Time by Name (S)	Shows hours worked (or tracked as sick or holiday time), subtotalled first by the name of the person who performed the work and then by the customer or job the person performed the work for.	 Report Dates (Financial year-to-date) Columns (Total only) Formats (Time by Name by Job) Subcolumns Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year)

Job/mileage/ time report (type)	Description	Modify Report options
Time by Item (S)	Shows hours worked subtotalled first by service item and then by customer or job.	 Report Dates (Financial year-to-date) Columns (Total only) Formats (Time by Item by Job) Subcolumns (such as Billed, Unbilled, Not Billable, and Estimated) Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year)
Mileage by Vehicle Summary (S)	Shows mileage and expense amount based on Inland Revenue published guidelines (mileage allowance for employees who use their own cars for business travel), subtotalled by vehicle.	 Report Dates (This Tax Year) Columns (Total only) Display Rows (Active) Display Columns (Active) Reporting Calendar (Income Tax Year)
Mileage by Vehicle Detail (T)	Shows the mileage for each vehicle on a specific date, and shows the expense amount based on Inland Revenue published guidelines (mileage allowance for employees who use their own cars for business travel).	 Report Dates (This Tax Year) Columns Units of Measure (Stocking Unit) Include (In Use) Open Balance (Current)
Mileage by Job Sumary (S)	Shows mileage subtotalled by customer and job.	 Report Dates (Financial year-to-date) Columns (Total only) Subcolumns (such as Billed, Unbilled, Not Billable) Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year)
Mileage by Job Detail (T)	Lists each mileage entry for a particular customer or job on a specific date, with the amount billable to the customer. It also shows the billing status for each entry: billed, unbilled or not billable. The report groups and subtotals the entries by customer and job.	 Report Dates (Financial year-to-date) Columns Units of Measure (Stocking Unit) Include (In Use) Open Balance (Current)

Suppliers and payables reports

To generate these reports from the Reports menu, choose Suppliers & Payables, and then choose the report you want to create.

A/P report (type)	Description	Modify Report options
A/P Ageing Summary (S)	Shows the ageing status of unpaid bills in the accounts payable account, subtotalled by supplier.	 Report Dates (Today) Days per ageing period (30) Age through how many days (90) Open Balance/Ageing (Report date)
A/P Ageing Detail (T)	Lists each unpaid bill, subtotalled by ageing period. Tells how many days a bill is overdue.	 Report Dates (Today) Report Basis (Accrual) Columns Units of Measure (Purchasing Unit) Open Balance/Ageing (Report date)
Supplier Balance Summary (S)	Shows balances for suppliers with unpaid balances, as of the report's ending date.	 Report Dates (All) Columns (Total only) Subcolumns Display Rows (Non-zero) Display Columns (Active) Reporting Calendar (Fiscal Year) VAT Basis (Net)
Supplier Balance Detail (T)	Lists all supplier-related transactions, subtotalled by supplier. The total for a supplier equals the supplier's unpaid balance.	 Report Dates (All) Report Basis (Accrual) Columns Total by (Supplier) Units of Measure (Purchasing Unit) Include (In Use) Open Balance/Ageing (Current) VAT Basis (Net)
Unpaid Bills Detail (T)	Lists each unpaid bill, subtotalled by supplier.	 Report Dates (Today) Columns Units of Measure (Purchasing Unit) Include (In Use) Open Balance/Ageing (Current) VAT Basis (Net)
Transaction List by Supplier (T)	Lists all transactions for a supplier	 Report Dates (Month-to-date) Columns Units of Measure (Purchasing Unit) Include (In Use) Open Balance/Ageing (Current)

Purchases reports

To generate these reports from the Reports menu, choose Purchases, and then choose the report you want to create.

Purchases report (type)	Description	Modify Report options
Purchases by Supplier Summary (S)	Summarisespurchasing expenses by supplier for this month.	 Report Dates (Month-to-date) Report Basis (Accrual) Columns (Total only) Subcolumns Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year)
Purchases by Supplier Detail (T)	Like the previous report, but with credit card charges, bills, supplier credits, and cheques listed for each supplier.	 Report Dates (Month-to-date) Report Basis (Accrual) Columns Total By (Supplier) Units of Measure (Purchasing Unit) Include (In Use) Open Balance/Ageing (Current)
Purchases by Item Summary (S)	Summarises unit and pound purchases for this month, subtotalled by item.	 Report Dates (Month-to-date) Report Basis (Accrual) Units of Measure (Purchasing Unit) Columns (Total only) Subcolumns Display Rows (Non-zero) Display Columns (Active) Reporting Calendar (Fiscal Year)
Purchases by Item Detail (T)	Like the previous report, but with credit card charges, bills, supplier credits, and cheques listed for each item.	 Report Dates (Month-to-date) Report Basis (Accrual) Columns Units of Measure (Purchasing Unit) Include (In Use) Open Balance/Ageing (Current)
Open Purchase Orders (T)	Shows all open purchase orders, including the supplier, P.O. number, and expected receipt date.	 Report Dates (All) Columns Units of Measure (Purchasing Unit) Include (In Use) Open Balance/Ageing (Current)
Open Purchase Orders by Job (T)	For each customer:job, shows line items not yet received and their expected delivery date. You must enter customer:job information on purchase orders for this report.	 Report Dates (All) Columns Units of Measure (Purchasing Unit) Include (In Use) Open Balance/Ageing (Current)

Stock reports

To generate these reports from the Reports menu, choose Stock, and then choose the report you want to create.

Stock report (type)	Description	Modify Report options
Stock Valuation Summary (S)	For each stock item, shows quantity on hand, average cost, asset value, sales price, retail value, % of total asset value, and % of retail value. Covers this month to date.	 Report Dates (Month-to-date) Units of Measure (Stocking Unit) VAT Basis (Net)
Stock Valuation Detail (T)	For each stock item, shows all transactions for month to date that affect the value of the item. This report has the same columns as the valuation summary report.	 Report Dates (Month-to-date) Columns Units of Measure (Stocking Unit) Include (In Use) Open Balance/Ageing (Current)
Stock Status by Item (T)	For each stock item, shows quantity on hand, quantity on order, date of next order receipt, and average quantity sold per week. Covers this month to date.	Report Dates (Month-to-date)Units of Measure (Stocking Unit)
Stock Status by Supplier (T)	For each supplier, shows quantity of stock items on hand, quantity on order, date of next order receipt, and average sales per week. Designed to help in reordering items.	 Report Dates (Month-to-date) Units of Measure (Stocking Unit)
Stock Take Worksheet (N/A)	For each stock item, shows preferred supplier and quantity on hand with an empty column to write in the actual quantity from a stocktaking.	■ Units of Measure (Stocking Unit)
Open Sales Orders by Customer (T)	Lists all open sales orders, grouped and subtotalled by customer.	 Report Dates (All) Columns Units of Measure (Selling Unit) Include (In Use) Open Balance/Ageing (Current)

Working with QuickBooks reports

Stock report (type)	Description	Modify Report options
Pending Builds (7)	For assembly items, shows those assemblies marked as pending.	 Report Dates (All) Report Basis (Accrual) Columns Total by (Total only) Units of Measure (Stocking Unit) Include (In Use) Open Balance/Ageing (Current)

Employee and payroll reports

To generate these reports from the Reports menu, choose Employees & Payroll, and then choose the report you want to create.

Note: The P11 Report that was on this menu in some previous versions of QuickBooks has been superseded by the P11 Working Sheet on the Employees menu. It does not include any customisation options.

Payroll report (type)	Description	Modify Report options
Payroll Summary (S)	Summarises amounts paid or deducted for each payroll item for each employee; also taxes and benefits.	 Report Dates (Month-to-date) Columns (Employees) Subcolumns (Hours, Rate) Display Rows (Active) Display Columns (Active) Reporting Calendar (Payroll Year)
Payroll Item Detail (T)	Shows the individual transactions that make up each payroll item paid or deducted from each employee.	 Report Dates (This Month) Report Basis (Accrual) Columns Total By (Payroll item detail) Units of Measure (Stocking Unit) Include (In Use) Open Balance/Ageing (Current)
Payroll Pension Detail (T)	Shows the individual transactions that make up each payroll item paid or deducted from each employee which affect pension benefits.	 Report Dates (Payroll year-to-date) Report Basis (Accrual) Columns Units of Measure (Stocking Unit) Include (In Use) Open Balance/Ageing (Current)

Payroll report (type)	Description	Modify Report options
Payroll Detail Review (T)	Provides a breakdown of payroll transactions by employee, showing all payroll items and which tax table was used.	 Report Dates (Payroll year-to-date) Report Basis (Accrual) Columns Units of Measure (Stocking Unit) Include (In Use) Open Balance/Ageing (Current)
Employee Earnings Summary (S)	As summary report, but with a row for each employee and a column for each payroll item.	 Report Dates (This Month) Report Basis (Accrual) Subcolumns Display Rows (Active) Display Columns (Active) Reporting Calendar (Payroll Year)
Payroll Transactions by Payee (T)	Lists payroll transactions by payee (e.g. pay cheques issued to each employee).	 Report Dates (This Month) Columns Units of Measure (Stocking Unit) Include (In Use) Open Balance/Ageing (Current)
Payroll Transaction Detail (T)	Shows the line item detail for each payroll transaction.	 Report Dates (This Month) Columns Units of Measure (Stocking Unit) Include (In Use) Open Balance/Ageing (Current)
Statutory Payments Detail (S)	Shows statutory payments and recovery amounts for the specified tax year. No Modify Report options, but report can be filtered.	 Tax Year (Current year) Report Dates (Current tax and financial year) Type of statutory payment (All) Employees (All)
Payroll Liability Balances (S)	Shows amount currently owed for each payroll liability item.	 Report Dates (This payroll year-to-date) Columns (Month) Subcolumns Display Rows (Active) Display Columns (Active) Reporting Calendar (Payroll Year)
BACS Report (T)	Lists BACS payments by employee	■ Report Dates (This Month)

Banking reports

To generate these reports from the Reports menu, choose Banking, and then choose the report you want to create.

Banking report (type)	Description	Modify Report options
Deposit Detail (T)	Shows detailed information for each bank deposit, including customer names and payment allocations.	 Report Dates (Month-to-date) Columns Units of Measure (Selling Unit) Include (In Use) Open Balance/Ageing (Current)
Cheque Detail (T)	Shows detailed information for each cheque, including affected expense accounts and bill payment allocations.	 Report Dates (Month-to-date) Columns Units of Measure (Purchasing Unit) Include (In Use) Open Balance/Ageing (Current)
Missing Cheques (for a selected account) (T)	Lists cheques in a bank account by cheque number, invoices in a receivables account by invoice number, or payments in a current asset account by number. Shows both missing and duplicate numbers.	 Report Dates (AII) Columns Units of Measure (Purchasing Unit)
Reconcile Discrepancy (Accountant) (T)	For a specified account, hows entries or adjustments made after the account was reconciled.	 Report Dates (AII) Columns Units of Measure (Stocking Unit) Include (In Use) Open Balance/Ageing (Current)
Previous ReconciliationDetail (Accountant) (T)	For a specified account, stores up to 120 previous reconciliation reports showing transactions sorted by type.	 Report Dates (All) Columns Units of Measure (Stocking Unit) Include (In Use) Open Balance/Ageing (Current)
Previous ReconciliationSummary (Accountant) (S)	For a specified account, stores up to 120 previous reconciliation summaries.	■ Report Dates (AII) ■ Display Rows (Active) ■ Display Columns (Active) ■ Reporting Calendar (Fiscal Year)

Accountant and taxes reports

To generate these reports from the Reports menu, choose Accountant & Taxes, and then choose the report you want to create.

Accountant & Taxes report (type)	Description	Modify Report options
Adjusted Trial Balance (S)	Shows the effect of adjustments on the trial balance.	 Report Dates (Last month) Report Basis (Accrual) Columns Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year)
Trial Balance (S)	Summarises debits and credits, subtotalled by account.	 Report Dates (Month-to-date) Report Basis (Accrual) Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year)
General Ledger (7)	Lists month-to-date GL transactions, subtotalled by account. Similar to the Transaction Detail by Account report.	 Report Dates (Month-to-date) Report Basis (Accrual) Columns Units of Measure (Stocking Unit) Include (All) Open Balance/Ageing (Current)
Transaction Detail by Account (T)	Lists month-to-date transactions subtotalled by account.	 Report Dates (Month-to-date) Report Basis (Accrual) Columns Total By (Account list) Units of Measure (Stocking Unit) Include (In Use) Open Balance/Ageing (Current)
Adjusting Journal Entries (T)	Displays adjusting journal entries.	 Report Dates (Last month) Columns Units of Measure (Stocking Unit) Include (In Use) Open Balance/Ageing (Current)
Journal (T)	Breaks down every transaction into debits and credits.	■ Report Dates (Month-to-date) ■ Columns ■ Units of Measure (Stocking Unit) ■ Include (In Use) ■ Open Balance/Ageing (Current)

Accountant & Taxes report (type)	Description	Modify Report options
Audit Trail (T)	For a specified date range, shows any transactions modified or deleted and what the modifications were. To create this report, "Use audit trail" must first be selected in the Transactions Preferences window.	 Report Dates (All) Date Entered/Last Modified (Today) Columns Show Deleted Transactions (Yes)
Closing Date Exception Report (Accountant)	Tracks changes made to transactions for periods that have been closed. You must set a Closing Date (Edit, Preferences) in order to run this report.	 Report Dates (to Closing Date) Days Entered/Last Modified (from Today) Columns Show Deleted Transactions (Yes)
Transaction List by Date (T)	Lists all transactions in date order.	 Report Dates (Month-to-date) Columns Units of Measure (Stocking Unit) Include (In Use) Open Balance/Ageing (Current)
Account Listing (L)	Lists all accounts, grouped by type.	■ Columns ■ Units of Measure (Stocking Unit)
Fixed Asset Listing (L)	Lists all fixed assets with its original cost, purchase date and description	■ Columns ■ Units of Measure (Stocking Unit)
Income Tax Preparation (L)	Shows the tax line assigned to each account in the chart of accounts.	■ Columns ■ Units of Measure (Stocking Unit)
Income Tax Summary (S)	Shows the amount associated with each tax line for the self-assessment tax form.	 Report Dates (Tax year) Report Basis (Accrual) Display Rows (Active) Display Columns (Active) Reporting Calendar (Income Tax Year)
Income Tax Detail (T)	Shows the transactions associated with each tax line for the self-assessment tax form.	 Report Dates (Tax year) Report Basis (Accrual) Columns Units of Measure (Stocking Unit) Include (In Use) Open Balance/Ageing (Current)

Budget and forecast reports

To generate these reports from the Reports menu, choose Budgets & Forecasts, and then choose the report you want to create.

Note: You must have set up a budget and/or forecast in order to run these reports.

Budget/ forecast report (type)	Description	Modify Report options
Budget Overview (S)	Shows budgeted amounts by month for each income and expense account for which you have set up a budget.	 Report Dates (Custom) Report Basis (Accrual) Columns (Month) Show actuals (No) Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year) Show only rows & columns with budgets (No)
Budget vs. Actual (S)	Compares budgeted amounts for income and expense accounts with actual income and expenses. Shows the difference in pounds and as a percentage of budgeted amount.	■ Report Dates (Custom) ■ Report Basis (Accrual) ■ Show actuals/£ difference/ % of budget (Yes) ■ Show actuals (No) ■ Display Rows (Active) ■ Display Columns (Active) ■ Reporting Calendar (Fiscal Year) ■ Show only rows & columns with budgets (No)
Profit & Loss Budget Performance (S)	Shows actual income and expenditure compared to the budgeted amounts for the month and year, for each income and expense account for which you have set up a budget.	■ Report Dates (Month) ■ Report Basis (Accrual) ■ Columns (Total) ■ Show actuals (Yes) ■ Show actuals (No) ■ Display Rows (Active) ■ Display Columns (Active) ■ Reporting Calendar (Fiscal Year) ■ Show only rows & columns with budgets (No)

Working with QuickBooks reports

Budget/ forecast report (type)	Description	Modify Report options
Forecast Overview (S)	Shows the forecast income and expenditure for each month.	 Report Dates (Financial year-to-date) Report Basis (Accrual) Columns (Month) Show actuals (No) Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year) Show only rows & columns with budgets (No)
Forecast vs. Actual (S)	Shows actual income and expenditure against what was forecast.	■ Report Dates (Financial year) ■ Report Basis (Accrual) ■ Columns (Month) ■ Show actuals (Yes) ■ £ difference (Yes) ■ % of forecast (Yes) ■ Display Rows (Active) ■ Display Columns (Active) ■ Reporting Calendar (Fiscal Year) ■ Show only rows & columns with budgets (No)

List reports

To generate these reports from the Reports menu, choose List, and then choose the report you want to create.

List report (type)	Description	Modify Report options	
Account Lists			
Account Listing (L)	Lists each account in the chart of accounts by name, type, balance, description, and tax-line assignment.	ColumnsUnits of Measure (Stocking Unit)	
Item Lists			
Item Price List	Shows the sales price, name, description, and preferred supplier of each item on the Item list.	ColumnsUnits of Measure (Selling Unit)	
Item Listing (L)	Shows more detail about each item on the Item list.	ColumnsUnits of Measure (Stocking Unit)	
VAT Lists			
VAT Code (L)	Lists VAT codes and rates.	N/A	
Payroll Item List			
Payroll Item Listing (L)	For each payroll item in the Payroll Item list, shows name, type, associated account, and tax tracking information.	■ Columns ■ Units of Measure (Stocking Unit)	
Fixed Assets List	s		
Fixed Asset Listing (L)	Lists each fixed asset item with its original cost, purchase date and description.	■ Columns ■ Units of Measure (Stocking Unit)	
Customer Lists	Customer Lists		
Customer Phone List (L)	Lists each customer's name and phone number, using information from the Customer:Job list.	■ Columns ■ Units of Measure (Stocking Unit)	
Customer Contact List (L)	Lists contact information for each customer in the Customer:Job list (name, balance, phone, fax, contact names, and billing address).	■ Columns ■ Units of Measure (Stocking Unit)	

Working with QuickBooks reports

List report	Description	Modify Report options
(type)	2000 paion	meany nepert options
Supplier Lists		
Supplier Phone List (L)	Lists each supplier's name and phone number, using information from the Supplier list.	■ Columns ■ Units of Measure (Stocking Unit)
Supplier Contact List (L)	Lists contact information for each supplier in the Supplier list (name, balance, phone, fax, contact name, address, and account number).	■ Columns ■ Units of Measure (Stocking Unit)
Employee Lists		
Employee Contact List (L)	Lists contact information for each employee in the Employee list: name, phone, and address.	■ Columns ■ Units of Measure (Stocking Unit)
Other Names Lis	ts	
Other Names Phone List (L)	Lists the name and phone number for each person on the Other Names list.	■ Columns ■ Units of Measure (Stocking Unit)
Other Names Contact List (L)	Lists contact information for each person in the Other Names list (name, address, phone, fax, and contact name).	ColumnsUnits of Measure (Stocking Unit)
Terms List		
Terms Listing (L)	Lists details of each payment term in the Terms list (name, type, discount percentage, net due days, discount days, and day of month due).	■ Columns ■ Units of Measure (Stocking Unit)

VAT reports

To generate these reports from the Reports menu, choose VAT, and then choose the report you want to create.

VAT report (type)	Description	Modify Report options
VAT 100 (S)	Shows the information needed to fill in the VAT 100 return form	■ Report Dates – via report header
VAT Summary (S)	Shows a summary of input and output VAT.	■ Report Dates – via report header
VAT Exception Report (T)	Shows unfiled VAT transactions up to the previous return, and VAT liability. You can run this report only if you use accrual accounting.	N/A
VAT Detail (T)	Shows detailed information for each transaction in the VAT Control account.	 Report Dates (Last VAT quarter) Columns Units of Measure (Stocking Unit) Include (In Use) Open Balance/Ageing (Current)
EC Sales List	Shows EC sales by customer:job.	 Report Dates (This Financial Quarter-to-date) – via report header Columns (Total only)

Multicurrency reports

To generate these reports from the Reports menu, choose Multicurrency, and then choose the report you want to create.

Multi- currency report (type)	Description	Modify Report options
Realised Gain & Loss (T)	Shows actual gains and losses in foreign transactions due to exchange rate fluctuations.	 Report Dates (All) Report Basis (Accrual) Columns Units of Measure (Stocking Unit) Include (In Use) Open Balance/Ageing (Current)
Unrealised Gain & Loss (S)	For a selected currency, summarises potential gains and losses by account.	■ Report Dates (All)

Custom reports

Choose either of these reports from the Reports menu to create reports from scratch.

Custom report (type)	Description	Modify Report options
Custom Summary Report (S)	Shows totals and subtotals for groups of transactions without showing the individual transactions.	 Report Dates (This Month-to-date) Report Basis (Accrual) Columns (Total only) Rows (Income statement) Display Columns For Amount/ Quantity/Both (Amount) Subcolumns Display Rows (Active) Display Columns (Active) Reporting Calendar (Fiscal Year)
Custom Transaction Detail Report (T)	Lists individual transactions showing each account involved in a transaction on a separate line.	■ Report Dates (This Month-to-date) ■ Report Basis (Accrual) ■ Columns ■ Units of Measure (Stocking Unit) ■ Total By (Total only) ■ Sort By (Date/Transaction) ■ Include (In Use) ■ Open Balance/Ageing (Current)

QuickReports

Whenever you have a list, a register, or a form displayed, you can create a QuickReport for the payee, account, or item.

Note: The exact customisation options and defaults depend on the type of transaction. For example, the Units of Measure for customer and sales transactions usually defaults to Selling Unit, but for supplier and purchase transactions it usually defaults to Purchasing Unit. Similarly, some Quick-Reports do not include the Report Basis option.

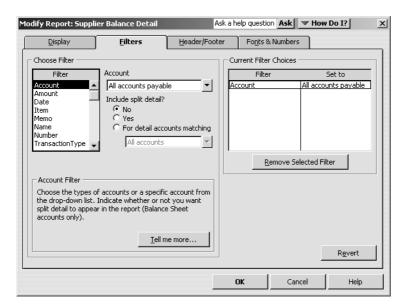
Quick Report (type)	Description	Modify Report options may include
QuickReport (T)	Shows transaction history for information being viewed.	 Report Dates Report Basis Columns Units of Measure Include (In Use) Open Balance/Ageing (Current)

Transaction reports

Other report (type)	Description	Modify Report options
Transaction History (for a selected transaction) (T)	Lists transaction information in two forms: invoices and the payments against them, and payments and the invoices they are against.	■ Columns ■ Show Detail (yes)
Transaction Journal (for a selected transaction) (T)	Breaks down the selected transaction into debits and credits.	■ Report Dates (Custom) ■ Columns ■ Units of Measure (Stocking Unit)

Filtering report data

Regardless of which type of report you create, you filter the data the same way. When you create a report, click Modify Report, and then click the Filters tab to display the list of filters available for that report:



This table describes each report filter available in QuickBooks. The actual filters available depend on the report. Go to the Filters tab in the Modify Report window to apply any of these filters to your reports. For more information about any of these filters, click the Tell me more button on the Filters tab.

Field, option, or button	Use to:
Account	Limit the report to certain accounts. For example, choosing All Bank Accounts limits the report to the accounts from which you write checks.
Amount (Any/=/)	Restrict transactions on the basis of a particular amount. (Click the =, <, or > button and type an amount in the field.)
Ageing	Restrict the transactions included in a report on the basis of ageing—the number of days an invoice or bill is past due.
Billing Status	Limit the report to show billing status of your customers: whether you have billed them or not, or whether they are considered not billable.
Class	Restrict the report's transactions to particular classes.
Cleared (Either/No/Yes)	Have QuickBooks choose transactions for the report based on whether they have cleared.
Currency	Limit the report to one or more currencies.
Customer Type	Limit the report to transactions related to one of your customer types.

Field, option, or button	Use to:
Date	Restrict the report to transactions that fall within this date range.
Detail Level	Show or suppress the detail lines (line items on an invoice or expense account detail on check) for each transaction in the report.
Due Date	Limit the report to transactions with due dates within a specific date range. The Due Date is the date a customer owes a payment on an invoice or the date your company owes payment on a bill.
Entered/Modified	Limit the report to transactions entered or edited within a specific date range (for audit trail report).
Estimate Active	Choose whether to include only estimates that are active, inactive or either.
Filed (Either/No/Yes)	Choose whether to include VAT items already filed (i.e. included in returns).
FOB	Limit the report to include invoices with a specific FOB (free on board).
Foreign amount (Any/=/)	Restrict transactions on the basis of a particular amount in a foreign currency. (Click the =, <, or > button and type an amount in the field.)
Item	Restrict the report to transactions that include specified items. Items are goods and services you buy and sell.
Job Type	Limit the report to transactions related to one of the job types on the Job Types list.
Memo	Restrict the transactions included in the report on the basis of the contents of their Memo fields. (Enter the text you want to match.)
Mileage Expense (Any/=/)	Restrict the transactions included in the report on the basis of a particular amount of mileage expense. (Click the =, <, or > button and type an amount in the field.)
Name Address City County Postcode Phone Number Fax Number Email Acc. Num/Note	Specify words or characters that must appear in the selected field.
Name	Limit the report to transactions related to certain names from your Customer:Job, Supplier, Employee, or Other Names lists.
Number	Restrict the transactions included in a report on the basis of an invoice or check number.
Online Status	Indicate whether you send a payment electronically to your bank through the QuickBooks online banking feature.
Paid Status	Limit a report to include only transactions that are open (unpaid), closed (paid), or either.

Working with QuickBooks reports

Field, option, or button	Use to:
Paid Through	Limit a report to include only transactions that are paid within the time period you specify.
Payment Method	Limit a report to show only customer payments you received by cash, check, credit card, and so on.
Payroll Item	Limit the report to transactions related to a particular payroll item.
P.O. Number	Restrict the report to a specific purchase order number.
Posting Status (Either/No/Yes)	Restrict transactions included in the report on the basis of whether they have been posted or not.
Printed Status (Either/No/Yes)	Restrict transactions included in the report on the basis of whether they have been printed or not.
Received (Either/No/Yes)	Limit the report to show only purchase orders that are open, closed, or either open or closed.
Rep	Limit the report so it shows the sales for a particular employee (rep).
Ship Date	Limit the report to show sales with a ship date within a period of time or between two specified dates.
Ship Via	Limit the report to show sales or purchases in which you used a specified shipping method.
Supplier Type	Limit the report to transactions related to one of your supplier types.
Template	Restrict the report to transactions for which a particular template was used. Template refers to the form type used when a sales or purchase transaction was entered.
Terms	Limit the report to transactions with specified terms.
Total Miles (Any/=/)	Restrict transactions on the basis of the number of miles. (Click the =, <, or > button and type an amount in the field.).
Transaction Type	Choose the type of transaction (checks, payments, and so on) you want included in the report.
Trip End Date	Limit the report to trips that ended within a period of time or between two specified dates.
VAT Code	Limit the report to transactions with a specified VAT code.
Vehicle	Limit the report to include only specified vehicles.
Voided	Limit the report to include only transactions that are voided, not voided, or both.
Custom Fields	Restrict the current report to transactions that contain information in one or more of your customised fields.

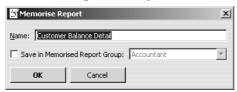
Saving report settings

After you have modified a report in any of the ways described in this chapter, you may want to save or *memorise* the settings for future use.

Memorising the report saves all your customising and filtering changes. It also saves the print settings and layout of the report. The next time you (or your client) generate the report, QuickBooks recreates the format, but uses the latest financial data.

To memorise report settings:

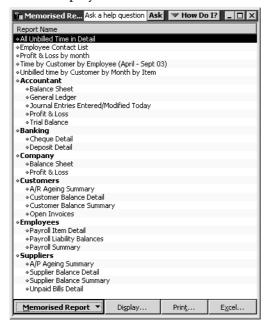
1 After customising a report, click Memorise on the report buttonbar to display the Memorise Report dialog box:



- **2** Enter a title for the report (or accept the default title).
- **3** Tick the Save in Memorised Report Group box and select a group from the drop-down list (optional).
- 4 Click OK.

To use a memorised report:

1 From the Reports menu, choose Memorised Reports and then Memorised Report List to display this window:



- **2** Select the report you want.
- **3** Click Display or Print as desired.

Processing reports in groups

QuickBooks allows you to easily process multiple reports at one time. Before you can display or print reports in batches, the reports must be memorised. QuickBooks comes with predefined groups of memorised reports already set up. You can use the predefined groups as is, modify them to suit your needs, or create your own. You can also memorise reports without including them in a group.

This table lists the predefined groups of memorised reports set up in QuickBooks.

Group	Reports included
Accountant (Accountant only)	Balance Sheet, General Ledger, Journal Entries Entered/Modified Today, Profit & Loss, Trial Balance
Banking	Check Detail, Deposit Detail
Company	Balance Sheet, Profit & Loss
Customers	A/R Ageing Summary, Customer Balance Detail, Customer Balance Summary, Open Invoices
Employees*	Payroll Item Detail, Payroll Liabilities, Payroll Summary
Suppliers	A/P Ageing Summary, Supplier Balance Detail, Supplier Balance Summary, Unpaid Bills Detail

^{*}The Employees group will not be generated automatically in files that have payroll features turned off.

You can set up groups of reports that you would like to have your clients run at certain times of the year. For example, you could create a memorised report group called "Year End" and include in that group all of the reports that you would like your clients to run for you at year end. At year end, your clients need only select the "Year End" group and QuickBooks will process all reports you need (with the settings you specified) at one time.

To create a new memorised report group:

- **1** From the Reports menu, choose Memorised Reports, and then choose Memorised Report List.
- **2** From the Memorised Report menu button, choose New Group.
- **3** Enter a name for the group, and then click OK.

To add a report to a group:

- **1** Generate the report you want to add to the group.
- **2** Click Memorise on the report buttonbar.
- **3** Enter a name for the report (or accept the name QuickBooks provides).
- 4 Click to select the "Save in Memorised Report Group" checkbox.

- **5** From the "Save in Memorised Report Group" drop-down list, choose the name of the group into which you want to place the report.
- 6 Click OK.

To process multiple reports:

- **1** From the Reports menu, choose Process Multiple Reports.
- **2** Select the memorised reports you want to process.
 - **Note:** You can save time by changing the report date before you view or print a memorised report.
- **3** Click Display to display the selected reports onscreen, or click Print to print the reports.

Exporting memorised report settings as templates

You can export the settings for a memorised report, or for a group of reports. The export file containing the templates has the extension .QBR.

If you are exporting templates, their memorised settings can include most types of filters, but not filters for specific accounts, customers, jobs, suppliers, employees or items.

You are recommended to use filters that do not use specific names. This ensures that the filters will still work for clients' data or for other company files.

You can then import the template to use with another company file, or your client can import the templates for use with their own data. It does not matter whether they are using QuickBooks Regular, Pro or Accountant. However, they should be using a version of QuickBooks released in the same year, and may also need to have downloaded the same update patches

To export a report template:

- **1** From the Reports menu, choose Memorised Reports, then choose Memorised Report List.
- **2** Select the memorised report or report group.
- **3** Click the Memorised Report menu button, and choose Export Template.
- **4** Click Browse and specify a location.
- **5** Accept the default filename, which is the same as the report or report group you chose, or specify a new filename.
- 6 Click Save.

To import a report template:

- **1** From the Reports menu, choose Memorised Reports, then choose Memorised Report List.
- **2** Click the Memorised Report menu button, and choose Import Template.

Working with QuickBooks reports

- **3** Click Browse and specify the location of the template file.
- **4** Select the template file.
- Click Open.QuickBooks creates the new memorised report or report group.

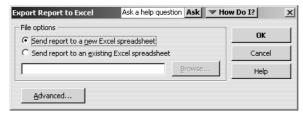
Saving report data

When QuickBooks memorises a report, it memorises your custom report settings, not your report data. If you want to save the actual data, you can:

- Export the report to a Microsoft Excel spreadsheet (this option is available in QuickBooks Pro/Accountant only). This allows further customisation and filtering.
- Print the report to a file (ASCII, tab-delimited or comma-separated value).
- Save the report in PDF format (QuickBooks Pro/Accountant only)

To export a report to Excel:

- **1** Display the Memorised Report List as described above.
- **2** Select the report you want.
- **3** Click the Excel button to display this dialog box.



- **4** Indicate whether you want to open a new spreadsheet or an existing one (enter or browse for the filename.
- **5** Click the OK button to open the desired spreadsheet. Or, click the Advanced button for more options.

For more information about exporting report data to Microsoft Excel, see "Analysing financial data" in the *QuickBooks Training Guide*, or search the onscreen Help index for *Microsoft Excel*, *exporting reports to*.

Printing reports

You can print reports from either the Report window or Report Finder.

When you print reports, you can choose to do any of the following:

- Print in portrait (vertical) or landscape (horizontal) orientation
- Select a printer or send the report to a file
- Print in colour
- Control widows and orphans (prevent headings from printing near the bottom of a page or single lines at the top of a page) by selecting Smart Page Breaks
- Fit the report to __ page(s) wide
- Insert a page break after each major grouping
- Print a range of pages
- Enter the number of copies
- Change margins
- Preview the report before you print

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CHAPTER 4 Additional QuickBooks services

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Overview

This chapter includes an introduction to some of the services available for which you can sign up to use with QuickBooks.

To sign up and use these services, you will need an Internet connection. Fees apply.

QuickBooks Card Solutions

With QuickBooks Card Solutions, you can accept payments by credit or debit card, which your customer can pay online or directly.

When you create an invoice, you can choose to send your customer an email that includes a link to a secure payment page to enable them to pay their invoice online. You can then receive the payment against the invoice.

You can also receive a credit or debit card payment that a customer has made directly.

If you are selling directly and have not created an invoice, you can create a sales receipt for a credit/debit card payment.

Payments are transferred to your bank account, and you can get a statement for reconciliation that includes details of payments, service charges and fees.

Signing up for QuickBooks Card Solutions

In order to sign up for QuickBooks Card Solutions, you will need an Internet connection.

You will need to have personal or company details to hand, such as:

- Company registration number and address.
- Company bank account information.
- Credit or debit card.

To sign up for QuickBooks Card Solutions:

- **1** From the Banking menu, choose Banking Services, then choose Accept Online Card Payments, or
 - From the Customers menu, choose Customer Services, then choose Accept Online Card Payments.
 - QuickBooks opens the QuickBooks Card Solutions window. From here, you can click the tabs at the top for information.
- **2** From the Common Questions or Getting Started tab pages, click the Apply Now link, and follow the onscreen instructions.

- **4** You will also need to set up accounts to use for assigning QuickBooks Card Solution payments and expenses, for example:
 - Card Service Expenses: expense account
 - Due from QB Card Services: other asset account

Using QuickBooks Card Solutions

There are three ways you can use the service to accept credit/debit card payments:

- Send an invoice by email with online payment link, so the customer can pay online. You then receive the payment against the invoice.
- Prepare an invoice in the normal way, which the customer then pays directly. You record the credit/debit card payment against the invoice.
- Enter a sales receipt for a credit/debit card payment made directly by phone or in person.

Tip: If you have a customer who pays regularly by credit/debit card, you can record their card details on the customer record. QuickBooks will then use these details when you receive payment or record a sales receipt and select the relevant card as the payment method. For security, the card number is partly obscured after you have entered it.

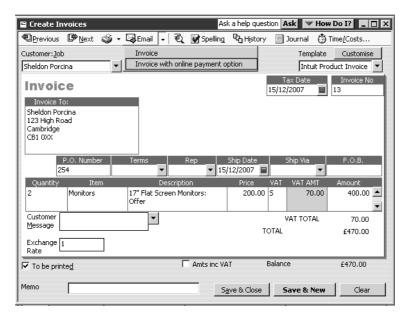
Emailing an invoice with online payment option

In order to send an invoice by email to your customer, you must have an Internet connection, an email account, and your default email package must be MAPI-compliant.

Tip: You can amend the default cover note for the email message text: from the Edit menu, choose Preferences. Select Send Forms, and click Company Preferences.

To email an invoice with online payment option:

- **1** From the Customers menu, choose Create Invoices.
- **2** Enter the details of the invoice.
- **3** Click the drop-down arrow next to the Email button, and choose 'Email invoice with online payment option'.



4 When QuickBooks prompts you to save the invoice, click Yes. If the customer record does not include an email address, QuickBooks prompts you to enter an email address for this customer.



5 Type the email address, and click OK.

Your default email package opens with a new message to the customer. The message text also includes a link to a secure payment page to enable the customer to pay their invoice online., and the invoice is included as a PDF attachment.

Note: If your default email package is not MAPI-compliant, you have the option instead of saving the invoice as a PDF file. You can then create your own email and attach the file, but the email would not include the link to allow online payment.

6 You can then amend the text of the message if you wish, before sending the email.

Receiving a payment made online

When the customer has made their payment online, you receive an email confirming that payment has been made.

If the email includes an Online Invoicing Payment file (.OIP) as an attachment, you can then import the file. This will mark the invoice as paid, and it will also update the journal to transfer the receivable amount to the 'Due from Credit Card Services' account, as follows:

■ Credits the sum of fees plus VAT at standard rate to the other current asset account for Due from Card Services.

If the confirmation email does not include an attachment, you would need to make a manual journal entry to transfer the amount, and you would then record the payment against the invoice in the normal way.

To import an OIF file:

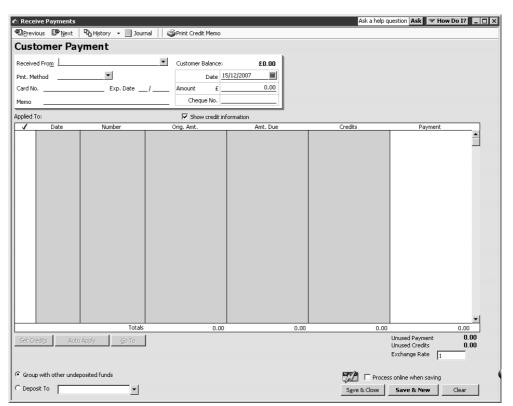
- 1 When you receive the email, save the attachment to your chosen folder.
- **2** From the File menu, choose Import, then choose Online Invoicing Files.
- **3** Click Browse, navigate to your chosen folder, and select the OIP file. QuickBooks marks the invoice as paid, and performs the journal entry.

Recording a debit/credit card payment to an invoice

If you have invoiced a customer and they make a debit or credit card payment directly to you, perhaps over the phone, you need to record the payment.

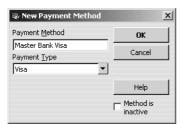
To record a debit/credit payment against an invoice:

1 From the Customers menu, choose Receive Payments. QuickBooks displays the Receive Payments window.



Additional QuickBooks services

- **2** In the Received from field, select the customer/job from the drop-down list. QuickBooks displays details of the outstanding invoice(s) for the customer in the Applied To fields.
- **3** In the Amount field, type in the amount and press Tab.
- **4** In the Pmt. Method field, choose the relevant type of credit card from the drop-down list, or choose Add New and set up the name and type of card:



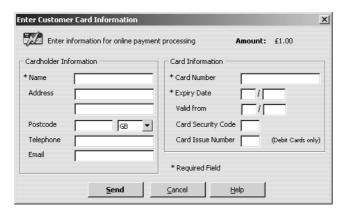
- **5** Click in the tick column to select the invoice(s) to which this payment applies.
- **6** If you want to process the card payment online when saving, leave the tick in the box:



If you choose to process online, QuickBooks automatically selects to deposit the payment to "Due from QB Card Solutions"

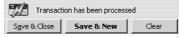
7 Click Save & New or Save & Close.

QuickBooks displays the Enter Customer Card Information window. If you have already set up card details for the customer, these are displayed, but you can amend them if necessary.



- **8** Record the cardholder's name and card details:
- 9 Click Send.

This sends and records the payment. The customer payment record indicates that the transaction has been processed:



A "PAID" stamp will appear on the invoice the next time it is retrieved.

If you receive payment at the time you make a sale and do not raise an invoice, you fill in a cash sales receipt instead. The QuickBooks cash sales receipt includes information about the items or services purchased, and also includes information about how payment was made.

To enter a card payment sales receipt in QuickBooks:

- **1** From the Customers menu, choose Enter Sales Receipts. QuickBooks displays the Enter Sales Receipts window.
- **2** Select the customer/job from the drop-down list.
- **3** Complete the item details.

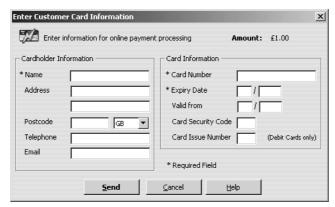
If you want to process the card payment immediately, tick the box for Process online when saving:



QuickBooks automatically selects to deposit the payment to "Due from QB Card Solutions".

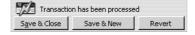
4 Click Save & New or Save & Close.

QuickBooks displays the Enter Customer Card Information window. If you have already set up card details for the customer, these are displayed, but you can amend them if necessary.



- **5** Record the cardholder's name and card details:
- 6 Click Send.

This sends and records the payment. The sales receipt indicates that the transaction has been processed:

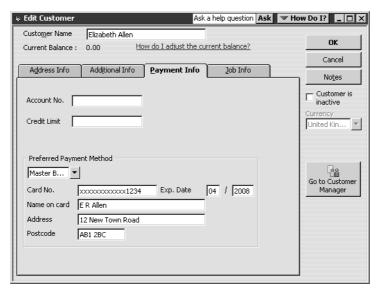


Recording a customer's card details

If you want to record a customer's card details for future reference, these details will be available as the default next time you select to receive payment or enter a sales receipt.

To record a customer's card details on the customer record:

- **1** From the Lists menu, choose Customer:Job List.
- **2** Select the customer, then click the Customer:Job menu button, and choose Edit.
- **3** Click the Payment Info tab.
- **4** From the Preferred Payment Method drop-down list, select or add the type of card.
- **5** Enter the card details and customer card billing address.



QuickBooks obscures most of the digits in the credit card number after you have entered them, for security reasons.

6 Click OK.

QuickBooks BACS e-Payment Solutions (Pro/Accountant)

QuickBooks e-Payments Solutions enables you to make BACS payments to employees or suppliers. This service uses the BACSTel-IP system.

You can make choose to make payments using BACS. This generates an encrypted BACS file, which you can then transmit. Alternatively you can choose to generate a non-encrypted BACS file, which you can use with an existing BACS service provider.

You will receive a monthly statement of charges, sent by email. QuickBooks automatically creates a cheque for the direct debit payment.

To use this service, you must be using QuickBooks Pro or Accountant.

Signing up for e-Payment Solutions

There are two stages to signing up for e-Payment Solutions:

- Applying for BACSTel-IP membership.
- Enrolling for QuickBooks e-Payments Solutions.

To apply for BACSTel-IP membership:

■ Contact your bank and complete a BACSTel-IP application form.

When your application has been processed, you will receive a BACS username, password and 6-digit service ID. You will need these details before you can enroll for QuickBooks e-Payments Solutions.

To enroll for QuickBooks e-Payments Solutions:

- **1** From the Employees menu, choose Employee Navigator.
- **2** Click the link "Find out how you can pay your employees online using BACS". (You can use this link even if you are intending to pay only suppliers and not employees.)
 - QuickBooks opens the QuickBooks e-Payment Solutions window. From here, you can click the tabs at the top for information.
- **3** From the Common Questions or Getting Started tab pages, click the Apply Now link, and follow the onscreen instructions.

Preparing to use QuickBooks e-Payments Solutions

In order to use QuickBooks e-Payment Solutions, you need to set up the relevant preferences and account details in QuickBooks, for:

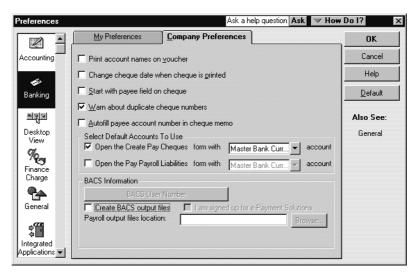
- Company bank settings
- Employees you want to pay by this method
- Suppliers you want to pay by this method

Company bank settings

You need to set up the banking preferences to use BACS for e-Payment Solutions, and you also need to set up the BACS details in the bank account from which you want to make the payments.

To set up banking preferences to use BACS for e-Payment Solutions:

- **1** From the Edit menu, choose Preferences.
- **2** Select Banking, and click the Company Preferences tab.

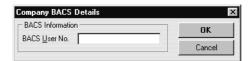


3 Tick the boxes next to "Create BACS output files" and "I am signed up for e-Payment Solutions".

Note: If you tick the e-Payment Solutions box, the file will be encrypted ready for submission using the QuickBooks e-Payment Solutions. If you use another system to submit files directly, you would not tick the second box. The file would not be encrypted, and you would use your existing system to encrypt and submit it.

4 Click BACS User Number.

QuickBooks displays the Company BACS Details window.



5 Type in the BACS user service ID number that you received from your BACSTel-IP application, then click OK.

Note: This number must always be 6 digits.

- 6 Click OK.
- **7** Specify the locations where your encrypted BACS files will be stored for:
 - Payroll export file location.
 - Non-Payroll export files.

8 Click OK.

Next, you need to set up the BACS details in your bank account.

To set up BACS details in your bank account:

- **1** From the Lists menu, choose Chart of Accounts.
- **2** Select Master Bank Current.
- **3** Click the Account menu button, and choose Edit.
- **4** Click the BACS Information tab.
- **5** Complete the BACS details as follows:
 - Account Name
 - Sort Code
 - Account Number
- 6 Click OK.

Setting up employee records

If you want to pay employees by using QuickBooks e-Payments solutions, you need to set up their records to enable them to be paid by BACS.

Each employee needs to supply you with details of the bank account into which they want you to make payment.

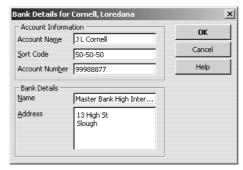
To set up employees to be paid by BACS:

- **1** From the Employees menu, choose Employee List.
- **2** Select the employee from the list.
- **3** Click the Employee menu button, and choose Edit.
- **4** From the Change tabs drop-down list, choose Payroll and Compensation Info.
- **5** For Pay Method, choose BACS from the drop-down list.

Additional QuickBooks services

- 6 Click Bank Details.
 - QuickBooks displays the Bank Details window.
- **7** Complete the account information:
 - Account Name
 - Sort Code
 - Account Number

You can also enter the bank details.



- **8** Click OK to return to the Edit Employee window.
- 9 Click OK.

Setting up supplier records

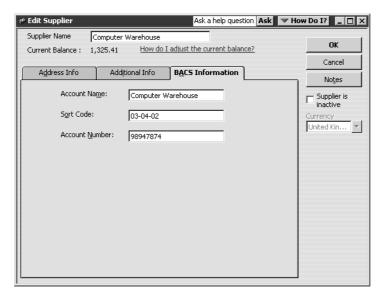
In order to pay suppliers through e-Payments Solutions, you need to set up their bank details to enable them to be paid by BACS.

The supplier needs to provide you with details of the bank account into which they want you to pay. If they want you to notify them by fax or email that you have made the payment, they will need to provide these details as well.

You can use BACS payments only for UK suppliers (or for foreign suppliers with UK bank accounts into which you can pay in UK sterling).

To set up suppliers to be paid by BACS:

- **1** From the Suppliers menu, choose Suppliers List.
- **2** Select the supplier name from the list.
- **3** Click the Supplier menu button, and choose Edit.
- **4** On the Address Info tab, enter the email address for the supplier, if you have it.
- **5** Click the BACS Information tab.
- **6** Complete the supplier's bank information as follows:
 - Account Name
 - Sort Code
 - Account Number



7 Click OK.

Making payments through e-Payments Solutions

Paying employees

To pay employees through e-Payments Solutions:

- **1** From the Employees menu, choose Pay Employees. QuickBooks displays the Select Employees To Pay window.
- **2** Click in the tick column to the left to select the employees.
- **3** Click Create.

If you ticked "Enter hours and preview payment before creating", QuickBooks displays the Preview Payment window. Enter the hours and click Create. Repeat this for each employee.

QuickBooks redisplays the Select Employees To Pay window.

- 4 Click Leave.
 - QuickBooks produces a payment for the employees in this batch.
- **5** Close the Employee List.

QuickBooks produces an encrypted BACS payment file for the employees in this batch. The filename starts **QBOut**-, and has the suffix .bacs. It is saved in the folder you specified for Payroll Output Files.



6 Click OK.

7 Close the Employee List.

Since the file is encrypted, you can view the BACS report to see details of the payment: From the Reports menu, choose Employees and Payroll, then choose BACS Report.

The next stage is to process the electronic payment using the encrypted file.

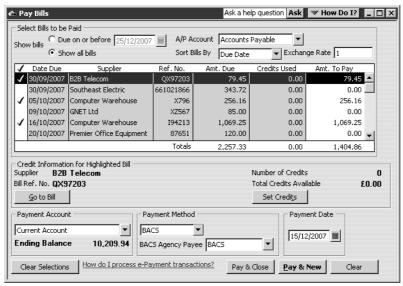
To process the BACS payroll payment:

- 1 From the Banking menu, choose Banking Services, then choose Pay Employees via e-Payment Solutions.
- **2** Log in to the payment services page.
- **3** Select the relevant file to transmit, and click Upload File. A summary message appears when transmission is complete.

Paying suppliers

To pay suppliers through e-Payments Solutions:

- 1 From the Suppliers menu, choose Pay Bills. QuickBooks displays the Pay Bills window.
- **2** Select the bill(s) you want to pay.
- **3** For Payment Account, choose the account for which you set up BACS payment details.
- **4** For Payment Method, choose BACS from the drop-down list.



5 Click Pay & Close.

QuickBooks produces an encrypted BACS payment file for each supplier in this batch. The filenames start **QBOut-**, and have the suffix .bacs. They are saved in the folder you specified for non-Payroll Output Files.



6 Click OK for each message.

QuickBooks also produces a BACS Bill Payment Cheque to record each payment. If you want to review them, from the Banking menu, choose Write Cheques and click the Back button until you see the BACS Payment to each supplier.

The next stage is to process the electronic payment using the encrypted file.

To process the suppliers' BACS payments:

- **1** From the Suppliers menu, choose Suppliers Navigator.
- **2** Click the link for "Process BACS Payments online using e-Payment Solutions".
- **3** Log in to the payment services page.
- **4** Select the relevant file(s) to transmit, and click Upload File. A summary message appears when transmission is complete.

You can then notify your suppliers that you have made payment. You can use an additional e-Payment Solutions service so that they are sent remittance advices by email or fax.

Otherwise you can print the remittance advices and send them by fax or post.

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CHAPTER 5 Common QuickBooks procedures

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Overview

This chapter covers some basic procedures and troubleshooting techniques you and your clients will use with QuickBooks to produce reports, set up payroll and VAT, track sales and customers or purchases and suppliers, and resolve printing problems.

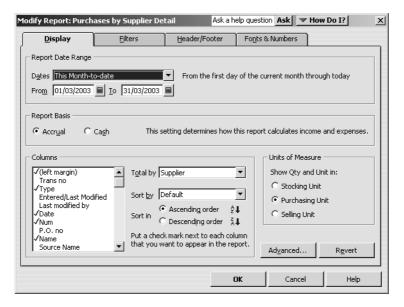
QuickBooks reports

Cash-basis transaction reports

QuickBooks produces reports on an accrual basis, unless you change the reporting preference (from the Edit menu, choose Preferences and select Reports & Graphs from the scroll box) to cash basis. However, the report basis you set up in the Reporting Preferences window applies only to QuickBooks summary reports (not to transaction reports). If you want to see a cash-basis transaction detail report, you must use a different method.

There are two ways you can generate a cash-basis transaction detail report:

- You can QuickZoom a cash-basis summary report. When you QuickZoom on a cash-basis summary report, QuickBooks displays a cash-basis transaction report.
- You can also generate cash-basis transaction reports by generating an accrual-basis transaction detail report and customising it so it uses cash basis. (After you generate the accrual-basis transaction detail report, click the Modify Report button and click "Cash" for Report Basis.)



Cash-basis report examples

A cash-basis transaction report can look complicated when the report includes items that post to balance sheet accounts. This is because the report has to show a balancing entry for each amount. Without the balancing entries, the company finances would be out of balance.

Example 1: Payment in full for an invoice

Suppose you sell an stock item to a customer on 31 August. The item's cost is £10.00; its sales price is £25.00. On 1 September, you receive a payment for the full £25.00. A cash basis transaction by date report represents the two transactions as follows:

31/08/2007	Stock Asset	Sales	-10.00
31/08/2007	Accounts Receivable	Sales	10.00
01/09/2007	Cost of Goods Sold	Sales	10.00
01/09/2007	Accounts Receivable	Sales	10.00
01/09/2007	Sales	Accounts Receivable	-25.00
01/09/2007	Accounts Receivable	Undeposited Funds	25.00
01/09/2007	Undeposited Funds	Accounts Receivable	25.00
01/09/2007	Accounts Receivable	Undeposited Funds	-25.00

When you record the invoice, you sell an item whose value as stock is £10.00. Accordingly, the Stock Asset account decreases by £10.00. To balance this amount, Accounts Receivable increases by £10.00:

31/08/2007	Stock Asset	Sales	-10.00
31/08/2007	Accounts Receivable	Sales	10.00

When you apply the customer's payment to the invoice, you incur the cost of selling the item. Accordingly, the Cost of Goods Sold Account increases by £10.00. To balance this amount, Accounts Receivable decreases by £10.00:

01/09/2007	Cost of Goods Sold	Sales	10.00
01/09/2007	Accounts Receivable	Sales	-10.00

Because the customer's payment is £25.00, the Sales account (where you track sales income) decreases by £25.00. (The account decreases because accounting conventions treat income as a negative number.) To balance this amount, Accounts Receivable increases temporarily by £25.00:

01/09/2007	Sales	Accounts Receivable	-25.00
01/09/2007	Accounts Receivable	Undeposited Funds	25.00

Finally, the Undeposited Funds account increases by £25.00, the amount that the customer paid. (Undeposited Funds is where QuickBooks "holds" money you receive until you deposit it in a bank account.) To balance this amount, Accounts Receivable decreases by £25.00:

01/09/2007	Undeposited Funds	Accounts Receivable	25.00
01/09/2007	Accounts Receivable	Undeposited Funds	-25.00

The net effect on the accounts is as follows:

- Stock Asset decreases by £10.00.
- Cost of Goods Sold increases by £10.00.
- Sales decreases by £25.00.
- Undeposited Funds increases by £25.00.
- Accounts Receivable remains unchanged.

Note that the total of all the changes is £0.00. The accounts are in balance.

Example 2: Partial payment of an invoice

What happens when you receive a partial payment for an invoice? Let's assume the same invoice as before, but this time you receive a payment of £12.50—half of the invoice total. The cash basis transaction report now looks like this:

31/08/2007	Stock Asset	Sales	-10.00
31/08/2007	Accounts Receivable	Sales	10.00
01/09/2007	Cost of Goods Sold	Sales	5.00
01/09/2007	Accounts Receivable	Sales	-5.00
01/09/2007	Sales	Accounts Receivable	-12.50
01/09/2007	Accounts Receivable	Undeposited Funds	12.50
01/09/2007	Undeposited Funds	Accounts Receivable	12.50
01/09/2007	Accounts Receivable	Undeposited Funds	-12.50

Notice that QuickBooks has reduced all of the 1 September amounts by one half to reflect that fact that you only received half of the invoice total:

- Cost of Goods Sold increases by £5.00, not £10.00 as in the previous report.
- The cost of the sale is one half of the item's stock value, not its full value.
- Sales decreases by £12.50, not £25.00 as in the previous report.
- Undeposited Funds increases by £12.50, not £25.00 as in the previous report.

Each of these entries corresponds to a balancing entry in Accounts Receivable. As in the previous report, the total of all the entries is £0.00.

Payroll

Entering payroll year-to-date information

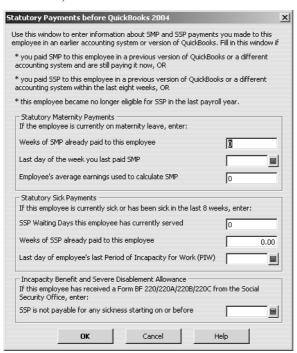
QuickBooks provides two options for entering year-to-date (YTD) payroll information. The first option is to recreate all pay cheques and liability payments from the beginning of the year. The second (shorter) option is to enter your previous payroll transactions as year-to-date adjustments. Both options provide summary information for payroll reports, payroll forms and accurate tracking of your payroll liabilities and employees' taxes, deductions, and additions. Whichever option you choose, be sure to enter your year-to-date information before creating any new pay cheques for employees.

Recreating payroll cheques and liability payments

Recreating payroll cheques and liability payments from the beginning of the tax year gives you the most detailed information about your payroll transactions. This is the method Intuit recommends and it's a good way to become familiar with the built-in Payroll feature.

Set up employees

When you set up all your employee information, make sure you include any previous SSP or SMP details (from the Add Employee window, select Statutory Pay Info and click Previous Info).



Entering year-to-date adjustments

QuickBooks provides an Enter YTD Amounts wizard to help you enter the year-to-date adjustments. There are two basic types of information you must enter:

- YTD summaries for each employee
- YTD summaries of payments of payroll taxes and other liabilities

To enter YTD amounts:

- **1** From the Employees menu, choose Set Up YTD Amounts.
- **2** Click Next, and follow through the questions for each stage.

Be sure to enter your year-to-date information before creating any new pay cheques for employees.

The earnings basis

The earnings basis is the total amount of employee wages or earnings on which a payroll tax is calculated. This can be different from total gross earnings if the employee has pre-tax deductions. If there is an annual wage limit for the tax (for example, the Upper Earnings Limit for National Insurance Contributions), the earnings basis for the payroll year does not exceed this limit. QuickBooks calculates an employee's wage basis using the total for salary, hourly wage, and commission payroll items, plus any additions to gross that are subject to a tax, minus any deductions from gross that reduce a tax.

When entering YTD amounts, it is very important that gross earnings and all additions and deductions affecting the earnings basis are entered correctly; otherwise QuickBooks will not be able to calculate payroll taxes correctly.

YTD summaries for each employee

You must enter summaries of earnings, taxes, and other amounts for each individual employee (both current and former) you paid during the current tax year, through your QuickBooks start date. For each employee you must enter both taxes withheld and taxes that are a company expense, as long as you owed them as a result of the employee's earnings. For example, you must enter employee's and employers's National Insurance summaries for each employee.

YTD summaries of payments of payroll taxes and other liabilities

If the company has not made any payments for payroll taxes or other liabilities during this tax year, skip this adjustment.

For this adjustment, you'll need to know how much you paid from 5 April of this year through your QuickBooks start date for each of the following:

- Each payroll tax (whether withheld or paid as a company expense)
- Each employee-paid deduction you withheld and then paid (e.g., dental insurance)
- Each company contribution you tracked by payroll period and then paid (e.g., company-paid health insurance)

This adjustment is just for payroll liabilities you paid. It is not for expenses paid directly to employees.

Paying payroll taxes and liabilities

When you want to pay payroll taxes and other liabilities, QuickBooks shows you all of your current liabilities, lets you choose all or just some of them to pay, and creates cheques to pay them. You can also add penalties and expenses to these cheques.

Important: Before you can pay these liabilities, you must have a payee name associated with each liability. Usually these payees are tax agencies, but they may also be banks or insurance companies.

To set up the payee names:

- **1** From the Employees menu, choose Payroll Item List.
- **2** Select the item you want to edit.
- **3** Click the Payroll Item menu button, and choose Edit.
- **4** Click Next; then, in the first field of the window, enter or choose a payee name.

To pay payroll tax liabilities:

- **1** From the Employees menu, choose Pay Payroll Liabilities.
- **2** Enter the date range for which you want to pay liabilities.
- **3** Indicate whether you want to print the cheques you create.

 To print the cheques later, select the "To be printed" tick box. If you're transmitting this request by phone or you're writing the cheques by hand, clear the "To be printed" tick box.
- **4** If you have more than one current account, choose the account from which you want to write the cheques.
- **5** If you want a date other than today's date to appear on your liability payment cheques, enter that date in the Payment Date field.
- **6** If you want to view your liabilities as of a date other than the last day of the previous tax month, enter a different date in the "Show liabilities from/through" fields.
- **7** If you want QuickBooks to sort your list of liabilities in a different way, choose another option from the Sort By drop-down list. You can sort the list alphabetically by payee name, alphabetically by payroll item, or by amount due (largest first).

- **8** Select the liabilities you want to pay now. If you have not yet entered a payee name, QuickBooks prompts you.
 - To select liabilities one by one, click the field next to the liability to add or remove a tick mark.
 - To select all liabilities, click Mark All. QuickBooks changes the button name to Unmark All and places a tick mark next to every liability.
 - To clear (unmark) all liabilities, click the Unmark All button. QuickBooks changes the button name back to "Mark All" and clears the tick box next to every liability.
 - If you select one of two related liabilities, QuickBooks automatically selects the other liability. For example, if you select PAYE, QuickBooks automatically selects employee's and employer's National Insurance.

Note: QuickBooks writes a single cheque for all liabilities to the same supplier name. If you want to write different cheques to the same supplier, you can go through the Pay Liability process once for each cheque, or give the supplier more than one name in your Supplier list.

- **9** (Optional) If you want to pay less than the full amount of a liability you selected, enter the amount you want to pay in the "Amt. To Pay" field.
- **10** Choose whether to preview the cheques before QuickBooks creates them.
 - Select "Create liability cheque without reviewing" if you want QuickBooks to write cheques for all selected liabilities as soon as you click Create. This option saves time if you do not need to preview the cheques to enter penalties or expenses.
 - Select "Review liability cheque to enter expenses/penalties, Class 1A NIC, SSP or SMP" if you need to add expenses, penalties, Class 1A National Insurance contributions, or statutory sick pay or maternity pay to one or more of the cheques you are creating.

If you choose to preview the liability cheque, you can enter expenses or penalties on the Expenses tab of the Liability Cheque window. After you enter the expenses or penalties, you can click Next or Prev to enter expenses or penalties on other cheques.

If the penalty or interest is for several taxes, you can increase the balance for one tax or distribute it among all the taxes. Then, pay the entire amount you owe when you write your liability cheque.

11 Click Create.

Troubleshooting payroll liability amounts due

Is the "Show Liabilities as of" date correct?

By default, QuickBooks uses the last day of the previous tax month as the "Show Liabilities as of" date. If your payroll taxes are paid on a weekly basis, change the "Show Liabilities as of" date to the week-ending date. To change the date:

- **1** From the Employees menu, choose Pay Payroll Liabilities.
- 2 In the Select Date Range for Liabilities window, change the "Show liabilities from" date to your week-ending date.

For additional information search the onscreen Help index for payroll liabilities, paying.

Checking the amounts you are comparing

Are you comparing the amounts to the amounts on the payroll liabilities report? The Pay Liabilities window shows current outstanding liabilities through the date in the "Show liabilities as of" field. The payroll liability report shows liabilities that were outstanding as of the date of the report, even if the liabilities were paid on a later date.

When comparing the numbers, the amounts will match only when the report and the Pay Liabilities window dates are the same. For additional information, search the Help index for *payroll liabilities*, *paying* and *income taxes*, *reports about*.

Is a liability account associated with the item?

If the account is an expense account, QuickBooks does not show the amount in the payroll liabilities window.

To see if the item is associated with a liability account:

- **1** From the Lists menu, choose Payroll Item List.
- **2** Select the payroll item, then choose Edit from the Payroll Item menu button.
- **3** Click Next until you see the window that lists the associated liability account.
- **4** In the Liability Account field, check the type of account selected.

Are the amounts double or too high?

To run a QuickReport for a payroll item for all dates:

- **1** From the Lists menu, choose Payroll Item List.
- **2** Select the payroll item whose amount is too high, and then choose QuickReport from the Reports menu button.
- **3** At the top of the report, choose All from the Dates drop-down list.

This report displays all the transactions for the item. Review the report for duplicate transactions.

Have there been changes to Director's NI during the vear?

If the details and summary sections of the director's P11 disagree because their NI code has changed during the year, you can get additional information by looking at the NI End of Year Summary, available through Report Finder, Employees & Payroll.

Value Added Tax

Value Added Tax is tracked in a separate account in QuickBooks, and is handled differently from your regular accounts payable.

Setting up an opening balance for the VAT Control account

In QuickBooks, how you enter an opening balance for your VAT Control account depends on the setup method you're using:

- Re-creating all transactions for the financial year
- Entering opening balances
- Upgrading from an earlier version of QuickBooks

Re-creating all transactions

If you plan to re-create all transactions for this financial year, turn on the VAT feature in Preferences (on the Edit menu). Enter your transactions normally. The opening balances will be calculated automatically using the transactions you enter.

Entering opening balances

If you've entered opening balances for balance sheet and income/expense accounts as of your start date and you need to make entries in the VAT Control account, follow these instructions:

To make entries in the VAT Control account:

- **1** From the Edit menu, choose Preferences, then choose VAT, and click the Company Preferences tab. Turn on VAT and choose the appropriate settings.
- **2** From the Company menu, choose Make Journal Entry. In the Date field, enter your start date.
- **3** In the Account column, select VAT Control from the drop-down list.
- **4** Enter the accrued VAT due (as of the start date) in the Credit column. If you've paid in advance or have a credit owed to you, use the Debit column.
- **5** In the Name field, choose HM Customs & Excise (or add it if not shown).
- **6** On a new line of the general journal entry, select Opening Bal Equity as the account. QuickBooks calculates the debit amount automatically.
- **7** Click Save & Close to save the entry.

To make sure you entered the journal entry correctly, verify that this amount appears when you choose Pay VAT Liability from the Suppliers menu.

If you have created opening balances by re-creating the current year's transactions, but still have a carryover from the previous year, follow Steps 2–8 above. Select the

appropriate date (the end of your last fiscal year) for the general journal entry transaction.

Upgrading VAT from an earlier version of QuickBooks

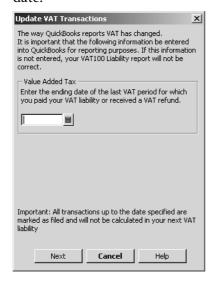
When upgrading from a version of QuickBooks earlier than 2003, if you are using accrual accounting, QuickBooks flags as "Filed" all transactions for which a VAT liability payment or refund has already been made. This is because QuickBooks now tracks VAT differently, and enables you to report on and automatically include unreconciled transactions from previous periods when you make the next return.

Note: Once transactions have been flagged, this step cannot be undone. Make sure you have the date of your last VAT return ready when you upgrade your company file.

To flag VAT when upgrading from an earlier version than 2003 (accrual accounting):

- **1** Back up the company file in the old version of QuickBooks.
- 2 Restore the backup in the current version of QuickBooks.

 QuickBooks displays a message that all users need to run the new version in order to access the company file, then displays a window asking for your last VAT return date:



3 Type in the ending date for the last date on which you paid VAT liability or received a refund, and click Next.

QuickBooks asks you to confirm.

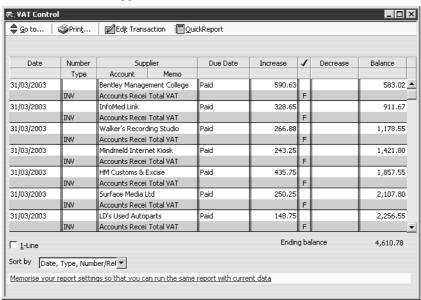


4 Click OK.

QuickBooks restores and upgrades the company file.

5 From the Banking menu, choose Use Register, and select VAT Control from the drop-down list.

QuickBooks displays the VAT Control account register. All cleared VAT transactions are flagged with F.



Note: If the "1-Line" box is ticked, you need to clear it in order to see the flags.

Paying VAT

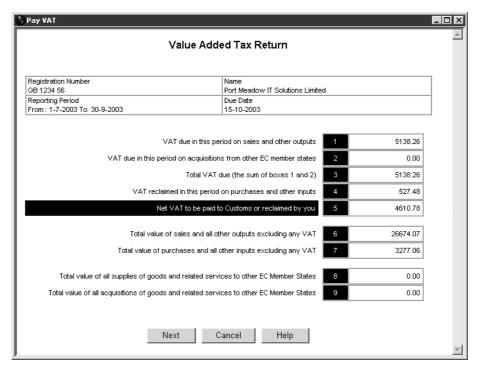
There are two methods of paying VAT, depending on whether you use accrual or cash based accounting.

To pay VAT liability (accrual accounting):

- **1** From the Suppliers menu, select VAT, then File VAT. QuickBooks displays the File VAT window.
- **2** If necessary, change the "Show VAT through" date and press Tab. QuickBooks recalculates the details, and prefills the necessary fields.

- **3** Click in the Pay column so that a tick appears.
- **4** Select "To be printed".
- **5** Click Next.

QuickBooks displays the Value Added Tax Return report:



6 Click Next.

An information message is displayed.

7 Click OK.

QuickBooks redisplays the Pay VAT window.

8 Click Print.

The Print dialog box appears.

9 Click Print.

QuickBooks sends the VAT return to your printer, records the VAT cheque in the current account register, and deducts the amount from the VAT Control account.

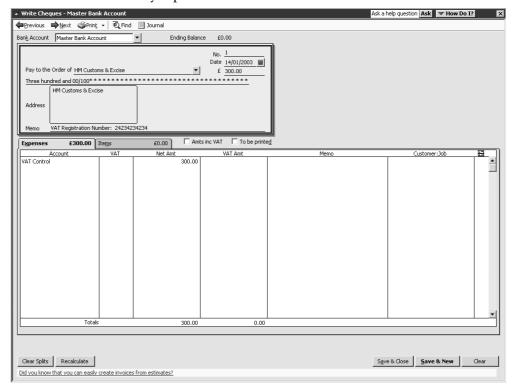
You can use the QuickBooks return to fill in the VAT 100 return that you send to HM Customs and Excise. The VAT cheque can be printed in the usual way.

Note that VAT payments do not affect VAT reports at all. After you pay your VAT for a reporting period, your VAT reports for that period maintain the amount you paid. This provides you with the necessary support in the event of a VAT audit.

To pay VAT liability (cash accounting)

- **1** From the Reports menu, choose VAT, then VAT 100. QuickBooks displays the VAT 100 report.
- **2** Use these figures to fill in the return form.
- **3** From the Reports menu, choose VAT, then VAT Summary. QuickBooks displays the VAT Summary report.
- **4** From the Suppliers menu, choose Pay VAT Liability.

 QuickBooks displays the Write Cheques window, and prefills the necessary fields in the top part of the window.
- **5** In the Net Amt field (on the Expenses tab), enter the Total VAT Owed amount from the VAT Summary report.



6 Click Save & Close.

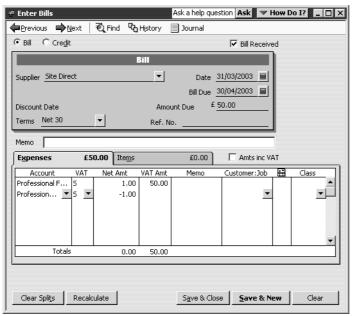
When you record the VAT cheque, QuickBooks automatically deducts the amount from the VAT Control account.

Note that VAT payments do not affect VAT reports at all. After you pay your VAT for a reporting period, your VAT reports for that period maintain the amount you paid. This provides you with the necessary support in the event of a VAT audit.

Entering a VAT-only bill

There are certain situations when you might receive a bill from a supplier which is for VAT only. This might be for a number of reasons: maybe they have recently registered for VAT, or maybe they are overseas and they need to send you a bill for just the VAT portion of an order.

This example shows how to enter a £50.00 bill which is all VAT. The two "Net Amt" entries on lines 1 and 2 cancel each other out to equal zero.



Purchases and suppliers

Applying credits and discounts from suppliers

This section describes how to apply supplier credits and discounts.

Handling supplier credits

To enter a supplier credit:

- **1** From the Suppliers menu, choose Enter Bills, and then select Credit. Create the credit just as you would a bill.
- **2** When you want to pay a bill to that supplier (and apply the credit against the bill), from the Suppliers menu, choose Pay Bills.
- **3** Select both the bill and credit (click to the left of each).
- **4** Confirm the credit amount you want to apply to the bill.

QuickBooks automatically applies the credit to the bill, and reduces the amount you owe. You can also choose to apply credits to specific bills.

For multiple bills, QuickBooks applies the credit to the smallest bill first, and then to the remaining bills in ascending order, unless you select the credit and the one bill to which you want to apply it.

6 Click Save & Close.

Tip: In the Pay Bills window, change the Sort Bills By option to "Supplier" in order to group transactions for the same supplier.

Handling supplier discounts

You can record and apply a discount on supplier bills directly from the Enter Bills window.

To apply a discount:

- **1** From the Suppliers menu, choose Enter Bills.
- **2** In the Enter Bills window, click Credit. The window now displays the Credit form.
- **3** Select the supplier from the drop-down list.
- **4** Complete the Credit Amount field.
- **5** In the Account field, enter the name of the account you use to track discounts received from suppliers. (e.g., Cash Discounts). This information is required.
- **6** Complete the VAT code, Net Amt and VAT Amt fields.
- **7** Click Save & Close.

Sales and customers

Tracking reimbursable expenses

When you record expenses, you can assign part or all of the expense to a customer or job. Later, QuickBooks can recall the amount and add it as a line item to an invoice, sales receipt, or statement charge.

To assign reimbursable expenses:

- 1 Open the form where you want to enter the expense. It can be a cheque, credit card charge, bill, item receipt, or a special transaction (general journal entry).
- **2** Choose the supplier from the Supplier drop-down list, and enter any supplier-related information.

- **3** Enter the expenses and items.
 - If you're recording a direct expense such as freight or shipping, enter the expense on the Expense tab.
 - If you're recording customer- or job-related items or services contracted, enter the item or service you purchased on the Items tab (this feature is only available in QuickBooks Pro/Accountant).
 - Any description you manually enter on the Items tab is not transferred to the invoice. The invoice uses the description from the New/Edit Item window.
- **4** In the Customer:Job field of the detail area, enter the name of the customer(s) or job(s) that you want to assign the expense to.
 - If you are assigning an expense to a job, enter the customer's name followed by a colon (:) and the job name. For example, Fred Ahl:Kitchen.
- **5** Indicate in the billable column (the column headed by the small invoice icon) whether to pass this charge on to the customer.
 - If the invoice icon does not appear in the billable column, you probably did not select an Expense or Other Current Asset type of account.
 - If the expense is billable to the customer, leave the invoice icon next to the customer's name as it is.
 - If the expense is not billable to the customer, click the invoice icon next to the customer's name to mark an "X" through it. (Clicking the invoice icon again removes the "X".)
 - **Note:** You may want to attribute an expense to a customer but not make it billable. For example, you may need to redo a job without charging the customer, but still need to track the expenses incurred on behalf of the customer. In that case, click the Expense button (the Time/Cost button in the Pro/Accountant version) on the invoice, and select the option to "Hide" the expense; it will not appear on the invoice.
 - After you record the invoice that includes the expense, the invoice icon is dimmed for that expense, indicating that you have billed the expense to the customer.
- **6** (Optional) If you are assigning only part of the expense to this customer or job, select the amount shown in the Amount column, and enter the amount you want to assign.
- **7** Click OK to record the expense.

If you delete the invoice or the invoice line containing the reimbursable expense, and you want to invoice the customer again, go back to the form where the expense is recorded. Select it as billable by clicking on the dimmed invoice icon next to the customer or job.

Note: With QuickBooks Pro/Accountant, you can use the options to enter time and vehicle mileage and indicate if they are billable, then pick up these details on the invoice (via the Time/Cost button).

Fixing payments misapplied to invoices

This section describes how to find and reapply misapplied payments. This process can be lengthy or quick, depending upon when payments were first misapplied. There are three steps involved in fixing payments applied to the wrong invoices:

- Use a customer balance detail report to find the first misapplied payment.
- Delete and reapply each incorrectly applied payment.
- If the misapplied payments were caused by a customer credit, account for the credit in a new way, so you don't have the same problem again with this customer.

Finding the first misapplied payment

To find the first misapplied payment:

- **1** From the Reports menu, choose Customers & Receivables, and then choose Customer Balance Detail.
- **2** Click Modify Report, then click the Filters tab.
- **3** In the Filter scroll box, select Name.
- **4** From the Name drop-down list, select the Customer:Job with the misapplied payments.
- **5** Click OK.
 - QuickBooks displays the customer balance detail report for the customer you need to work with.
- **6** On the report, QuickZoom the latest payment. (Use the mouse to point to the payment amount, and double-click.)
 - QuickBooks displays the Receive Payments window for this payment.
- 7 Check whether the invoices QuickBooks indicates were paid by this payment are the correct ones. If they are not, click Cancel and check the previous payment on the report until you find the first misapplied payment.

Make sure you check the Existing Credits field. Often, misapplied payments are caused by a credit to this customer; QuickBooks always applies all existing credits before applying the current payment amount.

When you find the first misapplied payment, move on to the next section.

Deleting and reapplying payments

To reapply payments to the correct invoices, you'll have to delete the payments, reenter them, and apply them to the proper invoices. If the payments have been deposited, you first have to delete the deposit.

We recommend that you back up your company file before deleting payments.

To delete the payment:

- **1** Display the first misapplied payment.
- **2** Write down the information about the payment, since you're about to delete it.
- **3** Press Ctrl+D.
 - If the payment has been deposited, QuickBooks will not let you delete it until you've deleted the deposit in which it's included.
- **4** If you have already deposited the payment, complete the following steps before continuing:
 - To find out which deposit the payment is linked to, press Ctrl+H from the Receive Payments window. The Transaction History window shows the paid invoices and the deposit linked to the payment.
 - To get to the deposit, click on the deposit line and click the Go To button.
 - At the Make Deposits window, click the Print button to print a list of the items (payments) included in this deposit, since you'll have to delete and then reenter this deposit. (Or, write down the contents of the deposit.)
 - Press Ctrl+D to delete the deposit. Once the deposit has been deleted, delete the payment.
- **5** Re-enter the payment you deleted, making sure the payment is applied to the correct invoice(s).
 - If there is a credit in the Existing Credits field when you enter the payment, see the next section before proceeding. When you've cleared any existing credits, continue with Steps 6 and 7.
- **6** Re-enter the deposit you deleted, including the newly entered payment.
- **7** Repeat these steps until you've re-entered and applied each payment to the correct invoices.

Handling existing credits

QuickBooks applies any existing credits to invoices before it applies the current payment amount. If you'd rather apply a current payment amount to an invoice instead of the existing credit amount, clear the "Apply Existing Credit" tick box in the Receive Payments window.

Handling customer overpayments

When you have a customer who has overpaid an invoice, QuickBooks keeps track of the overpaid amount. The best way to handle the overpayment is to enter the overpayment in QuickBooks and then apply the overpayment (either to another invoice or to a refund cheque).

Creating the overpayment

To enter the overpayment in QuickBooks:

- From the Customers menu, choose Receive Payments.
- Select the Customer:Job from the drop-down list.
- Enter the amount being received.
 - QuickBooks enters the amount received in the Total to Apply field, enters the payment of the invoice, and enters the amount of the overpayment in the Unapplied Amount field.
- (Optional) Click Print Credit Memo to print a credit memo for the unapplied amount.
- Click Save & Close in the Receive Payments window.
- **6** Click OK in the message window that QuickBooks displays.

Applying the overpayment

There are two ways to handle the overpayment. You can wait until you have another invoice to apply it to, or you can issue a refund cheque for the overpayment amount in the Create Credit Memo/Refund window.

To apply the overpayment to an invoice:

- From the Customers menu, choose Receive Payments.
- Select the Customer:Job from the drop-down list.
- Do not type an amount in the Amount field. Enter an amount only if you are receiving an additional payment at the same time.
- Select the "Apply Existing Credits?" tick box.
- Click Save & Close.

QuickBooks automatically applies the existing credit to the outstanding invoice. If you do not use all of the existing credit, the unapplied amount remains as an existing credit.

To issue a refund cheque for the overpayment:

- From the Customers menu, choose Create Credit Memos/Refunds.
- Click Refund. DO NOT fill in the Credit Memo.
- **3** If QuickBooks asks if you want to write a refund cheque that is not directly linked to this credit memo, click Yes.
- In the Write Cheques window, choose the Customer:Job from the drop-down list in the "Pay to the Order of" field.
- Enter the amount of the overpayment in the dollar amount field.
- Select "To be printed" to print the cheque.

- **7** Click in the Account column on the Expenses tab and choose Accounts Receivable from the drop-down list.
- **8** Click Save & Close.
- **9** In the Create Credit Memo/Refund window, click Clear and then close the window (do not save the credit memo).

The final step is to link the refund cheque to the existing credit.

To apply the refund cheque to the overpayment:

- **1** From the Customers menu, choose Receive Payments.
- **2** Select the Customer:Job for which you just wrote the refund cheque. You'll see the amount of the credit included in the Existing Credits field, and the refund cheque in the bottom section of the window.
- **3** Select the "Apply Existing Credits?" tick box. Make sure that the refund cheque line is selected in the bottom section of the window.
- 4 Click Save & Close.

Applying an existing credit to an invoice

If you've already created a credit memo for a customer, follow these steps to apply the credit memo to an invoice.

To apply a credit amount to the oldest invoice:

- **1** From the Customers menu, choose Receive Payments.
- **2** Select a Customer:Job.
 - The amount of the credit appears in the Existing Credits field.
- **3** Select the "Apply Existing Credits?" tick box to apply the credit amount to any invoice for this customer.
- **4** If the credit amount is not displayed next to the first invoice listed, click the Auto Apply button.
- **5** Click Save & Close.

If you have set QuickBooks to automatically apply payments, QuickBooks applies the credit to invoices that match the amount of the credit first, and then to the oldest outstanding invoice.

To apply a credit amount to a specific invoice:

- **1** In the Receive Payments window, click the Clear Payments button, if it is available.
- **2** Select the "Apply existing credits?" tick box and choose the invoice you want to pay by clicking in the tick mark column next to the invoice being paid.
 - The amount of the credit should now appear in the payment column next to the invoice you have selected.

3 Click Save & Close.

Handling returned items on an unpaid invoice

If you have a customer who is returning items from an unpaid invoice, you may want to void the invoice instead of deleting it to keep complete records of all sales. If the customer is returning items, but there are items remaining on the invoice, you can create a credit memo to record the returned item.

To void an invoice:

- **1** Display the sales form you want to void.
- **2** From the Edit menu, choose Void Invoice.

 QuickBooks changes the amounts on the sale to zero and displays "Void" in the Memo field.
- **3** Click OK in the Create Invoices window, or click Record in the Accounts Receivable register.

To record a return:

- **1** From the Customers menu, choose Create Credit Memos/Refunds.
- **2** Fill in the credit memo, entering the returned items in the line-item area. Use the same information that was on the original invoice or cash sale. QuickBooks decreases the income accounts of the invoice items by the amount of the return.
- **3** (Optional) To print the credit memo, click Print.
- **4** Click Save & Close.

 QuickBooks enters a negative amount in the A/R register for the credit memo.

QuickBooks accounts

Using the Undeposited Funds account

When you use the Receive Payments window, a payment item on an invoice, or the Enter Cash Sales window, QuickBooks knows you've received money. You may hold the money in a drawer or cash register and later go to your bank to make a deposit.

QuickBooks holds the amount in an Other Current Asset account called Undeposited Funds until you record a deposit. QuickBooks then transfers the money into your bank account. The Undeposited Funds account is specifically designed to hold money a company has received that has not yet been deposited in the bank. This makes it easier to reconcile your bank account because deposits match those appearing on your statement.

Here is a summary of how QuickBooks uses the Undeposited Funds account:

- The business owner receives payment from a customer.
- QuickBooks holds the payment in the Undeposited Funds account.
- When the business owner deposits the payment into a bank account, QuickBooks moves the money from Undeposited Funds to the specified bank account.

Deposits display "Undeposited Funds" in the Account field

When you choose payments to deposit, they appear in the Make Deposits window with Undeposited Funds as the originating account.

When you click Save & Close in the Make Deposits window, QuickBooks enters the deposit in your bank account register. Because the payment amounts have moved from the Undeposited Funds account to your bank account, your register shows Undeposited Funds as the account in the deposit transaction. Use Make Deposits whenever you go to the bank so your bank statements will match your account registers in QuickBooks.

Changing the name of the Undeposited Funds account

You can change the account name to something that suits you better. The new name appears in your account register.

To change the name of the account:

- **1** From the Lists menu, choose Chart of Accounts.
- **2** In the Chart of Accounts window, select the Undeposited Funds account.
- **3** Click the Account menu button and then choose Edit.
- **4** Enter a new name for this account. Some suggestions for new names are "Sales income holding account," "Payments received," "Funds from A/R," or "Payments to be deposited."
- **5** Click OK.

Reviewing journal entries

You can review journal entries by opening the General Journal.

In QuickBooks Accountant, you can see a report of today's journal entries.

If you need to reverse a journal entry, you can do this automatically without having to retype the original entry. The reversed entry will be dated the 1st of the next month.

To report on today's journal entries:

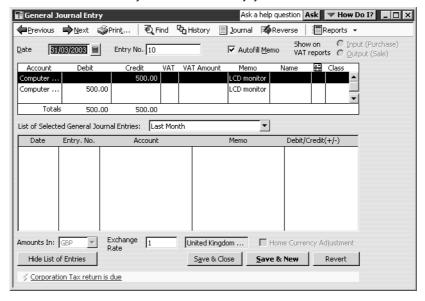
■ From Report Finder, choose Memorised Reports, then Accountant, and then Journal Entries Entered/Modified Today.

QuickBooks displays the report:



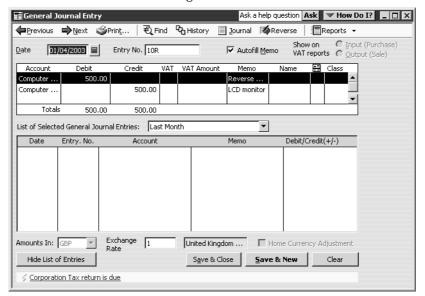
To reverse a journal entry:

- **1** From the Banking menu, choose Make Journal Entry.
- **2** Click Previous until you find the entry you want to reverse.



3 Click Reverse.

QuickBooks creates a journal entry with the same number with an R suffixed, dated the 1st of the following month:



Printing

Troubleshooting techniques for printing problems

Most printing problems can be resolved by changing the printer settings in QuickBooks or the Windows operating system. This section discusses many of the factors that affect printing. Try to categorise the printing problem accordingly, then follow the appropriate steps below.

Keep this in mind as you troubleshoot: if everything was printing correctly in the past but now it is not, the system may have been changed recently. For example, has new software been installed?

Nothing prints out at all

- Make sure the printer is turned on and is indicating that it is "online."
- Try printing from another application to verify that Windows is still communicating with the printer.
- Check the printer window for other previously stalled documents and clear them if necessary. (In Windows, click the Start button, choose Settings, and then choose Printers. Double-click the icon for the printer you want to view. You'll see the print queue with all print jobs listed.)

All printers have some type of indicator to let you know they are ready and waiting to receive data. Check that the printer is in this "online" state.

Since Microsoft Windows controls the printer, a good test is to print from the basic Windows text editor called WordPad. During this test, be sure that you select the same printer that you are having difficulty with in QuickBooks.

To test printing from WordPad:

- **1** In Windows, click the Start button, then choose Run. In the Open field, type *wordpad* and then click OK.
- **2** In the WordPad window, type a test sentence.
- **3** From the File menu, choose Print and click OK.

 If the test sentence printed correctly, the problem is probably with QuickBooks.

 Try to print another type of document or form from within QuickBooks to isolate the problem area, then confine the changes to that setup area only.
- **4** If the test sentence does not print from WordPad, this means that Windows is not communicating with the printer and, therefore, neither can QuickBooks.

Next, check the print queue in Windows to see if there are other print documents stalled there.

To check for stalled documents:

- 1 In Windows, click the Start button, choose Settings, and then choose Printers. Double-click the icon for the printer you're testing.
- **2** If there are documents listed under the printer name, click the first one to highlight it. If Windows says it is stalled, choose Cancel Printing from the Document menu to stop the print job.
- **3** You can also choose Purge Print Jobs from the Printer menu to clear out all of the queued documents. This is especially useful if Windows fails to delete a queued document. If this is a chronic problem, you may wish to disable the "spool settings" for this printer.

Windows lets you "spool" your printing jobs, so that you can work on the computer while printing in the background. If you disable print spooling, you must wait until the document prints out before you can use the computer again. However, since eliminating print spooling simplifies the printing process, it may allow you to print correctly.

Important: If you share your printer with others (for example, you print to a network printer), print spooling is required.

To disable print spooling:

- 1 In Windows, click the Start button, point to Settings, and then choose Control Panel.
- **2** In the Control Panel window, double-click the Printers icon.
- **3** Click the icon for the printer you want.
- **4** From the File menu, choose Properties.
- **5** Click the Details tab, and then click the Spool Settings button.
- **6** In the Spool Settings window, select "Print directly to the printer."
- **7** Click OK until you return to the Control Panel window.
- **8** Close the Control Panel window.

There is "garbage" or clipped text on the printout

- The presence of "garbage" generally indicates that the printer does not understand the language Windows is using to communicate. Make sure that the printer driver listed in the Printer name field of the QuickBooks Printer Setup window is the correct one.
 - Select the correct printer from the Printer name drop-down list. If the correct printer driver is not on the list, you need to install it. You can get the right driver from the printer manufacturer or from Microsoft. If you need detailed instructions on installing a printer, search the Windows onscreen Help for *printer drivers*, *installing*.
- Some printers can emulate several other printers. Check that the printer is in the same emulation mode as the printer selected in QuickBooks Printer Setup. Refer to

- your printer manual for clarification. If the printer manual lists several alternate compatible printer drivers, install and try them in the order listed.
- Text clipping and, occasionally, garbage can indicate that the selected font is too complex or too large for the print area. In the QuickBooks Printer Setup window, choose the appropriate font area and select another font, or reduce the font size.
- Occasionally, a font controller or enhancer, such as Adobe Type Manager, may cause QuickBooks to produce unwanted results on the printout. If changing the font or size did not reduce the clipping or garbage, exit QuickBooks, disable the font program, and then try printing again. Refer to that program's documentation for instructions on disabling it.

The printout is not aligned correctly, or large areas or lines do not print

- Run through the form alignment process again.
- On reports, make sure the margins are not set too large or too small.

Most users need only perform cheque and form alignment once to set up QuickBooks for a specific printer.

- If you have a continuous-feed printer, note the position of the forms after aligning so you can accurately position the forms by hand the next time. Otherwise you will have to coarse-align every time you print on preprinted cheques and forms. If you have a page-oriented printer, forms only need to be fine-aligned.
- If the entire right-hand vertical line of an invoice is not printing, try fine-aligning the form to the left.
- On reports, clipping can be caused by having too-narrow margins in the Report Printer Setup. Most printers cannot print closer than one-half inch from the paper's edge. Therefore, margins set at 0-inch, for example, will probably result in clipped text near the margins. On invoices with marginal clipping, choosing to use a custom form may resolve some clipping problems, as the internal margins are different from those on standard forms.

For detailed instructions on print alignment in QuickBooks, search the onscreen Help index for *aligning forms in printer*.

The printer is pulling from the wrong tray or feeding incorrectly

- Check that the printer settings in the QuickBooks Printer Setup window such as paper source, paper size, and printer memory are correct for what you are printing.
- Check the printer manual to understand what the manufacturer intended to happen during printing.

If the printer is using the wrong paper tray, or wrong orientation, or printing in the wrong place on the page, verify your printer setup settings.

To verify the settings in printer setup:

- **1** From the File menu, choose Printer Setup.
- **2** Click the Settings tab, and then click Options.
- **3** Click the Paper tab.

Make sure that these settings are correct for the document and the printer you are having trouble with.

Some printers feed cheques and forms face up from their paper trays, while others feed face down. If your printer feeds face down, a stack of numbered cheques should be fed in the wrong order. Be sure to manually resort the stack of cheques so that the cheque number recorded in the register matches the printed document. Check the printer manual to understand the manufacturer's intended paper handling.

Wingdings or Symbol fonts are printing on my P60 forms

The P60 form uses the OCR-A.ttf font that QuickBooks installs to the Windows\System directory, or in a Fonts folder in Windows. If QuickBooks cannot find this font, it uses another, typically the Windings or Symbols font. If your QuickBooks forms print in what looks like pictures or gibberish, the OCR-A font is unavailable or damaged. Below are the common causes and their solutions.

- You haven't finished installing QuickBooks. If you've just installed QuickBooks, make sure to restart Windows prior to using the program.
- Your OCR-A font is missing or damaged. In Windows, select Fonts from your Control Panel. Double-click the OCR-A font. In the font window that displays, click Print. If you can't locate this font or print successfully, it can be reinstalled.
- You may have hidden the OCR-A font with a font program. If you're using a font controller like HP FontSmart or Adobe Type Manager, go into the font program and select the option to "Show All Fonts" or a similar option that un-hides or displays all fonts.

Printing company logos on QuickBooks forms

You can have QuickBooks print a logo (a .BMP file) on your forms. By default, it prints to the left of the company name and address on forms. If you like, you can move the logo to a different part of the form, for example, centred at the top.

The logo can be a .BMP, .GIF, .JPEG or similar file created with a Windows 95 or higher application. You can reduce or expand the size of the logo by using the mouse to select and resize it.

For details, see "Customising forms" in chapter 1.

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Section 2 Working with clients who use QuickBooks

As a sophisticated QuickBooks user, you can be a valuable resource for your clients. By setting up their QuickBooks companies for them, or by reviewing the setup of clients already using QuickBooks, you may be able to suggest ways that they can maximize their use of QuickBooks to suit their businesses. For example, you may see a way that a client can use QuickBooks classes to track the profitability of different segments of the business.

When your clients are set up on QuickBooks, there are many ways you can choose to work with them and use their data files. Much is dependent on how much assistance your clients want, and how confident they feel in creating or customizing their own QuickBooks reports. Here are some possible scenarios:

- Clients may enter their day-to-day transactions in QuickBooks and create their own monthly financial statements. They may give you the data only when they want you to prepare a yearly tax return.
- Clients may enter their day-to-day transactions in QuickBooks but want you to use their data disk to create monthly financial statements. This gives you an opportunity to check their transactions and make recommendations on how they can improve the accuracy of their data. Depending on the needs of the client, you may want to offer training on a specific aspect of QuickBooks.
- After seeing profitability reports, clients may request business-management advice. You can use their data disk to create financial reports that allow you to determine areas of risk in the business (for example, dependency on a particular customer) or areas of high expenses.
- Clients may want to send you a backup copy of their data on a periodic basis, as a method of quick, off-site data storage.

This section gives you information about setting up QuickBooks for clients, modifying QuickBooks to suit their businesses, and working with a client's QuickBooks data file. The section also contains information about some reports you may find helpful in working with and analysing your clients' data.

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Converting from a manual system

This section describes how to set up QuickBooks for a client who has been using a manual bookkeeping system. If you have clients who have been using Quicken to track their business's financial transactions and who have decided to upgrade to the small-business capabilities of QuickBooks, see the *User Guide*.

Before you set up QuickBooks for clients, you should know how the business operates, what information they need to track, and what information they require for management decisions. This will help you determine which QuickBooks features they should use.

QuickBooks setup also requires detailed information about employees, customers, and suppliers. The next section provides a checklist of the information you should have available before you create the client's new QuickBooks company.

Tip: QuickBooks contains onscreen Help topics written to address the needs of many professions, such as architects, consultants, medical personnel, and product sales businesses. These topics may help you gain insight into the special problems and reporting needs of your clients' businesses. To view them, search in the Help for Your Type of Business.

Client setup checklist

You should have these items available before you set up a new QuickBooks company for your client:

- Name
- Address
- Company registration number
- Financial year end
- QuickBooks "start date"
- Type of business
- Trial balance for the period up to the QuickBooks start date
- Chart of accounts
- List of customers, including addresses, contact names, and phone numbers
- List of types of items being sold (either products or services), sale prices (or hourly rates), and whether taxable
- List of invoices outstanding as of the QuickBooks start date
- VAT registration number and other information, if applicable. For example, you need to know which tax rates are charged for different products or services.
- List of suppliers, including addresses, contact names, and phone numbers
- List of supplier invoices that have not been paid as of the QuickBooks start date

Setting up clients

- Details of any business done in foreign currencies
- Budget for the financial year, if any
- Payroll tax information:
 - PAYE reference number
 - Types of regular additions or deductions from employee pay (such as automobile reimbursements, employee loan repayments, insurance co-payments)
 - List of employees, including tax codes, National Insurance numbers, addresses, rates of pay, and other regular additions or deductions from pay
 - Tax year-to-date employee pay, summarised by employee by month

When you have gathered the information above, create a new QuickBooks company as described in Chapter 3, "Setting up your company in QuickBooks," in the QuickBooks *User Guide*. Choose the preset chart of accounts that most closely applies to the client's type of business. Later, you can add to or edit the chart of accounts as necessary. Then set up QuickBooks lists for your client, as described in the next section.

Setting up QuickBooks lists for your client

After you add a QuickBooks company, you'll want to set up QuickBooks to suit the needs of your client. For more information on what to do next, see "Setting up a new company," in Chapter 2 of the QuickBooks *User Guide*.

The information stored in QuickBooks lists can be added to or corrected as you process transactions. However, if you're doing the QuickBooks setup for your client, you'll want to add the most common list items, to increase efficiency and accuracy when the client enters transactions.

Item list

Whether the client sells products or services, any line item to be included on an invoice must be on the QuickBooks Item list. Add a QuickBooks item for each type of charge that appears on an invoice.

Items are how you associate an income account with goods or services a company invoices for, so it's important that you set up items correctly to generate meaningful financial reports. The following table summarises the types of QuickBooks items.

Item type	Use for	Usual effect on accounts
Payment	On invoices: Payment received at the time of invoicing, so that amount owed on invoice is reduced.	Increases the balance of either a specific bank account or the account for undeposited funds (depending on item setup).
	On cash sales summaries: To show totals for each type of payment (cash, cheques, credit card charges).	

Enter a VAT code (exempt, standard, zero-rated, or not registered) for each item.

If you are using units of measure, make sure you enter the units when you first set up the stock item (the unit can be different for stocking unit, selling unit and purchasing unit).

Complete all the fields in the New Item window, so that invoices and cash sales receipts are entered accurately.

These items are affected by price levels.

For more information, refer to the Help.

Customer: Job list

Determine whether the client will want to sort later based upon the type of customer. If so, create customer types. For example, you can use customer types to distinguish between corporate and individual or wholesale and retail customers.

If the client wants to track jobs (or projects) for each customer, make sure you know the amount owed to the client for each job as of the QuickBooks start date.

Complete all of the information requested in the Customer: Job list. If the customer purchases for resale, obtain the resale number and record it in the list.

If your client uses QuickBooks Pro, you can set up different price levels and associate them with specific customers. Each time your client creates an invoice, credit memo, or sales form for that customer, QuickBooks will use the price level associated with that customer to calculate the rate for service, inventory, and non-inventory items.

For more information about setting up and using price levels in QuickBooks Pro, search the onscreen Help index for *price levels*.

For a new QuickBooks company, you need to enter the opening balance for each customer as of the client's QuickBooks start date. Enter a summary invoice for each customer using an item called "opening balance." Assign the item to the appropriate income account. Each invoice should be dated before the QuickBooks start date.

Supplier list

Before adding the supplier information, determine whether the client will want to sort later based upon the type of supplier. If so, create supplier types. For example, supplier types allow your client to distinguish between suppliers who provide business supplies and those who provide construction materials.

For a new QuickBooks company, you need to enter the opening balance for each supplier as of the client's QuickBooks start date. Enter a summary bill for each supplier in the Enter Bills window. Assign the amounts to the appropriate expense account. Each supplier bill should have a date earlier than the QuickBooks start date.

In the Supplier list, use the Account field (on the Additional Info tab) to record the client's account number with the supplier. QuickBooks puts this information in the Memo field of cheques that pay bills from this supplier.

If you want to store additional information about suppliers (such as an e-mail address or region), you can use a custom field.

Payroll Item List

QuickBooks maintains a list—called the Payroll Item list—for everything that affects the amount on a payroll cheque and for every company expense related to payroll. When you indicate you want to use payroll, QuickBooks creates an initial Payroll Item list with items for salary and wages, income tax, and National Insurance contributions. However, you'll need payroll items for other payroll additions and deductions such as bonuses, commissions, pension and health contributions.

For more information, search the onscreen Help index for *payroll items*.

Employee list

If your client will be using QuickBooks for payroll and has more than one or two employees, you'll want to set up an employee template. The employee template lets you set up several employees quickly, because you use the template to enter information that most employees have in common (such as payroll period and tax information). Then, when you go to the Employee list to set up individual employees, many of the fields will be prefilled with the information you entered on the employee template.

For more information on setting up the employee template, search the onscreen Help index for *employee defaults, creating*.

To add the information for each employee in the Employee list:

- **1** Provide general employee information on the Address Info tab.
- **2** Provide other pertinent information on the Additional Info tab. Add any custom fields for additional employee information you want to track (such as birthdays).
- **3** Use the Payroll Info tab to set up regular earnings, additions and deductions which you haven't entered on your employee template (you can also modify each pay cheque when you run payroll).
- 4 Click Sick/Holiday to enter details of sick and holiday pay.
- **5** Click Tax/NI Details to enter tax code and NI status.
- **6** Click Bank Details to enter the employee's bank details for Giro or BACS payments.
- **7** Click Previous Employment to enter P45 details if the employee joined the company in the current tax year.
- **8** Use the Statutory Pay Info tab to enter details of SSP, SMP, SPP or SAP. If there are any previous details to enter, click Previous Info.

For more information about setting up employee payroll information, search the onscreen Help for *employees*, *payroll information about*.

Classes

If your client wants to classify expenses and income, you can use class tracking. You need to turn it on and set up the classes before any transactions are entered.

If you turn on class tracking later on, existing transactions will not have a class applied to them, and will appear in reports as Unclassified.

Classes can be used on a line-by-line basis on forms like invoices and purchase orders.

You can set the preferences so that QuickBooks warns users if they try to enter a transaction without assigning a class.

Fixed Assets Items

In QuickBooks Pro/Accountant, if your client wants to be able to record information about their fixed assets, such as the purchase price, serial number and warranty expiry date, you can use the Fixed Assets Item list.

Fixed asset items can be tracked in reports, and used in transactions, for example in a purchase order, or if an item is repaired or sold.

Converting from Quicken to QuickBooks

When you convert data from Quicken to QuickBooks, QuickBooks makes a copy of the Quicken file and performs the conversion on the copy. QuickBooks does not modify the original Quicken data file. Your client may continue to use Quicken with the original data while using QuickBooks with the converted data, but keep in mind that the Quicken file and the new QuickBooks data file are different and do not communicate with one another.

Converting a client's data from Quicken to QuickBooks involves these steps:

- Making a backup copy of the client's Quicken data disk.
- Removing accounts that are inactive or not related to the business.
- Making changes to the data after conversion.

Preparing for the conversion

Before converting, make a copy of the Quicken data disk and include only the current financial, payroll, and calendar year information. This lets you maintain the information needed to process the payroll year-end and prepare the P11, P60, and P35 payroll information. Rename the file using your client's initials and *conv* (for "convert")—for example, *PSIconv*.

Review the account listing and remove those accounts that are either inactive or not related to the business. Convert only the accounts you want to use in QuickBooks.

Now follow the conversion instructions in the manual. (See Chapter 3 in the *User Guide*.)

Making changes to the converted data

When you convert Quicken data to QuickBooks, the conversion saves you the time of typing in all the transactions, but you'll probably want to make some changes to the converted data.

Before your client starts using the QuickBooks data file, you may want to complete the following steps to help them get up and running with QuickBooks.

To set up the converted QuickBooks file for your client:

- **1** Complete company information: From the Company menu, choose Company Information.
- 2 Customise QuickBooks to match the needs of your client's company by turning on the features they need, turning off the features they don't, and customising the forms they'll use. To do this, you'll need to go through the all of the menu choices in the QuickBooks Preferences window (available from the Edit menu) that apply to your clients.

- **3** Depending on your client's business, some options in the Preferences window are especially important to check:
 - Accounting. By default, the "Use account numbers" option is turned off. If you want your client to use account numbers and account names, select this option.
 - Chequing. By default, printing account names on the voucher portion of cheques is turned off. Turn it on if you want your clients to print account names on voucher cheques. You may also want to select default bank accounts to use in the Write Cheques, Pay Bills, Pay Liabilities, and Make Deposits windows.
 - Payroll & Employees. By default, payroll is turned off. If your client has a payroll—even if it is not processed using QuickBooks—you will want to turn payroll on by selecting either "Full payroll features" or "Payroll reports only."
 - Purchases & Suppliers. Turn on stock by selecting "Stock and purchase orders are active". If they want to use units of measure, you can turn this on here, but note that once turned on you cannot turn it off again.
 - VAT. The option, "Do you track VAT" is turned off by default. If necessary, turn it on and set up your client's VAT reporting details.

This is a list of some of the changes you may have to make to the converted data, as well as where you can find complete information in the standard QuickBooks documentation:

- Look at the new chart of accounts and make necessary changes. QuickBooks supports many more types of accounts than Quicken and has more flexibility in how the accounts can be organised. You'll want to make changes in your converted chart of accounts to take advantage of the additional flexibility in QuickBooks. For example, you might want to do the following:
 - Remove or merge duplicate accounts.
 - Add accounts.
 - Verify that accounts are assigned to the correct type, and edit the account type if necessary.
 - Edit accounts that you want to be subaccounts of another account.
 - Rearrange the position of accounts in the list.

For details on how to do each of the procedures above, search the onscreen Help index for *accounts*, and double-click the appropriate Help subtopic.

Important: If you create subaccounts, make sure your client understands that they need to select the subaccounts rather than the parent accounts when they enter transactions. If they have selected the parent account, the P&L reports will show the parent account name followed by "- Other".

■ Enter opening balances for asset and liability accounts that were not previously maintained (for example, your client may not have tracked the office building as a fixed asset in Quicken). You can do this by editing the chart of accounts, or you

- can create a journal entry by choosing Make Journal Entry from the Company menu. The advantage of using a journal entry is that it gives a better audit trail.
- Enter adjusting journal entries, as necessary, so that all accounting information is correct and represented in QuickBooks. Because Quicken does not support many types of business activities, you'll usually find it necessary to make adjustments in QuickBooks for information not tracked in Quicken. See the last two items in this list for how to enter balances for accounts receivable and accounts payable. You can create a working trial balance by printing the QuickBooks trial balance report to disk, in tab-delimited format. (To do so from the Reports menu, choose Accountant & Taxes, and then choose Trial Balance. Click Print. In the Print Reports window, click the Settings tab, click File, and choose Tab delimited file.) You can then open the "working trial balance" in your spreadsheet program and prepare journal entries to obtain an adjusted working trial balance. After verifying

that the balances are what you expect them to be, record the journal entries to QuickBooks (from the Company menu, choose Make Journal Entry), using the

client's QuickBooks start date as the "entry date" for the journal entries.

During conversion, QuickBooks gives you the option to assign each of the Quicken payee names to one of these QuickBooks lists: Customers, Suppliers, Employees, or Other Names. If you don't know which list a name belongs on, leave it on the Other Names list. After conversion, you can edit the Other Names list to change Quicken payees to QuickBooks suppliers, customers, or employees, and to enter additional information not previously stored by Quicken. See "Edit your Other Names list" in Chapter 3, "How do I bring my data into QuickBooks," of the *User Guide*.

Once you assign a name to the customer, supplier, or employee list, you will not be able to switch it to a different list, so it's safest to choose the Other Names list when you're unsure.

- Set up invoice items in QuickBooks. Whether the client sells products or services, any line item to be included on an invoice must be on the QuickBooks Item list. Add a QuickBooks item for each type of charge that appears on an invoice.
- If your client was tracking accounts receivable in Quicken: When QuickBooks converts a Quicken A/R account, it makes the following changes:

This transaction in the Quicken A/R account	Is converted to this in QuickBooks
Each transaction that increases the A/R balance	An invoice to a customer
Each transaction that decreases the A/R balance and has only one split line	A credit memo
Each transaction that decreases the A/R balances and has more than one split line	A credit memo to a customer
Each payee	A customer on the QuickBooks Customer:Job list

This transaction in the Quicken A/R account	Is converted to this in QuickBooks
Each category	Both an item on the Item list and an income account on the chart of accounts

QuickBooks marks invoices as paid by assigning each payment it converts to the oldest invoice for that customer first.

You may want to change the names of some of the converted invoice items. For example, if the Quicken category your client used in most A/R transactions was "Sales income," you'll want to change the name of the converted invoice item from "Sales income" to the product or service they actually sell, such as "Consulting hours." In addition, you should set up your clients so they can start using QuickBooks invoices and accounts receivable for all future invoices they create.

- If your client was not tracking accounts receivable in Quicken: You probably want to enter detail for outstanding customer balances, rather than just entering opening balances for customers in the Customer:Job list. Enter a summary of each customer invoice. To do this, create a QuickBooks item called "Convert," and assign the total invoice (including any VAT) to a Sales income account. Each invoice should have a date earlier than the client's QuickBooks start date.
- If your client was tracking accounts payable (A/P) in Quicken: QuickBooks converts the Quicken A/P account to a QuickBooks current liability account type. You need to show the client how to enter bills in QuickBooks accounts payable for all future bills.
- If your client was not tracking accounts payable in Quicken: Enter each supplier invoice (bill) and assign the amount to the appropriate expense account. Each supplier invoice should have a date earlier than the client's QuickBooks start date.

Completing the EasyStep Interview

Although it's possible to set up a QuickBooks company on your own by working through the menus, we strongly encourage users to take advantage of the EasyStep Interview.

Many Professional Advisors do company setup for their clients. However, some prefer to serve as backup in case of trouble, and the clients actually set up the QuickBooks company themselves. If you deal with clients who will be setting up a QuickBooks company on their own, the best advice you can give them is to work through the EasyStep Interview.

The EasyStep Interview gives your clients information about each choice they are asked to make during setup. They'll learn the advantages and disadvantages of potential choices, and they will be better partners with you as a result.

Break it down into smaller steps

You should recommend to clients that they do *not* attempt to complete the EasyStep Interview while they are in the middle of a busy workday. Most business owners find their setup time is more efficient if they go through the interview before or after work hours or at the weekend. They should allow a couple of hours to complete the interview.

Admittedly, setting up a QuickBooks company takes time. Most small-business owners do better with QuickBooks setup if they break the job into manageable chunks.

Your clients' goal while setting up is to provide as much information as necessary to get going, but not to provide all the details at once. We recommend, for example, that users enter only a portion of their customer, supplier, employee, and list data while they are completing the Interview. They can enter data for three customers, for example, and then go on to the next part of the Interview. This lets them enter the rest of their customer data as they go and as they begin working in QuickBooks.

Have them follow the order of tasks on this list.

- 1 Choose the QuickBooks start date.
- **2** Gather the necessary business information and documents.
- **3** Set up the company using the EasyStep Interview.
- **4** Fine-tune the chart of accounts.
- **5** Enter any historical transactions.
- **6** Complete customer and supplier information.
- **7** Complete the Item list.
- **8** Enter any optional adjustments.

Choose a start date

The QuickBooks start date is the date for which you give QuickBooks a financial snapshot of the company. The date your client chooses determines what they will enter in the Interview.

To choose a start date that's best for their company, consider the following questions:

- When does the company's financial year start?
- How close is today to the end of the financial year?
- Is there an accurate balance sheet for the current financial year?
- Is there an accurate profit and loss statement for the current financial year?
- How far back in time are they willing to enter historical transactions?

Gather the necessary business information and documents

Refer your clients to the detailed list of information that they'll need in Chapter 2, "Setting up your company in QuickBooks", in the QuickBooks *User Guide*.

Go through the EasyStep Interview

When you click the General tab on the right side of the EasyStep Interview window, QuickBooks displays five tabbed sections along the top: Welcome, Company Info, Preferences, VAT, and Start Date. We recommend that all users begin with the General tab, so that QuickBooks has the basic information it needs for the remaining interview questions.

- The Welcome section explains how to navigate through the Interview.
- Company Info is where your client provides general information about the company, such as name, address, tax identification number, and so on.
- Preferences is where your client turns on several optional QuickBooks features, such as stock, payroll, estimates, time tracking, progress invoicing, multicurrency, and classes. It is also where clients can choose a preset invoice format, how they want to handle bill-paying, and whether they want the Reminders window to appear.
- VAT is where the client turns on VAT tracking and enters the VAT reporting period, reporting method (accrual or cash basis) and accounting method (Net or Gross).
- Start Date is where the client views information on how to choose a start date, and is asked to enter the date.

The rest of the Interview asks users to enter information about:

- Income and expense accounts.
- Income and stock item details.
- Opening balances for customers, suppliers, and accounts.
- Payroll details.

The Interview concludes with suggestions on what to do next.

After the Easy Step Interview

After your clients complete the EasyStep Interview, we recommend that you help them with these tasks.

Fine-tune the chart of accounts

First, review the chart of accounts QuickBooks has set up. You may need to add income and expense accounts, add subaccounts, delete accounts, or move accounts.

It is important to decide on an account structure before your clients begin entering transactions.

In particular, if multicurrency is enabled, accounts may need to be set up for payables and receivables, bank and credit cards in each foreign currency used.

Enter any historical transactions

If the QuickBooks start date is before today's date, clients also need to enter past transactions, in order to have complete financial records from the start date forward. It is not necessary to enter all historical transactions at one time, but the picture of their financial status will not be complete until they do.

If your clients are going to use QuickBooks to track payroll, they should enter historical payroll information so QuickBooks has complete year-to-date records of wages and salaries already paid.

Entering historical transactions in bank accounts is only part of the picture. Your clients must also enter these types of transactions:

- Cheques or other charges that occurred before the start date but didn't appear on statements before the start date.
- Other cheques written after the start date that were not for bills or accounts payable.
- Deposits made after the start date that were not customer payments.
- Deposits made before the start date, but which didn't appear on statements before the start date.
- Bank charges and fees.
- Interest paid on the account.

Advise your clients that is important to enter historical transactions in this order:

- **1** Invoices sent since the start date.
- **2** Purchase orders issued since the start date.
- **3** Cash or cheques received since the start date.
- **4** Bills received since the start date.
- **5** Bills paid since the start date.
- **6** Deposits made to any of the accounts since the start date.
- **7** Any other cheques written (for things other than bills) since the start date.

Complete customer and supplier information

Your clients entered only some of their customer and supplier data. Next, they need to fill in the customer and supplier records, to provide detailed information such as addresses, phone numbers, and credit limits.

Businesses with a large number of customers or suppliers may want to hire a data-entry clerk to handle this task.

Complete the Item list

QuickBooks starts a list of items when you go through the Interview, but your clients will want to add to the list. Remind them that each item they want to use on a sales form must be on their QuickBooks Item list.

Enter any optional adjustments

After your client has created a company in the EasyStep Interview, you may need to make a few adjustments as of its start date.

Enter VAT liability

If your client is registered for VAT, you may need to record a balance for VAT owed as of the company's start date in the VAT Control account register. Make sure that HM Revenue & Customs is a supplier on the client's Supplier list.

Note: Do not enter the amounts in the register if you have entered historical invoices. VAT is already included on them. However, you will want to check to see if you owe more VAT than is represented on the invoices. In that case you will need to enter an adjustment in the VAT Control account register for the remaining tax liability.

For further information, see "Value Added Tax" in Chapter 4.

Adjust the Uncategorised Income and Uncategorised Expenses (for accrual basis only)

When you enter unpaid balances for customers, QuickBooks assigns the income to an account called Uncategorised Income. Similarly, when you enter unpaid balances for suppliers, QuickBooks assigns the expenses to the Uncategorised Expenses account.

If your clients keep their books on an accrual basis, QuickBooks shows these two accounts on a profit and loss statement as of the QuickBooks start date. You may want to make an adjustment so that the income from all invoices and the expenses from all bills before the start date are also tracked on an accrual basis, regardless of whether payment has occurred.

Adjust for current income and expenses if the start date is not at the beginning of the client's financial year

If your client is setting up with a midyear start date and you know what your client's income and expenses are for the period from the beginning of the financial year to the start date, you can enter an adjustment for them. Then, when you create a profit and

loss statement in QuickBooks, it will be accurate for the period starting with the beginning of the financial year and ending on any date after the start date.

Distribute earnings and equity from before the client's start date

After you have entered all of the client's opening balances and made other adjustments, you may want to move the amount in the Opening Bal Equity account to the other equity accounts if you want to identify retained earnings or the equity of several owners.

Using QuickBooks payroll

To help ensure compliance with Inland Revenue regulations, QuickBooks uses tax tables to calculate payroll. Your clients can get current tax tables, and keep them current, by subscribing to the QuickBooks Payroll Service.

If your clients choose not to subscribe to the payroll service, they will need to calculate and enter their payroll tax deductions manually for each pay cheque.

To learn more about the QuickBooks Payroll Service, from the Help menu, choose Information & Support, and then click on QuickBooks Payroll Service.

For more information about setting up payroll in QuickBooks, see Chapter 7, "Payroll and employees", in the QuickBooks *User Guide*.

Setting up QuickBooks Pro/Accountant for multiple users

Your clients who have QuickBooks Pro/Accountant can use the program in multi-user mode, with up to five people working in the same company file at the same time.

Multi-user mode is only available in QuickBooks Pro or Accountant. Each user must have a unique copy of QuickBooks Pro or Accountant installed with a unique Installation Key Code. Each user must be using the same version of QuickBooks.

In addition, to run QuickBooks Pro/Accountant in multi-user mode you must have:

- Windows 2000 Server, NT 4.0 Server with Service Pack 6a.
 OR
- Peer-to-Peer network, using either Windows NT 4.0 with Service Pack 6a or Windows 95, 98, 2000 or XP.
- One licensed copy of QuickBooks Pro or QuickBooks Accountant for each networked computer (up to five).

Important: Intuit recommends you have the latest Service Pack or update for your operating system or network software. If you are uncertain whether you have the latest Service Pack or update, contact Microsoft, Novell, or your network administrator.

Multi-user installation

Each user who wants access to the QuickBooks company file should have read/write access and create/delete rights to the directory where the company file is stored. QuickBooks must be installed on *each* of the networked workstations, but the company file is in one shared location.

If the QuickBooks CD is mounted on a server or a shared CD-ROM drive, you can install *from* the mounted CD, but you cannot install across the network *to* a remote computer. That is, you must be sitting at the computer you're installing to, but you should store the company file on the shared resource.

Important: If your clients are using the multi-user feature in an earlier version of QuickBooks Pro/Accountant and want to continue using it in the current version of QuickBooks Pro/Accountant, they must replace all copies of the earlier version of QuickBooks Pro/Accountant with the current version. Company files updated in the current version of QuickBooks cannot be read by earlier versions—and such files cannot be converted back to earlier QuickBooks versions after they've been updated.

For more details, see Chapter 1, "System requirements and installation," in the *User Guide*.

Setting up users

The Set up Users and Passwords feature lets you set up users in QuickBooks and guides you step-by-step through the different access areas of QuickBooks. For each access area of QuickBooks, you can give a user no access, full access, or customised access.

Note: You can set up as many users as you wish; however, only five users may have access to the company file at a time.

Until you set up users in a QuickBooks company file, any person who accesses the company file has full access, just as they always have. However, no two people can access the company file simultaneously. If you want to have concurrent usage or you want to restrict access, you must set up users. The first person to set up users has the ability to set the password for the QuickBooks Administrator, who is a special user and has abilities that no other user can be granted (such as setting up other users).

The QuickBooks Administrator

When you create a new QuickBooks company file, QuickBooks creates a user called "Admin." This is the QuickBooks Administrator for that company file. The QuickBooks Administrator has unlimited access to all data in the company file, and is the only person who can add additional users to access the company file.

When you (as the Administrator) set up a user, you also assign a password that the user can change later. You can restrict access to certain users by specifying the areas of QuickBooks in which they are allowed to work.

To set up users and customise their access:

- **1** From the Company menu, choose Set Up Users.
- **2** Set up the Administrator's password and click OK.
- **3** In the User List window, click Add User.
- **4** Follow the onscreen instructions to set up users and passwords.

To learn about	Search the onscreen Help index for
Setting up users	users, adding
The role of QuickBooks Administrator	admin
The different access areas of QuickBooks	passwords, access areas
Setting up passwords	passwords, adding

Accessing client data

From time to time, both during and after setup, you may need to access your clients' data files. In most cases, you need to be using the same version of QuickBooks as the client with whom you are working. This section describes how to install multiple versions of QuickBooks on your computer, and discusses several scenarios you might use to access client data when you are not at the client's site.

Using remote access

If you have QuickBooks Accountant, you can use the QuickBooks remote access service to access a QuickBooks company file on another computer. With remote access, you can check something in a client's file, enter changes, or even set up a new company file without being at your client's place of business.

To use remote access, both you and your client must have an Internet connection. Remote access lets you work with your client's QuickBooks software and other programs that integrate with QuickBooks, but not programs unrelated to QuickBooks.

Note: You can also sign up to access your own company file from a remote location.

To sign up for remote access:

- **1** Connect to the Internet as you usually would.
- **2** From the Accountant menu, choose Remote Access.
- **3** Click the link to Sign Up Now.

Note: Internet access is required. One 12-month basic subscription valid for customers who purchase and install QuickBooks Accountant Edition software before the end of December. After 12 months, users can subscribe to the service for a fee. Fees apply for additional subscriptions. Service subject to change.

To access a client's QuickBooks file:

- **1** Connect to the Internet as you usually would.
- **2** From the Accountant menu, choose Remote Access.
- **3** Log in with your user name and password.
- **4** Call or email your client with his or her unique session number and the web page he or she should visit.
- **5** Request control of your client's QuickBooks file.
- **6** When the client approves your request, work with their QuickBooks data as you normally would.

Note: Internet access is required. Service subject to change.

Installing multiple versions of QuickBooks on your computer

Since your clients may use different versions of QuickBooks, it is likely that you will need to install multiple versions of QuickBooks on your computer.

You can have QuickBooks Regular, QuickBooks Pro and QuickBooks Accountant on the same computer.

When installing new versions of QuickBooks, if you want to continue to use an older version of QuickBooks, be sure to install the newer version in a new folder or directory.

Within the same version of QuickBooks, you can open data files created with QuickBooks, QuickBooks Pro or QuickBooks Accountant. However, when using QuickBooks Regular to view a file created in QuickBooks Pro or Accountant, the Pro/Accountant features cannot be edited; the data is still in the file, but it cannot be changed using QuickBooks Regular.

Note: If the QuickBooks Pro/Accountant file uses multicurrency, it is not possible to open the file in QuickBooks Regular.

Sharing data files with clients

Following are several scenarios of how you might want to work with your client's data file. No matter which method(s) you choose, it's always a good idea to have your

clients send you a backup of their QuickBooks data file on a regular basis (monthly or quarterly, depending on the amount of activity); if the computer or data are damaged or lost for any reason, you can help clients get up and running with the backup stored at your location.

Scenario 1: Using the Accountant's Review feature, your client sends an "Accountant's Copy" data file on disk to you. You modify the data file, as necessary, and return an export data file containing only your adjustments to your client.

To use the Accountant's Review feature, both you and your client must be using the same version of QuickBooks, QuickBooks Pro or QuickBooks Accountant for Windows.

- 1 Your client backs up data using the QuickBooks Accountant's Review feature, "Create Accountant's Copy," and sends the data file to you.
- **2** You restore the data file to your hard drive using the QuickBooks Accountant's Review feature, "Start using Accountant's Copy."
- **3** You review the file and make adjustments as necessary, using the journal entry screen.
- **4** When you finish your adjustments, create an export file containing your adjustments to send back to your client. Using the Accountant's Review feature, choose "Export changes for Client."
- **5** Your client uses the QuickBooks Accountant's Review feature to "Import accountant's changes" from the file you returned—your adjustments will then be added to their data file.

Important: While you have the data file, your client can continue to enter transactions into QuickBooks. However, there are certain limitations to what you can do in the Accountant's Copy. For details on what you can and cannot do in the Accountant's Copy, see "What an accountant can do with an Accountant's Review copy" on page 20.

Scenario 2: Client sends QuickBooks data file on disk to you. You modify the data file, as necessary, and return the data file to your client. In this scenario, you must have the same version of QuickBooks as your client. QuickBooks, QuickBooks Pro and QuickBooks Accountant data files are interchangeable if they are the same version.

- **1** Your client backs up data using the QuickBooks Backup feature and sends the data file to you.
- **2** You restore the data file to your hard drive using the QuickBooks Restore feature.
- **3** You make adjustments and corrections, as necessary, directly to your client's QuickBooks data file. You can use the journal entry screen or modify the actual transactions.
- **4** When you finish your adjustments, back up the QuickBooks data file using the QuickBooks Backup feature and send the disk(s) back to your client.

5 Your client uses the QuickBooks Restore feature to restore the data file you return to them. The client overwrites the data file that is on the hard drive, since the copy you returned is more current.

Important: While you have the data file, your client must either stop entering transactions into QuickBooks or must re-enter the transactions that occurred while the file was at your office. (The transactions must be re-entered into the data file you return.)

Scenario 3: Client sends QuickBooks data file on disk to you. You modify the data file as necessary and give your client a report of adjustments for the client to enter into their copy of the data file. In this scenario, you must have the same version or a more recent version of QuickBooks, QuickBooks Pro or QuickBooks Accountant than your client.

- **1** Your client backs up data using the QuickBooks Backup feature.
- **2** You restore the data file to your hard drive using the QuickBooks Restore feature.
- **3** You make adjustments/corrections, as necessary, directly into your client's QuickBooks data file. This works best if you make only general journal entries for the adjustments, so you can easily generate a report on the changes/adjustments made to the data file.
- **4** When you complete your adjusting entries, print a journal report. (From the Reports menu, choose Accountant & Taxes, and then choose Journal.) Filter the report for transaction type "Journal" and specify the date range for your adjustments.

Scenario 4: You use a modem and remote control communications software to log on to your client's computer. You enter adjustments directly into the client's data file that resides on your client's computer.

- You must have a modem and special communications software that allows you to remotely control another computer. Depending on the communications software, you may also have to install some software on your client's computer.
- Your client cannot use the computer while you have remote control of the computer.
- 1 You start QuickBooks on your client's machine, make changes and adjustments as necessary, and print any necessary reports.
- **2** When you've finished your corrections, you log off your client's computer. Your client can use the QuickBooks data file again.

Scenario 5: Client sends the QuickBooks data file to you electronically, using a modem and communications software. You enter the adjustments directly into the client's data file and return the data file via modem.

Both you and your client must have a modem and communications software. You will also want to compress (or zip) the QuickBooks data file before sending it, to reduce the file size—this greatly reduces the time necessary to transmit the data file. Common

compression software includes PKZIP and WINZIP; these programs are "shareware" and are distributed free of charge on most online services.

You might also try using the Backup and Restore features in QuickBooks. QuickBooks backup files are compressed.

- **1** Your client first must compress or zip the data file and then send it to you via modem.
- **2** You download the file to your hard drive and then uncompress or unzip the file.
- **3** You can enter adjustments as necessary and print any needed reports. When you are done with your work, you must compress or zip the QuickBooks file again and return it to your client via modem.
- **4** Your client then must download the file, uncompress or unzip it, and make sure the updated data file is in their QuickBooks directory.

For more information about backing up and restoring QuickBooks files, see "Backing up company data" on page 190, and "Restoring company data" on page 201.

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CHAPTER 7 Evaluating client data

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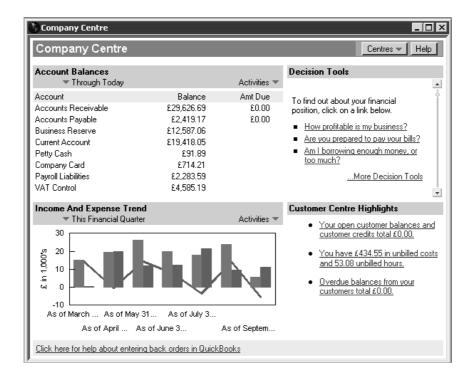
Tools for evaluating client data

If you want to provide financial management and analysis services for your clients, you may find the information in this section especially helpful.

Getting an overview of company data

If you'd like to get an overview of your client's company before running reports to evaluate data in depth, start with the Company Centre. The Company Centre gives you a snapshot of your client's company information by showing the following information in a single location.

- All company account balances
- A graph of the income and expense trends
- Summary information for accounts payable and accounts receivable



To display the Company Centre:

■ From the Company menu, choose Company Centre.

In addition to the Company Centre, QuickBooks provides three other centres: the Customer Centre, the Customer Detail Centre, and the Supplier Detail Centre.

QuickBooks centres collect and group data for specific areas of a business. In each centre you can look at several sets of related data, analyse the information, and take appropriate action on it.

Creating and using QuickBooks standard reports

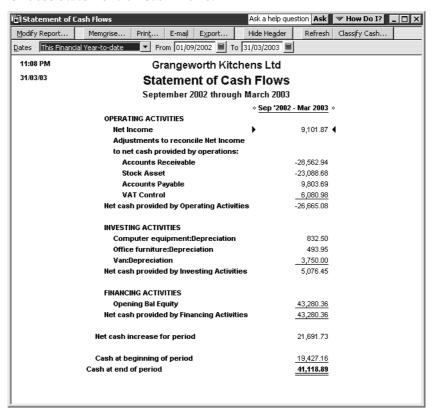
The following is a description of standard reports you may want to generate for your clients. You can set up the customised reports in your client's data file and memorise them. This makes it easier to recall the reports you find useful, without repeating all the steps to customise each time.

Statement of cash flows

The statement of cash flows report shows how your client's cash position changed over a period of time. It shows the amount of cash earned from profit, where the client received additional cash, and where cash was spent. Use the report t osee how much cash was provided or used by operating activities, investing activities and financing activities.

To create a statement of cash flows:

- **1** From the Reports menu, choose Company & Financial.
- **2** Choose Statement of Cash Flows.



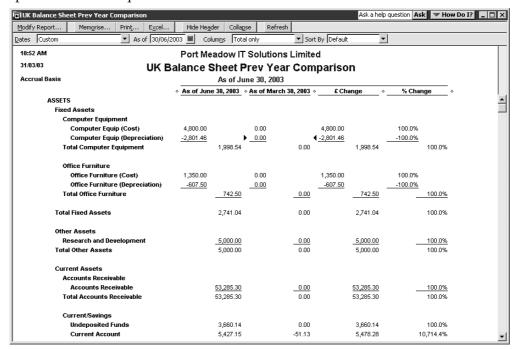
For instructions on how to classify cash in the statement of cash flows report, search the onscreen Help index for *statement of cash flows report*.

Balance sheet

The QuickBooks comparison balance sheet lets you see current balances compared with prior periods (such as the previous year). If you are preparing a statement of cash flows for a client, the comparison balance sheet lets you see which items would be affected. It also helps you determine "where the cash went" when the client is reporting net income but no comparable cash increase.

To create a comparison balance sheet:

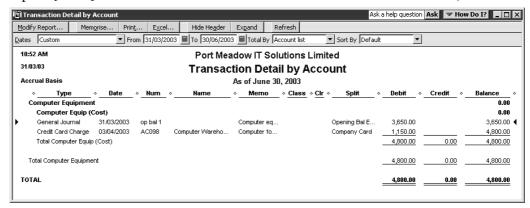
- 1 From the Reports menu, choose Company & Financial.
- **2** Choose Balance Sheet Prev Year Comparison.
- **3** If required, modify the report to show a different date range to look only at a specific month or quarter.



Before printing the report, you can view it onscreen. If you see balances that appear abnormal, you can use QuickZoom (by double-clicking the balance in question) to see a detailed transaction report on that balance.

With the detailed transaction report displayed, you can change the date range to look only at a specific month or quarter. You can then print the detailed transaction report

for your files. (New fixed asset purchases are a typical use of this type of transaction report. Just QuickZoom on the fixed asset amount on the balance sheet.)

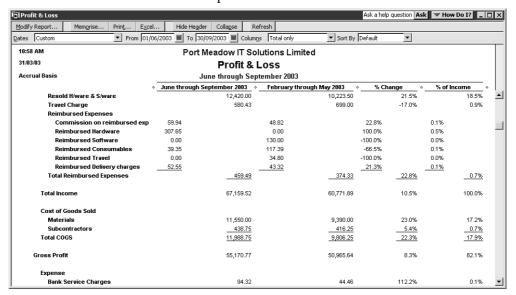


Profit and loss report (income statement)

For year-end preparation of tax returns or financial statements, you can create a standard profit and loss report and change the date range to "Financial year to date." You can customise the report to include columns for Previous Period, % Change (from previous period), and % of Income.

To create a customised profit and loss report at year-end:

- 1 From the Reports menu, choose Company & Financial.
- **2** Choose Profit & Loss Standard.
- **3** In the Report window, click Modify Report.
- **4** In the Report Dates field, select "This Financial Year-to-date" from the drop-down list.
- **5** For Other Columns, select "Previous Period," "% Change," and "% of Income."
- **6** Click OK to see the customised report.



You can analyse the income and expense accounts, and see a detailed transaction report by using QuickZoom to view any amounts that seem abnormal.

If the income statement points out a need for "reclassification," you can either merge accounts or QuickZoom to the original transaction and make the changes.

If the changes you want to make would affect the balance sheet, you may want to create a journal entry. (From the Company menu, choose Make Journal Entry.) For example, suppose the client recorded a purchase of equipment as "office supplies." You would prepare an entry to debit Fixed Assets and credit Office Supplies.

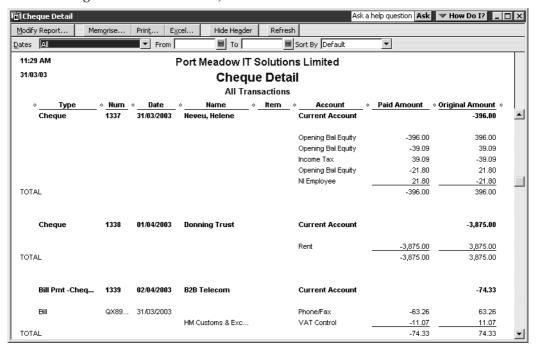
Cash disbursements journal

QuickBooks cheque detail report gives you the same information you would see in a cash disbursements journal. The report lists all transactions that decrease (credit) the bank account, and the expense accounts associated with each transaction for the specified date range. For each transaction, QuickBooks also displays the transaction type (for example, whether it is a cheque, bill payment cheque, payroll cheque, liability cheque, payroll YTD adjustment, or general journal entry).

To create a cash disbursements journal:

- **1** From the Reports menu, choose Banking.
- **2** Select Cheque Detail.

This is one of the few reports that provides all the account information for each transaction—even for transactions that are associated with more than one account. (On other reports, QuickBooks displays the word "split," rather than listing each account assigned to a transaction.)

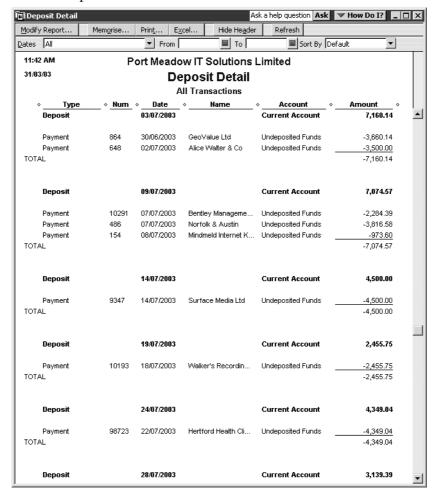


Cash receipts journal

The QuickBooks deposit detail report provides the information you would normally see in a cash receipts journal. The report lists all transactions that increase (debit) the bank account. QuickBooks does not display the income accounts that the payment is linked to. Instead, it displays "Undeposited Funds" or "Accounts Receivable," depending on how the payment was deposited.

To create a cash receipts journal:

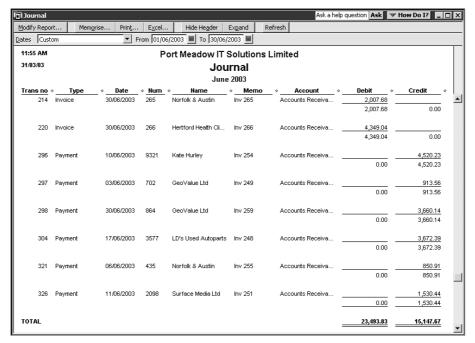
- 1 From the Reports Menu, choose Banking.
- **2** Choose Deposit Detail.



Because the QuickBooks deposit detail report (cash receipts journal) does not provide income account information, you may want to generate an additional report that displays all sales (paid and unpaid), with account detail, during a specified period of time. To generate a report that displays all sales and account information, you can customise a QuickBooks journal report.

To show all sales, with account detail:

- 1 From the Reports menu, choose Accountant & Taxes.
- 2 Choose Journal.
- **3** Click Modify Report, then click Filters.
- **4** Click Account in the Filter scroll box, and select "All accounts receivable" from the Account drop-down list.
- **5** Click OK.

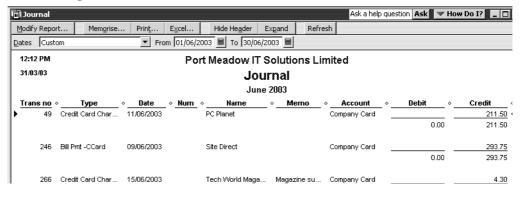


Purchase journal

The QuickBooks unpaid bills detail report lists all unpaid bills by supplier. When you combine this report with the cash disbursements journal, you have a complete picture of all purchases during a specified period of time.

To create a purchase journal report:

- **1** From the Reports menu, choose Suppliers & Payables.
- **2** Choose Unpaid Bills Detail.

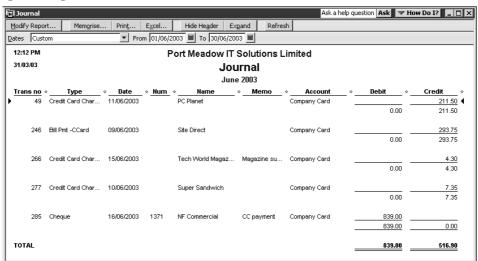


If your clients also make credit card purchases that they track in QuickBooks, you may want to create an additional report that details the purchases on that credit card.

To create a report that details credit card purchases:

- **1** From the Reports menu, choose Accountant & Taxes.
- 2 Choose Journal.
- **3** In the report window, click Modify Report, then click Filters.
- **4** Click Account in the Filter list.
- **5** From the Account drop-down list, choose "All credit cards."
- 6 Click OK.

This report lists all credit card transactions, with complete account detail, for the specified period of time.



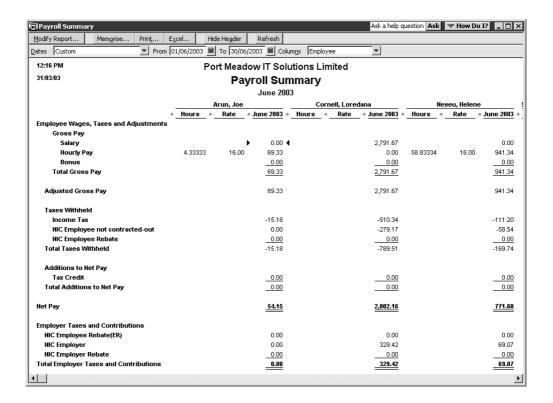
Payroll summary report

The QuickBooks payroll summary report shows amounts paid to each employee, with details for all deductions, employer expenses, and contributions.

Important: If your client does not use a separate bank account for payroll, pay cheques appear in the cheque detail report. However, the payroll summary report gives more detail, so you can easily determine how net pay was calculated.

To create a payroll summary report:

- **1** From the Reports menu, choose Employees & Payroll.
- **2** Choose Payroll Summary.

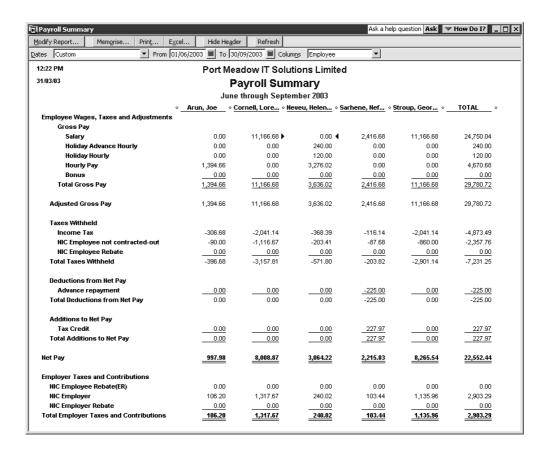


Comparing payroll totals to the income statement

If you want a report that you can use to compare totals for earnings, taxes, and other payroll expenses to totals shown for these items on the income statement, you can customise the payroll summary report.

To compare totals for payroll items to totals shown on the income statement:

- **1** From the Reports menu, choose Employees & Payroll, then choose Payroll Summary.
- **2** Click Modify Report.
- **3** Modify the date range to match the date range used on the income statement.
- **4** In the Other Columns section, click the Hours and Rate columns to clear them.
- **5** Click OK.



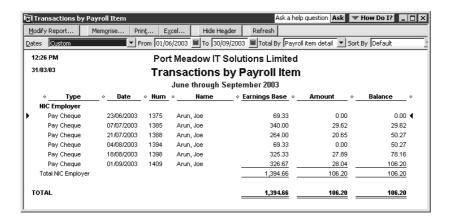
If payroll item totals vary from those shown on the income statement, use QuickZoom on the income statement to create a detailed transaction report and locate the variance. (The variance is often due to another tax payment, e.g. corporation tax, incorrectly posted, or penalties and interest on late payments.)

Displaying the earnings basis for a payroll tax

To help you review payroll information, you can have QuickBooks display the earnings basis used to calculate a particular tax by following these steps.

To display the earnings basis used to calculate a particular tax:

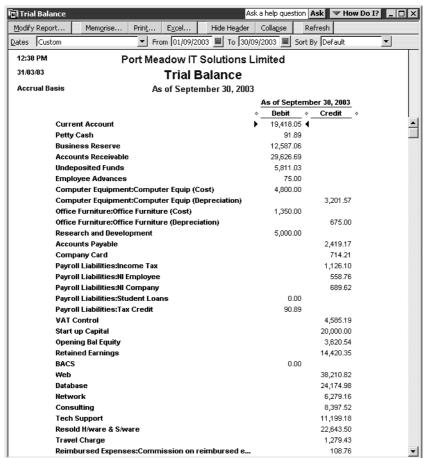
- **1** From the Reports menu, choose Employees & Payroll, and then choose Payroll Summary.
- **2** Double-click (QuickZoom) the payroll tax amount for which you want to know the earnings basis.
 - QuickBooks displays the transactions by payroll item report.



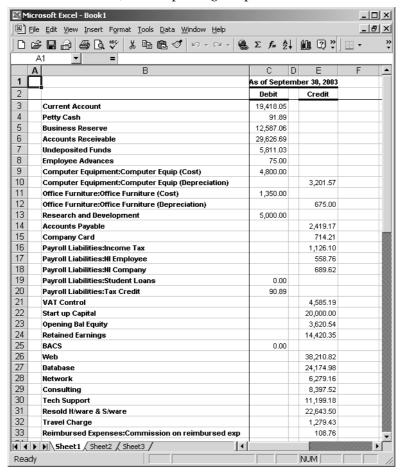
This report shows the earnings basis and the calculated tax amount for each pay cheque for the specified period, with overall totals for each.

Trial balance

To create and print a trial balance report, from the Reports menu, choose Accountant & Taxes, and then choose Trial Balance. You may find it useful to work from this trial balance when making journal entries.



You can also save the report to disk to use in creating a working trial balance using a spreadsheet program. If you use Microsoft Excel (97 or higher) and QuickBooks Pro or Accountant, you can export the trial balance report directly into Microsoft Excel. For more information, see "Exporting a report to Microsoft Excel" on page 25.



General journal

You can make journal entries by choosing Make Journal Entry from the Company menu.

Note: General journal entries auto-number in all QuickBooks 2002 and higher versions. (You can turn this preference off by choosing Accounting in the Preferences window and then clicking the Company Preferences tab.)

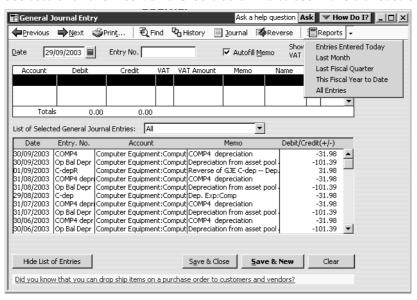
You can prepare "standard journal entries" for recurring items such as depreciation, expensing prepaid items, regular accruals of expenses, or amortisation of interest on notes payable (using 1/12th of the annual expected interest expense). You can memorise each of these transactions in QuickBooks and have them automatically post at the end of each month. This lets you capture a significant portion of the year-end expenses.

Tip: When entering a description for the journal entry in the Memo field, you can tick the Autofill Memo box to repeat the description in all lines of the entry, or use the Copy and Paste commands (on the Edit menu) to copy an individual description.

For QuickBooks Accountant, you can reverse a general journal entry by opening the original entry and clicking the Reverse button. Reversing an entry creates a new entry, dated the 1st of the following month, that reverses the debit and credit amounts. It has the same journal number, suffixed with "R".

In QuickBooks Accountant, within the General Journal Entry window you can:

- Display a list of journal entries and edit entries from one screen.
- Find (and edit) a transaction from the Make Journal Entry window using the Find button in the window's buttonbar.
- Access five journal reports from the Make Journal Entry window Reports dropdown list: entries entered today, last month, last fiscal quarter, this fiscal year to date, and all entries.
- See totals for the Debit and Credit columns to see if the transaction is in balance.

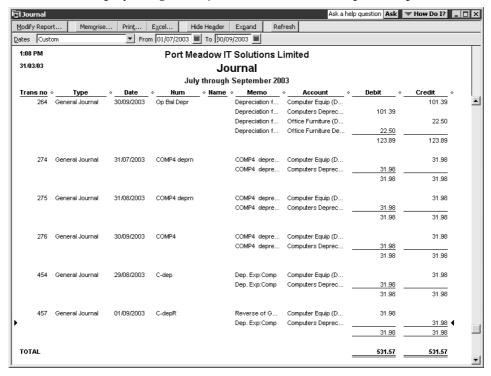


Make sure you provide the client with the journal entries and have the client record the entries in the original data file. Otherwise, you may be repeating entries each time you prepare a financial statement and the client will not have accurate information.

To create a general journal report:

- **1** From the Reports menu, choose Accountant & Taxes.
- 2 Choose Journal.
- **3** Click Modify Report, then click Filters.
- **4** In the Filter list, select Transaction Type, and then select Journal from the Transaction Type drop-down list.

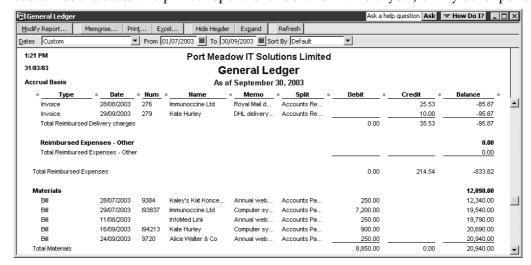
QuickBooks displays all general journal entries for the specified period of time.



General ledger

If you maintain copies of your clients' data disks, you may not need to print a general ledger.

However, after making the journal entries, you can print a general ledger. From the Reports menu, choose Accountant & Taxes, and then General Ledger. You can customise the dates and print a report for the entire financial year, or any other period.



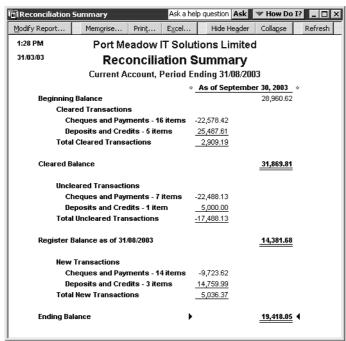
Reconciliations

For your client files, you may want to have a hard copy of the QuickBooks bank reconciliations, along with the client's last bank statement.

If your client does the reconciliation, simply print the last reconciliation report by selecting Reconcile from the Banking menu, choosing the account to reconcile, and clicking the Print Last Report button.

If you are using QuickBooks Accountant (and your client is using the same version) you have several reports available to help you find discrepancies when you reconcile an account in your client's data file:

- Reconcile Discrepancy lists transactions that have changed since you last reconciled an account.
- Reconciliation Detail lists all the transactions that were cleared in a given reconciliation period. (120 reports can be saved per reconciled account.)
- Reconciliation Summary lists the overall totals for cheques/payments and deposits/credits for a reconciliation period. (120 reports can be saved per reconciled account.)



If you are reconciling the account for the client and need reconciliation instructions, search the onscreen Help index for *reconciling*.

Determining concentration of credit risk

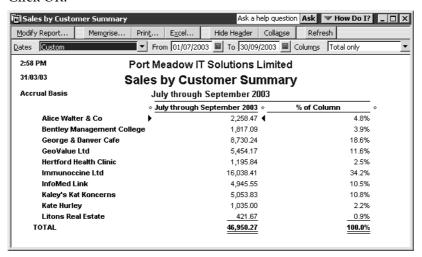
The following reports can help you prepare full-disclosure financial statements or advise your clients of potential business risks given their current operations.

Checking for dominant customers

When preparing financial statements, or sometimes for discussions with the client, you may need to determine if there is a significant concentration of credit risk (or if one customer forms more than 10% of the client's business). You can determine this by creating a sales by customer summary report.

To create a sales by customer summary report:

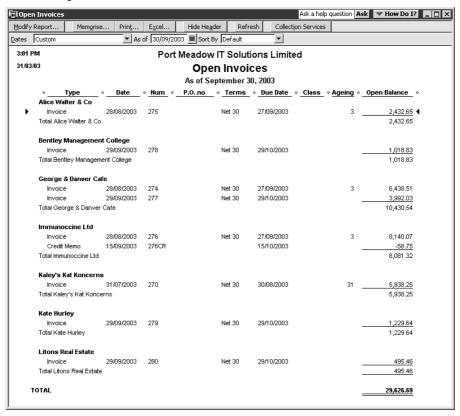
- **1** From the Reports menu, choose Sales.
- **2** Choose Sales By Customer Summary.
- **3** Click the Modify Report button.
- **4** Change the date range to match the period covered in the financial statements.
- **5** For Other Columns, select "% of Column."
- 6 Click OK.



Another useful report is a sales journal arranged by customer, listing each unpaid invoice and unapplied credit memo. When you combine the sales journal with the cash receipts journal, you'll have information on all sales during a specified period.

To create a sales journal:

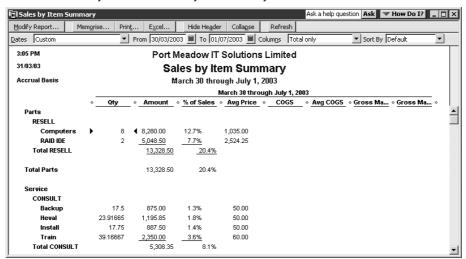
- **1** From the Reports menu, choose Customers and Receivables.
- **2** Choose Open Invoices.



If you prefer to see sales information for each item (that is, each service provided or each product sold), you can generate an item summary or item detail report.

To create an item summary or item detail report:

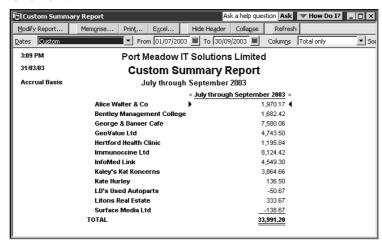
- **1** From the Reports menu, choose Sales.
- **2** Choose Sales by Item Summary or Sales by Item Detail.



You can create a report that displays total sales for each customer:job, so you can determine if a single customer dominates.

To see sales for each customer:

- **1** From the Reports menu, choose Custom Summary Report.
- **2** In the Display rows field, select Customer.
- 3 Click Filters.
- **4** Select Name in the Filter list, and then select "All customers/jobs" from the Name drop-down list.
- **5** Click OK.

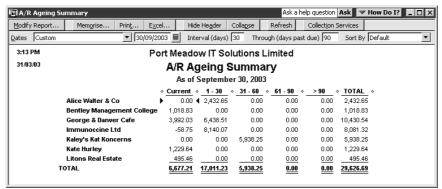


Checking the ageing of accounts receivable

Use the ageings for A/R to determine if there should be an allowance for doubtful accounts, or even adjustments to accounts. From the A/R ageing summary report, you can determine whether your client runs the risk of having to write off a large bad debt, and you can recommend that the client not extend further credit to a risky customer.

To create a customer ageing report:

- **1** From the Reports menu, choose Customers and Receivables.
- **2** Choose A/R Ageing Summary.



Displaying customer information

You can print a customer list which shows the details held on each customer, sorted in the same order as the Customer:Job List.

To display customer information:

- **1** Display the Customer list by choosing Customer: Job List from the Lists menu.
- **2** From the File menu, choose Print List.

If you want to determine the area your client serves, you can print mailing labels for customers—sorted by post code and printed on blank paper—by following these steps:

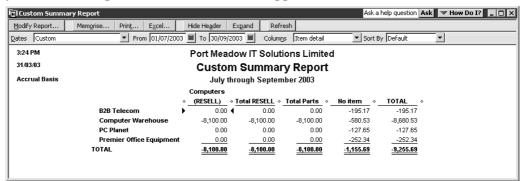
To display customer geographical information:

- **1** From the File menu, choose Print Forms, and then choose Mailing Labels.
- **2** From the Name drop-down list, select "All customers/jobs."
- **3** From the "Sort mailing labels by" drop-down list, select Post Code.
- 4 Click OK.
- **5** Click Print in the Print Labels window.

QuickBooks prints customer name and address information, sorted by post code.

Checking for dominant suppliers

This report displays the total purchases from each supplier, so you can determine if your client is dependent on one or more suppliers.



To display sales by supplier information:

- **1** From the Reports menu, choose Custom Summary Report.
- **2** In the Display Rows By field, select Supplier.
- **3** Click the Filters tab.
- **4** Select "Name" in the Filter scroll box, and select "Selected names" in the Name drop-down list.
- **5** In the dialog box, select all essential suppliers (those from whom your client purchases goods, and that are necessary for the continued operation of the business).

- 6 Click OK.
- **7** To determine if your client is dependent on a supplier for a key item, you can choose "Item detail" from the Columns drop-down list in the Customise Report window to have QuickBooks display purchases by supplier for each item.
- **8** Click OK in the Modify Report window.

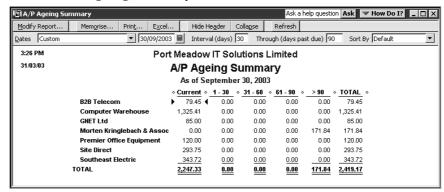
Checking the ageing of accounts payable

Use the ageings for A/P to highlight disputed amounts (which may need to be adjusted) or possible duplicated entries.

This report tells you if your client is behind on paying bills. Given this information, you can (as appropriate) make financial recommendations to help them pay off overdue bills.

To create a supplier ageing report:

- **1** From the Reports menu, choose Suppliers & Payables.
- **2** Choose A/P Ageing Summary.



Displaying supplier information

You can print the Supplier list which shows the details held and balances for each supplier.

To display supplier information:

- **1** From the Lists menu, choose Supplier List.
- **2** From the File menu, choose Print List.

If you want to determine whether your client is dependent on a particular geographical area for supplies, you can print mailing labels for suppliers, sorted by post code and printed on blank paper.

To display supplier geographical information:

- **1** From the File menu, choose Print Forms.
- **2** Choose Mailing Labels.

Evaluating client data

- From the Name drop-down list, select "All suppliers."
- From the "Sort mailing labels by" drop-down list, select Post Code.
- Click OK.
- Click Print in the Print Labels window.

QuickBooks prints supplier name and address information, sorted by post code.

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CHAPTER 8 Periodic tasks

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Daily tasks

Backing up company data

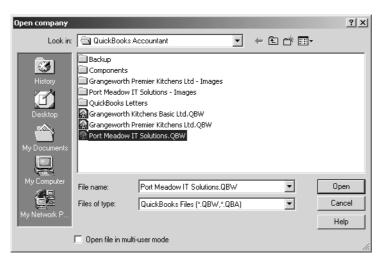
Encourage your clients to back up their QuickBooks company file daily or at the end of each QuickBooks session. Backup copies are important insurance against data loss.

The QuickBooks Back Up command compresses company data into a compact file that has the same filename as the company data, but with the extension QBB, rather than QBW. (For example, Acme.QBW contains the company data, while Acme.QBB contains the compressed company data.)

To make a backup copy of the company data:

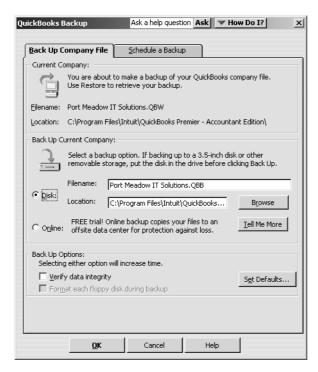
1 Open the file you want to back up by choosing Open Company from the File menu.

QuickBooks displays this window.



2 Select the company you want to back up, and click Open.

3 From the File menu, choose Back Up.
In the "File name" field, QuickBooks displays the company you have open.



- **4** In the "Backup Current Company" section, type in the name of the backup copy, and select the drive and folder where you want to save it. This can be on the hard drive, floppy drive or CD-ROM drive. If you are backing up to floppy disk, you also have the option to tick "Format each floppy disk during backup".
- **5** If required, tick Verify Data Integrity.
- 6 Click Back Up.

If you are backing up to a 3.5-inch disk and the data doesn't fit on a single disk, QuickBooks prompts you when it's time to put in another disk.

If you are backing up to a location that already contains a file with the same name, QuickBooks asks, "This file already exists. Do you want to replace it?" If you click Yes, QuickBooks asks you to confirm again with "Are you sure you want to delete the already existing file (drive, directory, filename.qbb)?" The options are Yes or No:

- If you choose Yes, QuickBooks overwrites the existing backup file.
- If you choose No, QuickBooks returns to the Back Up Company File window so you can enter a different name.

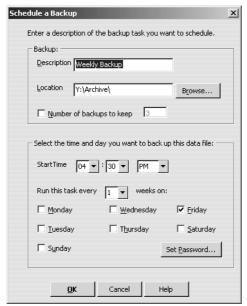
Automatic and scheduled backups

Encourage clients to use the automatic backup features, which creates a backup in the QuickBooks Autobackup folder. In addition, clients can schedule backups.

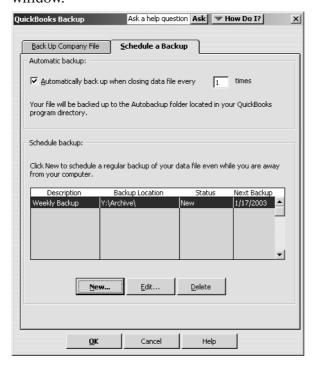
For example, they can choose to back up every time they close the company file (or at an interval that is more appropriate for their usage level), then schedule a weekly backup that is stored offsite.

To set automatic and scheduled backups:

- From the File menu, choose Backup.
- Click the Schedule a Backup tab.
- For automatic backup when closing the file, type in the frequency, for example *1* for every time.
- To schedule a backup, click New.
- Type a description for the scheduled backup.
- Browse for a location.
- Select the start time, day and frequency.
- You can set a password and specified user if required..



QuickBooks displays your scheduled backup details in the lower part of the window.



10 Click OK.

See "Restoring company data" on page 201 for instructions on how to restore a backup copy.

As needed tasks

Condensing data to reduce file size

The QuickBooks Condense Data command reduces the size of the company file by summarising transactions dated on or before a date that you specify. After QuickBooks summarises the transactions (in a General Journal entry), you can have it delete items from the company lists that you haven't used.

When you condense data, QuickBooks automatically creates an archive copy (ArchiveCopyMMDDYYYYourCompanyFileName.qbw) of your company date file before the condense/removal process begins. This archive snapshot is intended as a safeguard in the event that the condense process is interrupted and to provide a reference for past periods. You should not use the archive copy for active data entry.

Notes on using Condense Data

- You can't "uncondense" data after QuickBooks condenses it. Before condensing the data, QuickBooks requires you to make a backup copy. You can select a directory other than the default if you don't want to overwrite this "uncondensed" backup with subsequent backups.
- The time QuickBooks requires to condense the data depends on the computer's speed and memory, the size of the company file, and other factors. It can take from a few minutes to a few hours.
- While QuickBooks is condensing the data, you can't use other applications. Therefore, you may want to select Condense Data when you can leave the computer running for an extended, uninterrupted period of time, such as overnight.
- QuickBooks will not condense stock transactions.
- The condensing process may stay at a certain percentage of completion for a long time. If you notice activity occurring on the hard drive (that is, you can hear the hard drive or can see the light flashing), let the process continue.
- On average, condensing a QuickBooks data file will reduce its size by a maximum of 30%.

When you condense data, QuickBooks first creates general journal entries in each account for the total amount of the transactions being deleted. It then deletes the transactions. So, keep the following in mind when condensing data:

- After the data is condensed, you can no longer generate cash-basis or transaction detail reports for the period of time that was condensed, because the transactions are no longer in the data file.
- You can still run summary reports (for example, profit and loss and balance sheet reports) for prior periods in the condensed data. This means that you'll still be able to run comparative financial reports covering periods that have been condensed.

Transactions not deleted by Condense Data

Important: If you are not familiar with Condense Data, please read this section carefully so you understand exactly which transactions Condense Data will not condense *before* you attempt to condense the data file.

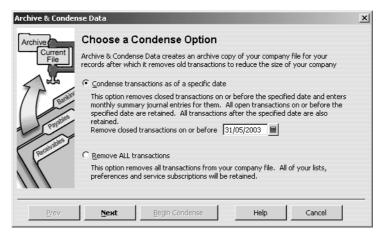
- Transactions with an open balance. These include partially paid or unpaid invoices, undeposited payments, unpaid bills, or unused credit memos.
- Transactions linked to a transaction with an open balance, e.g. an undeposited customer payment that you applied to an invoice. QuickBooks doesn't delete the invoice or the undeposited payment. Although the invoice is paid, QuickBooks doesn't delete the invoice because it has a link to an open transaction (the undeposited payment).
- Transactions not marked as cleared. These include any unreconciled transactions in a bank, credit card, asset, liability, or equity account.

■ Transactions marked "To be printed." These include any invoices, bills, credit memos, sales receipts, or cheques for which you selected the "To be printed" tick box. From the File menu, choose Print Forms to find these transactions.

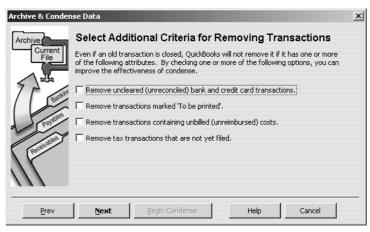
Running Condense Data

To condense data:

- **1** Before running Condense Data, run several reports, such as Profit & Loss, Balance Sheet, and transaction reports.
 - This lets you compare figures before and after you condense the data.
- **2** From the Window menu, choose Close All.
- **3** From the File menu, choose Archive and Condense Data.



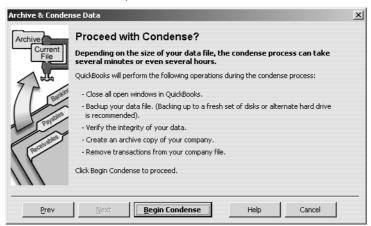
4 In the "Remove closed transactions on or before" field, enter the ending date of the time period for which you want QuickBooks to summarise transactions and click Next.



5 Select the tick box for each additional criterion you wish to apply, and then click Next.



6 Select the tick box for each list item that you want QuickBooks to remove after it condenses the data, and then click Next.



- **7** Click Begin Condense to continue.
 - QuickBooks may display several warning messages, cautioning you that if you condense data, you'll lose certain YTD payroll information. You can click OK or Cancel.
- **8** Click OK when QuickBooks displays a message that a backup must be made.
- **9** Accept the default location for the backup or select another, and click Save. QuickBooks condenses the data after finishing the backup.

Keeping QuickBooks up to date

Intuit sometimes provides updates to QuickBooks that are available for downloading from the Internet. These updates might contain any of the following:

- A maintenance release for an existing version of QuickBooks which Intuit creates when a problem is discovered and fixed after the version has been distributed to customers.
- A new feature.
- A new service.
- Timely information relevant to you and your clients.

You can receive these updates by downloading them from our Web site into your QuickBooks software, or by ordering an update on CD-ROM from Intuit.

Note: New versions of QuickBooks are not available for downloading.

To check your release number:

- 1 Open QuickBooks.
- **2** Press Ctrl-1.

Requirements for downloading updates

To download an update to QuickBooks 2003, you need the following:

- A modem (baud rate of at least 28.8 recommended), or other means of connecting to the Internet.
- Access to the Internet.

The first time you use a QuickBooks Internet feature (such as when you update QuickBooks), you will need to run through a short, one-time setup program. In this setup program, you indicate which Internet Service Provider you will be using with the Internet features in QuickBooks.

Choosing an update method

QuickBooks offers two methods for obtaining updates from the Internet: *Automatic* updating and *immediate* updating. You can use these methods concurrently.

There are some special considerations when downloading and installing QuickBooks updates when multiple users access the same company file. For more information, see "Downloading updates with multi-user QuickBooks" on page 199.

Updating QuickBooks automatically

Using this method, updates of your choice are automatically downloaded from the Intuit server to your computer. QuickBooks periodically checks the Intuit server for new updates, and downloads the information gradually at times when your open Internet connection is not being used by another process or application.

Some of the advantages of this method include the following:

- You can download updates without interrupting a QuickBooks session or other tasks you perform with your computer.
- You can download updates whether or not QuickBooks is running (as long as your computer is connected to the Internet).
- You can disconnect from the Internet at any time. When you reconnect to the Internet, QuickBooks resumes downloading at the point it was previously halted.

To set up for automatic updating:

- **1** From the File menu, choose Update QuickBooks.
- 2 Click Options.
- **3** For the Automatic Update option, click ON.
- **4** Select the updates you want to download by clicking the tick box next to the update name. (A tick mark means the update is selected.)
- **5** Click Save.

Updating QuickBooks immediately

Using this method, you decide when to go online and download an update from the Intuit server to your computer. You can use this method at any time—even when your computer is set up to download updates automatically.

Once QuickBooks downloads an update, the program installs the necessary files to the correct directories or folders on your computer. When the update includes a maintenance release (or patch), you must exit QuickBooks so that the new information can be installed and applied to the QuickBooks program.

The time it takes to download an update using this method varies depending on the speed of your Internet connection, the size of the update file(s), and the amount of traffic on the Internet.

To perform an immediate update:

- **1** From the File menu, choose Update QuickBooks.
- **2** Click Update.
- **3** Select the updates you want to download by clicking the tick box next to the update name. (A tick mark means the update is selected.)
- 4 Click Get Updates.

Once the download process is complete, QuickBooks displays the date and time of the download in the Last Checked column. In the File Received column, QuickBooks displays the status of the download. Click the text in the Files Received column for additional details about the download.

Downloading updates with multi-user QuickBooks

In most cases, you will not need to change the location to which QuickBooks updates are downloaded. However, if you want all users in a multi-user environment to share all downloaded updates, you will want to change the location so that all users can access the updates. To share QuickBooks updates in a multi-user environment, users must access the same directory to which updates are downloaded. The procedure below assumes the following:

- All of the computers are properly networked.
- Each computer is configured to share files across the network.

Each user in your multi-user environment must complete the following procedure to enable the sharing of downloaded updates.

To change the download location:

- **1** Open the shared company file.
- **2** From the File menu, choose Update QuickBooks.
- **3** Click Options.
- **4** In the Options windows, click ON for the Share Download option.
- **5** Click Save.

After everyone has completed these steps, users can update their copies of QuickBooks and downloaded information will apply to each user's copy of QuickBooks.

Installing updates downloaded from the Internet

In most cases, QuickBooks installs updates once it downloads them from the Intuit server to your computer. However, maintenance releases (and some other updates) require you to exit QuickBooks before the new information goes into effect. When this is the case, QuickBooks displays a message when you exit QuickBooks asking if you want to install the update upon leaving the program. If you choose Yes, QuickBooks closes and installs the update. If you choose No, QuickBooks will close without installing the update.

Using a sample data file to update QuickBooks

If you do not have a company file available, but want to update QuickBooks, you can use one of the sample data files included with QuickBooks.

To update using a sample data file:

- **1** From the File menu, choose Open Company
- **2** In the Open a Company window, navigate to the folder where you installed QuickBooks.

For QuickBooks Pro/Accountant, select the file "Grangeworth Premier Kitchens Ltd.qbw"

For QuickBooks Regular, select the file "Port Meadow IT Solutions.qbw" or "Grangeworth Kitchens Basic Ltd.qbw".

- 3 Click Open.
- **4** Once the chosen sample data file is open, from the File menu, choose Update QuickBooks.
- **5** Click Update.
- **6** Select the updates you want to download and then click Get Updates.

Obtaining updates without Internet access

The fastest and easiest way for you and your clients to obtain updates is to download them from the Update QuickBooks window in QuickBooks, or from the Internet at www.quickbooks.co.uk.

If your clients do not have Internet access, please instruct them to call Intuit Direct Sales to request the release on CD-ROM. (To find the telephone number, from the Help menu, choose Phone Directory.) Only the registered QuickBooks user can order an update CD-ROM. Please do not order updates for your clients.

Getting payroll updates

If you have a valid subscription to QuickBooks Payroll Service, you can get payroll updates from the Internet.

For instructions on how to get payroll updates, search the onscreen Help index for *tax tables*.

Reinstalling QuickBooks

You may need to reinstall QuickBooks if you have hard disk or other equipment problems, or if you suspect that the QuickBooks program file has been damaged.

To reinstall QuickBooks:

- **1** Insert the QuickBooks CD-ROM in your CD-ROM drive.

 The installation program starts automatically and detects that QuickBooks is already installed.
- **2** From the CD screen window, choose Reinstall QuickBooks.

If you are re-installing to a new computer, you will need to repeat the registration procedure. Make sure you have the original registration number to hand.

Note: If you have installed a maintenance release for QuickBooks and you later reinstall, QuickBooks will prompt you to reinstall the maintenance release.

For more information on how to install maintenance releases, see "Keeping QuickBooks up to date" on page 197.

Restoring company data

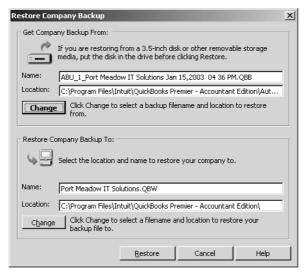
If the working data is damaged, the hard disk has malfunctioned, or you need to put the data on another computer, you will want to restore the data.

To restore company data:

1 From the File menu, choose Restore.

If a company is already open, QuickBooks tells you that it must close the current file in order to restore a file. Choose OK to restore the data file or Cancel if you do not want to continue restoring the data file.

QuickBooks displays a window where you can choose the file you want to restore (the latest automatic backup file is shown in the illustration).



- **2** If you are restoring from a 3.5-inch disk or CD-R, make sure the correct disk or CD is in the drive.
- **3** In the "Get Company Backup from" section, enter the name and location of the backup file you want to restore . Or, click Change to navigate to the correct location and file.
- **4** In the "Restore Company Backup To" section, enter a name for the restored file and the drive and folder to which you want to restore the file.
- **5** Click Restore.
- **6** If the filename already exists, QuickBooks prompts you for confirmation.

- If you click Yes, QuickBooks overwrites the existing file on the hard disk.
- If you click No, QuickBooks returns to the Restore Company Backup window so you can enter a different filename.

Year-end procedures

QuickBooks is one of the few accounting programs that does not require you to close the books. By not requiring you to close the books, QuickBooks offers two main advantages:

- **Detail**. You always have easy access to last year's data, including all the details of every transaction.
- **Reporting**. You can create comparison reports to compare this year with last year.

This section describes the year-end procedures for QuickBooks. QuickBooks makes some automatic adjustments to the books at year end, and although you don't have to close the books, you can protect last year's transactions from accidental change by using a password.

If the data file is getting large and you want to reduce its size, you can condense the data. See "Condensing data to reduce file size" on page 193 for more information.

Important: All year-end activities (like processing payroll year end) should be completed *before* you condense the data file for the year.

QuickBooks automatic year-end adjustments

QuickBooks performs these year-end adjustments, based on the month you enter as the start of your financial year (in the Company Info window, under the File menu):

- QuickBooks automatically adjusts the income and expense accounts at year-end to zero them out. Therefore, you start the new financial year with a zero net income.
- QuickBooks automatically creates an adjusting entry with the net income (the income minus the expenses for the year), posting it to a Retained Earnings account which is created by QuickBooks.

Suppose, for example, that the net profit for the year was £12,000. A balance sheet on the last day of the financial year would show a net income of £12,000 in the equity section of the balance sheet.

At the beginning of the new financial year, QuickBooks increases the Retained Earnings equity account by the previous year's net income (£12,000 in this example) and decreases the net income by £12,000, leaving a net income of zero for the first day of the new financial year.

Making year-end accounting entries

Every business has its own bookkeeping procedures and practices. These are suggestions for year-end tasks to perform.

To make year-end entries:

- 1 Reconcile the bank accounts against the bank statements up to the final month of the accounting year. (For example, if you are on a calendar year, you would use December 2003.)
 - Reconciling ensures that you have recorded every cheque, deposit, and other charge and that the records agree with the bank's.
- **2** Make adjusting entries as necessary for year-end accruals, adjustments, corrections, or distribution of earnings.
- **3** Print financial reports and detailed transaction reports as desired.

Safeguarding last year's data

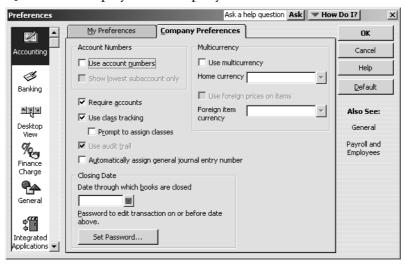
Make two backups of the company file at year-end, labelled with the year. Keep one onsite; keep the other offsite for added security

Freeze the past year's transactions with a password after all adjustments have been made. You'll be able to view the earlier transactions as you normally do, but QuickBooks will ask for the password if you try to change them.

To protect last year's data from accidental change:

- **1** From the Edit menu, select Preferences.
- **2** In the Preferences window, select Accounting.
- **3** Click on Company Preferences .

 QuickBooks displays the Company Preferences tab:



4 In the Closing Date section, enter the date.

5 Click Set Password.

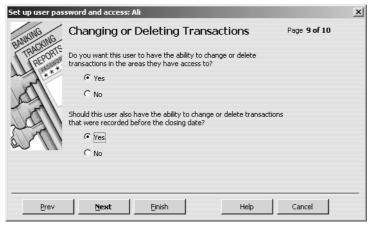
QuickBooks displays the Set Closing Date Password dialog box:



- **6** Type the required password in the first field, and again in the second field, then click OK.
- **7** Click OK to close the Preferences window.

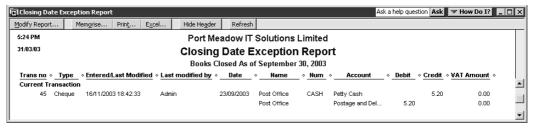
To grant access to transactions entered before the closing date:

- **1** From the Company menu, choose Set Up Users.
- **2** In the User List window, select the name of the user and click Edit User.
- **3** Click Next until the Changing or Deleting Transactions screen appears.
- **4** Select Yes in response to the question, "Should this user also have the ability to change or delete transactions that were recorded before the closing date?"



To view changes made since the closing date (Accountant only):

From the Reports menu, choose Accountant & Taxes, then Closing Date Exception Report.



Producing yearly tax forms at Payroll Year End

Here's how to use QuickBooks to generate yearly tax forms, which you can file online if you have signed up for online filing with Inland Revenue:

- P11 Working Sheet: This is on the Employees and Payroll menu, and provide the information needed to fill in the end-of-year company forms for Inland Revenue.
- Print reports for self-assessment tax information: QuickBooks includes an income tax summary and an income tax detail report (in the Accountant & Taxes section of the Reports menu); these reports list amounts for each tax line associated with a QuickBooks account for the Self-Assessment Tax Return, if selected in the Company Information window.
- Process Payroll Year End: QuickBooks guides you through all the stages necessary to process Payroll Year End. You can print copies of your P60 end-of-year employee forms and P35. Follow these steps:

To process Payroll Year End:

- **1** From the Employees menu, choose Process Payroll Year End.
- **2** Choose the employees you want to process.
- **3** Click Review P14/P60 Data.
- 4 Click Print P14/P60 Forms.
- **5** Click Review P35 Data.
- **6** Click Checklist & Declaration.
- **7** Click Print P35 Form.
- **8** Click File Online, if you have signed up with Inland Revenue.

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CHAPTER 9 Diagnosing and fixing common client errors

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Troubleshooting is part of the job

As an accountant, a large portion of your time is probably spent diagnosing and fixing client errors. Some of the errors are easy to spot and fix, while others involve dedicated investigative work and time-consuming solutions. This chapter describes some typical and not-so-typical client errors and how to handle them.

The problems discussed in this chapter are:

- Client has a cash-basis balance sheet that shows a balance for A/R or A/P.
- Client's balance sheet is "out of balance"—assets don't equal liabilities and equity.
- The payroll liabilities by item report doesn't match the payroll liabilities shown on the client's balance sheet.
- The stock valuation report doesn't match the amounts shown for stock on the balance sheet.
- Some of the A/R and A/P reports don't match the amounts shown on the balance sheet
- Retained earnings have changed from last year.
- Why is there a balance remaining in Opening Balance Equity?
- How do I handle a customer advance as a liability?
- Client's opening balance sheet has changed from when he or she originally set up the company.
- What to do about "Fatal error messages".

A cash-basis balance sheet shows a balance for A/R or A/P

This means that the client has assigned a payable or a receivable to a balance sheet account, rather than to an expense or income account.

Often, this occurs on a purchase that is both a liability (payable) and a fixed asset. For example, if your client enters a bill for a computer system and posts it to a fixed asset account, it never gets posted as an expense and, therefore, the client's payables aren't reduced.

To find bills that have been assigned to a balance sheet account:

- **1** Create an unpaid bills report.
 - From the Reports menu, choose Suppliers & Payables, and then Unpaid Bills Detail.
- **2** Set the date range to the end of the year, or to match the period you're trying to analyse.

If the client assigned one of the unpaid bills to a balance sheet account, it will still be in payables. When you find the bill, you can go back and assign it correctly (debit the Accounts Payable account and credit the Fixed Asset account).

To find receivables that have been posted incorrectly:

- **1** Create an open invoices report.
 - From the Reports menu, choose Customers & Receivables, and then Open Invoices.
- **2** Set the date range as of the end of the year.
- **3** Look at the items that appear on the invoices, and see if any of these were directed to balance sheet accounts.

Liabilities shown on the payroll liabilities report don't match the payroll liabilities shown on the client's balance sheet

In this situation, it's somewhat difficult to find the problem, because the payroll liabilities report breaks out payroll liabilities for each payroll item (such as NIC-company, NIC-employee). The balance sheet, in comparison, groups the liabilities into one amount. If you add up payroll liabilities by item to get a total, it often does not match the amount for payroll liabilities shown on the balance sheet.

Sometimes the problem is caused by clients paying their payroll liabilities the "old way"—they just write a cheque for what they owe, rather than going through the Employees menu (Pay Payroll Liabilities). This makes the liabilities shown on the report huge, as if they've never paid taxes. (QuickBooks thinks it's a normal cheque, not a liability cheque.) Payroll also doesn't know when you've made a journal entry, so that can be an additional source of figures that don't match.

QuickBooks adds just one account for all payroll expenses and one account for all payroll liabilities. If you want to see payroll amounts broken out on the balance sheet, just as they are in payroll reports (where QuickBooks itemises each payroll expense and liability), you can add payroll liability and payroll expense subaccounts.

In the chart of accounts, create a separate subaccount under Payroll Liabilities for each type of liability (PAYE, NIC, and so on). Then create a separate subaccount under Payroll Expenses for each type of expense (salary, holiday pay, SSP, SMP, and so on). Display the Payroll Item list and, item by item, assign each payroll item to the appropriate Payroll Liabilities subaccount or Payroll Expenses subaccount. QuickBooks makes these changes for you retroactively.

Amounts shown on the stock valuation report don't match the amounts shown for stock on the balance sheet

If the total for Asset Value on the stock valuation summary does not match the amount shown for Stock Asset on the balance sheet, there are two possible reasons:

- Someone made a journal entry in the Stock Asset account. QuickBooks doesn't pick up the entry, because an adjustment made through the general journal does not affect the stock *item*.
- If the client has made an stock item *inactive*, but it still has a value, that could account for the discrepancy. (The client may have inadvertently made the wrong item inactive.)

You can create a stock take worksheet and compare it to the valuation report. (The stock take worksheet shows all items, so even if an item is now inactive, it should still show up.) Check to see whether something is on the stock take worksheet that doesn't show up in the valuation report.

Some of the A/R and A/P reports don't match the amounts shown on the balance sheet

A common question asked by CPAs and other QuickBooks users is, "Why is it that some of the A/R and A/P reports don't tie to the general ledger?" For example, the receivables listed on a client's balance sheet might be £9,266.30, but the total for the open invoices report (an A/R report listing all customers and outstanding invoices) for that same date might be £995.

When the figures on an A/R or A/P report don't agree with the balance sheet, check the Customise settings for the report. In this example, where the open invoices report doesn't match the receivables on the balance sheet, you just need to fix the open balance/ageing setting. When you have the open invoices report displayed, click Customise. The Open Balance/Ageing field has two choices: Current (the default) and As of Report Date. Change the setting to "As of Report Date."

- **1** From the Reports menu, choose Customers & Receivables and then choose Open Invoices.
- **2** Click Modify Report.
- **3** Click the Advanced button on the Display tab.
- **4** Change the Open Balance/Aging field to Report Date.
- **5** Click OK.

It's important to note that some of the A/R and A/P reports (such as the ageing reports) *do* tie to the general ledger, without report customisation.

Retained earnings have changed from last year

Retained earnings are profits from earlier accounting periods that have not been distributed to the company's owners. At the end of your financial year, QuickBooks computes your profit (or loss), and transfers it into an equity account named Retained Earnings.

If, prior to the end of your client's financial year, the profit differed from the amount QuickBooks transferred into Retained Earnings, that means your client inadvertently changed a prior-year transaction. (They may have added a new transaction to that year or changed an existing one.) This is easy enough to do: when people begin a new year, it may take a while before they remember to type the correct year on transactions.

To prevent this in the future, you may want to restrict access to the transactions of prior accounting periods. By requiring permission to delete, add, or edit any transaction before a chosen date, you can discourage accidental or casual changes to "closed" periods, but still make corrections when necessary.

You can grant this access when setting up a user in the "Set up user password and access" wizard. If you'd like to allow a user access to "closed" periods, grant them the permission to change or delete transactions recorded before the closing date.

To grant access to prior period transactions:

- **1** From the Company menu, choose Set Up Users, and then click Add User.
- **2** At the Changing or Deleting Transactions window of the wizard, answer Yes to the question, "Should this user also have the ability to change or delete transactions that were recorded before the closing date?".

For more information about using the "Set up user password and access" wizard to set up new users, search the onscreen Help index for *users*, *adding*.

Why is there a balance remaining in Opening Balance Equity?

QuickBooks automatically creates the Opening Bal Equity account when you enter the opening balance of your first balance sheet account. As you enter the opening balances for all your balance sheet accounts, QuickBooks records the amounts in Opening Bal Equity. This ensures that you get a correct balance sheet for the QuickBooks company, even before you've entered all the company's assets and liabilities.

If, after your client has entered balances for company assets, liabilities, and equity, there is a balance remaining in Opening Bal Equity, it could mean that the client has not set up opening balances completely.

If the client *has* set up opening balances completely, and there is a balance remaining in the Opening Bal Equity account, the client may have clicked the Done button before a procedure was actually completed. For example, suppose the client was reconciling a credit card account, and clicked Done when there was still an amount displayed for Difference (the Difference should be zero before clicking Done). QuickBooks transfers that remaining amount to Opening Bal Equity. If you display the register for the Opening Bal Equity account, the Memo field should say something like "balance adjustment."

If the problem is a bank reconciliation adjustment, and the client has no idea where the problem is, first verify that the year-end bank balance is correct. If so, the best solution is to print the entire cheque register from the beginning of the year. Sit down with the bank statements, highlight every transaction on both, see which ones are different, and fix them. Then you can delete the balance adjustments in the Opening Bal Equity account.

How can a client track customer advances as a liability?

When your client has customers who pay in advance for a service not yet received, that is a liability to your client's company. QuickBooks documentation recommends that you receive the payment but do not apply it to an invoice (creating a negative receivable). Here is an alternative method if you want to track the advance as a liability.

Create a current liability account called Customer Deposits. Then create a service item called Cust Deposit; assign it to the Customer Deposits liability account. When your client receives an advance from a customer, create a cash sale that shows one item—the Cust Deposit item.

For example, suppose you receive a £5,000 advance on a project. You have no invoice to apply it to yet. Create a cash sale, and use the item Cust Deposit (assigned to the Customer Deposits liability account). When you record the cash sale, QuickBooks debits the cash or Undeposited Funds account and credits the liability account.

Suppose the final invoice is for £25,000 for consulting income. They've already given you £5,000, so use the Cust Deposit item and enter -5000 (minus 5000) as the amount for the item. This makes the accounts receivable balance £20,000.

How to keep track of who paid deposits:

- 1 Create a transaction detail by account report (this report shows every account and every transaction).
 - From the Reports menu, choose Accountant & Taxes and then Transaction Detail by Account.
- **2** Click Modify Report.
- **3** From the Total By drop-down list, choose Customer.
- **4** Click the Filters tab.
- **5** From the Filter list, choose Account.
- **6** From the Account drop-down list, choose Selected accounts, and then choose the Customer Deposits liability account.
- 7 Click OK.

Now the report shows the inflows and outflows by customer, so you can tell who has used up a deposit and who hasn't. The report shows a balance of zero for a customer after you've used up the deposit.

Client's opening balance sheet has changed from when the company was originally set up

Here's a common mistake made by clients when they're ready to set up their own QuickBooks companies. They get the figures from their accountant (on a balance sheet, for example) but, instead of entering opening balances as of the last day of the prior period, they enter opening balances as of the first day of the period. For example, they'll enter 01/01/2007 as the opening balance date, rather than 31/12/2006.

They then start entering transactions dated that same day (01/01/2007), and that makes it even more difficult to isolate the opening balances.

To fix this, go into the registers and change the dates of the opening balance entries.

If you enter opening balances dated the last day of the previous period (31/12/2006), those are the only transactions with that date in the register. If you have any problems with opening balances, they're easy to find and fix.

What to do about "Fatal Error" messages

From time to time, an unexpected "Fatal Error" message may appear when using QuickBooks. This can usually be cured by using the QuickBooks Verify and Rebuild procedures on your company data file.

To verify and rebuild a QuickBooks data file:

- **1** From the Window menu, choose Close All.

 This closes all QuickBooks windows. You must do this for Verify and Rebuild to work.
- **2** From the File menu, choose Utilities and then Verify Data.

 QuickBooks verifies your data file and indicates whether any problems were found. Even if not, you should carry out a rebuild.
- **3** From the File menu, choose Utilities and then Rebuild Data.

 QuickBooks warns you that a backup must be made before the rebuild (it does this automatically) and reminds you not to overwrite any existing backups.
- **4** Click OK in the information box.

 QuickBooks displays the Back Up Company File dialog box.
- **5** Specify a backup filename and location (not the ones you normally use), then click Save.
 - QuickBooks rebuilds your data file. This may take a minute or two, depending on file size.
- **6** When QuickBooks confirms that the rebuild is complete, click OK in the information box.

You should now be able to use your data file and back it up normally. If so, delete the backup made by the rebuild. If not, and the problem persists, contact QuickBooks Technical Support.

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APPENDIX A Samples of selected reports

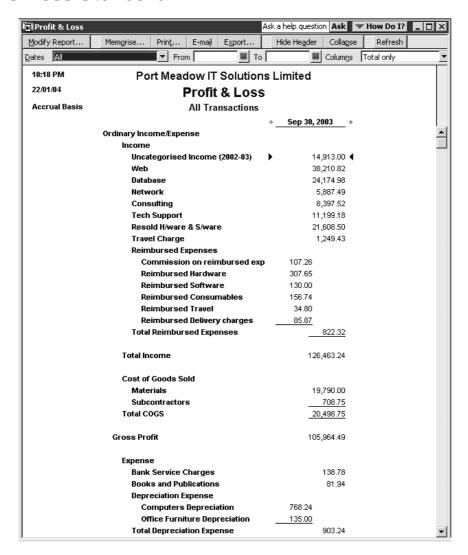
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Cash Flow Forecast 219
Pay VAT (via Suppliers menu) 220
A/P Ageing Summary 220
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Adjusted Trial Balance 222
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Statutory Payments Report 225

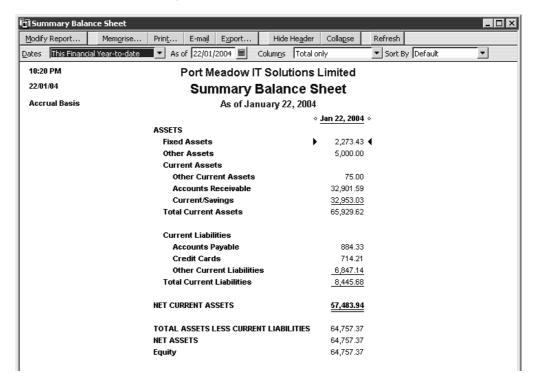
Sample QuickBooks reports

The following illustrations represent only some of the many preset reports available in QuickBooks. To preview other QuickBooks reports, from the Reports menu, choose Report Finder.

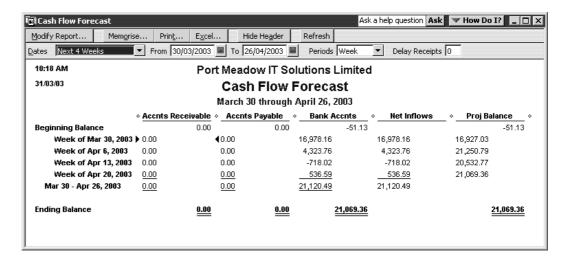
Profit & Loss Standard



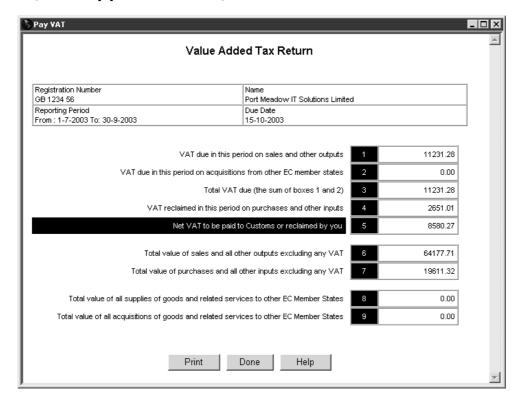
Balance Sheet Summary



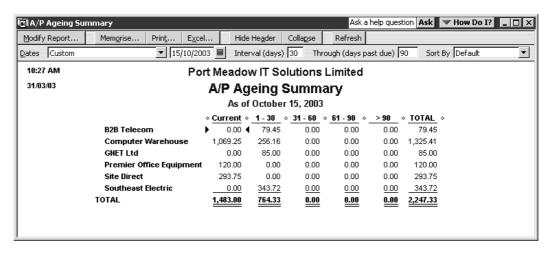
Cash Flow Forecast



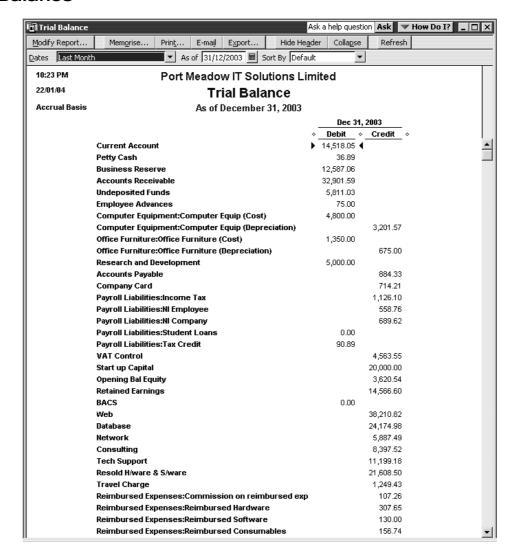
Pay VAT (via Suppliers menu)



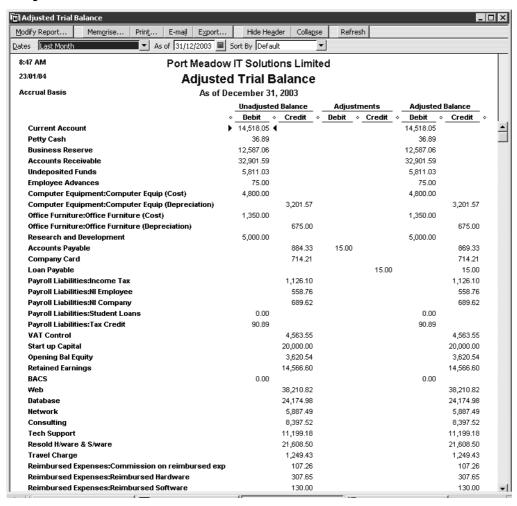
A/P Ageing Summary



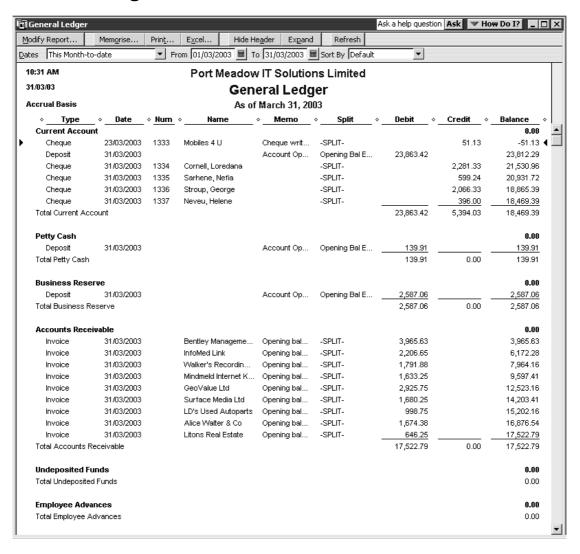
Trial Balance



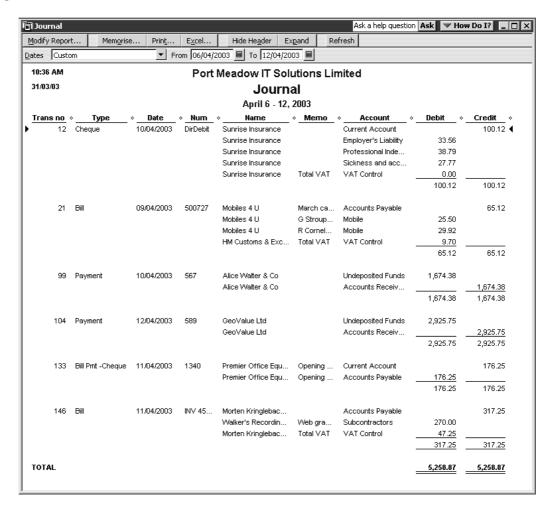
Adjusted Trial Balance



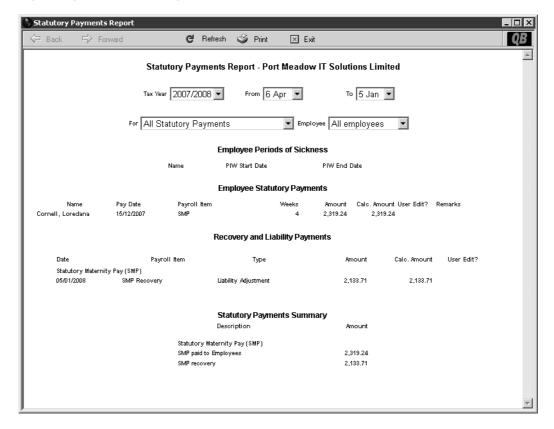
General Ledger



Journal



Statutory Payments Report



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