intuit

# QuickBooks for Mac 2016
# User's Guide

by E Lisette Gerald-Yamasaki and the QuickBooks for Mac team

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# Acknowledgements

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CHAPTER 1

# Welcome to QuickBooks for Mac 2016

Welcome to Intuit QuickBooks for Mac 2016! We're glad you're here.

My name is Lisette, and I've been using QuickBooks for Mac for five years. Yep that's me in the picture. I'll be walking you through QuickBooks to show you how to get the most out of it.

Whether you're a new business owner or just new to QuickBooks, I hope you'll find this guide to be a helpful resource for getting to know QuickBooks. For those of you who have used QuickBooks in the past, welcome back. You'll find information here on new features and maybe even something you didn't know about in addition to those features you used regularly.

In addition to this User's Guide, we have other resources for you:

| | |
|---|---|
| | The QuickBooks for Mac Help is always there for you. Anywhere you see a ? button, just click it for answers. Or choose Help > QuickBooks Help. And you can always go to the Help menu and search for a menu item or Help article. |
| Intuit® QuickBooks™ for Mac Little Square | Little Square is an online magazine with videos, articles, and advice on how to get the most out of QuickBooks. http://www.quickbooks.com/littlesquare |
| Intuit Community | Intuit hosts a community forum just for QuickBooks for Mac users. This forum is monitored by both the team here at Intuit and advanced users. It's a great place to ask questions and get assistance if you get stuck. http://community.intuit.com/category/quickbooks-for-mac |

In writing this guide, I've made certain assumptions that you should be aware of:

- First, I'm assuming that you're at least somewhat familiar with your Mac and Mac OS. It's OK if you've just bought your first Mac and getting familiar with it. As long as you know how to turn on your computer and open an app, I think we'll be fine.
- As far as accounting principles, I'm going to assume you know nothing. And that's OK. If you've been running your business for a while, you probably have some basic bookkeeping principles down. That's great, and it will help you get up to speed. But if you don't, you're OK. I'll point you to some videos and other information that will show you some basic concepts that will be enough.

- The screenshots I've used in this guide were mainly taken using Mac OS 10.8 (Mountain Lion) and some with Mac OS 10.9 (Mavericks).

# Running QuickBooks

Now let's talk about what you need to run QuickBooks and how you install it.

## System requirements

Before you install QuickBooks, be sure your computer meets these requirements:

- Mac OS X v10.10 (Yosemite)
- Internet connection or CD/DVD drive

You will also need the product registration to run QuickBooks.

## Integration / compatibility requirements

What other software do you need? Well, it depends on what you want to do in QuickBooks.

- If you want to export report data, you'll need Apple Numbers v3.5 or Microsoft Excel: Mac 2011.
- If you want to email forms from QuickBooks (like invoices and sales receipts) , you must have Apple Mail, Microsoft Outlook for Mac v15, or Microsoft Outlook: Mac 2011.
- If you want to print checks, use Intuit Checks. (Canadian Image Ready Cheques are not supported.)
- If you want to add reminders to your calendar, synchronize addresses, or use other QuickBooks features that use Calendar, Messages, and Contacts, you're all set because you installed these when you installed Mac OS X.
- QuickBooks for Mac 2016 imports from QuickBooks for Windows 2014, 2015, and 2016.
- QuickBooks for Mac 2016 exports to QuickBooks for Windows 2016.

## Installing and Upgrading QuickBooks

Installing and upgrading QuickBooks is super easy.

**To install QuickBooks:**

1. Open the downloaded .dmg file, or insert the CD into your computer's CD drive. A window will open

showing a QuickBooks icon and an Applications folder icon.

2. Drag and drop the "QuickBooks 2016" icon onto the Applications folder icon.
3. Go to the Applications folder on your hard drive and double-click the QuickBooks 2016 icon.

**To upgrade QuickBooks:**

If you're upgrading from a previous version of QuickBooks for Mac, you've got a few more steps to get up and going.

1. Make a backup copy of your company file using the previous version of QuickBooks for Mac (File > Back Up).
2. Quit any previous versions of QuickBooks that are running.
3. Start QuickBooks for Mac 2016.
4. Choose File > Open Company, select your file, and then click Open. (Note: QuickBooks for Mac 2016 may automatically upgrade and open your last used company file.)

QuickBooks for Mac 2016 upgrades your file and adds a .qb2016 file extension, for example, MyCompany. qb2016. QuickBooks also saves your original file and renames it to show it is an older file, for example MyCompany (QB2015) .qb20154 if it was originally a QuickBooks 2015 file.

## Converting your file from QuickBooks for Windows

If you're switching from QuickBooks for Windows, you'll have to go through a couple of more steps to convert your file for QuickBooks for Mac. Go to page 19 to find out everything you need to know.

# What's New in 2016?

The biggest change to QuickBooks for Mac this year has to do with modernizing code and improving performance. The engineers have touched almost every task and form. You won't see this in a big obvious way, but in many, small ways. Almost every daily task is faster.

Other improvements we've made this year include:

- Resize columns on forms
- Print directly on envelopes
- Fill in and edit timesheets more easily
- Add open balances to invoices
- Open in Mac OS X 10.11 El Capitan

- Print timesheets
- Adjust font size in reports
- View long invoice descriptions
- Take advantage of Apple's Automatic Reference Counting (ARC)

And don't forget, if you're upgrading from a version earlier than 2015, you'll also see these improvements:

| From 2014 | From 2015 |
|---|---|
| Get started with Set Up and Go | See all expense-related transactions in one place with Expense Tracker |
| See where your money is with Income Tracker | Create budgets by fiscal year |
| Turn estimates into purchase orders | Batch import transactions |
| Navigate through QuickBooks with redesigned toolbar | Attach supporting documents where you need them |
| Enjoy new Company Snapshot | Customize e-mails |
| Search reports | View detail of line items in Sales Tax Liability form |
| Take advantage of Guide Me | Use Save File for Accountant process |
| Customize columns in Centers | Filter line items and transactions in registers |
| Adjust sales tax amounts before you pay | Use updated deposits window |
| Track more info about sales reps | Complete simple math within all calculable fields |
| Print bill stubs | Display and enter dates in formats defined by Mac OS X System Preferences |
| Print general journal entries | Use Multiuser Admin mode |

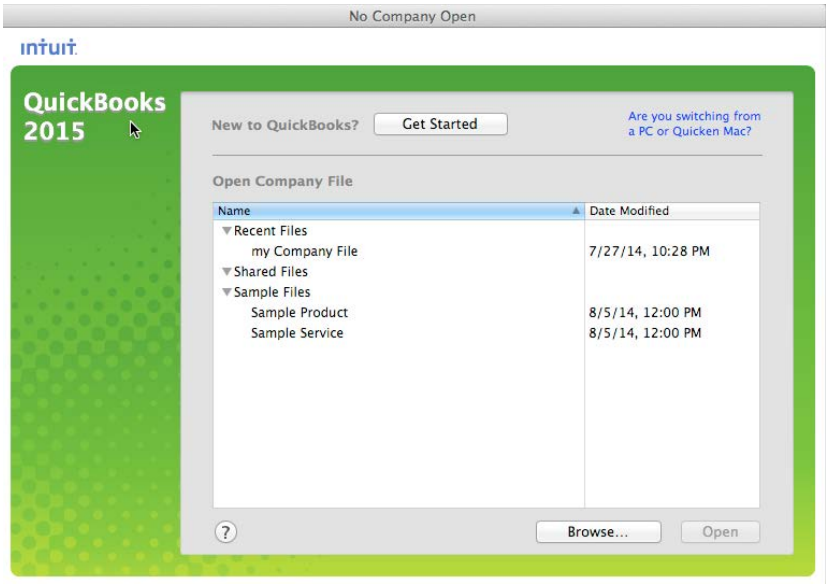
# New to QuickBooks?

Welcome! Thanks for choosing QuickBooks. This section is just for you. I'm going to show you how to create your company file, which is the file you'll use each time you use QuickBooks.

## Creating company file

QuickBooks walks you through a setup process that will create your company file for you.

1 Open QuickBooks. You'll see the No Company Open window.




2 Click Get Started.

3 On the Create New Company, enter information about your company and click Next.

- Company Name — What you call your company.
- Legal Name — Your company name as it appears on legal documents.
- Address/Country — The address for your company as you want it to appear on invoices, checks, and other forms. You can also enter different addresses for Shipping and Billing.
- Company Start Date — The date you want to use to start tracking your business transactions in QuickBooks. Usually this is the first day of your current fiscal year.
- Income Tax Form Used — Which tax form do you use for your business's taxes? If you're not sure, check with your accountant.
- Federal ID — The ID you use on your company's federals taxes.

4 Next you'll see the "Choose your industry and chart of accounts" window. Select the type of business that comes closest to describing your company. QuickBooks creates all the accounts that have a check mark. This is our best guess for the accounts we think you'll need based on the type of industry you're in. You can make changes if you like. If you make changes and want to go back to QuickBooks suggested accounts, click Default.

- **Expert Settings**

  You may need to set some non-standard options while creating your company file. You'll probably only need these if your accountant has given you specific instructions. Click Finish when you're done.

  - **Summary Reports Basis** — In QuickBooks, an accrual basis report shows income regardless of whether all your customers have paid up, and expenses regardless of whether you have paid all your bills. A cash-basis report shows income only if you have received it, and expenses only if you have paid them. You can change this later with Reporting preferences.
  - **First month in tax year** — If your company's tax year starts in a month other than January, select that month.
  - **First month in fiscal year** — If your company's fiscal year starts in a month other than January, select that month.
  - **Customers are charged sales tax** — Select if you are charging your customers sales tax. Then

create your sales tax items. You can change your sales tax items later on the Items list

- **Inventory and purchase orders are used** — Select this option if you want to create inventory part items, write purchase orders, and create inventory-related reports. You can change this later with Inventory preferences.
- **Customer and/or job estimates are prepared** — Turn the estimating feature on. When estimating is on, QuickBooks adds a Create Estimates command to the Customers menu, and an Estimate button to the Customer:Job list. You can change this later with Inventory preferences.
- **Keep track of time** — Turns on time tracking in your company file. Track your time and/or your employee's time by entering hours worked on weekly timesheets or single activity entry forms (you can use the two forms interchangeably). You can change this later with Time Tracking preferences.

- On the final window, you'll see the location on your new company file. Click OK.

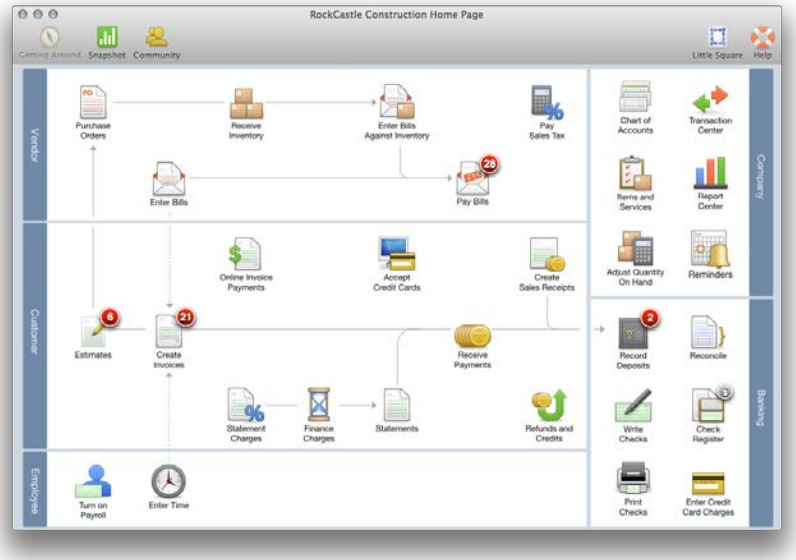
## Next steps

Congratulations! You've created your company file. Now what do you do? Well, it depends. Here are some suggestions:

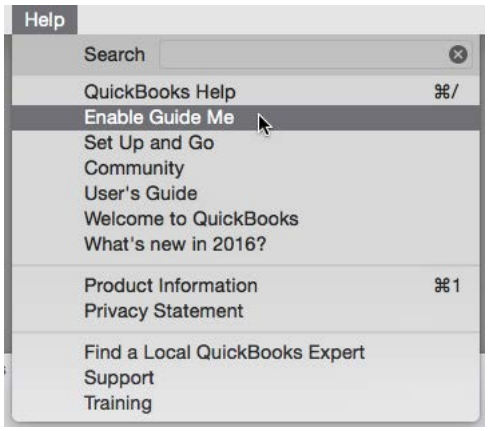
- **Have you been in business for a while and are just new to QuickBooks?** Then you probably have historical data for your company that you'd like to enter into QuickBooks. The good news is that you don't have to go back to the day you first started your business. But I suggest you do go back as far as the start date you entered when you created your company file. Gather up everything from the start date to today and enter that historical information. That way, you're records for your fiscal year will be complete. You'll find out more later in this chapter.

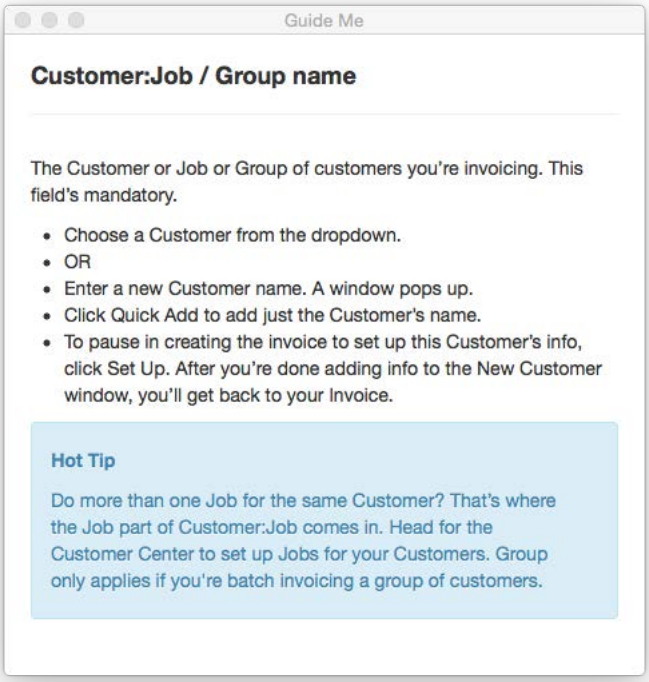
- **Are you the kind of person who likes to have everything organized up front before you start?** Then the best place to start is creating your lists. Lists are the building blocks for QuickBooks. They include the things like what you're selling your customers and what you're buying from your vendors. They also include the names and contact info for all your customers and vendors and much more. I'll talk about lists in the next chapter, and Set Up and Go might work well for you too. I'll talk about Set Up and Go in the next section.

- **Are you the kind of person who just wants to get started and fill in the details later?** You can do that, too. Go ahead and start entering transactions. QuickBooks will prompt you to enter information along the way. The Home Page is a good place to start.




- And with Guide Me turned on, you'll get additional help for your first tasks.



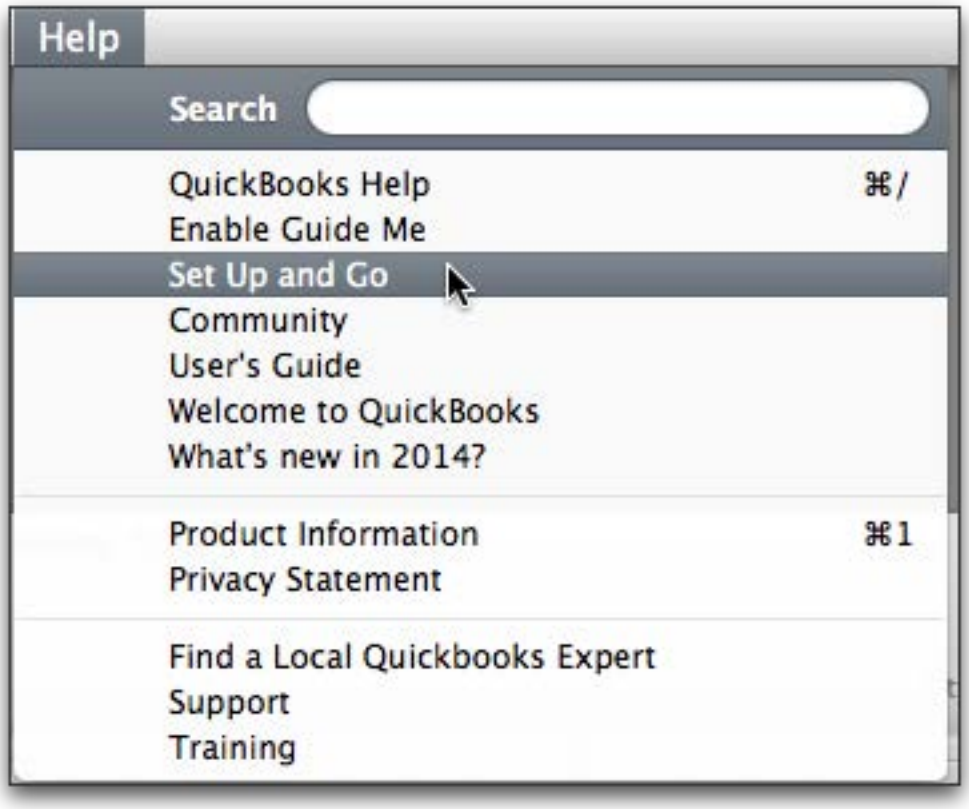




## Set Up and Go

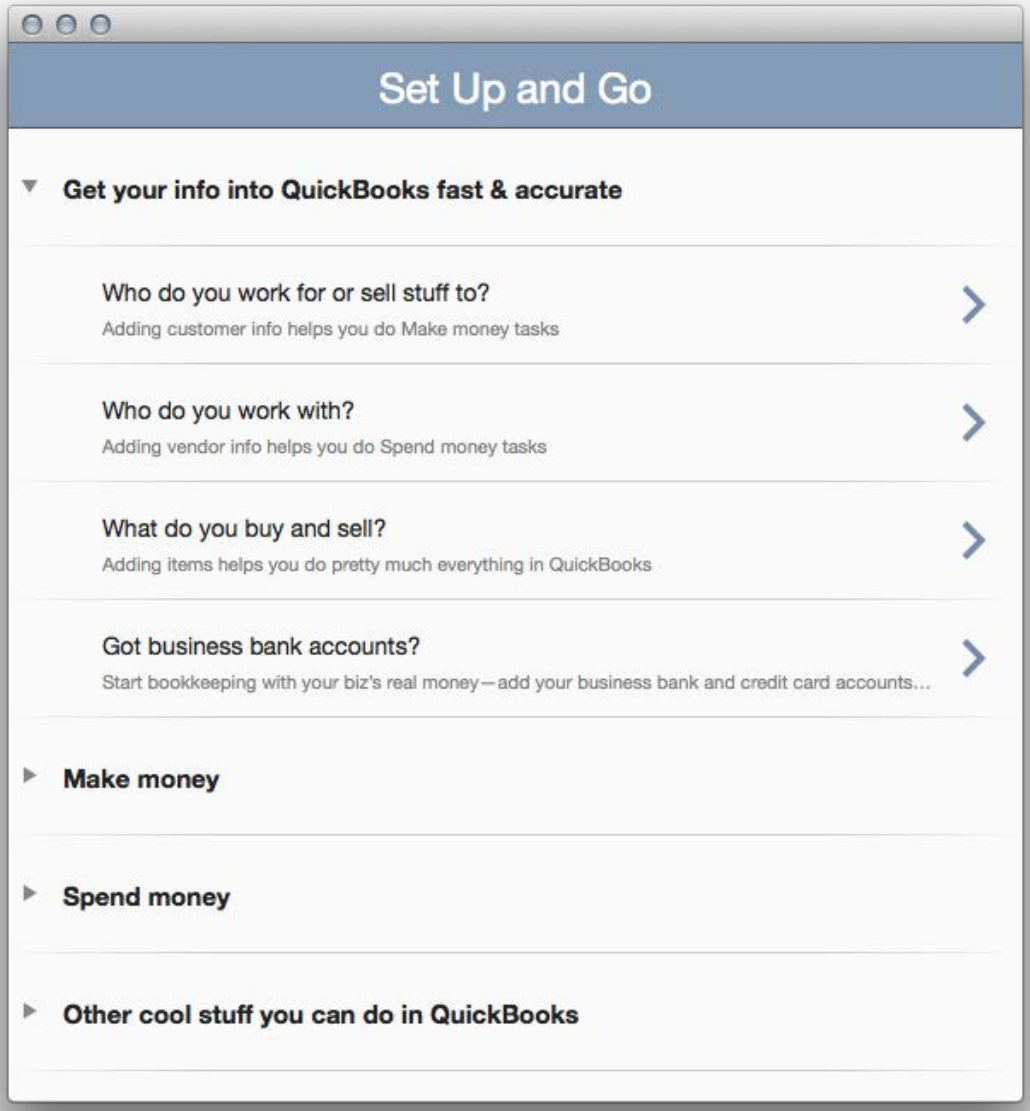
Do you like checklists? I do, especially when I'm working on something new, involved, and important. So, of course, we've developed a checklist for folks new to QuickBooks, called Set Up and Go. Actually, it's more of a decision table, but I would print it and check off tasks as you go along.

**To open Set Up and Go:**

Choose Help > Set Up and Go.

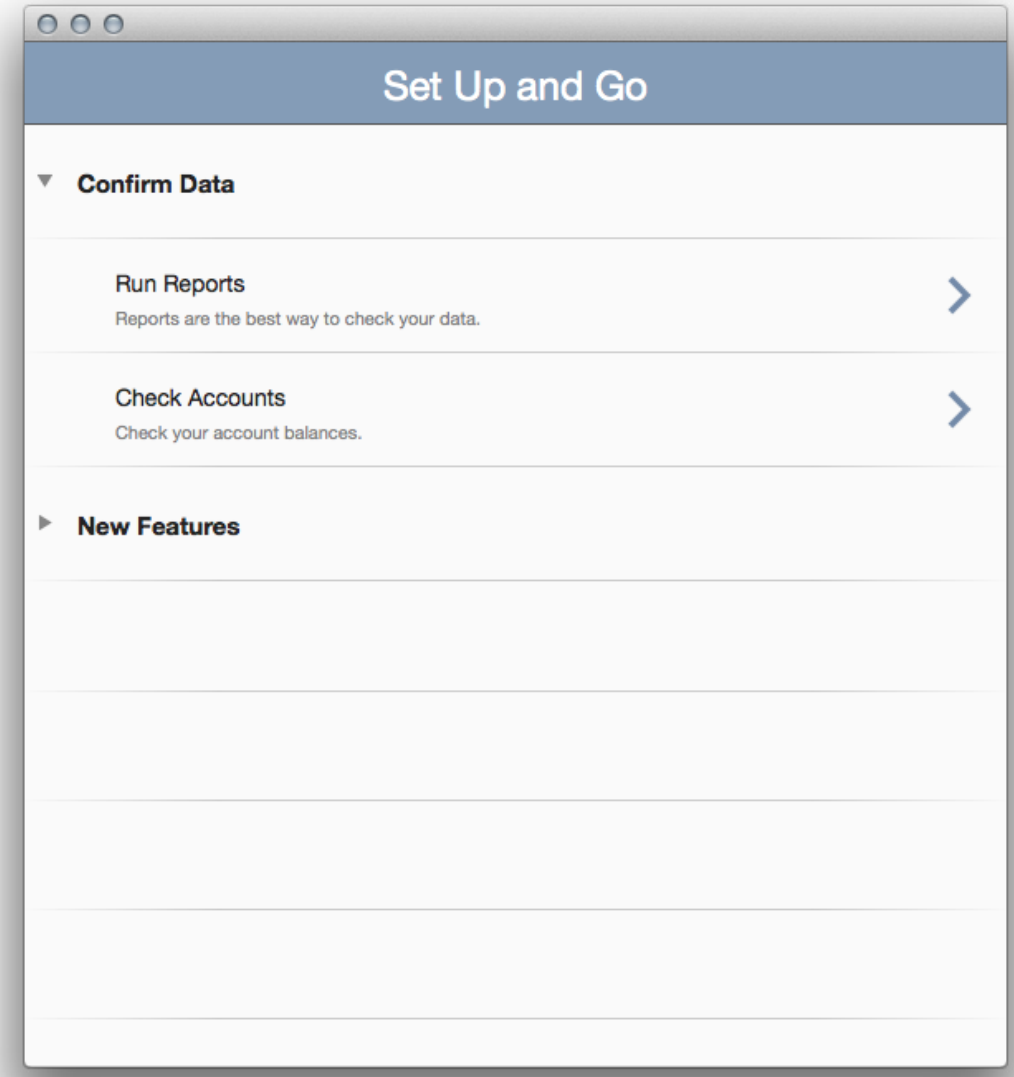



Here you'll see three main tasks, each with subtasks, as well as some further options.




Using the checklist is probably the fastest way to go from no company file to using QuickBooks daily to manage your business efficiently.

If you're upgrading, you too can use Set Up and Go. Your tasks are mainly about confirming your data and taking a look at QuickBooks features that may be new to you. This is what the Set Up and Go checklist includes when you already have a company file:




## Importing customers, vendors, and employees

You probably have contact information for the people you work with—customers, vendors, employees—in places like Contacts, Gmail, or LinkedIn. You can import those contacts into QuickBooks.

**Tip:** If you use Contacts (formerly, Address Book), you can sync your contacts with QuickBooks so that updates are available in QuickBooks, Contacts, and other devices you sync with Contacts. For more on Contact Sync, go to page 82.

## Before you start

You'll need a spreadsheet of the contacts you want to import into QuickBooks. If you have one, great! Go to the next section.

**If you don't have a spreadsheet:**

1. Open the program with your contacts (such as your email or LinkedIn), and create a group for contacts you want to import to QuickBooks.
2. Export the group you created to a list file, such as a CSV file or tab-delimited text file.
3. Open the export file in your favorite spreadsheet program.

## To import your contacts

1. Go to File > Import > From Multiple. Or go to the Customer Center, Vendor Center, or Employee list, click , and then click the Import option.
2. Open your spreadsheet (see the "Before you start" section above if you don't have a spreadsheet.)
3. Copy the First Name column in your spreadsheet.
4. Click into the first field in the QuickBooks First Name column. The field turns white.
5. Paste in the column you copied in Step 4.
   Tip: Copy and paste by column, not by row.
6. Repeat steps 4-6 for every column in your spreadsheet.
   Tip: Be sure to scroll over to the right to see and copy in all the available fields.
7. Be sure that the Import box is checked for all the contacts you want to import.
8. Change or add any info you didn't have in your original spreadsheet.
9. In the Role column, be sure that each contact is labeled as a Customer, Vendor, or Employee correctly.
10. Click Import.
11. Click OK when the status window says Import Complete.

**Fun fact:** You can use the Add Contacts window to add basic customer info without copying it from someplace else. Just type your customers' info into the fields rather than copying it.

## Troubleshooting

- **I can't click a cell in the Role column after I've opened the Add Contacts window.** Click "cnt..." and choose Add Line.
- **I got a message in the Import status window that says I have errors in some of my items?** We can help you fix them:
  1. Close the Import status window by clicking OK.

2 On the spreadsheet, look for the items that have red Xs on the far left side.

3 Click on the item with the red X. A message pops up to the right of the item's row describing what went wrong.

4 Fix the items with the red Xs and click Import again.

5 Click OK when QuickBooks finishes importing your items.

## Entering historical transactions

It's moving day! Only instead of moving offices, you're moving your data into QuickBooks. And as with most moves, you probably won't do it all in one fell swoop. It may take some time to get everything in there. But even if you don't have all the historical data in your company file, you can (and should) still keep going with entering new transactions along the way.

When you created your company file, you entered a start date for your company. If you entered a start date in the past, you'll need to enter all historical transactions from that start date through today. Your business may have existed for longer than that start date, but that's OK. For example, let's say your new year's resolution was to move your business finances from spreadsheets to QuickBooks. You set the company file's start date to January 1, even though you've been in business for three years already. So you should enter all your past transactions back to January 1 of this year.

A little confused? Don't be. You're just starting your QuickBooks file at a moment in time. If you're in doubt about what your start date should be, check with your accountant.

### Why enter my historical transactions?

Entering historical transactions gives you an accurate look at how your company is doing in the present and over time. After you enter your transactions from your start date up to today, you'll have:

- Accurate balances in your bank accounts and all other accounts
- The ability to reconcile your bank and credit card statements with your QuickBooks bank and credit card accounts
- Up-to-date records of what customers owe you and what you owe vendors
- Accurate year-to-date profit and loss statements
- Accurate sales tax reports for any period after your start date

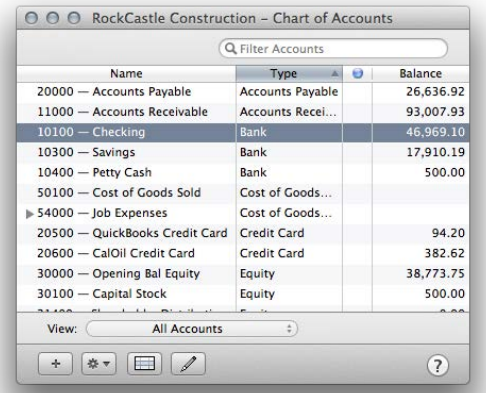
## Do I wait to enter current transactions until I get the historical data in?

No. Just because you starting to use QuickBooks doesn't mean your business has stopped running. You probably have current transactions happening right now that you need to record, as well as get your historical data into QuickBooks. So this is important to know: You can enter historical transactions at any time. You don't have to enter all your past transactions before you start using QuickBooks.

Go ahead and start entering current transactions as they occur so you don't get behind. Then catch up with historical transactions when you can. Try breaking them into digestible chunks, like a week or month's worth at a time. Remember, though, that your account balances may be off until you've entered all the transactions back to your start date.

## Order matters

There are two important guidelines to keep in mind as you enter historical transactions:

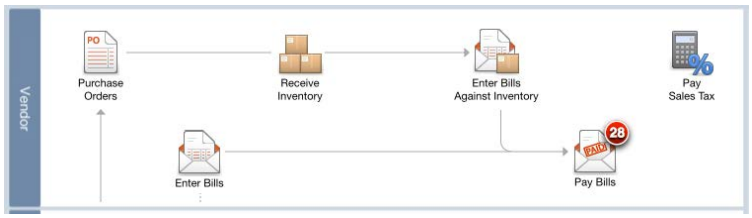



Enter transactions in your bank accounts last. This may seem counterintuitive, but stay with me here. You want to do this because your Accounts Payable and Accounts Receivable accounts affect your QuickBooks bank accounts (but not the actual account at your bank). So the only bank transactions you'll have to enter in your bank account are those that are still missing after you finish entering transactions for accounts payable, accounts receivable, and payroll.

You must enter bills and invoices first before you enter payments. If you tell QuickBooks you've made a payment, QuickBooks needs to know what bill that payment is for. Likewise, if a customer has sent you their payment, then QuickBooks needs to know what invoice the payment is for. That way QuickBooks knows which bills you've paid and what invoices your customers have paid.

Paying attention to these two guidelines will pay off big for you later on. You'll have an accurate view of which invoices and bills are paid in full, which are partially paid, and which aren't paid at all. As you record your bill payments and your customers' invoice payments, QuickBooks updates your bank balance. Then you can fill in any other transactions you haven't recorded previously.

## Entering vendor transactions




Strictly speaking, there's no rule that says you have to enter your transactions

in a particular order. But I recommend that you enter your vendor-related transactions first, especially if you invoice customers for expenses you want to be reimbursed for. Here's why: You won't be able to include expenses on an invoice for reimbursement unless that expense is accounted for with a purchase-related transaction. So, it's a good idea to get those vendor transactions in first.

Let's get started! The first thing to do is enter all your transactions related to buying items and services from your vendors. **You only need to enter transactions from the start date you used for your company file until today.**

Vendor transactions to enter are:

- Purchase orders
- Item receipts
- Bills
- Payments you made to your vendors

### Gather the information you'll need

To get started, you'll need this information for the time frame between your company file's start date and today:

- Details of any POs you've sent to vendors, if you use purchase orders
- A list of inventory items you've received
- Any bills you've received
- Records of bill payments you made

### Entering transactions

Now you're ready to enter your transactions. If you haven't set up your Items or Vendors lists yet, you'll be asked to add these as you go along. For example, if you're entering a bill and enter the name of a vendor not in your Vendors list, QuickBooks asks you if you want to Quick Add it. Go ahead and do that. You can go back to the Vendors list later and add more details about this vendor.

You can use the Vendors area on the Home Page to enter some transaction types, and you can import some transaction types. Remember, you only need to enter the transactions between your company file's start date and today.

Enter these transactions in this order, and be sure you enter the correct date.

- **Purchase orders.** If you use them, enter your purchase orders first. You'll use these PO transactions when you enter bills.

- **Bills.** For all the bills you've received, enter the information about each bill. Be sure to assign amounts to the correct expense accounts or track the quantities and costs of items received. The fastest way to enter bills is to import them. See Importing transactions in batches.
- **Inventory item receipts.** If you received items you've ordered but didn't get a bill for them, choose Receive Inventory and enter an item receipt.
- **Credits from vendors.** If you have a credit from a vendor, choose Enter Bills and select Credit at the top of the windows.
- **Payments.** For payments you've made, you're best bet, again, is to import your transactions. (See Importing transactions in batches) When you're setting up your table, be sure the Payment Date field shows the actual day you made the payment, and that you select the correct bank account for the payment.

That's it for entering your vendor transactions. Next, we'll talk about entering transactions related to your customers.

## Entering customer transactions

Customer transactions you need to enter are:

- Estimates
- Invoices
- Sales receipts
- Refunds and credit memos
- Payments received

### Gather the information you'll need

Depending on the type of business you have, you may not need to gather all of this information. So if something in this list doesn't apply to you, just ignore it. **One important thing to remember: you only need to enter the transactions from the start date you entered when you created your company file until today.** You don't have to go back to the beginning of your business and enter years of information. (Whew.)

Whether you've been keeping paper or electronic records, or a mixture, here's what to gather up:

- Any estimates you've sent to customers or potential customers. (You don't have to enter ones for jobs or sales you didn't get, but you can if you want to.)
- Invoices you sent to customers, regardless of whether you've received payment yet.
- Any credit memos you've issued.
- Records of payments you've received from customers.

- Records of refunds you've given.
- Records of deposits of customer payments you've made to your bank.
- Record of sales tax payments you've made.
- If you sell things, details of what you sold, preferably grouped to correspond with deposits of your sales income and records of deposits from sales receipts you gave.

**Entering transactions**

Now you're ready to go. As with vendors, if you haven't set up your Items or Customers lists yet, you'll be asked to add these as you go along. Go ahead and do that. You can go back to these lists later to enter more detail.

You can use the Customer area of the Home Page to enter most of the transactions I talk about here. (I'll tell you where to enter the others.) **Remember, you only need to enter the transactions between your company file's start date and today.**

OK, now start entering your sales transactions in this order. Be sure to enter the correct transaction date for each one.

- **Estimates.** If you use estimates, you'll need to first turn on this feature. Choose QuickBooks > Preferences and select Sales and Invoicing to turn on estimates. Then go back to the Home Page and click Estimates. The estimates you create will be the basis for other sales transactions such as invoices. You don't have to enter estimates for jobs or sales you didn't get, unless you just want a record of them.
- **Invoices.** Import the invoices you've written between your company file's start date and now. (See Importing transactions in batches.) Be sure you fill in the Item column so QuickBooks can track your sales in the correct accounts.
- **Sales receipts for cash sales.** If you were paid for work or goods on the spot, you probably gave your customer a sales receipt. Import your sales receipts from your start date until today. Be sure to fill in the columns showing the amount of each item you sold and received payment for at the time of sale. You can also enter multiple sales on one sales receipt form if you don't track sales by customer. If possible, group them so that the money received from cash sales matches actual bank deposits. That'll make it easier to record deposits.
- **Refunds and credit memos.** Import returns that may have occurred from the invoices and sales receipts you've already entered.
- **Payments.** Import each payment received from a customer for an outstanding invoice. Be sure that you apply the payment to the appropriate invoice and that the Date field shows the payment date. If the payment was for all or part of the customer's open balance as of the start date, you'll see a QuickBooks invoice for that balance.
- **Deposits.** Import each deposit of a payment you've received; be sure to select all customer payments (whether for invoices or sales receipts) deposited on one date. Then click OK. In the Make Deposits window, be sure the Date field shows the deposit date.
- **Payments of sales t**ax. For this one, you'll go to the Vendor area and click Pay Sales Tax. (I know. This article is about customer transactions, but you're collecting from customers and paying a vendor so it's a gray area. Stick with me.) In the Pay Sales Tax window, record each payment you made of sales tax you collected. Be sure that you

enter the amounts you actually paid the sales tax agencies and that the Date field shows the payment date.

That's it for entering customer transactions! In the next steps in this series, I'll talk about entering banking and credit card transactions.

## Entering bank and credit card transactions

When you entered your other transactions, QuickBooks automatically recorded:

- Checks you wrote to vendors to pay your bills
- Checks you wrote to pay sales tax you collected
- Deposits of payments your customers made to you

And you can see all of this in QuickBooks. Just go to your Chart of Accounts (on your List menu) and open your bank account. You can see all of these transactions in that register. There it all is! Look at all the progress you've made.

Why did I have you do this? I wanted you to see that a lot of your banking-related transactions are already there. You shouldn't enter any checks or deposits unless you're sure they aren't already in your register. You don't want to end up with double payments and deposits. You may want to print out this register (Command-P) to use as a reference as you go along.

### Gathering the information you'll need

Here's what you'll need to enter your remaining transactions. Remember, **you'll only need to enter transactions from the start date you entered for your company file to today**, and you'll be able to batch-import a lot of it.

- Checks you've written
- Deposits you made
- Bank statements showing fees, interest earned, and transfers
- Credit card statements showing charges and payments made

"I want to be able to reconcile my account, but my bank account opening balance is from the statement prior to my company file's start date. If I'm only supposed to enter transactions between my company file's start date and today, what do I do?" In this case, go ahead and enter all the unrecorded checks and deposits from the period between your statement date and your company file's start date. This will make sure that your bank account balance is correct.

### Entering your bank transactions

Now you're ready to go. Enter all your unrecorded bank transactions (the ones **not** already in the bank account

register I asked you to look at earlier in this article) between your company file's start date and today. You can use the Banking area on the Home Page to enter many of these transactions. Be sure you use the actual transaction date rather than today's date. You can enter these transactions in any order.

- **Checks.** Import all miscellaneous checks that aren't already in your register. (See Importing transactions in batches.) Be sure you fill in the actual check number in the No. column.

    - If the check is for an expense, select the expense account at the bottom of the check.
    - If the check is a payment for a liability you track (for example, a loan), enter the liability account at the bottom of the check.
    - If the check is for items on your items list, enter the item in the Item field of the Items pane.

- **Deposits.** Import your unrecorded deposits. Be sure to refer to your bank account register so you don't import a deposit that's already in there.
- **Fees and transfers.** In your bank account's register window, enter any other fees, charges, or interest earned from your bank statement. Be sure to enter amounts in the correct column: Increase or Decrease. Also enter any transfers between bank accounts. (You can also use Banking > Transfer Funds to record transfers.)

**Entering credit card transactions**

Now that you entered your unrecorded bank account transactions in QuickBooks, let's look at your credit cards. (Just to be clear, these are transactions on your credit cards. Accepting credit cards as payment from your customers is another topic.)

How you enter these historical transactions depends on whether you pay your balance in full each month.

**If you pay your balance in full each month**, you can simply record a check (Banking > Write Checks) for each payment. Here are a few things to keep in mind:

- If you entered a balance for your credit card account as of your start date, the first check should pay off that

balance. In the Account field of the check, enter the name of the credit card account.

- For checks written to cover credit card charges made between your start date and today, split the amount of the payment among the various expense accounts it covers.
- If you don't record individual credit card charges using the Enter Credit Card Charges window, you won't have detailed records of charges.

**If you don't pay your balance in full each month**, or if you know of charges that have not yet appeared on your statement, choose Banking > Enter Credit Card Charges and enter individual charges.

When you write a check to cover charges already entered in your credit card account (or for the opening balance of that account), enter the credit card account in the Account field of the check. Don't enter the expense accounts, because you're already tracking expenses in the Enter Credit Card Charges window.

You can enter interest and other fees directly in the credit card account register.

#### Reconciling your bank account

Using QuickBooks, you can reconcile your bank accounts to track which checks have cleared your bank. After you've entered your bank transactions, it's a good idea to reconcile your QuickBooks register with each statement, one at a time, from the first statement after your start date to your last statement. Then you'll know that QuickBooks and your bank are in agreement.

#### Where to go from here

So that's it for getting your historical transactions into QuickBooks! Whew. You did good. Now go do something nice for yourself. You deserve it.

# Switching from Windows?

If you've switched from QuickBooks for Windows to QuickBooks for Mac, you've probably noticed some differences. QuickBooks for Mac is built as a Mac product from the ground up, so the interface elements will be familiar if you've used other Mac applications. If you're used to using keyboard shortcuts, they will be different on the Mac.

## QuickBooks Windows vs. Mac: What's the difference?

The biggest difference between the two products is in the feature set. Here is a summary of the differences.

Because QuickBooks for Mac does not have all the features of its Windows counterpart, not all data converts when you move your company file from Windows.

Here are some of the biggest differences between QuickBooks for Mac and Windows:

- No Accountant's Copy. You can send your QuickBooks for Mac file to your accountant, but you won't be able to continue work in it. To find out how to do this, search for "round-trip" in Help.
- Online payroll. QuickBooks for Mac exchanges data with the online QuickBooks Payroll for Mac service. Payroll is not part of QuickBooks for Mac as it is on Windows.
- Limited 3rd party app integration. Any applications that rely on the QuickBooks SDK, WebConnector, or App Center to access QuickBooks data will not integrate with QuickBooks for Mac.
- Basic online banking. QuickBooks for Mac offers online banking statement downloads using DirectConnect or WebConnect. However, transactions can only be added to the account register one at a time, and not as many financial institutions support QuickBooks for Mac. Full list
- **Online Bill Pay.** QuickBooks for Mac currently doesn't support online BillPay.
- Price levels. QuickBooks for Mac currently doesn't support price levels.
- Reports. QuickBooks for Windows has more reports than QuickBooks for Mac.
- Premier and Enterprise versions. There's only one version of QuickBooks for Mac.
- Inventory. QuickBooks for Mac does not have units of measure or assembly items.
- Multicurrency. QuickBooks for Mac does not support multicurrency.

## Converting your file from Windows

So you're switching from QuickBooks for Windows to QuickBooks for Mac. Welcome! We're glad you're here. So you're probably wondering if you can convert your QuickBooks for Windows company file into QuickBooks for Mac. The answer is: Yes!

You can convert any company file from U.S. 2014, 2015, and 2016 versions of QuickBooks Simple Start, Pro, Premier, and Premier Accountant Edition for Windows. If you are using a QuickBooks for Windows version that is earlier than 2014, you can still open your file in QuickBooks for Mac. It'll just be a couple of steps more. An article on our support site explains exactly how to do this: http://www.qblittlesquare.com/2010/07/winmac/

Before you start, be sure that you're familiar with what data is converted from QuickBooks for Windows to QuickBooks for Mac.

**Note:** If you don't have access to QuickBooks for Windows to convert your file, we can help you. In QuickBooks, open the Welcome window (Help > Welcome to QuickBooks) and click Switching to QuickBooks.

**On your Windows computer:**

1. In QuickBooks for Windows, open the company file you want to convert.
2. Choose File > Utilities > Copy Company File for QuickBooks Mac. Follow the onscreen instructions.

QuickBooks creates a Mac .qbb (backup) file.

3. Copy the .qbb file to a CD or USB drive or some other media. (Most Macs read and write data to and from PC-formatted media.)

**On your Mac:**

1. In QuickBooks for Mac, choose File > Open Company, select the .qbb file, and then click Open.
2. Click OK when asked if you want to restore a QuickBooks for Windows file.
3. Enter a name for the restored file, and then click Save.

Depending on the size of your data file, the conversion process can take up to ten minutes. When conversion is complete, QuickBooks opens the file.

## What is and isn't converted when you switch to QuickBooks for Mac

Although Intuit has used reasonable efforts to include all features affected, Intuit disclaims that all features are included in these lists. Be sure to compare the newly converted data with the original data to learn what data was not converted.

**Data that IS converted from Windows to Mac**

- Account list (chart of accounts)
- Customer list
- Vendor list (notes will not be converted)
- Item list
- Payment terms list
- Shipping via list
- Customer type list
- Vendor type list
- Employee list (notes will not be converted)
- To do list (alerts will not be converted)
- Other names list (without notes)
- Job types list
- Payment method list
- Customer message list

- Classes
- Reminders (alerts will not be converted)
- Links between pay items and other items
- Custom field definitions
- Transactions and their links:
    - Invoices
    - Bills
    - Deposits
    - Payments
    - Transfers
- Memorized transactions
- Multiple estimates per job
- All list reports
- History of QuickBooks versions used with the data file
- Transaction statistics
- 1099 categories
- Notes
- Audit trail
- Preferences
    - Company name and address
    - Which features are enabled
- Time and activity records
- Budgets
- Reconcile
- Contacts data
- Income and expense tracking by class (available in QuickBooks for Mac using Profit & Loss by Class reports)
- Job costing data (available in QuickBooks for Mac using Job Profitability reports)
- Vehicle list

**Data that ISN'T converted from Windows to Mac**

**Important:** QuickBooks 2014 for Mac does not support multiple currencies. Because accounts and balances are affected by the multiple and home currency settings, these settings cannot be changed in QuickBooks for Windows once they've been set. If you have used multiple currencies in your Windows company file, you will not be able to convert your data for use in QuickBooks for Mac.

Some features and data will NOT be converted from Windows to Mac, including (but not necessarily limited to) the following:

- Any data if you have used multiple currency in QuickBooks for Windows.
- Intuit integrated payroll and payroll list items (QuickBooks for Mac uses QuickBooks Payroll for Mac powered by PayCycle and Aatrix Top Pay for payroll services)
- Online banking transactions that have not been accepted into a register (transactions that have been accepted will appear as payments, deposits, and transfers with associated links)
- Online banking aliases
- Customized settings for forms like invoices, estimates, statements, and purchase orders (forms can be customized in QuickBooks for Mac)
- Multiuser data, such as sales representative information
- User passwords (QuickBooks for Mac supports administrator password)
- Memorized reports
- Business planning, expert analysis, and business optimization tools
- Customized price levels
- Integration with third party applications, including Microsoft Word, Outlook, and ACT!™
- Merchant account services
- Intuit PaymentNetwork data and invoice status
- Sales order and back order tracking (available in Premier versions of QuickBooks for Windows)
- Assembly items (available only in Premier versions of QuickBooks for Windows) will be converted into non-inventory part items
- Budgets created without an associated account
- Transaction type "EFP payroll" (will convert into a payroll liability check)
- Workers comp list
- Fixed asset item list

- Multiple “ship to” addresses, Preferred Send method, and payment information for Customer:Jobs
- User-added columns to lists
- Unsupported reports
- The following preset reports are currently not supported by QuickBooks 2014 for Mac. You can, however, create many of these reports using the customization, filtering, and memorization features in QuickBooks for Mac.
- Profit & Loss Unclassified
- Open Purchase Orders by Job
- Sales Tax Revenue Summary
- Pending Builds
- Income Tax Preparation
- Profit & Loss Budget Performance
- Reconciliation Discrepancy
- Previous Reconciliations
- Fixed Asset Listing
- Voided/Deleted Transactions (available in Premier versions of QuickBooks for Windows)
- Voided/Deleted Transactions History (available in Premier versions of QuickBooks for Windows)
- Closing Date Exception (available only in Premier versions of QuickBooks for Windows)
- Open Sales Orders by Customers (available in Premier versions of QuickBooks for Windows)
- Open Sales Orders by Item (available in Premier versions of QuickBooks for Windows)
- Adjusted Trial Balance (available in Premier versions of QuickBooks for Windows)
- Adjusting Journal Entries (available in Premier versions of QuickBooks for Windows)
- Forecast Overview (available in Premier versions of QuickBooks for Windows)
- Forecast vs. Actual (available in Premier versions of QuickBooks for Windows)
- All payroll and workers comp reports
- Unsupported report filters

  The following report filters are currently not supported by QuickBooks for Mac. The balances of memorized reports that were created using these filters will not match balances in the original data file.

- Name Email
- Paid Thru
- Posting Status
- Sales Tax Code
- Template
- Online Status
- Printed Status
- Voided
- Workers Comp Code
- Is Adjustment

# Exchanging your file with your accountant

Sometimes, it's useful to send your company file to your accountant, have him or her review it, maybe make some changes, and send it back. (If your accountant uses a Windows version of QuickBooks, we call this round-tripping.)

By the way, if all your accountant needs to do is add some general journal entries, you don't have to stop working in your company file while it's with your accountant. See "To import general journal entries" page 58 for details.

**Important:** To round-trip your file, we recommend that you and your accountant be on the same version of QuickBooks. So, if you are using QuickBooks for Mac 2016, your accountant should be on some 2016 version of QuickBooks for Windows. Also, you cannot work in your company file while your accountant has it. (Well, technically you can, but when you open the file your accountant sends back, you end up losing any changes you've made in your copy of the file.)

**To prepare your QuickBooks file for your accountant:**

1. Open the company file you want to share.
2. Choose File > Save File for Accountant.
   QuickBooks will ask you to verify the data in your company file.
3. Click Verify (recommended) or Skip Verify.
   Important: If the verification isn't successful, QuickBooks recommends that you rebuild your company file before sending it to your accountant.
4. Once QuickBooks tells you that the verification is successful, name the converted file and navigate to where you want to save it.
5. Click Save.
   If you have a Dropbox account and you want to save the file to your dropbox, click Select Dropbox

Folder.
QuickBooks will prompt you to create a password to protect your company file. Enter a password or, if you don't want to password-protect the file, leave the fields blank.
Note: If you do enter a password, be sure to share it with your accountant!

6 Click OK.
QuickBooks will create a QuickBooks backup file (.qbb file extension).
You can click Show File in Finder to locate the file on your Mac.

When your accountant returns your company file, you'll need to convert it to a QuickBooks for Mac 2016 file (.pb2016 file extension).

**To open the QuickBooks file from your accountant:**

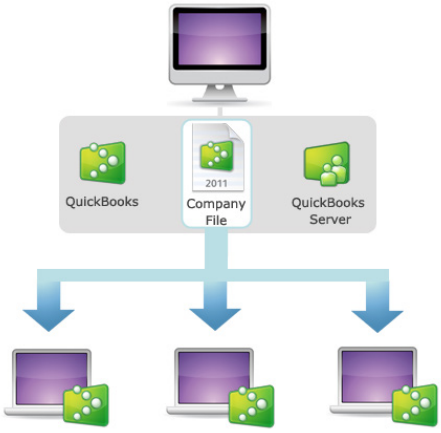
1 In QuickBooks for Mac, choose File > Open Company.

2 Navigate to the .qbb file your accountant sent, and click Open.

3 Click OK when asked if you want to restore a QuickBooks file.

4 Enter a name for the restored file, and click Save.

# Using QuickBooks in multiuser mode




Using QuickBooks in multiuser mode means more than one user can work on your company file from different computers at the same time. Why would you want to do that? Well, you may have an employee who does basic tasks like sending out invoices and keeping customer information up-to-date while you take care of the larger tasks like payroll and paying vendors. In single user mode, you have to stop working in your company file so your employee can work in it. This can be inconvenient and slow you down. In multiuser mode you both can work in your company file at the same time.

**How does it work?**

One computer is set up with QuickBooks Server, QuickBooks, and your company file. Then, with QuickBooks Server running, the company file is shared with other computers on the same network. When other users open QuickBooks on their computer, they will be able to open the company file and work on it.

**Note:** You must buy a multiuser license of QuickBooks, add users to your current license, or buy multiple copies of QuickBooks to use it in multiuser mode. To add users, open QuickBooks and choose QuickBooks > Manage License > Buy Additional Licenses.

**What do you need?**

- **A license of QuickBooks with more than one user.** You can buy QuickBooks for more than one user or you add user seats to the license of QuickBooks you already have (QuickBooks > Manage Licenses > Buy Additional Licenses). In addition, QuickBooks will also allow for different registered copies of QuickBooks to work together.
- **One computer to use as the QuickBooks Server.** This computer will host the company file for all your QuickBooks users. Find out what you should consider when picking which computer to user for your server.

# Setting up multiuser

Ready for multiuser? Here's what you do to get it going.

## Step One: Buy and install additional user seats

To use your company file in multiuser mode, you must add users to your license. So if you want to have three people working in your company file, you need a 3-user license. If you've already purchased a copy of QuickBooks with more than one user license, go to **Step Two: Install QuickBooks Server**.

**Note:** If you already have more than one registered copy of QuickBooks, you don't have to buy more additional user seats. You can use any registered copy of QuickBooks to access the company file in multiuser mode.

**To buy additional licenses:**

1. Choose QuickBooks > Manage License > Buy Additional Licenses.
2. Follow the directions on the screen to buy your additional licenses.
3. Choose QuickBooks > Manage Licenses > Sync License. (You must be connected to the Internet.)
4. Install QuickBooks on each computer you want to use to work on your company file.

## Step Two: Install QuickBooks Server

QuickBooks Server shares your company file on your network with other computers you set up to run QuickBooks on your network in Step One. You should install QuickBooks Server on the same computer where you want to store your company file. When QuickBooks Server is running, other QuickBooks users on your network will be able to open the shared company file.

**Note:** Be sure to check out the Multiuser Checklist article for tips on picking a computer to use for QuickBooks Server.

## Step Three: Create user accounts

Everyone using the company file must have a user name and password. Here's an overview, but to learn more about user accounts, see page 277.

**To create user accounts:**

1. Choose QuickBooks > Preferences and then "Users and Passwords" or choose Company > Users and Passwords.
2. Create an administrative user.
3. Create a user account for each user who will be working with the company file in multiuser mode.

**Note:** Creating user accounts is not the same as adding users to your license. A user account creates a username and password so a user can log into a company file. Adding a user allows another user to run another copy QuickBooks with your license in multiuser mode. Find out more about the difference between user accounts and user seats.

### Step Four: Start multiuser mode

On the computer with QuickBooks Server:

1. Open your company file in QuickBooks like you would normally.
2. Log in as the administrator. (You must be an administrator to start multiuser mode.)
3. Choose File > Enable Multiuser Mode.

QuickBooks Server will start automatically. When other users open QuickBooks on their computers, they can open the company file. It will be listed under Shared Files on the No Company Open window.

## QuickBooks Server

QuickBooks Server is an application used when you're running QuickBooks in multiuser mode. It shares your company file with other QuickBooks users on the same network. When a file is shared, more than one user can work in the file at the same time.

You get QuickBooks server when you buy QuickBooks. But you only need it if you are using QuickBooks in multiuser mode.

**To start QuickBooks Server:**

1. If you haven't already, install QuickBooks Server by copying it from your QuickBooks CD or, if you downloaded QuickBooks, from the DMG file to your Applications folder.
2. If the company file isn't on the same computer you are using to run QuickBooks Server, move it there. The company file must be on the same computer as QuickBooks Server.
3. Open the company file in QuickBooks.
4. Choose File > Enable Multiuser Mode. QuickBooks Server starts automatically.

**More about QuickBooks Server:**

- You can start QuickBooks server automatically when you log in. With QuickBooks Server running, right-click the icon

in your dock and choose Options > Open at Log In. Then every time you log in on that computer, QuickBooks Server starts up, sharing your company file.

- You can start and stop sharing a company file. Select the file in the left column of QuickBooks Server and click either Start Sharing or Stop Sharing.

- If you close QuickBooks Server, everyone will lose their connection to the company file. On the computer hosting the company file, you can open the file again in QuickBooks and restart multiuser mode (File > Enable Multiuser Mode) to share the file. Or you can use the file in single user mode, but other users will not be able to work on it.

- You can view stats on the company file by selecting it in the left column of QuickBooks Server. You can see how long the company file has been shared, the number of changes that have happened since you started sharing the file, the file location, and the users working on the shared file.

- You can disconnect a user. Select the company file name and then the user name you want to disconnect. Then click Disconnect. The user will no longer be connected to the company file.

- Chat with other users working on the shared file. Sometimes you may need to contact other users when you're all working in the same company file. In QuickBooks Server, select the company filename and the user name of the person you want to chat with, then click Chat. Your default Chat application will open a chat with the user you selected. Note: For Chat to work, the user's account must include their Chat ID.

## Where to store your file

In multiuser mode, your company file sits on one computer and is shared on your network with other QuickBooks users. So which computer are you going to use to store the file? Here's my advice:

- I recommend picking a computer that meets or exceeds the recommendations for processor, memory, and disk space. The amount of RAM on the computer can significantly affect performance, so get as much as you can.

- It's a good idea to pick a computer that will be on during work hours and is going to stay in the office. Imagine the dirty looks you'll get if you put it on a laptop and then take that laptop on a customer visit when the office manager is trying to work on payroll. I think we all can agree, for the sake of your happy workplace environment, this situation should be avoided at all costs.

- It's best if the computer with the company file is connected to the network through an Ethernet cable and not Wi-Fi. It'll work fine on Wi-Fi, but you'll probably have better performance from a cable.

- Some activities are single user only, so it's good idea to put the company file on the computer of the person who will be doing those things. That way, that person can switch between multi user and single user mode on their own.

**Important:** Backing up your company file is just as critical in a multi user environment as it is in single user. To back up your data, stop sharing the company file then back up the file on the computer running QuickBooks server. Then you can start sharing the file again.

## Other things to know about multiuser mode

There are a few other things to keep in mind when you're using QuickBooks in multiuser mode.

- **You don't have to have QuickBooks running on the server, just QuickBooks Server.** You'll have both QuickBooks and QuickBooks Server installed on the computer you are using as a server. But you only have to have QuickBooks Server running to share the company file with others.

- **You can switch back to single user mode.** You can turn off multiuser mode so that only one person can access the company file. Choose File > Enable Multiuser Mode. You'll see a check mark by the command name. When you choose it again to go into single user mode, the check mark goes away.

- **You can enable Multiuser Admin Mode.** When QuickBooks Mac is in Multiuser Mode, you see a special menu item: File > Enable Multiuser Admin Mode. If you choose Admin Mode, you'll force all other users to disconnect from the company file, and you become the only client connected to the company file. Why would you want to do this? Because, in Multiuser Admin Mode, you can update Preferences. When you're ready to have other users access the company file, choose File > Disable Multiuser Mode, or log out.

- **All the computers have to be on the same network.** For users to be able to share the same company file, their computers must all be on the same network. You can't share a file with remote computers.

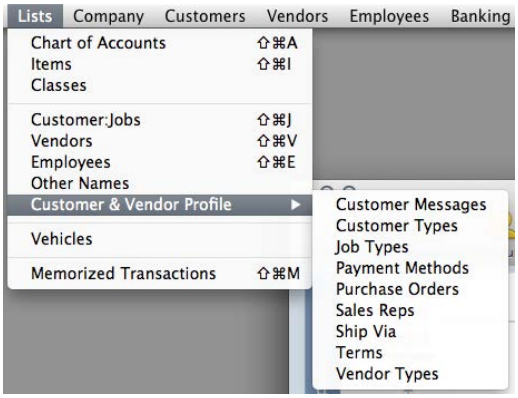
- **You may run into each other, but it's OK.** You may try to do something in the company file and see a message that says another user is trying to do the same thing at the same time. You can either wait to try again or use your chat app (e.g., Messages) to communicate with the other user.

- **Set up each computer for Merchant Account Services (optional).** For each computer in your multiuser environment that you want to use to process your customer's credit cards, you'll need to set up credit card processing using your Merchant Account Services connection ticket.

- **Don't forget to back up your company file.** Backing up your company file is just as critical in a multiuser environment as it is in single user. To back up your data, stop sharing the company file then back up the file on the computer running QuickBooks server. Then you can start sharing the file again.

CHAPTER 2

# Lists




Lists are one of the most important areas in QuickBooks. Your lists are where the things you use in just about any transaction live. Take an invoice, for example. The "Bill to" name, item, description, rate, tax, payment terms, customer message, anything you select from a dropdown list, are all set up on a list.

You can get to any list from the List menu.

In subsequent chapters, I go into more detail about specific lists like Chart of Accounts, Items, Customer:Jobs, and Vendors. In this chapter, I'll talk about everything else:

- Classes
- Employees
- Other Names
- Customer & Vendor Profile
    - Customer Types
    - Vendor Types
    - Terms
    - Customer Messages
    - Payment Methods
    - Ship Via
- Vehicles
- Memorized Transactions

# How to use lists

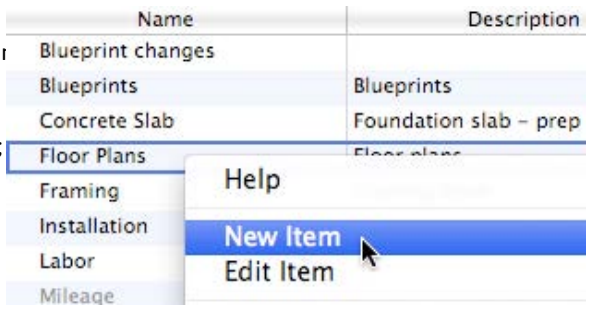
You can perform these tasks in your lists:

- **Add an entry to the list.** Click the + menu at the bottom of the list.
- **Edit an entry.** Select an entry on the list and then click Edit.
- **Search for an entry.** Use the search field in the top right corner or the list to find the item you need. Or you can search throughout QuickBooks.
- **Change the view.** By default, QuickBooks lists names in a hierarchy. For example, subitems are listed under the item they are a subitem of. Click the arrow beside a name to view the names in the hierarchy below them. You can also choose Flat View from the Action menu (⚙) that lists each name plus the name below it in the hierarchy. You can change the view by selecting Hierarchical View or Flat View from the Action menu.
- **Print, Save, or Email the list.** Control-click in the list and select commands to print, save, or email what is currently displayed on the list. For example on the Item list, control-click the name of an item and then select Print Item List, Save Item List as Text, and Email Items List as PDF.
- **View only active or inactive names.** Use the filters at the bottom of the list to view only active or inactive names.
- **Display a QuickReport.** Create a report for a selected name that lists year-to-date income and expense transactions for the class you've selected. Select a name and then click QuickReport from the Action menu (⚙).
- **Revert a list back to its default sort order.** With the list open, choose Edit > Re-sort List.

### Tips and tricks

Try these tips and tricks to make using the lists even easier.

- Sort information by clicking the column titles.
- Rearrange the columns by clicking and dragging the top of a column to move it to another location.
- Select multiple entries in one of these ways:
    - Shift-click to select a range of names. Select the first name you want, hold down the Shift key, and then select the last name in the range.
    - Command-click to select a group of nonadjacent n
      and then select each additional name.
    - Command-A to select all names. No need to click;
- Control-click anywhere in the list to access a shortcut menu to common tasks.



# Classes list

Classes are simply categories. You can then apply a class to transactions to get more insight into your business data. A class can be a department name, a location, or anything that means something to you. Say you're a magician. You might create the classes "corporate event" and "children's party." That way when you need to buy a custom costume for your rabbit, Hopscotch, that spells out "Happy Birthday, Princess" in pink glitter, you can classify that expense as being related to a "corporate event." (Hey, it could happen. Really, it could.) Then you can create a class report to show all your income and expenses related to a class.

**To manage classes:**

1. Choose Lists > Classes.
2. Add a new class or edit an existing class.
3. Add New Class
   Click the + menu at the bottom of the list.

   Or control-click anywhere in the list and choose New Class from the shortcut menu.
4. Edit Existing Class
   Double-click the class name. Or select the name of the class and click the Edit button at the bottom of the list.

5. Or in the Class list, control-click the name of the class you want to edit and choose Edit Class from the shortcut menu.
6. Enter a name for the class.
7. (Optional) If you want the class to be a subclass of another class, select the "Subclass of" check box and enter the name of the parent class.

# Employees list

If you have employees, you should enter them in the Employees list.

Is your worker an employee or a contractor?
http://www.qblittlesquare.com/2011/01/hiring-for-your-business-part-1-contractors-vs-employees/

**To add or edit an employee:**

1. Choose Lists > Employees.
2. Add a new employee or open an existing employee.

| Add New Employee | Edit Existing Employee |
| --- | --- |
| Click the + menu at the bottom of the list. | Double-click the employee name. |
| Or control-click anywhere in the list and choose New Employee from the shortcut menu. | Or select the name of the employee and click the Edit button at the bottom of the list. |
| | Or in the Employee list, control-click the name of the employee you want to edit and choose Edit Employee from the shortcut menu. |

Complete the Address Info tab. Take special note of the following fields:

- **Initials.** QuickBooks fills in the employee's initials as you fill in the employee's name. Normally, you do not have to enter anything into this field. If your employees earn commissions for items they sell, you can select an employee's initials from the Rep pop-up menu when entering a sale or estimate to give the employee credit. You can then produce reports showing all sales for each employee.
- **Address.** Complete the employee's address (QuickBooks has partially filled in the Address field on the basis of what you've entered so far). Click Address Details to make sure each individual address field is filled in correctly, especially if you are using Contact Sync. The address information you enter can be exported for mail merge. If you use mail merge, be sure to include in the last line of the address the two letter state abbreviation and the zip code. This ensures that the address will print correctly in mail merge documents.
- **Social Security Number.** QuickBooks observes federal standards for social security numbers. If the number you enter causes QuickBooks to display an error message, call your local Social Security Administration office to check the validity of the number.

3 (Optional) Click the Additional Info tab. Fill in any custom fields that apply to this employee.

4 To mark an employee as inactive, select the Inactive check box. You can then hide inactive employees by clearing the Include inactive check box in the Employees list.

**Note:** If you plan to use QuickBooks Payroll for Mac, be sure the employee name is spelled exactly the same (first name, middle initial, and last name) in both places. Employee names in paycheck data imported from QuickBooks Payroll for Mac must match your QuickBooks employee list.

# Other names list

Do you have a name that is not a customer, vendor, or employee? You can use the Other Names list to add contacts that you need for your business but don't fit in anywhere else. You can also use this list to capture any items you use repeatedly on forms, for example, "Annual Depreciation,", or "ATM Withdrawal."

**To add or edit an other name:**

1 Choose Lists > Other Names.

2 Add a new name or open an existing name.

**Add New Other Name**

- Click the + menu at the bottom of the list.

- Or control-click anywhere in the list and choose New Other Name from the shortcut menu.

**Edit Existing Other Name**

- Double-click the other name.
- Or select the name of the other name and click the Edit button at the bottom of the list.

- Or in the Other Name list, control-click the name of the other name you want to edit and choose Edit Other Name from the shortcut menu.

Complete the Address Info pane.

3. Add any notes you want to add for this name.
4. Click OK.

To mark a name as inactive, select the Inactive check box. You can then hide inactive names by clearing the Include inactive check box in the Employees list.

# Customer and Vendor Profile lists

You can use the Customer & Vendor Profile lists to set up categories you can use to group information within QuickBooks. For example, when you create a Job, you can give it a Job Type then use the Job Type in reports to see what category of jobs are the most profitable. These lists also contain lists for the payment terms you use for your customers, customer messages, and payment methods.

**You can set up:**

- **Customer Types.** Apply this category when you add or edit a customer.
- **Vendor Types.** Apply this category when you add or edit a vendor.
- **Job Types.** Apply this category when you add or edit a job.
- **Terms.** Terms are the payment terms for your customer or from your vendor. This list is preconfigured for you with common payment terms. You can edit these or add new ones. You can assign terms to a specific customer or select terms when you are filling out a sales form like an invoice.
- **Customer Messages.** These are messages you apply to sales forms you send your customer such as “Thank you for your business.”
- **Payment Methods.** Payment methods categorize payments from your customers. When you receive payments from your customers, you can select a payment method and then sort your deposits by payment method and create reports based on payment method.
- **Ship Via.** This list is preconfigured with common shipping methods. You can edit these or add new ones. Then you

can add this information if you customize your sales forms.

**Tip:** Control-click a name on the list to choose common tasks from a shortcut menu.

**To open a list:**

Choose Lists > Customer & Vendor Profile and then the name of the list you want to open.

Most of the lists are just labels and can be anything you choose, so I'm not going to go into detail with those. There are two exceptions: Terms and Payment Methods. These are a little more involved.

## Terms for payment

Payment terms say when you expect to receive payment from a customer or when your vendors expect payment from you. For example, if you expect payment from a customer within 30 days, and you give a discount of 2% if payment is received in 10 days, the terms are 2% 10 Net 30.

QuickBooks supplies a list of often-used payment terms. Because QuickBooks uses terms for both invoices to your customers and bills from your vendors, you only need to add a particular set of terms once to the list.

You can edit a customer or vendor and select the payment terms for each. Then QuickBooks automatically enters terms for you in invoices and bills.

**To set up payment terms:**

1. Choose Lists > Customer & Vendor Profile > Terms.
2. Add a new term or open an existing term.
3. On the New or Edit Terms window, enter the details of the payment term.

**Payment terms details:**

- **Terms.** A word or phrase that will help you recognize the term. You'll see this wherever you select payment terms.
- **Examples of payment terms**
- Let's say your invoices are due in 25 days of receipt, and you give your customers a 1% discount if they pay within 10 days. These would be standard terms because payment is due within a specific number of days from the invoice date. In the New Terms window, click Standard and enter the following:
- 1% 10 Net 25
- Suppose instead that your invoices are due on the 25th day of the month and you give your customers a 1% discount if they pay within 10 days. To let QuickBooks know that "25" means the "25th day of the month" and not "25 days after the invoice date," click Date Driven in the New Terms window and still enter:

- 1 % 10 Net

- **Standard.** Select this if you want your customer to pay within a certain number of days. Now enter the details for this type of payment term.

    - **Net due in.** The number of days in which payments from customers or bills to vendors are due.

    - **Discount percentage is.** The discount percentage a customer earns for early payment of an invoice, or that your business earns for early payment of a bill. If there is a discount, you must also complete the next field ("Discount if paid..."). If there is no discount, enter zero.

    - **Discount if paid within.** Enter the number of days within which a customer or your business can pay and receive a discount for early payment. Be sure to enter the discount percentage in the previous field ("Discount percentage...").

- **Date Driven.** Customers to pay by a certain date.

    - **Net due before the....** The day of the month by which payment is due.

    - **Due the next month if issued within....** If you create an invoice that's due in this number of days, then the due date is pushed back a month.

    - **Discount percentage is....** The discount percentage a customer earns for early payment of an invoice, or that your business earns for early payment of a bill. If there is a discount, you must also complete the next field ("Discount if paid..."). If there is no discount, enter zero.

    - **Discount if paid before the....** The number of days within which a customer or your business can pay and receive a discount for early payment. Be sure to enter the discount percentage in the previous field ("Discount percentage...").

## Payment methods

Payment methods categorize payments from your customers. For example "barter", "cash", "check", or "American Express." When you receive payments from your customers, you can select a payment method and then sort your deposits by payment method and create reports based on payment method.

**Note:** If you're using QuickBooks to process credit and debit card transactions, you must first set up your Merchant Service account. When you open an existing credit card payment method, the "Merchant Service enabled" check box is selected. This check box must be selected to process the card type for a customer payment.

If you process your customers' credit or debit cards using Intuit GoPayments or your Merchant Services Portal, the payment method "Intuit Payment Method" will be on the list and cannot be changed.

**To add or edit a payment method:**

1. Choose Lists > Customer & Vendor Profile > Payment Method.
2. Add a new payment method or open an existing one.

**Add New Payment Method**

- Click the + menu at the bottom of the list.

- Or control-click anywhere in the list and choose New Payment Method from the shortcut menu.

**Edit Existing Payment Method**

- Double-click the payment method.
- Or select the name of the payment method and click the Edit button at the bottom of the list.

- Or in the Payment Method list, control-click the name of the other name you want to edit and choose Edit Payment Method from the shortcut menu.

Enter the text for the payment method.

3 (Optional) If you have Merchant Services activated to process credit and debit cards, you can turn this feature on or off by checking or unchecking "Merchant Service enabled."

4 (Optional) To mark a payment method inactive, select the Inactive check box.

5 (Add only) If you're adding a new payment method and want to add more, click Next.

6 Click OK.

# Other things you can do with lists

Once you get your lists set up, you can do different things like manage your lists.

## Merging list entries

In some lists, you can combine two list entries into one. For example, you may find that you've been using two customers (because of different spellings) when you really need only one on your Customer:Jobs list.

**Limitations:** You can merge list entries for these lists only: Chart of Accounts, Item, Customer:Jobs, Vendor, Employee, and Other Name. Once you merge two list entries, you can't go back.

**To merge list entries:**

1 Display the list that has the entries you want to merge.

2 Select the list entry whose name you DON'T want to use and edit it. Usually this means just double-clicking the entry name.

3 Change the list entry's name to be the same as the entry you're combining it with.

4 Click OK.

5 Click Yes to confirm that you want to merge the two list items under the same name.

# Exporting names for mail merge

You can select names and addresses from your QuickBooks records to merge with documents you create with a word processor. This feature works with all QuickBooks lists of names (Customer:Job, Vendor, Employee, and Other Names). For example, you can create a form letter to your vendors in your word processor and have your vendors' names and addresses incorporated automatically into the letter.

Watch how to export contact information to a mail merge file.
http://www.qblittlesquare.com/2011/06/exporting-contact-information-for-mail-merge/?utc_source=iph

**To export names for mail merge:**

1. Choose File > Export > Addresses To Text File.
2. In the Select Addresses for Export window, choose the names you want to merge.
3. (Optional) Select the "Include jobs" check box to include the jobs associated with the customers you selected. Select this check box ONLY if there is a different name or address for each job. If the customer name and address are the same for each job, leave the check box clear (otherwise, you'll end up with duplicate form letters to the same name and address).
4. Click OK.
5. Enter a filename for the names and addresses you selected. The file is a tab-delimited file that contains name and address information for the names you selected.

**Notes:**

- Each piece of information in a mail merge data file has a field name that you can use in a form letter. For example, the First Name field inserts the first name of each person when you print copies of the letter.
- Some of the fields let you use parts of an address instead of the entire address. For example, you can use the City field to mention a person's city within a sentence. QuickBooks also provides fields for placing the full block address at the beginning of a letter.

# Inactive list entries

When you mark a list item as inactive, it is hidden in any windows that use that list. For example, an inactive item from the Items list will be hidden in the Create Invoices window. Inactive list items still appear in reports and transactions. When you mark an item as inactive, its subitems are also marked inactive.

**To mark a list item as inactive:**

1. Open the list or center containing the entry you want to make inactive. For example, if you want to make a customer inactive, choose Customers > Customer Center to open the Customer Center.
2. Open the entry, and select the "Inactive" check box, and click OK.

**To view or hide inactive customers and vendors:**

1. For an inactive customers and vendors, choose the center for that item. For example, for customers, choose Customers > Customer Center to open the Customer Center.
2. At the bottom of the list, go to the View menu. Choose either “Active Customer” or “Inactive Customers.”

**To view or hide list items other than customer and vendors:**

1. From the Lists, Customers, or Vendors menu, choose the list containing the inactive items you want to hide.
2. Clear the “Include inactive” check box. Clearing the “Include inactive” check box hides all inactive items; selecting the “Include inactive” check box displays inactive items in gray.

## Deleting an item from a list

If an item is in use somewhere within your company file, QuickBooks will not let you delete it. For example, if you have entered a shipping method on an invoice, QuickBooks will not let you delete that shipping method from the Ship Via list, until you remove it from the transaction.

**To delete an item from a list:**

1. From the Lists menu, choose the list that contains the item.
2. Select the item you want to delete. Subitems: If the item you want to delete has subitems, either delete the subitems or move them to another part of the list. QuickBooks does not allow you to delete a list item that has subitems.
3. Choose Edit > Delete (or press ⌘D). The Delete command changes to indicate the type of item you are deleting. For example, if you are deleting a name from the Employee list, the command becomes Delete Employee.
4. If you delete an item by mistake, choose Edit > Undo immediately.

## Adding what’s important to you with Custom Fields

Need to add your own data, your own way? Custom fields can get it done. Add custom information to your items such as Color or Material to your items. For the people related to your business (customers, vendors, employees), add information that’s important to you such as birthdays or the names of spouses.

**Note:** If you memorize a transaction that has a custom field, QuickBooks memorizes what you entered in the field along with the other details of the transaction. If you export a list that contains data in custom fields, QuickBooks exports that data along with the other data from the list.

## Adding custom fields

**To add custom fields for customers, vendors, and employee**

1. From the Lists menu, edit a customer, vendor, or employee.
2. On the Additional Info pane, click Define Fields.
3. For each field:
   - Enter the name of the field in the label column.
   - Select the lists where you want the field to appear.

- **Note:** You can select a custom field for all three lists (customer, vendor, employee), but each list can only have a total of seven custom fields.

4. Click OK.

**To add custom fields to items**

1. On the Items list, edit an item.
2. Click Custom fields. If you already have custom fields, you'll see them here.
3. Click Define Fields.
4. For each new custom field:
   - Enter the name of the field.
   - Select the Use check box.

- **Note:** Custom fields are available for all item types except subtotals, sales tax items, and sales tax groups.

5. Click OK.
6. (Optional) Fill in the fields for this item. If you fill in information for a field, the information you enter transfers automatically to any custom form where the field appears. For example, if the field is named "Color" and you've entered "navy blue" as the color of a particular item, the Color field on your sales forms prefills to "navy blue" each time you enter a sale of the item. Leave a field blank if you'd prefer to fill it in at the time you make a sale, write a purchase order, or prepare an estimate.

**To remove or rename a custom field throughout QuickBooks**

Keep in mind that changes to custom fields affects all transactions and reports where the custom field appears. For example, if you change a name from "Sales Region" to "State," a previous transaction where you entered "Far West" as the sales region now shows "Far West" as the state. This kind of mismatch also affects reports that show transactions you entered before you changed the field name.

1. Edit a customer, vendor, employee, or item you want rename.
2. For customers, vendors, and employees, go to the Additional Info pane. For items, click Custom Fields.
3. Click Define Fields.
4. In the Define Fields window, change the name of the field. Or, to the custom field, just clear the field

name.

5 Click OK.

**To rename or remove a custom field on forms only**

When you change the field name on forms ONLY, QuickBooks retains the old name in the Report Filters window (this is the window where you restrict the content of a report to those transactions that match specific information in one or more of your custom fields). For example, if you change the field name from "Lease ending date" to "Lease ends" on your forms, the Report Filters window still shows "Lease ending date" as the name of the field. You can still filter for information you entered in the field, even though the name of the field is now different on your forms.

1 Display the invoice, sales receipt, estimate, credit memo, statement, or purchase order you want to customize. For example, to display an invoice, choose Customers > Create Invoices.

2 Click Customize to open Layout Designer.

3 In the Layout Designer Fields window, rename the desired custom field. Or, to remove the field, clear the check boxes next to the custom field name.

4 Save the form template. Now, only when you use that template, you'll see the change only on the form.

**To use custom fields in reports**

If you use custom fields in transactions, you can base your reports on data you've entered into the fields. You can restrict the report so that it shows only transactions associated with a particular entry in one of the fields (this is called filtering).

**Restriction:** You can report only on custom fields that are associated with transactions (that is, a customer, vendor, employee, or item that uses the field must appear on a transaction). Reports cannot show which names on a list (Customer:Job, Vendor, Employee) are associated with a particular custom field.

1 From the Reports menu, choose the type of report you'd like to create.

2 In the report window, click Filters.

3 Choose the custom field you want to use from the Add filter list.

4 Enter the information you want to restrict the report to. For example, if one of your custom fields is Color and you wanted the report to show only sales of navy blue items, enter "navy blue" in the Color field.

# Tips and tricks: Quick Add and Setup

You can add to any of your QuickBooks lists while you are in the middle of another task. For example, if you're writing an invoice to a new customer and you type your new customer's name in the Customer:Job field, QuickBooks asks whether you want to "Quick Add" or "Set Up" the name.

- **Quick Add.** Add only the name or item to your list. Later, if you want to add more information about the name or item, you can edit its record in the list itself.

- **Set Up.** Add additional information about the name or item, such as an address or phone number. QuickBooks then displays a window where you can enter the information.

CHAPTER 3

# Accounts

If you were using pen and paper to run your business, you might use the old shoe box method of tracking your transactions, sorting all your transactions by keeping them in labeled boxes. In QuickBooks, accounts work kind of the same way. Your QuickBooks transactions are associated with an account, and your accounts are listed in your Chart of Accounts. So your accounts are like the shoe boxes, and the Chart of Accounts is like the closet you keep them in.

**Important:** One mistake new QuickBooks users sometimes make is thinking that their Chart of Accounts lists only bank accounts. It's true that your bank accounts are listed in your Chart of Accounts, but so are your expense accounts, income accounts, and others.

We've got a great video on Little Square that gives you an overview of accounts and why they are important to your business:
http://www.qblittlesquare.com/2011/01/video-bookkeeping-101/

## Types of accounts

There are two main types of accounts: balance sheet accounts and income/expense accounts.

### Balance sheet accounts

A **balance sheet account** is an account that appears on a balance sheet report. This report summarizes the financial position of a business. A balance sheet shows the value of your company's assets, liabilities, and equity as of a particular day. It is called a balance sheet because the value of the assets is always exactly equal to the combined value of the liabilities and equity.

- **Bank account**—Checking, savings, and money market accounts. Add one bank account for every account your company has at a bank or other financial institution. (You can also use this type for petty cash.)
- **Accounts receivable (A/R)**—Transactions related to the customers that owe you money, including invoices, payments, deposits of payments, refunds, credit memos, and statements. Most companies have only one A/R account.
- **Other current asset**—Assets that are likely to be converted to cash or used up within one year, such as petty cash,

notes receivable due within a year, prepaid expenses, and security deposits.

- **Fixed asset**—Long-term notes receivable and depreciable assets your company owns that aren't likely to be converted into cash within a year, such as equipment or furniture.
- **Accounts payable (A/P)**—Your company's outstanding bills, bill payments, and any credit you have with vendors.
- **Credit card**—Credit card purchases, bills, and payments.
- **Current liability**—Liabilities that are scheduled to be paid within one year, such as sales tax, accrued or deferred salaries, and short-term loans.
- **Long-term liability**—Liabilities such as loans or mortgages scheduled to be paid over periods longer than one year.
- **Equity**—Owner's equity, including capital investment, drawings, and retained earnings.

## Income and expense accounts

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

To display a balance for income and expense accounts, choose Reports > Company & Financial > Profit & Loss, or select the income or expense account in the chart of accounts and then choose QuickReport from the Action pop-up menu ( ).

# Your Chart of Accounts

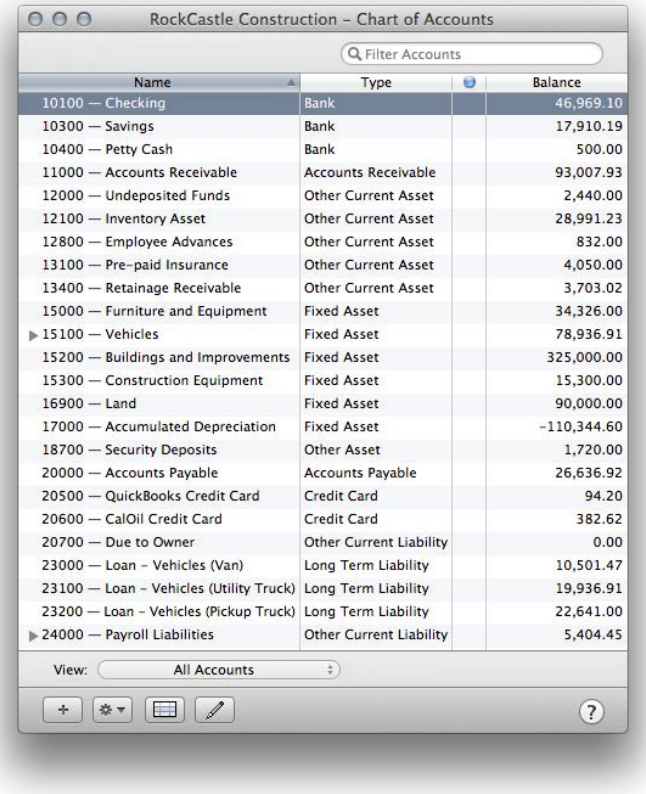
Remember in the previous section, I talked about accounts being like shoe boxes where you kept the records of all your transactions? Well, you'll need someplace to store and manage those shoe boxes and that's where the **Chart of Accounts** comes in.

Your chart of accounts is a complete list of a business's accounts and their balances. You use it to track how much money your company has, how much money it owes, how much money is coming in, and how much is going out.

The Chart of Accounts shows the name and type of each account in your company. When you set up your company file, QuickBooks sets up certain accounts for you automatically. As your business grows or changes, you can add new accounts to your Chart of Accounts to better organize your finances. For example you might want to create expense accounts to track office supply purchases separately from advertising costs.

The Chart of Accounts lists the name of each account, the type of account, and the balance. If the account shows a blue dot ( ) in the last column, then online banking is enabled for that account.

- **To open the Chart of Accounts.** Choose Lists > Chart of Accounts.




- **To add an account.** Click + at the bottom of the Chart of Accounts and enter information for the account.
- **To edit an account.** Select the account name, click Edit at the bottom of the Chart of Accounts, then change information for the account.
- **To open the register for an account.** Double-click the name of an account to open the register. Or click Open Register at the bottom of the Chart of Accounts.
- **To show only active or inactive accounts.** Use the View menu at the bottom of the Chart of Accounts to change the view to show only Active Accounts or Inactive Accounts. To make an account active or inactive, edit the account and check or uncheck "Inactive." Or Control-click the account name and choose Make Account Inactive or Make Account Active.
- **To reorder the accounts in the list.** On the Action () menu, be sure Enable Custom Ordering is checked. Then you can drag and drop account names where you want them to appear in the list. When Enable Custom Ordering is unchecked, the list uses the default ordering of account names. In any case, all of the account names of a given account type will appear together. For example, you can drag an expense account to a different place within the list of expense accounts, but not to the middle of your income accounts.
- **To change the view.** By default, QuickBooks lists accounts in a hierarchy. Click the arrow beside an account name to view its subaccounts. You can also choose Flat View from the Action menu () that lists each entry as the account name plus any subaccount name. You can change the view by selecting Hierarchical View or Flat View from the Action menu.

## Adding or editing accounts

When you set up your company file, QuickBooks sets up certain accounts for you automatically. As your business grows or changes, you can add new accounts to your Chart of Accounts to better organize your finances. For example you might want to create expense accounts to track office supply purchases separately from advertising costs.

**To add or edit a new account:**

1 Choose Lists > Chart of Accounts.

2 To add an account, click + at the bottom of the Chart of Accounts.

3 To edit an account, select the account name and click Edit at the bottom of the Chart of Accounts.

4 Use the options below to set up your account. You'll see some subset of these options, depending on what type of account you're creating. For example, you'll only see the Bank No option when you're creating a Bank account.

- **Type**—The type of account you are creating.
- **Number**—The account number you want to give the account. (If you don't see the number field, choose QuickBooks > Preferences and then click Transactions. Select the "Use account numbers" check box.)
- **Name**—The name you want to give the account.
- **Description**—A description for the account and/or bank or credit card number.
- **Bank No**—The number of the bank account associated with this account, such as your checking account number.
- **Subaccount of**—Makes the account the subaccount of an existing account. From the list, select the account that will be the higher-level account for this subaccount.
- **Tax Line**—Do you want to report this type of income or expense on your income tax forms?
  - If you do: Choose a tax line to associate with this account from the Tax Line list. The type of tax form you chose in the New Company Setup Assistant interview or Company Information window determines the income tax lines that QuickBooks displays in the pop-up menu. For example, if you specified that you file the Form 1040, you could associate an automobile expense account with the Schedule C: Car and truck expenses tax line.
  - If you don't: Choose <Not tax-related> from the Tax Line list.

- Check with your accountant if you need more information about which tax forms to use and which tax lines to map to each account.

- **Account is inactive**—Makes the account inactive. You can then hide inactive accounts by selecting "Active Accounts" in the View menu at the bottom of the Chart of Accounts list.
- **Is a payroll account**—Marks the account as one that you use for payroll. Payroll information is very sensitive, so it's important to think about setting payroll accounts if you have more than one user. Only users with access to Payroll will be able to see transactions in these accounts. In addition to marking accounts as payroll accounts in the Edit Account window, you can choose QuickBooks Preferences, Users and Password, Set Payroll Accounts to mark multiple accounts at once.
- **Online Settings**—If you use online banking with this account, click Online Setup to see the settings for your online banking. If you do not have online banking set up for this account and want to do so, choose Banking > Online Banking Setup and follow the screen instructions. If you do have online banking setup for this account and want to disable it, select "Not Enabled" from the Download Transactions list.
- **Opening Balance**—Enter an opening balance for a balance sheet account.
  - **If you acquired the account before your QuickBooks start date:** See the QuickBooks User's Guide for details on how to calculate the opening balance.
  - **If you acquired the account after your QuickBooks start date:** Leave the opening balance at 0.00 and enter the opening balance as a transaction in QuickBooks. For example, if you open a new savings account using $500 from your checking account, enter a check for $500 and assign the transaction to the new savings account in the detail area of the check.

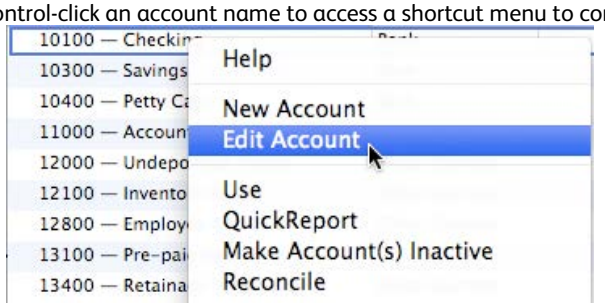
**Some advice on creating accounts:**

- **Don't create too many accounts.** Too much detail can be burdensome. You can always see the details by running a detailed report.
- **Be as descriptive as possible when naming your accounts.** Descriptive names help you find the correct account quickly and easily.
- **Be consistent when entering your transactions.** For meaningful reports and comparisons, it's very important to use the same accounts for the same transactions each time.

**Tips and tricks on using your Chart of Accounts**

Try these tips and tricks to make using the Chart of Accounts even easier.

- Customize the color of an account. Double-click any account name that has a register and is the type you want to change. Then choose Edit > Change Account Color. (You can only color-code balance sheet accounts, that is, accounts with registers.
- Sort information by clicking the column titles.
- Rearrange the columns by clicking and dragging the top of a column to move it to another location.
- Select multiple names in one of these ways:
    - Shift-click to select a range of names. Select the first name you want, hold down the Shift key, and then select the last name in the range.
    - Command-click to select a group of nonadjacent names. Select a name, hold down the Command key (⌘), and then select each additional name.
    - Command-A to select all names. No need to click; just press Command-A to select the entire list.
- Control-click an account name to access a shortcut menu to common tasks.




## Adding subaccounts

Subaccounts let you track several related types of income or expenses independently, yet keep them all under the "umbrella" of a single parent account. For example, if your business has substantial advertising expenses, you could

divide your Advertising expense account into several subaccounts:

Advertising

Directing Mailings

Newspaper Ads

Signs

Yellow Pages Listing

Your reports will now show subtotals for the various ways that you advertise as well as the total for all of your advertising.

**To add a new subaccount:**

1. Create a new account as described in the previous section. The account type must be the same as the parent account. For example, if the parent account is an expense account, the subaccount must be an expense account also.
2. Select the "Subaccount of" check box.
3. From the list, choose the account that you want to be the parent account.
4. Click OK.

**To turn an existing account into a subaccount:**

1. Choose Lists > Chart of Accounts.
2. Select the account you want to make a subaccount and click Edit at the bottom of the Chart of Accounts.
3. Select the "Subaccount of" check box. From the list, select the account that will be the higher-level account for this subaccount.
4. Click OK.

**Note:** You can also select the account then drag and drop it under the name of the account you want to make it a subaccount of.

**What happens**

The balances of subaccounts are added to their parent account balance in the chart of accounts. The register of a parent account shows all the transactions in the subaccounts.

When you reconcile a balance sheet account that has subaccounts (such as a joint checking account), reconcile the parent account, so that you reconcile all transactions for that account.

# Deleting an account

You can delete an account only when it:

- is not used in any transactions.
- is not assigned to any line items.
- does not have subaccounts.

**To find transactions that use an account:**

- For balance sheet accounts only, double-click the account in the chart of accounts to display its account register.
- For income and expense accounts only, double-click the account in the chart of accounts to display its QuickReport.
- For all accounts, create a Transaction Detail by Account report by choosing Reports | Accountant & Taxes | Transaction Detail By Account.

**To delete an account:**

1. Choose Lists > Chart of Accounts.
2. Select the account you want to delete.
3. Choose Edit > Delete Account.

**Notes**

- **Subaccounts.** If the account has subaccounts, either move the subaccounts to another parent account, or delete the subaccounts before you delete the parent account.
- **Merging accounts.** Consider merging the account with another account instead of deleting it (before deleting the account, you would have to reassign all the transactions that post to the account).

# Numbering your accounts

You can set up your Chart of Accounts to show an account number next to each account name.

**To set up account numbering:**

1. Choose QuickBooks > Preferences and then click Transactions.
2. Select the “Use account numbers” check box.
3. (Optional) Select the “Show lowest subaccount only” check box. This option shows you only the account you are working with when entering transactions.
4. For example, the expense account on a check would be shortened to:

5411-Main
rather than the full account path:

5. 5400-Rent: 5410-Office: 5411-Main

**To number your accounts:**

1. Choose Lists > Chart of Accounts.
2. Select the account name and click Edit at the bottom of the Chart of Accounts.
3. In the Number field, enter the number of the account. You do not have to assign account numbers to your Sales Tax Payable or Undeposited Funds accounts. QuickBooks assigns numbers to these accounts automatically.

**Notes**

- QuickBooks inserts the account number before the account name in the chart of accounts. The account number also appears in Account fields, in reports that list the account, and on graphs.
- If you turn off account numbers, QuickBooks does not display numbers for accounts. However, it saves numbers you already entered, and displays them if you turn the preference on again.

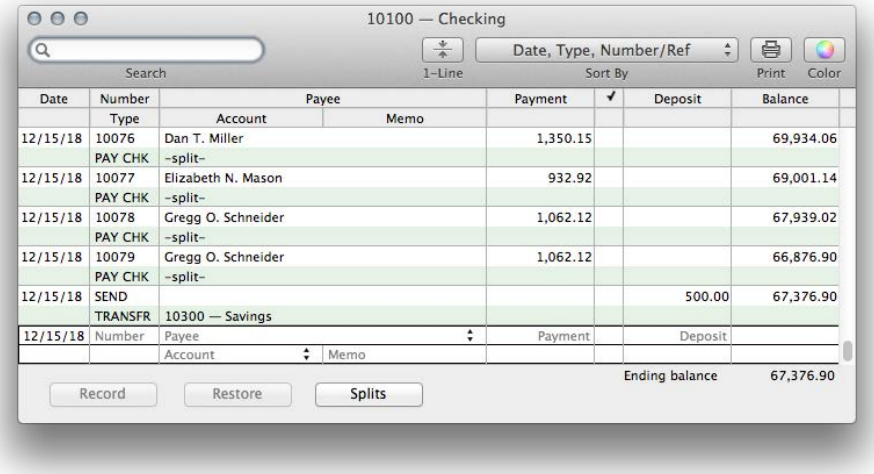
## Combining two accounts

Combine two accounts of the same type into a single account if you want to see those accounts represented by a single line in your reports.

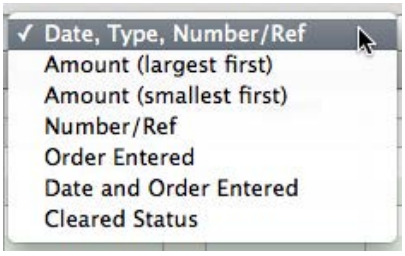
**To combine two accounts:**

1. Choose Lists > Chart of Accounts.
2. Make sure that the accounts you want to merge are at the same hierarchical level. How do I move an account? Drag and drop the account name to the level on the hierarchy where you want it to be. If you make a mistake, press Control-Z to undo the move.
3. Select the account whose name you DON'T want to use for the merged account.
4. Choose Edit at the bottom of the Chart of Accounts.
5. Change the account name so that it is the same as the account you're merging it with.
6. Click OK.
7. When prompted to merge the selected accounts, click Yes.
8. Click Merge Accounts to confirm that you want to merge the two accounts.

# Working with registers




Registers help you track what goes on in your accounts. Every balance sheet account in your Chart of Accounts has its own register that lists, in chronological order, all the transactions in the account. You can choose to list the transactions by date, type, and number/reference (the default, or by a number of other criteria.




**Tip:** Use the search field, in the upper left, to further refine your search. Just remember, QuickBooks is pretty literal. If you type "12" in the search field, you'll get transactions from December, from 2012, and with 12 in the amount, among other things. If you want to search for transactions dated in December, and your dates appear as mm/dd/yy, you could type "12/" in the search field.

**Note:** You set how the date appears in your register (and elsewhere) using Mac OS X System Preferences > Language & Region.

If you're familiar with adjusting entries in a general journal, you can use the General Journal Entry window to enter debits and credits. (QuickBooks provides the general journal for bookkeepers who know debits from credits and who prefer to enter certain transactions in a general journal.)

# Opening a register

You can open an account's register at any time.

**From the Chart of Accounts:**

- Double-click the name of the balance sheet account whose register you'd like to open.
- Click Open Register at the bottom of the Chart of Accounts.

**From a form (check, invoice, etc.):**

With the form open:

- Choose Edit > Use Register.
- Press R.

**What happens?**

QuickBooks opens the register for the account where the check, invoice, bill, or credit card charge originated. For example, if you are viewing an invoice, QuickBooks opens the register for the accounts receivable account where the invoice was recorded.

**What about income and expense accounts?**

These types of accounts do not have registers in QuickBooks. If you need to see a list of the year-to-date transactions for an income or expense account, select the name of the account, and then choose QuickReport from the Action pop-up menu (⚙).

# Editing a transaction in a register

With some exceptions (see "Restrictions" below), you can go to a register to edit a transaction. This can save time if the transactions you want to edit have relatively few distribution lines and you do not need to track the costs of specific items.

**To edit a transaction in a register:**

1. Open the register where the transaction appears.
2. Go to the transaction. If you're not sure where the transaction is, you can either scroll the register to see if you can spot the transaction, or you can use the Go To feature (Edit > Go To) to jump to the first transaction that contains a particular payee name, amount, memo, or transaction number.
3. In the transaction, edit the fields you want to change.

**Restrictions**

You can edit deposits (designated by DEP in the Type field) without restrictions. You can edit split amounts for checks (CHK), credit card charges (CC), credit card credits (CC CRED), bills (BILL), and vendor credits (BILLCRED) if all the amounts are assigned to expense accounts (if any amount is assigned to an item, you must double-click the transaction to edit the split amounts). For all other kinds of transactions, only certain fields can be edited directly in the register. To edit one of these transactions without restrictions, double-click the transaction to display it in its complete form.

## Entering split transactions

When you enter a transaction in a register, you can "split" the transaction to different accounts, customers, jobs, or classes, so that you can keep track of how much you're spending on each account, customer, job, or class. From the register, you can also view split transactions that you entered by using the Expenses tab in the Write Checks, Enter Bills, Enter Credit Card Charges, or Create Item Receipts windows.

**Restriction:** From a register, you cannot view or enter a split transaction that tracks items.

**To enter split transactions:**

1. In the account's register, select the transaction you want to split, or click in the blank entry at the end of the register.
2. Enter the payee, vendor, or name.
3. Enter the total amount of the transaction in the payment field. If you don't know the total, leave the Amount field blank. QuickBooks totals the amount as you fill in the splits and displays it in the Payment field.
4. Click Splits.
5. In the Account field, enter an account.
6. In the Amount field, enter the amount to be assigned to this account. QuickBooks subtracts the amount entered from the total amount and displays the remainder on the next free line of the Splits window. If you left the transaction amount blank, QuickBooks adds the split amount to the transaction amount.
7. (Optional) Enter a note about the split amount in the Memo field.
8. (Optional) Enter the name of a customer or job in the Customer:Job field. In the column, indicate whether the expense is billable to that customer:
   - If the expense is billable, do not change the invoice icon next to the customer's name.
   - If it is not, click the invoice icon next to the customer's name. This marks an "X" through the icon. (Clicking again removes the "X.")
9. (Optional) Enter a class in the Class field. The class field appears only when you select the "Use Class Tracking" check box (choose QuickBooks > Preferences and click Transactions).
10. Continue to add accounts and amounts (and customers, jobs, or classes if needed) until you have added one line for each part of the transaction.
11. If the split amounts don't add up: As you enter amounts in the Splits window, QuickBooks enters the remainder on the next free line. Sometimes the total of the amounts entered in the Splits

window doesn't equal the figure you originally entered in the register. This happens when you delete a splits line or change the total amount in the register. To balance your transaction, click the Recalc button in the Splits window.

## Changing an opening balance

Normally, when you create a balance sheet account, you'll enter a starting balance for it. But there are times when you might either skip this step or find a need to change that balance.

First of all, I want to talk about what an opening balance is. In a nutshell, it's the amount of money or the value of an account when you start using QuickBooks. So if you have $5000 in savings account when you start using QuickBooks, you enter that as your opening balance when you create that account.

- If you don't have any transactions recorded for that account, just edit the account and enter an opening balance.
- If you've already got transactions recorded, then open the Chart of Accounts and double-click the account to open the register. Look for the Opening Balance Equity entry and change it to the correct amount.
- If you don't have an Open Balance Equity entry in your account's register, you need to add one. Add a transaction to the register with Opening Balance Equity as the description and a date you want to record for the opening balance. Enter the opening balance amount:
    - In a bank account, enter the amount in the Deposit column.
    - In an asset, liability, or equity account, enter the amount in the Increase column.
    - In a credit card account, enter the amount in the Charge column.

**To see how this works, check out this video on Little Square:**
http://www.qblittlesquare.com/2011/05/adding-or-changing-an-opening-balance/

## Changing an account's color

When you change an account's color, your change affects the account's register and associated data entry forms. For example, if you make your checking account blue, both the register and the Write Checks window for that account will be blue.

Changing an account's color is useful if you have several accounts of the same type, such as two or three checking accounts. You may want to make each account a different color to avoid mistakenly writing checks from the wrong account.

**To change an account's color**

1. In the Chart of Accounts, double-click the account you want to change to open the register.
2. Choose Edit | Change Account Color to display a standard color palette like the one shown here:
3. Click to select the color you prefer. The register or form changes color immediately.

4 Click the color palette's close button to dismiss it.

**Note:** You can only change the color of balance sheet accounts, that is, accounts with registers.

## Moving a transaction to a different account

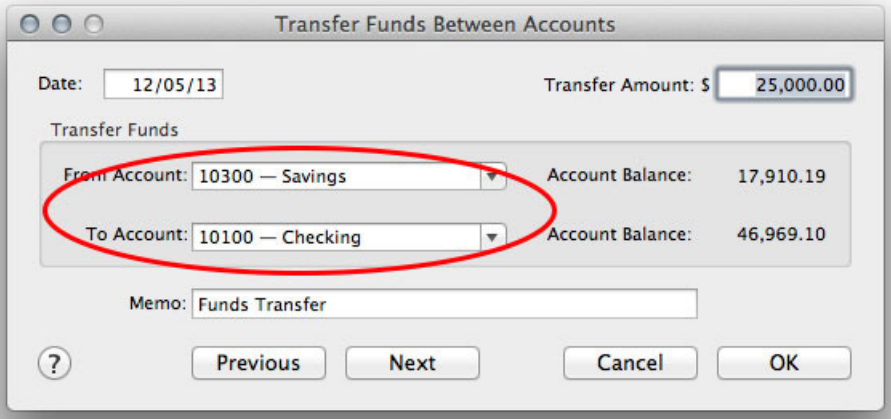
If you enter a transaction into the wrong account, you can easily correct your mistake without having to re-enter the transaction.

**To move a transaction to a different account:**

1 Open the register where you mistakenly entered the transaction.

2 Double-click the transaction.

3 Select the correct account from the Account pop-up menu.




## Using a general journal

If you're familiar with adjusting entries in a general journal, you can use the General Journal Entry window to enter debits and credits.

**Important:** QuickBooks provides the general journal for bookkeepers who know debits from credits and who prefer to enter certain transactions in a general journal. If you are unfamiliar with how a general journal works, use the Transaction Center or the icons on the Home Page instead.

**To make a journal entry:**

1 Choose Banking > Make General Journal Entries.

Note: You can also make journal entries using the Transaction Center.

2. To enter a new entry, click the "New Entry..." on the left panel or click the + at the bottom of the list. To edit a check, select a check in the list on the left panel. (If you don't see this list, click the Left View.)

3. If you want the date of the transaction to be different than today's date, change the date that QuickBooks filled in.
4. Fill in the entry number of the transaction.
5. In the Account column of the detail area, enter the first account in your transaction. Then enter the debit or credit amount, your memo about the amount, and a source name. If the "Use Class Tracking" preference is in effect, you can enter a class in the Class column.
6. Enter additional distribution lines until the transaction reaches a zero balance (the total in the Debit column should equal the total in the Credit column).

The entry appears in the register for any balance sheet account involved, and in reports showing any income or expense for the accounts you included.

If you are using QuickBooks for Mac 2014 or later, you can import general journal entries.

This is useful if you work with an accountant who uses a non-Mac version of QuickBooks. Your accountant can make journal entries while you continue to work in your company file. When your accountant is done, he or she sends you a QBJ file which you use to import the general journal entries.

**To import general journal entries:**

1. Choose File > Import > General Journal Entries.
2. Select the .qbj file containing the entries you want to import, and click Open.
3. Select the journal entries you want to import, or click Select All, then click Import.
4. Click OK to back up your company file.
5. Review the entries that were posted, if you'd like, then click OK.

The entries appear in registers, reports, and in the General Journal window, just like they would if you had entered them manually.

**To print a journal entry:**

1. Choose the journal entry you want to print from the list on the left side of the window, if you're not already looking at it.
2. Click .
3. On the print screen, check to make sure everything looks okay and that you've chosen the right

printer.

4 Click Print.

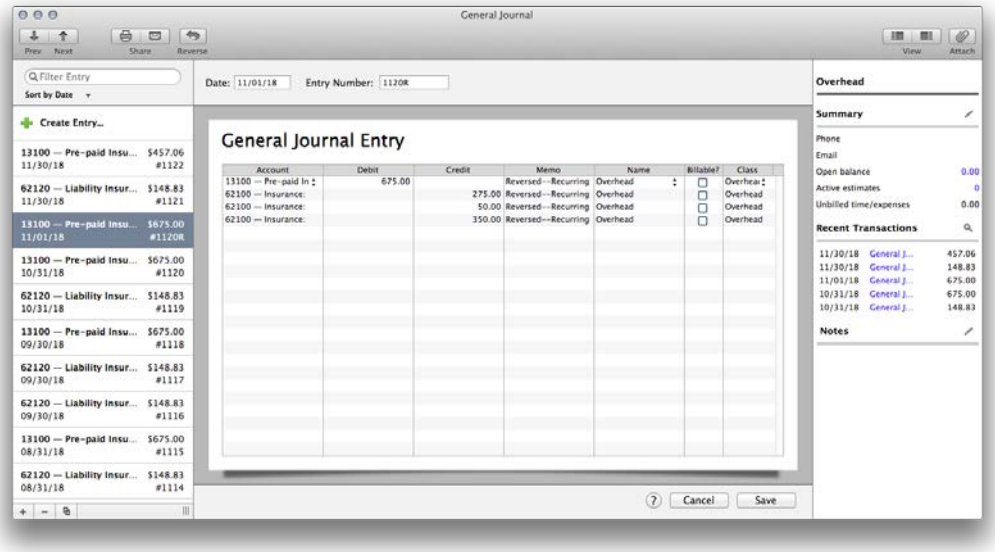
**To reverse a journal entry:**

1 Choose the journal entry you want to reverse from the list on the left side of the window, if you're not already looking at it.

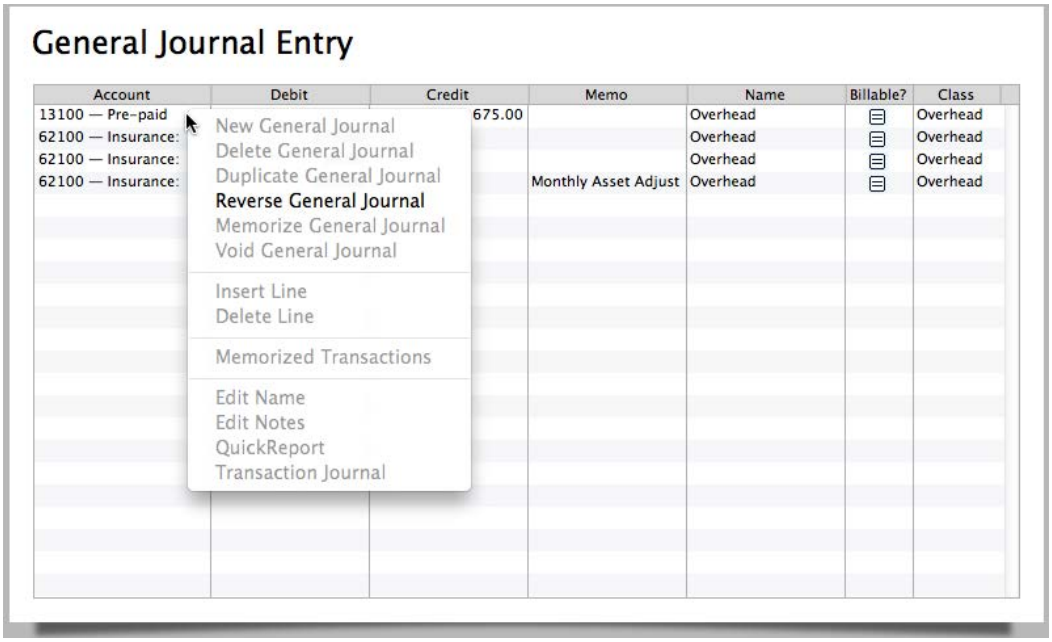
2 Click

.

3 Click Save.
You'll see a new journal entry with "R" next to the entry number and any debit and credit amounts reversed. The new entry is dated the first day of the next month following the original transaction.




You can also right-click a journal entry and choose Reverse General Journal.


General Journal Entry
Account
Debit
Credit
Memo
Name
Billable?
Class
13100 — Pre-paid
675.00
Overhead
Overhead
62100 — Insurance:
Overhead
Overhead
62100 — Insurance:
Overhead
Overhead
62100 — Insurance:
Monthly Asset Adjust
Overhead
Overhead
New General Journal
Delete General Journal
Duplicate General Journal
Reverse General Journal
Memorize General Journal
Void General Journal
Insert Line
Delete Line
Memorized Transactions
Edit Name
Edit Notes
QuickReport
Transaction Journal

CHAPTER 4

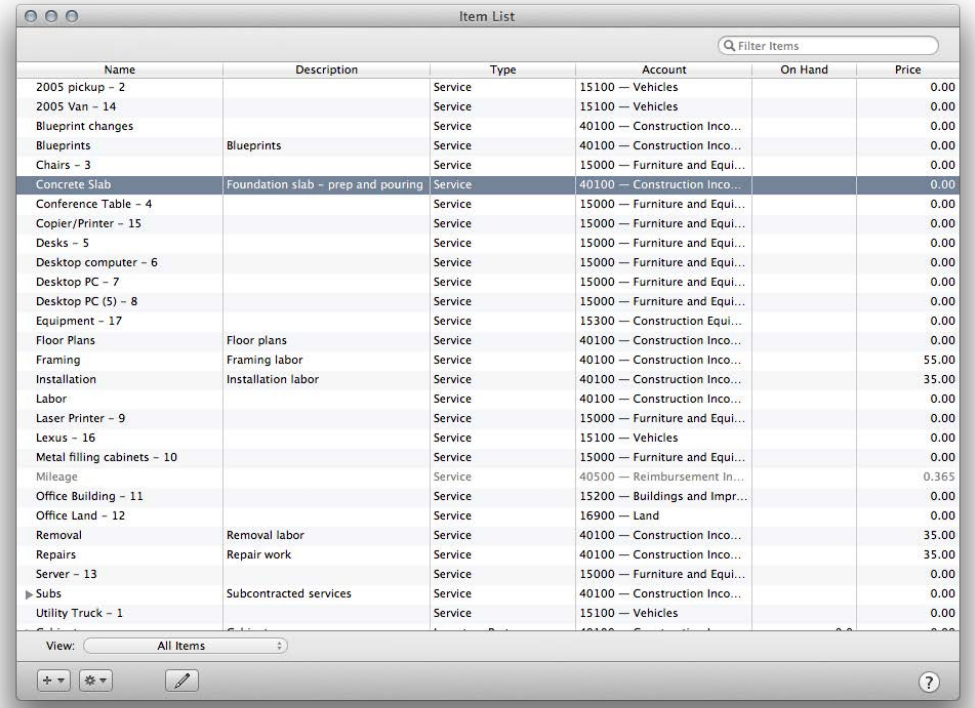
# Items

When the QuickBooks term “items” comes up, many users immediately think “inventory”—that is, things that retail businesses sell. Service business owners may wonder why they need to fool around with items, since they sell services rather than physical things.

Whatever your business, you’ll need to use items. If you buy it or sell it, it’s an item—whether it’s a physical thing or a service. In a doctor’s office, an exam is an item. For a writer, a blog post is an item. For a lawyer, a courtroom appearance is an item.

Items can also be discounts, sales tax, and subtotals. QuickBooks for Mac has ten different types of items you can use for forms and reports.

Items permeate the QuickBooks landscape, acting as key components in everything from jobs to invoices, accounts to reports. So where can you find all these items? First and foremost, in the Items list (List > Items)—one of the three major lists in QuickBooks. (The other two are the customers and vendors lists.)




# Types of items

QuickBooks provides ten types of items to help you fill out sales and purchase forms quickly.

- Service. Use for services you either charge for or purchase, such as specialized labor and consulting hours.
- Inventory part. Use for merchandise or parts you purchase, track as inventory, and then resell.
- Non-inventory part. Use for materials or parts you buy but don't keep on hand as inventory. These can be either part of your overhead (for example, office supplies), or they can be materials you buy to finish a specific job and charge back to your customer.
- Other charge. Use for miscellaneous charges that are not services, labor, materials, or parts. Examples include delivery charges, setup fees, and service charges.
- Subtotal. Use for calculating a subtotal. You must use a subtotal item before calculating a discount or a charge that covers several items.
- Group. Use for fast entry of a group of individual items already on the Items list.
- Discount. Use for an amount to be subtracted from the total. If you are applying the discount to more than one

item, you must first use a subtotal item and then apply the discount to the subtotal.

- Payment. Use for a payment you received at the time you write an invoice. A payment item reduces the amount owed on an invoice.
- Sales tax item. Use for calculating a single sales tax.
- Sales tax group. Use for calculating two or more sales taxes grouped together and applied to the same sale.

# Adding or editing items

When you choose an item throughout QuickBooks, such as on an invoice, QuickBooks fills in a description of the line item and calculates its amount for you. Add items to your Items list so you can select them in other areas of QuickBooks.

**To add or edit an item:**

1. Choose Lists > Items.
2. Add a new item or open an existing item.
   - To add new Item, click the + menu at the bottom of the item list.
   - To edit an existing item:
     - Double-click the item name.
     - Or select the name of the item and click the Edit button at the bottom of the list.
     - Or in the Items list, Control-click the name of the item you want to edit and choose Edit Item from the shortcut menu.
3. From the Type pop-up menu, choose the item type. I'll go into what to enter for each item type in the following sections. One thing to keep in mind is that, you can change an item's type only under these circumstances:
   - **Service, Non-inventory Part, or Other Charge.** A service, non-inventory part, other charge, or inventory part item. If you are changing the item to an inventory part item, the "as of" date you enter for the total value of the item must be a date that is AFTER the date of the last transaction that uses the item. Note: You cannot change a Service item to any other type. You can change Charge and Non-Inventory parts to Service and Inventory types.
   - **Anything else.** Nothing else. You must leave the item type as it is.
4. Enter the item name, as you want it to appear on purchase and sales forms.
5. Enter the item description, as you want it to appear on purchase and sales forms. You can enter multiple lines for your description, up to 4095 characters. Use Option-Return to put in a line break.
6. In the Rate field, enter the amount you want to charge for the item.
7. In the Account field, choose the account that is associated with this item. (In most cases, you will assign the item to an income account.)
8. Click OK or Next (if you want to enter another item).

# Creating service, non-inventory part, or other charge items

QuickBooks provides three different item types for products or services that you EITHER buy or sell.

- **Service**—Services that you either charge for or purchase. Examples include specialized labor and consulting.
- **Non-inventory Part**—Materials or parts you buy but don't keep on hand as inventory. These can be either part of your overhead (for example, office supplies), or they can be materials you buy to finish a specific job and charge back to your customer.
- **Other Charge**—Miscellaneous charges that are not services, labor, materials, or parts. Examples include delivery fees, setup fees, and service charges.

If you have products or services that you both purchase and sell, see the information about inventory items and subcontracted services.

**To create items for non-inventory sales or purchases:**

1. Decide whether the new item will represent purchases or sales. It CANNOT represent both.
   - **Purchases**—You'll be able to use the item on purchase orders and create purchase reports that show units purchased and amounts spent by item.
   - **Sales**—You'll be able to use the item on sales forms and create sales reports that show units sold and sales by item.
2. Choose Lists > Items.
3. Choose New from the Action pop-up menu ().
4. From the Type list in the New Item window, choose the item type.
5. Enter an item name or number. What you enter here appears on the list of items when you are filling out a sales form or purchase order. Enter a name or number that will help you distinguish this item from all the others on the list.
6. Enter a description of the item. The description prefills on sales forms or purchase orders when you use the item. Enter the description, as you would like your customers — or vendors — to see it.
7. Enter the rate, price, or amount:
   - Service—The RATE for the service. The amount can be either a flat fee or an hourly rate. If you purchase this service, enter the vendor's rate. If you sell this service, enter the rate you charge your customers.
   - Non-inventory part—The PRICE of the part. If you purchase this part, enter the vendor's price. If you sell this part, enter the price you charge your customers.
   - Other charge—The AMOUNT of the charge. You can enter either a dollar amount or a percentage. If the amount is a percentage, be sure to include a % sign.
   - Enter an account for the item:
   - Sales—The name of the INCOME account you use to track income from this item.
   - Purchases—The name of the EXPENSE account you use to track purchases of this item.
8. (Sales only) If you don't charge sales tax for this item, clear the Taxable check box.

9 (Optional) Fill in any custom fields that apply to this item.

10 To mark an item as inactive, select the Inactive check box.

11 Click OK.

## Creating items for inventory

Use inventory part items to represent materials or parts you buy, track as inventory, and then resell. You can keep track of how many items remain in stock after a sale, how many items you have on order, your cost of goods sold, and the value of your inventory.

**To create items for inventory:**

1 Choose Lists > Items.

2 Click the + at the bottom of the list.

3 Choose Inventory Part from the Type pop-up menu. If Inventory Part isn't on the list, you need to turn inventory tracking on. Choose QuickBooks > Preferences and then click Inventory. Select the "Inventory and purchase orders are active" check box.

4 Enter an item name or number. You may use letters or numbers, up to a maximum of 31 characters. The item name you enter here appears on the Item list you choose from while entering a sale or purchase. It prints on invoices, sales receipts, estimates, or purchase orders only if you print Item columns.

5 Fill in the Purchase Information fields. QuickBooks uses the purchase cost and purchase description you enter here on purchase orders, and checks, credit cards, and bills you use to pay for this item.

- **Description on Purchase Transactions**—What you enter here appears in the Description column of checks, bills, credit card charges, and item receipts when you reorder the item. Your description may be up to three lines in length. You can edit the description when you are filling out a purchase order.
- **Cost**—Enter the cost you expect to pay when you order or buy this item. You can change the cost at the time you purchase the item.
- **COGS Account**—Select a different cost of goods sold account if you don't want to use the preset account. The type of this account should be "Cost of Goods Sold." QuickBooks calculates the cost by using the average cost of the items in stock at the time of sale.
- **Preferred Vendor**—Enter the name of your preferred vendor for this item. This information appears on the stock status report and the physical inventory worksheet.

6 Fill in the Sales Information you show to customers. QuickBooks uses the sales description and sales price on invoices, cash sales, and credit memos relating to this item.

- **Description on Sales Transactions**—You can edit the description on any sales form.
- **Sales Price**—If your sales price varies, you can leave the field blank.
- **Taxable**—Select this check box if you charge sales tax for the item. When you make a taxable sale, QuickBooks will calculate tax on the item.
- **Income Account**—Enter the name of the income account you want QuickBooks to use to track the income you earn from sales of this item.

7 Fill in the Inventory Information for easy reordering of stock.

- **Asset Account**—Select a different inventory asset account if you don't want to use the default account. If you use the same account for all your inventory items, the balance of this account will show the total value of your entire inventory at any one time.
- **Reorder Point**—Enter the quantity at which you want QuickBooks to remind you to reorder this item. This information also appears on the stock status report.
- **Qty on Hand and Total Value**:
  - If this is a new item that you are adding to your inventory, leave the quantity-on-hand and value at zero.
  - If this is an item you already have in stock, enter the quantity-on-hand and value as of the last time you measured your inventory. Then, be sure to enter any sales or purchases of the item that occurred between the date you measured your inventory and today. This ensures that QuickBooks' record of your quantity-on-hand for the item will be accurate.
  - If this is an item you are converting to an inventory part item from a non-inventory part, service, or other charge item, the date you enter must be a date that is after the date of the last transaction that uses the item.
- **As of**—It's best to use today's date. If you're converting this item from a different type of item, you must use today's date for accurate records. If you use your start date or any date in the past, you'll need to enter all purchases and sales of this item up to today in order for your quantity on hand and value to be correct.

8 (Optional) Fill in any custom fields that apply to this item.

9 To mark an item as inactive, select the Inactive check box.

10 Click OK.

## Creating subtotal items

A subtotal item adds up the amounts of the items above it, up to the last subtotal. Create a subtotal item if you want to apply a percentage discount to several items. Because QuickBooks calculates percentages only on the line above, you need to subtotal the items before entering a discount item that calculates on a percentage basis.

**To create subtotal items:**

1 Choose Lists > Items.

2 Click the + at the bottom of the list.

3 In the Type field of the New Item window, choose Subtotal.

4 Enter an item name, such as "Subtotal."

5 Enter the description that you want QuickBooks to put on your sales forms when you apply the subtotal.

6 Click OK.

## Creating group items

You can create groups of items that can help you with:

- **Fast data entry.** Group items let you enter a great amount of line item detail quickly. On a sales or purchase form,

enter the name of the group item — and QuickBooks fills in all the details about the items in the group for you.

- **More detailed reports.** Group items let you track the items you sell in greater detail. For example, a construction firm that remodels houses could set up a group item that lists the significant components of a remodeling job: lumber, carpentry hours, markup, etc. Sales reports for the company would then show income broken down by each component instead of a single lump sum for all remodeling jobs.

- **Less detail for customers.** Use group items to track a lot of detail about your items while also giving your customers simple, uncluttered invoices. Set up a group item so that the printed version of an invoice reduces a group item to a single line item and one amount. When you view the invoice on your screen, however, you'll see a separate line entry and amount for each item in the group.

**To create a group item:**

1. Choose Lists > Items.
2. Click the + menu at the bottom of the list and click New Item.
3. In the Type field of the New Item window, choose Group.
4. In the Group Name/Number field, enter a name or number for the group item.
5. Enter a description of the group item. What you enter here appears on the list of items when you are filling out a sales form or purchase order. Enter a name or number that will help you distinguish this item from all the others on the list.
6. (Optional) Select the "Print items in group" check box.
   - Select this check box if you want your customers to see a list of the individual items and their amounts on your printed forms.
   - Leave the check box clear if you don't want the details of the group to appear on your printed forms. (You'll still see the details when you view the form onscreen.)
7. In the Item column, select the items that you want to include in this group.
8. In the Qty column, enter the quantity you want QuickBooks to enter for each individual item when you use the group item on a form. If you do not enter quantities, QuickBooks assumes that the quantity of each item is 1. You can always change the quantities when you enter a sale or purchase. You make the changes directly on the sale or purchase order form.
9. (Optional) Fill in any custom fields that apply to this group of items.

**To group items on a form:**

1. Fill in the form as you normally would.
2. In the line item area, choose the group item from the list in the Item column.
3. (Optional) Change the quantities QuickBooks fills in for the group item.

If you change the quantity for the entire group, QuickBooks automatically adjusts the quantities of the individual items and recalculates the amount for each item. If you change the quantity of an individual item, the quantities and amounts of the other items remain unchanged.

# Creating discount items

A discount item applies a discount (either a percentage or a fixed amount) to the preceding line on a sales form.

You do not need a discount item for discounts you give for early payment. You can calculate these discounts when you receive payments from customers.

**To create discount items:**

1. Choose Lists > Items.
2. Click the + at the bottom of the list.
3. In the Type field of the New Item window, choose Discount.
4. Enter an item name, such as “Discount.”
5. Enter the description that you want QuickBooks to put on your sales forms when you apply the discount.
6. Enter the discount amount or percentage:
   - If the discount is a percentage, include a % sign. For example, 5 % tells QuickBooks to multiply the previous line by .05.
   - If your discount amounts vary, you may want to leave the Amount field blank and enter the amount directly on your sales forms.
7. Enter the account you use to track discounts you give to customers. You can use either an expense account or an income account. When an income account tracks discounts on sales, the account is often called a “contra-income” account.
8. Indicate whether you want this discount to reduce sales tax when you apply it to a sale:
   - To reduce the tax, select the “Apply discount before sales tax” check box. This causes QuickBooks to include the discount when it calculates tax on a sale.
   - To keep the tax the same, clear the “Apply discount before sales tax” check box. This causes QuickBooks to exclude the discount when it calculates tax on a sale.

# Creating payment items

A payment item subtracts the amount of a customer payment from the total amount of an invoice. You need a payment item when you receive a partial payment toward the amount of an invoice at or before the time you create the invoice.

If you receive full payment at the time of the sale, use a sales receipt form instead of an invoice with a payment item.

**To create payment items:**

1. Choose Lists > Items.
2. Click the + at the bottom of the list.

3 In the Type field of the New Item window, choose Payment.

4 Enter an item name, such as “Payment.”

5 Enter the description that you want QuickBooks to put on your sales forms when you use the payment item.

6 (Optional) Enter the payment method. Tip: If you enter a payment method, you can group the money you receive by payment method when you deposit it (all checks in one deposit, all Visa charges in another deposit, etc.). Simply create a separate payment item for each payment method your customers use.

**Tip:** If you enter a payment method, you can group the money you receive by payment method when you deposit it (all checks in one deposit, all Visa charges in another deposit, etc.). Simply create a separate payment item for each payment method your customers use.

7 If this is the first time you are setting up a payment item, indicate how you want QuickBooks to deposit customer payments:

- Grouped with other payments: Click “Group with other funds for later deposit.”
- Directly to a bank account: Click “Deposit to” and enter the name of the bank account where you would like QuickBooks to deposit the payment.

8 Click OK.

## Creating tax items

On invoices, cash sales receipts, and credit memos, you specify which sales tax applies to the taxable items. QuickBooks calculates the correct tax and prints it on the sales form. QuickBooks has two types of sales tax items:

- Sales tax. A single tax with a specific rate, payable to an agency, that you collect from your customers.
- Sales tax group. A group of two or more single taxes collected for the same sale and shown on the sales form as one tax item.

**To create a tax item:**

1 Choose Lists > Items.

2 Click the + at the bottom of the list.

3 From the Type list, select Sales Tax Item.

4 Enter a tax name. This name becomes one of the available sales tax choices when you fill in a sales form.

5 Enter a description to describe this sales tax on your sales forms. The description prints on your sales forms after the final line item. You cannot edit it on the forms themselves.

6 Enter the tax rate. QuickBooks assumes the rate is a percentage. For example, enter 7.25 if the rate is 7.25%.

7 Enter the tax agency to which you pay the tax. If the tax agency is not already on your Vendor list, QuickBooks adds it to your list now.

# Importing items in batches

Got spreadsheets full of inventory items, service items, or non-inventory part items? You can import them directly into QuickBooks, along with all the info you've got about them.

You can watch a video to see how to import items from a spreadsheet:

http://www.qblittlesquare.com/2013/03/importing-items-into-quickbooks/

**Before you import your items...**

Hang on a sec—Importing your item spreadsheets into QuickBooks isn't quite as simple as just copying the contents of your current spreadsheet, going into QuickBooks, and clicking Paste.

You'll be much, much happier if you take a few minutes to prep both your spreadsheet and your QuickBooks company file.

1. Follow Steps 1-3 in the "To import items" procedure, after this section.
2. Take a look at the columns on the QuickBooks spreadsheet. Compare them to your item spreadsheet.
3. Make changes to your spreadsheet if you need to, to make it fit better with the QuickBooks columns.
4. Back in QuickBooks, set up Income Accounts that make sense to your business. If you'll be tracking inventory in QuickBooks, set up COGS Accounts and Asset Accounts too. (We can help you decipher COGS and other account types if you're new to serious bookkeeping.)

**To import items:**

1. Go to File > Import > From Multiple. The Add Contacts, Products, and Services window appears.
2. Click the Add Now button on the Add the Products and Services You Sell side (on the right) of the window. The Copy and Paste spreadsheet appears.
3. Choose the kind of item you're going to copy into QuickBooks:

- Service Items
- Non-Inventory Items
- Inventory Items.

- **Tip:** If you've chosen Inventory Items, there are lots more columns in the spreadsheet. Drag the window to the right to make it wider. If you're working on a laptop or narrow monitor, the whole spreadsheet may not fit on your screen—use the scroll bar under the columns to navigate.

4. Open your item spreadsheet. Copy the Item Name/Number column (or whatever you call it).

5. Go back to QuickBooks. Double-click the first cell of the Item Name/Number column—a white field appears.
6. Press Command + v to paste the column in.
7. Repeat steps 4-6 for all the columns in the QuickBooks spreadsheet.
8. Add an Income Account to every item now listed in the QuickBooks window if you didn't have this info in your original spreadsheet. It's a required field.
9. (Inventory Items only) Add a COGS Account and an Asset Account for every item now listed in the QuickBooks window if you didn't have this info in your original spreadsheet. They are required fields.
10. Make sure the Import box is checked for every item row.
11. Click Import.
12. Click OK when QuickBooks finishes importing your items.
13. You're done! All your items are now in QuickBooks. Go to Lists > Items to see the items you just imported.

**Troubleshooting when the import fails**

Did you get a message in the Import status window that says you have errors in some of your items? We can help you fix them.

1. Close the Import status window by clicking OK.
2. On the spreadsheet, look for the items that have red Xs on the far left side.
3. Click on the item with the red X. A message pops up to the right of the item's row describing what went wrong.
4. Fix the items with the red Xs and click Import again.
5. Click OK when QuickBooks finishes importing your items.

# Other things to know about items

Now that you know all about creating different types of items, I'm going to tell you how to change the price of items and create subitems.

## Changing the price of items

Got something selling like fans in a heat wave? Maybe you should apply a little supply and demand theory and change the prices. Here's how.

**To change prices to a specific amount:**

1. Choose Lists > Items.

2 Control-click the item name and choose Change Prices from the shortcut menu.

3 Select the type of item for which you want to change prices.

4 Enter the new prices in the New Price column.

5 Click OK.

**To change prices based on a percentage:**

1 Choose Lists > Items.

2 Control-click the item name and choose Change Prices from the shortcut menu.

3 Select the type of item for which you want to change prices.

4 Click Calculate Prices.

5 In the column, click the items to which you want the markup to apply. Or click Select All to select all the items.

6 Enter the markup in the field provided. Enter either a dollar amount or a percentage. If you are entering a percentage, be sure to type a percent ( % ) sign.

7 Specify whether to calculate the markup based on the current sales price or the unit cost of each item.

8 Click Apply, and then click OK.

## Creating subitems

Subitems let you create a hierarchy of items so you can group information about similar items in sales reports and graphs.

**To create subitems:**

1 If it doesn't exist yet, add the "parent" item (that is, the item that will have subitems) first. If you won't be using the parent item on invoices and sales forms, leave the rate or price of the parent item at zero. You'll still have to assign an account to the item, however. QuickBooks requires an account even if you don't plan to sell the item.

2 For the subitem, add a new item or edit an existing one.

3 Select the "Subitem of" check box and choose the name of the parent item.

4 Be sure the Type of the subitem is the same as the parent item.

5 Click OK.

CHAPTER 5

# Getting paid

Getting paid is what being in business is all about, right? In this chapter, I'll show you how to manage your customer information and track the transactions related to getting paid.

## Customer Center

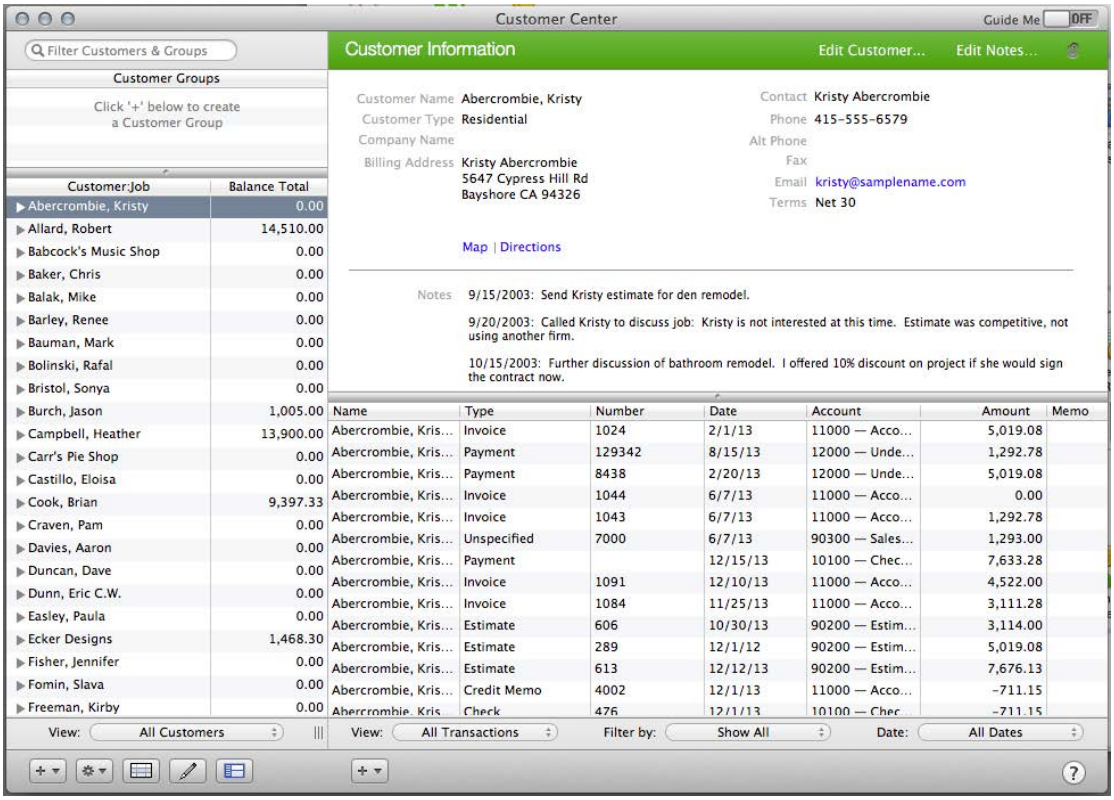
The Customer Center is where you find information about all of your customers and jobs, and their associated transactions, in one place. In QuickBooks, a customer is anyone who pays you for goods or services. A job is a specific project or scope of work that you want to track.

You can watch a video on the Customer Center on Little Square:

http://www.qblittlesquare.com/2011/01/video-overview-of-the-customer-center/?utc_source=iph

Here you can quickly find customer contact information, what your customers bought in the past, what invoices they've paid, the balance they owe, notes you want to keep about them, and more. You can also quickly access transactions such as sales receipts, received payments, and statement charges.

In the default view of your Customer Center, the Customer:Jobs list is on the left side of the Center, and the detailed information and transactions list for the selected customer or job are on the right. Use the views and icons at the bottom of the Customer Center to manage your customers and job information.




**Note:** You can click Expand to expand the Customer:Jobs list to the full Customer Center.

**Tip:** Control-click a customer or job name to choose common tasks from a shortcut menu.

**To open the Customer Center:**

- Choose Customer > Customer Center.

# How do I use it?

Select a customer or job name on the left side of the center to view information about the customer and associated jobs. As you click on a customer or job name, the right side of the Customer Center displays the information associated with your selection.

You can perform many tasks within the Customer Center:

- **Add a customer or job.** Click the + menu at the bottom of the center and choose Add Customer or Add Job.
- **Add a customer group.** Click the + menu at the bottom left of the center and choose New Group.
- **Import your existing contacts.** Click the + menu at the bottom of the customer list and click Import Customers.

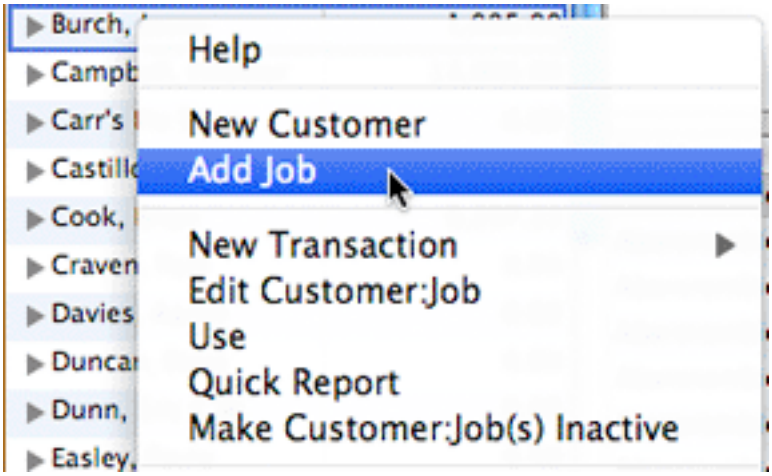
- **Create a transaction.** Click the + menu at the bottom of the transactions area to create estimates, invoices, sales receipts, payments, and credit memos.
- **Search for a customer.** Use the search field above the customer list to find the customer name you need.
- **Open accounts receivable.** Select a customer name and click Open Accounts Receivable for that customer.
- **Edit a customer or job.** Select the name of the customer or job and, click Edit Customer or Edit Job in the top right corner of the center.
- **Edit a customer group.** Select the customer group in the top left of the center then click Edit Group in the top right corner of the center.
- **Add customer's credit or debit cards.** Edit customers to add their credit or debit card. Then when you need to process a card payment, you can select the card from a dropdown list.
- **Keep notes about a customer or job.** Select a customer or job and then click Add Note or Edit Note in the top right corner of the center.
- **Get a map or driving directions.** Select the name of a customer and click Map or Directions. Intuit Maps displays a map or directions to the customer's address. (You must be online to get maps and directions.)
- **Sync customer contact information to Contacts.** Turn on Contact Sync (Company > Contact Sync Settings). Select names of customers you want to sync with Contacts, and then Control-click and select Sync Customer(s) with Contacts. A sync icon ( ) displays to remind you which names are synced.
- **Change the view.** By default, QuickBooks lists jobs display in a hierarchy below a customer name. Click the arrow beside a customer name to view the jobs for that customer. You can also choose Flat View from the Action menu ( ) which lists each entry as the customer name plus the job name. You can change the view by selecting Hierarchical View or Flat View from the Action menu.
- **Print, Save, or Email the customer list.** Control-click anywhere on the customer list and then select Print Customer List, Save Customer List as Text, or Email Customer List as PDF.
- **Filter the information you see.** You can filter the customer list as well as the transactions by using the filters located under each list. For example, you can select "Customers with Open Balances" from the View pull-down menu under the customer list, then select a customer name. Then you can use the filters under the transactions on the right pane to filter the transactions to view "All Sales

## Tips and Tricks

Try these tips and tricks to make using Customer Center even easier.

- Sort information by clicking the column titles.
- Rearrange the columns by clicking and dragging the top of a column to move it to another location.
- Show different columns or hide columns you don't need. Right-click (or Control+click) on the column headers, then select the columns you want to see and unselect the ones you want to hide.

- Select multiple names in one of these ways:
    - Shift-click to select a range of names. Select the first name you want, hold down the Shift key, and then select the last name in the range.
    - Command-click to select a group of nonadjacent names. Select a name, hold down the Command key (⌘), and then select each additional name.
    - Command-A to select all names. No need to click; just press Command-A to select the entire list.
- Control-click a name in the left pane to access a shortcut menu to common tasks.




- Change the order of names in the Customer:Jobs list by dragging and dropping a name to where you want it to appear. You can turn this feature on and off on the shortcut menu by selecting Enable Custom Ordering.

## Adding or editing a customer

Throughout QuickBooks, you select a customer from a list. If you create an invoice, you select the customer you're sending the invoice to. Then QuickBooks inserts the billing address for that customer and tracks the invoice. So you need to add customers for them to appear in those lists. You'll enter your customer's contact information and maybe a few more details. You can then edit that customer over time, including adding notes and To Do list items.

**To add or edit a customer:**

1. Choose Lists > Customer:Jobs or choose Customers > Customer Center.
    - Add new customer
        - Click the + menu at the bottom of the customer list and click New Customer.
        - Or Control-click anywhere in the Customer:Jobs list and choose New Customer from the shortcut menu.
    - Edit existing customer
        - Double-click the customer name.
        - Or select the name of the customer and click the Edit button at the bottom of the list.
        - Or in the Customer:Jobs list, Control-click the name of the customer you want to edit and

choose Edit Customer:Jobs from the shortcut menu.
    - Or (in Customer Center), select the name of the customer you want to edit in the Customer:Jobs list and click Edit Customer in the top right corner of the center. Note: You can click Expand to expand the Customer:Jobs list to the full Customer Center.

2. In the Customer field, enter the name of the customer, as you'd like it to appear on your Customer:Jobs list. For example, if the customer is Hayley Green and you want the list to show last names first, you would enter Green, Hayley. If the customer is a business, like Babcock's Music Shop, enter the name that way.
3. Continue to enter the information you want to keep on the customer.

## Address pane

On this pane, enter the contact information for the customer. If you entered a business name for the Customer name, then you may want to use this area to enter the name of your contact at the business, such as the bookkeeper because that's whom you'll be sending your invoices to.

- How is are the Email and CC addresses used? When you create a form, like an invoice, you can email that form to your customer. QuickBooks uses the email addresses you enter in Email and CC to email that form. You can enter multiple addresses in each field, separating each address with a comma.

- What's the difference between Bill To and Ship To?

    - Bill To. Enter the address, as you want it to appear on printed invoices, checks, and other forms. Click Address Details to make sure each individual address field is filled in correctly, especially if you are using Contact Sync. The address information you enter can be exported for mail merge. If you use mail merge, be sure to include in the last line of the address the two letter state abbreviation and the zip code. This ensures that the address will print correctly in mail merge documents.

    - Ship To. If the customer has a separate shipping address, enter the address, as you'd like it to appear on printed invoices and other forms. If the shipping address is the same as the billing address, click Copy to copy the billing address to the Ship To field. Click Address Details to make sure each individual address field is filled in correctly, especially if you are using Contact Sync.
        - **What are Address Details?** This window shows how the multi-line Address field displayed on the Add/Edit Customer, Vendor, Employee, or Other Name window is separated into the individual address fields.
        - **Note:** We strongly recommend keeping the "Show this window again..." check box selected so that QuickBooks can automatically alert you when it detects possible address field entry errors.
        - **Note:** The information in shaded fields is synchronized with Mac OS X Contacts and other applications that use Sync Services.

## Additional Info pane

On the Additional Info pane, enter more information about the Customer such as a category for the customer and tax information.

- **Type.** A word or phase that categorizes this customer for your reports. You can choose a customer type you have

already set up from the list, or you can enter a new customer type and have QuickBooks add it to the list. To create a customer type, choose Lists > Customer & Vendor Profile > Customer Type. For more about this, see page 35.

- **Terms.** Associates a specific set of payment terms with the customer. You can choose an existing set of terms from the list, or you can enter a new set of terms and have QuickBooks add it to the list. For more information, see page 36.

- **Rep.** The initials of the sales representative who deals with this customer on a regular basis. When you write an invoice to this customer, QuickBooks automatically associates the sales representative with every invoice you send to the customer. This gives you the ability to create sales reports that are subtotaled by sales representative.

- **Credit limit.** (Optional) The credit limit that the customer has with your company. QuickBooks remembers the limit and warns you when the customer is about to exceed the limit.

- **Opening balance/As of.** Applies only if you are setting up records for a new QuickBooks company. They help you establish a correct accounts receivable balance as of the start date you chose for your QuickBooks records.

    - In the Opening Balance field, enter the amount this customer owed as of your start date.

    - In the "as of " field, enter your QuickBooks start date.
        - **Important:** Leave these fields blank if you are planning to set up one or more jobs for this customer. QuickBooks will calculate the overall balance for this customer from the balances you enter for the individual jobs.

  To keep your records up to date, enter all historical transactions from the day after your start date through today. For example, if you wrote invoices to this customer between your start date and today, you must enter those invoices into your QuickBooks records. This gives QuickBooks the ability to provide full financial reports for your company for any period of time after your start date.

- **Customer is taxable/Tax Item.** When this check box is selected, QuickBooks automatically calculates sales tax for each taxable item you sell to this customer. QuickBooks uses the sales tax rate specified in the Tax Item field. If you do not charge sales tax to this customer, clear the check box. If these options do not appear, it means that sales tax is turned off in QuickBooks. This could be because you indicated that you don't charge your customers sales tax when you were setting up your QuickBooks company through the New Company Setup Assistant. Tip: Ordinarily you don't charge sales tax on items that a customer buys for resale. If this customer is strictly a resale customer, be sure to clear the "Customer is taxable" check box.

- **Resale number.** If the customer has a resale number, enter the resale number. This field is for your information — what you enter will not affect your reports, or how sales tax works in QuickBooks.

You can also create custom fields to capture information that is important to your business but QuickBooks does not provide a field for such as spouse's name or the customer's website.

## Payment info (if you use Merchant Services)

**Note:** You must have an Intuit Merchant Account to process credit or debit cards for payment.

On the Payment Info pane, enter customer credit or debit card information. (You must have a Merchant Service account that is connected to QuickBooks to see this pane.) You can then use the card(s) to process payment

transactions for this customer. To view transaction information for a card, click the card in the Card Activity list then double-click a transaction in the Card Activity list. This accesses your online Merchant Service account. Log in to view details on credit card transactions. See page 111 for information about accepting credit cards as payment.

### Notes

When you open a customer or job in the Customer Center, you'll see that each one has a Notes pane. This is a notepad where you can keep notes about a customer or job.

- Click Date Stamp to add the current date to the note.
- Click New To Do to enter a note.
- Use To Do notes to remind yourself about tasks you need to complete by a certain date. QuickBooks adds each note to the Reminders list when the note's reminder date arrives.
- Add a reminder to your To Do notes by editing Notes for a customer. In the Customer Center, select the customer name and click Edit Notes in the top right corner.
- You can view your reminders, including your To Do list, on your Company Snapshot or by clicking Reminders on the toolbar.
- When you've completed a To Do note, edit the note and mark the To Do note as Done.
- View notes when you are using the customer or job in a transaction by choosing Edit > Notepad.

## Contact Sync

Always have the most current QuickBooks lists of customers, vendors, and employees, whether you're viewing the list on QuickBooks (on your Mac) or Contacts (on your iPhone, iPad, or Mac). Contact Sync synchronizes your contact information in QuickBooks with Apple's Contacts and your mobile devices.

When you make changes in QuickBooks, Contacts, or your mobile device, the change is synced between the programs and devices. Once Contact Sync is set up, syncing is automatic.

### How do I use it?

To use Contact Sync, you first turn on Contact Sync and then you tell QuickBooks which contacts you want to sync.

**Step One-Turn on Contact Sync:**

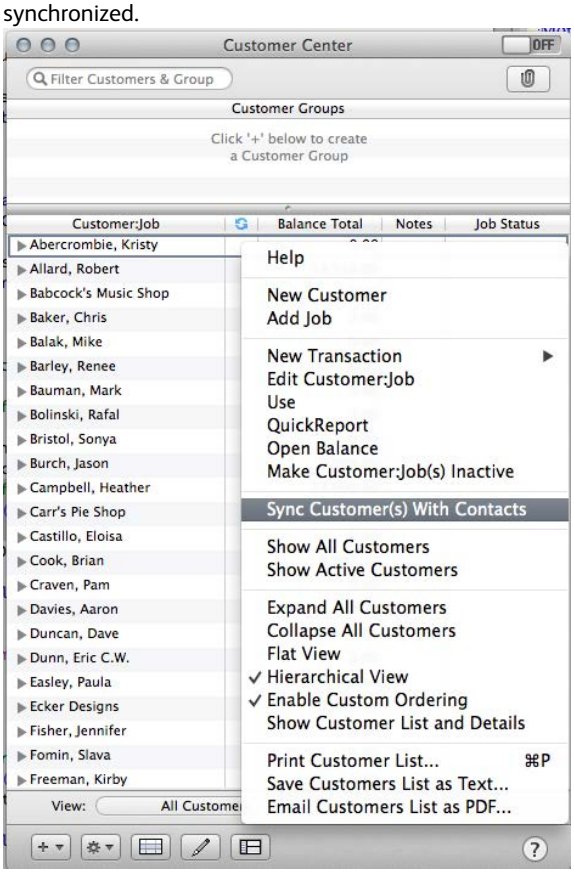
1. Choose Company > Contact Sync Settings.
2. Select Use Contact Sync.
3. Click OK when QuickBooks asks for access to your contacts.
   QuickBooks creates a new group in Contacts named "QuickBooks: CompanyFileName." All your

contacts in the current company file will initially be organized in this group.

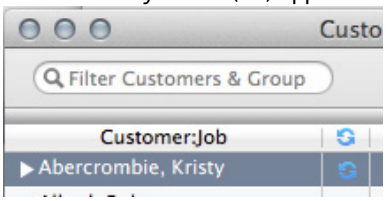
**Note:** If you're running QuickBooks for Mac 2014 on Mac OS X 10.9 (Mavericks), you can't use Contact Sync & it's disabled.

**Step Two-Sync your contacts:**

1. After turning on Contact Sync, go to any list of names, such as the customer list in Customer Center.
2. Control-click one or more names, and choose Sync With Contacts.
   Or, edit the name and click Sync at the bottom of the Edit window. The shaded items are synchronized.




The Contact Sync icon ( ) appears next to the names that are synced with Contacts.




**Step Three-Clean up Contacts (optional):**

The first time to sync your QuickBooks lists with Contacts, QuickBooks creates duplicate Contacts cards and places

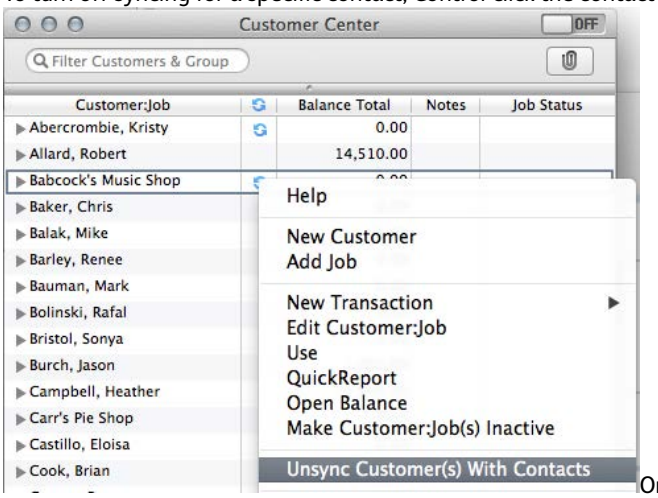
them in a new group. You many want to consolidate these cards:

1. Open Contacts.
2. Click All Contacts.
3. Select Card > Look for Duplicates.
4. When Contacts finishes looking for duplicate entries, click Merge.

Now, you've consolidated your Contacts cards but the links to QuickBooks lists still work for synchronizing.

## Managing syncing

- To turn off Contact Sync, choose Company > Contact Sync Settings. Then uncheck Use Contact Sync. All contacts remain in both QuickBooks and Contacts but are no longer synced.
- To turn off syncing for a specific contact, Control-click the contact name in a list, and select Unsync with Contacts.




Or, edit the name and uncheck Sync at the bottom of the Edit window. The contact remains in both QuickBooks and Contacts but is no longer synced. All other contacts with the Contact Sync icon ( ) are still synced.

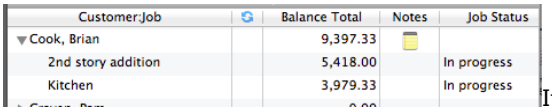
## Want to know more?

- **What does Contact Sync synchronize?** Contact Sync synchronizes the following:
  - Customer contact info (name, company name, billing address)
  - Vendor (name, company name, billing address)
  - Other Names
- **Is there more than one way to sync lists?** Yes, you can pick which names to sync in a number of different ways. You can:
  - Click in the sync column next to a name

    - Right-click a name and choose Sync Customer(s) with Contacts
    - Select multiple names, right-click, and choose Sync with Contacts
    - Drag and drop contacts from Contacts into a QuickBooks list

- **What contact information is synced between QuickBooks and Contacts?** When you edit a contact in QuickBooks that you are syncing, any shaded field is synchronized. If you don't see any shaded fields, make sure Contact Sync is turned on.
- **If I delete a synced contact in Contacts, is it deleted in QuickBooks?** No. The contact stays in QuickBooks, so any transactions related to that contact are maintained. But the contact no longer syncs with Contacts and exists only in QuickBooks. You can also make the contact inactive in QuickBooks.
- **What happens if there's a conflict with a contact between Contacts and QuickBooks?** Contact Sync will ask you whether you want to use the contact's information that's in Contacts or in QuickBooks. When you choose one, both programs are updated with the information you chose.
- **Can I sync contacts for multiple company files and keep the contacts separate?** Yes. When you turn on Contact Sync for a company file, Contacts creates a separate group specifically for that company file.
- **What happens to my Contact Sync settings when I move the company file to another computer?** When you open the company file on a new computer, be sure to turn on Contact Sync. That's all you have to do. Contact Sync remembers which contacts you are syncing.
- **I have multiple company files and want Contact Sync on for only one file. Can I do that?** Yes. Contact Sync is set per company file. Turning it on for one company file does not affect another file.
- **Can I drag a contact card from Contacts into a QuickBooks list?** Yes. When you drag a contact from Contacts into a name list on QuickBooks, for example, customers, QuickBooks creates a new contact and automatically marks the contact for syncing.
- **Can I drag contact information from Outlook to QuickBooks, to create a new contact?** No.
- **Can I drag contact information from QuickBooks into Contacts?** No.

# Setting up jobs




If you're a service provider and if you're fortunate enough to win multiple projects from the same client, Jobs are an excellent way to track different projects you do for the same customer.

For example, say you're a video producer and you have a project to produce a video series for a customer. You can create a job to track that project. And then – good news – a few months later the same customer requests another video. You can then create a new job for that customer, which allows you to separate revenue and expenses for each video project that I produce. This enables you to understand the profitability I have on a per project basis.

For example, tracking Unbilled Costs by Job helps ensure you don't forgot to invoice a customer for additional expenses.

All the jobs you do for a customer are tracked in the Customer Center. Jobs are a super flexible QuickBooks feature, which you can use to associate one entity with another for billing and reporting purposes.

## Types of Jobs

Job types let you group and subtotal similar jobs on your reports. By using them, you can determine which kinds of jobs are the most profitable for your business.

**Here are a few examples:**

- In construction: Decks, Kitchens, Bathrooms
- In graphic arts: Logos, Brochures, PR
- In real estate: Brokerage, Property Management

**How do customer types fit in?**

Customer types let you categorize your customers independently of the types of jobs you do. They are useful for grouping your customers into categories that are meaningful to your business. Some examples: Wholesale and Retail; Commercial, Residential, and Industrial; From Advertisement, By Referral. You can use customer types in addition to job types. You can also use job types without customer types, customer types without job types, or neither.

## Creating jobs for a customer

QuickBooks lets you track each job you do for a customer separately from all other jobs. That way, your reports can show your income and expenses by job. You can add multiple jobs for a customer.

**See how a business owner like you uses jobs:**
http://www.qblittlesquare.com/2011/01/video-introduction-to-jobs/?utc_source=iph

**Watch a demo of how to create customers and jobs:**
http://www.qblittlesquare.com/2011/01/video-overview-of-the-customer-center/?utc_source=iph

**To add or edit a job:**

1. Choose Lists > Customer:Jobs or choose Customer > Customer Center.
2. Select the customer you're doing the job for.
3. Click the + menu at the bottom of the customer list and click Add Job. Or, Control-click anywhere in the Customer:Jobs list and choose Add Job from the shortcut menu.

4. Enter the name of the Job.
5. To mark a customer as inactive, select the “Customer is inactive” check box. More info
6. If anything shown in the General Information section is incorrect for this job, change it. The information QuickBooks fills in comes from your customer’s record. If you make any changes here, the changes affect only this job. For example, if your customer’s billing address is different for this job, you can enter the job address without affecting the customer’s main address.
7. Click the Job Notes pane. Enter the information about the job and click OK.

## Tracking items ordered especially for a job

1. Create a non-inventory part item to represent each item you ordered. When you set up each item, be sure to select the “This item is purchased for and sold to a specific customer:job” check box. This lets you enter different rates for your cost and the sales price to your customer.
2. When you receive a bill for the items, enter each non-inventory part item in the detail area of the bill:
   - In the Enter Bills window, click the Items tab.
   - Enter the name of each item in the Item column.
   - For each item, be sure to fill in the name of the customer or job in the Customer:Jobs column. This associates the customer with the cost of the item so you can invoice the customer later.
3. When you invoice your customer, click Time/Costs to enter the cost of the items on the invoice:
   - In the Create Invoices window, click Time/Costs.
   - In the Choose Billable Time and Costs window, click the Items tab.
   - In the Use column, click next to each item whose cost you want to include on the invoice.

On the invoice, QuickBooks automatically fills in the sales price. This may be higher than the cost you entered on the bill.

## Paying subcontractors

When you pay a subcontractor, you can either write a check directly to the subcontractor, or enter a bill and then pay the subcontractor later when you’re paying other bills.

**To pay subcontractors:**

1. Choose one of the following:
   - Banking > Write Checks: to write a check directly to the subcontractor.
   - Vendors > Enter Bills: to enter a bill from the subcontractor.
2. In the top part of the form, fill in the name of the subcontractor and the date.
3. In the detail area at the bottom of the form, click the Items tab.
4. In the Item column, enter the service item you set up for this type of subcontracted work.
5. In the Cost column, check the amount QuickBooks filled in. If the cost is incorrect for this job, change it.

6 In the Qty column, enter the appropriate quantity. For example, if the subcontractor charges an hourly rate, you would enter the number of hours. If the Qty column doesn't apply to this work, leave it blank.

7 In the Customer:Jobs column, enter the name of the job (or customer) for which the work was done.

**Important:** Entering the name here gives you the ability to invoice the customer for the work later. Also, you'll be able to create reports that show your costs and revenue from the work.

## Tracking services performed by an owner or partner

Because owners and partners do not submit bills, the costs of the services they perform will not be part of the overall costs of the job unless you enter a transaction to account for the work. If you want owner or partner time to contribute to the job costs on reports such as job profitability or job estimates vs. actuals, here's what to do.

**To track services performed by an owner or partner:**

1 Set up the owner or partner on the Other Names list. Other Names is the best list to use, since an owner or partner is not an employee, vendor, or customer.

2 Create a new service item to represent the work done by the owner or partner:
- Select the "This service is performed by a subcontractor" check box.
- In the Expense Account field, enter the name of the person's equity account (on the list, equity accounts are above expense accounts).

3 To make the work of an owner or partner billable, enter their time on either a weekly timesheet or single activity record:
- Enter the name of the service item you set up to represent the owner's or partner's work.
- Enter the name of the customer (or job, if you are tracking individual jobs for the customer).
- Make sure the time is billable.

4 To invoice a customer for the owner's or partner's work, click Time/Costs when you are writing the invoice. In the Choose Billable Time and Costs window, click the Time tab. Then select the work that you want to appear on the invoice.

5 To make owner and partner time part of the job costs on reports but not affect the profit and loss statement, write a zero-amount check as follows:
- Write the check either in your regular checking account or in a special checking account that has no money in it. (You can set up the special checking account specifically to handle checks like these.)
- In the "Pay to the order of" field, enter the name of the owner or partner.
- Be sure the "Print later" button is not selected at the bottom of the window.
- Leave the No. field blank.
- On the Items pane, enter each service item for the work performed. On each line, enter the number of hours in the Qty field and the job in the Customer:Jobs field.
- On the Expenses pane, enter the name of the person's equity account in the Account field. In the Amount field, enter the negative of the total amount on the Items tab. Do not enter a job name.

**If you have not yet invoiced the customer**

Be careful not to invoice the customer twice for the same work. When you go to the Choose Billable Time and Costs window, you'll see the cost both on the Time tab (because you entered the time and made it billable) and on the Items tab (because you associated the service item with a Customer:Jobs when you wrote the zero-amount check). Mark ONLY the work shown on the Time tab. To avoid confusion, we recommend that you click in the Hide column to remove the service item entry from the Items tab.

**What you'll see in your reports**

After you record the zero-amount check, the cost (as shown on the Items tab in the Choose Billable Time and Costs window) appears on all job and item reports that show costs by job or item. On the other hand, the cost does not appear as an expense on a profit and loss statement because it is not assigned to an expense account.

# Estimating work you're going to do

If a customer asks you for an idea of what you would charge for work, the form you need is an estimate. You've probably received estimates yourself from service providers, like a plumber or the guy who fixes your computer. In other words, estimates can be your first step in getting paid, and getting paid is good. Choose Customers > Create Estimates. (Be sure to turn on estimates through QuickBooks > Preferences > Sales & Invoicing.)

**Watch a video on how to create an estimate:**
http://www.qblittlesquare.com/2011/01/video-creating-an-invoice-in-quickbooks-2011-for-mac/

**Watch a video on how Charlie the Web Designer uses estimates, invoices, and sales receipts:**
http://www.qblittlesquare.com/2011/01/which-form-do-i-use-estimates-invoices-and-sales-receipts/

**To create or edit an estimate**

1. Choose Customers > Create Estimate. How do I use this form?
2. To create a new estimate, click the "Create an Estimate" on the left panel, or click the + at the bottom of the list. To edit an estimate, select an estimate in the list on the left panel.
3. Enter the information for the estimate, and click Save.

Note: You can also create sales forms using the Customer Center and Transaction Center.

**What's on an estimate?**

- **Customer:Job.** Select the customer or job you want to create the invoice for. You can also enter a new customer:job name, and QuickBooks will prompt you to set it up. QuickBooks will automatically alert you if you choose a customer:job that has outstanding billable time or costs.
- **Account.** If you have more than one Accounts Receivable account, choose which on you want to use. If you don't have more than one A/R account, you won't see this.

- **Class.** If you're using classes, choose which on you want to use. (If you don't see this, you need to turn classes on in Preferences.)

- **Bill to.** The address you have for the customer displays here. This is how the customer contact information will appear here. You can make any changes you need to.

- **Date.** Today's date, which you can change. Tip: Press + to increase the date by one day; press - to decrease the date by one day.

- **Invoice Number.** QuickBooks automatically increments this number by one for each new invoice (to a maximum of 20 digits).
  **Tip:** Press + to increase the number by one; press - to decrease the number by one.

- **PO Number.** If you're filling a purchase order (PO) from your customer, enter that PO number here.

- **Terms.** When do you want to get paid? Select the payment terms for this invoice.

- **Item.** Select what you are invoicing this customer for. You can include anything on the Items list here. You also enter a new item, and QuickBooks will prompt you to set it up. Tip: If you need to insert an item between two others, select the item line where you want the new one and choose Edit > Insert Line. Likewise, if you want to delete an item, select the item then choose Edit > Delete Line.

- Description. The description of the item you entered when you created the item. You can change this if you need to. Tip: You can enter multiple lines for your description, up to 4095 characters. Use Option-Return to put in a line break.

- **Quantity.** How many of the items does your customer need to pay you for? This could be 400 antennae or 10 hours of web design. If you leave this blank, QuickBooks assumes the quantity is 1.

- **Rate.** How much you charge the item. If you entered this when you created the item, QuickBooks enters it for you. If you didn't or you need to change it, just edit this box.

- **Amount.** This is the total amount (Quantity x Rate) for this item that QuickBooks calculates for you.

- **Taxable.** If the item is taxable, click this box.

- **Customer Message.** A message for our customer, either on from your Customer Messages list or enter a new one.

- **Tax.** The tax item you assigned to the customer or the default tax if you have not assigned a tax item to the customer. QuickBooks uses the tax item to calculate the tax. You can also select a different rate from the list of tax items if you need to.

**Other things to know about estimates:**

- **Create an invoice using an estimate.** To create an invoice that uses the info you've got in an estimate, click Create Invoice. To learn lots more about how this works, read up on Progress Invoicing.

- **Create a purchase order using an estimate.** Need to buy the stuff you've got recorded on an estimate?

  1. Click Create Purchase Order.
  2. Choose whether you want to create the PO for All allowable items on the estimate (good if you've only got items from one vendor on the estimate) or Selected items (good if you've got items from

multiple vendors on the estimate).

3. Select the items you want on your PO, if you chose that option.
4. Finish up any additional info on your PO, click Save, and send the PO off to your vendor.

- **Make an estimate inactive.** If you have multiple estimates for a job and your customer has accepted one of the estimates , you might want to make the unaccepted estimates inactive. When you make an estimate inactive QuickBooks keeps a record of it, but does not use the estimate numbers in reports.

# Getting paid for work you've done

You've done the work or delivered the goods, and now you want to be paid. You have two approaches you can use to get the money ball rolling. With both options, you can either print a paper version to drop in snail mail to your customer or you can email a PDF.

- **Invoice.** An invoice is a request to be paid. When you create an invoice, QuickBooks then sees that the customer now officially owes you money. So you might send an invoice for each job you complete for a customer. Choose Customers > Create Invoices.
- **Statement.** A statement is a list of charges the customer has rung up over a period of time. You create statement charges to record what you've done for the customer as you go along, and then send a statement that lists all the accumulated charges. For example, you can send a statement once a month for all the work you've done for a customer that month. Choose Customers > Create Statements.

## Sending your customer an invoice

Any time that you do something or sell something for a customer, they need to pay you. If they don't pay you on the spot, then you can send them an invoice so they'll pay you later.

**If you have an open estimate for a customer,** QuickBooks lets you know this when you select the customer name on the invoice. You can then select which estimate you want to use to create an invoice.

**Watch a video on how to create an invoice:**
http://www.qblittlesquare.com/2011/09/video-creating-an-invoice-in-quickbooks-2012/

**Creating or editing an invoice**

1. Choose Customers > Create Invoice.
2. To create a new invoice, click the "Create an Invoice" on the left panel or click the + at the bottom of the list. To edit an invoice, select an invoice in the list on the left panel.
3. Enter the information for the invoice, and click Save.

Note: You can also create invoices using the Customer Center and Transaction Center.

**What's on an invoice?**

- **Customer:Job.** Select the customer or job you want to create the invoice for. You can also enter a new Customer:Jobs name, and QuickBooks will prompt you to set it up. QuickBooks will automatically alert you if you choose a Customer:Jobs that has outstanding billable time or costs or if there's an open estimate for the customer.

- **Account.** If you have more than one Accounts Receivable account, choose which on you want to use. If you don't have more than one A/R account, you won't see this.

- **Class.** If you're using classes, choose which on you want to use. (If you don't see this, you need to turn classes on in Preferences.)

- **Bill to.** The address you have for the customer displays here. This is how the customer contact information will appear here. You can make any changes you need to.

- **Date.** Today's date, which you can change. Tip: Press + to increase the date by one day; press - to decrease the date by one day.

- **Invoice Number.** QuickBooks automatically increments this number by one for each new invoice. Tip: Press + to increase the number by one; press - to decrease the number by one.

- **PO Number.** If you're filling a purchase order (PO) from your customer, enter that PO number here.

- **Terms.** When do you want to get paid? Select the payment terms for this invoice.

- **Item.** Select what you are invoicing this customer for. You can include anything on the Items list here. You also enter a new item, and QuickBooks will prompt you to set it up. Tip: If you need to insert an item between two others, select the item line where you want the new one and choose Edit > Insert Line. Likewise, if you want to delete an item, select the item then choose Edit > Delete Line.

- **Description.** The description of the item you entered when you created the item. You can change this if you need to. Tip: You can enter multiple lines for your description, up to 4095 characters. Use Option-Return to put in a line break.

- **Quantity.** How many of the items does your customer need to pay you for? This could be 400 antennae or 10 hours of web design. If you leave this blank, QuickBooks assumes the quantity is 1.

- **Rate.** How much you charge for the item. If you entered this when you created the item, QuickBooks enters it for you. If you didn't or you need to change it, just edit this box.

- **Amount.** This is the total amount (Quantity x Rate) for this item that QuickBooks calculates for you.

- **Taxable.** If the item is taxable, click this box.

- **Customer Message.** A message for our customer, either on from your Customer Messages list or enter a new one.

- **Tax.** The tax item you assigned to the customer or the default tax if you have not assigned a tax item to the customer. QuickBooks uses the tax item to calculate the tax. You can also select a different rate from the list of tax items if you need to.

**Other things to know about invoices:**

Add time and costs to your invoice. If you've incurred expenses for your customer, such as mileage or other expense, you can add that to an invoice to be reimbursed by your customer.

Invoice your customer in phases. Use progress invoicing to send invoices for parts of a job over a period of time.

View payment history for the invoice. Click history to see the payments for this invoice.

Apply a payment to the invoice. Click Payments to enter a payment your customer made for this invoice.

Apply sales tax. If you're charging sales tax for the items, click Taxable to apply sales tax.

**Print, email, add to Calendar.** You can mark the invoice to be printed or emailed later. Then choose File > Print forms or File > Email forms. You can also add a reminder to Calendar that the invoice is due.

**You can mark an invoice as pending**. There may be a time when an invoice is only in draft form. In that case, you can mark it was Pending (Edit > Mark Invoice as Pending) and finalize it later.

## Invoicing a customer over time (progress invoicing)

**Watch a video on how to use progress invoicing.**
http://www.qblittlesquare.com/2011/09/sneak-peek-2-progress-invoicing-in-quickbooks-2012/

Using progress invoicing, you can invoice for jobs in phases. For example, you're working on a job where you ask your customer for 25 % payment at the beginning of the project, then you invoice them periodically throughout the project.

You start by creating an estimate for the job. (You don't have to give this estimate to the customer if you don't want to. Just use it for tracking purposes.) Then, as you complete each phase, you can transfer items from the estimate to an invoice. You can specify which items to include on each invoice and how much of that item you're charging for on that invoice.

Later on, you can run reports to help you track your estimated versus actual costs.

**Note:** Be sure you turn on progress invoicing in Preferences. (Choose QuickBooks > Preferences > Sales & Invoicing.)

**To create progress invoices for a job:**

1. Create an invoice using an estimate. You can do this by opening an estimate (Customers > Create Estimate) and clicking Create Invoice. Or create an invoice (Customers > Create Invoice) and choose a customer name that you've created an estimate for.
2. Tell QuickBooks what you want to include on the invoice, and click OK:
   - **Remaining amounts on the estimate.** QuickBooks creates an invoice for the full unpaid amount

on the estimate. QuickBooks copies all the information on the estimate to an invoice. You can then edit the invoice or you can change the invoice to a progress invoice by clicking Progress Invoicing on the invoice.

- **A percentage of the estimate.** Enter how much of the estimate you want to include on the invoice. For example, if you created an estimate for $1,000, and you want to invoice for the job in four equal phases, enter 25 in the percentage field.
- **Only certain items or different percentage for each item.** Choose this option to highly customize the amounts that you want to include on the invoice. You'll find out how to do this in the next step. For example, you've created an estimate for $1,000. You finished the first phase of the job and you want to invoice for 100% of items related to the first phase, but don't want to invoice for anything else at this time. When you select this option, a window appears in which you can select the items you want include on the invoice and indicate the amounts or percentages for each item.

3. Specify the amounts you want to include on the invoice, and click OK. The amounts shown are based on what you told QuickBooks you wanted to do in the previous step. You can change any of the amounts on the invoice here, but not any of the amounts on the original estimate. Use the check boxes at the bottom of the window to show more detail such as the quantity/rate and percentages. This completes one invoice in the series of invoices you are sending your customer. To create the next progress invoice for this job, start with Step 1. The next invoice picks up where you left off with the remaining amount on the estimate.

**Tips for progress invoicing:**

- If you usually invoice for phases of a job, and you plan to turn your estimate into a series of progress invoices, divide the estimate into sections. Make each section correspond to one phase. Enter a subtotal item after items for each phase.
- When you turn the estimate into a progress invoice for one phase, it will be easy to invoice 100% (or another percentage) of the items for that phase alone.

## Modifying your progress invoice

When you use progress invoicing, you can modify the amounts that are on each invoice on the Specify Invoice Amounts window.

At a minimum, the Specify Invoice Amounts window contains this information:

- **Item.** The item(s) copied from the estimate when you created the invoice.
- **Est Amt.** The amount of the item you entered on the estimate.
- **Prior Amt.** The amount you've previously invoiced your customer for. If this is the first invoice you've sent the customer for this job, this amount will be 0.
- **Amount.** The amount you are invoicing the customer for on this invoice.
- **Tax.** The tax that is applicable for the item.

If you select Show Quantity and Rate, you'll see these additional columns:

- **Est Qty.** The quantity of the item you entered on the estimate.
- **Est Rate.** The rate you entered on the estimate.
- **Prior Qty.** The quantity that appeared on prior invoices for the original estimate.
- **Prior Amt.** The amount that appeared on prior invoices for the original estimate.
- **Qty.** The quantity you're invoicing your customer for on this invoice.
- **Rate.** The rate you're invoicing your customer for on this invoice.

If you select Show Percentage, you'll see these additional columns:

- **Prior %.** The percentage of the original estimate you included on prior invoices.
- **Curr %.** The percentage you are currently invoicing your customer for with this invoice.
- **Tot %.** The total percentage of the original estimate you have invoiced this customer for.

# Invoicing groups of customers

Say you've got a pool cleaning business. Fifteen of your customers have pools that are about the same size, and you provide the same cleaning and maintenance services for these customers each month. Using batch invoicing, you can add all these customers to a group, fill out the invoice form only once, and then send it to all the customers in the group.

## Creating a group for batch invoicing

QuickBooks lets you create groups of customers that you can then invoice in batches.

**Tip:** Create groups of customers you invoice for the same things. Say you run a landscaping company, and you have two dozen customers you mow the lawn for every week. To make billing these customers faster and easier, you'd create a group, named Weekly Mow, and add all your weekly lawn-mowing customers to that group.

**To create a new group:**

1. Choose Customer > Customer Center to open the Customer Center.
2. Click the + at the bottom left corner of the Customer Center.
3. Choose New Group.
   OR
   Click the New Group button in the Invoices window.
4. Give your group a Group Name.

5 Choose a customer (or a job) from the Customer:Jobs list.

6 Click Add>>. The customer (or job) shows up in the Group Members list.

7 Keep adding customers (and jobs) until you've got all the customers you want in this group. Tip: Press Command + A to choose all the customers and jobs at once. Use Shift + click and Command + click to choose more than one customer at once.

8 Click OK to save the group and close the New Group window.

9 You can add notes to your group—info about who's in this group, what kind of work you do for this group, and any other detailed info you'd like to keep about this group. To add notes to your group:

10 Click the Notes tab up at the top of the New Group window.

11 Click your cursor into the big field. Add away!

## Sales: Batch invoicing

With batch invoicing, you can save tons of time by filling out one invoice, then sending it to a whole group of customers. This works well if you sell the same products or services to lots of customers at about the same time.

Say you've got a pool cleaning business. 15 of your customers have pools that are about the same size, and you provide the same cleaning and maintenance services for these customers each month. Using batch invoicing, you can add all these customers to a group, fill out the invoice form only once, and then send it to all the customers in the group.

**To create batch invoices for a group of customers:**

1 Go to Customers->Create Batch Invoices.

2 Read the Batch Invoicing info that pops up. Click OK to send the pop-up away.

3 Click New Group to create a group of customers to invoice.

4 Choose the group you just created in the Customer:Job / Group field.

5 Read the info about sales tax and batch invoicing that pops up. Click OK to send the message away.

6 Add items to the invoice.

7 Make sure the date, invoice number, customer message, and other info on the invoice are correct.

8 When your invoice is complete, click Save. The Review Invoices window pops up.

9 Check each invoice, which appears as one line in the table, to make sure all the info (including the sales tax charged to the customer) is correct.

10 Choose the To Print check box if you're going to print this invoice. Choose the To Email check box if you're going to email this invoice to the customer. Tip: You can both print and email the same invoice.

11 Make sure that QuickBooks has checked all the invoices you want created in the left check box. If you don't want one of the customers in this group to get this invoice, uncheck the box.

12 Click Create. QuickBooks creates the batch of invoices, assigns them numbers, and saves them.

13 But wait...you're not quite done yet. You still need to email and/or print the invoices you've created.

**To print a batch of invoices:**

1 Click Print.

2 On the Print Forms window, make sure all the invoices you want to print are selected.

3 Click Print.

4 Take a look at each invoice on the print preview window to make sure everything looks good.

5 Click Print.

**To email a batch of invoices:**

**Tip:** Emailing a batch of invoices works a bit differently than emailing a single invoice—read carefully keep from being surprised.

1 Click Email.

2 On the Email Forms window, choose all the invoices in the batch.

3 Click Email.

4 Change the text in the cover email that will go to your customers so it'll sound good to your customers. Important: Do not edit <<contacts>> at the beginning of the email. QuickBooks uses it to put the name of each individual customer into the email that's attached to his or her invoice—so that you don't have to.

5 Check Include text in emails to tell QuickBooks to send the cover email text to your default email account.

6 Get ready to send out the emails with invoices attached:

- If you want QuickBooks to send these emails now, do not check Save emails as drafts.
- Click Send. QuickBooks sends the emails, with invoices attached as PDF forms, from your business email account.

OR

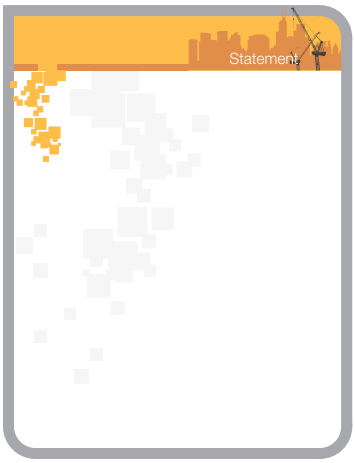
- If you want to review the emails in your default email account before you send them, check Save emails as drafts. QuickBooks puts the emails with the invoices attached as PDFs into the Drafts folder of your default email account.
- Whenever you're ready, go over to your email account Drafts folder and send out your invoices.

7 Click OK to close the Review Invoices window. All the new invoices show up in the left wing of your Invoices window.

**Tips for batch invoicing:**

- Want to print out the whole batch of invoices? Email the whole batch? On the Review Invoices window, use the check mark-shaped menu at the bottom left of the window to select all invoices to print, select all invoices to email.
- A batch invoice isn't the same as a memorized transaction. You still have to create an invoice for your group of customers every time you want to bill them.

# Statement charges




Say you're a web designer. A client needs you to do odds and ends work: update a page here, add a video there, you get the picture. Sometimes the work takes a few minutes and sometimes it takes hours. In this situation, it may make sense to use a statement to bill the client. You can also send statements as a record of invoices you've sent and payments you've received. A statement includes the following information:

- Any balance the customer owes
- Date, number, amount, and description for each invoice and statement charge
- Date and amount of each payment received
- Finance charges
- Total amount due

To use statements, you enter statement charges and then you create a statement.

## Entering Statement Charges

Entering charges is the first step in preparing statements to send to your customers. Back in the chapter on Accounts, I told you about a customer's register. Now you're going to use it. You enter the charges directly in each customer's register that will appear on the statement.

**To enter statement charges:**

1. Open the register for the customer you want to send a statement to.
   - Open the Customer Center. Select the name of customer and click Open Register.
   - Choose Customers > Enter Statement Charges. In the register window, check the name shown in the Customer:Jobs field. If the charges are for a different customer or job, choose the customer or job from the list.

- **Important:** If the Customer:Jobs list shows more than one job for the customer, be sure to select the correct job. QuickBooks maintains a separate register for each job.

2. If the date of the charge is different from today, change the date. Why would you change the date? The date of the service you performed may have been in the past.
3. In the Item field, enter the item you use to track this kind of charge.
4. Enter the quantity in the Qty field.
5. (Optional) Edit the description that QuickBooks filled in the Description field. The description that QuickBooks fills in is the sales description you entered when you set up the item. It also appears on

the customer's statement when you print it. QuickBooks uses only the first line of the description. If you want a different description to appear on the statement, edit the text in the Description field.

6 If you have more than one A/R account, choose the account you want to use from the Account list.

#### Using the A/R register instead

You can enter all your statement charges directly into your accounts receivable register instead of the individual customer registers. If you have a few customers, or if you like to see all your statement charges listed in one place, you may prefer the A/R register. Each charge you enter in the A/R register also appears in the appropriate customer register.

## Creating Statements

After you've entered statement charges, you're ready to create your statement

1 Choose Customer > Create Statements.

2 Select an Accounts Receivable (A/R) account for the statements you want to print.

3 (Optional) Select a template to format the statement the way you want. If you want to customize the look of you statements, such as adding your logo, select New Template and use Layout Designer (see page 223.

4 Select the statement dates:

- **Statement Date.** The date displayed at the top of the statement.
- **Statement Period.** Includes transactions that occurred in this date range will be in the statement.
- **All Open Transactions as of Statement Date.** Includes all transactions up to the Statement Date on the statement. You can limit those transactions to include only those past due a certain number of days.

5 Select the customers you want to print statements for.

- **All Customers.** Prints statements for all your customers.
- **Selected Customer.** Click Select and choose the customers you want to print statements for.
- **One Customer.** Select one customer from the dropdown list.
- **Type of Customer.** Select the type of customer to print statements for.

6 If you want to print a separate statement for each customer or job, select Customer or Job for "Create one statement for each." Otherwise, QuickBooks prints a consolidated statement for each customer or job.

7 Choose any additional options you want:

- **Show invoice item details.** Includes details of invoice items sold to the customer on the statement.
- **Print by billing address zip code.** If you are printing statements (not emailing them), prints the statements in order of the billing address zip code.
- **Print due dates on transactions.** Includes the due date of each transaction on the statement.

8 Sometimes you may not want some statements to print. You can tell QuickBooks to exclude statements that meet these criteria.

- Statements with a zero balance
- Statements with a balance less than a certain amount
- Statements for customer with no account activity
- Statements for inactive customers

9 If you've set up payment terms for your customers, you can click Assess Financial Charges so QuickBooks can assess finance charges for any customers whose payments are late.

10 If you want to print statements, click Print. If you want to email statements, click Email. You can also print the statement as a PDF, making it easy to keep records and share with others.

## Setting up for automatic charge entry

If you bill the same charge to a group of customers on a regular basis, you can set up QuickBooks to enter the charges automatically when it's time to send out your statements. For example, a property management company could enter monthly rents automatically. A health club could enter membership fees automatically.

**To set up for automatic charge entry:**

**Step 1:** For your first billing, enter the statement charges for each customer. **Tip:** If you have many customers that you want to enter charges for at once, you may find it faster to enter the charges in your Accounts Receivable (A/R) register instead of the individual customer registers.

**Step 2:** Create a memorized transaction group for the statement charges:

1 Choose Lists > Memorized Transactions. Choose Make New Group from the Action pop-up menu.

2 Enter a name that describes the statement charges. For example, "Monthly rents."

3 Click Automatically Enter.

4 From the How Often list, choose how often you want QuickBooks to enter the charges (Weekly, Monthly, etc.).

5 In the Next Date field, enter the NEXT service date in your billing cycle. For example, if the service date for the statement charges is February 1st and you bill monthly, you would enter March 1st.

**Step 3:** In the A/R register (or the individual customer registers), memorize each statement charge that you entered:

1 In the register, click the statement charge.

2 Choose Edit > Memorize Stmt Charge.

3 (Optional) In the Memorize Transaction window, change the name of the transaction. This affects how QuickBooks lists the transaction in the Memorized Transactions list — it does not affect the transaction itself.

4 Click "With Transactions in Group."

5 From the Group Name list, choose the memorized transaction group you just created.

**When you have finished**

QuickBooks automatically enters the statement charges for each billing cycle. All you have to do is print and mail the statements.

**Stopping automatic entry of a charge**

If you enter statement charges automatically but no longer need to charge a particular customer, you can remove that customer from the memorized transaction group.

1. Choose Lists > Memorized Transactions.
2. In the Memorized Transaction list, select the customer.
   If you've grouped some transactions, you'll find the customer in the list of names immediately below the name of the memorized transaction group.
3. Choose Edit > Delete Memorized Transaction.

## Memorizing charges for new customers

If you enter statement charges automatically, you can add new customers to the memorized transaction group you originally set up to enter the statement charges.

**To memorize charges for new customers:**

**Step 1:** For each new customer, enter the statement charges you want QuickBooks to enter automatically.

**Step 2:** Memorize the statement charges and add them to the memorized transaction group.

1. In the A/R or customer register, select the statement charge.
2. Choose Edit > Memorize Stmt Charge.
3. Click "With Transactions in Group."
4. From the Group Name list, choose the memorized transaction group you want to add the customer to.
5. (Optional) To add this transaction to Calendar, select the "Show in iCal" check box.

**Step 3:** When you have memorized all the new statement charges, delete them from the register.

1. In the A/R or customer register, select the statement charge.
2. Choose Edit > Delete Stmt Charge.
3. Click OK to confirm that you want to delete the statement charge.

Why delete the charges? When you use the memorized transaction group, QuickBooks reenters the charges. If you leave the original charges in the register, the next time you print billing statements, the charges will appear twice.

## Correcting overcharges on statements

Ooops. Mistakes happen. Here's how you correct them on your statements.

**To correct overcharges if you haven't yet sent the statement:**

1. Open the customer's register.
2. Find any incorrect charges. Change the amounts of those charges.
3. Click Record to save your changes.
4. Reprint the statement.

**Tip 1:** In the Select Statements to Print window, make sure that the date range of the reprinted statement is the same as it was for the original statement.

**Tip 2:** If you are reprinting a statement for one customer only, be sure to select the "One customer" option when the Select Statements to Print window appears. Normally, this window is set to print statements for ALL customers.

**To correct overcharges if you've already sent the statement:**

1. Create a credit memo to appear on the customer's next statement:
   - In the Item column, enter the item you overcharged. This ensures correct accounting on your reports.
   - Make the amount equal to the difference between the correct amount and the amount you charged the customer. For example, if you charged $15.00 when you should have charged $10.00, enter the credit as $5.00.
   - In the Memo field, enter the description you want your customer to see on the printed statement. For example, you could enter "Credit for overcharge."
   - Check the date of the credit memo. Make sure that the date falls within the date range of the customer's next statement.
2. When it's time to bill your customer again, print the customer's statement. The statement will include the credit memo along with any other charges for the billing period.

## Correcting undercharges on statements

If you charge a customer too little on a statement, what you do depends on whether you have sent the statement yet.

**To correct undercharges if you haven't sent the statement yet:**

1. Open either the customer's register or your A/R register.
2. Find any incorrect charges. Change the amounts of those charges.
3. Click Record to save your changes.
4. Reprint the statement.

- **Tip 1:** In the Select Statements to Print window, make sure that the date range of the reprinted statement is the same as it was for the original statement.

- **Tip 2:** If you are reprinting a statement for one customer only, be sure to select the "One customer" option when the Select Statements to Print window appears. Normally, this window is set to print statements for ALL customers.

**To correct undercharges if you've already sent the statement:**

1. Open either the customer's register or your A/R register.
2. Enter an adjustment charge to appear on the customer's next statement.
   - Enter the item you undercharged. This ensures correct accounting on your reports.
   - Make the amount equal to the difference between the correct amount and the amount you charged the customer. For example, if you charged $5.00 when you should have charged $7.00, enter the adjustment charge as $2.00.
   - Edit the item description in the Memo field so that it shows what you want your customer to see on the printed statement. For example, you could add the phrase "Balance due for" to the beginning of the item description.
   - Check the date of the charge. If necessary, change the date so that it falls within your next billing period.
3. Click Record.
4. When it's time to bill your customer again, print the customer's statement. The statement should include the adjustment charge along with any other charges for the billing period.

## Including reimbursable expenses on a statement

If you have been tracking billable expenses or hours for a particular job, you can include those costs on a billing statement. To include the costs, you click the Time/Costs button in the customer's register.

**To include reimbursable expenses on a billing statement:**

1. Open the appropriate customer register.

- **Important:** If the Customer:Jobs list shows more than one job for the customer, be sure to select the correct job. QuickBooks maintains a separate register for each job.

2. In the customer register, click Time/Costs.
3. Indicate how you want to date the statement charges it creates for the costs you select.
   - **Dates from table below**—Use the original date of each cost. If the dates occurred BEFORE the date of the last statement you sent to your customer, you may want to use the "This date" option instead. When you print a statement, QuickBooks normally includes only charges dated AFTER the date of the last statement to the customer.
   - **This date**— Use the date shown in the This Date field. Normally QuickBooks shows today's date in the field, but you can change the date to a different date if you want.
4. Click the tab for the kind of reimbursable cost you want to charge your customer for.
   - Click Items to bill for items you purchased for this job.

- Click Expenses to bill for other costs and expenses you incurred for this job.
- Click Time to bill for time billable to this job.

5 In the Use column, click next to each cost you want to create a statement charge for. A check mark next to an item indicates that the cost will appear on the invoice or statement charge.

| Tab name | How costs are calculated |
|---|---|
| Items | For inventory parts, resale non-inventory parts, subcontracted services, and reimbursable other charge item, QuickBooks uses your sales price, not your purchase cost. If you want, you can change the price on the statement. |
| Time | QuickBooks uses the hourly rate for the service item you assigned to the task. If you want, you can change the rate on the invoice. |

If a particular item is an overhead cost that you are not going to pass on to the customer, make sure that no check mark appears next to that cost in the Use column.
Tip: If you know that you are NEVER going to bill your customer for a cost, you can remove the cost so that it no longer appears in the list. Click the Hide column next to the cost. Hiding the cost won't remove its association with the job — you'll still see the cost along with other job-related expenses on job reports.

## Applying a discount to a statement charge

Before you can apply a discount to a statement charge, you must first create an Other Charge item.

**To apply a discount to a statement charge:**

1 Choose Lists > Items.

2 Click the + at the bottom of the list.

3 In the Type field of the New Item window, choose Other Charge.

4 Enter an item name, such as "Statement Discount." You don't have to assign a dollar amount or percent yet.

5 Select an account for the item and click OK.

6 Open the register for the customer who you want to give a discount.

7 On the first blank line, select the other charge item you created (such as "Statement Discount").

8 For Amt Chrg, enter a negative dollar amount and a description.

9 Click Record.

10 Go to Receive Payments and select the same customer name you choose in Step 2. The statement discount is shown as an existing credit that can be applied to an invoice now or when receiving payment.

## Marking a sale as pending

Sometimes, you might want to enter an invoice, cash sale, or a credit memo, you can mark the sale as pending. Here are some reasons why:

- Order entry: When you receive an order from a customer, enter the order as a pending sale. When the customer pays for the order, mark the sale as final.
- Draft approval: When you need approval for a billing draft before you permanently enter it into QuickBooks, enter the draft as a pending sale. When the draft is approved, mark the sale as final.

Pending sales do not appear in registers, do not affect account balances, and — with the exception of the pending sales report — do not affect reports.

**To mark a sale as pending:**

1. When you've finished filling in the invoice or sales receipt, choose one of these commands from the Edit menu:

| Choose... | If you are writing |
|---|---|
| Mark Invoice As Pending | An invoice. |
| Mark Sales Receipt As Pending | A sales receipt. |
| Mark Credit Memo As Pending | A credit memo. |

When you choose the command, the word "Pending" appears on the form.

2. (Optional) Enter a phrase like "Pending sale" or "For review" in the Customer Message field.

**To mark a sale as final:**

3. Open the transaction you want to mark as final. (The Pending Sales report is a handy way to find these transactions. You can just double-click the transaction on the report to open it.)
4. Choose Edit > Mark As Final.
5. If you used the Customer Message field to indicate that the sale was pending, edit the Customer Message field. For example, if you entered "Pending sale," you could edit the Customer Message field to say "Final sale."

# When a customer pays you

Yay! Money! Now you need a record of that payment for both you and the customer.

# Giving your customers sales receipts

When a customer pays you on the spot, give them a sales receipt. It's the same as when you go to a store and buy something. They give you a receipt with your purchase. That's exactly what you're doing. You can also use sales receipts to summarize a day's sales if you don't want to record each sale one by one. (Create a customer named "Daily Sales Summary" if you want to do this.) You can print or email a sales receipt. Choose Customers > Enter Sales Receipts.

**To create a sales receipt:**

1. Choose Customers > Enter Sales Receipts.
2. To create a sales receipt, click the "Create a Sales Receipt" on the left panel or click the + at the bottom of the list. To edit a sales receipt, select a sales receipt in the list on the left panel.
3. Enter the information for the sales receipt, and click Save.

**Note:** You can also create sales forms using the Customer Center and Transaction Center.

**What's on a sales receipt?**

- **Customer:Job.** Select the customer or job you want to create the sales receipt for. You can also enter a new customer:job name, and QuickBooks will prompt you to set it up. QuickBooks will automatically alert you if you choose a customer:job that has outstanding billable time or costs.

  **Tip for cash sales:** You can leave the Customer:Job field blank unless you specifically want to add the customer to the Customer:Jobs list. To include the name on the printed sales receipt, type the name in the Sold To field.

- **Class.** If you're using classes, choose which on you want to use. (If you don't see this, you need to turn classes on in Preferences.)

- **Sold to.** The address you have for the customer displays here. This is how the customer contact information will appear here. You can make any changes you need to.

- **Date.** Today's date, which you can change.

  **Tip:** Press + to increase the date by one day; press - to decrease the date by one day.

- **Sale No.** QuickBooks automatically increments this number by one for each new sales receipt.

  **Tip:** Press + to increase the number by one; press - to decrease the number by one.

- **Check No.** If your customer is paying by check, you can enter the check's number here.

- **Pay Method.** Select the payment method you customer is using.
  If you're processing a credit or debit card in QuickBooks, select the type of credit card. Be sure "Process credit card" is selected. When you click OK, enter the card information.

- **Item.** Select what you've sold this customer. You can include anything on the Items list here. You also enter a new item, and QuickBooks will prompt you to set it up. Tip: If you need to insert an item between two others, select the item line where you want the new one and choose Edit > Insert Line. Likewise, if you want to delete an item, select the item then choose Edit > Delete Line.

- **Description.** The description of the item you entered when you created the item. You can change this if you need to.

  **Tip:** You can enter multiple lines for your description, up to 4095 characters. Use Option-Return to put in a line break.

- **Quantity.** How many of the items does your customer need to pay you for? This could be 400 antennas or 10 hours of web design. If you leave this blank, QuickBooks assumes the quantity is 1.

- **Rate.** How much you charge for the item. If you entered this when you created the item, QuickBooks enters it for you. If you didn't or you need to change it, just edit this box.

- **Amount.** This is the total amount (Quantity x Rate) for this item that QuickBooks calculates for you.

- **Taxable.** If the item is taxable, click this box.

- **Customer Message**. A message for our customer, either on from your Customer Messages list or enter a new one.

- **Tax.** The tax item you assigned to the customer or the default tax if you have not assigned a tax item to the customer. QuickBooks uses the tax item to calculate the tax. You can also select a different rate from the list of tax items if you need to.

- **Group with other undeposited funds/Deposit to.** Click "Group with other undeposited funds" to hold the payment in your Undeposited Funds account. To deposit the payment, choose Banking > Make Deposits and select the payment. When you record the deposit, QuickBooks transfers the payment amount from Undeposited Funds to your QuickBooks bank account.

- **Deposit to.** To deposit the funds now, click "Deposit to" and enter the name of the bank account where you would like QuickBooks to deposit the payment.

  **Process a customer's credit or debit card on a sales receipt:**

  If you have an Intuit Merchant Services account, you can process your customer's credit or debit card when you fill out a sales receipt.

  **Important:** You should always swipe the credit card when you have it in hand, even if you already have the credit card on file. Only transactions from a card swipe are eligible for a lower discount rate.

  1. On the sales receipt, be sure you select a credit card for the Pay Method.
  2. Be sure the "Process credit card" icon is selected.
  3. Swipe the credit card or enter the card information.
     **Note:** When you use the Intuit card reader, you may see a message box that says the card reader needs to be identified. You can ignore this message by clicking the red circle in the top left corner of the message box to dismiss it.

4 Click OK.

You'll see a confirmation when the transaction is complete.

**Other things to know about sales receipts:**

Add time and costs to your sales receipt. If you've incurred expenses for your customer, such as mileage or other expenses, you can add that to as sales receipt to be reimbursed by your customer.

Apply sales tax. If you're charging sales tax for the items, click Taxable to apply sales tax.

**View the credit card information for the customer.** If you are using Intuit Merchant Account Service to charge customer credit cards, you can click Charge Info to see the credit card information of this customer you selected.

**Print, email, add to Calendar.** You can mark the sales receipt as to be printed or emailed later. Then choose File > Print forms or File > Email forms. You can also add a reminder to Calendar.

# Receiving payments

If you've sent a customer an invoice and then they pay you, receive the payment (Customers > Receive Payments). The invoice is your customer's record of sale so you don't need to give them a sales receipt.

When a customer pays an invoice or a statement you've sent them, record the payment in QuickBooks with Customers > Receive Payments.

**Watch a video on how to receive a payment.**
http://www.qblittlesquare.com/2011/10/3731/

**Tip:** There are times when a customer pays when you shouldn't use Receive Payments, such as when the customer pays in full at the time of the sale. Enter a sales receipt instead. Or when you receive a partial payment at the time you write an invoice, enter a payment item on the invoice.

**To receive a payment:**

1 Choose Customers > Receive Payments.
Note: You can also receive payments using the Customer Center and Transaction Center.

2 To receive a new payment, click the "Create an Payment" on the left panel or click the + at the bottom of the list. To edit a payment, select a payment in the list on the left panel and edit the information.

3 Select or enter the information at the top of the Payments window:

- Customer:job. If the payment is for a single job, choose the customer's name as well as the job; if the payment is to be applied to multiple jobs, just choose the customer's name. The open invoices and statement charges for the customer you select appear on the Payments widow.
- Date. QuickBooks automatically enters today's date. You can enter a different date if needed.
- Amount. When you enter the amount, QuickBooks applies the amount to the invoices listed,

beginning with the oldest invoice. The amounts QuickBooks applies appear in the Payment column. (Note: You can set QuickBooks so that it does not apply the payment automatically. To do this, choose QuickBooks > Preferences, click Sales & Invoicing, and then clear the "Automatically apply payments" check box.)

- Pmt. Method. The way your customer is paying you. You can manage what appears on this menu with the Payment Methods list.
- Check No. If your customer is paying you by check, enter the check number.

4 Select the outstanding invoices and charges you're receiving the payment for by clicking in the column on the far left. A check will appear next to the invoice or charge. You can double-click any invoice or charge to open and make changes.

5 Choose how you want to deposit customer payments.

- **Group with other undeposited funds.** Holds the payment in your Undeposited Funds account. To deposit the payment, choose Banking > Make Deposits and select the payment. When you record the deposit, QuickBooks transfers the payment amount from Undeposited Funds to your QuickBooks bank account.
- **Deposit to.** Click "Deposit to" and enter the name of the bank account where you would like QuickBooks to deposit the payment.

6 (Optional) Change how QuickBooks applies the payment.

- QuickBooks normally applies the payment to the oldest invoice first, then the next oldest, and so on. To distribute the amount of the payment differently:
  - Click Clear Payments. In the ✓ column, click each invoice to which you want to apply the payment.
  - When you see the QuickZoom symbol in the Outstanding Invoices/Statement Charges area, double-click an item to display more detail.
- Each time you select an invoice, QuickBooks automatically inserts the amount to be applied to the invoice in the Payment column. When the undistributed amount of the customer's payment is greater than the amount due, QuickBooks pays the invoice in full. When the undistributed amount is less than amount due, QuickBooks applies the entire amount to the invoice, leaving a balance due on the invoice.

7 (Optional) Enter a note about the transaction here. Your note will appear on reports that include this transaction.

8 Click Save.

**To process a customer's debit or credit card:**

If you have an Intuit Merchant Services account, you can process your customer's credit or debit card on the Receive Payments window.

1 Be sure you select a credit card for the Payment Type.

2 Be sure the "Process credit card" check box is selected.

3 Enter the card information.

4 Click OK.

You'll see a confirmation when the transaction is complete.

**Other things to know about receiving payments:**

Create a credit memo. If the payment is less than what your invoice is for, you may owe your customer money. If that's the case, click Credit Memo to record the credit or issue a refund.

View payment history for the customer. Click History to see the payments from the customer you selected.

Add deposit reminder to Calendar. Click the button to add a reminder to yourself to deposit the payment.

**View the credit card information for the customer.** If you are using Intuit Merchant Account Service to charge customer credit cards, you can click Charge Info to see the credit card information of this customer you selected.

## Accepting your customer's credit and debit cards

With an Intuit Merchant Services account, you can accept your customer's credit and debit cards as payment for transactions.

View a tutorial...
(It says QuickBooks 2010, but all the info is still good. Don't get me started…sigh.)

**Note:** If you are using QuickBooks in multiuser mode, you'll need to complete these steps for each computer you want to use to process debit and credit cards.

**Step 1. Set up your account with Intuit Merchant Account Services.** (You only have to do this once.) You must have a merchant account to process your customer's credit and debit cards. Once you sign up, you'll be given a connection ticket that authorizes QuickBooks to process credit and debit card transactions. Enter this ticket on the Merchant Service preference window. (QuickBooks > Preferences)

**Step 2. When you create a sales receipt or receive a payment, use a credit/debit card payment method.** Be sure "Process credit card" is checked. When you click OK, you'll be asked to enter your customer's card number and other information.

- **Note:** Using the Customer Center, you can add a customer's card information then just select it when you're processing a payment.

**Step 3. Track credit or debit card transactions.** Using your online Merchant Service account, you can track all transactions you completed using your customer's credit and debit cards. Choose Customers > Credit Card Activities > Merchant Service Center to access your account. You can also download card transactions you've completed outside of QuickBooks using Go Payments or the Merchant Services Portal.

## What you should know before processing a credit card payment in QuickBooks

Before you process a credit card payment through the Merchant Service for QuickBooks, it's important to understand the following information.

**Ship within 24 hours**

Visa and MasterCard association rules require that you do not charge the cardholder for the purchase until the product has been shipped (as opposed to charging the customer on the date the product was ordered or authorized).

**Card-swiped transactions**

(Available only for merchant accounts supported by Merchant Service for QuickBooks.)

For a "card swiped" transaction, the merchant swipes the credit card through a terminal or other device that reads the card's magnetic stripe. Card-swiped transactions qualify for a lower discount rate because they carry a lower risk of credit card fraud. If you do repeat business with a customer, you must swipe the credit card every time you process it to receive this lower rate for each transaction.

Whenever you are unable to swipe the card (for example, if the card's magnetic stripe is damaged), it's a good idea to imprint of the card and complete a sales slip. Imprinting the card proves that the card was physically present if a customer later disputes a charge.

**Key-entered transactions**

For a key-entered transaction, the credit card does not need to be physically present to authorize the transaction, as it does if you use a card reader. Instead, the information is processed over the Internet (as with the Merchant Service for QuickBooks), by email, over the phone, or by similar means. All you need is the customer name, the customer's address, the card number, and the expiration date.

This processing method gives you more flexibility (for example, you can accept credit card payments over the phone) and enables you to download your payment transactions directly into QuickBooks. However, using this method also means that you, as the user of the merchant account, have full responsibility for safeguarding against fraudulent transactions. To help reduce the amount of fraud, the Merchant Service for QuickBooks performs an address verification check for each credit card transaction by comparing the customer address you enter with the credit card bank records.

## Processing credit and debit cards FAQ

If you're processing credit and debit cards in QuickBooks, you may have a lot of questions. The answers below may help. You can also check the QuickBooks for Mac support site and community site for your answers.

- **If I remove a credit card number, what happens to the transactions associated with that card?** They're still there. QuickBooks maintains a record of all transactions for a customer. You can still click on the transaction in the Transaction Center, which will take you to the online Merchant Service Center where you can view your full transaction detail.
- **If I void a credit card payment, what happens?** It's like it never happened. You won't see the transaction in QuickBooks.

- **How can I find a credit card transaction processed in QuickBooks?** A credit card transaction is like any other transaction in QuickBooks. You can find it Transaction Center or in the transactions list for a customer in Customer Center. Just click on the title to open up the transaction.

- **How can I get more details about my credit card transactions?** Your online Merchant Service Center is the place to go. Here's how you get there.

    - On the toolbar on the Home Page, click the Merchant Service icon. (If you've customized your toolbar or Home Page, you may not see this icon.)

    - In Customer Center, edit a customer. On the Payment Info pane, double-click the transaction.

    - Go to https://merchantcenter.ptcfe.intuit.com/qbmsmac.

- You'll need your Merchant Service username and password. You created these when you first signed up for your Merchant Service account.

## Entering your customer's credit/debit card information

When you're processing a customer's credit or debit card, QuickBooks asks you for the card information. You can either swipe the credit card with a USB card reader or enter the information manually.

**Important:** You should always swipe the credit card when you have it in hand, even if you already have the credit card on file. Only transactions from a card swipe are eligible for a lower discount rate. Card-swiped rate requires the card reader issued by Intuit Merchant Service for QuickBooks for Mac. To get the card-swipe rate, you cannot edit any of the card information after the swipe.

To find out more, go to: http://pointofsale.intuit.com/barcode-inventory-software/

1. Enter the card number, expiration date, name on the card, optional CSC (Card Security Code) code, and cardholder's zip code. (The CSC code is the three-digit number on the back of the card and is only required for a credit card.) You can verify how the card information is entered by the message "Keyed" or "Swiped" under the credit card symbol next to the number.
2. (Optional) If you're processing the card from the Enter Sales Receipt or Receive Payments window, click Optional for additional security features.
3. Click Process.
4. On the Payment Approved window, you can print or email the sales receipt. You can also void the payment. Double-clicking on the transaction ID takes you to your online Merchant Service account where you can review more details of the transaction.

## Voiding a credit card transaction

We all make mistakes. And if you make one with a credit card transaction, you can void it. When you void a transaction, it's like it never happened.

**To void a credit card transaction:**

- When you're processing a customer's card, there's a Void Payment button at the bottom of the confirmation window for the charge. Click it to void the transaction you just processed.
- You can also edit the customer and find the transaction you want to void on the Payment Info pane. Double-click the transaction to go to your online Merchant Service account. You can manage all your credit card transactions there.

## Tracking GoPayment and other credit card transactions in QuickBooks

**The customer has already paid me. Why do I need to create a sales receipt or an invoice?**

QuickBooks can only track what it knows about. The downloaded information is just about the credit card processing. It's not yet associated with a transaction that you can track in QuickBooks. So even though it's after the fact, you need to create a sales receipt or invoice/payment so that QuickBooks has a record of the transaction.

You don't have to process your customer's credit and debit cards in QuickBooks to track those transactions with QuickBooks. You can process a customer's card using Intuit GoPayment or your Merchant Services Portal and then download those records into QuickBooks and create transactions for QuickBooks to track.

**To download card transactions made outside of QuickBooks:**

1. Choose Customer > Credit Card Activities > Downloaded Transactions.
2. At the top of the Intuit Payment Solutions Downloaded Transactions window, set the date range for the card transactions you want to download.
3. Click Download in the top left corner. All the downloaded credit and debit card transactions were made with either Intuit GoPayment or using your Merchant Services Portal. Now you need to create a transaction in QuickBooks to associate the charge to.
4. On the Intuit Payment Solutions Downloaded Transactions window, select the card payment you want to create a transaction for.
5. Click Create Sales Receipt or Create Invoice.
6. On the Enter Sales Receipt or Create Invoice window, enter the information for the transaction.

**Things you should know:**

- The customer name in the downloaded transaction may not be the same as the name you have in your QuickBooks Customer list. Be sure you select the customer's name from the drop down Customer list.
- The amount of the credit card charge is in the Memo field. When you enter your item information, refer to this amount and make sure the item amount matches.
- For Sales Receipts, "Intuit Payment Method" is always the payment method used for downloaded credit card transactions and can't be changed.

## Handling down payments and overpayments

If a customer sends you more money than he or she owes, there will be an amount left over at the Receive Payments window after you have applied the payment to invoices. QuickBooks keeps track of the credit amount so you can apply it the next time the customer owes you money.

**To handle down payments and overpayments:**

1. Enter the payment in the Receive payments window. Caution: If you're recording a down payment, and you are doing more than one job for the customer, be sure to specify both the customer name and the job name in the Customer:Job field. This ensures that QuickBooks will apply the down payment to invoices for the correct job.
2. For an overpayment, apply as much of the payment as you can to outstanding invoices.
3. Note the leftover amount in the Unapplied Amount field. If the payment is a down payment and there is no invoice yet, the entire payment amount is displayed in the Unapplied Amount field. QuickBooks holds the unapplied amount with this customer's name so that when you do have an invoice for this customer, you can apply the down payment amount.
4. (Optional) Click Print Credit Memo to give the customer a receipt for the down payment or overpayment. The credit memo is for your customer only. It does not become part of your financial records in QuickBooks.

## Applying a discount for early payment

When you enter a customer payment for an invoice, the Receive Payments window has a "Discount Info" button. You can use this button to give the customer a discount if your payment terms include a discount for payment before the due date. Even if the customer has sent you a payment for the full amount of the invoice, you can apply a discount.

**Note:** To apply discounts to statement charges, go to the Accounts Receivable register for the customer and use a Discount item.

**To apply a discount for early payment:**

1. Enter the customer's payment in the Receive Payments window.
2. Click the line of the invoice to which you want to apply the discount.
3. Click Discount Info.
4. (Optional) Change the amount of the discount. QuickBooks calculates a suggested discount amount based on your payment terms with the customer and the payment date.
5. Enter the name of the account you use to track the discounts you give to customers.

## When you've applied payment to the wrong invoice

If you apply a payment to the wrong invoice, you can correct the error by editing the payment transaction.

**To correct the application of a payment:**

1. Open the accounts receivable register.
2. Double-click the payment transaction you want to change.
3. Correct the error in the Receive Payments window.

## Setting up for finance charges

If you've set up payment terms for your customers, QuickBooks can assess finance charges for any customers whose payments are late.

**To set up for finance charges:**

1. Choose QuickBooks > Preferences and then click Finance Charges.
2. Enter your finance charge information (annual interest rate, minimum finance charge, grace period).
   - **Annual interest rate:** This is the interest rate QuickBooks will use to calculate finance charges. QuickBooks assumes the rate is a percentage. For example, you would type 12.5 if your rate is 12.5%.
   - **Minimum finance charge:** To apply a minimum finance charge regardless of the amount overdue, enter it here.
   - **Grace period (days):** To allow a grace period before finance charges apply, enter the length of the grace period in days. This delays the application of finance charges. For example, if the starting date is June 1st and the grace period is 3 days, QuickBooks waits until June 4th to assess finance charges.
3. (Optional) Enter a finance charge title.
4. Indicate the date when you want to start assessing finance charges.
   - **Due date:** The day the invoice is due.
   - **Transaction date:** The day you wrote the invoice.
5. Choose the account to track income from finance charges. This is usually an income account.
6. (Optional) If you don't want to assess finance charges on overdue finance charges, clear the check box for it.
7. (Optional) To be able to print your finance charge invoices to send to customers, select the "Mark finance charge invoices as 'To be printed" check box. If you send statements, leave this check box cleared.

## Assessing finance charges

When you assess finance charges, QuickBooks creates an invoice for each charge.

**To assess finance charges:**

1. Choose Customers > Assess Finance Charges.
2. Select the customers and jobs for which you want to assess finance charges.

| To... | Do this |
|---|---|
| Select an individual customer or job | Click in the Assess column opposite the customer or job name. |
| Select all the customers and jobs listed | Click Mark All. |
| "Unselect" everything you've selected | Click Unmark All. |

**Important:** Customers and jobs marked with an asterisk (*) have credits in the form of payments or credit memos that you have not yet applied to any invoice. The overdue balance shown in the Assess Finance Charges window does not reflect these credits.

3 (Optional) Change any finance charge amounts by typing over the amounts shown in the Fin. Charge column. To change the interest rate, click Settings and enter the new rate.

4 (Optional) If you plan to print the finance charge invoices to send to customers, select the "Mark invoices To be printed" check box. If you send statements, leave this check box cleared.

# Using Intuit PaymentNetwork with QuickBooks for Mac

It can be pretty easy to get paid and keep payment records when you use Intuit PaymentNetwork with QuickBooks for Mac.

## Step 1: Set up QuickBooks for Mac to work with Intuit PaymentNetwork.

When you're in Preferences, you'll see that Use Intuit PaymentNetwork for all customers is checked by default. Keep it checked if you want to give all your customers the option to pay you online via Intuit PaymentNetwork. (You can always turn the option off for specific invoices.)

Uncheck this box if you want to add links to Intuit PaymentNetwork manually only to certain invoices.

## Step 2: When you create invoices, add a link to Intuit PaymentNetwork that your customer can click to pay you online.

- Click . When you save the invoice, QuickBooks adds a link so your customer can pay you online.

  If the button is dark, Intuit PaymentNetwork is already turned on.

- Click again and resave the invoice to remove the Intuit PaymentNetwork link from the invoice.

Refresh the invoice form. A link appears under the Items table. That's the link to your Intuit PaymentNetwork account.

When you email your invoice to your customer, you'll see information about the link that your customer will see.

### Step 3: Get paid!

Intuit PaymentNetwork sends you an email when a payment has been processed, then posted to your account.

### Step 4: Download the payment to QuickBooks for Mac.

1. Go to Customers > Intuit PaymentNetwork > Download Transactions. A browser window opens.
2. Log in to your IPN account.
3. Now you need to choose how you want to download the transactions into QuickBooks.
4. To both receive the payment and record the deposit, choose the top radio button.

- We recommend this option most of the time—unless you have a specific need to record this deposit manually, it's easier to let QuickBooks handle the IPN fee split and create all the correct records.

5. To just receive the payment and group the money with your other undeposited funds, choose the lower radio button. Don't forget to account for Intuit PaymentNetwork fees when you do record this deposit.
6. Check all the transactions in the list that you want to download now.
7. Click Download to QuickBooks.
8. Close the browser window to go back to QuickBooks.

After you've finished downloading the transactions, you can go into QuickBooks and see the received payments and recorded deposits (if you chose to go that way) made for you.

# When you owe a customer

One of your customers has returned goods you sold or canceled an order for which you've already sent an invoice or billing statement and received a payment. So you need a **credit memo.** A credit memo reduces the amount the customer owes you. You can then issue a refund or apply the credit to future invoices. Choose Customers > Credit Memos/Refunds.

## Creating a credit memo and refund

If a customer returns something, then you give them a credit memo. If you're refunding money to a customer, create a credit memo first, then write a refund check.

**To create or edit a credit memo:**

1. Choose Customers > Create Credit Memos/Refunds.

2. To create a credit memo, click the “Create a Credit Memo” on the left panel or click the + at the bottom of the list. To edit a credit memo, select a credit memo in the list on the left panel and edit the information.
3. Enter the information for the credit memo/refund, and click Save.

**Note:** You can also create sales forms using the Customer Center and Transaction Center.

**What’s on a credit memo?**

- **Customer:Job.** Select the customer or job you want to create the credit memo for. You can also enter a new customer:job name, and QuickBooks will prompt you to set it up. QuickBooks will automatically alert you if you choose a customer:job that has outstanding billable time or costs.
- **Class.** If you’re using classes, choose which on you want to use. (If you don’t see this, you need to turn classes on in Preferences.)
- **Customer.** The address you have for the customer displays here. This is how the customer contact information will appear here. You can make any changes you need to.
- **Date.** Today’s date, which you can change.
  **Tip:** Press + to increase the date by one day; press - to decrease the date by one day.
- **Credit No.** QuickBooks automatically increments this number by one for each new credit memo.
  **Tip:** Press + to increase the number by one; press - to decrease the number by one.
- **PO Number.** If there’s a related purchase order (PO), enter that PO number here.
- **Item.** Select what you’re creating the credit memo or refund for. You can include anything on the Items list here. You also enter a new item, and QuickBooks will prompt you to set it up. Tip: If you need to insert an item between two others, select the item line where you want the new one and choose Edit > Insert Line. Likewise, if you want to delete an item, select the item then choose Edit > Delete Line.
- **Description.** The description of the item you entered when you created the item. You can change this if you need to. Tip: You can enter multiple lines for your description, up to 4095 characters. Use Option-Return to put in a line break.
- **Quantity.** How many of the items are you crediting the customer for? This could be 400 antennae or 10 hours of web design. If you leave this blank, QuickBooks assumes the quantity is 1.
- **Rate.** How much you charge for the item. If you entered this when you created the item, QuickBooks enters it for you. If you didn’t or you need to change it, just edit this box.
- **Amount.** This is the total amount (Quantity x Rate) for this item that QuickBooks calculates for you.
- **Taxable.** If the item is taxable, click this box.
- **Customer Message.** A message for our customer, either on from your Customer Messages list or enter a new one.
- **Tax.** The tax item you assigned to the customer or the default tax if you have not assigned a tax item to the customer. QuickBooks uses the tax item to calculate the tax. You can also select a different rate from the list of tax items if you need to.

**To write a refund check:**

When you need to refund a customer some money, create a credit memo first. Then you can write a refund check.

1. Open the credit memo you want to use for the refund.
2. Click Refund at the top of the window.

3. Make sure all the information on the check is correct.
   Caution: Leave Accounts Receivable as the account in the detail area of the refund check. This ensures that QuickBooks will account for the credit and refund correctly.
4. Click OK.

Although you have recorded both the credit memo and the check, you still need to connect the check to the credit memo so that QuickBooks can track the transaction correctly. You use the Receive Payments window to connect the two.

**To connect the refund check to the credit memo:**

1. Choose Customers > Receive Payments.
2. Choose the customer to whom you just wrote the refund check. You'll see the amount of the credit included in the Existing Credits field and the refund check in the bottom section of the window.
3. Select the Apply Existing Credits check box.
4. On the Refund Chk line, enter the check amount in the Payment column, if not already entered by QuickBooks, and then click OK. If you now choose Customers > Create Credit Memos/Refunds to display the credit memo you just entered and click Tx History, you should see the refund check listed in the Transaction History - Credit memo window.

**Other things to know about credit memos:**

View payment history for the credit memo. Click history to see the payments for this credit memo.

Apply sales tax. If you're charging sales tax for the items, click Taxable to apply sales tax.

**Print, email, add to Calendar.** You can mark the credit memo as to be printed or emailed later. Then choose File > Print forms or File > Email forms. You can also add a reminder to Calendar.

# Getting paid for time and costs

When you work for a customer, many times you charge them for time you've worked, expenses you've incurred,

and mileage you've put on your car. You can track that in QuickBooks and include that on the forms you sent to your customers to get reimbursed. If you are writing an invoice, you can also have QuickBooks calculate a markup and apply the markup to each expense.

**This video explains how to get reimbursed for expenses.**
http://www.qblittlesquare.com/2011/06/how-do-i-invoice-a-customer-for-expenses/

## Assigning costs (or time) to a job

When you plan to charge your customer for the actual time and costs for a job, here's what you must do to track the time and costs.

| To track... | Do this... |
|---|---|
| Billable time | Record the hours spent on the job, using either a weekly timesheet or a single activity entry. Be sure to mark each entry as "billable," and to assign the hours to the customer (or if you're tracking by job, to the job you are doing for the customer). To track billable time, see the section on time tracking, starting on page 124. |
| Job-related purchases:<br>Items purchased for a job<br>Subcontracted services | Use a bill, check, or credit card charge to record the purchase. On the Items tab, enter each item or service you purchased. In the Customer:Job column, be sure to assign each item or service to the customer (or if you're tracking by job, to the job you are doing for the customer). To find out how to enter job-related items, see the sections on entering bills, checks, and credit card charges. |
| Other expenses:<br>Freight charges, Postage, etc. | Use a bill, check, or credit card charge to record the expenses. On the Expenses tab, enter each expense. In the Customer:Job column, be sure to assign each expense to the customer (or if you're tracking by job, to the job you are doing for the customer). To find out how to enter job-related expenses, see the sections on entering bills, checks, and credit card charges. |
| Mileage | Set up your vehicles in the Vehicles list. Then enter your mileage using Company > Enter Mileage. To track your mileage, see the section on mileage starting on page 129. |

## Invoicing for actual costs

If you have been tracking billable hours or expenses for a particular job, you can invoice your customer for your costs.

**To invoice for actual costs:**

1. Choose Customers > Create Invoices.
2. Choose the name of the job from the Customer:Job list.
3. Click Time/Costs at the top of the window.

4. Click the tab for the kind of cost you want to include on the invoice.
   - **Items:** Items you purchased for this job. These include inventory parts, non-inventory parts, subcontracted services, and other charge items.

- **Mileage:** Mileage you've entered and assigned to this job.
- **Expenses:** Other costs and expenses you incurred for this job.
- **Time:** Time billable to this job.

5 In the Use column, click next to each cost you want to include on the invoice. A check mark next to an item indicates that the cost will appear on the invoice or statement charge.
If you see this symbol in the Use column, it means that you have included the cost on the invoice, but you have not yet recorded the invoice.

- **Items:** For inventory parts, resale non-inventory parts, subcontracted services, and reimbursable other charge items, QuickBooks uses your sales price, not your purchase cost. If you want, you can change the price on the invoice.
- **Time:** QuickBooks uses the hourly rate for the service item you assigned to the task. If you want, you can change the rate on the invoice.

6 If a particular item is an overhead cost that you are not going to pass on to the customer, make sure that no check mark appears next to that cost in the Use column. Tip: If you know that you are NEVER going to invoice a customer for a cost, you can remove the cost so that it no longer appears in the list. Simply click in the Hide column next to the cost. Hiding the cost won't remove its association with the job — you'll still see the cost along with other job-related expenses on job reports.

7 (Optional, for expenses only) Add a markup to the expenses you selected.

- Click the Expenses tab to bring it to the front.
- If necessary, change the markup shown in the "Markup amount or %" field. QuickBooks fills in this field with the markup you set (choose QuickBooks > Preferences and click Sales & Invoicing). If you decide to change the markup here, it applies only to this invoice. You can enter the markup either as a flat amount (for example, 10.00 — which QuickBooks would interpret as ten dollars) or as a percentage (for example, 10 % — which QuickBooks would interpret as ten percent). If you enter a percentage, be sure to include the % sign.
- In the Markup Account field, enter the name of the account you use to track markup income.
- If you don't want your customer to see the markup amount on the invoice, select the "Print selected time and costs as one invoice item" check box. When you print the invoice, it shows one amount (the sum of all the expenses plus the markup). The Description column lists the amount as "Total reimbursable expenses." If you want, you can change this description by editing the onscreen version of the invoice. The onscreen version of the invoice also shows the "Total reimbursable expenses" line item. In addition, it lists the individual expenses and amounts that make up the total.

8 (Optional) If you want the costs you select to appear as a single line item when you print the invoice, select the "Print selected time and costs as one invoice item" check box. When you view the invoice on your screen, you'll see a separate line for each cost; when you print the invoice, only the total for the entire group of costs appears. Important: Do this only if you are certain you want the printed invoice to show only the total of the costs (and not a line by line listing of each cost). Once you record the invoice, you will not be able to print the costs separately.

9 If you have other kinds of costs to add to the invoice, click the appropriate tab and repeat Steps 5 through 8.

10 Click OK to add the costs you selected to the invoice.

11 Before recording the invoice, press ⌘P, and then click Preview to see what will appear on the printed invoice. If you see any job costs that should not be on the invoice, close the Print Preview window. On the invoice, select the cost and choose Edit > Delete Line. Why you need to do this: You can use a job cost only once on an invoice. When you record the job cost on an invoice, QuickBooks

automatically removes the cost from the Choose Billable Time and Costs window. This is a precaution against double billing your customer for the cost. The original record for the cost (timesheet, single activity entry, bill, check, or credit card charge) still remains in your financial records — it's just that you'll no longer see the cost listed in the Choose Billable Time and Costs window.

**What if you record the invoice by mistake?**

To reinstate a cost after you record the invoice, edit the original record of the cost. For time entries, click the Billable field and click OK to re-record the entry. For bills, checks, and credit card charges, change something on the form, change it back, and click OK. Doing this restores the cost to the Choose Billable Time and Costs window.

**What if you want more than one summary?**

If you want the printed invoice to show several cost summaries instead of a single summary of all the costs, here's what to do:

**To display multiple cost summaries on an invoice:**

1. In the Choose Billable Time and Costs window, select the costs for the first summary. Select the "Print selected time and costs as one invoice item" check box and then click OK to return to the invoice form.
2. On the invoice, edit the description of the line item QuickBooks added to the invoice. The description is "Total reimbursable expenses," but you can change the wording so that it's appropriate for the invoice.
3. Click Time/Costs to return to the Choose Billable Time and Costs window.

## Applying a different markup to each expense

If you don't want to mark up each expense by the same amount or percentage, you can mark up the expenses individually.

**To apply a different markup to each expense:**

1. Make sure the "Markup amount or %" field is blank.
2. In the Amount column, change the amount of each expense so that it includes the markup you want. For example, if an expense is $50.00 and you want to mark it up by $10.00, you would change the $50.00 amount to $60.00.

**Effect on your accounts**

When you use this method to mark up an expense, QuickBooks does NOT post the difference between the original amount and the edited amount to your markup account. Instead, the entire amount posts to the account you use to track income from that type of reimbursed expense. To track markup income separately, you must use the "Markup amount or %" field to apply a single markup to all the expenses you select.

**You can't split an expense**

If you REDUCE the amount of an expense, QuickBooks assumes that you do not intend to charge your customer for the balance. You will not see the balance the next time you display the Choose Billable Time and Costs window for the customer.

# Tracking time

If you charge your customers for time, you can enter that time in QuickBooks to be included on bills you send your customers.

Note: If you'd like to use the free QuickBooks-integrated application My Time, turn on time tracking (QuickBooks > Preferences >Time Tracking) and then download your copy of My Time. Find out more about My Time on Little Square: http://www.qblittlesquare.com/2011/04/my-time-a-free-app-for-time-tracking/

## Setting up time-tracking

If you track time, you can set the first day of your workweek and choose which time entry form QuickBooks displays when you click the Timesheet button on the toolbar.

**To set up time tracking:**

1. Choose QuickBooks > Preferences and click Time Tracking.
2. Be sure that "Keep track of time" is checked.
3. If the first day of your workweek is a day other than Monday, choose that day from the "First Day of Work Week" list. QuickBooks adjusts your timesheets so that each weekly period begins with the day of the week you select. If a timesheet happens to be open when you make this change, the change does not occur in the timesheet until you close and reopen it.
4. If you prefer to make time entries one at a time, click Single Activity. This preference determines which time entry form appears when you click the Timesheet button on the toolbar or the Record Time button on the Employee list. QuickBooks provides two forms: one for entering the time spent by one person on a single job on a single date (the single activity entry form), and one for entering the time spent by one person on multiple jobs over longer periods of time (the weekly timesheet).

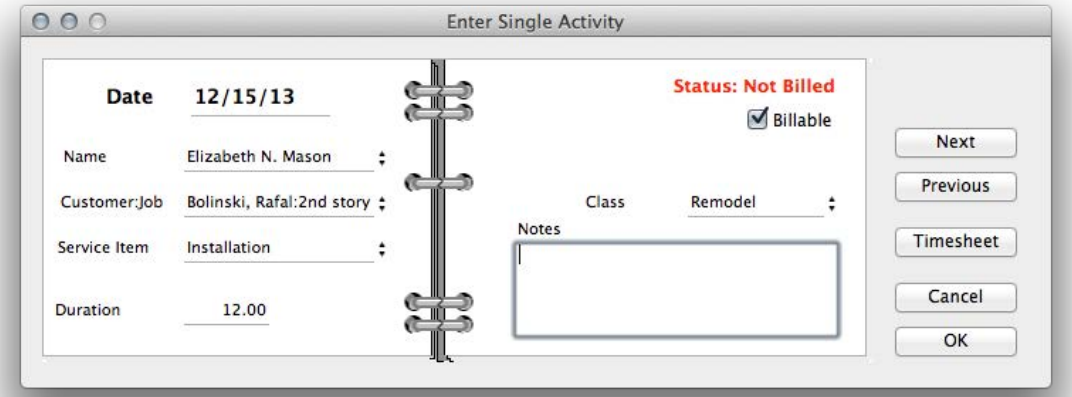
## Which way should you enter time?

There are two ways to enter time. You can enter single activities at the time they occur, or you can enter all the hours for each job on weekly timesheets. Choose the method that works best for your business.

**Single activity entries**

A single activity entry shows the time spent by one person doing a single activity for a single job on a single date. If you are recording time spent on different jobs, you would have to make a separate entry for each job even if the

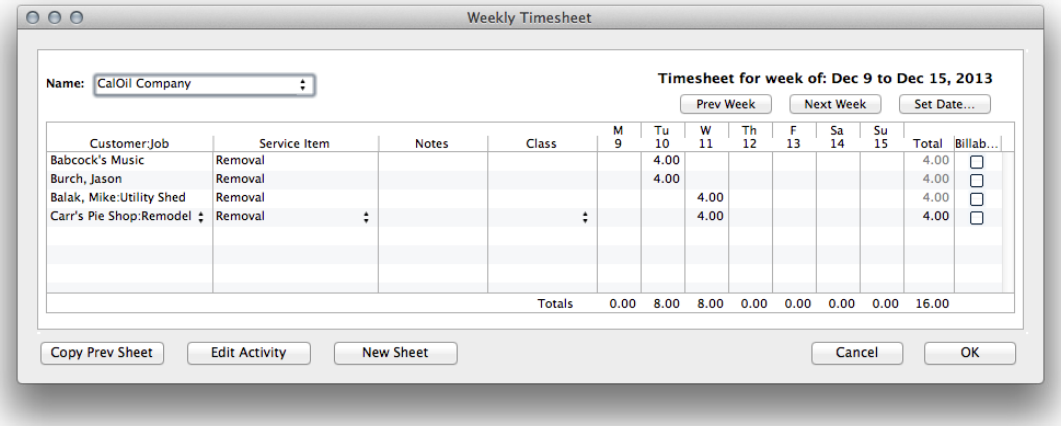
same person performed all the work.




If you prefer to jot down the details of one day's work as the day progresses, this method might work best for you. For example, an attorney could use a single activity entry to record the time he or she just spent on a phone conversation with a client.

### Weekly timesheets

A weekly timesheet shows the time spent by one person doing any number of activities for any number of jobs within a seven-day period. While the timesheet can only display one week at a time, you can easily view the hours entered for other weeks.




If you prefer to enter a person's hours on a single form at regular intervals, this method might work best for you.

For example, a general contractor could use a weekly timesheet to record the time spent on each job for that week.

**You have two views of your date**

You can move back and forth between the two time entry forms. If you are viewing a single activity entry, you can display that person's weekly timesheet with a click of the mouse. On a weekly timesheet, you can select any hourly entry and view it as a single activity entry. The two forms are simply different views of the same data.

When you make a single activity entry, QuickBooks automatically records the entry on that person's weekly timesheet. Likewise, if you fill in a weekly timesheet, QuickBooks also saves each hourly entry as a separate, single activity entry.

## Filling in weekly timesheets

A weekly timesheet is a record of the time spent by one person on any number of jobs over one week. Use timesheets to record work done on several days or several jobs. Anything you previously entered as a single activity entry automatically appears on a person's timesheet.

**To fill in weekly timesheets:**

1. Choose Employees > Time Tracking > Use Weekly Timesheet.
2. In the Name field, enter the name of the person who performed the work and press Tab. If you have already made time entries for that person for that week, the entries appear on the timesheet. You can add to or edit those entries.
3. If necessary, change the date range of the week displayed.
   - To change to the next week, click Next Week.
   - To change to the previous week, click Prev Week.
   - To change to any other week, click Set Date and enter a date in the week you want to display.
4. In the Customer:Job field, enter the customer for whom the work was performed. If you are tracking individual jobs as well, enter the customer name, a colon, and a job name. Press Tab.
   - Non-billable time: If you do not intend to invoice your customer for this particular activity, you still may want to enter the customer or job name. For example, if you spent the time correcting an error on a job, filling in the Customer:Job field gives you a record of your non-billable time for the job. You can display non-billable time on time reports.
   - Overhead: If the time is truly overhead and has no association with any customer or job, then leave the Customer:Job field blank.
5. Enter the name of the service item that matches this type of work and press Tab
6. (Optional) In the Notes field, enter any additional information about this work and press Tab.
7. (Optional) In the Class field, enter the name of the class you want to associate with this work. Then press Tab.
8. For each day of the week that work was performed, enter the number of hours worked in the appropriate date column.
9. If you are not going to bill the customer for the work, click .

Time entry is billable — but you haven't yet invoiced your customer for the time.

Time entry is NOT billable.

Time entry has already been billed on a previous invoice.

**How service items help you analyze your business**

When you invoice your customer for this work, the service item appears on the invoice. It represents the type of work performed, and tells QuickBooks which account to use to track the income you receive from the work. This, in turn, gives you the ability to analyze which types of work are the most profitable for your business (on sales by item reports), and how much company time goes into each type of work (on time by item reports).

**Non-billable time:** If you do not intend to bill your customer for this work, you still may want to enter a service item. For example, if you spent the time correcting an error on a job, filling in the Service Item field gives you a record of your non-billable time for the that type of work.

**How your notes about time activities are used**

When you invoice your customer for this time, you can insert your note into the Description column on the invoice form. You can also add the note to a Time by Job Detail report by clicking the Customize button in the report window and adding the Notes column to the report.

**To use the note on an invoice:**

1. On the invoice form, click Time/Costs.
2. In the Choose Billable Time Costs window, click the Time tab.
3. Click Change.
4. Click Do not combine activities.
5. Click Transfer service item descriptions.

## Entering single activities

A single activity is the time spent by one person doing a single activity on a single job on a single date. Single activity entries are especially useful when you want to enter the details of a job as soon as you've done work on it. For example, a lawyer might make a single activity entry to record a billable phone conversation.

To enter several dates or several jobs at once, use the weekly timesheet form instead.

**To enter single activities:**

1. Choose Employees > Time Tracking > Enter Single Activity.
2. Enter the name of the person who performed the work and press Tab.
3. In the date field, enter the date the work was performed and press Tab.

4. In the Customer:Job field, enter the customer for whom the work was performed. If you are tracking individual jobs as well, enter the customer name, a colon, and a job name. Press Tab.
   - **Non-billable time: If** you do not intend to invoice your customer, you still may want to enter the customer or job name. For example, if you spent the time correcting an error on a job, filling in the Customer:Job field gives you a record of your non-billable time for the job. You can display non-billable time on time reports.
   - **Overhead:** If the time is truly overhead and has no association with any customer or job, then leave the Customer:Job field blank.
5. Enter the name of the service item that matches this type of work and press Tab.
6. In the Duration field, enter the number of hours worked on this date and this job, and press Tab.
7. If you are NOT going to invoice your customer for this time, clear the Billable check box.
8. (Optional) In the Notes field, enter any additional information you want to record about this activity.

## Editing time entries

You can change time entries after you've entered them.

**To edit a weekly timesheet:**

1. Choose Employees > Time Tracking > Use Weekly Timesheet.
2. In the Name field, enter the name of the person who performed the work.
3. If the week you want to see is not the current week, change the date range of the timesheet:
   - To change to the previous week, click Prev Week; to change to the next week, click Next week.
   - To change to any other week, click Set Date and enter a date in the week you want to display.
4. Change, as needed, the entries for that week.

**To edit a single activity entry:**

1. Choose Employees > Time Tracking > Enter Single Activity.
2. Press Prev until the entry you want appears.
3. Change, as needed, any of the information shown.

**What happens if you change the time?**

QuickBooks lets you change the time you originally entered, but it won't update any transactions based on that time. The same is true for the other parts of a time entry (customer or job name, or service item).

# Tracking mileage

Mileage is a common expense for a lot of businesses. You can either charge customers for mileage you drive while doing business with them, or you can deduct your mileage from your taxes.

### To manage your list of vehicles

Before you can enter mileage, you need to add each vehicle you are using for your business to the Vehicle list. You can come back later and make any changes.

1. Choose Lists > Vehicles.
2. Add a new vehicle.
   - Click the + at the bottom of the Vehicle list
   - Control-click anywhere in the list and choose New Vehicle.

   —OR—

   Open an existing vehicle.
   - Double-click the vehicle name.
   - In the Vehicle list, Control-click the name of the vehicle you want to edit and choose Edit Vehicle.
   - Select the name of the vehicle and click the Edit button at the bottom of the list.
3. Enter the vehicle information.
   - **Vehicle and Description.** Enter a name and description for the vehicle. You can use anything that's meaningful to you. We're not picky.
   - **Picture.** You can click on the photo box and browse for a photo or you can drag and drop a photo right into the box.
4. Click OK.

### Other things you can do on the Vehicle list

- **Make a vehicle inactive.** This means that the history of the vehicle's use stays in QuickBooks but you can't use the vehicle to track mileage. Edit the vehicle and check Inactive. If you only want to see active vehicles in the list, choose Active Vehicles from the View menu at the bottom of the list.
- **Search for vehicles.** If you have a long list of vehicles, you can search for the one you want in the Search box at the top of the list.

## Enter mileage

When you have mileage you want to track, choose Company > Enter Mileage and use the Enter Mileage window.

- **Vehicle.** Select the vehicle you used. If you don't have any vehicles, you can type the name here and add it with QuickAdd. Or you can add the vehicle to the Vehicle list (Lists > Vehicles).
- **Trip Dates.** Enter the dates of your travel time. If it was just one day, use the same date for both dates.
- **Odometer and Total Miles.** You can tell QuickBooks how far you drove by entering your starting and ending odometer settings. The Total Miles is calculated from those numbers. Or you can just click in the Total Miles box and enter the number of miles you drove.
- **Notes.** Enter any notes you may have about this trip, such as "Travel to planning meeting" or "Whoopee cushion

delivery."

- **Billable.** If you plan to bill a customer for this mileage, check Billable. The status tells you whether the mileage has already been billed to a customer. Once Billable is checked, you can then use the mileage with the Time/Costs option when you create and invoice.

- **Assign to Customer:Job.** If your trip was for a specific customer, you can select that Customer:Job and item, and assign a class. Be sure to select a Service or Other Charge item so QuickBooks know what mileage rate to apply. Then when you create an invoice for that customer, you'll be reminded you have mileage expenses assigned to that customer.

### Enter mileage rates for taxes

If you plan to deduct trips on your taxes, you need to enter the rates allowed by the IRS. The rate and your trips appear on Mileage reports (Reports >

**Note:** Be sure to check the IRS's rules about deducting mileage at http://www.irs.gov/.

1. Choose Company > Mileage Rates.
2. Click the + key to add a new rate or the - key to delete one.
3. Enter the date the rate is effective and the rate.
4. Click OK.

# Categorizing for more insight into your business

QuickBooks provides several different ways for you to categorize information to get better insight into what's going on in your business.

## Customer and job types

When you're running reports, would it help to know what group of customers is generating the most sales? If you knew that, then you could identify areas to focus your business. You can do this with customer types. For example, if you have categorized your customers by market segment, you can create a separate sales report for each segment.

Customer types are just a category of customer that means something to you. Once you have assigned a customer type to each customer in the Customer Center, you can create reports that organize the data by customer type.

To create a customer type, choose Lists > Customer & Vendor Profile > Customer Type. Then when you can assign the customer type to a user in the Customer Center.

## Examples of customer types

Here are some examples of customer types that might be useful to you.

- By industry: Manufacturing, Financial, Technology, Publishing, Health Care, Banking
- Different types of clients you serve: Corporate, Individual, Non-Profit, Government
- How a client was referred: Other Client, Advertising, Colleague. (Knowing the sources of client referrals can help you decide how best to spend your marketing dollars.)
- Different types of clients you serve: Residential, Commercial, Individual. (This lets you create reports that show exactly where you generate the most revenue.)
- Record a client's market segment: Residential, Commercial, Industrial
- By location: North Bay, South Bay, East Bay, Local, Out of State, International
- Type of membership: Complimentary, New, Renewal.
- Job title: Marketing Executive, Director
- Order type: Catalog Order, Phone Order, Internet.
- A customer's age: 55 and Under, Over 55 (You can then track senior citizens who may be eligible for discounts or special mailings.)
- Donation type: Donor, Patron, Corporate Sponsor, Subscriber
- Frequency of service you provide: Monthly, Weekly, Drop-In
- By service tier: One-Time, Basic, Premium
- By type of rental: Sublet, Tenant, Property Manager. (A tenant who gets a discount on rent in return for doing some on-site residential management, such as collecting rent or taking care of small repairs.)

## Categorize your jobs

Just like customers, you can also categorize your jobs. To create a job type, choose Lists > Customer & Vendor Profile > Job Types. You can then categorize the job on the Job Info pane when you edit the customer by choosing one of the job types from the list. This gives you much more flexibility when you create reports about your jobs. For example, if you are a graphic designer and one of your job types is "brochure," you could create a job profitability report and filter the report so that it lists only your brochure jobs. You would then know how much money you had made from designing brochures.

## Use types in reports

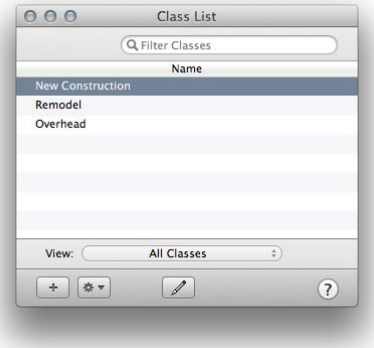
Now that you're using customer and job types, you can apply that filter to a report to get better insight into your business.

# Classes

I'm a data nerd. Seriously. It's being able to see how the numbers fall into what categories that makes me go all moony-eyed. So that's why classes are one of my favorite features about QuickBooks.

Classes are simply categories. You can then apply a class to transactions to get more insight into your business data. A class can be a department name, a location, or anything that means something to you. Say you're a magician. You might create the classes "corporate event" and "children's party." That way when you need to buy a custom costume for your rabbit, Hopscotch, that spells out "Happy Birthday, Princess" in pink glitter, you can classify that expense as being related to a "corporate event." (Hey, it could happen. Really, it could.) Then you can create a class report to show all your income and expenses related to a class.

## Creating classes

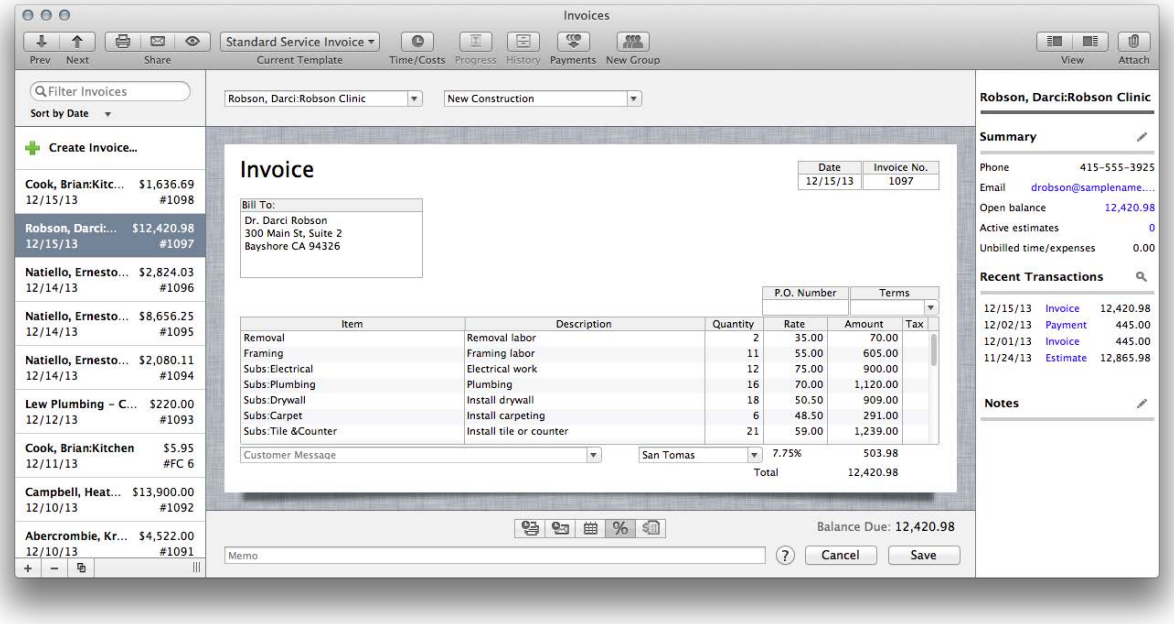



The first thing you need to do to use classes is be sure they are turned on in your Preferences. Choose QuickBooks > Preferences and go to the Transactions preferences. Be sure that "Use class tracking" is checked.

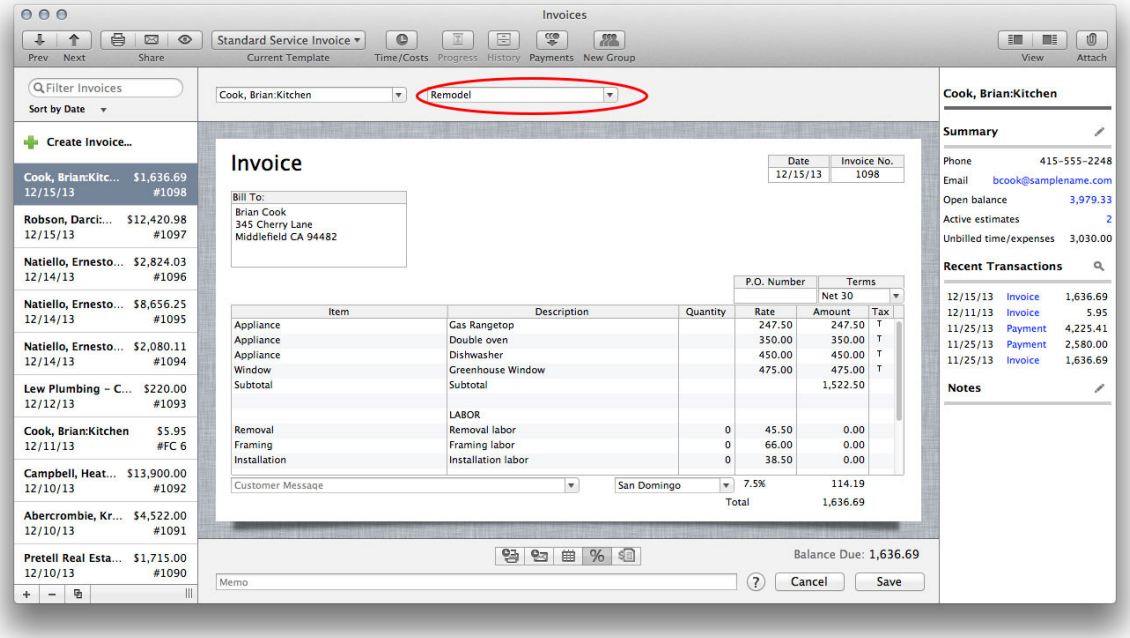
Now you can create classes on your class list. Choose Lists > Classes. To add a new class, just click the + button.

The example to the right is from one of the sample files that comes with QuickBooks. The file is for a landscaping business, so you can see that the categories reflect the type of work the business does.

## Applying classes




With a list of classes in place, you can start using those classes in transactions to track your income and expenses. For example, take a look at this invoice.

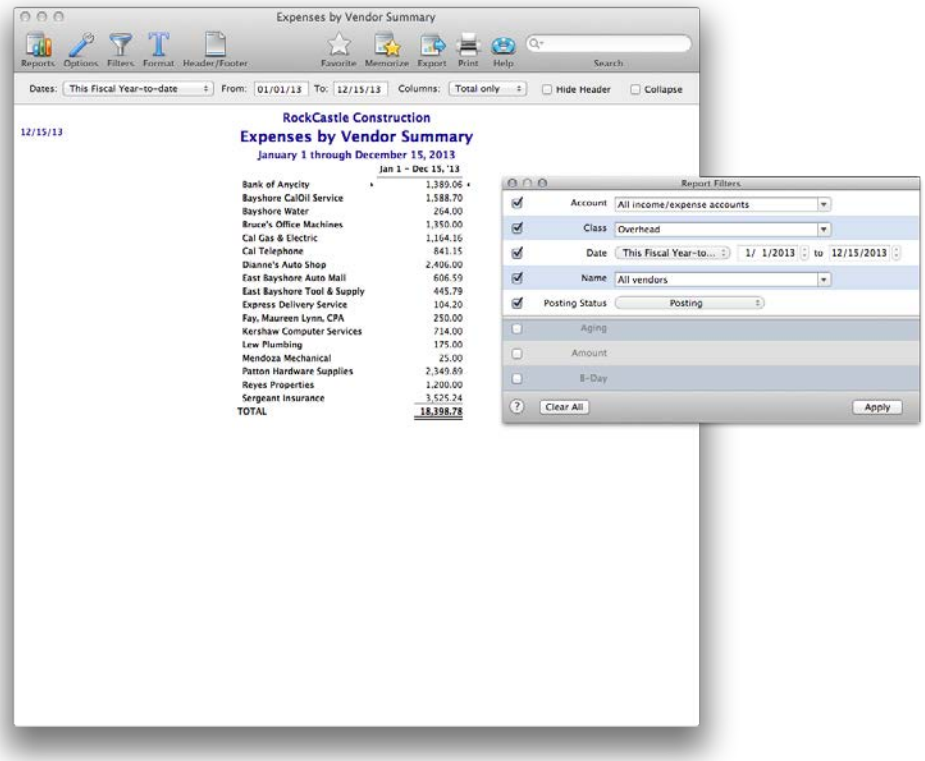


A cool thing you may not know about is that you can customize forms using Layout Designer and add Class to the columns on the invoice. That way, you can assign a class to each item on the form as I've done below.

| Item | Description | Quantity | Rate | Class | Amount Tax |
|---|---|---|---|---|---|
| Installation | Installation of Rock Fountain | 32 | 35.00 | Landscaping | 1,120.00 |
| Fountain | Rock Fountain | 1 | 375.00 | Overhead | 375.00 T |

## Using classes in reports

OK, so I've assigned classes in my transactions. What does that get me? Well, now when I run reports, I can filter the report by Class. So for example, I can use my Expenses by Vendors Summary report and filter it by the class Overhead. Now I have a report that shows me expenses by vendor for all my Overhead transactions.



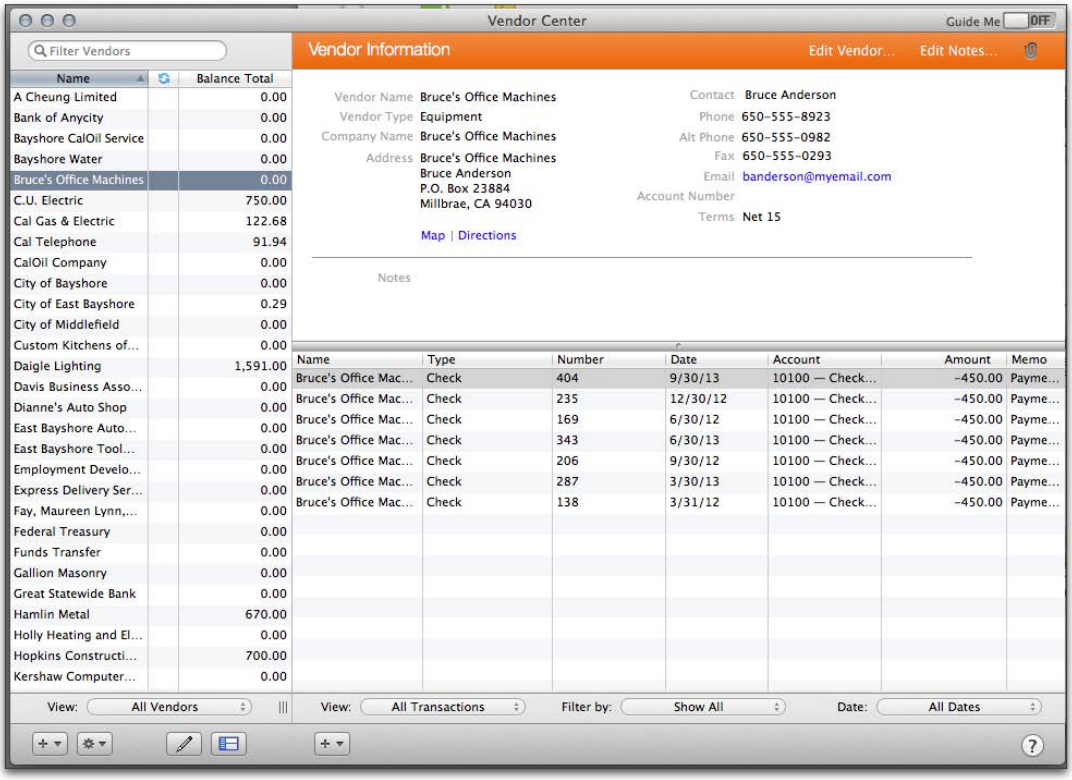
CHAPTER 6

# Paying others

Part of doing business is paying others for services or goods that other businesses have provided. This probably isn't a mystery for you. You do this in your non-business life, too. You go to the store to buy things you need. You pay bills for your utilities and your Internet service. It works the same way with your business.

## Vendor Center

If you pay them, they're a vendor. Vendors are people or companies you pay because you've bought things from them or they've provided a service for you. A vendor can be the electric company, a supplier you buy inventory from, or the contractor you hired to help you with a project.



The Vendor Center gives you access to information about all of your vendors and your transactions in one place. Here you can quickly find vendor contact information, what you've bought in the past, what bills you've paid, the balance you owe, notes you want to keep about a vendor, and more. You can also quickly access transactions such as bills, payments, and purchase orders.

In the default view of your Vendor Center, the Vendor list is displayed on the left side of the Center, and the detail information and transactions list for the selected vendor are displayed on the right. Use the views and icons at the bottom of the Vendor Center to manage your vendor information.

**Note:** You can click Expand to expand the Vendor list to the full Vendor Center.

## How do I use it?

To open the Vendor Center:

1. Choose Vendor > Vendor Center.
2. Select a vendor name on the left side of the Center to view information about the vendor. As you click a vendor name, the right side of the Vendor Center displays information about your selection.

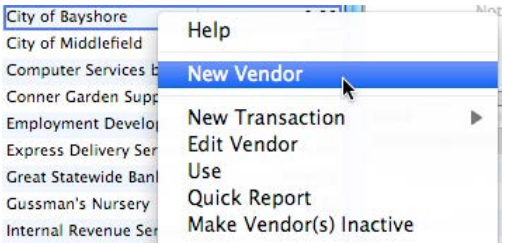
You can perform many tasks within the Vendor Center.

- Add a vendor. Click the + menu at the bottom of the vendor list and click Add Vendor.
- Import your existing contacts. Click the + menu at the bottom of the vendor list and click Import Multiple.
- Create a transaction. Click the + menu at the bottom of the transactions area and choose the type of transaction you want to create.
- Search for a vendor. Use the search field above the vendor list to find the vendor name you need.
- Edit a vendor. Select the name of the vendor and then click Edit Vendor in the top right corner of the center.
- Keep notes about a vendor. Select a vendor and click Add Note or Edit Note in the top right corner of the center.
- **Get a map or driving directions.** Select the name of a vendor and click Map or Directions. Intuit Maps displays the map of or directions to the vendor's address. (You must be online to get maps and directions.)
- **Add vendor contact information to Contacts.** Turn on Contact Sync (Company > Contact Sync Settings). Select names of vendors you want to sync with Contacts, and then Control-click and select Sync Vendor(s) with Contacts. A symbol ( ) displays to remind you which names are synced.
- **Filter the information you see.** You can filter the vendor list as well as the transactions by using the filters located under each list. For example, you can select "Vendors with Open Balances" from the View pull-down menu under the customer list, then select a customer name. Then you can use the filters under the transactions on the right pane to filter the transactions to view "Bills" filtered by "Open" in the date range of "This Month."

## Tips and tricks

Try these tips and tricks to make using Vendor Center even easier.

- Sort information by clicking the column titles.
- Rearrange the columns by clicking and dragging the top of a column to move it to another location.
- Show different columns or hide columns you don't need. Right-click (or Control+click) on the column headers, then select the columns you want to see and unselect the ones you want to hide.
- Select multiple names in one of these ways:
    - Shift-click to select a range of names. Select the first name you want, hold down the Shift key, and then select the last name in the range.
    - Command-click to select a group of nonadjacent names. Select a name, hold down the Command key (⌘), and then select each additional name.
    - Command-A to select all names. No need to click; just press Command-A to select the entire list.
- Control-click a name in the left pane to access a shortcut menu to common tasks.




# Entering vendors in QuickBooks

You can use the Vendor Center or the Vendor List to add vendors to QuickBooks

**To add or edit a vendor**

1. Choose Vendors > Vendor Center or Lists > Vendors.
2. Add a new vendor or open an existing vendor.
    - **Add New Vendor.** Click the + menu at the bottom of the vendor list and click New Vendor. Or Control-click anywhere in the Vendor list and choose New Vendor from the shortcut menu.
    - **Edit Existing Vendor.** Select the name of the vendor and click the Edit button at the bottom of the list. Or In the Vendor list, control-click the name of the customer you want to edit and choose Edit Vendor from the shortcut menu. Or in Vendor Center, select the name of the vendor you want to edit in the Vendor list and click Edit Vendor in the top right corner of the center. Note: You can click Expand to expand the Vendors list to the full Vendor Center.

3 Enter information about the Vendor and click OK.

When you add or edit a vendor, you capture this information about them.

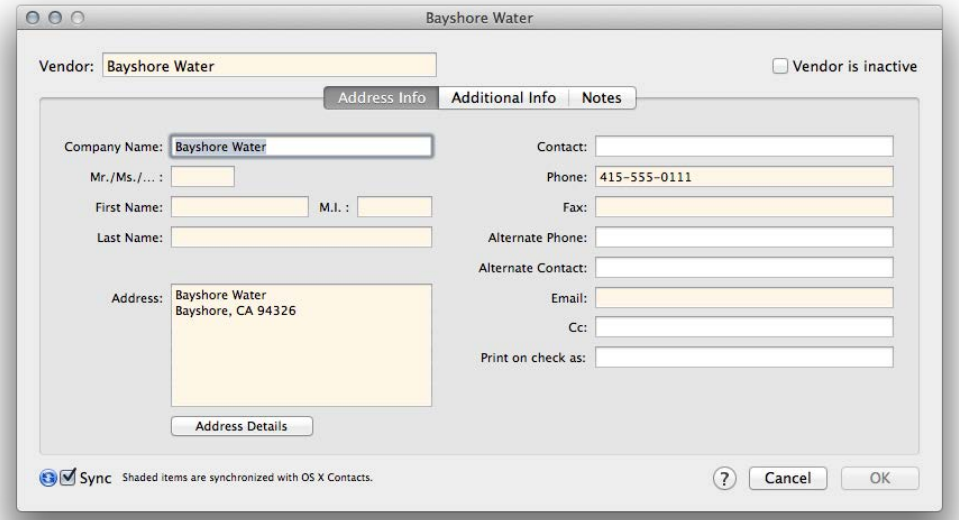
- **Vendor**—Enter the name of the vendor, as you'd like it to appear on your Vendor list. For example, if the vendor's name is Russell Poole and you want the list to show last names first, you would enter Poole, Russell.
- **Vendor is inactive.** If you don't work with this vendor anymore, you can make the vendor inactive. This keeps the vendor name out of lists, but maintains all the vendor's information.

### Address Info

On the Address Info pane, enter the contact information for the vendor. Take special note of the fields needed for 1099s.

- **Company Name**—If you send a 1099-MISC form to this vendor, enter the company's legal name.
- **First Name, M.I., Last Name**—If the vendor is a large corporation (for example, your utility company), you can leave these fields blank. If you send a 1099-MISC form to this vendor, enter the vendor's LEGAL name in these fields.
- **Address**—The vendor's address (QuickBooks has partially filled in the Address field on the basis of what you've entered so far). Enter the address, as you want it to appear on printed checks to the vendor. Click Address Details to make sure each individual address field is filled in correctly, especially if you are using Contact Sync. **Mail merge:** If you use mail merge, be sure to include in the last line of the address the two letter state abbreviation and the zip code. This ensures that the address will print correctly in mail merge documents.
- **Print on check as**—The vendor's name as it will appear on printed checks you send to the vendor. QuickBooks prefills this field with the vendor's company name, but you can edit the name if you want it to print differently on your checks.

**Note:** The information in shaded fields is synchronized with Mac OS X Contacts and other applications that use Sync Services.




### Additional Info

On the Additional Info pane, enter the information about your credit terms with the vendor and how you want to categorize the vendor on your reports.

- **Account**—Enter any information that you want QuickBooks to print in the Memo field on checks that you send to the vendor. For example, if you enter your company's account number with the vendor, QuickBooks automatically adds the account number to the Memo field on each bill payment check that goes to that vendor. (You can also enter a short note or message instead of an account number.)

- **Type**—This is a word or phrase that categorizes this vendor for your reports. Use vendor types to categorize vendors by the types of products or services they provide. A building contractor might use vendor types to keep track of where subcontractors are located, for example, by county.

- **Terms**—This field lets you associate a specific set of payment terms with the vendor. When you enter a bill from the vendor, QuickBooks automatically fills in the payment terms you specified. QuickBooks accepts two types of terms:

    - **Standard**—This type specifies (1) the number of days until you earn a discount from the vendor, and (2) the number of days until payment is due.

    - **Date-driven**—This type specifies (1) the day of the month by which you earn a discount from the vendor, and (2) the day of the month by which payment is due.

  QuickBooks uses a shorthand notation to express terms. For example, 2% 10 Net 30 means "2% discount if paid within 10 days, net due in 30 days" if the terms are standard, or "2% discount if paid by the 10th of the month, net due by the 30th of the month" if the terms are date-driven.

- **Credit limit**—Enter the credit limit that your company has with this vendor. QuickBooks remembers the limit and

warns you when you are about to exceed the limit.

- **Opening balance...as of**—These two fields apply only if you are setting up records for a new QuickBooks company. To keep your records up to date, enter all historical transactions from the day after your start date through today. For example, if you paid bills to this vendor between your start date and today, you must enter those bills and record your payments in QuickBooks. This allows QuickBooks to provide full financial reports for your company for any period of time after your start date.

- **Tax ID**—If the vendor is a sole proprietor, enter the vendor's social security number. If the vendor is not a sole proprietor, enter the vendor's nine-digit tax identification number.

- **Vendor eligible for 1099**—Check if you plan to send a 1099 for this vendor. If the check box doesn't appear on the Additional Info tab, you need to set up QuickBooks for 1099 tracking. For details, see setting up 1099 tracking.

**Other things to know:**

- **Add notes.** If you want to add any notes about the vendor, go to the Notes pane.

- **Create custom fields.** Capture information that is important to your business but QuickBooks does not provide a field for such as spouse's name or the vendor's birthday.

# Types of vendor transactions

With vendors, it's all about spending money. You need stuff to run your business, whether that's new inventory or just paper clips. Now that you've added vendors to QuickBooks, you can create any transaction for a vendor from the Vendors menu or from the Vendor Center. In this section, you'll learn about the different transactions you use with vendors and when to use them.

## You receive the things your ordered and need to pay for them

OK, now you've received your order, and you're ready to pay. You have a few choices on how you do that.

- **Check or Credit Card Charge.** If you want to pay the bill right away, you can just write a check or use your credit card to pay the bill. You record these transactions with Write Checks or Enter Credit Card Charges on the Banking menu. Your balances reflect the payments right away.

- **Bill and Bill Payment.** You may want to pay the bill later, say after you've received payments from your clients or because you pay all your bills at once. But QuickBooks should know you received this bill so that it can accurately tell you how much money you actually have. Use Vendors > Enter Bills to enter the information about the bill. Once you pay the bill, use Vendors > Pay Bills to enter the payment.

- **Item Receipt.** If you receive the things you order but are getting the bill later, use an item receipt to tell QuickBooks you received the items. Use Vendors > Receive Items. Then when you get the bill later on, you can pay it right away with a check or credit card or enter the bill.

## You have a credit from a vendor

Sometimes, a vendor may owe you money. You can then enter a **bill credit**. Choose Vendors > Enter Bills and select Credit at the top of the window. Then you can apply the credit when you pay a future bill from the vendor. You can also do the same thing for credit card credits. Use Banking > Credit Card Charges, and select Credit in the window.

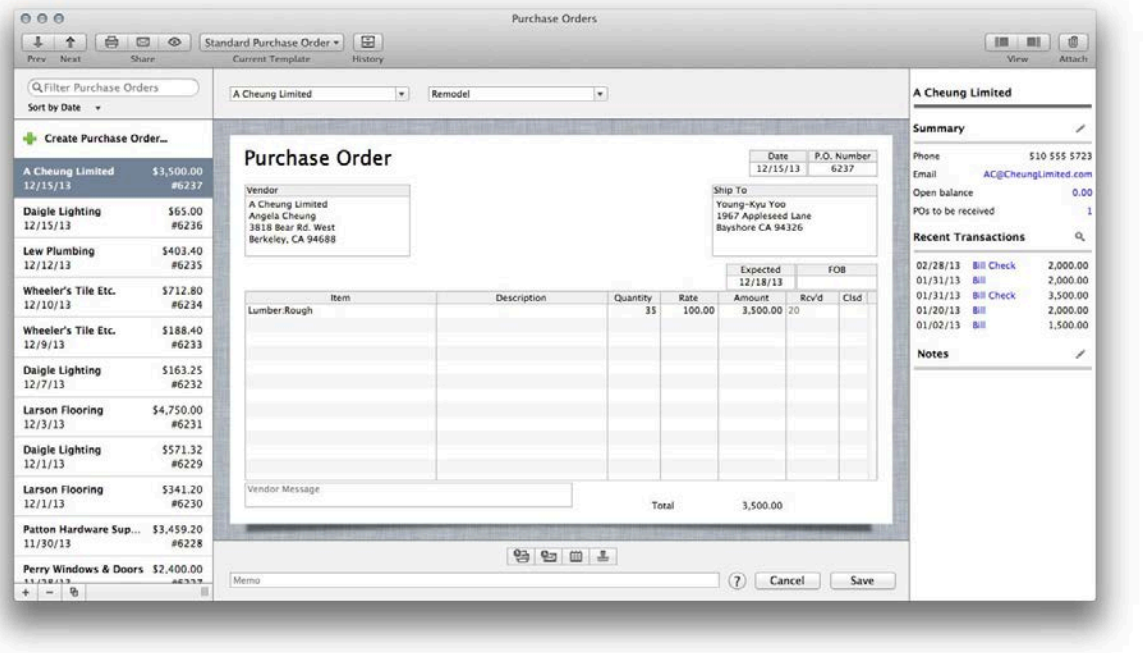
## You need to pay your sales taxes

When you need to pay your sales taxes, use a **sales tax payment** (Vendors > Pay Sales Tax). QuickBooks records the sales tax payment for the organization you've set up as your tax agency.

# Ordering items you'll pay for later

To order goods or services to be paid for at a later time, use a **purchase order** (PO). QuickBooks uses POs to track outstanding orders for you. Then, when you receive the items or the services, you can mark them as received on the purchase order. Also, when you get the bill, you can just use the purchase order to enter the bill.

When you use POs to buy goods, QuickBooks keeps track of which goods are on order so you'll know when they're due to be received. Usually, you'll use a PO to buy inventory goods, but you can also use POs for non-inventory items — for example, to order office supplies for your business.



See how to use POs to order and receive goods:
http://www.qblittlesquare.com/2011/03/tracking-orders-for-the-items-you-need/

**To create or edit a purchase order**

1. If you haven't already, turn on inventory and purchase orders. (QuickBooks > Preferences > Inventory)
2. Choose Vendors > Create Purchase Orders. You can also create purchase orders using the Vendor Center and Transaction Center.
3. To create a new PO, click the "Create Purchase Order" on the left panel or click the + at the bottom of the list. To edit a PO, select a PO in the list on the left panel. (If you don't see this list, click the Left View.)

4. Fill in the purchase order, then click Next to create another purchase order or Save and close the window.

**Note:** You can also create POs starting at the Vendor Center and Transaction Center.

**Want to create a PO starting with the info you've already got on an estimate? Here's how:**

1. Click Create Purchase Order.
2. Choose whether you want to create the PO for All allowable items on the estimate (good if you've only got items from one vendor on the estimate) or Selected items (good if you've got items from multiple vendors on the estimate).
3. Select the items you want on your PO, if you chose that option.
4. Finish up any additional info on your PO, click Save, and send the PO off to your vendor.

## What's on a purchase order?

- **Vendor.** The vendor you're ordering from. If the vendor isn't in this list, you can add them in the Vendor Center or through Quick Add here.
- **Class.** If you are using classes, select the class you want to use here. If you don't see this list, turn Classes on through QuickBooks > Preferences > Transactions.
- **Vendor (address).** When you select a vendor from the dropdown menu at the top of the form, the address appears here. You make any changes you need to. (If you're adding the vendor through QuickAdd, you'll need to manually enter the address.)
- **Ship To.** The address that you want the goods shipped to. By default, this is your company's address.
- **Expected.** The date you expect the goods to arrive.
- **FOB.** Indicate to the vendor how you want your order to be shipped. FOB refers to "free on board." Set your preferred FOB on Preferences.

- **Item.** Select what you are order. You can include anything on the Items list here. You also enter a new item, and QuickBooks will prompt you to set it up.
  **Tip:** If you need to insert an item between two others, select the item line where you want the new one and choose Edit > Insert Line. Likewise, if you want to delete an item, select the item then choose Edit > Delete Line.
    - You can use a purchase order for items you don't stock or even resell. When you write a purchase order for non-inventory items, you can include these types of items on the PO form:

    - Non-inventory Part
    - Service
    - Other Charge
      - When you write purchase orders for non-inventory items, you can still track your open POs to see what you have and have not received. Note, however, that QuickBooks excludes non-inventory items from reports that show items on order.

- **Description.** The description of the item you entered when you created the item. You can change this if you need to. Tip: You can enter multiple lines for your description, up to 4095 characters. Use Option-Return to put in a line break.
- **Quantity.** How many of the items are you ordering? If you leave this blank, QuickBooks assumes the quantity is 1.
- **Rate.** How much does your vendor charge for the item? If you entered this when you created the item, QuickBooks enters it for you. If you didn't or you need to change it, just edit this box.
- **Amount.** This is the total amount (Quantity x Rate) for this item that QuickBooks calculates for you.
- **Vendor Message.** A message for your vendor.

**Note:** You'll see a mark in the Rec'd column when you've told QuickBooks you've received the items.

## When you receive your goods

When you receive goods you ordered with the PO, you also record that in QuickBooks. The transaction you use depends on when you pay for the items.

- Item receipt— You've received the goods, but won't get the bill until later.
- Bill— You've received the goods and the bill at the same time.
- Check or credit card charge— You've received the goods and paid for them at the same time.

## Other things to know about POs

- **View history for the purchase order.** Click history to see the history for this invoice.
- **Print, email, add to Calendar.** You can mark the PO to be printed or emailed later. Then choose File > Print

forms or File > Email forms. You can also add a reminder to Calendar that the items on the PO are due to arrive.

- **Close the purchase order.** When you receive all the items on the purchase order, QuickBooks marks the PO as "Received in Full." If you do not expect to receive all the items you ordered, you can close part or all of the PO manually so that QuickBooks doesn't show the items as "on order" anymore. When you close a PO manually, QuickBooks marks the PO as "Closed."

# Paying your bills

Bills are what vendors send you so that you'll pay them. You get bills for things like equipment, supplies, products, or services.

Here's a common question we get here at QuickBooks for Mac Central:

*"When do I use Enter Bills and when do I use Write Checks?"*

In a nutshell, you don't have to enter your bills. If you pay your bills as soon as they arrive, you don't need to use Enter Bills. Just use Write Checks to pay the bill. But if you wait until the bill is due to pay it or if you want to track recurring bills (like rent), then use Enter Bills so that QuickBooks knows about the bill that is due and can give you an accurate look at how much money you actually have.

**To manage your bills:**

- **Enter your bills.** When you get your bills, enter them so QuickBooks knows about them.
- **Track your bills.** Accounts payable tracks all your pending bills.
- **Pay your bills.** Pay your bills by writing a check or with a credit card. Then you're done!

**Things to know:**

- Enter bills as they come in. To get the most benefit from tracking what you owe (accounts payable), enter bill as soon as you receive them. That way, your cash flow reports will be up-to-date, and you won't run the risk of setting bills aside and forgetting about them.
- **Check your cash flow reports.** They show your bills and show you what's coming due.
- **Set up reminders or show the bill in Calendar.** Choose QuickBooks > Preferences > Reminders to set up reminders to pay your bills. The bill will display on the Reminders list. Or you can show the bill in Calendar.

# Entering bills and credits

When you receive a bill, you should enter it into QuickBooks. That way QuickBooks knows about it and can help you track information about how you spend money.

**To enter a bill:**

1. Choose Vendors > Enter Bills.
2. To enter a new bill, click the "New" on the left panel or click the + at the bottom of the list. To edit a bill, select a bill in the list on the left panel. (If you don't see this list, click the Left View.)

3. Enter the information for the bill, and click Save.

**Note:** You can also enter bills using the Vendor Center and Transaction Center.

**What's on a bill?**

- Bill or Credit. Are you entering a bill or a credit from a vendor?
- Vendor. Choose the vendor from the Vendor list or type in the vendor's name. If you have an open purchase order for this vendor, QuickBooks asks you if you've received the items your ordered. If you have, click Yes. Then, in the Open Purchase Orders window, click each purchase order that contains items you've received and are being billed for, and then click OK.
- Amount Due or Credit amount. Enter the amount of the bill or credit.
- Date. QuickBooks automatically enters today's date, but you should change it to the date on the bill.
- Ref. No. Enter the bill, statement, or invoice number.
- Terms. (Bills only) QuickBooks uses the terms to determine the due date of your bill payment as well as the date you'll need to pay by to receive a discount for early payment.
- Bill Due. (Bills only) Enter the date the bill is due.
- Memo. Enter a memo that will appear on reports that include the bill or credit.
- Show in Calendar. Adds a reminder to pay the bill in Calendar.
- Expense and Items. Choose either the Expenses of Items pane. Enter information about what you're being billed for: expenses you track through expense accounts (see the next section) or items (skip the next section and to the one on page 151) such an inventory part, non-inventory part, service, or other charge.

**Other things to know about bills:**

**View payment history for the bill.** Click history to see the payments for this bill.

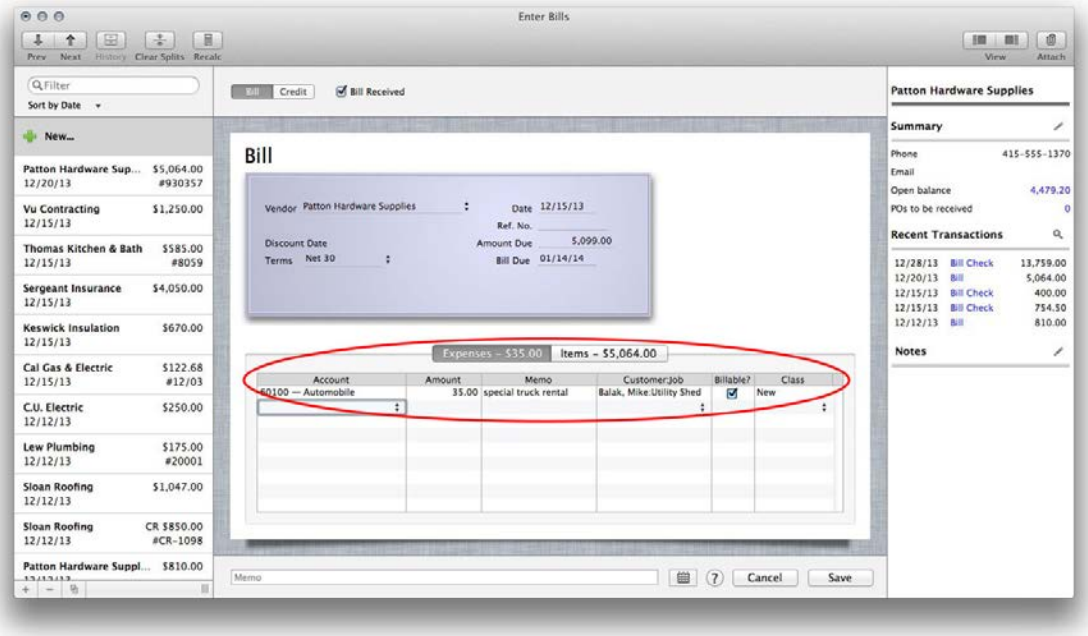
**Clear how you've split the bill by items and expenses.** Click Clear Splits to clear the items on the Expenses and Items panes on the bill.

**Recalculate the amounts on your bill.** If you make changes to the bill, you can recalculate the amount due to reflect the change.

**Add payment reminder to Calendar.** Click the Cal button to remind yourself to pay this bill.

## Tracking expenses related to a bill

On the Enter Bills window, use the Expenses pane at the bottom of the window to enter non-item expenses, like electricity expenses for a bill from the utility company or postage expenses that are part of inventory items you've received.



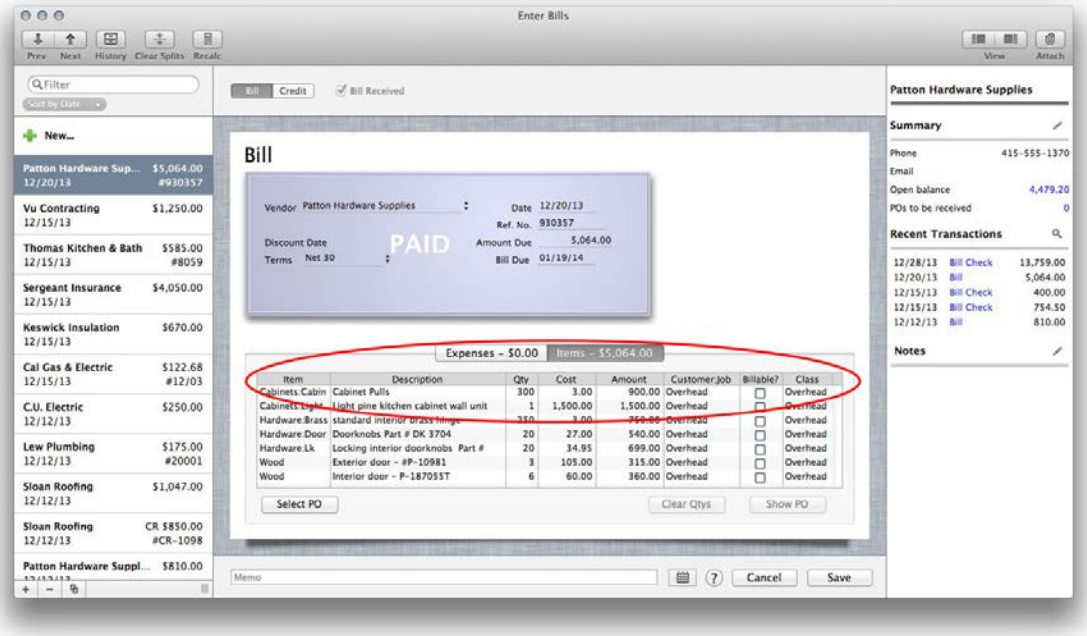

**Tip:** If you assign the amount of the bill to various expense accounts, customers, jobs, or classes, your reports will show you how much you spend within each of these areas.

- Account. Choose the account that you use to track that type of expense. Usually, this will be an expense account.
- Amount. QuickBooks enters the amount you entered for Amount Due or Credit Due. To assign only part of the amount to the expense, you can edit this number. Note: For inventory item purchases, you may want to associate expenses such as tax or freight charges with your Cost of Goods Sold (COGS) account instead of an expense account.
- Memo. Enter a memo about the expense.

- Customer: Job. To pass on the amount as an expense to be reimbursed by a customer, enter the customer in the Customer:Job column.
- Billable Time. An icon appears ( ) indicating this is billable time. If it's not, click the icon so that an X appears over it.
- Class. To assign the amount to one of your QuickBooks classes, enter it in the Class column. Note: This column only appears when you have selected the "Use Class Tracking" preference (choose QuickBooks > Preferences > Transactions).

## Listing items included in a bill

On the Enter Bills window, use the Items pane at the bottom of the window to enter details about items you're being billed for.




**Did you have an open purchase order (PO) for the items?** If so, when you enter a vendor at the top of the window, QuickBooks asks you whether the items have been received. If you marked them as received, then QuickBooks adds those to Items pane. If you didn't receive all the items on the purchase order, you can edit the quantity (or cost) of any item, or delete an item completely.

**Enter the details of the items you are being billed for:**

- Item. The item you are being billed for.
- Description. Enter a description for that item.
- Qty. Enter how many of the item you received.

- Cost. How much was each item?
- Amount. QuickBooks multiplies Qty and Cost to calculate the amount of all the items.
- Customer. If you've bought these items for a customer or job, select the name from the list.
- Billable Time. An icon appears ( ) indicating this is billable time. If it's not, click the icon so that an X appears over it.
- Class. To assign the amount to one of your QuickBooks classes, enter it in the Class column. Note: This column only appears when you have selected the "Use Class Tracking" preference (choose QuickBooks > Preferences > Transactions).
- PO No. Since you don't have a PO, you can ignore this.

**QuickBooks provides some buttons to help you working with POs:**

- Select PO. Lists the open POs. Select the ones you're being billed for.
- Receive All or Clear Qtys. Click Receive all to tell QuickBooks you've received all the items listed in open POs for this vendor. Click Clear Qtys to tell QuickBooks you haven't received any items.
- Show PO. Displays the open PO for this vendor.

## Bills: FAQs

Have questions about entering and paying bills? Check out these tips.

- **I don't see the bill I want to pay. What do I do?**
    - Did you enter the bill? Be sure to do that first.
    - If you did enter the bill, choose Vendor > Pay Bill and select All Bills under Show. Is your bill in the list? You may have to scroll to see it.
    - If you still don't see a bill you entered, you may have already paid it. Choose Reports > Vendors & Payables, then click "Transaction List by Vendor" to see if the bill is listed as paid.
- **How should I record a finance charge from a vendor?**
    - Enter a new bill for the finance charge alone.
- **How should I record a discount from a vendor?**
    - If you are paying less than the full amount of the bill, you can apply the discount when you pay the bill. If you have paid the bill in full and now have a credit from the vendor, enter a credit for overpayment.
- **When I look at Accounts Payable, it doesn't show any amounts for bills I've already paid or their payments. Why are the amounts missing?**
    - At the bottom of the Accounts Payable window, be sure Show Open Balance is not checked. When it's checked, only unpaid bills and unapplied credits show up. Last month, I paid several bills from one

vendor with a single check.

- **Can I print the details of which bills I paid with that check?**
  - Print a voucher check on plain paper. The voucher area lists the amount you paid on each bill.

## Paying bills and using credits

After entering your bills, you can then pay the bills when you want.

**Note:** If you haven't entered your bills, you can pay your vendor by writing checks, paying by credit card, and using cash expenditures directly from the account register. However, if you enter bills using either the Enter Bills window or the Accounts Payable register, you must use the Pay Bills.

**To pay your entered bills:**

1. Choose Vendors > Pay Bills use the Pay Bills window.
2. Show the bills you want to pay. Choose "All bills" to see every bill you've entered, or enter a due date to see all bills due on or before that date. If you don't see a bill you want to pay, you probably need to change the date here.
3. Choose a payment type. You record a bill as paid by Check or Credit Card. If you choose Check, choose one of these options:
   - If you're printing the checks through QuickBooks, select "To be printed." After you exit the Pay Bills window, you can then choose File > Print Forms > Checks to print your checks.
   - If you're writing checks by hand, select "Assign check numbers." When you exit the Pay Bills window, you'll be able to enter the check numbers you used.
4. Select the bills you want to pay with the payment type. In the ✓ column, click the bills you want to pay. To select all the bills, click Select All Bills. To clear your selections, click Clear Selections. Note: To pay only part of a particular bill, edit the amount shown in the Mat Paid column.
5. Choose the account you're paying the bill from. By default, your bills are paid from the first account listed in the Chart of Accounts. You can reorder the Chart of Accounts so that a different account is listed first.
6. If you have more bills to pay, click Next. If you're done with selecting your bills to pay, click OK. Note: You might click Next if you want to use different payment dates for your bills, or you want to pay them from different checking accounts. Also, click Next if you want to create multiple checks for the same vendor.

**To apply a discount to a bill:**

1. In the Pay Bills window, click the bill to which you want to apply a discount.
2. Click Discount Info.
3. (Optional) Change the amount of the discount. QuickBooks calculates a suggested discount amount based on your payment terms with the vendor and the payment date.
4. (Required) Enter the name of the account you use to track income from discounts.

**To assign check numbers:**

When paying bills, you have a choice for how you want to assign check numbers for tracking purposes. You may not even be paying by check, so you can choose to assign check numbers yourself and enter "ATM" or a reference number if you paid the bill online.

- Let QuickBooks assign check number. QuickBooks assigns the check number, starting with the number after the last check number used.
- Let me assign the check numbers below. Click the box in the Check No. column and enter the check number or other information that you are using to track the payment.

**Things to know:**

- To apply a credit from a vendor, just select the credit in the list of bills on the Pay Bills window. The credit will be applied.
- If you write checks by hand, select Assign check numbers. You'll be prompted to enter the check numbers you used.
- If you're paying by some other method than check (debit card, funds transfer), then select Check for your payment method and "Assign check numbers." When prompted, you can enter anything for the check number that's meaningful to you, such as ATM of FT.

## Tracking bills and credits

Track your bills and credits using an accounts payable account in your Chart of Accounts (Lists > Chart of Accounts).

**Tips for using accounts payable:**

- See more transactions in the window at once by selecting "1-line view".
- To find a transaction fast, choose Edit > Find with the account window open.

**What you can do with your bills and credits:**

- Find a bill or credit. You can find any bill in the Transaction Center (Company > Transaction Center). Just click Bills in the left column. You can also access a bill from the Chart of Accounts (Lists > Chart of Accounts) in the Accounts Payable account you use for paying bills.
- Edit bills and credits. Find the bill or credit with the Transaction Center or Chart of Accounts, and double-click it to open it. Make your changes and click OK. If you reduce the bill amount, QuickBooks creates a credit with the vendor you overpaid. If you increase the bill amount, QuickBooks considers the bill not fully paid until you pay the additional amount.

# Using 1099s

For vendors that require a 1099/1096, you need to set them up for these forms in QuickBooks.

## Setting up for 1099s

If you work with vendors or subcontractors to whom you send 1099-MISC forms, you can set up QuickBooks to track all 1099-related payments to each vendor.

**To set up for 1099s:**

1. Choose QuickBooks > Preferences and click 1099s and set your 1099 preferences.
2. Close the Preferences window.
3. Choose Vendors > Vendor Center.
4. For each 1099 vendor, edit the vendor.
5. On the Additional Info pane, select the "Vendor eligible for 1099".
6. Click OK.

For more information about the Additional Info pane, see page 134. For more information about 1099 preferences, see page 259.

## Verifying 1099 Information

To verify the accuracy of the amounts you'll be reporting to the IRS, you can create two reports: the 1099 report and the 1099 detail report.

**Before you begin**

Display the 1099-MISC Setup window and check the threshold for each amount you report to the IRS. If any of the threshold amounts have changed since you last printed 1099-MISC forms, enter the new amounts in the 1099-MISC Setup window.

**First, verify your 1099 vendors**

1. Choose Reports > Vendors & Payables > 1099 Summary. The vendors listed are the vendors for whom you selected the "Vendor eligible for 1099" check box in the New Vendor or Edit Vendor window.
2. Check the report for missing 1099 vendors:
   - Press ⌘P to print the report in its current form.
   - In the report buttonbar, click Only 1099 Vendors. Choose All Vendors from the list.
   - In the onscreen version of the report, look for vendors who are missing from the printed version. If you need to send 1099-MISC forms to any of these vendors, you need to set them up as 1099

vendors.

3 If you found any missing 1099 vendors, set them up as 1099 vendors now. Use the Vendor Center and edit the vendor.

**Second, verify your 1099 accounts**

1 Choose Reports > Vendors & Payables > 1099 Detail. This report should include ALL the vendors to whom you send 1099-MISC forms. For each vendor, the report lists the transactions QuickBooks used to calculate the total for each 1099 category. The accounts shown are the accounts you selected for tracking 1099-related payments in the 1099-MISC Setup window.

2 Check the report for missing 1099 accounts:

- Press ⌘P to print the report in its current form.
- In the report buttonbar, click Only 1099 Accounts. Choose "All cur asst/exp accts" from the list.
- In the onscreen version of the report, check the accounts listed in the Accounts column. Some of these accounts may not appear at all in the printed report. If you find an account in the onscreen report that is not in the printed report and you have been using the account to track 1099-related payments, you need to set up the account as a 1099 account.

3 If you found any accounts that should be 1099 accounts, set them up now in the 1099-MISC Setup window.

**Third, verify the amounts**

1 Return to the first report you created, the 1099 Summary. In the report buttonbar, click Only 1099 Vendors. This report should now include ALL the vendors to whom you send 1099-MISC forms, and it should represent ALL the accounts you use to track 1099-related payments. The report shows only amounts that are at or above the minimum you must report to the IRS.

2 Check the report for amounts that are too low:

- In the report buttonbar, click Use Thresholds. Choose Ignore Thresholds from the list.
- Check the amounts in the report. Make a note of each amount that seems too low.

3 For each low amount, do the following:

- Double-click the amount to display the transactions from which QuickBooks calculated the amount. A new report appears, listing the transactions.
- In the new report, check the list of transactions. If a transaction is missing from the list, it means that you did not assign the transaction to a 1099 account. To display the transaction in the report, click Only 1099 Accounts in the report buttonbar and choose "All allowed accounts" from the list.
- In the updated list of transactions, find the transaction that you want to include in the 1099 total. Double-click the transaction to display it.
- In the detail area of the transaction, find the incorrectly assigned account. Change the account to the 1099 account you use to track that type of expense.

4 As a final check, go back to the 1099 Summary report (the first report you created). Return the report to its original state by clicking Only 1099 Vendors, Only 1099 Accounts, and Use Thresholds in the report buttonbar. The report should list every vendor to whom you send 1099-MISC forms, and it should show the correct 1099 amounts for each vendor.

CHAPTER 7

# Banking

Now we get to the part of QuickBooks that will probably already feel familiar to you: banking. You've probably had a bank account for a long time, whether it's a personal account or one for your business. Writing checks and using your credit cards to pay for things isn't anything new to you. But how do you track all of that in QuickBooks? That's what I'm going to get into in this chapter.

## Writing checks and entering credit card charges

When you write a check or use your credit card, you should track those transactions in QuickBooks.

### Writing a check

You can write checks in QuickBooks for a couple of reasons.

- Record a bank account withdrawal you made either by manually writing a check or through an ATM withdrawal.
- Write a check that you will print on blank checks with your printer that you'll send to vendors to pay them. You can customize a check you're printing (such as adding a logo) on the Print window when you print the check.

**To write a check:**

1. Choose Banking > Write Checks.
2. To write a new check, click the "New Check..." on the left panel or click the + at the bottom of the list. To edit a check, select a check in the list on the left panel. (If you don't see this list, click the Left View.)

3. Enter the information for the check, and click Save.

**Note:** You can also write a check using the Vendor Center and Transaction Center.

## What's on a check?

- **Pay to the order of.** Who are you paying? Choose a name from the list or type the name in directly. If the name is not on any of your lists, QuickBooks asks you set up a record for the name. If you have a PO open for the vendor you select, QuickBooks asks you if you want to receive the items for the open POs.
- Bank Account. The account you want to write the check from. This is most likely your checking account.
- **Date.** QuickBooks automatically enters today's date, but you can change it.
- **$.** Enter the amount of the check.
- **Address.** If you have already entered the payee's address on one of your lists of names, QuickBooks fills in the address for you. If you're adding a new name, you'll need to enter the address yourself.
- **Memo.** Enter any note or message you would like to print on the check.

**If the check is for expenses you want to track through expense accounts:**
In the Expenses pane, assign the expenses to one or more expense accounts. This works the same as it does for bills. (If you don't see the Expenses/Items panes, turn on the "Inventory and purchase orders are used" preferences in Inventory preferences.)

If the check is for an inventory part, non-inventory part, service, or other charge item:

At the bottom of the windows, click the Items pane. (If you don't see the Expenses/Items panes, turn on the "Inventory and purchase orders are used" preferences in Inventory preferences.) This works the same as it does for bills.

| You have a PO | You don't have a PO |
|---|---|
| 1 Click Select PO and select the PO that contains the items you're writing the check for and click OK.<br>2 Make any necessary changes to the line items. If you didn't receive all the items on the purchase order, you can edit the quantity (or cost) of any item, or delete an item completely from the detail area of the charge.<br>Tip: If you make a mistake when you are editing the quantities, click Receive All to return all quantities to their original values. | 1 From the Item list, select the first item you are being billed for. You can also type the item name directly into the Item column.<br>3 In the Qty column, enter the quantity you received.<br>4 If necessary, edit the cost of the item.<br>5 Repeat these steps for the other items you received. |

**Other things you should know about writing checks**

**Track shipping and other charges.** You can enter shipping charges or taxes not associated with any one item. Go to the Expenses pane. In the detail area, enter each charge and associate it with its correct expense account.

**Add this check to Calendar.** To show this transaction to Calendar, click Show in Cal.

**Print the check with other checks.** You can add this check to a queue of checks to print together at a later time. Click Print Later. Then when you're ready to print the check, choose File > Print Forms > Checks. You can add a logo, change the fonts, or make other changes on the Print window.

**Clear how you've split the check by items and expenses.** Click Clear Splits to clear the items on the Expenses and Items panes on the bill.

**Recalculate the amounts.** If you make changes to the check, you can recalculate the amount to reflect the change.

**Apply a discount to a check.** To apply a discount from your vendor, select the amount you want to apply the discount to in the Amt. Paid column. Click Discount Info.

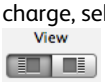
**Set preferences for your checks.** Click Format to open Checks preferences.

# Entering a charge or refund to your credit card

You probably use your credit cards to pay for things for your business. It's important that you enter those charges in QuickBooks so you can track them.

**To enter a credit card charge:**

1. Choose Banking > Enter Credit Card Charges.
2. To enter a new charge, click "New..." on the left panel or click the + at the bottom of the list. To edit a charge, select a charge in the list on the left panel. (If you don't see this list, click the Left View.)




3. Enter the information for the charge, and click Save.

**Note:** You can also enter a charge using the Vendor Center and Transaction Center.

## What's on a credit card charge?

Here's what you'll see on the form to record a credit card charge.

- Charge/Credit. Choose what type of transaction you are entering: charge or credit.
- Credit Card. Choose the account associated with the credit card you used.
- Purchased From. Who did you buy stuff from? Choose a name from the list or type the name in directly. If the name is not on any of your lists, QuickBooks asks you set up a record for the name. If you have a PO open for the vendor you select, QuickBooks asks you if you want to receive the items for the open POs.
- **Date.** QuickBooks automatically enters today's date, but you can change it.
- Ref No. Enter the number from your credit card charge slip here.
- **Amount.** Enter the amount of the charge or credit.

**If the charge is for expenses you want to track through expense accounts:**
In the Expenses pane, assign the expenses to one or more expense accounts. This works the same as it does for bills. (If you don't see the Expenses/Items panes, turn on the "Inventory and purchase orders are used" preferences in Inventory preferences.)

**If the charge is for an inventory part, non-inventory part, service, or other charge item:l**
At the bottom of the windows, click the Items pane. (If you don't see the Expenses/Items panes, turn on the "Inventory and purchase orders are used" preferences in Inventory preferences.) This works the same as it does for bills.

| You have a PO | You don't have a PO |
|---|---|
| **1** Click Select PO and select the PO that contains the items you've paid for with the charge and click OK.<br>**6** Make any necessary changes to the line items. If you didn't receive all the items on the purchase order, you can edit the quantity (or cost) of any item, or delete an item completely from the detail area of the charge.<br>Tip: If you make a mistake when you are editing the quantities, click Receive All to return all quantities to their original values. | **1** From the Item list, select the first item you are being billed for. You can also type the item name directly into the Item column.<br>**7** In the Qty column, enter the quantity you received.<br>**8** If necessary, edit the cost of the item.<br>**9** Repeat these steps for the other items you received. |

**Other things you should know about credit card**

**Track shipping and other charges.** You can enter shipping charges or taxes not associated with any one item. Go to the Expenses pane. In the detail area, enter each charge and associate it with its correct expense account.

**Recalculate the amounts.** If you make changes to the charge, you can recalculate the amount to reflect the change.

**Apply a discount to a charge.** To apply a discount from your vendor, select the amount you want to apply the discount to in the Amt. Paid column. Click Discount Info.

## Paying a credit card bill

When you have finished reconciling a credit card account, you can pay part or all of the balance due on your credit card.

**To pay a credit card bill:**

1. When you have finished marking the transactions in the Reconcile window, click Done.
2. Decide how you want to pay the bill:
   - To write a check for the bill: Select "Write a check for payment now."
   - To enter the bill for later payment through accounts payable: Select "Enter a bill for payment later."
3. Click OK.

4 Complete the transaction:
   - If this is the first time you are paying this credit card company, enter the name of the credit card company in the “Pay to the order of” field (if you are writing a check), or the Vendor field (if you are entering a bill).
   - To pay part of the amount due, edit the amount that QuickBooks has filled in.
   - Click OK to record the transaction.

If you are writing a check, you can print the check by clicking Print.

# Managing your checks and credit cards

## Transaction Center

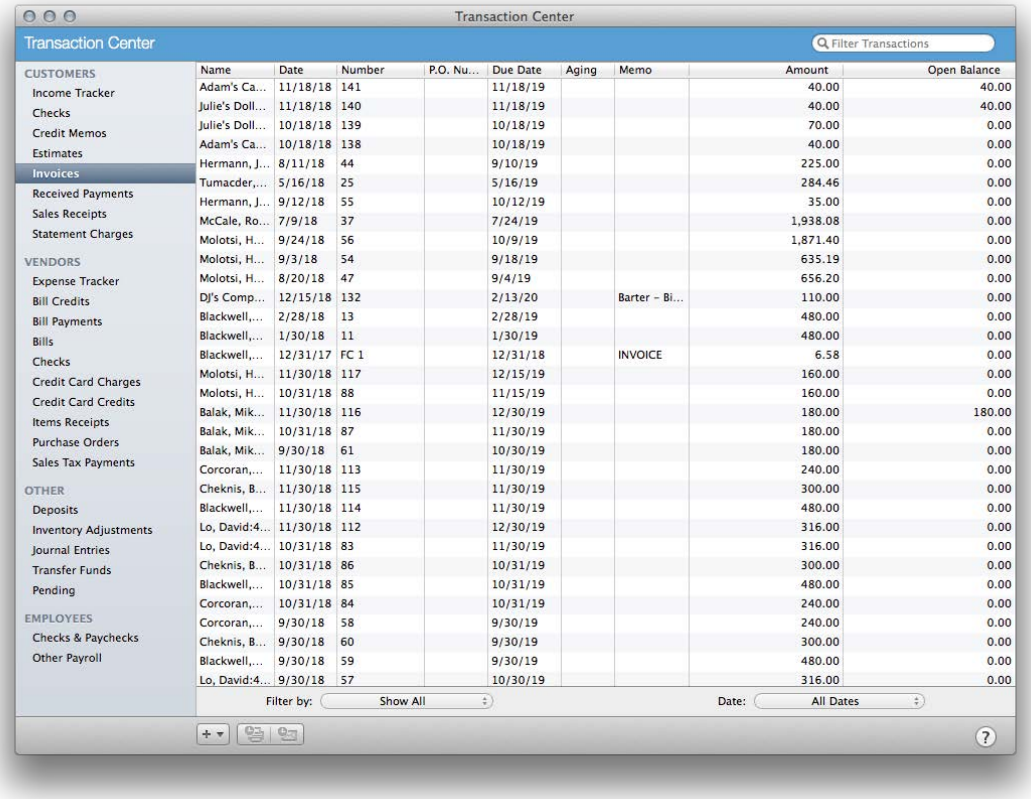
The Transaction Center gives you access to information about all of your transactions. The Income Tracker up top shows you the basics of how your business is doing right now, today.

In the Center, you can quickly find transactions for all your customers in one place, such as checks, invoices, and bill payments.

**To open the Transaction Center**

1 Choose Company > Transaction Center.

2 Select a transaction category in the panel on the left side of the Center.
You’ll see all of the transactions in that category in the main window.
   - **Filter transactions.** On the left side of the Transaction Center, click any category of transaction. You can then use the search box to search within that transaction type.
   - **Create a transaction.** Click the + menu at the bottom of the transaction list and choose the type of transaction you want to create.
   - **Edit a transaction.** Double click the name of a transaction to open it and edit the transaction’s details.
   - **Rearrange the columns.** Click and drag the top of a column to move it to another location in the list.
   - **Filter the information you see.** You can filter the transaction list using the filters located under each list. For example, with the Invoices category selected on the left side of the center, you can select “Overdue” from the View pull-down menu and then “This Month.”




## Tips and tricks

- Control-click on a transaction category on the left side of the center to access a shortcut menu.
- You can sort transactions by clicking the title of a column.
- Show different columns or hide columns you don't need. Right-click (or Control+click) on the column headers, then select the columns you want to see and unselect the ones you want to hide.
- Click an area on the Income Tracker bar to see more info about that area.

# Editing a check

**To edit a check:**

1. Display the check in the Write Checks window or in your bank account register.
   Tip: You can use the Find command to find the check.
2. Change, as needed, the content of the check.
   Tip: The register does not show all the fields on a check. If you are working in the register and you need to see all the fields, either double-click the check, or select the check and then click Splits.

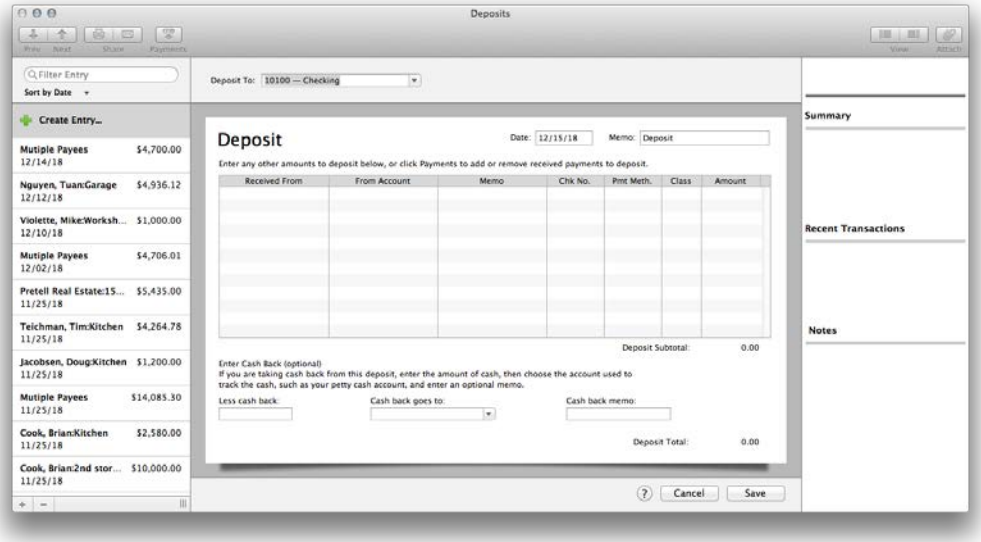
# Managing deposits

## Making a deposit

QuickBooks lets you deposit multiple payments at one time, as well as choose between printing both a deposit summary and slip, or a deposit summary only.

**To make a deposit:**

1. Choose Banking > Make Deposits.
   Note: You can also make deposits using the Transaction Center.
2. In the Deposits sheet, click the payments you'd like to deposit, and then click OK.
   You can also click the Select All or the Select None button. If you are planning to print a deposit slip, note that the slip can hold only up to 18 deposit transactions. When you receive a payment from a customer and choose to "Group with other undeposited funds," the payment is listed here.
3. In the Deposits window, select the account you want to deposit into from the Deposit To pull-down menu, enter the date, and enter any memo for the deposits.
4. In the list of deposits, enter any amounts to deposit that are not payments you received through sales to customers. Click the first blank line to enter a new item; press Tab to move from field to field. Examples: refunds from vendors or money that an owner is investing in the company.
5. Enter cash back details or credit card fees.
6. Click Save.




**To print a deposit summary and/or slip:**

1. With the Make Deposits window still open, choose File > Print Deposit.

2. Choose whether you'd like to print a deposit summary only, or a deposit slip and summary.
3. If you choose slip and summary, choose whether to include cash in the deposit, and whether to print check numbers on the deposit slip.
4. Click OK.
5. In the Print window, make any desired changes, and then click Print.
6. Click OK.

**Things you should know**

- You can also save or email this item as a PDF file, making it easy to keep records and share with others.
- If your bank separates different kinds of deposits (checks, credit card payments, etc.), you may want to separate your deposits in the same way:
    1. Select only one type of payment (checks, for example) in the Payments to Deposit window, and then click OK.
    2. Complete the Make Deposits window, and then click next.
    3. Click Payments to redisplay the Payments to Deposit window.
    4. Start the process over by choosing another group of payments (Visa, for example).

## Editing or deleting a deposited payment

To edit or delete a payment you've already included in a deposit, you must first remove the payment from the original deposit transaction.

**To edit or delete a deposited payment:**

1. Open the Undeposited Funds register.
2. Double-click the deposit that contains the payment you want to edit or delete.
3. Select the line containing the payment you want to edit or delete.
4. Press ⌘D. QuickBooks deletes the payment from the deposit. The payment still exists in your QuickBooks records; it's just undeposited. QuickBooks puts the money back into Undeposited Funds.
5. Click OK to record the deposit without the payment you've just deleted.
6. Edit or delete the original payment transaction.

## Entering credit card fees when making a deposit

Say your customer has paid you $1000 using a credit card, but your bank statement shows the deposit as $960 because the credit card company charged a fee of $40. How do you make the deposit in QuickBooks so that it calculates the difference?

1. When you're making a deposit (Banking > Make Deposit), be sure to select only credit card payments to deposit.

2. On the Make Deposits window, enter the total deposit as shown on your bank statement. QuickBooks then calculates the difference between what you charged your customer and what was actually deposited. This should equal the amount of credit card fees.
3. Select an account for the credit card fees.
4. (Optional) Enter a memo for the fees.
5. Click OK.

**Questions you may have**

- I process credit cards outside of QuickBooks. Can I still do this?
    - Yes. You must set up your Payment Methods list to include any of the methods in the following methods:

    - MasterCard
    - Master Card
    - Visa
    - VisaCard
    - Visa Card
    - American Express
    - AMEX
    - AmericanExpress
    - Discover
    - DiscoverCard
    - Discover Card
    - Diners
    - Diners Club
    - JCB
    - Other Credit Card
        - When you make a deposit with any of these payment methods selected, the credit card fees boxes appear on the Make Deposits window.

- **I can only select credit card deposits to use this feature. I have cash, check, and other deposits to make. Can I still make those?**
    - Absolutely. When you make deposits, you're prompted to select which deposits you want to make. You can select only the credit card payments and make those deposits then click Payments and select the other deposits.

# Online Banking

If you use online banking for your business, you can use QuickBooks to access your banking transactions. You can import bank and credit card transactions from your financial institution's website and then add or match the imported transactions to transactions in your QuickBooks bank or credit card account register.

This video gives you an overview of what online banking with QuickBooks can do for you.
http://www.qblittlesquare.com/2010/10/video-introduction-to-online-banking/

Depending on your financial institution, you can access your online banking account either of the following services:

- **Direct Connect (automatic)**—QuickBooks connects directly with your online account using your financial institution's server. Your transactions are downloaded directly into QuickBooks. Your financial institution may apply a fee for this service.
- **Web Connect (manual)**—You log into your financial institution's website and manually download a QuickBooks–compatible file to your computer. Then you import the downloaded file into QuickBooks.

Which service you use depends on what your bank offers. QuickBooks guides your through the connection to your online bank account and lets you know what service is available for your account.

### Why use online banking with QuickBooks?

- Save time. You no longer need to manually enter transactions recorded by your bank.
- Reduce errors. By importing the transactions instead of entering them manually, you reduce the chance of errors. Also, QuickBooks compares the bank transactions to the ones in your company file and alerts you to discrepancies.

### Types of Accounts

You can import transactions from the following types of accounts:

- Checking
- Savings
- Money market
- Credit card
- Line of credit

### Before You Begin

- You must have online banking set up with your financial institution before you can access your bank account with QuickBooks. Check with your financial institution for information about setting up online access to your account.

- You must have an Internet connection to access your bank account online.

**Next Step**

If you have everything in "Before You Begin," you're ready to use online banking with QuickBooks. Now you need to set up your bank account using Direct Connect or Web Connect.

# Web Connect vs. Direct Connect

QuickBooks for Mac offers two ways to hook up your accounting to your accounts—WebConnect and DirectConnect. Whichever of these you choose, you'll save tons of time because you won't be entering all those transactions by hand. You'll be downloading them from your financial institutions, which means you'll be decreasing the introduction of errors into your books.

So that's great, right? But which option will work better for your business: WebConnect or DirectConnect?

## WebConnect

After a one-time setup process, every time you want to reconcile your accounts, you log into your financial institution's website and manually download a QuickBooks-compatible file to your computer. Then you import the downloaded file into QuickBooks.

Here's how a WebConnect user might look:

1. Works with a financial institution that supports WebConnect
2. Might not have constant connection to the Internet (such as dial-up)
3. Prefers to keep a close hand on all steps of the process, including the transfer of information from the bank to QuickBooks
4. Often needs to download statements with specific date ranges
5. Doesn't want to pay a fee for DirectConnect

## DirectConnect

QuickBooks for Mac connects directly to your financial institution's computers. After you complete a one-time setup process, all you need to do is click a button and enter your login and password. DirectConnect retrieves your statements and uploads them into QuickBooks, ready for you to reconcile at your convenience.

Here's a portrait of a DirectConnect user:

- Works with a financial institution that supports DirectConnect
- Has a high-speed, constant Internet connection

- Prefers that QuickBooks do most of the work, including retrieving more than one statement in a single session
- Likes using the Mac "keychain" function to store passwords
- Doesn't mind paying a small fee to financial institutions that support DirectConnect

There's no rule that says you must use only WebConnect or only DirectConnect. Many small business owners keep accounts with more than one financial institution—a local credit union for checking accounts, PayPal for receiving payments, and American Express for corporate credit cards, perhaps. Knowing how to use both QuickBooks online banking systems gives you the flexibility to keep your online accounts running smoothly. If your bank doesn't support QuickBooks for Mac, contact them to request support.

## Connecting Directly to Online Banking

Using Direct Connect, you can automatically download transactions from your financial institution directly into QuickBooks. After setting up Direct Connect, you can automatically import transactions without having to go through the set up process again.

Before you can use Direct Connect, you must contact your financial institution to activate your account for use with QuickBooks online services. The account with your financial institution must be a business account. Your financial institution may charge you a fee for using this service. If you are unable to set up Direct Connect successfully, try using Web Connect instead.

**To set up Direct Connect:**

1. Choose Banking > Online Banking Setup.
2. Select your financial institution from the list and click Next. (Sometimes financial institutions present multiple listings, one for Direct Connect (DC) and one for Web Connect (WC). If you see this be sure to select the DC option.)
3. If you are prompted to select "Direct connect" or "Web connect," select "Direct connect" and click Next. (If you do not see the screen, go to the next step.)
4. Select Yes if you have activated your account for QuickBooks online services and click Next. If you have not activated your account, select No and then click Next to see the contact information for your financial institution. The next steps depend on how your financial institution works with Direct Connect. To continue, click the option below that describes what you see you on your screen.

**I'm asked to enter my customer ID and password:**

1. Enter the customer ID and password you use to access your online account then click Sign In.
2. For each account at your financial institution, click "Select an Account" to display a list of available QuickBooks Accounts. Choose which QuickBooks account you want to associate with the online account.
3. Only the QuickBooks accounts applicable to the online banking account type are displayed in the "Select an Account" list. You can only associate a QuickBooks account with one online banking account. To open a new QuickBooks account, click New from the "Select an Account" list, or create a bank, credit card, or Other Current Liability account first.

4. Click Next to download your transactions.
5. After QuickBooks has successfully downloaded your transactions, click Finish. The Downloaded Transactions window displays the transactions downloaded from your online banking accounts.
6. You have completed setting up Direct Connect and can now update your register. Skip any remaining steps.

**I'm asked to select an account type:**

1. Select the account type for the account you want to download.
2. Enter in the account number.
3. If this is a banking account, enter in the routing number.
4. Click "Select an Account" to display a list of available QuickBooks Accounts. Choose which QuickBooks account you want to associate with the online account.
5. Only the QuickBooks accounts applicable to the online banking account type are displayed in the "Select an Account" list. You can only associate a QuickBooks account with one online banking account. To open a new QuickBooks account, click New from the "Select an Account" list, or create a bank, credit card, or Other Current Liability account first.
6. Enter the customer ID and password you use to access your online account and then click Sign In.
7. After QuickBooks has successfully downloaded your transactions, click Done. The Downloaded Transactions window displays the transactions downloaded from your online banking accounts.

You have completed setting up Direct Connect and can now update your register.

## Online Banking Tips and Troubleshooting

Here some tips to help you fix the most common problems with online banking in QuickBooks.

**Setting up online banking**

- **What do I do if my financial institution is not listed?**
  If you don't see your financial institution name when setting up access to your online banking account:
  - If you have the "Select the financial institution" window open, click Cancel and reopen the window to refresh the list.
  - Be sure your financial institution supports online banking with QuickBooks.
  - Check for typos in the name you entered.
  - Be sure to look for the formal name of the bank. For example, the formal name of WaMu is Washington Mutual.
  - Use the search field in the top right corner of the Online Banking Assistant.

- Be sure you have the most recent version of QuickBooks. Choose QuickBooks > Check for QuickBooks Updates.

- QuickBooks updates the list of financial institutions once a day. To get to most recent list, quit QuickBooks and open it again. You must be online for the list to be updated.

- **What if I don't know where my account is held?**
  A financial institution may offer online services in different ways or at different costs in different areas. Usually, the options represent geographical areas. Select the option that best represents your location. If you are not sure, contact your financial institution.

- **Customer service at my financial institution is telling me to enter information that isn't in QuickBooks.**
  The customer service representative at your financial institution may be giving you instruction on using Direct Connect when you using Web Connect or the other way around. With Direct Connect, QuickBooks needs more information to access your online banking account automatically. With Web Connect, you download a file manually from the financial institution's website. Be sure the representative is clear about which service you want to use. Not all financial institutions support both services.

#### Using Direct Connect

**I can't get Direct Connect to work.**
If you're having trouble setting up Direct Connect, use this checklist:

- Check your Internet connection. You must be connected to the Internet for Direct Connect to work.

- Be sure your financial institution supports Direct Connect. Check your financial institution's website or call their support line.

- Be sure you are providing the correct username and password. When setting up Direct Connect, you must provide the username and password the financial institution provided you.

- Be sure you have the most recent version of QuickBooks. Choose QuickBooks > Check for QuickBooks Updates.

If you complete this list and you still can't get Direct Connect to work, you can try using Web Connect (if your financial institution supports it).

#### Using Web Connect

- **When I importing the .qbo file, the Continue tab is grayed out (not active) and I don't see the account**.
  This problem may occur for several reasons. To resolve it, go through this checklist:

  - Register QuickBooks if you haven't already.

  - If you are importing a .qbo Web Connect file for the first time, be sure you have set up Web Connect before importing the .qbo file.

  - If the bank account is missing when you import the .qbo file:

    1 Choose Lists > Chart of Accounts.

2. Select the account to unlink from imported online transactions and select Edit from the Action pop-up menu.
3. Select the Online Settings tab.
4. In the Download Transactions window, select "Not enabled" and click Save.
5. In the Edit Account window, click OK.
6. Create a new bank account with the same name as the existing bank account, except add the number "1" at the end of the name (for example, if the original bank account is "ABC," create a new account named "ABC1").
7. Rename the original, existing account to the new name (for example, rename "ABC" to "ABC1").
8. Import the file.

- **I'm no longer able to download bank transactions after converting from QuickBooks for Windows to QuickBooks for Mac.**
  After you convert the file to QuickBooks for Mac, you must set up your online banking again within QuickBooks for Mac. You can use either Web Connect or Direct Connect.

- **I've downloaded a .qbo file and QuickBooks tells me it can't import the file.**
  You're .qbo file may be corrupted. Return to your financial institution's website and download the .qbo file again, then choose File > Import from Web Connect to import the new file into QuickBooks.

## Manually Importing Online Banking

Using Web Connect, you can manually import transactions from your online banking account. First you need to download a transaction file (.qbo) from your financial institution's website. Then you import that file into QuickBooks. To use Web Connect, you must have the customer ID and password you use to sign in to your online account at your financial institution's website.

The first time you use Web Connect, you must go through a setup process, but after the first time, you can skip the setup process.

**To use Web Connect for the first time:**

1. Choose Banking > Online Banking Setup.
2. Select your financial institution from the list and click Next. (Sometimes financial institutions present multiple listings, one for Direct Connect (DC) and one for Web Connect (WC). If you see this be sure to select the WC option.)
3. If you are prompted to select either "Direct connect" or "Web connect," select "Web connect" and click Next. (If you do not see the screen, go to the next step.)
4. Click Website to go to your financial institution's website.
5. On your financial institution's website, find the download area for your account and choose the QuickBooks Web Connect option to download your account statement. Your financial institution may call the option "Download account activity," "Download account history," or something similar. Follow the onscreen instructions to download the file, which will have a .qbo file extension. Contact your financial institution for more information.

6 In QuickBooks, choose File > Import > From Web Connect, select the .qbo file you want to import, and then click Open.

7 For each account shown in the Web Connect file, select the QuickBooks account you want to associate with it, and then click Continue. The account pop-up menu shows available QuickBooks banking accounts if the account you are importing transactions from is:

- a checking, savings, or money market account.
- available QuickBooks credit card accounts (if you are importing transactions from a credit card account).
- available QuickBooks Other Current Liability accounts if you are importing transactions from a line of credit account.

- The account pop-up menu will not show a QuickBooks account that is already associated with a Web Connect file. If nothing appears in the account pop-up menu, create a bank, credit card, or Other Current Liability account first.

8 When QuickBooks finishes importing transactions, click OK. QuickBooks displays the transactions in the Downloaded Transactions window.

9 (Optional) Click Align Windows to display the Downloaded Transactions window and its corresponding account register. You can also display the windows side-by-side by customizing the Downloaded Transactions window toolbar.

10 Proceed to updating your register.

**To use Web Connect to import transactions after the first time:**

1 Choose Banking > Downloaded Transactions.

2 Choose an account from the pop-up menu.

3 Click Download to log in to your financial institution's website and download a Web Connect file.

4 Click Import File to import the Web Connect file into QuickBooks.

# Updating your register

When you use online banking, you either import or download transactions from your financial institution. Some of those transactions may already be in QuickBooks, but some may not be. Updating your register means:

- You add any transaction from your financial institution that isn't already in QuickBooks.
- You match the transactions from your financial institution with transactions in QuickBooks.

Your goal is to make sure that all downloaded transactions are correctly entered into your account register.

## Example of updating your register

Here's an example of what updating your register means. Say over the course of a month, you've bought office supplies and paid for the printing of your client's brochure with the credit card you use for your business. You entered payment to the printer into QuickBooks, but not the office supplies purchase.

Now when you download your credit card transactions into QuickBooks, you can match the payment to the printer that in your downloaded transactions to the one that's already in your register. (It's in your register because you entered the payment in QuickBooks.) And as for the office supplies purchase that's in your downloaded transaction but not in QuickBooks, you can add that transaction to the register.

## Downloading or importing your transactions

Before you can download or import transactions, you must set up online banking in QuickBooks.

**To download or import your transactions:**

1. Choose Banking > Downloaded Transactions.
2. On the Downloaded Transactions window, select the account you want to import or download transactions for. For example, select Checking to download your checking account transactions from your financial institution.
3. Click Download.
   - If you're using Web Connect, QuickBooks takes you to your financial institution's website to download your transaction file. Then click Import to import the file into QuickBooks.
   - If you're using Direct Connect, QuickBooks downloads transactions from the account at your financial institution directly into QuickBooks.

## What to do with matched transactions

Select the matched transaction in the Downloaded Transactions window. QuickBooks automatically selects the same transaction in the account register.

Now, do one of the following:

- If QuickBooks correctly matched the imported transaction to a transaction in your account register, you're done! QuickBooks marks the transaction as cleared in the register and as Matched in the Downloaded Transactions window.
- If QuickBooks incorrectly matched the transaction, click Unmatch.
- To delete the transaction from the Downloaded Transactions window, click Delete.

## What to do with unmatched transactions

Select the unmatched transaction in the Downloaded Transactions window. Then do one of the following:

- Match the transaction with a transaction in the register. Select the transaction in the register you want to match, and then click Match. The amount in both transactions must match exactly, and if there is a check number or reference number, they must match exactly. QuickBooks marks the transaction as cleared in the register and as Matched in the Downloaded Transactions window.

- Add transactions as new transactions in the account register. Select an unmatched transaction, and click Add One to add just that one transaction to the register. Or you can click Add Multiple to add all the transactions from that payee. QuickBooks creates new transactions in the account register and pre-fills the payee and amount fields. Enter the rest of the transaction details, and then click Record. Be sure to complete and record this new transaction. You will be unable to continue matching from Downloaded Transactions until you do.

- **Delete the transaction from the Downloaded Transactions window.** Select the transaction and click Delete.
    - **Important:** Once you delete a transaction that has been downloaded, you cannot undo that deletion by downloading the transaction again. Basically, you can't undelete. So, be very sure you want that transaction to go away permanently before you click Delete.

### Other things to know about matching transactions

- Close the Downloaded Transactions window when you're done. QuickBooks asks if you want to remove the matched transactions from the Downloaded Transactions window; click Remove. The next time you open the Downloaded Transactions window, only unmatched transactions will appear.

- Use renaming rules for different payees who are really the same vendor. So if you've bought services from three different locations of one vendor, they probably appear as three different payees in your downloaded transaction. You can use renaming rules to rename the payees to the same vendor.

## Renaming rules for payee names

When you download or import transactions, the names of payees in your downloaded transactions may not match the names of payees in QuickBooks. That means you need to go through and match each one with a payee in QuickBooks and that can burn a lot of time you could be doing something more useful. QuickBooks makes this a lot easier with renaming rules.

### Renaming rules example

Say you're a landscaper, and you've bought supplies from several locations of the Guzman's Nursery. When you download or import transactions from your financial institution with the Downloaded Transactions window, the names under Downloaded Payees are GUZMAN'S NURSERY - 010 and GUZMAN'S NURSERY - 020 and so on. It clutters up the payee list and, with the all caps, it sounds like your payees are yelling at you. You can set up a rule so that any transaction with a downloaded payee with the text "GUZMAN" is renamed to the vendor "Guzman's Nursery."

### Creating a new renaming rule

When you create a renaming rule, it applies to transactions currently listed on the Downloaded Transactions window or future transactions you will download.

**There are two ways to create a renaming rule.** In either case, the first thing you do is choose Banking > Downloaded Transactions and download or import transactions from your financial institution. If QuickBooks recognizes a downloaded payee name that is the same as one of your vendors, it goes ahead and creates a

renaming rule.

**Note:** After you create a renaming rule, you may find it's too strict or maybe not enough. You can always edit a rule if you need to.

**One way to create a renaming rule:**

1. On the Downloaded Transactions window, click the Payee column next to a Downloaded Payee you want to create a rule for.
2. In the Payee column select or enter the name you want to use for the downloaded payee. QuickBooks creates a new rule that renames the downloaded payee.
3. If the account is not prefilled for you, select an account for the transaction.

**Another way to create a new rule:**

1. On the Downloaded Transactions window, download or import transactions from your financial institution. If QuickBooks recognizes a downloaded payee name that is the same as one of your vendors, it goes ahead and creates a renaming rule.
2. Click Renaming Rules at the top of the window.

   On the Renaming Rules windows, click the + button at the bottom of the window.
3. Set up your rule. Think of your rule as an if/then sentence. "If this happens, then I want QuickBooks to do this." Use the first line (the "If" line) to tell QuickBooks what text to look for in the downloaded payee name. So, for the first part of your sentence, pick an action and enter text.
   - begins with — Apply the rule to any downloaded payee that begins with the text you enter.
   - contains — Apply the rule to any downloaded payee that contains with the text you enter.
   - ends with — Apply the rule to any downloaded payee that ends with the text you enter.
   - exactly matches — Apply the rule to any downloaded payee that exactly matches the text you enter.

   **Note:** The text you enter is not case-sensitive, so don't worry about uppercase vs. lowercase.
4. Use the second line (the "then" line) to tell QuickBooks what you want to do with transactions that meet the criteria of the first line.
   - rename to — Renames the downloaded payee to a vendor name you select. If you don't see the vendor you want, you can just enter the name and QuickBooks will prompt you to set up the vendor.
   - don't rename — The downloaded payee stays at it is and is not renamed. This is useful for transactions such as checks. The downloaded name is probably the word "Check" plus a number and you need to choose which payee that check actually went to. You can create a rule that if the downloaded payee name contains "check" then don't rename it. Then you can choose the payee name manually for each check to make sure it's correct. QuickBooks adds a default list of these "don't rename" rules for checks, deposits, and withdrawals automatically.
5. Click OK.

## Editing a renaming rule

Once you create a rule, you can edit it to get make it work just the way you want.

**To edit a renaming rule**

1. Open the rule you want to rename:
   - In the Downloaded Transactions window, select a downloaded payee that has the rule applied that you want to change. Then click the arrow next to the name, and click Edit Rule.

     
   - Click Renaming Rules. On the Renaming Rules windows, double-click the rule you want to edit or select it and click Edit.

2. Change the rule, and click OK. (For details, see the previous section on creating a new rule.)

# Unlinking a QuickBooks account from an online banking account

To link a different QuickBooks account to imported transactions, you must disassociate the currently associated account first.

**Note:** You must accept or delete any transactions still displayed in the Downloaded Transactions window before disassociating an account.

1. Choose Lists > Chart of Accounts.
2. Select the account name and click Edit at the bottom of the Chart of Accounts.

3. Click Online Settings.
4. On the Online Account Information window, choose “Not enabled” from the Download Transaction list, and then click Save.
5. In the Edit Account window, click OK. You can now associate a different QuickBooks account with the imported transactions.

# Reconciling your accounts

Reconciling may sound mysterious and scary, but it’s really not. All it means is you check your QuickBooks records with your bank or credit card statements to make sure they match.

## Before you begin

Before you reconcile your accounts, check these things:

- Be sure you're up-to-date on entering your transactions in QuickBooks. You know that check you wrote last week for your rent but didn't enter in QuickBooks? Or the bills you paid but haven't marked them as paid in QuickBooks? Do that now. Enter all transactions that haven't cleared or shown up on previous bank statements.
- The very first time you reconcile, check the Opening Balance transaction on your bank accounts in your Chart of Accounts. They should reflect the amount that was actually in your account when you began using QuickBooks. If it doesn't you can fix this by:
    - In your Chart of Accounts, open the register for the account (double-click the account name) and change the Opening Balance transaction to match the ending balance from the last bank statement you received before you started using QuickBooks.
    - Or, you can create an opening balance adjustment at the end of your first reconciliation. We'll get to this later.
    - After your first reconciliation, the Opening Balance should match the Ending Balance from your previous Reconciliation report.

## Step 1: Choose the account you want to reconcile

1. If you use online banking in QuickBooks, download your account statement. If you don't use online banking, either find your paper bank or account statement or access your online statement.
   Tip: It might be easier to print out your online account statement so you don't have to keep switching screens on your computer.
2. In QuickBooks, choose Banking > Reconcile. The Begin Reconcile window appears.
3. In the Account to Reconcile field, choose the account you want to reconcile.
4. Enter the statement date from your account statement in the Statement Date field.
5. Enter the ending balance on your account statement into the Ending Balance field.
6. If your bank or credit card company charges you a monthly service charge or fee, enter the amount of that fee into the Service Charge Amount field. Enter the date your bank charged you this fee, the QuickBooks account you want this fee charged to.
   Tip: If you use Classes to categorize your expenses, choose the Class you associate with this fee.
7. If this is an interest-bearing account (like a savings account), enter the amount of interest you earned during this statement period in the Interest Earned Amount field. Enter the date your bank posted the interest, the QuickBooks account you want to add this interest to, and the Class you want to associate with this interest.
8. Click OK.  The account window closes.
9. Now it's time to reconcile your transactions.

## Step 2: Mark your transactions

Start at the top, with the first transaction listed in the Deposits and Credits section of the window. Then go on to Checks and Payments below.

1. Match the first Deposit/Credit on your bank statement with the same transaction on the Reconcile window.
   Tip: Would it be easier to find and match transactions if the transactions in the Reconcile window were sorted in order by Date, Check Number, Payee name, Memo, or Amount? Click any of the column headers to sort the transactions. Click it again to reverse the sort order.
2. If the transaction amount matches with the same transaction on your bank statement, check the box next to this transaction to mark it as cleared.
3. If the transaction amount doesn't match the transaction amount on your bank statement, double-click the transaction in the window to open it, then correct the transaction.
4. If you find a transaction on your bank statement that is not shown in QuickBooks' list of uncleared transactions, add the transaction now.
5. Add class tracking instructions

## Step 3: Finishing Up the Reconciliation

After you've finished marking transactions, you've got just a few more steps to complete your reconciliation:

1. When you've finished marking the transactions, double-check the Service Charge, Interest Earned, and Ending Balance amounts at the bottom of the window to make sure they match the totals of all Service Charges, Interest Earned, and Ending Balance on your bank statement.
2. If they don't, click the amount link to open the Begin Reconcile window.
3. Make any changes, then click OK to return to the Reconcile window.
4. Look at the Difference amount in the bottom right corner of the Reconcile window:
   - If the amount is 0.00 (zero): Click Reconcile.  Congratulations! You've reconciled the account with the statement. You can now print a reconciliation report (if you are reconciling a bank statement), or pay your credit card bill.
   - If the amount is not zero: Oops—your account doesn't balance for the period of time covered by the statement, and you need to correct the difference. (Keep reading for help with this.)

## Congratulations! Viewing and printing reconciliation reports

You're done reconciling your account and you got a $0 difference. The Congratulations window appears.

**To view a reconciliation report:**

1. Choose a report to view:
   - Summary shows only the beginning and ending balances and amounts reconciled.
   - Detail shows every transaction you marked.

- Both shows both Summary and Detail information.

2. Click Display. The report appears.

**To print a reconciliation report:**

3. Open the report you want to print for viewing.
4. Click Print on the report.

If you **don't** want to see or print a reconciliation report right now, click Close on the Congratulations! window.

But what if you want to print a report from the last time you reconciled this account? Or any previous reconciliation report. If you reconciled this account using QuickBooks for Mac 2014, go to Reports > Banking > Previous Reconciliation. If you're looking for a reconciliation you did in a previous version of QuickBooks, we can't show you that report. We're sorry about that!

## Reconciling fast with Mark All

If you're pretty sure your account is going to balance, you can skip the process of checking and marking each transaction individually.

1. Click Mark All. All the transactions in the window are marked.
2. Check the Difference down at the bottom right corner of the window. If it's $0.00, you're done reconciling! Click Reconcile to finish up.

If the Difference is not $0.00, you're going to have to check individual transactions to find the problem. Click Unmark All to unmark all your transactions, then start at the beginning, marking each transaction individually.

## What to do if your account doesn't balance

Sometimes your bank statement just refuses to balance with your QuickBooks accounts. Don't worry, we can help you fix it. If you've got an account that's not reconciling, here's what you do:

Go back to Banking > Reconcile. Check the following:

- Was the Ending Balance entered incorrectly?
- Did you miss a transaction that should be cleared?
- Did you enter a transaction inaccurately?

If the Difference is small—like less than a dollar—you might not care enough to track down the discrepancy. To **enter an adjustment** to your account that will make it balance:

1. Click Reconcile. A message appears, warning you that your account doesn't balance, and telling you how much the Difference is.

2. Click Enter Adjustment. QuickBooks creates a transaction that balances the account and marks this transaction as cleared. If you want to see this transaction, open the account register and look for a tiny little transaction.

Compare the opening balance amount shown on your statement with the amount shown in the Beginning Balance field in the Reconcile window. If **your opening balances don't match**, it means either that (1) you mistakenly cleared a transaction in the current statement period, or (2) a previously cleared transaction in your register — one dated before the current statement period — was changed or deleted between today and the last time you reconciled. You can handle the discrepancy in one of two ways:

- Quit reconciling and look for the problem in the register. When you fix the problem, choose Banking > Reconcile again. Your opening balances should now match.
- Ignore the discrepancy in the opening balances for now. When you finish reconciling, choose Enter Adjustment to make QuickBooks add a balance adjustment transaction to the register.

## Undoing a Reconciliation

If your Beginning Balance when you open up a new Reconcile window doesn't match the Ending Balance of your last reconciliation, you've got a problem. One good way to solve this is to use the Previous Reconciliation Reports to find transactions that aren't cleared (or have changed). You can also open the account register, then search for (and fix) the problem transactions in it. But when neither of these methods work, or they uncover a tangled mess in your last reconciliation, you can choose the brute force method: Undo Last Reconciliation.

1. On the Reconcile window, click Undo Reconcile. A window appears that shows you how far back you're going—back to the beginning balance of the most recent reconciliation you've done on this account.
2. Click OK. QuickBooks undoes the most recent reconciliation.
3. Now you go back and re-reconcile the account, being careful to look for any errors or changes to transactions so that you end up with the Ending Balance you need.

If you think the problem is further back than the most recent reconciliation, you can undo multiple reconciliations one at a time. Follow steps 1-3 above. After QuickBooks undoes the most recent reconcile, the window reappears. Click Undo Last Reconciliation again. Lather, rinse, and repeat until you've undone reconciliations back to where you need to begin re-reconciling.

## Troubleshooting reconciliation

So, you've done everything I talked about in the previous to reconcile your accounts. Everything went right, and you're in good shape. Yep, nothing else to do here. Well, maybe.

Reconciling isn't hard, but it doesn't always go smoothly. So what do you do? First off, don't panic. Then, keep reading.

**Note:** Though some of the places that send you statements may not technically be banks, I'm just going to use the term "bank" because it's a nice, short word instead of "financial institution."

## What to look for

So you have a difference in the balance for the account in QuickBooks and your bank statement. It's time to go hunt down the mistake. What do you look for to find the mistakes? Here are some common reconciling errors:

1. You mistakenly cleared transactions that weren't on your statement.
2. You didn't mark all the transactions shown on your statement.
3. You didn't notice an incorrect dollar amount on one or more items.
4. You're missing transactions in your QuickBooks records that appear on the statement.
5. You have not yet entered service charge or interest transactions that are included on your bank statement. Or perhaps you entered these items in the Reconcile window, but they're already listed among the transactions in the window.

Sometimes you may find it easier to find these errors in printouts rather than on your screen. You can run a report, like the **Transaction Detail** report, and filter the report for the account you're reconciling and for cleared or uncleared transactions (whichever you're researching). You can also filter for transaction types, such as checks, deposits, or payments. This report may be easier to look at than your register, where transaction types are mixed. You can also run an **Audit Trail** report to look for modified or deleted transactions.

## Tips for finding problems

Sometimes something as simple as counting items or checking your totals can lead you to the culprit transaction that's causing your reconciling problems. Here are some tips:

- Count the number of checks and withdrawals on your bank statement. Compare that with the number of these transactions in the Reconcile window. Do the same for deposits. If you don't have the same number of these transactions in QuickBooks as your bank statement, you may have found your problem. Check to see if you:
    - Missed recording a transaction in QuickBooks
    - Missed marking an item as cleared
    - Mistakenly marked an item as cleared
    - Entered a transaction twice
    - Entered a deposit as a payment or a payment as a deposit
- Click the top of the Date column to sort your transactions by date (or click another column to sort your transactions some other way). This can make it much easier to find missing transactions or to match a transaction that's got an incorrect amount.
- Check to see if the bank summarized your transactions. The bank may summarize transactions that you've listed separately in your register. For example, if you made several deposits on a single day, the bank might indicate the total sum of deposits for that day rather than listing each deposit separately. Similarly, you may summarize transactions in your register, such as bank charges, that the bank itemizes.

- Check the dollar amount of the checks, withdrawals, or deposits. If the totals don't agree, you may have entered a transaction in QuickBooks incorrectly.

## Fixing the incorrect amount

If you find an incorrect amount in a transaction, here's how to fix it:

1. In the Reconcile window, double-click the incorrect transaction to open it in its original window.
2. Enter the correct amount. Click OK to record the change.
3. Click in the Reconcile window or choose Banking > Reconcile to return to the list of marked transactions.
4. Mark the corrected transaction as cleared.

## Transferring funds between accounts

You can record a transfer of funds from one account to another.

**To record the transfer:**

1. Make the transfer at your bank.
2. In QuickBooks, choose Banking > Transfer Funds.
3. Select the date you want the transfer to be recorded in your company file.
4. Enter the transfer amount.
5. Select the accounts you want to transfer funds from and to. The window displays the balances of both accounts.
6. (Optional) Enter a memo for the transfer.
7. Click OK.

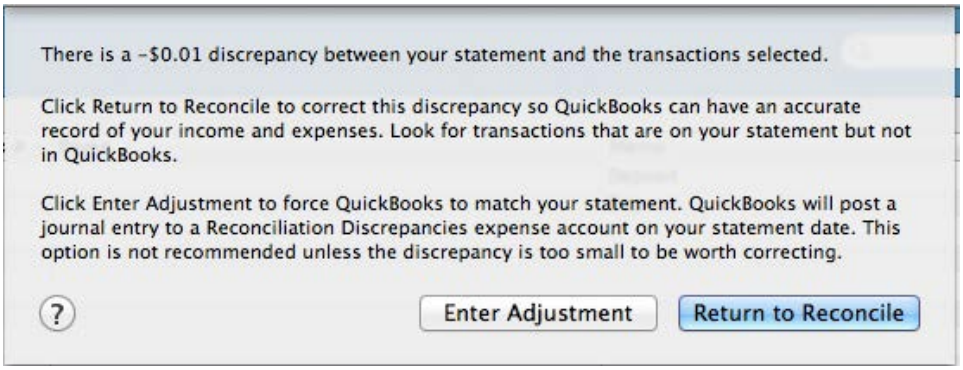
## Let QuickBooks make a an adjustment transaction

What's a few cents between friends, right? The difference between your QuickBooks account balance and your bank statement may be small enough that it's not worth your time to track down the error. So before you go spending a lot of time tracking down a few dollars and cents, consider if it's worth it.

If you decide it's not and want to ignore the difference, QuickBooks can enter an adjustment for the amount of the difference. That way, you'll start with accurate totals the next time you reconcile your account.

1. In the Reconcile window, click Reconcile.
2. In the Reconcile Adjustment window, click Enter Adjustment.

QuickBooks adds a balance adjustment transaction to your account register.




The balance of the account changes by the amount of the transaction. If you find and correct the source of the error later, be sure to also delete the adjustment transaction.

## Handling bank errors

You'll notice throughout this section that I'm assuming the error is on your part. Sorry to say this, but in most cases it is. But sometimes it's not you! It's them! Banks make mistakes, too.

If this is the case, let QuickBooks make an adjustment transaction as I described in the previous section, then contact your bank. The bank will make an adjustment that appears on your next statement. Because a QuickBooks adjustment appears as a cleared item in the check register, your account will be off by the same amount at the end of the next reconciliation. Delete the QuickBooks balance adjustment transaction when you reconcile the next statement. Or just let QuickBooks enter another adjustment that effectively reverses the first adjustment. This guarantees a clean paper trail that reflects what actually happened.

## Viewing and printing previous reconciliation reports

QuickBooks for Mac 2014 saves the reports every time you reconcile one of your accounts. Any time you need to check a reconciliation, you can create a report to see it.

**Tip**: When you view a previous reconciliation report, we recommend that you use a PDF Reader to get the most out of this experience.

For previous reconciliations you've done in QuickBooks for Mac 2014, you can use our Previous Reconciliation report function to look at these reports and print them out. But if you're looking for a reconciliation you did in any other version of QuickBooks, we can't show you that report. We're sorry about that!

**To see a previous reconciliation report:**

1. Go to Reports > Banking > Previous Reconciliation.
2. Choose the account you want to see the reconciliation for.
3. Choose the type of report you want to see:

- Summary. Displays the account balances and reconciliation summary amounts only.
- Detail. Displays each transaction cleared during the reconciliation period.
- Both: Displays both the account balances and the transactions you cleared.

4. Choose the Statement End Date for the reconciliation you want to see.
5. Decide what kind of transactions you want this report to include:
   - Transactions cleared at time of reconciliation. A PDF file that's a snapshot of your account the moment after you reconciled it.
   - Transactions cleared plus any changes made to those transactions since the reconciliation. A "live" report that shows you the status of your account now.
6. Click OK.

The report appears. Click the Print button if you want a paper copy of the report you're looking at.

## Use previous reconciliation reports to spot discrepancies

So what's the use of previous reconciliation reports? If you've started a new reconciliation of an account and find that your Beginning Balance doesn't match the Ending Balance of your last reconciliation, something's happened. A transaction might have accidentally been un-cleared after you last reconciled your account. No big deal—this happens all the time.

The previous reconciliation reports can help you quickly spot what's changed. Here's how:

1. Run both the Transactions cleared at time of reconciliation report and the Transactions cleared plus any changes made to those transactions since the reconciliation report side by side.
2. Compare them. Look for differences.

For a transaction that was cleared in the PDF report but that isn't cleared in the live report:

1. Open the account's register.
2. Mark the transaction as cleared.

For a transaction with an incorrectly changed amount:

1. Open the transaction.
2. Change the transaction so its amount to match what it was in the previous reconciliation report.

CHAPTER 8

# Selling things

If you're in the business of selling things, you probably acquire inventory and then sell it to your customers. In this chapter, I'll show you how to use the inventory features in QuickBooks and how to track the sales tax you'll need to pay for the items you sell.

## Inventory

Selling stuff? Great! QuickBooks for Mac's inventory features can help you. Here's an overview of what you can do to track Inventory in QuickBooks.

- Set up QuickBooks to track inventory. There are a few steps you need to complete to track inventory in QuickBooks: turn on preferences, set up your items, and set up your accounts.
- Buy your inventory. Whether or not you use purchase orders, there are three ways to record the inventory items you receive, depending on how you pay for the items.
    - **Buy items over-the-counter.** Write a check or enter a credit card charge to track this in QuickBooks.
    - Receive items without a bill. Enter an item receipt and then enter the bill when it arrives.
    - Receive items with the bill included. Receive the items and enter a bill at the same time.
- **Sell your inventory.** Now that you have inventory, it's time to sell it. You can track your sales in QuickBooks.
    - **Selling inventory to customers.** Sell inventory the same way you would sell other types of items: by writing an invoice or a cash sales receipt.
    - **You can summarize sales.** If you don't need to track cash sales for each customer, you can record all your cash sales for a specific period of time on a single cash sales receipt.
- **Analyzing and adjusting your inventory.** Though QuickBooks adjusts your inventory as you buy and sell things, you may need to do some things manually.
    - **Adjusting your inventory.** If the quantities change because of, say, fire, theft, or breakage, you need to adjust the quantity on hand for each inventory item affected.
    - **Analyzing your inventory.** You can use inventory reports, the Items list, and the Purchase Order list to get

information about your inventory.

- Taking physical inventory. You can use QuickBooks to create a worksheet for taking a physical count of your inventory stock.

To give you a feel for how all of this works together, To see how inventory works, we'll follow Hannah who has decided to be her own boss and open a new store, Illusion Supplies.

# Hannah sets up her inventory

Watch the video!

Inventory, Part 1…Hannah sets up her shop (http://www.qblittlesquare.com/2011/03/inventory-part-1-hannah-sets-up-her-shop/)

To see how inventory works, we'll follow Hannah who has decided to be her own boss and open a new store, Illusion Supplies. She'll be selling tools of the trade to magicians in North America and around the world.

## Turn on inventory tracking

Hannah creates her company file – using QuickBooks for Mac of course – and she turns on Inventory tracking through her Preferences. When you created your company, QuickBooks asked whether you tracked inventory. If you answered Yes, the preference is already turned on. If you answered No, read on.

**To turn inventory tracking on:**

1. Choose QuickBooks > Preferences, and then click Inventory.
2. Select the "Inventory and purchase orders are active" check box.

## Set up vendors

Hannah also uses the Vendor Center to create vendors for three suppliers she plans to use for her inventory: McCormick's Wand Supply, Wright Top Hats, Carol's Rabbit Hutch. Find out about using the Vendor Center on page130.

## Create inventory items

Hannah creates inventory items for **wands**, **top hats**, and **rabbits**. When she creates the items, she chooses "Inventory Part" as item type because she plans to resell these items. QuickBooks will track how many inventory items remain in stock after a sale, how many items she has on order, her cost of goods sold, and the value of her inventory. When she creates her items, she has the option to select one of her vendors as a preferred vendor for that item. To learn how to create an inventory item, see page 64.

## Set up accounts

Hannah also makes sure she has these accounts in her Chart of Accounts:

- Inventory Asset, which is an Other Current Asset account, to track the current value of her inventory. This is created automatically when Hannah creates an inventory part.
- Sales, an Income account, to track the income from the sale of her inventory items. If you sell both items and services, you may want to use a Sales account for each, depending on what works best for your business.
- Because she's created an inventory item, QuickBooks automatically creates a Cost of Goods Sold account to track the costs to Hannah of the items she's selling.

# Hannah purchases her inventory

Start-up small business Hannah's Illusion Supplies is now set up for inventory, and Hannah's on her way to buy the stock for the shop.

Watch the video!

Inventory, Part 2…Hannah gets her stock (http://www.qblittlesquare.com/2011/03/video-inventory-part-2-hannah-gets-her-stock/)

## Buy stock with cash

Hannah goes to McCormick's Wand Supply and buys a gross of wands. She pays McCormick's with cash. Back in her office, Hannah records the purchase in QuickBooks by using Write Checks, and selecting her Petty Cash account. There's no need to print the check as she's just recording the cash transaction.

## Order stock with a PO, receive items and bill

Next Hannah creates a PO to order top hats from her preferred vendor, Wright Top Hats. When the items arrive several days later, the bill is included with the top hats. Hannah knows that, back in QuickBooks, she'll need to record that items have been received and that a bill was included.

Later that afternoon she chooses Vendors > Receive Items and Enter a Bill. Now QuickBooks knows she's received the items and that she has a bill to pay. When she selects Wright Top Hats on the Enter Bills window, QuickBooks tells her she has an open PO for this vendor. She selects the open Purchase Order and QuickBooks fills in all the information from the PO on the bill.

## Order stock with a PO, receive the items without a bill

After checking her cash flow, Hannah creates another PO for an order of rabbits from Carol's Rabbit Hutch. Before the rabbits are delivered, Hannah receives an email from Carol that she'll be sending the bill later in the month.

When the rabbits arrive, Hannah knows she'll need to create an Item Receipt, as she doesn't have the bill. In QuickBooks, Hannah selects Carol's Rabbit Hutch and uses the open PO to create the item receipt. When Carol sends the bill, Hannah uses Vendors > Bill for Received Items to record it.

At the end of the month, Hannah uses Pay Bills to pay both Wright Top Hats and Carol's Rabbit Hutch.

Next, I'm going to go into the details of what Hannah did when she stocked up.

# Hannah manages her inventory

Watch the video!

Inventory, Part 3…Hannah adjusts her inventory (http://www.qblittlesquare.com/2011/03/video-inventory-part-3-hannah-adjusts-her-inventory/)

After getting operationally prepared to order and receive inventory, Hannah has a Grand Opening for Hannah's Illusion Supplies.

## Send invoices to customers

Following a booming first week of almost 20 orders, Hannah creates invoices to include with each shipment. The invoices include inventory items she's created. QuickBooks automatically reduces her inventory by the number of items she includes on the invoice. Find out more about invoices on page 87.

## Adjust inventory

Only a month after her grand opening, a pipe breaks in Hannah's storeroom and a dozen magic wands are damaged. Now she'll have to make adjustments to her inventory manually. With the sprinkler stopped and mess cleaned up, Hannah uses Vendors > Inventory Activities > Adjust Quantity/Value by Hand and reduces the number of magic wands she has available by 12. Note that you can also adjust value here, too. When you make an adjustment account, work with your accountant about how you want to set that up.

## Return inventory

The following week, Hannah notices that 3 of the top hats in a recent shipment are crushed, and she returns these to Wright's Top Hats.

She chooses Vendors > Enter Bills again, but this time selects Credit at the top and selects Wright's as the vendor and top hats as the items. QuickBooks decreases the quantity of Top Hats on hand and creates a credit that she can apply to her next bill from Wright's.

## Keep track of inventory

Hannah keeps tabs on her inventory through the Inventory reports such as Inventory Stock Status by Item. She can

also print a Physical Inventory worksheet that she can use to take inventory manually.

# Setting up inventory

Now that you've got an overview of how inventory works, thanks to Hannah and her shop, let's take a look at the details of each part of managing your inventory. Here's what you need to know to set up inventory in QuickBooks.

## Turn on inventory tracking

Before you can start tracking inventory, you need to turn on inventory tracking.

**To turn inventory tracking on:**

1. Choose QuickBooks > Preferences, and then click Inventory.
2. Select the "Inventory and purchase orders are active" check box. Before you can start tracking inventory, you need to turn on inventory tracking.

**To turn inventory tracking on:**

- Choose QuickBooks > Preferences, and then click Inventory.
- Select the "Inventory and purchase orders are active" check box.

## Set up accounts for inventory

You need at least one each of the following types of accounts in your chart of accounts to track inventory.

| Suggested Name | Account type | Description |
|---|---|---|
| Inventory value | Other Current Asset | Use this account to track the current value of your inventory. If you want, you can set up subaccounts within this account to track the value of different types of inventory. |
| Sales | Income | Use this account to track the income from the resale of inventory items. If you want, you can set up subaccounts within this account to track the income from different types of inventory. |
| Cost of goods sold | Cost of Goods Sold | Use this account to track the cost to you of the items you have sold. If you want, you can set up subaccounts within this account to track the costs for different types of inventory sold. On a profit and loss report, QuickBooks subtracts the total cost of goods sold from your total income to provide a gross profit before expenses. |

## Add inventory items

You need to set up items for all the things you're going to sell. See page 64 to find out how to create inventory items.

# Buying inventory

There's three different ways to track purchasing inventory in QuickBooks.

## Buying goods on the spot

When you go to a vendor and buy your inventory over the counter, you can use either the check or the credit card form to record the purchase in QuickBooks.

**To buy inventory over-the-counter:**

1. From the Banking menu, choose one of the following:
   - Write Checks: If you wrote a check or paid with cash.
   - Enter Credit Card Charges: If you paid by credit card.
2. Fill in the check or credit card form in the top part of the window.
3. Click the Items tab. Did you write a purchase order for the items?
   - Yes: Click Select PO and select the POs that contain the items you're receiving. When you're finished, click OK. If you didn't receive all the items on the purchase order, you can edit the quantity (or cost) of any item, or delete an item completely, from the detail area of the check or credit card window. Tip: If you make a mistake when you are editing the quantities, click Receive All to return all quantities to their original values.
   - No: Enter the items in the detail area. From the Item list, choose the first item you are being billed for. You can also type the item name directly into the Item column. If the item is not on your list, QuickBooks asks you to set it up. In the Qty column, enter the quantity you received. If necessary, edit the cost of the item. Repeat these steps for the other items you received.
4. (Optional) Enter any additional expenses, such as sales tax. Click Expenses. For each expense, enter the amount and relevant expense account in the detail area of the Expenses tab.
5. Save the check of credit card charge.

## Receiving items and getting a bill later

When you receive items and get the bill later, you enter information in two steps. First, create an item receipt to show you received the items. Second, enter the bill when it arrives.

**Step 1: Create an item receipt**

1. Choose Vendors > Receive Items. You can also create an item receipt using the Vendor Center and

Transaction Center.

2. To create a new item receipt, click the "New" on the left panel or click the + at the bottom of the list. To edit an item receipt, select it in the list on the left panel. (If you don't see this list, click the Left View.)

3. Select the name of the vendor you bought the items from.
4. Did you write a purchase order for the items?
   - Yes—When you click Select PO, QuickBooks asks you to enter the name of the vendor you're receiving from, then displays a list of open POs for that vendor. Select the POs that contain the items you're receiving. When you're finished, click OK. Make any necessary changes to the line items. If you didn't receive all the items on the purchase order, you can edit the quantity (or cost) of any item, or delete an item completely, from the detail area of the Create Item Receipts window. Tip: If you make a mistake when you are editing the quantities, click Receive All to return all quantities to their original values.
   - No—Enter the items in the detail area. From the Item list, choose the first item you are being billed for. You can also type the item name directly into the Item column. If the item is not on your list, QuickBooks asks you to set it up. In the Qty column, enter the quantity you received. If necessary, edit the cost of the item. Repeat these steps for the other items you received.
5. Click Save.

**Step 2: Enter a bill when you receive the goods**

1. Choose Vendors > Enter Bill for Received Items. You can also create an item receipt using the Vendor Center and Transaction Center.
2. In the Receive Bill for Items window, enter the vendor name in the Vendor field and press Tab.
3. Click the item receipt associated with this bill and then click OK. QuickBooks changes the item receipt to a bill.
4. If necessary, change the date shown on the bill (the date shown is the date you entered the item receipt).
5. In the detail area of the bill, correct any costs or amounts if necessary.
6. (Optional) Enter any additional expenses, such as freight charges or sales tax. First click Expenses, and then, for each expense, enter the amount and relevant expense account in the detail area of the Expenses tab.
7. Fill in the vendor's terms.
8. Be sure the amount shown in the Amount Due field equals the total on the bill. If the amounts disagree, click Recalc. QuickBooks then adds up all the amounts in the detail area and inserts their total in the Amount Due field.

**Other things to know about bills and item receipts:**

| | |
|---|---|
| | **View payment history for the invoice.** Click history to see the payments for this invoice. |
| | **Clear how you've split the bill or item receipt by items and expenses.** Click Clear Splits to clear the items on the Expenses and Items panes on the bill. |
| | **Recalculate the amounts.** If you make changes to the bill, you can recalculate the amount due to reflect the change. |
| | **Add payment reminder to Calendar.** Click the Cal button to remind yourself to pay the bill. |

## Receiving items with a bill included

If the items arrive with a bill, you can enter your receipt of the items and the bill in a single step.

**To receive items with a bill included:**

1. Choose Vendors > Receive Items and Enter Bill.
   Note: You can also receive items and enter a bill using the Vendor Center and Transaction Center.
2. Enter the vendor's name, the amount due, date, reference number (bill statement, or invoice number), and your vendor's payment terms.
3. (Optional) Enter a memo about the bill. The memo you enter appears on reports that include the bill. If you pay the bill by check, and you did not enter an account number when you set up the vendor's record, QuickBooks puts the memo in the Memo field of the check. If you did enter an account number, the account number appears in the Memo field of the check.
4. Click the Items tab.
5. Did you write a purchase order for the items?
   - Yes—When you click Select PO, QuickBooks asks you to enter the name of the vendor you're receiving from, then displays a list of open POs for that vendor. Select the POs that contain the items you're receiving. When you're finished, click OK. Make any necessary changes to the line items. If you didn't receive all the items on the purchase order, you can edit the quantity (or cost) of any item, or delete an item completely, from the detail area of the Create Item Receipts window.
     Tip: If you make a mistake when you are editing the quantities, click Receive All to return all quantities to their original values.
   - No—Enter the items in the detail area. From the Item list, choose the first item you are being billed for. You can also type the item name directly into the Item column. If the item is not on your list, QuickBooks asks you to set it up. In the Qty column, enter the quantity you received. If necessary, edit the cost of the item. Repeat these steps for the other items you received.
6. To enter shipping charges or taxes not associated with any one item, click the Expenses tab. Enter each charge and associate it with its correct expense account.
7. Click Save.

# Selling your inventory

Now that you have everything in QuickBooks set up for inventory and you've bought your goods. Now it's time to do what it's all about…sell your inventory.

When you sell something to a customer, track that sale in QuickBooks with an invoice (page 87) or a sales receipt (page 102).

- If you will receive payment later, choose Create Invoices.
- If you have received full payment at the time of sale, choose Enter Sales Receipts.

## Creating a sales summary

If you don't need to track cash sales for each customer, you can record all your cash sales for a specific period of time on a single cash sales receipt. The cash sales receipt acts as a summary of your sales for that period of time.

**First, create a sales summary template:**

1. Choose Customers > Enter Sales Receipts.
2. Fill in the form as follows:
   - Leave the Customer:Job field blank.
   - If you track sales by payment method, enter a method (cash, check, etc.) in the Pay Method field.
   - In the detail area, enter all the items you normally sell on a given day, week, or month — whatever period you plan to summarize.
   - Leave the Quantity column blank since you'll be filling it in at the end of the specified period.
3. Choose Edit > Memorize Sales Receipt.
4. In the window that appears, enter a descriptive name for template (for example, "Daily Sales Summary").
5. Click OK to add the template to your Memorized Transaction list.
6. If you track sales by payment method, select a different payment method and memorize the template again. Repeat this step until you have covered all the payment methods.
7. Click Cancel to close the Enter Sales Receipts window. Do not record the transaction.

**Then, use the template to create sales summaries:**

1. Choose Lists > Memorized Transactions.
2. Select the sales summary template you want, and then choose Use from the Action pop-up menu ( ).
3. Complete the sales summary as follows:
   - In the Quantity column, enter the number you sold of each item.
   - For items you didn't sell, click the line item's entry and choose Edit > Delete Line.

- In the Memo field, enter the dates for the period you are summarizing.

**When the price of an item changes**

You must create a new sales summary template that reflects the new price. When you memorize the new template, save it under the name you chose for the original template. QuickBooks will then replace the original template with the new template.

# Analyzing and adjusting your inventory

You can use inventory reports, the Items list, and the Purchase Order list to get information about your inventory.

## Checking your inventory status

For any item in your inventory stock, you can get view the reorder point, current quantity on hand, average cost to date, and quantity on order.

**To check the status of a single item:**

1. Choose Lists > Items.
2. In the list, double-click the inventory item whose status you want to check.

**To check the status of your entire inventory:**

1. Choose Reports > Inventory.
2. Choose one of the following:
   - Stock Status by Item: Lists your inventory items alphabetically by item code.
   - Stock Status by Vendor: Groups your inventory items by preferred vendor. This helps you reorder easily.
3. To see which inventory items you need to reorder, look at the Order column. A check mark in that column means that your stock of the item has fallen below your reorder point. To determine whether you need to reorder, QuickBooks takes into account the quantity you currently have on order. If the quantity on hand plus the quantity on order is less than the reorder point, QuickBooks puts a check mark in the Order column.
4. To print the report, press Command-P.
5. To create a report that shows how QuickBooks calculated the average cost for a particular item, double-click that item's entry in the report.

## Creating a price list

QuickBooks automatically keeps track of the prices you charge for the items you sell. You can draw upon this information to create a price list.

**To create a price list:**

1. Choose Reports > Inventory > Price List.
2. To print the report, press Command-P.

## Breaking down the value of your inventory

QuickBooks provides several statistical measures of the value of your inventory.

**To break down the value of your inventory:**

1. Choose Reports > Inventory.
2. Choose one of the following:
   - Valuation summary: To see, for each inventory item, the quantity on hand, average cost, asset value, % of total asset value, retail value, and % of total retail value.
   - Valuation detail: To see, for each inventory item, the opening balance, ending balance, and every transaction (purchase or sale) that has affected the inventory value during the period of time covered by the report.
3. To print the report, press Command-P.

## Listing your open purchase orders

You can quickly get information about your open purchase orders.

**To list the open POs where a particular item appears:**

1. Choose Lists > Items.
2. Select the item, and then choose QuickReport from the Action menu ().
3. To view a particular purchase order, double-click the purchase order's entry in the report.

**To list all your open POs:**

- Choose Vendors > Purchase Order List. For View at the bottom of the window, choose Open Purchase Orders.
- Choose Company > Transaction Center. Select Purchase Orders in the left column and then Open for Filter By at the bottom of the window.

## Adjusting your inventory

Although QuickBooks automatically adjusts your inventory quantities after every purchase and sale, you may need to adjust them yourself from time to time. If the quantities change because of, say, fire, theft, or breakage, you need to adjust the quantity on hand for each inventory item affected.

**To adjust your inventory:**

1. Choose Vendors > Adjust Qty/Value on Hand.
   Note: You can also adjust inventory using the Transaction Center.
2. Enter the name of the expense account where you track inventory loss and shortages. If you need to assign the expense to more than one account, enter a separate adjustment for each account. You can enter additional adjustments by clicking Next instead of OK.
3. (Optional) Enter the new quantity of each inventory item whose quantity has changed. You can also enter the new quantity by entering the difference in the Qty Difference column. To enter a difference that reduces the quantity, be sure to type a minus sign before the number (for example, -25).
4. (Optional) If you need to, edit the value of the inventory after adjusting the quantity. Most businesses can accept QuickBooks' recalculation of the value, which is based on average cost. When you edit a value, you change the average cost of the items in stock. To edit the value, select the Value Adjustment check box. In the New Value column, enter the value for each inventory item whose value you want to change.

## Taking a physical inventory

You can use QuickBooks to create a worksheet for taking a physical count of your inventory stock.

**To take a physical inventory:**

1. Choose Reports > Inventory > Physical Inventory Worksheet.
2. (Optional) Use the report buttonbar to adjust the content and appearance of the worksheet.

| Click... | To do this |
|---|---|
| Format | Change the fonts for any part of the worksheet. |
| Header/Footer | Change or move the company name and title; add a line of text as a footer at the bottom. |
| Hide Header | Remove the company name, title, and date from the top. |

   (Optional) Change the width of the columns. More detail
3. Press ⌘P.
4. As you check your stock, fill in the quantities for each item in the Physical Count column of the worksheet.

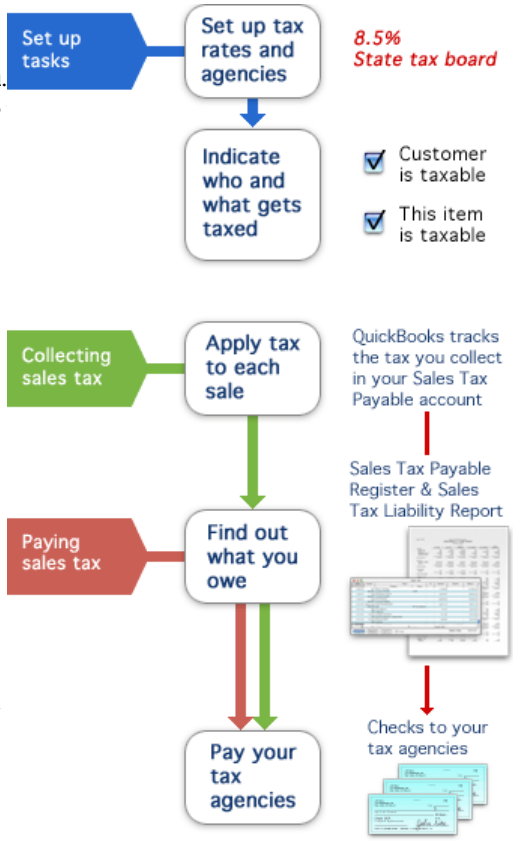
# Sales tax

If you sell stuff, sales tax is part of your life. Ugh. Oh, I mean, lucky you! OK, I tried to be upbeat, but there's really no way around the fact that sales tax takes a bite out of your donut. But QuickBooks can make it easier for you, even if you have to deal with many tax rates in multiple jurisdictions.

Before I go on, here are a couple of things you should know:

- It's important you understand the sales tax rules for your area. sales tax agencies that will collect sales tax from you. Not sure good place to start searching for information.

- When you set up a company that charges sales tax, or when you enter your first sale, QuickBooks automatically creates a current liability account called Sales Tax Payable. The Sales Tax Payable account keeps track of as many tax agencies as you need.




So, working with sales tax in QuickBooks…here we go.

**Set up tax rates and agencies**

Before you can charge and track sales tax, you must let QuickBooks know which agencies you collect tax for, and at what rates. You do this by creating *tax items*. A tax item represents a single tax rate payable to a single agency. In your Items list, add an item and for the type, choose Sales Tax Item. (If you need help with adding items, check the Help in QuickBooks.)

If you collect for more than one agency, create a separate tax item for each agency. You can then group the items together so that your customers will only see a single tax rate on your sales forms.

**Indicate who and what gets taxed**

After you set up your tax rates and agencies, QuickBooks still needs to know which customers you collect tax from, and which items you charge tax for when you make a sale. Once you enter this information, QuickBooks automatically calculates sales tax whenever you sell a taxable item to a taxable customer.

For each item and customer, there's a **Taxable** check box. It's up to you to know if you need to use it or not. If your customer is purchasing items from you for resale, they may not be taxable. Also, the items you sell—products and services—may or may not be taxable. You may sell services that are not taxed and products that are. Again, this is where knowing the rules for the tax agencies is important. That will guide you as to whether something is taxable. Either way, if an item or a customer is taxable, be sure you use that **Taxable** check box.

**When you sell something, apply tax to a sale**

When you fill out an invoice or sales receipt with taxable items, the bottom of the form automatically shows the tax item. QuickBooks uses that tax item to calculate the tax for the sale. The tax amount appears on the form, below the other line item amounts.

If you need to apply a different tax to the sale, select a different tax item from the list on the sales form. QuickBooks then recalculates the tax by using the rate for the tax item you selected.

**Find out how much tax you owe**

As you write invoices and sales receipts, QuickBooks automatically tracks how much tax you owe in your Sales Tax Payable account. When it's time to pay your tax agencies, you need to know what you owe and to whom. To view your tax liability, choose Reports > Vendors & Payables > Sales Tax Liability. The report shows your total taxable sales as of a date you choose, the total nontaxable sales, and the amount you owe each tax agency.

**Pay your tax agencies**

When it's time to pay your sales tax, choose Vendors > Pay Sales Tax to see how much you currently owe to each tax agency. You can then write a check to each agency. Once you've paid, QuickBooks automatically updates your Sales Tax Payable account.

In a nutshell, that's how sales tax works in QuickBooks. If you need more detail on using any of the features in this article, the Help in QuickBooks gives you step-by-step instructions.

# Setting up tax rates and agencies

If you collect one tax for one agency, you may have already set up your sales tax rate and agency when you created your QuickBooks company. If you did not, complete the first and third steps listed below.

If you collect several taxes:

**Step 1:** Create a tax item for each single tax you apply. (See page 68.)

**Step 2:** Set up tax groups (if needed). (See page 68.)

**Step 3:** Identify your most common tax.

## Identifying your most common tax rate

If you use one tax or tax group more often than any other, you can automatically apply that tax when you enter a sale.

If you set up a tax item when you created your company file, QuickBooks uses it as your most common tax. To use a different tax item or group as your most common tax, follow the procedure below.

**To identify your most common tax rate:**

1 Choose QuickBooks > Preferences and click Sales Tax.

2 Select the “Customers are charged sales tax” check box.

3 Choose whether you pay sales tax monthly, quarterly, or annually. This choice sets up the period of time covered by your sale tax reports.

4 Choose when you owe tax to this tax agency:

- **As of invoice date.** You are liable for tax from the moment you write an invoice or make a sale (accrual basis).
- **Upon receipt of payment.** You are liable for tax only when you receive cash from a customer (cash basis).

- Your choice determines the amount you owe in the Pay Sales Tax window, and determines the amounts displayed in the sales tax liability report.

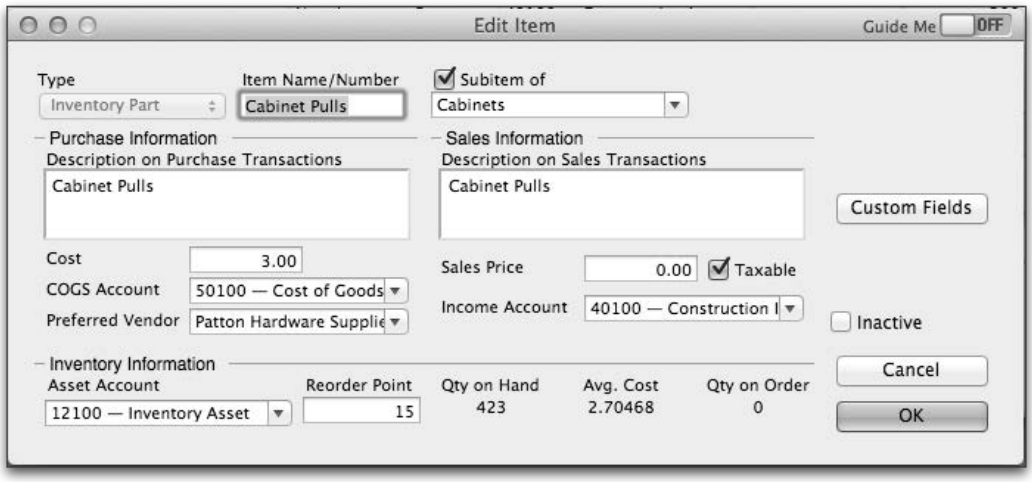
5 From the “Most common sales tax” list, choose the tax item or group you use most often.

# Indicate who and what gets taxed

Now you tell QuickBooks what items and what customer are taxable.

## Marking items you sell as taxable

You can set up




QuickBooks to distinguish between taxable and non-taxable items when you make a sale. When you add an item to your Item list, you can indicate whether you charge tax for the item. QuickBooks remembers this information and automatically shows whether or not an item is taxable when you enter the item on a sales form.

**To set up an item as taxable:**

1 Choose Lists > Items.

2 Add a new item or edit an existing item.

3 Select the Taxable check box.

**To apply tax to a non-taxable item:**

1. On a sales form, enter the item as you normally would.
2. Click the Tax column (to the right of the Amount column).

**What happens**

When you enter a taxable item (or click next to the amount of a non-taxable item), a "T" appears beside the item amount. If the customer is taxable, QuickBooks includes all items marked with a "T" in its tax calculation.

## Assigning a tax rate to a customer

You can set automatically charge sales tax when you make a sale to a particular customer. Do this by completing two fields on the customer's record in the Customer:Job list.

**To assign a tax rate to a customer:**

1. Choose Lists > Customer:Jobs.
2. Find the customer you want to make taxable and edit the customer. (Double-click the name of customer or select the name and click Edit Customer.)
3. Click the Additional Info tab.
4. If a customer is sometimes exempt from sales tax, enter the customer's tax exemption ID in the Resale No field.
5. Select the Customer is taxable check box.
6. In the Tax Item field, select the tax you usually charge this customer.

**When you make a sale to the customer**

QuickBooks automatically calculates the tax by using the tax item you choose for the customer. If you want, you can calculate the tax at a different rate by choosing a different tax item directly from the sales form.

# Applying tax to a sale

If you have set up a default sales tax, assigned taxes to your customers, and marked taxable items you sell as taxable, QuickBooks automatically calculates and applies the tax when you make a sale.

- **To apply a different tax to a sale**, select the tax you want to apply from the list of tax items at the bottom of the sales form.
- **To apply tax to an item you normally don't tax**, in the Amount column of the sales form, click the space between the line item amount and the right edge of the column. A "T" appears next to the line item to indicate you are collecting tax on the item.
- **To make a non-taxable sale:**

- If you never tax the customer, clear the Taxable check box on the customer's record.
- If you usually tax the customer, but don't want to for this particular sale, clear the Tax check box at the bottom of the sales form, but leave the correct sales tax. QuickBooks then records the sale as a non-taxable sale for the tax district.

- **To sell to an out of state customer**, choose the special "Out of state, 0.00 % tax rate" item as the tax for the sale. QuickBooks then records the sale as non-taxable, out of state, so you can report it when you pay taxes.
- **If you use a tax group**, QuickBooks calculates each tax in the group individually and then adds the individual taxes together to get the total tax. Because QuickBooks rounds the individual tax amounts to the nearest cent, the total for tax group may be slightly different than the total you would get if you combined the rates of the individual taxes and applied the single rate to the sale. Don't worry about this discrepancy; QuickBooks calculates and reports each individual tax amount correctly.

# Keeping track of how much tax you owe

QuickBooks provides three ways to find out how much tax liability you are accruing: the sales tax liability report, the Sales Tax Payable register, and the Pay Sales Tax window.

- Sales tax liability report—See a summary of how much you have billed (or collected) on behalf of each sales tax agency.
- Sales Tax Payable register—Scan the tax-related transactions QuickBooks has recorded in your Sales Tax Payable register.
- Pay Sales Tax window—See how much you owe each tax agency. Pay the sales tax your business owes.

## Creating a sales tax liability report

The sales tax liability report provides complete information about the sales tax your company owes for a particular period.

QuickBooks displays your sales tax liability in reports on an accrual basis unless you changed the setting (see below).

**To display the report:**

1. Choose Reports > Vendors & Payables > Sales Tax Liability.
2. Check the dates shown in the From and To fields. If you want the report to cover a different period of time, do one of the following:
   - Enter new dates in the From and To fields.
   - Choose one of the preset date ranges from the list.

**Tip:** You can hover over any calculated field and you'll see a magnifying glass ( ,), which you can double click and see the details.

**To change the accounting basis of the report:**

1. Choose QuickBooks > Preferences and click Sales Tax.
2. In Sales Tax Accrues, select the basis you want.
   - Select As of invoice date to get an accrual-basis report
   - Select Upon receipt of payment to get a cash-basis report

**If you use a group tax...**

QuickBooks calculates each tax in the group individually and then adds the individual taxes together to get the total tax. Because QuickBooks rounds the individual tax amounts to the nearest cent, the total for tax group may be slightly different than the total you would get if you combined the rates of the individual taxes and applied the single rate to the sale. Don't worry about this discrepancy; QuickBooks calculates and reports each individual tax amount correctly.

## Using the Sales Tax Payable register

Each time you write an invoice or sales receipt that includes sales tax, QuickBooks enters the information in your Sales Tax Payable register. No matter how many tax agencies (QuickBooks tax vendors) you must collect for, QuickBooks keeps track of transactions for all tax vendors in the same Sales Tax Payable account.

**To display the Sales Tax Payable register:**

1. Choose Lists > Chart of Accounts.
2. Double-click your Sales Tax Payable account.
   - Each entry in the register is a single tax transaction.
   - Taxes you record on invoices and sales receipts appear as increases, and payments you make to tax agencies appear as decreases.
   - The ending balance of the register is your current tax liability.

**To get more information:**

- To see a list of all the transactions that involve a particular tax agency, select any transaction in which the agency's name appears. Then choose Reports > QuickReport.
- To see the details of a transaction in which you charged or paid sales tax, double-click the transaction.

# Paying sales tax

Now it's the dreaded time…time to pay your sales tax. But you've been tracking everything in QuickBooks, so at least you have an accurate picture of what you owe.

**To pay sales tax:**

1. Choose Vendors > Pay Sales Tax.

2. If you have more than one checking account, choose the checking account from which you want to pay the tax.
3. Check the date that QuickBooks shows in the "Show sales tax due through" field. If necessary, edit the date. To change your sales tax period: choose QuickBooks > Preferences, click Sales Tax from the Show pop-up menu, and then set how you pay sales taxes (Monthly, Quarterly, or Annually).
4. In the detail area, select the tax agencies you want to pay.
5. To select agencies individually, click in the Pay column.
6. To select all the agencies, click Pay All Tax.
7. To make a partial payment to an agency, edit the amount that QuickBooks shows in the Amt Paid column.

## Adjusting sales tax

To adjust your sales tax before you pay it:

1. Choose Vendors > Pay Sales Tax.
   Take a look at the amount of sales tax you owe. Do you need to adjust it—say if your tax authority has given you a discount for on-time payments?
2. Click Adjust.
3. Fill out the Sales Tax Adjustment info. Here's what's required:
   - Set a date for this adjustment.
   - Choose the Sales Tax Vendor you're paying. (Probably your local or state sales tax authority.)
   - Choose the Adjustment Account. (QuickBooks will record this adjustment here.)
   - Choose whether this is an Increase or a Decrease, and enter the amount of the adjustment you're making.
4. Click OK.

QuickBooks records this adjustment and closes the Sales Tax Adjustment window. Now you're ready to pay your sales tax.

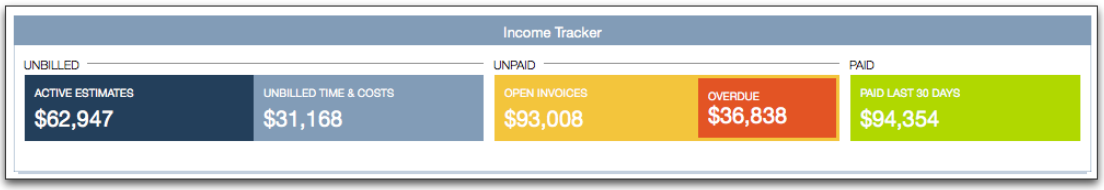
CHAPTER 9

# Finding out how you're doing

In QuickBooks, you can use the Company Snapshot and reports to see how your business is doing. Reports are a thorough way to dig deep into your data. And Company Snapshot is for the at-your-finger-tips data. And it's a lot of fun! And QuickBooks offers a budget feature.

## Income Tracker

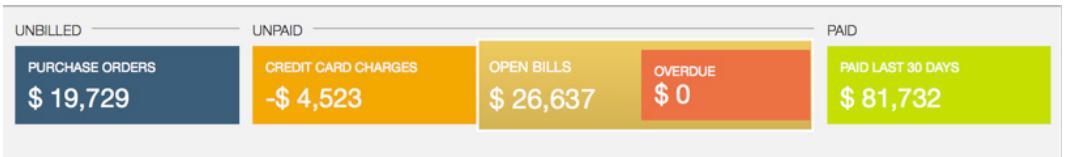
The Income Tracker at the top of the Transaction Center shows you some basic info about how your business is doing right now, today. But that's not all! You can click on the Income Tracker's regions to see those kinds of transactions.




For example, click the gold Open Invoices bar. QuickBooks shows you a list of all your company's open invoices, complete with details. From there, you can open individual transactions to double-check them or change them if you need to.

## Expense Tracker

The Expense Tracker (just below the Income Tracker in the Transaction Center) shows you some basic information about your spending. But that's not all! You can click the Expense Tracker's regions to see more detail.



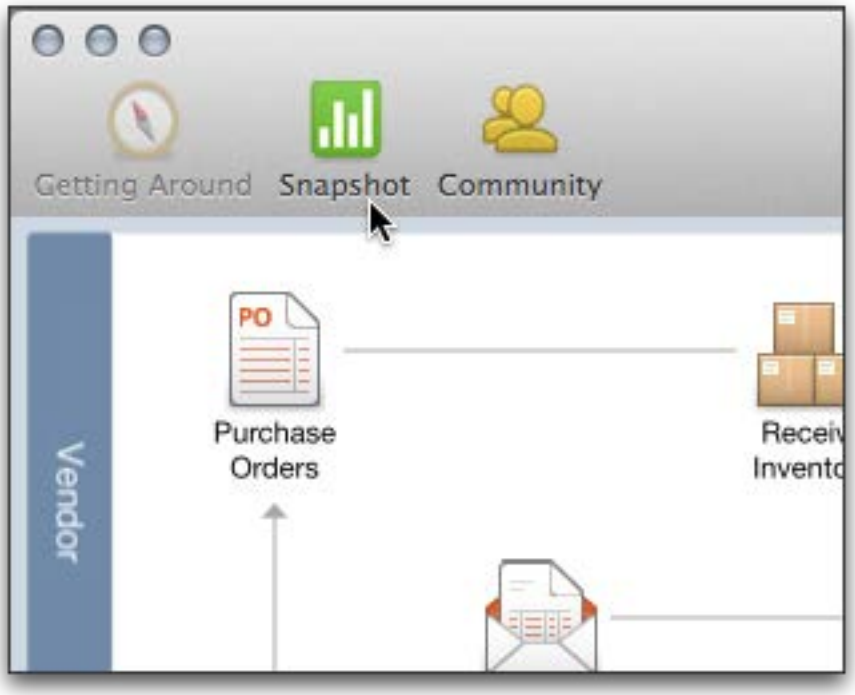
For example, click the gold Open Bills bar. QuickBooks shows you a list of all your company's open bills, complete with details. From there, you can open individual transactions to double-check them or change them if you need to.

# Company snapshot

Use the Company Snapshot to get real-time company information and perform tasks in one place. Here you can quickly see trends in your income and expenses, who owes you money, who you owe money, reminders of things to do, and the balances in your accounts. You can also quickly access transactions for all your customers, such as sales receipts, received payments, and statement charges.

**To access the Company Snapshot:**

Click the Snapshot icon on the Home Page.




## Information found on the Company Snapshot

You can find out a lot very quickly on the Company Snapshot, including:

- **Income Tracker.** Shows active estimates, unbilled time and costs, open invoices (with overdue invoices called out), and what you've paid in the last 30 days.
- **Expense Tracker.** Shows money owed (POs), credit card charges, open bills, overdue bills, paid last 30 days.
- **Account Balances.** Displays all cash, credit card, accounts receivable, accounts payable, and liability accounts. Double-click a line item account to open the register window for that account. Click Chart of Accounts to open the Chart of Accounts window. Click the Info icon to select the accounts you want to see.
- **Income Breakdown.** Shows a pie chart of your income, broken down by account.
- **Expense Breakdown.** Shows a pie chart of your expenses, broken down by account.
- **Income and Expense Trends.** Shows money going in and out of your business for a time period. It gives you a quick snapshot of how your business is doing and lets you compare income

**Why can't I see all of this information?**

You can only view those areas of QuickBooks to which you've been granted access. Contact your QuickBooks Administrator if you need to change your permissions.

and expenses. To change the time period, use the pull down menu below the graph. Place your cursor over a bar in the graph to see the exact amount.

- **Customers Who Owe Money.** Shows balances owed by customers. Past due items are in red. Double-click a line item to open the Customer Center and see transactions for that customer. Click Receive Payments to open the Receive Payments window. The total amount owed is displayed at the bottom. Click on the total to see a Customer Balance Summary report.

- **Vendors to Pay.** Shows balances you owe to vendors. Past due items are noted in red. Double-click a line item to open the Enter Bills window for that bill. Click Pay Bills to open the Enter Bills window for all bills. The total amount you owe is displayed at the bottom. Click on the total to see a Vendor Balance Summary report.

- **Reminders.** Lists reminders, grouped by category, based on your Reminder preferences. Past due reminders are in red. Click the arrow next to a category name to see the reminders in that category. Click an item to open the transaction or note for that reminder. Click Preferences beneath the list to change your Reminder settings.

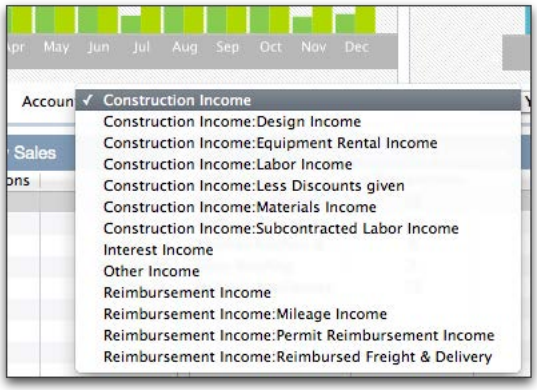
## Tips and tricks

Here are some more tips and tricks so you can make the best use of the Company Snapshot:

- Sort any column by clicking the column title.

- Rearrange the columns by clicking and dragging the top of a column to move it to another location.

- Customize what you see. Use the links and pull down lists below a pane on the Company Snapshot to change the information the pane displays.




# Budgeting

We've completely redesigned QuickBooks for Mac's budgeting feature this year.

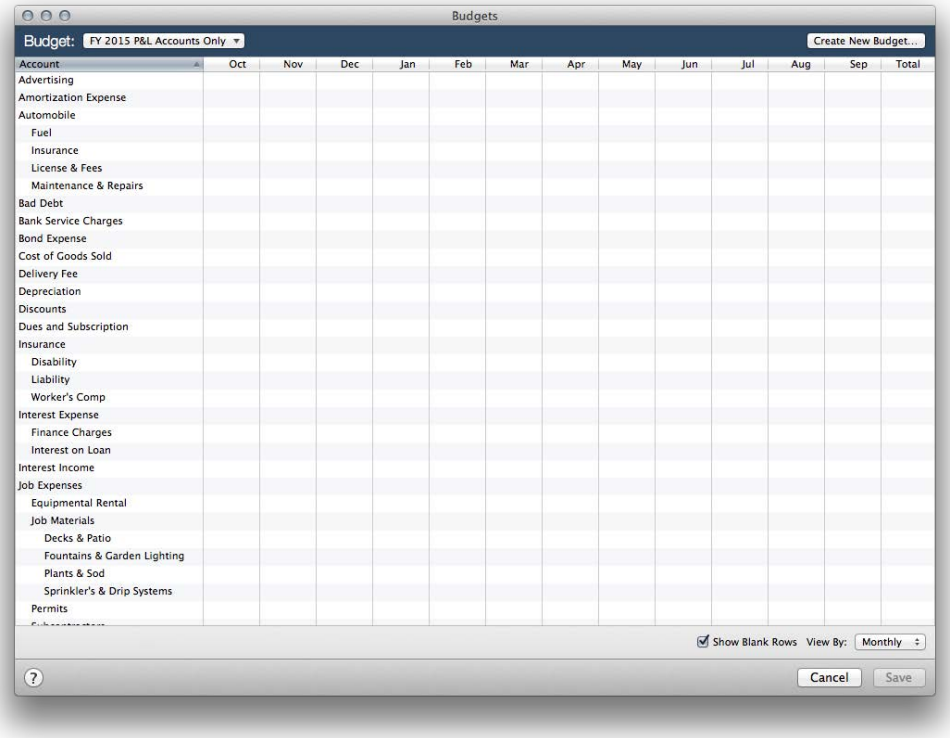
# Setting up a budget

You can set up a budget for an account, or for a Customer:Job or class within an account. To do so, enter budget amounts for the income/expense or balance sheet accounts you wish to track. Then you'll be able to track actual versus budgeted amounts through budget reports. You can create as many as four budgets per fiscal year:

- P&L by Account Only
- P&L by Account and Class
- P&L by Account and Customer
- Balance Sheet by Account Only

**To set up a budget for the first time:**

1. Choose Company > Set Up Budget.
   You'll see the first of a series of sheets stepping you through the process.
2. Click Next.
3. Type the fiscal year for this budget.
4. Select whether you want the budget to include profit and loss accounts or balance sheet accounts, and click Next.
5. Select whether you want to subdivide your budget by Customer:Job or Class, and click Next.
   If you have class tracking enabled you can track budget amounts by class.
6. Select whether you'd like to add budget numbers from scratch or have QuickBooks use the previous year's data.
7. Important: The option to create a new budget from a prior year's budget is only available if there is an existing budget for a previous fiscal year.
   - If you select from scratch, click Done.
     You'll see what looks like a spreadsheet with empty amount cells. Click in any of these cells and type an amount.
     Click Save.
   - If you select from previous year's data, click Next.
     You'll see a sheet explaining that QuickBooks will use data from the previous fiscal year to generate the new budget.
     Click Done.

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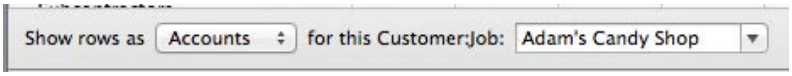
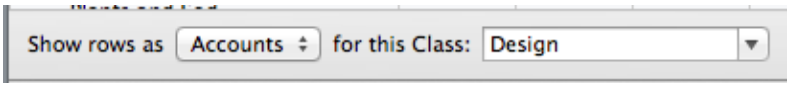
Newly created budget

- 


When you create a budget subdivided by Customer:Job, you see these special pop-up menus at the bottom of your budget.

- 

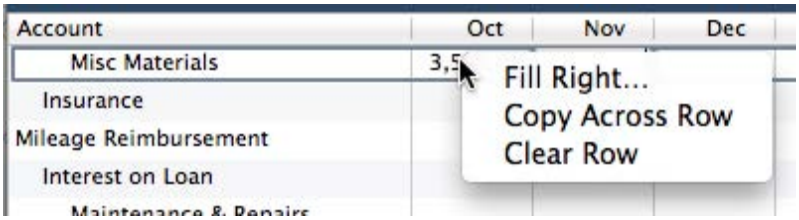

You see these special pop-up menus when you create a budget subdivided by Class.

**To change a budget:**

1. Choose Company > Set Up Budget.
2. Select the budget you want to change from the Budget pop-up menu.
   - For an income or expense account: Enter the projected amount of income or expense for that account for each month.
   - For a balance sheet account: Enter the projected ending balance of that account for each month.
3. Type the budget numbers in the column next to the account you want to change.

- **Tip:** As a shortcut, you can enter an amount in the Total column, and QuickBooks will calculate the monthly and quarterly amounts.

- **Tip:** Right-click a cell and use the contextual menu items to speed your data entry. You'll see Fill Right, Copy Across Row, and Clear Row.




QuickBooks displays the columns in your budget according to the preferences you've set (Preferences > My Company > First month is fiscal year). If you change these preferences, you'll need to refresh your budget to see the new column arrangement.

## Graphing a budget

After you set up your budget amounts, you can view a graph that shows your budgeted vs. actual amounts. This lets you see the variance between your budgeted amounts and the actual amount you earned or spent.

**To graph a budget:**

1. Choose Reports > Budgets > Budgets vs. Actual Graph.
2. (Optional) When QuickBooks displays the graph, click the Dates button to change the date range for the graph.
3. (Optional) Click any button on the graph buttonbar that allows you to group the data in a different way.

## Creating reports about your budget

QuickBooks offers six types of budget reports. You can create these after you set up a budget.

**To create reports about your budget:**

1. Choose Reports > Budgets.
2. Choose one of the following reports:
   - Budget Overview: Shows monthly budgeted amounts for each income and expense account for which you have entered a budget amount.
   - Budget vs. Actual: Shows monthly budgeted amounts for each income and expense account for which you have entered a budget amount, including the actual amount you spent for each income and expense account, and the difference between your budgeted and actual amounts.
   - Profit & Loss Budget by Job Overview: Shows total budgeted amounts by customer and by job for each income and expense account for which you have entered a budget for a job.

- Profit & Loss Budget vs. Actual by Job: Shows total budgeted amounts by customer and by job for each income and expense account for which you have entered a budget for a job, including the actual amount you spent on each job, and the difference between your budgeted and actual amounts.
- Balance Sheet Budget Overview: Shows monthly budget amounts for each balance sheet account for which you have entered a budget amount.
- Balance Sheet Budget vs. Actual: Shows monthly budget amounts for each balance sheet account for which you have entered a budget amount, including the actual account balances as of the last day of the month, and the difference between your budgeted and actual account balances.

**Some tips to see how you're doing against a budget**

| If you set up budget items for: | Do this: |
|---|---|
| Income and expense accounts only | Use the Profit & Loss Budget vs. Actual report.<br>Click Filters on the report buttonbar to limit the report to specific income and expense accounts, or to just one account. |
| Customer or job only | Use the Profit & Loss Budget vs. Actual By Job report. Choose either a date value (like month) or Total Only from the Columns list on the report buttonbar. Then click Customize and choose Customer:Job from the Row Axis list.<br>To see only one customer or job, click Filters on the report buttonbar and filter by Name. |
| Class only | Use the Profit & Loss Budget vs. Actual By Job report. Choose either a date value (like month) or Total Only from the Columns list on the report buttonbar. Then click Customize and choose Class from the Row Axis list. |
| Customer or job and accounts | Use the Profit & Loss Budget vs. Actual By Job report.<br>To see only one customer or job, click Filters on the report buttonbar and filter by Name. |
| Customer or job and class | Use the Profit & Loss Budget vs. Actual By Job report. Choose Customer:Job from the Columns list on the report buttonbar, and then click Customize and choose Class from the Row Axis list, or vice versa.<br>To see only one customer or job, click Filters on the report buttonbar and filter by Name. |
| Class and accounts | Use the Profit & Loss Budget vs. Actual report. Choose Class from the Columns list on the report buttonbar, and then click Customize and choose Accounts from the Row Axis list |

# Reports and graphs

So much of QuickBooks is about entering data. When you want to know what's going on in your business, you need to take a look at how all that data adds up. That's where reports come in.

**To create a report:**

1. Open the Report Center (Reports > Report Center).
2. On the left, double-click the type of report you want to create.

You can stop here and use the standard report QuickBooks provides. If you'd like to customize your reports, see below.

## Report Center

The Report Center is a central location for all your reports. QuickBooks provides reports to give you information and comparisons about jobs, costs, revenues and time. You can learn how profitable your jobs were, find out how well you estimated the costs and revenues for a job, and see at a glance which jobs and projects consumed the most time. You can also customize these reports for a specific date range or to add columns and other information.

**To open the Report Center:**

Choose Reports > Report Center.

**To use Report Center:**

Select a report from the left bar. The report you select displays in the center.

- Search for a report. Enter one or more words in the Search box in the top right corner of the Report Center. QuickBooks finds all reports with those words in the report title or description and lists then in the left pane. To see all your reports again, click the X in the Search box.
- Browse available reports. The left pane of the Report Center lists all your reports in groups that you can browse. You can also click the arrows at the bottom of the right side of the center to browse through your reports. When you find the one you want, double-click it to open it or click Display at the bottom of the center.
- Change the report date range. Use the date controls at the bottom of the Report Center to change the date range and then double-click the report to open it with the new dates.
- Add reports to your favorites. In the left pane of the Report Center, select the name of a report and click the star located to the left of the title. The report now displays in the Favorite Reports list at the top of the pane so you can easily find it.
- Customize a report. Choose a report and click Customize at the bottom of the Report Center. You can then change the information covered in the report.
- Print a report. Select a report and click Print at the bottom of the Report Center. Or open the report and choose File > Print Report or Command-P. To fit the entire report on one page, choose QuickBooks from the print options pop-up menu and select the Shrink to Fit check box.

# Customizing your report

After you create a report (Reports > Report Center), you can use filters, date ranges, and other features to customize the data on the report so you see what most important to you.

For example, a sales by customer summary report initially shows your sales to all customers for the current month to date. This would be too much information if all you wanted was to see this month's sales to one of your customers. You can apply filters, either one at a time or in combination with each other. Each additional filter you apply further restricts the content of the report.

## Adding a filter

You can add filters to filter the report to show just the information you want.

**To add a filter:**

1. In the Report window, click Filters at the top of the report.
2. On the filters window, select the check box next to the filter you want to use.
3. Set the options for the filter, if needed.
4. Click Apply.

To clear the filters, click Clear All.

## Types of filters

QuickBooks provides lots of filters for your reports (see below). Also, any custom fields you have can be used as a filter.

- **Account**—Limit the report to certain accounts. For example, choose All Bank Accounts from the list to limit the report to the accounts from which you write checks. Choose Selected Accounts to limit the report to specific accounts.
- **Aging**—Include only those invoices and bills that are past due by a specific number of days. Click < to specify invoices and bills that are past due beyond a specific number of days. Click > to specify invoices and bills that are past due up to a specific number of days.
- **Amount**—Restrict transactions based on a particular amount. Click the =, <, or > button and type an amount in the field. For example, to see a report that shows customers who have purchased more than $500.00 worth of items from you, click the > button and type 500 in the field.
- **Class**—Restrict transactions to particular classes, choose the classes you want to include from the list. You can choose Selected classes to select multiple classes for inclusion.
- **Cleared**—Choose transactions for the report based on whether you have marked them as cleared or not.

- **Customer Type**—Limit the report to transactions related to one of your customer types.

- **Date**—Restrict the transactions to those with a date that falls within your specified date range. Choose an item from the list or type a beginning date and an ending date. Pre-set dates

- **Detail Level**—Limit the report to selected detail lines in a transaction (for example, the line items on an invoice or the expense account detail on a check). When you create a transaction report, you can use this filter to show or suppress the detail lines for each transaction.

- **Due Date**—Include only those invoices and bills due within a specified date range.

- **Entered/Modified**—Limit the report to transactions entered or edited within a specified date range. This option works with the audit trail report.

- **FOB**—Limit transactions to fields that appear in sales or purchase transactions. For example, choose "All sales items" from the Items list and "FedEx" from the Ship Via list, to include only those sales transactions that show items you shipped by FedEx. Choose Selected ... from one of the lists to choose list items individually.

- **Job Type**—Limit the report to transactions related to one of the job types on your Job Type list. For example, a general contractor who has "Bathrooms," "Family Rooms," and "Kitchens" as job types could choose Kitchens to limit the report to costs and revenues for kitchen remodels. Using job type as a filter helps you determine how profitable a specific kind of job is to your business.

- **Memo**—Restrict transactions based on their Memo fields. QuickBooks finds a match if the transaction's Memo field includes the specified sequence of characters. For example, if you enter "pay" in the Memo field, QuickBooks matches Memo fields with "Pay by June 21" or "Please pay immediately."

- **Name**—Limit the report to transactions related to certain names from your Customer:Job, Vendor, Employee, or Other Names lists. For example, choose All Vendors from the list to limit the report to transactions related to vendors. Choose Selected Names to limit the report to specific names.

- **Number**—Choose transactions based on invoice or check number. To include all transactions within a range of numbers, enter both a beginning number and ending number. To exclude all transactions EXCEPT for one, enter the number of that one transaction in the first field, and leave the second field blank.

- **Paid Status**—Include only those invoices and bills that have a specific paid status (Closed, Open, or Either).

- **Payroll Item**—Limit the report to specific payroll items (like Vacation Salary, Health Insurance, and Federal Withholding).

- **Posting Status**—Posting status of transactions to a register. Most transactions post to a register; for example, when you create an invoice, QuickBooks records the amount in your accounts receivable register. A few types of transactions—estimates, pending sales, and purchase orders—are non-posting in that they never appear in a register.

- **Received**—Include open purchase orders, closed purchase orders, or both.

- **Ship Date**—Include only those invoices and cash sales receipts that have a specific shipping date.

- **Source Account**—Limit the report to transactions that originated from a particular balance sheet account — or a group of balance sheet accounts. For example, a profit and loss report normally represents all your company's balance sheet accounts. To show only the checking transactions that contributed to your company's profit, use the

Source Account field to select the checking accounts. Important: the Source list also shows all of your income and expense accounts. Ignore these accounts when you select the balance sheet accounts. If you also want to restrict the report to specific income and expense accounts, use the Account list to select those accounts.

- **To Be Printed**—Restrict transactions based on whether they have been printed or not.
- **Transaction Type**—Choose the type of transactions (checks, payments, and so on) you want included in this report.
- **Vendor Type**—Limit your report to transactions related to one of your vendor types.

## Grouping and subtotaling data

- **Choose column headings for subtotals.** Some reports let you subtotal amounts in columns for time periods or other factors. For example, you can show weekly subtotals on the Profit and Loss Detail report.
    1. Create the report.
    2. On the report buttonbar, click Options.
    3. Choose an item from the Columns list. Make sure the dates and other options on the Options window are correct.
    4. Click OK. The column appears on the left side of the P&L Detail report.
- **Choose row headings for groups.** If none of the preset reports have the row headings you want, create a custom report.
    1. Choose Reports > Custom Summary Report.
    2. On the report buttonbar, click Options.
    3. Choose an item from the Row Axis list.
    4. Click OK. The Custom Summary Report changes to show your choice by row.
- **Change the subtotaling of transactions.** You can group and subtotal the data on a transaction detail report.
    1. Create a transaction detail report (for example, Transaction Detail by Date).
    2. On the report buttonbar, choose an item from the Total By list.
- **Change the sort order of transactions.** Transactions usually appear in date order (earliest first) within a specified group on a report. You can sort the transactions by any column on the report.
    1. Create a transaction detail report.
    2. On the report buttonbar, choose “Totals only” from the Total By list.
    3. To sort the transactions by amount (for example), click the word Amount at the top of the Amount column (second from the right, or close to it). To reverse the sort order, for example by smallest to biggest amount, click the word again.

## Viewing more of a report on your screen

To view more of a report that’s too long or wide to fit on the screen, click the vertical and horizontal scroll bars at

the right and bottom of the report window.

You can also see more of a report by clicking these check boxes on the button bar:

- **Hide Header—**Hide everything in the report header (company name, report title, date range, today's date, etc.). This button does not affect the printed report. Click the check box again to display the header information.
- **Collapse—**Hide subaccounts, jobs, and subclasses by summarizing their amounts under the main heading. This choice affects both the onscreen and printed report. Click the check box again to display the subaccounts you previously hid.

# Formatting your reports

After you create a report (Reports > Report Center) and you display the data you need, you can format your report so it looks like you want it to.

## Customize columns

- **Make a column wider or narrower.** Move your mouse between two columns until you see the bar with an arrow cursor. Drag the cursor to the right or left.
- **Rearrange columns.** Drag the column's header to its new position. The red arrow shows where the moved column will go.
- **Sort data by a particular column.** Click any column header to sort on it; click the header again to sort in the opposite direction. The arrow next to the column header shows whether the column is sorted in ascending or descending order.
- **Eliminate a column (on reports that list transactions).** On the Report button bar, click Options. On the Columns list, unselect the column(s) you want to eliminate.
- **Display a column not currently displayed (reports that list transactions).** On the Report button bar, click Options. On the Columns list, unselect the column(s) you want to eliminate.

## Specifying a header or footer

At the top of the report, click Header/Footer and make your changes on the Header/Footer window.

- Change the header information. QuickBooks automatically includes your company name, title, subtitle, and today's date in the header. You can also specify whether you want the header to print on all pages of the report, or only on the first page.
- Change the footer information. QuickBooks automatically includes the current page number, and lets you add an extra line of text. You can also specify whether you want the footer to print on all pages of the report, or only on the first page.
- If you want to change the alignment, select an option from the alignment menu.

- If you want to apply the header/footer settings to all your reports, click Apply to All. QuickBooks uses the title and subtitle of each report, but all other header/footer settings you set here will apply to all reports.

## Formatting fonts and numbers

At the top of the report, click Format and make your changes on the Format window.

- To change fonts, select the text area from the pop-up menu and then the font and color.
- Specify if you want to see simplified numbers by dividing them by 1,000. You can also choose to display cents in your amounts, or zero amounts.
- Select the format for negative numbers on your report. For example, -300.00 or (300.00) or 300.00-.
- If you want to apply the format settings to all your reports, click Apply to All.

## Reports: FAQs

Try these tips and tricks to make using reports even easier.

- **How do I create reports and graphs based on your fiscal year?**
  - Just tell QuickBooks which month your fiscal year starts in. Choose QuickBooks > Preferences, and then choose My Company. Select a month from the "First Month in Your Fiscal Year" list. If you choose July, for example, a "year-to-date" report would report on transactions between July 1 and today.
- **How do I see the exact dollar amount in graphs?**
  - Whenever the arrow cursor turns into a magnifying glass ( ) in a graph window, you can see the exact value of the item below the magnifying glass by holding down the mouse button.
- **How do I fit a report on one page when I print it?**
  - When you are ready to print a report you've created, click Print at the top of the form. If your report is too wide to print on one page, choose Options on the Print window and select "Shrink report to fit page width."
- **How do I see the detail behind items?**
  - Move the cursor over an item until the cursor changes into a magnifying glass ( ). Then double-click to QuickZoom to more detailed information about that item. You can continue double-clicking in each subsequent window to "drill down" to more detail.
- **How do I change a report basis (accrual vs. cash) for all reports?**
  - To change the report basis for all reports, choose QuickBooks > Preferences and choose Reporting. Select either Accrual or Cash. (Exception: reports that list transactions individually always appear as accrual-basis reports when you create them from the Reports menu. To change one of these reports to cash basis, click Options in the Report window.)
- **How do I save a report as a PDF file and email it?**
  - You can save and email reports as PDF files, making it easy to share with your customers and vendors. Display the report you want to save or email, and then choose File > Print Report and click the PDF

button to save it as PDF, or choose File > E-mail Report as PDF to email it as PDF.

# Working with graphs

Graphs show data visually with pie charts and bar graphs. QuickBooks offers these graphs to help you visualize your information:

- Company & Financials > Income & Expense Graph
- Company & Financials > Net Worth Graph
- Customers & Receivables > Accounts Receivable Graph
- Sales > Sales Graph
- Vendors & Payables > Accounts Payable Graph
- Budgets > Budget vs. Actual G

**Note:** Go to your Reports preferences to change how QuickBooks displays your graphs. (QuickBooks > Preferences)

## Creating a graph

**To create a graph:**

- From the Reports menu, choose the report graph you want to create.
- You can also open the Report Center (Reports > Report Center) and open graphs from the report list on the left side of the window.

## Changing the data you see on the graph

You have a few options, once you create a graph:

- **Change dates.** When QuickBooks displays the graph, click the Dates button on the graph to change the dates for the graph. You can enter dates or, in some cases, choose a predefined date range.
    - **Tip:** If you enter a date range much longer than a year, the graph may get too cluttered.
- **Pick different criteria.** Click any button on the graph to group the data in a different way. For example, the sales graph usually displays sales by item, but you can change it to display sales by customer or by rep.

## Hiding data in graphs

At times, you may want to hide the largest pie slice or bar so that you can see the other portions of a graph more clearly.

- Hide a pie slice or bar. Hold down the Shift key while you click the mouse button.
- **Redisplay what you've hidden.** Recreate the graph.

**Note:** Hiding is not the same as filtering. When you filter data in reports, QuickBooks excludes specific amounts from the report. When you hide data in graphs, QuickBooks still includes the hidden value when it calculates the values in the graph.

### Seeing the small groups of data that may not show up

If a pie chart has more than ten data groups (for example, more than ten customers), QuickBooks displays the largest ten first. It summarizes the rest of the groups in the eleventh slice of the pie called "Other."

To see the rest of the groups in a pie chart, click the Next Group button.

## Other things you can do with reports

You can do other things with your reports that can help you get the most out of them.

### Memorize a customized report

Whenever you change the settings for a report (modify it), you can memorize the report with the new settings and save it in the Memorized Report List. Then, when you want to create a similar report, you go to the Memorized Report List to find it. After you have customized a report, click Memorize at the top of the report. To open a memorized report, click Reports > Memorized Reports.

If you have recalled a memorized report and changed it, indicate whether you want QuickBooks to replace the earlier report (under the same name) or create a new memorized report (under a new name).

**Note:** When you display a memorized report, it applies the settings you memorized, not the data from the previously generated report. For example, if the report is set to cover "last month" and you memorize the report in September then regenerate it in December, the new report will contain data for November rather than August.

### Export a report to Microsoft Excel or Numbers

You can export your report in a format that you can view in Apple Numbers v3.5 (XLSX), or in Microsoft Excel: Mac 2011 (SYLK).

**To export a report to Microsoft Excel or Numbers:**

1. Display the report you want to export.
2. Click Export. QuickBooks opens a copy of report in Excel or Numbers (depending on your setting in QuickBooks > Preferences > Reporting), preserving as much as possible the fonts and colors you set in

the original report. You can then use formatting and data analysis features to further customize the report.

3. When the file opens, choose File > Save As to save the file where you want it.

**Note:** QuickBooks opens XLSX files in either Microsoft Excel or Apple Numbers, depending on which application you have set to open XLSX files. To change the default application, locate a XLSX file, right-click, and choose Get Info. On the Open With menu, select the application you want to open XLSX files, then select Change All.

## Zoom in for more detail in a report

QuickZoom helps you investigate any amount or transaction on accrual-basis reports. Use QuickZoom whenever the mouse pointer changes to this symbol:

To zoom in for more detail in a report, double-click the amount or transaction you want to investigate.

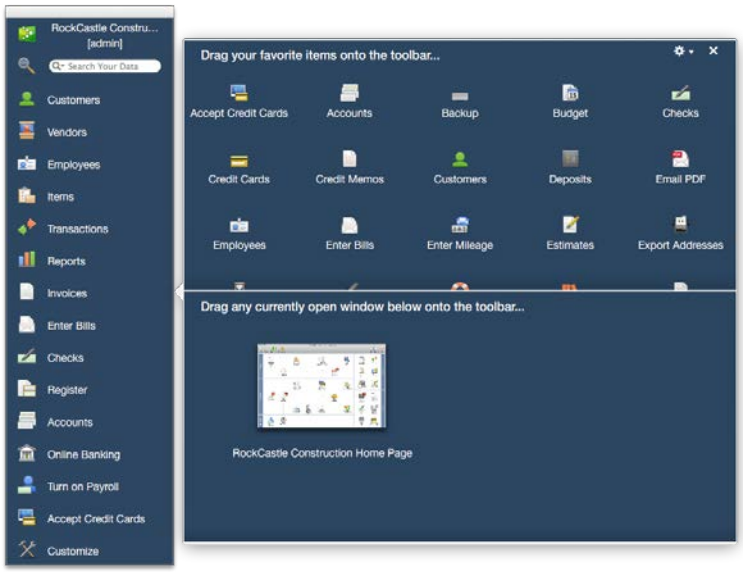
CHAPTER 10

# Other cool things about QuickBooks

OK, I admit it. I have a bunch of things to tell you about QuickBooks that I couldn't really find a place for elsewhere in this book. So I put them all in one chapter. I hope that's OK☺

## Your toolbar: Picking the icons you want

So you don't have employees but you use statements all the time. And there's a report you view every day. Guess what? You can get to your common tasks quickly, using the toolbar.



**To customize your toolbar:**

- Click Customize at the bottom of the toolbar.

On the sheet of icons, you can:

- **Change the icons on the toolbar.** Drag any icon you want to add to the toolbar. Drag an icon off the toolbar to remove it. You can also drag icons around on the toolbar to rearrange them.
- **Add a link to a window on the toolbar.** You can add a link to a window, such as a report, to the toolbar. Open the window you'd like to link to, and then click Customize on the Toolbar. Drag the window you want to add, from the bottom of the customize window, onto the Toolbar. Type a description and pick an icon to use for the link.
- **Resize the toolbar.** Drag the lower right corner of the toolbar down to lengthen it, or up to shorten it.
- **Move the toolbar.** Drag the toolbar's title bar to its new position.
- **Hide the toolbar.** Choose QuickBooks > Preferences > Toolbar and deselect Display Toolbar. To redisplay the hidden toolbar, reselect this check box.

# Importing transactions in batches

You can now (as of QuickBooks for Mac 2015) import transactions into QuickBooks. You can import:

- Invoices
- Deposits
- Sales receipts
- Credit memos
- Payments
- Checks

- Bills
- Credit card charges

The overall process is to:

1. Create a spreadsheet with the information you want to bring in
2. Import the table
3. Clean up any missed transactions

For the import to work well you should already have the customers, vendors, classes, and items in your company file.

We'll use importing invoices as an example, but the process is the same for each of the transaction types you import.

**To create your spreadsheet**

1. Choose File > Import > Transactions > Invoices.
2. You'll see the Import Invoices table.
3. Click the gear pop-up menu in the lower left and choose Export Table Template.
4. Type a name and save the template to a location you'll remember.
5. This downloads a template comma-delimited file. There are many columns; you may need to scroll to the right to see all of them.
6. Open the template in your favorite spreadsheet program.
7. Add your information to the template. Save your work often.

**Note:** If you already have your information in a spreadsheet, it might be easier to rearrange your pre-existing spreadsheet to match the template.

**To import transactions**

1. Once your transaction information is ready, copy and paste it into the Import Invoices window. QuickBooks will immediately highlight rows that have the same information in key columns, i.e., Customer:Job, Date, Number. This is to alert you to transactions that will have multiple line items.
2. If everything looks right, click Import.
   QuickBooks will show you a message when it's done, listing how many transactions it successfully imported. If QuickBooks was unable to import a row, it will leave it in the table.
3. In the Toolbar, click Invoices.
4. Spot check the transactions you just imported.

**To clean up missed transactions**

1. In the Import Invoices window (for example), click any row that was not imported.
   You'll see a pop-up window with details about why that transaction wasn't imported.

2 Fix the problem.
See the table below for some ideas.

3 Click Import again.

4 Repeat this process until QuickBooks is able to import all of your transactions.

**Things that could go wrong and how to fix them**

| Error | What it means | What to do |
|---|---|---|
| Object ___ specified in the request cannot be found | The customer, vendor, item, or class isn't in your company file yet | 1 Choose the correct item from the pop-up menu in the Import Invoices window<br>2 Quick Add the customer, vendor, etc. |
| Transaction cannot have duplicate reference number | The transaction you're trying to import has the same number as one already in your company file | Change the transaction number |

# Attaching documents and other files to QuickBooks

Got photos, contracts, work products, or samples that you want to attach to QuickBooks records? Now you can! We've made it easy to keep track of any kind of files and documents you generate for specific customers, jobs, and business transactions like estimates and invoices.

In QuickBooks for Mac, we call all of these kinds of files **attachments** or **documents**.

For example, Liz the Freelance Writer attaches the articles she writes to the invoices she generates—that way, she's got an instant filing system that keeps everything together.

**Places where you can attach documents**

Records you can add attachments to:

- Customers
- Vendors

Lists you can add attachments to

- Chart of Accounts
- Items List

- Employees
- Other Names
- Vehicles
- Sales Reps
- Forms you can add attachments to
- Deposits

And here are the transactions you can add attachments to:

- Estimates
- Invoices
- Sales Receipts
- Receive Payments
- Enter Bills
- Write Checks
- Enter Credit Card Charges
- Credit Memos/Refunds
- Purchase Orders
- Additional areas you can add attachments to
- Reconcile in Banking
- My Company Preferences

**To create an attachment**

1. Open the transaction window (Invoices, Enter Bills...whatever you need) or record center (Customer Center or Vendor Center, that is).
2. Click at the top right corner of the window. The Attachments window appears.
3. Click at the bottom left corner of the Attachments window. Your Mac's folders and files appear.
4. Find and select the attachment (remember, that's any kind of file you want to attach).
5. Click Open. QuickBooks attaches the file you chose to the record or transaction. A box with the document's name, date, thumbnail, and keywords appears in the Attachments window.

6. Your file probably doesn't have any search keywords associated with it. Add some in the Keywords box so you can find this file later if you're searching for it.
   Tip: Use commas or spaces to separate the keywords. You can't create multi-word key phrases.
7. Close the Attachments window by clicking anywhere outside of it. (Yes, really.) That's it—you've attached a file to your transaction or record.
   Important: QuickBooks doesn't move your files from their original folder. Instead, it makes a copy of the attached file and puts it into the Attached Documents Library you chose in the Attachments Preferences (see page 259).

**To remove an attachment from the Attachments Center**

1. Open the record or transaction you want to remove the attachment from.
2. Open the transaction or record (for example, the invoice or the customer) you want to remove an attachment from.
3. Click at the top right corner of the window. The Attachments window appears.
4. Choose the attachment you want to remove. The attachment's title bar turns blue when it's chosen.
5. Click the – at the bottom left corner of the Attachments window.
6. Click OK if you're sure you want to remove this document.
7. QuickBooks removes the attachment from this transaction or record and deletes it from your Attached Documents Library.

**To preview and open an attachment**

1. Choose the attachment you want to preview.
2. Click (down at the bottom right of the Attachment window). A smallish preview of the attachment opens.
3. If you want to open the attachment in its native application (or Preview if its an image), click Open with... in the preview window.

**To scan an attachment**

1. In the record or transaction, click .
2. Click (down at the second from the bottom right of the Attachment window). The scan window opens.
3. Choose the options and settings for the scan.
   - **Tip**: Give the scanned file a meaningful name now, so you can find it easily later.
   - **Another Tip:** If you want OCR to be able to read this scan and let you search for terms inside it later on, set the resolution to at least 300 dpi.
4. Click Scan.

- After your scanner's finished scanning, the Scan window closes and your new attachment shows up in the Attach Documents window.

## Tips and tricks for attaching files in QuickBooks and using the Attached Documents Library

- If you need other people to access attachments in QuickBooks multiuser mode, you've got to do a couple of things:
    - Set up your Attached Documents Library on a shared drive.
    - Grant your users access to the records and transactions that have attachments you want those users to see.
- You can set QuickBooks to back up your attachments as long as you're in single user mode. Go to QuickBooks > Preferences and check Back up attached documents library.
- After you've scanned an attachment in, you can change its name by selecting it in the Attachments window, double-clicking the name, and changing it. But there's a trick you need to know: You're only changing the name of the attachment you see in QuickBooks, not the name of the file saved on your disk.

# Attachments Center

If you've attached receipts, photos, contracts, drawings, or any other document to your QuickBooks records and transactions, you can find all those attachments in the Attachments Center.

**To open the Attachment Centers, go to Company > Attachments Center.**

**What can I do in the Attachments Center?**

Lots of things! Here they are:

- Search for attachments. To search for attachments, enter a search term into the field at the top left of the Attachments Center window. You can search for file names, dates, keywords in titles, and any word in a PDF or text document. If you've got the OCR option turned on in your preferences, you can also search for any words in image files.
- Preview attachments. Select the attachment you want to preview. Click to preview the attachment. A bigger (but not full-sized) version of the thumbnail of the attachment appears.
- Open attachments. Double-click the attachment you want to open, or select an attachment, then click Open for Preview. The attachment opens in its native application. (Images and PDFs open in Preview.) This opened file is read-only. If you want to make changes to it, you need to save it as a copy, then go back to QuickBooks and attach it to a record or transaction.
- Open the QuickBooks record or transaction the attachments are attached to. In the attachment's row, click the link to the transaction or record you want to open. It opens.
- Export attachments.
    1. Select the attachment you want to export.

2. Click and choose Export Document.
3. Choose a folder to export the attachment to. You can rename the exported attachment if you want to. The attachment is saved to the folder you chose. It stays put in the Attachment Center too, and stays attached to its QuickBooks record or transaction.

- Delete attachments from the Attachments Center and the Attached Documents Library.
    1. Select the attachment you want to delete.
    2. Press Delete.
       OR
       Click and choose Delete Document.
    3. QuickBooks asks you if you really want to delete this attachment. Click OK.
       QuickBooks deletes this attachment both from the Attachment Center and from the Attached Document Library. If you've got a copy of this attachment saved someplace else on your computer, that copy isn't deleted. But if the only copy of this file exists in the Attached Document Library, be sure you want to delete it before you click OK.

# Layout Designer

Layout Designer is a QuickBooks tool you can use to customize your forms to give them a professional and distinctive look for your business. You can use Layout Designer to customize the look of your invoices, sales receipts, estimates, credit memos, statements, and purchase orders.

1. Open Layout Designer. At the top of each form, choose an existing template and click New Template or Edit Current Template.
2. Choose what goes on the template. When you customize a template, you can choose what information shows up on the form using the Fields window.
3. Format the template. Add a logo, change the fonts, add text boxes or borders or lines or a background image. Your options are wide open.

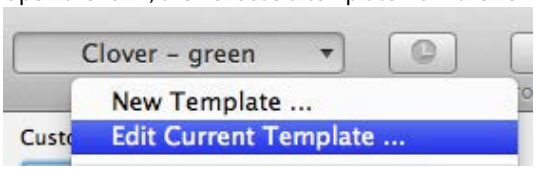
**Things to know:**

- **Add logos, background graphics, and other images to the template.** In the template window, click Add Image on the toolbar. Choose the image you want to add, and then click Open. You can add PDF, GIF, TIF, JPG, BMP, PICT, and PNG images.
- **Change the font.** In the template window, select the text you want to change. In the Formatting Palette, use the options under Text to change the font.
- **Export a template.** In Layout Designer, choose File > Export. Choose the format you want to export the template to: .layoutdesigner (can be used with another QuickBooks company file), .tiff, or .pdf.

# Opening Layout Designer

You customize the look of forms in QuickBooks (invoices, sales receipts, estimates, credit memos, statements, and purchase orders) by applying a template to them.

Open the form, then choose a template from the Template pop-up menu at the top of the form.




**Things to know:**

- **QuickBooks provides several standard templates.** And if those templates don't work for you, keep reading.
- **You can customize a template.** Select the template in the Template menu and click Customize. Layout Designer will open and you can use it to choose the information you want to see on the form or change the form's format. You can't change the standard templates, but you can customize them and save them under a different name.
- **You can also create a new template from scratch.** From the Template menu, select New Template. Layout Designer opens, and you can design to your heart's content.

# Choosing what goes on a template

In Layout Designer, use the Fields window to choose what information you want displayed on the form. You can choose to show fields only on the screen in QuickBooks, on the printed form, or both. You can also use Layout Designer to customize the look of your invoices, sales receipts, estimates, credit memos, statements, and purchase orders.

**Tip:** You can also change the format of the form, such as adding a logo or changing the font.

**Using Layout Designer to choose what goes on your forms:**

- **Pick the fields you want to see.** Use the Fields window to choose what information should appear on your form. Click the Print or Screen box for the fields you want to see either on-screen in QuickBooks or on the printed form. If you aren't using a field, clear its check box to remove it. Depending on which form you're customizing, there will be some fields that you can't remove. Look for any custom fields you've created in the Fields area of the window.
  **Tip:** There are some new fields this year, located under the Footer tab in the Fields window! They are: Customer Total Balance, Job Total Balance, Subtotal, and Sales tax. Use these if you want to see the amount, in total, that this particular customer owes you and have the sales tax appear at the bottom of the invoice.
- **Move a field.** In the template, select any field. When you see boxes on the corners of the field, it's selected. Move the field to where you want it.
- **Change the name of a field**. Select the field name you want to change, delete the current name, and replace it

with the name you want to appear on the form.

- **Add text, boxes, and lines to the template.** In the template window, click the Text, Text Box, Box, or Line button on the toolbar, then draw the object in the template window. You can then use the Formatting Palette to customize the way the object looks. Double-click on text to edit it.

- **Add a status stamp (such as Pending, Paid, Received in Full, or Closed) to the printed form.** The stamp that appears depends on the type of form you select.

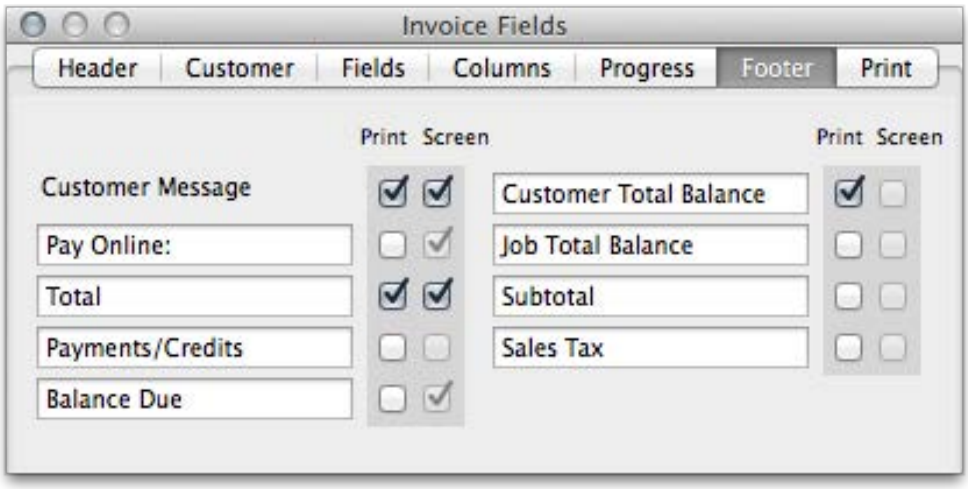
    - PENDING: this stamp appears on invoices, sales receipts, and credit memos that you mark as pending.

    - PAID: this stamp appears on invoices for which the balance due is zero.

    - RECEIVED IN FULL: this stamp appears on purchase orders for which the balance due is zero.

    - CLOSED: this stamp appears on purchase orders that you mark as closed.

- At the bottom of the Fields window, go to the Print Options section and select the size of the stamp. Click Preview to see what it will look like on the template. Click None if you don't want a stamp.




## Formatting a template

In Layout Designer, use the Formatting Palette to customize how a form looks. You can use Layout Designer to customize the look of your invoices, sales receipts, estimates, credit memos, statements, and purchase orders.

**Tip:** You can also customize what information is displayed on a form.

**Using Layout Designer to format your template:**

- **Add logos, background graphics, and other images to the template.** In the template window, click Add Image on the toolbar. Choose the image you want to add, and then click Open. You can add PDF, GIF, TIF, JPG, BMP, PICT,

and PNG images.

- **Format text.** In the template window, select the text you want to reformat. In the Formatting Palette, change the horizontal alignment, vertical alignment, color, or font of the text.

- **Add text, boxes, and lines.** In the template window, click the Text, Text Box, Box, or Line button on the toolbar, then draw the object in the template window. You can then use the Formatting Palette to customize the way the object looks.
  **Note:** You can't edit the sample data on the template in Layout Designer.

- **Move stuff around and resize it.** Anything on your template can be selected. (It's selected when you see the square handles on the corner.) Then you can drag and drop it anywhere you like. Drag a corner handle to make the object bigger or smaller. Move multiple objects together by holding down the Shift key when you select them.

- **Guidelines can help.** Layout Designer has guidelines that can help you align the objects on your form. Choose View > Smart Guides to turn on guides that move with the object. Choose Insert > Guides to insert vertical or horizontal guidelines you can position on your page. Guidelines do not appear on the form when you print.

- **The grid can help, too.** Click Grid in the Layout Designer toolbar. You can then use the Grid bar that appears below the toolbar to set the size of the grid squares and units, turn the grid on and off, and set the Snap to Grid.

## Layout Designer: FAQs

Have questions about customizing your forms with Layout Designer? Check out these tips.

- **I have pre-printed forms I use. How can I create a template that works with them?** To create templates that work with your own pre-printed forms, choose File > Print Without Labels to print your template without field labels. This will let you see the labels in the Template window while you are creating your template, but the labels will not appear on your printed form.

- **The default size for templates is 8.5" x 11" portrait. How can I change that?** To change the paper size, choose File > Page Setup to choose a different size or orientation. When you change the paper size or orientation, the Template window canvas size changes too. The page setup is saved with the template so that all transactions that use the template will be formatted according to the template settings.

- **What happens to a template I customized in a previous version of QuickBooks for Mac and then upgraded to the most recent version of QuickBooks for Mac?** Templates created in the 2011, 2012, and 2013 versions of QuickBooks for Mac will work in 2014. You can continue to apply the template to transactions and print it, but you will no longer be able to edit it.

- **Can I use templates I created in QuickBooks for Windows?** No, QuickBooks for Windows saves templates in a different format and will not be converted for use in QuickBooks for Mac.

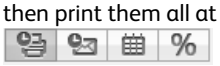
- **Can I apply my template format to another template?** You can copy and paste fields and other objects to another template, which will preserve the formatting of the objects. If you are pasting fields into a different form type (for instance invoice fields into a purchase order), any fields that do not apply to purchase orders will not be pasted. A template can only have one set of columns, so you cannot copy and paste columns into a template that already has a set of columns.

# Printing in QuickBooks

Sometimes you just need to put something on paper. No problem.

**Tips:**

- Just about anywhere in QuickBooks, press Command-P to print.
- If you have a sales form open, click the Print button at the top of the form.

- If you're creating several forms (like estimates and invoices), you can select "Print later" button on the form and then print them all at one time with File > Print Forms.


## Printing forms

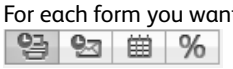
If you need to change how a form looks when it's printed, use Layout Designer. You can customize a form by adding a logo, change margins, and using many other design features.

**Print one form:**

1. Find the form you want to print. (If you need help, try the Transaction Center.)
2. On the form window, press Command-P or click Print at the top of the window.

A Print window appears with options that will be familiar to you if you've printed from other Mac software.
3. Click Print.

**Print a group of forms:**

1. For each form you want to print, select the "Print later" button at the bottom of the window.

2. When you're ready to print, choose File > Print Forms and the type of form you want to print. If you want to print different form types at once, choose Multiple Forms.
3. (Optional) Click Print Labels to print labels for the forms you're printing. Note that if you're printing labels for your forms, you must print the labels before the forms.
4. Click Print.
5. Click Print. A Print window appears with options that will be familiar to you if you've printed from other Mac software. Make any adjustments you want.
6. Click Print.
7. Check your printouts. If everything looks good, click OK on the confirmation window. If not, select the

check box next to the forms you want to reprint and click OK.

**Tip:** You can also save or email a form as a PDF file, making it easy to keep records and share with others.

# Printing checks

**Tip:** When you click Print, on the Print window, choose QuickBooks from the print options pop-up menu and click Logo. Drag or past your logo in the white box and select "Print company logo."

**Print one check:**

1. Find and open the check you want to print. (If you need help, try the Transaction Center.)
2. On the check window, press Command-P or click Print at the top of the window.

   A Print window appears with options that will be familiar to you if you've printed from other Mac software.
3. Click Print.
4. (Optional) On the Print window, choose QuickBooks from the print options pop-up menu and set the Options, Format, Logo, or Alignment settings.
5. Click Print.
6. On the confirmation box, click Yes if the check printed correctly. If it didn't, click No and try printing the check again.

**Printing a group of checks**

1. For each check you want to print, select the "Print later" button at the bottom of the window.

2. When you're ready to print, choose File > Print Forms > Checks.
3. Select the checks you want to print. Checks that will print are highlighted in blue. Click Select All to print all the checks listed or Select None to print none of them. To select only some of the checks, click Select None then hold down the Command key while you select the checks you want to print. Or Select All, and hold down the Command key and deselect the checks you don't want to print.
4. Click Print. A Print window appears with options that will be familiar to you if you've printed from other Mac software. Make any adjustments you want.
5. (Optional) On the Print window, choose QuickBooks from the print options pop-up menu and set the Options, Format, Logo, or Alignment settings.
6. Click Print.
7. On the confirmation box, click OK if the check printed correctly. If it didn't, select the checks you want to print again and click OK. If you need to change a check number, click the number and enter the new one.

# Printing envelopes

As of QuickBooks for Mac 2016, you can print envelopes, as well as labels.

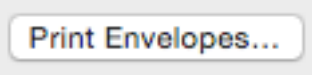
**To print an envelope for one form:**

1. Open the form you want to mail.
2. Click Print Envelope.

3. A print options dialog appears with options that will be familiar to you if you've printed from other Mac software.
4. Click Print.

**To print envelopes for multiple forms:**

1. Choose File > Print Forms, and select the type of form you want to print.
   If you want to print different form types at once, choose Multiple Forms.
2. Click Print Envelopes.




3. Click Print.

# Printing everything else

**Print labels:**

1. Choose File > Print Forms > Labels.

   **Note:** You can also print labels from the Print Forms window (see "Print a group of sales forms" above) by clicking Print Labels. If you print labels from this window, you must print the labels before you print the forms.
2. Choose who you want to print labels for.
   - Names. Print labels for specific names. If you choose Selected Names, click Select and select the names.
   - Customer Types or Vendor Types. Print labels for a specific type of customer or vendor.
3. (Optional) Enter the first digits of a zip code to limit the labels printed to addresses that match. For example, enter 94 to include addresses with zip codes 94041, 94040, and 94043.
4. Click Print.
5. (Optional) On the Print window, choose QuickBooks from the print options pop-up menu and set the

Placement, Options, and Alignment settings.

6. Click Print.

**Print 1099s/1096s:**

1. Choose File > Print Forms > 1099s/1096.
2. Select the date range for your forms.
3. Select the vendors you need to print forms for. If the vendor isn't in the list, add the vendor.
4. Click Print 1096 or Print 1099.
5. A Print window appears with options that will be familiar to you if you've printed from other Mac software. Make any adjustments you want.
6. Click Print.

**Print a deposit summary/slip:**

1. When you make a deposit, with the Make Deposit window still open, click Print or choose File > Print Deposit.
2. Choose whether you'd like to print a deposit summary only or a deposit slip and summary.
3. If you choose slip and summary, choose whether to include cash in the deposit, and whether to print check numbers on the deposit slip.
4. Click OK. A Print window appears with options that will be familiar to you if you've printed from other Mac software. Make any adjustments you want.
5. (Optional) On the Print window, choose QuickBooks from the print options pop-up menu and set the Alignment settings.
6. Click Print.

**Print a list (including Centers):**

You can print any list in QuickBooks, like your Chart of Accounts or your Customer list.

1. Open the list you want to print.
2. Press Command-P to print the list. A Print window appears with options that will be familiar to you if you've printed from other Mac software. Make any adjustments you want.
3. Click Print.

**Print a report:**

1. In Report Center, select the report and click Print at the bottom of the center.
2. Display the report and choose File > Print Report or Command-P.

To fit the entire report on one page, choose QuickBooks from the print options pop-up menu and select the Shrink to Fit check box.

**Print a register:**

1. From your Chart of Accounts, open the register you want to print.
2. Choose File > Print Register or press ⌘ P.
3. At the bottom of the Print window, enter the date range of the transactions you'd like to print, and then click OK.
4. To print the detail lines for each transaction, select the "Show transaction detail" check box. (The register itself does not show the detail lines.)
5. Click Print.

# Troubleshooting printing

If you're having trouble with printing, check out these troubleshooting tips.

- **When I print lines on invoices on blank paper or letterhead with my laser printer, the vertical line is missing on one side. How can I correct this?**
  - Customize the alignment on your invoice. If the left side is missing, increase the horizontal alignment in the Fine Alignment window. If the right side is missing, decrease the horizontal alignment. Some printers simply can't print the entire width necessary for standard forms. In this case, use the custom forms, which have larger margins.

- My invoices print with dollar amounts but no cents. How can I correct this?
  - Decrease the horizontal alignment for invoices by customizing your invoice.

- How do I print a logo on my checks?
  - When you click Print, on the Print window, choose QuickBooks from the print options pop-up menu and click Logo. Drag or past your logo in the white box and select "Print company logo."

- **When I print a register, the dates are clipped off; for example, I get 07/0... instead of 07/01/15. How can I correct this problem?**
  - The report font is too large. When you click Print, on the Print window, choose QuickBooks from the print options pop-up menu and click Format and then Show Fonts. Try a font size of 10 points or smaller.

- Why is text near the edges of my report missing or clipped?
  - The report margins are too small. Choose File > Print Setup > Report/Graph/List and increase the size of the margins.

- **The standard self-adhesive sheet of labels on backing and card stock is too thick for my printer to handle. How do I print labels?**
  - Print the labels using ordinary paper. Then photocopy the printed names and addresses onto real labels.

- **How can I print my account descriptions on reports?**
  - QuickBooks does not print account descriptions on reports. However, account names can be much longer than in these other programs. Also, if you use numerical accounts, you can have both a number and a name, and both print on reports. Choose Company > Preferences, choose Transactions. Select the "Use account numbers" check box.

# Emailing forms

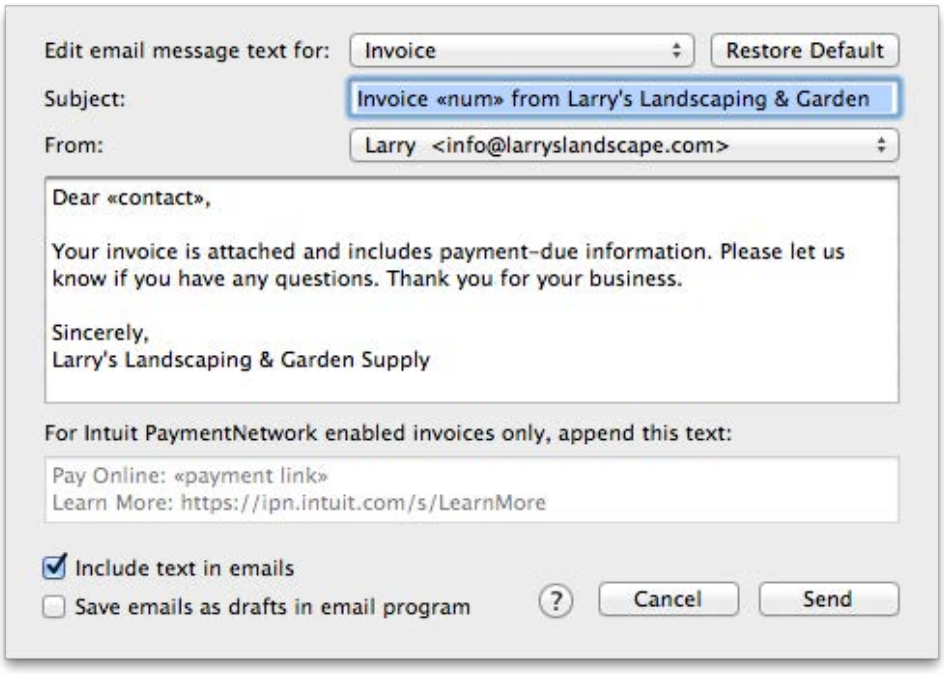
You can email any of your forms directly from QuickBooks. The form is saved as a PDF file and attached to an email message, which is sent using your default email program. QuickBooks uses the email address saved in the customer list to send the sales form. QuickBooks supports Apple Mail and Outlook 2011 for Mac.

**To email the form you have open:**

1. Click the email button at the top of the form.

   Here you can:

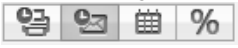
   - Choose the default message text
   - Customize the subject
   - Choose the sending email address




2. Click Send.

**To email a group of forms:**

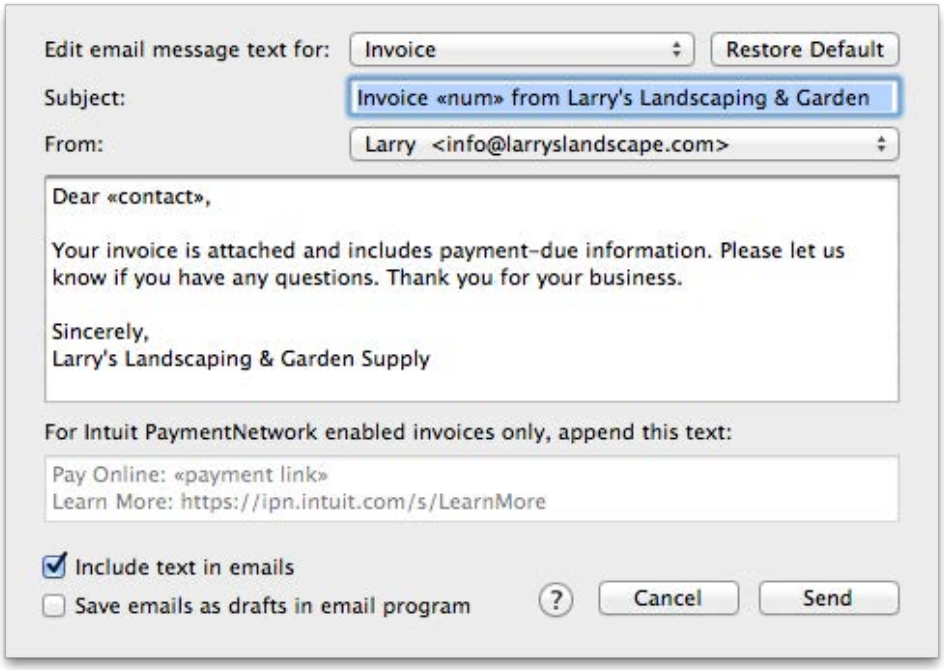
1. When creating the form, select “Email later” button at the bottom of the form before you save it.



2. When you’re ready to email the forms, choose File > Email Forms.
3. On the Select Forms to Email window, review the list of forms to email. Select the ones you want to send.
4. Click Email.

Here you can:

- Choose the default message text
- Customize the subject
- Choose the sending email address




5 Click Send.

## Adding Email Addresses

If you do not have an email address for the recipient saved in the customer or vendor list, you can add an address on the Select Forms to Email window. Click twice in Email Address column next to the name and enter the email address. You will be asked if you want to use this email address once or if you want to save it in the customer or vendor list.

## Adding a Note to the Emails

You can add a note to the emails you send from QuickBooks, such as a custom message to a customer or vendor. On the Select Forms to Email window, click “Save as Drafts to Send Later.” The email messages with the sale forms attachments are saved to the Drafts folder of your email program. From there you can access each email message, add text to it, and then send.

## Troubleshooting email

If you’re having trouble with the email features of QuickBooks, try the tips in this checklist.

- Is your email program supported by QuickBooks?
    - QuickBooks supports Apple Mail, Microsoft Entourage 2008, or Outlook 2011 for Mac.

- Did you set up an email account?
    - Your email program must be installed and an email account created before you can send email through QuickBooks. Check the Help for your email program for instructions on setting up your email account. If you have more than one email account, QuickBooks uses the default account.

- Are you connected to the Internet?
    - Be sure you're connected to the Internet before trying to send email.

- Did you change email programs?
    - If you've changed email programs, be sure the one you are using is Apple Mail, Microsoft Entourage 2008, or Outlook 2011 for Mac. Try closing and restarting QuickBooks for the switch to take effect.

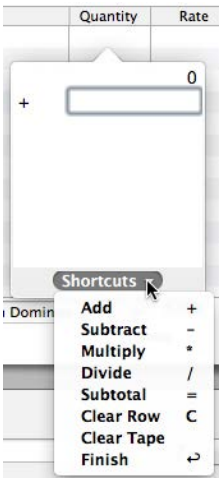
- Do you have an email address for the recipient of the email?
    - You must have a valid email address for anyone you try to send email to. If you do not have an email address for the recipient saved in the customer or vendor list, you can add an address on the Select Forms to Email window. Click twice in Email Address column next to the name and enter the email address. You will be asked if you want to use this email address once or if you want to save it in the customer or vendor list.

**Note:** The time it takes for QuickBooks to send a document as a PDF depends on the size of the form, your computer's speed, and your Internet connection speed. Try keeping the design of your custom templates simple. Remove or replace large images in your template. You can also use a standard form template that comes with QuickBooks.

# Doing Math

Do you sometimes wish you had a calculator handy when doing your books? Well, you do! Any time you see a calculator icon ( ), you can type an equation and QuickBooks will give you the answer. You can also click the calculator icon and choose functions from the contextual menu:

- Add
- Subtract
- Multiply
- Divide
- Subtotal
- Clear Row
- Clear Tape
- Finish



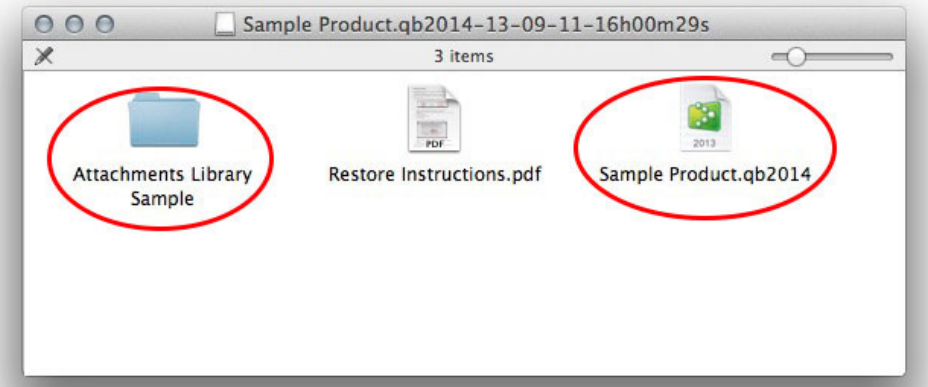

# Restoring Your Company File from a Backup

Sometimes things just don't go well—files get messed up, computers crash. But don't worry—it's easy to get QuickBooks going again.

Each disk image (.dmg file) QuickBooks creates when it backs up your data includes a copy of your company file and your Attached Documents Library (if you use and back up attachments).

Here's how you do it:

1. Go to your backed up disk image and double-click it to mount it.




2. Drag the company file (with the .qb2014 extension) where you want it to be.
3. Drag the Attached Documents Library folder where you want it to be.

Tip: We recommend that you put your Attached Documents Library in the same place as your company file.

4. Open your company file.
5. Go to QuickBooks > Preferences.
6. Choose Attachments.

## APPENDIX A

# Keyboard shortcuts

Keyboard shortcuts are a great way to get to commands faster and enter data more easily and efficiently. With most software programs, I tend to look for keyboard shortcuts to speed things up, and QuickBooks is no exception. If you're not currently using keyboard shortcuts or are only using a few of them, I think you'll find some of these will really enhance your data entry experience.

Check out this video on keyboard shortcuts and see them in action.
http://www.qblittlesquare.com/2011/11/shortcuts-for-names-and-numbers/

| General | Shortcut |
|---|---|
| QuickBooks > Preferences | Command-, (comma) |
| QuickBooks > Hide QuickBooks | Command-H |
| QuickBooks > Hide Others | Option-Command-H |
| QuickBooks > Quit QuickBooks | Command-Q |
| File > New Company | Option-Command-N |
| File > Open Company | Command-O |
| File > Close Company | Option-Command-W |
| File > Close window | Command-W |
| File > Print | Command-P |
| Window > Minimize | Command-M |
| Help > QuickBooks Help | Command-? |
| Display contextual menu | Control-click |
| Display product and company file information | Command-1 |

| Editing | Shortcut |
|---|---|
| Edit > Undo | Command-Z |
| Edit > Cut | Command-X |
| Edit > Copy | Command-C |
| Edit > Paste | Command-V |
| Edit > Insert Line | Command-Y |
| Edit > Delete Line | Command-B |
| Edit > Edit | Command-E |
| Edit > New | Command-N |

| Editing | Shortcut |
|---|---|
| Edit > Delete | Command-D |
| Edit > Memorize | Command-+ (plus) |
| Edit > Transaction History | Command-U |
| Edit > Copy Transaction | Option-Command-C |
| Edit > Cut | Command-X |
| Edit > Go To Transfer | Command-G |
| Edit > Show List | Command-L |
| Edit > Use Register | Command-R |
| Edit > Find | Command-F |
| Delete character to left of insertion point | Delete |
| Increase check or other form number by one | + (plus key) |
| Decrease check or other form number by one | - (minus key) |
| Cancel | Command-. (period) |

| Moving around a window | Shortcut |
|---|---|
| Next field | Tab |
| Previous field | Shift-Tab |
| Report column to the right | Right Arrow |
| Report column to the left | Left Arrow |
| Report row below or line below in form detail area | Down Arrow |
| Report row below or line above in form detail area | Up Arrow |
| Customers > Create Invoices | Command-I |
| Banking > Write Checks | Command-K |
| Reports > Transaction Journal | Command-T |
| Display list if cursor is in combo box field like the Customer:Job field in the Create Invoices window. Note: This keyboard shortcut may interfere with the same shortcut used in the Mac OS program Spaces. To prevent this, go to the Mac OS system preferences and change the keystrokes for Spaces. | Control-Down Arrow |
| Down one screen | Page Down |
| Up one screen | Page Up |
| First item on list or first transaction of a month in register | Command-Page Up * |
| Last item on list or last transaction of a month in register | Command-Page Down * |
| First transaction in register | Command-Home * |
| Last transaction in a register | Command-End * |
| Close all windows in QuickBooks | Shift- + click to close the box |

| Activities | Shortcut |
|---|---|
| Lists > Chart of Accounts | Shift-Command-A |

| Activities | Shortcut |
|---|---|
| Lists > Customer:Jobs | Shift-Command-J |
| Lists > Employees | Shift-Command-E |
| Lists > Items | Shift-Command-I |
| Lists > Memorized Transactions | Shift-Command-M |
| Lists > Vendors | Shift-Command-V |
| Customers > Create Invoices | Command-I |
| Banking > Write Checks | Command-K |
| Reports > Transaction Journal | Command-T |

* On notebook computers, press the Fn key at the same time.

| Dates | Shortcut |
|---|---|
| Next day | + (plus key) |
| Previous day | - (minus key) |
| Today | t |
| First day of the current week, then the first day of previous weeks | w |
| Last day of the current week, then the last day of subsequent weeks | k |
| First day of the current month, then the first day of previous months | m |
| Last day of the current month, then the last day of subsequent months | h |
| First day of the current year, then the first day of previous years | y |
| Last day of the current year, then the last day of subsequent years | r |

APPENDIX B

# Intuit Interchange Format

QuickBooks can import and export IIF (Intuit Interchange Format) text files. The best way to view an export or import file is to open it from a spreadsheet program — that way, you'll see the data laid out into rows and columns. If you don't have a spreadsheet program, you can also view an export file in a word processor.

When you view the file, you'll see keywords in capital letters that serve as row and column headings. The keywords that appear at the beginning of each row identify the type of information in that row. For example, the keyword CUST indicates that the row contains data about a customer on your Customer:Job list.

Rows that begin with the same keyword are grouped together. For example, all of the CUST entries from your Customer:Job list appear as a single block of rows in the file. Each block, in turn, has its own column headings that appear in capital letters in the cells of the first row in the block. The column headings identify the type of information that each column in the block contains.

## Chart of accounts (ACCNT)

Import and export files (IIF) can contain complete information about your chart of accounts. The keyword for the chart of accounts is ACCNT.

| | |
|---|---|
| NAME | (Required) The name of an account in your chart of accounts. If the account is a subaccount, the account's name includes the names of the parent accounts, beginning with the highest level account. If you are creating an import file, use a colon (:) to separate subaccount names. |
| TIMESTAMP | (Export files only) A unique number that identifies the company file from which you exported the chart of accounts. |
| REFNUM | (Export files only) A unique number that identifies the account in the list. |
| ACCNTTYPE | (Required) The type of account. If you are creating an import file, use one of the keywords below to indicate the account type:<br>AP—Accounts payable<br>AR—Accounts receivable<br>BANK—Checking or savings<br>CCARD—Credit card account<br>COGS—Cost of goods sold<br>EQUITY—Capital/Equity<br>EXEXP—Other expense<br>EXINC—Other income<br>EXP—Expense<br>FIXASSET—Fixed asset<br>INC—Income<br>LTLIAB—Long term liability<br>NONPOSTING—Non-posting account<br>OASSET—Other asset<br>OCASSET—Other current asset<br>OCLIAB—Other current liability |
| OBAMOUNT | The opening balance of the account. If you are creating an import file, enter the dollar amount WITHOUT a dollar sign. |
| DESC | A brief description of the account. |
| SCD | The tax line assigned to the account. To specify the tax line, enter its number (tax line numbers come from the file BUSTAX.SCD). If you don't know the correct number, leave this field blank. You can always assign the tax line later, after you import the chart of accounts into QuickBooks. |
| ACCNUM | The account number of the account. |
| EXTRA | Identifies an account as one of the special balance sheet accounts that QuickBooks automatically creates when the need for the account arises. If you are creating an import file, use one of these keywords to identify the account:<br>OPENBAL—Opening Balance Equity<br>RETEARNINGS—Retained Earnings<br>SALESTAX—Sales Tax Payable<br>UNDEPOSIT—Undeposited Funds |

## Budgets (BUD)

Import and export files can contain complete information about your budgets. The keyword for a budget is BUD.

| | |
|---|---|
| ACCNT | (Required) The name of the account to which this budget applies. If the account is a subaccount, the account's name includes the names of the parent accounts, beginning with the highest level account. If you are creating an import file, use a colon (:) to separate subaccount names. |
| PERIOD | A keyword that identifies the time intervals within the budget. Because QuickBooks only allows one month intervals in a budget, an export file always shows the keyword MONTH. If you are creating an import file, type MONTH. |
| AMOUNT | (Required) The budget amounts. Because a QuickBooks budget covers an entire year, an export file shows 12 amounts, one for each month of the year. If you are creating an import file, each month's amount must have its own column. |
| STARTDATE | The starting date of the budget. If you are creating an import file, enter the date in MM/DD/YY format. For example, 1/30/04. |
| CLASS | The name of the class that the budget applies to. If the class is a subclass, the class name includes the names of the parent classes, beginning with the highest level class. If you are creating an import file, use a colon (:) to separate subclass names. |
| CUSTOMER | The customer that the budget applies to. If you are applying the budget to a specific job for the customer, the customer name includes the job name. The customer's name comes first, then a colon (:), and then the job name. |

## Class list (CLASS)

Import and export files can contain the list of classes you use in QuickBooks. The keyword for the Class list is CLASS.

| | |
|---|---|
| NAME | (Required) The name of the class. If the class is a subclass of another class, the name includes the name of the parent classes, beginning with the highest level class. If you are creating an import file, use a colon (:) to separate subclass names. |
| TIMESTAMP | (Export files only) A unique number that identifies the company file from which you exported the Class list. |
| REFNUM | (Export files only) A unique number that identifies an entry in the list. |

## Customer Type list (CTYPE)

Import and export files can contain the list of customer types you use in QuickBooks. The keyword for the Customer Type list is CTYPE.

| | |
|---|---|
| NAME | (Required) The customer type. If the customer type is a subtype of another customer type, the name includes the name of the parent types, beginning with the highest level type. If you are creating an import file, use a colon (:) to separate subtype names. |
| TIMESTAMP | (Export files only) A unique number that identifies the company file from which you exported the Customer Type list. |
| REFNUM | (Export files only) A unique number that identifies an entry in the list. |

## Customer:Job list (CUST)

Import and export files can contain all the information on your Customer:Job list. The keyword for the Customer:Job list is CUST.

| | |
|---|---|
| NAME | (Required) The name of the customer. If a job name is included, the customer name appears first. If you are creating an import file, use a colon (:) to separate the customer name from the job name. |
| TIMESTAMP | (Export files only) A unique number that identifies the company file from which you exported the Customer:Job list. |
| REFNUM | (Export files only) A unique number that identifies an entry in the list. |
| BADDR1-5 | The customer's billing address. |
| SADDR1-5 | The customer's shipping address. |
| PHONE1 | The customer's phone number. |
| PHONE2 | The customer's alternate phone number. |
| FAXNUM | The customer's FAX number. |
| CONT1 | The name of your primary contact with the customer. |
| CONT2 | The name of an alternate contact with the customer. |
| CTYPE | Your classification for the customer (QuickBooks calls this a "customer type"). If you import a customer type that is not on your Customer Type list, QuickBooks adds the new customer type to the list. |
| TERMS | The customer's payment terms with your company. |
| TAXABLE | Indicates whether you can charge sales tax to the customer. If you are creating an import file, enter one of these keywords in the TAXABLE field:<br>Y—Yes. You can charge sales tax to this customer.<br>N—No. You cannot charge sales tax to this customer. |
| LIMIT | The customer's credit limit with your company. If you are creating an import file, enter the dollar amount. |
| RESALENUM | The customer's resale number. |
| REP | The initials of the sales representative who deals with the customer. |
| TAXITEM | The name of the tax item you have assigned to this customer. The name you enter must correspond to one of the sales tax items on your Item list. |
| NOTEPAD | Your notes about the customer. If you are creating an import file, the notes appear in the Notepad window for the customer. |
| SALUTATION | The customer's salutation, or title (Mr., Ms., Doctor, etc.). |
| COMPANYNAME | The name of the customer's company. |
| FIRSTNAME | The customer's first name. |
| MIDINIT | The customer's middle initial. |
| LASTNAME | The customer's last name. |

| | |
|---|---|
| CUSTFLD1<br>CUSTFLD2<br>.<br>.<br>CUSTFLD15 | The custom field entries for the customer. Custom fields let you track special information about the customer, such as the customer's birthday or email address. |

## Employee list (EMP)

Import and export files can contain all the information in your Employee list. The keyword for the Employee list is EMP.

| | |
|---|---|
| NAME | (Required) The name of the employee. |
| TIMESTAMP | (Export files only) A unique number that identifies the company file from which you exported the Employee list. |
| REFNUM | (Export files only) A unique number that identifies an entry in the list. |
| INIT | (Required) The employee's initials. |
| ADDR1-5 | The employee's address. |
| SSNO | The employee's Social Security number. |
| PHONE1 | The employee's phone number. |
| PHONE2 | An alternate phone number for the employee. |
| NOTEPAD | Your notes about the employee. If you are creating an import file, the notes appear in the Notepad window for the employee. |
| FIRSTNAME | The employee's first name. |
| MIDINIT | The employee's middle initial. |
| LASTNAME | The employee's last name. |
| SALUTATION | The employee's salutation, or title (Mr., Ms., Doctor, etc.). |
| CUSTFLD1<br>CUSTFLD2<br>.<br>.<br>CUSTFLD15 | Custom fields let you track information such as the employee's birthday or email address. |

## Header information (HDR)

An export file always begins with a header that shows the version and release numbers of the QuickBooks software used to create the file. The keyword for the header is HDR.

If you are creating a file to import, you do not need to include a header.

| | |
|---|---|
| PROD | Identifies the Intuit product that created the export file. |
| VER | The version number of the QuickBooks software that created the export file. |
| REL | The release number of the QuickBooks software that created the export file. |
| IIFVER | The version number of the export file format (IIF). |
| DATE | The date the export file was created. |
| TIME | The time the export file was created. |

## Item list (INVITEM)

Import and export files can contain all the information on your Item list. The keyword for an entry in the list is INVITEM.

| | |
|---|---|
| NAME | (Required) The name of the invoice item. |
| TIMESTAMP | (Export files only) A unique number that identifies the company file from which you exported the Item list. |
| REFNUM | (Export files only) A unique number that identifies an entry in the list. |
| INVITEMTYPE | (Required) Indicates the type of invoice item. If you are creating an import file, use one of these keywords to indicate the item type.<br>COMPTAX—Sales tax item<br>DISC—Discount item<br>GRP—Group item (groups several invoice items into a single item)<br>INVENTORY—Inventory part item<br>OTHC—Other charge item<br>PART—Non-inventory part item<br>PMT—Payment item<br>SERV—Service item<br>STAX—Sales tax group item<br>SUBT—Subtotal item |
| DESC | A description of the item as you want it to appear in the Description column on invoices, credit memos, and sales receipts. |
| PURCHASEDESC | (Inventory part items only) A description of the item as you want it to appear on purchase orders. |
| ACCNT | (Required) The name of the income account you use to track sales of the item. The type of this account should be INC. |
| ASSETACCNT | (Inventory part items only) The name of the asset account you use to track the value of your inventory. The type of this account should be OASSET. |
| COGSACCNT | (Inventory part items only) The name of the account you use to track the cost of your sales. The type of this account should be COGS. |
| PRICE | (All item types except group, payment, and subtotal) The rate or price you charge for the item. If you are creating an import file, add a percent sign ( % ) if the amount is a percentage. |
| COST | (Inventory part items only) The unit cost of the item. |
| TAXABLE | (Discount, other charges, part, and service items only) Indicates whether the item is taxable. If you are creating an import file, enter one of these keywords in the TAXABLE field:<br>Y—Yes. The item is taxable<br>N—No. The item is not taxable. |
| PAYMETH | (Payment items only) The payment method customers use (check, Visa, etc.). |
| TAXVEND | (Sales tax items only) The name of the agency to which you pay sales tax. |
| TAXDIST | (Sales tax items only) The name of your tax district. |

| | |
|---|---|
| TOPRINT | (Group items only) Indicates whether QuickBooks includes a list of the items in the group when you print an invoice, credit memo, or sales receipt. If you are creating an import file, enter one of these keywords in the TOPRINT field:<br>Y—Yes. QuickBooks lists each item.<br>N—No. QuickBooks adds a one-line summary instead of listing the individual items. |
| PREFVEND | (Inventory part items only) The name of the vendor from whom you normally purchase the item. |
| REORDERPOINT | (Inventory part items only) The minimum quantity you want to keep in stock at any given time. When your inventory reaches this level, QuickBooks informs you that it is time to reorder the item. |
| EXTRA | Adds additional information about the invoice item. These keywords can appear in the EXTRA field:<br>AUTOSTAX—Identifies a sales tax item as the automatic tax rate you set up for your QuickBooks company.<br>REXPGROUP—Indicates that the item is a group of reimbursable expenses that you included on the invoice.<br>REXPSUBTOT—Indicates that the item is the subtotal amount for a group of reimbursable expenses you included on the invoice. |
| CUSTFLD1<br>CUSTFLD2<br>.<br>.<br>CUSTFLD5 | Custom fields let you track information about the item, such as color, unit or measure, or size. |

## Customer Message list (INVMEMO)

Import and export files can contain the list of customer messages you use in QuickBooks. The keyword for the Customer Message list is INVMEMO.

| | |
|---|---|
| NAME | (Required) The text of the customer message. |
| TIMESTAMP | (Export files only) A unique number that identifies the company file from which you exported the Customer Message list. |
| REFNUM | (Export files only) A unique number that identifies an entry in the list. |

## Other Names list (OTHERNAME)

Import and export files can contain all the information in your Other Names list. The keyword for the Other Names list is OTHERNAME.

| | |
|---|---|
| NAME | (Required) A name or entry on the list. |
| TIMESTAMP | (Export files only) A unique number that identifies the company file from which you exported the Other Names list. |
| REFNUM | (Export files only) A unique number that identifies an entry in the list. |
| BADDR1-5 | The person's address. |
| PHONE1 | The person's phone number. |
| PHONE2 | The person's alternate phone number. |
| FAXNUM | The person's FAX number. |
| CONT1 | The name of your primary contact. |
| NOTEPAD | Your notes about this person. If you are creating an import file, the notes appear in the Notepad window for this person. |
| SALUTATION | The person's salutation, or title (Mr., Ms., Doctor, etc.). |
| COMPANYNAME | The name of the person's company. |
| FIRSTNAME | The person's first name. |
| MIDINIT | The person's middle initial. |
| LASTNAME | The person's last name. |

## Payment Method list (PAYMETH)

Import and export files can contain the list of payment methods you use in QuickBooks. The keyword for the Payment Method list is PAYMETH.

| | |
|---|---|
| NAME | (Required) The name of the payment method. |
| TIMESTAMP | (Export files only) A unique number that identifies the company file from which you exported the Payment Method list. |
| REFNUM | (Export files only) A unique number that identifies an entry in the list. |

## Ship Via list (SHIPMETH)

Import and export files can contain the list of shipping methods you use in QuickBooks. The keyword for the Ship Via list is SHIPMETH.

| | |
|---|---|
| NAME | (Required) The name of the shipping method. |
| TIMESTAMP | (Export files only) A unique number that identifies the company file from which you exported the Ship Via list. |
| REFNUM | (Export files only) A unique number that identifies an entry in the list. |

## Transactions (TRNS and SPL)

Import files can contain information about transactions in a QuickBooks company file. The keyword for a transaction is TRNS; the keyword for each distribution line is SPL.

The distribution lines appear immediately below the transaction. The keyword ENDTRANS appears after the last distribution line. In an import file, the first column for a transaction that has three distribution lines would look like this:

TRNS
SPL
SPL
SPL
ENDTRNS

| | |
|---|---|
| TRNSID | A unique number that identifies the transaction. QuickBooks generates this number when you create an export file. |
| TIMESTAMP | (Export files only) A second unique number that works with TRNSID to identify the transaction. QuickBooks generates this number when you create the export file. |
| TRNSTYPE | (Required) A keyword that identifies the type of transaction. These keywords can appear in the TRNSTYPE field:<br>BILL—Bills from vendors<br>BILLCCARD—Bill payments you make by credit card<br>BILLPMT—Bills payments you make by check<br>BILL REFUND—Refunds from a vendor<br>CASH REFUND—Cash refunds you give to customers<br>CASH SALE—Sales receipts<br>CCARD REFUND—Refunds you receive on credit card charges<br>CHECK—Checks<br>CREDIT CARD—Charges you make on a credit card<br>CREDIT MEMO—Credit you give to customers for merchandise they return<br>DEPOSIT—Bank or money market deposits<br>GENERAL JOURNAL—General journal transactions<br>INVOICE—Invoices<br>PAYMENT—Customer payments<br>PURCHORD—Purchase orders |
| DATE | The date of the transaction. The date is always in MM/DD/YY format. For example, 01/30/04. |

| | |
|---|---|
| ACCNT | (Required) The name of the account assigned to the transaction. |
| NAME | The name of the customer, vendor, payee, or employee. |
| CLASS | The name of the class that applies to the transaction. If the class is a subclass, the class name includes the names of the parent classes, beginning with the highest-level class. A colon (:) separates each class name. |
| AMOUNT | (Required) The amount of the transaction. Debit amounts are always positive; credit amounts are always negative. |
| DOCNUM | The number of the transaction. For checks, the number is the check number; for invoices, the number is the invoice number; etc. |
| MEMO | The memo text associated with the transaction. |
| CLEAR | Indicates whether the transaction has cleared. These keywords can appear in the CLEARED field:<br>Y—Yes. The transaction has cleared.<br>N—No. The transaction HASN'T cleared.<br>P—Pending. |
| TOPRINT | Indicates whether a check, invoice, credit memo, or sales receipt has been marked as "To be printed." These keywords can appear in the TOPRINT field:<br>Y—Yes.<br>N—No. |
| ADDR1-5 | The customer's, vendor's, payee's, or employee's address. |
| DUEDATE | (Bills and invoices only) The due date of the bill payment or invoice payment. The date is always in MM/DD/YY format. For example, 01/30/04. |
| TERMS | (Invoices only) The terms of the invoice. |
| PAID | (Invoices only) Indicates whether an invoice has been paid in full. These keywords can appear in the PAID field:<br>Y—Yes. The invoice has been paid in full.<br>N—No. The invoice is either partially paid or unpaid. |
| PAYMETH | (Sales receipts only) The method your customer used to pay for the merchandise. |
| SHIPVIA | (Invoices and sales receipts only) The method you used to ship the merchandise. |
| SHIPDATE | (Invoices and sales receipts only) The shipping date. If you are creating an import file, enter the date in MM/DD/YY format. For example, 01/30/04. |
| REP | (Invoices and sales receipts only) The initials of the sales representative or employee who made the sale. |
| FOB | (Invoices, credit memos, and cash sales only) The location where you delivered the merchandise — free of charge — to a carrier for shipment. |
| PONUM | (Invoices and credit memos only) The customer's purchase order number. |

| | |
|---|---|
| INVTITLE | (Invoices, credit memos, and sales receipts only) The title that appears on the invoice, credit memo, or sales receipt. |
| INVMEMO | (Invoices, credit memos, and sales receipts only) Your message to the customer — as it appears on the invoice, credit memo, or sales receipt. |
| SADDR1-5 | (Invoices and sales receipts only) The customer's shipping address. |

The following table shows the column headings for distribution lines:

| | |
|---|---|
| SPLID | (Required) A unique number that identifies the distribution line in the transaction. QuickBooks generates the number when you create an export file. |
| TRNSTYPE | A keyword that indicates the type of transaction. The keyword in this field must match the keyword in the TRNSTYPE field for the transaction. The keyword will be one of the following:<br>BILL—Bills from vendors<br>CHECK—Checks<br>DEPOSIT—Bank or money market deposits<br>INVOICE—Invoices<br>PAYMENT—Customer payments |
| DATE | The date of the transaction. The date in this field must match the date in the DATE field for the transaction. |
| ACCNT | (Required) The income or expense account to which you assigned the amount on the distribution line. |
| NAME | The name of the customer, vendor, payee, or employee. |
| CLASS | The name of the class that applies to the distribution amount. If the class is a subclass, the class name includes the names of the parent classes, beginning with the highest level class. A colon (:) separates each class name. |
| AMOUNT | (Required) The distribution amount. Credit amounts are negative. |
| DOCNUM | The number of the transaction. For checks, the number is the check number; for invoices, the number is the invoice number, etc. |
| MEMO | The memo text associated with the distribution line. |
| CLEAR | Indicates whether the distribution amount has cleared. These keywords can appear in the CLEARED field:<br>Y—Yes. The amount has cleared.<br>N—No. The amount HASN'T cleared.<br>P—Pending. |
| PRICE | The unit cost of the item. |
| QNTY | The number of items sold. This value is part of a line item on an invoice, credit memo, or sales receipt. |
| INVITEM | Type of items sold. This value is part of a line item on an invoice, credit memo, or sales receipt. |
| PAYMETH | On a sales receipt, indicates the method of payment (check, Visa, etc.) that the customer used. |
| TAXABLE | Indicates that a line item on an invoice, credit memo, or sales receipt is taxable. |

| | |
|---|---|
| REIMBEXP | Indicates the status of the distribution amount as a reimbursable expense. These keywords can appear under REIMBEXP:<br>NONEED—Indicates that the distribution amount does not qualify as a reimbursable expense.<br>NOTHING—Indicates that the distribution amount can be billed to a customer as a reimbursable expense.<br>THISWAS—Indicates that the distribution amount is a reimbursable expense that appears on an invoice or sales receipt.<br>HASBEEN—Identifies a distribution amount on a check that has been billed to a customer as a reimbursable expense. |
| EXTRA | Adds additional information about the distribution line. These keywords can appear in the EXTRA field:<br>ENDGRP—(Invoices, credit memos, and sales receipts only) Indicates that the distribution line is the last item of an invoice item group.<br>AUTOSTAX—Identifies a sales tax item as the automatic tax rate you set up for your QuickBooks company. |

## Vendor list (VEND)

Import and export files can contain all the information in your Vendor list. The keyword for the Vendor list is VEND.

| | |
|---|---|
| NAME | (Required) The name of the vendor. |
| TIMESTAMP | (Export files only) A unique number that identifies the company file from which you exported the Vendor list. |
| REFNUM | (Export files only) A unique number that identifies an entry in the list. |
| PRINTAS | The name you would like checks to be made out to. This field allows you to make checks out to a different name than the name that appears on your Vendor list. |
| ADDR1-5 | The vendor's address. |
| VTYPE | Your classification for the vendor (QuickBooks calls this a "vendor type"). If you import a vendor type that is not on your Vendor Type list, QuickBooks adds the new vendor type to the list. |
| CONT1 | The name of your primary contact with the vendor. |
| PHONE1 | The vendor's phone number. |
| PHONE2 | The vendor's alternate phone number. |
| FAXNUM | The vendor's FAX number. |
| NOTE | A short note or phrase you want to associate with the vendor. QuickBooks automatically puts your note in the Memo field of checks you send to the vendor. |
| TAXID | The vendor's tax identification number. |
| LIMIT | Your credit limit with the vendor. If you are creating an import file, enter the dollar amount. |
| TERMS | Your payment terms with the vendor. |
| NOTEPAD | Your notes about the vendor. If you are creating an import file, the notes appear in the Notepad window for the vendor. |
| SALUTATION | The vendor's salutation, or title (Mr., Ms., Doctor, etc.). |
| COMPANYNAME | The name of the vendor's company. |
| FIRSTNAME | The vendor's first name. |
| MIDINIT | The vendor's middle initial. |
| LASTNAME | The vendor's last name. |
| CUSTFLD1<br>CUSTFLD2<br>.<br>.<br>CUSTFLD15 | The custom field entries for the vendor. Custom fields let you track special information about the vendor, such as the vendor's birthday or email address. |
| 1099 | Indicates whether you file a 1099-MISC form for this vendor. If you are creating an import file, enter one of these keywords in the 1099 field:<br>Y—Yes. You file a 1099-MISC form for this vendor.<br>N—No. You do not file a 1099-MISC form for this vendor. |

# Vendor Type list (VTYPE)

Import and export files can contain the list of vendor types you use in QuickBooks. The keyword for the Vendor Type list is VTYPE.

| | |
|---|---|
| NAME | (Required) The vendor type. If the vendor type is a subtype of another vendor type, the name includes the name of the parent types, beginning with the highest level type. If you are creating an import file, use a colon (:) to separate subtype names. |
| TIMESTAMP | (Export files only) A unique number that identifies the company file from which you exported the Vendor Type list. |
| REFNUM | (Export files only) A unique number that identifies an entry in the list. |

APPENDIX C

# Preferences

Preferences let you set up QuickBooks to work the way you need it to. Use Preferences to do things like set up backups, your company information, and many other features of QuickBooks.

Do preferences affect every company file I use in QuickBooks?

If you've been a QuickBooks user in the past, you may be looking for Company Settings in the Company menu. These settings are now located in Preferences.

What about Company Settings I used in earlier versions of QuickBooks?

Nearly all preferences are set for the company file currently open. This gives you the freedom to customize QuickBooks per file. A few preferences affect how QuickBooks works for all company files.

**To change your preferences:**

1. Choose QuickBooks > Preferences.
2. Select the preference you want to change.
3. To change another preference, choose Show All to show all preferences.
4. When you're done, dismiss Preferences.

## 1099 preferences

See 1099 preferences to set up to track the amounts you report on 1099-MISC and 1096 tax forms. For each category on the 1099-MISC form, you can associate one or more of your QuickBooks accounts. If a threshold amount is no longer valid for a particular 1099 category, you can change the amount.

**To set up 1099 preferences:**

1. Choose QuickBooks > Preferences.
2. On the Preferences pane, select 1099s.
3. Set the preferences described below.
4. Close Preferences.

Use 1099 preferences to set up to track the amounts you report on 1099-MISC and 1096 tax forms. For each category on the 1099-MISC form, you can associate one or more of your QuickBooks accounts. If a threshold amount is no longer valid for a particular 1099 category, you can change the amount.

**To associate accounts with a category:**

1. Make sure that the "1099-MISC forms are filed" check box is selected.
2. In the Account column, click the line that corresponds to the category with which you want to associate accounts.
3. In the list that appears, select the account you have been using to track that type of 1099 payment to your vendors. (If you have been using more than one account, click Selected and then click, individually, the name of each account.)

- The accounts you select should be the same accounts you use to track payments related to your 1099 vendors. Typically, the accounts will be expense accounts. You can also associate a liability account or another current asset account with a 1099 category.

**Assigning a threshold**

Enter the new amount in the Threshold column. The threshold amount is the minimum amount you must report to the IRS. The amounts QuickBooks displays are correct as of the date your copy of QuickBooks was manufactured. When the IRS changes a threshold amount, you must enter the new amount yourself — QuickBooks cannot update the amount for you. To get the latest threshold information, go to the IRS website and search for a copy of 'Instructions for Forms 1099, 1098, 5498, and W-2G'. If you turn off 1099 tracking, QuickBooks removes all menu items and options related to 1099s. You will not be able to print 1099-MISC forms, create 1099 reports, or indicate that a 1099 form must be filed for a vendor. QuickBooks retains all 1099-related data, however.

## Attachments preferences

Attachments preferences let you create a folder where you can put documents, photos, and other files you'll attach to invoices, customer info, and other QuickBooks transactions and files.

You can also choose to apply optical character recognition (OCR) to photos, drawings, and other graphic files. OCR means that QuickBooks will analyze your photo or graphic for text. When you search for words in QuickBooks, it'll find any attached photos and graphics files with those words in them and show them to you as search results.

If you think (or know) that OCR is going to be important to you, be sure you've optimized your graphics files so that QuickBooks can read them clearly.

**How do I set Attachments preferences?**

1. Go to QuickBooks > Preferences.
2. On the Preferences pane, click Attachments.
3. Click the Attached Documents Library menu to choose or create a folder on your Mac where all your QuickBooks attached documents (which actually means all kinds of files, not just Word or other

documents).

4. Choose Create New to create a new folder to use as the Attached Documents Library.
5. Choose Select Existing to select a folder that's already on your Mac to use as your Attached Documents Library.
6. Check the OCR box if you want QuickBooks to read your photos and graphics and make them available for searches later on.
7. Click the red X at the top of the pane to close Preferences. QuickBooks saves your choices automatically.

## Backup preferences

Backup preferences set up how you want automatic backups to work for your company file.

1. Choose QuickBooks > Preferences.
2. On the Preferences pane, select Backup.
3. Set the preferences described below.
4. Close the Preferences window.

- Automatically back up company files every n hours. Choose how often QuickBooks automatically backs up your company file.
- Automatically back up when each company file is closed. Choose whether QuickBooks backs up your company file every time you close QuickBooks.
- Save backup files in. Choose where you want QuickBooks to save your company file backups.
- Overwrite last backup. Set if you want QuickBooks to overwrite the last backup file every time QuickBooks creates a new backup.
- Encrypt file with password. Set QuickBooks to secure your backups with a password you set by clicking Change.
- **Back up attached documents library.** Set QuickBooks to include attached documents in the backup.

### How do I back up my company file manually?

1. Set your Backup Preferences.
2. Go to File > Back Up.

QuickBooks backs up your company file. When it's finished, you'll see a success message. Click OK to get back to work.

# Checks preferences

These preferences control how QuickBooks behaves when you write and print checks. The selections you make affect the current company file.

1. Choose QuickBooks > Preferences.
2. On the Preferences pane, select Checks.
3. Set the preferences described below.
4. Close the Preferences pane.

- **Print account names on vouchers.** Prints the following information on the voucher portion of each check:
  - Payee
  - Date
  - Account name (first 16 lines). Exception: QuickBooks prints the name of the inventory item on checks for inventory purchases.
  - Memo (first 16 lines)
  - Amount (first 16 lines)
  - Total amount

  When this preference is off, QuickBooks omits the account (or item) names but prints all of the other information listed above.

- **Change check date when check is printed.** Changes the date on a check to today's date when you print the check.

  Example

  You write a check on March 15, but do not print it yet.

  The date on the check is March 15.

  You print the check on March 20.

  Now the date on the check is March 20.

  When this preference is off, QuickBooks retains the date you wrote the check.

- **Start with payee field on check.** Positions the text cursor so that the name of the payee is the first item you enter when you write a check, enter a bill, or enter a credit card charge.

| For... | The cursor starts in the |
|---|---|
| Checks | Payee field. |
| Bills | Vendor field. |
| Credit card charges | “Purchased from” field. |

When this preference is off, the cursor starts in the Bank Account field when you write checks and the Credit Card field when you enter credit card charges. For bills, if you have more than one accounts payable account, the cursor starts in the A/P Account field; otherwise, it starts in the Vendor field.

- **Warn about duplicate check numbers.** Causes QuickBooks to warn you when you try to record a check that has the same number as a previous check. The warning causes QuickBooks to take more time to record a check. If you are not concerned about duplicate check numbers, do not select this preference.
- **Default accounts to use in these forms.** For each of the forms listed, you can create a default account to use on each type of form.

## Contact Sync preferences

Contact Sync preferences is where you turn on or off the ability to synchronize contacts in your Contacts application with your QuickBooks lists of customers, vendors, and/or employees.

1. Choose QuickBooks > Preferences.
2. On the Preferences pane, select Contact Sync.
3. Click the Use Contact Sync check box.
4. Close the Preferences pane.

**Note:** If you’re running QuickBooks for Mac 2014 on Mac OS X 10.9 (Mavericks), you can’t use Contact Sync & it’s disabled in Preferences.

## Data Entry preferences

Data Entry preferences set how you want to enter data in QuickBooks, such as whether QuickBooks should automatically enter decimal points or if you want to use QuickFill.

1. Choose QuickBooks > Preferences.
2. On the Preferences pane, select Data Entry.
3. Set the preferences described below.
4. Close the Preferences pane.

- **Pressing Return moves between fields.**
  - On: When you press Return, the cursor moves to the next field on the form.

    - Off: When you press Return, QuickBooks records the current transaction.

- **Automatically place decimal point. When you enter a number with no decimal point,**

    - On: QuickBooks automatically inserts a decimal point between the second and third digit from the right. For example, if you type 4995, the number becomes 49.95.

    - Off: QuickBooks places a decimal point at the end when you enter a number with no decimal point. For example, if you type 4995, the number becomes 4995.00.

- **'QuickFill' transactions.** (Only for bills, checks, and credit card charges.)

    - On: When you enter a name, QuickBooks automatically completes the transaction by filling in what you entered in the last transaction of that type for that person.

    - Off: QuickBooks does not complete transactions automatically. You still have the ability to use a transaction from the Memorized Transaction list, however.

- **Warn when deleting a transaction or unused list item.**

    - On: QuickBooks displays a warning message when you try to delete a transaction or a list item not currently in use.

    - Off: QuickBooks deletes the transaction or list item without a warning.

- **Warn when editing a transaction.** When you edit a transaction,

    - On: QuickBooks asks you if you want to record the changes.

    - Off: If the transaction isn't linked to another transaction, QuickBooks automatically records your changes. If the transaction is linked to other transactions, QuickBooks asks you if you want to record the changes.

- **Play a sound when recording a transaction.** When on, a sound plays when you record a transaction.

- **Sort employee list by first or last name.** Sorts the employee list by either first or last name.

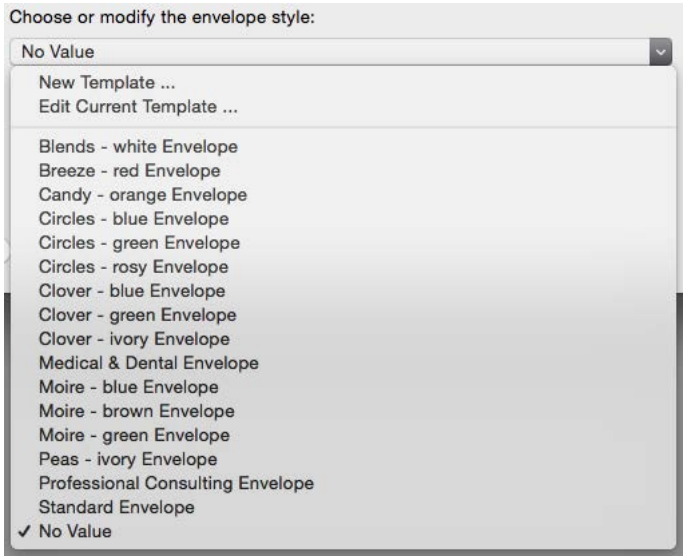
- **Time format.** Set the format for time you enter.

    - Show decimal hours. Enter time using fractions of an hour. For example, "11 hours and 15 minutes" would be entered as 11.25.

    - Show hours and minutes. Enter time using the hours:minutes format. For example, "11 hours and 15 minutes" would be 11.5.

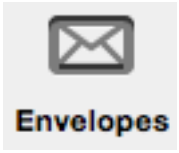
## Envelopes preferences

You can choose which envelope layout to make your default. You can also create a new layout from scratch, or customize an existing template. QuickBooks for Mac provides several standard templates.




**To choose a default envelope:**

1. Choose QuickBooks > Preferences.
2. Click Envelopes.




3. Select an envelope from the pop-up menu.
4. Close the Preferences window.

## Feedback preferences

Feedback preferences determine whether you share QuickBooks usage data with Intuit.

1. Choose QuickBooks > Preferences.
2. On the Preferences pane, select Feedback.
3. Click the Enable sending usage data to Intuit check box. The preference is enabled by default.
4. Close the Preferences window.

From this pane you can also follow a link to the QuickBooks for Mac online forum and/or to an online form for submitting feedback.

# Finance Charges preferences

Financial Charges preferences determine how QuickBooks applies charges to overdue customer balances for the current company file.

1. Choose QuickBooks > Preferences.
2. On the Preferences pane, select Finance Charges.
3. Set the preferences described below.
4. Close the Preferences window.

- **Annual Interest Rate.** Enter the interest rate percentage to use to calculate finance charges. For example, enter 12.5 if your rate is 12.5%.
- **Minimum Finance Charge.** Enter a minimum finance charge if you want to apply a finance charge regardless of the amount overdue.
- **Grace Period.** Enter a grace period, in days, before finance charges apply. The grace period delays the starting date for assessing finance charges. For example, if the starting date would have been June 1st and the grace period is 3 days, QuickBooks uses June 4th as the starting date.
- **Finance Charge Title.** Change the title of the finance charge.
- **Calculate Charges from.** Select either Due Date or Invoice Date.
    - **Due Date.** Use the date an invoice is due as the starting point for assessing finance charges. For example: for a customer who has 30 days to pay an invoice but is five days overdue, QuickBooks assesses finance charges for 5 overdue days, but not the original 30 days.
    - **Invoice Date.** Use the date you write an invoice as the starting point for assessing finance charges. For example: for a customer who has 30 days to pay an invoice but is five days overdue, QuickBooks assesses finance charges for 5 overdue days, plus the original 30 days.
- **Finance Charge Account**. Choose the account you use to track finance charges. Usually, this is an income account.
    - **Assess finance charges on overdue finance charges.** Calculate finance charges on finance charges that are overdue and unpaid.
    - **Mark finance charge invoices "To be printed".** Create an invoice for each customer for whom you assess a finance charge. This preference marks those invoices as "to be printed" so you can print all the invoices at once by choosing File > Print Forms > Invoices. If you send statements, leave this check box cleared.

# Inventory preferences

Inventory preferences turn on/off inventory and purchase order features in QuickBooks.

1. Choose QuickBooks > Preferences.
2. On the Preferences pane, select Inventory.

3 Set the preferences described below.

4 Close the Preferences pane.

**Inventory and purchase orders are used.** Create inventory part items, write purchase orders, and create inventory-related reports. When you created your company, QuickBooks asked whether you tracked inventory. If you answered "Yes," QuickBooks turned this preference on for you.

- **Warn if not enough stock to sell.** Cause QuickBooks to warn you when you try to sell more of an item than you currently have in stock.
- **Warn about duplicate purchase order numbers.** Cause QuickBooks to warn you when you try to record a purchase order that has the same number as a previous purchase order. The warning causes QuickBooks to take more time to record a purchase order. If you are not concerned about duplicate numbers, do not select this preference.

## Jobs preferences

If you use job tracking, you can edit the descriptions to indicate the status of a job. Normally, these are "Pending," "Awarded," "In progress," "Closed," and "Not awarded." When you set up or edit the information for a job, you can choose one of these descriptions to indicate the job's current status. A job's status appears on the Customer:Job list and in job reports.

1 Choose QuickBooks > Preferences.

2 On the Preferences pane, select Jobs.

3 Set the preferences described below.

4 Close the Preferences window.

To change the label of a job status, enter the new status name. Once you've changed the label, all the jobs with that status use the new label. For example, if you change the "Pending" status to "Still thinking about it," all the jobs with the status "Pending" now have the status "Still thinking about it."

## Merchant Service preferences

You can use QuickBooks to accept your customers' debit and credit cards. Use Merchant Service preferences to set up your Intuit QuickBooks Merchant Service account. Then when you accept payments, you can use your customers' credit and debit cards.

1 Choose QuickBooks > Preferences.

2 On the Preferences pane, select Merchant Service.

3 In the Step 1 area, click Apply Now. On the Merchant Service website, you can choose the type of payment solution you want to process your customer's debit or credit cards. You can sign up for the service on the Merchant Service website or over the phone.

4 When you set up your account, make sure to create a username and password for your Merchant Service account. If you sign up on the website, you can create your username and password there.

If you sign up over the phone, you will be emailed a link where you can create your username and password.

5. Once you have your username and password, log in to your Merchant Services account and create a connection ticket. Enter this ticket on the bottom of the Merchant Service preference window and click Save. If you need to recreate your connection ticket (such as if your Merchant Service account changes), then click Create Ticket. You will be taken to your Merchant Service account where you can create a new ticket.
6. Close the Preferences window.

After you've set your Merchant Services preferences, you're ready to start accepting your customer's cards for payment.

- When you create a sales receipt or record an invoice payment, you can process your customer's credit or debit card. You'll be prompted to enter the customer's card number and information.
- You can also save a customer's card information when you edit a customer. Once it's saved, you can just select it when you create a sales receipt or enter a payment.

## My Company preferences

My Company preferences set basic and very important information about your company such as your company's name and when your fiscal year starts.

1. Choose QuickBooks > Preferences.
2. On the Preferences pane, select My Company.
3. Set the preferences described below.
4. Close the Preferences pane.

- **Company Name**. The name of your company. (Note: The company name does not have to be the same as the filename for your company data.)
- **Address.** The address for your company as you want it to appear on invoices, checks, and other forms. You can also enter different addresses for Shipping (appears on purchase orders) and Legal (appears on 1099/1096).
- **Country.** The country for your company's address.
- **Federal ID.** The ID you use when filing your company's federal taxes.
- **Phone Number, Fax Number, Website, Email address.** Additional contact information for your company.
- **Reporting Info.** QuickBooks uses your fiscal year to set the date range for certain reports and graphs. For example, if your fiscal year begins on July 1st, the beginning date for reports based on your fiscal year is July 1st. (Note: You can change the date range for any individual report or graph when you create it.)

**To setup reporting info**

**Important:** If you change the tax form, QuickBooks resets all of the associations between accounts and tax lines to <Unassigned>. You'll have to re-associate your accounts with tax lines for the new tax form you've chosen. For details, see Adding new accounts.

1. Choose the first month of your company's tax year. QuickBooks uses your tax year to create income tax summary and detail reports. For example, if your tax year begins on January 1st, your income tax reports show all tax related transactions from January 1 through December 31 of the current tax year. You can change the date range of any individual report to cover other tax years or periods when you create the report.
2. Choose the first month of your company's fiscal year.
3. Choose which income tax form you use.

## Online Invoice Payments preferences

Intuit PaymentNetwork is an online payment network. Your customers can send payments over Intuit PaymentNetwork that get deposited directly to the bank account you choose, and you can pay vendors via the PaymentNetwork.

Set the Intuit PaymentNetwork Preferences so you can add a link to the PaymentNetwork to your invoices.

**How do I set Intuit PaymentNetwork preferences?**

1. Go to QuickBooks > Preferences.
2. On the Preferences pane, click Intuit PaymentNetwork.
3. Follow the instructions on the Preference pane:
   - If you haven't already got an Intuit PaymentNetwork account, click Step 1: Sign Up.
     **Tip:** Make sure you pick the bank account you want your customers' payments deposited into. And be sure to use the email address you want linked up to these payments.
4. Back on the Preferences pane, click Step 2: Enable IPN.
5. Enter the email address you're using on Intuit PaymentNetwork.
6. Re-enter your email address. Click OK.
7. If you're planning to use the PaymentNetwork for all your invoices, check the Use Intuit PaymentNetwork for all customers box. Uncheck the box if you don't want links to IPN added to all your invoices by default.
   Note: Don't worry—you can change your mind about whether or not you want a link to the PaymentNetwork on any invoice you create. Check the help on the Create Invoice window.
8. Click the red X at the top of the pane to close Preferences. Your choices get saved automatically.

**Can I change my Intuit PaymentNetwork email address?**

Yes you can change your Intuit PaymentNetwork email address. But...

**Important:** Before you change your email address—either in your Intuit PaymentNetwork account on the web site, or here in QuickBooks Preferences—you need to make sure you have no open invoices or pending payments that use your current email address.

After you've made sure you've got nothing open or pending, here's how you change your PaymentNetwork email address:

1. Go to your Intuit PaymentNetwork account page and change your email address there.
2. Go to QuickBooks > Preferences and click Intuit PaymentNetwork.
3. Click Edit.
4. Enter and Confirm your new email address.
5. Click OK.
6. Click the red X to close the Preferences pane. QuickBooks saves your changes automatically.

## Payroll preferences

Payroll preferences set up how the Payroll command works when you select it from the icon on the Payroll Home Page and the Payroll command on the Employees menu.

1. Choose QuickBooks > Preferences.
2. On the Preferences pane, select Payroll.
3. Set the preferences described below.
4. Close the Preferences pane.

If you have employees and want to track your payroll in QuickBooks, choose which payroll system you want to use. When you select the Payroll command by choosing the Payroll icon on the Home Page or by choosing Employees > Payroll, the system you choose will launch.

- **Displays a choice of services.** The Payroll command displays both choices for payroll.
- **Launches QuickBooks Payroll for Mac.** Select this option if you are using the Intuit QuickBooks Payroll for Mac. If you want to learn more about system, click Learn More.
- **Launches Aatrix for Mac.** Select this option if you are using Aatrix for your payroll.

## Reminders preferences

Need to be reminded when to do something like pay bills, print invoices, act on overdue invoices? You can set up reminders that appear on your Company Snapshot or when you click Company > Reminders. Reminder preferences set up how much information to show for each reminder.

1. Choose QuickBooks > Preferences.
2. On the Preferences pane, select Reminders.

3 Set the preferences described below.

4 Close the Preferences window.

For each type of reminder, set the preference to show the information you want to see. You can view reminders on the Reminders list or on the Company Snapshot.

- **Show summary.** Put in the Reminders list a one-line summary that shows the total amount of the transactions affected.
- **Show list.** Put in the Reminders list a list of all the transactions affected with their individual amounts. For to do notes, QuickBooks lists the text of each note.
- **Don't remind me.** Clear all information about a particular event or activity from the Reminders list.
- **Remind me ___ days before...** Specify how many days in advance that you want to be reminded of a particular event or activity. You can enter a different number for each event or activity.
- **Show Reminders List when QuickBooks starts.** Display the Reminders list when you start QuickBooks. You can also display the list by choosing QuickBooks > Preferences, and then choosing Reminders from the Show pop-up menu.

## Reporting preferences

These preferences control how QuickBooks calculates and displays your reports and graphs. The selections you make affect the current company file only.

1 Choose QuickBooks > Preferences.

2 On the Preferences pane, select Reporting.

3 Set the preferences described below.

4 Close the Preferences window.

### General

- **Summary Reports Basis.** Are you running an accrual or cash based business?
  - **Accrual.** QuickBooks reports income as occurring on the date of sale, and expenses as occurring on the billing date.
  - **Cash.** QuickBooks reports income and expenses as occurring on the dates you actually receive cash or pay your bills.
- You can always change the setting of an individual report by clicking Options in the report window and then selecting Accrual or Cash. To change your sales tax liability report settings, choose QuickBooks > Preferences, choose Sales Tax and then select "As of invoice date" (accrual) or "Upon receipt of payment" (cash).
- **Aging Reports.** Use either the due date or the transaction date for tracking unpaid invoices and bills.

- **Show Accounts by.** Choose the name, description, or both, on reports. Also, each report has an Options button that displays options you can use to manage the data shown on your report. If you'd like for the options to display every time you go to a report, click "Display Report Options window automatically."
- **Export Report As.** You can export reports as for either Microsoft Excel 2008/Apple Numbers '09 (XLSX) or Microsoft Excel 2004 (SYLK).

## Classify Cash

You can add accounts, remove accounts, or change the section in which an account appears in the Statement of Cash Flows report.

**Which accounts appear in the report?**

By default, each balance sheet account appears in a section of the report. Income and expense accounts are not automatically assigned to a section because they are included in the Net Income section at the top of the report.

**What changes can you make?**

In some cases, your accountant may request that you change the report to show your cash inflows and outflows in a different way.

- Moving an account: You can move a balance sheet account to a different section (Operating, Investing, Financing) of the report to change its classification.
- Adding an account: If you have an income or expense account that tracks only non-cash transactions (such as depreciation expense), you can add it to the report by selecting its check box.

To preserve the accuracy of the report, you cannot remove balance sheet accounts.

**Do not add accounts that track cash income or expense**

In some cases, your accountant may request that you add an income or expense account to the report to show non-cash income or expense in a different way. Before adding the account, make sure that you have not used it to track cash income or expense.

- Correct: You have an expense account called "Depreciation" that you use only for depreciation of fixed assets. To see the adjustment for this non-cash expense in the Operating Activities section of the report, click Operating for that account.
- Incorrect: You have an account called "Truck expense" that you use for all vehicle expenses, including depreciation, repair costs, and fuel. Removing this account from the report removes real expenses for repair costs and fuel, causing numbers in the Statement of Cash Flows report to become incorrect.

# Sales & Invoicing preferences

Sales & Invoicing preferences control how QuickBooks behaves when you enter a sale.

1. Choose QuickBooks > Preferences.
2. On the Preferences pane, select Sales & Invoicing.
3. Set the preferences described below.
4. Close the Preferences pane.

- **Estimates.** Click Customer and/or job estimates are prepared if you want to use QuickBooks to create estimates. When estimating is on, QuickBooks adds a Create Estimates command to the Customers menu, and an Estimate button to the Customer:Job list. You can use either option to write a new estimate, or display an existing estimate. When this setting is off, it does not mean that you lose the estimates you have written — QuickBooks retains them even though you've turned estimates off.

    - **Warn me about duplicate estimate numbers.** Select this option if you want QuickBooks to warn you when the estimate you are recording has the same number as an existing estimate. Checking for duplicate numbers slows QuickBooks a bit when you record an estimate. If you are unconcerned about duplicate numbers, clearing the check box lets QuickBooks record estimates faster.

    - **I want to create progress invoices from estimates.** Select this option if you want to be able to invoice a customer progressively through a project. If you using progress invoicing, you may have a situation where an item on one of your invoices has an amount of 0. If you don't want to have these items appear on the invoice, select "Don't print items that have zero amounts."

- **Usual FOB.** Enter the name of your FOB site, if you have one. FOB, which stands for "free on board," refers to the site from which you usually ship your invoiced products. When you specify an FOB site, QuickBooks automatically fills in the FOB field on each sales form where the field appears.

- **Usual shipping method.** Enter the shipping method to automatically enter in the Ship Via field on each form where the field appears.

- **Default markup percentage.** Set the percentage markup to use to calculate the sales price of items that have both a cost and a sales price. You do not need to enter a % sign. You'll see the effect of the default markup percentage when you create inventory part, non-inventory part, service, and other charge items. When you enter the item's cost, QuickBooks automatically calculates the sales price and enters it in the Sales price field. For example, entering a cost of $10.00 when the markup is 25% causes QuickBooks to fill in the sales price as $12.50.

    - **Track reimbursed expenses as income.** Track an expense and your customer's reimbursement for the expense in separate accounts.

    When this preference is on, QuickBooks adds this check box and field to the New and Edit Account windows for expense accounts:

    When this setting is off, QuickBooks does not let you track customer reimbursements in a separate income account. The income you receive for reimbursable expenses posts to the expense account, thus canceling the

original expense.

- **Automatically apply payments.** Automatically apply a customer's payment to the outstanding invoices for that customer. If the amount received is less than the customer's outstanding balance, QuickBooks applies the payment to the oldest invoices first. When this setting is off: QuickBooks does not automatically apply customer payments. You must specify how to apply a payment when you are in the Receive Payments window.

- **Automatically calculate payments.** When this preference is on, you can select an invoice in the table of the Receive Payments form before entering an Amount Received, and QuickBooks prefills the amount of that selected invoice into the Amount Received field. QuickBooks continues to automatically calculate the Amount Received based on the invoices you select or deselect for that payment.

  When this preference is off, QuickBooks does not automatically calculate payments. You need to click Auto Apply to see the results of your payment on the amounts for selected invoices.

- **Warn about duplicate invoice numbers.** Let QuickBooks warn you when you try to record an invoice that has the same number as a previous invoice.

  The warning causes QuickBooks to take more time to record an invoice. If you are not concerned about duplicate numbers, do not select this preference.

## Sales Tax preferences

Sales Tax preferences define how you charge sales taxes on items you sell.

1. Choose QuickBooks > Preferences.
2. On the Preferences pane, select Sales Tax.
3. Set the preferences described below.
4. Close the Preferences pane.

Sales Tax preferences are applied per company file.

- **Customers are charged sales tax.** Specify whether you charge your customers sales tax.

- **Monthly, Quarterly, or Annually.** Specify how often you pay sales tax to your tax districts. When you create a sales tax report, QuickBooks uses either the previous month, quarter, or year as the basis for the report (you can change the date range of the report if you need to). In the Pay Sales Tax window, QuickBooks displays the sales tax due through the end of the previous month, quarter, or year.

- **As of invoice date or Upon receipt of payment.** Specify when you are liable for sales tax.

- **Most common sales tax.** Choose the tax item or group you'll use most often from the list.

- **Mark taxable amounts with "T" when printing.** Place a "T" (for "Taxable") next to taxable line items in the Amount column. By selecting this check box, you can print all the Ts whenever you print sales forms. If you clear the check box, QuickBooks will still show the Ts when you view a sales form on your screen.

# Sounds preferences

Sounds preferences are where you set what sounds you want to play for certain tasks in QuickBooks.

If you don't like the sounds that play when you do certain tasks in QuickBooks, you can change them. QuickBooks offers several sounds to choose from, and you can use your own sounds as well. Put any AIFF, WAV, or MP3 sound in the Documents/QuickBooks/Sounds folder and it will be available for QuickBooks.

1. Choose QuickBooks > Preferences.
2. On the Preferences pane, select Sounds.
3. Set the preferences described below.

- **Play Sounds.** Check this if you want QuickBooks to play sounds when you use QuickBooks. If the check box is selected, you can choose which sounds you want to hear.
- **Save a record sound.** Choose the sound you want to hear when you save a record, such as when you create an invoice or update an estimate.
- **Deleting a record sound.** Choose the sound you want to hear when you delete a record, such as when you delete a sales receipt.
- **No more records sound.** Choose the sound you want to hear when there are no more records available, such as when you click Next on the Create Invoices window but there are no more invoices to show.
- **Memorize sound.** Choose the sound you want to hear when you memorize something in QuickBooks like a bill you've entered or a report.
- **Volume.** Slide the volume bar to increase or decrease the volume level of the sounds.
- **Open Sounds Folder.** If you want to add your own sounds, click this button to open the sounds folder. Copy the sound file you want to use to this folder.

# Time Tracking preferences

Time tracking preferences set up how time tracking works in QuickBooks.

1. Choose QuickBooks > Preferences.
2. On the Preferences pane, select Time Tracking.
3. Set the preferences described below.
4. Close the Preferences window.

**Note:** If you'd like to use the free QuickBooks-integrated application My Time, turn on time tracking and then download your copy of My Time.

- **Keep track of time.** Turns on time tracking in your company file. Track your time and/or your employee's time by entering hours worked on weekly timesheets or single activity entry forms (you can use the two forms interchangeably). You can also assign time to particular customers or jobs, bill hours back to your customers, and create time reports that show how your company allocates and uses time. You'll see time tracking items on the Employees menu, a Timesheet button on the toolbar, and four time-related reports on the Jobs & Time submenu of the Reports menu.

- **First day of work week.** Sets the first day of your company's work week. For example, if you choose Wednesday, your timesheets will show all workweeks as beginning on Wednesday and ending on Tuesday.

- **'Record Time' button opens.** Sets what happens when you click Record Time.

    - **Single activity.** As you enter single activity entries for a person, QuickBooks also records the entries on that person's weekly timesheet. To view an employee's weekly timesheet, click Timesheet in the Single Activity window.

    - **Weekly timesheet.** To display a single activity entry form when you are viewing a weekly timesheet, follow these steps:

        1. In the timesheet, find the column for the day for which you want to display a single activity record.
        2. In that column, find the row where the customer:job and service item are correct for the activity. Click that row in the column.
        3. Click Edit Activity.

## Toolbar preferences

Toolbar preferences is where you specify whether or not you want to see the Toolbar (the strip of icons on the left).

1. Choose QuickBooks > Preferences.
2. On the Preferences pane, select Toolbar.
3. Click the check box for Display Toolbar and/or Hide Toolbar When QuickBooks is Deactivated. (This second check box refers to whether you can see the Toolbar even when QuickBooks is a background application.)
4. Close the Preferences window.

## Transactions preferences

Transactions preferences set up how transactions are used in the current company file. These preferences affect account numbering, reimbursable expenses, your QuickBooks Class list, the audit trail report, and bills from vendors.

1. Choose QuickBooks > Preferences.
2. On the Preferences pane, select Transactions.
3. Set the preferences described below.
4. Close the Preferences window.

- **Require accounts.** Record transactions that have no assigned accounts. QuickBooks automatically assigns these transactions to Uncategorized Income or Uncategorized Expense.

- **Use account numbers.** Assign numbers to your accounts. A Number field appears in the New Account and Edit Account windows. QuickBooks includes your account numbers in the chart of accounts, in all Account fields, and on reports and graphs. Click Show lowest subaccount only to display only the lowest subaccount. For example, if the account you select is: 5400-Rent:5410-Office:5411-Main

- QuickBooks displays: 5411-Main

- When Show lowest subaccount only is off, QuickBooks displays the parent accounts along with the subaccount.

- **Use class tracking.** Categorize transactions by assigning them to the classes on your Class list. QuickBooks includes a Class field for all transactions.

- **Use audit trail.** Automatically log all transaction changes in the audit trail report. This gives you a running account of how each transaction has changed. When this setting is off: QuickBooks logs only the most recent version of each transaction in the audit trail report.

- **Warn about duplicate bill numbers.** Cause QuickBooks to warn you when you try to record a bill that has the same number as an existing bill. The bills do not have to be from the same vendor for the warning to occur. The warning causes QuickBooks to take more time to record a bill. If you are not concerned about duplicate numbers, do not select this preference.

- **Bills are due __ days after receipt.** Enter the number of days you want QuickBooks to use when it calculates the due date of your bills. QuickBooks initially assumes that bills are due 10 days after receipt. This means that if you enter a bill dated January 1, QuickBooks will show January 11th as the due date. QuickBooks uses the due date to determine when to add the bill to the "Bills to pay" section of your Reminders list.

- **Enable AutoImport folder.** Used for third-party applications (such as Xsilva's Lightspeed Point of Sale). If you need this, the third-party application's set up information will tell you.

- **Automatically assign general journal entry number.** Have QuickBooks assign the next number when you make a new general journal entry. For example, if your last general journal entry was ABC11, with this preference selected, the next general journal entry will be ABC12.
  **Note:** You can change this entry number. Don't confuse it with the transaction number, which you cannot change. Both numbers appear in journal and audit reports.

- **Use current date as default for new transactions.** Have QuickBooks automatically enter today's date for new transactions. The default (unchecked) is for QuickBooks to enter the same date as for the previous transaction.

## Users & Passwords preferences

You can set up user accounts with full or limited access to features in your company file. Say you have an employee who does data entry work for you. You want this user to have access to basic bookkeeping features, but not more advanced features like payroll. You can set up a data entry user account for that user.

Choose Company > Users and Passwords.

—OR—

1. Choose QuickBooks > Preferences.
2. On the Preferences pane, select Users & Passwords.
3. Set the preferences described below.
4. Close the Preferences pane.

You can set up user accounts with full or limited access to features in your company file. You must have user accounts set up before you can use QuickBooks for Mac in multiuser mode.

**Note:** If you are the owner of the company file, make sure to create an administrative user for yourself before you create other users.

### Add, edit, or delete a user

- To add a user, click the +. Then the User Name and Password options for the user (see below).
- To edit the user, double-click the user name and make your changes.
- To delete a user, select the user name and click -.

### User Name and Password options

If you're creating this user account for someone else, make sure you share the account information you enter with him or her.

- **User Name.** The name the user will use to log in to the file.
- **Password/Confirm Password.** The password the user will use to log in to the file.
- **Security Question and Answer.** If you forget this user's password, QuickBooks will ask you this question. When you answer it correctly, QuickBooks logs you in. You can then reset the password by coming back to the User Name and Password window.
- **Messages User ID.** The user's Messages ( ) account name. If you're using multiuser mode, you can use Messages to contact other users. If you're not using multiuser, you can just ignore this.

### Permissions

Choose the type of access you want the user to have.

- All areas of QuickBooks (Administrative). The name says it all. A user with this permission setting can do anything and everything in the company file. So be careful whom you assign this to. If you're the owner of the company file, make sure you create an admin user account for yourself and then be careful whom else you created one for.
- Selected areas of QuickBooks (Custom). You get to pick what areas the user can access. This table is a summary of the permissions. The options are additive, so if you select more than one options, the user will have the permissions

for all the options you select.

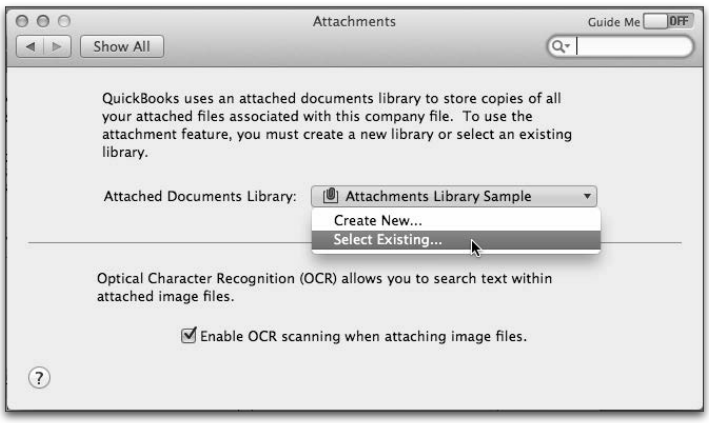
| If you pick this... | The user can do this... |
|---|---|
| Accounts Payable | Work on vendor-related tasks, such as entering and paying bills. |
| Accounts Receivable | Work on customer-related tasks, such as accepting payments from customers. |
| Check and Credit Cards | Write checks and enter transactions for the company's credit cards. |
| Inventory | Order, track, and pay for inventory. |
| Payroll | Access all payroll features. |
| Sensitive Accounting | Work with accounting-related data that may have sensitive information, such as banking, Merchant Services, 1099s, and Chart of Accounts. |
| Sensitive Financial | Work with financial features that may have sensitive information, such as all reports, memorized transactions, Chart of Accounts, lists, and inventory adjustments. |
| Time Tracking | Access all time-tracking features. |

If you're setting up more than one user, here are a couple of important things to think about:

- **Tell QuickBooks which accounts you use for payroll.** Payroll information is very sensitive. Click Set Payroll Accounts to select the accounts that you are using for payroll transactions. Only users with access to Payroll will be able to see transactions in these accounts.

- **Set a closing date so new users can't edit transactions on or before that date**. Consider doing this if you've been using QuickBooks and want to make sure new users you create can't change anything you've done in the past.

1 Click the Attached Documents Library menu and choose Select Existing.




2 Navigate to the Attached Documents Library folder you restored in Step 3 and choose it.

3 Click Open.

4 Close the Preferences window—your choice is saved automatically.

That's it! Your company file is restored, and your Attached Documents Library is restored and connected to your restored company file.