

**SAMPLE ONLY**  
**THIS FILE CONTAINS A PARTIAL SAMPLE OF SLIDES**  
**FROM THE FULL TRAINING**



**Desktop Foundations**  
**Cash Flow Management Tool**

## QuickBooks® QuickBooks Desktop Foundations

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

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

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



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

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

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

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Desktop Foundations

# **SECTION 2**

## **SET UP YOUR NEW QUICKBOOKS® COMPANY**

Company Preferences

Manage Users

Chart of Accounts

Manage Sales Tax

Items

Beginning Balances and Historical Transactions

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## Section 2 Objectives

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

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

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## Company Set-up is Vital

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

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

### Here are some questions for you to consider:

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

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

## Accounting Preferences

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

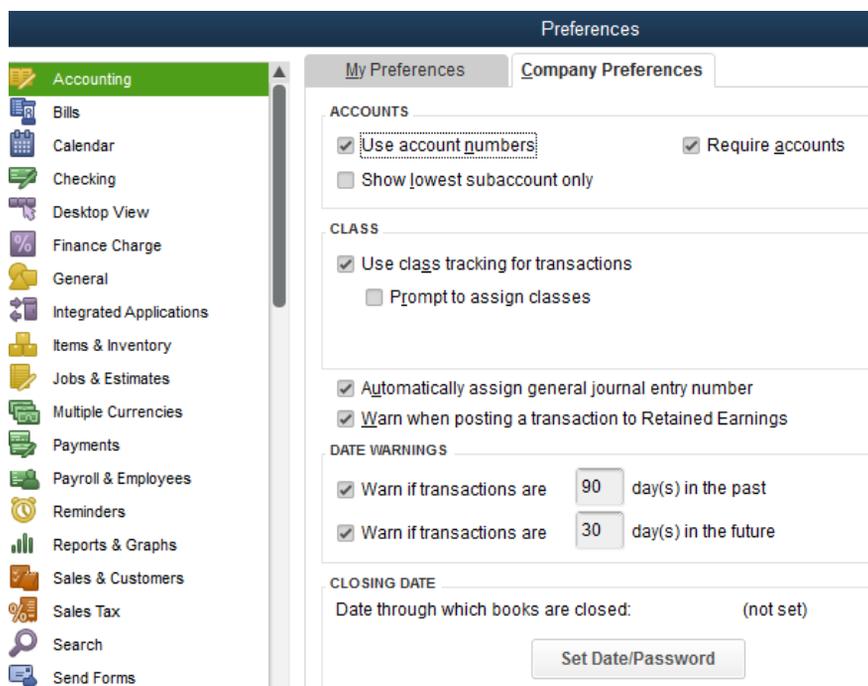
**For example:** ABC company has several departments and would like to view a Profit & Loss report for each individual department.

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

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

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

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



## Checking Preferences

### Checking: My Preferences

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

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

The screenshot shows the 'Preferences' window in QuickBooks. The left sidebar contains a list of categories: Accounting, Bills, Calendar, Checking (highlighted in green), Desktop View, Finance Charge, General, Integrated Applications, Items & Inventory, Jobs & Estimates, and Multiple Currencies. The main area is titled 'My Preferences' and 'Company Preferences'. Under the heading 'SELECT DEFAULT ACCOUNTS TO USE', there are four rows, each with a checked checkbox, a label, and a dropdown menu. The labels are 'Open the Write Checks', 'Open the Pay Bills', 'Open the Pay Sales Tax', and 'Open the Make Deposits'. Each dropdown menu shows '10000 · Wells Fargo ...' and 'account'.

Checkbox	Label	Dropdown	Account
<input checked="" type="checkbox"/>	Open the Write Checks	form with 10000 · Wells Fargo ...	account
<input checked="" type="checkbox"/>	Open the Pay Bills	form with 10000 · Wells Fargo ...	account
<input checked="" type="checkbox"/>	Open the Pay Sales Tax	form with 10000 · Wells Fargo C	account
<input checked="" type="checkbox"/>	Open the Make Deposits	form with 10000 · Wells Fargo ...	account

# Desktop View

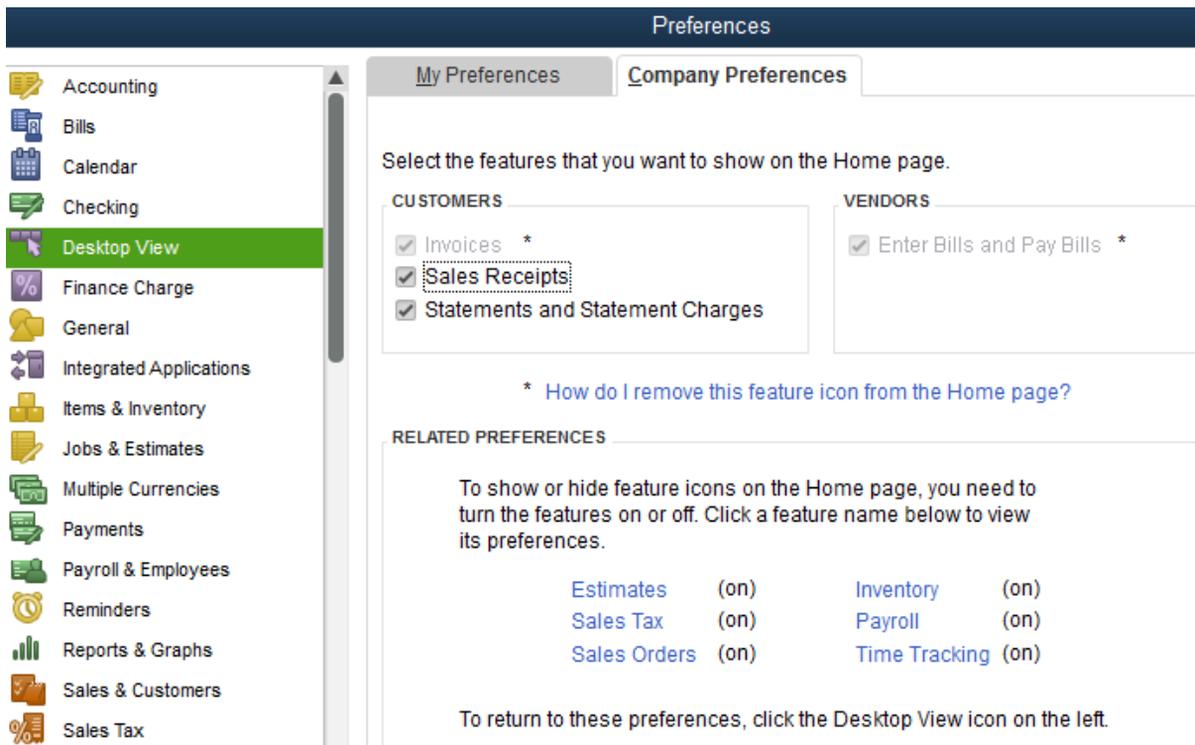
## Desktop View: Company Preferences

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

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

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

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



The screenshot shows the 'Preferences' window with the 'Company Preferences' tab selected. The left sidebar lists various categories, with 'Desktop View' highlighted. The main content area is titled 'Select the features that you want to show on the Home page.' It contains two sections: 'CUSTOMERS' and 'VENDORS'. Under 'CUSTOMERS', 'Invoices', 'Sales Receipts', and 'Statements and Statement Charges' are checked. Under 'VENDORS', 'Enter Bills and Pay Bills' is checked. A link '\* How do I remove this feature icon from the Home page?' is visible. Below these is a 'RELATED PREFERENCES' section with a text instruction and a list of features: Estimates (on), Sales Tax (on), Sales Orders (on), Inventory (on), Payroll (on), and Time Tracking (on). At the bottom, it says 'To return to these preferences, click the Desktop View icon on the left.'

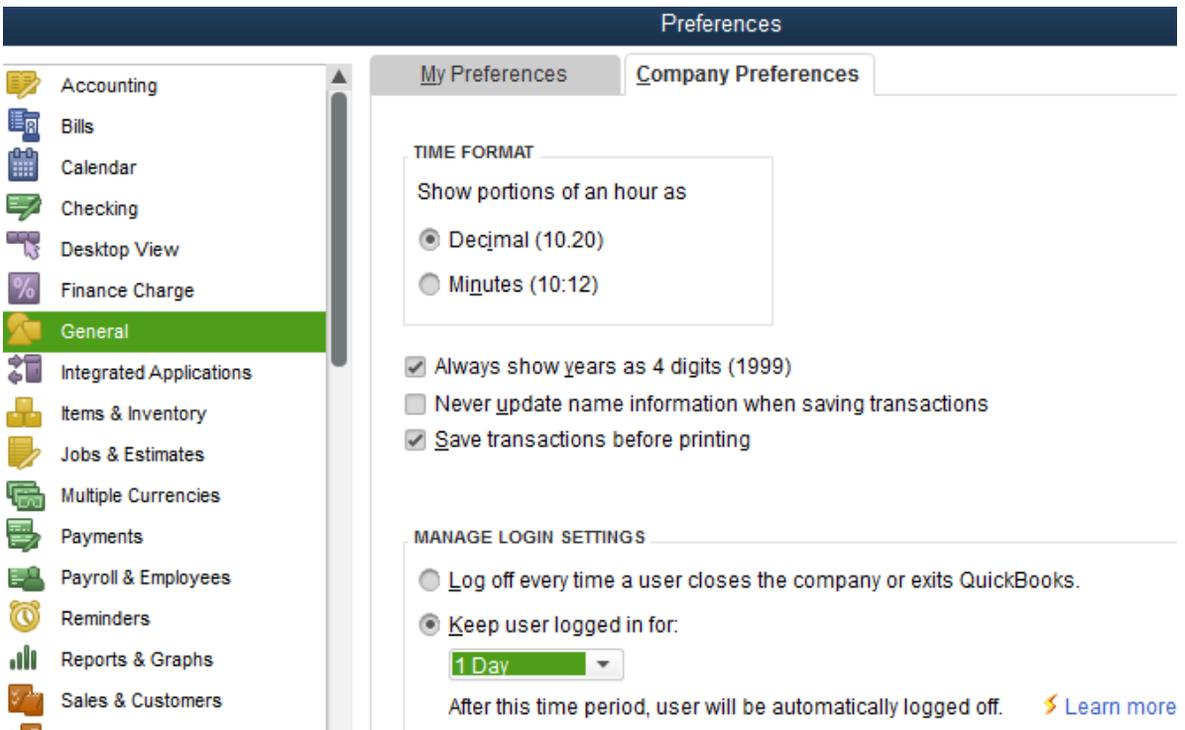
## General Preferences

### General: Company Preferences

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

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

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



The screenshot shows the QuickBooks Preferences window with the 'Company Preferences' tab selected. The 'General' category is highlighted in the left sidebar. The 'TIME FORMAT' section has two radio buttons: 'Decimal (10.20)' (selected) and 'Minutes (10:12)'. Below this are three checkboxes: 'Always show years as 4 digits (1999)' (checked), 'Never update name information when saving transactions' (unchecked), and 'Save transactions before printing' (checked). The 'MANAGE LOGIN SETTINGS' section has two radio buttons: 'Log off every time a user closes the company or exits QuickBooks.' (unchecked) and 'Keep user logged in for:' (selected). A dropdown menu shows '1 Day' selected. Below the dropdown is the text 'After this time period, user will be automatically logged off.' followed by a 'Learn more' link.

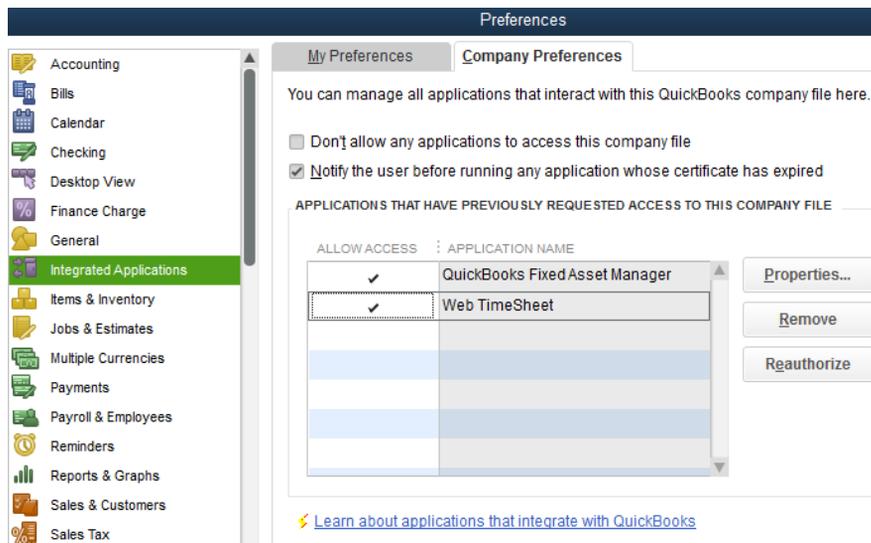
**Note:** Logging off every time a user closes the company file or exits QuickBooks® could be useful for those working in multi-user mode.

# Integrated Applications

## Integrated Applications: Company Preferences

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

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



# Payments

## Payments: Company Preferences

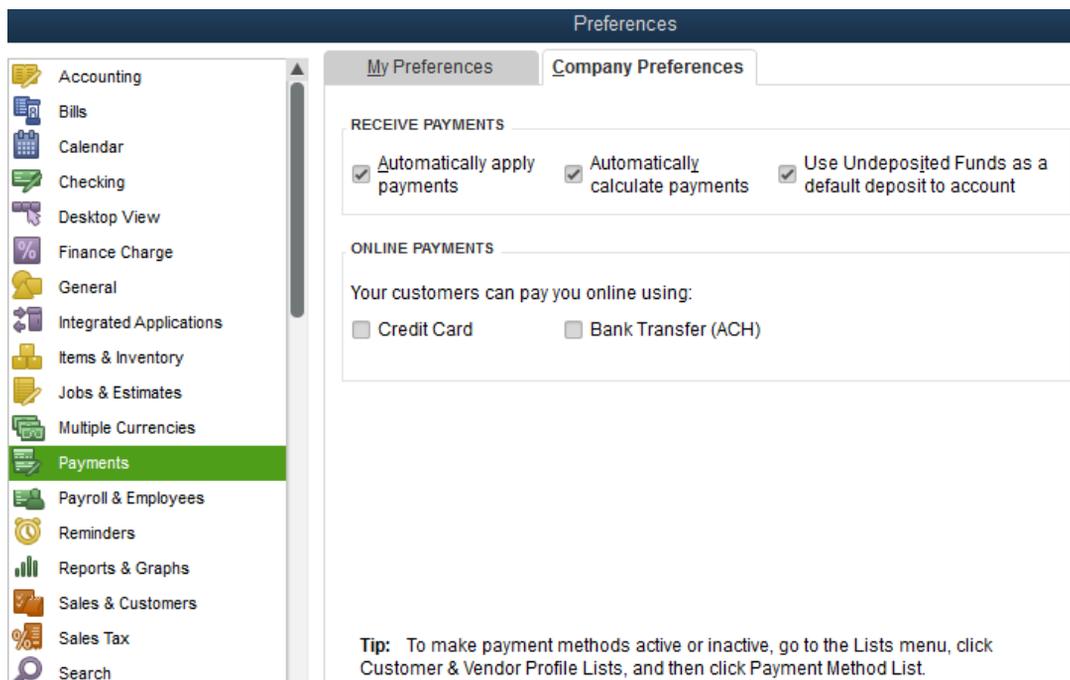
**Receive Payments** are default settings used when receiving payments from customers.

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

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

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

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



The screenshot shows the QuickBooks Preferences window with the 'Company Preferences' tab selected. The 'Payments' category is highlighted in the left-hand navigation menu. The 'RECEIVE PAYMENTS' section contains three checked options: 'Automatically apply payments', 'Automatically calculate payments', and 'Use Undeposited Funds as a default deposit to account'. The 'ONLINE PAYMENTS' section shows 'Your customers can pay you online using:' with two unchecked options: 'Credit Card' and 'Bank Transfer (ACH)'. A tip at the bottom states: 'Tip: To make payment methods active or inactive, go to the Lists menu, click Customer & Vendor Profile Lists, and then click Payment Method List.'

## Reports & Graphs Preferences

### Reports & Graphs: Company Preferences

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

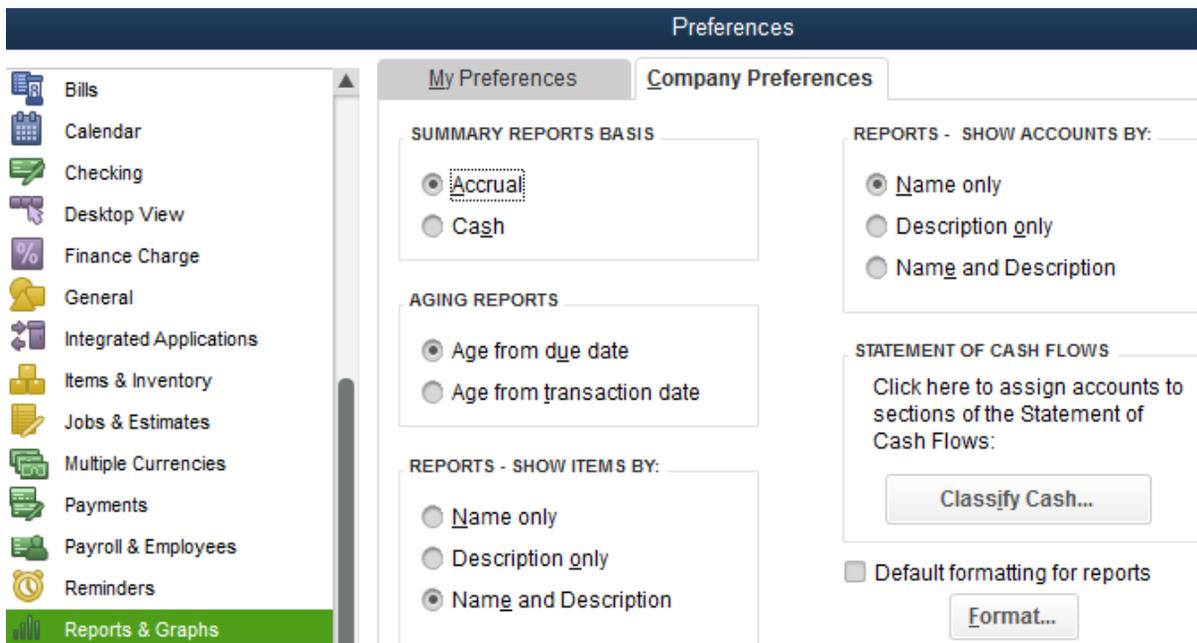
If you invoice customers and maintain **Accounts Receivable** then it is recommended you view reports on both the **Accrual** and **Cash** basis.

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

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

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

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



The screenshot shows the 'Preferences' window in QuickBooks, specifically the 'Company Preferences' tab. The left sidebar contains a navigation menu with 'Reports & Graphs' highlighted in green. The main content area is divided into several sections:

- SUMMARY REPORTS BASIS:** Two radio buttons are present: 'Accrual' (selected) and 'Cash'.
- AGING REPORTS:** Two radio buttons are present: 'Age from due date' (selected) and 'Age from transaction date'.
- REPORTS - SHOW ITEMS BY:** Three radio buttons are present: 'Name only', 'Description only', and 'Name and Description' (selected).
- REPORTS - SHOW ACCOUNTS BY:** Three radio buttons are present: 'Name only' (selected), 'Description only', and 'Name and Description'.
- STATEMENT OF CASH FLOWS:** A text box with the instruction 'Click here to assign accounts to sections of the Statement of Cash Flows:' and a 'Classify Cash...' button.
- Default formatting for reports:** A checkbox is checked, and a 'Format...' button is located below it.

## Sales Tax Preferences

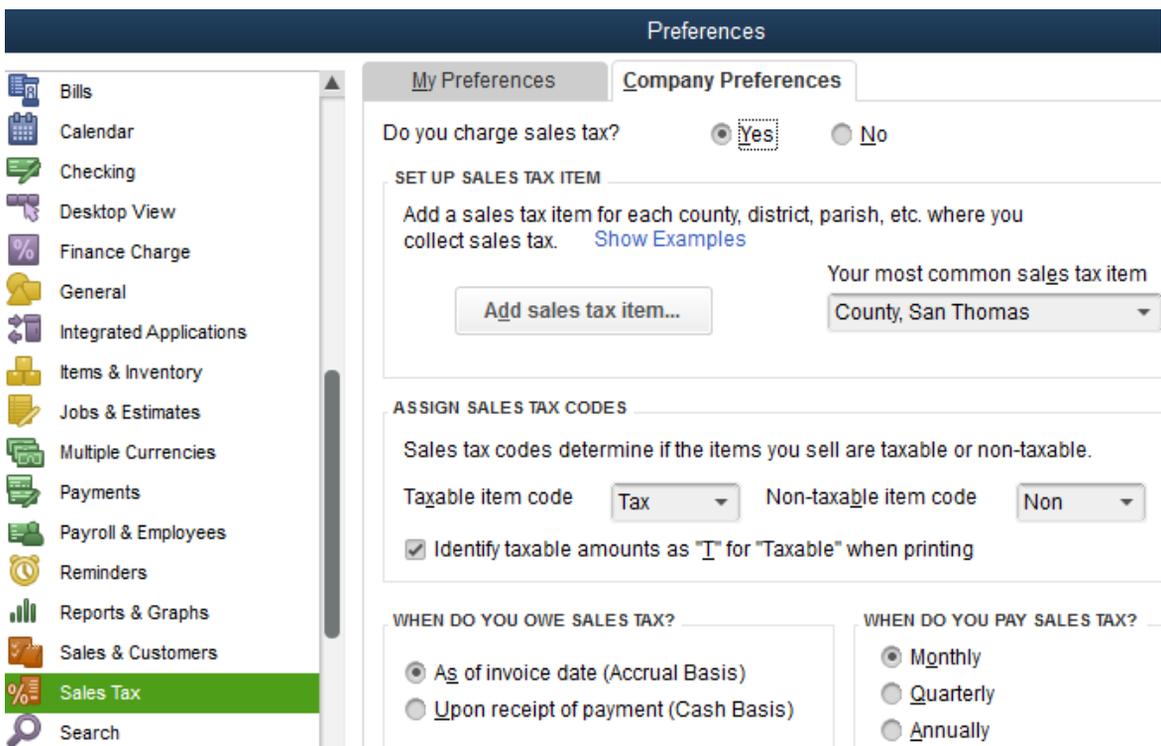
### Sales Tax: Company Preferences

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

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

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

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



The screenshot shows the 'Preferences' window in QuickBooks, specifically the 'Company Preferences' tab. The left sidebar lists various settings categories, with 'Sales Tax' highlighted in green. The main content area is divided into several sections:

- Do you charge sales tax?**: A radio button selection with 'Yes' selected and 'No' unselected.
- SET UP SALES TAX ITEM**: A section with the instruction 'Add a sales tax item for each county, district, parish, etc. where you collect sales tax.' and a link to 'Show Examples'. Below this is a button 'Add sales tax item...' and a dropdown menu for 'Your most common sales tax item' currently set to 'County, San Thomas'.
- ASSIGN SALES TAX CODES**: A section with the instruction 'Sales tax codes determine if the items you sell are taxable or non-taxable.' It includes two dropdown menus: 'Taxable item code' set to 'Tax' and 'Non-taxable item code' set to 'Non'. There is also a checked checkbox for 'Identify taxable amounts as "T" for "Taxable" when printing'.
- WHEN DO YOU OWE SALES TAX?**: A section with two radio button options: 'As of invoice date (Accrual Basis)' (selected) and 'Upon receipt of payment (Cash Basis)' (unselected).
- WHEN DO YOU PAY SALES TAX?**: A section with three radio button options: 'Monthly' (selected), 'Quarterly' (unselected), and 'Annually' (unselected).

## Send Forms Preference

### Send Forms: My Preferences

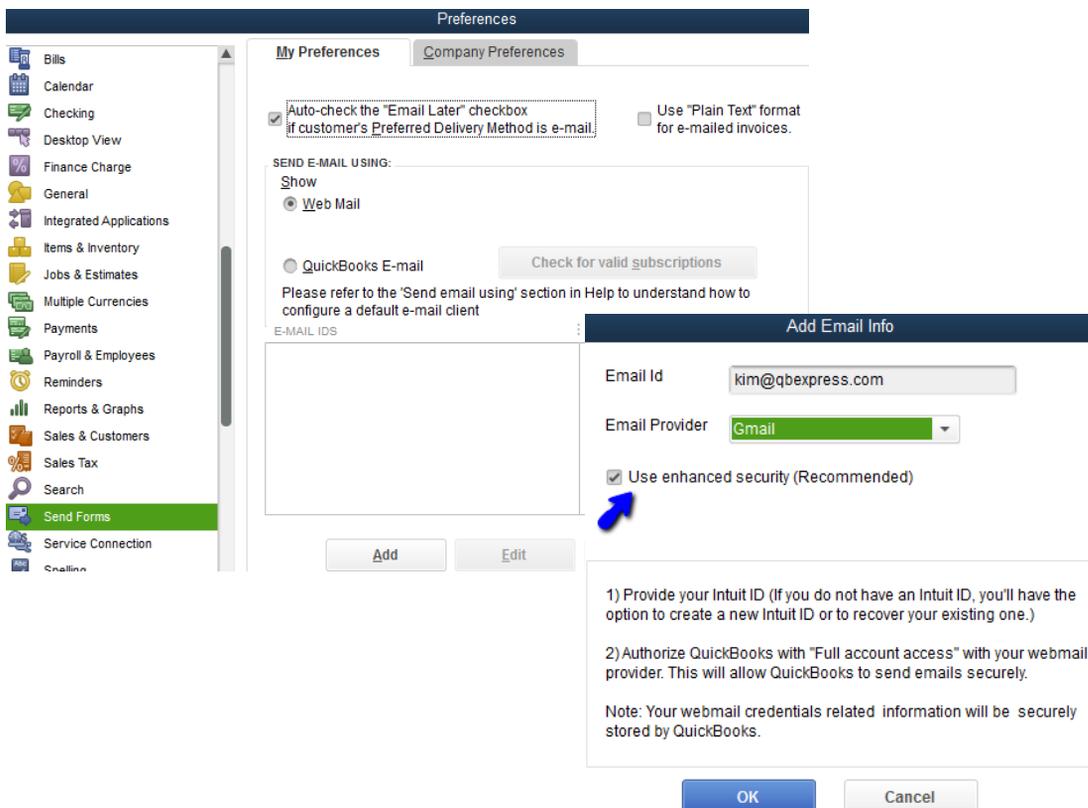
To send invoices and reports via email, each user will need to setup their own **Email Info**.

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

Click the **Add** button and enter the **Email ID**.

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

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



The screenshot shows the 'Preferences' dialog box in QuickBooks. The 'My Preferences' tab is active, and the 'Send Forms' section is expanded. The 'Auto-check the "Email Later" checkbox' is checked. The 'SEND E-MAIL USING:' section shows 'Web Mail' selected. The 'Add Email Info' sub-dialog is open, showing the 'Email Id' field with 'kim@qbexpress.com', the 'Email Provider' dropdown set to 'Gmail', and the 'Use enhanced security (Recommended)' checkbox checked. A blue arrow points to this checkbox. Below the sub-dialog, there are instructions for providing an Intuit ID and authorizing QuickBooks with 'Full account access'.

**Preferences**

My Preferences    Company Preferences

Auto-check the "Email Later" checkbox if customer's Preferred Delivery Method is e-mail.     Use "Plain Text" format for e-mailed invoices.

SEND E-MAIL USING:

Show

Web Mail    Check for valid subscriptions

QuickBooks E-mail

Please refer to the "Send email using" section in Help to understand how to configure a default e-mail client

E-MAIL IDS

**Add Email Info**

Email Id: kim@qbexpress.com

Email Provider: Gmail

Use enhanced security (Recommended)

1) Provide your Intuit ID (If you do not have an Intuit ID, you'll have the option to create a new Intuit ID or to recover your existing one.)

2) Authorize QuickBooks with "Full account access" with your webmail provider. This will allow QuickBooks to send emails securely.

Note: Your webmail credentials related information will be securely stored by QuickBooks.

OK    Cancel

## The Big Picture of Why this Training is Important

The bookkeeping function is a critical component of business success.

The majority of business owners do not recognize the value of good numbers or how to put them to work to improve company performance. Accurate, real-time financial data is powerful.

### SAMPLE ONLY

**THIS FILE CONTAINS A PARTIAL SAMPLE OF SLIDES FROM THE FULL TRAINING**

QuickBooks is designed to help you with every day organization, from organizing expenses, connecting bank and credit card accounts for automatic downloads, to categorization and far more. As we will demonstrate, the software automatically tracks inventory on hand and per item cost so you can keep a better handle on productivity and profit margins, etc. In addition, it provides real-time data with one click reporting that explains how the business is performing.

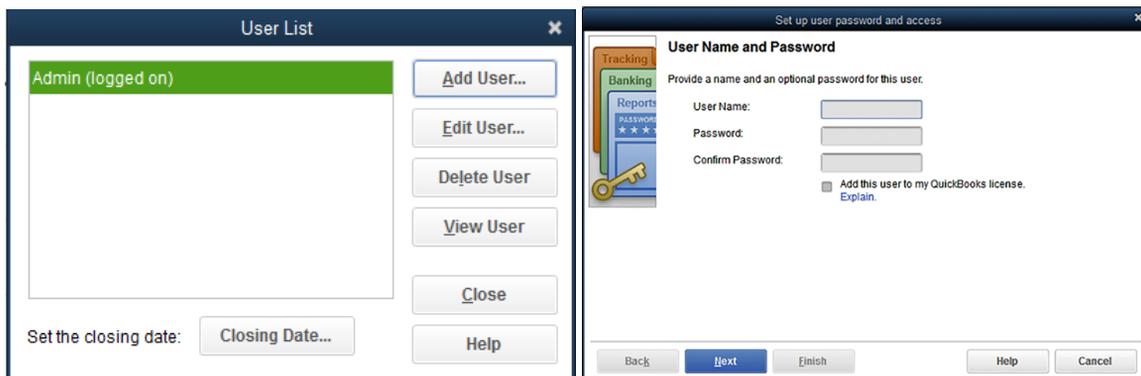
QuickBooks can help a business control cash flow. The software automatically stays on top of who owes what, and will even email overdue customers. Automated invoicing and more, will streamline processes, dropping more to the bottom line.

***As you can see, learning how to take advantage of important features of accounting software can mean the difference between success and failure in a business.***

## Manage Users

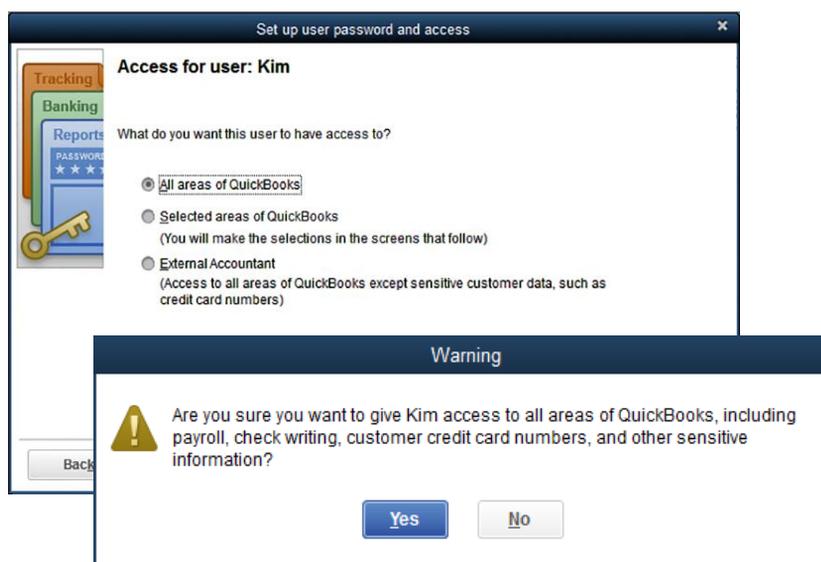
### Users with Limited Permissions or Access

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



You will need to select the level of access for the new user; **All Areas** or **Selected Areas**.

The **External Accountant** works well for your accountant as it provides more access without the ability to view credit card numbers. Select **All Areas of QuickBooks** and click **Next**. A **Warning** dialog box will appear and ask you to confirm this request. Click **Yes**.

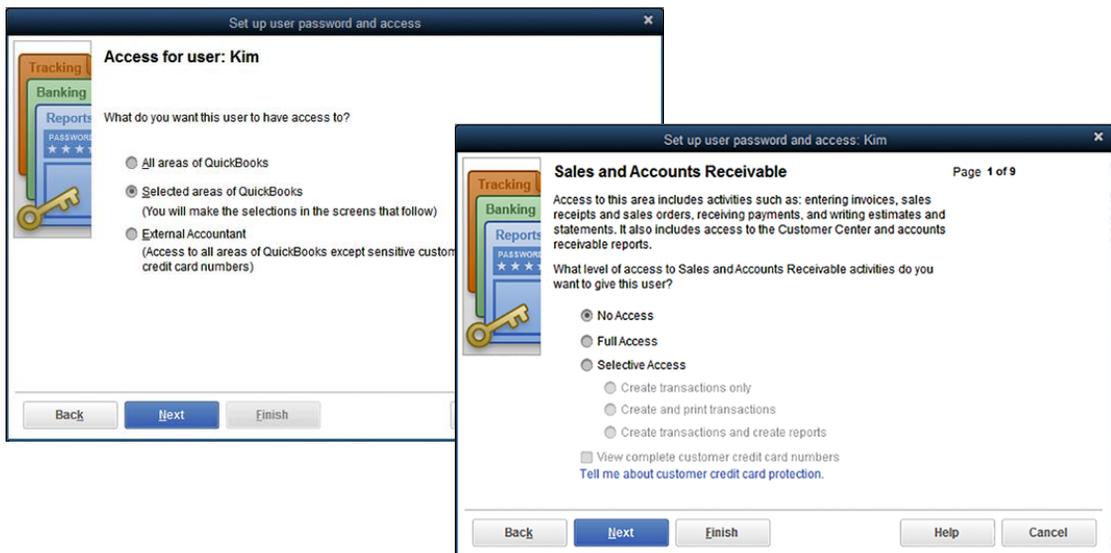


# Manage Users

## Restricted Access

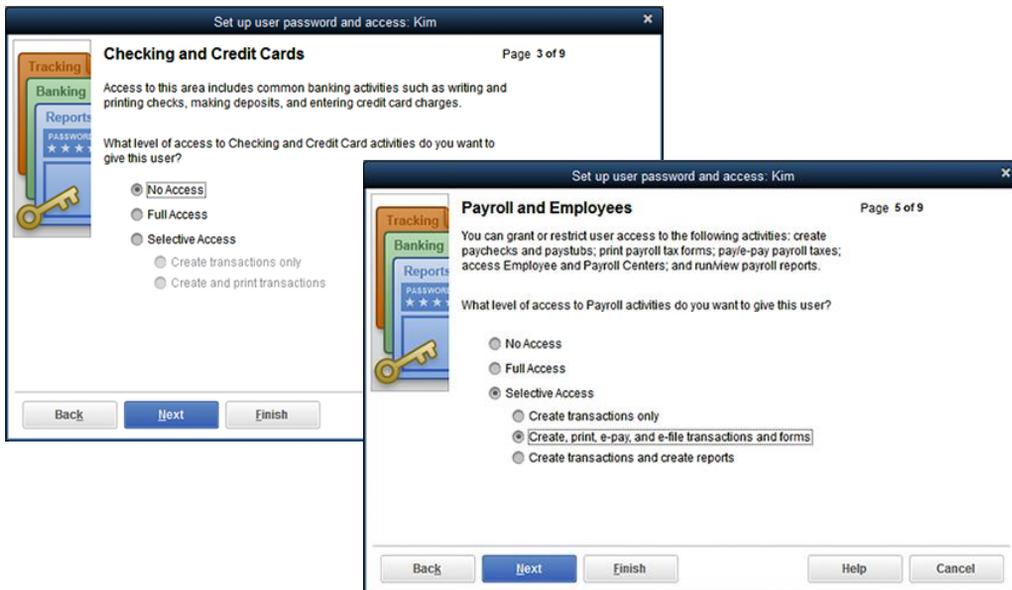
Choose **Selected areas of QuickBooks®** and click **Next**. A window will appear for all areas that pertain to your company file and will require you to choose between **No Access**, **Full Access** or **Selective Access**. No Access was selected for **Sales and Accounts Receivable**.

Click **Next**. choose an option for **Purchases and Accounts Payable** and click **Next**.

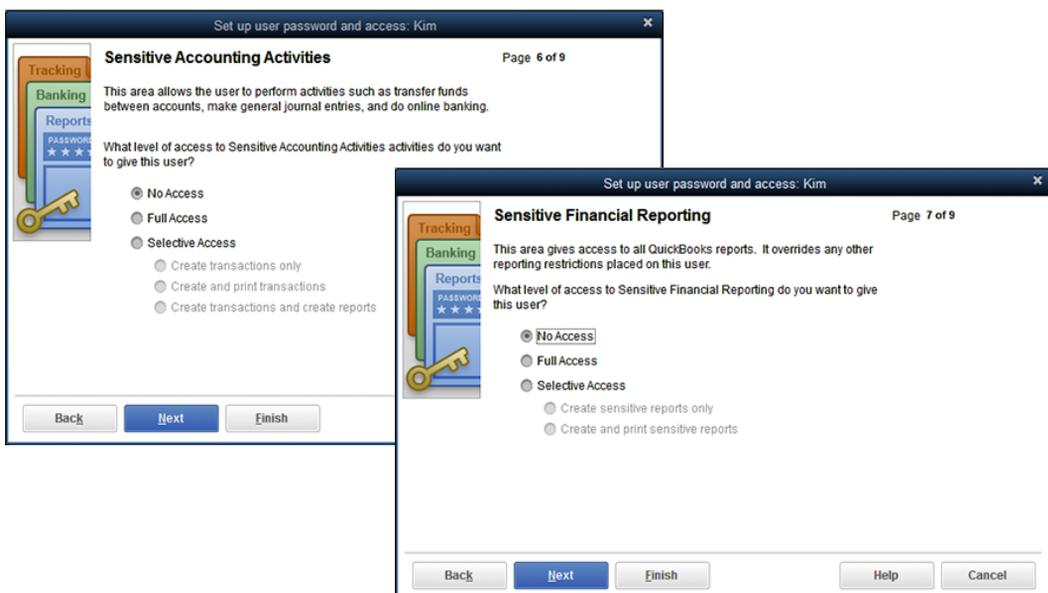


## Manage Users

Choose options for **Checking and Credit Cards**, **Payroll and Employees**. Click **Next** for each window that appears. Remember the windows that appear are specific to your company file.



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



## Chart of Accounts

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

### Balance Sheet

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

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

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

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

### Profit & Loss

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

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

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

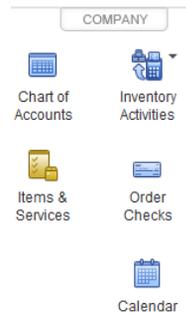
**Note:** Keep your chart of accounts simple. Add new accounts when you need to track specific information. Utilize reports to customize information within an account. Discuss account changes with your accountant. Start by adding Bank and Credit Card Accounts.

## Chart of Accounts

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

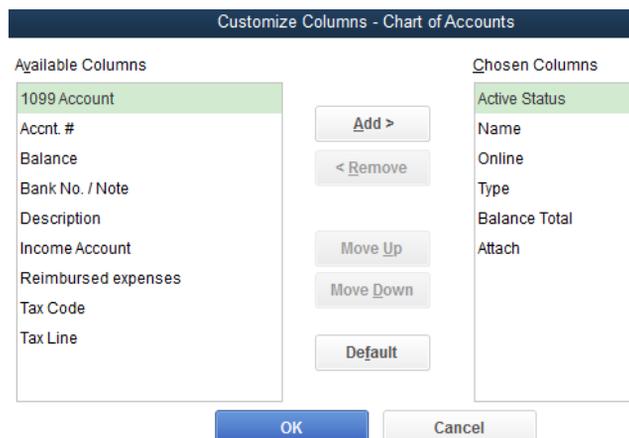
The **Menu Bar**, **Home Page** or **Icon Bar**.

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



Right Click in the body of the **Chart of Accounts** -> **Customize Columns**.

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



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

NAME	TYPE	BALANCE TOTAL
10000 · Wells Fargo Checking #3166	Bank	52,098.19
10200 · Wells Fargo Savings #4261	Bank	508,357.31
11000 · Accounts Receivable	Accounts Receivable	55,876.88
12000 · Undeposited Funds	Other Current Asset	28,055.94
2120 · Payroll Asset	Other Current Asset	0.00
12100 · Inventory Asset	Other Current Asset	15,988.73
15000 · Furniture and Equipment	Fixed Asset	25,301.18
15300 · Construction Equipment	Fixed Asset	256,638.53

## Chart of Accounts

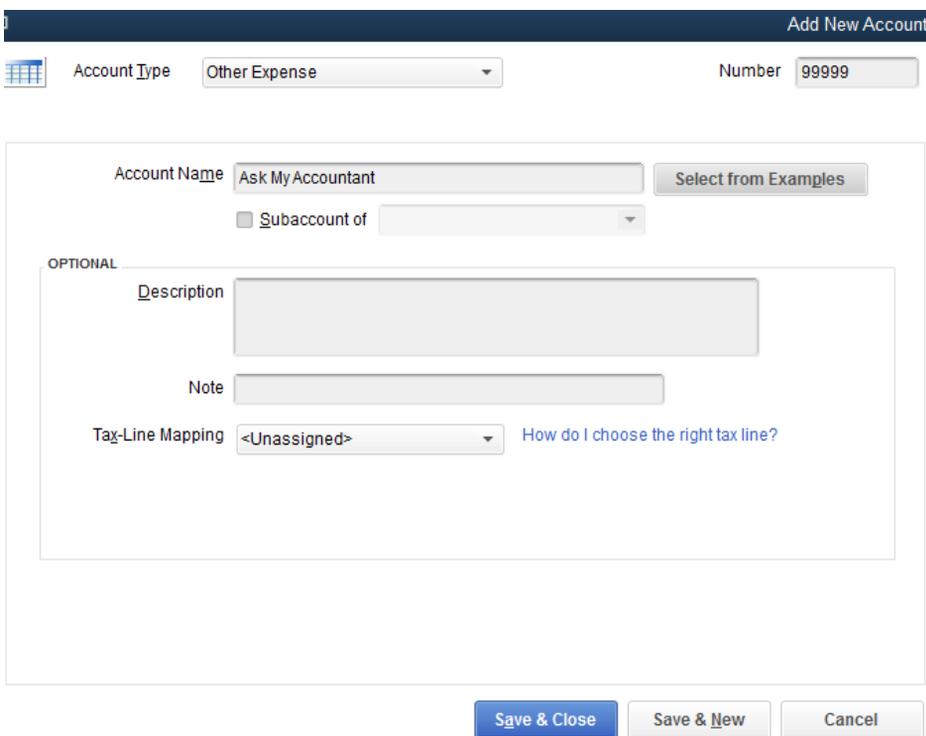
If account numbers are turned on in the accounting preferences, enter **99999** for the account **Number** and **Ask My Accountant** for the **Account Name**.

**Description and Notes** are optional fields.

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

Select **Track Reimbursed Expenses in Income** if you want to post all transactions related to this expense account to a specific income account.

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



Add New Account

Account Type: Other Expense      Number: 99999

Account Name: Ask My Accountant      [Select from Examples](#)

Subaccount of: \_\_\_\_\_

OPTIONAL

Description: \_\_\_\_\_

Note: \_\_\_\_\_

Tax-Line Mapping: <Unassigned>      [How do I choose the right tax line?](#)

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

## Chart of Accounts

### Delete Account

Click one time to highlight the **Account** you would like to delete.

Click the Account Tab from the Chart of Accounts List.

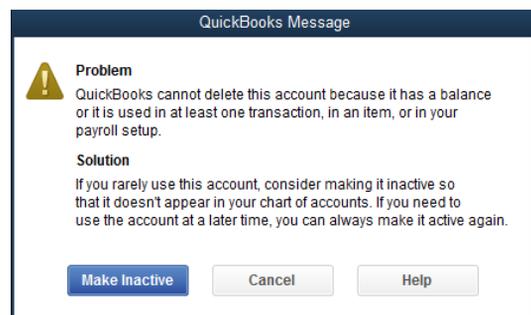
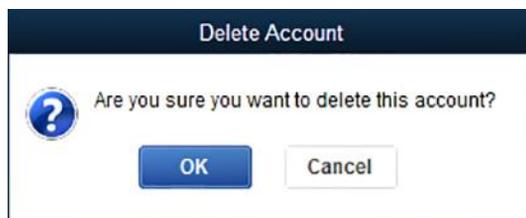
Click **Delete** Account.

For this example we will delete **Miscellaneous** expense.

<u>N</u> ew	Ctrl+N
<u>E</u> dit Account	Ctrl+E
<u>D</u> elete Account	Ctrl+D
<u>M</u> ake Account Inactive	

· 64000 · Late Fees	Expense
· 64300 · Meals and Entertainment	Expense
· 64400 · Miscellaneous	Expense
· 64800 · Office Expense	Expense

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



## Chart of Accounts

### Merge Accounts

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

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

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

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

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

from the Chart of Accounts Settings Window.

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

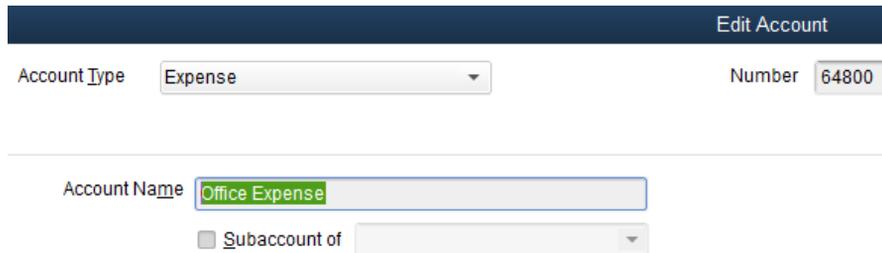
Click the **Account Tab** or **Right Click** on the screen.

Click **Edit**.

◆ 64300 · Meals and Entertainment	Expense
◆ 64800 · Office Expense	Expense
◆ 64900 · Office Supplies	Expense
◆ 66000 · Payroll Expenses	Expense

## Chart of Accounts

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



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



**Sub Accounts** are a great way to organize your chart of accounts when used properly.

It is important to select the sub-accounts in all transactions and avoid using the main account. For this example we will create three **Sub-Accounts** for “Auto and Truck Expense.”

Click the **Account Tab**

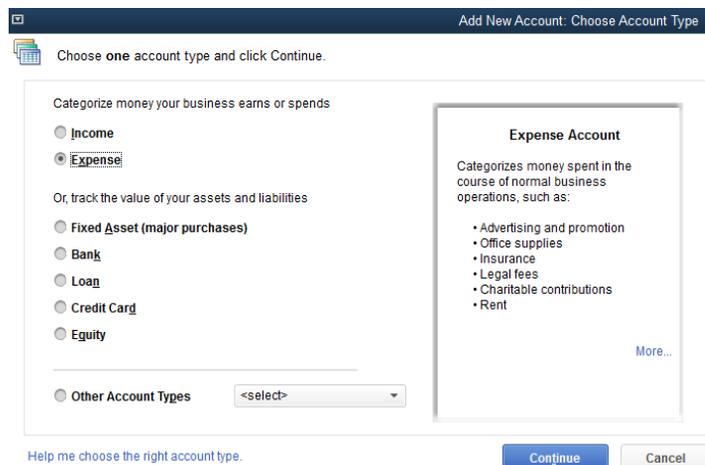
from the Chart of Accounts

List. Click **New**.

Select **Account Type**

“Expense.”

Click **Continue**.

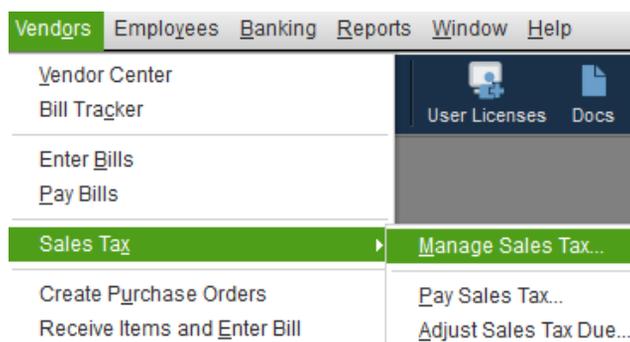


## Manage Sales Tax

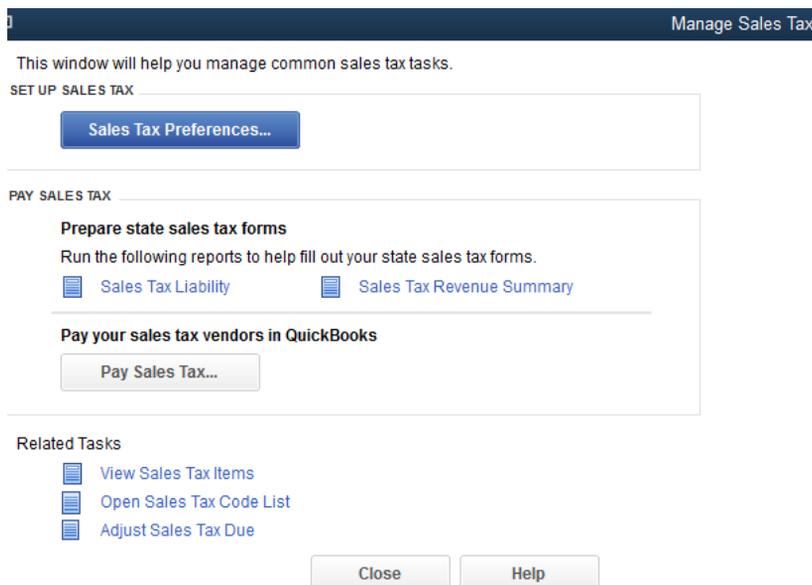
Managing sales tax will increase the accuracy of data for state filing.

View sales tax activity, pay sales tax, access reports, edit settings and rates from one window.

Click **Vendors** from the **Menu Bar** -> **Sales Tax** -> **Manage Sales Tax**.



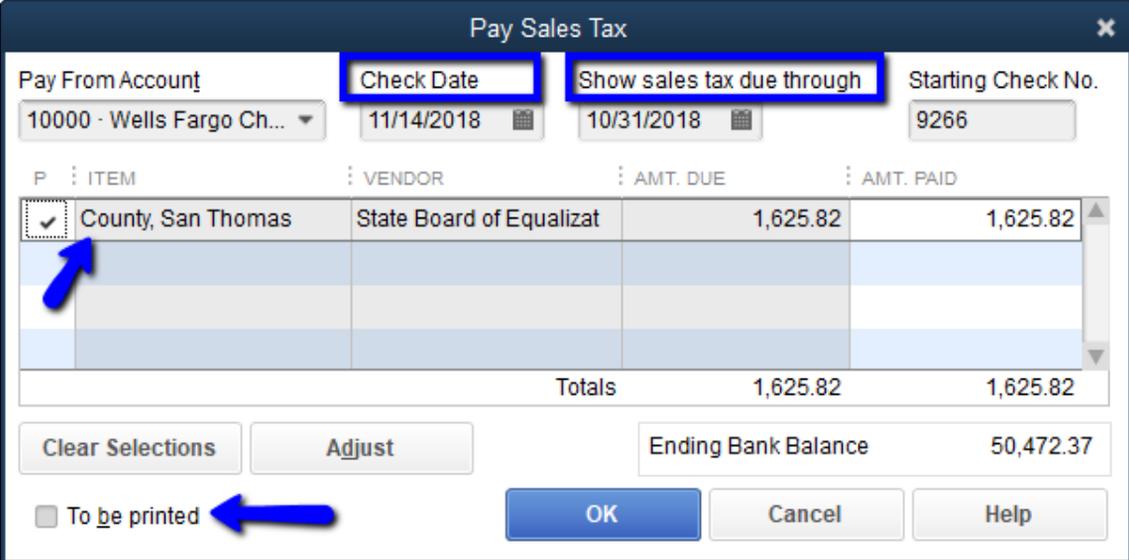
Adjust Sales Tax Preferences, Review Reports and Review Items and Code Lists.



**Note:** Invoices or Sales Receipts are required to properly calculate sales tax collected. It is important to verify the Sales Tax Liability and Sales Tax Revenue reports before filing with your state agency. You are required to manually maintain all sales tax rates in QuickBooks®.

## Manage Sales Tax

Click the **Pay Sales Tax** button to write and/or print a sales tax liability check. It is important to pay your sales tax liabilities through this window as it maintains proper balances within QuickBooks®.



P	ITEM	VENDOR	AMT. DUE	AMT. PAID
<input checked="" type="checkbox"/>	County, San Thomas	State Board of Equalizat	1,625.82	1,625.82
Totals			1,625.82	1,625.82

Clear Selections    Adjust    Ending Bank Balance 50,472.37

To be printed    OK    Cancel    Help

## Items

### Add Product or Service

Click the **Item** tab.

Click **New**.

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

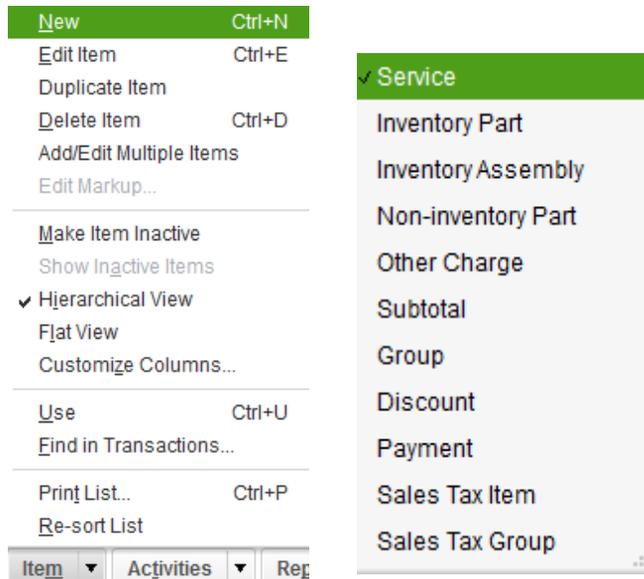
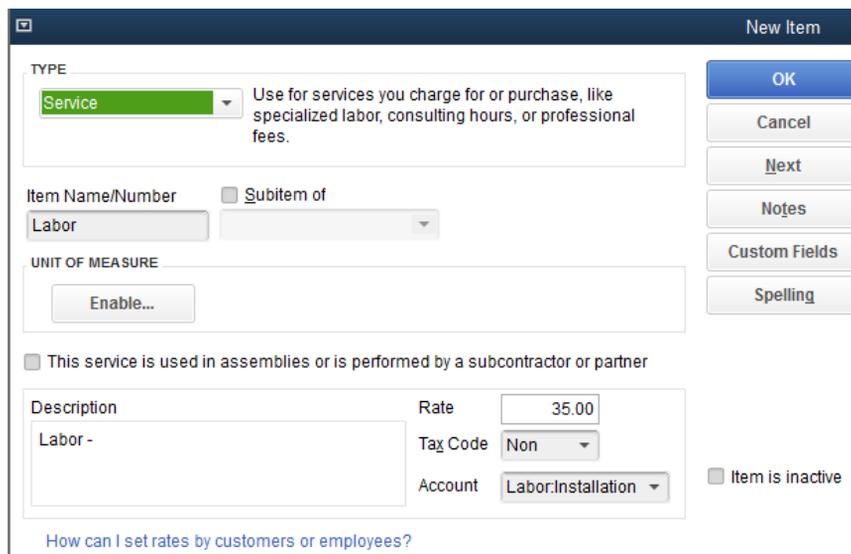
Enter the Item **Name/Number**.

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

Enter a default **Rate**.

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

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

The image shows the 'New Item' dialog box in QuickBooks. The 'TYPE' dropdown is set to 'Service'. The 'Item Name/Number' field contains 'Labor'. The 'UNIT OF MEASURE' section has an 'Enable...' button. The 'Description' field contains 'Labor -'. The 'Rate' field is set to '35.00'. The 'Tax Code' dropdown is set to 'Non'. The 'Account' dropdown is set to 'Labor:Installation'. There are buttons for 'OK', 'Cancel', 'Next', 'Notes', 'Custom Fields', and 'Spelling'. A checkbox for 'Item is inactive' is present and unchecked. A link at the bottom says 'How can I set rates by customers or employees?'.

## Items SAMPLE ONLY

THIS FILE CONTAINS A PARTIAL SAMPLE OF SLIDES FROM THE FULL TRAINING

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

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

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

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

**TYPE**

Non-inventory Part
Use for goods you buy but don't track, like office supplies, or materials for a specific job that you charge back to the customer.

Item Name/Number  Subitem of Manufacturer's Part Number

Fountain

**UNIT OF MEASURE**

U/M
 
Edit...

This item is used in assemblies or is purchased for a specific customer:job

**PURCHASE INFORMATION**

Description on Purchase Transactions

Cost 150.00

Expense Account 50000 - Cost of Goods...

Preferred Vendor

**SALES INFORMATION**

Description on Sales Transactions

Rock Fountain

Sales Price 275.00

Tax Code Tax

Income Account 40000 - Landscaping ...

OK

Cancel

Notes

Custom Fields

Spelling

Item is inactive

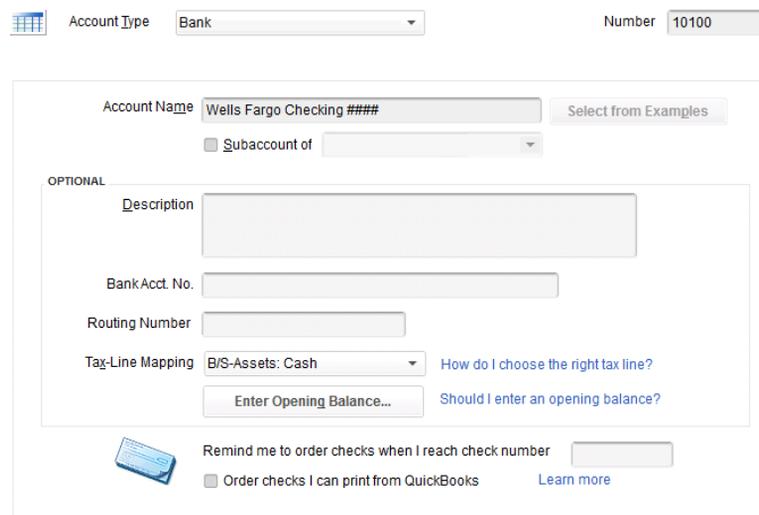
**Note:** Descriptions auto-populate when item is used in an invoice, sales receipt, bill, or check.

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QuickBooks Desktop Foundations

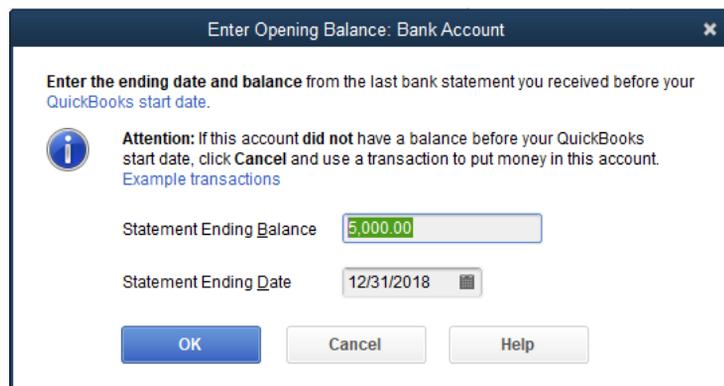
## Beginning Balances

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



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

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



## Historical Transactions

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

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

Use the following process to enter bank transactions:

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

## Section 2 Practice Test

**1. Which of the following statements is true about items?**

- a) Items are unnecessary.
- b) Items replace the chart of accounts.
- c) Items are used when creating invoices or sales receipts.
- d) All of the above

**2. How would you set a closing date and password?**

- a) Company->Set Closing Date
- b) Edit->Preferences->Accounting->Company
- c) Both A and B
- d) File->Utilities

**3. What type of account would you use to setup a new vehicle loan?**

- a) Long Term Liability
- b) Asset
- c) Current Liability
- d) Expense

**4. What item type would you use for tracking sales for products or services you do not keep in inventory?**

- a) Service
- b) Non-Inventory
- c) Other Charge
- d) Inventory

**5. What should you do when you need to delete an account and it has historical data?**

- a) Copy
- b) Merge
- c) Inactivate
- d) Delete

## Section 2 Practice Test

**6. Where would you go to setup an external accountant?**

- a) Company->Setup Users & Passwords->Setup Users
- b) Edit-Preferences->General
- c) Home Page->Company->Chart of Accounts
- d) None of the Above

**7. Where can you change the window display from one window to multiple windows?**

- a) Edit Preferences->Desktop View->My Preferences
- b) Lists ->Templates
- c) View
- d) Both A and C

**8. What is the purpose of subaccounts?**

- a) To track classes or departments.
- b) To group accounts in a logical order.
- c) To track expenses by location.
- d) None of the above

**9. Where would you go to manage sales tax?**

- a) Customers->Sales Tax->Manage Sales Tax
- b) Home Page->Manage Sales Tax
- c) Vendors->Sales Tax->Manage Sales Tax
- d) Both B and C

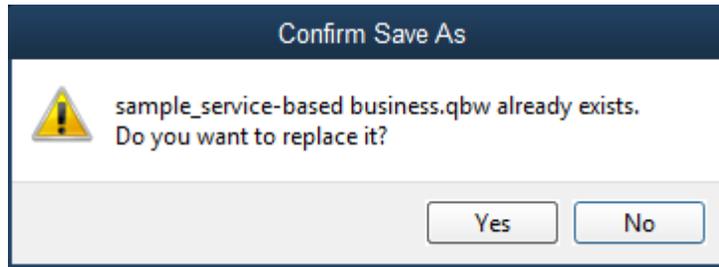
**10. What category in the chart of accounts is used to post beginning balances?**

- a) Open Balance Equity
- b) Retained Earnings
- c) Ask My Accountant
- d) Beginning Balances

## Restore a Data File

In this restore example we are replacing an existing data file.

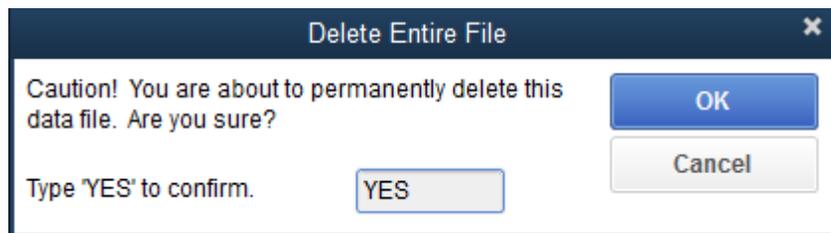
Click **Yes**.



When replacing an existing data file you will be asked if you are certain you want to permanently delete the file.

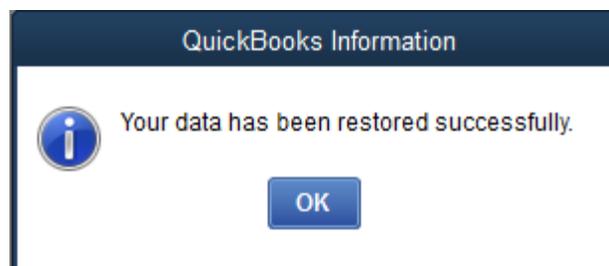
Type **YES**.

Click **OK**.



Your data has been successfully restored.

Click **OK**.



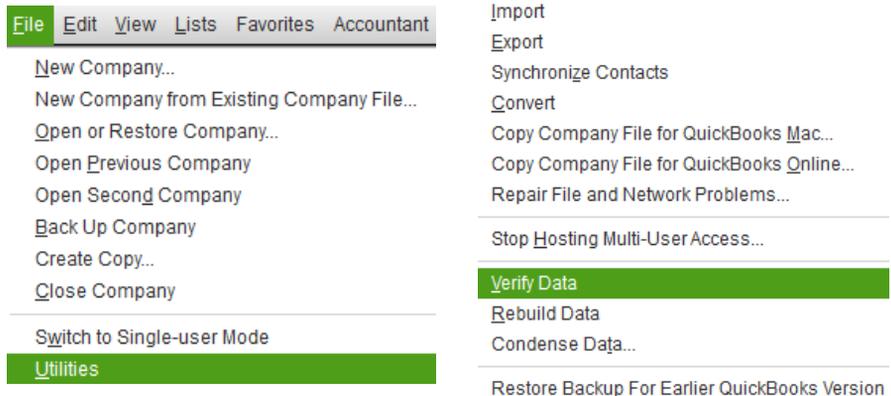
## Verify and Rebuild Data

When you begin to notice that something appears off in your QuickBooks® data file or your balance sheet does not balance, it is time to run a verify and rebuild.

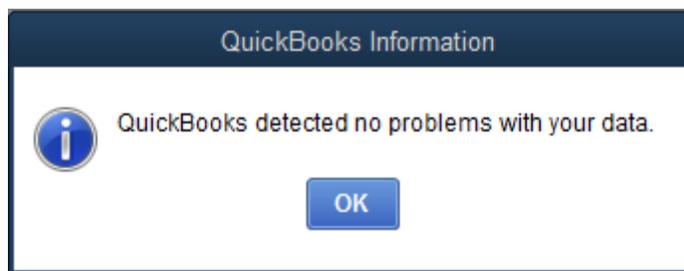
Click **File** from the **Menu Bar**.

Click **Utilities**.

Click **Verify Data**.



Allow the verify process to complete. No problems with your data means you can continue working. Click **OK**.



**Note:** If you receive a window box that indicates QuickBooks® detected a problem with your data, you will need to run a rebuild.



QuickBooks Desktop Foundations

# **APPENDIX D GLOSSARY & KEYBOARD SHORTCUTS**

Glossary

Keyboard Shortcuts

## Glossary of Terms

### Accounting and Reporting

<https://community.intuit.com/articles/1164870-glossary-of-terms-accounting-and-reporting>

**Income** – Money earned from sale of your products or services is recorded as income.

**Expense** – An account that tracks and categorizes what your company is spending.

**Cost of Goods Sold** – The Cost of Goods Sold account is for costs directly related to producing a service or product for sale.

**Asset** – Assets include something you have purchased in the past that will be used in the future to produce income.

**Bank** – Bank accounts are used to track cash moving in and out of the business.

**Other Current Asset** – This account type is typically used for Inventory, undeposited Funds, Employee Advances etc.

**Fixed Asset** – Used to track tangible property that will have a useful life of longer than one year.

**Other Assets** – Intangible assets that have life of more than one year and is not a Fixed Asset or Current Asset.

**Liability** – Liabilities are your company's debts.

**Current Liabilities** – Debts your company expects to pay within a year. Ex. Sales Tax, Payroll Tax, Credit Cards.

**Long-Term Liabilities** – Debts your company expects to pay off in more than one year. Also referred to as Note Payable.

**Equity** – Equity is the net worth of a company. This is the difference between what you owe (liabilities) and what you have (assets).

**SAMPLE ONLY**  
**THIS FILE CONTAINS A PARTIAL SAMPLE OF SLIDES**  
**FROM THE FULL TRAINING**