



QuickBooks®

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QUICK TOUR OF QUICKBOOKS

QuickBooks accounting software provides an easy way to collect and summarize accounting information. In addition, the user can create many different reports that are useful when managing a business.

The objective of an accounting system is to collect, summarize, and communicate information to decision makers. Accounting information is used to:

- Prepare tax returns for federal and state tax agencies.
- Prepare financial statements for banks and investors.
- Prepare reports for managers and owners to use when making decisions.

RESTORE COMPANY FILE

You will find the following files in your **Student files** for **UNIT 01**.

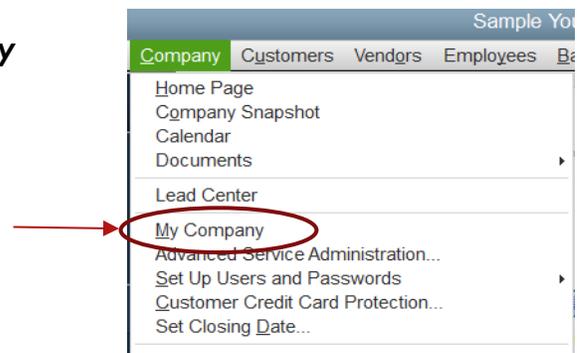
- U01a1 Rock Castle Construction
- U01a2 Larrys Landscaping
- UNIT_01_Reports

To complete the first lesson exercises, **RESTORE** the **u01a1 Rock Castle Construction** company file from the **UNIT 01** folder (Refer to page 3 of Appendix A).

UNIT 01 QUICKBOOKS NAVIGATION

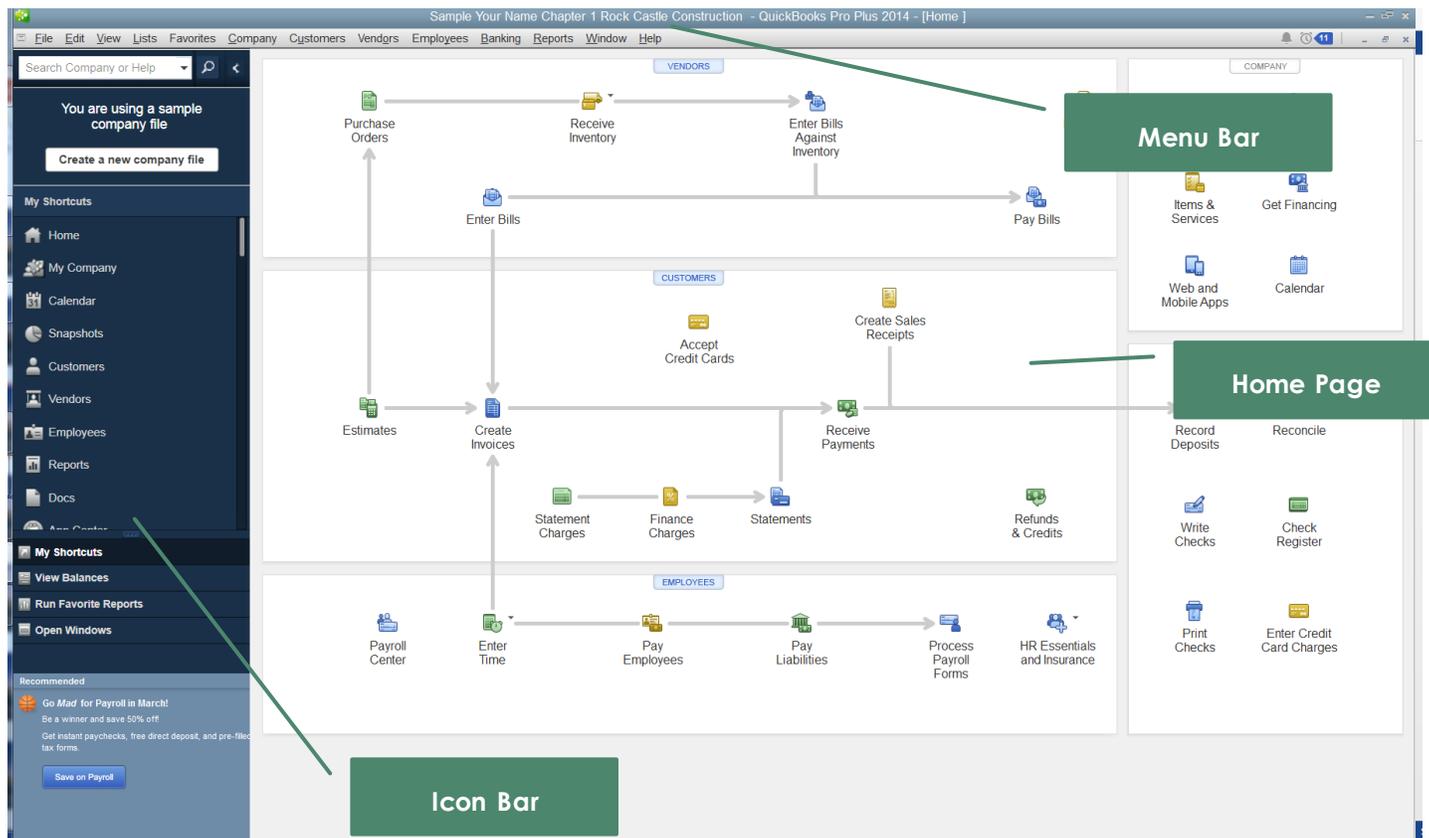
After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Rock Castle Construction. Your first activity is to personalize that name to meet your needs. Follow these instructions:

- Step 1.** From the Menu bar, select **Company**
- Step 2.** Select **MY COMPANY**
- Step 3.** Select **EDIT**
- Step 4.** Update the Company Name Field to:
**YourName Rock Castle
Construction**
- Step 5.** **CLICK** on **OK**
- Step 6.** **Close** the My Company window.



NOTE: The process to **rename the company** is found in **Appendix B** and will be repeated throughout all the activities in the text.

Take a few minutes to familiarize yourself with the QuickBooks navigation screens. The following illustration summarizes some of the common areas of the program:



HOME PAGE

To view the QuickBooks Home page, click the HOME icon in the Icon bar. The Home page contains the main categories of transactions and tasks:

1. **Customer** or sales transactions
2. **Vendor** or purchase transactions
3. **Employee** or payroll transactions
4. **Banking** transactions
5. **Company** tasks

CUSTOMERS

The Customers section is a flowchart of the main activities associated with sales and customers. From the Customers flowchart, you user can do the following:

1. Create Estimates
2. Create Invoices
3. Record Refunds and Credits
4. Record Payments (cash, check, and credit card payments).

VENDORS

From the Vendors flowchart, you can record all of these types of transactions:

1. Purchase Orders
2. Inventory Received
3. Bills Received
4. Bills Paid
5. Sales Tax Paid

EMPLOYEES

From the Employees flowchart, you will find the following options:

1. Enter Time Worked
2. Pay Employees
3. Pay Payroll Tax Liabilities
4. Process Payroll Forms

BANKING

From the Banking section you can perform the following options:

1. Record Deposits
2. Write Checks
3. Reconcile Your Bank Statement
4. Open Your Check Register

COMPANY

The company section is used to access the following:

1. **Chart of Accounts** – A list of accounts a company uses to track accounting information
2. **Items and Services** – A list of items and services that a company buys and/or sells
3. **QuickBooks Web and Mobile Apps** – A QuickBooks service that permits you to connect your mobile devices (iOS and Android OS) to your QuickBooks data.
4. **Calendar** – View a personalized to do list with reminders in calendar form.

ICON BAR

The QuickBooks Icon bar with *My Shortcuts* is a toolbar that can be customized for frequently used activities. The Icon bar can be displayed either beneath the Menu bar or on the left side of the QuickBooks windows.

If the Icon bar does not appear on your screen, follow these steps:

- Step 1.** Click **View**
- Step 2.** Select **Left Icon Bar**

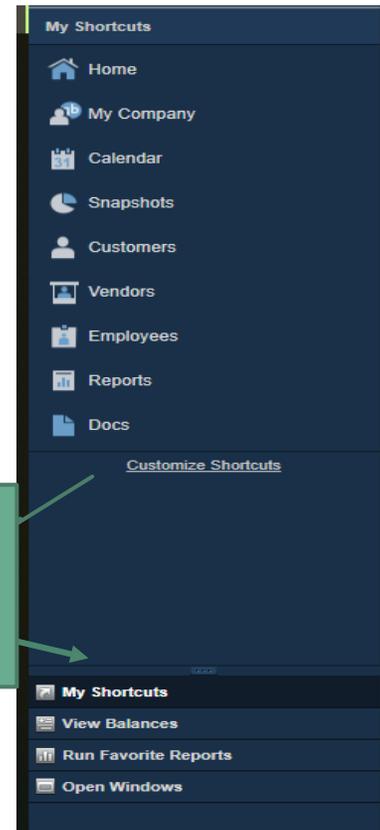
The Icon bar can be customized to display the tasks that you use most frequently. To customize the Icon bar, follow these steps:

- Step 3.** Click **Customize Shortcuts**
- Step 4.** The **Icon Bar Content** should include the following:

- Home
- My Company
- Calendar
- Snapshots
- Customers
- Vendors
- Employees
- Reports
- Docs

- Step 5.** **Delete** the items that are not on this list.

After completing steps 1-5, Your icon bar should look like the image to the right.



MY SHORTCUTS

The following activities are to familiarize you with the menus. We will cover each item in detail later in this book. To use My Shortcuts for each of the items featured next to the steps:

- Step 1.** Select  **My Company** on the Icon bar.
- Step 2.** Select **Edit** to make changes to the My Company window.
- Step 3.** **Close** the My Company windows
- Step 4.** Select  **Calendar** on the Icon Bar
- Step 5.** To add a task to the calendar, select **Add To Do** for today.

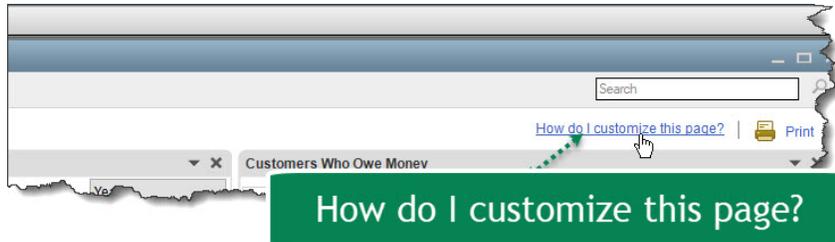


- Step 6.** **CLICK** on **December 15, 2022**

Step 7. Add the following task on your company calendar:
Learn QuickBooks Shortcuts and Navigation

Step 8. Select  **Snapshots** to display a digital dashboard

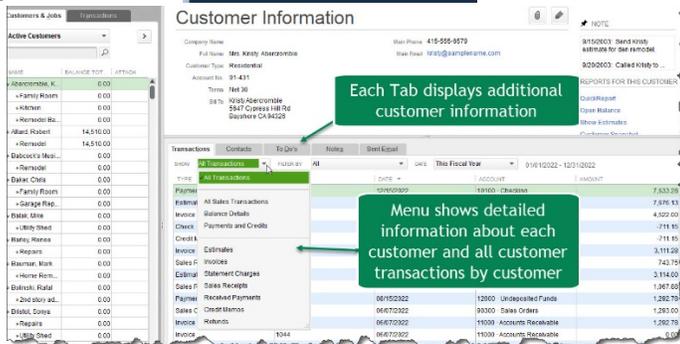
Step 9. To customize the dashboard, select **How do I customize this page?**



Snapshots provides an overview, summarizing important company information such as:

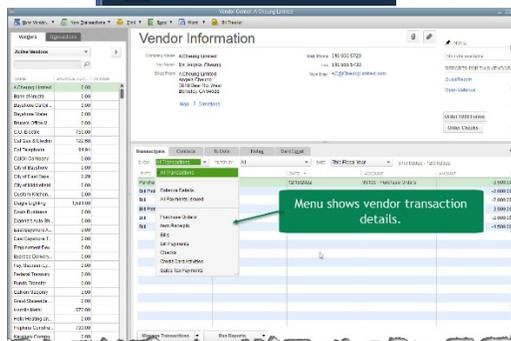
- Customers Who Owe Money
- Vendors to Pay
- Account Balances
- Reminders of Due Dates and Amounts

Step 10. Click  **Customers** on the Icon bar.



Step 11. Toggle between customer and transaction information. The Customer Center summarizes information about customers, jobs, and customer transactions. The information can be printed or exported to Excel or Word.

Step 12. Click  **Vendors** on the Icon bar.



Step 13. Toggle between vendor and transaction information. The Vendor Center summarizes information about vendors and vendor transactions. The information can be printed or exported to Excel.

Step 14. Click **Employees** on the Icon bar.



Step 15. From the Employee Center you can toggle between employee, transaction, and payroll information.

Step 16. Click **Reports** on the Icon bar.



Step 17. You can select from Standard, Memorized, Favorites, Recent, or Contributed reports.

Step 18. Click **Docs** on the Icon bar.



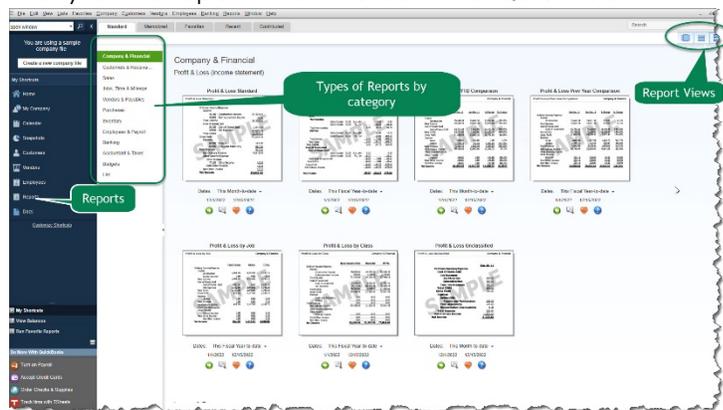
Step 19. Use the Doc Center to add a document from your computer or scan a document into QuickBooks. You can even attach the document, such as a receipt, to a specific transaction.

Step 20. Use the Menu Bar to **CLICK** on the **VIEW** option

Step 21. Select **Open Window List**. This will enable a view of all the open windows. You may use this feature when you need to switch back and forth between open windows quickly.

Step 22. **CLICK** on the **MY SHORTCUTS** option at the bottom of the icon bar to view the shortcuts you created.

Step 23. **CLICK** on **REPORTS** from the shortcut menu. This menu shows an image view of many of the reports that are built into QuickBooks.



Step 24. **Close** all open windows except the Home page. To save time when working in QuickBooks, you can organize and arrange My Shortcuts on the Icon bar to suit your specific QuickBooks needs.

- i. **CLICK on Windows** from the **top menu bar**. You will see the open windows open. You can now close each one individually.

QUICKBOOKS MENUS

You can also access tasks using the Menu bar across the top of the QuickBooks window.

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help

Each menu item has an additional drop-down menu with options that can be performed. Many of these menus work the same as those on the Icon bar yet each has various unique options as well.

★ These options are available in QuickBooks Premier Accountant. The option is not available in QuickBooks Pro or Pro Plus.

Step 1. Click on the **File** option. From the File drop-down menu, you can perform tasks including the following:

New Company...

- **New Company** – Used to create a new QuickBooks company file.

New Company from Existing C

- ★ • **New company from Existing Company File** – This option can be used to create a new company that has a similar chart of accounts, memorized reports etc.

Open or Restore Company...

- **Open or Restore Company** – This option can be used to restore a backup file or a current company that has not been opened on this computer or not shown in the previous company area of QuickBooks.

Open Previous Company

- **Open Previous Company** – QuickBooks remembers the names and locations of recently opened company files to make it easy to switch between files. You can tell QuickBooks how many recently opened files to display in the Open Previous Company list or in the No Company Open window.

Open Second Company

- ★ • **Open Second Company** – You can open 2 company files at the same time in the same year of QuickBooks Accountant, QuickBooks Professional Bookkeeper, and QuickBooks Enterprise Solutions. The first file you open is labeled **Primary** and has a few limitations. The second file is labeled **Secondary** and has more limitations. If you close the primary file when 2 companies are open, the secondary file now becomes the primary file.

Note: This only applies to QuickBooks company files within the same year. You can have two company files open in two separate years of QuickBooks without the Primary/Secondary file restrictions.

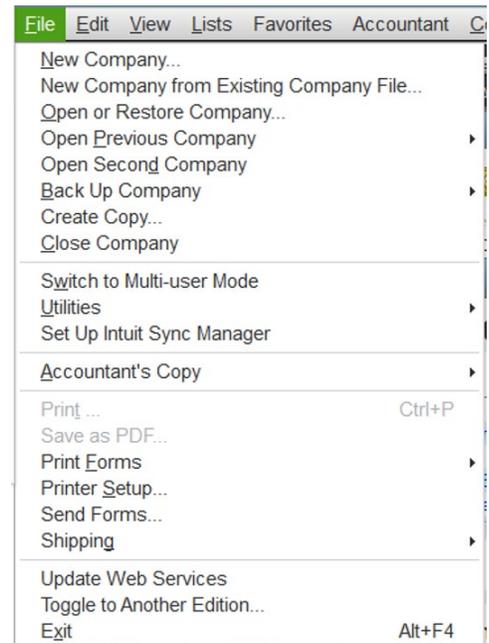


Figure 1: File Menu Options

Back Up Company

Create Copy...

- **Back Up Company** – This option will walk you through creating a backup file. The backup file (.qbb) contains copies of all the data you need to recreate your company file (.qbw) and QuickBooks environment, including your supporting files (such as templates, letters, images, and so on).
- **Create Copy** – With this option, you are given the prompt to create a Backup Copy, Portable Company file or an Accountant's copy. The following summarizes each of these options:

- ✓ **Backup (.QBB)**—A QuickBooks Backup files should be created at regular intervals in case your .QBW file fails or is destroyed. The .QBB file version is a compressed file and cannot be opened directly. Furthermore, you cannot enter transactions directly into a .QBB file. Instead, you must unzip the file first by restoring the file into a .QBW file version.
- ✓ **Portable or Mobile (.QBM)**—A QuickBooks Mobile file, also called a QuickBooks Portable file, is used to move a QuickBooks file to another computer. Like the .QBB backup file version, the .QBM file version is compressed and must be unzipped and restored into a .QBW file version before it can be used to enter data.
- ✓ **Accountant (.QBX)**—A QuickBooks Accountant Copy is identified with a .QBX extension. This version of the company file is given to the accountant. The accountant can make changes, such as adjusting entries, to the .QBX version of the company file while the .QBW company files are used to continue entering transactions.

Note: Before creating an accountant's copy, check with your bookkeeper or accountant to insure they do indeed have an Accountant or Bookkeeper copy of QuickBooks. They will not be able to open your file if they are using Pro or Pro Plus.

Close Company

Switch to Multi-user Mode

Utilities

- **Close Company** – This option closes the current company file and prompts the user to open, create or restore another QuickBooks file.
- **Multi-user Mode** – This option is available when QuickBooks is used on a network. If an additional QuickBooks license has been purchased, it enables the users to work on the same company file simultaneously.
- **Utilities** – In this area the user can perform such options as importing and exporting company data to another file format. The option contains various utilities to perform maintenance activities as well.

SEND COMPANY FILE

Accountant's Copy

- **Accountant's Copy** – The accountant can make adjustments and changes to the Accountant's Copy. Then the Accountant's Copy is merged with the original company data. This permits the entrepreneur to

continue using QuickBooks to record transactions at the same time the accountant reviews and makes changes to the records.

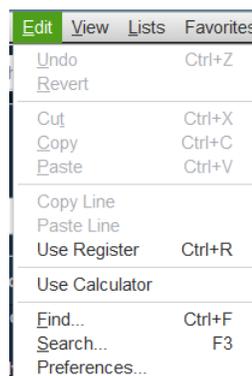


- **Output Tasks** – Print, Save as PDF, Print Forms, Printer Setup, Send Forms, Shipping. Note: The Print option may not appear to be activated in your file menu. This is because you need to have a function open to activate the menu. The menu to the left is showing because the user opened the Invoice option.

In QuickBooks Accountant Edition, the File menu displays Toggle to Another Edition. This command allows you to switch to another QuickBooks edition, such as QuickBooks Pro. To remove the File drop-down menu from the screen, click anywhere outside the drop-down menu or press the **Esc** (Escape) key.

Step 2. Click **Edit**  on the Menu bar. From the Edit drop-down menu, you can perform tasks including the following:

- Undo
- Revert
- Cut
- Copy
- Paste
- Copy Line
- Paste Line
- Use Register
- Use Calculator
- Find
- Search
- **Preferences** - QuickBooks can be customized using QuickBooks preferences.



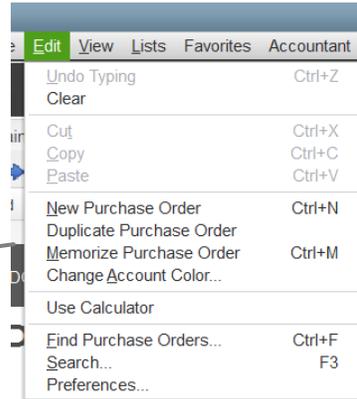
The Edit Menu changes based upon which windows are open.

Step 3. CLICK the **Home** icon to  display the Home page

Step 4. CLICK the **Purchase Orders** icon in the Vendors section to display the purchase order form.

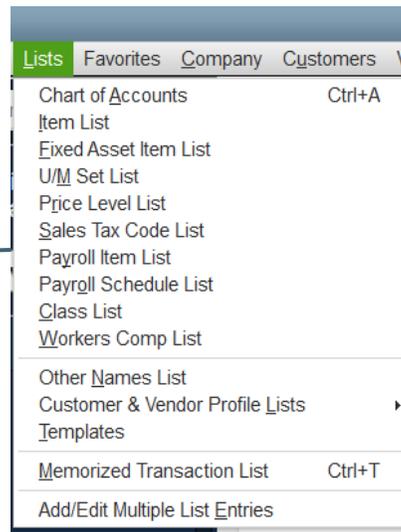
Step 5. CLICK **Edit**  menu. Now the Edit menu will appear as follows:

The **Edit** menu now contains:
New Purchase order, Duplicate Purchase Order, Memorize Purchase Order, and Change Account Color, Memorize Purchase Order, and Change Account Color



Step 6. Click **Lists**  on the Menu bar to display the following dropdown menu:

Note: Each company file is different; therefore, the lists for that company may vary.



From the Lists drop-down menu, you can access various lists of information.

- **Chart of Accounts** – A list of accounts used to record transactions.
- **Item List** – A list of inventory items that you buy and sell, or a list of services provided to customers.
- **Payroll Item List**– A list of items related to payroll checks and company payroll expense such as salary, hourly wages, federal and state withholding, unemployment taxes, Medicare, and Social Security.
- **Templates** – A list of templates for business forms, such as invoices and purchase orders.
- **Memorized Transaction List**– A list of recurring transactions that are memorized or saved. For example, if your company pays \$900 in rent each month, then the rent payment transaction can be memorized to eliminate the need to reenter it each month.

Step 7. CLICK **Accountant** on the Menu bar to display the drop-down menu. **NOTE: This option is not available in Pro or Pro Plus**

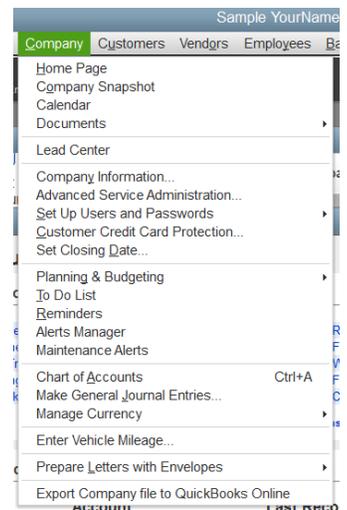
From the Accountant drop-down menu, you can access features accountants use for client services.

- **Accountant Center** – A central location to organize accountant tools in QuickBooks.
- **Chart of Accounts** – A list of accounts used to record transactions.
- **Client Data Review** – This tool streamlines client file cleanup tasks.
- **Make General Journal Entries** – An onscreen journal for the accountant to make correcting and adjusting entries.
- **Reconcile** – The accountant can reconcile client bank statement.
- **Working Trial Balance** – The accountant can use this to review beginning balances, adjustments, and ending balances.
- **Set Closing Date** – The accountant can set the closing date for the accounting period.
- **Condense Data** – This feature permits the accountant to create a period copy of a client's QuickBooks files. For example, an accountant might create a period copy of a client's 2014 accounting year to provide to the IRS.
- **View Conversation List** – QuickBooks 2014 introduces a Client Collaborator feature to facilitate accountant and client communication
- **Remote Access** – This service permits accountants to remotely access clients' QuickBooks files.
- **Online Accountant Resources** – QuickBooks offers desktop and online accounting solutions.

Step 8. CLICK  **Company** on the Menu bar to display the drop-down menu.

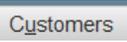
From the Company menu, you can access the following tasks:

- **Company Information** – Access company information and for example, change the company name.
- **Set up Users and Passwords** – Setup users and restrict access to certain parts of QuickBooks. Change QuickBooks account passwords (administrators)
- **Planning and Budgeting** – Set up budgets and use planning decision tools.
- **To Do List** and **Reminders**– Create a To Do List and Reminders
- **Chart of Accounts** – The Chart of Accounts is a list of accounts and account numbers. A company uses accounts to record transactions in the accounting system. Accounts (such as the Cash account or Inventory account) permit you to sort and track information.

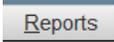


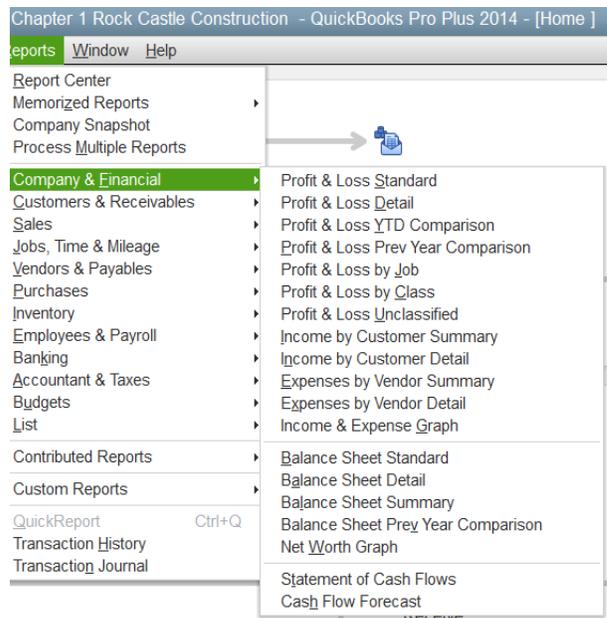
- **Make General Journal Entries** – As transactions information is entered into QuickBooks, the program automatically converts the transactions into journal entries. Adjustments to these entries can be made in this area.
- **Enter Vehicle Mileage** – QuickBooks will produce a mileage report for all vehicles that have been used for business.
- **Export Company file to QuickBooks Online** – Set up mobile access to access your QuickBooks data online on your mobile device.

Step 9. The next four items on the Menu bar display drop-down menus listing various activities related to the four major types of transactions for a company:

- Customers 
- Vendor 
- Employee 
- Banking 

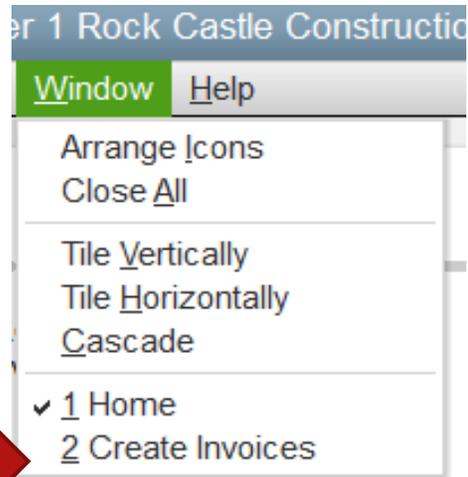
Some of the frequently used activities on these drop-down menus can also be accessed from the Home page.

 **Step 10.** Click **Reports** on the Menu bar to display the list of reports that QuickBooks can create for your company. These reports can also be accessed from the Report Center by selecting Reports on the Icon bar.



Step 11. CLICK  **Window** on the Menu bar to display the drop-down menu. From this menu you can switch between windows to display onscreen.

- Previously in this exercise you opened the **Create Purchase Orders** option. If it shows in your window, select it.
- **Close** the Create Purchase Orders window by clicking the in the upper right corner of the Create Purchase Orders windows



QUICKBOOKS REPORTS

QuickBooks offers many different types of reports that can be customized to meet business needs. To prepare a QuickBooks trial balance report for Rock Castle Construction, follow these steps:

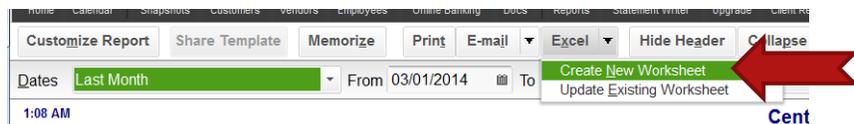
TRIAL BALANCE REPORT (CH1 TB)

- Step 1:** In the **My Shortcuts** section of the Icon bar, select **Reports**
- Step 2:** Select **Accountant & Taxes** from the report categories on the left of the window.
- Step 3:** Select **Carousel View**.
- Step 4:** Select **Trial Balance** report.
- Step 5:** Select the date range: **11/01/2022 to 11/30/2022**
- Step 6:** Select the **Run** icon

Total Debits equal **\$ 1,061,566.46**

- Step 7:** With the Trial Balance report displayed on your screen, select **Excel**.

- Step 8:** Select **Create new Worksheet**

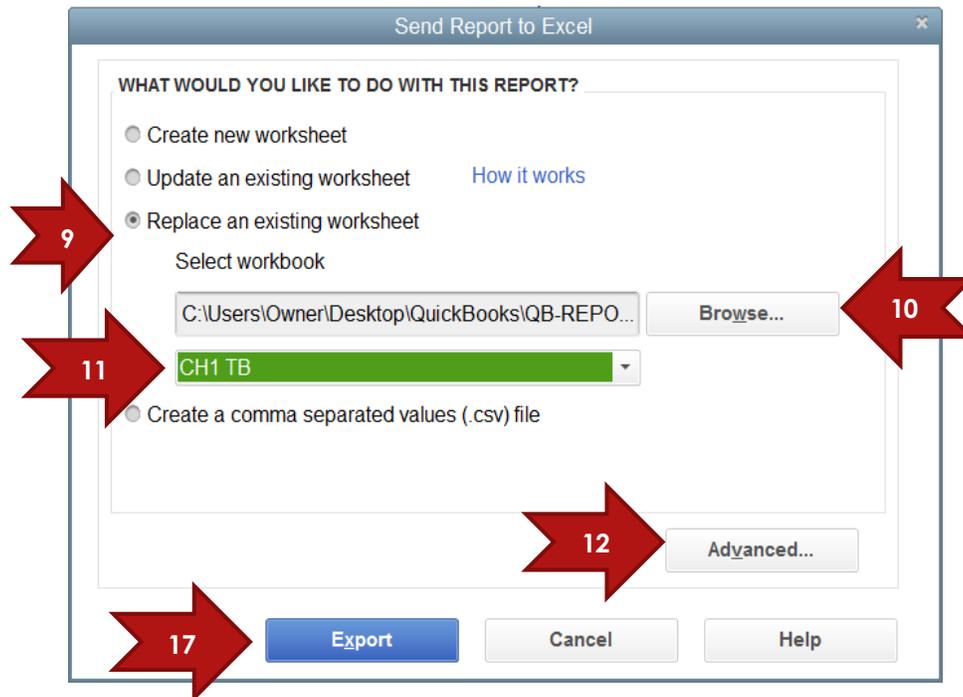


- Step 9:** When the *Send Report to Excel* window appears, select **Replace an existing worksheet**.

- Step 10:** Click the **Browse** button

In the UNIT 01 folder, **SELECT** the Excel file named **UNIT_01_REPORTS**.

Step 11: From the drop-down list, select the sheet: **CH1 TB**.



Step 12: Click the **Advanced** button.

Step 13: Uncheck **Space between columns**.

Step 14: Uncheck **Include QuickBooks Export Guide worksheet with helpful advice**

Step 15: Select **On printed report and screen**

Step 16: Click **OK**

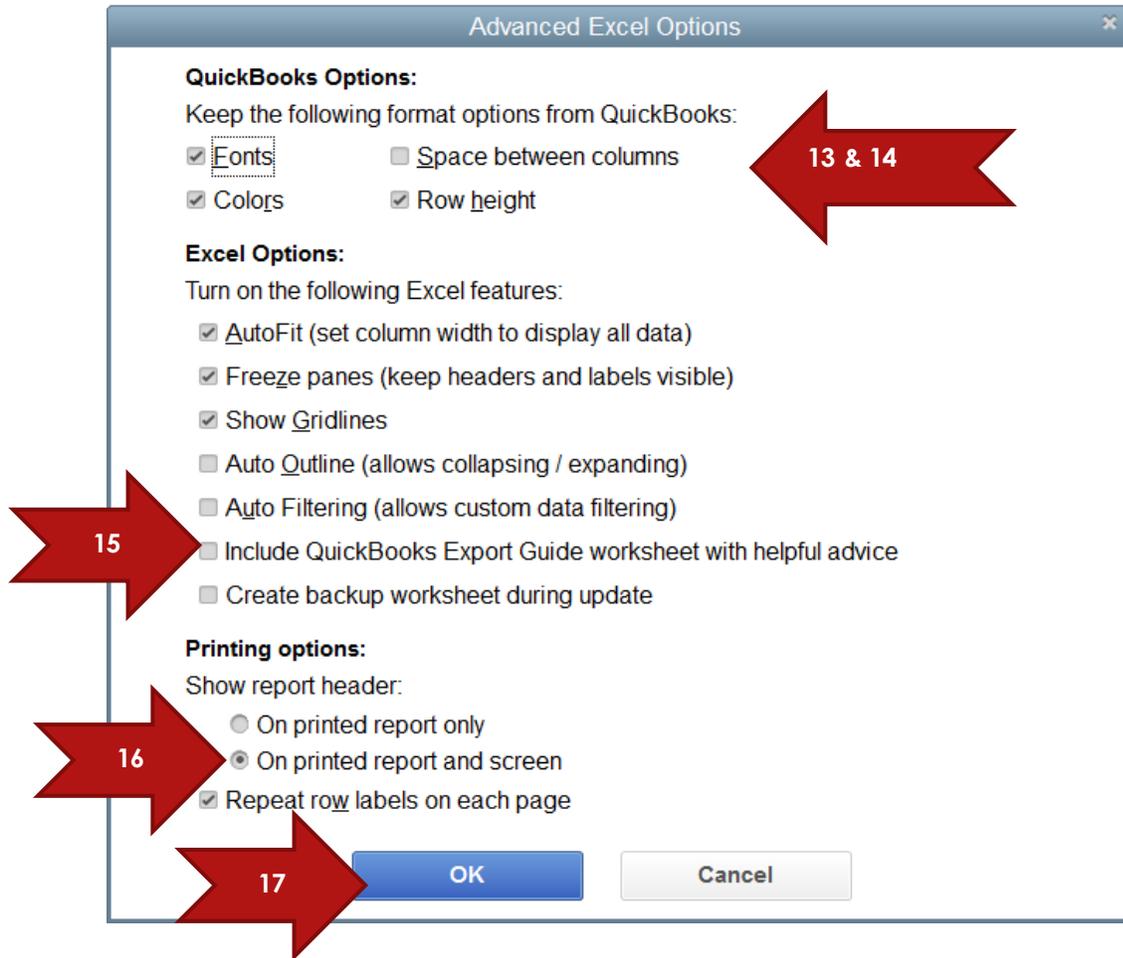
Step 17: Click **Export**

Step 18: When the following Export Report Alert window appears, select **Do not display this message in the future**.

Step 19: Select **Yes**

Step 20: **Review** the report exported to Excel.

Step 21: Save and close the Excel File. You will use it again.



NOTE: The process to **export reports to Excel** is found in **Appendix C** and will be repeated throughout all the activities in the text.

PROFIT AND LOSS STATEMENTS (CH1 PL ST, CH1 PL DT)

The profit and loss (P&L) statement is a financial statement that summarizes the revenues, costs and expenses incurred during a specified period, usually a fiscal quarter or year. The P&L statement is synonymous with the income statement. These records provide information about a company's ability or inability to generate profit by increasing revenue, reducing costs or both. Some refer to the P&L statement as a statement of profit and loss, income statement, statement of operations, statement of financial results or income, earnings statement or expense statement.

CH1 PL ST

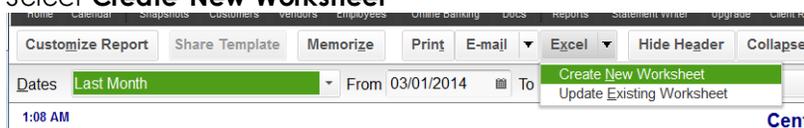
Use the Icon Bar Option



- Step 1:** In the **My Shortcuts** section of the Icon bar, select **Reports**
- Step 2:** Select **Company & Financial** from the report categories on the left of the window.
- Step 3:** Select **List View**.
- Step 4:** Select **Profit & Loss Standard** report.
- Step 5:** Select the date range: **10/01/2022 to 12/31/2022**
- Step 6:** Select the **Run** icon

✓ Total Income equals **\$181,251.91**
✓ Total Expense equals **\$42,054.21**
✓ Net Income equals **\$40,490.94**

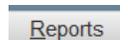
- Step 7:** With the Profit & Loss Standard report displayed on your screen, Select **Excel**
- Step 8:** Select **Create New Worksheet**



- Step 9:** If your settings were correct in the Trial Balance report (pages 14-15), you should have the same settings for this export. Double check the advanced settings to make sure the appropriate areas have been checked. Remember to **Replace Existing Worksheet**.
- Step 10:** From the drop-down list, select the sheet: **CH1 PL ST**.
- Step 11:** **CLICK** on the **EXPORT** option
- Step 12:** **Save** the **Excel File**

CH1 PL DT

Use the Menu Bar Option



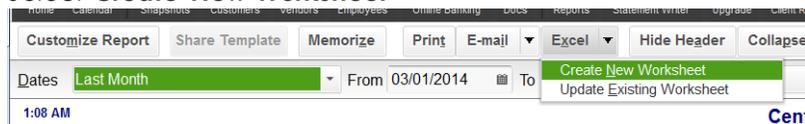
- Step 1:** **CLICK** on **Reports** from the Menu bar
- Step 2:** Select **Company & Financial** from the report categories drop-down menu
- Step 3:** Select the **Profit & Loss Detail** report.

- Step 4:** Make the following selections:
- Dates: **Last Fiscal Quarter** - This setting should automatically change your date range to 07/01/2022 to 09/30/2022
 - Report Basis: **Accrual** – Try clicking on cash basis. Notice that the numbers and the totals for each category change. This difference will be discussed in detail in a later chapter. Click back on Accrual and then follow the next step.

- ✓ Total Design Income equals **\$10,256.76**
- ✓ Total Subcontracted Labor equals **\$19,328.40**
- ✓ Total Automobile Expense equals **\$1,800.56**

Step 5: With the Profit & Loss Detail report displayed on your screen, Select **Excel**

Step 6: Select **Create New Worksheet**



Step 7: If your settings were correct in the Trial Balance report (pages 14-15), you should have the same settings for this export. Double check the advanced settings to make sure the appropriate areas have been checked. Remember to **Replace Existing Worksheet**.

Step 8: From the drop-down list, select the sheet: **CH1 PL DT**. If prompted to replace an existing worksheet, with new data, click yes to continue (you can check the option to not see this message in the future).

Step 9: **CLICK** on the **EXPORT** option. This is a larger report. It may require that you wait a few minutes.

Step 10: **Review the result you have just exported.** Your name should be in cell A1 along with the details containing the name and dates of the report in cells A2 and A3. If this information is not showing, you need to go back to QuickBooks and make sure the correct settings have been applied to your export. These are the advanced settings described on pages 14-15 of this unit.

Step 11: **Save the Excel File**

BALANCE SHEET REPORTS (CH1 BS ST, CH1 BS DT)

The balance sheet classifications allow the reader to easily compute the amount of a company's working capital and to determine if a company is highly leveraged.

ASSETS that are reported on the balance sheet are the company's resources such as cash, accounts receivable, inventory, investments, land, buildings, equipment, some intangible assets. Generally assets are reported at their cost or a lower amount due to the cost principle, depreciation, and conservatism. The cost principle also means that some very valuable aspects of the company are not listed as assets. For example, a company's outstanding reputation, its effective management team, and its amazing brand recognition are not reported as assets if they were not acquired in a transaction involving another party or entity.

LIABILITIES are a company's obligations as of the balance sheet date and will include loans payable, accounts payable, accrued expenses not yet recorded in accounts payable, warranty obligations, taxes payable, and more.

STOCKHOLDERS' EQUITY or **OWNER'S EQUITY** reports the amounts that were invested by the owners plus the company's earnings that the owners chose not to withdraw as dividends or drawings.

CH1 BS ST

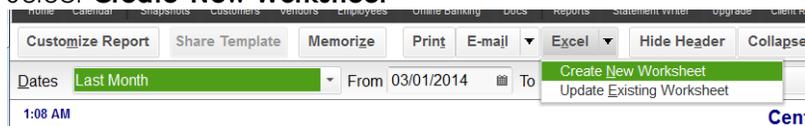
Use the Icon Bar Option

Reports

- Step 12:** In the **My Shortcuts** section of the Icon bar, select **Reports**
- Step 13:** Select **Company & Financial** from the report categories on the left of the window.
- Step 14:** Select **Carousel View**.
- Step 15:** Select **Balance Sheet Standard** report. There are many reports to scroll through. The Balance Sheet reports in the second half of the list of reports. You can use the scroll bar at the bottom of the Carousel view to quickly advance through the list. When you find the correct report, follow the next step.
- Step 16:** Select the date range: **11/01/2022 to 12/31/2022**
- Step 17:** Select the **Run** icon

✓ Total Assets equals **\$635,033.93**
✓ Total Liabilities equals **\$420,442.73**
✓ Total Equity equals **\$214,591.20**

- Step 18:** With the Balance Sheet Standard report displayed on your screen, **Select Excel**
- Step 19:** Select **Create New Worksheet**



- Step 20:** If your settings were correct in the Trial Balance report (pages 14-15), you should have the same settings for this export. Double check the advanced settings to make sure the appropriate areas have been checked. Remember to **Replace Existing Worksheet**.
- Step 21:** From the drop-down list, select the sheet: **CH1 BS ST**. If prompted to replace an existing worksheet, with new data, click yes to continue (you can check the option to not see this message in the future).
- Step 22:** **CLICK** on the **EXPORT** option
- Step 23:** **Review the result you have just exported**. Your name should be in cell A1 along with the details containing the name and dates of the report in cells A2 and A3. If this information is not showing, you need to go back to QuickBooks and make sure the correct settings have been applied to your export. These are the advanced settings described on pages 14-15 of this unit.
- Step 24:** **Save the Excel File**

CH1 BS DT

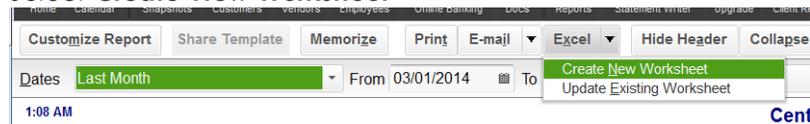
Use the Menu Bar Option

Reports

- Step 25:** CLICK on **Reports** from the Menu bar
- Step 26:** Select **Company & Financial** from the report categories drop-down menu
- Step 27:** Select the **Balance Sheet Detail** report.
- Step 28:** Make the following selections:
- Dates: **Last Week**- This setting should automatically change your date range to 12/04/2022 to 12/10/2022
 - Report Basis: **Accrual** – Try clicking on cash basis. Notice that the numbers and the totals for each category change. This difference will be discussed in detail in a later chapter. Click back on Accrual and then follow the next step.

- ✓ Total Current Assets equals **\$208,757.85**
- ✓ Total Assets equals **\$643,696.16**
- ✓ Total Liabilities & Equity equals **\$643,696.16**

- Step 29:** With the Profit & Loss Detail report displayed on your screen, Select **Excel**
- Step 30:** Select **Create New Worksheet**



- Step 31:** If your settings were correct in the Trial Balance report (pages 14-15), you should have the same settings for this export. Double check the advanced settings to make sure the appropriate areas have been checked. Remember to **Replace Existing Worksheet**.
- Step 32:** From the drop-down list, select the sheet: **CH1 BS DT**. If prompted to replace an existing worksheet, with new data, click yes to continue (you can check the option to not see this message in the future).
- Step 33:** CLICK on the **EXPORT** option. This is a larger report. It may require that you wait a few minutes.
- Step 34:** **Review the result you have just exported.** Your name should be in cell A1 along with the details containing the name and dates of the report in cells A2 and A3. If this information is not showing, you need to go back to QuickBooks and make sure the correct settings have been applied to your export. These are the advanced settings described on pages 14-15 of this unit.
- Step 35:** **Save the Excel File**

THE HELP MENU

QuickBooks has several Help features to assist you in using QuickBooks software. Click Help on the Menu bar to display the drop-down menu of Help features.

Help features of QuickBooks include:

- **QuickBooks Desktop Help** – Search relevant topics and online forum
- **New Features** – The 2020 version has updates to explore. You can view these updates after you have installed the program on your computer. Follow the New Features submenu by clicking on the right arrow. Take the *New Features Tour*.
- **Support** – Online QuickBooks support and resource centers
- **Year-End Guide** – Assistance in closing the accounting period
- **App Center: Find More Business Solutions** – A website containing small business software applications.

If *QuickBooks Help* is selected from the Help menu, the *Have a Question?* window appears. At the top of the window, you can type in your question. There are several viewing options to choose from.

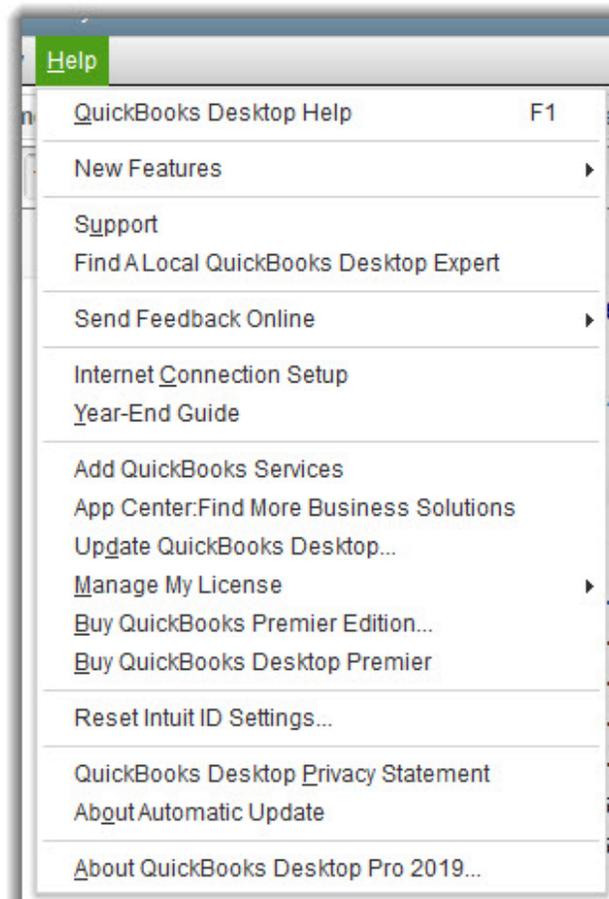
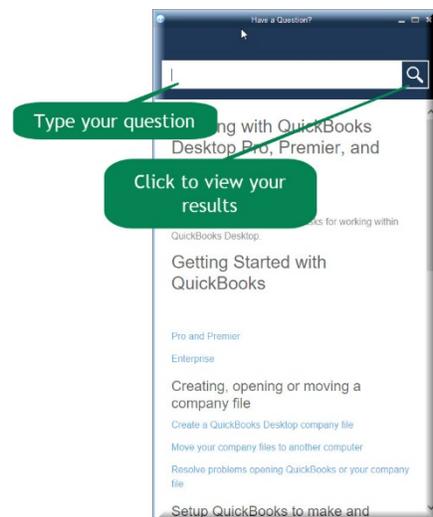


Figure 2: Help Menu

In the next activity, you will use QuickBooks Search to search for information about exporting QuickBooks reports to Excel software.

- Step 1:** Click **QuickBooks Help** from the Help menu, and the “*Have a Question?*” window will appear.
- Step 2:** In the *Search* field, type: **export to Excel**
- Step 3:** Click the **search** icon to view the results.
- Step 4:** Read about how to export QuickBooks reports to Excel.
- Step 5:** In the *Search* field, type: **email invoice**
- Step 6:** Click the **search** icon to view the results.
- Step 7:** Read about how to setup your email service in QuickBooks.
- Step 8:** Open the Excel **Unit_01_Reports** file and answer the questions listed on the **CH1 HELP** worksheet.



TYPES OF COMPANY FILES

The two most common QuickBooks files you will use are the following:

- ✓ **.QBW File** – This is referred to as the QuickBooks **w**orking file in which you can enter accounting data and transactions.
- ✓ **.QBB File** – The QuickBooks **b**ackup file used to move a QuickBooks file to another computer or if the working file (.QBW) fails. The data files provided for you with this text .QBB files. These files have been restored to the .QBW format for your convenience. Unlike Excel files, .QBB files cannot be opened by clicking on the file. Because .QBB files are compressed, the .QBB file must be restored (unzipped) using the QuickBooks software.

The .QBW file is the only QuickBooks file in which you can enter data and transactions. When you enter transactions into a .QBW file, the information is automatically saved. The typical workflow for a business is to use the .QBW file to record transactions and periodically back up to a .QBB (backup) file.

A sound disaster recovery plan includes a backup system. For example, a good backup system is to have a different backup for each business day: Monday backup, Tuesday backup, Wednesday backup, and so on. Then it is necessary to use the backup file and the Wednesday backup, for example fails, the company has a Tuesday backup to use. Furthermore, it is recommended that a business store at least one backup at a remote location.

Typically, the backup file is used only if the company's working file (.QBW) fails. Then the backup file (.QBB) can be restored and used. It is important that the backup copy is as up to date as possible in case it must be used to replace lost company data. The backup file (.QBB) is compressed and must be restored to a working file (.QBW) before you can use it to enter data or transactions.

BACKUP YOUR QUICKBOOKS COMPANY FILE

When closing your company file, it is a good habit to always run a backup. This regular process will help eliminate the possibility of accidental data loss. A backup of your QuickBooks company file contains everything you need to re-create your company file on another computer. It includes all templates, letters, logos and images related to your company.

When you create a backup of your company file, you save a copy of the file to a location you specify. You can select a file hosting service (such as DropBox), or a flash drive or other removable media to save backups somewhere other than your main local drive in case of a system failure.

As you set up your backup, you can also set up backup reminders that prompt you to back up when you close your company file a specified number of times or create a schedule of regular backups.

- Step 1:** With your QuickBooks file (*.QBW) open, click **File**
- Step 2:** Select **Back Up Company**
- Step 3:** Select **Create Local Backup**

Step 4: When the following windows appears, Select **Local backup**

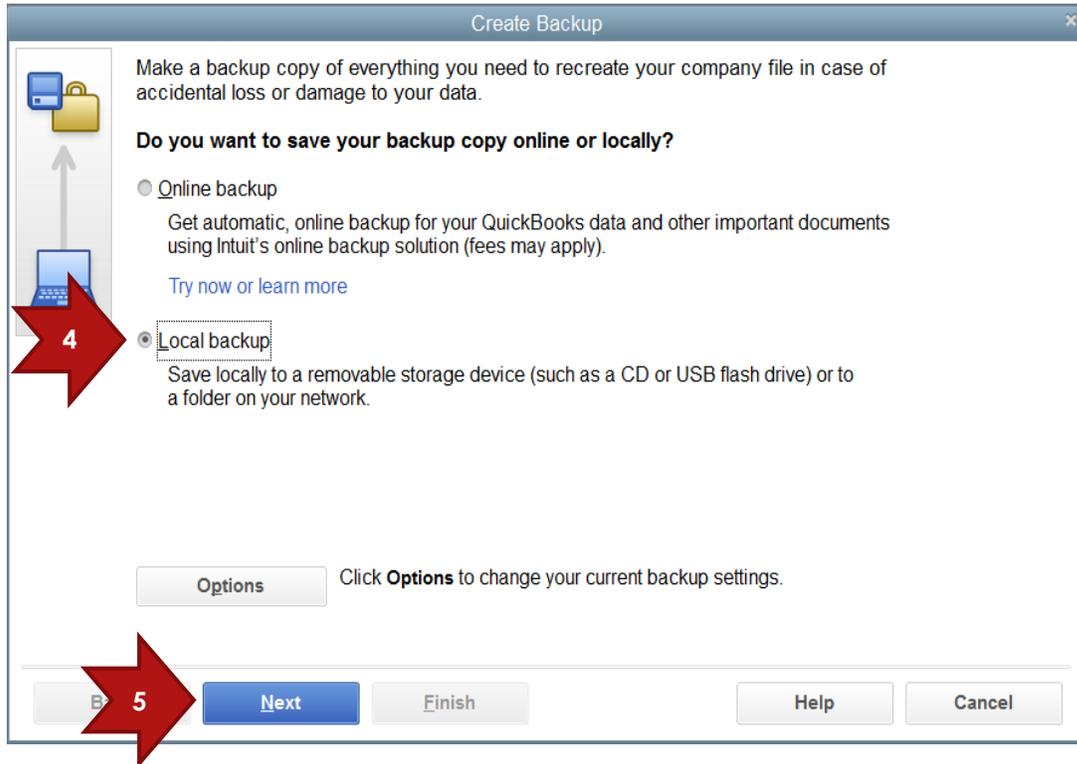
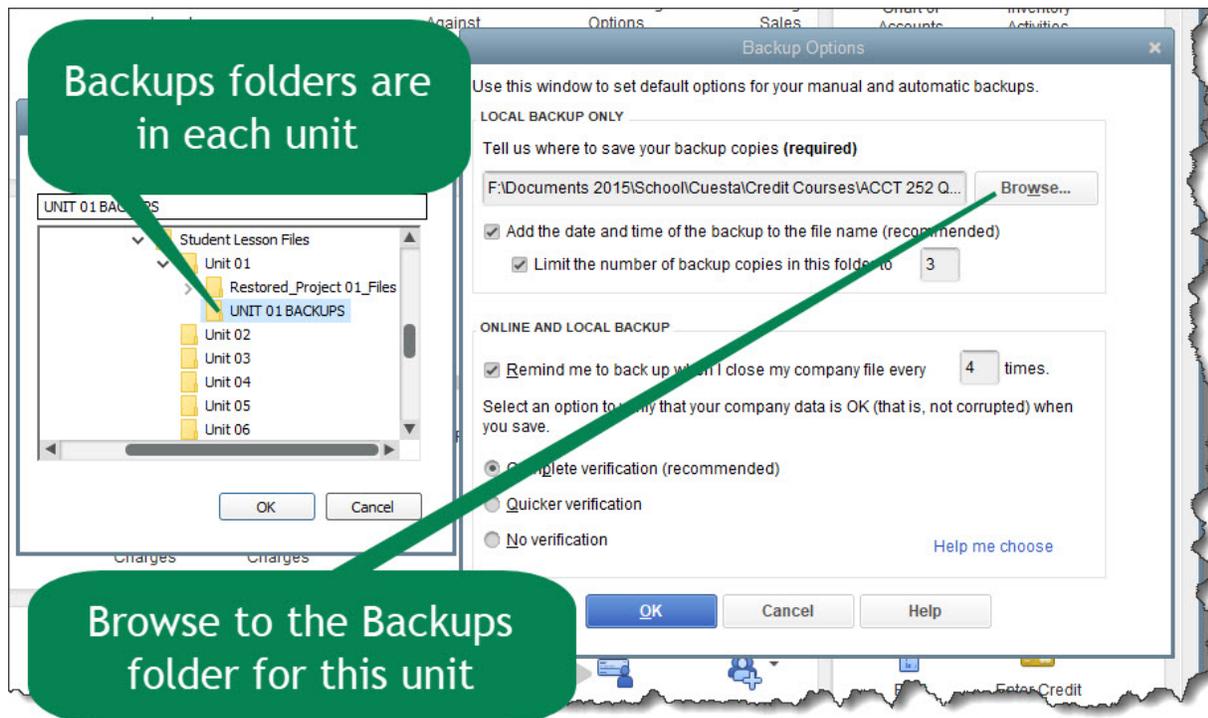


Figure 3: Backup Options

Step 5: **CLICK** the **NEXT** option

Step 6: **BROWSE** to the **UNIT 01 BACKUPS** folder



Step 7: **CLICK** on the **OK** option

Step 8: If the QuickBooks warning window appears, select **Use this Location**.

Step 9: **CHECK** the **Save it now** option

Step 10: **CLICK** the **NEXT** option

Step 11: Notice that QuickBooks has dated, and time stamped the backup file you are creating. **CLICK** on **SAVE**

NOTE: The process to **backup and restore** company files is found in **Appendix A** and will be repeated throughout all the activities in the text.

UNIT 01 PROJECT (ON-YOUR-OWN)

For this project, you will be restoring the backup file created for the unit. The QuickBooks company file for Larry-s Landscaping has already been created and transactions have been entered. Your assignment is to complete the following steps to export reports to Excel:

RESTORE THE UNIT 01 STARTER FILE

Follow the instructions in **Appendix A** (Backup & Restore QuickBooks Files) to restore the starter file for **u01a2 Larrys Landscaping**. This file is in your **UNIT 01** folder.

Step 1: **RESTORE** the **u01a2 Larrys Landscaping.QBB** file

Step 2: Make sure you **SAVE** to the **UNIT 01 FOLDER**

UPDATE THE COMPANY NAME

Follow the instructions in **Appendix B** to change the company name to YourName Larry's Landscaping

Step 3: Update the Company name to: **YourName Larry's Landscaping**

PREPARE THE PROFIT AND LOSS REPORTS

PR1 PL ST

Step 4: In the Larry's Landscaping file, use one of the methods you have learned on page 18-19 to generate the company **Profit & Loss Standard** report.

Step 5: Dates: **Last Fiscal Year** (10/01/2021 to 09/30/2022)

Step 6: Report Basis: **Accrual**

Step 7: Export the file to **EXCEL** using the **UNIT_01_REPORTS** file used for this unit.

Step 8: **REPLACE** the worksheet called **PR1 PL ST**

When Exporting to Excel, remember to Select **Create New; Replace Existing** and the **Advanced** options. If you have questions, reference **Appendix C** (Exporting Reports to an Excel Template)

Step 9: In the Excel (**PR1 PL ST**) worksheet, **Highlight** the **single largest expense item**

Step 10: **SAVE** the Excel file

PR1 PL DT

Step 11: **Export to Excel (UNIT_01_REPORTS)** the company **Profit & Loss Detail** report

Step 12: Dates: **This Fiscal Year-to-date** (10/01/2022 to 12/15/2022)

Step 13: Report Basis: **Accrual**

Step 14: Export the file to **EXCEL** using the **UNIT_01_REPORTS** file used for this unit.

Step 15: **REPLACE** the worksheet called **PR1 PL DT**

When Exporting to Excel, remember to Select **Create New; Replace Existing** and the **Advanced** options. If you have questions, reference **Appendix C** (Exporting Reports to an Excel Template)

Step 16: Which type of landscaping service produces more revenue for Larry's: **Installation** or **Maintenance & Repairs**?

Step 17: In the Excel worksheet (**PR1 PL DT**), **Highlight** your answer.

Step 18: **SAVE** the Excel file

PREPARE THE BALANCE SHEET REPORTS

PR1 BS ST

- Step 1:** In the Larry's Landscaping file, use one of the methods you have learned to generate the company **Balance Sheet Standard** report.
- Step 2:** Dates: **Last Fiscal Year**
- Step 3:** Ending: **9/30/2023**
- Step 4:** Report Basis: **Accrual**
- Step 5:** Export the file to **EXCEL** using the **UNIT_01_REPORTS** file used for this unit.
- Step 6:** **REPLACE** the worksheet called **PR1 BS ST**
- Step 7:** In the Excel worksheet (**PR1 BS ST**), **Highlight** the **largest single liability**.
- Step 8:** **SAVE** the Excel file

PR1 BS DT

- Step 1:** In the Larry's Landscaping file, use one of the methods you have learned to generate the company **Balance Sheet Detail** report.
- Step 2:** Dates: **Last Fiscal Year**
- Step 3:** Ending: **9/30/2023**
- Step 4:** Report Basis: **Accrual**
- Step 5:** Export the file to **EXCEL** using the **UNIT_01_REPORTS** file used for this unit.
- Step 6:** **REPLACE** the worksheet called **PR1 BS DT**
- Step 7:** In the Excel worksheet (**PR1 BS DT**), **Highlight** the **largest asset**.
- Step 8:** **SAVE** the Excel file

BACKUP YOUR COMPANY FILE

Use the instructions in Appendix A to backup your company file. Make sure your backup file is saved in the designated folder of this unit (**UNIT 01 BACKUPS**).

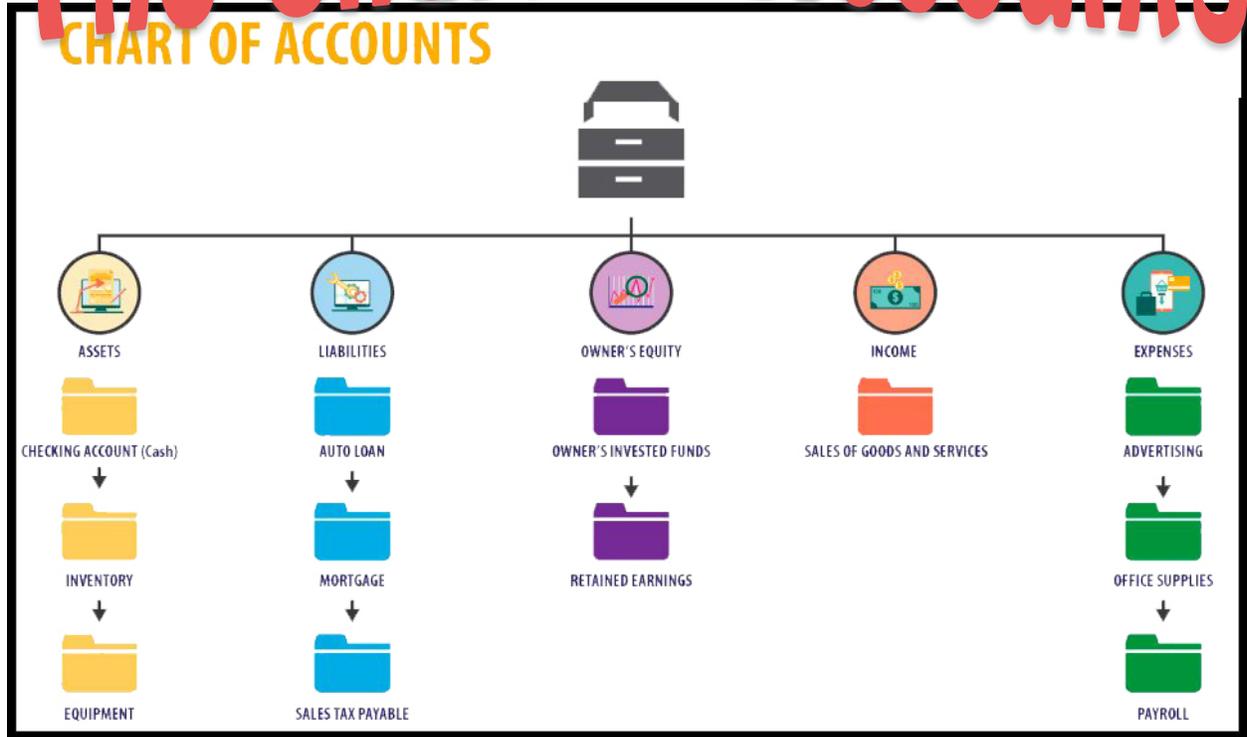
TAKE THE QUIZ

The reading in the unit along with the Excel reports you have generated have provided answer to the quiz for this unit. Take the **UNIT_01 QUIZ** in your Canvas account

SUBMIT THE UNIT REPORTS

After you have taken the quiz using the answers you have already recorded in the reports you extracted from Excel, **UPLOAD** the Excel file (**UNIT_01_REPORTS**), to the UNIT_01 assignment area of your Canvas account.

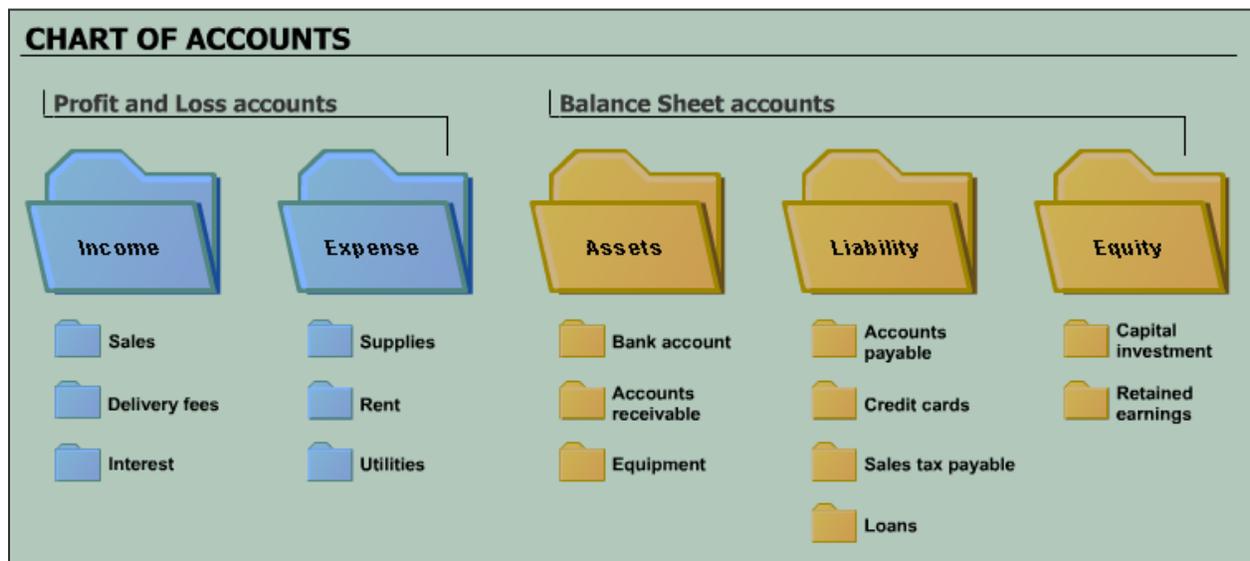
The Chart of Accounts



UNIT 02 – CHART OF ACCOUNTS

The Chart of Accounts is a list of accounts and account numbers. A company uses accounts to record transactions in the accounting system. Accounts (such as the Cash account or Inventory account) permit you to sort and track information.

When you setup a new company, QuickBooks automatically creates a list of suggested accounts for your company type. Once the initial Chart of Accounts is created, you may customize the list by adding, deleting, or revising the account information to meet your individual company needs. QuickBooks also permits you to use subaccounts.



GENERAL LEDGER

A ledger (general ledger) is the complete collection of all the accounts of a company. The ledger may be in loose-leaf form, in a bound volume, or in computer memory.

Accounts fall into two general groups:

- (1) balance sheet accounts (assets, liabilities, and stockholders' equity)
- (2) income statement accounts (revenues and expenses). The terms real accounts and permanent accounts also refer to balance sheet accounts.

Balance sheet accounts are real accounts because they are not subclassifications or subdivisions of any other account. They are permanent accounts because their balances are not transferred (or closed) to any other account at the end of the accounting period. Income statement accounts and the Dividends account are nominal accounts because they are merely subclassifications of the stockholders' equity accounts.

Nominal literally means "in name only". Nominal accounts are also called temporary accounts because they temporarily contain revenue, expense, and dividend information that is transferred (or closed) to the Retained Earnings account at the end of the accounting period.

The chart of accounts is a complete listing of the titles and numbers of all the accounts in the ledger. The chart of accounts can be compared to a table of contents. The groups of accounts usually appear in this order:

- Assets
- Liabilities
- stockholders' equity
- dividends
- revenues
- expenses.

Individual accounts are in sequence in the ledger. Each account typically has an identification number and a title to help locate accounts when recording data.

BALANCE SHEET ACCOUNTS

The Balance Sheet is a financial statement that summarizes what a company owns and what it owes. Balance Sheet accounts are accounts that appear on the company's Balance Sheet. There are three types of accounts that appear on a Balance Sheet:

- ✓ Assets
- ✓ Liabilities
- ✓ Owner's (or Stockholders') Equity

$$\text{Assets} = \text{Liabilities} + \text{Owners' Equity}$$

ASSETS

Assets are resources that a company owns. These resources are expected to have *future benefit*. This list would include the following:

- ✓ **Cash**
- ✓ **Accounts Receivable** – amounts to be received from customers in the future
- ✓ **Inventory assets** are goods or items of value that a company plans to sell for profit. These items include any raw production materials, merchandise, and products that are either finished or unfinished.

Why inventory and fixed assets are important

Managing your inventory is critical to hit profit targets. For many companies, turning over inventory, by selling it or using it in production, is a primary revenue source. Having too much inventory for long periods can be risky, as products can spoil, become damaged over the time you store and don't sell them, or simply become obsolete. However, by having too little inventory, you may not have enough products to sell if market demand is up and you could risk your business losing sales and market share. Meanwhile, your fixed assets have a finite life and are always depreciating, like how the value on a commercial vehicle you've purchase depreciates over time due to wear and tear. Equipment used to keep the business going, like computers and maintenance on printers, can be treated as a fixed asset. However, things like stationery or consumables can be considered a part of inventory as they are quick moving. It is important to understand the difference

between the two and also to track them so you have accurate numbers on your financial statements come tax time.

- ✓ **Other Current Assets** – assets likely to be converted to cash or consumed within one year
- ✓ **Fixed Assets** – property used in the operations of a business, such as equipment, buildings, and land

Depreciation of Fixed Assets

Of course, things grow old, wear out, or fall out of use. As a business buys and puts a fixed asset into use, they begin the countdown on its useful life. Through accounting methods, they can depreciate the tangible item over its lifetime. A company will depreciate assets for both tax deductions and accounting reasons. When the item has a resell or market value that is less than the value on the company's balance sheet it becomes an impaired asset

- ✓ **Intangible Assets** – copyrights, patents, trademarks, and franchises fall into this category.

LIABILITIES

Liabilities are dollar amounts a company owes to others. Liabilities are *obligations*. For example, if a company borrows \$10,000 from the bank, the company has an obligation to repay the \$10,000 to the bank. Thus, the \$10,000 obligation is shown as a liability on the company's Balance Sheet. This is a list of liability account types:

- ✓ **Accounts Payable** – amounts that are owed and will be paid to suppliers in the future.
- ✓ **Sales Taxes Payable** – sales tax owed and to be paid in the future
- ✓ **Interest Payable** – interest owed and to be paid in the future
- ✓ **Other Current Liabilities** – liabilities due within one year
- ✓ **Loan Payable** – also referred to as notes payable.
- ✓ **Mortgage Payable**
- ✓ **Other Long-term Liabilities** – liabilities due after one year.

Liabilities are often confused with expenses. But they are quite different.

Liabilities are the money owed by a business. For example, if a company takes a loan from a financial institution, the loan is a liability and not an expense.

On the other hand, the phone charges a company pays to connect with their prospective clients are expenses and not liabilities. Expenses are the on-going charges the company pays to enable revenue generation.

However, certain expenditure can be treated as a liability. For example, outstanding rent is treated as a liability. Why? Because outstanding rent denotes that space has been utilized for the year, but the actual money is yet to be paid. As the money for rent is yet to be paid, we will assume it to be "outstanding rent" and record it under the "liability" head of a balance sheet.

OWNERS' EQUITY

Owners' equity accounts (stockholders' equity for a corporation) represent the net worth of a business. Equity is calculated as assets (resources owned minus liabilities (amounts owned)).

Different types of business ownership include:

- ✓ **Sole Proprietorship** – an unincorporated business with one owner
- ✓ **Partnership** – an unincorporated business with more than one owner
- ✓ **Corporation** – an incorporated business with one or more owners

INCREASE OWNERS EQUITY

Owners' equity is increased by:

- ✓ **Investments by Owners** – For a corporation, owners invest by buying stock
- ✓ **Net Profits** – The business retains their net profits rather than distribute the profits to the owners.

DECREASE OWNERS EQUITY

Owners' equity is decreased by:

- ✓ **Withdrawals** – Amounts paid to owners as a return for their investment. For a sole proprietorship or partnership, these are called withdrawals. For a corporation, they are called dividends.
- ✓ **Losses** – Losses incurred by the business.

Owners' Equity = Assets-Liabilities

Balance Sheet accounts are referred to as permanent accounts. Balances in permanent accounts are carried forward from year to year. Thus, for a Balance Sheet account, such as Cash, the balance at December 31 is carried forward and becomes the opening balance in January 1 of the next year.

OPEN BALANCE EQUITY

An Opening Balance Equity account is created the first time you enter an opening balance for a Balance Sheet account. As you enter the opening balances, QuickBooks Online records the amounts in the Opening Balance Equity account. This ensures that you have a correct balance sheet for your company, even before you have entered all your company's assets and liabilities.

An example of this is when you first add a bank account to QuickBooks Online. Since QuickBooks Online uses double entry accounting, each transaction requires at least two accounts be used. So, the balance that you entered for the newly-added bank will show in two accounts, the bank and Opening Balance Equity accounts.

After you have entered all your opening balances, you might want to move the amount in Opening Balance Equity to other accounts. Consult your accountant for advice.

OPERATING EXPENSES

There is a section of the income statement which focuses on the operating expenses that arise during the ordinary course of running a business. Operating expenses include everything from employee salaries to the toilet paper in the office restrooms; research and development to electricity bills; copy paper to corporate phone lines and high-speed Internet.

General Rule of Thumb

The general rule of thumb: If an expense doesn't qualify as a cost of goods sold, meaning it isn't directly related to producing or manufacturing a good or service, it goes under the operating expense section of the income statement. There are several categories, the biggest of which is known as Selling, General, and Administrative Expense.

If expenses are reported as assets, liabilities and their related expenses are omitted from the financial statements, or reported revenues are recorded prematurely or do not really exist, the financial statements are misleading. The financial statements are only useful and meaningful if they are fair and clearly represent the business events of the company.

RESTORE THE STARTER FILE

You will find the following files in your **Student files** for **UNIT 02**.

- U02a1 Rock Castle Construction
- U02a2 Larrys Landscaping
- UNIT_02_Reports

To complete the first lesson exercises, **RESTORE** the **u02a1 Rock Castle Construction** company file from the **UNIT 02** folder.

NOTE: The process to **restore a backup** is found in **Appendix A.01** and will be repeated throughout all the activities in the text.

RENAME THE COMPANY

After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Rock Castle Construction. Your first activity is to personalize that name to meet your needs follow these instructions:

Step 7. From the Menu bar, select **Company**

Step 8. Select **MY COMPANY**

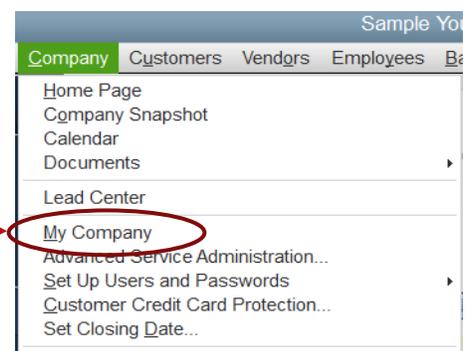
Step 9. Select **EDIT**

Step 10. Update the Company Name Field to:

**YourName Rock Castle
Construction**

Step 11. **CLICK** on **OK**

Step 12. **Close** the My Company window.



NOTE: The process to **rename the company** is found in **Appendix B** and will be repeated throughout all the activities in the text.

CUSTOMIZE CHART OF ACCOUNTS

When you setup a new company, QuickBooks automatically creates a Chart of Accounts. Then you can customize the Chart of Accounts to surety your specific needs by adding, deleting, and editing accounts.

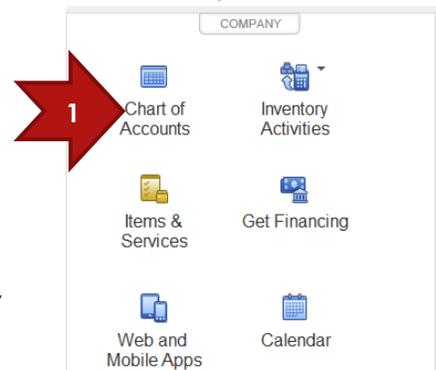
You can display the Chart of Accounts in two different ways:

1. **Menu**—Company menu option
2. **Home Page**—Company section of the Home Page

To view the Chart of Accounts in for Rock Castle Construction from the Home page, complete the following steps:

- Step 1:** Click the Chart of Accounts icon in the Company section
- Step 2:** For each account, the account name, type of account, and the balance of the account are listed.

The account button at the bottom of the window displays a drop-down menu for adding, editing, and deleting accounts. Or you can right-click in the Chart of Accounts window do display a pop-up menu to add and edit accounts.



NAME	TYPE	BALANCE	ATTACH
10100 · Checking	Bank	46,969.10	
10300 · Savings	Bank	17,910.19	
10400 · Petty Cash	Bank	500.00	
11000 · Accounts Receivable	Accounts Receivable	93,007.93	
12000 · Undeposited Funds	Other Current Asset	2,440.00	
12100 · Inventory Asset	Other Current Asset	30,683.38	
12800 · Employee Advances	Other Current Asset	832.00	
13100 · Pre-paid Insurance	Other Current Asset	4,050.00	
13400 · Retainage Receivable	Other Current Asset	3,703.02	
15000 · Furniture and Equipment	Fixed Asset	34,326.00	
15100 · Vehicles	Fixed Asset	78,936.91	

Account Activities Reports Attach Include inactive

DISPLAY ACCOUNT NUMBERS

Account numbers are used to uniquely identify accounts. Usually account numbers are used as a coding system to also identify the account type. For example, a typical numbering system for accounts might be as follows:

- 10000 - 19999 Assets
- 20000 - 29999 Liabilities
- 30000 - 39999 Equity
- 40000 - 49999 Income or Revenue
- 50000 - 59999 Job Costs/Cost of Goods Sold
- 60000 - 69999 Overhead Costs or Expenses
- 70000 - 79999 Other Income
- 80000 - 89999 Other Expense

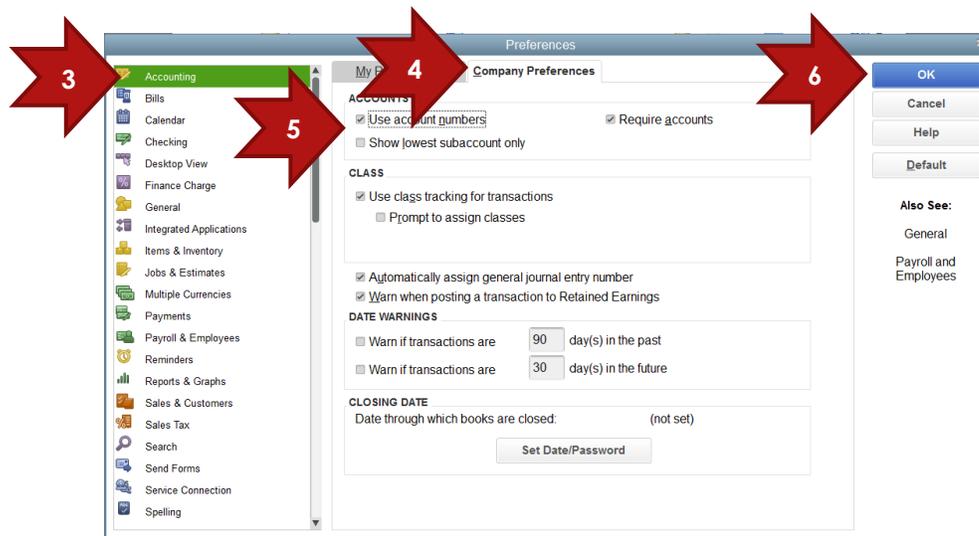
The five digits provide some growing room when new accounts need to be sandwiched into the list in the right order. The five digits are used as follows:

- ✓ **First Digit**—the first digit is the high-level account type (asset, liability, etc.)
- ✓ **Second Digit**—the second two digits are used in account numbering
- ✓ **Last Two Digits**—the last two digits are used in subaccount numbering

You can still override the standard numbering system to any system you'd like or avoid account numbers altogether.

To display account numbers:

- Step 1:** Select **Edit** menu
- Step 2:** Select **Preferences**
- Step 3:** In the left scroll bar, click **Accounting**
- Step 4:** Select the **Company Preferences** tab
- Step 5:** Select **Use account numbers** to display the account numbers in the Chart of Accounts
- Step 6:** Then click **OK**



- Step 7:** If the Chart of Accounts does not appear on your screen, click **Window** menu > **Chart of Accounts**

The Chart of Accounts should now list account number preceding the account name. If the account numbers were already listed you can try the exercise again by unchecking the account numbers, viewing the Chart of Accounts without the numbers and then returning to the Accounting preferences and check the option again. Many of the options in the preferences menu can be turned off and on just that easily.

CH2 COA.01

QuickBooks provides an Account Listing report that lists the Chart of Accounts plus the account balances.

To review the Account Listing report for Rock Castle Construction:

- Step 1.** Display the *Chart of Accounts* window.
- Step 2.** Select the **Account** button > **Re-sort List** > **OK**
- Step 3.** Click the **Reports** button at the bottom of the *Chart of Accounts* window.
- Step 4.** Select **Account Listing** on the drop-down menu.

◆ 16900 · Land	Fixed Asset	90,000.00
◆ 17000 · Accumulated Depreciation	Fixed Asset	-110,344.60
◆ 18700 · Security Deposits	Other Asset	1,720.00
◆ 20000 · Accounts Payable	Accounts Payable	26,636.92

The screenshot shows the 'Reports' dropdown menu with the following options: QuickReport: 10100 · Checking (Ctrl+Q) and Insurance, Income Tax Preparation, Account Listing (highlighted in green), and Reports on All Accounts. A red arrow labeled '3' points to the 'Reports' button, and another red arrow labeled '4' points to the 'Account Listing' option.

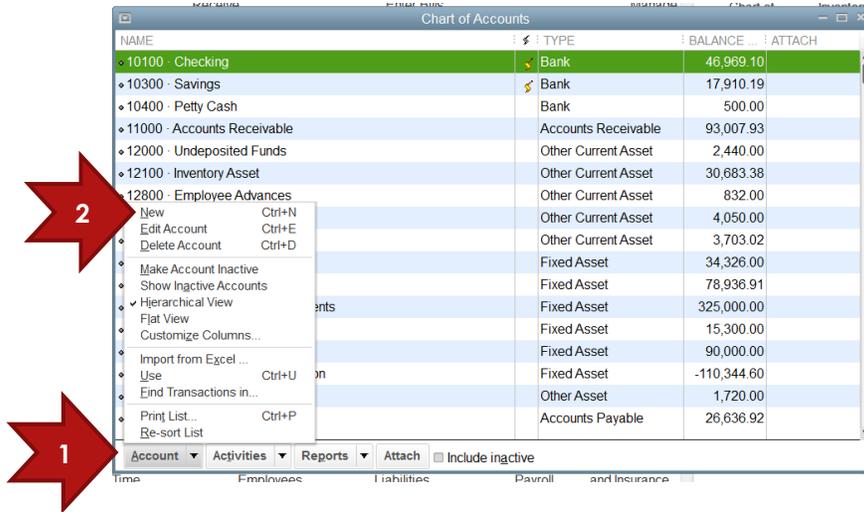
- Step 5.** To export the Account Listing report to Excel, at the top of the *Account Listing* window select **Excel**.
- Step 6.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_02_REPORTS** Excel file.
- Step 7.** From the drop-down list, select the sheet: **CH2 COA.01**.
- Step 8.** **Review** the exported report
- Step 9.** **Save and close** the Excel file.

ADD NEW ACCOUNTS

The Chart of Accounts can be customized by adding deleting and editing accounts as needed to meet your company's specific and changing needs.

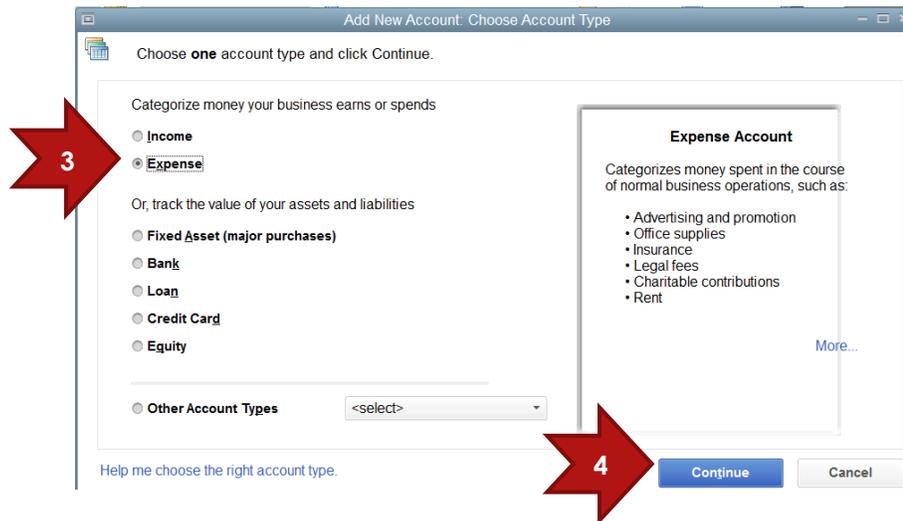
For the next activity, we will be using the Rock Castle Construction company account to add an advertising expense account to the Chart of Accounts.

- Step 1:** Click the **Account** button at the bottom of the Chart of Accounts window to display the menu.
- Step 2:** Select **New**



Step 3: Select Account Type: **Expense**

Step 4: Click **Continue**.



Step 5: In the *Add New Account* window, verify the Account Type: **Expense**.

Step 6: Enter the new Account Number: **60400**.

Step 7: Enter the Account Name: **Advertising Expense**.

Step 8: Leave Subaccount unchecked. Sub accounts are subcategories of an account. For example, Rock Castle Construction has an Automobile Expense account (Account No. 60100) with three Automobile Expense subaccounts:

- ✓ Fuel (Account No. 60110)
- ✓ Insurance (Account No. 60120)
- ✓ Repairs and Maintenance (Account No. 60130)

Step 9: Select Tax-Line Mapping: **Deductions: Advertising**. This indicates the Advertising expense account balance will appear as a deduction on Rock Castle construction's tax return.

Step 10: Click **Save & Close** to save the changes and close the *Add New Account* window.

The screenshot shows the 'Add New Account' dialog box. The 'Account Type' dropdown is set to 'Expense' (indicated by arrow 5). The 'Number' field contains '60400' (indicated by arrow 6). The 'Account Name' field contains 'Advertising Expense' (indicated by arrow 7). Below this is a 'Subaccount of' dropdown (indicated by arrow 8) and an 'OPTIONAL' section containing a 'Description' text area (indicated by arrow 8) and a 'Note' text area (indicated by arrow 8). The 'Tax-Line Mapping' dropdown is set to 'Deductions: Advertising' (indicated by arrow 9), with a link 'How do I choose the right tax line?' next to it. Below this is a checkbox 'Track reimbursed expenses in Income Acct.' which is unchecked (indicated by arrow 9). At the bottom of the dialog, there are three buttons: 'Save & Close' (indicated by arrow 10), 'Save & New', and 'Cancel'.

Notice that Account 60400 Advertising expense now appears on the Chart of Accounts.

If the new account had been a Balance Sheet account (an asset, liability or equity account), QuickBooks would ask you for the opening account balance as of your QuickBooks start date. Since Advertising Expense is an Expense account that appears on the Income Statement and not the Balance Sheet, QuickBooks did not ask for the opening balance.

DELETE ACCOUNTS

Occasionally you may want to delete unused accounts from the Chart of Accounts. You can only delete accounts that are not being used. For example, if an account has been used to record a transaction and has a balance, it cannot be deleted. If an account has subaccounts associated with it, that account cannot be deleted.

Rock Castle Construction would like to delete an account it does not plan to use, the Printing and Reproduction Expense account.

- Step 1:** Display the *Chart of Accounts* window.
- Step 2:** Select the account to delete. In this case click **63300 Printing and Reproduction**.
- Step 3:** Click the **Account** button at the bottom of the *Chart of Accounts* window.
- Step 4:** Click **Delete Account**
- Step 5:** Click **OK** to confirm that you want to delete the account.

EDIT ACCOUNTS

Next, you will edit an account. Rock Castle Construction would like to change the name of the Advertising Expense account to Selling Expense.

- Step 1:** From the *Chart of Accounts* window, select the account to edit: **60400 Advertising Expense**.
- Step 2:** Click the **Account** button in the lower left corner of the *Chart of Accounts* window or **right-click** the mouse to display the pop-up menu.
- Step 3:** From the pop-up menu, select **Edit Account** to open the *Edit Account* window.
- Step 4:** Make changes to the account information. In this case, change Account Name to: **Selling Expense**
- Step 5:** Click **Save & Close** to save the changes. Advertising Expense should now appear as Selling Expense in the *Chart of Accounts* window.

CH2 COA.02

QuickBooks provides an Account Listing report that lists the Chart of Accounts plus the account balances.

To review the Account Listing report for Rock Castle Construction:

- Step 1.** Display the *Chart of Accounts* window.
- Step 2.** Select the **Account** button > **Re-sort List** > **OK**
- Step 3.** Click the **Reports** button at the bottom of the *Chart of Accounts* window.
- Step 4.** Select **Account Listing** on the drop-down menu.

♦ 16900 · Land	Fixed Asset	90,000.00
♦ 17000 · Accumulated Depreciation	Fixed Asset	-110,344.60
♦ 18700 · Security Deposits	Other Asset	1,720.00
♦ 20000 · Accounts Payable	Accounts Payable	26,636.92

- Step 5.** To export the Account Listing report to Excel, at the top of the *Account Listing* window select **Excel**.
- Step 6.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_02_REPORTS** Excel file.
- Step 7.** From the drop-down list, select the sheet: **CH2 COA.02**.
- Step 8.** **Review** the exported report
- Step 9.** **HIGHLIGHT** the changes you have made to the chart of accounts
- Step 10.** **Save and close** the Excel file.

ADD SUBACCOUNT

In this activity, you will be adding Advertising as a subaccount of the Selling Expense account.

- Step 1:** Click the **Account** button at the bottom of the Chart of Accounts window, then select **New** to open the New Account window.
- Step 2:** Select Account Type: **Expense**.
- Step 3:** Click **Continue**.
- Step 4:** Enter Account Number: **60410**
- Step 5:** Enter Account Name: **Advertising Expense**
- Step 6:** **Check** the box in front of the Subaccount field
- Step 7:** From the drop-down list, select subaccount of: **60400 Selling Expense**
- Step 8:** From the drop-down list for Tax-line Mapping, select Deductions: **Advertising**
- Step 9:** Click **Save & New**

ADD SUBACCOUNT

Follow the guidelines in the previous activity to add the Promotion Expense **subaccount to the Selling Expense account**.

- Step 1:** Add the sub account: **60420 Promotion Expense**
- Step 2:** Click **Save & Close**

CH2 COA.03

QuickBooks provides an Account Listing report that lists the Chart of Accounts plus the account balances.

To review the Account Listing report for Rock Castle Construction:

- Step 1.** Display the *Chart of Accounts* window.
- Step 2.** Select the **Account** button > **Re-sort List** > **OK**
- Step 3.** Click the **Reports** button at the bottom of the *Chart of Accounts* window.
- Step 4.** Select **Account Listing** on the drop-down menu.

16900 · Land	Fixed Asset	90,000.00
17000 · Accumulated Depreciation	Fixed Asset	-110,344.60
18700 · Security Deposits	Other Asset	1,720.00
20000 · Accounts Payable	Accounts Payable	26,636.92

- Step 5.** To export the Account Listing report to Excel, at the top of the *Account Listing* window select **Excel**.
- Step 6.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_02_REPORTS** Excel file.
- Step 7.** From the drop-down list, select the sheet: **CH2 COA.03**.
- Step 8.** **Review** the exported report
- Step 9.** **HIGHLIGHT** the changes you have made to the chart of accounts

Step 10. Save and close the Excel file.

CUSTOMIZE QUICKBOOKS SECURITY

QuickBooks permits a company to conveniently collect accounting information and store it in a single file. Much of the accounting information stored in QuickBooks is confidential, however, and a company often wants to limit employee access.

Password protection can be used to customize and limit access to company data and improve security and control.

Two ways to restrict access to accounting information stored in a QuickBooks company data file are:

1. Password protect the company file so individuals must enter a user ID and password to open the company file.
2. Limit access to selected areas of the company's accounting data. For example, a user may access accounts receivable to view customer balances but not be able to access payroll or check writing.

Only the QuickBooks Administrator can add users with passwords and grant user access to selected areas of QuickBooks. The QuickBooks Administrator is an individual who has access to all areas of QuickBooks.

To add a new user and password protection to your company file follow these steps:

- Step 1.** Select **Company** menu
- Step 2.** Select **Set Up Users and Passwords**
- Step 3.** Select **Set Up Users**
- Step 4.** First setup a QuickBooks Administrator who has access to all areas of QuickBooks. The Administrator can then add new users. To add the Administrator password, from the User List window, select **Admin**.
- Step 5.** Select **Edit User**
- Step 6.** On the Change user password and access window, enter and confirm a **Password** of your choice. **Write the password on the inside cover of your text. Remember I password is case sensitive. I suggest using something simple like Cuesta123; otherwise, I will not be able to help you retrieve your password.**
- Step 7.** Select a **Challenge Question**
- Step 8.** Enter your **Challenge Answer**
- Step 9.** Click **Next**
- Step 10.** Click **Finish**
- Step 11.** Only the QuickBooks Administrator can add new users. To add another user, click **Add User**
- Step 12.** In the following *Setup user password and access* window, enter **YourName** in the *Username* field
- Step 13.** At this point, if you were adding another employee as a user, you would ask the employee to enter and confirm his or her password. In this instance enter and

confirm a **password** of your choice. **Write the password on the inside cover of your book.**

Step 14. Click **Next**.

Step 15. In the following window, you can restrict user access to selected areas of QuickBooks or give the user access to all areas of QuickBooks. Select: **All areas of QuickBooks.**

Step 16. Click **Next**

Step 17. Select **Yes** to confirm that you want to give access to all areas of QuickBooks.

Step 18. The next window summarizes the user's access for each QuickBooks area, indicating access to create documents, print, and view reports. Click **Finish**.

Step 19. If you receive a warning message about Intuit Sync Manager, click **OK**.

Step 20. Two names (Admin and YourName) should appear on the User List. Click **Close** to close the User List window.

Now whenever you open the company file for Rock Castle Construction, you will be asked to enter your username and password.

CUSTOMIZE QUICKBOOKS SNAPSHOTS

The QuickBooks Snapshots provides a digital dashboard for your company. Snapshots gives you an overview of key information for your company and lets you perform key tasks.

Customize QuickBooks by using Snapshots to:

- ✓ Choose which accounts to view
- ✓ Track accounts receivable owed to you
- ✓ Receive payments
- ✓ Select which reminders to see

A vital aspect of maintaining an accounting system is tracking due dates for tax and vendor payments. In addition, billing and collections of customer payments must be scheduled in a timely manner to ensure adequate cash flows to operate the business. QuickBooks had four different features to assist in tracking tasks:

1. **Reminders** – Shows only those tasks that are currently due, including tasks from the To Do List.
2. **To Do List** – Tracks all tasks to be completed. You can add items to the To Do List, mark items complete, and print the list.
3. **Alerts Manager** – Lists tasks and due dates related to taxes and regulations. These alerts will appear as Reminders as they become due.
4. **Calendar** – The Calendar feature permits you to track tasks and due dates in a calendar format.

If you are responsible for maintaining an accounting system, you can view Reminders or the Calendar feature regularly to see what accounting tasks require your attention.

Next, you will learn how to customize Snapshots to display Reminders to assist you in tracking tasks.

Step 1. To open the *Company Snapshot* window, from the *My Shortcuts* section of the Icon bar, select **Snapshots**.

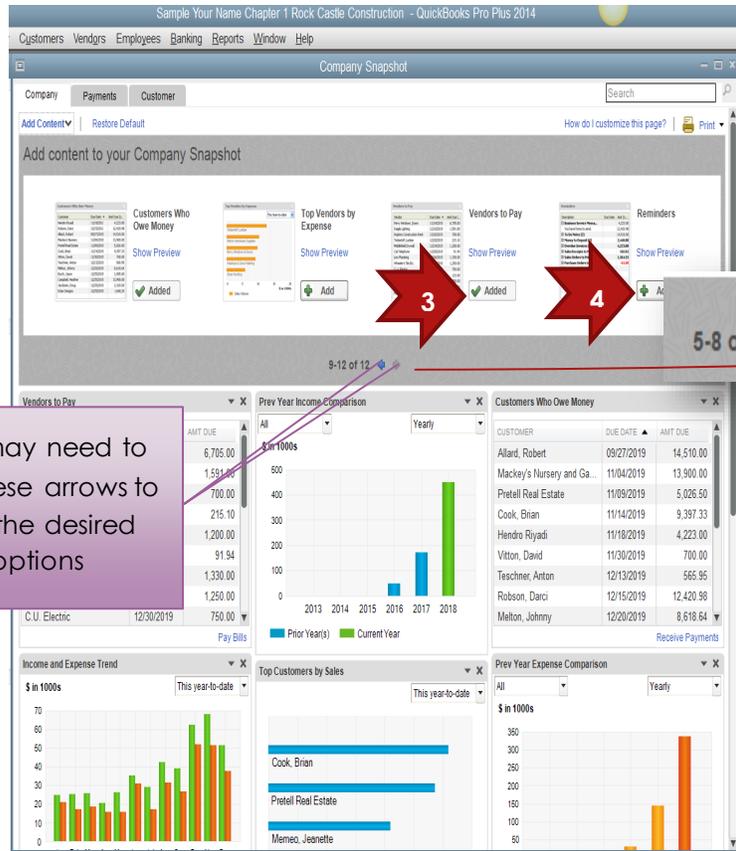
Step 2. To customize Snapshots, select **Add Content**

Step 3. Use the **arrows** to scroll through the content available

Step 4. Add **Vendors to Pay**

Step 5. Add **Reminders**

Step 6. Select **Done**



CUSTOMIZE QUICKBOOKS CALENDAR

The QuickBooks Calendar provides a user-friendly way to track tasks and due dates.

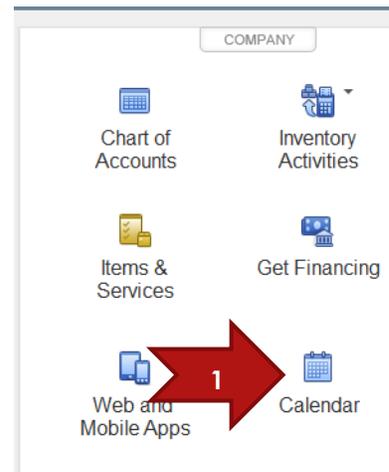
Step 1. To open QuickBooks Calendar, from the Home page, select the **Calendar** icon on the *Company* section.

Step 2. In the *Calendar window*, select **December 15**. A list of transactions due and entered for the date selected appears below the calendar.

Step 3. You can customize your QuickBooks Calendar to suit your preferences. For example, at the top of the calendar is a **Today** button. Select the **Today** button to view just the current day.

Step 4. Also at the top of the calendar are three icons that permit you to view the calendar in a daily, weekly, or monthly format. Select the **Weekly** icon to view only one week. Then select the **Monthly** icon to return to the monthly calendar view.

Step 5. At the top of the calendar, you can also select which transactions to show. Select the drop-down list to view the different transactions that can be selected to show on your calendar. Select **All Transactions**.



To the right of the calendar is a list of red-flagged past due items including any

The screenshot shows the QuickBooks Pro Plus 2014 calendar interface. The calendar displays December 2018. Red arrows labeled 2 through 6 point to specific dates and the sidebar. Arrow 2 points to the 15th (Entered 40), arrow 3 to the 3rd (Entered 9), arrow 4 to the 4th (Entered 8), arrow 5 to the 5th (Entered 5), and arrow 6 to the sidebar. The sidebar shows 'Upcoming: Next 7 days (0)', 'TO DO (0)', 'TRANSACTIONS (0)', 'Due: Past 60 days (0)', 'TO DO (0)', and 'TRANSACTIONS (0)'. Below the calendar is a table of transactions for December 15, 2018.

December 15, 2018					
TRANSACTIONS ENTERED (40)					
BILLS (5)					
	AMOUNT	NUMBER	PHONE	STATUS	DUE DATE
Keswick Insulation	-670.00		415-555-0305	Paid	12/30/2019
Cal Gas & Electric	-122.88	12/03	415-555-0202	UnPaid	12/30/2019
Sergeant Insurance	-4,050.00		415-555-1919	UnPaid	1/14/2020
Thomas Kitchen & Bath	-585.00	8050	415-555-8462	UnPaid	1/14/2020
Vu Contracting	-1,250.00		829-555-9019	UnPaid	12/30/2019
BILL PAYMENTS (14)					
	AMOUNT	NUMBER	PHONE		
Wheeler's Tile Etc.	-625.00	501	415-555-9977		
Daigle Lighting	-640.92	502	415-555-7769		
Patton Hardware Supplies	-754.50	503	415-555-1370		
Perry Windows & Doors	-6,935.75	504	415-555-5933		
Lew Plumbing	-45.00	505	415-555-5483		
East Bayshore Tool & Supply	-1,631.52	506	415-555-8665		
Timberloft Lumber	-1,358.00	507	415-555-1490		
East Bayshore Tool & Supply	-1,478.23	508	415-555-8665		
Hopkins Construction Rentals	-450.00	509	415-555-2366		
Timberloft Lumber	-898.00	510	415-555-1490		
East Bayshore Tool & Supply	-696.52	511	415-555-8665		
Patton Hardware Supplies	-400.00	512	415-555-1370		

items on your To Do list.

Step 6. Close the QuickBooks Calendar.

STATEMENT OF CASH FLOWS

Imagine that you have graduated from college without taking an accounting course. You are employed by a company as a salesperson, and you eventually become the sales manager of a territory. While attending a sales managers' meeting, financial results are reviewed by the Vice President of Sales and terms such as gross margin percentage, cash flows from operating activities, and LIFO inventory methods are being discussed. The Vice President eventually asks you to discuss these topics as they relate to your territory. You try to do so, but it is obvious to everyone in the meeting that you do not know what you are talking about.

Accounting principles courses teach you the "language of business" so you understand terms and concepts used in business decisions. If you understand how accounting information is prepared, you will be in an even stronger position when faced with a management decision based on accounting information.

The importance of transactions analysis and proper recording of transactions has clearly been demonstrated in some of the recent business failures that have been reported in the press. If the financial statements of an enterprise are to properly represent the results of operations and the financial condition of the company, the transactions must be analyzed and recorded in the accounts following generally accepted accounting principles. The debits and credits are important not only to accounting majors but also to those entering or engaged in a business

career to become managers because the ultimate effects of these journal entries are reflected in the financial statements.

If expenses are reported as assets, liabilities and their related expenses are omitted from the financial statements, or reported revenues are recorded prematurely or do not really exist, the financial statements are misleading. The financial statements are only useful and meaningful if they are fair and clearly represent the business events of the company.

Although accounting information plays a significant role in reducing uncertainty within the organization, it also provides financial data for persons outside the company. This information tells how management has discharged its responsibility for protecting and managing the company's resources. Stockholders have the right to know how a company is managing its investments. In fulfilling this obligation, accountants prepare financial statements such as an income statement, a statement of retained earnings, a balance sheet, and a statement of cash flows. In addition, they prepare tax returns for federal and state governments, as well as fulfill other governmental filing requirements.

Accounting is often confused with bookkeeping. Bookkeeping is a mechanical process that records the routine economic activities of a business. Accounting includes bookkeeping but goes well beyond it in scope. Accountants analyze and interpret financial information, prepare financial statements, conduct audits, design accounting systems, prepare special business and financial studies, prepare forecasts and budgets, and provide tax services.

CH2 SCF

The statement of cash flows shows the cash inflows and outflows for a company over a period of time. The headings and elements of each statement are similar from company to company.

Export the Statement of Cash Flows for Rock Castle by following these steps:

- Step 1:** Click **Reports** in the Navigation bar or Menu Bar
- Step 2:** Select type of report: **Company & Financial**
- Step 3:** Select report: **Statement of Cash Flows**
- Step 4:** Select the date range: **Last Month**. The Dates field will now be: **11/01/2022 to 11/30/2022**. If you used the Navigation Bar click on Run. The menu bar method may require a refresh (no run option available)
- Step 5:** Use the instructions in **Appendix C** to export your report for this activity to the Excel file for the Unit 02_Reports.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 6:** From the drop-down list, select the sheet: **CH2 SCF**.
- Step 7:** **CLICK** on the **EXPORT** option
- Step 8:** **Save** the **Excel File**

BACKUP YOUR COMPANY FILE

Use the instructions in **Appendix A** to back up your company file. Make sure your backup file is saved in the designated folder of this unit (**UNIT 02 BACKUPS**).

UNIT 02 PROJECT (ON-YOUR-OWN)

For this project, you will be restoring the backup file created for the unit. The QuickBooks company file for Larry-s Landscaping has already been created and transactions have been entered. Your assignment is to complete the following steps to export reports to Excel:

RESTORE THE UNIT 02 STARTER FILE

Follow the instructions in **Appendix A** (Backup & Restore QuickBooks Files) to restore the starter file for **u02a2 Larrys Landscaping**. This file is in your **UNIT 02** folder.

Step 19: **RESTORE** the **u02a2 Larrys Landcapaing.QBB** file

Step 20: Make sure you **SAVE** to the **UNIT 02 FOLDER**

EDIT COMPANY NAME AND PREFERENCES

Step 1: Update the Company Name to: **Your Name Larry's Landscaping**

Step 2: Using the preferences option located in your QuickBooks **Edit Menu**

Step 3: Select the **Use the last date entered date as default**

Step 4: In the Accounting section, select **Use account numbers** to display account numbers in the Chart of Accounts.

CUSTOMIZE THE CHART OF ACCOUNTS

Enter the following accounts:

Account	Supplies
Account No.	7310
Account Type	Expense
Account Description	Cleaning Supplies
Tax Line	Schedule C: Supplies (not from COGS)

Account	Computer Supplies
---------	-------------------

Account No.	7320
Account Type	Expense
Account Description	Computer Supplies
Tax Line	Schedule C: Supplies (not from COGS)

Account	Professional Design Fees
Account No.	7430
Account Type	Expense
Account Description	Professional Design Fees
Subaccount of	7400 Professional Fees
Tax Line	Schedule C: Legal and Professional Fees

Account	Section 179
Account No.	6710
Account Type	Expense
Account Description	Section 179
Subaccount of	6700 Depreciation
Tax Line	Schedule C: Other business expenses

Account	Internet Provider
Account No.	7754

Account Type	Expense
Account Description	Internet Provider
Subaccount of	7750 Utilities
Tax Line	Schedule C: Office expenses

P2 COA

QuickBooks provides an Account Listing report that lists the Chart of Accounts plus the account balances.

To review the Account Listing report for Larry's Landscaping:

- Step 1.** Display the *Chart of Accounts* window.
- Step 2.** Select the **Account** button > **Re-sort List** > **OK**
- Step 3.** Click the **Reports** button at the bottom of the *Chart of Accounts* window.
- Step 4.** Select **Account Listing** on the drop-down menu.
- Step 5.** To export the Account Listing report to Excel, at the top of the *Account Listing* window select **Excel**.
- Step 6.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_02_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 7.** From the drop-down list, select the sheet: **P2 COA**
- Step 8.** **Review** the exported report
- Step 9.** **Highlight** the accounts you added
- Step 10.** **Save and close** the Excel file.

P2 SCF

The statement of cash flows shows the cash inflows and outflows for a company over a specific recording period. The headings and elements of each statement are similar from company to company.

Export the Statement of Cash Flows for Larry's Landscaping by following these steps:

- Step 1:** Click **Reports** in the Navigation bar or Menu Bar
- Step 2:** Select type of report: **Company & Financial**
- Step 3:** Select report: **Statement of Cash Flows**
- Step 4:** Select the date range: **10/01/2021 to 09/30/2023**. If you used the Navigation Bar click on Run. The menu bar method may require a refresh (no run option available)
- Step 5:** Use the instructions in **Appendix C** to export your report for this activity to.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

Step 6: From the drop-down list, select the sheet: **P2 SCF**.

Step 7: **CLICK** on the **EXPORT** option

Step 8: **Highlight** any item on the statement that you might classify differently than shown on the report

Step 9: **Save** the **Excel File**

BACKUP YOUR COMPANY FILE

Use the instructions in **Appendix A** to back up your company file. Make sure your backup file is saved in the designated folder of this unit (**UNIT 02 BACKUPS**).

TAKE THE QUIZ

The reading in the unit along with the Excel reports you have generated have provided answer to the quiz for this unit. Take the **UNIT_02 QUIZ** in your Canvas account

SUBMIT THE UNIT REPORTS

After you have taken the quiz using the answers you have already recorded in the reports you extracted from Excel, **UPLOAD** the Excel file (**UNIT_02_REPORTS**), to the **UNIT_02** assignment area of your Canvas account.

QuickBooks Transactions

UNIT 03 – LISTS AND BANKING TRANSACTIONS



QuickBooks offers several methods for tracking and reporting on your accounting data so you can review how your business is doing financially. As a company conducts business operations, the company enters into transactions with customers, vendors, and employees. Before entering these transactions in QuickBooks, it is important to make sure the lists are up to date.

The lists in QuickBooks provide a time-saving feature. Once the detailed data has been entered, it does not need to be entered a second time. The list collects information that will be reused throughout all transactions.

QuickBooks Lists Include:

- ✓ **Customer List** – Provides information about customer (email, contact, credit limits, etc.)
- ✓ **Vendor List** – Provides details regarding vendors (account settings, contacts, payment settings, etc.)
- ✓ **Employee List** – Contains full payroll database that includes employee SS#s and important information.
- ✓ **Item List** – Provides information about the items or services sold to customers or purchased from vendors.
- ✓ **Payroll Item List** – Tracks detailed information about payroll, such as payroll taxes and payroll deductions. The Payroll Item List permits the use of a single or limited number of payroll accounts while more detailed information is tracked using the item List for payroll.
- ✓ **Class List** – Permits income to be tracked according to the specific source (class) of income. An example of a class might be a department, store location, business segment, or product line.

Lists are used so that information can be entered once in a list and then reused as needed. For example, information about a customer, such as addresses, can be entered in the Customer List. The customer information then automatically appears on the customer invoice.

RESTORE THE STARTER FILE

You will find the following files in your **Student files** for **UNIT 03**.

- U03a1 Rock Castle Construction
- U03a2 Larry's Landscaping
- UNIT_03_Reports

To complete the first lesson exercises, **RESTORE** the **u03a1 Rock Castle Construction** company file from the **UNIT 03** folder.

NOTE: The process to **restore a backup** is found in **Appendix A.01** and will be repeated throughout all the activities in the text.

RENAME THE COMPANY

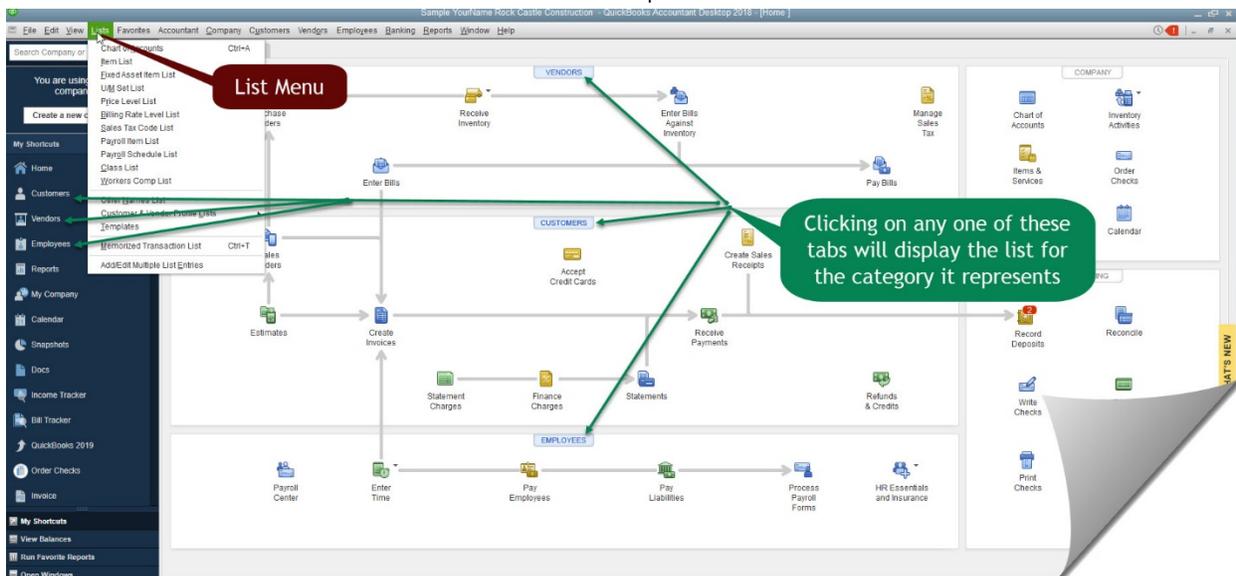
After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Rock Castle Construction. Your first activity is to personalize that name to meet your needs follow these instructions:

- Step 13.** From the Menu bar, select **Company**
- Step 14.** Select **MY COMPANY**
- Step 15.** Select **EDIT**
- Step 16.** Update the Company Name Field to: **YourName Rock Castle Construction**
- Step 17.** **CLICK** on **OK**
- Step 18.** **Close** the My Company window.

NOTE: The process to **rename the company** is found in **Appendix B** and will be repeated throughout all the activities in the text.

VIEW QUICKBOOKS LISTS

To view each of the lists described follow these steps:



- Step 1.** Select **Customers** on the Navigation Bar to view the Customers List
- Step 2.** Select **Vendors** on the Navigation Bar to view the Vendors list
- Step 3.** Select **Employees** on the Navigation Bar to view the Employees List
- Step 4.** Select the **Items & Services** icon in the Company section of the Home Page to view the Items & Services List
- Step 5.** Select the **Chart of Accounts** icon in the Company section of the Home Page to view the Chart of Accounts list of accounts.
- Step 6.** Select the **Lists Menu** to view other QuickBooks lists, such as the Payroll Item List or the Class List.

CH3 CB DT

For this section of the assignment we will pull the Customer Balance Detail report to view how the QuickBooks displays the customers and jobs.

- Step 1.** Click on the **Reports** section of the menu bar or the icon bar
- Step 2.** Click on **Customers & Receivables**
- Step 3.** Click on **Customer Balance Detail**. If you choose the menu bar option, you will need to select the Run option.
- Step 4.** Export to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_03_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 6.** From the drop-down list, select the sheet: **C3 CB DT**
- Step 7.** **Save and close** the Excel file.

CH3 EMP WH

The report for this activity will provide a view of the Employee Withholding.

- Step 1.** Click on the **Reports** section of the menu bar or the icon bar
- Step 2.** Click on **Employees & Payroll**
- Step 3.** Click on **Employee Withholding**
- Step 4.** Export to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_03_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 6.** From the drop-down list, select the sheet: **C3 EMP WH**
- Step 7.** **Save and close** the Excel file.

ONSCREEN FORM OR JOURNAL ENTRIES

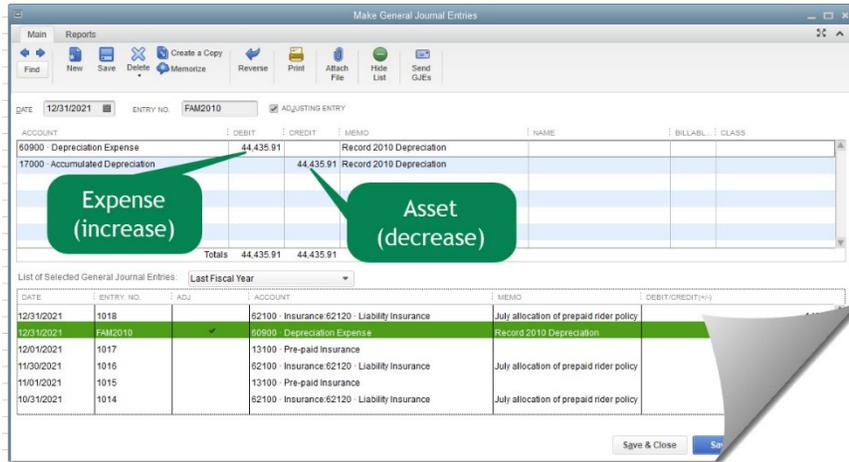
QuickBooks offers two different ways to enter transaction information by using the Onscreen **Journal** or Onscreen **Forms**.

ONSCREEN JOURNAL

We can make debit and credit entries in an onscreen Journal. The onscreen Journal is often used to make adjusting entries at year end to bring accounts up to date before preparing financial statements. (To have a better understanding of how debits and credits work, refer to the chart in Appendix D). The following example is of a journal entry.

- Step 1.** Click on **Company** from the menu bar
- Step 2.** Click **Make General Journal Entries**

Step 3. Click on the entry numbered **FAM2010** to bring it into view



Notice in the view of the entry, the numbering system is an indication of how the account is tracked. (Appendix D has a list of the account numbering system for your reference.)

ONSCREEN FORMS

We can enter information about transactions using onscreen forms such as the following onscreen form. When we enter information into an onscreen form, behind the screen QuickBooks automatically converts that information into a journal entry with debits and credits. QuickBooks maintains a list of journal entries for all the transactions entered-whether entered using the onscreen Journal or onscreen forms.

CH3 JUR -1

To view the Journal entry that QuickBooks created behind the screen for a transaction entered and saved using an onscreen form, complete the following steps:

- Step 1.** To view an onscreen form such as an Expense, select the **Enter Bills** icon in the Vendors section of the Home Page.
- Step 2.** From the Enter Bills onscreen form window, select the **Main** tab at the top of the window.

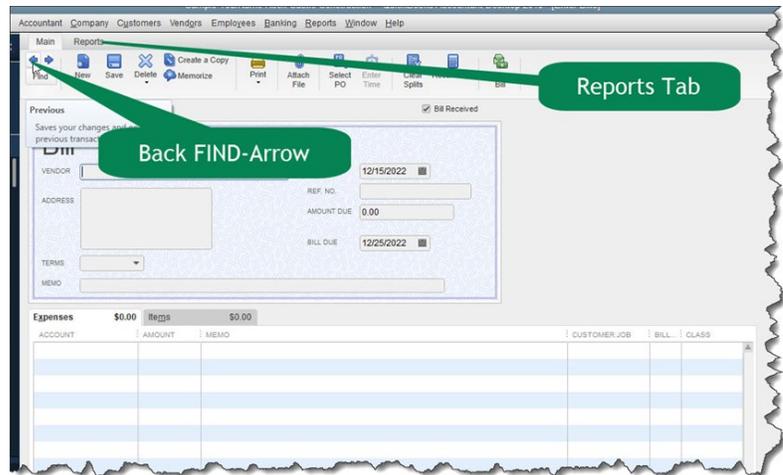
Step 3. Click the back **FIND-Arrow** until the bill for **Thomas Kitchen & Bath** for **12/15/2022** in the amount of **\$585.00** appears.

Step 4. Next select the **Reports tab** at the top of the Enter Bills window

Step 5. Select **Transaction Journal**

Step 6. Export to **Excel**

Step 7. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_03_REPORTS** Excel file.



NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

Step 8. From the drop-down list, select the sheet: **C3 JUR-1**

Step 9. **Save and close** the Excel file.

BANKING AND CREDIT CARD TRANSACTIONS

If necessary, click the **Home** icon in the Icon bar to display the Home page. From the *Banking* section of the Home page, you can:

- ✓ Record deposits (cash flowing in the Checking account).
- ✓ Write checks (cash going out of the checking account).
- ✓ Print checks
- ✓ Reconcile bank statements
- ✓ View Check Register
- ✓ Enter credit card charges

A business should establish a business checking account separate from the owner's personal checking account. The company's business checking account should be used only for business transactions, such as business insurance and mortgage payments for the company's office building. An owner should maintain a separate checking account for personal transactions, such as mortgage payments for the owner's home.

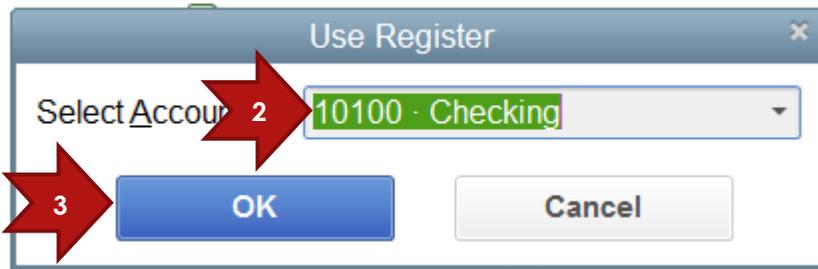
VIEW AND PRINT CHECK REGISTER

CH3 REG

The Check Register is a record of all transactions affecting the Checking account. The QuickBooks onscreen Check Register looks like a checkbook register used to manually record deposits and checks.

To view the QuickBooks Check Register:

- Step 1.** Click the **Check Register** icon in the Banking section of the Home page.
- Step 2.** The following window will appear asking you to specify a bank account. Select **10100 Checking**.



- Step 3.** Click **OK**

The *Check Register* window should appear on your screen. Notice there are separate columns for:

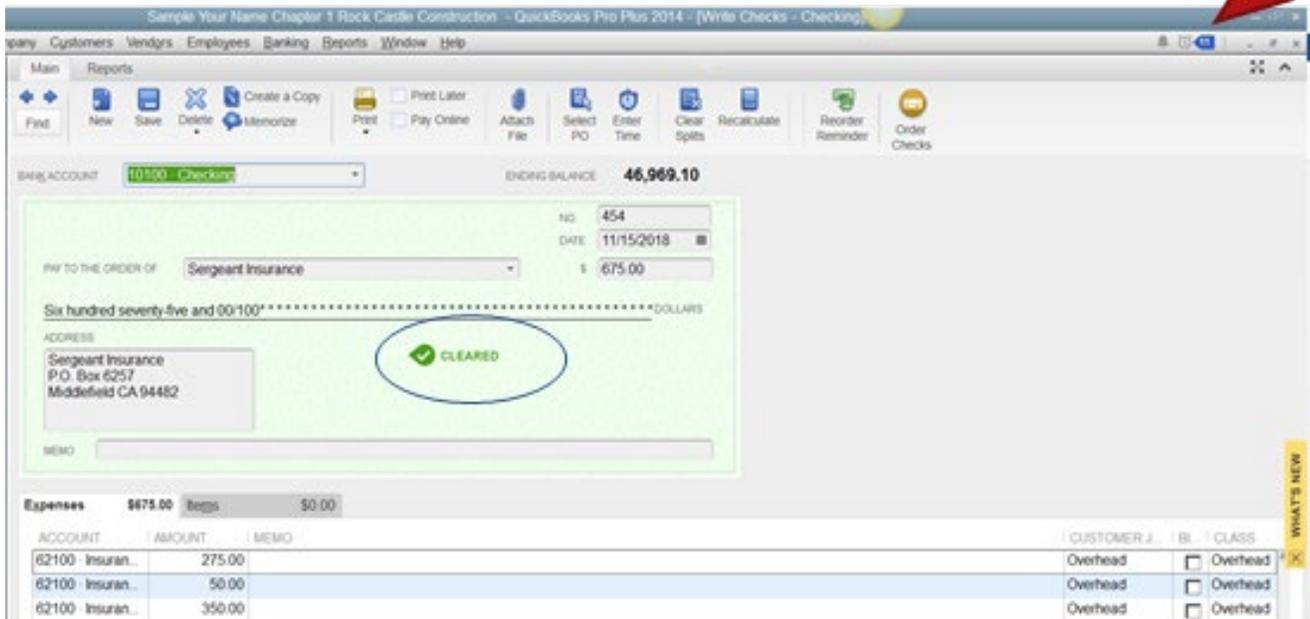
- ✓ Payments (checks)
- ✓ Deposits
- ✓ Balance

Small enterprises that have strictly cash-based operations sometimes simply use the Check Register to record all transactions. Such enterprises record payments and deposits directly into the Check Register using the Record button. However, most business enterprises require the more advanced features of the QuickBooks accounting software. The next few exercises will cover some of these techniques.

Step 4. QuickBooks drill-down feature permits you to double-click some items to drill-down and view the supporting documents. To view the check for the Sergeant Insurance transaction, double-click the **Sergeant Insurance** entry on **11/15/2022** in the Check Register.

Sample Your Name Chapter 1 Rock Castle Construction - QuickBooks Pro Plus 2014 - [10100 - Checking]						
Company Customers Vendors Employees Banking Reports Window Help						
Go to... Print... Edit Transaction QuickReport Download Transactions						
DATE	NUMBER	PAYEE		PAYMENT	✓	D
	TYPE	ACCOUNT	MEMO			
11/12/2018	448	Patton Hardware Supplies		48.10	✓	
	CHK	54000 · Job Expenses:54300 · Job Materials				
11/14/2018	449	McClain Appliances		800.00	✓	
	BILLPMT	20000 · Accounts Payable	85-93117			
11/14/2018	450	C.U. Electric		440.00	✓	
	BILLPMT	20000 · Accounts Payable				
11/14/2018	451	Larson Flooring		3,200.00		
	BILLPMT	20000 · Accounts Payable				
11/14/2018	452	Middlefield Drywall		850.00	✓	
	BILLPMT	20000 · Accounts Payable	ROCK-0921			
11/14/2018	453	Bayshore Auto Mall		532.97	✓	
	BILLPMT	20000 · Accounts Payable	Monthly Truck Payment			
11/15/2018	454	Sergeant Insurance		675.00	✓	Deposit
	CHK	-split-	Memo			
11/15/2018	455	Patton Hardware Supplies		489.23	✓	
	CHK	54000 · Job Expenses:54300 · Job Materials				
11/15/2018	456	QuickBooks MasterCard		1,050.00	✓	
	CHK	20500 · QuickBooks Credit Card				
11/15/2018	457	CalOil Company		48.28	✓	
	CHK	20600 · CalOil Credit Card				
11/15/2018	458	State Board of Equalization		4,000.00		

Step 5. The check is stamped *Cleared*, indicating it has already cleared the bank with funds paid to Sergeant Insurance. **Close** the Write Checks windows by clicking on the  in the upper right corner of the window.



If you wanted to double check to make certain the Sergeant Insurance bill had not been erroneously paid twice, you can use the QuickReport feature of the Check Register to view all payments to Sergeant Insurance.

Step 1. Display the Check Register. In the register, click on the **11/15/2022 Sergeant Insurance** payment for \$675 to select it.

Step 2. Select the **QuickReport** button at the top of the Check Register window.

Step 3. When the Register QuickReport window appears:

- ✓ Enter Dates: **All**
- ✓ Export the report to **Excel**
- ✓ The sheet to export to is called **CH3 REG**

This fiscal year's total for Sergeant Insurance is \$-21,698.98.

Step 4. **Close** the Register QuickReport window and then the Check Register window by clicking the  in the upper right corner of each window.

You can  record deposits and checks directly in the Check Register or use the *Make Deposits* window and the *Write Checks* window.

MAKE DEPOSITS

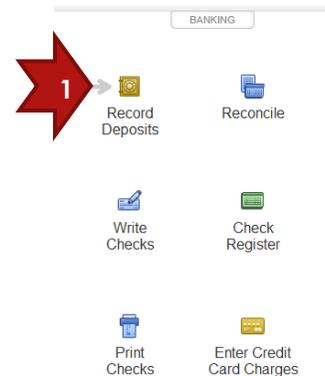
Deposits are additions to the Checking account. Any cash coming into a business should be recorded as a deposit to one of the company's accounts.

QuickBooks classifies deposits into two types:

1. Payments from customers

2. Non-sales receipts (deposits other than customer payments) such as:
 - ✓ Cash received from loans
 - ✓ Investments from owners
 - ✓ Interest earned
 - ✓ Other income, such as rental income

Payments from customers are entered using the Customers section of the Home page. Deposits other than customer payments are recorded using the *Banking* section of the Home page.

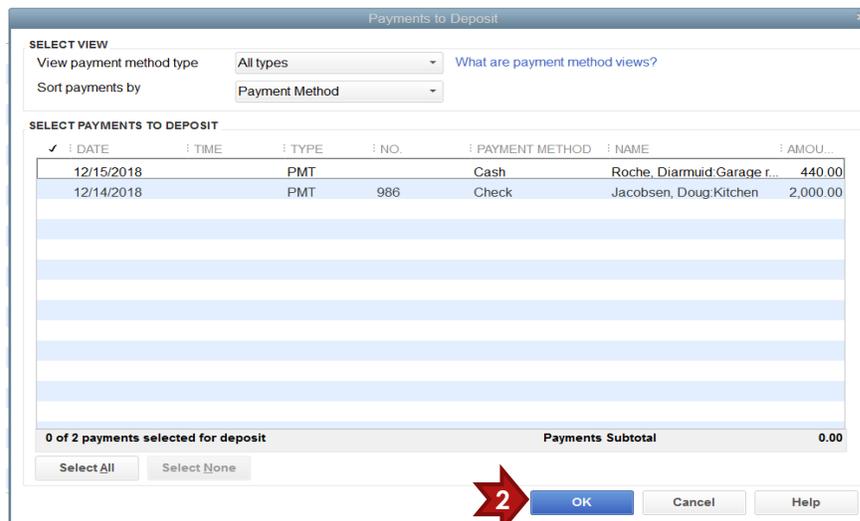


In the next exercise, we are assuming Mr. Castle wants to invest an additional \$72,000 in the business by depositing his \$72,000 check in Rock Castle Construction's Checking account.

Non-sales receipts -- a deposit other than a customer payment is recorded using the following steps:

- Step 1.** From the *Banking* section of the Home page, click the **Record Deposits** icon.
- Step 2.** The following *Payments to Deposit* window will appear. QuickBooks uses a two-step process to record payments received:
 - ✓ **Undeposited Funds** – Record the payment received by not yet deposited
 - ✓ Record the deposit

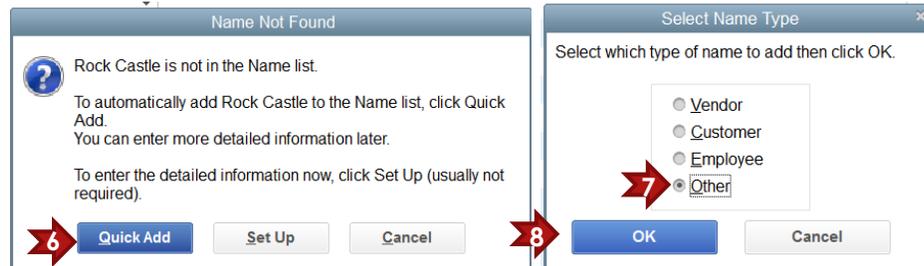
The payments listed in the *Payments to Deposit* window are undeposited funds that have been recorded as received but not yet deposited in the bank. Since these amounts will be deposited at a later time, confirm that none of the payments have been selected for deposit, then click **Cancel**.



Step 3. When the following *Make Deposits* window appears, record Mr. Castle's \$72,000 deposit. Select Deposit To: **10100 Checking**.

Step 4. Select Date: **12/15/2022**

- Step 5.** Click in the *Received From* column and type: **Rock Castle**. Press the **Tab** key.
- Step 6.** When prompted, select **Quick Add** to add the name to the Name List
- Step 7.** Select Name Type: **Other**
- Step 8.** Click **OK**



- Step 9.** Click in the *From Account* column. From the drop-down list of accounts, select **30100 Capital Stock**. Press **Tab**.
- Step 10.** Enter memo: **Investment**
- Step 11.** Enter Check No. : **555** (the number of Mr. Castle's check).
- Step 12.** From the Payment Method drop-down list, select **Check**
- Step 13.** Enter Amount: **72000**. (QuickBooks will automatically enter the comma in the amount.)

RECEIVED FROM	FROM ACCOUNT	MEMO	CHK NO.	PMT METH.	CLASS	AMOUNT
Rock Castle	30100 - Capital Stock	Investment	555	Check		72,000.00

- Step 14.** QuickBooks permits you to print a deposit slip using a QuickBooks preprinted form and a deposit summary. To print a summary of the deposit you just recorded, select the **Print** arrow at the top of the *Make Deposits* window.
- Step 15.** Select **Deposit Summary**.

Select the appropriate printer or PDF printer, then click **Print**. **DO NOT confirm the print. Click the Print Preview option.** The deposit summary should list the \$72,000 check from Mr. Castle. Mr. Castle's \$72,000 investment in the company has now been recorded as a deposit in Rock Castle Construction's Checking account.

- Step 16.** Close the *Make Deposits* window by clicking the **Save & Close** button.

WRITE CHECKS

A business needs to track all cash paid out of the company's checking account. Examples of payments include purchases of inventory, office supplies, employee salaries, rent payments, and insurance payments.

Supporting documents (source documents) for payments include canceled checks, receipts, and paid invoices. These source documents provide proof that the transaction occurred; therefore, source documents should be kept on file for tax purposes.

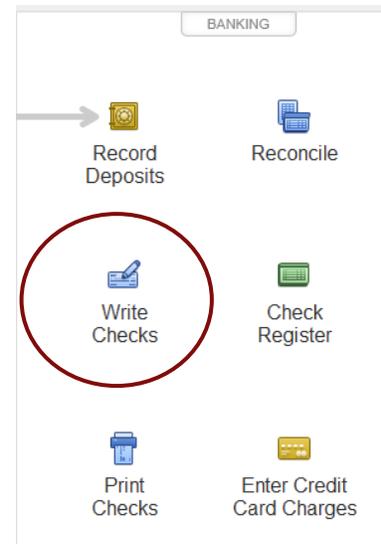
QuickBooks provides two ways to pay bills:

One-Step Approach to Bill Paying

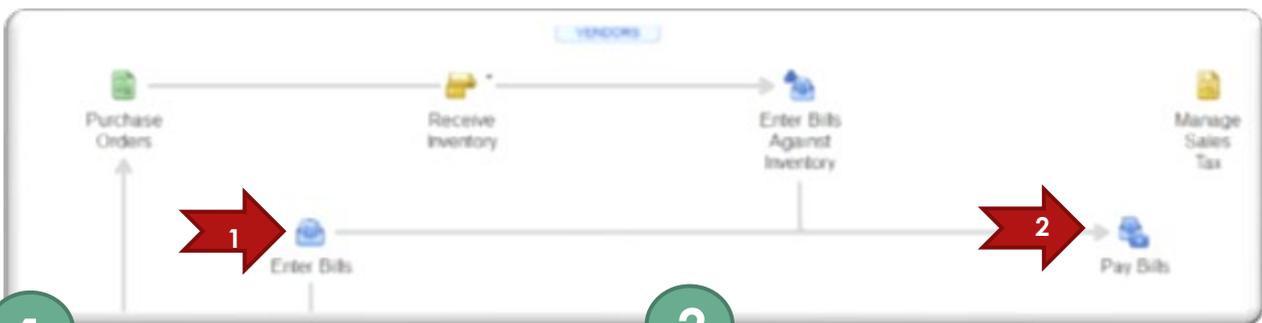
Record and pay the bill at the same time. When using this approach, the bill is paid when it is received.

QuickBooks Journal:

1. **Debit** – Records an Expense
2. **Credit** – Reduces the checking account amount



Two-Step Approach to Bill Paying



1

Enter Bills – Record bills for services such as utilities

QuickBooks Journal:

1. **Debit** – Records an Expense
2. **Credit** – Records and obligation (liability) to pay later

2

Pay Bills – Select Bills to pay, then print checks

QuickBooks Journal:

3. **Debit** – Reduces the Liability
4. **Credit** – Reduces the Checking account

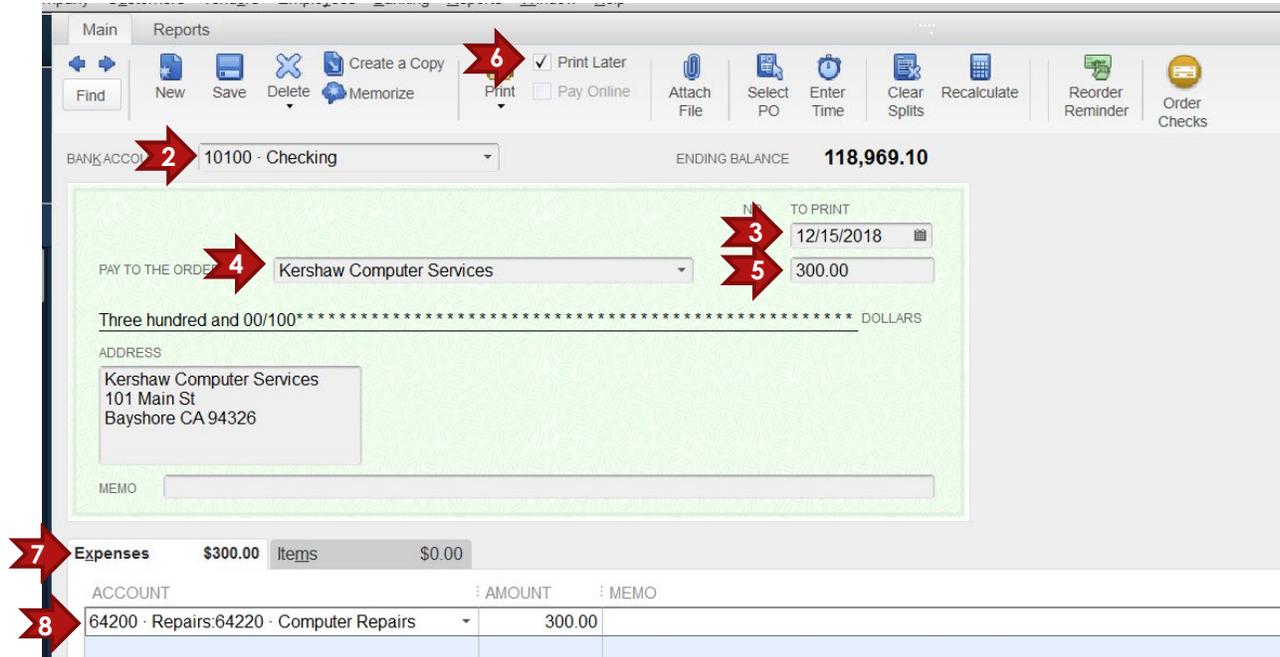
When NOT to Use the One-Step Approach

- ✓ **Paychecks** – Employees should be paid wages and salaries from the Pay Employees section of the Home page.
- ✓ **Payroll Taxes and Liabilities** – QuickBooks generates the obligation for this cost through the employee section under Pay Liabilities.
- ✓ **Sales Taxes** – From the Vendors section, use the Manage sales Tax icon and Pay sales Tax window.
- ✓ **Bills Entered** – Bills that have been entered through the vendor area, must use the two-step approach and follow through with the *Pay Bills* option.

The next activity will use the *Write Checks* window (One-Step Approach) to pay a computer repair service bill for Rock Castle Construction.

- Step 1.** From the *Banking* section of the Home page, click the **Write Checks** icon and an onscreen check will appear.
- Step 2.** To enter the check information, select Bank Account: **Checking**
- Step 3.** Select Date **12/15/2022**.
- Step 4.** For the *Pay to Order of* field, select: **Kershaw Computer Services**. (Select Kershaw from the drop-down list or type the first few letters of the name.)
- Step 5.** Enter the check amount: **300**
- Step 6.** Click the checkbox preceding **Print Later** so that a check mark appears. This tells QuickBooks to both record and print the check. The Check no. field now displays: **To Print**. Notice there is also an option to Pay Online.
- Step 7.** Next, to record the payment in the correct account using the lower portion of the Write Checks window, select the **Expenses** tab.

Step 8. If not already selected, select Account: **64220 Computer Repairs**. Account 64200 Repairs:64220 Computer Repairs should appear in the *Account* column and \$300 should automatically appear in the expense *Amount* column.



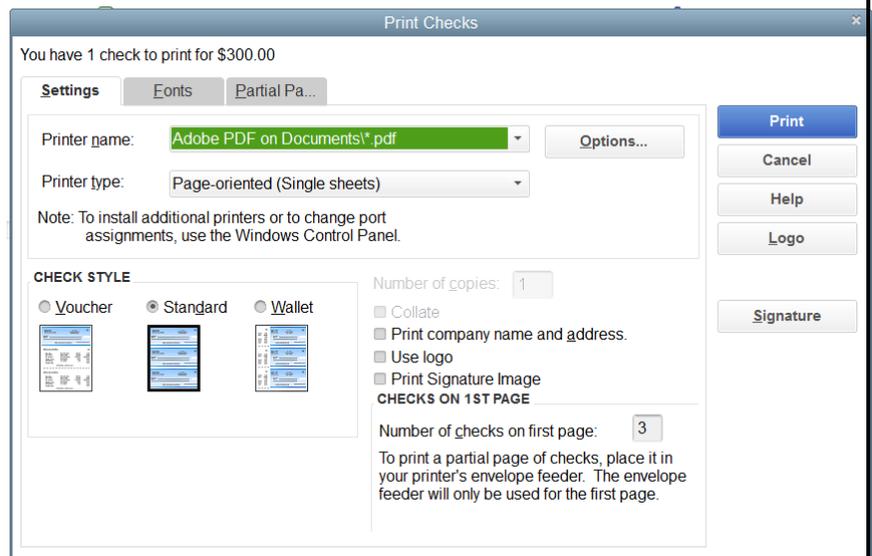
Note: If the payment was related to a specific customer or job, you could enter that information in the Customer: Job column and select Billable.

Step 9. To print the check, select the **Print** button located at the top of the *Write Checks* window. (Choose the PDF printer for this option. This will give you a detailed view of the actual printout)

Step 10. Enter Check No.: **517**

Step 11. Click **OK**

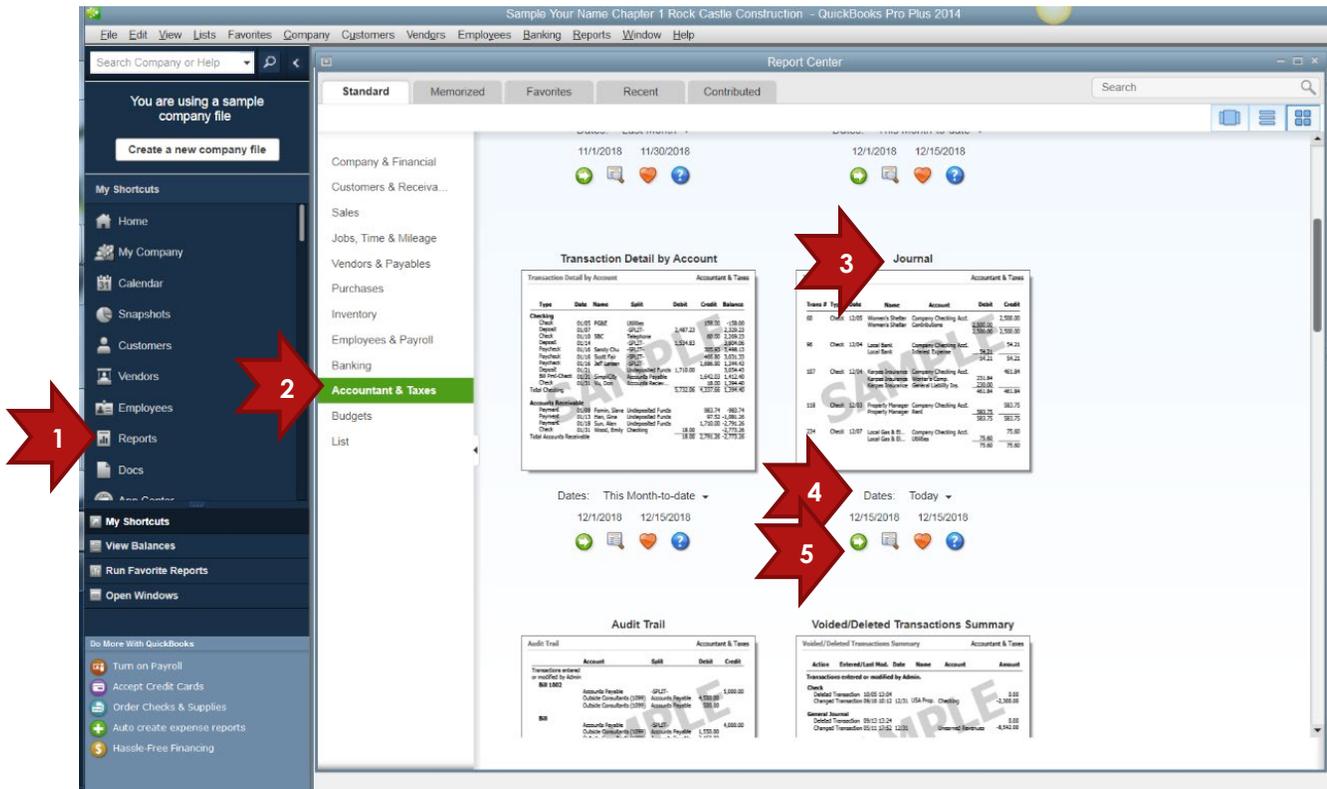
Step 12. If you were using the preprinted check forms, the form would be inserted into the printer at this time. There are several options that can be used for the printer including the company address, logo and signature.



THE JOURNAL

QuickBooks uses two different ways to enter information:

1. **Onscreen Forms** – these are forms such as the check you just completed.
2. **Journal** – The journal creates a list of all transactions automatically using debits and credits.



When you enter information into an onscreen form, QuickBooks automatically converts that information into a journal entry with debits and credits.

To view the journal entry for the check that you just recorded, follow these steps:

- Step 1.** Click **Reports** in the Icon bar to open the *Report Center* window.
- Step 2.** Select: **Accountant & Taxes**
- Step 3.** Select: **Journal**
- Step 4.** Select Dates: **Today** From: **12/15/2022** To: **12/15/2022**
- Step 5.** Select **Run**.
- Step 6.** Your Journal window should appear as follows. Double-click on a journal entry, to drill down to the related source document. If you double-click on the journal entry that records the computer repair, the *Write Checks* window appears, displaying the onscreen check that you just prepared. **Close** the *Write Checks* window.

Step 7. Notice that the journal entry to record the deposit of Mr. Castle's \$72,000 includes a debit to the Checking account and credit to Account 30100 Capital Stock.

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
1759	Sales Tax Paym...	12/15/2018	516	State Board of Eq...	ABCD 11-23...	10100 - Checking		1,629.27
				State Board of Eq...	ABCD 11-23...	25500 - Sales Tax Payable	542.10	
				State Board of Eq...	ABCD 11-23...	25500 - Sales Tax Payable	1,087.17	
							1,629.27	1,629.27
1777	Deposit	12/15/2018		Rock Castle	Deposit Investment	10100 - Checking	72,000.00	
						30100 - Capital Stock		72,000.00
							72,000.00	72,000.00
1778	Check	12/15/2018	517	Kershaw Compute...		10100 - Checking		300.00
				Kershaw Compute...		64220 - Computer Repairs	300.00	
							300.00	300.00
TOTAL							154,123.08	154,123.08

RECORDING DEBITS AND CREDITS

Five different types of accounts are listed below along with the effects that debits and credits have on them.

Account Type	Debit	Credit	Effect on Balance
Asset	✓		Increase
Liability		✓	Increase
Equity		✓	Increase
Revenues (Income)		✓	Increase
Expenses	✓		Increase

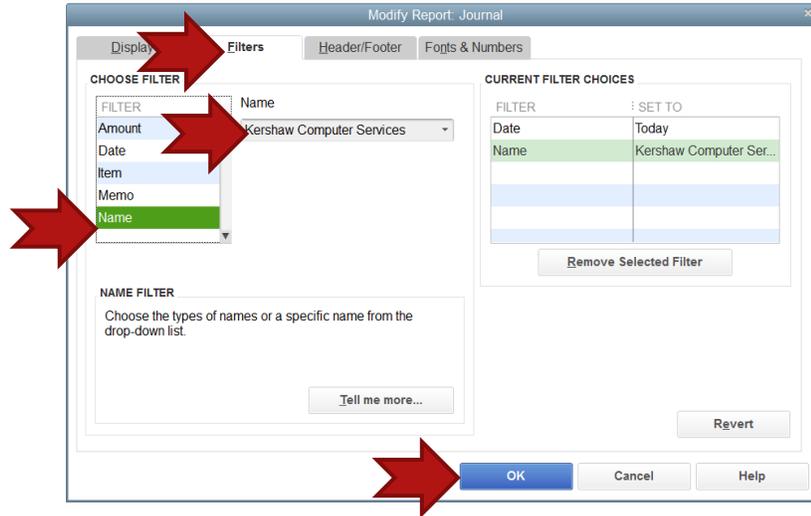
Notice that the debit to Rock Castle Construction Checking account increased the balance. The credit to the Capital Stock account for \$72,000 increased the Capital Stock account balance.

Account	Account Type	Debit	Credit	Effect on Balance
Checking	Asset	✓		Increase
Capital Stock	Equity		✓	Increase

Step 8. View the entry on 12/15/2022 to record the check written to Kershaw Computers for computer repair services. This entry debits (increases) the balance of the expense account, Computer Repairs, and credits (decreases) the Checking account balance.

CH3 JUR-2

- Step 1.** With the Journal open, you will now create a report filter select **Customize Report** at the top of the report window.
- Step 2.** Click the **Filters** tab
- Step 3.** Choose Filter: **Name**
- Step 4.** From the drop-down Name List, select: **Kershaw Computer Services**



- Step 5.** Click **OK** to close the *Modify Report: Journal* window.
- Step 6.** Export to **Excel**
- Step 7.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_03_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 8.** From the drop-down list, select the sheet: **CH3 JUR-2**
- Step 9.** **Save and close** the Excel file.

RECONCILE BANK STATEMENTS

Typically, once a month the bank sends a Checking account bank statement to you. The bank statement lists each deposit, check, and withdrawal from the account during the month.

A bank reconciliation is the process of comparing, or reconciling, the bank statement with your accounting records for the Checking account. The bank reconciliation has two objectives: (1) to detect errors and (2) to update your accounting records for unrecorded items listed on the bank statement (such as service charges).

Differences between the balances the bank reports on the bank statement and the balance the company shows in its accounting records usually arise for two reasons:

1. **Errors** – Either the bank errors or the company errors.
2. **Timing differences** – This occurs when the company records an amount before the bank does or the bank records an amount before the company does. For example, the company may record a deposit in its accounting records, but the bank does not record the deposit before the company's bank statement is prepared and mailed.

Timing differences include:

- **Deposits in Transit** – deposits the company has recorded but the bank has not.
- **Outstanding checks** – checks the company has written and recorded but the bank has not recorded yet.
- **Unrecorded charges** – charges that the bank has recorded on the bank statement, but the company has not recorded in its accounting records yet. Unrecorded charges include service charges, loan payments, automatic withdrawals, and ATM withdrawals.
- **Interest earned on the account** – interest the bank has recorded as earned but the company has not recorded yet.

CH3 REC DT

The following bank statement lists the deposits and checks for Rock Castle Construction according to the bank's records as of November 20, 2022.

BANK STATEMENT		
Rock Castle Construction		11-20-2022
1735 County Road		Checking
Bayshore, CA 94326		
Previous Balance	10-20-2022	\$71,452.58
+Deposits	0	0.00
-Checks	4	4,161.56
-Service Charge		10.00
+Interest Paid		0.00
Ending Balance	11-20-2022	\$67,281.02
		Deposits
Date		Amount
		0.00
		Checks Paid
	Date No.	Amount
	10-31-2022 433	712.56
	10-31-2022 436	24.00

11-14-2022	451	3,200.00
11-19-2022	460	225.00

Thank you for banking with us!

To reconcile this bank statement with Rock Castle's QuickBooks records, complete the following steps:

Step 1. From the *Banking* section of the Home page, click the **Reconcile** icon to display the *Begin Reconciliation* window.

Step 2. Select Account to Reconcile: **10100 Checking**

Step 3. Enter date shown on the bank statement:
11/20/2022

Step 4. Compare the amount shown in the *Beginning Balance* field with the beginning (previous) balance of **\$71,452.58** on the bank statement.

Step 5. In the "**Ending Balance**" field, enter the ending balance shown on the bank statement: **\$67,281.02**.

Step 6. In the *Service Charge* field, enter the bank's service charge: **\$10.00**.

Step 7. Change the date to **11/20/2022**.

Step 8. Select the Account: **Bank Service Charges**.

Step 9. Click **Continue**

Step 10. To mark deposits that have been recorded by the bank, simply click on the deposit in the *Deposits and Other Credits* section of the *Reconcile* window.

Step 11. To mark checks and payments that have cleared the bank, simply click on the check in the *Checks and Payments* section of the *reconcile* window.

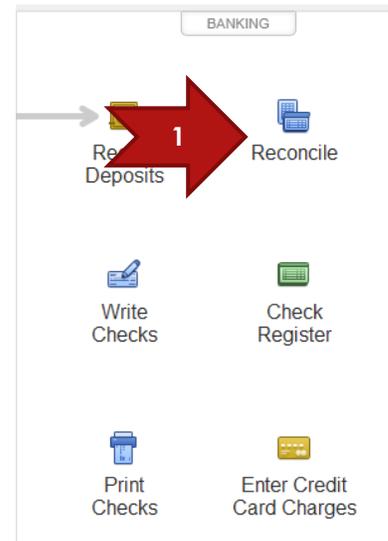
Step 12. After marking all deposits and checks that appear on the bank statement, compare the Ending Balance and the Cleared Balance at the bottom of the *Reconcile* window (on previous page).

The Difference amount in the lower right corner of the Reconcile window should equal \$0.00.

Step 13. If the difference is \$0.00, click **Reconcile Now**. If there is a difference between the Ending Balance and the Cleared Balance, then try to locate the error or use QuickBooks Locate Discrepancies feature from the *Begin Reconciliation* window.

Step 14. When the *Select Reconciliation Report* window appears, select type of Reconciliation Report: **Detail**.

Step 15. Export to **Excel**



Step 16. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_03_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

Step 17. From the drop-down list, select the sheet: **CH3 REC DT**

Step 18. **Save and close** the Excel file.

After you click **Reconcile Now**, you can view the Bank Reconciliation by selecting **Reports** menu **>Banking > Previous Reconciliation**.

If you need to make changes to the bank reconciliation, you may perform any one of the following:

1. To return to the reconciliation screen to make changes, from the Begin Reconciliation window, click **Locate Discrepancies**.
2. Another way to change the status of a cleared item: Display the Check Register, then click the Cleared Status column until the appropriate status (cleared or uncleared) appears.

ONLINE BANKING

QuickBooks offers an online banking feature so that you can conduct banking transactions online using the Internet. View online banking features through the Banking menu.

To setup an online banking account, you will follow these steps with your bank:

1. Check to see if your bank supports online banking. If yes, register for an online account.
2. From the QuickBooks **Banking** menu, select **Bank Feeds > Set Up Bank Feeds for an Account**.

NOTE: Go to **Banking > Bank Feeds > Participating Financial Institutions**.

3. In the Enter your Bank's name field, enter the name of your bank. **Note:** as you type, QuickBooks displays possible matches.

DIRECT CONNECT

To set up account for Direct Connect, you must first apply for online services through your bank. If you use more than one account, you may have to apply for each one separately. The bank will provide you with your login credentials once your application is approved. Contact your Financial Institution (FI) for details. If your bank offers Direct Connect service, you will be redirected to a window providing you the option to enroll in the service.

1. If you want to enroll, select the **enrollment site** link and you will be redirected to the bank's website.

NOTE: banks charge for Direct Connect service.

2. If you do not want to enroll, you will be given the option to manually import transactions.
3. If you have previously enrolled in Direct Connect, select the **Continue** button. In the next window, you can enter your Direct Connect login credentials.
 - a. Enter your Online Banking ID and Password.
 - b. Select **Connect**. QuickBooks will connect to the bank's server.
 - c. Select the bank account you want to connect to QuickBooks.
 - d. Select **Finish** after the process completes. You have successfully activated online banking.

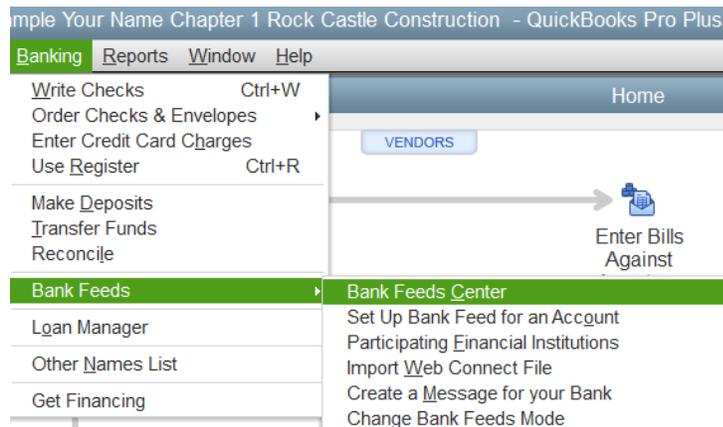
WEB CONNECT

1. If your bank only offers Web Connect, you will be redirected to a window providing steps to download transactions through Web Connect.

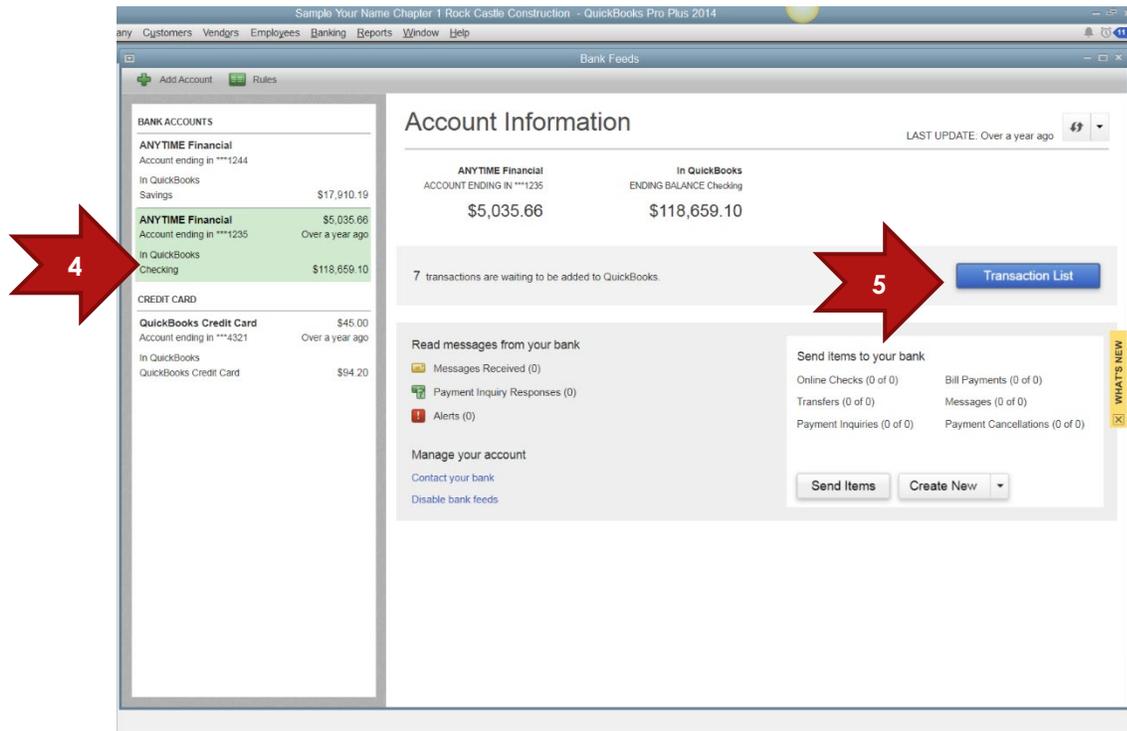
NOTE: downloading transactions from the bank's website and importing them into QuickBooks Desktop for the first time automatically sets up an account for online banking. Depending on your bank and the version of QuickBooks you're using, you may be presented with options for Direct Connect, Web Connect or both.

2. On the Link your Accounts screen, choose which bank account(s) to add to QuickBooks.
 - a. If you have multiple accounts (Savings, Checking, or Credit Card) available to connect to QuickBooks but only need one (Checking), then you can set up online banking just for it.
 - b. If the account is not yet in QuickBooks, select the **Select existing** or **Create new** drop-down, then choose **Create New Account**.

You can access QuickBooks online banking features from the Bank menu shown next.



- Step 1.** Select **Banking** from the Menu bar
- Step 2.** Select **Bank Feeds**.
- Step 3.** Select **Bank Feeds Center**
- Step 4.** In the *Bank Feeds* window, select the Bank Account: **ANYTIME Financial Accounting ending in ***1235**.



- Step 5.** Select: **Transactions List**.
- Step 6.** In the *Tell QuickBooks* how to handle these bank transactions, **check** the transaction for **Anton Teschner**. In the *Action* column, select **Approve**

Step 7. Close the *Transactions List* window and the *Bank Feeds* window.

ENTER CREDIT CARD CHARGES

QuickBooks offers businesses the ability to enter credit card charges into QuickBooks and then to download card charges to update and match QuickBooks records.

In the next exercise you will be entering a credit card charge for a \$50.00 track pad purchased from Kershaw Computer Services:

- Step 1.** From the Banking section of the Homepage, click the **Enter Credit Card Charges** icon.
- Step 2.** From the following *Enter Credit Card Charges* window, select **Purchase/Charge**.
- Step 3.** Select Purchased From: **Kershaw Computer Services**.
- Step 4.** Enter Date: **12/15/2022**.
- Step 5.** Enter Amount: **50.00**
- Step 6.** Enter Memo: **Trackpad**
- Step 7.** Select the **Expenses** tab
- Step 8.** In the *Account field*, enter account number: **63000 - Office Supplies**
- Step 9.** The *Amount* field should automatically display the amount of 50.00
- Step 10.** Click **Save & Close**

Enter Credit Card Charges - QuickBooks Credit Card

Main Reports

Find New Save Delete Memorize Attach File Download Card Charges Select PO Enter Time Clear Splits Recalculate

CREDIT CARD 20500 - QuickBooks C... Purchase/Charge Refund/Credit ENDING BALANCE 94.20

Credit Card Purchase/Charge

PURCHASED FROM Kershaw Computer Services DATE 12/15/2018

REF NO. AMOUNT 50.00

Trackpad

Expenses \$50.00 Items \$0.00 Ready to pay a credit card bill?

ACCOUNT	AMOUNT	MEMO	CUSTOM...	BI...	CLASS
63000 - Office Supplies	50.00				

Save & Close Save & New Clear

CHALLENGE ACTIVITIES

CH3 JUR-3

Step 1: Make Deposit

- a. **AMOUNT:** \$1,000
- b. **FROM:** Rock Castle
- c. **CHECK:** No. 556
- d. **ACCOUNT:** 30100 Capital Stock
- e. **DATE:** 12/15/2022
- f. **MEMO:** Invest

Step 2: Generate & Customize the Report

- a. From the **Accounting & Taxes** section, open the **Journal**
- b. **Customize** the Journal
- c. **Click** on **Filters**
- d. **NAME:** Rock Castle

Step 3: Export to Excel

Step 4: Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_03_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

Step 5: From the drop-down list, select the sheet: **CH3 JUR-3**

Step 6: **Save and close** the Excel file.

FIND AND EDIT CHECKS

CH3 REG-2

Find Check No. 470 made out to Washuta & Son Paining in the QuickBooks Check Register by completing the following steps.

- Step 1:** View the Check Register. (Click **Check Register** icon in the *Banking* section of the Home page.)
- Step 2:** Next, search the Check Register for Check No. 470 using the Go To feature. Click the **Go to . . .** button in the upper left corner of the *Check register window*.
- Step 3:** In the Go To window:
 - ✓ Select Which Field: **Number/Ref**
 - ✓ Enter Search For: **470**
- Step 4:** Click the **Next** button. If asked if you want to search from the beginning, click **Yes**.
- Step 5:** Check No. 470 on 11/28/2022 to Washuta & Son Painting should appear in the Check Register window.
- Step 6:** **Close** the Go To window
- Step 7:** To view Check No. 470, double-click on the Check Register entry for Washuta & Son Painting to drill down to the check.
- Step 8:** After viewing the check, **CLOSE** the **Check window**.

VOID CHECK

The next task is to void Check No. 470. There are two ways to remove a check amount for the Check Register:

1. Delete the check: This removes all record of the transaction.
2. Void the check: QuickBooks changes the amount deducted in the Check Register to zero, but the voided check still appears in the Check Register, thus leaving a record of the transaction, a voided check provides a better record than a deleted check.

For Check No. 470, you want to maintain a record of the transaction, so you want to void the check rather than delete it. Void this check by completing the following:

- Step 1:** Select **Check No. 470** in the Check Register.
- Step 2:** With your cursor over Check No 470, **right-click** and from the pop-up menu select **Void Bill Pmt – Check**. VOID should now appear next to Check No. 470 in the Check Register and the Payment amount should now be \$0.00.
- Step 3:** Click the **Record** button in the lower right corner of the *Check Register* window.
- Step 4:** When asked if you are sure you want to record the voided check. click **Yes**.
- Step 5:** With your cursor on the voided check No 470, select **QuickReport**.
- Step 6:** Export to **Excel** the QuickReport for Washuta & Son Painting
- Step 7:** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_03_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 8:** From the drop-down list, select the sheet: **CH3 REG-2**
- Step 9:** **Close** the Check Register window.

PAY BILLS

CHECKS 518-519.PDF

- Step 1.** Write checks to pay the following bills and save. If you cannot find the account in the Chart of Accounts, you should create the account using the processes you learned in UNIT 02.

Check No.	Select: Print Later
Date	12/15/2022
Vendor	Express Delivery Service
Amount	\$45.00
Expense Account	54520 Freight & Delivery

Check No.	Select: Print Later
Date	12/15/2022
Vendor	Davis Business Associates
Amount	\$200.00
Expense Account	60400 Advertising Expense

- Step 2.** **Print** checks in a batch as follows:

- ✓ Click the down arrow by the **Print** button in the Write Checks window. Select **Batch**.
- ✓ When the *Select Checks to Print* window appears, **select only the preceding two checks that you entered**. Your total should be \$245.00.
- ✓ First Check Number is **518**
- ✓ Click **OK**
- ✓ Select **Standard** check style
- ✓ Select **Print company name and address**
- ✓ Click **Print** and save your PDF file to your UNIT 03 Folder
- ✓ Save the file as **CHECKS 518-519**

BANK RECONCILIATION

CH3 REC SUM

Reconcile the following bank statement using the methods learned in the previous tutorial.

BANK STATEMENT

Rock Castle Construction 1735 County Road Bayshore, CA 94326	12-20-2022 Checking
--	------------------------

Previous Balance	11-20-2022	\$67,281.02
+Deposits	10	58,413.56
-Checks	12	15,996.28
-Service Charge	1	10.00
+Interest Paid		0.00
Ending Balance	12-20-2022	\$109,688.30

Deposits

Date	Amount
11-30-2022	4,135.50
12-02-2022	4,706.01
12-03-2022	1,200.00
12-05-2022	5,000.00
12-05-2022	25,000.00
12-10-2022	102.65
12-10-2022	1,000.00
12-12-2022	4,936.12
12-14-2022	4,700.00
12-15-2022	7,633.28

Checks Paid

Date	No.	Amount
11-28-2022	464	300.00
11-28-2022	465	500.00
11-28-2022	466	600.00
11-28-2022	467	800.00
11-28-2022	468	6,790.00
11-28-2022	469	2,000.00
11-30-2022	471	24.00
11-30-2022	472	656.23
11-30-2022	473	686.00
11-30-2022	474	218.00
11-30-2022	475	2,710.90
12-01-2022	476	711.15

Thank you for banking with us!

- Step 1.** When the *Select Reconciliation Report* window appears, select type of Reconciliation Report: **Summary**.
- Step 2.** Export to **Excel**
- Step 3.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_03_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 4.** From the drop-down list, select the sheet: **CH3 REC SUM**
- Step 5.** **Save and close** the Excel file.

BACKUP YOUR COMPANY FILE

Use the instructions in **Appendix A** to back up your company file. Make sure your backup file is saved in the designated folder of this unit (**UNIT 03 BACKUPS**).

UNIT 03 PROJECT (ON-YOUR-OWN)

For this project, you will be restoring the backup file created for the unit. The QuickBooks company file for Larry's Landscaping has already been created and transactions have been entered. Your assignment is to complete the following steps to export reports to Excel:

RESTORE THE UNIT 03 STARTER FILE

Follow the instructions in **Appendix A** (Backup & Restore QuickBooks Files) to restore the starter file for **u03a2 Larrys Landscaping**. This file is in your **UNIT 03** folder.

- Step 21:** **RESTORE** the **u03a2 Larrys Landscaping.QBB** file
- Step 22:** Make sure you **SAVE** to the **UNIT 03 FOLDER**

RENAME THE COMPANY

After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Larry's Landscaping. Your first activity is to personalize that name to meet your needs follow these instructions:

- Step 1:** From the Menu bar, select **Company**
- Step 2:** Select **MY COMPANY**
- Step 3:** Select **EDIT**
- Step 4:** Update the Company Name Field to: **YourName Larry's Landscaping**
- Step 5:** **CLICK on OK**
- Step 6:** **Close** the My Company window.

NOTE: The process to rename the company is found in Appendix B and will be repeated throughout all the activities in the text.

P3 REC DT

Enter the following banking transactions for Larry's Landscaping:

STEP 1.	MAKE DEPOSIT	DATE	12/16/2023
		RECEIVED FROM	Larry Wadford
		ACCOUNT	3020 Owner's Contributions
		MEMO	Investment
		AMOUNT	\$1,800.00
		CASH/CHECK NO.	1558

HINT: YOU WILL NEED TO ADD THIS ACCOUNT. REFER TO APPENDIX D FOR THE TYPE OF ACCOUNT.

STEP 2.	WRITE CHECKS	DATE	12/16/2023
		VENDOR	Computer Services by DJ
		ACCOUNT	7552 Computer Repairs
		MEMO	Computer Repair
		AMOUNT	\$360.00
		CASH/CHECK NO.	1464

STEP 3.	MAKE DEPOSIT (2 ENTRIES – 1 DEPOSIT)	DATE	12/17/2023	
		RECEIVED FROM	Gussman's Nursery	
		ACCOUNT	4300 Other Income	
		MEMO	Storage Rental Revenue	
		AMOUNT	\$387.00	
		CASH/CHECK NO.	Cash	
			DATE	12/17/2023
			RECEIVED FROM	Lynne's Space (add customer)
			ACCOUNT	4300 Other Income
		MEMO	Storage Rental Revenue	
		AMOUNT	\$648.00	
		CASH/CHECK NO.	Check No. 2200	

STEP 4.	MAKE DEPOSIT (2 ENTRIES – 1 DEPOSIT)	DATE	12/18/2023	
		RECEIVED FROM	Conner Garden Supply	
		ACCOUNT	4300 Other Income	
		MEMO	Storage Rental Revenue	
		AMOUNT	\$900.00	
		CASH/CHECK NO.	Cash	
			DATE	12/18/2023
			RECEIVED FROM	Bank of Anycity
			ACCOUNT	8000 Interest Income
		MEMO	Interest Revenue	
		AMOUNT	\$216.00	
		CASH/CHECK NO.	Check No. 11818	

STEP 5.	WRITE CHECK	DATE	12/17/2023
		TO	Computer Services by DJ
		ACCOUNT	7320 Computer Supplies
		MEMO	External Hard Disk
		AMOUNT	\$153.00
		CHECK NO.	1465

STEP 6.	WRITE CHECK	DATE	12/17/2023
		TO	Mike Scopellite
		ACCOUNT	7430 Professional Design Fees
		MEMO	Professional Design Consulting
		AMOUNT	\$342.00
		CHECK NO.	1466

STEP 7.	WRITE CHECK	DATE	12/18/2023
		TO	Sowers Office Equipment
		ACCOUNT	7300 Office Supplies
		MEMO	Special Order
		AMOUNT	\$270.00
		CHECK NO.	1467

STEP 8.	WRITE CHECK	DATE	12/18/2023
		TO	Nye Properties
		ACCOUNT	7500 Rent (Expense)
		MEMO	Rent
		AMOUNT	\$990.00
		CHECK NO.	1468

--	--	--	--

Reconcile the following Bank Statement for Larry's Landscaping Checking Account.:

BANK STATEMENT

Larry's Landscaping
 1045 Main Street
 Bayshore, CA 94326

11-30-2022
 Checking

Previous Balance	10-30-2022	\$238,625.29
+Deposits	2	5,775.80
-Checks	8	2,865.51
-Service Charge	1	25.00
+Interest Paid		0.00
Ending Balance	11-30-2022	\$241,510.58

Deposits

Date	Amount
11-25-2022	5,000.00
11-30-2022	775.80

Checks Paid

Date	No.	Amount
10-22-2022	1459	244.13
10-28-2022	1461	550.00
11-22-2022	1460	244.13
11-28-2022	1462	550.00
11-29-2022	1112	177.25
11-30-2022	1113	125.00
11-30-2022	1114	375.00
11-30-2022	1115	600.00

Thank you for banking with us!

- Step 9.** When the *Select Reconciliation Report* window appears, select type of Reconciliation Report: **Detail**.
- Step 10.** Export to **Excel**
- Step 11.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_03_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 12.** From the drop-down list, select the sheet: **P3 REC DT**

Step 13. Save and close the Excel file.

P3 JUR

STEP 1.	SALES RECEIPT	TEMPLATE	Sales Receipt – Retail
		DATE	12/19/2023
		CUSTOMER (ADD NEW)	Jean Paulny
		ITEM	Pump (Fountain Pump)
		QUANTITY	3
		PAYMENT	Cash
STEP 4.	MAKE DEPOSIT	DATE	12/21/2023
		CUSTOMER	Jean Paulny
		ACCOUNT	(Transferred from Undeposited Funds)
		AMOUNT	\$239.63
STEP 5.	ENTER BILL	DATE	12/23/2023
		VENDOR (ADD NEW)	Carole Design Media
		ACCOUNT	6000 Advertising Expense
		TERMS	Net 30
		AMOUNT DUE	\$324.00
STEP 6.	PAY BILL	DATE	12/23/2023
		VENDOR	Carole Design Media
		ACCOUNT	\$324.00

Step 7. From the Navigation Bar, Select **Reports > Accountant & Taxes > Journal**

Step 8. Select Dates: **12/16/2023 to 12/23/2023**

Step 9. Export to **Excel**

Step 10. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_03_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

Step 11. From the drop-down list, select the sheet: **P3 JUR**

Step 12. Save and close the Excel file.

P3 JUR -2

Step 1. From the Navigation Bar, Select **Reports > Accountant & Taxes > Journal**

Step 2. Select Dates: **12/23/2023 To 12/23/2023**

Step 3. Customize the report to add a filter for amount equal to **\$324.00**

Step 4. Export to **Excel**

Step 5. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_03_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 6.** From the drop-down list, select the sheet: **P3 JUR-2**
Step 7. **Save and close** the Excel file.

BACKUP YOUR COMPANY FILE

Use the instructions in **Appendix A** to back up your company file. Make sure your backup file is saved in the designated folder of this unit (**UNIT 03 BACKUPS**).

TAKE THE QUIZ

The reading in the unit along with the Excel reports you have generated have provided answer to the quiz for this unit. Take the **UNIT_03 QUIZ** in your Canvas account

SUBMIT THE UNIT REPORTS

After you have taken the quiz using the answers you have already recorded in the reports you extracted from Excel, **UPLOAD** the following files to the **UNIT_03** assignment area of your Canvas account:

- ✓ The Excel file - **UNIT_03_REPORTS**
- ✓ The PDF file – **CHECKS 518-519**

Customers and Sales



UNIT 04 – CUSTOMERS AND SALES

THE IMPORTANCE OF SETTING UP CUSTOMERS IN QUICKBOOKS

If you invoice customers, then you want to set up profiles for your customers in QuickBooks. By setting this information up ahead of time, you will save time later when you need to create an invoice or sales receipt because you will be able to select each customer from a drop-down menu, and most of the fields will automatically populate sales forms for you.

Setting up your customers will allow you to do the following:

1. **Expedite Customer Billing** – Quickly create invoices for your customers. All of your customer data, like billing address, shipping address, and due date, will automatically populate from the customer profile.
2. **Track Sales by Customer** – Tracking items purchased by your customers is a great way to get to know what your customers like so you can market to them strategically.

RESTORE THE STARTER FILE

You will find the following files in your **Student files** for **UNIT 04**.

- U04a1 Rock Castle Construction
- U04a2 Larry's Landscaping
- UNIT_04_Reports

To complete the first lesson exercises, **RESTORE** the **u04a1 Rock Castle Construction** company file from the **UNIT 04** folder.

NOTE: The process to **restore a backup** is found in **Appendix A.01** and will be repeated throughout all the activities in the text.

RENAME THE COMPANY

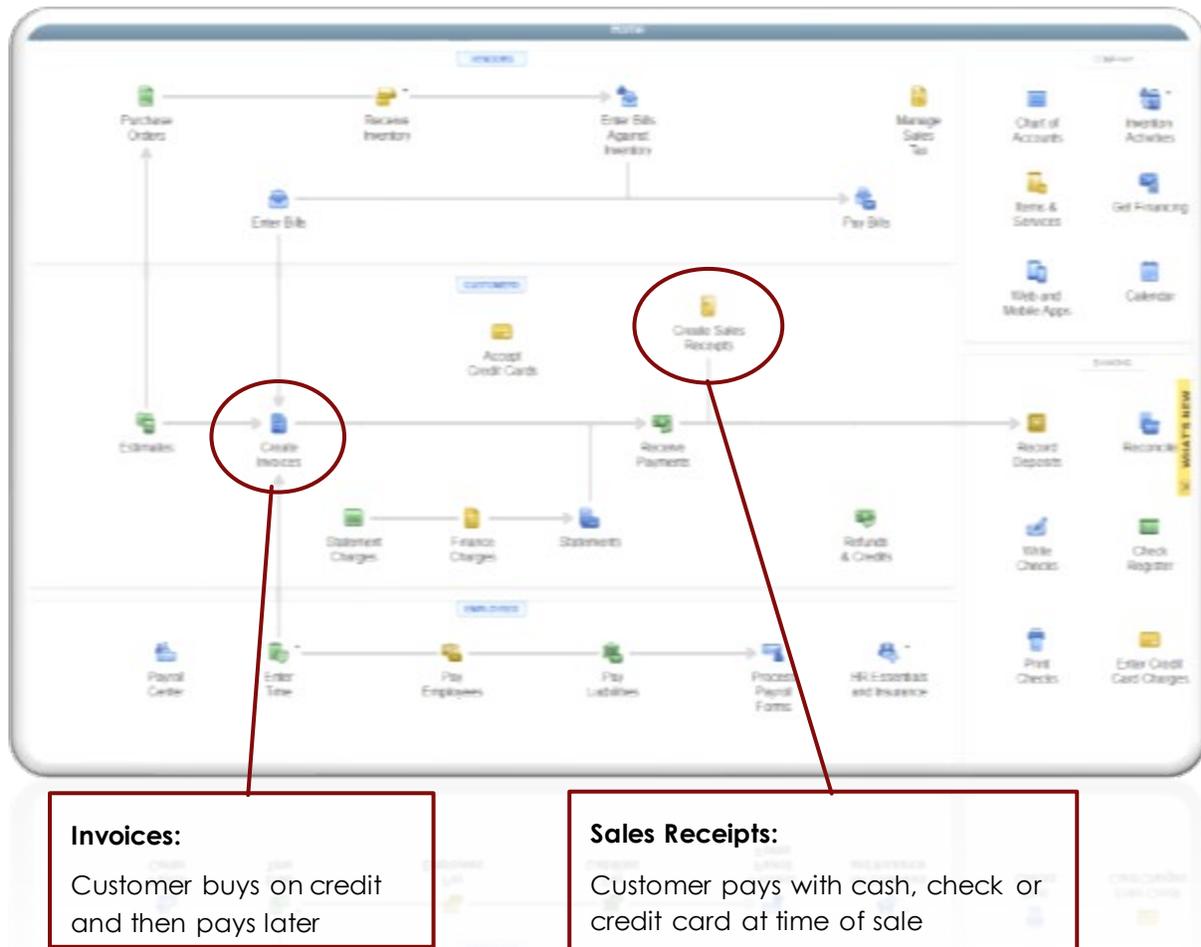
After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Rock Castle Construction. Your first activity is to personalize that name to meet your needs follow these instructions:

- Step 19.** From the Menu bar, select **Company**
- Step 20.** Select **MY COMPANY**
- Step 21.** Select **EDIT**
- Step 22.** Update the Company Name Field to: **YourName Rock Castle Construction**
- Step 23.** **CLICK** on **OK**
- Step 24.** **Close** the My Company window.

NOTE: The process to **rename the company** is found in **Appendix B** and will be repeated throughout all the activities in the text.

CUSTOMER NAVIGATION

If necessary, click the **Home** icon in the icon bar to display the Home page.



The Customers section of the Home page is a flowchart of customer transactions. As the chart indicates, Rock Castle Construction can record a customer sale in two different ways:

1. **Create Sales Receipts** – The customer pays when Rock Castle Construction provides the good or service to the customer. The customer pays with cash, check or credit card at the time of sale. The sales is recorded on a sales receipt.
2. **Create Invoices/Receive Payments** – The sale is recorded on an invoice when the good or service is provided to the customer. The customer promises to pay later. These customer promises are called accounts receivable – amounts that Rock Castle Construction expects to receive in the future. The customer may pay its account with cash, check, credit card, or online payment.

Other QuickBooks features available from the Customers section include:

- ✓ **Finance Charges** – Add finance charges to customer bills whenever bills are not paid by the due date.
- ✓ **Statements** – Prepare billing statements to send to customers.

- ✓ **Refunds and Credits** – Record refunds and credits for returned or damaged merchandise.
- ✓ **Accept Credit Cards** – Accept customer credit cards in payment for products and services.

The first step in working with customer transactions is to enter customer information in the Customer list.

CUSTOMER LIST

The Customer List contains customer information such as address, telephone number, and credit terms. Once customer information is entered in the Customer List, QuickBooks automatically transfers the customer information to the appropriate forms, such as sales invoices and sales returns. This feature enables you to enter customer information only once instead of entering the customer information each time a form is prepared.

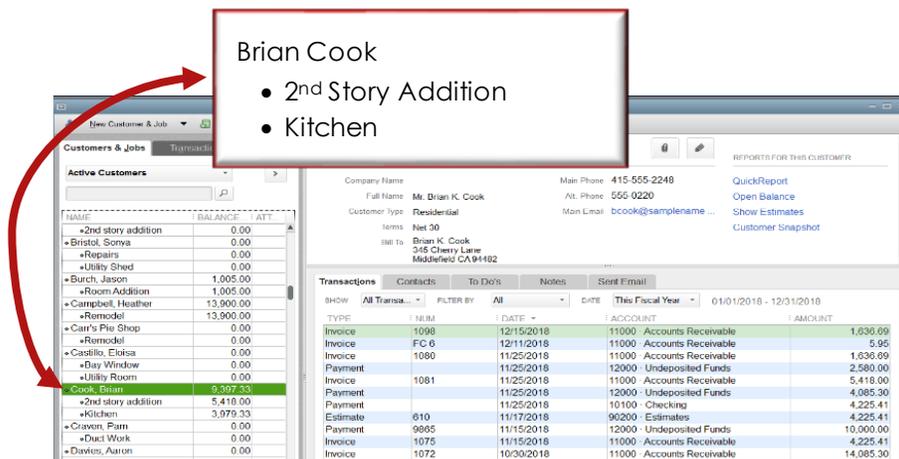
The Customer List in QuickBooks also tracks projects (jobs) for each customer. For example, Rock Castle Construction is working on two projects for Brian Cook:

- ✓ Job 1: 2nd Story Addition
- ✓ Job 2: Kitchen

VIEW CUSTOMER LIST

To view the Customer List for Rock Castle Construction:

- Step 1.** Click **Customers** in the Icon bar.
- Step 2.** The following Customer Center window appears, listing customers and jobs. Notice the two jobs listed for Brian Cook:



The Customers & Job List displays:

- ✓ Customer name
- ✓ Job name

- ✓ Balance for each job

To view additional information about a customer, click the customer or job name. The Customer/Job Information window displays:

- ✓ Customer address and contact information
- ✓ Transactions information for the customer
- ✓ Estimate information (if an estimate for the job was prepared)
- ✓ Notes about the job

ADD NEW CUSTOMER

The next step activity will be to add a new customer, Tom Whalen, to the Customer List.

Step 1. Click the **New Customer & Job** button at the top of the Customer Center.

Step 2. Click **New Customer** on the drop-down menu



Step 3. A blank New Customer window should appear. Select the **Address Info** tab. Enter the following information in the New Customer: Address Info window.

Customer name	Whalen, Tom
Mr./Ms./...	Mr.
First Name	Tom
Last Name	Whalen
Main Phone	415-555-1234
Mobile	415-555-5678
Addresses Bill To	100 Sunset Drive Bayshore, CA 94326

Step 4. To enter the payment information for the customer, click the **Payment Settings** tab. Enter the following information in the *Payment Settings* fields:

Account No.	7890
Credit Limit	50,000
Payment Terms	Net 30
Preferred payment	Check

Step 5. To enter sales tax information for the customer, click the **Sales Tax Settings** tab. Enter the following information in the *Sales Tax Settings* fields:

Tax Code	Tax
Tax Item	San Tomas

Step 6. Click the **Additional Info** tab to display another customer information window. Enter the following information the Additional Info field.

Customer Type	Residential
----------------------	-------------

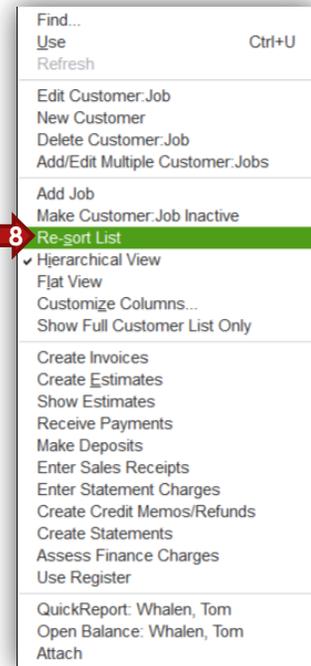
Step 7. Click **OK** to add the new customer to Rock Castle Construction's Customer List.

Step 8. To sort the Customer List, with your cursor over the Customer List:

- ✓ **Right-click** to display the pop-up menu
- ✓ Select: **Re-sort List**.

ADD ADDITIONAL CUSTOMERS

Now that you have added one customer, start adding additional customers by following the same process as you previously entered.

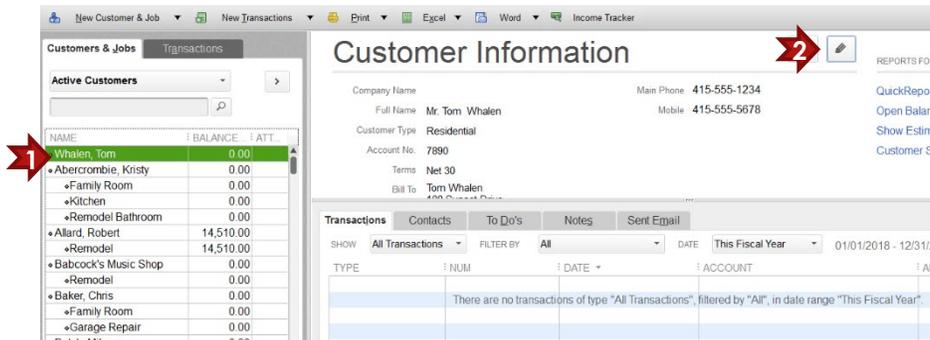


ADDRESS INFORMATION	
CUSTOMER NAME	Kari, Tracey
FIRST NAME	Tracey
LAST NAME	Kari
MAIN PHONE	415-555-1234
MOBILE PHONE	415-555-9999
ADDRESS BILL TO/SHIP TO	99 Reyka Drive Bayshore, CA 94326
MAIN EMAIL	KTracey@tracey.com
CC EMAIL	KT-Account@tracey.com
WEBSITE	www.tracey.com
OTHER 1	
PAYMENT SETTINGS	
ACCOUNT INFO	7890
PAYMENT TERMS	NET 30
PREFERRED DELIVERY MENTHOD	E-MAIL
PREFERREED PAYMENT METHOD	Check
CREDIT LIMIT	50,000.00
PRICE LEVEL	
SALES TAX SETTINGS	
TAX CODE	Tax
TAX ITEM	San Tomas
RESALE NUMBER	
ADDITIONAL INFORMATION	
CUSTOMER TYPE	Residential
REP	
CONTRACT #	
B-DAY	
SPOUSE'S NAME	

EDIT CUSTOMER INFORMATION

Enter the e-mail address for Tom Whalen by editing the customer information as follows:

- Step 1.** Select **Tom Whalen** in the Customers & Jobs window.
- Step 2.** Click **Edit Customer** icon in the Customer Information window.



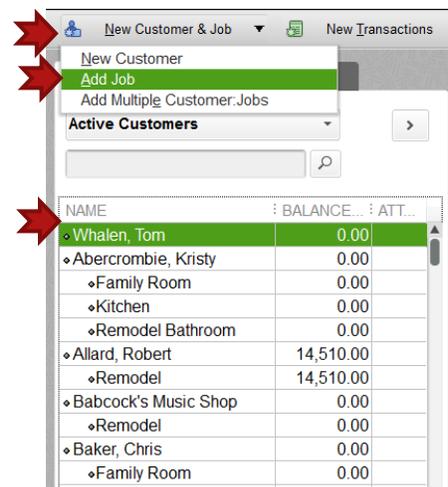
- Step 3.** When the Edit Customer window appears, enter or revise the customer or job information as needed. In this instance, click the **Address Info** tab. Then enter the Main E-mail: **twhalen@www.com**.
- Step 4.** Click **OK** to record the new information and close the Edit Customer window.

ADD A JOB

To add a Screen Porch job for Tom Whalen, complete the following steps:

- Step 1.** Click on the customer, **Tom Whalen**, in the Customers & Jobs window.
- Step 2.** Click the **New Customer & Job** button at the top of the Customer Center window.
- Step 3.** Select **Add Job** form the drop-down menu.
- Step 4.** In the New Job window, enter the Job Name: **Screen Porch**
- Step 5.** Enter the Opening Balance: **0.00**
- Step 6.** Click the **Job Info** tab.
- Step 7.** Enter the following information in the *Job Info* fields:

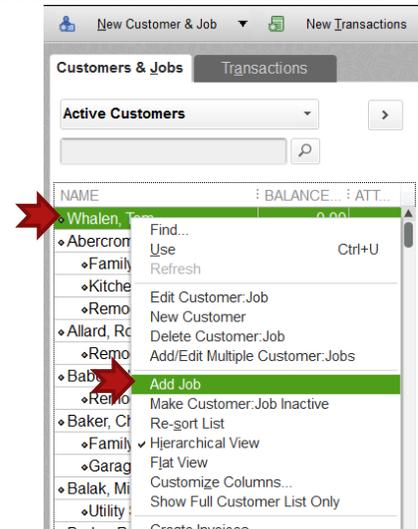
Job Description	Screen Porch
Job Type	Remodel
Job Status	Pending
Start Date	02/01/2022
Projected End Date	03/15/2022
- Step 8.** Click **OK** to close the New Job window.



ADD AN ADDITIONAL JOB FOR TOM WHALEN

- Step 1.** Click on customer, **Tom Whalen**, in the Customers and Jobs window.
- Step 2.** **Right-click > Add Job**
- Step 3.** In the Job Name field at the top of the New Job windows, enter: **Exterior Door**
- Step 4.** Enter Opening Balance: **0.00**.
- Step 5.** Click the **Job Info** tab, then enter the following information.

Job Description	Replace Exterior Door
Job Type	Repairs
Job Status	Awarded
Start Date	12/15/2022
Projected End	12/18/2022



- Step 6.** Click **OK** to record the new job and close the *New Job* window.
- Step 7.** As shown below, Rock Castle Construction's Customer List should now list two jobs for Tom Whalen: Exterior Door and Screen Porch. **Close** the Customer Center window.

NAME	BALANCE...	ATT...
◊ Whalen, Tom	0.00	
◊ Replace Exterior Door	0.00	
◊ Screen Porch	0.00	

ADD AN EXTERIOR DOOR JOB FOR TRACEY KARI

- Step 1.** Click on the customer, **Tracey Kari**, in the Customers & Jobs window.
- Step 2.** Click the **New Customer & Job** button at the top of the Customer Center window.
- Step 3.** Select **Add Job** from the drop-down menu.
- Step 4.** In the New Job window, enter the Job Name: **Exterior Door**
- Step 5.** Enter the Opening Balance: **0.00**
- Step 6.** Click the **Job Info** tab.
- Step 7.** Enter the following information in the *Job Info* fields:

Job Description	Exterior Door
Job Type	Remodel
Job Status	Pending
Start Date	04/01/2023
Projected End Date	06/15/2023

- Step 8.** Click **OK** to close the *New Job* window.

CH4 CCL

For this section of the assignment we will pull the Customer Balance Detail report to view how the QuickBooks displays the customers and jobs.

Step 8. Click on the **Reports** section of the menu bar or the icon bar

Step 9. Click on **Customers & Receivables**

Step 10. Click on **Customer Contact List**. If you choose the menu bar option, you will need to select the Run option.

Step 11. Export to **Excel**

Step 12. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_04_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

Step 13. From the drop-down list, select the sheet: **CH4 CCL**

Step 14. In the C4 CCL sheet, **highlight the customers and jobs** you have just added to the company file.

Step 15. **Save and close** the Excel file.

NOTE: The jobs show as a colon after the customer name and then the job is listed

RECORDING SALES IN QUICKBOOKS

How to record a sale in QuickBooks depends upon how the customer pays for the goods or services. There are three possible ways for a customer to pay for goods and services:

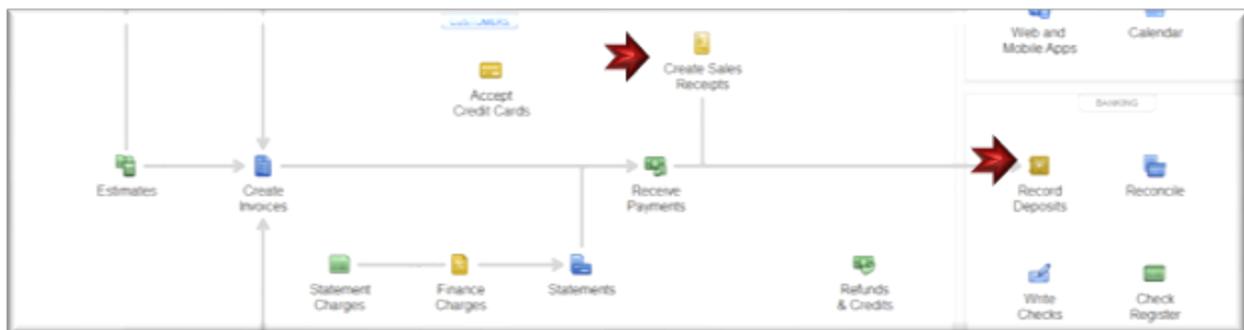
- ✓ **Cash Sale** – Customer pays cash (or check) at the time of sale.
- ✓ **Credit Sale** – Customer promises to pay later
- ✓ **Credit Card Sale** – Customer pays using a credit card.

CASH SALES

When a customer pays for goods or services at the time the good or service is provided, it is typically called a cash sale.

Recording a cash sale in QuickBooks requires two steps:

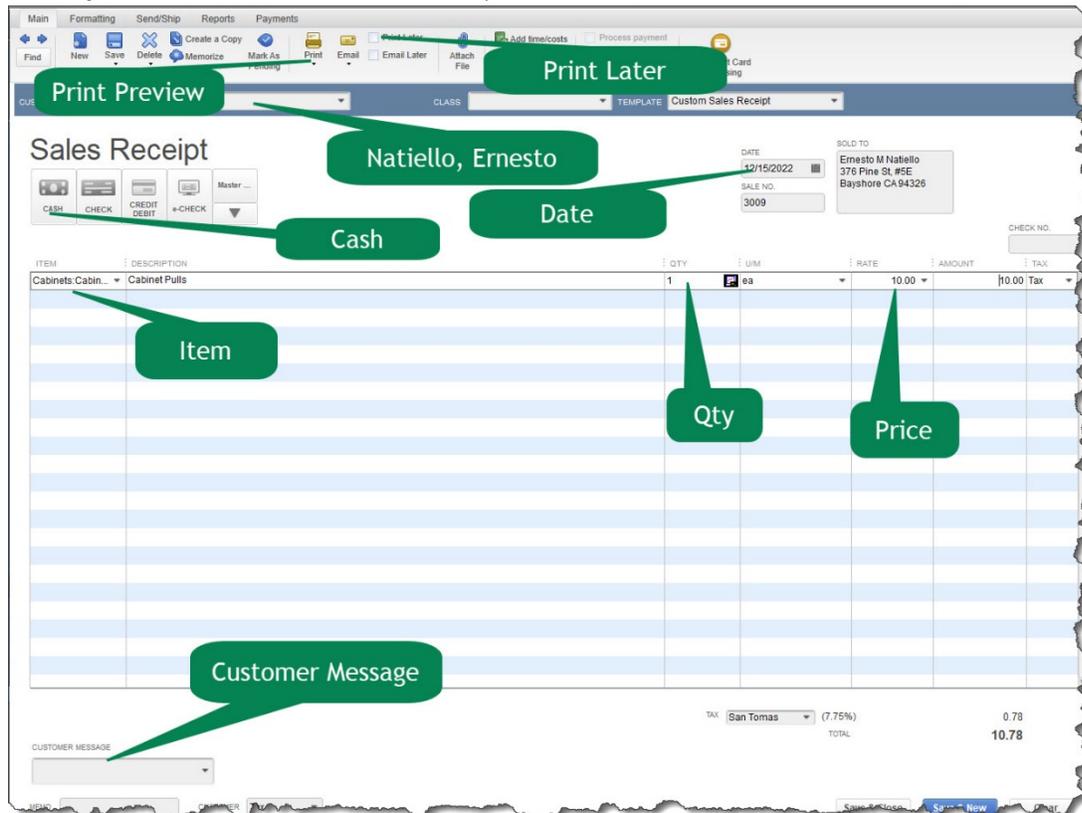
1. **Create Sales Receipts** – Create a sales receipt to record the cash sale
2. **Record Deposits** – Record the bank deposit



In the next scenario, one of the Rock Castle Construction customers, Ernesto Natiello, wants to purchase some cabinet pulls in a cash sale. Record the sale using the following steps:

Step 1. From the Customers section of the Home page, click **Create Sales Receipts** to display the Enter Sales Receipts window. If asked if you would like to complete the Payment Interview, select **No**.

Step 2. In the Enter Sales Receipts window, enter Customer: **Natiello, Ernesto**



Step 3. Select Date: **12/15/2022**

Step 4. Select Payment Method: **Cash**

Step 5. Select Item: **Cabinet Pulls**

Step 6. Select Quantity: **1**

Step 7. Enter Rate: **10.00**

Step 8. Select Customer Message: **It's been a pleasure working with you!**

Step 9. Select **Print Later** checkbox.

Step 10. Select **Print > Preview**. If the company name does not print properly on the invoice or sales receipt, reduce the font size as follows:

- ✓ **Customize Data Layout > Basic Customization**
- ✓ Select Change Font for: **Company Name > Change Font**
- ✓ Select font size **10**.
- ✓ Close the customization windows.

CASH SALES – NATIELLO.PDF

Step 1. **Print** the sales receipt

- Step 2.** Click the **Print** button at top of the Enter Sales Receipts window.
- Step 3.** Select Print on: **Blank paper**
- Step 4.** If necessary, uncheck: **Do not print lines around each field**
- Step 5.** Select the **PDF printer** as your printer of choice, then click **Print**
- Step 6.** Save the PDF copy to the **UNIT 04**
- Step 7.** Save as **CASH SALES-Natiello.PDF**
- Step 8.** Click **Save & Close** to record the cash sale and close the Enter Sales Receipts window.

IMPORTANT NOTE: QuickBooks will record the \$10.78 as undeposited funds. Later, you will record this as a bank deposit to rock Castle's Checking account.

C4 JUR

To view the journal entry that QuickBooks created behind the screen for the sales receipt entered and saved using the Enter Sales Receipt onscreen form complete the following steps.

- Step 1.** **Display** the **Natiello** sales receipt just entered.
- Step 2.** Select the **Reports** tab
- Step 3.** Select the **Transaction Journal** icon
- Step 4.** Export the Transaction Journal report to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_04_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 6.** From the drop-down list, select the sheet: **C4 JUR**
- Step 7.** **Save and close** the Excel file.

CUSTOMER INVOICES

If products or services are given to the customer will pay later, then we use an Invoice instead of a Sales Receipt to record the sales transaction.

When a customer will pay later after receiving the product or service, these are often called credit sales. Credit sales occur when Rock Castle Construction provides goods and services to customers and in exchange receives. The money collected is referred to as an account receivable.

An account receivable is the amount due from a customer for goods or services already provided. The company has a legal right to collect from the customer in the future. Accounting recognizes such claims as assets.

CREDIT SALES

Creating a credit sale in QuickBooks requires three steps:

- ✓ **Create Invoices** – Create an invoice to bill the customer for the product or service provided. QuickBooks records accounts receivable and the sales amount.
- ✓ **Receive Payments** – Receive payment from the customer. QuickBooks reduces accounts receivable and increases undeposited funds.

- ✓ **Record Deposits** – Deposit the customer's payment in the bank.

CREATE INVOICE

An **invoice** is a document prepared by the seller of merchandise and sent to the buyer. The invoice contains the details of a sale, such as the number of units sold, unit price, total price billed, terms of sale, and manner of shipment.

A retail company prepares the invoice at the point of sale. A wholesale company, which supplies goods to retailers, prepares the invoice after the shipping department notifies the accounting department that it has shipped the goods to the retailer.

Using the invoice as the source document, a wholesale company records the revenue from the sale at the time of the sale for the following reasons:

- ✓ The seller has passed legal title of the goods to the buyer, and the goods are now the responsibility and property of the buyer.
- ✓ The seller has established the selling price of the goods.
- ✓ The seller has completed its obligation.
- ✓ The seller has exchanged the goods for another asset, such as cash or accounts receivable.
- ✓ The seller can determine the costs incurred in selling the goods.

Use the following steps to create an invoice for **Kari, Tracey: Exterior Door**:

- Step 1.** In the Customers section of the Home Page, **click** the **Create Invoices** icon to display the Create Invoices window
- Step 2.** From the Create Invoices window, select the template: **Rock Castle Invoice**
- Step 3.** Enter the following information for the invoice:

CUSTOMER:JOB	Kari, Tracey: Exterior Door
CLASS	
TEMPLATE	Rock Castle Invoice
DATE	12/15/2022
INVOICE #	1100
TERMS	Net 30
DUE DATE	1/14/2023
ITEM	Repairs
DESCRIPTION	Repair work
QUANTITY	1
U/M	
RATE	\$35.00
AMOUNT	
TAX	Non-Taxable Sales
CUSTOMER TAX CODE	Tax
CUSTOMER MESSAGE	It is a pleasure working with you!

NOTE: The bill to information should automatically fill when you choose the customer job. If it does not fill with the correct information, you should adjust the information in the customer center.

C4 JUR-2

- Step 1.** From the Create Invoices onscreen form, select the **Reports** tab
- Step 2.** Select the Transaction Journal icon
- Step 3.** Export the Transaction Journal report to **Excel**
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_04_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 5.** From the drop-down list, select the sheet: **C4 JUR-2**
- Step 6.** **Save and close** the Excel file.

UPDATE EXISTING INVOICE

If Invoice number 1100 is not already displayed on your screen, follow these steps to display it again:

- Step 1.** **Click** the **Create Invoices** Icon
- Step 2.** **Click Find**
- Step 3.** **Enter** Invoice no.: **1100**
- Step 4.** **Click Find**
- Step 5.** Enter the following items as new line items on Invoice No 1100 for the Kari exterior Door job:

ITEM	Exterior wood door
DESCRIPTION	Exterior wood door
QUANTITY	1
U/M	
RATE	\$120
AMOUNT	
TAX	Taxable Sales

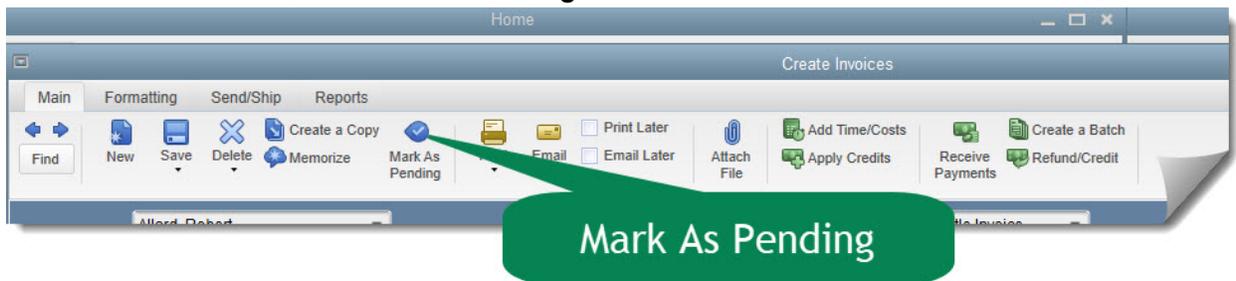
ITEM	Repairs
DESCRIPTION	Repair work
QUANTITY	4
U/M	
RATE	\$35
AMOUNT	
TAX	Non-Taxable Sales

NOTE: If we wanted to email the invoice to the customer, we would select the Email icon; however, the company file you are using is not setup to send email at this time.

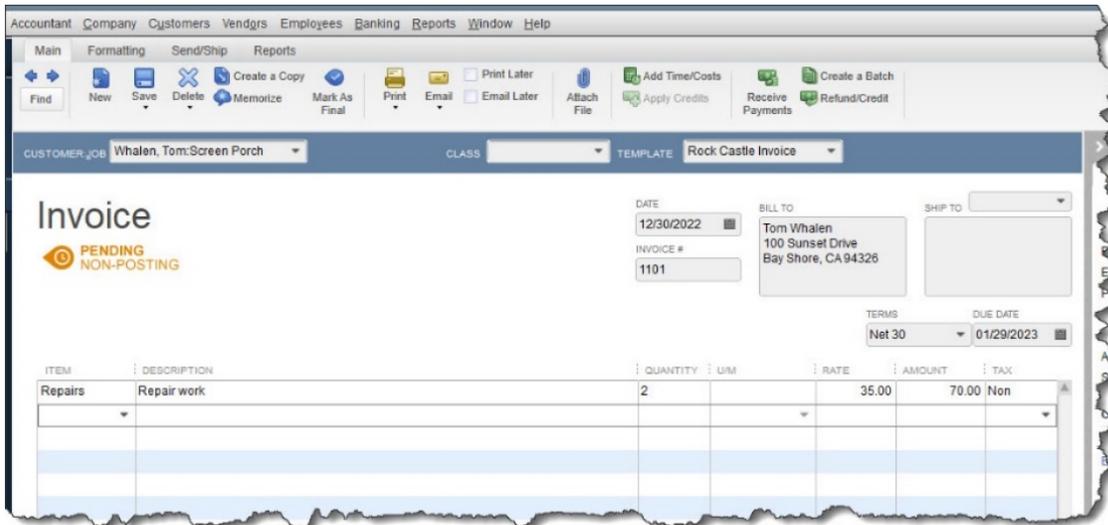
- Step 6.** Select **Save** and leave the Invoice displayed. If you receive a message stating you have changed the transaction and asking if you want to record your changes, select **Yes**.

CREATE A PENDING INVOICE

- Step 1.** In the customers section the Home page, click the **Create Invoices** icon to display the Create Invoices window.
- Step 2.** Select the Template: **Rock Castle Invoice**
- Step 3.** Enter the Customer: Job by selecting **Whalen, Tom: Screen Porch** from the drop-down Customer & Job list. Make certain to select the customer name and correct job: **Screen Porch**.
- Step 4.** Select Date: **12/30/2022**
- Step 5.** Enter charges for the service provided the customer. Enter Item: **Repairs**. Press **Tab**. Description should automatically display: Repair work
- Step 6.** Enter Quantity: **2** (hour).
 - ✓ The Rate should automatically display \$35.00.
 - ✓ The Amount should automatically display \$70.00
- Step 7.** From the drop-down list customer tax code, select Tax: **Non-Taxable Sales**.
- Step 8.** You will wait until the job is complete to print the invoice. In the meantime, mark the invoice as pending:
 - ✓ **Right-click** to display the pop-up menu
 - ✓ Select: **Mark As Pending**.



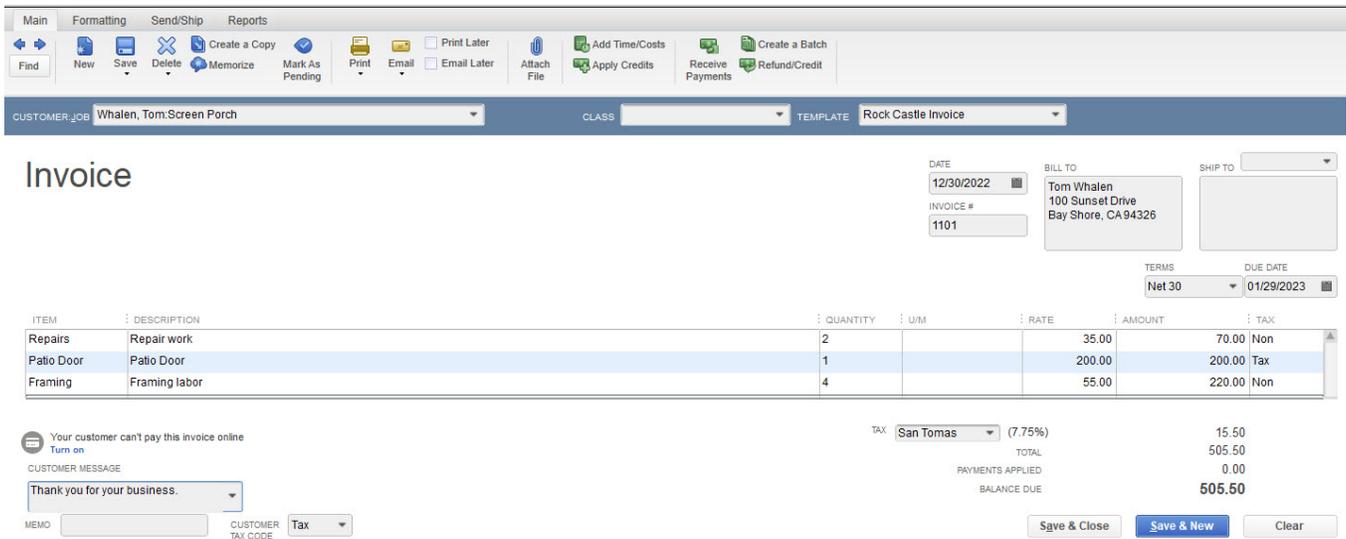
- Step 9.** If you choose to enter another invoice, you would click **Save & New**. Instead, click **Save & Close** to close the Create Invoices window.



Later in the day on December 30, 2022, one of the Rock Castle Construction crews located a patio door and finished installing the screen porch at the Whalen residence. The following additional products and services were used:

Patio door	1 @ \$200	Taxable Sales
Framing Labor	4 hours	Non-Taxable Sales

- Step 1.** To display the invoice for the Screen Porch job again:
- ✓ Click the **Create Invoices** icon
 - ✓ When the Create Invoices window appears, click **Find**.
 - ✓ Enter Invoice No.: **1101**
 - ✓ Click **Find**

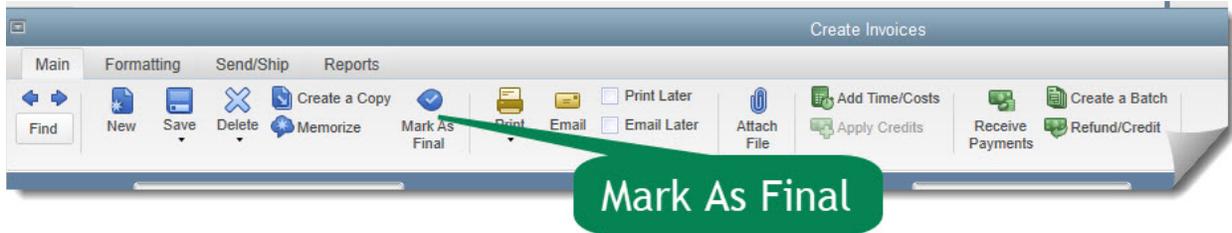


- Step 2.** Enter the screen porch and additional repair labor as new line items on Invoice No. 1101 for the Whalen Screen Porch job.

Step 3. Customer Message: **Thank you for your business**

Step 4. Mark the invoice as final as follows:

- ✓ **Right-click** to display the pop-up menu
- ✓ Select: **Mark As Final**



Step 5. Select **Print Preview**. If the company name does not display properly on the invoice, reduce the font size.

INVOICE 1101.PDF

With Invoice No. 1101 displayed, print the invoice as follows:

- Step 1.** Click the **Print** icon. If you are asked if you want to record your changes, select **Yes**.
- Step 2.** Select Print on: **Blank paper**
- Step 3.** If necessary, uncheck: **Do not print lines around each field**
- Step 4.** Select the **PDF printer** as your printer of choice, then click **Print**
- Step 5.** **Save** the **PDF** copy to the **UNIT 04** folder.
- Step 6.** Save as **Invoice 1101.PDF**
- Step 7.** Click **Save & Close** to close the Create Invoices window.

QuickBooks will record the sale and record an account receivable for the amount to be received from the customer in the future.

The invoice total is **\$505.50**. Notice that the Screen Porch is a taxable item and QuickBooks automatically calculates and adds **sales tax** of **\$15.50** for the door.

CREATE REMINDER STATEMENTS

Reminder statements are sent to remind customers to pay their bills. A reminder statement summarizes invoice charges and provides an account history for the customer. It does not provide the detailed information that an invoice provides.

If a company wants to provide a customer with detailed information about charges, a copy of the invoice should be sent instead of a reminder statement.

Reminder statements summarize:

- ✓ Previous Account Balance
- ✓ Charges for Sales during the period
- ✓ Payments received from the customer
- ✓ The customer's ending account balance

To print a QuickBooks reminder statement for the Whalen Screen Porch job, follow these steps:

- Step 1.** Click the **Statements** icon in the Customers section of the Home page to display the create Statements window.
- Step 2.** Select Template: **Intuit Standard Statement**
- Step 3.** Select Statement Date: **12/30/2022**
- Step 4.** Select Statement Period From: **11/17/2022** To: **12/30/2022**
- Step 5.** In the Select Customers section, select **One Customer**. From the drop-down list, select **Whalen, Tom**
- Step 6.** In the Select Additional Options section, select Create One Statement: **Per Job**.
- Step 7.** Click **All open transactions as of Statement date**

WHALEN STATEMENT.PDF

- Step 8.** Check **Print due date on transactions**.
- Step 9.** Select the **PDF printer** as your printer of choice, then click **Print**
- Step 10.** Save the PDF copy to the **UNIT 04** folder
- Step 11.** Save as **Whalen Statement.PDF**
- Step 12.** Click **Save & Close**

RECEIVE PAYMENT

Recall that when recording credit sales in QuickBooks, you first create an invoice and then record the customer's payment. When a credit sale is recorded on an invoice, QuickBooks records (debits) an Account Receivable – an amount to be received from the customer in the future. When the customer's payment is received, the Account Receivable account is reduced (credited).

Customers may pay in the following ways:

1. **Credit card** – Cards such as Visa, MasterCard, American Express, or Diners Club, over the phone, in person, or by mail. Using QuickBooks' Merchant Account service, you can obtain online authorization and then download payments directly into QuickBooks.
2. **Online Payments**– Online transactions can be by credit card or bank account transfer.
3. **Customer check** – Checks may be delivered in person or by mail

To record customer's payment by check for the Exterior Door job, complete the following steps:

- Step 1.** Click the **Receive Payments** icon in the Customers section of the Home page to display the Receive Payments window.
- Step 2.** In the Received from area type **Whal** . This will automatically bring **Whalen, Tom** into view.
- Step 3.** Select Invoice Number **1101** when it appears. QuickBooks will automatically enter the selected invoice amount of **\$505.50** into the Amount field.
- Step 4.** Select Date: **01/05/2023**
- Step 5.** Select: Pmt. Method: **Check**
- Step 6.** Enter Check no. **1005**
- Step 7.** Click **Save & Close** to record the payment and close the Receive Payments window.

Customer Payment

CUSTOMER BALANCE 505.50

RECEIVED FROM: Whalen, Tom

PAYMENT AMOUNT: 505.50

DATE: 01/05/2023

CHECK #: 1005

Where does this payment go? CHECK

DATE	JOB	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
12/30/2022	Screen Porch	1101	505.50	505.50	505.50
Totals			505.50	505.50	505.50

AMOUNTS FOR SELECTED INVOICES

AMOUNT DUE	505.50
APPLIED	505.50
DISCOUNT AND CREDITS APPLIED	0.00

Save & Close Save & New Clear

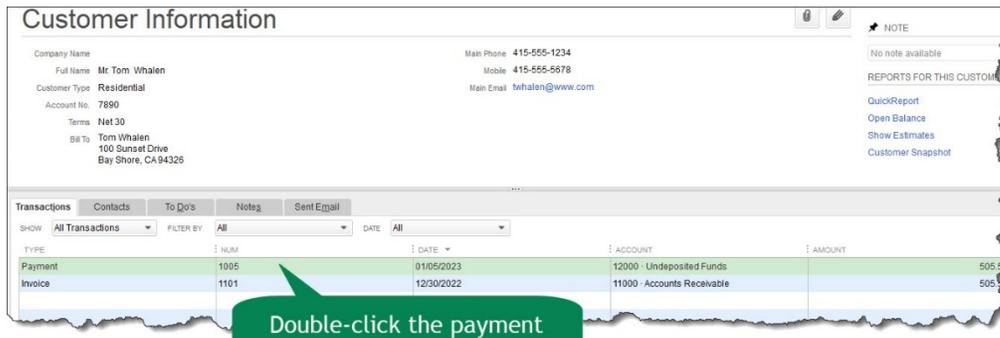
QuickBooks will increase (debit) cash or undeposited funds and decrease (credit) the customer's account receivable.

C4 JUR-3

Review the payment you just recorded. You can do this by following these instructions:

- Step 1.** Open the Customer Center (**Click Customers** on the Icon bar).
- Step 2.** **Click** on **Whalen, Tom**
- Step 3.** **Click** on the **Transactions** tab
- Step 4.** SHOW: **All Transactions**
- Step 5.** FILTER: **All**
- Step 6.** DATE: **All**

Step 7. Double-click the 1005 Payment



Step 8. With the payment in view, Click the Reports Tab

Step 9. Click the Transaction Journal

Step 10. Export to Excel

Step 11. Follow the instructions in Appendix C to export the report to the Excel file named UNIT_04_REPORTS Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

Step 12. From the drop-down list, select the sheet: C4 JUR-3

Step 13. Save and close the Excel file.

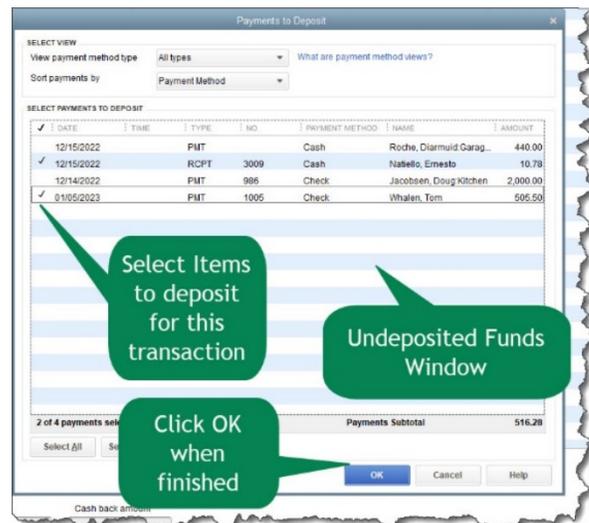
RECORD BANK DEPOSITS

After recording a customer's payment in the Receive Payments window, the next step is to indicate which payments to deposit in which bank accounts.

To select customer payments to deposit:

Step 1. Click the **Record Deposits** icon in the Banking section of the Home page to display the Payments to Deposit window. The Payments to deposit window lists undeposited funds that have been received but not yet deposited in the bank.

- Step 2. Select** the two payments that were added to undeposited funds in this section.
- i. **\$10.78** cash receipt from Ernesto Natiello on 12/15/2022
 - ii. **\$505.50** check payment from Tom Whalen on 01/05/2023



- Step 3.** Click **OK** to display the following Make Deposits window.
- Step 4.** Select Deposit To: **Checking**
- Step 5.** Select Date: **01/08/2023**

- Step 6.** Click the **Save & Close**

DEPOSIT 01-08-2023.PDF

- Step 7.** Click **Save** to record the deposit
- Step 8.** **Click** the **Print** drop down menu
- Step 9.** Select **Deposit Summary**
- Step 10.** Select the **PDF printer** as your printer of choice, then click **Print**
- Step 11.** Save the PDF copy to the **UNIT 04** folder
- Step 12.** Save as **Deposit 01-08-2023.PDF**

PRINT JOURNAL ENTRIES

As you entered transaction information into QuickBooks; on screen forms, QuickBooks automatically converted the transaction information into journal entries.

C4 JUR-4

To print the journal entries for the transaction you entered:

- Step 1.** Click **Reports** in the Icon bar to display the Report Center window
- Step 2.** Select the **List View** in the upper right corner of the window.
- Step 3.** Select: **Accountant & Taxes**
- Step 4.** Select: **Journal**
- Step 5.** Select Dates From: **12/30/2022** To: **01/08/2023**
- Step 6.** Select **Run**
- Step 7.** Click: **OK**
- Step 8.** Export to **Excel**
- Step 9.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_04_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 10.** From the drop-down list, select the sheet: **C4 JUR-4**
- Step 11.** **Save and close** the Excel file.

CUSTOMER REPORTS

There are many different customer reports that a business may find useful. QuickBooks creates reports to answer the following questions:

- ✓ Which customers owe us money?
- ✓ Which customers have overdue balances?
- ✓ Which customers are profitable?
- ✓ Which jobs are profitable?

Customer reports can be accessed in QuickBooks in several different ways:

1. **Report Center** – Permits you to locate reports by type of report (Click Reports icon, then click Customers & Receivables.)
2. **Reports Menu** – Reports listed on the Reports menu are grouped by type of report. (From the Reports menu, click Customers & Receivables.)
3. **Memorized Customer Reports** – Selected customer reports are memorized for convenience (From Reports menu, select Memorized Reports, Customers.)

In this activity, you will use the report Center to access customer reports.

In this activity, you will use the report Center to access customer reports.

- Step 1.** To display the Report Center, click **Reports** on the Icon bar.
- Step 2.** Select the **List View** icon.
- Step 3.** Select: **Customers & Receivables** to display customer reports that can be accessed in QuickBooks.
- Step 4.** Notice that the customer reports are divided into three categories:
 - i. Accounts Receivable Aging reports
 - ii. Customer Balance reports
 - iii. List reports

ACCOUNTS RECEIVABLE REPORT

CH4 AR AG

The Accounts Receivable Aging Summary report provides information about the age of customer accounts. This report lists the age of the accounts receiving balance. In general, the older an account, the less likely the customer will pay the bill. Therefore, it is important to monitor the age of accounts receivable and take action to collect old accounts.

To print the Accounts Receivable Aging Summary follow these steps:

- Step 1.** From the Report Center, select **Customers & Receivables**.
- Step 2.** Select **A/R Aging Summary**
- Step 3.** Select Date: **Today**
- Step 4.** Select: **Run**
- Step 5.** In the A/R Aging Summary window, select Sort by: **Total**

- Step 6.** Sort in **Descending (Z to A)** order. If necessary, adjust the column widths by clicking and dragging.
- Step 7.** Export to **Excel**
- Step 8.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_04_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 9.** From the drop-down list, select the sheet: **C4 AR AG**
- Step 10.** **Save and close** the Excel file.

OPEN INVOICES REPORT

Customers with open invoices are those who have an unbilled or unpaid balance. It is important to track the status of open accounts to determine:

- ✓ Are these amounts unbilled? The sooner the balances are billed, the sooner your company receives cash to pay your bills.
- ✓ Are these amounts billed but not yet due?
- ✓ Are these amounts billed and overdue? These accounts should be monitored closely with an action plan for collecting the accounts.

CH4 INV

The Open Invoices report lists all customers with open balances and can be printed as follows:

- Step 1.** From the Customers & Receivables section of the Report Center, click **Open Invoices**
- Step 2.** Select Date: **01/10/2023**
- Step 3.** Select: **Run**
- Step 4.** Export to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_04_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 6.** From the drop-down list, select the sheet: **C4 INV**
- Step 7.** **Save and close** the Excel file.

COLLECTIONS REPORT

When reviewing the age of accounts receivable, a business should monitor overdue accounts closely and maintain ongoing collection efforts to collect its overdue accounts.

The Collections report lists customers with overdue account balances. In addition, the Collections Report includes a contact phone number for convenience in contacting the customer.

C4 COL

To print the Collections Report summarizing information for all customers with overdue balances:

- Step 1.** From the Customers & Receivables section of the Report Center, select:
Collections Report
- Step 2.** Select: **Today**
- Step 3.** Select: **Run**. No customers have overdue balances, so it appears that you are doing a good job collecting customer payments on accounts.
- Step 4.** Change criteria of the report by changing the date. The new date should be **1/10/2024**
- Step 5.** **Click** the **Refresh** option
- Step 6.** Export to **Excel**
- Step 7.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_04_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 8.** From the drop-down list, select the sheet: **C4 COL**
- Step 9.** **Save and close** the Excel file.

The Collections Report provides the information necessary to monitor and contact overdue accounts and should be prepared and reviewed on a regular basis.

PROFIT AND LOSS BY CUSTOMER

To improve profitability in the future, a business should evaluate which customers and jobs have been profitable in the past. This information permits a business to improve profitability by:

- ✓ Increasing business in profitable areas
- ✓ Improving performance in unprofitable areas
- ✓ Discontinuing unprofitable areas

The following QuickBooks reports provide information about customer and job profitability:

- ✓ Income by Customer Summary
- ✓ Income by Customer Detail
- ✓ Job Profitability Summary
- ✓ Job Profitability Detail

INCOME BY CUSTOMER SUMMARY REPORT

To determine which customers are generating the most profit for your business, it is necessary to look at both the sales for the customer and associated costs. To print the Income by Customer Summary Report, follow these steps:

C4 CUS INC

- Step 1.** From the Report Center, select **Company & Financial > Income by Customer Summary**
- Step 2.** Select: **This Fiscal Year-to-date**
- Step 3.** Select: **Run**

- Step 4.** In the Income by Customer Summary window, select Sort by: **Total**
- Step 5.** Sort in **Descending (Z to A)** order. If necessary, adjust the column widths by clicking and dragging.
- Step 6.** Export to **Excel**
- Step 7.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_04_REPORTS** Excel file.
- NOTE:** Make sure you have used all the advanced settings outlined in Appendix C.
- Step 8.** From the drop-down list, select the sheet: **C4 CUS INC**
- Step 9.** **Save and close** the Excel file.

ADD NEW CUSTOMER & JOB

- Step 1.** Add Mrs. Beneficio as a new customer

ADDRESS INFO:

CUSTOMER NAME	Beneficio, Katrina
MR./MS./...	Mrs.
FIRST NAME	Katrina
M.I.	L
LAST NAME	Beneficio
MAIN PHONE	415-555-1818
MOBILE	415-555-3636
ADDRESSES:	10 Pico Blvd
BILL TO	Bayshore, CA 94326

PAYMENT SETTINGS:

ACCOUNT NO.	12736
PAYMENT TERMS	Net 30
PREFERRED DELIVERY METHOD	E-mail
PREFERRED PAYMENT METHOD	VISA
CREDIT LIMIT	10,000

Sales Tax Settings:

TAX CODE	Tax
TAX ITEM	San Tomas

Additional Info:

CUSTOMER TYPE	Residential
---------------	--------------------

- Step 2.** **Close** the New Customer window
- Step 3.** Add a new job for Katrina Beneficio

JOB INFORMATION:

JOB NAME	Door Replacement
JOB DESCRIPTION	Interior Door Replacement
JOB TYPE	Repairs
JOB STATUS	Closed
START DATE	12/17/2022
PROJECTED END	12/17/2022

END DATE

12/17/2022

Step 4. Sort the Customer List (Hint: **Right-click > Re-sort List.**)

CREATE INVOICE

Step 1. Create an invoice for an interior door replacement using the following information (Invoice Total = **\$214.91**):

INVOICE INFORMATION:

CUSTOMER: JOB	Beneficio, Katrina: Door Replacement
CUSTOMER TEMPLATE	Rock Castle Invoice
DATE	12/17/2022
INVOICE NO.	1102
ITEMS	1 Wood Door: Interior @ \$72.00 1 Hardware: Standard Doorknob @ 30.00 Installation Labor: 3 hours

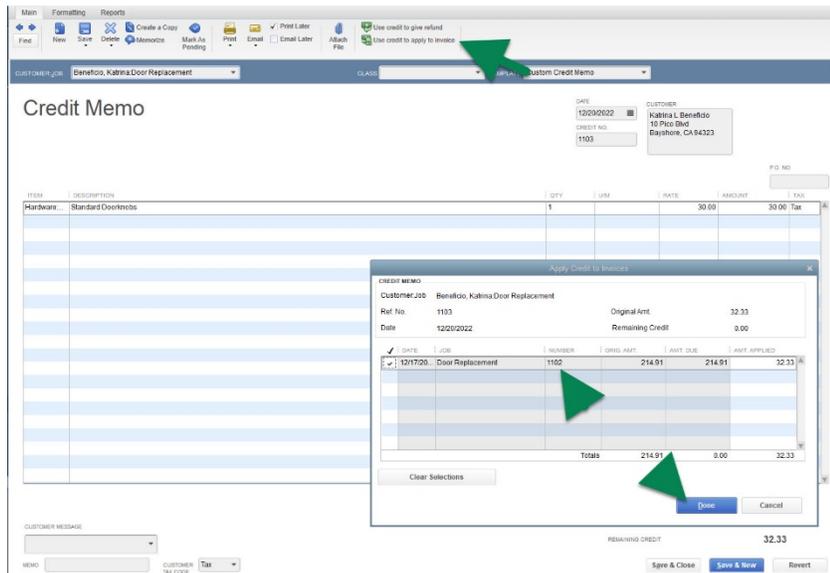
Step 2. **Save and close** the Invoice

RECORD CUSTOMER CREDIT

This activity is assuming that the standard doorknob was returned and later replaced with a locking doorknob.

- Step 1.** Click the **Refunds and Credits** icon in the Customers section of the Home page.
- Step 2.** Select Customer and Job: **Beneficio, Katrina: Door Replacement**
- Step 3.** Select Template: **Custom Credit Memo**. Credit No. 1103
- Step 4.** Select date: **12/20/2022**
- Step 5.** Select Item: **Hardware Standard Doorknobs**
- Step 6.** Enter Quantity: **1**
- Step 7.** Select **Use credit to apply to invoice**
- Step 8.** Select **Yes** if asked if you want to record changes
- Step 9.** When the following Apply Credit to Invoices window appears, select **Invoice No. 1102**.
- Step 10.** **Click Done** to confirm your selection of invoice 1102

Step 11. Click Save & Close to finish the transaction



The Credit Memo no. 1102 totals \$-32.33 (\$30.00 plus \$2.33 tax)

CREATE INVOICE

This is the replacement invoice for the doorknob that was returned in the previous activity.

Step 1. Create a new invoice (Invoice No. 1104) for Katrina Beneficio: Door Replacement on 12/17/2022

INVOICE INFORMATION:

CUSTOMER: JOB	Beneficio, Katrina: Door Replacement
CUSTOMER TEMPLATE	Rock Castle Invoice
DATE	12/17/2022
INVOICE NO.	1104
ITEMS	1 Hardware: Lk Doorknobs (Locking Interior doorknobs) @ 38.00

Invoice No. 1104 totals \$40.95

RECEIVE PAYMENT

Step 1. Record Mrs. Beneficio's payment for the door replacement by VISA credit card for \$223.53 on 12/20/2022.

- ✓ Card no.: **4444-5555-6666-7777**
- ✓ Exp. Date: **07/2023**

Step 2. Click on **Done** to confirm the credit card transaction

Step 3. Click on **Save & Close**

If you have completed this activity correctly, your job information for the Beneficio, Katrina: Door Replacement looks like this:

RECORD BANK DEPOSIT

Step 1. Record the deposit for \$223.53 on 12/20/2022

Check the ending balance of your check register. The correct balance is \$47,708.91

CASH BASIS ACCOUNTING VS. ACCRUAL ACCOUNTING

The difference between cash and accrual accounting lies in the timing of when sales and purchases are recorded in your accounts. Cash accounting recognizes revenue and expenses only when money changes hands, but accrual accounting recognizes revenue when it's earned, and expenses when they're billed (but not paid).

CASH BASIS ACCOUNTING

The cash basis of accounting recognizes revenues when cash is received, and expenses when they are paid. This method does not recognize accounts receivable or accounts payable.

Many small businesses opt to use the cash basis of accounting because it is simple to maintain. It's easy to determine when a transaction has occurred (the money is in the bank or out of the bank) and there is no need to track receivables or payables.

The cash method is also beneficial in terms of tracking how much cash the business actually has at any given time; you can look at your bank balance and understand the exact resources at your disposal.

Also, since transactions aren't recorded until the cash is received or paid, the business's income isn't taxed until it's in the bank.

ACCRUAL BASIS ACCOUNTING

Accrual accounting is a method of accounting where revenues and expenses are recorded when they are earned, regardless of when the money is actually received or paid. For example, you would record revenue when a project is complete, rather than when you get paid. This method is more commonly used than the cash method.

The upside is that the accrual basis gives a more realistic idea of income and expenses during a period of time, therefore providing a long-term picture of the business that cash accounting can't provide.

The downside is that accrual accounting doesn't provide any awareness of cash flow; a business can appear to be very profitable while in reality it has empty bank accounts. Accrual basis accounting without careful monitoring of cash flow can have potentially devastating consequences.

Cash Basis Accounting vs. Accrual Accounting

CASH		ACCURAL
Pros	<ul style="list-style-type: none"> Your income isn't taxed until it is in the bank 	<ul style="list-style-type: none"> You get better financial insights, with more accurate reporting
Cons	<ul style="list-style-type: none"> You don't know how much accounts receivable you have 	<ul style="list-style-type: none"> Your bank account doesn't match your books. You might get taxed on money you don't have yet.
Company Choice	<ul style="list-style-type: none"> Best if you have a lot of transactions and deal directly with consumers. 	<ul style="list-style-type: none"> Best option if you are dealing with large businesses and don't get paid quickly

ACCOUNTS RECEIVABLE

Most large companies use the accrual basis of accounting since it better reflects the actual results of the operations of a business. Under the accrual basis, a merchandising company that extends credit records revenue when it makes a sale because at this time it has earned and realized the revenue. The company has earned the revenue because it has completed the seller's part of the sales contract by delivering the goods. The company has realized the revenue because it has received the customer's promise to pay in exchange for the goods. This promise to pay by the customer is an account receivable to the seller. Accounts receivable are amounts that customers owe a company for goods sold and services rendered on account. Frequently, these receivables resulting from credit sales of goods and services are called **trade receivables**.

When a company sells goods on account, customers do not sign formal, written promises to pay, but they agree to abide by the company's customary credit terms. However, customers may sign a sales invoice to acknowledge purchase of goods. Payment terms for sales on account typically run from 30 to 60 days. Companies usually do not charge interest on amounts owed, except on some past-due amounts.

Because customers do not always keep their promises to pay, companies must provide for these uncollectible accounts in their records. Companies use two methods for handling uncollectible accounts. The allowance method provides in advance for uncollectible accounts. The direct write-off method recognizes bad accounts as an expense at the point when judged to be uncollectible and is the required method for federal income tax purposes. The allowance method represents the accrual basis of accounting and is the accepted method to record uncollectible accounts for financial accounting purposes.

After credit has been extended a business needs to track accounts receivable to determine if accounts are being collected in a timely manner. The following reports provide information useful in tracking accounts receivable.

- ✓ Accounts Receivable Aging Summary (age of amounts due you by customers)
- ✓ Accounts Receivable Aging Detail
- ✓ Customers with Open Invoices (invoices not yet paid)
- ✓ Collections Report (overdue customer accounts with contact information)

ACCOUNTS RECEIVABLE AGING SUMMARY REPORT

The accounts Receivable Aging Summary report provides information about the age of customer accounts. This report lists the age of accounts receivable balances. In general, the older an account, the less likely the customer will pay the bill. Therefore, it is important to monitor the age of accounts receivable and take action to collect old accounts.

C4 AR AG

- Step 1.** From the Report Center or Report menu, select **Customers & Receivables**
- Step 2.** Select **A/R Aging Summary**

DATES

Today

INTERVAL (DAYS)	30
THROUGH (DAYS PAST DUE)	90
SORT BY	Total
SORT IN	Descending Order

Step 3. Export to **Excel**

Step 4. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_04_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

Step 5. From the drop-down list, select the sheet: **C4 AR AG**

Step 6. **Save and close** the Excel file.

BACKUP YOUR COMPANY FILE

Use the instructions in **Appendix A** to back up your Rock Castle Construction company file. Make sure your backup file is saved in the designated folder of this unit (**UNIT 04 BACKUPS**).

UNIT 04 PROJECT (OWN-YOUR-OWN ACTIVITY)

RESTORE THE UNIT 04 STARTER FILE

Follow the instructions in **Appendix A** (Backup & Restore QuickBooks Files) to restore the starter file for **u04a2 Larrys Landscaping**. This file is in your **UNIT 04** folder.

Step 23: **RESTORE** the **u04a2 Larrys Landscaping.QBB** file

Step 24: Make sure you **SAVE** to the **UNIT 04 FOLDER**

RENAME THE COMPANY

After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Larry's Landscaping. Your first activity is to personalize that name to meet your needs follow these instructions:

Step 7: From the Menu bar, select **Company**

Step 8: Select **MY COMPANY**

Step 9: Select **EDIT**

Step 10: Update the Company Name Field to: **YourName Larry's Landscaping**

Step 11: **CLICK on OK**

Step 12: **Close** the My Company window.

NOTE: The process to **rename the company** is found in **Appendix B** and will be repeated throughout all the activities in the text.

Enter the following Transactions for purchases:

SALES RECEIPT	TEMPLATE	Sales Receipt – Retail
----------------------	----------	-------------------------------

	DATE	12/20/2023
	CUSTOMER	Dave Perry
	ITEM	Fertilizer (Lawn & Garden)
	QUANTITY	27
	PAYMENT	Check (no. 622)

SALES RECEIPT	TEMPLATE	Sales Receipt – Retail
	DATE	12/21/2023
	CUSTOMER	Jean Paulney
	ITEM	Rocks (Garden Rocks)
	QUANTITY	13
	PAYMENT	Cash

INVOICE	DATE	12/21/2023
	CUSTOMER	Anne Loomis
	ITEM	Pest Control Service
	QUANTITY	3
	PRICE EA	\$60.00
	TAX	Non

INVOICE	DATE	12/22/2023
	CUSTOMER	Russell Chiropractic
	ITEM	Weekly Gardening Services
	QUANTITY	2
	PRICE EA	\$75.00
	TAX	Non

INVOICE	DATE	12/22/2023
	CUSTOMER	Gwen Price
	ITEM	Tree Removal
	QUANTITY	5
	PRICE EA	\$90.00
	TAX	Non

PAYMENT	DATE	12/19/2023
	CUSTOMER	Susie Rummens
	INVOICE NO.	No. 128
	AMOUNT	\$1438.56
	PAYMENT METHOD	Check (No. 321)

PAYMENT	DATE	12/20/2023
	CUSTOMER	Bob Heldt
	INVOICE NO.	No. 142
	AMOUNT	\$102.36

	PAYMENT METHOD	Check (No. 823)
--	----------------	-----------------

PAYMENT	DATE	12/21/2023
	CUSTOMER	Mike Balak
	INVOICE NO.	No. 116
	AMOUNT	\$180
	PAYMENT METHOD	Check (No. 1281)

COMBINE THESE TRANSACTIONS INTO ONE DEPOSIT

DEPOSIT FROM UNDEPOSITED FUNDS	DATE	12/22/2023
	CUSTOMER	Jean Paulney
	AMOUNT	\$134.99

DEPOSIT FROM UNDEPOSITED FUNDS	DATE	12/22/2023
	CUSTOMER	Susie Rummens
	AMOUNT	\$1,438.56

DEPOSIT FROM UNDEPOSITED FUNDS	DATE	12/22/2023
	CUSTOMER	Bob Heldt
	AMOUNT	\$102.36

DEPOSIT FROM UNDEPOSITED FUNDS	DATE	12/22/2023
	CUSTOMER	Dave Perry
	AMOUNT	\$54.35

DEPOSIT FROM UNDEPOSITED FUNDS	DATE	12/22/2023
	CUSTOMER	Mike Balak
	AMOUNT	\$180.00

Step 1. Save the Deposit

P4 JUR

- Step 2. While in the Deposit Window, Display the **Journal** for this transaction
- Step 3. Export to **Excel**
- Step 4. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_04_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 5. From the drop-down list, select the sheet: **P4 JUR**
- Step 6. **Save and close** the Excel file.

P4 CUST SUM

- Step 1. From the Reports menu, Select **Customers & Receivables**

- Step 2.** Select **Customer Balance Summary**
- Step 3.** From: **12/23/2023** To: **12/23/2023**
- Step 4.** Click **Refresh**
- Step 5.** Export to **Excel**
- Step 6.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_04_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 7.** From the drop-down list, select the sheet: **P4 CUST SUM**
- Step 8.** **Save and close** the Excel file.

P4 INV

- Step 1.** From the Customers & Receivables section of the Report Center, click **Open Invoices**
- Step 2.** Select Date: **01/10/2023**
- Step 3.** Select: **Run**
- Step 4.** Export to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_04_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 6.** From the drop-down list, select the sheet: **P4 INV**
- Step 7.** **Save and close** the Excel file.

TAKE THE QUIZ

The reading in the unit along with the Excel reports you have generated have provided answer to the quiz for this unit. Take the **UNIT_04 QUIZ** in your Canvas account

SUBMIT THE UNIT REPORTS

After you have taken the quiz using the answers you have already recorded in the reports you extracted from Excel, **UPLOAD** the following files to the **UNIT_04** assignment area of your Canvas account:

The Excel file - **UNIT_04_REPORTS**

The following PDF files:

- **CASH SALES – Natiello.PDF**
- **Invoice 1101.PDF**
- **Whalen Statement.PDF**
- **Deposit 01-08-2023.PDF**

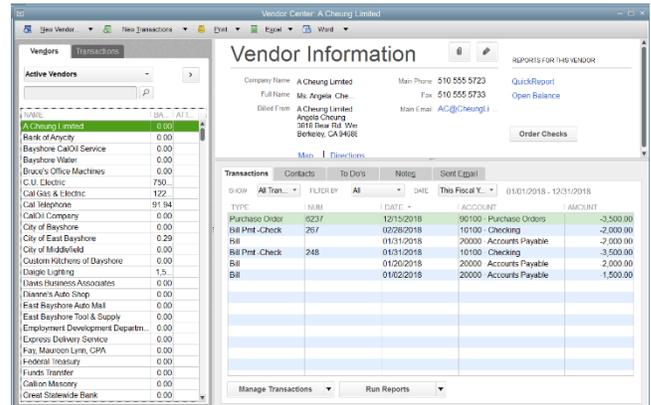
Vendors and Expenses



UNIT 05 – VENDORS AND EXPENSES

VENDOR NAVIGATION

The Vendor List contains information for each vendor, such as address, telephone number, and credit terms. Vendor information is entered in the vendor List and then QuickBooks automatically transfers the vendor information to the appropriate forms, such as purchase orders and checks. This feature enables you to enter vendor information only once in QuickBooks instead of entering the vendor information each time a form is prepared.



RESTORE THE STARTER FILE

You will find the following files in your **Student files** for **UNIT 05**.

- U05a1 Rock Castle Construction
- U05a2 Larry's Landscaping
- UNIT_05_Reports

To complete the first lesson exercises, **RESTORE** the **u05a1 Rock Castle Construction** company file from the **UNIT 05** folder.

NOTE: The process to **restore a backup** is found in **Appendix A.01** and will be repeated throughout all the activities in the text.

RENAME THE COMPANY

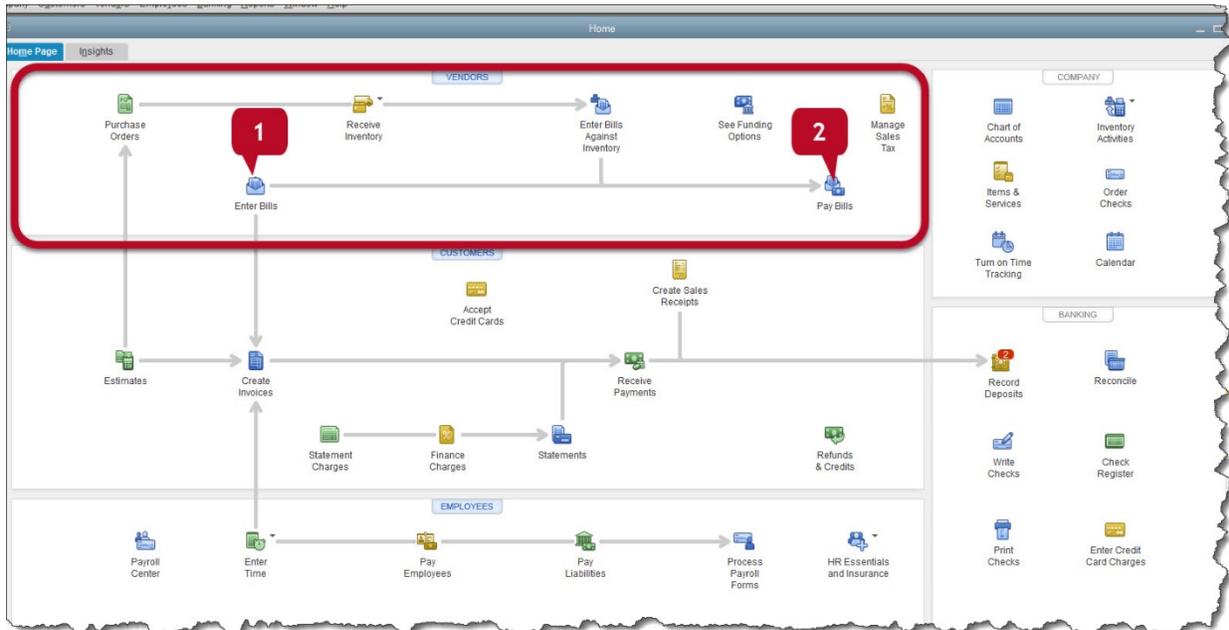
After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Rock Castle Construction. Your first activity is to personalize that name to meet your needs follow these instructions:

- Step 25.** From the Menu bar, select **Company**
- Step 26.** Select **MY COMPANY**
- Step 27.** Select **EDIT**
- Step 28.** Update the Company Name Field to: **YourName Rock Castle Construction**
- Step 29.** **CLICK** on **OK**
- Step 30.** **Close** the My Company window.

NOTE: The process to **rename the company** is found in **Appendix B** and will be repeated throughout all the activities in the text.

The QuickBooks Home Page contains a Vendors section that displays icons used for vendor functions. If necessary, click the Home icon in the Navigation Bar to display the Home Page.

The Vendors section of the Home Page is a flowchart of vendor transactions. In this unit we will focus on the following types of transactions:



- ✓ **Enter Bills.** Use the Enter Bills windows to record bills for services received. Examples include rent, utilities expense, insurance expense, and accounting and professional services. QuickBooks will record an obligation (accounts payable liability) to pay the bill later.
- ✓ **Pay Bills.** Use the Pay Bills windows to select the bills that are due and you are ready to pay.

To view the Vendor List, follow these steps:

- Step 1.** Click **Vendors** in the Icon bar
- Step 2.** Click the **Vendors** tab.
- Step 3.** To view additional information about a vendor, click the vendor's name and Vendor Information will appear on the right side of the Vendor Center.

ADD NEW VENDOR

Rock Castle Construction plans to add the following new vendor information:

- Step 1.** Click the **New Vendor** button at the top of the vendor Center
- Step 2.** Select **New Vendor** from the drop-down menu.
- Step 3.** Select the Address info tab in the New Vendor window. Enter the following information:

Vendor Name	Kolbe Window & Door
Company Name	Kolbe Window & Door
Full Name	John Kolbe
Main Phone	415-555-1958

Mobile 415-555-1985
Main E-mail Kolbe@windowdoor.com
Address 58 Charles
 Bayshore, CA 94326

Step 4. Select the **Payment Settings** tab and enter the following information

Payment Settings
Account No. 58101
Payment Terms Net 15
Print on Check as Kolbe Window & Door

Step 5. Select the **Tax Settings** tab and enter the following information.

Tax Settings:
Vendor Tax ID 37-1958101
Vendor eligible for 1099 Yes

Step 6. Select **Additional Info** tab and enter the following information

Additional Info:
Vendor Type Materials

ADD ANOTHER NEW VENDOR

Rock Castle Construction plans to add the following new vendor information:

- Step 1.** Click the **New Vendor** button at the top of the vendor Center
- Step 2.** Select **New Vendor** from the drop-down menu.
- Step 3.** Select the Address info tab in the New Vendor window. Enter the following information:

Vendor Name Andre Window & Door
Company Name Andre Window & Door
Full Name Andre LaFortune
Main Phone 415-555-1958
Mobile 415-555-1985
Main E-mail andre@windoor.com
Address 57 Beach Street
Bayshore, CA 94326

Step 4. Select the **Payment Settings** tab and enter the following information

Payment Settings
Account No. 58102
Payment Terms Net 15
Print on Check as Andre Window & Door

Step 5. Select the **Tax Settings** tab and enter the following information.

Tax Settings:
Vendor Tax ID 37-1857201
Vendor eligible for 1099 Yes

Step 6. Select **Additional Info** tab and enter the following information

Additional Info:
Vendor Type Materials

Step 7. Click OK

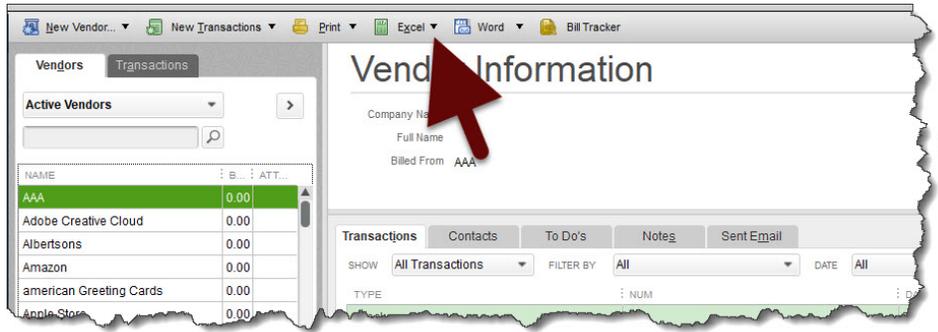
EXPORT VENDOR LIST

The Vendor List can be both imported and exported into QuickBooks. You can export Customer, Vendor, Payroll lists and transactions, as well as Items list into an Excel spreadsheet. If you need to change a report's appearance or contents in ways that are not available in QuickBooks, you can also export reports and customize it in Excel without affecting your QuickBooks data.

C5 VEN

Export the Vendor List as follows:

Step 1. From the Vendor Center, **select Excel**



Step 2. Export to **Excel**

Step 3. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_05_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

Step 4. From the drop-down list, select the sheet: **CH5 VEN**

Step 5. **Highlight** the **new vendors** you have added

Step 6. **Save and close** the Excel file.

VENDOR TRANSACTIONS

After creating a Vendor List, you are ready to enter vendor transactions. There are two basic ways to enter vendor transactions using QuickBooks:

1. **Enter Bills → Pay Bills**
2. **Enter Purchase Orders → Receive Inventory → Enter Bills Against Inventory → Pay Bills**

Notice that both flow chart options enter in the pay bills screen. It will depend on the option you initially choose to determine the flow of the transactions. This unit covers option number 1.

ENTER BILLS

Recording your payables in QuickBooks Desktop is easy with Enter Bills. You can readily record transactions that you will pay at a future date, including expenses incurred, materials purchased, or services provided by a vendor.

To record services instead of inventory received, use the Enter Bills icon. Expense that can be recorded using the Enter Bills windows include utilities, insurance, and rent.

Step 1. **Click** the **Enter Bills** icon in the Vendors section of the Home Page

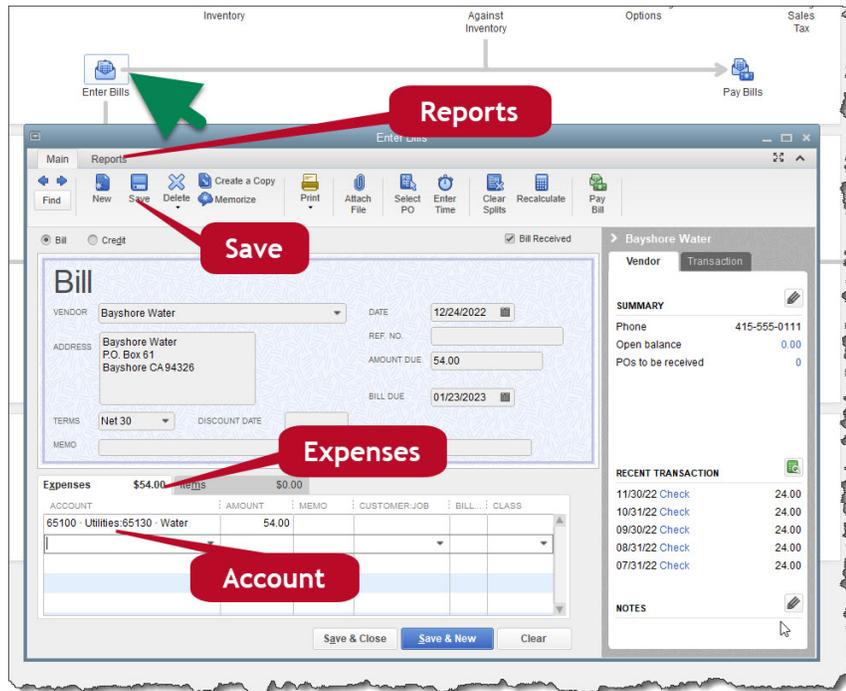
Step 2. **Click** the **Expenses tab**

Step 3. Enter the following Information:

VENDOR:	Bayshore Water
---------	-----------------------

DATE:	12/24/2022
AMOUNT DUE:	\$54.00
TERMS:	Net 30
ACCOUNT:	65130: Water

Step 4. Select **Save** and leave the Enter Bills window open



C5 JUR

- Step 5.** From the Enter Bills onscreen form, select the **Reports** Tab
- Step 6.** Select the Transaction Journal icon
- Step 7.** Export the Transaction Journal report to Excel or print the report. Notice that the entry shows a debit (increase) to Water Expense and a credit (increase) to Accounts Payable for the entered bill.
- Step 8.** Export to **Excel**
- Step 9.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_05_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 10.** From the drop-down list, select the sheet: **CH5 JUR**
- Step 11.** **Save and close** the Excel file.

PAY BILLS

After recording what you owe in QuickBooks Desktop, you can use Pay Bills to settle your payables for different vendors. You can also easily apply the corresponding discount or credit for each payment you make.

To select the bills to pay follow these steps:

- Step 1.** Click the **Pay Bills** icon in the vendors section of the Home Page
- Step 2.** Select show bills: **Show all bills**
- Step 3.** Select the bills you want to pay. Typically, you would select the bills that are due first. In this case, however, select bill that you just recorded for **Bayshore Water** for **\$54.00**. If necessary, scroll down to view this bill. In the payment section enter the following information:

DATE	12/24/2022
METHOD	Check
TO BE PRINTED / ASSIGN CHECK NUMBER	To be printed
ACCOUNT	Checking

- Step 4.** **Click Pay Selected Bills**
- Step 5.** When the Payment Summary windows displayed if we wanted to print the checks. In this case, select **DONE**.

PAY MORE BILLS

To select the bills to pay follow these steps:

- Step 1.** Click the **Pay Bills** icon in the vendors section of the Home Page
- Step 2.** Select show bills: **Show all bills**
- Step 3.** Check the following bills to pay:

DUE DATE	VENDOR	REF. NO.	AMT. DUE	AMT. TO PAY
12/30/2023	C.U. Electric		500.00	250.00
12/30/2023	Cal Gas & Electric	12/03	122.68	122.68
12/20/2023	Hopkins Construction Rental		550.00	550.00

NOTE: QuickBooks assumes you plan to pay in full. In the case of the C.U. Electric bill that you are partially paying, you must enter the amount you plan to pay.

- Step 4.** **Click Pay Selected Bills**

DATE	12/24/2022
METHOD	Check
TO BE PRINTED / ASSIGN CHECK NUMBER	To be printed
ACCOUNT	Checking

- Step 5.** When the Payment Summary windows displayed if we wanted to print the checks. In this case, select **DONE**.

C5 JUR-2

- Step 1.** From the Navigation Bar, select **Reports**
- Step 2.** Select **Accountant & Taxes**
- Step 3.** Select **Journal**
- Step 4.** From: **12/24/2022 to 12/24/2022**
- Step 5.** Click **Refresh**

Notice that the first journal entry records the expense with a debit and records an account payable of \$54.00 with a credit. The second journal entry records paying the bill with a debit (decreases) Accounts Payable and credit (decreases) the Checking account for \$54.00.

Trans #	Type	Date	Name	Memo	Account	Debit	Credit
1787	Bill	12/24/2022	Bayshore Water		20000 Accounts Payable		54.00
			Bayshore Water		65130 Water	54.00	
						54.00	54.00
1788	Bill Pmt - Check	12/24/2022	Bayshore Water		10100 Checking	54.00	
			Bayshore Water		20000 Accounts Payable		54.00
						54.00	54.00
1789	Bill Pmt - Check	12/24/2022	C.U. Electric		10100 Checking	250.00	
			C.U. Electric		20000 Accounts Payable		250.00
						250.00	250.00
1791	Bill Pmt - Check	12/24/2022	Cal Gas & Electric	Acct #560-8...	10100 Checking	122.68	
			Cal Gas & Electric	Acct #560-8...	20000 Accounts Payable		122.68
						122.68	122.68
1792	Bill Pmt - Check	12/24/2022	Hopkins Construct...		10100 Checking	550.00	
			Hopkins Construct...		20000 Accounts Payable		550.00
						550.00	550.00
TOTAL						1,630.68	1,630.68

NOTE: If you are still having trouble understanding the journal processes and why items are recorded in a specific column, please refer to the illustrations and tables in Appendix D.

- Step 6.** Export to **Excel**
- Step 7.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_05_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 8.** From the drop-down list, select the sheet: **CH5 JUR-2**
- Step 9.** Highlight the transaction recorded in the Expense Category (hint refer to Appendix D account numbers)
- Step 10.** **Save and close** the Excel file.

VENDOR REPORTS

The QuickBooks Vendors & Payables Reports give you data about how much money your company owes. These QuickBooks reports will help you manage your payables to ensure that you pay your vendors timely, forecast your cash outflows and determine which vendors cost you the most money for the goods and services they provide to your company. You will find a list of QuickBooks Vendors & Payables Reports with a description of the information contained in the report below.

VENDORS & PAYABLES

QuickBooks Vendors & Payables Reports will give you more information about how much your company owes to its vendors.

- ✓ **A/P Aging Summary** - The A/P Aging Summary Report will show you how much you owe each vendor.
- ✓ **A/P Aging Detail** - The A/P Aging Detail Report will show you all the invoices you have received from vendors along with the total amount you owe.
- ✓ **Accounts Payable Graph** - The Accounts Payable Graph will show you the A/P Aging Summary Report in a pie graph format.

VENDOR BALANCES

QuickBooks Vendor Balances Reports will show you your vendor balances and unpaid bills.

- ✓ **Vendor Balances Summary** - The Vendor Balances Summary Report will show you your company's current balance with each vendor.
- ✓ **Vendor Balance Detail** - The Vendor Balance Detail Report will show you what transactions make up your current balance with each vendor.
- ✓ **Unpaid Bills Detail** - The Unpaid Bills Detail Report will show you how much your company owes each vendor and whether there are any invoices that are past due.
- ✓ **Transaction List by Vendor** - The Transaction List by Vendor shows the transactions that you have with each vendor.

CH5 VBS

- Step 1.** Select: **Reports**
- Step 2.** Select: **Vendors & Payables**
- Step 3.** Select: **Vendor Balance Summary**
- Step 4.** Dates: **All**
- Step 5.** Export to **Excel**
- Step 6.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_05_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 7.** From the drop-down list, select the sheet: **CH5 VBS**
- Step 8.** Highlight the largest balance due
- Step 9.** **Save and close** the Excel file.

CH5 VBD

- Step 10.** Select: **Reports**
- Step 11.** Select: **Vendors & Payables**
- Step 12.** Select: **Vendor Balance Detail**

- Step 13.** Customize the Report
 - a.** Filter → Name: **Hamlin Metal**
- Step 14.** Dates: **All**
- Step 15.** Export to **Excel**
- Step 16.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_05_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 17.** From the drop-down list, select the sheet: **CH5 VBD**
- Step 18.** Highlight the bill that is still outstanding for Hamlin Metal
- Step 19.** **Save and close** the Excel file.

CH5 UPD

- Step 1.** Select: **Reports**
- Step 2.** Select: **Vendors & Payables**
- Step 3.** Select: **Unpaid Bills Detail**
- Step 4.** Customize the Report
 - a.** Filter → Amount: **>=2000**
- Step 5.** Dates: **Today**
- Step 6.** Export to **Excel**
- Step 7.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_05_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 8.** From the drop-down list, select the sheet: **CH5 UPD**
- Step 9.** Highlight the bill that is still outstanding for **Sergeant Insurance**
- Step 10.** **Save and close** the Excel file.

CH5 VEN TRANS

- Step 1.** Select: **Reports**
- Step 2.** Select: **Vendors & Payables**
- Step 3.** Select: **Transaction List by Vendor**
- Step 4.** Sort By: **Credit**
- Step 5.** Sort: **Ascending**
- Step 6.** Dates: **This Week**
- Step 7.** Export to **Excel**
- Step 8.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_05_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 9.** From the drop-down list, select the sheet: **CH5 VEN TRANS**
- Step 10.** Highlight the transaction for the highest amount of money.
- Step 11.** **Save and close** the Excel file.

CH5 AP AGING

- Step 1.** Select: **Reports**
- Step 2.** Select: **Vendors & Payables**
- Step 3.** Select: **A/P Aging Summary**
- Step 4.** Date: **12/24/2022**
- Step 5.** Export to **Excel**
- Step 6.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_05_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 7.** From the drop-down list, select the sheet: **CH5 AP AGING**
- Step 8.** **Highlight** the vendors and amounts of **any past due accounts payable**
- Step 9.** **Save and close** the Excel file.

ACCOUNTS PAYABLE

Accounts payable consists of amounts that the business is obligated to pay in the future. When a business makes purchases on credit, the company is promising to pay that amount in the future. When a purchase is made and recorded as a bill, accounts payable is increased by a credit. When the bill is paid, the accounts payable is decreased by a debit.

Some transactions affect only balance sheet items: assets (such as cash, accounts receivable, and equipment), liabilities (such as **accounts payable** and notes payable), and stockholders' equity (capital stock). Other transactions affect both balance sheet items and income statement items (revenues, expenses, and eventually retained earnings).

TRACKING ACCOUNTS PAYABLE

Accounts payable reports provide information to track amounts the company owes vendors. An Accounts Payable Aging report summarizes accounts payable balances by the age of the account. This report helps us to track how much we owe vendors and when amounts are due, including the age of past due bills.

PREPARING 1099S

The IRS Form 1099 must be completed for sole proprietorships and partnerships that are paid \$600 or more for services in a year. The vendor's Tax ID No. is required to complete the 1099. QuickBooks can assist in tracking amounts and preparing 1099s for appropriate vendors.

ENTER AND PAY BILLS

C5 JUR-3

- Step 1.** Enter the following Bill:

VENDOR:	Cal Telephone
DATE:	12/26/2022
AMOUNT DUE:	\$63.00
ACCOUNT:	65120:Telephone

- Step 2.** Select the Save icon at the top of the Enter Bills window
- Step 3.** Select the **Reports** tab
- Step 4.** Select the **Transaction Journal** icon
- Step 5.** **Export** the Transaction Journal report to **Excel**
- Step 6.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_05_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

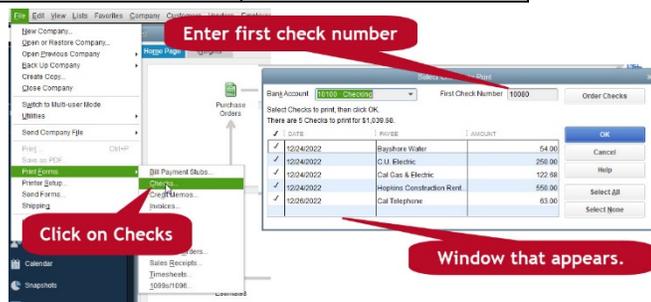
- Step 7.** From the drop-down list, select the sheet: **CH5 JUR-3**
- Step 8.** **Save and close** the Excel file.

C5 CHECKS 10080-10084.PDF

- Step 1.** Pay the Cal Telephone Bill

VENDOR:	Cal Telephone
DATE:	12/26/2022
AMOUNT TO PAY:	\$63.00
METHOD:	Check
ACCOUNT:	10100 Checking
TO BE PRINTED/ASSIGN CHECK NUMBER	To be printed

- Step 2.** Click **Pay Selected Bills**
- Step 3.** Click **Done**
- Step 4.** Click the **File** option
- Step 5.** Select **Print Forms**
- Step 6.** Click **Checks**
- Step 7.** Enter **10080** as the first check number
- Step 8.** You will see a list of all



the bill payment checks marked to print. Once you click on **OK**, you will be directed the print dialog box. Use the following specifications for the printer:

PRINTER NAME:	Adobe PDF or Microsoft Print to PDF
PAPER TYPE:	Page-oriented (Single sheets)
CHECK STYLE:	Standard
SELECTIONS:	Print Company name and address
NUMBER OF CHECKS ON FIRSTPAGE:	3

- Step 9.** Click **Print**
- Step 10.** Save the PDF copy in the **UNIT 05** folder
- Step 11.** Save as **C5 Checks 10080-10084**

- Step 12.** When the print checks confirmation window appears, click **OK** to complete the checks in the register.

C5 CKD

To review the transactions entered, you will export a check detail report to Excel.

- Step 1.** From the report menu, Select Banking
- Step 2.** Select Check Detail

DATES:	This Month-to-date
FROM:	12/24/2022
TO:	12/26/2022

- Step 3.** Click **Refresh**
- Step 4.** Export the report to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_05_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **CH5 CKD**
- Step 7.** **Save and close** the Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

CH5 AP AGING-2

The Accounts Payable Aging report summarizes accounts payable balances by the age of the account. Follow these steps to obtaining the report:

- Step 1.** From the **Reports** section, select **Vendors & Payables**
- Step 2.** Select **A/P Aging Detail**
- Step 3.** Date: **12/26/2022**
- Step 4.** Click **Run** or **Refresh** depending on which section you choose to retrieve the reports. Export to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_05_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **CH5 AP AGING-2**
- Step 7.** **Highlight** the **vendors and amounts** of any past due accounts payable
- Step 8.** **Save and close** the Excel file.

NOTE: Make sure you have used all the advanced settings outlined in

UNIT 05 PROJECT (ON-YOUR-OWN ACTIVITY)

Follow the instructions in **Appendix A** (Backup & Restore QuickBooks Files) to restore the starter file for **u05a2 Larrys Landscaping**. This file is in your **UNIT 05** folder.

- Step 1:** **RESTORE** the **u05a2 Larrys Landscaping.QBB** file
- Step 2:** Make sure you **SAVE** to the **UNIT 05 FOLDER**

RENAME THE COMPANY

After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Larry's Landscaping. Your first activity is to personalize that name to meet your needs follow these instructions:

- Step 13:** From the Menu bar, select **Company**
- Step 14:** Select **MY COMPANY**
- Step 15:** Select **EDIT**
- Step 16:** Update the Company Name Field to:
YourName Larry's Landscaping
- Step 17:** **CLICK on OK**
- Step 18:** **Close** the My Company window.

NOTE: The process to **rename the company** is found in **Appendix B** and will be repeated throughout all the activities in the text.

ENTER TRANSACTIONS

Bill Add Vendor if necessary	DATE:	12/23/2023
	VENDOR:	Carole Design Media
	ACCOUNT:	6000 Advertising Expense
	TERMS:	Net 30
	AMOUNT DUE:	\$225.00
Bill Add Vendor if necessary	DATE:	12/23/2023
	VENDOR:	Brown Equipment Rental
	ACCOUNT:	7120 Equipment Rental
	TERMS:	Net 15
	AMOUNT DUE:	\$630.00
Bill Add Vendor if necessary	DATE:	12/23/2023
	VENDOR:	Campion Patrick, CPA
	ACCOUNT:	7410 Accounting Expense
	TERMS:	Net 30
	AMOUNT DUE:	\$324.00
Bill Add Vendor if necessary	DATE:	12/23/2023
	VENDOR:	Townley Insurance Agency
	ACCOUNT:	6900 Insurance
	TERMS:	Net 30
	AMOUNT DUE:	\$427.62
Bill Add Vendor if necessary	DATE:	12/23/2023
	VENDOR:	Great Statewide Bank
	ACCOUNT:	7020 Interest on Loan
	TERMS:	Net 15
	AMOUNT DUE:	\$699.12
Pay Bill in full	DATE:	12/23/2023
	VENDOR:	Brown Equipment Rental
	AMOUNT DUE:	\$630.00
	METHOD:	Check
	TO BE PRINTED/ASSIGN CHECK NUMBER	To be Printed

Pay Bill in full	DATE:	12/23/2023
	VENDOR:	Carole Design Media
	AMOUNT DUE:	\$225.00
	METHOD:	Check
	TO BE PRINTED/ASSIGN CHECK NUMBER	To be Printed
Pay Bill in full	DATE:	12/23/2023
	VENDOR:	Campion, Patrick CPA
	AMOUNT DUE:	\$324.00
	METHOD:	Check
	TO BE PRINTED/ASSIGN CHECK NUMBER	To be Printed
Pay Bill in full	DATE:	12/23/2023
	VENDOR:	Townley Insurance Agency
	AMOUNT DUE:	\$427.62
	METHOD:	Check
	TO BE PRINTED/ASSIGN CHECK NUMBER	To be Printed
Pay Bill in full	DATE:	12/23/2023
	VENDOR:	Great Statewide Bank
	AMOUNT DUE:	\$699.12
	METHOD:	Check
	TO BE PRINTED/ASSIGN CHECK NUMBER	To be Printed

P5 JUR

- Step 1.** From the Reports menu, Select Accountant & Taxes
- Step 2.** Click on Journal
- Step 3.** Select Date: 12/23/2023
- Step 4.** Export to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_05_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **P5 JUR**
- Step 7.** **Save and close** the Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

P5 UPD

- Step 1.** Open the **Unpaid Bills Detail** for Larry's Landscaping
- Step 2.** Select Date: 12/23/2023
- Step 3.** Export to **Excel**
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_05_REPORTS** Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 5.** From the drop-down list, select the sheet: **P5 UPD**
- Step 6.** **Save and close** the Excel file.

P5 CKD

- Step 1.** Open the **Check Detail Report** for Larry's Landscaping
- Step 2.** Select Date: 12/23/2023
- Step 3.** Export to **Excel**
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_05_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **P5 CKD**
- Step 6.** **Save and close** the Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

P5 AP AGING

- Step 1.** Open the **Accounts Payable Aging Detail** for Larry's Landscaping
- Step 2.** Select Date: 12/23/2023
- Step 3.** Export to **Excel**
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_05_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **P5 AP AGING**
- Step 6.** **Save and close** the Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

P5 CHECKS 1569-1616

- Step 1.** You will see a list of all the bill payment checks marked to print. Once you click on **OK**, you will be directed the print dialog box. Use the following specifications for the printer:

PRINTER NAME:	Adobe PDF or Microsoft Print to PDF
PAPER TYPE:	Page-oriented (Single sheets)
CHECK STYLE:	Standard
SELECTIONS:	Print Company name and address
NUMBER OF CHECKS ON FIRST PAGE:	3

- Step 2.** Click **Print**
- Step 3.** Save the PDF copy in the **UNIT 05** folder
- Step 4.** Save as **P5 Checks 1569-1616**
- Step 5.** When the print checks confirmation window appears, click **OK** to complete the checks in the register.

BACKUP YOUR COMPANY FILE

- Step 1.** Use the instructions in **Appendix A** to back up your company file. Make sure your backup file is saved in the designated folder of this unit (**UNIT 05 BACKUPS**).

TAKE THE QUIZ

The reading in the unit along with the Excel reports you have generated have provided answer to the quiz for this unit. Take the **UNIT_04 QUIZ** in your Canvas account

SUBMIT THE UNIT REPORTS

After you have taken the quiz using the answers you have already recorded in the reports you extracted from Excel, **UPLOAD** the following files to the **UNIT_05** assignment area of your Canvas account:

The Excel file - **UNIT_05_REPORTS**

The following PDF files:

- **C5 Checks 10080-10084.PDF**
- **P5 Checks 1569-1616.PDF**

Items and Services

TYPE
Inventory Part Use for goods you purchase, track as inventory, and resell.

Item Name/Number Subitem of Manufacturer's Part Number

PURCHASE INFORMATION
Description on Purchase Transactions

SALES INFORMATION
Description on Sales Transactions

Cost Sales Price

COGS Account Income Account

Preferred Vendor

INVENTORY INFORMATION
Asset Account Reorder Point (Min) On Hand Total Value As of

Item is inactive

Buttons: OK, Cancel, Next, Notes, Custom Fields, Spelling

TYPE
Service Use for services you charge for or purchase, like specialized labor, consulting hours, or professional fees.

Item Name/Number Subitem of Manufacturer's Part Number

SALES INFORMATION
Description on Sales Transactions

Rate

Account

Item is inactive

Buttons: OK, Cancel, Next, Notes, Custom Fields, Spelling

Dropdown menu items: Service, Inventory Part, Non-inventory Part, Other Charge, Subtotal, Group, Discount, Payment

UNIT 06 – ITEMS AND SERVICES

RESTORE THE STARTER FILE

You will find the following files in your **Student files** for **UNIT 06**.

- U06a1 Rock Castle Construction
- U06a2 Larry's Landscaping
- UNIT_06_Reports

To complete the first lesson exercises, **RESTORE** the *u06a1 Rock Castle Construction* company file from the **UNIT 06** folder.

NOTE: The process to **restore a backup** is found in **Appendix A.01** and will be repeated throughout all the activities in the text.

RENAME THE COMPANY

After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Rock Castle Construction. Your first activity is to personalize that name to meet your needs follow these instructions:

- Step 31.** From the Menu bar, select **Company**
- Step 32.** Select **MY COMPANY**
- Step 33.** Select **EDIT**
- Step 34.** Update the Company Name Field to: **YourName Rock Castle Construction**
- Step 35.** **CLICK on OK**
- Step 36.** **Close** the My Company window.

NOTE: The process to **rename the company** is found in **Appendix B** and will be repeated throughout all the activities in the text.

VENDOR AND CUSTOMER TRANSACTIONS

QuickBooks inventory is tracked both in the Customer and Vendor databases. The following table summarizes how specific activities are dispersed and recorded:

Record Using	Type	Activity
Vendor List	Vendor	Record Vendor information
Item List	Vendor	Record inventory information: Set up inventory records to track the quantity and cost of items purchased
Purchase Orders	Vendor	Order goods: Use purchase orders (POs) to order goods from vendors
Receive Items	Vendor	Receive goods: Record goods received as inventory
Enter Bills	Vendor	Receive bill: Record an obligation to pay a bill later (Account Payable)
Pay Bills	Vendor	Pay for goods: Pay bills for the goods received
Customer List	Customer	Record customer information
Invoice	Customer	Sell goods and bill customers: Record Customer's promise to pay later (Account Receivable)
Receive Payments	Customer	Receive customer payment: Record cash collected and reduce customer's Account Receivable
Deposit	Customer	Deposit customers' payments in bank account.

ITEMS

Items are what you sell or buy and are used on all customer transactions and optionally on purchase transactions. Items provide a quick means for data entry. However, a more important role for items is to handle the behind-the-scenes accounting while tracking product- or service-specific costs and revenue detail.

SERVICE ITEMS

Service items can be services that are purchased or sold. For example, service items include services you buy from vendors, such as cleaning services and services you sell to customers, such as installation services.

INVENTORY ITEMS

Inventory items are products that a business purchases, holds as inventory, and then resells to customers. QuickBooks traces the quantity and cost of inventory items in stock.

For consistency, the same inventory item is used when recording sales and purchases. QuickBooks has the capability to track both the cost and the sales price for inventory items. For example, in Unit 04, we recorded the sale of an inventory item, an interior door. When the interior door was recorded on a sales invoice, QuickBooks automatically updated the inventory records by reducing the quantity of doors on hand. If we purchased an interior door, then the inventory would increase once the door is received. The purchase order uses the door cost while the invoice uses the door selling price.

NON-INVENTORY ITEMS

Non-inventory items are products that a business purchases, but QuickBooks does not track the quantity on hand for non-inventory items. Non-inventory items include but are not limited to the following:

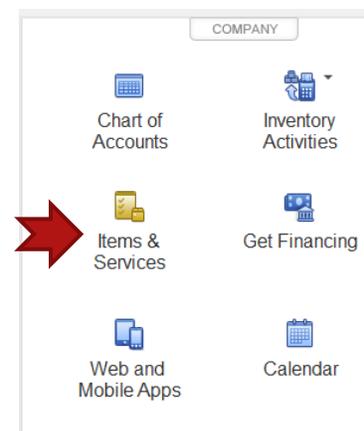
- Items purchased for a specific customer job, such as a custom countertop
- Items purchased and used by your company instead of resold to customers, such as office supplies or carpentry tools
- Items purchased and resold (if the quantity on hand does not need to be tracked)

ITEMS AND SERVICES LIST

The Items and Services List (Item List summarizes information about items (inventory items, non-inventory items, and service items) that a company purchase or sells.

To view the Item List in QuickBooks follow these steps:

- Step 1.** Click the **Items & Services** icon in the Company section of the Home page
- Step 2.** Notice the Item List contains the following information:
 - ✓ Item name
 - ✓ Item description



- ✓ Item type (service, inventory, non-inventory, other charge, discount, sales tax item).
- ✓ Account used
- ✓ Quantity on hand
- ✓ Price of item

QuickBooks classifies products and services purchased and sold into three different categories of items:

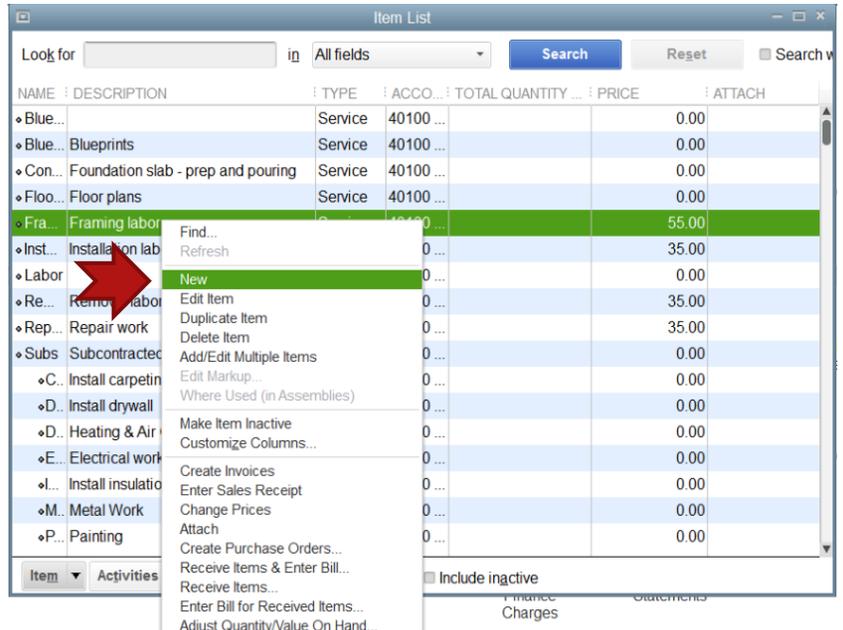
ADD NEW ITEM

To add an inventory items to the Item List, follow these steps:

Step 1. From the item List window, **right-click** to display the following pop-up menu. Select **New**

Step 2. In the New Item window that appears, enter information about the bifold door inventory item. From the type drop-down list, select **Inventory Part**.

Then enter the following information in the New Item window.



TYPE
ITEM NAME/NUMBER

Inventory Part
Bifold Doors

SUBITEM OF	Wood Door
MANUFACTURER'S PART NUMBER	BD42
UNIT OF MEASURE	(leave blank)
DESCRIPTION ON PURCHASE TRANSACTIONS	Bifold interior door
DESCRIPTION ON SALES TRANSACTIONS	Bifold interior door
COST	45.00
COGS ACCOUNT	50100 – Cost of Goods Sold
PREFERRED VENDOR	Andre Window & Door
SALES PRICE	72.00
TAX CODE	Tax
INCOME ACCOUNT	40140 Materials Income
ASSET ACCOUNT	12100 – Inventory Asset
REORDER POINT	2
ON HAND	0
TOTAL VALUE	0.00
AS OF	12/15/2022

Step 3. Click **Next** to record this inventory item and clear the field to record another inventory item.

Step 4. Enter bifold door knobs as an inventory part in the Item List using the following information:

TY[E	Inventory Part
ITEM NAME/NUMBER	Bifold Knobs
SUBITEM OF	Hardware
MANUFACTURER'S PART NUMBER	BK36
DESCRIPTION ON PURCHASE TRANSACTIONS	Bifold door hardware
DESCRIPTION ON SALES TRANSACTIONS	Bifold door hardware
COST	6.00
COGS ACCOUNT	50100 – Cost of Goods Sold
PREFERRED VENDOR	Patton Hardware Supplies
SALES PRICE	13.00
TAX CODE	Tax
INCOME ACCOUNT	40140 Materials Income
ASSET ACCOUNT	12100 – Inventory Asset
REORDER POINT	2
ON HAND	0
TOTAL VALUE	0.00
AS OF	12/15/2022

Step 5. Click **OK** to record the item and close the New Item window.

CH6 ITM

Prepare the item List as follows:

Step 1. Sort the Item List by selecting **Item** button > **Re-sort List**.

Step 2. Click the **Reports** button at the bottom of the Item List window. Selecting **Item Listing**.

Step 3. Export to **Excel**

Step 4. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.

Step 5. From the drop-down list, select the sheet: **CH6 ITM**

Step 6. **Save and close** the Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

CREATE PURCHASE ORDERS

A purchase order is a record of an order to purchase inventory from a vendor. The following activity demonstrates how to create a purchase order for Rock Castle Construction:

- Step 1.** Click the **Purchase Orders** icon in the vendors section of the Home page.
- Step 2.** From the drop-down Vendor List, select the vendor name: **Andre Window & Door.**
- Step 3.** Select Template: **Custom Purchase Order**
- Step 4.** Enter the Purchase Order date: **12/20/2022**
- Step 5.** Select item Ordered: **Wood Door: Bifold Doors** (\$45.00 now appear in the Rate column.)
- Step 6.** Enter Quantity: **6.** (\$270.00 should now appear in the Amount column.)

PO 6238 -ANDRE WINDOW & DOOR.PDF

- Step 7.** **Print** the Purchase Order
- Step 8.** Click the **Print** button at top of the Purchase Order window.
- Step 9.** Select Print on: **Blank paper**
- Step 10.** If necessary, uncheck: **Do not print lines around each field**
- Step 11.** Select the **PDF printer** as your printer of choice, then click **Print**
- Step 12.** Save the PDF copy to the **UNIT 06** folder
- Step 13.** Save as **PO 6238 -Andre Window & Door.PDF**
- Step 14.** Click **Save & Close** to record the Purchase Order and close the Purchase Order window.

PO 6239 – PATTON HARDWARE.PDF

- Step 1.** Click the **Purchase Orders** icon in the vendors section of the Home page.
- Step 2.** From the drop-down Vendor List, select the vendor name: **Patton Hardware Supplies.**
- Step 3.** Select Template: **Custom Purchase Order**

Vendor	Patton hardware Supplies
Template	Custom Purchase Order
Date	12/20/2022
Item	Hardware: Bifold Knobs
Qty	6

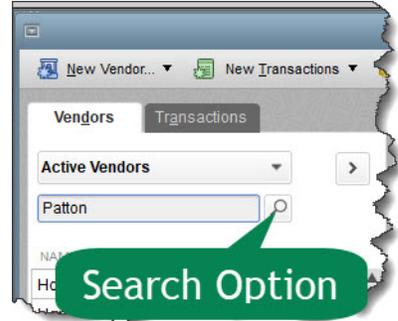
The purchase order total for bifold door hardware is \$36

- Step 4.** **Print** the Purchase Order
- Step 5.** Click the **Print** button at top of the Purchase Order window.
- Step 6.** Select Print on: **Blank paper**
- Step 7.** If necessary, uncheck: **Do not print lines around each field**
- Step 8.** Select the **PDF printer** as your printer of choice, then click **Print**
- Step 9.** Save the PDF copy to the **UNIT 06** folder
- Step 10.** Save as **PO #6239 – Patton Hardware.PDF**
- Step 11.** Click **Save & Close** to record the Purchase Order and close the Purchase Order window.

CH6 TRANS JUR

In the following steps you will be retrieving the Patton Hardware purchase order to view the Transaction Journal created for the order.

- Step 1.** Open the **Vendor Center**
- Step 2.** In the **Search** box type **Patton** to view all Vendors with the word Patton in their name. Notice that once you click the search option Patton Hardware is the only Vendor that appears.
- Step 3.** In the Transactions tab, select **SHOW: Purchase Orders**



NOTE: The Filter by option automatically changes to All

Vendor Information

Company Name: Patton Hardware Supplies Main Phone: 415-555-1370
 Full Name: Fax: 415-555-1371
 Vendor Type: Materials
 Account No: RC 93
 Terms: Net 30
 Billed From: Patton Hardware Supplies
 4872 County Rd
 Bayshore CA 94326

Map | Directions

REPORTS FOR THIS VENDOR
[QuickReport](#)
[Open Balance](#)

Order 1099 Forms
 Order Checks

Purchase Orders

Transactions Contacts To Do's Notes Send Email

SHOW: Purchase Orders FILTER BY: All Purchase Orders DATE: All

NUM	DATE	DELIVERY DATE	AMOUNT
6239	12/20/2022	12/20/2022	36.00
6228	11/30/2022	11/30/2022	3,459.20
6225	11/26/2022	11/26/2022	13,895.00
6207	07/23/2022	07/23/2022	754.50
			17,944.70

Purchase Orders

- Step 4.** Double Click on PO number **6239** to open and view the purchase.
- Step 5.** Click the **Reports Tab**
- Step 6.** Click the **Transaction Journal** option
- Step 7.** Export to **Excel**
- Step 8.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 9.** From the drop-down list, select the sheet: **CH6 TRANS JUR**
- Step 10.** **Save and close** the Excel file.

RECEIVE INVENTORY

To record inventory items received on 12/22/2022 ordered from the vendor, Andre Window & Door, complete the following steps:

- Step 1.** Click the **Receive Inventory** icon in the Vendors section of the Home page.

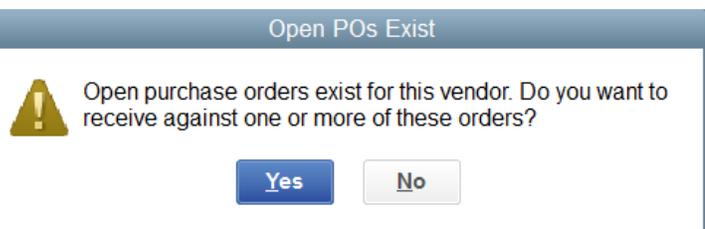
NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

Step 2. Select: **Receive Inventory without Bill.**

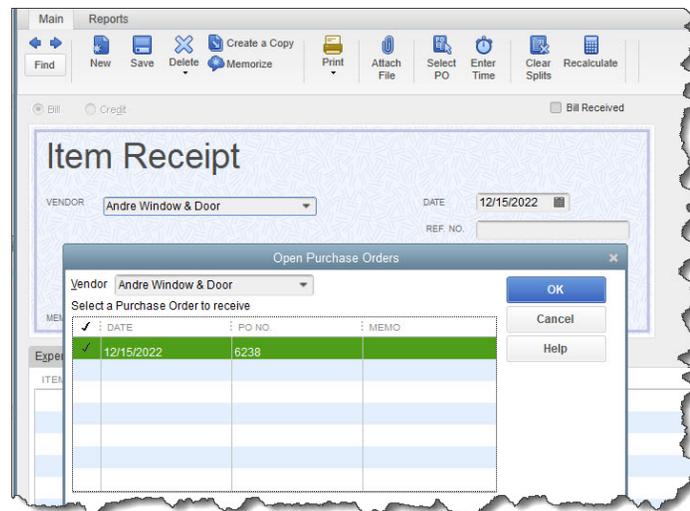


Step 3. In the Create Item Receipts window, select vendor: **Andre Window & Door**

Step 4. If a purchase order for the item exists, QuickBooks will display the Open POs Exist window. Click **Yes**.



Step 5. When the Open Purchase Orders

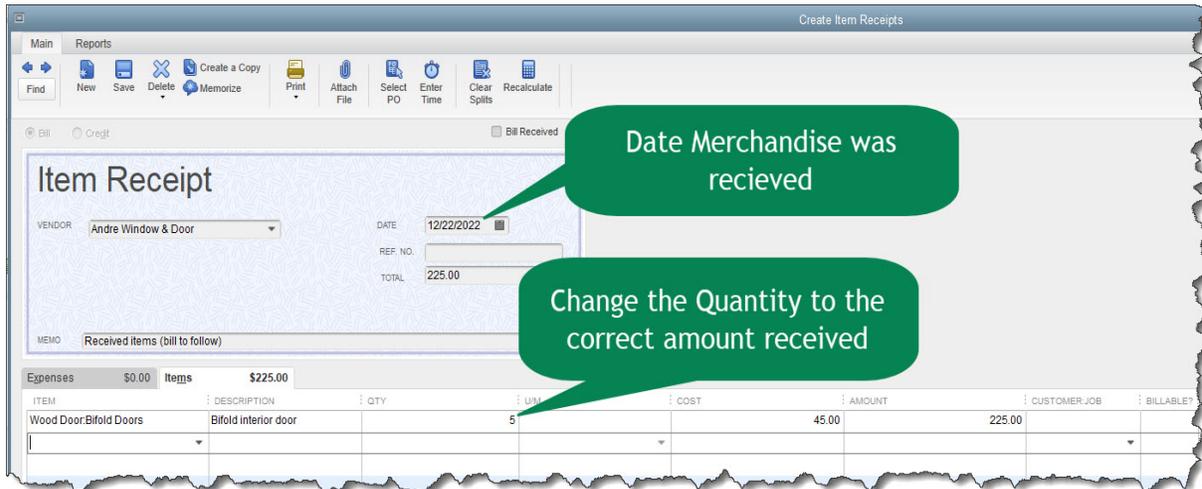


window appears, select the purchase order for the items received.

Step 6. Click **OK**

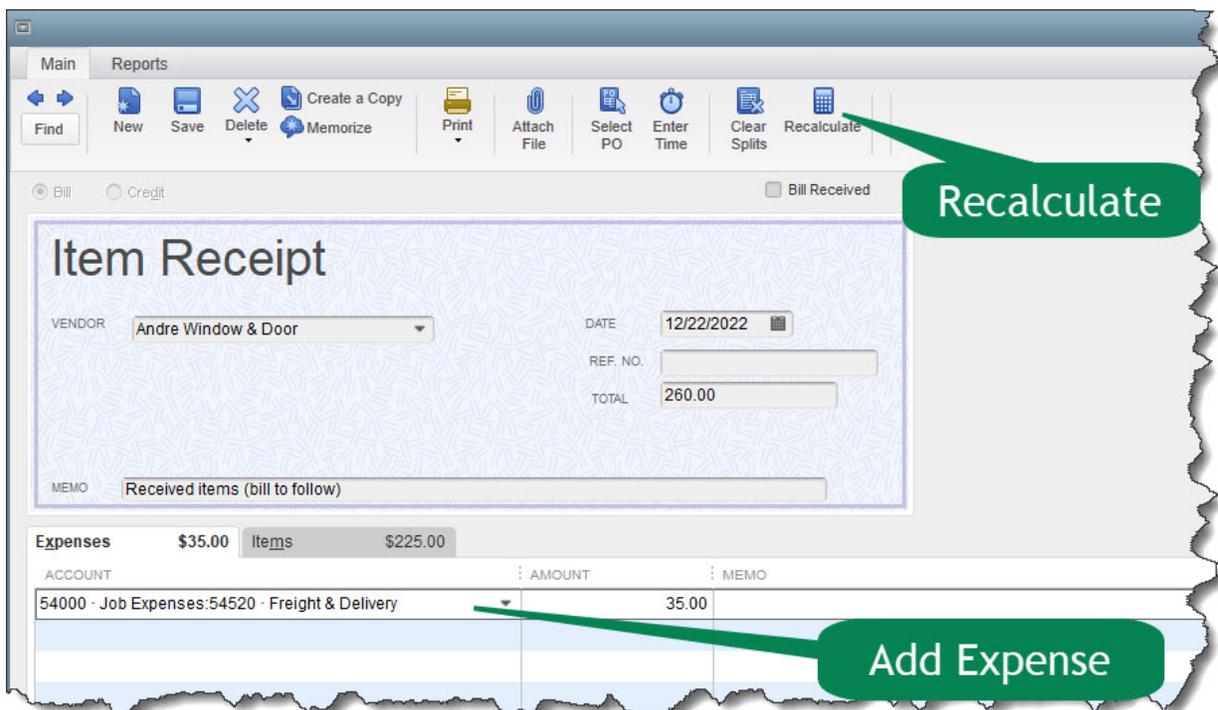
Step 7. The Create Item Receipts window will appear with a total of \$270. If necessary, change the Date to: **12/22/2022**

Step 8. Although Rock Castle Construction ordered 6 bifold doors, only 5 were received. **Change the quantity from 6 to 5.**



Step 9. To record expenses associated with the items received, such as freight charges:

- ✓ Click the **Expenses** tab in the Create item Receipts window.
- ✓ To record \$35.00 in freight charges on the bifold doors received, select Account: **54520 Freight & Delivery**.
- ✓ Enter Amount: **\$35.00**
- ✓ Click the **Recalculate** button.



The Total on the Create Item Receipts window is now \$260.00

CH6 TRANS JUR-2

- Step 1.** In the Item Receipt window for Andre Window & Door, **Click the Reports** tab
- Step 2.** Select the **Transaction Journal** icon
- Step 3.** Export the Transaction Journal report to Excel
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **CH6 TRANS JUR-2**
- Step 6.** **Save and close** the Excel file.

RECEIVE MORE INVENTORY

- Step 1.** Click **Save & New** to record the bifold doors received and clear the window.
- Step 2.** Record the receipt without a bill of the bifold door hardware using the following information:

Vendor	Patton Hardware Supplies
Date	12/22/2022
PO No.	6239
Item	Bifold door hardware
Qty	6

- Step 3.** Click **Save & Close** to record the items received and close the Create Item Receipts window.

CH6 TRANS JUR-3

- Step 1.** In the Item Receipt window for Patton Hardware Supplies, **Click the Reports** tab
- Step 2.** Select the **Transaction Journal** icon
- Step 3.** Export the Transaction Journal report to Excel
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **CH6 TRANS JUR-3**
- Step 6.** **Save and close** the Excel file.

RECEIVE BILLS

You may receive bills at three different times:

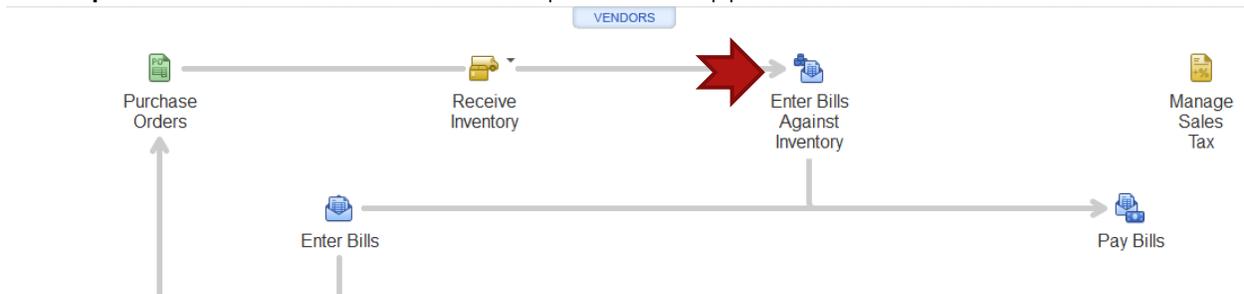
RECEIVE BILL . . .	RECORD USING . . .
1. You receive a bill for services and no inventory items will be received, as for example, if the bill is for security services.	Enter Bills
2. You receive a bill at the same time you receive inventory items	Receive Inventory with Bill
3. You receive inventory without a bill, and you receive the bill later	1. Receive Inventory without Bill 2. Enter bills Against Inventory

ENTER BILLS AGAINST INVENTORY

To enter a bill received after inventory items are received follow these steps:

Step 1. Click the **Enter Bills Against Inventory** icon on the Vendors section of the Home page.

Step 2. When the select Item Receipt window appears, select Vendor: **Andre Window &**

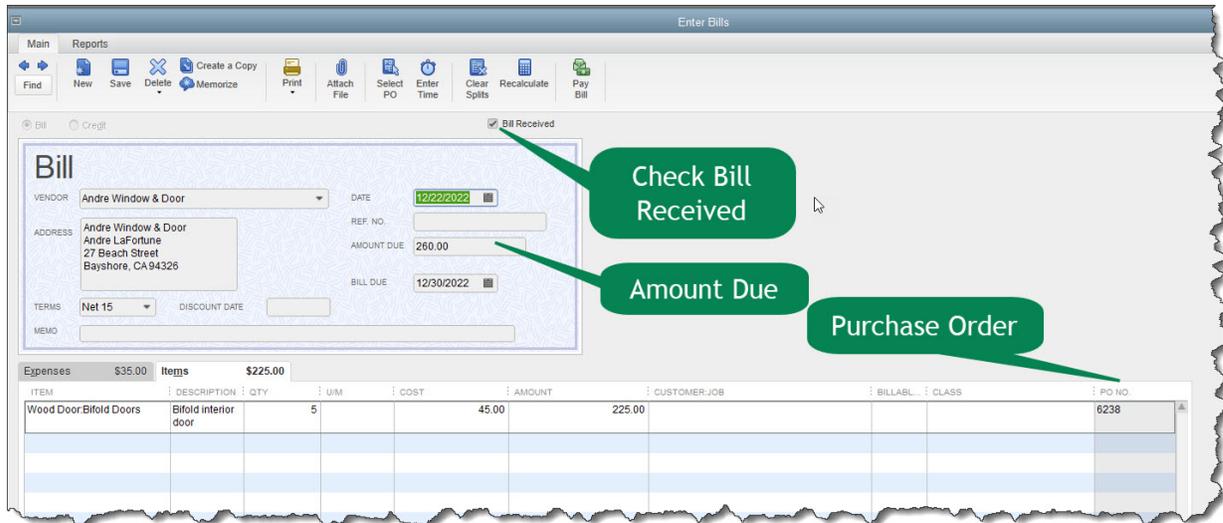


Step 3. **Door.** If necessary, press **Tab**.
Select the Item Receipt that corresponds to the bill

DATE	REF NO.	MEMO
12/22/2022		Received items (bill to fol...

Step 4. Click **OK**

- Step 5.** The following Enter Bills window will appear. Notice that the Enter Bills window is the same as the Create Item Receipts window except:
- ✓ Bill Received in the upper right corner is checked
 - ✓ The Title of the form changes from Item Receipt to Bill.
 - ✓ The window name changes from Create Item Receipts to Enter Bills



- Step 6.** At this point, you can make any changes necessary, such as:
- ✓ Change the date if the bill is received on a date different from the date the item was received. The date should be **12/22/2022**
 - ✓ Terms
 - ✓ Ref. No.
 - ✓ Memo
 - ✓ Expenses, such as freight charges

- Step 7.** The Amount due of **\$260.00** should agree with the amount shown in the vendor's bill.

SEARCH FOR ITEM RECEIPT

- Step 1.** From the **Vendor Center**, search for **Patton Hardware**
- Step 2.** Show **All Transactions**, Filter by **All**, Date **All**
- Step 3.** **Double-click** the **Item Receipt** created for **P.O. #6239**. This will open the item receipt window.
- Step 4.** **Check Bill Received**
- Step 5.** Notice the window automatically changes the bill option from the item receipt window. Click **Save and Close**

When you enter a bill, QuickBooks automatically adds the bill amount to your Accounts Payable account balance.

CH6 UNPAID BILLS

- Step 1.** In one of the **reports** options, select **Vendors & Payables**
- Step 2.** Click on the **Unpaid Bills Detail Report**
- Step 3.** DATES: **12/31/2022**

- Step 4.** Export to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **CH6 UNPAID BILLS**
- Step 7.** **Save and close** the Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

PAY BILLS

After receiving the items and entering the bill the next step is to pay the bill.

To select the bills to pay follow these steps:

- Step 1.** Click the **Pay Bills** icon in the Vendors section of the Home page.
- Step 2.** Select Show bills: **Show all bills**
- Step 3.** Select the bill you want to pay. Typically, you would select the bills that are due first. In this case, however, select **bills that you just recorded for:**
 - ✓ **Andre Window and Door for \$260.00**
 - ✓ **Patton Hardware Supplies for \$36.00**

NOTE: It may be necessary to scroll down to view the two bills.

- Step 4.** In the Payment section, select: Date: 12/23/2022
- Step 5.** Select Method: **Check**
- Step 6.** Select: **To be printed**
- Step 7.** Select Account: **Checking**
- Step 8.** Click **Pay Selected Bills**

Bills selected for payment total \$296.00

CHECKS 520-523.PDF

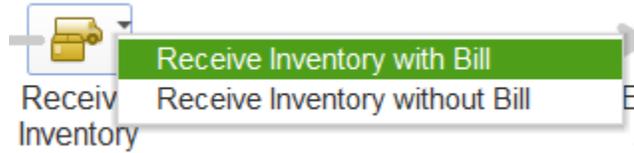
To print the checks, when the Payment Summary window appears:

- Step 1.** Review the information to verify it is correct. Click **Print Checks.**
- Step 2.** When the Select Checks to Print window appears, select Bank Account: **Checking**
- Step 3.** Select First Check Number: **520**
- Step 4.** Select the four checks waiting to be printed:
 - ✓ **12/23/2022 Andre Window & Door for \$260.00**
 - ✓ **12/23/2022 Patton Hardware Supplies for \$36.00**
 - ✓ **12/24/2022 Bayshore Water \$54.00**
 - ✓ **12/26/2022 Cal Telephone \$63.00**
- Step 9.** Click **OK**
- Step 10.** Select Check Style **Standard.** Select **Print company name and address**
- Step 11.** Select the **PDF printer** as your printer of choice, then click **Print**
- Step 12.** Save the PDF copy to the **UNIT 06** folder
- Step 13.** Save as **CHECKS 520-523**

RECEIVE INVENTORY WITH BILL

If you receive the inventory item and the bill at the same time, record both the items and the related bill by completing the following steps:

Step 1. Click the **Receive Inventory** icon in the Vendors section of the Home page.

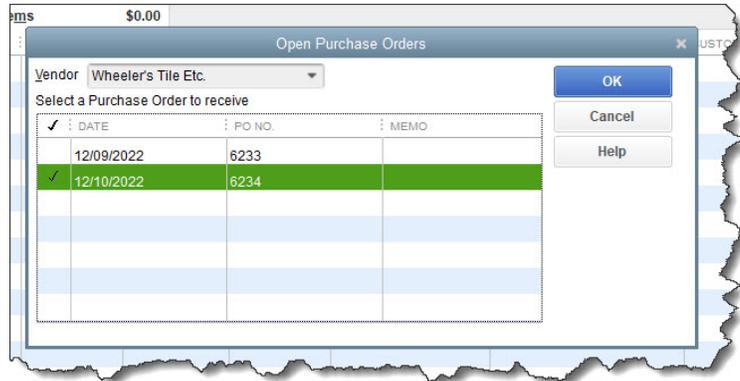


Step 2. Select: **Receive Inventory with Bill**

Step 3. In the Enter Bills window, enter Vendor: **Wheeler's Tile Etc.**

Step 4. If the Open POs Exist window appears, select **Yes**.

Step 5. Select the open purchase order that corresponds to the bill received in **PO no. 6234**



Step 6. Click **OK**

Step 7. If necessary, change the date to: **12/23/2022**

Step 8. Verify the Amount Due: **712.80**

Step 9. Click **Save & Close** to close the Enter Bills window.

ENTER BILLS

When you received inventory items from vendors, you recorded those items using either the Receive Inventory with Bill option or the Receive Inventory without Bill option, entering the bill later.

To record services instead of inventory received, use the Enter Bills icon. Expense that can be recorded using the Enter Bills window include utilities, insurance, and rent.

Recording bills for services, such as utilities, in QuickBooks requires two steps:

1. **Enter Bills** – Record bills received for services
2. **Pay Bills** – Select bills to pay

In the next activity, you will be entering bills for expenses:

Step 1. Click the **Enter Bills** icon in the Vendors section of the Home page.

Step 2. When the Enter Bills window appears click the **Expenses** tab.

Step 3. Enter the following information for Rock Cast's water bill in the Enter Bills window.

Vendor	Bayshore water
Date	12/24/2022
Amount Due	\$36.00
Terms	Net 30
Account	65130: Water

Step 4. Click **Save & Close** to close the Enter Bills window

The next time you pay bills in QuickBooks, the water bill will appear on the list of bills to pay.

- Step 1.** In one of the **reports** options, select **Accountant & Taxes**
- Step 2.** Select **Journal**
- Step 3.** Select Date: **12/22/2022-12/23/2022**
- Step 4.** Export to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **CH6 JUR**
- Step 7.** **Save and close** the Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

PAY SALES TAX

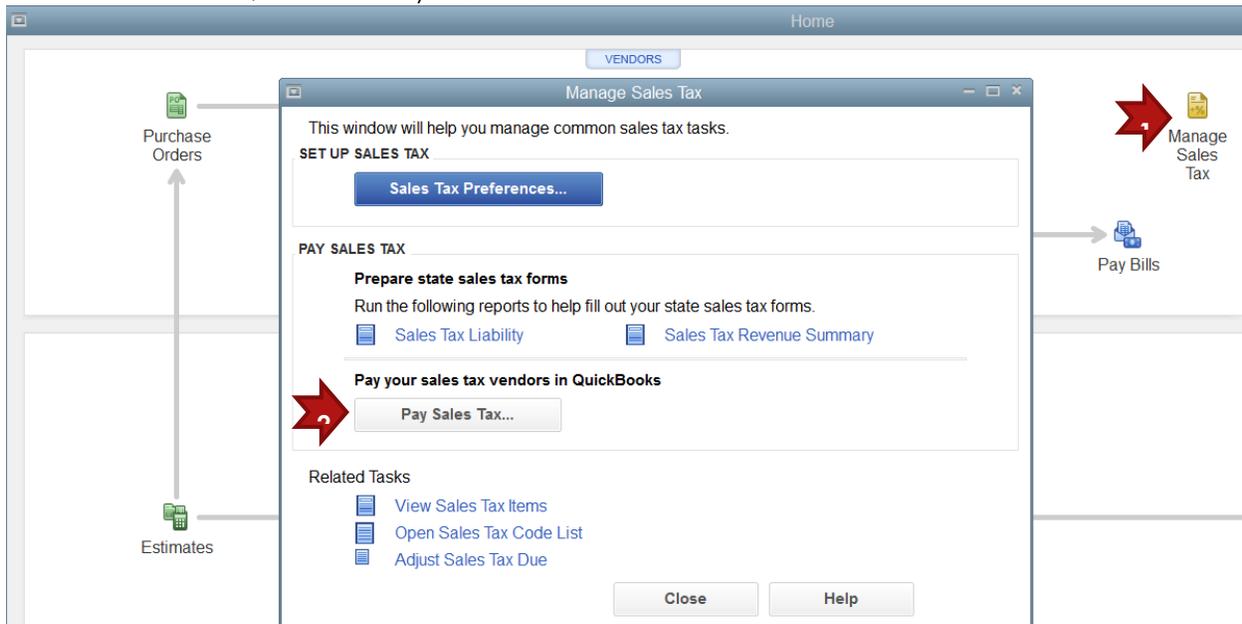
QuickBooks tracks the sales tax that you collect from customers and must remit to governmental agencies. When a new company is setup in QuickBooks, you identify which items and customers are subject to sales tax. In addition, you must specify the appropriate sales tax rate. Then whenever you prepare sales invoices, QuickBooks automatically calculates and adds sales tax to the invoices.

QuickBooks uses a two-step process to remit sales tax:

1. **Pay Sales Tax** – The Manage Sales Tax window lists the sales taxes owed and allows you to select the individual sales tax items you want to pay.
2. **Print Checks** – Print the check to pay the sales tax.

To select the sales tax to pay follow these steps:

- Step 1.** Click the **Manage Sales Tax** icon in the Vendors section of the Home page.
- Step 2.** When the Manage Sales Tax window appears, in the **Pay Sales Tax** section of the window, click the Pay Sales Tax button.



- Step 3.** When the Pay Sales Tax window appears, select Pay From Account: **Checking**
- Step 4.** Select Check Date: **12/31/2022**
- Step 5.** Show sales tax due through: **12/31/2022**
- Step 6.** Check **To be printed**
- Step 7.** Select: **Pay all Tax**
- Step 8.** Click **OK**
- Step 9.** Click **Close** to close the Manage Sales Tax window.

P...	ITEM	VENDOR	AMT. DUE	AMT. PAID
	East Bayshore	City of East Bayshore	0.29	0.00
	San Domingo	State Board of Equalization	114.19	0.00
	San Tomas	State Board of Equalization	862.53	0.00
Totals			977.01	0.00

CHECKS 524-525.PDF

To print the check to pay sales tax to a governmental agency follow these steps:

- Step 1.** Click the **Print Checks** icon in the Banking section of the Home Page
- Step 2.** When the following Select Checks to Print window appears, select **City of East Bayshore** and **State Board of Equalization**
- Step 3.** Select Bank Account: **Checking**
- Step 4.** Select First Check Number: **524**
- Step 5.** CHECK STYLE: **Voucher**
- Step 6.** **Print Company Name and Address** on the checks
- Step 7.** Click **OK**
- Step 8.** Select the **PDF printer** as your printer of choice, then click **Print**
- Step 9.** Save the PDF copy to the **UNIT 06** folder
- Step 10.** Save as **CHECKS 524-525**

VENDOR REPORTS

QuickBooks provides vendor reports to answer the following questions:

- ✓ How much do we owe? (Accounts Payable reports)
- ✓ How much have we purchased? (Purchase reports)
- ✓ How much inventory do we have? (Inventory reports)

There are several different ways to access vendor reports:

- ✓ **Vendor Center** – Summarizes vendor information in one location

- ✓ **Report Center** – Permits you to locate reports by type of report
- ✓ **Report Menu** – Reports are grouped by type of report

VENDOR CENTER

The Vendor Center summarizes vendor information in one convenient location. Display the Vendor Center as follows:

CH6 VEN

- Step 1.** From the Icon bar, select **Vendors**
Step 2. Select Vendor: **Andre Window & Door**

The Vendor Information section summarizes information about the vendor selected, including a list of the transactions for the specific vendor. In this case, you recorded three transactions for Andre Window & Door.

1. Purchase order on 12/20/2022
2. Bill received on 12/22/2022
3. Bill paid on 12/23/2022

- Step 3.** Double-click **Bill Pmt-Check** on 12/23/2022 to drill-down and view the check to pay Andre Window & Door. After viewing, close the window.

- Step 4.** With the cursor over the Vendor Transactions section of the window, **right-click** to display the pop-up menu. Select **View as a Report**. This will display all report of all transactions for Andre Window & Door

- Step 5.** Export to **Excel**
Step 6. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.

- Step 7.** From the drop-down list, select the sheet: **CH6 VEN**

- Step 8.** **Save and close** the Excel file.

Vendor Information

Company Name: Andre Window & Door
 Full Name: Andre LaFortune
 Vendor Type: Materials
 Account No: 58101
 Terms: Net 15
 Billed From: Andre Window & Door
 Andre LaFortune
 27 Beach Street
 Baysshore, CA94326
 Map | Directions

Main Phone: 415-555-1955
 Mobile: 415-555-1988
 Main Email: andre@windowdoor.com

TYPE	NUM	DATE	ACCOUNT
Bill Pmt-Check	520	12/23/2022	10100 - Checking
Bill		12/22/2022	20000 - Accounts Payable
Purchase Order	6238	12/20/2022	90100 - Purchase Orders

Right-Click to view options

Click View as a Report

PURCHASE ORDERS

Purchase reports provide information about purchases by item, by vendor, or by open purchase orders. Purchase reports include the following:

1. Open Purchase Orders
2. Purchases by Vendor Summary
3. Purchases by Item Summary

CH6 OPEN PO

To prepare the Open Purchase Orders report, follow these steps:

- Step 1.** From the Report or Menu option, select: **Purchases**
- Step 2.** Select: **Open Purchase Orders**
- Step 3.** Select Dates: **All**. If you are using the report center, Click **Run**
- Step 4.** Export to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **CH6 OPEN PO**
- Step 7.** **Save and close** the Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

INVENTORY STOCK STATUS BY ITEM

Inventory reports list the amount and status of inventory. Inventory reports include:

1. Inventory Stock Status by Item
2. Physical Inventory Worksheet

CH6 INV

To print the Inventory Stock Status by Item report, follow these steps:

- Step 1.** From the Report Center, select: **Inventory**
- Step 2.** Select: **Inventory Stock Status by Item**
- Step 3.** Enter Date: From **12/22/2022** To: **12/22/2022**
- Step 4.** Click **Run**
- Step 5.** Export to **Excel**
- Step 6.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 7.** From the drop-down list, select the sheet: **CH6 INV**
- Step 8.** **Save and close** the Excel file.

On 12/22/2022, 5 bifold wood doors are on hand and 1 more is on order.

PHYSICAL INVENTORY WORKSHEET

The Physical Inventory Worksheet is used when taking a physical count of inventory on hand. The worksheet lists the quantity of inventory items on hand and provides a blank column in which to enter the quantity counted during a physical inventory count. This worksheet permits you to compare your physical inventory count with your QuickBooks records.

CH6 PHY INV

To prepare the Physical Inventory Worksheet follow these steps:

- Step 1.** From the Report Center, select: **Inventory**
- Step 2.** Select: **Physical Inventory Worksheet**.
- Step 3.** Use Date: **12/31/2022**

- Step 4.** Select: **Run**
- Step 5.** Export to **Excel**
- Step 9.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **CH6 PHY INV**
- Step 7.** **Save and close** the Excel file.

ROCK CASTLE TRANSACTIONS

The following is a list of transactions for Rock Castle that will be used to complete this unit. If you have questions on how to complete the activities. Please refer to the previous exercises in the unit. The data given here is to use for that completion:

ADD NEW VENDOR	VENDOR:	Kelly's Closets
	COMPANYNAME:	Kelly's Closets
	FULL NAME:	Mr. Jack Kelly
	ADDRESS:	13 Rheims Road Bayshore, CA 94326
	MAIN PHONE:	415-555-5813
	ACCOUNT NO.	58127
	PAYMENT TERMS	Net 30
	VENDOR 1099	No
	VENDORTYPE:	Materials

ADD NEW INVENTORY ITEM	ITEM TYPE:	Inventory Part
	ITEM NAME:	Closet Materials
	ITEM DESCRIPTION:	Closet Materials
	COGS ACCOUNT:	50100 – Cost of Goods Sold
	INCOME ACCOUNT:	40140 – Materials Income
	ASSET ACCOUNT:	12100 – Inventory Asset
	TAX CODE:	Tax

Inventory Sub-item of Closet Materials	ITEM TYPE:	Inventory Part
	ITEM NAME:	6' Closet Shelving
	ITEM DESCRIPTION:	6' Closet Shelving
	COST:	\$22.00
	SALES PRICE:	\$30.00

Inventory Sub-item of Closet Materials	ITEM TYPE:	Inventory Part
	ITEM NAME:	12' Closet Shelving
	ITEM DESCRIPTION:	12' Closet Shelving
	COST:	\$36.00
	SALES PRICE:	\$50.00

Inventory Sub-item of Closet Materials	ITEM TYPE:	Inventory Part
	ITEM NAME:	Closet Install Kit
	ITEM DESCRIPTION:	Closet Installation Kit
	COST:	\$10.00
	SALES PRICE:	\$16.00

CH6 ITM-2

- Step 1.** Sort the Item List by selecting **Item** button > **Re-sort List**.
- Step 2.** Click the **Reports** button at the bottom of the Item List window. Selecting **Item Listing**.
- Step 3.** Export to **Excel**
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **CH6 ITM-2**
- Step 6.** **Highlight** the **inventory items** added to the list.
- Step 7.** **Save and close** the Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

Use the Vendors section of the Home Page to record the following:

Purchase Order #6240	VENDOR:	Kelly's Closets		
	TEMPLATE:	Custom Purchase Order		
	DATE:	12/23/2022		
	ITEM:	12' Closet Shelving	QTY:	6
		6' Closet Shelving		6
		Closet Install Kit		6

CH6 TRANS JUR-4

- Step 8.** In the Purchase Order window for Kelly's Closets, **Click the Reports** tab
- Step 9.** Select the **Transaction Journal** icon. **Export** the Transaction Journal report to Excel
- Step 10.** Follow the instructions in Appendix C to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 11.** From the drop-down list, select the sheet: **CH6 TRANS JUR-4**.
- Step 12.** **Save and close** the Excel file.

CH6 TRANS JUR-5

- Step 1.** On **12/24/2022**, receive without a bill, the closet inventory items ordered on **12/23/2022**. There are no freight Charges.
- Step 2.** Select the **Save** icon at the top of the Create Item Receipts window
- Step 3.** Select the **Reports** tab
- Step 4.** Select the **Transaction Journal** icon. **Export** the Transaction Journal report to Excel
- Step 5.** Follow the instructions in Appendix C to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **CH6 TRANS JUR-5**.
- Step 7.** **Save and close** the Excel file.

CH6 TRANS JUR-6

- Step 1.** On **12/27/2022**, Record the receipt of the bill for the closet items
- Step 2.** Select the **Save** icon at the top of the Create Item Receipts window
- Step 3.** Select the **Reports** tab
- Step 4.** Select the **Transaction Journal** icon. **Export** the Transaction Journal report to Excel
- Step 5.** Follow the instructions in Appendix C to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **CH6 TRANS JUR-6.**
- Step 7.** **Save** and **close** the Excel file.

CH6 JUR-2

- Step 1.** On **12/28/2022**, Pay the bill for the closet materials ordered from Kelly's Closet
- Step 2.** In one of the **reports** options, select **Accountant & Taxes**
- Step 3.** Select **Journal**
- Step 4.** Select Date: **12/28/2022**
- Step 5.** Export to **Excel**
- Step 6.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 7.** From the drop-down list, select the sheet: **CH6 JUR-2**
- Step 8.** **Save and close** the Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

CH6 OPEN PO-2

- Step 1.** From the Report or Menu option, select: **Purchases**
- Step 2.** Select: **Open Purchase Orders**
- Step 3.** Select Dates: **12/1/2022 TO 12/31/2022**. If you are using the report center, Click **Run**
- Step 4.** Export to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **CH6 OPEN PO-2**
- Step 7.** **Save and close** the Excel file.

CH6 INV-2

- Step 1.** From the Report Center, select: **Inventory**
- Step 2.** Select: **Inventory Stock Status by Item**
- Step 3.** Enter Date: From **12/31/2022** To: **12/31/2022**
- Step 4.** Click **Run**
- Step 5.** Export to **Excel**
- Step 6.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 7.** From the drop-down list, select the sheet: **CH6 INV-2**
- Step 8.** **Highlight** the closet inventory items on the Inventory Stock Status printout.
- Step 9.** **Save and close** the Excel file.

CUSTOMER TRANSACTIONS

Rafael, Sofia	JOB NAME:	Closet Shelving
	JOB DESCRIPTION:	Replace Closet Shelving
	JOB TYPE:	Repairs
	JOB STATUS:	Closed

Add Job	START DATE:	12/27/2022
	PROJECTED END DATE:	12/27/2022
	END DATE:	12/27/2022

Invoice	CUSTOMER: JOB	Rafael, Sofia: Closet Shelving	
	CUSTOM TEMPLATE:	Rock Castle Invoice	
	DATE:	12/27/2022	
	INVOICE NO.	1104	
	ITEMS AND QUANTITIES:	12' Closet Shelving	2
		6' Closet Shelving	2
		Closet Installation Kit	1
	Installation Labor	3	

CH6 TRANS JUR-7

- Step 1.** **Save Invoice 1104** for the Closet Shelving job.
- Step 2.** Select the **Reports** tab
- Step 3.** Select the **Transaction Journal** icon.
- Step 4.** **Customize the report**
 - a. Add the Debit & Credit Columns**
- Step 5.** **Export** the Transaction Journal report to Excel
- Step 6.** Follow the instructions in Appendix C to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 7.** From the drop-down list, select the sheet: **CH6 TRANS JUR-7**.
- Step 8.** **Save** and **close** the Excel file.

Customer Payment	CUSTOMER:	Rafael, Sophia
	PAYMENT AMOUNT:	Full Amount Due
	DATE:	12/29/2022
	CHECK #:	625

Make Deposit	DATE:	12/29/2022
	PAYMENTS TO DEPOSIT:	Roche, Diarmuid: Garage Repairs Jacobsen, Doug: Kitchen Rafael, Sofia: Closet Shelving

CH6 DEP DET

- Step 1.** In one of the **reports** options, select **Banking**
- Step 2.** **Deposit Detail**
- Step 3.** Date: **12/29/2022-12/31/2022**
- Step 4.** **Export to Excel**
- Step 5.** Follow the instructions in Appendix C to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **CH6 DEP DET**
- Step 7.** **Highlight** the check for the **Closet Shelving job**
- Step 8.** **Save** and **close** the Excel file.

BACKUP THE COMPANY

Use the instructions in **Appendix A** to back up your company file. Make sure your backup file is saved in the designated folder of this unit (**UNIT 06 BACKUPS**).

UNIT 06 PROJECT (ON-YOUR-OWN)

Follow the instructions in **Appendix A** (Backup & Restore QuickBooks Files) to restore the starter file for **u06a2 Larrys Landscaping**. This file is in your **UNIT 06** folder.

Step 1: **RESTORE** the **u06a2 Larrys Landscaping.QBB** file

Step 2: Make sure you **SAVE** to the **UNIT 06 FOLDER**

RENAME THE COMPANY

After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Larry's Landscaping. Your first activity is to personalize that name to meet your needs follow these instructions:

Step 1: From the Menu bar, select **Company**

Step 2: Select **MY COMPANY**

Step 3: Select **EDIT**

Step 4: Update the Company Name Field to:
YourName Larry's Landscaping

Step 5: **CLICK on OK**

Step 6: **Close** the My Company window.

NOTE: The process to **rename the company** is found in **Appendix B** and will be repeated throughout all the activities in the text.

ENTER TRANSACTIONS FOR LARRY'S LANDSCAPING

NOTE: Make sure you are looking at the item descriptions. **There is no need to add any items for this activity.**

Purchase Order	DATE:	12/23/2023
	VENDOR:	Conner Garden Supplies
	P.O. NO.	1500
	ITEM:	½" Vinyl Irrigation Line
	QUANTITY:	300

Purchase Order	DATE:	12/23/2023
	VENDOR:	Nolan Hardware and Supplies
	P.O. NO.	1501
	ITEM:	Plastic Sprinkler Piping
	QUANTITY:	500

Purchase Order	DATE:	12/23/2023
	VENDOR:	Willis Orchards
	P.O. NO.	1502
	ITEM:	Soil (2 cubic foot bag)
	QUANTITY:	72

P6 OPEN PO DET

- Step 1.** In one of the **reports** options, select **Purchases**
- Step 2.** **Open Purchase Orders Detail**
- Step 3.** Date: **All**
- Step 4.** **Export to Excel**
- Step 5.** Follow the instructions in Appendix C to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **P6 OPEN PO DET**
- Step 7.** **Highlight** the PO# 1500, 1501, 1502
- Step 8.** **Save** and **close** the Excel file.

Received Inventory without Bill	DATE:	12/23/2023
	VENDOR:	Nolan Hardware Supplies
	P.O. NO.	7
	ITEM:	Sprinkler Piping
	QUANTITY	36

When a PO is not received in full, you can delete the empty lines by following these steps:

- Step 1.** Select the line you plan to remove
- Step 2.** **Hold down** your **CTRL** key
- Step 3.** **Hit** the **Del** key on your keyboard. This action will delete a line of text but it will not delete the Purchased item.

Received Inventory without Bill	DATE:	12/23/2023
	VENDOR:	Conner Garden Supplies
	P.O. NO.	1500
	ITEM:	½” Vinyl Irrigation Line
	QUANTITY:	300

Received Inventory with Bill	DATE:	12/23/2023
	VENDOR:	Gussman’s Nursery
	P.O. NO.	1505
	ITEM:	Lemon Tree, Citrus
	QUANTITY:	1
	ITEM:	Fruit Tree – Arizona Sweet
QUANTITY	1	

Received Inventory with Bill	DATE:	12/23/2023
	VENDOR:	Nolan Hardware and Supplies
	P.O. NOS.	13 and 1501
	ITEM:	Plastic Sprinkler Piping
	QUANTITY:	550

P6 UPD

- Step 1.** In one of the **reports** options, select **Vendors & Payables**
- Step 2.** Click on the **Unpaid Bills Detail Report**
- Step 3.** DATES: **12/31/2023**

- Step 4.** Export to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet:
P6 UNPAID BILLS
- Step 7.** **Save and close** the Excel file.

NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

Enter Bills Against Inventory	DATE:	12/23/2023
	VENDOR:	Nolan Hardware Supplies
	DATES:	12/05/2020, 12/22/2023, 12/23/2023
	CHECK:	Use Item receipt date for the bill date
	NOTE: You will need to select each date to be represented. Click OK after each entry until all the bills for Nolan Hardware are entered.	

Enter Bills Against Inventory	DATE:	12/23/2023
	VENDOR:	Conner Garden Supplies
	P.O. No.	1500
	AMOUNT DUE:	36

Pay Bills Total = 2,799.00	VENDOR:	Gussman's Nursery
	AMOUNT DUE:	101.00
	VENDOR:	Conner Garden Supplies
	AMOUNT DUE:	36.00
	VENDOR:	Conner Garden Supplies
	AMOUNT DUE:	127.20
	VENDOR:	Nolan Hardware Supplies
	AMOUNT DUE:	336.00
	VENDOR:	Nolan Hardware Supplies
	AMOUNT DUE:	1,155.00
	VENDOR:	Nolan Hardware Supplies
AMOUNT DUE:	610.00	
VENDOR:	Nolan Hardware Supplies	
AMOUNT DUE:	358.20	

	VENDOR:	Nolan Hardware Supplies
	AMOUNT DUE:	75.60

CHECKS 600-645.PDF

- Step 5.** Review the information to verify it is correct. Click **Print Checks**.
- Step 6.** When the Select Checks to Print window appears, select Bank Account: **Checking**
- Step 7.** Select First Check Number: **600**
- Step 8.** Select all checks to be printed
- Step 14.** Click **OK**
- Step 15.** Select Check Style **Standard**. Select **Print company name and address**
- Step 16.** Select the **PDF printer** as your printer of choice, then click **Print**
- Step 17.** Save the PDF copy to the **UNIT 06** folder
- Step 18.** Save as **CHECKS 600-645**

P6 CKD

- Step 1.** From the Report or Menu option, select: **Banking**
- Step 2.** Select: **Check Detail**
- Step 3.** Select Dates: **10/01/2023 TO 12/31/2023**. If you are using the report center, Click **Run**
- Step 4.** Export to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **P6 CKD**
- Step 7.** **Save and close** the Excel file.

P6 APD

- Step 1.** From the Report or Menu option, select: **Vendors & Payables**
- Step 2.** Select: **A/P Aging Detail**
- Step 3.** Select Date: **12/31/2023**. If you are using the report center, Click **Run**
- Step 4.** Export to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_06_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **P6 APD**
- Step 7.** **Save and close** the Excel file.

BACKUP YOUR COMPANY FILE

Use the instructions in **Appendix A** to back up your company file. Make sure your backup file is saved in the designated folder of this unit (**UNIT 06 BACKUPS**).

Employees and Payroll



UNIT 07 EMPLOYEES AND PAYROLL

STUDENT LESSON FILES

You will find the following files in your **Student files** for **UNIT 07**.

- U07a1 Rock Castle Construction
- U07a2 Larry's Landscaping
- UNIT_07_Reports

To complete the first lesson exercises, **RESTORE** the **u07a1 Rock Castle Construction** company file from the **UNIT 07** folder.

NOTE: The process to **restore a backup** is found in **Appendix A.01** and will be repeated throughout all the activities in the text.

RENAME THE COMPANY

After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Rock Castle Construction. Your first activity is to personalize that name to meet your needs follow these instructions:

- Step 37.** From the Menu bar, select **Company**
- Step 38.** Select **MY COMPANY**
- Step 39.** Select **EDIT**
- Step 40.** Update the Company Name Field to: **YourName Rock Castle Construction**
- Step 41.** **CLICK** on **OK**
- Step 42.** **Close** the My Company window.

NOTE: The process to **rename the company** is found in **Appendix B** and will be repeated throughout all the activities in the text.

QUICKBOOKS PAYROLL SERVICES AND FEATURES FOR DESKTOP

A QuickBooks Payroll Service is a subscription you activate to enable the payroll features in your QuickBooks Desktop Software. Depending on the features you need, you can choose from Basic, Enhanced or Assisted Payroll.

QuickBooks Payroll service does not work with QuickBooks Mac. Mac users use Intuit Online Payroll as their payroll add-on. As a standalone software, Intuit Online Payroll only exports transactions to QuickBooks Desktop and QuickBooks Online (without QuickBooks Online Payroll).

If you choose not to subscribe to any of the QuickBooks Desktop Payroll Services, you can set up manual payroll in QuickBooks. QuickBooks Desktop won't calculate your payroll taxes or provide payroll tax forms. You must manually calculate your payroll tax figures and enter them for each paycheck. You may use the QuickBooks free online Paycheck Calculator.

QUICKBOOKS PAYROLL SERVICE COMPARISON TABLE FOR QUICKBOOKS DESKTOP

Feature	Basic	Standard	Enhanced	Enhanced for Accountants	Assisted
Payroll Updates	✓	✓	✓	✓	✓
Create Paychecks	✓	✓	✓	✓	✓
Direct Deposit for Employees	✓	✓	✓	✓	✓
Direct Deposit for 1099 Contractors	✓	✓	✓	✓	✓
View My Paycheck	✓	✓	✓	✓	✓
Federal Forms		✓	✓	✓	✓
State Forms			✓	✓	✓
E-File and E-Pay			✓	✓	✓
Intuit Workers' Comp Pay Service	✓	✓	✓	✓	✓
Intuit files and pays taxes for you					✓
No Penalties guaranteed					✓
E-mail subscription for critical notices	✓	✓	✓	✓	✓
Free expert support	✓	✓	✓	✓	✓
After-the-fact payroll				✓	✓
Create tax forms for clients on Standard or Basic Payroll				✓	✓
Client ready payroll reports				✓	✓
Filing as a Reporting Agent				✓	✓
Auto-Fill option for Paid Preparer information				✓	✓

Annual pricing for the services ranges from \$420–\$960 per year. The payroll subscriptions currently offered do not limit you on the number of employees that you can add in QuickBooks. However, some subscriptions may charge additional fees. The first year of service, QuickBooks usually gives incentive pricing.

ADDITIONAL FEES:

- **Basic** - \$2.00/ employee per month
- **Standard** - no charge for adding employees
- **Enhanced** - \$2.00/ employee per month
- **Enhanced for Accountants** - no charge for adding employees
- **Assisted** - \$2.00/ employee per payroll

NOTE: Though there is no limit to the number of employees that you can add, QuickBooks is designed to handle small businesses. You may start experiencing performance issues if you have

added 800 or more employees. The subscription price for each plan varies depending on the plan.

PAYROLL SETUP

The Payroll setup requires the following in the preferences menu (**Edit → Preferences**):

Payroll & Expenses	Company Preferences: Full Payroll Check preferred options for paychecks issued
Time & Expenses	Company Preferences: Track Time Check preferred options for your company
Setup Employees	Employees Menu → Employee List

PAYROLL PROCESSING

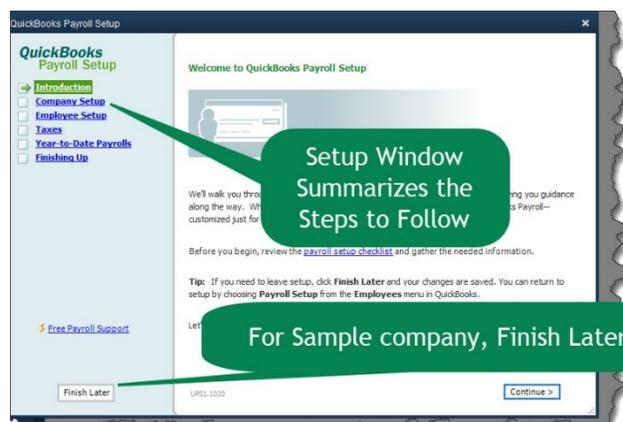
Payroll processing consists of the following four main types of tasks:

1. **Enter Time.** QuickBooks permits us to track employee time worked to use in processing payroll and billing customers.
2. **Pay Employees.** Select employees to pay and create their paychecks.
3. **Pay Payroll Liabilities.** Pay payroll tax liabilities due governmental agencies such as the IRS. Payroll tax liabilities include federal income taxes withheld, state income taxes withheld, FICA (Social security and Medicare), and unemployment taxes.
4. **Process Payroll Forms.** Process payroll forms including Forms, 940, 941, W-2, and W-3 that must be submitted to governmental agencies.

TURN ON QUICKBOOKS PAYROLL & TIME TRACKING

The Rock Castle Sample company file has the Payroll & Time activated. This is the process to turn both applications on when you are activating a new company setup:

- Step 1.** Select **Employees**
- Step 2.** Select **Payroll Setup**. Note that the QuickBooks Payroll Setup window summarizes the steps to setup QuickBooks Payroll and Time Tracking.
- Step 3.** Because this is already setup for the sample company, Click **Finish Later**.
- Step 4.** Select the **Edit Menu**
- Step 5.** Select **Preferences**



Step 6. When the Preferences window appears, select **Time & Expenses** → **Company Preferences**

Step 7. Select Do you track time? **Yes**

Step 8. Select First Day of Work Week: **Monday**

Step 9. Leave the Preferences windows open

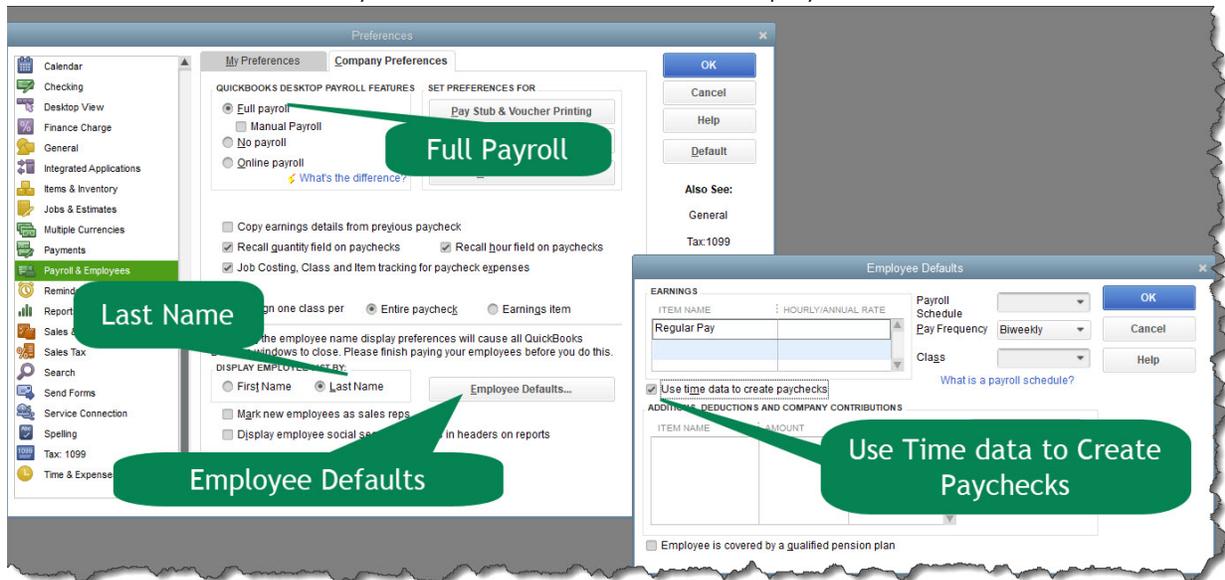
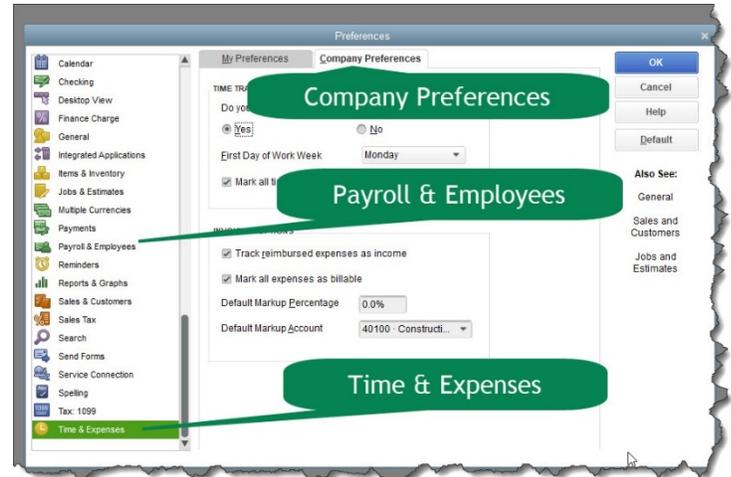
Step 10. From the Preferences window, click on **the Payroll & Employees** → **Company Preferences**

Step 11. Select QuickBooks Payroll Features: **Full Payroll**

Step 12. Select Display Employee List by: **Last Name**

Step 13. Click the **Employee Defaults** button to select payroll defaults.

Step 14. Select the checkbox: **Use time data to create paychecks**. Now QuickBooks will automatically use tracked time to calculate payroll.



Step 15. Click **OK** to close the Employee Defaults window

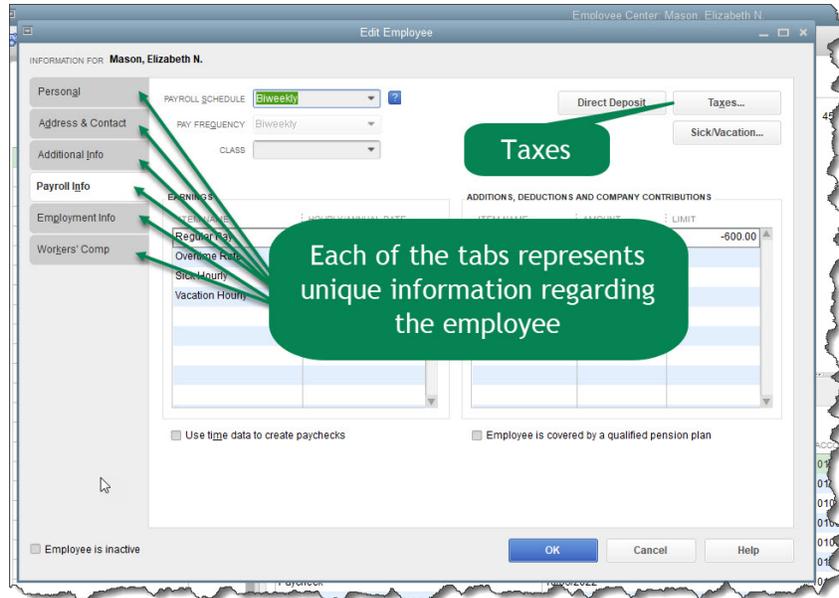
Step 16. Click **OK** again to close the Preferences windows

VIEW EMPLOYEE LIST

The Employee List contains employee information such as address, telephone, salary or wage rate, and Social Security number.

To view the Employees List for Rock Castle Construction, follow these steps:

- Step 1.** Click **Employees** on the Navigation Bar or click the **Employees** button on the Home Page to display the Employee Center.
- Step 2.** Click the **Employees** tab to display a list of employees
- Step 3.** Double-click the **employee's name**



- Step 4.** Scroll through the tabs for the employee to see the data entered in each detail regarding the employee you have chosen.

ADD NEW EMPLOYEE

- Step 1.** Click the **New Employee** button in the Employee Center
- Step 2.** Enter the following information:

PAYROLL TAB	FIELD HEADING	INFO TO ENTER
Personal	FIRST NAME:	[Enter your first name]
	LAST NAME:	[Enter your last name]
	SOCIAL SECURITY NO:	555-66-7895
	GENDER:	[Enter gender]
	DATE OF BIRTH:	[Enter a fictitious date of birth]
	MARITAL STATUS:	Married
	U.S. CITIZEN	Yes
Address & Contact	ADDRESS:	666 Mountain View Lane Bayshore, CA 94326
	MAIN EMAIL:	[Enter your email address]
Additional Info	EMPLOYEE ID	200-30-400
	B-DAY	[Enter a fictitious birth date]
Payroll Info	EARNINGS NAME	Regular Pay
	HOURLY/ANNUAL RATE	10.00

PAYROLL TAB		FIELD HEADING	INFO TO ENTER
		USE TIME DATA TO CREATE PAYCHECKS	Yes
		PAY SCHEDULE:	Biweekly
		DEDUCTIONS:	Health Insurance
		AMOUNT:	-25.00
		LIMIT:	-1200.00
Payroll Info ✓ Taxes Tab	Federal:	FILING STATUS:	Married
		ALLOWANCES FOR FEDERAL:	1
	State:	FILING STATUS:	Married (two incomes)
		ALLOWANCES STATE:	1

- Step 3.** Click **OK** to close the Taxes Window
- Step 4.** Click **OK** again to close the New Employee window and add your name to the Rock Castle Construction Employee List
- Step 5.** When asked if you want to set up payroll information for sick leave and vacation, click **Leave as Is** to use the employee default information for these items
- Step 6.** Leave the Employee Center window

CH7 EMP

Follow these steps to export the current employee list:

- Step 1.** **Open** the **employee center**
- Step 2.** **Click** the **Name bar** to sort the employee names in alphabetical order by last name



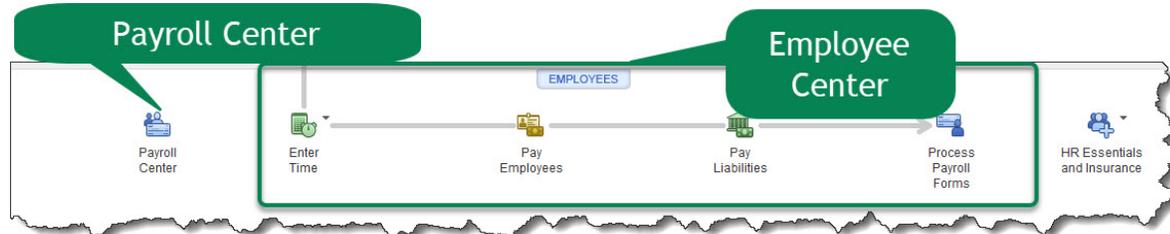
- Step 3.** At the top of the Employee Center **select Excel**
- Step 4.** **Export** → **Employee List**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_07_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **CH7 EMP**
- Step 7.** **Save** and **close** the Excel file.

EMPLOYEE & PAYROLL CENTER

QuickBooks has an Employee Center and a Payroll Center to help manage employee and payroll information.

EMPLOYEE CENTER

The Employee Center can be accessed from the Navigation bar. It contains the Employee List with the employee information, such as Social Security Number.



PAYROLL CENTER

The Payroll Center is part of the Employee Center and is used to manage payroll and tax information, including information about wages, benefits, and withholding. The Payroll Center can be accessed by clicking the Payroll Center icon in the Employees section of the Home Page or by selecting the Payroll tab from the Employee Center.

TIME TRACKING

QuickBooks permits you to track time worked on various jobs. When employees use time tracking, the employee records the time worked on each job. The time data is then used to:

1. Prepare paychecks
2. Bill customers for time worked on specific jobs.

QuickBooks Pro and QuickBooks Premier provide three different ways to track time.

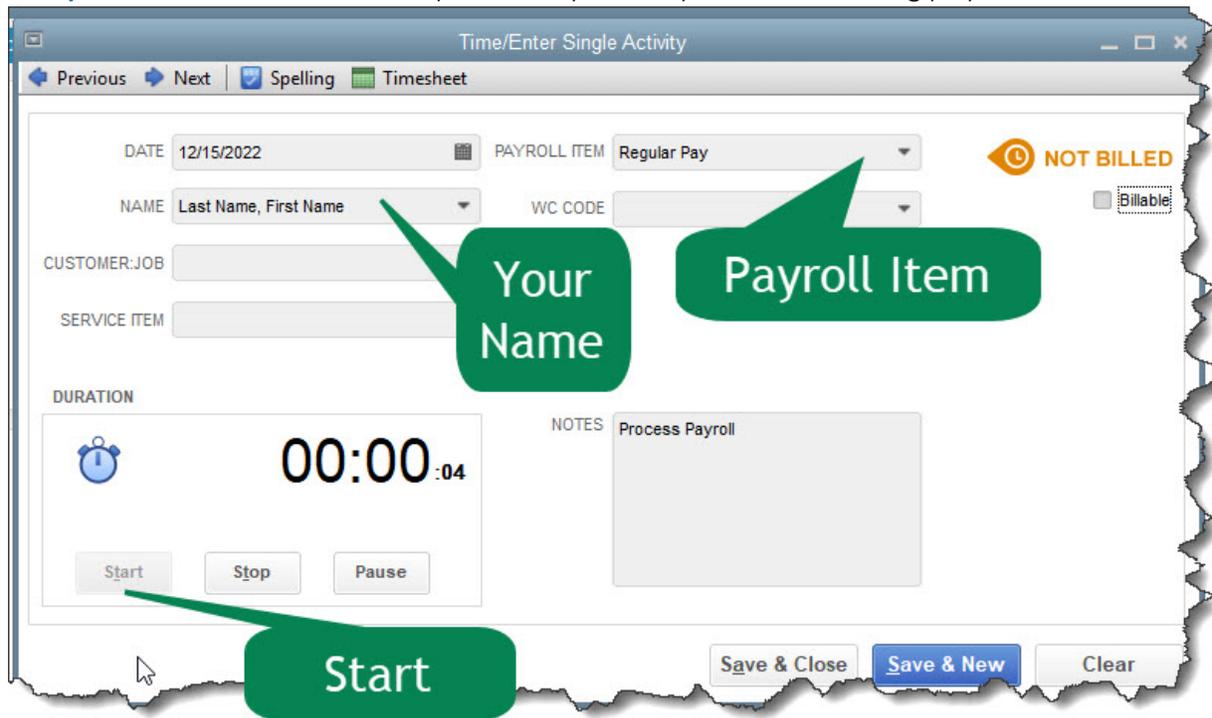
1. **Time Single Activity** – Use the Stopwatch to time an activity and enter the time data. QuickBooks automatically records the time on the employee's weekly timesheet.
2. **Weekly Timesheet** – Use the weekly timesheet to enter time worked by each employee on various jobs during the week.
3. **Online Timesheets** – Enter billable hours from an Internet connected computer. Download the timesheets into QuickBooks to process paychecks.

TIME SINGLE ACTIVITY

Use the QuickBooks Stopwatch feature to time how long it takes you to complete the payroll activities in this unit.

- Step 1.** From the **Employees** section of the Home Page, select the **Enter Time** icon

- Step 2.** Select **Time/Enter Single Activity**
- Step 3.** When the Time/Enter Single Activity window appears, select Date: **12/15/2022**. The Stopwatch can be used to time activities for today's date; however, for this activity use the programmed date for the sample company: 12/15/2022
- Step 4.** From the Name drop-down list, **select your name**
- Step 5.** If the work was for a specific job or customer, it is possible to enter the job or customer name and the service item, then click Billable. In this case, your time is not billable to a customer's job, so **uncheck Billable**.
- Step 6.** Select Payroll Item: **Regular Pay**
- Step 7.** Enter Note: **Process payroll**
- Step 8.** **Click** the **Start** button to start the stopwatch
- Step 9.** Leave the window open while you complete the following payroll activities.

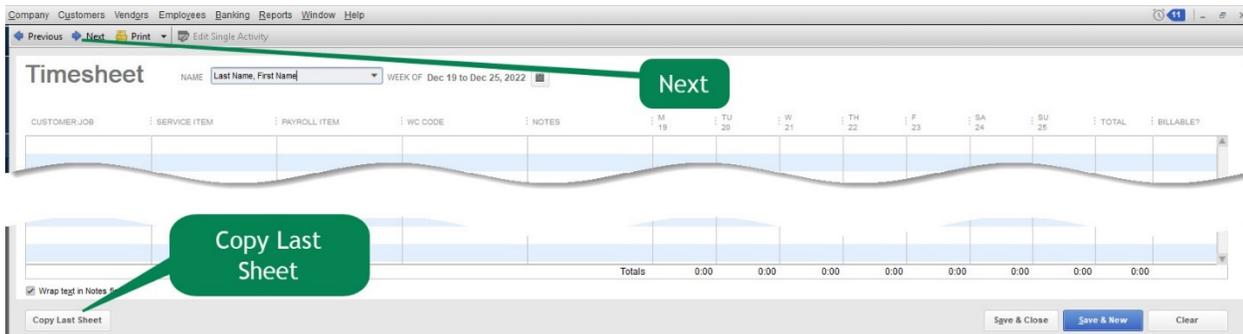


TIMESHEET

If time is billable to a specific customer or job, this is indicated on the weekly timesheet. For example, this first timecard is for you. Pull your name in the time sheet windows and follow these steps:

- Step 1.** In the Employees section of the Home Page, Select **Enter Time**
- Step 2.** Select Use **Weekly Timesheet**.
- Step 3.** Select Week of: **Dec 12 – Dec 18, 2022**
- Step 4.** Payroll Item: **Regular Pay**
- Step 5.** **Uncheck: Billable** (These charges will not be transferred to an invoice)

STUDENT TIME SHEET INFORMATION



Week	Day Worked	Hours Worked	Action
12/12/2022-12/18/2022	12/16	6	Click the Next button to advance to the next week for the same person
12/19/2022-12/25/2022	12/19 12/20 12/21 12/22 12/23	6 6 6 6 6	Click Next Select Copy Last Sheet
12/26/2022-01/01/2023	12/26 12/27 12/28 12/29	6 6 6 6	Click Next Select Copy Last Sheet Delete hours from Friday, Dec 30

- Step 6.** Click **Save & New** to record your hours and display a new timesheet
- Step 7.** At this point, your single time activity for December 15 should still be open. Click on the **Window** → .
- Step 8.** **Save & Close**

CH7 TIME

- Step 1.** From the Navigation Bar, select **Reports** → **Jobs, Time & Mileage**
- Step 2.** Select **Time by Name**
- Step 3.** Select Dates: **12/16/2022 to 12/29/2022**
- Step 4.** Select **Run or Refresh**
- Step 5.** Export to **Excel**
- Step 6.** Follow the instructions in Appendix C to export the report to the Excel file named **UNIT_07_REPORTS** Excel file.
- Step 7.** From the drop-down list, select the sheet: **CH7 TIME**
- Step 8.** **Save** and **close** the Excel file.

***NOTE:** Make sure you have used all the advanced settings outlined in Appendix C.*

ELIZABETH N. MASON'S WEEKLY TIMESHEET:

- Step 9.** Select Employee Name: **Mason, Elizabeth N.** (be careful, make sure you have selected the employee name Elizabeth N. Mason)
- Step 10.** Click the **Previous** button in the upper left corner of the Weekly Timesheet window to change the time sheet dates to **Dec 12 to Dec 18, 2022**
- Step 11.** To record time billable to a specific customer:
- ✓ Select Customer: Job: **Teschner, Anton: Sun Room**
 - ✓ Select Service Item: **Framing**

Week	Day Worked	Hours Worked	Job & Service Item Teschner, Anton: Sun Room	Action
12/12/2022-12/18/2022	12/16	8	Framing	Check Billable Click the Next button to advance to the next week for the same person
12/19/2022-12/25/2022	12/19	2	Framing	Check Billable Click Next
	12/19	6	Installation	
	12/20	8	Installation	
	12/21	8	Installation	
	12/22	8	Installation	
12/26/2022-01/01/2023	12/23	8	Installation	Check Billable Save & New
	12/26	8	Framing	
	12/27	8	Framing	
	12/28	8	Framing	
	12/29	6	Framing	

- Step 12.** Make sure that everything is marked as billable. **Save & Close**

CH7 TIME-2

- Step 1.** From the Navigation Bar, select **Reports → Jobs, Time & Mileage**
- Step 2.** Select **Time by Name**
- Step 3.** Select Dates: **12/16/2022 to 12/29/2022**
- Step 4.** Select **Run or Refresh**
- Step 5.** Export to **Excel**
- Step 6.** Follow the instructions in Appendix C to export the report to the Excel file named **UNIT_07_REPORTS** Excel file.

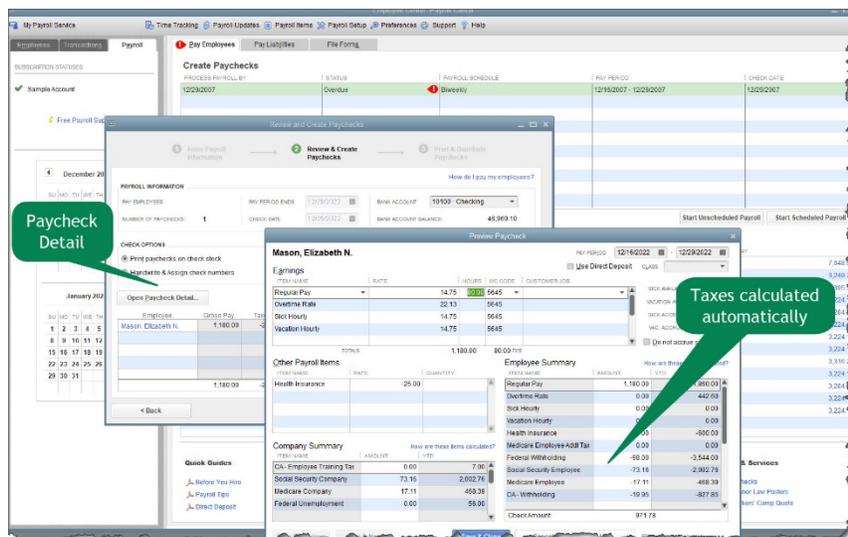
NOTE: Make sure you have used all the advanced settings outlined in Appendix C.

- Step 7.** From the drop-down list, select the sheet: **CH7 TIME-2**
- Step 8.** **Save** and **close** the Excel file.

PAY EMPLOYEES

The QuickBooks payroll service is active for the sample company file. To create paychecks for Rock Castle Construction, follow these steps:

- Step 1.** Click the **Pay Employees** icon to display the Employee Center: Payroll Center windows.
- Step 2.** In the Pay Employees section, select: **Start Unscheduled Payroll**. It is possible to schedule payroll to run at specific intervals (every week, bi-weekly, monthly, etc.). In this case we are selecting unscheduled payroll.
- Step 3.** When the Enter Payroll Information window appears, notice there are three steps listed at the top of the window:
 - i. Enter Payroll Information
 - ii. Review & Create Paychecks
 - iii. Print & Distribute Paychecks
- Step 4.** Select Pay Period Ends: **12/29/2022**. This is the last day of this pay period. If the Pay Period Change window appears, click **No** to change the date without updating the hours worked.
- Step 5.** Select Check Date: **12/29/2022**
- Step 6.** Select Bank Account: **10100 Checking**
- Step 7.** Select Employee: **Elizabeth N. Mason**
- Step 8.** Click **Continue**
- Step 9.** When the review and Create Paychecks window appears, notice that the tax withholding amounts appear automatically because Rock Castle uses a payroll service. If we were calculating payroll taxes manually, we must enter the withholding amounts manually.



- Step 10.** Select **Open Paycheck Detail**. Notice in the Preview Paycheck window that QuickBooks payroll service automatically calculated the payroll amounts. If a

direct deposit was used for employee paychecks, we would select Use Direct Deposit.

Step 11. Select **Save & Close**. If we wanted to create the paycheck, we would select Create Paychecks. In this case select **Finish Later**.

PAY PAYROLL LIABILITIES

Payroll liabilities include the money you pay your employees for services rendered, the withholding you take from their paychecks and your payroll expenses as an employer. Withholding comes out of your employees' gross wages; however, it is part of your liability as an employer. You submit the respective liabilities to the appropriate institutions and document them in your company's financial journal.

Employee compensation includes regular wages and salaries. Supplemental wages, such as overtime pay, retroactive pay, back pay, severance pay, awards, bonuses, commissions, prizes and accumulated sick leave pay, are forms of employee compensation. When assessing your payroll liabilities include fringe benefits that you provide your employees, such as health insurance, retirement plans and paid vacation and personal days (Ferguson, 2019).

WITHHOLDING

The mandatory withholding you take from your employees' paychecks remains a liability until you submit the payment to the respective agency. Such withholding includes federal, and, if applicable, state and local income tax; Social Security and Medicare taxes; and, if applicable, wage garnishments and state unemployment and disability insurance. Employee contributions for voluntary benefits, such as for health, life and disability insurance; retirement plans; adoption assistance; and flexible spending accounts remain as liabilities until you pay the money to the appropriate vendor.

EMPLOYER TAXES AND INSURANCE

Your share of liabilities includes Social Security and Medicare taxes and federal and state unemployment taxes. Depending on your location, the state and local government may require that you pay additional taxes, such as job training tax and local payroll tax. The state might also mandate that you carry workers' compensation. Your portion of taxes and insurance remains a liability until you pay them to the required agency.

PAYMENT

The remittance process for liabilities varies. For example, you pay your employees' federal income tax and Medicare and Social Security withholding

plus your share of Medicare and Social Security taxes, together, directly to the Internal Revenue Service. You pay state, and in some cases local, income tax withholding to the state revenue service. You make federal unemployment insurance payments to the IRS and state unemployment insurance payments to the state workforce agency. You must also file periodic tax reports with these agencies to report your liabilities. You submit payments for voluntary deductions to the respective vendor based on its schedule.

FILE PAYROLL TAX FORMS

The screenshot displays the 'Pay Liabilities' section of a payroll system. On the left, there are navigation tabs for 'Employees', 'Transactions', and 'Payroll', with 'Payroll' selected. Below these are subscription statuses and a calendar for December 2022 and January 2023. The main content area is titled 'Pay Liabilities' and features a 'Pay Taxes & Other Liabilities' table. This table lists upcoming payments with columns for Due Date, Status, Payment, Method, Period, and Amount Due. The first entry is for 01/15/23, with a status of '4 Weeks' and a payment of 'CA Withholding and Disability Insurance' for \$347.98. Other entries include Federal 941944943, Health Insurance, CAUI and Employment Training Tax, and Federal 940. Below this table is a 'Payment History' section with a table showing past payments from 12/07/2022 to 10/07/2022, including details like check numbers, payees, and amounts. At the bottom, there are sections for 'Quick Guides', 'Other Activities', and 'Reports'.

Step 1. In the Employee Center: **Payroll Center**, select the **Pay Liabilities** tab.

In the Pay Taxes & Other Liabilities section, you can view the upcoming scheduled payment for payroll liabilities. If any payments were due, you would select the payroll liabilities to pay, then click View/Pay. In the Due Date column, you can see that no payments are currently due for Rock Castle Construction.

Step 2. Leave the Employee Center: **Payroll Center** window open

Notice that the third section of the Payroll center is File Forms. Basically, payroll forms summarize the amount of payroll withholdings that have been collected and remitted.

FEDERAL FORM 940

Employer's Annual Federal Unemployment (FUTA) Tax Return. Use Form 940 to report your annual Federal Unemployment Tax Act (FUTA) tax. Together with state unemployment tax systems, the FUTA tax provides funds for paying unemployment compensation to workers who have lost their jobs.

Most employers pay both a federal and a state unemployment tax. Only employers pay FUTA tax. Do not collect or deduct FUTA tax from your employees' wages.

FEDERAL FORM 941

Employers use Form 941 to report income taxes, social security tax, or Medicare tax withheld from employee's paychecks. The employers include this portion of social security or Medicare tax.

FEDERAL FORM 944

Form 944 is designed so the smallest employers (those whose annual liability for social security, Medicare, and withheld federal income taxes is \$1,000 or less) will file and pay these taxes only once a year instead of every quarter.

FORM W-2

Every employer engaged in a trade or business who pays remuneration, including noncash payments of \$600 or more for the year (all amounts if any income, social security, or Medicare tax was withheld) for services performed by an employee must file a Form W-2 for each employee (even if the employee is related to the employer) from whom:

- ✓ Income, social security, or Medicare tax was withheld.
- ✓ Income tax would have been withheld if the employee had claimed no more than one withholding allowance or had not claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

FORM W-3

This is referred to a Transmittal of Wage and Tax Statements. The form is filed with the Social Security Administration. It contains a summary of all an employer's W-2 forms created.

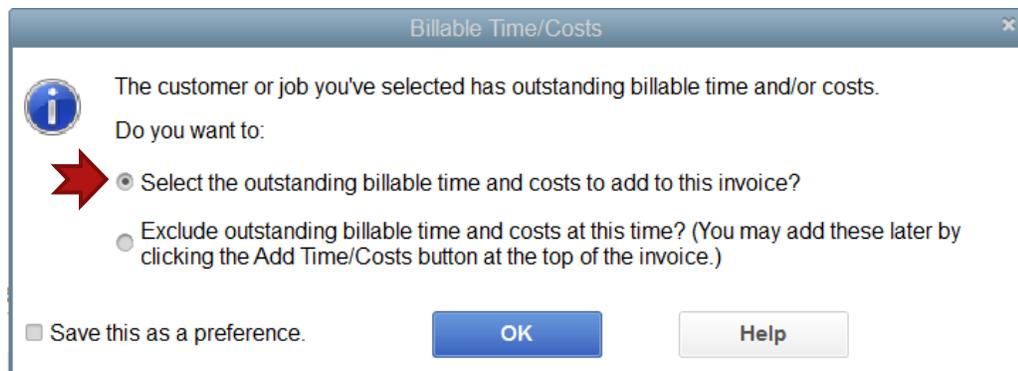
Step 3. Close the **Employee Center: Payroll Center** window.

TRANSFER TIME TO SALES INVOICE

Billable time can be transferred to a specific customer's invoice, as shown in the Home Page by an arrow going from the Enter Time icon to Create Invoices icon.

First, you must enter time worked, then open the Create Invoices window for the customer, and select the time billable to that customer. For the Teschner sun room job, you have already entered Elizabeth Mason's time. To transfer billable time to the Teschner invoice follow these steps:

- Step 1.** Open the Create Invoices window by clicking the **Create Invoices** icon in the Customers section of the Home page.
- Step 2.** From the Create Invoices window, select the customer job to be billed. In this instance, select Customer: Job: **Teschner, Anton: Sun Room**
- Step 3.** If the following Billable Time/Costs window appears, select: **Select the outstanding billable time and costs to add to this invoice.**



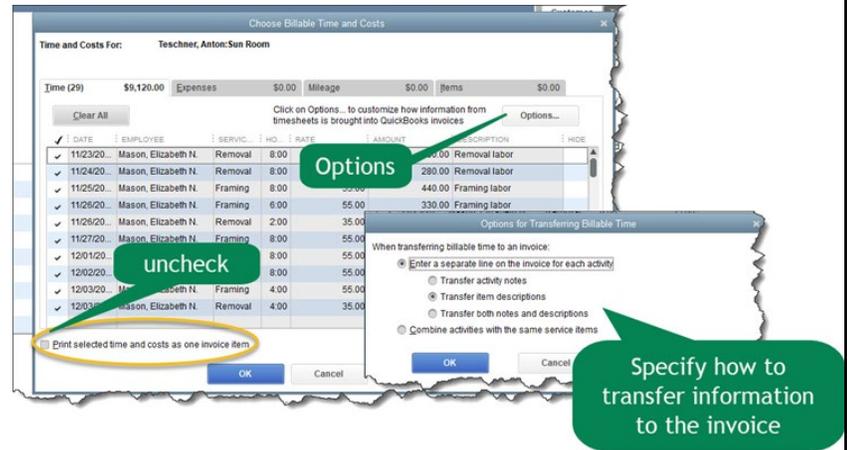
- Step 4.** Click **OK**
- Step 5.** When the Choose Billable Time and Costs window appears, click the **Time** tab.
- Step 6.** Click the **Select All** button to select all the billable times listed for the Teschner sun room job.

You can transfer time to an invoice in three different ways:

1. **Combine All** – Combine all the selected times and costs into one entry on the invoice
2. **Subtotal Items** – List a subtotal for each service item on the invoice
3. **Separate line Items** – List a separate invoice line item for each activity you check

- Step 7.** In this instance, you will list a separate invoice line item for each activity you check, so **uncheck Print selected time and cost as one invoice item** in the lower left corner of the Choose Billable Time and Costs window.

- Step 8.** Select **Options**
- Step 9.** When the Options menu opens select: **Enter a separate line on the invoice for each activity**
- Step 10.** Choose: **Transfer item descriptions**
- Step 11.** Click **OK** to close the Options for transferring billable time window.
- Step 12.** Click **OK** to close the Choose Billable Time and Costs window and add the labor cost to the Teschner invoice.
- Step 13.** Select Template: **Rock Castle Invoice**
- Step 14.** Select Invoice Date: **12/27/2022**
- Step 15.** Uncheck **Email Later**.



NOTE: some of the billable time was done November and early December. You entered only the new information. The invoice is for all the time spent on the entire job for **Teschner, Anton: Sun Room**

Total billable time is \$9,370

- Step 16.** Select **Save**. Do not close.

INV 1100.PDF

- Step 17.** Select **Print** to print the **Teschner, Anton: Sun Room invoice #1100**
- Step 18.** Select **Invoice**
- Step 19.** Select Print on: **Blank paper**
- Step 20.** If necessary, uncheck: **Do not print lines around each field**
- Step 21.** Select the **PDF printer** as your printer of choice, then click **Print**
- Step 22.** Save the PDF copy to the **UNIT 07** folder
- Step 23.** Save as **INV1100.PDF**
- Step 24.** Click **Save & Close** to record the cash sale and close the Enter Sales Receipts window.

PAYROLL REPORTS

In addition to aiding with filing payroll tax forms with federal, state, and local governmental agencies, QuickBooks provides payroll reports for owners and managers to use to answer various questions:

1. How much did we pay our employees and pay in payroll taxes? (Payroll reports)
2. How much time did we spend classified by employee and job? (Project reports)

Payroll reports can be access in the following ways:

- ✓ **Employee Center:** Employees → Reports for this Employee
- ✓ **Report Center:** Reports → Employees & Payroll
- ✓ **Reports Menu:** Reports Menu → Employees & Payroll

CH7 PAY SUM

To view the Payroll Summary Report, follow these instructions:

- Step 1.** Select **Reports**
- Step 2.** Select **Employees & Payroll**
- Step 3.** Select **Payroll Summary**
- Step 4.** Dates: **This Month**
- Step 5.** From: **12/01/2022** To: **12/31/2022**
- Step 6.** Select **Run** or **Refresh** depending on the menu you choose to use.

- Step 7.** Export to **Excel**
- Step 8.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_07_REPORTS** Excel file.

***NOTE:** Make sure you have used all the advanced settings outlined in Appendix C.*

- Step 9.** From the drop-down list, select the sheet: **CH7 PAY SUM**
- Step 10.** **Save and close** the Excel file.

CH7 PAY TRANS DET

- Step 1.** Select **Reports**
- Step 2.** Select **Employees & Payroll**
- Step 3.** Select **Payroll Transaction Detail**
- Step 4.** Dates: **This Month**
- Step 5.** From: **12/01/2022** To: **12/31/2022**
- Step 6.** Select **Run** or **Refresh** depending on the menu you choose to use.
- Step 7.** Export to **Excel**
- Step 8.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_07_REPORTS** Excel file.
- Step 9.** From the drop-down list, select the sheet: **CH7 PAY TRANS DET**
- Step 10.** **Save and close** the Excel file.

PROJECT REPORTS

There are four different project reports available in QuickBooks:

1. **Time by Job Summary Report.** Lists time spent on each job.
2. **Time by Job Detail Report.** Lists time by category spent on each job.
3. **Time by Name Report.** Lists amount of time worked by each employee.
4. **Time by Item Report.** Lists time worked on a job by service category.

CH7 JOB SUM

To export the Time by Job Summary report, follow these steps:

- Step 1.** Select **Reports**
- Step 2.** Select **Jobs, Time & Mileage → Time by Job Summary**
- Step 3.** Dates: **This Month**
- Step 4.** From: **12/01/2022** To: **12/31/2022**
- Step 5.** Select **Run** or **Refresh** depending on the menu you choose to use.
- Step 6.** Export to **Excel**
- Step 7.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_07_REPORTS** Excel file.
- Step 8.** From the drop-down list, select the sheet: **CH7 JOB SUM**
- Step 9.** **Highlight** the job requiring the most time for December 2022
- Step 10.** **Save** and **close** the Excel file.

ENTER TIME

DAN T. MILLER TIME SHEET

(be careful, make sure you have selected the employee name **Dan T. Miller**)

Week	Day Worked	Hours Worked	Job	Item
12/12/2022-12/18/2022	12/16	8	Cook: 2 nd Story	Installation
12/19/2022-12/25/2022	12/19	8	Pretell: 75 Sunset	Framing
	12/20	8	Pretell: 75 Sunset	Framing
	12/21	7	Pretell: 75 Sunset	Framing
	12/22	4	Pretell: 75 Sunset	Framing
	12/23	8	Pretell: 75 Sunset	Framing
	12/22	4	Cook: 2 nd Story	Installation
12/26/2022-01/01/2023	12/26	8	Pretell: 75 Sunset	Framing
	12/27	8	Pretell: 75 Sunset	Framing
	12/28	8	Pretell: 75 Sunset	Framing
	12/29	3	Pretell: 75 Sunset	Framing
	12/29	5	Pretell: 75 Sunset	Installation

GREGG O. SCHNEIDER TIME SHEET

Week	Day Worked	Hours Worked	Job	Item
12/12/2022-12/18/2022	12/16	6	Cook: 2 nd Story	Installation

12/19/2022-	12/19	2	Pretell: 75 Sunset	Framing
12/25/2022	12/20	8	Pretell: 75 Sunset	Framing
	12/21	6	Pretell: 75 Sunset	Framing
	12/22	8	Pretell: 75 Sunset	Framing
	12/23	8	Pretell: 75 Sunset	Framing
	12/19	8	Cook: 2nd Story	Installation
12/26/2022-	12/26	8	Pretell: 75 Sunset	Framing
01/01/2023	12/27	8	Pretell: 75 Sunset	Framing
	12/28	8	Pretell: 75 Sunset	Framing
	12/29	8	Pretell: 75 Sunset	Installation

CH7 TIME-3

- Step 1.** From the Navigation Bar, select **Reports → Jobs, Time & Mileage**
- Step 2.** Select **Time by Name**
- Step 3.** Select Dates: **12/16/2022 to 12/29/2022**
- Step 4.** Select **Run or Refresh**
- Step 5.** Export to **Excel**
- Step 6.** Follow the instructions in Appendix C to export the report to the Excel file named **UNIT_07_REPORTS** Excel file.
- Step 7.** From the drop-down list, select the sheet: **CH7 TIME-3**
- Step 8.** **Save** and **close** the Excel file.

***NOTE:** Make sure you have used all the advanced settings outlined in Appendix C.*

CH7 PAY LIAB

To pay the payroll tax liability related to federal Form 941/944 follow these steps:

- Step 1.** Select the **Pay Liabilities** icon in the Employees section of the Home Page
- Step 2.** In the Employee Center: Payroll Center window, select the **Pay Liabilities** tab
- Step 3.** In the Other Activities section, select **Create Custom Payments**
- Step 4.** Select Dates: **12/01/2022 through 12/31/2022**
- Step 5.** Select **OK**
- Step 6.** In the Pay Liabilities windows, select **To be printed**
- Step 7.** Select Bank Account: **Checking**
- Step 8.** Select Check Date: **12/15/2022**
- Step 9.** Select: **Review liability check to enter expenses/penalties**
- Step 10.** Select: **All Payroll Items Except Health Insurance**
- Step 11.** Select: **Payroll Liabilities Report.**
- Step 12.** Export to **Excel**
- Step 13.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_07_REPORTS** Excel file.
- Step 14.** From the drop-down list, select the sheet: **CH7 PAY LIAB**

Step 15. **Save and close** the Excel file.

CH7 PAY TRANS

- Step 1.** Use the previous instructions to export the Payroll transactions by Payee report
- Step 2.** Dates: This Calendar Year
- Step 3.** From: 01/01/2022 To: 12/31/2022
- Step 4.** Export to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_07_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **CH7 PAY TRANS**
- Step 7.** **Save and close** the Excel file.

TRANSFER TIME TO SALES INVOICES

Transfer time worked to the related Jacobsen Kitchen sales Invoice as follows:

- Step 1.** From the Customers section of the Home Page, click the **Create Invoices** icon
- Step 2.** Transfer billable time and items to sales invoice dated **12/22/2022** for the **Jacobsen Kitchen** job
- Step 3.** From the Choose Billable Time and Costs window, click the **Time** tab, then select the **Select All** button to transfer employee time worked to the invoice. Select **Options button → Combine activities with the same service item and rate.**
- Step 4.** **Save** the Invoice

CH7 TRANS JUR

- Step 1.** With the **Jacobsen Kitchen invoice** open, select the **Reports** tab
- Step 2.** Select the **Transaction Journal** icon
- Step 3.** Export to **Excel**
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_07_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **CH7 TRANS JUR**
- Step 6.** **Save and close** the Excel file.

CH7 JOB DET

To export the Time by Job Detail report, follow these steps:

- Step 1.** Select **Reports**
- Step 2.** Select **Jobs, Time & Mileage → Time by Job Detail**
- Step 3.** Dates: **This Year**
- Step 4.** From: **01/01/2022** To: **12/31/2022**
- Step 5.** Select **Run** or **Refresh** depending on the menu you choose to use.
- Step 6.** Export to **Excel**
- Step 7.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_07_REPORTS** Excel file.
- Step 8.** From the drop-down list, select the sheet: **CH7 JOB DET**

- Step 9.** **Highlight** any items on the report that a billable to specific jobs, yet still unbilled.
- Step 10.** **Save** and **close** the Excel file.

BACKUP YOUR COMPANY FILE

Use the instructions in **Appendix A** to back up your company file. Make sure your backup file is saved in the designated folder of this unit (**UNIT 07 BACKUPS**).

UNIT 07 PROJECT (ON-YOUR-OWN)

Follow the instructions in **Appendix A** (Backup & Restore QuickBooks Files) to restore the starter file for **u07a2 Larrys Landscaping**. This file is in your **UNIT 07** folder.

- Step 3:** **RESTORE** the **u07a2 Larrys Landscaping.QBB** file
- Step 4:** Make sure you **SAVE** to the **UNIT 07 FOLDER**

RENAME THE COMPANY

After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Larry's Landscaping. Your first activity is to personalize that name to meet your needs follow these instructions:

NOTE: The process to **rename the company** is found in **Appendix B** and will be repeated throughout all the activities in the text.

- Step 7:** From the Menu bar, select **Company**
- Step 8:** Select **MY COMPANY**
- Step 9:** Select **EDIT**
- Step 10:** Update the Company Name Field to: **YourName Larry's Landscaping**
- Step 11:** **CLICK** on **OK**
- Step 12:** **Close** the My Company window.

PREPARE PAYCHECKS

Pay Period Ends	Check Date	Employee	Paycheck Amount
12/29/2022	12/29/2022	Duncan Fisher	1,169.99
12/29/2022	12/29/2022	Jenny Miller	1308.44
12/29/2022	12/29/2022	Shane Hamby	1697.26

P7 JUR

- Step 1.** Open the **Journal** report for **December 29, 2022**
- Step 2.** Export to **Excel**
- Step 3.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_07_REPORTS** Excel file.
- Step 4.** From the drop-down list, select the sheet: **P7 JUR**
- Step 5.** **Save** and close the Excel file.

P7 PAY SUM

- Step 1.** Open the **Payroll Summary** report for **December 16-29, 2022**
- Step 2.** Export to **Excel**
- Step 3.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_07_REPORTS** Excel file.
- Step 4.** From the drop-down list, select the sheet: **P7 PAY SUM**
- Step 5.** **Save** and close the Excel file.

P7 PAY DET

- Step 1.** Open the **Payroll Item Detail** report for **December 16-29, 2022**
- Step 2.** Export to **Excel**
- Step 3.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_07_REPORTS** Excel file.
- Step 4.** From the drop-down list, select the sheet: **P7 PAY DET**
- Step 5.** **Save** and close the Excel file.

P7 PAY TRANS

- Step 1.** Open the **Payroll Transaction by Payee** report for **December 16-29, 2022**
- Step 2.** Export to **Excel**
- Step 3.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_07_REPORTS** Excel file.
- Step 4.** From the drop-down list, select the sheet: **P7 PAY TRANS**
- Step 5.** **Save** and close the Excel file.

ADJUSTMENTS

UNIT 08 ADJUSTMENTS



STUDENT LESSON FILES

You will find the following files in your **Student files** for **UNIT 08**.

- U08a1 Rock Castle Construction
- U08a2 Larry's Landscaping
- UNIT_08_Reports

To complete the first lesson exercises, **RESTORE** the **u08a1 Rock Castle Construction** company file from the **UNIT 08** folder.

NOTE: The process to **restore a backup** is found in **Appendix A.01** and will be repeated throughout all the activities in the text.

RENAME THE COMPANY

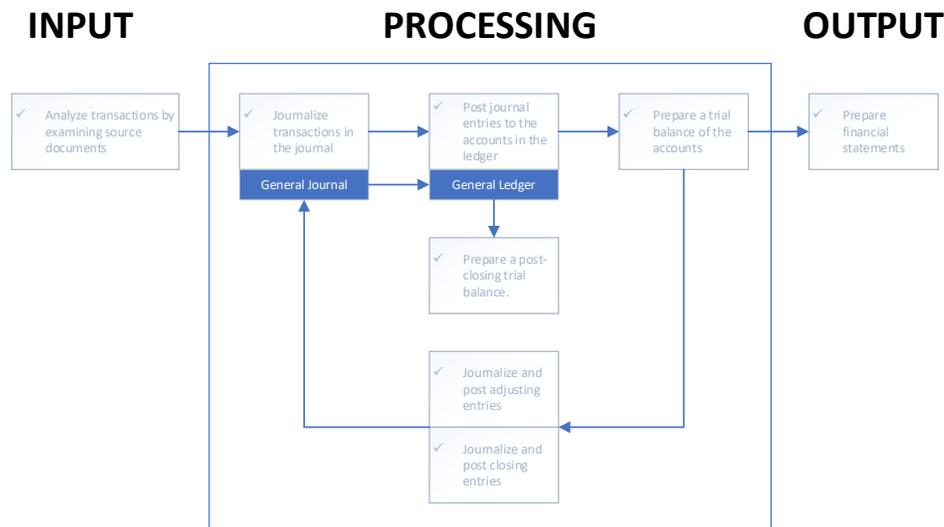
After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Rock Castle Construction. Your first activity is to personalize that name to meet your needs follow these instructions:

- Step 43.** From the Menu bar, select **Company**
- Step 44.** Select **MY COMPANY**
- Step 45.** Select **EDIT**
- Step 46.** Update the Company Name Field to: **YourName Rock Castle Construction**
- Step 47.** **CLICK** on **OK**
- Step 48.** **Close** the My Company window.

NOTE: The process to **rename the company** is found in **Appendix B** and will be repeated throughout all the activities in the text.

ACCOUNTING CYCLE

The accounting cycle is a series of accounting activities that a business performs each accounting period.



The accounting cycle usually consists of the following steps:

- ✓ **Chart of Accounts** – The Chart of Accounts is a list of all accounts used to accumulate information about assets, liabilities, owners' equity, revenues, and expenses. In QuickBooks, the Chart of Accounts is created when the company is created; overtime, the accounts are edited to meet the needs of the company.
- ✓ **Transactions**. During the accounting period, record transactions with customers, vendors, employees and owners.
- ✓ **Trial Balance**. A Trial Balance lists each account and the account balance at the end of the accounting period. Prepare a Trial Balance to verify that the accounting system is in balance – total debits should equal total credits. An unadjusted Trial Balance is a Trial Balance prepared before adjustments.
- ✓ **Adjustments**. At the end of the accounting period before preparing financial statements, make any adjustments necessary to bring the accounts up to date. Adjustments are entered in the Journal using debits and credits.
- ✓ **Adjusted Trial Balance**. Prepare an Adjusted Trial Balance (a Trial Balance after adjustments) to verify that the accounting system still balances. If additional account detail is required, Print the general ledger (the collection of all the accounts listing the transactions that affected the accounts).
- ✓ **Financial Statements**. Prepare financial statements for external users (Profit & Loss, Balance Sheet, and Statement of Cash Flows). Prepare income tax summary reports and management reports.

TRIAL BALANCE

A trial balance is a listing of the ledger accounts and their debit or credit balances to determine that debits equal credits in the recording process. The accounts appear in this order: assets, liabilities, stockholders' equity, dividends, revenues, and expenses. Within the asset's category, the most liquid (closest to becoming cash) asset appears first and the least liquid appears last. Within the liabilities, those liabilities with the shortest maturities appear first.

Preparing journal entries in a computerized system is different than in a manual system. The computer normally asks for the number of the account to be debited. After you type the account number, the computer shows the account title in its proper position. The cursor then moves to the debit column and waits for you to enter the amount of the debit. Then it asks if there are more debits. If not, the computer prompts you for the account number of the credit. After you type the account number, the computer supplies the account name of the credit and enters the same amount debited as the credit. When there is more than one credit, you can override the amount and enter the correct amount. Then you would enter the other credit in the same way. If your debits and credits are not equal, the computer warns you and makes you correct the error. You can supply an explanation for the entry from a standard list or type it in. As you enter the journal entries, the computer automatically posts them to the ledger accounts. At any time, you can have the computer print a trial balance.

CH8 TB

- Step 1.** Select **Reports**
- Step 2.** Select **Accountant & Taxes**
- Step 3.** Select **Trial Balance**
- Step 4.** Select Date Ranges: **This Fiscal Quarter**
- Step 5.** From: **10/01/2022** To: **12/31/2022**
- Step 6.** Export to **Excel**
- Step 7.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_08_REPORTS** Excel file.
- Step 8.** From the drop-down list, select the sheet: **CH8 TB**
- Step 9.** **Save and close** the Excel file.

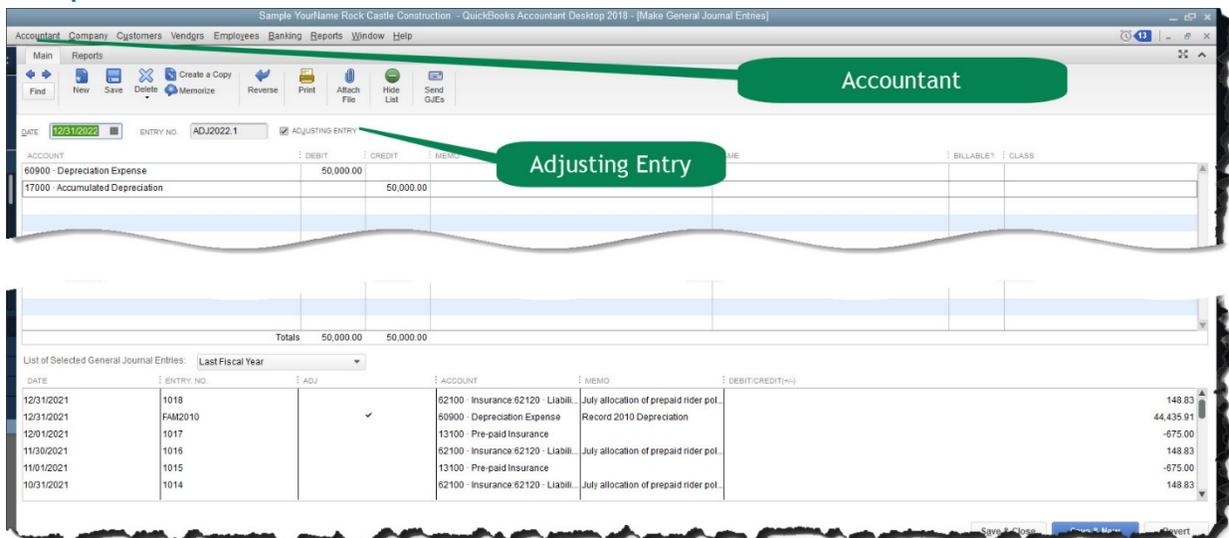
ADJUSTING JOURNAL ENTRIES

Use the QuickBooks onscreen Journal to enter adjusting entries

- Step 1.** Select the **Accountant Menu** (only available on the Accountant Version)
- Step 2.** Select **Make General Journal Entries**
- Step 3.** Enter the following information:

Category	Information	Amount
Date:	12/31/2022	
Entry No.	ADJ2022.1	
Adjusting Entry	YES	
Debit Account:	60900 Depreciation Expense	50,000.00
Credit Account:	17000 Accumulated Depreciation	50,000.00

- Step 4.** **Save**



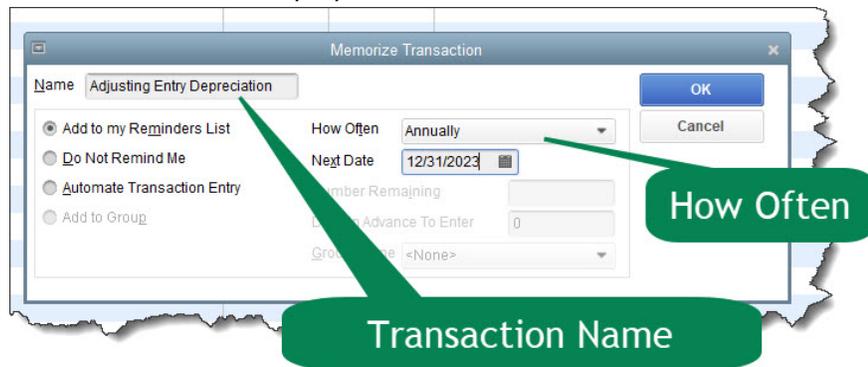
CH8 ADJ

- Step 1.** From the Make General Journal Entries window, select the **Reports** tab
- Step 2.** Select **Transaction Journal**
- Step 3.** Export to **Excel**
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_08_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **CH8 ADJ**
- Step 6.** **Save and close** the Excel file.

MEMORIZE ADJUSTING ENTRIES

Adjusting journal entries can be saved as memorized transactions. This can save time. The amounts can still be updated as needed.

- Step 1.** Using the open Make General Journal Entries window, select **Main → Memorize** to save the ADJ2022.1 adjusting journal entry.
- Step 2.** Enter the Template Name: **Adjusting Entry Depreciation** (Since the Memorized Transactions are listed alphabetically, it is a good idea to name the template using a name that is easy to find).
- Step 3.** Select: **Add to my Reminders List**. Once this is done, you will be reminded to use the entry to make the adjustment on the date given.
- Step 4.** Select How Often: **Annually**
- Step 5.** Enter Next Date: **12/31/2023**



- Step 6.** Select **OK**

TYPES OF ADJUSTING ENTRIES

If the company uses the accrual basis of accounting to calculate profits, the following four type of adjusting entries may be necessary.

1. **Prepaid items.** Items that are prepaid, such as prepaid insurance or prepaid rent.
2. **Unearned items.** Items that a customer has paid us for, but we have not provided the product or service.
3. **Accrued expenses.** Expenses that are incurred but not yet paid or recorded.
4. **Accrued revenues.** Revenues that have been earned but not yet collected or recorded.

ACCUMULATED DEPRECIATION

Accumulated depreciation is a contra asset account to depreciable assets such as buildings, machinery, and equipment. This account shows the total depreciation taken for the depreciable assets. On the balance sheet, companies deduct the accumulated depreciation (as a contra asset) from its related asset.

PREPAID ITEM: RELATED EXPENSE AND ASSET ACCOUNTS

Prepaid expenses Assets awaiting assignment to expense. Items such as rent, insurance, and supplies that have been paid for but from which all the benefits have not yet been realized (or consumed). Prepaid expenses are classified as current assets.

Adjusting entries for prepaid items typically affect an Expense account and an Asset account. Examples of related Expense and Asset accounts used for prepaid item adjusting entries are as follows:

Prepaid Item	Expense Account	Asset Account
Prepaid Insurance	Insurance Expense	Prepaid Insurance
Prepaid Rent	Rent Expense	Prepaid Rent
Office Supplies	Office Supplies Expense	Office Supplies

Basically, we want to make certain that the amounts in the related Expense account (such as Insurance Expense) and Asset account (Prepaid Insurance) are appropriate.

The adjusting entry is a Journal entry recording the amount that needs to be transferred between the two accounts, and Expense account and an Asset account, to show the appropriate balance in each account.

Whether a debit or credit increases or decreases an account depends upon the type of account (Refer to Appendix D).

UNEARNED ITEMS: RELATED REVENUE AND LIABILITY ACCOUNTS

Unearned items consist of revenue that we have not earned. If a customer pays in advance of receiving a service, such as when a customer makes a deposit, or business has an obligation (liability) to either provide the service in the future or return the customer's money. An adjustment may be necessary to bring the revenue account and unearned revenue (liability) account up to date.

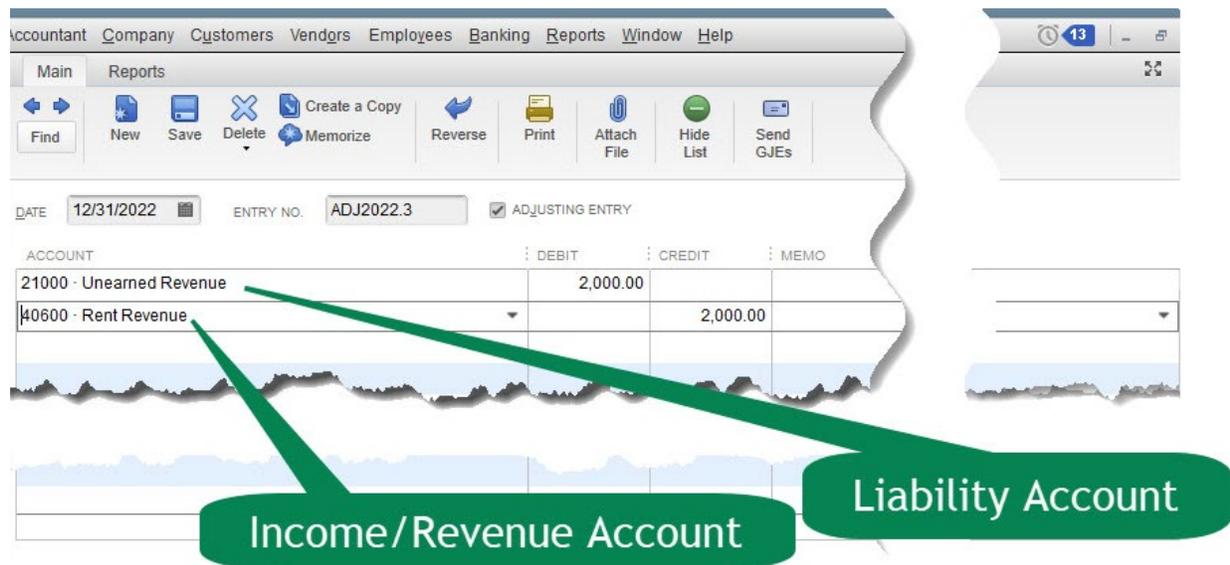
Unearned Items	Revenue Account	Liability Account
Unearned Rent Revenue	Rent Revenue	Unearned Revenue
App Subscription	App Subscription Revenue	Unearned App Subscription Revenue

The adjusting entry is a Journal entry recording the amount that needs to be transferred between the two accounts, a Revenue account and a Liability account, to show the appropriate balance in each account.

For example, If we need to make an adjusting entry to increase Rent Revenue and decrease Unearned Revenue for \$2,000, we would determine whether to debit or credit the accounts as follows:

Account	Account Type	Increase or Decrease?	Debit or Credit?	Amount
Rent Revenue	Revenue	Increase	Credit	\$2,000
Unearned Revenue	Liability	Decrease	Debit	\$2,000

An example of how to record this transaction in QuickBooks:



ACCRUED EXPENSES: RELATED EXPENSE AND LIABILITY ACCOUNTS

Accrued liabilities are liabilities not yet recorded at the end of an accounting period. They represent obligations to make payments not legally due at the balance sheet date, such as employee salaries. At the end of the accounting period, the company recognizes these obligations by preparing an adjusting entry including both a liability and an expense. For this reason, we also call these obligations **accrued expenses**.

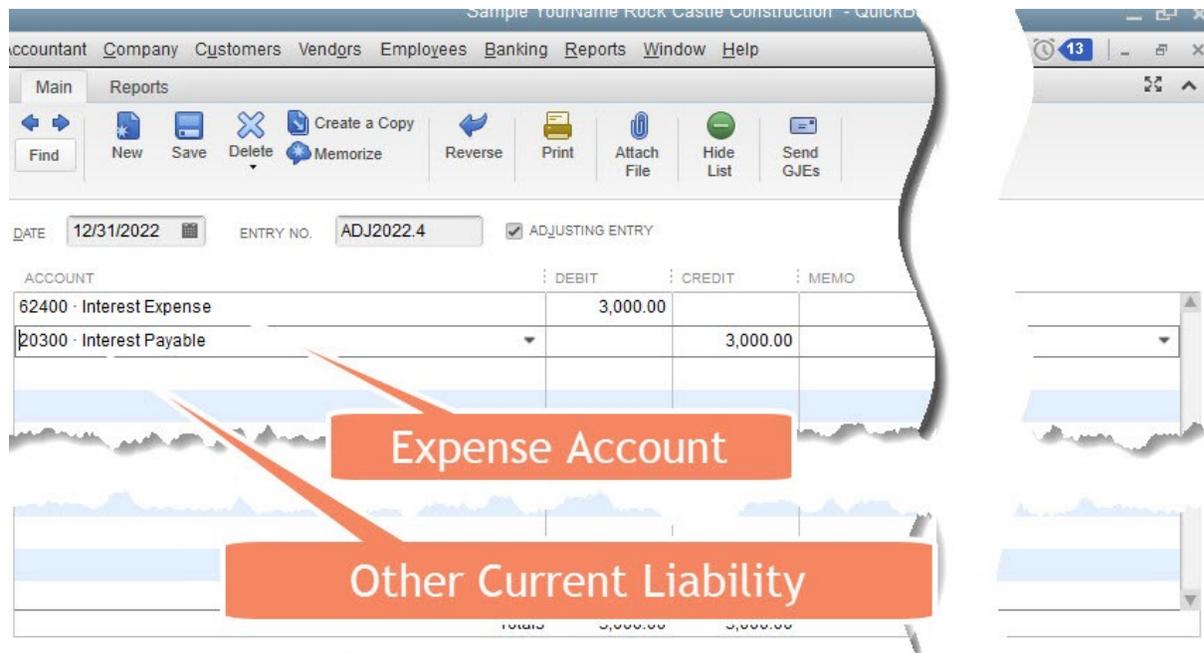
Accrued Expenses	Expense Account	Liability Account
Accrued Interest Incurred	Interest Expense	Interest Payable
Accrued Taxes Payable	Tax Expense	Taxes Payable

The adjusting entry is a Journal entry recording the amount that needs to be transferred between the two accounts, an Expense account and a Liability account, to show the appropriate balance in each account.

To make an adjusting entry to increase Interest Expense and increase Interest Payable for \$3,000, we would determine whether to debit or credit the accounts as follows:

Account	Account Type	Increase or Decrease?	Debit or Credit?	Amount
Increase Expense	Expense	Increase	Debit	\$3,000
Increase Payable	Liability	Increase	Credit	\$3,000

This is an example of how this transaction looks in QuickBooks:



ACCRUED REVENUES: RELATED REVENUE AND ASSET ACCOUNTS

Accrued assets are assets, such as interest receivable or accounts receivable, that have not been recorded by the end of an accounting period. These assets represent rights to receive future payments that are not due at the balance sheet date. To present an accurate picture of the affairs of the business on the balance sheet, firms recognize these rights at the end of an accounting period by preparing an adjusting entry to correct the account balances. To indicate the dual nature of these adjustments, they record a related revenue in addition to the asset. We also call these adjustments **accrued revenues** because the revenues must be recorded.

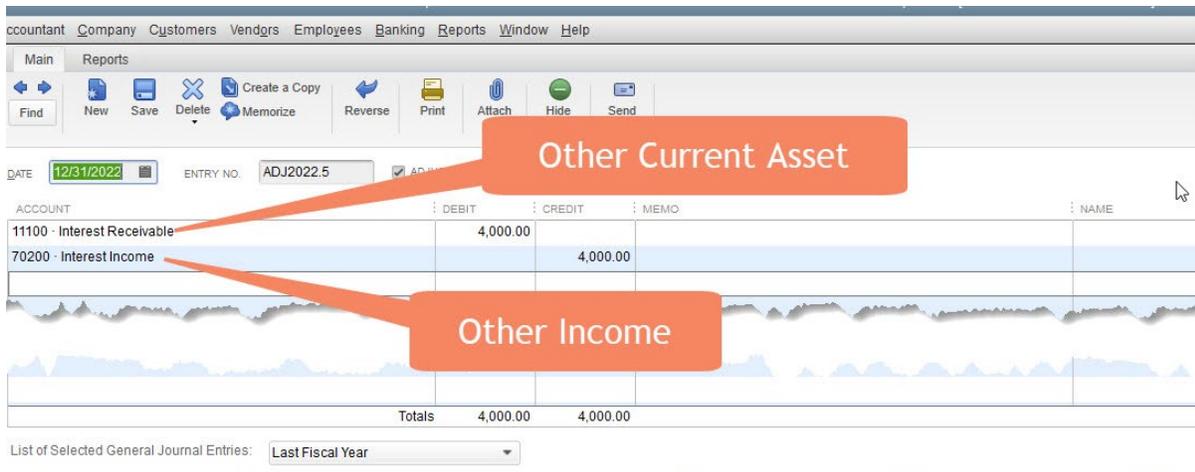
Accrued Revenues	Revenue Account	Asset Account
Accrued Interest Earned	Interest Revenue	Interest Receivable
Accrued Rent Revenue	Rent Revenue	Rent Receivable

The adjusting entry is a Journal entry recording the amount that needs to be transferred between the two accounts, a Revenue account and an Asset accounts, to show the appropriate balance in each account.

If it is necessary to make an adjusting entry to increase Revenue and increase Interest Receivable for \$4,000, the determination of how to create or debit the account is as follows:

Account	Account Type	Increase or Decrease?	Debit or Credit?	Amount
Interest Revenue	Revenue	Increase	Credit	\$4,000
Interest Receivable	Asset	Increase	Debit	\$4,000

This is an example of how this transaction may look in QuickBooks:



CORRECTING ENTRIES VS ADJUSTING ENTRIES

Corrections, or correcting entries, fix mistakes in the accounting system. A correcting entry is a journal entry that is made in order to fix an erroneous transaction that had previously been recorded in the general ledger.

Adjusting entries, are not mistakes but updates that are required to bring accounts to their correct balance as of a certain date. Adjusting entries are accounting journal entries that convert a company's accounting records to the accrual basis of accounting. An adjusting journal entry is typically made just prior to issuing a company's financial statements.

CORRECTION SCENARIO

Assume the Cash account should have been debited for \$200.00 and the Professional Fees Revenue account credited for \$200; however, the following incorrect entry was made for \$2,000.00 instead of \$200.00.

Incorrect Entry	Account	Amount
-----------------	---------	--------

Debit	Cash	\$2,000
Credit	Professional Fees Revenue	\$2,000

Make 2 Correcting Entries

1. Eliminate the effect of the first entry by making the opposite journal entry:

Correcting Entry 1	Account	Amount
Credit	Cash	\$2,000
Debit	Professional Fees Revenue	\$2,000

2. Make the following Correcting Entry:

Incorrect Entry	Account	Amount
Debit	Cash	\$200
Credit	Professional Fees Revenue	\$200

CORRECTING ERRORS ON SAVED DOCUMENTS

Once a document has been saved, we can use one of three approaches to correct the error:

1. **Display** the document, correct the error, then save the document again.
2. **Void** the erroneous document, then create a new document. Voiding keeps a record of the document but changes the amounts to zero.
3. **Delete** the erroneous document, then create a new document. Deleting the document erases the document from the system.

Typically, options 1 or 2 are preferable because we have a better audit trail showing changes.

CH8 ADJ-2 PREPAID ITEM

Consider the following scenario – **December 31, 2022** Rock Castle Construction needs to make an adjusting Journal entry to record **\$148.83** of Liability Insurance that has expired during the month of December. Use Entry No. **ADJ2022.2**. Use the following accounts to make the adjusting entry:

- ✓ **13100 Prepaid Insurance**
- ✓ **62120 Liability Insurance Expense**

- Step 1.** **Save** the adjusting entry
- Step 2.** **Click** on the **Reports** tab
- Step 3.** **Click** on the **Transaction Journal**
- Step 4.** **Export** to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_08_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **CH8 ADJ-2**
- Step 7.** **Save and close** the Excel file

CH8 ADJ-3 UNEARNED REVENUE

Consider the following scenario – December 1, 2022 Rock Castle Construction received \$3,000 for unused storage space it leased to a subcontractor. The entire amount was recorded in the Checking account and as unearned rental revenue. The \$3,000 payment was for three months' rent, beginning December 1, 2022. To create the correct result for the scenario,

- Step 1.** Make the **deposit for \$3000** on **December 1, 2022**. To the checking account.
- Step 2.** Account: **2100 Unearned Credit**

So, an adjusting entry is needed to bring accounts up to date at **December 31, 2022** and record the amount of rent revenue that has been earned as of December 31. Use Entry No. **ADJ2022.3**. Use the following accounts to make the adjusting entry:

- ✓ **21000 Unearned Revenue**
- ✓ **40600 Rent Revenue**

- Step 1.** **Save** the adjusting entry
- Step 2.** **Click** on the **Reports** tab
- Step 3.** **Click** on the **Transaction Journal**
- Step 4.** **Export** to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_08_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **CH8 ADJ-3**
- Step 7.** **Save and close** the Excel file

CH8 ADJ-4 Accrued Expense

Consider the following scenario – Interest incurred but not yet paid by Rock Castle Constructions as of **December 31, 2022**, was \$3,000 total. Use Entry No. **ADJ2022.4**. Use the following accounts to make the adjusting entry:

- ✓ **20300 Interest Payable**
- ✓ **62420 Loan Interest (Expense)**

- Step 1.** **Save** the adjusting entry
- Step 2.** **Click** on the **Reports** tab
- Step 3.** **Click** on the **Transaction Journal**
- Step 4.** **Export** to **Excel**
- Step 5.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_08_REPORTS** Excel file.
- Step 6.** From the drop-down list, select the sheet: **CH8 ADJ-4**
- Step 7.** **Save and close** the Excel file

CH8 ADJ-5 Accrued Revenue

Consider the following scenario –Rock Castle Constructions has earned **\$400** as of **December 31, 2022**. This interest has been earned but not recorded or received. Interest of \$400 needs to be recorded as an accrued revenue and Interest Receivable, an asset, recorded for

the amount that Rock Castle Construction will receive in the future. Use Entry No. **ADJ2022.5**. Use the following accounts to make the adjusting entry:

✓ **11100 Interest Receivable**

✓ **70200 Interest Income**

Step 1. **Save** the adjusting entry

Step 2. **Click** on the **Reports** tab

Step 3. **Click** on the **Transaction Journal**

Step 4. **Export** to **Excel**

Step 5. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_08_REPORTS** Excel file.

Step 6. From the drop-down list, select the sheet: **CH8 ADJ-5**

Step 7. **Save and close** the Excel file

CH8 ADJ TB

Step 1. From the Report Center, select **Accountant & Taxes → Adjusted Trial Balance**

Step 2. Select Date: **This Month 12/01/2022** to **12/31/2022**

Step 3. **Export** to **Excel**

Step 4. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_08_REPORTS** Excel file.

Step 5. From the drop-down list, select the sheet: **CH8 ADJ TB**

Step 6. **Highlight** the adjusted trial balance account balances **that changed** as a result of adjustments.

Step 7. **Save and close** the Excel file

UNIT 08 PROJECT (ON-YOUR-OWN)

Follow the instructions in **Appendix A** (Backup & Restore QuickBooks Files) to restore the starter file for **u08a2 Larrys Landscaping**. This file is in your **UNIT 08** folder.

Step 1: **RESTORE** the **u08a2 Larrys Landscaping.QBB** file

Step 2: Make sure you **SAVE** to the **UNIT 08 FOLDER**

RENAME THE COMPANY

After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Larry's Landscaping. Your first activity is to personalize that name to meet your needs follow these instructions:

Step 1: From the Menu bar, select **Company**

Step 2: Select **MY COMPANY**

Step 3: Select **EDIT**

Step 4: Update the Company Name Field to:

YourName Larry's Landscaping

Step 5: **CLICK** on **OK**

Step 6: **Close** the My Company window.

NOTE: The process to **rename the company** is found in **Appendix B** and will be repeated throughout all the activities in the text.

P8 TB

- Step 1.** Export to **Excel** the **Trial Balance** report for Larry's Landscaping for This Fiscal Quarter
- Step 2.** Dates: **10/01/2023** to **12/31/2023**
- Step 3.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_08_REPORTS** Excel file.
- Step 4.** From the drop-down list, select the sheet: **P8 TB**
- Step 5.** **Save and close** the Excel file

ADJUSTING ENTRIES

Enter the following adjusting entries for Larry's Landscaping

Date	Entry Number	Account	Debit	Credit
12/31/2023	A 108	6700 Depreciation (Expense)	\$575.00	
		1520 Accumulated Depreciation – Truck		\$575.00

Date	Entry Number	Account	Debit	Credit
12/31/2023	A 109	6900 Insurance (Expense)	\$100.00	
		Prepaid Insurance		\$100.00

P8 ADJ JUR

- Step 1.** From the Report Center, select **Accountant & Taxes → Adjusting Journal Entries**
- Step 2.** Select Date: **This Month 12/01/2023 to 12/31/2023**
- Step 3.** **Export to Excel**
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_08_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **P8 ADJ JUR**
- Step 6.** **Highlight** the adjusted trial balance account balances **that changed** as a result of adjustments.
- Step 7.** **Save and close** the Excel file

P8 ADJ TB

- Step 1.** From the Report Center, select **Accountant & Taxes → Adjusted Trial Balance**
- Step 2.** Select Date: **This Month 12/01/2023 to 12/31/2023**
- Step 3.** **Export to Excel**
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_08_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **P8 ADJ TB**
- Step 6.** **Highlight** the adjusted trial balance account balances **that changed** as a result of adjustments.
- Step 7.** **Save and close** the Excel file

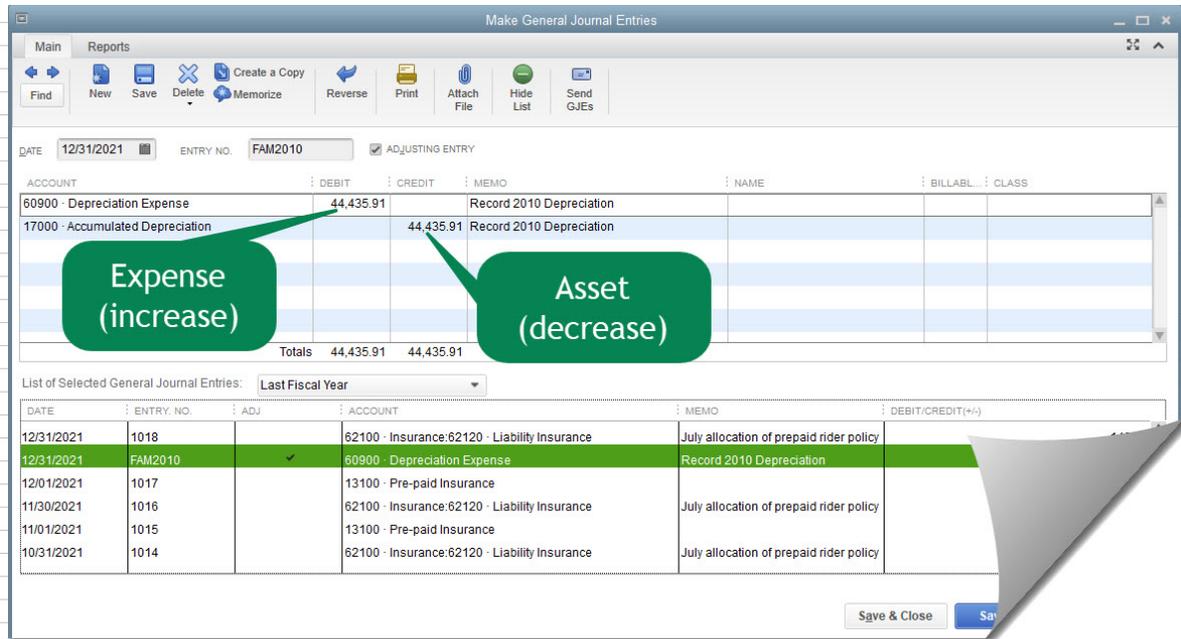
IMPORTANT ADJUSTMENT INFORMATION – FROM APPENDIX D

RECORDING DEBITS AND CREDITS

Five different types of accounts are listed below along with the effects that debits and credits have on them.

Account Type	Debit	Credit
Asset	Increase	Decrease
Liability	Decrease	Increase
Equity	Decrease	Increase
Revenues (Income)	Decrease	Increase
Expenses	Increase	Decrease

The following adjusted journal entry displays a depreciation expense record. Notice how the number of the depreciation expense are in the expense costs category (60900). The account number for the Accumulated Depreciation is in the asset category (17000).



ACCOUNT NUMBERS

Account numbers are used to uniquely identify accounts. Usually account numbers are used as a coding system to also identify the account type. For example, a typical numbering system for accounts might be as follows:

- 10000 - 19999 Assets
- 20000 - 29999 Liabilities
- 30000 - 39999 Equity
- 40000 - 49999 Income or Revenue
- 50000 - 59999 Job Costs/Cost of Goods Sold
- 60000 - 69999 Overhead Costs or Expenses
- 70000 - 79999 Other Income
- 80000 - 89999 Other Expense

The five digits provide some growing room when new accounts need to be sandwiched into the list in the right order. The five digits are used as follows:

- ✓ **First Digit**—the first digit is the high-level account type (asset, liability, etc.)
- ✓ **Second Digit**—the second two digits are used in account numbering
- ✓ **Last Two Digits**—the last two digits are used in subaccount numbering

You can still override the standard numbering system to any system you'd like or avoid account numbers altogether.

QUICKBOOKS REPORTS

UNIT 09 QUICKBOOKS REPORTS



STUDENT LESSON FILES

You will find the following files in your **Student files** for **UNIT 09**.

- U09a1 Rock Castle Construction
- U09a2 Larry's Landscaping
- UNIT_09_Reports

To complete the first lesson exercises, **RESTORE** the **u09a1 Rock Castle Construction** company file from the **UNIT 09** folder.

NOTE: The process to **restore a backup** is found in **Appendix A.01** and will be repeated throughout all the activities in the text.

RENAME THE COMPANY

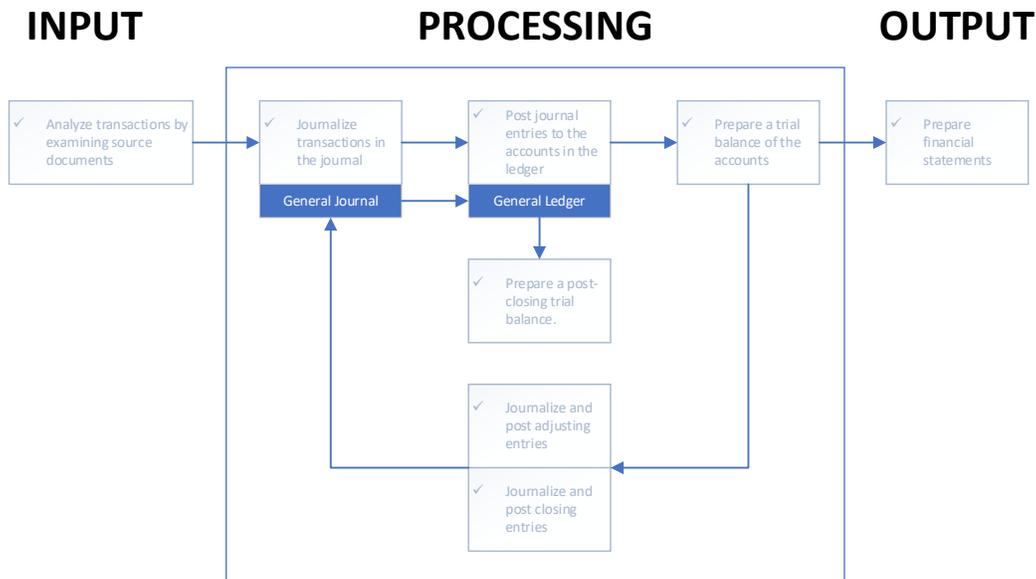
After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Rock Castle Construction. Your first activity is to personalize that name to meet your needs follow these instructions:

- Step 1.** From the Menu bar, select **Company**
- Step 2.** Select **MY COMPANY**
- Step 3.** Select **EDIT**
- Step 4.** Update the Company Name Field to: **YourName Rock Castle Construction**
- Step 5.** **CLICK** on **OK**
- Step 6.** **Close** the My Company window.

NOTE: The process to **rename the company** is found in **Appendix B** and will be repeated throughout all the activities in the text.

ACCOUNTING CYCLE

The accounting cycle is a series of accounting activities that a business performs each accounting period.



The accounting cycle usually consists of the following steps:

- ✓ **Chart of Accounts** – The Chart of Accounts is a list of all accounts used to accumulate information about assets, liabilities, owners' equity, revenues, and expenses. In QuickBooks, the Chart of Accounts is created when the company is created; overtime, the accounts are edited to meet the needs of the company.
- ✓ **Transactions.** During the accounting period, record transactions with customers, vendors, employees and owners.
- ✓ **Trial Balance.** A Trial Balance lists each account and the account balance at the end of the accounting period. Prepare a Trial Balance to verify that the accounting system is in balance – total debits should equal total credits. An unadjusted Trial Balance is a Trial Balance prepared before adjustments.
- ✓ **Adjustments.** At the end of the accounting period before preparing financial statements, make any adjustments necessary to bring the accounts up to date. Adjustments are entered in the Journal using debits and credits.
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- ✓ **Financial Statements.** Prepare financial statements for external users (Profit & Loss, Balance Sheet, and Statement of Cash Flows). Prepare income tax summary reports and management reports.

TRIAL BALANCE

A trial balance is a listing of the ledger accounts and their debit or credit balances to determine that debits equal credits in the recording process. The accounts appear in this order: assets, liabilities, stockholders' equity, dividends, revenues, and expenses. Within the asset's category, the most liquid (closest to becoming cash) asset appears first and the least liquid appears last. Within the liabilities, those liabilities with the shortest maturities appear first.

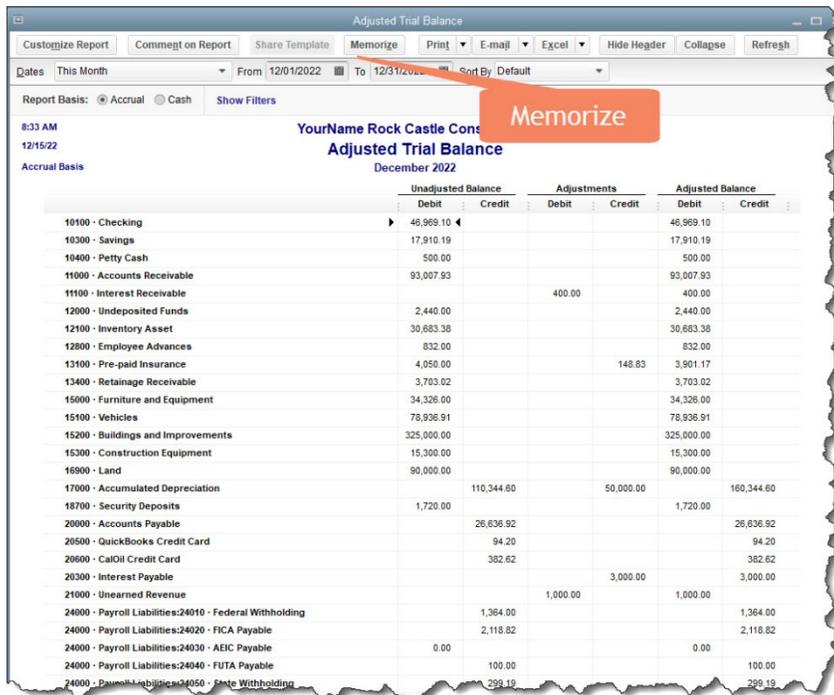
Preparing journal entries in a computerized system is different than in a manual system. The computer normally asks for the number of the account to be debited. After you type the account number, the computer shows the account title in its proper position. The cursor then moves to the debit column and waits for you to enter the amount of the debit. Then it asks if there are more debits. If not, the computer prompts you for the account number of the credit. After you type the account number, the computer supplies the account name of the credit and enters the same amount debited as the credit. When there is more than one credit, you can override the amount and enter the correct amount. Then you would enter the other credit in the same way. If your debits and credits are not equal, the computer warns you and makes you correct the error. You can supply an explanation for the entry from a standard list or type it in. As you enter the journal entries, the computer automatically posts them to the ledger accounts. At any time, you can have the computer print a trial balance.

MEMORIZED REPORTS

- Step 1.** From the Report Center, select **Accountant & Taxes → Adjusted Trial Balance**
- Step 2.** Select Dates: **This Month.** Because your company has entries for December 2022, it should automatically revert to **12/01/2022** to **12/31/2022**
- Step 3.** Notice the **Unadjusted (Trial) Balance columns contain account balances** before adjusting entries.
- Step 4.** Notice the **Adjustments columns contain the amounts for adjusting entrees** at December 31, 2022

CH9 ADJ TB

- Step 5.** Export to **Excel**
 - Step 6.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file.
 - Step 7.** From the drop-down list, select the sheet: **CH9 ADJ TB**
 - Step 8.** **Save and close** the Excel file.
- Leave the QuickBooks the **Adjusted Trial Balance report open** on your screen
- Step 9.** To memorize the Adjusted Trial Balance open on your screen, select the **Memorize** button



- Step 10.** In the Name Field enter **Rock Castle Construction Adjusted Trial Balance**
- Step 11.** Select Save in Memorized Report Group: **Accountant**
- Step 12.** Click **OK**
- Step 13.** **Close** the Adjusted Trial Balance window

USE A MEMORIZED REPORT

- Step 1.** You can access the **Memorized** reports from either the **report center** or the **report list**. Depending on the type of method you choose, select the memorized report you just created.
- Step 2.** Select **Accountant** on the left of the Report Center window or on the right of the report list.
- Step 3.** When the Memorized List window appears, **double-click Rock Castle Construction Adjusted Trial Balance** to display the Adjusted Trial Balance

Step 4. At this point, you can make any changes as needed, such as the date. In this case, select **Cancel** since we have already exported the report.



PROFIT AND LOSS

QuickBooks permits you to prepare the Profit and Loss Statement using either accrual or the cash basis. The program also permits you to prepare Profit and Loss Statements monthly, quarterly, or annually.

CH9 PL STD

- Step 1.** From one of the report options, select **Company & Financial → Profit and Loss Standard**
- Step 2.** Select Dates: **This Fiscal Year**. The dates should appear as 01/01/2022 To 12/31/2022.
- Step 3.** Click the **Customize Report** option.
- Step 4.** Click the **Display** tab
- Step 5.** Select Report Basis: **Accrual**
- Step 6.** In the Columns by option, select Display columns by **Quarter** across the top.
- Step 7.** Click **OK**
- Step 8.** Export to **Excel**
- Step 9.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file.
- Step 10.** From the drop-down list, select the sheet: **CH9 PL STD**
- Step 11.** **Highlight** the highest total for **40130 Labor Income**
- Step 12.** **Save and close** the Excel file.

CH9 BAL STD

- Step 1.** From one of the report options, select **Company & Financial → Balance Sheet Standard**
- Step 2.** Select Dates: **This Fiscal Year**. The dates should appear as 01/01/2022 To 12/31/2022.

- Step 3.** Click the **Customize Report** option.
- Step 4.** Click the **Display** tab
- Step 5.** Select Report Basis: **Accrual**
- Step 6.** In the Columns by option, select Display columns by **Quarter** across the top.
- Step 7.** Click **OK**
- Step 8.** Export to **Excel**
- Step 9.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file.
- Step 10.** From the drop-down list, select the sheet: **CH9 BAL STD**
- Step 11.** **Highlight** the negative balances in the balance sheet
- Step 12.** **Save and close** the Excel file.

STATEMENT OF CASH FLOWS

The **statement of cash flows** shows the cash inflows and outflows for a company over a specific period. The headings and elements of each statement are similar from company to company. The cash inflows and cash outflows from operating, investing, and financing activities are displayed on the Statement of Cash Flows Report. Operating activities generally include the cash effects of transactions and other events that pass in the determination of net income.

CH9 SCF

- Step 1.** From one of the report options, select **Company & Financial → Statement of Cash Flows**
- Step 2.** Select Dates: **This Fiscal Year**. The dates should appear as 01/01/2022 To 12/31/2022.
- Step 3.** Click the **Customize Report** option.
- Step 4.** Click the **Display** tab
- Step 5.** Click the **Advanced** option
 - a. Display Rows: **Active**
 - b. Display Columns: **Non-zero**
 - c. Reporting Calendar: **Fiscal Year**
- Step 6.** Click **OK**
- Step 7.** Export to **Excel**
- Step 8.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file.
- Step 9.** From the drop-down list, select the sheet: **CH9 SCF**
- Step 10.** **Save and close** the Excel file.

TAX REPORTS

When you use the QuickBooks accounting software, you can set up a list of accounts into different categories such as liabilities, assets, expenses and income. When you want to review information about a line item in the program, you need to set up an individual account for that line item. The same holds true if you want to report financial information on a tax return — you need to create a specific account to report and collect the data.

ADDING AN EXPENSE ACCOUNT TO A TAX LINE

Go to the "Tax-Line Mapping" screen or menu in QuickBooks and select the tax form you want to use. You will find a drop-down menu where you can select the tax line that corresponds with

the expense account data. After selecting the tax line, use the drop-down menu to assign the new expense account that you created or one that you previously established.

EXISTING ACCOUNTS

To assign an existing expense account to a tax line in QuickBooks, open the “Chart of Accounts” menu and highlight the appropriate expense account. Right-click over the name of the account with your mouse and select “Edit Account.” Then choose the option to adjust the “Tax-Line Mapping” information from the menu that appears. Use the following drop-down menus to choose the appropriate tax form and tax line.

YOUR ACCOUNTANT

If your accountant has access to the data you record in QuickBooks, it may be best to have this individual assign the expense accounts to tax lines. Some accountants prefer to do this task themselves because it helps ensure bookkeeping accuracy and consistency. To prevent the need to backtrack through potentially incorrect data in the future, consult with your accountant before adjusting your expense accounts and their tax lines.

Once the Chart of Accounts has been updated to include the important tax line mapping, QuickBooks has three different reports that are available:

1. **Income Tax Preparation report.** Lists the assigned tax line for each account.
2. **Income Tax Summary report.** Summarizes income and expenses that should be listed on a business income tax return.
3. **Income Tax Detail report.** Provides more detailed information about the income or expense amount appearing on each tax line of the Income Tax Summary report.

CH9 INC TAX

- Step 1.** From one of the report options, select **Accountant & Taxes → Income Tax Preparation**
- Step 2.** Select Dates: **This Tax Year.** The dates should appear as 01/01/2022 To 12/31/2022.
- Step 3.** Click the **Customize Report** option.
- Step 4.** Click the **Display** tab
- Step 5.** Select Report Basis: **Accrual**
- Step 6.** Click **OK**
- Step 7.** Export to **Excel**
- Step 8.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file.
- Step 9.** From the drop-down list, select the sheet: **CH9 INC TAX**
- Step 10.** **Highlight** the account(s) assigned to B/S Assets: Land
- Step 11.** **Save and close** the Excel file.

CHANGE THE TAX LINE

- Step 1.** From the Home Page, select **Chart of Accounts**
- Step 2.** From the chart of Accounts window, right-click on the account: **63100 Postage**
- Step 3.** Select **Edit Account**
- Step 4.** When the Edit Account window appears, change the Tax-Line Mapping from Unassigned to: **Other Deductions: Postage & Delivery**
- Step 5.** To save the changes, click **Save and Close**
- Step 6.** **Close** the Chart of Accounts window.

CHANGE THE FOLLOWING TAX LINES

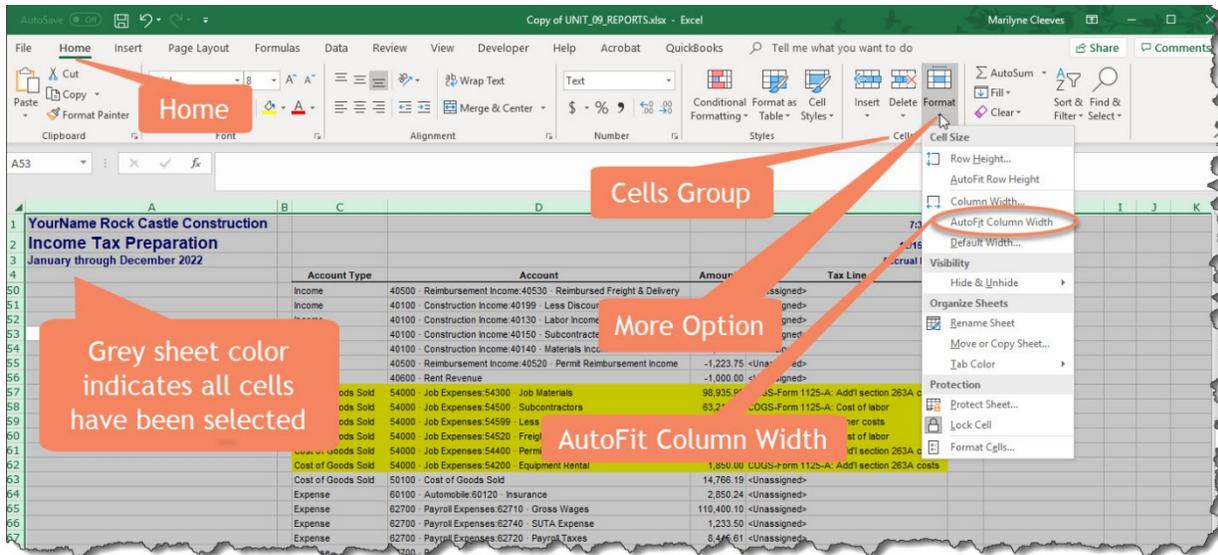
Account to Edit	New Tax Line
54000 Job Expenses	COGS-Form 1125-A: Add'l 263A Costs
54100 Bond Expense	COGS-Form 1125-A: Add'l 263A Costs
54200 Equipment Rental	COGS-Form 1125-A: Add'l 263A Costs
54300 Job Materials	COGS-Form 1125-A: Add'l 263A Costs
54400 Permits and Licenses	COGS-Form 1125-A: Add'l 263A Costs
54500 Subcontractors	COGS-Form 1125-A: Cost of Labor
54520 Freight and Delivery	COGS-Form 1125-A: Cost of Labor
54599 Less Discounts Taken	COGS-Form 1125-A: Other Costs

CH9 INC TAX-2

- Step 1.** From one of the report options, select **Accountant & Taxes → Income Tax Preparation**
- Step 2.** Select Dates: **This Tax Year**. The dates should appear as 01/01/2022 To 12/31/2022.
- Step 3.** Click the **Customize Report** option.
- Step 4.** Click the **Display** tab
- Step 5.** Select Report Basis: **Accrual**
- Step 6.** Click **OK**
- Step 7.** Export to **Excel**
- Step 8.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file.
- Step 9.** From the drop-down list, select the sheet: **CH9 INC TAX-2**

If you are not familiar with MS Excel, there are a few easy steps that should be followed to view your exports for accounts:

- Step 10.** With your Excel worksheet in view, hold down your CTRL key and Hit the letter A (**CTRL+A**). This keystroke combination selects the entire worksheet.
- Step 11.** Be careful not to select any of the individual cell in the worksheet and click on the **Home** ribbon band. In the cells group, Click on the **more** option for **Format**
- Step 12.** Select **AutoFit Column Width**



- Step 13.** Highlight the changed tax lines you have added
- Step 14.** Save and close the Excel file.

INCOME TAX SUMMARY REPORT

After the Tax Line for each account is correct, the company is ready to print an Income Tax Summary report. The Income Tax Summary report lists sales and expenses that should appear on the business federal tax return filed with the IRS.

When beginning a business, you must decide what form of business entity to establish. Your form of business determines which income tax return form you have to file. The best course of action is to consult with a certified tax professional before you choose what tax forms to use.

The most common forms of business are the sole proprietorship, partnership, corporation, and S corporation. A Limited Liability Company (LLC) is a business structure allowed by state statute. Legal and tax considerations enter into selecting a business structure.

- Sole Proprietorships
- Partnerships
- Corporations
- S Corporations
- Limited Liability Company (LLC)

SOLE PROPRIETORSHIP

A sole proprietorship is easy to form and gives you complete control of your business. You're automatically considered to be a sole proprietorship if you do business activities but don't register as any other kind of business.

Sole proprietorships do not produce a separate business entity. This means your business assets and liabilities are not separate from your personal assets and liabilities. You can be held personally liable for the debts and obligations of the business. Sole proprietors are still able to get a trade name. It can also be hard to raise money because you can't sell stock, and banks are hesitant to lend to sole proprietorships.

Sole proprietorships can be a good choice for low-risk businesses and owners who want to test their business idea before forming a more formal business.

PARTNERSHIP

Partnerships are the simplest structure for two or more people to own a business together. There are two common kinds of partnerships: limited partnerships (LP) and limited liability partnerships (LLP).

Limited partnerships have only one general partner with unlimited liability, and all other partners have limited liability. The partners with limited liability also tend to have limited control over the company, which is documented in a partnership agreement. Profits are passed through to personal tax returns, and the general partner — the partner without limited liability — must also pay self-employment taxes.

Limited liability partnerships are similar to limited partnerships but give limited liability to every owner. An LLP protects each partner from debts against the partnership, they won't be responsible for the actions of other partners.

Partnerships can be a good choice for businesses with multiple owners, professional groups (like attorneys), and groups who want to test their business idea before forming a more formal business.

LIMITED LIABILITY COMPANY (LLC)

An LLC lets you take advantage of the benefits of both the corporation and partnership business structures.

LLCs protect you from personal liability in most instances, your personal assets — like your vehicle, house, and savings accounts — won't be at risk in case your LLC faces bankruptcy or lawsuits.

CORPORATION

In general, a corporation has all the legal rights of an individual, except for the right to vote and certain other limitations. Corporations are given the right to exist by the state that issues their charter. If you incorporate in one state to take advantage of liberal corporate laws but do business in another state, you'll have to file for "qualification" in the state in which you wish to operate the business. There's usually a fee that must be paid to qualify to do business in a state.

In forming a corporation, prospective shareholders exchange money, property, or both, for the corporation's capital stock. A corporation generally takes the same deductions as a sole proprietorship to figure its taxable income. A corporation can also take special deductions. For federal income tax purposes, a C corporation is recognized as a separate taxpaying entity. A corporation conducts business, realizes net income or loss, pays taxes and distributes profits to shareholders.

CH9 TAX SUM

- Step 1.** From one of the report options, select **Accountant & Taxes → Income Tax Summary Report**
- Step 2.** Select Dates: **This Tax Year**. The dates should appear as 01/01/2022 To 12/31/2022.
- Step 3.** Click the **Customize Report** option.
- Step 4.** Click the **Display** tab
- Step 5.** Select Report Basis: **Accrual**
- Step 6.** Click **OK**
- Step 7.** Export to **Excel**. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file. From the drop-down list, select the sheet: **CH9 TAX SUM**
- Step 8.** **Highlight** – The areas of this report that changed because of the changes you made to the tax line. **Save and Close** the Excel file.

CH9 TAX DET

If you need to view a detail for the line items shown on the Income Tax Summary Report, the Income Tax Detail report is used.

- Step 1.** From one of the report options, select **Accountant & Taxes → Tax Detail Report**
- Step 2.** Select Dates: **This Tax Year**. The dates should appear as 01/01/2022 To 12/31/2022.
- Step 3.** Click the **Customize Report** option.
- Step 4.** Click the **Display** tab
- Step 5.** Select Report Basis: **Accrual**
- Step 6.** Click **OK**
- Step 7.** Export to **Excel**. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file. From the drop-down list, select the sheet: **CH9 TAX DET**
- Step 8.** **Highlight** – The **Total Add'l section 263A costs**. **Save and Close** the Excel file.

MANAGEMENT REPORTS

Reports used by management do not have to follow a specified set of rules such as the Internal Revenue Code. Instead, management reports are prepared as needed to provide management with information for making operating and business decisions.

Management reports include the following:

- Cash Flow Forecast
- Accounts Receivable Aging (Unit 04)
- Accounts Payable Aging (Unit 05)
- Inventory Report (Unit 06)
- Budgets

CASH FLOW FORECAST

The cash flow forecast enables companies to project whether they will have enough cash to pay bills when they are due. If it appears that additional cash may be needed, the company may arrange for a loan or line of credit to pay bills. The Cash Flow Forecast report lists projected cash flows and cash outflows.

CH9 CASH FLOW

- Step 1.** From one of the report options, select **Company & Financial → Cash Flow Forecast**

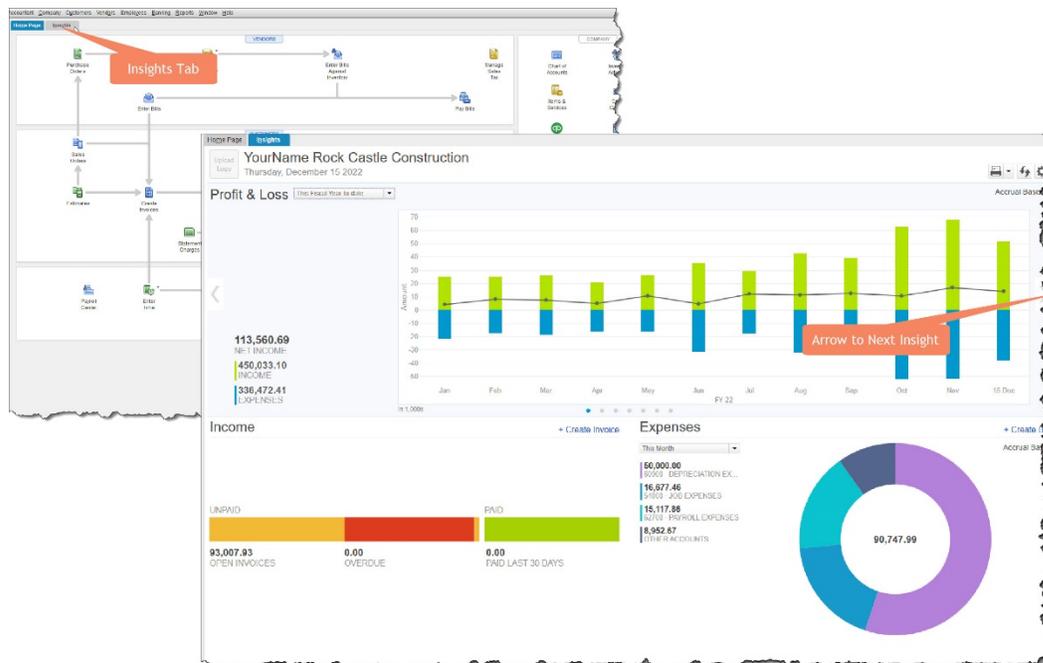
- Step 2.** Select Dates: **Next 4 Weeks**. The dates should appear as 12/11/2022 To 01/07/2023.
- Step 3.** Export to **Excel**. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file.
- Step 4.** From the drop-down list, select the sheet: **CH9 CASH FLOW**

FINANCIAL INSIGHTS

The accounting cycle addresses the logistics of making certain the accounting system balances with the trial Balance, making necessary adjustments to bring accounts up to date, and preparing financial reports. Entrepreneurs often need more than this from financial software. QuickBooks offers an Insights digital dashboard to assist entrepreneurs in this endeavor.

Follow these instructions to view the Insights for Rock Castle Construction:

- Step 1.** From the Home Page, select: **Insights**
- Step 2.** Select the **arrow** to the right of the screen to advance to the **next insight**



- Step 3.** Notice in the yearly comparison how Rock Castle's income has increased in 2022
- Step 4.** Select the right arrow again to advance to the next insight.
- Step 5.** This insight shows the top customers by sales.
- Step 6.** **Write down the top Customer's** name _____ here. You will be asked to enter the name in the Quiz for this Unit.

CH9 PL VERT

- Step 1.** From one of the report options, select **Company & Financial** → **Profit & Loss Standard**
- Step 2.** Select Dates: **This Fiscal Year**. The dates should appear as 01/01/2022 To 12/31/2022.
- Step 3.** Click the **Customize Report** button
- Step 4.** Use the **Display** tab

- Step 5.** Report Basis: **Accrual**
- Step 6.** Columns: **Total Only**
- Step 7.** Sort by: **Default Ascending Order**
- Step 8.** Add sub columns for: **% of Income**
- Step 9.** Click **OK**
- Step 10.** Export to **Excel**. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file.
- Step 11.** From the drop-down list, select the sheet: **CH9 PL VERT**
- Step 12.** **Highlight – The single largest expense as a percentage of income**
- Step 13.** **Highlight – The profit margin (net income as a percentage of sales)**
- Step 14.** **Save and Close** the Excel file

CH9 BS VERT

- Step 1.** From one of the report options, select **Company & Financial → Balance Sheet Standard**
- Step 2.** Select Dates: **This Fiscal Year**. The dates should appear as of 12/31/2022
- Step 3.** Click the **Customize Report** button
- Step 4.** Use the **Display** tab
- Step 5.** Report Basis: **Accrual**
- Step 6.** Columns: **Total Only**
- Step 7.** Sort by: **Default Ascending Order**
- Step 8.** Add sub columns for: **% of Column**
- Step 9.** Click **OK**
- Step 10.** Export to **Excel**. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file.
- Step 11.** From the drop-down list, select the sheet: **CH9 BS VERT**
- Step 12.** **Highlight – The asset that represents the largest percentage of total assets**
- Step 13.** **Highlight – The percentage of assets financed with debt. (HINT: What is the percentage of total liabilities?)**
- Step 14.** **Save and Close** the Excel file

CH9 GL

- Step 1.** From one of the report options, select **Accountant & Taxes → General Ledger**
- Step 2.** Select Dates: **12/15/2022** to **12/31/2022**
- Step 3.** Click the **Customize Report** button
- Step 4.** Use the **Display → Advanced**
- Step 5.** Include: **In Use**
- Step 6.** Open Balance/Aging: **Report Date**
- Step 7.** Click **OK**
- Step 8.** Click the **Filters tab → Account → All Assets**
- Step 9.** Include split detail? **No**
- Step 10.** Click **OK**
- Step 11.** Export to **Excel**
- Step 12.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file.
- Step 1.** From the drop-down list, select the sheet: **CH9 GL**
- Step 2.** **Highlight – The account on your General Ledger report where you think the accountant found the missing cash last year.**

BACKUP YOUR COMPANY FILE

Use the instructions in **Appendix A** to back up your company file. Make sure your backup file is saved in the designated folder of this unit (**UNIT 09 BACKUPS**).

UNIT 09 PROJECT (ON-YOUR-OWN)

Follow the instructions in **Appendix A** (Backup & Restore QuickBooks Files) to restore the starter file for **u09a2 Larrys Landscaping**. This file is in your **UNIT 09** folder.

- Step 1:** **RESTORE** the **u09a2 Larrys Landscaping.QBB** file
- Step 2:** Make sure you **SAVE** to the **UNIT 09 FOLDER**

RENAME THE COMPANY

After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Larry's Landscaping. Your first activity is to personalize that name to meet your needs follow these instructions:

- Step 1:** From the Menu bar, select **Company**
- Step 2:** Select **MY COMPANY**
- Step 3:** Select **EDIT**
- Step 4:** Update the Company Name Field to: **YourName Larry's Landscaping**
- Step 5:** **CLICK on OK**
- Step 6:** **Close** the My Company window.

DISPLAY THE ACCOUNT NUMBERS

- Step 1.** **Edit → Preferences → Accounting → Company Preferences → Use Account numbers**

P9 PL

- Step 1.** From one of the report options, select **Company & Financial → Profit & Loss Standard**
- Step 2.** Select Dates: **01/01/2023** to **12/31/2023**
- Step 3.** Export to **Excel**. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file.
- Step 4.** From the drop-down list, select the sheet: **P9 PL**
- Step 5.** **Highlight** – The item that generates the most income (revenue) for Larry's Landscaping.
- Step 6.** **Save and Close** the Excel file

P9 PL VERT

- Step 1.** From one of the report options, select **Company & Financial → Profit & Loss Standard**
- Step 2.** Select Dates: **01/01/2023** to **12/31/2023**
- Step 3.** **Customize the report** to show a vertical analysis of each item as **a percentage of income**.
- Step 4.** Export to **Excel**. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **P9 PL VERT**
- Step 6.** **Highlight** – The single largest expense as a percentage of income
- Step 7.** **Highlight** – The profit margin (net income as a percentage of sales)
- Step 8.** **Save and Close** the Excel file

P9 BS

- Step 1.** From one of the report options, select **Company & Financial → Balance Sheet Standard**
- Step 2.** As of: **12/31/2023**
- Step 3.** Export to **Excel**. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file.
- Step 4.** From the drop-down list, select the sheet: **P9 BS**
- Step 5.** **Save and Close** the Excel file

P9 BS VERT

- Step 1.** From one of the report options, select **Company & Financial → Balance Sheet Standard**
- Step 2.** As of: **12/31/2023**
- Step 3.** **Customize the report** to show a vertical analysis of each item as **a percentage of total assets**.
- Step 4.** Export to **Excel**. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **P9 BS VERT**
- Step 6.** **Highlight** – The asset that represents the largest percentage of total assets.
- Step 7.** **Highlight** – The percentage of assets financed with debt. (HINT: What is the percentage of total liabilities?)
- Step 8.** **Save and Close** the Excel file

P9 SCF

- Step 1.** Open the **Statement of Cash Flows**
- Step 2.** Dates: **01/01/2023** to **12/31/2023**
- Step 3.** Export to **Excel**. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file.
- Step 4.** From the drop-down list, select the sheet: **P9 SCF**
- Step 5.** **Save and Close** the Excel file

P9 AR AGING

- Step 1.** Open the **Accounts Receivable (A/R) Aging Summary**
- Step 2.** As of: **12/31/2023**
- Step 3.** Export to **Excel**. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file.
- Step 4.** From the drop-down list, select the sheet: **P9 AR AGING**
- Step 5.** **Save and Close** the Excel file

P9 AP AGING

- Step 1.** Open the **Accounts Payable (A/P) Aging Summary**
- Step 2.** As of: **12/31/2023**
- Step 3.** Export to **Excel**. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_09_REPORTS** Excel file.
- Step 4.** From the drop-down list, select the sheet: **P9 AP AGING**
- Step 5.** **Save and Close** the Excel file

BACKUP YOUR COMPANY FILE

Use the instructions in **Appendix A** to back up your company file. Make sure your backup file is saved in the designated folder of this unit (**UNIT 09 BACKUPS**).

NEW COMPANY SETUP

UNIT 10 NEW SERVICE-BASED BUSINESS



To create a new company data file in QuickBooks, use the EasyStep Interview. The EasyStep Interview asks you a series of questions about your business. Then QuickBooks uses the information to customize QuickBooks to fit your business needs.

Four options for how to set up a new company are:

- **Express Start:** Recommended for new QuickBooks users, this option will ask you a few basic questions and do the rest for you.
- **Detailed Start:** This option lets you control the setup and fine-tune the company file to meet your specific needs.
- **Create:** This choice permits you to create quickly a new company file by copying the preferences and key lists from an existing company.
- **Other Options:** This option lets you convert data from Quicken or other accounting software to create a new QuickBooks company file.

EASY STEP INTERVIEW

Create a new QuickBooks company using the EasyStep Interview as follows:

- Step 1.** Select **Create a new company**
- Step 2.** When the QuickBooks Setup window appears, select **Detailed Start**
- Step 3.** When your Company Information window appears, enter
- Step 4.** Company Name: **YourName Paint Palette**. Press the **Tab** key, and QuickBooks will automatically enter the company name in the Legal name field. Since the company will do business under its legal name, the Company name and Legal name fields are the same.
- Step 5.** Enter the company information.

Tax ID	333-22-4444
Address	333 Universe Boulevard
City	Bayshore
State	CA
Zip	94326
Phone	800-555-1358
Email	<Enter your email address>

- Step 6.** Select **Next**
- Step 7.** In the Select Your Industry window, select **General Service-based Business**
- Step 8.** Select **Next**
- Step 9.** When the How Is Your Company Organized? window appears, select **Sole Proprietorship**.

How your business entity is organized (Sole Proprietorship, Partnership, Limited Liability Partnership (LLP), Limited Liability Company (LLC), C Corporation, S Corporation, or Non-Profit) determines which tax form and tax lines you use.

- Step 10.** Select **Next**
- Step 11.** Select the first month of your fiscal year: **January**
- Step 12.** Select **Next**
- Step 13.** In the Set Up Your Administrator Password window:
- Step 14.** Enter your administrator **password (Cuesta123)**
- Step 15.** Retype the **password**
- Step 16.** Select **Next**.
- Step 17.** When the Create Your Company File window appears, click **Next** to choose a file name and location to save your company file.
- Step 18.** When the File name for New Company window appears, select save in the folder created for **UNIT 10**
- Step 19.** Enter File name: **Your Name Paint Palette**
- Step 20.** Click **Save**

CUSTOMIZE THE QUICKBOOKS COMPANY

The My Shortcuts window should appear on the left side of your QuickBooks company screen. The next section of the Easy-Step Interview is to customize QuickBooks by turning on features to fit your business needs

- Step 1.** When the What Do You Sell? window appears:
 - a. Select **Services only**
 - b. Click **Next**
- Step 2.** When asked "Do you charge sales tax?"
 - a. Select **No**
 - b. Click **Next**
- Step 3.** When asked "Do you want to create estimates in QuickBooks?"
 - a. Select **Yes**
 - b. Click **Next**
- Step 4.** When the Using Statements in QuickBooks window appears:
 - a. "Do you want to use billing statements in QuickBooks?" Select **Yes**
 - b. Click **Next**
- Step 5.** When the Using Progress Invoicing window appears:
 - a. "Do you want to use progress invoicing?" Select **No**
 - b. Click **Next**
- Step 6.** When the Managing Bills You Owe window appears:
 - a. "Do you want to keep track of bills you owe?" Select **Yes**
 - b. Click **Next**
- Step 7.** When the Tracking Time in QuickBooks window appears :
 - a. "Do you want to track time in QuickBooks?" Select **Yes**
 - b. Click **Next**

- Step 8.** When the Do You Have Employees? window appears:
 - a. Select **No**
 - b. Click **Next**
- Step 9.** Read the Using Accounts in QuickBooks window . Click **Next**.
- Step 10.** When the Select a Date to Start Tracking Your Finances window appears:
 - a. Select Use today 's date or the first day of the quarter or month
 - b. Enter Date **01/01/2023**
 - c. Click **Next**
- Step 11.** When the Review Income and Expense Accounts window appears, click **Next**
- Step 12.** When the Congratulations! window appears, click **Go to Setup**

QUICKBOOKS COMPANY SETUP

After the EasyStep Interview is finished, you can start using the QuickBooks company file or you can finish the company setup using the following QuickBooks Setup window. Complete the following steps to customize your QuickBooks Company file:

- Step 1.** In the Add the People You Do Business With section of the QuickBooks Setup window, click the **Add** button
- Step 2.** You have several options for how to add information about people you do business with as shown in the following Add the People You Do Business With window. Select **Paste from Excel or enter manually**.
- Step 3.** Select **Continue**
- Step 4.** When the Select Who to Add window appears, enter the following information about your first customer, Sofia Rafael.

Name	Rafael, Sofia
First Name	Sofia
Last Name	Rafael
Email	sofiarafael@www.com
Phone	415-555-5432
Address	32 North Avenue
City, State, Zip	Bayshore, CA 94326
Contact Name	Sofia Rafael

- Step 5.** Select **Customer** radio button for Sofia Rafael

ADD VENDOR

Move to the next line and enter the following information about Brewer Paint Supplies

Name	Brewer Paint Supplies
Company Name	Brewer Paint Supplies
Email	brewerpaint@www.com

Phone	415-555-6372
Address	18 Spring Street
City, State, Zip	Bayshore, CA 94326
Contact Name	Mark Brewer

- Step 1.** Select **Vendor** radio button for Brewer Paint Supplies
- Step 2.** Click **Continue**
- Step 3.** If you had opening balances, you could enter those now. Instead, click **Continue**

ADD THE PRODUCTS AND SERVICES YOU SELL

The products and services you sell are entered into the Item List. As you know from Unit 06, the Item List contains information about service items, inventory items, and non-inventory items. Paint Palette plans to sell four different service items to customers:

1. Labor: mural painting
2. Labor: faux painting
3. Labor: interior painting
4. Labor: exterior painting

In the products and services, you sell section of the QuickBooks Setup window, follow these steps:

- Step 1.** Select the **Add** button
- Step 2.** Select Item type **Service**
- Step 3.** Select **Continue**
- Step 4.** Enter the following information about the new service item:

Name:	Labor
Description:	Painting Labor
Price:	0.00

- Step 5.** Click **Continue**
- Step 6.** Click **Continue** again to return to the QuickBooks Setup window.

ADD BANK ACCOUNTS

Bank accounts in QuickBooks are used to track your company's deposits, payments, and current bank balances. A QuickBooks company file can have more than one bank account. For example, some companies use one bank account for payroll and another bank account for all other banking items.

To add a bank account for Paint Palette, follow these steps:

- Step 1.** In the Add Your Bank Accounts section of the QuickBooks Setup window, click the **Add**

Step 2. Enter the following information about Paint Palette's bank account:

Account Name	Checking
Account Number	123456789
Opening Balance	0.00
Opening Balance Date	01/01/2023

Step 3. Click **Continue**

Step 4. When asked if you want to order checks designed for QuickBooks, select **No Thanks**

Step 5. Click **Continue** to return to the QuickBooks Setup window

Step 6. Select **Start Working** at the bottom of the QuickBooks Setup window

Step 7. When the New Feature Tour window appears, explore the new features including the **Invoice Status Tracker** and **Check to Pay Bills**

Step 8. **Close** the New Feature Tour window

ADD A JOB

Before exporting the Customer List, let's add a new job for Sofia Rafael.

Step 1. To add a new job, first display the Customer Center by selecting **Customers** on the Navigation Bar

Step 2. Select Sofia Rafael in the Customers & Jobs List, then **right-click** to display the pop-up menu. Select **Add Job**.

Step 3. Enter the following information into the New Job window:

Job Name	Dining Room
Opening Balance:	0.00
As of:	01/01/2023
Job Description:	Dining Room Landscape Mural
Job Type: <Add New>	Mural
Job Status:	Awarded
Start Date:	01/03/2023

Step 4. Click **OK** to save

CH10 CUS

Step 1. From the Customer & Receivables Reports, **Export the Customer Contact List to Excel**

Step 2. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.

Step 3. From the drop-down list, select the sheet: **CH10 CUS**

Step 4. **Save and close** the Excel file.

CH10 VEN

Step 1. From the Vendors & Payables Reports, **Export the Vendor Contact List to Excel**

- Step 2.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 3.** From the drop-down list, select the sheet: **CH10 VEN**
- Step 4.** **Save and close** the Excel file.

CH10 ITM

- Step 1.** From the Lists Reports, **Select the Item Listing**
- Step 2.** Select Date: 01/01/2023
- Step 3.** Export **to Excel**
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **CH10 ITM**
- Step 6.** **Save and close** the Excel file.

FEATURES

Notice that the Home Page for Paint Palette differs from the Home Page for Rock Castle Construction in the following ways:

1. The Vendors section of the Home Page for Paint Palette does not include Purchase Orders, Receive Inventory, and Enter Bills Against Inventory icons. During the company setup, you indicated that Paint Palette was a service company. Since you will not be selling a product, you will not be tracking inventory for resale.
2. Also notice that the Employees section does not include the Pay Employees, Pay Liabilities, and Process Payroll Forms icons. During the company setup, you indicated that there were no employees, so these icons are not needed for Paint Palette.

VERIFY COMPANY INFORMATION

To enter additional company information:

- Step 1.** Select **My Company** on the Navigation Bar
- Step 2.** Select **Edit**
- Step 3.** Verify the Company Name: **YourName Paint Palette**
- Step 4.** Click **OK**
- Step 5.** Verify the Income Tax Form: Form **1040 (Sole Proprietor)**
- Step 6.** **Close** the Company window

CUSTOMIZE PREFERENCES

Customize your QuickBooks Preferences:

- Step 1.** Select **Edit → Preferences → General → My Preferences**
- Step 2.** Select Default Date to Use for New Transactions: **Use the last entered date as default**
- Step 3.** Select **Desktop View → My Preferences → Show Home Page when opening a company file**

Step 4. To customize the appearance of your QuickBooks, select **Company File Color Scheme**

Step 5. Click **OK** to close the preferences window

CUSTOMIZE CHART OF ACCOUNTS

The Chart of Accounts is a list of all the accounts Paint Palette will use when maintaining its accounting records. The Chart of Accounts is like a table of contents for accounting records.

In the Easy-Step Interview, when you selected General Service-based Business as the type of industry, QuickBooks automatically created a Chart of Accounts for Paint Palette. Then QuickBooks permits you to customize the Chart of Accounts to fit your accounting needs.

- Step 1.** Click **Chart of Accounts** icon in the Company section of the Home Page
- Step 2.** Notice that the Chart of Accounts does not list the account numbers
- Step 3.** Select **Edit → Preferences → Accounting**
- Step 4.** Select the **Company Preferences** tab
- Step 5.** Select **Use account numbers**
- Step 6.** Uncheck **Warn if transactions are 30 day(s) in the future**
- Step 7.** Click **OK**
- Step 8.** Your Chart of Accounts should now display account numbers preceding the account titles.

ADD NEW ACCOUNTS

Paint Palette will be purchasing a new computer. To account for the computer, you will need to add the following three accounts to the Chart of Accounts:

- ✓ Account **Computer**
- ✓ Subaccount **Computer Cost**
- ✓ Subaccount **Accumulated Depreciation Computer**

The Computer Cost subaccount contains the original cost of the computer. The Accumulated Depreciation subaccount for the computer accumulates all depreciation recorded for the computer over its useful life. The parent account, Computer, will show the net book value of the computer (cost minus accumulated depreciation).

- Step 1.** From the company section of the Home page, Click **Chart of Accounts**
- Step 2.** Click **Account → New**
- Step 3.** From the Account type, Select **Fixed Asset (major purchases)**
- Step 4.** Click **Continue**
- Step 5.** When the Add New Account window appears, select Account Type: **Fixed Asset**
- Step 6.** Enter Account Number: **14100**
- Step 7.** Enter Account Name: **Computer**
- Step 8.** Enter Description: **Computer**
- Step 9.** Select Tax Line: **<Unassigned>**
- Step 10.** Click **Save & New** to enter another account

ADD NEW SUB ACCOUNT

When a blank Add New Account window appears, add a Computer Cost sub account as follows:

- Step 1.** Account Type: **Fixed Asset**
- Step 2.** Account Number: **14200**
- Step 3.** Account Name: **Computer Cost**
- Step 4.** Subaccount of: **14100 Computer**
- Step 5.** Description: **Computer Cost**
- Step 6.** Tax Line: **<Unassigned>**
- Step 7.** Click **Save & New**

ADD THE ACCUMULATED DEPRECIATION ACCOUNT

- Step 1.** Account Type: **Fixed Asset**
- Step 2.** Account Number: **14300**
- Step 3.** Account Name: **Accumulated Depr Computer**
- Step 4.** Subaccount of: **14100 Computer**
- Step 5.** Description: **Accumulated Depreciation Computer**
- Step 6.** Tax Line: **<Unassigned>**
- Step 7.** Click **Save & Close**

CH10 COA

- Step 1.** From the Reports section select **List (or Accountant & Taxes) → Account Listing**
- Step 2.** Select Date: **01/01/2023**
- Step 3.** Export **to Excel**
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **CH10 COA**
- Step 6.** **Save and close** the Excel file.

RECORD OWNER'S INVESTMENT

To launch your new business, you invest \$10,000 in Paint Palette. In order to keep business records and your personal records separate, you open a business Checking account at the local bank for Paint Palette. You then deposit your personal check for \$10,000 in the business Checking account.

In Units 2 and 3 you recorded deposits using the Record Deposits icon in the Banking section of the Home Page. You can also record deposits directly in the Check Register.

QuickBooks then transfers the information to the Make Deposits window.

- Step 1.** Click the **Record Deposits** icon in the Banking section of the Home Page
- Step 2.** In the Make Deposits window, select Deposit To: **Checking**
- Step 3.** Select Date: **01/01/2023**

- Step 4.** On the Received From drop-down list, select **<Add New>**. Select **Other** , then click **OK**.
- Step 5.** Enter Name : **YourName**. Click **OK**.
- Step 6.** Account: **30000: Opening Balance Equity**. Press the **Tab** key.
- Step 7.** Memo: **Invested \$10,000 in business**
- Step 8.** Check No.: **1001**
- Step 9.** Payment Method: **Check**
- Step 10.** Amount: **10,000.00**
- Step 11.** Select the **Save** icon at the top of the Make Deposits window

CH10 JUR

- Step 12.** Select the **Journal** icon at the top of the Make Deposits window
- Step 13.** Export the Transaction Journal to **Excel**
- Step 14.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 15.** From the drop-down list, select the sheet: **CH10 JUR**
- Step 16.** **Save and close** the Excel file.
- Step 17.** **Close** the Transaction Journal window and the Make Deposits window

VENDOR AND EXPENSE TRANSACTIONS

Vendor and expense transactions can be either purchases made with a check or credit card or credit purchases on account that will be paid later.

RECORD VENDOR AND EXPENSE TRANSACTIONS USING THE WRITE CHECKS WINDOW

Paint Palette purchased a computer for \$3,000. Because Paint Palette paid by check at the purchase, you can use the Write Checks window to record the purchase.

- Step 1.** Click the **Write Checks** icon in the Banking section of the Home Page
- Step 2.** In the following Write Checks window, select Bank Account: **Checking**
- Step 3.** Select Date: **01/01/2023**
- Step 4.** Pay to the Order of <Add New Vendor> : **Cornell Technologies**
- Step 5.** Amount: **3000.00**
- Step 6.** Account: **14200 Computer Cost**
- Step 7.** Check: **Print Later**
- Step 8.** Select the **Save** icon at the top of the Write Checks window

CH10 JUR-2

- Step 9.** Select the **Reports tab > Transaction Journal**
- Step 10.** Export the Transaction Journal report to **Excel**
- Step 11.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 12.** From the drop-down list, select the sheet: **CH10 JUR-2**

- Step 13.** **Save and close** the Excel file.
- Step 14.** **Close** the Transaction Journal window and Write Checks windows

ENTER CREDIT PURCHASES

- Step 1.** Click the **Enter Bills** icon in the Vendors section of the Home Page
- Step 2.** Select Date: **01/03/2023**
- Step 3.** Select Vendor : **Brewer Paint Supplies**
- Step 4.** Enter Amount Due: **450.00**
- Step 5.** Select Terms: **Net 30**
- Step 6.** Click the **Expenses** tab
- Step 7.** Select Account <Add New>: **64800 Paint Supplies Expense**
- Step 8.** Select Customer & Job: **Rafael, Sofia: Dining Room**
- Step 9.** Verify that **Billable** is checked
- Step 10.** Select the **Save** icon at the top of the Enter Bills window . If asked if you want to make the change in payment terms permanent, select **Yes**.

CH10 JUR-3

- Step 15.** Select the **Reports tab > Transaction Journal**
- Step 16.** Export the Transaction Journal report to **Excel**
- Step 17.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 18.** From the drop-down list, select the sheet: **CH10 JUR-3**

Notice that QuickBooks records the bill as accounts payable, indicating that Paint Palette has an obligation to pay these amounts to vendors. QuickBooks increases liabilities (accounts payable) on the company's Balance Sheet.

RECORD MEMORIZED TRANSACTION

Often a transaction is recurring, such as monthly rent or utility payments. QuickBooks' memorized transaction feature permits you to memorize or save recurring transactions.

Paint Palette leases a van for a monthly lease payment of \$306. You will use a memorized transaction to reuse each month to record the lease payment.

- Step 1.** From the open Enter Bills window on your screen, enter the following information about the van lease bill.

Date:	01/04/2023
Vendor <Add New>	Joseph Leasing
Amount Due:	306.00
Terms:	Net 30
Account:	67100 Rent Expense
Memo:	Van Lease

- Step 2.** Select **Memorize** icon at the top of the Enter Bills window
- Step 3.** When the Memorize Transaction window appears, select **Add to my Reminders List**
- Step 4.** Select How Often: **Monthly**
- Step 5.** Enter Next Date: **02/01/2023**
- Step 6.** Click **OK** to record the memorized transaction
- Step 7.** Select the **Save** icon at the top of the Enter Bills window . If asked if you want to make the change in payment terms permanent, select **Yes.**
- Step 8.** Select the **Reports tab > Transaction Journal**

CH10 JUR-3B

- Step 9.** Export the Transaction Journal report to **Excel or print** the report
- Step 10.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 11.** From the drop-down list, select the sheet: **CH10 JUR-3B**
- Step 12.** Click **Save & Close** to close the Enter Bills **window** and record the van lease

VIEW OR EDIT A MEMORIZED TRANSACTION

- Step 1.** Select the **Lists Menu → Memorized Transaction List**
- Step 2.** When the Memorized Transaction List window appears , **double-click** the memorized transaction you want to use.
- Step 3.** QuickBooks displays the Enter Bills window with the memorized transaction data already entered. You can make any necessary changes on the form, such as changing the date. To record the bill in QuickBooks, you would click Save & Close .
- Step 4.** At this time, **close the Enter Bills window without saving.** Then **close** the Memorized Transaction List window. Later, you will use the memorized transaction.

PAY BILLS

To pay bills already entered, follow these instructions:

- Step 1.** Click the **Pay Bills** icon in the Vendors section of the Home Page
- Step 2.** When the Pay Bills windows appears, select Show Bills: Due on or before **02/04/2023**
- Step 3.** Select to pay the **Brewer Paint Supplies bill for \$450.00** and the **Joseph Leasing Bill for \$306.00**
- Step 4.** Select Payment Method: **Check**
- Step 5.** Select **To be printed**
- Step 6.** Select Payment Account: **Checking**
- Step 7.** Enter Payment Date: **01/04/2023**
- Step 8.** Click **Pay Selected Bills** to record the bills selected for payment
- Step 9.** Select **Done** to close the Payment Summary window

CH10 JUR-4

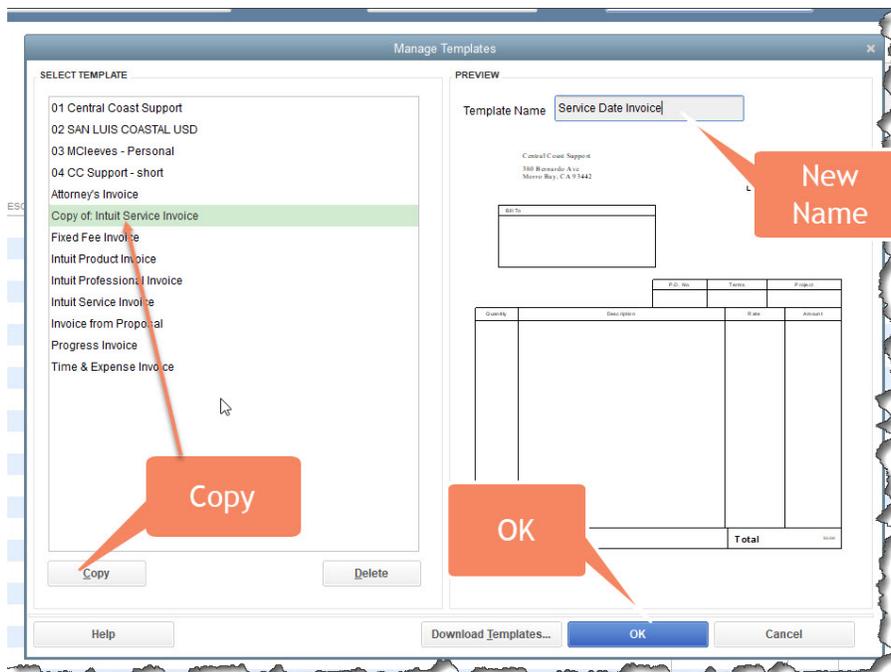
- Step 1.** Select the **Reports** → Accountant & Taxes → Journal
- Step 2.** Select Dates: **01/03/2023 to 01/04/2023**
- Step 3.** Export the Journal report to **Excel**
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **CH10 JUR-4**

CUSTOMIZE INVOICES

Create a Custom Invoice Template with a Service Date column. This permits Paint Palette to bill customers once a month for all services provided during the month, listing each service date separately on the invoice.

To create a Custom Invoice Template, complete the following steps:

- Step 1.** Click the **Create Invoices** icon in the Customers section of the Home Page
- Step 2.** Click the **Formatting** tab in the upper portion of the Create Invoices window
- Step 3.** Select **Manage Templates**
- Step 4.** In the Manage Templates window, select **Intuit Service Invoice**
- Step 5.** Then click **Copy**
- Step 6.** To change the invoice template name, select **Copy of: Intuit Service Invoice**
- Step 7.** In the template Name field, change the template name to: **Service Date Invoice**



- Step 8.** Click **OK** to close the Manage Templates window
- Step 9.** Verify the Selected Template is **Service Date Invoice**

Step 10. Click the **Additional Customization** button.

SELECTED TEMPLATE
Service Date Invoice Manage Templates...

LOGO & FONTS
 Use logo Select Logo...
Select Color Scheme:
Please Select... Apply Color Scheme
Change Font For:
Title
Company Name
Company Address
Labels Change Font...

COMPANY & TRANSACTION INFORMATION
 Company Name Phone Number Update Information...
 Company Address E-mail Address
 Fax Number Web Site Address
 Print Past Due Stamp
Select only when you want to include Past Due information Stamp.
 Print Status Stamp
Select to include the status on the form. Various statuses are, Paid, Pending, Received, Void, and so on.

PREVIEW
Central Coast Support
380 Bernardo Ave
Menlo Park, CA 94025
Invoice #
Date
10/14/2019 10/12/199

Quantity	Description	Rate	Amount

Additional Customization

How do I apply a design across multiple forms? Print Preview...

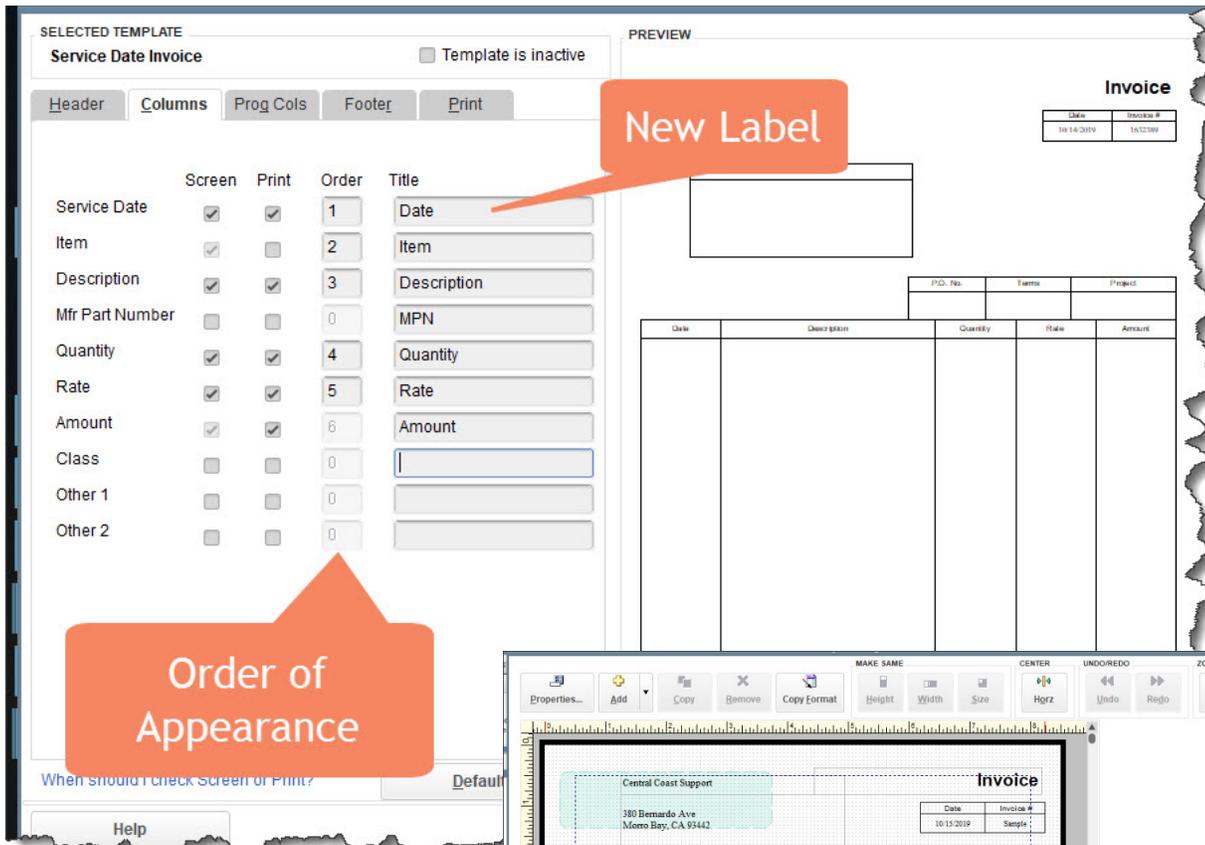
Help Additional Customization... Layout Designer... OK Cancel

Step 11. To add a Service Date column to the custom template, when the Additional Customization window appears, click the **Columns** tab

Step 12. Check **Screen** and **Print**.

Step 13. Enter Title for Service Date: **Date**

Step 14. Renumber the Order so they appear as shown

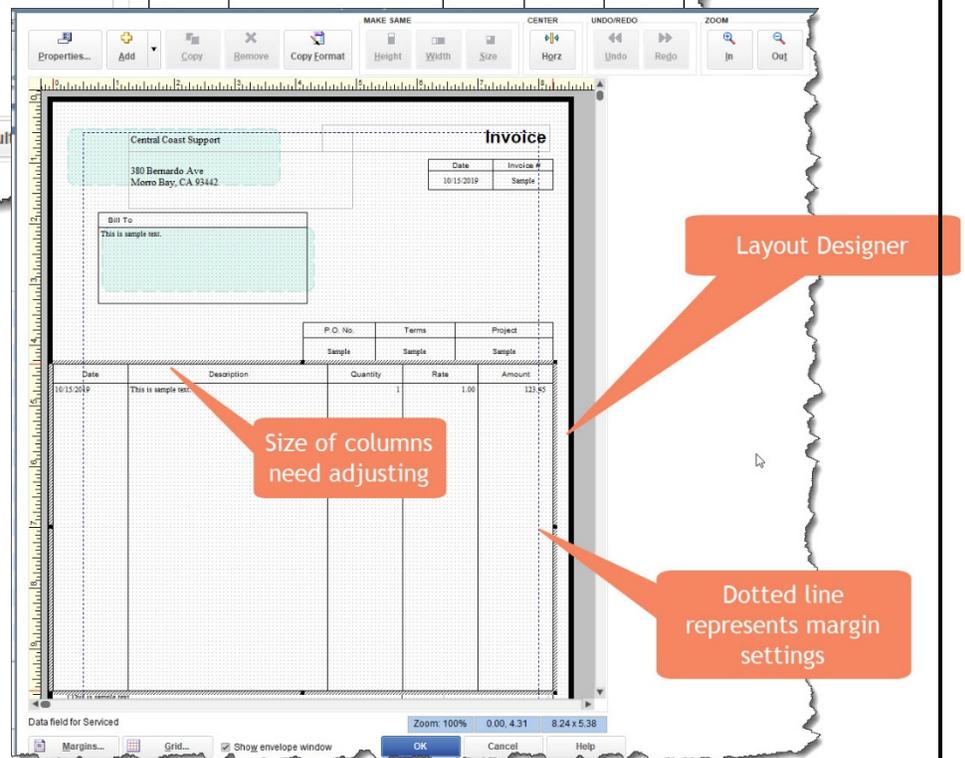


Step 15. Click the **Layout Designer** button and adjust the field sizes as needed

Step 16. Click **OK** to close the Layout Designer window. Click **OK** again to close the Customization windows.

Step 17. To view the custom invoice, if necessary, from the create Invoices window, select Template: **Service Date Invoice**

Step 18. Notice that the first column of the invoice is now the **Date** column



CREATE INVOICE

Create an invoice to record painting services provided by Paint Palette to Sofia Rafael during January:

- Step 1.** If the Create Invoices window is not already open on your screen, select the **Create Invoices** icon in the Customers section of the Home Page
- Step 2.** Select Customer & Job: **Rafael, Sofia: Dining Room**
- Step 3.** When the Billable Time/Costs window appears to remind you the job has outstanding billable time, click **Select the outstanding billable time and costs to add to this invoice?**
- Step 4.** Click **OK**
- Step 5.** To select billable costs to apply to the Rafael invoice, from the Choose Billable Time and Costs window select the **Expenses** tab
- Step 6.** Enter Markup Amount or %: **40.0%**. (Be sure to enter %, otherwise \$40 will be the markup.)
- Step 7.** Select Markup Account: **47900 – Sales**
- Step 8.** Check to select: **Brewer Paint Supplies**
- Step 9.** Click **OK** to bill the Paint Supplies cost
- Step 10.** Select Template : **Service Date Invoice**
- Step 11.** Enter Invoice Date: **01/10/2023**
- Step 12.** The Rafael invoice will list Total Reimbursable Expenses of \$630.00
- Step 13.** Next, enter the Service Date in the Create Invoices window: **01/05/2023**
- Step 14.** Select Item <Add New>: **Labor Mural.**
- Step 15.** Type: **Service**
- Step 16.** Subitem of: **Labor**
- Step 17.** Description: **Labor Mural**
- Step 18.** Rate: **50.00**
- Step 19.** Account: **47900 Sales**
- Step 20.** Quantity: **7** (hours)
- Step 21.** Enter Date (column): **01/06/2023**
- Step 22.** Select Item: **Labor Mural**
- Step 23.** Quantity: **7** (hours)
- Step 24.** Select **Print Later**
- Step 25.** Select the **Save** icon

CH10 JUR-5

- Step 26.** Select the **Reports tab → Transaction Journal**
- Step 27.** Export the Journal report to **Excel**
- Step 28.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 29.** From the drop-down list, select the sheet: **CH10 JUR-5**

RECEIVE PAYMENT

To record Sofia Rafael's payment for the invoice:

- Step 1.** From the Customers section of the Home Page, click the **Receive Payments** icon

- Step 2.** Select Received From: **Rafael, Sofia: Dining Room**
- Step 3.** Enter Amount: **1330.00**
- Step 4.** Select Date: **01/11/2023**
- Step 5.** Select Payment Method : **Check**
- Step 6.** Enter Check No. **555**
- Step 7.** Select **Save & New**
- Step 8.** Select the **Find back arrow** to display the customer payment just recorded

CH10 JUR-6

- Step 9.** Select **Reports tab > Transaction Journal**
- Step 10.** Export the Journal report to **Excel**
- Step 11.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 12.** From the drop-down list, select the sheet: **CH10 JUR-6**

MAKE DEPOSIT

When a customer makes a payment, the customer's account receivable is reduced by the amount of the payment. In this case, Sofia Rafael's account receivable is reduced by \$1,330.00.

- Step 1.** From the Banking section of the Home Page, click the **Record Deposits** icon
- Step 2.** When the Payments to Deposit window appears, select the **payment from Sofia Rafael** for deposit
- Step 3.** Click **OK** and the Make Deposits window appears
- Step 4.** Select Deposit To: **Checking**
- Step 5.** Select Date: **01/11/2023**
- Step 6.** Verify the Amount is **\$1330.00**
- Step 7.** Select the **Save** icon at the top of the Make Deposits window

CH10 JUR-7

- Step 1.** Select **Journal** icon
- Step 2.** Export the Journal report to **Excel**
- Step 3.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 4.** From the drop-down list, select the sheet: **CH10 JUR-7**
- Step 9.** **Close** the Transaction Journal and the Make Deposits windows

INVOICE TRACKER

To view the Invoice History Tracker:

Step 1. From the Customer section of the Home Page, click the **Create Invoices** icon

Step 2. When the Create Invoices window appears, select the **back arrow** to display the Rafael Dining Room invoice

Step 3. Select the **See History** link to display the Invoice History Tracker

The Invoice History Tracker displays the date the invoice was created and includes the following:

- Date and amount of the payment (s) received
- Date and amount deposited
- If the invoice had been emailed, the Invoice History tracker would also display when the invoice was sent and viewed by the customer

Step 4. Close the Invoice History Tracker window and the Create Invoices window

ADD ACCOUNTS

New Account for Chart of Accounts	Account Name:	Paint Supplies
	Account Num:	13000
	Account Type:	Other Current Asset
	Account Description:	Paint Supplies on Hand
	Tax Line:	Unassigned

New Account for Chart of Accounts	Account Name:	Equipment
	Account Num:	14400
	Account Type:	Fixed Asset
	Account Description:	Equipment
	Tax Line:	Unassigned

New Account for Chart of Accounts	Account Name:	Equipment Cost
	Account Num:	14500
	Account Type:	Fixed Asset
	Subaccount of:	14400 Equipment
	Description:	Equipment Cost
Tax Line:	Unassigned	

New Account for Chart of Accounts	Account Name:	Accumulated Depr Equipment
	Account Num:	14600
	Account Type:	Fixed Asset
	Subaccount of:	14400 Equipment

	Description:	Accumulated Depreciation Equipment
	Tax Line:	Unassigned

Edit Existing Account	Account Name:	Depreciation Expense
	Account Num:	62400
	Account Type:	Expense
	Account Description:	Depreciation of equipment, buildings, and improvements
	Tax Line:	Schedule C: Other business expenses

Edit Existing Account	Account Name:	Paint Supplies Expense
	Account Num:	64800
	Account Type:	Expense
	Account Description:	Paint Supplies Expense
	Tax Line:	Schedule C: Supplies (not from COGS)

CH10 COA-2

- Step 1.** From the Reports section select **List (or Accountant & Taxes) → Account Listing**
- Step 2.** Select Date: **01/11/2023**
- Step 3.** Export **to Excel**
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **CH10 COA-2**
- Step 6.** **Save and close** the Excel file.

ADD CUSTOMERS

Add the following customers to your Paint Palette company:

New Customer	Customer	Kari, Tracey
	Opening Balance	0.00
	As of	01/01/2023
	Address Info:	
	First Name	Tracey
	Last Name	Kari
	Main Phone	415-555-1234
	Mobile	415-555-9999
	Address	99 Reyka Drive Bayshore, CA 94326
	Payment Settings:	
	Account No.	1002
	Payment Terms	Net30
	Preferred Delivery Method	E-mail
	Preferred Payment Method	Check

	Additional Info:	
	Customer Type	Referral

ADD JOB

Job for Kari, Tracey	Job Info:	
	Job Name	Foyer
	Opening Balance	0.00
	As of:	01/01/2023
	Job Description:	Foyer Marbled Faux Painting
	Job Type <Add New>	Faux Painting
	Job Status:	Pending

CH10 CUS-2

- Step 1.** From the Customer & Receivables Reports, **Export the Customer Contact List to Excel**
- Step 2.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 3.** From the drop-down list, select the sheet: **CH10 CUS-2**
- Step 4.** **Save and close** the Excel file.

EDIT VENDORS

Edit Cornell Technologies	Company Name:	Cornell Technologies
	First Name:	Bill
	Last Name:	Cornell
	Main Phone:	415-555-8181
	Address:	108 Austin Avenue Bayshore, CA 94326
	Account No.	2002
	Payment Terms	Net30
	Credit Limit	18000.00
	Vendor Tax ID:	37-4356781
	Additional Info:	
	Vendor Type:	Supplies

Edit Joseph Leasing	Company Name:	Joseph Leasing
	First Name:	Joseph
	Last Name:	Asher
	Main Phone:	415-555-0412
	Address:	13 Appleton Drive Bayshore, CA 94326
	Account No.	2003

	Payment Terms	Net30
	Credit Limit	
	Vendor Tax ID:	37-1726354
	Additional Info:	
	Vendor Type:	Leasing

CH10 VEN-2

- Step 1.** From the Vendors & Payables Reports, **Export the Vendor Contact List to Excel**
- Step 2.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 3.** From the drop-down list, select the sheet: **CH10 VEN-2**
- Step 4.** **Save and close** the Excel file.

ADD ITEMS

New Sub Item	<i>Item Type</i>	Service
	<i>Item Name</i>	Labor Faux
	<i>Subitem of</i>	Labor
	<i>Description</i>	Labor Faux Painting
	<i>Rate</i>	36.00
	<i>Account</i>	47900 - Sales

New Sub Item	<i>Item Type</i>	Service
	<i>Item Name</i>	Labor Interior
	<i>Subitem of</i>	Labor
	<i>Description</i>	Labor Interior Painting
	<i>Rate</i>	20.00
	<i>Account</i>	47900 - Sales

New Sub Item	<i>Item Type</i>	Service
	<i>Item Name</i>	Labor Exterior
	<i>Subitem of</i>	Labor
	<i>Description</i>	Labor Exterior Painting
	<i>Rate</i>	30.00
	<i>Account</i>	47900 - Sales

CH10 ITM-2

- Step 1.** From the Lists Reports, **Select the Item Listing**
- Step 2.** Export **to Excel**
- Step 3.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 4.** From the drop-down list, select the sheet: **CH10 ITM-2**
- Step 5.** **Save and close** the Excel file.

RECORD VENDOR AND EXPENSE TRANSACTIONS

Use the following table to determine what type of transaction is being used the transactions are integrated into vendor and expense transactions. The wording can be confusing. The cell to the right of the transaction explanation is for you to determine the type of transaction that should be created.

The Van Lease is a memorized transaction for a bill. The Van Lease payments are bill pays for the memorized transactions.

Date	Transaction	Type of Transaction
01/04/2023	Paint Palette made a credit purchase of \$1,000 from Brewer Paint Supplies of painting equipment including ladders and drop cloths. The painting equipment is recorded as an asset because it will benefit more than one accounting period and will be depreciated over the useful life of the equipment. Use Account 14500 Equipment Cost to record the \$1,000 purchase of painting equipment.	
02/01/2023	Use the memorized transaction to record the bill for the February van lease to be paid later	Memorized
02/28/2023	Paid following bills: <ul style="list-style-type: none"> • \$1,000 Brewer Paint Supplies bill • Van lease bill for February 	
03/01/2023	Received bill for van lease for March	Memorized
03/30/2023	Paid van lease for March (Due: 03/31/2023)	
04/01/2023	Received bill for van lease for April	Memorized
04/04/2023	Purchased \$50 of paint supplies on account from Brewer Paint Supplies. Record as Paint Supplies Expense.	
04/30/2023	<ul style="list-style-type: none"> • Paid van lease for April (Due: 05/01/2023) • Paid for paint supplies purchased on April 04 	
05/01/2023	Received bill for van lease for May	Memorized
05/30/2023	Paid van lease for May (Due: 05/31/2023)	
06/01/2023	Received bill for van lease for June	Memorized
06/30/2023	Paid van lease for June (Due: 07/01/2023)	

Date	Transaction	Type of Transaction
07/01/2023	Purchased \$100 of paint supplies on account from Brewer Paint Supplies. Record as Paint Supplies Expense.	
07/01/2023	Received bill for van lease for July	Memorized
07/30/2023	<ul style="list-style-type: none"> • Paid van lease for July (Due: 07/31/2023) • Paid for paint supplies purchased on July 1 	
08/01/2023	Received bill for van lease for August	Memorized
08/30/2023	Paid van lease for August (Due: 08/31/2023)	
09/01/2023	Received bill for van lease for September	Memorized
09/02/2023	Purchased \$75 of paint supplies on account from Brewer Paint Supplies. Record as Paint Supplies Expense.	
09/30/2023	<ul style="list-style-type: none"> • Paid September van lease (Due: 10/01/2023) • Paid for paint supplies purchased on 09/02/2023 	
10/01/2023	Received bill for van lease for October	Memorized
10/30/2023	Paid van lease for October (Due: 10/31/2023)	
11/01/2023	Received bill for van lease for November	Memorized
11/30/2023	Paid van lease for November (Due: 12/01/2023)	
12/01/2023	Received bill for van lease for December	Memorized
12/20/2023	Purchased \$180 of paint supplies on account from Brewer Paint Supplies. Record as Paint Supplies Expense.	
12/30/2023	Paid van lease for December (Due: 12/31/2023)	

CH10 VEN DET

- Step 1.** From the Vendors & Payables Reports, **Export** the **Vendor Detail report for 2023**
- Step 2.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 3.** From the drop-down list, select the sheet: **CH10 VEN DET**
- Step 4.** **Save and close** the Excel file.

CUSTOMER AND SALES TRANSACTIONS

Use the Service Date Invoice template to record the customer and sales transactions for Paint Palette during the year 2023.

NEW INVOICE <table border="1" style="width: 100%;"> <tr> <td>INVOICE DATE</td> <td style="text-align: right;">02/28/2023</td> </tr> <tr> <td>CUSTOMER</td> <td style="text-align: right;">Sofia Rafael</td> </tr> <tr> <td>JOB</td> <td style="text-align: right;">Dining Room</td> </tr> </table>		INVOICE DATE	02/28/2023	CUSTOMER	Sofia Rafael	JOB	Dining Room	SERVICE DATE	02/10/2023
		INVOICE DATE	02/28/2023						
		CUSTOMER	Sofia Rafael						
		JOB	Dining Room						
		ITEM	Labor: Mural						
		HOURS	10						
		SERVICE DATE	02/11/2023						
		ITEM	Labor: Mural						
		HOURS	9						
		SERVICE DATE	02/15/2023						
		ITEM	Labor: Mural						
		HOURS	10						
		SERVICE DATE	02/18/2023						
		ITEM	Labor: Mural						
		HOURS	11						
SERVICE DATE	02/20/2023								
ITEM	Labor: Mural								
HOURS	12								
SERVICE DATE	02/22/2023								
ITEM	Labor: Mural								
HOURS	10								

INVOICE PAID IN FULL & DEPOSITED RECORD PAYMENT & DEPOSIT INTO CHECKING	DATE:	03/15/2023
	CHECK:	675

NEW INVOICE <table border="1" style="width: 100%;"> <tr> <td>INVOICE DATE</td> <td style="text-align: right;">03/31/2023</td> </tr> <tr> <td>CUSTOMER</td> <td style="text-align: right;">Sofia Rafael</td> </tr> <tr> <td>JOB</td> <td style="text-align: right;">Dining Room</td> </tr> </table>		INVOICE DATE	03/31/2023	CUSTOMER	Sofia Rafael	JOB	Dining Room	SERVICE DATE	03/05/2023
		INVOICE DATE	03/31/2023						
		CUSTOMER	Sofia Rafael						
		JOB	Dining Room						
		ITEM	Labor: Mural						
		HOURS	9						
		SERVICE DATE	03/09/2023						
		ITEM	Labor: Mural						
		HOURS	10						
		SERVICE DATE	03/13/2023						
		ITEM	Labor: Mural						
		HOURS	11						
		SERVICE DATE	03/20/2023						
		ITEM	Labor: Mural						
		HOURS	10						
SERVICE DATE	03/29/2023								
ITEM	Labor: Mural								
HOURS	10								

INVOICE PAID IN FULL & DEPOSITED RECORD PAYMENT AND DEPOSIT INTO CHECKING		DATE:	04/15/2023
		CHECK:	690
NEW INVOICE		SERVICE DATE	04/10/2023
		ITEM	Labor: Faux
		HOURS	9
		SERVICE DATE	04/15/2023
		ITEM	Labor: Faux
		HOURS	9
		SERVICE DATE	04/25/2023
		ITEM	Labor: Faux
		HOURS	8
		SERVICE DATE	04/29/2023
		ITEM	Labor: Faux
		HOURS	8
INVOICE DATE	04/30/2023		
CUSTOMER	Tracey Kari		
JOB	Foyer		

INVOICE PAID IN FULL & DEPOSITED RECORD PAYMENT & DEPOSIT INTO CHECKING		DATE:	05/15/2023
		CHECK:	432

NEW INVOICE		SERVICE DATE	05/10/2023		
		ITEM	Labor: Faux		
		HOURS	9		
		SERVICE DATE	05/18/2023		
		ITEM	Labor: Faux		
		HOURS	9		
		SERVICE DATE	05/25/2023		
		ITEM	Labor: Faux		
		HOURS	8		
		INVOICE DATE	05/15/2023		
		CUSTOMER	Tracey Kari		
		JOB	Foyer		

INVOICE PAID IN FULL & DEPOSITED RECORD PAYMENT & DEPOSIT INTO CHECKING		DATE:	06/15/2023
		CHECK:	455

NEW INVOICE		SERVICE DATE	06/10/2023		
		ITEM	Labor: Mural		
		HOURS	10		
		SERVICE DATE	06/17/2023		
		ITEM	Labor: Mural		
		HOURS	10		
		SERVICE DATE	06/28/2023		
		ITEM	Labor: Mural		
		HOURS	10		
		INVOICE DATE	06/30/2023		
		CUSTOMER	Sofia Rafael		
		JOB	Vaulted Kitchen		

INVOICE PAID IN FULL & DEPOSITED RECORD PAYMENT & DEPOSIT INTO CHECKING	DATE:	07/15/2023
	CHECK:	733

NEW INVOICE	SERVICE DATE	07/09/2023
	ITEM	Labor: Mural
	HOURS	9
	SERVICE DATE	07/18/2023
	ITEM	Labor: Mural
	HOURS	10
	SERVICE DATE	07/27/2023
	ITEM	Labor: Mural
	HOURS	10

INVOICE DATE	07/31/2023
CUSTOMER	Sofia Rafael
JOB	Vaulted Kitchen

INVOICE PAID IN FULL & DEPOSITED RECORD PAYMENT & DEPOSIT INTO CHECKING	DATE:	08/15/2023
	CHECK:	750

NEW INVOICE	SERVICE DATE	08/09/2023
	ITEM	Labor: Mural
	HOURS	8
	SERVICE DATE	08/18/2023
	ITEM	Labor: Mural
	HOURS	9
	SERVICE DATE	08/22/2023
	ITEM	Labor: Mural
	HOURS	10

INVOICE DATE	08/31/2023
CUSTOMER	Sofia Rafael
JOB	Vaulted Kitchen

INVOICE PAID IN FULL & DEPOSITED RECORD PAYMENT & DEPOSIT INTO CHECKING	DATE:	09/15/2023
	CHECK:	782

NEW INVOICE	SERVICE DATE	10/11/2023
	ITEM	Labor: Mural
	HOURS	8
	SERVICE DATE	10/20/2023
	ITEM	Labor: Mural
	HOURS	5
	SERVICE DATE	10/22/2023
	ITEM	Labor: Mural
	HOURS	6

INVOICE DATE	10/31/2023
CUSTOMER	Tracey Kari
JOB	Screen Porch

INVOICE PAID IN FULL & DEPOSITED RECORD PAYMENT & DEPOSIT INTO CHECKING	DATE:	11/15/2023
	CHECK:	685

NEW INVOICE	SERVICE DATE	11/11/2023
	ITEM	Labor: Mural
	HOURS	11
	SERVICE DATE	11/18/2023
	ITEM	Labor: Mural
	HOURS	6
	SERVICE DATE	11/27/2023
	ITEM	Labor: Mural
	HOURS	9

INVOICE DATE	11/30/2023
CUSTOMER	Tracey Kari
JOB	Screen Porch

INVOICE PAID IN FULL & DEPOSITED RECORD PAYMENT & DEPOSIT INTO CHECKING	DATE:	12/15/2023
	CHECK:	725

CH10 CUS DET

- Step 1.** From the Customer & Receivables Reports, **Export** the **Customer Detail report for 2023** to **Excel**
- Step 2.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 3.** From the drop-down list, select the sheet: **CH10 CUS DET**
- Step 4.** **Save and close** the Excel file.

CH10 DEP DET

- Step 1.** From the Banking Reports, **Export** the **Deposit Detail Report for 2023** to **Excel**
- Step 2.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 3.** From the drop-down list, select the sheet: **CH10 DEP DET**
- Step 4.** **Save and close** the Excel file.

ADJUSTMENTS

The purpose of the Trial Balance is to determine whether the accounting system is in balance (debits equal credits). Create a Trial Balance report for Paint Palette at December 31, 2023.

CH10 TB

- Step 1.** From the report Center select **Accountant & Taxes → Trial Balance**
- Step 2.** Select Dates From: **12/31/2023 to 12/31/2023**
- Step 3.** Export to **Excel**

- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **CH10 TB**
- Step 6.** **Save and close** the Excel file.

At the end of the accounting period, it is necessary to make adjusting entries to bring a company's accounts up to date as of year-end. Three adjusting entries are needed for Paint Palette as of December 31, 2023.

ADJUSTING ENTRY A1

- Step 1.** To enter adjusting entries, select **Accountant Menu → Make General Journal Entries**
- Step 2.** Next, use the Make General Journal Entries window to record the adjusting entry (**A1**) for **depreciation expense** on the **computer** for Paint Palette at December 31, 2023. The **\$3,000 computer cost will be depreciated over a useful life of five years.** (Depreciation expense is calculated as $\$3,000/5 \text{ years} = \600 per year.)
- Step 3.** Use **Account 62400 and 14300** to **record the adjusting entry.** Refer to Appendix D for ideas on how the adjustment should be made.

ADJUSTING ENTRY A2

- Step 1.** Record an adjusting entry (**A2**) to record **depreciation expense for the painting equipment** for the year.
- Step 2.** The \$1,000 painting equipment cost is depreciated using **straight-line depreciation** over **five years** with no salvage value.
- Step 3.** Use **Account No. 62400 and 14600** to record the adjusting entry.

ADJUSTING ENTRY A3

- Step 1.** On **December 31, 2023**, you take an inventory of unused paint supplies on hand to learn that
- Step 2.** **\$100 of paint supplies** are still on hand as of that date. Since the supplies were recorded as supplies expense when originally purchased, an adjusting entry is needed (**A3**).
- Step 3.** Use **Account 13000** to record the \$100 of unused paint supplies as an asset with future benefit.
- Step 4.** Click **Save & Close** to save the adjusting journal entries

CH10 ADJ JUR

- Step 1.** To create an Adjusting Journal Entries report on December 31, 2023, for Paint Palette, from the Report Center, select **Accountant & Taxes > Adjusting Journal Entries**
- Step 2.** Select Dates: **12/31/2023 To 12/31/2023**
- Step 3.** Export to **Excel**
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.

- Step 5.** From the drop-down list, select the sheet: **CH10 ADJ JUR**
Step 6. **Save and close** the Excel file.

CH10 JUR-8

- Step 1.** To create a Journal report for Paint Palette, from the one of the Report options, select **Accountant & Taxes > Journal**
Step 2. Select Dates: **01/01/2023 To 12/31/2023**
Step 3. Export to **Excel**
Step 4. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
Step 5. From the drop-down list, select the sheet: **CH10 JUR-8**
Step 6. **Save and close** the Excel file.

CH10 PL STD

- Step 1.** Export the **Profit and Loss Standard to Excel**
Step 2. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
Step 3. From the drop-down list, select the sheet: **CH10 PL STD**
Step 4. **Save and close** the Excel file.

CH10 BS STD

- Step 1.** Export the **Balance Sheet Standard to Excel**
Step 2. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
Step 3. From the drop-down list, select the sheet: **CH10 BS STD**
Step 4. **Save and close** the Excel file.

CH10 SCF

- Step 1.** Export the **Statement of Cash Flows to Excel**
Step 2. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_10_REPORTS** Excel file.
Step 3. From the drop-down list, select the sheet: **CH10 SCF**
Step 4. **Save and close** the Excel file.

CLOSE THE ACCOUNTING PERIOD

To enter the closing date in QuickBooks:

- Step 1.** Select **Company Menu > Set Up Users and Passwords> Set Up Users**
Step 2. If necessary, enter information for the QuickBooks Administrator, then click **OK**
Step 3. When the following User List window appears, click the **Closing Date** button
Step 4. Enter the closing date: **12/31/2023**
Step 5. Click **OK** to close the Set Closing Date and Password window

NEW COMPANY SETUP

UNIT 11 NEW SERVICE-BASED BUSINESS



To create a new company data file in QuickBooks, use the EasyStep Interview. The EasyStep Interview asks you a series of questions about your business. Then QuickBooks uses the information to customize QuickBooks to fit your business needs.

Four options for how to set up a new company are:

- **Express Start:** Recommended for new QuickBooks users, this option will ask you a few basic questions and do the rest for you.
- **Detailed Start:** This option lets you control the setup and fine-tune the company file to meet your specific needs.
- **Create:** This choice permits you to create quickly a new company file by copying the preferences and key lists from an existing company.
- **Other Options:** This option lets you convert data from Quicken or other accounting software to create a new QuickBooks company file.

EASY STEP INTERVIEW

Create a new QuickBooks company using the EasyStep Interview as follows:

- Step 21.** Select **Create a new company**
- Step 22.** When the QuickBooks Setup window appears, select **Detailed Start**
- Step 23.** When your Company Information window appears, enter
- Step 24.** Company Name: **YourName Mookie The Beagle Spa**. Press the **Tab** key, and QuickBooks will automatically enter the company name in the Legal name field. Since the company will do business under its legal name, the Company name and Legal name fields are the same.
- Step 25.** Enter the company information.

Tax ID	123-45-6789
Address	432 Phoenician Way
City	Mountain View
State	CA
Zip	94043
Phone	415-555-4320
Email	<Enter your email address>

- Step 26.** Select **Next**
- Step 27.** In the Select Your Industry window, select **General Service-based Business**
- Step 28.** Select **Next**
- Step 29.** When the How Is Your Company Organized? window appears, select **Sole Proprietorship**.

How your business entity is organized (Sole Proprietorship, Partnership, Limited Liability Partnership (LLP), Limited Liability Company (LLC), C Corporation, S Corporation, or Non-Profit) determines which tax form and tax lines you use.

- Step 30.** Select **Next**
- Step 31.** Select the first month of your fiscal year: **January**
- Step 32.** Select **Next**
- Step 33.** In the Set Up Your Administrator Password window:
- Step 34.** Enter your administrator **password (Cuesta123)**
- Step 35.** Retype the **password**
- Step 36.** Select **Next**.
- Step 37.** When the Create Your Company File window appears, click **Next** to choose a file name and location to save your company file.
- Step 38.** When the File name for New Company window appears, select save in the folder created for **UNIT 11**
- Step 39.** Enter File name: **Your Name Mookie The Beagle Spa**
- Step 40.** Click **Save**

CUSTOMIZE THE QUICKBOOKS COMPANY

The My Shortcuts window should appear on the left side of your QuickBooks company screen. The next section of the Easy-Step Interview is to customize QuickBooks by turning on features to fit your business needs

- Step 1.** When the What Do You Sell? window appears:
 - a. Select **Services only**
 - b. Click **Next**
- Step 2.** When asked "Do you charge sales tax?"
 - a. Select **No**
 - b. Click **Next**
- Step 3.** When asked "Do you want to create estimates in QuickBooks?"
 - a. Select **No**
 - b. Click **Next**
- Step 4.** When the Using Statements in QuickBooks window appears:
 - a. "Do you want to use billing statements in QuickBooks?" Select **No**
 - b. Click **Next**
- Step 5.** When the Using Invoices in QuickBooks window appears:
 - a. "Do you want to use billing statements in QuickBooks?" Select **Yes**
 - b. Click **Next**
- Step 6.** When the Using Progress Invoicing window appears:
 - a. "Do you want to use progress invoicing?" Select **No**
 - b. Click **Next**
- Step 7.** When the Managing Bills You Owe window appears:
 - a. "Do you want to keep track of bills you owe?" Select **Yes**
 - b. Click **Next**
- Step 8.** When the Tracking Time in QuickBooks window appears :
 - a. "Do you want to track time in QuickBooks?" Select **Yes**
 - b. Click **Next**
- Step 9.** When the Do You Have Employees? window appears:

- a. Select **No**
- b. Click **Next**

Step 10. Read the Using Accounts in QuickBooks window . Click **Next**.

Step 11. When the Select a Date to Start Tracking Your Finances window appears:

- a. Select Use today 's date or the first day of the quarter or month
- b. Enter Date **01/01/2023**
- c. Click **Next**

Step 12. When the Review Income and Expense Accounts window appears, click **Next**

Step 13. When the Congratulations! window appears, click **Go to Setup**

VERIFY TAX FORMS

Step 1. From the Company Menu select **My Company**→ **Report Information**

Step 2. Income Tax Form Used: **Form 1040 (Sole Proprietor)**

DISPLAY ACCOUNT NUMBERS

Step 1. Select **Edit**

Step 2. Select **Preferences**

Step 3. Select **Accounting**

Step 4. Select **Company Preferences**

Step 5. Select Use **Account Numbers**

ADD ACCOUNTS

New Account for Chart of Accounts	Account Name:	Pet Spa Equipment
	Account Num:	14000
	Account Type:	Fixed Asset
	Account Description:	Pet Spa Equipment
	Tax Line:	Unassigned

New Account for Chart of Accounts	Account Name:	Pet Spa Equipment Cost
	Account Num:	14100
	Sub Account of:	Pet Spa Equipment
	Account Type:	Fixed Asset
	Account Description:	Equipment
Tax Line:	Unassigned	

New Account for Chart of Accounts	Account Name:	Pet Spa Equipment Acc Depr
	Account Num:	14200
	Account Type:	Fixed Asset
	Subaccount of:	Pet Spa Equipment
	Description:	Pet Spa Equipment Depreciation
Tax Line:	Unassigned	

New Account for Chart of Accounts	Account Name:	Visa Credit Card-4563
	Account Num:	21000
	Account Type:	Credit Card
	Description:	Visa Credit Card
	Credit Card Acct. No	4561-5824-5789-4563
	Tax Line:	Unassigned

New Account for Chart of Accounts	Account Name:	Supplies Expense
	Account Num:	64800
	Account Type:	Expense
	Account Description:	Supplies Expense
	Tax Line:	Schedule C: Supplies (not from COGS)

New Account for Chart of Accounts	Account Name:	Pet Spa Supplies Expense
	Account Num:	64810
	Account Type:	Expense
	Sub Account of:	Supplies Expense
	Account Description:	Pet Spa Supplies Expense
	Tax Line:	Schedule C: Supplies (not from COGS)

New Account for Chart of Accounts	Account Name:	Technology Supplies Expense
	Account Num:	64820
	Account Type:	Expense
	Sub Account of:	Supplies Expense
	Account Description:	Technology Supplies Expense
	Tax Line:	Schedule C: Supplies (not from COGS)

New Account for Chart of Accounts	Account Name:	Lease Expense
	Account Num:	67000
	Account Type:	Expense
	Account Description:	Lease Expense for Vehicles and Equipment
	Tax Line:	Schedule C: Rent/Lease Vehicles, Equipment

Edit the Account	Account Name:	Depreciation Expense
	Account Num:	62400
	Account Type:	Expense
	Account Description:	Depreciation on equipment, buildings, and improvements
	Tax Line:	Schedule C: Other business expenses

New Account for Chart of Accounts	Account Name:	Checking-2323
	Account Num:	10100
	Account Type:	Bank
	Account Description:	Business Checking
	Bank Acct No:	45672323
	Routing Number:	122235821

Edit the Account	Account Name:	Rent Expense
	Account Num:	67100
	Account Type:	Expense
	Account Description:	Rent paid for company offices or other strictures in the business
	Tax Line:	Schedule C: Rent/lease other bus. Prop.

CH11 COA

- Step 1.** From the Reports section select **List (or Accountant & Taxes) → Account Listing**
- Step 2.** Date: **January 1, 2023** (If the date did not change, it can be changed by customizing the report. Change the subtitle in the header)
- Step 3.** Export **to Excel**
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_11_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **CH11 COA**
- Step 6.** **Save and close** the Excel file.

ADD CUSTOMERS

Add the following customers to your Mookie The Beagle Spa company:

New Customer	Customer Name:	Kari, Tracey
	Opening Balance	0.00
	Company Name	Tracey Kari
	As of	01/01/2023
	Address Info:	
	First Name	Tracey
	Last Name	Kari
	Main Phone	415-555-1234
	Mobile	415-555-9999

	Address	99 Reyka Drive Bayshore, CA 94326
	Payment Settings:	
	Account No.	3002
	Payment Terms	Net 30
	Preferred Delivery Method	E-mail
	Preferred Payment Method	Check
Additional Info:		
Customer Type	Referral	
Add Job	Job Name:	Odin
	Job Description:	Odin Golden Retriever
	Job Type <Add New.>	Large Pet
	Job Status:	Awarded

New Customer	Name	Rafael, Sofia
	Opening Balance:	0.00
	As of:	01/01/2023
	First Name	Sofia
	Last Name	Rafael
	Main Email	sofiarafael@www.com
	Main Phone	415-555-5432
	Address	32 North Avenue
	City, State, Zip	Bayshore, CA 94326
	Company Name	Sofia Rafael
	Payment Settings:	
	Account No.	3001
	Payment Terms:	Net 30
	Preferred Delivery Method	E-mail
Preferred Payment Method	Visa	
Customer Type <add New>	Direct Contact	
Add Job	Job Name:	Mazda
	Job Description:	Mazda Corgi
	Job Type:	Small Pet
	Job Status:	Awarded

New Customer	Customer	Petit, Mimi
	Opening Balance	0.00
	As of	01/01/2023
	Address Info:	
	First Name	Mimi
	Last Name	Petit
	Main Phone	
	Mobile	415-555-2160
	Address	220 Asace Avenue Bayshore, CA 94326
	Company Name:	Mimi Petit
	Payment Settings:	

	Account No.	3003
	Payment Terms	Net30
	Preferred Delivery Method	E-mail
	Preferred Payment Method	Check
	Additional Info:	
	Customer Type <Add New>	Internet
Add Job	Job Name:	Bebe
	Job Description:	Bebe French Bulldog
	Job Type:	Medium Pet
	Job Status:	Awarded

New Customer	Customer	Martini, Graziella
	Opening Balance	0.00
	As of	01/01/2023
	Address Info:	
	First Name	Graziella
	Last Name	Martini
	Main Phone	
	Mobile	415-555-1270
	Address	2213 Marco Drive Bayshore, CA 94326
	Company Name	Graziella Martini
	Payment Settings:	
	Account No.	3004
	Payment Terms	Net 30
	Preferred Delivery Method	E-mail
Preferred Payment Method	Check	
Additional Info:		
	Customer Type <Add New>	Social Media
Add Job	Job Name:	Mario
	Job Description:	Mario Italian Greyhound
	Job Type:	Small Pet
	Job Status:	Pending

CH11 CUS

- Step 1.** From the Customer & Receivables Reports, open the **Customer Contact list**
- Step 2.** Customize the Report using the following settings:
 - a. **Remove Primary Contact, Fax and Balance Total**
 - b. **Show Account No.**
 - c. **Show Job Type**
 - d. **Show Job Description**
 - e. **Show Job Status**
 - f. **Show Main Email**
- Step 3.** **Generate the report**

Step 4. Click and **drag the headings** of the new columns showing to the following positions:

- i. **Customer**
- ii. **Bill to**
- iii. **Main Phone**
- iv. **Main Email**
- v. **Account No.**
- vi. **Job Type**
- vii. **Job Status**
- viii. **Job Description**

Step 5. Customize the Header/Footer to read as follows:

- a. Report Title: **Customer Contact and Job List**
- b. Subtitle: **January 01, 2023**

Step 6. **Memorize** the new Customer Contact List as **Customer and Job List**

Step 7. **Save** in **Customers**

Step 8. **Export** the **Customer Contact List to Excel**

Step 9. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_11_REPORTS** Excel file.

Step 10. From the drop-down list, select the sheet: **CH11 CUS**

Step 11. **Save and close** the Excel file.

ADD VENDORS

New Vendor	Name	Sofia Rafael Associates
	Opening Balance	\$0.00 as of 01/01/2023
	Company Name	Sofia Rafael Associates
	First Name	Sofia
	Last Name	Rafael
	Job Title	Owner
	Main Phone	415-555-6543
	Mobile	415-555-5432
	Address	32 North Avenue
	City, State, Zip	Bayshore, CA 94326
	Account No.	4001
	Payment Terms	Net 30
	Print on Check as	Sofia Rafael Associates
	Vendor Tax ID	37-7272727
Vendor Type	Supplies	

New Vendor	Name	Joseph Leasing
	Opening Balance	\$0.00 as of 01/01/2023
	Company Name	Joseph Leasing
	First Name	Joseph
	Main Phone	415-555-0412
	Address	13 Appleton Drive
	City, State, Zip	Bayshore, CA 94326
	Account No.	4002
	Payment Terms	Due on receipt
	Print on Check as	Joseph Leasing
	Vendor Type <Add New>	Leasing

New Vendor	Name	Bichotte Supplies
	Opening Balance	\$0.00 as of 01/01/2023
	Company Name	Bichotte Supplies
	First Name	Bichotte
	Main Phone	415-555-4567
	Address	810 Francais Drive
	City, State, Zip	Bayshore, CA 94326
	Account No.	4003
	Payment Terms	Net 30
	Print on Check as	Bichotte Supplies
Vendor Type	Supplies	

New Vendor	Name	Cathy PetCare Supplies
	Opening Balance	\$0.00 as of 01/01/2023
	Company Name	Cathy PetCare Supplies
	First Name	Cathy
	Main Phone	415-555-1010
	Mobile	
	Address	10 Chassure Street
	City, State, Zip	Bayshore, CA 94326
	Contact Name	
	Account No.	4004
	Payment Terms	Net 30
	Print on Check as	Cathy PetCare Supplies
	Vendor Tax ID	
	Vendor Type	Suppliers

CH11 VEN

- Step 5.** From the Vendors & Payables Reports, generate the **Vendor Contact List**
- Step 6.** Customize the Report using the following settings:
a. Remove Primary Contact, Fax, Balance Total
b. Add Terms, Vendor Type
- Step 12.** Customize the Header/Footer to read as follows:
a. Report Title: Vendor Contact and Type List
b. Subtitle: January 01, 2023
- Step 13.** **Memorize** the new Vendor Contact List as **Vendor Contact and Type List**
- Step 14.** **Save** in **Vendors**
- Step 7.** **Export** the **Vendor List**
- Step 8.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_11_REPORTS** Excel file.
- Step 9.** From the drop-down list, select the sheet: **CH11 VEN**
- Step 10.** **Save and close** the Excel file.

ADD ITEMS

Enter the following items in the item list for Mookie The Beagle Spa. Use the income account:
47900 Sales

SUBITEM OF	NAME	TYPE	SALES DESCRIPTION	SALES PRICE
Shampoo	Shampoo Small	Service	Shampoo Small dog	\$36
Shampoo	Shampoo Medium	Service	Shampoo Medium dog	\$45
Shampoo	Shampoo Large	Service	Shampoo Large dog	\$54
Shampoo	Shampoo Extra Large	Service	Shampoo Extra Large dog	\$63
Conditioner	Conditioner Small	Service	Conditioner Small dog	\$ 9
Conditioner	Conditioner Medium	Service	Conditioner Medium dog	\$ 9
Conditioner	Conditioner Large	Service	Conditioner Large dog	\$18
Conditioner	Conditioner Extra Large	Service	Conditioner Extra Large dog	\$18
Blow Dry	Blow Dry Small	Service	Blow Dry Small dog	\$18
Blow Dry	Blow Dry Medium	Service	Blow Dry Medium dog	\$27
Blow Dry	Blow Dry Large	Service	Blow Dry Large dog	\$33
Blow Dry	Blow Dry Extra Large	Service	Blow Dry Extra large dog	\$36
Doggie Massage	Short Massage	Service	Massage 15 Minutes	\$27
Doggie Massage	Medium Massage	Service	Massage 30 Minutes	\$45
Doggie Massage	Extended Massage	Service	Massage 50 Minutes	\$54
Grooming	Trim Coat	Service	Trim Doggie Coat	\$36
Grooming	Trim Nails	Service	Trim Doggie Nails and File	\$ 9

CH11 ITM

- Step 5.** From the Lists Reports, **Select** the **Item Price List**
- Step 6.** Customize the Report: Remove the Preferred Vendor Column
- Step 7.** Export **to Excel**
- Step 8.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_11_REPORTS** Excel file.
- Step 9.** From the drop-down list, select the sheet: **CH11 ITM**
- Step 10.** **Save and close** the Excel file.

CUSTOMIZE INVOICE TEMPLATE

Using the activity in Unit 10 as a guideline, create a custom invoice for Mookie The Beagle Spa that contains a date.

Step 1. Create a **service date invoice** for Mookie The Beagle Spa

The service date permits the company to bill clients once a month for all services provided during the month, listing each service date separately on the invoice.

RECORD TRANSACTIONS

Date	Transaction	Amount	Transaction Type (s)	Method	Number
01/01/2023	CK Walker invested in the business	\$7,200	Deposit	Check	5555
01/01/2023	Joseph Leasing Van Lease	\$360	Bill → Bill Pay		503
01/02/2023	Cathy PetCare Supplies (pet spa equipment)	\$1,350	Bill		
01/03/2023	Sofia Rafael Associates (Technology Supplies Expense)	\$198	Bill		
01/06/2023	Bichotte Supplies (Office supplies expense)	\$99	Visa Credit Card-4563		
01/08/2023	Cathy Pet Care (Pet Spa Supplies Expense)	\$135	Bill		
01/10/2023	FastFuel <add new> (automobile expense)	\$81	Visa Credit Card-4563		
01/20/2023	Cathy PetCare Supplies	\$1,485	Bill Pay	Check	502

Use the service date invoice template to record the following customer transactions:

NEW INVOICE		SERVICE DATE	01/13/2023
INVOICE DATE	01/30/2023	ITEM	Shampoo Small
CUSTOMER	Sofia Rafael	ITEM	Conditioner Small
JOB	Mazda	ITEM	Blow Dry Small
		ITEM	Trim Nails

Date	Transaction	Amount	Transaction Type (s)	Method	Number
02/01/2023	Joseph Leasing (Van lease expense)	\$350	Bill → Bill Pay		504
02/10/2023	Sofia Rafael	\$72.00	Payment & Deposit	Visa	5555-5555-5555-5555 Exp 01/2025
02/20/2023	Cathy PetCare Supplies (Pet Spa Supplies Expense)	\$45	Bill		
02/22/2023	VISA (add vendor) Account: 21000 Visa Credit Card-4563	\$180	Check	Checking	505

- Step 1.** Many of the customers have reoccurring services. **You will be generating one invoice at the end of the month.**
- Step 2.** Use the new **Service Date Invoice Template**
- Step 3.** Since there are many services for the same service date, it is easier to enter the service date in the service date column and then list the items. You will have several blank service dates for the items of the same date.
- Step 4.** All the services for the month should be on one invoice for that customer. The **invoices are generated at the end of the month.**
- Step 5.** These services for the invoice generated on **February 28, 2023:**

BILL TO		SERVICE DATE	02/02/2023
		ITEM	Extended Massage
		ITEM	Shampoo Large
		ITEM	Conditioner Large
		ITEM	Blow Dry Large
		ITEM	Trim Nails
BILL TO		SERVICE DATE	02/10/2023
		ITEM	Extended Massage
		ITEM	Shampoo Large
		ITEM	Conditioner Large
		ITEM	Blow Dry Large
		ITEM	
CUSTOMER	Tracey Kari		
JOB	Odin		

BILL TO		SERVICE DATE	02/13/2023
		ITEM	Shampoo Small
		ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Trim Nails
		ITEM	Medium Massage
CUSTOMER	Sofia Rafael		
JOB	Mazda		

BILL TO		SERVICE DATE	02/16/2023
		ITEM	Shampoo Medium
		ITEM	Conditioner Medium
		ITEM	Blow Dry Medium
		ITEM	Trim Nails
		ITEM	Extended Massage
CUSTOMER	Mimi Petit		
JOB	Bebe		

BILL TO	SERVICE DATE	02/20/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
	ITEM	Blow Dry Large
	SERVICE DATE	02/27/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
ITEM	Blow Dry Large	
CUSTOMER	Tracey Kari	
JOB	Odin	

BILL TO	SERVICE DATE	02/27/2023
	ITEM	Shampoo Small
	ITEM	Conditioner Small
	ITEM	Blow Dry Small
	ITEM	Medium Massage
	CUSTOMER	Sofia Rafael
JOB	Mazda	

- Step 6.** Invoice Date: **02/28/2023**
- Step 7.** Generate the Final **Invoice** for **Sofia Rafael: Mazda**
- Step 8.** Generate the Final **Invoice** **Tracey Kari: Odin**
- Step 9.** Generate the Final **Invoice** for **Mimi Petit: Bebe**

RECORD TRANSACTIONS

Date	Transaction	Amount	Transaction Type (s)	Method	Number
03/01/2023	Sofia Rafael Associates	\$198	Bill Pay	Check	506
03/01/2023	Joseph Leasing (Van lease expense)	\$350	Check		507
03/10/2023	Sofia Rafael: Mazda	\$225	Receive Payment	VISA	5555-5555-5555-5555 Exp 01/2025
03/10/2023	Tracey Kari: Odin	\$645	Receive Payment	Check	1234
03/10/2023	Mimi Petit: Bebe	\$144	Receive Payment	Check	178
03/10/2023	Record deposit for the payments received	\$1,014	Deposit		
03/15/2023	Cathy Pet Care Supplies	\$45	Bill Pay	Check	508

Step 1. Enter the following Invoices using the service dates provided. These invoices are for March 2023:

BILL TO	SERVICE DATE	03/01/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
	ITEM	Blow Dry Large
	ITEM	Trim Nails
	SERVICE DATE	03/08/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
ITEM	Conditioner Large	
ITEM	Blow Dry Large	
CUSTOMER	Tracey Kari	
JOB	Odin	

BILL TO	SERVICE DATE	03/15/2023
	ITEM	Shampoo Small
	ITEM	Conditioner Small
	ITEM	Blow Dry Small
	ITEM	Trim Nails
	ITEM	Medium Massage
	CUSTOMER	Sofia Rafael
JOB	Mazda	

BILL TO	SERVICE DATE	03/15/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
	ITEM	Blow Dry Large
	SERVICE DATE	03/22/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
ITEM	Blow Dry Large	
CUSTOMER	Tracey Kari	
JOB	Odin	

BILL TO		SERVICE DATE	03/16/2023
CUSTOMER	Mimi Petit	ITEM	Shampoo Medium
JOB	Bebe	ITEM	Conditioner Medium
		ITEM	Blow Dry Medium
		ITEM	Trim Nails
		ITEM	Extended Massage

BILL TO		SERVICE DATE	03/27/2023
CUSTOMER	Sofia Rafael	ITEM	Shampoo Small
JOB	Mazda	ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Medium Massage

BILL TO		SERVICE DATE	03/29/2023
CUSTOMER	Tracey Kari	ITEM	Extended Massage
JOB	Odin	ITEM	Shampoo Large
		ITEM	Conditioner Large
		ITEM	Blow Dry Large

BILL TO		SERVICE DATE	03/30/2023
CUSTOMER	Graziella Martini	ITEM	Shampoo Small
JOB	Mario	ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Extended Massage
		ITEM	Trim Nails

- Step 1. Invoice Date: **03/31/2023**
- Step 2. Generate the **Invoice** for **Sofia Rafael: Mazda**
- Step 3. Generate the **Invoice** **Tracey Kari: Odin**
- Step 4. Generate the **Invoice** for **Mimi Petit: Bebe**
- Step 5. Generate the **Invoice** for **Graziella Martini: Mario**

Date	Transaction	Amount	Transaction Type (s)	Method	Number
04/01/2023	Joseph Leasing (Van lease expense)	\$350	Check		509

Date	Transaction	Amount	Transaction Type (s)	Method	Number
04/10/2023	Sofia Rafael: Mazda	\$225	Receive Payment	VISA	5555-5555-5555-5555 Exp 01/2025
04/10/2023	Tracey Kari: Odin	\$804	Receive Payment	Check	1342
04/10/2023	Mimi Petit: Bebe	\$144	Receive Payment	Check	185
04/10/2023	Graziella Martini: Mario	\$126	Receive Payment	Check	572
04/10/2023	Record deposit for the payments received	\$1,299	Deposit		
04/20/2023	FastFuel (gasoline)	\$54	Charge	VISA	

Step 1. Enter the following Invoices using the service dates provided. These invoices are for April 2023:

BILL TO		SERVICE DATE	04/01/2023
			Extended Massage
		ITEM	Shampoo Large
		ITEM	Conditioner Large
		ITEM	Blow Dry Large
		ITEM	Trim Nails
		SERVICE DATE	04/08/2023
			Extended Massage
		ITEM	Shampoo Large
	ITEM	Conditioner Large	
	ITEM	Blow Dry Large	

CUSTOMER	Tracey Kari
JOB	Odin

BILL TO		SERVICE DATE	04/15/2023
		ITEM	Shampoo Small
		ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Trim Nails
		ITEM	Medium Massage

CUSTOMER	Sofia Rafael
JOB	Mazda

BILL TO		SERVICE DATE	04/15/2023	
			Extended	
	CUSTOMER	Tracey Kari	ITEM	Massage
	JOB	Odin	ITEM	Shampoo Large
			ITEM	Conditioner Large
			ITEM	Blow Dry Large
			SERVICE DATE	04/22/2023
				Extended
			ITEM	Massage
		ITEM	Shampoo Large	
		ITEM	Conditioner Large	
		ITEM	Blow Dry Large	

BILL TO		SERVICE DATE	04/16/2023	
			Shampoo Medium	
	CUSTOMER	Mimi Petit	ITEM	Conditioner
	JOB	Bebe	ITEM	Medium
			ITEM	Blow Dry Medium
			ITEM	Trim Nails
				Extended
			ITEM	Massage

BILL TO		SERVICE DATE	04/27/2023	
			Shampoo Small	
	CUSTOMER	Sofia Rafael	ITEM	Conditioner Small
	JOB	Mazda	ITEM	Blow Dry Small
			ITEM	Medium Massage

BILL TO		SERVICE DATE	04/29/2023	
			Extended	
	CUSTOMER	Tracey Kari	ITEM	Massage
	JOB	Odin	ITEM	Shampoo Large
			ITEM	Conditioner Large
			ITEM	Blow Dry Large

BILL TO		SERVICE DATE	04/30/2023
CUSTOMER	Graziella Martini	ITEM	Shampoo Small
JOB	Mario	ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Extended Massage
		ITEM	Trim Nails

Step 1. Date of Invoices: **04/30/2023**

Step 2. Prepare the final invoice for the following customers:

- a. **Sofia Rafael: Mazda**
- b. **Tracey Kari: Odin**
- c. **Mimi Petit: Bebe**
- d. **Graziella Martini: Mario**

Date	Transaction	Amount	Transaction Type (s)	Method	Number
05/01/2023	Joseph Leasing (Van lease expense)	\$350	Check		510
05/10/2023	Sofia Rafael: Mazda	\$225	Receive Payment	VISA	5555-5555-5555-5555 Exp 01/2025
05/10/2023	Tracey Kari: Odin	\$804	Receive Payment	Check	1363
05/10/2023	Mimi Petit: Bebe	\$144	Receive Payment	Check	201
05/10/2023	Graziella Martini: Mario	\$126	Receive Payment	Check	577
05/10/2023	Record deposit for the payments received	\$1,299	Deposit		
05/22/2023	Paid Visa Credit Card	\$54	Checking	Check	511

Step 1. Enter the following Invoices using the service dates provided. These invoices are for May 2023:

BILL TO	SERVICE DATE	05/01/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
	ITEM	Blow Dry Large
	ITEM	Trim Nails
	SERVICE DATE	05/08/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
ITEM	Conditioner Large	
ITEM	Blow Dry Large	
CUSTOMER	Tracey Kari	
JOB	Odin	

BILL TO	SERVICE DATE	05/15/2023
	ITEM	Shampoo Small
	ITEM	Conditioner Small
	ITEM	Blow Dry Small
	ITEM	Trim Nails
	ITEM	Medium Massage
	CUSTOMER	Sofia Rafael
JOB	Mazda	

BILL TO	SERVICE DATE	05/15/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
	ITEM	Blow Dry Large
	SERVICE DATE	05/22/2023
	ITEM	Short Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
ITEM	Blow Dry Large	
CUSTOMER	Tracey Kari	
JOB	Odin	

BILL TO		SERVICE DATE	05/16/2023
CUSTOMER	Mimi Petit	ITEM	Shampoo Medium
JOB	Bebe	ITEM	Conditioner Medium
		ITEM	Blow Dry Medium
		ITEM	Trim Nails
		ITEM	Extended Massage

BILL TO		SERVICE DATE	05/27/2023
CUSTOMER	Sofia Rafael	ITEM	Shampoo Small
JOB	Mazda	ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Extended Massage

BILL TO		SERVICE DATE	05/29/2023
CUSTOMER	Tracey Kari	ITEM	Extended Massage
JOB	Odin	ITEM	Shampoo Large
		ITEM	Conditioner Large
		ITEM	Blow Dry Large

BILL TO		SERVICE DATE	05/30/2023
CUSTOMER	Graziella Martini	ITEM	Shampoo Small
JOB	Mario	ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Extended Massage
		ITEM	Trim Nails
		ITEM	Trim Coat

Step 3. Date of Invoices: **05/30/2023**

Step 4. Use **Outstanding Billable Costs** to generate invoices for the following:

- Sofia Rafael: Mazda
- Tracey Kari: Odin
- Mimi Petit: Bebe
- Graziella Martini: Mario

Date	Transaction	Amount	Transaction Type (s)	Method	Number
06/01/2023	Joseph Leasing (Van lease expense)	\$350	Check		512

06/10/2023	Sofia Rafael: Mazda	\$234	Receive Payment	VISA	5555-5555-5555-5555 Exp 01/2025
06/10/2023	Tracey Kari: Odin	\$777	Receive Payment	Check	1372
06/10/2023	Mimi Petit: Bebe	\$144	Receive Payment	Check	210
06/10/2023	Graziella Martini: Mario	\$162	Receive Payment	Check	581
06/10/2023	Record deposit for the payments received	\$1,317	Deposit		

Step 1. Enter the following Invoices using the service dates provided. These invoices are for June 2023:

BILL TO		SERVICE DATE	06/01/2023	
			Extended Massage	
	CUSTOMER	Tracey Kari	ITEM	Shampoo Large
	JOB	Odin	ITEM	Conditioner Large
			ITEM	Blow Dry Large
			ITEM	Trim Nails
			SERVICE DATE	06/08/2023
				Extended Massage
			ITEM	Shampoo Large
		ITEM	Conditioner Large	
		ITEM	Blow Dry Large	

BILL TO		SERVICE DATE	06/15/2023	
	CUSTOMER	Sofia Rafael	ITEM	Shampoo Small
	JOB	Mazda	ITEM	Conditioner Small
			ITEM	Blow Dry Small
			ITEM	Trim Nails
			ITEM	Medium Massage

BILL TO		SERVICE DATE	06/15/2023
			Extended Massage
		ITEM	Shampoo Large
		ITEM	Conditioner Large
		ITEM	Blow Dry Large
		SERVICE DATE	06/22/2023
			Extended Massage
		ITEM	Shampoo Large
		ITEM	Conditioner Large
	ITEM	Blow Dry Large	
CUSTOMER	Tracey Kari		
JOB	Odin		

BILL TO		SERVICE DATE	06/16/2023
		ITEM	Shampoo Medium
		ITEM	Conditioner Medium
		ITEM	Blow Dry Medium
		ITEM	Trim Nails
			Extended Massage
		ITEM	Trim Coat
CUSTOMER	Mimi Petit		
JOB	Bebe		

BILL TO		SERVICE DATE	06/27/2023
		ITEM	Shampoo Small
		ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Medium Massage
		ITEM	Trim Nails
		ITEM	Trim Coat
CUSTOMER	Sofia Rafael		
JOB	Mazda		

BILL TO		SERVICE DATE	06/29/2023
			Extended Massage
		ITEM	Shampoo Large
		ITEM	Conditioner Large
		ITEM	Blow Dry Large
		ITEM	Trim Nails
CUSTOMER	Tracey Kari		
JOB	Odin		

BILL TO		SERVICE DATE	06/30/2023
CUSTOMER	Graziella Martini	ITEM	Shampoo Small
JOB	Mario	ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Extended Massage

- Step 5.** Date of Invoices: **06/30/2023**
- Sofia Rafael: Mazda**
 - Tracey Kari: Odin**
 - Mimi Petit: Bebe**
 - Graziella Martini: Mario**

Date	Transaction	Amount	Transaction Type (s)	Method	Number
07/01/2023	Joseph Leasing (Van lease expense)	\$350	Check		513
07/10/2023	Sofia Rafael: Mazda	\$270	Receive Payment	VISA	5555-5555-5555-5555 Exp 01/2025
07/10/2023	Tracey Kari: Odin	\$813	Receive Payment	Check	1381
07/10/2023	Mimi Petit: Bebe	\$180	Receive Payment	Check	215
07/10/2023	Graziella Martini: Mario	\$117	Receive Payment	Check	589
07/10/2023	Record deposit for the payments received	\$1,380	Deposit		
07/20/2023	FastFuel (automobile)	\$63	VISA Credit Card	Credit	

- Step 1.** Enter the following Invoices using the service dates provided. These invoices are for July 2023:

BILL TO	SERVICE DATE	07/01/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
	ITEM	Blow Dry Large
	ITEM	Trim Nails
	SERVICE DATE	07/08/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
ITEM	Conditioner Large	
ITEM	Blow Dry Large	
CUSTOMER	Tracey Kari	
JOB	Odin	

BILL TO	SERVICE DATE	07/15/2023
	ITEM	Shampoo Small
	ITEM	Conditioner Small
	ITEM	Blow Dry Small
	ITEM	Trim Nails
	ITEM	Medium Massage
	CUSTOMER	Sofia Rafael
JOB	Mazda	

BILL TO	SERVICE DATE	07/15/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
	ITEM	Blow Dry Large
	SERVICE DATE	07/22/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
ITEM	Blow Dry Large	
CUSTOMER	Tracey Kari	
JOB	Odin	

BILL TO		SERVICE DATE	07/16/2023
CUSTOMER	Mimi Petit	ITEM	Shampoo Medium
JOB	Bebe	ITEM	Conditioner Medium
		ITEM	Blow Dry Medium
		ITEM	Trim Nails
		ITEM	Extended Massage

BILL TO		SERVICE DATE	07/27/2023
CUSTOMER	Sofia Rafael	ITEM	Shampoo Small
JOB	Mazda	ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Medium Massage

BILL TO		SERVICE DATE	07/29/2023
CUSTOMER	Tracey Kari	ITEM	Extended Massage
JOB	Odin	ITEM	Shampoo Large
		ITEM	Conditioner Large
		ITEM	Blow Dry Large

BILL TO		SERVICE DATE	07/30/2023
CUSTOMER	Graziella Martini	ITEM	Shampoo Small
JOB	Mario	ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Extended Massage
		ITEM	Trim Nails

- Step 6.** Date of Invoices: **07/30/2023**
- Sofia Rafael: Mazda
 - Tracey Kari: Odin
 - Mimi Petit: Bebe
 - Graziella Martini: Mario

Date	Transaction	Amount	Transaction Type (s)	Method	Number
08/01/2023	Joseph Leasing (Van lease expense)	\$350	Check		514
08/10/2023	Sofia Rafael: Mazda	\$225	Receive Payment	VISA	5555-5555-5555-5555 Exp 01/2025

BILL TO	SERVICE DATE	08/15/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
	ITEM	Blow Dry Large
	SERVICE DATE	08/22/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
ITEM	Blow Dry Large	
CUSTOMER	Tracey Kari	
JOB	Odin	

BILL TO	SERVICE DATE	08/16/2023	
	ITEM	Shampoo Medium	
	ITEM	Conditioner Medium	
	ITEM	Blow Dry Medium	
	ITEM	Trim Nails	
	ITEM	Extended Massage	
	ITEM	Trim Coat	
	CUSTOMER	Mimi Petit	
	JOB	Bebe	

BILL TO	SERVICE DATE	08/27/2023	
	ITEM	Shampoo Small	
	ITEM	Conditioner Small	
	ITEM	Blow Dry Small	
	ITEM	Medium Massage	
	ITEM	Trim Coat	
	CUSTOMER	Sofia Rafael	
	JOB	Mazda	

BILL TO	SERVICE DATE	08/29/2023	
	ITEM	Extended Massage	
	ITEM	Shampoo Large	
	ITEM	Conditioner Large	
	ITEM	Blow Dry Large	
	CUSTOMER	Tracey Kari	
	JOB	Odin	

BILL TO		SERVICE DATE	08/30/2023
CUSTOMER	Graziella Martini	ITEM	Shampoo Small
JOB	Mario	ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Extended Massage
		ITEM	Trim Nails

Step 7. Date of Invoices: **08/31/2023**

- Sofia Rafael: Mazda**
- Tracey Kari: Odin**
- Mimi Petit: Bebe**
- Graziella Martini: Mario**

Date	Transaction	Amount	Transaction Type (s)	Method	Number
09/01/2023	Joseph Leasing (Van lease expense)	\$350	Check		516
09/10/2023	Sofia Rafael: Mazda	\$261	Receive Payment	VISA	5555-5555-5555-5555 Exp 01/2025
09/10/2023	Tracey Kari: Odin	\$795	Receive Payment	Check	1350
09/10/2023	Mimi Petit: Bebe	\$180	Receive Payment	Check	234
09/10/2023	Graziella Martini: Mario	\$126	Receive Payment	Check	603
09/10/2023	Record deposit for the payments received	\$1,362	Deposit		
09/20/2023	Cathy PetCare (Purchased Pet spa Supplies on account)	\$72	Bill		

Step 1. Enter the following Invoices using the service dates provided. These invoices are for September 2023:

BILL TO	SERVICE DATE	09/01/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
	ITEM	Blow Dry Large
	ITEM	Trim Nails
	SERVICE DATE	09/09/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
ITEM	Conditioner Large	
ITEM	Blow Dry Large	
CUSTOMER	Tracey Kari	
JOB	Odin	

BILL TO	SERVICE DATE	09/15/2023
	ITEM	Shampoo Small
	ITEM	Conditioner Small
	ITEM	Blow Dry Small
	ITEM	Trim Nails
	ITEM	Medium Massage
	CUSTOMER	Sofia Rafael
JOB	Mazda	

BILL TO	SERVICE DATE	09/15/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
	ITEM	Blow Dry Large
	SERVICE DATE	09/22/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
ITEM	Blow Dry Large	
CUSTOMER	Tracey Kari	
JOB	Odin	

BILL TO		SERVICE DATE	09/16/2023
CUSTOMER	Mimi Petit	ITEM	Shampoo Medium
JOB	Bebe	ITEM	Conditioner Medium
		ITEM	Blow Dry Medium
		ITEM	Trim Nails
		ITEM	Extended Massage

BILL TO		SERVICE DATE	09/27/2023
CUSTOMER	Sofia Rafael	ITEM	Shampoo Small
JOB	Mazda	ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Medium Massage
		ITEM	Trim Coat

BILL TO		SERVICE DATE	09/29/2023
CUSTOMER	Tracey Kari	ITEM	Extended Massage
JOB	Odin	ITEM	Shampoo Large
		ITEM	Conditioner Large
		ITEM	Blow Dry Large

BILL TO		SERVICE DATE	09/30/2023
CUSTOMER	Graziella Martini	ITEM	Shampoo Small
JOB	Mario	ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Extended Massage
		ITEM	Trim Nails

- Step 8.** Date of Invoices: **09/30/2023**
- Sofia Rafael: Mazda**
 - Tracey Kari: Odin**
 - Mimi Petit: Bebe**
 - Graziella Martini: Mario**

Date	Transaction	Amount	Transaction Type (s)	Method	Number
10/01/2023	Joseph Leasing (Van lease expense)	\$350	Check		517
10/10/2023	Sofia Rafael: Mazda	\$261	Receive Payment	VISA	5555-5555-5555-5555 Exp 01/2025
10/10/2023	Tracey Kari: Odin	\$804	Receive Payment	Check	1359
10/10/2023	Mimi Petit: Bebe	\$144	Receive Payment	Check	243
10/10/2023	Graziella Martini: Mario	\$126	Receive Payment	Check	612
10/10/2023	Record deposit for the payments received	\$1,335	Deposit		
10/20/2023	Cathy PetCare (Purchased Pet spa Supplies on account)	\$72	Pay Bill	Check	518

Step 1. Enter the following Invoices using the service dates provided. These invoices are for October 2023:

BILL TO <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>CUSTOMER</td> <td>Tracey Kari</td> </tr> <tr> <td>JOB</td> <td>Odin</td> </tr> </table>	CUSTOMER	Tracey Kari	JOB	Odin	SERVICE DATE	10/01/2023
	CUSTOMER	Tracey Kari				
	JOB	Odin				
	ITEM	Extended Massage				
	ITEM	Shampoo Large				
	ITEM	Conditioner Large				
	ITEM	Blow Dry Large				
	ITEM	Trim Nails				
	SERVICE DATE	10/10/2023				
	ITEM	Extended Massage				
ITEM	Shampoo Large					
ITEM	Conditioner Large					
ITEM	Blow Dry Large					

BILL TO		SERVICE DATE	10/15/2023
CUSTOMER	Sofia Rafael	ITEM	Shampoo Small
JOB	Mazda	ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Trim Nails
		ITEM	Extended Massage

BILL TO		SERVICE DATE	10/15/2023
CUSTOMER	Tracey Kari	ITEM	Extended Massage
JOB	Odin	ITEM	Shampoo Large
		ITEM	Conditioner Large
		ITEM	Blow Dry Large
		SERVICE DATE	10/22/2023
		ITEM	Extended Massage
		ITEM	Shampoo Large
		ITEM	Conditioner Large
		ITEM	Blow Dry Large

BILL TO		SERVICE DATE	10/16/2023
CUSTOMER	Mimi Petit	ITEM	Shampoo Medium
JOB	Bebe	ITEM	Conditioner Medium
		ITEM	Blow Dry Medium
		ITEM	Trim Nails
		ITEM	Short Massage

BILL TO		SERVICE DATE	10/27/2023
CUSTOMER	Sofia Rafael	ITEM	Shampoo Small
JOB	Mazda	ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Medium Massage

BILL TO		SERVICE DATE	10/29/2023
		ITEM	Extended Massage
CUSTOMER	Tracey Kari	ITEM	Shampoo Large
JOB	Odin	ITEM	Conditioner Large
		ITEM	Blow Dry Large
		ITEM	Trim Coat
		ITEM	Trim Nails

BILL TO		SERVICE DATE	10/30/2023
		ITEM	Shampoo Small
CUSTOMER	Graziella Martini	ITEM	Conditioner Small
JOB	Mario	ITEM	Blow Dry Small
		ITEM	Extended Massage
		ITEM	Trim Nails

- Step 1.** Date of Invoices: **10/30/2023**
- a. **Sofia Rafael: Mazda**
 - b. **Tracey Kari: Odin**
 - c. **Mimi Petit: Bebe**
 - d. **Graziella Martini: Mario**

Date	Transaction	Amount	Transaction Type (s)	Method	Number
11/01/2023	Joseph Leasing (Van lease expense)	\$350	Check		519
11/11/2023	Sofia Rafael: Mazda	\$234	Receive Payment	VISA	5555-5555-5555-5555 Exp 01/2025
11/11/2023	Tracey Kari: Odin	\$849	Receive Payment	Check	1368
11/11/2023	Mimi Petit: Bebe	\$117	Receive Payment	Check	252
11/11/2023	Graziella Martini: Mario	\$126	Receive Payment	Check	621
11/11/2023	Record deposit for the payments received	\$1,326	Deposit		

- Step 1.** Enter the following Invoices using the service dates provided. These invoices are for November 2023:

BILL TO	SERVICE DATE	11/01/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
	ITEM	Blow Dry Large
	ITEM	Trim Nails
	SERVICE DATE	11/11/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
ITEM	Conditioner Large	
ITEM	Blow Dry Large	
CUSTOMER	Tracey Kari	
JOB	Odin	

BILL TO	SERVICE DATE	11/15/2023	
	ITEM	Shampoo Small	
	ITEM	Conditioner Small	
	ITEM	Blow Dry Small	
	ITEM	Trim Nails	
	ITEM	Medium Massage	
	CUSTOMER	Sofia Rafael	
	JOB	Mazda	

BILL TO	SERVICE DATE	11/15/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
	ITEM	Blow Dry Large
	SERVICE DATE	11/22/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
ITEM	Blow Dry Large	
CUSTOMER	Tracey Kari	
JOB	Odin	

BILL TO		SERVICE DATE	11/16/2023
CUSTOMER	Mimi Petit	ITEM	Shampoo Medium
JOB	Bebe	ITEM	Conditioner Medium
		ITEM	Blow Dry Medium
		ITEM	Trim Nails
		ITEM	Extended Massage

BILL TO		SERVICE DATE	11/27/2023
CUSTOMER	Sofia Rafael	ITEM	Shampoo Small
JOB	Mazda	ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Medium Massage

BILL TO		SERVICE DATE	11/29/2023
CUSTOMER	Tracey Kari	ITEM	Extended Massage
JOB	Odin	ITEM	Shampoo Large
		ITEM	Conditioner Large
		ITEM	Blow Dry Large

BILL TO		SERVICE DATE	11/30/2023
CUSTOMER	Graziella Martini	ITEM	Shampoo Small
JOB	Mario	ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Extended Massage
		ITEM	Trim Nails

- Step 2.** Date of Invoices: **11/30/2023**
- Sofia Rafael: Mazda
 - Tracey Kari: Odin
 - Mimi Petit: Bebe
 - Graziella Martini: Mario

Date	Transaction	Amount	Transaction Type (s)	Method	Number
12/01/2023	Joseph Leasing (Van lease expense)	\$350	Check		520
12/12/2023	Sofia Rafael: Mazda	\$225	Receive Payment	VISA	5555-5555-5555-5555 Exp 01/2025

12/12/2023	Tracey Kari: Odin	\$804	Receive Payment	Check	1377
12/12/2023	Mimi Petit: Bebe	\$144	Receive Payment	Check	261
12/12/2023	Graziella Martini: Mario	\$126	Receive Payment	Check	630
12/12/2023	Record deposit for the payments received	\$1,299	Deposit		
12/20/2023	FastFuel (gasoline)	\$54	Visa Credit	Credit Card	

Step 1. Enter the following Invoices using the service dates provided. These invoices are for December 2023:

BILL TO <table border="1" style="width: 100%;"> <tr> <td>CUSTOMER</td> <td>Tracey Kari</td> </tr> <tr> <td>JOB</td> <td>Odin</td> </tr> </table>	CUSTOMER	Tracey Kari	JOB	Odin	SERVICE DATE	12/01/2023
	CUSTOMER	Tracey Kari				
	JOB	Odin				
	ITEM	Extended Massage				
	ITEM	Shampoo Large				
	ITEM	Conditioner Large				
	ITEM	Blow Dry Large				
	ITEM	Trim Nails				
	SERVICE DATE	12/12/2023				
	ITEM	Extended Massage				
ITEM	Shampoo Large					
ITEM	Conditioner Large					
ITEM	Blow Dry Large					

BILL TO <table border="1" style="width: 100%;"> <tr> <td>CUSTOMER</td> <td>Sofia Rafael</td> </tr> <tr> <td>JOB</td> <td>Mazda</td> </tr> </table>	CUSTOMER	Sofia Rafael	JOB	Mazda	SERVICE DATE	12/15/2023
	CUSTOMER	Sofia Rafael				
	JOB	Mazda				
	ITEM	Shampoo Small				
	ITEM	Conditioner Small				
	ITEM	Blow Dry Small				
	ITEM	Trim Nails				
ITEM	Medium Massage					

BILL TO	SERVICE DATE	12/15/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
	ITEM	Blow Dry Large
	SERVICE DATE	12/22/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
ITEM	Blow Dry Large	

CUSTOMER	Tracey Kari
JOB	Odin

BILL TO	SERVICE DATE	12/16/2023
	ITEM	Shampoo Medium
	ITEM	Conditioner Medium
	ITEM	Blow Dry Medium
	ITEM	Trim Nails
	ITEM	Extended Massage

CUSTOMER	Mimi Petit
JOB	Bebe

BILL TO	SERVICE DATE	12/27/2023
	ITEM	Shampoo Small
	ITEM	Conditioner Small
	ITEM	Blow Dry Small
	ITEM	Medium Massage

CUSTOMER	Sofia Rafael
JOB	Mazda

BILL TO	SERVICE DATE	12/29/2023
	ITEM	Extended Massage
	ITEM	Shampoo Large
	ITEM	Conditioner Large
	ITEM	Blow Dry Large
	ITEM	Trim Coat
	ITEM	Trim Nails

CUSTOMER	Tracey Kari
JOB	Odin

BILL TO		SERVICE DATE	12/30/2023
CUSTOMER	Graziella Martini	ITEM	Shampoo Small
JOB	Mario	ITEM	Conditioner Small
		ITEM	Blow Dry Small
		ITEM	Extended Massage
		ITEM	Trim Nails
		ITEM	Trim Coat

Step 2. Date of Invoices: **12/30/2023**

- a. **Sofia Rafael: Mazda**
- b. **Tracey Kari: Odin**
- c. **Mimi Petit: Bebe**
- d. **Graziella Martini: Mario**

CH11 DEP DET

- Step 5.** From the Banking Reports, **Export** the **Deposit Detail Report for 2023** to **Excel**
- Step 6.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_11_REPORTS** Excel file.
- Step 7.** From the drop-down list, select the sheet: **CH11 DEP DET**
- Step 8.** **Save and close** the Excel file

CH11 CHK DET

- Step 1.** From the Banking Reports, **Export** the **Check Detail Report for 2023** to **Excel**
- Step 2.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_11_REPORTS** Excel file.
- Step 3.** From the drop-down list, select the sheet: **CH11 CHK DET**
- Step 4.** **Save and close** the Excel file

CH11 CUS DET

- Step 5.** From the Customer & Receivables Reports, **Export** the **Customer Balance Detail report for 2023** to **Excel**
- Step 6.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_11_REPORTS** Excel file.
- Step 7.** From the drop-down list, select the sheet: **CH11 CUS DET**
- Step 8.** **Save and close** the Excel file.

CH11 VEN EXP

- Step 1.** From the Vendors & Payables Reports, **Export** the **Transaction List by Vendor**
- Step 2.** From **01/01/2023** to **12/31/2023**
- Step 3.** Customize the Report Title: **Vendor Expense Detail**
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_11_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **CH11 VEN EXP**
- Step 6.** **Save and close** the Excel file.

CH11 TB

- Step 7.** From the report Center select **Accountant & Taxes → Trial Balance**
- Step 8.** Date: **12/31/2023**
- Step 9.** Export to **Excel**
- Step 10.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_11_REPORTS** Excel file.
- Step 11.** From the drop-down list, select the sheet: **CH11 TB**
- Step 12.** Verify account 12000 Undeposited Funds has a \$0.00 balance.
Highlight the Undeposited Funds \$0.00 balance
- Step 13.** **Save and close** the Excel file.

DEPRECIATION

The concept of depreciation is really pretty simple. For example, let's say you purchase a truck for your business. The truck loses value the minute you drive it out of the dealership. The truck is considered an operational asset in running your business. Each year that you own the truck, it loses some value, until the truck finally stops running and has no value to the business. Measuring the loss in value of an asset is known as depreciation.

Depreciation is considered an expense and is listed in an income statement under expenses. In addition to vehicles that may be used in your business, you can depreciate office furniture, office equipment, any buildings you own, and machinery you use to manufacture products.

Land is not considered an expense, nor can it be depreciated. Land does not wear out like vehicles or equipment.

To find the annual depreciation cost for your assets, you need to know the initial cost of the assets. You also need to determine how many years you think the assets will retain some value for your business. In the case of the truck, it may only have a useful life of ten years before it wears out and loses all value.

STRAIGHT-LINE DEPRECIATION

Straight-line depreciation is considered to be the most common method of depreciating assets. To compute the amount of annual depreciation expense using the straight-line method requires two numbers: the initial cost of the asset and its estimated useful life. For example, you purchase a truck for \$20,000 and expect it to have use in your business for ten years. Using the straight-line method for determining depreciation, you would divide the initial cost of the truck by its useful life.

The \$20,000 becomes a depreciation expense that is reported on your income statement under operation expenses at the end of each year.

For tax purposes, some accountants prefer to use other methods of accelerating depreciation in order to record larger amounts of depreciation in the early years of the asset to reduce tax bills as soon as possible.

You need, additionally, to check the regulations published by the federal Internal Revenue Service and various state revenue authorities for any specific rules regarding depreciation and methods of calculating depreciation for various types of assets

The **depreciation formula (straight-line)** to compute straight-line depreciation for a one-year period is:

$$\text{Annual depreciation} = \frac{\text{Asset cost} - \text{Estimated residual value}}{\text{Estimated years of Useful life}}$$

QUICKBOOKS METHODS

Fixed asset tracking and the Fixed Asset Manager

Tracking the book value of long-term assets as they decline over time can be a tricky business. The amount by which they depreciate can affect not only the worth of a business, but the size of a tax bill. It's important to develop good record-keeping habits where such fixed assets are concerned. It's also important for accountants and their clients to work together to make sure all the necessary information is being recorded so both financial statements and tax returns are correct.

QuickBooks can help both accountants **and** small business owners using fixed asset items and the Fixed Asset Manager.

ON THE SMALL BUSINESS SIDE

Tracking fixed assets with fixed asset items enables you to record such information about an asset as purchase date and price, whether the asset was new or used when purchased, and the asset's sale price if you decide to sell it. You can also generate customizable reports listing all your fixed assets.

To see examples of fixed asset items, open the product-based sample company file for Rock Castle Construction, then go to the Lists menu and click Fixed Asset Item List.

ON THE ACCOUNTANT'S SIDE

When the Fixed Asset Manager is started from within either a QuickBooks Accountant or QuickBooks Enterprise Solutions edition, it pulls in information about fixed assets from an open company file. Then the accountant can determine depreciation for the assets and post a journal entry back to the company file. The accountant can also enter assets in the Fixed Asset Manager and send that information back to QuickBooks.

The Fixed Asset Manager integrates with Intuit's ProSeries Tax products, which makes it easier to get asset information from QuickBooks into ProSeries Tax.

Here are some of the features the Fixed Asset Manager offers:

- Tight integration with QuickBooks data.
- A detailed, customizable asset entry screen.
- Six depreciation bases (Book, State, Federal, Other, AMT, ACE).
- Projected depreciation calculations.
- Disposition tracking.
- Custom queries and sorting.
- Full calculation overrides.
- A wide variety of built-in depreciation reports and forms.
- Multiple ways to export and import data.
- Integration with ProSeries Tax products.

In addition to synchronizing data with QuickBooks, the Fixed Asset Manager has its own data files that can hold more detailed asset information than a company (QBW) file can hold.

To open the Fixed Asset Manager, go to the Accountant menu and click Manage Fixed Assets.

To open the Fixed Asset Manager, go to the Company menu and click Manage Fixed Assets.

To see an example of a file with information you can pull into the Fixed Asset Manager, open the product-based sample company file for Rock Castle Construction. To view the fixed asset items included in the file, go to the Lists menu and click Fixed Asset Item List.

ENTERING A DEPRECIATION TRANSACTION

If your accountant uses the QuickBooks Fixed Asset Manager and you track your fixed assets with fixed asset items, you may not need to enter depreciation transactions. Ask your accountant for more information.

1. Go to the Lists menu and click Chart of Accounts. 
2. Double-click the sub account that tracks accumulated depreciation for the asset you're depreciating.
3. Enter the transaction in the bottom of the register:
4. Enter the depreciation amount as a decrease in the register.
5. In the Account field, enter the expense account that you set up to track depreciation.
6. Save the entry.
7. If you use a fixed asset item to track this asset, you can edit your fixed asset item and record that you've entered this depreciation transaction in the Notes field.

EFFECT ON YOUR ACCOUNTS

In the asset's fixed asset account, QuickBooks subtracts the depreciation amount from the cost of the asset.

In the account that tracks depreciation, QuickBooks enters the depreciation amount as an increase to your company's depreciation expense.

ADJUSTING ENTRIES

ADJUSTING ENTRY ADJ1

- Step 4.** To enter adjusting entries, select **Accountant Menu → Make General Journal Entries**
- Step 5.** The end of the 2023-year inventory revealed the **pet spa had \$39 of office supplies** on hand. Use the Make General Journal Entries window to record the adjusting entry (**ADJ1**) for additional office supplies on hand
- Step 6.** **Add** account **13100 Office Supplies on Hand → Other Current Assets**

ADJUSTING ENTRY ADJ2

- Step 1.** The end of the 2023-year inventory revealed the **pet spa had \$108 of pet spa supplies** on hand. Use the Make General Journal Entries window to record the adjusting entry (**ADJ2**) for additional office supplies on hand
- Step 2.** **Add** account **13200 Pet Spa Supplies on Hand → Other Current Assets**

ADJUSTING ENTRY ADJ3

- Step 5.** The **pet spa equipment** cost **\$1,350**
- Step 6.** Calculate the equipment cost using **straight-line depreciation** over **five years** with no salvage value.
- Step 7.** Click **Save & Close** to save the adjusting journal entries

CH11 ADJ JUR

- Step 1.** From the Accounting section, pull the **Adjusting Journal Entries** report for December 31, 2023
- Step 2.** Export the Transaction Journal to **Excel**
- Step 3.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_11_REPORTS** Excel file.
- Step 4.** From the drop-down list, select the sheet: **CH11 ADJ JUR**
- Step 5.** **Save and close** the Excel file.
- Step 6.** **Close** the Transaction Journal window and the Make Deposits window

CH11 ADJ TB

- Step 1.** From the Accounting section, pull the **Adjusted Trial Balance** report for December 31, 2023
- Step 2.** Export the Transaction Journal to **Excel**
- Step 3.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_11_REPORTS** Excel file.
- Step 4.** From the drop-down list, select the sheet: **CH11 ADJ TB**
- Step 5.** **Highlight** the **amounts affected by the adjusting entries**
- Step 6.** **Save and close** the Excel file.

CH11 PL JOB

- Step 5.** Export the **Profit and Loss by Job** to **Excel**
- Step 6.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_11_REPORTS** Excel file.
- Step 7.** From the drop-down list, select the sheet: **CH11 PL JOB**
- Step 8.** **Save and close** the Excel file.

CH11 BS STD

- Step 5.** Export the **Balance Sheet Standard** to **Excel**
- Step 6.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_11_REPORTS** Excel file.
- Step 7.** From the drop-down list, select the sheet: **CH11 BS STD**
- Step 8.** **Save and close** the Excel file.

CH11 SCF

- Step 5.** Export the **Statement of Cash Flows** to **Excel**
- Step 6.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_11_REPORTS** Excel file.
- Step 7.** From the drop-down list, select the sheet: **CH11 SCF**
- Step 8.** **Save and close** the Excel file.

CH11 CFF

- Step 1.** Export the **Cash Flow Forecast**
- Step 2.** From **01/01/2024** to **01/31/2024**
- Step 3.** Export to **Excel**
- Step 4.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_11_REPORTS** Excel file.
- Step 5.** From the drop-down list, select the sheet: **CH11 CFF**
- Step 6.** **Save and close** the Excel file.

COMPREHENSIVE PROJECT

UNIT 12 CREATE YOUR QUICKBOOKS COMPANY



This is an opportunity to define a company of your choosing using QuickBooks. You can use an existing company model or a fictitious company. It is important that you keep in mind the company must have specific preferences available for transactions you will be creating to complete the project.

In this unit, you will complete the first phase of the project by determining your business structure (Modules 1 & 2). The activities in Units 10 and 11 can be used as a reference to of how to plan the structure of your company. The comprehensive project consists of four modules.

Module 1 - Project Plan (Proposal & Setup)

Module 2 - Lists (Customers, Vendors, Items)

Module 3 - Sample Transactions (Invoices, Payments, Deposits and Memorized Transactions)

Module 4 - Assigned Transactions (A list of transactions that include specific invoice amounts, statements, bill pay and customized forms)

MODULE 1 – PROJECT PLAN

Step 41. Using **MS Word**, Open the **Module 1** handout in your Unit 12 folder (Word Document).

Step 42. **Student Name:** Type your name in the adjacent blank cell.

Step 43. **Save** your document as **Module 1**

NEW QUICKBOOKS COMPANY USING THE EASYSTEP INTERVIEW

Step 44. Select **Create a new company**

Step 45. When the QuickBooks Setup window appears, select **Detailed Start**

01 COMPANY INFORMATION

Step 46. When your Company Information window appears, enter your desired company name. Fill in the detailed company information listed in the Module 1 handout.

Step 47. Make a screen copy of your input and paste the image into the first blank cell of the Module 1 handout.

02 SELECT YOUR INDUSTRY

Step 48. When you select your industry, create a screen shot and paste it into the Module 1 area marked **Select Your Industry**.

03 ORGANIZATION

Step 49. This is where you are to choose the type of business organization your company will be using (Sole Proprietorship, Partnership, Corporation, S-Corporation or Limited Liability Company). After you have completed the selection create a screen shot and paste it into the blank cell below **How Is Your Company Organized?**

04 FISCAL YEAR

Step 50. You can use any fiscal year you choose; however, please keep in mind in Module 4, you are given a list of transactions. The dates for these transactions are an important part of the activity. Your transactions will be for the last quarter of 2020.

Step 51. Once you have completed the fiscal year setup, take a screen shot and place it in the area for **Your Fiscal Year**.

05 ADMIN PASSWORD

Step 52. You need to setup an administrator password for your company. It is recommended that you use a simple password like (**Cuesta123**). I have dealt with many students that have forgotten the password they create and are forced to recreate their company.

Step 53. Create a **screen shot of your password setup**

06 SAVE THE COMPANY FILE

Step 54. The next step is to save your file. Remember QuickBooks saves many files in the same location. I suggest creating a folder for the project and save the file in your new **project folder**. You can use a file name that represents your company. It is the folder that is important. You will be using this file each time you add to your project.

Step 55. Enter File Name: **Your Choice**

Step 56. Click **Save**

Step 57. Create a screen shot of the project folder along with the QuickBooks company file and all the folders created in the process.

07 HOME SCREEN

Step 58. Your QuickBooks company file should have a home screen with the following preferences available:

- a. Purchase Orders
- b. Invoices
- c. Bills & Pay Bills
- d. Sales Receipts
- e. Refunds & Credits

Step 59. Create a **screen shot of the home screen** that shows these options are available. You will need them for the final module (4).

BACKUP YOUR COMPANY FILE

Step 2. Use the instructions in **Appendix A** to back up your company file. Make sure your backup file is saved in the designated folder of this unit (**PROJECT BACKUPS**).

SUBMIT THE MODULE 1 WORD DOCUMENT

After the screen shots have been created, you are ready to save the Module 1 document. Submit the completed document to the **Module 1 – Individual Project: Proposal & Setup**

Step 1. Save the **Module 1** document with the screen shots to your **project folder**.

Step 2. Submit your completed document to the assignment called:

Module 1 – Individual Project: Proposal & Setup

MODULE 2 – LISTS CUSTOMERS, VENDORS, ITEMS

After setting up the prototype for your company identified in module 1, QuickBooks will have a standard Chart of Accounts setup designed for your type of business. In this module you will modify the existing Chart of Accounts

CHART OF ACCOUNTS REVISIONS

Step 1. DISPLAY ACCOUNT NUMBERS: Instructions are in your textbook (unit 2).

Step 2. EXPORT THE ACCOUNT LISTING TO EXCEL (COA-1): Export your original

5 Points

Account Listing to the Excel document provided (MODULE 2-REPORTS.XLSX). Follow the instructions in Appendix C to export the report to the Excel file named MODULE 2-REPORTS Excel file. . **From the dropdown list of sheets, you will be selecting COA-1.**

Step 3. MAKE ADJUSTMENTS TO YOUR CHART OF ACCOUNTS: In order to make these adjustments, you may choose to rename, delete or change the name of the original accounts. You should make at least one of these types of adjustments in each of the following categories:

- ✓ Asset (Fixed, Other Current or Other Asset)
- ✓ Equity
- ✓ Income
- ✓ Liabilities (Other Current Liability, Long Term Liability)
- ✓ Cost of Goods Sold
- ✓ Expense
- ✓ Bank

Step 4. CREDIT CARD ACCOUNTS: Credit card accounts are considered Liability accounts. Use the table provided to add at least 3 credit card accounts to your company. Keep in mind credit card accounts are reconciled and they have their own unique register just like bank accounts. They can be Gas, Visa, Mastercard, Amex, or a Company Line of Credit from a vendor (i.e. Home Depot, Hayward Lumber, etc.)

Step 5. EXPORT THE ACCOUNT LISTING TO EXCEL (COA-2): Export your revised Account Listing to the Excel document provided (MODULE 2-REPORTS.XLSX). Follow the instructions in Appendix C to export the report to the Excel file named MODULE 2-REPORTS Excel file. . **From the dropdown list of sheets, you will be selecting COA-2.**

Step 6. HIGHLIGHT THE CHANGES MADE (COA-2): In your new account listing exported to Excel, highlight the accounts you have just added using the text highlighter in Excel. Save your result and close the Excel workbook.

Account Type	Account Number Range
Asset Accounts	10000 - 19999
Liability Accounts	20000 - 29999
Equity Accounts	30000 - 39999
Revenue (income) Accounts	40000 - 49999
Cost of Goods Accounts	50000 - 59999
Expense Accounts	60000 - 69999
Non-Posting	90000 - 99999

ADD CUSTOMERS

- Step 1.** Add at least **7 customers** to your customer list. Make sure you fill out the information for each company containing the following bits of information:
- ✓ Company Name
 - ✓ Full Name of Primary Contact
 - ✓ Bill TO/SHIP TO: Address
 - ✓ Main Email
 - ✓ Main Phone
 - ✓ Website
 - ✓ Any additional information you feel is necessary to meet the needs of your company.

- Step 2.** **CUSTOMIZE THE CUSTOMER CONTACT LIST:** From the Customer Contact List report, customize the report so that it shows only the following fields:
- ✓ Customer
 - ✓ Company
 - ✓ Main Phone
 - ✓ Main Email
 - ✓ Website
 - ✓ First Name

- Step 3.** **CREATE A CATEGORY & MEMORIZE THE REPORT** - Create a category in your memorized report list called **Module 2** and save the new customized **Customer Contact List**.

10
Points

NOTE: To add a category in the memorized reports, follow these steps.

- ✓ Click Reports
- ✓ Choose Memorized Reports
- ✓ Memorized Report List
- ✓ From the bottom left of the Memorized report list, Click Memorize Report
- ✓ Choose New Group and name the group as specified (Module 2)
- ✓ Now you can save your new Customer Contact List in the Module 2 Folder from the reports menu under memorized reports.

- Step 4.** **EXPORT THE CUSTOMER CONTACT LIST TO EXCEL (CUST):** Export your revised report to the Excel document provided (MODULE 2-REPORTS.XLSX). Follow the instructions in Appendix C to export the report to the Excel file named MODULE 2-REPORTS Excel file. . **From the dropdown list of sheets, you will be selecting CUST.**

5 Points

ADD VENDORS

Step 1.

Add at least **7 vendors** to your vendor list. Make sure you fill out the information for each company containing the following bits of information:

- ✓ Vendor Name
- ✓ Billed From
- ✓ Account Settings (Choose account to prefill for each vendor)
- ✓ Main Phone
- ✓ Any additional information you feel is necessary to meet the needs of your company

10
Points

Step 2.

EXPORT THE VENDOR CONTACT LIST TO EXCEL (VEND): Export your revised report to the Excel document provided (MODULE 2-REPORTS.XLSX). Follow the instructions in Appendix C to export the report to the Excel file named MODULE 2-REPORTS Excel file. . From the dropdown list of sheets, you will be selecting **VEND**

5 Points

Step 3.

MEMORIZE THE REPORT: Save the new report in the Module 2 Report list

Step 4.

SAVE YOUR EXCEL FILE: Check your Excel file that it contains the COA-1, COA-2, CUST & VEND sheets completed as specified in the previous instructions.

Step 5.

UPLOAD THE FILE TO CANVAS: You will be uploading the completed report to the designated area of the Canvas course room for **PROJECT MODULE 2: LISTS (Chart of Accounts, Customers, Vendors)**

UNIT 12 CORRECT YOUR PARTNER

For this assignment you will be using the Assignment keys for Units 10 and 11 to correct the work your partner has completed. Upload the following forms and fill them out as you compare the assignment to the key that has been posted for the individual unit.

Step 1.

In Canvas look for the assignment called **Unit 12 – Correct Your Partner**

Step 2.

Make sure you have a **designated partner** for this activity. Your instructor will assign the teams using the Canvas groups function. This will give you an area you can use to discuss any questions you may have with your designated partner. The partners will only be assigned to those students that have completed Units 10, and 11.

Step 3.

In your Unit 12 folder, open the Word document called **Check Your Partner**. Please use this file as a template for analyzing the assignments your partner has submitted. **Please make detailed notes.**

Step 4.

Save your word document. Submit your notes to your partner and to the Canvas assignment area for Unit 12 – Correct Your Partner.

ADVANCED FEATURES FOR ACCOUNTANTS

UNIT 13 ADVANCED FEATURES FOR ACCOUNTANTS

Accounting: Career Overview

ACCOUNTING SKILLS

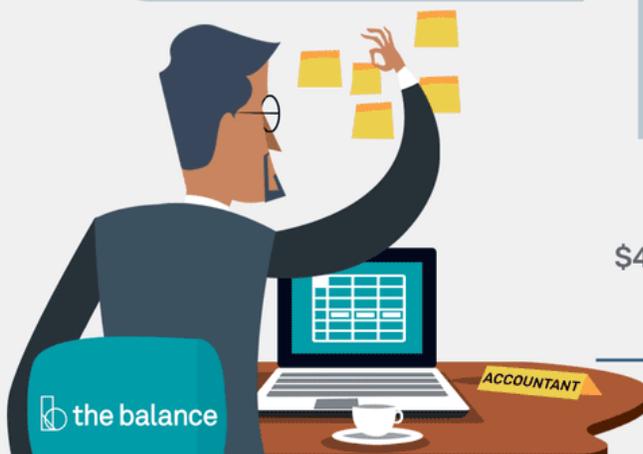
Analytical
Communication/Interpersonal
Detail Oriented
Information Technology
Organizational/Business

CERTIFICATION

Public accountants must pass the Certified Public Accounting (CPA) Exam

JOB DESCRIPTION

Accountants collect, organize and track financial information for organizations



STUDENT LESSON FILES

You will find the following files in your **Student files** for **UNIT 13**.

- U13a1 Paint Palette
- UNIT_13_Reports

To complete the first lesson exercises, **RESTORE** the **u13a1 Paint Palette** company file from the **UNIT 13** folder.

Password: **Cuesta123**

RENAME THE COMPANY

After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Rock Castle Construction. Your first activity is to personalize that name to meet your needs follow these instructions:

- Step 49.** From the Menu bar, select **Company**
- Step 50.** Select **MY COMPANY**
- Step 51.** Select **EDIT**
- Step 52.** Update the Company Name Field to: **YourName Paint Palette**
- Step 53.** **CLICK on OK**
- Step 54.** **Close** the My Company window.

MANAGERIAL ACCOUNTING

Managerial accounting helps managers make good decisions. Managerial accounting provides information about the cost of goods and services, whether a product is profitable, whether to invest in a new business venture, and how to budget. It compares actual performance to planned performance and facilitates many other important decisions critical to the success of organizations.

Whereas financial accounting provides financial information primarily for external use, managerial accounting information is for internal use. By reporting on the financial activities of the organization, financial accounting provides information needed by investors and creditors.

Most managerial decisions require more detailed information than that provided by external financial reports. For instance, in their external financial statements, large corporations such as General Electric Company show single amounts on their balance sheets for inventory. However, managers need more detailed information about the cost of each of several hundred products.

Managerial accountants face many choices involving ethics. For example, managers are responsible for achieving financial targets such as net income. Managers who fail to achieve these targets may lose their jobs. If a division or company is having trouble achieving financial performance targets, managers may be tempted to manipulate the accounting numbers.

In its Standards of Ethical Conduct for Management Accountants, the Institute of Management Accountants (IMA) states that management accountants have an obligation to maintain the

highest levels of ethical conduct by maintaining professional competency, refraining from disclosing confidential information, and maintaining integrity and objectivity in their work.

The standards recommend that people faced with ethical conflicts follow the company's established policies that deal with such conflicts. If the policies do not resolve the conflict, accountants should consider discussing the matter with their superiors, potentially going as high as the audit committee of the board of directors. In extreme cases, the accountants may have no alternative but to resign.

CREATING A BUDGET

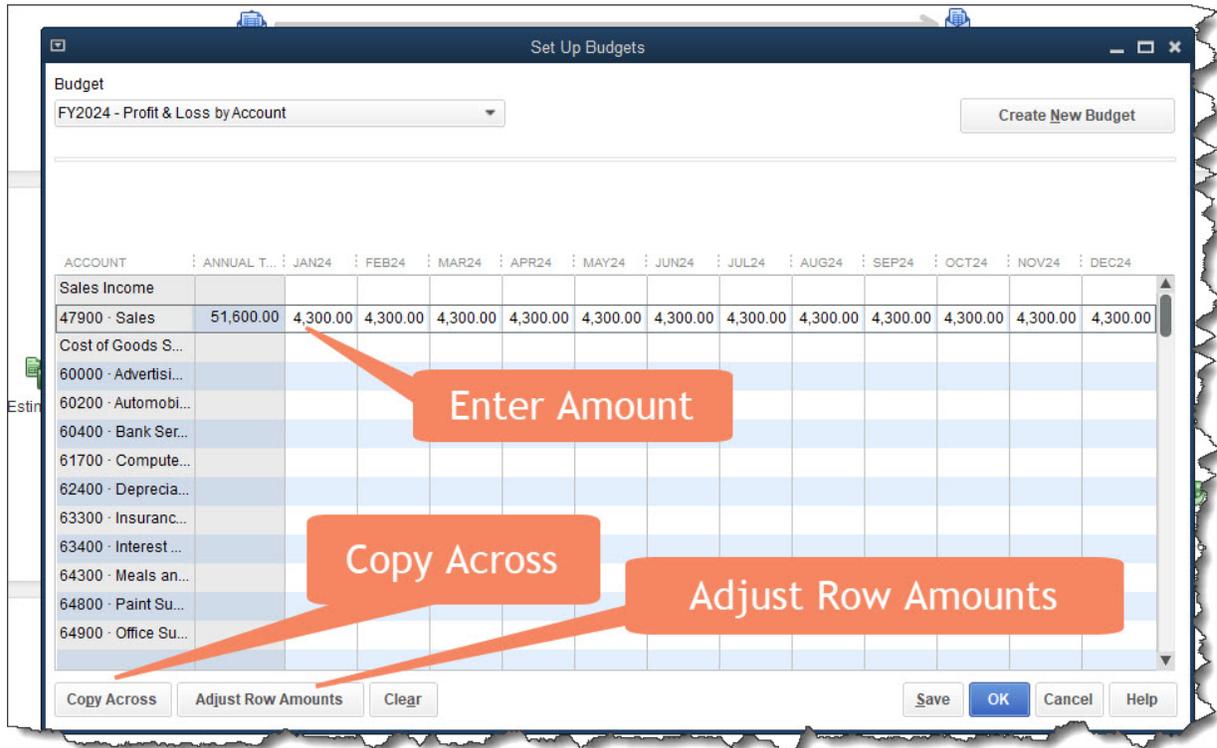
As Paint Palette enters its second year of operation, planning for future expansion is important to its continued success. You develop the following budget for 2024.

- January sales are expected to be \$4,300. Sales are expected to increase by 5% each month thereafter.
- Paint supplies expense is budgeted at \$35 per month.
- The van lease will be \$270 per month. (Account no. 67100)

Follow these steps to prepare the budget for Paint Palette:

- Step 1.** From the menu bar, Select **Company**
- Step 2.** Select **Planning & Budgeting**
- Step 3.** Select **Set Up Budgets**
- Step 4.** In the Create New Budget window, select the year: **2024**
- Step 5.** Select budget type: **Profit and Loss**
- Step 6.** Select **Next**
- Step 7.** Select **No additional criteria**
- Step 8.** Select **Next**
- Step 9.** Select **Create budget from scratch**
- Step 10.** Click **Finish**

- Step 11.** When the Set-Up Budgets window appears, Enter **4300.00** for **47900 Sales** Account in the **Jan 24** Column



- Step 12.** Click the **Copy Across** button
- Step 13.** Click the **Adjust Row Amounts** Button
- Step 14.** When the Adjust Row Amounts window appears, select Start at: **Currently selected month**
- Step 15.** Select **Increase each remaining monthly amount in this row by this dollar amount or percentage.**
- Step 16.** Enter **5.0%**
- Step 17.** Check: **Enable compounding**
- Step 18.** Click **OK**
- Step 19.** Enter budget amounts for Paint Supplies Expense of **\$35** per month
- Step 20.** Click the **Copy Across** button
- Step 21.** Enter Rent Expense for the van of **\$270** per month
- Step 22.** Click the **Copy Across** button
- Step 23.** Click **OK** to close the Set-Up Budgets window

CH13 BUD

- Step 1.** From the Report Center or the Report Menu select **Budgets & Forecasts → Budget Overview**
- Step 2.** Select: **FY2024 – Profit and Loss by Account → Next**
- Step 3.** Select Report Layout: **Account by Month → Next → Finish**
- Step 4.** Select Dates: **01/01/2024 to 12/31/2024**

- Step 5.** Export to **Excel**
- Step 6.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_13_REPORTS** Excel file.
- Step 7.** From the drop-down list, select the sheet: **CH13 BUD**
- Step 8.** **Save and close** the Excel file.

ESTIMATES

Often customers ask for a bid or estimate of job cost before awarding a contract. Paint Palette needs to estimate job costs that are accurate in order not to overbid and lose the job or underbid and lose money on the job.

To prepare a job cost estimate for Paint Palette, follow these steps:

- Step 1.** Click the **Estimates** icon in the Customers section of the Home Page
- Step 2.** In the Create Estimates window that appears, from the drop-down Customer List, select **<Add New>**

New Customer

Customer Name:	Karma Café
Address:	9 Passe Blvd Bayshore, CA 94326
First Name:	Karma
Job Status:	Pending

- Step 3.** Click **OK** to close the New Customer window
- Step 4.** To enter estimate information in the Create Estimates window, select Template: **Custom Estimate**

Custom Estimate	
Date:	01/05/2024
Item:	Labor: Exterior Painting
Quantity:	50
Item	Labor: Interior Painting
Quantity:	85

- Step 5.** Click **Save & Close**

PROGRESS BILLING

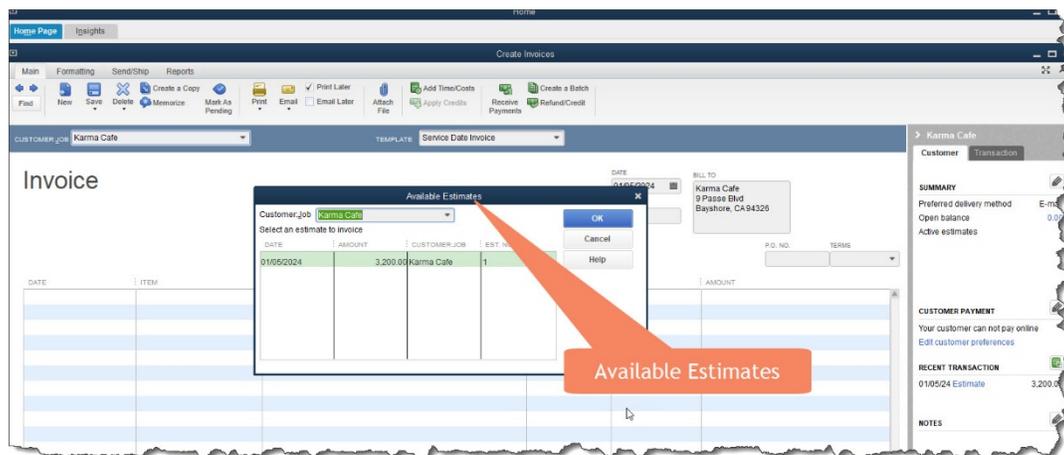
A progress billing is an **invoice** that is intended to obtain payment from a **customer** for that portion of a project that has been completed to date. These billings are commonly issued when a project has a long duration, so that the **contractor** can obtain enough funding to support its operations in the interim. Progress billings are especially common in the construction industry, where projects could last for more than a year. A progress billing contains the following unique information that is not found on a standard invoice:

- The adjusted total contract amount
- The cumulative amount of progress billings to date
- The percentage of completion of the project
- The total amount remaining to be billed

Customers sometimes build into the calculation of progress billings a withheld percentage of the total contract, which is not billed until the project is complete. This withheld amount is used to exert pressure on the contractor to fix any remaining problems found by the customer.

To use progress billing for the Karma Café, follow these steps:

- Step 1.** Select **Edit → Preferences**
- Step 2.** Select **Job & Estimates**
- Step 3.** Select **Company Preferences**
- Step 4.** Select **YES** to indicate you want to use Progress Invoicing
- Step 5.** Check **Don't print items that have zero amount**
- Step 6.** Click **OK** to save the Progress Invoicing preference and close the Preferences window.
- Step 7.** If a warning window appears, Click **OK**
- Step 8.** Click the **Create Invoices** icon in the Customers section of the Home Page
- Step 9.** When the Create Invoices window appears, select Customer: **Karma Café**
- Step 10.** Select the **Karma Café** estimate to invoice



- Step 11.** Click **OK**

- Step 12.** When the Create Progress, Invoice Based On Estimate window appears, select: **Create invoice for the entire estimate (100%)**
- Step 13.** Click **OK**
- Step 14.** The Invoice template should now be **Progress Invoice**
- Step 15.** Enter the number of hours worked on the **Karma Café** job

Progress Invoice	
Invoice Number:	11
Date:	01/05/2024
Item:	Labor: Exterior Painting
Quantity:	20
Item	Labor: Interior Painting
Quantity:	0

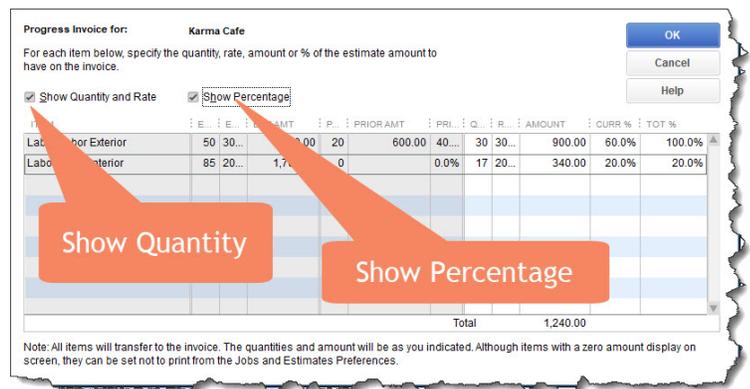
- Step 16.** Select the **Save** icon

CH13 JUR-1

- Step 17.** Select the **Reports tab** at the top of the Create Invoices window
- Step 18.** Select **Transaction Journal**
- Step 19.** Export to **Excel**
- Step 20.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_13_REPORTS** Excel file.
- Step 21.** From the drop-down list, select the sheet: **CH13 JUR-1**
- Step 22.** **Save and close** the Excel file.

Create an additional invoice for Karma Café by completing the following steps:

- Step 1.** Click the **Create Invoices** icon in the Customers section of the Home Page
- Step 2.** When the Create Invoices window appears, select Customer: **Karma Café**
- Step 3.** Select the **Karma Café** estimate to invoice
- Step 4.** When the Create Progress Invoice Based On Estimate window appears, select: **Create invoice for selected items or for different percentages of each item.**
- Step 5.** Click **OK**
- Step 6.** When the Specify Invoice Amounts for Items on Estimate window appears, Check: **Show Quantity and Rate**
- Step 7.** Check: **Show Percentage**
- Step 8.** Record the following information for the progress invoice.



Progress Invoice	Invoice Number:	12
	Date:	01/12/2024

	Item:	Labor: Exterior Painting
	Quantity:	30
	Item	Labor: Interior Painting
	Quantity:	17

Step 9. Click **OK** to record these amounts on the progress invoice

Step 10. Select the **Save** option

CH13 JUR-2

Step 1. Select the **Reports tab** at the top of the Create Invoices window

Step 2. Select **Transaction Journal**

Step 3. Export to **Excel**

Step 4. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_13_REPORTS** Excel file.

Step 5. From the drop-down list, select the sheet: **CH13 JUR-2**

Step 6. **Save and close** the Excel file.

CREDIT CARD SALES

Exactly how you charge a card differs depending on your business needs and your payment account type. Intuit offers several different options. Depending upon what software and account attributes you have, you can accept payments in the following ways:

- **Swipe cards on your mobile device with GoPayment.** Take payments from anywhere. Get your mobile card reader from Intuit and swipe cards for lower rates.
- **Type card numbers on your mobile device with GoPayment.** Fast and easy, but it's faster and costs less to swipe cards with a card reader (available free with GoPayment)GoPayment is available on all accounts. Sign in to the Merchant Service Center, choose **Account > Processing Information**. If **Process with GoPayment** isn't already on, you can turn it on.
- **Type card numbers in QuickBooks.** In QuickBooks when you receive payment or process a sales receipt, your payment account lets you charge a credit card. You can just type in the card number but consider getting a card reader. Whenever you type card numbers in by hand (instead of swiping a card through a reader), you pay a higher fee.
- **Swipe cards in QuickBooks.** You can get a card reader that connects to your computer and works with QuickBooks. Whenever you swipe a card, you're eligible for lower rates on that sale.
- **Charge a saved card in QuickBooks.** QuickBooks can save credit card details as part of a customer record.
- **Let customers pay a QuickBooks invoice immediately online.** This is a great option that differs depending upon what version of QuickBooks you have. Create an invoice and you'll probably see this option. If not, consult QuickBooks Help for details.

- **Charge a card online within the Merchant Service Center.** Process transactions from anywhere you have an internet connection. Process a payment in Merchant Service Center . *Note: These transactions don't download to QuickBooks.*
- **Set up a recurring charge.** Use the Recurring Payments feature in the Merchant Service Center to bill customers on a regular schedule. Create a recurring credit card payment.
- **Swipe cards through your Point-of-Sale PIN pad.** Retail businesses using QuickBooks Point-of-Sale can process through card PIN pads in the store and, as part of your account, use GoPayment on mobile devices. It also accepts chips for credit cards!
- **Through your web store.** Compatible ecommerce vendors (Homestead, Go Daddy, Web.com, UltraCart, IA Modules, and PDG Software) can help you connect your web store to your Intuit payments account. Web-store processing capabilities are automatically available on your account, so you no longer need to activate them in the merchant center.

Record the following credit card payment:

Step 1. Receive the following payment:

Payment	Received From:	Karma Café
	Payment Amount:	600.00
	Invoice:	11
	Payment Date:	01/30/2024
	Payment Method:	Credit Debit
	Card Type:	VISA
	Card Number:	1999919999191999
	Exp Date:	12/2024

Step 2. Select **Done**

Step 3. Click **Save & Close**

Step 4. Since you are not using the QuickBooks Merchant Account Services, when the credit card payment is deposited at the bank on 01/30/2024, you will be recording the deposit just as you would a check or cash deposit. Click the **Record Deposits** icon in the Banking section of the Home Page

Step 5. Select **Karma Café** payment

Step 6. Click **OK**

Step 7. Confirm the deposit date is **1/30/2024**

Step 8. From the Make Deposits window, select the **Save** icon

CH13 JUR-3

Step 9. Select the **Journal** option at the top of the deposit window to view the transaction journal

Step 10. Export to **Excel**

Step 11. Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_13_REPORTS** Excel file.

Step 12. From the drop-down list, select the sheet: **CH13 JUR-3**

BAD DEBTS

Companies use two methods for handling uncollectible accounts:

1. **Allowance Method** – The allowance method provides in advance for uncollectible accounts. This method represents the accrual basis of accounting and is the accepted method to record.
2. **Direct Write-off Method** – The direct write-off method recognizes bad accounts as an expense at the point when judged to be uncollectible and is the required method for federal income tax purposes.

Even though companies carefully screen credit customers, they cannot eliminate all uncollectible accounts. Companies expect some of their accounts to become uncollectible, but they do not know which ones. The matching principle requires deducting expenses incurred in producing revenues from those revenues during the accounting period. The allowance method of recording uncollectible accounts adheres to this principle by recognizing the uncollectible accounts expense in advance of identifying specific accounts as being uncollectible.

When a customer doesn't pay a debt owed to your company, the original invoice goes unpaid. The bad debt makes it difficult to reconcile your accounts and run accurate reports. Before recording a bad debt, you should create an account for the purpose of tracking such transactions. By doing so, you can use the Discounts and Credits option within QuickBooks to record the debt while keeping the debt organized in a separate register for tax purposes. Recording bad debts into your regular customer register can make it more difficult to track the debt.

Paint Palette has chosen to use the direct write-off method to record an account when it is uncollectible. After receiving a notice from Karma Café that they will be going out of business and they do not plan to pay their outstanding bills, you will need to setup an account for the debt expense. Follow these steps:

Step 1. Create a new account in the **Chart of Accounts**

New Account	Account Type:	Expense
	Account Number:	67000
	Account Name:	Bad Debt Expense
	Tax Line	Schedule C: Bad debts from sales/services

WRITE-OFF THE UNCOLLECTIBLE ACCOUNT RECEIVABLE

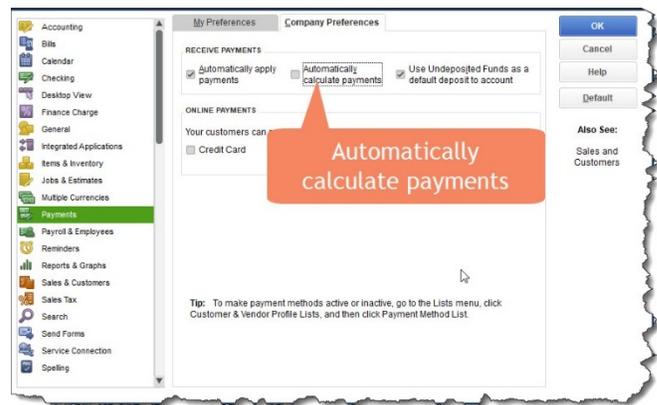
There are three different methods to record a bad debt using QuickBooks:

1. **Journal Entry Method** – Make a journal entry to remove the customer's account receivable (credit Accounts Receivable) and debit either Bad debt Expense (direct write-off method) or the Allowance for Uncollectible Accounts (allowance method).
2. **Credit Memo Method** – The Credit Memo window is used to record uncollectible accounts.
3. **Receive Payments Method** – The Receive payments window (Discounts and Credits icon) is used to record the write-off of the customer's uncollectible account. This method is used if the customer was charged sales tax on the transaction that is to be written off.

RECEIVE PAYMENTS METHOD

To record the write-off of an uncollectible account receivable using the Receive Payments window, first change the preferences for automatically calculating the payments as follows:

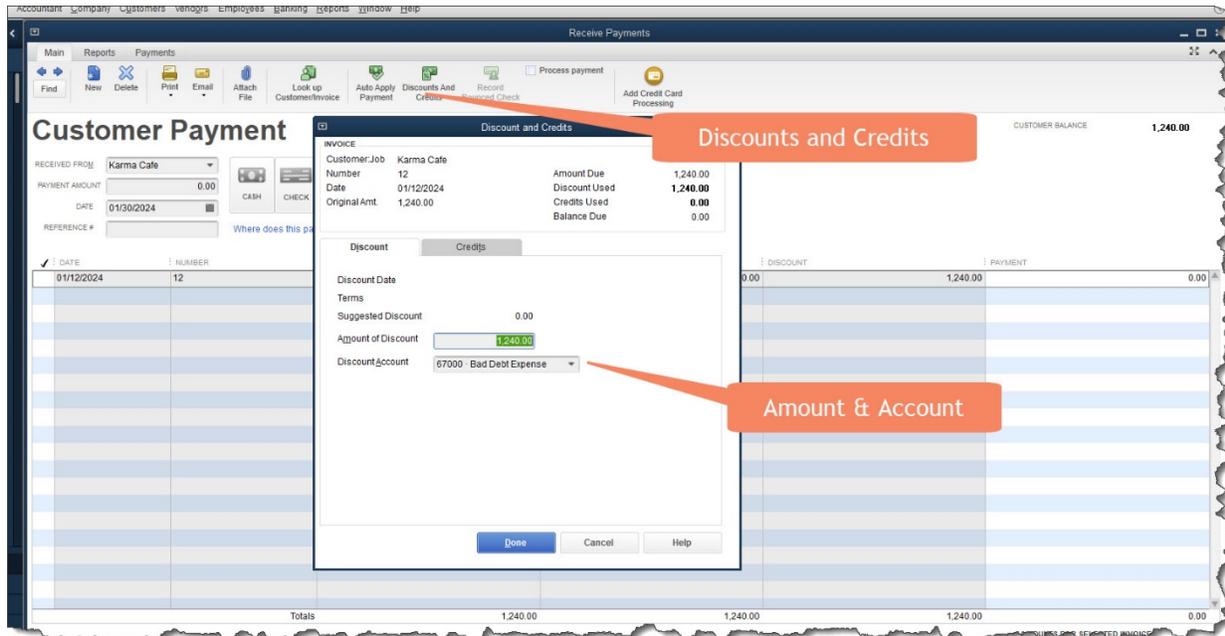
- Step 1.** From the menu bar, select **Edit**
- Step 2.** Select **Preferences**
- Step 3.** Select **Payments**
- Step 4.** Select **Company Preferences**
- Step 5.** Uncheck **Automatically calculate payments**
- Step 6.** Select **OK** to close the preferences window



Follow these steps to record the write-off of an uncollectible account receivable using the Receive Payment window:

- Step 1.** From the home screen, Click **Receive Payments**
- Step 2.** Select Received from: **Karma Café**
- Step 3.** Leave the Payment Amount as **\$0.00**
- Step 4.** Enter Date: **01/30/2024**
- Step 5.** Enter Memo: **Write off Uncollectible Account**
- Step 6.** Select the outstanding invoice dated: **01/12/2024**
- Step 7.** Because the Amount field is \$0.00, a warning may appear. Click **OK**
- Step 8.** Highlight the invoice by clicking on its **Date** field.
- Step 9.** Click the **Discounts and Credits** icon in the Receive Payments window
- Step 10.** When the Discount and Credits window appears, enter Amount of Discount: **1,240.00**
- Step 11.** Select Discount Account: **67000 Bad Debt Expense**

Step 12. Click **Done** to close the Discount and credits window



CH13 JUR-4

- Step 13.** From the **Customer Payment** for **Karma Café**, Select the **Reports** tab
- Step 14.** Select **Transaction Journal**
- Step 15.** Export to **Excel**
- Step 16.** Follow the instructions in **Appendix C** to export the report to the Excel file named **UNIT_13_REPORTS** Excel file.
- Step 17.** From the drop-down list, select the sheet: **CH13 JUR-4**
- Step 13.** Click **Save & New**

AUDIT TRIAL

If you decide to allow multiple users access to the QuickBooks data file, you may want to turn on the QuickBooks Audit Trial feature. The Audit Trial feature lets you keep a record of who makes what changes to the QuickBooks data file. If you have more than one person changing the information in QuickBooks — in other words, you have multiple users working with the QuickBooks data file — you should select the Use Audit Trial check box. Be aware that using the Audit Trial slows down QuickBooks a bit. For this degradation in performance, however, you get a permanent record of who is doing what in QuickBooks.

To test the Audi Trial feature, first record a customer invoice to Sofia Rafael:

Step 1. Select the **Create Invoices** icon

New Invoice	TEMPLATE:	Service Date Invoice
	INVOICE DATE:	02/01/2024
	CUSTOMER JOB:	Sofia Rafael: Vaulted Kitchen
	SERVICE DATE:	02/01/2024
	ITEM:	Labor: Labor Mural
	QUANTITY:	3

Step 2. Select **Save & Close**

On 02/02/2024, Sofia Rafael pays her bill in cash. If the bookkeeper decides to keep the cash and delete the invoice (so that Sofia Rafael would not receive another bill), the Audit Trial maintains a record of the deleted invoice.

Step 3. **Open** the **Rafael Invoice** for \$150 that you just created

Step 4. Select **Edit Menu**

Step 5. Select **Delete Invoice**

Step 6. Select **OK**

The Audit Trial report will list the original transaction to record the \$150 invoice and the change to delete the customer's \$150 invoice.

CH13 AUDIT

To prepare the Audit Trial report follow these steps:

Step 1. Use one of the Report menus to select **Accountant & Taxes**

Step 2. Select **Audit Trial**

Step 3. Select Dates: **All**

Step 4. Select the Date Entered/Last Modified: **Today**

Step 5. Export to **Excel** following the instructions in **Appendix C**

Step 6. Add some features: Select the **Advanced** tab

Step 7. Uncheck: **Space between columns**

Step 8. Check: **Auto Outline (allows collapsing/expanding)**

Step 9. Check: **Auto Filtering (allows custom data filtering)**

Step 10. Uncheck: **Include QuickBooks Export Guide worksheet and helpful advice**

Step 11. Select Show report header: **On printed report and screen**

Step 12. Select to the Excel file named **UNIT_13_REPORTS** Excel file.

Step 13. From the drop-down list, select the sheet: **CH13 AUDIT**

Step 14. **Highlight - Today's date and time** (result will vary), **date recorded** and the **deleted** item for the transaction for Sofia Rafael: Vaulted Kitchen

Notice in the Audit Trial report exported to Excel including the Auto Filter feature, each column heading become a drop-down list. This Permits you to sort or select a filter of your choice from the drop-down lists. For example, you could use the Auto Filter to track all items recorded by a specific user (Last Modified by field).

To track deleted or changed items in the Audit Trail report, you can filter on the status of transactions to display Latest, Prior, or Deleted transactions (State Field).

Note that the Audit Trail feature requires more storage for larger files because both original transactions and changed transactions are saved. So, the Audit Trail feature may slow processing time.

ACCOUNTANT'S COPY

The Accountant's Copy feature in QuickBooks Desktop lets accountants and clients to work on a company file at the same time. The Accountant's Copy is seamlessly transferred between accountants and clients without the need to email bulky files.

The following sections outline how an Accountant's Copy works. It also explains what you can and can't do in the Accountant's Copy.

ACCOUNTANT'S COPY: WORKFLOW

Rather than saving the Accountant's Copy file on your computer or thumb drive, the Accountant's Copy feature transfers files between accountants and clients through Intuit servers.

The following process illustrates the Accountant's Copy feature workflow:

1. The client creates an Accountant's Copy to send to the accountant for review and editing. The client can continue to work on current items in the working file (.QBW).
2. QuickBooks Desktop saves the Accountant's Copy as an export file (.QBX) to the Intuit server.
3. This triggers the system to send an email with a download link for the export file to the accountant.
4. The accountant accesses and opens the file, creating a working file (.QBA), and makes changes and corrections in it.
5. The accountant saves their changes and corrections, creating an import file (.QBY), which is saved to the Intuit server.
6. The client can then open this import file to apply the accountant's changes to the company file.

DIVIDING DATE: EXPLAINED

The Accountant's Copy uses the Dividing Date to define the fiscal period the accountant can work on. The Dividing Date restricts the transactions the accountant can modify.

Accountants can only modify transactions that fall on or before the dividing date. To prevent conflict or the possibility of overwriting changes, clients can only modify transactions in their working file that fall after the dividing date unless the Accountant's Copy Restriction is removed.

CLIENTS: WHAT YOU CAN (AND CAN'T) DO WHILE CHANGES ARE PENDING

While your accountant is making changes in the Accountant's Copy you sent, you can work in the .QBW working file to make changes to transactions in the current period, after the dividing date.

You can also make the following types of changes in the QBW file with pending accountant's changes:

- Add new entries to any of your lists
- Create, edit, and delete transactions
- Edit the list information
- Turn on Payroll

However, while accountant's changes are pending, you can't make the following changes:

- Edit or delete existing accounts
- Send Assisted Payroll Data or Direct Deposits to Intuit

CLIENTS: RECONCILIATION AND PENDING CHANGES

It's possible to reconcile your accounts with a pending Accountant's Copy. However, your reconciliation may be rolled back if you clear transactions dated on or before the dividing date, or if your accountant reconciles the Accountant's Copy and undoes your reconciliation.

Verify with your accountant whether they plan to reconcile the Accountant's Copy before you reconcile your accounts in your working file.

Reconciliations performed in an Accountant's Copy are limited to 800 transactions. If the number of transactions reconciled is more than 800, then the reconciliation won't import into the client file.

ACCOUNTANTS: WHAT YOU CAN (AND CAN'T) DO IN AN ACCOUNTANT'S COPY

When you receive an Accountant's Copy from your client, QuickBooks Desktop prevents you from editing information or transactions that may conflict with your client's work. It also prevents your client from editing the information before the Dividing Date to avoid conflict with any changes you make.

When working in an Accountant's Copy (the .QBA working file), you may encounter disabled or sometimes highlighted areas in a client's file:

- **Highlighted background:** Information entered in these fields is included in the change file that you send back to your client
- **Non-highlighted background:** You can change the information in non-highlighted fields, if necessary, but the changes are not included in the change file you send back to your client

There are also some specific limitations of the type of changes you can make.

The following sections provide details about the specific changes you can and cannot make in an Accountant's Copy.

LISTS: WHAT YOU CAN (AND CAN'T) DO

When working with Lists, you can make the following changes in an Accountant's Copy:

- Add an item to the Class List, Customer List, Employee List, Fixed Asset Item, Item List, Other Names List, Vendor List, and Sales Tax Code List (Exception: You can't edit or make items on the Sales Tax Code List inactive)
- Edit items on the Vendor List and the Item List (Exception: You can't change an item to another type on the Item List)

You cannot make the following changes:

- Add, edit, void, or delete build assemblies
- Change the type of an item
- Delete and merge existing accounts
- Enter vehicle mileage

TRANSACTIONS: WHAT YOU CAN (AND CAN'T) DO

When working on transactions, you can make the following changes in an Accountant's Copy:

- Add, edit, and delete most types of transactions dated on or before the dividing date
- Add new transactions dated after the dividing date
- Edit account and tax information for existing items (tax line mapping cannot be sent back to the client)
- Temporarily change preferences
- Make adjusting entries

You cannot make the following changes:

- Add, delete, and edit (but not void) payments received
- Add, edit, void, or delete sales tax payments
- Add or use credit card processing
- Create non-posting transactions such as estimates and sales orders
- Edit or void bill payments by credit card
- Transfer funds between accounts

PAYROLL: WHAT YOU CAN (AND CAN'T) DO

When working on payroll-related items, you are generally restricted from making changes in the Accountant's Copy. Although you can still process payroll tax forms. (For more information, see Processing payroll or payroll forms in an Accountant's Copy)

You can't make the following payroll-related changes in an Accountant's Copy:

- Add, edit, or delete payroll items
- Create, edit, delete, or void paychecks
- Enter, edit, or delete time sheet data
- Create, edit, delete, or void Direct Deposit checks for 1099 vendors
- Send Assisted Payroll Data or Direct Deposits to Intuit

WHAT ELSE YOU CAN (AND CAN'T) DO

When working in an Accountant's Copy, you can make the following changes:

- Print 1099 and 1096 forms in the historical period
- Create, adjust, and print 941, 940, and W-2 forms(You can't send adjustments back to the client)
- Create new reports
- Add new customers, vendors, employees, and items(Exceptions are identified as disabled fields in the Accountant's Copy)

YOU CANNOT MAKE THE FOLLOWING CHANGES IN AN ACCOUNTANT'S COPY:

- Import data from Excel, Web Connect, and QuickBooks timer files
- Manage service keys (buy additional licenses)
- Use planning and budgeting tools
- Use online banking services

Additionally, you cannot send the following changes back to the client:

- User or password changes
- Changes to memorized reports
- Changes to preferences

PRODUCT VERSIONS: ACCOUNTANT'S COPY AND QUICKBOOKS DESKTOP

Ideally, the client and accountant using the Accountant's Copy feature should use the same version or year of QuickBooks Desktop.

However, you can still work on the Accountant's Copy using a different version if the gap between the versions is just one year, and the accountant has a more recent version.

To Create an Accountant's Copy of Paint Palette, follow these steps:

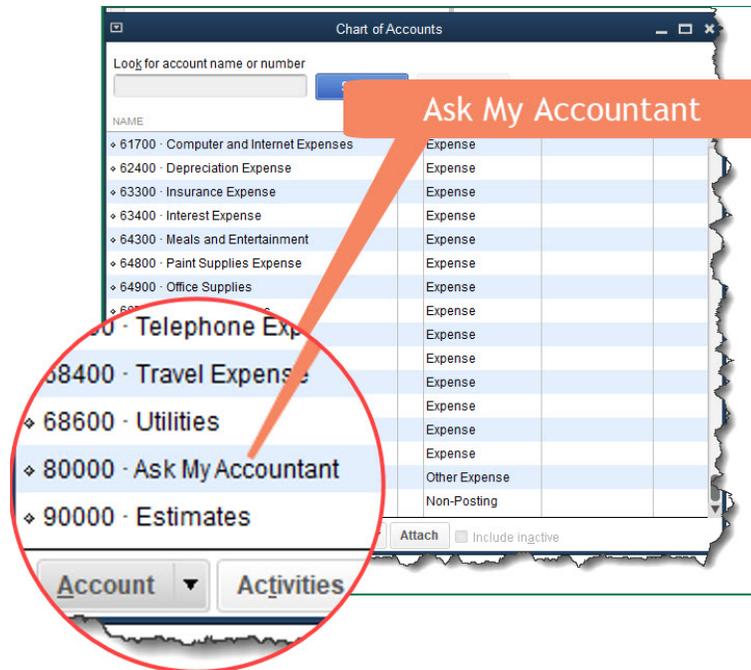
- Step 1.** From the Menu bar select **File**
- Step 2.** Select **Send Company File**
- Step 3.** Select **Accountant's Copy**
- Step 4.** Select **Client Activities**
- Step 5.** Select **Save File**
- Step 6.** After reading the information the Save Accountant's Copy window, select **Accountant's Copy**
- Step 7.** Select **Next**

Step 8. Select Dividing Date: Custom **12/31/2024**

Step 9. Normally you would select Next. In this case, select **Cancel**.

ASK MY ACCOUNTANT

In the Chart of Accounts is an account entitled Ask My Accountant. Entrepreneurs using QuickBooks can use this account to record items when they are uncertain how to record specific items properly. The items can be recorded in this account and the accountant can review these items and record them properly before financial statements are prepared.



QuickBooks Online

UNIT 14 QUICKBOOKS ONLINE

Which QuickBooks is RIGHT for MY business?



QUICKBOOKS ONLINE VS DESKTOP: WHICH IS RIGHT FOR YOU?

When it comes to accounting software, Intuit's QuickBooks seems to be a top pick for many small business owners. This isn't surprising when you consider that more than 4.3 million customers worldwide rely on this popular product to track income and invoices and manage bills.

Small and medium-sized businesses and accountants are among the software's core customer base. QuickBooks has expanded greatly since it launched more than 20 years ago. Instead of only having a version that's installed on your desktop, an online version has been added to the mix.

QuickBooks Desktop is a one-time purchase software that's installed on your office desktop or laptop computer, while QuickBooks Online is a cloud-based monthly subscription service. Before you can compare the advantages of using QuickBooks Online and QuickBooks Desktop, you should compare the pricing tiers of each one.

QUICKBOOKS ONLINE OVERVIEW

QuickBooks Online, a cloud-based software, was introduced in 2001 and has grown to have more than 1 million paid subscribers. Cloud-based accounting systems are becoming more popular because they offer a level of convenience that isn't available with desktop programs, such as the ability to access to your financial information while out of the office. You see this with QuickBooks Online, which allows you to create an account by signing in from your web browser or via application download for Mac or Windows.

QuickBooks Online offers four plans: Simple Start, Essentials, Plus and Self-Employed. The best one for your business will depend on your specific accounting needs, budget and type of business. All versions allow you to track income and expenses, capture and organize receipts with your smartphone, invoice and accept payments from your smartphone, and run reports such as your profit and loss statements and balance sheets.

Self-Employed: As its name suggests, the Self-Employed option is geared toward independent contractors or sole proprietors who file a Schedule C 1040 Form when filing their taxes. The Self-Employed version is the cheapest at \$10 per month (it's currently on sale for \$5 per month for the first three months) and offers the basic functions that the other versions perform. This version categorizes business and personal trips so you can track your mileage and estimate your quarterly taxes. Take notice, however, that this plan doesn't upgrade to the small business version.

Simple Start: Like the Self-Employed version, the Simple Start option offers the bare minimum of the QuickBooks Online plans. This plan, which is \$10 per month for the first three months and \$20 per month thereafter, will send estimates and track sales and sales tax in addition to the benefits previously listed. This is the least expensive plan available for small businesses that need accounting but can manage without the features offered in the higher tiers.

Essentials: This option allows you to manage your bills more efficiently by allowing you to track bill status, record payments and create recurring payments. You can also add up to three people

to access your books and track employee hours and billable hours. The Essentials plan is \$17 per month for the first three months and \$35 per month thereafter.

Plus: This is the deluxe version of the QuickBooks Online plans, offering the most of all plans. The Plus plan, which is \$30 per month for the first three months and then jumps to \$60 per month, allows you to do everything the other plans offer, plus track all your individual projects and inventory and manage all of your 1099 contractors. The Plus Plan also allows five or more users on the account. Intuit advertises this plan as its most popular.

For an additional fee, you can add on an Enhanced Payroll feature to any plan that will pay employees and contractors free 24-hour direct deposit on unlimited pay schedules and types. It can also pay and file federal and state payroll taxes and print and file W2s at the end of the year. This feature is currently half-price for the first three months, at \$19 per month, and will then increase to \$39 per month.

A Full-Service Payroll plan has all the basic features that the enhanced version offers, but it comes with free same-day direct deposit and QuickBooks experts will arrange, file and pay payroll taxes for you. This upgrade costs \$49 per month for the first three months and is \$99 per month afterwards.

QuickBooks also has another tier: its Online Advanced option, which includes the cost of QuickBooks Online Training, allows for 10 or more users, and gives you membership to its new loyalty program, Priority Circle. It's \$75 per month for the first three months and \$150 per month thereafter.

QUICKBOOKS DESKTOP OVERVIEW

Unlike the monthly fee you'd incur with QuickBooks Online, you'd only have to purchase the software for QuickBooks Desktop program once. Like the online plan, the desktop version offers four plans from which you can select from.

QuickBooks Desktop Pro 2020: QuickBooks Desktop Pro 2018 is currently listed as \$219.95, down from its original \$299.99 price. This user-friendly software doesn't require you to be an accounting whiz. In fact, it allows you to track your businesses performance, has simple tools and setup, and allows you to perform various functions such as importing data from a spreadsheet, tracking income and expenses, scheduling automatic reporting (like profit and loss), and paying 1099 contractors. You can install this software on up to three computers.

QuickBooks Desktop Premier 2020: In addition to the perks mentioned in the lower-priced desktop versions, this plan also offers forecasting, helps you manage tasks unique to your industry and lets you install the software on up to five computers. Instead of paying the original price of \$499.95, you can get the Premier option for a one-time payment of \$379.95.

QuickBooks Desktop Enterprise 2020: By now you've probably figured out that the more expensive a QuickBooks software program is, the more features it has. So at \$990 per year (originally \$1100), Enterprise offers the most benefits out of all of the QuickBooks Desktop products. You get everything offered in the versions, plus mobile inventory barcode scanning,

membership to QuickBooks Priority Circle and the ability to install the software on up to 30 computers.

There are several functions in QuickBooks desktop Premier, Pro and Enterprise editions that are not currently available in the online version. The following is a list of items unique to all three desktop versions:

- Sales Orders
- Inventory assemblies
- Progress Invoicing
- Receiving Partial Purchase Orders
- Item Receipts
- Balance Sheet by Class
- QuickBooks Statement Writer
- Budget v Actuals for Job
- Printing 1096

The following QuickBooks features are only available in the Enterprise version:

- Serial Number/Lot Number Tracking
- Multiple Warehouse Locations

QUICKBOOKS ONLINE VS. DESKTOP: HOW THEY COMPARE

The online and desktop versions of QuickBooks have some of the same basic features; both allow you to create professional invoices, track sales and expenses and manage accounts payable. However, only QuickBooks Online allows you to have instant access to your files, automatically schedule and send invoices, and work from a desktop, laptop, smartphone or tablet at any time. This type of accessibility and convenience is important for someone who wants to work from anywhere, wants to give their accountant access from anywhere, or just prefers less data entry.

When you compare the desktop and online versions, it's very apparent that Intuit is making the cloud-based subscription service a priority and they really want you to as well. As with anything, there are some drawbacks to using online accounting software.

For one, you need an internet connection to do any work, which isn't required for the desktop version. You also won't be able to work if there are any glitches with the website. Though more than 1 million paid customers use the online version, many QuickBooks users use the desktop version. Cost could also play a role in this since the desktop version offers one-time payment options.

Product-based businesses with inventory needs typically work better with QuickBooks Desktop, whereas service-based businesses or businesses that use multiple devices typically choose QuickBooks Online.

Today, there are more units of QuickBooks Desktop used by small businesses than QuickBooks Online. However, many small businesses are converting their QuickBooks Desktop to QuickBooks Online. Many new QuickBooks users are choosing QuickBooks Online over QuickBooks Desktop.

- **INVOICE/SALES RECEIPT AUTOMATION** – While QuickBooks Desktop has memorized transactions, they still must be sent to the customer manually. QuickBooks Online has a feature called “recurring transactions”. Recurring transactions can be set up to be emailed automatically to the customer. The QuickBooks Online user/owner can be copied on each transaction sent.
- **NO NEED TO TRANSFER DATA OR SHARE COMPUTER TIME** – Because you can access your client’s QuickBooks Online data by being invited as an accountant user and signing up for QuickBooks Online Accountant, there’s no need to transfer backup files, Accountant Copy files or try to arrange to login to your client’s computer. You and your clients can both work whenever you need to, without worrying what the other is doing, with always on, anywhere access.
- **Your Client Always Has the Latest Version** –With new releases every four weeks, QuickBooks Online users always have the latest and greatest.
- **DELAYED CUSTOMER CHARGES/BILLING** – QuickBooks Desktop has unbilled time and expenses, but again, the user still has to manually go in and bill the customer for them. In QuickBooks Online, you can turn on a preference to tell the program to do this automatically, any time activity is assigned on a daily, weekly, monthly or yearly basis. QuickBooks Online can remind the user to do it or automatically create an invoice for the unbilled time and expenses. Depending on your preference, you can tell the user via a message on the home page or not tell the user; it’s your choice.
- **ACTIVITY LOG** – QuickBooks Desktop has the Audit Trail, which tells us when a transaction was created, modified or deleted. QuickBooks Online does this this better. The activity log shows when a user logs in, logs out, edits a customer, vendor, item or account. It shows when a third-party add-on accesses the data, when bank transactions are downloaded, and when those transactions are matched or added to registered
- **AUTOMATIC EMAIL REPORTING** – The online version of the program has memorized group feature. Memorize a report in QuickBooks Online, add it to a group, and then set that group to be emailed to yourself or your client on a regular basis. For example, you can send your clients their financials each month without ever actually logging into QuickBooks Online! The best part is that the email “from address” is the user that set it up. QuickBooks Online sends these out in the middle of the night, so your clients will think you work till the wee hours JUST FOR THEM.
- **BANK TRANSACTIONS AUTOMATICALLY DOWNLOADED NIGHTLY** – In QuickBooks Desktop, the process of downloading bank transactions into QuickBooks has to be initiated manually, and if we’re doing this for our clients, we have to have their password. In QuickBooks Online, the client can set up the connection, and QuickBooks Online goes out each night and automatically pulls in the transactions. There’s no need for us to have the user name or the password any longer.

- **QUICKBOOKS ONLINE HAS CLASS AND LOCATION TRACKING** – QuickBooks Desktop has class tracking or the ability to track different profit centers, but QuickBooks Online adds one more layer with Location tracking. For example, I have an auto shop client with two locations in Michigan, one in Pinckney and one in Stockbridge. He likes to track his business by location as well as by customer comparing government to walk-in customers. He uses Location tracking for each shop location and Class tracking for the customer type.

CONVERTING TO QUICKBOOKS

You will find the following files in your **Student files** for **UNIT 14**.

- U14a1 Paint Palette

To complete the first lesson exercises, **RESTORE** the **u14a1 Paint Palette** company file from the **UNIT 14** folder.

Password: **Cuesta123**

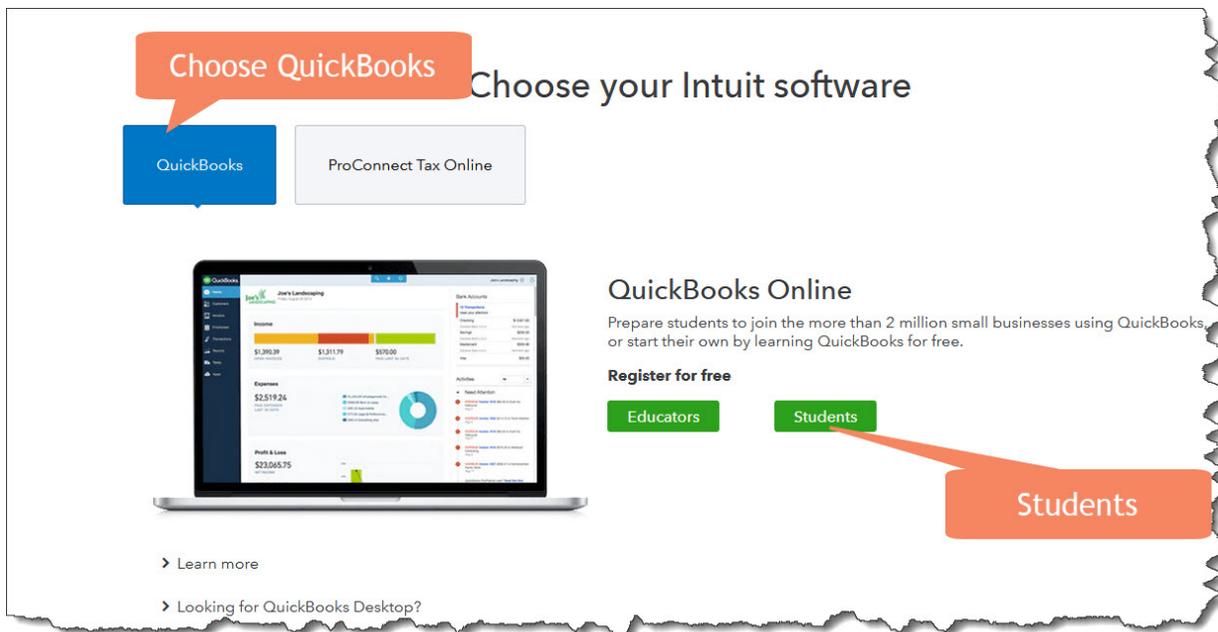
RENAME THE COMPANY

After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Rock Castle Construction. Your first activity is to personalize that name to meet your needs follow these instructions:

- Step 55.** From the Menu bar, select **Company**
- Step 56.** Select **MY COMPANY**
- Step 57.** Select **EDIT**
- Step 58.** Update the Company Name Field to: **YourName Paint Palette**
- Step 59.** **CLICK on OK**
- Step 60.** **Close** the My Company window.

Use the Intuit Education link (<https://www.intuit.com/partners/education-program/products/quickbooks/student-qbo-signup/>) to signup for the online edition. Once you click on the link, you can click on the QuickBooks Online link for students to register for free.

Please note, these screens change regularly. Your screen may look different than the illustration. Because you have been using the desktop version, you may run into difficulty using your Cuesta email address. Since this is just a 30-day trial, you can use an alternate email as well.



- Step 1.** Click on or enter the hyperlink in the address bar of your web browser:
<https://www.intuit.com/partners/education-program/products/quickbooks/student-qbo-signup/>
- Step 2.** Select **QuickBooks**
- Step 3.** Under the QuickBooks Online option, select **Students**
- Step 4.** Fill out the personal information using the same email address you used for the desktop version.
- Step 5.** Click on **Verify and Continue**
- Step 6.** **Check your email.** You will receive a link to the sign in options for QuickBooks Online Accountant.
- Step 7.** **Click** on the **link** in the **email** received
- Step 8.** **Enter** the **email address you used for the initial registration**
- Step 9.** **Write the Password you Create.** You will need to use it every time you access the company file.

Step 10. To fill out the initial information, **use your name for the Accounting firm name**

Please enter your firm's info

Your free account is almost ready.

Accounting firm name
Central Coast Support

Firm ZIP code
93442

Number of full-time employees (including you)
2

Finish

Your Name

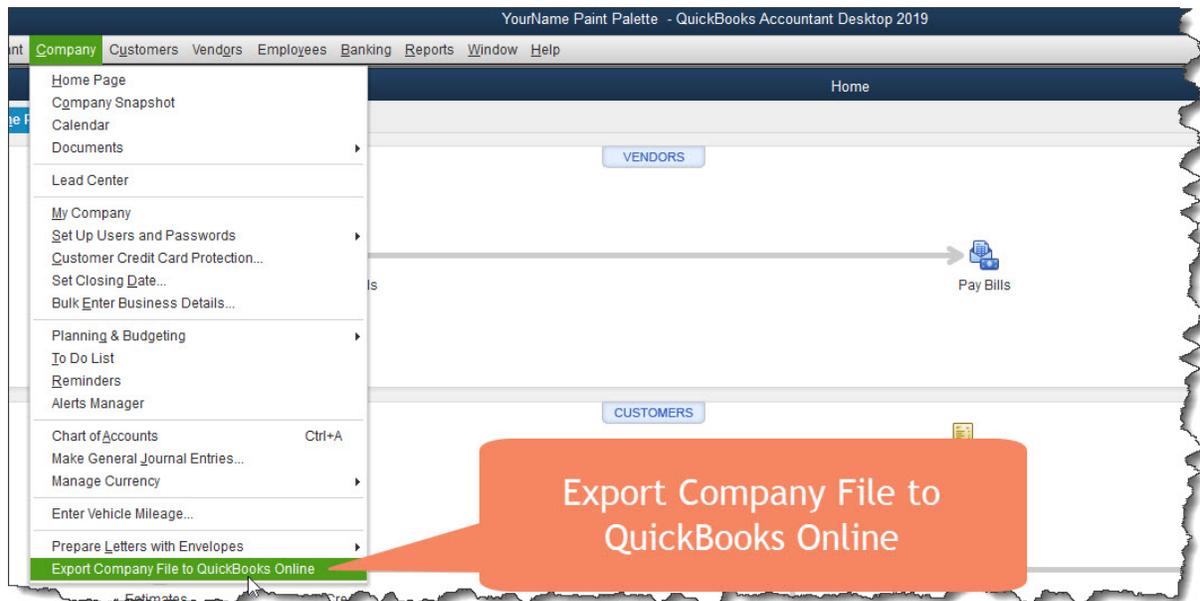
Your Zip Code

Step 11. Click **Finish**

Step 12. QuickBooks will initiate a few introductory screens. Accept the screens and then click on the **gear icon** on the upper right corner of the screen.

Step 13. From the drop-down menu that appears, select **Import Desktop Data**

Step 14. Using the open **Paint Palette** company from **Unit 14**, Follow the **on-screen Instructions (Steps 1, 2, & 3)**



Step 15. When prompted for an email or User ID use the **email address** you used for registration. The **password** should be the same password you used to register.

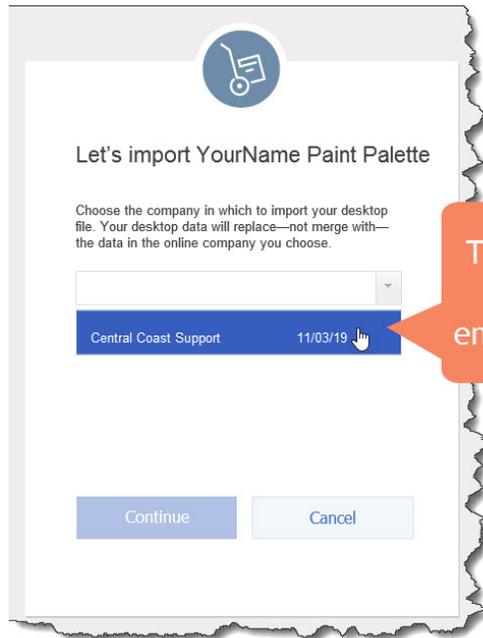
Step 16. Check the **Remember Me** option

Step 17. Click **Sign In**

Step 18. Choose one of the options to **verify your account**. (Check your email or Cell Phone for a verification code).

Step 19. Type in the **6-digit verification code**

Step 20. Click **Continue**



The name of the company you entered in step 10

Step 21. Choose the **name of the company** you entered in **step 10**

Step 22. Click **Continue**

Step 23. Type **Agree** to overwriting the data in the company

Step 24. Click **Replace**

Step 25. The data will **begin to transfer** to the **online edition**. This may take up to **30 minutes** (My transfer only took a few seconds before I received the confirmation email).

Step 26. Click **OK**, got it to the message regarding the link will be sent to **your email**.

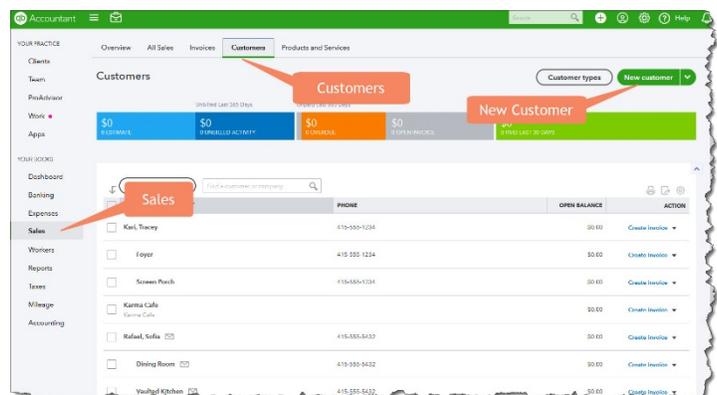
ADD CUSTOMERS

Step 1. From the left-hand panel, **click on Sales**

Step 2. Select **Customers**

Step 3. Click **New Customer**

Step 4. If prompted for QuickBooks to use your location, click yes.



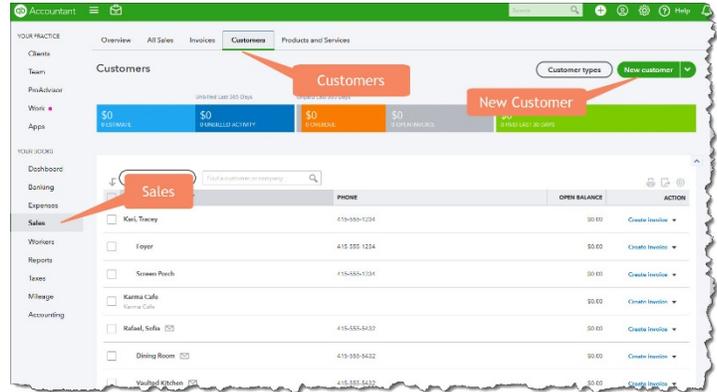
<p>New Customer (Note the differences in the Online settings and Desktop. You can see just the differences in these fields used in Unit 4)</p> <p>NOTE: When you are adding a second email put a comma after the first email in the email field</p>	ADDRESS INFORMATION	
	COMPANY	JinLai Metal Works
	DISPLAY NAME AS	JinLai Metal Works
	CUSTOMER NAME	Lai, Jin
	FIRST NAME	Jin
	LAST NAME	Lai
	MAIN PHONE	415-555-7534
	MOBILE PHONE	415-555-9638
	ADDRESS BILL TO/SHIP TO	789 Black Hill Drive Bayshore, CA 94326
	MAIN EMAIL	Jin@JinLai.com
	CC EMAIL	reception@JinLai.com
	WEBSITE	www.JinLai.com
	PAYMENT AND BILLING	
	PAYMENT TERMS	NET 30
	PREFERRED DELIVERY MENTHOD	Send Later
	PREFERREED PAYMENT METHOD	Check
	TAX INFO	
CUSTOMER IS TAXABLE	yes	
ADDITIONAL INFORMATION		
CUSTOMER TYPE	Referral	

<p>New Customer (Note the differences in the Online settings and Desktop. You can see just the differences in these fields used in Unit 4)</p>	ADDRESS INFORMATION	
	COMPANY	Tom Whalen
	DISPLAY NAME AS	Tom Whalen
	FIRST NAME	Tom
	LAST NAME	Whalen
	MAIN PHONE	415-555-1567
	MOBILE PHONE	415-555-7896
	ADDRESS BILL TO/SHIP TO	100 Sunset Drive Bayshore, CA 94326
	MAIN EMAIL	TWhalen@Whalen.com
	CC EMAIL	Jessie@Whalen.com
	WEBSITE	www.whalen.com
	PAYMENT AND BILLING	
	PAYMENT TERMS	NET 30
	PREFERRED DELIVERY MENTHOD	Send Later
	PREFERREED PAYMENT METHOD	Check
	TAX INFO	
	CUSTOMER IS TAXABLE	yes
ADDITIONAL INFORMATION		
CUSTOMER TYPE	From Advertisement	

ADD JOBS

Job listings in the Online version are entered differently. This is the process to use for entering the following jobs:

- Step 5.** From the left-hand panel, **click on Sales**
- Step 6.** Select **Customers**
- Step 7.** Click **New Customer**



New Job or Sub-Customer	ADDRESS INFORMATION	
	COMPANY	Reception Area
	DISPLAY NAME AS	Reception Area
	IS SUB-CUSTOMER	Check the option
	SELECT	JinLai Metal Works
	BILL WITH PARENT	yes

New Job or Sub-Customer	ADDRESS INFORMATION	
	COMPANY	Bathroom
	DISPLAY NAME AS	Bathroom
	IS SUB-CUSTOMER	Check the option
	SELECT	JinLai Metal Works
	BILL WITH PARENT	yes

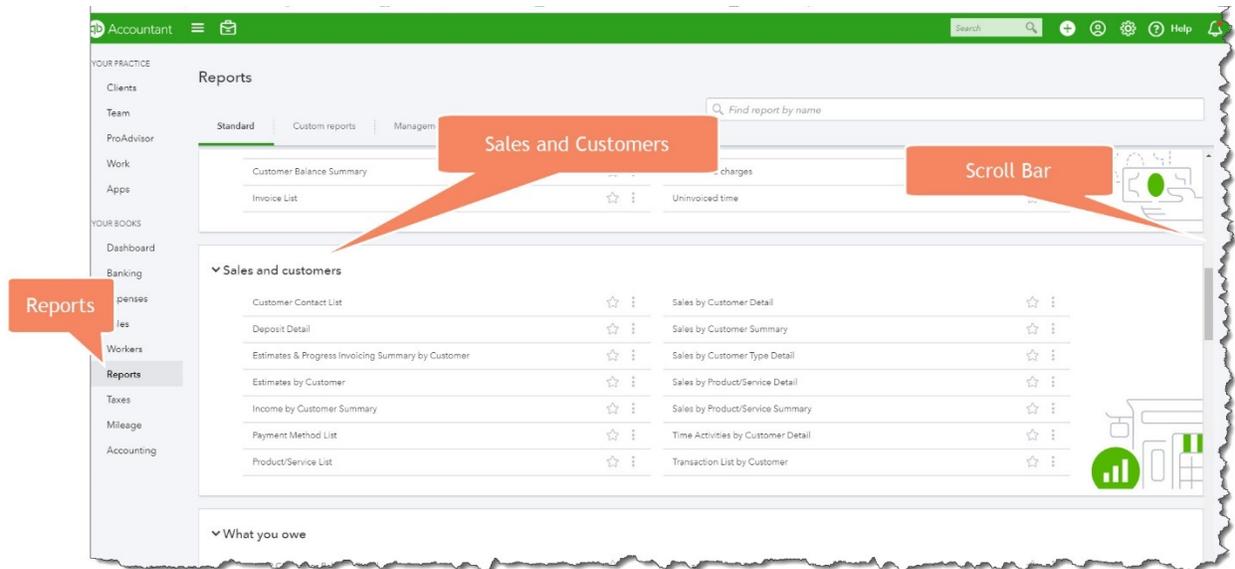
New Job or Sub-Customer	ADDRESS INFORMATION	
	CUSTOMER NAME	Living Room
	DISPLAY NAME AS	Living Room
	IS SUB-CUSTOMER	Check the option
	SELECT	Tom Whalen
	BILL WITH PARENT	yes

New Job or Sub-Customer	ADDRESS INFORMATION	
	CUSTOMER NAME	Kitchen
	DISPLAY NAME AS	Kitchen
	IS SUB-CUSTOMER	Check the option
	SELECT	Tom Whalen
	BILL WITH PARENT	yes

CUSTOMER CONTACT LIST.PDF

For the online version, you will be generating the reports using the PDF writer for QuickBooks online. It will be important that you save your reports in the Unit 14 folder. All the reports generated will be uploaded to your Unit 14 assignment. Follow these instructions to generate the **Customer Contact List.pdf**

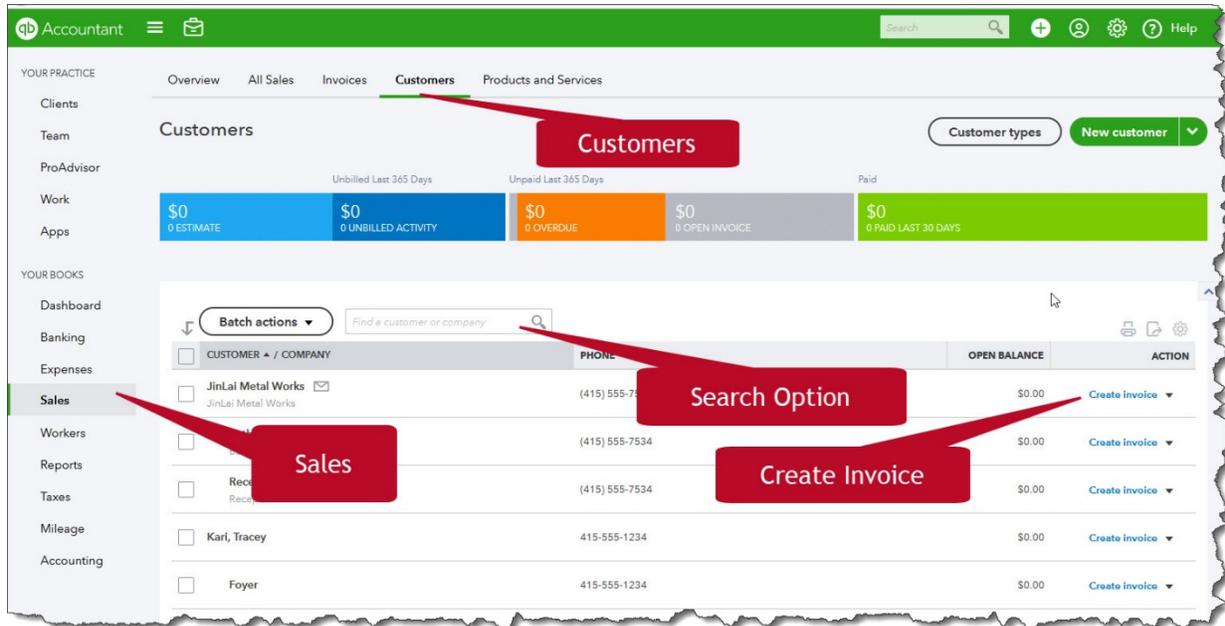
- Step 1.** Click on **Reports**
- Step 2.** Scroll down the report list to **Sales and Customers**



- Step 3.** Click on **Customer Contact List**
- Step 4.** Click the **Print** Option
- Step 5.** Click **Save as PDF**
- Step 6.** QuickBooks online will save to your downloads folder. Make sure you save in the **Unit 14 folder**

CREATE INVOICES

To create invoices online, you will return to the sales option and click on Customers to list all the



customers for your company. Note that there is a search option

- Step 1.** Click **Sales → Customers**
- Step 2.** Select **JinLai Metal Works: Bathroom**
- Step 3.** Select **Create Invoice**
- Step 4.** Notice that it automatically opens a service date invoice template. This is because the template was created in the QuickBooks desktop program. Fill out the following data for the invoice:

Invoice Number	14
Invoice Date	12/01/2024
Sales Rep	Enter your name
Service Date	11/15/2024
Product/Service	Labor Faux
Description	Labor Faux Painting
Quantity	8
Service Date	11/20/2024
Product/Service	Labor Interior
Description	Labor Interior Painting
Quantity	18

- Step 5.** The items are not taxable. Click the dropdown arrow next to the words Save and Send. Select **Save and New**

New Invoice JinLai Metal Works: Reception Area	Invoice Number	15
	Invoice Date	12/15/2024
	Sales Rep	Enter your name
	Service Date	11/30/2024
	Product/Service	Labor Mural
	Description	Labor Mural
	Quantity	8
	Service Date	12/01/2024
	Product/Service	Labor Mural
	Description	Labor Mural
Quantity	12	

Step 6. The items are not taxable. Select **Save and New**

New Invoice Kari, Tracey: Foyer	Invoice Number	16
	Invoice Date	12/15/2024
	Sales Rep	Enter your name
	Service Date	11/30/2024
	Product/Service	Labor Faux
	Description	Labor Faux Painting
	Quantity	5

Step 7. The items are not taxable. Select **Save and New**

New Invoice Kari, Tracey: Screen Porch	Invoice Number	17
	Invoice Date	12/20/2024
	Sales Rep	Enter your name
	Service Date	11/30/2024
	Product/Service	Labor Exterior
	Description	Labor Exterior Painting
	Quantity	10
	Service Date	12/01/2024
	Product/Service	Labor Mural
	Description	Labor Mural
Quantity	5	

Step 8. The items are not taxable. Select **Save and Close**

CUSTOMER BALANCE DETAIL.PDF

- Step 1.** Click **Reports → Who owes you**
- Step 2.** Click on **Customer Balance Detail**
- Step 3.** Click the **Print** Option
- Step 4.** Click **Save as PDF**
- Step 5.** QuickBooks online will save to your downloads folder. Make sure you save in the **Unit 14 folder**
- Step 6.** QuickBooks names the file for you **CustomerBalanceDetail.pdf**

CUSTOMIZE A REPORT

For this exercise, you will be generating a report and customizing the output of the report. Follow these steps:

INCOME BY CUSTOMER SUMMARY.PDF

- Step 1.** Click **Reports** → **Sales and Customers**
- Step 2.** Select Income by **Customer Summary**
- Step 3.** Report Period **All Dates**
- Step 4.** Select **Run Report**
- Step 5.** In the upper right corner of your screen, select **Customize**. The customize report options will appear.

The screenshot shows the 'Customize report' dialog box with the following sections and options:

- General**
 - Report period: All Dates
 - Accounting method: Cash, Accrual
 - Number format:
 - Divide by 1000
 - Without cents
 - Except zero amount
- Rows/Columns**
 - Show non-zero or active only: Active rows/active c...
- Filter**
 - Customer
- Header/Footer**
 - Header**
 - Company name: Central Coast Support
 - Report title: Income by Customer Summary
 - Report period
 - Footer**

Callouts:

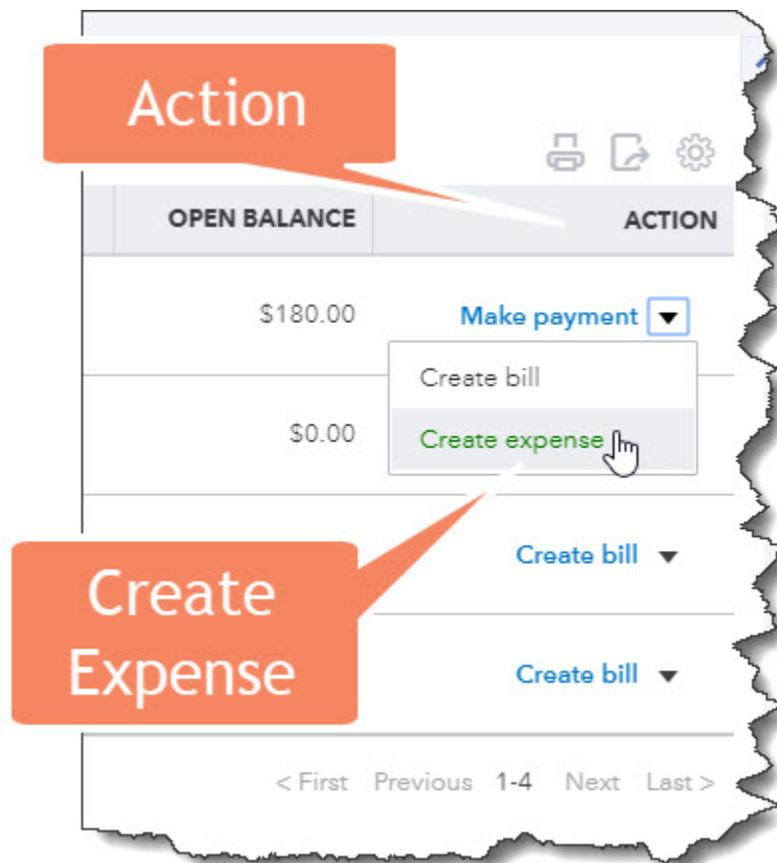
- An orange callout points to the 'Customize' button with the text 'Click Customize'.
- A larger orange callout points to the 'Filter' section with the text 'Click the drop-down arrows to view the options'.

- Step 6.** Select the drop-down arrow next to the **Filter** option

- Step 7.** Select **Customer** → **JinLai Metal Works**
- Step 8.** Select **Run Report**
- Step 9.** Click the **Print** Option
- Step 10.** Click **Save as PDF**
- Step 11.** QuickBooks online will save to your downloads folder. Make sure you save in the **Unit 14 folder**
- Step 12.** QuickBooks names the file for you **IncomebyCustomerSummary.pdf**

VENDOR TRANSACTIONS

- Step 1.** Select the **Expenses** → **Vendors**
- Step 2.** Select **Brewer Paint Supplies**
- Step 3.** Under the **Action** Column, select the **drop-down menu**
- Step 4.** Select **Create Expense**



Step 5. You will be prompted to take a guided tour or get an overview. At the bottom of the screen, there is a link. Click on the link for **Start Adding an expense**

Payee	Brewer Paint Supplies
Category	64800 Paint Supplies Expense
Date	11/30/2024
Payment	Vlsa
Description	Paint Supplies
Amount	250
Billable	Yes
Markup %	15%
Tax	Yes
Customer	JinLai Metal Works: Bathroom

Category	64800 Paint Supplies Expense
Date	11/30/2024
Payment	Vlsa
Description	Paint Supplies
Amount	420
Billable	Yes
Markup %	15%
Tax	Yes
Customer	Kari, Tracey:Foyer

Step 6. Save and Close

Bill Add Vendor if necessary	DATE:	12/23/2024
	VENDOR:	Carole Design Media
	ACCOUNT:	6000 Advertising Expense
	DESCRIPTION:	Advertising and Promotion
	TERMS:	Net 30
	AMOUNT DUE:	\$225.00

Bill Add Vendor if necessary	DATE:	12/23/2024
	VENDOR:	Brown Equipment Rental
	ACCOUNT:	67100 Rental Expense
	DESCRIPTION:	Equipment Rental
	TERMS:	Net 15
	AMOUNT DUE:	\$630.00

Bill Add Vendor if necessary	DATE:	12/23/2024
	VENDOR:	Campion Patrick, CPA
	ACCOUNT (NEW):	Accounting Expense
	NUMBER:	7410
	DESCRIPTION:	Accounting and Bookkeeping
	TERMS:	Net 30
	AMOUNT DUE:	\$324.00

Bill Add Vendor if necessary	DATE:	12/23/2024
	VENDOR:	Townley Insurance Agency
	ACCOUNT:	63300 Insurance Expense
	DESCRIPTION:	Automobile Insurance
	TERMS:	Net 30
	AMOUNT DUE:	\$427.62

Bill Add Vendor if necessary	DATE:	12/23/2024
	VENDOR:	Great Statewide Bank
	ACCOUNT:	63400 Interest Expense
	DESCRIPTION:	Interest on Loan
	TERMS:	Net 15
	AMOUNT DUE:	\$699.12

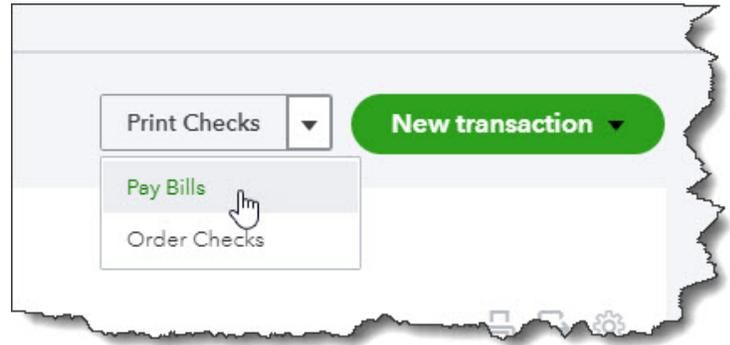
Step 7. Save and Close

EXPENSES BY VENDOR.PDF

- Step 1.** Click **Reports** → **Expenses and Vendors**
- Step 2.** Select Income by **Expenses by Vendor Summary**
- Step 3.** Report Period **All Dates**
- Step 4.** Select **Run Report**
- Step 5.** Click the **Print** Option
- Step 6.** Click **Save as PDF**
- Step 7.** QuickBooks online will save to your downloads folder. Make sure you save in the **Unit 14 folder**
- Step 8.** QuickBooks names the file for you **ExpensesbyVendorSummary.pdf**

PAY BILLS

- Step 1.** Select the **Expenses → Expenses**
- Step 2.** In the upper right corner, **select Pay Bills**
- Step 3.** You will then be transferred to the Pay Bills screen.
- Step 4.** Form the list of transactions select the following:
 - ✓ Carole Design Media
 - ✓ Great Statewide Bank
 - ✓ Townley Insurance Agency
 - ✓ Campion Patrick, CPA
 - ✓ Brown Equipment Rental
- Step 5.** **Click Save and Print** (lower right corner of the screen).



BILL PAY CHECKS.PDF

- Step 1.** Select **Standard**
- Step 2.** Click **Yes, I'm finished with setup**
- Step 3.** Select **Preview and Print**
- Step 4.** Select **Print**
- Step 5.** Select **Adobe PDF** as the printer or **Save as PDF** depending on your computer configuration.
- Step 6.** Save to your **Unit 14 folder**
- Step 7.** Name the file: **BillPay Checks.pdf**
- Step 8.** You will be prompted with a question asking if the checks printed correctly. If all looks good on your PDF copy, Click **done**.
- Step 9.** **Exit the Print Checks** option by clicking on the **X** in the upper right corner of the screen.

ADD BILLABLE EXPENSE CHARGES

JinLai Metal Works: Bathroom has some billable costs that should be invoiced. Follow these steps to generate the new invoice:

- Step 1.** Select **Sales → Customers**
- Step 2.** Select **JinLai Metal Works: Bathroom**
- Step 3.** Select the **Billable Expense Charge** on **11/30/2024**
- Step 4.** In the **Action** column, select **Create Invoice**
- Step 5.** Invoice Date: **12/01/2024**
- Step 6.** Notice the invoice for Paint Supplies has been generated with the **15% markup** specified in the original purchase.
- Step 7.** Select the **Sales tax rate** option
- Step 8.** Click **Add New → Single Tax rate**
- Step 9.** Tax Name: **San Luis Obispo**

Step 10. Agency Name: **State Board of Equalization**

Step 11. Rate %: **7.75**

Step 12. Click **Save**

Step 13. Click **Save and New**

Step 1. Select Customer: **Kari, Tracey: Foyer**

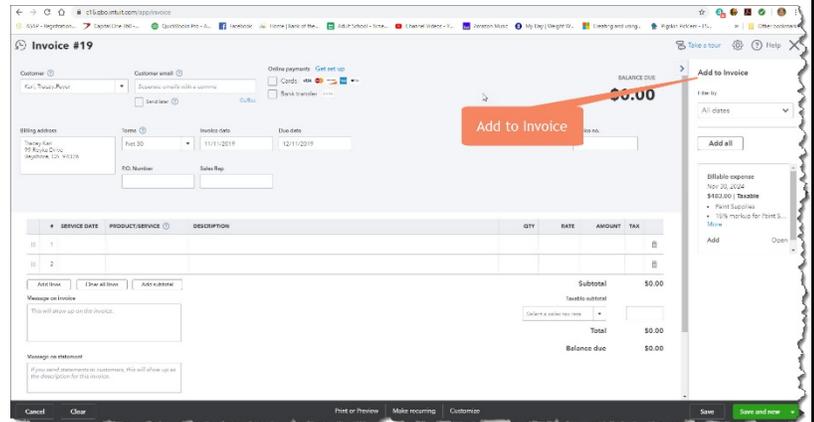
Step 2. Notice that in the right-hand panel there is a message that summarizes the additional billable expense charges. Click **Add All**

Step 3. Invoice Date: **12/05/2024**

Step 4. Select the **Sales tax rate** option

Step 5. Select **San Luis Obispo**

Step 6. Click **Save and Close**



SALES BY PRODUCT SERVICE DETAIL.PDF

Step 1. Click **Reports** → **Sales and Customers**

Step 2. Select **Sales by Product/Service Detail**

Step 3. Report Period **01/01/2024** to **12/31/2024**

Step 4. Select **Run Report**

Step 5. Click the **Print** Option

Step 6. Click **Save as PDF**

Step 7. QuickBooks online will save to your downloads folder. Make sure you save in the **Unit 14 folder**

Step 8. QuickBooks names the file for you **SalesbyProductServiceDetail.pdf**

RECEIVE PAYMENTS

To receive customer payments, follow these steps:

Step 1. Click **Sales** → **Customers**

Step 2. Select **JinLai Metal Works** → **Receive Payment**

Step 3. Notice that 3 invoices appear. At this time, you will **receive payment for Invoice #14 and #18**. Click on the two invoices.

Step 4. Amount Received **957.78**

Step 5. Payment Date: **12/10/2024**

Step 6. Click **Save and New**

Step 7. Select Customer: **Kari, Tracey**

Step 8. Mark Invoice **#19 and #16** for **payment**

Step 9. Amount Received: **700.43**

Step 10. Payment Date: **12/10/2024**

Step 11. Click **Save and Close**

VIEW CHECK REGISTER

- Step 1.** From the right panel, click on **Dashboard**
- Step 2.** The dashboard displays the Income, Expenses, Profit and Loss Bank Accounts, Sales and other options. From the **Bank Accounts** section, Click **Go to Registers**
- Step 3.** Click **Checking**
- Step 4.** Note the two payments you just made are now in the register. Click on the deposit for **Kari, Tracey**

Bank Register | Checking | Ending Balance: \$16,539.47 | Reconcile

DATE	REF NO.	PAYEE	MEMO	PAYMENT	DEPOSIT	BALANCE
12/10/2024	Ref No.	Kari, Tracey	Memo	Payment	700.43	16,539.47
	Payment	11000 Accounts Receivable				
12/10/2024		JinLai Metal Works			\$957.7	\$15,839.04
	Payment	11000 Accounts Receivable				
11/30/2024		Brewer Paint Supplies				\$14,881.26
	Expense	-Split-				
01/30/2024		Karma Cafe	Deposit		\$600.00	\$15,551.26
	Deposit	12000 Undeposited Funds				
12/30/2023	To Print	Joseph Leasing	2003	\$306.00		\$14,951.26
	Bill Payment	20000 Accounts Payable				
12/15/2023		Kari, Tracey:Screen Porch	Deposit		\$1,300.00	\$15,257.26
	Deposit	12000 Undeposited Funds				
11/30/2023	To Print	Joseph Leasing	2003	\$306.00		\$13,957.26
	Bill Payment	20000 Accounts Payable				

- Step 5.** Click on **Edit**
- Step 6.** At the bottom of the transaction screen, there is a more option. Click on **More**

KARI, TRACEY JOURNAL.PDF

- Step 7.** Select **Transaction Journal** from the menu that appears
- Step 8.** Click the **Print** Option
- Step 9.** Click **Save as PDF**
- Step 10.** QuickBooks online will save to your downloads folder. Make sure you save in the **Unit 14 folder**
- Step 11.** QuickBooks names the file for you **Journal.pdf**

ACCOUNT LIST

- Step 1.** In the Left-side menu, select **Accounting → Chart of Accounts**
- Step 2.** **Run Report**
- Step 3.** Click the **Print** Option
- Step 4.** Click **Save as PDF**
- Step 5.** QuickBooks online will save to your downloads folder. Make sure you save in the **Unit 14 folder**
- Step 6.** QuickBooks names the file for you **AccountList.pdf**

TIME TO EXPLORE

The online version of QuickBooks has many educational tutorials. These tutorials contain detailed instructions on how to familiarize yourself with the program. For this part of the unit, you are asked to provide detailed instructions of how to perform at least three of the following tasks:

- Task 1.** Track Time
- Task 2.** Create a Credit Memo
- Task 3.** Create an Estimate
- Task 4.** Create a Refund Receipt
- Task 5.** Add Recurring Transactions
- Task 6.** Edit the Chart of Accounts
- Task 7.** Create Expense Reports
- Task 8.** How to Setup Products and services
- Task 9.** How to Customize Invoices and sales Forms
- Task 10.** How to record a Bank Deposit using Undeposited Funds

Your grade for the activity will depend on the level of detail provided. Write your descriptions as if another student or employee will be performing the task you have chosen to illustrate.

USE AND CUSTOMIZE FORM TEMPLATES

QuickBooks comes with a variety of templates for you to use for your invoices, estimates, credit memos, sales orders, purchase orders, sales receipts, statements, and packing slips. You can customize these templates to control how they look and what information is included.

A template is the foundation of the forms you use to track your company's purchases and sales.

It defines what shows onscreen when you fill out the form and what shows on the form when you print it. It also determines the structure of the form, such as which fields and columns are on the form. And it determines how the form looks—the visual elements of the form, such as the fonts that are used, and any graphics, lines, or borders.

CONVERTING TO QUICKBOOKS

You will find the following files in your **Student files** for **UNIT 15**.

- U15a1 Mookie The Beagle Spa

To complete the first lesson exercises, **RESTORE** the **u15a1 Mookie The Beagle Spa** company file from the **UNIT 15** folder.

Password: **Cuesta123**

RENAME THE COMPANY

After you have followed the instructions to restore your data files, you will find the company file you have restored contains sample data for a company called Rock Castle Construction. Your first activity is to personalize that name to meet your needs follow these instructions:

- Step 61.** From the Menu bar, select **Company**
- Step 62.** Select **MY COMPANY**
- Step 63.** Select **EDIT**
- Step 64.** Update the Company Name Field to: **YourName Mookie The Beagle Spa**
- Step 65.** **CLICK on OK**
- Step 66.** **Close** the My Company window.

THE TEMPLATE LIST

The Templates list contains all the templates for your different forms. Initially, the list contains a set of QuickBooks standard and predefined templates that you can use as a starting point for using or customizing your forms as well as duplicating and/or importing previously saved templates.

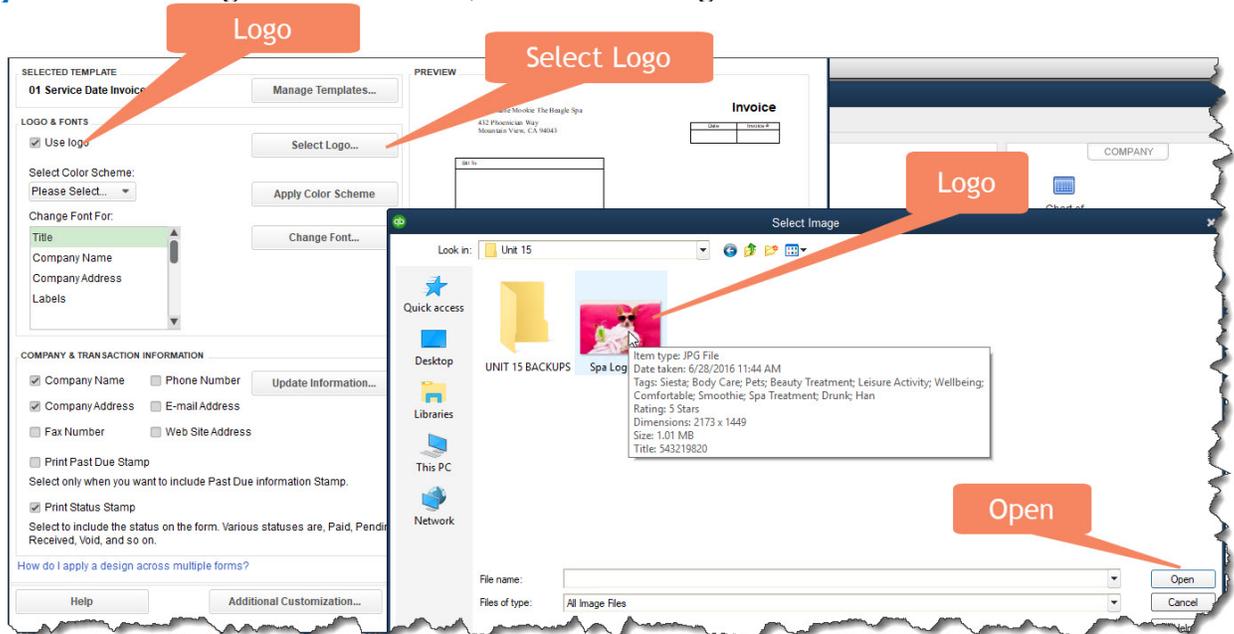
In this list, you can select the template and then use it as is or customize it for your needs. Since it's easier to change an existing template than to start from scratch, choose the template that's closest to how you want your form to look.

- Step 1.** To access the list, go to the **QuickBooks Lists** menu and select **Templates**.

CUSTOMIZE FORM TEMPLATES

The basic customization window serves as a good starting point for customizing your templates. There are two ways to access it:

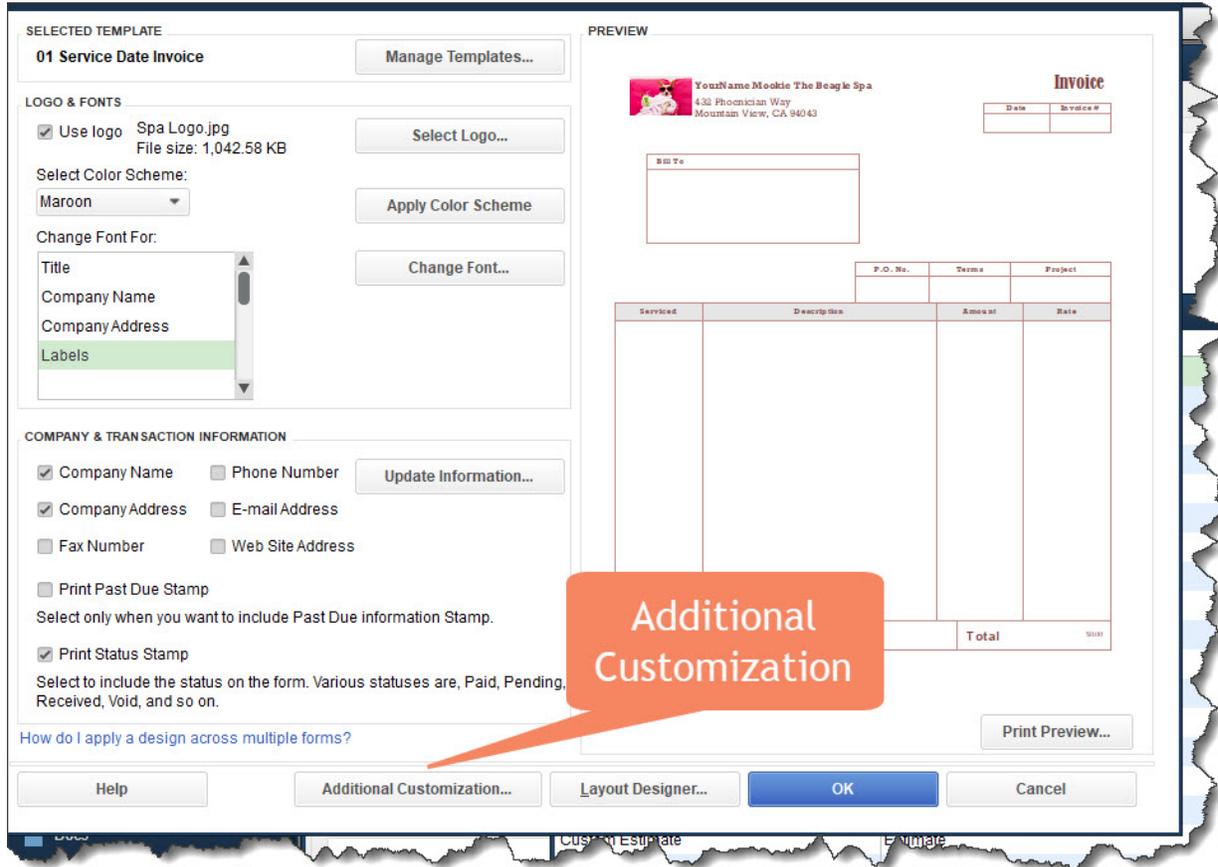
- Step 2.** From the Templates list, **double click** the **template** you need to customize.
- Step 3.** In this case, we will modify **01 Service Date Invoice**
- Step 4.** Click **Templates → Edit Template**
- Step 5.** In the **Logo & Fonts** section, Click on **Use Logo**



- Step 6.** Navigate to the **UNIT 15** folder and select the **Spa Logo**
- Step 7.** **Click Open**
- Step 8.** You will then be prompted to copy the logo to the QuickBooks Company file. **Click OK.**
- Step 9.** The logo will appear next to your address on the invoice preview. Next, we will change the color scheme. In the Logo & Fonts section, **Click** the drop-down to **Select Color Scheme**
- Step 10.** Select **Maroon**
- Step 11.** Click **Apply Color Scheme**
- Step 12.** In the Change Font For section, **Click Title → Change Font . . .**
- Step 13.** Select **Bernard MT, Condensed, 21 Points**
- Step 14.** Click **OK.** Notice the title of the invoice changes.
- Step 15.** In the Change Font For section, **Click Company Name → Change Font . . .**
- Step 16.** Select **Rockwell, Bold, 12 Points**
- Step 17.** **Click OK.**
- Step 18.** In the Change Font For section, **Click Company Address → Change Font . . .**
- Step 19.** Select **Rockwell, Regular, 12 Points**
- Step 20.** **Click OK.**
- Step 21.** In the Change Font For section, **Click Labels → Change Font . . .**
- Step 22.** Select **Rockwell, Bold, 10 Points**
- Step 23.** **Click OK.**

ADDITIONAL CUSTOMIZATION

Step 1. In the Basic Customization Screen, Select **Additional Customization**. . .



Step 2. Change the following settings

NOTE: As you change the terms for the title, QuickBooks will prompt you to accept the change. Make sure you **accept all changes**.

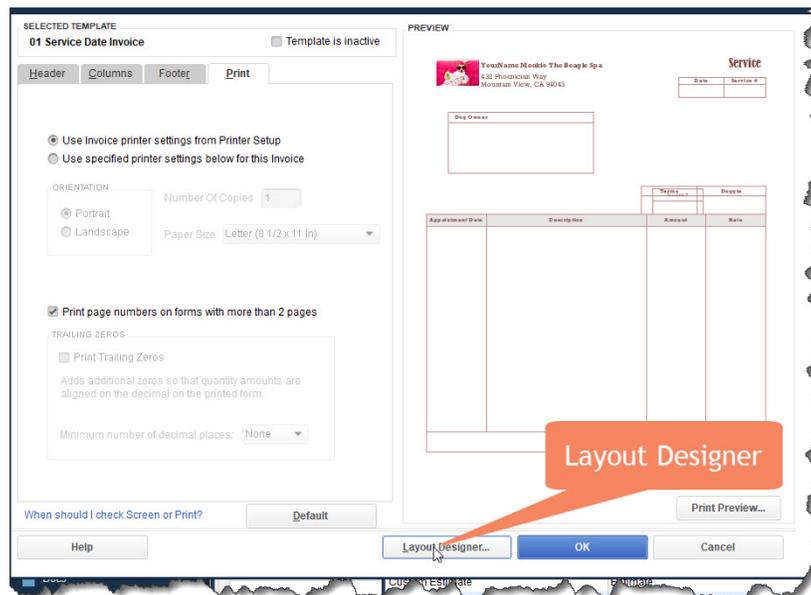
Header	Screen Print	Print	Title
Default Title	✓	✓	Service
Date	✓	✓	Date
Invoice Number	✓	✓	Service #
Bill To	✓	✓	Dog Owner
Ship To			
P.O. No.			
S.O No.			
Terms	✓	✓	Terms
Due Date			
Rep			
Account Number		✓	Account #
Ship Date			
FOB			
Project/Job		✓	Doggie
Other			

Columns	Screen	Print	Order	Title
Service Date	✓	✓	1	Appointment Date
Item	✓		2	Item
Description	✓	✓	3	Description
Mfr Part Number				
Quantity				
Rate	✓	✓	4	Rate
Amount		✓	5	Amount
Other 1				
Other 2				

Step 3. When prompted to Use the Layout Designer to reposition the overlapping fields. Click **OK → Continue**

Footer	Screen	Print	Title
Message	✓	✓	Thank You
Total	✓	✓	Total
Payments and Credits			
Customer Total Balance			
Job Total Balance			
Long Text		✓	Thank you for giving us the opportunity to enjoy your doggie. We hope to see you again soon.

Step 4. Click on the **Layout Designer**

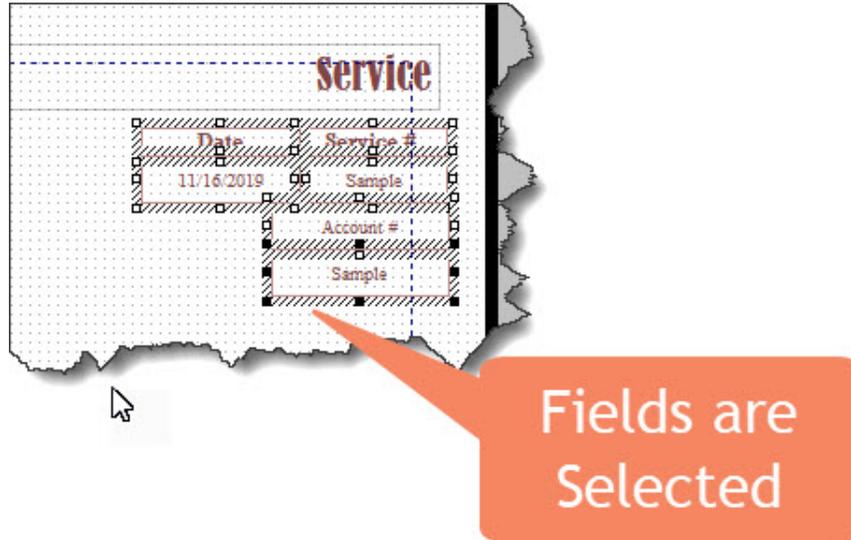


Step 5. Notice that some of the informing is overlapping, Click on the **Account #** field and **move** it under the **service #** field

RESIZE THE FIELDS

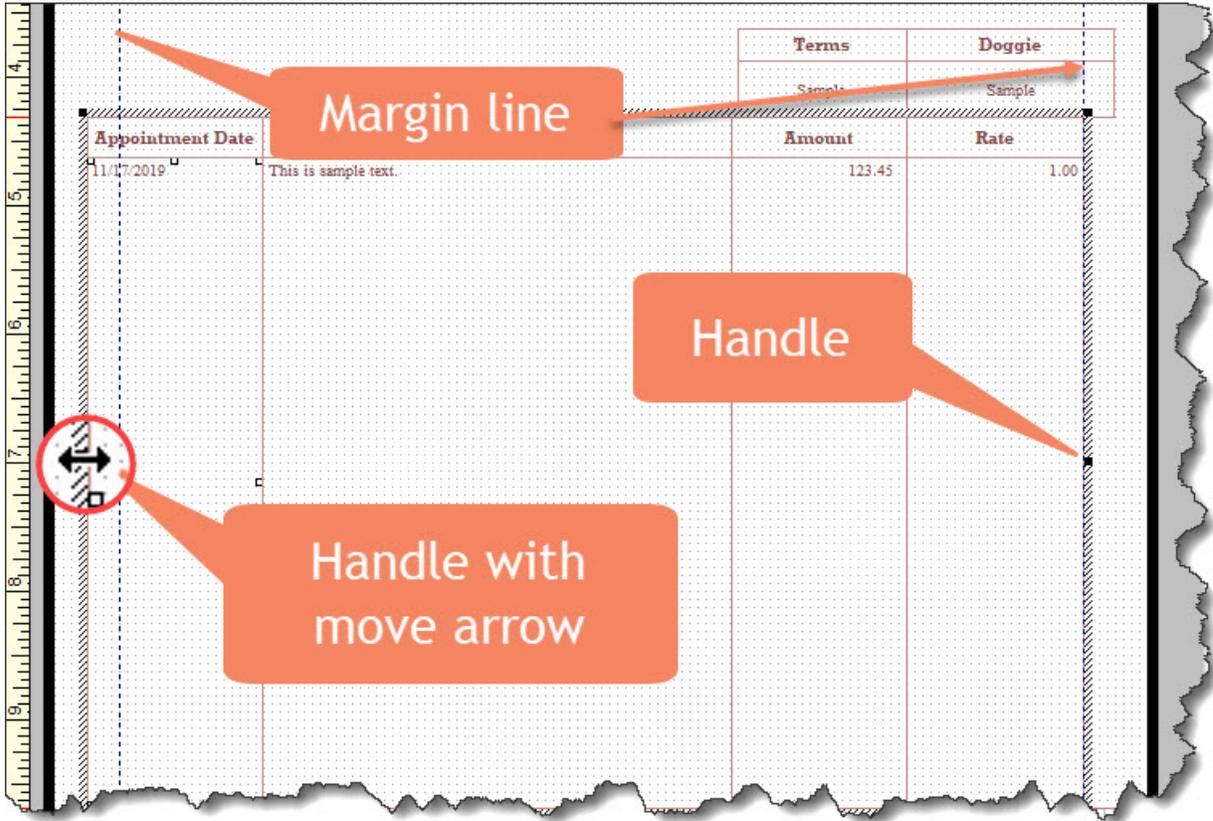
- Step 1.** Select the following fields:
- Service #
 - Account #
 - Date

NOTE: This can be done by drawing an imaginary box around all of the fields with your mouse



- Step 2.** Tap your **left arrow** on your **keyboard** several times. This will move the fields inside the margin line
- Step 3.** Click on the area where the **content of the invoice** will appear to resize the box displaying the Appointment Date, Description, Amount and Rate.

Step 4. Grab the **handles on both the right and left** of the box to reduce the size of the area and bring the edges of the invoice inside the margin line.

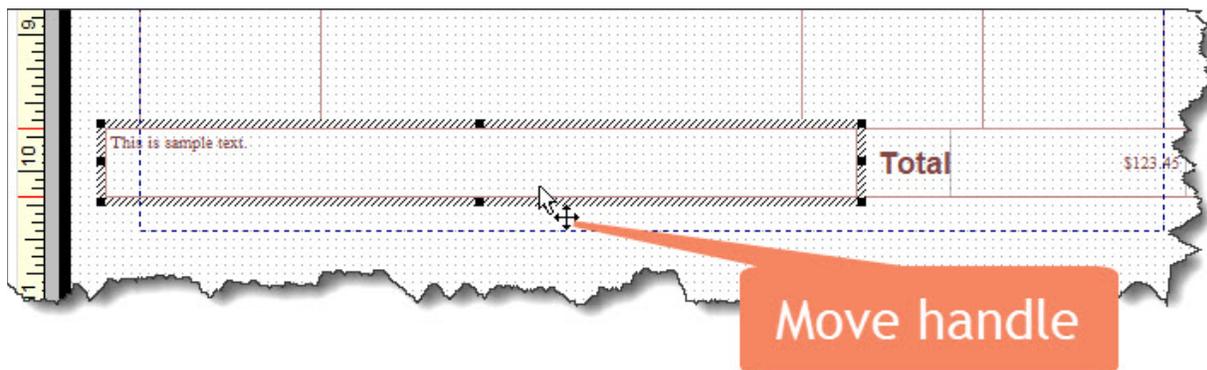


Step 5. Draw an imaginary **box** around the **Terms & Doggie** fields to select them.

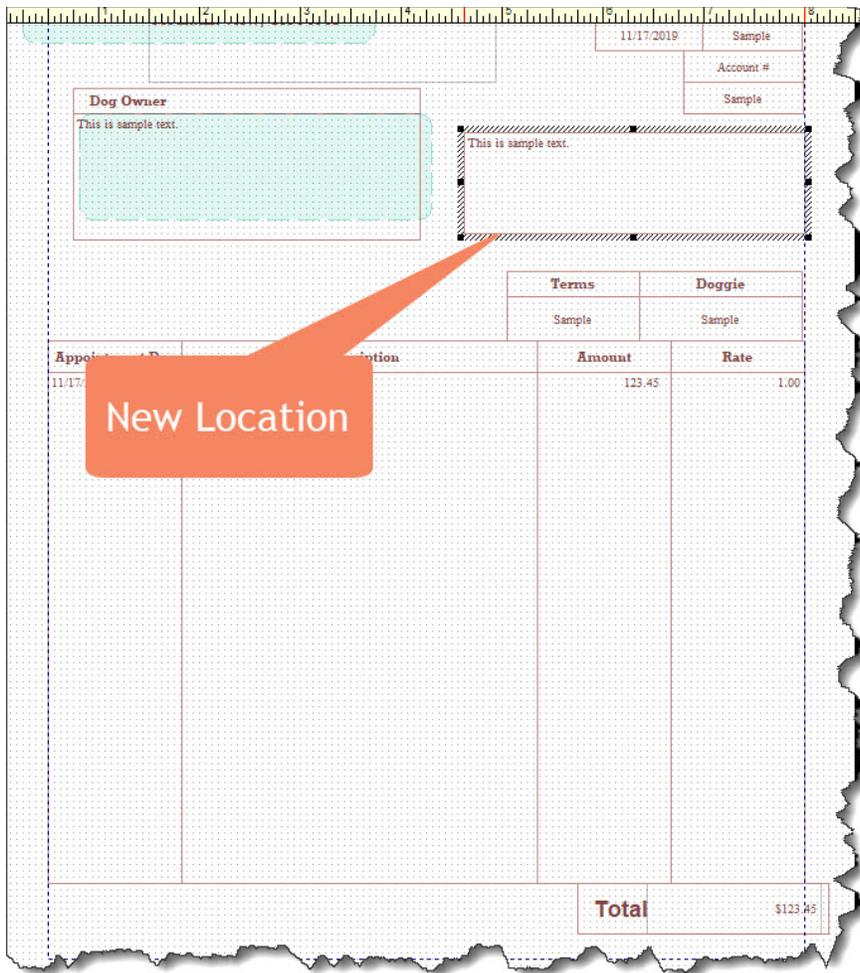
Step 6. **Nudge** them to the **right using your left arrow key** on your keyboard

Step 7. **Click** on the box that says **"This is sample text"** to select it.

Step 8. Hover over the box until you see a **four-pronged arrow**. This selects the box. **Click and drag the box** to the area above the space where the terms and doggie fields reside



Step 9. **Resize** the **box** so it fits in the blank area without any overlapping fields



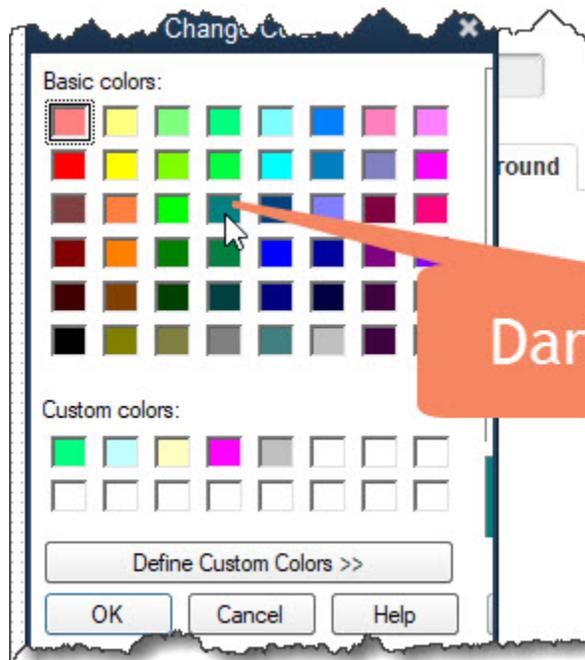
- Step 10.** With the message box selected, **Click on Properties**
- Step 11.** In the **Text** option, **Click Font**
- Step 12.** Change the font to **Script MT**
- Step 13.** Font Style: **Bold**
- Step 14.** Size: **16**
- Step 15.** Click **Ok**
- Step 16.** Notice the Appointment Date title is not showing. This can be easily fixed by enlarging the title area. **Click on the box surrounding the words** and

Step 17. Drag the **handle down** to resize the boxes for the titles.



Click and drag
handle

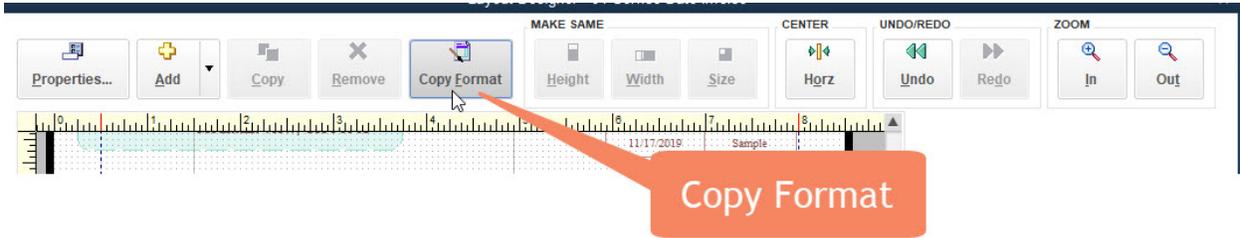
- Step 18.** Draw your imaginary box around the **total at the bottom** of the invoice template
- Step 19.** **Align** the total area to the **margin line** using your **left arrow key**
- Step 20.** **Select** the **Appointment Date** title
- Step 21.** **Click** on **Properties**
- Step 22.** **Click** on **Background**
- Step 23.** **Click** the **Fill** option
- Step 24.** **Click** on **Background color**
- Step 25.** **Select** the **third color in the fourth column (Dark Teal)**



Dark Teal

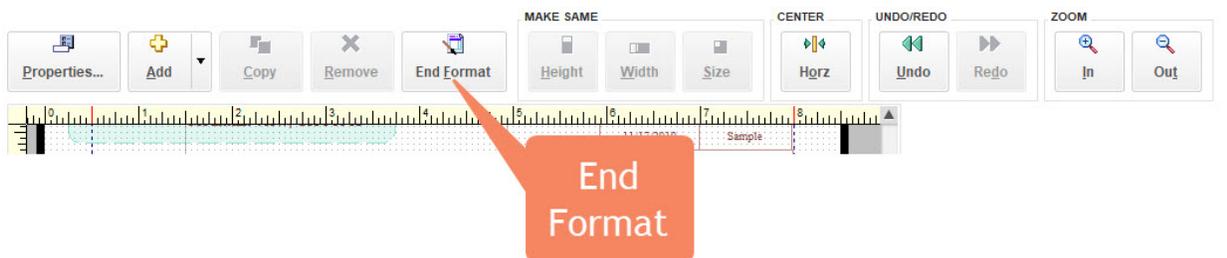
- Step 26.** **Click** **OK**
- Step 27.** **Click** **OK** again to **confirm**
- Step 28.** With the **Appointment Date** still selected, **Click** on **Properties**
- Step 29.** **Click** on **Text**
- Step 30.** **Click** on **Font**
- Step 31.** **Click** on **Color White**
- Step 32.** **Click** **OK**
- Step 33.** **Click** **OK** to confirm your selection

Step 34. With the Appointment Date still selected, **Click on Copy Format**



Step 35. With your mouse **click** on the titles for **Description**, **Amount** and **Rate** to copy the format you created.

Step 36. **Click on End Format**

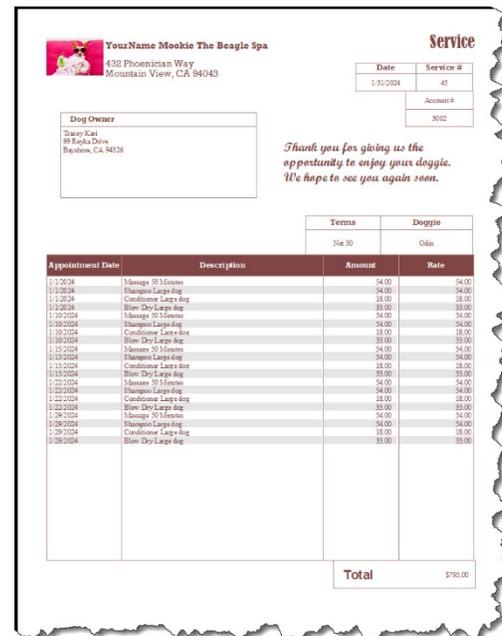


Step 37. Click **OK** to end the **Layout Designer**

Step 38. Click **OK** to close the customization screen

INVOICE 45.PDF

- Step 1.** Open the **Customer center**
- Step 2.** Under **Kari, Tracey**, find **invoice 45** and **open** it.
- Step 3.** Use the new **01 Service Date** invoice
- Step 4.** **Click Print**
- Step 5.** **Preview** your **Invoice**
- Step 6.** **Save** as a **PDF**
- Step 7.** Navigate to the **Unit 15** Folder
- Step 8.** **Save as Invoice 45**



DOWNLOAD A PREDEFINED TEMPLATE

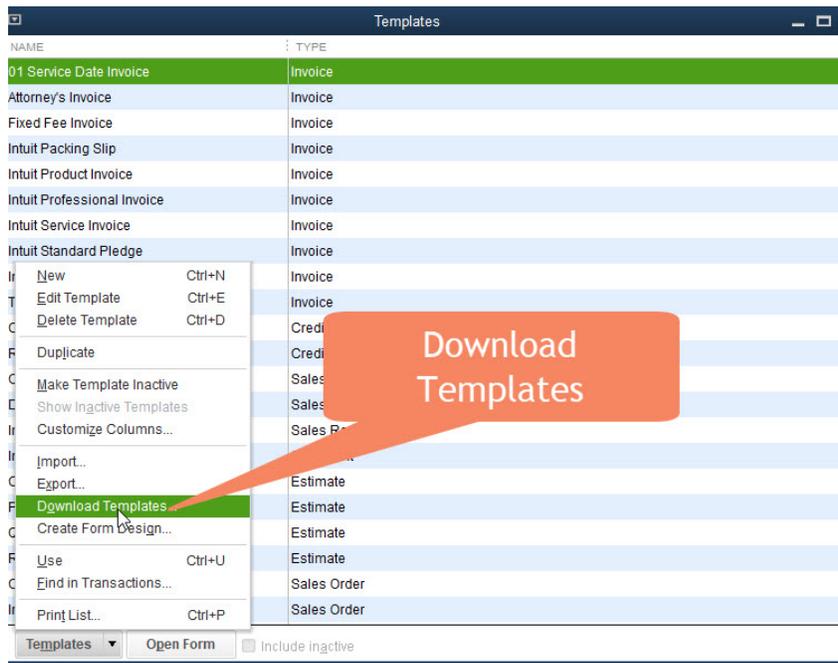
You can copy customized templates from one company file to another. This saves your time in personalizing templates for your estimates, invoices and other forms in case you have multiple company files, or you need to start a new company in QuickBooks Desktop. Exporting then importing the template also helps prevent damaged templates when sending portable files or converting your company files. Be reminded, however, of the following limitations:

- You cannot import customized templates created in newer versions of QuickBooks into older versions.
- You cannot import templates created in one regional version of QuickBooks into another. For example, the Canadian version of QuickBooks can't export templates to the U.S. version.
- You cannot export templates created in QuickBooks for Mac to other company files. They are confined to the company file in which they were created. You cannot copy or import templates in QuickBooks for Windows into QuickBooks for Mac. All customized templates that were created in QuickBooks for Windows must be recreated in QuickBooks for Mac.

Step 1. Click on **Lists**

Step 2. Select **Templates**

Step 3. At the **bottom left corner** click on **Templates** again to view additional options



Step 4. Click **Download Templates**.

QuickBooks will open a source of templates available online. Notice they range from a variety of areas: Credit Memo, Donation, Sales Order, Purchase Order, Estimate, Invoice, Statement and Sales Receipt

Step 5. Select **Invoice**

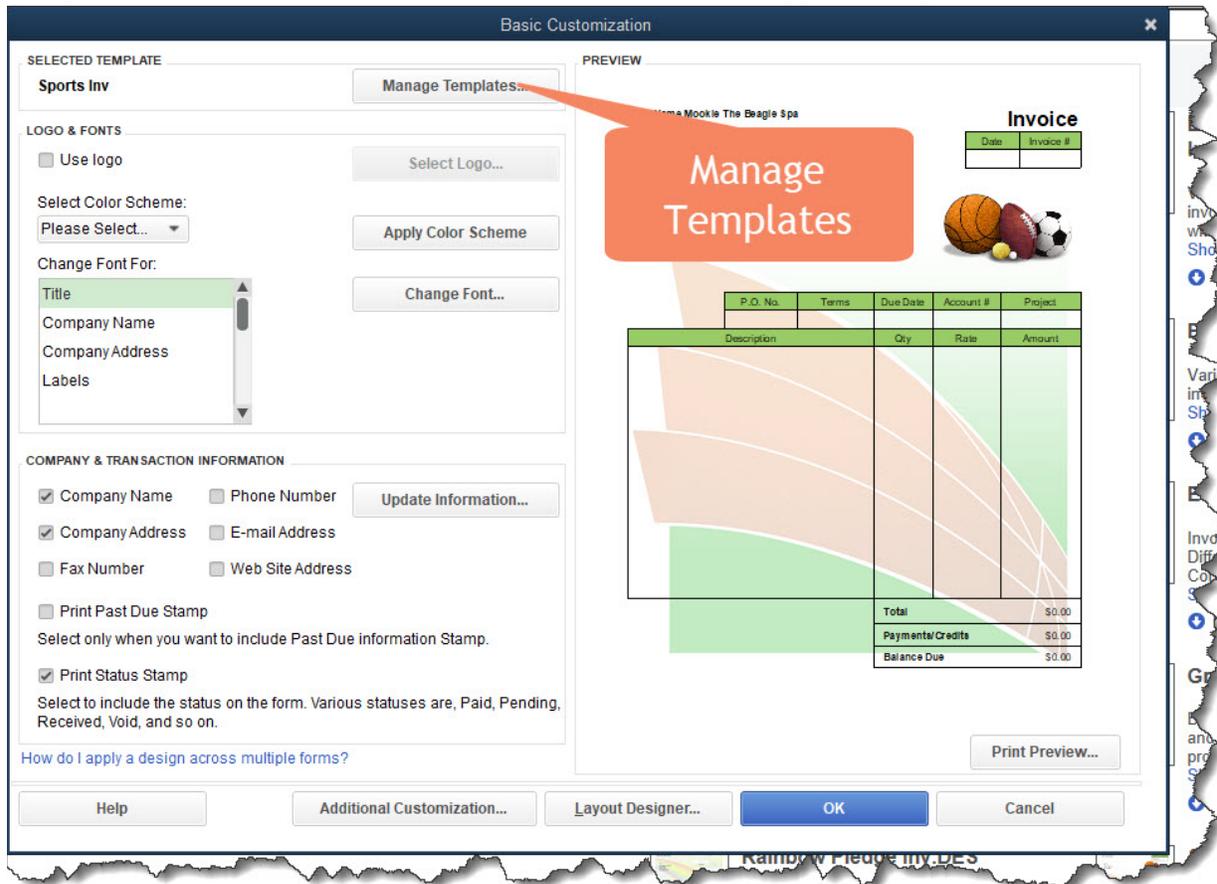
Step 6. Scroll down the list

Step 7. Click on **Sports Inv.DES**

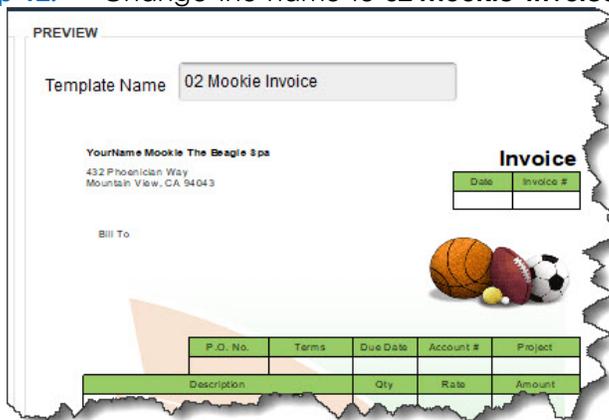
Step 8. Click **Download**

Step 9. QuickBooks will prompt you to save or open. Click **Open**

Step 10. Notice the Invoice Basic customization screen appears on your screen.



Step 11. Click on **Manage templates**
Step 12. Change the name to **02 Mookie Invoice**



Step 13. Click **OK**

Step 14. Click **Additional Customization**

NOTE: When you check and uncheck the options, QuickBooks may add an additional prompt. Accept the changes as you make your changes.

Header	Screen Print	Print	Title
Default Title	✓	✓	Spa Service

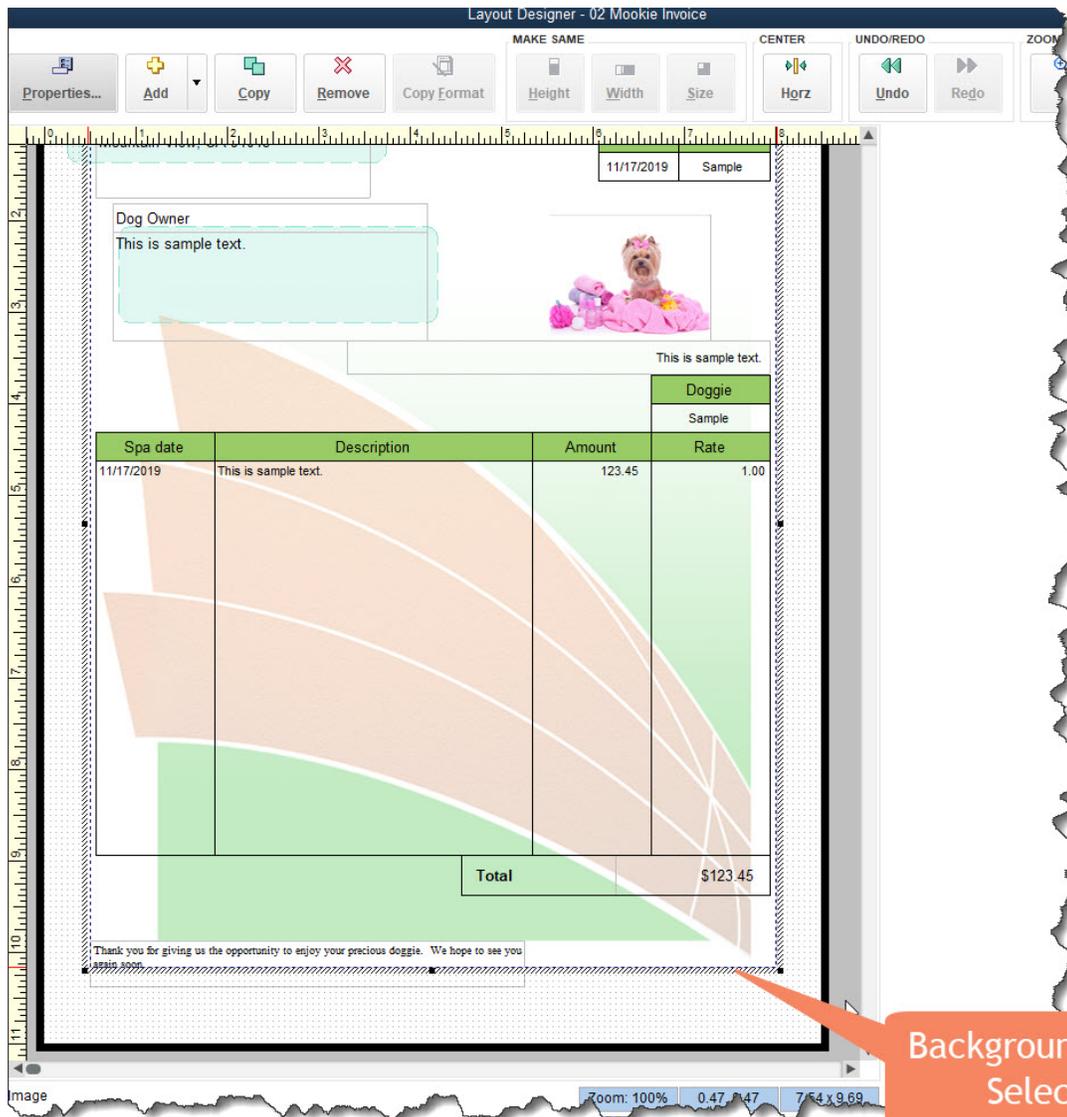
Header	Screen Print	Print	Title
Date	✓	✓	Date
Invoice Number	✓	✓	Service #
Bill To	✓	✓	Dog Owner
Ship To			
P.O. No.			
S.O No.			
Terms			
Due Date			
Rep			
Account Number			
Ship Date			
FOB			
Project/Job		✓	Doggie
Other			

Columns	Screen	Print	Order	Title
Service Date	✓	✓	1	Spa Date
Item	✓		2	Item
Description	✓	✓	3	Description
Mfr Part Number				
Quantity				
Rate	✓	✓	4	Rate
Amount		✓	5	Amount
Other 1				
Other 2				

Footer	Screen	Print	Title
Message	✓	✓	Thank You
Total	✓	✓	Total
Payments and Credits			
Customer Total Balance			
Job Total Balance			
Long Text		✓	Thank you for giving us the opportunity to enjoy your precious doggie. We hope to see you again soon.

- Step 15.** Click Layout Designer
- Step 16.** In the Layout Designer, click on the balls in the upper right of the screen.
- Step 17.** Click Properties
- Step 18.** Click Browse to view the images in your Unit 15 folder.
- Step 19.** Select Spa2.jpg from your Unit 15 folder
- Step 20.** Click Open
- Step 21.** Confirm your choice by clicking on OK
- Step 22.** Click OK again. The sports equipment has now been replace with the new Spa2.jpg image.

Step 23. Click on the background image



Step 24. Click on Properties → Browse

Step 25. Open your **Unit 15** folder and click on the file called **Spa3.jpg**

Step 26. Click OK

Step 27. Next you are going to change the background color for the headings. **Click** on the **green label entitled Doggie** to select it.

Step 28. Click **Properties → Background**

Step 29. In the **last column**, choose the **fourth color** (Periwinkle Blue)

Step 30. Click OK to choose the color

Step 31. Click OK to confirm your selection

Step 32. With the label still selected, **Click Properties → Font**

Step 33. Color White

Step 34. Font: **Comic Sans MS**

Step 35. Font Style: **Bold**

Step 36. Size: **12**

Step 37. Click **OK**

Step 38. Click **OK** to confirm

- Step 39.** Click **Copy Format**
- Step 40.** Click on the following labels to **change the format**:
- Spa date
 - Description
 - Amount
 - Rate
 - Date
 - Service #

- Step 41.** Click **End Format**
- Step 42.** **Change the size of the message box** at the bottom of the invoice to fit in the space next to the Total at the bottom of the invoice

- Step 43.** With the message selected, Click **Properties → Font**

Step 44. Color: **Blue**

Step 45. Font Style: **Bold**

Step 46. Size: **14**

Step 47. Click **OK**

Step 48. Click **OK** to confirm

Step 49. Click **OK** to **exit the Layout Designer**

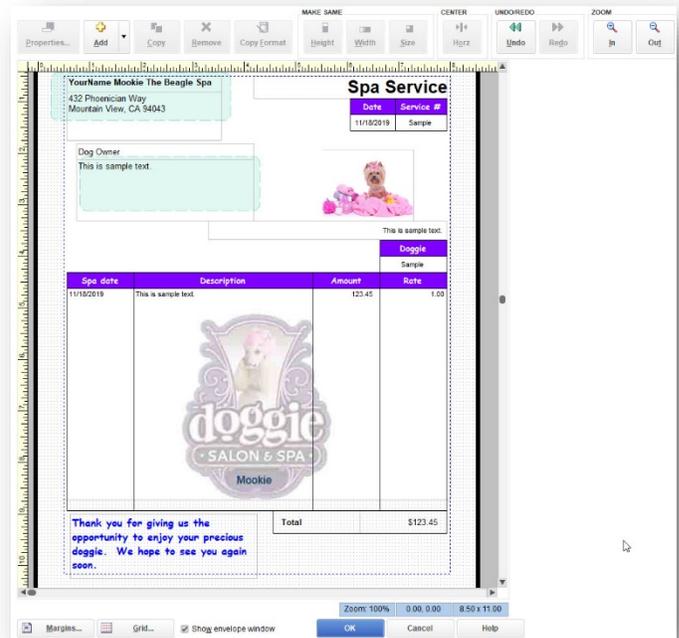
Step 50. Click **OK** to **close the Additional Customization** Screen

Step 51. In the **Basic Customization** screen Select **Color Scheme**

Step 52. Choose **Beige**

Step 53. Click **Apply Color Scheme**

Step 54. Click **OK** to confirm the change



INVOICE 44.PDF

- Step 1.** **Open the Customer center**
- Step 2.** Under **Petit, Mimi**, find **invoice 44** and **open it**.
- Step 3.** Change the template to the new **02 Mookie invoice**
- Step 4.** **Click Print**
- Step 5.** **Preview your Invoice**
- Step 6.** **Save as a PDF**
- Step 7.** Navigate to the **Unit 15 Folder**
- Step 8.** **Save as Invoice 44**

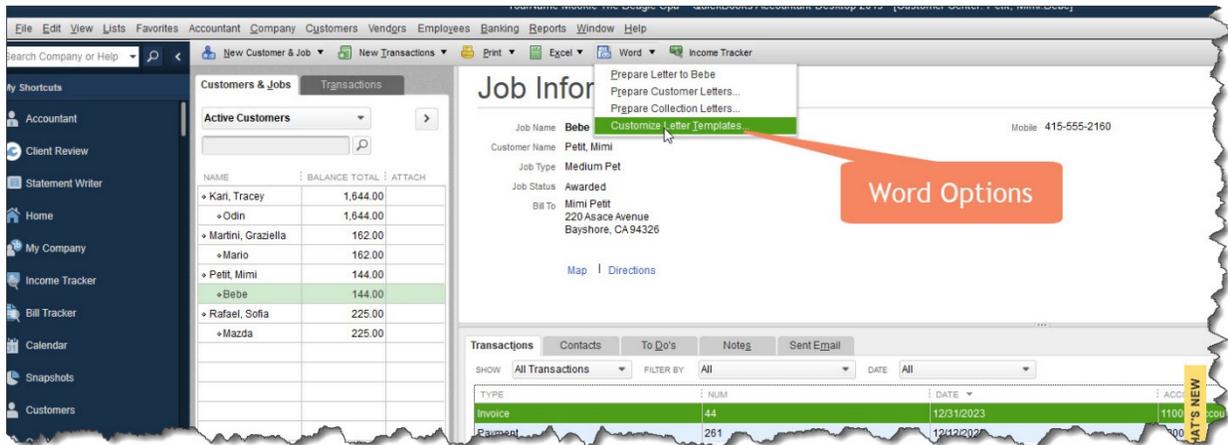
CREATE A CUSTOM LETTER

QuickBooks 2020 integrates with MS Word, Excel and Outlook. Mac users must have the Windows version of MS Office to perform the integration with QuickBooks. Follow these steps to create your own Word documents for Mookie Beagle Spa:

- Step 1.** Open the **Customer Center**
- Step 2.** At the top of the Customer Center click on the **down triangle** next to the **Word** icon.



Step 3. Click **Customize Letter Templates**



Step 4. You may receive a pop-up menu asking you to Find Letter Templates. Click **Copy**

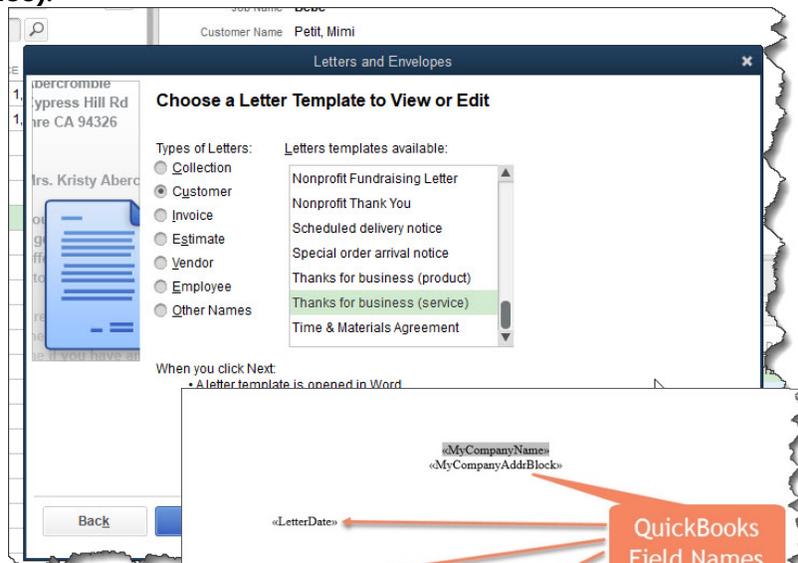
Step 5. Click **View** or **Edit Existing Letter Templates**

Step 6. Notice that QuickBooks has many templates to choose from. With the Customer option still selected, scroll down the list and choose the template called **Thanks for Business (service)**.

Step 7. Click on **Next**

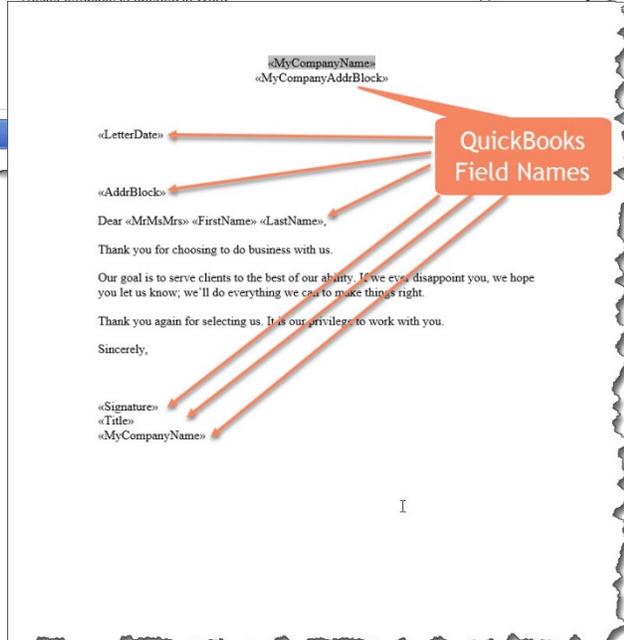
Step 8.

It may take a few minutes for QuickBooks to generate the letter. Check your task bar to see if Word is open. Once the letter opens, save it as **01 Certificate**. The letter will automatically be saved in your QuickBooks Company letters to be used later. We are now going to edit the letter to meet your needs.



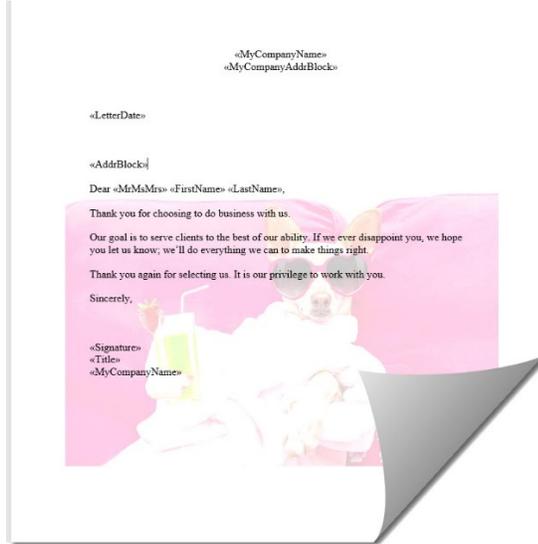
Step 9.

Next to the Salutation (Dear) is a field that is not used in your database. We want to remove that field. **Delete «Mr/MsMrs»**



ADD YOUR COMPANY LOGO TO THE LETTER

- Step 1.** In the word document, **Click** the **Insert** ribbon
- Step 2.** In the Illustrations group, **Click Pictures**
- Step 3.** Navigate to your **Unit 15** folder **click** on **Spa Logo.jpg**
- Step 4.** **Click Insert**
- Step 5.** **Click** on the **Image** to select it.
- Step 6.** Notice the Picture Tools ribbon appears when you click on the image. **Click on Format**
- Step 7.** In the arrange group, select **Wrap Text → Behind Text**
- Step 8.** With the picture still selected, in the adjust group select **Recolor → Washout**
- Step 9.** Click and drag the picture down on the page to display as a watermark behind the text.
- Step 10.** Save the Letter. **CTRL+S**
- Step 11.** **Close** the **Word** document and return to your QuickBooks company file.



- Step 12.** If the template window is still open in QuickBooks, **Click Cancel**

CUSTOMER LETTERS.PDF

- Step 1.** From the customer center, **click** on **Word** again.
- Step 2.** Select **Prepare Customer Letters**
- Step 3.** **Mark All Customers**
- Step 4.** **Click Next**
- Step 5.** **Select** the **01 Certificate**
- Step 6.** **Click Next**
- Step 7.** Type the following:
 - a. Name: **Your Name**
 - b. Title: **Happy Groomer**
- Step 8.** **Click Next**
- Step 9.** The Letters will automatically generate in Word.
- Step 10.** **Save** as **Adobe PDF**
- Step 11.** **Save** in the **Unit 15** folder as **Customer Letters.pdf**
- Step 12.** After you save the letters, you will be prompted to print the envelopes. **Click Cancel**
- Step 13.** **Click Cancel** again the exit the Letters and Envelopes options

APPENDIX A

BACKUP AND RESTORE QUICKBOOKS COMPANY FILES

The two most common QuickBooks files you will use are the following:

- ✓ **.QBW File** – This is referred to as the QuickBooks **w**orking file in which you can enter accounting data and transactions.
- ✓ **.QBB File** – The QuickBooks **b**ackup file used to move a QuickBooks file to another computer or if the working file (.QBW) fails. The data files provided for you with this text .QBB files. These files have been restored to the .QBW format for your convenience. Unlike Excel files, .QBB files cannot be opened by clicking on the file. Because .QBB files are compressed, the .QBB file must be restored (unzipped) using the QuickBooks software.

The .QBW file is the only QuickBooks file in which you can enter data and transactions. When you enter transactions into a .QBW file, the information is automatically saved. The typical workflow for a business is to use the .QBW file to record transactions and periodically back up to a .QBB (backup) file.

A sound disaster recovery plan includes a backup system. For example, a good backup system is to have a different backup for each business day: Monday backup, Tuesday backup, Wednesday backup, and so on. Then it is necessary to use the backup file and the Wednesday backup, for example fails, the company has a Tuesday backup to use. Furthermore, it is recommended that a business store at least one backup at a remote location.

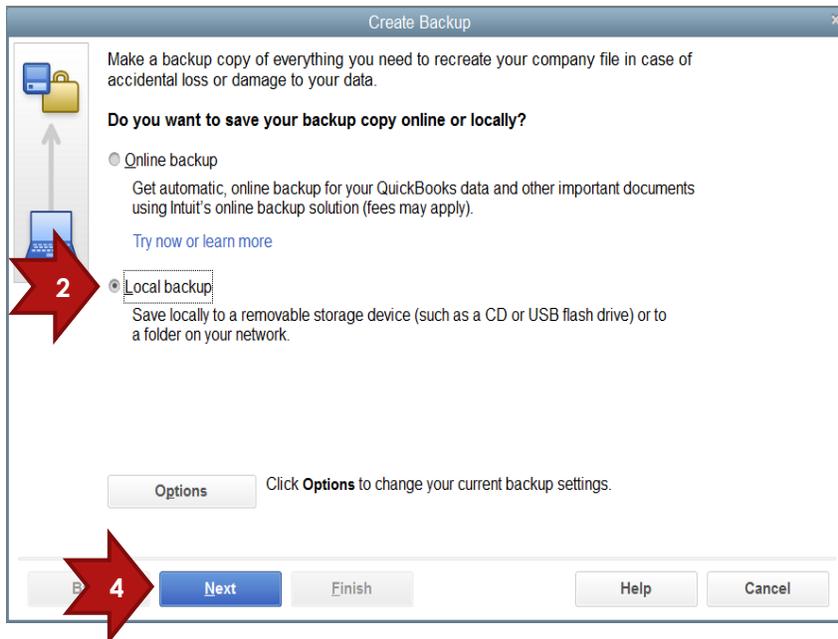
Typically, the backup file is used only if the company's working file (.QBW) fails. Then the backup file (.QBB) can be restored and used. It is important that the backup copy is as up to date as possible in case it must be used to replace lost company data. The backup file (.QBB) is compressed and must be restored to a working file (.QBW) before you can use it to enter data or transactions.

CREATE A BACKUP

Throughout the text you will be instructed to backup your QuickBooks Company file. Follow these steps to perform a backup:

- Step 1.** With your QuickBooks file (*.QBW) open, from the menu bar **CLICK** on the **File** option
- Step 2.** **CLICK** on **CREATE LOCAL BACKUP** option
- Step 3.** When the following windows appears, **SELECT** the Local backup option

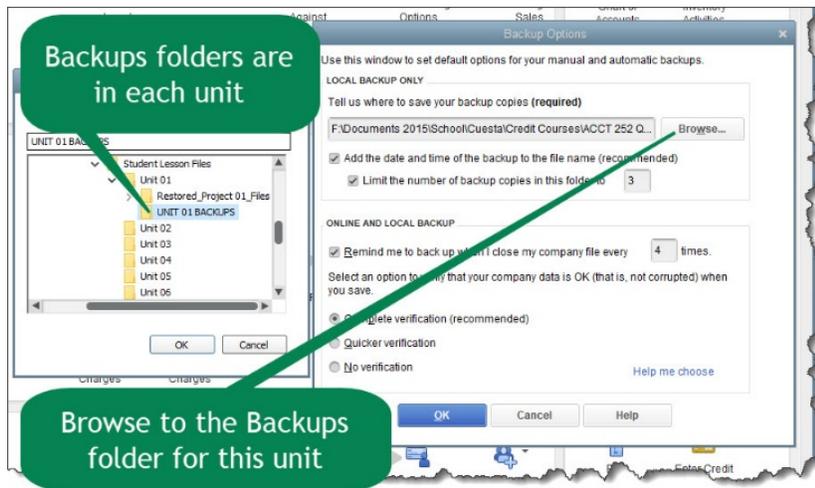
Step 4. CLICK on NEXT



Step 5. If asked where to save your files, to make it easier to find your backup files, **CLICK** the **BROWSE** button. Each unit you have for this class has a folder labeled **UNIT xx BACKUPS** (xx represents the unit number).

Step 6. NAVIGATE to the **BACKUPS** folder for the current unit.

Step 7. CLICK on **OK** to close the Browse for Folder window.



Step 8. CLICK on **OK** again to close the Backup Options window. If a QuickBooks warning window appears, select **Use this location**.

Step 9. CLICK on **SAVE IT NOW**

Step 10. CLICK on **NEXT**

Step 11. Notice that QuickBooks has dated, and time stamped the backup file you are creating. **CLICK** on **SAVE**

WHY CREATE AND RESTORE A BACKUP FILE?

There are several reasons to restore a backup file. These are a few to consider:

- ✓ **ACCOUNTANT** – An accountant often works with either an accountant file or a customer backup file. QuickBooks makes it easier for accountants to work with client data files. Consider this scenario: You have a client who needs help finishing the year's accounting period. You have two choices. First, you can drive over to his shop, probably getting stuck in traffic along the way, and find yourself wondering whether you can bill the client \$150 for your travel time. Second, you can have the client use the Accountant's Copy feature of QuickBooks to send you a copy of the QuickBooks data file. You can review this accountant's copy of the data file, make whatever fixes or changes are appropriate, and then send the changes to be made back to the client. The client can easily import these changes into his existing QuickBooks file and go off on his merry way.
- ✓ **SWITCHING COMPUTERS** – QuickBooks saves multiple files in the .QBW database. Creating a backup file and then restoring it to a new computer is a more efficient option.
- ✓ **CORRUPT or INNACURATE FILE** – You may realize you have an error that you are unable to track and fix. In this case, if you have a .QBB (backup file), you would roll b ack to the most recent backup.

IMPORTANT NOTE REGARDING PASSWORDS:

- ✓ **REQUIRED TO CREATE A PASSWORD** – When restoring a QuickBooks .QBB file, you may be required to create a password to continue. *Record any password you create in a secure location.* There are also password manager programs such as Dashline, Keeper, Sticky, RoboForm or Password Boss that are excellent secure sources to store passwords and personal information.
- ✓ **PASSWORD REQUESTED** – If a password is requested. Try using Admin and leave the password blank. If that does not work, try contacting your instructor.

APPENDIX B

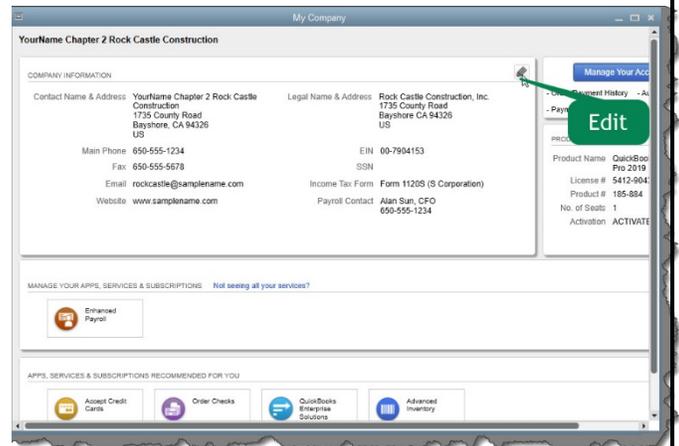
CHANGE THE COMPANY NAME

Changing the company name is not something to take lightly. A company name change is a delicate process that must be handled properly. These are some famous examples of companies that have changed their name:

- ✓ Google was once Back Rub.
- ✓ Yahoo! Was originally Jerry's Guide to the World Wide Web.
- ✓ Before it was Best Buy, it was Sound of Music.
- ✓ Accenture was originally Arthur Andersen.
- ✓ Pepsi Cola started out as Brad's Drink.

For the activities in this text, you will need to change the company name for every unit activity. This is a process designed to show how it is done and to include your name on the reports that are generated throughout the text. Please follow these instructions:

- Step 1.** From the Menu bar, select **Company**
- Step 2.** Select **MY COMPANY**
- Step 3.** Select **EDIT**
- Step 4.** Update the Company Name Field to: **YourName xxxx** (xxxx represents the name of the current company you are working on i.e. Rock Castle Construction)



- Step 5.** **CLICK** on **OK**
- Step 6.** **Close** the My Company window.

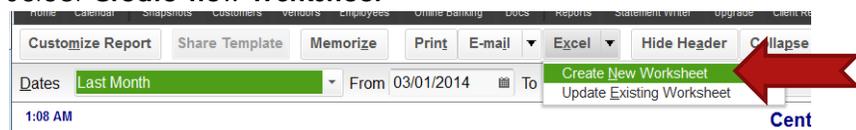
APPENDIX C

EXPORT REPORTS TO EXCEL

You can export Customer, Vendor, Payroll lists and transactions, as well as Items list into an Excel spreadsheet. If you need to change a report's appearance or contents in ways that are not available in QuickBooks, you can also export reports and customize it in Excel without affecting your QuickBooks data.

The reports that can be exported to Excel have an Excel option in the title bar of the report. Open your desired report and follow these instructions to export the report.

Step 1: Select **Create new Worksheet**



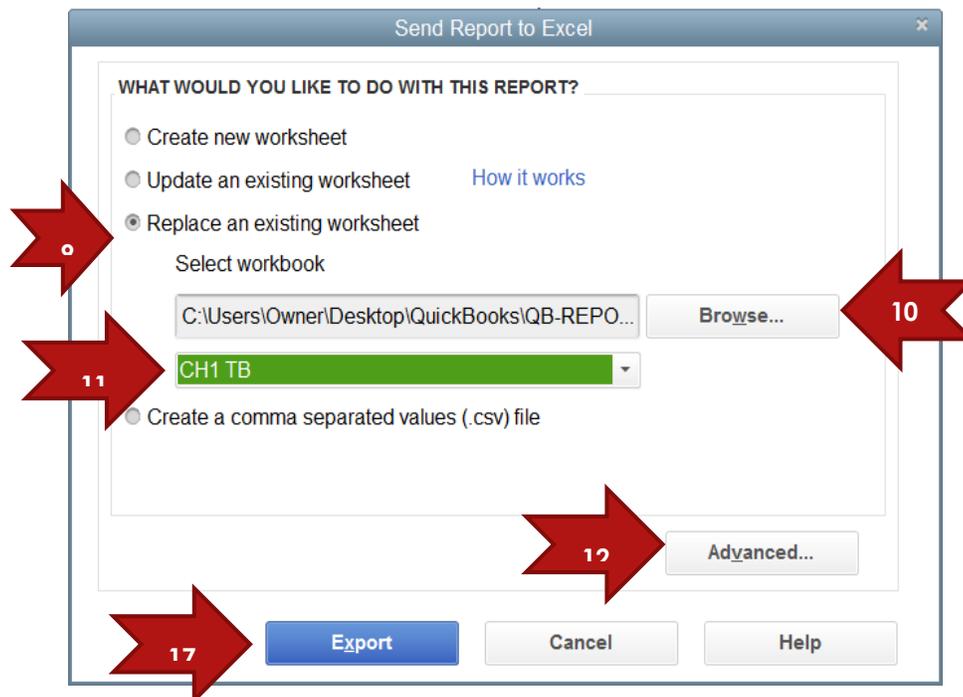
Step 2: When the *Send Report to Excel* window appears, select **Replace an existing worksheet**.

Step 3: Click the **Browse** button

In the UNIT XX folder, **SELECT** the Excel file named **UNIT_XX_REPORTS**.

NOTE: XX Represents the number of the unit file you are exporting the file to.

Step 4: From the drop-down list, select the sheet you plan to export into. The illustration is showing CH1 TB. **Each exercise is a different sheet**. Pay close attention to the



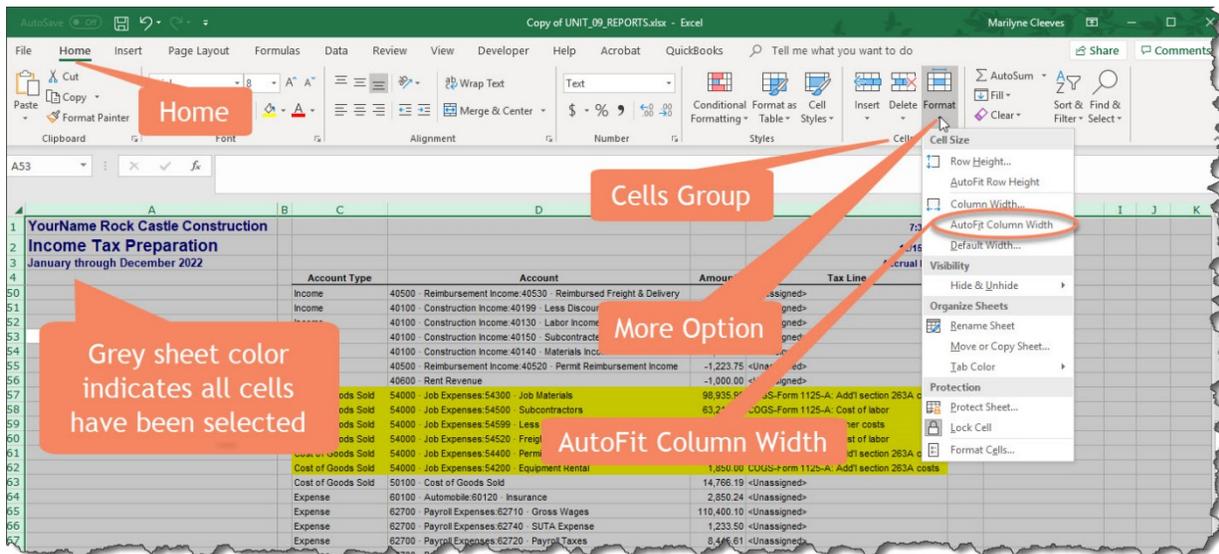
sheet tab name the exercise is referencing.

- Step 5:** Click the **Advanced** button.
- Step 6:** Uncheck **Space between columns**.
- Step 7:** Uncheck **Include QuickBooks Export Guide worksheet with helpful advice**
- Step 8:** Select **On printed report and screen**
- Step 9:** Click **OK**
- Step 10:** Click **Export**
- Step 11:** When the following Export Report Alert window appears, select **Do not display this message in the future**.
- Step 12:** Select **Yes**
- Step 13:** **Review** the report exported to Excel.
- Step 14:** **Save and close the Excel File**. You will use it again.

EXPAND COLUMNS IN THE EXCEL REPORT

If you are not familiar with MS Excel, there are a few easy steps that should be followed to view your exports for accounts:

- Step 1.** With your Excel worksheet in view, hold down your CTRL key and Hit the letter A (**CTRL+A**). This keystroke combination selects the entire worksheet.
- Step 2.** Be careful not to select any of the individual cell in the worksheet and click on the **Home** ribbon band. In the cells group, Click on the **more** option for **Format**
- Step 3.** Select **AutoFit Column Width**



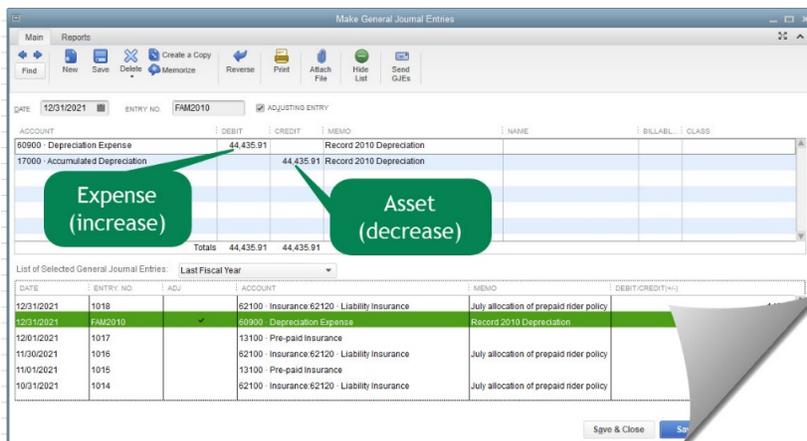
APPENDIX D

RECORDING DEBITS AND CREDITS

Five different types of accounts are listed below along with the effects that debits and credits have on them.

Account Type	Debit	Credit
Asset	Increase	Decrease
Liability	Decrease	Increase
Equity	Decrease	Increase
Revenues (Income)	Decrease	Increase
Expenses	Increase	Decrease

The following adjusted journal entry displays a depreciation expense record. Notice how the number of the depreciation expense are in the expense costs category (60900). The account number for the Accumulated Depreciation is in the asset category (17000).



ACCOUNT NUMBERS

Account numbers are used to uniquely identify accounts. Usually account numbers are used as a coding system to also identify the account type. For example, a typical numbering system for accounts might be as follows:

- 10000 - 19999 Assets
- 20000 - 29999 Liabilities
- 30000 - 39999 Equity
- 40000 - 49999 Income or Revenue
- 50000 - 59999 Job Costs/Cost of Goods Sold
- 60000 - 69999 Overhead Costs or Expenses
- 70000 - 79999 Other Income
- 80000 - 89999 Other Expense

The five digits provide some growing room when new accounts need to be sandwiched into the list in the right order. The five digits are used as follows:

- ✓ **First Digit**—the first digit is the high-level account type (asset, liability, etc.)
- ✓ **Second Digit**—the second two digits are used in account numbering
- ✓ **Last Two Digits**—the last two digits are used in subaccount numbering

You can still override the standard numbering system to any system you'd like or avoid account numbers altogether.