
QuickBooks III

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QuickBooks III - Agenda

- **Benefits of using the audit trail feature**
- **Creating reports**
 - QuickReports
 - Customizing
 - Filtering
 - Creating memorized report groups
 - Processing reports in groups
 - Exporting to Excel
 - QuickInsight graphs
- **QuickBooks and year-end**
 - Analyzing assets and liabilities
 - Journal entries
 - Year-end accruals
 - Accountant's review copy
- **Generating letters**
- **Customizing forms**



What's Next?

- **QuickBooks IV**

How to set up employees and payroll tax reports
How to use QuickBooks to process and record all aspects of payroll



Introduction

- Ice breaker: discuss with others your #1 headache when it is time for your auditor's visit. What takes the most time? What do you dread? What do you wish were different?



Keeping Fraud From Knocking On Your Door



Preventing Fraud

- QuickBooks has several features to help improve the control of monies and to prevent fraud.
- Software cannot do it alone.

We need to keep in mind that it takes *numerous* measures to protect against embezzlement including dual controls, audits, and good hiring practices.



Using QuickBooks for Control

- QuickBooks includes a number of standard features to help improve control.



Audit Trail

- In QuickBooks there is an audit trail feature that may be turned on to track all transactions and modifications or deletions.



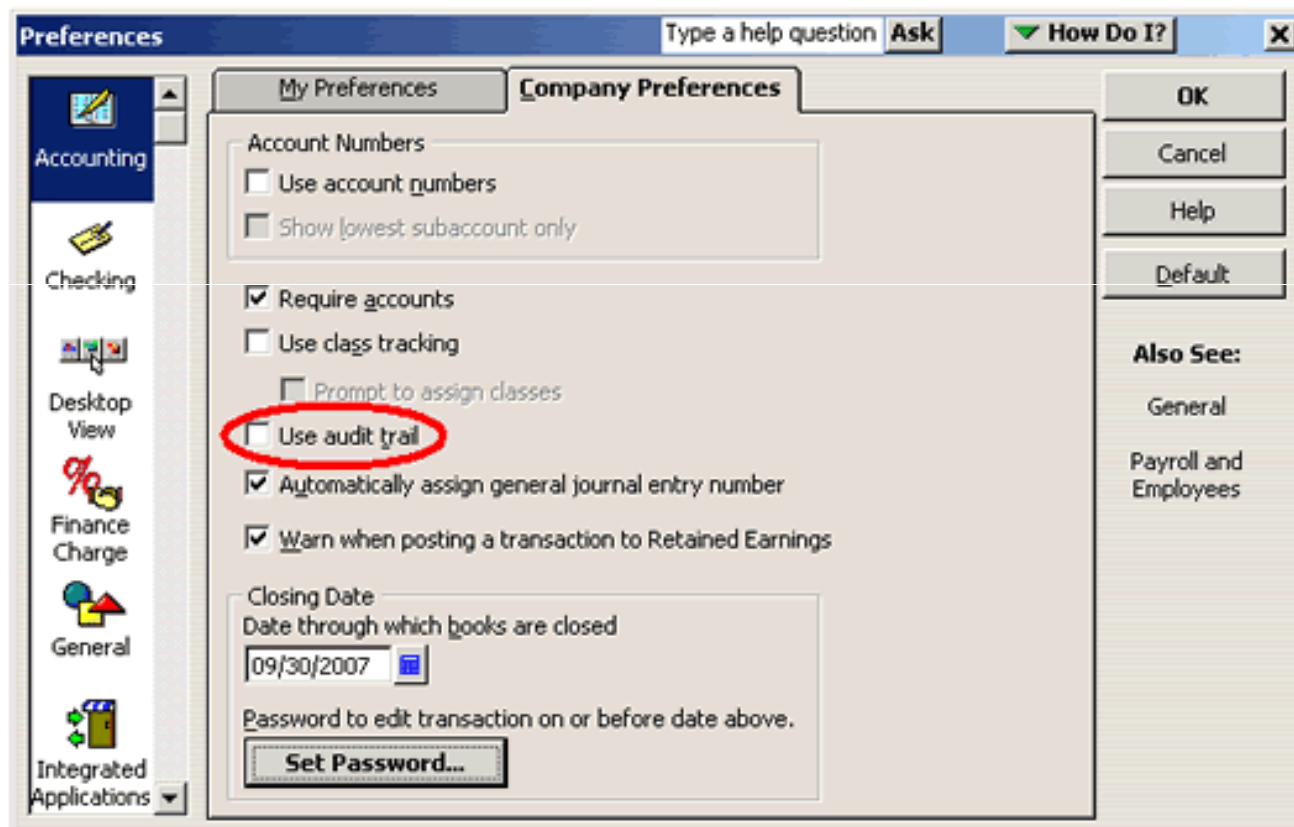
Audit Trail

- **The Audit Trail Report provides a summary to the Administrator of all QuickBooks transaction activity answering three essential questions:**
 1. Who added/edited/deleted the transaction?
 2. When was the transaction added/edited/deleted?
 3. What were the relevant details of the transaction, i.e., date, amount, accounts, names, etc.?



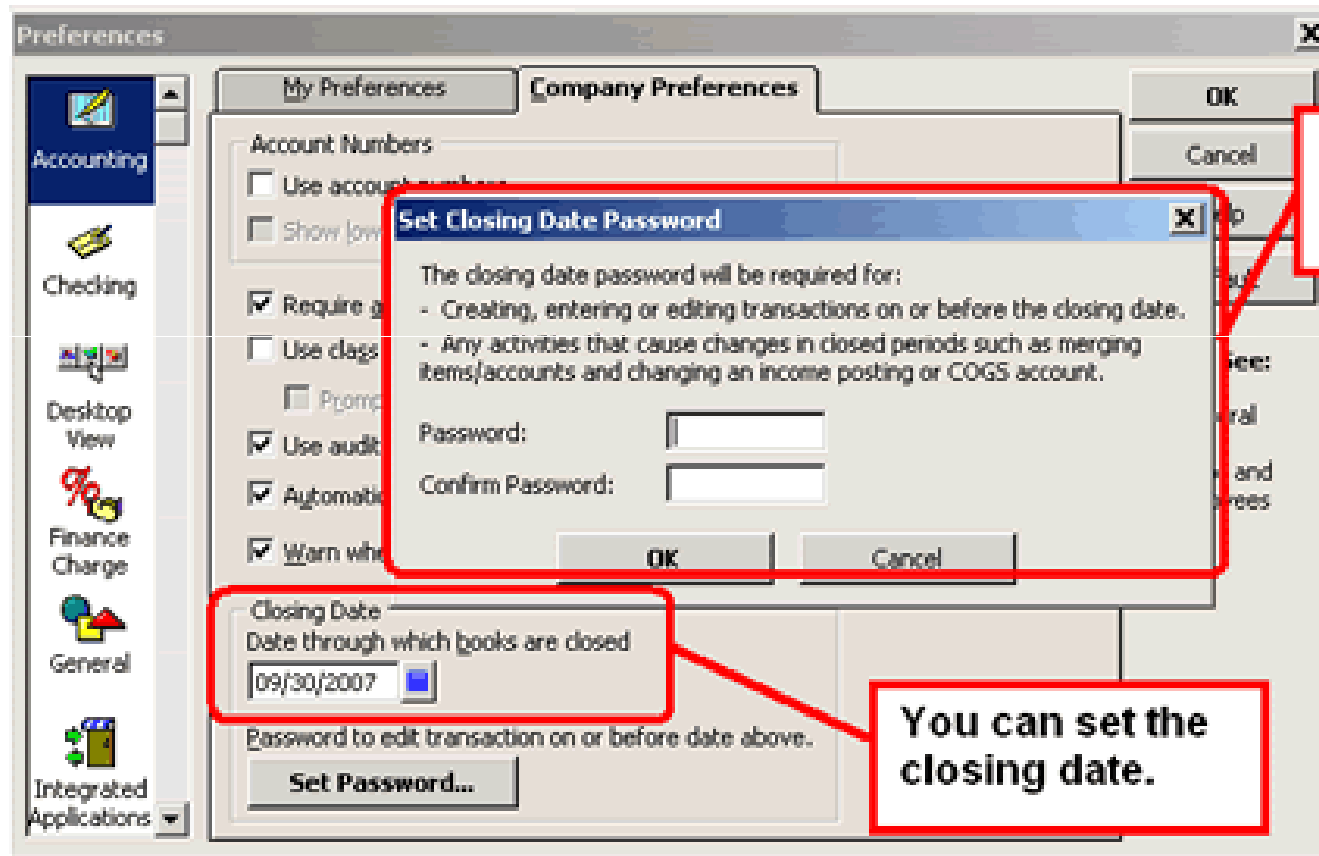
Audit Trail

- You can also set a password for making changes in previous periods.



Closing the Books

- You may also close the books which will require a password to make changes in previous periods; this is optional as well.



You can protect access by password.

You can set the closing date.



Setting User Roles

- This capability is frequently overlooked, and is one component of higher levels of fraud protection.

Set up user password and access

User Name and Password

Provide a name and an optional password for this user.

User Name:

Password:

Confirm Password:

Do you have your Caps Lock or Num Lock keys turned on?
Passwords are case-sensitive, so turning on either of these keys can affect how your password is stored.

Prev Next Finish Help Cancel

Each user gets a unique password.



Limiting User Roles

- Set up the user permissions to disallow deletes and changes within that user's role. Just this one step alone will prevent the user from changing anything after the fact, or deleting a transaction in order to cover up fraud.

Change user password and access: Joe Employee

Sales and Accounts Receivable Page 1 of 10

Access to this area includes activities such as: entering invoices, sales receipts and sales orders, receiving payments, and writing estimates and statements.

What level of access to Sales and Accounts Receivable activities do you want to give this user?

No Access

Full Access

Selective Access

- Create transactions only
- Create and print transactions
- Create transactions and create reports

Here the user is given permission to create and print transactions.

Prev Next Finish Help Cancel



Change user password and access: Joe Employee

Changing or Deleting Transactions

Page 9 of 10

Do you want this user to have the ability to change or delete transactions in the areas they have access to?

Yes

No

Should this user also have the ability to change or delete transactions that were recorded before the closing date?

Yes

No

Prev Next Finish Help Cancel

The user's profile can restrict the ability to delete transactions.



- Unless you grant full access to QuickBooks, multiple screens allow the user no, full or partial access to different segments of the accounting workflow.

Change user password and access Page 10 of 10

Access for user: Joe Employee

You have finished setting this user's access rights and password. Below is a summary of this user's access rights. Click the Finish button to complete this task.

Area	Create	Print	Reports
Sales and Accounts Receivable	Y	Y	N
Purchases and Accounts Payable	Y	N	N
Checking and Credit Cards	Y	N	n/a
Inventory	Y	N	N
Time Tracking	N	N	N
Payroll and Employees	N	N	N
Sensitive Accounting Activities	N	N	N
Sensitive Financial Reports	N	N	n/a
Changing or Deleting Transactions	N	n/a	n/a
Changing Closed Transactions	N	n/a	n/a

Prev Next **Finish** Help Cancel



Audit Trail Report

- The Audit Trail Report provides a record of every transaction entered into the data file, including details such as when a transaction is changed and the nature of the change. At a minimum, it is suggested that report be examined on at least a weekly basis, looking for any suspicious activity.
- Examples of such activity include:
 - unauthorized bad debt write-offs or other credits to customer accounts, journal entries to cash accounts, or changes to the payee on checks.
 - customer invoices being deleted. This could indicate that an employee received cash from the customer, and then deleted the invoice so he/she could pocket the cash.



Other Elements of Good Control

- Separate Reconciliations from Payroll Issuer
- Signing Authority
- Education



Separate Reconciliations from Payroll Issuer

- It's important to have a different person reconcile the bank statement than the person who issues the Accounts Payable and Payroll checks.



Signing Authority

- The person issuing the Accounts Payable checks should not be the person authorized to sign them.



Education

- There is quite a bit of control in QuickBooks, but it is flexible enough if the user doesn't want to deal with these features. While most of these control features are optional, it is important that the user understand why they are important, and to implement them as appropriate.
- If the user knows what the tool is and how it works, that is the key.



Preventing Fraud

Top Ten Tips



1

Send Bank and Credit Card Statements to a Separate Address

- Review each check both front and back for payee, signature, and endorsement.
- Examine each statement carefully. Review each and every line item of both payments and charges.



2

Do Not Let Anyone Misrepresent Themselves as You

- Never allow someone to use your password, sign your name, ever.
- Never let an employee sign your name, use your credit card, or misrepresent themselves to your bank or credit card company. Reimburse their expense.
- Don't reveal sensitive passwords.



3

Reconcile Bank Accounts and Review Statements

- Review every statement. Make sure all bank accounts and credit cards are reconciled.
- Take time to review every reconciliation report.
- Notice stale checks or deposits that have not cleared the bank.
- Check for missing deposits. An increase in the number of reconciled items may also reveal mischief.



4

Assign Administrative Rights Effectively

- Use the Administrative rights in QuickBooks to protect your data.
- This role has unique permissions.
- Make sure that every user is set up separately and that passwords are used.
- Lock down permissions to change or delete transactions.
- Especially important: Use passwords for closing dates.



5

Use the Audit Trail in QuickBooks

- If you don't have the latest version of QuickBooks, make sure you turn on the Audit Trail.
- Caution: the Audit Trail won't tell you if a vendor name has been changed or merged. It is wise to maintain a strict paper trail.
- Supporting documents need to be readily accessible in your files and then archived according to the type of document.



6

Use the Voided/Deleted Transaction Report

- After you have turned on the Audit Trail, and made its review part of your routine, periodically review the Voided/Deleted Transaction Report to see which entries which have been modified.



7

Establish Accounting Controls

- Split responsibilities between staff members or outside accounting professionals.
- **Warning Sign:** If only one person writes the checks and reconciles the account, there is no double check. Separate the duties.
- Consider another person to do reconciliations so it is done by a person other than the staffer generating the checks.



8

Adhere to a Numerical Sequence

- Use a numerical sequence for all transactions. Invoice, bills, and checks which are numbered fall in a logical and chronological order. The reason: To identify missing documents.
- Look at the bank statement for large gaps. Secure paper checks.
- If you keep voided paper checks, remember to tear off the signature area to keep it from being misused. If your bank sends paper checks, sort them numerically.



9

Review Receivables and Payables

- Look for adjustments to Receivables or Payables. Such adjustments could indicate subverted payments or vendor checks.



10

Back up Your Data

- **Back up! Back up! Back up!**
- **Think redundant backups as a contingency plan for disasters of all sorts.**
- **Make scheduled copies.**
- **Rotate the media (tape drive or portable storage). If you use CDs, better buy the read-only variety.**
- **Store your backups at another location. Such diligence can come in especially handy if there is a disaster.**
- **In some fraud cases, the bookkeeper may delete all of the QuickBooks files to avoid detection. In such cases the governments have to pay a large sum for data retrieval, in hopes of capturing any shred of evidence. Be smart; back up. It only takes a few minutes.**



Creating Reports



Benefits of reports

- Entering data doesn't provide an opportunity to analyze
- Reports let you summarize your financial data
 - Helps in making decisions
- Provide bottom line



Lesson objectives

- To discuss some of the tools QuickBooks gives you for analyzing financial data: QuickReports, preset reports, and graphs
- To create a QuickReport
- To add a column to a report
- To learn how to move a column in a report
- To learn about the types of preset reports QuickBooks offers
- To practice creating reports and viewing them onscreen
- To customize a report by changing how it looks and the data it covers (filtering)
- To learn how to process reports in batches
- To save reports as Portable Document Format (PDF) files
- To learn how to export a report to Microsoft Excel
- To practice filtering reports in Microsoft Excel
- To learn about the types of graphs QuickBooks offers
- To create and customize several graphs



QuickReports

- Predesigned reports that give you information about the items your are currently viewing on screen



When to use a QuickReport

To see what you owe a vendor:

1. Click Vendor Center on the navigation bar.
2. Select Patton Hardware Supplies.



When to use a QuickReport

3. In the Reports for this Vendor section, click the QuickReport link.

The screenshot displays the 'Vendor Center: Bank of Anycity (All Transactions)' window. The 'Reports for this Vendor' dropdown menu is open, showing two options: 'QuickReport' and 'Open Balance'. The 'QuickReport' option is highlighted. The main window shows vendor information for 'Bank of Anycity' and a list of transactions.

Name	Balance Total
Bank of Anycity	0.00
Bayshore CalOil Service	0.00
Bayshore Water	0.00
C.U. Electric	750.00
Cal Gas & Electric	122.68
Cal Telephone	0.00
CalOil Company	0.00
City of Bayshore	0.00
City of East Bayshore	69.97
City of Middlefield	0.00
Custom Kitchens of Bayshore	0.00
Daigle Lighting	0.00
Davis Business Associates	0.00
East Bayshore Auto Mail	0.00
East Bayshore Tool & Supply	0.00
Employment Development D...	0.00
Express Delivery Service	0.00
Fay, Maureen Lynn, CPA	0.00
Funds Transfer	0.00

Type	Num	Date	Account	Amount
Check	297	11/28/2007	Checking	-550.00
Check	299	11/22/2007	Checking	-244.13
Check	296	10/28/2007	Checking	-550.00
Check	298	10/22/2007	Checking	-244.13



Zooming in on a QuickReport

To see more detail about an item:

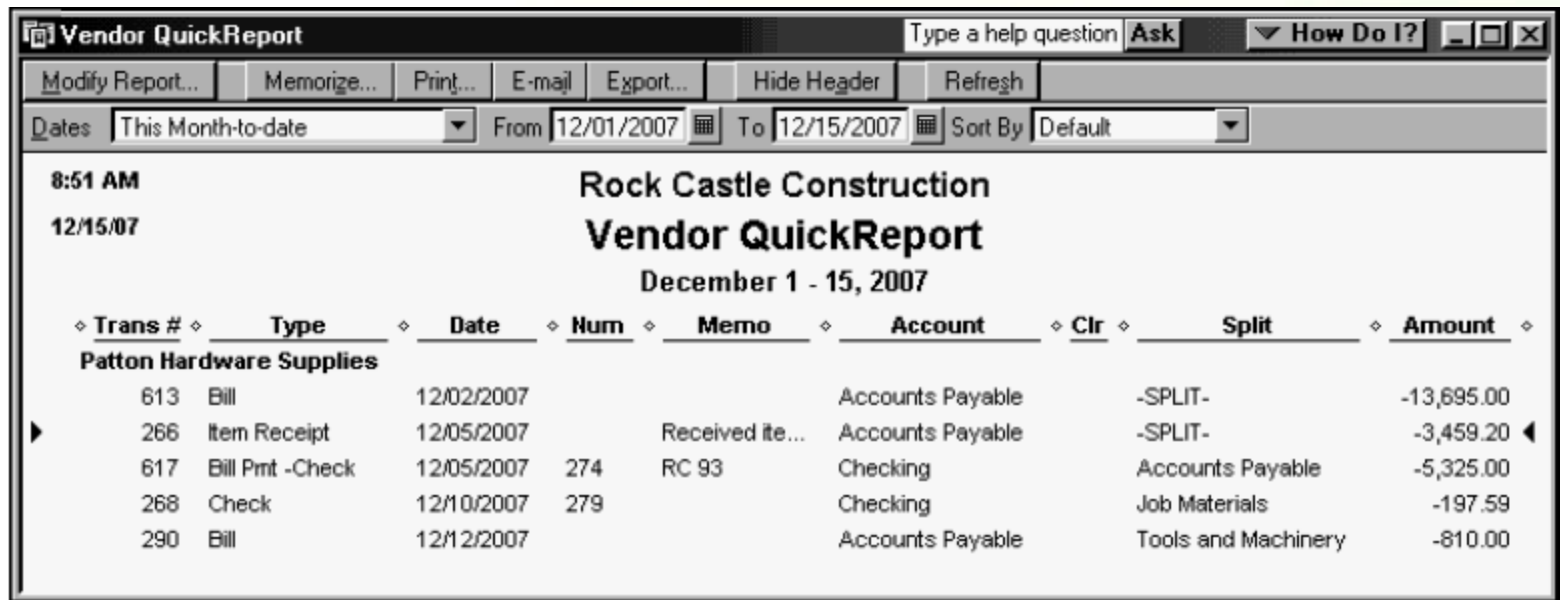
1. Position the mouse pointer over the item receipt dated 12/05/07.
 - The arrow pointer turns into a magnifying glass with the letter Z (z for zoom)
2. Double-click the item receipt.
3. Click Save & Close to close the window.
 - QuickBooks returns you to the QuickReport



Customizing QuickReports

To add a column to a report:

1. In the QuickReport window, click **Modify Report**.
2. In the Columns list, select **Trans #**.
3. Click **OK** to accept the change. QuickBooks displays the customized vendor QuickReport.



Vendor QuickReport

Modify Report... Memorize... Print... E-mail Export... Hide Header Refresh

Dates: This Month-to-date From 12/01/2007 To 12/15/2007 Sort By Default

8:51 AM
12/15/07

Rock Castle Construction
Vendor QuickReport
December 1 - 15, 2007

Trans #	Type	Date	Num	Memo	Account	Clr	Split	Amount
Patton Hardware Supplies								
613	Bill	12/02/2007			Accounts Payable		-SPLIT-	-13,695.00
266	Item Receipt	12/05/2007		Received ite...	Accounts Payable		-SPLIT-	-3,459.20
617	Bill Pmt -Check	12/05/2007	274	RC 93	Checking		Accounts Payable	-5,325.00
268	Check	12/10/2007	279		Checking		Job Materials	-197.59
290	Bill	12/12/2007			Accounts Payable		Tools and Machinery	-810.00



Customizing QuickReports

To move a report column:

1. Position your mouse pointer over the Trans # column that you added to the QuickReport.
2. Hold down the left mouse button and drag the Trans # column to the right until you see an arrow between the Date Column and the Num column.
3. Release the mouse button. QuickBooks places the Trans # column between the Date column and the Num column.



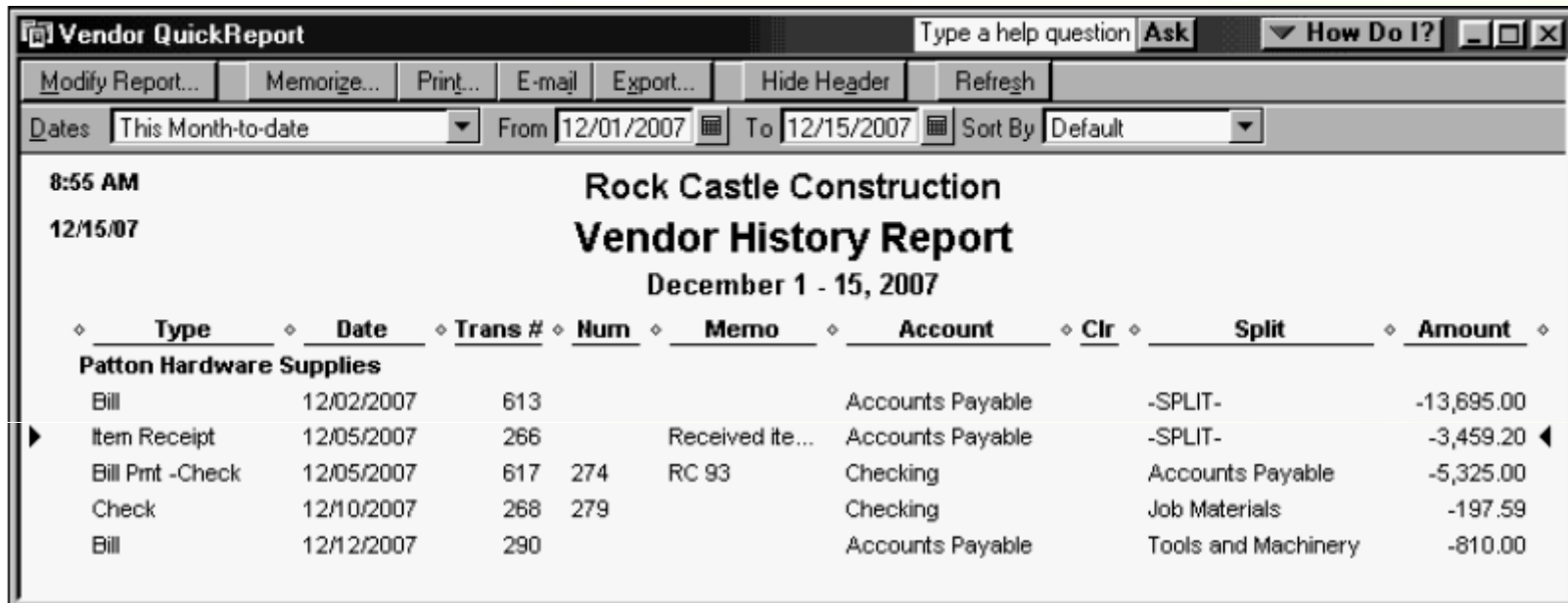
Customizing QuickReports

To change information in the report heading:

1. In the QuickReport window, click **Modify Report**, and then click the **Header/Footer** tab.
2. In the Report Title field, highlight the text for “Vendor QuickReport,” and type **Vendor History Report** to replace the title.
3. Click **OK** to close the **Modify Report** window.



Customizing QuickReports



Vendor QuickReport

Type a help question Ask How Do I?

Modify Report... Memorize... Print... E-mail Export... Hide Header Refresh

Dates: This Month-to-date From 12/01/2007 To 12/15/2007 Sort By Default

8:55 AM
12/15/07

Rock Castle Construction
Vendor History Report
December 1 - 15, 2007

Type	Date	Trans #	Num	Memo	Account	Clr	Split	Amount
Patton Hardware Supplies								
Bill	12/02/2007	613			Accounts Payable		-SPLIT-	-13,695.00
Item Receipt	12/05/2007	266		Received ite...	Accounts Payable		-SPLIT-	-3,459.20
Bill Pmt -Check	12/05/2007	617	274	RC 93	Checking		Accounts Payable	-5,325.00
Check	12/10/2007	268	279		Checking		Job Materials	-197.59
Bill	12/12/2007	290			Accounts Payable		Tools and Machinery	-810.00

- Close the QuickReport window.
- Close the Vendor Center.



Creating and customizing present reports

- In addition to QuickReports, QuickBooks has dozens of present report formats.

Company & Financial

Customers & Receivables (accounts receivable reports)

Sales reports

Jobs, Time & Mileage reports

Vendors & Payables (accounts payable) reports

Purchases reports

Inventory reports

Employees & Payroll reports

Banking reports

Accountant & Taxes reports

Budget reports

Lists reports



Report center

- An excellent way to learn about the reports available in QuickBooks - and how to work with them.
- Contains a description and example of each QuickBooks report.
 - “Learning” link in the center takes you to a window in which you can launch a video tutorial that provides an overview of QuickBooks reports as well as links to several help topics about working with reports.



Creating a balance sheet comparison report

To create a balance sheet comparison report for Rock Castle Construction:

1. In the Report Center, choose Company & Financial. Then choose Balance Sheet Prev Year Comparison.
2. Scroll the report window to see more of the report.
3. Click the Collapse button to see the difference.
4. Click Expand to return to the original report display.
5. Keep the report displayed on your screen. You'll use it in the next exercise.



Filtering reports

- In the next exercise, you will customize the balance sheet comparison report and filter it to include only the transactions you specify.
- Report filters let you set custom criteria for the transactions you want included in a report. When you filter a report, QuickBooks includes only those transactions that match the rules you create.



Filtering reports

To filter a preset report:

1. With the balance sheet comparison report displayed, click *Modify Report* on the report button bar, and then click the *Filters* tab.
2. In the Filter scroll box, make sure *Account* is selected.
3. In the Account field, choose *All assets*.
4. Click *OK*.



Filtering Tips

- **Some filters represent more than one thing which can be confusing if you've never used report filters.**

Use “Item” to filter for any kind of line item that appears on a purchase order or sales form. These include goods and services, discounts, and sales tax. Use “Name” to filter for customers, jobs, vendors, employees, or any name on the Other Names list. Use “Transaction type” to filter for any type of transaction, including invoices, cash sales, statement charges, payments from customers, bank deposits, purchase orders, item receipts, bills, bill payments, credit card charges, checks, paychecks, and general journal entries.



Saving reports as a PDF

To save a report as a PDF file:

1. With the report open, choose “Save as PDF” from the File menu.
2. Navigate to the folder in which you want to store the file, and enter a filename.
3. Click Save.
4. Close the report window.
5. Click No when QuickBooks asks if you want to add this report to the Memorized Report list.



Creating and customizing a sales report

To create a sales report:

1. From the Reports menu, choose Sales, and then choose Sales By Customer Summary from the submenu.

To customize a report:

1. In the Dates field, select Custom from the drop-down list.
2. In the From field, enter **01/01/2007**.
3. In the To field, enter **01/31/2007** and press Tab.
4. From the Dates field, choose All from the drop-down list.



Using QuickZoom in a preset report

To QuickZoom on a report item:

1. Position the mouse pointer over the \$11,105.00—the amount for Anton Teschner's sun room.
2. Double-click \$11,105.00.
3. QuickBooks displays a QuickZoom report showing sales by customer detail.



Using QuickZoom in a preset report

9:31 AM
12/15/07

Rock Castle Construction
Sales by Customer Detail

Accrual Basis
All Transactions

Type	Date	Num	Memo	Name	Item	Qty	Sales Price	Amount	Balance
Teschner, Anton									
Sun Room									
Invoice	10/05/2007	40	Removal lab...	Teschner, Anton:S...	Removal	56	35.00	1,960.00	1,960.00
Invoice	11/28/2007	60	Window	Teschner, Anton:S...	Window	4	150.00	600.00	2,560.00
Invoice	11/28/2007	60	Doors	Teschner, Anton:S...	Wood Door	1	1,950.00	1,950.00	4,510.00
Invoice	11/28/2007	60	Locking inter...	Teschner, Anton:S...	Hardwar...	1	45.00	45.00	4,555.00
Invoice	11/28/2007	60	Rough lumber	Teschner, Anton:S...	Lumber:R...	1	1,400.00	1,400.00	5,955.00
Invoice	11/28/2007	60	Trim lumber	Teschner, Anton:S...	Lumber:T...	1	275.00	275.00	6,230.00
Invoice	11/28/2007	60	Decking lumb...	Teschner, Anton:S...	Lumber:D...	1	710.00	710.00	6,940.00
Invoice	11/28/2007	60	Removal labor	Teschner, Anton:S...	Removal	12	45.00	540.00	7,480.00
Invoice	11/28/2007	60	Framing labor	Teschner, Anton:S...	Framing	40	60.00	2,400.00	9,880.00
Invoice	12/11/2007	70	Check return...	Teschner, Anton:S...	Bad Check	1	1,200.00	1,200.00	11,080.00
Invoice	12/11/2007	70	Service cha...	Teschner, Anton:S...	Bad Chk ...	1	25.00	25.00	11,105.00
Total Sun Room								11,105.00	11,105.00
Total Teschner, Anton								11,105.00	11,105.00
TOTAL								11,105.00	11,105.00



Using QuickZoom in a preset report

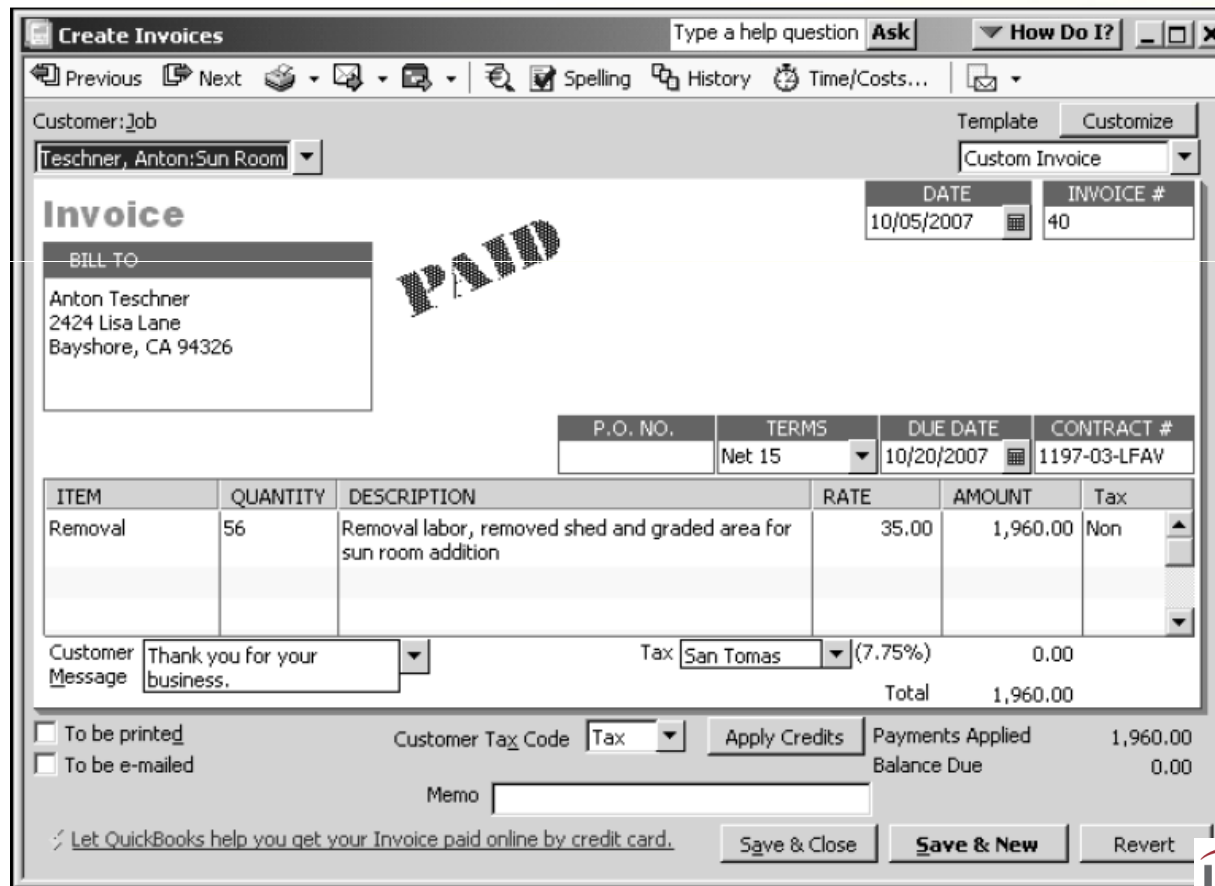
To QuickZoom further to display the original invoice for a transaction:

1. Position the mouse pointer over the first item on the report (invoice #40 dated 10/05/2007 for Removal labor).
2. Double-click anywhere in the first line.



Using QuickZoom in a preset report

- Notice that QuickBooks puts a paid stamp on invoices for which payment has been received in full.



The screenshot shows the 'Create Invoices' window in QuickBooks. The customer is 'Teschner, Anton:Sun Room'. The invoice is dated 10/05/2007 and has an invoice number of 40. A large 'PAID' stamp is visible over the invoice details. The 'BILL TO' information is: Anton Teschner, 2424 Lisa Lane, Bayshore, CA 94326. The terms are 'Net 15', the due date is 10/20/2007, and the contract number is 1197-03-LFAV. The invoice includes one item: 'Removal' with a quantity of 56, a rate of 35.00, and an amount of 1,960.00. The tax is 'San Tomas' at 7.75%, with a tax amount of 0.00. The total amount is 1,960.00. The window also shows options for printing or emailing the invoice, a memo field, and buttons for 'Save & Close', 'Save & New', and 'Revert'.

ITEM	QUANTITY	DESCRIPTION	RATE	AMOUNT	Tax
Removal	56	Removal labor, removed shed and graded area for sun room addition	35.00	1,960.00	Non

Customer Message: Thank you for your business.
Tax: San Tomas (7.75%) 0.00
Total: 1,960.00
Payments Applied: 1,960.00
Balance Due: 0.00



Using QuickZoom in a preset report

3. From the Window menu, choose Close All.
4. Click No when QuickBooks asks if you want to memorize the report.
5. Click Home in the navigation bar to display the Home page.



Report tips

- **You can widen or narrow columns on any type of QuickBooks report.**

To make a column wider, drag the small diamond at the right of the column header toward the right.

To make a column narrower, drag the small diamond at the right of the column header toward the left.



Creating memorized report groups

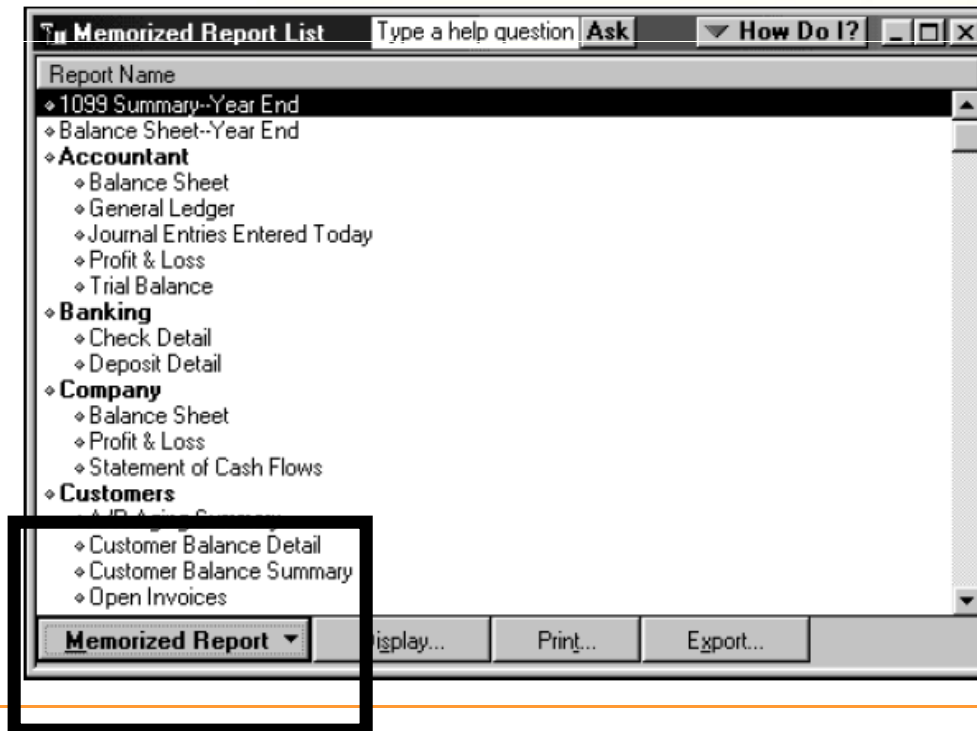
- In addition to saving report settings, you can create memorized report groups that you can use to organize your memorized reports in a way that makes sense for your government and allow you to quickly process a group of reports at once.
- QuickBooks comes preset with a number of memorized report groups each containing common reports for each area. You can add your own reports to these groups, modify the groups to meet your needs, and even create your own groups.
- In this exercise, you'll create a memorized group called "Year End" to which you will add some memorized reports. Later, you'll learn how you can batch process memorized reports.



Creating memorized report groups

To create a memorize report group:

1. Choose Memorized Reports from the Reports menu, and then choose Memorized Report List.
2. In the Memorized Report list, click the Memorized Report menu button, and choose New Group.



Creating memorized report groups

To create a memorize report group:

3. In the Name field of the New Memorized Report Group window, type **Year End**.
4. Click OK.



Memorizing preset reports

- Next, you'll memorize a report and add it to the memorized report group you just created.

To memorize a report:

1. From the Reports menu, choose Accountant & Taxes, and then choose Income Tax Summary.
2. On the report button bar, click Memorize.
3. Leave the name of the report as is.
4. Click the "Save in Memorized Report Group" checkbox to select it, and then choose Year End from the drop-down list.
5. Click OK to memorize the report and add it to the Year End memorized report group.
6. Close the income tax summary report.



Adding reports to memorized report groups

To add memorized reports to a memorized report group:

1. In the Memorized Report List window, select the report called “1099 Summary--Year End.”
2. Click the Memorized Report menu button, and then choose Edit Memorized Report.
3. Leave the report name as is.
4. Click the “Save in Memorized Report Group” checkbox to select it, and then choose Year End from the drop-down list.
5. Click OK.
6. In the Memorized Report List window, select the report called “Balance Sheet--Year End.”
7. Click the Memorized Report menu button, and then choose Edit Memorized Report.
8. Leave the report name as is.
9. Click the “Save in Memorized Report Group” checkbox to select it, and then choose Year End from the drop-down list.
10. Click OK.



Adding reports to memorized report groups

To display a memorized report:

1. In the Memorized Report list, select “Balance Sheet--Year End.”
2. Click Display.
3. Leave the report open.



Printing reports

To print a report:

1. With the balance sheet summary report displayed, click Print.
2. Click Preview to see how the report will look when you print it.
3. QuickBooks displays a preview of your report onscreen.
4. Click Close to close the Print Preview window.
5. Close the Print Reports window, and then close the report.



Processing reports in groups

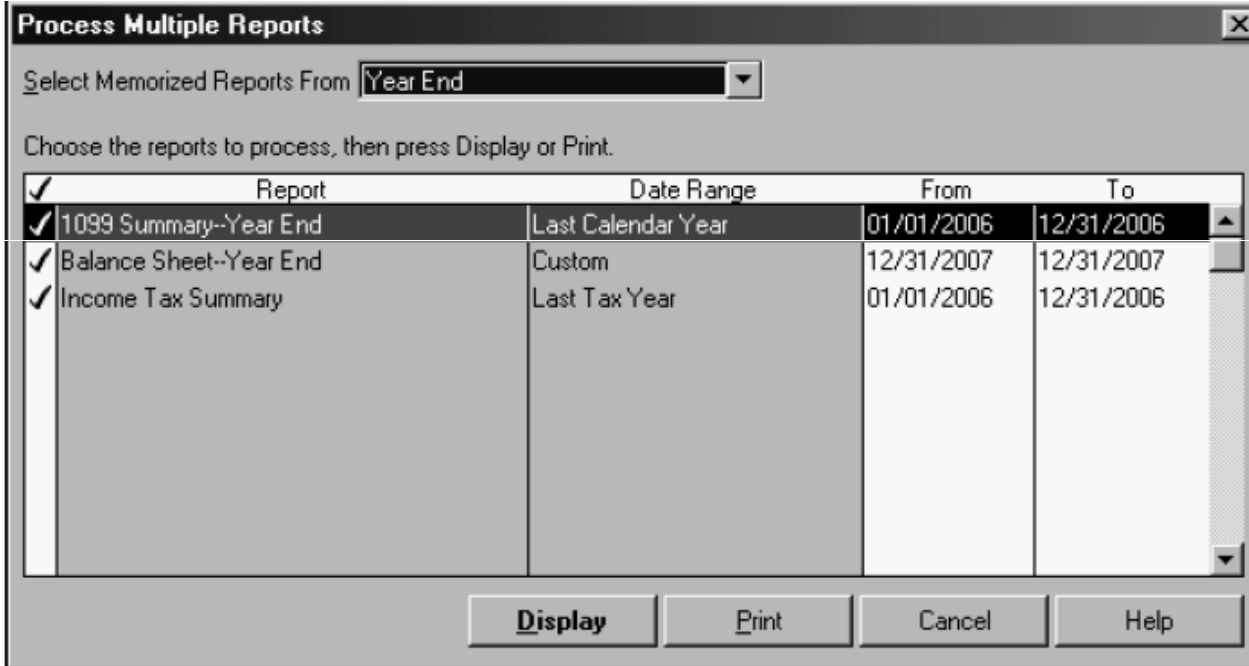
- Organizing your memorized reports in groups makes it fast and easy to process several reports at once. Now, you'll process the reports you added to the Year End report group you created in the previous exercise.



Processing reports in groups

To batch process reports:

1. In the Memorized Report list, select Year End.
2. Click Display.



Process Multiple Reports

Select Memorized Reports From **Year End**

Choose the reports to process, then press Display or Print.

<input checked="" type="checkbox"/>	Report	Date Range	From	To
<input checked="" type="checkbox"/>	1099 Summary--Year End	Last Calendar Year	01/01/2006	12/31/2006
<input checked="" type="checkbox"/>	Balance Sheet--Year End	Custom	12/31/2007	12/31/2007
<input checked="" type="checkbox"/>	Income Tax Summary	Last Tax Year	01/01/2006	12/31/2006

Display **Print** **Cancel** **Help**

3. Leave all three reports selected and click Display.
4. From the Window menu, choose Close All.



Exporting reports to Microsoft Excel

- Occasionally, you may want to change a report's appearance or contents in ways that aren't available in QuickBooks, filter report data in ways that you can't in QuickBooks, or run "what-if" scenarios on your QuickBooks data.
- You can send reports from QuickBooks to Microsoft Excel. Since the changes you make in Excel don't affect your QuickBooks data, you're free to customize reports as needed, and even change data to run what-if scenarios.



Exporting reports to Microsoft Excel

- When exporting a report to Microsoft Excel, you indicate whether or not you want to preserve the formatting from your QuickBooks report. You also have the option of turning on or off several Excel features from within QuickBooks.
- By default, QuickBooks preserves the look of your report when exporting to Microsoft Excel, and turns on the following Excel features:
 - AutoFit sets column widths in Excel wide enough to display your data without cutting off words or numbers.
 - Freeze panes allows you to scroll through data while keeping the row and column headers in view.
 - Show Gridlines turns on gridlines in Excel.
- In this exercise, you learn how to select which QuickBooks report formatting options you want to preserve in Excel, and how to turn on and off certain Excel features from within QuickBooks.



Sending a report to Microsoft Excel

To send a report to Microsoft Excel:

1. From the Reports menu, choose Company & Financial, and then choose Balance Sheet Standard.
2. On the Report button bar, click Modify Report.



Sending a report to Microsoft Excel

Modify Report: Balance Sheet Type a help question **Ask** How Do I? **X**

Display Filters Header/Footer Fonts & Numbers

Report Date Range

Dates: **This Fiscal Year-to-date** From the first day of the current fiscal year through today

From: 10/01/2007 To: 12/15/2007

Report Basis

Accrual Cash This setting determines how this report calculates income and expenses.

Columns

Display columns by: **Total only** across the top. Sort by: **Default**

Sort in: Ascending order Descending order

Add subcolumns for

Previous Period Previous Year % of Row % of Column

\$ Change \$ Change

% Change % Change

Advanced... Revert

OK Cancel Help

3. In the “Add subcolumns for” area, click the Previous Period checkbox, and then click the \$ Change and % Change checkboxes.
4. Click OK.
5. On the Report button bar, click Export.



Sending a report to Microsoft Excel

To send a report to Microsoft Excel:

6. On the Basic tab, make sure that “a new Excel workbook” is selected.
7. Click the Advanced tab.
8. Under Formatting options, click the Colors checkbox to clear it.
9. Under Excel features, select the Auto Filtering checkbox.
10. Click Export.
11. Leave the report open in Excel; you’ll use it in the next exercise.



Filtering a report in Microsoft Excel

- You can filter on any column of data using a drop-down list at the top of the column.
- Using the drop-down list, you can apply a number of preset filters or create your own custom filter.



Filtering a report in Microsoft Excel

To filter a report in Microsoft Excel:

1. In the Excel window, click the down arrow in the \$ Change column of the balance sheet report, and choose (Custom...).
2. In the \$ Change field, choose “is less than” from the drop-down list.
3. In the field to the right, type 0.
4. Click OK.
5. Close Excel without saving the report.
6. Close the balance sheet report in QuickBooks.
7. Choose No when QuickBooks displays a message asking if you want to memorize the report.



Creating QuickInsight graphs

- A graph is an invaluable tool that provides a visual picture of your finances.
- A QuickInsight graph shows your data pictured as either a bar graph or a pie chart.
- QuickBooks has six types of graphs, providing up to 15 different views of your data:
 - Income and Expense graphs
 - Sales graphs
 - Accounts Receivable graphs
 - Accounts Payable graphs
 - Net Worth graphs
 - Budget vs. Actual graphs



Creating an Income and Expense graph

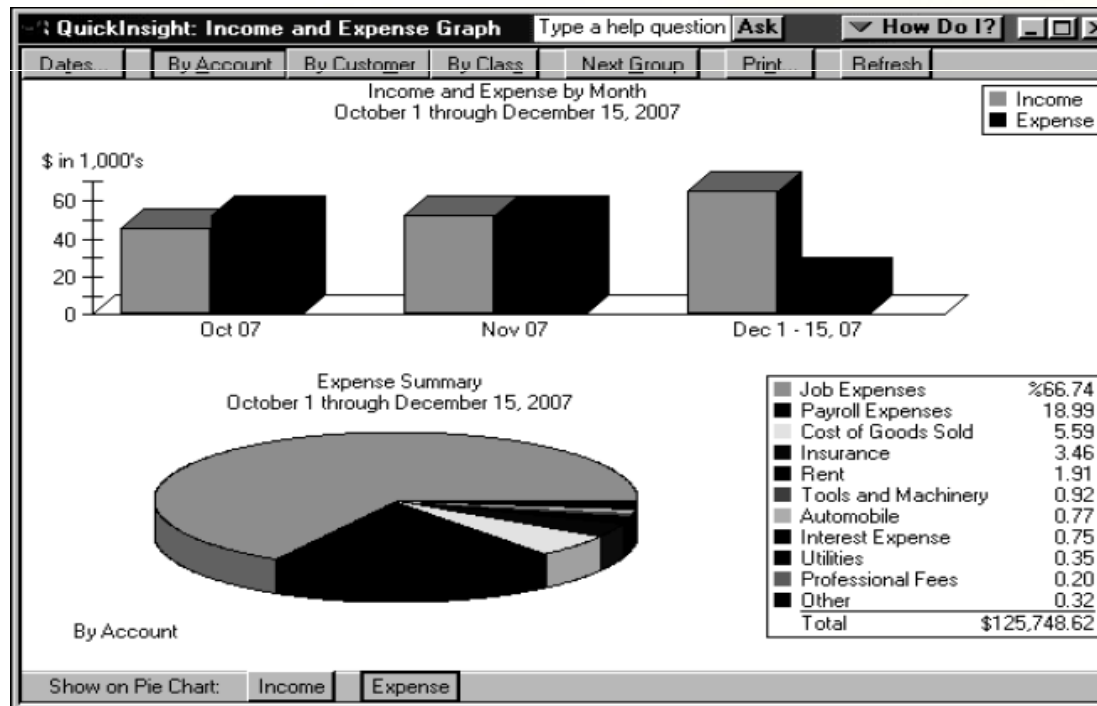
To create an income and expense graph:

1. From the Reports menu, choose Company & Financial, and then choose Income & Expense Graph.



Creating an Income and Expense graph

- In the top portion of the graph window, QuickBooks displays a bar graph and legend showing total income and expenses.
- In the lower portion of the window, QuickBooks displays a pie chart and legend showing expense percentages by account.



Creating an Income and Expense graph

- QuickBooks can display only 10 accounts at a time. To display more accounts, click the Next Group button at the top of the graph window.



Features of QuickInsight graphs

- Every graph window, except for the Net Worth and the Budget vs Actual graphs, shows a bar graph in the top part of the window and a pie chart in the bottom half.
- The bar graph usually shows totals. For example, the Income and Expense graph shows the total for income and the total for expenses in each month of the period.
- The pie chart shows a breakdown of the information shown in the bar graph; each pie slice in the Income and Expense graph represents a type of income or expense.



Features of QuickInsight graphs

- The legend to the right of the pie chart shows you which income or expense account corresponds to the color shown in the pie chart; it also shows you what percentage of the pie each slice represents.
- Every graph window has a buttonbar with buttons you can click to customize the graph. For example, you can change the time period shown in the graph by clicking the Dates button. If you want the pie chart to show a breakdown by customer or class rather than a breakdown by account, just click By Customer or By Class.



Features of QuickInsight graphs

- Just as you can use QuickZoom in a report to get more detail on the numbers, you can use QuickZoom in a graph to see the numbers behind the picture.
- When you double-click a bar or pie slice, QuickBooks shows you the numbers represented by that graphic image.

For example, the pie chart legend tells which income/expense accounts are represented by each pie slice, and tells you what percentage of the whole is represented by each slice.

When you zoom in on a pie slice, you can find out exactly how much you received or spent (in dollars) for each account.



Creating an Income and Expense graph

To display income accounts instead of expense accounts:

1. Click Income at the bottom of the graph window.
2. Click By Customer.



Using QuickZoom with graphs

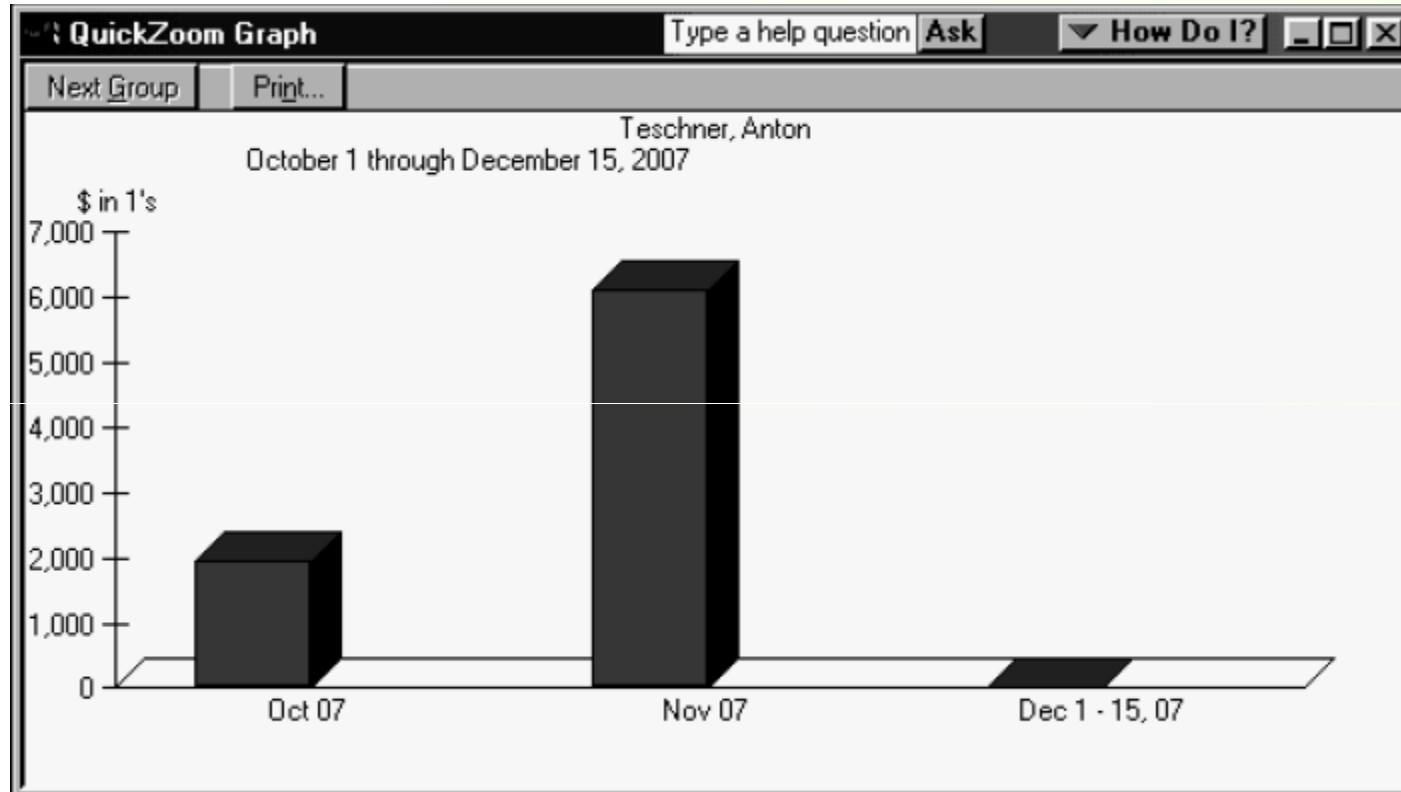
To display the sales for Anton Teschner:

1. Position the mouse pointer over the Teschner, Anton slice of the pie chart.
2. Double-click the Teschner, Anton slice.
 - If a slice is too small to click, click on its legend representation instead.

QuickBooks displays a QuickZoom graph depicting sales for Anton Teschner by month.



Using QuickZoom with graphs



Using QuickZoom with graphs

To display a report describing the transactions for a given month:

1. Position the mouse pointer over the bar representing November 2007. The pointer turns into the QuickZoom symbol.
2. Double-click the bar.

QuickBooks displays the custom transaction detail report for the month of November 2007.



Using QuickZoom with graphs

Custom Transaction Detail Report

10:47 AM
12/15/07

Rock Castle Construction
Custom Transaction Detail Report
November 2007

Accrual Basis

Type	Date	Num	Name	Memo	Account	Clr	Split	Amount	Balance
Nov 07									
Invoice	11/28/2007	60	Teschner, Anton:Sun...	Window	Materials		Accounts Receivable	600.00	600.00
Invoice	11/28/2007	60	Teschner, Anton:Sun...	Doors	Materials		Accounts Receivable	1,950.00	2,550.00
Invoice	11/28/2007	60	Teschner, Anton:Sun...	Doors	Cost of Goods Sold		Accounts Receivable	-1,750.00	800.00
Invoice	11/28/2007	60	Teschner, Anton:Sun...	Locking inter...	Materials		Accounts Receivable	45.00	845.00
Invoice	11/28/2007	60	Teschner, Anton:Sun...	Locking inter...	Cost of Goods Sold		Accounts Receivable	-39.40	805.60
Invoice	11/28/2007	60	Teschner, Anton:Sun...	Rough lumber	Materials		Accounts Receivable	1,400.00	2,205.60
Invoice	11/28/2007	60	Teschner, Anton:Sun...	Trim lumber	Materials		Accounts Receivable	275.00	2,480.60
Invoice	11/28/2007	60	Teschner, Anton:Sun...	Decking lumb...	Materials		Accounts Receivable	710.00	3,190.60
Invoice	11/28/2007	60	Teschner, Anton:Sun...	Removal labor	Labor		Accounts Receivable	540.00	3,730.60
Invoice	11/28/2007	60	Teschner, Anton:Sun...	Framing labor	Labor		Accounts Receivable	2,400.00	6,130.60
Nov 07								6,130.60	6,130.60



Using QuickZoom with graphs

To display the first transaction in the report:

1. Double-click any of the lines in the report for Invoice #60.
2. From the Window menu, choose Close All.



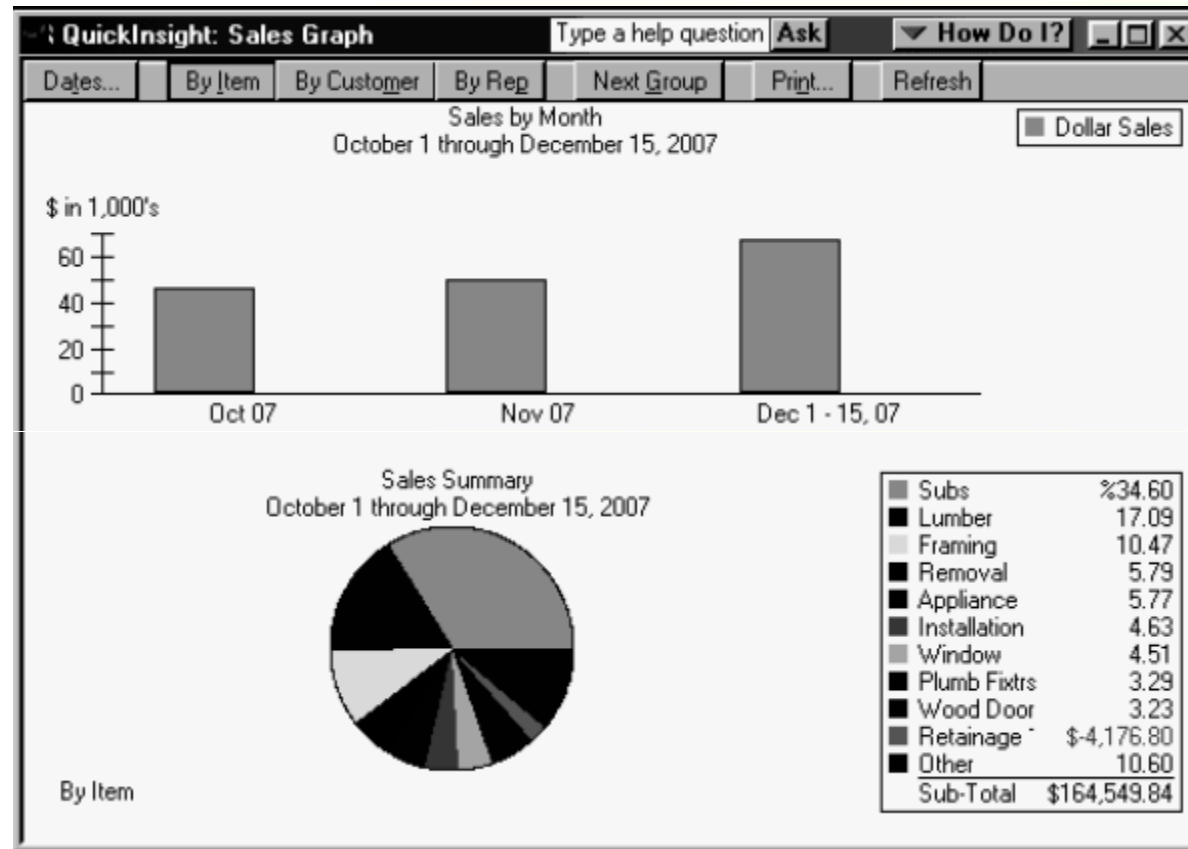
Customizing how graphs display

To change from 3D to 2D:

1. From the Edit menu, choose Preferences.
2. In the left panel, click Reports & Graphs.
3. Click “Draw graphs in 2D (faster).”
4. Click OK.
5. From the Reports menu, choose Sales. Then choose Sales Graph.



Customizing how graphs display



Review activities

- Create a QuickReport on an item in one of Rock Castle Construction's lists.
- Rock Castle Construction wants to create a report that shows how much they have spent on lumber for projects during November, 2007. Create an item summary purchase report, covering the date range from 11/01/2007 to 11/30/2007. Filter the report to show only Rock Castle Construction's purchases for Lumber.
- Batch process the balance sheet, profit and loss statement, and statement of cash flows using the Process Multiple Reports window.
- Use the Report Center to find reports that show the following:
 - Sick and vacation balances for each employee
 - Time spent on each job
 - Inventory stock on hand and reorder point
 - Customers with overdue payments, how much they owe, and their phone numbers
 - How much of total sales is taxable, at what rate, and how much sales tax is currently due to be paid



Using QuickBooks to Prepare for Year-End



Balance Sheet

The balance sheet includes account balances as of a specific date in time. For example -

City of XYZ
Balance Sheet
June 30, 20XX



Balance Sheet Accounts

- Assets

- Cash

- Accounts Receivable

- Allowance for Uncollectible Accounts

- Due from Other Governments (State or Local)

- Prepaid Assets



Balance Sheet Accounts

- Liabilities

 - Accounts payable

 - Due to Other Governments

 - Accrued liabilities (salaries, benefits, and compensated absences)

 - Deferred revenue

- Fund Balance

 - Reserved

 - Unreserved



ASSETS - CASH

- Auditors need reconciled bank statements for the last date of the fiscal year
- No amounts other than deposits in transit and outstanding checks required to reconcile the statement
- Reconciliation does not agree with your accounting records, find the difference by comparing transactions listed on the bank statement with those recorded in your cash account



ASSETS-CASH

Things to remember

- **Correctly date transactions**

Checks must actually have been released; i.e. mailed or otherwise distributed. Checks that have not been released are not considered outstanding and will be added back to your account balance as an audit adjustment.

If you post a deposit to QuickBooks that you have not taken to the bank, the auditors may adjust your records by this amount.

- **Review list of outstanding checks**



ASSETS-CASH

Supporting Documentation for Audit (June 30 year-end example)

June 30th bank reconciliation

June bank statement

July and August bank statements

General ledger cash account balances



ASSETS- ACCOUNTS RECEIVABLE

- Represents amounts due from customers resulting from a business transaction.
- What are some accounts receivable accounts that are the most important at year-end?
- It is important that an accounts receivable report be run as of the close of business the last day of the fiscal year.
- An auditor will want to see the detail supporting the total Accounts Receivable balance by customer and amount.

Export the file to Excel



Allowance for Uncollectible

- Once you have the total Accounts Receivable balance, you must determine how much of the total is likely to be collected.
- You can generate reports in QuickBooks to determine the history of collections.
- To post the journal entry for Accounts Receivable, you must estimate what you will receive in collections during your availability period.
- The difference between the total Accounts Receivable, Allowance for Doubtful Accounts and available revenue, will equal Deferred Revenue.



Journal Entry

- The amount that needs to be booked in the Property Taxes Receivable account is \$100,000. This is the amount of property taxes owed based on the digest. The revenue account for property taxes also needs to be booked for \$100,000.
- You have received \$75,000 of the \$100,000 owed.
- You know that from your history of collections, Leesville collects approximately 97% of the amount levied. Therefore, \$3,000 is the amount that will most likely never be collected.
- The remaining balance is considered deferred revenue.



Journal Entry

Debit Allowance for uncollectible delinquent taxes
Debit Property tax revenue
Debit Deferred revenue
Credit Accounts Receivable



Creating a journal entry

1. You will need to create new accounts for the following:
 - Real property - prior year
 - Taxes receivable - current
 - Allowance for uncollectible current taxes
 - Deferred revenue
 - Cash
2. Go to the Company menu and click Make General Journal Entries.
3. In the Make General Journal Entries window, change the date if necessary.
4. Fill in the entry number.
5. Check the adjusting entry checkbox, as appropriate.
6. In the detail area, enter distribution lines.
7. Save the journal entry.



Liabilities

- Accounts payable are amounts owed to vendors at the end of the accounting period.
- Use QuickBooks to produce a listing by vendor and amount for total outstanding invoices.



Review activities

- Go to the Report Center and create a report that lists vendor and amount for outstanding total invoices.



Accruals

- **Receipt of goods**

It is important to identify those items that were received by the last date of the fiscal year. Once you receive goods or services, you have an obligation to pay and therefore a liability exists.

If the invoice is received after the end of the fiscal year, enter the amount with a June 30th (or your fiscal year) post date into the accounting system. This will result in the expenditure appearing in the correct fiscal year.



Accruals

- **Recurring invoices**

Invoices paid for recurring services should be evaluated to determine twelve expenditures are posted for the period.

- **Unrecorded transactions**

One of the items auditors will request is the check register for the first two months after year-end. They will ask you to pull certain payments made during this time so they can determine if there are any invoices paid that pertain to the fiscal year they are auditing. If they find a significant payment that should be in accounts payable, they will prepare an audit adjustment to record it.



Payroll accrual

- At year-end, amounts are typically owed to employees for time worked through year-end that has not yet been paid.
- An accrual must be posted dated June 30th, (or your year-end date) for the portion of a payroll paid in July that covers time worked in June.
- Example: payroll totaling \$20,000 was paid July 11th. The payroll covered 5 days worked in June and 5 days worked in July. Based on this information, what journal entry in QuickBooks would need to be made in June?
- Using QuickBooks, what journal entry needs to be made on July 11?



Payroll accrual - solution

- In June, the expenditure would be recorded as follows:

Debit	Salary Expenditure	\$10,000	(June portion)
Credit	Salaries payable	\$10,000	

- Once salaries are actually paid, the expenditure would be recorded as follows:

Debit	Salaries payable	\$10,000	
Debit	Salary Expenditure	\$10,000	(July portion)
Credit	Cash	\$20,000	



Accountant's review copy

- Suppose your accountant wants to make some adjustments to your books, but you cannot afford to lose access to your books yourself.
- By giving an accountant's review copy of your data to your accountant, you can continue your day-to-day operations with QuickBooks while your accountant enters the adjustments.
- When your accountant finishes, you merge the accountant's changes along with your own. At no point during the process do you lose the ability to work with your QuickBooks data yourself.



How to create an accountant's review copy

- Go to the File menu, choose Accountant's Review, and then click Create Accountant's Copy.
- (Optional) Change the filename that QuickBooks suggests for the accountant's copy. The file must have a .QBX extension.
- Click Save. The phrase "Accountant's copy exists" appears in the title bar of the QuickBooks program window.



Merging your accountant's changes

1. If the file is on a disk or CD-ROM, insert it into your drive.
2. Open the master company file.
3. Go to the File menu, choose Accountant's Review, and then click Import Accountant's Changes.
4. When the message about backing up your data appears, click OK.
 - Backing up is a safeguard in case anything goes wrong when you try to merge the changes.
5. Enter the filename and location for the backup file and click Back Up.
6. In the Import Changes from Accountant's copy window, enter the filename and location of the accountant's changes and click open.



Using QuickBooks to Creating Letters



Preparing collection letters

To prepare a collection letter:

1. From the Company menu, choose Prepare Letters with Envelopes, and then choose Collection Letters.
2. If QuickBooks prompts you to find letters, click Copy. QuickBooks will copy the QuickBooks letters from your installation directory to your QBtrain folder.

QuickBooks opens the Letters and Envelopes wizard.

3. When QuickBooks prompts you to choose who you want to write to, make the following selections:
 - For number 1, choose Active.
 - For number 2, choose Customer.
 - For number 3, choose 31 days or more.



Preparing collection letters

- Your screen should look like this.

Letters and Envelopes

Cypress Hill Rd
CA 94326

Mrs. Kristy Abercrombie

you

Choose the Recipients

1. Include listed customers or jobs that are:

Active
 Inactive
 Both

2. Create a letter for each:

Customer
 Job

3. Limit letters to customers or jobs with payments overdue by:

1 day or more 1 - 30 days
 31 days or more 31 - 60 days
 61 days or more 61 - 90 days
 91 days or more

Prev Next Cancel Help



Preparing collection letters

4. Click Next.
5. Leave all of the names selected and click Next.
6. When QuickBooks prompts you to choose the letter you want to use, click “Friendly collection” and click Next.
7. In the Name field of the next screen, type **Tom Ferguson**. In the Title field, type **President**.
8. Click Next.
9. If QuickBooks displays a message about missing information, click OK.
10. Close the Microsoft Word file without saving the letters.
11. Return to QuickBooks and click Cancel.



Editing QuickBooks Letters

To edit a QuickBooks Letter:

1. From the Company menu, choose Prepare Letters with Envelopes.
2. Select Customize Letter Templates.
3. Click “View or Edit Existing Letter Templates.”
4. Click Next.
5. When QuickBooks prompts you to choose the letter template you want to view or edit, click Collection, and then select “Friendly collection” from the list of available letters.
6. Click Next.
7. Click your mouse pointer after the period at the end of the first sentence and the press the Space bar once. (You’ll insert a sentence into the paragraph.)



Editing QuickBooks Letters

8. Type **Our records show that your balance is past due.**
9. Click your mouse pointer after the word *is* in the sentence you just typed, and press the Space bar again.
10. From the Insert Collection Info. Fields drop-down list on the QuickBooks Collection Letter Fields toolbar, select Range(days) of Overdue Invoices.
11. From the Word File menu, choose Save As.
12. Enter a new filename and click Save.
13. To see how this change affects the final letter output, close the letter file in Microsoft Word, click Use Template in QuickBooks, and go through the wizard again (all of your previous choices should still be selected).
14. When you get to the “Choose a Letter Template” screen, select the name of the file you just saved, and then click Next.
15. Close Microsoft Word.
16. Click Cancel in QuickBooks.



Using QuickBooks to Customize Forms



Customizing invoices

- QuickBooks lets you customize an invoice form to suit the needs of your business, but there may be times when you want to design a completely different invoice form.
- You can use the Layout Designer to create a new form design for your business. In the Layout Designer, you can move, resize, or change the width of columns, turn on or off borders around fields, and control font type and size for each field.
- In the following exercises, you'll use both the customize forms and Layout Designer features in QuickBooks to create a custom invoice.

Note that these features affect only the printed forms; you cannot customize the onscreen version of QuickBooks forms.



Creating new templates

To create a new invoice template:

1. From the Lists menu, choose Templates.
2. Click the Templates menu button, and then choose New.
3. Click OK to select the invoice form.
4. In the Template Name field, type **My Invoice**.
5. Click the Fields tab.
6. To have the Due Date field display both on screen and on the printed form, click the Screen and Print columns for Due Date to select both checkboxes.
7. Clear the Screen and Print checkboxes for the P.O. field to remove the field from the form.



Changing field order on forms

- The lower half of the standard QuickBooks invoice form is where you enter details about the items or services purchased by the customer. You can change the order of these fields as they appear on your invoices.
- The Order column shows you how fields display from left to right on the invoice form. Currently, Item is the first column and Amount is the last column. Suppose you want the Qty field to appear after the Item field, and before the Description field.



Changing field order on forms

To change the order of fields on a form:

1. Click the Columns tab.
2. Double-click the Order column in the Quantity row to select the number.
3. Type 2.
4. Double-click the Order column in the Description row to select it.
5. Type 3.
6. Click the Footer tab.
7. Click the Company tab.
8. Select the Print Phone Number checkbox.
9. Click the Format tab.
10. Click the Printer tab.
11. Click OK to record the changes.
12. Close the Templates window.



Displaying your customized form

To display the custom form:

1. From the Customers menu, choose Create Invoices.
2. In the Template field, choose My Invoice

Leave the Create Invoices window open.



Designing custom layouts for forms

Here are a few examples of what you can do with a custom layout:

- Give your company name, address, and logo special treatment on the form. For example, you could center your logo at the top of the form and put your company name and address in a special font immediately below the logo.
- Enlarge a custom field so that it can display more information.
- Position the customer's billing address so that it coincides with the address window in the envelopes you use.
- Change the borders on fields, add background colors, and add extra text fields.
- Add multiple graphics to a form.



Changing the position of fields on forms

To move fields on forms:

1. In the Create Invoices window, click Customize.
2. Make sure that My Invoice is selected and click Edit.
3. Click Layout Designer.
4. Click the Bill To field.
5. Press and hold the Shift key.
6. Click the field directly below the Bill To field (the field containing the words “This is sample text”).
7. Release the Shift key.
8. With the cursor over the selected fields, press and hold the left mouse button.
9. Drag the selected fields down about one inch.
10. Release the mouse button.



Changing the position of fields on forms (continued)

11. Select the field containing Rock Castle's address.
12. Move the mouse over one of the dark squares on the bottom of the field and then hold the mouse button while you drag the bottom of the field up to a point just below the address—the goal being to get rid of the extra space below the address so you can place the phone number directly beneath it.
13. Scroll to the bottom of the screen and select the Phone # field.
14. Click Remove.
15. Select the field containing the numbers 555-555-5555.
16. Holding down the mouse button, drag the field so that it sits just below Rock Castle's address.



Changing field widths

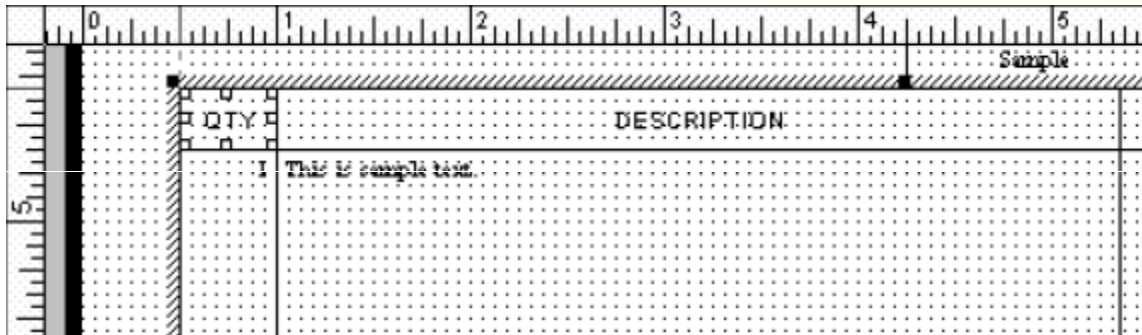
To change the width of a field:

1. Select the field containing the telephone number and drag the right border further to the right while holding down the mouse button.
2. In the Layout Designer window, scroll until the Qty column is visible.
3. Click the Qty column to select it.
4. Click and hold the left mouse button on the line separating the Qty and Description columns.
5. While holding down the mouse button, drag the column line to the left (to the one-inch mark on the ruler).
6. Release the mouse button.



Changing field widths

- Release the mouse button.



QTY	DESCRIPTION
1	This is sample text.



Changing fonts, borders, and colors

To change fonts, borders, and colors:

1. With the phone number field selected, click Properties.
2. On the Text tab, select Left for horizontal justification.
3. Click Font.
4. In the Size drop-down list, select 12, and then click OK.
5. Click the Border tab.
6. Click to remove the Top, Bottom, Right, and Left checkboxes.
7. Click OK to save your changes in the Properties window.
8. Click OK to save the changes in the Layout Designer.
9. Click OK to close the Customize Invoice window.



Previewing new forms

To preview the invoice:

1. To see how the printed invoice form will look, click the Print drop-down list on the Create Invoices window toolbar, and then choose Preview.
2. When you are finished looking at the preview, click Close.
3. Press Esc to close the Create Invoices window without saving.



Review activities

- Customize the Sales Receipt form to change the default title on the header from "Sales Receipt" to "Cash Sale."
- Using the Layout Designer, make the columns for QTY and Rate narrower so the Description field is wider.
- Customize the P.O. form to include the Terms field.

