

Intuit ProLine

QuickBooks 2011 Student Guide

Getting Started

Lesson 1

Lesson Objectives

- To gain an overview of the course and the topics to be covered
- To know how QuickBooks works and how you can get around in QuickBooks
- To learn common business terms used by QuickBooks
- To practice using the QuickBooks Help tools
- To see how to exit QuickBooks

Using Forms

You record most of your daily business transactions on a QuickBooks form, which looks just like a paper form. Here's an example of the form you use when you want to record a bill from and write a check to one of your vendors.

The screenshot shows the 'Enter Bills' window in QuickBooks. The window title is 'Enter Bills'. At the top, there are navigation buttons: Previous, Next, Save, Find, History, Journal, and Attach. Below these are radio buttons for 'Bill' (selected) and 'Credit', and a checked box for 'Bill Received'. The main form area is titled 'Bill' and contains the following fields:

- Vendor: Cal Gas & Electric
- Date: 12/15/2015
- Address: Cal Gas & Electric, P.O. Box 5037, Middlefield CA 94482
- Ref. No.: 12/03
- Amount Due: 122.68
- Bill Due: 12/30/2023
- Terms: Net 15
- Discount Date: (empty)
- Memo: Acct #560-82645-99C

Below the bill form, there is a summary section:

Expenses \$122.68 **Items** \$0.00

| Account | Amount | Memo | C... | Billable? |
|--------------------------|--------|------|------|-----------|
| Utilities: Gas and El... | 122.68 | | | |
| | | | | |
| | | | | |
| | | | | |

At the bottom of the window are buttons: Clear Splits, Recalculate, Save & Close, Save & New, and Revert.

On the right side of the window, there is a sidebar for 'Cal Gas & Electric' with an 'Edit Vendor' link. It contains a 'Summary' section with the following information:

- Phone: 415-555-0202
- Open balance: 122.68
- POs to be received: 0

Below the summary is a 'Recent Transactions' section with a 'QuickReport' link. It lists the following transactions:

| Date | Description | Amount |
|----------|-----------------|--------|
| 12/15/15 | Bill | 122.68 |
| 11/25/15 | Check | 97.53 |
| 10/25/15 | Check | 56.87 |
| 09/05/15 | Bill Pmt -Check | 122.68 |
| 08/25/15 | Bill - Paid | 122.68 |

At the bottom of the sidebar is a 'Notes' section with an 'Edit' link.

Notes

Using Lists

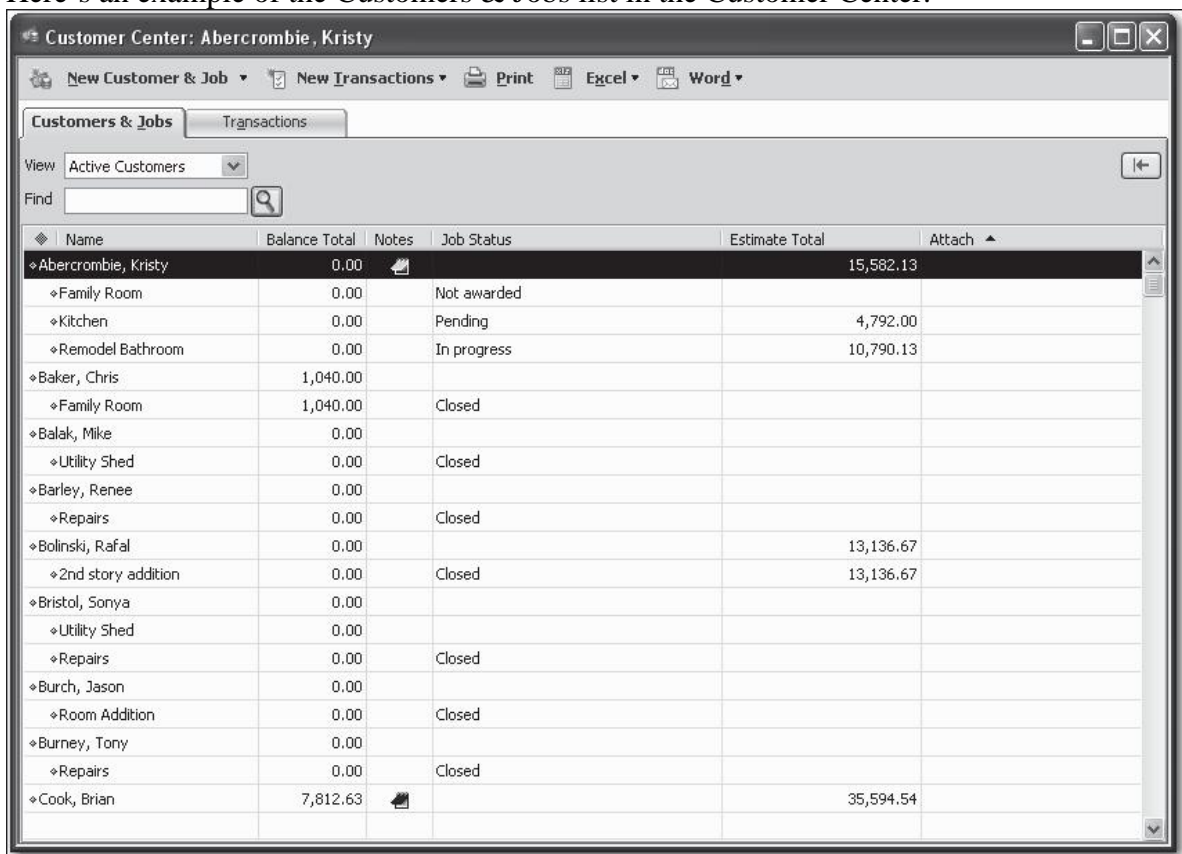
The list is another basic QuickBooks feature. You fill out most QuickBooks forms by selecting entries from a list.

You may want to point out that in the Enter Bills window above, the information in the Vendor, Terms, Account, and Customer:Job fields is pulled from lists.

QuickBooks has lists where you can store information about customers, vendors, employees, items or services you sell, and so on. Lists save you time and help you enter information consistently and correctly.

When you're filling out an invoice form and you select a customer name from the Customer:Job list, QuickBooks not only fills in the name but also fills in the address, the payment terms, and the customer's sales tax, based on the information previously entered about that customer.

Here's an example of the Customers & Jobs list in the Customer Center.



The screenshot shows the 'Customer Center: Abercrombie, Kristy' window. The 'Customers & Jobs' tab is active, displaying a list of customers and their jobs. The table has columns for Name, Balance Total, Notes, Job Status, Estimate Total, and Attach. The data is as follows:

| Name | Balance Total | Notes | Job Status | Estimate Total | Attach |
|----------------------|---------------|-------|-------------|----------------|--------|
| ♦Abercrombie, Kristy | 0.00 | | | 15,582.13 | |
| ♦Family Room | 0.00 | | Not awarded | | |
| ♦Kitchen | 0.00 | | Pending | 4,792.00 | |
| ♦Remodel Bathroom | 0.00 | | In progress | 10,790.13 | |
| ♦Baker, Chris | 1,040.00 | | | | |
| ♦Family Room | 1,040.00 | | Closed | | |
| ♦Balak, Mike | 0.00 | | | | |
| ♦Utility Shed | 0.00 | | Closed | | |
| ♦Barley, Renee | 0.00 | | | | |
| ♦Repairs | 0.00 | | Closed | | |
| ♦Bolinski, Rafal | 0.00 | | | 13,136.67 | |
| ♦2nd story addition | 0.00 | | Closed | 13,136.67 | |
| ♦Bristol, Sonya | 0.00 | | | | |
| ♦Utility Shed | 0.00 | | | | |
| ♦Repairs | 0.00 | | Closed | | |
| ♦Burch, Jason | 0.00 | | | | |
| ♦Room Addition | 0.00 | | Closed | | |
| ♦Burney, Tony | 0.00 | | | | |
| ♦Repairs | 0.00 | | Closed | | |
| ♦Cook, Brian | 7,812.63 | | | 35,594.54 | |

Notes

Using Registers

In addition to forms and lists, you'll also work with registers in QuickBooks. Just as you use your paper checkbook register to see a record of all the transactions in your checking account—checks you've written, other withdrawals you've made from your account, and deposits—a QuickBooks register contains a record of all the activity in one account. Almost every QuickBooks account has its own register.

You may want to explain to students that accounts receivable is the record of money owed to a business, that is, the outstanding invoices for which a business has not received payment.

Here's an example of the register for an accounts receivable account.

| Date | Number | Customer | Item | Qty | Rate | Amt Chrg | Amt Paid |
|------------|--------------|---------------------------|------|-----|------|-------------|------------|
| | Type | Description | | | | Billed Date | Due Date |
| 12/15/2015 | 88 INV | Morgenthaler, Jenny | | | | 271.53 | 01/14/2024 |
| 12/15/2015 | 92 INV | Duncan, Dave:Utility Shed | | | | 1,600.00 | 01/14/2024 |
| 12/15/2015 | 42000 PMT | Natiello, Ernesto:Kitchen | | | | | 13,560.39 |

1-Line Show open balance Ending balance: 62,041.94

Sort by: Date, Type, Number/...

Record Restore

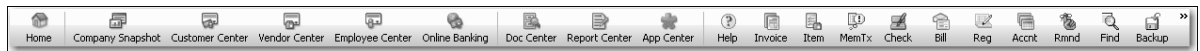
Notes

Getting Around in QuickBooks

- The QuickBooks Learning Center provides access to information to help you get started.
- Manage your open windows: QuickBooks displays one window at a time.
- Using the menu bar: You can find all commands on the menu bar.



- Using the icon bar: The icon bar allows you to manage your business more quickly and provides quick access to the Centers.



- QuickBooks Connected Services: The Icon Bar includes links to several optional connected services that you can subscribe to help your in your business.
- QuickBooks Centers for Customers, Vendors, Employees, Reports, and Online Banking give quick access to common tasks.
- Making the Home page your starting point: The Home page provides a graphical representation of the workflow, organized into logical groups.
- The QuickBooks Coach guides you through business workflows on your Home page.
- Getting an overview of your company: The Company Snapshot gives you real-time information about how your company is doing and provides a location where you can keep track of the tasks you need to perform.

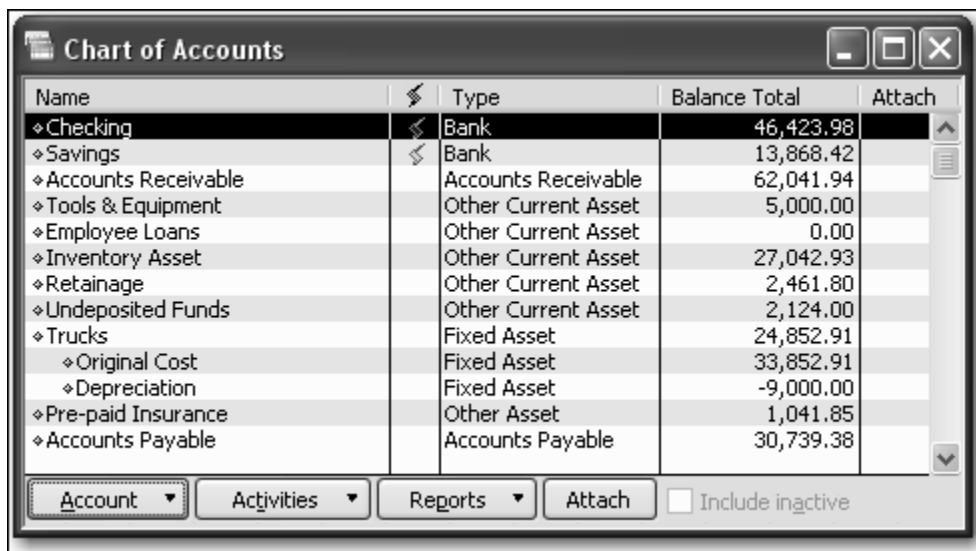
All the Accounting You Need to Know

About the chart of accounts:

- Chart of accounts
 - The chart of accounts is a complete list of your business' accounts and their balances

- When you keep books for a company, you want to track:
 - Where the income comes from
 - Where you put it
 - What the expenses are for
 - And what you use to pay them

- You track this flow of money through the chart of accounts



| Name | Type | Balance Total | Attach |
|----------------------|---------------------|---------------|--------|
| ◊Checking | Bank | 46,423.98 | |
| ◊Savings | Bank | 13,868.42 | |
| ◊Accounts Receivable | Accounts Receivable | 62,041.94 | |
| ◊Tools & Equipment | Other Current Asset | 5,000.00 | |
| ◊Employee Loans | Other Current Asset | 0.00 | |
| ◊Inventory Asset | Other Current Asset | 27,042.93 | |
| ◊Retainage | Other Current Asset | 2,461.80 | |
| ◊Undeposited Funds | Other Current Asset | 2,124.00 | |
| ◊Trucks | Fixed Asset | 24,852.91 | |
| ◊Original Cost | Fixed Asset | 33,852.91 | |
| ◊Depreciation | Fixed Asset | -9,000.00 | |
| ◊Pre-paid Insurance | Other Asset | 1,041.85 | |
| ◊Accounts Payable | Accounts Payable | 30,739.38 | |

Account Activities Reports Attach Include inactive

Notes

All the Accounting You Need to Know

About assets, liabilities, and equity:

- Assets
 - Include both what you have and what other people owe you
 - The money people owe you is called your accounts receivable, or A/R for short. QuickBooks uses an accounts receivable account to track the money owed you.
 - The rest of your company's assets may include checking accounts, savings accounts, petty cash, fixed assets (such as equipment or trucks), inventory, and undeposited funds (money you've received from customers but haven't yet deposited in the bank).

- Liabilities
 - What your company owes to other people
 - The money you owe for unpaid bills is your accounts payable, or A/P for short. QuickBooks uses an accounts payable account to track the money you owe different people for bills.
 - A liability can be a formal loan, an unpaid bill, or sales and payroll taxes you owe to the government. When setting up your company file in QuickBooks, note that even though unpaid bills are liabilities, you'll set them up as accounts payable type accounts in QuickBooks.

- Equity
 - **Equity** is the difference between what you have (your assets) and what you owe (your liabilities):
 - $\text{Equity} = \text{Assets} - \text{Liabilities}$

Notes

All the Accounting You Need to Know

Cash versus accrual bookkeeping:

- Cash basis
 - Income is recorded when money (sales) is received and expenses when money (bills) are paid

- Accrual basis
 - Income is recorded when at the time of the sale and expenses when you receive the bill

Note: When you create reports in QuickBooks, you can switch between cash and accrual reports at any time, regardless of which bookkeeping method you have chosen for tax purposes.

Notes

All the Accounting You Need to Know

Measuring business profitability

- The balance sheet
 - A snapshot of your company on one date. It shows:
 - What you have (assets)
 - What people owe you (accounts receivable)
 - What your business owes (liabilities and accounts payable)
 - The net worth of your business (equity)

- The profit and loss statement
 - A profit and loss statement or income statement shows income, expenses, and net profit or loss

- Statement of cash flows
 - Shows receipts and payments during a specific accounting period

Notes

All the Accounting You Need to Know

General journal transactions:

- Traditional accounting method
- Known as double-entry accounting
- Total amount in the Debit column equals the total amount in the Credit column
- Each amount is assigned to an account in the chart of accounts
- To view the journal entry for a transaction, select the transaction and press Ctrl-Y
- Modify the report and choose to display the Credit and Debit columns

| Trans # | Type | Date | Num | Name | Memo | Item | Item Description | Account | Class | Sales Price | Debit | Credit |
|--------------|---------|------------|-----|-----------------------|-----------------|------------|----------------------|---------------------|-------|-------------|-----------------|-----------------|
| 1114 | Invoice | 12/15/2015 | 92 | Duncan, Dave:Utili... | | | | Accounts Receiva... | | | 1,600.00 | |
| | | | | Duncan, Dave:Utili... | | Labor | | Labor | | 40.00 | | 1,600.00 |
| | | | | State Board of Equ... | CA sales tax... | San Tom... | CA sales tax, San... | Sales Tax Payable | | 7.75% | 0.00 | |
| | | | | | | | | | | | 1,600.00 | 1,600.00 |
| TOTAL | | | | | | | | | | | 1,600.00 | 1,600.00 |

Notes

Getting Help While Using QuickBooks

QuickBooks provides extensive help in various formats. When you have questions, QuickBooks provides:

- Onscreen Help to provide conceptual information and step-by-step instructions.
- Tutorials on key tasks. These are available by choosing Learning Center Tutorials from the Help menu.
- Live Community to provide instant access to frequently asked questions and experts who can answer your own questions.

The onscreen Help provides several different types of information:

- Conceptual explanations of how to apply QuickBooks to your particular business situation.
- Step-by-step instructions.
- A search engine that provides you with a list of topics related to the word or phrase you enter.
- Information relevant to the task you are currently performing.
- Access to Live Community where you can exchange information with QuickBooks experts.

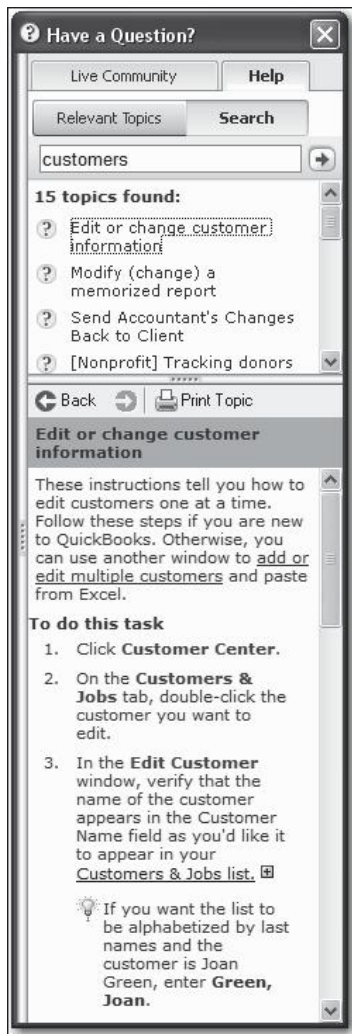
Notes

Getting Help While Using QuickBooks

To find a topic in onscreen Help:

1. From the Help menu, choose **QuickBooks Help**.
2. Click the Search tab.
3. Type customers and click the arrow button.
4. Click **Edit or change customer information**.

QuickBooks displays the topic in the screen lower portion of the help window.



5. Close the Help window.

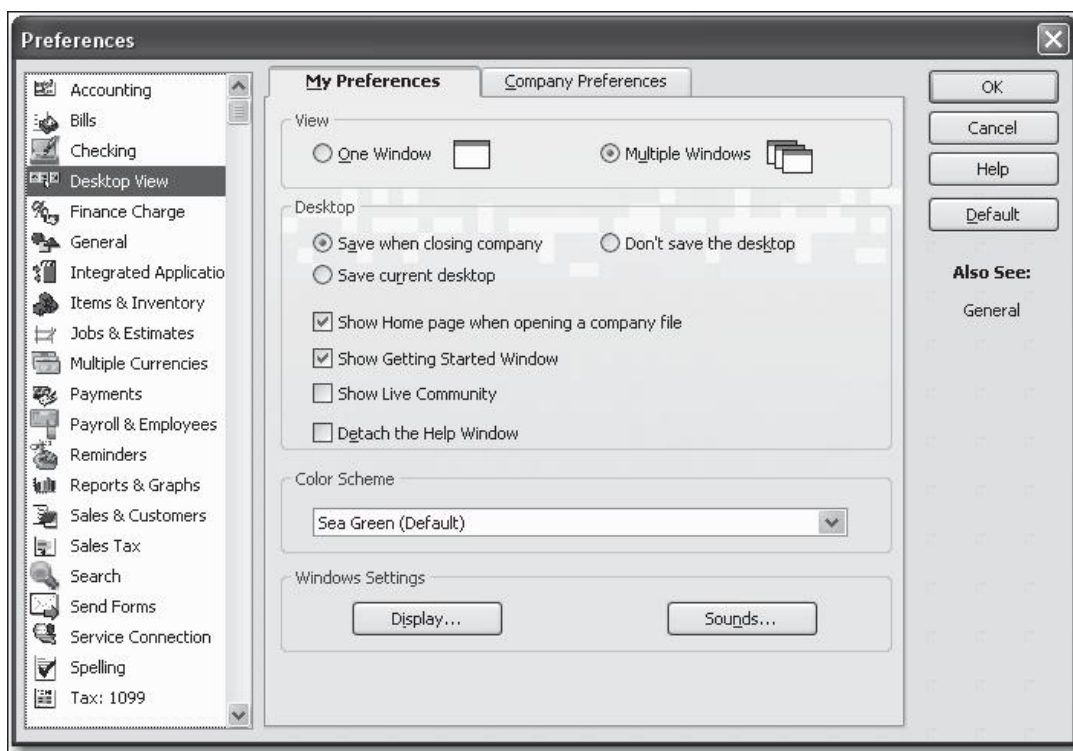
Notes

Using the Getting Started Center

As you are learning to use QuickBooks, you can display the Getting Started Center on your home page to give you quick access to information that can help you set up your company.

To see the Getting Started section on your home page:

1. Open the Edit menu and choose Preferences.
2. Click Desktop View.
3. Click My Preferences.
4. Check the box next to “Show Getting Started window.”



5. Click OK to close the Preferences window.

Notes

Exiting QuickBooks

Unlike most other Windows programs, QuickBooks doesn't require you to save your data before exiting. It does an automatic save while you're working with QuickBooks and every time you leave the program.

- To exit QuickBooks, from the File menu, choose **Exit**.

To prevent or minimize data loss, you should make regular backup copies of your QuickBooks company data. In the event of a data loss you can restore your data from the backup copy.

- To make a backup copy, from the File menu, choose **“Create Backup.”**

Notes

Moving between company files

If you work with several companies, you'll be working with multiple QuickBooks company files. You can change from one company file to another at any time, but you can have only one company file open at a time.

QuickBooks provides an easy way to find and open a company file that you've worked with before.

To open a previously opened file:

1. From the File menu, choose Open Previous Company.
2. From the submenu, choose the company file you want to open.

To change the number of company files displayed in the submenu:

1. From the File menu, choose Open Previous Company.
2. Choose "Set number of previous companies."
3. Enter the number of company files you want QuickBooks to display (up to 20).
4. Click OK.

Notes

Using QuickBooks File Manager

If you are using QuickBooks Accountant Edition, you can use File Manager to organize your company files to make them easier to locate and manage from one location.

You will not use QuickBooks File Manger to organize your files for this class, but you can use this information to manage information for your clients.

To use QuickBooks File Manager:

1. From the Accountant menu, choose QuickBooks File Manager.
2. If this is your first time using File Manager, use the Setup Wizard to organize your company files.
3. From the Help menu, choose Help or Video Tutorial to learn how to manage files with File Manager.

Notes

Lesson 1: Getting started

Review questions

1. List the three main ways you enter data in QuickBooks.
_____, _____,

2. List three ways to access features in QuickBooks.
_____, _____,

3. What bookkeeping method does QuickBooks use to create most reports?

4. Which of the following would you not include in the chart of accounts?
 - a Checking account
 - b Vendor record
 - c Depreciation expense
 - d Accounts payable
5. Which of the following is an asset?
 - a Accounts Payable
 - b Accounts Receivable
 - c Company delivery van
 - d Both a and b
 - e Both b and c
6. Checking, savings, and petty cash should be set up as which of the following account types in QuickBooks?
 - a Expense
 - b Other current asset
 - c Bank
 - d Equity
7. Which of the following best describes a balance sheet?
 - a A summary of a company's finances over the past year
 - b A financial snapshot of a company at a specific point in time
 - c A summary of a company's revenue and expenses for a fiscal year
 - d None of the above

Review activities

1. Run the Balance Sheet Standard report from the Reports menu.
2. Use the Report Center to generate the Profit and Loss Standard report.
3. Open the Vendor Center and select Cal Gas & Electric. Open the journal entry for the check dated 11/25/2015. How much is the amount in the Debit column and to which account is it assigned? How much is the amount in the Credit column and to which account is it assigned?
4. Display a Help topic on using class tracking. Explain when and why you might want to track classes.

Answers to review questions

1. List the three main ways you enter data in QuickBooks.

Forms, lists, registers

6. List three ways to access features in QuickBooks.

Menu bar, Icon Bar, Centers, Home page

7. What bookkeeping method does QuickBooks use to create most reports?

Accrual, but you can see any report (except transaction reports) on a cash basis by changing the reporting preference.

8. Which of the following would you not include in the chart of accounts?

- a Checking account
- ✓ b *Vendor record*
- c Depreciation expense
- d Accounts payable

9. Which of the following is an asset?

- a Accounts Payable
- b Accounts Receivable
- c Company delivery van
- d Both a and b
- ✓ e *Both b and c*

10. Checking, savings, and petty cash should be set up as which of the following account types in QuickBooks?

- a Expense
- b Other current asset
- ✓ c *Bank*
- d Equity

11. Which of the following best describes a balance sheet?

- a A summary of a company's finances over the past year
- ✓ b *A financial snapshot of a company at a specific point in time*
- c A summary of a company's revenue and expenses for a fiscal year
- d None of the above