QUICKBOOKS DESKTOP 2019 STUDENT GUIDE

Lesson 1

Get Started

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About the Author

Esther Friedberg Karp, MBA

President, EFK CompuBooks Inc.

esther@e-compubooks.com

Esther Friedberg Karp is an internationally-renowned trainer, writer, business consultant and speaker who was named one of the Top 10 QuickBooks ProAdvisors in the world, with the title Top International ProAdvisor.

Based in Toronto, Canada, Esther has the unique distinction of holding ProAdvisor certifications in the United States, Canada and the United Kingdom. She has authored materials and delivered educational and certification courses for Intuit in all those countries, as well as Australia where she conducted live QuickBooks Online training. She has spoken at Scaling New Heights, QuickBooks Connect and other conferences, as well as those of various accounting and professional organizations and written countless articles for Intuit Global.

Esther counts among her clients' companies from around the world, as well as accounting professionals who seek her out on behalf of their own clients for her expertise in various countries' editions of QuickBooks Desktop and Online, and for her talent in customizing QuickBooks usage for different industries.

Esther holds a BSc from the University of Toronto in Actuarial Science and Mathematics, and an MBA in Marketing and Finance from York University's Schulich School of Business.

She can be reached at esther@e-compubooks.com or 416-410-0750.

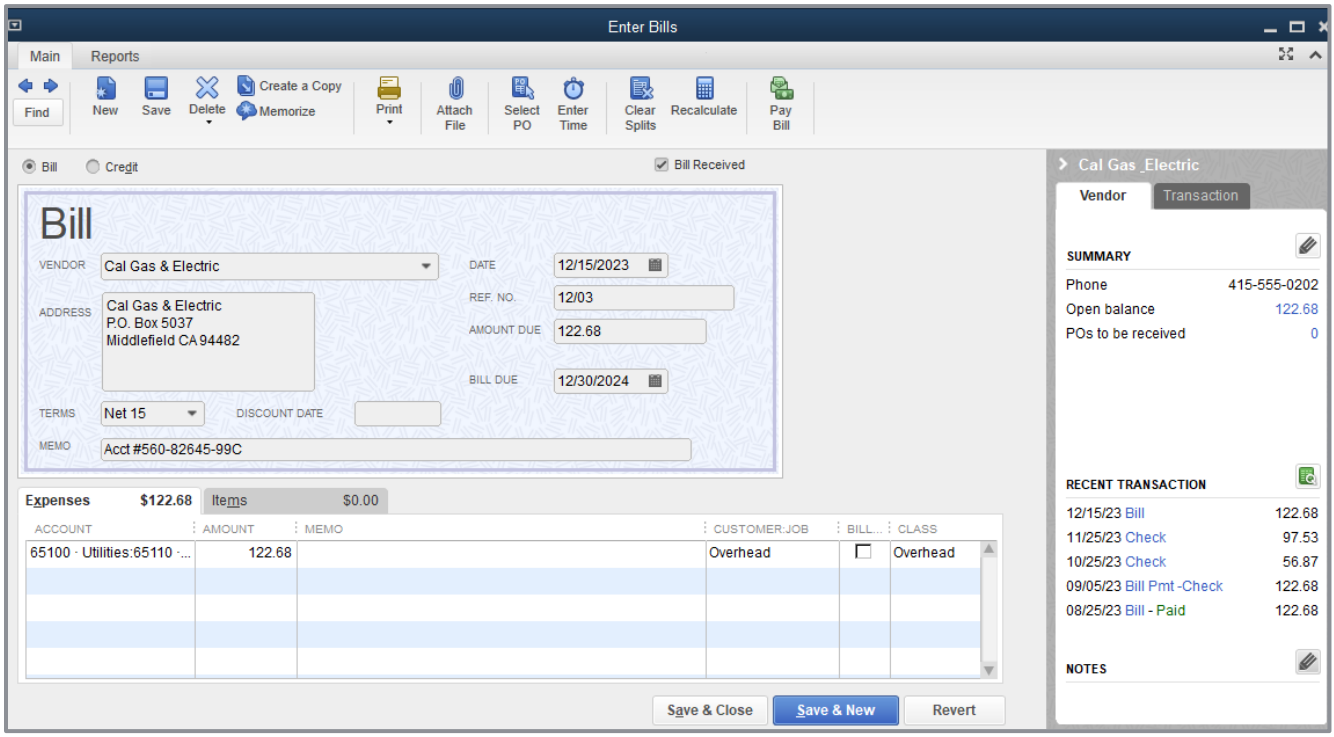
COMPUBOOKS
Business Services

Lesson Objectives

- Gain an overview of the course and the topics to be covered
- Understand how QuickBooks Desktop (aka QuickBooks) works and how to get around in it
- Learn common business terms used by QuickBooks
- Practice using the QuickBooks Help tools
- See how to exit QuickBooks

Forms

You record most of your daily business transactions in QuickBooks Desktop 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 one of your vendors.



NOTES

Lists

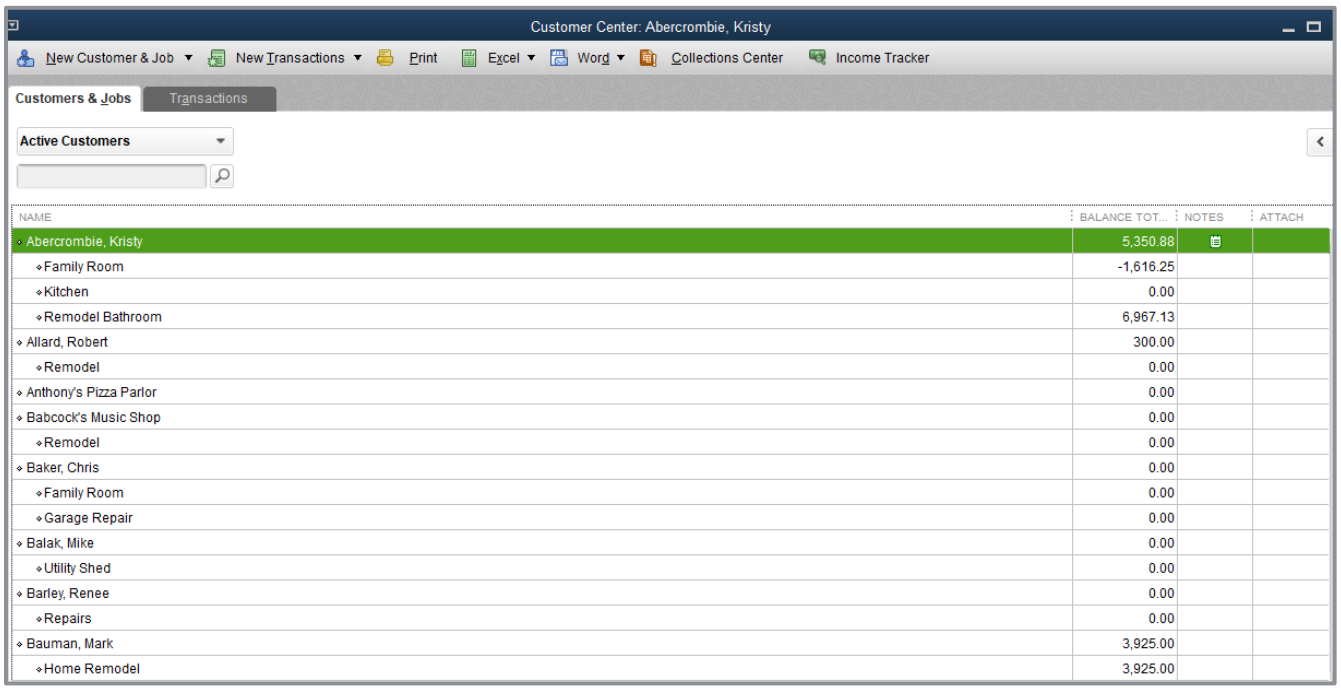
The list is another basic QuickBooks feature. You fill out most QuickBooks forms by selecting entries from a list.

Note: In the Enter Bills window above, the information in the Vendor, Terms, Account and Customer/Job fields are pulled from lists.

QuickBooks uses lists to store information about customers, vendors, employees, items or services you sell, and so on. Lists save 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 the address, payment terms and customer's sales tax, based on the information previously entered in the customer's record in the Customer Center.

Here's an example of the Customers & Jobs list in the Customer Center. You can customize columns in the list by right- clicking a column header and choosing **Customize Columns**.



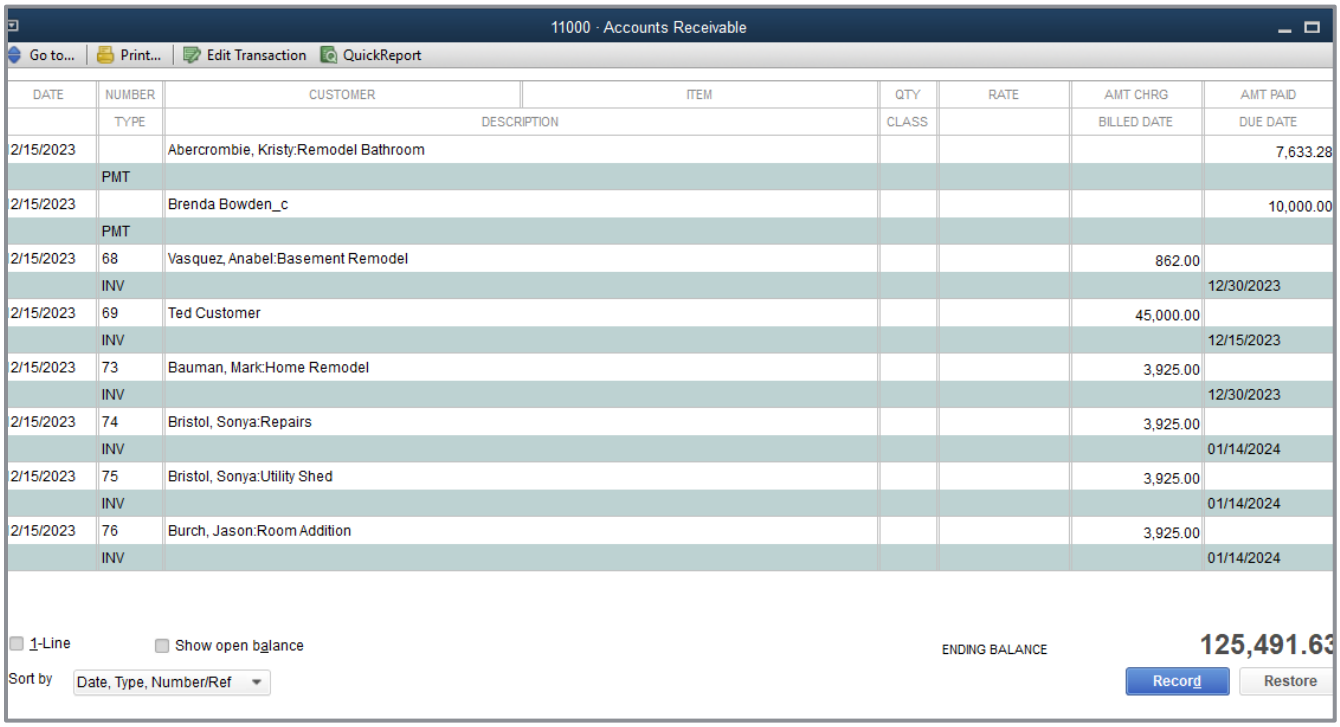
Notes

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, as well as deposits – a QuickBooks register is a record of all the activity in that one account. (Some people use registers for entering transactions, although the preferred method is to use forms.) Almost every QuickBooks account on the balance sheet (all assets, liabilities and equity accounts) has its own register. (The exception is Retained Earnings.) See the next section *All the Accounting You Need to Know* for more information.

Accounts Receivable is the record of money owed to that business; that is, the outstanding invoices for which a business has not yet received payment from customers.

Here's an example of the register for an Accounts Receivable account.



DATE	NUMBER	CUSTOMER	ITEM	QTY	RATE	AMT CHRG	AMT PAID
	TYPE	DESCRIPTION		CLASS		BILLED DATE	DUE DATE
2/15/2023		Abercrombie, Kristy:Remodel Bathroom					7,633.28
	PMT						
2/15/2023		Brenda Bowden_c					10,000.00
	PMT						
2/15/2023	68	Vasquez, Anabel:Basement Remodel				862.00	
	INV						12/30/2023
2/15/2023	69	Ted Customer				45,000.00	
	INV						12/15/2023
2/15/2023	73	Bauman, Mark:Home Remodel				3,925.00	
	INV						12/30/2023
2/15/2023	74	Bristol, Sonya:Repairs				3,925.00	
	INV						01/14/2024
2/15/2023	75	Bristol, Sonya:Utility Shed				3,925.00	
	INV						01/14/2024
2/15/2023	76	Burch, Jason:Room Addition				3,925.00	
	INV						01/14/2024

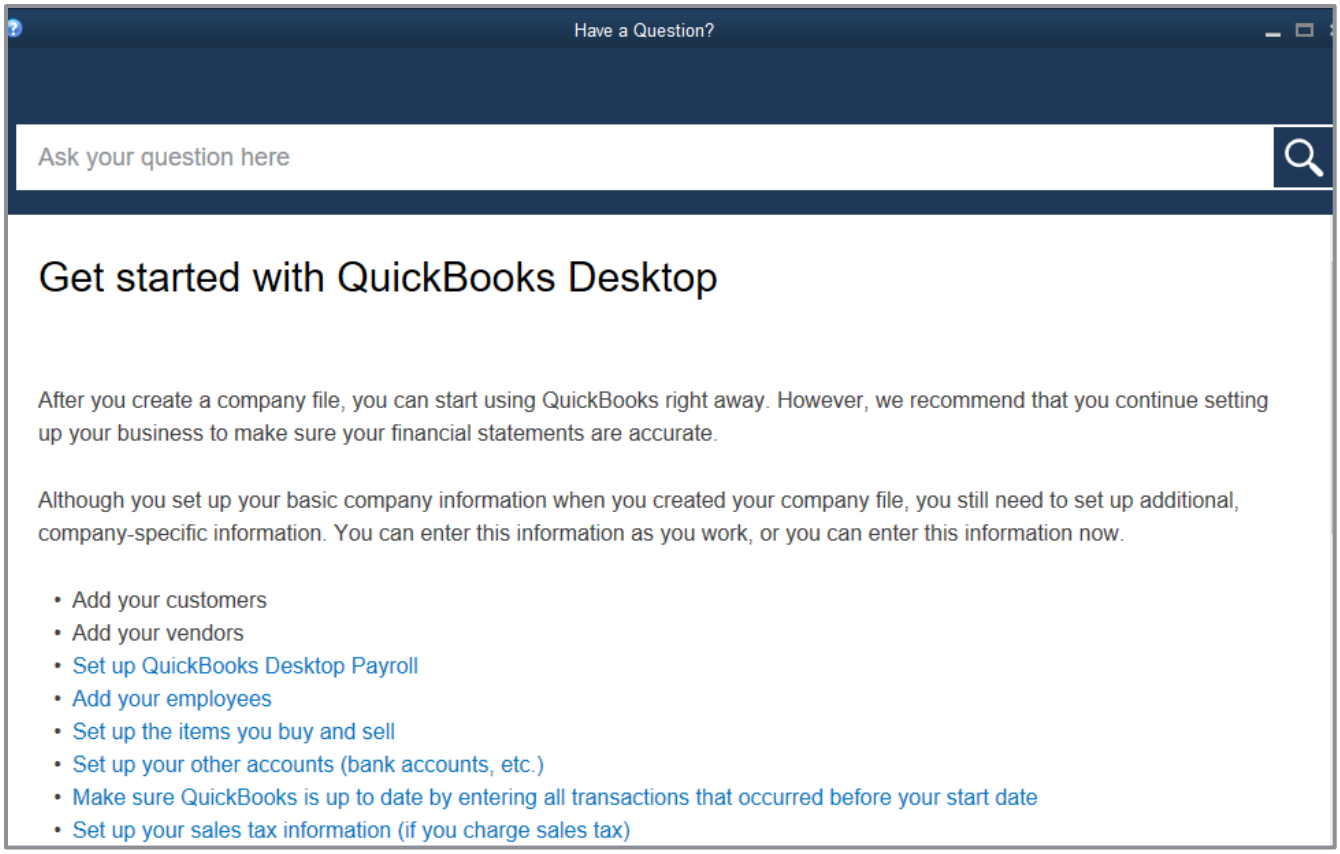
NOTES

Get Around in QuickBooks

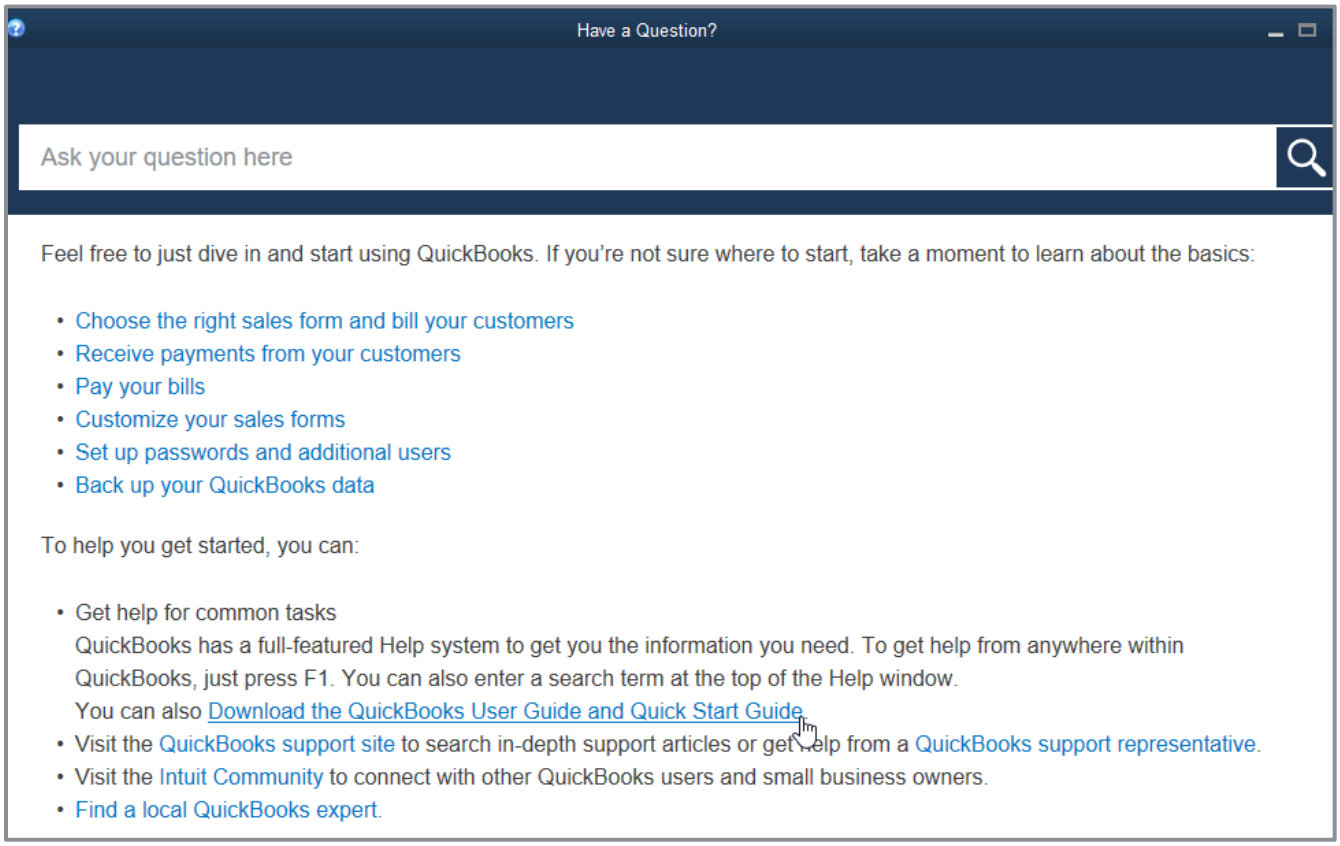
QuickBooks provides access to information to help you get started.

Step-by-Step: Get Started

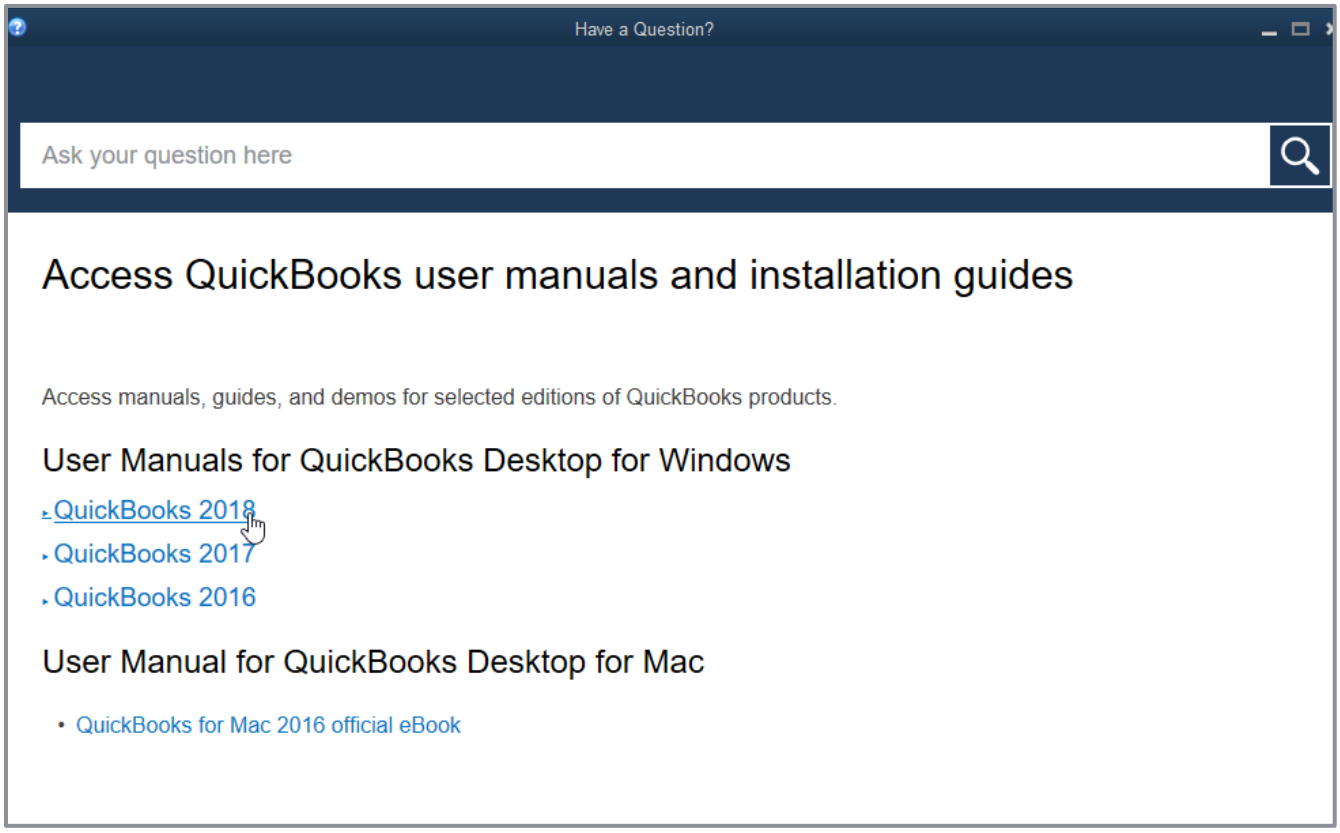
1. Select **F1** on your keyboard or, in the Help menu, select **QuickBooks Desktop Help**. Scroll down the window that appears.



2. Click the link **Download the QuickBooks User Guide and Quick Start Guide**.



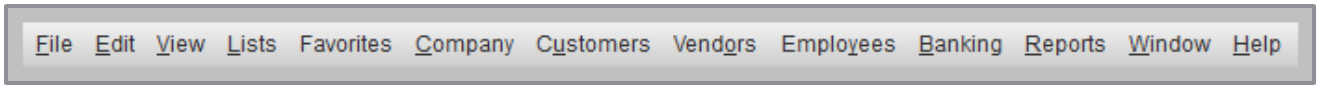
3. Click the link(s) to download the guide(s).



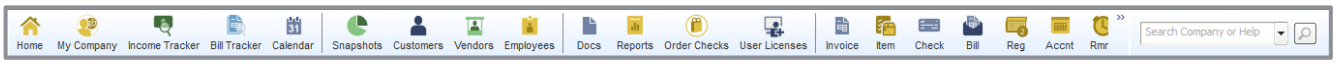
4. By looking under **User Manuals for QuickBooks Desktop for Windows**, you can open, or download and save as PDF various resources from QuickBooks Desktop for Windows, version years 2016 through 2018. (It also includes the QuickBooks for Mac 2016 official eBook.) All these version-years offer the two-page QuickBooks Quick Start Guide and the 22-page QuickBooks User Guide, which includes a visual guide. QuickBooks 2016 also offers *QuickBooks 2016: The Missing Manual – The Official Intuit Guide to QuickBooks*, also available at https://http-download.intuit.com/http.intuit/CMO/quickbooks/2016/docs/QuickBooks_2016_The_Missing_Manual.pdf , which will help guide you through many tasks, including the following.

- **Manage your open windows** – QuickBooks can be set to display one window at a time or several windows (organized side-by-side or cascaded)

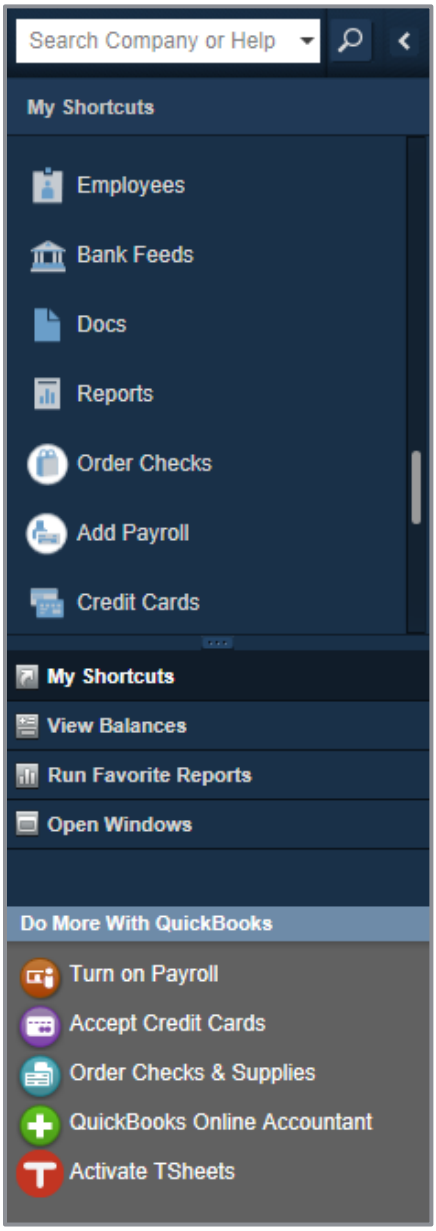
- **Use the menu bar** – You can find all commands on the menu bar



- **Use the top icon bar** – The top icon bar allows you to manage your business more quickly and provides quick access to the centers

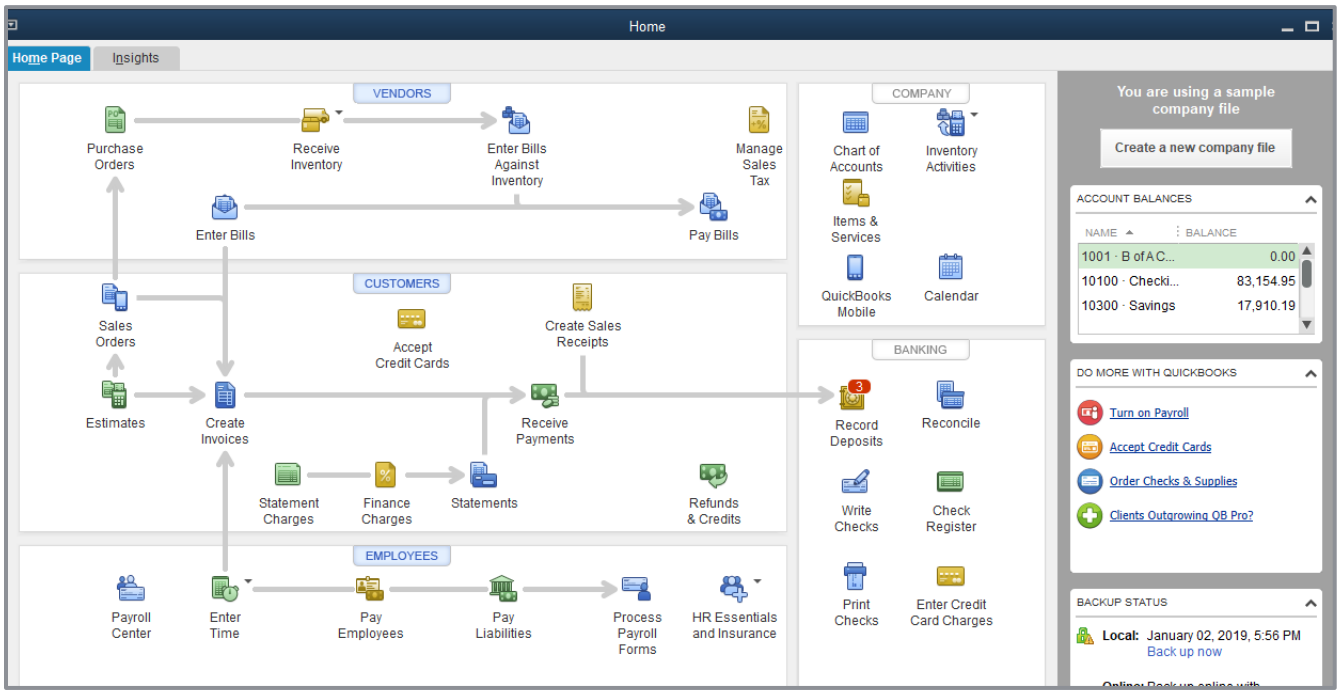


- **Use the left side navigation** – The left side navigation acts like the top icon bar, allowing you access to quick and easy shortcuts. Use the top icon bar, the left side navigation or neither. You cannot use both the top icon bar and the left side navigation at the same time.

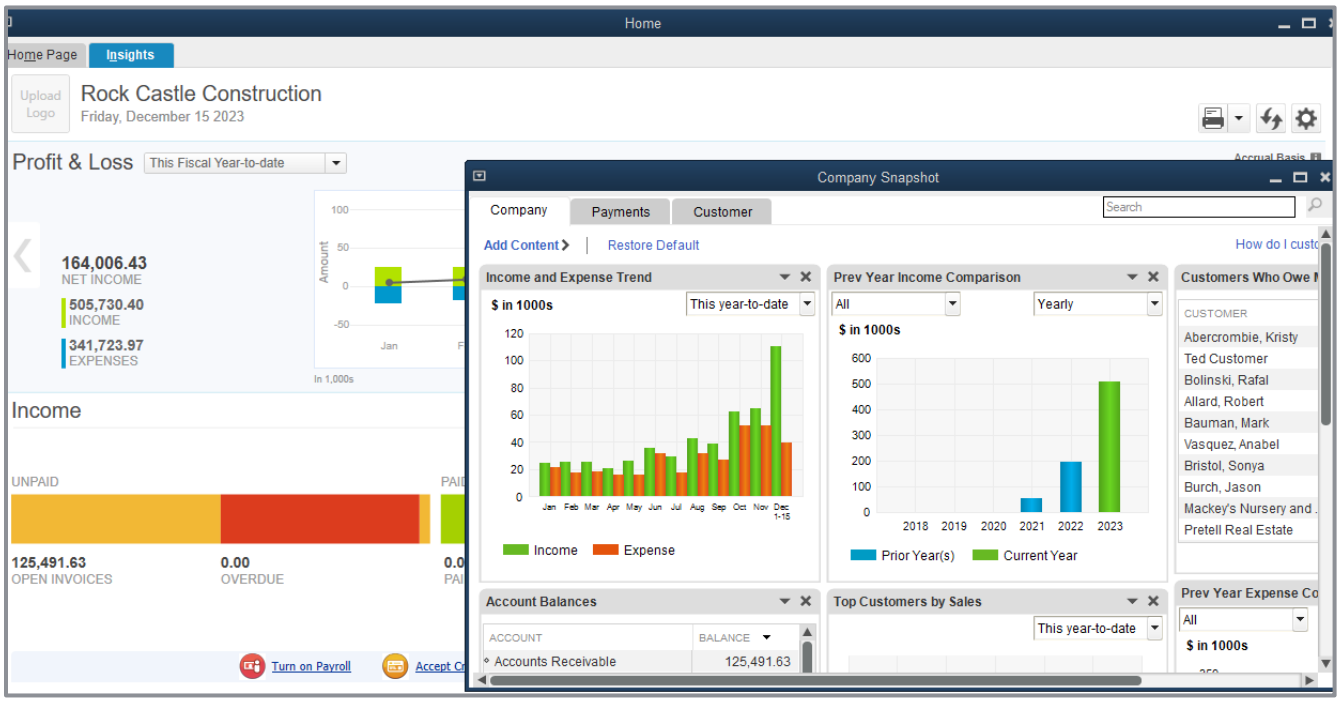


- **QuickBooks Centers** – For Customers, Vendors, Employees, Reports and Bank Feeds, these Centers offer quick access to common tasks

- **Make the Home page your starting point** – The Home page provides a graphical representation of the workflow, organized into logical groups. You can click any of these icons on the Home page to launch a window or transaction represented by the icon.



- **Get an overview of your company** – The Insights tab of the Home page 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. You can also get more detailed information from the Company Snapshot found in both the Reports and the Company drop-down menus.



NOTES

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
  - An account is a tracking category for your business's assets, liabilities, equity, income and expenses
- 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
  - What you use to pay them
- You track this flow of money through the Chart of Accounts

Chart of Accounts

Look for account name or number

Search Reset

NAME	TYPE	DESCRIPTION	BALANCE TOTAL	ATTACH
1001 · B of A Checking	Bank	Checking account at Bank of America	0.00	
10300 · Savings	Bank	Savings	17,910.19	
10100 · Checking	Bank	Cash	83,154.95	
10400 · Petty Cash	Bank	Petty Cash	700.00	
11000 · Accounts Receivable	Accounts Receivable	Accounts Receivable	125,491.63	
12800 · Employee Advances	Other Current Asset	Employee Advances	770.00	
12100 · Inventory Asset	Other Current Asset	Inventory Asset	33,725.28	
13100 · Pre-paid Insurance	Other Current Asset	Pre-paid Insurance	4,050.00	
13400 · Retainage Receivable	Other Current Asset	Retainage Receivable	3,703.02	
12000 · Undeposited Funds	Other Current Asset	Undeposited Funds	32,420.98	
17000 · Accumulated Depreciation	Fixed Asset	Accumulated Depreciation	-110,344.60	
15200 · Buildings and Improvements	Fixed Asset	Buildings and Improvements	325,000.00	
15300 · Construction Equipment	Fixed Asset	Construction Equipment	15,300.00	
15000 · Furniture and Equipment	Fixed Asset	Furniture and Equipment	34,326.00	
16900 · Land	Fixed Asset	Land	90,000.00	
15100 · Vehicles	Fixed Asset	Vehicles	78,936.91	
18700 · Security Deposits	Other Asset	Security Deposits	1,720.00	
20000 · Accounts Payable	Accounts Payable	Moneys you owe to vendors and suppliers	48,136.92	
20600 · CalOil Credit Card	Credit Card		382.62	
20500 · QuickBooks Credit Card	Credit Card	QuickBooks Credit Card	94.20	

Account Activities Reports Attach Include inactive

About Assets, Liabilities and Equity

- Assets
  - Include both what you have or own and what others owe you
  - The money people owe you from outstanding invoices is called your accounts receivable or A/R for short. QuickBooks uses an accounts receivable account to track the money owed to you by customers from invoices. You may have additional notes receivable if the business has issued loans that are due for repayment. These additional notes receivable would not be classified as A/R as they're not related to sales and so they'd be classified either as an Other Current asset (if the money is owed within a year) or an Other asset (if it's owed for a longer period than a year).
  - 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 others
  - 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 to vendors or suppliers 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, they will be set 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): Equity = Assets – Liabilities

Cash versus Accrual Bookkeeping

- Cash basis
  - Income is recorded when money (from sales) is received; expenses are recorded when money (from bills) is paid. In other words, income and expenses are recognized based on the date money changes hands.
- Accrual basis
  - Income is recorded at the time of the sale; expenses are recorded when you receive the bill. In other words, income and expenses are recognized based on the date of the paperwork.

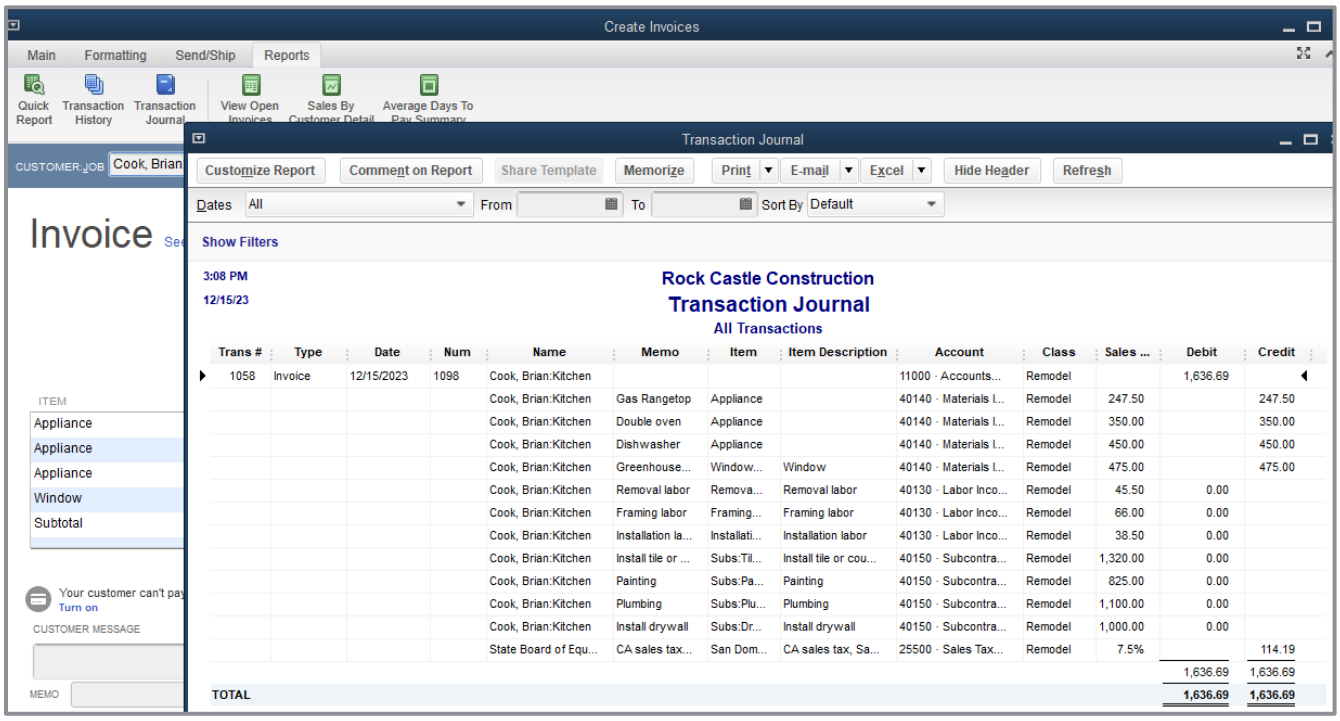
Tip: *You can change or set the default reporting basis (accrual or cash) for summary reports in the preferences of the company, based on the bookkeeping method you have chosen for tax purposes. You can change the reporting basis of individual reports (except transaction detail reports) by customizing the reports.*

Measure Business Profitability

- **The Balance Sheet** – A snapshot of your company on one date. It shows:
  - What your business has, including what others owe your business (assets and accounts receivable)
  - What your business owes to others, including to vendors/suppliers (liabilities and accounts payable)
  - The net worth of your business (equity)
- **The Profit & Loss Statement** – Also known as the Income Statement, it covers activity over a particular date range (with a start date and an end date). It shows:
  - Income
  - Expenses
  - Net profit or loss (income less expenses)
- **The Statement of Cash Flows** – This also covers activity over a particular date range (with a start date and an end date). It shows:
  - Receipts
  - Payments

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, open the transaction and press **Ctrl**+**y** or, from the Reports tab in the transaction window, click **Transaction Journal**
- If necessary, click **Customize Report** and choose to display the **Credit** and **Debit** columns (rather than the **Amount** column)



Trans #	Type	Date	Num	Name	Memo	Item	Item Description	Account	Class	Sales ...	Debit	Credit
1058	Invoice	12/15/2023	1098	Cook, Brian:Kitchen				11000 · Accounts...	Remodel		1,636.69	
				Cook, Brian:Kitchen	Gas Rangetop	Appliance		40140 · Materials I...	Remodel	247.50		247.50
				Cook, Brian:Kitchen	Double oven	Appliance		40140 · Materials I...	Remodel	350.00		350.00
				Cook, Brian:Kitchen	Dishwasher	Appliance		40140 · Materials I...	Remodel	450.00		450.00
				Cook, Brian:Kitchen	Greenhouse...	Window...	Window	40140 · Materials I...	Remodel	475.00		475.00
				Cook, Brian:Kitchen	Removal labor	Remova...	Removal labor	40130 · Labor Inco...	Remodel	45.50	0.00	
				Cook, Brian:Kitchen	Framing labor	Framing...	Framing labor	40130 · Labor Inco...	Remodel	66.00	0.00	
				Cook, Brian:Kitchen	Installation la...	Installati...	Installation labor	40130 · Labor Inco...	Remodel	38.50	0.00	
				Cook, Brian:Kitchen	Install tile or ...	Subs:Til...	Install tile or cou...	40150 · Subcontra...	Remodel	1,320.00	0.00	
				Cook, Brian:Kitchen	Painting	Subs:Pa...	Painting	40150 · Subcontra...	Remodel	825.00	0.00	
				Cook, Brian:Kitchen	Plumbing	Subs:Plu...	Plumbing	40150 · Subcontra...	Remodel	1,100.00	0.00	
				Cook, Brian:Kitchen	Install drywall	Subs:Dr...	Install drywall	40150 · Subcontra...	Remodel	1,000.00	0.00	
				State Board of Equ...	CA sales tax...	San Dom...	CA sales tax, Sa...	25500 · Sales Tax...	Remodel	7.5%		114.19
											1,636.69	1,636.69
TOTAL											1,636.69	1,636.69

Notes

Get Help while Using QuickBooks

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

- Onscreen QuickBooks Desktop Help to provide conceptual information and step-by-step instructions, which includes links to *The QuickBooks Quick Start Guide* and the *QuickBooks User Guide* as described in the section *Get Around in QuickBooks*.
- New Features section highlights new and improved features in the current version year of QuickBooks
- The Year-End Guide
- Support and Ask Intuit links for answers to specific questions

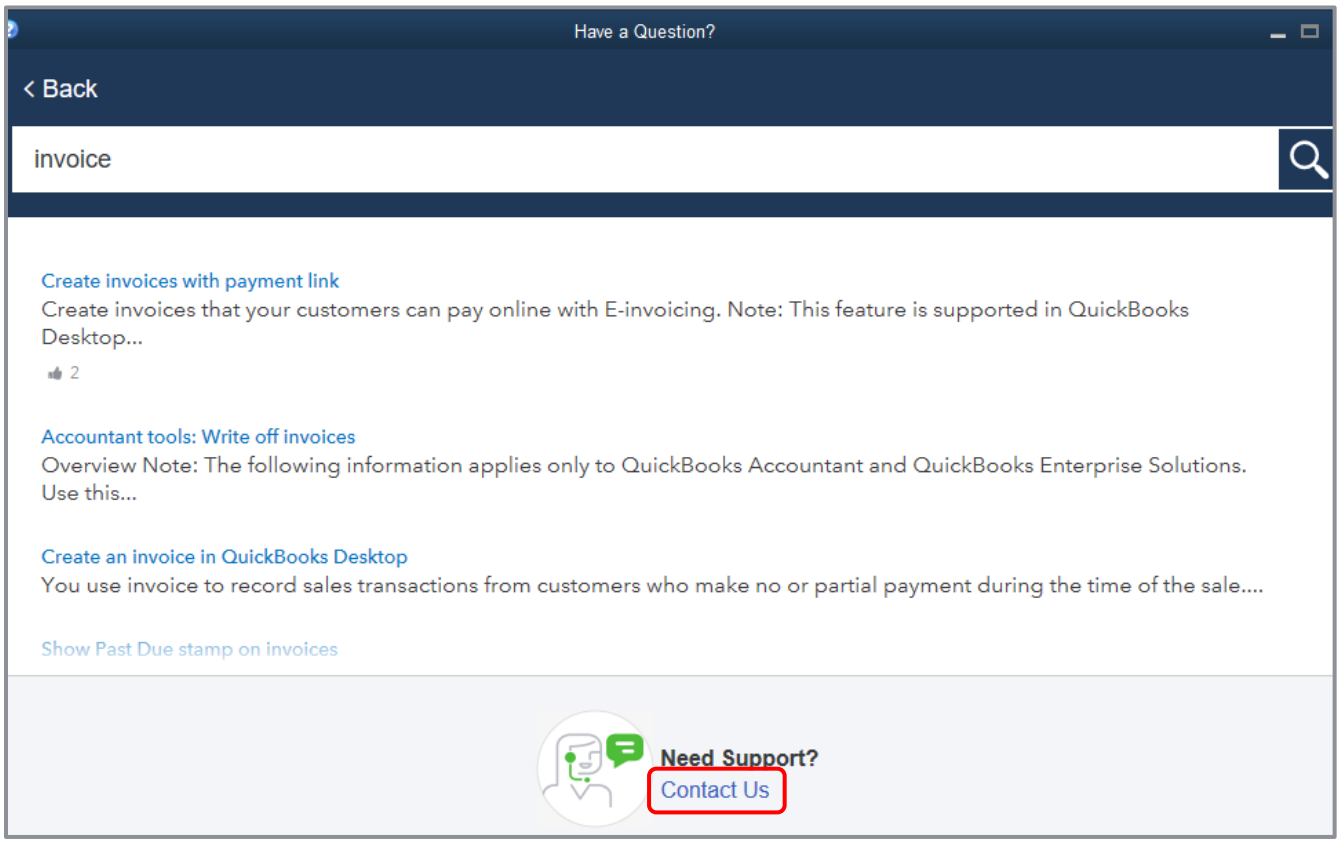
The onscreen Help provides several different types of information:

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

Step-by-Step: Find a Topic in Onscreen Help

1. Press **F1** or from the Help menu choose **QuickBooks Desktop Help**. This brings up the Have a Question? window.

2. In the Have a Question? window, use the search box to type in a full question or one or more keywords. QuickBooks displays a list of help articles and community forum answers.



NOTES

Exit 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 (after every transaction is created, changed or deleted) 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 data loss, you can restore your data from the backup copy.

- To make a backup copy, from the File menu, choose **Back Up Company**. A copy is a compressed complete copy of your data file used to restore your working file in case it is compromised. It is a best practice to store your backups on a different drive from your working file.

NOTES

Move between Company Files

If you work with several companies, you'll work with multiple QuickBooks company files. You can switch from one company file to another at any time, but you can have only one company file open at a time. (Two exceptions are QuickBooks Accountant Desktop and QuickBooks Desktop Enterprise Solutions, which allow you to open two company files at one time.)

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

Step-by-Step: Open a Previously Opened File

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

Step-by-Step: Change the Number of Company Files Displayed in the Submenu

1. Make sure you're logged into a QuickBooks company file as the Admin user.
2. From the File menu choose **Open Previous Company**.
3. Choose **Set number of previous companies**.
4. Enter the number of company files you want QuickBooks to display (up to 20).
5. Click **OK**.

Alternately:

1. From the File menu choose **Close Company/Logoff**.

   The No Company Open screen will appear.
2. Click **Edit List** to hide companies you no longer wish to see in this list or in the Open Previous Company list.
3. Click a checkmark in the **Hide** column next to each company you no longer wish to appear in the list.
4. Click **OK**.

Get 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 methods can you use to create reports in QuickBooks?

_____

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

Answers to Review Questions

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

   Forms, lists, register

2. List three ways to access features in QuickBooks.

   Menu bar, Icon bar (top or left), Centers, Home page

3. What bookkeeping methods can you use to create reports in QuickBooks?

   Accrual basis and cash basis are the two bookkeeping methods. You can change or set the default reporting basis for summary reports in the preferences of the company. You can change the reporting basis of individual reports (except transaction detail reports) by customizing the 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