

intuit.

"Intuit®-approved and loaded with secrets, this book provides you with recipes for financial success."

—**Scott Cook**, Co-founder, Intuit Inc.

QuickBooks®

FINANCIAL SOFTWARE 2010

The Official Guide For QuickBooks Pro Users

- Set up a customized small business accounting system
- Track finances, payroll, invoices, inventory, and more
- Produce detailed business reports

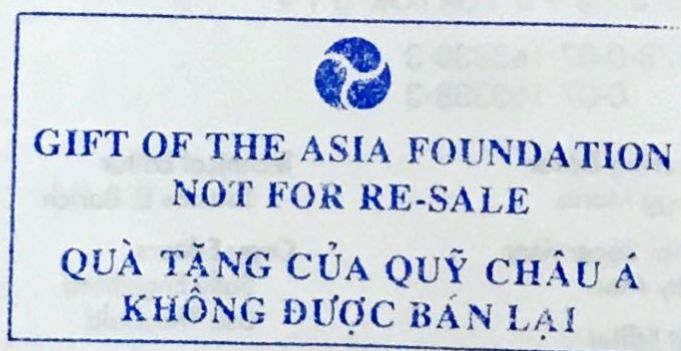
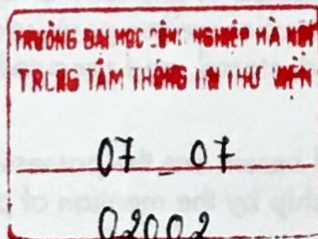
Leslie Capachietti



QuickBooks® 2010 The Official Guide

For QuickBooks Pro Users

LESLIE CAPACHIETTI



**Mc
Graw
Hill**

New York Chicago San Francisco
Lisbon London Madrid Mexico City Milan
New Delhi San Juan Seoul Singapore Sydney Toronto

Contents at a Glance

Part One

Getting Started

1 • Using QuickBooks for the First Time	1
2 • The Chart of Accounts	25
3 • Configuring Customers and Jobs	41
4 • Configuring Vendors	71
5 • Creating Other Lists You Need	89
6 • Creating Items	101
7 • Setting Up Inventory	115
8 • Entering Your Starting Balances	141

Part Two

Bookkeeping with QuickBooks

9 • Invoicing Customers	151
10 • Receiving and Tracking Customer Payments	181
11 • Managing Vendor Bills	223
12 • Paying Vendors	243
13 • Managing Bank and Credit Card Accounts	259
14 • Reconciling Bank Accounts	273
15 • Using Online Banking Services	289
16 • Tracking Time and Mileage	309

- 17 • Running Payroll 325
- 18 • Payroll Reports and Remittances 353
- 19 • Journal Entries 373

Part Three

Financial Planning and Reporting

- 20 • Accountant's Copy 385
- 21 • Creating Reports 395
- 22 • Customizing Reports 413
- 23 • Budgets and Planning Tools 427
- 24 • Year-End Procedures 445

Part Four

Managing QuickBooks

- 25 • Printing, E-mailing, and Managing Documents in QuickBooks . . . 461
- 26 • Managing Users and Permissions 479
- 27 • Managing Your QuickBooks Files 491
- 28 • Customizing QuickBooks 515
- Index 547

Contents

<i>Acknowledgments</i>	xxix
<i>Introduction</i>	xxxii

Part One

Getting Started

Chapter 1 • Using QuickBooks for the First Time	1
What to Do Ahead of Time	2
Deciding on the Start Date	2
Gathering the Information You Need	3
Cash Balances	4
Customer Balances	4
Vendor Balances	4
Asset Balances	4
Liability Balances	4
Payroll Information	5
Inventory Information	5
Understanding the General Ledger	5
Assets	6
Liabilities	6
Equity	6
Revenue	7
Expenses	7
Other Useful Information to Have Available	8
Launching the Software	8

17 •	Creating Your Company File	9
18 •	Using the EasyStep Interview	10
19 •	Performing a Manual Setup	16
	The QuickBooks Software Window	17
	The QuickBooks Coach	17
	Basic QuickBooks Window Elements	18
	Home Page	18
	QuickBooks Centers	19
20 •	Customizing the Icon Bar	21
21 •	Changing the Order of Icons	21
22 •	Changing the Icon Bar Display	22
23 •	Removing an Icon	22
24 •	Adding an Icon	22
	The Favorites Menu	23
	Closing QuickBooks	24
<hr/>		
	Chapter 2 • The Chart of Accounts	25
	Using Numbered Accounts	26
	Enabling Account Numbers	26
	Creating a Numbering Scheme	28
	Creating Ranges of Numbers	29
	Naming Accounts	30
	Creating Accounts	31
	Select From Examples	32
	Optional Fields for Accounts	34
	Using Subaccounts	36
	Viewing Subaccounts	36
	Creating Subaccounts	37
	Multiple Levels of Subaccounts	37
	Showing Lowest Subaccounts Only	38
	Editing Accounts	38
	Deleting Accounts	39
	Making Accounts Inactive (Hiding Accounts)	39
	Merging Accounts	40

Chapter 3 • Configuring Customers and Jobs	41
The Customer Center	42
Customizing the Customers & Jobs List	43
Customizing the Customer Information Pane	44
Creating a Customer	45
Address Info Tab	45
Additional Info Tab	47
Payment Info Tab	50
Editing and Adding Multiple Customer Records	52
Editing an Individual Customer Record	54
Using Jobs	55
Creating Jobs	55
Editing Jobs	58
Deleting Customers & Jobs	58
Making Customers & Jobs Inactive (Hiding)	59
Merging Customers or Jobs	60
Using Custom Fields	61
Adding a Custom Field for Names	61
Adding Data to Custom Fields	62
Securing Customer Credit Card Information	63
Summary of the QuickBooks Credit Card Protection Feature	64
Managing Complex Passwords	64
Enabling Credit Card Protection	66
User Permissions for Viewing Credit Card Information	68
Viewing the Security Log	69
Chapter 4 • Configuring Vendors	71
The Vendor Center	72
Customizing the Vendor Center	73
Creating Your Vendors List	75
Currency	76
Vendor Address Info Tab	76
Establishing Protocols for Vendor Names	76

Vendor Additional Info Tab	77
Account Prefill Tab	78
Editing Vendor Information	79
Adding and Editing Multiple Vendor Records	80
Deleting a Vendor	82
Making a Vendor Inactive (Hiding a Vendor)	83
Merging Vendors	83
Using Custom Fields in Vendor Records	84
Adding a Custom Field for Names	84
Adding Data to Custom Fields	85
Creating 1099 Vendors	86
Configuring 1099 Options	86
Marking Vendors as 1099 Recipients	87
Managing Transactions for 1099 Vendors	87

Chapter 5 • Creating Other Lists You Need	89
Fixed Asset Item List	90
Price Level List	91
Creating a Price Level	91
Linking Price Levels to Customers	92
Currency List	93
Class List	93
Creating a Class	94
Creating a Subclass	94
Other Names List	95
Profile Lists	96
Sales Rep List	96
Customer Type List	97
Vendor Type List	97
Job Type List	97
Terms List	97
Customer Message List	98
Payment Method List	99
Ship Via List	99
Vehicle List	99

Chapter 6 • Creating Items	101
Understanding How Items Are Used	102
Understanding Item Types	103
Building Your Item List	104
How to Create a Service Item	104
Creating the Other Items in Your Item List	106
Subitems	108
Creating and Using Custom Fields for Items	108
Collecting Sales Tax Using Sales Tax Items	109
Sales Tax Items	109
Sales Tax Codes	111
Sales Tax Payment Basis	111
Sales Tax Payment Dates	111
Creating and Using Tax Groups	112
Assigning Sales Tax Codes and Items to Customers	113

Chapter 7 • Setting Up Inventory	115
What Is an Inventory Item?	116
Setting Up QuickBooks for Inventory Tracking	116
Enabling Inventory Tracking	117
Accounts Required for Inventory	118
Creating Inventory Items	118
Using Subitems	119
Creating the Parent Item for a Subitem	120
Creating Subitems	121
Using Purchase Orders	122
Creating a Purchase Order	122
Using the Manufacturer's Part Number in Purchase Orders	123
Running Inventory Reports	125
Inventory Valuation Summary Report	125
Inventory Valuation Detail Report	126
Inventory Stock Status	126
Physical Inventory Worksheet	126
Pending Builds	127
Inventory QuickReports	127

Counting Inventory	127
Printing the Physical Inventory Worksheet	127
Planning the Physical Count	129
Making Inventory Adjustments	129
About the Inventory Adjustment Account	132
Understanding the Postings	133
Making Other Adjustments to Inventory	133
Workaround for Backorders	133
Tracking Customer Backorder Preferences	134
Recording a Backorder Invoice	138

Chapter 8 • Entering Your Starting Balances	141
What Is an Opening Trial Balance?	142
Ten Steps to Creating an Accurate Opening Trial Balance	143
1. Gather All the Information You Need	143
2. Enter Beginning Balances for Simple Balance Sheet Accounts	143
3. Enter Bank Account Balances	144
4. Enter Outstanding Checks and Deposits	145
5. Enter Unpaid Accounts Receivable and Accounts Payable Transactions	145
6. Enter Non-posting Transactions	146
7. Enter Mid-year Income and Expenses (if Applicable)	146
8. Adjust Sales Tax Payable	146
9. Establish Inventory Balances	147
10. Zero Out the Opening Balance Equity Account	148
Run Your QuickBooks Trial Balance Report as of Your Start Date	148

Part Two

Bookkeeping with QuickBooks

Chapter 9 • Invoicing Customers	151
Creating Invoices	152
Entering Header Information	153
Entering Line Items	155

Applying Price Levels	156
Entering Discounts	157
Entering Subtotals	157
Checking the Footer Section	158
Saving the Invoice	160
Using Estimates	160
Creating an Estimate	160
Creating Multiple Estimates for a Job	160
Duplicating Estimates	161
Memorizing Estimates	161
Creating Progress Billing Invoices	162
Choosing the Estimated Job	162
Entering Progress Invoice Line Items	164
Changing Line Items	164
Editing Invoices	166
Voiding and Deleting Invoices	166
Understanding the Postings for Invoices	167
Issuing Credits and Refunds	168
Creating Credit Memos	168
Applying Credit Memos	169
Printing Packing Slips	172
Printing the Default Packing Slip	172
Using Memorized Invoices	173
Invoicing Customers for Reimbursable Expenses	175
Configuring Reimbursement Settings	175
Creating a Transaction for Reimbursable Expenses	176
Adding Reimbursable Costs to the Sales Transaction	177
<hr/>	
Chapter 10 • Receiving and Tracking Customer Payments	181
Handling Invoice Payments	182
Setting Default Options for Receiving Customer Payments	182
Recording Invoice Payments	183
Calculating the Payment	184
Applying Payments to Invoices	185
Handling Underpayments	186

Applying Credits to Invoices	187
Applying Discounts for Timely Payments	189
Applying Discounts for Untimely Payments	191
Posting Discounts	191
Turning Payments into Bank Deposits	191
Printing a Receipt for an Invoice Payment	192
Understanding Customer Payment Postings	192
Handling Cash Sales	193
Entering Cash Sale Data	194
Printing a Receipt for a Cash Sale	195
Customizing the Cash Receipts Template	196
Handling Batches of Cash Sales	196
Understanding the Cash Sale Postings	197
Tracking the Till in QuickBooks	197
Making Bank Deposits	199
Choosing the Payments to Deposit	199
Filling Out the Deposit Slip	201
Printing Deposit Slips	204
Handling the Over and Short Problem	204
Creating Over and Short Accounts	204
Creating Over and Short Items	205
Tracking Accounts Receivable	205
Using Finance Charges	206
Sending Statements	210
Entering Statement Charges	210
Creating Statements	212
Previewing the Statements	215
Printing the Statements	215
Customizing Statements	215
Running A/R Aging Reports	215
A/R Aging Summary Reports	216
A/R Aging Detail Reports	217
Customizing Aging Reports	217
Memorizing Aging Reports	220
Printing Reports	221
Running Customer and Job Reports	221

Chapter 11 • Managing Vendor Bills	223
Recording Vendor Bills	224
Easy One-Account Posting	225
Splitting Expenses Among Multiple Accounts	226
Reimbursable Expenses	227
Options for Managing Reimbursable Expenses	228
Configuring Reimbursement Tracking	228
Recording Reimbursable Expenses	231
Managing Inventory Item Purchases	233
Receiving Inventory Items Without a Bill	233
Recording Bills for Items Already Received	235
Receiving Items and Bills Simultaneously	236
Recording Vendor Credits	237
Entering Recurring Bills	238
Creating a Memorized Bill	239
Using a Memorized Bill	240
Creating Memorized Bill Groups	240
Adding Memorized Bills to Groups	241
Chapter 12 • Paying Vendors	243
Choosing What to Pay	244
Viewing Your Unpaid Bills	244
Choosing the Bills to Pay	245
Paying Bills in Full	247
Making Partial Payments	248
Using Discounts and Credits	248
How QuickBooks Posts Your Bill Payments	249
Applying Credits	250
Sending the Payments	251
Using Direct Disbursements	252
Manual Direct Disbursement Checks	252
Printing Direct Disbursement Checks	254
Postings for Direct Disbursements	254