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CCI Learning™

QuickBooks

Premier 2013

Level 1

USA Edition



For Evaluation Only

MasterTrak Accounting Series

QuickBooks

Premier 2013

Level 1

Lesson 1: Introduction

Lesson Objectives

The objective of this lesson is to introduce you to the basic operation of QuickBooks Premier. Upon successful completion of this lesson, you should know how to:

- manage QuickBooks files
- open and restore QuickBooks files
- explain the QuickBooks screen components
- understand the Chart of Accounts
- create, modify, find, edit and delete general ledger (GL) accounts
- work with QuickBooks Preferences
- find and amend the company information
- input dates into QuickBooks
- input, adjust, and delete General Journal transactions
- create, recall and delete memorized transactions
- produce a General Journal report
- back up company data files

Using the Exercise File in Each Lesson

For each lesson in this courseware you'll restore a copy of the exercise file *Berron's Music Emporium Inc. – Your Name.qbb* and use that file to complete the lesson. The .qbb file that you copy into the directory on your hard disk is a QuickBooks backup copy. This means that at the start of each lesson, you'll be restoring a new lesson file. This also means that entries done in a previous lesson will not show in a later one. This will not affect the results of each lesson.

This manual has been developed using QuickBooks Premier 2013. Please note that, if you are using a different edition, your screen may look slightly different from those displayed in this book. The Tax Tables used are those as of October 1, 2013. If you are using different Tax Tables, your results will be slightly different from those displayed in this manual. The Sales Tax is based on the current taxes in the city of Los Angeles within Los Angeles County, Orange County, Ventura County and San Bernardino County.

Managing QuickBooks Files

Understanding some basic file management tasks will allow you to work more effectively in the QuickBooks environment. This section will show you how to start the program, open and restore files, and understand the basic types of files.

Starting QuickBooks

There is always more than one way to do things on a computer, and starting QuickBooks is no exception. Ask your instructor the preferred method of starting QuickBooks in the computer lab where you are working. There may be a shortcut on the desktop, or you may have to go through the All Programs menu which can be accessed by the Start button.

QuickBooks has the ability to remember which data file was used most recently. If you do not close the data file before closing QuickBooks, the program will automatically open that data file when it is started. Closing the opened company file will then result in the **No Company Open** window as shown below. You may then choose from the options offered.

No Company Open

Select a company that you've previously opened and click Open



This screen offers four options:

Select a previously opened company file	Opens a company that you've previously opened.
Create a new company	This will begin the process of creating a new data file, for which you can also select to use the Interview feature as a guide.
Open or restore an existing company	This will begin the process of opening or restoring a company file.
Open a sample file	This will open a sample company, which already has transactions posted, to provide an opportunity to explore QuickBooks.

Opening and Restoring QuickBooks Files

The command to open or restore a company file can be accessed from the **File** menu as well as the **No Company Open** window. This command will display the following window, which allows you to choose which type of file to open.



To Open a company file proceed as follows:

1. Choose **File, Open or Restore Company** from the menu bar.
2. Choose **Open a company file**, click **Next**.
3. Navigate to the file location, select the desired file, and click **Open**.

OR

1. Choose **File, Open Previous Company**.
2. Select the desired file from the drop-down list by clicking on it.

To **Restore** a company file proceed as follows:

1. Choose **File, Open or Restore Company** from the menu bar.
2. Choose **Restore a backup copy**, click **Next**.
3. Choose **Local backup**, click **Next**.
4. Navigate to the file location, click **Next**.
5. Locate the backup file you wish to restore, and then click **Open**.
6. Click **Next**, choose the location to save the restored file, and then click **Save**.

A similar procedure would be followed to restore a portable file.

To Start This Lesson

Before proceeding to the following steps, make sure the student data file has been properly saved to your hard disk. See *Working with the Data Files* in the Preface to this manual.

It is recommended that you make a copy of the exercise file and store it in a safe place in case the original becomes damaged.

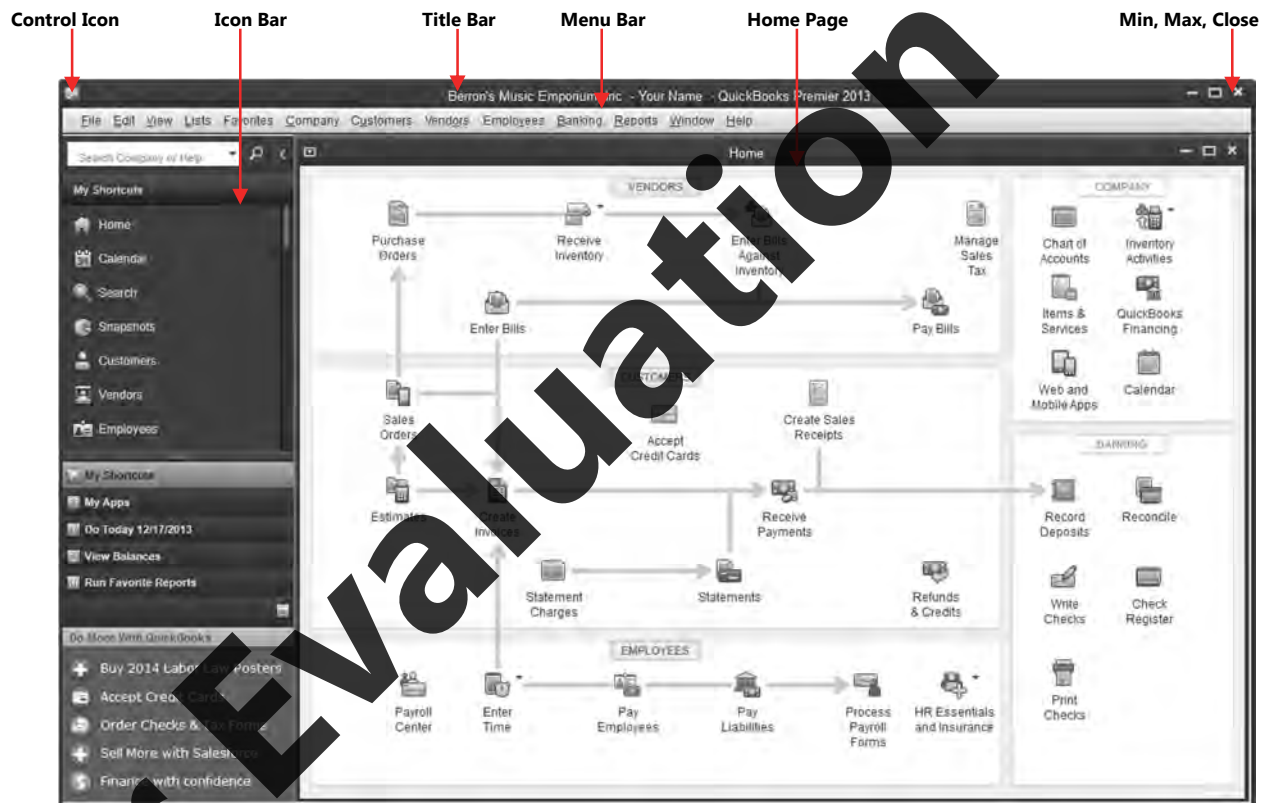
Restoring the Exercise File

1. From the **File** menu in QuickBooks, choose **Open or Restore Company**.
QuickBooks displays the Open or Restore Company window.
2. Select **Restore a backup copy** and click **Next**.

3. Select **Local backup** and click **Next**.
4. In the Open Backup Copy window navigate to your *1740 Student Files* folder.
5. Select *Berron's Music Emporium Inc.-Your Name.QBB* file and then click **Open**.
6. In the Open or Restore Company window, click **Next**.
7. Navigate to your *1740 Student Files* folder.
8. In the **File name** field of the Save Company File as window, type: *Berron's Music Emporium Inc. - Your Name Lesson 1* and then click **Save**.
9. Click **OK** when you see the message that the file has been successfully restored.

Looking at the QuickBooks Screen

When you open a company data file in QuickBooks, you will see a screen similar to the following:







Control Icon

Located in the top left corner, this displays the **Control Menu** box to select such options as **Move**, **Size**, **Maximize**, **Minimize**, and **Close**. These are standard Windows options available on most Control Menus.







Icon Bar

The location of this bar can be adjusted by clicking **View** on the menu bar and choosing either **Top** or **Hide**. Using the Left Icon bar is recommended as it offers more power and versatility. The Icon bar contains shortcuts to the tasks and reports you use most.

Title Bar	Located at the top of a window, the title bar displays the name of the currently active company data file, e.g., Berron's Music Emporium Inc., followed by the name of the selected application (QuickBooks Premier Edition).
Minimize, Maximize/Restore or Close Buttons	Located in the top right corner of a window, these buttons control a window's display size. Use the  (Minimize) button to minimize the QuickBooks window to the taskbar,  (Maximize) to the screen,  (Restore Down) to the original window size, or  (Close) the program completely.
Menu Bar	Located below the title bar, this bar provides access to the main menu commands (i.e., File, Edit, View , etc.) which, when displayed, contain different sets of commands to activate features or options.
Home Page	This window displays sections for the various company areas (also referred to as centers) such as Vendors, Customers, etc., each of which contain icons for features used in each area.
Vendors	Contains icons for transactions such as: Purchase Orders, Enter Bills & Vendor Credits, Receive Inventory, Enter Bills Against Inventory, Pay Bills, Manage Sales Tax.
Customers	Contains icons for transactions such as: Sales Orders, Estimates, Create Invoices, Create Sales Receipts, Receive Payments, Statements, Refunds & Credits.
Employees	Contains icons for Payroll Center, Enter Time, Pay Employees, Pay Liabilities, Process Payroll Forms.
Company	Contains icons for Chart of Accounts, Items & Services, Inventory Activities (which includes Inventory Centre, Build Assemblies & Adjust Quantity/Value on Hand), and Calendar.
Banking	Contains icons for Record Deposits, Write Checks, Print Checks, Reconcile, and Check Register.

Moving Around Dialog Boxes

A *dialog box* is a window that appears when QuickBooks offers additional options or requires more information from you before carrying out a command. You can use either the mouse or keyboard to access the commands available in a dialog box.

- When there is a check box beside an option, you can select or clear the option by clicking the check box or pressing the . The check box appears similar to .
- To enter text in a text box, either click in the appropriate text box or use the appropriate keyboard method to move to that field and then type the text.
- To select items from a drop-down list, click the left mouse button on the drop-down arrow  next to the option. This will display a list of available items to choose from.
- To increase or decrease amounts with an increment button, move to that command and either click the up or down arrow button or press the  or  keys. An increment button is sometimes referred to as a spin button. When you are on a command with increment buttons, the corresponding direction button will highlight (.

- You can also select certain features by clicking the appropriate option button. Option buttons are always found in groups and only one option button from a group can be selected at any one time (☉). As you move to that option, it will appear similar to ☉. Either click the option button or the command name to select it. Depending on the placement of the option command, you may not be able to access that command using the keyboard methods.
- You can also select a date by clicking the calendar button 📅 next to a field. By default, the days of the current month will be displayed in a calendar format, and the entered date (today's date if a date has not been selected) will be marked. You can scroll forward to future months, or back to previous months.
- To choose a command button, click the button of your choice, or press **Tab** until at the command button and then press **Enter**. When a command button is selected, it will appear as **Enter** and you can press **Enter** to activate all options selected in the dialog box. Alternatively, be sure to select Cancel or close the dialog box if you do not want to activate any options selected in the dialog box.
- To move to a command in the dialog box, you can either move the mouse cursor overtop of the command, or press **Alt** and the underlined character to move directly to the command. Alternatively, you can also press **Tab** to move from field to field.
- When a dialog box contains tabs, move to the appropriate tab either by clicking the appropriate tab, or press **Ctrl**+**PgDn** to move forward to the next tab or **Ctrl**+**PgUp** to move to the previous tab. Clicking on a tab will result in a new menu being displayed.

Using the QuickBooks Menus

The QuickBooks menus not only display the menu choice, but additionally provide an icon for reference and a keyboard shortcut beside many of the menu commands. An ellipsis (...) at the end of a menu option indicates a dialog box will appear when you select this command.

Use the following methods to access a menu:

- Click the menu command.
- Press **Alt** or **F10** to move to the menu bar and highlight the first menu command, such as **File**.

To access a command on a menu, use one of the following methods:

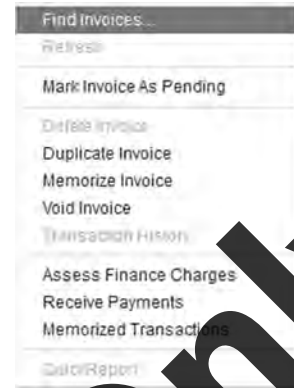
- Click the command in the menu.
- Press the underlined character for the menu command.
- Press the **↓** arrow to move to the menu command to use and then press **Enter**.

If a menu is displayed and you no longer need it, use one of the following methods to close the menu:

- Click in a blank area away from the menu.
- Press **Esc** to close the menu, and then press **Esc** once more to deselect the menu bar.

Any menu item in black on the menu bar means that particular item is active; a menu item in grey indicates the feature is unavailable at this time.

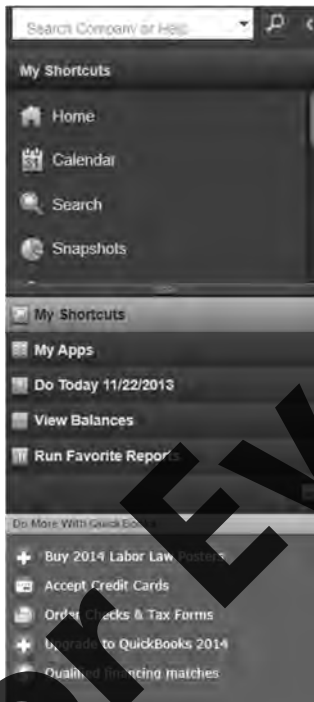
A feature provided in QuickBooks is the shortcut menu which can be accessed by pointing at an area of the active window, then pressing the right mouse button once. Different shortcut menus display depending on what the mouse cursor is pointing at.



Using the QuickBooks Icon Bar

The Icon bar contains buttons you can access using the mouse. These buttons provide shortcuts for accessing many QuickBooks features. When you place the mouse cursor over a button in the Icon bar, a ScreenTip appears to identify the purpose of the button. Many of the menu items appear as buttons on the Icon bar to enable you to use QuickBooks more quickly and efficiently. To choose a button on the Icon bar, click it with the left mouse button.

There are four sections on the Icon bar:



My Shortcuts: Click any icon in this section to open the feature, place the mouse pointer over the icon to display the icon's function. To add, edit, or remove icons from the My Shortcuts section, scroll to the bottom of the section and click "Customize Shortcuts".

Do Today: This section displays to do's and transactions that are on today's calendar.

View Balances: This section shows balances in your most important accounts.

Run Favorite Reports: This section displays the reports you marked as favorite.

Use the mouse to select the desired section.

Learn the Skill

In this lesson you will explore the QuickBooks program. (If necessary, see page ii in the Preface for detailed instructions on downloading the required data files).

- 1 If necessary, start QuickBooks and open *Berron's Music Emporium Inc. - Your Name* company file.
- 2 Select the **My Shortcuts** section of the Icon bar, and move the mouse to point to each of the icons and read the descriptions that appear.

- 3 Click **Customers** in the Icon bar.
The Customer Center window is displayed.
- 4 Click **Vendors** in the Icon bar.
The Vendor Center window is displayed.
- 5 Select **View** from the menu bar and then click **Open Window List** from the menu.
- 6 Click **Customer Center** in the Open Window List.
The Customer Center window is redisplayed.
- 7 Select **Vendors, Enter Bills** from the menu bar.
The Enter Bills window is displayed in the main window, and is now added to the Open Window List.
- 8 Select **Customers, Customer Center** from the menu bar.
The menu bar is another way of selecting or opening a window.
- 9 Select **Customers, Create Sales Orders** from the menu bar.
The Create Sales Orders window is displayed in the main window, and is added to the Open Window List.
- 10 Select **Enter Bills** in the Open Window List.
The Enter Bills window is now shown, and it appears at the top of the Open Window List.
- 11 Click **(Close)** at the top right corner of the Enter Bills window to close it. If necessary, click **No** in the Recording Transaction window.
- 12 Close the Create Sales Orders window. If necessary, click **No** in the Recording Transaction window.
- 13 Close the Customer Center and Vendor Center windows.
- 14 Select **My Shortcuts** to close the Open Window List.
- 15 Select **View Balances** to view some account balances.
- 16 Select **Do Today**, and then **Reminders** to view the Reminders window.
- 17 Close the Reminders window, and then select **My Shortcuts**.

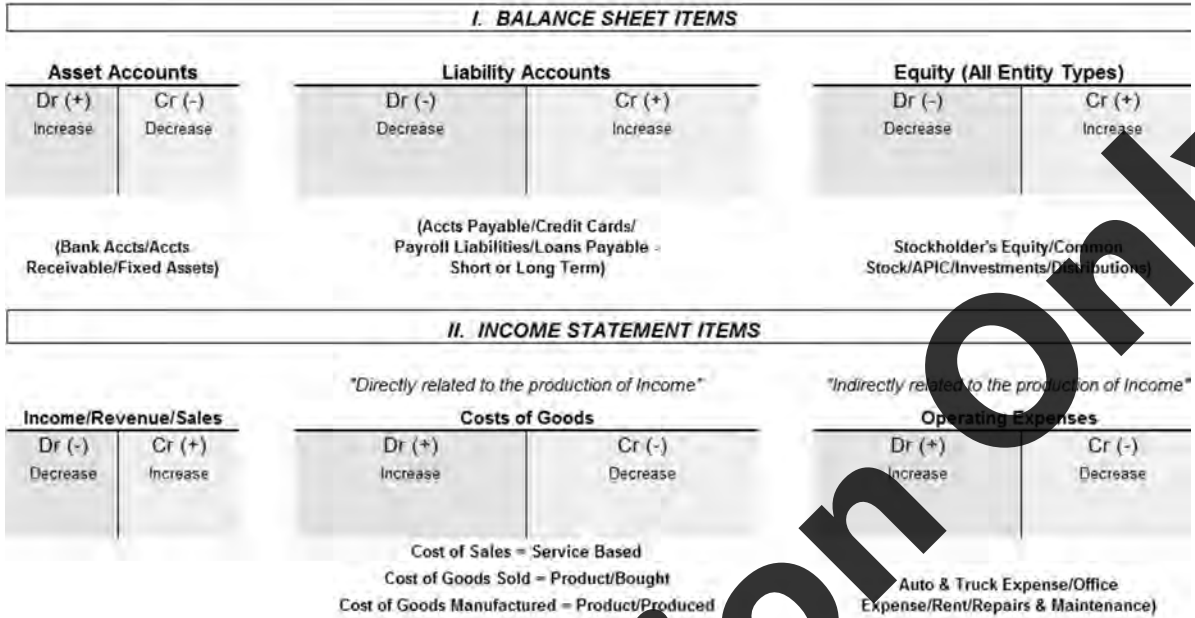
The Chart of Accounts

How the Chart of Accounts Works

Before making entries within QuickBooks, you must first define a Chart of Accounts for your company. This Chart of Accounts works using five main account groups. These are:

- | Balance Sheet | | | Income Statement | |
|------------------------------|-----------------------------------|------------------------------|-------------------------------|-------------------------------|
| <input type="radio"/> Assets | <input type="radio"/> Liabilities | <input type="radio"/> Equity | <input type="radio"/> Revenue | <input type="radio"/> Expense |

LAYOUT/DESCRIPTION OF CHARACTER OF FINANCIAL STATEMENT ACCOUNTS
(this is what is also known as "T-accounts")



The Chart of Accounts will contain accounts such as bank accounts, accounts receivable and payable, inventory accounts, equity accounts, revenue, and expense accounts. Your Chart of Accounts can be simple or complex but each account must be identified as one of the list of QuickBooks Account Types. This table will help describe what each QuickBooks Account Type is and how it relates to financial statements:

QuickBooks Account Type	Account Group	Shows in Financial Statement	Example
Bank	Asset	Balance Sheet	Bank Checking Account
Accounts Receivable	Asset	Balance Sheet	Accounts Receivable
Other Current Asset	Asset	Balance Sheet	Inventory
Fixed Asset	Asset	Balance Sheet	Equipment
Other Asset	Asset	Balance Sheet	Goodwill
Accounts Payable	Liability	Balance Sheet	Accounts Payable
Credit Card	Liability	Balance Sheet	Credit Card Payable
Other Current Liability	Liability	Balance Sheet	Sales Tax Payable
Long Term Liability	Liability	Balance Sheet	Mortgage Payable
Equity	Equity	Balance Sheet	Owner's Equity
Income	Revenue	Income Statement	Sales Revenue
Cost of Goods Sold	Expense	Income Statement	Cost of Goods Sold
Expense	Expense	Income Statement	Utilities Expense
Other Income	Revenue	Income Statement	Interest Revenue
Other Expense	Expense	Income Statement	Interest Expense

Most Charts of Accounts use account numbers to uniquely identify each account and to identify the account type. In QuickBooks, you can turn this feature on or off; however, most accountants prefer to have the accounts numbered. If you do turn it on, you must follow the numbering convention that follow.

For **Balance Sheet** accounts:

- For **Asset** accounts, assign account numbers from 10,000-19,999.
- For **Liability** accounts, assign account numbers from 20,000-29,999.
- For **Equity** accounts, assign account numbers from 30,000-39,999.

For **Income Statement** accounts:

- For **Revenue** accounts, assign account numbers from 40,000-49,999.
- For **Cost of Goods Sold** and related accounts, assign account numbers from 50,000-59,999.
- For **Expense** accounts, assign account numbers from 60,000-69,999.

Within QuickBooks, it is possible to assign account numbers in the 70,000 and 80,000 ranges. However, it is standard practice to keep account numbers within the ranges listed above.

If you do use account numbers, you should also adhere to the following recommended general ledger account structure:

- Leave plenty of room between account numbers to allow for future growth. For example, if you number accounts without any spaces or gaps between the numbers you assign them, you may have a problem should you later want to add an account within a particular range. Remember that you have 10000 account spaces for each type of account (Assets, Liabilities, Equity, Revenue, and Expenses).
- Place accounts in the order of liquidity. For example, when you are entering the current asset accounts, place your petty cash and bank account before your accounts receivable and inventory. This is a standard practice, so that external readers of your financial statements can easily determine the "liquidity" of your balance sheet accounts (that is, the relative ease with which you could convert them into cash).

The Chart of Accounts has already been set up for you for the exercises in this courseware. We are going to make a few minor changes and additions to the Chart of Accounts.

Most business enterprises consult and are guided by the advice of an accountant when creating a Chart of Accounts. The accountant will normally provide a suggested Chart of Accounts, as well as a recommended format and layout for the Balance Sheet and Income Statement. This is important, as it will determine the Account Type (see below) to be allocated in QuickBooks.

Learn the Skill

In this exercise, you will learn to access the Chart of Accounts window.

- 1 On the Home page, in the Company section, click **Chart of Accounts** to open the Chart of Accounts window.

To display the Chart of Accounts you can also select **Lists, Chart of Accounts** in the menu bar, or press **Ctrl + A** on the keyboard.

The Chart of Accounts window will be displayed as follows:

NAME	TYPE	BALANCE TOTAL	ATTACH
Chase Payroll Checking	Bank	10,991.07	
Petty Cash	Bank	0.00	
USB Operating Checking	Bank	73,974.96	
Accounts Receivable	Accounts Receivable	14,783.58	
Inventory Asset	Other Current Asset	102,345.20	
Prepaid Insurance	Other Current Asset	900.00	
Undeposited Funds	Other Current Asset	0.00	
Furniture and Equipment	Fixed Asset	14,115.00	
↳ A/D - Furn & Fixtures	Fixed Asset	-2,235.00	
↳ Cost Basis	Fixed Asset	16,350.00	
Leasehold Improvements	Fixed Asset	13,000.00	
↳ A/D - Leaseholds	Fixed Asset	-2,500.00	
↳ Cost Basis	Fixed Asset	15,500.00	
Vehicles	Fixed Asset	9,025.00	
↳ A/D - Vehicles	Fixed Asset	-3,425.00	
↳ Cost Basis	Fixed Asset	12,450.00	
Accounts Payable	Accounts Payable	14,001.00	
Payroll Liabilities	Other Current Liability	8,371.36	
Sales Tax Payable	Other Current Liability	1,523.00	

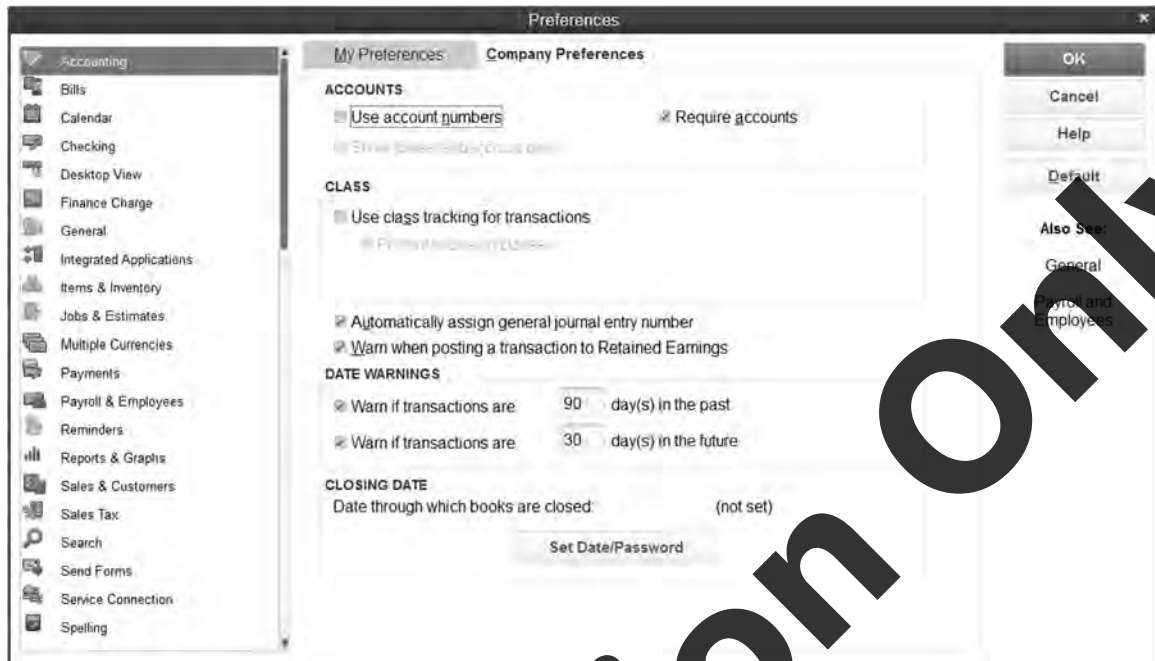
The Accounts window displays the General Ledger accounts that have already been created. It contains the following headings and tabs:

Name	Name of the account.
Type	The type or group of accounts, such as Bank, Accounts Receivable, Other Current Assets or Fixed Assets.
Balance Total	Current balance in the account.
Account	Where you would create, edit, delete, and make accounts inactive.
Activities	Where you can process transactions such as writing checks, making deposits, transferring funds and processing journal entries, etc.
Reports	Where you can access reports such as QuickReport, income tax preparation list, account listing and financial reports.

Additional columns can be added to the display view, by clicking **View** in the menu bar, and selecting **Customize Columns**. A window is displayed which allows additional columns to be displayed in the Chart of Accounts window.

- 2 Double-click any account with a **Balance** value that is not **0.00** (zero) or blank.
 - 1 A new window, the account register, opens showing the detailed transactions in that account.
- 3 Close the account register.
- 4 Select **Edit, Preferences** in the menu bar.
- 5 If necessary, select **Accounting** in the list at the left side.

- 6 If necessary, select the **Company Preferences** tab.



- 7 Select the **Use account numbers** check box, and click **OK**.

The account numbers will now be displayed for accounts with account numbers. The remaining accounts will not show an account number because these numbers have not been previously entered. Now turn off the account number display again.

- 8 Select **Edit, Preferences** in the menu bar.
9 Clear the **Use account numbers** check box and click **OK**.

Change the sort sequence of the Chart of Accounts.

- 10 Click the **Name** title bar to sort all of the accounts in alphabetical sequence by name.
11 Click the **Name** title bar again to re-sort all of the accounts into descending sequence.
12 Click the **Balance Total** title bar to sort the accounts in ascending order based on the account balance.
13 Click the **Type** title bar to re-sort the accounts by their type. This is the default setting and is recommended.
14 Close the Chart of Accounts window.

Account Type

The design of the Chart of Accounts is a very important aspect of QuickBooks because you not only want to track financial information at a level of detail to help you determine your financial state of affairs quickly, but also be able to format the financial statements (Balance Sheet and Income Statement) presentation, as desired. Consider the following partial sample Balance Sheet:

City Computer Inc.		April 30, 2013
Balance Sheet		
Assets		
Bank Account		\$7,000.00
Float		200.00
Petty Cash		50.00
Accounts Receivable		2,630.00
Advances Receivable		0.00
Prepaid Expense		1,200.00
Furniture & Fixtures		5,600.00
Accum. Depreciation - Furniture/Fixtures		(1,425.00)
Total Assets		\$15,255.00

While this Balance Sheet is correct, it does not display the accounts in an easy-to-read format. All the company's assets are grouped together (current and fixed assets), and it is not that easy to determine the total cash in this business. It is also difficult to determine the net value of the fixed assets (Furniture/Fixtures and Accum. Depreciation – Furniture/Fixtures).

However, you cannot simply decide to keep the number of accounts to a minimum because doing so will eliminate the details, such as the following:

City Computer Inc.		April 30, 2013
Balance Sheet		
Assets		
Current Assets		\$11,080.00
Fixed Assets		4,175.00
Total Assets		\$15,255.00

To overcome this problem, you can make use of the **Subaccount** option in QuickBooks so that you can have both sufficient detail and also the ability to see a bird's eye view of the financial state. For example, you may want to track all of your cash in three accounts: bank account, float (cash on hand to conduct daily business), and petty cash (to pay minor expenses). These three accounts can be designated as subaccounts of another account named as Cash, which simply includes all transactions from these three accounts as its own, including the final balance. The Cash account would then represent a summary account of the three subaccounts.

The account type is also used to designate how the accounts are grouped together on the balance sheet or income statement. For example, accounts of types such as Bank, Accounts Receivable, and Other Current Asset are grouped together under Current Assets.

By using subaccounts and account types, the partial balance sheet will now look like this:

City Computer Inc.
Balance Sheet

April 30, 2013

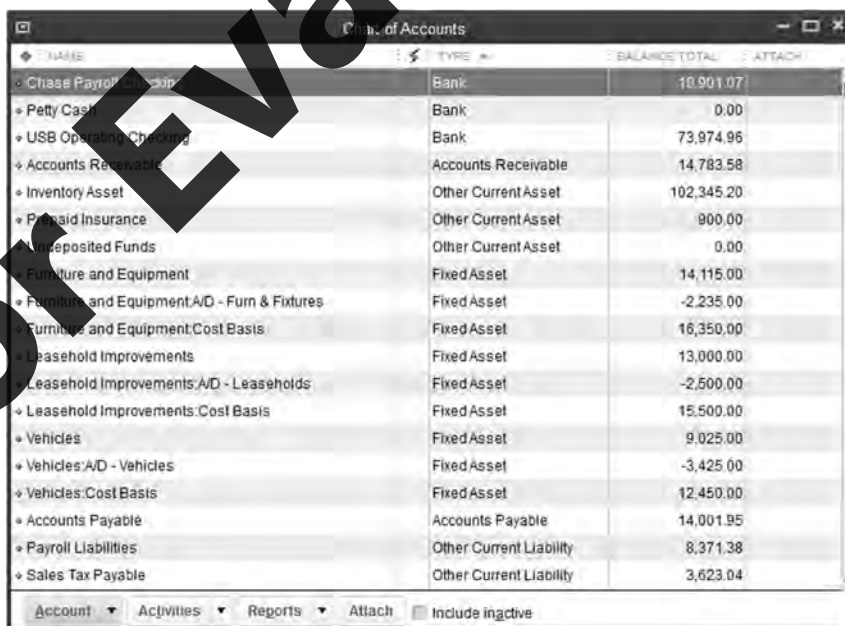
Assets		
Current Assets		
Cash		
Bank Account	\$7,000.00	
Float	200.00	
Petty Cash	50.00	
Total Cash		\$7,250.00
Receivable		
Accounts Receivable	2,630.00	
Advances Receivable	0.00	
Total Receivable		2,630.00
Prepaid Expense		<u>1,200.00</u>
Total Current Assets		\$11,080.00
Fixed Assets		
Furniture/Fixtures		
Furniture & Fixtures	5,600.00	
Accum. Depreciation	(1,425.00)	
Total Furniture/Fixtures		<u>\$4,175.00</u>
Total Fixed Assets		\$4,175.00
Total Assets		\$15,255.00



Learn the Skill

In this exercise, you will learn to check the validity of the Chart of Accounts, and to change the way the information in the Accounts window is displayed.

- 1 Click **Lists** in the menu bar, then **Chart of Accounts** to display the Chart of Accounts.
- 2 Click **Account** at the bottom of the window. Select **Flat View** from the pop-up menu.



- 3 Click **Account** at the bottom of the window. Select **Hierarchical View** from the pop-up menu.
- 4 Click **Reports** at the bottom of the window. Select **Reports on All Accounts, Balance Sheet, Standard** from the pop-up menu to display the Balance Sheet report.
- 5 In the **Dates** drop-down list select **Custom**, and in the **As of** box, select **June 30, 2013**. If necessary, click **Refresh**.

Berron's Music Emporium, Inc.
Balance Sheet
As of June 30, 2013

◦ Jun 30, 13 ◦

Current Assets	
Checking/Savings	
Chase Payroll Checking	12,256.59
USB Operating Checking	66,878.35
Total Checking/Savings	79,134.94
Accounts Receivable	
Accounts Receivable	14,783.58
Total Accounts Receivable	14,783.58
Other Current Assets	
Inventory Asset	102,345.20
Prepaid Insurance	900.00
Undeposited Funds	7,096.61
Total Other Current Assets	110,341.81
Total Current Assets	204,260.33
Fixed Assets	
Furniture and Equipment	
A/D - Furn & Fixtures	-2,235.00
Cost Basis	16,350.00
Total Furniture and Equipment	14,115.00

- 6 Use the scroll bar to view the entire report. Close the Balance Sheet and, if a window appears asking if you wish to memorize the report settings, click **No**.
- 7 Close the Chart of Accounts window.

General Ledger Accounts

Creating GL Accounts

From the Chart of Accounts window, you can create more General Ledger accounts as you need them.



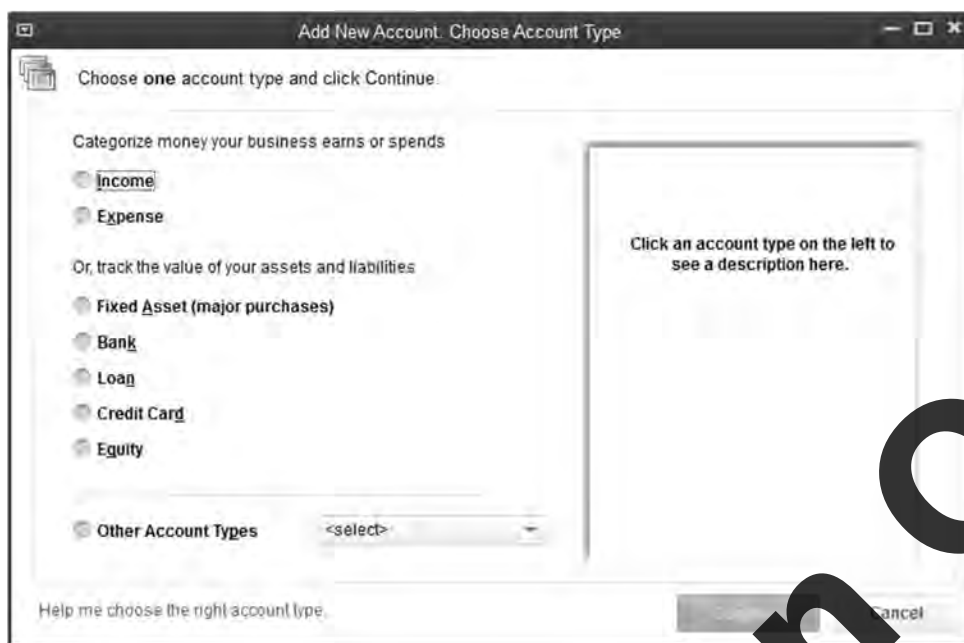
Learn the Skill

In this exercise, you will create General Ledger accounts using the **File, Create** feature.

- 1 From the **Lists** menu, select **Chart of Accounts**.
- 2 Click **Account** at the bottom of the window, and select **New** from the pop-up menu.

You can also right-click in the Chart of Accounts window and select **New** in the shortcut menu, or press

Ctrl+N to display the Add New Account window.



Income	Categorizes money earned from normal business operations.
Expense	Categorizes money spent in the normal course of business operations.
Fixed Asset	Tracks the value of significant items that have a useful life of more than one year.
Bank	Create one account for each cash account needed.
Loan	Tracks the principal owed on loans or lines of credit.
Credit Card	Create one for each credit card your business uses or accepts.
Equity	Tracks money invested in or taken from company by owners or investors.
Other Account Types	Select an account type from the list that includes: accounts receivable, current assets, other assets, accounts payable, current and/or long term liabilities, cost of goods sold, other income, other expenses.

- 3 Click to select **Bank**, and then click **Continue** to open the Add New Account window.

Account Type	This field is automatically completed from the previous window choice. There is an option to change here by clicking the down arrow beside the field and choosing from the options provided. The Account Type field serves two functions in your account setup. First, it identifies the various types of accounts. Second, it will categorize them in the correct sections of your Financial Statements. The accounts are also sorted in alphabetic order within each Type .
Account Name	Name of the account (maximum 41 characters).
Subaccount of	Identifies whether the account being created is part of a group of accounts. If the account is part of a group, you are required to provide the Parent Account (the main or control account).
Description	This is an optional field to expand on the name of the account.
Bank Acct. No.	The Company Bank Account number. This is also an optional field.

Tax-Line Mapping

If you plan to export your tax information to income tax preparation software such as Intuit's ProSeries or Lacerte you can choose the correct tax line from the options offered in the drop-down menu. Otherwise, in general, it can be used as a valuable resource to establish tax groupings for an outside professional to manually input into a tax return.

Enter Opening Balance

The historical account balance from your previous accounting system, if applicable.

- 4 In the **Account Name** field, type: WFB Operating Checking.
- 5 Enter the following data for the remaining fields in the dialog box:

Description	Wells Fargo Bank Operating Account
Bank Acct. No.	40897

Do not enter an opening balance. Do not use the Tax-Line Mapping option.

Your screen will be similar to the following:

The screenshot shows the 'Add New Account' dialog box. The 'Account Type' is 'Bank'. The 'Account Name' is 'WFB Operating Checking'. The 'Description' is 'Wells Fargo Bank Operating Account'. The 'Bank Acct. No.' is '40897'. The 'Tax-Line Mapping' is set to 'B/S-Assets-Cash'. There are buttons for 'Save & Close', 'Save & New', and 'Cancel'.

At this point, you have two choices in saving your information:

- **Save & Close** will save the new account and close the Chart of Accounts window.
- **Save & New** will save the account and provides the opportunity to input another new ledger account.

- 6 Click **Save & New**.

You can cancel the creation of an account at any time by clicking **Cancel** or by pressing **Esc**.

- 7 Use the method outlined previously to create the following new account:

Account Type	Bank
Account Name	Cash
Description	Cash Summary

- 8 Click **Save & Close**.



- 9 When the Set Up Online Services window displays, click **No**. Remain in the Chart of Accounts window and proceed with the next exercise.

Modifying GL Accounts

Within the Chart of Accounts window, you can access, modify, and delete previously entered General Ledger accounts.



Learn the Skill

In this exercise, you will find and modify General Ledger accounts.

- 1 Right-click the USB Operating Checking account and select **Edit Account** to display the Edit Account window.

You can also select the account in the Chart of Accounts window, then click **Account** and select **Edit Account** in the pop-up menu or press **Ctrl + E** to display the Edit Account window.

- 2 Enter the following data into the Edit Account window:

Subaccount of Yes Cash
Description US Bank Operating Account

The completed window should appear similar to the following:



- 3 Click **Save & Close** to save the changes.

Now change the other two bank accounts and the Petty Cash account to subaccounts of Cash.

- 4 Right-click the WFB Operating Checking account and select **Edit Account** from the shortcut menu.
- 5 Make the following changes in the Edit Account window:

Subaccount of Yes Cash

- 6 Click **Save & Close** and repeat steps 4 through 6 for the Chase Payroll Checking, and the Petty Cash accounts.



Learn the Skill

Use the methods outlined previously to set up and modify the following accounts.

- 1 From the Chart of Accounts window, click **Account**, select **New** and complete as follows:

Account Type	Expense
Account Name	Trade Publications
Subaccount	Dues & Subscriptions
Description	Subscriptions to trade magazines

- 2 Click **Save & Close**.

- 3 In the Chart of Accounts window, select **Membership Dues**, right-click and select **Edit Account**. Complete as follows:

Subaccount	Dues & Subscriptions
------------	----------------------

- 4 Click **Save & Close**.

The Chart of Accounts window should now appear similar to the following:



- 5 Leave the Chart of Accounts window open for the next exercise.

Deleting or Removing GL Accounts

You can delete or remove an existing General Ledger account as long as it does not have a current balance or a transaction history and it does not have subaccounts under it. This feature is useful if you had created a General Ledger account in error, or circumstances had turned out that the account was never needed.

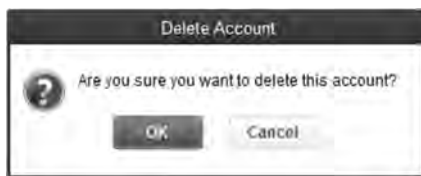
If transactions have been recorded against it in the past, you should simply make it inactive if it is no longer needed.



Learn the Skill

In this exercise you will learn how to delete an account.

- 1 Select the **Uniforms** account in the Chart of Accounts window.
- 2 Right-click Uniforms and select **Delete Account** from the pop-up menu.

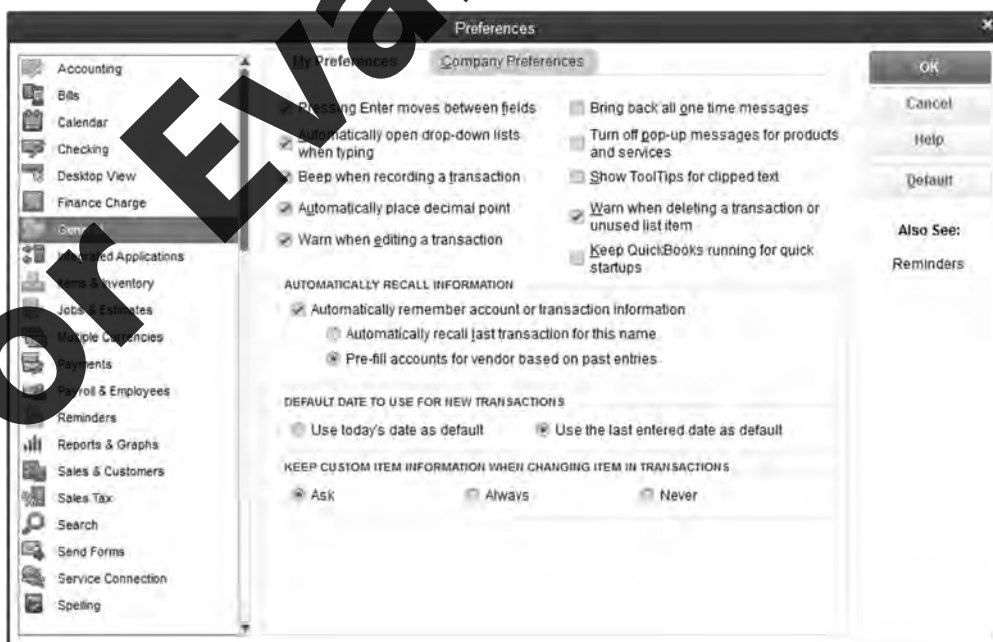


- 3 Select **OK** to confirm this action.
- 4 Close the Chart of Accounts window.

QuickBooks Preferences

Through preferences, you can customize QuickBooks to suit the needs of your business and your personal style of working. For most Preference categories, there are two options, My Preferences, and Company Preferences. To access QuickBooks Preferences, select **Edit, Preferences** from the menu bar.

The screen below displays the options for General under My Preferences



On the left side of the Preferences dialog box is a listing of the various categories. Clicking on each category opens windows where you can choose a variety of functions relevant to each feature. The following overview provides a brief introduction to the options available, many of which will not be discussed further until the Level 2 course.

The settings entered on the My Preferences tab only affect your QuickBooks sessions, not those of other users. Settings on the Company Preferences tab affect all users, and only the **QuickBooks Administrator** can enter changes on this tab.

Accounting	This category deals with such items as Accounts, Account numbers, Class Tracking, General Journal Entry Numbers, and date Warnings.
Bills	The Company Preferences tab allows settings for Entering and Paying Bills, such as due dates, warnings regarding duplicate bill numbers, and using credits and or discounts.
Calendar	The QuickBooks Calendar is a quick way to view transactions and tasks you've entered into QuickBooks.
Checking	The My Preferences tab allows settings for default bank checking accounts, and settings for deposit entries. The Company Preferences tab allows settings for defaults on cheques, and checking accounts for Pay Checks, and Pay Liabilities.
Desktop View	This category allows you to customize your view of the QuickBooks desktop to reflect how you move around QuickBooks, find features, and switch between windows.
Finance Charge	Settings for charges relative to overdue Customer accounts.
General	Tabs in this category allow settings for a wide variety of features for entering data, moving around dialog boxes, information recall, default dates, and time formats.
Integrated Applications	Settings for managing applications that interact with the company file. You can integrate key QuickBooks data with a variety of QuickBooks compatible software solutions. Sales, customer, and other financial data can be shared between QuickBooks and certain QuickBooks-compatible software.
Items & Inventory	Settings for Purchase Orders and Inventory, as well as Units of Measure.
Jobs & Estimates	Settings for Job status, Estimates, and Progress Invoicing.
Multiple Currencies	Settings for use of more than one currency.
Payments	Settings for how payments are applied, and how the funds are deposited.
Payroll & Employees	Settings for payroll and employees.
Reminders	<p>Use the Reminders list to track all the QuickBooks tasks you need to do. It shows you all of the things that are due (such as bills) or that you need to act on (such as To Do notes). You can choose which tasks to be reminded of, and how and when you'll see the reminder.</p> <p>Alerts are important messages about QuickBooks or your business that appear in your Reminders list. For example, you might receive an alert that there is an update to QuickBooks that you need to download.</p>

Reports & Graphs	Settings for a variety of defaults for reports and graphs.
Sales & Customers	Settings for Sales Forms, Price Levels, Sales Orders, and Templates.
Sales Tax	Settings for Customer and Vendor Tax Codes, Display Taxes, and Assigning Tax code defaults.
Search	Settings for search preferences.
Send Forms	Settings for sending by email, including content defaults.
Service Connection	Settings for internet connections.
Spelling	Settings for spelling defaults.
Time & Expenses	The Company Preferences tab allows settings for Time Tracking and Invoicing Options.



Learn the Skill

In this exercise you will learn how to modify the following preferences.

- 1 Select **Edit, Preferences** from the menu bar to open the Preferences window.
- 2 Select **Accounting** from the list, and under Company Preferences click to turn off the date warnings.
- 3 Select **Checking** from the list, and click **Yes** in the Save Changes warning.
- 4 In Checking, Company Preferences, click to turn on the checkbox and select **Chase Payroll Checking** account for Create Pay Checks, and **USB Operating Checking** for Pay Payroll Liabilities.
- 5 Click Desktop View, click **Yes** in the Save Changes warning, and under My Preferences, change the color scheme to one of your choice, then click **OK**.
- 6 View the screen, observe the difference, and then change the scheme back to the default.
- 7 In Desktop View, under Company Preferences, in the Customers section, click in the field beside **Statements and Statement Charges** to deselect it.
- 8 Click **OK**, and **OK** again in the warning screen.
- 9 Click **Home** on the Icon bar to open the Home page again, and view the changes. (The icons for Statements and Statement Charges are no longer displayed.)
- 10 Follow the instructions in step 7 to turn the icons on again. Click **OK** and **OK** again, and click **Home**. Both icons should once again be displayed.


Company Information

This function will allow you to see all the important information for the company you are working with.

Learn the Skill

In this exercise you will modify the company information so each student's work can be identified when printed.

- 1 Select **Company, Company Information** from the menu bar.

- Click the  (**Edit**) button and then change the company name by adding your own name to the end of *Berron's Music Emporium Inc.* (for example: Berron's Music Emporium Inc. – Jane Black).



Company Information

CONTACT INFORMATION

Company Name: Berron's Music Emporium, Inc. - Student Na...

Address: 4567 Cambie Street, Los Angeles, California, 90000

Phone #: (800) 111-1111

Fax #: (800) 111-1112

E-mail: info@berronmusic.com

Web Site: www.berronmusic.com

Country: US

LEGAL INFORMATION (APPEARS ON PAYROLL TAX FORMS)

Legal Name: Berron's Music Emporium, Inc.

Legal Address: 4567 Cambie Street

City/State/ZIP: Los Angeles, CA, 90000

Legal Country: US

COMPANY IDENTIFICATION

Federal Employer Identification No. (EIN is required for Payroll): 99-4089240

Social Security Number (SSN is used on 1099's if no EIN is entered):

PAYROLL TAX FORM INFORMATION

Contact: Bob Smith (Name of person preparing and signing payroll tax forms)

Title: Payroll Manager

Phone #: (800) 111-1111

REPORT INFORMATION

First month in your:

Fiscal Year: January, Tax Year: January

Income Tax Form Used: Form 1120S (S Corporation)

Buttons: OK, Cancel, Help, Ship To Address..., Attach...

- When done, click **OK**.
- If necessary click **Continue anyway** in the Invalid Business Number warning and close the Company Information window.

Printing the Chart of Accounts Listing

In order to ensure that you have entered the Chart of Accounts correctly, you should view a listing of the accounts.



Learn the Skill

In this exercise you will learn how to print a list report.

- Select **Reports, List, Account Listing** from the menu bar.

The Account Listing window is displayed. This is one of the pre-built reports that QuickBooks supplies as part of the software package. You can modify the format and content of the report to suit your individual needs as well.

Account	Type	Balance Total	Description	Tax Line
Cash	Bank	24,876.03	Cash Summary	B/S-Assets: Cash
Cash:Chase Payroll Checking	Bank	10,901.07		B/S-Assets: Cash
Cash:Petty Cash	Bank	0.00		B/S-Assets: Cash
Cash:USB Operating Checking	Bank	73,974.96	USB Bank Operating Account	B/S-Assets: Cash
Cash:WFB Operating Checking	Bank	0.00	Wells Fargo Bank Operating Account	B/S-Assets: Cash
Accounts Receivable	Accounts Receivable	14,783.58	Unpaid or unapplied customer invoices and...	<Unassigned>
Inventory Asset	Other Current Asset	102,345.20		B/S-Assets: Other current ass...
Prepaid Insurance	Other Current Asset	900.00		<Unassigned>
Undeposited Funds	Other Current Asset	0.00	Funds received, but not yet deposited to a ...	<Unassigned>
Furniture and Equipment	Fixed Asset	14,115.00	Furniture, fixtures, and equipment with use...	<Unassigned>
Furniture and Equipment:A/D - Fu...	Fixed Asset	-2,235.00	Accumulated depreciation on equipment, bu...	B/S-Assets: Buildings/oth. dep...
Furniture and Equipment:Cost Ba...	Fixed Asset	16,350.00		B/S-Assets: Buildings/oth. dep...
Leasehold Improvements	Fixed Asset	13,000.00	Improvements to leased building space	<Unassigned>
Leasehold Improvements:A/D - L...	Fixed Asset	-2,500.00		B/S-Assets: Buildings/oth. dep...
Leasehold Improvements:Cost B...	Fixed Asset	15,500.00		B/S-Assets: Buildings/oth. dep...
Vehicles	Fixed Asset	9,025.00	Business automobiles and trucks	<Unassigned>
Vehicles:A/D - Vehicles	Fixed Asset	-3,425.00		B/S-Assets: Buildings/oth. dep...
Vehicles:Cost Basis	Fixed Asset	12,450.00		B/S-Assets: Buildings/oth. dep...
Accounts Payable	Accounts Payable	14,001.95		<Unassigned>
Payroll Liabilities	Other Current Liability	8,371.38	Unpaid payroll liabilities. Amounts withheld...	<Unassigned>
Sales Tax Payable	Other Current Liability	3,623.04	Unpaid sales taxes. Amounts charged on s...	B/S-Assets/Eq. (Other current lia...

- Once QuickBooks displays the report, you can maximize the window and move around the report using the vertical scroll bar on the right.
- Select **Print, Report** at the top of the Account Listing window to display the Print Reports dialog box, which allows you to change your printer and page settings for the report.

You can also get to the Print Reports dialog box by selecting **File, Print Report** from the menu bar. Review the Print Reports window to choose which orientation you wish. Usually, portrait is the preferred option, but a preview before printing will show which will work best for your purposes.

- Click **Preview** to view the report before it is printed.

Print Preview – Page 1 of 2

Print Next page Next page Zoom In Help Close

2:13 PM
12/19/13

Berron's Music Emporium, Inc. - Student Name
Account Listing
December 19, 2013

Account	Type	Balance Total	Description	Tax Line
Cash	Bank	\$4,876.03	Cash Summary	B/S-Assets: Cash
Cash Chase Favallo Checking	Bank	10,501.07		B/S-Assets: Cash
Cash Fely Cash	Bank	0.00		B/S-Assets: Cash
Cash USB Operating Checking	Bank	73,874.36	USB Bank Operating Account	B/S-Assets: Cash
Cash WFB Operating Checking	Bank	0.00	Wells Fargo Bank Operating Account	B/S-Assets: Cash
Accounts Receivable	Accounts Receivable	14,763.55	Unpaid or uncollected customer invoices and o...	<Unassigned>
Inventory Asset	Other Current Asset	102,345.20		B/S-Assets: Other current assets
Prepaid Insurance	Other Current Asset	500.00		<Unassigned>
Undeposited Funds	Other Current Asset	0.00	Funds received, but not yet deposited to a ba...	<Unassigned>
Furniture and Equipment	Fixed Asset	14,115.00	Furniture, fixtures, and equipment with useful...	<Unassigned>
Furniture and Equipment A/D - Fur...	Fixed Asset	-2,235.00	Accumulated depreciation on equipment, bui...	B/S-Assets: Buildings, etc.: dep...
Furniture and Equipment Cost Basis	Fixed Asset	15,350.00		B/S-Assets: Buildings, etc.: dep...
Leasehold Improvements	Fixed Asset	13,000.00	Improvements to leased building space	<Unassigned>
Leasehold Improvements A/D - Le...	Fixed Asset	-2,500.00		B/S-Assets: Buildings, etc.: dep...
Leasehold Improvements Cost Ba...	Fixed Asset	15,500.00		B/S-Assets: Buildings, etc.: dep...
Vehicles	Fixed Asset	9,025.00	Business automobiles and trucks	<Unassigned>
Vehicles A/D - Vehicles	Fixed Asset	-3,425.00		B/S-Assets: Buildings, etc.: dep...
Vehicles Cost Basis	Fixed Asset	12,450.00		B/S-Assets: Buildings, etc.: dep...
Accounts Payable	Accounts Payable	14,001.95		<Unassigned>
Payroll Liabilities	Other Current Liability	\$,271.35	Unpaid payroll liabilities. Amounts withheld or...	<Unassigned>
Sales Tax Payable	Other Current Liability	3,623.04	Unpaid sales taxes. Amounts charged on sal...	B/S-Liab:Eq.: Other current li...
L/T - Term Loan	Long Term Liability	11,500.00		B/S-Liab:Eq.: LT Financing net...
Opening Balance Equity	Equity	100,211.40	Opening balances during setup assist to this a...	<Unassigned>
Retained Earnings	Equity		Unallocated earnings of the corporation	<Unassigned>
Merchandise Sales	Income		Sales of goods and other merchandise	<Unassigned>
Miscellaneous Income	Income			<Unassigned>
Sales Discounts	Income		Discounts given to customers	<Unassigned>
Service Sales	Income			<Unassigned>
Service Sales Lessons	Income			<Unassigned>

- Click **Next page** to go to the last page of the report.
- Click **Zoom In** to magnify the page, then click **Zoom Out**.
- Click **Close** to close the Preview window.
- Click **Print** in the Print Reports dialog box to print the report.
- Close the Account Listing window. If necessary, click **No** if asked to memorize the report settings.

Now display and print the Chart of Accounts.

- Display the Chart of Accounts window by clicking **Chart of Accounts** in the Company section of the Home page.
- Select **File, Print List** from the menu bar. If a List Reports warning screen is displayed, click **Do not display this message in the future**, and then **OK**.
- In the Print Lists dialog box, click **Preview**.

Print Preview – Page 1 of 2

Print Next page Next page Zoom In Help Close

Chart of Accounts

Account	Type	Name	Tax Line
Cash	Bank	\$\$\$Asset: Cash	
Cash Chase Favallo Checking	Bank	\$\$\$Asset: Cash	
Cash Fely Cash	Bank	\$\$\$Asset: Cash	
Cash USB Operating Checking	Bank	\$\$\$Asset: Cash	
Cash WFB Operating Checking	Bank	\$\$\$Asset: Cash	
Accounts Receivable	Accounts Receivable	<Unassigned>	
Inventory Asset	Other Current Asset	\$\$\$Asset: Other current assets	
Prepaid Insurance	Other Current Asset	<Unassigned>	
Undeposited Funds	Other Current Asset	<Unassigned>	
Furniture and Equipment	Fixed Asset	<Unassigned>	
Furniture and Equipment A/D - Fur...	Fixed Asset	\$\$\$Asset: Buildings, etc.: dep...	
Furniture and Equipment Cost Basis	Fixed Asset	\$\$\$Asset: Buildings, etc.: dep...	
Leasehold Improvements	Fixed Asset	<Unassigned>	
Leasehold Improvements A/D - Le...	Fixed Asset	\$\$\$Asset: Buildings, etc.: dep...	
Leasehold Improvements Cost Basis	Fixed Asset	\$\$\$Asset: Buildings, etc.: dep...	
Vehicles	Fixed Asset	<Unassigned>	
Vehicles A/D - Vehicles	Fixed Asset	\$\$\$Asset: Buildings, etc.: dep...	
Vehicles Cost Basis	Fixed Asset	\$\$\$Asset: Buildings, etc.: dep...	
Accounts Payable	Accounts Payable	<Unassigned>	
Payroll Liabilities	Other Current Liability	<Unassigned>	
Sales Tax Payable	Other Current Liability	\$\$\$Liab: Other current liab...	
L/T - Term Loan	Long Term Liability	\$\$\$Liab: LT Financing net...	
Opening Balance Equity	Equity	<Unassigned>	
Retained Earnings	Equity	<Unassigned>	
Miscellaneous Income	Income	<Unassigned>	
Sales Discounts	Income	<Unassigned>	
Service Sales	Income	<Unassigned>	
Service Sales Lessons	Income	<Unassigned>	


- Click **Close**.
- In the Print Lists dialog box, click **Print**.
- Close the Chart of Accounts window.


Using Dates in QuickBooks

QuickBooks uses an 8-digit date format for its operations. The format used is dictated by the settings in the Region and Language settings in the Windows operating system. For the purpose of this courseware, the mm/dd/yyyy format is used.

The following are acceptable ways of keying in the date January 31, 2013 (with Windows set in mm/dd/yyyy format):

Format	Examples
MM/DD/YY	01/31/13
MM/DD/YYYY	01/31/2013
MMDDYY	013113
M/D/Y	1/31/13

You can also use the pop-up calendar by clicking the  icon at the right of any date field.

Using the icon ensures an accurate date entry format. When you use the  icon to select a date, use the arrows at the left and right of the current month to move to another month. Then click on the day you want to use in the date field.

As dates are used to calculate discounts, due dates and interest charges, absolute accuracy is required when inputting date data into any computerized bookkeeping program.



General Journal Transactions

Creating Journal Transactions

Within QuickBooks, you should always select the appropriate document for a particular type of transaction. For example, you would choose the **Create Invoice** icon when you are entering a sale and the **Pay Bills** icon when you want to enter a payment to one of your vendors.

The General Journal is slightly different—you will use it for miscellaneous transactions that are not handled by any of the other transactions. Note that you must enter all purchases and sales either into the Create Invoices or the Enter Bills transaction windows, rather than the General Journal. This is because QuickBooks does not automatically track the Sales Tax entered within the General Journal. If you enter purchases and sales into the appropriate transaction windows, then QuickBooks can keep accurate records of the Sales Tax you have charged and paid, and create accurate Customer and Vendor records.

The types of transactions that might be entered in the General Journal include:

- loan interest
- depreciation transactions
- accruals
- General Ledger adjustments
- transfers from one bank to another
- owner's loans and changes to the capital structure of the business.



Learn the Skill

In this exercise you will learn how to create General Journal Entries.

- 1 Select **Company, Make General Journal Entries** from the menu bar.
- 2 In the Date field, type: 7/1/13 (July 1, 2013) as the date for this General Journal entry and press **Tab** twice. This will bypass the automatic Entry No.
- 3 In the **Account** field, click the drop-down button and select **WFB Operating Checking** and press **Tab**.
- 4 Type: 5000.00 as the **Debit** and press **Tab** twice.

If you wanted to enter a credit for this account, you would press **Tab** without any entry in order to move to the **Credit** column.

- 5 In the **Memo** field, type: Transfer from USB Operating Checking as a descriptive comment for this transaction and press **Tab** twice to jump to the **Account** field on the next line.

QuickBooks now defaults to a \$5,000.00 credit in order to try to balance this entry.

- 6 For this second Account, select **USB Operating Checking** and press **Tab** three times.
- 7 Type: Transfer to WFB Operating Checking in the memo column.

Your entry should be similar to the following:

ACCOUNT	DEBIT	CREDIT	MEMO	NAME	BILLA.
Cash:WFB Operating Checking	5,000.00		Transfer from USB Operating Checking		
Cash:USB Operating Checking		5,000.00	Transfer to WFB Operating Checking		
Totals	5,000.00	5,000.00			

- 8 Click **Save & New**.
- 9 Input the following General Journal entry:

Date	Account	Debit	Credit	Memo
7/01/13 (July 1, 2013)	Petty Cash	300.00		To Establish Petty Cash
	WFB Operating Checking		300.00	To Establish Petty Cash

ACCOUNT	DEBIT	CREDIT	MEMO	NAME	GL
Cash Petty Cash	300.00		To Establish Petty Cash		
Cash:WFB Operating Checking		300.00	To Establish Petty Cash		
Totals	300.00	300.00			

- 10 Click **Save & New** to keep the General Journal window open for the next exercise.

Creating Memorized Journal Transactions

When an entry is a standard entry that recurs on a regular basis, you can save time by creating a memorized transaction. This function lets you instruct QuickBooks to make a copy of the transaction for future use so that you will not have to rethink the bookkeeping entries or re-enter most of the information.



Learn the Skill

In this exercise you will learn how to memorize a General Journal transaction.

- Enter the following General Journal transaction, but do not save.

Account	Debit	Credit	Memo
L/T - Term Loan	500.00		Loan payment
USB Operating Checking		500.00	Loan payment
- Select **Edit, Memorize General Journal** from the menu bar.
- Enter the following values or options into the Memorize Transaction dialog box:

Name	Term Loan Payment
How Often	Monthly
Next Date	8/19/13 (Aug 19, 2013)

The completed dialog box should appear similar to the following:



- 4 Click **OK** to return to the General Journal window.
- 5 Click the **Save & Close** button in the General Journal window.

Recalling Memorized Journal Transactions

You have created a recurring transaction for the monthly loan payment. Now you can reuse this transaction without having to re-enter any of the information, with QuickBooks inserting the next due date for you.



Learn the Skill

In this exercise you will recall and post a memorized transaction.

- 1 Click **Lists** on the menu bar and then select **Memorized Transaction List**.

TRANSACTION NAME	TYPE	SOURCE	AMOUNT	FREQUENCY	AUTO	NEXT DATE
LRS Property Management (1099)	Check	Cash US Dollar	1,500.00	Monthly		07/01/2013
Term Loan Payment	General Journal	Term Loan	500.00	Monthly		08/19/2013

The Memorized Transaction List window displays the memorized transactions, including the new one just entered along with such information as the frequency and the next due date.

- 2 If necessary, click **LRS Property Management** to highlight it, and click **Enter Transaction**.

QuickBooks now creates a new transaction, using the memorized transaction data. QuickBooks has also automatically adjusted the transaction date to July 1, 2013 for this new transaction.

- 3 Accept the date of **07/01/2013** and click the **Print Later** check box to select the **To Print** option. Adjust the memo to read: July rent.
- 4 Click **Save & Close** to save this entry then close the Memorized Transaction List.

Now create another General Journal transaction, but this one will be automatically processed by QuickBooks.

- 5 Select **Company, Make General Journal Entries** from the menu bar.

- 6 Enter the following General Journal transaction, but do not save.

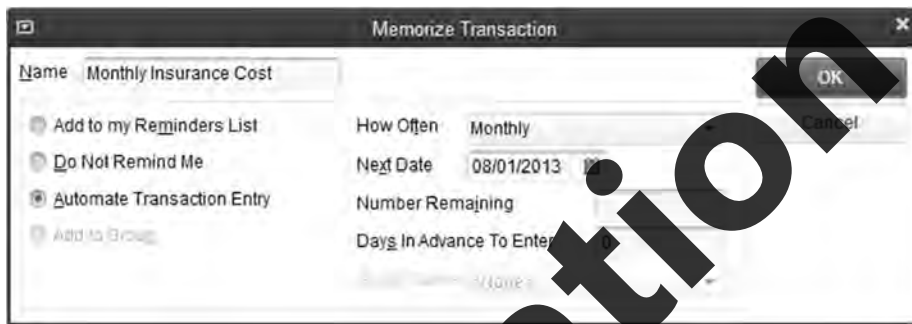
Date 07/01/13 (July 1, 2013)

Account	Debit	Credit	Memo
Insurance Expense:			
General Liability	150.00		Monthly portion of annual premium
Prepaid Insurance		150.00	

- 7 Right-click in the Make General Journal Entries window, select **Memorize General Journal** from the menu.

- 8 Enter the following values/options into the Memorize Transaction dialog box:

Name Monthly Insurance Cost
 Automate Transaction Entry On
 How Often Monthly
 Next Date 08/01/2013 (Aug 1, 2013)

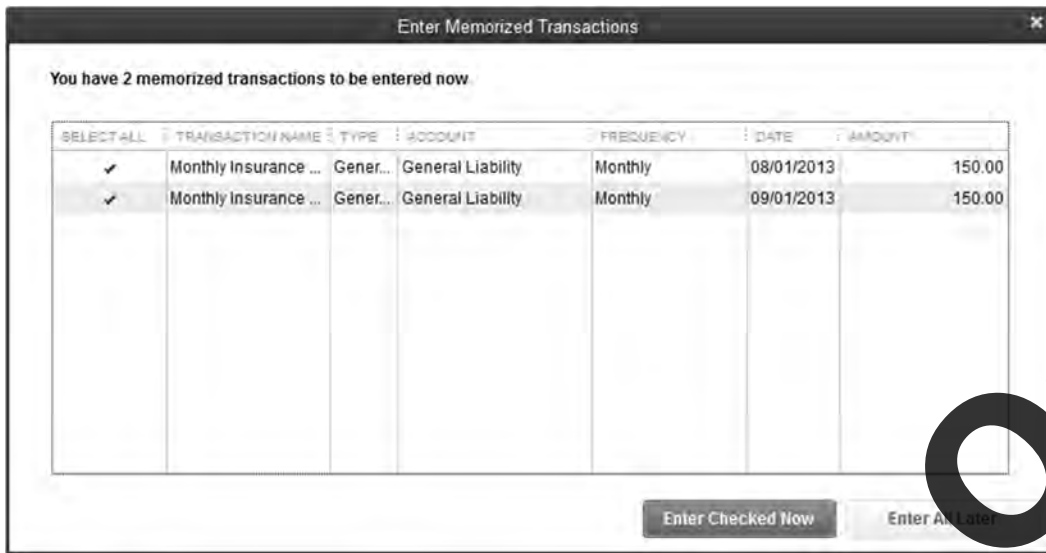


- 9 Click **OK** to save this memorized transaction.
- 10 Save the General Journal transaction by clicking **Save & Close**.
- 11 Select **Lists, Memorized Transaction List** from the menu bar.

The list now includes the additional memorized transaction. Notice the settings in the Frequency and Auto columns for each of the transactions that you had selected.

- 12 Close the Memorized Transaction List window.

When you close down QuickBooks and start it up again later, you will see a message similar to the following. This is displayed because QuickBooks compares the current system date to the dates set for the automated transaction(s) entered. You can then choose to process them or defer them. The number of entries to be made will depend on the current computer date when you open QuickBooks.



If you choose not to enter the Memorized Transactions, the following screen will be displayed.



Adjusting Previously Posted General Journal Entries

Journal entries that have already been posted may be easily adjusted if errors are found later.



Learn the Skill

In this exercise you will learn how to adjust a previously posted journal entry.

The journal entry for the petty cash entry posted on July 1, 2013 was subsequently found to be incorrect. The amount should have been taken from the USB Operating Checking, not the WFB Operating Checking.

- 1 Click **Edit** on the menu bar, then **Find**. If necessary, select the **Simple** tab.

Assume that you do not remember any details about the transaction except that you know it was recorded in the General Journal, and the amount was entered as \$300.00.

You should avoid not having enough details of recorded transactions. For example, you should have recorded (at a minimum) the transaction entry number, date of entry, amount, and your initials (or whoever entered the data) on the source document—the accountant's memo as an example. These documents are required to be stored in any case for audit reasons.

- 2 Click **Transaction Type**, and select **Journal**.
- 3 In the Amount field type: 300.00.
- 4 Click **Find** to search for all transactions that meet these criteria.

The Find window should appear similar to the following:

DATE	TYPE	NUM	NAME	MEMO	AMOUNT
07/01/2013	GENJRNL	16	To Establish Petty Cash		300.00

- 5 Select anywhere on the journal entry number 16 (dated July 1) row, and click **Go To**.

The General Journal transaction is now displayed.

- 6 Change the bank account from WFB Operating Checking to **USB Operating Checking**, then click **Save & Close**.

A message appears to inform you that: You have changed the transaction. Do you want to record your changes?

- 7 Click **Yes** to close the message.

Use this same procedure if an entry was originally posted with an incorrect date. Recall the original transaction, amend the date instead of the amount, and save the transaction again.

- 8 Close the Find window.

Reversing General Journal Entries

To remove a General Journal entry that has already been saved, you can either void or delete it. You should always choose to void a transaction because this action will simply change the amount values to zero but otherwise leave the transaction in the records.

If you need to completely remove the transaction from the records, you can choose to delete it. However, the transaction number will not be re-used, and an audit of your records will reveal that a transaction has been deleted.



Learn the Skill

In this exercise you will reverse a previously posted General Journal entry.

You have renegotiated a loan with the bank. You would like to void the loan payment that was generated on July 18, 2013.

- 1 Click **Edit** on the menu bar, then **Find**.
- 2 Click the **Transaction Type** drop-down button, and select **Journal**.
- 3 Select the first **Date** field, and select **July 18, 2013**.
- 4 Click **Find** to search for all transactions that meet these criteria.
- 5 Select the **Loan payment** that is displayed (Journal entry number 17) and click **Go To**.
- 6 Right-click anywhere in the Make General Journal Entries window, and select **Void General Journal**.

The screenshot shows the 'Make General Journal Entries' window. The date is set to 07/18/2013 and the entry number is 17. The transaction is a voided loan payment. The table below shows the journal entry details:

ACCOUNT	DEBIT	CREDIT	MEMO	NAME	BILL
L/T - Term Loan	0.00		VOID: Loan Payment		
Cash:WFB Operating Checking		0.00	Loan Payment		
Totals	500.00	500.00			

Buttons at the bottom include 'Save & Close', 'Save & New', and 'Clear'.

You can also void the transaction by selecting **Edit, Void General Journal** from the menu bar.

- 7 Click **Save & Close**.
- 8 Click **Yes** to close the changed transaction message.
- 9 Close the Find window.
- 10 We still have a memorized transaction for the voided loan payment, which will have to be deleted. Click **Lists, Memorized Transaction List** on the menu bar.

The screenshot shows the 'Memorized Transaction List' window with the following data:

TRANSACTION NAME	TYPE	SOURCE ACCOUNT	AMOUNT	FREQUENCY	AUTO	NEXT DATE
LRS Property Management (1099)	Check	Cash:USB Operating Chec	1,500.00	Monthly		08/01/2013
Monthly Insurance Cost	General Journal	Insurance Expense:Genera..	150.00	Monthly	✓	08/01/2013
Term Loan Payment	General Journal	L/T - Term Loan	500.00	Monthly		08/19/2013

Buttons at the bottom include 'Memorized Transaction' and 'Enter Transaction'.

- 11 Right-click the Term Loan Payment and select **Delete Memorized Transaction**.
- 12 Click **OK** in the Delete Memorized Transaction window.
- 13 Close the Memorized Transaction List window.

General Journal Report



Learn the Skill

In this exercise, you will learn how to generate a general journal report, review the entries that have been posted, and check that QuickBooks has made the necessary adjustments for the correction shown above.

- 1 Select **Reports, Accountant & Taxes, Journal** from the menu bar.

The Journal report is immediately generated and displayed on screen. By default, it chooses the current month for the report. For this exercise, the report dates must be changed to July 2013 because the transactions were entered for those dates.

- 2 At the top of the Journal report window, in the **Dates** field, select **Custom**, change the **From** date to **July 1, 2013** and the **To** date to **July 31, 2013**.
- 3 Click **Refresh** to display the data.
- 4 Click **Print, Report** at the top of the Journal report window to print the report.
- 5 If necessary, click **OK** if any message is displayed.
- 6 In the Print Reports dialog box, click **Print**.
- 7 Compare with the following report by scrolling down to view these transactions:

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
							7,096.61	7,096.61
207	General Journal	07/01/2013	15		Transfer from:	WFB Operating Checking	5,000.00	
					Transfer to:	USB Operating Checking		5,000.00
							5,000.00	5,000.00
208	General Journal	07/01/2013	16		To Establish	Petty Cash	300.00	
					To Establish	USB Operating Checking		300.00
							300.00	300.00
209	General Journal	07/15/2013	17		VOID Loan	L/T - Term Loan	0.00	
					Loan payment	USB Operating Checking		0.00
							0.00	0.00
210	Check	07/01/2013		LRS Property Man.	July rent	USB Operating Checking	1,500.00	1,500.00
				LRS Property Man.	July rent	Renf Expense	1,500.00	1,500.00
211	General Journal	07/01/2013	18		Monthly port.	General Liability	150.00	
					Monthly port.	Prepaid Insurance		150.00
							150.00	150.00
TOTAL							16,092.61	16,092.61

Look at Journal entry 16 which shows the adjusted Petty Cash entry (change of bank account) and Journal entry 17 which was the voided loan payment.

- 8 Close the Journal report window.

The following message may display because you had made a change to one of the report selection criteria.



- 9 If necessary, click to select the check box and click **No** to close this message.

Backing Up QuickBooks Data Files

Backups should be done every time you complete a work session where you have made changes of any sort to the QuickBooks data. The importance of backups cannot be over-emphasized. Hard disk drives do crash and data files do become corrupted. Imagine having to re-enter a whole year's work because a backup wasn't done—it has happened!

Using QuickBooks Backup allows you to stay with the original file as opposed to using **Create Copy**, which saves the data as a new file. QuickBooks contains a feature to schedule regular backups. For more information, search *back up* in the Help index, and select the topic **Schedule Backups**.

It is recommended that you add the date of the backup to the filename. This allows you to keep multiple versions of the backup file on the same disk—if you encounter problems with your most recent backup, then you can select an older backup version.

With today's new technology, a backup is best done using a portable hard drive, DVD disc, CD disc or USB flash drive, and stored away from the company's location. Although no storage media are guaranteed to preserve their contents for a very long period of time, these types are fairly reliable. This exercise uses the local hard drive for demonstration purposes only.

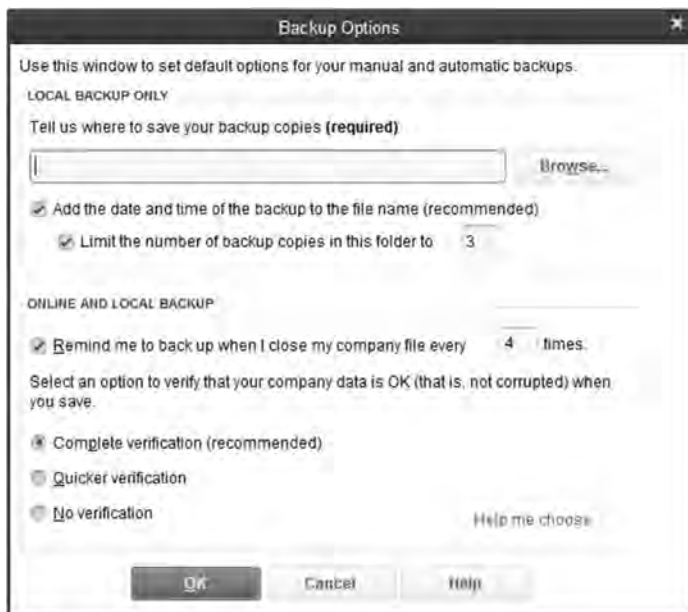
Backup files are compressed before they are copied, thus taking less space on your disk. If you wish to use your backup file for any reason, select **File, Open or Restore Company** from menu bar or **Open or restore an existing company** from the No Company Open window selections.



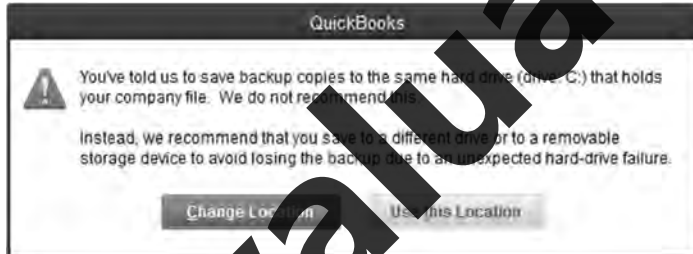
Learn the Skill

In this exercise you will learn to create a Backup copy of the data file.

- 1 Click **File** from the menu bar, and then select **Back Up Company, Create Local Backup**.
- 2 Since this is the first time you will be backing up the data file, select the **Options** button to specify the location for the backup.

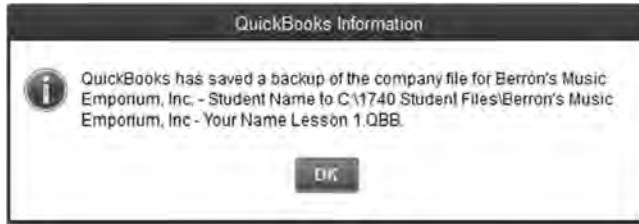


- 3 Click the **Browse** button to choose the location for backup, ensure the check boxes for date and time and number limits are selected, and select the **Complete verification** option button. You may set the number of backup files you prefer. You may also select to have the program remind you about backing up the file every so often (indicating frequency, etc.).
- 4 Click **OK** to proceed. If you are backing up to the local hard drive, the next warning message will appear. To continue to use the hard drive click **Use this Location**.



- 5 If available insert a USB flash drive into the computer, click **Change Location** and select that drive as the backup destination for your file, if not use the local hard drive.
- 6 In the Create Backup window, click **Next**.
- 7 Select **Save it now**, and then **Next**
- 8 In the Save Backup Copy window, if necessary select the desired location, and in the File name field type: Bennon's Music Emporium Inc. - Your Name Lesson 1.
- 9 Click **Save** to save and close the window.

The following message confirming the backup and the relevant information regarding the location and the name of the file will appear.



- 10 Click **OK** to acknowledge that the backup is complete.

Lesson Summary

In this lesson, you learned about the basic functions and features of QuickBooks Premier. In particular, you learned how to:

- manage QuickBooks files
- open and restore QuickBooks files
- explain the QuickBooks screen components
- understand the Chart of Accounts
- create, modify, find, edit and delete general ledger (GL) accounts
- work with QuickBooks Preferences
- find and amend the company information
- input dates into QuickBooks
- input, adjust, and delete General Journal transactions
- create, recall and delete memorized transactions
- produce a General Journal report
- back up company data files

Practice the Skill

The following additional exercise covers many of the items discussed in this Lesson. The Practice the Skill exercises are included as extra practice and may be completed by the students in class or on their own. Your instructor has access to the Answer Key for these exercises.

- Create the following new account:

Type	Expense	
Name	License	
Subaccount	Yes	
	Vehicle Expense	
Description	Annual vehicle license	
- Create and process the following memorized transaction:

Date	July 5, 2013	
Account	Owners Draw	Debit: 500.00
Account	USB Operating Checking	Credit: 500.00
Memo	Weekly draw	
Name	Owner's Draw	
Automatically	Weekly	
Next Date	July 12, 2013	

3. Delete the following Accounts:
 - Merchant Account Fees
 - Cash Over or Short
4. Create the following General Journal entry:

Date	July 5, 2013		
Account	Chase Payroll Checking	Debit:	500.00
Account	USB Operating Checking	Credit:	500.00
Memo	Transfer of funds		
5. Backup the data file as: Berron's Music Emporium - Your Name Lesson 1 Practice.

Review Questions

1. Name five items that can be found on the Lists menu.
2. Where is a good location to save a backup copy of your QuickBooks company data?
3. Which menu option would you access to change your company's address or name?
4. List the different ways you can access a command within QuickBooks.
5. Why would you want to create a backup copy of your company data?
6. How do you open an existing set of data files?
7. What are the two different ways of creating accounts in QuickBooks?
8. What conditions need to exist before you can delete an account in QuickBooks?
9. The General Journal is used to input bookkeeping transactions that do not obviously fit into one of the other modules.
 - a. True
 - b. False
10. Once you have posted a General Journal entry, the only way to adjust it is to void the original entry, and then create a new transaction.
 - a. True
 - b. False
11. What report is used to print the General Journal transactions posted between specific dates?