

Table of Contents

Introduction 1

About QuickBooks	1
About This Book.....	2
What You Can Safely Ignore	2
What You Should Not Ignore (Unless You're a Masochist)	3
Three Foolish Assumptions	4
How This Book Is Organized.....	4
Part I: Quickly into QuickBooks.....	5
Part II: Daily Entry Tasks	5
Part III: Stuff You Do from Time to Time.....	5
Part IV: Housekeeping Chores	5
Part V: The Part of Tens.....	5
Part VI: Appendixes.....	6
Conventions Used in This Book	6

Part 1: Quickly into QuickBooks 9

Chapter 1: QuickBooks: The Heart of Your Business11

Why QuickBooks?	11
Why you need an accounting system	12
What QuickBooks does.....	12
What Explains QuickBooks' Popularity?	14
What's Next, Dude?	15
How to Succeed with QuickBooks	16
Budget wisely, Grasshopper	16
Don't focus on features.....	16
Outsource payroll.....	18
Get professional help	18
Use both the profit and loss statement and the balance sheet.....	19

Chapter 2: Answering Mr. Wizard21

Getting Ready for the Big Interview.....	21
The big decision	22
The trial balance of the century	23
The mother of all scavenger hunts.....	26
Doing the EasyStep Interview.....	27
Tip 1: Get to know the interview protocol	29
Tip 2: Take your time	30
Tip 3: Get industry-specific advice.....	30

Tip 4: Accept the suggested filename and location	31
Tip 5: Go with the suggested chart of accounts.....	31
Tip 6: Consider tracking all your expenses with your checkbook	32
Tip 7: Add accounts you need	34
The Rest of the Story	34
Should you get your accountant's help?	35

Chapter 3: Populating the QuickBooks Lists 37

The Magic and Mystery of Items	37
Adding items you might include on invoices.....	39
Creating other wacky items for invoices.....	46
Editing items	49
Adding Employees to Your Employee List	50
Customers Are Your Business	52
It's Just a Job.....	55
Adding Vendors to Your Vendor List	58
The Other Lists.....	62
The Fixed Asset list	62
The Price Level list.....	63
The Sales Tax Code list	63
The Class list.....	64
The Other Names list	64
The Sales Rep list	65
Customer, Vendor, and Job Types list.....	65
The Terms list	65
The Customer Message list	66
The Payment Method list	66
The Ship Via list.....	66
The Vehicle list	66
The Memorized Transaction list	67
The Reminders list	67
Organizing and Printing Lists	67
Jotting down notes for list items	68
Printing lists	68
Exporting List Items to Your Word Processor	69
Dealing with the Chart of Accounts List	69
Describing vendor balances	70
Camouflaging some accounting goofiness	70
Supplying the missing numbers	75
Checking your work one more time	77

Part 11: Daily Entry Tasks 79

Chapter 4: Creating Invoices and Credit Memos 81

Making Sure That You're Ready to Invoice Customers	81
Preparing an Invoice.....	82

Fixing Invoice Mistakes	88
If the invoice is still displayed on-screen	88
If the invoice isn't displayed on-screen	89
Deleting an invoice	89
Preparing a Credit Memo	90
Fixing Credit Memo Mistakes	94
Printing Invoices and Credit Memos	94
Loading the forms into the printer	94
Setting up the invoice printer	95
Printing invoices and credit memos as you create them	97
Printing invoices in a batch	99
Printing credit memos in a batch	101
Sending Invoices and Credit Memos via E-Mail	102
Customizing Your Invoices and Credit Memos	103

Chapter 5: Reeling In the Dough107

Recording a Sales Receipt	108
Printing a Sales Receipt	112
Special Tips for Retailers	114
Correcting Sales Receipt Mistakes	115
Recording Customer Payments	116
Correcting Mistakes in Customer Payments Entries	120
Improving Your Cash Inflow	124
Tracking what your customers owe	124
Assessing finance charges	125
Dealing with deposits	129

Chapter 6: Paying the Bills133

Pay Now or Pay Later?	133
Recording Your Bills by Writing Checks	134
The slow way to write checks	134
The fast way to write checks	140
Recording Your Bills the Accounts Payable Way	142
Recording your bills	142
Entering your bills the fast way	146
Deleting a bill	148
Remind me to pay that bill, will you?	149
Paying Your Bills	150
Tracking Vehicle Mileage	154
Paying the Sales Tax	155
A Quick Word on the Vendor Center Window	156

Chapter 7: Inventory Magic157

Setting Up Inventory Items	157
When You Buy Stuff	159
Recording items that you pay for up front	159
Recording items that don't come with a bill	159



Paying for items when you get the bill	161
Recording items and paying the bill all at once	163
When You Sell Stuff	164
How Purchase Orders Work.....	164
Choosing a purchase order form.....	165
Filling out a purchase order	166
Checking up on purchase orders	169
Receiving purchase order items	169
Assembling a Product.....	170
Identifying the components	170
Building the assembly.....	171
Time for a Reality Check	172
Dealing with Multiple Inventory Locations.....	173
Manually keep separate inventory-by-location counts	173
Use different item numbers for different locations.....	174
One more thought	174
The Lazy Person's Approach to Inventory	174
How periodic inventory systems work in QuickBooks	174
The good and bad of a periodic inventory	175
Chapter 8: Keeping Your Checkbook	177
Writing Checks.....	177
Writing checks from the Write Checks window.....	177
Writing checks from the Checking register	179
Changing a check that you've written	181
Packing more checks into the register	181
Depositing Money into a Checking Account.....	183
Recording simple deposits.....	183
Depositing income from customers	184
Transferring Money between Accounts	187
Setting up a second bank account	187
About the other half of the transfer.....	188
Changing a transfer that you've already entered.....	190
To Delete or to Void?	190
Handling NSF Checks from Customers	191
The Big Register Phenomenon	192
Moving through a big register	192
Finding that darn transaction	193
Chapter 9: Paying with Plastic	195
Tracking Business Credit Cards	195
Setting up a credit card account	196
Selecting a credit card account so that you can use it.....	198
Entering Credit Card Transactions	198
Recording a credit card charge	198
Changing charges that you've already entered	202

Reconciling Your Credit Card Statement and Paying the Bill	202
So What about Debit Cards?	203
So What about Customer Credit Cards?	204

***Part III: Stuff You Do from Time to Time*207**

Chapter 10: Printing Checks209

Getting the Printer Ready	209
Printing a Check	213
A few words about printing checks	213
Printing a check as you write it	213
Printing checks by the bushel	216
What if I make a mistake?	218
Oh where, oh where do unprinted checks go?	220
Printing a Checking Register	220

Chapter 11: Payroll223

Getting Ready to Do Payroll without QuickBooks' Help	223
Getting Ready to Do Payroll with QuickBooks	224
Doing Taxes the Right Way	225
Getting an employer ID number	225
Having employees do their part	226
Paying Your Employees	226
Paying Payroll Liabilities	228
Paying tax liabilities if you use the Assisted or Complete Payroll service	228
Paying tax liabilities if you use the Standard or Enhanced Payroll service	228
Paying other non-tax liabilities	229
Preparing Quarterly Payroll Tax Returns	230
Using the QuickBooks Assisted Payroll service	230
Using the QuickBooks Standard Payroll service	230
Filing Annual Returns and Wage Statements	231
Using the QuickBooks Assisted Payroll service	232
Using the QuickBooks Standard or Enhanced Payroll service	232
The State Wants Some Money, Too	232

Chapter 12: Building the Perfect Budget235

Is This a Game You Want to Play?	235
All Joking Aside: Some Basic Budgeting Tips	236
A Budgeting Secret You Won't Learn in College	237
Setting Up a Secret Plan	238
Adjusting a Secret Plan	241
Projecting Cash Flows	241
Using the Decision Tools	242
Using the Other Planning and Analysis Tools	242

Chapter 13: Online with QuickBooks243

Doing the Electronic Banking Thing	243
So what's the commotion about?	243
A thousand reasons not to bank online.....	244
Making sense of online banking.....	246
Signing up for the service.....	247
Making an online payment	247
Transferring money electronically	249
Changing instructions.....	250
Transmitting instructions.....	250
Balancing an online account	252
Message in a bottle	253
A Quick Review of the Other Online Opportunities	254

Part IV: Housekeeping Chores255**Chapter 14: The Balancing Act257**

Balancing a Non-Online Bank Account	257
Giving QuickBooks information from the bank statement.....	258
Marking cleared checks and deposits	260
Eleven Things to Do If Your Non-Online Account Doesn't Balance	264
Balancing an Online Bank Account.....	267

Chapter 15: Reporting on the State of Affairs269

What Kinds of Reports Are There, Anyway?	269
Creating and Printing a Report.....	272
Visiting the report dog-and-pony show	275
Editing and rearranging reports	275
Reports Made to Order	278
Processing Multiple Reports	281
Last but Not Least: The QuickReport	281

Chapter 16: Job Estimating, Billing, and Tracking283

Turning On Job Costing.....	283
Setting Up a Job.....	284
Creating a Job Estimate.....	285
Revising an Estimate.....	287
Turning an Estimate into an Invoice.....	288
Comparing Estimated Item with Actual Item Amounts	289
Charging for Actual Time and Costs	290
Tracking Job Costs.....	291

Chapter 17: File Management Tips293

Backing Up Is (Not That) Hard to Do	293
Backing up the quick-and-dirty way	294
Getting back the QuickBooks data you've backed up	297

Accountant's Review	299
Working with Portable Files	300
Using an Audit Trail	301
Using a Closing Password	301

Chapter 18: Fixed Assets and Vehicle Lists303

What Is Fixed Assets Accounting?	303
Fixed Assets Accounting in QuickBooks	305
Setting Up a Fixed Asset List	305
Adding items to the Fixed Asset list	305
Adding fixed asset items on the fly	308
Editing items on the Fixed Asset list	308
Tracking Vehicle Mileage	309
Identifying your vehicles	310
Recording vehicle miles	311
Using the vehicle reports	313
Updating vehicle mileage rates	313

Part V: The Part of Tens315

Chapter 19: (Almost) Ten Tips for Business Owners317

Sign All Your Own Checks	317
Don't Sign a Check the Wrong Way	318
Review Canceled Checks before Your Bookkeeper Does	318
Choose a Bookkeeper Who Is Familiar with Computers and Knows How to Do Payroll	319
Choose an Appropriate Accounting System	319
If QuickBooks Doesn't Work for Your Business	320
Keep Things Simple	320

Chapter 20: Tips for Handling (Almost) Ten Tricky Situations321

Selling an Asset	322
Selling a Depreciable Asset	323
Owner's Equity in a Sole Proprietorship	323
Owner's Equity in a Partnership	324
Owner's Equity in a Corporation	325
Multiple-State Accounting	325
Getting a Loan	326
Repaying a Loan	326

Chapter 21: (Almost) Ten Secret Business Formulas329

The First "Most Expensive Money You Can Borrow" Formula	330
The Second "Most Expensive Money You Can Borrow" Formula	332
The "How Do I Break Even?" Formula	332

The “You Can Grow Too Fast” Formula	335
How net worth relates to growth	335
Calculating sustainable growth	336
The First “What Happens If . . .?” Formula	337
The Second “What Happens If . . .?” Formula	339
The Economic Order Quantity (Isaac Newton) Formula	341
The Rule of 72	343

***Part VI: Appendixes*.....345**

Appendix A: Installing Quickbooks in Ten Easy Steps347

Appendix B: If Numbers Are Your Friends351

Keying In on Profit.....	351
Let me introduce you to the new you.....	351
The first day in business	352
Look at your cash flow first	352
Depreciation is an accounting gimmick	353
Accrual-basis accounting is cool.....	354
Now you know how to measure profits	355
Some financial brain food.....	356
In the Old Days, Things Were Different	356
What Does an Italian Monk Have to Do with Anything?.....	359
And now for the blow-by-blow.....	361
Blow-by-blow, part II	364
How does QuickBooks help?.....	366
Two Dark Shadows in the World of Accounting.....	366
The first dark shadow	367
The second dark shadow	368
The Danger of Shell Games	368

Appendix C: Sharing QuickBooks Files371

Sharing a QuickBooks File on a Network	371
User permissions	372
Record locking	373
Installing QuickBooks for Network Use.....	374
Setting Up User Permissions	375
Specifying Multi-User Mode	377
Working in Multi-User Mode	378

***Index*.....379**