
QuickBooks 2009 Student Guide

Getting Started

Lesson 1



Lesson Objectives

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

Using Forms

You record most of your daily business transactions on a QuickBooks form, which looks just like a paper form.

But after you provide the information on a QuickBooks form, QuickBooks does the accounting for you in the background.

Enter Bills

Previous Next Find History Journal

Bill Credit Bill Received

Bill

Vendor Lew Plumbing Date 12/15/2008

Address Lew Plumbing
221 Old Bayshore Rd
Bayshore CA 94326 Ref. No. 2001

Amount Due 175.00

Bill Due 12/30/2008

Terms Net 15 Discount Date

Memo

Expenses \$175.00 Items \$0.00

Account	Amount	Memo	C...	Billable?
Repairs:Buildin...	175.00	Partial paid with barter		

Clear Splits Recalculate Save & Close Save & New Clear

Notes

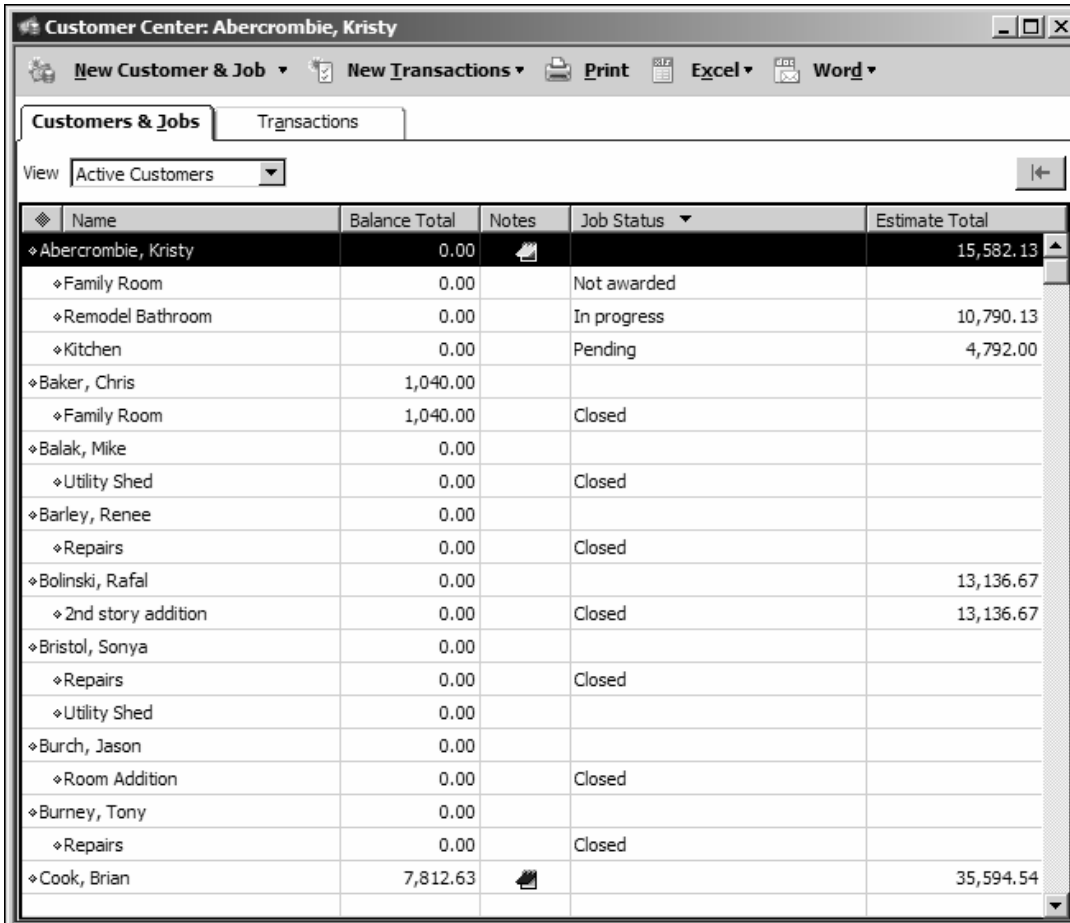
Using Lists

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

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

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

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



The screenshot shows the 'Customer Center: Abercrombie, Kristy' window. The 'Customers & Jobs' tab is active, and the view is set to 'Active Customers'. The table below lists various jobs and their associated costs and estimates.

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

Notes

Using Registers

Registers contain a record of all the activity in one account.

Just as you use your paper checkbook register to see a record of all the transactions in your checking account—checks you’ve written, other withdrawals you’ve made from your account, and deposits—a QuickBooks register contains a record of all the activity in one account. Almost every QuickBooks account has its own register.

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

Date	Number	Customer	Item	Qty	Rate	Amt Chrg	Amt Paid
	Type	Description				Billed Date	Due Date
12/15/2008	76	Cook, Brian:Kitchen				1,636.69	
	INV						01/14/2009
12/15/2008	88	Morgenthaler, Jenny				271.53	
	INV						01/14/2009
12/15/2008	92	Duncan, Dave:Utility Shed				1,600.00	
	INV						01/14/2009
12/15/2008	42000	Natiello, Ernesto:Kitchen					13,560.39
	PMT						

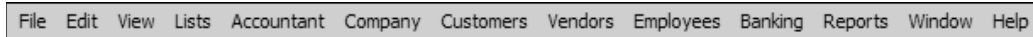
1-Line Show open balance Ending balance 62,041.94

Sort by:

Notes

Getting Around in QuickBooks

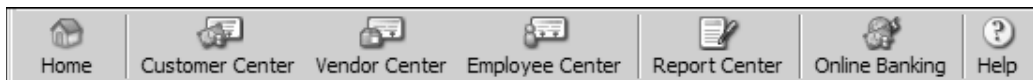
- Manage your open windows: QuickBooks displays one window at a time.
- Using the menu bar: You can find all commands on the menu bar.



- Using the icon bar: The icon bar allows you to manage your business more quickly.



- Using the navigation bar: The navigation bar provides quick access to the Centers.



- Making the Home page your starting point: The Home page provides a graphical representation of the workflow, organized into logical groups.

Notes

All the Accounting You Need to Know

About the chart of accounts:

- Chart of accounts
 - The chart of accounts is a complete list of your business' accounts and their balances
- When you keep books for a company, you want to track:
 - Where the income comes from
 - Where you put it
 - What the expenses are for
 - And what you use to pay them
- You track this flow of money through the chart of accounts

Name	Type	Balance Total
◊Checking	Bank	45,423.98
◊Savings	Bank	13,868.42
◊Accounts Receivable	Accounts Receivable	62,041.94
◊Tools & Equipment	Other Current Asset	5,000.00
◊Employee Loans	Other Current Asset	0.00
◊Inventory Asset	Other Current Asset	26,926.43
◊Retainage	Other Current Asset	2,461.80
◊Undeposited Funds	Other Current Asset	2,124.00
◊Trucks	Fixed Asset	24,852.91
◊Original Cost	Fixed Asset	33,852.91
◊Depreciation	Fixed Asset	-9,000.00
◊Pre-paid Insurance	Other Asset	1,041.85
◊Accounts Payable	Accounts Payable	30,914.38
◊QuickBooks Credit Card	Credit Card	70.00

Notes

All the Accounting You Need to Know

About assets, liabilities, and equity:

- Assets
 - Include what you have and what people owe you
 - The money people owe you is called your accounts receivable, or A/R for short. QuickBooks uses an accounts receivable account to track the money owed you.
 - The rest of your company's assets may include checking accounts, savings accounts, petty cash, fixed assets (such as equipment or trucks), inventory, and undeposited funds

- Liabilities
 - What your company owes to other people
 - The money you owe for unpaid bills is your accounts payable, or A/P for short. QuickBooks uses an accounts payable account to track the money you owe different people for bills.
 - A liability can be a formal loan, an unpaid bill, or sales and payroll taxes you owe to the government.

- Equity
 - Equity is the difference between what you have and what you owe
 - $\text{Equity} = \text{Assets} - \text{Liabilities}$

Notes

All the Accounting You Need to Know

Cash versus accrual bookkeeping:

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

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

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

Notes

All the Accounting You Need to Know

Measuring business profitability

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

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

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

Notes

All the Accounting You Need to Know

General journal transactions:

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

2:14 PM
12/15/07

Rock Castle Construction
Transaction Journal
All Transactions

Name	Memo	Item	Item Description	Account	Class	Sales Price	Debit	Credit
▶ Daigle Lighting				Purchase Orders				65.00
Violette, Mike.Work...		Fluoresc...	Fluorescent Lights	Job Materials		65.00	65.00	
							65.00	65.00
							<u>65.00</u>	<u>65.00</u>

Notes

Exiting QuickBooks

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

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

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

- To make a backup copy, from the File menu, choose **Save Copy or Back Up**.

Notes

Lesson 1: Getting started

Review questions

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

_____, _____,

2. List three ways to access features in QuickBooks.

_____, _____,

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

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

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

5. Which of the following is an asset?

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

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

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

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

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

Review activities

1. Run the Balance Sheet Standard report from the Reports menu.
2. Use the Report Center to generate the Profit and Loss Standard report.
3. Open the Vendor Center and select Cal Gas & Electric. Open the journal entry for the check dated 11/25/2007. How much is the amount in the Debit column and to which account is it assigned? How much is the amount in the Credit column and to which account is it assigned?

Answers to review questions

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

Forms, lists, registers

2. List three ways to access features in QuickBooks.

Menu bar, Icon Bar, Centers, Home page, Navigation bar

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

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

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

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

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