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# QuickBooks 2009 Student Guide

## Getting Started

### Lesson 1



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## 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

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# 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

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## Notes

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# 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.

**Customer Center: Abercrombie, Kristy (All Transactions)**

View: Active Customers | Find: [ ]

**Customers & Jobs**

Name	Balance Total
↳ Abercrombie, Kristy	0.00
↳ Family Room	0.00
↳ Kitchen	0.00
↳ Remodel Bathroom	0.00
↳ Baker, Chris	1,040.00
↳ Family Room	1,040.00
↳ Balak, Mike	0.00
↳ Utility Shed	0.00
↳ Barley, Renee	0.00
↳ Repairs	0.00
↳ Bolinski, Rafal	0.00
↳ 2nd story addition	0.00
↳ Bristol, Sonya	0.00
↳ Utility Shed	0.00
↳ Repairs	0.00

**Customer Information** | Edit Customer...

Customer Name: Abercrombie, Kristy | Contact: Kristy Abercrombie  
Customer Type: Residential | Phone: 415-555-6579  
Company Name: | Alt Phone: |  
Billing Address: Kristy Abercrombie | Fax: |  
5647 Cypress Hill Rd | Email: kristy@samplename...  
Bayshore CA 94326 | Terms: Net 30

Reports for this Customer: QuickReport, Open Balance, Show Estimates

Show: All Transa... | Filter By: All | Date: This Fiscal... | 10/01/2007 - 09/30/2008

Type	Num	Date	Account	Amount
Invoice	81	12/13/2007	Accounts Receivable	4,522.00
Payment		12/13/2007	Checking	7,633.28
Estimate	24-CO	12/12/2007	Estimates	7,676.13
Estimate	32	12/01/2007	Estimates	4,792.00
Invoice	80	11/25/2007	Accounts Receivable	3,111.28
Check	246	11/15/2007	Checking	-711.15
Credit Memo	1	11/15/2007	Accounts Receivable	-711.15
Estimate	21	10/30/2007	Estimates	3,114.00

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## Notes

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# 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: Date, Type, Number/...    **Record**    Restore

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## Notes

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# 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 and 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.
- Getting an overview of your company: The Company Snapshot gives you real-time information about how your company is doing and provides a location where you can keep track of the tasks you need to perform.

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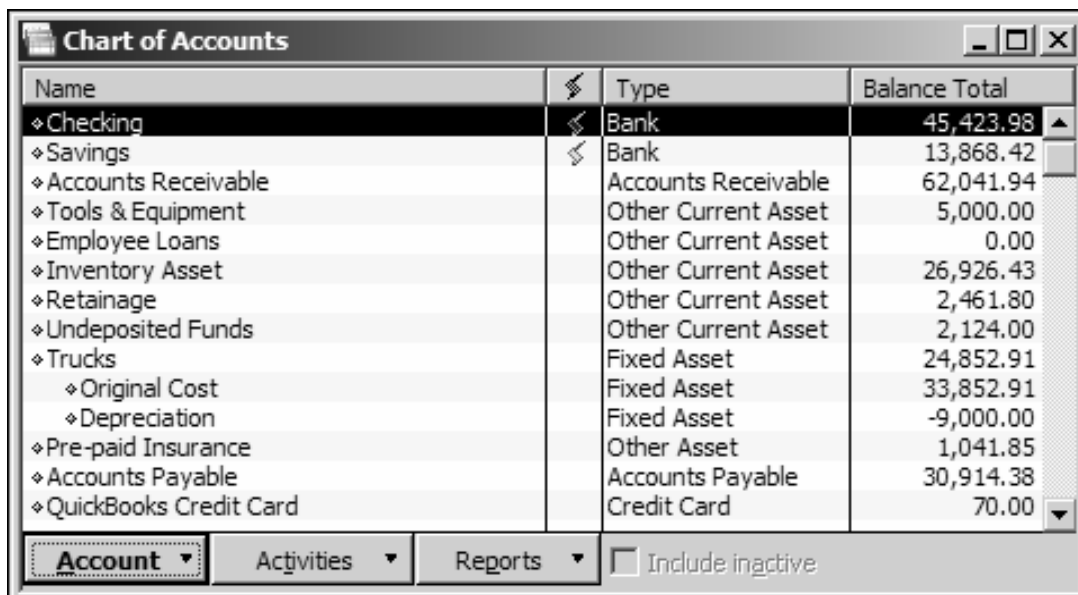
## Notes

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# 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

Account    Activities    Reports     Include inactive

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## Notes

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# 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
  - $\text{Equity} = \text{Assets} - \text{Liabilities}$

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## Notes

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# 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.

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## Notes

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# 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

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## Notes

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# 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>

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## Notes

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## 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**.

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## Notes

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# 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

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## 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?

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## 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*

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*
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