

Contents at a Glance

<i>Introduction</i>	1
<i>Part I: Quickly into QuickBooks</i>	9
Chapter 1: QuickBooks: The Heart of Your Business	11
Chapter 2: Answering Mr. Wizard.....	21
Chapter 3: Populating QuickBooks Lists	37
<i>Part II: Daily Entry Tasks</i>	81
Chapter 4: Creating Invoices and Credit Memos	83
Chapter 5: Reeling In the Dough	107
Chapter 6: Paying the Bills.....	131
Chapter 7: Inventory Magic	155
Chapter 8: Keeping Your Checkbook	175
Chapter 9: Paying with Plastic	193
<i>Part III: Stuff You Do from Time to Time</i>	203
Chapter 10: Printing Checks	205
Chapter 11: Payroll	217
Chapter 12: Building the Perfect Budget	229
Chapter 13: Online with QuickBooks	237
<i>Part IV: Housekeeping Chores</i>	249
Chapter 14: The Balancing Act.....	251
Chapter 15: Reporting on the State of Affairs	261
Chapter 16: Job Estimating, Billing, and Tracking.....	275
Chapter 17: File Management Tips	285
Chapter 18: Fixed Assets and Vehicle Lists.....	297
<i>Part V: The Part of Tens</i>	309
Chapter 19: (Almost) Ten Tips for Business Owners.....	311
Chapter 20: Tips for Handling (Almost) Ten Tricky Situations	315
Chapter 21: (Almost) Ten Secret Business Formulas.....	323

<i>Part VI: Appendixes</i>	339
Appendix A: Installing QuickBooks in Ten Easy Steps.....	341
Appendix B: If Numbers Are Your Friends	345
Appendix C: Sharing QuickBooks Files	363
<i>Index</i>	371

Table of Contents

***Introduction* 1**

About QuickBooks.....	1
About This Book.....	2
What You Can Safely Ignore.....	3
What You Should Not Ignore.....	3
(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 I: Quickly into QuickBooks* 9**

Chapter 1: QuickBooks: The Heart of Your Business 11

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.....	17
Outsource payroll.....	18
Get professional help.....	19
Use both the profit and loss statement and the balance sheet.....	19

Chapter 2: Answering Mr. Wizard 21

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.....	33
Telling the Rest of the Story.....	34
Determining Whether to Get Your Accountant's Help	35

Chapter 3: Populating QuickBooks Lists 37

The Magic and Mystery of Items	37
Adding items you might include on invoices	38
Creating other wacky items for invoices	47
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.....	59
The Other Lists	63
The Fixed Asset list.....	63
The Price Level list	64
The Sales Tax Code list	65
The Class list	65
The Other Names list.....	66
The Sales Rep list.....	66
The Customer, Vendor, and Job Types list	66
The Terms list	67
The Customer Message list	67
The Payment Method list.....	67
The Ship Via list.....	67
The Vehicle list.....	68
The Memorized Transaction list.....	68
The Reminders list.....	68
Organizing and Printing Lists.....	69
Printing lists.....	69
Exporting List Items to Your Word Processor.....	70
Dealing with the Chart of Accounts List.....	70
Describing customer balances.....	70
Describing vendor balances	71
Camouflaging some accounting goofiness.....	71
Supplying the missing numbers.....	77
Checking your work one more time	78

Part II: Daily Entry Tasks 81**Chapter 4: Creating Invoices and Credit Memos 83**

Making Sure That You're Ready to Invoice Customers	83
Preparing an Invoice	84
Fixing Invoice Mistakes	90
If the invoice is still displayed on-screen.....	90
If the invoice isn't displayed on-screen	91
Deleting an invoice	91
Preparing a Credit Memo.....	92
Fixing Credit Memo Mistakes.....	96
Printing Invoices and Credit Memos.....	96
Loading the forms into the printer.....	96
Setting up the invoice printer	97
Printing invoices and credit memos as you create them	99
Printing invoices in a batch.....	100
Printing credit memos in a batch	102
Sending Invoices and Credit Memos by E-Mail.....	103
Customizing Your Invoices and Credit Memos	104

Chapter 5: Reeling In the Dough 107

Recording a Sales Receipt	107
Printing a Sales Receipt	112
Special Tips for Retailers.....	113
Correcting Sales Receipt Mistakes	115
Recording Customer Payments	116
Correcting Mistakes in Customer Payment Entries	120
Making Bank Deposits.....	121
Improving Your Cash Inflow.....	124
Tracking the amounts your customers owe.....	124
Assessing finance charges	126
Dealing with deposits.....	130

Chapter 6: Paying the Bills 131

Pay Now or Pay Later?	131
Recording Your Bills by Writing Checks	132
The slow way to write checks	132
The fast way to write checks.....	138
Recording Your Bills the Accounts Payable Way.....	140
Recording your bills	140
Entering your bills the fast way	144
Deleting a bill.....	146
Remind me to pay that bill, will you?	147

Paying Your Bills.....	148
Tracking Vehicle Mileage.....	152
Paying Sales Tax	153
A Quick Word on the Vendor Center Window	153

Chapter 7: Inventory Magic155

Setting Up Inventory Items.....	155
When You Buy Stuff.....	156
Recording items that you pay for up front.....	157
Recording items that don't come with a bill	157
Paying for items when you get the bill.....	159
Recording items and paying the bill all at once.....	160
When You Sell Stuff	161
How Purchase Orders Work.....	162
Choosing a purchase order form.....	162
Filling out a purchase order	164
Checking up on purchase orders.....	166
Receiving purchase order items	166
Assembling a Product	167
Identifying the components.....	167
Building the assembly	168
Time for a Reality Check.....	169
Dealing with Multiple Inventory Locations	170
Manually keep separate inventory-by-location counts.....	171
Use different item numbers for different locations	171
The Lazy Person's Approach to Inventory.....	171
How periodic inventory systems work in QuickBooks	172
The good and bad of a periodic inventory	173

Chapter 8: Keeping Your Checkbook175

Writing Checks.....	175
Writing checks from the Write Checks window.....	175
Writing checks from the Checking register	177
Changing a check that you've written.....	179
Packing more checks into the register.....	179
Depositing Money into a Checking Account	181
Recording simple deposits	181
Depositing income from customers	182
Transferring Money between Accounts	184
Setting up a second bank account.....	185
About the other half of the transfer	187
Changing a transfer that you've already entered	187
To Delete or to Void?	188
Handling NSF Checks from Customers	188
The Big-Register Phenomenon.....	190
Moving through a big register.....	190
Finding that darn transaction.....	190

Chapter 9: Paying with Plastic. 193

- Tracking Business Credit Cards 193
 - Setting up a credit card account..... 193
 - Selecting a credit card account so that you can use it 195
- Entering Credit Card Transactions 196
 - Recording a credit card charge..... 197
 - Changing charges that you’ve already entered 199
- Reconciling Your Credit Card Statement and Paying the Bill..... 200
- So, What about Debit Cards? 201
- So, What about Customer Credit Cards? 201

Part III: Stuff You Do from Time to Time 203

Chapter 10: Printing Checks 205

- Getting the Printer Ready 205
- Printing a Check..... 208
 - A few words about printing checks 209
 - Printing a check as you write it..... 209
 - Printing checks by the bushel..... 211
 - What if you make a mistake? 213
 - Where, oh where, do unprinted checks go?..... 214
- Printing a Checking Register 214

Chapter 11: Payroll 217

- Getting Ready to Do Payroll without Help from QuickBooks 217
- Doing Taxes the Right Way 218
 - Getting an employer ID number..... 218
 - Having employees do their part..... 218
- Getting Ready to Do Payroll with QuickBooks 219
- Paying Your Employees 220
- Paying Payroll Liabilities 222
 - Paying tax liabilities if you use the full-meal-deal Payroll service..... 222
 - Paying tax liabilities if you don’t use the full-meal-deal Payroll service 222
 - Paying other nontax liabilities 223
- Preparing Quarterly Payroll Tax Returns..... 224
 - Using the QuickBooks full-meal-deal Payroll service 224
 - Using the other QuickBooks Payroll services 224
- Filing Annual Returns and Wage Statements 225
 - Using the QuickBooks full-meal-deal Payroll service 226
 - Using the QuickBooks economy Payroll services 226
- The State Wants Some Money, Too..... 226

Chapter 12: Building the Perfect Budget	229
Is This a Game You Want to Play?	229
All Joking Aside: Some Basic Budgeting Tips	230
A Budgeting Secret You Won't Learn in College.....	231
Setting Up a Secret Plan.....	232
Adjusting a Secret Plan	234
Forecasting Profits and Losses	235
Projecting Cash Flows.....	235
Using the Business Planner Tools	235
Chapter 13: Online with QuickBooks	237
Doing the Electronic Banking Thing.....	237
So what's the commotion about?	237
A thousand reasons not to bank online	238
Making sense of online banking	240
Signing up for the service	241
Making an online payment.....	241
Transferring money electronically	243
Changing instructions	244
Transmitting instructions	244
Message in a bottle.....	245
A Quick Review of the Other Online Opportunities	247
Part IV: Housekeeping Chores	249
Chapter 14: The Balancing Act	251
Balancing a Bank Account	251
Giving QuickBooks information from the bank statement	251
Marking cleared checks and deposits.....	254
Eleven Things to Do If Your Non-Online Account Doesn't Balance	258
Chapter 15: Reporting on the State of Affairs	261
What Kinds of Reports Are There, Anyway?.....	261
Creating and Printing a Report	263
Visiting the report dog-and-pony show	266
Editing and rearranging reports	267
Reports Made to Order	269
Processing Multiple Reports	271
Last but Not Least: The QuickReport	272
Chapter 16: Job Estimating, Billing, and Tracking	275
Turning On Job Costing	275
Setting Up a Job	276
Creating a Job Estimate	276
Revising an Estimate	279
Turning an Estimate into an Invoice	280

Comparing Estimated Item with Actual Item Amounts 281
 Charging for Actual Time and Costs 282
 Tracking Job Costs 284

Chapter 17: File Management Tips 285

Backing Up Is (Not That) Hard to Do 285
 Backing up the quick-and-dirty way 286
 Getting back the QuickBooks data you backed up 290
 Accountant’s Copy 294
 Working with Portable Files 294
 Using an Audit Trail 295
 Using a Closing Password 295

Chapter 18: Fixed Assets and Vehicle Lists 297

What Is Fixed Asset Accounting? 297
 Fixed Asset Accounting in QuickBooks 299
 Setting Up a Fixed Asset List 299
 Adding items to the Fixed Asset list 299
 Adding fixed asset items on the fly 302
 Editing items on the Fixed Asset list 302
 Tracking Vehicle Mileage 304
 Identifying your vehicles 304
 Recording vehicle miles 305
 Using the vehicle reports 307
 Updating vehicle mileage rates 307

Part V: The Part of Tens 309

Chapter 19: (Almost) Ten Tips for Business Owners 311

Sign All Your Own Checks 311
 Don’t Sign a Check the Wrong Way 312
 Review Canceled Checks before Your Bookkeeper Does 312
 Choose a Bookkeeper Who Is Familiar with
 Computers and Knows How to Do Payroll 312
 Choose an Appropriate Accounting System 313
 If QuickBooks Doesn’t Work for Your Business 313
 Keep Things Simple 314

Chapter 20: Tips for Handling (Almost) Ten Tricky Situations 315

Selling an Asset 316
 Selling a Depreciable Asset 316
 Owner’s Equity in a Sole Proprietorship 317
 Owner’s Equity in a Partnership 318
 Owner’s Equity in a Corporation 318
 Multiple-State Accounting 319
 Getting a Loan 320
 Repaying a Loan 320

Chapter 21: (Almost) Ten Secret Business Formulas	323
The First “Most Expensive Money You Can Borrow” Formula.....	324
The Second “Most Expensive Money You Can Borrow” Formula.....	326
The “How Do I Break Even?” Formula.....	326
The “You Can Grow Too Fast” Formula.....	329
How net worth relates to growth.....	329
How to calculate sustainable growth.....	330
The First “What Happens If . . . ?” Formula.....	331
The Second “What Happens If . . . ?” Formula.....	332
The Economic Order Quantity (Isaac Newton) Formula.....	335
The Rule of 72.....	336
Part VI: Appendixes	339
Appendix A: Installing QuickBooks in Ten Easy Steps	341
Appendix B: If Numbers Are Your Friends	345
Keying In on Profit.....	345
Let me introduce you to the new you.....	345
The first day in business.....	346
Look at your cash flow first.....	346
Depreciation is an accounting gimmick.....	347
Accrual-basis accounting is cool.....	348
Now you know how to measure profits.....	349
Some financial brain food.....	350
In the Old Days, Things Were Different.....	350
What Does an Italian Monk Have to Do with Anything?.....	353
And now for the blow-by-blow.....	355
Blow-by-blow, Part II.....	358
How does QuickBooks help?.....	360
Two Dark Shadows in the World of Accounting.....	360
The first dark shadow.....	360
The second dark shadow.....	361
The Danger of Shell Games.....	362
Appendix C: Sharing QuickBooks Files	363
Sharing a QuickBooks File on a Network.....	363
User permissions.....	363
Record locking.....	365
Installing QuickBooks for Network Use.....	365
Setting Up User Permissions.....	367
Specifying Multi-User Mode.....	370
Working in Multi-User Mode.....	370
Index	371