

QuickBooks Premier®

2010

Hands On Training For Farmers and Ranchers

Class Instructors:

DeDe Jones

Jay Yates

The logo for AgriLIFE EXTENSION features a maroon arc above the text. 'AgriLIFE' is in a grey serif font, 'EXTENSION' is in a bold maroon sans-serif font, and 'Texas A&M System' is in a smaller grey sans-serif font below it.

AgriLIFE EXTENSION
Texas A&M System

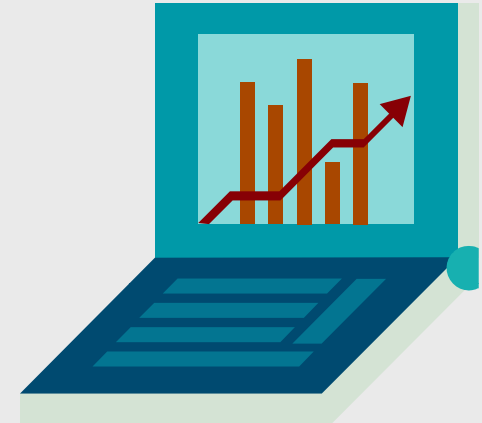
Farmers Goals for QuickBooks

- Develop Balance Sheets and Profit & Loss Statements (Income Statements).
- Develop Better Management Practices.



Advantages of QuickBooks

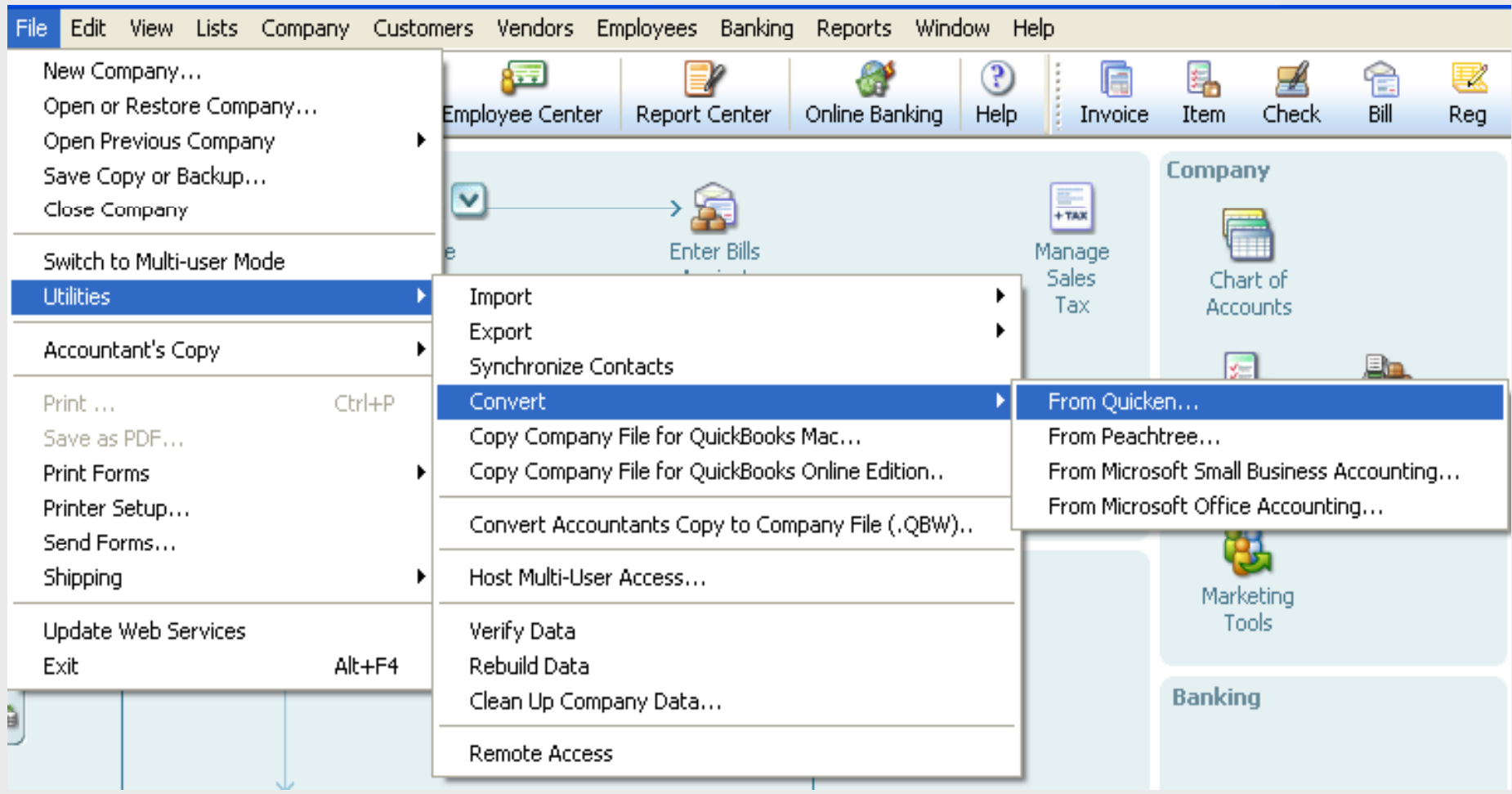
- Ease of use.
- Double entry feature allows user to create a balance sheet.
- Manages accounts payable and accounts receivable.
- Easy to reconcile & produce reports.
- Enterprise accounting.



Why Not Quicken Instead?

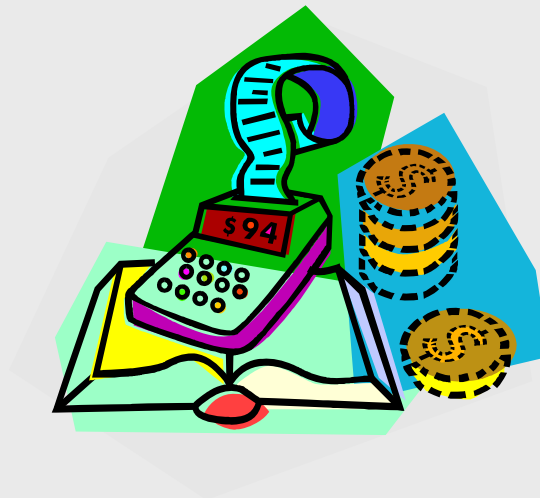
- More for personal, not business finance.
- Focused on cash flow, difficult to produce a balance sheet.
- Cannot line up income and expenses (i.e. is not accrual based).
- First stage of QuickBooks is just as easy.

QuickBooks does allow for an easy conversion from Quicken



All the Accounting You Need to Know

- Assets
- Liabilities
- Equity
- Cash
- Accrual



Cash

vs.

Accrual

- Enter expenses when you pay them.
- Enter income when it is received.
- Tax-based



- Enter a bill when it is received, not when paid.
- Enter income when it is sold, not when you receive the money.
- Management orientated

Accrual Adjusted Entries

- Provides a more accurate overall financial picture by incorporating accrual entries into cash basis numbers:
 - Accounts Receivable
 - Accounts Payable
 - Inventories
 - Prepaid Expenses



Measuring Business Profitability

- Balance Sheet
- Profit and Loss Statement (Income Statement)



The Balance Sheet



The Balance Sheet Presents

- **ASSETS** - What the business owns
- **LIABILITIES** - What the business owes (debt)
- **OWNER'S EQUITY** - What the owner is worth

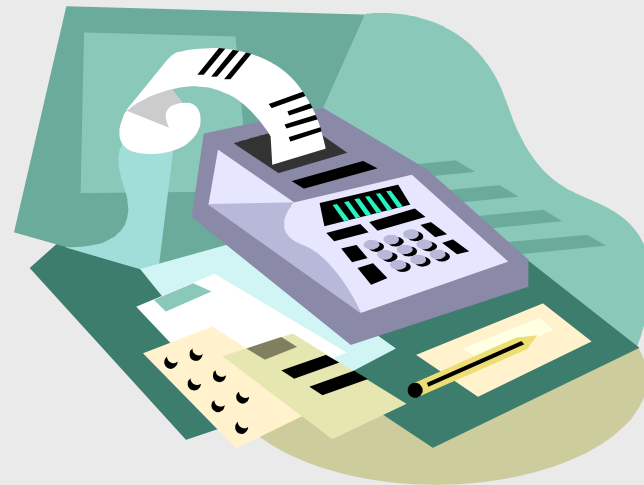
Owner's Equity = Assets - Liabilities

Balance Sheet

- Reports the business' financial position on a certain day by determining:
 - The ability to bear financial losses (risk).
 - Business wealth or equity.
 - The collateral for lenders in case of liquidation to meet debtors' obligations.
 - Information to address issues of estate planning, deferred tax obligation, generational transfer and retirement.

Balance Sheet Components

- Assets
 - Current
 - Fixed
- Liabilities
 - Current
 - Long-Term
- Equity (Net Worth)



Balance Sheet Definitions – Assets

- **Current Assets** are cash or items expected to be converted to cash in less than 12 months. EX. cash, savings, accounts receivable, inventory, stockers.
- **Fixed Assets** are not expected to be converted to cash during the normal course of the business year. EX. breeding stock, machinery, vehicles, and land.



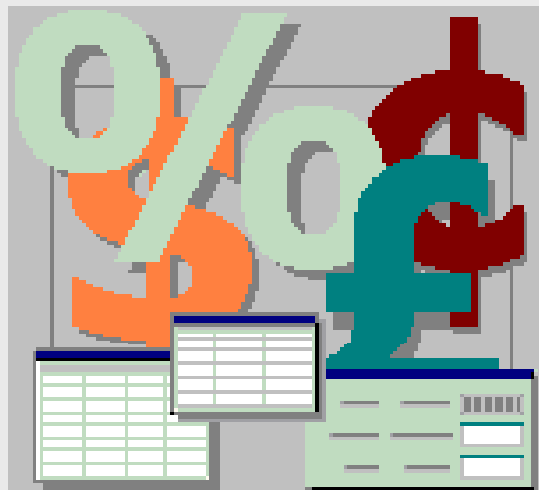
Balance Sheet Definitions – Liabilities



- **Current Liabilities** are financial obligations due within the coming fiscal year. EX. accounts payable, accrued interest, operating loan principle.
- **Long-Term Liabilities** are non-current (greater than one year) financial obligations. EX. principle due on a machinery or real estate loans.
 - **There are no intermediate-term liabilities in QuickBooks**

Most Important Accounting Relationship

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



Understanding Debits and Credits

Debits

↑ - Assets, Expenses

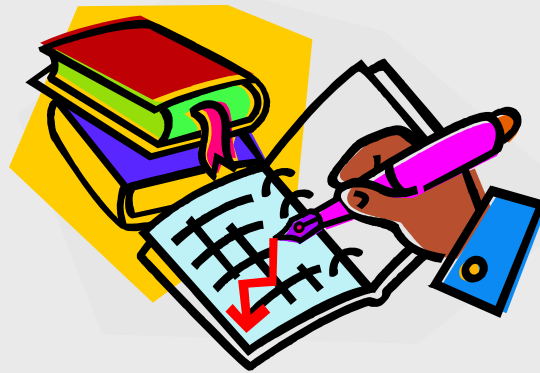
↓ - Liabilities, Equity, and Revenue

Credits

↑ - Liabilities, Equity, and Revenue

↓ - Assets, Expenses

Working with Accounts, Customer, & Vendor Lists



Why are Lists Important in QuickBooks?

Most of what's involved when you enter transactions in QuickBooks is making selections from various lists.



Let's look at a check for example:



You must choose an **account**, a **vendor name**, possibly an **item**, and maybe a **class**. Each of them comes from a different list.

Previous
 Next
 Save
 Print
 Find
 Attach

Bank Account 10100 · Checking Ending Balance 46,969.10

No. 517
 Date 12/15/2013

Pay to the Order of Mid County Equipment Company \$ 244.80

Two hundred forty-four and 80/100***** Dollars

Address Mid County Equipment Company

Memo _____

Expenses **\$244.80** Items \$0.00 Online Payment To be printed

Account	Amount	Memo
64200 · Repairs	244.80	

List Basics

- New list entries can be added at any time.
- List entries can be renamed at any time.
- “In use” list entries cannot be deleted, but they can be merged.
- List entries can be “hidden” by marking them inactive.

Chart of Accounts

“The Backbone of Your System”

- Let each account represent a broad category of information.
- Resist the temptation to set up sub-accounts for farm enterprises, classes are usually the better option.
- Let accounts represent categories of income and expense that are meaningful to you.
- Before adding a new account, give it some thought.







To display the chart of accounts:



1. From the *Lists* menu, choose *Chart of Accounts* (Ctrl A).

The screenshot displays a software application interface. At the top, a menu bar includes 'View', 'Lists', 'Favorites', 'Company', 'Customers', 'Vendors', 'Employees', 'Banking', 'Reports', 'Online Services', 'Window', and 'Help'. The 'Lists' menu is open, showing a list of options: 'Chart of Accounts' (Ctrl+A), 'Item List', 'Fixed Asset Item List', 'Price Level List', 'Sales Tax Code List', 'Payroll Item List', 'Class List', 'Workers Comp List', 'Other Names List', 'Customer & Vendor Profile Lists' (with a submenu arrow), 'Templates', 'Memorized Transaction List' (Ctrl+T), and 'Add/Edit Multiple List Entries'. The 'Chart of Accounts' option is highlighted in blue. Below the menu bar is a toolbar with icons for 'Employee Center', 'Report Center', 'Invoice', 'Item', 'Check', 'Bill', 'Reg', 'Accnt', 'Rmnd', 'Find', and 'Services'. The 'Accnt' icon is highlighted with a red dashed box. The main workspace features a flowchart of business processes. On the left, 'Estimates' leads to 'Sales Orders', which leads to 'Purchase Orders'. 'Purchase Orders' leads to 'Create Invoices', which leads to 'Receive Payments'. 'Receive Payments' leads to 'Create Sales Receipts'. 'Create Sales Receipts' leads to 'Record Deposits'. 'Record Deposits' leads to 'Write Checks'. 'Write Checks' leads to 'Refunds & Credits'. 'Refunds & Credits' leads to 'Statements', which leads to 'Finance Charges', which leads to 'Statement Charges'. 'Create Invoices' also leads to 'Enter Bills Against Inventory', which leads to 'Pay Bills'. 'Pay Bills' leads to 'Manage Sales Tax'. The 'Company' sidebar on the right contains icons for 'Chart of Accounts' (highlighted with a red dashed box), 'Items & Services', and 'Marketing Center'. The 'Banking' sidebar on the right contains icons for 'Record Deposits' and 'Write Checks'.

2. Scroll through the list.

 Home  Company Snapshot  Customer Center  Vendor Center  Employee Center  Report Center						
Name	Type	Balance Total				
◆10100 · Checking	Bank	46,969.10				
◆10300 · Savings	Bank	17,910.19				
◆10400 · Petty Cash	Bank	500.00				
◆11000 · Accounts Receivable	Accounts Receivable	93,007.93				
◆12000 · Undeposited Funds	Other Current Asset	2,440.00				
◆12100 · Inventory Asset	Other Current Asset	30,121.33				
◆12800 · Employee Advances	Other Current Asset	832.00				
◆13100 · Pre-paid Insurance	Other Current Asset	4,050.00				
◆13400 · Retainage Receivable	Other Current Asset	3,703.02				
◆15000 · Furniture and Equipment	Fixed Asset	34,326.00				
◆15100 · Vehicles	Fixed Asset	78,936.91				
◆15200 · Buildings and Improvements	Fixed Asset	325,000.00				
◆15300 · Construction Equipment	Fixed Asset	15,300.00				
◆16900 · Land	Fixed Asset	90,000.00				
◆17000 · Accumulated Depreciation	Fixed Asset	-110,344.60				
◆18700 · Security Deposits	Other Asset	1,720.00				
◆20000 · Accounts Payable	Accounts Payable	26,636.92				
◆20500 · QuickBooks Credit Card	Credit Card	94.20				
◆20600 · CalOil Credit Card	Credit Card	382.62				
◆Subcontracted Federal WH	Other Current Liabi...	0.00				
◆20700 · Due to Owner	Other Current Liabi...	0.00				
◆24000 · Payroll Liabilities	Other Current Liabi...	5,404.45				
◆24010 · Federal Withholding	Other Current Liabi...	1,364.00				
◆24020 · FICA Payable	Other Current Liabi...	2,118.82				
◆24030 · AEIC Payable	Other Current Liabi...	0.00				
◆24040 · FUTA Payable	Other Current Liabi...	100.00				
◆24050 · State Withholding	Other Current Liabi...	299.19				
◆24060 · SUTA Payable	Other Current Liabi...	110.00				
◆24070 · State Disability Payable	Other Current Liabi...	48.13				
◆24080 · Worker's Compensation	Other Current Liabi...	1,214.31				
◆24090 · Direct Deposit Liabilities	Other Current Liabi...	0.00				
◆24100 · Emp. Health Ins Payable	Other Current Liabi...	150.00				
◆25500 · Sales Tax Payable	Other Current Liabi...	957.63				
◆23000 · Loan - Vehicles (Van)	Long Term Liability	10,501.47				
◆23100 · Loan - Vehicles (Utility Truck)	Long Term Liability	19,936.91				

Account ▼

Activities ▼

Reports ▼

Attach

Include inactive

To add an account:



1. In the *Chart of Accounts*, click the *Account* menu button and then choose *New* (Ctrl N).

◆24000 · Payroll Liabilities

- ◆24010 · Federal Withholding
- ◆24020 · FICA Payable
- ◆24030 · AEIC Payable
- ◆24040 · FUTA Payable
- ◆24050 · State Withholding

New Ctrl+N

Edit Account Ctrl+E

Delete Account Ctrl+D

Make Account Inactive

Show Inactive Accounts

✓ Hierarchical View

Flat View

Customize Columns...

Import from Excel ...

Use Ctrl+U

Find Transactions in...

Print List... Ctrl+P

Re-sort List

Account ▾ Activities ▾ Reports ▾

2. In the *New Account* Window, choose the type of account (Income, Expense, etc).

Choose **one** account type and click Continue.

Categorize money your business earns or spends

Income

Expense

Or, track the value of your assets and liabilities

Fixed **A**sset (major purchases)

Bank

Loan ← **Default is current liability**

Credit **C**ard

Equity

Other Account Types

<select>

- Accounts Receivable
- Other Current Asset
- Other Asset
- Accounts Payable
- Other Current Liability
- Long Term Liability
- Cost of Goods Sold
- Other Income
- Other Expense

Bank Account

Create one for each cash account, such as:

- Petty cash
- Checking
- Savings
- Money market

[More...](#)

[Help me choose the right account type](#)

Continue Cancel

3. Fill in Account Information, Opening Balance and Date. Click *Save & Close* when Finished.

The screenshot displays the QuickBooks account setup interface. At the top, the 'Account Type' is set to 'Bank'. The 'Account Name' field contains 'First National Bank'. Below this, there are fields for 'Subaccount of', 'Description', 'Bank Acct. No.', 'Routing Number', and 'Tax-Line Mapping' (set to '<Unassigned>'). A red dashed box highlights the 'Enter Opening Balance...' button. A modal dialog titled 'Enter Opening Balance: Bank Account' is open, containing an information icon and the following text: 'Enter the ending date and balance from the last bank statement you received before your QuickBooks start date.' Below this is an 'Attention' note: 'Attention: If this account did not have a balance before your QuickBooks start date, click Cancel and use a transaction to put money in this account. Example transactions'. The dialog has two input fields: 'Statement Ending Balance' with the value '32,000.00' and 'Statement Ending Date' with the value '01/01/2013'. At the bottom of the dialog are 'OK', 'Cancel', and 'Help' buttons. At the bottom of the main window, a red dashed box highlights the 'Save & Close' button.

Note: You cannot enter opening balances for income and expense accounts, only balance sheet accounts.



Test:

**Repeat steps 1-4 by
adding the following accounts:**

Chemicals

Farm Chemicals

Seed

Equipment

To add a sub-account:



1. In the Chart of Accounts, click the *Account* menu button and then choose *New* (Ctrl N).

◆24000 · Payroll Liabilities

- ◆24010 · Federal Withholding
- ◆24020 · FICA Payable
- ◆24030 · AEIC Payable
- ◆24040 · FUTA Payable
- ◆24050 · State Withholding

New	Ctrl+N
Edit Account	Ctrl+E
Delete Account	Ctrl+D

Make Account Inactive
Show Inactive Accounts

✓ Hierarchical View
Flat View
Customize Columns...

Import from Excel ...
Use Ctrl+U
Find Transactions in...

Print List... Ctrl+P
Re-sort List

Account Activities Reports

2. In the *Type* field, select *Expense*. In the Account Name field, type *Herbicide*.

Home Customer Center Vendor Center Employee Center Report Center Online Banking Help Invoice

Account Type Expense Number

Account Name Herbicide

Subaccount of

Optional

Description

Note

Tax-Line Mapping <Unassigned> [How do I choose the right tax line?](#)

Track reimbursed expenses in Income Acct.

Save & Close Save & New Cancel

3. Select the “Sub account of” checkbox, and then select *Chemicals* from the list. Click *Save and Close*.

The screenshot shows a software interface with a navigation bar at the top containing icons for Home, Customer Center, Vendor Center, Employee Center, Report Center, Online Banking, Help, Invoice, and Item. Below the navigation bar, there are fields for 'Account Type' (set to 'Expense') and 'Number'. The main form area includes 'Account Name' (Herbicide), 'Subaccount of' (checked, with a dropdown menu open), 'Optional' section with 'Description' and 'Note' fields, 'Tax-Line Mapping' (set to '<Unassigned>'), and a 'Track reimburse' checkbox. The dropdown menu for 'Subaccount of' is open, showing a list of account options with 'Chemicals' selected. The list includes various expense categories like Automobile, Fuel, Insurance, Repairs and Maintenance, Bad debt, Bank Service Charges, Depreciation Expense, Dues and Subscriptions, Union Dues, Interest Expense, Finance Charge, Loan Interest, Payroll Expenses, Gross Wages, Payroll Taxes, FUTA Expense, and SUTA Expense. At the bottom of the dropdown menu are buttons for 'Save & Close', 'Save & New', and 'Cancel'. The FENSION logo is visible in the bottom right corner.

Account Name	Type
< Add New >	
✓ Chemicals	Expense
60100 · Automobile	Expense
60110 · Fuel	Expense
60120 · Insurance	Expense
60130 · Repairs and Maintenance	Expense
60300 · Bad debt	Expense
60600 · Bank Service Charges	Expense
60900 · Depreciation Expense	Expense
61200 · Dues and Subscriptions	Expense
61500 · Union Dues	Expense
62400 · Interest Expense	Expense
62410 · Finance Charge	Expense
62420 · Loan Interest	Expense
62700 · Payroll Expenses	Expense
62710 · Gross Wages	Expense
62720 · Payroll Taxes	Expense
62730 · FUTA Expense	Expense
62740 · SUTA Expense	Expense



Test:

Repeat steps 1-5.

**Substituting *Insecticide* for
Herbicide.**

Creating Customer & Vendor Lists

- *Customers* refer to people who pay money to the business.
- *Vendors* refer to people whom the business pays money.
- Anytime you record the receipt of income (deposit), or the payment of an expense (check), you must identify a customer or a vendor.

Why Spend Time Entering Names?

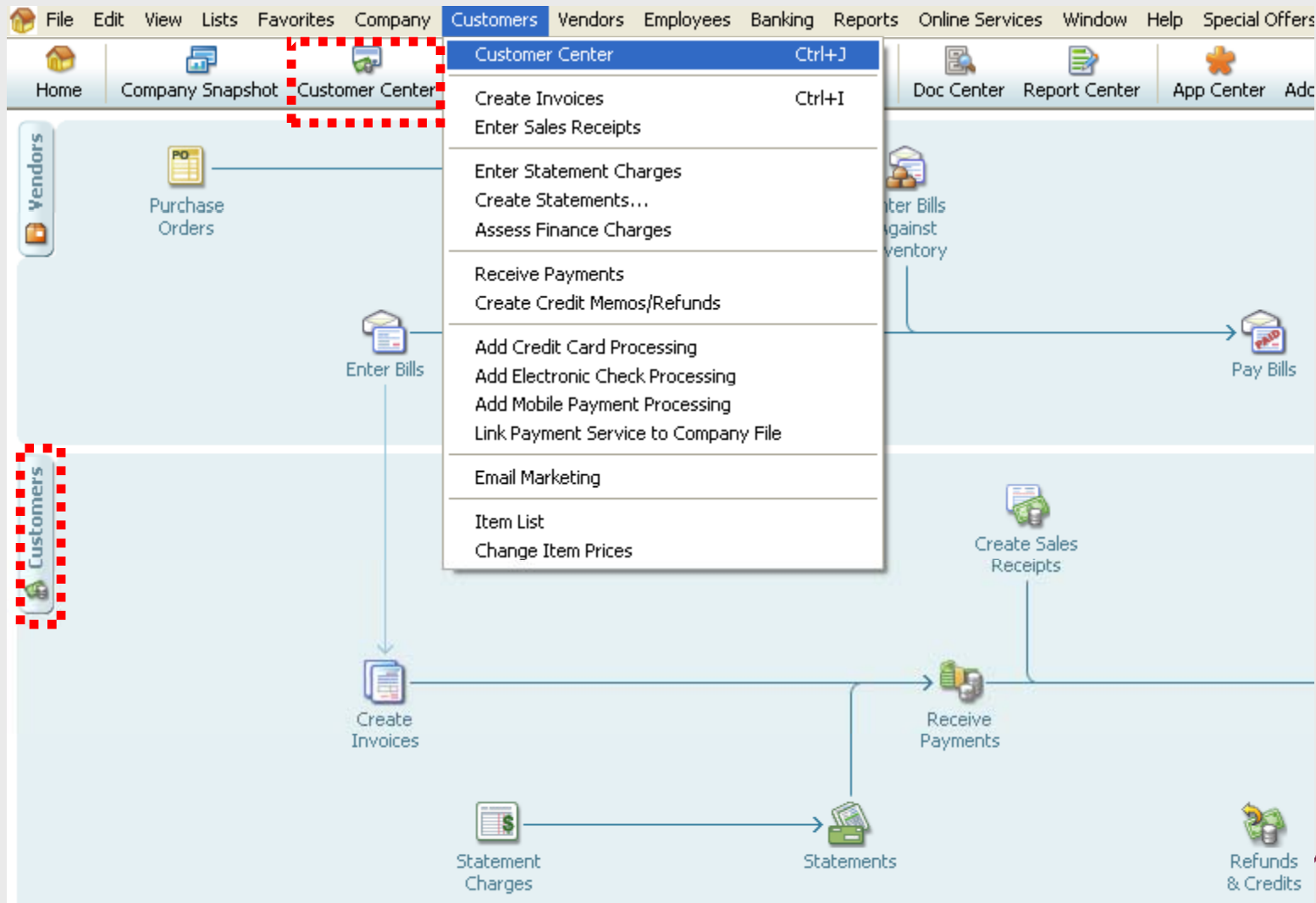
- Identifying the customer or vendor by name adds useful detail and makes it easier to search for transactions.
- Supplying a mailing address lets you mail out checks or invoices in windowed envelopes.
- Having complete Customer and Vendor lists makes using QuickBooks faster and easier.

Adding Customer, Vendor, and Employee Names



To add a new customer:

1. From the *Customers* tab on top of the main menu window, choose *Customer:Customer Center* (Ctrl J).



2. Click *New Customer and Job* at the top left of the list menu. Then choose *New Customer*.

The screenshot shows a software interface with a menu bar at the top containing 'File', 'Edit', 'View', 'Lists', 'Favorites', 'Company', 'Customers', 'Vendors', 'Employees', 'Banking', 'Reports', 'Online Services', 'Window', 'Help', and 'Special Of'. Below the menu bar is a toolbar with icons for 'Home', 'Company Snapshot', 'Customer Center', 'Vendor Center', 'Employee Center', 'Report Center', 'Invoice', 'Item', 'Check', 'Bill', and 'Reg'. A dropdown menu is open under 'New Customer & Job', showing options: 'New Customer', 'Add Job', and 'Add Multiple Customer:Jobs'. The 'New Customer' option is highlighted. Below the menu is a search bar labeled 'Find' and a table of customers. The table has columns 'Name', 'Balance Total', and 'Attach'. The customer 'Abercrombie, Kristy' is selected and highlighted. To the right of the table is a 'Customer Information' panel showing details for 'Abercrombie, Kristy', including 'Customer Type: Residential', 'Company Name', and 'Billing Address: Kristy Abercrombie, 5647 Cypress Hill Rd, Bayshore CA 94326'. Below the information panel is a 'Notes' section with the text '9/15/2003: Send Kristy estimate for den remodel.' At the bottom of the interface is a 'Show' dropdown set to 'All Transactions' and a 'Filter By' dropdown set to 'All'. Below these are two tables: one for 'Type' and 'Num' with rows for 'Payment', 'Estimate', 'Invoice', 'Check', and 'Credit Memo', and another table with the same columns and rows.

Name	Balance Total	Attach
Farmer's Coop	0.00	
River Run Grain	0.00	
Abercrombie, Kristy	0.00	
Family Room	0.00	
Kitchen	0.00	
Remodel Bathroom	0.00	
Allard, Robert	14,510.00	
Remodel	14,510.00	
Babcock's Music Shop	0.00	
Remodel	0.00	
Baker, Chris	0.00	
Family Room	0.00	
Garage Repair	0.00	

Customer Information

Customer Name: Abercrombie, Kristy
Customer Type: Residential
Company Name:
Billing Address: Kristy Abercrombie
5647 Cypress Hill Rd
Bayshore CA 94326

[Map](#) | [Directions](#)

Notes: 9/15/2003: Send Kristy estimate for den remodel.

Show: All Transactions | Filter By: All

Type	Num
Payment	
Estimate	613
Invoice	1091
Check	476
Credit Memo	4002

3. Type in relevant information:

Home Company Snapshot Customer Center Vendor Center Employee Center Report Center Invoice

Customer Name: Farmer's Coop

Opening Balance: [] as of 12/15/2013 [How do I determine the opening balance?](#)

Address Info Additional Info Payment Info Job Info

Company Name: Farmer's Coop Contact: Joe Brown

Mr./Ms./...: [] Phone: []

First Name: Joe M.I. [] FAX: []

Last Name: Brown Alt. Phone: []

Alt. Contact: []

E-mail: []

Cc: []

Customer is inactive

Addresses

Bill To: Farmer's Coop
Joe Brown

Ship To: Ship To 1
Farmer's Coop
Joe Brown

Copy >>

Edit Add New Edit Delete

Default shipping address

OK Cancel Next Help

Customer Manager Online

4. Fill in the Additional Info Tab if desired.

Home | Company Snapshot | Customer Center | Vendor Center | Report Center | Employee Center | Invoice

Customer Name: Farmer's Coop

Opening Balance: [] as of 12/15/2013 [How do I determine the opening balance?](#)

Address Info | **Additional Info** | Payment Info | Job Info

Categorizing and Defaults

Type: Commercial

Terms: 2% 10 Net 30

Rep: []

Preferred Send Method: E-mail

Sales Tax Information

Tax Code: Tax | Tax Item: San Tomas

Resale Number: []

Price Level: []

Custom Fields

Contract #: []

B-Day: August 12

Spouse's Name: Cody

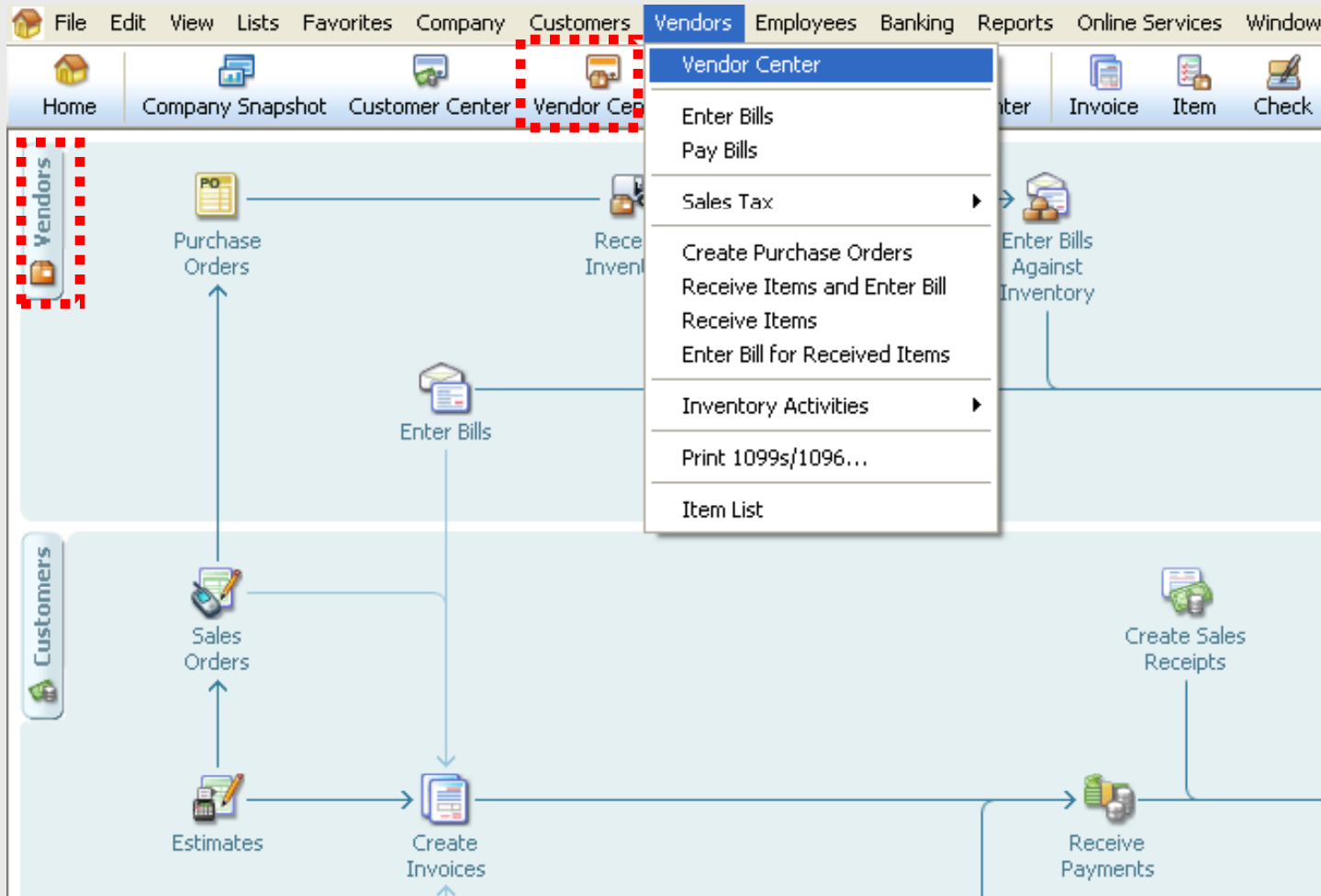
Customer is inactive

Define Fields

Customer Manager Online

To add a new vendor:

1. From the Vendors tab at the top of the main menu window, chose *Vendor:Vendor Center*.



2. At the top left corner of the page, click *New Vendor*. Fill in relevant information. Can also add multiple vendors or import from Excel.

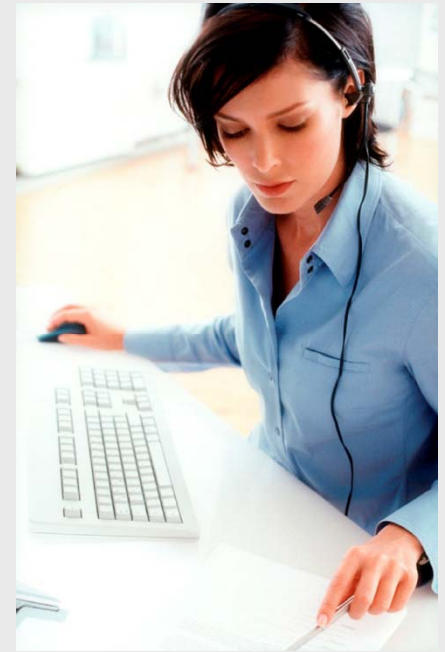
The screenshot displays a web application interface for vendor management. At the top, a navigation bar contains various icons and labels: Home, Company Snapshot, Customer Center, Vendor Center, Employee Center, Report Center, Invoice, Item, Check, Bill, Reg, Acct, Rmnd, and Fin. Below this, a secondary navigation bar includes 'New Vendor...', 'New Transactions', 'Print', 'Excel', and 'Word'. A green arrow points to the 'New Vendor...' button, which has a dropdown menu with 'New Vendor' and 'Add Multiple Vendors' options. The main content area is divided into two sections. On the left, a table lists vendors with columns for Name, Balance Total, and Attach. On the right, a 'Vendor Information' form displays details for 'A Cheung Limited', including company name, address, and contact information. Below the form, there are 'Map' and 'Directions' links, a 'Notes' section, and a table showing transaction details with columns for Type, Num, and Date.

Name	Balance Total	Attach
A Cheung Limited	0.00	
Bank of Anycity	0.00	
Bayshore CalOil Service	0.00	
Bayshore Water	0.00	
Bronco Seed Company	500.00	
Bruce's Office Machines	0.00	
C.U. Electric	750.00	
Cal Gas & Electric	122.66	
Cal Telephone	91.94	
CalOil Company	0.00	
City of Bayshore	0.00	
City of East Bayshore	0.29	
City of Middlefield	0.00	

Type	Num	Date
Purchase Order	6237	12/15/2013
Bill Pmt -Check	267	02/28/2013
Bill		01/31/2013
Bill Pmt -Check	248	01/31/2013
Bill		01/20/2013

Vender List Example

- Add the Following Vender
 - Company: Chemicals R Us
 - Contact: Bill Scott
 - Address: 428 Alpine Street
Texline, TX 79087
 - Phone: (806) 362-0001
 - Credit Limit: \$25,000
 - Account: 123456

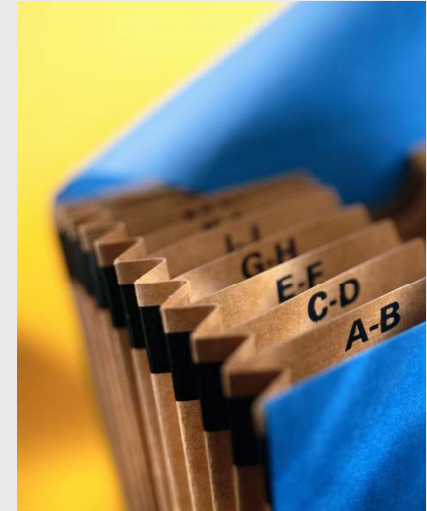


Other Ways to Manage Lists

- Sort lists
- Combine (merge) list items
- Rename list items
- Delete list items
- Make list items inactive
- Import/Export lists
- Print lists



Sort Lists



- Use arrows at the top of the list to choose the format you wish to see:
 - Name: A-Z → Z-A
 - Balance: Minimum Balance → Maximum Balance
Maximum Balance → Minimum Balance
 - Type: Income Stmt Accnts → Balance Sheet Accnts
Balance Sheet Accnts → Income Stmt Accnts

Merge List Items

1. Highlight the account you want to be merged.
2. At the bottom of the list menu, choose *Account:Edit Account* (Ctrl E).
3. In the name box, type in the name of the account you wish to merge with.
4. The program will tell you the account name already exists, and ask if you want to merge them. Select *Yes*.

Note: A file with sub-accounts *CANNOT* be merged.



Merge Test:

**Merge the *Farm Chemicals*
account with the *Chemicals*
account.**

Rename List Items

1. Highlight the account you want to be renamed.
2. At the bottom of the list menu, choose *Account:Edit Account* (Ctrl E).
3. In the name box, type in the new account name and click *Save & Close*.

Delete List Items

1. Highlight the account you want deleted. At the bottom of the list menu, choose *Account:Delete Account* (Ctrl D).

Name	Type	Balance Total
◊24080 · Worker's Compensation	Other Current Liabi...	1,214.31
◊24090 · Direct Deposit Liabilities	Other Current Liabi...	0.00
◊24100 · Emp. Health Ins Payable	Other Current Liabi...	150.00
◊25500 · Sales Tax Payable	Other Current Liabi...	957.63
◊Tractor Note	Long Term Liability	54,220.83
◊23000 · Loan - Vehicles (Van)	Long Term Liability	10,501.47
◊23100 · Loan - Vehicles (Utility Truck)	Long Term Liability	19,936.91
◊23200 · Loan - Vehicles (Pickup Truck)	Long Term Liability	22,641.00
◊28100 · Loan - Construction Equipment	Long Term Liability	13,911.32
◊28200 · Loan - Furniture/Office Equip	Long Term Liability	21,000.00
◊28700 · Note Payable - Bank of Anycity	Long Term Liability	2,693.21
◊28900 · Mortgage - Office Building	Long Term Liability	296,283.00
◊30000 · Opening Bal Equity	Equity	8,773.75
◊30100 · Capital Stock	Equity	500.00
◊31400 · Shareholder Distributions	Equity	0.00
◊32000 · Retained Earnings	Equity	
◊Crop Sales	Income	
◊40100 · Construction Income	Income	

Account	Activities	Reports	Include inactive
Account	Activities	Reports	<input checked="" type="checkbox"/> Include inactive

2. Remember that you can only delete accounts that have **NEVER** had any activity against them.

Inactivate List Items

1. Highlight the account you want to be inactivated.
2. At the bottom of the list menu, choose *Account:Make Account Inactive*.

Name	Type	Balance Total
♦24080 · Worker's Compensation	Other Current Liabi...	1,214.31
♦24090 · Direct Deposit Liabilities	Other Current Liabi...	0.00
♦24100 · Emp. Health Ins Payable	Other Current Liabi...	150.00
♦25500 · Sales Tax Payable	Other Current Liabi...	957.63
♦Tractor Note	Long Term Liability	54,220.83
♦23000 · Loan - Vehicles (Van)	Long Term Liability	10,501.47
♦23100 · Loan - Vehicles (Utility Truck)	Long Term Liability	19,936.91
♦23200 · Loan - Vehicles (Pickup Truck)	Long Term Liability	22,641.00
♦28100 · Loan - Construction Equipment	Long Term Liability	13,911.32
♦28200 · Loan - Furniture/Office Equip	Long Term Liability	21,000.00
♦28700 · Note Payable - Bank of Anycity	Long Term Liability	2,693.21
♦28900 · Mortgage - Office Building	Long Term Liability	296,283.00
♦30000 · Opening Bal Equity	Equity	8,773.75
♦30100 · Capital Stock	Equity	500.00
♦31400 · Shareholder Distributions	Equity	0.00
♦32000 · Retained Earnings	Equity	
♦Crop Sales	Income	
♦40100 · Construction Income	Income	
New	Income	
Edit Account	Cost of Goods Sold	
Delete Account	Cost of Goods Sold	
Make Account Inactive	Cost of Goods Sold	
Hide Inactive Accounts	Cost of Goods Sold	
✓ Hierarchical View	Cost of Goods Sold	
Flat View	Cost of Goods Sold	
Customize Columns...	Cost of Goods Sold	
Import from Excel ...	Expense	
Use	Expense	
Find Transactions in...	Expense	
Print List...	Expense	
Re-sort List	Expense	



Test:

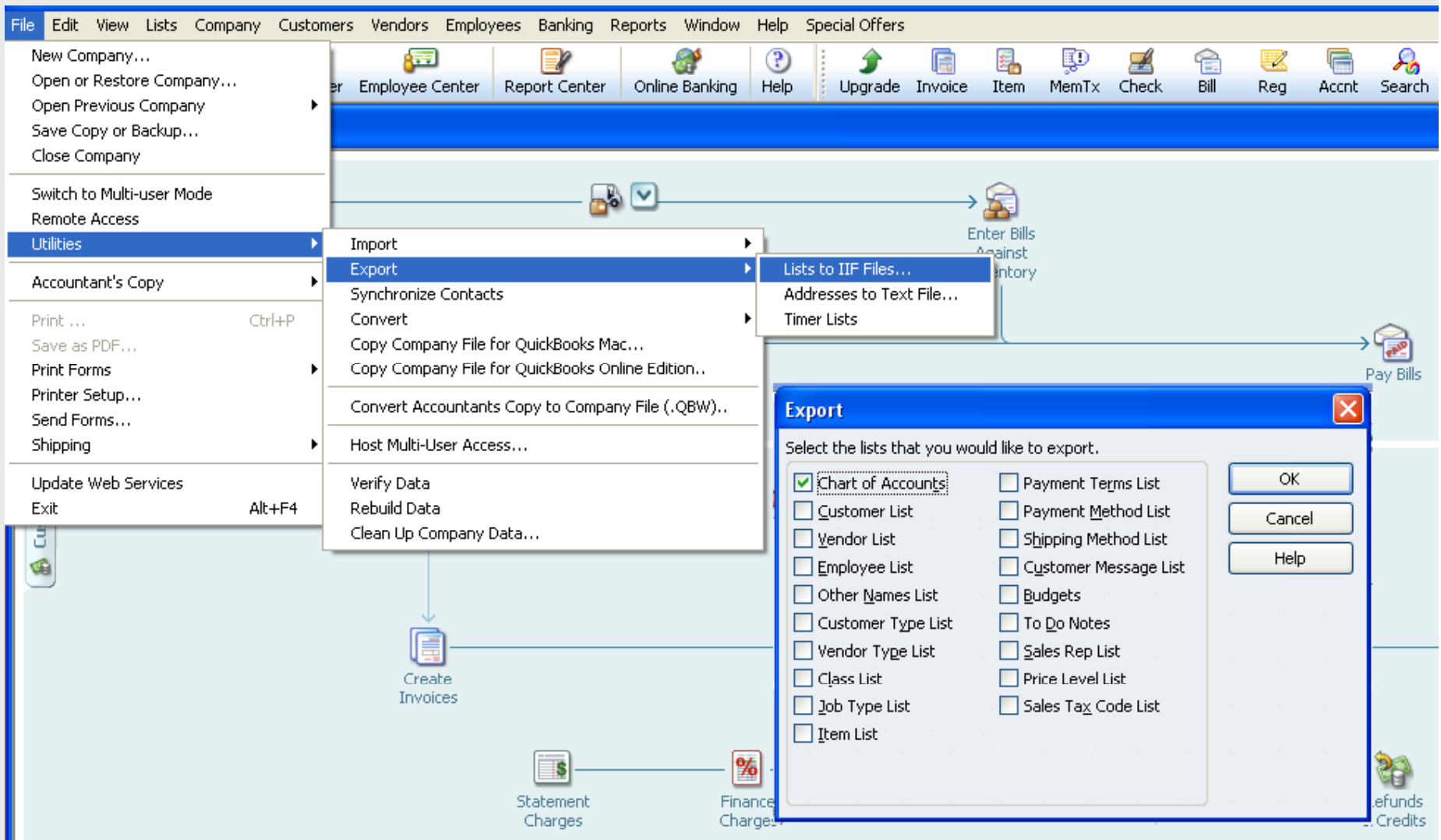
Inactivate the *Chemicals* account, then reactivate it.

Importing/Exporting Lists

- It is possible to import any list from another QuickBooks file (filename.IIF).
- It is possible to import a list (Customer, Vendor, Item or Account only) from a properly formatted Excel file into QuickBooks.
- You can also export a QuickBooks file (filename.IIF) into Excel as a tab delimited file.
- This feature can be very useful when starting a new company, creating a list of accounts for your accountant, etc.

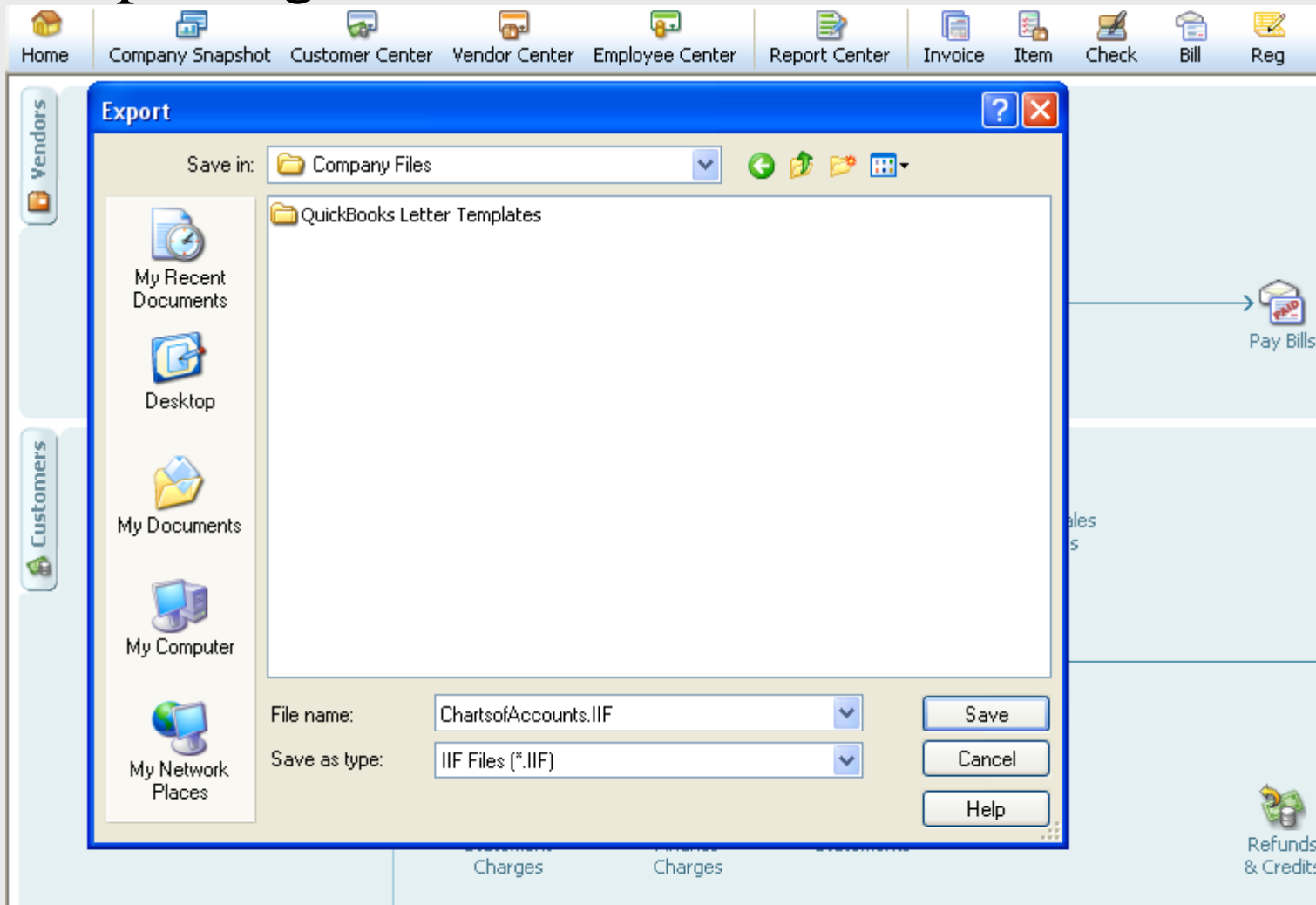
Exporting a List

1. Select *File:Utilities:Export:Lists to IIF Files*.
Select which lists you wish to Export.



Exporting a List

2. Select a file name and location, then click *Save*. Make sure you save the file in *filename.IIF* format for ease of importing later.



Importing a List Saved in *.IIF Format

1. Select *File:Utilities:Import:IIF Files*. Select which list you wish to Import.

The screenshot displays the QuickBooks application interface. The 'File' menu is open, showing the path: File > Utilities > Import > IIF Files... The 'Import' dialog box is open, showing the 'Look in:' field set to 'Company Files'. The file list contains 'QuickBooks Letter Templates' and 'ChartsofAccounts'. The 'File name:' field is set to 'ChartsofAccounts' and the 'Files of type:' field is set to 'IIF Files (*.IIF)'. The 'Open' button is highlighted.

Importing a List in Excel Format

1. Select *File:Utilities:Import:Excel Files*.

The screenshot shows the QuickBooks application interface. The 'File' menu is open, and the path 'Utilities > Import > Excel Files...' is highlighted. A 'Pay Bills' button is visible in the background. In the foreground, a wizard window titled 'Add Your Excel Data to QuickBooks' is displayed. The wizard contains the following text and options:

This wizard and a set of formatted **Excel** spreadsheets will guide you step-by-step to add your data to QuickBooks.

[What if my data is not in Excel?](#)

[Watch how to add Excel data to QuickBooks](#)

1 Select the type of data you want to add to QuickBooks.

A formatted spreadsheet will open. Copy your data into it.

- Customers**
Add information about anyone who pays you.
- Vendors**
Add information about anyone you pay (except employees).
- Products I Sell**
Add information about products you carry and sell.

[What should I expect when using a formatted spreadsheet?](#)

2 Work with the formatted spreadsheet where you copied your data.

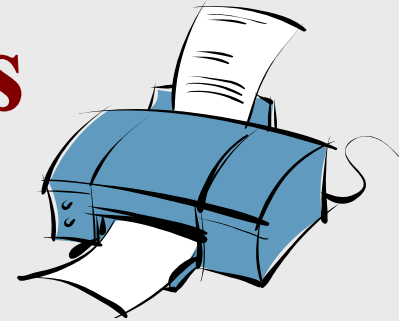
Already copied your data to a formatted spreadsheet earlier?

3 Review results and then view your data in QuickBooks.

A Few Notes About Importing/Exporting

- While you can *import* a file saved in Excel or *.IIF format, you can only *export* and save a file as *.IIF.
- We recommend that you only export/import one type of list at a time.
- When setting up a new company and using an imported Chart of Accounts, Customer List, etc., we recommend that you skip the Easy Step Interview, and choose *Other/None* for your Chart of Accounts.

Printing Lists and Reports



1. At the bottom of the chart of accounts, select *Account:Print List* (Ctrl P).
2. To print a report on a certain account, highlight the account, then select *Reports:Quick Report* from the bottom of the list (Ctrl Q).
3. To print a whole farm report, select *Reports:Reports on all Accounts*.

Setting Up Classes: Enterprise Information & More



Classes

- Classes are most often used as enterprise codes, to match transactions with specific farm enterprises rather than the business as a whole.
 - EX. 2010
 - Corn
 - Wheat
 - Cotton
 - Stockers



Classes



- There is no right or wrong way to set up classes, but class names should not serve more than one informational goal.
- The arrangement of class and subclass levels determines how easily you can get reports of specific information.
- Each class should usually represent a profit center or a cost center, or should be a “parent” class for a group of profit or cost centers.

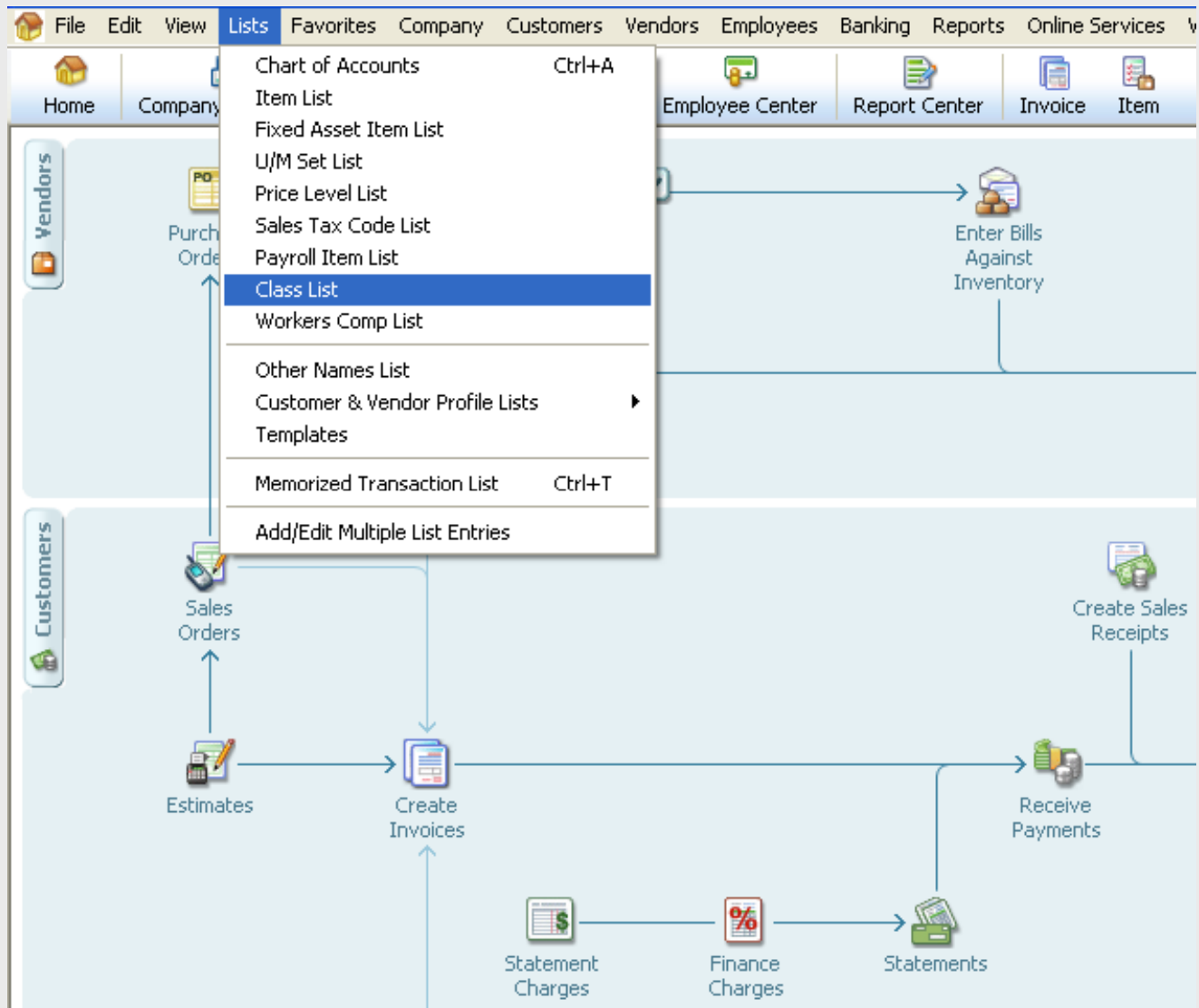
Is Class Tracking Turned On?

1. Choose *Edit:Preferences* at the top of the main menu window.
2. In the Preferences window, select the *Accounting* icon in the scroll box on the left side.
3. Select the *Company Preferences* tab at the top.
4. Select the “*Use class tracking*” check box.
5. Click *OK* to close the Preferences window.

How to Add Classes:



1. Open the Class List window by choosing *Lists: Class List* from the main menu.



2. Click on the *Class* button at the bottom of the window, then select *New*.

The screenshot shows a software application window with a menu bar and a toolbar. The menu bar includes File, Edit, View, Lists, Company, Customers, Vendors, Employees, Banking, Reports, Window, and Help. The toolbar contains icons for Home, Customer Center, Vendor Center, Employee Center, Report Center, Online Banking, Help, Invoice, Item, Check, Bill, and Reg.

The main window area displays a list of classes under the heading "Name". The list is expanded to show "New Construction", "Remodel", and "Overhead".

A context menu is open over the "New Construction" class, showing the following options:

- New (Ctrl+N)
- Edit Class (Ctrl+E)
- Delete Class (Ctrl+D)
- Make Class Inactive
- Show Inactive Classes
- ✓ Hierarchical View
- Flat View
- Customize Columns...
- Use (Ctrl+U)
- Find in Transactions...
- Print List... (Ctrl+P)
- Re-sort List

At the bottom of the window, there is a "Class" dropdown menu, a "Reports" dropdown menu, and a checkbox labeled "Include inactive".

3. Fill in information about the new class.

File Edit View Lists Favorites Company Customers Vendors Employees

Home Company Snapshot Customer Center Vendor Center Employee Center

Class Name

Subclass of

Class is inactive

OK Cancel Next

4. Click *OK* or *Next* to save the new class in the class list.



Test:

- **Add the following classes:**
 - **2013 (as a parent class)**
 - **Corn (as a subclass)**
 - **Sorghum (as a subclass)**
 - **Wheat (as a subclass)**
 - **Stockers (as a subclass)**

QuickBooks® Training

Lesson Two

Forms and Registers

- Forms

- Checks
- Deposits
- Bills
- Invoices



- Registers

- Show all of the transactions entered in a particular account.
- *Every* asset, liability, and equity account has a register. Income and expense accounts do not.

Checks form

Previous Next Save Print Find Attach

Bank Account 10100 · Checking Ending Balance 46,969.10

No. 517
Date 12/15/2013
\$ 244.80

Pay to the Order of Mid County Equipment Company

Two hundred forty-four and 80/100***** Dollars

Address

Mid County Equipment Company

Memo



Expenses \$244.80 Items \$0.00 Online Payment To be printed

Account	Amount	Memo	Customer:Job	Bill...	Class
64200 · Repairs	244.80				

- Use the Checks form when you pay an expense directly by check. **Do not** enter a check to pay a previously entered bill.

How to Enter/ Write a Check:



1. Choose *Banking: Write Check* (Ctrl W).

The screenshot displays the software's main interface with the 'Banking' menu open. The menu items are: Write Checks (Ctrl+W), Order Checks & Envelopes, Enter Credit Card Charges, Use Register (Ctrl+R), Make Deposits, Transfer Funds, Reconcile, Online Banking, Loan Manager, and Other Names List. The 'Check' icon in the top toolbar is highlighted with a red dashed box. In the 'Banking' section of the main interface, the 'Write Checks' icon is also highlighted with a red dashed box. A blue arrow points from the 'Write Checks' menu item to the 'Write Checks' icon in the Banking section.

2. Fill in the check #, date, payee, amount and account #, then click *Save and Close*.

Home
 Company Snapshot
 Customer Center
 Vendor Center
 Employee Center
 Report Center
 Invoice
 Item
 Check

Previous
 Next
 Save
 Print
 Find
 Attach

Bank Account: 10100 · Checking Ending Balance: 46,969.10

No. 517
 Date 12/15/2013
 \$ 500.00

Pay to the Order of Bronco Seed Company

Five hundred and 00/100* ***** Dollars

Address: Bronco Seed Company

Memo: _____

Order Checks

Expenses \$500.00 Items \$0.00 Online Payment To be printed

Account	Amount	Memo	Customer:Job	Bill...	Class
Seed	250.00				Corn
Seed	250.00				Wheat

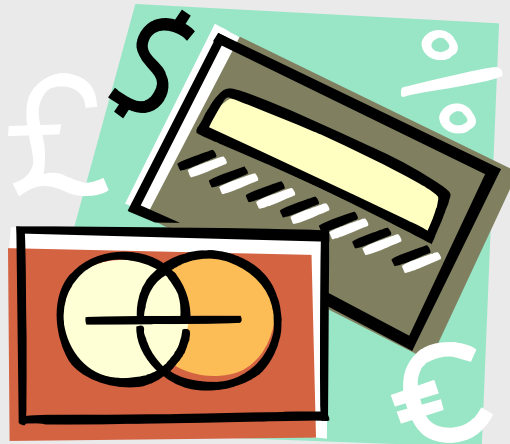


Test:

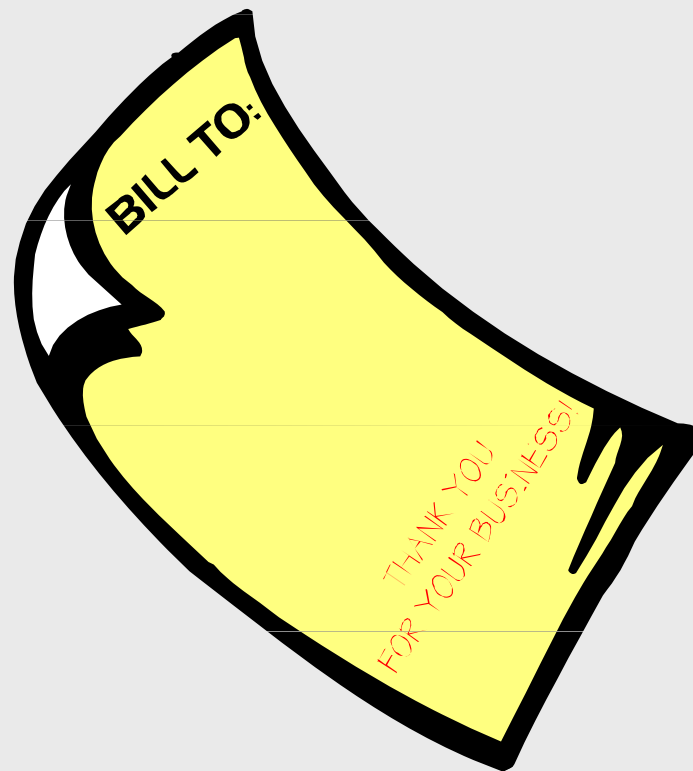
**Write a check for \$2,000 in
Corn Herbicide to
Chemicals R Us.**

Bills and Credit Cards

- Use the Bills form to enter purchases for which payment will be made at a later date.
- Use the Credit Card Charges form to enter farm business purchases made by credit card.



How to Enter a Bill:



1. Choose *Vendors: Enter Bills*

The screenshot displays a software interface with a menu bar at the top containing: Favorites, Company, Customers, **Vendors**, Employees, Banking, Reports, Online Services, Window, Help, and Special Offers. Below the menu bar is a toolbar with icons for: Invoice, Item, Bill, Check, Reg, Acct, and Rmnd. The 'Bill' icon in the toolbar is circled with a red dashed line. A dropdown menu is open under the 'Vendors' menu, listing the following options: Vendor Center, Enter Bills (highlighted in blue), Pay Bills, Sales Tax, Create Purchase Orders, Receive Items and Enter Bill, Receive Items, Enter Bill for Received Items, Inventory Activities, Print 1099s/1096..., and Item List. The main workspace contains several icons: 'Enter Bills' (circled with a red dashed line), 'Create Invoices', 'Receive Payments', 'Create Sales Receipts', 'Manage Sales Tax', 'Pay Bills', 'Statement Charges', 'Finance Charges', 'Statements', and 'Refunds & Credits'. Blue arrows indicate the flow of data between these icons, showing a central horizontal flow from left to right.

2. Fill in the fields as desired, then click *Save and Close*.

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Online Service

Home Company Snapshot Customer Center Vendor Center Employee Center Report Center Invoice Item

Previous Next Save Find History Attach

Bill Credit Bill Received

Bill

Vendor Bronco Seed Company Date 12/15/2013

Address Bronco Seed Company Ref. No. _____

Amount Due 500.00

Bill Due 12/25/2013

Terms _____

Memo _____

Expenses \$500.00 **Items** \$0.00

Account	Amount	Memo	Customer:Job	Billa...	Class
Seed	250.00				Corn
Seed	250.00				Wheat

Clear Splits Recalculate Save & Close Save & New Clear

How to Pay a Bill:



1. Choose *Vendors: Pay Bills*.

2. Check the bills you want paid, fill in the information(double check Payment Account), then click *Pay Selected Bills*.

Home Company Snapshot Customer Center Vendor Center Employee Center Report Center Invoice Item Check Bill Reg Acct Rmnd Find Services Add

Select Bills to be Paid

Show bills Due on or before 12/25/2013 Show all bills

Filter By All vendors

Sort By Vendor

<input checked="" type="checkbox"/>	Date Due	Vendor	Ref. No.	Disc. Date	Amt. Due	Amt. To Pay
<input checked="" type="checkbox"/>	12/25/2013	Bronco Seed Company			500.00	500.00
<input type="checkbox"/>	12/30/2014	C.U. Electric			500.00	0.00
<input type="checkbox"/>	01/11/2015	C.U. Electric			250.00	0.00
<input type="checkbox"/>	12/30/2014	Cal Gas & Electric	12/03		122.68	0.00
<input type="checkbox"/>	12/25/2014	Cal Telephone			91.94	0.00
<input type="checkbox"/>	12/10/2014	Daigle Lighting			1,539.00	0.00
<input type="checkbox"/>	01/11/2015	Patton Hardware Supplies			810.00	0.00
Totals					23,677.72	500.00

Clear Selections

Discount & Credit Information for Highlighted Bill

Vendor **Bronco Seed Company** Terms Sugg. Discount **0.00** Number of Credits **0**

Bill Ref. No. Total Credits Available **0.00**

Go to Bill Set Discount Set Credits

Payment

Date 12/15/2013 Method Check To be printed Assign check number Account 10100 · Checking

Ending Balance **46,469.10**

Pay Selected Bills Cancel



Test:

**Enter a Bill to Chemicals R Us for
Wheat Herbicide on 12/15/2013.
The amount is \$2000, and there is a
1% 10 Net 30 Discount.**

Pay the Bill on 12/25/2013.

Printing Checks: 3 Ways



From the Checks Window

1. Make sure you have preprinted checks in the printer
2. Choose *Banking:Write Checks* from the main toolbar

The screenshot displays the software's main interface. At the top, a menu bar includes 'Customers', 'Vendors', 'Employees', 'Banking', 'Reports', 'Online Services', 'Window', 'Help', and 'Special Offers'. Below the menu bar is a toolbar with icons for 'Vendor Center', 'Employee Center', 'Receive Inventory', 'Check', 'Reg', 'Acct', 'Rmnd', 'Find', and 'Services'. The 'Banking' menu is open, showing options like 'Write Checks (Ctrl+W)', 'Order Checks & Envelopes', 'Enter Credit Card Charges', 'Use Register (Ctrl+R)', 'Make Deposits', 'Transfer Funds', 'Reconcile', 'Online Banking', 'Loan Manager', and 'Other Names List'. The 'Check' icon in the toolbar is highlighted with a red dashed box. In the main workspace, there are several panels: 'Company' with 'Manage Sales Tax', 'Chart of Accounts', 'Items & Services', and 'Marketing Center'; 'Banking' with 'Record Deposits' and 'Write Checks' (highlighted with a red dashed box); and a central area with 'Create Sales Receipts', 'Receive Payments', 'Refunds & Credits', 'Statements', 'Finance Charges', and 'Statement Charges'. Arrows indicate the flow from the 'Banking' menu to the 'Write Checks' option in the toolbar and then to the 'Write Checks' icon in the main workspace.

From the Checks Window

3. Type in the required information: vendor, amount, etc
4. Choose the *Print* button.

Bank Account: 10100 · Checking Ending Balance: 46,969.10

No. 517
Date 12/15/2013
\$ 500.00

Pay to the Order of Bronco Seed Company

Five hundred and 00/100***** Dollars

Address: Bronco Seed Company

Expenses: \$500.00 Items: \$0.00

Account	Amount	Memo	Customer:Job	Bill...	Class
Seed	250.00				Corn
Seed	250.00				Wheat

Buttons: Clear Splits, Recalculate, Save & Close, Save & New, Clear

From the Bills Window

1. Choose *Vendors: Pay Bills* from the main toolbar.
2. Choose the bills you want paid, then click *Pay Selected Bills*.
3. When the *Payment Summary* window appears, select *Print Checks*.

The screenshot shows the 'Payment Summary' window with the following details:

Payment Details

- Payment Date: 12/15/2013
- Payment Account: 10100 · Checking
- Payment Method: Check

Payments have been successfully recorded for the following 4 of 4 bills:

Date Due	Vendor	Amount Paid
12/25/2013	Bronco Seed Company	500.00
12/30/2014	C.U. Electric	500.00
01/11/2015	C.U. Electric	250.00
12/30/2014	Cal Gas & Electric	122.68
Total		1,372.68

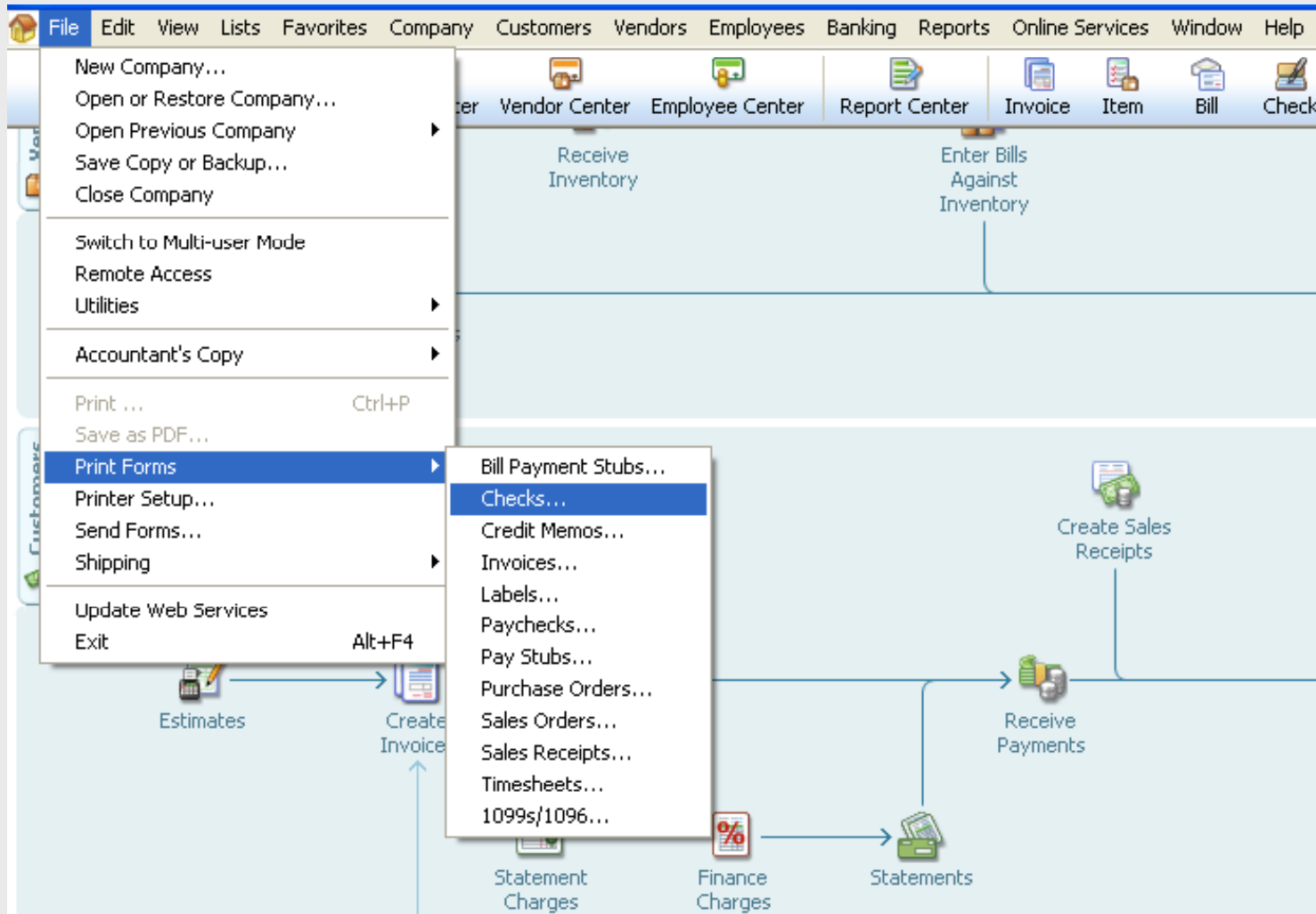
How do I find and change a bill payment?

You can print checks now, or print them later from Print Forms on the File menu.

Buttons at the bottom: Pay More Bills, **Print Checks** (highlighted), Done.

From the Main Menu Window

1. Make sure you have checks in the printer
2. From the menu, choose *File:Print Forms:Checks*



From the Main Menu Window

3. Select the appropriate bank account and check number, place a \checkmark next to the checks/bills you want printed, then click *OK*.

Select Checks to Print

Bank Account: 10100 - Checking | First Check Number: 10080 | [Order checks](#)

Select Checks to print, then click OK.
There are 3 Checks to print for \$1,372.68.

<input checked="" type="checkbox"/>	Date	Payee	Amount
<input checked="" type="checkbox"/>	12/15/2013	Bronco Seed Company	500.00
<input checked="" type="checkbox"/>	12/15/2013	C.U. Electric	750.00
<input checked="" type="checkbox"/>	12/15/2013	Cal Gas & Electric	122.68

Buttons: OK, Cancel, Help, Select All, Select None

From the Main Menu Window

4. The next screen will allow you to make several choices about your printer and what kind of checks you have.

Print Checks

You have 3 checks to print for \$1,372.68

Settings | Fonts | Partial Page

Printer name: HP LaserJet 2420 PCL 6 on DOT4 001 Options...

Printer type: Page-oriented (Single sheets)

Note: To install additional printers or to change port assignments, use the Windows Control Panel.

Check Style

Voucher Standard Wallet

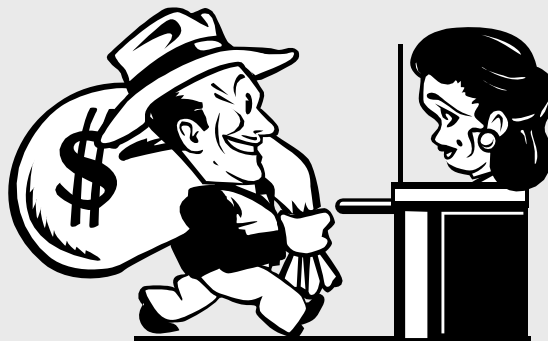
Number of copies: 1

Collate
 Print company name and address.
 Use logo
 Print Signature Image

Print
Cancel
Help
Logo
Signature

Cash Deposit – The Easy Way

- The easiest way to handle a cash sale is to record the receipt of income by making a cash deposit. You can even add information in the deposit form's description field concerning transaction details.



How to Enter a Deposit

1. Choose *Banking: Make Deposits* from the main menu window.

The screenshot displays the main menu window of the AgriLIFE EXTENSION software. The menu bar includes File, Edit, View, Lists, Company, Customers, Vendors, Employees, Banking, Reports, Window, and Help. The Banking menu is open, showing options: Write Checks (Ctrl+W), Order Checks & Envelopes, Enter Credit Card Charges, Use Register (Ctrl+R), Make Deposits (highlighted), Transfer Funds, Reconcile, Online Banking, Loan Manager, and Other Names List. The main window features a Home section with Vendors and Customers tabs, and a Banking section with Record Deposits (highlighted with a red dashed box) and Reconcile options. Other sections include Company (Chart of Accounts, Items & Services, Adjust Quantity On Hand, Marketing Tools) and various financial tools like Purchase Orders, Receive Inventory, Enter Bills, Pay Bills, Create Sales Receipts, Receive Payments, Create Invoices, Estimates, Statement Charges, Finance Charges, Statements, Refunds & Credits, Write Checks, and Check Register.

2. Fill in desired fields and click *Save and New* or *Save and Close* to record your entry.

Previous Next Save Print Payments History Attach

Deposit To 10100 · Ch... Date 07/25/2013 Memo Deposit

Click Payments to select customer payments that you have received. List any other amounts to deposit below.

Received From	From Account	Class	Amount
Farmer's Coop	Crop Sales	Wheat	20,000.00

Deposit Subtotal 20,000.00

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account.

Cash back goes to Cash back memo Cash back amount

Deposit Total 20,000.00

Save & Close Save & New Clear



Test:

Enter a deposit for \$20,000 received from the Farmer's Coop for wheat sales on 7/25/13.

Automating Recurring/Memorizing Transactions

AutoRecall

- When you select a customer or vendor name, QuickBooks automatically fills in the rest of the form with the most recent transaction entered for that customer or vendor.

AutoRecall is a feature that is turned on by default when you install QuickBooks. If for some reason it has been turned off, follow these procedures:

AutoRecall

1. Choose *Edit:Preferences* from the main menu to open the *Preferences* window.
2. Click on the *General* icon in the scrollable box along the left side of the window.
3. Check the box marked “*Automatically recall last transaction for the name,*” then click *OK*.
4. You can also select “*Pre-fill accounts for vendor based on past entries.*” This selection fills in vendor/account information, but not actual dollar amounts.

Memorizing a Transaction

- While memorizing a transaction is less necessary since the advent of Auto Recall, the need for this function still arises.
- To memorize a transaction, simply select the check, bill, deposit, etc. you want to memorize.
- Fill in the relevant information, then choose *Ctrl M*.
- Select how often you want to be reminded of the transaction. Automatic entry is also an option.

Reconciling Your Accounts



1. Choose *Banking: Reconcile* from the main menu.

The screenshot displays a software application window with a menu bar at the top containing: File, Edit, View, Lists, Company, Customers, Vendors, Employees, Banking, Reports, Window, and Help. Below the menu bar is a ribbon with tabs for Home, Customer Center, Vendor Center, Employee Center, and Reports. The main workspace is divided into several functional areas:

- Vendors:** Includes icons for Purchase Orders, Receive Inventory, and Enter Bills.
- Customers:** Includes icons for Estimates, Create Invoices, Create Sales Receipts, Receive Payments, Statement Charges, Finance Charges, Statements, and Refunds & Credits.
- Company:** Includes icons for Chart of Accounts, Items & Services, Adjust Quantity On Hand, and Marketing Tools.
- Banking:** Includes icons for Record Deposits, Reconcile (highlighted with a red dashed box), Write Checks, and Check Register.

The 'Banking' menu is open, showing the following options:

- Write Checks (Ctrl+W)
- Order Checks & Envelopes
- Enter Credit Card Charges
- Use Register (Ctrl+R)
- Make Deposits
- Transfer Funds
- Reconcile** (highlighted)
- Online Banking
- Loan Manager
- Other Names List

2. In the reconcile window, select the account you want to reconcile, then enter the statement date and ending balance. Compare the beginning balance field with the beginning balance shown on your statement.

Begin Reconciliation ✕

Select an account to reconcile, and then enter the ending balance from your account statement.

Account: 10100 · Checking ▼

Statement Date: 11/30/2013 📅

Beginning Balance: 71,452.58 [What if my beginning balance doesn't match my statement?](#)

Ending Balance: 50,000.00

Enter any service charge or interest earned.

<u>S</u> ervice <u>C</u> harge	<u>D</u> ate	<u>A</u> ccount	<u>C</u> lass
0.00	11/30/2013 📅	60600 · Bank Service Charges ▼	▼
<u>I</u> nterest <u>E</u> arned	<u>D</u> ate	<u>A</u> ccount	<u>C</u> lass
0.00	11/30/2013 📅	70200 · Interest Income ▼	▼

Locate Discrepancies Undo Last Reconciliation Continue Cancel Help

3. Mark all cleared transactions

For period: 11/30/2013

Hide transactions after the statement's end date

Checks and Payments

Deposits and Other Credits

✓	Date	Chk #	Payee	Amount	✓	Date	Chk #	Payee	Type	Amount
✓	12/15/2011		C.U. Electric	750.00	✓	11/30/2011	41077	Melton, Johnny:D...	PMT	4,135.50
✓	12/15/2011		Cal Gas & Electric	122.68	✓	12/02/2011			DEP	4,706.01
✓	12/15/2011		Cal Telephone	91.94	✓	12/03/2011		Teschner, Anton:...	PMT	1,200.00
✓	12/15/2011		Daigle Lighting	1,591.00		12/05/2011			TRANSFR	25,000.00
✓	12/15/2011		Hamlin Metal	670.00		12/05/2011	56321	Teschner, Anton:...	PMT	5,000.00
✓	12/15/2011		Hopkins Construction...	700.00	✓	12/10/2011			DEP	1,000.00
✓	12/15/2011		Lew Plumbing	1,330.00	✓	12/10/2011	3008	Keenan, Bridget:...	RCPT	102.65
✓	12/15/2011		Middlefield Drywall	1,200.00	✓	12/12/2011			DEP	4,936.12
✓	12/15/2011		Patton Hardware Su...	1,020.00	✓	12/14/2011			DEP	4,700.00
✓	12/15/2011		Perry Windows & Doors	6,705.00	✓	12/15/2011	SEND		TRANSFR	500.00
✓	12/15/2011		Sergeant Insurance	4,050.00	✓	12/15/2011		Abercrombie, Kris...	PMT	7,633.28
✓	12/15/2011		Sloan Roofing	1,047.00		12/15/2011	42000	Natiello, Ernesto:...	PMT	13,560.39
	12/15/2011		Thomas Kitchen & Bath	585.00						
✓	12/15/2011		Timberloft Lumber	215.10						
✓	12/15/2011		Yu Contracting	1,250.00						
✓	12/15/2011		Washuta & Son Paint...	600.00						
✓	12/15/2011		Wheeler's Tile Etc.	1,250.00						
✓	10/31/2011	433	Sergeant Insurance	712.56						
✓	10/31/2011	436	Bayshore Water	24.00						
✓	11/14/2011	451	Larson Flooring	3,200.00						
✓	11/19/2011	460	City of Bayshore	225.00						
✓	11/28/2011	464	Hopkins Construction...	300.00						
✓	11/28/2011	465	Keswick Insulation	500.00						
✓	11/28/2011	466	McClain Appliances	600.00						
✓	11/28/2011	467	Lew Plumbing	800.00						
✓	11/28/2011	468	Timberloft Lumber	6,790.00						
✓	11/28/2011	469	Sloan Roofing	2,000.00						
✓	11/28/2011	470	Washuta & Son Paint...	500.00						
✓	11/30/2011	471	Bayshore Water	24.00						
✓	11/30/2011	472	Patton Hardware Su...	656.23						
✓	11/30/2011	473	Wheeler's Tile Etc.	686.00						

Mark All

Unmark All

Go To

Matched

Columns to Display...

Beginning Balance	71,452.58
Items you have marked cleared	
7 Deposits and Other Credits	17,144.78
29 Checks and Payments	38,563.51

Modify

Service Charge	0.00
Interest Earned	0.00
Ending Balance	50,000.00
Cleared Balance	50,033.85
Difference	-33.85

4. Check difference at bottom of screen. Discussion on account reconciliation through online banking is on pg. 77.

Farm Loan Basics



QuickBooks Loans - 2 Basic Types

- *Current Liabilities* are debts that must be paid within a year. QuickBooks has 3 different current liability account types:
 - Accounts Payable – monthly bills
 - Credit Cards
 - Other Current Liabilities – operating notes, etc.
- *Long-Term Liabilities* are debts to be paid off over more than one year.
 - Ex. Machinery loans, breeding livestock, and land

Setting Up a Loan Account

1. Open the *Chart of Accounts* window (Ctrl A).
2. Open the *New Account* dialog (Ctrl N).
3. Fill in loan information, and click *Save and Close*.

The screenshot shows the QuickBooks interface with the 'New Account' dialog box open. The 'Account Type' is set to 'Other Current Liability'. The 'Account Name' is 'Operating Note \$200,000'. The 'Optional' section is expanded, showing fields for 'Description', 'Account No.', and 'Routing Number'. The 'Tax-Line Mapping' is set to 'B/S-Liabs/Eq.: Other curre...'. A sub-dialog box titled 'Enter Opening Balance: Other Current Liability Account' is overlaid on top. It contains an information icon and the text: 'Enter the balance this account had on the day before your QuickBooks start date.' Below this is an 'Attention' message: 'Attention: If this account **did not** have a balance before your QuickBooks start date, click **Cancel** and use a transaction to put money in this account. [Example transactions](#)'. The 'Opening Balance' field is set to '30,000.00' and the 'as of' date is '12/01/2013'. There are 'OK', 'Cancel', and 'Help' buttons at the bottom of the sub-dialog. At the bottom of the main dialog, there are 'Save & Close', 'Save & New', and 'Cancel' buttons.

Use caution when choosing the “loan” account type in the new account window.

Add New Account: Choose Account Type

Choose **one** account type and click Continue.

Categorize money your business earns or spends

- Income
- Expense

Or, track the value of your assets and liabilities

- Fixed Asset (major purchases)
- Bank
- Loan**
- Credit Card
- Equity

Other Account Types

[Help me choose the right account type.](#)

When would I add a Loan account?

If you have one or more loans for your business, you should create different Loan accounts for each one. For example, if you have loans to fund for equipment, inventory, or working capital, you should create different Loan accounts to track the principal you owe for each one.

When you create the Loan account, QuickBooks sets the account type to Other Current Liability.

Continue Cancel

Receiving Loan Funds – First Example

To receive loan funds, you can record a deposit, or simply transfer funds. To transfer funds:

1. Choose *Banking: Transfer Funds* from the main menu

The screenshot displays the software's main menu and dashboard. The menu bar includes File, Edit, View, Lists, Company, Customers, Vendors, Employees, Banking, Reports, Window, and Help. The Banking menu is open, showing options: Write Checks (Ctrl+W), Order Checks & Envelopes, Enter Credit Card Charges, Use Register (Ctrl+R), Make Deposits, Transfer Funds (highlighted), Reconcile, Online Banking, Loan Manager, and Other Names List. The dashboard features a central flow diagram with icons for Purchase Orders, Receive Inventory, Enter Bills, Pay Bills, Create Sales Receipts, Receive Payments, Create Invoices, and Estimates. Sidebars for Vendors and Customers are visible. The right sidebar contains sections for Company (Chart of Accounts, Items & Services, Adjust Quantity On Hand, Marketing Tools) and Banking (Record Deposits, Reconcile).

2. Fill in the account the money will be transferred from (liability), and the account where the money will be transferred to (checking). Fill in the transfer amount, then click *Save & Close*.



Transfer Funds			
Date	12/15/2013		
Transfer Funds From	Operating Note \$200,000	Account Balance	30,000.00
Transfer Funds To	First National Bank Checking	Account Balance	32,000.00
<input type="checkbox"/> Online Funds Transfer		Transfer Amount \$	50,000.00

Memo Funds Transfer

Save & Close Save & New Clear



Test:

- 1. Transfer \$50,000 from the operating note account into the farm's checking account on 12/15/2013.**
- 2. Create two new liability accounts:**
 - Tractor Note**
 - Combine Note**

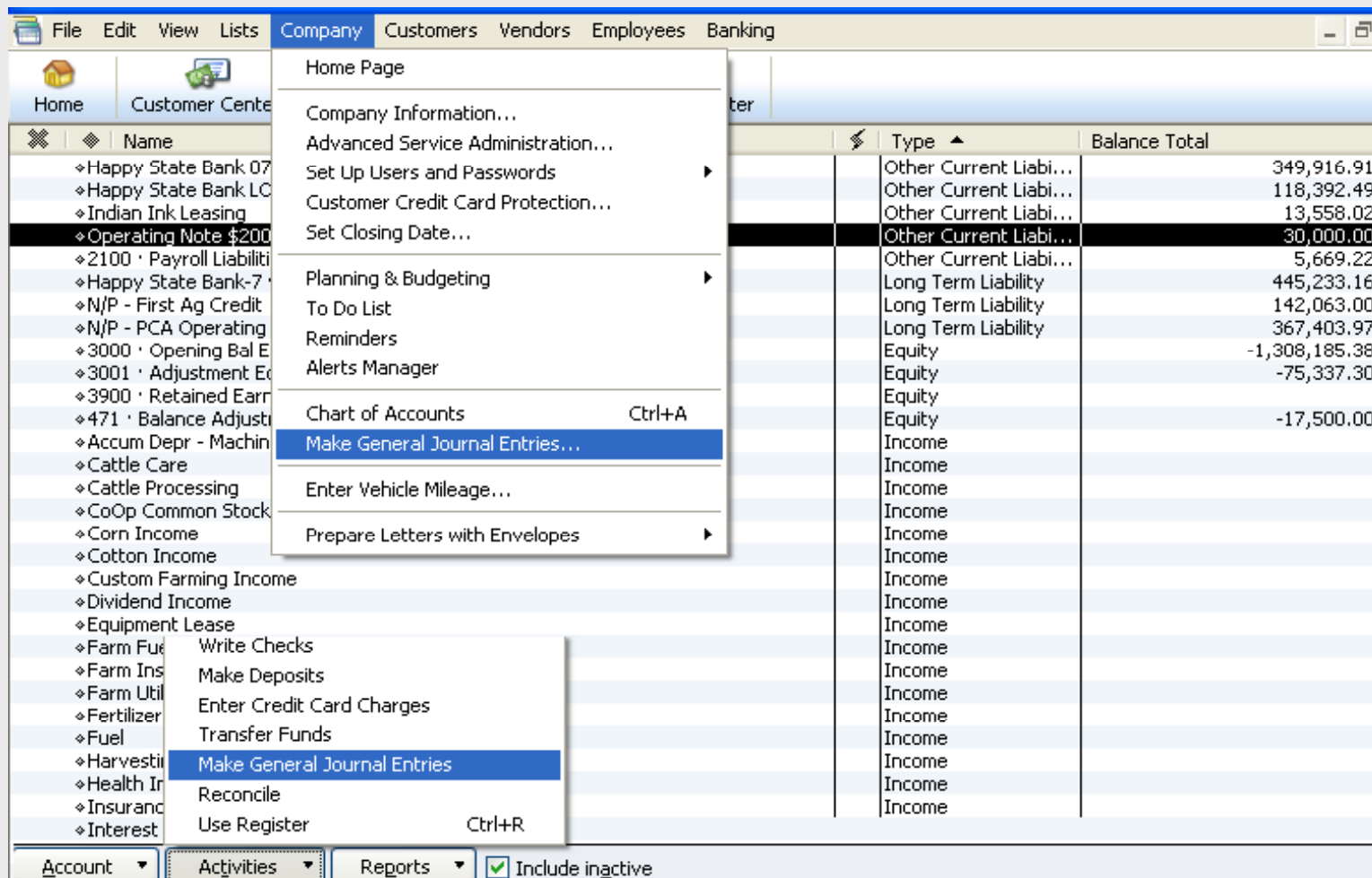
Receiving Loan Funds – Second Example

Some cases involve entering loans when funds are not deposited into Farm Checking:

- Typical examples are dealer financing of machinery or input purchases, or owner financing of land.
- In this case, you must make a General Journal entry.

Making a General Journal Entry

1. Choose *Company:Make General Journal Entries* from the Main Menu screen. You can also select the option from the Chart of Accounts.





Test:

Purchase a tractor for \$155,000 from John Deere credit on 12/15/2013. There is no down payment or trade-in.



Test:


Purchase a combine for \$180,000 from John Deere credit on 12/15/2013. There is a \$5,000 down payment and a \$20,000 trade-in.

Entering Loan Payments

- Simply write a check. Be sure and separate the principle and interest amounts.

Bank Account: 10100 · Checking Ending Balance: 46,969.10

No. 517
 Date 12/15/2013
 Pay to the Order of First National Bank Checking \$ 12,000.00
 Twelve thousand and 00/100* ***** Dollars
 Address:
 Memo: _____

 Order Checks

Expenses \$12,000.00 Items \$0.00 Online Payment To be printed

Account	Amount	Memo	Customer:Job	Bill...	Class
Operating Note \$200,000	11,500.00	Principle Repaid			Corn
62400 · Interest Expense	500.00	Interest on Note			Wheat

Loan Manager Features

- Add and remove loans you want to track
- View payment schedules
- Set up loan payments
- Analyze different loan scenarios

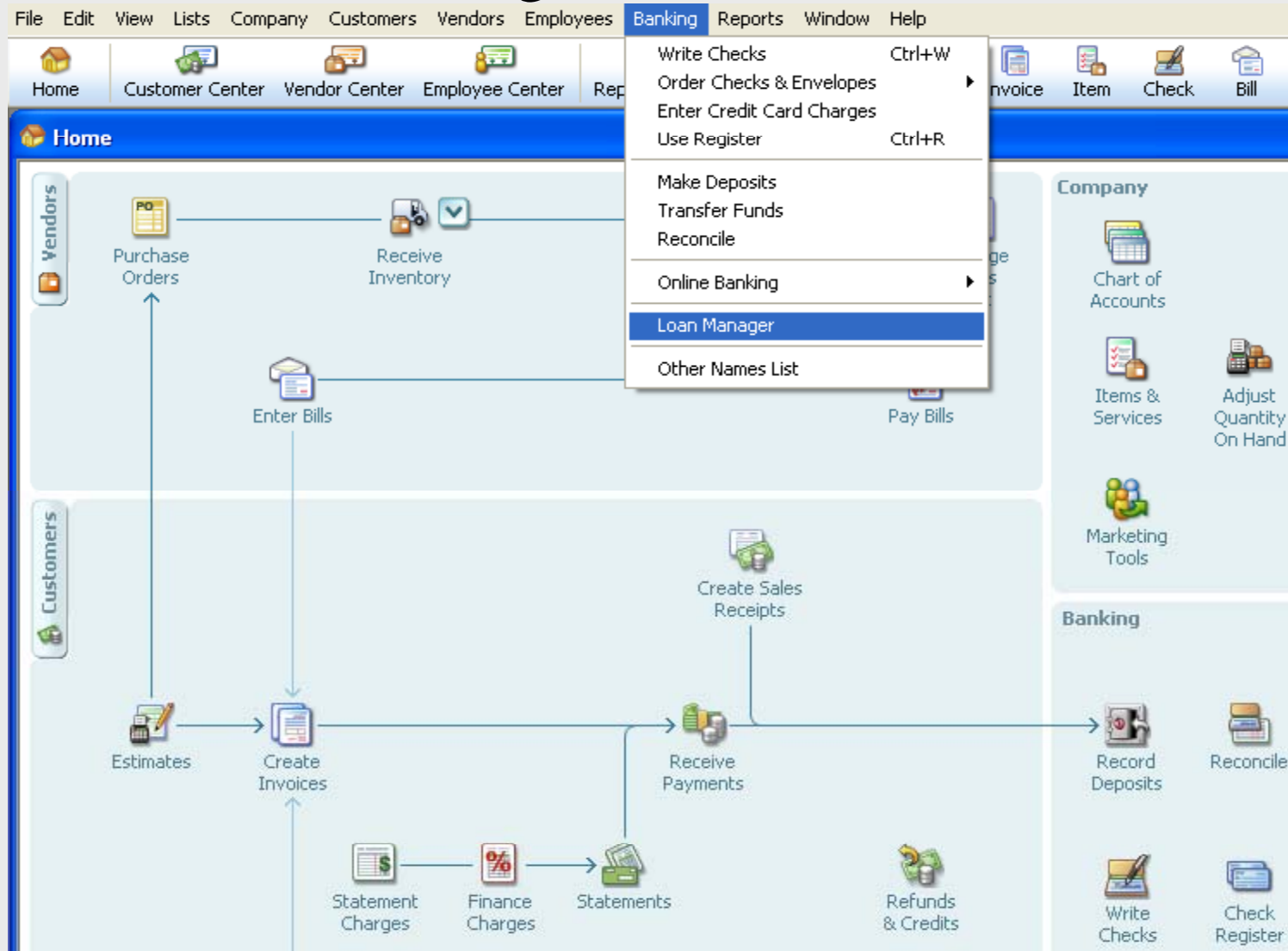
NOTE: This feature is most useful for long-term liabilities (land, machinery, etc). It does not work well for operating debt.

Adding a New Loan

- Set up a liability account for the loan, and add the opening balance.
- Set up an expense account for tracking loan interest.
- Set up the lender if they are not already in your vendor list.
- If escrow payments are utilized, set up an escrow account.
- Make sure all transactions are current.

To Use Loan Manager

- From the Banking menu, Choose *Loan Manager*.



Adding a Loan to Loan Manager

1. In the Loan Manager window, click *Add a Loan*.
2. Enter account information.

The screenshot displays the 'Loan Manager' application. At the top, a 'Loan List' table is visible with columns for Name, Balance, Next Payment, and Amount. A red dashed box highlights the 'Add a Loan...' button in the top right corner of the window. Below the table, a 'Set Up Payment...' button is visible. The 'Add Loan' dialog box is open, titled 'Add Loan' with a close button (X) in the top right. The dialog contains the following fields and controls:

- Enter account information for this loan**
- Account Name: Tractor Note (dropdown menu)
- Current Balance: 0.00
- Lender: John Deere Credit (dropdown menu)
- Origination Date: 12/15/2013 (calendar icon) [Why should I enter an origination date?](#)
- Original Amount: 155,000.00
- Term: 60 (input field) Months (dropdown menu)

At the bottom of the dialog, there are buttons for 'Previous', 'Next', 'Finish', 'Cancel', and 'Help'. A 'Help' button is also present at the bottom right of the main window.


Adding a Loan to Loan Manager

3. Enter payment information


Loan List

Add Loan

Enter payment information for this loan

Due Date of Next Payment 

Payment Amount (Principal + Interest) Next Payment Number (optional)

Payment Period 

Does this loan have an escrow payment? Yes No

Escrow Payment Amount

Escrow Payment Account

Total Payment: \$3,069.00

Alert me 10 days before a payment is due

Adding a Loan to Loan Manager

4. Enter interest information, then click *Finish*

Loan List

Add Loan

Enter interest information for this loan

Interest Rate %

Compounding Period [What is an exact days compounding period?](#)

Compute Period

Payment Account

Interest Expense Account

Fees/Charges Expense Account



Test:

Set up a loan for the JD Tractor purchased on 12/15/2013. It is a five year (60 month) note financed at 7.00% interest compounded monthly. The next payment of \$3,069 is due on 1/01/2014.

Paying a Loan in Loan Manager

1. From the *Banking* menu, choose *Loan Manager*.
2. Select the desired loan, and click *Set Up Payment*.

Loan List

Name	Balance	Next Payment	Amount
Tractor Note	155,000.00	01/01/2014	3,069.00

Buttons: Add a Loan..., Set Up Payment..., Edit Loan Details..., Remove Loan...

Summary | **Payment Schedule** | Contact Info

Payment #	Date	Principal (P)	Interest (I)	Payment (P+I)	Balance
1	01/01/2014	2,164.83	904.17	3,069.00	152,835.17
2	02/01/2014	2,177.46	891.54	3,069.00	150,657.71
3	03/01/2014	2,190.16	878.84	3,069.00	148,467.55
4	04/01/2014	2,202.94	866.06	3,069.00	146,264.61
5	05/01/2014	2,215.79	853.21	3,069.00	144,048.82
6	06/01/2014	2,228.72	840.28	3,069.00	141,820.10
7	07/01/2014	2,241.72	827.28	3,069.00	139,578.38

Buttons: Print..., What If Scenarios..., Close, Help

Paying a Loan in Loan Manager

3. Click *Set Up Payment*, enter principle and interest amounts, etc., then click *OK*.

Set Up Payment [Close]

This payment is [Why should I pay my loans from the Loan Manager?](#)
[What is the difference between a regular and an extra payment?](#)

Account Information

Account Name: Tractor Note
Lender: John Deere Credit
Bank Account: First National Bank Checking

Payment Information

Principal (P)	<input type="text" value="2,164.83"/>	Fees & Charges	<input type="text" value="0.00"/>	Payment Number	<input type="text" value="1"/>
Interest (I)	<input type="text" value="904.17"/>	Escrow	<input type="text" value="0.00"/>		
Total P+I:	3,069.00	Total Payment:	3,069.00		

Payment Method

I want to

Notes:

- If the principal and interest is incorrectly calculated, entering the correct amounts will re-amortize the loan.
- If the current balance does not show up correctly, simply re-load loan manager.



Test:

Set up a loan payment for the JD Tractor Note. It is a regular payment that will be paid by check.

Setting up a “What If” Scenario

1. From the Banking Menu, choose *Loan Manager*.
2. In Loan Manager, click *What If Scenarios*.

What If Scenarios

Choose a scenario: What if I change my payment amount? ▾

Choose a loan: What if I change my payment amount?
What if I change my interest rate?
How much will I pay with a new loan?
What if I refinance my loan?
Evaluate two new loans

Tractor Note: loan

Current Balance:	152,835.17	
Amount Borrowed:	155,000.00	
Origination Date:	12/15/2013	
Maturity Date:	12/01/2018	
Payment Amount:	3,069.00	Payment Amount: 3,069.00
Payment Period:	Monthly	
Interest Rate:	7.000%	
Next Payment Date:	02/01/2014	
Total Payments:	\$181,084.29	Total Payments: \$0.00
Total Interest:	\$28,249.12	Total Interest: \$0.00
Balloon Payment:	N/A	Balloon Payment: N/A

Calculate

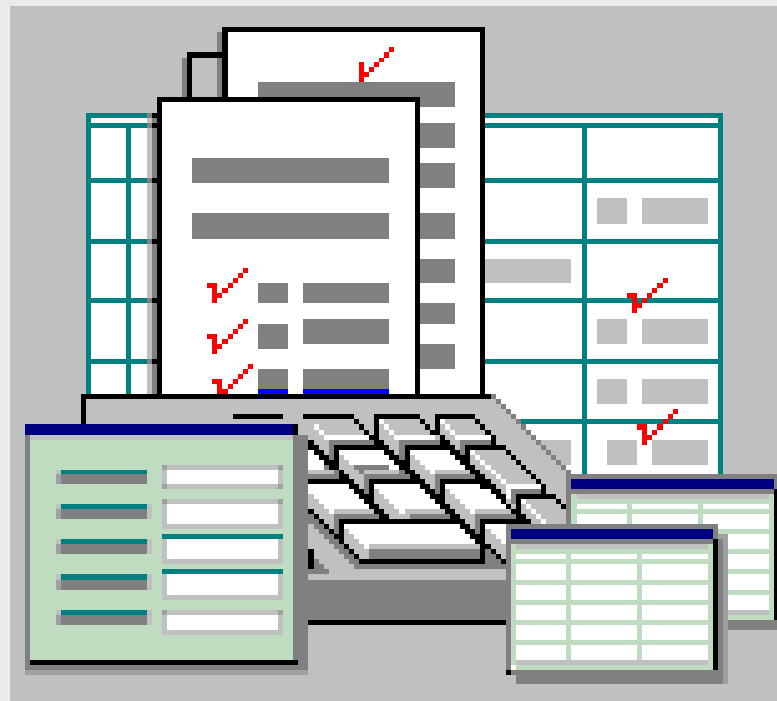
Print...

OK Cancel Help

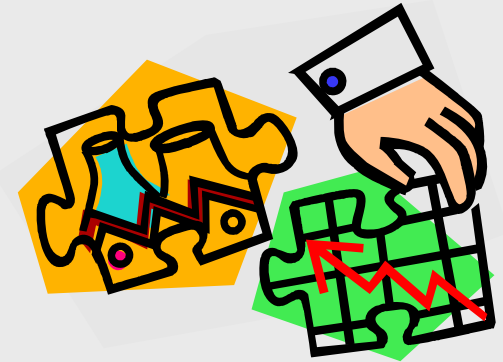
Setting up a “What If” Scenario

3. In the What If Scenarios Window, choose a scenario:
 - a. What if I change my payment amount?
 - b. What if I change my interest rate?
 - c. How much will I pay with a new loan?
 - d. What if I refinance my loan?
 - e. Evaluate two new loans

QuickBooks Reports



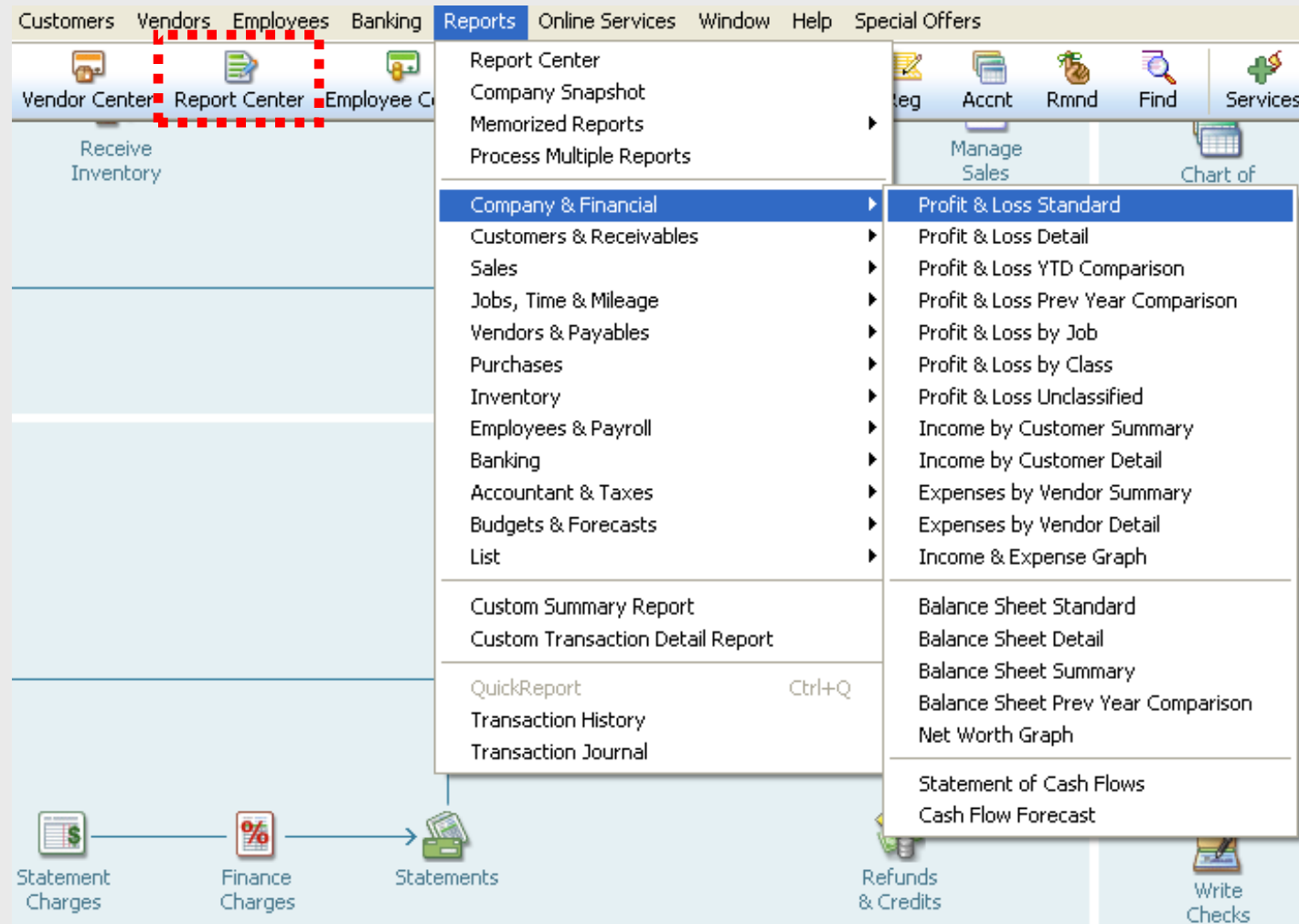
QuickBooks Reports



- Summary reports
 - Show a summary of transactions over a specified period of time (Profit and Loss Standard).
- Detail reports
 - Show a list of all transactions that led to each account summary (Profit and Loss Detail).

Opening a Profit and Loss Report

1. Choose *Reports: Company & Financial: Profit & Loss Standard*.



Report Features – Filtering

- Filtering involves specifying or limiting the set of transactions a report includes. You can use filters to limit transactions to a specific customer, vendor, account, class, month, week, day, dollar amount, and more.

Filtering Reports

1. Click on the *Modify Report* button at the top of the report window.

The screenshot displays a software interface with a navigation bar at the top containing icons and labels for: Home, Company Snapshot, Customer Center, Vendor Center, Employee Center, Report Center, Invoice, Item, Check, and Bill. Below this is a toolbar with buttons for: Modify Report... (highlighted with a red dashed box), Memorize..., Print..., E-mail, Export..., Hide Header, Collapse, and Refresh. At the bottom, there is a filter section with a 'Dates' label, a dropdown menu set to 'This Month-to-date', and input fields for 'From' (12/01/2013) and 'To' (12/15/2013). To the right are 'Columns' (set to 'Total only') and 'Sort By' (set to 'Default') dropdown menus.

Filtering Reports (Cont.)

2. Click on the tab labeled *Filters*.

The screenshot shows the 'Modify Report: Profit & Loss' dialog box with the 'Filters' tab selected. The 'Filters' tab is highlighted with a red dashed border. The dialog box contains several sections for configuring filters.

Choose Filter

- Filter: Account (selected)
- Amount
- Date
- Item
- Memo
- Name
- Number
- TransactionType

Account

All income/expense accounts

Include split detail?

- No
- Yes
- For detail accounts matching

All accounts

Account Filter

Choose the types of accounts or a specific account from the drop-down list. Indicate whether or not you want split detail to appear in the report (Balance Sheet accounts only).

Tell me more...

Current Filter Choices

Filter	Set to
Account	All income/expense ...
Date	This Month-to-date

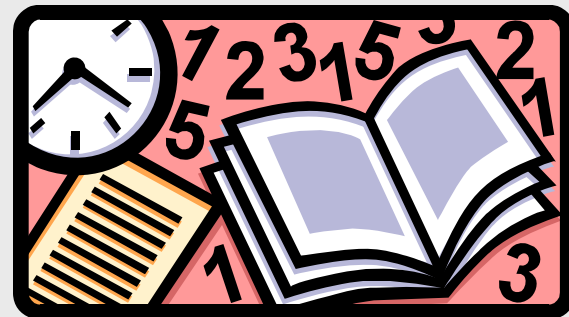
Remove Selected Filter

Revert

OK Cancel Help

Report Features - Customizing

Customizing involves creating a specified report format. You can select from a variety of options, including date ranges, cash vs. accrual formats, year to date comparisons, income/expense percentages, and more.



Customizing Reports

1. Click on the *Modify* button at the top of the report window. Select the *Display* tab.

Modify Report: Profit & Loss

Display | Filters | Header/Footer | Fonts & Numbers

Report Date Range

Dates: From the first day of the current month through today

From: To:

Report Basis

Accrual Cash This setting determines how this report calculates income and expenses.

Columns

Display columns by: across the top. Sort by:

Sort in: Ascending order Descending order

Add subcolumns for:

<input type="checkbox"/> Previous Period	<input type="checkbox"/> Previous Year	<input type="checkbox"/> Year-To-Date	<input type="checkbox"/> % of Row	<input type="checkbox"/> % of Column
<input type="checkbox"/> \$ Change	<input type="checkbox"/> \$ Change	<input type="checkbox"/> % of YTD	<input type="checkbox"/> % of Income	<input type="checkbox"/> % of Expense
<input type="checkbox"/> % Change	<input type="checkbox"/> % Change			

Advanced... Revert

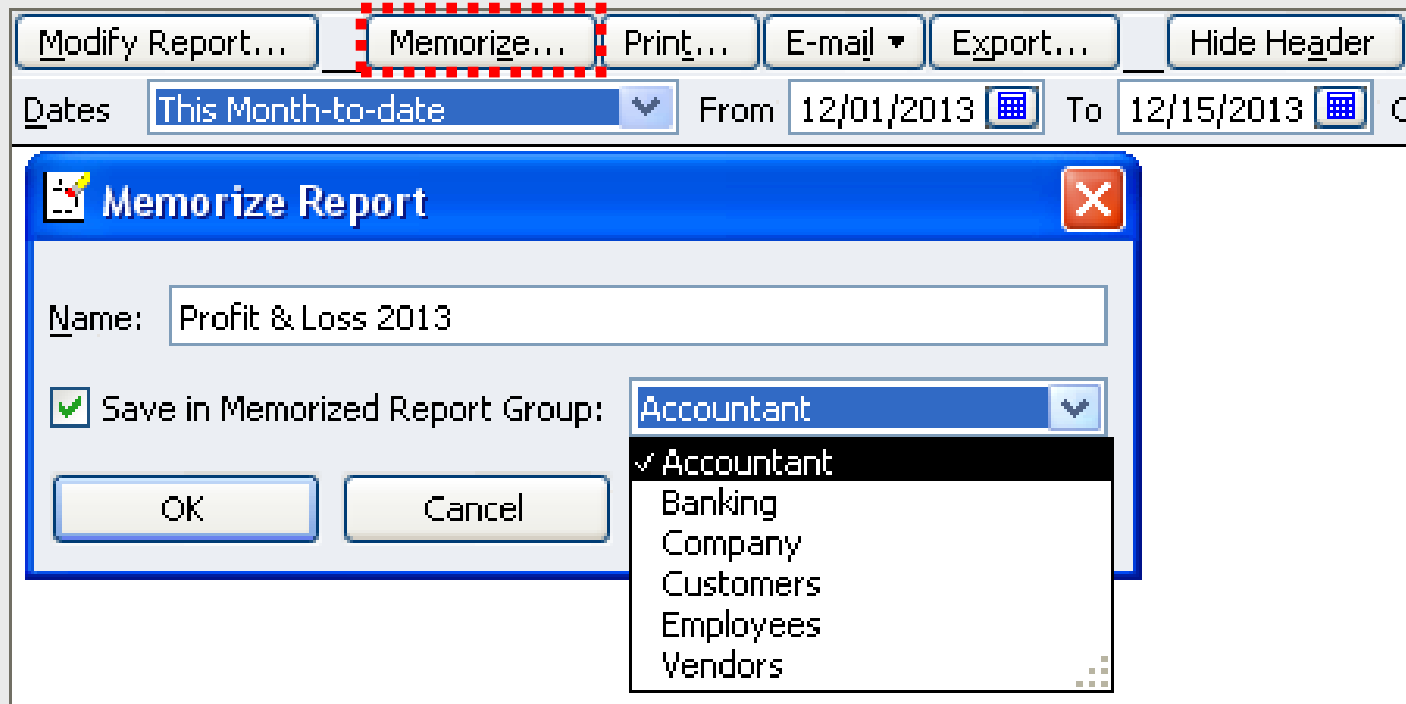
OK Cancel Help

Report Features - Memorizing

After spending the time to customize your report to the desired settings, it is a good idea to have QuickBooks memorize it. Doing so will save the report's settings in the *Memorized Reports* list, which can be recalled when needed.

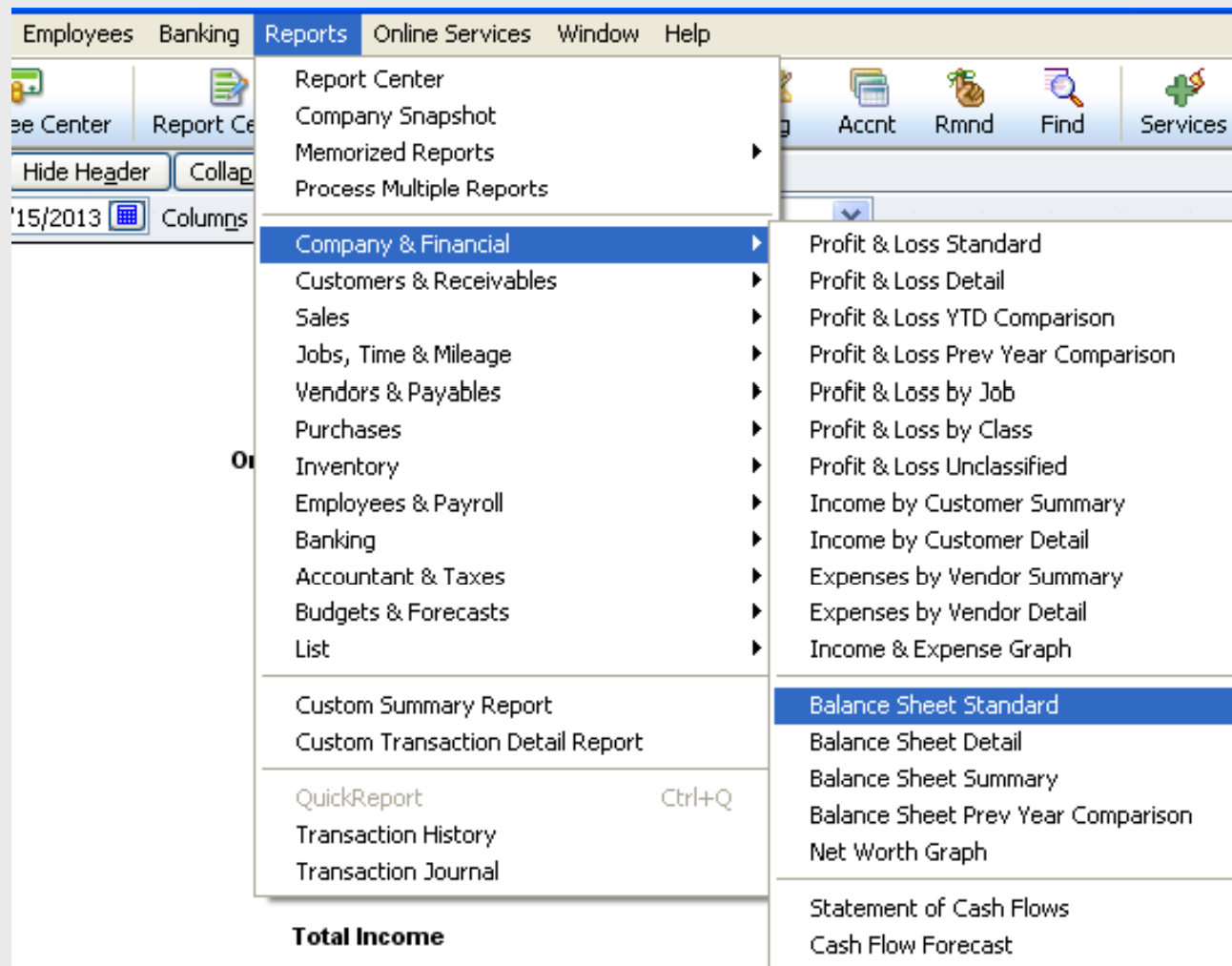
Memorizing a Report

1. Click on the *Memorize* button at the top of the report's window.
2. Enter a name for the memorized report in the Memorize Report dialog.



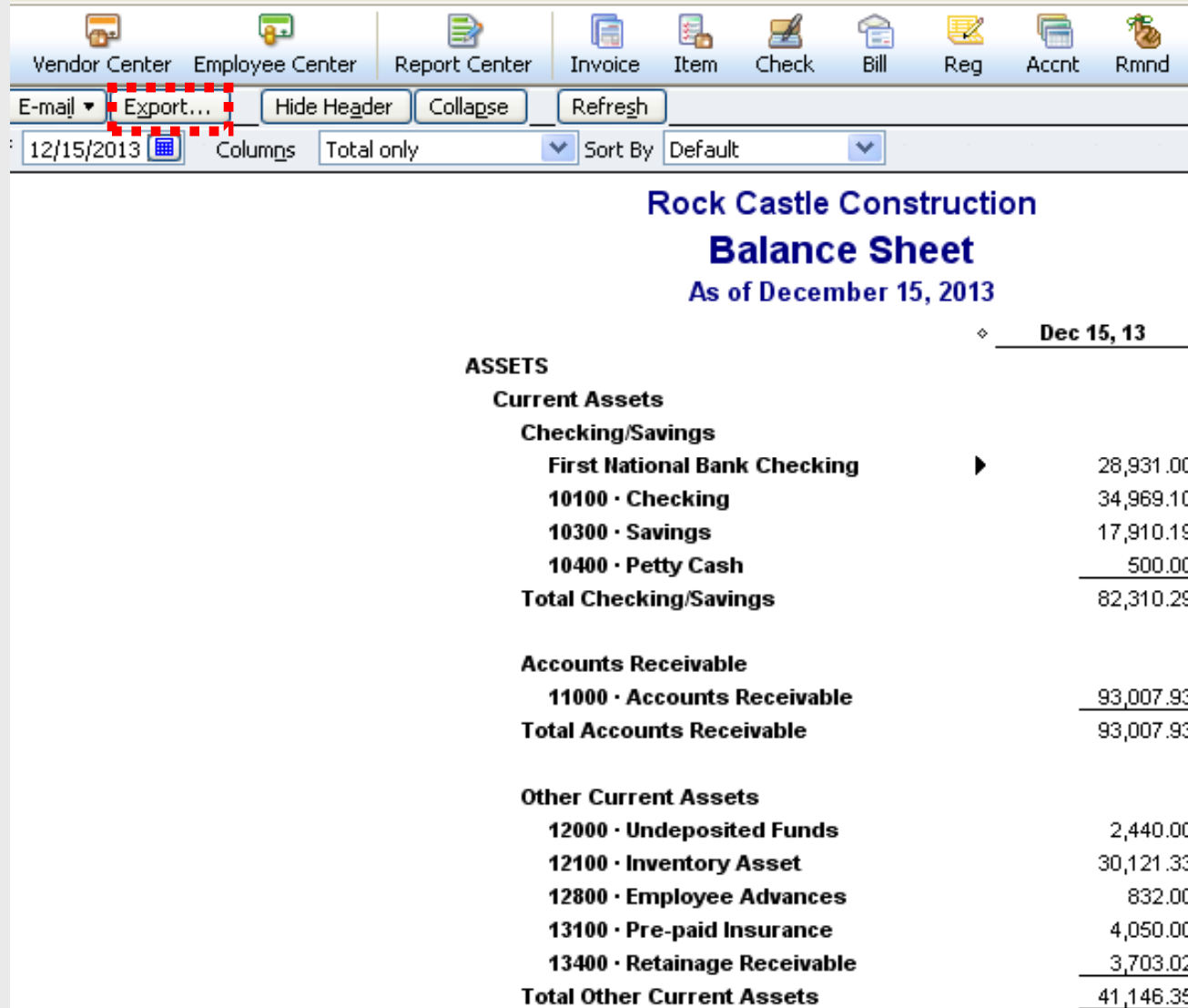
Exporting Reports to Excel

1. Create the report you want to export from QuickBooks. For this example, choose *Reports:Company & Financial: Balance Sheet Standard*



Exporting Reports to Excel

2. Once the report is created, click the *Export* button at the top of the report window.



The screenshot shows a software interface with a menu bar at the top containing options like Vendor Center, Employee Center, Report Center, Invoice, Item, Check, Bill, Reg, Acct, and Rmnd. Below the menu bar is a toolbar with buttons for E-mail, Export..., Hide Header, Collapge, and Refresh. The date 12/15/2013 is displayed, along with a 'Columns' dropdown set to 'Total only' and a 'Sort By' dropdown set to 'Default'. The main content area displays a report titled 'Rock Castle Construction Balance Sheet As of December 15, 2013'. The report is dated 'Dec 15, 13' and lists 'ASSETS' under 'Current Assets'. The assets are categorized into 'Checking/Savings', 'Accounts Receivable', and 'Other Current Assets'. The 'Export...' button is highlighted with a red dashed box.

		◇ <u>Dec 15, 13</u>
ASSETS		
Current Assets		
Checking/Savings		
First National Bank Checking	▶	28,931.00
10100 · Checking		34,969.10
10300 · Savings		17,910.19
10400 · Petty Cash		500.00
Total Checking/Savings		<u>82,310.29</u>
Accounts Receivable		
11000 · Accounts Receivable		<u>93,007.93</u>
Total Accounts Receivable		93,007.93
Other Current Assets		
12000 · Undeposited Funds		2,440.00
12100 · Inventory Asset		30,121.33
12800 · Employee Advances		832.00
13100 · Pre-paid Insurance		4,050.00
13400 · Retainage Receivable		<u>3,703.02</u>
Total Other Current Assets		<u>41,146.35</u>

Exporting Reports to Excel

3. A window will appear asking if you want to send the report to a new or existing spreadsheet. Select *Export report to a new Excel spreadsheet*

Export Report

Basic | Advanced

Export QuickBooks report to:

a comma separated values (.csv) file

a new Excel workbook

an existing Excel workbook

use an existing sheet in the workbook

create a new sheet in the workbook

Include a new worksheet in the workbook that explains Excel worksheet linking

Exporting Reports to Excel

4. When you click *Export*, Excel will open showing your exported spreadsheet

	A	B	C	D	E	F	G
1							Dec 15, 13
2	ASSETS						
3	Current Assets						
4	Checking/Savings						
5	First National Bank Checking						28,931.00
6	10100 · Checking						34,969.10
7	10300 · Savings						17,910.19
8	10400 · Petty Cash						500.00
9	Total Checking/Savings						82,310.29
10	Accounts Receivable						
11	11000 · Accounts Receivable						93,007.93
12	Total Accounts Receivable						93,007.93
13	Other Current Assets						
14	12000 · Undeposited Funds						2,440.00
15	12100 · Inventory Asset						30,121.33
16	12800 · Employee Advances						832.00
17	13100 · Pre-paid Insurance						4,050.00
18	13400 · Retainage Receivable						3,703.02
19	Total Other Current Assets						41,146.35

Exporting into Excel allows for inventory and depreciation adjustments, and report customization for your bookkeeper, accountant, etc.

Supporting Report Features

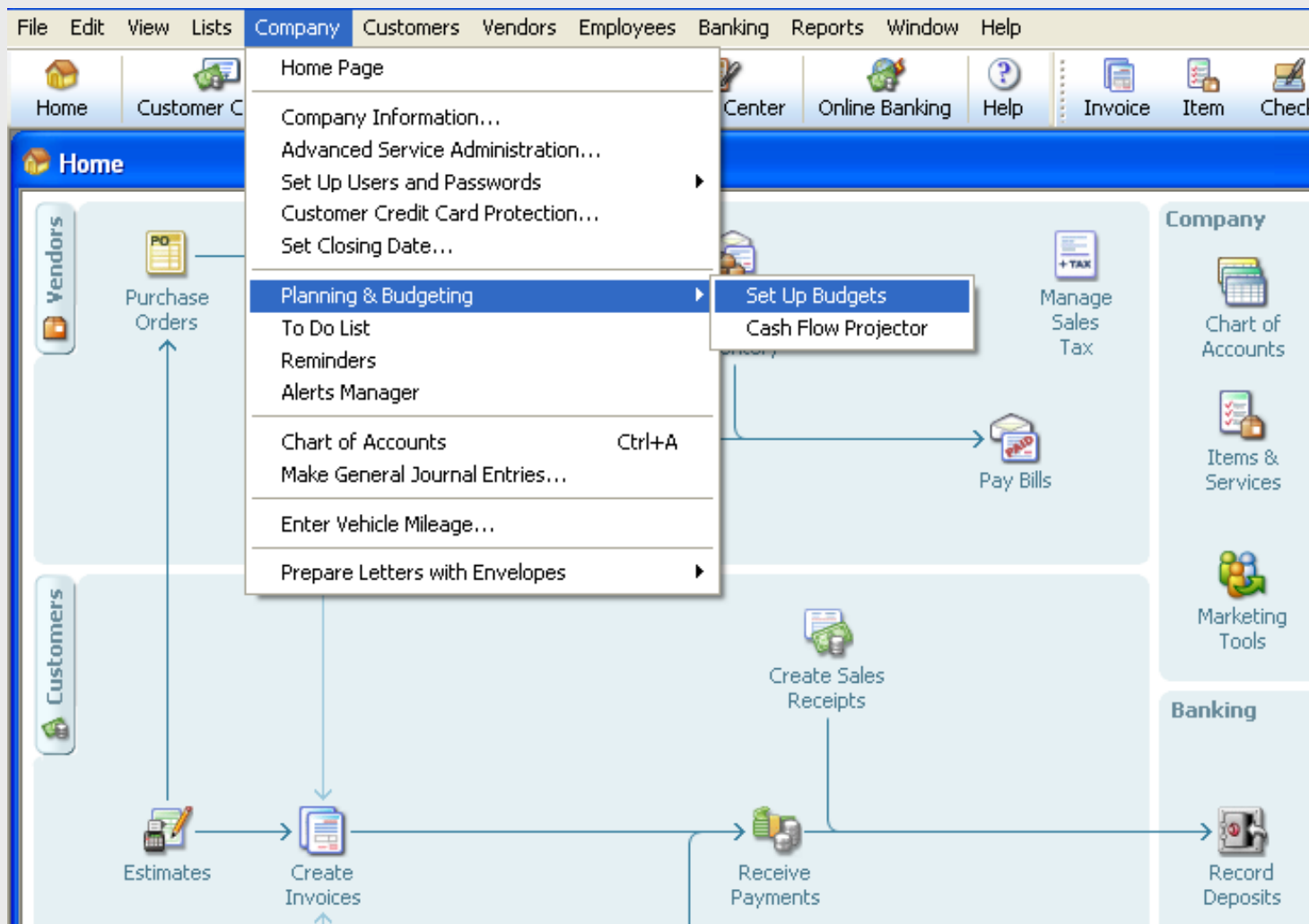
- Financial Performance Measures
 - Formulas and Calculations on pg. 81.
 - FARM Assistance
 - Long-term planning tool that projects a producer's financial condition and evaluates the impact of proposed management decisions.
 - Uses a one-on-one approach to assess a producer's financial future, and estimate costs and returns using forward price projections.
 - For additional information, view the website at <http://farmassistance.tamu.edu>

Planning and Budgeting



Creating a Budget in QuickBooks

1. From the Company menu, choose *Planning and Budgeting*, then *Set Up Budgets*.



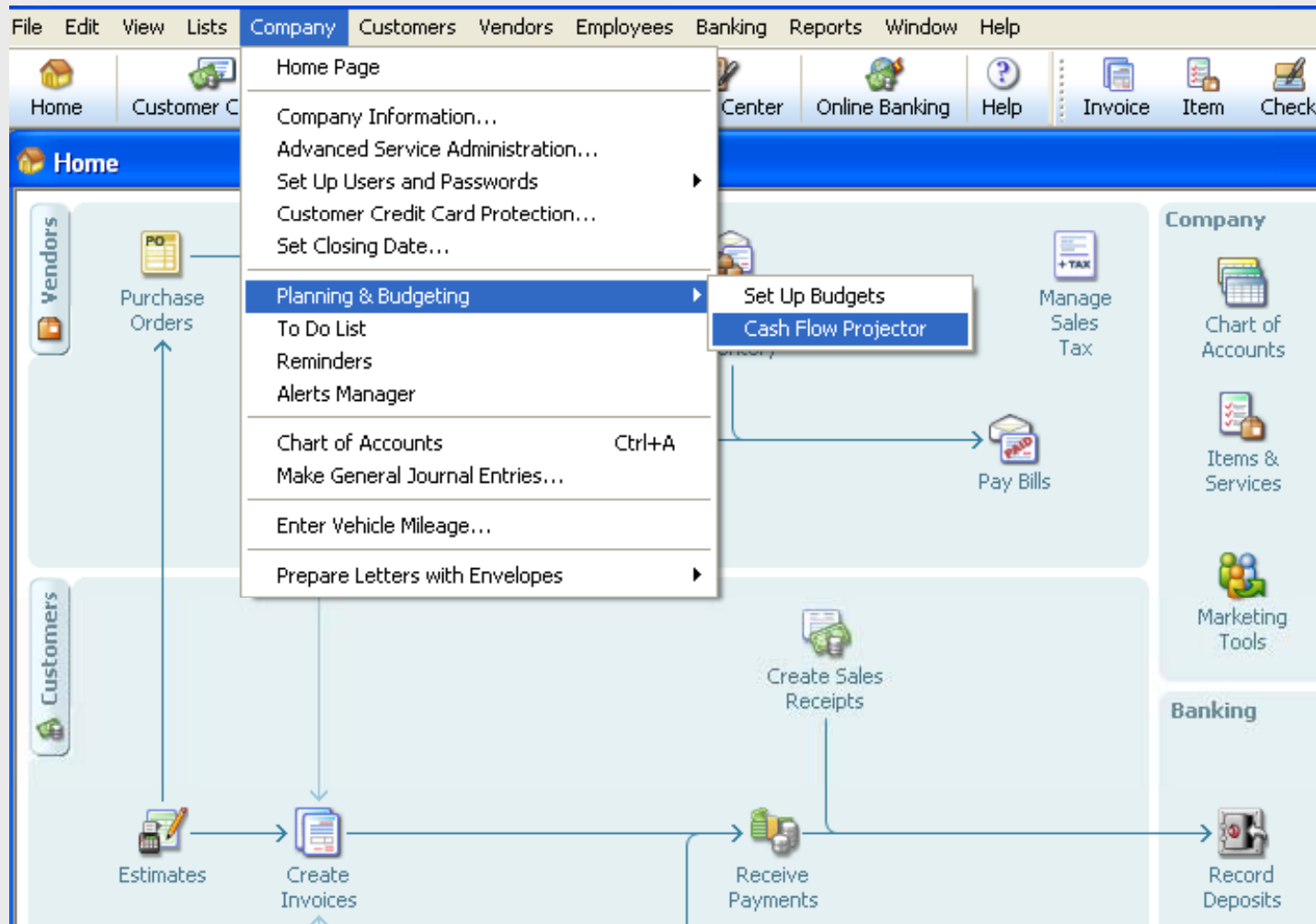
Creating a Budget in QuickBooks

2. Click *Create New Budget*. Choose the year, then choose *Profit and Loss* or *Balance Sheet*.
3. If Profit and Loss is chosen, specify additional criteria of either *Customer:Job* or *Class*.
4. Choose if you want to create the budget from scratch or from previous year's data.
5. Click *Finish*.

Note: The “Adjust Row Amounts” feature allows for % increases.

Creating a Cash Flow Projection

1. From the Company menu, choose *Planning & Budgeting*, then *Cash Flow Projector*.



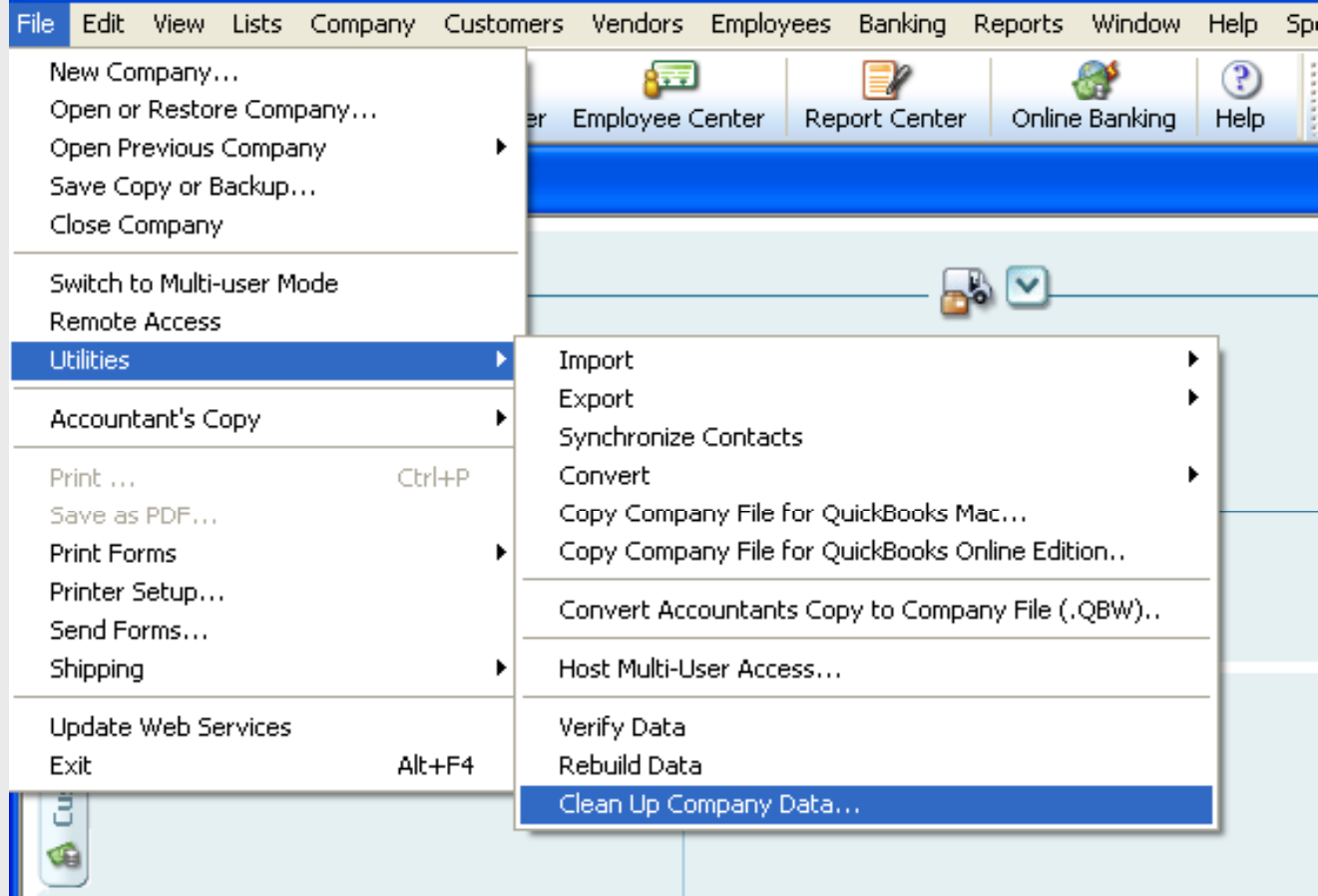
Creating a Cash Flow Projection

2. Click *Next* on the welcome page.
3. Select accounts for your beginning balance.
4. Select the projection method to enter your cash receipts.
5. Enter your business expenses.
6. Review and adjust your accounts payable.

***Note:* This feature is not particularly useful to farming accounts.**

Making End of Year Adjustments

This feature can be found in the *File* section of the main menu. Don't forget to make adjusting entries for depreciation at the end of each year (we recommend letting your accountant do this).



Backing up Data

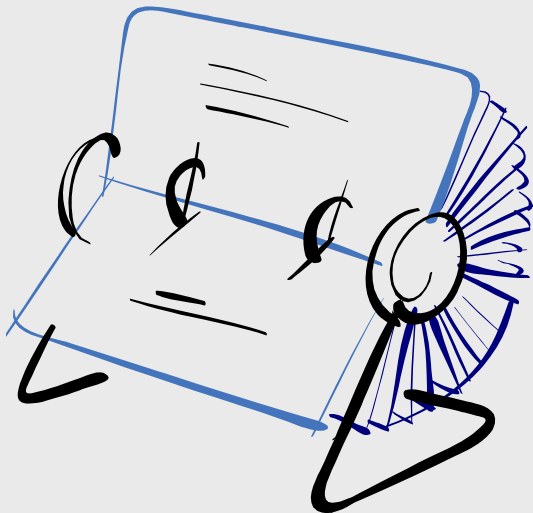
This feature can also be found in the *File* section of the main menu. Use of a portable company file is recommended.

The screenshot displays the QuickBooks application interface. The 'File' menu is open, showing options such as 'New Company...', 'Open or Restore Company...', 'Open Previous Company', 'Save Copy or Backup...', and 'Close Company'. The 'Save Copy or Backup' dialog box is active, titled 'Save Copy or Backup'. It asks 'What type of file do you want to save?' and offers three options: 'Backup copy', 'Portable company file', and 'Accountant's Copy'. The 'Portable company file' option is selected. A note at the bottom of the dialog states: 'Note: To send this file using a Intuit web server, click **Cancel** now and go to **File > Accountant's Copy > Send to Accountant**.' The dialog also includes a 'Help me choose' link and buttons for 'Back', 'Next', 'Finish', 'Help', and 'Cancel'. The background shows the main menu with options like 'Employee Center', 'Report Center', 'Online Banking', 'Help', 'Upgrade', 'Invoice', 'Item', 'MemTx', and 'Check'.

Contact Information

DeDe Jones –
Texas AgriLife Extension Center
at Amarillo

806-677-5667



Jay Yates –
Texas AgriLife Extension Center
at Lubbock

806-746-4056