

QuickBooks® - The Basics for Nonprofits

Using QuickBooks® to Better Manage Your 501(c)3

TABLE OF CONTENTS

	Page
LOADING THE PROGRAM	2
SETTING UP YOUR NONPROFIT	3
1. Company information	
2. Editing the Chart of Accounts	
3. Setting up Classes	
4. Creating Items	
ENTERING TRANSACTIONS	18
1. Director uses a personal visa card to secure web address	
2. Director pays attorney for incorporation with a personal check	
3. Director uses a personal check to open the corporate checking account	
4. Pay attorney with a check to file for 501(c)(3) tax exemption	
5. Pay web designer for logo and website with a check	
6. Pay for liability insurance with a check	
7. Use debit card to order business cards	
8. Receive endowment of stocks	
9. Deposit a contribution	
10. Repay loan from director with a check	
11. Buy mailing list with a debit card	
12. Enter bill for flyers and event tickets	
13. Buy stamps and office supplies with the debit card	
14. Enter the sale of fund raiser dinner tickets and deposit the proceeds	
15. Enter the vendor bills from the fund raiser dinner event	
16. Enter a bill for program supplies	
17. Summary post the payroll from the payroll company reports	
OTHER TRANSACTIONS AND IMPORTANT ACTIVITIES	46
1. Enter a pledge for a future donation	
2. Receive a payment on a pledged donation	
3. Enter the receipt of an in-kind donation	
4. Pay bills	
5. Reconcile the checking account	
6. Backing up your data	

Loading the Program on Your Computer

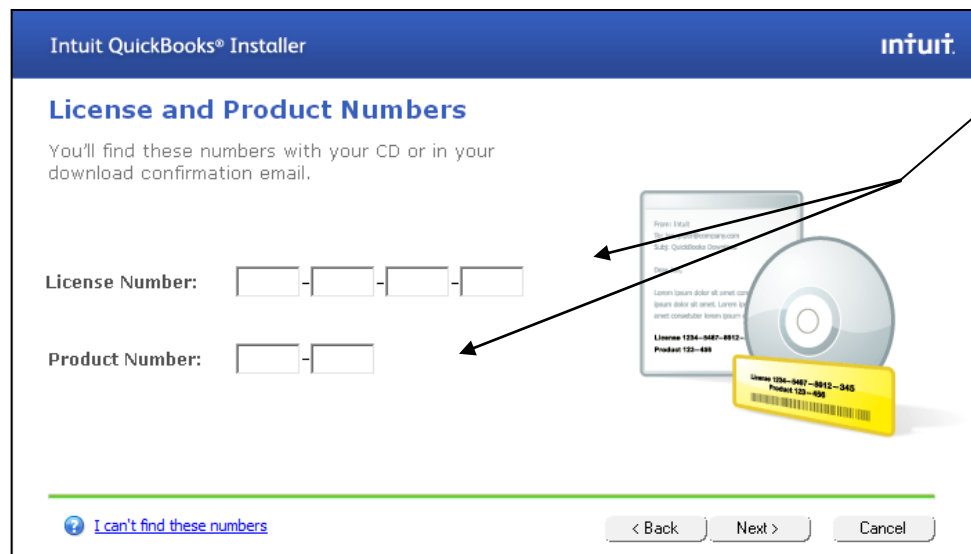
- 1) After you have purchased a copy of QuickBooks Pro, take the CD out of the box and insert it into your CD-ROM drive.
- 2) Follow the simple on-screen instructions.

The software will walk you through each step of the installation.

If the software does not start automatically:

- Click **Start** on the Windows taskbar
- Choose **Run**
- Type **D:\setup.exe** (where **D** is your CD-ROM drive)
- Click **OK**

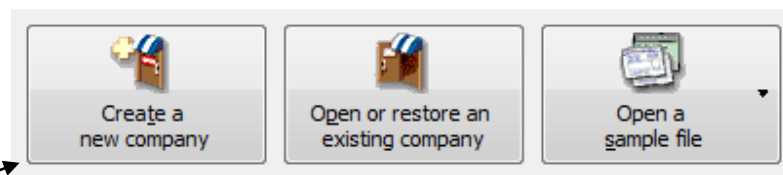
At the QuickBooks Installation screen, enter the License Number and Product Number from the yellow sticker. Then click through the screens until the installation is complete.



- 3) Start QuickBooks by double-clicking the desktop icon

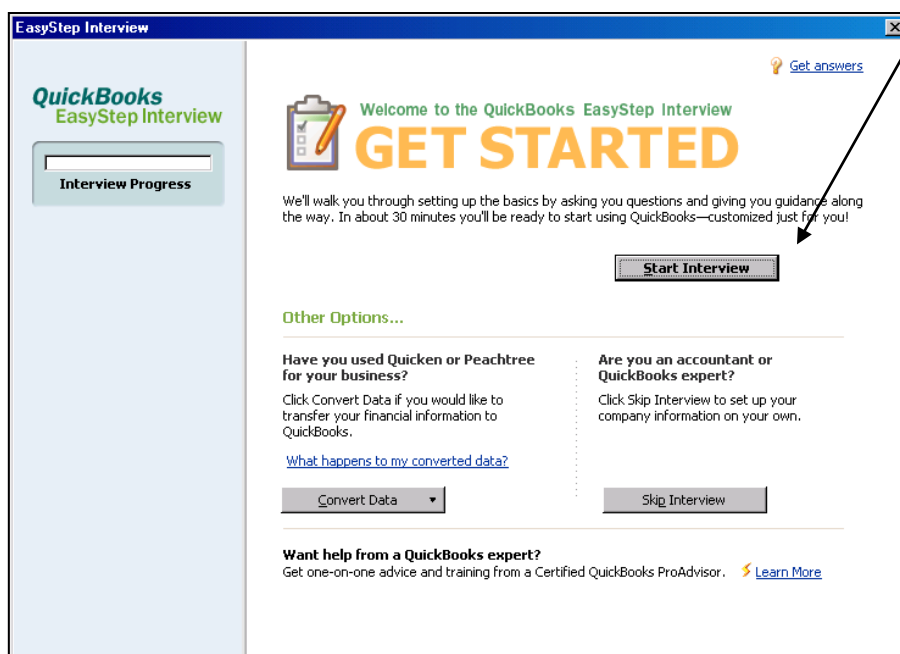
Setting up Your Nonprofit

When you open QuickBooks for the first time, the Welcome screen will appear and give you three options.



Click on Create a new company file.

The EasyStep Interview screen appears and will step you through the setup process.



COMPANY INFORMATION

Enter your company information.

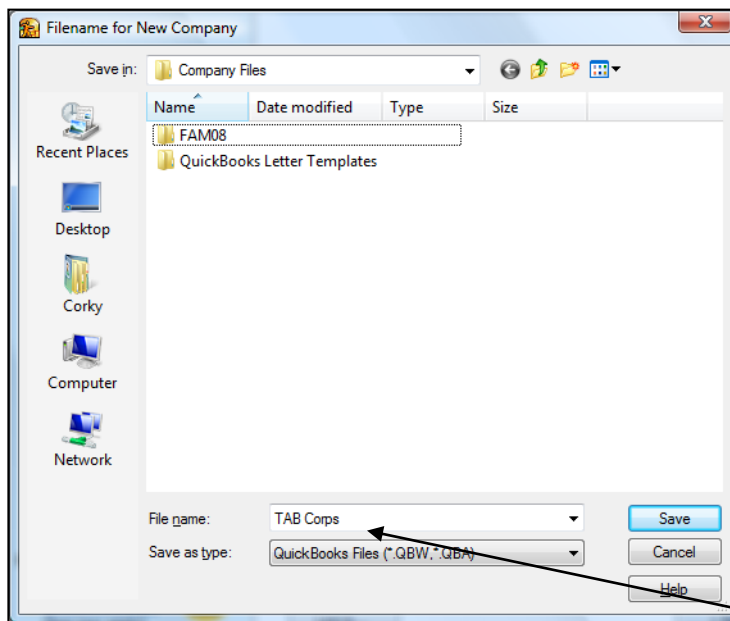
The screenshot shows the 'EasyStep Interview' window for 'Enter your company information'. On the left, there's a sidebar with the 'QuickBooks EasyStep Interview' logo, an 'Interview Progress' bar, and a 'Need help setting up?' section with links to 'Find A Local QuickBooks Expert' and 'QuickBooks Publisher'. The main area has a title 'Enter your company information' and a brief explanation of the information's use. Below this are several input fields: 'Company name' (TAB Corps), 'Legal name' (TAB Corps), 'Tax ID' (33-1234567), 'Street address' (550 West C Street, Suite 550), 'City' (San Diego), 'State' (CA), 'Zip' (92101), 'Country' (U.S.), 'Phone' (619-557-7272), 'Fax' (619-557-5894), 'E-mail address' (Director@TABCorps.com), and 'Web site' (TABCorps.com). A note indicates that the phone and fax fields should use a specific format. At the bottom, there are buttons for 'Leave...', '< Back', and 'Next >'. A red asterisk indicates required fields, and a link 'What if I have more than one business?' is provided.

Select your industry

The screenshot shows the 'EasyStep Interview' window for 'Select your industry'. The sidebar on the left is identical to the previous screen. The main area has a title 'Select your industry' and explains that the user's industry will be used to customize QuickBooks. It includes a note about changing settings later and a link to 'Examples'. Below this, it says 'Select an industry from the list' and shows a scrollable list of industries. The 'Non-Profit' option is highlighted, and an arrow points to it from the text 'Scroll down and select Non-Profit.' below the screenshot. The list of industries includes: Lodging (Hotel, Motel), Manufacturer Representative or Agent, Manufacturing, Medical, Dental, or Health Service, Non-Profit, Professional Consulting, Property Management or Home Association, Real Estate Brokerage or Developer, Rental, Repair and Maintenance, Restaurant, Caterer, or Bar, Retail Shop or Online Commerce, Sales: Independent Agent, Transportation, Trucking, or Delivery, and Wholesale Distribution and Sales. At the bottom, there are buttons for 'Leave...', '< Back', and 'Next >'. A link 'How does QuickBooks use my industry selection?' is also present.

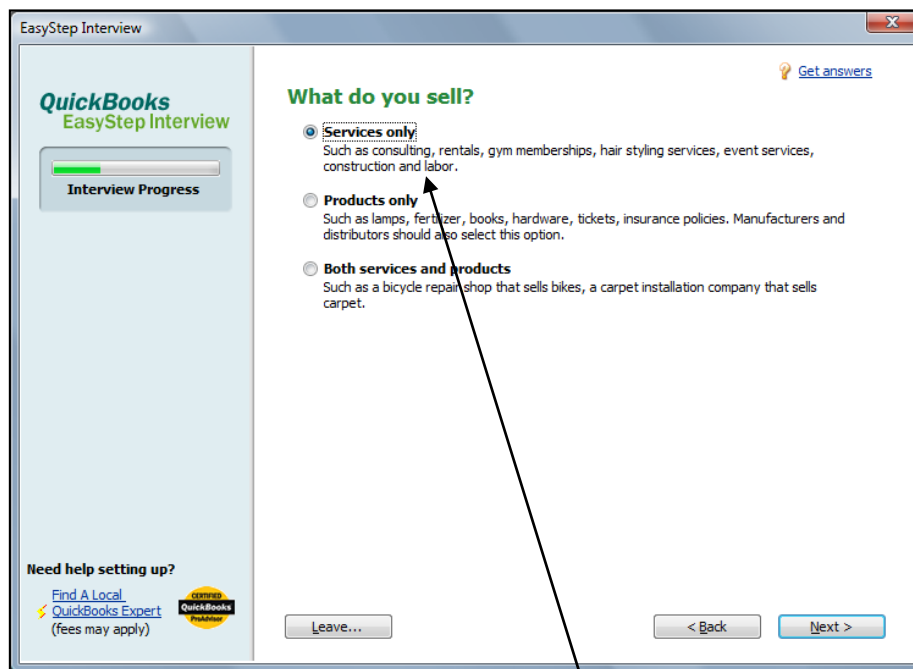
Scroll down and select Non-Profit.

Filename for New Company



QuickBooks will store all your accounting information in computer files. The default name of the files is your company name. You can change it if you wish.

What do you sell?



For our example, we will only be providing services.

Sales Receipts

The screenshot shows the 'EasyStep Interview' window in QuickBooks. On the left, there's a sidebar with the 'QuickBooks EasyStep Interview' logo and an 'Interview Progress' bar. The main content area is titled 'Using sales receipts in QuickBooks'. It explains that a sales receipt is used when customers pay in full at the time of sale, especially in retail businesses. Examples include a bookstore and a TV repair shop. Below this, a question asks 'Do you want to use sales receipts in QuickBooks?' with radio button options for 'Yes' (selected) and 'No'. At the bottom, there are buttons for 'Leave...', '< Back', and 'Next >'. A black arrow points from the text 'We will use sales receipts to record contributions we receive.' to the 'Yes' radio button.

QuickBooks EasyStep Interview

Get answers

Using sales receipts in QuickBooks

Use a **sales receipt** when your **customers pay in full** at the time of sale. This is especially common in retail businesses.

Some examples:

- A bookstore provides a sales receipt when the customer buys a book.
- A TV repair shop provides a sales receipt when a customer picks up and pays for a repaired TV.

Do you want to use sales receipts in QuickBooks?

☒ Yes

☐ No

Leave... < Back Next >

We will use sales receipts to record contributions we receive.

Using Invoices

The screenshot shows the 'EasyStep Interview' window in QuickBooks. On the left, there's a sidebar with the 'QuickBooks EasyStep Interview' logo and an 'Interview Progress' bar. The main content area is titled 'Using invoices in QuickBooks'. It explains that an invoice is used when you do not receive full payment at the time you provide your product or service. Examples include a consultant, a general contractor, and a caterer. Below this, a question asks 'Do you want to use invoices in QuickBooks?' with radio button options for 'Yes' (selected) and 'No'. A note states: 'Note: If you use an estimate or a sales order you must use an invoice in QuickBooks to bill a customer.' At the bottom, there are buttons for 'Leave...', '< Back', and 'Next >'. A black arrow points from the text 'We can use invoices to record contributions pledged, but not paid immediately.' to the 'Yes' radio button.

QuickBooks EasyStep Interview

Get answers

Using invoices in QuickBooks

Use an **invoice** when you **do not receive full payment** at the time you provide your product or service. Using invoices will help you keep track of what your customers owe you.

Some examples:

- A consultant sends an invoice to receive payment **when a project is complete**.
- A general contractor invoices the customer **at each stage** of a construction project.
- A caterer receives a **down payment** and later invoices the customer for the remaining balance.

Do you want to use invoices in QuickBooks?

☒ Yes

☐ No

Note: If you use an estimate or a sales order you must use an invoice in QuickBooks to bill a customer.

Leave... < Back Next >

We can use invoices to record contributions pledged, but not paid immediately.

Managing Bills

The screenshot shows the 'EasyStep Interview' window with the title 'Managing bills you owe'. On the left, there's a sidebar with the QuickBooks logo and 'EasyStep Interview' text, along with an 'Interview Progress' bar. The main content area explains that knowing what money you owe (accounts payable) is important for cash flow. It lists three points: knowing which vendors you owe money to, tracking how much money you owe, and reminding you when bills are due. Below this, it asks 'Do you want to keep track of bills you owe?' with two radio button options: 'Yes' (which is selected) and 'No'. A blue arrow points from the text 'We want to keep track of the bills we owe. We'll choose yes.' to the 'Yes' radio button. At the bottom, there are three buttons: 'Leave...', '< Back', and 'Next >'. A link 'When should I track my bills in QuickBooks?' is also present.

We want to keep track of the bills we owe. We'll choose yes.

Start Date

The screenshot shows the 'EasyStep Interview' window with the title 'Select a date to start tracking your finances'. The sidebar on the left is similar to the previous window. The main content area explains that the date selected will be the 'start date' in QuickBooks. It offers two options: 'Beginning of this fiscal year: 01/01/2009' (which is selected) and 'Use today's date or the first day of the quarter or month.' Below the second option, there is a date input field showing '01/28/2009'. A blue arrow points from the text 'We'll use the beginning of the year. Or you could enter the first date of the month of the first transaction you'll be entering into QuickBooks.' to the 'Beginning of this fiscal year' option. At the bottom, there are three buttons: 'Leave...', '< Back', and 'Next >'. A link 'What date should I choose?' is also present.

We'll use the beginning of the year. Or you could enter the first date of the month of the first transaction you'll be entering into QuickBooks.

Bank Account

The screenshot shows the 'EasyStep Interview' window with the title 'Add your bank account'. On the left, there is a sidebar with the 'QuickBooks EasyStep Interview' logo and an 'Interview Progress' bar. The main content area has a green heading 'Add your bank account' and a sub-heading 'Get answers'. Below this, a paragraph explains that the user should add one bank account to the QuickBooks chart of accounts for each checking, savings, or money market account. A question asks 'Would you like to add an existing bank account?' with two radio button options: 'Yes' (selected) and 'No, I'll add a bank account later.' A link 'How can I add my bank accounts later?' is provided. At the bottom, there are three buttons: 'Leave...', '< Back', and 'Next >'.

EasyStep Interview

QuickBooks EasyStep Interview

Interview Progress

Add your bank account

Get answers

You should add one bank account to the QuickBooks chart of accounts for **each checking, savings, or money market account** your company has. We recommend you add at least one bank account now. You can always add more accounts in QuickBooks later.

Would you like to add an existing bank account?

☒ Yes

☐ No, I'll add a bank account later.

[How can I add my bank accounts later?](#)

Leave... < Back Next >

We can set up our checking account now.

The screenshot shows the 'EasyStep Interview' window with the title 'Enter your bank account information'. On the left, there is a sidebar with the 'QuickBooks EasyStep Interview' logo and an 'Interview Progress' bar. The main content area has a green heading 'Enter your bank account information' and a sub-heading 'Get answers'. Below this, a paragraph explains that the information will help identify the bank account. There are three required fields: 'Bank account name' (with a dropdown menu showing 'Checking'), 'Bank account number', and 'Bank routing number'. A link 'How do I find this?' is provided for the routing number. Below these fields, a question asks 'When did you open this bank account?' with two radio button options: 'Before' (01/01/2007) and 'On or after' (01/01/2007). A red asterisk indicates a required field. At the bottom, there are three buttons: 'Leave...', '< Back', and 'Next >'.

EasyStep Interview

QuickBooks EasyStep Interview

Interview Progress

Enter your bank account information

Get answers

This information will help you identify your bank account while using QuickBooks.

* Bank account name:
Your account name or nickname, such as "State National Bank" or "checking"

Bank account number:

Bank routing number: [How do I find this?](#)

* When did you open this bank account?

☐ Before 01/01/2007

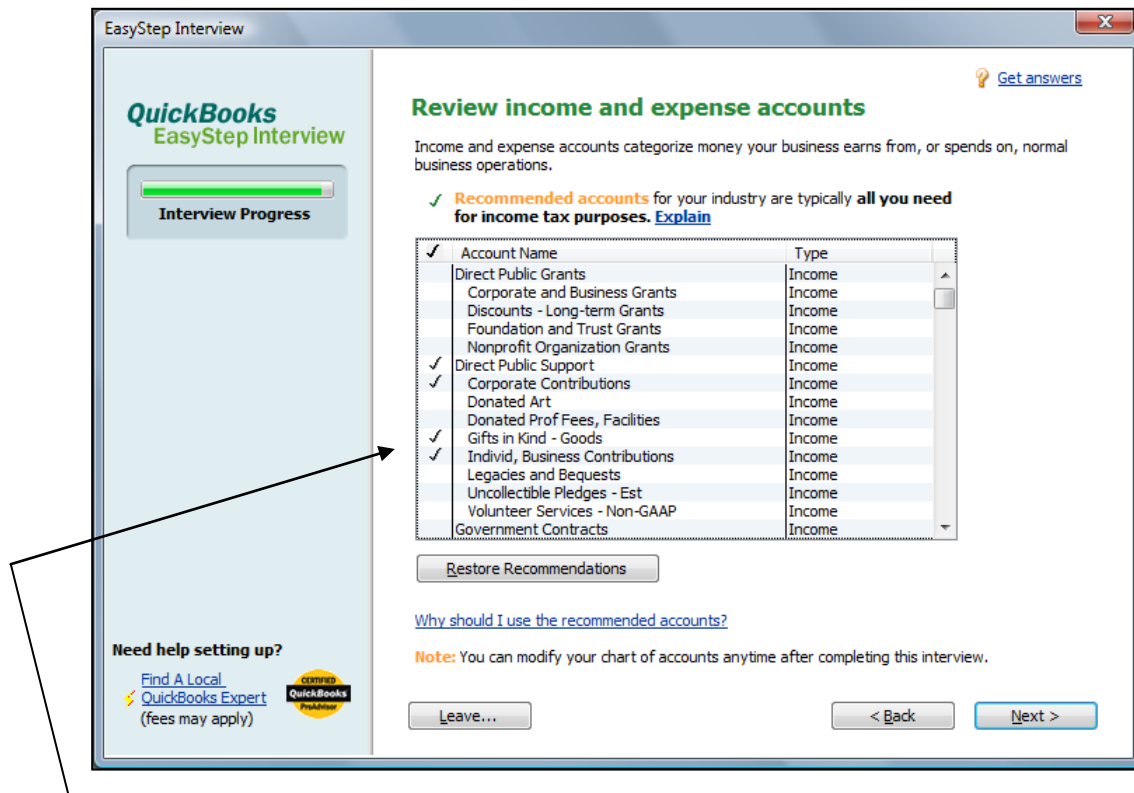
☒ On or after 01/01/2007

* required field

Need help setting up?
Find a local QuickBooks expert

Leave... < Back Next >

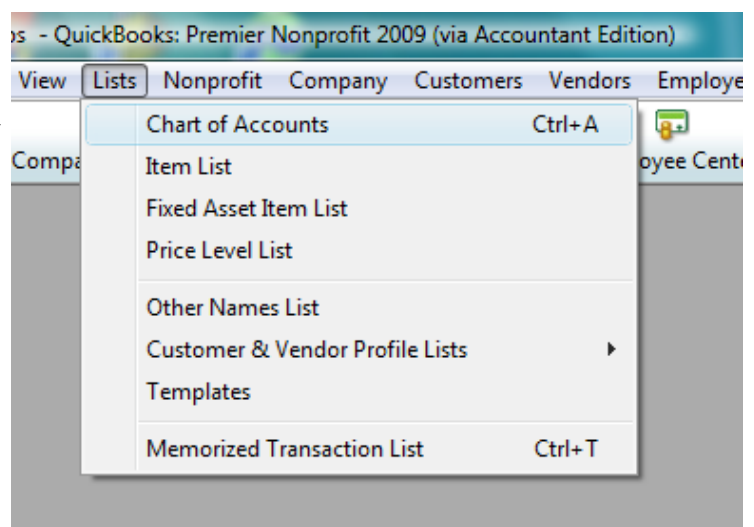
Income and Expense Accounts



QuickBooks suggests some general income and expense accounts to save us time during set up. We'll put check marks beside the ones we like and set up the rest next.

EDITING THE CHART OF ACCOUNTS

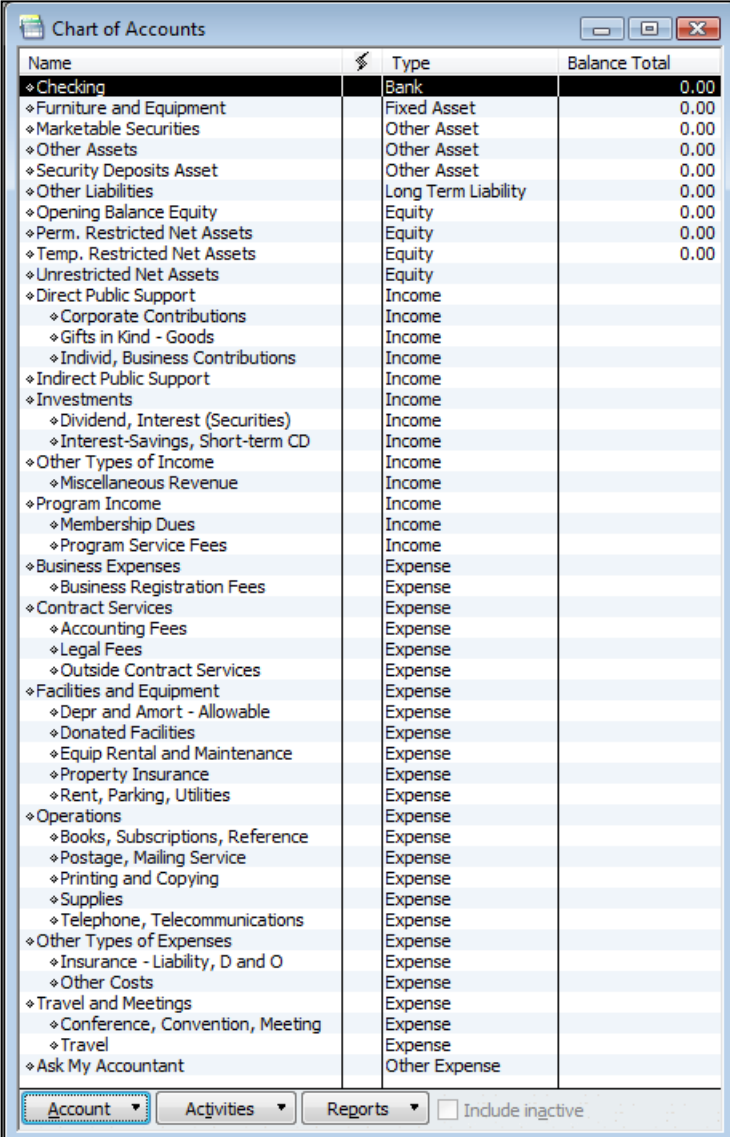
From the Lists menu, select Chart of Accounts.



QuickBooks has set up a number of accounts for us.

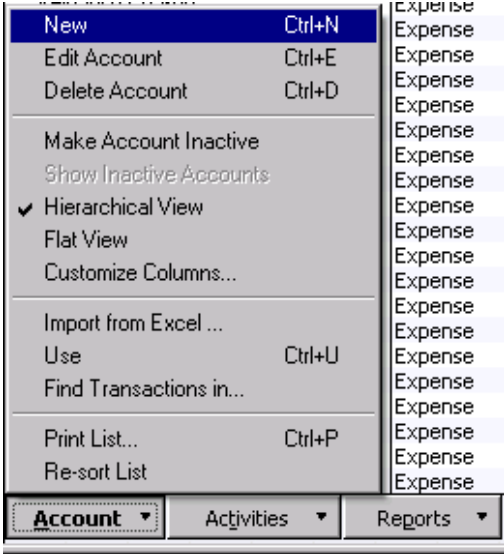
We will now create the rest of the accounts we will need.

Click on the Account button.



Name	Type	Balance Total
Checking	Bank	0.00
Furniture and Equipment	Fixed Asset	0.00
Marketable Securities	Other Asset	0.00
Other Assets	Other Asset	0.00
Security Deposits Asset	Other Asset	0.00
Other Liabilities	Long Term Liability	0.00
Opening Balance Equity	Equity	0.00
Perm. Restricted Net Assets	Equity	0.00
Temp. Restricted Net Assets	Equity	0.00
Unrestricted Net Assets	Equity	0.00
Direct Public Support	Income	
Corporate Contributions	Income	
Gifts in Kind - Goods	Income	
Individ. Business Contributions	Income	
Indirect Public Support	Income	
Investments	Income	
Dividend, Interest (Securities)	Income	
Interest-Savings, Short-term CD	Income	
Other Types of Income	Income	
Miscellaneous Revenue	Income	
Program Income	Income	
Membership Dues	Income	
Program Service Fees	Income	
Business Expenses	Expense	
Business Registration Fees	Expense	
Contract Services	Expense	
Accounting Fees	Expense	
Legal Fees	Expense	
Outside Contract Services	Expense	
Facilities and Equipment	Expense	
Depr and Amort - Allowable	Expense	
Donated Facilities	Expense	
Equip Rental and Maintenance	Expense	
Property Insurance	Expense	
Rent, Parking, Utilities	Expense	
Operations	Expense	
Books, Subscriptions, Reference	Expense	
Postage, Mailing Service	Expense	
Printing and Copying	Expense	
Supplies	Expense	
Telephone, Telecommunications	Expense	
Other Types of Expenses	Expense	
Insurance - Liability, D and O	Expense	
Other Costs	Expense	
Travel and Meetings	Expense	
Conference, Convention, Meeting	Expense	
Travel	Expense	
Ask My Accountant	Other Expense	

Then click New.



New	Ctrl+N	Expense
Edit Account	Ctrl+E	Expense
Delete Account	Ctrl+D	Expense
Make Account Inactive		Expense
Show Inactive Accounts		Expense
✓ Hierarchical View		Expense
Flat View		Expense
Customize Columns...		Expense
Import from Excel ...		Expense
Use	Ctrl+U	Expense
Find Transactions in...		Expense
Print List...	Ctrl+P	Expense
Re-sort List		Expense

Add New Account: Choose Account Type

The **Loan from Director** will be a Loan. Press Continue.

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 <select>

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

[Continue](#) [Cancel](#)

Loan Account
Tracks the principal your business owes for a loan or line of credit.
[More...](#)

Add New Account

Enter the account name as **Loan from Director**, and then press Save & New.

Account Type: Other Current Liability

Account Name: [Select from Examples](#)

☐ Subaccount of

Optional

Description:

Account No.:

Routing Number:

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

[Enter Opening Balance...](#) [Should I enter an opening balance?](#)

[Save & Close](#) [Save & New](#) [Cancel](#)

Enter another Other Current Liability Account called **Payroll Liabilities**.

Add New Account

Account Type: Expense

Account Name: Website Expenses [Select from Examples](#)

☒ Subaccount of: Business Expenses

Optional

Description:

Note:

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

[Save & Close](#) [Save & New](#) [Cancel](#)

Enter **Website Expenses** as an Expense and a Subaccount of Business Expenses.

Add New Account

Account Type: Expense

Account Name: Personnel Expenses [Select from Examples](#)

☐ Subaccount of:

Optional

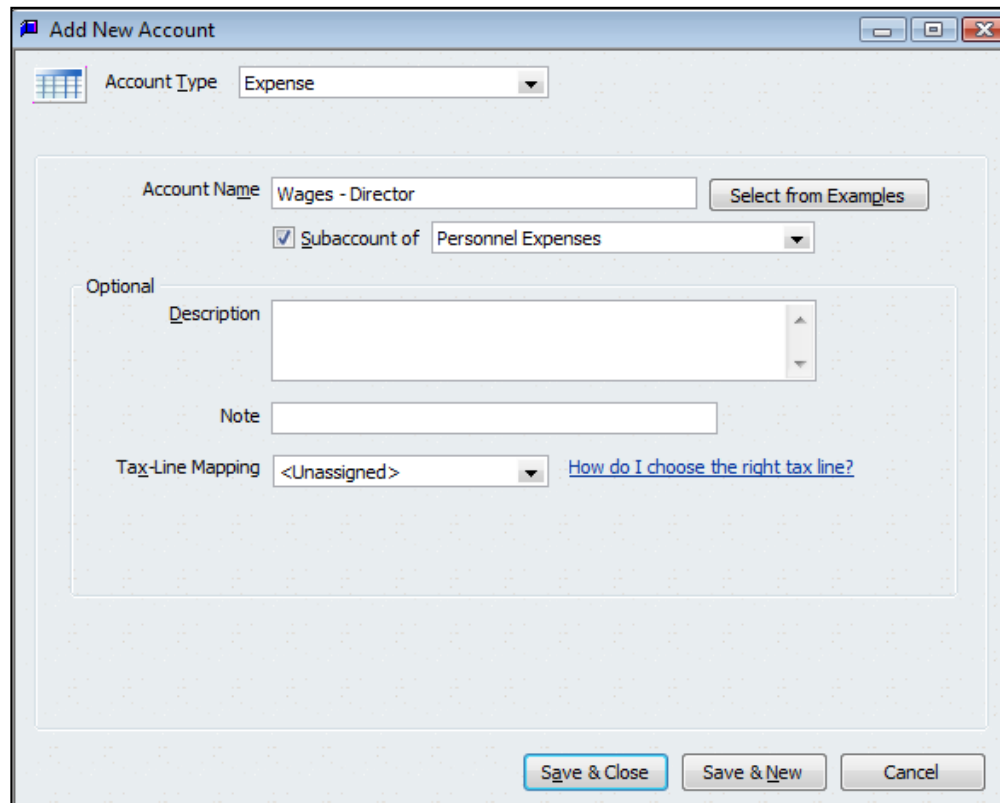
Description:

Note:

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

[Save & Close](#) [Save & New](#) [Cancel](#)

Enter **Personnel Expenses** as an Expense.

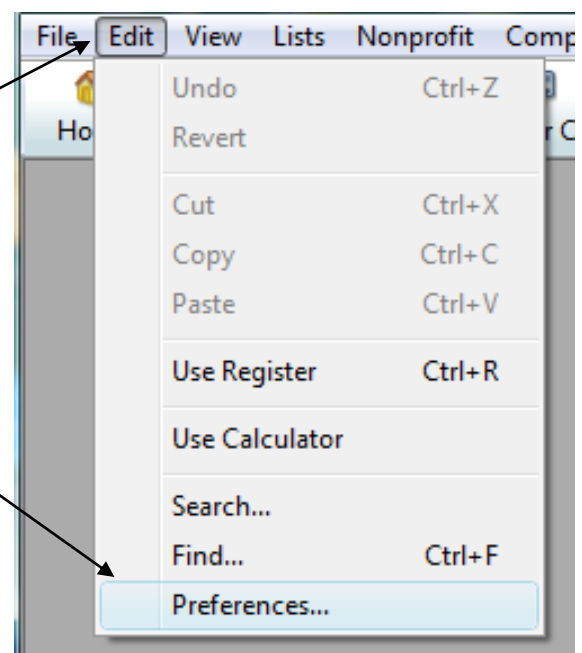


Enter **Wages – Director, Wages – Staff, and Payroll Taxes** all as Expenses and Subaccounts of Personnel Expenses.

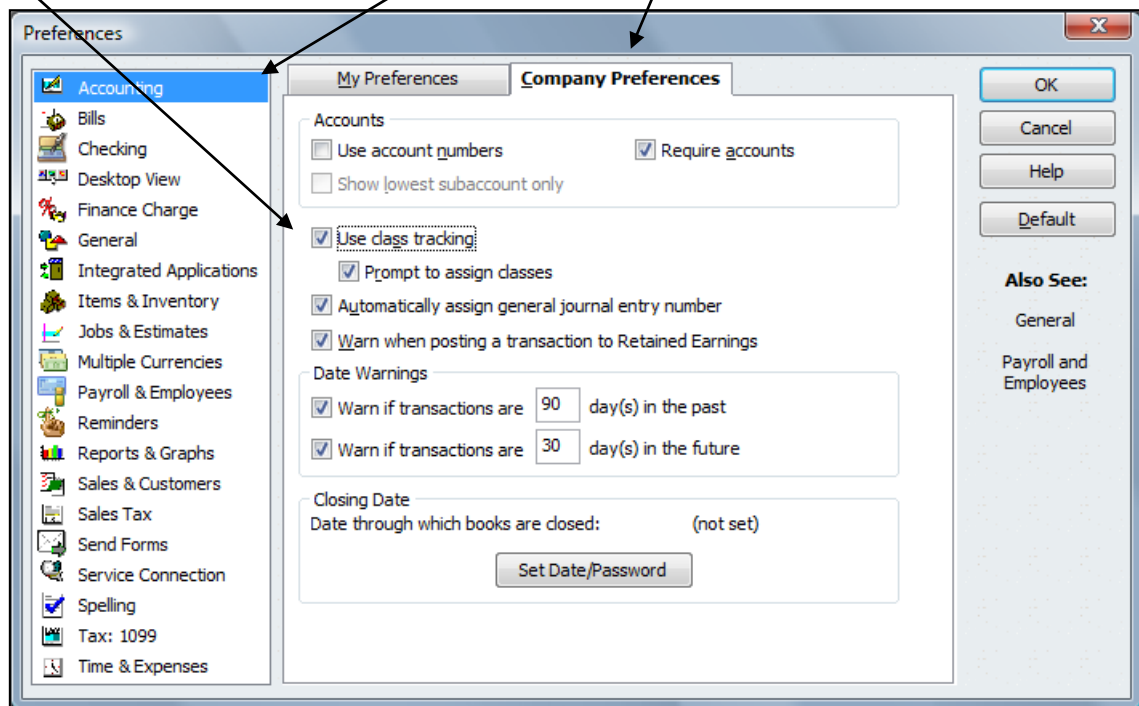
SETTING UP CLASSES

We use classes to track whether our receipts and expenditures are Restricted or Unrestricted net assets.

To activate class tracking in QuickBooks, click on Edit, and then Preferences.



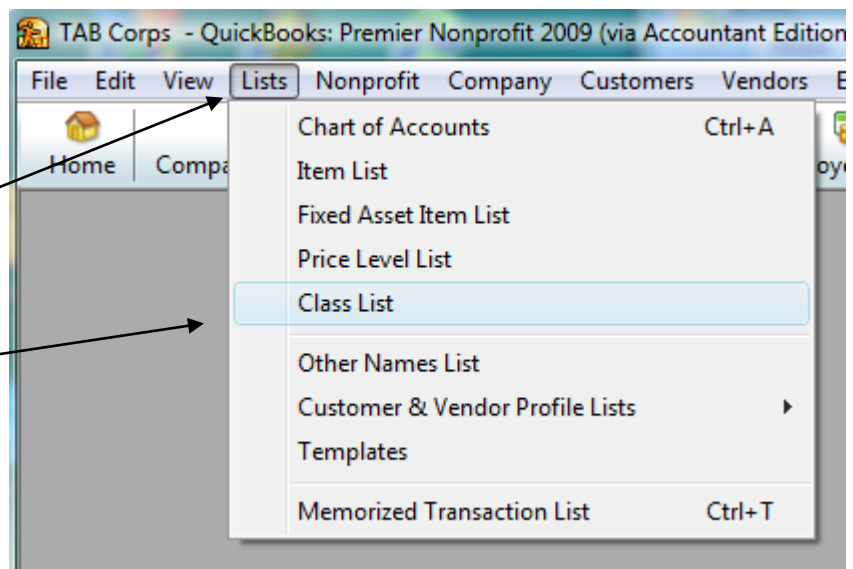
In the Preferences window, click on Accounting, then Company Preferences, and then Use class tracking. Click on OK.



Now that we've activated the class tracking feature in QuickBooks, we can set up our classes.

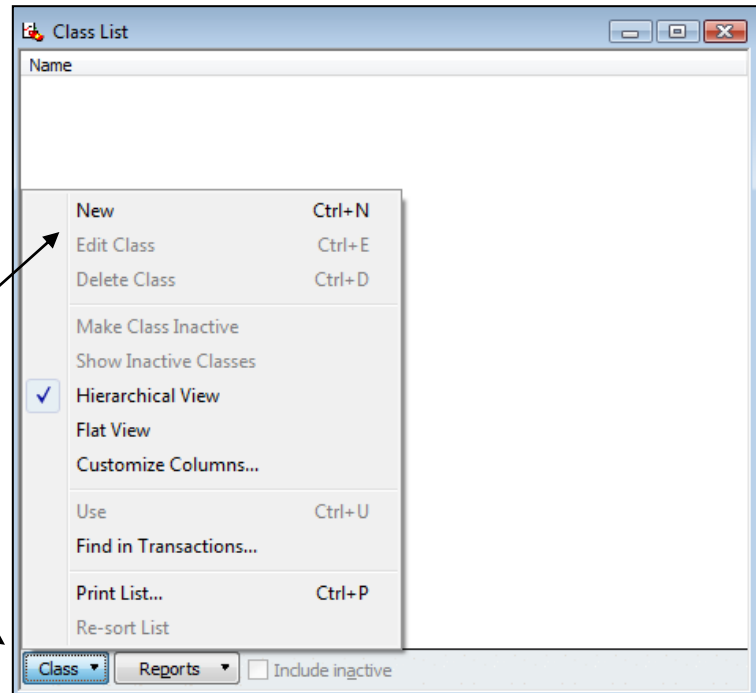
Click on Lists.

And then, Class List

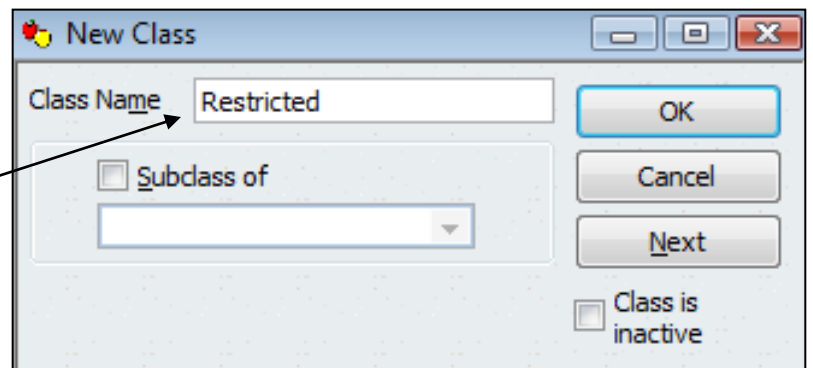


On the Class List screen,

click on Class.
and then New.

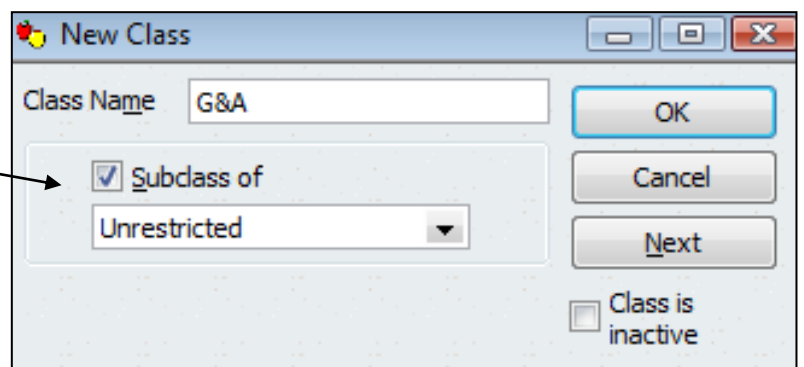


Type **Restricted** as the first Class Name and then press Next.



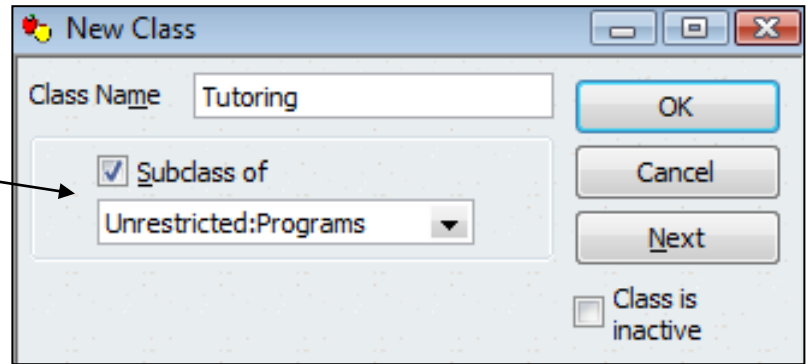
Set up **Unrestricted** as the second Class Name.

Set up **G&A** as a Subclass of Unrestricted.



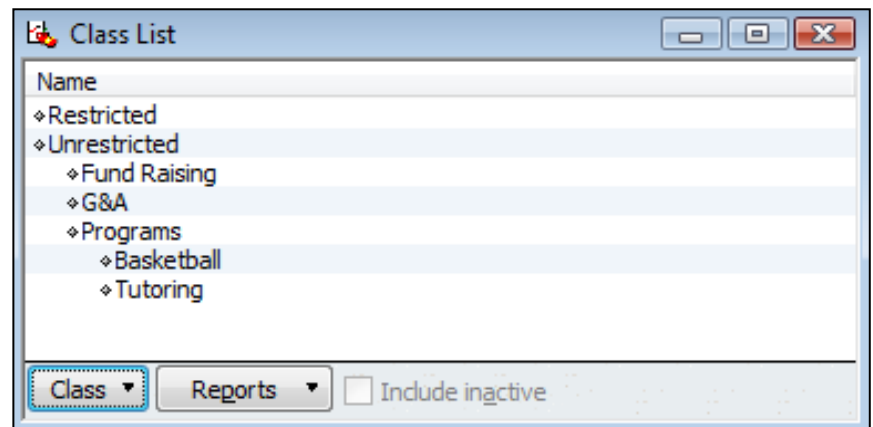
Set up **Fund Raising** and **Programs** as Subclasses of Unrestricted as well.

Set up **Tutoring** as a Subclass of Programs.



Finally, set up **Basketball** as a Subclass of Programs as well.

Our class list looks like this:



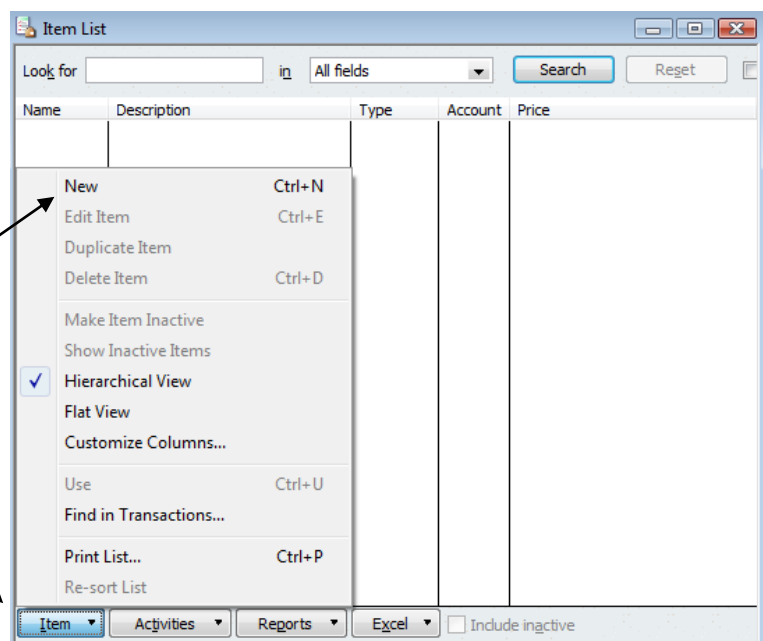
CREATING ITEMS

QuickBooks requires the use of Items on donation receipts and pledge invoices. From the Lists menu, select Item List.

When the Item List screen appears,

click on the Item button,

and then New.



New Item

Type: Other Charge (Use for miscellaneous labor, material, or part charges, such as delivery charges, setup fees, and service charges.)

Item Name/Number: Donation

☐ Subitem of

☐ This item is used in assemblies or is a reimbursable charge

Description: Donation

Amount or %: 0.00

Account: Direct Public Support...

☐ Item is inactive

Buttons: OK, Cancel, Next, Custom Fields, Spelling

Donation is an Other Charge. The Item Name and Description are both Donation, and the Rate will be left at zero because each donation may be different. The account where we want the funds for this item to appear on our Statement of Support and Expenses will be Direct Public Support: Individ, Business Contributions. When done, click Next.

Endowment and **Pledge** will also be Other Charges going to the same account.

We will set up **Event Ticket** with additional information so there will be less typing required when we prepare the receipts for the ticket sales.

New Item

Type: Other Charge (Use for miscellaneous labor, material, or part charges, such as delivery charges, setup fees, and service charges.)

Item Name/Number: Event Ticket

☐ Subitem of

☐ This item is used in assemblies or is a reimbursable charge

Description: Event Ticket - Fund Raising Dinner to support TAB Corps.

Amount or %: 100.00

Account: Direct Public Support...

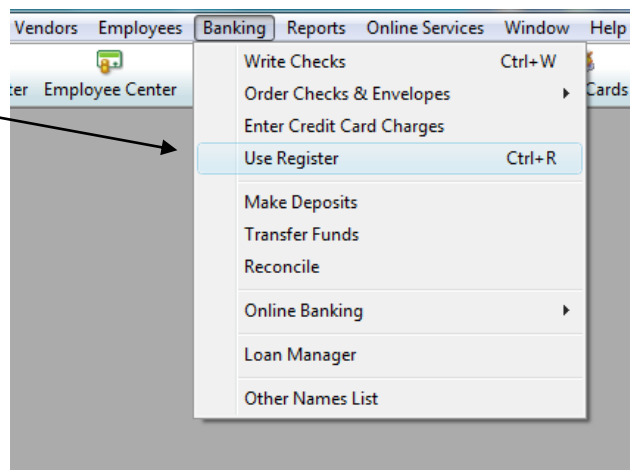
☐ Item is inactive

Buttons: OK, Cancel, Next, Custom Fields, Spelling

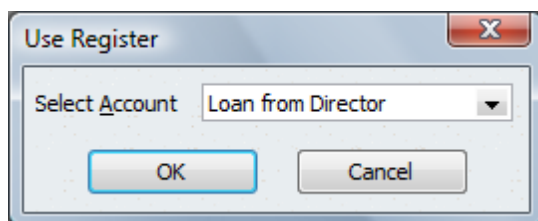
Entering Transactions

1) Director uses Personal Visa Card to Secure Web Address.

From the Banking menu, select Use Register.



On the Use Register screen, type in the Select Account field – Loan from Director

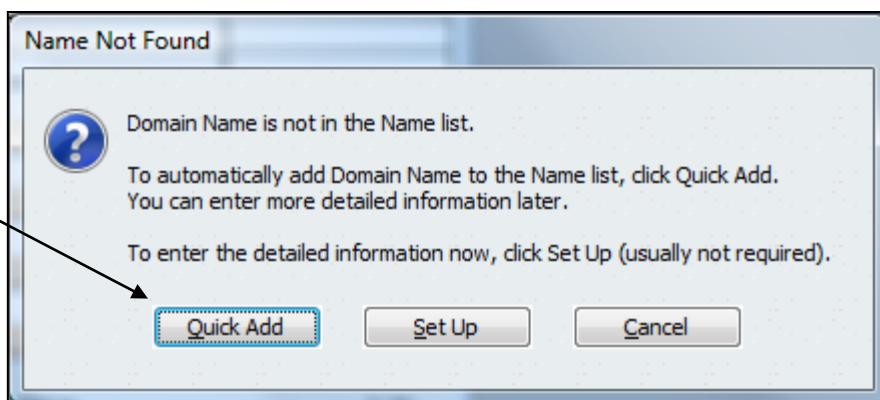


and then click OK.

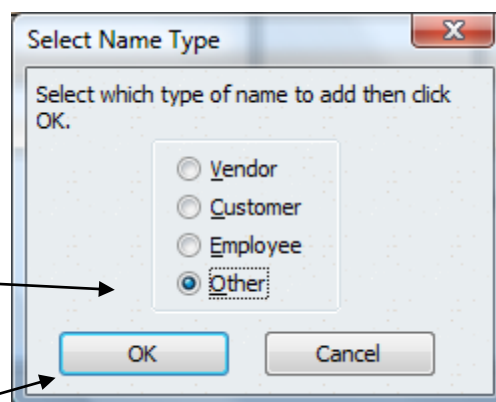
 A screenshot of the 'Loan from Director' register window. The window has a title bar and a menu bar with 'Go to...', 'Print...', 'Edit Transaction', and 'QuickReport'. Below the menu bar is a table with the following columns: Date, Ref, Payee, Memo, Increase, Decrease, and Balance. The first row contains the date '01/17/2009', a reference number '1', a payee 'PersVisa', and a memo 'Domain Name'. The 'Increase' column has a value of '1' and the 'Decrease' column has a value of '1'. The 'Balance' column is empty. Below the table, there are buttons for 'Splits', '1-Line', and 'Sort by' (set to 'Date, Type, Number/...'). At the bottom right, there are buttons for 'Record' and 'Restore'. The 'Ending balance' is shown as '0.00'.

On the Loan from Director register, enter the Date, Reference, and Payee.

When we leave the Payee field, QuickBooks prompts us to add this Payee to the Name list. Click on Quick Add.

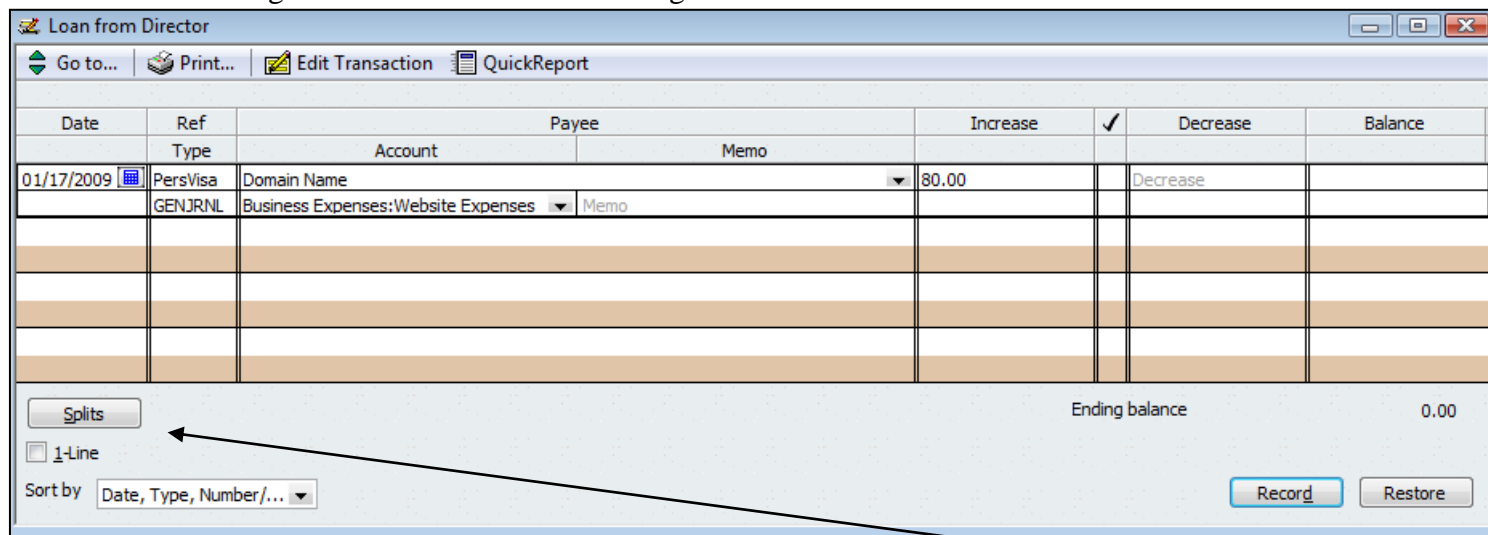


Domain Name is an example of Other name.



an

Clicking on OK takes us back to the register where we enter the amount as an Increase



and the Account as Website Expenses. To enter the class, click on the Splits button.

Loan from Director

Go to... Print... Edit Transaction QuickReport

Date	Ref	Account	Payee	Memo	Increase	Decrease	Balance
01/17/2009	PersVisa	Domain Name			80.00		
	GENJRN	-split-		Memo			

Account Amount Memo Customer:Job Billa... Class

Business Expenses:Website Expenses 80.00 Unrestricted:G&A

Splits

Ending balance 0.00

Record Restore

With the Splits box open, we can enter the Class as G&A, and then press Record.

2) Director Pays Attorney for Incorporation with a Personal Check.

On the next line of the Loan from Director register, enter all the information for this

Loan from Director

Go to... Print... Edit Transaction QuickReport

Date	Ref	Account	Payee	Memo	Increase	Decrease	Balance
01/17/2009	PersVisa	Domain Name			80.00		80.00
	GENJRN	Business Expenses:Website Expenses					
01/18/2009	PersChk	Smith & Smith Esq			1,100.00		
	GENJRN	-split-		Memo			

Account Amount Memo Customer:Job Billa... Class

Contract Services:Legal Fees 1,100.00 Unrestricted:G&A

Splits

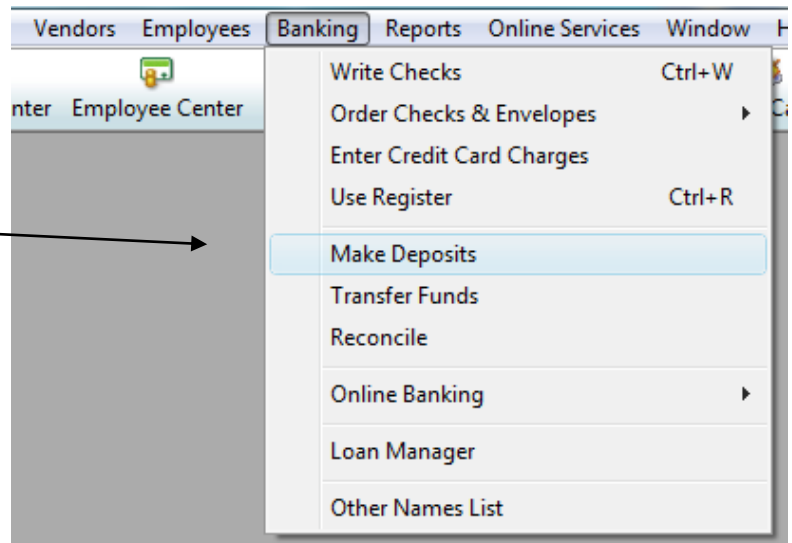
Ending balance 80.00

Record Restore

transaction (in this case, Quick Add the Payee as a Vendor rather than an Other Name). Click on the Splits button to enter the Class, and then press Record.

3) Director uses a Personal Check to Open the Corporate Checking Account.

From the Banking menu, click on Make Deposits.



The screenshot shows the 'Make Deposits' window in QuickBooks. The window has a title bar 'Make Deposits' and a toolbar with 'Previous', 'Next', 'Print', 'Payments', and 'History' buttons. Below the toolbar, there are fields for 'Deposit To' (Checking), 'Date' (01/20/2009), and 'Memo' (Deposit). A message says: 'Click Payments to select customer payments that you have received. List any other amounts to deposit below.' Below this is a table with the following columns: Received From, From Account, Memo, Chk No., Pmt Meth., Class, and Amount. The table contains one row with the following data: Received From (blank), From Account (Loan from Director), Memo (to open checking account), Chk No. (1234), Pmt Meth. (Check), Class (blank), and Amount (5,000.00). Below the table, there are fields for 'Cash back goes to', 'Cash back memo', and 'Cash back amount'. The 'Deposit Subtotal' is 5,000.00 and the 'Deposit Total' is 5,000.00. At the bottom, there are buttons for 'Save & Close', 'Save & New', and 'Clear'. A link at the bottom left says 'Save time using printable or manual deposit slips.'

Received From	From Account	Memo	Chk No.	Pmt Meth.	Class	Amount
	Loan from Director	to open checking account	1234	Check		5,000.00

Deposit Subtotal 5,000.00

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

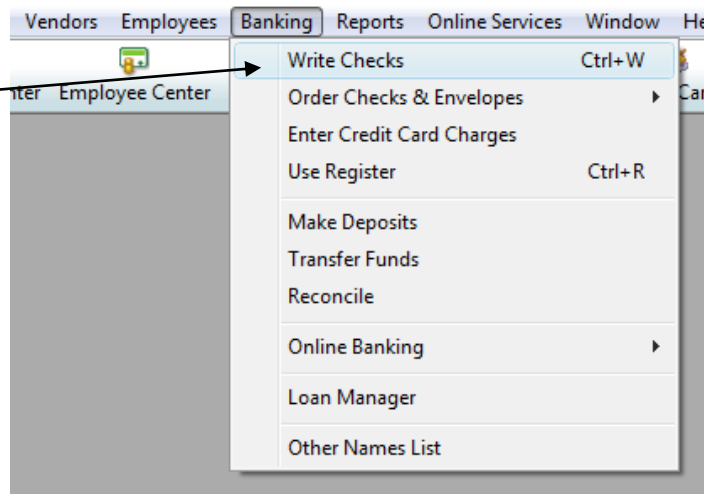
Deposit Total 5,000.00

[Save time using printable or manual deposit slips.](#)

Enter the transaction details on the Make Deposits screen, then press Save & Close.

4) Pay Attorney a Check to file for 501(c)(3) Tax Exemption.

From the Banking menu, select Write Checks.

A screenshot of the 'Write Checks - Checking' window in QuickBooks. The window has a title bar and a menu bar with 'Previous', 'Next', 'Print', and 'Find'. Below the menu bar, there are fields for 'Bank Account' (set to 'Checking') and 'Ending Balance' (5,000.00). The main area is a green box containing a check form. The check is for 'Pay to the Order of Smith & Smith Esq' for the amount of '\$ 1,000.00'. The date is '01/20/2009' and the check number is '00001'. Below the check amount, it says 'One thousand and 00/100* ***** Dollars'. There is a field for 'Address' with 'Smith & Smith Esq' entered. Below the address field is a 'Memo' field. To the right of the check form is an 'Order Checks' button. Below the check form, there is a table for 'Expenses' and 'Items'. The 'Expenses' table has columns for 'Account', 'Amount', 'Memo', 'Customer:Job', 'Billable?', and 'Class'. The 'Items' table has columns for 'Amount' and 'Memo'. The 'Expenses' table shows a total of '\$1,000.00' and the 'Items' table shows a total of '\$0.00'. There are checkboxes for 'Online Payment' and 'To be printed'. At the bottom of the window are buttons for 'Clear Splits', 'Recalculate', 'Save & Close', 'Save & New', and 'Clear'.

Enter the transaction details on the Write Checks screen, then press Save & New.

5) Pay Web Designer for Logo and Website with a Check.

Write Checks - Checking

Previous Next Print Find

Bank Account: Checking Ending Balance: 4,000.00

No. 00002
Date 01/20/2009
Pay to the Order of Webster Design \$ 800.00

Eight hundred and 00/100*****Dollars

Address: Webster Design

Memo:

Order Checks

Expenses \$800.00 Items \$0.00 ☐ Online Payment ☐ To be printed

Account	Amount	Memo	Customer:Job	Billable?	Class
Business Expenses:Website Expenses	800.00	logo and web design			Unrestricted:G&A

Clear Splits Recalculate Save & Close Save & New Clear

With the Write Checks screen open, enter the transaction details, then press Save & New.

6) Pay for Liability Insurance with a Check.

Write Checks - Checking

Previous Next Print Find

Bank Account: Checking Ending Balance: 3,200.00

No. 00003
Date 01/20/2009
Pay to the Order of D&O Insurance Company \$ 900.00

Nine hundred and 00/100*****Dollars

Address: D&O Insurance Company

Memo:

Order Checks

Expenses \$900.00 Items \$0.00 ☐ Online Payment ☐ To be printed

Account	Amount	Memo	Customer:Job	Billable?	Class
Other Types of Expenses:Insurance - Liability, D and O	900.00	D&O Insurance Company			Unrestricted:G&A

Clear Splits Recalculate Save & Close Save & New Clear

With the Write Checks screen open, enter the transaction details, then press Save & New.

7) Use Debit Card to order Business Cards.

Write Checks - Checking

Bank Account: Checking Ending Balance: 2,300.00

No. Debit
Date: 01/21/2009
\$ 100.00

Pay to the Order of: Onlineprinters.com

One hundred and 00/100***** Dollars

Address: Onlineprinters.com

Memo: Business Cards

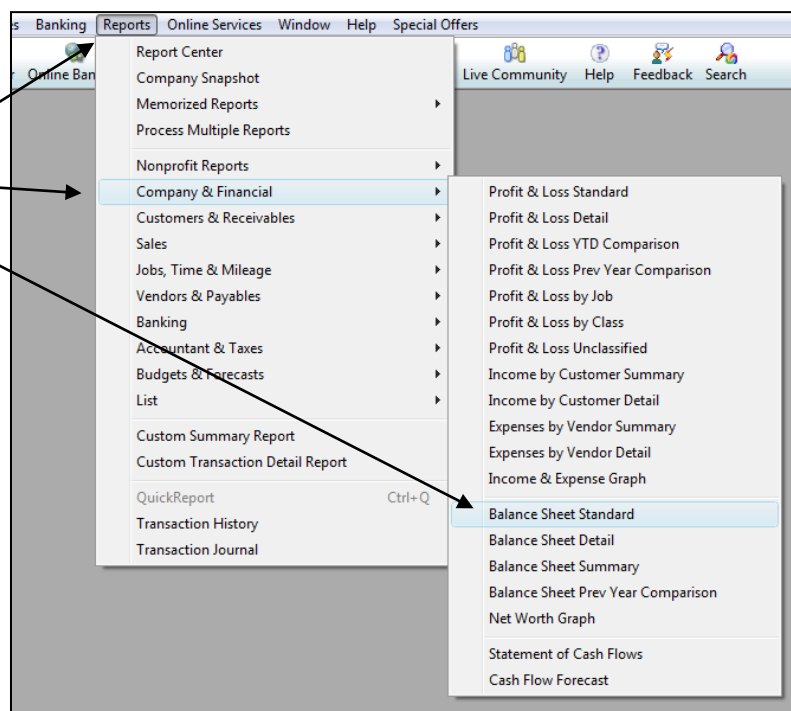
Expenses: \$100.00 Items: \$0.00 Online Payment: To be printed

Account	Amount	Memo	Customer:Job	Billable?	Class
Operations:Supplies	100.00	Business Cards			Unrestricted:G&A

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

With the Write Checks screen open, enter the transaction details, then press Save & Close.

To view the resulting financial statements, click on Reports, Company & Financial, then Balance Sheet Standard.



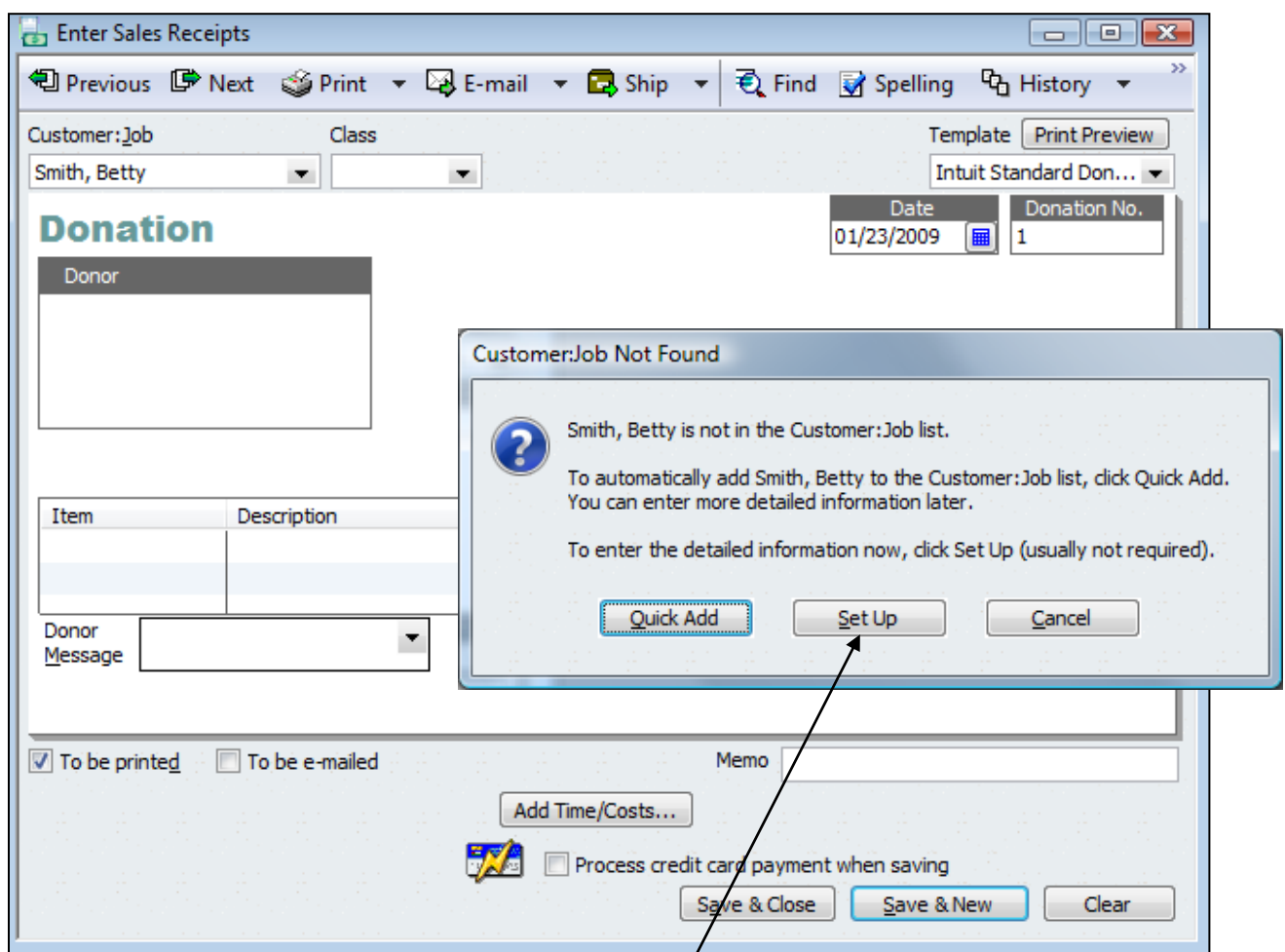
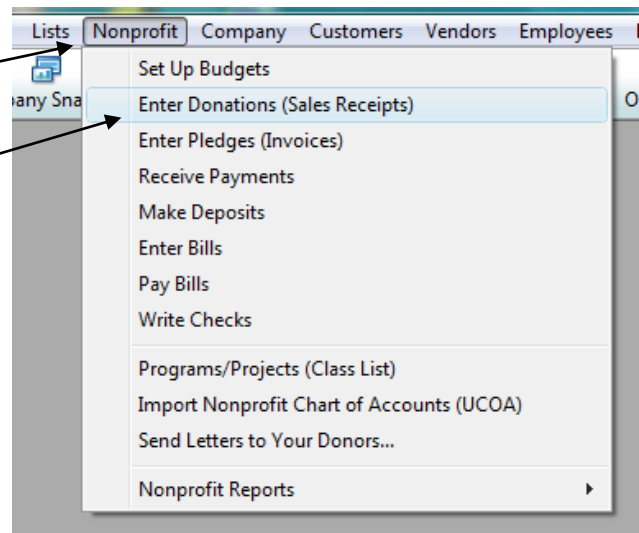
TAB Corps	
Balance Sheet	
As of January 31, 2009	
	◊ Jan 31, 09 ◊
ASSETS	
Current Assets	
Checking/Savings	
Checking	▶ <u>2,200.00</u> ◀
Total Checking/Savings	<u>2,200.00</u>
Total Current Assets	<u>2,200.00</u>
TOTAL ASSETS	<u><u>2,200.00</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Loan from Director	<u>6,180.00</u>
Total Other Current Liabilities	<u>6,180.00</u>
Total Current Liabilities	<u>6,180.00</u>
Total Liabilities	6,180.00
Equity	
Net Income	<u>-3,980.00</u>
Total Equity	<u>-3,980.00</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,200.00</u></u>

Then click on Reports, Nonprofit Reports, Statement of Financial Income and Expenses.

TAB Corps			
Statement of Financial Income and Expense			
January 2009			
	G&A		
	◊ (Unrestricted) ◊	◊ Total Unrestricted ◊	◊ TOTAL ◊
Ordinary Income/Expense			
Expense			
Business Expenses			
Website Expenses	▶ <u>880.00</u> ◀	<u>880.00</u>	<u>880.00</u>
Total Business Expenses	880.00	880.00	880.00
Contract Services			
Legal Fees	<u>2,100.00</u>	<u>2,100.00</u>	<u>2,100.00</u>
Total Contract Services	2,100.00	2,100.00	2,100.00
Operations			
Supplies	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>
Total Operations	100.00	100.00	100.00
Other Types of Expenses			
Insurance - Liability, D and O	<u>900.00</u>	<u>900.00</u>	<u>900.00</u>
Total Other Types of Expenses	900.00	900.00	900.00
Total Expense	<u>3,980.00</u>	<u>3,980.00</u>	<u>3,980.00</u>
Net Ordinary Income	<u>-3,980.00</u>	<u>-3,980.00</u>	<u>-3,980.00</u>
Net Income	<u><u>-3,980.00</u></u>	<u><u>-3,980.00</u></u>	<u><u>-3,980.00</u></u>

8) Receive Endowment of Stocks.

From the Nonprofit menu, click on Enter Donations (Sales Receipts).



Enter the donor's name in the Customer:Job field. When you press the tab key, you'll be prompted to set up the Customer. Click on Set Up.

Enter the donor's information on the New Customer screen, then press OK.

New Customer

Customer Name: Smith, Betty

Opening Balance: as of 01/23/2009 [How do I determine the opening balance?](#)

Address Info | Additional Info | Payment Info | Job Info

Company Name: Contact: Betty Smith

Mr./Ms./...: Ms. Phone: 619-555-1234

First Name: Betty M.I.: FAX:

Last Name: Smith Alt. Phone: 619-555-1235

Alt. Contact: John

E-mail: Betty@home.com

Cc:

Addresses

Bill To: Betty Smith
1234 Nice Street
San Diego, CA 92101

Ship To: [Dropdown]

Copy >>

Edit

Add New Edit Delete

☐ Default shipping address

OK Cancel

Help

☐ Customer is inactive

Go to Customer Manager

Enter the rest of the information on the Enter Sales Receipts screen, and then press Save & Close.

Enter Sales Receipts

Previous Next Print E-mail Ship Find Spelling History

Customer: Job Class

Smith, Betty

Template: Print Preview

Intuit Standard Don...

Date: 01/23/2009 Donation No.: 1

Donation

Donor: Betty Smith
1234 Nice Street
San Diego, CA 92101

Check No.: Payment Method: Stocks

Item	Description	Class	Amount
Endowment	Endowment	Restricted	300,000.00

Donor Message: [Dropdown]

Total: 300,000.00

☒ To be printed ☐ To be e-mailed Memo: [Text Box]

Add Time/Costs...

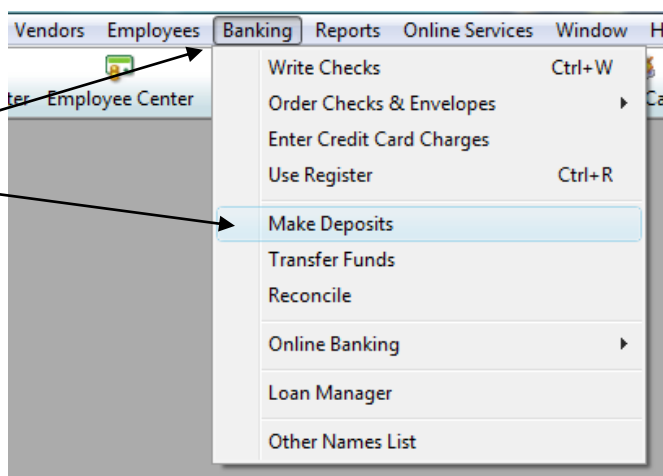
☐ Process credit card payment when saving

Save & Close Save & New Clear

QuickBooks has automatically entered the endowment into the Undeposited Funds account.

Name	Type	Balance Total
Checking	Bank	2,200.00
Undeposited Funds	Other Current Asset	300,000.00
Furniture and Equipment	Fixed Asset	0.00
Marketable Securities	Other Asset	0.00
Other Assets	Other Asset	0.00
Security Deposits Asset	Other Asset	0.00
Loan from Director	Other Current Liability	6,180.00
Payroll Liabilities	Other Current Liability	0.00
Other Liabilities	Long Term Liability	0.00
Opening Balance Equity	Equity	0.00
Perm. Restricted Net Assets	Equity	0.00
Temp. Restricted Net Assets	Equity	0.00
Unrestricted Net Assets	Equity	0.00
Direct Public Support	Income	

To move the Endowment from the Undeposited Funds into the Marketable Securities account, click on the Banking menu, and then Make Deposit.



On the Payments to Deposit screen, click on the Endowment to select it and then press OK.

Select	Date	Time	Type	No.	Payment Method	Name	Amount
<input checked="" type="checkbox"/>	01/23/2009		RCPT	1	Stocks	Smith, Betty	300,000.00

1 of 1 payments selected for deposit Payments Subtotal: 300,000.00

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

QuickBooks automatically deposits the stocks into the Checking account from Undeposited Funds.

The program will not allow us to change the Deposit To account to Marketable Securities.

To correct this, we enter a second line on the deposit screen.

The -300,000 zeroes out the deposit to the checking account and puts the stocks into Marketable Securities where they belong.

Received From	From Account	Memo	Chk No.	Pmt Meth.	Class	Amount
Smith, Betty	Undeposited Funds			Stocks		300,000.00
Smith, Betty	Marketable Securities			Stocks		-300,000.00

Deposit Subtotal: 0.00

Deposit Total: 0.00

9) Deposit a Contribution.

Just like we did for the Endowment above, click on the Nonprofit menu, then click on Enter Donations (Sales Receipts).

Fill in the Donation information on the screen, Create the Customer, and then press Save & Close.

QuickBooks will put the donation into the Undeposited Funds account.

Item	Description	Class	Amount
Donation	Donation	Unrestricted:Fund Raising	10,000.00

Total: 10,000.00

To move the Donation from the Undeposited Funds into the Checking account, click on the Banking menu and Make Deposit. On the Payments to Deposit screen, click on the Donation to select it and then press OK.

Since the donation was deposited into the checking account, we don't need to change anything on the Make Deposits screen.

Click on Save & Close.

Make Deposits

Previous Next Print Payments History

Deposit To: Checking Date: 01/24/2009 Memo: Deposit

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

Received From	From Account	Memo	Chk No.	Pmt Meth.	Class	Amount
Jones, Jack	Undeposited Funds		4232	Check		10,000.00

Deposit Subtotal 10,000.00

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 10,000.00

[Save time using printable or manual deposit slips.](#)

Save & Close Save & New Clear

10) Repay Loan from Director with a Check.

From the Banking menu, select Write Checks.

Complete the Write Checks screen, and then press Save & New.

Write Checks - Checking

Previous Next Print Find

Bank Account: Checking Ending Balance: 12,200.00

No. 00004 Date: 01/25/2009

Pay to the Order of: John Director \$ 6,180.00

Six thousand one hundred eighty and 00/100***** Dollars

John Director

Address:

Memo:

Expenses \$6,180.00 Items \$0.00 Online Payment To be printed

Account	Amount	Memo	Customer:Job	Billable?	Class
Loan from Director	6,180.00				

Clear Splits Recalculate Save & Close Save & New Clear

11) Buy Mailing List with Debit Card.

Write Checks - Checking

Previous Next Print Find

Bank Account: Checking Ending Balance: 6,020.00

No. Debit
Date: 01/26/2009
Pay to the Order of: MailingLists.com \$ 400.00

Four hundred and 00/100*****Dollars

Address: MailingLists.com

Memo:

Order Checks

Expenses \$400.00 Items \$0.00 Online Payment To be printed

Account	Amount	Memo	Customer:Job	Billable?	Class
Operations:Postage, Mailing Service	400.00	Mailing List			Unrestricted:Fund Raising

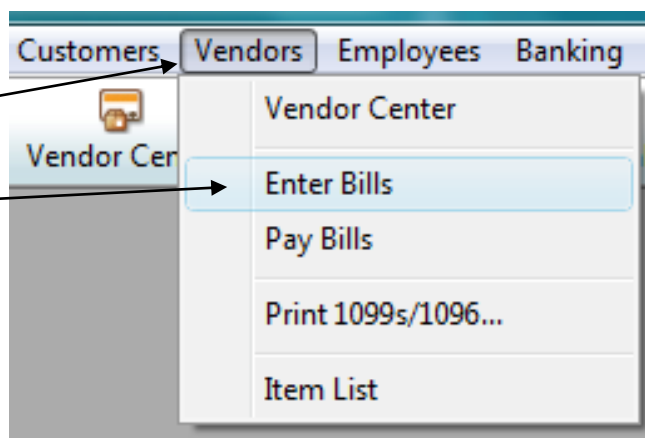
Clear Splits Recalculate Save & Close Save & New Clear

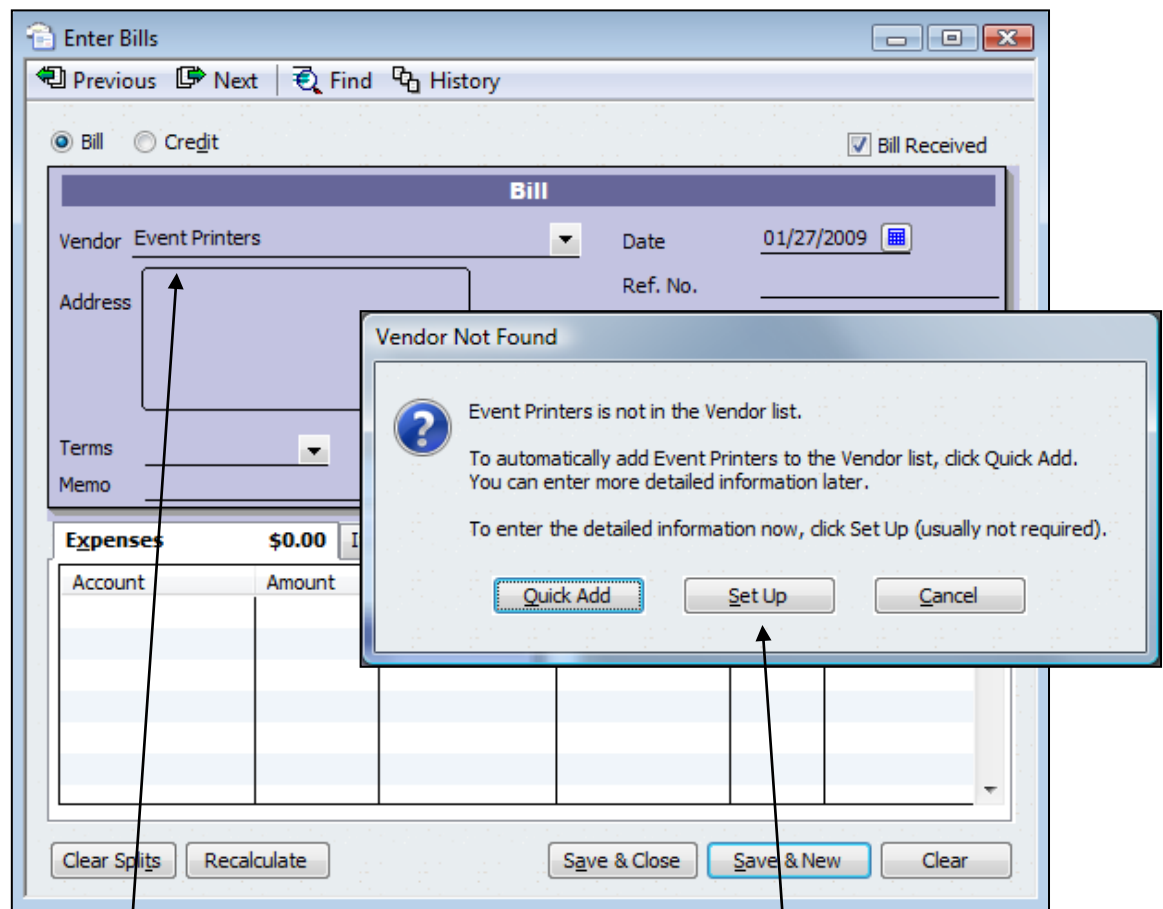
With the Write Checks screen open, enter the transaction details, then press Save & Close.

12) Enter Bill for Flyers and Event Tickets.

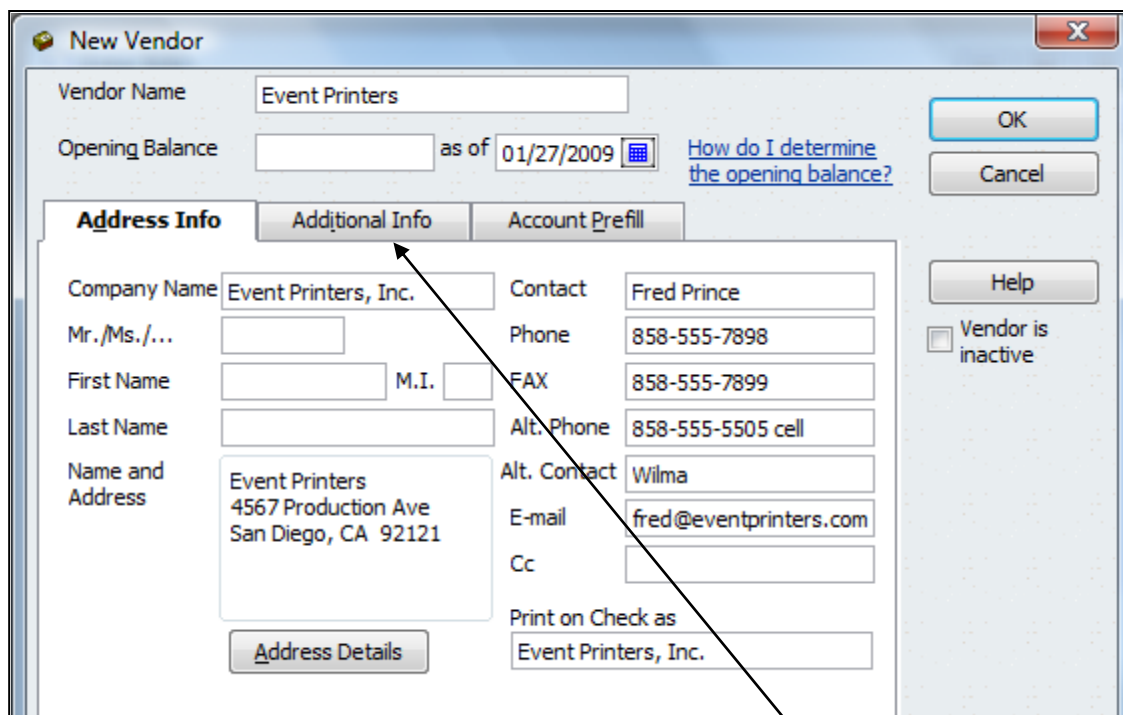
From the Vendors menu,

select Enter Bills.





Enter the vendor's name, and when you tab out of the field, select Set Up.



Enter the vendor's information, and then click on the Additional Info tab.

Enter the applicable Additional Info, and then press OK.

QuickBooks prefills the Enter Bills screen with the Vendor's information, terms, & due date.

Enter the invoice number as the reference, and then enter the rest of the information on the screen.

Press Save & Close.

13) Buy Stamps & Office Supplies with the Debit Card.

Write Checks - Checking

Bank Account: Checking Ending Balance: 5,620.00

Pay to the Order of: Office Depot

Date: 01/28/2009

\$ 390.00

Three hundred ninety and 00/100***** Dollars

Address: Office Depot

Memo:

Expenses: \$390.00 Items: \$0.00 Online Payment: To be printed

Account	Amount	Memo	Customer:Job	Billable?	Class
Operations:Postage, Mailing Service	84.00	Stamps			Unrestricted:G&A
Operations:Supplies	306.00				Unrestricted:G&A

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

Open the Write Checks screen and enter the transaction details, then press Save & Close.

14) Enter the Sale of the Fund Raiser Dinner Tickets and Deposit the Proceeds.

Enter Sales Receipts

Customer: Job Jones, Jack Class: Template: Print Preview

Date: 01/29/2009 Donation No.: 3

Donor: Jack Jones, 550 C. Street, San Diego, CA 92123

Item	Description	Class	Amount
Event Ticket	25 Event Tickets - Fund Raising Dinner to support TAB Corps.	Unrestricted:Fund Raising	2,500.00

Check No.: 7894 Payment Method: Check

Donor Message: Total: 2,500.00

Buttons: To be printed, To be e-mailed, Add Time/Costs..., Process credit card payment when saving, Save & Close, Save & New, Clear

From the Nonprofit menu, select Enter Donations (Sales Receipts).

Complete a Sales Receipt for each donor who purchased tickets, entering the Customer information for each new donor as you go.

QuickBooks will put the amounts into the Undeposited Funds account.

From the Banking menu, select Make Deposit and check off each item that you are depositing.

Payments to Deposit

Select View
View payment method type: All types [What are payment method views?](#)

Select Payments to Deposit

✓	Date	Time	Type	No.	Payment Method	Name	Amount
✓	01/29/2009		RCPT	3	Check	Jones, Jack	2,500.00
✓	01/29/2009		RCPT	4	Check	Smith, Betty	12,500.00

2 of 2 payments selected for deposit **Payments Subtotal** **15,000.00**

Select All Select None

OK Cancel Help

Click on OK and the Make Deposits screen opens. Review the information to ensure it matches your bank deposit slip, and then press Save & Close.

Make Deposits

Previous Next Print Payments History

Deposit To: Checking Date: 01/30/2009 Memo: Deposit

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

Received From	From Account	Memo	Chk No.	Pmt Meth.	Class	Amount
Jones, Jack	Undeposited Funds		7894	Check		2,500.00
Smith, Betty	Undeposited Funds		3215	Check		12,500.00

Deposit Subtotal **15,000.00**

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 **15,000.00**

[Save time using printable or manual deposit slips.](#) Save & Close Save & New Clear

15) Enter the Vendor Bills from the Fund Raiser Dinner Event.

Enter Bills

Previous Next Find History

☒ Bill ☐ Credit ☒ Bill Received

Bill

Vendor Mexican Caterers Corp. Date 01/31/2009

Address Mexican Caterers Corp. Ref. No. 65425

Amount Due 3,000.00

Bill Due 03/02/2009

Terms Net 30 Discount Date

Memo

Expenses \$3,000.00 **Items** \$0.00

Account	Amount	Memo	Customer:Job	Billable?	Class
Contract Services:Outside Contract Services	3,000.00				Unrestricted:Fund Raising

Clear Splits Recalculate Save & Close Save & New Clear

On the Enter Bills screen, enter the information from the vendor's bills.

Enter Bills

Previous Next Find History

☒ Bill ☐ Credit ☒ Bill Received

Bill

Vendor Halls4Rent Date 01/31/2009

Address Halls4Rent Ref. No. 32145

Amount Due 500.00

Bill Due 02/15/2009

Terms Net 15 Discount Date

Memo

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

Account	Amount	Memo	Customer:Job	Billable?	Class
Facilities and Equipment:Rent, Parking, Utilities	500.00				Unrestricted:Fund Raising

Clear Splits Recalculate Save & Close Save & New Clear

The resulting financial statements look like this.

TAB Corps Balance Sheet As of January 31, 2009	
	◇ Jan 31, 09 ◇
ASSETS	
Current Assets	
Checking/Savings	
Checking	▶ <u>20,230.00</u> ◀
Total Checking/Savings	<u>20,230.00</u>
Total Current Assets	20,230.00
Other Assets	
Marketable Securities	<u>300,000.00</u>
Total Other Assets	<u>300,000.00</u>
TOTAL ASSETS	<u>320,230.00</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	<u>3,675.00</u>
Total Accounts Payable	<u>3,675.00</u>
Total Current Liabilities	<u>3,675.00</u>
Total Liabilities	3,675.00
Equity	
Net Income	<u>316,555.00</u>
Total Equity	<u>316,555.00</u>
TOTAL LIABILITIES & EQUITY	<u>320,230.00</u>

TAB Corps
Statement of Financial Income and Expense
January 2009

	◇ <u>Restricted</u>	◇ <u>Fund Raising</u> <u>(Unrestricted)</u>	◇ <u>G&A</u> <u>(Unrestricted)</u>	◇ <u>Total Unrestricted</u>	◇ <u>TOTAL</u>	◇
Ordinary Income/Expense						
Income						
Direct Public Support						
Individ, Business Contributions ▶	<u>300,000.00</u>	<u>25,000.00</u>	<u>0.00</u>	<u>25,000.00</u>	<u>325,000.00</u>	
Total Direct Public Support	<u>300,000.00</u>	<u>25,000.00</u>	<u>0.00</u>	<u>25,000.00</u>	<u>325,000.00</u>	
Total Income	300,000.00	25,000.00	0.00	25,000.00	325,000.00	
Expense						
Business Expenses						
Website Expenses	<u>0.00</u>	<u>0.00</u>	<u>880.00</u>	<u>880.00</u>	<u>880.00</u>	
Total Business Expenses	0.00	0.00	880.00	880.00	880.00	
Contract Services						
Legal Fees	<u>0.00</u>	<u>0.00</u>	<u>2,100.00</u>	<u>2,100.00</u>	<u>2,100.00</u>	
Outside Contract Services	<u>0.00</u>	<u>3,000.00</u>	<u>0.00</u>	<u>3,000.00</u>	<u>3,000.00</u>	
Total Contract Services	0.00	3,000.00	2,100.00	5,100.00	5,100.00	
Facilities and Equipment						
Rent, Parking, Utilities	<u>0.00</u>	<u>500.00</u>	<u>0.00</u>	<u>500.00</u>	<u>500.00</u>	
Total Facilities and Equipment	0.00	500.00	0.00	500.00	500.00	
Operations						
Postage, Mailing Service	<u>0.00</u>	<u>400.00</u>	<u>84.00</u>	<u>484.00</u>	<u>484.00</u>	
Printing and Copying	<u>0.00</u>	<u>175.00</u>	<u>0.00</u>	<u>175.00</u>	<u>175.00</u>	
Supplies	<u>0.00</u>	<u>0.00</u>	<u>406.00</u>	<u>406.00</u>	<u>406.00</u>	
Total Operations	0.00	575.00	490.00	1,065.00	1,065.00	
Other Types of Expenses						
Insurance - Liability, D and O	<u>0.00</u>	<u>0.00</u>	<u>900.00</u>	<u>900.00</u>	<u>900.00</u>	
Total Other Types of Expenses	0.00	0.00	900.00	900.00	900.00	
Total Expense	0.00	4,075.00	4,370.00	8,445.00	8,445.00	
Net Ordinary Income	<u>300,000.00</u>	<u>20,925.00</u>	<u>-4,370.00</u>	<u>16,555.00</u>	<u>316,555.00</u>	
Net Income	<u>300,000.00</u>	<u>20,925.00</u>	<u>-4,370.00</u>	<u>16,555.00</u>	<u>316,555.00</u>	

16) Enter a Bill for Program Supplies.

Enter Bills

Previous Next Find History

☒ Bill ☐ Credit ☒ Bill Received

Bill

Vendor: Supplies.com Date: 02/05/2009

Address: Supplies.com Ref. No.: 65732

Amount Due: 310.00

Bill Due: 03/07/2009

Terms: Net 30 Discount Date: _____

Memo: _____

Expenses \$310.00 Items \$0.00

Account	Amount	Memo	Customer:Job	Billable?	Class
Operations:Supplies	85.00	School Supplies			Unrestricted:Programs:Tutoring
Operations:Supplies	225.00	B-balls & Jerseys			Unrestricted:Programs:Basketball

Clear Splits Recalculate Save & Close Save & New Clear

Enter the transaction details on the Enter Bills screen.

17) Summary Post the Payroll from the Payroll Company Reports.

In this example, we are assuming the following:

1. A payroll company is processing the payroll.
2. The payroll company is filing all payroll tax returns as needed.
3. The payroll company is withdrawing all funds needed for the payroll tax payments from the corporate checking account every payroll, and then paying the taxes as they come due.
4. The payroll company prepares all payroll checks, but the checks are drawn on the corporate checking account.
5. The payroll company automatically withdraws their fees for each payroll from the corporate checking account.
6. The employees keep track of how much time they spend on different activities.

Locate the payroll expenses on the payroll reports and enter them into an excel spreadsheet.

Payroll Expenses		
		Total
Wages		
	Coaches	130
	Tutors	260
	Director	1,300
Total Wages		1,690
Employer Payroll Taxes		135
Payroll Service Fee		95
Total Payroll		1,920

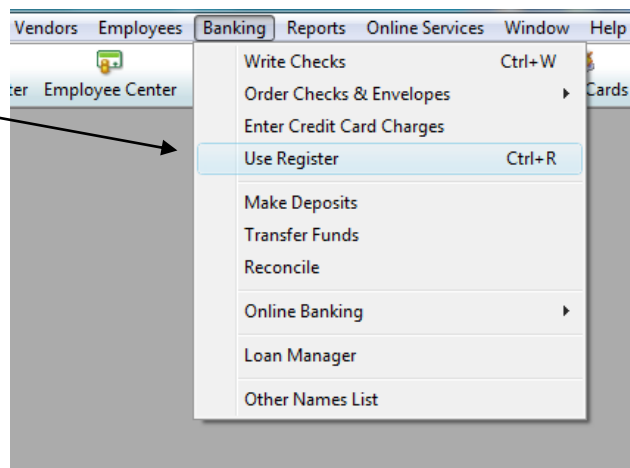
Separate each payroll expense into its various fund classes. Keep in mind, some employees might spend time doing more than one activity.

Payroll Expenses							
Payroll Ending Date 2/10			Programs			Fund	
		Total	Basketball	Tutoring	Total	Raising	G&A
Wages							
	Coaches	130	130		130		
	Tutors	260		260	260		
	Director	1,300	175	200	375	500	425
Total Wages		1,690	305	460	765	500	425
Employer Payroll Taxes		135	24	37	61	40	34
Payroll Service Fee		95					95
Total Payroll		1,920	329	497	826	540	554

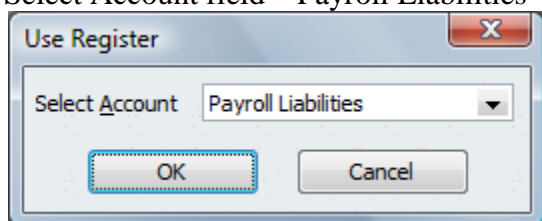
In this example, only the Director is being paid for activities across various fund classes.

To enter the payroll expenses into QuickBooks:

From the Banking menu, select Use Register.

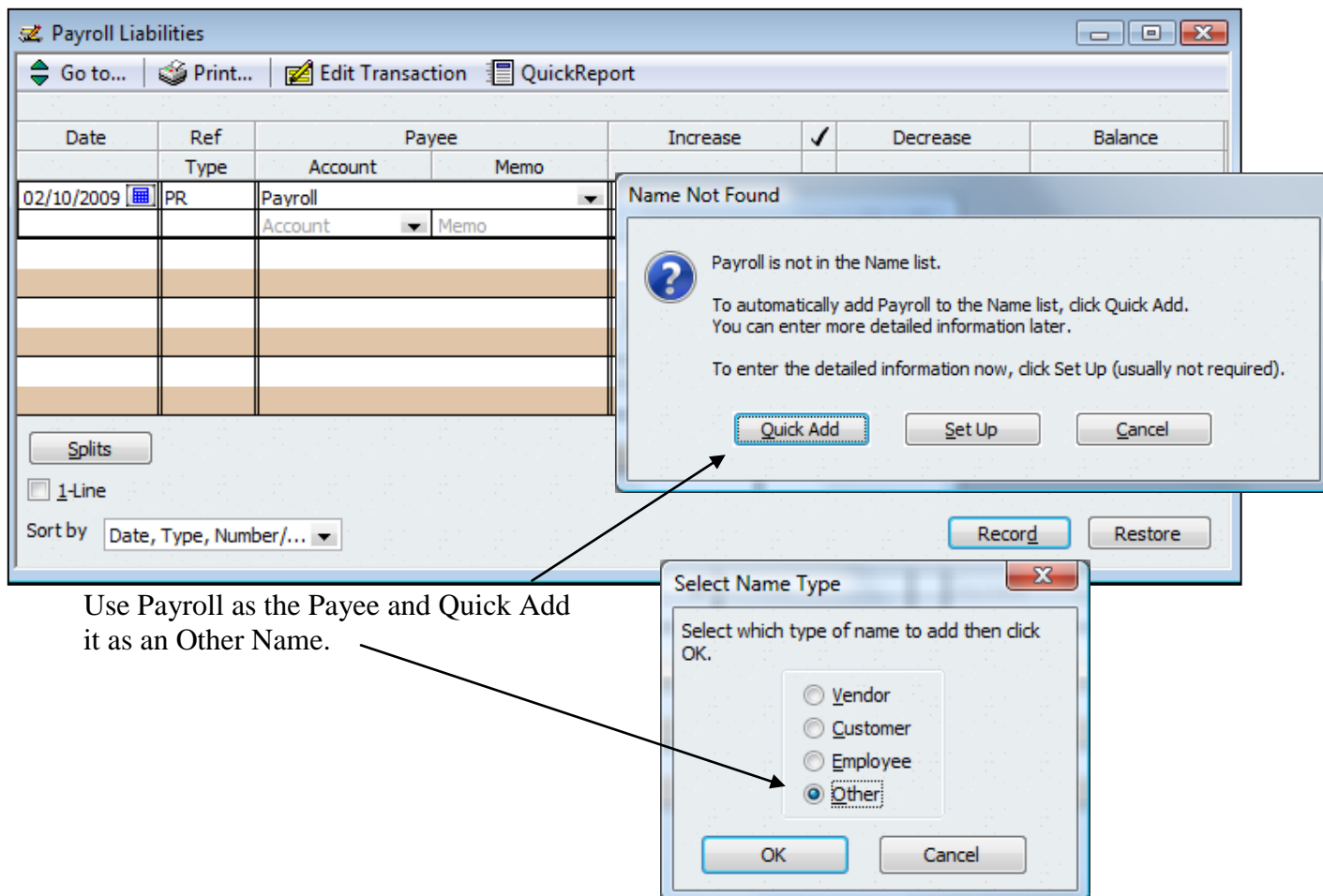


On the Use Register screen, type in the Select Account field – Payroll Liabilities



and then click OK.

On the Payroll Liabilities register, enter the payroll ending date and a Reference.



Payroll Liabilities

Go to... Print... Edit Transaction QuickReport

Date	Ref	Payee	Increase	Decrease	Balance
02/10/2009	PR	Payroll	1,920.00	Decrease	
	GENJRNL	-split-			

Account	Amount	Memo	Customer:Job	Billable?	Class
Personnel Expenses:Wages - Staff	130.00				Unrestricted:Programs:Basketball
Personnel Expenses:Wages - Staff	260.00				Unrestricted:Programs:Tutoring
Personnel Expenses:Wages - Director	175.00				Unrestricted:Programs:Basketball
Personnel Expenses:Wages - Director	200.00				Unrestricted:Programs:Tutoring
Personnel Expenses:Wages - Director	500.00				Unrestricted:Fund Raising
Personnel Expenses:Wages - Director	425.00				Unrestricted:G&A
Personnel Expenses:Payroll Taxes	24.00				Unrestricted:Programs:Basketball
Personnel Expenses:Payroll Taxes	37.00				Unrestricted:Programs:Tutoring
Personnel Expenses:Payroll Taxes	40.00				Unrestricted:Fund Raising
Personnel Expenses:Payroll Taxes	34.00				Unrestricted:G&A
Contract Services:Accounting Fees	95.00				Unrestricted:G&A

Ending balance 0.00

Splits 1-Line

Sort by Date, Type, Number/...

Record Restore

Click on the Splits button, and enter all of the expenses broken down by Class. Then click Record.

In the payroll reports, locate how the payroll is being withdrawn from your checking account.

You might have to look at more than one of the reports to find this information.

In this example, the payroll is being withdrawn with four payroll checks, one transfer out of the checking account to pay all the payroll taxes, and one transfer out of the checking account to pay the payroll company.

Payroll Distribution - 2/15		
Payroll Checks		
10001		108.16
10002		107.72
10003		109.58
10004		994.73
Payroll Tax Payment		504.81
Payroll Company		95.00
		1,920.00

Open the Write Checks screen and enter each payroll check with the actual check date.

Quick Add
Payroll Check as
an Other Name.

Classes are not
needed on the
payroll
distributions
because they are
reductions of the
Payroll Liabilities
and not income or
expenses.

Write Checks - Checking

Bank Account: Checking Ending Balance: 18,000.00

No. 10001 Date 02/15/2009 \$ 108.16

Pay to the Order of Payroll Check

One hundred eight and 16/100***** Dollars

Address: Payroll Check

Memo

Expenses \$108.16 Items \$0.00 To be printed

Account	Amount	Memo	Customer:Job	Billable?	Class
Payroll Liabilities	108.16				

Clear Splits Recalculate Save & Close Save & New Revert

Write Checks - Checking

Bank Account: Checking Ending Balance: 18,000.00

No. EFT Date 02/15/2009 \$ 504.81

Pay to the Order of Payroll Tax Payment

Five hundred four and 81/100***** Dollars

Address: Payroll Tax Payment

Memo

Expenses \$504.81 Items \$0.00 To be printed

Account	Amount	Memo	Customer:Job	Billable?	Class
Payroll Liabilities	504.81				

Clear Splits Recalculate Save & Close Save & New Revert

Enter both the
Payroll Tax
Payment and the
Payroll Service
fee in the same
manner, but with
EFT (for
Electronic Funds
Transfer) rather
than a check
number.

Payroll Liabilities

Go to... Print... Edit Transaction QuickReport

Date	Ref	Payee	Increase	Decrease	Balance
Type	Account	Memo			
02/10/2009	PR	Payroll	1,920.00		1,920.00
	GENJRNL	-split-			
02/15/2009	10001	Payroll Check		108.16	1,811.84
	CHK	Checking			
02/15/2009	10002	Payroll Check		107.72	1,704.12
	CHK	Checking			
02/15/2009	10003	Payroll Check		109.58	1,594.54
	CHK	Checking			
02/15/2009	10004	Payroll Check		994.73	599.81
	CHK	Checking			
02/15/2009	EFT	Payroll Tax Payment		504.81	95.00
	CHK	Checking			
02/15/2009	EFT	Payroll Service Fee		95.00	0.00
	CHK	Checking			
02/27/2009	Ref		Increase	Decrease	
		Account			
		Memo			

Ending balance 0.00

Sort by Date, Type, Number/...

Record Restore

When complete, the Payroll Liabilities account returns to a zero balance.

The resulting financial statements look like this:

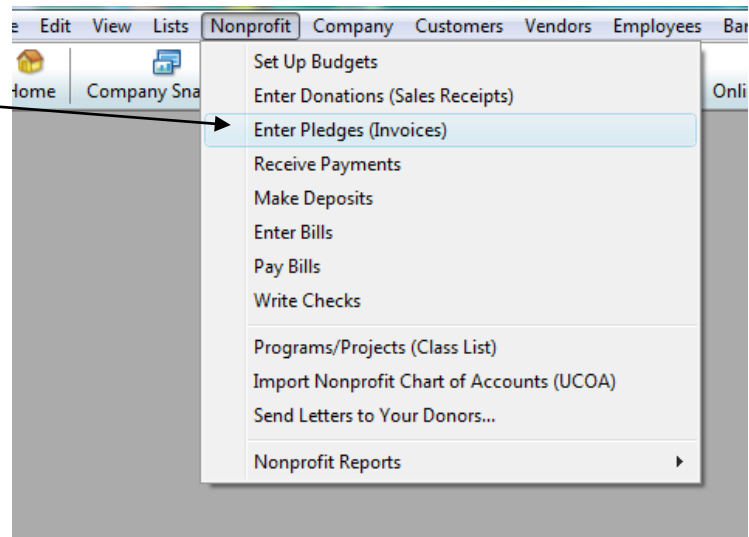
TAB Corps	
Balance Sheet	
As of February 28, 2009	
	◇ Feb 28, 09 ◇
ASSETS	
Current Assets	
Checking/Savings	
Checking	18,310.00
Total Checking/Savings	18,310.00
Total Current Assets	18,310.00
Other Assets	
Marketable Securities	300,000.00
Total Other Assets	300,000.00
TOTAL ASSETS	318,310.00
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	3,985.00
Total Accounts Payable	3,985.00
Total Current Liabilities	3,985.00
Total Liabilities	3,985.00
Equity	
Net Income	314,325.00
Total Equity	314,325.00
TOTAL LIABILITIES & EQUITY	318,310.00

<div>TAB Corps</div> <div>Statement of Financial Income and Expense</div> <div>January through February 2009</div>									
	Restricted	Fund Raising	G&A	Basketball	Tutoring	Total Programs	Total Unrestricted	TOTAL	
	◇ (Unrestricted) ◇	◇ (Unrestricted) ◇	◇ (Unrestricted) ◇	◇ (Programs) ◇	◇ (Programs) ◇	◇ (Unrestricted) ◇	◇ (Unrestricted) ◇	◇ (Unrestricted) ◇	◇
Ordinary Income/Expense									
Income									
Direct Public Support									
Individual, Business Contributions ▶	300,000.00	25,000.00	0.00	0.00	0.00	0.00	25,000.00	325,000.00	
Total Direct Public Support	300,000.00	25,000.00	0.00	0.00	0.00	0.00	25,000.00	325,000.00	
Total Income	300,000.00	25,000.00	0.00	0.00	0.00	0.00	25,000.00	325,000.00	
Expense									
Business Expenses									
Website Expenses	0.00	0.00	880.00	0.00	0.00	0.00	880.00	880.00	
Total Business Expenses	0.00	0.00	880.00	0.00	0.00	0.00	880.00	880.00	
Contract Services									
Accounting Fees	0.00	0.00	95.00	0.00	0.00	0.00	95.00	95.00	
Legal Fees	0.00	0.00	2,100.00	0.00	0.00	0.00	2,100.00	2,100.00	
Outside Contract Services	0.00	3,000.00	0.00	0.00	0.00	0.00	3,000.00	3,000.00	
Total Contract Services	0.00	3,000.00	2,195.00	0.00	0.00	0.00	5,195.00	5,195.00	
Facilities and Equipment									
Rent, Parking, Utilities	0.00	500.00	0.00	0.00	0.00	0.00	500.00	500.00	
Total Facilities and Equipment	0.00	500.00	0.00	0.00	0.00	0.00	500.00	500.00	
Operations									
Postage, Mailing Service	0.00	400.00	84.00	0.00	0.00	0.00	484.00	484.00	
Printing and Copying	0.00	175.00	0.00	0.00	0.00	0.00	175.00	175.00	
Supplies	0.00	0.00	406.00	225.00	85.00	310.00	716.00	716.00	
Total Operations	0.00	575.00	490.00	225.00	85.00	310.00	1,375.00	1,375.00	
Other Types of Expenses									
Insurance - Liability, D and O	0.00	0.00	900.00	0.00	0.00	0.00	900.00	900.00	
Total Other Types of Expenses	0.00	0.00	900.00	0.00	0.00	0.00	900.00	900.00	
Personnel Expenses									
Payroll Taxes	0.00	40.00	34.00	24.00	37.00	61.00	135.00	135.00	
Wages - Director	0.00	500.00	425.00	175.00	200.00	375.00	1,300.00	1,300.00	
Wages - Staff	0.00	0.00	0.00	130.00	260.00	390.00	390.00	390.00	
Total Personnel Expenses	0.00	540.00	459.00	329.00	497.00	826.00	1,825.00	1,825.00	
Total Expense	0.00	4,615.00	4,924.00	554.00	582.00	1,136.00	10,675.00	10,675.00	
Net Ordinary Income	300,000.00	20,385.00	-4,924.00	-554.00	-582.00	-1,136.00	14,325.00	314,325.00	
Net Income	300,000.00	20,385.00	-4,924.00	-554.00	-582.00	-1,136.00	14,325.00	314,325.00	

Entering Other Transactions

1) Enter a Pledge for a Future Donation.

From the Nonprofit menu, select Enter Pledges (Invoices).

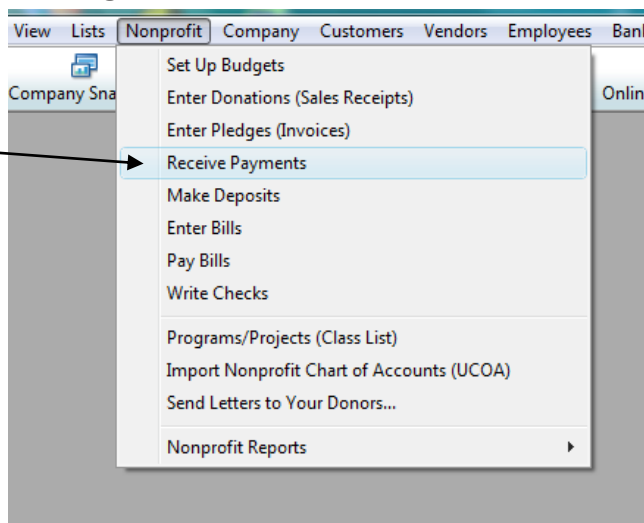


Enter the pledge details on the Create Invoices screen

 A screenshot of the 'Create Invoices' window in QuickBooks. The window title is 'Create Invoices'. At the top, there are navigation buttons: Previous, Next, Print, Send, Ship, Find, Spelling, and History. Below these, there are fields for 'Customer: Job' (Jones, Jack) and 'Class'. To the right, there are buttons for 'Template' (Intuit Standard Pledge) and 'Print Preview'. The main section is titled 'Pledge'. It contains a 'Donor' field with the address: Jack Jones, 550 C. Street, San Diego, CA 92123. To the right of the donor information, there are fields for 'Date' (02/17/2009) and 'Pledge #' (1). Below this is a table with columns: Item, Description, CLASS, and Amount. The table has one row: Donation, Donation, Unrestricted:Fund Raising, 500.00. Below the table, there is a 'Donor Message' field. At the bottom right, the 'Total' is 500.00. At the bottom left, there are checkboxes for 'To be printed' (checked) and 'To be e-mailed'. In the center, there are buttons for 'Add Time/Costs...' and 'Apply Credits...'. To the right, there are fields for 'Payments Applied' (0.00) and 'Balance Due' (500.00). At the bottom, there is a 'Memo' field and a link: 'Learn about our payment processing and online invoicing solutions.'. At the very bottom, there are buttons for 'Save & Close', 'Save & New', and 'Revert'.

2) Receive a Payment on a Pledged Donation.

From the Nonprofit menu, select Receive Payments.



 A screenshot of the 'Receive Payments' window in QuickBooks. The window title is 'Receive Payments'. It features a toolbar with 'Previous', 'Next', 'Print', 'History', and 'Get Online Pmts'. The main section is titled 'Customer Payment'. It includes fields for 'Received From' (Jones, Jack), 'Amount' (500.00), 'Pmt. Method' (Check), 'Date' (02/23/2009), and 'Check #' (1523). There is a 'Customer Balance' of 500.00 and a 'Memo' field. A checkbox 'Process credit card payment when saving' is present. A 'Find a Customer/Invoice...' button is also visible. Below these fields is a table with columns: Date, Number, Orig. Amt., Amt. Due, and Payment. The table contains one row with a checkmark in the first column, date 02/17/2009, number 1, and amounts of 500.00. A 'Totals' row shows 500.00 for Orig. Amt., Amt. Due, and Payment. To the right of the table is a box titled 'Amounts for Selected Invoices' showing 'Amount Due' as 500.00, 'Applied' as 500.00, and 'Discount and Credits Applied' as 0.00. At the bottom are buttons for 'Un-Apply Payment', 'Discount & Credits...', 'Save & Close', 'Save & New', and 'Clear'.

✓	Date	Number	Orig. Amt.	Amt. Due	Payment
✓	02/17/2009	1	500.00	500.00	500.00
Totals			500.00	500.00	500.00

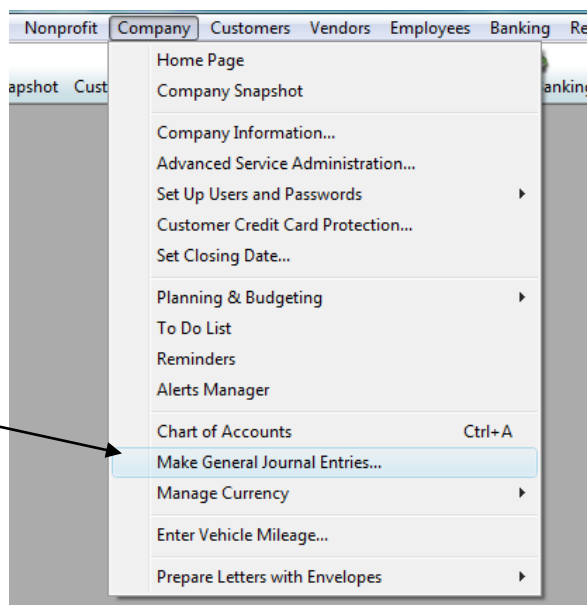
Enter the Customer name, and QuickBooks displays that customer's Outstanding pledges. Fill in the Amount, Pmt. Method, and Check No. QuickBooks automatically applies it to the pledge and places this amount into undeposited funds when you press Save & Close.

3) Enter the Receipt of an In-Kind Donation.

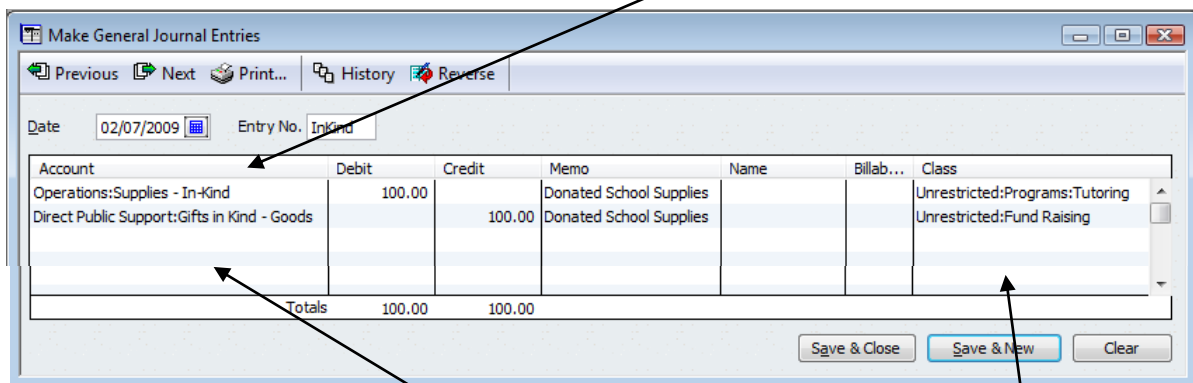
In this example, we are assuming the following:

1. You have established policies outlining whether or not you accept in-kind donations, and how you thank the donor (without running afoul of the IRS).
2. You discuss with your accountant what value to give each in-kind donation (for accounting purposes).
3. A parent donates \$100 worth of school supplies.

To enter this In-kind donation, click on Company and then Make General Journal Entries.



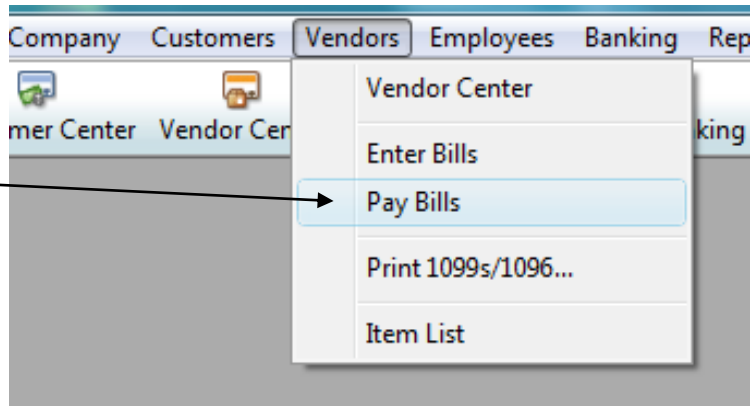
Fill in the screen with a Debit to the In-Kind expense account (create one if needed),



and a Credit to the In-Kind income account, remembering to add the correct classes.

4) Pay Bills.

From the Vendors menu,
select Pay Bills.



 A screenshot of the 'Pay Bills' window in QuickBooks. The window has a title bar 'Pay Bills' and standard window controls. It contains several sections:

- Select Bills to be Paid:** Includes radio buttons for 'Due on or before' (with date 03/05/2009) and 'Show all bills' (selected). A 'Sort By' dropdown is set to 'Due Date'.
- Bills Table:** A table with columns: Date Due, Vendor, Ref. No., Disc. Date, Amt. Due, Disc. Used, Credits Used, and Amt. To Pay. It lists four bills, with the third bill (03/02/2009, Mexican Caterers Corp., 65425, 3,000.00) highlighted.
- Summary:** Totals row showing 3,985.00 Amt. Due, 0.00 Disc. Used, 0.00 Credits Used, and 675.00 Amt. To Pay.
- Discount & Credit Information for Highlighted Bill:** Shows details for 'Mexican Caterers Corp.' with terms 'Net 30', a discount of '0.00', and zero credits.
- Payment Section:** Includes a 'Date' field (02/23/2009), a 'Method' dropdown (set to 'Check'), and radio buttons for 'To be printed' and 'Assign check number' (selected). It also has an 'Account' dropdown (set to 'Checking') and an 'Ending Balance' of 17,635.00.
- Buttons:** 'Clear Selections', 'Go to Bill', 'Set Discount', 'Set Credits', 'Pay Selected Bills', and 'Cancel'.

 Two arrows originate from the text below: one points to the 'Show all bills' radio button, and the other points to the 'Assign check number' radio button.

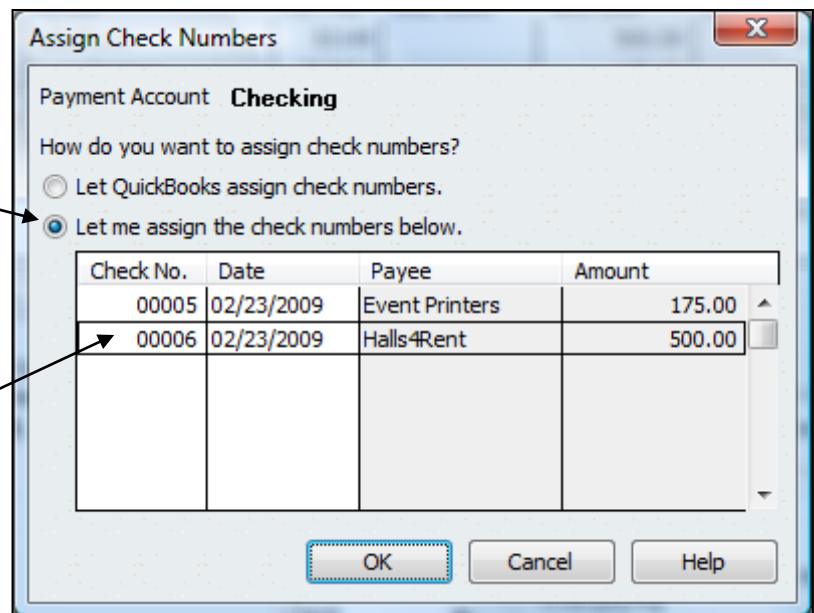
Click on Assign check no. (these will be manual checks) and then click on Show all bills. QuickBooks lists all the bills that have been entered. Click the ones we want to pay and then press Pay Selected Bills.

Assign Check Numbers

Click on Let me assign the check numbers below.

Then enter the check numbers.

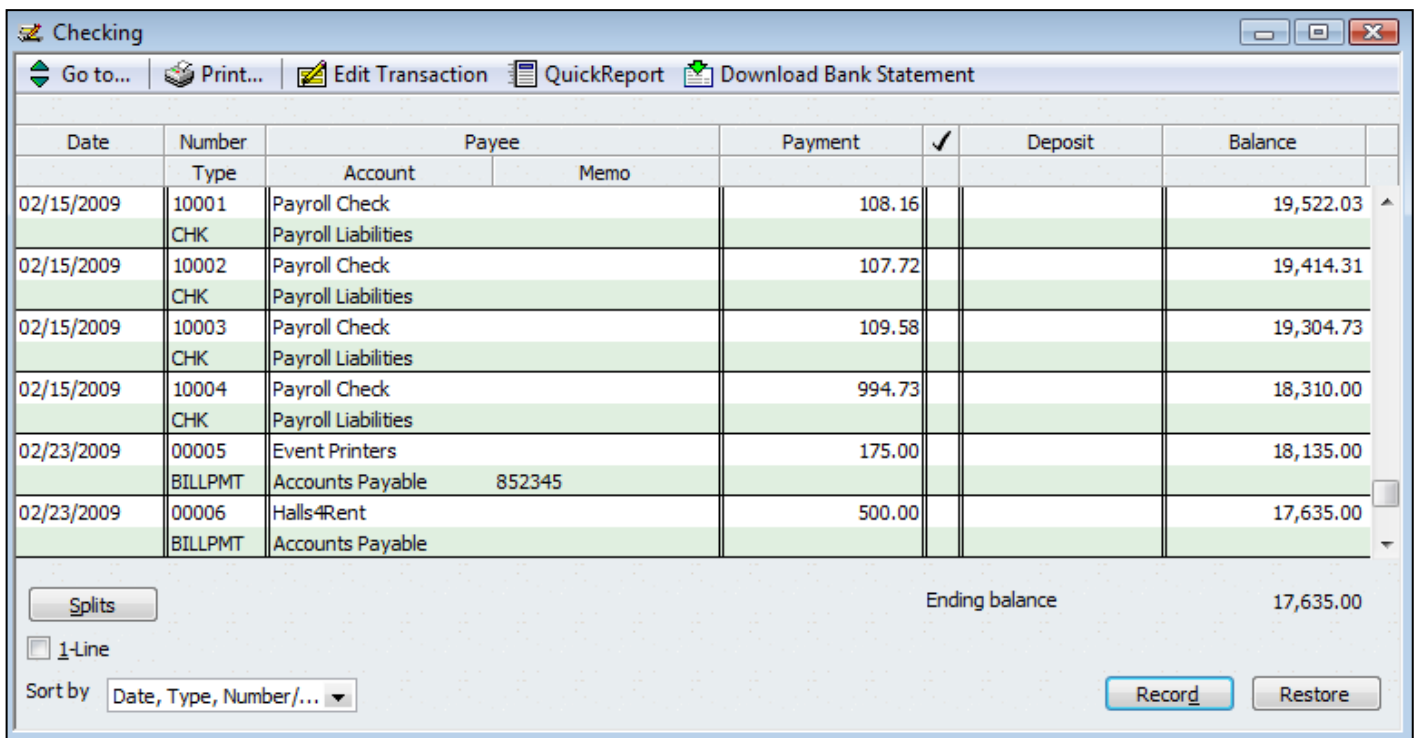
And press OK.



The dialog box titled "Assign Check Numbers" shows the "Payment Account" as "Checking". Under "How do you want to assign check numbers?", the option "Let me assign the check numbers below." is selected. Below this is a table with columns: Check No., Date, Payee, and Amount. The table contains two rows of data: 00005 on 02/23/2009 for Event Printers (175.00) and 00006 on 02/23/2009 for Halls4Rent (500.00). At the bottom are buttons for OK, Cancel, and Help.

Check No.	Date	Payee	Amount
00005	02/23/2009	Event Printers	175.00
00006	02/23/2009	Halls4Rent	500.00

In the check register, QuickBooks has automatically entered the bill payment checks.



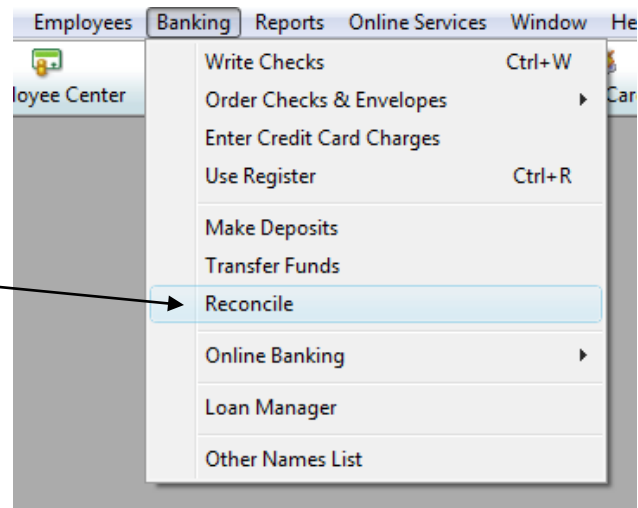
The "Checking" register window shows a list of transactions. The table includes columns for Date, Number, Type, Account, Payee, Memo, Payment, Deposit, and Balance. The transactions listed are payroll checks and two bill payments (00005 and 00006). The ending balance is 17,635.00.

Date	Number	Type	Account	Payee	Memo	Payment	✓	Deposit	Balance
02/15/2009	10001	CHK	Payroll Check			108.16			19,522.03
			Payroll Liabilities						
02/15/2009	10002	CHK	Payroll Check			107.72			19,414.31
			Payroll Liabilities						
02/15/2009	10003	CHK	Payroll Check			109.58			19,304.73
			Payroll Liabilities						
02/15/2009	10004	CHK	Payroll Check			994.73			18,310.00
			Payroll Liabilities						
02/23/2009	00005	BILLPMT	Accounts Payable	852345	Event Printers	175.00			18,135.00
02/23/2009	00006	BILLPMT	Accounts Payable		Halls4Rent	500.00			17,635.00

Ending balance: 17,635.00

5) Reconcile the checking account.

From the Banking menu,
select Reconcile.



Enter the Account to reconcile, the Ending Balance from your bank statement,

A screenshot of the 'Begin Reconciliation' dialog box in QuickBooks. The dialog box contains the following fields and options:

- Account:** A dropdown menu showing 'Checking'.
- Statement Date:** A date field showing '01/31/2009' with a calendar icon.
- Beginning Balance:** A text field showing '0.00'.
- Ending Balance:** A text field showing '12,295.00'.
- Service Charge:** A text field showing '15.00'.
- Service Charge Date:** A date field showing '01/31/2009' with a calendar icon.
- Service Charge Account:** A dropdown menu showing 'Business Expenses:Bank Fees'.
- Service Charge Class:** A dropdown menu showing 'Unrestricted:G&A'.
- Interest Earned:** A text field showing '0.00'.
- Interest Earned Date:** A date field showing '01/31/2009' with a calendar icon.
- Interest Earned Account:** A dropdown menu.
- Interest Earned Class:** A dropdown menu.
- Buttons:** 'Locate Discrepancies', 'Undo Last Reconciliation', 'Continue', 'Cancel', and 'Help'.

Arrows point from the text 'Enter the Account to reconcile, the Ending Balance from your bank statement,' to the 'Account' dropdown and the 'Ending Balance' field. Another arrow points from the text 'and any Service Charges (or Interest Earned) not previously entered. Press Continue.' to the 'Continue' button.

and any Service Charges (or Interest Earned) not previously entered. Press Continue.

QuickBooks will list all outstanding transactions.

Reconcile - Checking

For period: 01/31/2009 ☐ Hide transactions after the statement's end date

Checks and Payments				Deposits and Other Credits						
✓	Date	Chk #	Payee	Amount	✓	Date	Chk #	Memo	Type	Amount
✓	01/21/2009	Debit	Onlineprinters.com	100.00	✓	01/20/2009		Deposit	DEP	5,000.00
✓	01/26/2009	Debit	MailingLists.com	400.00	✓	01/23/2009		Deposit	DEP	0.00
✓	01/28/2009	Debit	Office Depot	390.00	✓	01/24/2009		Deposit	DEP	10,000.00
	02/15/2009	EFT	Payroll Tax Payment	504.81		01/29/2009		Deposit	DEP	15,000.00
	02/15/2009	EFT	Payroll Service Fee	95.00						
✓	01/20/2009	00001	Smith & Smith Esq	1,000.00						
✓	01/20/2009	00002	Webster Design	800.00						
	01/20/2009	00003	D&O Insurance Company	900.00						
	01/25/2009	00004	John Director	6,180.00						
	02/23/2009	00005	Event Printers	175.00						
	02/23/2009	00006	Halls4Rent	500.00						
	02/15/2009	10001	Payroll Check	108.16						
	02/15/2009	10002	Payroll Check	107.72						
	02/15/2009	10003	Payroll Check	109.58						
	02/15/2009	10004	Payroll Check	994.73						

Beginning Balance	0.00	<input type="button" value="Modify"/>	Service Charge	-15.00
Items you have marked cleared			Interest Earned	0.00
3 Deposits and Other Credits	15,000.00		Ending Balance	12,295.00
5 Checks and Payments	2,690.00		Cleared Balance	12,295.00
			Difference	0.00

Check off the transactions listed on the bank statement.

Correct any mistakes you find by editing the transactions, or entering them if needed.

When the Difference is zero, review the uncleared transactions (the ones not checked off because they weren't on your bank statement) for anything weird. Weird transactions include old deposits, checks, or debit card transactions that don't clear the bank. They may be duplicate entries or other types of mistakes. Research and correct what you find. Once everything looks okay, then you're done.

Press Reconcile Now.

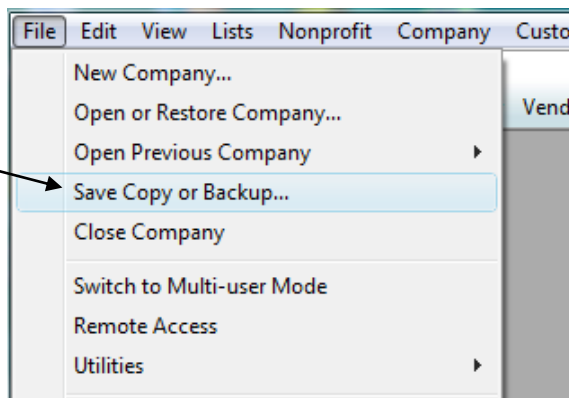
To ensure the accuracy of your accounting records, you must reconcile all your balance sheet accounts and review all your income and expense accounts every month. Think of it as monthly R&R - reconcile and review.

If your accounting records aren't accurate, they can't help you manage your nonprofit better.

6) Backing Up Your Data.

Your accounting records can't help you if they are stolen with your computer, damaged in a fire, or corrupted from a power outage. Protect them by Backing Up regularly.

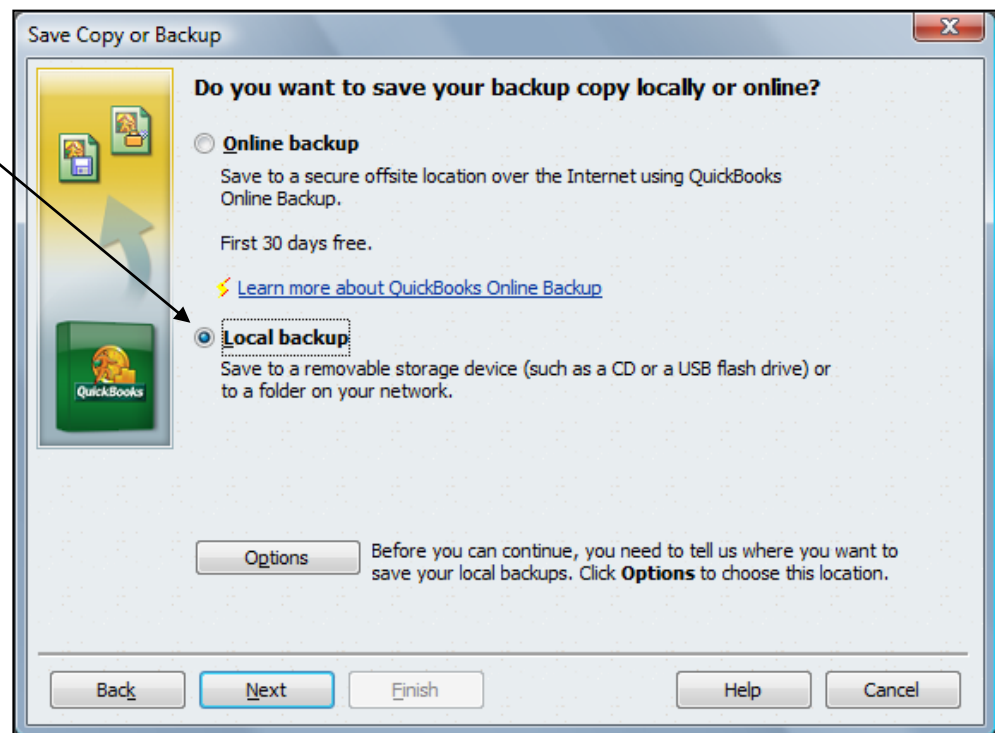
From the File menu,
Select Save Copy or Back Up...



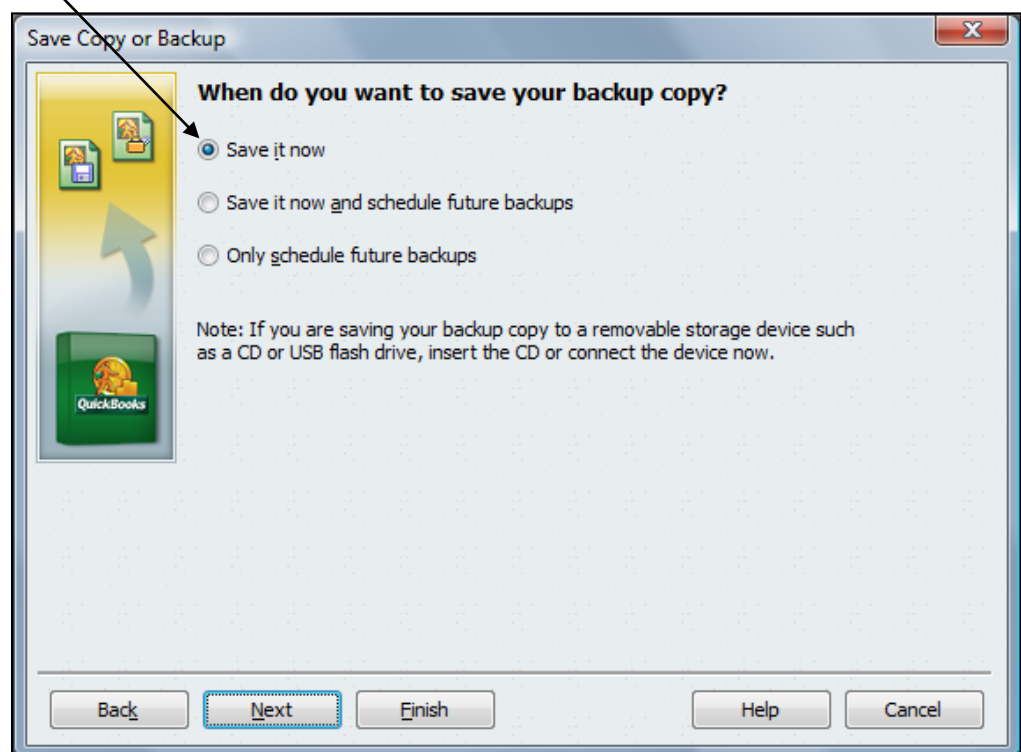
Select Backup copy.



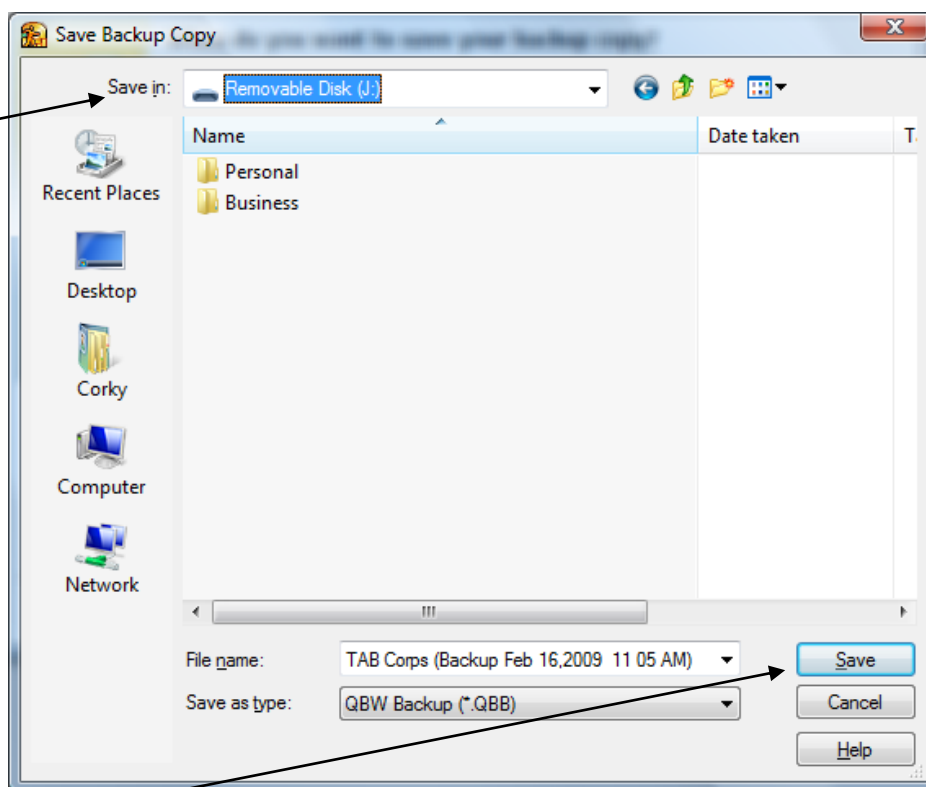
Select
Local backup.



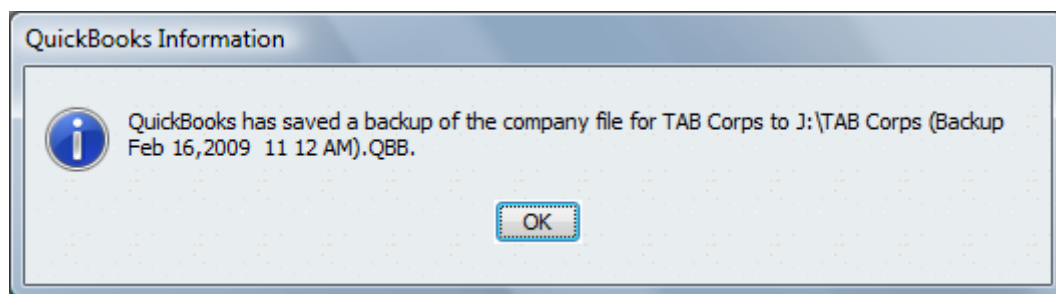
We'll save it now.



Insert a flash drive into an USB port. Select it for the Save in: field.



When you click Save, QuickBooks will back up your data files to the flash drive and tell you when it's done.



How often should you back up your data? Whenever you've done more work than you'd care to do over again. Label five drives (one for each day of the week) and back up onto them religiously. Keep the latest in your purse or briefcase. You don't want it to burn with your computer. If you ever have data problems, you will be glad you did.

In Closing...

The only way to understand QuickBooks is by using it. With this workbook, you can step through this entire workshop again on your own at your computer. After that, you'll be ready to set up your company and start entering transactions.

So, good luck and go to it.