QuickBooks® - The Basics for Nonprofits

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

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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)
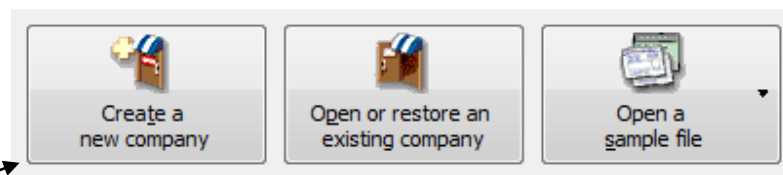   - Click **OK**

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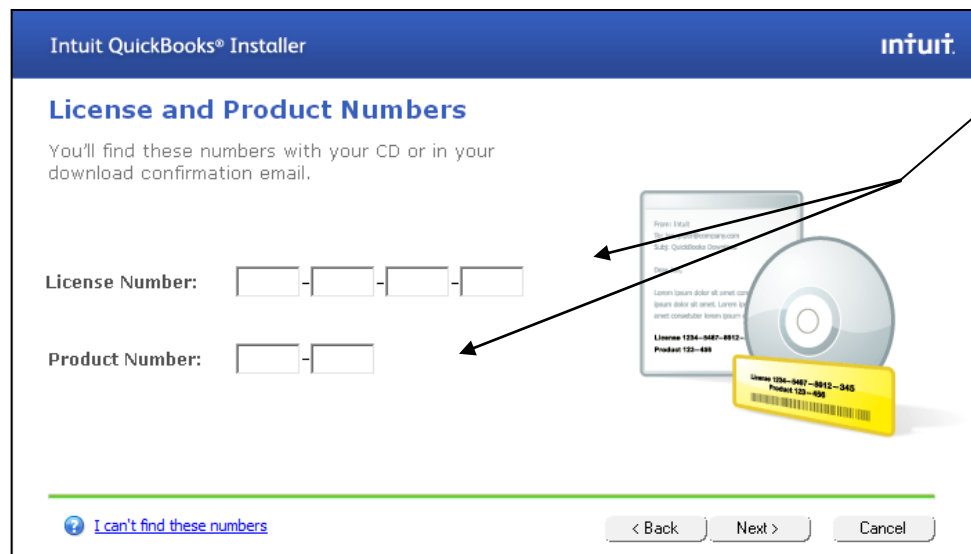
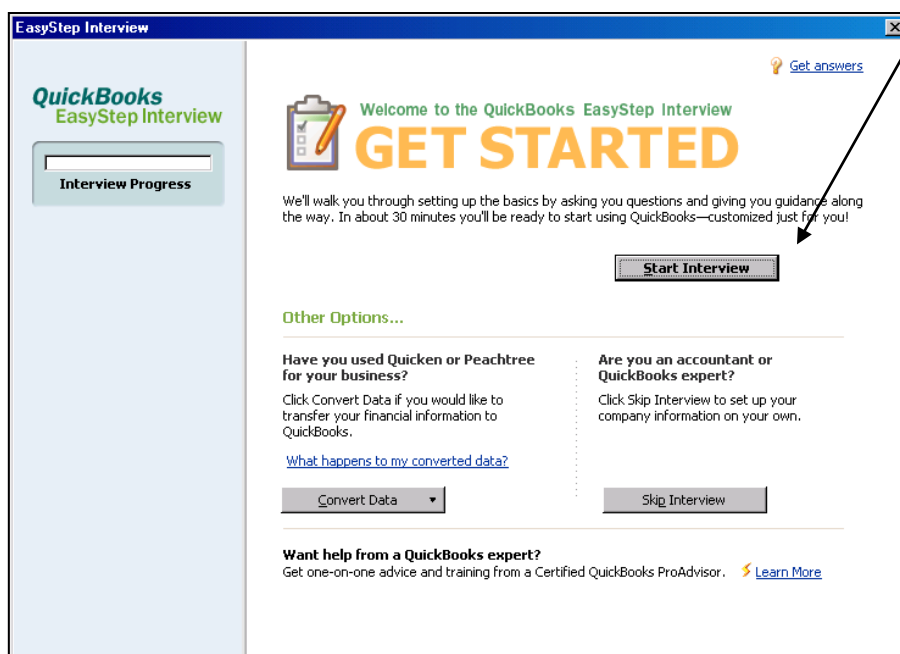3) **Start QuickBooks by double-clicking the desktop icon**

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
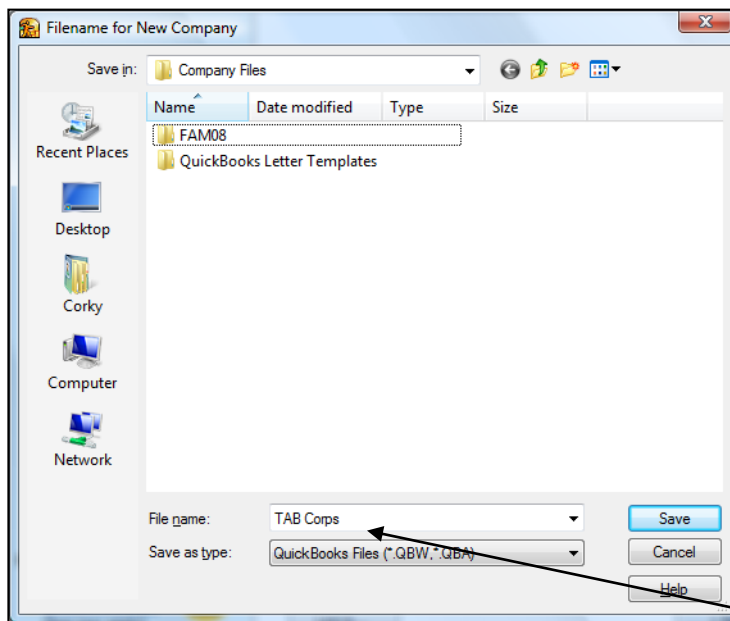
Enter your company information.

Select your industry

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?
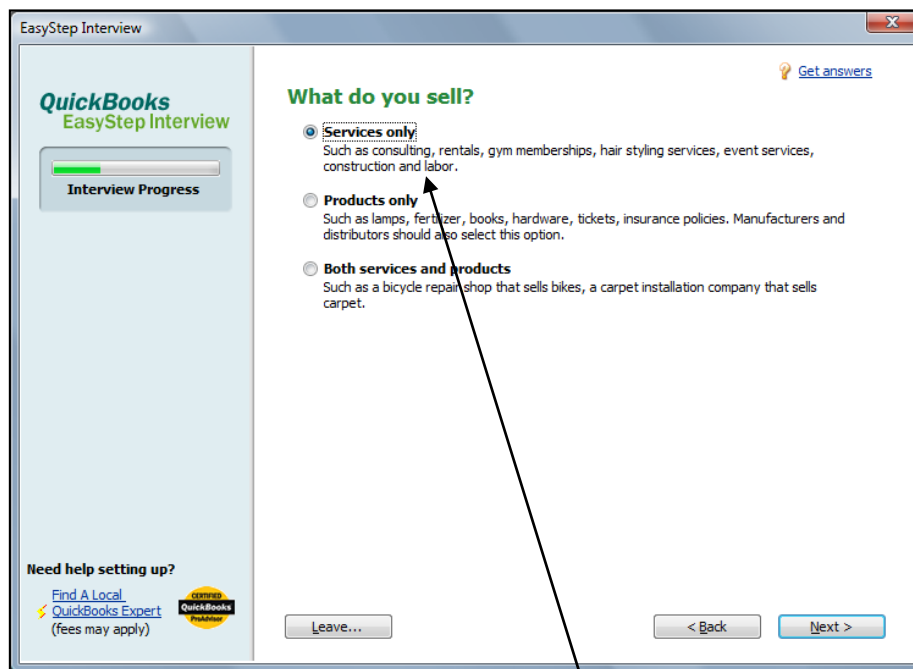
For our example, we will only be providing services.

Sales Receipts

We will use sales receipts to record contributions we receive.

Using Invoices

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

Managing Bills

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

Start Date

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

We can set up our checking account now.

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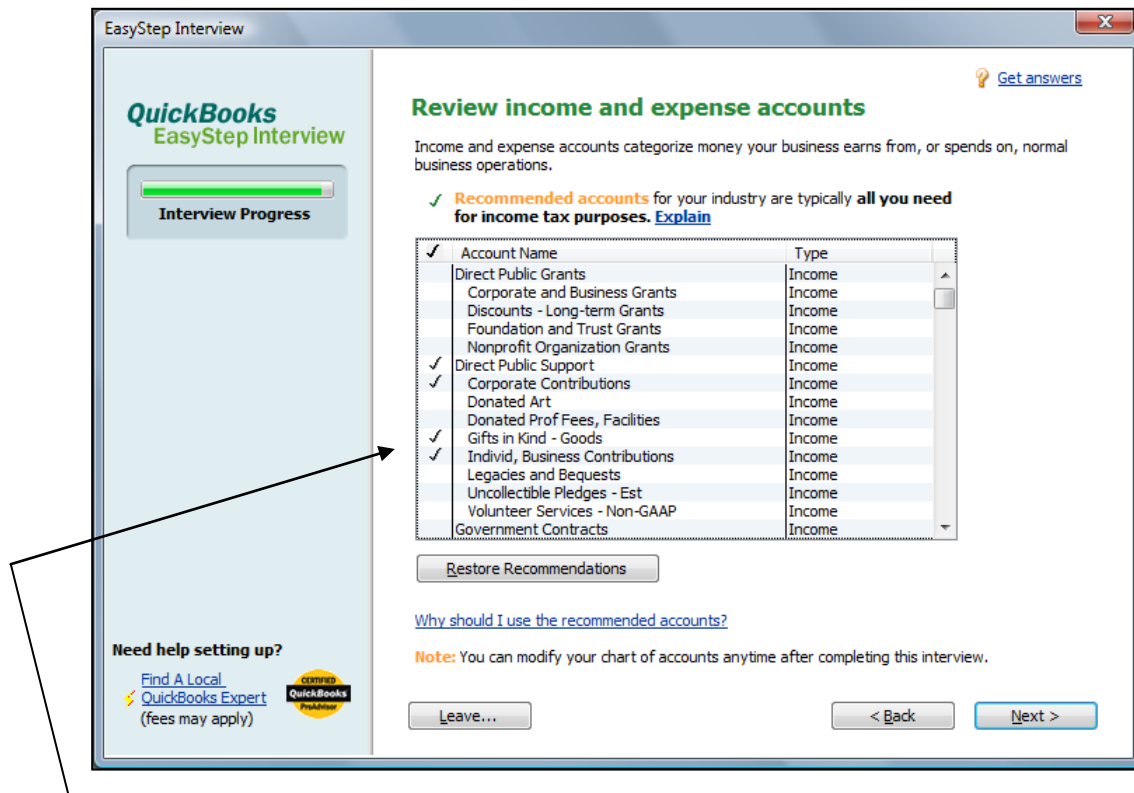
QuickBooks suggests some general income and expense accounts to save us time during set up. We'll put check marks beside the ones we like and set up the rest next.

EDITING THE CHART OF ACCOUNTS
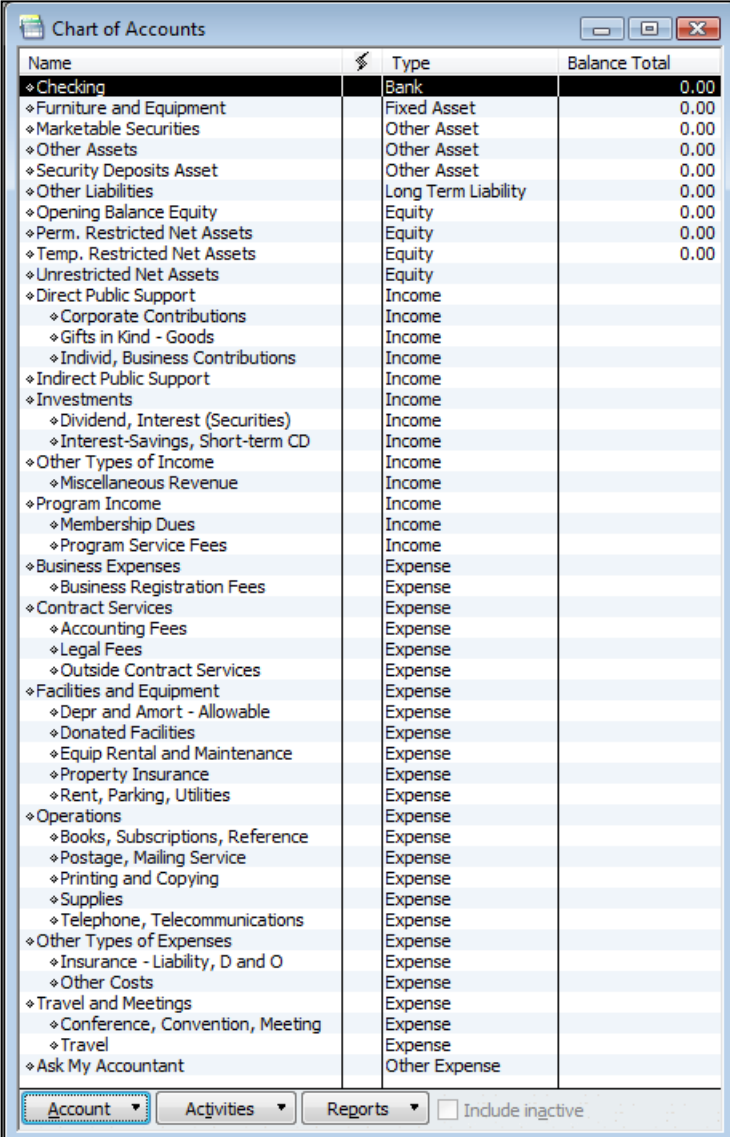
From the Lists menu,
select Chart of Accounts.
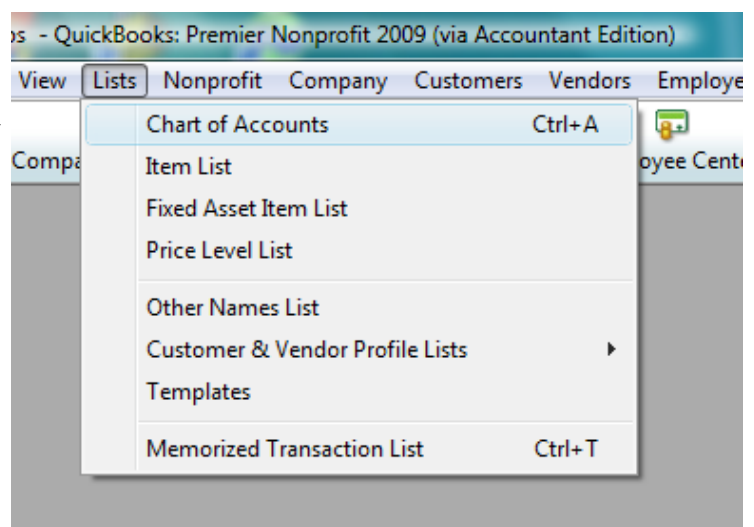
QuickBooks has set up a number of accounts for us.
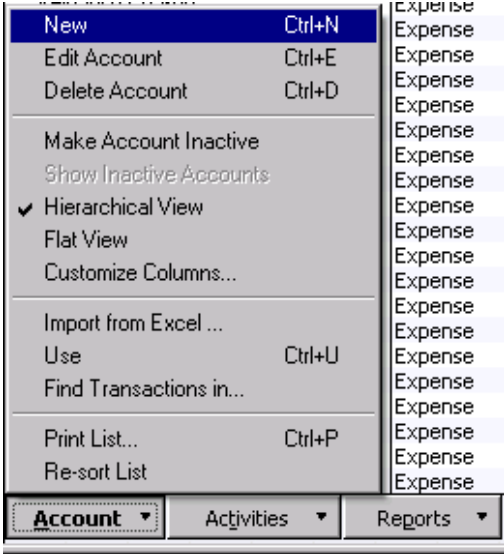
We will now create the rest of the accounts we will need.

Click on the Account button.

Then click New.

Add New Account:
      Choose Account Type

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

Add New Account

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

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

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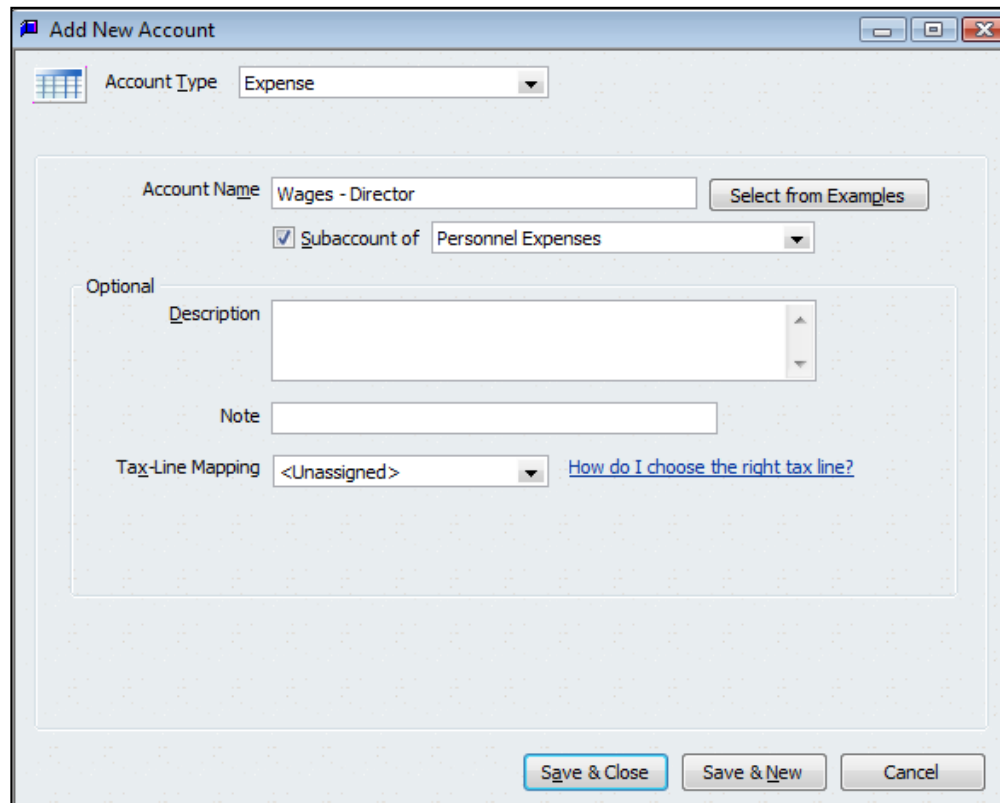
Enter **Personnel Expenses** as an Expense.

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.
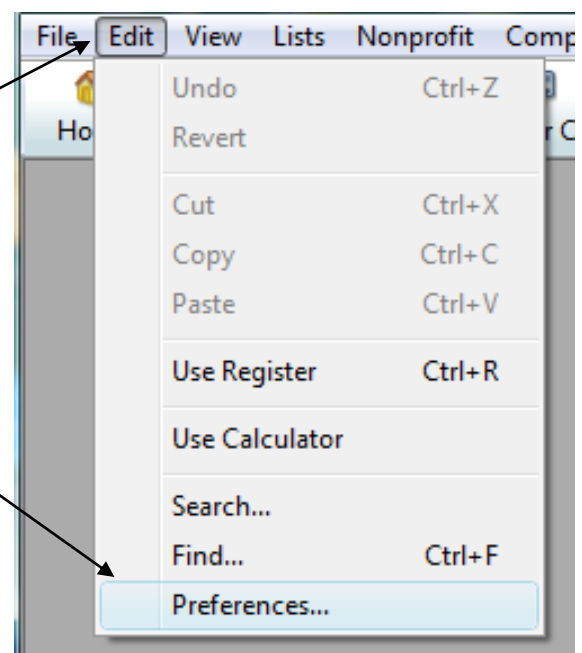
In the Preferences window, click on Accounting, then Company Preferences, and then Use class tracking. Click on OK.
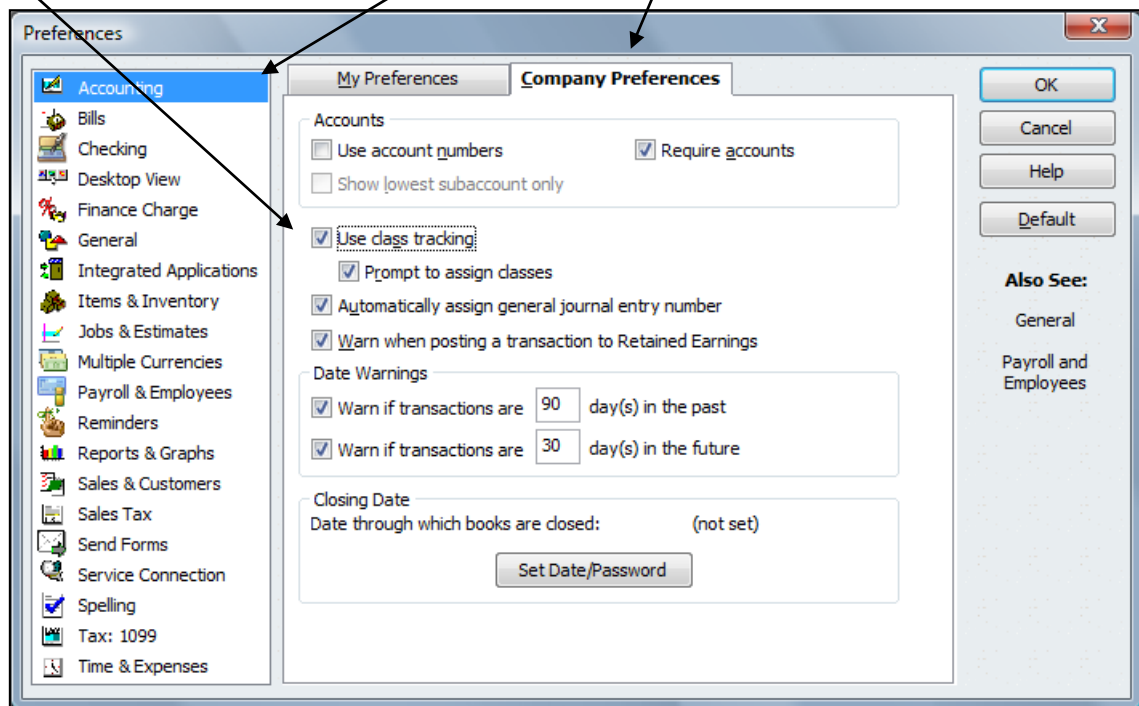
Now that we've activated the class tracking feature in QuickBooks, we can set up our classes.

Click on Lists.

And then, Class List
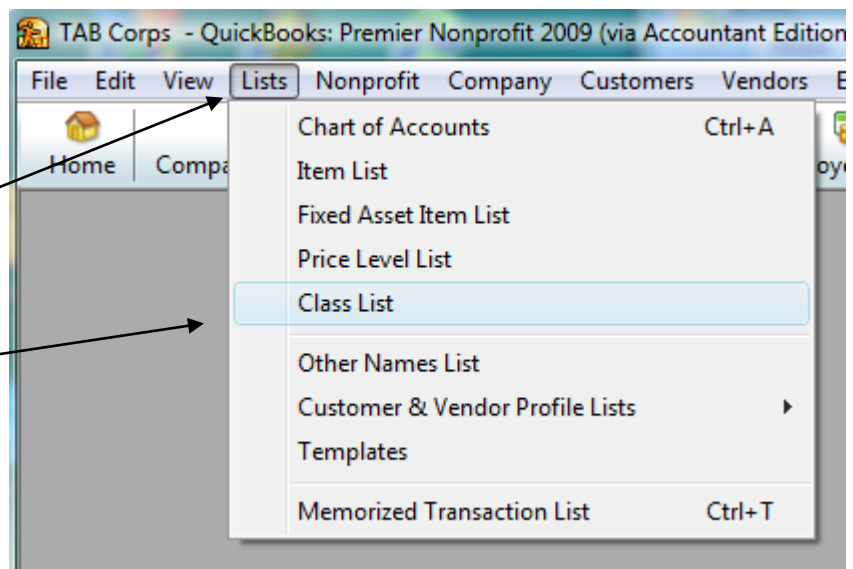
On the Class List screen,

click on Class.

and then New.
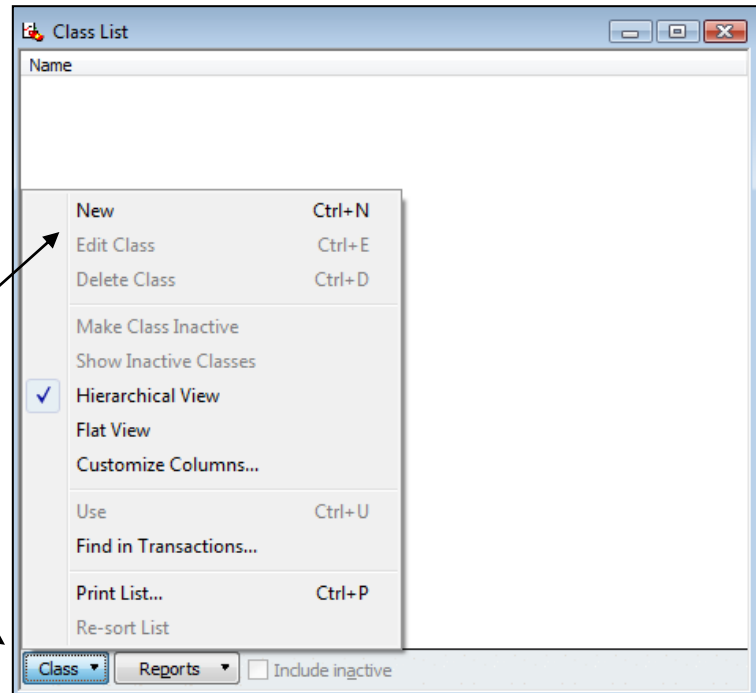
Type **Restricted** as the first Class
Name and then press Next.
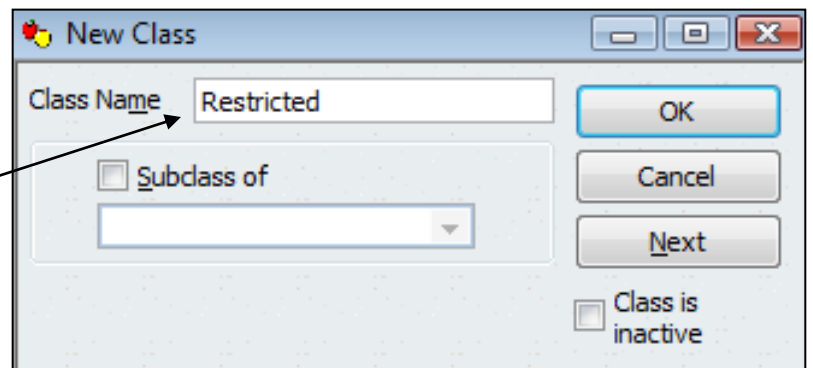
Set up **Unrestricted** as the second Class Name.

Set up **G&A** as a Subclass of
Unrestricted.
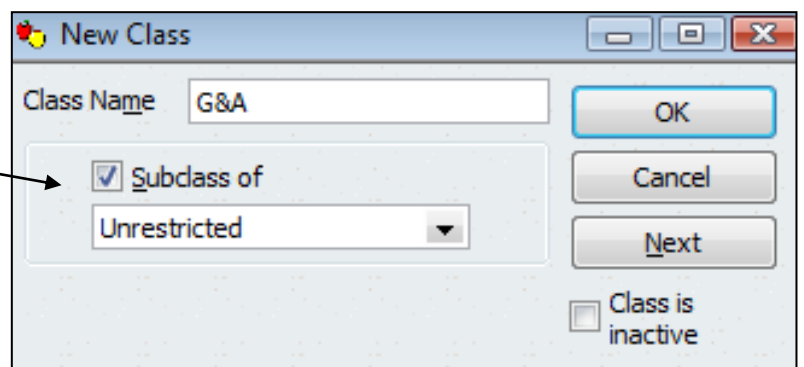
Set up **Fund Raising** and **Programs** as Subclasses of Unrestricted as well.

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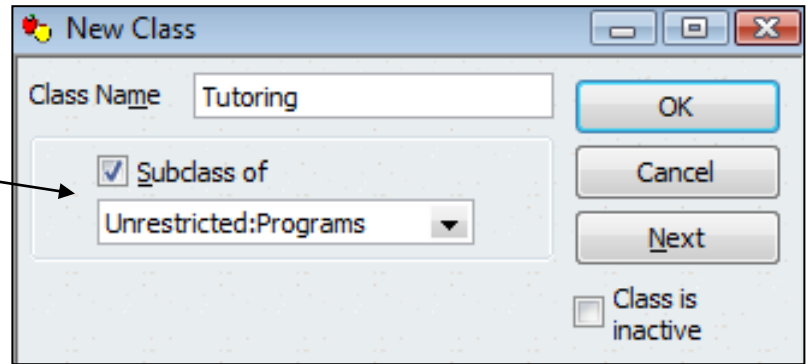
Finally, set up **Basketball** as a Subclass of Programs as well.

Our class list looks like this:
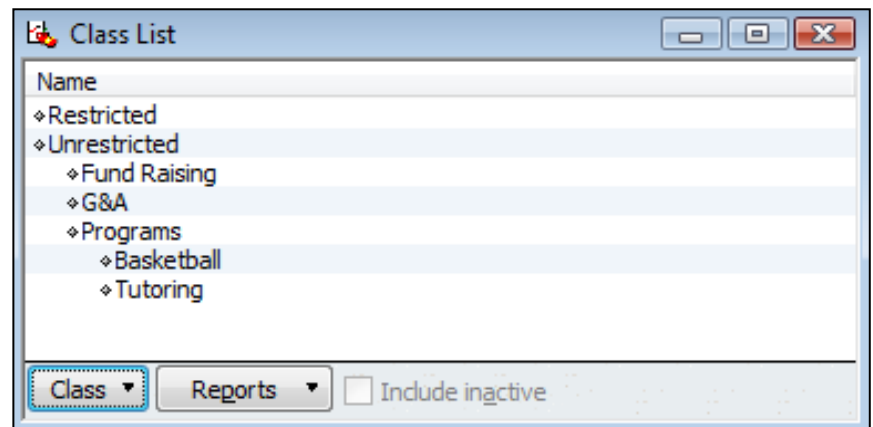
CREATING ITEMS

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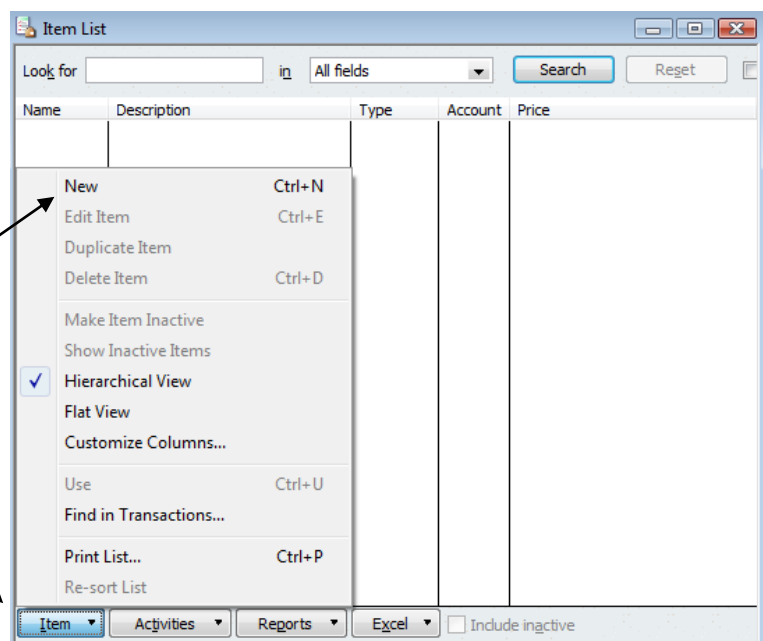
Donation is an Other Charge. The Item Name and Description are both Donation, and the Rate will be left at zero because each donation may be different. The account where we want the funds for this item to appear on our Statement of Support and Expenses will be Direct Public Support: Individ, Business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

Entering Transactions

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

From the Banking menu, select Use Register.
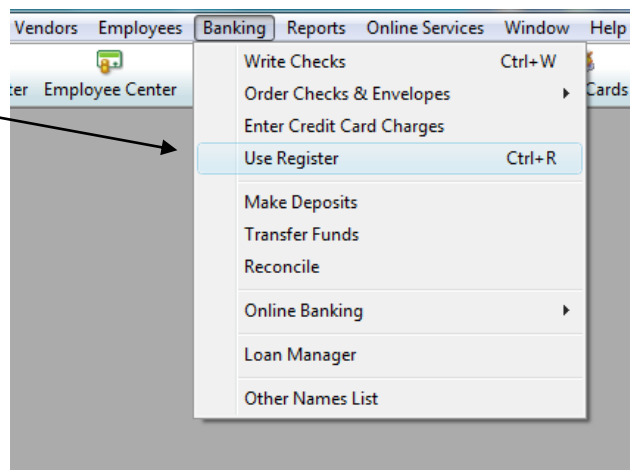
On the Use Register screen, type in the Select Account field – Loan from Director

and then click OK.

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.

Name Not Found

Domain Name is not in the Name list.

To automatically add Domain Name to the Name list, click Quick Add.
You can enter more detailed information later.

To enter the detailed information now, click Set Up (usually not required).

[Quick Add]   [Set Up]   [Cancel]

Select Name Type

Select which type of name to add then click
OK.

○ Vendor
○ Customer
○ Employee
● Other

[OK]   [Cancel]
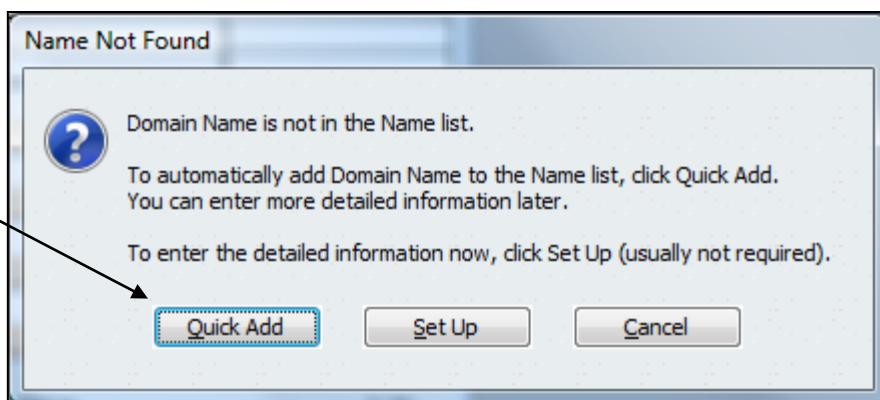
Domain Name is an example of   an
Other name.
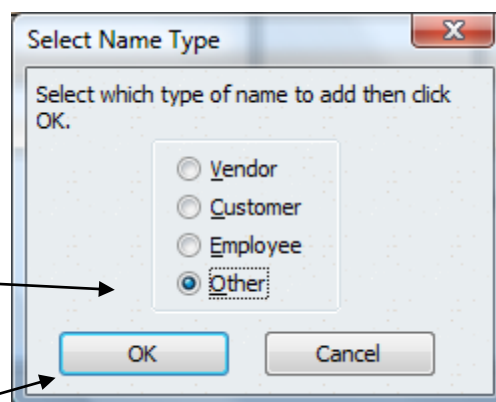
Clicking on OK takes us back to the register where we enter the amount as an Increase

Loan from Director

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

Date	Ref	Payee		Increase	✓	Decrease	Balance
	Type	Account	Memo				
01/17/2009	PersVisa	Domain Name		80.00		Decrease	
	GENJRNL	Business Expenses:Website Expenses	Memo				

[Splits]

☐ 1-Line

Sort by Date, Type, Number/...

Ending balance   0.00

[Record]   [Restore]
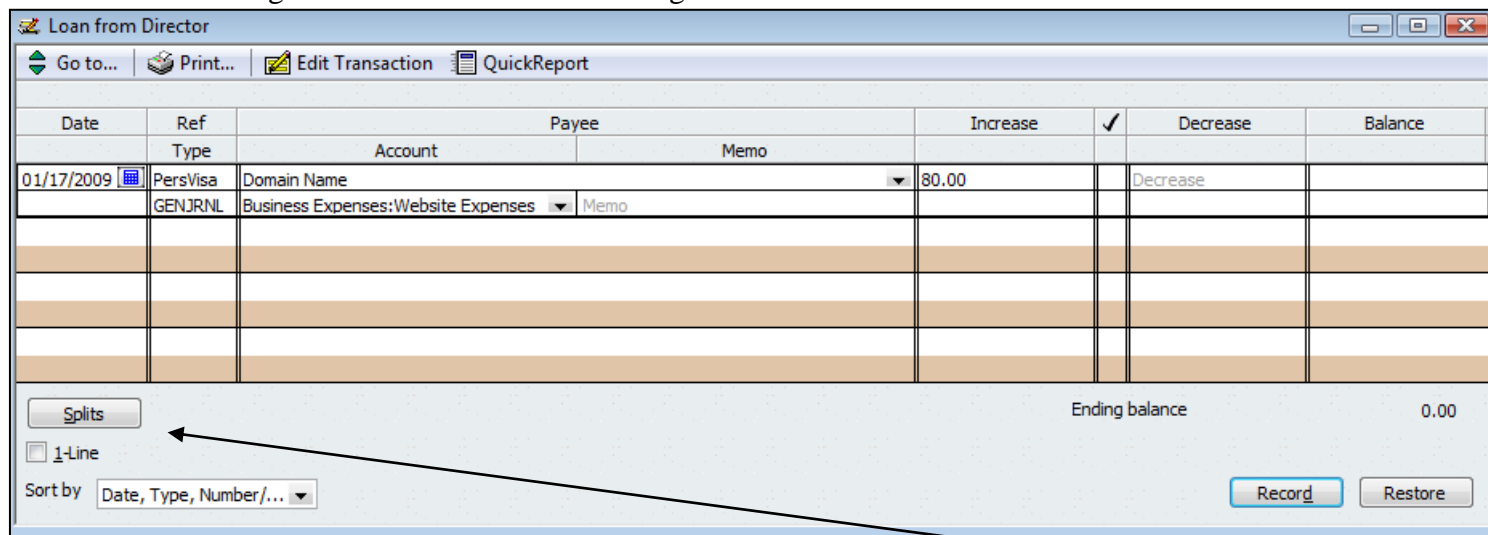
and the Account as Website Expenses. To enter the class, click on the Splits button.

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

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.

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.

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

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

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

6) Pay for Liability Insurance with a Check.

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

7) Use Debit Card to order Business Cards.

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.
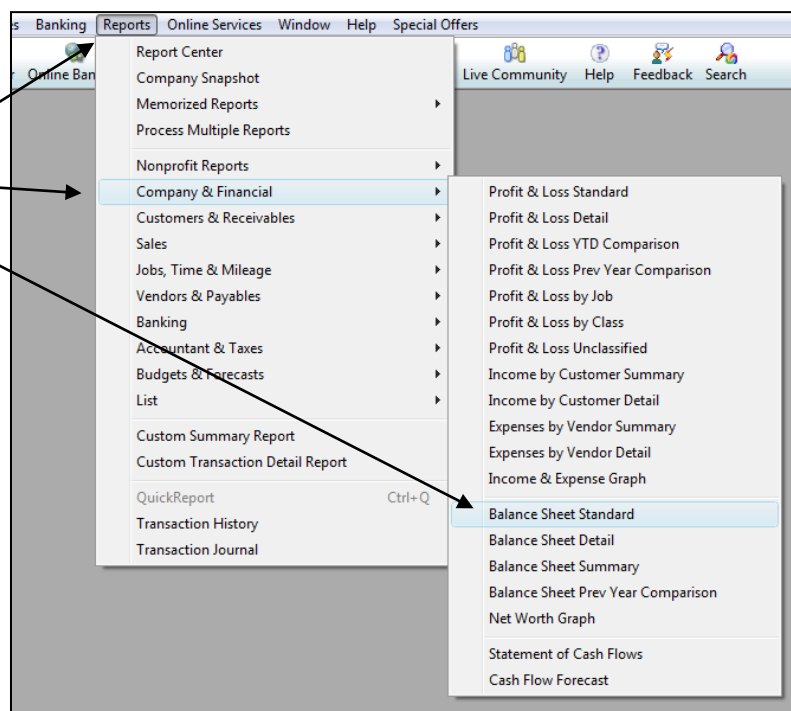
TAB Corps
Balance Sheet
As of January 31, 2009

	Jan 31, 09
ASSETS	
Current Assets	
Checking/Savings	
Checking	▶ 2,200.00 ◀
Total Checking/Savings	2,200.00
Total Current Assets	2,200.00
TOTAL ASSETS	2,200.00
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Loan from Director	6,180.00
Total Other Current Liabilities	6,180.00
Total Current Liabilities	6,180.00
Total Liabilities	6,180.00
Equity	
Net Income	-3,980.00
Total Equity	-3,980.00
TOTAL LIABILITIES & EQUITY	2,200.00

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	▶ 880.00 ◀	880.00	880.00
Total Business Expenses	880.00	880.00	880.00
Contract Services			
Legal Fees	2,100.00	2,100.00	2,100.00
Total Contract Services	2,100.00	2,100.00	2,100.00
Operations			
Supplies	100.00	100.00	100.00
Total Operations	100.00	100.00	100.00
Other Types of Expenses			
Insurance - Liability, D and O	900.00	900.00	900.00
Total Other Types of Expenses	900.00	900.00	900.00
Total Expense	3,980.00	3,980.00	3,980.00
Net Ordinary Income	-3,980.00	-3,980.00	-3,980.00
Net Income	-3,980.00	-3,980.00	-3,980.00

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8) Receive Endowment of Stocks.

From the Nonprofit menu, click on
Enter Donations (Sales Receipts).
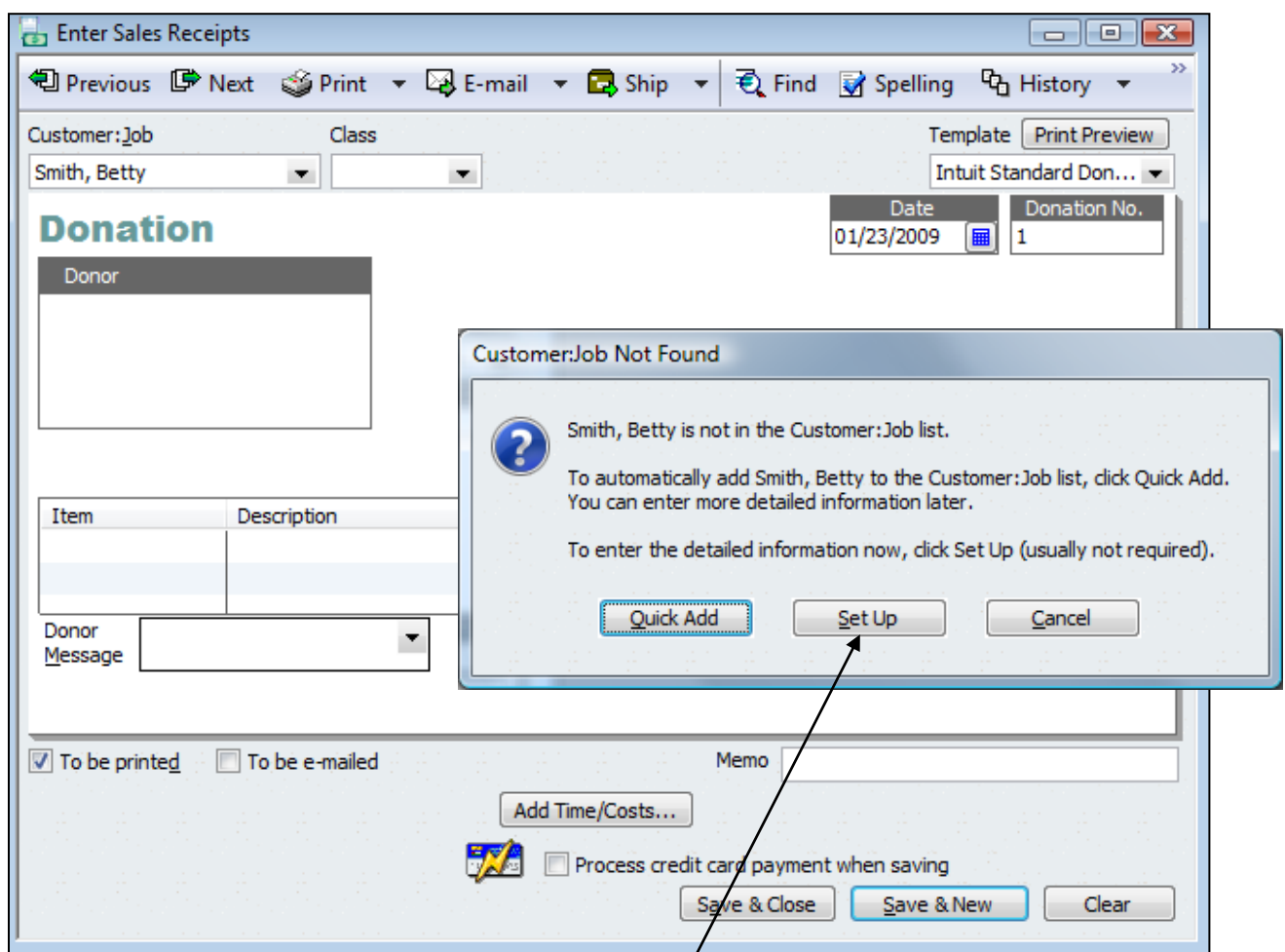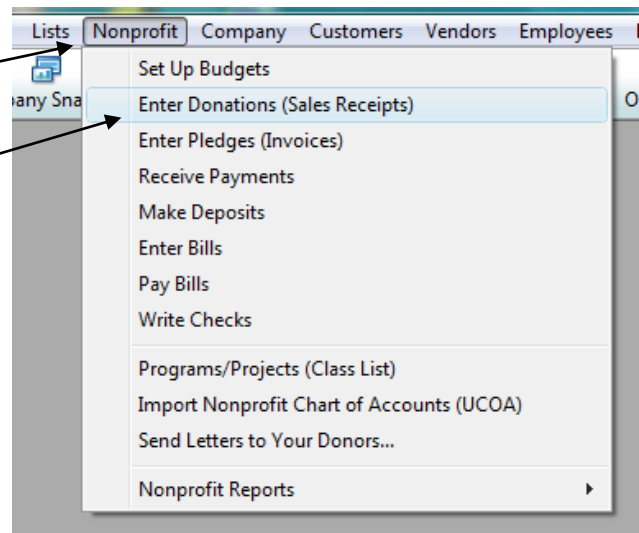
Enter the donor's name in the Customer:Job field.   When you press the tab key, you'll
be prompted to set up the Customer. Click on Set Up.

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

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

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

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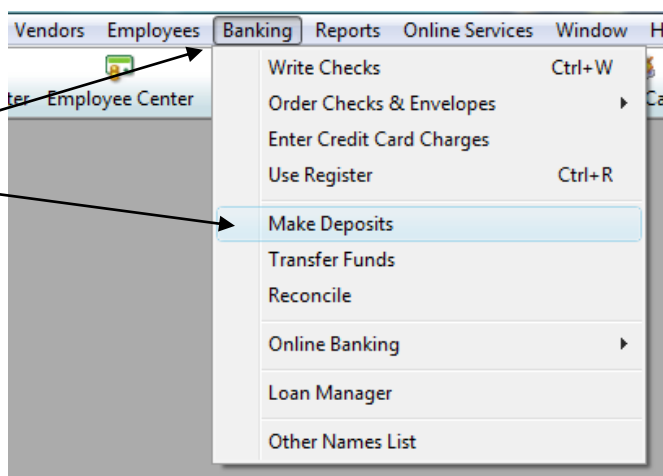
On the Payments to Deposit screen, click on the Endowment to select it and then press OK.

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.

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.

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.

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.

11) Buy Mailing List with Debit Card.

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.
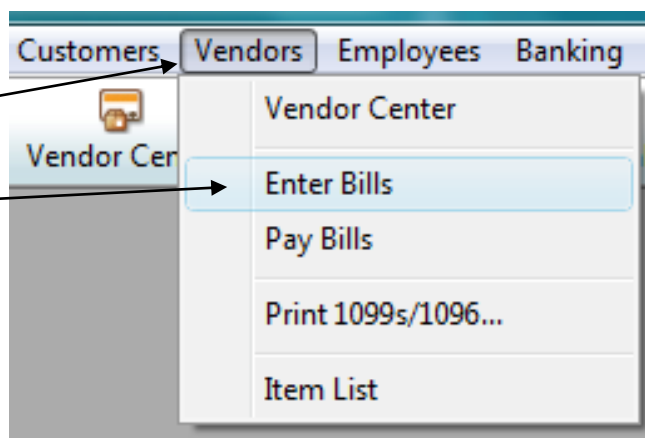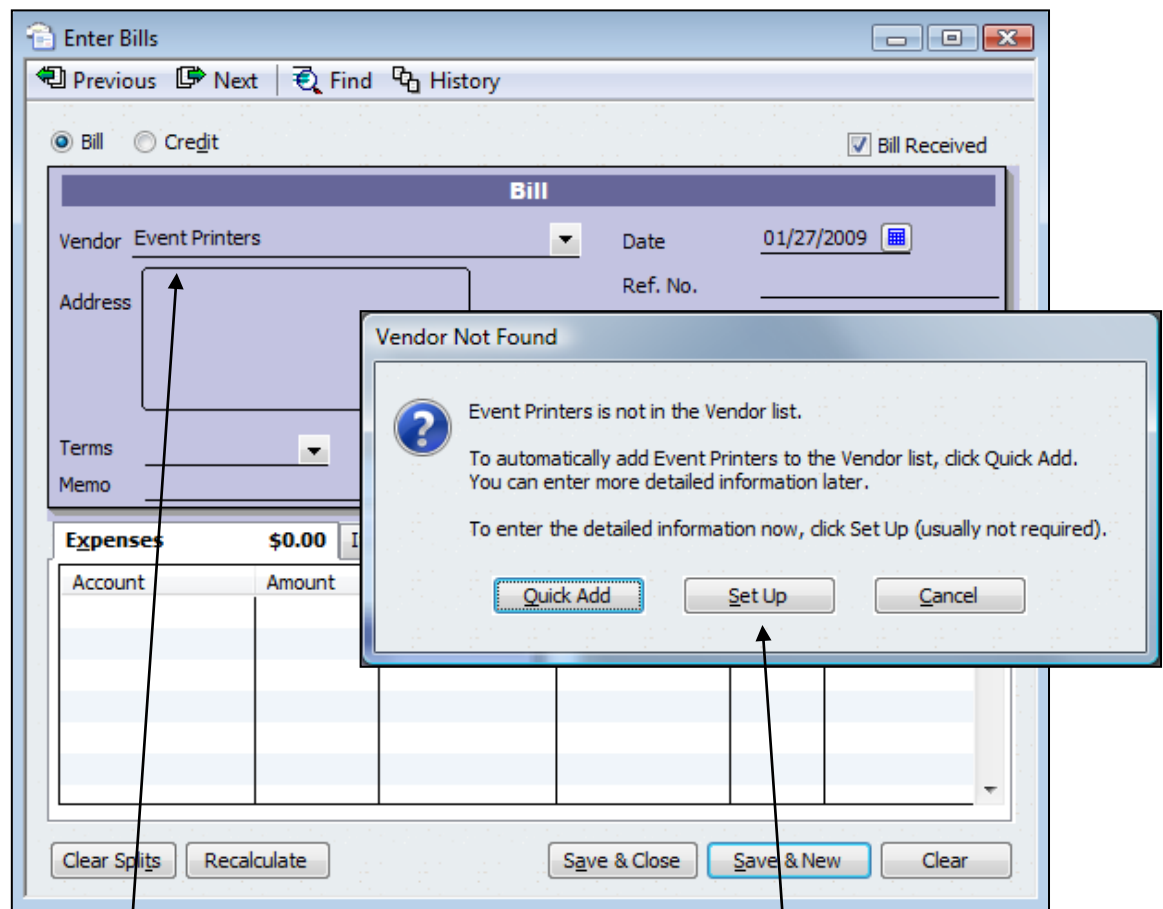
Enter the vendor's name, and when you tab out of the field, select Set Up.
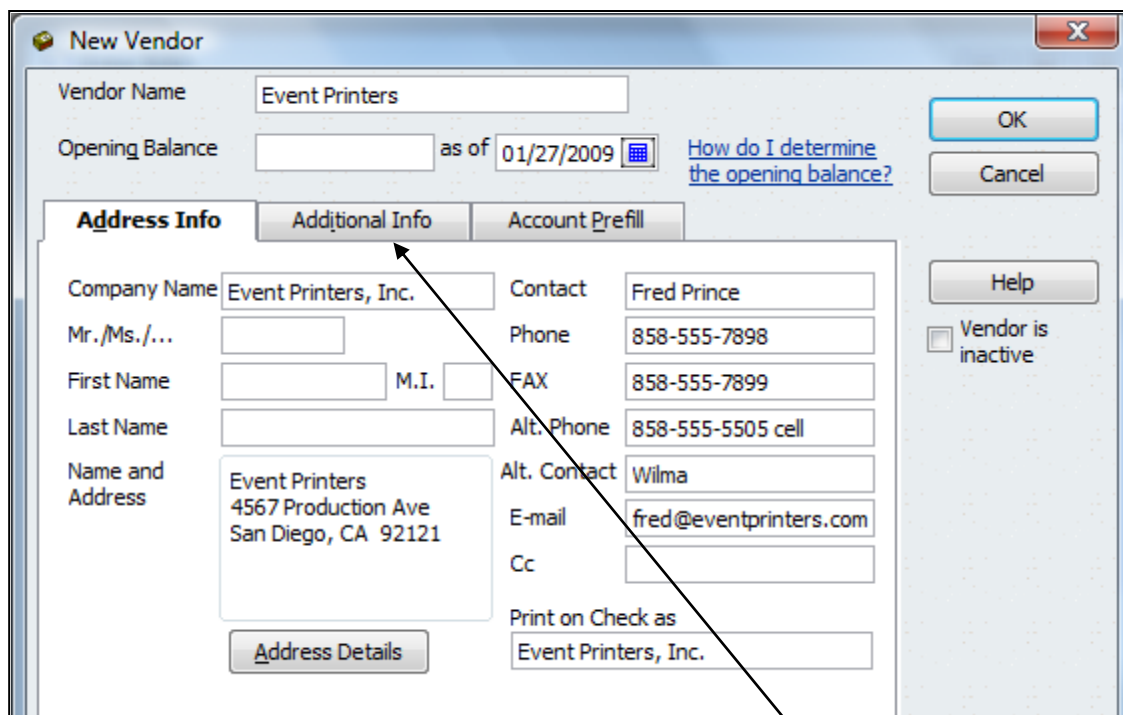
Enter the vendor's information, and then click on the Additional Info tab.

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.

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.

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.

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

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.

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

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

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	▶ 20,230.00 ◀
Total Checking/Savings	20,230.00
Total Current Assets	20,230.00
Other Assets	
Marketable Securities	300,000.00
Total Other Assets	300,000.00
TOTAL ASSETS	320,230.00
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	3,675.00
Total Accounts Payable	3,675.00
Total Current Liabilities	3,675.00
Total Liabilities	3,675.00
Equity	
Net Income	316,555.00
Total Equity	316,555.00
TOTAL LIABILITIES & EQUITY	320,230.00

TAB Corps
Statement of Financial Income and Expense
January 2009

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

16) Enter a Bill for Program Supplies.

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.
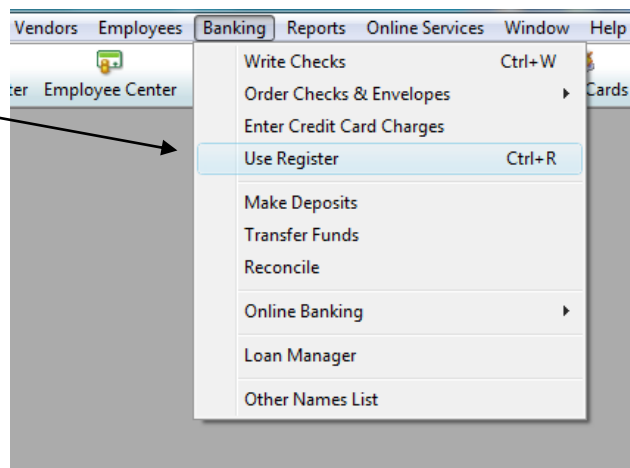
On the Use Register screen, type in the Select Account field – Payroll Liabilities
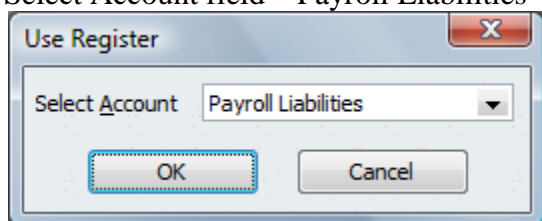
and then click OK.

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

Use Payroll as the Payee and Quick Add it as an Other Name.

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.

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.

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				

Splits

1-Line

Sort by Date, Type, Number/...

Ending balance   0.00

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

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TAB Corps
Statement of Financial Income and Expense
January through February 2009

	Restricted	Fund Raising (Unrestricted)	G&A (Unrestricted)	Basketball (Programs)	Tutoring (Programs)	Total Programs (Unrestricted)	Total Unrestricted	TOTAL
Ordinary Income/Expense								
Income								
Direct Public Support								
Individ, Business Contributions	300,000.00	25,000.00					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).
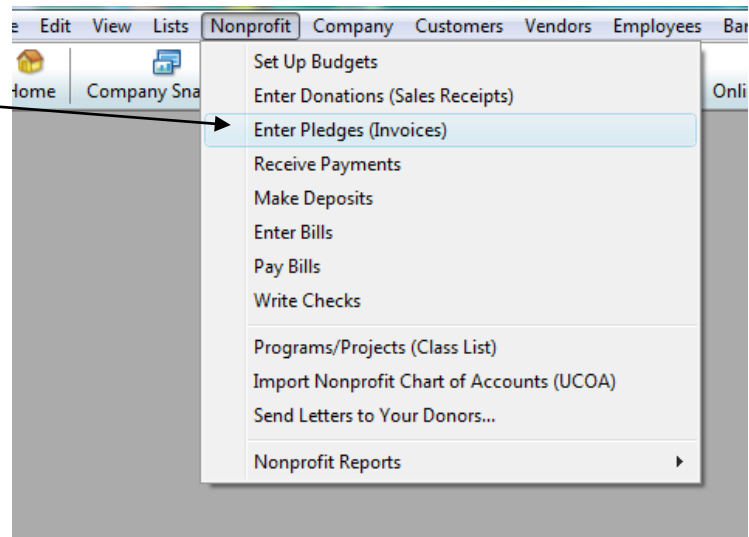
Enter the pledge details on the Create Invoices screen

2) Receive a Payment on a Pledged Donation.

From the Nonprofit menu, select Receive Payments.

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.
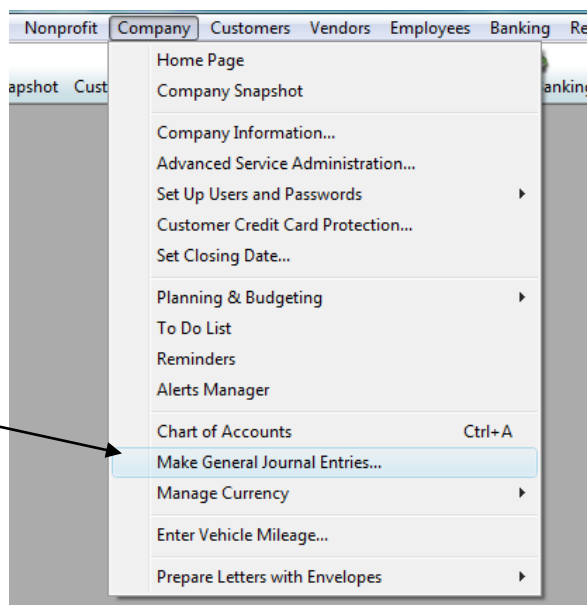
Fill in the screen with a Debit to the In-Kind expense account (create one if needed),
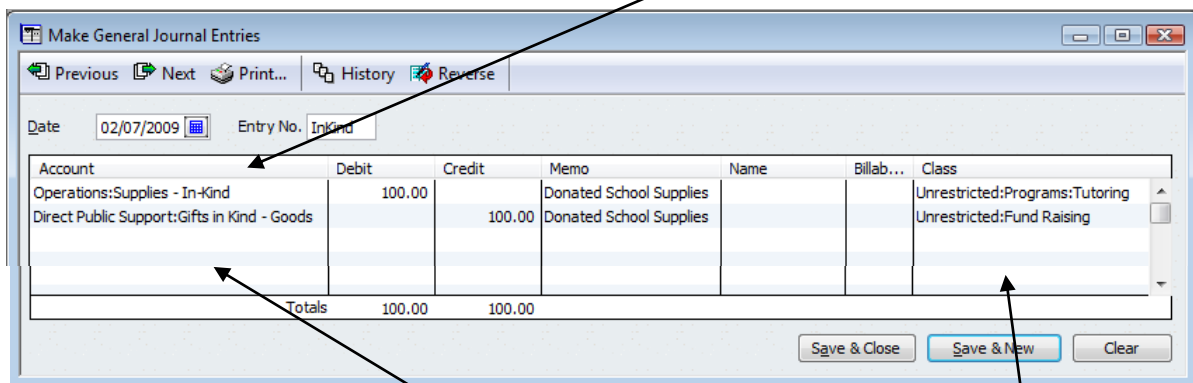
and a Credit to the In-Kind income account, remembering to add the correct classes.

4) Pay Bills.

From the Vendors menu, select Pay Bills.

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.

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

5) Reconcile the checking account.

From the Banking menu,
select Reconcile.
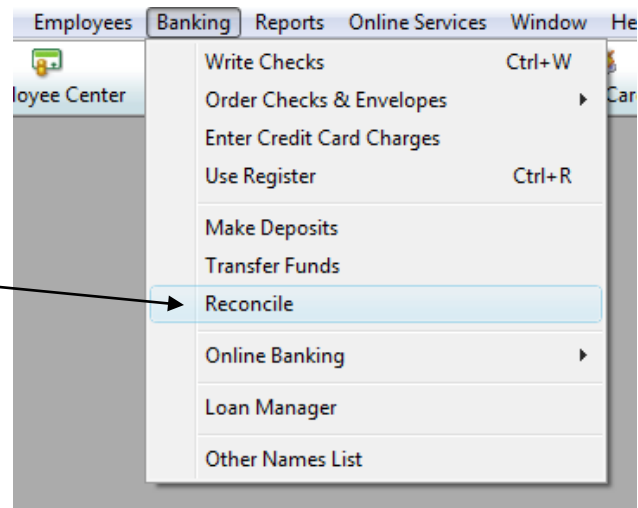
Enter the Account to reconcile, the Ending Balance from your bank statement,

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

✓	Date	Chk # ▲	Payee	Amount
✓	01/21/2009	Debit	Onlineprinters.com	100.00
✓	01/26/2009	Debit	MailingLists.com	400.00
✓	01/28/2009	Debit	Office Depot	390.00
	02/15/2009	EFT	Payroll Tax Payment	504.81
	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

Deposits and Other Credits

✓	Date ▲	Chk #	Memo	Type	Amount
✓	01/20/2009		Deposit	DEP	5,000.00
✓	01/23/2009		Deposit	DEP	0.00
✓	01/24/2009		Deposit	DEP	10,000.00
	01/29/2009		Deposit	DEP	15,000.00

[Mark All] [Unmark All] [Go To]   [Columns to Display...]

Beginning Balance		0.00
Items you have marked cleared		
3 Deposits and Other Credits		15,000.00
5 Checks and Payments		2,690.00

[Modify]

Service Charge	-15.00
Interest Earned	0.00
Ending Balance	12,295.00
Cleared Balance	12,295.00
Difference	0.00

[Reconcile Now] [Leave]

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…
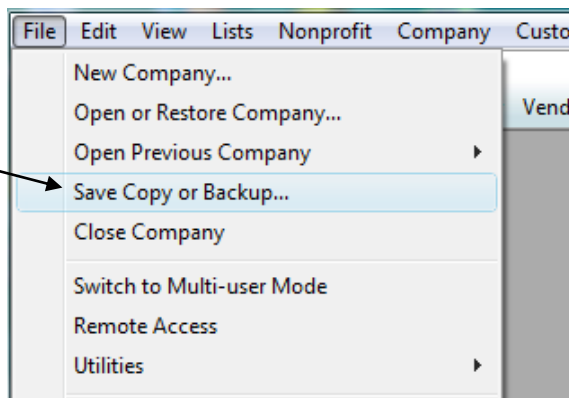
Select Backup copy.

Select
Local backup.

Save Copy or Backup

Do you want to save your backup copy locally or online?

○ **Online backup**

Save to a secure offsite location over the Internet using QuickBooks Online Backup.

First 30 days free.

⚡ Learn more about QuickBooks Online Backup

⦿ **Local backup**

Save to a removable storage device (such as a CD or a USB flash drive) or to a folder on your network.

[Options]   Before you can continue, you need to tell us where you want to save your local backups. Click **Options** to choose this location.

[Back] [Next] [Finish]   [Help] [Cancel]

We'll save it now.

Save Copy or Backup

When do you want to save your backup copy?

⦿ Save it now

○ Save it now and schedule future backups

○ Only schedule future backups

Note: If you are saving your backup copy to a removable storage device such as a CD or USB flash drive, insert the CD or connect the device now.

[Back] [Next] [Finish]   [Help] [Cancel]

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

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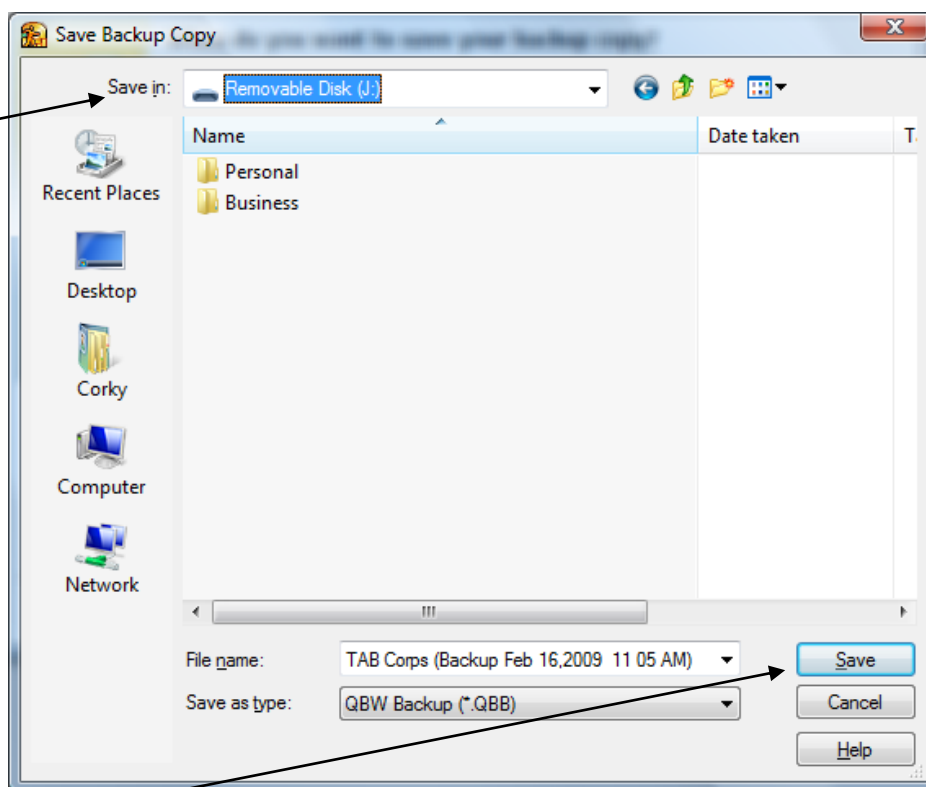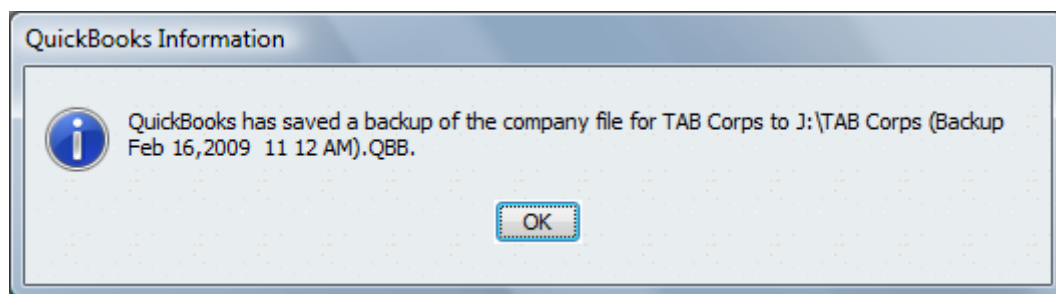QuickBooks will back up your data files to the flash drive and tell you when it's done.

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.