

Section 1: Getting Started with Quickbooks

Learn how to setup your company in Quickbooks and configure common accounts and settings. If you are a new user to Quickbooks and have not setup a company, start here.

Section 2: Navigating in Quickbooks

Learn how to navigate the Quickbooks interface.

Section 3: Completing Your Business Setup

Complete the setup of your business in Quickbooks in this section.

Section 4: Day to Day Business Operations

If your company is already setup in Quickbooks and you want to learn how to use it (or just learn the application better), start in this section.

Getting Started with QuickBooks

In this section, you will learn how to:

- Setup Quickbooks for your company
- Convert data from Quicken
- Create a new company file

Understanding QuickBooks Accounting

QuickBooks automates double-entry accounting, tracking transactions throughout the accounting cycle from creating purchase orders and receiving items to selling goods and services and depositing payments.

QuickBooks uses accounts to group financial data by purpose. Balance sheet accounts track assets and liabilities: asset accounts track what your company owns, including cash, inventory, equipment, buildings and money owed by your customers; and liability accounts track your company's debts, including loans, credit card debt, taxes and accounts payable-what you owe vendors. Equity accounts track earnings retained for business growth and investment into the company by its owners. As you enter purchase orders, bills, invoices and payments into QuickBooks, you associate each of these with a particular asset, liability or equity account.

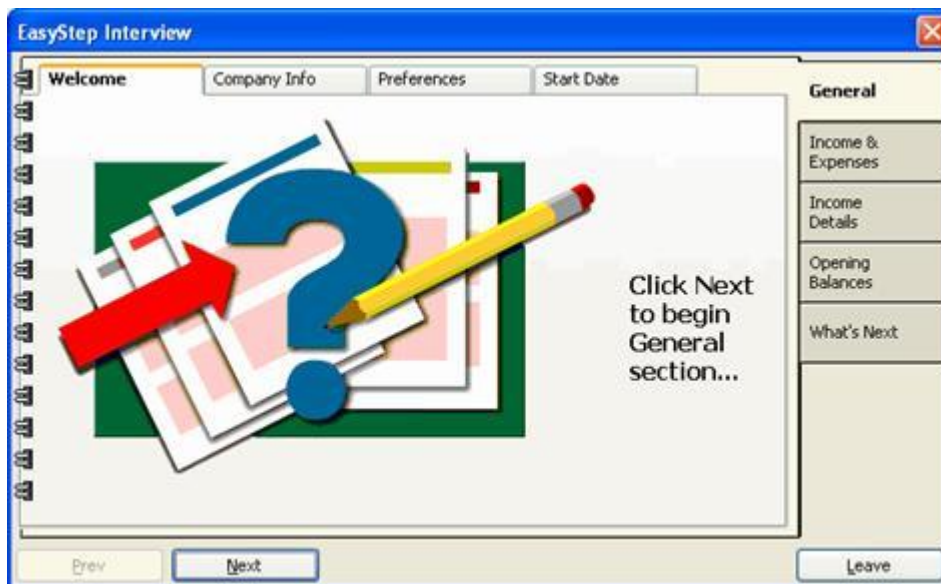
This is the fundamental basis for QuickBooks' automated balance sheet accounting process. A balance sheet describes the financial health of your company and is

calculated based on the simple formula: $\text{Assets} = \text{Liabilities} + \text{Equity}$. Much of QuickBooks' power comes from its ability to track complex, inter-related transactions as they contribute to this formula. As long as you keep complete records and associate the transactions you enter with the appropriate accounts, QuickBooks will handle much of the complexity of business accounting for you.

This section will teach you how to setup your business in Quickbooks. This is a long section as it walks through the setup process teaching you what you need to know.

Setting Up Your Business in QuickBooks

To create a new company file, open the **File** menu and select **New company**. This starts the EasyStep Interview, which guides you through the process of creating your company database:

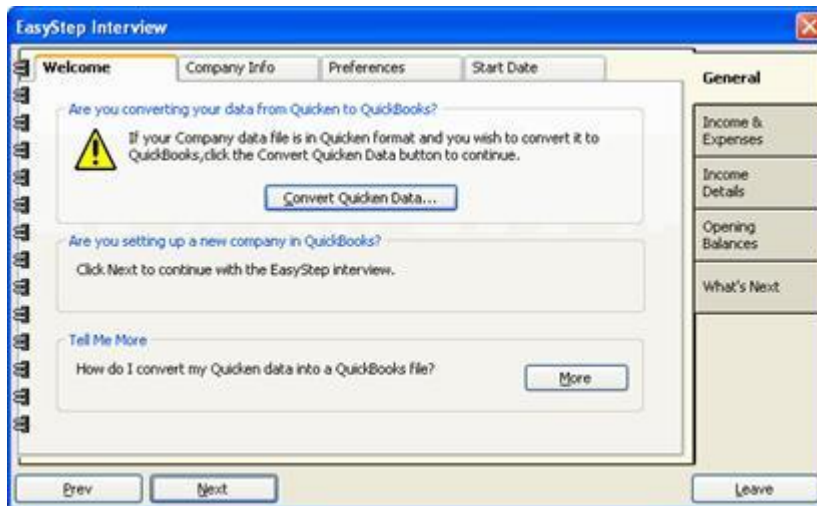


The setup process is divided into five stages, which are represented by tabs at the right of the interview screen. Each of these tabs is further divided into several sections, represented by tabs at the top of the screen. As you complete each stage of the interview a checkmark will appear on the appropriate tab.

Use the **Next** and **Prev** (Previous) buttons to move forward and backward through the interview. You can move backward to make changes to information you've already entered.

To begin the interview, click **Next**, and then click **Next** again.

Converting Existing Data from Quicken

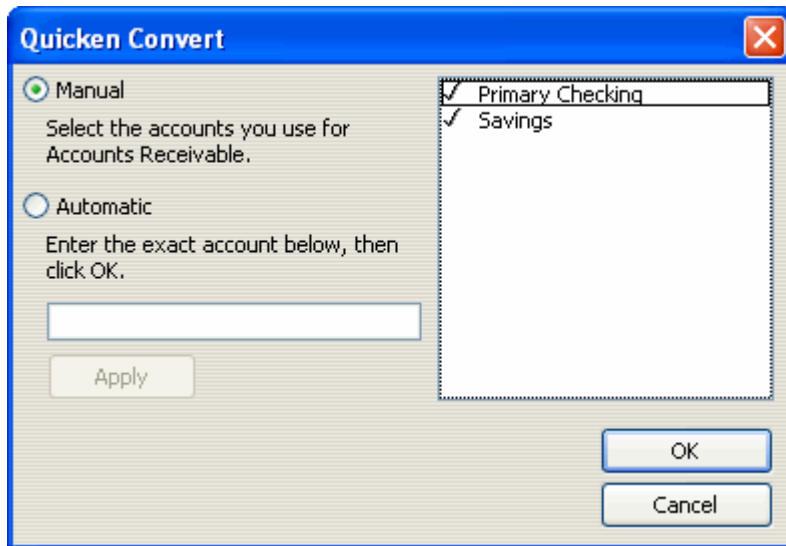


If you're currently using Quicken to maintain your company records, you can convert the data file to QuickBooks:

1. Click the **Convert Quicken Data** button.
2. In the dialog box that appears, click **Convert**.
3. In the **Convert a Quicken file** dialog box, browse to the location of your existing Quicken data file and click **Open**.

QuickBooks converts the data and prompts you to save your new QuickBooks file.

4. In the **Create a new QuickBooks for Windows file** dialog box, browse to the location where you want to save the file and click **Save**.
5. QuickBooks then prompts you to select the accounts you use for Accounts Receivable:



6. Click on each account you want to use. Selected accounts are indicated with checkmarks.
7. Click **OK**.
8. If prompted to convert online data, click **Yes**.
9. If necessary, continue to click **OK** until the main QuickBooks interface appears. At this point, you may need to enter additional information about your company. To do so, you can either enter the information manually or complete the EasyStep Interview:
 - To enter your company information manually, select **Company Information** from the **Company** menu.
 - To complete the EasyStep Interview, select **EasyStep Interview** from the File menu. When the EasyStep Interview screen opens, click **Next** until you reach the **Company Information** tab.



Navigating in Quickbooks

Quickbooks tutorial

In this section, you will learn how to:

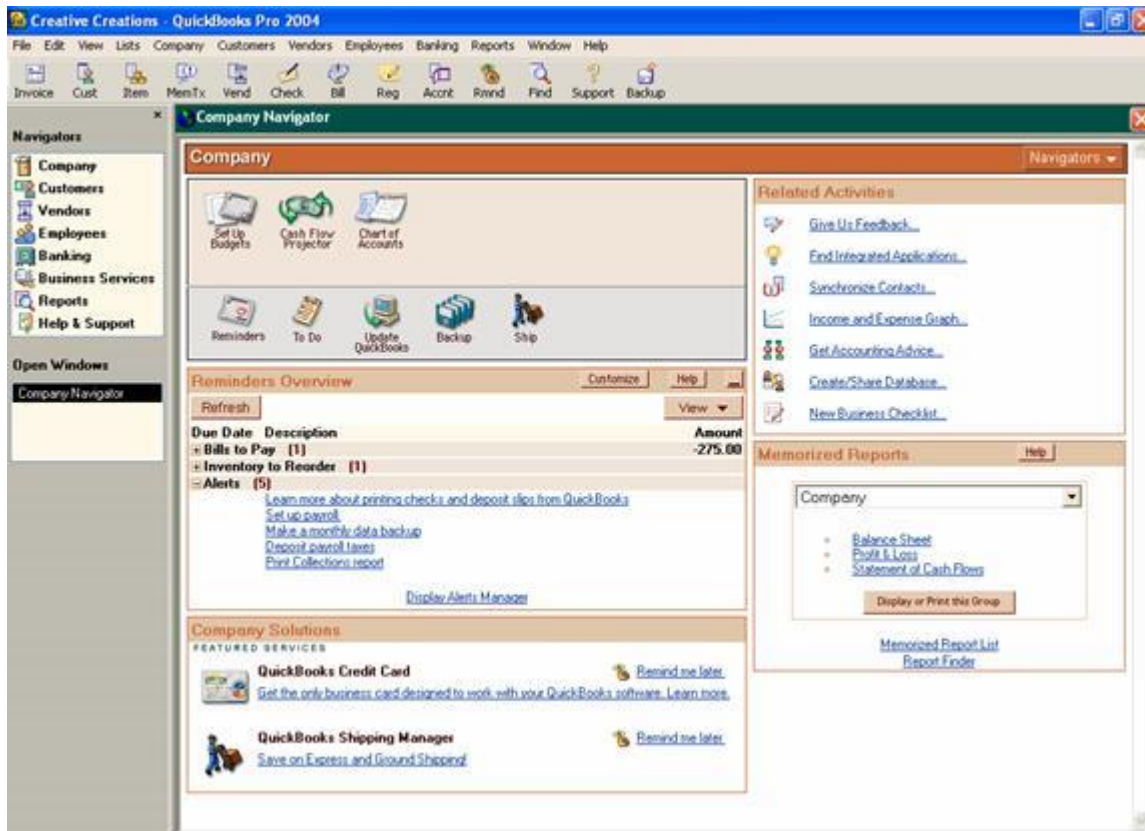
- Use the Quickbooks interface
- Use the toolbars and shortcuts

Navigating in QuickBooks

The QuickBooks interface uses "navigators" to group related tasks and information, such as company information, customer information and vendor information. The navigators are listed on the left-hand side of the QuickBooks window:



When you click on a navigator in the list, the main window for that navigator opens:




The Company Navigator, shown above, displays icons you can select for accomplishing particular company-related tasks, such as setting up budgets or opening the Chart of Accounts.

Each navigator is divided into panels that group related tasks or information. The primary navigators-Company, Customer, Vendor, Employee and Banking-each have panels for tasks (containing icons), related activities, memorized reports and solutions (a kind of QuickBooks marketplace). You can click on an icon or a hyperlink in any of these panels to open the linked window.

Each time you open a new window, QuickBooks displays it in the **Open Windows** list on the left-hand side of the QuickBooks window:



To move between open windows, simply click on a window in the list.

To close an open window, click the close button  in the upper right-hand corner of the window. Make sure you aren't clicking the close button in the upper-right corner of the QuickBooks window; this will close QuickBooks entirely.

All of the options available in the navigators can be accessed from the QuickBooks menu bar, which also groups related tasks, such as company tasks, customer tasks and vendor tasks.

In addition, QuickBooks includes a toolbar that provides quick access to the commands you'll use most frequently:



- Click **Invoice** to create invoices for customers.
- Click **Cust** to open your customer list, where you can add, edit and delete customer information.
- Click **Item** to open your item list, where you can add, edit and delete item information.
- Click **MemTx** to open your memorized transaction list, where you can add, edit and delete memorized transactions.
- Click **Vend** to open your vendor list, where you can add, edit and delete vendor information.
- Click **Check** to write checks.
- Click **Bill** to pay bills.
- Click **Reg** to view and work with your account registers.
- Click **Acct** to open your chart of accounts, where you can add, edit and delete account information, and enter transactions for accounts.
- Click **Rmnd** to view your reminders list.
- Click **Find** to search for transactions.
- Click **Support** to open the **Help & Support** window.
- Click **Backup** to back up your company file.

In this section, you learned how to:

- Use the Quickbooks interface
- Use the toolbars and shortcuts

In this section, you will learn how to:


- Backup your Quickbooks data
- Set up users and passwords
- Manage your accounts
- Set up classes

- Manage your customer information
- Manage your vendor information
- Manage your items
- Enter historical transactions

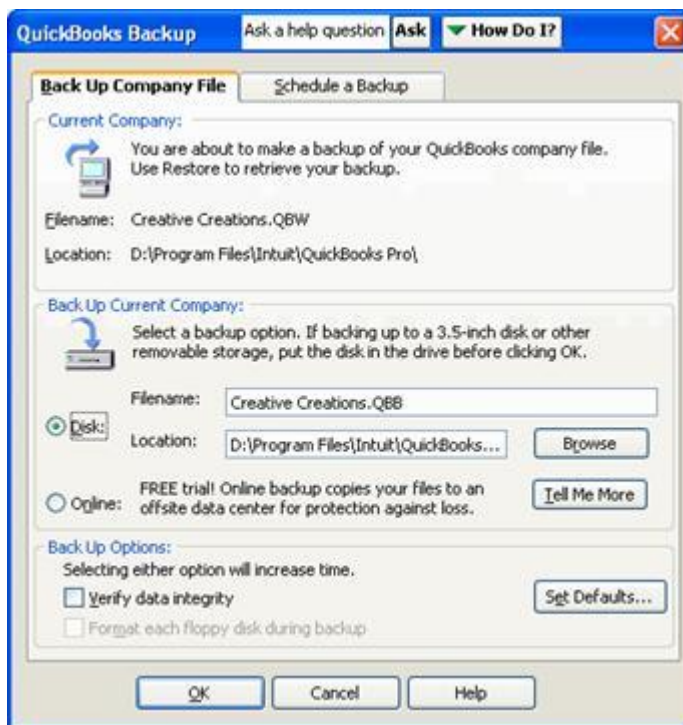
Completing Your Business Setup

Backing Up Your Data

Once you've completed the business setup process, you should back up your QuickBooks file:

1. Click the **Backup** button  on the QuickBooks toolbar. You can also click the **Backup** icon in the Company Navigator or select **Back Up** from the QuickBooks **File** menu.

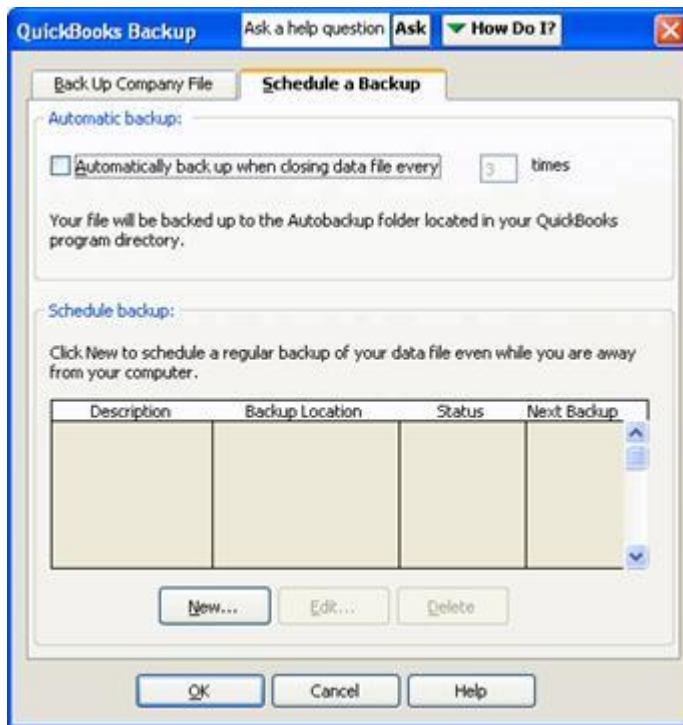
The **QuickBooks Backup** dialog box opens.



2. Under **Back Up Current Company**, make sure **Disk** is selected. Then click the **Browse** button to browse to the location where you want to save the backup file.
3. Click **OK**.

It's a good idea to schedule automatic backups, so the data in the backup file is kept up to date. You can have QuickBooks automatically back up your file when you exit the program:

1. In the **QuickBooks Backup** dialog, select the **Schedule a Backup** tab.

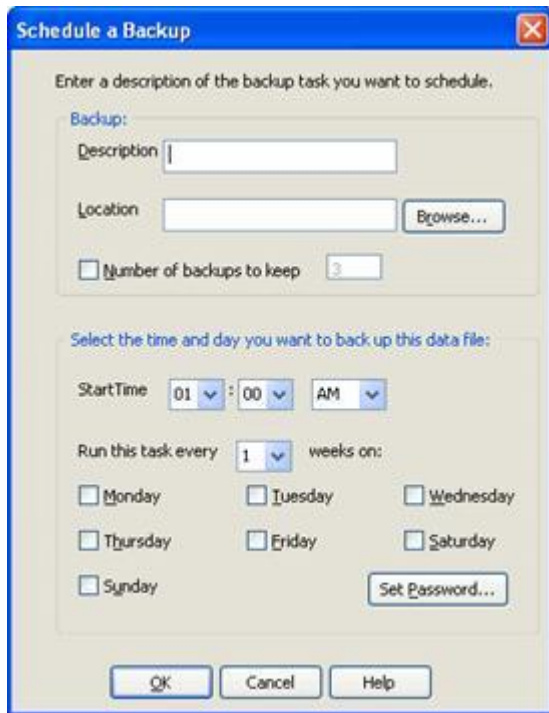


2. Select the checkbox under **Automatic backup (Automatically back up when closing data file every)**; then enter the frequency with which you want to back up the data. For example, enter **3** to have QuickBooks back up the data every 3 times you exit the program.
3. Click **OK**.

Creating an Automatic Backup in Quickbooks

You can also schedule QuickBooks to create a new backup file at the days and times you specify; in this case, QuickBooks will save a specified number of backup files:

1. In the **QuickBooks Backup** dialog, select the **Schedule a Backup** tab.
2. Click the **New** button.
3. In the **Schedule a Backup** dialog, enter a description for the backup. This will appear in the list of scheduled backups in the **QuickBooks Backup** dialog.



4. Click the **Browse** button to browse to a folder where you want to keep the backup files.
5. If you want to limit the number of backup files to keep, select the **Number of backups to keep** checkbox and enter the number of files you want to save. Otherwise, QuickBooks will save all the backup files.
6. Select the start time and frequency for creating the backups.

Note: When QuickBooks backs up the data, your computer must be running and you cannot be using the company file that's being backed up.

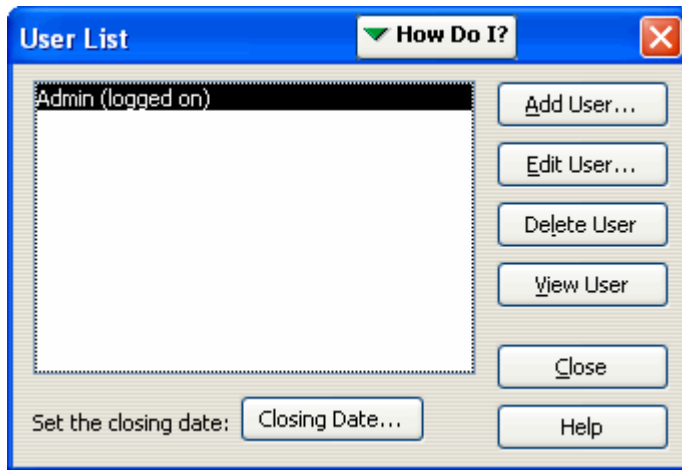
7. Some platforms require a password for the Windows user logged in while the backup is being performed. To enter your Windows login password, click the **Set Password** button. Confirm that the correct Windows user name is entered and enter your password; then click **OK**.
8. Click **OK** to save the new backup schedule.
9. Click **OK** to close the **QuickBooks Backup** dialog.

Setting Up Users and Passwords

Only the QuickBooks administrator can set up new users.

1. From the **Company** menu, select **Set Up Users**.

The **User List** window opens.



2. Click the **Add User** button.

The **Set up user password and access** window opens.



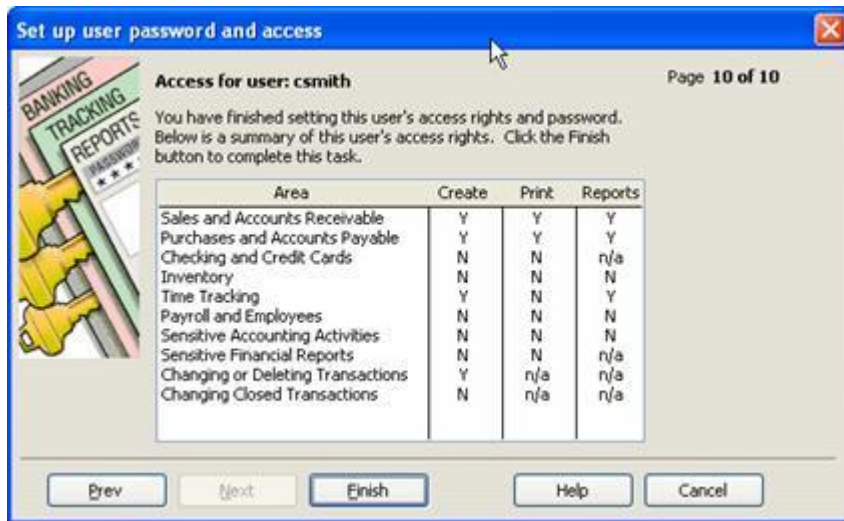
3. Enter a user name and password for the new user.
4. Click **Next**.
5. Select whether or not you want to limit the user's access to selected areas:



6. Click **Next**.
7. If you granted the user access to all areas of QuickBooks, confirm the selections and click **Finish**; otherwise, for each screen, select the level of access the user should have and click **Next**:



8. When you've completed all the screens, review the access rights you granted:



To make a change, click **Prev** to backtrack through the screens.

9. Click **Finish**.
10. Click **Close** to close the **User List** window.

Managing Your Accounts

The Chart of Accounts lists all the accounts you've created for your company. From here, you can add, edit and delete accounts, open the register for a particular account and enter account transactions.



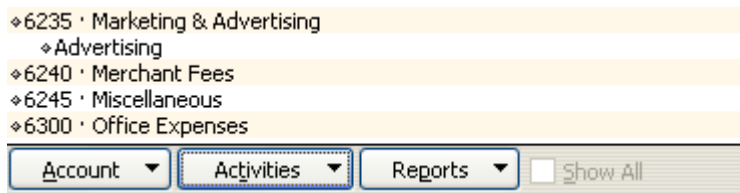
To open the Chart of Accounts, click the **Accnt** button on the QuickBooks toolbar, or select **Chart of Accounts** from the **Lists** menu. You can also access the Chart of Accounts by clicking the **Chart of Accounts** icon in the Company Navigator.

The Chart of Accounts opens in a new window:

Name	Type	Balance
• Checking	Bank	1,705.98
• 1200 • Accounts Receivable	Accounts Receivable	0.00
• 1120 • Inventory Asset	Other Current Asset	1,250.00
• Delivery truck	Fixed Asset	17,300.00
• 2000 • Accounts Payable	Accounts Payable	275.00
• Company Visa	Credit Card	471.56
• First National Bank LOC	Credit Card	0.00
• 2100 • Payroll Liabilities	Other Current Liability	0.00

Double-clicking any account in the list opens the account register, where you can view and enter account transactions.

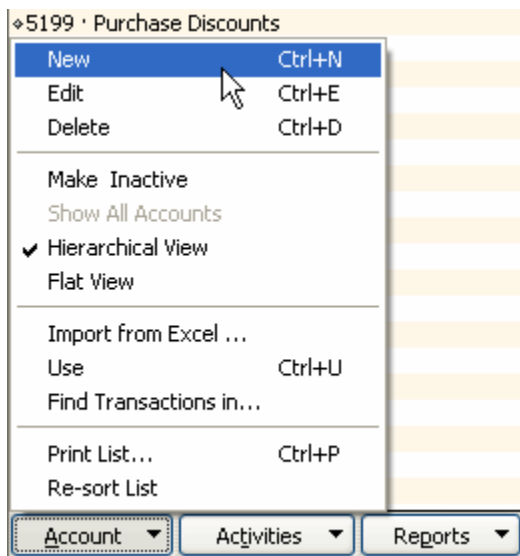
The buttons at the bottom of the window contain commands for accomplishing account-level tasks, such as creating and editing accounts, writing checks and running reports.



Setting up New Accounts

You can add a new account at any time after you've completed the business setup process:

1. On the QuickBooks toolbar, click the **Accnt** button, or select **Chart of Accounts** from the **Lists** menu.
2. At the bottom of the Chart of Accounts, click the **Account** button and select **New** from the menu that appears:



The **New Account** window opens.

3. From the **Type** drop-down menu, select the account type.
4. In the **Name** field, enter a name for the account.
5. If the account numbering option is turned on, enter a number for the account into the **Number** field.

The account numbering option lets you select accounts by the numbers you've given them. Developing and using a numbering scheme can help you select accounts quickly when completing forms. To turn on the option, select **Preferences** from the **Edit** menu. In the **Preferences** window, select the **Accounting** icon from the list on the left, and then select the **Company Preferences** tab. Finally, check the **Use account numbers** box and click **OK**.

6. You can make the account a subaccount by checking the **Subaccount of** box. Select the parent account from the drop-down menu.
7. If you like, enter a description for the account into the **Description** field.
8. Enter the account number into the **Bank Acct. No.** field.
9. If the account is an income or expense account, select a tax line from the **Tax Line** drop-down menu; otherwise, select **<Not tax-related>**.
10. Enter the opening balance and your business start date. If the account is new, use the date the account was opened.
11. Click **OK** to add the account and close the window. Or, to add another account, click **Next**.

Editing Account Information

To edit account information:

1. In the Chart of Accounts, highlight the account you want to edit.
2. Click the **Account** button and select **Edit** from the menu.
3. Make the necessary changes to the fields and click **OK**.


Changing the Opening Balance for an Account

If you need to adjust the opening balance you recorded for an account, you should open the account register and adjust the amount of the transaction:

1. In the Chart of Accounts, double-click the account whose opening balance you need to change.

The account register opens.

[illegible]

- Click inside the **Deposit** field for the opening balance transaction. This is usually the first transaction in the register and is labeled **Opening Bal Equity** in the **Account** column.
- Change the amount recorded.
- Click the **Record** button at the bottom of the window, or press **Enter**.
- When prompted, click **Yes** to confirm the change.
- To close the register, click the close button  in the upper right-hand corner of the window.

Deleting Accounts

You can delete an account as long as it has no balance and is not used in payroll. To delete an account:

1. In the Chart of Accounts, highlight the account you want to delete.
2. Click the **Account** button and select **Delete** from the menu.
3. When prompted, click **OK** to confirm that you want to delete the account.

Generally, unless the account was created in error, it's better to maintain records for it. You can do this while hiding the account from daily operations by inactivating it.

Managing Your Customer Information

The Customer List lists all the customers you've entered for your company. From here, you can add, edit and delete customer information, add jobs for a customer, create invoices, receive payments and run customer-related reports.



To open the Customer List, click the **Cust** button on the QuickBooks toolbar, or select **Customer:Job List** from the **Lists** menu. You can also access the Customer List by clicking the **Customers** icon in the Customer Navigator.

The Customer List opens in a new window:

The screenshot shows a window titled 'Customer:Job List'. At the top, there is a green header bar with the title and buttons for 'Ask a help question', 'Ask', and 'How Do I?'. Below the header is a table with four columns: 'Name', 'Balance', 'Notes', and 'Job Status'. The first row of the table contains the text '+Smith, Jane' under the 'Name' column, and '0.00' under the 'Balance' column. The rest of the table is empty.

Name	Balance	Notes	Job Status
+Smith, Jane	0.00		

Double-clicking any customer name in the list opens the **Customer** window, where you can view and enter detailed information for that customer.

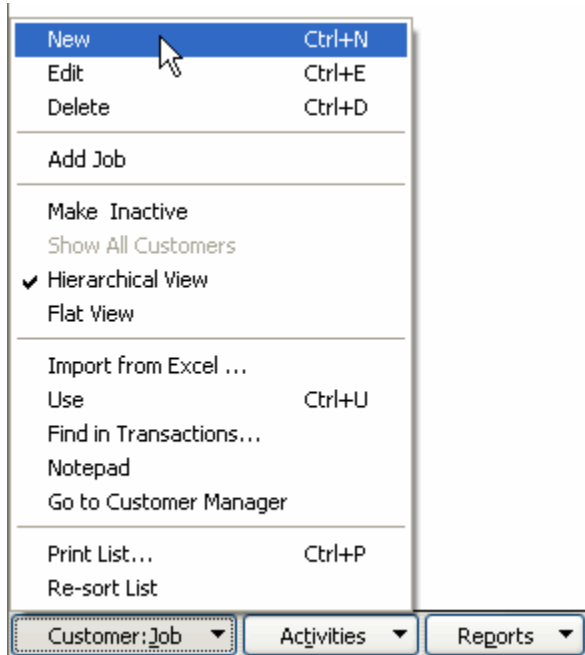
The buttons at the bottom of the window contain commands for accomplishing customer-level tasks, such as entering customer information, adding jobs, creating invoices and running customer reports.



Adding Customers

To add a new customer:

1. On the QuickBooks toolbar, click the **Cust** button, or select **Customer:Job List** from the **Lists** menu.
2. At the bottom of the Customer List, click the **Customer:Job** button and select **New** from the menu that appears:



The **New Customer** window opens.

A screenshot of the 'New Customer' window in QuickBooks. The window has tabs for 'Address Info', 'Additional Info', 'Payment Info', and 'Job Info'. The 'Address Info' tab is active. It contains fields for 'Customer Name', 'Opening Balance', 'as of' date (02/28/2005), and a link 'How do I determine the opening balance?'. Below these are fields for 'Company Name', 'Contact', 'Phone', 'FAX', 'Alt. Ph.', 'Mr./Ms./...', 'First Name', 'M.I.', 'Last Name', 'Alt. Contact', and 'E-mail'. There are also 'Addresses' sections for 'Bill To' and 'Ship To' with a '>> Copy >>' button between them. On the right side, there are buttons for 'OK', 'Cancel', 'Next', 'Help', and a checkbox for 'Customer is inactive'. At the bottom right is a button 'Go to Customer Manager'.

3. Enter the name of the customer as you want it to appear in the Customer List (for example, **Smith, Jane**).

4. If the customer has an outstanding balance, enter the balance and the date the balance reflects.

Note: If you are going to track jobs for the customer, don't enter an opening balance; QuickBooks will calculate this for you.

5. The tabs on the window provide fields for entering detailed information for the customer, such as address information, payment terms, payment methods, and job information. Select each tab and complete the fields as appropriate. All this information is optional.

Note: To enter a billing address for the customer, click the **Address Details** button under the **Bill To** box. Complete the address fields in the window that opens and click **OK**. You can then click the **>>Copy>>** button to copy the address to the **Ship To** box, or you can click the **Address Details** button under the **Ship To** box to enter a different shipping address.


6. Click **OK** to save the customer information, or **Next** to save the customer information and add a new customer.

Editing Customer Information

To edit customer information:

1. In the Customer List, double-click the customer's name.
2. In the **Edit Customer** window, make your changes as necessary and click **OK**.

To adjust a customer's opening balance:

1. In the Customer List, click the **Activities** button and select **Use Register**.
2. Select the customer's opening balance transaction, if you entered one. Otherwise, select the first of any individual transactions you need to adjust.
3. Click inside the **Amt Chrg** column for the transaction and change the amount. Do the same for any additional transactions you need to change.
4. Click the **Record** button, or press **Enter**.
5. To close the register, click the close button  in the upper right-hand corner of the window.

Updating Customer Jobs

QuickBooks does not automatically update job status or completion dates. To change the status of a job, or to enter an end date:

1. In the Customer List, double-click the job under the customer's name, or double-click the customer's name and, in the **Edit Customer** window, select the **Job Info** tab.
2. Make your changes as necessary and click **OK**.

Managing Your Vendor Information

Vendors include any businesses, tax agencies and individuals with whom you do business. The Vendor List lists all the vendors you've entered for your company. From here, you can add, edit and delete vendor information, create purchase orders, pay bills and run vendor-related reports.



To open the Vendor List, click the **Vend** button on the QuickBooks toolbar, or select **Vendor List** from the **Lists** menu. You can also access the Vendor List by clicking the **Vendors** icon in the Vendors Navigator.

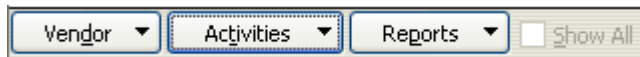
The Vendor List opens in a new window:

A screenshot of the 'Vendor List' window in QuickBooks. The window has a title bar with 'Vendor List', 'Ask a help question', 'Ask', 'How Do I?', and a close button. Below the title bar is a table with three columns: 'Name', 'Balance', and 'Notes'. The table contains two rows: 'NY State Department of Taxation and Revenue' with a balance of '0.00', and 'Sara Sue Oakley' with a balance of '275.00'.

Name	Balance	Notes
NY State Department of Taxation and Revenue	0.00	
Sara Sue Oakley	275.00	

Double-clicking any vendor name in the list opens the **Vendor** window, where you can view and enter detailed information for that vendor.

The buttons at the bottom of the window contain commands for accomplishing vendor-level tasks, such as entering vendor information, creating purchase orders and running vendor reports.

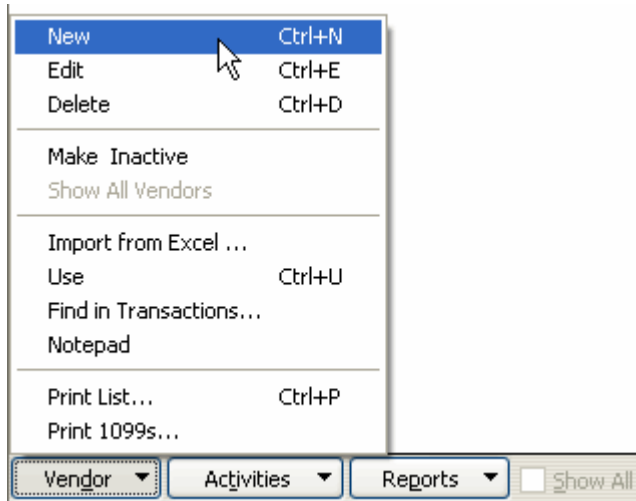


Adding Vendors

To add a new vendor:

1. On the QuickBooks toolbar, click the **Vend** button, or select **Vendor List** from the **Lists** menu.

- At the bottom of the Vendor List, click the **Vendor** button and select **New** from the menu that appears:



The **New Vendor** window opens.

A screenshot of the 'New Vendor' window in QuickBooks. The window has a 'Vendor Name' field at the top. Below it is the 'Opening Balance' section with a field for the balance, a date field set to '02/28/2005', and a checkbox. To the right of this is a link: 'How do I determine the opening balance?'. On the right side of the window are buttons for 'OK', 'Cancel', 'Next', and 'Help'. Below these is a checkbox labeled 'Vendor is inactive'. The main area of the window is divided into two tabs: 'Address Info' (selected) and 'Additional Info'. The 'Address Info' tab contains fields for 'Company Name', 'Mr./Ms./...', 'First Name', 'Last Name', 'Address', 'Contact', 'Phone', 'FAX', 'Alt. Ph.', 'Alt. Contact', 'E-mail', and 'Print on Check as'. There is also an 'Address Details' button at the bottom of the 'Address Info' section.

- Enter the name of the vendor as you want it to appear in the Vendor List (for example, **Smith, Jane**).

Note: The same name cannot appear in more than one QuickBooks list. If the vendor you're adding is also a customer, you'll have to vary the name slightly; for example, you can add the word **vendor** to the end of the name. In forms and on checks, QuickBooks will use the name you enter into the **Print on Check as** field.

4. If you have an outstanding balance with this vendor, enter the balance and the date the balance reflects.
5. The tabs on the window provide fields for entering detailed information, such as the vendor's contact information, your account number and your credit limit with the vendor. Select each tab and complete the fields as appropriate. All this information is optional.

To enter the vendor's address, click the **Address Details** button and complete the fields in the window that opens. Click **OK** to save the address and close the window.


6. Click **OK** to save the information, or **Next** to save the information and add a new vendor.

Editing Vendor Information

To edit vendor information:

1. In the Vendor List, double-click the vendor's name.
2. In the **Edit Vendor** window, make your changes as necessary and click **OK**.

To adjust your opening balance with the vendor:

1. Open the Chart of Accounts by clicking the **Accnt** button on the QuickBooks toolbar or selecting **Chart of Accounts** from the **Lists** menu.
2. In the Chart of Accounts, highlight **Accounts Payable**.
3. Click the **Activities** button and select **Use Register**.
4. In the register, select the vendor's opening balance transaction and change the amount in the **Billed** column.
5. Click the **Record** button, or press **Enter**.
6. To close the register, click the close button  in the upper right-hand corner of the window.

Managing Your Items

Items include all the goods and services you offer customers, as well as the taxes you charge and pay for them. The Item List lists all the items you've entered for your company. From here, you can add, edit and delete items, create invoices, receipts and purchase orders, change item prices and run item-related reports.



To open the Item List, click the **Item** button on the QuickBooks toolbar, or select **Item List** from the **Lists** menu. You can also access the Item List by clicking the **Items & Services** icon in either the Customers or Vendors Navigator.

The Item List opens in a new window:

Item List			Ask a help question	Ask	How Do I?	
Name	Description	Type	Account	On Hand	Price	
•Procurement	Procurement	Service	4000 • Sales:4020 • Service		50.00	
•Repair	Repair	Service	4000 • Sales:4020 • Service		40.00	
•00001	Mexican Redware	Inventory Part	4000 • Sales:4010 • Merchandise	15	0.00	
•00002	Navajo Jewelry	Inventory Part	4000 • Sales:4010 • Merchandise	45	0.00	
•00003	Misc Pottery	Inventory Part	4000 • Sales:4010 • Merchandise	0	10.00	
•00004	Mud	Non-inventory Part	4000 • Sales:4010 • Merchandise		10.00	
•00005	Paint	Non-inventory Part	4000 • Sales:4010 • Merchandise		0.00	
•Freight	Rail freight	Other Charge	4000 • Sales:4050 • Shipping and		70.00	
•Out of State	Out-of-state sale, exempt from sales tax	Sales Tax Item	2200 • Sales Tax Payable	0.00	0.0%	
•State Sales and Use Tax	SST	Sales Tax Item	2200 • Sales Tax Payable	0.00	4.0%	

Double-clicking any item in the list opens the **Item** window, where you can view and enter detailed information for that item.

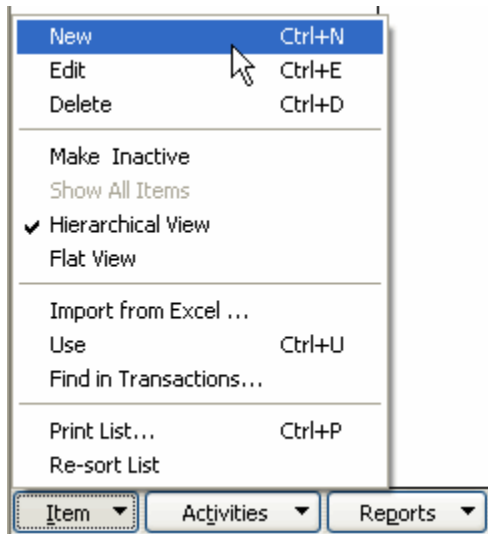
The buttons at the bottom of the window contain commands for accomplishing item-level tasks, such as entering item information, creating invoices and receipts and running item-related reports.



Adding Items

To create a new item:

1. On the QuickBooks toolbar, click the **Item** button, or select **Item List** from the **Lists** menu.
2. At the bottom of the Item List, click the **Item** button and select **New** from the menu that appears:



The **New Item** window opens.

A screenshot of the 'New Item' window in QuickBooks. The 'Type' dropdown is set to 'Service'. The 'Item Name/Number' field is empty. The 'Subitem of' checkbox is unchecked. The 'Description' field is empty. The 'Rate' field is set to 0.00. The 'Tax Code' dropdown is set to 'Tax'. The 'Account' dropdown is empty. The 'Item is inactive' checkbox is unchecked. Buttons on the right include OK, Cancel, Next, Custom Fields, and Spelling.

3. Select the type of item you're adding from the drop-down menu.

Note: You cannot change a service item to another item type.

4. The remainder of the fields on the window will vary depending on the type of item you select. For most, you should enter an item name or number; this will appear in item selection menus when you fill out forms.
5. If appropriate, check the **Subitem of** box and select the parent item under which you want to this item to appear.
6. Complete the remainder of the fields as appropriate.
7. Click **OK** to save the item, or **Next** to save the item and add another one.

Editing Item Information

1. In the Item List, double-click the item.
2. Make the necessary changes and click **OK**.

Creating Sales Tax Items

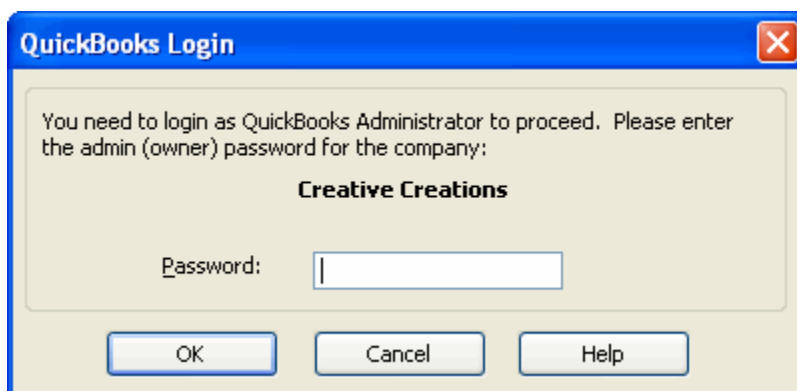
If you selected multiple tax rates for your business during the EasyStep Interview, you can use the Item List now to set your sales tax items. Create an item for each sales tax rate, and for each sales tax agency:

1. On the QuickBooks toolbar, click the **Item** button, or select **Item List** from the **Lists** menu.
2. At the bottom of the Item List, click the **Item** button and select **New** from the menu that appears.
3. In the **New Item** window, select **Sales Tax Item** from the **Type** drop-down menu.
4. Enter a name for the sales tax.
5. Enter a description for the sales tax; this description will appear on your sales forms.
6. Enter the tax rate as a percentage (for example, 7.25%).
7. Enter the tax agency.
8. Click **OK** to save the tax item, or **Next** to save the item and add another one.

Day-to-Day Business Operations

Opening Your Company File

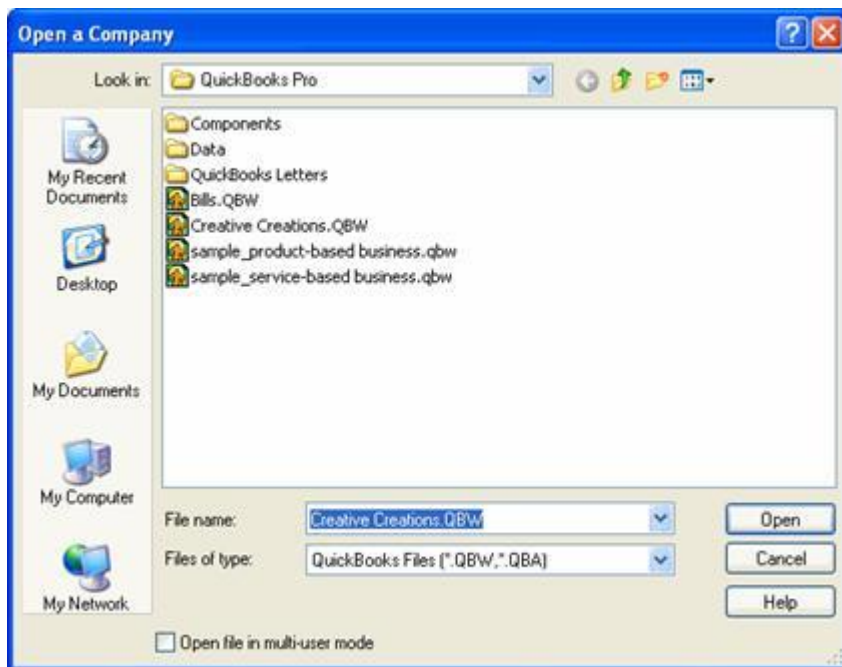
When you first open QuickBooks, you're prompted to log in to your default company file:



Enter your password and click **OK**.

To open another company file while using QuickBooks:

1. From the **File** menu, select **Open Company/Login**.
2. In the **Open a Company** dialog, browse to the location of the company file. Highlight the file and click **Open**.



The **QuickBooks Login** dialog opens.

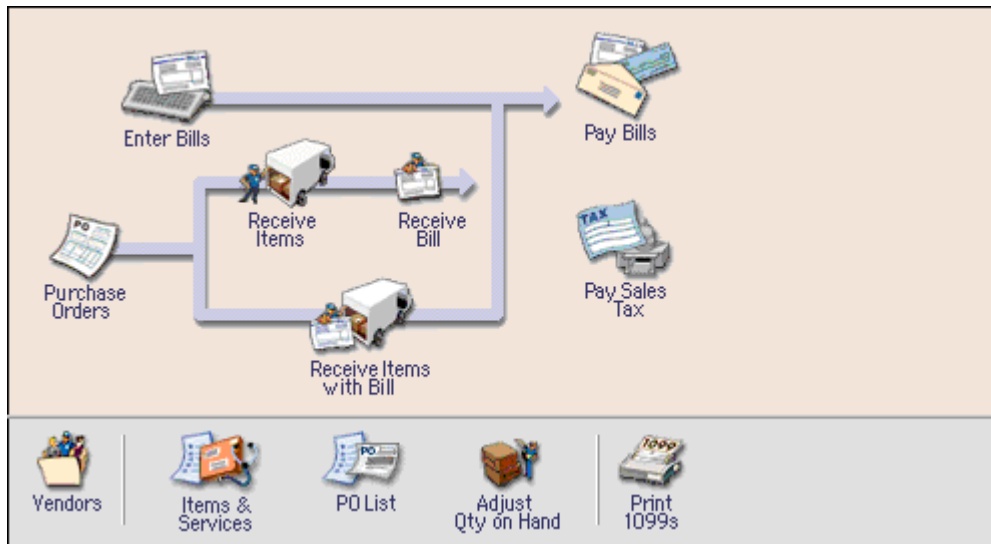
3. Enter your password and click **OK**.

Ordering and Receiving Items

Use purchase orders to order goods or services from vendors. Purchase orders help you track what you order, what you receive and what you need to pay vendors. When you enter a bill for a vendor, QuickBooks lets you check the items you've received against the open purchase orders for that vendor, and updates your inventory as appropriate.

For over-the-counter purchases—that is, purchases you pay for at the time you receive the items—you can bypass the purchase order and simply write a check or enter a different kind of transaction (for example, a credit card transaction).

The Vendor Navigator displays the workflow for ordering and receiving items and paying bills, with shortcuts for creating purchase orders, receiving items, paying bills and paying sales tax:



You can click any of these icons to accomplish the related task.

Viewing Your Purchase Orders

All the purchase orders you've created appear in the Purchase Orders List, which you can view by clicking the **PO List** icon in the Vendor Navigator, or by selecting **Purchase Orders List** from the **Vendors** menu.

From here, you can use the buttons at the bottom of the window to create, edit and delete purchase orders, receive items against a specific purchase order, enter bills and run purchase and inventory reports. Generally, however, it isn't necessary to go to the Purchase Order List to accomplish these tasks.

Note: You'll be unable to open the Purchase Orders List until you've created at least one purchase order.

Creating a Purchase Order

To create a purchase order:

1. Click the **Purchase Orders** icon in the Vendor Navigator, or select **Create Purchase Orders** from the **Vendors** menu.

The **Create Purchase Orders** window opens.

2. Select a vendor from the drop-down menu.
3. If appropriate, select a class to assign to the purchase order.
4. If the order should be shipped to a customer or vendor instead of to you, select the name from the **Ship To** drop-down menu.
5. Confirm the entries in the remainder of the fields, making changes or entering information as necessary. At the bottom of the window, you can enter a message for the vendor in the **Vendor Message** field and information for yourself in the **Memo** field.
6. To enter an item, click inside the **Item** column and select the item from the drop-down menu.
7. For each item you select, enter a description, quantity and rate, if the default rate you defined for the item is variable.
8. If the item is for a specific customer or job, select the customer and/or job from the drop-down menu in the **Customer** column.
9. When you've finished entering items, click the **Save & Close** button to save the purchase order, or the **Save & New** button to save the purchase order and create another one.

To print the purchase order, click the **Print**  button at the top of the window. In the **Print** dialog, verify the printer settings and then click **Print**.

To print multiple purchase orders, click the down arrow on the **Print** button and select **Print Batch**. In the window that opens, select the purchase orders you want to print and click **OK**.

Receiving Items from Vendors

Once you receive items you've ordered using a purchase order, you should create an item receipt.

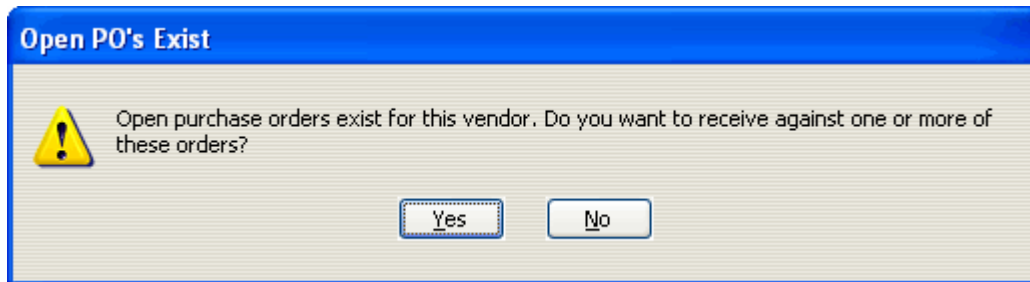
Note: If you received a bill with the items, enter a bill instead of an item receipt.

To create an item receipt:

1. Click the **Receive Items** icon in the Vendor Navigator, or select **Receive Items** from the **Vendors** menu.

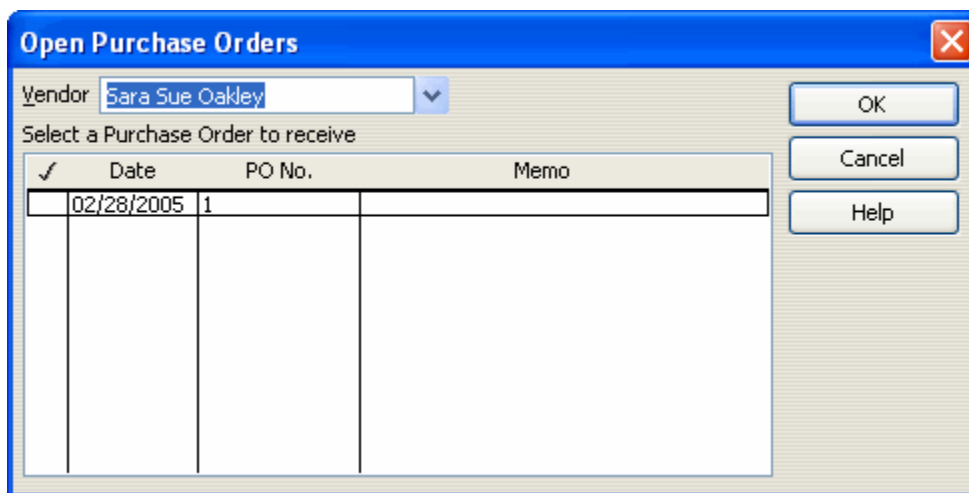
The **Create Item Receipts** window opens.

2. Select the vendor from the drop-down menu. If open purchase orders exist for this vendor, QuickBooks prompts you to receive against them:



3. Click **Yes**.

The **Open Purchase Orders** window opens.



4. Select the purchase order containing the items you're receiving and click **OK**. You can select more than one purchase order.
5. QuickBooks completes the item receipt for you. If you need, you can make changes to any of the line items.
6. Enter any expenses, such as shipping or taxes, on the **Expenses** tab, making sure to associate each with the appropriate expense account.
7. Click **Save & Close** to save the item receipt, or **Save & New** to save the receipt and add another receipt.

You should create an item receipt even if you didn't create a purchase order, as long as the bill will arrive later; the only difference in the process is that you won't be prompted to receive the items against a purchase order. When you complete an item receipt, QuickBooks updates your inventory accordingly.

If you receive a bill with items, you should enter a bill instead of an item receipt.

For over-the-counter purchases (in which you receive and pay for items at the same time), write a check or enter a transaction for the account from which you're paying for the items.

Entering and Paying Bills

Entering Bills

You should enter bills for all expenses you don't pay immediately, including items you receive against a purchase order or for which you've created an item receipt. Bills for expenses are tracked using expense accounts, while bills for items are tracked using the Item or Fixed Asset Item List.

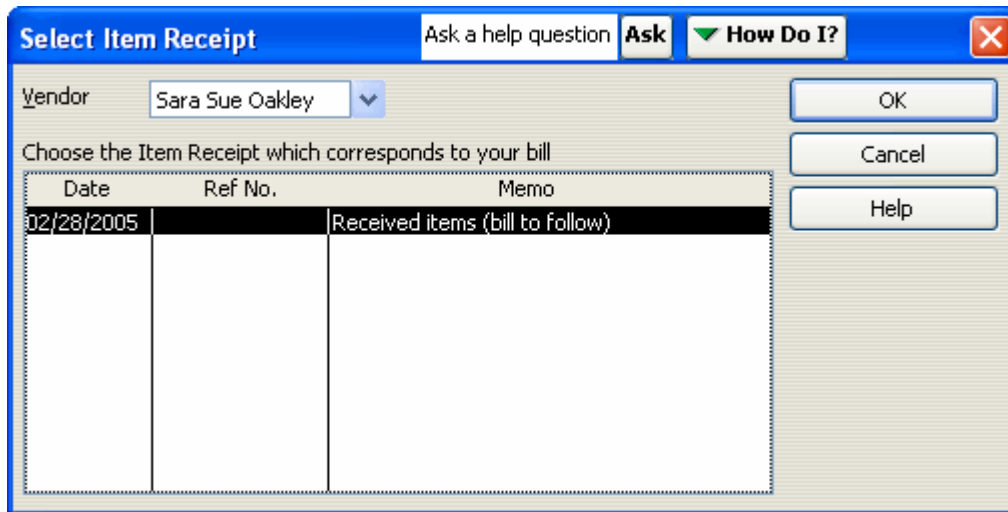
To enter a bill for items you've already received, and for which you've created an item receipt:

1. In the Vendor Navigator, click the **Receive Bill** icon.

The **Select Item Receipt** window opens.

Date	Ref No.	Memo
------	---------	------

2. Select the vendor from the drop-down menu.
3. Select the item receipt that corresponds to the bill you received and click **OK**.



Select Item Receipt Ask a help question **Ask** **How Do I?**

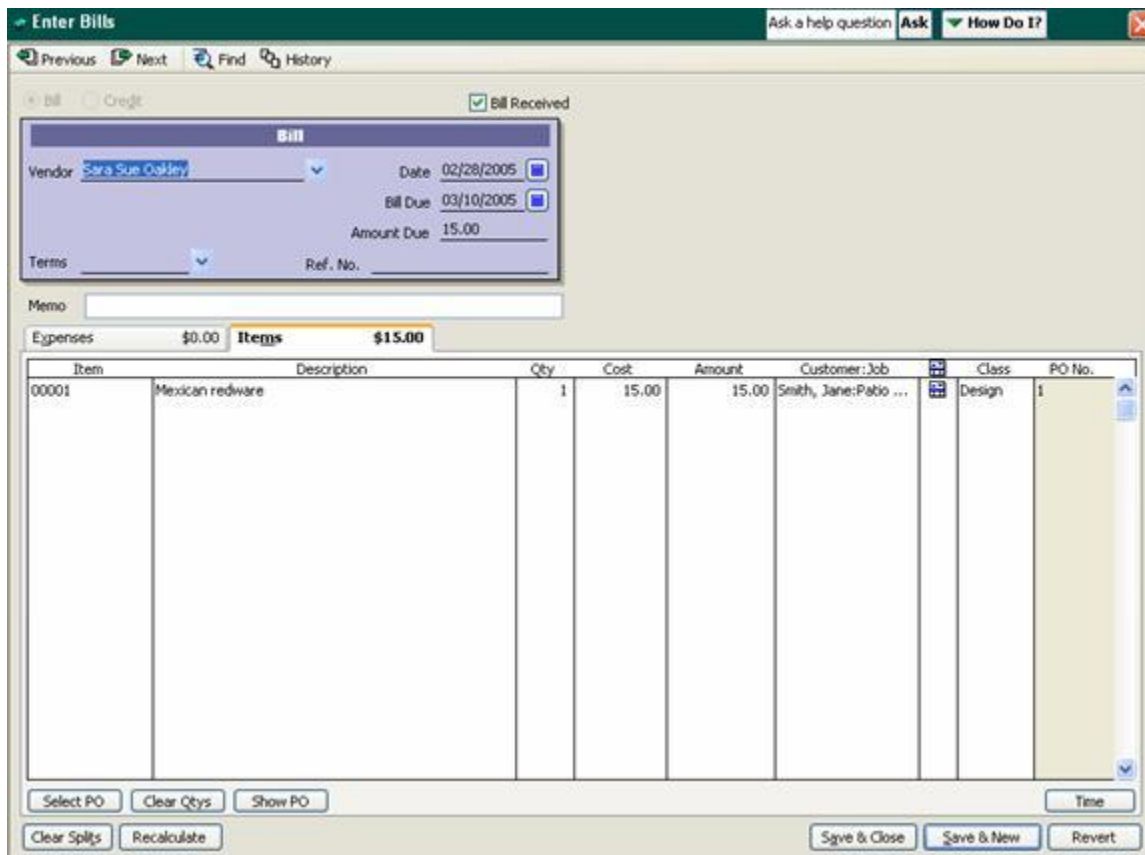
Vendor: Sara Sue Oakley

Choose the Item Receipt which corresponds to your bill

Date	Ref No.	Memo
02/28/2005		Received items (bill to follow)

OK Cancel Help

The **Enter Bills** window opens with the information contained in the item receipt.



Enter Bills Ask a help question **Ask** **How Do I?**

Previous Next Find History

☒ Bill ☐ Credit ☒ Bill Received

Bill

Vendor: Sara Sue Oakley Date: 02/28/2005 Bill Due: 03/10/2005 Amount Due: 15.00

Terms: Ref. No.:

Memo:

Expenses: \$0.00 **Items: \$15.00**

Item	Description	Qty	Cost	Amount	Customer: Job	Class	PO No.
00001	Mexican redware	1	15.00	15.00	Smith, Jane: Pablo ...	Design	1

Select PO Clear Qtys Show PO Time

Clear Splits Recalculate Save & Close Save & New Revert

4. Make changes to the information as necessary and click **Save & Close**.

To enter a bill for all other expenses, including items you've received for which you haven't created an item receipt:



1. Click the **Bill** button on the QuickBooks toolbar, or select **Enter Bills** from the **Vendors** menu.

If you're receiving items from a vendor and the bill has been included with the items (that is, no item receipt exists), you can also click the **Receive Items with Bill** icon in the Vendor Navigator.

The **Enter Bills** window opens.

 The screenshot shows the 'Enter Bills' window in QuickBooks. At the top, there's a title bar with 'Enter Bills' and buttons for 'Ask a help question', 'Ask', and 'How Do I?'. Below the title bar is a navigation bar with 'Previous', 'Next', 'Find', and 'History' buttons. The main area has a 'Bill' tab selected, with a 'Credit' tab also visible. A 'Bill Received' checkbox is checked. The 'Bill' tab contains a form with fields for 'Vendor' (a drop-down menu), 'Date' (02/27/2005), 'Bill Due' (03/09/2005), 'Amount Due' (0.00), 'Terms' (a drop-down menu), and 'Ref. No.'. Below this is a 'Memo' field. At the bottom of the window, there are two tabs: 'Expenses' and 'Items'. The 'Expenses' tab is selected, showing a table with columns for 'Account', 'Amount', 'Memo', 'Customer: Job', and 'Class'. The table is currently empty. At the bottom of the window, there are buttons for 'Clear Splits', 'Recalculate', 'Save & Close', 'Save & New', and 'Clear'.

2. If the bill is for an expense, select the **Expenses** tab. If the bill is for items you're purchasing, select the **Items** tab.
3. At the top of the window, select the vendor from the drop-down menu, or enter a new one by typing directly into the field. If you entered a new vendor, you can click the **Quick Add** button when prompted and enter detailed information for the vendor later. (Alternatively, you can click the **Set Up** button when prompted to enter detailed vendor information now.)
4. If a purchase order exists for this vendor, you're prompted to receive against it. Click **Yes** and, in the **Open Purchase Orders** window, select each purchase order containing the items reflected on the bill. Click **OK**.

5. Change the date and due date of the bill as necessary.
6. Enter the amount due and complete the **Ref. No.**, **Terms** and **Memo** fields as necessary.
7. If the bill is for an expense, select an expense account from the drop-down menu in the **Account** field. If the bill is for items, click inside the **Item** field and select the item from the drop-down menu. If you received the items against a purchase order, these items should already appear in the list; you can edit them as necessary.

Note: To enter charges not associated with a specific item, such as shipping or tax, select the **Expenses** tab and enter each charge, selecting the appropriate expense account.

8. Click the **Save & Close** button to save the bill, or **Save & New** to save the bill and enter a new one.

Paying Bills

To pay a bill you've entered:

1. Click the **Pay Bills** icon in the Vendor Navigator, or select **Pay Bills** from the **Vendors** menu.
2. If necessary, select the accounts payable account to use.

The **Pay Bills** window opens.

Pay Bills

[Ask a help question](#)
[Ask](#)
[How Do I?](#)

Select Bills to be Paid

Show bills
☒ Due on or before 03/10/2005
☐ Show all bills
Sort Bills By
Due Date

Date Due	Vendor	Ref. No.	Disc. Date	Amt. Due	Disc. Used	Credits Used	Amt. To Pay
01/11/2005	Sara Sue Oakley			275.00	0.00	0.00	0.00
Totals				275.00	0.00	0.00	0.00

Discount & Credit Information for Highlighted Bill

Vendor **Sara Sue Oakley**
Terms
Number of Credits **0**

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

[Go to Bill](#)
[Set Discount](#)
[Set Credits](#)

Payment Account
Checking

Payment Method
Check
☒ To be printed
☐ Assign check no.

Payment Date
02/28/2005

Deciding which bill to pay? Get a QuickBooks Credit Card and pay them all. [Learn more](#)

Ending Balance 1,705.98

[Select All Bills](#)
[Pay & Close](#)
[Pay & New](#)
[Clear](#)


Manage your own payroll from start to finish with QuickBooks Do-It-Yourself Payroll!

3. You can filter the list of bills displayed in the window by selecting the **Due on or before** option and entering a date.
4. To pay multiple bills, click inside the checkmark column for each bill. This places a checkmark next to each of the bills you select.
5. If you have any discounts or credits, enter these into the **Disc. Used** and **Credits Used** fields.
6. For each bill, enter the amount you're paying.
7. Select a payment account and method from the drop-down menus at the bottom of the window and complete the remainder of the fields as appropriate.
8. Click **Pay & Close**.

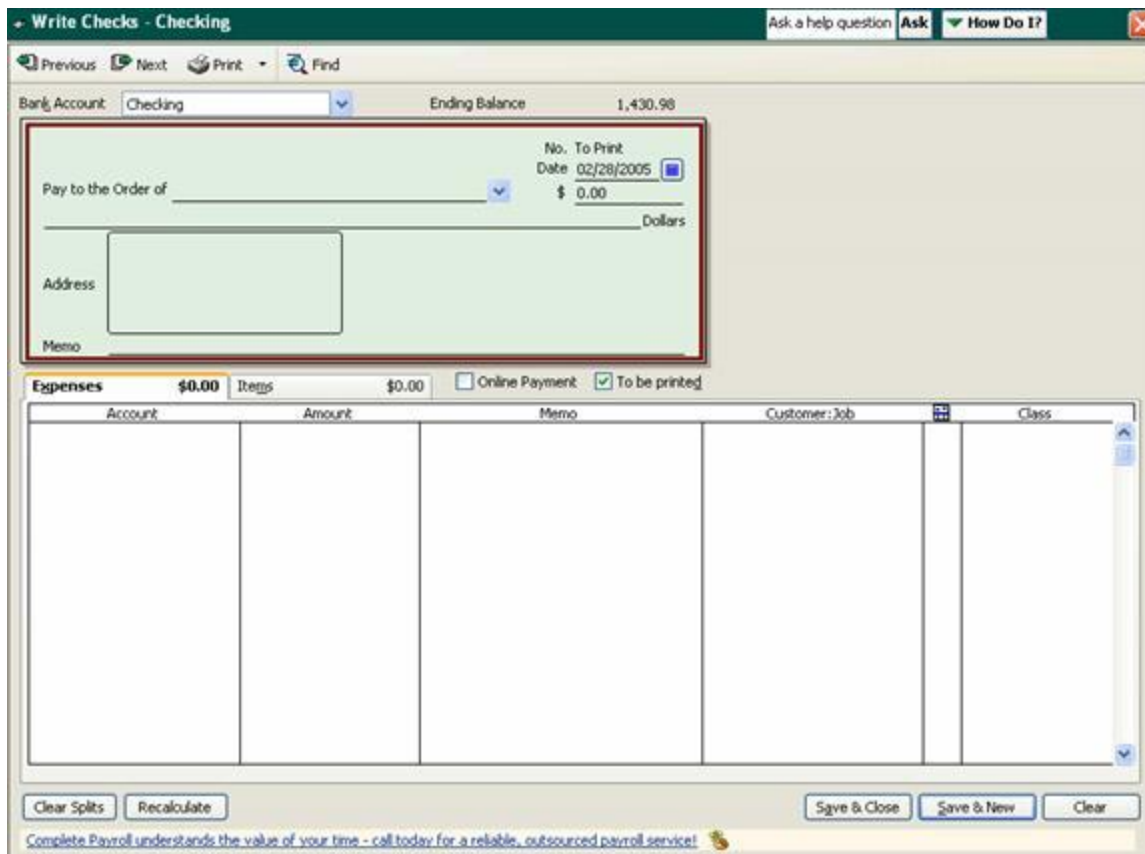
Writing Checks

To pay bills when you receive them, use the **Write Checks** window. Do not use this window to pay taxes or bills you've already entered.

To write a check:

1. Click the **Check**  button on the QuickBooks toolbar, or select **Write Checks** from the **Banking** menu.

The **Write Checks** window opens.




2. Select the account you want to use from the **Bank Account** drop-down menu.
3. Select a name from the **Pay to the Order of** drop-down menu.
4. If an open purchase order exists for the payee, QuickBooks prompts you to receive items against it. Click **Yes** if you're paying for items you're receiving, or **No** if you're making an over-the-counter purchase.

If you're receiving items against a purchase order, select the purchase order in the window that opens and click **OK**. You can select multiple purchase orders if necessary.

5. If you're receiving items against a purchase order, QuickBooks populates the remainder of the fields with the items contained in the purchase order and the total amount. You can edit this information as necessary. Otherwise, enter the amount you're paying into the **\$** field.

Note: You can leave the amount blank and have QuickBooks automatically complete it based on the total of the item amounts you enter.

6. Add to or edit the **Address** and **Memo** fields as necessary.
7. To enter an item, select it from the drop-down menu on the **Items** tab.
8. For each item, enter the quantity and cost.
9. If you're purchasing the item for a particular customer or job, select the customer and/or job from the **Customer:Job** drop-down menu.
10. If appropriate, select the class in which the item belongs.
11. Enter any expenses, such as shipping and taxes, using the **Expenses** tab. You should also use this tab if you're writing a check for an expense, such as a utility bill, rather than for items. Be sure to associate the expense with the appropriate expense account.
12. If you'll be printing the check using your printer, make sure the **To be printed** box is checked; otherwise, uncheck this box and enter a check number.
13. To print the check, click the **Print**  button at the top of the window. In the dialog that opens, enter the printed check number and click **OK**. In the **Print** dialog, confirm the printer settings and click **Print**.

To print multiple checks, click the down arrow on the **Print** button and select **Print Batch**. In the window that opens, select the checks you want to print. Then enter the first check number and click **OK**.

14. Click **Save & Close** to save the check, or **Save & New** to save the check and write a new one.

Memorizing Transactions

Memorizing a transaction saves its details so you can easily re-enter it on a regular basis; this is most useful for regular payments, such as utility bills. You can have QuickBooks remind you when the transaction needs to be entered, or automatically enter it for you.

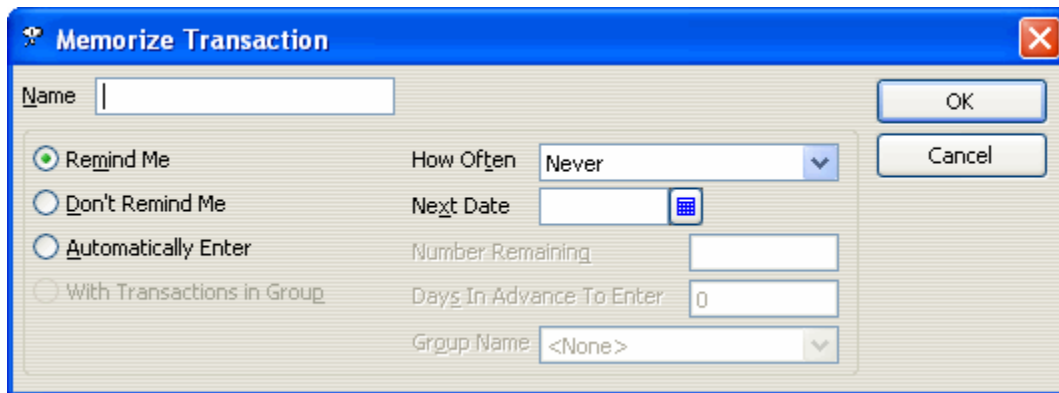
To memorize a transaction:

1. Enter the transaction (for example, a check or a bill) as you want it memorized.

Leave blank any fields you'll need to change, such as the **Amount** field, if the amount varies from transaction to transaction.

2. From the **Edit** menu, select the appropriate **Memorize** command (such as **Memorize Check** or **Memorize Bill**).

The **Memorize Transaction** window opens.

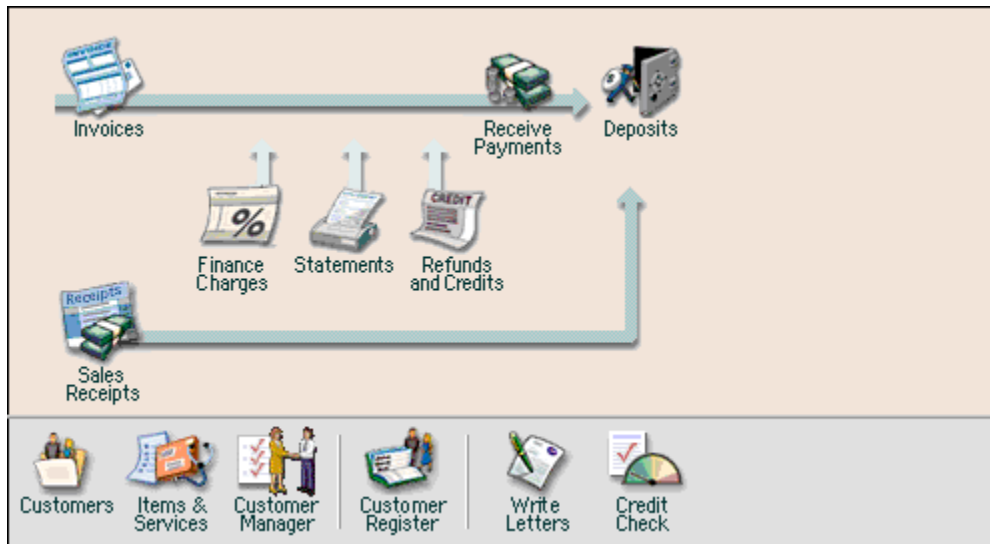


3. Enter a name for the memorized transaction, such as **Utility Bill**.
4. If you want QuickBooks to remind you to enter the transaction when it's due, select **Remind Me**; if you want QuickBooks to automatically enter the transaction for you, select **Automatically Enter**. Otherwise, select **Don't Remind Me**.
5. If you opted to have QuickBooks remind you to enter the transaction, select how often you want to be reminded, and enter the date the reminders should begin.
6. Click **OK**.
7. If you created the transaction for the purpose of memorizing it, but don't want to enter the transaction now, click **Clear** and then close the window. Otherwise, save the transaction as usual.

Recording Sales

You can use two methods to track sales to customers, depending on when the customer pays you: invoices let you record sales when the customer isn't paying in full (or is paying in advance), while sales receipts record sales paid for in full at the time the goods or services were provided.

The Customer Navigator displays the workflow for recording sales, with shortcuts for creating invoices and sales receipts, receiving payments and making deposits:




You can click any of these icons to accomplish the related task.

Creating an Invoice

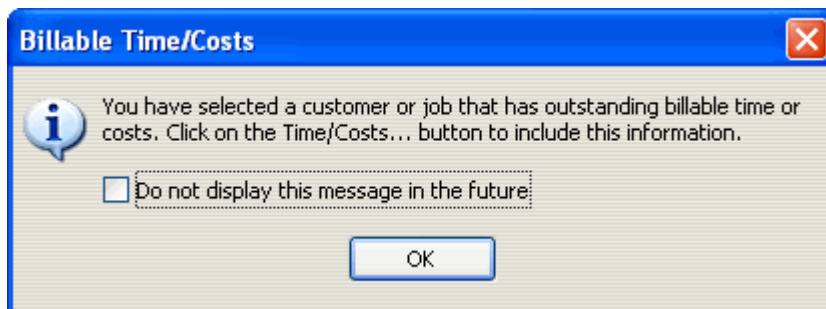
Use invoices to track what customers owe you for goods and services, when they don't pay in full at the time of the sale, or when they pay in advance.

To create an invoice:


1. Click the **Invoice**  button on the QuickBooks toolbar, or select **Create Invoices** from the **Customers** menu.
2. If QuickBooks asks if you want help selecting an invoice format, click **No**; this simply opens a checklist to help you determine whether to use invoices, sales receipts or statements.

The **Create Invoices** window opens.

3. Select the name of the customer and/or job from the drop-down menu.
4. If the customer currently has outstanding billable costs, QuickBooks notifies you that this information is available:



Click **OK**.

5. If the customer has outstanding billable costs, click the **Time/Costs**  button at the top of the invoice window to open the **Choose Billable Time and Costs** window:

Choose Billable Time and Costs

Time and Costs For: Smith, Jane:Patio Design

Items \$0.00 Expenses \$0.00 Time \$0.00 Mileage \$0.00

Select All

Use	Date	Item	Description	Qty	Rate	Amount	Hide
	02/28/2005	00003	Misc Pottery	1	10.00	10.00	

☐ Print selected time and costs as one invoice item


Total billable time and costs 0.00

OK Cancel Help


- Review the items and expenses shown in the window by selecting the appropriate tabs.
- Click inside the **Use** column for each item and expense to include in the invoice.
- Click **OK**.

QuickBooks adds these items and expenses to the invoice. You can edit them as necessary.

- Select the class associated with the invoice, if applicable.
- Select an invoice template.
- For each item you need to add to the invoice, select the item from the drop-down menu in the **Item Code** column.
- Enter a quantity and adjust the price, if necessary.
- Confirm that the appropriate tax entry appears in the **Tax** column. If the item is non-taxable, select **Non** from the drop-down menu.
- Review the remainder of the fields, completing them as necessary. The **Memo** field is for your own use; any entry you make will not appear on the invoice you send to the customer, but it will appear in sales reports and on reminder statements.

- To print the invoice, click the **Print**  button at the top of the window. Confirm the printer settings and click **Print**.

To print multiple invoices, click the down arrow on the **Print** button and select **Print Batch**. In the window that opens, select the invoices you want to print and click **OK**.

Alternatively, you can click the **Send**  button to e-mail the invoice to the customer. In the window that opens, confirm the e-mail addresses being used and the body of the message, and then click **Send Now** (or **Send Later**, if you want to wait and e-mail several invoices at once). The invoice will be attached to the e-mail as a PDF file.

13. Click the **Save & Close** button to save the invoice, or **Save & New** to save the invoice and add another one.

Receiving an Invoice Payment

Once you receive payment for an invoice, you need to apply the payment to the invoice:

1. In the Customer Navigator, click the **Receive Payments** icon, or select **Receive Payments** from the **Customers** menu.

The **Receive Payments** window opens.

2. Select the customer and/or job from the **Received From** drop-down menu.

QuickBooks automatically adds the outstanding charges from open invoices to the payment form.

3. Enter the amount of the payment you received and complete the payment method fields.
4. To apply the payment, click inside the first (checkmark) column for each of the line items to which you want to apply the payment. QuickBooks tracks the unused portion of the payment at the bottom right of the window.

To have QuickBooks automatically distribute the payment, click the **Auto Apply** button at the bottom of the window. QuickBooks automatically applies the payment to the oldest invoices first.

5. If you want to wait to deposit the payment with other undeposited funds, select the **Group with other undeposited funds** option at the bottom of the window; otherwise, select the **Deposit To** option and the account that should receive the payment.

6. Click **Save & Close** to save the payment, or **Save & New** to save the payment and add another one.

Creating a Sales Receipt

When you receive full payment from a customer at the time of sale, you should create a sales receipt instead of an invoice:

1. In the Customer Navigator, click the **Sales Receipts** icon, or select **Enter Sales Receipts** from the **Customers** menu.

The **Enter Sales Receipts** window opens.

Enter Sales Receipts

Ask a help question **Ask** **How Do I?**

Previous Next Print E-mail Find Spelling History Time/Costs...

Customer: Job Class Template Customize
Custom Sales Receipt

Sales Receipt

Sold To

Date: 02/28/2005 Sole No.: 1

Check No.: Payment Method:

Item	Description	Qty	Rate	Amount	Tax
------	-------------	-----	------	--------	-----

Customer Message Tax: Out of State (0.0%) 0.00
Total 0.00

☒ To be printed ☐ To be e-mailed Customer Tax Code Memo

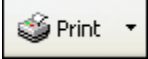
☒ Group with other undeposited funds ☐ Deposit To: Checking ☐ Process credit card payment when saving

Save & Close Save & New Clear


[QuickBooks Do-It-Yourself Payroll helps you stay compliant with ever-changing payroll tax laws](#)

2. Select the name of the customer and/or job from the drop-down menu.
3. Select the class associated with the sale, if applicable.
4. Select receipt template.
5. Select the payment method from the drop-down menu.
6. For each item you need to add to the receipt, select the item from the drop-down menu in the **Item** column.
7. Enter a quantity and adjust the rate, if necessary.

8. Confirm that the appropriate tax entry appears in the **Tax** column. If the item is non-taxable, select **Non** from the drop-down menu.
9. Review the remainder of the fields, completing them as necessary. The **Memo** field is for your own use; any entry you make will not appear on the sales receipt.

10. To print the receipt, click the **Print**  button at the top of the window. Confirm the printer settings and click **Print**.

To print multiple receipts, click the down arrow on the **Print** button and select **Print Batch**. In the window that opens, select the receipts you want to print and click **OK**.

Alternatively, you can click the **Send**  button to e-mail the receipt to the customer. In the window that opens, confirm the e-mail addresses being used and the body of the message, and then click **Send Now** (or **Send Later**, if you want to wait and e-mail several receipts at once). The receipt will be attached to the e-mail as a PDF file.

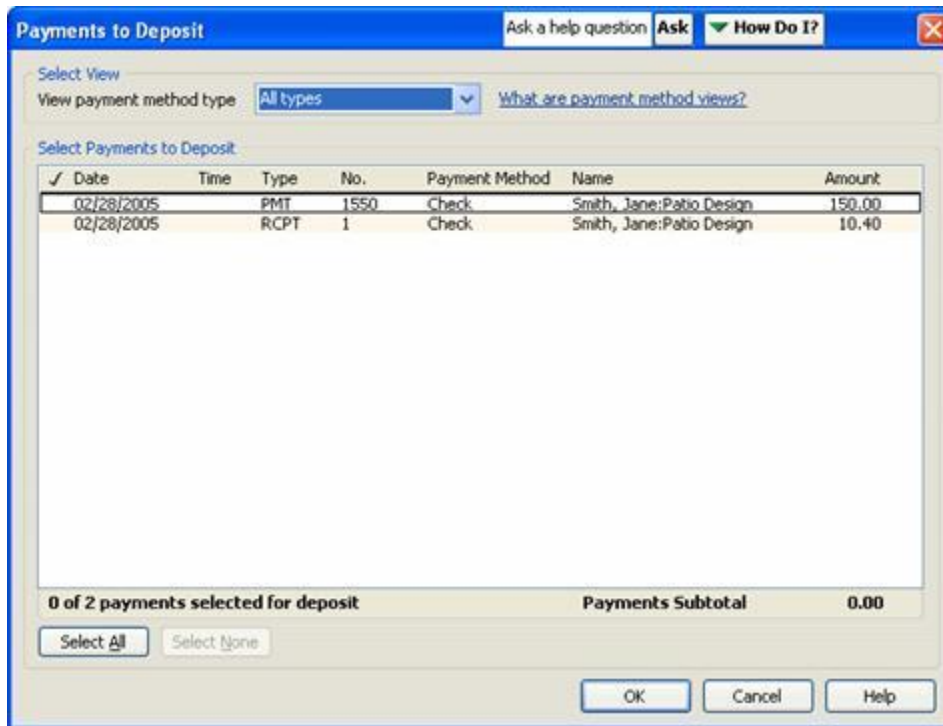
11. If you want to wait to deposit the payment with other undeposited funds, select the **Group with other undeposited funds** option at the bottom of the window; otherwise, select the **Deposit To** option and the account that should receive the payment.
12. Click the **Save & Close** button to save the receipt, or **Save & New** to save the receipt and add another one.

Depositing Payments

You can deposit individual payments at the time you enter an invoice payment or a sales receipt, or you can wait and deposit multiple payments at once. When you're ready to deposit a payment or payments:

1. Click the **Deposit** icon in the Banking Navigator, or select **Make Deposits** from the **Banking** menu.

If there are currently undeposited funds from invoice payments or sales receipts, the **Payments to Deposit** window opens.



2. Select the payments you want to deposit and click **OK**. If you don't want to deposit any of the payments, leave all the items unselected and click **OK**.

If you selected payments to deposit, **the Make Deposits** window opens.

Make Deposits Ask a help question Ask How Do I?

Previous Next Print Payments

Deposit To: Date: Memo:

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

Received From	From Account	Memo	Chk No.	Print Meth.	Class	Amount
Smith, Jane:Patio Design	1499 - Undeposited Funds		1550	Check		150.00
Smith, Jane:Patio Design	1499 - Undeposited Funds		1567	Check	Design	10.40
						Deposit Subtotal 160.40

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 160.40

3. Select the account the funds should be deposited into.
4. Confirm the date and the entry in the **Memo** field, making changes as necessary.
5. Enter any additional deposits as new line items. You can enter cash deposits separately for bookkeeping purposes; QuickBooks will total these and enter a single amount on the deposit slip.

Note: If you're entering a credit card payment, enter any fees you're charged as separate line items and associate them with an expense account. You cannot enter credit card payments on printable deposit slips.

6. If you want to get cash back, select an account and enter the amount at the bottom of the window.

7. To print the deposit slip or a deposit summary, click the **Print**  button at the top of the window. Select whether to print the deposit slip and a summary or a deposit summary only. Then confirm the printer settings and click **Print**.

8. Click **Save & Close** to save the deposit or **Save & New** to save the deposit and add another one.

Reconciling Your Bank Account

You should reconcile your bank account as soon as you've finished the business setup process and have entered all your historical transactions. You should then reconcile the register each time you receive a bank statement.

To reconcile your account:

1. In the Banking Navigator, click the **Reconcile** icon, or select **Reconcile** from the **Banking** menu.

The **Begin Reconciliation** window opens.

Begin Reconciliation Ask a help question Ask How Do I? X

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

Account:

Statement Date:

Beginning Balance: 1,705.98 [What if my beginning balance doesn't match my statement?](#)

Ending Balance:

Enter any service charge or interest earned.

Service Charge	Date	Account	Class
<input type="text" value="0.00"/>	<input type="text" value="02/28/2005"/>	<input type="text"/>	<input type="text"/>

Interest Earned	Date	Account	Class
<input type="text" value="0.00"/>	<input type="text" value="02/28/2005"/>	<input type="text"/>	<input type="text"/>

Locate Discrepancies Continue Cancel Help

2. Select the account you're reconciling from the drop-down menu.
3. Enter the date of the bank statement you're using for reconciliation. If you're reconciling after entering historical transactions, you should use the bank statement that covers the start of your fiscal year.
4. Compare the beginning balance QuickBooks has displayed with the beginning balance shown on your statement. If the balances are the same, continue with the next step. If the balances are different, you have several options:
 - a. Click **Cancel** to cancel the reconciliation. Then open the account register and find and fix the problem. Once you've done this, begin reconciliation again.

Note: Transactions you cleared in your account register are excluded from the beginning balance; if you've used your register to clear transactions, ignore the discrepancy. You can clear the transactions in the next window.

- b. Click **Locate Discrepancies**. In the **Locate Discrepancies** window, click **Discrepancy Report** to view a list of transactions that were modified since the account was last reconciled. Make any necessary changes to the transactions and, in the **Locate Discrepancies** window, click **Restart Reconciliation** to continue.
- c. Ignore the discrepancy and let QuickBooks add a balance adjustment transaction.
5. Enter the ending balance from your statement.
6. Enter any service charges or interest earned and select the account used to track each.
7. Click **Continue**.

The **Reconcile** window opens, listing uncleared checks and deposits.

Reconcile - Checking

Reconciling for the period ending 12/28/2004

☐ Show only transactions on or before the statement ending date

Checks and Payments				Deposits and Other Credits					
✓	Date	Chk #	Payee	Amount	✓	Date	Chk #	Memo	Amount
	02/28/2005		Sara Sue Oakley	275.00		02/28/2005		Deposit	160.40
	02/28/2005		Sara Sue Oakley	350.00					

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

Beginning Balance 1,705.98

Items you have marked cleared

0 Deposits and Other Credits	0.00
0 Checks and Payments	0.00

Modify

Service Charge	0.00
Interest Earned	0.00
Ending Balance	2,459.61
Cleared Balance	1,705.98
Difference	753.63

Reconcile Now Leave

8. Compare each check and deposit with the ones listed on your bank statement. Click on each item in QuickBooks as you match it; this places a checkmark next to the item, indicating it will be cleared.
 - If a transaction amount doesn't match the amount shown on your statement, double-click the transaction to open it and make the necessary changes. Then save and close the transaction to return to the **Reconcile** window.
 - If a transaction shown on your statement is missing entirely from your register, open your register and enter the transaction. Then save and close it to return to the **Reconcile** window.
9. As you clear transactions, QuickBooks calculates the total amount you've cleared against the statement and displays the difference. When the difference is 0.00, click **Reconcile Now**.

If you finish clearing the transactions and QuickBooks still shows a difference (a discrepancy), then you can either use the methods described above to find and fix the discrepancy, or you can click **Reconcile Now** to have QuickBooks enter a balance adjustment. If you later find the source of the problem and are able to correct it, you can (and should) delete the balance adjustment transaction from your register.

Adjusting Inventory

Although QuickBooks can automatically update your inventory when items are received and sold, you'll need to manually adjust inventory to account for gains and shrinkage (theft, breakage, etc.):

1. From the **Vendors** menu, select **Inventory Activities**, and then select **Adjust Quantity/Value on Hand** from the submenu.

The **Adjust Quantity/Value on Hand** window opens.

Adjust Quantity/Value on Hand Ask a help question Ask How Do I?

Previous Next

Adjustment Date: 12/28/2015

Ref. No.: 1 Customer: Job

Adjustment Account: Class:

Item	Description	Current Qty	New Qty	Qty Difference
00001	Mexican Redware	15		
00002	Navajo Jewelry	45		
00003	Misc Pottery	1		

☐ Value Adjustment Memo

Total Value of Adjustment: 0.00

Save & Close Save & New Cancel

2. Confirm the date and enter a reference number (optional).
3. Select the adjustment account from the drop-down menu. For losses, this will be an expense account associated with the loss; for gains, it will be an income account.

Note: You should create separate adjustments for each account.

4. Select the associated customer and class, as appropriate. This is optional.
5. To adjust the quantity of an item in the inventory list, enter the new quantity or the difference in quantity (whichever you prefer) into the appropriate column.
6. To update the value of inventory items, select the **Value Adjustment** checkbox. This displays the **New Value** column. Enter the new value of the items you're adjusting.
7. Click **Save & Close** to update the inventory.

Creating Reports

You can create a range of reports using the **Reports** button at the bottom of most of the QuickBooks navigators. You can also select a report using the Report Finder:

1. From the navigators list, select **Reports**.

The **Report Finder** opens.

Report Finder

Select a type of report.
 Company & Financial

Select a report.
 Profit & Loss Standard
 Profit & Loss Detail
 Profit & Loss YTD Comparison
 Profit & Loss Prev Year Comparison
 Profit & Loss by Job
 Profit & Loss by Class
 Profit & Loss Unclassified
 Income by Customer Summary
 Income by Customer Detail
 Expenses by Vendor Summary
 Expenses by Vendor Detail
 Income and Expense Graph
 Balance Sheet Standard
 Balance Sheet Detail

Set the date range.
 This Month-to-date

From 03/01/2005 To 03/01/2005

Modify Report... Display Print... Export...

These reports provide information about the financial position of your company.

Profit and Loss

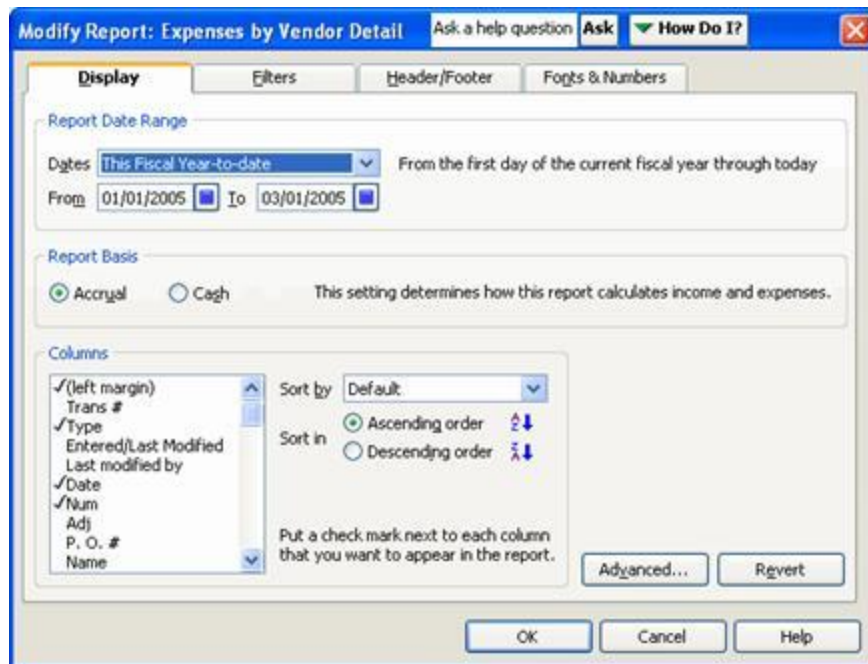
Ordinary Income/Expense	
Income	
Labor	4,252.00
Construction	
Subcontractors	8,832.38
Total Construction	8,832.38
Total Income	13,084.38
Gross Profit	13,084.38
Expense	
Job Expenses	
Equipment Rental	550.00
Job Materials	1,302.26
Total Job Expenses	1,852.26
Total Expense	1,852.26
Net Ordinary Income	11,232.12
Net Income	11,232.12

What you'll learn
 How much money did I make or lose over a specific period of time?

Provide "big business" benefits for your employees - learn how with QuickBooks Retirement Solutions!

2. Select the type of report to view a list of reports in that category. Then select a report from the list. A preview of the report is displayed on the right side of the window.
3. Select a date range for the report.
4. To customize the report, click the **Modify Report** button.

This opens the **Modify Report** dialog, which contains various options for the report you selected. For instance, you can select which columns to include in the report, select filters to limit the data included in the report, change the headers and footers and change the fonts used for column and row labels, data and other elements.



Make your selections and click **OK** to close the dialog.

5. Click **Display** to view the report in the Report window. Or, click **Print** to print a hard copy of the report.

Clicking **Excel** opens the report in Microsoft® Excel.

Closing Your Books for an Accounting Period

When you close your books at the end of an accounting period, you restrict access to transactions from prior accounting periods. To enter a closing date for your books:

1. From the **Edit** menu, select **Preferences**.
2. In the **Preferences** window, select the **Accounting** icon from the list on the left.
3. Select the **Company Preferences** tab.
4. Under **Closing Date**, enter the date through which you want your books closed.
5. To limit access to the closed period, click the **Set Password** button.
6. In the window that opens, enter a password and click **OK**.
7. Click **OK** to close the **Preferences** window.

Historical transactions are still visible, but the password is required in order to modify or delete any of the transactions, as well as to enter new transactions prior to the closing date.

