



Quick bucks

Alex Singleton shows how **Quicken SE 6** handles reciprocation and VAT returns.

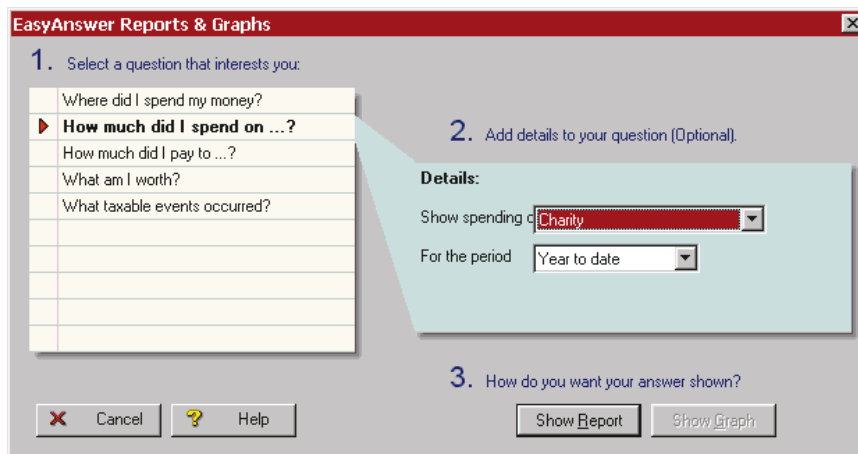
Last month, we provided a free copy of Quicken SE 6 on our cover CD. In the second part of our *Hands On Workshop*, amongst other things we're looking at two types of reciprocation from Quicken: how to print reports and charts; and, for small business users, how to get Quicken to prepare your VAT return form.

■ On report

Let's start with creating a report or graph. On Quicken's Activity Bar, there is an icon labelled 'Reports'. Move the pointer over this and a menu will appear, offering three options.

The first, 'Show me a Graph or Report of my Finances', offers the basics. On the left of the window that appears [Fig 1] all you do is choose one of the questions, type in the details on the right and select Show Report or Show Graph.

Back in the 'Reports' menu, the remaining two options allow the creation



▲ **FIG 1**
REPORTING, THE
EASY WAY

■ VAT matters

VAT-registered businesses have to charge VAT on their sales, which is then given to Customs and Excise minus the VAT paid on purchases. So how can Quicken be made to look after this?

When you create a new 'bank account', one of the questions you are asked is whether you want Quicken to 'track VAT' on the account.

Don't worry if you have already created an account

but only now wish to turn on VAT tracking. Move the mouse over 'My Accounts' on the Activity Bar and choose 'View All of My Accounts'. Now select the account and click on 'Edit' — this is not the Edit menu but a button below it — and choose 'Track VAT'. When you enter transactions into

your bank account Register, Quicken works out the VAT.

Let's say you have just placed an advertisement at £1,000 inc VAT. Enter the transaction as normal. You will find that once it has been entered, the category shows it to have been split. What Quicken does is to split the purchase into two parts: the net amount under a normal category of your choice, and the VAT element. Additionally, Quicken will allow you to alter the VAT amount manually. And it also remembers whether a particular company, from which you have bought goods or services, charges VAT on its products.

A complication arises if you do not use what is called a 'VAT cash accounting' scheme. This scheme works on the basis that VAT is due when money itself passes hands — so tracking VAT with an

ordinary bank account is perfect. However, most businesses use the 'accrual accounting' system, where VAT is due when an invoice is issued or received. Under this system, the transaction date you use in Quicken should not be the date on your bank statement but the date on the invoices you have issued or received.

For accrual accounting users, Intuit recommends that you do not enter transactions into an ordinary bank account

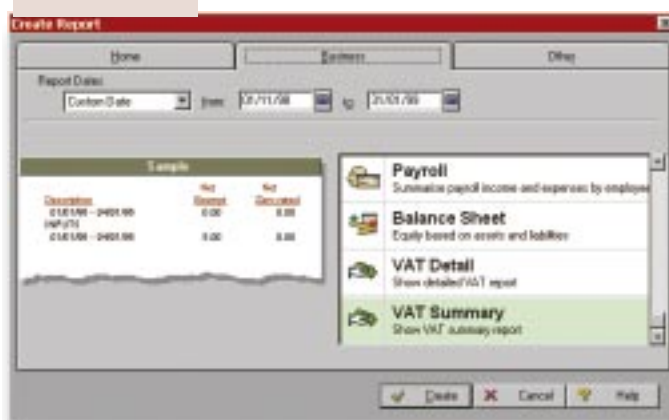
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of more complex reports and graphs. These include the VAT return reports, which we will look at later.

The great thing about Quicken's reports and graphs is that they are updated automatically so you can go back into the Register, enter some more transactions and, when you later look back, it will have been updated with the latest figures.

Each Quicken report or graph you produce is displayed in its own window, represented by a tab down the right-hand side of the screen, along with other Quicken windows such as Registers.

▼ **FIG 2**
CREATING A VAT
SUMMARY REPORT



register. Instead, when you issue an invoice, record the transaction in an Accounts Received account. Similarly, when you receive an invoice, tap it into an Accounts Payable account. Once money changes hands you should record the transaction as a transfer between your bank account and these accounts. However, you can get away with just typing them into your normal bank account and reconciling the invoices once they've been paid.

When it's time to send off a VAT return form we need to use Quicken's reporting facilities. Move the mouse over 'Reports' and choose Create Custom Report. From the 'Business' tab, choose 'VAT Summary' [Fig.2]. Type in the appropriate dates and press return. This produces a report with all the information needed to fill out the form [Fig 3].

■ Scheduling transactions

Scheduled transactions have a twofold purpose. First, they let Quicken warn you when you will soon need to pay a bill, so you can make sure you have enough to pay it. Secondly, they let Quicken automatically enter regular payments such as direct debits and standing orders. This means you don't have to repeatedly type in the same entries.

To schedule a transaction, move the pointer over 'Bills' in the Activity Bar and select 'Create a Standing Order'. In the display which appears, click New — this opens the window shown in Fig 4.

If you're entering a direct debit, does the amount vary? If so, type in an approximate amount. Choose 'Prompt before enter' from the pop-up menu at the bottom left of the window. Quicken will then give you the choice of altering the amount before it is entered.

If you want to be warned about the transaction in advance, exactly the same option should be selected. This is because if there is a scheduled transaction with 'Prompt before enter' selected, Quicken will let you know about it every time the program loads. Moreover, Quicken can go one step

Description	Net Exempt	Net Zero-rated	Net Standard	Net Total
OUTPUTS (Sales) 01/11/99 - 31/01/99	0.00	0.00	83,673.68	83,673.68
TOTAL OUTPUTS	0.00	0.00	83,673.68	83,673.68
INPUTS (Purchases) 01/11/99 - 31/01/99	0.00	0.00	31,435.78	31,435.78
TOTAL INPUTS	0.00	0.00	31,435.78	31,435.78

▲ FIG 3 THE VAT SUMMARY, GIVING ALL THE INFORMATION FOR FILLING OUT A VAT RETURN FORM

beyond this with 'Bill minder' which can remind you when you start Windows. If you don't like Billminder, the option to switch it off can be found by opening the Edit menu, choosing Options, Reminders.

■ Following your cash

Entering all the transactions from your bank account lets you track most of your expenditure but how do you check up on what's happening to your cash?

'Cash Withdrawal', enter the amount as £50 and choose 'Transfer to/from...' [Cash Account]' in the category field. Technically, this makes Quicken transfer £50 from your current to your cash account: in other words, money has gone from the cash machine to your wallet.

Now go into your cash account

Register (click on its tab at the bottom of the screen). Towards the foot of the

screen will be an 'ending balance' of £50 (plus any amount you said you had in cash when you created the cash account). If you enter a transaction for the value of your meal, the ending balance will decrease, telling you how much you had remaining in your wallet.

Clearly, tracking everything on which you spend cash can be time-consuming but you can always type in a single transaction in your cash account to represent,

say, a week's purchases. An alternative to using a cash account is simply to enter cash withdrawals as an ordinary expense and split the category between the items on which the cash has been spent.

▲ FIG 4 SCHEDULING A TRANSACTION

Let's say you withdraw £50 from the cash machine and from that you spend £30 in a restaurant. What you need to do is to create a new bank account but one which represents your wallet instead of an actual bank.

Set up an account selecting 'Cash' as the type of account. Now, in your current account Register enter the withdrawal as a normal transaction. Type something meaningful in the payee field such as

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