



*QUICKBOOKS 2017 STUDENT GUIDE*

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## **Lesson 1**

### **Getting Started**

**intuit.**

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## Lesson Objectives

- ◆ Learn how to navigate QuickBooks
- ◆ Learn the foundation of how QuickBooks works and how you can get around in QuickBooks
- ◆ Learn common business terms used by QuickBooks
- ◆ Learn how to use the QuickBooks Help tools
- ◆ Learn how to exit QuickBooks

# Navigating QuickBooks

There are several ways to get around QuickBooks. You can choose the navigation method that works for your personal working style. The three main ways to navigate are:

- Home Page
- Menu Options
- Icon Bars

## Home Page

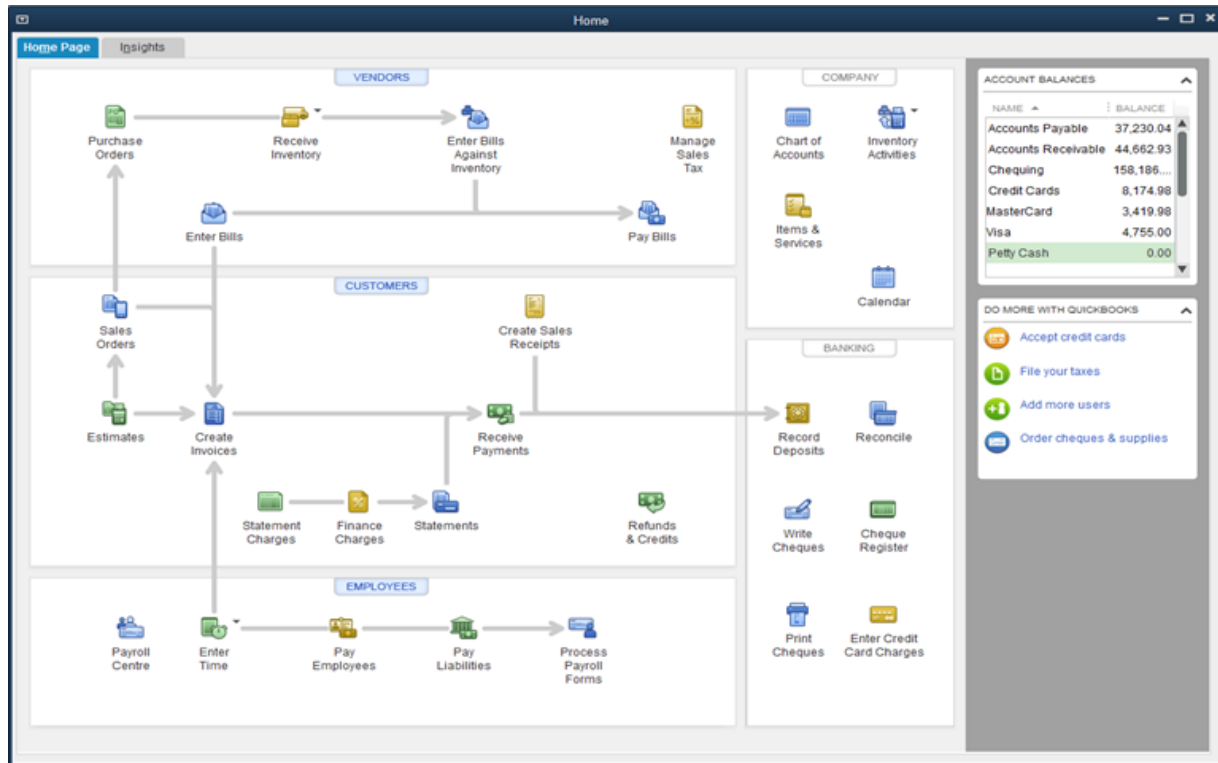
The tasks and workflows shown on the Home page reflect how you use QuickBooks to run your business. Over time, your business needs or practices might change. If they do, you can change the Home page so that the tasks and workflows match your current business model.

The Home Page is organized into two different tabs:

- Home Page – organized into 5 workflows; **Vendors, Customers, Employees, Company** and **Banking**.
- Insights

To work with the **Home Page**

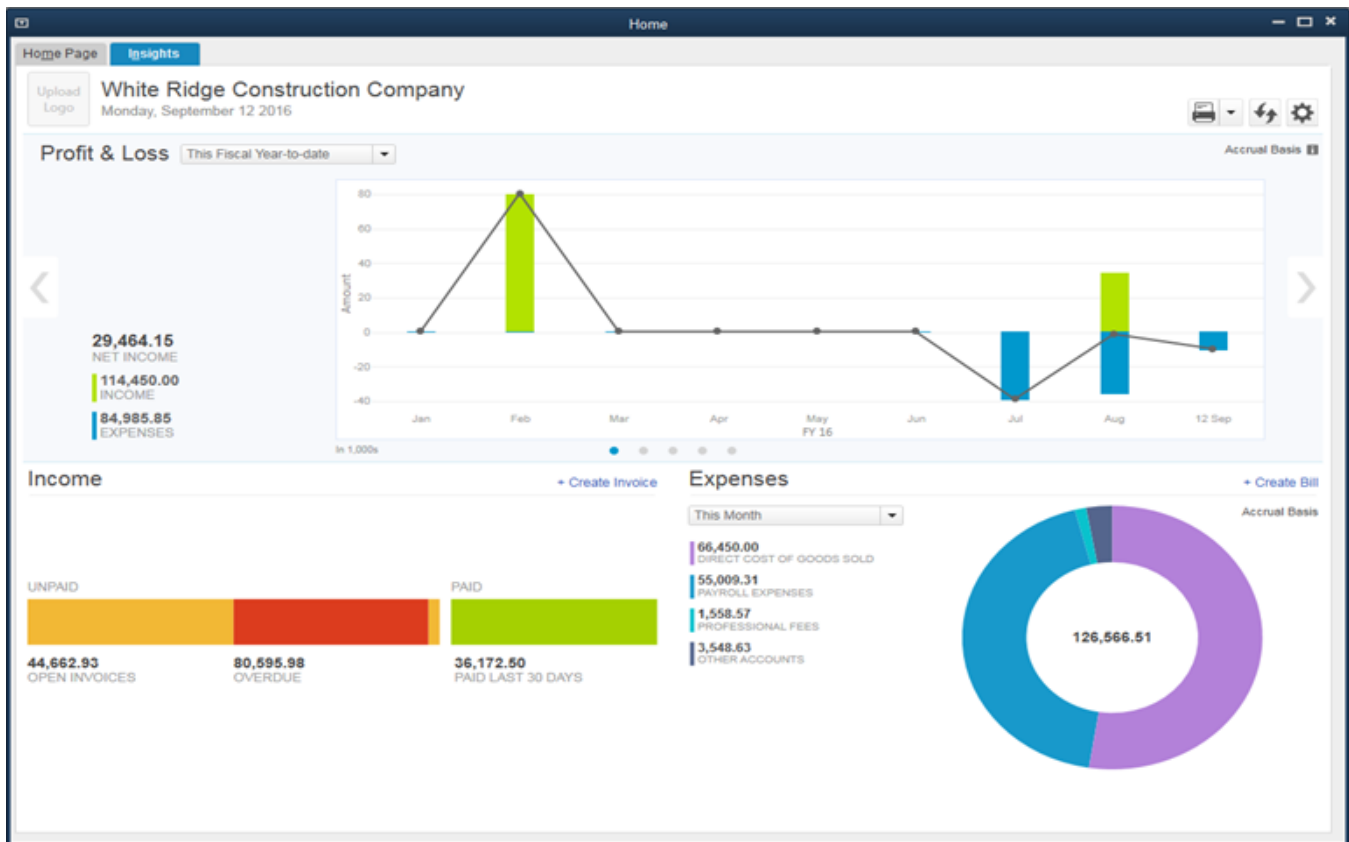
1. Click the Home Page tab.
2. Click any icon in the workflows to navigate to the transaction or task.
3. Double click any Account Balance to view account information.



## To work with the **Insights Page**

Use Home Page Insights to see how your business is doing at a glance.

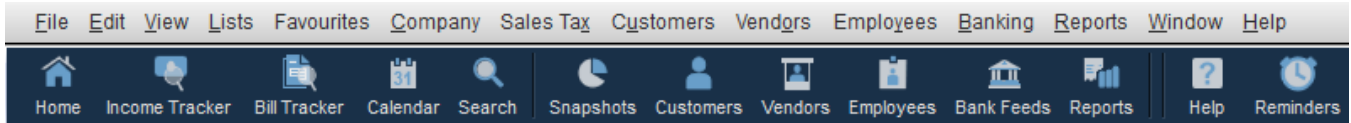
1. Click the **Insights** tab
2. Click any graph to view a detailed report.
3. Click the icons in the top-right corner to Print or Save as .pdf or to customize the information on the page.



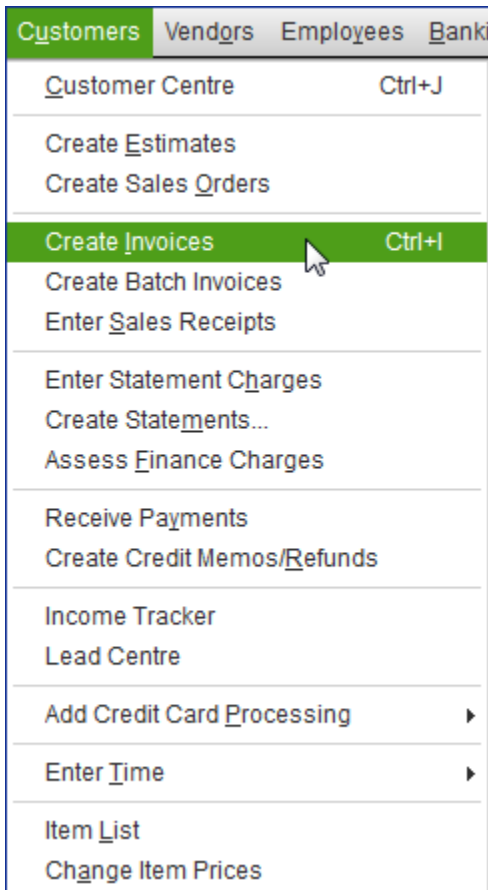
## Menu Options

Use the menu options to quickly access up transactions and tasks in QuickBooks. QuickBooks menu options are organized into common workflows similar to the Home Page.

1. Click a menu to display the options available under each category.



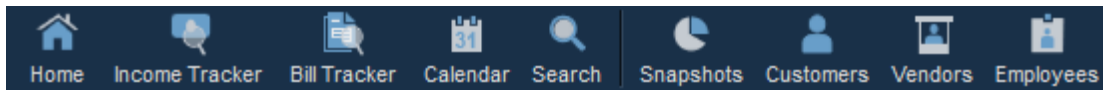
2. Choose an option from the chosen menu.



## Icon Bar

The Icon Bar contains shortcuts to the tasks and reports you use most. You can place the Icon Bar to the left of the QuickBooks desktop or above it. We recommend using the Left Icon Bar because it offers more power and versatility.

Click any icon to view the list, transaction or task in QuickBooks. You can





# Using Lists

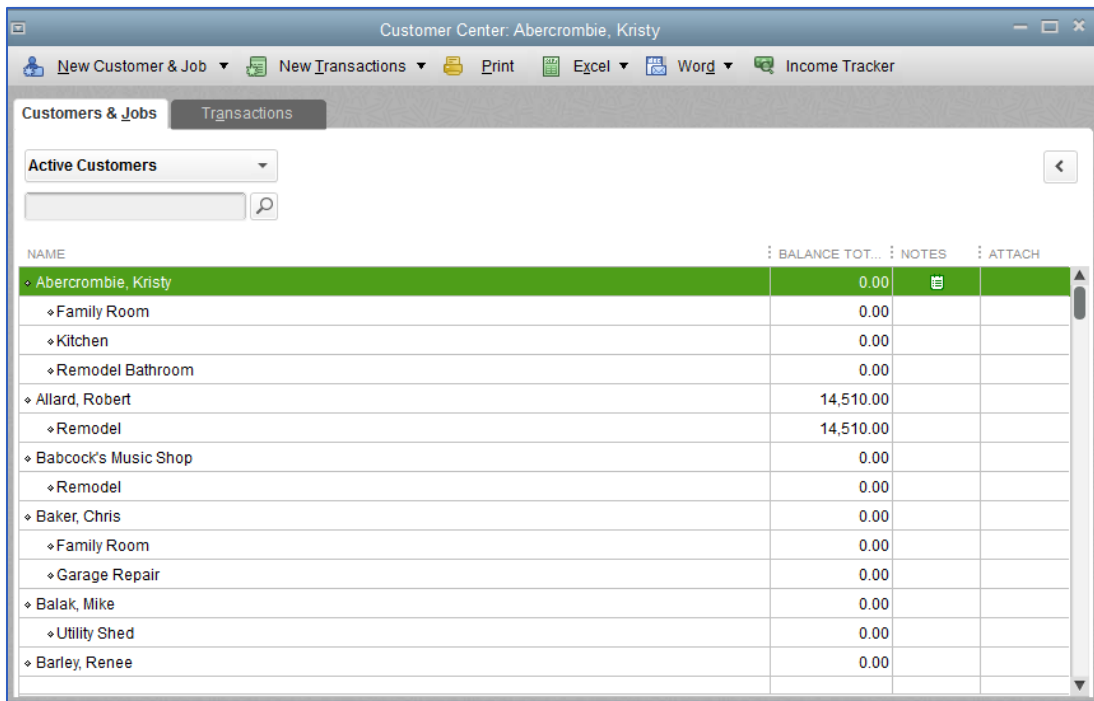
The list is another basic QuickBooks feature. You fill out most QuickBooks forms by selecting entries from a list.

**Notice in the Enter Bills window above the information in the Vendor, Terms, Account, and Customer/Job fields is pulled from lists.**

QuickBooks has lists where you can store information about customers, vendors, employees, items or services you sell and so on. Lists save you time and help you enter information consistently and correctly.

When you're filling out an invoice form and you select a customer name from the Customer/Job list, QuickBooks not only fills in the name but also fills in the address, the payment terms and the customer's sales tax, based on the information previously entered about that customer.

Here's an example of the Customers & Jobs list in the Customer Center. You can customize columns in the list by right clicking on a column header and choosing **Customize Columns**.



## NOTES

# Using Forms

You record most of your daily business transactions on a QuickBooks form, which looks just like a paper form. Here's an example of the form you use when you want to record a bill from and one of your vendors.

The screenshot shows the 'Enter Bills' window in QuickBooks. The main form is titled 'Bill' and is for 'Roger's and Company CA's'. The vendor name is selected in a dropdown menu. The address is '320 Croydon Ave. Vancouver, BC V5J 6T5'. The date is '11/14/2016' and the bill due date is '11/24/2016'. The amount due is '450.00'. The terms are set to a dropdown menu. The memo field is empty. Below the main form, there is a table for 'Expenses' with a total of '\$428.57' and 'Items' with a total of '\$0.00'. The table has columns for 'ACCOUNT', 'TAX', 'AMOUNT', 'M.', 'CUSTOMER...', and 'BILLAB...'. The first row is 'Professional Fees;Accounting' with a tax of 'G' and an amount of '428.57'. Below the table, there is a 'VENDOR TAX CODE' dropdown and a 'GST (ITC) 5.0%' field with a value of '21.43' and an 'Edit' button. At the bottom, there are three buttons: 'Save & Close', 'Save & New', and 'Revert'. On the right side, there is a sidebar for 'Roger's and Company CA's' with tabs for 'Vendor' and 'Transaction'. The 'SUMMARY' section shows 'Phone 604 613-6131', 'Open balance 900.00', and 'POs to be received 0'. The 'RECENT TRANSACTION' section shows a list of transactions: '06/14/17 Bill - Paid 450.00', '05/15/17 Cheque 900.00', '05/14/17 Bill - Paid 450.00', '04/14/17 Bill - Paid 450.00', and '03/18/17 Cheque 450.00'. There is also a 'NOTES' section at the bottom of the sidebar.



## NOTES

## All the Accounting You Need to Know

### About the chart of accounts:

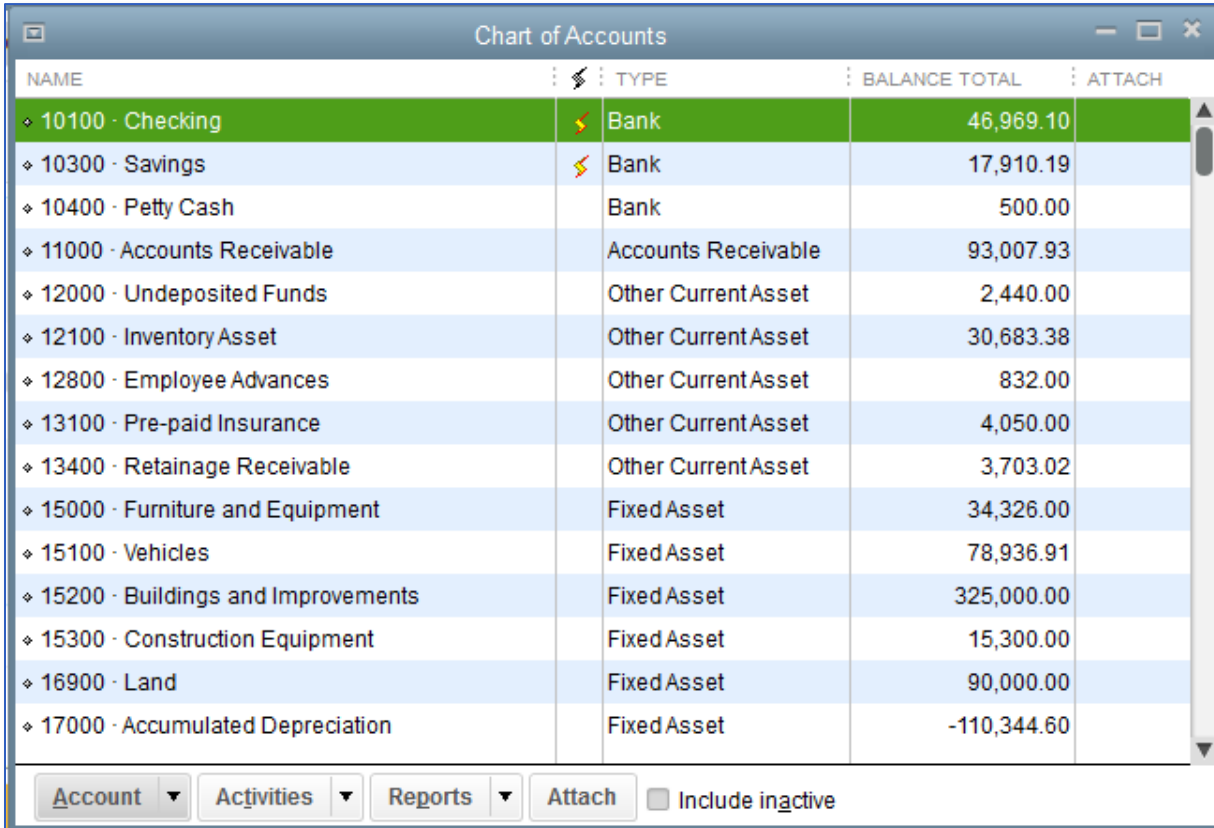
#### Chart of Accounts

- The Chart of Accounts is a complete list of your business' accounts and their balances
- An account is a tracking category for your businesses assets, liabilities, income and expenses

#### When you keep books for a company, you want to track

- Where the income comes from
- Where your money goes
- What the expenses are for
- And what you use to pay them

#### You track this flow of money through the Chart of Accounts



NAME	TYPE	BALANCE TOTAL	ATTACH
10100 - Checking	Bank	46,969.10	
10300 - Savings	Bank	17,910.19	
10400 - Petty Cash	Bank	500.00	
11000 - Accounts Receivable	Accounts Receivable	93,007.93	
12000 - Undeposited Funds	Other Current Asset	2,440.00	
12100 - Inventory Asset	Other Current Asset	30,683.38	
12800 - Employee Advances	Other Current Asset	832.00	
13100 - Pre-paid Insurance	Other Current Asset	4,050.00	
13400 - Retainage Receivable	Other Current Asset	3,703.02	
15000 - Furniture and Equipment	Fixed Asset	34,326.00	
15100 - Vehicles	Fixed Asset	78,936.91	
15200 - Buildings and Improvements	Fixed Asset	325,000.00	
15300 - Construction Equipment	Fixed Asset	15,300.00	
16900 - Land	Fixed Asset	90,000.00	
17000 - Accumulated Depreciation	Fixed Asset	-110,344.60	

Account Activities Reports Attach  Include inactive

## About assets, liabilities and equity:

### Assets

- Include both what you own and what other people owe you
- The money people owe you from outstanding invoices is called your Accounts Receivable or A/R for short. QuickBooks uses an Accounts Receivable account to track the money owed you from invoices and you may have additional Notes Receivable if the business has issued loans that are due for repayment.
- The rest of your company's assets may include chequing accounts, savings accounts, petty cash, fixed assets (such as equipment or trucks), inventory and undeposited funds (money you've received from customers but haven't yet deposited in the bank).

### Liabilities

- What your company owes to other people or businesses
- The money you owe for unpaid bills is your Accounts Payable or A/P for short. QuickBooks uses an Accounts Payable account to track the money you owe different people for outstanding bills.
- A liability can be a formal loan, an unpaid bill, or sales and payroll taxes you owe to the government. When setting up your company file in QuickBooks note even though unpaid bills are liabilities, they will be set up as Accounts Payable type accounts in QuickBooks.

### Equity

- Equity is the difference between what you have (your assets) and what you owe (your liabilities):  
Equity = Assets – Liabilities

## Cash versus accrual bookkeeping:

### Cash basis

- Income is recorded when money (sales) is received and expenses when money (bills) is paid

### Accrual basis

- Income is recorded at the time of the sale and expenses when you receive the bill

**NOTE:** When you create reports in QuickBooks you can switch between cash and accrual reports at any time, regardless of which bookkeeping method you have chosen for tax purposes.

### Measuring business profitability:

- ◆ **The Balance Sheet** — a snapshot of your company on one date. It shows
  - What your business has (assets)
  - What people owe your business (accounts receivable)
  - What your business owes (liabilities and accounts payable)
- ◆ The net worth of your business (equity)
  - The profit and loss statement
- ◆ A Profit and Loss statement or Income Statement shows income, expenses and net profit or loss
  - Statement of cash flows
- ◆ Shows receipts and payments during a specific accounting period

### General Journal transactions:

- ◆ Traditional accounting method
- ◆ Known as double-entry accounting
- ◆ Total amount in the Debit column equals the total amount in the Credit column
- ◆ Each amount is assigned to an account in the Chart of Accounts
- ◆ To view the journal entry for a transaction, select the transaction and press **Ctrl-Y** or from the **Reports** tab in the **Transaction** window click on **Transaction Journal**
- ◆ Modify the report and choose to display the **Credit** and **Debit** columns

Transaction Journal

Rock Castle Construction  
Transaction Journal  
All Transactions

Trans #	Type	Date	Num	Name	Memo	Item	Item Description	Account	Class	Sales Price	Debit	Credit
1064	Invoice	12/10/2019	1091	Abercrombie, Kris...				11000 - Accounts...	Remodel		4,522.00	
				Abercrombie, Kris...	Framing labor	Framing...	Framing labor	40130 - Labor Inco...	Remodel	71.50		1,144.00
				Abercrombie, Kris...	Installation la...	Installati...	Installation labor	40130 - Labor Inco...	Remodel	45.50		546.00
				Abercrombie, Kris...	Removal labor	Remova...	Removal labor	40130 - Labor Inco...	Remodel	45.50		728.00
				Abercrombie, Kris...	Install tile or ...	Subs:Til...	Install tile or counter	40150 - Subcontra...	Remodel	825.00		825.00
				Abercrombie, Kris...	Electrical wo...	Subs:Ele...	Electrical work	40150 - Subcontra...	Remodel	275.00		275.00
				Abercrombie, Kris...	Painting	Subs:Pa...	Painting	40150 - Subcontra...	Remodel	154.00		154.00
				Abercrombie, Kris...	Plumbing	Subs:Plu...	Plumbing	40150 - Subcontra...	Remodel	550.00		550.00
				Abercrombie, Kris...	Whirlpool bath	Plumb F...	Plumbing fixtures	40140 - Materials L...	Remodel	660.00	0.00	
				Abercrombie, Kris...	Toilet	Plumb F...	Plumbing fixtures	40140 - Materials L...	Remodel	374.00	0.00	
				Abercrombie, Kris...	Sink	Plumb F...	Plumbing fixtures	40140 - Materials L...	Remodel	181.50	0.00	
				Abercrombie, Kris...	Glass door f...	Plumb F...	Plumbing fixtures	40140 - Materials L...	Remodel	137.50	0.00	
				Abercrombie, Kris...	Equipment R...	Equip Re...	Equipment Rental	40130 - Labor Inco...	Remodel	300.00		300.00
				State Board of Equ...	CA sales tax...	San Tom...	CA sales tax, San...	25500 - Sales Tax...	Remodel	7.75%	0.00	
<b>TOTAL</b>											<b>4,522.00</b>	<b>4,522.00</b>



NOTES

## Getting Help While Using QuickBooks

QuickBooks provides extensive help in various formats. When you have questions QuickBooks provides:

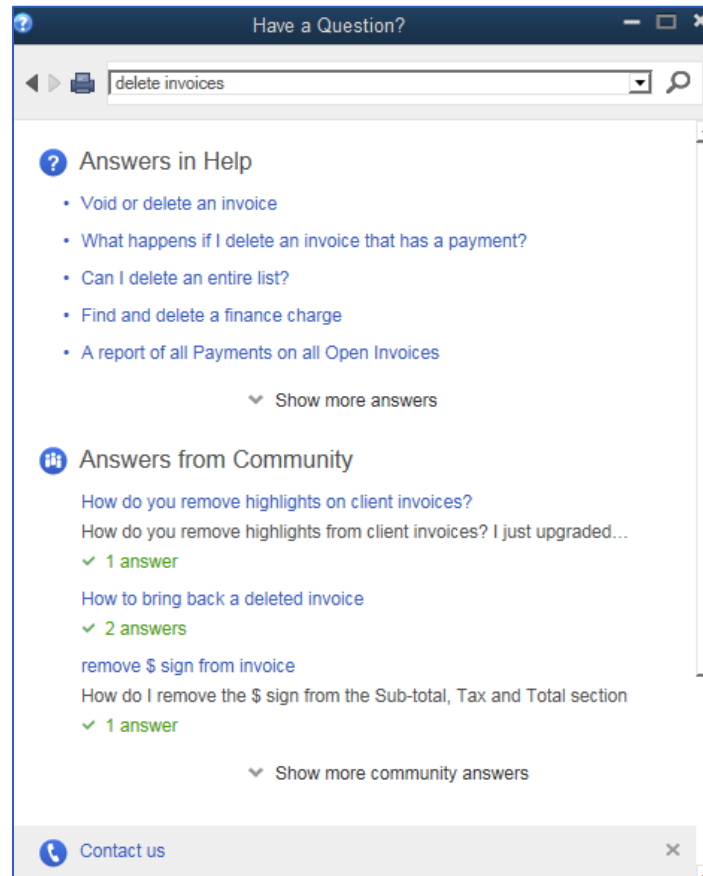
- ◆ Onscreen Help to provide conceptual information and step-by-step instructions
- ◆ Tutorials on key tasks. These are available by choosing **Learning Center Tutorials** from the **Help** menu.
- ◆ Community forum to provide instant access to frequently asked questions and experts who can answer your own questions

The onscreen Help provides several different types of information.

- ◆ Conceptual explanations of how to apply QuickBooks to your particular business situation
- ◆ Step-by-step instructions
- ◆ A search engine that provides you with a list of topics related to the word or phrase you enter
- ◆ Information relevant to the task you are currently performing
- ◆ Access to Community forums where you can exchange information with QuickBooks experts

## To find a topic in onscreen Help:

1. Press **F1** or from the **Help** menu choose **QuickBooks Help**. This brings up the **Have a Question?** window.
2. In the Have a Question window use the search box to type in a full questions or keywords. QuickBooks displays a list of help of help articles and community forum answers.



## NOTES



## Exiting QuickBooks

Unlike most other Windows programs, QuickBooks doesn't require you to save your data before exiting. It saves the information as you enter transactions in QuickBooks (after every transaction is created, changed or deleted) and every time you leave the program.

◆ To exit QuickBooks, go to the **File** menu and click **Exit**

To prevent or minimize data loss, you should make regular backup copies of your QuickBooks company data. In the event of a data loss you can restore your data from the backup copy.

◆ To make a backup copy, from the **File** menu click **Back Up Company**. A copy is a complete copy of your data file that is intended to be restored in the case that you're working file is compromised. It is best practice to store your backups on a different drive than your working file.



### NOTES

## Review Activities

1. From the File menu in QuickBooks, choose Open or Restore Company. QuickBooks displays the Open or Restore Company window.
2. Select Restore a backup copy and click Next.
3. Select Local backup and click Next.
4. In the Open Backup Copy window, navigate to the appropriate directory.
5. Select the qblesson.qbb file, and then click Open.
6. In the Open or Restore Company window, click Next.
7. Navigate to your directory.
8. In the File Name field of the Save Company File As window, type Lesson1 and then click Save.
9. Click OK when you see the message that the file has been successfully restored.

1. Use the QuickBooks View Menu to do the following:
  - a. Turn on the Left Icon Bar
  - b. Customize the Icon Bar to include only 3 items; Home, Create Invoices, and Make Deposits
  - c. Open the "Open Window List"
2. Using the Help feature look for information about Fixed Assets. Describe the best way to create a fixed asset in QuickBooks.

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3. List the two main ways you enter data in QuickBooks.

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4. List the three primary ways to navigate QuickBooks.

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5. Which of the following would you not include in the Chart of Accounts?
  - a. Chequing account
  - b. Vendor record
  - c. Depreciation expense
  - d. Accounts payable
6. Which of the following is an asset?
  - a. Accounts Payable

- b. Accounts Receivable
  - c. Company delivery van
  - d. Both a and b
  - e. Both b and c
7. Chequing, savings and petty cash should be set up as which of the following account types in QuickBooks?
- a. Expense
  - b. Other current asset
  - c. Bank
  - d. Equity

8. Which of the following best describes a balance sheet?
- a. A summary of a company's finances over the past year
  - b. A financial snapshot of a company at a specific point in time
  - c. A summary of a company's revenue and expenses for a fiscal year
  - d. None of the above

## Answers to Review Activities

1. See Answers below:
  - a. Click View > Left Icon Bar
  - b. Click View > Customize Icon Bar > Click Delete to remove all icons except Home, Create Invoices, and Make Deposits. (Some students may need to add one or more of these items by clicking Add...)
2. Click Help > Search > Type Fixed Assets > View topic "Create Fixed Asset Items"
3. List the two main ways you enter data in QuickBooks.  
*Forms and Lists*
4. List three ways to access features in QuickBooks.  
*Menu bar, Icon Bar, Home page*
5. Which of the following would you not include in the Chart of Accounts?
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  - d. None of the above