Intuit® Academy

Getting Your Client Started: Setting Up and Customising Data Files

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ABOUT THE AUTHOR

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Rosalyn Hodgson is the founder and owner of BCAMS Limited – Accounting & Finance based in High Wycombe, Bucks. She is an accountant with over 25 years' experience in industry, commerce and private practice. A Certified Proadvisor in QuickBooks Desktop and QuickBooks Online. Ros was the founder member of Intuits Accounting Professional Trainers Group and has trained accounting professionals across the UK

Ros is a frequent contributor to Intuit roadshows and public events, and has been a featured speaker at Intuit conferences all over the UK, in person and via webinar. She was the resident internal trainer for the Intuit UK care teams for both the Desktop and Online products.

In addition, she has written and presented educational material for Start-up Britain on behalf of Intuit. Her company's clients hail from all industries in a number of countries, and they rely on QuickBooks to run their practice and maintain client management.

BCAMS Limited provides accounting, training, QB set-up & configuration, speaking and writing for clients worldwide.

GETTING YOUR CLIENT STARTED

As ProAdvisors, one of the most marketable services we can promote is that of setting clients up on QuickBooks. When the client company is a new business, it is all very straightforward, and we can start entering all transactions and names as we need them, as they occur. Everything starts at zero.

More often than not, however, the enterprise is one that has been in existence for some time and we are not going to enter all transactions going back to the beginning of time for this entity. Chances are that the company had been using some method of tracking their accounting transactions, whether it's another accounting software package, a spreadsheet, or a manual system that has served them until now. Perhaps they are using a combination of systems cobbled together.

QuickBooks is simple enough to use so that the client could start posting transactions such as cheques and invoices almost immediately. However, in existing companies in which QuickBooks is just being implemented, none of the resulting financial statements or reports (such as Balance Sheet, Profit & Loss, Accounts Receivable and Accounts Payable reports) will be correct, because none of the old information has been brought into the new QuickBooks data file.

Since it is usually not feasible to go back to the beginning of a company's life and enter every transaction from "day one," it is most prudent to choose a conversion or **Start date** at which to begin using QuickBooks with the company data file properly populated with correct information (list names, balances, etc.) as if QuickBooks had been used since the beginning of time.

Essentially, a QuickBooks company data file is composed of lists (chart of accounts, customer list, supplier list, items, etc.), transactions (with amounts and balances), and reports (such as the Balance Sheet). To bring these lists and historical account balances from the old system previously used into QuickBooks, you need a methodical step-by-step plan. Follow these basic steps to convert your clients.

The following list categorises the steps as either **Must Do (immediate)**, **Should Do (eventually)**, **or Nice to Do (if you're advanced and you can do it)**. The list includes steps that may not apply to every type of company. Nevertheless, you will find your situation covered among these steps (and detailed instructions follow in the Appendices).

MUST DO: DECIDE ON A START DATE

On which date to begin using QuickBooks for recording daily transactions.

- For new companies, this is easy: select the day before any transactions would take place

- For existing companies, you have some considerations to take into account because you have options

    o Ideally, the Start Date should be a financial year-end. Therefore, it would be best to start preparing for the conversion before the year-end date so that the live transactions can be entered only once, into QuickBooks, rather than entered twice (into an old system and then re-entered into QuickBooks. If you have to start at the last financial year-end, and it was 10 months ago, that would mean 10 months of transactions to re-enter. In that case, it might be best to wait the additional two months and convert at that point.) Most of this guide will focus mainly on the year-end Start Date. Remember that the Start Date should be the last day of the prior financial period, not the first day of the new financial period. You don't want live current year transactions to distort the trial balance from the previous year. For example, if the financial year end is 31 December 2014, use that date as the Start Date for entering the opening trial balance entries, rather than 1 January 2015.

    o If, however, the client is adamant and wishes to convert at some point during the course of the financial year, as in the example above, it's a little messy (both for the conversion and for the accountant who must collect information from two sources to report the financials for that year), but it can be done (see Appendix D: Entering Opening Account Balances for entering mid-year financials).

SHOULD DO: FOR EXISTING COMPANIES

Record all the transactions up to and including the Start Date in the old system.

- If possible, perform bank (as well as credit card and loan account) reconciliations for the last month up to the Start Date. This will mean that Start Date balances as accurate as possible will be entered into QuickBooks, and this will minimise the need to adjust numbers after the conversion.

SHOULD DO: FOR EXISTING COMPANIES

Print hard copy reports of balances as of the Start Date.

- Print out all the reports that you can from the old system as of the Start Date. (Even if they are only preliminary reports, print them as you will be able to make changes after the final trial balance is produced.)

  - Trial Balance
  - Balance Sheet
  - Accounts Receivable Detail, in the form of a list of open customer invoices and credit memos, with the outstanding balance on each. (Nice to Do: If applicable, produce a printout of all open estimates provided to customers and unfulfilled incoming sales orders.)
  - Accounts Payable Detail, in the form of a list of open supplier bills and credits, with the outstanding balance on each. (Nice to Do: If applicable, produce a printout of all unfulfilled purchase orders provided to suppliers.)
  - Bank and credit card reconciliation reports for the last month up to and including the Start Date. This would include a list of outstanding cheques and deposits (or charges and payments) for each account.
  - Stock sub-ledgers (quantities, unit costs and selling prices, and total values). This would be an ideal time to conduct a physical stock take.
  - **Nice to Do: obtain one or more graphic logos** if you want any logos to appear in your invoices, credit memos, or other forms. Know where those logos reside on your computer or network.
  - **Nice to Do: Profit & Loss** for the financial year ending in the Start Date. Then you can enter a total P&L for the year or 12 P&L's for each month later on if comparison reporting is required.
  - **Should Do (for mid-year Start Dates):** year-to-date P&L. **Nice to Do:** year-to-date P&L by month if monthly comparatives will be required)
  - **Should Do: obtain soft copies** (digital listings, usually in spreadsheet format) of the various lists in the old system, so that there is a separate row for each name on a list with the columns housing the various information fields for each name. There should be a separate worksheet for each separate list (suppliers, customers, chart of accounts, items).

MUST DO: GATHER COMPANY INFORMATION

Relevant company information is listed below.

- **Must Do:** Company Name, Industry (choose "Other/None" if you want to create your own chart of accounts rather than have QuickBooks create one for you), and Company Type (sole trader, partnership, etc.)

- **Should Do:** Address, VAT Registration Number and Business Number

- **Should Do:** Payroll Information (if applicable) such as PAYE Reference Number, Contracting-Out Number, and the Tax Office Name

- **Must Do:** First Month of the Financial Year and the Tax Year

- Payroll information including receivables by employee if there are outstanding employee advances

- Detailed Loan Information

- VAT Rates and a copy of the latest VAT Return

- QuickBooks Usernames and Passwords you wish to establish

- **Nice to Do:** Fixed Asset Information

MUST DO: CREATE A NEW COMPANY DATA FILE IN QUICKBOOKS
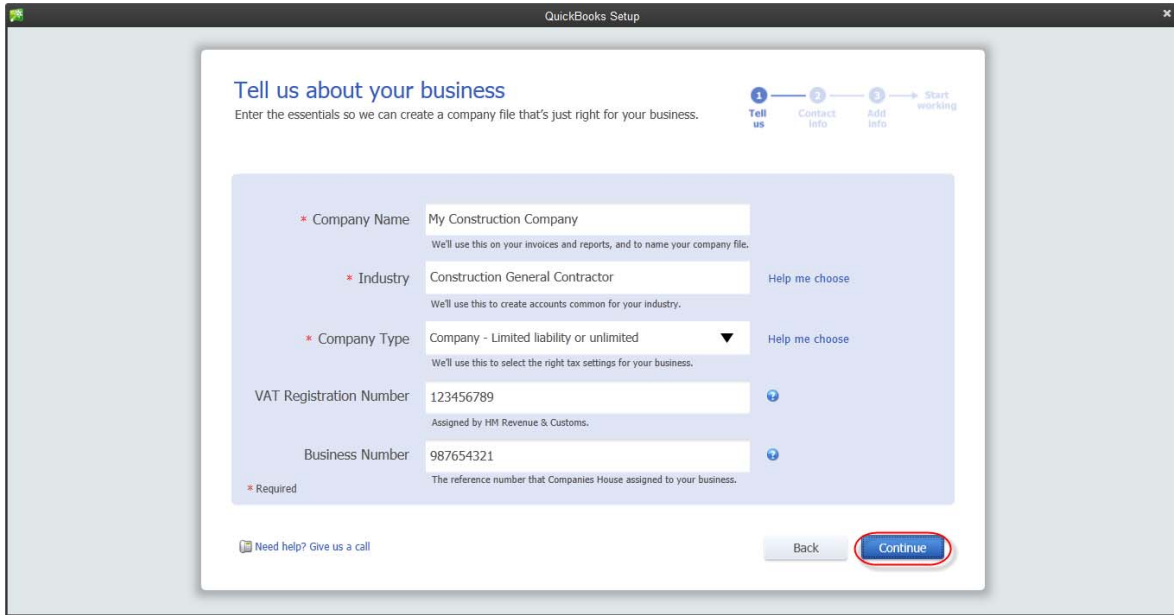
Use one of the following two methods.

Use the Express Start

New users might choose the Express Start option to create a company file from scratch, enabling them to start using QuickBooks within three steps.

1. They would access this abbreviated company setup tool by selecting **File** > **New Company** > **Express Start**. While this creates the company file rapidly, this option does leave out important information which will eventually have to be filled in by you, the accounting professional. One example is that the Express Start method does not allow you to choose that you buy, sell, or track stock. Therefore, when the time comes to import items, there is no option available to import Inventory items (only Service and Non-Stock items).

NOTE: If you select **Other/None** in the Company Type field, a very short skeleton Chart of Accounts will be generated. You may then create other accounts on the Chart of Accounts one at a time as you require them. If you wish to import a full Chart of Accounts previously created or used in another software system this can be done later and you will be shown how to do this ~~is not an option to import accounts on the Chart of Accounts from a spreadsheet (although Customers, Suppliers and Items may be imported from a spreadsheet at any time). If you wish to import general ledger accounts (rather than enter them manually one by one) later on, you will be required to use the techniques to save time described in~~ Appendix G: ~~Advanced Techniques to Save Time~~.

2. You will now encounter the **add your info** window. At this point, you may enter more information by selecting the area (people with whom you do business, products and services you sell, bank accounts) in the window below. However, you are not required to enter any of the information via this window. You may select **Start Working** and then enter the information later (either one list name at a time or by importing lists, which will be covered in the next step) when it is convenient for you.
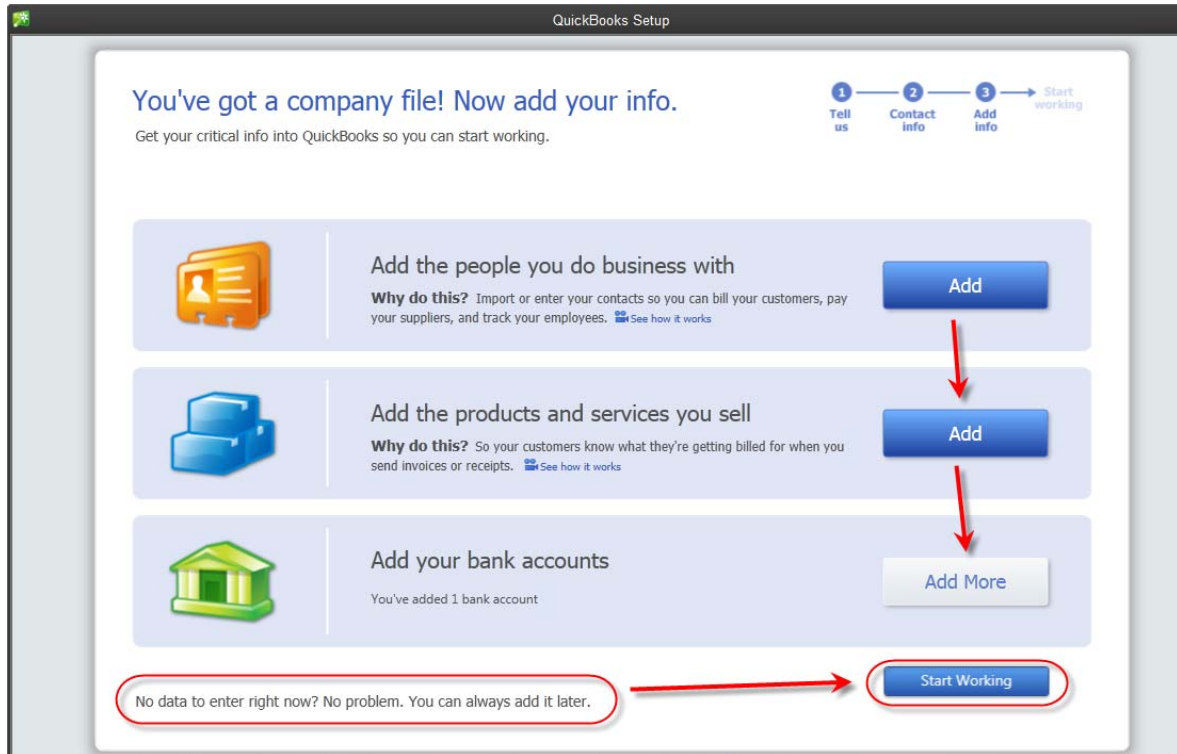
Use the EasyStep Interview

QuickBooks also provides a more involved process known as the EasyStep Interview when creating a new data file for a company. Although it requires more than three steps, this method does populate the QuickBooks data file with more company information that would eventually be required anyway.

1. Access this interview by selecting **File** > **New Company** > **Detailed Start.**
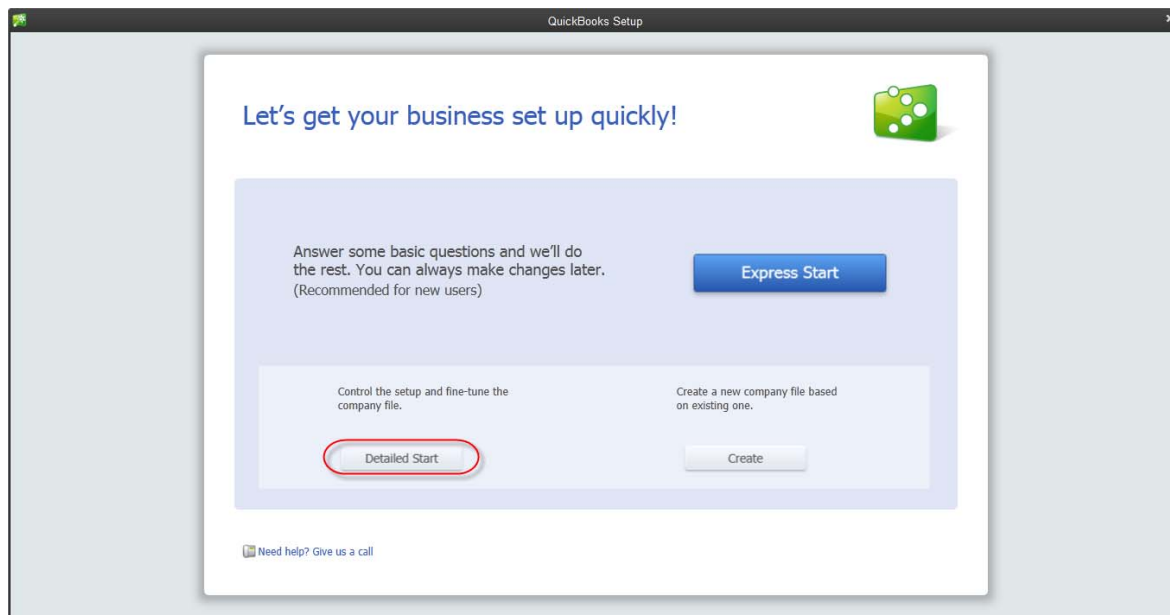
2. This wizard guides a user through a series of choices and options pertinent to establishing a company's financial records in QuickBooks.

The EasyStep Interview is organised into various sections. These sections assist users in:

- Recording basic information such as company name and address, preferences, and a start date,

- Selecting the closest Industry type from the drop-down list, this will generate general ledger accounts in the Chart of Accounts based on the selection made. If there is no industry listed that is close enough to the one required then by selected either General Product based or Genera; Service based company a full standard Chart of Accounts will be created and individual accounts can be added, deleted or made inactive later on.

- Confirming the correct legal entity for the business, this will also affect the type of equity accounts that are created for example such as partnership accounts and members equity accounts.

- Setting the first month in the financial year. QuickBooks will use this information in the calculation of profit for each financial period and in any reports where the financial year is chosen to measure results.

- Choosing an Administrators password. This is optional but is recommended where there is more than one user as the administrator user has permission levels to add additional users, update preferences & grant access to third party applications as well as many other rights. This level of access should be protected if possible.

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-   Defining whether the company is a service-based, product-based business or both.

-   Set-up VAT including entering the registration number & date. QuickBooks supports Standard and Flat Rate VAT on both a cash and accrual basis, this can be selected here.

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3. If you choose to leave the EasyStep Interview even after the step in which the company file is created, you will be notified that this interview will continue the next time you open this company file.
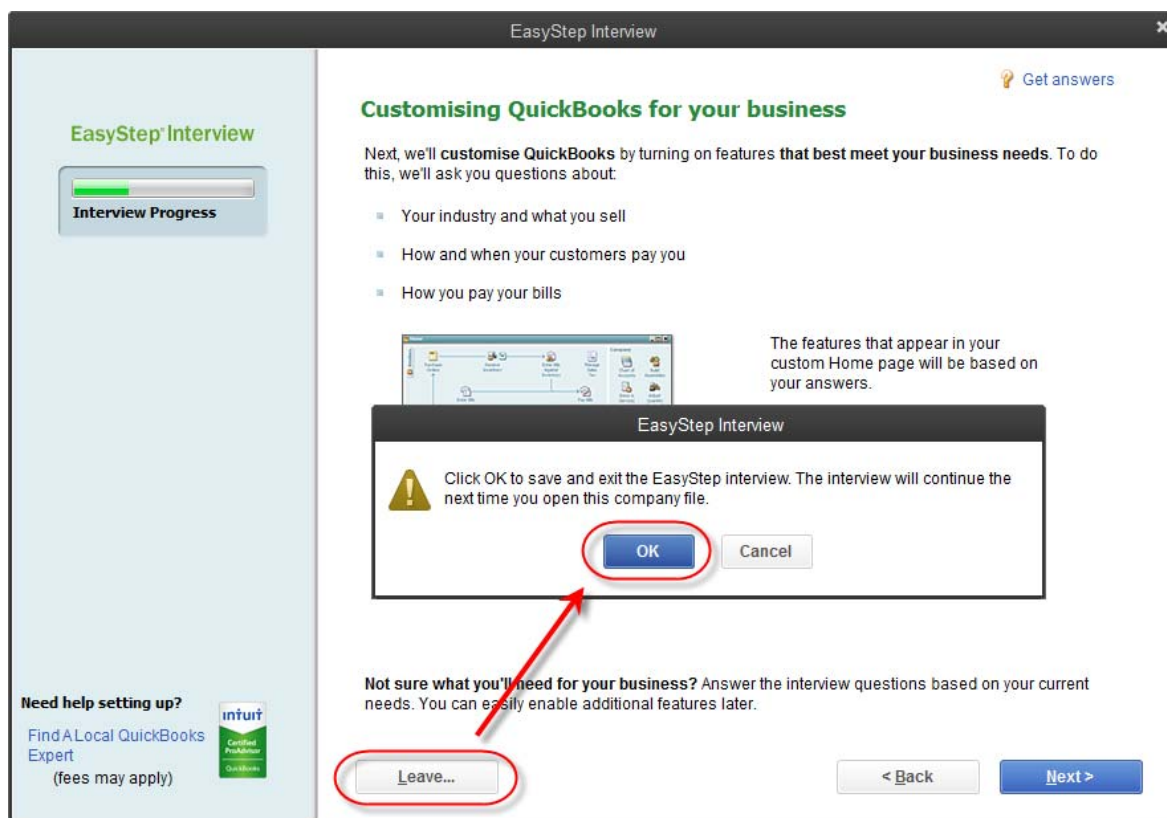
4. The next screen capture shows the continuation of the EasyStep Interview after opening the company file again.
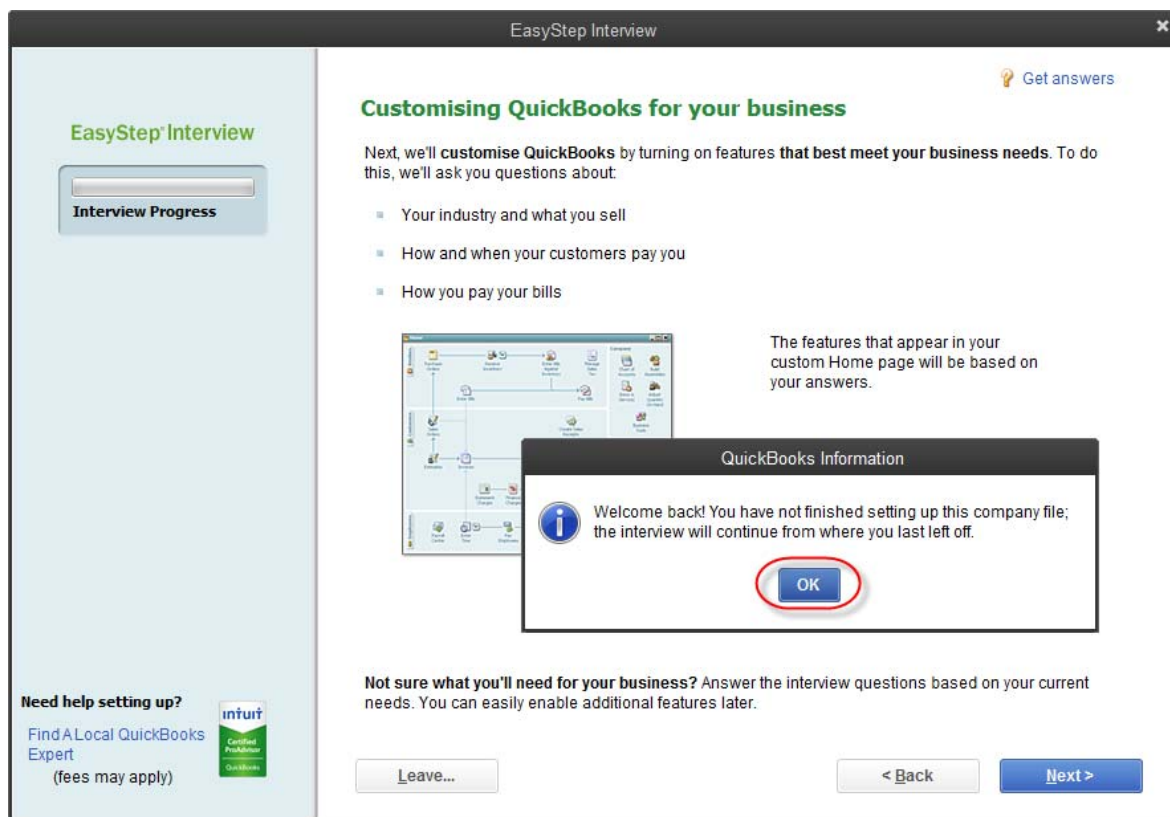
When all the questions in the EasyStep Interview have been answered, you will see a window indicating that the interview has been completed.
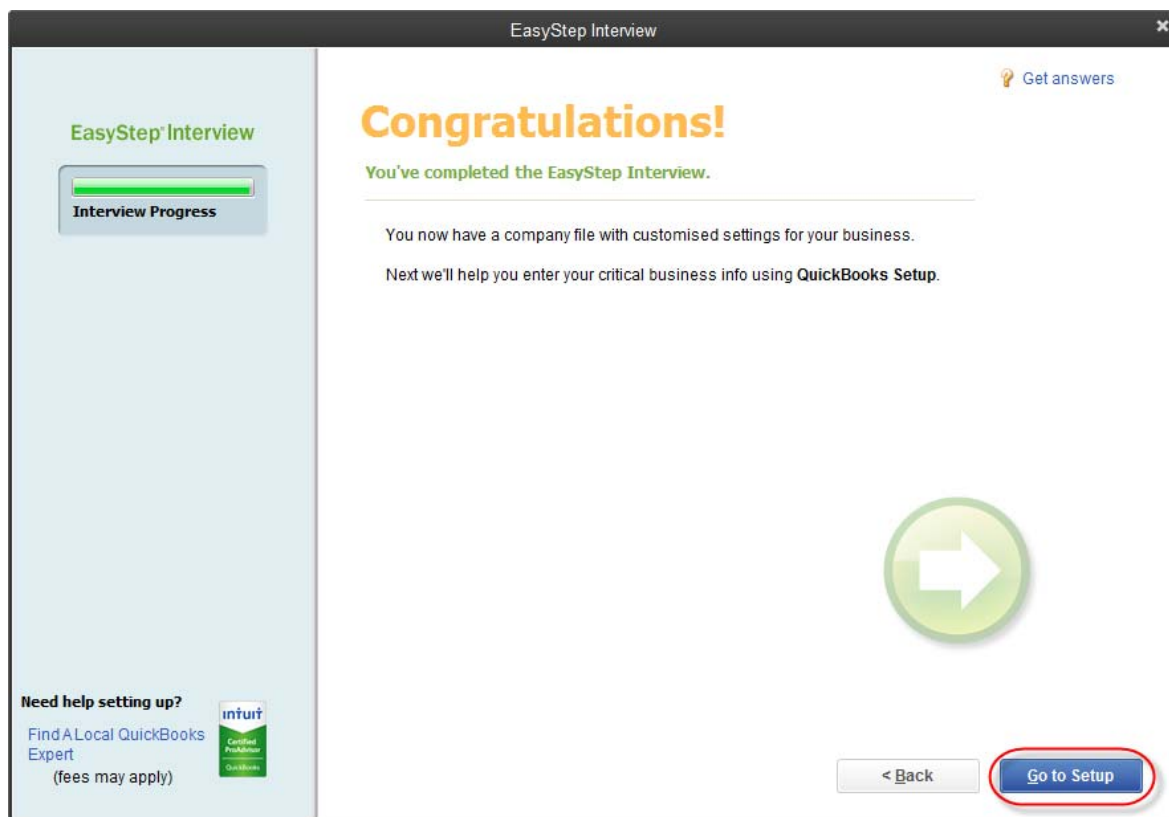
5. You will now encounter the **add your info** window that appeared much sooner in the Express Setup option. At this point, you may enter more information by selecting the area (people with whom you do business, products and services you sell, bank accounts) in the window below. (Using this EasyStep Interview, which has more steps than the Express Setup, you will have the opportunity to specify that stock will be tracked, and therefore you will be able to import them.) However, you are not required to enter any of the information via this window. You may select **Start Working** and then enter the information later (either one list name at a time or by importing lists, which will be covered in the next step) when it is convenient for you.

6. **Must Do: Set Company Preferences** (see Appendix A) which would determine which functions will be available in QuickBooks. It is not necessary that all the company preferences (or any of the personal preferences) be set immediately. However, there are some company preferences which should be set as soon as possible if they are to be required in the company file. Four important preferences which may be of importance to you immediately are: **Accounting** (example: "use account numbers" so that general ledger accounts can be referenced by their name or by their number), **Items & Stock** (example: "stock and purchase orders are active" to enable stock tracking), **Multiple Currencies** and **VAT**. Without the appropriate company preferences chosen, one would be unable to import the right list names or information fields on those list names.

7. **Should Do: Import lists that you were unable to import prior to this**. If you do have worksheets of name lists for Customers, Suppliers, or Items:

   o Select **File** > **Utilities** > **Import** > **Excel Files** (or select **Lists** > **Add/Edit Multiple List Entries**)
   o In the **Add/Edit Multiple List Entries** window, select the list names you wish to import.
   o When importing items that are stock

      • See in the screen capture below that there is an option to import a list of **stock parts**, which is available only if the preference for **stock and purchase orders are active** was selected as indicated in the previous step
      • This feature enables the user to bring in names of items, values, selling prices, descriptions, and perhaps most importantly, opening quantities and values. This is much easier than entering stock items one by one in the item list.
      • Once a stock item has been created in the item list, however, there is no way to import it again with opening quantities (although other parameters such as the description and price may be changed upon an import)
      • The only way to enter the opening quantity of a stock or assembly part that is already on the item list is to edit each item one by one
      • The importing of a stock or assembly item with a quantity on hand and associated value will debit Stock with the value of the new item (the cost multiplied by the quantity on hand) and will credit Share Capital

   o See Appendix D: Entering Opening
     Account Balances for more information

8. **Must Do: Enter opening balances for most accounts**.

   o From the trial balance in your old system, enter the opening balance in each of your balance sheet accounts (*except for Accounts Receivable, Accounts Payable, stock and any bank or credit card accounts, which will be discussed separately as they are to be treated differently*) as of the Start Date

   o You can accomplish this by entering a general journal entry (whereby the "plug" amount goes to Share Capital Account to keep opening entries separate from Retained Earnings, at least to start)

   o Alternately, you can achieve this by editing each account on the Chart of Accounts and entering the opening balance

      • Keep in mind that QuickBooks knows that if an account is a bank, asset, cost of goods sold, or expense type of account, a positive number indicates a debit and a negative one indicates a credit

      • Conversely, if an account is a liability, credit card, equity, or income type of account, a positive number indicates a credit and a negative one indicates a debit

      • *In other words, don't jump to the conclusion that a credit balance automatically requires a negative number in the opening balance field of an account. It depends on the type of account*

   o Check the resulting balances of these accounts in QuickBooks against the balances of these same accounts in the old accounting system to ensure that the numbers match

9. **Must Do: Enter the opening balances for Accounts Receivable**.

   o   From your A/R printout, you now have to enter the amount each customer (and job if you are going to track each job or matter of a customer separately) owed to you as of the Start Date
   o   You could enter the total balance for each name by editing the Customer (or Job) info in the customer list, but then you would lose the detail on invoice numbers and dates. You would have difficulty showing the customer which invoice(s) they have and have not paid.
   o   Instead, if you and the client have the time and the resources, enter an invoice (or credit memo) for each outstanding invoice that is owed to you (or credit memo that you have issued the customer or outstanding unapplied payment). These invoices should be dated and numbered precisely as shown in the printout from your old system.
   o   Create a new service item called Opening Balance and link it to the Share Capital Account on the chart of accounts. Each invoice does not need the detail of what was sold.
   o   Just post the entire outstanding amount of each invoice or credit memo or payment to the item called Opening Balance and use a VAT code that results in no tax – usually Outside the scope. If your client works on a Cash Accounting Basis then the invoices and credit notes should be entered using the current relevant VAT code inclusive of VAT. This is because on a Cash VAT system the VAT only becomes due when the Vat is paid, the VAT on these are yet to be declared & will not be included on the last VAT return produced.
   o   Check that the resulting Accounts Receivable balance in QuickBooks matches the Accounts Receivable balance in the old system
   o   See [Appendix D:](#) Entering Opening
       Account Balances for details

10. **Must Do: Enter the opening balances for Accounts Payable**.

   o   Similarly, from your A/P printout, enter bills and credits instead of entering just the total balance owing to your suppliers (if possible)
   o   Leave out memos
   o   Number and date them according to the original bills and credits, use the outstanding amount of each, and post them to the Share Capital Account
   o   Check that the resulting Accounts Payable balance in QuickBooks matches the Accounts Payable balance in the old system
   o   See [Appendix D:](#) Entering Opening
       Account Balances for details

11. **Must Do: Enter opening numbers for stock**.

   o   If you are tracking stock, go into the items list and enter the stock count of each of your items as of the financial year-end date
   o   Use this opportunity to enter re-order levels, any costs that you did not include in the items import sheet, etc.
   o   If you are not tracking stock, then just enter the opening balance of the stock account in the same way you did on other balance sheet accounts
   o   Check that the resulting Stock Account balance in QuickBooks matches the Stock Account balance in the old system
   o   See [Appendix D:](#) Entering Opening
       Account Balances for details

12. **Must Do: Enter the opening number and reconciliation status for all bank and credit card accounts**.

   o Bank and Credit Card accounts must be handled properly for reconciliations to start smoothly in QuickBooks
   o For your bank and credit card account(s), enter the balance as per the statement on the financial year-end date
   o Then post any individual outstanding cheques, deposits, credit card charges, credits or payments as per the bank and credit card reconciliations performed at the financial year-end

   - Ensure that the cheque number and date are on all cheques (or the date on all deposits)
   - Enter the payee on the cheque (or credit card transaction) or leave it blank
   - On deposits, you may keep the Name column blank if you wish
   - Just make sure the face amount of the cheque, deposit or credit card transaction is correct
   - If desired, enter a memo of "uncleared transaction from prior year" and post it to the Share Capital Account, instead of using the original item(s) or expense account(s) from the original transaction
   - Use no VAT code
   - Use the Share Capital Account to post all transactions
   - Check that the resulting bank and credit card balances in QuickBooks match the bank and credit card balances in the old system
   - See [Appendix D:](#) Entering Opening Account Balances for details

13. **Should Do (if using QuickBooks for payroll): Enter payroll information**.

   o If you are using a QuickBooks payroll subscription, ensure that all payroll items that are going to be required for employee information are set up in QuickBooks
   o Ensure that all employees are entered in the Employee Centre with their

   - Personal information
   - Rate of pay
   - Frequency of pay
   - Tax/NI and sick/holiday information
   - Date hired
   - Payment method
   - Pension Worker Status

   o Include any employees that worked during the tax year, even if they were released by the financial year-end date
   o Enter each employee's tax year-to-date (from April 6) payroll information so that the forms P14 and P35 will be correct at the end of this tax year (at April 5 of the next calendar year) when submitting the Employer Annual Return as well as the P60 forms that are provided to each employee

   - Click on **Employees** > **Payroll Setup** > **Set Up YTD Amounts** and follow the steps in order; you will be prompted to enter the tax YTD payroll information for each employee
   - Then select **Employees** > **Payroll Taxes and Liabilities** > **Adjust Payroll Liabilities** and zero out all the payroll liabilities (for the employer as well as the

employee) that show in QuickBooks as a result of these YTD adjustments, as they should already have been paid before QuickBooks payroll was in use

o   See [Appendix D:](#) Entering Opening
    Account Balances for details

14. **Should Do: Check the QuickBooks Trial Balance**.

o   Run and print a trial balance as of the financial year-end in QuickBooks
o   Ensure that it matches the one provided to you at the start

   • The balance in Share Capital Account in QuickBooks should match the balance in the Retained Earnings account in the old system
   • If it does not match, find your problem and fix it
   • If it matches, create a general journal entry to put the balance into Retained Earnings from Share Capital Account
   • Make Share Capital Account an inactive account on the chart of accounts
   • Let the Trial Balance report refresh itself on the screen and print it out
   • Also print out stock reports and A/R and A/P report as of the financial year-end date
   • See [Appendix E:](#) Verifying the Company
     File Setup for details

15. **Should Do: Institute a closing date with a password**.

o   Secure your Start Date balances by creating a closing date that matches your Start Date
o   Make sure that no live entries for the current financial year are dated on or before that Start date
o   See [Appendix F:](#) Completing the Setup Process for details

16. **Should Do: Secure Your Data File**.

o   Arrange to back up the company data file
o   Also make a copy or backup of the Images directory (which will house any graphics and logos that will be included in any customised forms templates below)

17. **Should Do: create users and permissions**.

o   Create your company's users, passwords, and levels of access
o   See [Appendix B:](#) Setting up Users
    and Permissions for details

18. **Should Do: adjust the figures if necessary**.

o   If a final adjusted trial balance is produced down the road by the accountant

   • Make journal entries as of the financial year-end date to adjust your opening trial balance in QuickBooks to match with the accountant's numbers
   • Alternately, edit the original preliminary opening entries
   • The Share Capital Account will be adjusted automatically if QuickBooks creates any new names with balances, so be on the lookout for editing the general journal entry to put that new balance into Retained Earnings. You will need to have the closing date password to do this.
   • Re-run the QuickBooks trial balance and other reports, just to make sure that they correspond with the final adjusted trial balance

19. **Nice to Do: Prior Financial Years**.

   o   If your client wants some information from financial years prior to the conversion date entered into QuickBooks

   - Post general journal entries for, say, monthly or yearly summaries
   - You'd need the closing date password to enter them
   - Remember to re-check the opening Retained Earnings balance as of the conversion date to make sure that you haven't mucked anything up

20. **Nice to Do: Graphics on Templates**.

   o   Ensure that you have a digital image of your company's logo (and any other graphics you want to incorporate in the QuickBooks forms) on the computer or network

21. **Nice to Do: Forms Templates**.

   o   Create any templates you might need for invoices, credit memos, statements, packing slips and purchase orders, using the image of the logo (and other graphics if necessary)
   o   Remember that any forms you create that make use of the logo or any other graphic will be automatically copied into a sister folder to your company's data file, located in the same main folder, named something like *Your company - Images*
   o   Any time you move the working data file, you must relocate or copy the Images directory to the same new place

22. **Should Do: Cover Your Backside**.

   o   Keep hard copies and soft copies of *everything* and take them off-site — You never know

APPENDIX A: SETTING USER AND COMPANY PREFERENCES

In QuickBooks, Preferences control many of the default settings of the application and, therefore, are critical to the accurate and efficient processing of data within the file. Depending on the version and edition of QuickBooks being used, up to 22 different categories of Preferences may exist.

Each of the 22 categories of Preferences may be subdivided into two categories accessed by different tabs: **My Preferences** and **Company Preferences**. Some preference types have only **My Preferences**, some have only **Company Preferences**, while most have both.

My Preferences are customisable by user (the user currently signed into QuickBooks) and are generally used to control cosmetic features within the program. For example, a user may choose to use the **Enter** key rather than the **Tab** key to move from one field to the next within a QuickBooks form.

Company Preferences, on the other hand, affect the way the company file behaves and therefore affect *all* users of a company file. Each company can have a different set of Company Preferences (one company's Company Preferences will have no impact on another QuickBooks company's Company Preferences). An example of a Company Preference would be the interest rate used to compute finance charges on past due balances. Only the Administrator of a company file (and, in most cases, the External Accountant type of user, who is granted certain administrative rights) may modify Company Preferences.

All Preferences can be accessed by selecting **Edit** > **Preferences** from the menu. They are listed in alphabetical order.

ACCOUNTING PREFERENCES

The Accounting Preferences section contains the most significant Company Preferences. The Company Preferences that can be set are listed and explained below.

- **Use account numbers** – This activates the account number field in the Chart of Accounts List. When activated, transactions may be entered with the account(s) specified by utilising *either* the account number *or* the account name.

- **Show lowest subaccount only** – When using account numbers, checking this box will show only the subaccount and not the parent account in transactions involving subaccounts. This option can be selected successfully only if all accounts and subaccounts have already been assigned account numbers in the Chart of Accounts.

- **Require accounts** – Activating Require Accounts requires the offsetting account in a transaction to be entered and prevents a transaction from being posted to Uncategorised Income or Uncategorised Expense. This preference should always be selected to prevent client errors which may be hard to detect, diagnose and correct.

- **Use class tracking** – This allows revenues and expenses to be assigned to **classes**. Classes are used to track revenues and expenses by departments, locations, funds, or any other meaningful user-defined classification.

- **Prompt to assign classes** – This preference causes a message to appear if you try to save a transaction which contains an empty class field.

- **Automatically assign general journal entry number** – Automatically assigns a number to a general journal entry. The number assigned is the number of the previous entry (even an

alphanumeric code) plus one. No number is assigned, however, if the number of the previous entry is blank. When this preference is off, you need to enter the journal entry number manually.

- **Warn when posting a transaction to Retained Earnings** – Displays a warning if you are about to post to the Retained Earnings account. In most cases, you should avoid posting directly to this account because it is automatically generated by QuickBooks.

- **Warn if transactions are xx day(s) in the past and Warn if transactions are yy day(s) in the future** – These preferences warn users if transactions are being posted that are significantly in the past or in the future.

- **Closing Date and Closing Date Password** – Once these preferences are set, QuickBooks requires the password to make any changes that would alter balances for the accounting period you have closed. This includes editing or deleting transactions entered on or before the closing date, and entering new transactions dated on or before the closing date.
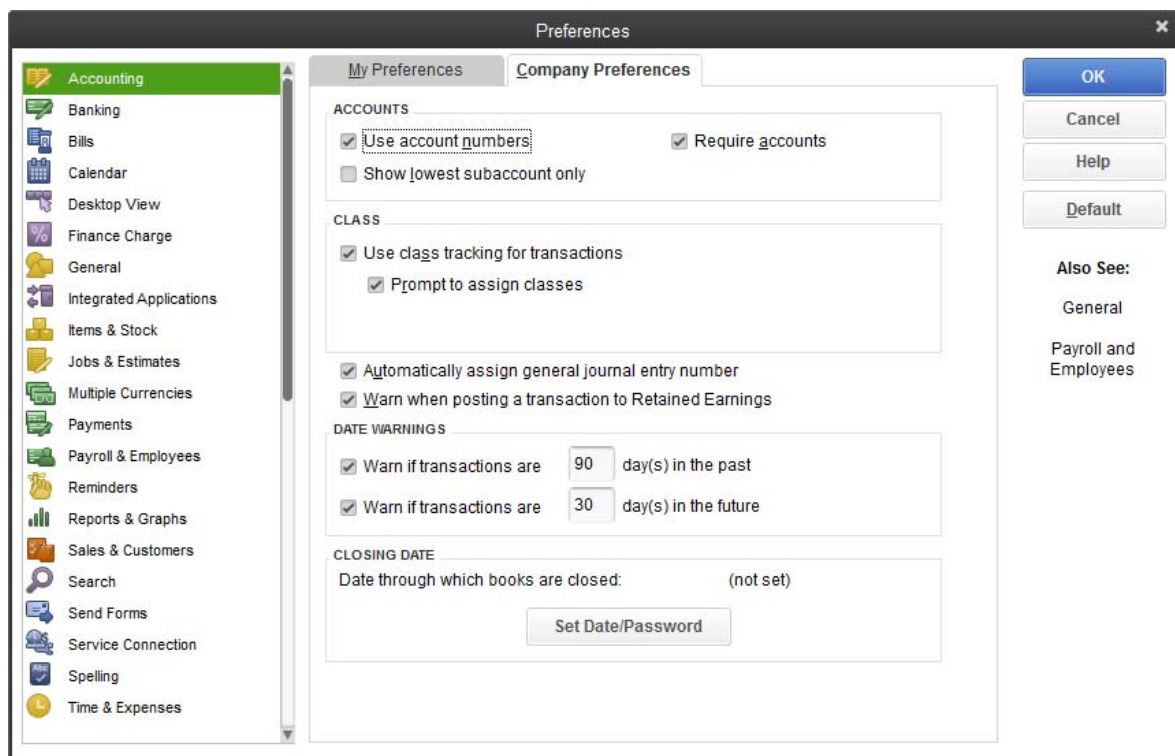
The Accounting Preferences section has only one option in **My Preferences**, and it exists only in QuickBooks Premier. (There is no such preference available in Pro or SimpleStart.)

- **Autofill memo in general journal entry** – Once this is checked, the memo field in the first row a general journal entry is automatically copied into the memo field of each subsequent row.
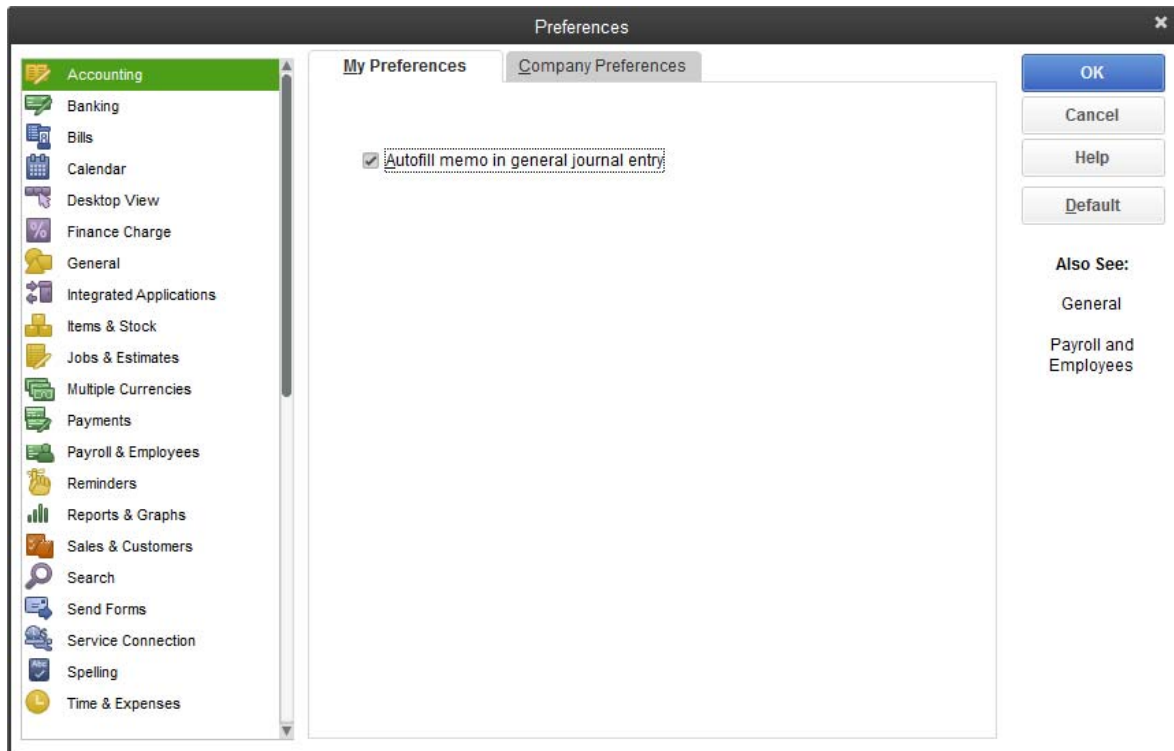
BANKING PREFERENCES

The following Company Preferences can be set for Banking Preferences:

- **Print account names on voucher** – This preference sets QuickBooks to print the payee, date, and (up to 16 lines) the account name/payroll item/stock item, memo, amount, and total amount on the cheque voucher. If this box is unchecked, QuickBooks omits the account name/stock item from the voucher.

- **Change non-cleared cheque date when cheque is printed** – Activating this preference changes the date on the non-cleared (not reconciled) cheque to the date the cheque is actually printed instead of the date originally entered on the cheque when it was posted.

- **Start with payee field on cheque** – This preference causes the cursor to be positioned so that the payee is the first field completed when writing cheques, entering bills, or entering credit card charges (instead of the bank, accounts payable, or credit card account).

- **Warn about duplicate cheque numbers** – Enabling this setting causes a warning to be displayed when using a cheque number that has already been issued. The warning causes QuickBooks to take more time to record a cheque. This affects performance significantly if you have a large company file.

- **Autofill payee account number in cheque memo** – When activated, QuickBooks automatically enters the account number on the cheque memo line for each customer, supplier, employee, or other name which contains an account number.

- **Select a default account for creating payroll payments** – If this Preference is not selected, QuickBooks opens the cheque form with the last used bank account; if it is activated, QuickBooks defaults to the preferred account when creating a payroll payment.

- **Select a default account for paying payroll liabilities** – If this Preference is not selected, QuickBooks opens the cheque form with the last used bank account; if it is activated, QuickBooks defaults to the preferred account when creating a cheque for payment of payroll liabilities.
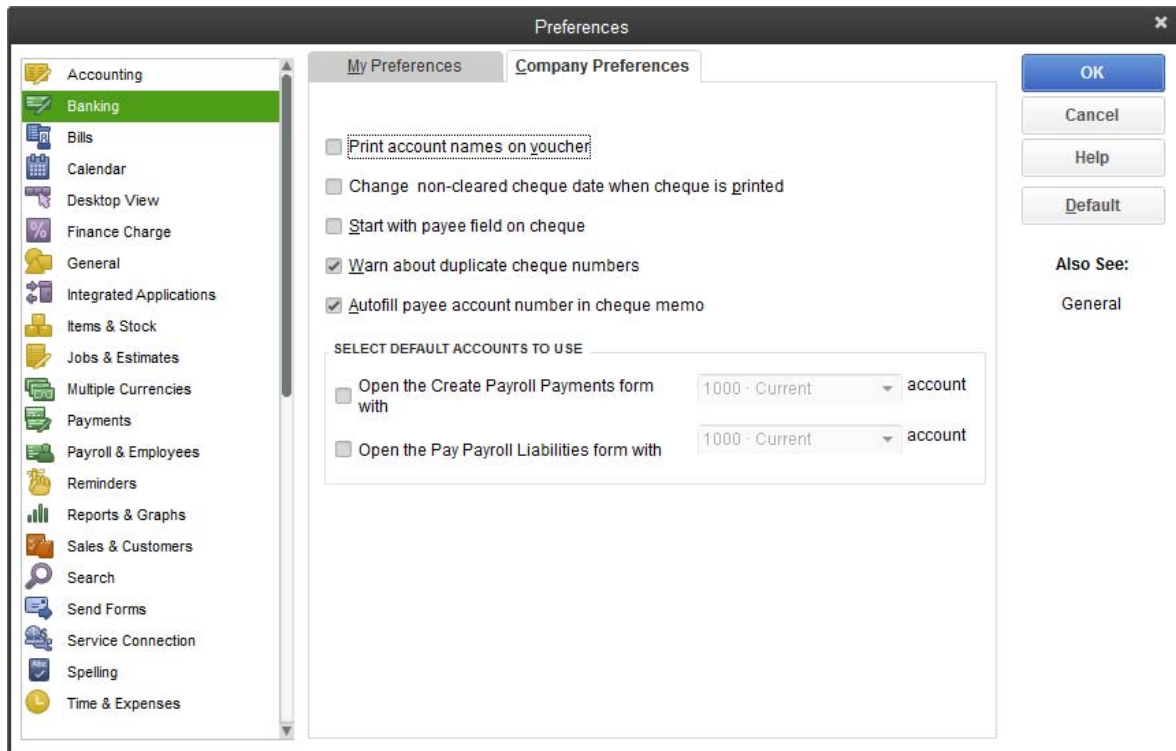
Under **Banking Preferences**, My Preferences allows the individual user to set default accounts when writing cheques, paying bills, and making deposits. If a default bank account is not selected, then QuickBooks will open the form with the last used bank account.
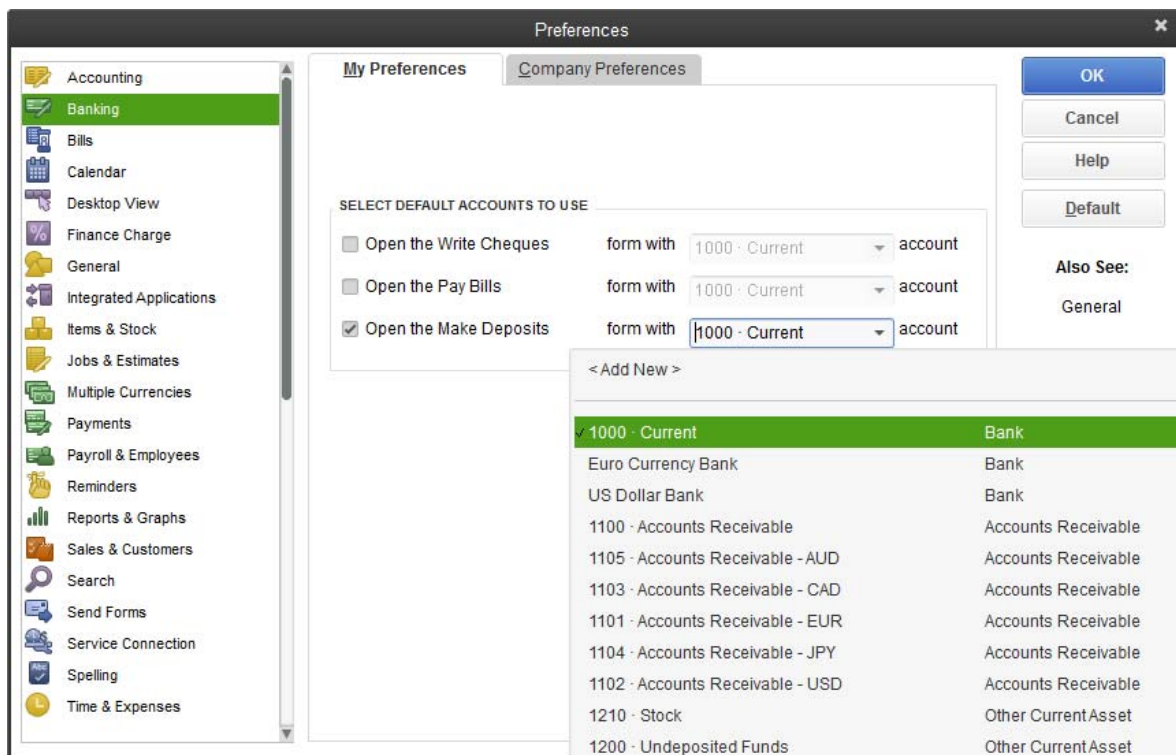
BILLS PREFERENCES

There are only Company Preferences in this section. The Bills Preferences that can be set are:

- **Bills are due xx days after receipt** – Establishes a default due date for accounts payable bills if terms or a due date are not entered on the bill.

- **Warn about duplicate bill numbers from the same supplier** – Provides a warning message if a bill with the same reference number is entered multiple times for the same supplier.

- **Automatically use credits and discounts when paying bills** – Causes QuickBooks to apply discounts and credits automatically to bills that are being paid.

- **Default Discount Account** – If you choose to use discounts automatically in the preference above, this option establishes the default discount account and related VAT code to which that discounts will be posted. If discounts are not chosen to be used automatically, then this option is "greyed out" and unavailable.
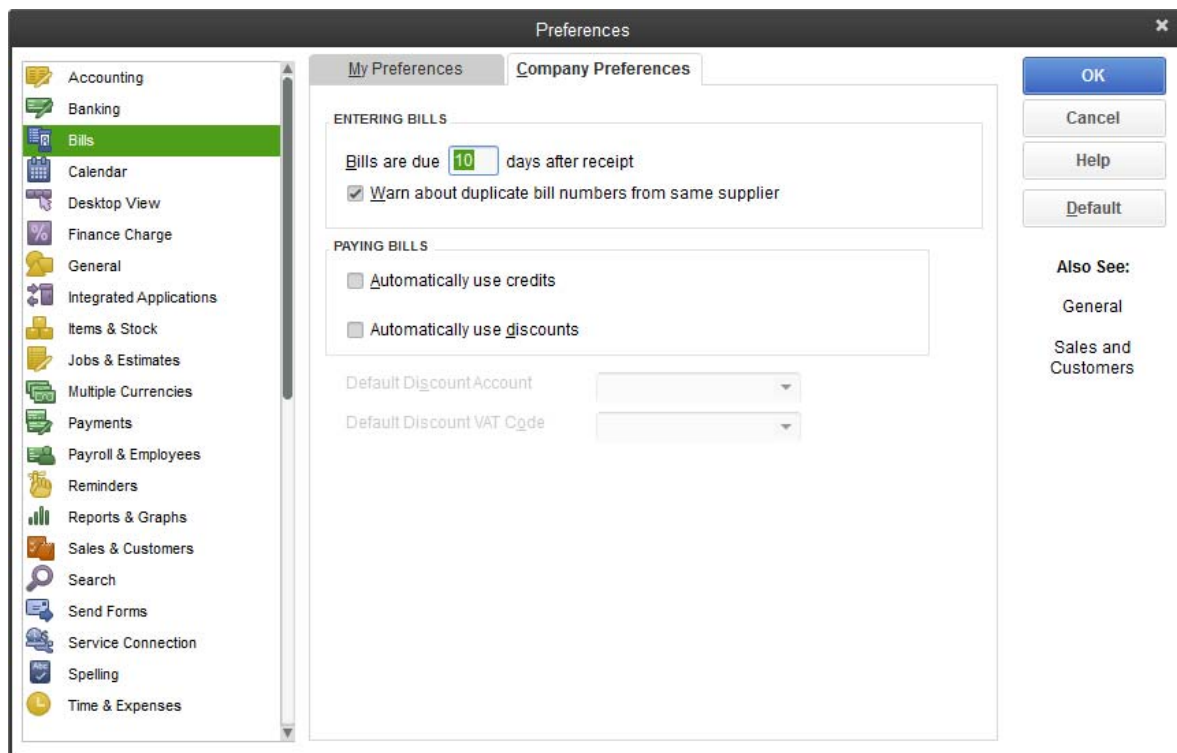
CALENDAR PREFERENCES

The Calendar preference contains only My Preferences. The My Preferences that can be set are included below.

The first group of settings is the Calendar Settings, which relate to the calendar itself.

- **Calendar View** – This determines whether the user prefers a daily, weekly, or monthly calendar view, or if QuickBooks should just recall the last view used

- **Weekly View** – This determines how many days in a week you prefer to view the calendar

    o **5 days** – to show only Monday to Friday.
    o **7 days** – to show the entire week.
    o **Variable (5/7 days)** – to show 5 days if the **Upcoming and Past Due** panel which appears on the right of the calendar is open, or 7 days if the panel is closed (recommended for low screen resolutions)

- **Show** – This determines which transactions to display in the calendar. The choices (only one choice may be selected) are

    o All transactions
    o To Do
    o Transactions Due
    o Deposit
    o Estimate
    o Invoice
    o Received Payment
    o Sales Order
    o Sales Receipt
    o Bill
    o Cheque
    o Credit Card Credit
    o Purchase Order

The second group of settings is the **Upcoming and Past Due Settings**, which relate to the Upcoming and Past Due panel which can be displayed to the right of the calendar.

- **Display** – This determines if and how the Upcoming and Past Due panel should be displayed

    - Hide
    - Show
    - Show only if data exists
    - Remember last

- **Upcoming Data** – This determines how many days of upcoming data should appear in the panel (7, 14, 21, or 31 days)

- **Past Due Data** – This determines which past due items should appear in the panel (14, 31, or 60 days overdue)
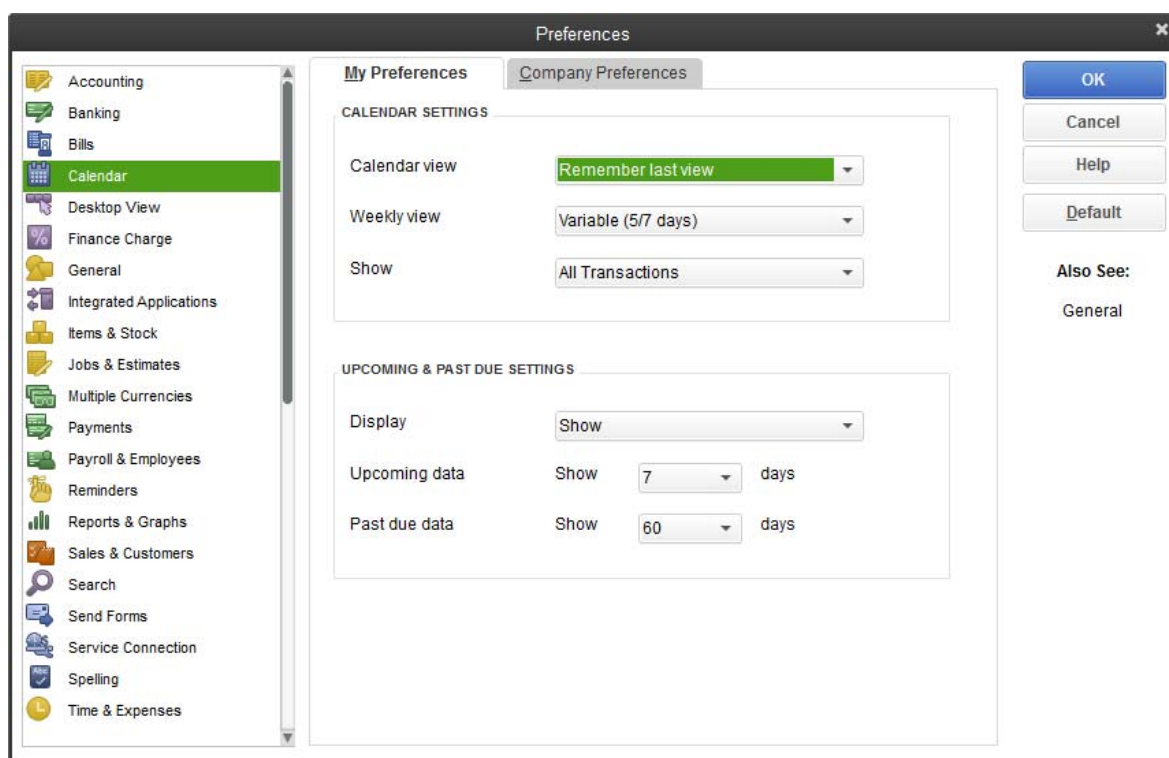
DESKTOP VIEW PREFERENCES

The Desktop View tab contains both Company Preferences and My Preferences.

The Company Preferences in the Desktop View section focus on the features that are shown on the **Home** page, as shown in the following screen capture.
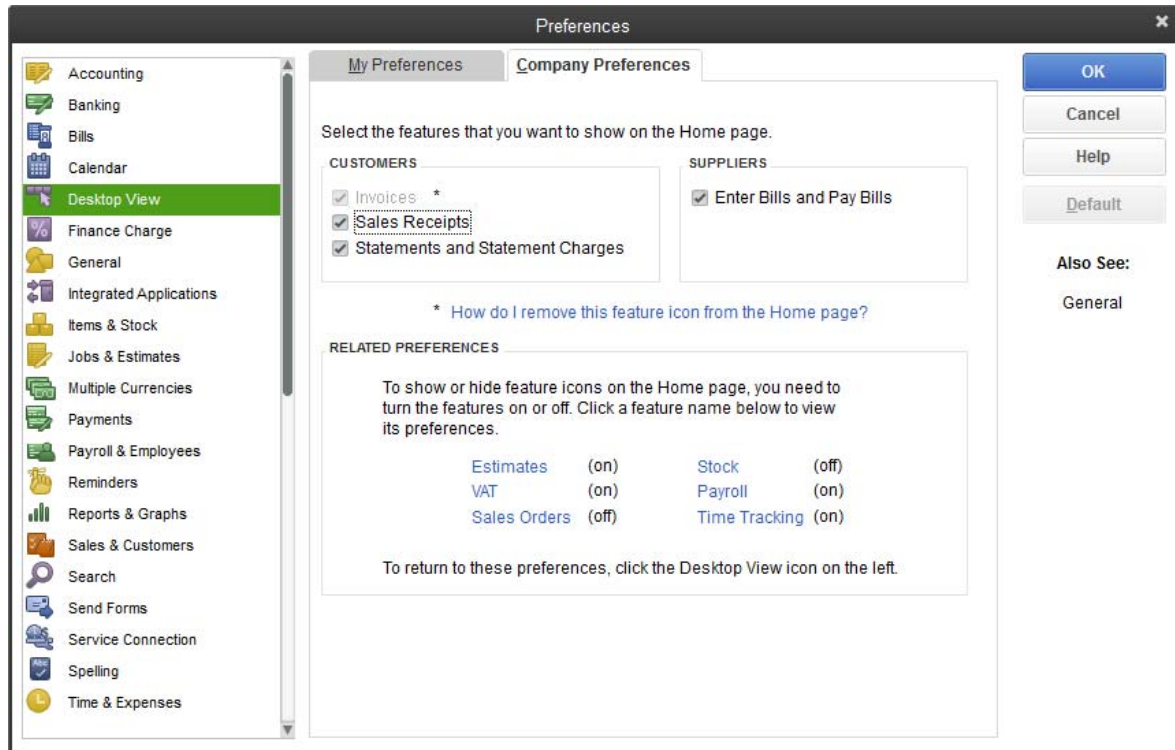
The My Preferences that can be set are included below.

- **One Window vs. Multiple Windows** – This determines whether information is viewed in a single maximised window (default) or whether multiple windows can be open at the same time

- **Desktop** – This determines whether any windows open automatically when you start QuickBooks. The choices are listed below

  o **Save when closing company** – When the data file is reopened, the desktop will be just as it was when the data file was last closed
 o **Save the current desktop** – This displays the desktop exactly as it is when the selection is made. QuickBooks will rearrange the desktop to the current configuration each time the company file is opened
  o **Don't save the desktop** – This opens QuickBooks to an empty desktop with no windows open each time the company file is opened
  o **Keep previously saved desktop** – This works in conjunction with Save the Current Desktop setting to open a pre-configured desktop each time a company file is opened. This selection is not available if Save the Current Desktop is not checked.

- **Windows Settings** – This allows you to select from among various Windows options for both Display and Sounds

- **Company File Colour Scheme** – This allows the user to select among 14 pre-configured QuickBooks colours which change the colour of the title bar and any open windows (useful in differentiating between companies when more than one company is open in QuickBooks) or choose the default colour.
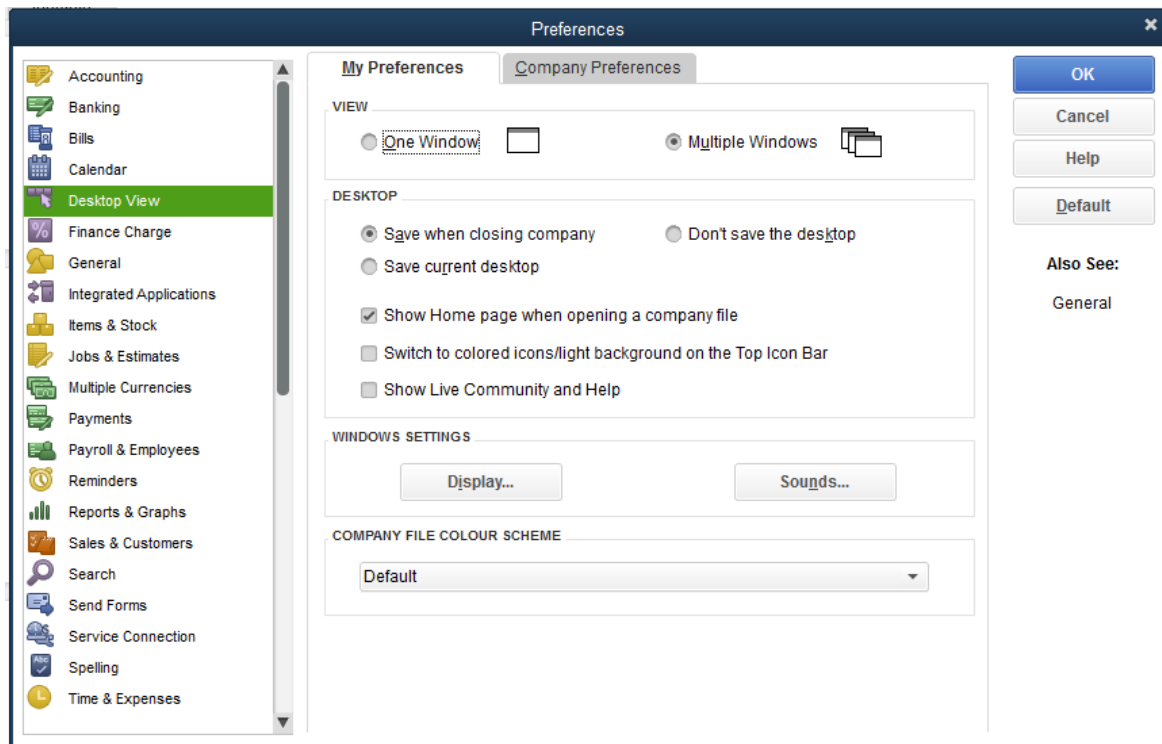
FINANCE CHARGE PREFERENCES

The Finance Charge section contains Company Preferences only. The preferences that can be set are included below.

- **Annual interest rate** is the interest rate that QuickBooks will use in computing finance charges. The rate represents a percentage, so 12.5 equals 12.5%

- **Minimum finance charge** is the amount that QuickBooks will charge regardless of the amount overdue

- **Grace period** is the number of days that must elapse before finance charges will be applied

- **Finance charge account** is the name of the account which will be credited with finance charge income

- **Assess finance charges on overdue finance charges** determines if finance charges will compound on other finance charges

- **Calculate finance charges from** determines the date on which finance charges accrue if the payment is overdue. The choices are listed below.

    o **Due date** – The finance charges are accrued from the date the invoice is due. An invoice that is due in 30 days, but is paid 5 days past due, will be assessed 5 days of interest.

    o **Invoice/billed date** – The finance charges are accrued from the date of the invoice. An invoice that is due in 30 days, but is paid 5 days past due, will be assessed 35 days of interest.

- **Mark finance charges "To be printed"** determines whether finance charges are automatically marked for printing

GENERAL PREFERENCES

The General tab contains both My Preferences and Company Preferences. Company Preferences that can be set on the **General** tab include those listed below.

- **Time format** sets the time format for time entries in QuickBooks. The choices include

    o **Decimal** – All time entries are interpreted as decimal fractions of an hour
    o **Minutes** – All time entries are interpreted as hours and minutes

- **Always show years as 4 digits** enters all year entries as 4 digits. If a valid four-digit year is entered, the year is accepted as entered. If a two-digit year is entered, then QuickBooks converts entries of 28 to 99 as 1928 to 1999, and entries of 00 to 27 as 2000 to 2027. If the box is not checked, then QuickBooks interprets two-digit years using the same sliding date window previously identified (while displaying only the last two digits of the year).

- **Never update name information when saving transactions** sets QuickBooks to ignore changes to named items, such as a customer address, when transactions are saved. Normally, QuickBooks will prompt the user to save the change if a change has been made to a field on a named item.

- **Save transactions before printing** is a security feature that records a transaction that has not yet been saved if it is being printed, e-mailed, or saved as a PDF
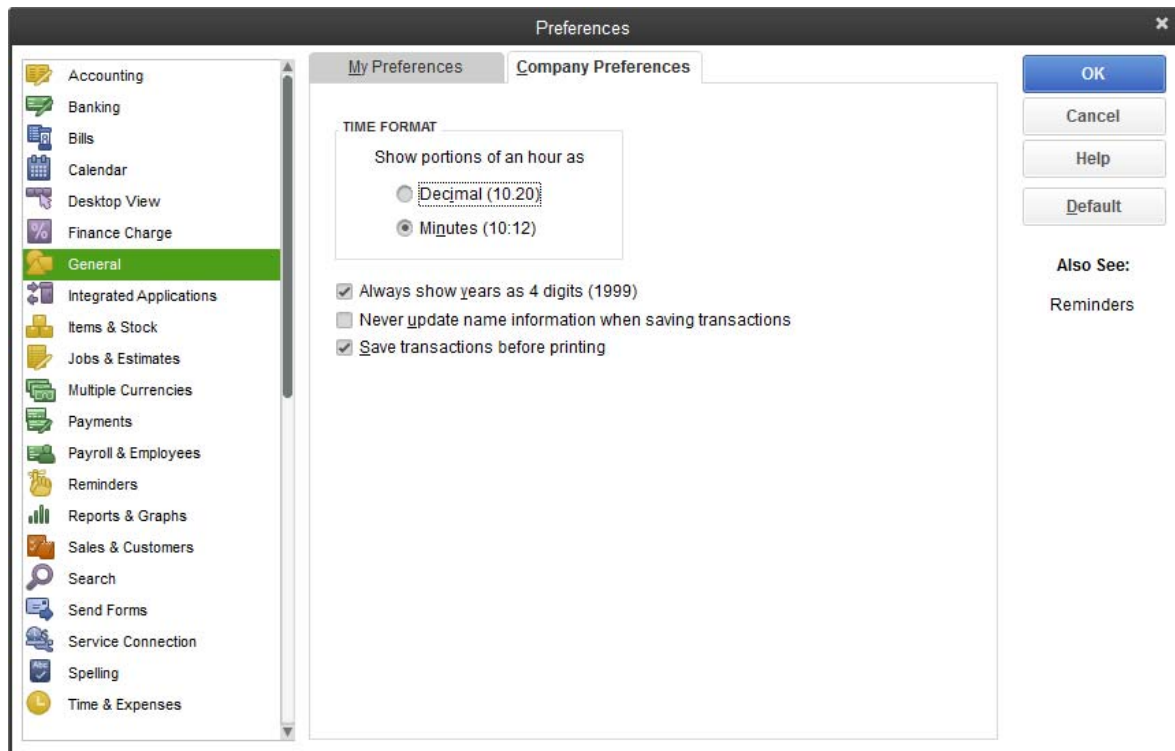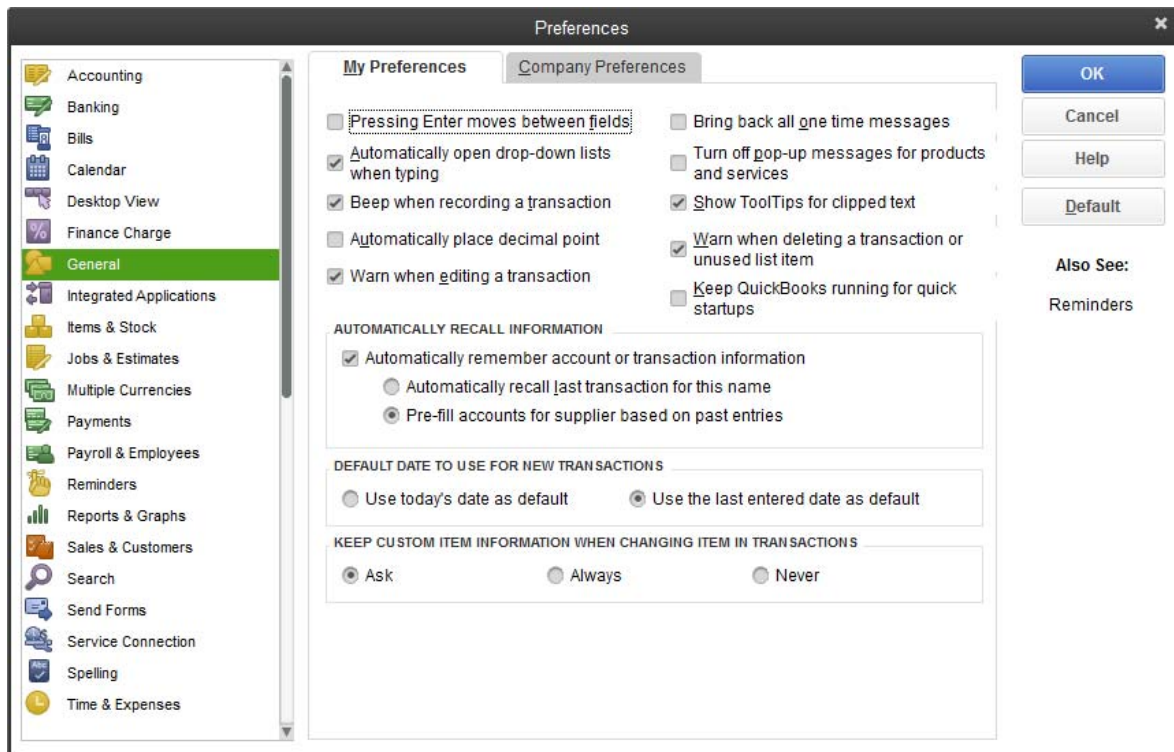
MY PREFERENCES

The My Preferences that can be set include the following items.

- **Pressing Enter moves between fields** changes the default key to move between fields from Tab to Enter

- **Automatically open drop-down lists when typing** causes drop-down lists to automatically appear whenever typing occurs in a field where a drop-down list is available

- **Beep when recording a transaction** provides audible feedback when a transaction is recorded

- **Automatically place decimal point** automatically places a decimal point between the second and third digits of any amount that is entered in QuickBooks. QuickBooks is thus behaving like an adding machine when monetary amounts are entered.

- **Warn when editing a transaction** warns a user when a change is made to a transaction, but the transaction is not recorded before leaving the form. If the box is not checked, then QuickBooks allows a user to leave a transaction without warning. The transaction is automatically recorded if the transaction is not linked to other transactions. If there are links, then QuickBooks prompts the user to record the transaction.

- **Bring back all one-time messages** returns all system information messages that are displayed once

- **Turn off pop-up messages for products and services** suppresses pop-up messages related to additional products and services offered by Intuit

- **Show ToolTips for clipped text** displays tips when text is clipped because a field is too small on a form or text will not fit on a report or graph

- **Warn when deleting a transaction or unused list item** warns a user when a transaction or unused item is deleted. If the box is not checked, then QuickBooks allows the deletion without warning.

- **Keep QuickBooks running for quick startups** keeps a portion of the QuickBooks program running as a process in Windows even when you exit QuickBooks. This enables QuickBooks to open quickly but it does use computer resources to accomplish this.

- **Automatically remember account or transaction information** allows users to specify whether future transactions are based on prior transactions and whether supplier transactions are pre-filled with accounts used in prior entries. The options for this are below.

- **Automatically recall last transaction for this name** sets up QuickBooks to remember the previous transaction for a person. When you enter a new transaction, QuickBooks automatically fills out the form with information you entered in the last transaction of that type for that person. For example, when you enter a supplier's name on a bill and press Tab, QuickBooks fills in the bill just like the most recent one you entered for that supplier.

- **Prefill accounts for supplier based on past entries** sets up QuickBooks to pre-fill the account for a supplier transaction based on previous transactions for that supplier. QuickBooks remembers all your recent transactions for a supplier, not just the most recent one. If you consistently use the same account for a supplier, QuickBooks will automatically pre-fill that information any time you select the supplier in a bill or credit card transaction. *Note*: This preference only recalls accounts used for a supplier on supplier specific transactions such as entering a bill or paying a bill. QuickBooks will not recall accounts used with a supplier on other transactions such as cheques.

- **Default Date to Use for New Transactions** allows the user to specify whether the default date should be either the current system date (the date that Windows recognises as the current date, i.e. "today") or the date of the last transaction entered.

- **Keep custom item information when changing item in transactions** changes the way QuickBooks handles a customised item description in transactions if the item is changed after a customised description has been entered


INTEGRATED APPLICATIONS PREFERENCES

Integrated applications are programs that are written to work with QuickBooks and generally provide additional functionality for specific needs or tasks. These applications can often both read from and write to the QuickBooks database file. For security purposes, Intuit has provided this preferences screen so that the QuickBooks administrator can control which applications have these rights. This

prevents unauthorised individuals from making changes to the QuickBooks database or from even accessing confidential data to which they should not have access.

The specific Company Preferences available in this section are listed below.

- **Don't allow any applications to access this company file** – This option is turned off by default and should be turned on if no third party applications need to access the QuickBooks database

- **Notify the user before running any application whose certificate has expired** – If a third party application has an expired certificate, activating this Preference will cause a notification to appear, warning of a potential security breach
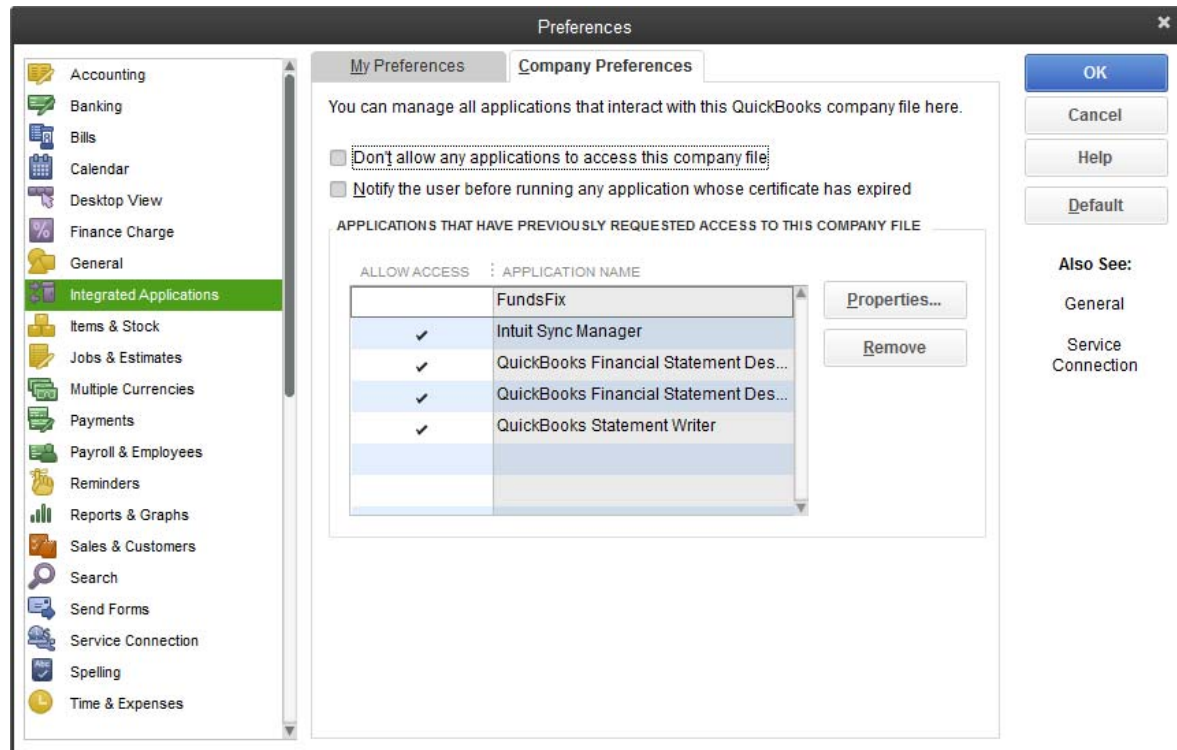
ITEMS & STOCK PREFERENCES

There are only Company Preferences in this section, and they are comprised of those listed below.

- **Stock and purchase orders are active** provides access to the stock features of QuickBooks, including the ability to create stock part items, create purchase orders, and create stock-related reports

- **Warn about duplicate purchase order numbers** causes QuickBooks to provide a warning if the same purchase order number is used on multiple occasions

- **When calculating Quantity Available for my stock deduct:** determines whether QuickBooks deducts quantities reserved for Pending Builds and/or Sales Orders when calculating the quantities of stock available

- **Warn if not enough stock to sell** warns a user when an attempt is made to sell more of a stock item than is in stock (calculated either by what is on hand or by what is available)

- **Unit of Measure** enables QuickBooks' unit of measure conversion features
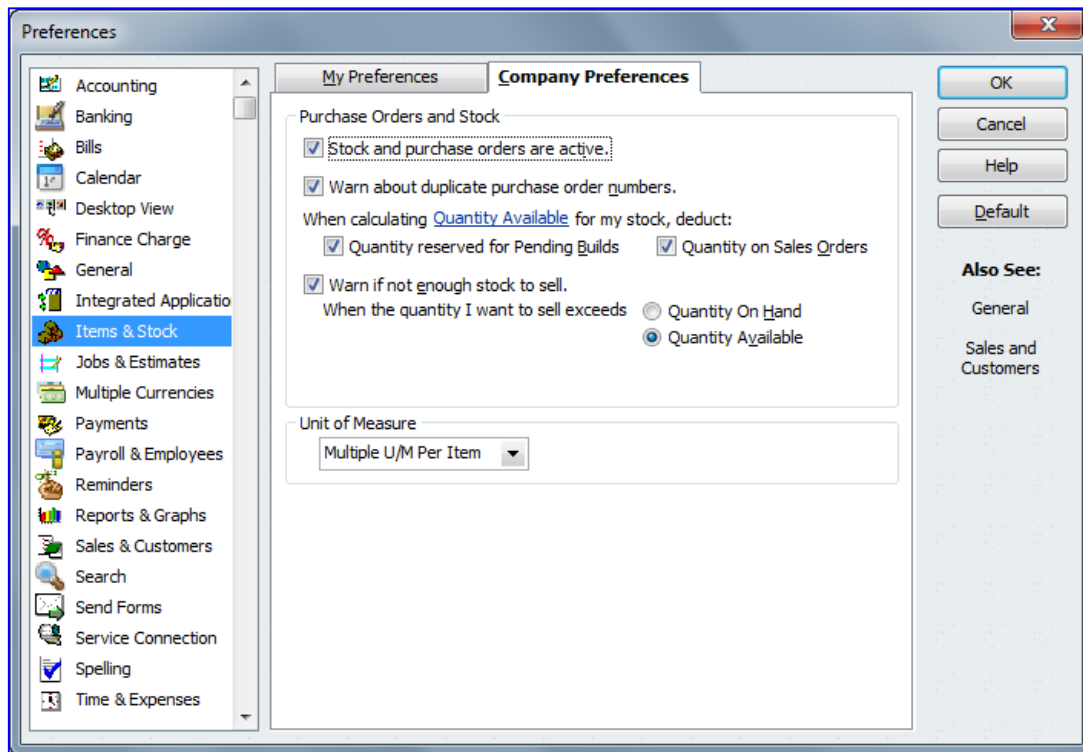
JOBS AND ESTIMATES PREFERENCES

Only Company Preferences exist for Jobs and Estimates, and they are comprised of those listed below.

- **Job status descriptions** – Descriptions for pending, awarded, in progress, closed, and jobs not awarded can be modified

- **Do you create estimates?** – This sets up QuickBooks to use estimates

- **Warn about duplicate estimate numbers** – QuickBooks will warn users when an estimate with the same number as a previous estimate is recorded. This will affect performance, especially for large company files.

- **Close estimates after converting to invoice –** This marks the estimate as closed once it has been invoiced.

- **Do you do progress invoicing?** – This sets up QuickBooks to do Progress Invoicing

- **Don't print items that have zero amount** – This prevents items with zero amounts from printing on Progress Invoices
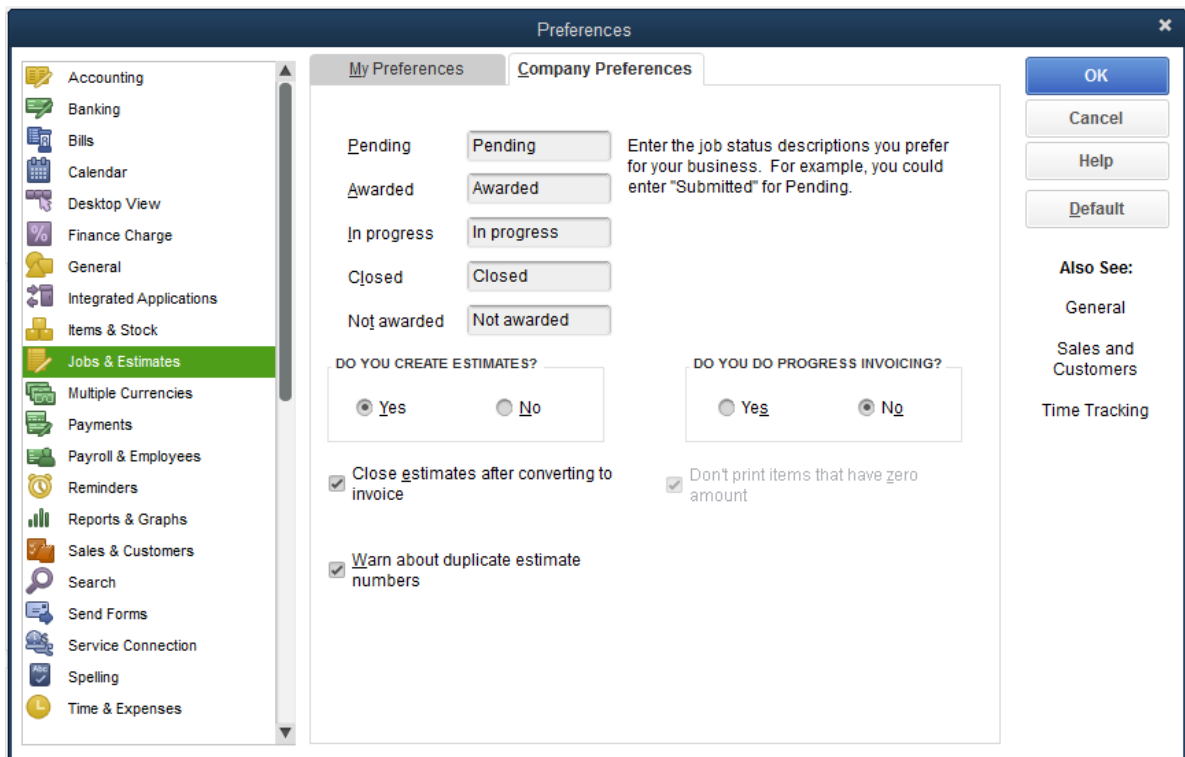
MULTIPLE CURRENCIES PREFERENCES

This section contains only Company Preferences.

- **Track multiple currencies in this company file?** This determines whether or not you wish this company file to track more than one currency. This option, **once enabled, cannot be turned off.** It is strongly recommended that prior to enabling multiple currencies you back up the company data.

- **Select the home currency you use in transactions** allows you to determine the currency for reporting financials, payroll and filing VAT. When using multiple currencies, the home currency is used in calculations for nearly all amounts stored in a transaction. This means you *cannot* change the home currency once it is selected. Certain features and services — such as QuickBooks Payroll — require that the home currency be set to the Great British pound (GBP). Also, you can download updated exchange rates only if the home currency is the Great British pound (GBP, also known as the Pound Sterling), Euro (EUR), Canadian dollar (CAD), South African rand (ZAR), US dollar (USD), New Zealand dollar (NZD), or Australian dollar (AUD). If the home currency is not one of these currencies, you must manually update the exchange rate before entering transactions that use different currencies.

- **Once you have turned on Multicurrency you can no longer use the following features** - Insights, Income Tracker, Bill Tracker, Batch Invoicing, Batch Delete/Void Transactions, or choose multiple customers in the Invoices for Time and Expenses window. In addition you cannot convert a file with Multicurrency to QuickBooks online using the Export Company File to QuickBooks Online tool. Conversion will need to be done by using one Intuit's conversion partners. Check the Intuit website for current details.
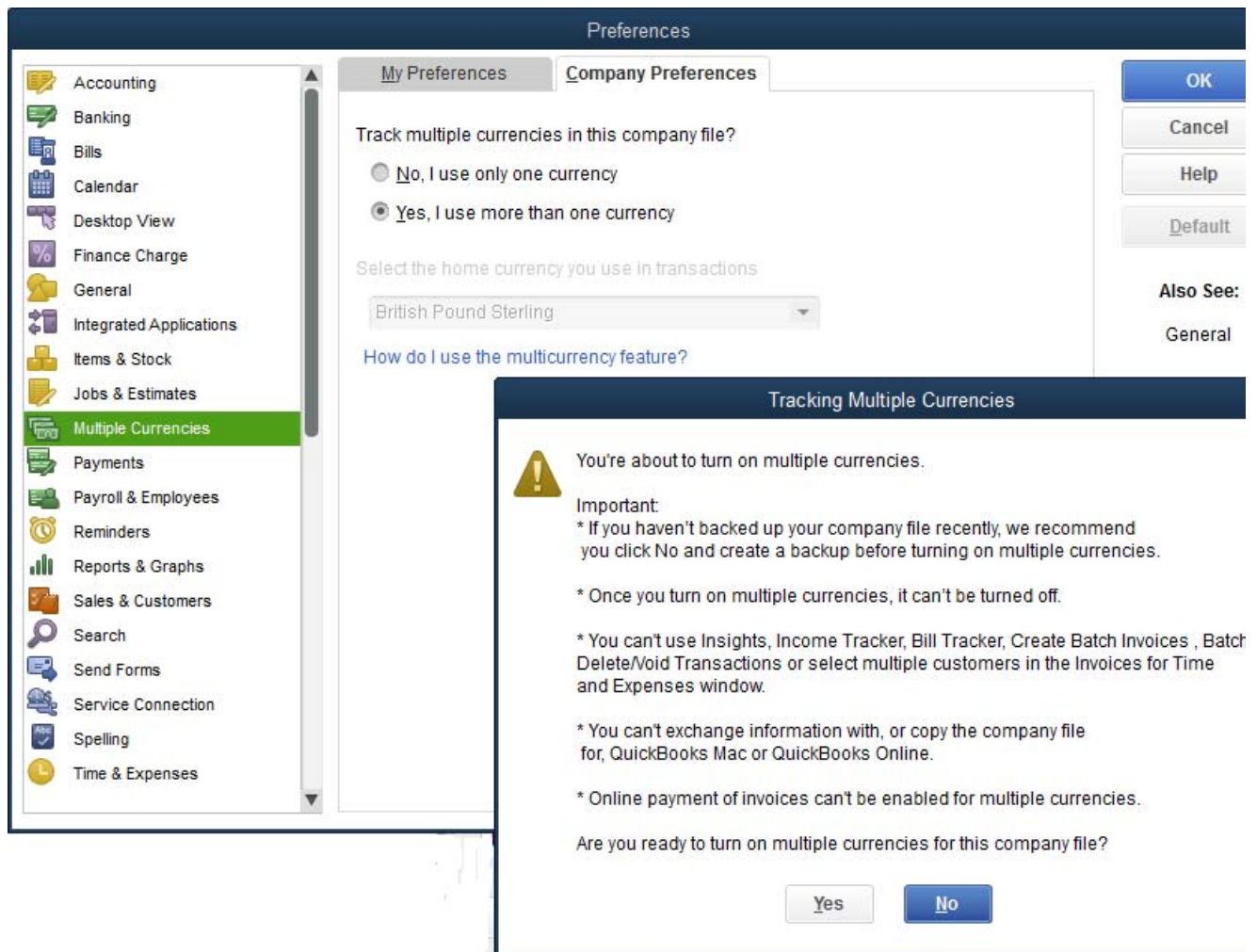
PAYMENTS PREFERENCES

This section contains only Company Preferences. The only preference in this section is:

- **Receive Payments** – These checkboxes allow you to customise how the Receive Payments function works in QuickBooks

    o **Automatically apply payments** – This preference causes QuickBooks to apply a customer's payment automatically to the outstanding invoices for that customer. If the amount received is less than the customer's outstanding balance, QuickBooks applies the payment to the oldest invoices first. When this preference is off, QuickBooks does not automatically apply customer payments. You must specify how to apply each payment when you are in the Receive Payments window.

    o **Automatically calculate payments** – When this preference is on, you can select an invoice in the table of the Receive Payments form before entering an Amount Received, and QuickBooks prefills the amount of that selected invoice into the Amount Received field. QuickBooks continues to automatically calculate the Amount Received based on the invoices you select or deselect for that payment. When this preference is off, QuickBooks does not automatically calculate payments. You need to click Auto Apply to see the results of your payment on the amounts for selected invoices.

    o **Use Undeposited Funds as a default deposit to account** – This preference causes QuickBooks to set Undeposited Funds as the default account for depositing payments. When this preference is off, QuickBooks displays the Deposit To field on the Receive Payments and Enter Sales Receipt windows. You must click a destination account from the drop-down list.
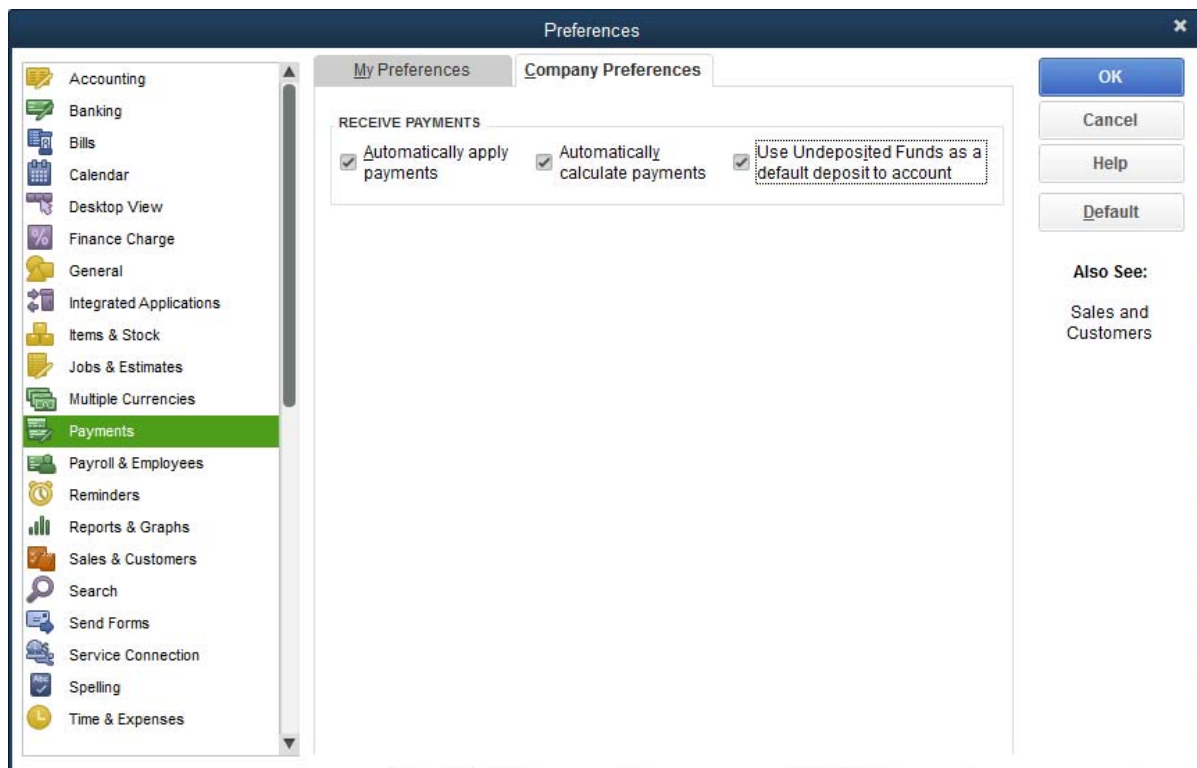
PAYROLL AND EMPLOYEES PREFERENCES

There are only Company Preferences on the Payroll & Employees tab. The Company Preferences that can be set are detailed in the following list.

- **QuickBooks Payroll Features** – "Full payroll features" enables QuickBooks payroll functionality (if payroll has been enabled by subscription). "No payroll" disables payroll features.

- **Recall quantity field on payroll payments** – This determines whether QuickBooks automatically carries forward quantities from the last payroll payment

- **Recall hour field on payroll payments** – This determines whether QuickBooks automatically carries forward hours from the last payroll payment

- **Job Costing, Class & Item tracking for payroll payment expenses** – Select this option if you want QuickBooks to itemise company-paid payroll expenses by job, item, or class. The expenses are proated in the same proportion as an employee's prorated earnings. Additions, commissions, and company-paid distributions are also tracked if you select "Track Expenses by Job" in the setup of the individual payroll items.

- **Assign one class per job Entire Payroll Payment or per Earnings item**

    o **Entire payroll payment** – Click this option to have QuickBooks assign a class you specify to all payroll expenses, including employer-paid taxes, on the payroll payment.

    o **Earnings item** – Click this option to have QuickBooks add a Class column to the Earnings section of the Review Or Change Payroll Payment window, which gives you the ability to assign a separate class to each payroll item listed in the Earnings section. If you select this option, QuickBooks also assigns classes to any additions or employer contributions on employee payroll payments, based on the classes assigned to earnings items. If the earnings items are assigned to more than one class, QuickBooks prorates the class assignments of the additions and employer contributions based on the prorations of the earnings items.

- **Pay Slip and Voucher Printing (Printing Preferences**) – This controls which fields appear on pay slips and payroll payment voucher sections

- **Display employee list by** – This displays employee item list in first name or last name order

- **Mark new employees as sales reps** – This allows employees to be marked as sales representatives for individual customers or suppliers

- **Employee Defaults** – Enter the payroll information that most employees have in common, such as deductions for pensions, health insurance, or union dues. The default setup saves you time, because you enter this information only once. When you are setting up the payroll record for a new employee, QuickBooks automatically fills in the information you entered into the default setup. If you need to, you can customise any of the prefilled information for each employee.
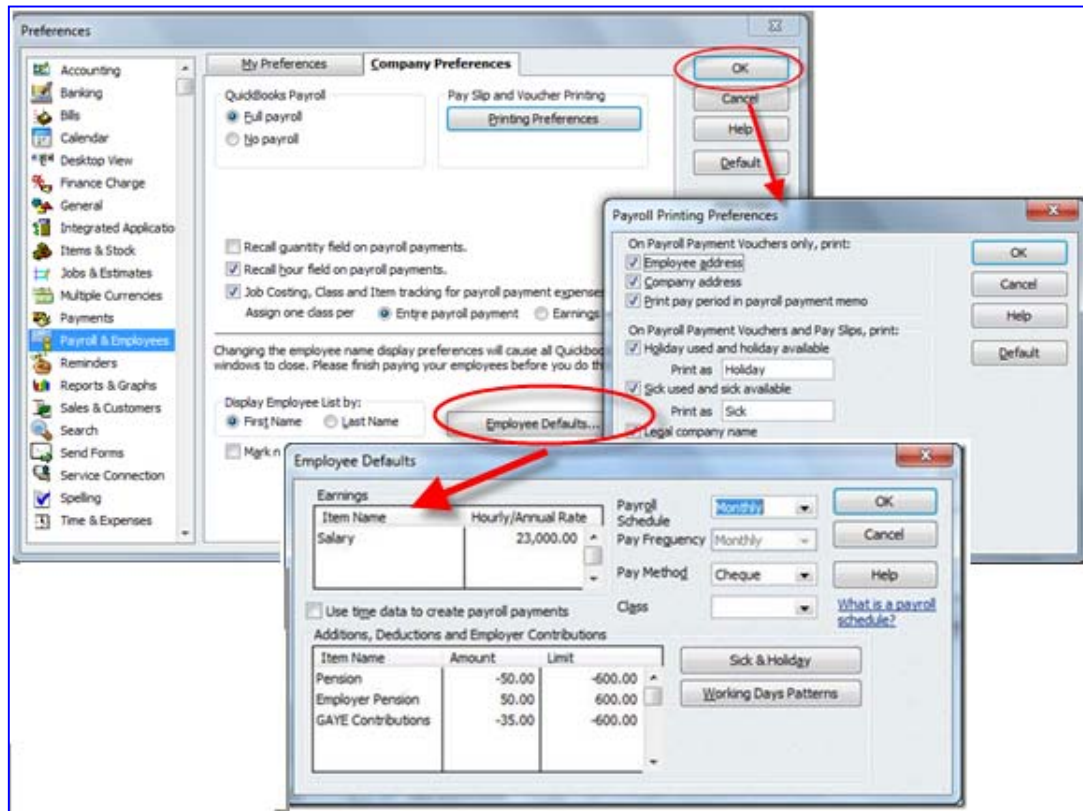
REMINDER PREFERENCES

All of the Company Preferences relate to whether identified events appear in the Reminders list. (The only My Preference that can be set on the Reminders tab is whether QuickBooks is to show the Reminders list each time the company file is opened.) The events include cheques to print, payroll payments to print, invoices/credit memos to print, overdue invoices, sales receipts to print, sales orders to print, stock to reorder, assembly items to build, bills to pay, memorised transactions due, money to deposit, purchase orders to print, and To Do Notes. For each item, select one of the following.

- **Show summary** shows a summary total of the items or amounts referenced by that event

- **Show list** shows a summary total and then a detail line for each item included in the summary referenced by that event

- **Don't remind me** prevents a reminder for that event list.

Some of the listed events allow a stipulation of the number of days before the due date that the reminder will appear in the Reminders list.
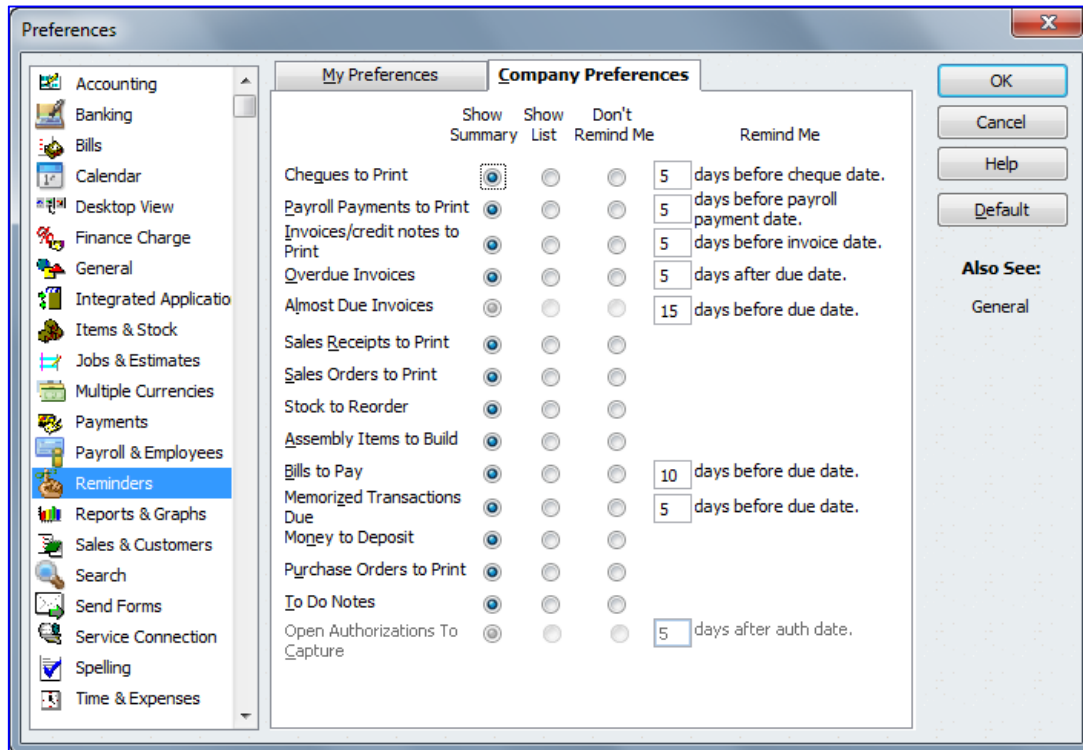
REPORTS AND GRAPHS PREFERENCES

The Reports and Graphs tab contains both My Preferences and Company Preferences.

The Company Preferences that can be set are given below.

- **Summary reports basis** sets the default method of calculating and presenting summary reports to cash basis or accrual basis

- **Ageing reports** sets the ageing reports for outstanding invoices and bills to be calculated based on either Age from the due date or Age from transaction date

- **Format** allows the setting of report defaults, such as title, header, footer, font, how to format amounts, and whether zero amounts are printed, etc.

- **Balance Sheet Format** specifies the format for balance sheet reports. Balance sheets are available from the Reports menu under Company & Financial. The names of balance sheet menu options change depending on your selection

  - o **UK Standard Balance Sheet** – Financial data is organised to meet the legal criteria required by UK accountants and government agencies
  - o **QB Standard Balance Sheet** – Financial data is organised based on other international versions of QuickBooks. These formats meet North American accounting principles and criteria.

- **Reports** – **Show Items by :** sets whether Items names, item descriptions, or both are included in reports

- **Reports - Show Accounts by**: sets whether account names, account descriptions, or both are included in reports

- **Classify Cash…** allows the modification of the statement of cash flows as required
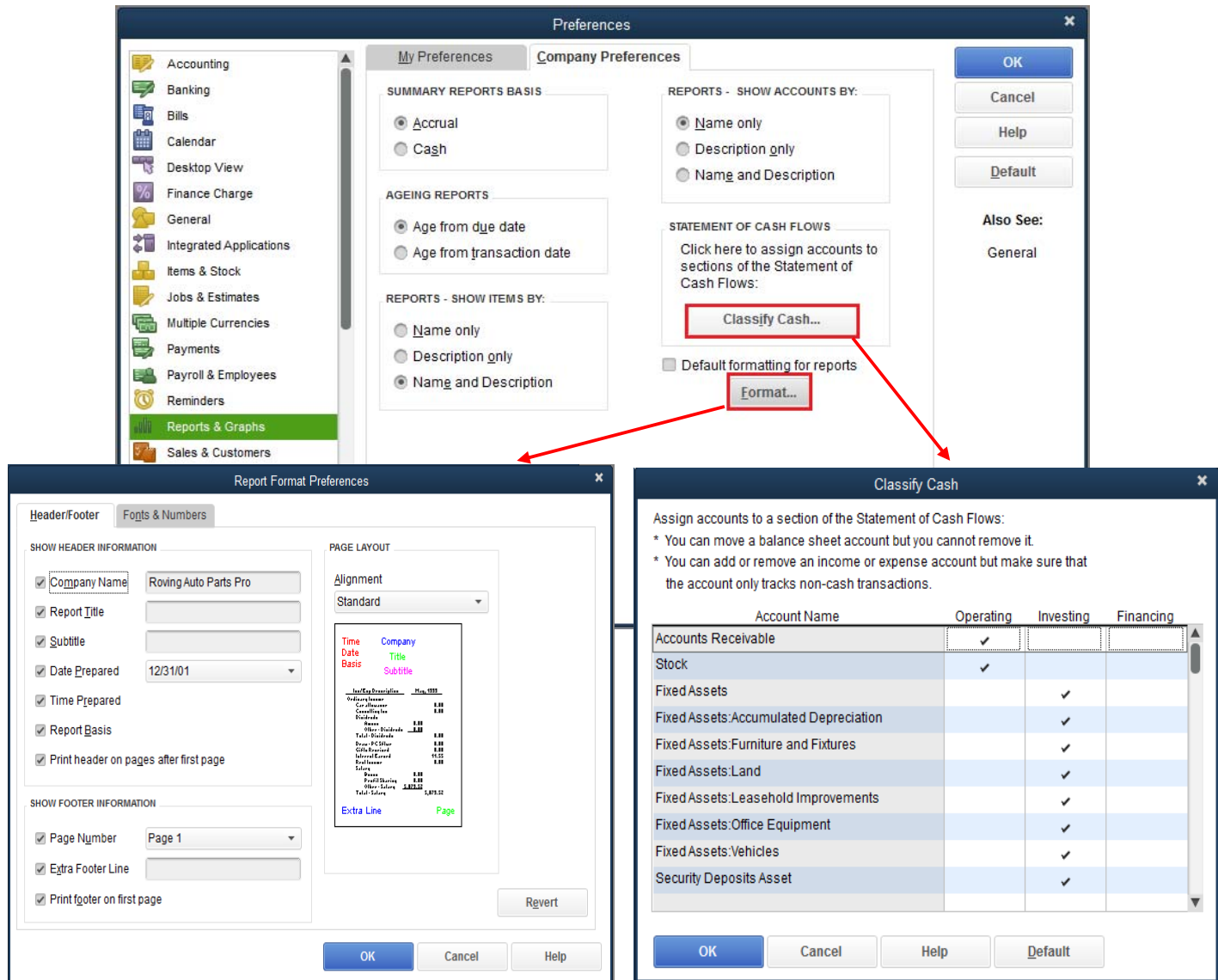
The My Preferences that can be set are listed below.

- **Prompt me to modify report options before opening a report** – When selected, the Modify Report window opens automatically when a report is created. This can save time, particularly on reports that take a long time to produce but generally have to be modified anyway.

- **Reports and Graphs** – This determines how reports or graphs which are already displayed are updated to reflect new information. (Some reports and graphs should be recomputed from scratch. Automatic refreshes of those types of reports and graphs would affect performance, so QuickBooks gives users the following options of how to handle their updates.)

  - o **Prompt me to refresh** – When a report or graph needs to be refreshed, QuickBooks will prompt the user to choose whether it should be refreshed or not
  - o **Refresh automatically** – Reports are automatically refreshed. In a multi-user system, this may cause reports to be refreshed over and over as others enter new data, having a negative impact on system performance
  - o **Don't refresh** – QuickBooks does not update the report or graph, nor does it prompt that the report or graph needs to be updated

- **Graphs only** – This determines whether two-dimensional graphs are created instead of the default three-dimensional graphs. Selecting two-dimensional graphs can improve performance. Additionally, users are prompted to select **Use patterns** instead of colours for graphs, which is useful in printing complex graphs in black and white.
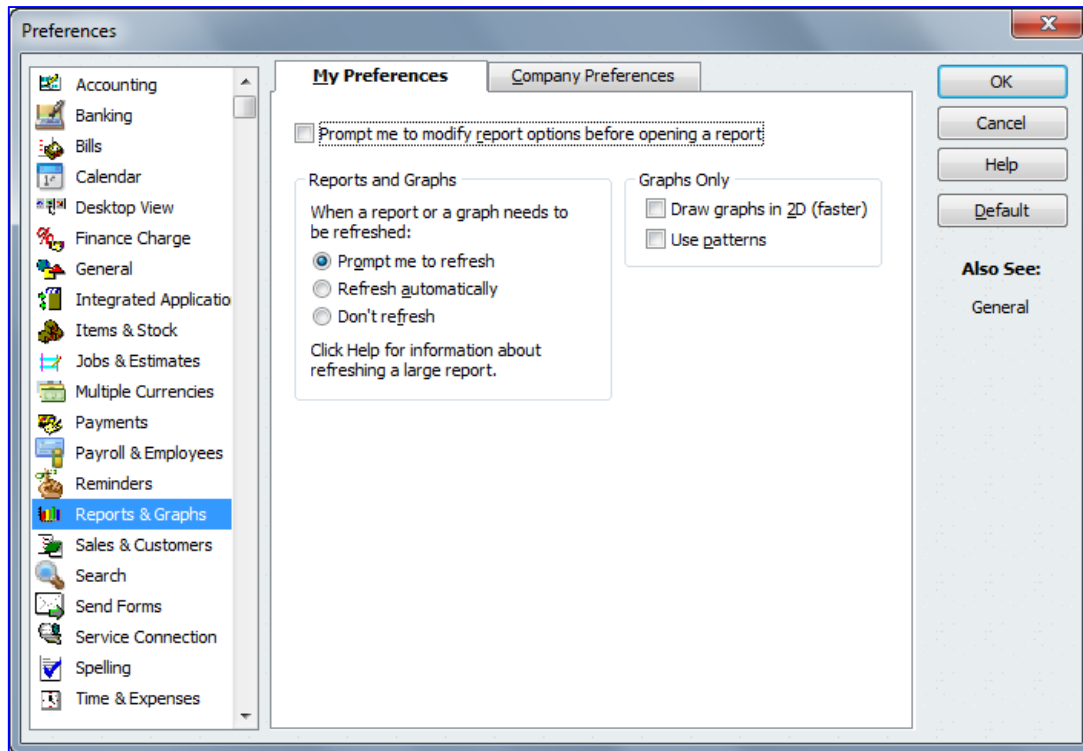
SALES AND CUSTOMERS PREFERENCES

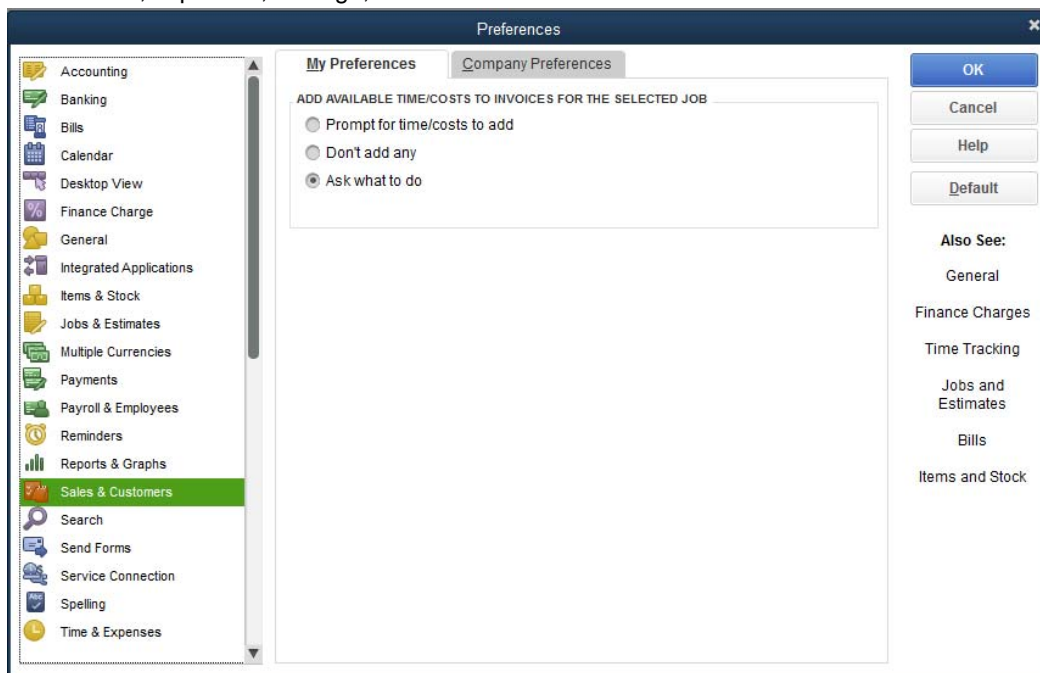The Company Preferences that can be set in the area of Sales and Customers are numerous.

- **Usual Shipping Method** sets the default shipping method on sales forms, although this can be over-ridden on the individual form

- **Usual FOB** sets the usual FOB on sales forms. This, too, can be over-ridden on the individual sales form

- **Warn about duplicate invoice numbers** displays a warning message when an invoice number is used on multiple occasions. Enabling this option can negatively impact performance, especially with a large company file

- **Choose template for invoice delivery note** allows a default template to be specified for invoice delivery notes

- **Use price levels** determines whether Price Levels can be utilised for the company

- **Enable Sales Orders** determines whether Sales Orders are enabled. (Sales orders are available only in QuickBooks Premier.) When this Preference is enabled, users can also specify whether a warning should be displayed in the event a Sales Order Number is used on more than one occasion, and whether items with zero amounts should be printed on the Sales Order.

- **Choose template for delivery note** allows a default template to be specified for sales order delivery notes

- **Choose template for pick** list allows a default template to be specified for sales order pick lists

- **Enable Collections Centre** enables this credit control centre where clients can send, monitor and record correspondence with customers with outstanding balances.

- **Custom Pricing** enables the Price Levels Price which lets you set custom pricing for different customers or jobs. Per item price levels is only available in QuickBooks Premier.

-
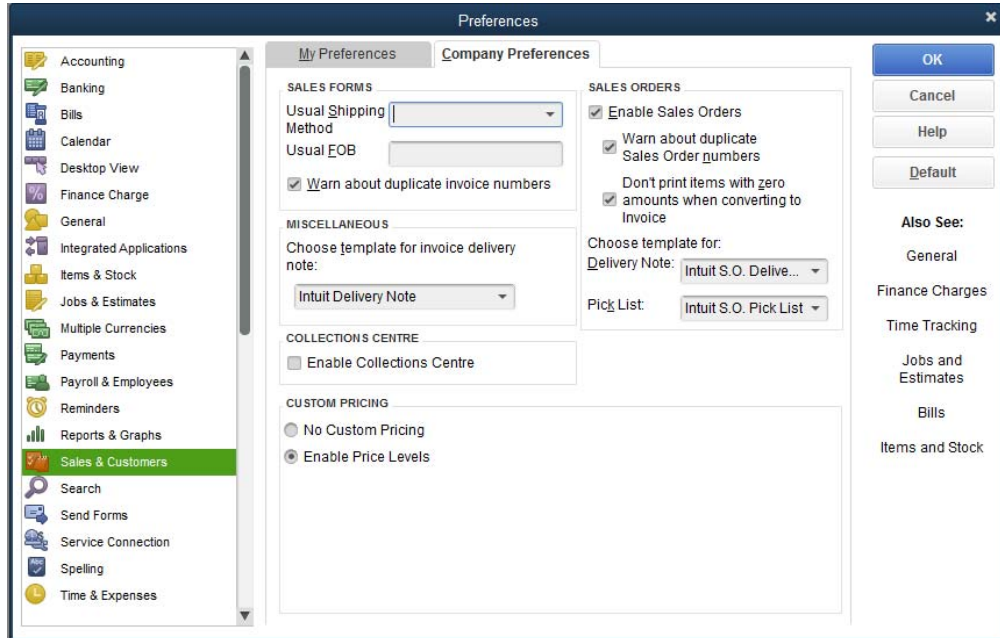
The Sales & Customers tab includes only one My Preference.

- **Add Available Time/Costs to Invoices for the Selected Job** – this Preference controls what happens when you create an invoice or sales receipt for a customer or job with outstanding billable time, expenses, mileage, or other items

SEARCH PREFERENCES

The Search tab includes only Company Preferences. There are really only two preferences, which are to update the search information automatically (so that changes in the company file can appear in search results), and how often (intervals range from every five minutes to every 60 minutes). There is also the option to choose **Update Now**.
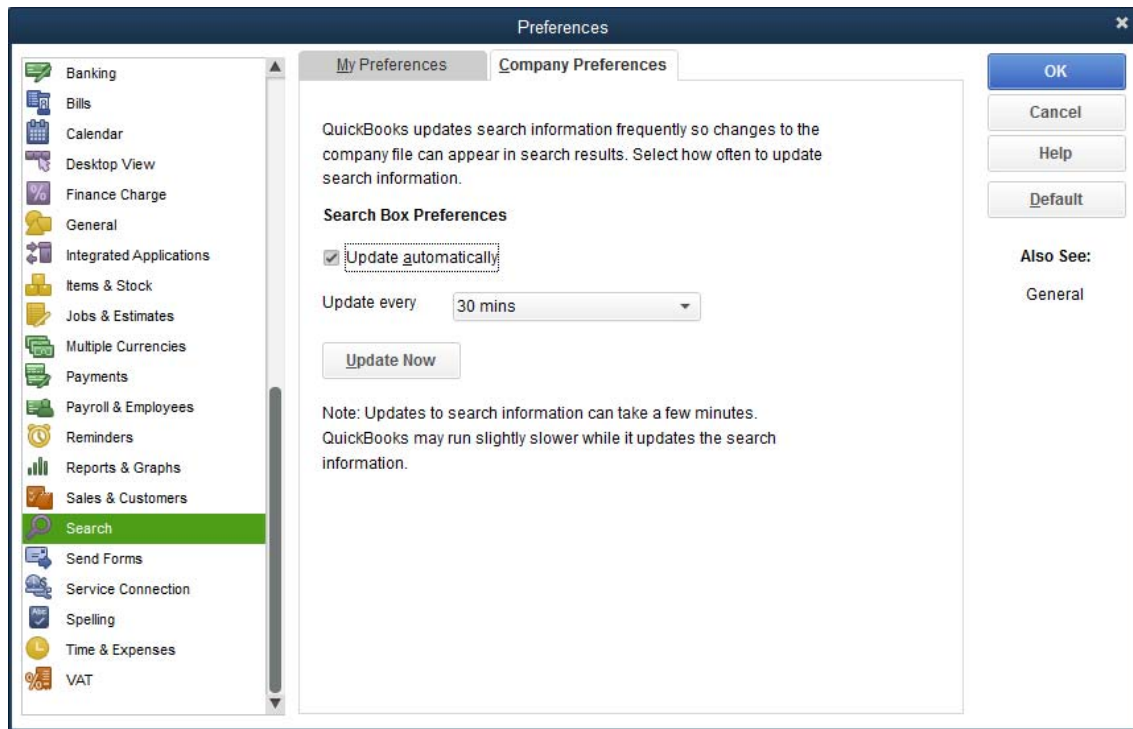
SEND FORMS PREFERENCES

The Send Forms tab includes Company Preferences and My Preferences. The Company Preferences that can be set are listed below.

- **Change default for** allows specification of different text to appear for different types of forms to be sent (such as invoices, estimates, statements and so on)

- **Salutation** lets the default salutation be **Dear** or **To**

- **Customer contact name** allows the default address name to be **First name**, **Last name**, or **Mr/Ms/Mrs Last name**

- **BCC** lets you specify a default e-mail address to which all the forms of the same type are blind copied

- **Subject** controls what appears in the subject line of the message

- **Cover note body** is the default text that accompanies the sent forms but it can be modified as required
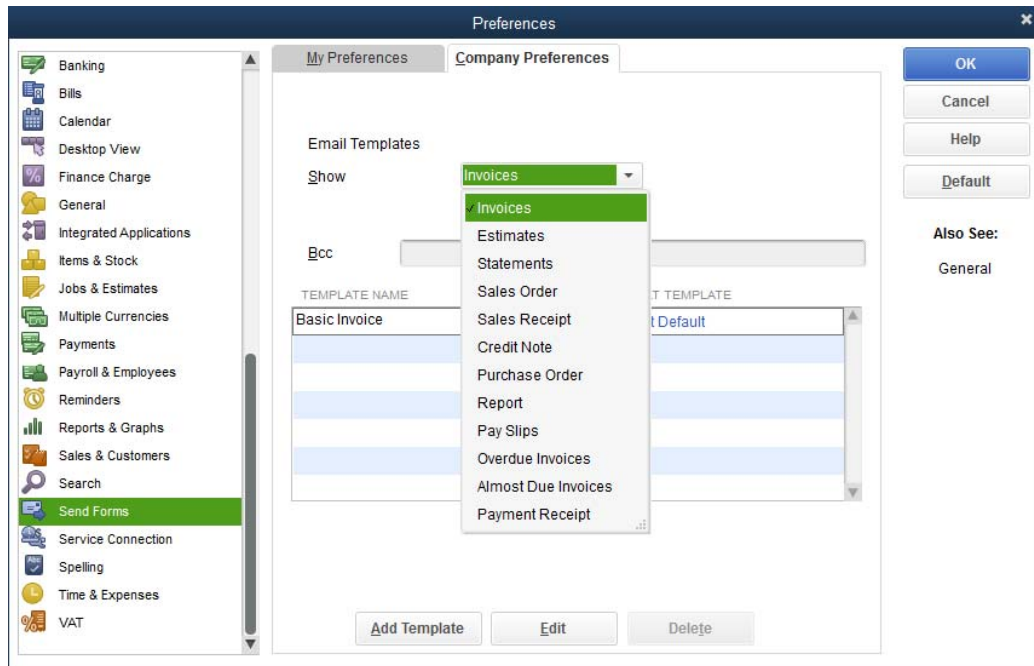
The My Preference that can be established is **Auto-check the "To be emailed" checkbox if customer's Preferred Send Method is E-mail**. This determines whether customer forms are automatically enabled for email.

There is also a radio button which, if clicked, can enable sending forms from QuickBooks via web-based e-mail such as Hotmail, Gmail and Yahoo, rather than by using an e-mail client.
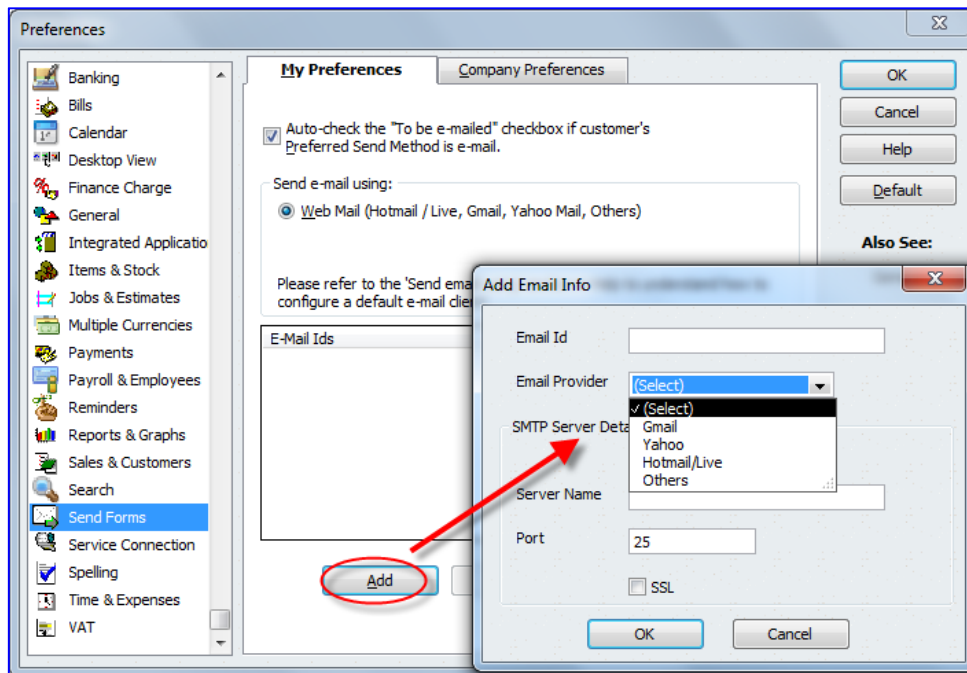
SERVICE CONNECTION PREFERENCES

The Service Connection Preferences include both Company Preferences and My Preferences. These Preferences relate to settings for connections to outside services that interface directly with QuickBooks. The Company Preferences that can be set include the following.

- **Automatically connect without asking for a password –** All users of the same company file will automatically be logged in to the outside service without having to provide a Login name or password

- **Always ask for a password before connecting –** Users of the same company file will be required to provide a Login name and password each time they access the outside service

- **Allow background downloading of service messages** – When selected, Service updates are automatically downloaded from the Intuit server
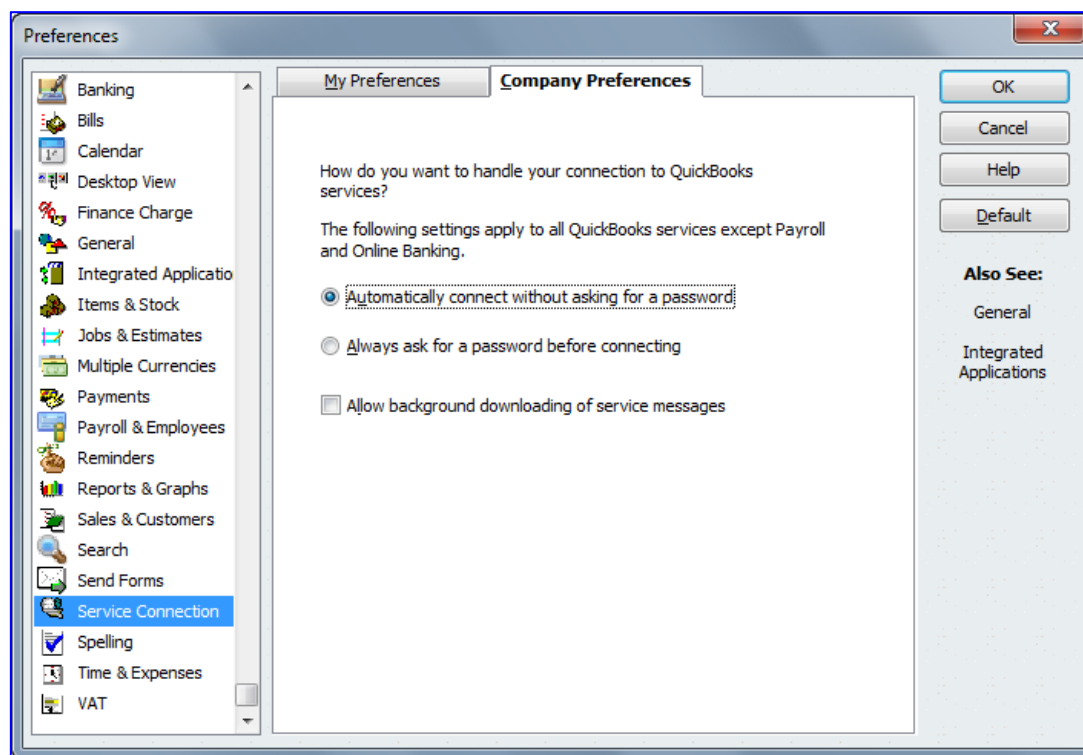
Available My Preferences include the following.

- **Give me the option of saving a file whenever I download Web Connect data** – Whenever Web Connect data is downloaded from a Financial Institution or a file containing previously downloaded Web Connect data is opened, the prompt asks users if they want to process the transactions immediately or to save them to a file for later processing

- **If QuickBooks is run by my browser, don't close it after Web Connect is done** – If QuickBooks is launched by downloading Web Connect data from a financial institution or by double-clicking on a file containing previously downloaded Web Connect data, then it will remain open after the downloaded transactions are processed
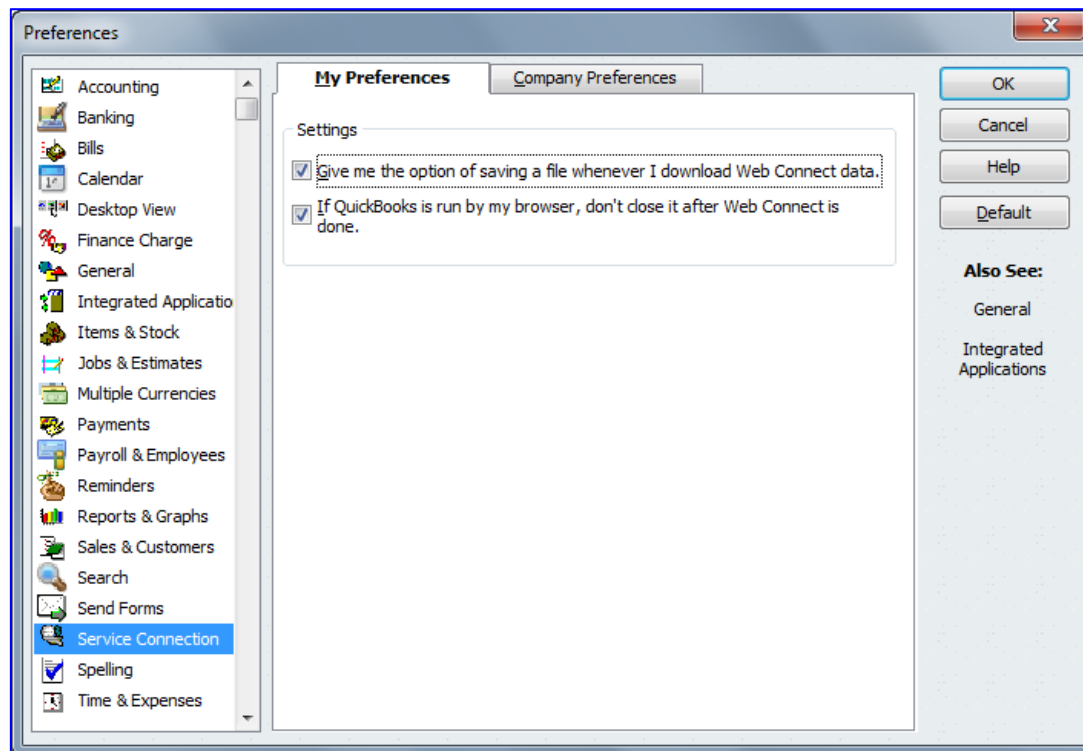
SPELLING PREFERENCES

The Spelling Preferences tab includes only My Preferences that can be set; these include those listed below.

- **Always check spelling before printing, saving, or sending supported forms** will run the spell checker automatically when Save and Close or Save and New is chosen in the document creation window

- **Ignore words with** allows the configuration of spell check to ignore certain words and phrases, including: Internet addresses; numbers; capitalised first letters, such as in proper names; all uppercase letters, such as acronyms or abbreviations; and mixed case words, such as ProAdvisor. You can add your own custom words that you do not wish to be spell checked (or remove custom words from the list of exempt words).
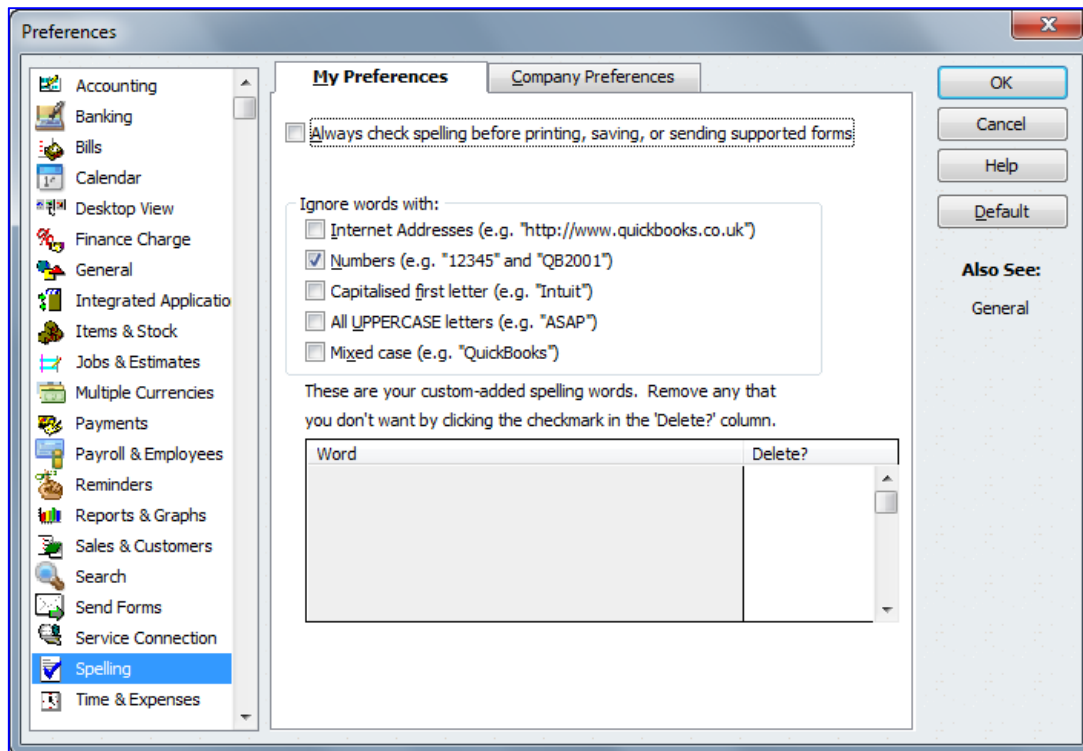
TIME & EXPENSES PREFERENCES

The Time & Expenses tab includes only Company Preferences:

- **Do you track time?** determines if Time Tracking is activated for the QuickBooks company

- **First day of the work week** allows users to define work weeks. Weekly timesheets will reflect the first day of the work week, as specified in this Preference.

- **Invoicing options** allow you to invoice customers and jobs quickly and efficiently

    o   Create invoices from a list of time and expenses
    o   Track reimbursed expenses as income

         - Default markup percentage
         - Default markup account
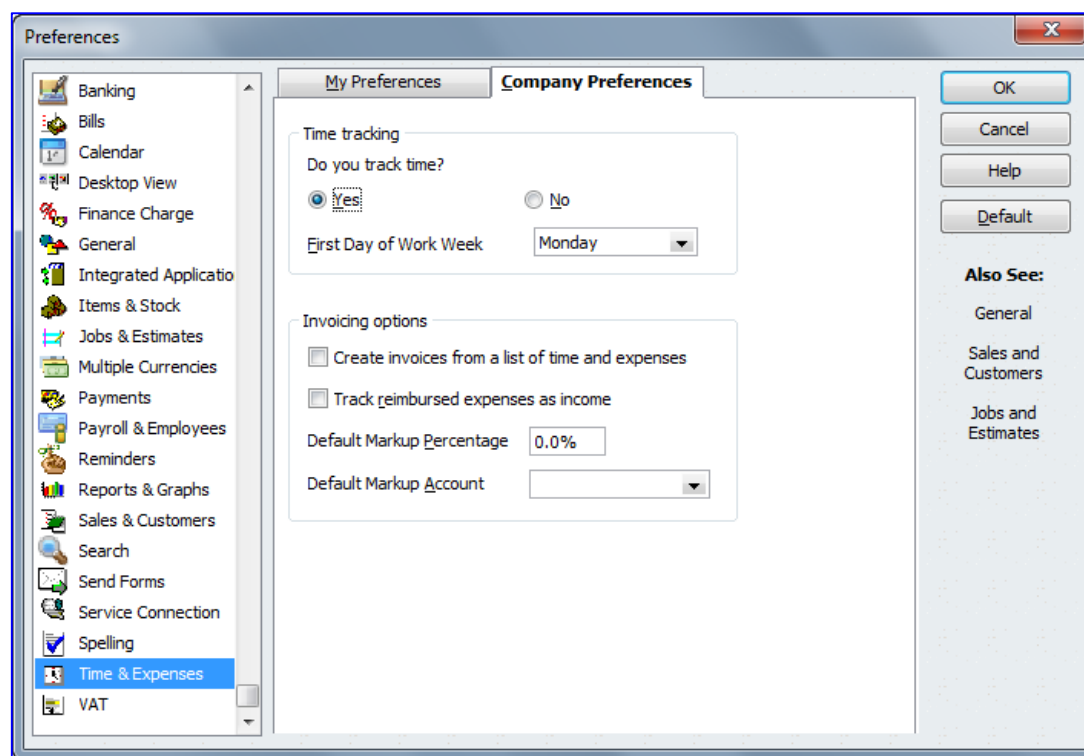
VAT PREFERENCES

The VAT tab includes only Company Preferences.

- **Do You Charge VAT?** – When activated, this sets up QuickBooks to use VAT in invoices, credit memos and sales receipts

- **VAT Scheme –** The Schemes available are Standard or Flat Rate

- **VAT Registration Date –** Enter the date of registration. This is useful if the Flat Rate Scheme is being used and the 1st year discount is being claimed. It is important to note that QuickBooks will not automatically update the rate after the first year anniversary however it is a good idea to set a reminder within QuickBooks to remind you of the anniversary change.

- **VAT % -** This box is only visible if Flat Rate Scheme is selected. Enter the Flat Rate percentage that is relevant for the industry type.

- **Customer and Supplier codes** – These options allows you to choose to set VAT codes for customers, suppliers, or both

- **Display VAT** – Checking this box allows for VAT inclusive prices and costs to be entered

- **Assign VAT Codes** – This allows for specification of default VAT code on taxable items as well as the default code on tax-exempt items

- **VAT Rounding Adjustments** – This option allows you to determine how QuickBooks should behave regarding net amounts and gross amounts when a rounding due to VAT must be done

APPENDIX B: SETTING UP USERS AND PERMISSIONS

Security and control have always been basic functions of almost every accounting information system. For this reason, using QuickBooks Pro and QuickBooks Premier are preferable to using QuickBooks SimpleStart because these two applications provide additional levels of security not found in QuickBooks SimpleStart.

Access to QuickBooks can be limited to authorised users. Each user should have a unique username and password. Users may be limited to specific areas of QuickBooks, and certain functionality may be limited or prohibited on a user-by-user basis. Until users are set up in QuickBooks, any person who accesses the company data file will have full Admin (see next paragraph) user access to all data, transactions, and reports. Also, only one person can access the company file at a time until other users have been set up. To provide for concurrent usage of the same company file by multiple users or to restrict access, users must be established.

The default user is **Admin**, the Administrator. Administrators have super-user, wizard-like rights and permissions. In other words, Administrators have full access to the system. They have unlimited access to all of the data in a company file, and only the Administrator can add, change, or delete users, or change Company Preferences. There can only be one Admin user. Although all other users are created by the Admin user (and he or she may create an **External Accountant** type of user who does have some Admin powers), another Admin user cannot be created.

It is vital that you set up a separate user ID and password for each user who will be accessing QuickBooks. If you do not, the audit trail will show what was done and when it was done, *but not who did it.*

SETTING UP USERS

The Admin user will want to establish his or her password. From the menu, choose Company > **Set Up Users and Passwords** > **Change Your Password…** (or Company > Set Up Users and Passwords > **Set Up Users** and then with Admin user highlighted in the User List, select **Edit User…**. The default user name for the first account is **Admin**, the administrator for the company file. Enter a password for Admin and confirm the password, as shown in the screen capture below.

NOTE: Although you may change the name of the administrator, we recommend the use of **Admin** as the name for the administrator account. While this Admin name can be changed, for example to *John*, the Admin user may sign in using either the name **Admin** or the new name.

The administrative password should not be known by other users. Should it become compromised, it should be changed immediately. Even if the administrator is the primary user, that person should generally have another user account in QuickBooks that can be used on a daily basis when posting transactions and running reports. The administrator username and password should only be used when performing tasks requiring exclusive Administrator rights.

Once the Admin password has been set, create other users. Select **Company** > **Set Up Users and Passwords** > **Set Up Users the User** List dialogue box will appear, as shown below. Note that new users can be created, and the user names and profiles of existent users can be edited or deleted from this dialogue box.
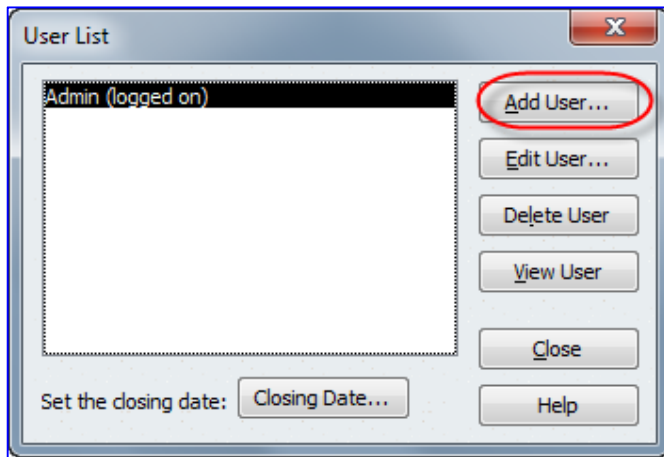
To create additional users, choose **Add User**. The Add User Wizard begins the process of setting up a new user and granting the user rights and permissions.


For each user, access can be granted or restricted to specific functional areas of QuickBooks. Each user can have **No Access**, **Full Access**, or **Selective Access** to the area or feature. If the user is granted selective access to an area, the access can be limited to:

- Create transactions,

- Create and print transactions, or

- Create transactions and create reports.

The functional areas where access can be controlled are:

- Sales and Accounts Receivable

- Purchases and Accounts Payable

- Banking and Credit Cards

- Stock

- Time Tracking

- Payroll and Employees

- VAT

- Sensitive Accounting Activities

- Sensitive Financial Reports

- Changing or Deleting Transactions

- Changing Closed Transactions

At the end of the user creation process, the wizard displays a summary of the access rights for the newly created user, as shown below.
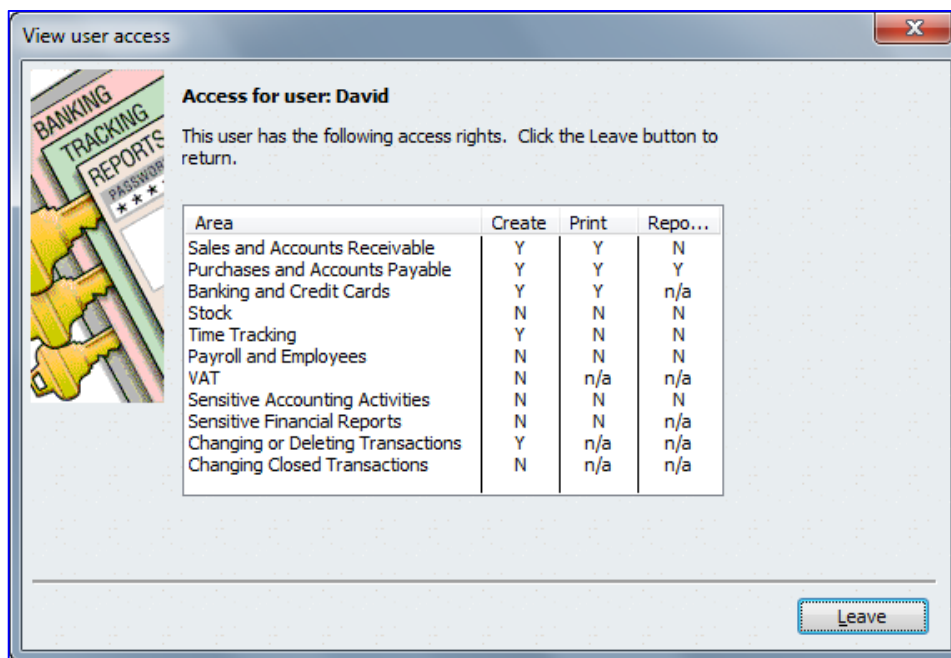
Create each user, in turn, and assign appropriate rights and permissions. Make sure to limit the ability of every user to change closed transactions. Then, only the administrator will be able to change closed transactions.

NOTE: Setting up a user account for each user enhances internal control. Firstly, users will be limited in their use of the company file to just those tasks which they have authority to perform.

Second, the Audit Trail will identify each transaction as to date, time, and user who entered, deleted, or modified the transaction.

Giving the Accountant Full Access

Whether or not the external accountant has full access to the client's accounting records is something that needs to be agreed between the accountant and the client. However, in most situations, it is an absolute requirement that the outside accountant or QuickBooks consultant have complete and full access to the accounting systems for small businesses.

Under these circumstances, the outside accountant/consultant should always have a unique username for the client's company file. This not only provides an audit trail of the changes made by the accountant, but also provides the opportunity to create a report of all the transactions, corrections, and changes made. This is particularly useful if the accountant has made several corrections that significantly reduce cash or some other account balance.

APPENDIX C: IMPORT LIST NAMES FROM OTHER SOURCES TO EXPEDITE SETUP

If, after creating the company data file by using either Express Start or the EasyStep Interview, you have lists of names (items, suppliers or customers/jobs) which you would like to import into QuickBooks, there is an elegant method of achieving that end.

NOTE: If there are other list names such as accounts on the Chart of Accounts or Payment Terms that must be added to the QuickBooks company file, these names may be entered one at a time in QuickBooks, or they may be imported using IIF files. (See Appendix G: Advanced Techniques to Save Time.)

PRECAUTIONS: After you create the QuickBooks data file, there will hopefully be some name lists to import, so that you do not have to enter list names (such as items, accounts, customers) manually one at a time. It is prudent to perform a distinctly-named backup before you do any new importing or entering of balances into your new data file so that you can restore from the backup in case you make a mistake. Best practice is to keep an historical trail of backups (i.e. "generations" of backups) so that you can go back to almost any version of the data file you are building. For example, a backup prior to importing items and quantities on hand might be named "CompanyFilePriorToItemAndQOHImport.QBB."

1. For each list, start with that particular list in QuickBooks. For example, for suppliers, select **Suppliers** > **Supplier Centre** or choose the **Suppliers icon**. Select **New Supplier** and then choose **Add Multiple Suppliers**.
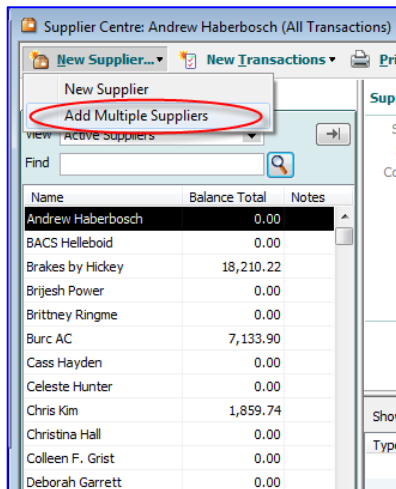
2. The Add/Edit Multiple List Entries window appears (with Suppliers already selected in the List drop-down box), at which point you may copy and paste columns from your source data into the appropriate columns of this window. In fact, you may select **Customise Columns** to add, remove or reposition the columns you want to use.

    A time saving tip regarding such activities as clearing columns, duplicating rows and copying down might appear. If it does, select **OK**.
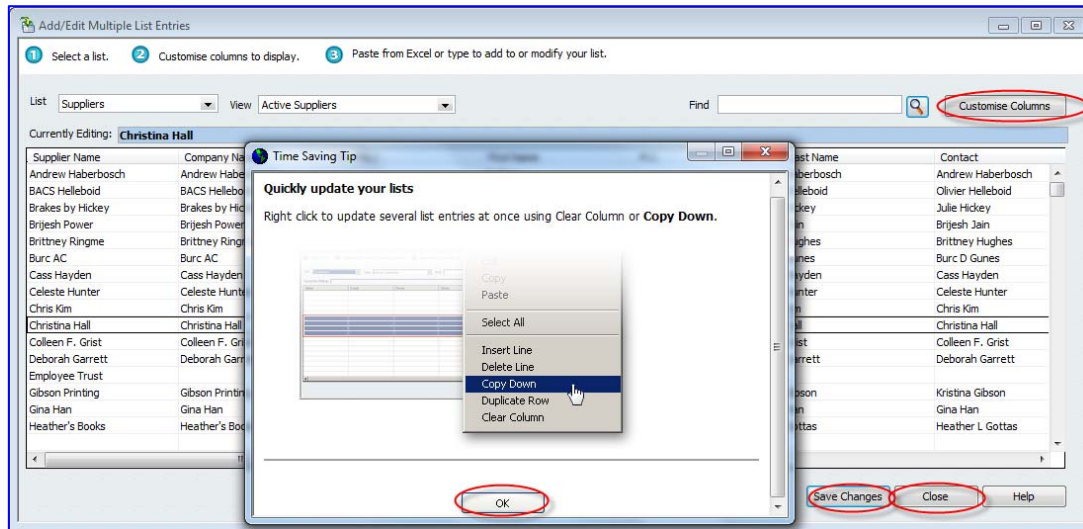

3. Select **Customise Columns** if there are any columns that should be added or taken away from this spreadsheet view. Copy and paste the information fields from the appropriate columns of your source file into the correct columns of the **Add/Edit Multiple Entries List** and make any changes necessary by direct editing or by inserting a line, deleting a line, copying down, duplicating a row, or clearing a column.

4. Select **Save Changes** and **Close**.

1. To access Add/Edit Multiple List Entries window from the Customer Centre, select
    Customers > **Customer Centre** or choose the **Customers icon**. Select **New Customer &
    Job** and then choose **Add Multiple Customer:Jobs**.
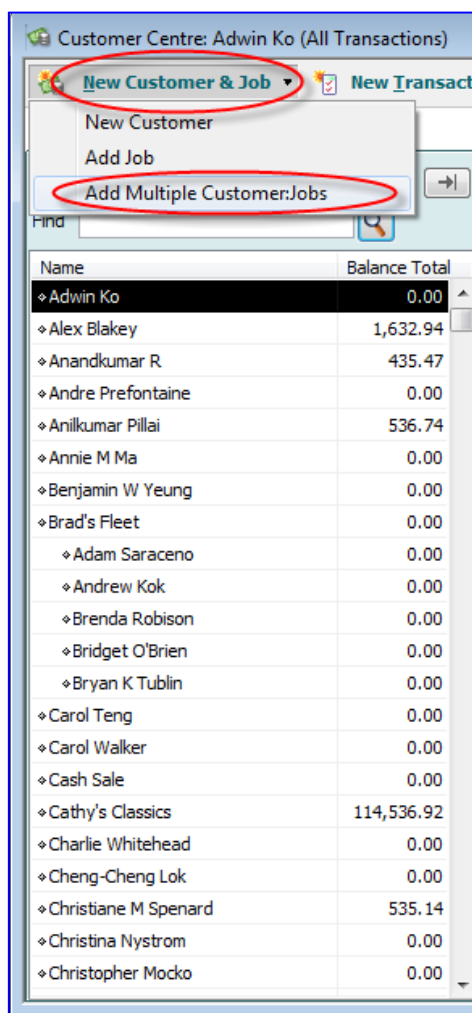
2. The Add/Edit Multiple List Entries window appears with Customers already selected in the List drop-down box.
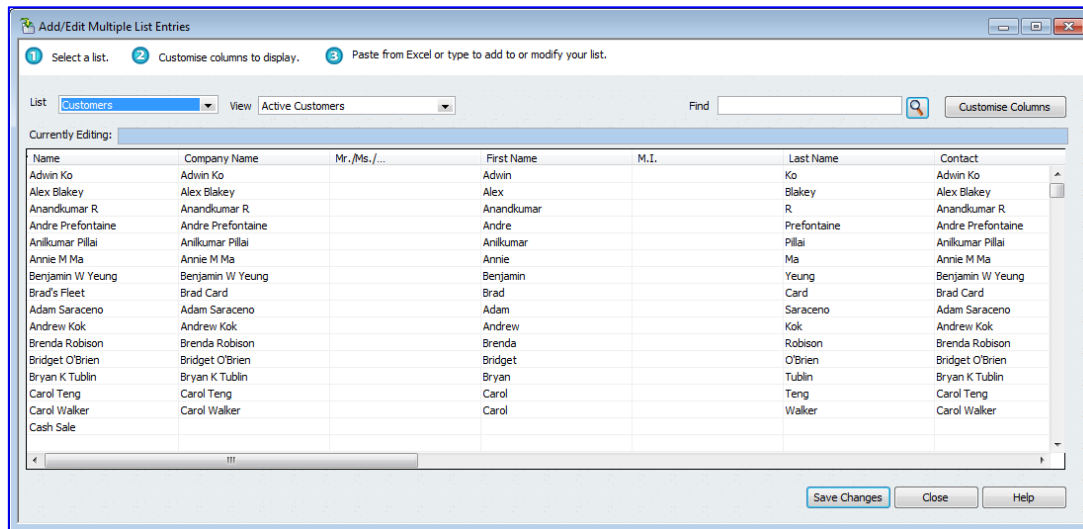
1. To access Add/Edit Multiple List Entries window from the Item List, select **Lists** > **Item List** or select **Suppliers** > **Item List**. Select **Item** and then choose **Add/Edit Multiple Items**.
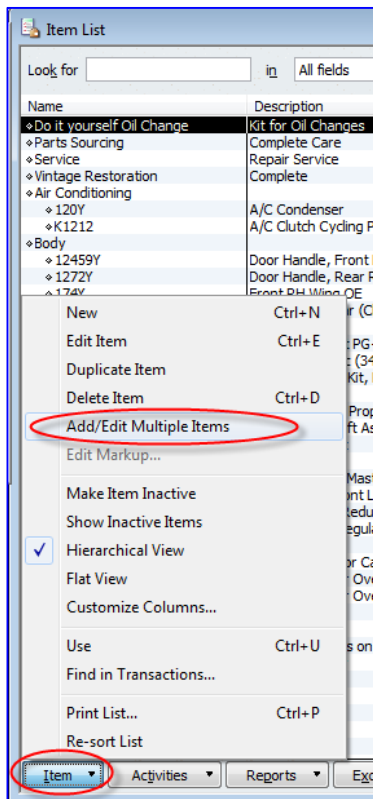
2. The Add/Edit Multiple List Entries window appears with Service Items already selected in the
    List drop-down box (and Stock Parts and Non-Stock Parts can be chosen as well from the
    same drop-down list).
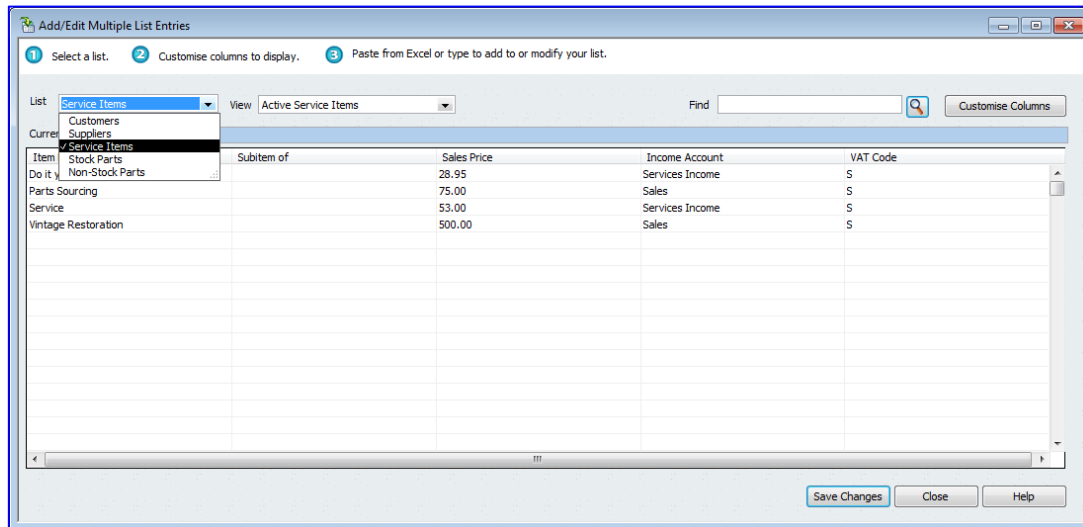
3. Once the Add/Edit Multiple List Entries window is open, regardless of how it was accessed,
    you may select a different list for importing names. Only one type of list may have names
    imported from this list at a time (for instance, only Stock Items or only Suppliers).

APPENDIX D: ENTERING OPENING ACCOUNT BALANCES

Regardless of the method chosen to create the new data file, the following procedures should be utilised for entering opening balances. By following these procedures, users can be assured that they will have entered all of the necessary details to reconcile the chequing account and to manage Accounts Receivable and Accounts Payable.

ENTER BALANCES OTHER THAN BANK AND CREDIT CARD ACCOUNTS, A/R, A/P, STOCK, AND VAT PAYABLE

Create a general journal entry for the opening balances of all accounts except your Bank Accounts, Credit Card Accounts, Accounts Receivable, Accounts Payable, Stock, and VAT Payable. Post the difference in debits and credits to the Share Capital Account, the QuickBooks clearing account which is used for offsetting setup entries. To create the general journal entry, select **Company** > **Make General Journal Entries…** from the menu. Enter a journal entry similar to the one shown below, but using the balances from your client's trial balance.

ENTER BANK AND CREDIT CARD ACCOUNT BALANCES

Enter the opening balance (per the statement for each of these accounts as of the start date) of each bank and/or credit card account directly into the account, as shown in the screen capture below (a bank account is being used for this example, although a similar method would be used for a credit card account). This method posts the offsetting balance to Share Capital Account and insures that the amount entered appears as the Beginning Balance in the first bank and/or credit card reconciliation.

ENTER OUTSTANDING BANK CHEQUES, SERVICE CHARGES AND DEPOSITS

All outstanding bank transactions – cheques and deposits – that occurred on or before the Start Date should be entered directly into the account register for the appropriate bank account. This will insure that the transactions will appear in the first bank reconciliation. From the menu, select Lists > **Chart of Accounts**. Double click on the bank account to open the register. Enter each outstanding transaction, dated at the transaction date, and post the offset to the Share Capital Account, as shown below.

An alternative to entering these outstanding transactions directly into the register is to enter individual cheques, charges, or withdrawals with the correct cheque number, service charge code or withdrawal number, date (and payee, if desired), as well as amount, all posted to the Share Capital Account. Similarly, any outstanding deposits would be entered as deposits to the account with the correct date, amount, and posted to the Share Capital Account.

NOTE: The Ending Balance, after entering all outstanding cheques and deposits, should equal the account balance for the account in the Trial Balance as of the Start Date.

Entering the outstanding credit card account transactions would be done in a fashion similar to entering the outstanding bank account transactions shown above.

ENTER OUTSTANDING ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE TRANSACTIONS

Account Receivable

Create an Invoice for each open invoice in Accounts Receivable (corresponding to positive accounts receivable amounts, or a debit amounts in accounts receivable) as of the Start Date. Date each invoice as of the transaction date and include all details — customer, terms, etc. — in the invoice. For the amount, use the outstanding gross invoice amount (which may differ from the original amount of an invoice if a partial payment had been received) including VAT (although do not split out any VAT). Be sure to use a Service Item (named something like *Opening Balance*) that is linked to the Share Capital Account. Create a Credit Memo for each open credit memo or unapplied payment (which corresponds to negative accounts receivable amounts, or credit amounts in accounts receivable).

A customer invoice is shown in the screen capture below.

Accounts Payable

Create a Bill for each unpaid bill in Accounts Payable (corresponding to positive accounts payable amounts, or credit amounts in accounts payable) as of the Start Date. Create a Bill Credit for each open bill credit or unapplied supplier bill payment as of the Start date as well (corresponding to negative accounts payable amounts, or debit amounts in accounts payable). Again, date the bills and bill credits as of their transaction dates and include all details such as the bill number, but be sure to post these bills and bill credits to the Share Capital Account or use a Service Item linked to the Share Capital Account . Again, use the gross amount outstanding of each transaction and do not split out the VAT amount.

Entering each open Accounts Receivable Invoice and Accounts Payable Bill (rather than entering a total Current Balance as of the Start Date for each Customer and Supplier) insures that the ageing of accounts is accurate. Furthermore, payments by customers or to suppliers can be matched to a specific Invoice or Bill, and detailed job costing and class tracking information is preserved.

ALTERNATE SETUP OF ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

Here is another elegant option for setting up detailed open Accounts Receivable and Accounts Payable transactions as of the Start Date. Create a new account on the Chart of Accounts called *Receivables old system* and make it an Other Current Asset account. Then create a new account on the Chart of Accounts called "Payables old system" and make it an Other Current Liability account.

When setting up the general journal entry for the Start Date opening balances for all accounts other than banks, credit cards and stock, enter the total balance for receivables and payables by including these two new accounts in that entry. However, instead of posting total receivables to Accounts Receivable, post it to *Receivables, Old System.* And instead of posting total payables to Accounts Payable, post it to *Payables, Old System*.

Then create a new service item called *Opening Receivables* and link it to the *Receivables, Old System* account. Similarly, create a new service item called *Opening Payables* and link it to the *Payables, Old System* account.

Accounts Receivable

Enter the outstanding balance of each invoice, unapplied payment and credit memo as described in the previous Accounts Receivable section, and use the item **Opening Receivables** in each entry. This will increase Accounts Receivable and gradually diminish the balance in the **Receivables, Old System** account. You will know that you have entered all the receivables that were outstanding as of the Start Date when the balance in the Receivables, Old System account is zero while the balance in the true Accounts Receivable account is the desired amount from the trial balance.

Accounts Payable

Enter the outstanding balance of each bill, unapplied payment and bill credit as described in the previous Accounts Payable section, and use the item **Opening Payables** in each entry (or use the actual account **Payables, Old System** on the chart of accounts if you prefer not to use items). This will increase Accounts Payable and gradually diminish the balance in the Payables, Old System account. You will know that you have entered all the payables that were outstanding as of the Start Date when the balance in the Payables, Old System account is zero while the balance in the true Accounts Payable account is the desired amount from the trial balance.

ENTER DETAILS FOR NON-POSTING ITEMS

In a fashion similar to entering all open customer invoices and supplier bills, record all open Purchase Orders, Estimates, and Sales Order. Date each transaction as of the transaction date and make sure to enter all necessary details.

NOTE: If you have partially received items on an open Purchase Order, enter the detail only for those items that have not been received. Likewise, if you have progress billed a customer for a part of an Estimate or shipped and delivered part of a Sales Order, enter only the remaining amounts to be invoiced.

ENTER MID-YEAR INCOME AND EXPENSES

Although the optimal point at which to create a Start Date is at a financial year-end, a company file may be set up mid-year. If the company file is being set up at some point *during* a company's financial year, enter a journal entry that summarises the financial year-to-date balances in all income and expense accounts as of the Start Date. Post the difference in debits and credits to the Share Capital Account. If at all possible, for ease of use, create the Start Date at the end of a month.

ADJUSTING VAT PAYABLE

The opening balance for VAT Payable must be adjusted to the amount indicated in the Trial Balance as of the Start Date. This adjustment should be made after all open invoices are entered because recording open Invoices will affect the balance in VAT Payable. The amount of the adjustment will be the amount on the Trial Balance less any amounts recorded in VAT Payable as a result of recording open Invoices. For example, if the Trial Balance indicated that the balance of VAT Payable was £1,500.50, the amount of the adjustment to be entered would be £1,500.50. To enter the adjustment, select **VAT** > **Adjust VAT Due** from the menu. Choose the **VAT Agency** and one **VAT item** to populate the total in the VAT Payable account. The adjustment account would be the Share Capital Account. The screen capture below shows an opening adjustment to VAT Payable.
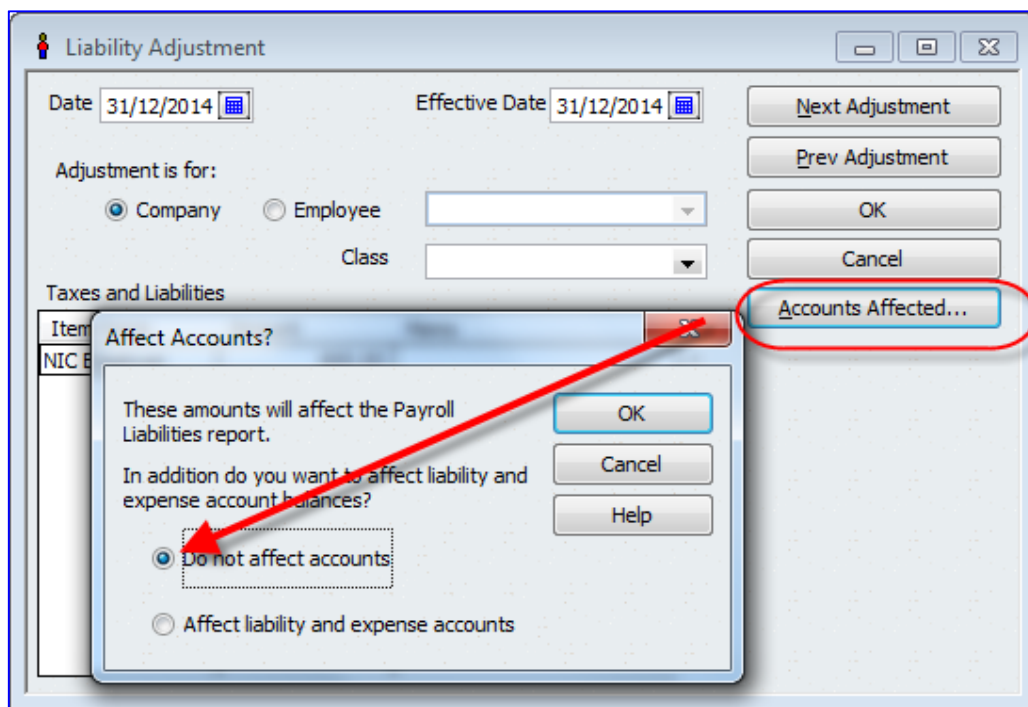
ADJUSTING PAYROLL LIABILITIES

Assuming QuickBooks will be used for payroll payments, each employee will require proper detailed setup, including personal information, wages, compensation, and statutory pay information. In addition, because the Start Date will be in the middle of a payroll year, payroll year-to-date totals (wages, company contributions, deductions and so on) must be entered for each employee so that their year-end payroll forms will have correct totals.

Furthermore, the payroll liabilities account must be adjusted for the various types of payroll liabilities owing as of the Start Date. This must be done by adjusting the payroll liabilities for the company as a whole and for each employee, in addition to including Payroll Liabilities in the general journal entry that affects the Share Capital Account.

To adjust the payroll liabilities account as of the Start Date, select Employees > **Payroll Taxes and Liabilities** > **Adjust Payroll Liabilities**. For all company payroll items, select the radio button next to **Company**. For all employee payroll items, select the radio button next to **Employee** and choose the employee from the drop-down list. For each adjustment, choose the Start Date as the **Date** and the **Effective Date** and enter the payroll item and the amount of the adjustment. Select **Accounts Affected…** and choose **Do not affect accounts** since the total amount of the Payroll Liabilities has been entered in the general journal entry affecting Share Capital Account.

Ensure that you have the correct detail to all payroll liabilities as of the Start Date by running the Payroll Liability Balances report. Access this report by selecting **Reports** > **Employees & Payroll** > **Payroll Liability Balances** from the menu. This will ensure that when the time comes to pay payroll liabilities, the correct liability items and amounts will show as ready to be paid.

ESTABLISHING OPENING STOCK BALANCES

If the company uses the stock features of QuickBooks, the recorded quantities and values will need to be adjusted to actual quantities and values as of the Start Date. This should be done by establishing

the quantities on hand and valuation when creating the Stock Part, as shown in the following screen capture.

Following the steps outlined above will ensure that all opening balance information has been entered correctly. You are now ready to complete the setup process and verify the accuracy of the company file setup.

CLEARING THE SHARE CAPITAL ACCOUNT

Print a Trial Balance as of the Start Date and confirm the balances of all accounts except Retained Earnings. Make any adjustments necessary using the procedures laid out above. If you entered any partial year income and expenses, these balances will be automatically closed to Retained Earnings on the day after the Start Date — the first day of the new financial year. Note the balance of the Share Capital Account.

Once you have verified the account balances, create a journal entry to close the balance of Share Capital Account to Retained Earnings. (If the company is a sole proprietorship Share Capital Account will be closed to the Owner's Equity account. If the company is a partnership, the balance will be closed to the individual partner's equity accounts.) From the menu, select **Company** > **Make General Journal Entries…** Now enter the journal entry that closes the balance of Share Capital Account to Retained Earnings, as shown in the screen capture below.

APPENDIX E: VERIFYING THE COMPANY FILE SETUP

After you have closed the Share Capital Account, verify the accuracy of the Balance Sheet by completing the following procedures:

1. Print a **Balance Sheet** dated the first day of the new financial year – the day after the Start Date. The account balances should match those on the source Trial Balance.

2. If you created the company in mid-year, print a year-to-date **Profit & Loss Report** and make sure that the amounts agree with your source documents.

3. Print the **Customer Balance Detail** report and tie the Accounts Receivable subsidiary ledger to your source documents.

4. Print the **Supplier Balance Detail** report and tie the Accounts Payable subsidiary ledger to your source documents.

5. Print the **Stock Valuation Detail** report and tie the Stock quantities on hand to your physical stock.

APPENDIX F: COMPLETING THE SETUP PROCESS

Now that setup is essentially complete, there are a few remaining tasks to wrap-up the process:

1. Back up the newly created company file. From the menu, select **File** > **Create Backup** and follow the prompts.

2. Set the Closing Date and enter a Closing Date Password. This setting can be accessed from the menu by selecting **Edit** >**Preferences** > **Accounting** > **Company Preferences** or Company > **Set Closing Date**.

APPENDIX G: ADVANCED TECHNIQUES TO SAVE TIME

USE AN EXISTING COMPANY FILE TO CREATE THE NEW COMPANY FILE MAINTAIN A LIBRARY OF TEMPLATE COMPANY FILES

For those who routinely create new QuickBooks data files, consider creating a library of template or skeleton companies (without any transactions or balances) from which to draw when creating a new date file. Then, whenever a company new file needs to be created, use one of these predefined files as the template and use a few simple Windows commands to recycle these files to be used to create new QuickBooks data files.

To use an existing company file to create a new company file, perform the following steps.

1. Select an appropriate template or skeleton company file upon which to base the new company.

2. Using Windows Explorer, **Copy**, **Paste**, and **Rename** the company file to the new company file name.

3. Now open the newly-named company file. From the menu, select **Company** > **Company Information** and enter the correct information for the new company.

The new data file will contain everything the template file contained, including the Chart of Accounts List, Preferences, Customised Reports, and Customised Form Templates (although the templates will have to be edited to incorporate company-specific graphics such as company logos and other details).

4. All that remains is to enter beginning balances (as of the **Start Date**) for the trial balance and outstanding bank, customer, and supplier transactions along with stock items, and the file is ready for use.

The template files could be industry-specific. For instance, template data files could be created for medical practices, construction companies, professional firms, and other industries often served. The total amount of setup time involved in creating a new data file will be much less than if the EasyStep Interview process were utilised for each new company file to be created in QuickBooks.

IMPORT DATA FROM OTHER COMPANIES TO EXPEDITE SETUP

PRECAUTIONS: After you create the QuickBooks data file, there will hopefully be some name lists to import, so that you do not have to enter list names (such as items, accounts, customers) manually one at a time. It is prudent to perform a distinctly-named backup before you do any new importing or entering of balances into your new data file so that you can restore from the backup in case you make a mistake. Best practice is to have an historical trail of backups (i.e. "generations" of backups) so that you can go back to almost any version of the data file you are building. For example, a backup prior to importing items and quantities on hand might be named *CompanyFilePriorToItemAndQOHImport.QBB.*

IIF files

Almost all list information in QuickBooks may be exported from one company file and imported into another. The export/import process utilises Intuit Interchange Format (IIF) files as the means for transferring information. These are tab-delimited text files which may be opened in Notepad, or preferably in Excel. To export lists from an existing company file, open the company and select **File** > **Utilities** > **Export** > **Lists to IIF files…** Select the lists to export from the dialogue box shown below, and click **OK**.
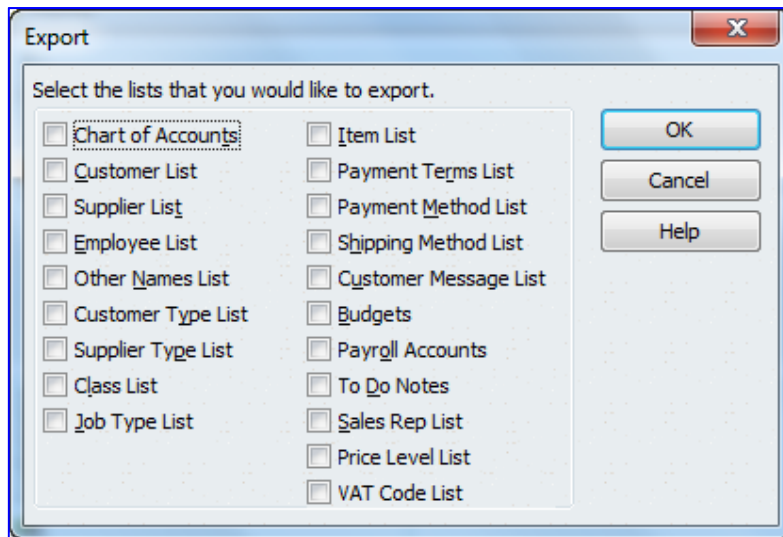

To import a list that has already been exported, open the company into which you desire to import the list. From the menu, select **File** > **Utilities** > **Import** > **IIF Files…** and then select the IIF file to be imported.
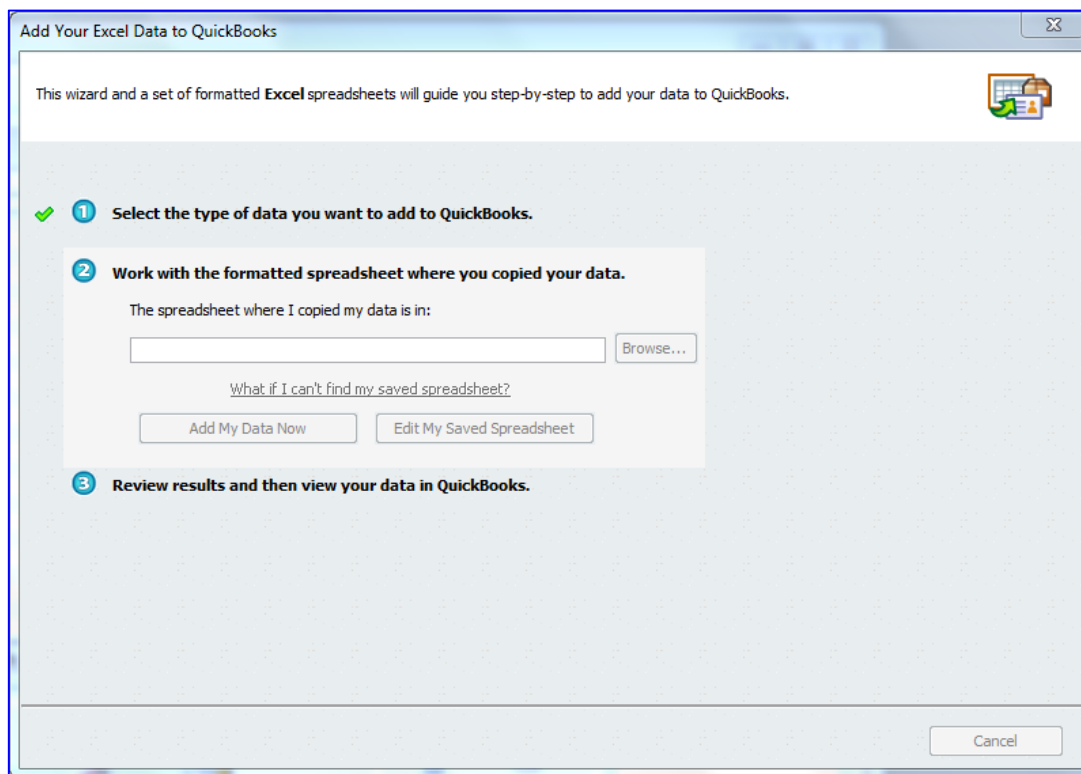
Excel Import

In addition to importing IIF files, QuickBooks can also import four types of lists from Excel. The lists that can be imported from Excel are the Chart of Accounts List, Customer List, Supplier List, and Item List.

1. To begin this process, select **File** > **Utilities** > **Import** > **Excel Files…**from the menu and then select **Advanced Import**.
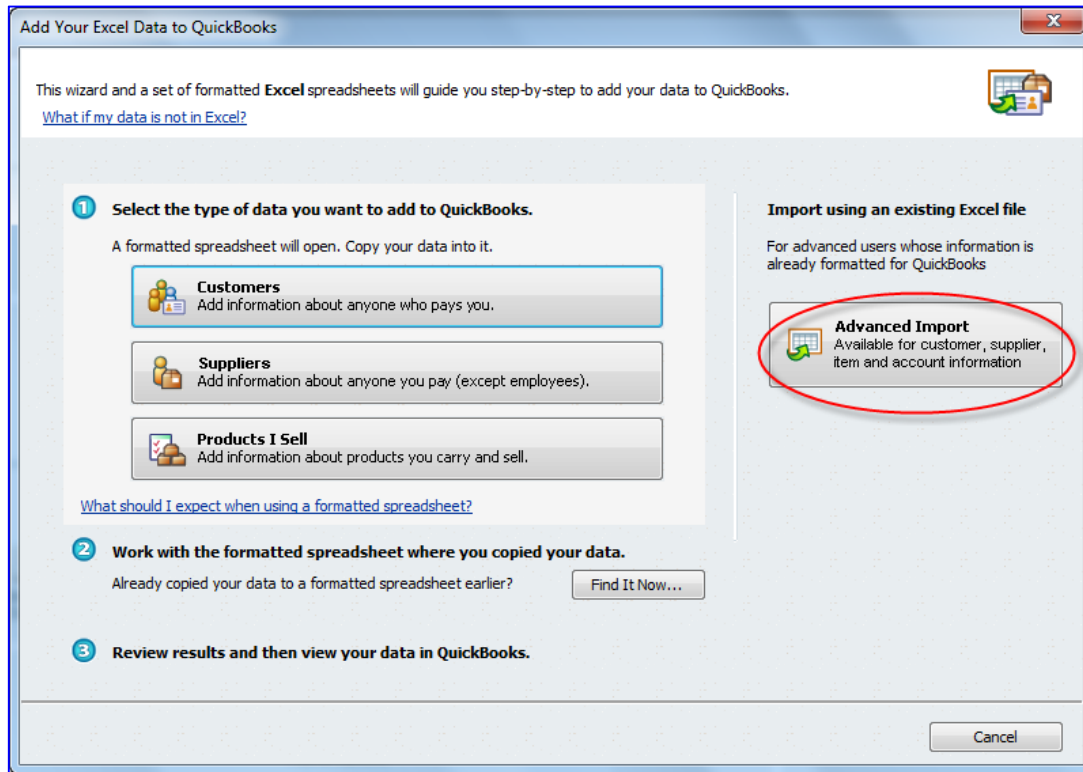
2. Select the workbook and worksheet to be imported, define an appropriate mapping scheme, and then import the data directly from Excel. The following dialogue box displays the setup for importing new customers.

3. A formatted spreadsheet is then provided for you to copy columns from an existing Excel spreadsheet and paste them for import into QuickBooks by selecting **Add My Data Now**.