

# QuickBooks® Complete 2009

For QuickBooks Pro and Premier Version 2009

**The**  
**SLEETER**  
**GROUP**

Copyright © 2009  
The Sleeter Group, Inc.

Website: [www.sleeter.com](http://www.sleeter.com)

Email: [info@sleeter.com](mailto:info@sleeter.com)

888-484-5484

Product Name	Learning QuickBooks Step-by-Step - QuickBooks Complete - Version 2009 ISBN# 978-1-932487-47-3
Trademarks	All screen captures copyright © Intuit Inc. All rights reserved.  Intuit, the Intuit logo, Lacerte, Master Builder, ProSeries, QuickBase, QuickBooks, QuickBooks Pro, QuickBooks ProAdvisor, Quicken, and TurboTax, among others, are registered trademarks and/or registered service marks of Intuit Inc., or one of its subsidiaries, in the United States and other countries. Intuit ProConnection is a trademark of Intuit Inc. in the United States and other countries.  Other brands or product names are trademarks or service marks of their respective owners, should be treated as such, and may be registered in various jurisdictions.
Copyright	© 2009 The Sleeter Group, Inc. All rights reserved Printed 6/23/2009 11:52:00 PM Complete-09-1.doc
Disclaimer	This material is intended as a learning aid for QuickBooks software users. Under no circumstances shall the author or publisher be liable for any damages, including any lost profits, lost data or other indirect damages arising out of anything written in this document or expressed directly or indirectly by the author or publisher.
Developed and Written By	Douglas Sleeter
Contributing Authors, Testers, and Reviewers	Pat Carson Deborah Pembrook Kathy Yakal

## Table of Contents

<b>Chapter 1 Introducing QuickBooks .....</b>	<b>1</b>
Objectives .....	1
The QuickBooks Product Line .....	1
QuickBooks Editions .....	2
QuickBooks Releases .....	2
Accounting 101 .....	2
Accounting's Focus .....	2
Accounts, Accounts, Everywhere Accounts .....	3
Account Types and Financial Reports .....	3
Double-Entry Accounting .....	4
Accounting Behind the Scenes .....	4
Accounting for the Future: Cash or Accrual? .....	5
Academy Photography Sample Company .....	5
About QuickBooks Files .....	6
Opening a QuickBooks Sample File .....	6
Opening Other QuickBooks Data Files .....	8
Closing QuickBooks Files .....	10
Closing the QuickBooks Program .....	10
Opening Portable Company Files .....	10
Creating Portable Company Files .....	13
Restoring Backup Files .....	14
Backing up Your Data File .....	15
Restoring a Backup File .....	18
Entering Transactions in QuickBooks .....	20
Forms .....	20
Lists .....	21
Accounts .....	22
Registers .....	22
Items .....	23
Centers .....	25
QuickBooks User Interface Features .....	25
Home Page .....	25
Menus .....	27
QuickBooks Navigation Bar .....	27
Icon Bar .....	27
Shortcut Keys .....	28
Open Previous Company .....	28
QuickBooks Help .....	29
Support Resources .....	29
QuickBooks Coach .....	30
QuickBooks Learning Center .....	32
QuickBooks Professional Advisors .....	32
Chapter Summary and Review .....	33
Comprehension Questions .....	33
Multiple Choice .....	33
Completion Statements .....	34
Introduction-Problem 1 .....	34
Discussion Questions .....	35
Activity .....	36
<b>Chapter 2 The Sales Process .....</b>	<b>37</b>
Objectives .....	37
Tracking Company Sales .....	37
Setting Up Customers .....	41
Job Costing .....	49

Recording Sales.....	50
Entering Sales Receipts .....	50
Undeposited Funds .....	55
Creating Invoices.....	57
Open Invoices Report.....	62
Receiving Payments from Customers.....	63
Receiving Payments by Check .....	63
Handling Partial Payments.....	65
Receiving Payments by Credit Card .....	65
Where Do the Payments Go?.....	66
Preferences for Applying Payments .....	67
Recording Customer Discounts.....	68
Making Bank Deposits.....	71
Depositing Checks and Cash .....	72
Holding Cash Back from Deposits.....	74
Printing Deposit Slips .....	75
Depositing Credit Card Payments.....	77
Chapter Summary and Review .....	81
Summary of Key Points.....	81
Comprehension Questions .....	81
Multiple Choice.....	81
Completion Statements.....	83
Sales-Problem 1 .....	83
Workplace Applications .....	86
<b>Chapter 3 Tracking Revenue .....</b>	<b>87</b>
Objectives.....	87
Recording Customer Returns and Credits .....	87
Customer Open Balance Report.....	89
Applying an Existing Credit Memo to an Invoice .....	90
Refunding Customers .....	98
Writing Off a Bad Debt.....	104
Applying the Bad Debt Credit Memo to an Open Invoice .....	106
Creating Customer Statements.....	107
Assessing Finance Charges .....	108
Creating Sales Reports.....	111
Sales by Customer Summary Report .....	111
Sales by Item Report.....	112
Chapter Summary and Review .....	114
Summary of Key Points.....	114
Comprehension Questions .....	114
Multiple Choice.....	114
Completion Statements.....	116
Revenue-Problem 1 .....	116
Workplace Applications .....	118
<b>Chapter 4 Managing Expenses.....</b>	<b>119</b>
Objectives.....	119
Entering Expenses in QuickBooks .....	119
The Process of Entering Expenses in QuickBooks.....	120
Setting Up Vendors .....	122
Activating Class Tracking.....	128
Tracking Job Costs.....	131
Paying Vendors .....	132
Using Registers.....	132
Using Write Checks Without Using Accounts Payable .....	135
Managing Accounts Payable.....	137
Printer Setup .....	145

Printing Checks .....	146
Voiding Checks .....	148
Tracking Loans using the Loan Manager .....	151
Setting up a Loan in the Loan Manager .....	151
Making Loan Payments using the Loan Manager .....	154
Applying Vendor Credits.....	156
Handling Deposits and Refunds from Vendors .....	159
Vendor Deposits — When You Use Accounts Payable.....	160
Vendor Refunds — When You Use Accounts Payable .....	160
Vendor Refunds — When You Directly Expensed Payment .....	165
Tracking Petty Cash.....	165
Tracking Company Credit Cards.....	166
Entering Credit Card Charges .....	166
Paying the Credit Card Bill.....	168
Accounts Payable Reports .....	169
Vendor Balance Detail.....	169
Transaction List by Vendor.....	170
Chapter Summary and Review.....	171
Summary of Key Points.....	171
Comprehension Questions.....	171
Multiple Choice.....	171
Completion Statements .....	173
Expenses-Problem 1 .....	174
Workplace Applications .....	175
<b>Chapter 5 Bank Reconciliation .....</b>	<b>177</b>
Objectives .....	177
Reconciling Bank Accounts .....	178
Bank Reconciliation Reports .....	184
Finding Errors During Bank Reconciliation.....	186
When QuickBooks Automatically Adjusts your Balance.....	193
Handling Bounced Checks.....	193
When Your Customer’s Check Bounces.....	194
Receiving and Depositing the Replacement Check.....	198
When Your Check Bounces .....	199
Reconciling Credit Card Accounts and Paying the Bill .....	200
Online Banking.....	203
Opening the Sample File .....	203
Online Banking Setup.....	203
Processing Online Transactions.....	204
Downloaded Transactions .....	205
Chapter Summary and Review.....	210
Summary of Key Points.....	210
Comprehension Questions.....	210
Multiple Choice.....	210
Completion Statements .....	212
Bank Rec-Problem 1 .....	213
Discussion Questions .....	215
Case Study .....	215
<b>Chapter 6 Reports and Graphs.....</b>	<b>217</b>
Objectives .....	217
Types of Reports.....	217
Cash versus Accrual Reports.....	218
Accounting Reports .....	221
Profit & Loss .....	221
Profit & Loss by Class Report .....	223
Profit & Loss by Job Report .....	226

Balance Sheet.....	227
Statement of Cash Flows .....	228
General Ledger.....	229
Trial Balance.....	230
Voided/Deleted Transactions Summary Reports.....	230
Business Management Reports .....	232
Customer Phone List .....	232
Vendor Contact List.....	233
Item Price List.....	233
Check Detail Report .....	234
Accounts Receivable and Accounts Payable Reports.....	235
QuickBooks Graphs .....	238
Building Custom Reports.....	240
Memorizing Reports.....	247
Viewing Memorized Reports.....	248
Processing Multiple Reports.....	249
Report Groups.....	249
Processing Multiple Reports.....	249
Printing Reports .....	251
Finding Transactions .....	253
Using the Find Command .....	253
Search.....	255
QuickReports.....	259
Using QuickZoom .....	263
Exporting Reports to Spreadsheets .....	264
Exporting a Report to Microsoft Excel.....	264
Exporting to Other Spreadsheet Programs.....	266
Chapter Summary and Review .....	268
Summary of Key Points.....	268
Comprehension Questions .....	268
Multiple Choice.....	268
Completion Statements.....	270
Reports-Problem 1.....	270
Workplace Applications .....	271
Case Study.....	272
<b>Chapter 7 Company File Setup and Maintenance .....</b>	<b>273</b>
Objectives .....	273
Complete Company File Setup: A 12-Step Process.....	273
Choosing a Start Date – Step 1.....	273
The EasyStep Interview – Step 2 .....	274
Launching the EasyStep Interview.....	275
Setting Up the Chart of Accounts and Other Lists – Step 3 .....	285
Setting Up the Chart of Accounts .....	285
Setting Up Other Lists .....	296
Setting Up Opening Balances – Step 4 .....	296
Gathering Your Information.....	296
Opening Balances for Accounts.....	299
Understanding Opening Bal Equity.....	302
Entering Open Items – Step 5.....	303
Entering Outstanding Checks and Deposits .....	303
Entering Open Bills (Accounts Payable).....	303
Entering Open Invoices (Accounts Receivable).....	304
Entering Open Purchase Orders.....	306
Entering Open Estimates and Sales Orders.....	306
Entering Year-to-Date Income and Expenses – Step 6 .....	306
Adjusting Opening Balance for Sales Tax Payable – Step 7 .....	307

Adjusting Inventory and Setting up Fixed Assets – Step 8.....	308
Adjusting Inventory for Actual Counts.....	308
Setting up Fixed Assets .....	309
Setting up Loans.....	309
Setup Payroll and YTD Payroll Information – Step 9 .....	309
Verifying your Trial Balance – Step 10 .....	310
Closing Opening Bal Equity – Step 11.....	311
Setting the Closing Date - Backing up the File – Step 12.....	313
Setting the Closing Date to Protect your Setup Balances.....	313
Users and Passwords.....	313
Setting Up Users in the Company File .....	313
Chapter Summary and Review.....	317
Summary of Key Points.....	317
Comprehension Questions.....	318
Multiple Choice.....	318
Completion Statements .....	320
Setup-Problem 1.....	320
Workplace Applications .....	327
<b>Chapter 8 Customizing QuickBooks.....</b>	<b>329</b>
QuickBooks Preferences.....	329
Setting User Preferences .....	330
Setting Company Preferences.....	337
Customizing QuickBooks Menus and Windows.....	352
Open Window List.....	352
QuickBooks Menu Bars .....	352
Customizing the Icon Bar .....	353
QuickBooks Items and Other Lists.....	358
QuickBooks Items .....	358
Printing the Item List .....	364
Other Lists.....	365
The Terms List .....	365
Price Levels.....	367
Custom Fields.....	371
Adding Custom Field Data to Customer Records.....	372
Modifying Sales Form Templates .....	372
Chapter Summary and Review.....	380
Summary of Key Points.....	380
Comprehension Questions.....	380
Multiple Choice.....	380
Completion Statements .....	382
Customizing-Problem 1 .....	382
Workplace Applications .....	384
<b>Chapter 9 Inventory .....</b>	<b>385</b>
Objectives .....	385
QuickBooks Tools for Tracking Inventory .....	385
Tracking Inventory with QuickBooks.....	387
Activating the Inventory Function .....	388
Setting up Inventory Parts Items .....	389
Calculating Average Cost of Inventory .....	393
Invoicing for Inventory Items .....	394
Selling Inventory Items Using an Invoice Form .....	394
Creating a Transaction Journal Report.....	394
Using Reminders for Inventory.....	395
Purchasing Inventory.....	395
Purchasing Inventory at a Retail Store with Check or Credit Card.....	396
Purchase Orders .....	397

Creating a Purchase Order.....	397
Receiving Shipments against Purchase Orders .....	399
Creating Open Purchase Orders Reports.....	402
Checking Purchase Order Status.....	402
Entering the Final Shipment .....	403
Entering Bills for Received Inventory .....	404
Converting an Item Receipt into a Bill.....	404
Handling Overshipments.....	406
Handling Vendor Overcharges.....	407
Adjusting Inventory.....	408
Adjusting the Quantity of Inventory on Hand .....	408
Adjusting the Value of Inventory.....	410
Unit of Measure .....	411
Turning on Unit of Measure .....	411
Applying Unit of Measure to Items .....	412
Setting up Group Items.....	414
Inventory Assemblies.....	415
Inventory Reports.....	419
Inventory Item QuickReport .....	420
Inventory Stock Status by Item Report.....	420
Inventory Stock Status by Vendor Report.....	421
Inventory Valuation Reports.....	421
Chapter Summary and Review .....	423
Comprehension Questions .....	423
Multiple Choice.....	423
Completion Statements.....	426
Inventory Problem 1 .....	426
Workplace Applications .....	428
<b>Chapter 10 Sales Tax .....</b>	<b>429</b>
Objectives.....	429
Setting up Sales Tax .....	429
Activating Sales Tax and Setting Preferences.....	429
Sales Tax Items.....	433
Using Sales Tax Items on Sales Forms .....	433
Setting Up Sales Tax Items .....	433
Sales Tax Codes .....	435
Using Sales Tax Codes on Sales Forms .....	435
Setting up Sales Tax Codes.....	436
Editing the Sales Tax Codes on Items and Customers .....	436
Calculating Sales Tax on Sales Forms.....	440
QuickBooks and Your Sales Tax Return .....	440
The Sales Tax Liability Report.....	441
Recording Discounts, Penalties, Interest and Rounding .....	442
Paying Sales Tax.....	444
Advanced Sales Tax Topics.....	445
Sales Tax Groups.....	445
Categorizing Revenue Based on Sales Tax Codes .....	447
Chapter Summary and Review .....	449
Comprehension Questions .....	449
Multiple Choice.....	449
Completion Statements.....	451
Sales Tax Problem 1 .....	452
Workplace Applications .....	454
<b>Chapter 11 Time and Billing.....</b>	<b>455</b>
Objectives.....	455
Reimbursable (Billable) Expenses .....	455

Using Two-Sided Items (Pro and above only).....	464
Tracking Custom Orders.....	465
Using Service Items to Track Subcontracted Labor .....	471
Unbilled Costs by Job Report .....	473
Billable Time.....	474
Activating Time Tracking in QuickBooks .....	474
Entering Time on Timesheets.....	475
Printing Timesheets .....	476
Invoicing Customers for Time .....	477
Time Reports .....	481
Time by Name Report .....	481
Time by Job Detail Report.....	482
Time by Item Report.....	483
Tracking an Owner's or Partner's Time .....	484
Vehicle Mileage Tracking (Pro & above) .....	486
Multiple Pass-Throughs on One Invoice.....	491
Chapter Summary and Review.....	495
Comprehension Questions.....	496
Multiple Choice.....	496
Completion Statements .....	498
Time and Billing Problem 1 .....	499
Workplace Applications .....	501
<b>Chapter 12 Payroll Setup.....</b>	<b>503</b>
Objectives .....	503
Checklist for Setting up Payroll .....	504
Activating Payroll.....	505
Payroll Accounts.....	507
Payroll Items.....	507
Enabling the Data File for Payroll Processing .....	508
Enable Intuit Payroll.....	508
Enable Manual Payroll .....	510
The Payroll Setup Interview .....	512
Setting up Compensation and Benefits Payroll Items.....	513
Medical Insurance Deduction .....	515
401(k) Employee Deduction and Company Match Items .....	520
Paid Time Off Payroll Items.....	525
Setting up Employees .....	528
Payroll Tax Item Setup.....	534
Scheduling Your Tax Payments.....	535
Setting up Year-to-Date Payroll Amounts .....	538
Finishing Up The Payroll Setup Interview .....	539
Finalizing the Payroll Setup.....	540
Custom Fields for Payroll .....	540
Setting Up Employee Defaults .....	541
The Accounting Behind the Scenes — Payroll Items.....	547
Adding Payroll Items from the Payroll Item List.....	549
Adding a Wage (Compensation) Item.....	549
Editing Payroll Items.....	552
Releasing Employees.....	560
Deactivating and Reactivating Employees .....	561
The Employee Contact List report.....	562
Chapter Summary and Review.....	563
Comprehension Questions.....	563
Multiple Choice.....	563
Completion Statements .....	565
Payroll Setup Problem 1 .....	565

Payroll Setup Problem 2 .....	568
Workplace Applications .....	570
<b>Chapter 13 Payroll Processing.....</b>	<b>571</b>
Objectives .....	571
Payroll Processing Checklists.....	572
Using the Employee Center .....	572
Payroll Center.....	573
Payroll Tax Tables.....	573
Updating your tax tables .....	573
Paying Employees .....	576
Selecting the Employees to Pay .....	576
Printing Paychecks.....	581
Printing Pay Stubs .....	583
Job-Costing Wages.....	585
Editing, Voiding, and Deleting Paychecks .....	585
Editing Paychecks.....	585
Replacing Lost or Stolen Checks .....	588
Voiding Paychecks.....	589
Deleting Paychecks.....	589
Paying Payroll Liabilities.....	590
Editing a Liability Payment .....	593
Adjusting Payroll Liabilities .....	594
Creating Payroll Reports .....	595
Payroll Summary Report .....	595
Sales Rep Commissions .....	597
Payroll Liabilities Report.....	598
Preparing Payroll Taxes .....	602
Processing Form 941 and Schedule B .....	602
Processing Form 940 .....	608
Processing W-2s .....	610
Creating Reports for Preparing State or Local Payroll Taxes.....	616
State Payroll Taxes Detail Report.....	616
Summarizing Payroll Information in Microsoft Excel .....	617
Chapter Summary and Review .....	620
Comprehension Questions .....	620
Multiple Choice.....	620
Completion Statements.....	622
Payroll Processing Problem 1 .....	622
Workplace Applications .....	623
<b>Chapter 14 Estimates and Sales Orders .....</b>	<b>625</b>
Objectives .....	625
Creating Estimates .....	626
Creating Invoices from Estimates .....	627
Progress Invoicing .....	629
Creating Purchase Orders from Estimates .....	633
Viewing and Tracking Estimates.....	636
Sales Orders .....	640
Sales Order Preferences .....	640
Creating Sales Orders .....	641
Creating Invoices from Sales Orders .....	642
Creating Purchase Orders from Sales Orders.....	643
Tracking Sales Orders and Back Orders.....	648
Chapter Summary and Review .....	650
Comprehension Questions .....	650
Multiple Choice.....	650
Completion Statements.....	652

Estimates-Problem 1 .....	653
Workplace Applications .....	654
<b>Chapter 15 Budgeting, Forecasting, and Business Planning .....</b>	<b>655</b>
Objectives .....	655
Creating Budgets and Budget Reports .....	655
Creating Budgets.....	655
Creating Budgets for Jobs .....	658
Creating Budgets for Classes.....	661
Creating Budget Reports.....	663
Creating Forecasts and Forecast Reports .....	670
Creating a Forecast for Accounts.....	671
Creating Forecast Reports .....	673
Cash Flow Projector.....	674
Creating a Business Plan .....	680
Chapter Summary and Review.....	689
Comprehension Questions.....	689
Multiple Choice .....	689
Completion Statements .....	691
Budgeting-Problem1 .....	691
Workplace Applications .....	692
<b>Chapter 16 Adjustments and Year-End Procedures.....</b>	<b>693</b>
Objectives .....	693
Processing 1099s.....	693
The 1099 Wizard .....	694
Editing 1099 Information in Vendor Records.....	695
Setting Account Mapping Preferences for 1099s.....	697
1099 Summary Report .....	700
Printing 1099s and 1096 Forms.....	701
Editing, Voiding, and Deleting Transactions.....	703
Editing Transactions .....	704
Voiding and Deleting Transactions.....	706
General Journal Entries .....	707
Creating a General Journal Entry.....	707
Adjusting Expense Accounts Associated with Items (Zero-Dollar Checks) .....	708
Tracking Fixed Assets.....	709
Using the Fixed Asset List.....	711
Calculating and Recording Depreciation .....	713
Memorized Transactions.....	714
Memorizing a Journal Entry .....	714
Deleting, Rescheduling, and Editing Memorized Transactions.....	715
Closing the Year .....	718
Closing the Accounting Period.....	718
Recording Closing Entries for Sole Proprietorships and Partnerships .....	719
Distributing Net Income to Partners .....	722
Setting the Closing Date to “Lock” Transactions.....	723
Chapter Summary .....	724
Comprehension Questions.....	725
Multiple Choice .....	725
Completion Statements .....	727
Adjustments Problem 1 .....	727
Workplace Application.....	728
<b>Chapter 17 Horizon Financial Planning Business Scenario .....</b>	<b>729</b>
Description of Company – Horizon Financial Planning .....	729
Goals.....	729
Company Set Up.....	730
Classes.....	730

Items.....	730
Payroll Setup.....	730
Customer List.....	731
Vendor List.....	731
Instructions.....	732
Business Transactions.....	733
October 2011.....	733
November 2011.....	740
Analysis Questions.....	746
<b>Appendix.....</b>	<b>749</b>
Keyboard Shortcuts.....	749
Glossary.....	751
Answer Key for End of Chapter Questions.....	761
Introduction to QuickBooks.....	761
The Sales Process.....	762
Managing Revenues.....	763
Managing Expenses.....	764
Bank Reconciliation.....	766
Reports and Graphs.....	766
Inventory.....	767
Sales Tax.....	771
Time and Billing.....	772
Payroll Setup.....	773
Payroll Processing.....	773
Estimates.....	774
Budgeting.....	775
Adjustments.....	776
Company File Setup.....	767
Customizing QuickBooks.....	769
Horizon Financial Planning Business Scenario.....	777
<b>Index.....</b>	<b>761</b>