



QUICKBOOKS 2020 STUDENT GUIDE

Lesson 1

Getting Started

intuit.

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Lesson Objectives

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

Navigating QuickBooks

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

- Home Page
- Menu Options
- Icon Bars

Home Page

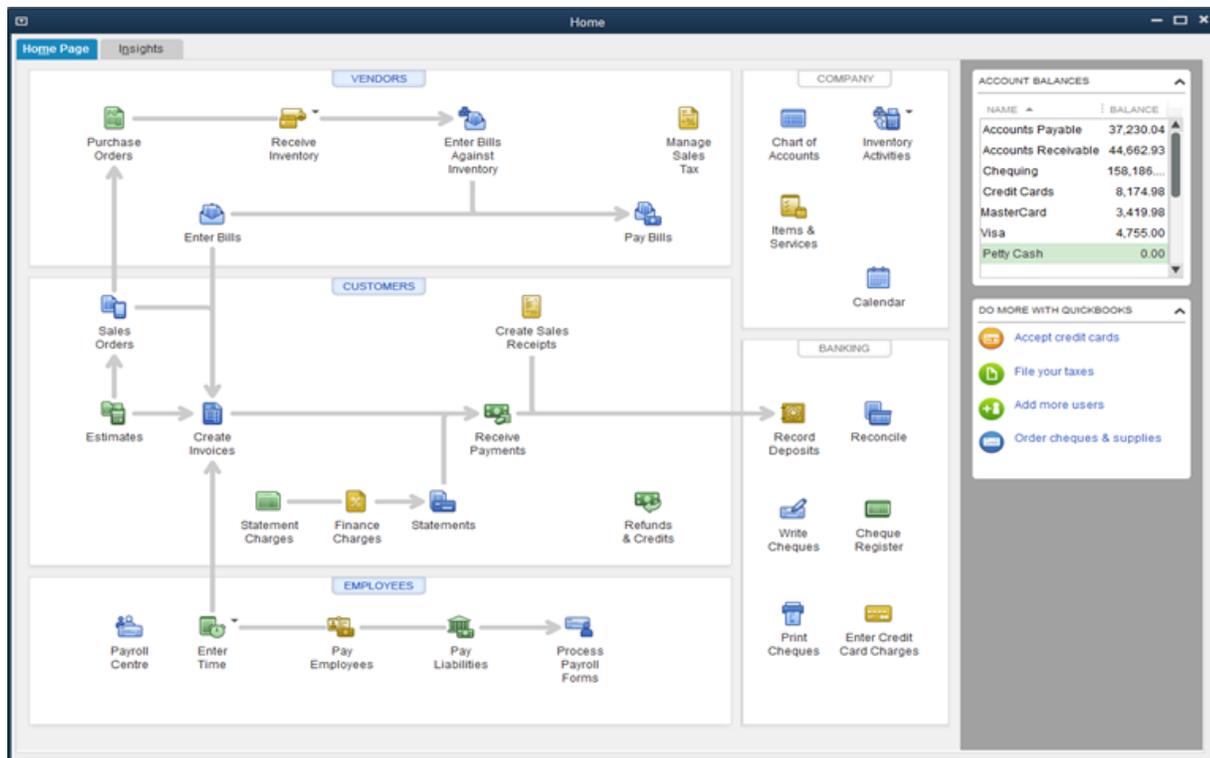
The tasks and workflows shown on the Home page reflect how you use QuickBooks to run your business. Over time, your business needs or practices might change. If they do, you can change the Home page so that the tasks and workflows match your current business model.

The Home Page is organized into two different tabs:

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

To work with the **Home Page**

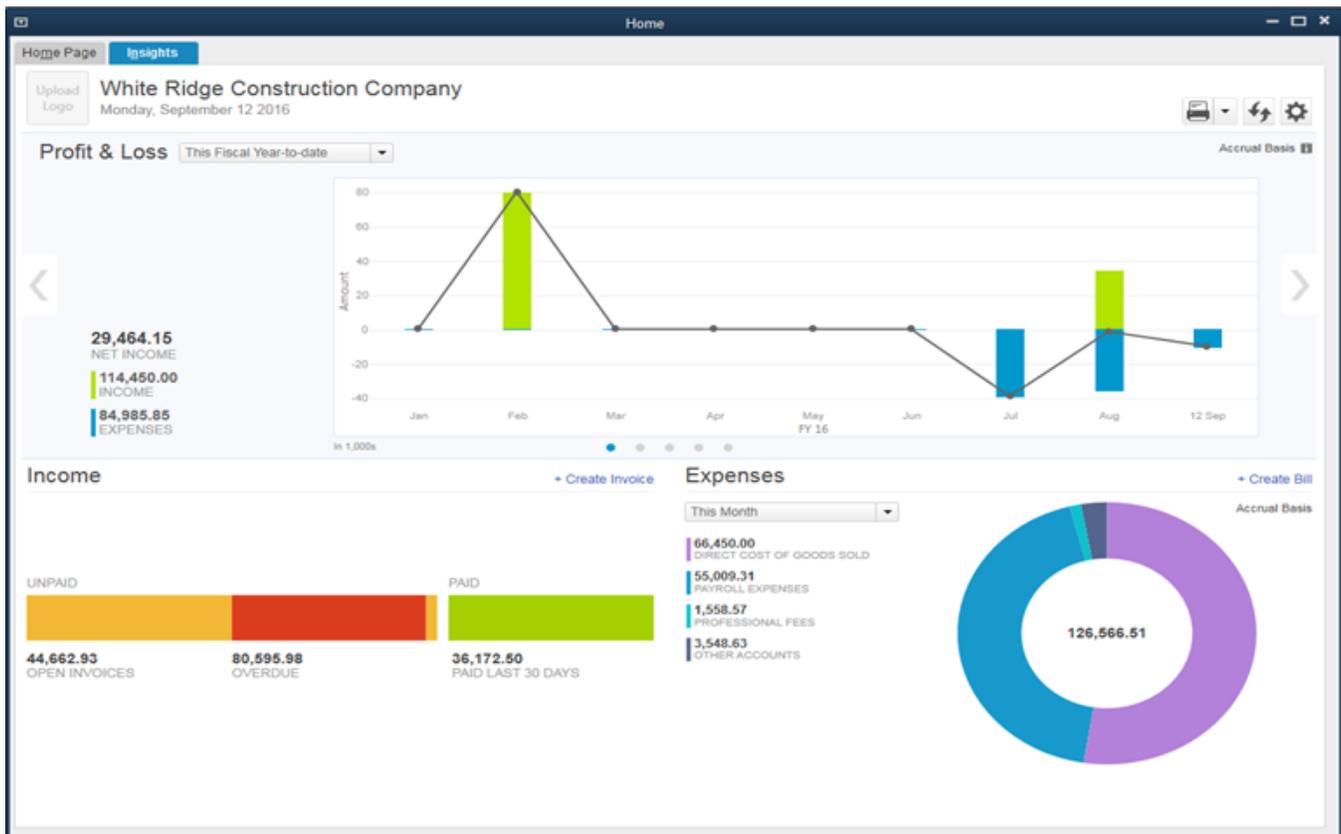
1. Click the Home Page tab.
2. Click any icon in the workflows to navigate to the transaction or task.
3. Double click any Account Balance to view account information.



To work with the Insights Page

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

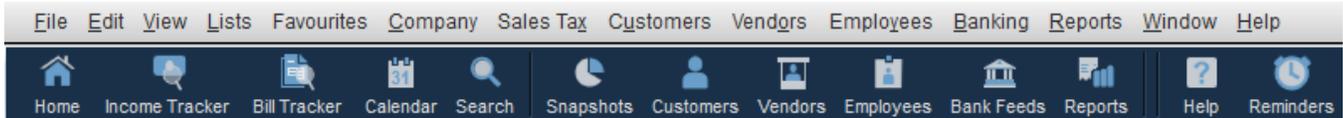
1. Click the **Insights** tab
2. Click any graph to view a detailed report.
3. Click the icons in the top-right corner to Print or Save as .pdf or to customize the information on the page.



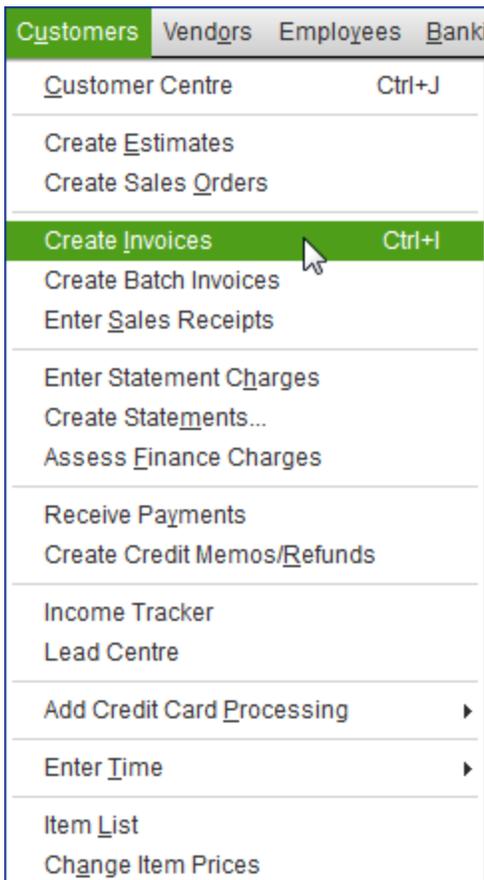
Menu Options

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

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



2. Choose an option from the chosen menu.



Icon Bar

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

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



Using Lists

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

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

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

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

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

| NAME | BALANCE TOT... | NOTES | ATTACH |
|------------------------|----------------|-------|--------|
| • Abercrombie, Kristy | 0.00 | | |
| ↳ Family Room | 0.00 | | |
| ↳ Kitchen | 0.00 | | |
| ↳ Remodel Bathroom | 0.00 | | |
| ♦ Allard, Robert | 14,510.00 | | |
| ↳ Remodel | 14,510.00 | | |
| ♦ Babcock's Music Shop | 0.00 | | |
| ↳ Remodel | 0.00 | | |
| ♦ Baker, Chris | 0.00 | | |
| ↳ Family Room | 0.00 | | |
| ↳ Garage Repair | 0.00 | | |
| ♦ Balak, Mike | 0.00 | | |
| ↳ Utility Shed | 0.00 | | |
| ♦ Barley, Renee | 0.00 | | |



NOTES

Using Forms

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

Bill

VENDOR: Roger's and Company CA's
DATE: 11/14/2016
ADDRESS: Roger's and Company CA's
320 Croydon Ave.
Vancouver, BC
V5J 6T5
AMOUNT DUE: 450.00
BILL DUE: 11/24/2016

| ACCOUNT | TAX | AMOUNT | M. | CUSTOMER... | BILLAB... |
|------------------------------|-----|--------|----|-------------|-----------|
| Professional Fees:Accounting | G | 428.57 | | | |

Expenses: \$428.57 Items: \$0.00

VENDOR TAX CODE: GST (ITC) 5.0%: 21.43

Buttons: Save & Close, Save & New, Revert

Vendor: Roger's and Company CA's

SUMMARY

Phone: 604 613-6131
Open balance: 900.00
POs to be received: 0

RECENT TRANSACTION

- 06/14/17 Bill - Paid 450.00
- 05/15/17 Cheque 900.00
- 05/14/17 Bill - Paid 450.00
- 04/14/17 Bill - Paid 450.00
- 03/18/17 Cheque 450.00

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All the Accounting You Need to Know

About the chart of accounts:

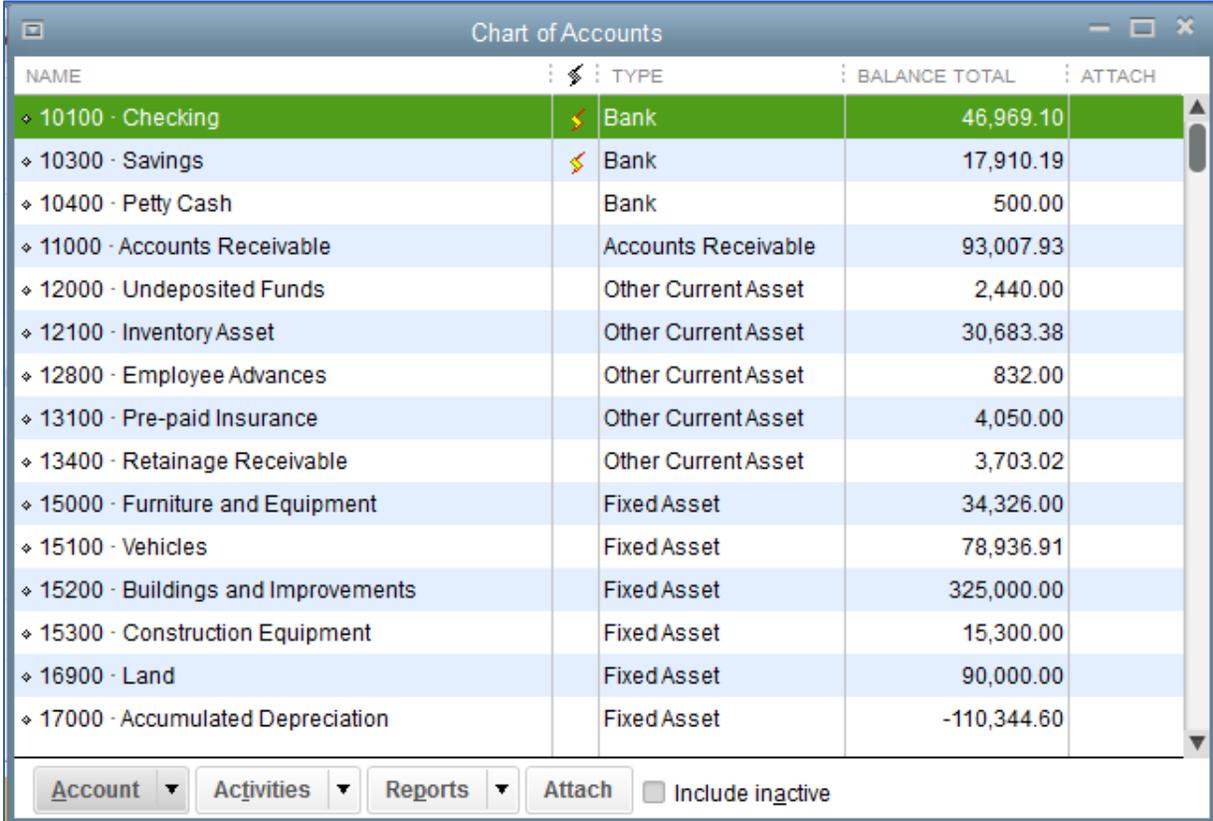
Chart of Accounts

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

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

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

You track this flow of money through the Chart of Accounts



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

Account Activities Reports Attach Include inactive

About assets, liabilities and equity:

Assets

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

Liabilities

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

Equity

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

Cash versus accrual bookkeeping:

Cash basis

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

Accrual basis

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

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

Measuring business profitability:

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

General Journal transactions:

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

Transaction Journal

Rock Castle Construction
Transaction Journal
All Transactions

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



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Getting Help While Using QuickBooks

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

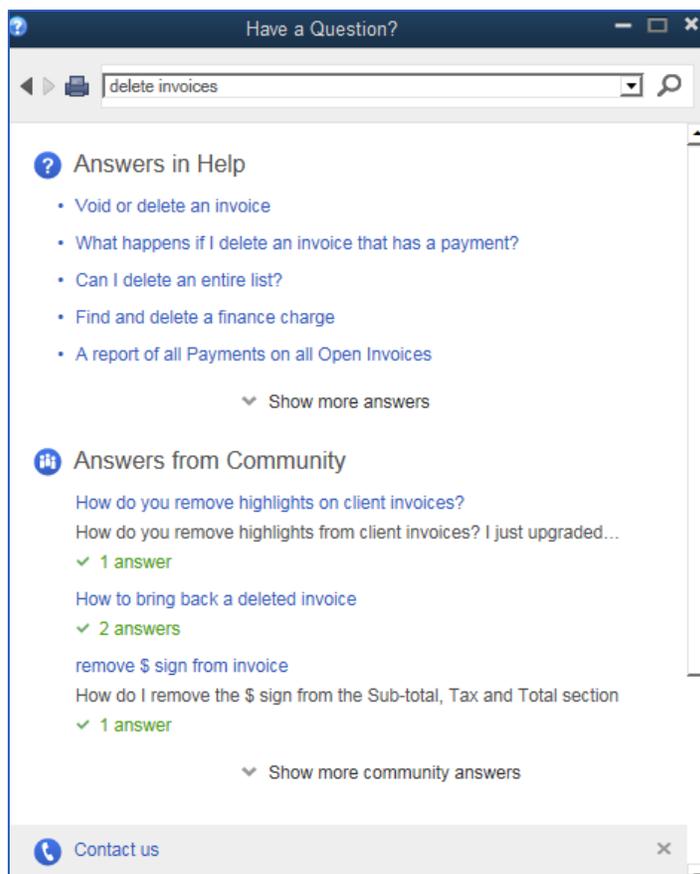
- Onscreen Help to provide conceptual information and step-by-step instructions
- Tutorials on key tasks. These are available by choosing **Learning Centre Tutorials** from the **Help** menu.
- Community forum to provide instant access to frequently asked questions and experts who can answer your own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

The onscreen Help provides several different types of information.

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

To find a topic in onscreen Help:

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



NOTES

Exiting QuickBooks

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

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

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

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



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Review Activities

1. From the **File** menu in QuickBooks, choose **Open or Restore Company**. QuickBooks displays the **Open or Restore Company** window.
2. Select **Restore a backup copy** and click **Next**.
3. Select **Local backup** and click **Next**.
4. In the **Open Backup Copy** window, navigate to the appropriate directory.
5. Select the **qblesson.qbb** file, and then click **Open**.
6. In the **Open or Restore Company** window, click **Next**.
7. Navigate to your directory.
8. In the **File Name** field of the **Save Company File As** window, type **Lesson1** and then click **Save**.
9. Enter the **Password: QBDT2020!**
10. Click **OK** when you see the message that the file has been successfully restored.

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

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

4. List the three primary ways to navigate QuickBooks.

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

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

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

Answers to Review Activities

1. See Answers below:
 - a. Click View > Left Icon Bar
 - b. Click View > Customize Icon Bar > Click Delete to remove all icons except Home, Create Invoices, and Make Deposits. (Some students may need to add one or more of these items by clicking Add...)
2. Click Help > Search > Type Fixed Assets > View topic "Create Fixed Asset Items"
3. List the two main ways you enter data in QuickBooks.
Forms and Lists
4. List three ways to access features in QuickBooks.
Menu bar, Icon Bar, Home page
5. Which of the following would you not include in the Chart of Accounts?
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 - b. ✓ Vendor record
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