



QUICKBOOKS REFERENCE
GUIDE



COOK MARTIN POULSON, P.C.

Certified Public Accountants



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COMMON TERMS AND DEFINITIONS

BALANCE SHEET

A balance sheet shows what a company's assets, liabilities, and equities are.

- The assets (what a company owns) of a company are always equal to the company's liabilities (what it owes) plus the value of shareholders' equities.
- "Reports" tab, then click "Company and Financial", then "Balance Sheet Standard".

PROFIT & LOSS

A profit and loss report shows the income and expense of the company for a specified period of time.

- "Reports" tab, then click "Company and Financial", then "Profit & Loss Standard".

CHART OF ACCOUNTS

The Chart of Accounts gives a list of the company's account classifications. Shortcut "Ctrl+A".

- The Chart of Accounts list a company's accounts in order of assets, liabilities, and equity followed by income and expenses.
- "Lists" tab, then choose "Chart of Accounts" and the "Account" pull down tab.

PREFERENCES

Preferences allows you to tailor QuickBooks to your specific needs.

- Within Preferences you can add classes, customize report defaults, adjust how items drop down, finance charges, add warnings, etc.
- "Edit" tab, then click "Preferences." Please be aware that there is a "My Preferences" tab and a "Company Preferences" tab when reviewing your QuickBooks preferences.

CLASSES WITHIN QUICKBOOKS

- Classes allow a company to track its income and expenses by locations, product lines, profit centers or departments.
- Utilizing classes in QuickBooks allows a company to track parts of your business without having to continually add subaccounts to the Chart of Accounts.
- *Please note: a company should only use classes to track either a location or a product but not both. If location is selected as the class preference you may consider using subaccounts to help track based on a product line.*
- Under "Edit", "Preferences", "Accounting", "Company Preferences" tab classes can be turned on to track transactions by a class. Once this is selected you will need to be inputting the proper class when entering deposits, bills, etc.





DAILY FUNCTIONS WITHIN QUICKBOOKS

INVOICING

Invoicing is how to bill your customers.

- “Customers” tab, then click “Create Invoice”.
- Shortcut “Ctrl+I”.

SALES RECEIPTS

Sales receipts are used if there is no need to invoice because they have paid in full at the time they purchased the product or service.

- “Customers” tab, then click “Create Sales Receipts”.

REFUNDS/RETURNS

To refund money back to a customer.

- “Customers” tab, then click “Create Credit Memos/Refunds”
- *Please Note: Once you have entered the information you will be prompted to specify if the refunded amount is to be applied to an existing invoice or held as a credit.*

PAYMENTS FROM CUSTOMER

- “Customers” tab, then click “Receive Payment”.

DEPOSIT MONEY

- “Banking” tab, then “Make Deposits”.

BILLS

Invoice from a vendor showing how much the company owes them.

- “Vendors” tab, then “Enter Bills”.

VENDOR CREDITS

Money a vendor owes you for a return of good or service.

- “Vendors” tab, then “Enter Bills”, above the word “Bill” will be the option to select “Bill” or “Credit”, select “Credit”.

BILL PAYMENTS

Payment of company bills.

- “Vendors” tab, then “Pay Bills”.

CHECKS

Money you paid out by writing a check (not using “Pay Bills”).

- “Banking” tab then “Write Checks”.
- Shortcut “Ctrl+W”.



It is important to reconcile the company's bank accounts, credit cards, loans, and lines of credit every month.





At the end of each month, it is good practice to review the following reports to help in spotting any errors.

BALANCE SHEET FOR THE SPECIFIED PERIOD

- “Reports” tab, “Company & Financial” then “Balance Sheet Standard”.

PROFIT & LOSS FOR THE SPECIFIED PERIOD

- “Reports” tab, “Company & Financial” then “Profit & Loss Standard”.

AN OPEN INVOICE REPORT

- “Reports” tab, “Customer & Receivables” then “Open Invoices”.

AN OPEN INVOICE REPORT

- “Reports” tab, “Customer & Receivables” then “Open Invoices”.

You may also want to verify inventory by running an inventory summary.

- “Reports” tab, “Inventory” then “Inventory Valuation Summary”.

ITEMS

- An item is anything that your company buys, sells, or resells in the course of business, such as products, shipping and handling charges, discounts, and sales tax (if applicable). You can think of an item as something that shows up as a line on an invoice or other sales form.
- Items help you fill out the line item area of a sales or purchase form quickly. When you choose an item from your Item List, QuickBooks fills in a description of the line item and calculates the amount for you.
- QuickBooks provides 11 different types of items. Some—such as the service item or the inventory part item—help you record the services and products your business sells. Others—such as the subtotal item or discount item—are used to perform calculations on the amounts in a sale.
 - *Please Note: Retail businesses: Set up your items according to how you enter your sales, either every sale or sales summaries.*
- Items handle the behind-the-scenes accounting. When you create an item for a service or product you sell, you associate it with an income account. When the item is used on a form or register, it posts an entry to that income account and another entry to Accounts Receivable or another appropriate account.





EXPLANATION OF ITEMS

ITEM TYPE	USED FOR	EFFECT IF SOLD	EFFECT IF PURCHASED
Service	Use for services you charge for or purchase, like specialized labor, consulting hours, or professional fees.	On Sale: Increases income.	Increases expense.
Inventory Parts	Products purchased, tracked as inventory, and then resold. Ex: T-Shirts, shoes.	Increases income, increases cost of goods sold, and decreases inventory assets.	Increases inventory assets.
Inventory Assembly	Allows the combination of inventory parts into a single item. Ex: A couch is made up of wood, springs, leather or fabric, etc. But on the invoice appears a "couch.; not "wood, springs, leather..." (Appears on invoice as 1 item; total price can be greater than the cost of sub-items).	Increases income, increases cost of goods sold, and decreases inventory assets.	No effect.
Non-Inventory Part	Use for goods you buy but don't track, like office supplies, or materials for a specific job that you charge back to the customer. Could also be products sold but not necessarily purchased, like a pizza.	Increases income, increases cost of goods sold, and decreases inventory assets.	Increases expense.
Other Charge	Use for miscellaneous labor, material or part charges, such as delivery charges, setup fees, and sieve charges.	Increases income.	Increases expense.
Subtotal	Use to total all items above it on a form up to the last subtotal. Useful for applying a percentage discount or a surcharge to many items.	No effect.	No effect.
Group	Used to quickly enter a group of individual items on an invoice. Each component will appear on invoice. (Price of group is the total of all sub-items) Ex: Contractor details charges for building something, or a painter details price of paint, labor, brushes, etc.	Each item in the group affects the same account as when used by itself.	Each item in the group affects the same account as when used by itself.
Discount	Calculating an amount to be subtracted from a total or subtotal. Ex: A 10% discount is given to nonprofit groups. (Do not use this item type for an early payment discount).	Either decreases income or increases expense (depending on item setup).	Either decreases income or increases expense (depending on item setup).
Payment	Use to record a partial payment at the time of the sale. It reduces the amount owed on an invoice.	Decreases the balance due on an invoice; increases the balance of a specified checking account or the un-deposited funds account (depending on the setup of the item).	Decreases the balance due on an invoice; increases the balance of a specified checking account or the un-deposited funds account (depending on the setup of the item).
Sales Tax Item	Calculates a single tax (only if sales tax feature is turned on).	Increase the balance in the Sales Tax Payable Account.	Increase the balance in the Sales Tax Payable Account.
Sales Tax Group	Calculates two or more sales taxes grouped together and applied to the same sale.	Increase the balance in the Sales Tax Payable Account.	Increase the balance in the Sales Tax Payable Account.





BALANCE SHEET ACCOUNTS

ACCOUNT TYPE	WHAT IT TRACKS
Bank	Checking, savings, and money market accounts. Add one bank account for every account your company has at a bank or other financial institution. (You should also use this account type to track petty cash.)
Accounts Receivable (A/R)	Transactions related to the customers who owe you money, including invoices, payments, deposits of payments, refunds, and credit memos. Most companies have only one A/R account.
Other Current Asset	Assets likely to be converted to cash or used up within one year, such as notes receivable due within a year, prepaid expenses, and security deposits.
Fixed Asset	Long-term notes receivable and depreciable assets your company owns that aren't likely to be converted into cash within a year, such as equipment or furniture.
Accounts Payable (A/P)	Transactions related to the vendors to whom you owe money, including your company's outstanding bills, bill payments, and any credit you have with vendors.
Credit Card	Credit card purchases, bills, payments, and credits.
Current Liability	Liabilities scheduled to be paid within one year, such as sales tax, payroll taxes, accrued or deferred salaries, and short-term loans.
Long-Term Liability	Liabilities such as loans or mortgages scheduled to be paid over periods longer than one year.
Equity	Owner's equity, including capital investments, drawings, and retained earnings.

QUICKBOOKS SUPPORT PHONE NUMBERS

Account and Billing:	1-888-216-3219
Download and Register:	1-800-695-0011
Install:	1-877-260-1278
Features (Reports, Invoices, etc.):	1-888-800-8079
Fix an Error:	1-800-964-6443
Billing Solutions Feature:	1-800-268-9065





Why Cook Martin Poulson?

■ Who We Are

Our purpose is to help people, businesses, and communities achieve greatness. We use our skills to make a difference in the lives of those we associate with and work hard to help you keep what you've earned.

■ Professional Expertise

Regardless of your business industry, we specialize in keeping current on the laws, strategies, and resources affecting your finances.

■ Online Resources

Our website is easy to navigate and is up-to-date with current information. Our secure client portal allows simple and secure information transfer.

■ Stay Connected

Whether you read our blog, watch our YouTube videos, or follow us on Facebook and Twitter, CMP makes it easy for you to stay current in the ever-changing business world.

■ More Results

We have a full range of business services to help you save money, better budget your finances, increase revenue, and control expenses.

■ More Personalization

We will be your personal resource for tax, accounting, and business issues and help you concentrate on critical issues that affect your situation the most. We promise to be a valuable member of your team.

“I appreciate working with Cook Martin Poulson as my tax advisor. I know they are doing everything they legally can to make sure I pay the least amount of tax possible.”

Bryce Blanchard, Principal
Newmark Grubb ACRES
Commercial Real Estate Services

“Over the years, Cook Martin Poulson has been there to provide prompt, professional financial advice and services that we've needed to continue to grow, be successful and stay competitive within the industry.”

Ty Measom, President,
Camp Chef, Inc.

Our Full Range of Services

Proactive Tax Planning and Compliance Services
Financial Statements and Attest Functions
Bookkeeping and Payroll Services
Business Valuations
Business and Strategic Plan Consulting
Cost Segregation and Section 179D Studies
Estate and Succession Planning
Retirement Plan Design and Administration
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ObamaCare Consulting Services
QuickBooks Consulting and Education

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