



22 of the Best QuickBooks tips For Business

Preferences and defaults

Do not accept the defaults in the Preferences. Set up your own preferences that will allow you to work productively. Here are some preferences we have found effective.

- 1 Under general preferences: Specify Enter for moving between fields to avoid accidentally entering a transaction before you are finished (the default use of Enter) and have QB enter the decimal so that you don't waste time doing it.
- 2 Under accounting preferences: Set your preferences so that the identifier of the accounts is the lowest level of account number and name (select "show lowest sub account only").

Chart of accounts and classes

- 3 Bring order and organization to your records and reports by designing a chart of accounts that uses account numbers, as well as names.
- 4 Classes are a powerful feature of QuickBooks. If you are not aware of the Class feature of QB, think of it this way:
 - .1 your Chart of Accounts gives you vertical control over recording of and reporting on transactions;
 - .2 your Classes give you horizontal control over recording of and reporting on transactions. Don't restrict their use for one purpose. Use them as you wish. There are few businesses using QuickBooks that have to use Classes for only one purpose.

Processing transactions

- 5 Always use the Memo field when you record transactions. Your Memo will enable the reviewer to agree with the account you charged and the accounting period you charged.
 - .1 Use PrintScreen to provide a hard copy of the transactions you recorded.
- 6 Use the Name field for every transaction, even a journal entry.

Fixed asset transactions

- 7 When you record an invoice for the purchase of more than one fixed asset, record each asset on a separate distribution line with the complete description of that asset in the Memo field. Include as much information as possible to clearly describe the asset. You may want to use a Class to identify the department and user of the asset. Even better use the Fixed asset item list that QuickBooks provides for controlling fixed assets.

Prepaid expense transactions

- 8 When you record bills in Accounts Payable – Enter Bills, and one of the bills is a prepaid expense, use a Class specific to that expense. Immediately create a memorized transaction to write off the prepaid expense over the period(s) it relates to. Remember to include the Class.
 - .1 Using Classes will eliminate a requirement to prepare a spreadsheet to control your prepaids.
 - .2 For example, you can report on the leases using a custom summary report. You then support the amounts on the custom summary report with a general ledger analysis (better Custom Transaction Detail Report) totalled by Class.

Pay bills

- 9 When you receive a vendor's bill, don't be tempted to use Write Checks to pay it. Record it using Enter Bills. Pay it, and all your other bills, using Pay Bills. This will save you a lot of time. Besides you add credibility to your transactions if you process them all using Enter Bills.

Transactions with sales tax (GST)

- 10 When you enter bills, save yourself some grief and enter the GST on the first line of the distribution section. Do not use the Tax column.
 - .1 When you set up your chart, use one account for the GST collected and one account for the GST paid.
 - .2 This will enable you to easily prove the amounts when you prepare the GST return.

Reporting

- 11 Almost every report you create once, you will need again – memorize it in the appropriate report group. We suggest that you memorize each report at least twice, to make sure you can find it and to make sure that you can use it.
- 12 Do not restrict your reporting to the standard comparison of This Year Actual to Last Year Actual.

- .1 Use the period dates to create reports that will give you the vision to see your progress clearly.
 - .2 Use the choices under columns to set up a series of reports for relevant periods, such as one week, 4 weeks, 12 months etc.
 - .3 This will show you some trends.
- 13 Use the subtitle of reports to best advantage. The default option is the date of the report. This may not be the best purpose.
 - .1 Take advantage of the subtitle to more clearly explain the purpose of the report or to give instructions to someone using the report.
 - .2 Remember each report also has a footer.
- 14 Set up a separate section of your memorized reports for your accountants (P or PBC's = Prepared by Client). Include in your PBC (or shorten to P) group all the reports that your accountants will need to do their job effectively. You can print the reports or give the file to your accountants to print. Setting up these reports should save you money, and printing the reports (with a Table of Contents) may also save you money. You may also want to look at the objective of each working paper (as set out in our Standard Chart of Accounts).
- 15 You don't have to limit your reports to those prepared by QuickBooks although they are very extensive. You can export almost any QuickBooks report to Excel, where you can enhance it to include information to help you manage your business.
- 16 Spruce up the retained earnings section of your balance sheet. The QuickBooks sample report does not follow the logical sequence of Balance beginning, Net income, Dividends paid and Balance ending. You can create offset accounts and make use of them to present a neat retained earnings section (but you do not actually select the offset accounts for printing).

Systems

- 17 Your bank reconciliation system should be so simple that a high school student can do the work in an hour. That may mean that you reconcile your account once a week or once a day. But it frees up more experienced personnel.
- 18 Document your systems so that new team members can quickly become productive and all transactions will be recorded consistently.
 - .1 Use PrintScreen to document your system. Include whatever images you need, such as the Table of Contents of reports for your accountants, samples of processing transactions, etc.

Job costing

- 19 If you are a contractor dealing with jobs that take several months or more to complete, do not record your contract revenues and expenses in your PL,

manage them as an asset and record your job revenues and expenses as an asset until a job is complete.

- 20 The inventory features of QuickBooks are versatile. Inventory items can be used for controlling factors other than inventory. For example you can use inventory items as job phases for construction work.

Bank reconciliation feature – use to reconcile any account

- 21 Make effective use of the bank reconciliation feature. You can use it to reconcile almost any balance sheet account. For example, if you are using QuickBooks, instead of a spreadsheet, to account for your prepaid expenses, you can use the bank reconciliation feature to clear prepaids that have been completely amortized.

Continual improvement

- 22 If you did not set up QuickBooks perfectly the first time that is not a problem. QuickBooks is very forgiving. It will let you make changes whenever you want. For example:
 - .1 if your business has changed and you want to revise your chart of accounts, or your classes.