**Tip #1: Data Entry Tricks – Practice these tips in my Core Training Interactive Tutorial**

1 – Use the Tab Key to move between fields.

 When you use the Tab key to move between fields , the next field will be highlighted automatically for easy entry. Notice how the dollar amount is highlighted – this is a result of pressing "Tab" after I entered the customer's name.

Also, I like to use Tab to move between fields because enter will often save my transaction for me (notice "Save and New" is highlighted), when I finish putting in the details, and click "Enter", the transaction will be saved.
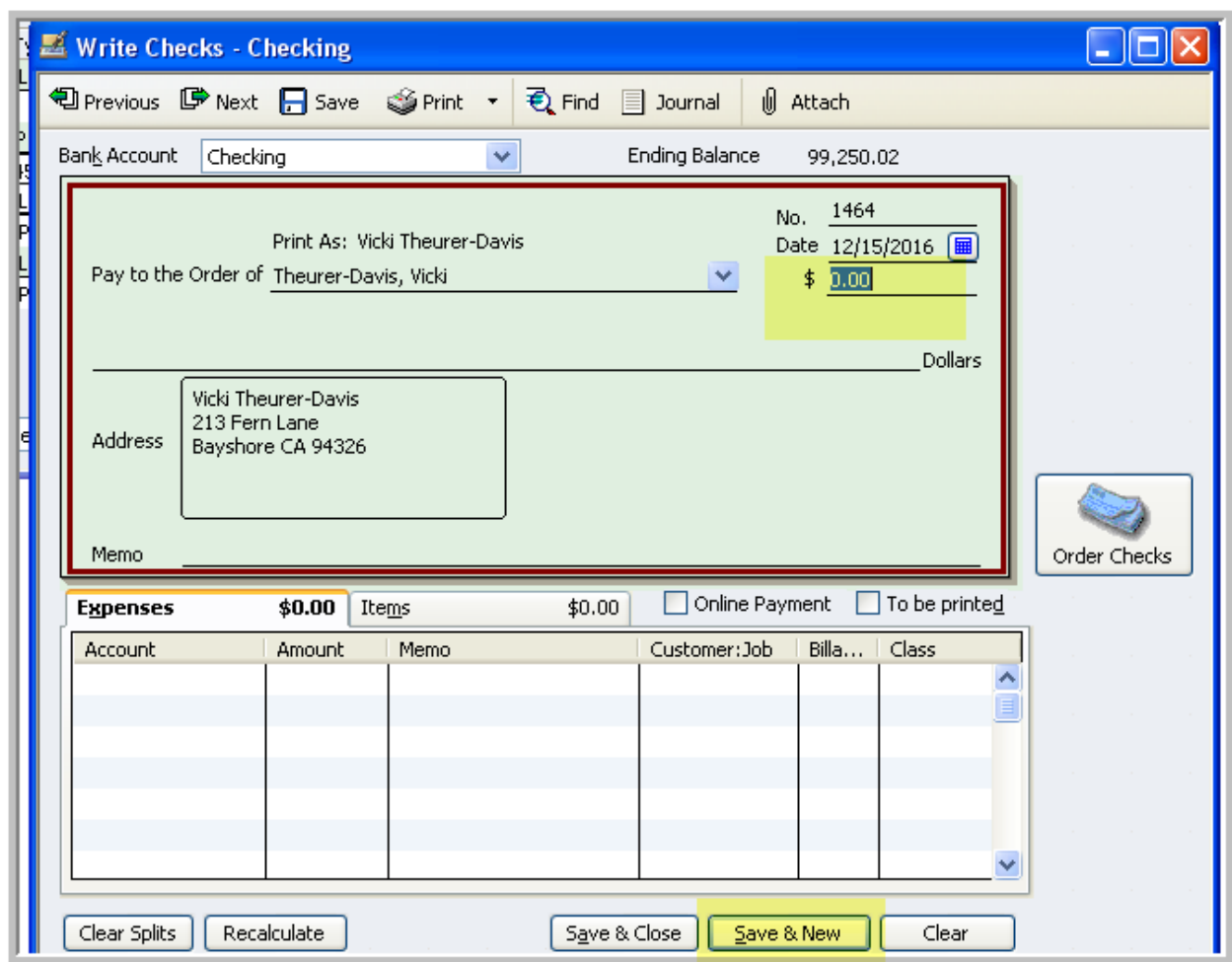
2 – Use Keys to pull up accounts and Items

I rarely ever use the mouse and the drop down arrow to pull up a name, account or item – It's much faster to type letters since your hands are already on the keyboard. I try to arrange my lists to accommodate key- entry. For instance, with my chart of accounts I'll name them so that they don't all start with the same first few letters – If I have an income account for materials and an expense account for materials, I might name the income account "Materials Income" and the expense account "Job Material Expense"**.**

3 – Date Entry

You can enter the date using the **Calendar, periods, slashes, or no punctuation (01.01.11 or 01/01/11 or 010111)**. You can also enter just the month and day **(0101)** and QuickBooks will **automatically fill in the current year.**

Tip #2: Home Screen Tricks

1 – View – One Window or Multiple Windows

From the Gray Menu Bar click View – You can select one window or multiple windows. I like multiple windows because I can see more than one thing at a time – like 2 reports or a report and the check register
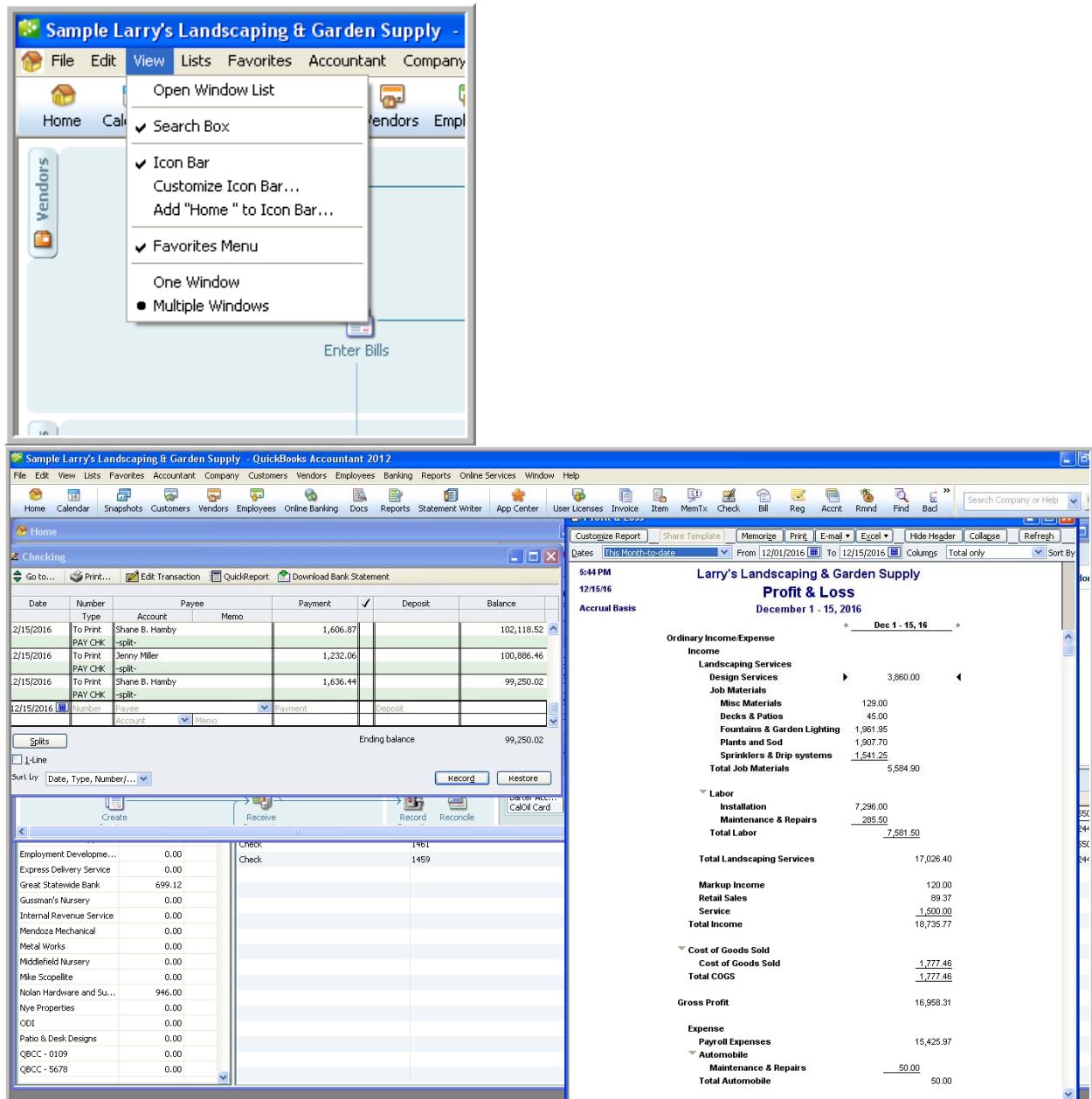
2 – Customize the Icon Bar - Practice this Tip in my Core Training Interactive Tutorial

From the gray menu bar click View – click customize icon Bar

To remove – click an item from the Icon bar content list and click Delete
To add - Click Add – Select a choice from the list and click ok
**To add any open window – including reports – while the window is open – click View "Add_____
to the icon bar"**

**3 – Pull up Account Registers from the Home Screen Account Balances Window - Practice this Tip in
my Core Training Interactive Tutorial.**

From the home screen Account Balances Window – double click any account to open the register.
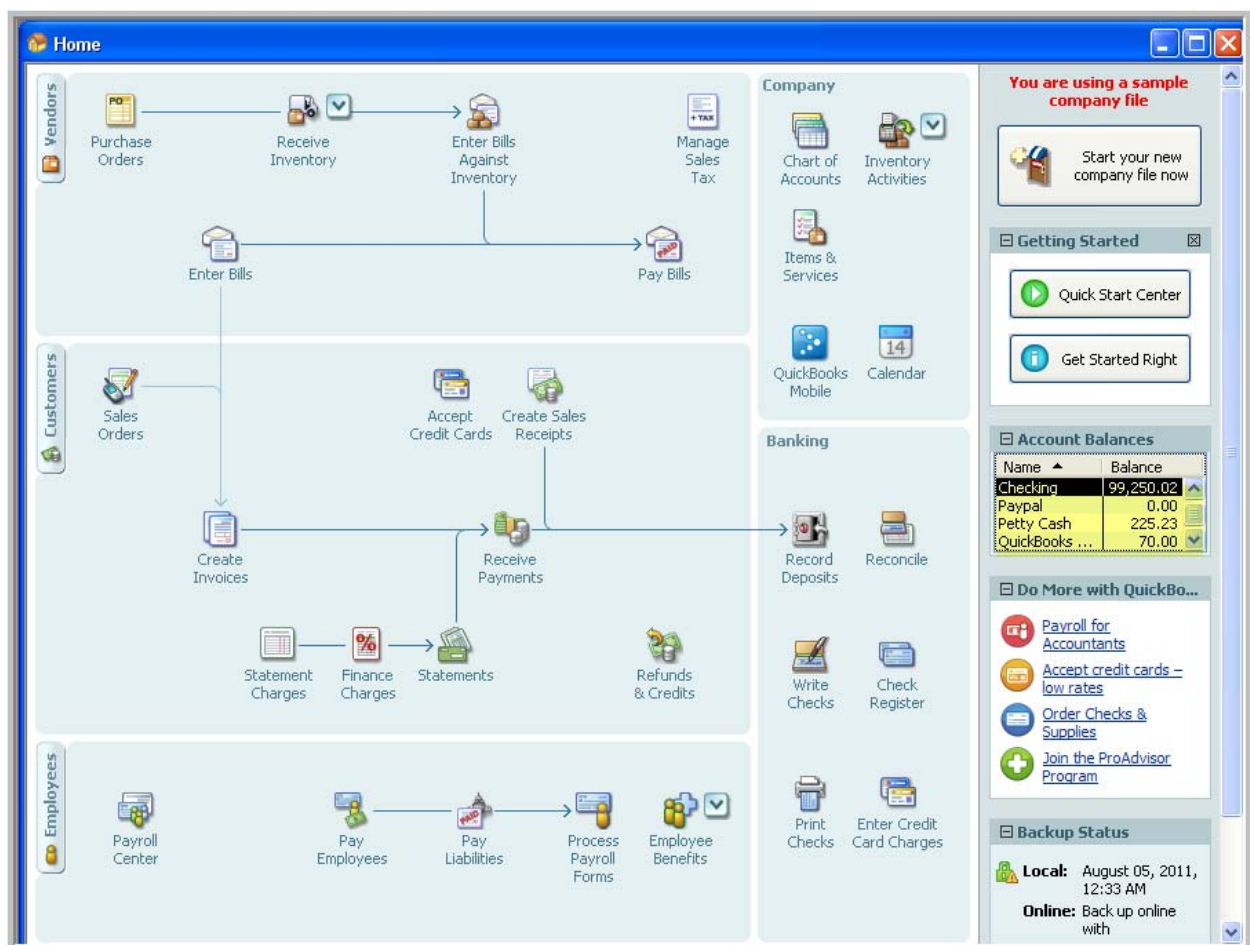
Tip #3 – Check Register Tricks - Practice in Core Training
1- Use the "Go To" button to locate transactions based upon name, number or amount

Click the "Go To" button at the top left of the register. Enter your search criteria and click back.
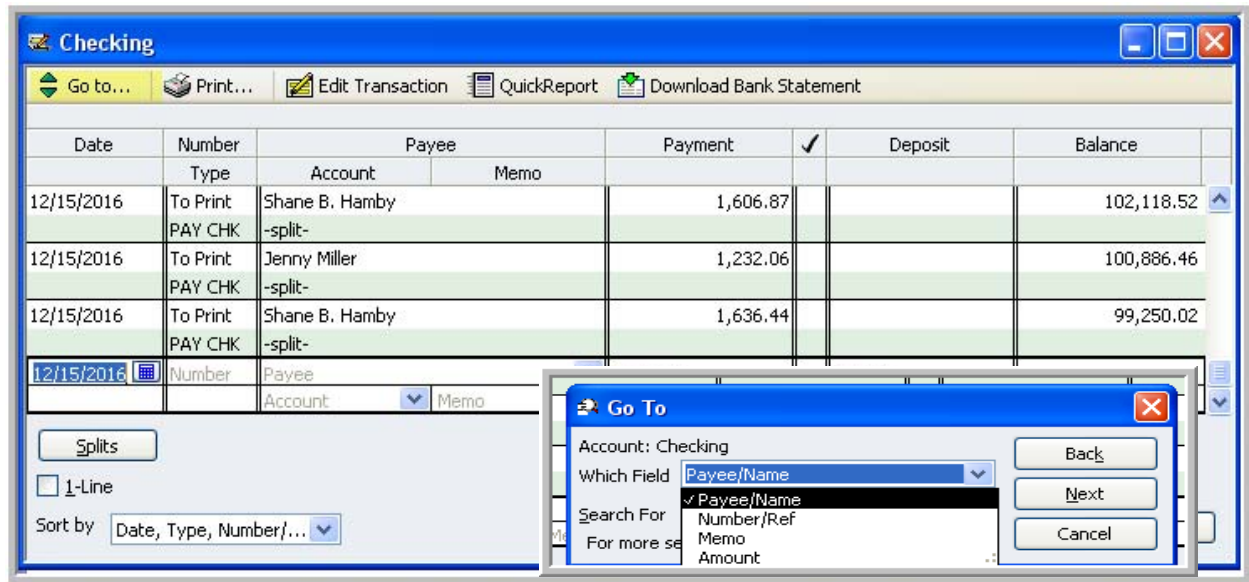
2 – Click Splits or Double click a transaction when the white arrow shows to display detail.

Click the transaction in the register – and **click splits in the lower left** corner of the register screen OR **double click to open the transaction**.
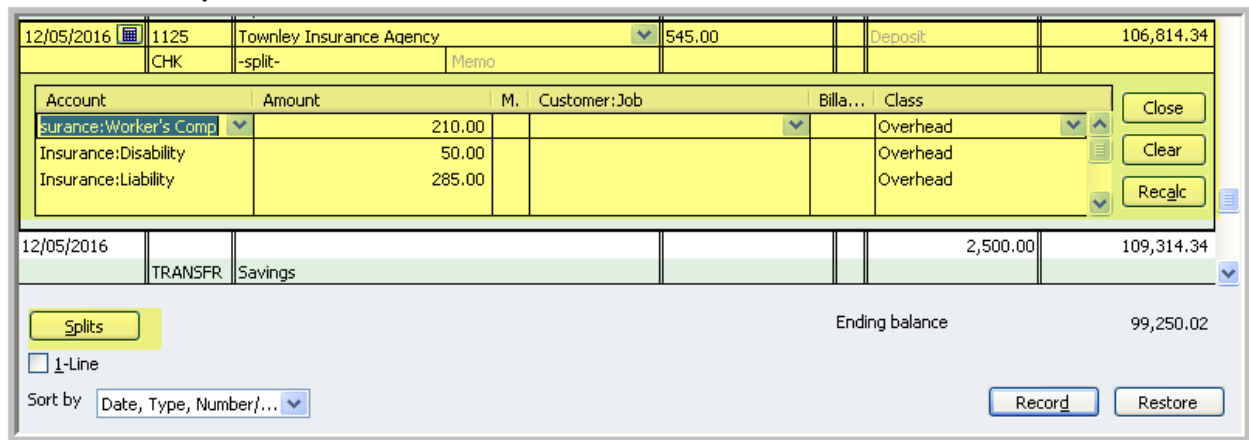
3 – Click 1-line to display more transactions - Practice in Core Training
Check the box next to "1-line" in the lower left corner of the register screen
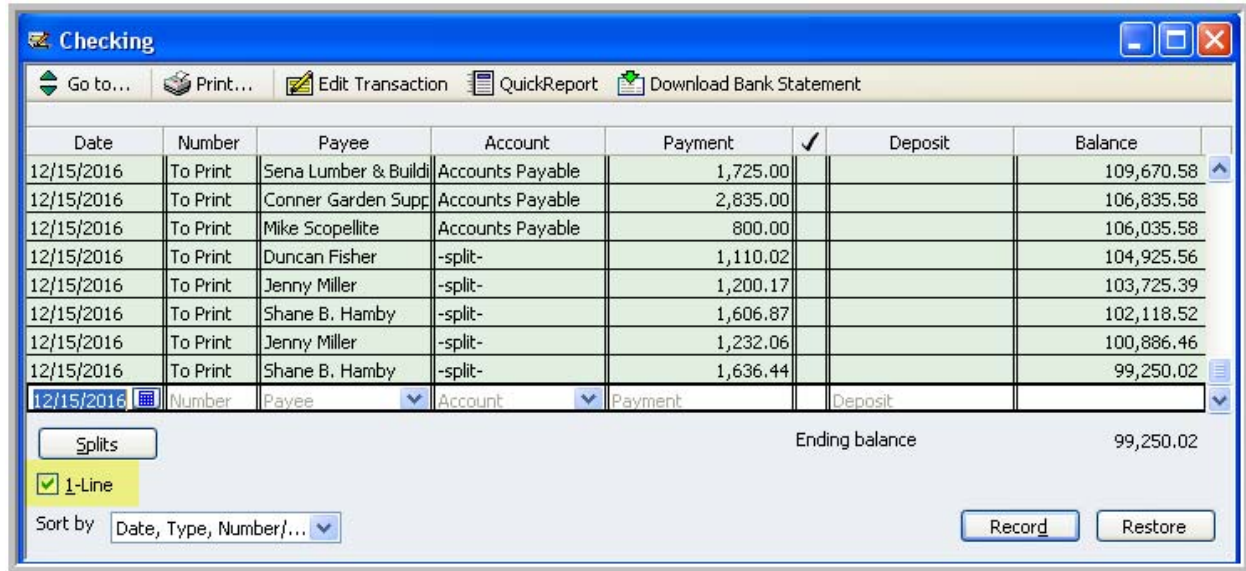
4 – Re-sort the register

Select sorting option in the lower left corner of the register – I most often re-sort the register by cleared status or number. I am always careful to return the sort back to date, type, number/ref, or I get confused.
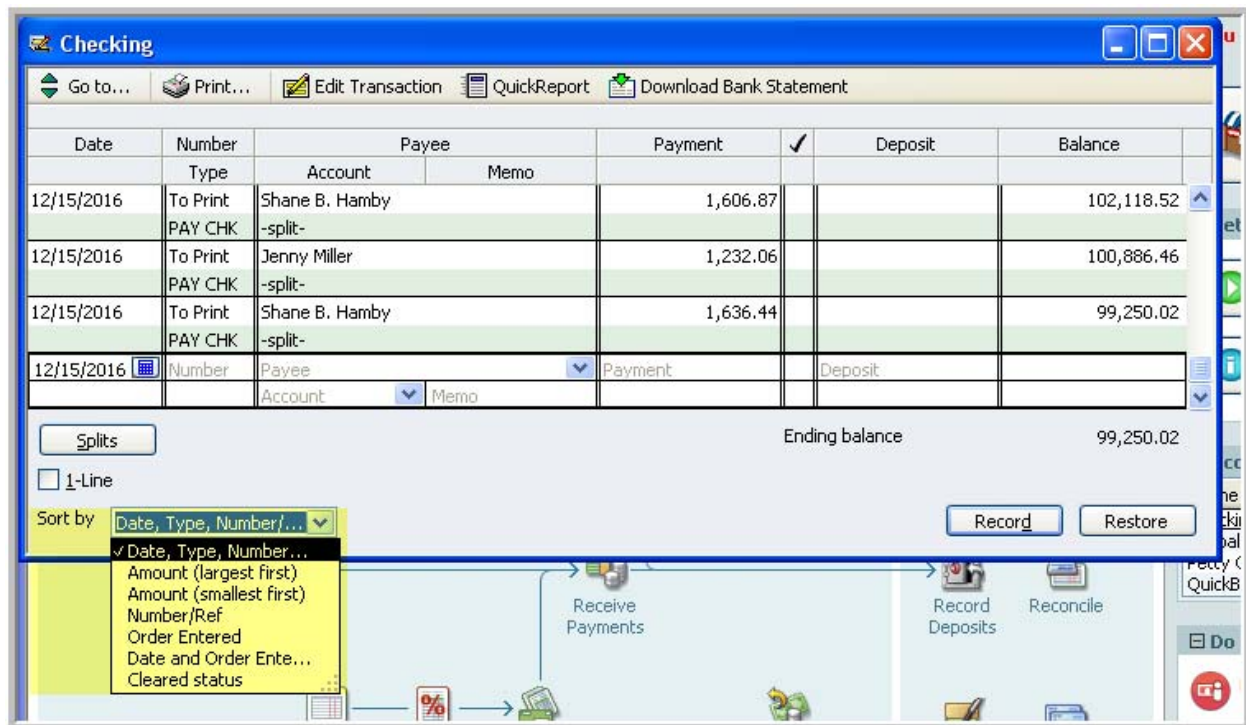
5 – Quick Report

Click a transaction and click Quick report in the upper left of the Register Screen. You'll get a report of all transactions involving the vendor selected.

6 – Print

Click Print in the upper left of the register screen and select dates to print the register. I use this a lot for my clients who don't access QuickBooks.

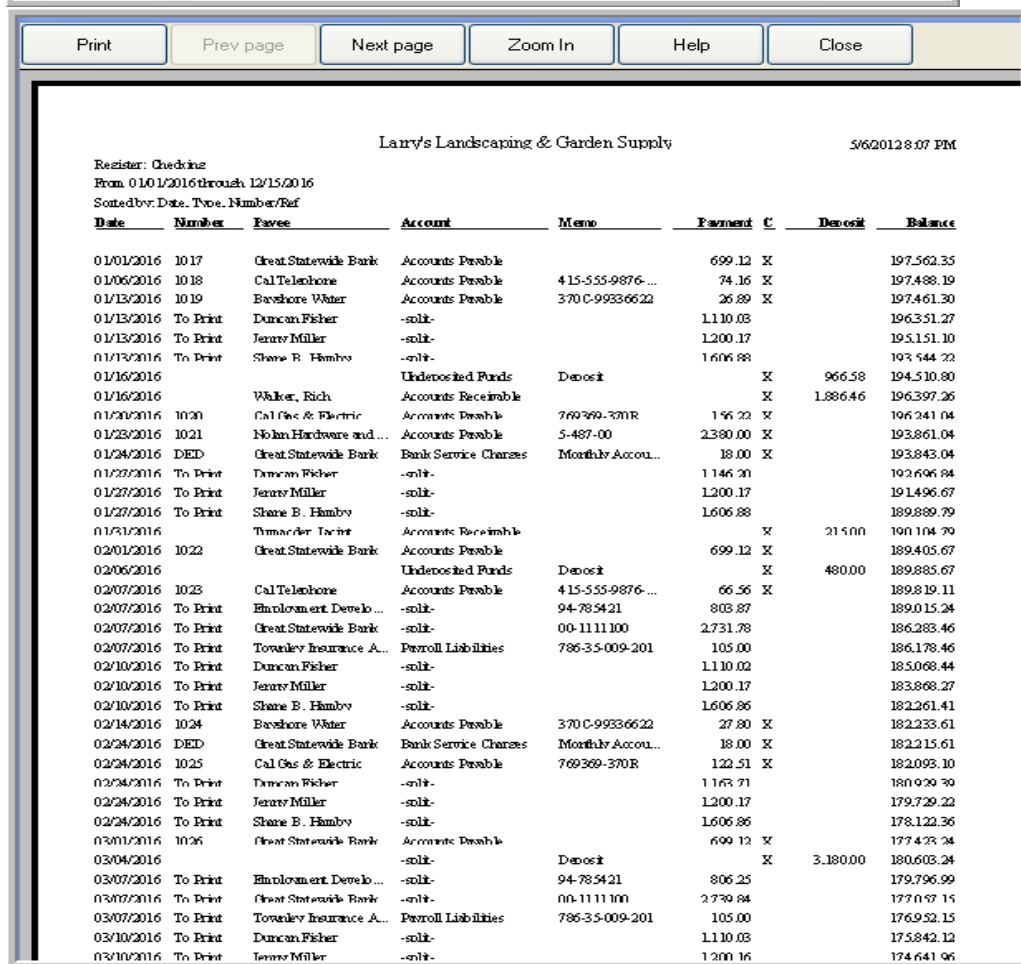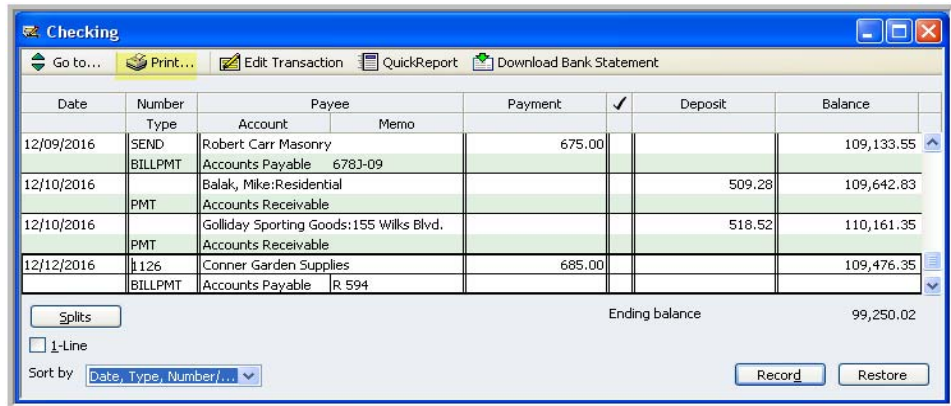**Tip #3 – Tricks to Search QuickBooks and Find transactions or list entries**

1 – Search QuickBooks for transaction by date, amount, item, number, memo and more – Practice in Core Training

From the gray menu bar click Edit – click Find – to search all types of transactions click Advanced

I use this feature a lot, and most often I search for amount. For example, you receive a payment for $90.00 but you are not sure what customer it's for. Simply search – advanced amount to find an outstanding invoice.
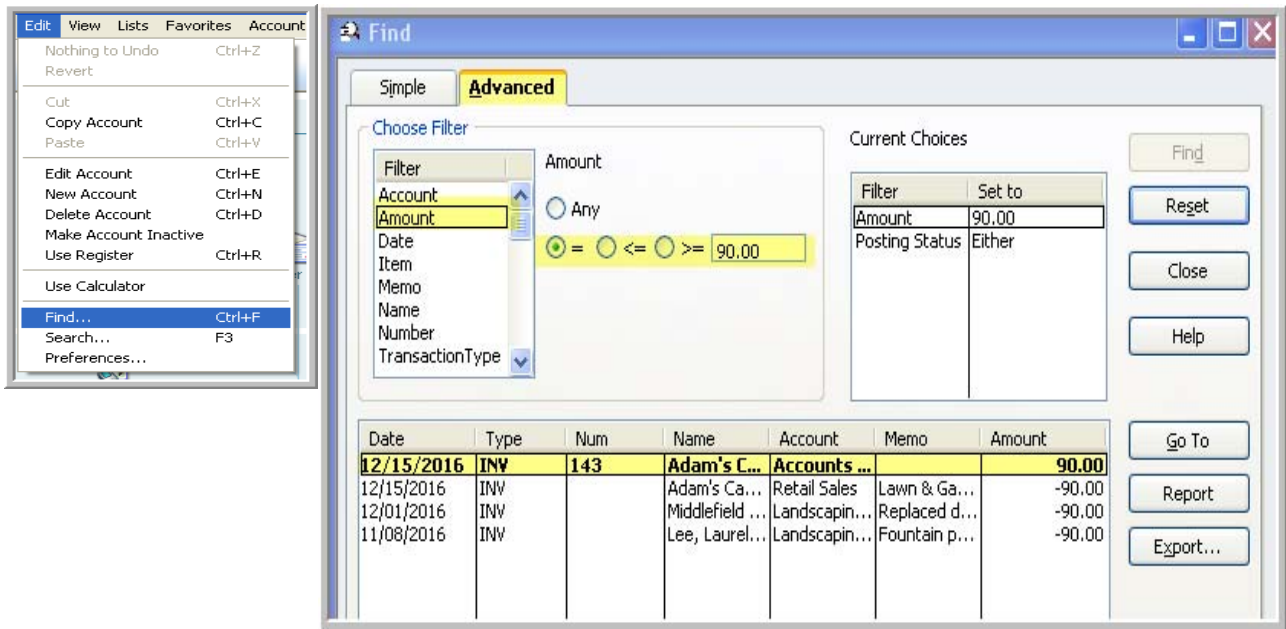
2- Search QuickBooks globally without any parameters

From the gray menu bar click Edit – Search – Type in your search parameter (Be sure to "update" search)

This feature is especially helpful if you are searching for words. For example, you get a message that "Bob" called. You're not sure who it might be. You could search all of your customer and vendor lists by typing in "Bob". You could then compare the phone number to the caller to determine which Bob it may be.
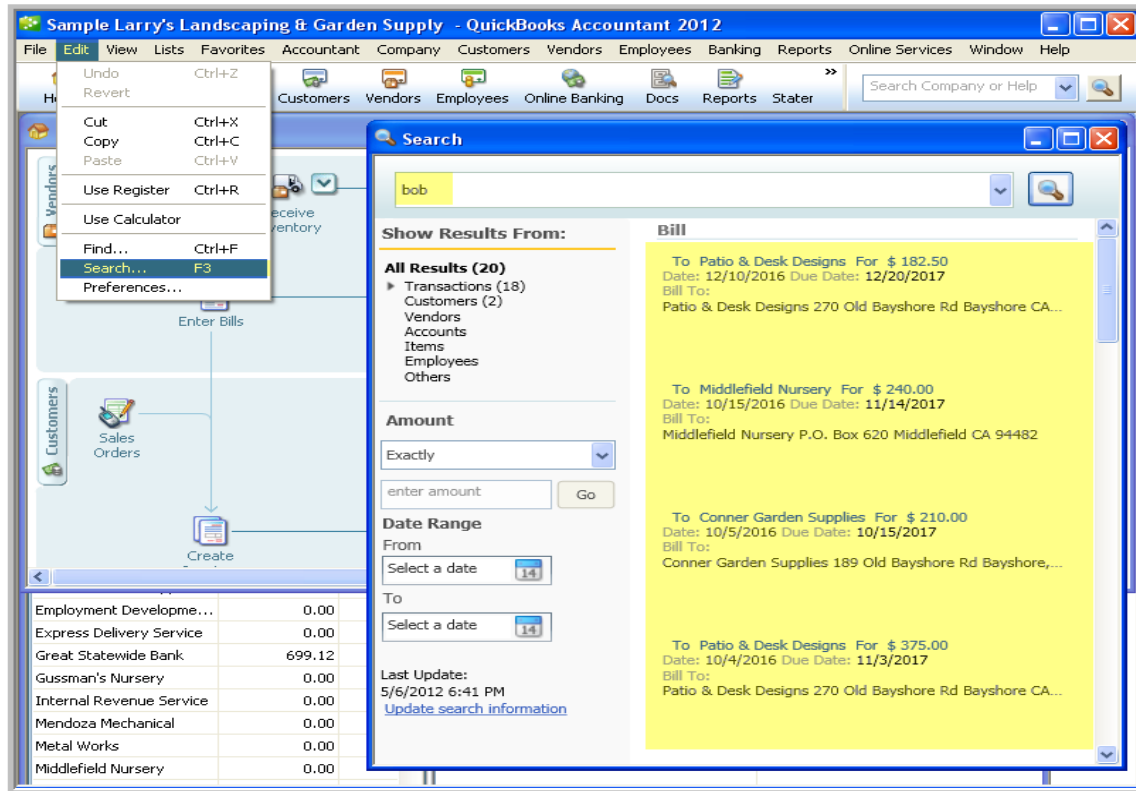
Tip #4 – Customer and Vendor List Tricks - Practice in Core Training

1 – Change the "View"

At the top of the list you can change the "view "to display all vendors, active vendors, or just vendors with balances. Same with Customers.
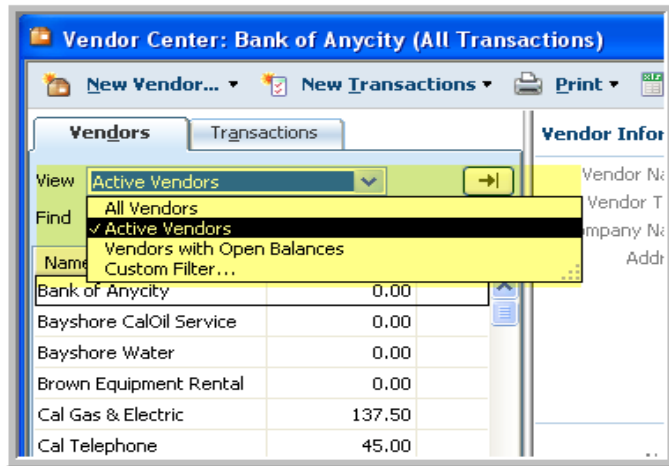
2 – Search the customer or vendor list with the "Find" field for a certain name

For instance, a contact name like "Bob" or part of a name like "oil"
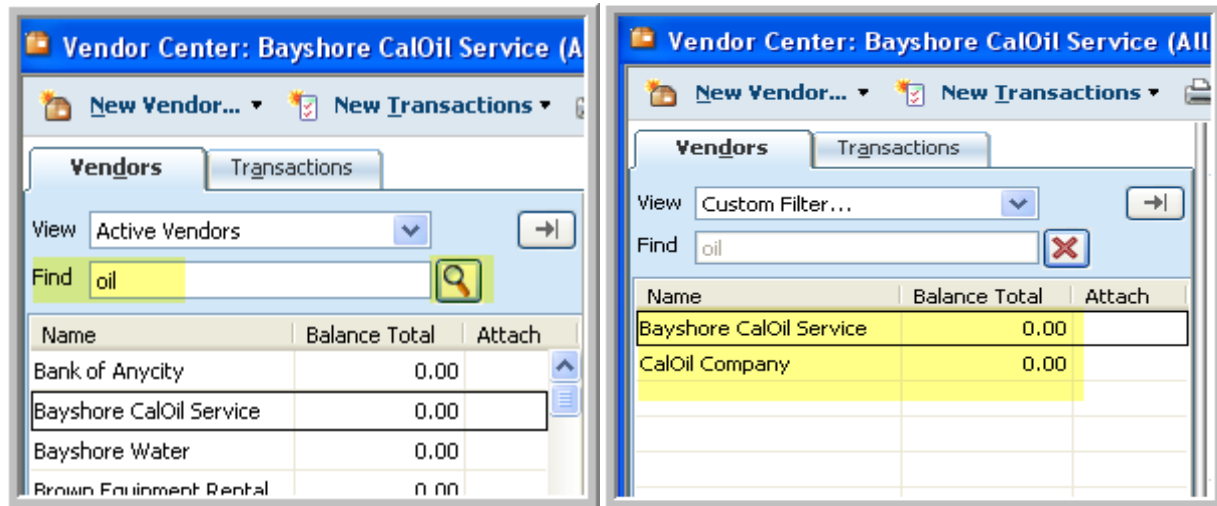
3 – Filter the transactions that appear

Next to "Show" you can filter the view by Transaction type, and the Filter By even further, like Bills, Overdue bills. You can also filter the transactions shown by date.

Tip #5 - Using Sales Receipts vs. Invoices

Should you use Sales Receipts, invoices or just straight deposits? That depends on your business.

Use straight deposits – meaning no sales receipt or invoice IF:

You do not track items or customers for your income. This often applies if the customer has a separate system for more detailed sales tracking. You track your income on a cash basis.

Banking – Make Deposits
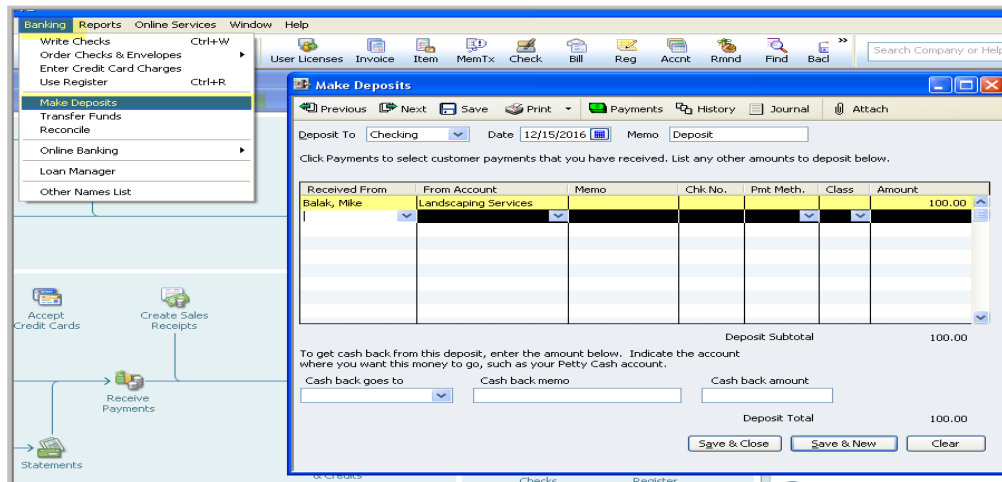
Use Sales Receipts IF or When:

You need to track items or income by customer and you receive payment at the same time you bill the customer. Many businesses use Sales Receipts and Invoices.

Customers – Enter Sales Receipts
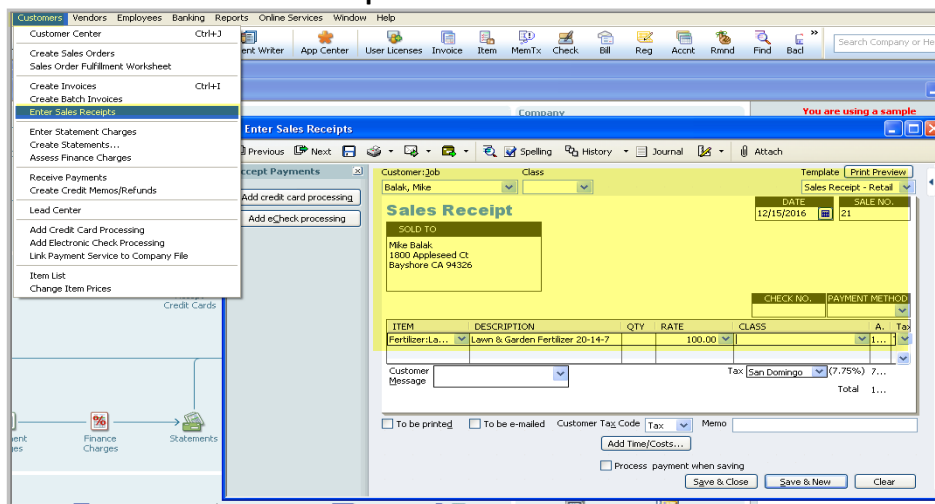
Use Invoices IF or When:

You bill your customer and they pay you later. **Customers – Create Invoices**
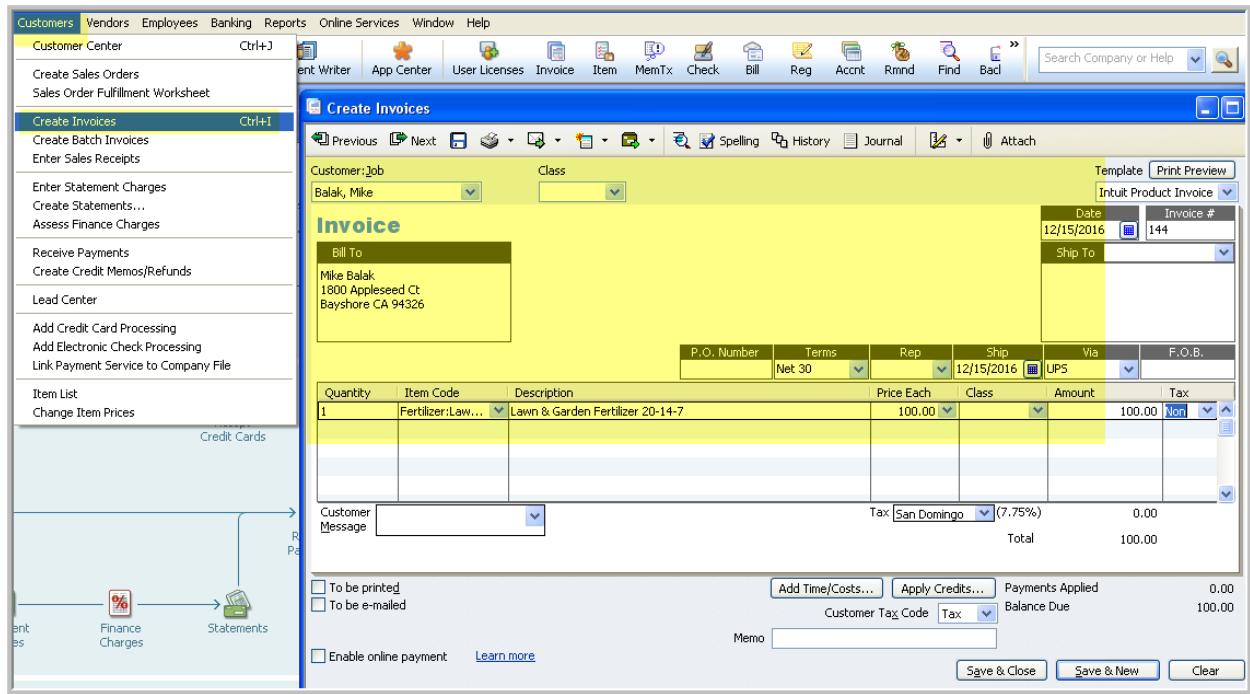
See this video for more information:
http://www.quickbooksnow.com/income-video/

Tip #6 – Common Error - Making deposits AND Creating invoices or Entering Bills AND writing checks

If you create invoices to your customers, you must use the receive payments process in QuickBooks to apply the payment to the invoice.   One error that people often make is creating an invoice to their customer and then just making a straight deposit when the customer pays.
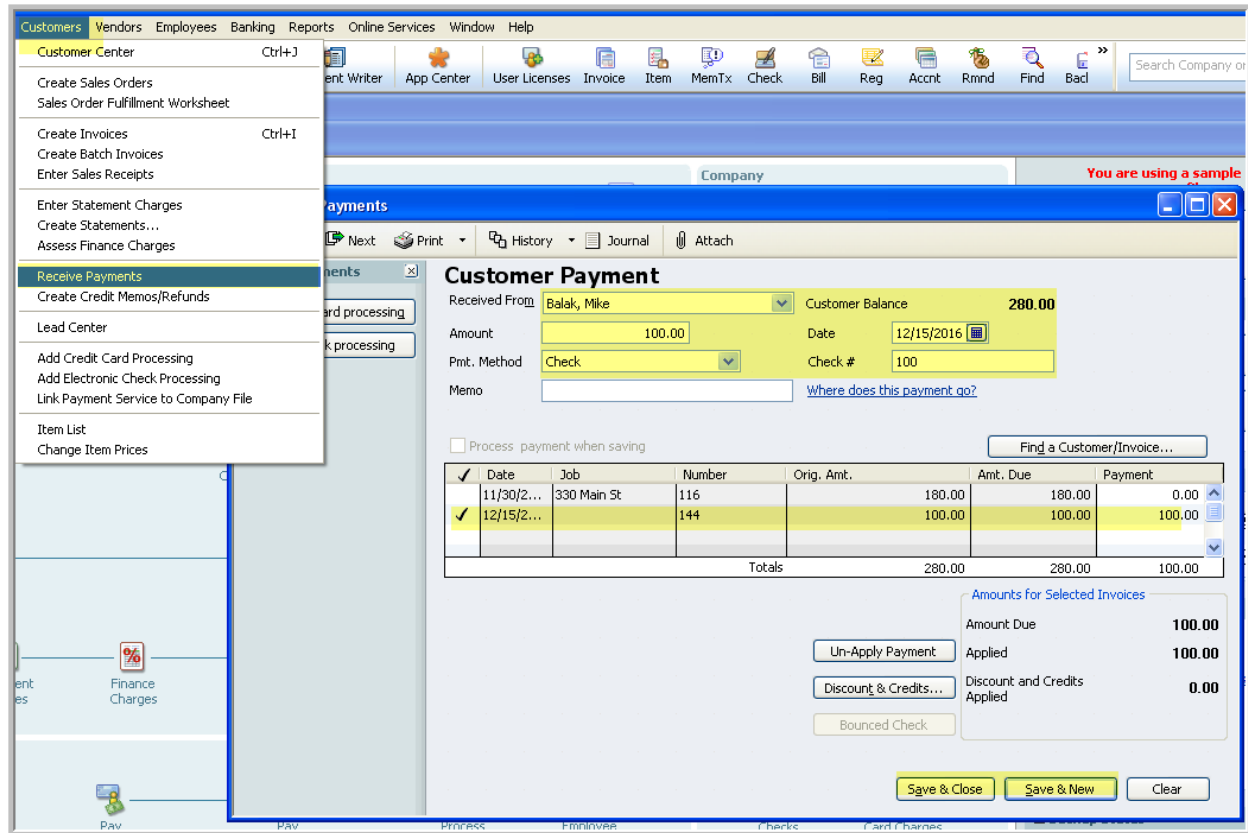
The same for bills. If you enter bills into QuickBooks – you must use the pay bills feature to pay them, rather than also writing a check.

If you make either of these mistakes – **you can best correct it by deleting the original invoice or bill payment**. It may be possible to **void the check and create a bill payment**, or **void the deposit and create the customer payment** if the transaction is current. If you are correcting data that has been reconciled, I do have an advanced work-around, but I recommend assistance with it.

If you create an invoice and make a deposit your income will be over-stated.

If you pay a bill and write a check your expenses will be over-stated.

Tip #7 - Write Checks vs. Paying Bills – Practice in Core Training

Should you enter and Pay bills or just write checks to pay them?

You can save time by simply writing checks to pay your bills IF:

You are on a cash-basis accounting system and you pay your bills as soon as they come in.
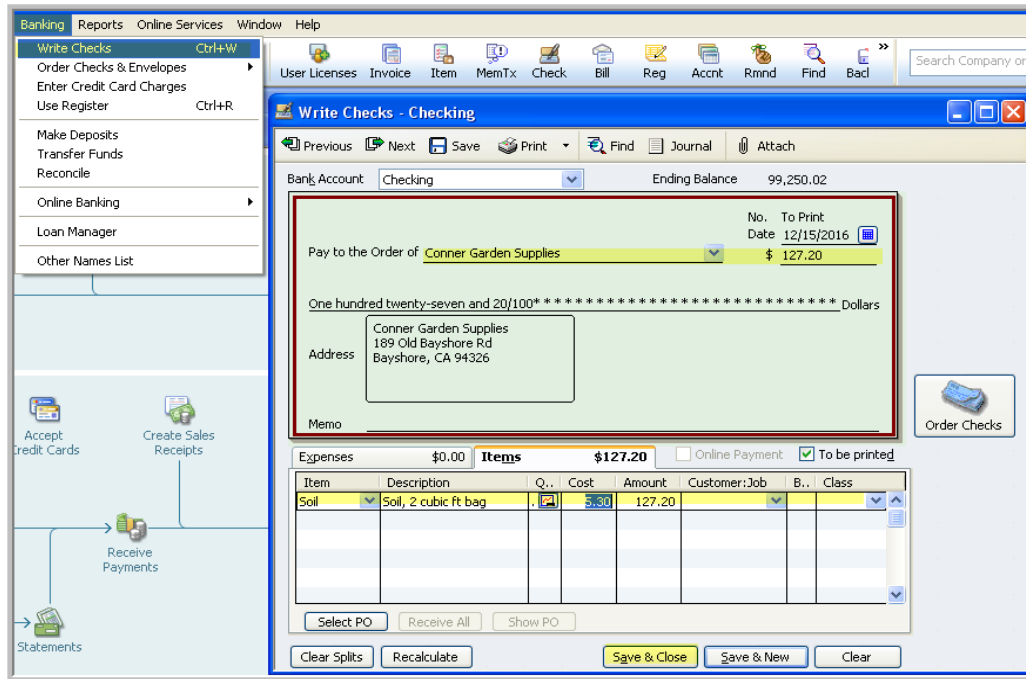
You should use the Enter bills/Pay bills system IF:

You use accrual-based reports for evaluating your business and/or you receive bills throughout the month and pay them from a statement at the end of the month.   Or you just don't pay your bills right away.
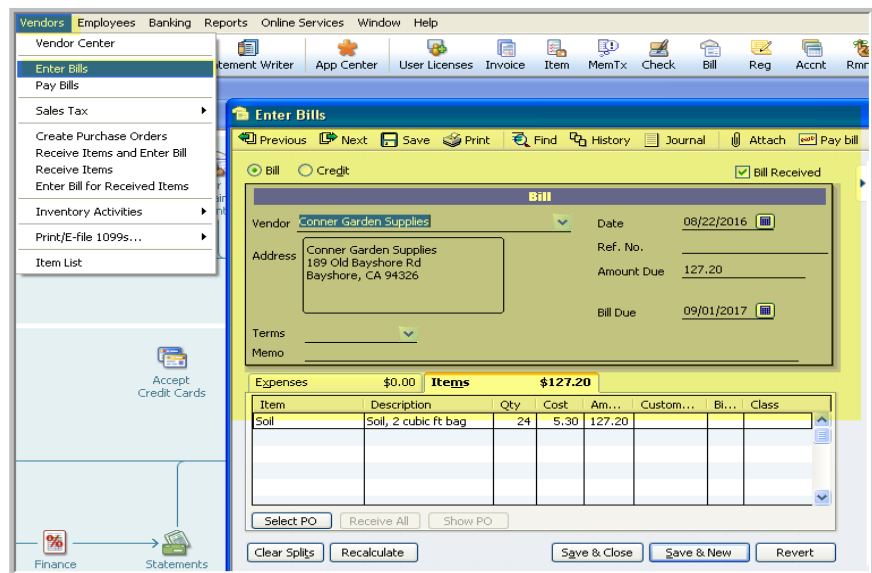
Tip #8 – Common Error – Be sure to apply vendor credits to bills – Practice in Core Training

In the "Pay Bills" screen, be sure to apply "credits available" when paying a bill. **Click the bill from the pay bills list and click set credits. Put a check mark next to credits to apply. Click OK.** Notice the "Amount to Pay" is reduced by the amount of the applied credit. This should correlate with your vendor's statement.

If you ever see a negative Accounts Payable on your Cash Basis Balance Sheet you may have this problem.

Tip #9 – Common Error – Be sure to apply outstanding credits to customer invoices – Practice in Core Training

Unapplied customer credits are a major problem in QuickBooks, if you run Cash-based Profit and Loss reports. Unapplied payments happen for many reasons, here are a few:

- A payment is received and no invoice is ever created
- A payment is received before an invoice is created
- The box next to the invoice is not checked during the received payment process
- A credit memo was created but not applied

To Identify unapplied customer payments by running this report: Customers – Open invoices.
If you see a positive and negative equaling a 0 balance, you have an unapplied payment. If you see any negatives with positives or incorrect negatives, you have a problem. (A correct negative is a customer that has a credit with you).

	1:45 PM								

Larry's Landscaping & Garden Supply
Open Invoices
As of December 15, 2016

Type	Date	Num	P. O. #	Terms	Due Date	Class	Aging	Open Balance
Total Crenshaw, Bob								1,591.03
Ecker Design								
Payment	12/15/2016							-3,170.96
Invoice	11/30/2016	111		Net 15	12/15/2017	Landsca...		3,047.96
Invoice	12/15/2016	131		Net 15	12/30/2017	Mainten...		123.00
Total Ecker Design								0.00

Unapplied payments DO NOT RECORD AS INCOME ON A CASH BASED PROFIT AND LOSS!!!

To correct an unapplied payment:

1 – **If no invoice was created** – create the invoice and you then click apply credits, put a check mark next to the credit and click done and save and close. OR You can open the original payment and put a check mark next to the invoice.

2 – If a credit memo OR payment is unapplied, - open the original invoice and click apply credits, click done and save and close. OR you can apply open credits through Receive payments. Click Receive payments apply credits, done save and close. If there are several small invoices and one large credit or payment you need to apply, it's usually easier to use the receive payments method.
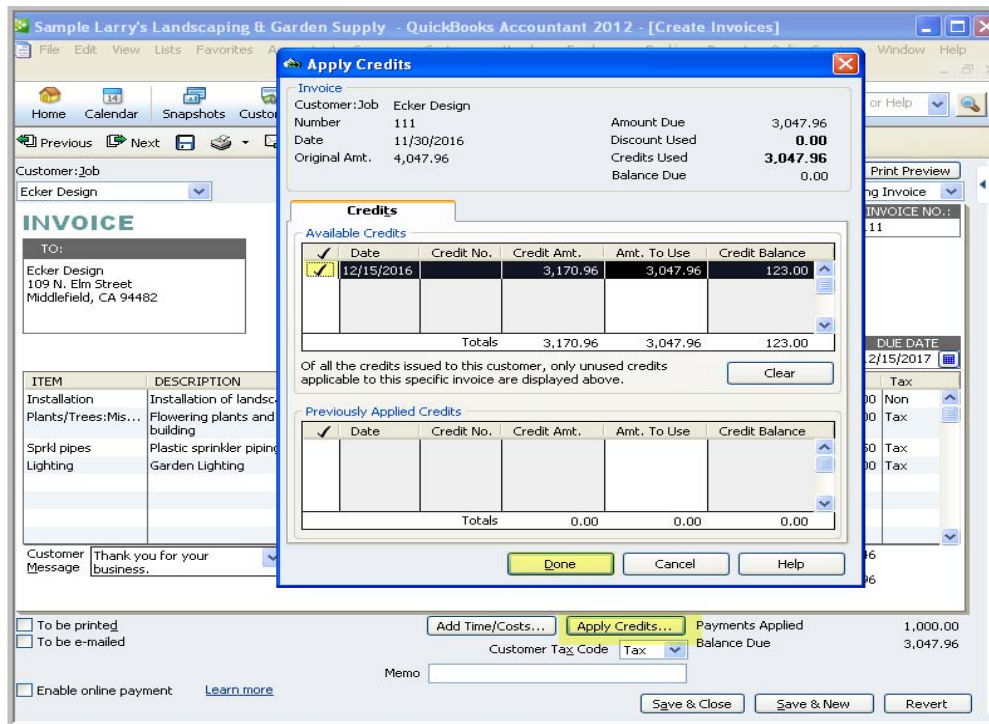
3 – If payment is unapplied – Follow the same directions as with a credit memo – Go to Receive payments, select the customer but don't enter an amount for the payment, then click "apply credits"

Another indication you may have this problem is a negative Accounts Receivable on your Cash Basis Balance Sheet.
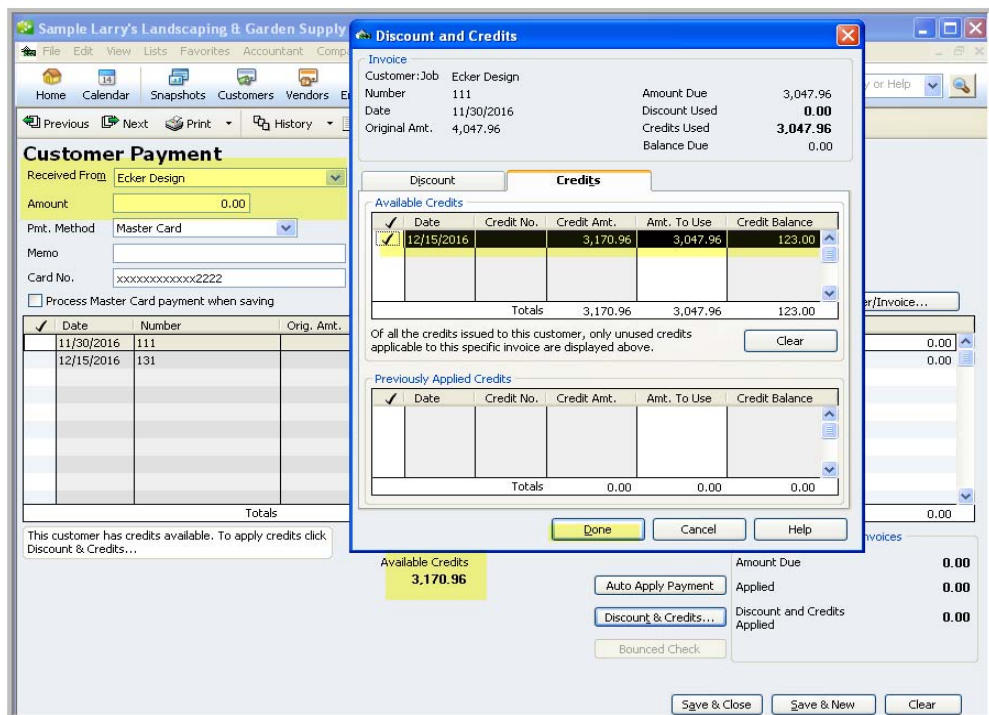
Tip #10 - Save Time by Memorizing Transactions

If you have recurring transactions – bills, checks, or invoices that happen on a regular basis, you can automate the entry in QuickBooks.

Example 1 Bill :
>   To automate your monthly rent bill, simply **enter the bill as you would like it to appear and then type ctr+m. Click Automate Transaction Entry. Click the drop down next to how often and choose monthly. Choose the next date and click ok.**

Example 2 Invoice:
>   To automate a monthly subscription fee **invoice, create the invoice them click ctrl+m. Click automate transaction entry, click the drop down next to how often and choose monthly. Choose the next date and click ok.**

Keep in mind these facts about Memorizing transactions:

1. When memorizing, QuickBooks takes a "picture" of the transaction and the subsequent transactions will look exactly the same, except for the date and transaction numbers.   So, **it doesn't work very well to type in specific descriptions that might change like "September Rent".**

2. You can memorize a transaction without saving it. If you create a transaction that you would like to memorize but don't want to enter it now, just click clear when you are done memorizing.

3. To edit the attributes – date, frequency, automation, etc. of a memorized transaction – click Lists – Memorized transaction list – Click ONCE on the transaction then click, Memorized Transaction - EDIT. If you double click the transaction it will create the transaction! If this happens inadvertently simply hit clear or restore before saving.
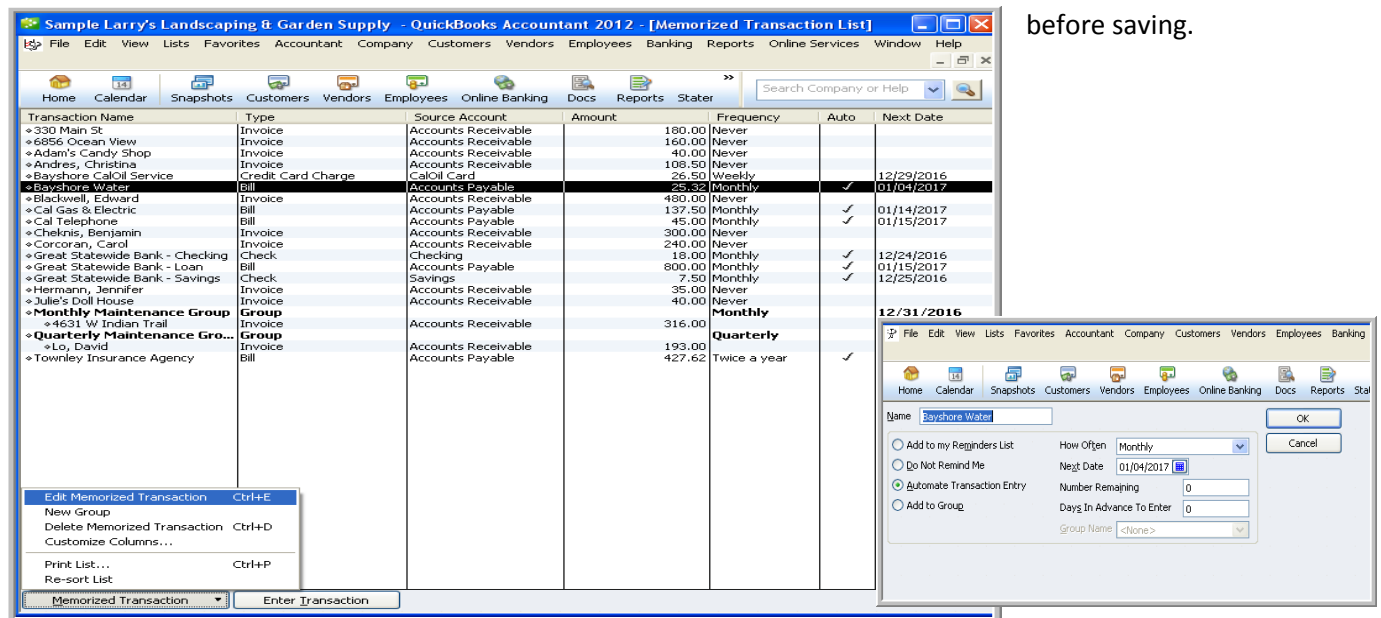
4. To edit the details of a transaction – amount, etc – OPEN the transaction itself by double-clicking it from the list, make the changes you want to make, and then click ctrl+m.   Click "replace". Note: if you have re-named, the transaction for some reason, you will not get the "replace" option. In this case, you will need to go back to the memorized transaction list, delete the original memorized transaction and save the new one.
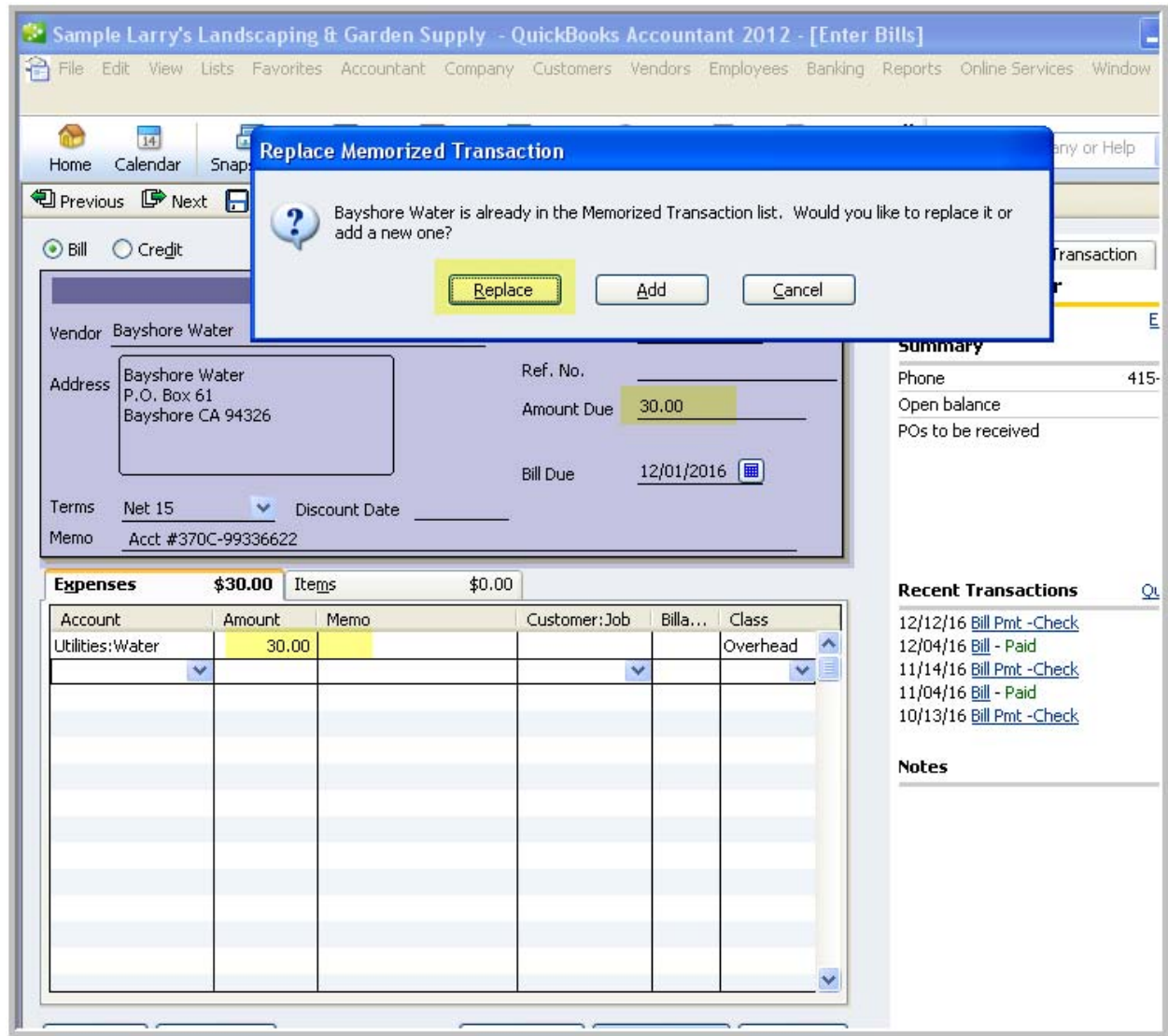
Tip # 11 – Set a closing date password

After you have given your reports to the tax preparer for the year, it's a good idea to set a closing date password. It will help keep you from accidentally making changes to the data that has been used to file the tax return. To do this:

Edit – Preferences –Accounting – Company Preferences – Set Date/Password.
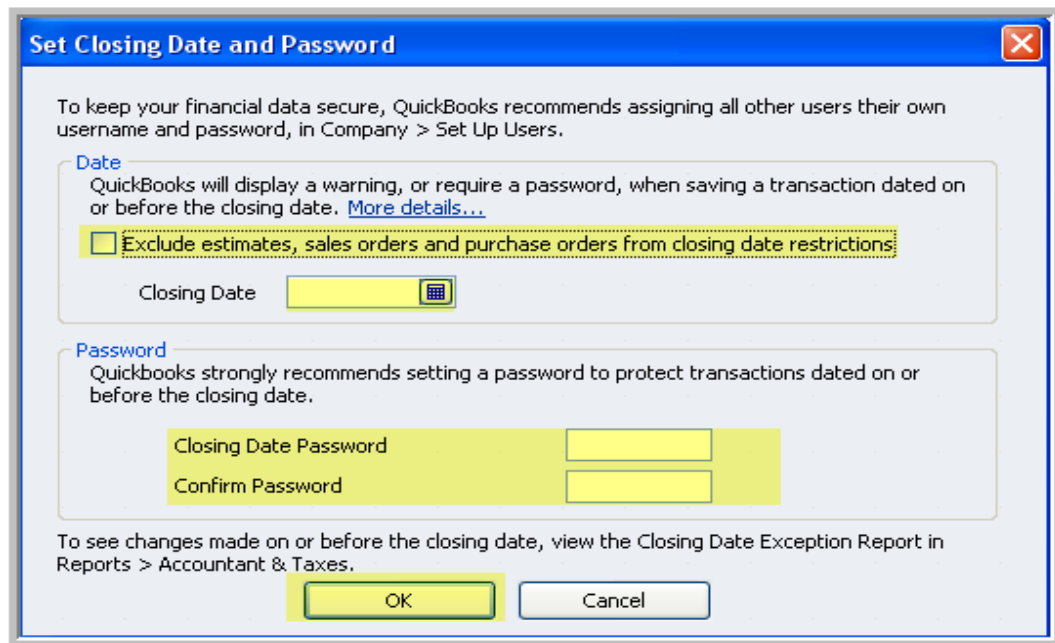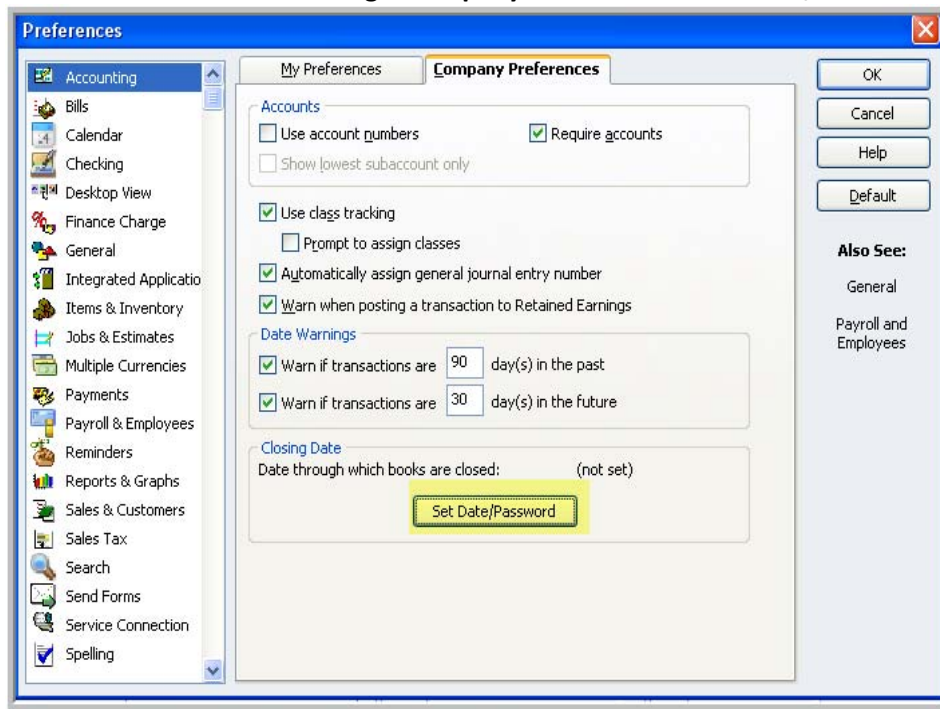
Tip # 12 – Multiple List Entry (only available in Premier Edition)

Newer Premier versions of QuickBooks have a great feature called multiple list entry. To access this feature:

Lists – Add/Edit Multiple List Entry – Select Customers, Vendors, Service Items or Non-Inventory Parts from the List menu.

You can customize the columns that are shown to make viewing or entering easier. You can even copy and paste from Excel! This is great if you have a whole lot of entries to get into QuickBooks or are just setting it up. Previous to this feature, it was nearly impossible to enter lists from excel into Quick Books.
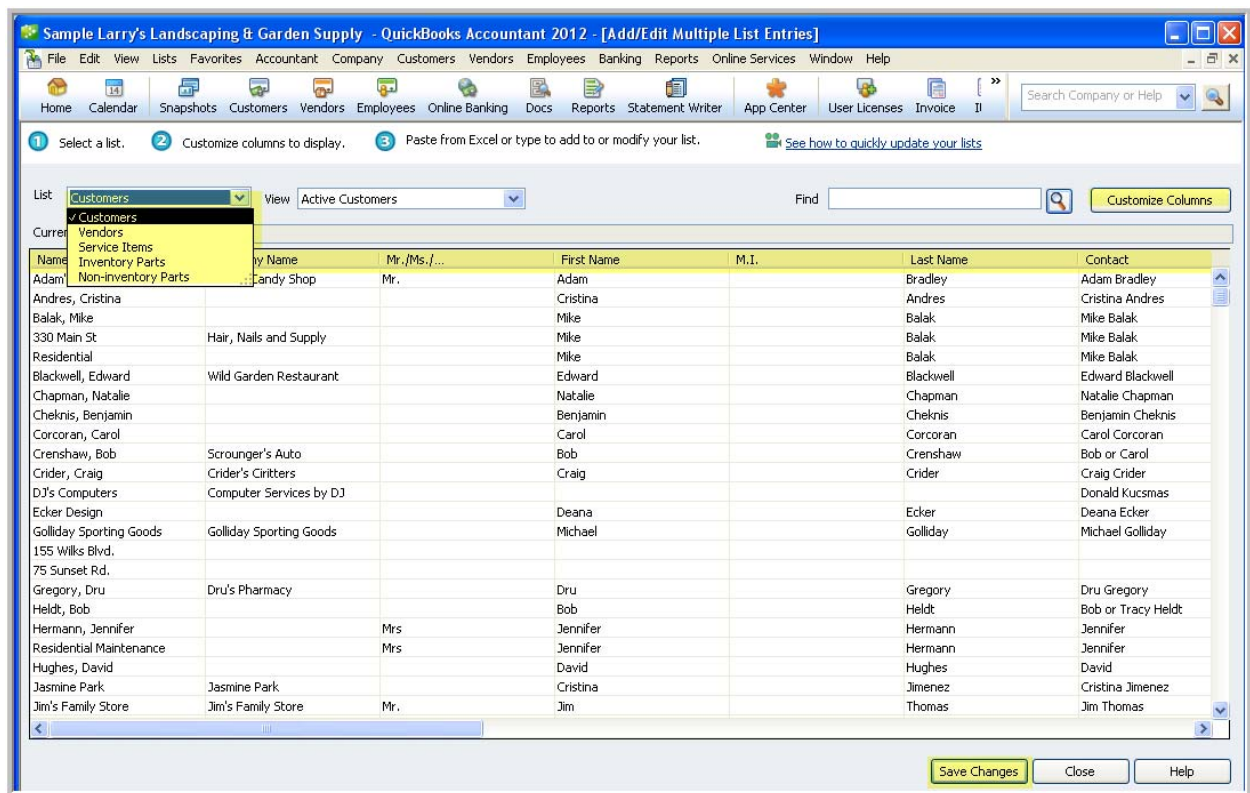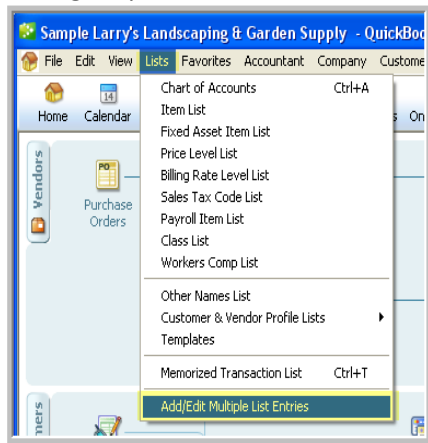
Tip #13 – Using QuickReports in lists – Practice in Core Training

When any list is open – click on the list entry (item, account,etc.) and click Reports – Quick Report

I use this feature a lot – especially in my item list for customers who carry inventory. You can see a history of the transactions that involve the item or account and drill down on them for more info.

Example: For an inventory Item, you can see when the item was last purchased and from which vendor as well as all of the customers who have purchased the item.

Tip #14 – Trick to Quickly Inactivate Items or Accounts – Practice in Core Training

From either the Account or Item list click the box next to " include inactive". The inactive items now appear with an x by them. You can them easily click or unclick next to each item to activate or inactivate the list items.
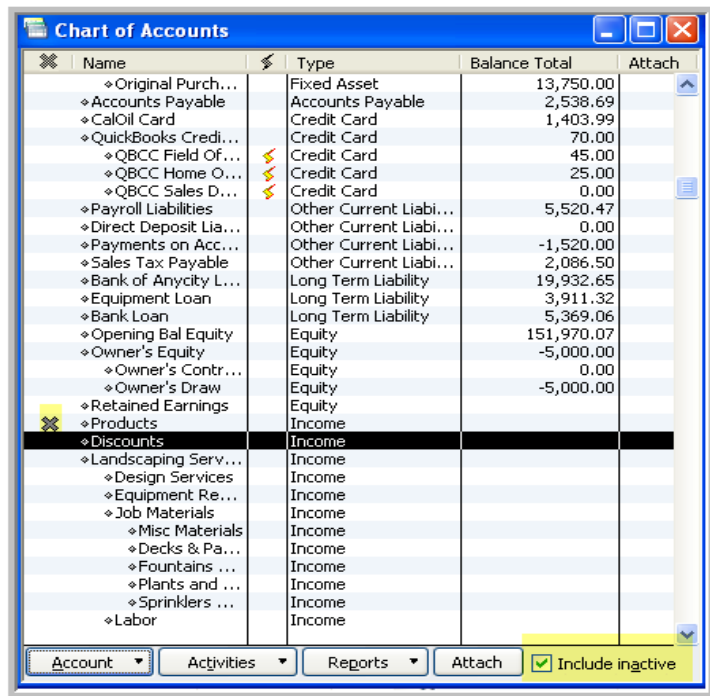
Tip #15 – Editing Transactions Trick – Practice in Core Training

To add or delete lines from invoices, deposits, estimates or checks – **use Edit from the gray menu bar when the transaction is open. You can easily insert or delete lines.**
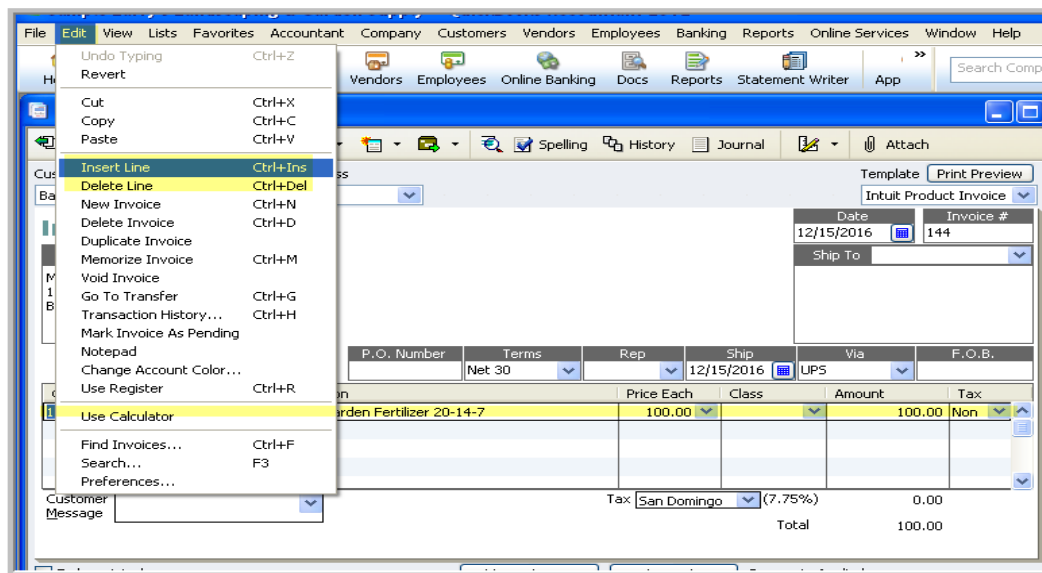
Tip #16 – The History Button Trick – Practice in Core Training

You can see the history behind a transaction – for instance which invoice a deposit was applied to or what deposit a received payment is on – using the history button. You will see this at the top of deposits, invoices, checks, and credit memos. You can also see when an invoice was emailed.

When a transaction is open – click history. To go to the transaction you discovered click Go To.
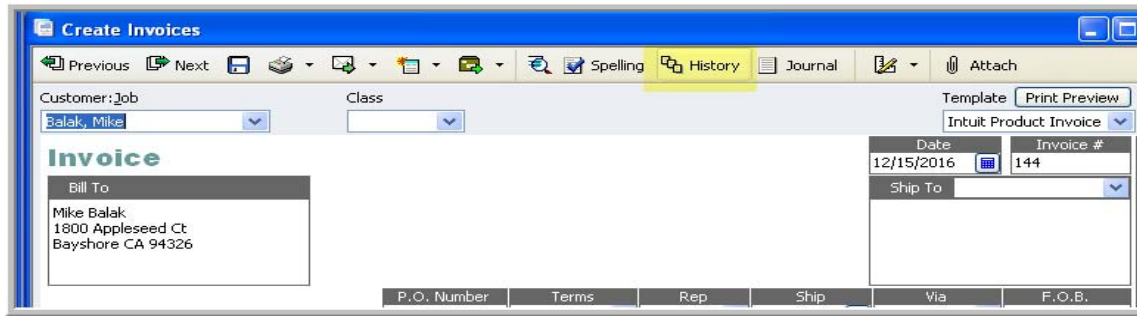
Tip #17 – Common Error – recording Owner's Draws as an Expense

Draws, dividends and personal expenses should be recorded using Equity accounts. These are not true expenses (unless the owner's are being paid through payroll) and should not be recorded as such. If you record them as expenses, the owner will be misinformed about their business income and may not plan properly for tax payments. As long as the account type you are using to record the owner's expenses, it doesn't necessarily matter what the account is called.

Note: You will also record any of the owner's money they deposit *into* the company's account using an Equity account.

Usually People will **Use Owner's (or Shareholder's) Contribution or Investment to Deposit funds INTO the business, and Owner's Draw or Dividends when the owner withdraws funds (outside of payroll) or makes personal expenses from business accounts.**

Tip #18 – Common Error Using Inventory Improperly

Many QuickBooks users are not sure if they should set up inventory items. It seems logical that if there are some type of materials that you keep on hand, they should be set up as inventory. **While, in fact, there are many businesses who may keep some items on hand, but it's not practical or necessary to set up an inventory system in QuickBooks.**

Examples of true inventory systems are items that you buy and re-sell, like in a retail operation. If you keep items in stock and sell them with a larger service, it's unlikely that setting up an inventory system would work**.**

 Keep in mind that if you set up inventory items, they must be individually specific and you will assign a specific cost to that item. You must use the item whenever you purchase it from your vendor as well as when you sell it to the customer. I have seen many cases where people set up inventory items and just use them on sales invoices – this creates a really big mess.

Use service or non-inventory parts for non-inventory businesses.

Example, Detailed Inventory:

Sylvia's T-shirts and Gifts

In this business, Sylvia purchases items from outside vendors and re-sells them on her web site. She needs to track how many of each specific item she has on hand, and she needs to keep track of where she purchased each item, and how much that item cost her originally. Her Item set up looks like this:

Every time she purchases more of this item, her vendor bill looks like this:

Keeping detailed inventory is complex, detailed and has significant financial implications. Everything must be done exact and correct, or your financial reports will not make sense. If you need to keep detailed inventory, I recommend consulting with an expert who is experienced in this area before and during set up and implementation.

One thing you should know, is that with Inventory items, they cost of the item is NOT RECORDED as a cost on the date that you purchase the item, but is recorded as an Asset. The cost of the item is recorded when you SELL the item to your customer on a sales receipt or invoice.

Often, when people set up inventory in QuickBooks incorrectly, they will make this error:

The just sell the item to their customers – but never purchase it from their vendor, creating a huge negative inventory and since they never purchase the item from their vendor, they don't have a correct cost for the item and either create NO COST, or an inaccurate cost every time they sell it!

There's actually quite a laundry list of errors that people make when setting up or using inventory, which is why, again, I recommend consulting with an expert if this is appropriate for you.

Example, Non-Inventory:

Larry's Landscaping

Non-Inventory parts are things that you sell, but don't need to track individual quantities on hand.
You may want to create a part for them so that you can:
- Easily complete invoices with the product information and pricing
- Track the sales statistics of this item
- Track the vendor you purchase the item from and/or the cost
- Use the Item on both Purchase (when you buy it) and Sales (when you sell it) transactions

Without keeping detailed inventory.

With Non-Inventory items, the cost of the item will be recorded when you purchase it from the vendor, rather than when you sell it to your customer.

It's an important distinction, because if you are primarily a re-seller, you will want to use an inventory system so that your costs and income are more closely matched.

Tip #19 - Common Error Understand Cash vs. Accrual Reports in QuickBooks – This is on my Tips and Tricks blog, but I bring it up again here, because it is ABSOLUTELY CRITICAL for every QuickBooks user to understand.

Cash vs. Accrual Based Accounting…. What does it mean to the Small Business Owner?

In my opinion, one of QuickBooks' best features is its ability to run financial reports, like a Profit and Loss, on both a Cash and Accrual Basis. But I am often asked by my clients "What does that mean? What is Cash vs. Accrual?".   I'll try to answer that question here on a level that applies to the Small Business Owner evaluating his or her Profit and Loss Report and Balance Sheet. I'll *try* to leave out the accountant-speak and technicalities.

Your Profit and Loss Report is a snapshot of your business' income and expenses for a specified period of time. Your Balance Sheet report is basically a report of what you own, what you owe, and your business' Equity (the difference between what you own and what you owe) as of a certain date.

Let's talk about Accrual basis first.

 When you are looking at your **Profit and Loss** report on an Accrual basis,

- Your income **will include everything you billed customers for during that time period, whether or not you have been paid by those customers.**
- Your **expenses will include bills from vendors that you have entered into QuickBooks for a that time period, whether you have paid the bills or not.**

On an Accrual Basis, the **Balance Sheet** report will include:

- **What is owed to you** (customer invoices, called Accounts Receivable)
- **And what you owe** (outstanding bills to your vendors, called Accounts Payable).

 In order to achieve good Accrual-based reports in QuickBooks, you need to use the Customer Invoicing and Enter/Pay Bills features. It's also a good idea to pay attention to the dates you bill your customers and bills you enter from your vendors, to be sure they are posted in the period they were incurred.

Most small businesses file their taxes on a Cash Basis, so why would you want to evaluate your finances on an Accrual basis? I ALWAYS recommend evaluating your business' financial performance on an accrual basis at least monthly, because what you have collected from your Customers and what bills you have paid aren't necessarily indicitive of your business' earnings performance.

Let's look at a professional services business like mine, for instance. First of all, we bill many of our clients on an hourly basis, so I make sure to bill out as much time as possible on the last day of the month. That way, when I run our Profit and Loss Statement, I can see what we *earned* that month, not necessarily what we collected, but what we earned.

 Like any business should, we know what we need to earn every month to break even. I may have cash in the bank because I haven't paid all the bills yet, or because I collected on some old invoices from customers, but that doesn't necessarily mean that our business has performed as it should.

Income is the largest consideration in our business, but it holds true with expenses as well. Expenses should be entered into QuickBooks as Bills for the date they are incurred. That way your Accrual-based Net Income (Income less Expenses) for the period you are evaluating is a true indicator of your performance for that time period. Did you spend more than you earned for that period? If so, it may take a month or two to catch up to you, and you want to be prepared. Are you showing consistent earnings yet your cash flow is suffering? You may have an issue with collecting on outstanding invoices from customers.

So what good are Cash basis reports? For one thing, many businesses file their taxes on a Cash basis, so you want to keep on top of what your income is going to look like for tax purposes.   Cash basis reports are also more closely tied to your business' cash flow.   When you look at a Profit and Loss Report on a Cash basis, you are only going to see Income from customers that you have actually received in your hot little hands. You will only see expenses for things that you have actually paid**. If your business operates on a cash basis – meaning you pay for your business expenses as you incurr them and collect money from your customers on the spot, your Cash basis and Accrual basis reports will be the same**.

Even with this information, financial reports can be confusing!   The larger the business, the more complex the financial evaluation should be.   There are many other aspects of your finances you need to evaluate, like the return on investment of your assets. Your industry may also require special attention to one or more aspects of your financial situation.   Intelligent, competent, business professionals sometimes feel uncomfortable asking for assistance evaluating their finances. Don't feel like you should know this stuff instinctively! Just like anything, it takes patience, practice and often professional help to understand.   There are, of course, many books on the subject, as well as the occasional seminar. Don't be afraid to seek assistance from your bookkeeper (they may know more than you think, but you just never asked!), your CPA, or a business coach.

QuickBooks allows you to run cash and accrual based financial reports (Profit and Loss and Balance Sheet), and it's important to understand the difference.

When running **ACCRUAL** based financial reports:

Invoices that have been billed to customers are counted as income as of the invoice date and Bills that have been entered are counted as expenses as of the bill date

When running CASH based financial reports:

Income is counted based upon the date the payment was received to an invoice Bills are counted as expenses as of the paid date

Checks written and posted straight to an account, as well as deposits posted straight to an account are posted as of the check or deposit date in either reporting system.

While most small businesses are on a cash-basis for their tax returns, I recommend evaluating a business' performance on an accrual-basis. When you look at your Profit and Loss report on an accrual basis, you get better matching of earnings vs. expenses for the period.

To Switch Between Cash and Accrual Reports – Reports- Company and Financial – Profit and Loss Standard –
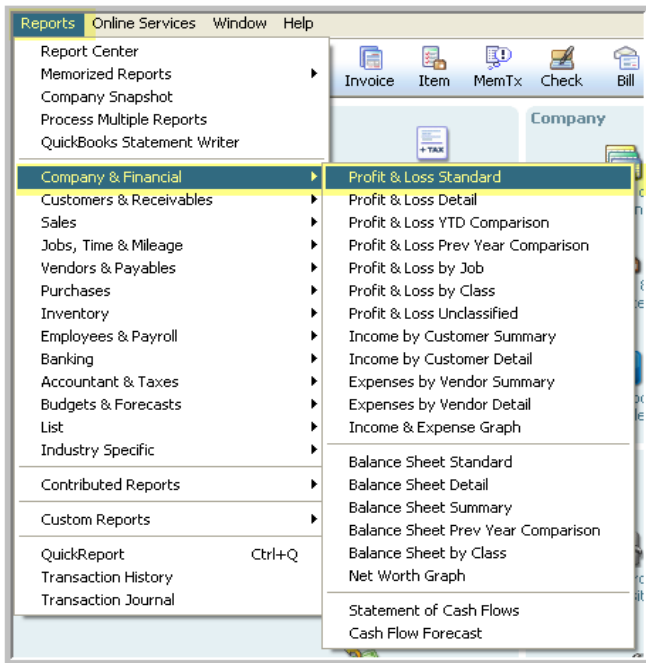
Then: Customize Report – and click the radio button next to "Accrual" or "Cash"
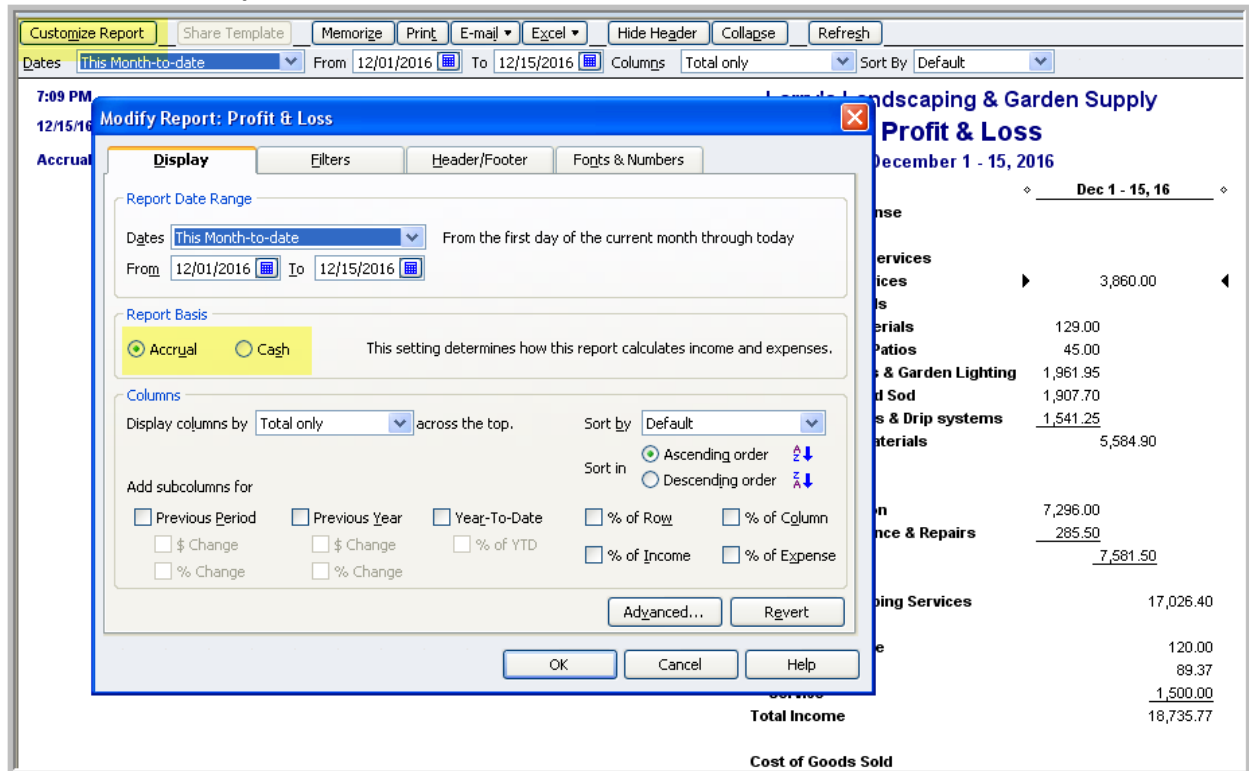
Tip #20 – Using Petty Cash

If your business has a petty cash fund, the proper **way to track it is to set it up as a bank account in QuickBooks.**

You can make deposits or transfers from your bank account, cash drawer or owner's equity account, and enter every expense as a "check".

Here's an example of an item that was paid for in cash:

Here's an example of a deposit "transfer" from the bank account – which could just be a cash withdrawal from the bank account for cash on hand. Alternatively, instead of actually taking the cash from the bank account - Checking, the cash used might have been from the owner's personal funds. In that case, you would use the Equity account "Owner's Draw" (or similar) instead of the bank account (Checking) for the deposit.

**Here's what the register looks like:**

Tip# 21 – Use Online Banking

Set up online banking and download transactions into QuickBooks. You can save a lot of time if you have many atm or electronic transactions that need to be entered manually as well as with deposits if you don't track them by customer or use credit card clearing. Another benefit is knowing that your balance is accurate and keeping close track of "uncleared" transactions.

Online banking CAN be tricky, and the set up varies somewhat from bank to bank, but it's definitely worth figuring it out.

To get started from the Banking Menu, select Online Banking - Set up account for online services
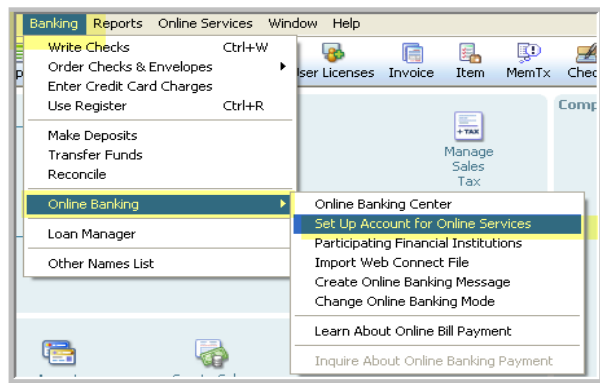

You'll then be prompted through the wizard which will help you select the account you want to set up, and associate the account with your bank's online services.

Once your accounts are set up, you can send and receive transactions straight from the Online Banking Center (most banks)
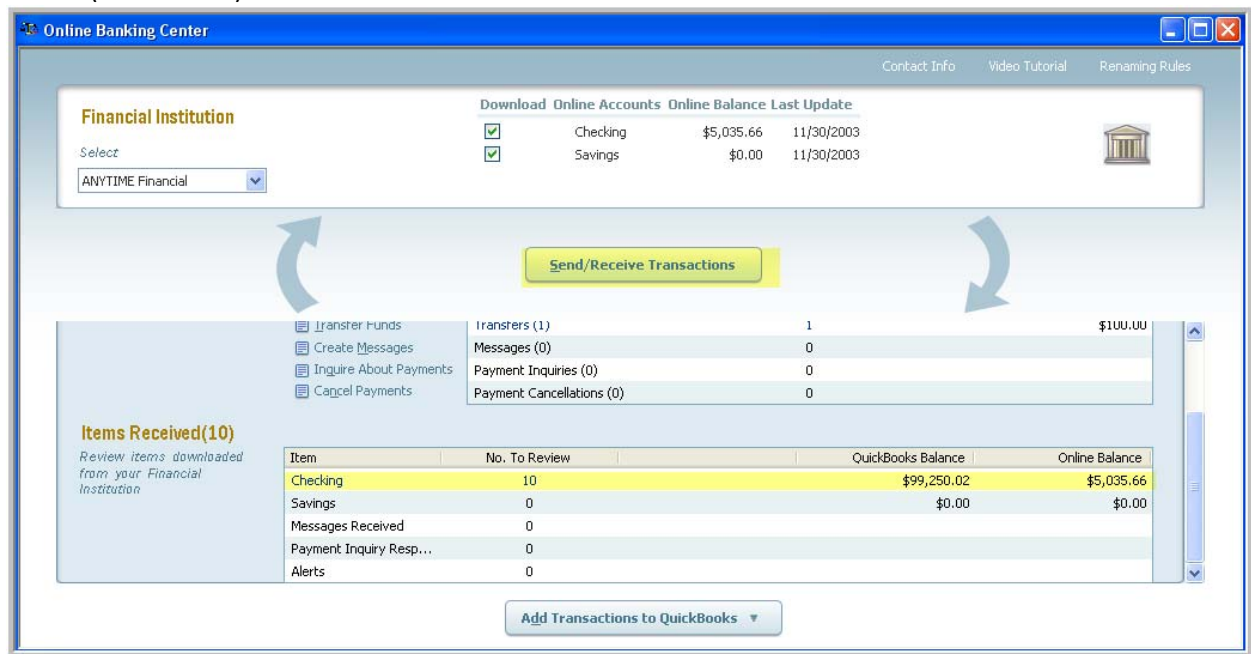
Once the transactions are imported, QuickBooks will:
- Automatically match those that are already in your register
- Post transactions based on re-naming rules for transactions that have been posted to a certain name previously (example: Chevron atm, matched to Chevron vendor previously, will automatically post to Chevron)
- Display Unmatched transactions for you to post through this window if you wish
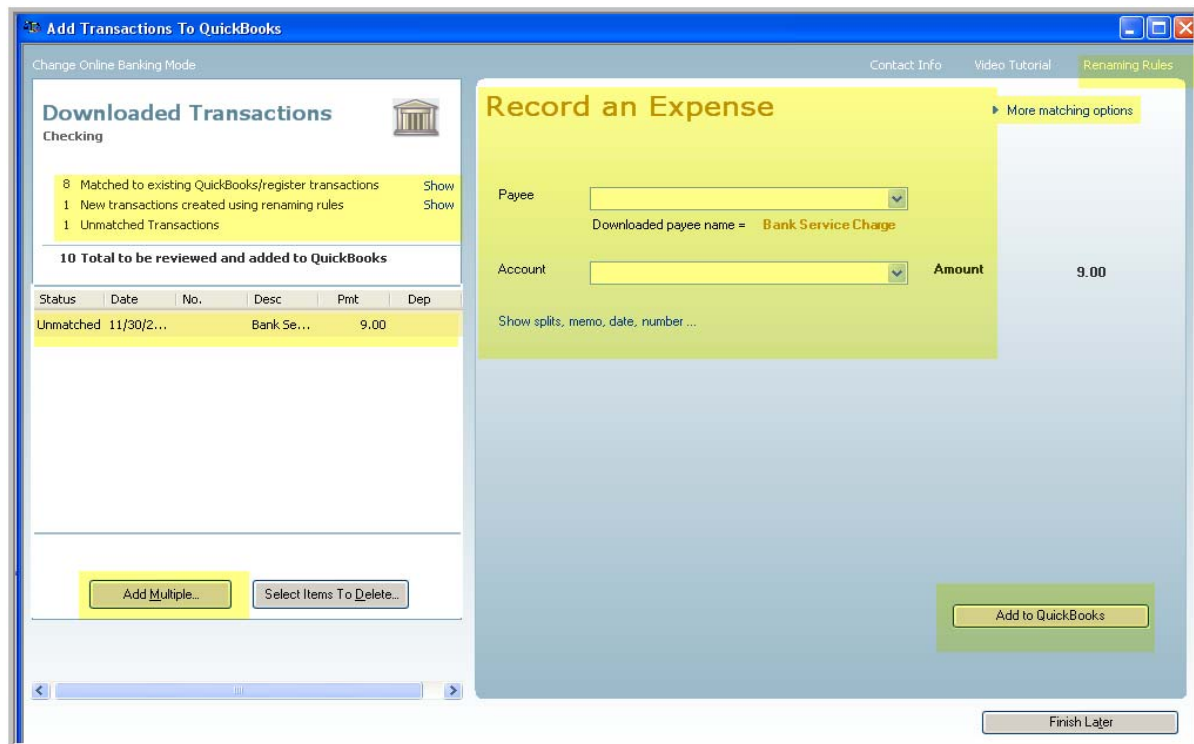
Don't worry, you can click "show" next to the matched transactions and the renamed transactions to view and edit these.

You can also view and edit the renaming Rules by clicking in the upper right corner "renaming rules"

You can also, click "Add Multiple" to view the transactions in a spreadsheet format, viewing and editing them, it looks like this:
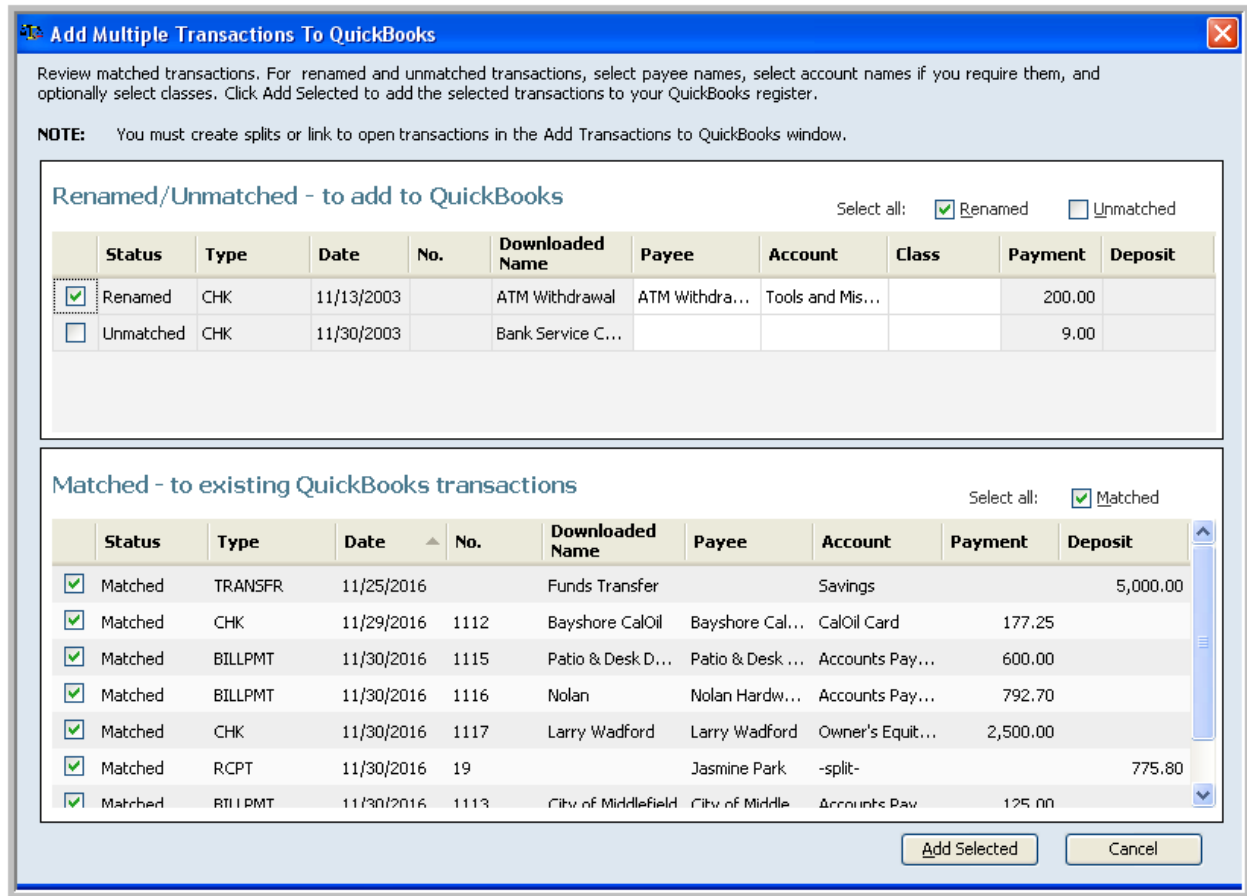
Tip: I use the Add Multiple screen most often, it's the fastest way to review and enter your online transactions.

Once you have entered and matched your transactions in QuickBooks, they have a "lightening bolt" next to them on the register, indicating they have been "matched" and have cleared the bank.