

2
0
0
8

QuickBooks® Intermediate

For QuickBooks Pro and Premier Version 2008

The
SLEETER
GROUP

Copyright © 2008
The Sleeter Group, Inc.

Website: www.sleeter.com

Email: info@sleeter.com

888-484-5484

Product Name Learning QuickBooks Step-by-Step - QuickBooks Intermediate -
Version 2008
ISBN# 978-1-932487-39-8

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 © 2008 The Sleeter Group, Inc.
All rights reserved
Printed 7/23/2008 9:56:00 AM
Intermediate-08-2.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

Table of Contents

Chapter 1 Inventory	1
Objectives	1
QuickBooks Tools for Tracking Inventory	1
Tracking Inventory with QuickBooks	3
Activating the Inventory Function	4
Setting up Inventory Parts Items	6
Applying a Unit of Measure to Another Item	11
Setting up Group Items	12
Calculating Average Cost of Inventory	13
Invoicing for Inventory Items	14
Selling Inventory Items Using an Invoice Form	14
Creating a Transaction Journal Report	14
Using Reminders for Inventory	15
Purchasing Inventory	16
Purchasing Inventory at a Retail Store with Check or Credit Card	17
Purchase Orders	17
Creating a Purchase Order	17
Receiving Shipments against Purchase Orders	19
Creating Open Purchase Orders Reports	21
Checking Purchase Order Status	22
Entering the Final Shipment	23
Entering Bills for Received Inventory	24
Converting an Item Receipt into a Bill	24
Handling Overshipments	26
Handling Vendor Overcharges	27
Adjusting Inventory	29
Adjusting the Quantity of Inventory on Hand	29
Adjusting the Value of Inventory	30
Inventory Assemblies	32
Inventory Reports	36
Inventory Item QuickReport	36
Inventory Stock Status by Item Report	37
Inventory Stock Status by Vendor Report	37
Inventory Valuation Summary Report	38
Inventory Valuation Detail Report	39
Chapter Summary and Review	40
Comprehension Questions	40
Multiple Choice	40
Completion Statements	43
Inventory Problem 1	43
Inventory Problem 2	45
Inventory Problem 3 - Optional	46
Workplace Applications	47
Chapter 2 Sales Tax	49
Objectives	49
Setting up Sales Tax	49
Activating Sales Tax and Setting Preferences	49
Sales Tax Items	53
Using Sales Tax Items on Sales Forms	53
Setting Up Sales Tax Items	53
Sales Tax Codes	55
Using Sales Tax Codes on Sales Forms	55
Setting up Sales Tax Codes	56
Editing the Sales Tax Codes on Items and Customers	56

Calculating Sales Tax on Sales Forms.....	60
QuickBooks and Your Sales Tax Return	60
The Sales Tax Liability Report.....	61
Recording Discounts, Penalties, Interest and Rounding	62
Paying Sales Tax.....	64
Advanced Sales Tax Topics.....	66
Sales Tax Groups.....	66
Categorizing Revenue Based on Sales Tax Codes	67
Chapter Summary and Review	69
Comprehension Questions	69
Multiple Choice.....	69
Completion Statements.....	71
Sales Tax Problem 1	72
Workplace Applications	74
Chapter 3 Time and Billing.....	75
Objectives.....	75
Reimbursable (Billable) Expenses	75
Using Two-Sided Items (Pro and above only)	83
Tracking Custom Orders.....	84
Using Service Items to Track Subcontracted Labor.....	90
Unbilled Costs by Job Report.....	92
Billable Time	93
Activating Time Tracking in QuickBooks	93
Entering Time on Timesheets	94
Printing Timesheets.....	95
Invoicing Customers for Time.....	96
Time Reports.....	100
Time by Name Report	100
Time by Job Detail Report.....	101
Time by Item Report.....	102
Tracking an Owner's or Partner's Time	103
Vehicle Mileage Tracking (Pro & above).....	105
Multiple Pass-Throughs on One Invoice.....	110
Chapter Summary and Review	114
Comprehension Questions	114
Multiple Choice.....	114
Completion Statements.....	116
Time and Billing Problem 1	117
Workplace Applications	119
Chapter 4 Payroll Setup	121
Objectives.....	121
Checklist for Setting up Payroll.....	122
Activating Payroll	122
Payroll Accounts.....	124
Payroll Items	125
Enabling the Data File for Payroll Processing.....	126
Using the Internet to Enable Payroll Processing.....	126
Enable Payroll Processing Without an Internet Connection	128
The Payroll Setup Interview	130
Setting up Compensation and Benefits Payroll Items	131
Medical Insurance Deduction	134
401(k) Employee Deduction and Company Match Items.....	140
Paid Time Off Payroll Items.....	145
Setting up Employees.....	148
Payroll Tax Item Setup.....	154
Scheduling Your Tax Payments.....	155

Setting up Year-to-Date Payroll Amounts	158
Finishing Up The Payroll Setup Interview	159
Finalizing the Payroll Setup	160
Custom Fields for Payroll	160
Setting Up Employee Defaults	161
The Accounting Behind the Scenes — Payroll Items	167
Adding Payroll Items from the Payroll Item List	169
Adding a Wage (Compensation) Item	169
Editing Payroll Items	172
Releasing Employees	180
Deactivating and Reactivating Employees	181
The Employee Contact List report	182
Chapter Summary and Review	183
Comprehension Questions	183
Multiple Choice	183
Completion Statements	185
Payroll Setup Problem 1	185
Payroll Setup Problem 2	188
Workplace Applications	190
Chapter 5 Payroll Processing	191
Objectives	191
Payroll Processing Checklists	192
Using the Employee Center	192
Payroll Center	193
Payroll Tax Tables	193
Updating your tax tables	193
Paying Employees	196
Selecting the Employees to Pay	196
Printing Paychecks	201
Printing Pay Stubs	203
Job-Costing Wages	205
Editing, Voiding, and Deleting Paychecks	205
Editing Paychecks	205
Replacing Lost or Stolen Checks	208
Voiding Paychecks	209
Deleting Paychecks	209
Paying Payroll Liabilities	210
Editing a Liability Payment	213
Adjusting Payroll Liabilities	214
Creating Payroll Reports	215
Payroll Summary Report	215
Sales Rep Commissions	217
Payroll Liabilities Report	218
Preparing Payroll Taxes	222
Processing Form 941 and Schedule B	222
Processing Form 940	228
Processing W-2s	231
Creating Reports for Preparing State or Local Payroll Taxes	238
State Payroll Taxes Detail Report	238
Summarizing Payroll Information in Microsoft Excel	239
Chapter Summary and Review	242
Comprehension Questions	242
Multiple Choice	242
Completion Statements	244
Payroll Processing Problem 1	244
Workplace Applications	245

Chapter 6 Estimates and Sales Orders	247
Objectives	247
Creating Estimates	248
Creating Invoices from Estimates	249
Progress Invoicing	251
Creating Purchase Orders from Estimates	255
Viewing and Tracking Estimates	258
Sales Orders	262
Sales Order Preferences	262
Creating Sales Orders	263
Creating Invoices from Sales Orders	264
Creating Purchase Orders from Sales Orders	265
Tracking Sales Orders and Back Orders	270
Chapter Summary and Review	272
Comprehension Questions	272
Multiple Choice	272
Completion Statements	274
Estimates-Problem 1	274
Workplace Applications	275
Chapter 7 Budgeting, Forecasting, and Business Planning	277
Objectives	277
Creating Budgets and Budget Reports	277
Creating Budgets	277
Creating Budgets for Jobs	280
Creating Budgets for Classes	282
Creating Budget Reports	285
Creating Forecasts and Forecast Reports	292
Creating a Forecast for Accounts	293
Creating Forecast Reports	295
Cash Flow Projector	296
Creating a Business Plan	302
Chapter Summary and Review	311
Comprehension Questions	311
Multiple Choice	311
Completion Statements	313
Budgeting-Problem1	313
Workplace Applications	314
Chapter 8 Adjustments and Year-End Procedures	315
Objectives	315
Processing 1099s	315
The 1099 Wizard	316
Editing 1099 Information in Vendor Records	317
Setting Account Mapping Preferences for 1099s	319
1099 Summary Report	322
Printing 1099s and 1096 Forms	323
Editing, Voiding, and Deleting Transactions	325
Editing Transactions	326
Voiding and Deleting Transactions	327
General Journal Entries	328
Creating a General Journal Entry	329
Adjusting Expense Accounts Associated with Items (Zero-Dollar Checks)	330
Tracking Fixed Assets	331
Using the Fixed Asset List	333
Calculating and Recording Depreciation	335
Memorized Transactions	336
Memorizing a Journal Entry	336

Deleting, Rescheduling, and Editing Memorized Transactions.....	337
Closing the Year	340
Closing the Accounting Period.....	340
Recording Closing Entries for Sole Proprietorships and Partnerships	341
Distributing Net Income to Partners	343
Setting the Closing Date to “Lock” Transactions.....	344
Chapter Summary	346
Comprehension Questions.....	347
Multiple Choice.....	347
Completion Statements.....	348
Adjustments Problem 1	349
Workplace Application.....	349
Chapter 9 Horizon Financial Planning Business Scenario	351
Description of Company – Horizon Financial Planning	351
Goals.....	351
Company Set Up.....	352
Classes.....	352
Items	352
Payroll Setup	353
Customer List	353
Vendor List	354
Instructions	354
Business Transactions	355
October 2011.....	355
November 2011	362
Analysis Questions.....	368
Appendix	371
Keyboard Shortcuts	371
Restoring Portable Company Files.....	371
Backing Up Your Data	373
Restoring Backup Files	377
Opening a QuickBooks Company File.....	379
Opening Other QuickBooks Data Files	380
Closing QuickBooks Files.....	382
Closing the QuickBooks Program.....	382
About QuickBooks Files	382
Glossary	385
Answer Key for End of Chapter Questions.....	395
Inventory.....	395
Sales Tax	396
Time and Billing	397
Payroll Setup	398
Payroll Processing.....	398
Estimates	399
Budgeting	400
Adjustments	401
Horizon Financial Planning Business Scenario.....	402
Index	403