

# QuickBooks® Intermediate 2009

For QuickBooks Pro and Premier Version 2009

**The**  
**SLEETER**  
**GROUP**

Copyright © 2009  
The Sleeter Group, Inc.

Website: [www.sleeter.com](http://www.sleeter.com)

Email: [info@sleeter.com](mailto:info@sleeter.com)

888-484-5484

Product Name            Learning QuickBooks Step-by-Step - QuickBooks Intermediate -  
Version 2009  
ISBN# 978-1-932487-51-0

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              © 2009 The Sleeter Group, Inc.  
All rights reserved  
Printed 6/24/2009 7:32:00 PM  
Intermediate-09-1.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  
Kathy Yakal

---

## Table of Contents

<b>Chapter 1 Inventory</b> .....	<b>1</b>
Objectives .....	1
QuickBooks Tools for Tracking Inventory .....	1
Tracking Inventory with QuickBooks .....	3
Activating the Inventory Function .....	4
Setting up Inventory Parts Items .....	5
Calculating Average Cost of Inventory .....	9
Invoicing for Inventory Items .....	10
Selling Inventory Items Using an Invoice Form .....	10
Creating a Transaction Journal Report .....	10
Using Reminders for Inventory .....	11
Purchasing Inventory .....	11
Purchasing Inventory at a Retail Store with Check or Credit Card .....	12
Purchase Orders .....	13
Creating a Purchase Order .....	13
Receiving Shipments against Purchase Orders .....	15
Creating Open Purchase Orders Reports .....	18
Checking Purchase Order Status .....	18
Entering the Final Shipment .....	19
Entering Bills for Received Inventory .....	20
Converting an Item Receipt into a Bill .....	20
Handling Overshipments .....	22
Handling Vendor Overcharges .....	23
Adjusting Inventory .....	24
Adjusting the Quantity of Inventory on Hand .....	24
Adjusting the Value of Inventory .....	26
Unit of Measure .....	27
Turning on Unit of Measure .....	27
Applying Unit of Measure to Items .....	28
Setting up Group Items .....	30
Inventory Assemblies .....	31
Inventory Reports .....	35
Inventory Item QuickReport .....	36
Inventory Stock Status by Item Report .....	36
Inventory Stock Status by Vendor Report .....	37
Inventory Valuation Reports .....	37
Chapter Summary and Review .....	39
Comprehension Questions .....	39
Multiple Choice .....	39
Completion Statements .....	42
Inventory Problem 1 .....	42
Workplace Applications .....	44
<b>Chapter 2 Sales Tax</b> .....	<b>45</b>
Objectives .....	45
Setting up Sales Tax .....	45
Activating Sales Tax and Setting Preferences .....	45
Sales Tax Items .....	49
Using Sales Tax Items on Sales Forms .....	49
Setting Up Sales Tax Items .....	49
Sales Tax Codes .....	51
Using Sales Tax Codes on Sales Forms .....	51
Setting up Sales Tax Codes .....	52
Editing the Sales Tax Codes on Items and Customers .....	52
Calculating Sales Tax on Sales Forms .....	56

QuickBooks and Your Sales Tax Return .....	56
The Sales Tax Liability Report.....	57
Recording Discounts, Penalties, Interest and Rounding .....	58
Paying Sales Tax.....	60
Advanced Sales Tax Topics.....	61
Sales Tax Groups.....	61
Categorizing Revenue Based on Sales Tax Codes .....	63
Chapter Summary and Review .....	65
Comprehension Questions .....	65
Multiple Choice.....	65
Completion Statements.....	67
Sales Tax Problem 1 .....	68
Workplace Applications .....	70
<b>Chapter 3 Time and Billing.....</b>	<b>71</b>
Objectives.....	71
Reimbursable (Billable) Expenses .....	71
Using Two-Sided Items (Pro and above only) .....	80
Tracking Custom Orders.....	81
Using Service Items to Track Subcontracted Labor .....	87
Unbilled Costs by Job Report.....	89
Billable Time .....	90
Activating Time Tracking in QuickBooks .....	90
Entering Time on Timesheets .....	91
Printing Timesheets.....	92
Invoicing Customers for Time.....	93
Time Reports.....	97
Time by Name Report .....	97
Time by Job Detail Report.....	98
Time by Item Report.....	99
Tracking an Owner's or Partner's Time .....	100
Vehicle Mileage Tracking (Pro & above).....	102
Multiple Pass-Throughs on One Invoice.....	107
Chapter Summary and Review .....	111
Comprehension Questions .....	112
Multiple Choice.....	112
Completion Statements.....	114
Time and Billing Problem 1 .....	115
Workplace Applications .....	117
<b>Chapter 4 Payroll Setup .....</b>	<b>119</b>
Objectives.....	119
Checklist for Setting up Payroll.....	120
Activating Payroll .....	121
Payroll Accounts.....	123
Payroll Items .....	123
Enabling the Data File for Payroll Processing.....	124
Enable Intuit Payroll.....	124
Enable Manual Payroll .....	126
The Payroll Setup Interview .....	128
Setting up Compensation and Benefits Payroll Items .....	129
Medical Insurance Deduction .....	131
401(k) Employee Deduction and Company Match Items.....	136
Paid Time Off Payroll Items.....	141
Setting up Employees.....	144
Payroll Tax Item Setup.....	150
Scheduling Your Tax Payments.....	151
Setting up Year-to-Date Payroll Amounts.....	154

Finishing Up The Payroll Setup Interview .....	155
Finalizing the Payroll Setup .....	156
Custom Fields for Payroll .....	156
Setting Up Employee Defaults .....	157
The Accounting Behind the Scenes — Payroll Items.....	163
Adding Payroll Items from the Payroll Item List.....	165
Adding a Wage (Compensation) Item.....	165
Editing Payroll Items.....	168
Releasing Employees.....	176
Deactivating and Reactivating Employees .....	177
The Employee Contact List report.....	178
Chapter Summary and Review.....	179
Comprehension Questions.....	179
Multiple Choice.....	179
Completion Statements.....	181
Payroll Setup Problem 1 .....	181
Payroll Setup Problem 2 .....	184
Workplace Applications .....	186
<b>Chapter 5 Payroll Processing.....</b>	<b>187</b>
Objectives .....	187
Payroll Processing Checklists.....	188
Using the Employee Center .....	188
Payroll Center.....	189
Payroll Tax Tables.....	189
Updating your tax tables .....	189
Paying Employees.....	192
Selecting the Employees to Pay.....	192
Printing Paychecks.....	197
Printing Pay Stubs.....	199
Job-Costing Wages .....	201
Editing, Voiding, and Deleting Paychecks .....	201
Editing Paychecks .....	201
Replacing Lost or Stolen Checks.....	204
Voiding Paychecks .....	205
Deleting Paychecks.....	205
Paying Payroll Liabilities.....	206
Editing a Liability Payment.....	209
Adjusting Payroll Liabilities.....	210
Creating Payroll Reports .....	211
Payroll Summary Report .....	211
Sales Rep Commissions.....	213
Payroll Liabilities Report .....	214
Preparing Payroll Taxes.....	218
Processing Form 941 and Schedule B.....	218
Processing Form 940 .....	224
Processing W-2s .....	226
Creating Reports for Preparing State or Local Payroll Taxes .....	232
State Payroll Taxes Detail Report.....	232
Summarizing Payroll Information in Microsoft Excel.....	233
Chapter Summary and Review.....	236
Comprehension Questions.....	236
Multiple Choice.....	236
Completion Statements.....	238
Payroll Processing Problem 1 .....	238
Workplace Applications .....	239

<b>Chapter 6 Estimates and Sales Orders .....</b>	<b>241</b>
Objectives .....	241
Creating Estimates .....	242
Creating Invoices from Estimates .....	243
Progress Invoicing .....	245
Creating Purchase Orders from Estimates .....	249
Viewing and Tracking Estimates .....	252
Sales Orders .....	256
Sales Order Preferences .....	256
Creating Sales Orders .....	257
Creating Invoices from Sales Orders .....	258
Creating Purchase Orders from Sales Orders .....	259
Tracking Sales Orders and Back Orders .....	264
Chapter Summary and Review .....	266
Comprehension Questions .....	266
Multiple Choice .....	266
Completion Statements .....	268
Estimates-Problem 1 .....	269
Workplace Applications .....	270
<b>Chapter 7 Budgeting, Forecasting, and Business Planning .....</b>	<b>271</b>
Objectives .....	271
Creating Budgets and Budget Reports .....	271
Creating Budgets .....	271
Creating Budgets for Jobs .....	274
Creating Budgets for Classes .....	277
Creating Budget Reports .....	279
Creating Forecasts and Forecast Reports .....	286
Creating a Forecast for Accounts .....	287
Creating Forecast Reports .....	289
Cash Flow Projector .....	290
Creating a Business Plan .....	296
Chapter Summary and Review .....	305
Comprehension Questions .....	305
Multiple Choice .....	305
Completion Statements .....	307
Budgeting-Problem1 .....	307
Workplace Applications .....	308
<b>Chapter 8 Adjustments and Year-End Procedures .....</b>	<b>309</b>
Objectives .....	309
Processing 1099s .....	309
The 1099 Wizard .....	310
Editing 1099 Information in Vendor Records .....	311
Setting Account Mapping Preferences for 1099s .....	313
1099 Summary Report .....	316
Printing 1099s and 1096 Forms .....	317
Editing, Voiding, and Deleting Transactions .....	319
Editing Transactions .....	320
Voiding and Deleting Transactions .....	322
General Journal Entries .....	323
Creating a General Journal Entry .....	323
Adjusting Expense Accounts Associated with Items (Zero-Dollar Checks) .....	324
Tracking Fixed Assets .....	325
Using the Fixed Asset List .....	327
Calculating and Recording Depreciation .....	329
Memorized Transactions .....	330

Memorizing a Journal Entry .....	330
Deleting, Rescheduling, and Editing Memorized Transactions.....	331
Closing the Year .....	334
Closing the Accounting Period.....	334
Recording Closing Entries for Sole Proprietorships and Partnerships .....	335
Distributing Net Income to Partners .....	338
Setting the Closing Date to “Lock” Transactions.....	339
Chapter Summary .....	340
Comprehension Questions.....	341
Multiple Choice.....	341
Completion Statements.....	343
Adjustments Problem 1 .....	343
Workplace Application.....	344
<b>Chapter 9 Horizon Financial Planning Business Scenario .....</b>	<b>345</b>
Description of Company – Horizon Financial Planning .....	345
Goals.....	345
Company Set Up.....	346
Classes.....	346
Items .....	346
Payroll Setup .....	346
Customer List .....	347
Vendor List .....	347
Instructions .....	348
Business Transactions .....	349
October 2011.....	349
November 2011 .....	356
Analysis Questions.....	362
<b>Appendix .....</b>	<b>365</b>
Keyboard Shortcuts .....	365
Opening Portable Company Files.....	365
Backing Up Your Data .....	368
Restoring Backup Files .....	371
Opening a QuickBooks Company File.....	374
Closing QuickBooks Files.....	376
Closing the QuickBooks Program.....	376
About QuickBooks Files .....	376
Glossary .....	377
Answer Key for End of Chapter Questions.....	387
Inventory.....	387
Sales Tax .....	388
Time and Billing .....	389
Payroll Setup .....	390
Payroll Processing.....	390
Estimates .....	391
Budgeting .....	392
Adjustments .....	393
Horizon Financial Planning Business Scenario.....	394
<b>Index .....</b>	<b>395</b>