Design Document: Getting Started with QuickBooks

Class Description

Learn how to set up a company, adjust preferences, and work with accounts in class two of the Quickbooks series.

**Curriculum Track**

Job & Career

**Audience**

Adult

**Course Length**

90 minutes

**Training Method**

Instructor led hands on

**Purpose**

To provide users with an overview of QuickBooks software

Equipment Requirements

Projector and projection screen; computers with internet access for the instructor and each participant; laser pointer (recommended)

Software Requirements

Intuit QuickBooks 2015 or above

**Material Requirements**

Pens or pencils, activity sheet, handout, participant surveys

**Learning Objectives**

At the end of the session, learners will be able to:

1. Set up a new company
2. Understand and edit preferences
3. Work with the Chart of Accounts

**Assessment Technique(s)**

Successful completion of class activities

Content Outline

***Agenda (5 mins.)***

* Getting your company set up in QuickBooks
* What are preferences and what do they do?
* Your company’s Chart of Accounts

***Topics, Talking Points, and Activities (90 mins.)***

* Getting your company set up in QuickBooks
  + By setting up your company in QuickBooks, you can house and access all your financial records. The initial set up for your company in QuickBooks is the most important thing you can do to help yourself manage your business efficiently and with confidence.
* Demonstrate the following steps to set up a new company in QuickBooks

1. Click on QuickBooks Icon or go through the Start Menu to open the program.
2. In the “No Company Open” box that appears, click on **Create New Company**. You will be presented with four options to choose from.
   1. **Express Start** – Works like a set up wizard, allowing you to enter specific information and allowing QuickBooks to handle the details
   2. **Detailed Start** – Allows users to control and fine tune the step by step set up process
   3. **Create** – Creates a new file based on an existing file
   4. **Other Options** – Converts data from another software program
3. Click on **Express Start**
4. Fill in your company’s information
   1. **Company Name** – This will be the name that appears on invoices, reports, the company file recorded in QuickBooks and other forms.
   2. **Industry** – Begin typing the industry your company belongs to and QuickBooks will search for a match. If one is not located, scroll to the bottom and select either General Product-based business or General Service-based business. Selecting the appropriate industry is important, as QuickBooks will adjust your preferences and Chart of Accounts to the operations of the business. For example, the program will create income and expense accounts and automatically turn on features like sales tax and inventory if your industry typically uses them.
   3. **Company Type** – This relates the type of business you have. Since tax forms are different depending on your type of business, using the drop-down list to select the proper one, such as sole proprietorship or nonprofit.
   4. **Tax Id** – Enter the federal tax ID you use to file taxes. This could be your Social Security number or Individual Tax Identification number. It does not have to be entered at this point but it will save you time later. For a corporation or partnership, you’ll enter your Employer Identification Number. For questions, go to [www.irs.gov](http://www.irs.gov)
   5. **Do you have Employees** – Selecting **Yes** will prompt QuickBooks to create a payroll option. Other options are **No** or **No, but I might in the future**.
5. Click the **Next** button to move on to the address section to fill in basic address, phone number, email address and website information.
6. Click the **Create Company File** button
7. After creating the file, QuickBooks will ask for more information on your company. You can add this data later but it is beneficial to add it in the beginning. For this demo, click on the **Add** buttons for People and Bank Accounts to display the screens but adding information is not necessary.

**ACTIVITY:** Have participants complete **Activity #1** on the *Activity Sheet*

* **Preferences**
  + Demonstrate how to access QuickBooks’ Preferences window*. Some features are already turned on or off by default, but you can change their status.*
    1. From the **Main Menu**, Click the **Edit** tab
    2. Select **Preferences**
* Explain the Preferences window
  + On the left vertical pane, you will find the different categories that offer preference choices, such as Accounting and Calendar.
  + In the middle of the window, you will notice two main tabs that are available for each category. The **My Preferences** tab allows for settings specific to the individual user, while **the Company Preferences** tab hosts settings tied to the company data file.
* Demonstrate the use of the following categories within the Preference window
  + **Accounting** 
    - Company Preferences – Relates to accounting numbers including the following:
      * QuickBooks asks if you plan to use account numbers
      * Offers the option to turn on class tracking, which lets you define classes like company locations or divisions, or salespeople
      * Allows for warnings on entering transactions
    - My Preferences – Allows the option to auto fill a memo area of journal entries
  + **Bills**
    - Company Preferences – This category lets you specify how you want to hand bills that vendors send you, including the following
      * + Bills are due \_\_ days after receipt. QuickBooks sets this preference so that bills you enter show a due date 10 days after the date of the bill.
        + Warn about duplicate bill numbers from same vendor, when checked.
        + Paying bills. If you want QuickBooks to automatically apply to your bills any credits and discounts to which you’re entitled, turn on the “Automatically use credits” and “Automatically use discounts” checkboxes.
      * My Preferences – No options available. Some categories do not offer personal options, only company ones
    - **Calendar**
      * Company Preferences – No options available. Some categories do not offer company options, only personal ones
      * My Preferences – This includes your Calendar settings including the following options:
        + Calendar Settings controls the calendar’s appearance. You can see view by day, week, or month. If you choose “Remember last view” in the “Calendar view” drop-down list, QuickBooks opens the calendar to the last duration you selected. For the weekly view, you can specify whether you want to see Monday through Friday or the entire week. The Show preference is set to All Transactions, but you can change it to Transactions Due or To Do, or choose a specific type of transaction, such as Invoice, Received Payment, or Bill.
        + Upcoming & Past Due Settings. On the right side of the Calendar window is a pane that lists to-dos and transactions that are coming up or overdue. You can use the Display drop-down menu here to tell QuickBooks to show or hide this pane.
    - **Checking**
      * No Company Preferences available
      * My Preferences includes settings related to your checking account
        + Warn about duplicate check numbers
        + Auto fill payee account numbers in check memo
        + Bank Feeds – Set up QuickBooks online checking
    - **Desktop View**
      * Company Preferences – Allows you to turn on or off specific features of QuickBooks, such as Payroll and Sales Tax
      * My Preferences – Includes options involving usability and visibility. Getting these set from the beginning can save you much time and frustration.
        + Choose between a View that displays only One Window, and one that keeps Multiple Windows open.
        + Change your color scheme
    - **General**
      * Company Preferences – Set up your time and date format
      * My Preferences
        + Set up a Beep to confirm that a transaction is being recorded. When this preference is off, transactions are recorded with no accompanying sound.
        + Automatically place decimal point
        + Warn when editing a transaction, user will receive a warning beep and message when changing a transaction in QuickBooks
        + Bring back all one-time messages restores all one-time messages that you have turned off
        + Automatically recall information, this will allow QuickBooks to automatically remember account or transaction information.
        + Default date to use for new transactions (Today’s date or last entered date)
    - **Inventory**
      * Company Preferences - This is a critical set of options that you must review if you will be buying and selling products.
        + Make sure that the box in front of Inventory and purchase orders are active has a check mark in it. If not, click in the box.
        + Determine if you want a warning when you don’t have enough inventories to sell
      * No My Preferences available
    - **Payments**
      * Company Preferences
        + Auto Apply Payments – Has QuickBooks automatically apply a customer's payment to the outstanding invoices for that customer. If the amount received is less than the customer's outstanding balance, QuickBooks applies the payment to the oldest invoices first. When this preference is off, QuickBooks does not automatically apply customer payments. You must specify how to apply each payment when you are in the Receive Payments window.
        + Auto Calculate Payments – If this is selected, then in Receive Payment, you do not enter an amount. You start check marking the invoices being paid and QB will accumulate the Amount field for you.
        + Use Undeposited Funds – This is a default account in QuickBooks that holds funds from payments to your company until you deposit them to your bank account.
      * No My Preferences available
    - **Employees**
      * Company Preferences – This is where Payroll can be turned on/off
        + Set preferences for pay stub, workers comp, and vacation time.
        + Set preference for name printing on the check. First name then last or vice versa.
      * No My Preferences available
    - **Reminders**
      * Company Preferences – This lengthy list of settings really comes in handy to help you manage your business including features such as setting reminders for:
        + Paychecks to Print, Inventory to Reorder, Bills to Pay, etc.
        + QuickBooks can display either a summary or a list of what needs to be done, and you can specify how many days in advance you want to be alerted
      * My Preferences – This is where you decide if you want the reminders list to display each time you open QuickBooks
    - **Sales and Customers**
      * Company Preferences – This is where you can warn about duplicate invoice numbers, turn on sales orders, choose templates for packing slips and sales orders
      * My Preferences – Allows users to add available time/costs to invoices

**ACTIVITY:** Have participants complete **Activity #2** on the *Activity Sheet*

* **Chart of Accounts**
* The **chart of accounts** is a listing of all **accounts** used in the general ledger of an organization. The **chart** is used by the **accounting** software to aggregate information into an entity's financial statements. The **chart** is usually sorted in order by account number, to ease the task of locating specific **accounts**.
* In other words, the Chart of Accounts house the account numbers used to record each transaction in QuickBooks. Every transaction is associated with an account number.
* From the **Home screen**, click on the **Chart of Accounts** Icon
  + Notice the listing of accounts, scroll down to see more.
  + Accounts are in Type order:
    - * Assets
      * Liability
      * Equity
      * Income
      * Expenses
    - To **Add** an Account to Chart of Accounts:
      1. Click the **Account** button at bottom of screen, notice popup menu.
      2. Click on **New**
      3. Decide what type of account to add. We will add an **Expense Account** (**Advertising**)
      4. Click on the **Expense** button, then continue
      5. Type the **name** of the account in “Account Name” field. Description field is optional.
      6. Click on **Save** and close. The new account shows up in alphabetical order by type
    - To **Edit** an Account
      1. Click on the account you want to edit. In this case choose **Advertising**.
      2. Click the **Account** button at bottom of screen
      3. Click on **Edit Account**
      4. Change Advertising to **Promotion**
* Click on **Save** and close. Notice advertising has been changed and has moved down in the account listing.
  + - To **Delete** an Account
      1. Click on the account to be deleted
      2. Click the **Account** button at bottom of screen
      3. Click **Delete** account. A warning box appears asking if you are sure. Click **Yes**.
      4. The account disappears. QuickBooks will not let you delete any account that has information/history attached to it.

**ACTIVITY:** Have participants complete **Activity #3** on the *Activity Sheet*

***Wrap Up/Closing (5 mins.)***

* Highlight the next QuickBooks class and topics that will be covered will be covered
* Ask if there are questions and answer any that were “parked” during the session
* Thank participants for coming and ask them to complete the class survey before leaving