SECTION 14.1 SATNAV

QB SatNav

QB SETTINGS

Company Settings
Chart of Accounts

QB TRANSACTIONS

> Money in      Money out >

Banking
Customers & Sales
Vendors & Expenses
Employees & Payroll

QB REPORTS

Reports
CHAPTER 14 OVERVIEW

- Setup a New Company
- Customize Chart of Accounts
- Create Lists
- Create Sales Tax Item
- Enter Opening Adjustments
- Record Transactions
- Prepare Trial Balance
- Enter Adjusting Entries
- Prepare Adjusted Trial Balance
- Prepare Reports
SET UP NEW QUICKBOOKS MERCHANDISING COMPANY

Steps to set up a new company

• Complete EasyStep Interview
• Add the People You Do Business With
• Add the Products and Services You Sell
• Add Your Bank Accounts
• Enter Company Information
• Customize Chart of Accounts
• Lists
NEW COMPANY

1. Select Create a new company
2. Select Detailed Start
3. Enter Name
4. Answer EasyStep Interview questions
5. Select Next
6. Answer remaining questions
EASYSTEP INTERVIEW

Some differences for the Merchandising Company:

• Select Industry: Retail Shop or Online Commerce

• Track Inventory: Yes
CHART OF ACCOUNTS

- QuickBooks automatically creates a Chart of Accounts for industry selected
- Chart of Accounts for a merchandiser includes additional accounts, such as Inventory
CUSTOMIZE CHART OF ACCOUNTS

Customize the Chart of Accounts to fit your specific business needs:

- Add accounts
- Edit accounts
- Delete accounts

For each account include:

- Account number
- Tax-Line mapping
- Opening balance, if needed
CREATE LISTS

Use Lists to track additional information:

- Customer List
- Vendor List
- Item List (Inventory)
- Employee List
CUSTOMER LIST

- Enter customer information in the Customer List (Customer Center)
- Add job information
VENDOR LIST

• Enter vendor information into the Vendor List (Vendor Center)
ITEM LIST

Enter information about items to be purchased and sold:

1. Service items
2. Inventory items
3. Non-inventory items
4. Sales tax items
OPENING ADJUSTMENTS

For existing companies with opening balances, QuickBooks offsets the opening balances.

1. Accounts receivable opening balances are offset to Uncategorizied Income account
2. Accounts payable opening balances are offset to the Uncategorizied Expenses account
3. Opening balances for inventory items and all other accounts are offset in the Opening Balance Equity account
Record opening adjustments using journal entries.

1. Transfer Uncategorized Income to Opening Balance Equity account
2. Transfer Uncategorized Expenses to Opening Balance Equity account
3. Transfer Opening Balance Equity account balance to Capital Stock account

<table>
<thead>
<tr>
<th>A/R Balances</th>
<th>Uncategorized Income</th>
<th>&gt;</th>
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<tr>
<td>A/P Balances</td>
<td>Uncategorized Expenses</td>
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<tr>
<td>Item Balances</td>
<td>&gt;</td>
<td>Opening Balance Equity</td>
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<tr>
<td>Other Balances</td>
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</tbody>
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RECORD TRANSACTIONS

Record transactions for a merchandising corporation including:

1. Owners’ investment
2. Vendor and Expense transactions
3. Customer and Sales transactions
For a merchandising company, record credit purchases of inventory:

1. Enter inventory items ordered using Purchase Order icon
2. Record items received using Receive Inventory icon
3. Record bill received using Enter Bills Against Inventory icon
4. Pay bill when due using Pay Bills icon
CUSTOMER AND SALES TRANSACTIONS

Enter sales transactions with customers:

1. Create an invoice to record customer charges using Create Invoices window

2. Record customer payment using Receive Payments window

3. Record deposit in bank using Make Deposits window
TRIAL BALANCE

- Prepare a Trial Balance to verify the accounting system is in balance before making adjusting entries
ADJUSTING ENTRIES

- Use the onscreen Journal to enter adjusting entries to bring accounts up to date at year end
ADJUSTED TRIAL BALANCE

- Prepare an Adjusted Trial Balance to verify the accounting system is still in balance after making adjusting entries
FINANCIAL REPORTS

Prepare financial reports for the year such as:

- Profit & Loss
- Balance Sheet
- Statement of Cash Flows