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I. **What is a Balance Sheet?**

    A. A balance sheet is a statement of a company's financial position at a particular moment in time. This financial report shows the two sides of a company's financial situation -- what it owns and what it owes.

    B. What the company owns, called its assets, is always equal to the combined value of what the company owes, called its liabilities, and the value of its shareholders' equity. Expressed as an equation, a company's balance sheets shows assets = liabilities + shareholder equity/value

    C. To generate this form, go to "Reports", "Company and Financial", "Balance Sheet Standard".

II. **What is a Profit & Loss?** Shows a company's income and expenses over a given period (like one fiscal year). Also known as the Income Statement, Earnings Statement or Statement of Operations.

    A. To create the Profit and Loss report, go to "Reports", "Company and Financial", "Profit & Loss Standard."

III. **Chart of Accounts:** is a list of all accounts tracked by a single accounting system, and should be designed to capture financial information. **(Ctr + A)**

    A. The Chart of Accounts is listed in order of liquidity. It is also listed with the balance sheet accounts (assets, liabilities, equity) followed by accounts from the Profit & Loss statement (income and expenses).

    B. When specifying an account type, anything with the term "CURRENT" means it will be used up within a year, and anything "FIXED" will take longer than 1 year to be used or depreciated.

    C. Please see attached "Chart of Accounts" for a sample Non-Profit chart of accounts.

IV. **Preferences**

    A. Found under the "Edit" menu. It is the last item on the list, "Preferences"

    B. Use this to add account numbers, classes, warnings, edit sales tax, edit default email message, multiple currencies. Please take some time to navigate through all of the options available within the Preference menu.

V. **Understanding Classes**

    A. QuickBooks classes are used to track income and expenses for separate segments of a business. These segments might be departments, business locations, profit centers, programs, phases of completion, or some other meaningful breakdown of a business.

    B. What is Class Tracking?

        1. Class tracking allows you to track segments of a business that are independent of customers, jobs, and vendors without adding subaccounts to the Chart of Accounts. Once class tracking is activated in a file, each transaction can be assigned to a class in addition to an account.

        2. As a best practice, only use classes to track one aspect of a business. For example, if you use classes to track income and expenses by location, avoid also using them to track income and expenses by product line. However, you could use subclasses to track this additional detail.

3. One of the main advantages of using class tracking is the power it gives you to generate the reports you want. Class tracking lets you see the breakdown of income and expenses for different segments of a business in one report, or separate reports for each segment.

C. Example of classes

1. Using class tracking, a contractor could create separate reports for residential and commercial parts of the business. Likewise, a farmer could create separate reports for each farm enterprise. Non-profit organizations could use classes to differentiate Programs (e.g. specific program, administrative overhead, and fundraising), or specific Grants/Funds.

VI. **Understanding import and export formats**

A. In many cases, QuickBooks exports and imports data using the Intuit Interchange Format, called IIF. When you export information from QuickBooks, the program formats the data into IIF. You can then import the IIF file into other QuickBooks files, spreadsheets, word processors, and database programs. QuickBooks can import lists and transactions from other programs only if the data is formatted to conform to IIF standards.

B. In addition to the IIF format, you can export some types of QuickBooks data to Microsoft Excel, csv (comma separated values) format, and Microsoft Word.

C. You can also import an Excel or .csv file directly into QuickBooks. If you are importing or exporting an Excel file, you must use Microsoft Excel 2000, 2002, 2003, or 2007.

VII. **Helpful Hints**

A. **Shortcuts**

1. Create an <u>Invoice</u>: Ctrl + I

2. <u>Delete</u> check, invoice, transaction, or item from list: Ctrl + D

3. <u>Find</u> transaction: Ctrl + F

4. Memorize transaction or report: Ctrl + M

5. New invoice, bill, check or list item in context: Ctrl + N

6. Open Chart of Accounts: Ctrl + A

7. Open Customer Center (Customers & Jobs List): Ctrl + J

8. Open help for active window: F1

9. Open List (for current drop-down menu): Ctrl + L

10. Open Memorized transaction list: Ctrl + T

11. Open split transaction window in register: Ctrl + R

12. Copy: Ctrl + C

13. Paste copied transaction: Ctrl + V

14. Undo changes: Ctrl +Z

15. Use list item: Ctrl + U

16. Write a new check: Ctrl + W

17. to increase the date or check number by one, press "shift + "

18. to decrease the date or check number by one, press "shift - "

B. **Tips**

1. When entering **dates**, it is faster to separate with spaces. For example, instead of 6/1/2009, you can enter it as 6 1 09 or 6 1 2009.

2. If you have a transaction you enter every month, week, year, etc., set it up as a "**Memorized Transaction"** (Ctrl + M). This will automatically enter the information for you based on your specifications.

3. **Back up** your data as often as you make changes to your company file. Monthly or quarterly, I recommend backing up the data to an external hard drive or flash drive.

4. It always takes more time and money to **fix** something than to make sure it's right to begin with. Consult with a certified QB Pro Advisor if you have any questions.

5. Refer to "Entry Work Made Simple" as a guide and outline for **monthly bookkeeping**.

6. **Four Ways to Search in QB to FIND what you need**: See Attached handout