Installing & Learning to Use QuickBooks Guide

This guide covers:

Installation
Setup
Essential Tasks
Payroll

My QuickBooks License Key: _____

My QuickBooks Customer Number: _____

My Installation Key Code: _____

Contents

1 | Welcome

Welcome

Welcome to QuickBooks financial software. Whether you've been running your business for years or are just starting out, having an organized, efficient way to manage your business can save you time, money, and a lot of frustration.

Use this *Installing & Learning to Use Guide* to get up and running as fast as possible in QuickBooks.

In this guide, you'll learn about:
• How to install QuickBooks and set up your company file
• Important QuickBooks terms and concepts
• How to get around QuickBooks
• Where to look for help when you have questions
• How to perform some essential tasks
• How to set up sales tax
• How to set up payroll in QuickBooks

Note: *Since this guide covers multiple editions of QuickBooks, the name "QuickBooks" is used to refer to any of these editions. When information in this guide applies to a specific edition of QuickBooks, the specific edition name will be used.*

How to Use This Guide

Use this quick reference to find the information you want.

2 | Installing and Setting Up QuickBooks

Installing and Setting Up QuickBooks

This chapter describes how to install and set up QuickBooks.

Note: *If you want to convert data from Quicken or MYOB, follow the installation instructions on page 7 and then refer to "Bringing over data from other applications" on page 11.*

Hardware and software requirements

Processor, memory, and disk space

QuickBooks Pro
- At least 200 MHz Intel Pentium processor (350 MHz - Intel Pentium II recommended)
- At least 64 MB (128 MB recommended) of RAM
- 475 MB of disk space

QuickBooks Premier
- At least 200 MHz Intel Pentium processor (350 MHz - Intel Pentium II recommended)
- At least 64 MB (128 MB recommended) of RAM
- 600 MB of disk space

QuickBooks Premier - Industry-specific editions
- At least 200 MHz Intel Pentium processor (350 MHz - Intel Pentium II recommended)
- At least 64 MB (128 MB recommended) of RAM
- 600 MB of disk space

Disk space requirements for additional software

- 70 MB for Microsoft Internet Explorer 6.0, provided on QuickBooks CD
- 9 MB for Timer

Additional hardware and software

- Windows 98 (SE), Me, 2000, or XP operating system
- 2x CD-ROM drive
- 256-color SVGA monitor with a resolution of 800 x 600 (using Small Fonts in your Windows Control Panel Display settings)
- A sound card if you want to use the sound features

Integration/Compatibility requirements

QuickBooks is compatible with the following products, which are each sold separately.

- If you plan to use features that integrate with Microsoft® Word or Microsoft Excel (such as Write Letters or exporting reports), you need Microsoft® Word 97, 2000, 2002, or 2003 or Microsoft® Excel 97, 2000, 2002, or 2003. (More RAM enhances the use of these features.)
- If you want to synchronize with contact management software, you need either:
  - Microsoft® Outlook 97, 98, 2000, or 2002
    or
  - Symantec ACT! version 3.08, 4.02, or Interact 2000
- Compatible with QuickBooks Customer Manager v1.0 R3 and QuickBooks Client Manager v1.0 R3 (available in QuickBooks Premier only)
- Business Planner functionality requires Adobe Acrobat 5.0 or 6.0
- Payroll and online features/services require Internet access with at least a 56 Kbps connection speed

Multi-user installation requirements

In a multi-user environment, you can have up to five users access QuickBooks files on a network at the same time. When setting up a multi-user environment, each user must:

- Install the same version year of QuickBooks. For example, all users must have QuickBooks 2006.
- Have read/write access and create/delete rights to the directory where the company file is stored.
- Have a valid installation key code for each computer you want to install QuickBooks on. (If you purchase a Multiuser Licence from Intuit, use the key codes that are given to you at the time of purchase.)

Note: *The number of users who can access the company file at the same time is not necessarily equal to the number of licences you purchase. For example, if you purchase a Multiuser Licence and an additional licence for the sixth person in your office, only 5 of the 6 users can access the file at the same time.*

For peer-to-peer network users

To run QuickBooks in a peer-to-peer network environment, you must have Windows 98 (SE), 2000, Me or XP.
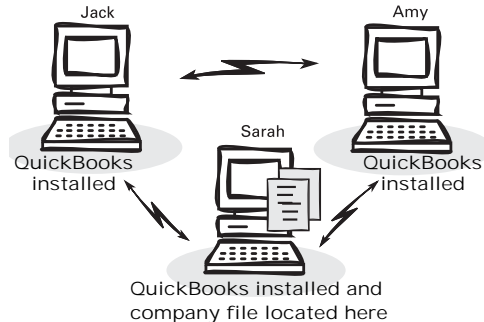
In a peer-to-peer network, each computer has its own copy of QuickBooks installed; however, the QuickBooks company file is located on only one computer, which must be left on.

Peer-to-peer networks do not use a dedicated file server, so a single, dedicated machine is not required for computers to share files. Thus, all the networked computers have the option to share their resources.

Note: *Windows XP users must have at least Standard user rights, and Windows 2000 users must have Power Users Group rights in order to write to the registry keys and be able to run QuickBooks.*

For client-server network users

To run QuickBooks in a client-server network environment, you must have Windows 2000 Server or Windows Server 2003.

Client-server networks are networks in which at least one computer is dedicated to sharing files, printers, or other resources. This computer is usually not used by individuals to do their daily work.
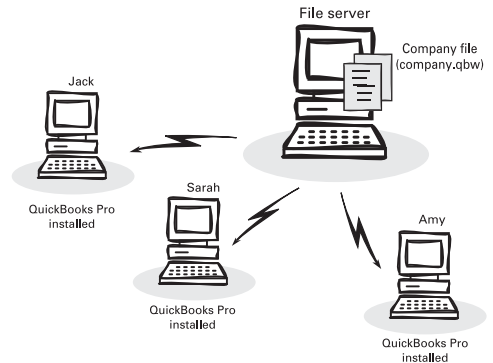
For example, there might be three computers for three individual users and one file server. In a client-server network, you will most likely put the company file on the server in a location accessible by all computers that need to use QuickBooks. Because all three users use QuickBooks, they each need to have their own copy of QuickBooks installed. The file server, however, does not need to have QuickBooks installed on it.

Installing QuickBooks

> **Tip** After you have installed QuickBooks, write down your installation key code in the space provided on the inside of the front cover. You will need your key code if you have to re-install QuickBooks.

To install QuickBooks:

1. Shut down all running programs, including virus protection programs.

2. Insert the QuickBooks Installation CD in your computer's CD-ROM drive. The Installation Wizard prompts you to install QuickBooks. Click Yes.

   Note: *If the installer does not start automatically, click Start in the Windows taskbar, then choose Run. Type D:\setup.exe (where "D" is the CD-ROM drive letter). Click OK.*

3. Click the Install QuickBooks 2007 button.

4. Type in your installation key code, and click Next.

   Where can I find my installation key code? Each copy of QuickBooks has a unique key code number which is needed to install the software. The location of your key code varies depending on how you purchased QuickBooks. Use the list below to help you locate your key code.

   If you purchased QuickBooks:

   - **from a retail store**, your key code is on the Installation CD;
   - **by calling Intuit directly**, your key code is on the packing slip, in an email (if you gave one to the sales representative), or you may have received it over the phone; or
   - **from our Web site**, your key code is on the Web receipt.

5. Follow the on-screen instructions to complete the installation.

Once QuickBooks is installed, you can start QuickBooks by double-clicking the QuickBooks icon on the desktop, or by choosing QuickBooks from the Programs group on the Windows Start menu.

What do I do if I'm upgrading from an earlier version of QuickBooks?

If you are upgrading from QuickBooks 2004 or later, you don't need to do anything more. You are ready to use your new software.

If you are upgrading from QuickBooks 2003 or earlier, you must update your company file after installing QuickBooks 2006. For instructions on how to update your company file, refer to the in-product help. In the Follow-Me Help, go to the Find window and search for "Updating Company Files".

Back up your previous accounting system

If you have an existing business, make sure that you've backed up your financial records from your previous accounting system. The government requires you to keep this information for seven years. You should also keep any software and hardware that your previous accounting system used, or have printouts of all the information and accounting reports.

Record your password in a safe place

Be sure to write down and save your administrator password in a secure place. Passwords not only protect your company data, but are also required to access your company file if you upgrade your version of QuickBooks. Furthermore, to have a forgotten password removed from a file, you must send the file to Intuit. This process takes several days and costs money.

Passwords are case sensitive

Keep in mind that passwords are case sensitive in QuickBooks 2004 and later. When adding or editing a user password, check the Caps Lock and Num Lock keys. If you mistype the password, you will not be able to access the company data.

Troubleshoot error messages

If you receive an error message during installation, and rebooting your system does not resolve the problem, you can search for the error message on the QuickBooks support site at: knowledgebase.quickbooks.ca/

Setting up a multi-user environment

To set up a multi-user environment and add new users:

1 Make sure you have your computers properly networked. Refer to your networking software documentation for instructions.

2 Install QuickBooks on each computer, as described in "Installing QuickBooks".

3 Have your QuickBooks Administrator add and set up each user. The Administrator defines which features each user can access.

   a. From the Company menu, choose Set Up Users.

   b. Click Add User.

   c. Assign a user name and case-sensitive password and click Next.

   d. Follow the on-screen instructions to define the access permissions for the user.

4 Activate each copy of QuickBooks, as described in "Activating QuickBooks" on page 18.

As your business grows, you might need to add more computers to your network. For each new computer, you will need to install and activate a new copy of QuickBooks.

Why are passwords important?

Passwords limit access to your company file. To open a password-protected file, each person must enter his or her user name and a unique secret password. Defining users and passwords help prevent unwanted people from accessing your company's confidential data.

Unless you password-protect your Administrator user, anyone who can access the company file will have full access rights. For this reason, QuickBooks enables you to add users with specific access permissions. By defining users and their access rights, you not only control who can open your company file, but also what data they can view and tasks they can perform.

Updating your copy of QuickBooks

From time to time, Intuit provides updates to QuickBooks that can be downloaded from the Internet. These updates might include new features, services, maintenance fixes, or new help information. You can choose to update QuickBooks automatically or manually.

For complete instructions on updating your software, refer to the in-product Help. Go the Find window and search for "Updating QuickBooks".

Troubleshooting

What should I do if I have trouble installing QuickBooks?

1 Verify that your system meets the minimum requirements listed on page 4.

2 Restart your computer.

3 Close all open programs, including virus protection programs:
- In Windows 98, press CTRL+ALT+DELETE to display the Close Program window. Close all programs except Explorer and Systray. If a program will not close or prompts you to reboot the computer, leave it open.
- In Windows 2000 or XP, select the Applications tab from the Task Manager (Task List) and close all open programs.

4 Try installing QuickBooks again.

If you need further installation assistance,

- visit our Web site at http://knowledgebase.quickbooks.ca and search for install, or
- contact our Product Support at **1 877 772 9158** (Monday - Friday, 8 a.m. - 8 p.m. Eastern Time).

What should I do if I have trouble activating QuickBooks?

1 Make sure that you activate your software with a company file open.

2 Check that your computer system date is set properly. If the date is set too far ahead, QuickBooks may think that your licence is expired.
- To change your computer date in Windows, double-click the time that is displayed on your Windows Task Bar.

3 Make sure that the person who is activating QuickBooks has Administrator rights in Windows, or is a user that has full-access rights.

If you need further installation assistance, contact our Product Support at **1 877 772 9158** (Monday - Friday, 8 a.m. - 8 p.m. Eastern Time).

What should I do if I can't find my installation key code?

Use the table on page 7 to help find your installation key code. If you cannot find your installation key code, but you have QuickBooks 2006 installed and can access it, you can find you installation key code (IKC) as follows:

1 Start QuickBooks 2006.

2 From the Help menu, choose My Licence Information. Write down your Installation Key numbers on the inside of the front cover of this guide to keep for future reference.

If you are still unable to locate your installation key code, you can call **1 888 333 8580**. Another IKC can be given, but proof of purchase will be required.

Using multiple company files

If you have more than one company file (i.e., you are tracking two different businesses in QuickBooks), you should keep those company files in the same directory. That way, when you update QuickBooks (via a software update for example), you will need to download the update files only once.

Product Information Window

The Product Information window lists information about your software such as the number of entries you have in your lists, the size of your company file, which version of QuickBooks you are running, and the location of your company file. You can open the Product Information window by pressing the CTRL and 1 keys, or pressing the F2 button.

Using a Dell computer?

When installing an update to a Dell computer, you may get a message to shut down QuickBooks and try again. This is because Dell computers have a support process running in the background and it is interfering with the QuickBooks update agent. For more information on this, visit our support site (see below), and search for "support.exe".

Troubleshoot error messages

If you receive an error message during installation and rebooting your system does not resolve the problem, you can search for the error message on the QuickBooks support site at: knowledgebase.quickbooks.ca/

Why doesn't my old administrator password work after I upgrade?

QuickBooks 2004 and later verions support case-sensitive passwords. If you believe you are entering the correct password, but are still getting the message "The password you typed is incorrect," your password might include mixed-cased characters. Try the following:

- Attempt to log in by entering the login name of Admin, and then click OK without typing a password.
- Enter your password with Caps Lock or Num Lock turned on or off.
- Enter variations of your password, using mixed upper- and lower-case characters.
- Enter the password with a space before or after the actual password.
- Type the password in a text editor such as Microsoft® Word to confirm that your keyboard is functioning properly.
- Restore a pre-update backup of your file that does not have the case-sensitive password. When you restore this file, you can set your new administrator password at the end of the update process.

If you are still unable to access your file, you can call **1 877 772 9158**. A fee may be charged for this service depending on the support options of your service plan.

Can I install different versions of QuickBooks on the same computer?

Yes. You can install multiple versions of QuickBooks (for example QuickBooks 2005 and QuickBooks 2006) on the same computer. However, you cannot run two instances of QuickBooks from the same version at the same time.

Can I revert to an earlier version of QuickBooks?

Yes. Uninstall the version of QuickBooks that you don't want, and then reinstall the earlier version of QuickBooks. Remember that you will not be able to open company files that you have converted to QuickBooks 2006 in earlier versions of QuickBooks.

Can I install QuickBooks (single-user version) on more than one computer?

You can install QuickBooks (single-user version) on the computers used by a single individual. For example, if you bought one copy of QuickBooks for your office, you can install it on your home PC or laptop as well. This does not violate the software licence agreement as long as you are the only person using QuickBooks on both computers. However, if multiple users will be accessing QuickBooks on multiple computers, then you (or your company) must purchase an additional licenced copy for each user.

Bringing over data from other applications

If you need to copy over financial data from another accounting application (such as Simply, Quicken or MYOB), refer to the instructions below.

Simply Accounting

QuickBooks can import your business data directly from Simply. You can then customize your new QuickBooks company file to your liking and begin using it right away.

1. Start Simply Accounting and open the data file you want to import into QuickBooks. Leave Simply running.

2. Start QuickBooks. From the File menu, select Import, then Simply Accounting. (You must have an empty QuickBooks company file open, so QuickBooks creates one now.)

3. Enter a name for your new company as well as an address and other basic information. This "empty" company file will receive the newly-imported information from Simply Accounting.

4. Follow the on-screen instructions.

To learn more about importing data from Simply Accounting, refer to the in-product Help. In the Follow-Me Help, go to the Find window and search for "import from Simply".

Quicken and MYOB

QuickBooks doesn't import data directly from Quicken and MYOB, but rather converts it. Converting files is not difficult, but does require you to prepare the file properly. We have provided detailed instructions about converting Quicken and MYOB files to QuickBooks files in the QuickBooks User Guide.

Note: *You cannot create a new QuickBooks company file and then import your Quicken or MYOB data into it as is the case with Simply Accounting.*

To view the conversion instructions in the User Guide:

1. Start QuickBooks and from the Help menu, choose Guides, then QuickBooks User Guide.

2. In the Bookmarks tab on the left hand side of the window, click the ⊞ to expand the "Importing and Exporting data" section of the User Guide.

Note: *If your Quicken or MYOB file is ready to be converted, you can convert it by choosing File | Import | Convert from Quicken or Convert from MYOB from the menu bar.*

Did You Know?

QuickBooks backup file

The QuickBooks backup file is a compressed version of your QuickBooks company file that contains all transactions up to the date the company backup was made. QuickBooks backups have a .QBB extension and cannot be opened directly. Backups must be restored, using the Restore function located under the File menu.

To learn more about backing up your company file, refer to the in-product Help. In the Follow-me Help, go to Find window and search for "backing up your data". For information on Follow-me Help, refer to "Using Follow-Me Help" on page 23.

Converting from MYOB

Before you import your MYOB data in to QuickBooks, make sure you have processed your year-end routine, and you have optimized and verified your MYOB data file. QuickBooks only converts MYOB data that has been closed as a result of the year-end process.

Troubleshooting conversion errors

If you receive an error message during installation and rebooting your system does not resolve the problem, you can search for the error message on the QuickBooks support site at: knowledgebase.quickbooks.ca/

Setting Up Your Company in QuickBooks

The first thing you need to do in QuickBooks is set up a *company file* for your business. Setting up your company file properly is the most important thing you can do to help yourself manage your business efficiently and with confidence.

The setup process is easy. Depending on the complexity of your business, setting up your company file can take anywhere from a few minutes to a few hours. The amount of time varies based on how much detail you add about your accounts, customers, vendors, employees, products, and services, as well as the number of *historical transactions* you want to enter.

When you set up your company file, QuickBooks will prompt you for a number of details about your company. Before you begin the setup process, gather the information shown in the Getting Started Checklist below.

Getting Started Checklist	
Company name and address	You'll need both the casual and legal name for your company. The legal company name is the name you use when filing the taxes for your business. The casual company name is the name that you want to appear on invoices, statements, reports, etc.
Business Number (BN)	The 15-digit account number issued to you by the Canada Revenue Agency (CRA). Not all businesses need a BN. You need one if you collect sales tax, have employees, or your business is incorporated. You can obtain a BN by submitting Form RC1 (call 1 800 959 5525 to locate the closest tax service office to your home or business) or visiting CRA's Web site: www.cra-arc.gc.ca
Sales Tax Information	The sales tax rate you charge, what you charge it on and how much sales tax you owe as of your start date.
Start Date	QuickBooks uses a start date as the point at which you begin entering your business transactions. You must enter all historical transactions between your start date and today to ensure complete accounting records for your business. Many business owners base their accounting records on their fiscal year, so that they can see transactions for the entire year. If this is not important to you, you can choose a different starting point, such as today or the first of the month, quarter, or year.

| Getting Started Checklist (Continued)	
Bank Statements, Credit Card Accounts, and Outstanding Cheques	You need to have your latest bank statement balances and information about any outstanding cheques, deposits, withdrawals, or charges to all of the accounts you want to set up and manage in QuickBooks, including credit cards, bank accounts, lines of credit, and loans.
Optional Information	Eventually, you will need to enter detailed information about your customers, vendors, and employees, as well as the products and services you sell, the products that you hold in inventory, and any additional *assets*.

Set up your company file

After you have gathered the company information listed in the Getting Started Checklist, you can set up your business in QuickBooks using the EasyStep Interview. The EasyStep Interview walks you through the setup procedure and helps you tailor QuickBooks for your business. The setup interview is divided into sections, so you can save your progress and return at a later time.

Note: *In some industry-specific editions of QuickBooks Premier (for example, Contractor Edition), you can use a predefined company file as the starting point for setting up your business in QuickBooks. The predefined company file provides a tailored chart of accounts, an item list of products and services that you might most likely provide, and custom reports applicable to your industry. Using a predefined company file will get you up and running quickly, but you will still need to enter some information that is specific to your business.*

Setting up your company file using the EasyStep Interview

To set up your company file:

1 Start QuickBooks by double-clicking the QuickBooks icon 🖼 on the desktop, or by choosing QuickBooks from the Programs group on the Windows Start menu.

2 Click "Create a new company", or from the File menu choose New Company.

Note: *If the "Create a new company" window appears, you have an industry-specific edition of QuickBooks. Turn to the instructions on page 14 instead of following these instructions.*

3 The Welcome screen for the EasyStep Interview is displayed. Follow the on-screen instructions and complete the interview.

Company file
The company file is the data file that QuickBooks uses to store and manage all the information and financial transactions for your business. QuickBooks company files have the extension .QBW.

Historical transactions
A list of all business transactions that happened before your start date. In QuickBooks, you can have many different lists of historical transactions, including:

- Invoices
- Customer payments
- Deposits
- Credit Memos
- Sales Receipts
- Bills
- Payments to vendors
- Credits with vendors
- Item receipts
- Journal entries
- Purchase orders

Assets
Company assets are the things that your company owns. QuickBooks distinguishes between two types of assets:

Current assets: assets that you are likely to convert to cash within one year (such as the cash you have on hand, the money in your chequing and savings accounts, and the money your customers owe you).

Fixed assets: assets that you do not expect to convert to cash within one year. A fixed asset is usually something you use to run your business (such as a truck, cash register, or computer).

Tip Complete the sections in the General tab before completing the sections in the other tabs. QuickBooks won't know enough about your company to ask the rest of the Interview questions unless you fill in your basic company information first. Furthermore, Intuit recommends that you do not skip the interview process. The more information you enter with the EasyStep Interview, the more accurate your company file will be when you begin to use QuickBooks for your business. If you need to leave the interview and come back later, you can choose EasyStep Interview from the File menu to return to the interview.

Tip During the EasyStep Interview, you will be prompted to map your accounts to specific tax lines for your tax forms. Intuit recommends that you do this, as it will make your tax preparation much easier. Check with your accountant if you have questions about which tax forms you should use and which tax lines to map to each account.

Tip If you use Microsoft Outlook or Symantec ACT!, you can import your existing customer and vendor information into QuickBooks instead of entering it manually. Refer to the QuickBooks in-product Help for instructions on how to prepare your customer and vendor data file for importing into QuickBooks. When you are ready to import your customers, refer to the instructions on page 17.

Setting up your company file using a predefined company file (available only in industry-specific editions)

To set up your company using a predefined company file:

1 Start QuickBooks by double-clicking the QuickBooks icon on the desktop, or by choosing QuickBooks from the Programs group on the Windows Start menu.

2 Click "Create a new company", or from the File menu, choose New Company.

3 In the "Create a new company" window, select a predefined company file from the list and click OK.

4 In the File name field, enter a file name and click OK. QuickBooks opens your company file.

After you've created your company file, you can begin using QuickBooks to run your business. But before you do, we recommend that you review the information in "Completing your company setup" to make sure your company file is properly set up and that your data is complete.

Completing your company setup

This section describes some additional tasks you might need to do as you begin using QuickBooks.

Note: *Depending on how much information you entered during the EasyStep Interview, some of these tasks might not apply to you.*

Determine your start date

Do this task if you did not enter a start date during the EasyStep Interview.

You need to set a start date before you begin using your company file in QuickBooks. QuickBooks uses a start date as the point at which you begin entering your business transactions. You must enter all transactions between your start date and today to ensure complete and accurate accounting records for your business.

Many business owners base their accounting records on their fiscal year so that they can see transactions for the entire year. If this is not important to you, you can choose a different starting point, such as today or the first of the month, quarter, or year.

To enter a start date, create a balance sheet account (described on page 35) and enter the opening balance as of a specific date.

Enter your company information

Do this task if you used a predefined company file or did not enter this information in the EasyStep Interview.

To enter the contact and legal information for your company, choose Company Information from the Company menu. To learn more about each of the fields and where the information you enter will be used in QuickBooks, click the Help button.

Create (fine tune) your accounts

Do this task if you used a predefined company file or did not enter this information in the EasyStep Interview.

If you used a predefined company file or the EasyStep Interview, a chart of accounts was set up for you. Review the chart of accounts to be sure it accurately reflects the accounts you need to run your business. You can change account names and edit, delete, or add accounts as necessary.

To view your chart of accounts, from the Lists menu, choose Chart of Accounts.

Some types of businesses prefer to organize their accounts by number. Adding numbers can help you identify the type of accounts, thereby speeding up your account selection on various forms. You might want to develop and follow a consistent account naming and numbering convention.

For example:

1000-1999 - Assets
2000-2999 - Liabilities
3000-3999 - Equity
4000-4999 - Income
5000-5999 - Expenses
6000-6999 - Other income and expenses

Do you live outside of Quebec?

If you do not live in Quebec, **do not** answer "yes" if QuickBooks askes whether you are required to send information to the Ministerie de Revenue. Answering yes to this question turns on the Audit Trail feature in QuickBooks, and cannot be turned off as this is a requirement for people who operate a small business in Quebec.

Complete your customer, vendor, and items lists

In order to bill customers and pay your bills with QuickBooks, you must update your customer, vendor, and item lists so that it accurately reflects your business. Instructions for setting up your customers, vendors and items are provided in Chapter 4.

You can choose to enter this information all at once, or you can enter it as you work, using the Quick Add feature, described on page 29.

Enter historical transactions

If your start date is before today's date, you'll need to enter past transactions from the start date to today. This ensures that your QuickBooks records will be completely up-to-date and reports will be accurate.

Enter historical transactions in chronological order. For example, QuickBooks won't know how to credit a customer payment unless you've previously recorded the invoice to that customer.

Note: *Entering historical transactions is especially important if customers don't pay you at the time they receive goods or services. If you don't enter historical transactions early on, it's hard to track and collect late customer payments.*

Intuit recommends that you enter your transactions in this order:

• Invoices or statements you've sent out since your start date
• Purchase orders you've issued since your start date that you haven't received in full
• Cash or cheques you've received since your start date
• Bills you've received since your start date
• Bills you've paid since your start date
• Deposits you've made to any of your accounts since your start date
• Any other cheques you've written (for things other than bills) since your start date

Note: *If you don't have time to enter all your historical transactions right away, don't worry. You don't need to enter all your past transactions before you start using QuickBooks for new transactions. Enter new transactions as they occur, then catch up with historical transactions when you can. Remember, though, that your account balances will be incorrect (and your reports may be wrong) until you enter all the past transactions.*

Complete your bank account information

After you've entered your historical transactions, your account registers will contain entries reflecting bills you've paid, cheques you've written, and deposits you've received. To make your account registers complete, you must also enter these transactions:

- Cheques or other charges that happened before your start date but didn't appear on statements before your start date (i.e., didn't clear)
- Other cheques you wrote after your start date that were not for bills or accounts payable (for example, credit card payments)
- Deposits you made after your start date that were not customer deposits
- Deposits you made before your start date, but which didn't appear on statements before your start date
- Bank charges and fees
- Interest paid on your account

Refer to the in-product Help for step-by-step instructions on how to enter these transactions to make your account registers accurate.

Synchronizing with Microsoft Outlook or Symantec ACT!

If you use ACT! 3.08, 4.02 or Interact ACT! 2000 or Microsoft Outlook 97, 98, 2000, 2002, or 2003 you can synchronize your contact manager with QuickBooks and transfer all your customer and vendor information (including address and phone) to QuickBooks.

Note: *Intuit recommends synchronizing your customer and vendor information before you enter any customers or vendors manually.*

To synchronize your customer and/or vendor information:

1 From the Company menu, choose Synchronize Contacts.

   Note: *If you are synchronizing for the first time, we recommend that you back up both the data in your contact manager and your QuickBooks company file before you synchronize.*

2 Follow the onscreen instructions. You might be asked to resolve conflicts between your QuickBooks and contact manager data, assign uncategorized names to QuickBooks lists, or create alternative entries for duplicate names. If you need assistance with any of these tasks, click Help.

3 When the Confirm Changes screen appears, review the list of changes and click Accept to apply the changes.

Enter any optional adjustments

After you've created your company file, you might need to make a few adjustments as of your start date. You might need to:
- Enter any sales tax liability, such as GST you owe that was not part of the historical transactions that you entered
- Adjust the Uncategorized Income and Uncategorized Expense accounts (for accrual basis only)
- Adjust for current income and expenses if your start date is not at the beginning of the fiscal year
- Distribute earnings and equity before your start date

Refer to the in-product Help for step-by-step instructions on how to enter these optional adjustments.

If you are unsure whether you need to enter these optional adjustments, check with your accountant.

Activating QuickBooks

The second time you open QuickBooks, you will be asked to activate your software. Activation is a process that validates you as a licenced user of QuickBooks. It also entitles you to online benefits and helps to prevent unauthorized copying of your software.

You have up to 10 uses before you have to activate QuickBooks. After your 10th use, the activation wizard chooses a method by which it wants you to activate (Internet or phone). If activating by the Internet, simply follow the instructions in the wizard (ensure you are connected to the Internet before you begin activation). If activating by phone, our support staff will help you activate. You can call our activation line at **1 888 333 8580,** Monday – Friday from 9 a.m. – 8 p.m. (Eastern Time).

Note: *If you're using several copies of QuickBooks, you must activate each copy separately.*

To activate QuickBooks:

1 From the File menu, select Activate QuickBooks.

2 Click Next to start the activation process, and follow the on-screen instructions.

During activation, your licence information (licence key) is sent to Intuit. After we verify your licence key, QuickBooks is activated and available for your use.

Note: *Activation does not collect, transmit, or use any personally identifiable information.*

Next steps

After you've installed QuickBooks, set up your company file and activated your software as described in this chapter, you should:

• Learn how to use QuickBooks and get answers to your questions (see Chapter 3).
• Learn how to perform some essential QuickBooks tasks (see Chapter 4).
• Learn how to set up QuickBooks payroll (see Chapter 5).

3 | Learning QuickBooks

Getting Around QuickBooks

The QuickBooks work area, shown in Figure 1, is designed to enable you to complete tasks quickly. QuickBooks provides several ways for you to work; choose the method that works best for you.

The **menu bar** provides easy access to all QuickBooks tasks, features and reporting functions

Navigators offer quick access to tasks and information related to major QuickBooks areas. Navigators contain clickable flow charts, related activities, and memorized reports for the feature area.

The **icon bar** provides one-click access to the QuickBooks features that you use most

The Navigators pane lists all the available navigators. To open a navigator, click the name from the list

Use the **Open Windows** list to switch between open windows

Use the **Find** window to search our in-product Help and the FAQs on our Support site to get answers to your questions

The **Follow-me Help** tracks your moves and displays help topics that are related to what you are doing

Figure 1. The QuickBooks work area

Using the navigators to move around QuickBooks

The navigators can help you find tasks and information related to the major areas of QuickBooks. To open a navigator:

• In the Navigator list, click the name of the navigator you want to open. If you don't see the Navigator list on the left side of the QuickBooks work area, go to the View menu and select Navigator List.

    or

• Choose a specific navigator from the appropriate menu. For example, go to the Customers menu and select Customer Navigator.

Displaying one window at a time or multiple windows

QuickBooks is preset to show only one window at a time. By displaying one window at a time at its full size QuickBooks gives you more room to work on the task at hand. If you want to see more than one window—for example, to compare related reports side by side or to tile all of the open windows— choose Multiple Windows from the View menu. You can resize and move the windows as needed.
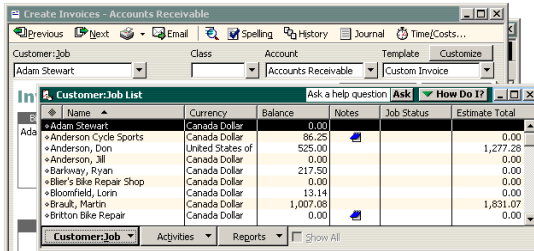
When you display multiple windows, you can see all the windows that you have open.

This is useful when performing a task that spans over many windows.

Figure 2. Comparing windows side by side

Adding icons to the Icon Bar

For quick access to the areas of QuickBooks you use most, you can customize the Icon Bar by adding the features and reports that you use most frequently. Think of the Icon Bar as a shortcut to QuickBooks windows.

Note: *Some QuickBooks windows cannot be added to the Icon bar.*

To add a shortcut to a QuickBooks window, open the window, then go to the View menu and choose the "Add to Icon Bar" option.
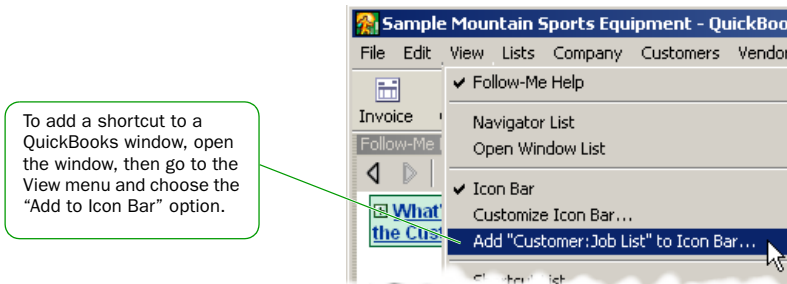
Figure 3. Adding a feature to the Icon Bar

You can add, rearrange, and remove items from the Icon Bar to suit your needs. To modify the Icon Bar from its current setting, choose Customize Icon Bar from the View menu.

Customizing the desktop

You can modify the way that the QuickBooks desktop behaves and looks to suit your working style. To modify the QuickBooks desktop, choose Customize Desktop from the View menu.

Too many windows open?

If your QuickBooks work area becomes too cluttered with windows that you have open, you can close them all at once instead of closing them one at a time. To close all your open windows, go to the Window menu, and select Close All.

When you close down QuickBooks, it's good practise to close all windows that you have open on your QuickBooks desktop. This is because whenever you open your company file, QuickBooks will attempt to open all the windows that you had open the last time QuickBooks was closed. So, if you want to save some time when opening your company file, close down all your windows before shutting down your software.

To open your company file with no windows open on the QuickBooks desktop, hold down the Alt key while your company file is opening.

Getting Answers to Your Questions

QuickBooks provides a variety of tools and resources to help you find answers to questions you might have when using QuickBooks. Available resources include:

- QuickBooks Learning Center
- In-product Help
- Additional self-help tools
- Assisted support
- Professional Advisors

Check out the QuickBooks Learning Center

As you begin using QuickBooks, one of the first things you'll see is the QuickBooks Learning Center. The Learning Center provides interactive tutorials to help you learn how to use QuickBooks and complete common business tasks. After watching the video tutorials, you can follow the step-by-step instructions available in the in-product Help. You also have access to all our guides from the Learning Center.

If you decide to use the QuickBooks Learning Center later, you can open it by choosing Learning Center from the Help menu.
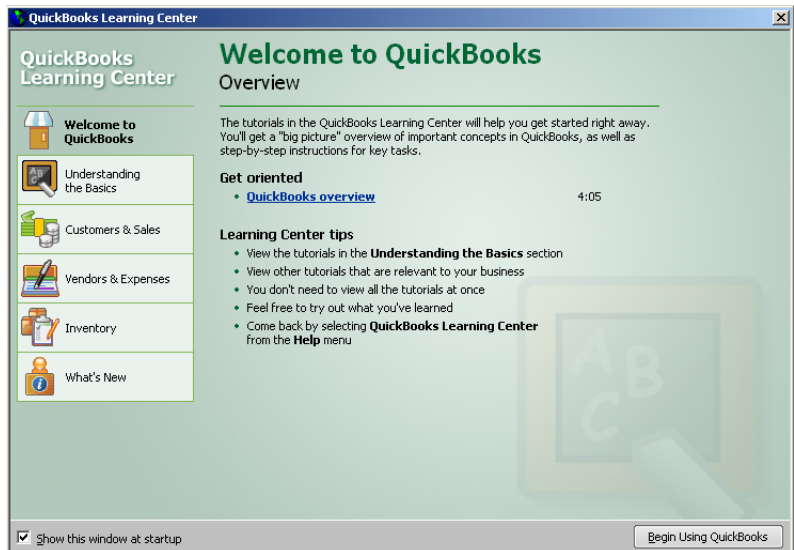
Using the In-product Help system

QuickBooks in-product Help is an extensive system that provides background information and step-by-step instructions for doing every QuickBooks task. The Help system contains

- Follow-Me Help
- Tools for helping you find information
- How Do I menus

Using Follow-Me Help

QuickBooks Follow-Me Help is a "smart" HTML-based help system. The Follow-Me Help window follows you as you work in QuickBooks and displays topics that are related to what you are doing. For example, if you have an invoice open, the Follow-Me Help automatically displays information on creating invoices. You no longer have to seek the information yourself.

The Follow-Me Help window is open and displayed on the left side, at the bottom of the QuickBooks work area. If you close this window, you can open it again by going to the Help menu and selecting Follow-Me Help. You can also open the Follow-Me Help from the View menu.

Use the **Index** and **Search** buttons to help find topics for a specific term or concept. The Index and Search tools are opened in the Find window.

Use the **Pin** button to stop the Follow-Me Help from following your activities.

Use the **Back** and **Next** buttons to move through the topics you've visited.

The symbol means that there is information hidden. Click this symbol to display the information.

This is a list of topics related to the currently displayed help topic. Clicking a link with a symbol displays text beneath the link. Clicking a link that has no symbol takes you to a completely different help topic.

Figure 4. The QuickBooks Follow-me Help window

Note: *Some help topics are too large to be displayed in the Follow-Me Help window. Larger topics are opened in a separate full-sized help window.*

Moving your help window

You can move your Follow-Me Help window anywhere you like by clicking in the grey area at the top of the "Find" or "Follow-Me Help" window and dragging it to the position you want. When you drag a help window back to its original position in the sidebar area, it will automatically "snap" back in to position.

Stopping Follow-Me Help

You can stop Follow-Me Help from tracking your activities. Say, for example, you are reading a lengthy help topic that requires you to open several windows for a given task, but you would rather the help window remain on the main help topic instead of displaying help topics for every subsequent window you open. To stop the help window from following what you are doing, click the Pin button at the top of the help window.

Closing the Follow-Me Help

You can customize QuickBooks to open certain windows when your company file is opened. Say, for example, you want to keep the Follow-Me Help windows closed. To do this, first you must close Follow-Me Help (from the View menu, select Follow-Me Help; if there is no checkmark beside the Follow-Me Help menu, then your help is already closed). Then go to the View menu and select Customize Desktop. Select the "Save current desktop" option. The next time you open QuickBooks, the Follow-Me Help windows will not appear.

Using the Index and Search tools to find information (Find window)

QuickBooks in-product Help is quite extensive. Sometimes the easiest way to find the Help information you need is to use the Search or Index.

To find information using the Index:

1 From the Help menu, choose Index, or go to the Follow-Me Help window and click the ▥ (Index) symbol. The Index is displayed in the Find window.

2 Enter a term in the blank field. The index will scroll to display the available entries.

3 Click the index entry that best describes the help topic that you want to see. The help topic is displayed in the Follow-Me Help window.

To find information using Search:

• Type your question in the Ask field in the title bar of most QuickBooks windows and click Ask.
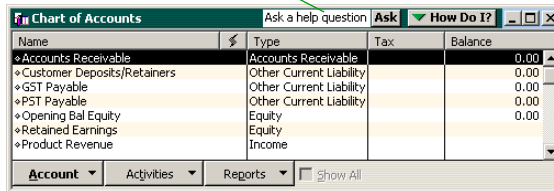
or

• From the Follow-Me Help window, click the 🔍 (Search) symbol. The Search tool is opened in the Find window. Type your question in the Ask field, and click Ask.

Getting step-by-step instructions

Throughout QuickBooks you'll find windows that have a "How Do I" button at the top. Clicking this button provides quick access to instructions for tasks that are associated with the window.
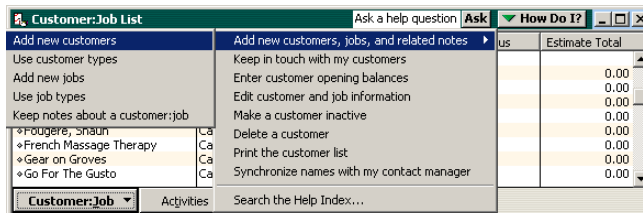
Additional Self-Help Tools

If you cannot find the answer you want in the in-product Help, try these other information resources.

Using the Frequently Asked Questions Knowledge Base (knowledgebase.quickbooks.ca)

The QuickBooks Frequently Asked Questions (FAQs) knowledge base on our Support site provides a free library of articles and tips for QuickBooks.

To find information on the QuickBooks FAQ knowledge base:

1 In the Follow-Me Help, go to the Find window. If the Find window isn't visible, go to the View menu and select Follow-Me Help.

2 Click the Look Online button at the top of the Find window.

Click **Look Online** to search our FAQ knowledge base online.

Click **Search** to search for information in the in-product Help system.

You must be connected to the Internet to look at the FAQ knowledge base.

3 Enter a term in the blank field and click Search. The Help system opens a browser window and begins searching the FAQ knowledge base on our support site.

4 Articles that match the term you entered are displayed. Click the article that best describes the information you want to see.

QuickBooks Support Site (www.quickbooks.ca/support)

From the QuickBooks Support Web site, you can:

• Find additional troubleshooting tips
• Submit product suggestions and report software defects
• Learn about training resources
• Find a Certified QuickBooks ProAdvisor to help you with your accounting needs
• Download product updates
• Get additional answers in the User-to-user forum

To display the QuickBooks Support site, from the Help menu, choose QuickBooks Online and then select Support.

Using Search Effectively

Entering questions of 3-10 words produce better search results than simple keywords. For example, instead of typing "invoices", type "How do I create invoices?" in the search field.

Questions should be as specific as possible. They should not get too long or contain too many keywords. For example, "How do I add customers?" will return better results than "How do I add new customers and vendors?"

If you get no search results, check the spelling in your question. QuickBooks knows about some common misspellings, but other misspellings will not be caught. Do not use abbreviations. Try different keywords.

Sample company files

QuickBooks includes several sample company files that you can practice with to enter pretend data, run reports, and explore QuickBooks features.

To open a sample company file, choose Open Company from the File menu and then choose a sample company file from the list.

Get Assisted Support

If you cannot find the answer you want using the in-product Help or other self-help tools, you can always get assisted support.

Intuit Contact Information

QuickBooks Product Support. You can speak to a QuickBooks Product Expert by calling **1 877 772 9158** (Monday - Friday, 8 a.m. - 8 p.m. Eastern Time). Product support or membership fees may apply.

QuickBooks Sales and Service. If you have billing or service inquiries, call Intuit Canada at **1 888 333 8580** (Monday - Friday, 9 a.m. - 8 p.m. Eastern Time).

Free Consultation Call

You receive one free consultation call which is valid for 60 days from the date you purchased QuickBooks. With this free consultation call, you get help, up front, when you need it the most to get your business up and running in QuickBooks. Call QuickBooks Product Support for more details.

QuickBooks Support Plans

QuickBooks Support Plans offer extended access to the QuickBooks Product Support experts who can help you get more out of the software and increase your productivity. There are two types of support plans:

- **Pay-per-incident**: using this method, you pay for each call that you make to QuickBooks Product Support
- **Unlimited support plans**: you subscribe to these plans which offer unlimited telephone support for you and your employees, email support, live-chat support, and priority service ; payroll support plans are also available

To learn more about QuickBooks Support Plans, call 1 888 333 8580.

Working with a Certified QuickBooks Professional Advisor

From time to time, you might need advice that is very specific to your business situation. In this case, you'll want to contact your accountant or another specialized professional.

If you do not have a professional advisor, you can find a Certified QuickBooks ProAdvisor in your area using the QuickBooks ProAdvisor Referral Database. QuickBooks Professional Advisors are independent accountants, bookkeepers, computer consultants, and trainers who work with small businesses every day. They can offer guidance on everything from business planning to tax advice.

To find a ProAdvisor in your area, open a web browser and enter the URL: http://www.findadvisor.intuitadvisor.ca

QuickBooks Basics

To take full advantage of QuickBooks, there are some important concepts you need to understand.

How QuickBooks Lists Work

Lists are one of the important building blocks that make QuickBooks so powerful and efficient. You use information stored in lists to fill out most QuickBooks forms. For example, to create an invoice, you choose the customer name from your Customer:Job list. QuickBooks automatically enters the customer information on the form for you. This saves you time and prevents typing errors. You can also change the information directly on the form as needed.

Lists are easy to set up in QuickBooks, but do require careful planning. Each list you create has its own List window. Important QuickBooks lists include:

• Chart of Accounts
• Item
• Customer:Job
• Vendor
• Employee

To view a QuickBooks list, choose the list you want from the Lists menu.

To enter information in these lists, use the menu button at the bottom of the list to add, edit, or delete list items. The list menu also provides access to common features associated with the list.
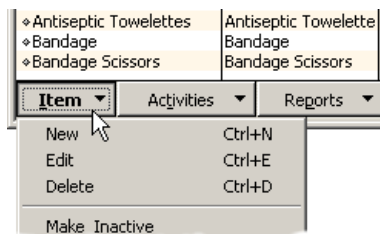
The more detail you enter for each list item, the more information QuickBooks can use to pre-populate forms, track financial data, and display useful reports about your business. Another advantage of lists is that common tasks like adding list entries, editing list information, and deleting list entries are performed the same way.

Figure 5 illustrates how QuickBooks uses list information across multiple windows and tasks to simplify data entry and give you a complete picture of how your business is doing.

Did You Know?

Re-sorting your lists

By default, when you add entries to a list in QuickBooks, QuickBooks keeps entries of the same type together. If you prefer to have the entries in your lists ordered alphabetically, you can re-sort them.

The following lists can be re-sorted alphabetically.

• Chart of Accounts
• Class
• Customer:Job
• Customer Type
• Item
• Job Type
• Memorized Transactions
• Vendor Type

To re-sort list entries alphabetically, open the list you want to alphabetize and click the Name column at the top of the window.
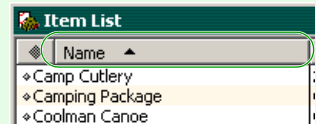
QuickBooks re-sorts the entries alphabetically.

To return the entries back to their original order, select Re-sort List from the menu button at the bottom of the list window.

1. Enter customer information in the New Customer window

2. All customers appear in the Customer:Job list

3. Pick customer names from a list when creating invoices

4. Use the Received Payments window to find all open invoices for the customer who paid you

5. Create an Open Invoices report to find out which customers still owe you money
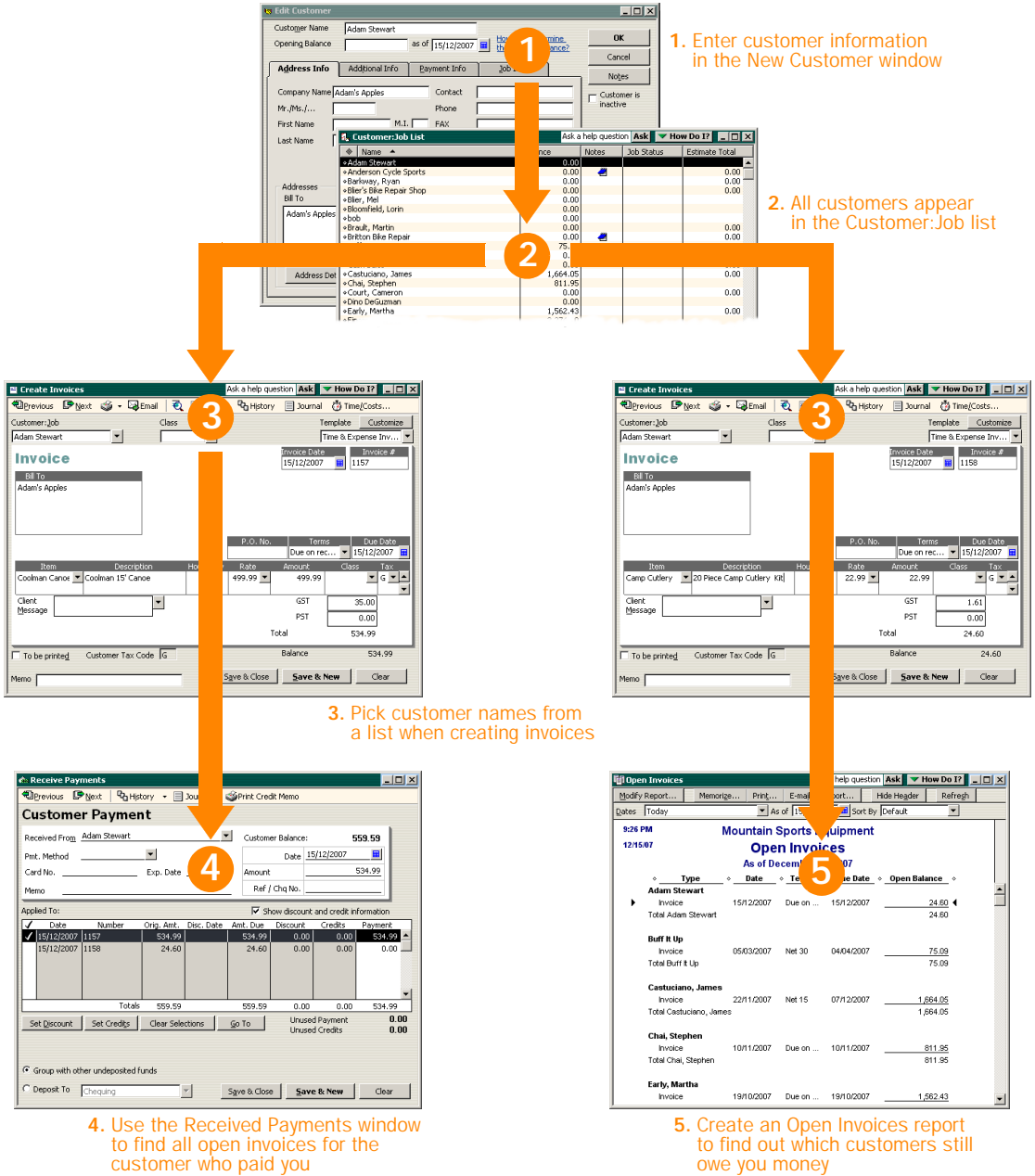
Figure 5. How QuickBooks reuses list information to make your life easier

Entering list information as you work

There are two basic methods you can use to enter list information in QuickBooks. You can enter account, customer, vendor, product and service information before you enter transactions in QuickBooks, or you can enter this information "on the fly" as you use the product.

If you prefer to enter information as you use QuickBooks to perform your daily tasks, QuickBooks will prompt you to immediately set up any entry it does not know about. For example, if you try to create an invoice for a customer named Tracey Stewart and you have not entered information about Tracey Stewart into QuickBooks, QuickBooks will prompt you:
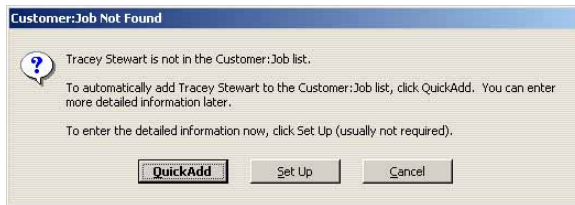
Clicking QuickAdd creates a new customer list entry for Tracey Stewart in the Customer:Job list and adds all the information you enter about the customer on the invoice form (billing address, payment terms, etc.) to her customer record.

Clicking Set Up takes you to another window where you can enter information not covered by the invoice. For example, you could click Set Up to enter Tracey Stewart's phone number, fax number, and credit limit.

Note: *If you choose Quick Add, you can always add more information to the customer's record at a later time.*

Writing Cheques versus Paying Bills

In QuickBooks, you can manage and pay your bills in two ways:

Pay bills as soon as you receive them. Use the Write Cheques window and assign the amounts to appropriate expense accounts.

Wait to pay bills until they are due. Enter bills into your *accounts payable* account and set up QuickBooks to remind you to pay bills when they are due. Using this method, you keep your money in your business for as long as possible. You might still use a cheque to pay the bill, but this method enables you to track how much money you owe. And at any time, you can run reports to analyze unpaid bills for information such as which vendors you owe money to.

Figure 6 illustrates the difference between writing cheques as soon as you get a bill and using the accounts payable register to track and pay bills.

Figure 6. Two methods of receiving and paying a bill from a vendor

Note: Do not simply write a cheque in the Write Cheques window to pay bills that you entered in the accounts payable register or the Enter Bills window. *Use the Pay Bills window to pay these bills. When you use the Pay Bills window, QuickBooks will write the cheque for you automatically. Furthermore, if you do not use the Pay Bills window, you will have outstanding debts listed in your accounts payable register, so reports that you run will list items that you've already paid, and you might mistakenly pay the same bill twice.*

4 | Essential Tasks

Preferences: Modify QuickBooks for the way you work

Set Personal and Company preferences for each QuickBooks area

Choose a group from the preference list to set behaviour for this QuickBooks area

Choose the General option to set general QuickBooks preferences

Customizing QuickBooks for the way you like to work

QuickBooks uses preferences to customize QuickBooks to suit the needs of your business and your personal style of working. From the QuickBooks Preferences window, you can define preferences in over a dozen different areas.

For example, you can configure general preferences such as whether or not QuickBooks prompts you before editing or deleting a transaction, or which date QuickBooks uses for new transactions. Or, you can configure accounting-specific preferences such as how QuickBooks displays accounts and subaccounts or whether to use features like the audit trail, sales tax, and multicurrency.

To view and set preference options:

1 From the Edit menu, choose Preferences.

2 In the Preferences window, change any of the general QuickBooks preferences. These preferences determine how QuickBooks behaves.

3 Use the scroll box on the left to display the preferences for another area of QuickBooks. For example, to set preferences for jobs and estimates, select Jobs & Estimates.

4 On the My Preferences tab for the particular feature area, enter the changes and settings that you want. These settings affect only your QuickBooks sessions, not those of other users.

5 Do one of the following:
   • Click OK to save your changes and close the Preferences window.
   • Click another feature area in the scroll box to enter other preferences.

6 Click OK.

Did You Know?

Company preferences

Company preferences are global preferences that affect all users of the company file. Only the QuickBooks Administrator can set up or modify company preferences.

Learn More

To learn more on customizing QuickBooks, go to the Find window and type in the following terms to search for these help topics:
   Setting preferences
   Turning features on and off
   Customize QuickBooks desktop

What if the Find window is not visible?

The Find window is part of the in-product Help system. If you closed the Find window, you can open it again by going to the View menu and selecting Follow-Me Help. The Find window opens, by default, in the left hand side of the QuickBooks work area.

Chart of Accounts

Chart of Accounts list shows the balance of each balance sheet account for your business

1

Rearrange your accounts by clicking and dragging the diamond to the left of an account to a new position

From the Account menu button, you can create new accounts or perform tasks with existing accounts

2

New Account

QuickBooks supports 15 different types of accounts

3

Click here to make the account a subaccount of another account

5

Enter an opening balance for the account (for balance sheet accounts)

8

If you use pre-printed cheques, set up QuickBooks to remind you when to order cheques for an account

Adding an Account

When you set up your company file, QuickBooks sets up certain *accounts* for you automatically. However, as your business grows or changes, you might need to add new accounts to your *chart of accounts* to better organize your finances. Or, you might need an account that was not provided during setup. For example, you might want to create expense accounts to track office supply purchases separately from advertising costs.

To add an account:

1. From the Lists menu, choose Chart of Accounts.

2. From the Account menu button, click New.

3. In the New Account window, choose the type of account from the Type drop-down list.

Note: *Refer to pages 36 and 37 for a description of the different types of income, expense, and balance sheet accounts.*

4. Enter the account's name in the Name field. This name will appear on all your company financial statements.

5. If you want to make this account a subaccount of another account, select the "Subaccount of" checkbox. From the drop-down list, select the account that will be the higher-level account for this subaccount.

6. (Optional), enter a short description, note, bank account number, or credit card number, depending on the type of account you are adding.

7. **For income and expense accounts.** From the Tax Line drop-down list, choose the appropriate tax line or <Not tax-related>.

8. **For balance sheet accounts.** Enter an opening balance based on the account's balance as of your QuickBooks start date. If you're not sure of the balance, you can leave the field blank and enter the information later.

9. Click OK.

Why Use Subaccounts

When you need more detail about what's going on in an account, you can divide the account into one or more subaccounts. Subaccounts let you track several related types of income or expenses independently yet keep them all under the "umbrella" of a single parent account. Subaccounts appear indented immediately below their parent account in your Chart of Accounts.

For example, if your business has substantial advertising expenses, you might decide to divide your Advertising expense account into several subaccounts, such as Newspaper Ads, Signs, Yellow Pages Listing, and Direct Mailings.

Key Terms

Accounts
There are two types of accounts: balance sheet accounts (such as chequing and savings), and accounts used to group transactions for reporting purposes (such as income and expense accounts). If you use Quicken, income and expense accounts are the same as "categories". Refer to pages 36 and 37 for a description of the different QuickBooks accounts.

Chart of Accounts
A complete list of your business' accounts and their balances. You use a chart of accounts to track how much money your company has, how much money it owes, how much money is coming in, and how much is going out.

Did You Know?

Intuit recommends associating your income and expense accounts with the appropriate tax lines on your tax forms. Consult with your accountant if you need more information about which tax forms to use and to which tax lines to map each account.

If you do not see the Tax Line field when you create a new account, go to the Company menu, select Company Information, and from the Income Tax Form Used field, select the tax form that you use to file your business taxes. Now you should see the Tax Line field when you go to create new accounts.

For a Brand New Account

When you create a brand new account, leave the opening balance at zero. Its opening balance will be created automatically when you transfer funds from another account.

What type of account should I use?

There are two main types of accounts in the QuickBooks chart of accounts:

• Balance sheet accounts
• Income and expense accounts

Balance Sheet Accounts

QuickBooks provides ten types of balance sheet accounts to choose from as you create and add to your chart of accounts. Use the type of account that best describes the type of data you are tracking.

Use this account	To track
Bank	Chequing, savings, and money market accounts. Add one bank account for every account your company has at a bank or other financial institution. (You can also use this type for petty cash.)
Accounts receivable (A/R)	Transactions related to the customers that owe you money, including invoices, payments, deposits of payments, refunds, credit memos, and statements. Most companies have only one A/R account.
Other current asset	Assets that are likely to be converted to cash or used up within one year, such as petty cash, notes receivable due within a year, prepaid expenses, and security deposits.
Fixed asset	Depreciable assets your company owns that aren't likely to be converted into cash within a year, such as equipment, furniture or a building.
Other asset	Any asset that is neither a current asset nor a fixed asset, such as long-term notes receivable.
Accounts payable (A/P)	Transactions related to money you owe, including bills, bill payments, and any credit you have with vendors. See also current and long-term liability accounts.

Use this account	To track
Credit card	Credit card purchases, bills, and payments.
Other Current liability	Liabilities that are scheduled to be paid within one year, such as sales tax, payroll taxes, accrued or deferred salaries, and short-term loans.
Long-term liability	Liabilities such as loans or mortgages scheduled to be paid over periods longer than one year.
Equity	Owner's equity, including capital investment, owner's draws, and retained earnings.

Income and Expense Accounts

Income and expense accounts track the sources of your income and the purpose of each expense. When you record transactions in one of your balance sheet accounts, you usually assign the amount of the transaction to one or more income or expense accounts. For example, not only do you record that you took money out of your chequing account, but you keep track of what you spent the money on (utilities or office supplies).

Use this account	To track
Income	The main source of money coming into your company.
Other income	Money received for something other than normal business operations, such as interest income.
Expense	Money that is leaving your company.
Other expense	Money spent on something other than normal business operations, such as corporate taxes.
Cost of Goods Sold	The cost of items that you sell.

Note: *QuickBooks does not display balances for income and expense accounts in the chart of accounts. To see these balances, select the income or expense account in the chart of accounts and from the Reports menu button, click QuickReport.*

Setting Up Your Business | Adding Customers

Customer:Job List

The Balance column displays the amount of money each customer currently owes you

Double-click in the Notes column to add or view notes about a customer

From the Customer:Job menu button, you can create new customers or manage existing ones

New Customer: Additional Info & Payment Info

Enter the customer's name, address and contact information in the Address Info tab

Use the Additional Info and Payment Info tabs to set up customer payment terms and sales tax information

Click Define Fields to create any custom fields that you need for your customers

Adding Customers

Customers are the lifeline of your business. By entering detailed information in QuickBooks about the people and companies to whom you sell your products and services, you can personalize their bills, send invoices easily, and quickly view the status of their accounts. You can add new customers at any time.

> **Tip** Typing in customer data for hundreds of customers can be a tedious task. If you use Microsoft Outlook or Symantec ACT!, you can synchronize your customer data with QuickBooks instead of entering it manually. For instructions on importing your customer data, go to the Find window and search for the following help topic: "about contact management synchronization". When you are ready to import your customers, refer to the instructions on Page 17.

To add a customer:

1. From the Lists menu, choose Customer:Job List.

2. From the Customer:Job menu button, click New.

3. In the Address Info tab, enter all the data that you have about the customer, including his or her name, billing and shipping addresses, and additional contact information.

4. Complete the Additional Info and Payment Info tabs, as appropriate.

5. If you want to add additional fields to the form, click Define Fields to customize the form.

6. Click OK or Next (if you want to enter another customer).

> **Tip** You can also add customers as you perform your everyday tasks. For example, if you enter the name of a new customer when filling out an invoice, QuickBooks will prompt you to enter information about this customer. You can choose from two quick setup options:
>
> - **QuickAdd**—Adds just the name to the list without disrupting what you are doing. You must add the customer's details later.
> - **Set Up**—Opens the New Customer window so you can set up all of the customer's details in the Customer:Job List.

Key Term

Customers

Customers are the people or businesses to whom you sell your products or services, that is, the people who pay you for what you do. Some businesses might refer to a customer as a client or member.

Did You Know?

Adding jobs

If you are performing more than one job for a customer, you can track the jobs individually by adding new jobs under the Customer's name in the Customer:Job list. That way, you can create reports that show the income and expenses for each job.

Learn More

To learn more on managing your customers, go to the Find window and type in the following terms to search for these help topics:
   Adding customers
   Editing a list entry
   Removing entries from lists
   Setting up multiple jobs
   Setting up payment terms
   Setting up sales tax for
      customers
   What if a customer is also a
      vendor?
   About contact management
      synchronization
   Editing a transaction
   Voiding or deleting a
      transaction

Vendor List

The Balance column shows how much money you currently owe each vendor

Double-click a vendor to edit his or her record

From the Vendor menu button, you can create new vendors or manage existing ones

2
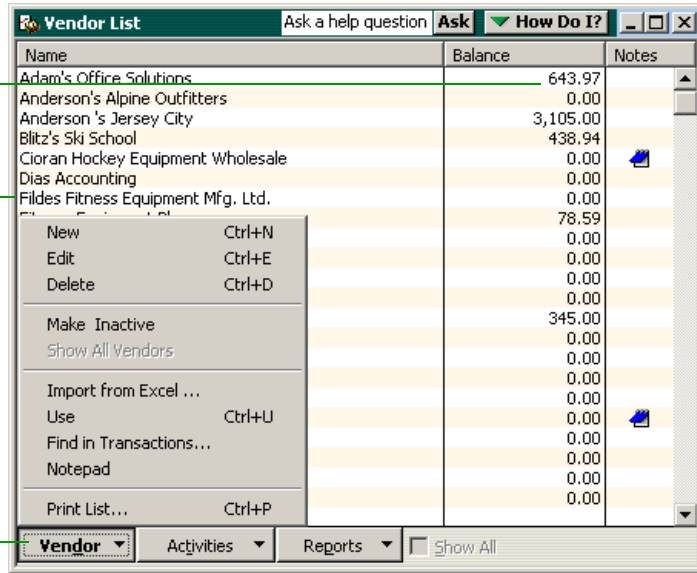
New Vendor: Additional Info

Enter the vendor's name, address and contact information in the Address Info tab

3

Use the Additional Info to enter vendor-specific information, including the vendor type

5

If this vendor is a subcontractor and you will be creating a T4A form, select this checkbox
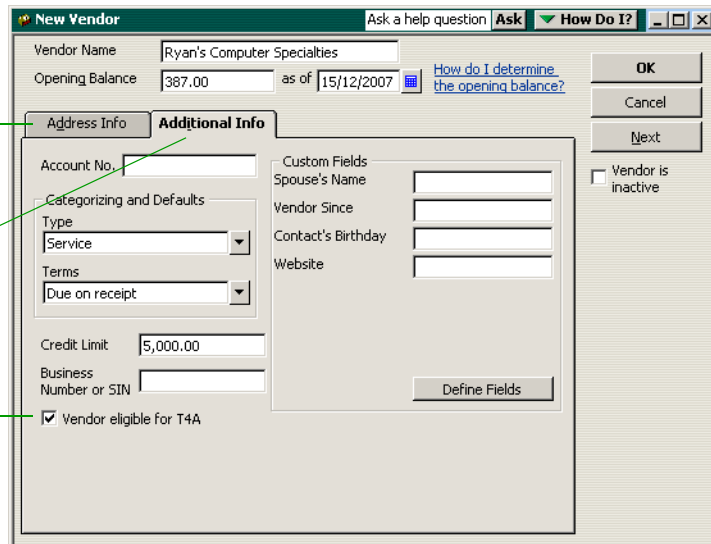
Adding Vendors

QuickBooks uses the *vendors* list to hold information about the people and companies you buy goods and services from to run your business; for example, this list could include the phone company, your office supplies vendor, and utility company. You can add new vendors at any time.

> **Tip** Typing in vendor data for hundreds of vendors can be a tedious task. If you use Microsoft Outlook or Symantec ACT!, you can import your existing vendor information into QuickBooks instead of entering it manually. For instructions on importing your vendor data, go to the Find window and search for the following help topic: "about contact management synchronization". When you are ready to import your vendors, refer to the instructions on Page 17.

To add a vendor:

1 From the Lists menu, choose Vendor List.

2 From the Vendor menu button, click New.

3 In the Address Info tab, enter all the data that you have about the vendor, including his or her name, address, and additional contact information.

4 If you owe this vendor money as of your company's start date, enter the amount in the Opening Balance field.

5 Click the Additional Info tab and complete the form, as appropriate.

6 If you want to add additional fields to the form, click Define Fields to customize the form.

7 Click OK or Next (if you want to enter another vendor).

> **Tip** You can also add vendors as you perform your everyday tasks. For example, if you enter the name of a new vendor when paying a bill, QuickBooks will prompt you to enter information about this vendor. You can choose from two quick setup options:
>
> • **QuickAdd**—Adds just the name to the list without disrupting what you are doing. You must add the vendor's details later.
>
> • **Set Up**—Opens the New Vendor window so you can set up all of the vendor's details in the Vendor List.

Key Term

Vendors
Vendors are any businesses or people from whom you buy or rent goods or services for your business—office supplies, phone or computer services, or products that you sell. The tax agencies that you pay are also your vendors. Nearly everyone you pay other than employees are vendors.

Learn More

To learn more on managing your vendors, go to the Find window and type in the following terms to search for these help topics:
  Adding vendors
  Editing a list entry
  Removing entries from lists
  Paying vendors
  Setting up payment terms
  What if a vendor is also a customer?
  Synchronizing with ACT! or Outlook

Item List

Subitems are indented under the parent item

For inventory parts, the On Hand column shows how many of each item you have in stock

From the Item menu button, you can add new items or perform activities on existing items

2

New Item

Choose the type of item you want to create from the Type drop-down list

3

Click Custom Fields to set up and fill in custom fields that you need for your items

Enter the amount you want to charge for the item here

6

Choose the sales tax code to associate with the item

8

Associate the item with an account here

7

Adding Items

In QuickBooks, an *item* is anything that your company buys, sells, or resells to run your business. Items are your products, services, and things such as shipping and handling charges, subtotals and discounts.

On a sales form, when you choose an item from the Item list, QuickBooks fills in a description of the line item and calculates its amount for you.

QuickBooks provides twelve different types of items, described in the table on page 44. Some items, such as service or inventory part items, help you record the services and products your business sells. Other items, such as the subtotal or discount item, are used to perform calculations on the amounts in a sale.

To add an item:

1 From the Lists menu, choose Item List.

2 From the Item menu button, click New.

3 From the Type drop-down list, choose the type of item you want to create. (See table on page 44.)

4 Enter an item name as you want it to appear on purchase and sales forms.

5 Enter the description that you want to appear on sales forms when you use the payment item.

6 In the Rate field, enter the amount you want to charge for the item.

7 In the Account field, choose the account that is associated with this item.

8 In the Sales Tax Code list, select the sales tax code that represents the taxes you need to charge on this item. If you do not see the Tax Code list, you must turn the sales tax preference on. Refer to "Setting up your sales tax" on page 47 for more information on sales tax.

9 Click OK or Next (if you want to enter another item).

Do you stock and sell items in different units?

Refer to "Setting up items in different units of measure" on page 45 for more information on setting up the items that you buy and sell in different units of measure.

Key Term

Items

An item is anything that might appear as a line item on an invoice or a purchase order, including subtotals, and discounts as well as the products and/or services that you sell. You enter items on your invoices and sales receipts. For example, a writing consultant might set up one item for editing services with an hourly rate, and another item for writing services with a different hourly rate. On an invoice, the items would be entered with the number of hours worked as the quantity.

While providing a quick means of data entry, items also handle the behind-the-scenes accounting. When you create an item, you link it to an account; when the item is used on a form, it posts an entry to that account and another to the accounts receivable, accounts payable, chequing, or other account.

Did You Know?

You can hide an item on the item list without deleting it by making it inactive. When an item is inactive, the information associated with the item is kept, but QuickBooks hides the item from the list and you can no longer select it from certain forms. To make an item inactive, select it from the Item List, click the Item menu button and select Make Inactive. To see inactive items in the list. click the Show All button.

Which Item Type Should I Choose?

QuickBooks provides twelve different types of items to help you fill out sales and purchase forms quickly.

Item Type	Purpose
Services	Use for services you either charge for or purchase, like specialized labour, consulting hours, and professional fees.
Inventory part	Use for goods you purchase, track as inventory, and resell.
Inventory Assembly	Use for goods that you assemble from parts you buy.
Non-inventory part	Use for goods you buy but don't track, like office supplies, or materials you buy for a specific job that you charge back to your customer.
Fixed asset	Use for an asset you do not expect to convert to cash during one year of normal operations. A fixed asset is usually something that is necessary for the operation of your business—like a truck, cash register, or computer.
Other charge	Use for miscellaneous labour, material, or part charges, such as delivery charges, setup fees, and service charges.
Subtotal	Use to total all items above it on a form, up to the previous subtotal. Useful for applying a percentage discount or surcharge to many items.
Group	Use to quickly enter a group of individual items on an invoice.
Discount	Use to subtract a percentage or fixed amount from a total or subtotal. Do not use this item type for an early payment discount; for an early payment discount, use the Set Discount feature in the Receive Payments window.
Payment	Use to record a partial payment you received at the time of the sale. It reduces the amount owed on an invoice.

Setting up items in different units of measure

In QuickBooks, you can stock items in your inventory in one unit of measure and sell them in another. For example, buying soda pop in a case that holds 12 cans, then selling the cans individually.

Caution Once you have turned on the units of measure preference, you cannot turn it back off again. You should only consider activating units of measure if you buy, stock and sell in different units.

To turn on units of measure:

1 From the Edit menu, choose Preferences.

2 From the scroll box on the left, select Purchases & Vendors.

3 On the Company Preferences tab, select "Inventory and purchase orders are active" if it isn't already.

4 Select "Units of Measure are active".

To set up items in different units:

You can only set up different units of measure for the following types of items: Inventory Part, and Inventory Assembly.

1 From the Lists menu, choose Item List.

2 From the Item menu button, choose New. The New Item window opens.

3 From the Type field, select Inventory Part or Inventory Assembly.

4 Click the Units of Measure button. The Define Units of Measure window opens.

5 In the Inventory Unit section, enter the name of the unit that you use to stock this item.

6 If you sell this item in a different unit than how it is stocked:
In the Sales Unit section, clear the Same as Inventory checkbox, then define the sales unit.

7 If you purchase this item in a different unit than how it is stocked:
In the Purchasing Unit section, clear the Same as Inventory checkbox, then define the purchasing unit. Typically, businesses purchase and stock items in the same unit.

8 Click OK, and continue setting up the item.

Did you Know?

When you define different units for an item, QuickBooks displays the appropriate unit of measure on your forms. For example, sales forms show an item's selling unit and purchasing forms show an item's purchasing unit. You cannot show an item's purchasing unit on a sales form and vice versa.

Also, some reports break down items by their units of measure. The unit that is shown depends on the report that is being created. For example, reports that show the total number of items you've purchased will display your items in their purchasing unit (if one was defined). Reports on sales will display items in their sales unit. You can change reports to display in any unit you want by clicking the Modify Report button at the top of the report.

Setting Up Your Business | Tracking Sales Tax

If you charge your customers sales tax, you will want to turn on sales tax tracking in QuickBooks. With this preference turned on, QuickBooks can automatically apply the correct sales taxes to sales and purchases, and calculate your *net tax* for a given sales tax reporting period.

Assign sales tax codes to your items

Sell items

Invoice

Buy items

Enter Bills

QuickBooks tracks the sales tax on the items that you buy and sell in the GST and PST

Payable registers which QuickBooks creates by default

Print your GST/PST return

Print the cheque and remit to the government

For complete instructions on dealing with sales tax, refer to the in-product Help. Go the Find window and search for "collecting and paying sales tax".

Setting up your sales tax

> **Tip** Intuit recommends that you set up your sales tax in QuickBooks by completing the EasyStep Interview. If you skip the EasyStep Interview when setting up your company file, you will have to turn on the sales tax preference yourself and assign *sales tax codes* to the items you sell and buy. To set up your sales tax, refer to the instructions below (only if you skipped the EasyStep Interview).

To turn on the sales tax feature:

1. From the Edit menu, choose Preferences.

2. In the Preferences window, go to the scroll box on the left and select GST/PST.

3. Click the Company Preferences tab, and for the question "Do you wish to set up taxes", select Yes.

4. Set the preferences for your GST and PST. Here, you can enter your business number (for GST), registration number (for PST), and define your reporting periods.

Assigning sales tax codes to the items you sell and buy

QuickBooks uses sales tax codes to keep track of how much GST/PST you've collected from your customers, and how much you've paid out on the items you've purchased for your business.

For QuickBooks to know how to tax the items that you buy and sell, you need to associate a sales tax code with each item. After you do so, QuickBooks can then automatically charge the correct amount of sales tax on your sales and purchasing forms, and then calculate your net tax when it comes time to remit your sales tax to the government.

To assign sales tax codes to your items:

1. From the Lists menu, choose Item List.

2. Choose New from the Item menu button.

3. If you purchase the item:
   In the Purchase Information section, go to the Purch Tax Code field and select the correct tax code for this item. If you don't see the Purchase Information section, click one of these checkboxes (I purchase… This item is purchased… or This service is performed by a…).

4. If you sell the item:
   In the Sales Tax Code field, select the correct tax code for this item.

Remitting your GST/PST return to the government

When you are registered for GST/PST, you have to file a GST/PST return for each of your reporting periods. This process is easy with QuickBooks. When you set up sales tax, QuickBooks automatically calculates your net tax and reports it on your return for you.

> **Tip** You can see what your net sales tax is any time by creating the GST & PST Liability reports. To create these reports, go to the Reports menu, select Vendors & Payables, and choose GST or PST Liability. Make sure the date is set to the remittance period for which you are filing and then generate the report again.

To send your GST/PST return to the government:

When you complete a sales tax return in QuickBooks, the transactions included in the return are marked as "filed" so that QuickBooks knows which transactions to include in future GST/PST returns. **We recommend that you back up your company file before filing your sales tax.** That way, if you need to go back to a state prior to the sales tax return, you are able to do so.

1. From the Vendors menu, choose Sales Tax, then File Sales Tax. The File Sales Tax window opens.

2. In "Show Sales Tax through", select the last day of the reporting period for which you are filing, then select the government agency.

3. If you want QuickBooks to print a cheque for you, click To be printed. If you want to write the cheque yourself, click Assign cheque no.

4. Click Next. Your sales tax return is opened.

5. Review your return. You can adjust the amounts with the exception of lines 103 and 106. Click the Adjust button to adjust these two lines.

6. Scroll to the bottom of the return, and click Next. Your return is now ready to send to the government. Click Print.

7. Write your cheque to the government, or if QuickBooks is printing the cheque for you, follow the steps below:
   a. From the File menu, select Print Forms, then choose Cheques.
   b. Select the cheque(s) that you want to print and click OK.
   c. Set your printing options, then click Print.

For complete instructions on dealing with sales tax, refer to the in-product Help. Go the Find window and search for "collecting and paying sales tax".

What if I get a refund?

If you are receiving a refund, QuickBooks automatically creates an invoice for the Receiver General or Minister of Finance. When you receive the cheque from the government, receive the payment against the invoice.

5 | Payroll

Paying employees is a big responsibility. You have to keep track of hours, salaries and wages, social insurance numbers, dates of birth, current tax rates and forms, vacation pay and sick time, and bonuses, as well as your liability payments to the government and benefit agencies.

QuickBooks Payroll service

With a subscription to QuickBooks Payroll, you have access to several features and services to help you manage your own payroll quickly and easily, thus saving you time. Without QuickBooks Payroll, you still have access to some payroll features in QuickBooks, but you will not be able to create pay cheques or enter year-to-date information for your employees, and QuickBooks will not calculate payroll amounts for you.

As a QuickBooks Payroll subscriber, you never have to stress about getting updated payroll tax information from the CRA again. You will automatically receive updated payroll tax tables whenever the Federal or Provincial government changes the tax laws. In addition, you receive QuickBooks software updates that keep your software investment current. Software updates include software improvements, new features and help updates.

How do I subscribe to QuickBooks Payroll?

Subscribing to QuickBooks Payroll is easy. Go to the Employees menu, choose Set Up QuickBooks Payroll, then select Sign Up Now.

To update your payroll tax tables:

> **Tip** You can have QuickBooks automatically download new tax tables when they become available by turning on the Automatic Update feature. Refer to the in-product Help for more information. Go to the Find window, and search for "automatic update".

1 Open QuickBooks and make sure you are connected to the Internet.

2 From the File menu, choose Update QuickBooks.

3 Click Update Now.

4 Select the updates you want to download, then click Get Updates.

5 When the update is done, click Close and restart your computer.

You can see what tax table version you currently have by going to the Employees menu and selecting "Set Up QuickBooks Payroll", then "About Payroll".

Adding Payroll Items

You add payroll items to pay cheques the same way you add items to invoices. Payroll items track amounts such as wages you pay and taxes you deduct from pay cheques. There are payroll items for compensation, taxes, other additions and deductions, and employer-paid expenses. You can assign these payroll items to different accounts as needed.

By default, QuickBooks creates payroll items for payroll taxes. To fully track your payroll, you will probably need to add more payroll items to the list. For example, you can add payroll items for hourly wages, salaries, commission, and bonuses; government taxes and deductions; employee deductions of any kind (such as RSP contributions); additions (such as an automobile allowance); commissions; and company-paid expenses (such as company-paid health insurance).

The payroll item wizard guides you through setting up taxes and common payroll items that many companies need to do payroll. It automatically sets up the common items to calculate taxes correctly (as long as your QuickBooks payroll tax table is up to date).

To create a payroll item:

1 From the Employees menu, choose Payroll Item List.

2 From the Payroll Item menu button, choose New. The payroll item wizard opens.

3 Choose the type of payroll item you want to create.

Use this payroll item	To track
Wage	Money you pay to employees for salaries, hourly wages, commissions, bonuses, or advances.
Addition	Money you pay to an employee that is not a direct result of their work, such as a profit-sharing payout.
Deduction	Money you deduct from your employee other than taxes, such as union dues, and employee purchases.
Company Contribution	Company-paid benefits for your employees such as pension plans or dental benefits.
Other Tax	Miscellaneous taxes (company or employee paid) based on an employees wages such as Provincial Health Tax.

4 Click Next and answer the questions on each slide of the wizard.

Payroll Liabilities account

The Payroll Liabilities account tracks taxes that you deduct from employees' pay cheques and holds them temporarily until you remit them to the government. These include income tax, Canada or Quebec Pension Plan contributions, and Employment Insurance premiums.

QuickBooks automatically adds this account to your chart of accounts. When you create payroll items, QuickBooks automatically assigns some of them to the Payroll Liabilities account by default (but you can change this assignment if you prefer to assign them to a different account). When you change a payroll item to track to a different account, the change affects all (previous and current) payroll cheques that have the newly-changed payroll item attached to it.

Payroll Expenses account

The Payroll Expenses account tracks payroll items that are an expense to your company. These include salaries, wages, bonuses, commissions, and the company-paid portion of taxes such as Employment Insurance.

QuickBooks automatically adds this account to your chart of accounts. When you create payroll items, QuickBooks automatically assigns some of them to the Payroll Expenses account by default (but you can change this assignment if you prefer to assign them to a different account).

Setting Up Your Payroll | Employees

Enter employee personal information including SIN, date hired, birth date, etc.

Enter employee wage information (are they on a salary or paid by the hour)

Enter employee benefits and deductions including payments to a retirement plan or union, company-paid benefits such as a dental plan, or additions for reimbursement for travel expenses

Enter employee government tax information including income tax, EI, CPP, and TD1 information

New Employee: Payroll Info tab

Set up how the employee accrues time for sick days and overtime

Enter how much vacation pay the employee has accrued and what has been paid out, how it is paid out, the percentage to calculate (e.g., 4% or 6%) and which payroll items you want to use to calculate the vacation pay

Enter direct deposit information if you are using the Direct Deposit service of QuickBooks Payroll

Employee Checklist

General Information	Know the employee's legal name and address (for tax forms), Social Insurance Number, date of birth.
Compensation	If the employee is paid according to hours worked, know his or her hourly rate or rates. If the employee is paid a fixed amount, know the current annual salary. Know any other types of regular compensation, such as bonuses or commission. Know how often the employee is paid (as the timing affects tax calculations on pay cheques).
Benefits	Know which company benefits affect the employee's pay cheque (for example, employee-paid insurance, taxable company-paid benefits, any benefit calculated as a percentage of gross).
Other payments and deductions	Know whether the employee has any other payments or deductions, such as union dues or child support garnishments.
Payroll taxes	Know which payroll taxes the employee is subject to and whether the tax is deducted or is an expense to the company. For income tax withholding, have the employee's TD1 form so you can enter the information from the form into QuickBooks.
Sick and vacation time	If your company offers paid sick time and vacation pay, know how much of each the employee has remaining, and how it accrues (at beginning of the year or with each pay cheque).

Setting up Employees

To process pay cheques and prepare tax documents for your *employees*, you need to enter specific information about each of your employees in QuickBooks. Refer to the Employee Checklist on page 52 for a list of information to gather.

Note: *If you administered payroll before using QuickBooks, you must enter your previous payroll transactions into QuickBooks. For more information on entering year-to-date amounts for your employees, refer to Page 58.*

To set up an employee's personal information:

1 From the Lists menu, choose Employee List.

2 From the Employees menu button, click New. The New Employee window opens.

3 Complete the Address Info tab. Enter the employee's date of birth.

4 On the Additional Info tab, define custom fields to store other information such as the name of spouse.

To set up an employee's payroll information:

1 Open the New Employee window as described in the steps above. Click the Payroll Info tab.

2 In the Earnings section, set up the employee's wage information.

Under "Item Name", select a salary or hourly payroll item, then under "Hourly/Annual Rate", enter the amount you pay him or her annually or hourly. In Pay Period field, select how often you pay this employee.

3 Select "Use time data to create pay cheques" if you use QuickBooks to track your employee's time and pay cheques based on this time.

4 In the Additions, Deductions, and Company Contributions section, set up any employee benefits and other deductions (except for taxes) that you take from his or her pay cheque.

5 Click the Payroll Taxes button to enter information from the employee's TD1 form, and review the income tax, Canada Pension Plan/Quebec Pension Plan, EI and other payroll taxes he or she might have to pay.

6 Click the Accrual Hours button to set up how much time an employee has available, and how much he or she has accrued this year.

7 Click the Vacation Pay button to set up how much vacation pay the employee has available and how much he or she earns.

8 Click the Direct Deposit button to set up direct deposit information.

Key Term

Employees
If you need help determining whether an individual is an employee or self employed, refer to the CRA Web site (www.cra-arc.gc.ca) for guidelines. For more information on managing subcontractors, refer to the in-product Help. Go to the Find window and search for "tracking work performed by subcontractors".

Did you Know?

Information that is common to most of your employees can be set up as a default. That way, when you go to set up an employee, some of the payroll settings are already set up for you. For more information on setting employee defaults, refer to the in-product Help. Go to the Find window and search for "entering common employee information".

Learn More

To learn more on Managing Employees, go to the Find window and type in the following terms to search for these help topics:

Setting up employee information

Setting up an employee's payroll information

Setting up employees for direct deposit

Entering sick time and vacation pay

Entering year-to-date amounts for an employee

Releasing an employee

QuickBooks draws the cheques from this account

2

Specify a cheque date and pay period for the pay cheque you create

4

QuickBooks creates a pay cheque for each employee marked with a check mark

To enter hours worked, commissions, bonuses or other variations from pay period to pay period, select this

6

Preview pay cheque

To prevent sick and vacation hours from accruing from this pay cheque (for example, on a bonus or commission pay cheque) select this checkbox

If an addition, deduction, or company contribution is based on quantity, enter the quantity here

This area shows company-paid taxes and contributions. These amounts do not affect the amount of the pay cheque

Employee Summary shows the payroll amounts that will be printed on the voucher of the pay cheque

Paying Employees

Before you begin creating pay cheques to your employees, be sure that your payroll is set up completely and correctly in QuickBooks. We strongly recommend that you read the entire Payroll and Employees chapter in the QuickBooks User Guide. To read this guide, go to the Help menu, select Guides, and then QuickBooks User Guide.

> **Tip** You should always use the Pay Employees window to record pay cheques. QuickBooks' payroll tax forms and reports take their data from transactions recorded using payroll items. These transactions are only created when you create a pay cheque in the Pay Employees window. If you don't use this window to pay employees, your payroll tax forms and reports will not be complete.

Note: *Some payroll tasks (e.g., creating pay cheques) require you to be subscribed to QuickBooks Payroll. QuickBooks cannot calculate payroll amounts unless you sign up for the payroll service. For information about the payroll service for QuickBooks, go to the Employees menu in QuickBooks, choose Set Up QuickBooks Payroll Service, and then About Payroll Services. Click the Info button.*

To print pay cheques:

1 From the Employees menu, choose Pay Employees.

2 Choose the account from which you want to create your pay cheques.

3 Choose whether the pay cheques are to be printed, handwritten, or direct deposited.

4 In the Cheque field, enter the date you want to appear on the cheque. In the Pay Period Ends field, enter the last day of the pay period you are paying.

5 Select the employee you want to pay by clicking in the column to the left of the employee's name.

6 If you want to preview or modify your pay cheques, click "Enter hours and preview cheque before creating." If you don't want to preview the pay cheques, click "Create cheque without preview using hours below and last quantities."

7 Click Create.

8 If you chose to preview pay cheques before creating them, QuickBooks displays the Preview Pay cheque window, starting with the first employee you are paying. Make any modifications to the cheque and click Create.

9 Click Print Pay cheques.

QuickBooks Payroll service

QuickBooks Payroll is a service that provides tools, tables, and forms to help you run your payroll, pay your payroll taxes, prepare your federal tax forms, and file your T4s electronically. With QuickBooks Payroll Service, managing your payroll will never be easier.

QuickBooks Payroll also offers Direct Deposit of employee pay cheques for a small additional fee. For more information about payroll services, go to the Find window and type in "direct deposit".

Learn More

To learn more on Managing Employees, go to the Find window and type in the following terms to search for these help topics:

    Entering wage and salary information
    Printing pay cheques
    Using a payroll service
    Paying payroll taxes and other liabilities
    Preparing and filing payroll tax forms
    QuickBooks payroll service
    Previewing and adjusting pay cheques
    Calculation looks wrong
    Reports about payroll

When it comes time to pay your *payroll liabilities*, QuickBooks tracks how much you owe and to whom, allows you to choose which liability you want to pay, creates the cheques for you, and helps you fill out the monthly forms.

Paying your Payroll Liabilities

Most businesses must send a cheque to the CRA for the last month's payroll deductions by the 15th of the current month. Check with the CRA or your accountant if you are unsure of when you need to remit your payroll liabilities.

To pay your payroll liabilities:

1 From the Employees menu, choose Process Payroll Liabilities and then Pay Payroll Liabilities.

2 Select the date range of the payroll period for which you are paying your liabilities and click OK. The Pay Liabilities window opens.

3 Mark the payroll liabilities that you are paying this period.

4 Review all other settings, and make any adjustments as necessary and click Create.

5 To print the liability cheques, go to the File menu, choose Print Forms, then select Print Cheques. (Make sure the same bank account you used to create the cheques is selected.)

To fill out your PD7A or TPZ-1015 form:

When you send in your monthly payments to the CRA, you must also submit a PD7A form or TPZ-1015 form if you live in Quebec.

1 From the Reports menu, choose Employees & Payroll, then select PD7A Report or Quebec Remittance Report (TPZ-1015).

2 Change the default dates to show the correct payroll deductions period.

3 Click OK to generate the report again.

4 Use the information on the report to fill in your monthly forms.

Preparing T4 Slips for your Employees

T4 slips are end-of-year payroll forms that show an employee's wages and payroll deductions for the past year. You must create these slips for your employees and the government in January or February. (In Quebec, you also need to create Relevé 1 slips.)

To create and print T4 and Relevé 1 slips:

① From the Employees menu, choose Process T4s or Process Relevé 1s.

② You cannot print slips until you review them. Mark the employees whose tax slips you want to review, and click Review T4 or Review RL-1.

③ Review the slip, then click Next to approve it. When you are done reviewing your employees' slips, click OK.

④ You are now ready to print your slips. Click the Print T4 or Print RL-1 button to print the form.

You can also file your T4s electronically by clicking the "E-file T4" button. When you E-file your T4s, QuickBooks automatically creates and sends your T4s and sends a T4 Summary. You know instantly whether CRA accepted or rejected your submission. Also, QuickBooks records your E-file submission ID for future reference.

⑤ Choose whether you are printing your T4 and RL-1 slips on blank paper or pre-printed blank forms that you can get from the government.

⑥ If you are printing the slips, select the type of T4 or RL-1 slip you want to print and who you are printing it for.

- Canada Customs and Revenue Agency Copies: select if you are printing slips to send to the CRA.
- Employer Copies: select if you are printing slips for your records.
- Employee Copies: select if you are printing slips to give to your employees. Employee slips do not include your company's business number as required by the CRA.
- Multipart (Impact) forms: select to print one slip per employee on a multipart blank slip. You must choose this option if you have a continuous-feed (dot matrix) printer.

⑦ Click Print.

If you mail your T4 slips to the government, you also need to fill out a T4 Summary form. A T4 Summary form summarizes the individual T4 slips you created. QuickBooks has the T4 Summary report to help you with this task. To create this report, go to the Reports menu, select Employees & Payroll, then T4 Summary.

Learn More

To learn more on Managing Payroll, go to the Find window and type in the following terms to search for these help topics:

Preparing and filing payroll forms
Setting up and using QuickBooks payroll
Adjusting your payroll liabilities
Creating a PD7A form
Verifying payroll liabilities
Recording a payroll liability refund cheque
How QuickBooks calculates payroll liabilities
Paying payroll taxes and other liabilities
Preparing and filing payroll tax forms

If you have been paying your employees prior to using QuickBooks, you must enter a summary of

- the amount of each employee's earnings so far this year and the amounts that you deducted from his or her earnings, and
- the amount of payroll deductions that you paid to the government so far this year.

You must enter these year-to-date summaries so that QuickBooks can correctly calculate your payroll end-of-year tax information (T4, Relevé 1 slips and PD7A forms, for example).

Note: *You must be subscribed to QuickBooks Payroll to enter YTD summaries.*

To enter Year-to-date Summaries for each employee:

1. Summarize your payroll transactions for each employee from January 1 to the date that you subscribed to QuickBooks Payroll.

2. From the Employees menu, choose Set Up YTD Amounts. The YTD wizard opens.

3. Follow the on-screen instructions until you get to the Employee summary information screen. Select an employee from the list and click Enter Summary. The YTD Adjustment window opens.

4. Enter the details of the year-to-date payroll summary for this employee.

5. Click OK, and select the next employee .

7. Click Leave when you are done, or if you need to enter prior payroll liability payments, click Next and refer to the steps below.

To learn more about entering YTD information, refer to the in–product Help. Go to the Find window and search for "entering YTD amounts".

To enter prior payroll deductions you've remitted to the government:

1. Open the YTD wizard as explained in the steps above.

2. Follow the on-screen instructions until you get to the Enter prior payments screen.

3. Click the Create Payment button to enter a summary of all the payments you've made to the government from January 1 to the date you subscribed to QuickBooks Payroll.

   How do I know which accounts are affected? Click the Accounts Affected button to update the balance of your bank account and/or payroll liabilities account with this payroll YTD entry. If your account balances are already correct, select "Do not affect accounts". For more details on this, click the Help button on the Affect Accounts window.

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Keyboard Shortcuts

General	Key
To start QuickBooks without a company file	Ctrl + doubleclick
To suppress the desktop windows (at Open Company window)	Alt (while opening)
Display information about QuickBooks	F2
Cancel	Esc
Record (when black border is around OK, Next, or Previous button)	↵
Record (always)	Ctrl + ↵

Dates	Key
Next day	+ (plus key)
Previous day	- (minus key)
Today	T
First day of the **W**eek	W
Last day of the wee**K**	K
First day of the **M**onth	M
Last day of the mont**H**	H
First day of the **Y**ear	Y
Last day of the yea**R**	R
Date calendar	Alt + down arrow

Editing	Key
Edit transaction selected in register	Ctrl + E
Delete character to right of insertion point	Del
Delete character to left of insertion point	Backspace
Delete line from detail area	Ctrl + Del
Insert line in detail area	Ctrl + Ins
Cut selected characters	Ctrl + X
Copy selected characters	Ctrl + C
Paste cut or copied characters	Ctrl + V
Increase cheque or other form number by one	+ (plus key)
Decrease cheque or other form number by	- (minus key)
Undo changes made in field	Ctrl + Z

Help window	Key
Display Help in context	F1
Select next option or topic	Tab
Select previous option or topic	Shift + Tab
Display selected topic	↵
Close popup box	Esc
Close Help window	Esc

Activity	Key
Account list, display	Ctrl + A
Cheque, write	Ctrl + W
Copy transaction in register	Ctrl + O
Customer:Job list, display	Ctrl + J
Delete cheque, invoice, transaction, or item from list	Ctrl + D
Edit lists or registers	Ctrl + E
QuickFill and Recall (type first few letters of name and press Tab, name fills in)	*abc* Tab
Find transaction	Ctrl + F
Go to register of transfer account	Ctrl + G
Help in context, display	F1
History of A/R or A/P transaction	Ctrl + H
Invoice, create	Ctrl + I
List (for current field), display	Ctrl + L
Memorize transaction or report	Ctrl + M
Memorized transaction list, display	Ctrl + T
New invoice, bill, cheque or list item	Ctrl + N
Paste copied transaction in register	Ctrl + V
Print	Ctrl + P
QuickZoom on report	↵
QuickReport on transaction or list item	Ctrl + Q
Register, display	Ctrl + R
Show list	Ctrl + S
Use list item	Ctrl + U
Transaction journal, display	Ctrl + Y

Moving around a window	Key
Next field	Tab
Previous field	Shift + Tab
Report column to the right	Right arrow
Report column to the left	Left arrow
Beginning of current field	Home
End of current field	End
Line below in detail area or on report	Down arrow
Line above in detail area or on report	Up arrow
Down one screen	Page Down
Up one screen	Page Up
Next word in field	Ctrl + →
Previous word in field	Ctrl + ←
First item on list or previous month in register	Ctrl + Page Up
Last item on list or next month in register	Ctrl + Page Down
Close active window	Esc or Ctrl + F4