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QuickBooks®

#1 Small Business Accounting Software in Canada¹

Upgrader's Guide 2009

IMPORTANT!

You must follow the steps in this guide if you are upgrading from QuickBooks 2007 or earlier.



QuickBooks®

Upgrading from QuickBooks 2008? The 2008 version already includes the changes described in this booklet. Just install QuickBooks 2009, open your old company file, and you're ready to go!

Welcome!

If you're upgrading from **QuickBooks 2007 or earlier**, this version of QuickBooks contains many new features and changes. This guide contains important information to get you working with your company file as quickly as possible.

The guide is organized into two sections:

- The **Installation** section tells you how to install the new version of QuickBooks and upgrade your company data. This process can take some time, so set aside an hour or so to follow these steps. It is **imperative** that you read this section: there are many changes in how company information is stored, so you may need to perform some actions before and after QuickBooks 2009 upgrades your company file.
- The **Important differences** section has notes about differences between QuickBooks 2009 and QuickBooks 2007 or earlier.

Installation

What company files can be upgraded to QuickBooks 2009?

You can upgrade company files from all earlier versions of QuickBooks, except for:

- QuickBooks Enterprise Solutions.
- Company files with multicurrency transactions. For details, see **Multicurrency** in the **Important differences** section.

If your file is from QuickBooks 2003 or earlier, visit quickbooks.ca/conversionkit for information on upgrading it to QuickBooks 2009.

Before you upgrade your company file

In your previous version of QuickBooks, print trial balance reports from the Reports > Accountants & Taxes menu for each of these dates:

- The date you upgrade your company file
- The end date of the last sales tax period for which you sent a GST/HST/QST return (if any)
- The end date of the last sales tax period for which you sent a PST return (if any)

Find your last sales tax return(s): Locate the paper copy of the last GST/HST/QST and PST sales tax returns that you filed and have them with you when you start the upgrade process. You will need information from these returns to upgrade your company data.

Make a backup of your old company files: QuickBooks prevents you from overwriting your original company file during the upgrade process. However, for added safety, make a backup before you start.

Installing the new version

During installation, most users can use the **Standard installation**. However, if you work in a multi-user environment (that is, more than one user can access your company data at the same time from different computers), see the **Multi-user host or server installation** section.

If you need further installation assistance, you can access the QuickBooks Support website at quickbooks.ca/support

Standard installation

- 1 Insert the QuickBooks installation CD in your computer's CD-ROM drive.

NOTE: If the installation program does not start automatically, go to My Computer, choose your disk drive and open **SETUPEXE** located on your QuickBooks CD.

- 2 In the Welcome to QuickBooks Installation window, click **Expert Install**.
- 3 In the Installation Options window, click **Standard** and then click **Install Now**.
- 4 Follow the on-screen instructions.

The installation program will prevent you from overwriting a previous version of QuickBooks – you may need it later.

- 5 Follow the instructions for upgrading your files from 2007 or earlier as described later.
- 6 To start QuickBooks, double-click the QuickBooks 2009 icon on the desktop, or click the Windows **Start** button and then click **QuickBooks** from the Programs group.

Multi-user host or server installation

- 1 Make sure your computers are properly networked. Refer to your operating system's documentation for more information.
- 2 On the computer that acts as the host or server for your QuickBooks company file, insert the QuickBooks CD in the CD-ROM drive.

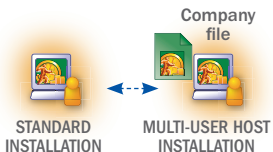
NOTE: If the installation program does not start automatically, go to My Computer, choose your disk drive and open **SETUPEXE** located on your QuickBooks CD.

Standard (single user) option

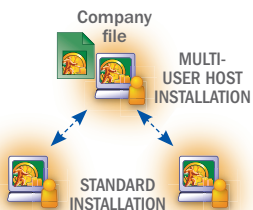


One QuickBooks user,
no network

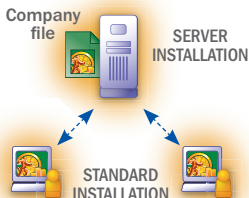
Multi-user options



One QuickBooks user, using
network hosting (home office)



Multiple QuickBooks users,
using network hosting



Multiple QuickBooks users, using
a dedicated server on a network

- 3 In the Welcome to QuickBooks Installation window, click **Expert Install**.
- 4 In the Installation Options window, click **Multi-user Host** or **Server** and then click **Install Now**.
If you're not sure which one you should choose, see the installation type diagrams at the side.
- 5 Follow the on-screen instructions.
The installation program will prevent you from overwriting a previous version of QuickBooks — you may need it later.
- 6 On the host or server computer, follow the instructions for upgrading your files from 2007 or earlier as described later.
- 7 On each additional computer that will access QuickBooks from the network, follow the instructions for a Standard installation.

What should I do with my old version of QuickBooks?



If you have QuickBooks 2007 or earlier, do not uninstall your old version of QuickBooks! You may need it to run reports on your old company file. You will also need it if you have company files that use the Multicurrency feature; for details, see **Multicurrency** in the **Important differences** section.

We recommend that you let the installation program choose where to install QuickBooks 2009. You can choose a different location if you want; QuickBooks will ensure that you do not overwrite your previous version.

Upgrading your files from 2007 or earlier

IMPORTANT: If you are upgrading from QuickBooks 2008, you do not need to read this guide. Simply open your existing company file and QuickBooks will upgrade your company information automatically.

Starting the upgrade process

- 1 In **QuickBooks 2009**, open your old company file.
- 2 When prompted to upgrade your file, enter YES and click **OK**.
- 3 Follow the on-screen instructions.
 - When prompted to back up your data, click **OK**.
 - When asked, enter the end dates of the periods for the last GST/HST/QST and PST sales tax returns that you sent to the government, if any.
 - When asked where you want to save your new company file, we recommend that you allow QuickBooks to choose the location. This puts your company file in a standard location for newer operating systems.

- If asked whether you want to automatically enter memorized transactions now or later, click **Later**.

4 When the upgrade is complete, QuickBooks creates a report about what happened during the upgrade. Read this information and take any actions that are necessary.

To see the report, go to the **Help** menu and choose **Learning Centre**, click **Key Upgrader Tasks**, then click the link next to **Results of your company file conversion**.



TIP: The Key Upgrader Tasks tab in the Learning Centre contains more information that you may find useful.

5 If you file sales tax (GST, HST, QST, or PST), there are some additional steps you must perform. It is **VERY IMPORTANT** that you perform these steps! If you do not, the amounts on your next sales tax return will be incorrect. For details, see **After you upgrade your company file (if you file sales tax)** below.

What should I do with my old company file?

Do not delete your original company file! You need it to create sales tax reports for transactions that took place before you upgraded your company file, as well as for audit or tax inspection purposes.

During the upgrade process, QuickBooks knows the location of your old company file and will prevent you from overwriting it.

After you upgrade your company file (if you file sales tax)



If you file sales tax, follow these very important additional steps after you upgrade your company file. Also note that there are further steps to perform if your company files Québec sales tax. If you do not perform these steps, the amounts on your next sales tax return will be incorrect!

IMPORTANT: If you are upgrading from QuickBooks 2008, you do not need to perform any of these steps.

The way sales tax is managed has been improved from QuickBooks 2007 and earlier. Most of these changes occur behind the scenes, so you won't have to change the way you work. However, there are some important differences that you need to know about.

Handling uncategorized sales tax amounts

Company files that are upgraded from QuickBooks 2007 or earlier may have amounts of uncategorized sales tax. These amounts are not assigned to a line on a sales tax return, so QuickBooks doesn't know how to report them when you file your sales tax. While you can file your sales tax with uncategorized amounts, we recommend you categorize them before filing.



TIP: The procedures below categorize your uncategorized tax amounts as a single “lump sum”. If you are an accountant or an advanced QuickBooks user, you can instead search for and categorize each amount individually. For more information, including details on the lump sum method below, go to quickbooks.ca/salestax

To handle uncategorized sales tax:

- 1 Create a trial balance for the date you upgraded and compare it to the trial balance from the previous version of QuickBooks. They should be the same.
- 2 Create and print Tax Agency Reports from the **Reports > Tax Reports** menu from the first day of your last unfiled sales tax period, to the date that you upgraded the company file to QuickBooks 2009. Create reports for both federal and provincial sales tax.

If you file Québec sales tax, also create reports for the “Obsolete” agency that was created when you upgraded the company file.

- 3 If the amount of uncategorized sales tax for federal or provincial sales tax is greater or less than \$0.00, you will need to make a sales tax adjustment:
 - **If the amount is positive**, you owe it to the government. Make a sales tax adjustment to assign the amount to the “GST on sales” sales tax item of your GST/HST return, the “QST on sales” item of your QST return, or the “PST on sales” item of your PST return. The amount owing will be paid when you file for the current sales tax period. For details, search the in-product help for “How do I handle uncategorized sales tax amounts?”.
 - **If the amount is negative**, the government owes it to you. Make a sales tax adjustment to assign the amount to the “GST on purchases” sales tax item of your GST/HST return, the “QST on purchases” item of your QST return, or the “PST on sales” item of your PST return (for PST, also select “Decrease Sales Tax Line”). The amount will reduce the tax you owe when you file a return for the current sales tax period. For details, search the in-product help for “How do I handle uncategorized sales tax amounts?”.

You will need to do this separately for both federal sales tax and provincial sales tax. If the amount of uncategorized tax is very large, we highly recommend that you talk to an accountant.

NOTE: After you migrate your company file, you may have multiple sales tax items with names like “GST (3) on Sales” or “PST (1) on Purchases”. For GST and PST, it does not matter which item you use for this adjustment. For QST, make sure the item reports to tax return line 203 (when categorizing a positive amount), or line 206 (when categorizing a negative amount).

What causes uncategorized sales tax amounts?

Uncategorized sales tax amounts are caused by transactions that post to a sales tax account but that do not contain tax items. For example:

- **Manually filed or unfiled transactions in past sales tax periods.** In QuickBooks 2007 and earlier, if transactions were manually filed or unfiled, it was possible for sales tax reports to show a slightly different balance owing than the actual amount due in your sales tax liability account. In the upgrade process, these small discrepancies are brought forward to the current period as an uncategorized amount.
- **A balance owing or refund due carried forward from a previous sales tax period.** If you have not yet paid the amount due from your last sales tax period or did not pay the full amount, the amount still owing will be carried forward to the current period as an uncategorized amount.
- **Transactions entered incorrectly in the current sales tax period.** If you have recently entered a transaction in a non-standard way, such as recording a sale with a sales tax amount directly in the Make Deposits window instead of using a sales receipt, the sales tax amount from the transaction appears in the report as uncategorized.

Updating memorized transactions with sales tax

If you have memorized transactions with items that use sales tax, do the following with **each** memorized transaction:

- 1** In QuickBooks 2009, open the memorized transaction. You can access them from the Memorized Transaction List (go to the **Lists** menu and click **Memorized Transaction List**, then double-click the memorized transaction).
- 2** In the body of the transaction, for each item that uses sales tax, select a different sales tax code than the one currently selected. Remember the original sales tax code!
- 3** Re-select the original sales tax code for the transaction.
- 4** Go to the **Edit** menu and click **Memorize (transaction type)**. You will be asked if you want to replace the existing memorized transaction; click **Replace**.

This tells QuickBooks to update the Memorized Transaction List with the new sales tax functionality. If you do not update a memorized transaction as described, QuickBooks may assume that the sales tax for that memorized transaction is 0.0%.

Updating your data for Québec sales tax

In QuickBooks 2007 and earlier, GST and QST were recorded in separate accounts and reported on separate returns. If your company is located in Québec, you will have two accounts labeled as “Obsolete”. You will also have an extra Tax Agency vendor that is associated with those “Obsolete” accounts (if your old version of QuickBooks did not include Payroll, this Tax Agency will also be tagged “Obsolete”). You need to follow some special steps when you upgrade your company file so that you can track GST/HST and QST in one account and file one return – the GST/HST/QST return – in QuickBooks.



TIP: For a more detailed description of these steps, go to the knowledgebase at knowledgebase.quickbooks.ca and search for the article titled “**How do I upgrade a company file if I track Québec sales tax?**”

IMPORTANT: What if my sales tax period ended recently but I didn't file in my older version before I upgraded?

If you plan to file a recently completed sales tax period in QuickBooks 2009, you may have entered transactions in your older version that occurred in the current sales tax period. If you did so, you should complete procedures A through C for each filing period:

- First, deal with the recently completed sales tax period (in this case, use the end date of the sales tax period for which you are filing as the date of the adjustments and journal entries);
- Then deal with the transactions in the current sales tax period in the same manner.

Installation (Continued)

A) Checking your sales tax agencies and accounts

At first, you will still see two sales tax accounts. The account that tracked GST/HST will now start with the word “Obsolete” and is needed only until you file for your current sales tax period. All transactions you enter in your upgraded company file track the GST and QST to GST/QST Payable.

Print Tax Agency Reports again: as of the date you upgrade your company file and the end date of your last GST/HST/QST period. Label them “post-upgrade”.

B) Moving GST/HST amounts from the obsolete account to the new combined sales tax account

You must transfer these amounts using General Journal Entries (go to the **Company** menu and click **Make General Journal Entries**). For details, search the in-product help for “Making general journal entries”.

Transferring GST collected or collectible

Make a General Journal Entry to transfer the amount of GST collected or collectible GST from your obsolete GST Payable account to your new GST Payable account. Use the date that you upgraded your company file.

The **Debit** portion of the entry should use the “Summary GST for sales” item. The **Credit** portion should use the “GST on Sales” item.

For example, if the amount of GST collected or collectible is \$32.21, your journal entry will look similar to the following:

Example:

Account	Debit	Credit	Memo	Name	Tax Item
OBSOLETE-GST Payable	32.21			Receiver General	Summary GST for sales
GST/QST Payable		32.21		Ministère du Revenu	GST on Sales
Totals	32.21	32.21			

Transferring GST input tax credits

Make a General Journal Entry to transfer the amount of GST input tax credits from your obsolete GST Payable account to your new GST Payable account. Use the date that you upgraded your company file.

The **Debit** portion of the entry should use the “Summary GST for purchases” item. The **Credit** portion should use the “GST on Purchases” item.

For example, if the amount of GST input tax is \$17.11, your journal entry will look similar to the following:

Example:

Account	Debit	Credit	Memo	Name	Tax Item
OBSOLETE-GST Payable		17.11		Receiver General	Summary GST for purchases
GST/QST Payable	17.11			Ministère du Revenu	GST on Purchases
Totals	17.11	17.11			

Checking your journal entries

Create a sales tax agency report for the obsolete agency as of today's date and confirm that the balance is now zero.

C) File for both tax agencies (at the end of your next tax period)

Once you have no uncategorized tax amounts, and you have transferred amounts from your obsolete tax account, you can use your company file as you normally would. You track tax the same way as before, with sales tax codes.

When you file your next tax return at the end of the period, you must use the File Sales Tax feature twice:

- Once for your "Obsolete" sales tax agency. Since you transferred the amounts to your new tax agency (and since QuickBooks automatically used the new tax agency from then on), the net amount on this return should be \$0.00.
- Once for your new (current) sales tax agency. Pay your tax bill or receive your refund as normal.

After this first period, if you don't use Payroll, mark the obsolete tax agency vendor as Inactive.

Important differences

This section describes important differences between QuickBooks 2007 or earlier editions and 2009. For more information on using features in QuickBooks 2009, go to the Learning Centre, located on the Help menu.

Sales tax reports for previous sales tax periods

Due to changes in how sales tax is tracked, reports for sales tax periods that were completed in your previous version of QuickBooks are not available.

If you want to view sales tax reports for past sales tax periods, open your original company file in your previous version of QuickBooks.

Piggyback sales taxes

“Piggyback” sales taxes are sales taxes that are applied to the base cost of an item or service plus the GST. Piggyback taxes are used in Québec and Prince Edward Island.

When QuickBooks upgrades your company file, it looks at your company’s home province as specified in the Company Information window. If you have custom sales tax codes that have the “piggyback” checkbox set incorrectly for your province, QuickBooks automatically does the following:

- If the company is in Québec or PEI, all custom sales tax codes are changed to piggyback taxes.
- If the company is not in Québec or PEI, all custom sales tax codes are changed to non-piggyback taxes.
- In both cases, the percentage rate of the tax code is adjusted so that the effective tax rate is the same. Assuming that your previous tax rate was correct (that is, that your old tax rate took piggyback taxes into account), you can use the same sales tax codes as before.

Tax Agencies

In QuickBooks 2009, tax agencies (such as the Canada Revenue Agency) are treated as vendors and specific information about taxes paid to them is stored in their vendor records. When you edit a tax agency vendor, you can find the sales tax information on the new Tax Agency Info tab. For example, this tab is where you specify your sales tax reporting period.

QuickBooks creates different tax agency vendor records depending on your province or the province your business is located in. For example, “Receiver General” is the federal sales tax agency you use when paying and filing GST/HST outside of Québec.

Units of Measure

The Units of Measure feature has changed from previous versions.

- QuickBooks 2009 no longer has a separate measure for “stocking” items (that is, storing items on hand for later sale). Instead, it uses the smallest base unit that can be used for purchases or sales.
- Units of Measure is now available only in QuickBooks Premier. It is not available in QuickBooks Pro.

Sales Orders

Sales Orders are now available only in QuickBooks Premier. If you have QuickBooks Pro, you can work with existing sales orders, but cannot create new ones.

Inventory Assembly items

Inventory Assembly items are now available only in QuickBooks Premier. If you have QuickBooks Pro, you can work with existing assembly items, but cannot edit them or create new ones.



TIP: To upgrade to QuickBooks Premier, which includes Units of Measure, Sales Orders, and Inventory Assembly items functionality, please contact QuickBooks Sales at 1 888 333-8580.

Multicurrency



The Multicurrency feature is not supported in this version of QuickBooks. If a company file has transactions in it that use the Multicurrency feature, this version of QuickBooks will not be able to upgrade it. You can instead upgrade to QuickBooks Premier Multicurrency Edition.

Company files with no foreign-currency transactions are not affected. If you did not enable the Multicurrency feature in a company file (or if you enabled Multicurrency, but did not create any foreign-currency transactions), you should be able to upgrade that company file.

- If you work with a file that has Multicurrency transactions, see quickbooks.ca/multicurrency for information on how to return or exchange your product.

How can I tell whether my company file used the Multicurrency feature?

To see if your company file has the Multicurrency feature turned on:

- 1 Open your company file in your previous version of QuickBooks.
- 2 Go to the **Edit** menu and click **Preferences**.
- 3 Go to the list on the left of the window and click **Accounting**.
- 4 Click the **Company Preferences** tab.
- 5 Look in the Multicurrency area on the right of the window. If the **Use multicurrency** checkbox is clear, you can upgrade this company file.

If the checkbox is selected, then Multicurrency was turned on in your company file. However, if none of your transactions used foreign currencies, you may still be able to upgrade your company file. For help on determining whether you can upgrade to QuickBooks 2009, go to the knowledgebase at **knowledgebase.quickbooks.ca** and search for “**Does my company file use Multicurrency?**”. This article will help you determine if you can upgrade to QuickBooks 2009.

Customized business forms and memorized reports

QuickBooks 2009 features changes that allow for improved business form customization and faster access to information in reports. Because of this, formatting of memorized reports and business forms from QuickBooks 2007 and earlier cannot be upgraded.

If you customized the way your business forms print, review them after you upgrade your company file. Customization does not carry forward into QuickBooks 2009, so you will need to reformat your forms using the Layout Designer.

The default forms included with QuickBooks 2009 do not need to be changed. They will work with pre-printed form paper from both QuickBooks 2009 and previous versions.



TIP: To help save time and effort working with QuickBooks 2009, we have created over 100 pre-designed templates and reports. For more detailed help on downloading these templates, go to the knowledgebase at knowledgebase.quickbooks.ca and search for “**How do I download customized templates?**”

To download from QuickBooks:

- 1** Go to the Lists menu and click **Templates**.
- 2** In the Templates window, click the **Templates** button and then click **Download Templates**.

To download from the Support website:

- Download templates and reports from quickbooks.ca/templates

Accountant's Copy

(QuickBooks Premier only) Accountant's Copy files created in QuickBooks 2007 or earlier cannot be opened as an Accountant's Copy in QuickBooks 2009. You have two options for working with Accountant's Copy from older versions:

- Open the file in your previous version of QuickBooks.
- Convert the Accountant's Copy to a regular company file. You won't be able to work on the company file at the same time as your client, and he or she will not be able to import your changes automatically.

For more details, search the in-product help for “Convert accountant's copy” and open the topic named “Convert an Accountant's Copy to a regular company file”.

Third-party applications

This version of QuickBooks 2009 is now compatible with many applications created for the US version of QuickBooks. You can purchase up-to-date plug-in applications on the web at marketplace.intuit.com

However, third-party applications that were created for previous versions of QuickBooks may not work with QuickBooks 2009. Contact the application's vendor for an upgraded version.

QuickBooks Support

For further assistance, visit the QuickBooks Support website at quickbooks.ca/support

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1 Based on aggregate retail QuickBooks sales, as sourced by NPD for periods January – December 2005, 2006 and 2007, and January – June 2008.

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