Farm Checking, Expenses & Payables (Module #3)

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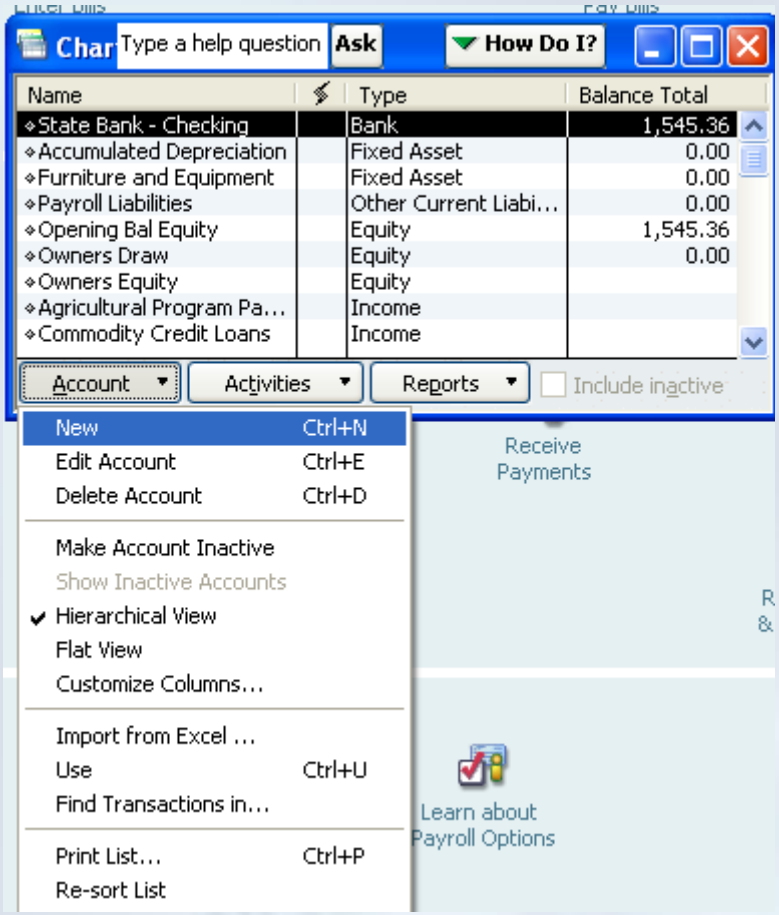
To Set Up a Bank Account

- Open Chart of Accounts window
  - Choosing Lists/Chart of Accounts
- Open the New Account dialog
  - Either "Ctrl-N" or click Account button at the bottom of screen

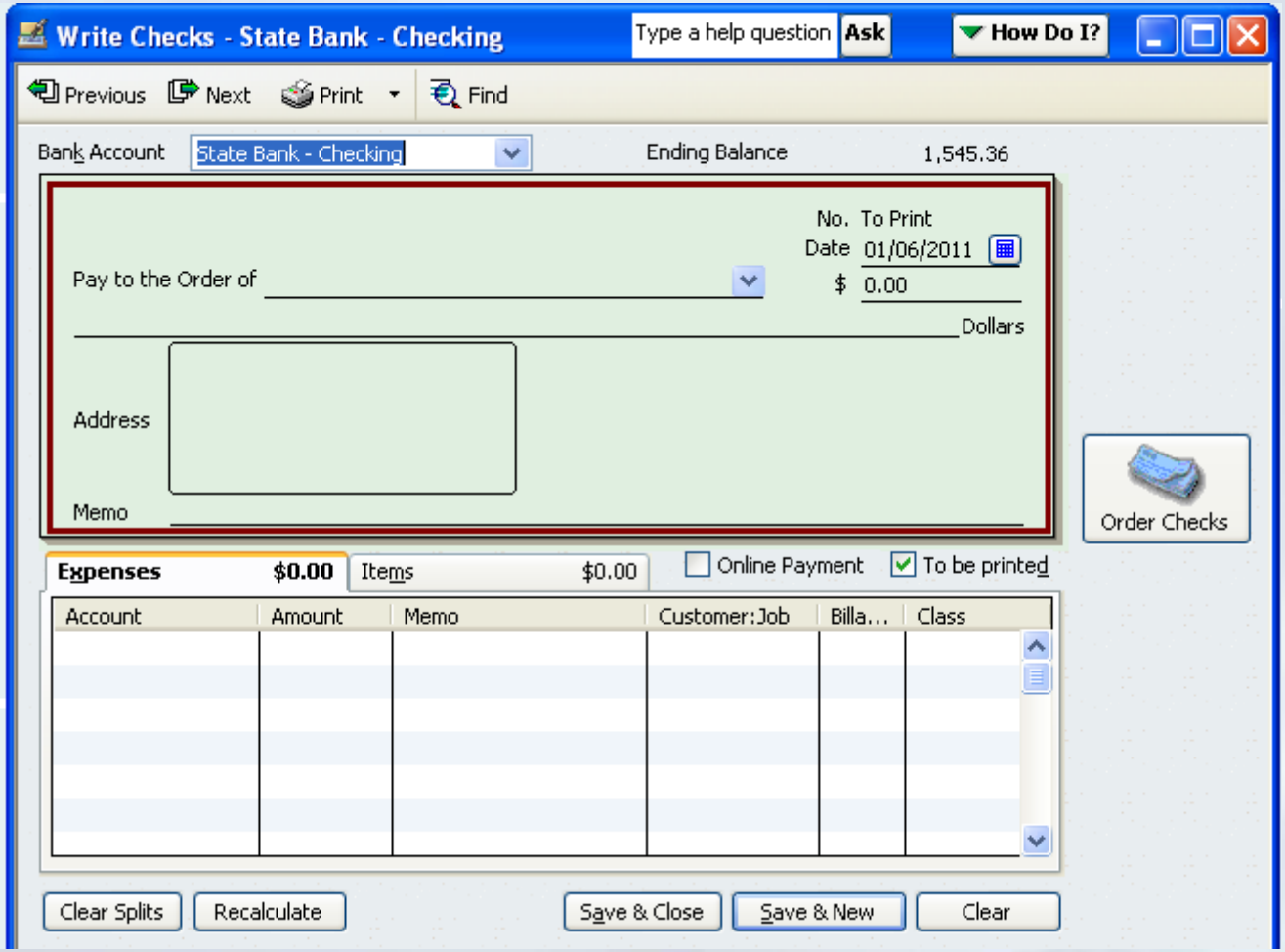


To Set Up a Bank Account

- Fill in the desired fields
  - Type – Choose Bank
  - Account Name – Ex: 1st National Bank Checking
  - Subaccount – usually not a subaccount
  - Description - optional
  - Bank No. – optional
  - Tax line – DO NOT choose a tax line
  - Opening balance – only enter a balance for a pre-existing account; otherwise, zero
- Click "Save & Close" or "Save & New" to save the account

How to Enter a Check

- From Menu Bar choose Banking/Write Checks



How to Enter a Check

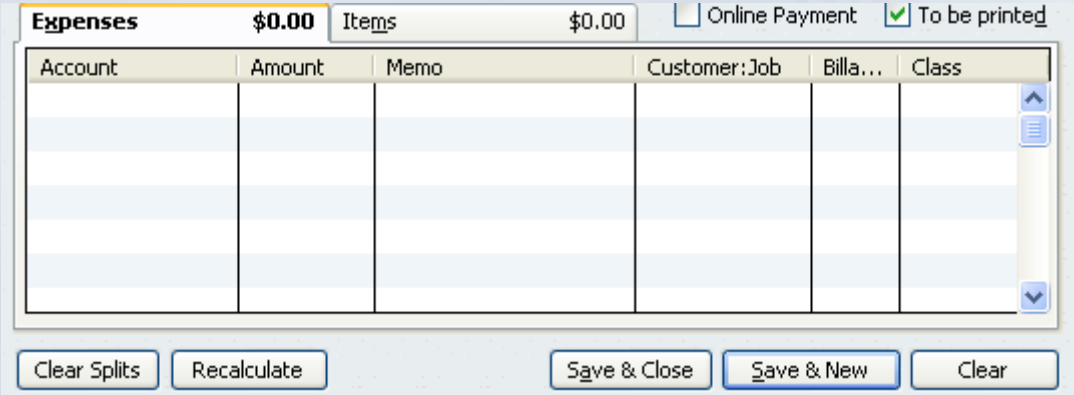
- If you use more than one bank account…
  - Color coding bank accounts can reduce errors
  - Select particular bank account and open the Write Checks window
  - From Menu Bar choose Edit/Change Account Color and select the color you want
- You may color-code any balance sheet account also
  - Same technique works for credit card accounts, loan accounts, etc.

How to Enter a Check

- Fill in the form's fields
  - Bank Account – if more than one account, be sure to select the appropriate account
  - No. (Check No.) – if recording hand written check, enter check number. <u>If QuickBooks will print check – no need to enter.</u>
  - Date
  - Pay to the Order of (payee)
  - Memo - optional
  - To be printed – place check mark in this field to mark the check for later printing by QuickBooks.

How to Enter a Check

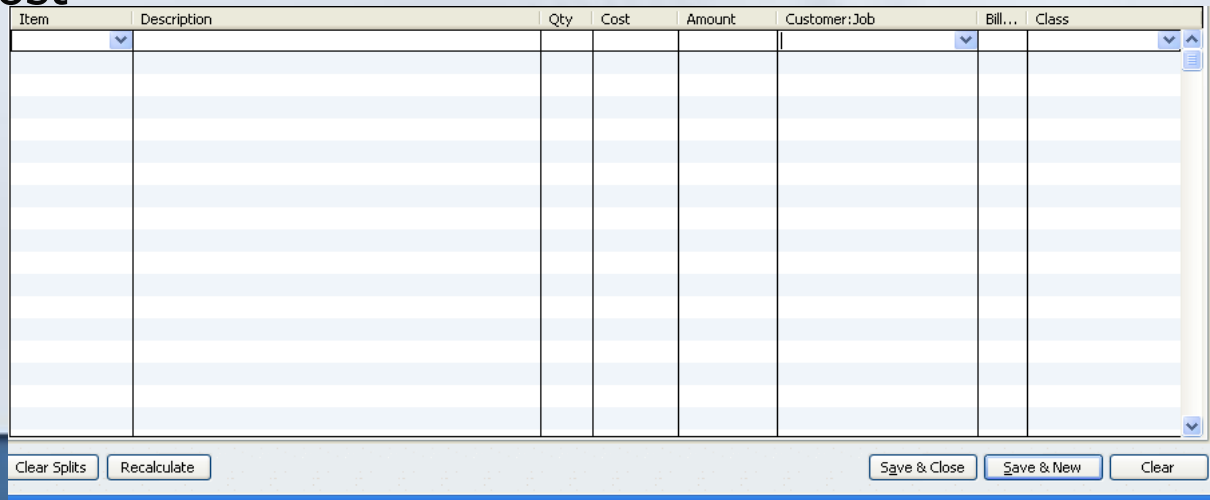
- Expense tab fields
  - Account
    - Usually an Expense account
  - Class
    - Only if you are doing enterprise accounting
    - If you don't see a Class field, you need to turn it on
      - Edit/Preferences from Menu Bar



How to Enter a Check

- Items tab field
  - Only used if tracking inventory
  - Qty (Quantity)
    - Enter purchase quantity
    - Ex: bushels, lbs., tons, etc.
  - Cost
    - May enter per unit cost of item (optional)
    - Ex: per gallon cost
  - Amount
    - Dollar amount
  - Class

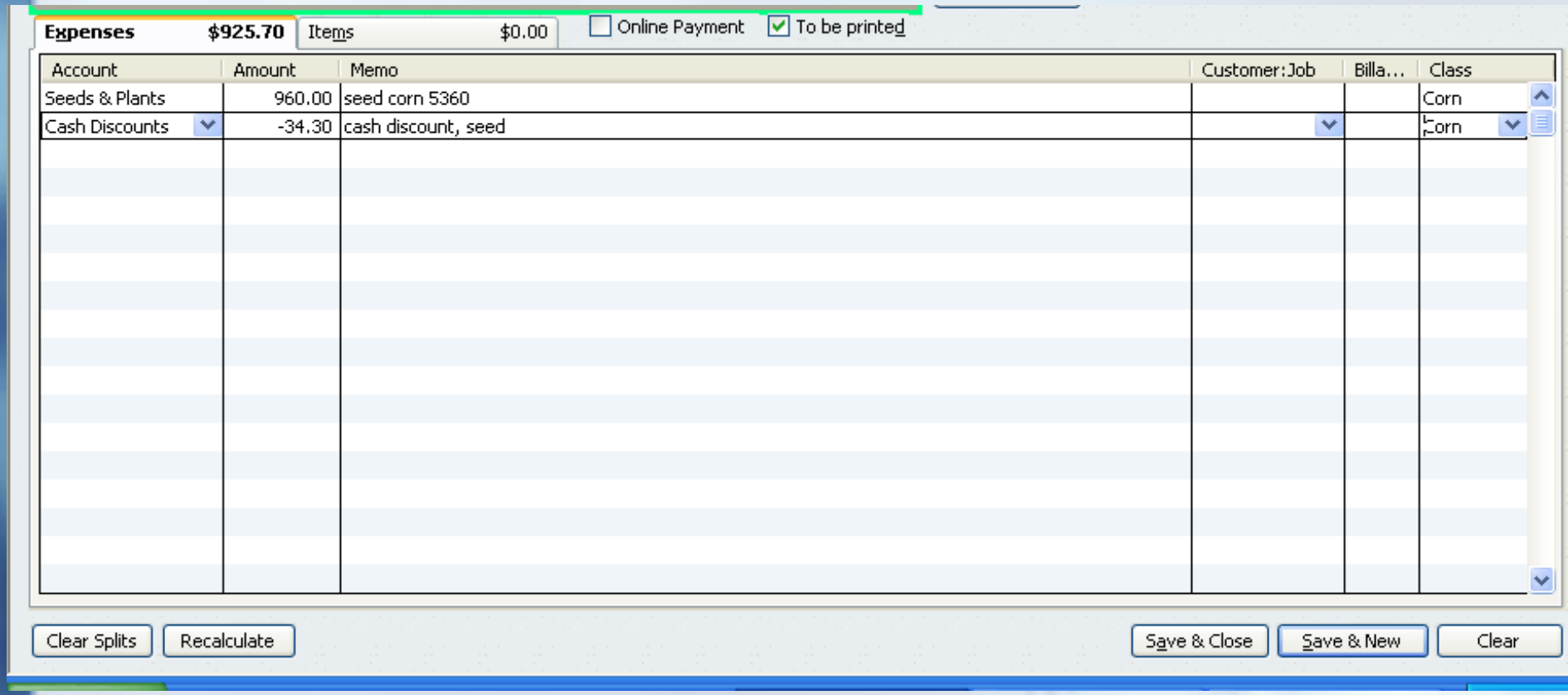
Not commonly used in most farm businesses.



How to Enter a Cash Discount on Check or Bill

- Ex: Farm supply dealer gives you a cash discount
- Enter the discount on the Expenses tab
  - Set up an income account in your Chart of Accounts (if don't already have one)
    - Ex: **Cash Discounts** or **Discounts & Rebates**
  - Click on the Expenses tab of check/bill
  - Use the Cash Discounts account on any detail line in a check/bill to record a discount

How to Enter a Cash Discount on Check or Bill

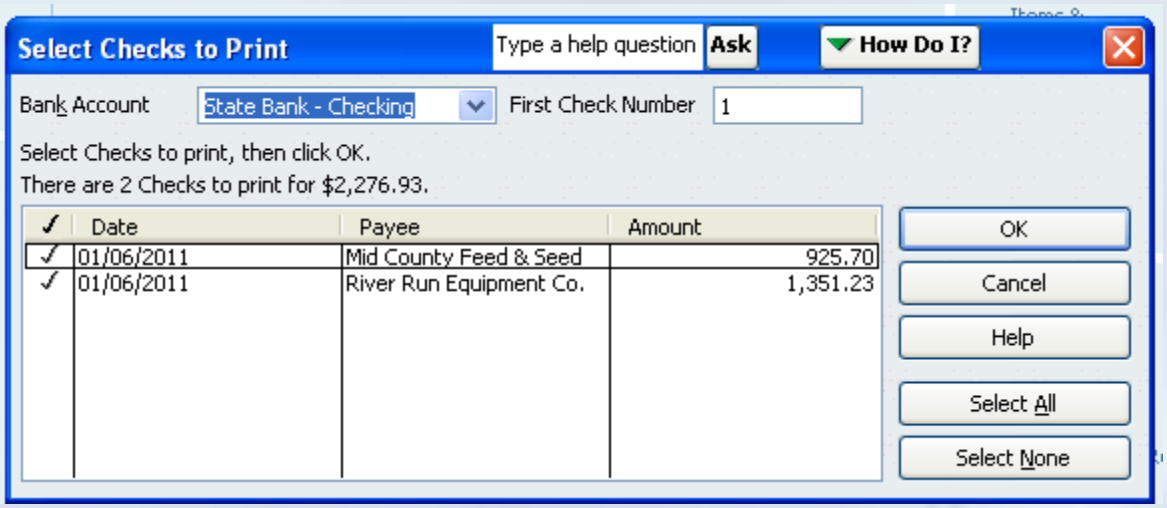


How to Print Checks One at a Time

- To print a check directly from the Write Checks window:
  - Load a check form into printer
  - Click on the Print button
    - QuickBooks will display a Print Checks window asking for the correct check number
  - Enter the correct check number, then click OK.
  - Click the appropriate fields that apply under Settings, Font, & Partial Page
    - Click on the Print button in the Printing Checks window to print the check

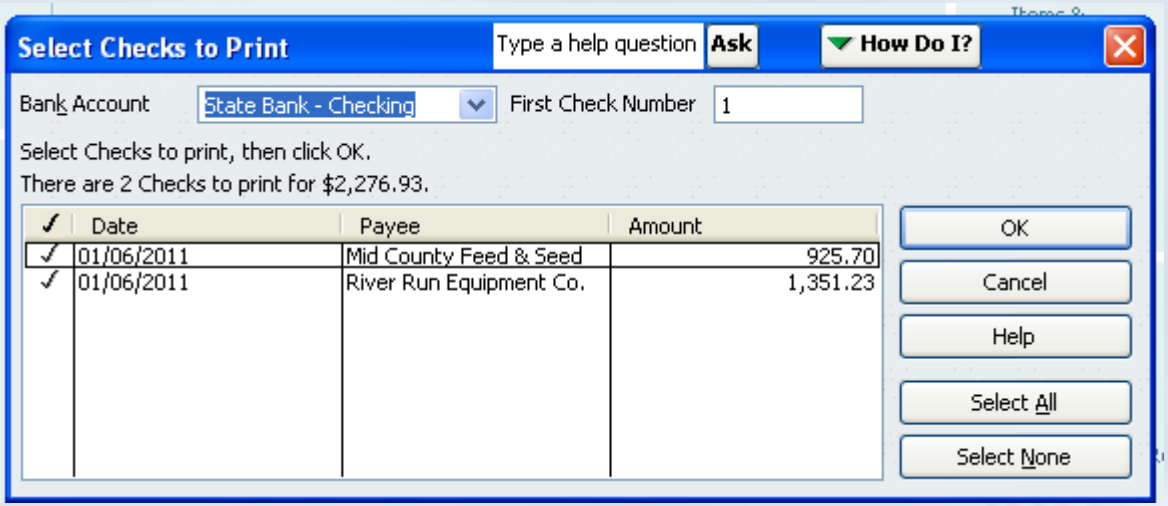
How to Print Checks in Batches

- Load check forms into your printer
- From Menu Bar choose File/Print Forms/Checks



How to Print Checks in Batches

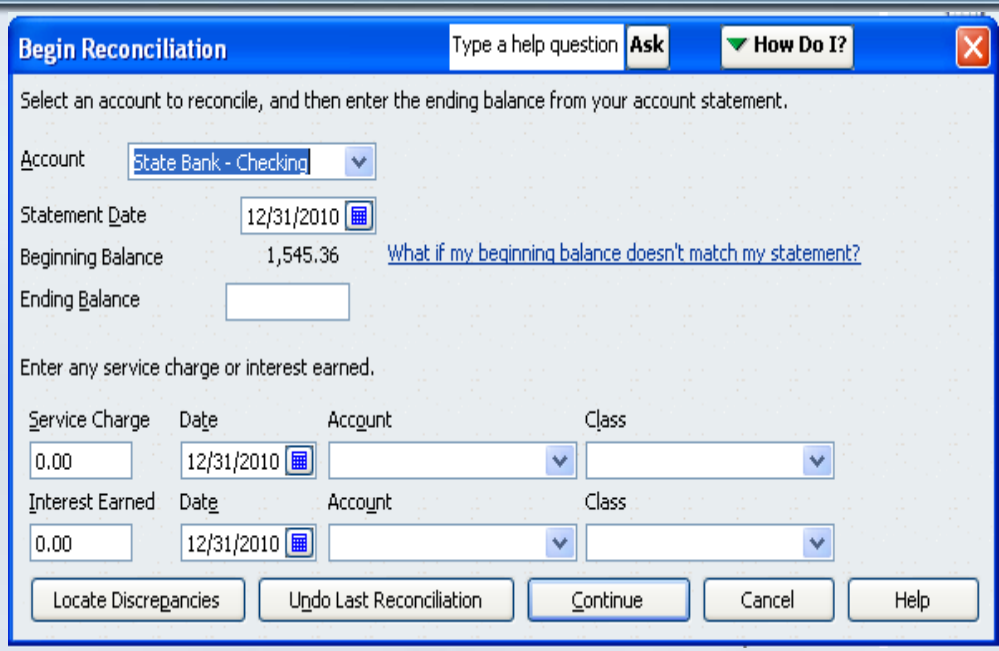
- Select the appropriate bank account, beginning check number, and the checks you want to print and click OK



- Click the appropriate fields that apply
  - Click on the Print button in the Printing Checks window to print the check

Reconciling a Bank Account

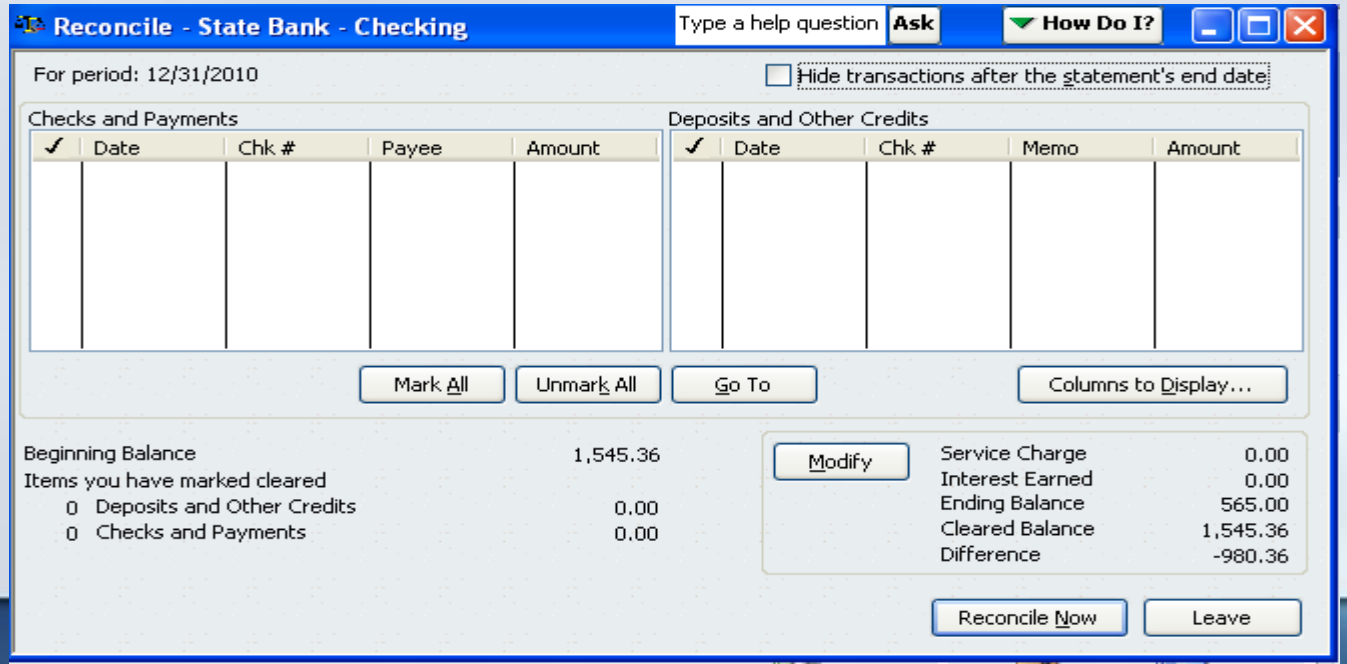
- From Menu Bar choose Banking/Reconcile
- Fill in the desired fields
  - Account
  - Statement Date
  - Beginning Balance
  - Ending Balance
  - Bank Service Charges
  - Interest Earned
- Click Continue



Some users prefer to enter service charges as checks & interest income as deposits. That is okay!

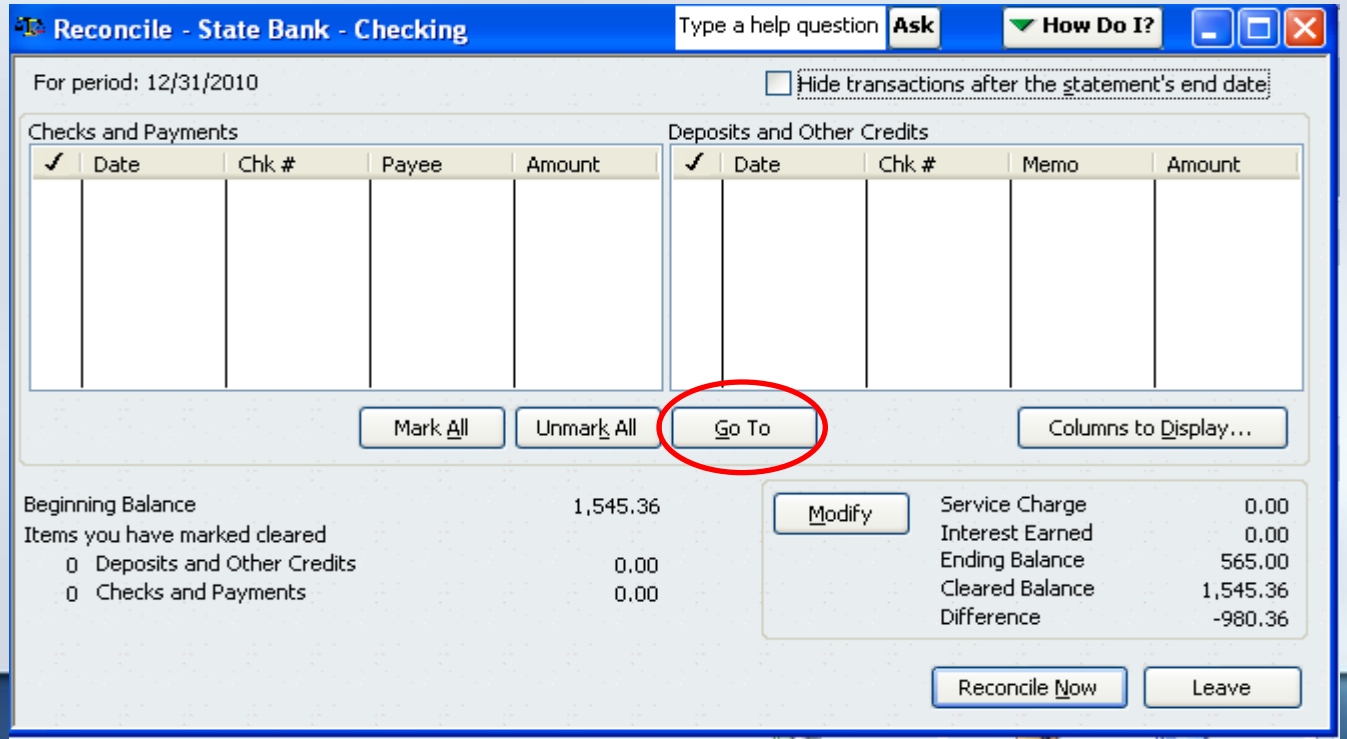
Reconciling a Bank Account

- Mark all the "cleared" transactions
- When you have finished marking "cleared" transactions
  - If the Difference is 0.00, click "Reconcile Now"
  - If the Difference is NOT 0.00, find the problem and fix it.



Reconciling a Bank Account

- An easy way to view/edit a transaction listed in the Reconcile window is to double-click it, or highlight the transaction and then click the "Go To" button

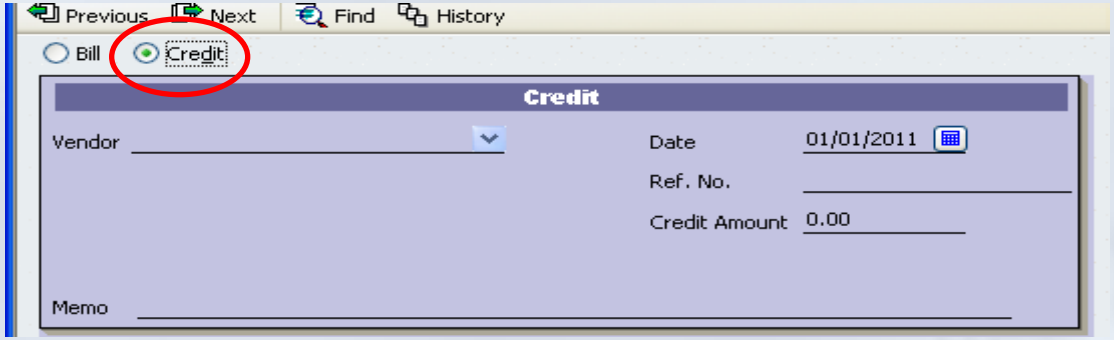


Entering Bills from Vendors

- Choose Vendors/Enter Bills
  - If the form title reads “Credit”, select the “Bill” option at the top to change the title to Bill
- Fill in the fields as desired
  - Vendor
  - Date – the date of the invoice was issued
  - Ref. Number
  - Amount Due
  - Bill Due – date when bill is due
  - Terms – select the vendor’s credit terms here
    - Ex: “net 30” for amount due in 30 days of invoice date
  - Expenses/Items tabs – works just like Check forms
- Click Save & Close

Entering & Applying Credits on Accounts (Issued by Vendor)

- Ex: You return seed to a dealer and they issue you a credit on account
  - How to enter credit on account:
    - Select Vendors/Enter Bills
      - Select Credit and follow same procedures as Entering Bills from Vendors



    - Then select Vendors/Pay Bills
    - Select (√) and highlight the Bill to which you want to apply credit
    - Click the Set Credits button

Entering & Applying Credits on Accounts (Issued by Vendor)

- Ex: You return seed to a dealer and they issue you a credit on account
  - How to enter credit on account cont.:
    - In the Credits window, select each credit that you want to use for this bill
    - If you want to use only part of a credit, change its amount in the Amt. To Use column
    - Click the Done button
    - Finish paying the bill in the Pay Bills window and click Pay Selected Bills

Handling a Refund from a Vendor (Refund Check)

- If the credit was entered in QuickBooks…
  - Deposit the refund check, selecting Accounts Payable as the account in the From Account field
    - Choose the correct vendor name in Received From field
    - In Memo field, write *refund account balance*…
  - Match the credit balance with the refund check, in the Pay Bills window
    - Open Pay Bills window and select both the refund check and the line representing the credit balance you entered earlier
    - Click OK
      - The refund will offset or "cancel out" the credit balance, and both will disappear from the list.
      - If you get a warning about using a credit memo to pay a bill, ignore it!

How to Apply Credits & Pay Bills

- Select Vendors/Pay Bills
- Select Bills to be Paid
  - In the √ column, click on the bills you want to pay and the credits you want to apply
- Under Payment Method – choose the correct payment type (check or credit card) and the correct Account

How to Apply Credits & Pay Bills

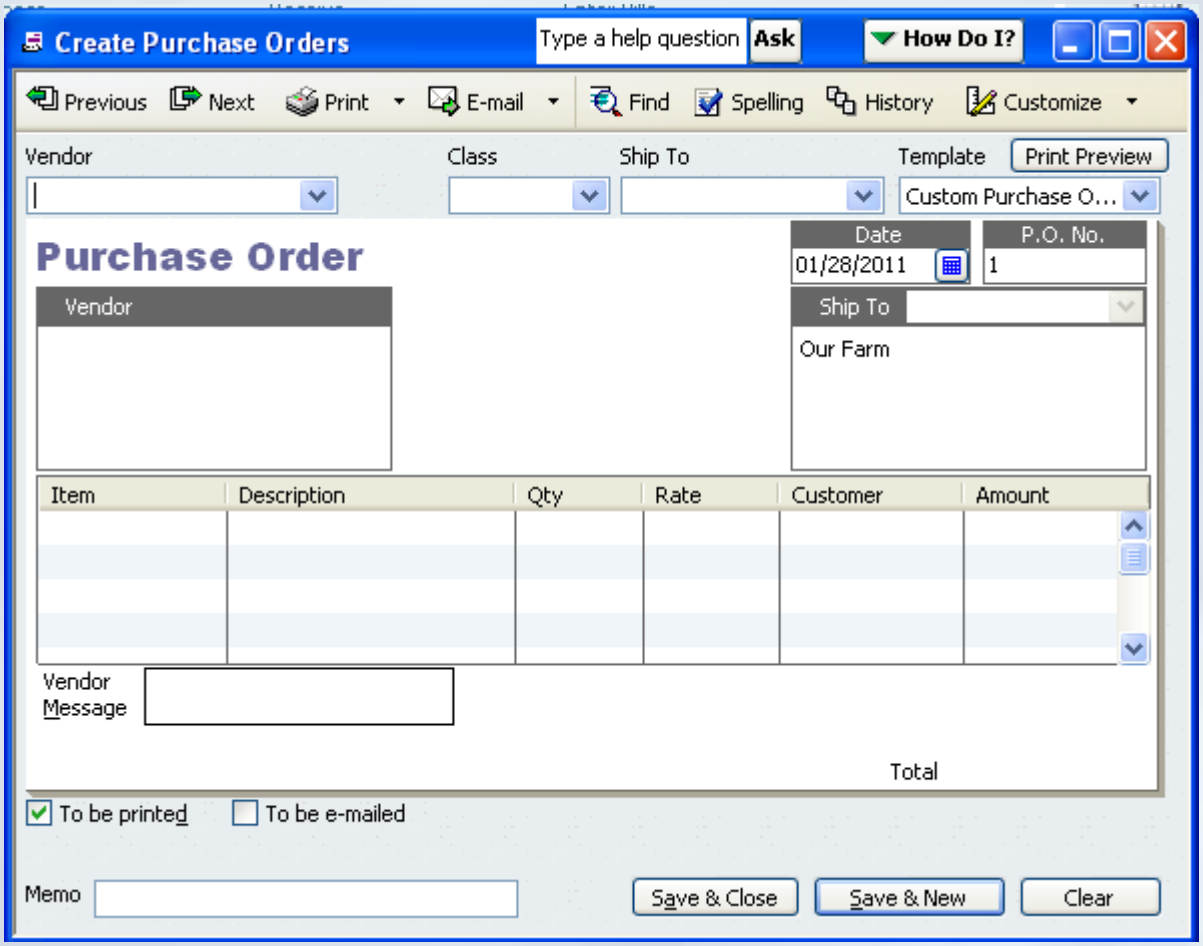
- Click Pay Selected Bills
- Prepare vendor payment(s)
  - Checks printed by QuickBooks
  - Checks written by hand
  - Credit card payments
  - Online payments
- Send payment to the vendor(s)

Using Purchase Orders (PO's) to Track Ordered Items

- Using PO's is one way to keep track of things you've ordered/booked, like seed , chemicals, or supplies, plus details like expected delivery dates and notes
- If you later enter a bill to pay for the things listed on a PO, QuickBooks can copy the detail lines from the PO to the bill, saving lots of typing

Create a Purchase Order

- Choose Vendors/Create Purchase Orders



Create a Purchase Order

- Fill in the form's fields
  - Vendor
  - Class – where appropriate
  - Item – select items in column representing the things you have on order
    - Use Description column to be specific
  - Vendor Message & Memo
    - If you won't be printing a copy of PO to send to vendor, you can use these fields to enter any notes you want to keep (delivery date, etc.)
  - Click Save & Close

Create a Purchase Order

- You can find out details about the order at any time
- After taking delivery of the item, enter a bill for it by choosing Vendors/Receive Inventory
  - Fill in desired fields and click Save & Close
- Then choose Vendors/Enter Bills Against Inventory
  - Fill in desired fields and click OK
- Finally choose Vendors/Pay Bills
  - Fill in desired fields and finish paying bills

Setting Up a Credit Card Account

- Set up a separate QuickBooks account for each credit card
- Open the Chart of Accounts window
  - Choose Lists/Chart of Accounts
- Open the New Account window
  - Either “Ctrl-N” or click the Account button at the bottom of window
- Select Credit Card as the account type

Setting Up a Credit Card Account

- Fill in the desired fields
  - Acct. Name
  - Description (optional)
  - Credit Card Acct. No. (optional)
  - Tax Line Mapping
    - Do NOT choose a tax line – mostly apply to income/expense accounts
  - Opening Balance
    - If card has unpaid balance, enter it here
    - For a new card the beginning balance is zero
  - Click “Save & Close”

How to Enter Credit Card Charges

- Choose Banking/Enter Credit Card Charges

Enter Credit Card Charges - Visa Credit Card

Type a help question | Ask | How Do I?

Previous | Next | Find | Download Card Charges

Credit Card: Visa Credit Card

Ending Balance: 2,345.67

Purchase/Charge | Refund/Credit

Credit Card Purchase/Charge

Purchased From: River Run Equipment Co.

Date: 01/07/2011

Ref No.:

Amount: 43.48

Memo:

Are you ready to pay a bill from this credit card company?

Expenses $43.48 | Items $0.00

Account	Amount	Memo	Customer:Job	Billa...	Class
Small Tools and...	43.48				

Clear Splits | Recalculate | Save & Close | Save & New | Clear

How to Enter Credit Card Charges

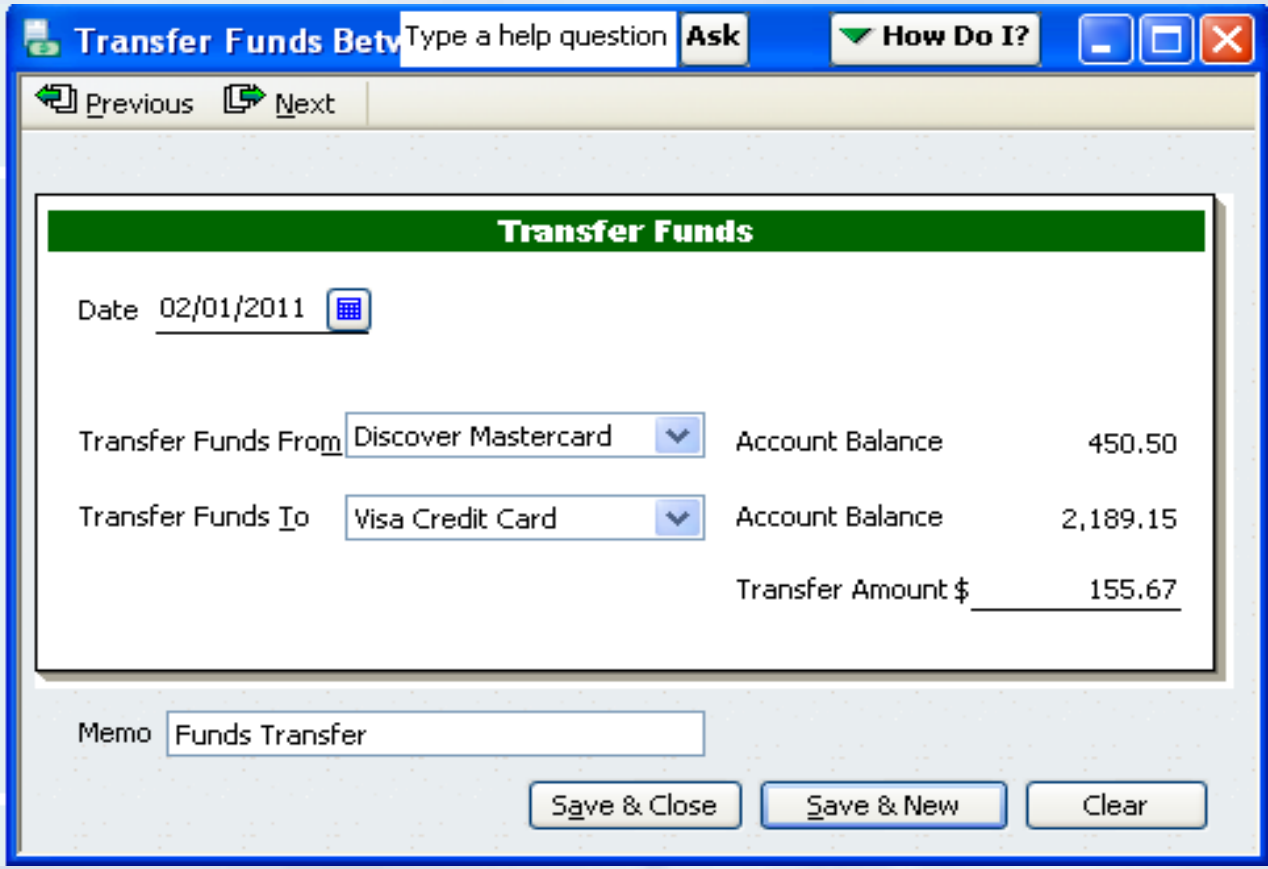
- Fill in the desired fields
  - Credit Card
    - If you have more than one, be sure to select the correct one
      - Color code them to reduce error (Edit/Change Acct. Color)
  - Select Purchase/Charge
  - Purchased From – select vendor's name
  - Date
  - Reference No. - optional
  - Amount
  - Expenses & Items Tabs
    - Works just like lower part of Checks/Bills form

Paying on a Credit Card by Check

- Choose Banking/Write Checks
- Fill in the Check form
  - Complete the fields as you would for any check, but be sure to select the credit card account in the Account field
- Print the check
- Click “Save & Close” to save the check entry
- Mail the check

Paying on a Credit Card with Another Credit Card

- Select Banking/ Transfer Funds
- Fill in the desired fields
- Click "Save & Close"



Reconciling A Credit Card Account

- Essentially the same as reconciling a checking account
- Choose Banking/Reconcile
- In the Account field, select the correct credit card account
- Compare the amount in the Opening Balance field with the opening balance shown on your statement
- Enter the ending balance

Reconciling A Credit Card Account

- Enter any Bank Service Charges or Interest Earned
- Click Continue
- Mark all of the “cleared” transactions – the ones that appear on the credit card statement
- Click Reconcile Now

Any Questions???