

Introduction to QuickBooks for Farms and Agribusinesses (Module #1)

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Why QuickBooks???

- Fairly inexpensive
- Fast & easy to use for day-to-day transactions
- Write checks
 - Automated check writing & speeds up billing process
- Reconcile bank statements
- Manage accounts payable
 - Alerts you when bills are due
- Handles payroll
- Enterprise accounting
 - Profit & Loss statements for each enterprise

Why QuickBooks???

- Export reports directly to Microsoft Excel spreadsheets
- Create letters in Microsoft Word
 - Examples:
 - Send letter to last years hay customers on current hay inventories
 - Announce livestock sale to anyone who purchased breeding stock from you in past
- Multi-user capacity

Setting Up a New QuickBooks Company

- A **Company** means a single business entity, such as a farm business, or your personal finances
- All accounting info – all transactions, chart of accounts, preferences, etc. – is stored in a single file called a company file
 - Named with a .QBW extension, such as *OURFARM.QBW*
- You can set up as many company files as you want
 - Each company will have a separate file (.QBW)

Creating Your New Company File

“*Easy Step*” Interview

Basic info to have ready ahead of time:

1. Tax ID#
2. Fiscal year
3. Type of tax form filed
4. Business structure
5. Cash vs. Accrual
6. Start date
7. Balances on bank accounts/loans/etc.

EasyStep Interview

QuickBooks
EasyStep Interview

Interview Progress

Need help setting up?

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Welcome to the QuickBooks EasyStep Interview

GET STARTED

We'll walk you through setting up the basics by asking you questions and giving you guidance along the way. In about 30 minutes you'll be ready to start using QuickBooks—customized just for you!

[Start Interview](#)

Other Options...

Have you used Quicken or Peachtree for your business?

Click Convert Data if you would like to transfer your financial information to QuickBooks.

[What happens to my converted data?](#)

[Convert Data](#)

Are you an accountant or QuickBooks expert?

Click Skip Interview to set up your company information on your own.

[Skip Interview](#)

Want help from a QuickBooks expert?

Get one-on-one advice and training from a Certified QuickBooks ProAdvisor. [Learn More](#)

Company Information

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**Company name
= Our Farm**

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Enter your company information

QuickBooks uses this information on your tax forms and forms you use to communicate with your customers and vendors.

* Company name

Legal name

The name you use on your tax and legal forms. Unless you use a DBA name, this will probably be the same as the company name. [Explain](#)

Tax ID

Your Federal Employer Identification Number (EIN) or Social Security Number. Used only on tax forms.

Street address

City State Zip

Country

U.S.

Phone Fax

Use the format you would like displayed on your forms, e.g. (555) 555-1212

E-mail address

Web site

* required field [What if I have more than one business?](#)

Leave...

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Select Your Type of Business

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Select
Agriculture,
Ranching, or
Farming

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Select your industry

Tell us your industry and we'll **customize QuickBooks** to work best for you.

You will be able to review our recommendations and change them in this interview. And, you can always **change each of these settings later**. [Explain](#)

Note: Don't see your industry? Choose an industry that is similar to yours. [Examples](#)

Select an industry from the list

Industry
Accounting or Bookkeeping
Advertising or Public Relations
Agriculture, Ranching, or Farming
Art, Writing, or Photography
Automotive Sales or Repair
Church or Religious Organization
Construction General Contractor
Construction Trades (Plumber, Electrician, HVAC, etc.)
Design, Architecture, or Engineering
Financial Services other than Accounting or Bookkeeping
Hair Salon, Beauty Salon, or Barber Shop
Information Technology (Computers, Software)
Insurance Agency or Broker
Lawn Care or Landscaping
Legal Services

If you don't see an industry similar to yours, choose Other/None.

[How does QuickBooks use my industry selection?](#)

[Leave...](#)

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Business Structure

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Select Sole
Proprietorship

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 [Get answers](#)

How is your company organized?

Your selection will help QuickBooks create the correct accounts for your business entity and assign tax form lines to those accounts.

- Sole Proprietorship**
An unincorporated business with one owner (FORM 1040)
- Partnership or LLP**
An unincorporated business owned by two or more partners (FORM 1065)
- LLC**
A formal business entity that provides limited liability to its owners
- Corporation (also known as Regular or C Corporation)**
A formal business entity with one or more shareholders. (FORM 1120)
- S Corporation**
A corporation that has elected to pass tax liability to its shareholder(s) (FORM 1120-S)
- Non-Profit**
A not-for-profit organization exempt from paying taxes (FORM 990)
- Other/None**

[Which business entity should I choose?](#)

Leave...

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Fiscal Year

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Select the first month of your fiscal year

Your fiscal year is typically the same as your income tax year. [Explain](#)

My fiscal year starts in

Select January

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Administrator Password

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Set up your administrator password (optional)

We recommend you set up a **password to protect your company file**. You will be prompted for this password whenever you open this file. It is optional to set up a password.

Administrator password

Retype password

Your password is case-sensitive.

What is an "administrator"? Entering a password here sets up the **administrator user**, who has full access to all activities and information in QuickBooks. When you are ready, you can set up **other users with more limited privileges**.

Note: You can also set up or change your administrator password later.

Optional

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Create Company File

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Create your company file

Your QuickBooks information is stored in a file called the **company file**.

Click **Next** to choose a file name and location to save your company file.

[Where should I save my company file?](#)

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Customizing Company File

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Customizing QuickBooks for your business

Next, we'll **customize QuickBooks** by turning on features **that best meet your business needs**. To do this, we'll ask you questions about:

- Your industry and what you sell
- How and when your customers pay you
- How you pay your bills



The features that appear in your custom Home page will be based on your answers.

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What Do You Sell?

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What do you sell?

- Services only**
Such as consulting, rentals, gym memberships, hair styling services, event services, construction and labor.
- Products only**
Such as lamps, fertilizer, books, hardware, tickets, insurance policies. Manufacturers and distributors should also select this option.
- Both services and products**
Such as a bicycle repair shop that sells bikes, a carpet installation company that sells carpet.

Select Products Only

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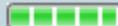
Do You Sell Online?

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Do you sell products online?

- I currently sell online.
- I don't sell online, but I may want to someday.
- I don't sell online and I am not interested in doing so.

QuickBooks will use this answer to display information about services that can help you sell your products on the Web.

Select "I don't sell online and I am not interested in doing so."

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Sales Tax???

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Do you charge sales tax?

- Yes** (recommended for your business)
- No**

Select YES

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Estimates???

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Do you want to create estimates in QuickBooks?

Some businesses refer to estimates as **quotes, bids, or proposals**.

- Yes
- No** (recommended for your business)

[Why should I use QuickBooks to create my estimates?](#)

Select NO

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Sales Receipts???

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Using sales receipts in QuickBooks

Use a **sales receipt** when your **customers pay in full** at the time of sale. This is especially common in retail businesses.

Some examples:

- A bookstore provides a sales receipt when the customer buys a book.
- A TV repair shop provides a sales receipt when a customer picks up and pays for a repaired TV.

Do you want to use sales receipts in QuickBooks?

- Yes** (recommended for your business)
- No
-

Select YES

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Billing Statements???

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Using statements in QuickBooks

Billing statements are sent to customers to list **charges accumulated over a period of time**. Statements may be sent at regular intervals, as in a monthly statement, or when a customer payment is past due.

Some examples:

- An attorney **invoices** a client for multiple services provided. If the invoice isn't paid, the attorney can then send the client a **reminder statement**.
- A gym sends each member a **monthly statement** that includes fees and any overdue payments or finance charges.

Do you want to use billing statements in QuickBooks?

Yes

No

Select NO

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Invoices???

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QuickBooks EasyStep Interview



Interview Progress

Select YES

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 [Get answers](#)

Using invoices in QuickBooks

Use an invoice when you **do not receive full payment** at the time you provide your product or service. Using invoices will help you keep track of what your customers owe you.

Some examples:

- A consultant sends an invoice to receive payment **when a project is complete**.
- A general contractor invoices the customer **at each stage** of a construction project.
- A caterer receives a **down payment** and later invoices the customer for the remaining balance.

Do you want to use invoices in QuickBooks?

- Yes
- No

Note: If you use an estimate or a sales order you must use an invoice in QuickBooks to bill a customer.

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Progress Invoicing???

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Interview Progress

[Get answers](#)

Using progress invoicing

Use progress invoicing in QuickBooks if you invoice your customers based on the progress of a project.

Some examples:

- A flooring contractor bills for **partial payment** before a job begins, when materials are delivered, and when the job is completed.
- A consultant bills at **major milestones** in a project.

Do you want to use progress invoicing?

Yes

No (recommended for your business)

Select NO

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Managing Bills

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Managing bills you owe

Knowing what money you owe—your "accounts payable"—is an important part of managing your cash flow. QuickBooks can help you manage your cash flow by:

- Knowing **which vendors** you owe money to
- Tracking **how much** money you owe
- **Reminding you** when bills are due

Do you want to keep track of bills you owe?

- Yes** (recommended for your business)
- No

[When should I track my bills in QuickBooks?](#)

Select YES

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Print Checks???

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Do you print checks?

- I print checks.
- I don't currently print checks, but I would like to.
- I don't currently print checks and I don't plan to.



Printing checks through QuickBooks helps you **save time** and keep better, more accurate records.

Select "I don't currently, but I would like to."

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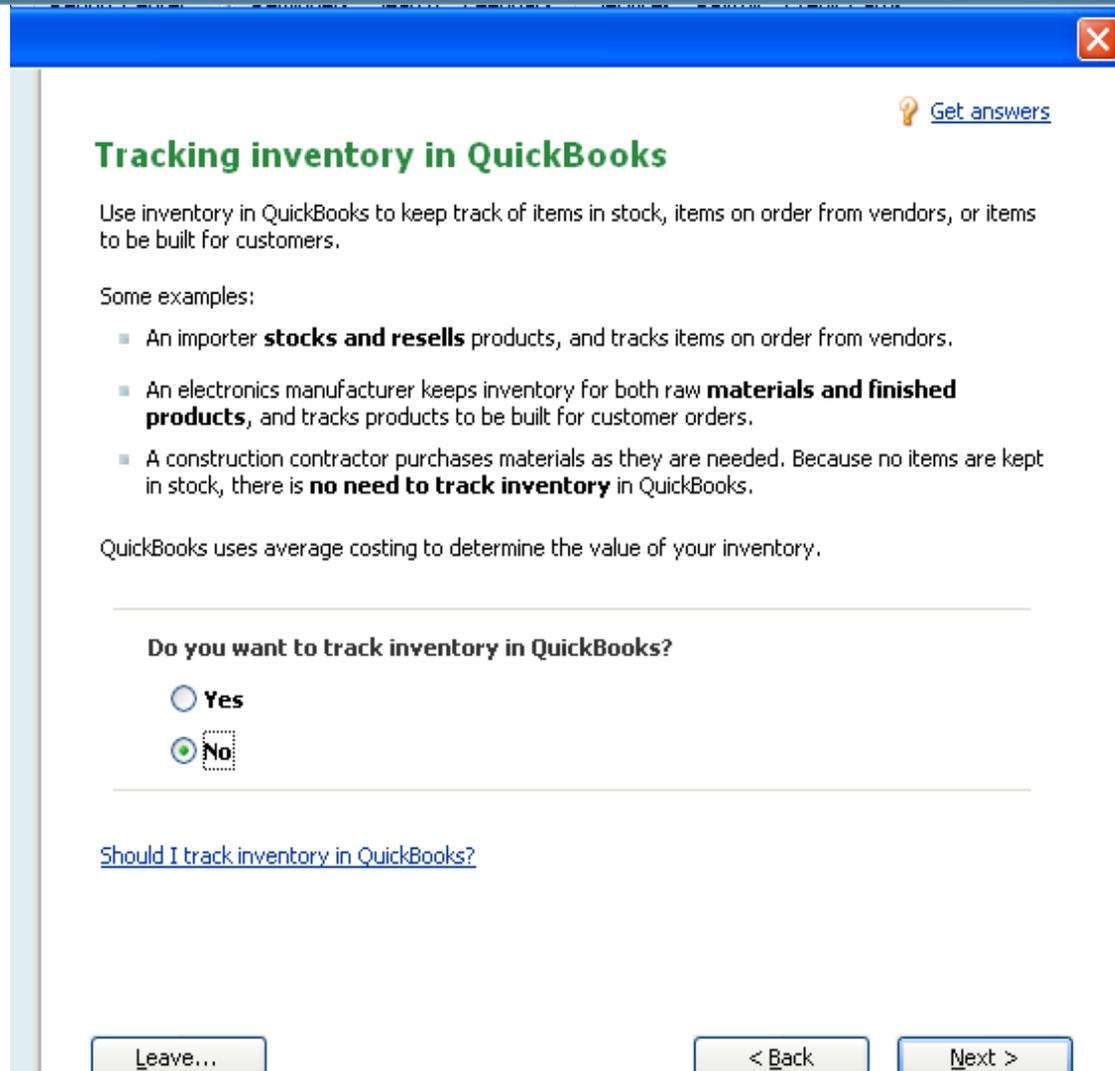
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Tracking Inventory

QuickBooks' inventory system was designed for retail businesses. It is very difficult to use for most farm inventories (stored grain, feed, & growing livestock). However, if your business involves buying and reselling things such as seed, feed, or even feeder livestock, then by all means choose YES!



The screenshot shows a software window titled "Tracking inventory in QuickBooks". At the top right, there is a "Get answers" link with a lightbulb icon. The main heading is "Tracking inventory in QuickBooks" in green. Below it, a paragraph explains that inventory tracking is used for items in stock, on order, or to be built. A section titled "Some examples:" lists three scenarios: an importer, an electronics manufacturer, and a construction contractor. A note states that QuickBooks uses average costing. A question asks "Do you want to track inventory in QuickBooks?" with radio buttons for "Yes" and "No". The "No" option is selected. At the bottom, there is a link "Should I track inventory in QuickBooks?" and three buttons: "Leave...", "< Back", and "Next >".

[Get answers](#)

Tracking inventory in QuickBooks

Use inventory in QuickBooks to keep track of items in stock, items on order from vendors, or items to be built for customers.

Some examples:

- An importer **stocks and resells** products, and tracks items on order from vendors.
- An electronics manufacturer keeps inventory for both raw **materials and finished products**, and tracks products to be built for customer orders.
- A construction contractor purchases materials as they are needed. Because no items are kept in stock, there is **no need to track inventory** in QuickBooks.

QuickBooks uses average costing to determine the value of your inventory.

Do you want to track inventory in QuickBooks?

Yes

No

[Should I track inventory in QuickBooks?](#)

Do You Accept Credit Cards?

EasyStep Interview



QuickBooks
EasyStep Interview



Interview Progress

[Get answers](#)

Do you accept credit cards?

- I accept credit cards and debit cards. [Examples](#)
- I don't currently accept credit cards, but I would like to.
- I don't currently accept credit cards and I don't plan to.



Spend your time making sales--not accounting for them. **QuickBooks Merchant Services** processes and records credit card transactions in just a few clicks.

Select "I don't currently accept credit cards, but I would like to."

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Tracking Time???

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QuickBooks
EasyStep Interview



Interview Progress

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Tracking time in QuickBooks

QuickBooks can help you track time spent by you, your partners, your employees, or your contractors, so you can:

- **Bill customers** for time spent on a project.
- **Analyze time** spent on the project for **planning and job costing**.
- **Pay hourly employees** and contractors.

Do you want to track time in QuickBooks?

- Yes
- No** (recommended for your business)

Select NO

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Employees???

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Interview Progress

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Do you have employees?

Yes

We have W-2 employees.

We have 1099 contractors.

No



QuickBooks Payroll makes your payroll hassle-free. Quickly generate paychecks and download the latest tax tables. Do payroll calculations and fill out forms automatically. (Subscription required.)

**Select YES we have W-2
employees and 1099
contractors**

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Accounts in QuickBooks

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Interview Progress

 [Get answers](#)

Using accounts in QuickBooks

Next, we'll help you set up your **Chart of Accounts**, which are categories of income, expenses and more that you'll use to track your business.

[Why is the chart of accounts important?](#)

To set up your chart of accounts, you'll need to:

- Decide on a date to use as the starting point to track your business finances in QuickBooks (e.g., beginning of fiscal year, first of this month, etc.)
- Understand how you want to categorize your business' income and expenses. (You may want to discuss this with your accountant, if you have one.)

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Start Date???

EasyStep Interview



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EasyStep Interview



Interview Progress

[Get answers](#)

Select a date to start tracking your finances

The date you select will be your **start date** in QuickBooks.

- Beginning of this fiscal year: 01/01/2011**
 - In order to complete this year's tax returns, you'll need to enter transactions from the beginning of this fiscal year to today.
- Use today's date or the first day of the quarter or month.**
 - You'll need to enter transactions from this date forward.

01/03/2011

[What date should I choose?](#)

Select Beginning of this fiscal year: 01/01/2011

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Add Bank Account???

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QuickBooks
EasyStep Interview



Interview Progress

 [Get answers](#)

Add your bank account

You should add one bank account to the QuickBooks chart of accounts for **each checking, savings, or money market account** your company has. We recommend you add at least one bank account now. You can always add more accounts in QuickBooks later.

Would you like to add an existing bank account?

Yes.

No, I'll add a bank account later.

[How can I add my bank accounts later?](#)

Select YES

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Bank Account

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**Bank Account
Name = State
Bank – Checking**

**Bank Acct. No. =
123456789**

**When did you
open this
account?
Before
01/01/2011**

 [Get answers](#)

Enter your bank account information

This information will help you identify your bank account while using QuickBooks.

* Bank account name

State Bank - Checking

Your account name or nickname, such as
"State National Bank" or "checking"

Bank account number

123456789

* When did you open this bank account?

Before 01/01/2011

On or after 01/01/2011

* required field

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 QuickBooks
ProAdvisor

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Bank Account

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QuickBooks
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Statement ending
date =
12/31/2010

Statement ending
balance =
\$25450.36

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Enter your bank statement information

 [Get answers](#)

Step 1 Find the **last bank statement** you've received with an ending date prior to **01/01/2011** (your start date).

Step 2 Enter the **ending date** of this bank statement:

* Statement ending date

12/31/2010 

Step 3 Enter the **ending balance** on this bank statement:

Statement ending balance

1545.36

* required field

Leave...

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Add More Accounts???

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Interview Progress

[Get answers](#)

Review bank accounts

Account Name	Account Number
State Bank - Checking	123456789

Your bank account(s) are shown above.

Do you want to add another bank account?

- Yes.
- No.** I'm done or will add more later.

Select NO

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Income & Expense Accounts

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Review income and expense accounts

Income and expense accounts categorize money your business earns from, or spends on, normal business operations.

✓ **Recommended accounts** for your industry are typically **all you need for income tax purposes**. [Explain](#)

✓	Account Name	Type
✓	Agricultural Program Payments	Income
✓	Commodity Credit Loans	Income
✓	Cooperative Distributions	Income
✓	Crop Insurance Proceeds	Income
✓	Crop Sales	Income
✓	Custom Hire Income	Income
✓	Farmers Market Sales	Income
✓	Fuel Tax Credits and Other Inc.	Income
✓	Livestock Sales	Income
	Rental Income	Income
	Advertising and Promotion	Expense
✓	Bank Service Charges	Expense
	Business Licenses and Permits	Expense
✓	Car and Truck Expenses	Expense
	Charitable Contributions	Expense

[Restore Recommendations](#)

[Why should I use the recommended accounts?](#)

Note: You can modify your chart of accounts anytime after completing this interview.

[Leave...](#)

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[Next >](#)

Check the following:

Farmers Market Sales
Custom Hire & Cont. Labor
Dues & Subscriptions
Equipment Rental
Feed Purchased
Health Insurance
Miscellaneous Expenses
Postage & Delivery
Taxes – Property
Veterinary, Breeding, Medicine
Proceeds from Sales of Assets

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QuickBooks EasyStep Interview



Interview Progress

 [Get answers](#)

Congratulations!

You've completed the EasyStep Interview.

Next, we'll open the **QuickBooks Learning Center**, which shows easy-to-watch tutorials.

We strongly recommend you watch at least the **overview tutorial** to get an **introduction to QuickBooks**. In just 5 minutes, you'll learn the key things you need to know to get going with QuickBooks.

Choose "Finish" and then choose "Begin using QuickBooks."



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Finish

The “Ground Rules”

- **QuickBooks menu commands** are printed in sequence, each separated from the next by a (/). For example, File/Open means to select File command from QuickBooks main menu, then the Open command from the drop-down menu.
- **Control key commands** are written like this: “Ctrl-C”, which means press the “C” key while holding down the key labeled Ctrl on the keyboard.

Navigating QuickBooks

File Edit View Lists Company Customers Vendors Employees Banking Reports Window Help Special Offers **Menu Bar** **Customize Icon Bar**

Home Customer Center Vendor Center Employee Center Report Center Reminders Search Feedback Services Payroll Credit Cards

Home **Navigation Bar** **Icon Bar** Type a help question **Ask** **How Do I?**

Centers

Vendors

Customers

Employees

Enter Bills → Pay Bills

Invoices → Receive Payments

Create Sales Receipts

Refunds & Credits

Learn about Payroll Options

Company

- Chart of Accounts
- Items & Services
- Marketing Tools

Banking

- Record Deposits
- Reconcile
- Write Checks
- Check Register
- Print Checks

Account Balances

Name	Balance
State Bank - Che...	1,545.36

Get Started

- [QuickBooks First Steps](#)
- [Customize QuickBooks](#)

Learn About Services

- [Pay your employees](#)
- [QuickBooks latest upgrade](#)
- [Order Checks & Business Cards](#)
- [Other services...](#)

Last Updated 01/03/2011 [When?](#)
You have no reminders.

Any Questions???