Design Document: QuickBooks – Wrap Up & Reports

Class Description

Learn to create, enter, and memorize journal entries, reconcile bank accounts, and run and customize reports in class six of the QuickBooks series.

**Curriculum Track**

Job & Career

**Audience**

Adult

**Course Length**

90 minutes

**Training Method**

Instructor led hands on

**Purpose**

To introduce user to the workings of QuickBooks software

Equipment Requirements

Projector and projection screen; computers with internet access for the instructor and each participant; laser pointer (recommended)

Software Requirements

Intuit QuickBooks 2015 or above

Material Requirements

Notepaper, Pens or Pencils, Activity Sheet, Handouts, Participant Surveys

**Learning Objectives**

At the end of the session, learners will be able to:

1. Understand and utilize balancing bank statements
2. Understand and run basic reports
3. Memorize Reports
4. Create journal entries

**Assessment Technique(s)**

Successful completion of class activities

Content Outline

***Agenda (5 mins.)***

* Balancing your Bank Statement to a QuickBooks Account
* Reports
  + Financial Statements
    - Balance Sheet
    - Profit/Loss
  + Accounts Receivable Report
  + Accounts Payable Report
  + Trial Balance
* Memorizing Reports (Saving them)
* Journal Entries
  + Debit side
  + Credit Side

***Topics, Talking Points, and Activities (90 mins.)***

* Balancing your Bank Statement to a QuickBooks Account
  + What is a Bank statement (See sample on Handout Pg1)
    - [Report](http://www.businessdictionary.com/definition/report.html) released (on a fixed date every [month](http://www.businessdictionary.com/definition/month.html)) by [banks](http://www.businessdictionary.com/definition/bank.html) that lists [deposits](http://www.businessdictionary.com/definition/deposit.html), withdrawals, [checks](http://www.businessdictionary.com/definition/check.html) paid, [interest](http://www.businessdictionary.com/definition/interest.html) [earned](http://www.businessdictionary.com/definition/earned.html), and [service charges](http://www.businessdictionary.com/definition/service-charge.html) or [penalties](http://www.businessdictionary.com/definition/penalty.html) [incurred](http://www.businessdictionary.com/definition/incurred.html) on an account. It shows the [cumulative effect](http://www.businessdictionary.com/definition/cumulative-effect.html) of these [transactions](http://www.businessdictionary.com/definition/transaction.html) on the [account's](http://www.businessdictionary.com/definition/account.html) [balance](http://www.businessdictionary.com/definition/balance.html), up to the date the report was prepared.
  + Demonstrate how to access and balance a bank statement with the Sample Service Based Company in QuickBooks
    - From the Home Screen, click on Reconcile in the Banking section. A new window will appear.
    - In the Begin Reconciliation box that appears, enter the following information
      1. Use the drop-down menu next to the **Account** field to select **Savings**
      2. The **Statement Date** will default to the last statement balanced.
      3. The **Beginning Balance** will default to the last statement’s Ending Balance
      4. In the **Ending Balance** box, type **$5985.50**
      5. In the Service/Interest Fields, enter the following information
         1. In the **Service Charge** box, type $2.50
         2. The date will default
         3. Use the drop-down menu next to **Account** to select **Bank Service Charges**. Leave the Class field empty
         4. In the **Interest Earned** box, type $2.50
         5. The date will default
         6. Use the drop-down menu next to **Account** to select **Interest Earned**
      6. Click on **Continue**. A new box will appear that displays the two sides of QuickBooks Reconciliation
         1. **Checks & Payments** – This includes any money going out in the form of checks, automatic withdrawals or debit transactions that you have entered into your bank account
         2. **Deposits & Other Credits** – This includes any money coming into the account through deposits or wire transfers
         3. Explain the following information being displayed in the **Reconcile-Savings** window:

The bank statement shows $2,500 on the Checks & Payments side

Clicking on the Check Mark column will clear the payment

The Deposits & Credits side shows $100

Clicking on the Check Mark column will clear the deposit

The bottom of the screen displays the following information

Service charge -2.50

Interest earned .50

Ending balance 5985.50

Cleared Balance 5985.50

Difference **0**

The Bank Statement is balanced when difference is 0

* + - 1. Click **Reconcile Now** to complete reconciliation
      2. Click on Print – to print out reconciliation reports or Display to just view report
      3. Click on the small **x** in upper right to close out of report

**ACTIVITY:** Have the participants complete **Activity #1** on the *Activity Sheet*

* Reports
  + Reports can be accessed through the toolbar on the home screen or by the Reports icon. All reports can be customized to a specific time period by changing the date.
  + Click on the Reports icon to explain this feature
    - Upon first opening reports, it will show an example of each report
    - The different categories of reports are listed on the left
      * **Company and Financial –** Reports that show how your company is doing
      * **Customers and Receivables** –These reports let you see who owes you money and how much they owe you so you can get paid
      * **Sales** – These reports group and total sales in different ways to help analyze your sales to see how you’re doing and where you make your money
      * **Jobs, Time, and Mileage** – These reports show a break down by the different jobs a company may have
      * **Vendors and Payables** – These reports show what you owe and when payments are due so you can take advantage of the time you have to pay bills but still make payments on time
      * **Employees and Payroll** – These reports help you manage employee activities and payroll
      * **Banking** - Lists all reconciliations you’ve completed and provides links to the individual reconciliation reports
      * **Accountant and Taxes** – These are reports accountants typically use to drill down into your business details and prepare your tax returns.
      * **Budgets and Forecast** – Helps in preparation of Budgets.
      * **Lists** – Allows user to run any lists (Vendor, Customer, Employees)
      * The last reports are industry specific- Contractor, Manufacturing, and nonprofit
  + Demonstrate how to run various reports:

1. Click on the **Company and Financial** section of Reports
   1. In report area, select **Profit and Loss Standard**
   2. Use the drop-down menu next to **Dates** to select **This Fiscal Quarter**
   3. Click the green **Run** button
      1. A new window will appear with the Profit and Loss report. This report shows income and expenses then Net income/Loss
   4. In the toolbar at the top of the report window, change the **From** date to **10/1** and the **To** date to **10/31**
   5. Click **Refresh** at top of screen
   6. Click on the **X** at top to close out. The report does not need to be saved.
2. Click on the **Company and Financial** section of Reports
   1. In the report area, select **Balance Sheet Standard** (Use scroll bar to find)
   2. Use the drop-down menu next to **Dates** to select **This Fiscal Year**
   3. Click the **Run** button
      1. A new window will appear with the Balance Sheet report. This report shows Assets/Liabilities and Equity for the Company
   4. In the toolbar at the top of the report window, change the **As Of** date to **7/31**
   5. Click **Refresh** at top of screen
   6. Click on the **X** at top to close out. The report does not need to be saved.
3. Click on the **Customers and Receivables** section of Reports
   1. In report area, select **A/R Aging Summary**
   2. Use the drop-down menu next to **Dates** to select **This Fiscal Year**
   3. Click the **Run** button
      1. A new window will appear with the A/R Aging Summary report. This report shows all customers that still owe money and how long they have owed.
   4. Click on the **X** at the top to close out. This report does not need to be saved.
4. Click on **Vendors and Payables** section of reports
   1. In report area, select **A/P Aging Detail**
   2. Use the drop-down menu next to **Dates** to select **This Fiscal Year**
   3. Click on the **Run** button
      1. A new window will appear with the A/P Aging Detail report. This report shows, in detail, all vendors that the company owes money to and for how long.
   4. Click on the **X** at the top to close out. This report does not need to be saved.
5. Click on the **Accountant and Taxes** section of Reports
   1. In report area, click on **Trial Balance**
   2. In **Dates** area choose This Fiscal Year
      1. A new window will appear with the Trial Balance report. This report shows balances in each one of the companies accounts
   3. Click on the **X** at the top to close out. This report does not need to be saved.

**ACTIVITY:** Have participants complete **Activity #2** on the *Activity Sheet*

* **Memorizing (Saving) Reports**
  + Demonstrate how to memorize (save) a report

1. From the Reports Center, click on the **Company and Financial** category
2. Select the **Profit and Loss Standard** report
3. Using the drop-down menu next the **Date**, select **Last Fiscal Quarter**
4. Click on **Run**
5. In the new window that appears with the Profit and Loss Standard report, do the following:
   1. At the top of the window, click the **Collapse** button on the toolbar
   2. At the top of the window, click the **Memorize** button on the toolbar
      1. In the **Name** box that appears, type **Profit and Loss – 3rd Quarter**
      2. Mark the box next to Save in Memorized Report Group and select Accountant from the drop-down menu
      3. Click on **Ok**
   3. Close out of the report by clicking the **X** in the upper right hand corner
6. In the Reports Center, click on the **Memorized** tab
   1. Select the Accountant category from the left-hand side
   2. Select the report name Profit and Loss – 3rd Quarter
   3. Click on **Run**
   4. Close out the report

**ACTIVITY:** Have participants complete **Activity #3** on the *Activity Sheet*

* Journal Entries
* QuickBooks users make journal entries when adjustments are needed.
* The **Journal** is a record that keeps accounting transactions in chronological order, i.e. as they occur. The **Ledger** is a record that keeps accounting transactions by accounts. The **Account** is a unit to record and summarize accounting transactions.
* Each journal entry must be in balance
  + Debit
    - An entry recording an amount owed, listed on the left-hand side or column of an account.
  + Credit
    - An entry that either increases a liability or equity account, or decreases an asset or expense account.
* Demonstrate how to make a journal enter with the following steps:

1. From the Home Screen, click on the Company button in the top toolbar
2. Select **Make General Journal Entries.** In the new Make Journal Entries box that appears, adjust the following information:
   1. Using the drop-down menu, change the **Date** to **12/31/19**
   2. Entry numbers will automatically number- you may change if necessary
   3. Click in the first row under the Account column
      1. Using the drop-down menu, select **Depreciation**
   4. Click in the **Debit** field and type **100.00**
   5. Click in the **Name** field and use the drop-down menu to select **Accumulated Depreciation**
   6. Click in **Credit** field and type **100.00**. The totals at the bottom of the entry will now be in balance.
   7. Click on **Save and Close**

**ACTIVITY:** Have participants complete **Activity #4** on the *Activity Sheet*

***Wrap Up/Closing (5 mins.)***

* Highlight the next QuickBooks class and topics that will be covered will be covered
* Ask if there are questions and answer any that were “parked” during the session
* Thank participants for coming and ask them to complete the class survey before leaving