

Absolute Business Solutions, Inc.

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September 2004



A Certified QuickBooks ProAdvisorSM



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This newsletter is intended to educate QuickBooks users. I will update all subscribers with news from Intuit. I am hoping for a monthly issue, time and content permitting. An archive will be added to my web site at www.absolutebusinesssolutions.us.

Tips and Tricks

To close all open windows in QuickBooks quickly, go to the Windows menu, and Close all.

Use the history button within Invoices, bills and checks to see the related payments and credits.

Use the Reminders View on the Company Navigator to keep up on cash you need to collect and bills that are due. Turn on Reminders in Edit, Preferences, Reminders, click "Show reminders when opening a company file"

IN LISTS

To sort any column in a LIST such as the customer list, vendor list, account list, item list, etc., click the gray column heading at the top of the list. Your list will instantly be resorted to whichever heading you want to see.

Cash Basis Reporting in QuickBooks

by Cheryl Wehofer, Absolute Business Solutions

The cash basis method of reporting recognizes income when a payment is received and expenses when a payment is made. The accrual basis method recognizes the income and expense when the product ships or a service is rendered, regardless of when the cash changes hands.

To see which method you are using in QuickBooks, go to Edit>Preferences>Reports. Check with your accountant for their recommendation on the reporting method you use. The software can easily be switched back and forth.

Take caution when booking certain transactions using QuickBooks financial software inaccurate sales reporting will occur. One transaction that will result in inaccurate reporting is when a payment is received on a customer account, but not applied to a specific invoice. Another example is when a credit memo is issued and not applied to an original invoice. Credits on account must be applied to the related invoices to recognize the sale as income in a cash basis company.

If the sales tax is paid on a cash basis, it will also be inaccurate if a payment or credit memo is not applied within the customer account. The invoice is not considered paid, and will not appear in the sales tax liability report.

To insure your sales/income are recording properly in your sales and tax liability reports, run an open invoices report to identify any unapplied credits or payments. Apply the credits through the

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Ctrl + N to create a new list item or name

Ctrl + E to edit an existing list item or name

Ctrl + D will delete if there is no activity or it will make inactive with activity

Click Ctrl + Q on any item or name list to open a QuickReport

Receive Payments process. Enter the customer name and date of the credit. Do not enter an amount in the top of the form, since you are not making an actual deposit. Highlight the invoice you are clearing, click the Set Credits button and save. Clear all credits this way and rerun the open invoices report to be sure they are all clear.

Now proceed with your period end Sales, Profit and Loss and Sales Tax Liability Reports.

For more information on QuickBooks software, credit and collections or training and support, call Cheryl Wehofer at Absolute Business Solutions, Inc. in Hoffman Estates, IL, 847-781-0000.

• **Business Service Resources**

Folisi Samz & Company
Accounting and Tax Planning
John Lackinger, CPA
847-843-8770

LaSalle Bank ABN AMRO
Banking & Commercial Lending
Maria Alvarado, VP
847-605-0100

CheckMate
Payroll & H/R Services
Joyce Catozza
312-782-7878

Concierge For You
Personal Assistant Specialist
Kathy Heppner
847-705-3355

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All listings come with a personal recommendation from Absolute Business Solutions, Inc.

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This policy was created on March 25, 2004.

