# ProAdvisor Training Day I

**Accounting**Cycle

**Table of Contents**

# Part I Company File Setup

## Objectives

Every company and industry has unique needs when it comes to their accounting software. In this part you will learn:

- ❏ Express Setup
- ❏ Advanced Setup
- ❏ File Types
- ❏ New Feature 2013! Create company file from an existing file

## Express Setup

1. Most common method to setup client files
2. Fastest way to get going
3. Creates a company file for you

To create file using the Express setup:

1. Go to File
2. Click New Company
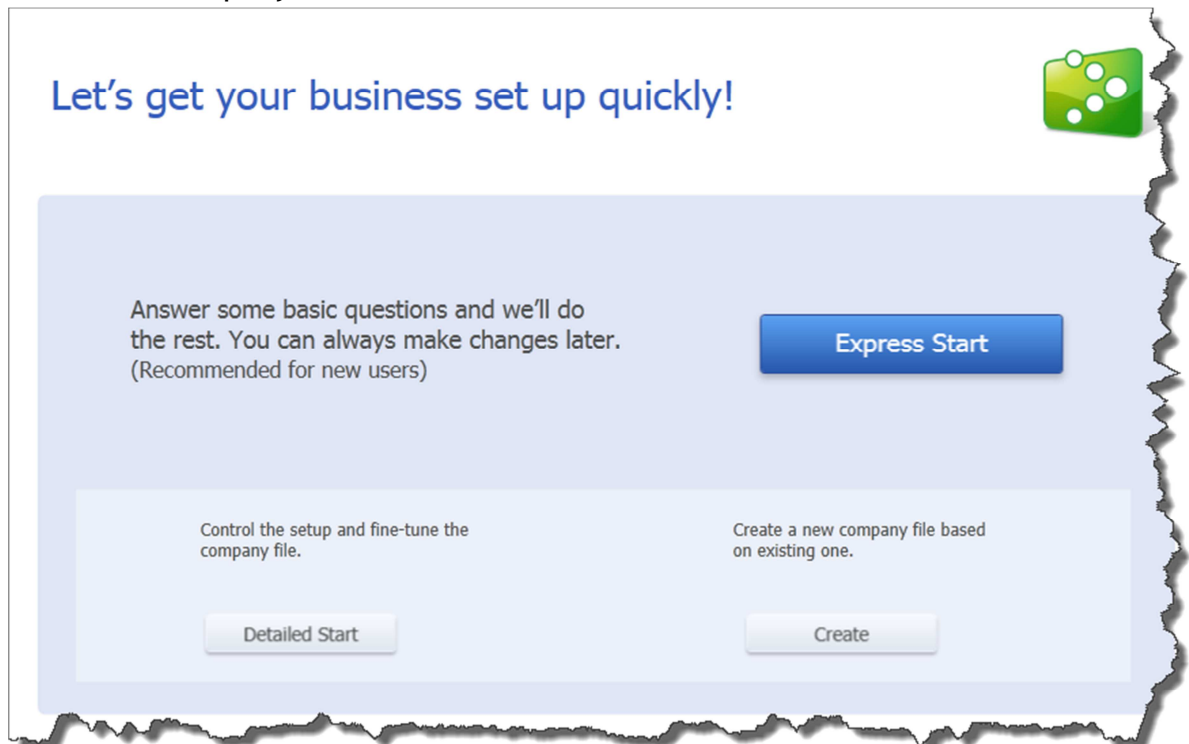
1. Complete the information fields about your business including, **Company Name, Industry, Company Type** and you can enter your **CRA Business Number** in the appropriate fields. Click Continue.

## Tell us about your business

Enter the essentials so we can create a company file that's just right for your business.

| ① Tell us | ② Contact info | ③ Add info | → Start working |

| * Company Name | Big Bash Events |
| | We'll use this on your invoices and reports, and to name your company file. |
| * Industry | Restaurant, Caterer, or Bar    Help me choose |
| | We'll use this to create accounts common for your industry. |
| * Company Type | Corporation ▼    Help me choose |
| | We'll use this to select the right tax settings for your business. |
| CRA Business Number | [      ]    RT  1234    ❓ |
| | Assigned by Canada Revenue Agency. |

2. Enter your contact information in this window. The only required field is the **Province.** QuickBooks uses the province field to determine your sales tax setup. This information can be edited after you have completed the company setup.

3. Before you create your company file, click **Preview Your Settings** to review your company file setup. A window with three tabs displays. Each of these tabs lets you manage information about your QuickBooks setup. Review the Features Selected to see what QuickBooks features have been enabled in your company file. If the Features Selected are not appropriate for your business, you can turn these features on or off later in the QuickBooks preferences.
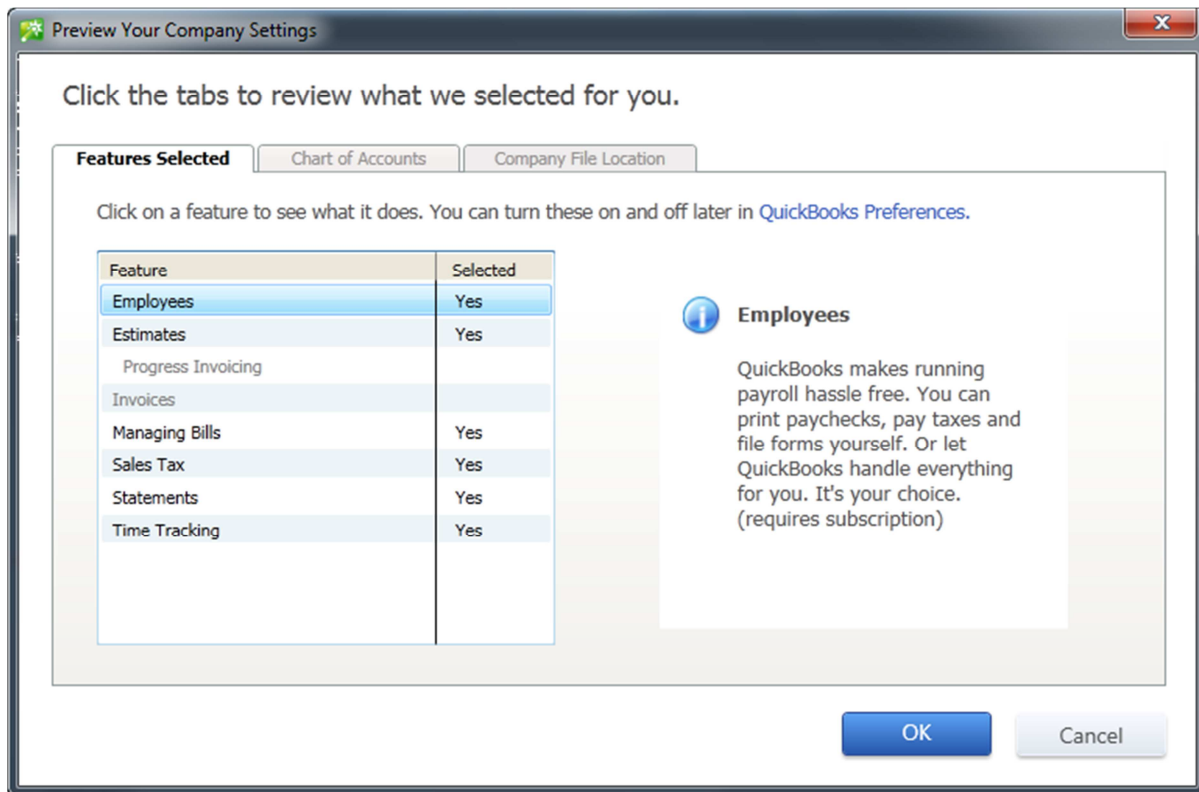
4. Click the Chart of Accounts tab to edit the accounts QuickBooks has selected for you. Edit the accounts for your client file as needed.
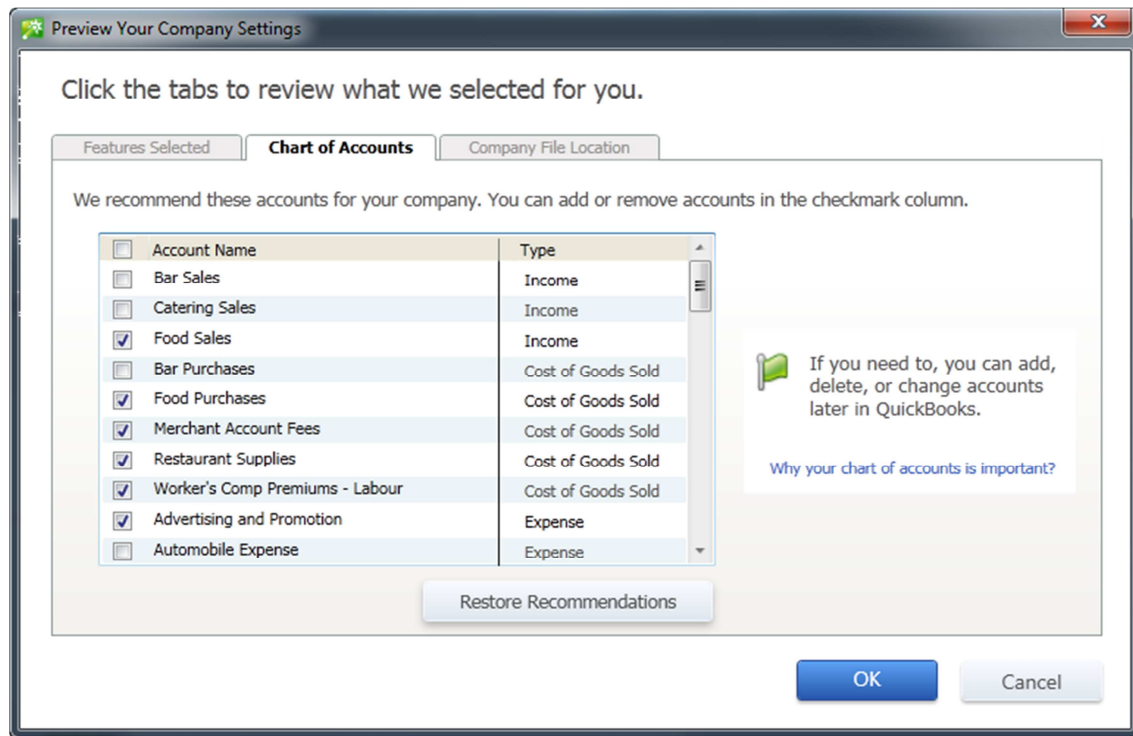


5. Click the **Company File Location** tab to complete the preview. Choose the location in your computer or network, where you will store your QuickBooks company file. Click **OK.**
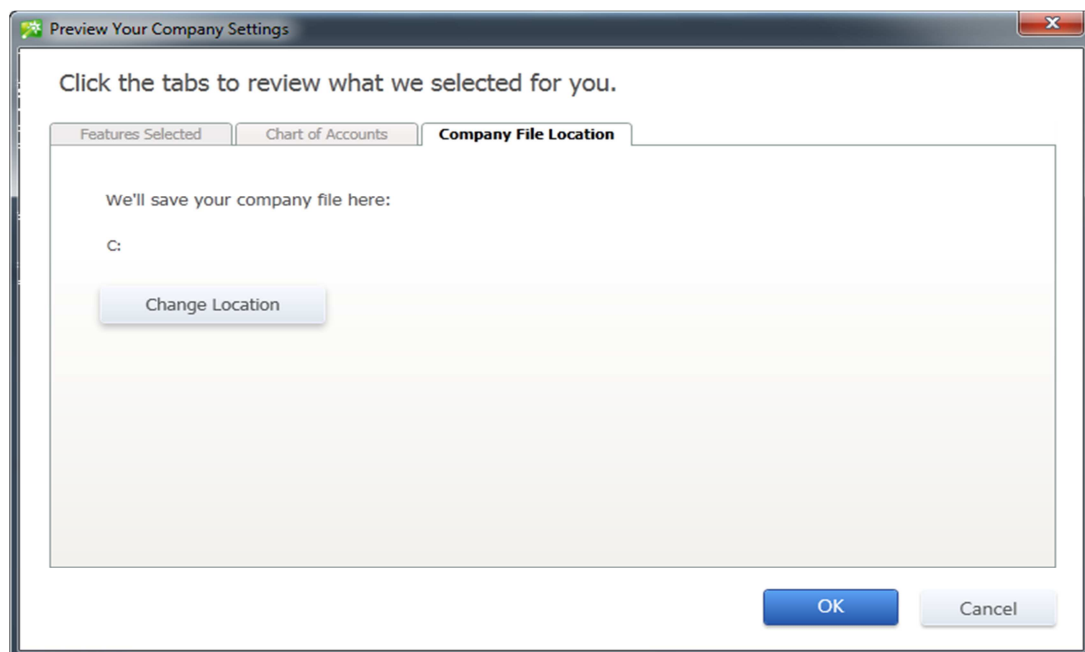
6. Now you can add information to your QuickBooks file by importing from other software applications or by copying and pasting information from other data sources. You can add Customers, Vendors, Employees, Accounts, Products and Services (you can add services and non-inventory parts)

**You've got a company file! Now add your info.**

Get your critical info into QuickBooks so you can start working.

Got 90 seconds? See how easy it is.

1 ——— 2 ——— 3 → Start working
Tell us     Contact info     Add info

**Add the people you do business with**

**Why do this?** Import or enter your contacts so you can bill your customers, pay your vendors, and track your employees. See how it works (2:13)

[ Add ]

**Add the products and services you sell**

**Why do this?** So your customers know what they're getting billed for when you send invoices or receipts. See how it works (1:45)

[ Add ]

**Add your bank accounts**

You've added 1 bank account

[ Add More ]

No data to enter right now? No problem. You can always add it later.

[ Start Working ]

## Detailed Start

The detailed start lets you walk through a series of questions about the business and QuickBooks sets up the company according to your answers and bases the company setup on your business. The advantages are:

- Choose chart of accounts
- Choose transactions
- Enable preferences and customize QuickBooks for your client needs

## New Feature 2013 Create Company File from an Existing File

This new feature is available in Pro, Premier and Accountant Edition. You can create a new QuickBooks file from an existing one. This is the best practice for you as ProAdvisor. The advantages are:

- Create a file template
- Efficient with no individual setup required
- Consistent setup across all clients

To use this feature:

1. Click File
2. Choose New Company from existing company file.
3. Choose file as a template
4. Enter new company file name
5. Choose location to save new file
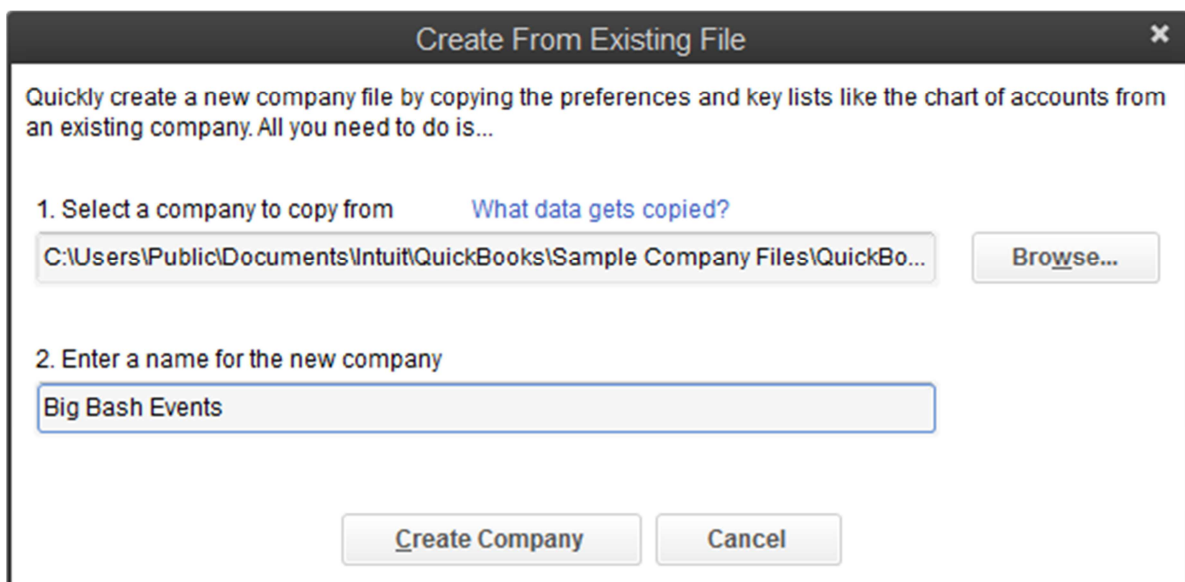
The new file will contain:

- Chart of Accounts (except for bank and credit cards)
- Preferences
- Memorized reports
- Sales Tax information

** It does not copy sensitive information like Business number or payroll information

## Add/Edit Multiple List Entries

QuickBooks expanded its capacity in this version to let you copy and paste information from other sources of data, directly into QuickBooks.
This feature helps you setup QuickBooks faster and more efficiently and add list items at anytime without entering them one at a time. To add multiple list items,

1. Go to **Lists**
2. Click **Add/Edit Multiple List Entries.** A window similar to a spreadsheet displays.
3. Click the **Lists** down arrow, and choose the list.
4. Customize which columns you want to display
5. Copy and Paste the information into the appropriate columns in the QuickBooks window.
6. Click **Save Changes**. QuickBooks tells you how many records have been saved.
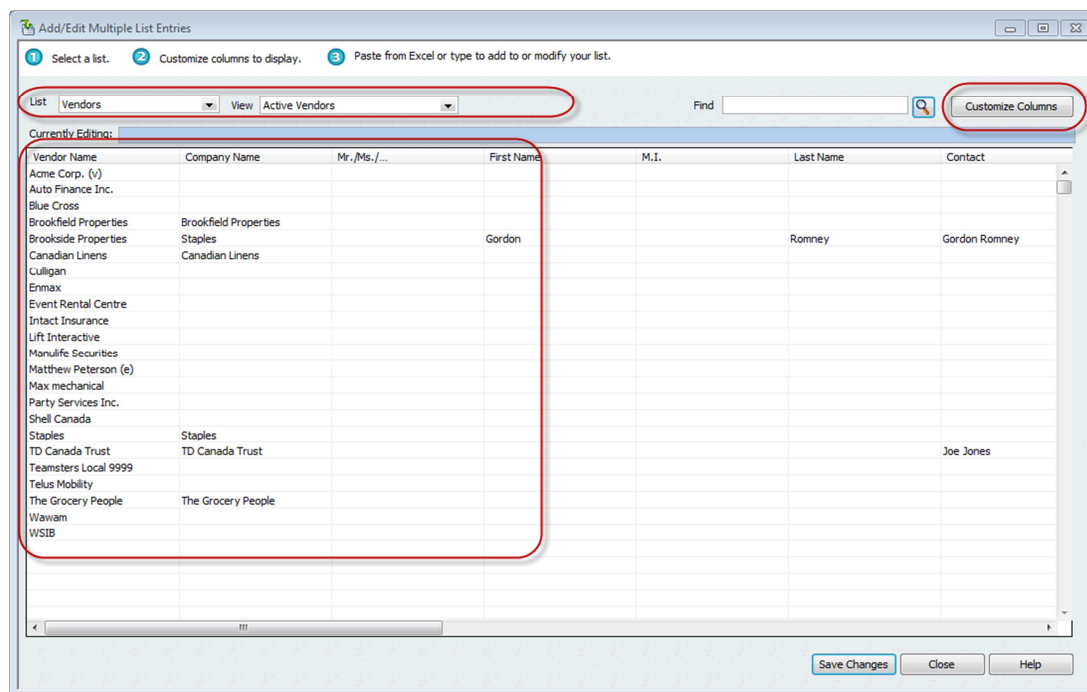
# Part II Company Information & Preferences

## Objectives

After you setup you client files you should setup Company Information and the preferences. In this section you will learn:

❑   Editing Company Information
❑   10 Preferences to help you and your client

## Company Information

When you setup QuickBooks for the first time you will enter your company information. The **Company Information** includes contact information, report information and other tax information. This information can be updated or edited at any time even after you have completed the company setup. To edit the **Company Information:**

1. From the **Company** Menu, select **Company Information.**
2. Update the information as needed.
3. Click **OK.**

# 10 Preferences for file Setup

Preferences let you customize the file for your client's use. Company preferences are edited by the Admin and the My preferences are edited by the individual user.

Here are 10 best practices preferences:

1. Accounting - Use account numbers
2. Accounting - Warn when posting to Retained Earnings
3. Accounting - Closing Date & Password
4. Bills – Bills are due XX days after…
5. Chequing – Select default accounts
6. Desktop View – enable or disable features
7. General – Auto recall transactions
8. Payments – Use undeposited funds
9. Reports & Graphs – refresh automatically
10. Search – update automatically

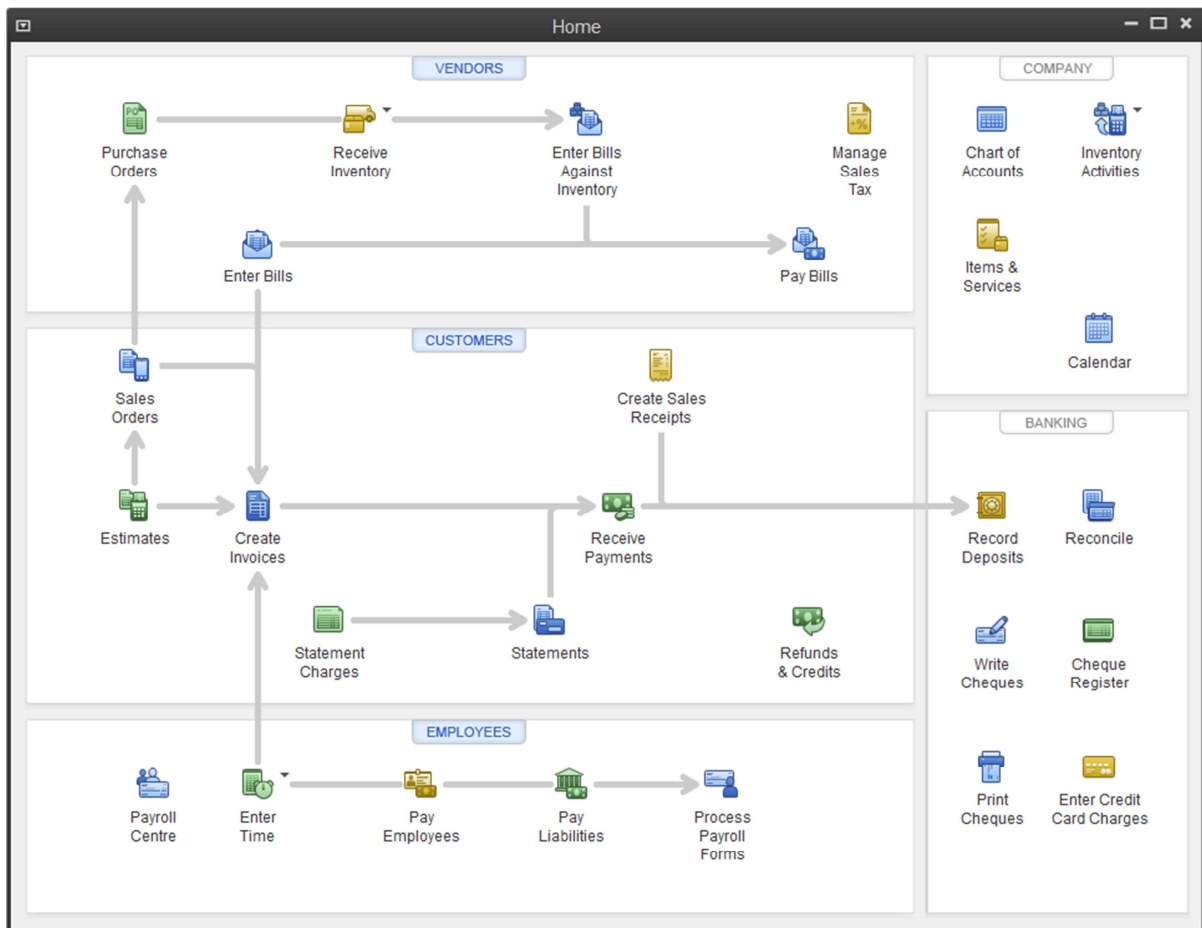# Part III QuickBooks Navigation

## The Home Page

The Home page is the first window that displays when you open QuickBooks. The Home page provides the big picture of how your essential business tasks fit together and flow to make your accounting in QuickBooks easy.

There are five sections on the home page. They are:

1.  Vendors
2.  Customer
3.  Employees
4.  Company
5.  Banking



**Note the following:**

1. Click any of the icons from the homepage and the transaction, list, or function you click displays.
2. The arrows on the home page reflect the workflows in your business and in your accounting process. To best use QuickBooks you should follow these workflows.
3. Keep track of Account Balances in the right hand pane of the window.

## Menu Bar

You can easily access all of QuickBooks' tasks, features and reporting functions by selecting them from the Menu Bar. The menu bar provides access to all areas of QuickBooks. To select a task, feature or report, first click on a menu and then select an item from the submenu.

**File**– This menu option contains anything related to your QuickBooks file such as opening, exiting, and backing up QuickBooks. It also allows you to print and even save transactions and report as .pdf files.

**Edit** – The Edit menu option allows you to edit transactions that are open in your active window. The editing options include cut, copy, paste, delete, memorize etc. It also contains the Preferences option which is discussed in a subsequent chapter.

**Lists** – The Lists menu contains all of the lists in QuickBooks with the exception of the Customer and Vendor lists which are contained in their respective centres.

**Company** – This menu contains information about your company like company information, setting up users and other items.

**Favorites –** New in 2012 this menu allows you to put other menu choices under it for a custom menu.

**Sales Tax** – This menu allows you to setup and manage all provincial taxes and GST.

**Customer, Vendors, Employees Menus** – These menu items contains transactions and setup options for all.

**Banking** – This list contains banking transactions and everything bank related.

**Reports** – This menu contains the list of default reports in QuickBooks sorted by category.

**Online Services** – This menu contains a link to a service for small businesses that allows them to create simple business websites.

**Window** – This menu allows you to control the view of QuickBooks.

**Help** – This contains not only Help options but useful tools for registering QuickBooks and keeping QuickBooks up to date.

## Keyboard Shortcuts

If you prefer using keyboard shortcuts, rather than using your mouse to navigate QuickBooks, there are many shortcuts that will help you be more efficient when using QuickBooks. Please see the last page of this workbook to find a list of QuickBooks shortcuts.

Some common shortcuts include the following:

**CTRL + A** displays the **Chart of Accounts**
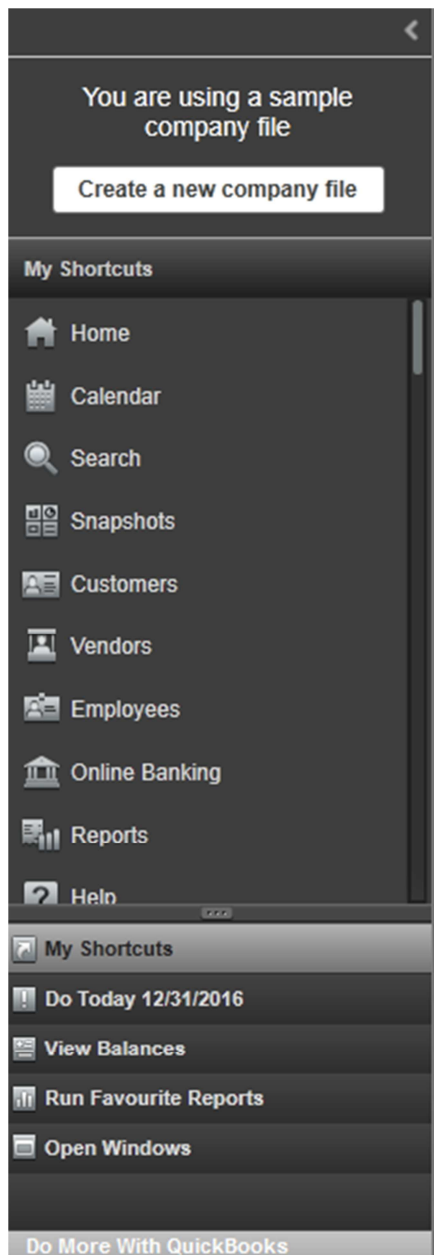
**CTRL + W** displays the **Write Cheques** window

**CTRL + I** displays the **Create Invoices** window

**ESC** closes windows open in QuickBooks

## Icon Bar

New look in QuickBooks 2013 displays the Icon bar on the top or on the left hand side. This can be edited using the View menu.

## Accountant Centre

This new feature in QuickBooks 2013 brings what is most important to ProAdvisors into one window. It lists the following:

- Tools – Client Data Review
- Memorized Reports
- Bank Reconciliations
- Accountant updates

** The Accountant Centre is not available in any version except the Accountant Edition which is only available to ProAdvisors.

# Part IV Accounts in QuickBooks

## Objectives

In this section we will cover:

- ❑ Creating accounts in QuickBooks
- ❑ Best practices for account setup
- ❑ Client errors when setting up accounts

## What is the Chart of Accounts?

The chart of accounts is a complete list of your company's accounts and their balances. The chart of accounts includes all the different account types. The Chart of Accounts is made up of sixteen types of QuickBooks accounts. They are arranged with the balance sheet accounts on top and the Income Statement accounts at the bottom of the chart of accounts. Accounts should be setup prior to any other list entries in QuickBooks.

## Setting up Accounts

To setup accounts in QuickBooks:

    1.  From the **Lists** menu, select **Chart of Accounts.**



    2.  Select the **Account** button. The **Add New Account: Choose account type** window appears.

3. Select the type of account you would like to create.
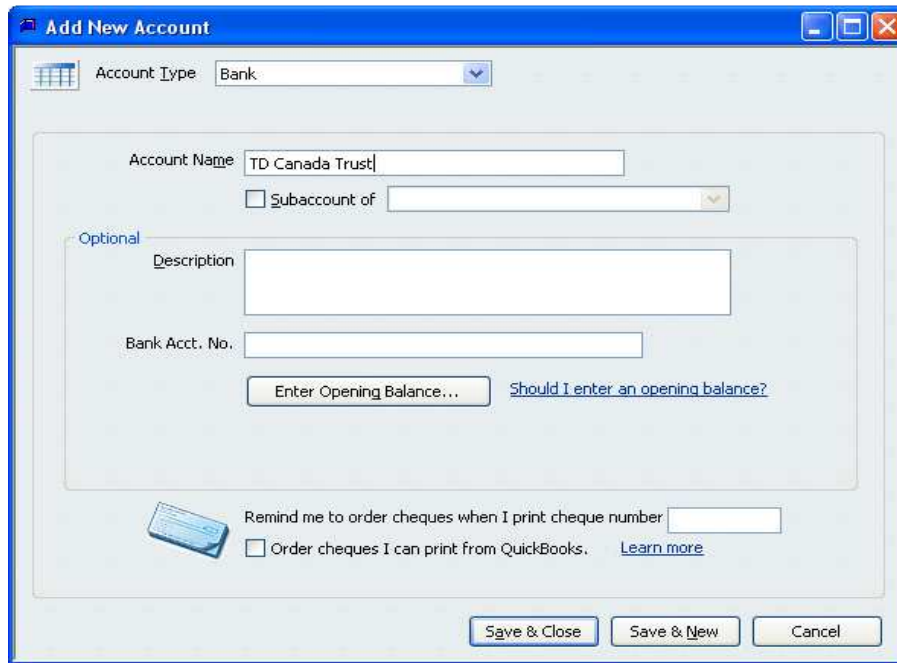
4. Click **Continue**.

5. Enter the Name of the Account that you want to appear on the **Chart of Accounts.**

6. Enter the **Description** and **Bank Acct. No**. if necessary.

7. Click **Save & Close.**



Note: Tax Line Mapping - At year end, you can export your QuickBooks chart of accounts to compatible tax preparation software applications like Intuit's ProFile. To do so, you need to map your account to the requisite tax form.

## Cost of Goods Sold Account

To track the purchase of direct costs you can setup a cost of goods sold account. Direct costs include any expenses related to the production of your products or services. This may include material, subcontractors, employee expenses and more. To create a cost of goods sold account:

1. Click Chart of Accounts
2. Click New
3. Select Other Account Types
4. Choose Cost of Goods Sold
5. Click Continue
6. Enter the account name
7. Select a tax code if necessary
8. Click Save & Close

## Creating Sub Accounts

By using sub accounts, you can group and subtotal similar accounts on your chart of accounts. This feature is particularly useful for Balance Sheet or Profit & Loss reports. With sub accounts, you can prepare those reports at either a summary level or an expanded level. To create subaccounts in QuickBooks:

1. From the **Lists** menu, select **Chart of Accounts.**
2. Select the account type.
3. Select **Continue**.
4. Enter the Name of account.
5. Select the **Subaccount of** Checkbox and select the account from the drop down menu.
6. Choose appropriate tax code.
7. Select **Save & Close**.

## Other Common Accounts in QuickBooks

There are many types of accounts that are required by small businesses. Some of these account types include the following:

- Credit Card Accounts
- Bank Loan Accounts
- Shareholder Loan

### Credit Card Accounts

Most small businesses have the need of credit cards. The **Credit Card** is a specific type of account in QuickBooks. The advantage of using a credit card in QuickBooks is that it allows you to reconcile your credit card account just like any balance sheet account and allows you to track purchases in great detail. To setup a credit card:

1. Go to the **Chart of Accounts** window, select the **Account** button.
2. Select **New**.
3. Select **Credit Card**, and then click **Continue**.
4. Enter the name of the credit card in the **Account Name** field.
5. Click **Save & Close**.

## Bank Loan Accounts

Many small businesses have bank loans which require detailed tracking in QuickBooks. To setup a bank loan and receive the funds there is a process that can be followed to setup the account and deposit the funds into the company bank account. To setup a bank loan:

1. Go to the **Chart of Accounts**, select **Account**.
2. Select **New**.
3. Select **Other Account Types**.
4. Select **Long Term Liability**.
5. Click **Continue**.

6.  Enter the **Account Name** of the Bank Loan account.
7.  Add a **Description** if appropriate.
8.  Click **Save & Close**, to complete the account setup.

# Part V QuickBooks Items

## Objectives

After completing this section you should have an understanding of:

- ❏ What is an item?
- ❏ Basic Item Types
- ❏ Creating Items (Products & Services)

## What is an Item?

No matter what industry type your business belongs to, in order to use an invoice form, you must set up at least one item. In QuickBooks, an item can be a service, a product, a surcharge or a fee of any type. Whether you want to show shipping charges, discounts, subtotals, or deposits on your invoices, they must all be added to the items list.

Items let small business users of QuickBooks to use the terminology that they are familiar with while still doing the accounting entries on each transaction. Items are linked to accounts and are the key component to handling the double entry accounting transactions. QuickBooks reports are created using Items.

## Basic Item Types

**Service** – Item used to sell services that are charged in fees, hourly rates, labour or service calls.

**Other Charge** – Used to track other charges such as freight, shipping & handling, Fees, etc.

**Non- Inventory Part** – used to track supplies and materials

**Subtotal** – Used to separate groups of items together when using discounts, or surcharges.  Also makes the Invoice more organized in appearance.

**Discount** – used to track discounts

**Group** – used to track sales of packages or groups of products and services
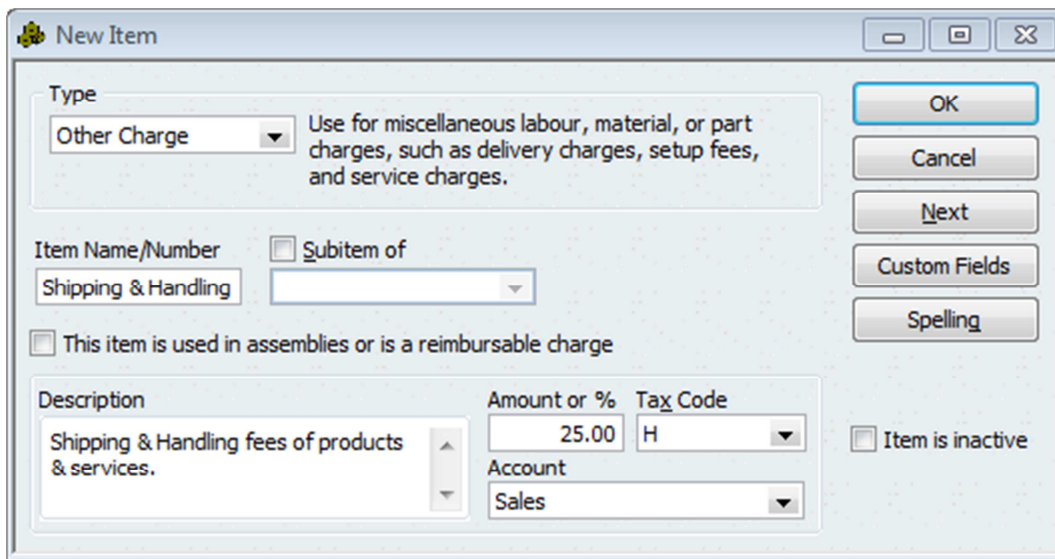
# Creating Items (Products & Services)

## Service Items

1.  Go to the **Home** Page, click **Products & Items**& Services **Lists.**
2.  Click the **Item** button, and then select **New**. The New Item window displays.



3.  Complete the necessary information:
    a.  Enter the **Item Name/Number.**
    b.  Enter the **Description** (this description will appear to the customer)
    c.  Enter the Sales **Rate** of this service.
    d.  Enter the appropriate **Tax Code**.
    e.  Enter the **Account** that will be used to track the sales of this item. This will always be an Income account.
4.  Click **OK.**

## Other Charge

1. On the **Item** List, select **CTRL + N.**
2. Select the **Type**, **Other Charge**.
3. Enter the **Item Name/Number**
4. Enter the **Description.**
5. Enter the **Amount or %.**
6. Enter the **Tax Code**
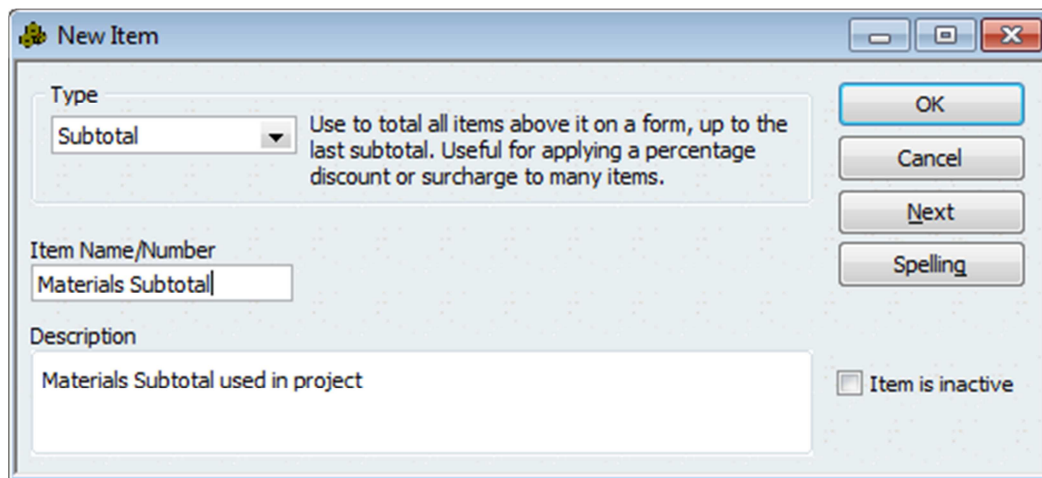7. Enter the **Account** that the sales of this item will track to.

# Subtotal

Subtotal items allow you to sum the amounts for a number of items. They can be included in a group or added as required. They only work on sales transactions. You can use more than one Subtotal item on a form. They are great for separating Parts from Labour or other examples. They appear in the body of the invoice and not at the bottom of the invoice. To create a Subtotal item:

1. From the Item list, click **CTRL + N**.
2. Choose the type **Subtotal**.
3. Enter the **Item Name/Number** of the subtotal.
4. Click **OK**.

## Non-inventory Part

Non-inventory parts do not have the ability to be tracked as a quantity in inventory and do not have an automatic calculation of cost of sales. When you purchase non-inventory parts for a project they are tracked to an account. When these items are sold, the sales can be tracked to a sales account.

Non-inventory parts are a good choice for goods that you do not quantify or that you do not calculate cost of sales on. Non-inventory parts can always be converted to inventory parts at a later date, but inventory parts cannot be converted to any other type of item. For that reason, you can generally set up parts as non-inventory items at the outset and then change them if there is a good reason to.

A non-inventory part can be used in many different types of business. They can be used to represent one time purchase or sales of products or services. They can also be used to represent categories of products or services used in your business. For example a home builder would use Non-Inventory parts to represent the different building supplies that go into the building of a home. These items might include:

- Lumber
- Drywall
- Insulation
- Concrete

The Non-Inventory part lets you track both purchases and sales on any of these items and lets you track the costs of your jobs without requiring the use of inventory parts.

To setup a Non-Inventory Part:
1. Go to the **Item** List.
2. Click the **Item** button, and then select **New**.
3. Complete the necessary information including:
4. Select **Non-Inventory Part**.
5. Enter the **Name/Number** of the part.
6. Enter the **Purchase description** (this description will appear on purchase transactions.
7. Enter the **Cost** of the item. This is the cost for your business to purchase the item for resale.
8. Enter the **Purchase Tax Code** of the item.
9. Enter the appropriate **Expense Account**.
10. Enter the **Sales Description**.
11. Enter the **Sales Price** of this service.
12. Enter the appropriate Sales **Tax Code**.
13. Enter the **Income Account** that will be used to track the sales of this item. This will always be an Income account.
14. Click **OK.**

## Group

Group items are used to speed up data entry on sales transactions. You can select one item that includes multiple items. A good example of the use of a group item is when you sell a package of products or services.

There is also an option to print or not print the items in a group. To create a Group Item:

1.  From the Item List, select **CTRL + N**.
2.  Select **Group** as the Type.
3.  Enter the **Group Name/Number**.
4.  Enter the **Description**.
5.  Select the items that will be contained in the Group.
6.  Enter the quantity that will be in each group.
7.  Click **OK**.

## Discount

Discounts are used on sales transactions to reduce the sales amount. You can have a discount be a fixed Dollar amount or it can be a percentage. This discount is different than a finance charge discount. This Discount can be assigned a tax code. To create a discount:

1. From the Item list, click **CTRL + N.**
2. Select **Discount** as the type of item.
3. Enter the **Item Name/Number.**
4. Enter the **Description** as necessary.
5. Enter the **Amount or %.** If it is a **%** discount you must enter the **%** symbol.
6. Choose the appropriate account.
7. Select a **Tax Code**.
8. Click **OK.**

# Part VI Sales Tax Setup in QuickBooks

## Objectives

This section teaches you how QuickBooks setups Sales Taxes In this section you will learn about:

- ❏ Tax Vendors
- ❏ Tax Items
- ❏ Tax Codes

## Tax Vendors

Tax vendors are the agencies to whom you pay sales tax on both the Federal and Provincial level.

To access the Tax Vendors, go to the Vendor Centre and choose Receiver General



** Note the Vendor Type

# Tax Items

QuickBooks sets the sales tax items that are used most often in the province where your business is located. However, you may sometimes need to add additional sales tax items.

To review the tax items, go to the Home Page and click Items & Services

| | | | | | |
|---|---|---|---|---|---|
| ◦ GST (ITC) Adjustments | GST Adjustments on purchases (Line 107) | Sales Tax Item | GST/HST Payable | | 0.00 |
| ◦ GST Adjustments | GST Adjustments on sales (Line 104) | Sales Tax Item | GST/HST Payable | | 0.00 |
| ◦ GST Instalment | Instalments and net tax paid (Line 110) | Sales Tax Item | GST/HST Payable | | 0.00 |
| ◦ GST On Purchase 0.0% | GST On Purchase 0.0% | Sales Tax Item | GST/HST Payable | | 0.0% |
| ◦ GST On Purchase 5.0% | GST On Purchase 5.0% | Sales Tax Item | GST/HST Payable | | 5.0% |
| ◦ GST On Sales 0.0% | GST On Sales 0.0% | Sales Tax Item | GST/HST Payable | | 0.0% |
| ◦ GST On Sales 5.0% | GST On Sales 5.0% | Sales Tax Item | GST/HST Payable | | 5.0% |
| ◦ PST (ON) Adjustment | PST (ON) Adjustments on sales (Line 6) | Sales Tax Item | PST Payable | | 0.00 |
| ◦ PST (ON) Compensation | PST (ON) Compensation (Line 5) | Sales Tax Item | PST Payable | | 0.00 |
| ◦ PST On Purchase 0.0% | PST On Purchase 0.0% | Sales Tax Item | | | 0.0% |
| ◦ PST On Purchase 8.0% | PST On Purchase 8.0% | Sales Tax Item | | | 8.0% |
| ◦ PST On Sales 0.0% | PST On Sales 0.0% | Sales Tax Item | PST Payable | | 0.0% |
| ◦ PST On Sales 8.0% | PST On Sales 8.0% | Sales Tax Item | PST Payable | | 8.0% |
| ◦ GST 0.0%, PST 0.0% Purch... | GST 0.0%, PST 0.0% Purchase | Sales Tax Gro... | | | 0.0% |
| ◦ GST 0.0%, PST 0.0% Sales | GST 0.0%, PST 0.0% Sales | Sales Tax Gro... | | | 0.0% |
| ◦ GST 5.0%, PST 8.0% Purch... | GST 5.0%, PST 8.0% Purchase | Sales Tax Gro... | | | 13.0% |

These items link to the sales tax codes and to the specific lines on your sales tax returns.

## Sales Tax Codes

QuickBooks sets up common sales tax codes for you based on the province where your company is located. You and your clients will use Sales Tax codes on sales and purchase transactions to represent sales tax items which help your clients automatically complete their sales tax returns.

| CODE | DESCRIPTION |
|------|-------------|
| G | GST Only |
| P | PST Only |
| S | Standard |
| Z | Zero Rated |
| . | <Not Used> |
| E | Tax Exempt |

# Part VII Accounts Payable & Expenses in QuickBooks

## Objectives

This part relates to your suppliers from whom you purchase products and services. In this chapter you will learn the following:

- ❑ What is a vendor?
- ❑ Setting up Vendors
- ❑ Entering Bills
- ❑ Paying Bills
- ❑ Writing Cheques
- ❑ Entering Credit Card Charges

## What is a Vendor?

QuickBooks uses the Vendors list to hold information about the people and companies you do business with and make purchases from; for example, this list could include the phone company, your office supplies vendor, and the government sales tax agencies to which you remit sales tax.

### Setting up Vendors

To setup a new Vendor:
1. From the **Vendor Centre**, select the **New Vendor…** button
2. Enter the **Vendor Name**
3. Enter the following information
    a. **Company Name**
    b. **Contact**
    c. **Telephone, Fax, Email**, etc.
    d. **Name and Address** (use the **Address Details** button to complete the information.
4. Click **OK.**

## Entering Bills

Some business owners, especially smaller businesses, pay their bills when they receive them. Most business owners, however, wait to pay their bills to conserve as much cash in the business as possible. QuickBooks will help you track the bills that you owe.

To Enter a Bill:

1. From the **Home Page**, select **Enter Bills**.
2. Enter the **Vendor** Name
3. Enter the **date, Ref. No.** (Bill#)
4. Enter the **Amount Due** (this is the total of the bill)
5. On the **Expenses Tab**, select the Account to which you want to track this expense.
6. Enter the **Tax code**, **Amount** and **Memo** (always useful to remind you of notes about a particular purchase).
7. Select **Save & Close**.

## The A/P Aging summary report

The A/P Aging report displays the amounts that you owe to your vendors. Like the
A/R Aging Summary report, this report also ages the amounts by column.
To view this report:

1. From the Menu bar select Reports
2. Vendors & Payables
3. Select A/P Aging Summary

## Paying Bills

When the time comes to pay bills in QuickBooks you will use the Pay Bills Feature to complete the bill payment. **NOTE: Do not use the write cheques feature to pay bills.** To Pay Bills:

1. Go to the **Home Page**, click **Pay Bills.**
2. Select the **Show all Bills** option to display.
3. Select the Bills that you are paying by selecting them with checkmarks in the left hand column.
4. Enter the **Payment** Date, **Payment Method** and select the cheque printing option if necessary.
5. Select the **Account** used to pay these bills.
6. Click **Pay Selected Bills**. The Payment Summary window will appear.

7. Click the appropriate action for the next step.

**Payment Summary**

Payment Details

| Payment Date | 12/31/2012 |
| Payment Account | Chequing |
| Payment Method | Cheque |

Payments have been successfully recorded for the following 3 of 3 bills:

| Date Due | Vendor | Amount Paid |
|---|---|---|
| 01/04/2012 | Blitz Marketing | 892.50 |
| 09/14/2012 | Blitz Marketing | 346.18 |
| 12/07/2012 | The Phone Co | 164.87 |
| | Total | 1,403.55 |

How do I find and change a bill payment?

You can print cheques now, or print them later from Print Forms on the File menu.

[ Pay More Bills ]   [ Print Cheques ]   [ Done ]

8. Select the Cheques to Print and enter the first Cheque number.
9. Click **OK** to print. Choose your printer, and then click **Print**.

**Select Cheques to Print**

Bank Account [Chequing ▾]        First Cheque Number [138]        Order cheques

Select Cheques to print, then click OK.
There are 11 Cheques to print for $34,880.61.

| ✓ | Date | Payee | Amount |
|---|---|---|---|
| ✓ | 11/17/2008 | Receiver General | 9,844.48 |
| ✓ | 10/23/2012 | Minister of Finance | 6,778.63 |
| ✓ | 10/31/2012 | Receiver General | 14,307.62 |
| ✓ | 11/24/2012 | Insurance Experts | 245.00 |
| ✓ | 11/30/2012 | Blitz Marketing | 892.50 |
| ✓ | 11/30/2012 | Roger's and Company CA's | 450.00 |
| ✓ | 11/30/2012 | The Phone Co | 164.87 |
| ✓ | 11/30/2012 | Utility Corp | 360.15 |
| ✓ | 12/15/2012 | Team Green:Canha, Frank | 433.81 |

[ OK ]
[ Cancel ]
[ Help ]
[ Select All ]
[ Select None ]

# Bill Credits

There are times when you need to enter a credit from a vendor for a variety of reasons. QuickBooks creates Bill Credits from the **Enter Bills** window. To create a Bill Credit:

1. Go to the **Home Page**, click **Enter Bills**.
2. At the top of the **Enter Bills** window, select the **Credit** radial button. QuickBooks displays the Credit label at the top of the window. You now know that you are creating a Bill Credit for the vendor.
3. Create the bill as necessary including the **Vendor, Date, Ref. No, Expense Account, Tax Code** and **Memo** (provide details to explain the credit).
4. Click **Save & Close**. This action creates a credit on the Vendors account.



---

## Applying Bill Credits

After creating Bill Credits for Vendor you can apply those credits to outstanding bills from Vendors. To apply a Bill Credit:

1. From the **Home Page**, select **Pay Bills.**
2. Sort the Bills by Vendor by selecting the **Sort By** drop down arrow, then choose **Vendor**.
3. Check the Bill that you would like to apply the credit to. When you do this action the **Set Credits** button at the bottom part of the window is now available for selection.
4. Click **Set Credits.**

5. QuickBooks automatically applies the credit to the appropriate bill. Review it for accuracy.
6. Click **Done**.
7. Finish applying the credit by clicking **Save & Close**. This clears the credit from the vendor account.

## Writing Cheques

Sometime cheques are written for unexpected purchases, or postdated cheques are written for Rent Payments, Insurance, etc. There are many reasons to write cheques. QuickBooks handles these transactions through the Write Cheques feature. To write cheques:

1. From the **Home Page**, select **Write Cheques**.
2. Select the correct **Bank Account** where you will track this purchase.
3. Enter the **Pay to the Order of** information.
4. Enter the **Date**.
5. Enter the **Amount.**
6. On the **Expenses** tab, select the **Account,** and **Tax code**. Enter the **Amount** before taxes, enter the **Memo** if necessary.
7. Select **Save & Close**.



Note: This cheque is reflected in your bank account immediately. It can be viewed by looking at the bank account register.

## Cheque Detail

To find out details about deposits in QuickBooks, you can create the Deposit Detail report. To create the Deposit Detail report:

1. Go to the **Report Centre**, select **Banking**.

2. Click **Cheque Detail**.

## Other Bank Charges (Debit and other types)

Sometime cheques are written for other bank charges such as Debit transactions, bank fees, online banking payments, withdrawals, etc. QuickBooks also handles these transactions through the Write Cheques feature. To enter other bank transactions:

1. From the **Home Page**, select **Write Cheques**.
2. Select the correct **Bank Account** where you will track this purchase.
3. In the **No.** field enter the type of transaction such as Debit, Withdrawal or Fee. This indicates that this is a bank transaction of some sort instead of a cheque. This identifies the transaction in a way that helps with bank reconciliations.
8. Enter the **Pay to the Order of** information.
4. Enter the **Date.**
5. Enter the **Amount.**
6. On the **Expenses** tab, select the **Account**, and **tax code**. Enter the **Amount** before taxes, enter the **Memo** if necessary.
7. Click **Save & Close**.

## Memorized Transactions

There are situations where you will want to save transactions for use again at a later time. These situations might include monthly payments such as rent or insurance or perhaps recurring invoices to customers. QuickBooks handles these situations through the memorized transactions function.

Most transactions can be memorized. To memorize a transaction:

1. With the transaction open on your window, select **CTRL + M.** This will display the **Memorize Transaction** window.
2. Enter the **Name** of the transaction. I.e. Rent Cheque or some name that clearly identifies the transaction.
3. Select how you want it to notify you. For recurring payments select **Automatically Enter**. This ensures that the transaction will be entered for you on the day that you choose going forward for as long as you specify.
4. Select **How Often** you want it to enter.
5. Select the **Number Remaining**. This can be for the duration of the contract or lease or whatever duration you select.
6. Select the **Days in Advance to enter**. This tells QuickBooks to enter the transaction when to enter the transaction.

## Entering Credit Card Charges

QuickBooks will track your credit card charges and allows you to reconcile credit card accounts.

To Enter a Credit Card Charge:

1. Go to the **Home Page**, click **Enter Credit Card Charges**. The Enter Credit Card Charges window displays. This is a very similar window to the Write Cheques window or Enter Bills.
2. Enter the **Vendor.**
3. Enter the **Date, Ref. No**.
4. Enter the **Amoun**t.
5. Click the **Expenses** Tab; select the correct **Account, Tax Code**.
6. Enter a **Memo** if necessary.
7. Click **Save & Close**.

Note: Each line on your credit card statement should match to a Credit Card Entry in QuickBooks.

# Part VIII Customers & Receivables in QuickBooks

## Objectives

This section includes the components of managing your sales & customers.

In this chapter you will learn:

- ❑ Navigating the Customer Centre
- ❑ Setting up Customers
- ❑ Creating Invoices
- ❑ Creating Credit Memos
- ❑ Entering Receive Payments

# Navigating the Customer Centre

Customers are business or individuals who buy your products and services. Gathering information about your customers and recording it helps you to better serve them and report on their activity with your business. To set up a Customer:

1.  From the Icon Bar, select **Customer Centre**. The **Customer Centre** will appear.
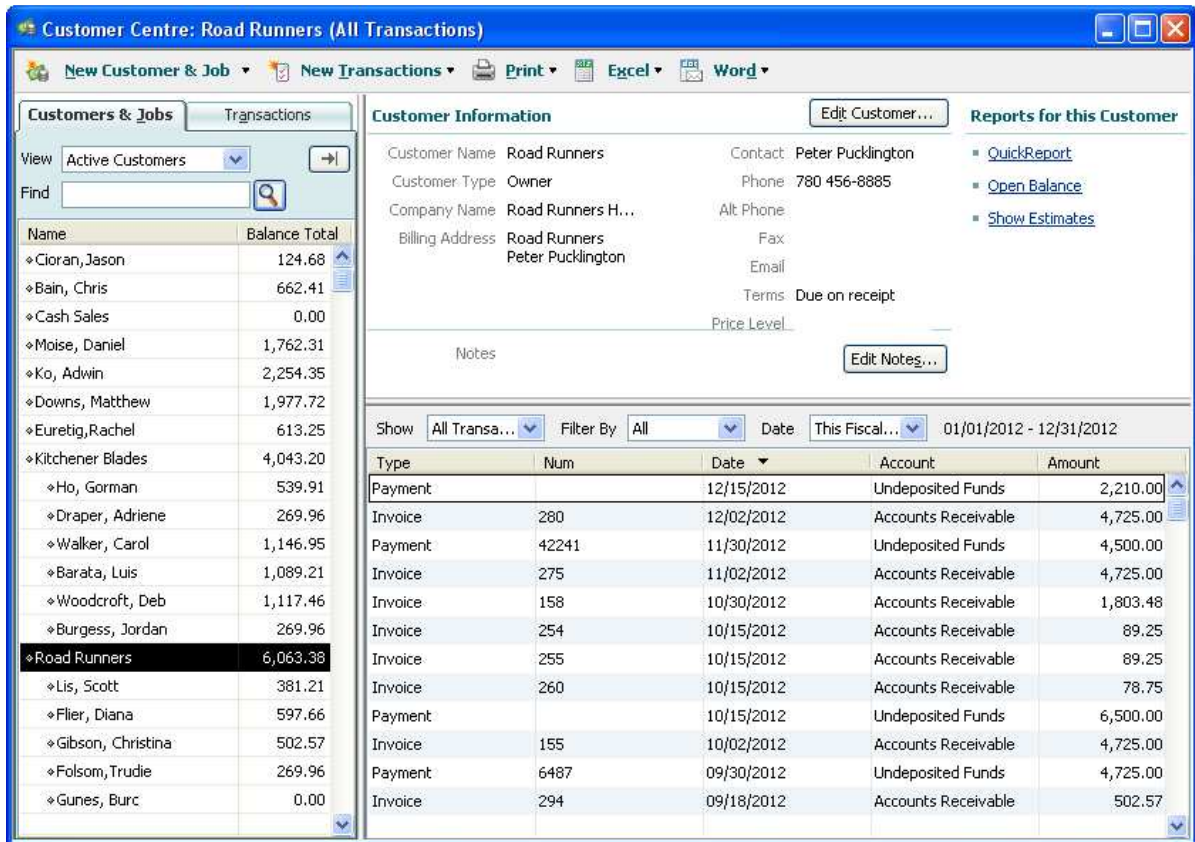


Note the Following about the Customer Centre:

*   From the Centre's left pane you can select either Customers & Jobs or Transactions.
*   Select the **Customers & Job** tab to view a wide range of information about a specific customer. You can also indicate the types of transactions that you would like QuickBooks to display.
*   Use the **View** field to open a dropdown dialog box that filters the list for All Customers, Active Customers, Customers with Open Balances or a Custom Filter that you create yourself
*   Use the Find feature to find Customers or Jobs on the list.
*   The Right hand pane of the window displays the Customer information.
*   The transactions for that specific customer are listed in the lower right pane.

## Setting up Customers

You will use the Customer Centre to add new customers or to edit existing customers. To add a new customer:

1. From the **Customer Centre**, select the **New Customer & Job** drop down menu. Select **New Customer**.
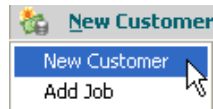


2. Enter the necessary information including:
   a. **Customer Name** (The Customer: Job list will sort according to this name)
   b. Address Details (select the **Edit** button for proper formatting)
   c. Enter **Phone Number, Fax, Email**, and other information (The email address in the **E-mail** field becomes the To: Field in an email that comes from QuickBooks such as a report or form)
3. Click **OK**.

## Customer Tax Codes

In certain circumstances you may be required to edit tax codes for specific customers. This may occur when an organization is exempt from tax. QuickBooks can be used to track this information. To enable customer tax code:

1. Go to the **Edit** menu, select **Preferences**.
2. Select **Sales Tax**.
3. Click Use **Customer Tax Codes**.
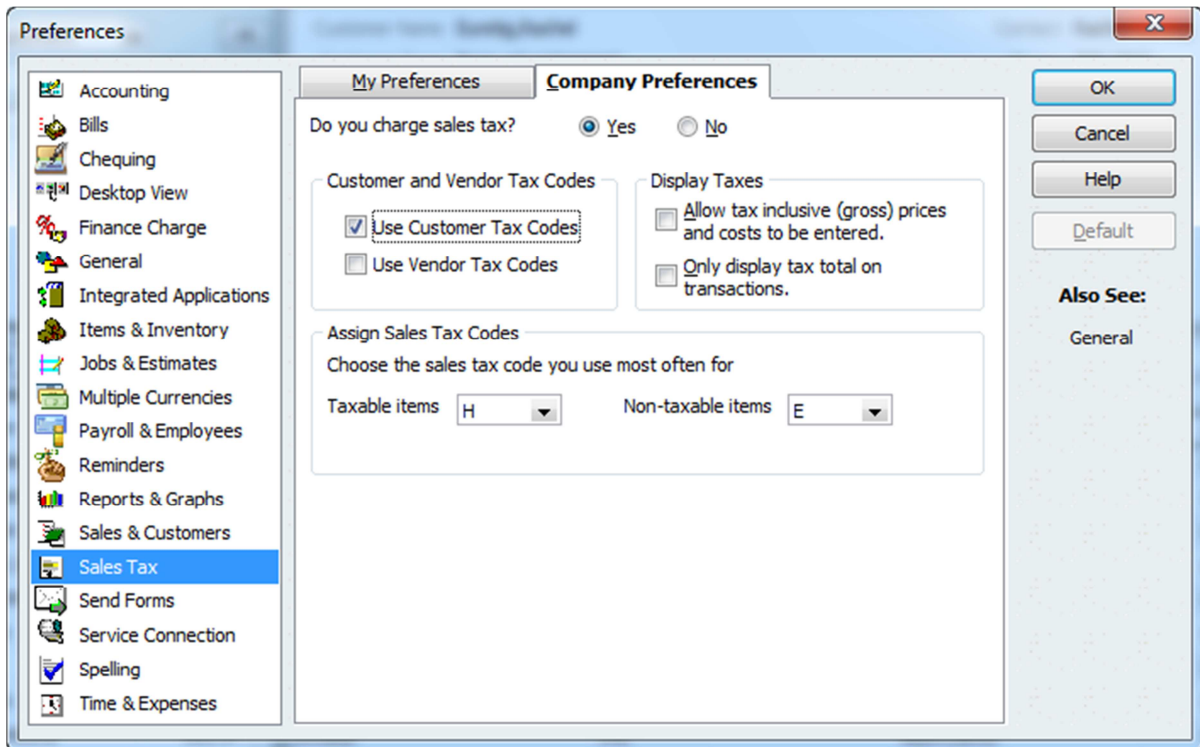
To add a Customer Tax Code:

1. Open the **Customer Centre**.
2. Select the Customer that you would like to edit.
3. Click the **Additional Info. Tab.**
4. Select the Customer **Tax code**.
5. Click **OK.**  This customer tax code will now appear on every sales transaction and will override other tax codes in the QuickBooks file.
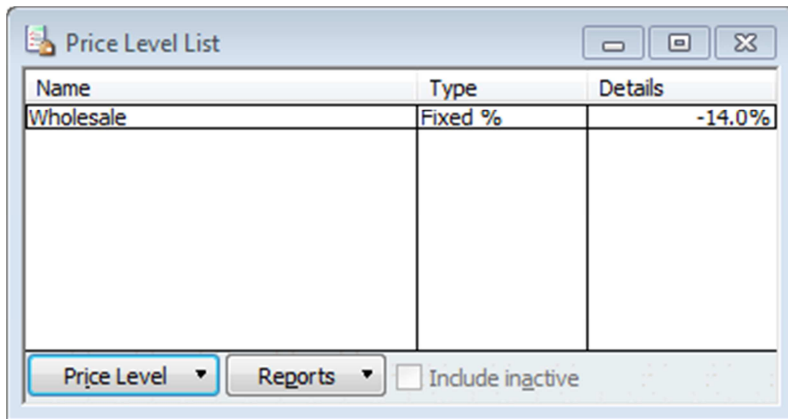
## Price Levels

Price levels let you set custom pricing for different customers or jobs. Once you create a price level and associate it with one or more customers or jobs, each time you create an invoice, estimate, sales receipt, sales order or credit memo for those customers or jobs, QuickBooks automatically pulls up the correct custom price for a customer or job.

To Setup Price Levels you must turn on the preference. To enable Price Levels:

1. Go to the **Edit** Menu, select **Preferences**.
2. Select **Sales & Customers**.
3. Click **Use Price Levels**. This enables the **Price Level list**.

To setup a new Price Level:

1. From the **Lists** menu, select **Price Level List**.
2. Click **CTRL + N**, to create a **New Price Level**. The **New Price Level** window displays.
3. Enter the name of the **Price Level**.
4. Select one of the two options available to you, to either decrease or increase the % of the price.
5. Enter the % of the price level.
6. Select a rounding option.

To add a Price Level to a customer record:

1.  Open the **Customer Centre**.
2.  Select the customer that you want to edit. The Customer record displays.
3.  Click the **Additional Info. Tab.**
4.  From the **Price Level** down arrow.
5.  Select the **Price Level** for that customer.

# Add/Edit Multiple List Entries

QuickBooks expanded its capacity in this version to let you copy and paste information from other sources of data, directly into QuickBooks.

This feature helps you setup QuickBooks faster and more efficiently and add list items at anytime without entering them one at a time. To add multiple list items,

7. Go to **Lists**
8. Click **Add/Edit Multiple List Entries.** A window similar to a spreadsheet displays.
9. Click the **Lists** down arrow, and choose the list.
10. Customize which columns you want to display
11. Copy and Paste the information into the appropriate columns in the QuickBooks window.
12.      Click **Save Changes.** QuickBooks tells you how many records have been saved.
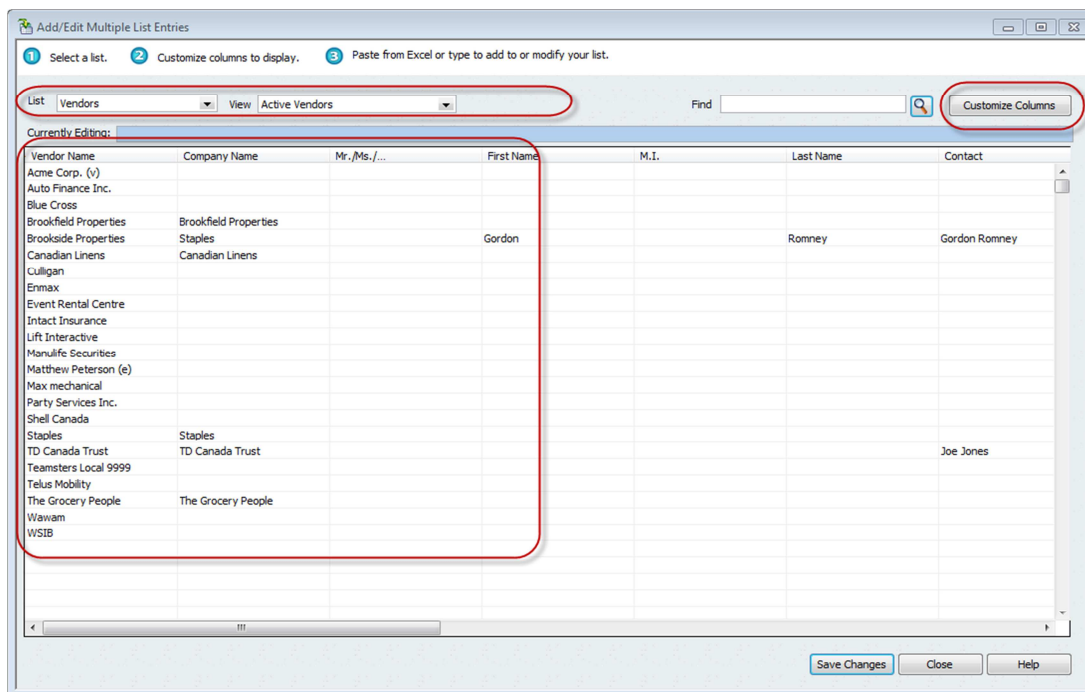
## Creating Invoices

If your customers don't pay you in full at the time you provide your service or product, or if they pay in advance, you need to track how much they owe you. Using an invoice helps you keep track of what your customers owe you or your accounts receivable. You must enter a customer name when creating an invoice in QuickBooks to create the account receivable. To create an invoice:

1.  Go to the **Home Page**, click **Create Invoices**. The Invoice window displays. You will notice the following; like most QuickBooks forms, the invoice contains an icon bar. From the icon bar you can select:
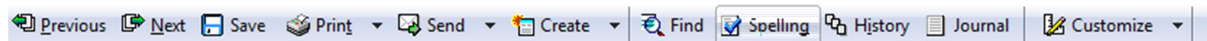


   a.  **Previous& Next**—to view the last invoice or next one
   b.  **Save**-You can save the invoice and stay on the window
   c.  **Print-** Print one invoice, or batch invoices
   d.  **Send**—to send the invoice via email as a pdf
   e.  **Create**-to create a Credit Memo, Payment, Letters, or memorize the transaction
   f.  **Find**—to search for recorded invoices
   g.  **Spelling**—to correct typing mistakes
   h.  **History**—to view payment history for paid invoices
   i.  **Journal**—to view the journal entry for the invoice
   j.  **Customize**—to personalize your invoice template

2. Enter the **Customer:Job**

3. Enter the **Date** and **Invoice #**

4. Enter the Customer **P.O., Terms**, and other information

5. Select the **Item** you are selling and the **Quantity** that will be sold.

6. Select the appropriate **Tax Code**.

7. Select the **To Be Printed** options enter a **Memo** (internal).

8. After you completed the form, select **Save & New** to continue.

## Printing Invoices

Although you can print each individual invoice by clicking the print button on the invoice form's icon bar, a better alternative is enter the sales information and then do a print run for all invoices.

To print all invoices at the same time:

1. Select the print icon's drop-down arrow, and then select **Print Batch**. The **Select Invoices to Print** window will appear.
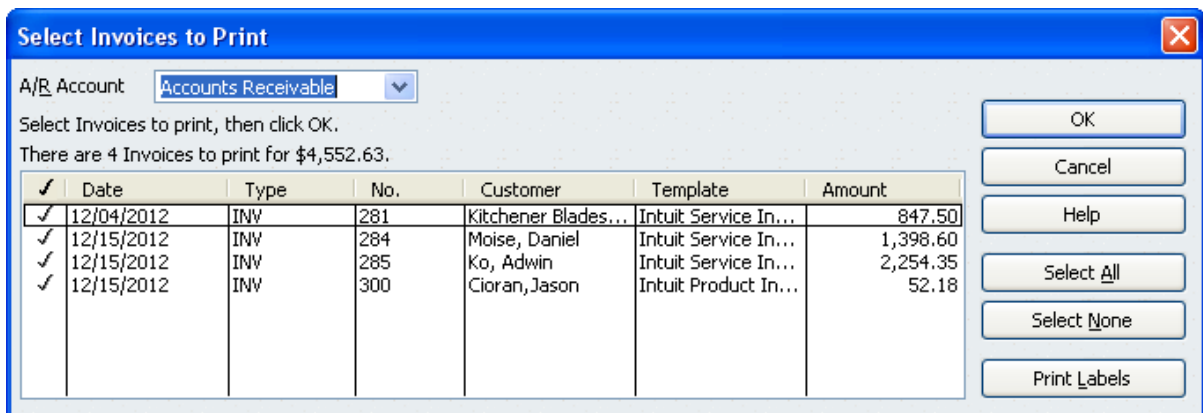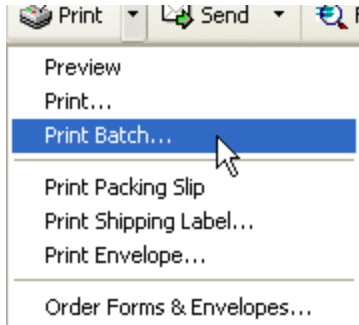




2. Select the Invoices you would like to Print.

3. Click **OK.**
4. Select the appropriate printer, and then click **Print**.
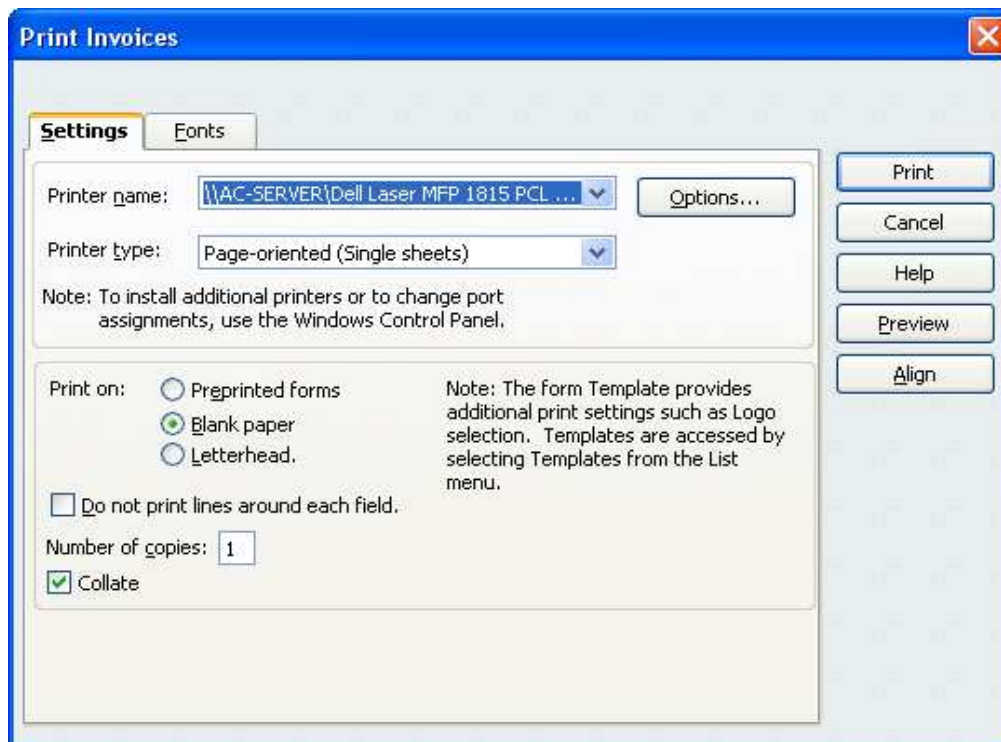


## Email Invoices

You may also choose to Email invoices:

1. Ensure customer information contains the email address

2. Choose Send, Email invoice/ or Send Batch



3. Select the forms to send and then click Send Form
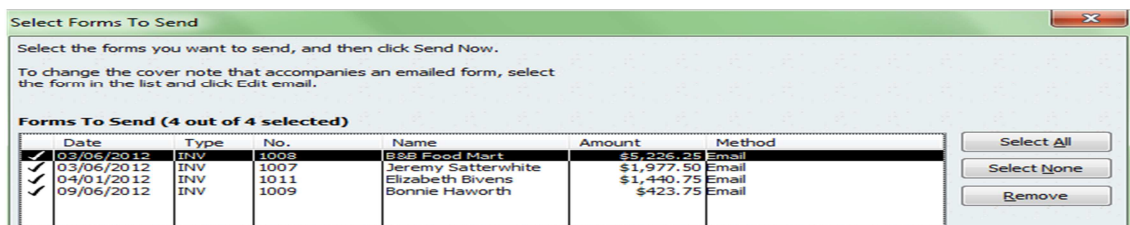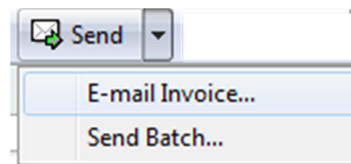


Note: You can customize your email options using Preferences/Send forms. QuickBooks works with Outlook, and Web Based Email programs such as Gmail, and Yahoo Mail.

## The A/R Aging summary report

The A/R Aging report displays the amounts owed to you by your customers. This report also ages those amounts by placing them into separate columns. By aging your accounts receivable, QuickBooks shows how much is currently due, how much is within your collection terms and how much is or overdue. By default, the A/R Aging report categorizes the accounts receivable like this:

4.  currently due

5.  as of 1 to 30 days

6.  31 to 60 days overdue

7.  61 to 90 days overdue

8.  over 90 days overdue

To Create an A/R Aging Summary Report:

1.  Go to the **Report Centre**, select **Customers & Receivables**.

2.  Select **A/R Aging Summary**. The report will display.

**A/R Aging Summary**

Modify Report...  Memorize...  Print...  E-mail ▾  Export...  Hide Header  Collapse  Refresh

Dates  All  ▾    ▦  Interval (days) 30  Through (days past due) 90  Sort By Default

7:43 AM
12/31/12

**Pro Hockey School**
**A/R Aging Summary**
**All Transactions**

| | Current | 1 - 30 | 31 - 60 | 61 - 90 | > 90 | TOTAL |
|---|---|---|---|---|---|---|
| Cioran, Jason | 0.00 | 52.18 | 0.00 | 72.50 | 0.00 | 124.68 |
| Bain, Chris | 0.00 | 0.00 | 0.00 | 78.75 | 583.66 | 662.41 |
| Moise, Daniel | 0.00 | 1,398.60 | 0.00 | 78.75 | 284.96 | 1,762.31 |
| Ko, Adwin | 0.00 | 2,254.35 | 0.00 | 0.00 | 0.00 | 2,254.35 |
| Downs, Matthew | 0.00 | 0.00 | 0.00 | 78.75 | 1,898.97 | 1,977.72 |
| Euretig, Rachel | 0.00 | 0.00 | 0.00 | 366.90 | 246.35 | 613.25 |
| **Kitchener Blades** | | | | | | |
|   Ho, Gorman | 0.00 | 0.00 | 0.00 | 0.00 | 539.91 | 539.91 |
|   Draper, Adriene | 0.00 | 0.00 | 0.00 | 0.00 | 269.96 | 269.96 |
|   Walker, Carol | 0.00 | 0.00 | 0.00 | 0.00 | 1,146.95 | 1,146.95 |
|   Barata, Luis | 0.00 | 0.00 | 0.00 | 0.00 | 1,089.21 | 1,089.21 |
|   Woodcroft, Deb | 0.00 | 0.00 | 0.00 | 0.00 | 1,117.46 | 1,117.46 |
|   Burgess, Jordan | 0.00 | 0.00 | 0.00 | 0.00 | 269.96 | 269.96 |
|   Kitchener Blades - Other | 0.00 | 0.00 | 0.00 | 0.00 | -390.25 | -390.25 |
| **Total Kitchener Blades** | 0.00 | 0.00 | 0.00 | 0.00 | 4,043.20 | 4,043.20 |
| **Road Runners** | | | | | | |
|   Lis, Scott | 0.00 | 0.00 | 0.00 | 0.00 | 381.21 | 381.21 |
|   Flier, Diana | 0.00 | 0.00 | 0.00 | 0.00 | 597.66 | 597.66 |
|   Gibson, Christina | 0.00 | 0.00 | 0.00 | 0.00 | 502.57 | 502.57 |
|   Folsom, Trudie | 0.00 | 0.00 | 0.00 | 0.00 | 269.96 | 269.96 |
|   Road Runners - Other | 0.00 | 4,311.98 | 0.00 | 0.00 | 0.00 | 4,311.98 |
| **Total Road Runners** | 0.00 | 4,311.98 | 0.00 | 0.00 | 1,751.40 | 6,063.38 |

# Creating Sales Receipts

When you create an invoice you are adding to your accounts receivable. When you receive payment at the time of the sale to the customer, you can enter the sale using the sales receipt. It is a similar form to the invoice but it lets you receive the payment from the customer. To create a sales receipt:

1. Go to the Home Page
2. Click Sales Receipts
3. Enter the necessary fields.
4. Note that you can enter fields to record payment information like payment method and cheque number.
5. Click Save & Close. The funds from the customer payment are entered into the undeposited funds account

## Creating Credit Memos from the Invoice Window

When a customer returns merchandise or when you agree to reduce the amount of a previously issued invoice, you'll need to record the reduction in that customer's accounts receivable balance. This is done with a credit memo.

To Create a Credit Memo:

1. From the **Home Page**, Select Invoices.
2. Find the Invoice that you want to Credit.  And choose **Create/ Credit Memo for this Invoice**
3. Enter or ensure  the following information:
    a. **Date & Credit No.** if necessary
    b. Edit or Select the **Item** that is being returned or refunded.
    c. Confirm or Enter the **Quantity**.
    d. Enter the **Description**.
    e. Enter the **Tax Code**.
4. Select **Save & Close.**

5. Select **Apply to an Invoice**.

6. Click **OK.** The **Apply Credit to Invoices** window displays.
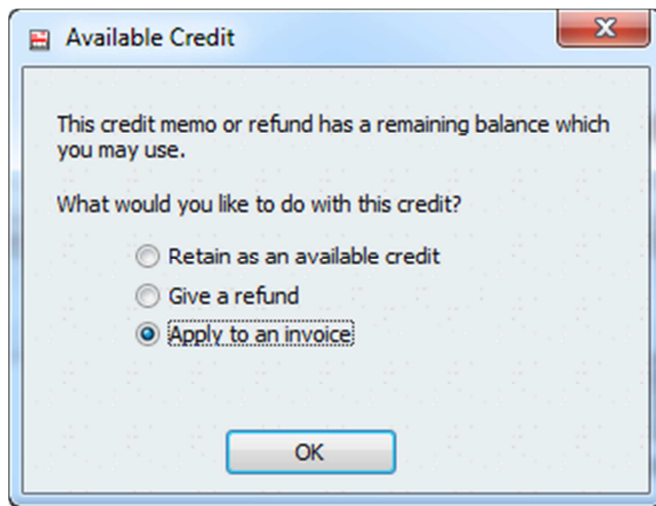


7. Select the invoice that you would like to apply the credit against, then click **Done**.
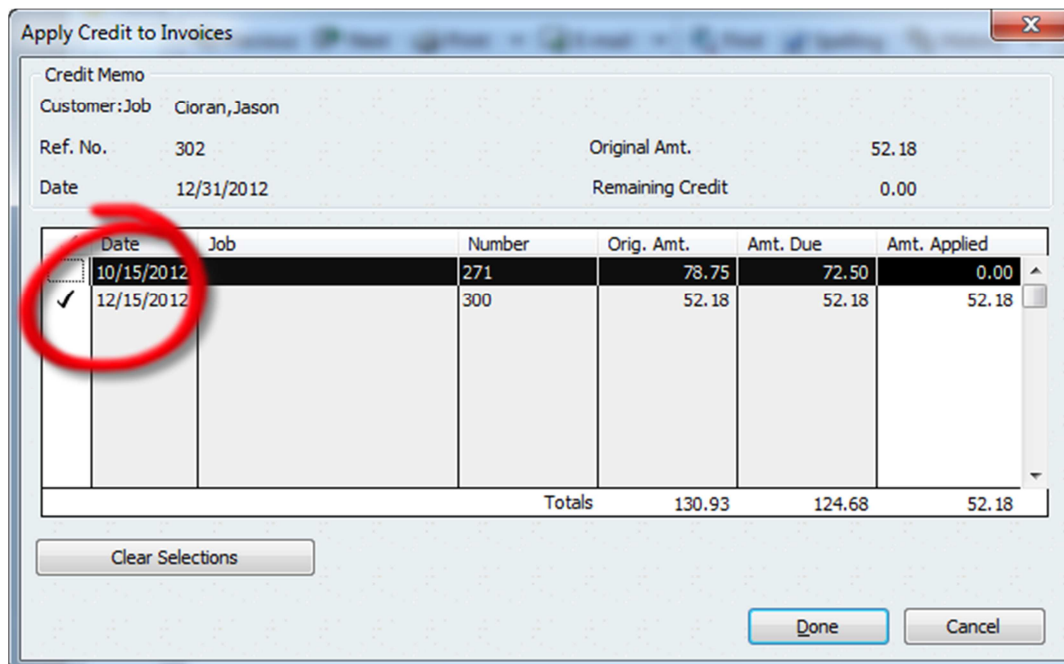


**Create Credit Memo without Invoice.**

Follow the Above Instructions except in Step 1 from the Home Screen choose **Create Credit Memos/Refunds**

## Receiving Customer Payments

Customer payments are recorded using the Receive Payments window. By using Receive Payments, QuickBooks assigns the payment to the customer's invoice, marks it as paid, and removes the invoice from the A/R Aging Summary report.

To receive a customer payment:

1. Go to the **Home** Page, click **Receive Payments**. After entering the customer's name in the **Received From** field, QuickBooks lists all open (or unpaid) invoices for this customer.
    a. Enter the **Amount** of the customer payment.
    b. Enter the **Payment Method**, **Date** and **Cheque #** (customer cheque)
    c. Select the invoices that are being paid.
    d. Select **Save & Close**.



Note: These funds are now in the Undeposited Funds account which displays that the customer payment has been received and waiting to be deposited.

**Payments**

To Edit **the Payments preferences**:

1. Select **Payments**.
2. Select **Company Preferences**.
3. Click **Automatically Apply Payments**, then click **Use Undeposited Funds as a default deposit to account**
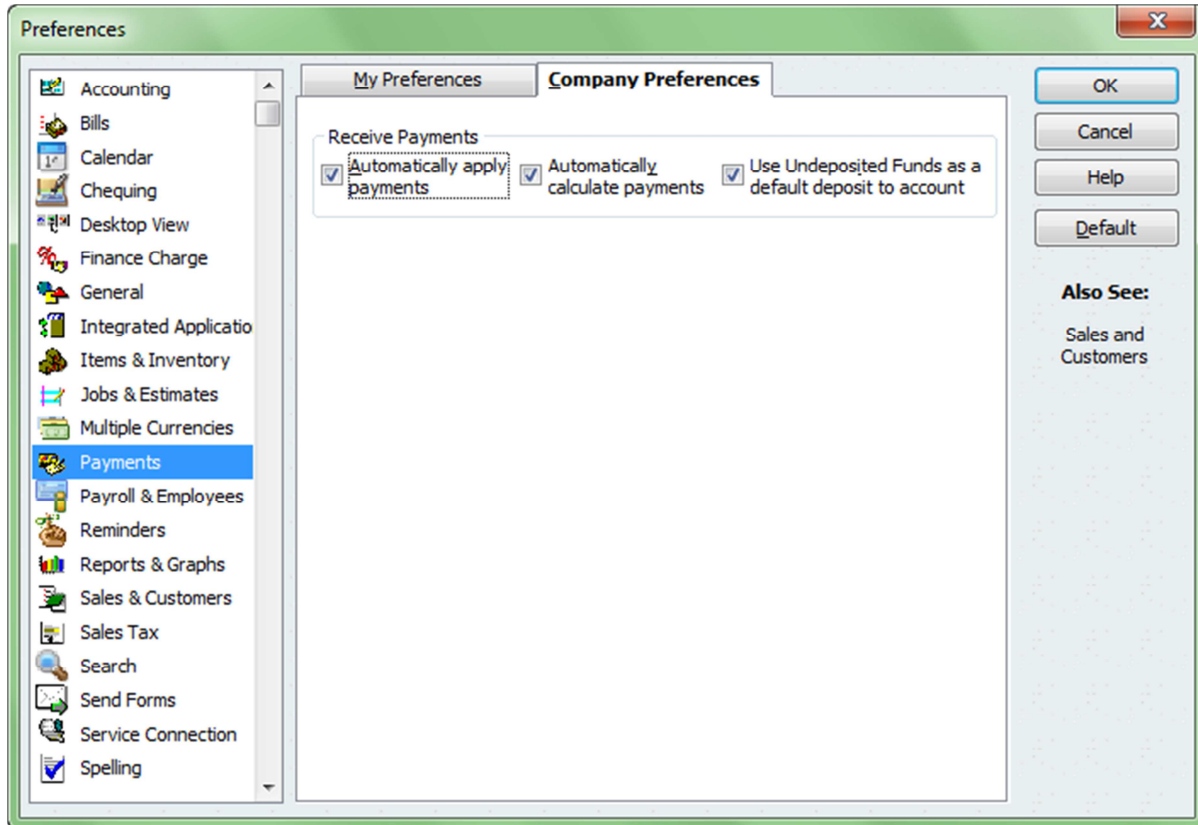


**Note:** Use Undeposited Funds as a default deposit to account is a useful feature to make sure that your bank deposits in QuickBooks match exactly to bank deposits on your monthly bank statement. Using Undeposited Funds lets you reconcile your bank easier. QuickBooks uses the Undeposited Funds account to hold money until you make a bank deposit.

## Customer Statements

When you use invoices to bill your customers, you can also send reminder statements to notify your customers about delinquent payments.
A reminder statement summarizes what you've billed previously through invoices by listing the invoices you've sent, credits you've given, and any payments you've received.

To enable Statements:
1. Go to the **Edit** menu, select **Preferences**.
2. Select **Desktop View**, then **Company Preferences**.
3. Select **Statements and Statement Charges**. This enables statements in QuickBooks.
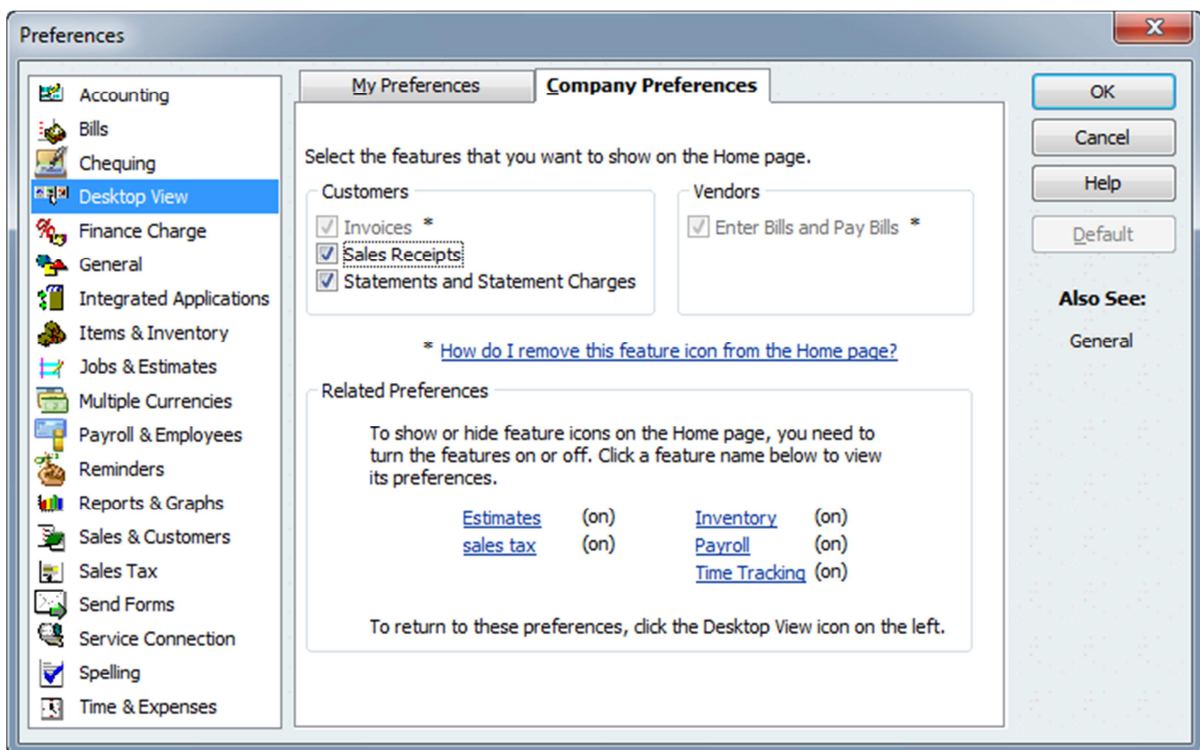
To create statements:

1. Go to the **Home Page**, select **Create Statements…**
2. Enter the **Statement Date**.
3. Select the statement type. You can choose a statement period or you can choose all open transactions.
4. Select which customer group you would like to create statements for.
5. Select the statement on option on the right hand pane of the window. If you would like to show the Invoice item details then select the option.
6. Click **Preview.**
7. **Print** or **E-mail** the statements.

# Part IX QuickBooks Payroll Basics

QuickBooks offers a complete set of features that takes the pain out of doing payroll. By using QuickBooks Payroll you'll simplify and speed up the task of preparing your company's payroll, you'll be sure that your payroll records are up-to-date, and you'll always have complete payroll information at your fingertips. Here are just some examples of the advantages that come from using QuickBooks Payroll:

❑ Save time and ensure accuracy by automating the calculation of all payroll earnings and deductions.

❑ Be compliant with any changes in federal or provincial tax laws by

❑ Automatically receiving updates via the internet or on a CD.

❑ Decrease the time it takes to prepare your employees'

❑ Paycheques by having QuickBooks print cheques.

❑ Your employees always have complete current and year-to-date payroll Information by receiving printed or emailed paystubs.

❑ Remit the correct amount of payroll liabilities.

❑ Review, print and file T4's electronically.

❑ Prepare Records of Employment (ROE) for resigned or dismissed employees.

❑ Create summary and detailed payroll information that is available from a comprehensive set of payroll reports.

❑ Stay current by receiving all future updates and upgrades of QuickBooks.

## Downloading tax tables

After subscribing to QuickBooks Payroll, it's important to ensure that you have the latest tax tables. This requires an update to QuickBooks at least twice a year or (January & July) or more frequently if payroll updates become available due to CRA mandated changes or provincial tax table changes. To update QuickBooks:

1. From the **Help** menu, select **Update QuickBooks**
2. Select the tab called **Update Now**.
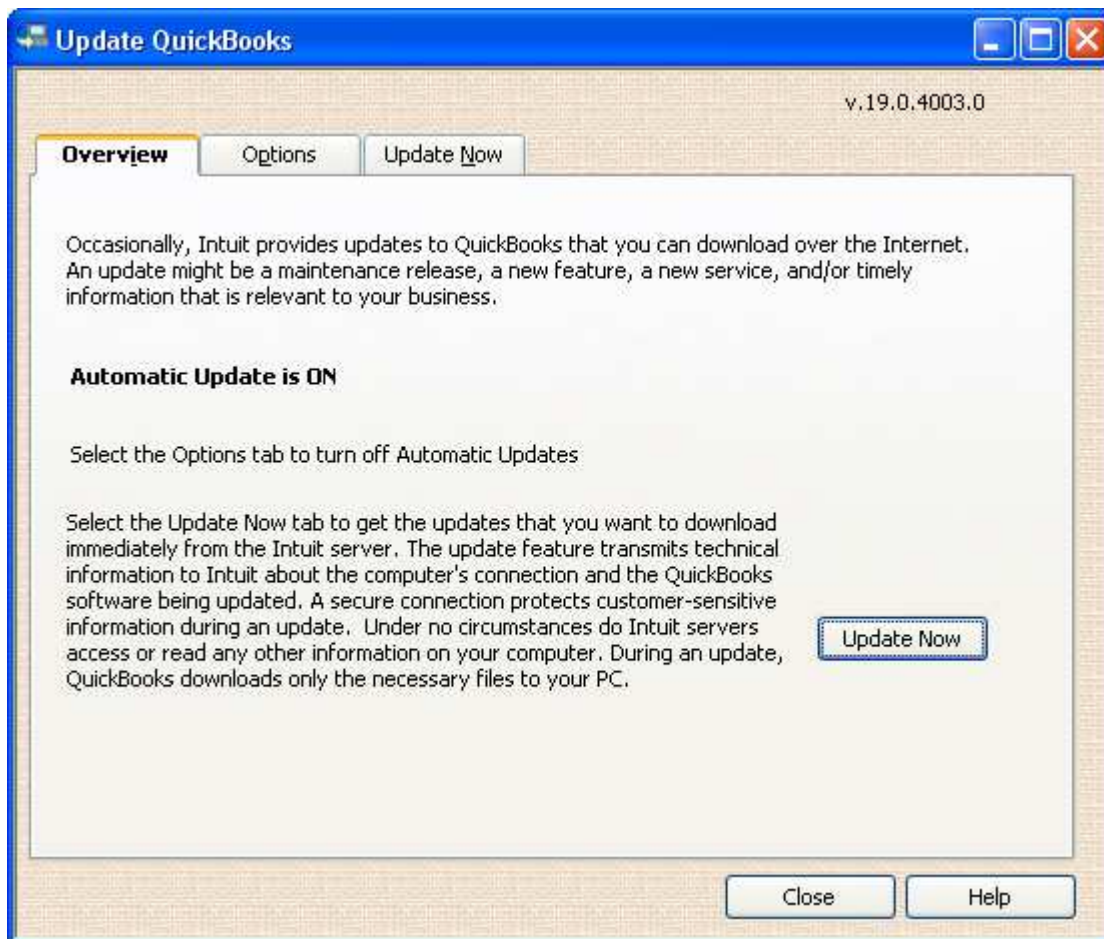
## 3. Select Get Updates
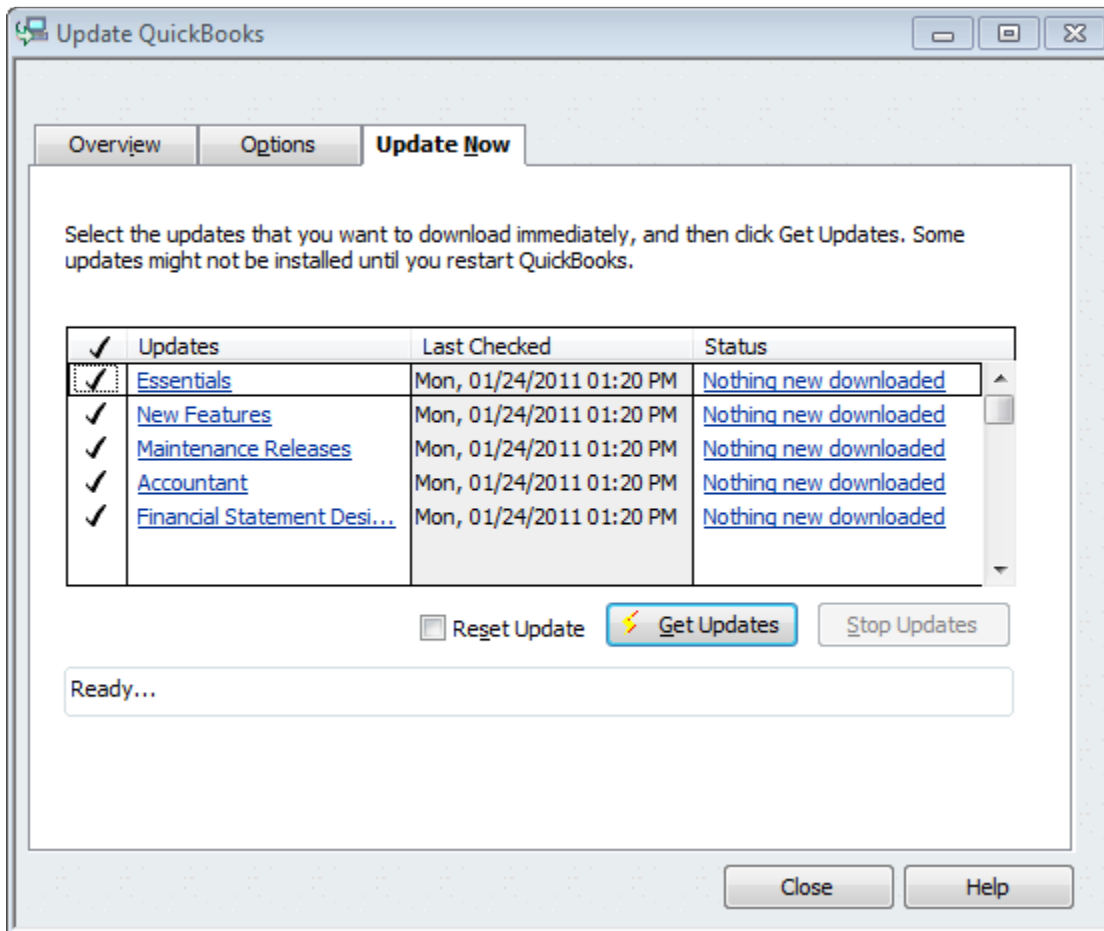


Note: Following the update you will restart QuickBooks and it will prompt you to install the newly downloaded update.

## Checking that the Tax Tables are up to Date

To ensure that you have the latest tax table release do the following:

1. From the **Employees** menu, select **My Payroll Service**, then select **Tax Table Information.**
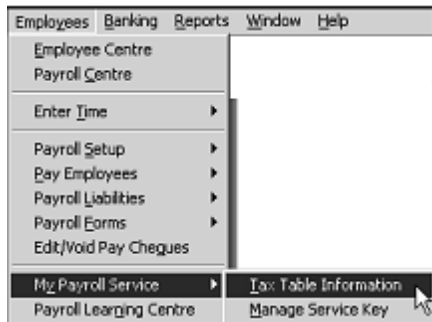


2. QuickBooks displays the Tax Table Information



3. Select **Tax Table Info**. QuickBooks will display information about the latest tax table.

## Payroll Information Needed for Setup

To facilitate the setup of QuickBooks payroll you will need the following information. It is not necessary to have every piece of information but it will allow you to setup more efficiently if you have more information. Please use the following list as reference for what information you might need.

❑ Pay Frequency

❑ Vacation and sick policies

❑ Start date for payroll

❑ CRA Payroll business number

❑ List of required wage items (hourly, salary, commissions, etc.)

❑ List of other items such as car allowances, mileage, reimbursements etc.

❑ List of deductions from employee pay such as union dues, RRSP contributions etc.

❑ List of Company contributions to employee pay such as RRSP company contributions, health benefits, etc.

❑ Employee information such as date of birth, SIN numbers, contact information, rates of pay, etc.

❑ Year to date information. If you have paid employees manually and have records of amounts paid to employees and amounts paid to the CRA, these amounts are needed to enter year to date totals for employees.

# Setting Up Payroll Preferences

Payroll preferences are tools that help you enable and modify various payroll features.

1. To setup payroll preferences, from the **Edit** menu, then **Preferences**
2. Select the **Payroll & Employees** icon then select the **Company Preferences** tab.
3. Notice that the No payroll radio button is selected. Even though you are subscribed to QuickBooks payroll, you must still indicate whether you intend to process pay cheques in the current company file. Click the **Full payroll** radio button to enable the payroll preference.
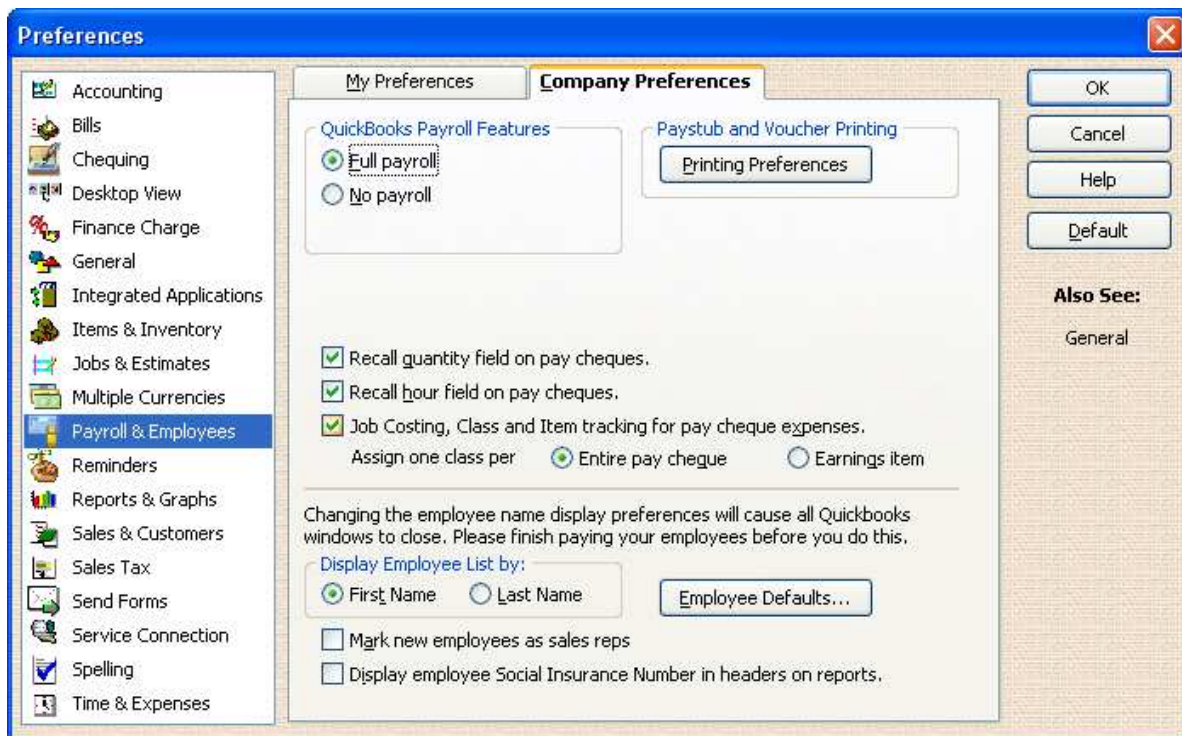
## Setting payroll preferences

The list below illustrates and explains the various payroll preferences that you can modify.

**Recall quantity field on pay cheque** Check this box to automatically carry forward amounts from an employee's prior pay cheque. QuickBooks carries forward quantities for all payroll items that are based on a quantity.

**Recall hour field on pay cheque** This box determines whether QuickBooks automatically carries forward hours from the previous pay cheque issued to an employee. Select this option when you have fixed hours that recur from pay cheque to pay cheque and you want the quantity carried forward.

**Job costing and Class tracking for pay cheque expenses** This option is displayed only when class tracking is turned on.
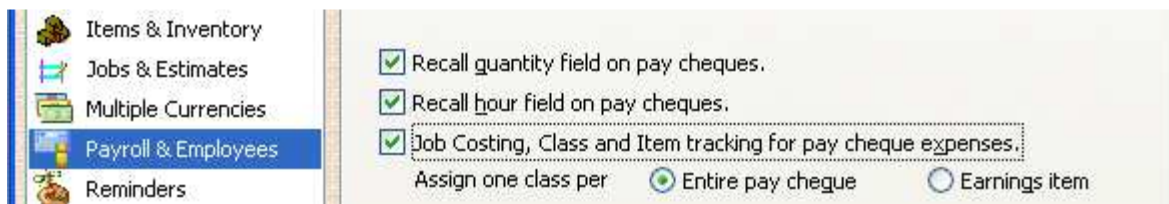


This option determines if QuickBooks assigns one class to an entire pay cheque, or to each payroll item that appears in the Earnings section of a pay cheque.

**Entire pay cheque**  Select this option to have QuickBooks assign a class to all payroll expenses, including company-paid contributions, on the pay cheque. If you use time tracking you will not be able to assign different classes to activities performed by employees whose time data you transfer directly to payroll. You will only be able to assign one class to each employee's cheque. (This restriction doesn't apply to vendors, people on the Other Names list, and employees whose time data you don't transfer.)

**Earnings item** Select this option to have QuickBooks add a Class column to the Earnings section of the Review or Change Pay Cheque window, which gives you the ability to assign a separate class to each payroll item listed in the Earnings section. If you use time tracking, you can assign different classes to activities performed by anyone.

**Display Employee List by** Click one of the radio buttons to list employees by first or last name.

**Mark new employees as sales rep** Click the checkbox to add all new employees to the sales rep list automatically.

**Display employee Social Insurance Number (SIN) in headers on reports** Check this number to display employees' SIN on reports where data is broken out by employee.

**Payroll Printing Preferences** Click this button to open the Payroll Printing Preferences window.
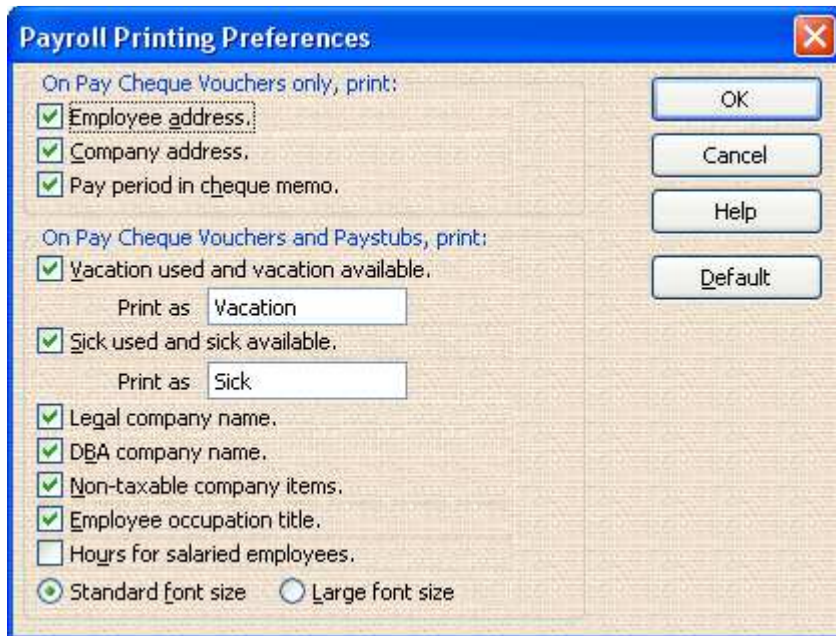


Use this window to select the information to print on a pay cheque voucher only, or on both the voucher and the paystub.

**Employee Defaults**
Click this button to open the Employee Defaults window.



Employee defaults help you set up new employees. Enter the information that most employees have in common, such as hourly wages, basic payroll deductions, and company benefits. These default settings then appear for every new employee that you set up. If the information is different for a particular employee, you can change it in his or her employee profile.

# Part X Setting up Payroll Items in QuickBooks

The premise behind QuickBooks® Payroll is simple. For any amount to appear on an employee's pay cheque, it must first be set up as a payroll item.
In this chapter you will learn how to:

- ❏ Identify the different types of payroll items
- ❏ Set up wage items such salary, hourly rates and commissions
- ❏ Set up reimbursement items
- ❏ Set up deduction items
- ❏ track payroll items through the chart of accounts

## Payroll items—an overview

When you create a payroll transaction in QuickBooks—whether it's a pay cheque, a payroll liability payment, or a payroll adjustment—you use payroll items to do it.

You use payroll items to track the following:
- ❑ Employee earnings (salaries and wages)
- ❑ Amounts you deduct from pay cheques (income taxes, CPP and EI, etc.)
- ❑ Employer-paid expenses (such as company-paid benefits)
- ❑ Any other additions and deductions (such as car allowances and loan payments).

After you enable the full-payroll preference (as described in the previous chapter), QuickBooks automatically creates a default set of payroll items. To view these default payroll items, click the Lists menu then select Payroll Item List.



Review the Payroll Item List and consider the special needs of your company. Like most business owners, you will probably find it necessary to create additional payroll items.

## Payroll item types

QuickBooks lets you set up six types of payroll items.

❑ Wages - Track fixed salaries, hourly wages, commissions, bonuses, paid sick time, vacation pay and advances.

❑ Additions - Add amounts to an employee's earnings that are not wages or bonuses. Additions can be flat amounts or calculated on a quantity (such as the number of hours the employee works). A car allowance paid to an employee is an example of an addition.

❑ Deduction - Deduct amounts from a pay cheque that are not payroll taxes. Examples include union dues and deductions under a group RRSP.

❑ Company Contribution – Calculate employee benefits paid by the company. Examples include company pension plans and group health plans.

❑ Other Tax - Calculate miscellaneous taxes based on employee wages. These taxes might be paid by either the employer or employee. An example is payments to a Workers Compensation Board.

## Creating a Payroll Item for Hourly Wages

1. From the **Payroll Item list**, click on the **Payroll Item button** and then choose **New**.
2. In the Add new payroll item window that opens, select the **Wage** radio button then select **Next**.

3. In the Wages window, select the **Hourly Wages** radio button. Select **Next.**



4. Select the **Regular Pay** radio button then select **Next.**

5. Enter the name of the Payroll Item then select **Next.**



6. Select the appropriate Expense account where you want to track these payroll expenses.

### Record of Employment (ROE) tracking

With certain types of payroll items—wages, and other items such as additions and company contributions—QuickBooks displays the Record of Employment (ROE) Tracking window. The ROE tracking window defines how insurable earnings are tracked. Insurable earnings are the total earnings that an employee worked in the last 53 weeks and for which the CRA requires an employer to deduct Employment Insurance (EI) premiums. In general, most of the hours that employees work are insurable, and most types of payments to employees are subject to EI premiums. However, there are some exceptions. Your accountant or local CRA or HRSDC office can advise you about whether these exceptions apply to your business.

If an employee leaves your business, you must record his or her insurable hours on the employee's Record of Employment. The HRSDC then uses this information to determine if a worker is entitled to EI and, if so, for how long. You must also determine whether the hours are insurable in the period for which they are paid or in which they are paid.

Most payroll items should be marked "For which they are paid." This means you are assigning the employee's earnings to the pay period during which the employee actually did the work, even if you are paying for that work later. In other words, an employee earns his or her salary or hourly wages when he or she does the work for you, not when you issue his or her pay cheque two weeks later. If you have no payroll items mapped with the "For which they are paid" option, QuickBooks cannot create an ROE report.

Some payroll items should be marked "In which they are paid." This option means you are assigning the employee's earnings to the day you issued the pay cheque, regardless of when the employee did the work. For example, if you give an employee a bonus, HRSDC believes that you are not rewarding any specific hour or day of work—just his or her performance in general. Therefore, the employee is considered to have earned the bonus on the day you issue the cheque for it.

7. Select the appropriate ROE Tracking option, (QuickBooks defaults correctly).



8. Select **Finish** to complete the item setup.

## Creating a payroll item for overtime wages

1. To set up an overtime payroll item, from the Payroll Item List, click on the Payroll Item button and click New. As with the Hourly Standard Rate wage just created, select the Wage radio button and click Next.



2. Select **Overtime** Pay, then select **Next**.

3. Enter the Name of the Payroll Item, then select Next.
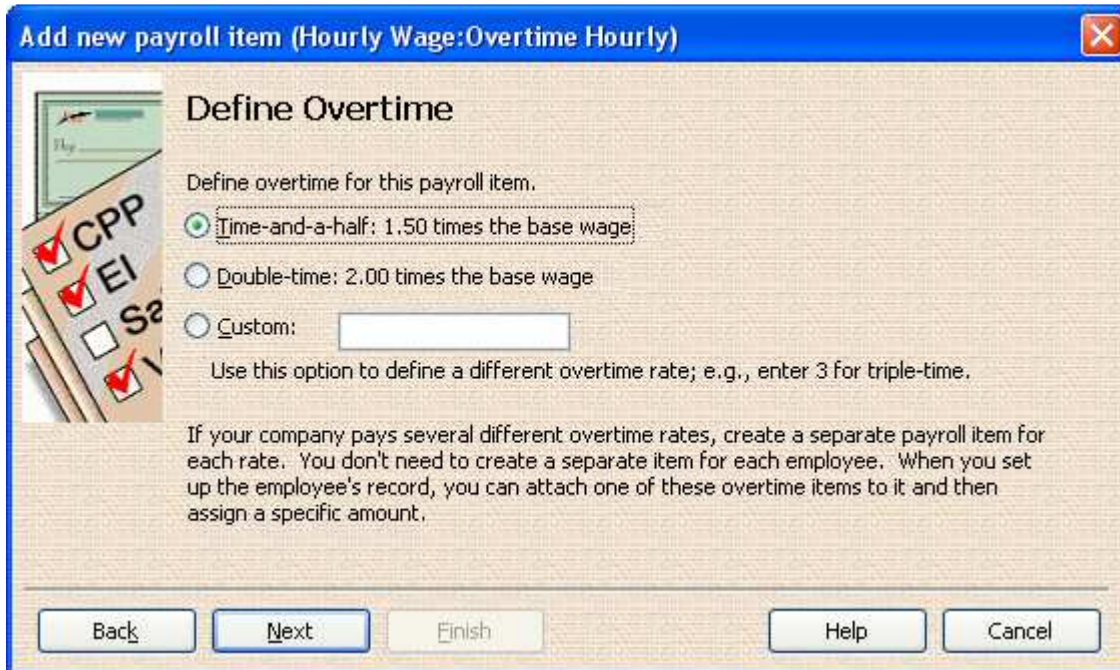
4.  Select the definition of overtime in your business. This can be a default selection or a custom defined option.



5.  Select the appropriate Expense Account that you want to track these payroll expenses to. QuickBooks selects a default account, but you can select the account of your choice.

6. Select the appropriate ROE tracking information.



7. Select **Finish** to complete item setup.

## Creating a payroll item for commissions

To create a payroll item for commissions do the following:

1. From the **Payroll Item** List, select **CTRL + N** to create a new payroll item. Select **Wage** Items and select **Next.**



2. Select **Commission**, then select **Next.**

3. Enter the name of the Commission payroll item, then select **Next**.



4. Enter the appropriate expense account, then select **Next**.



Note: Unlike a salary or an hourly rate, which is paid on a regular basis and is based on hours worked, a commission usually calculated on another basis such as a percentage of sales. It may also be infrequently paid out, so you may consider tracking this in a separate account.

---

5. Select the appropriate ROE tracking then select Next.



6. Enter the Default rate for the commission. You can select % or flat rate amount based on a quantity.



7. Select Finish to complete the process.

# Payroll additions

An addition is a non-wage item that you want to add to an employee's pay cheque. A car allowance is the most common form of payroll addition. Based on how the allowance is calculated, CRA may deem it to be either taxable or nontaxable.

Viewing the Help File for Creating Payroll Items is a helpful way of seeing how to set up common payroll items.

1. Press F1 on the Keyboard, From the help Screen Select Search
2. In the Search Type " Sample of Common Payroll Items"
3. The Chart in this article contains many examples of Payroll items and the tax implications of each.

We have printed this chart for you it is at the end of this workbook.

| Live Community | Help | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Relevant Topics | Search | | | | | | | | | | | |

sample of common payroll items ➜

**15 topics found:**

(?) Samples of common payroll items
(?) Set up a common payroll item
(?) Edit payroll items

⟲ Back  ⟳  🖶 Print Topic

| Union Dues | Ded'n | Gross | ✓ | N | N | ✓ | N | Box 44/F | N | | n/a | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|

**Tax allowances and Benefits**

| Payroll item | Type | Gross or Net | Fed Inc. Tax | CPP | EI | Qué Inc. Tax | QPP | T4 or RL-1 | GST or HST | ROE Earn. | ROE Hrs. | ROE For or In |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Automobile allowances | Add'n | Gross | ✓ | ✓ | ✓ | ✓ | ✓ | Box 40/L | N | Y | N | In |
| Automobile standby charge and operating cost benefits | Co. Ctrb'n | n/a | ✓ | ✓ | N | ✓ | ✓ | Box 34/I | Y | N | N | n/a |
| Board and lodging, if cash earnings paid in the same pay period | Co. Ctrb'n | n/a | ✓ | ✓ | ✓ | ✓ | ✓ | Box 30/H | 1 | Y | N | For |
| Board and lodging, if no cash earnings paid in the same pay period | Co. Ctrb'n | n/a | ✓ | ✓ | N | ✓ | ✓ | Box 30/H | 1 | N | N | n/a |

---

**Creating a payroll addition for a taxable car allowance**

1. From the Payroll Item List, click on the Payroll Item button and choose New.
2. Select the Addition radio button. Click Next.



3. Enter the Name of the Addition.

4. Select the appropriate Expense account, then select Next.



5. Select the appropriate ROE tracking, then select Next.

6.  Select the appropriate Tax Tracking option. For payroll items that are additions, QuickBooks requires information on T4 tracking. By default QuickBooks chooses Box 14 for this payroll item.



7.  Select the taxes which apply to this addition item.

8. In this window, indicate whether the car allowance is based on a quantity (number of kilometres, for example), hours worked or neither. This will depend on your business.



9. Enter the Default Rate and Limit.

## Payroll deductions

Payroll deductions are those amounts that are not payroll taxes which you subtract from an employee's wages.  Some deductions are for programs mandated by provincial or federal laws, some are set up by employers, and some are options that an employee can choose. Read on for some examples of common payroll deductions and how to set them up.

### Creating a payroll item for a Group RRSP deduction

**To create a Deduction item:**

1. From the Payroll Item List, select CTRL + N.
2. Select the Deduction payroll item type.
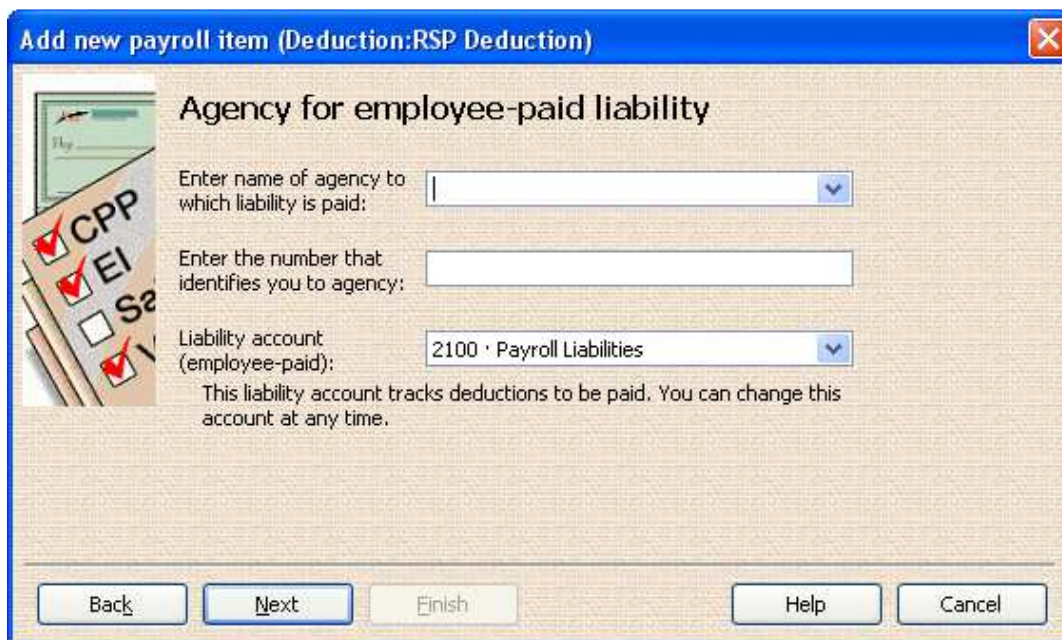


3. Enter the name of the Deduction, then select Next.

4.  Enter the name of the liability account and the vendor to whom you will pay the liability if necessary, then select Next.



5.  Enter the T4 box that will summarize the employee deduction. For Group RRSP deductions, QuickBooks automatically selects None. Click Next to accept this selection.
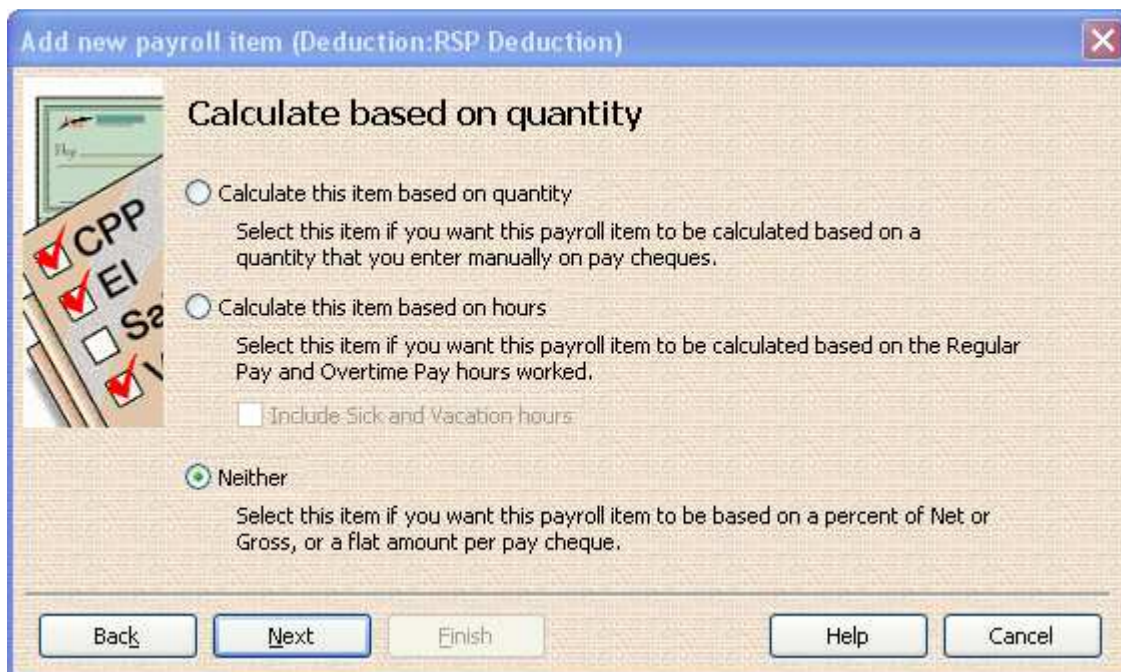
6. Because contributions to a group RRSP are eligible for a reduction in income tax deductions, check the Federal Income Tax payroll item. For more information on how Group RRSPs are taxed, consult with your accountant or investment advisor. Select Next.
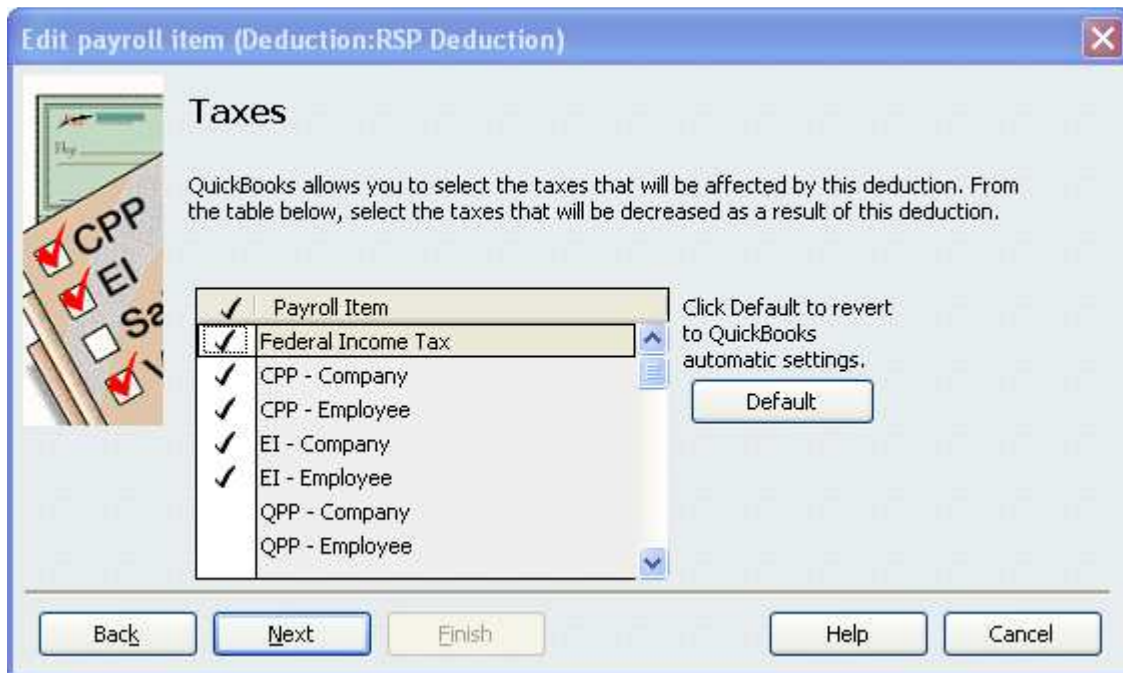
7. Select how this deduction will be tracked.



8. Select the appropriate Default Rate and Limit, then select Finish.

**Creating a payroll item for deductions under a group health plan**

1.  Using the Payroll Item List as the starting point, click the Payroll Item button and click on New to open the Add Payroll Item window.
2.  From the list of item types, select Deduction. Click Next.
3.  Enter a descriptive name for the deduction. Click Next.



4.  Enter the name of the organization that administers the health plan and enter the plan's reference or account number.

5. In the Tax tracking type window, use the drop-down arrow to find and select Box 85 – Employee-paid premiums for private health services plans. Click Next.



6. QuickBooks indicates that group-health deductions have no effect on payroll taxes. Accept this assertion by clicking Next.
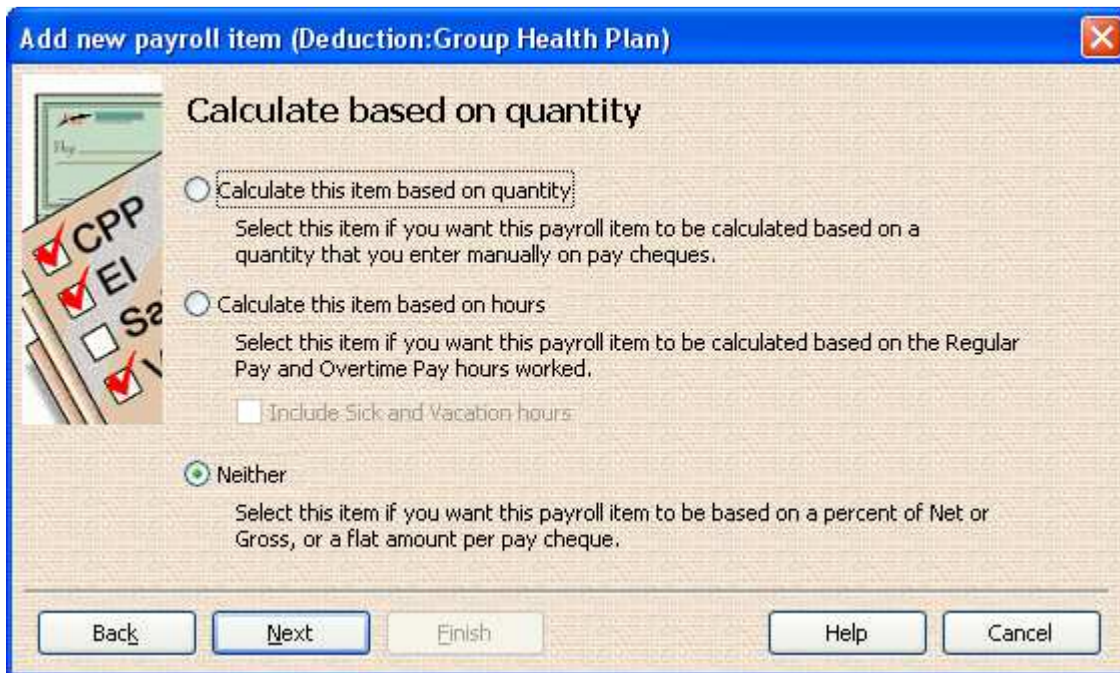
7.  Because the calculation is based on a percentage of the gross salary amount and not on the hours worked or any other quantity, select Neither. Select Next.



8.  Because the health plan is calculated as a percentage of gross pay, select the gross pay radio button. Click Next.

The default rate can be a dollar amount or a percentage  if it is the latter make sure to add the percent sign.

## Company contributions

A company contribution is a payroll item type that tracks an amount paid by an employer on behalf of its employees. Examples of company contributions include company-paid health plans and RRSP amounts.

**Creating a payroll item for a company-paid group health plan**

In the previous chapter, you learned how to set up a payroll deduction item for the employee-paid portion of a group health plan. This section explains how to set up the employer-paid portion.

1. From the Payroll Items List, click on the Payroll Items button or press CTRL+N.
2. Select Company Contribution and click Next.



3. Enter the name of the Company Contribution.

4. Enter the appropriate account and vendor name if necessary. Select Next.



5. Select the appropriate ROE tracking, then select Next.

6. Select the appropriate Tax Tracking type.



7. Select the appropriate taxes.

8. Select the appropriate option.
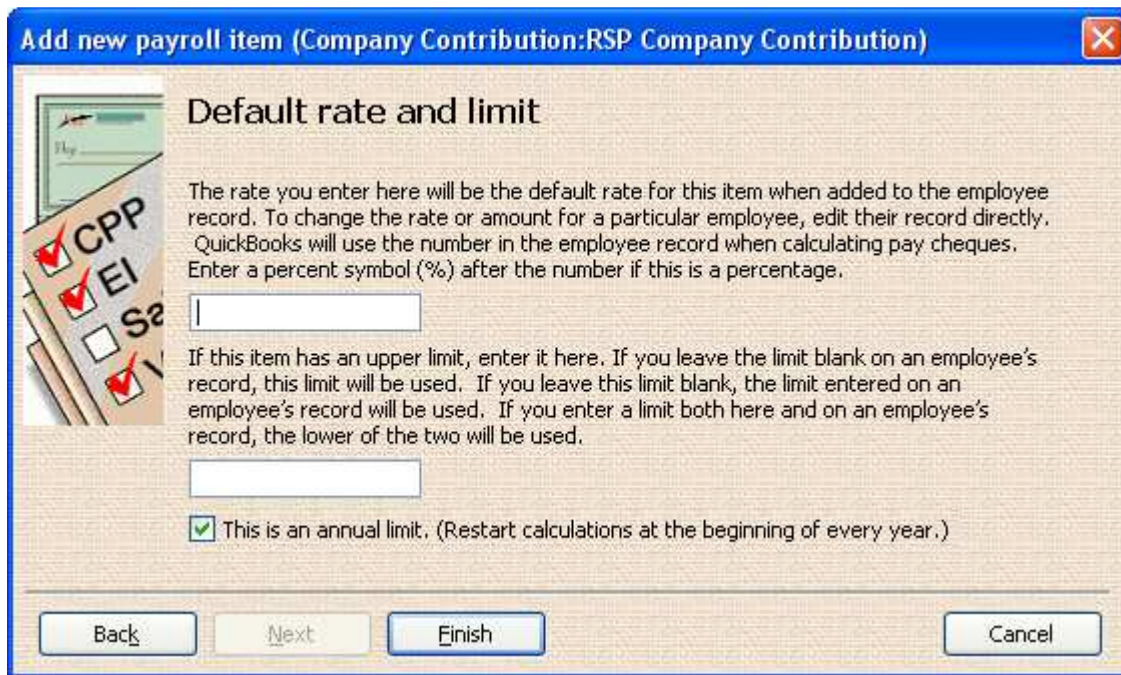
9.  Enter the Default and Rate Limit, then Select Finish.

# Other taxes

Other taxes are those amounts that are paid by either the employee or employer, calculated on an employee's wages and subsequently remitted to a third party.

**Workers Compensation Board (WCB) payments /  WSIB (Ontario)**

A payment to a Workers Compensation Board (WCB) on behalf of employees is an example of other taxes that an employer must make. WCB is a form of public workplace insurance that compensates an eligible employee who cannot work because of an injury that occurred at a workplace. WCB rates vary by province and are dependent on your company's industry classification.

For more information on WCB rules and regulations, consult with your accountant.

**Creating a payroll item for company-paid WCB**

The first step in creating a WCB payroll item is to get the employer's applicable rate, which you can find on your province's WCB website.

To set up this payroll item:

4.  From the Payroll Items list, click on the Payroll Item button and click New.
5.  In the Add new payroll item window, select the Other Tax radio button. Click Next. Indicate whether the tax is to be paid by the employee or the company. (In most cases WCB is paid by the company). Select Next.



6.  Enter a descriptive name for the company-paid tax. Select Next.

---

7.  Select the appropriate accounts.



8.  Select Tax Tracking Type, then select Next.

9. Enter the Default Rate and Limit, select Next.



10. Select the items that WCB is calculated on, then select Next.

11. Select the Pre- Tax options. In most cases these will not be selected. Select Finish.

Payroll Item Listing

To review your payroll items in QuickBooks you can select a report that includes all payroll items. To create this report do the following:

1. From the Reports menu, select Employees & Payroll.
2. Select Payroll Item Listing. The following report will display.
3. To edit a payroll item, select the item and you will be able to edit the item.

# Part XI Setting up Employee Defaults

## Setting default payroll items

When you hire an employee you must assign payroll items to that employee's profile. This tells QuickBooks® the amounts to add to (and deduct from) an employee's pay cheque. Because most employees share the same payroll earnings and deductions, rather than manually assigning common payroll item to every employee you set up, you can use the payroll preference to assign a default set of payroll items to all new employees.

To enter employee defaults:

1. From the Edit Menu, select Preferences.
2. Select Payroll and Employees.
3. Select Employee Defaults.
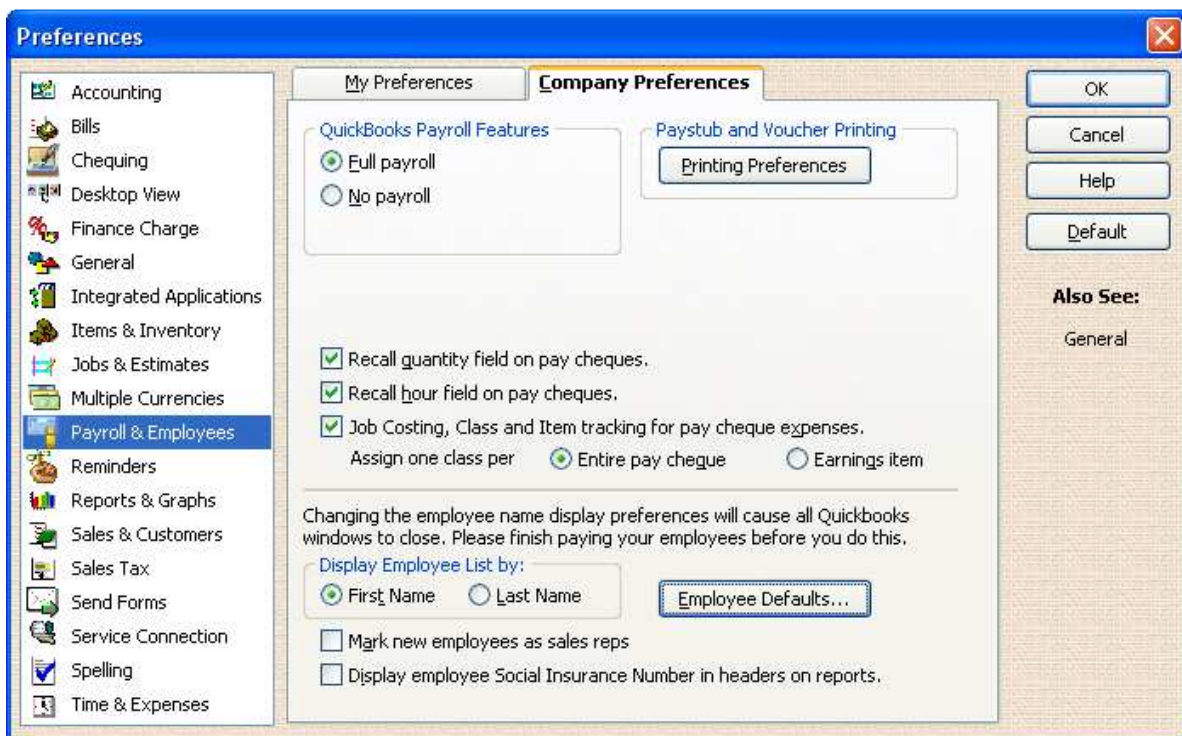
4. Select the default Item Name of the earnings item.
5. Select a payroll schedule if necessary.
6. Select a Pay Frequency.
7. Select Class.
8. Select the Additions, Deductions and Company Contributions that apply to new employees.



## Setting default taxes

Use the Taxes Defaults window to indicate your home province, the default deductions (CPP, EI and Income Tax) and other taxes (such as WCB) that apply to each employee.

When EI applies, you must also indicate the EI Factor—the multiple of an employees' EI deduction that an employer must contribute to the Employment Insurance program. In most cases, an employer contributes $1.40 for every $1.00 deducted from an employee's pay cheque. For more information on EI visit the CRA website.

9.  Select Taxes and the following window will appear.



10. Select OK.

**Tax tables and TD1 amounts**

Use the Tax Table field to choose your company's home province then verify that the proper amounts appear in the Federal and Provincial TD1 fields. The Tax Table and TD 1 fields work in unison to ensure that QuickBooks correctly calculates the payroll tax deductions.

A TD1 form is used by an employer to determine the tax deductions that an individual employee is eligible for. There are two TD1 forms: a federal form and one for your home province. As an employer, you should ask each of your employees to complete a TD1 form at the start of every year.

**Setting vacation defaults**

1. In the Vacation Defaults window, click on the appropriate radio button, depending on whether you want to retain the employee's vacation pay, or remit it with each pay cheque.
2. Enter the vacation percentage to which each employee is entitled. Finally select the payroll items that are eligible for the percentage calculation.



3. Select OK to complete the Employee Default setup.

# Part XII Setting Up Employees

## Adding Employees

Adding employees is the final step in the payroll set up process. As explained in the Payroll Information Table in Chapter 2, the information that's required to correctly set up an employee is dependent on the set up date.

As an example, if your company never before employed anyone, then the employees' contact information and their rate of pay are all that's required. Contrast that, however, with a company that has a roster of employees, all of whom received pay cheques in the current calendar year. In this situation, you'll also need to record historical payroll data for every employee.

**Entering employee information**

1. From the Navigator Bar, select Employee Centre.
2. Select New Employee.
3. Select the Personal Info Tab. Enter the information listed here including the SIN number and the Date of Birth is required.



4. Select the Address and Contact tab and enter the information.

5.  Select the drop down menu and select Payroll and Compensation info. Enter the information on each section including Vacation Pay, Accrual, and Taxes.

6.  Select the drop down menu and choose Employment Info. Enter the Hire Date for the employee.



To View your Employee Information do the following:

1.  From the Reports menu, select Employees & Payroll.
2.  Select Employee Contact List.

# Part XIII Paying Employees & Liabilities in QuickBooks

In this Chapter we will go over the payroll cycle in a typical business. We will show you how to create Paycheques, through to remitting to the government.

Specifically in this part you will cover how to:

❑  issue pay cheques
❑  print pay cheques
❑  email or print paystubs
❑  remit payroll liabilities
❑  issue a cheque for vacation pay or sick days:

## Paying employees—the basics

After working through the set-up process explained earlier, QuickBooks® is ready to issue your employees' first pay cheques. In addition to calculating all earnings and payroll deductions, QuickBooks also prints paycheques and the corresponding pay stubs. for a pay period, QuickBooks tracks payroll data in a host of payroll reports.

1. To process pay cheques, from the Home Screen, select Employee Centre then click the Payroll tab.



2.
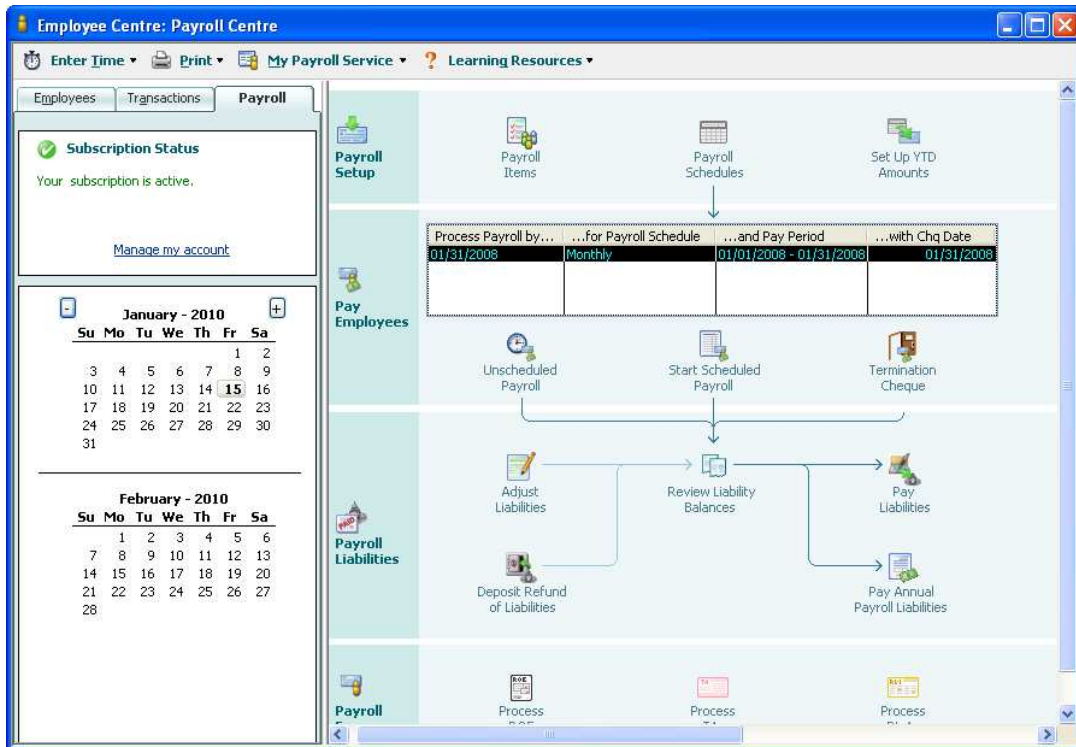
3. From the Payroll Centre, click start scheduled payroll.
4. QuickBooks opens the Payroll Information window. Notice that there are three workflow arrows at the top of the window: Enter Payroll Information,
5. Review & Create Pay Cheques, and Print & Distribute Pay Cheques.

## Enter Payroll Information

The payroll information window shows where to enter payroll information.
Take a moment to study the window's features:

- **Pay Period Ends:** The first time you pay employees, you must enter the ending date of the current pay period. From then on, QuickBooks Automatically advances the pay period date for all subsequent paycheques.

- **Cheque Date:** Enter the pay cheque date.

- **Bank Account:** Ensure that the correct bank account is displayed in this field.

- **Check All:** Check this box to process pay cheques for all listed employees

- **Sort by:** If your employee list is long, click the drop-down arrow to select an alternate sorting method. Choose from any of these sorting options.

- **Show/Hide Columns:** Click this button to customize the Payroll Information window.
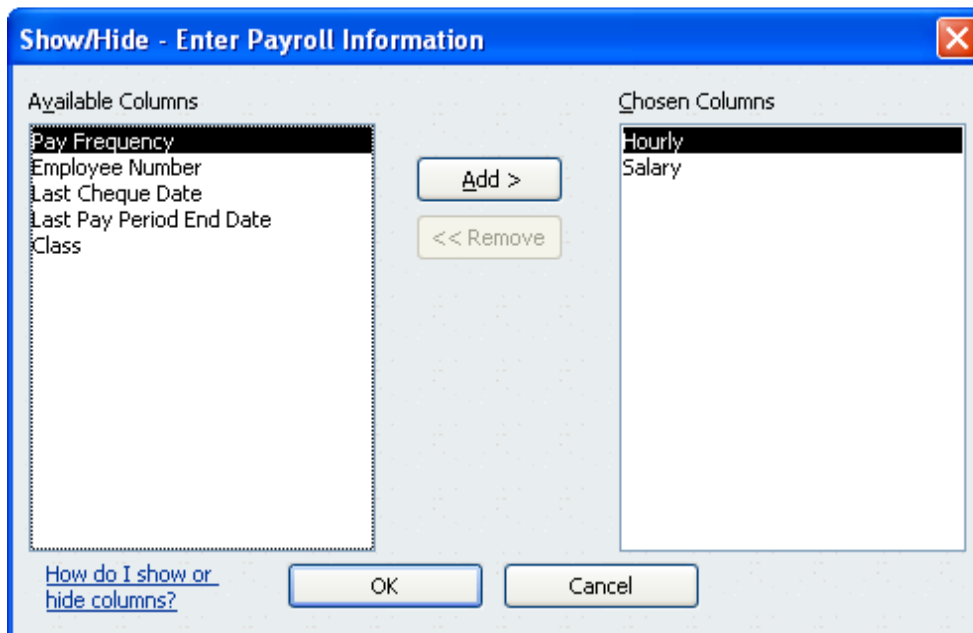


1. To add a column, select it from the left pane and click Add>>. To remove a column, choose it from the right pane and click <<Remove. Click OK to close the window.
2. Click Check All to select all the employees then enter the hours worked by each employee in the pay period. Click Continue.

# Review and Create Pay Cheques

In this window, QuickBooks displays a summary of each employee's gross pay, taxes, contributions and net pay. From this window you can set up the following options:



- ❏ **Print Pay cheques:** Click this radio button and QuickBooks prints each
- ❏ employee's pay cheque.
- ❏ **Assign cheque number:** Select this option if you hand-write pay cheques.
- ❏ **Open Pay Cheque Detail:** Click this box to view details of each employee's pay cheque.
- ❏ **Create Pay Cheques:** Click here to create and record the pay cheques.

1. Click Open Pay Cheque Detail. In addition to reviewing the cheque, use this window to add or edit payroll information.
2. Assume that no changes are necessary for the cheques. Before clicking Save & Close, observe that QuickBooks tracks both accrued vacation and sick time in the upper right portion of the window.

**Review Or Change Pay Cheque**

Rob deMontarnal

Pay Period 12/16/2009 - 01/15/2010

☐ Use Direct Deposit

Class Office Admin

Earnings

| Item Name | Rate | Hours | Customer:Job |
|---|---|---|---|
| Salary | 6,250.00 | 168:00 | |

Adv. Pay Bal. ($)  0.00

Sick Hours Avail.  32:00
Vacation Avail. ($)  -261.90
Sick Hours Acc.  32:00
Vac. Accrued ($)  375.00
☐ Do not accrue

Total Hours:  168:00

Other Payroll Items

| Item Name | Rate | Quantity |
|---|---|---|
| Charitable Donation | -15.00 | |
| Long Term Disability | -12.00 | |
| Health Plan | 27.00 | |
| Automobile Allowa… | 250.00 | |

Employee Summary

| Item Name | Amount | YTD |
|---|---|---|
| Salary | 6,250.00 | 6,250.00 |
| Charitable Donation | -15.00 | -15.00 |
| Long Term Disability | -12.00 | -12.00 |
| Automobile Allowance | 250.00 | 250.00 |
| CPP - Employee | -307.31 | -307.31 |
| EI - Employee | -112.45 | -112.45 |
| Federal Income Tax | -1,538.02 | -1,538.02 |

Company Summary

| Item Name | Amount | YTD |
|---|---|---|
| Health Plan | 27.00 | 27.00 |
| CPP - Company | 307.31 | 307.31 |
| EI - Company | 157.43 | 157.43 |
| VacPay-Accrued | 375.00 | 375.00 |

Cheque Amount:  4,515.22

[ Clear all ]  [ Save & Previous ]  [ Save & Next ]    [ Save & Close ]    [ Cancel ]  [ Help ]

3. Click Save & Close to return to the Review and Create Pay Cheques window.
4. Click Create Pay Cheques.

## Print & Distribute Pay Cheques

1. In this window, click Print Pay Cheques to process the payroll run. If necessary, click Print/Email Pay stubs (this latter option is useful for direct deposits).
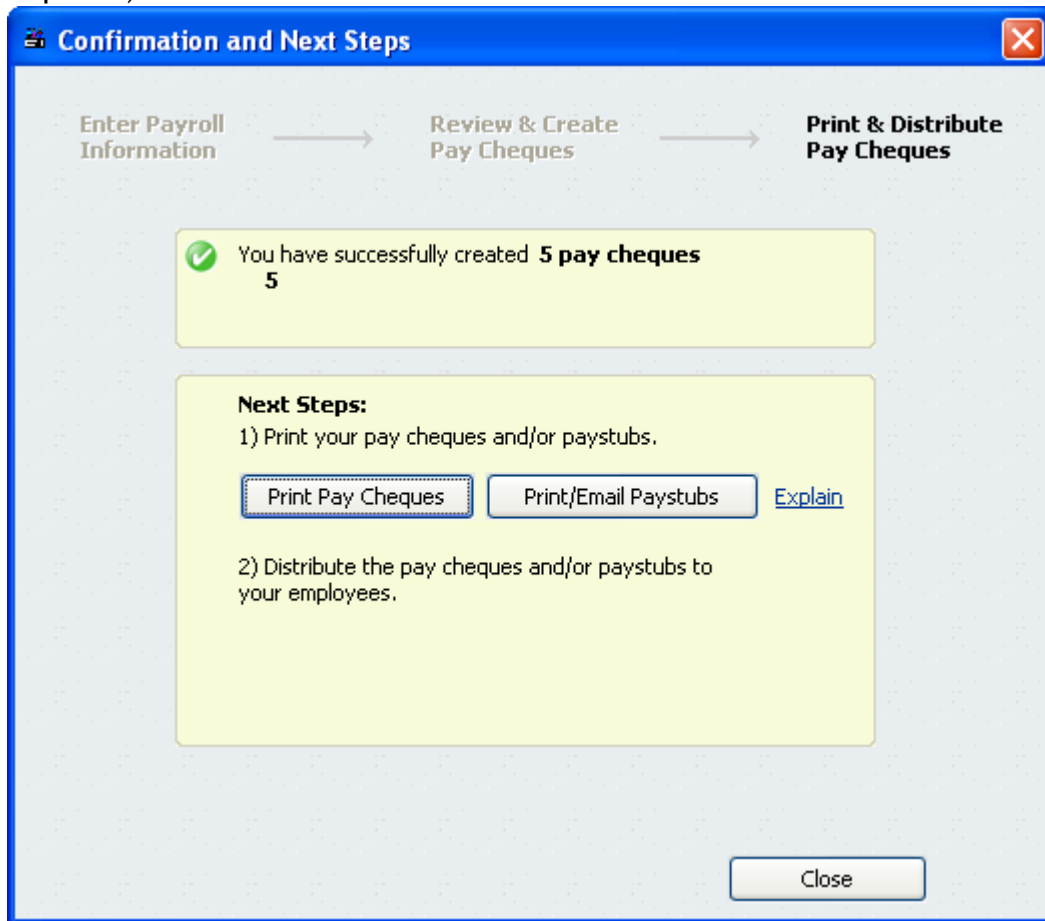
2. After clicking Print Pay Cheques, QuickBooks opens a selection dialog that allows you to print or override the cheques to print. Click OK to begin the print run.
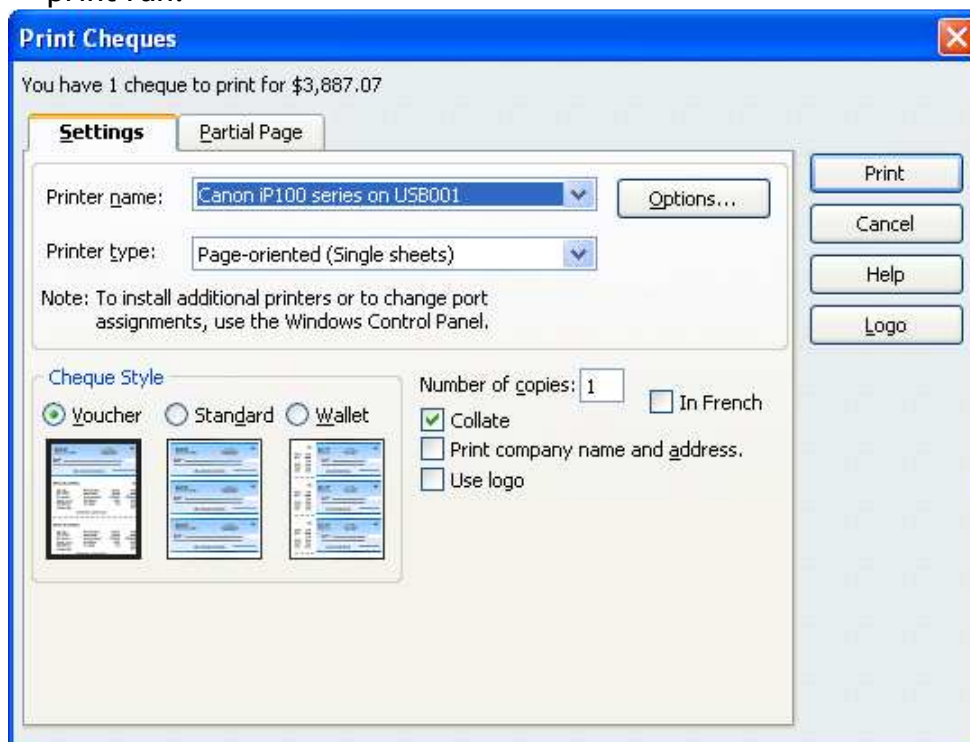
DATE  1 1 3 0 2 0 0 8
          M M D D Y Y Y Y

******Three Thousand Eight Hundred Eighty-Seven and 07/100          **3,887.07

Carol Walker
ON M4Y 2M9

MEMO        Pay Period: 11/01/2008 - 11/30/2008

| Employee | | | | | Occupation | |
|---|---|---|---|---|---|---|
| Carol Walker, 2121 Ventura Blvd, Toronto, ON M4Y 2M9 | | | | | Consultant | |
| | | | | | Pay Period: 11/01/2008 - 11/30/2008 | Cheque Date: 11/30/2008 |
| Earnings and Hours | Qty | Rate | Current | YTD Amount | | |
| Salary | | | 5,833.33 | 60,443.23 | | |
| Automobile Allowance | | | 250.00 | 2,750.00 | | |
| Vacation Salary | | | 0.00 | 3,723.40 | | |
| | | | 6,083.33 | 66,916.63 | | |
| Taxes | | | Current | YTD Amount | | |
| Federal Income Tax | | | -2,169.26 | -23,154.27 | | |
| CPP - Employee | | | 0.00 | -1,780.00 | | |
| EI - Employee | | | 0.00 | -858.00 | | |
| | | | -2,169.26 | -25,792.27 | | |
| Adjustments to Net Pay | | | Current | YTD Amount | | |
| Long Term Disability | | | -12.00 | -132.00 | | |
| Charitable Donation | | | -15.00 | -165.00 | | |
| | | | -27.00 | -297.00 | | |
| Net Pay | | | 3,887.07 | 40,827.36 | | |
| Taxable Company Items | | | Current | YTD Amount | | |
| Health Plan | | | 27.00 | 297.00 | | |

Pro Hockey School,4567 Dixon,Toronto,ON,M4Y 2M8 416 456-7890

3. After all cheques are printed, QuickBooks displays a confirmation window that allows you to reprint pay cheques.

**Print Cheques - Confirmation**

If your cheques printed correctly, click OK.

What if my cheques printed in reverse order?

If you need to reprint any cheques, select them and click OK. Then return to the Select Cheques to Print window to reprint them.

| Reprint | Cheque No. | Payee | Amount |
|---|---|---|---|
| | 139 | Lynette Farriot | 3,887.07 |

Select All

What if my cheques printed incorrectly?          Cancel    OK
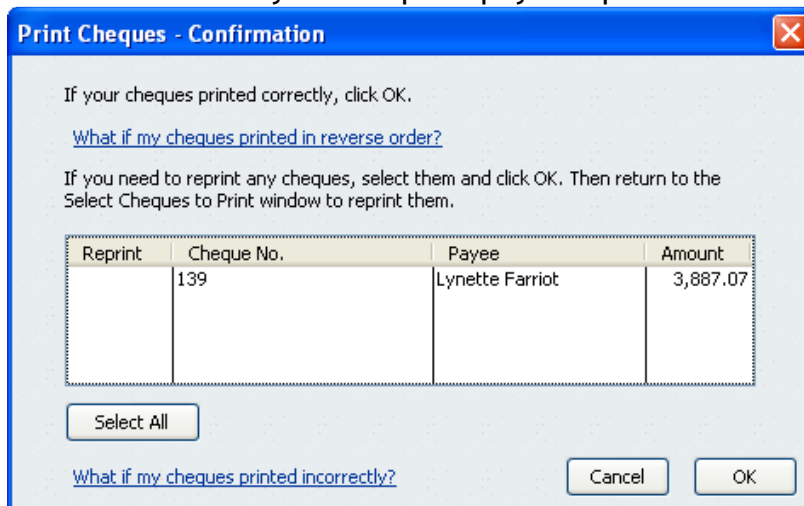
**Sending Paystubs**

4. If you hand-write pay cheques or use direct deposits, you can use QuickBooks to print or email paystubs.
1. From the Print & Distribute Pay Cheques window, click Print/Email Paystubs.
2. Select from the employees listed and choose Print or E-mail.
3. The figure below shows a sample paystub.

Pro Hockey School
4567 Dixon
Toronto, ON  M4Y 2M8

Sandra Adams
563 Newton Dr
Toronto, ON M3M 1M2

| Employee Paystub | | Cheque number: 139 | | | Pay Period: 12/16/2009 - 01/15/2010 | | | Cheque Date: 01/15/2010 |
|---|---|---|---|---|---|---|---|---|

| Employee | | | | | Occupation | | | |
|---|---|---|---|---|---|---|---|---|
| Sandra Adams, 563 Newton Dr, Toronto, O N M3M 1M2 | | | | | | | | |

| Earnings and Hours | Qty | Rate | Current | YTD Amount | Sick Hours and Vacation Pay | | YTD Used | Available |
|---|---|---|---|---|---|---|---|---|
| Salary | | | 6,250.00 | 6,250.00 | Sick | | 0:00 | 32:00 |
| Automobile Allowance | | | 250.00 | 250.00 | Vacation | | 0.00 | 2,202.69 |
| | | | 6,500.00 | 6,500.00 | | | | |
| | | | | | Taxable Company Items | | Current | YTD Amount |
| Withholdings | | | Current | YTD Amount | Health Plan | | 27.00 | 27.00 |
| CP P - Employee | | | -307.31 | -307.31 | | | | |
| EI - Employee | | | -112.45 | -112.45 | | | | |
| Federal Income Tax | | | -1,588.02 | -1,588.02 | | | | |
| | | | -2,007.78 | -2,007.78 | | | | |
| Adjustments to Net Pay | | | Current | YTD Amount | | | | |
| Long Term Disability | | | -12.00 | -12.00 | | | | |
| Charitable Donation | | | -15.00 | -15.00 | | | | |
| | | | -27.00 | -27.00 | | | | |
| Net Pay | | | 4,465.22 | 4,465.22 | | | | |

# Employee payroll reports

With the wide array of available employee and payroll reports—all of which are customizable—QuickBooks gives you full detail of your payroll history. Furthermore, as with all other QuickBooks reports, you can double-click any amount within a report and use Quick Zoom to obtain more information.
As an example, the Payroll Transactions by Payee report provides a summary of the amounts paid to employees and payroll agencies.

Illustrated below are just a few of the available payroll reports, all of which can be viewed from the Navigation Bar by clicking Report Centre and then selecting Employees & Payroll.

### Employee earnings summary report
The Employee Earnings Summary report displays the total amounts paid within a reporting period, broken down by payroll item and employee.

## Payroll summary report

The Payroll Summary report displays each employee's gross pay, deductions and net earnings. It also lists the employer's payroll taxes and contributions. Use the scroll bars to view other areas of the report.

| | | | | | | |
|---|---|---|---|---|---|---|
| 7:30 PM | | | | | **Pro Hockey School** | |
| 01/15/10 | | | | | **Payroll Summary** | |
| | | | | | January 1 - 15, 2010 | |
| | | **Lynette Farriot** | | | **Kyle Kilat** | |
| ◇ | **Hours** ◇ | **Rate** ◇ | **Jan 1 - 15, 10** ◇ | **Hours** ◇ | **Rate** ◇ | **Jan 1 - 15, 10** ◇ |
| **Employee Wages, Taxes and Adjustments** | | | | | | |
| Gross Pay | | | | | | |
| Salary | 168 | ▶ | 6,250.00 ◀ | | | 0.00 |
| Sick Salary | | | 0.00 | | | 0.00 |
| Hourly | | | 0.00 | 46 | 25.00 | 1,150.00 |
| Commission | | | 5,555.75 | | | 0.00 |
| Advance | | | 0.00 | | | 0.00 |
| Automobile Allowance | | | 750.00 | | | 0.00 |
| Total Gross Pay | | | 12,555.75 | | | 1,150.00 |
| | | | | | | |
| Deductions from Gross Pay | | | | | | |
| Long Term Disability | | | -369.00 | | | -24.00 |
| Total Deductions from Gross Pay | | | -369.00 | | | -24.00 |
| | | | | | | |
| Adjusted Gross Pay | | | 12,186.75 | | | 1,126.00 |
| | | | | | | |
| Taxes Withheld | | | | | | |
| Federal Income Tax | | | -2,826.33 | | | 0.00 |
| CPP - Employee | | | -812.26 | | | -28.04 |
| EI - Employee | | | -217.22 | | | -19.90 |
| Total Taxes Withheld | | | -3,855.81 | | | -47.94 |
| | | | | | | |
| Deductions from Net Pay | | | | | | |
| Charitable Donation | | | -45.00 | | | -30.00 |
| Total Deductions from Net Pay | | | -45.00 | | | -30.00 |
| | | | | | | |
| Net Pay | | | 8,285.94 | | | 1,048.06 |

# Viewing and paying payroll liabilities

QuickBooks uses payroll items to track the liabilities that are due to various payroll agencies.

**Viewing all payroll liabilities**

To view all payroll liability amounts, from the Payroll Screen select Choose Payroll Liability Balances. This report show what payroll liabilities to remit to various agencies.

Th

This report displays the totals of all payroll liabilities within a selected period.

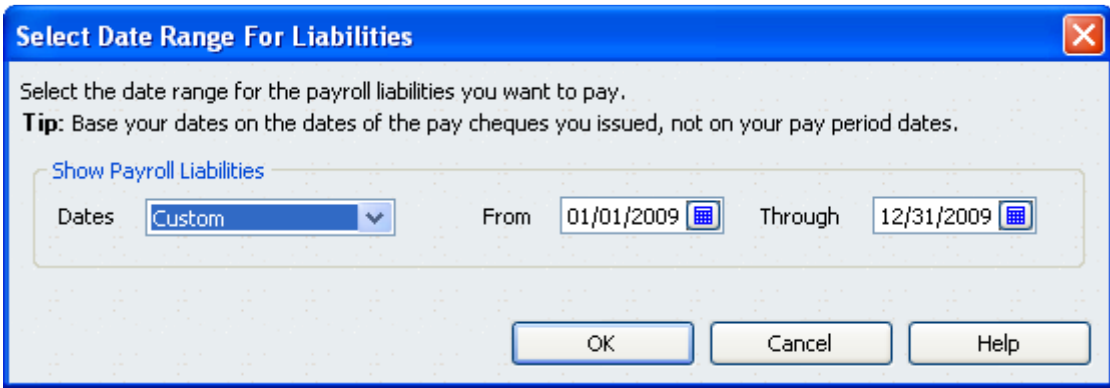**Viewing liabilities owed to Canada Revenue Agency (CRA)**
The CRA imposes strict filing deadlines for remitting payroll liabilities (commonly called Source Deductions). Generally, source deductions are due no later than the 15th of the month following the pay cheque date.
To view only the amounts owed to CRA, from the Employees & Payroll section of the Report Centre, select PD7A Summary.

**Remitting source deductions**

1. To remit source deductions to CRA, from the Payroll Centre, click Pay Liabilities.



2. Enter the first and last day of the month as the date range for the liabilities. Click OK.
3. In the Pay Liabilities window, click any item payable to the Receiver General and QuickBooks automatically selects all other items payable to that agency.

**4.** Review your choices in the Pay Liabilities window, especially making sure that:

- All required payroll items are checked
- Also you chose whether to print or handwrite the liability cheque
- You selected the correct chequing account from which to pay the liabilities
- The cheque payment date is correct
- You selected the correct radio button for reviewing (or not reviewing) the liability cheque  Also notice that you can view the PD7A report or the Payroll Liability Balances report by clicking on, respectively, the PD7A button or the Report button.

5. Click Create to prepare the liability cheque. QuickBooks prepares the cheque and clears the payroll liability accounts automatically. To print this cheque, click the Print icon.

**Remitting Other Payroll Liabilities**

Now you may  decide to pay your other payroll liabilities.

1. To pay other payroll liabilities, from the Payroll Centre, click Pay
   Liabilities.
2. Select the date range and click the Report button. Notice that, because you
   remitted a source deduction payment, the CRA liabilities are now zero.



3. Return to the Pay Liabilities window and check each payroll item. Click
   Create. QuickBooks creates a cheque for each agency.
4. To print the liability cheques, click the Print icon's drop-down arrow and
   select Print Batch.
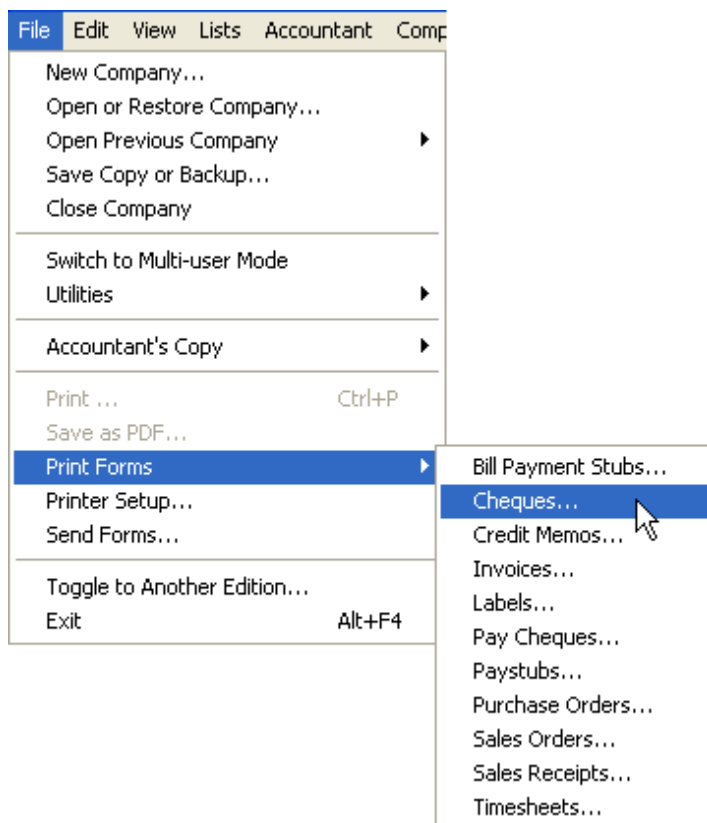
5. QuickBooks previews the cheques to print. Review the selection and click OK to begin the cheque run.

## QuickBooks ProAdvisor Training Day Conclusion

In this seminar you learned:
- How to setup a QuickBooks file
- Setting up accounts, items, preferences
- Setting up customer
- Accounts Receivable and customer transactions
- Accounts Payable and vendor transactions
- Setting up payroll items and employees
- Paying employees & liabilities

Join us for additional ProAdvisor training. Visit www.accountingcycle/patraining to learn more or to register.

# QuickBooks Keyboard Shortcuts

| General | Key |
|---|---|
| To start QuickBooks without a company file | CTRL+double-click |
| To suppress the desktop windows (at Open Company window) | ALT (while opening) |
| Display information about QuickBooks | F2 |
| Cancel | ESC |
| Record (when black border is around OK, Next, or Prev button) | ø |
| Record (always) | CTRL + ↵ |

| Dates | Key |
|---|---|
| Next day | + (plus key) |
| Previous day | – (minus key) |
| **T**oday | T |
| First day of the **W**eek | W |
| Last day of the wee**K** | K |
| First day of the **M**onth | M |
| Last day of the mont**H** | H |
| First day of the **Y**ear | Y |
| Last day of the yea**R** | R |
| Date calendar | ALT + down arrow |

| Editing | Key |
|---|---|
| Edit transaction selected in register | CTRL + E |
| Delete character to right of insertion point | DEL |
| Delete character to left of insertion point | BACKSPACE |
| Delete line from detail area | CTRL + Del |
| Insert line in detail area | CTRL + Ins |
| Cut selected characters | CTRL + X |
| Copy selected characters | CTRL + C |
| Paste cut or copied characters | CTRL + V |
| Increase cheque or other form number by one | + (plus key) |
| Decrease cheque or other form number by one | – (minus key) |
| Undo changes made in a field | CTRL + Z |

| Help window | Key |
|---|---|
| Display Help in context | F1 |
| Select next option or topic | TAB |
| Select previous option or topic | SHIFT + TAB |
| Display selected topic | ø |
| Close popup box | ESC |
| Close Help window | ESC |

| Activity | Key |
|---|---|
| Account list, display | CTRL + A |
| QuickFill and Recall (type first few letters of name and press Tab, name fills in) | *abc* TAB |
| Copy transaction in register | CTRL + O |
| Customer:Job list, display | CTRL + J |
| Delete cheque, invoice, transaction, or item from list | CTRL + D |
| Edit lists or registers | CTRL + E |
| Cheque, write | CTRL + W |
| Find transaction | CTRL + F |
| Go to register of transfer account | CTRL + G |
| Help in context, display | F1 |
| History of A/R or A/P transaction | CTRL + H |
| Invoice, create | CTRL + I |
| List (for current field), display | CTRL + L |
| Memorize transaction or report | CTRL + M |
| Memorized transaction list, display | CTRL + T |
| New invoice, bill, cheque or list item | CTRL + N |
| Paste copied transaction in register | CTRL + V |
| Print | CTRL + P |
| QuickZoom on report | ø |
| QuickReport on transaction or list item | CTRL + Q |
| Register, display | CTRL + R |
| Show list | CTRL + S |
| Use list item | CTRL + U |

| Moving around a window | Key |
|---|---|
| Next field | Tab |
| Previous field | SHIFT + TAB |
| Report column to the right | Right arrow |
| Report column to the left | Left arrow |
| Beginning of current field | HOME |
| End of current field | END |
| Line below in detail area or on report | Down arrow |
| Line above in detail area or on report | Up arrow |
| Down one screen | PAGE DOWN |
| Up one screen | PAGE UP |
| Next word in field | CTRL + → |
| Previous word in field | CTRL + ← |
| Close active window | ESC or CTRL+F4 |
| First item on list or prev. month in register | CTRL + PAGE UP |
| Last item on list or next month in register | CTRL + PAGE DOWN |

| | |
|---|---|
| **Transaction Journal** | **CTRL + Y** |
| **Scroll Open Windows (Next)** | **CTRL + F6** |

**To register for training:**
**Accounting Cycle 1.888-628-2405**
**Matthew Peterson, Lloyd Spencer**
**www.accountingcycle.com**
**info@accountingcycle.com**

**Accounting**Cycle