

# CDS

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Accountants & Consultants*

## Unlock the Full Potential of QuickBooks

Presented by

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Senior Accountant  
Certified QuickBooks Online  
and Desktop ProAdvisor





# What's New in QuickBooks 2016?

- **New** — Bill Tracker gives you an instant view of money-out transactions
- **Improved** — Manage forms in a single step and unclutter your “send forms” queue in a single click
- **Enhanced** — Advanced reporting features include a “this year to last month” filter



# What's new in QuickBooks 2015?

- **New** — Homepage Insights gives you a full picture of your business performance
- **Improved** — Save time using Accountant Collaboration Tools
  - Find all reminders and notifications in one single window
  - View and pin important notes about customers, vendors, and employees



## 2016 Updates

- 2016 Social Security wage base will be \$118,500 (same as 2015).
- Wages paid in excess of \$200,000 will be subject to an extra 0.9% Medicare tax that will only be withheld from employees' wages.



## 2016 Updates (Cont'd.)

- Elective deferral limits for 401(k), 403(b), and 457(b) plans is \$18,000 for 2016 (same as 2015)
  - Catch-up limit of \$6,000 for age 50+ (same as 2015)
- FSA deferrals are expected to remain at \$2,550 for 2016



## State of Minnesota

- If you have more than 10 total W-2's, you must submit them electronically to MN e-Services.
- MN Unemployment 2016 wage base = \$31,000 (increase of \$1,000)

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Internal Controls  
to Reduce Fraud





# Internal Controls to Reduce Fraud

- Why care about internal controls?





## Internal Controls to Reduce Fraud (Cont'd.)

### **Password protect your file**

- Company menu – Set Up Users and Passwords
- Ability to set up multiple users and passwords and customize/restrict specific areas by user



# Internal Controls to Reduce Fraud (Cont'd.)

## Setting a Closing Date and Password

- Eliminates the possibility of accidentally or intentionally posting to a prior closed period
- Company menu – Set Closing Date
- Option of posting the transaction to prior period, but will need password to do so
- Closing Date Exception Report – under Accountant & Taxes report menu



# Internal Controls to Reduce Fraud (Cont'd.)

## **Audit Trail**

- Feature automatically tracks all additions, deletions and modifications made to certain transactions in your data file
- Audit Trail Report – under Accountant & Taxes report menu



# Internal Controls to Reduce Fraud (Cont'd.)

## **Finding voided transactions**

- Can filter certain reports to show voided transactions
- Voided /Deleted Transactions Summary or Detail Report



# Internal Controls to Reduce Fraud (Cont'd.)

## **Finding missing transactions**

- Example: Missing checks report (Reports, Banking)
- Previous Reconciliation Discrepancy Report – under Banking report menu

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Condensing,  
Maintaining,  
and Backing Up  
Data Files



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# Condensing, Maintaining, and Backing Up Data Files

## Condensing your file

*\*\*Part of this process includes making a backup of your file so no need to backup before you start the process.*

- File menu – Utilities - Condense Data
- Select condense date
- Select transactions to be removed
- Selected transactions prior to date chosen will be removed and a summary journal entry will be posted.



# Types of Backup Files

## **Backup copy**

- Make sure to backup your file periodically to prevent information loss

## **Portable company file**

- Creates a condensed version of your file but still contains all necessary information
- Sometimes easier to email this file as it is smaller than the regular backup file





## Types of Backup Files (Cont'd.)

### **Accountant's Copy**

- Allows you and your accountant to work simultaneously in your file
- Certain activities/transactions may be restricted while an accountant's copy exists
- Will need to import accountant's changes
- This type of file can be emailed to your accountant directly from QuickBooks



# Restoring a Backup File

- Two options to locate the path your QB data file is currently saved at:
  - On opening screen
  - Press “F2” with file open
  - File menu - Open Previous Company
- File, Open or Restore Company
  - Restore a backup copy
  - Local backup
  - Select drive where the backup file is located
  - Select path to save the backup to (same path as above)



## Restoring a Backup File (Cont'd.)

- You should get a message that the file already exists...do you want to overwrite?
- YES! This will prevent you from restoring several different QB files to your hard drive and accidentally accessing the wrong one.

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## Year-end Clean-up Procedures



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# Balance Sheet

- Run Balance Sheet as comparative to prior year
- Compare prior year totals to tax return or financial statement to check for any differences
- Reconcile accounts to bank statements or other workpapers



# Profit and Loss

- Review postings to expense accounts such as repairs and maintenance or office supplies for items that should be capitalized
- Review salaries and wages and related payroll tax expense accounts
- Review any negative income or expense account balances
- Compare amounts to prior year
- Review totals and percentages to determine if reasonable



# Journal Entries

- Remember to post entries for:
  - Accruals
  - Prepaids
  - Depreciation



# Setting the Closing Date in QuickBooks

- Once it has been determined that the books are final and all adjustments have been made:
  - Company menu – Set Closing Date



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## 1099s Setup and Processing



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# 1099's and Preference Settings

To set up a company as a 1099 filer:

- Edit menu - Preferences
- Select Tax: 1099
- Click Company Preferences tab
- Do you file 1099-MISC forms? YES
- Mapping accounts – [click here](#)
- Select 'Show all accounts'
- Select expense accounts that may include payments to 1099 vendors



## Vendors eligible for 1099 setup

To set up a vendor to be eligible for 1099

- Access Vendor Center
- Highlight the vendor and click 'Edit' button
- Select Tax Settings tab
- Check the 'Vendor eligible for 1099' box



# 1099 Report Printing and Processing Forms

To run a 1099 report

- Reports menu, select Vendors & Payables
- 1099 Summary or 1099 Detail
- Verify report for accuracy and completeness

To print 1099 forms

- File menu, select Print Forms
- Select 1099's/1096



## 1099s

Payments made with a credit card, debit, payment card, or by “third party network transaction” are not subject to reporting on Form 1099-MISC.

**NOTE:** An ACH processor is not a “Third Party Payment Network”.

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## Budgeting with QuickBooks





# Creating a Budget or Forecast

- Budget – where you want to be (goal)
- Forecast – where you are headed
- Company
- Planning and Budgeting
- Set Up Budgets / Set up Forecast
- Create a New Budget / Forecast
  - Specify year
  - Create from scratch or previous year's actual data
- Enter or edit budget data



# Budget Reports

- Reports menu, Budgets & Forecasts
  - Budget Overview
  - Budget vs. Actual
  - Profit & Loss Budget Performance
  - Budget vs. Actual Graph
  - Forecast Overview
  - Forecast vs. Actual



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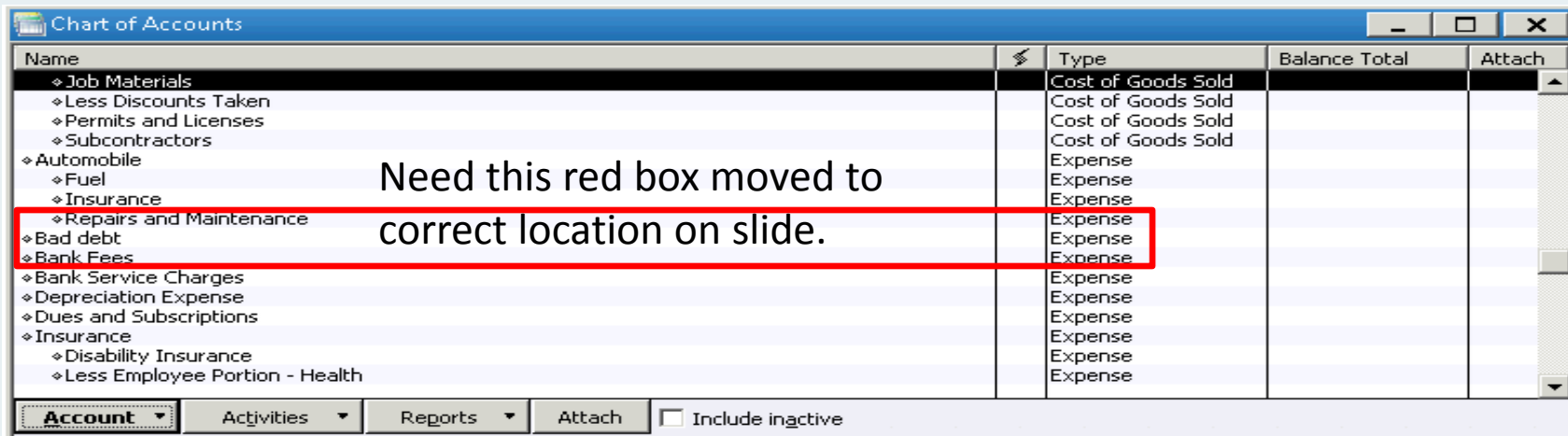
## Most Common QuickBooks Errors and How to Correct Them





# Most Common QuickBooks Errors

- Duplicate Accounts in Chart of Accounts



Name	Type	Balance Total	Attach
◊ Job Materials	Cost of Goods Sold		
◊ Less Discounts Taken	Cost of Goods Sold		
◊ Permits and Licenses	Cost of Goods Sold		
◊ Subcontractors	Cost of Goods Sold		
◊ Automobile	Expense		
◊ Fuel	Expense		
◊ Insurance	Expense		
◊ Repairs and Maintenance	Expense		
◊ Bad debt	Expense		
◊ Bank Fees	Expense		
◊ Bank Service Charges	Expense		
◊ Depreciation Expense	Expense		
◊ Dues and Subscriptions	Expense		
◊ Insurance	Expense		
◊ Disability Insurance	Expense		
◊ Less Employee Portion - Health	Expense		

- If transactions in both accounts – merge accounts



# Most Common QuickBooks Errors

- Duplicate Customer or Vendor Names

The screenshot shows the QuickBooks Customer Center interface. On the left, a list of customers is displayed with columns for Name, Balance Total, and Attach. The entry for 'Johnson, Gordon' is highlighted with a red box, and another entry for 'Utility Shed' is also highlighted. The main window shows customer information for 'Johnson, Gordon', including contact details and a list of transactions. A text overlay on the screenshot reads: 'Need this red box moved to correct location on slide.'

Name	Balance Total	Attach
+ Jacobsen, Doug	2,320.00	
+ Kitchen	2,320.00	
+ Poolhouse	0.00	
+ Storage - Custom	0.00	
+ Utility Shed	0.00	
+ Johnson, Gordon	0.00	
+ Utility Shed	0.00	
+ Johnson, Gordy	200.00	
+ Kanitz, Marion	0.00	
+ Bay Window	0.00	
+ Keenan, Bridget	0.00	
+ Storage Shed	0.00	
+ Sun Room	0.00	
+ Lamb, Brad	0.00	
+ Room Addition	0.00	
+ Larsen's Pet Shop	0.00	
+ Remodel	0.00	
+ Lew Plumbing - C	220.00	
+ Storage Expansion	220.00	

Type	Num	Date	Account	Amount
Invoice	1062	09/26/2015	Accounts Receivable	2,469.75
Payment	1556	09/26/2015	Undeposited Funds	2,469.75

- If no transactions – make inactive or delete
- If transactions in both accounts – merge



# Most Common QuickBooks Errors

- Large Balance in Undeposited Funds Account
  - Caused by:
    - Entering deposits of customer payments directly into register
    - Using Make Deposit window, but not choosing customer payments entered in previously
  - Not entering customer payments and deposits correctly causes A/R or Undeposited Funds and Income to be overstated
  - Important to understand cash collection function



# Most Common QuickBooks Errors

- Fixing Undeposited Funds Errors

- If bank reconciliation has not been completed, you can recreate the deposit and select the payments, and delete the old deposit.
- If bank reconciliation has been completed, create zero deposit
  - Banking > Make Deposit
  - Select payments; click OK
  - On next line, add negative offset amount coded to income account
  - Deposit should equal zero (income is decreased; undeposited funds decreased)



# Most Common QuickBooks Errors

- Writing off small Accounts Receivable Balances
  - Go to payment in Customer Screen
  - Choose to write off extra amount; Click Save & Close
  - Choose account to write off to (bad debt)



# Most Common QuickBooks Errors

- Check Voided in Prior Year
  - Checks written in a prior year should **NOT** be changed/voided because this will effect income and expenses previously reported on financial statements and tax returns.



# Most Common QuickBooks Errors

- Check Voided in Prior Year
  - If a closing date has been set for the prior year and the old outstanding check only effects expense accounts you can select to void the old outstanding check





# Most Common QuickBooks Errors

- Check Voided in Prior Year
  - If non-expense accounts are involved in the voided transaction QB will not create journal entries but will void the old outstanding check as of original check date.
    - We recommend that if non-expense accounts are involved, to reverse the check in the current year. (See next slide)



# Most Common QuickBooks Errors

- Check Voided in Prior Year
  - If no closing date has been set, non-expense accounts are involved, or if you choose to reverse the old outstanding check in the current year:
    - Enter a deposit in the current year for the old outstanding check amount. (Use the same account that was used on the check and reference the old outstanding check number in the memo.)
    - Both the old outstanding check and the deposit should be marked to be cleared the next time the bank account is reconciled since together they will net to zero.



# Most Common QuickBooks Errors

- Credit Card Recording
  - Create account for each credit card
  - Use Enter Credit Card Charges option rather than one mass entry
  - Reconcile credit card account – similar to reconciling bank accounts



# Most Common QuickBooks Errors

- Sales Tax
  - To Check that all customers are set up for the correct sales tax rate:
    - Click [Reports](#) > [List](#) and select [Customer Phone List Report](#)
    - Click [Customize Report](#) tab on the top left of window
    - Check or uncheck the items you want to review
    - Then Click the [Sort By](#) field box a sort the report how you would like



# Most Common QuickBooks Errors

- Sales Tax
  - Payment was made incorrectly by manual check
    - Simply void the check
  - Make payment correctly
    - Vendors > Sales Tax > Pay Sales Tax

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## An Introduction to QuickBooks Online



# Choose the Right QuickBooks Online Plan

## Independent Contractor

OR

## Small Business who needs invoicing or accounting

### Self-Employed

\$9.99 /month  
after free 30-day trial\*\*

- Untangle business from personal expenses
- Simplify estimated quarterly taxes
- Maximize tax-saving deductions

### Simple Start

\$12.95 /month  
after free 30-day trial

- Track income and expenses
- Create estimates and invoices
- Sync bank accounts<sup>1</sup> and apps

### Essentials

\$26.95 /month  
after free 30-day trial

- Track income and expenses
- Create estimates and invoices
- Sync bank accounts<sup>1</sup> and apps
- **Manage and pay bills**
- **Instant sales and profit reports**

### Plus

\$39.95 /month  
after free 30-day trial

- Track income and expenses
- Create estimates and invoices
- Sync bank accounts<sup>1</sup> and apps
- Manage and pay bills
- Instant sales and profit reports
- Track inventory
- Prepare and print 1099s

**Starting Your  
Business**

**Growing Your  
Business**

**Includes All  
Features**

# QuickBooks Online Test Drive

The test drive uses a sample company file called Craig's Design & Landscaping Services. It can be accessed through the following link:

<https://qbo.intuit.com/redirect/testdrive>

You don't have to create an account or sign in; just complete the security validation and click Continue.





# Tour of QuickBooks Online

- Sign In to the QuickBooks Online Test Drive





Questions or Comments?



# QuickBooks Tips of the Month

## CDS Website

- [www.cdscpa.com/online-resources/](http://www.cdscpa.com/online-resources/)
- Sign up today!  
<http://www.cdscpa.com/subscribe/>



# Contact Information



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# About Our Firm

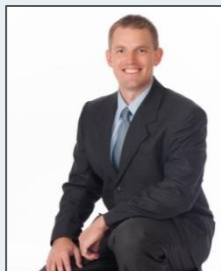
- Public accounting firm founded in 1985 by Richard Conway, Roger Deuth and Milan Schmiesing, each sharing the common goal of helping their clients reach their maximum potential
- 74 personnel, including 13 Partners
- One of the top 25 CPA Firms in Minnesota according to *Twin Cities Business B.I.G. Book*
- Five locations including: St. Cloud-Sartell, Willmar, Benson, Litchfield, and Morris



# Our St. Cloud-Sartell Team



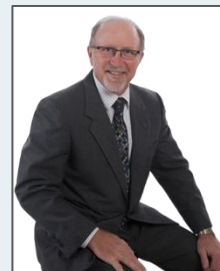
**Mike Zager**  
CPA, CSEP™  
Partner



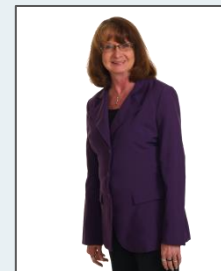
**Jeff Rislov**  
CPA  
Partner



**Kenneth Olson**  
CPA



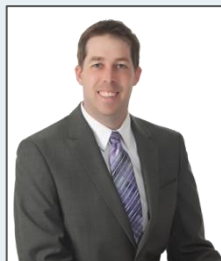
**Matt Steidl**  
CFP™  
Manager



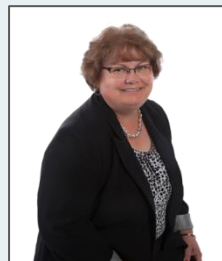
**Donna Fashant**  
CPA  
Manager



**Stacey Seviola**  
CPA  
Senior Accountant



**Ryan Holter**  
MBT  
Senior Accountant



**Deb Ritter**  
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Senior Accountant



**Sue Gill**  
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Certified QuickBooks  
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**Rose Virnig**  
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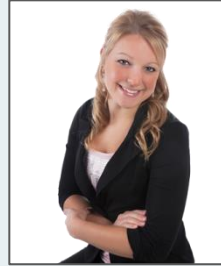
# Our St. Cloud-Sartell Team (Cont'd.)



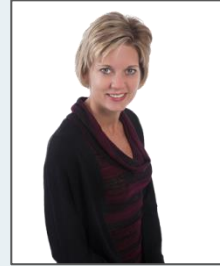
**Lisa McLaughlin**  
Payroll Specialist  
Accountant  
Registered Accounting  
Practitioner  
Accredited Business  
Accountant



**Brent Ascheman**  
Accountant  
Certified QuickBooks  
ProAdvisor



**Tera Melgard**  
Accountant



**Kathy Hagen-Acker**  
Executive Assistant



# About



- BankVista opened for Business in Sartell, MN in February 2000
- In December 2014, BankVista expanded to Mankato, MN
- The banks specialties are Small Business Lending, Residential Mortgage Lending, and Kasasa Checking Products
- For electronic services needs and incorporating QuickBooks with BankVista Business Online Banking please contact:
  - Kris Dierkes 320.257.1951 or [kris.dierkes@bankvista.com](mailto:kris.dierkes@bankvista.com)
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Unlock the  
Full Potential  
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Thank you for  
attending!