



Getting Started with Quicken® Home & Business 2008



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1 Get started

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Welcome to Quicken Home & Business 2008

Thank you for choosing Quicken Home & Business to help manage your business finances! Quicken Home & Business is designed to help you track almost all aspects of small business cash flow and profitability. This chapter will help you decide which features are right for you and your business. It also gives you some tips about record keeping, including how to:

- Keep good records.
- Choose a bookkeeping method.

Learn how good record keeping benefits your business

Most small business owners go into business because they have a product or service that fills a niche, not because they like record keeping. The reality, though, is that good record keeping is essential to the long-term viability of your business. Here's why:

- The best business decisions are based on solid information, not guesses. Accurate record keeping gives you real-world data and insights about your company's strengths and weaknesses.
- Anytime you communicate with bankers, partners, advisors, or potential lenders, you need to provide complete and accurate records.
- The best way to avoid an Internal Revenue Service (IRS) audit is to maintain accurate records and make informed tax-related decisions. With Quicken, you can pull together your tax information quickly and easily to help make sure you don't underpay or overpay your taxes.

Discover how Quicken helps

Quicken is easy to learn and doesn't take time away from running your business. After a brief setup, you get the following benefits.

- **Instant overview of cash flow**
Track business spending, plus accounts receivable (customer invoices), accounts payable (bills), and reimbursable expenses.
- **Less time bidding and invoicing**
Quicken remembers invoice elements—customers, projects, invoice items, charges per item or per hour, even sales tax rates. Just click items to include them.
- **Customized invoices**
Design invoices with just the information you need, in a customized layout, with your company logo.
- **Track business profitability**
See the income, expenses, and net profit or loss for each business you track in Quicken.
- **Powerful graphs and reports**
Your Quicken data helps you manage your business and communicate with lenders and partners. Create balance sheets, P&L statements, and cash flow reports with the click of a button. Track depreciation of assets and calculate equity. (Quicken supports cash- and accrual-basis reporting.)
- **Simplified business taxes**
The standard Schedule C categories make it easy to track tax-related business expenses. And to help make sure you don't miss any deductions, Quicken can even point out potentially-deductible transactions that may be incomplete.

Decide which bookkeeping method you should use

Start off by choosing a bookkeeping method—cash or accrual basis. Later in this section, you'll learn how to modify your Quicken settings to present data according to that method.

Your bookkeeping method determines how you report income and expenses on tax forms. You must choose a bookkeeping method when you file the first tax return for your business. After that, if you want to change your bookkeeping method, you need permission from the IRS.

If all or part of your income depends on maintaining an inventory—for example, you manufacture products or buy products for resale—the IRS generally requires you to use the accrual method. (Exception: If you own a farming business, you can usually choose either cash or accrual.) For most other businesses, the IRS doesn't require a specific method. Whichever method you choose, you need to clearly show your sources of income, deductions, credits, and so on.

For more information, talk to your accountant or see the small business and self-employment pages of the IRS Web site. (Choose Business menu > Go to Business Center, and click the My Data button. In Internet Resources, click IRS Small Business Center.)

Understand cash-basis bookkeeping

Cash-basis bookkeeping means you record income when you receive an actual payment and record expenses when you pay bills. If you record customers' payments but don't count the money they still owe, then you're using cash-basis bookkeeping. Likewise, you record an expense when you pay it, rather than when you receive the bill. If yours is a service-based business (consultant, lawyer, or electrician), the cash-basis method is usually easier.

Understand accrual-basis bookkeeping

For accrual-basis bookkeeping, you record income at the time of the sale, not when you receive the actual payment. Likewise, you record an expense when you receive the bill, not when you pay it.

Modify your settings

Once you decide on a bookkeeping method, you can modify your Quicken settings to present data according to that method in the applicable reports, Business Center snapshots, and the Tax Planner. Quicken uses cash-basis accounting by default but supports either method. To check your settings, choose Edit menu > Preferences > Quicken Program. In the Quicken Preferences dialog, click Reports and Graphs. To use cash-basis accounting, make sure there is a check mark next to the Cash-basis reporting if applicable check box. To use accrual-basis accounting, click to clear the check box.

Note: Quicken can show the following reports on an accrual basis: Profit & Loss Statement; Profit & Loss Comparison; Balance Sheet; Tax Schedule; Schedule C; Itemized Categories.

Quicken always displays the Tax Summary report and the Project/Job by Project report on an accrual basis, even if you choose to report on a cash basis.

Decide which chapters you should read

The features you use depend on your business and the level of detail you want to track.

For information about this:	Refer to this chapter:
The standard cash flow features do most of the heavy lifting for tracking income and expenses. To get started, just set up accounts, categories, and a business tag relevant to your business. If your business needs are simple, you can read just this chapter.	Chapter 2, <i>Set up for business use</i>
Accounts receivable (invoices) are all about income. The biggest challenge for many small businesses is creating realistic estimates, tracking jobs, and following through with invoices to ensure timely payment.	Chapter 3, <i>Manage accounts receivable (invoices)</i>
If you use accrual-basis bookkeeping, you also need to track accounts payable (A/P, or bills) as they are received. Even if you use cash-basis bookkeeping, an A/P account can help you track cash flow and forecast expenses.	Chapter 4, <i>Manage accounts payable (bills)</i>
Business-related cash flow features help you make prudent day-to-day decisions. You can track monthly cash flow, run a number of reports, see income and expenses by project/job, and more.	Chapter 5, <i>Manage cash flow (income and expenses)</i>
Tracking profitability or calculating equity is easy with the Quicken Profit/Loss snapshot, Balance Sheet report and, profit and loss (P&L) statement. You can also depreciate capital equipment and track loans.	Chapter 6, <i>Track profitability and calculate equity</i>
Find the right tools to help you manage contact information, write a business plan, find expert advice, or manage a company that has outgrown Quicken.	Chapter 7, <i>Find resources for growing your business</i>

2 Set up for business use

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This chapter shows how to customize your standard Quicken data file and accounts to track business-related finances. After adding accounts, you'll learn how to enter transactions using categories and business tags, which give Quicken its powerful reporting, tracking, and analysis capabilities. You'll also learn how to avoid common record-keeping mistakes.

If you need to learn more about account setup and basic Quicken functionality, see the other user manual that comes with Quicken Home & Business—*Getting Started with Quicken*. You can find an electronic copy of the manual on the Web (choose Help menu > User Manuals).

Decide which accounts you will need

Accounts and categories in Quicken are equivalent to the traditional chart of accounts used for tracking income, expenses, assets, and liabilities. Set up a Quicken account for each real-world account your business uses, such as a checking or credit card account. Quicken also uses accounts receivable (invoices), accounts payable (bills), fixed assets, and loans.

You will probably need some combination of the following accounts.

To track this:	Add this Quicken account type:
Income and expenses	<p>Add a Quicken account for each real-world account. See “Add business and personal accounts in one data file” on page 7.</p> <p>Add a business tag for each business you track in Quicken. See “Add a business to Quicken” on page 9 and “Assign business tags to business transactions” on page 16.</p> <p>When you enter income or expense transactions, use Quicken categories (along with the business tag) to get the most from reporting, tracking, and analysis tools. See “Set up business categories” on page 10, and “Assign categories to business transactions” on page 15.</p>
Accounts receivable (invoices you send to customers for payment)	<p>Add one invoice/receivables account for each business you track in this data file. See Chapter 3, <i>Manage accounts receivable (invoices)</i>.</p> <p>You can also set up an invoice item for any product or service you include on your invoices. See “Set up items to include on invoices” on page 19.</p>
Accounts payable (bills you pay)	<p>Add one bills/payables account for each business you track in this data file. See Chapter 4, <i>Manage accounts payable (bills)</i>.</p>
Sales tax	<p>Quicken adds a sales tax account for you when you add an invoices/receivables account. If you do business in more than one tax district, you may need to add more. See “Track and pay sales tax” on page 28.</p>
Assets and liabilities	<p>Add an asset account for capital equipment you intend to depreciate. See “Track fixed assets and depreciation” on page 61. Add an amortized loan to track the principal, interest, and payment schedule for money you owe. See “Record a new loan” on page 64.</p>

Separate business and personal data

Think about how you want to track your finances, especially your checking and credit card accounts. The IRS advises business owners to keep business transactions completely separate from personal transactions. You can handle this three different ways in Quicken:

- Add personal and business accounts in one data file, and then track both home and business finances in the same file. Be sure that your business spending accounts are used solely for your business. This lets you track all your finances in one place and do tax planning for both employment and self-employment income. It also makes it possible to track your personal income and expenses separately from your business income and expenses in the Centers. Use the standard business categories to track business-related transactions.
- Set up separate Quicken data files for your home and for your business. The drawback is that you can't see the overview of your finances in one place.
- Mix business with personal data in the same checking account. Use both categories and the business tag to distinguish between business and personal transactions. (This isn't recommended, for tax reasons.)

Add business and personal accounts in one data file

Quicken Home & Business was designed to help you see how self-employment income contributes to your overall financial picture. To take advantage of this ability, use the same data file for both business and personal finances—just be sure to add separate checking and credit card accounts in Quicken to be used specifically for business income and expenses (do this at your financial institution, too). Deposit all business income into a business-only account, and pay all business-related expenses from a business-only account.

Quicken displays the transactions in your business-only spending accounts on a Cash Flow page in the Business Center so you can track your business spending separately from your personal spending. (By default, spending accounts include only checking and cash accounts, but you'll learn how to add other types of accounts below.) If you don't add separate business spending accounts to Quicken, then your business spending is tracked along with your personal spending in the Personal Cash Flow Center. See the other user manual that comes with Quicken Home & Business—*Getting Started with Quicken*—for more information about the Personal Cash Flow Center.

You'll learn more about the Cash Flow page in the Business Center in "Track income and expenses" on page 46. But first, let's add the business accounts you want to track in Quicken.

- 1 Choose **Business menu > Go to Business Center**.
Quicken displays the Business Center. This is where you'll add and manage your business accounts. You'll also find a number of ways to view and analyze the income and expenses for your business.
- 2 In the upper-right corner, click **My Data**.

- 3 Scroll down to the appropriate snapshot and click **Add Account**.
 - **Business Accounts:** Accounts receivable (invoices) or accounts payable (bills).
 - **Business Spending & Savings Accounts:** Checking and savings accounts. You can also add a cash account from here.
 - **Business Credit Card Accounts:** Credit card accounts.
 - **Business Property & Debt Accounts:** Fixed assets, capital equipment, liabilities, and loans.

Only transactions in business checking and cash accounts automatically appear in the Cash Flow page in the Business Center. However, you can make some other types of accounts appear on the Cash Flow page by changing their account group to the business spending group. For more information, choose Help menu > Quicken Help, click the Search tab, enter *work with category groups*, and click Ask.

Click the Business Center tab for an overview of your business finances.

Click My Data if it isn't already open, and then scroll down to the appropriate snapshot.

Click Add Account.

After you add business spending accounts (such as a checking account), Quicken displays a Cash Flow button to the left of the Profit/Loss button in the upper-right corner.

Cash Flow

- 4 Follow the on-screen instructions; click **Next** to move through the pages. Click the **Help** icon if you need more information.

Avoid common record-keeping mistakes

Many entrepreneurs have creative ideas and marketing skills to make their business successful, but little knowledge of record keeping. Sole proprietors commonly make the following mistakes:

- Writing checks from a personal checking account that are later claimed as business expenses
- Making business-related credit card purchases on a personal credit card
- Writing business checks payable to cash
- Depositing business receipts directly into a personal checking account

If the IRS ever needs to see your records, you must be able to document all your income sources and deductions.

- When you deposit all business receipts in a separate bank account and make payments by check, you can use your bank statement and canceled checks to back up your records.
- If you choose to write business and personal checks from the same account, you can use business tags to distinguish personal transactions from business transactions.

Add a business to Quicken

As you discovered in the other user manual that comes with Quicken Home & Business—*Getting Started with Quicken* (choose Help menu > User Manuals)—tags are another way of labeling your transactions in Quicken. You can use tags to specify where, to what, or to whom your transactions apply.

When you add a business to Quicken, you associate a tag with a business. Once a tag is linked to a business, it becomes a business tag Quicken can use to group the transactions for that business. Assign the business tag when you enter a transaction, and then you'll be able to track your monthly business profitability on the Profit/Loss page in the Business Center and create reports that show your transactions by business.

Quicken prompts you to add a business when you tell Quicken you own a business during Express Setup, or when you convert an existing data file that includes business accounts or transactions with Schedule C tax line items. If you didn't have Quicken add a business for you, you can add one now.

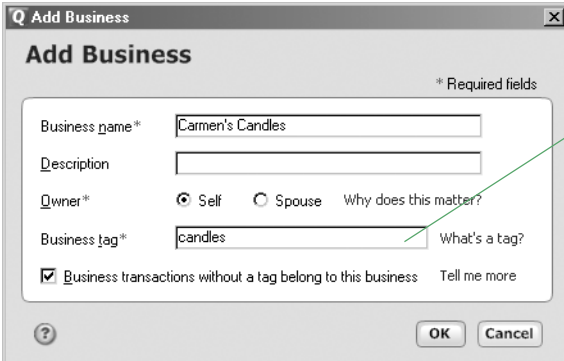
If you have more than one business and you want Quicken to display the transactions and deductions by business, you must add a separate business for each one.

- 1 Choose **Business menu > Manage Business Information**.

Quicken displays the Manage Business Information dialog.

- 2 Click **Add**.

Quicken displays the Add Business dialog.



Quicken groups all the transactions with this business tag together.

- 3 In the **Business name** field, enter the name of your business.

This name appears in the Profit/Loss page in the Business Center, the Vehicle Mileage Tracker, the Tax Schedule report, and the Schedule C report.

- 4 In the **Description** field, enter a description for your business. (Optional)

- 5 In the **Owner** field, identify whether this business belongs to you or your spouse.

If you are tracking several businesses in Quicken, the Tax Planner uses this information to determine which transactions belong to your business and which transactions belong to your spouse's business.

- 6 In the **Business Tag** field, enter a business tag for the business.

You'll learn how to add a tag to a transaction in "Use categories and business tags" on page 15.

Quicken groups all the transactions with the same tag on the Profit/Loss page in the Business Center, the Tax Planner, the Tax Schedule report, and the Schedule C report.

Add new business categories

The Quicken Category List probably includes most of the categories you will need for tracking your business's tax-related transactions. If you need more, though, you can manually add new categories. Quicken can even help you find categories you might not have thought to use.

Note: Always confirm your choices by consulting with your accountant or tax professional. For more information, visit the small business and self-employment pages of the IRS Web site. (Choose Business menu > Go to Business Center, and click My Data. In Internet Resources, click IRS Small Business Center.)

Add categories for general use

When you add a new category, be sure to include the correct tax information.

- 1 Choose **Tools menu > Category List**.
Quicken displays the Category List window.
- 2 In the upper-right corner, click **New**.
Quicken displays the Set Up Category dialog.
- 3 In the **Name** field, type a name for the category.
- 4 In the **Type** area, specify whether you will use the category for income or expense transactions.
- 5 In the **Tax line item** list, select the appropriate Schedule C tax line assignment for the category.

Select a Schedule C tax line item for the category.

- 6 Click **OK**.

To learn about...

tracking tax-related expenses and assigning tax schedule information to categories

double-checking the tax form information you assigned to categories

Search Quicken Help for...

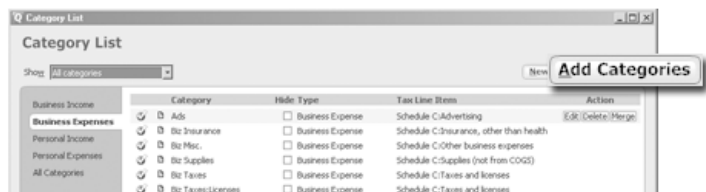
tax-related categories

Tax Category Audit

Add categories for rental property owners

If you followed Express Setup after you installed Quicken, and you told Quicken that you own rental property, then Quicken added rental property categories for you. If you didn't have Quicken add these categories for you, you can add them now.

- 1 Choose **Tools menu > Category List**.
Quicken displays the Category List.
- 2 In the upper-left corner, click **Add Categories**.



Quicken displays the Add Categories dialog.

- 3 In the **Available Categories** list, select **Rentals & Royalties**.
Quicken displays the rental and royalty categories in the list on the left.
- 4 In the list of rental and royalty categories, click in the left column to select the ones you want to add, or click **Mark All** to select them all.
Quicken displays a check mark next to each category you select.
- 5 Click **Add**.
Quicken moves your selected categories to the Categories to Add list on the right side of the dialog.
- 6 Click **OK**.
Quicken adds your selected categories to the Quicken Category List.

Add categories for farm finances

Repeat the steps in “Add categories for general use” on page 11 but, when it comes time to add the tax line item in the Tax area of the Set Up Category dialog, click Extended line item list. When you do this, Quicken adds Schedule F tax line items to the list for you to choose from. (You can add categories here for Cost of Resale Livestock or Items, Sales Proceeds from Livestock or Items, Agricultural Programs Payments, Insurance, Crop Insurance Proceeds Received, Feed, Fertilizer, Freight, Rent, Seed, Storage, Taxes, Utilities, Veterinarian Expenses, and more.)

The screenshot shows the 'Set Up Category' dialog box. The 'Name' field is 'Sales Livestock', 'Description' is empty, and 'Group' is 'Business Income'. Under 'Type', 'Income' is selected. Under 'Tax', 'Tax line item' is 'Schedule F: Sales livestock/product raised', 'Tax-related' is checked, and 'Extended line item list' is selected. A text box contains the description: 'Amounts received from the sale of livestock, produce, grains, and other products raised on the farm.' A green arrow points from a text annotation to the 'Extended line item list' radio button.

Click Extended line item list to add Schedule F tax line items to the list.

Add categories Quicken helps you find

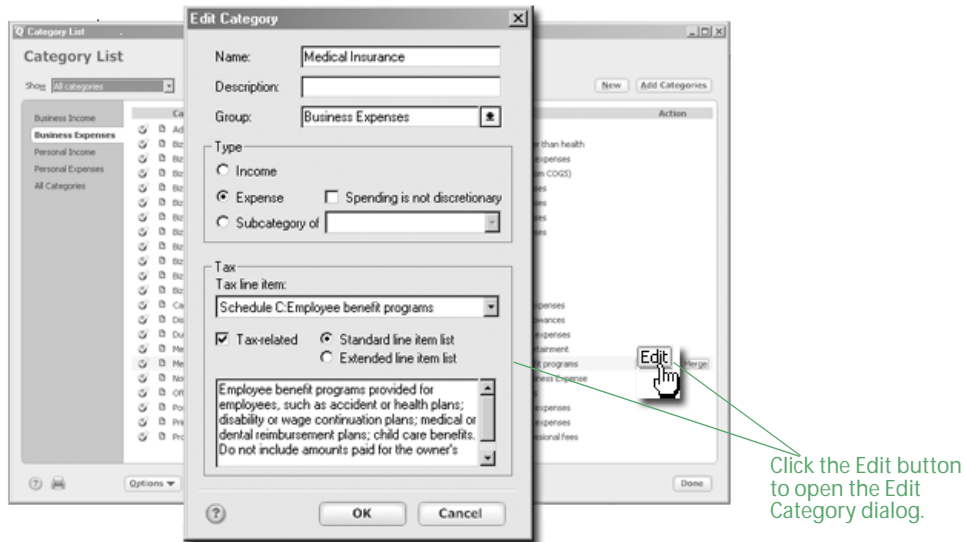
As a self-employed person, you may be eligible for business deductions you haven't thought of. Quicken can help you identify additional deductions you should consider, and then help you add categories for any additional expenses you want to track.

- 1 Choose **Tax menu > Go to Tax Center**.
- 2 In the Tax-Related Expenses YTD snapshot, click **Options**, and then select **Find Other Deductions**.
Quicken displays the Deduction Finder window.
- 3 In the **Choose a Deduction Type** list, select **Self-Employed**, and then follow the on-screen instructions.

Edit existing business categories

If you add new categories with missing or incorrect tax information, you can edit them later.

- 1 Choose **Tools menu > Category List**.
- 2 Locate the category you want to change.
- 3 Select the category you want to change and click **Edit**.



Quicken displays the Edit Category dialog.

- 4 In the **Tax line item** list, select the tax line item you want to add.
- 5 Click **OK**.

Use categories and business tags

You've added the accounts you need, defined a business tag, and set up the business categories you'll need. And why? So you can get meaningful data from the Quicken tracking, reporting, and analysis tools. Just assign a category and business tag to every income or expense transaction you enter in Quicken.

Note: As an extra safeguard, and to get the most out of reporting, tracking, and planning tools, be sure to assign a business-related category and business tag whenever you download transactions into your accounts.

Assign categories to business transactions

Enter a category in the Category field, or click the arrow on the right to select one from the list or add new one.

You can assign a single category to a transaction or divide up the transaction among multiple categories (this is called a "split" transaction).

A transaction with a single category.

A transaction with multiple categories.

Tax-related categories a marked with a white check mark in a red circle.

To assign multiple categories to a transaction, click the arrow in the Category field, and then click the Split button at the bottom of the list.

Date	Num	Description	Xfer Acct	Tag	Memo	Payment Exp	Clr	Deposit
8/7/2007		Business Credit Card				100 00		
8/9/2007		AnyTown Bell				100 00		
8/16/2007		Miller's Office Barn			monthly bill	100 00		
		--Split--			--Split--			

Category	Tag	Memo	Exp	Amount
Business:Supplies	candles			57 03
Business:Printing and Repro...	candles			42 97

Note: To learn more about entering transactions and assigning categories, see the other user manual that comes with Quicken Home & Business, *Getting Started with Quicken*. (Choose Help menu > User Manuals.)

Assign business tags to business transactions

Enter your business tag in the Tag field. For more information about business tags, see “Add a business to Quicken” on page 9.

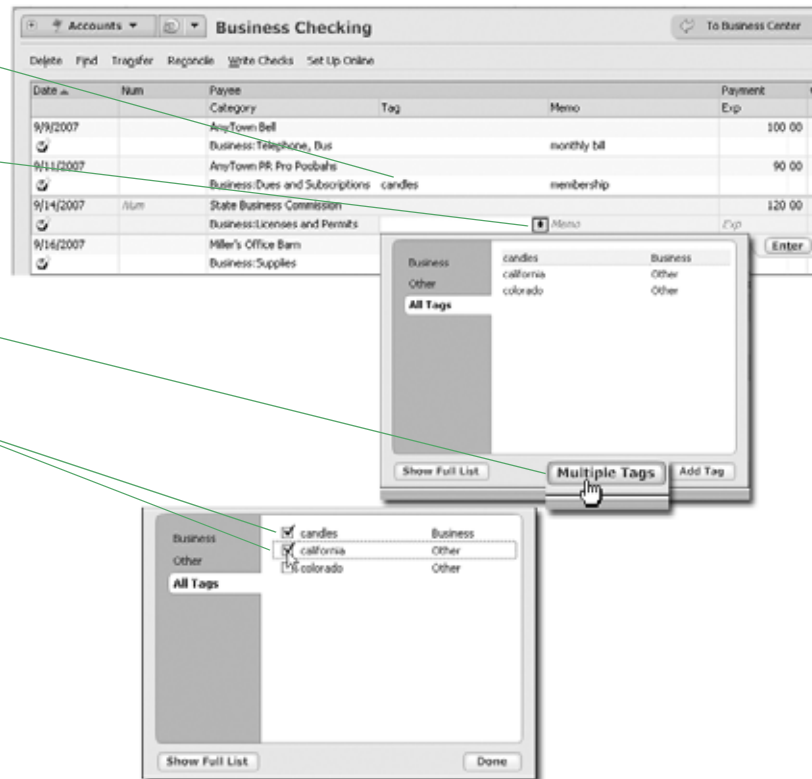
You can assign a single business tag to a transaction or divide up the transaction among multiple business tags.

A transaction with a single tag.

To assign multiple tags to a transaction, click the arrow in the Tag field,

...click the Multiple Tags button at the bottom of the list,

...and then put a check mark next to each tag you want to include.



Note: The account registers for Accounts Receivable (Unpaid Invoices) and Accounts Payable (Unpaid Bills) don't include Tag fields, but you'll have the chance to enter business tags when you fill in the forms for estimates (page 22), invoices (page 24), and bills (page 40).

3 Manage accounts receivable (invoices)

- Add invoices/receivables accounts 18**
- Set up items to include on invoices 19**
- Track projects/jobs 20**
- Create estimates 22**
- Create invoices 24**
- Record payments from customers 31**
- Report on accounts receivable 34**

You can use Quicken to track estimates, invoices, and payments—you don't need a separate program. You can also customize these documents for your business.

If you use accrual-basis bookkeeping, you must track your accounts receivable (invoices) and payments in a Quicken invoice account. Invoices are considered an asset even if you haven't received the funds yet, because they represent monies owed to your company.

Even if you use cash-basis bookkeeping, an invoices/receivables account can help you track cash flow and forecast income.

Use an invoices/receivables account to help you track amounts your customers owe you. The process works like this:

- Add a new Quicken invoices/receivables account.
- Set up invoice items for the products and services you sell.
- Set up the projects you want to track.
- Create estimates in the Estimate form and convert them to invoices, or create invoices directly in the Invoice form.
- E-mail estimates and invoices to customers.
- Record customer payments.

Quicken matches payments to the corresponding project/job or invoice.

Add invoices/receivables accounts

Before you can create invoices, you'll need a Quicken invoices/receivables account in which to track accounts receivable.

- 1 Choose **Business menu > Go to Business Center**.
- 2 On the **My Data** tab, in the Business Accounts snapshot, click **Add Account**.
- 3 Select **Invoices/Receivables**, and click **Next**.
- 4 In the **Name this account** field, enter a name for the account, and click **Next**.
- 5 Click **Done**.

Note: After adding your new invoices/receivables account, you can enter any previously issued but unpaid invoices that you want to track. Follow the steps in "Create invoices" on page 24, but remember to predate the invoice.

Set up items to include on invoices

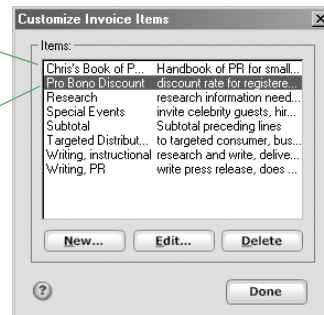
What kinds of products or services do you include on invoices to customers? Set up invoice items to reduce data entry and simplify your bidding and invoicing process. You may set up an item for any of the following:

- Products you sell
- Hourly rate for services you provide (set up an item for each service, such as consulting, writing, or research)
- Discount rates and special charges, such as surcharges or finance charges
- Subtotals

To set up a new item, choose Business menu > Invoices and Estimates > Invoice Items.

Invoice items can include products or services.

You can also set up discount items that are used to calculate discounts on invoice items.



An invoice item represents any product you sell. You can use invoice items for tangible goods or services that you sell at a per item or hourly rate. You can also use invoice items for one-time charges. For example, if you are a consultant, you might have a Consulting Fee item for your hourly billing rate, plus a Marketing Manual item for a product you sell. If you own an auto body shop, you might have a Labor item for your hourly billing rate, plus several items for auto parts or products you sell.

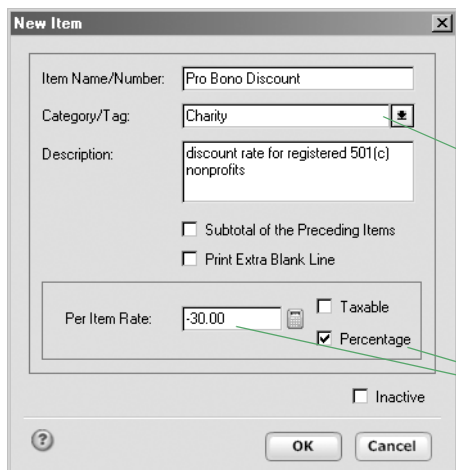
When you set up a new item, enter a name, description, and the amount you charge. For services, enter your hourly billing rate as a Per Item Rate. (For example, if the item is an hour of design consulting, you could enter a per item rate of \$50.00.) And if the item is taxable, select the Taxable check box.

When you're ready to create an estimate or invoice, much of your work is already done. Just select items from your item list and enter the quantity—Quicken calculates the totals for you.

If you sell dozens of products or parts, just set up a few major item types, and then edit the item price when you enter it on the invoice. (If you need to track an extensive inventory, consider upgrading to QuickBooks. See "Decide when to upgrade to QuickBooks" on page 71.)

Set up discounts, special charges, and subtotals

A discount or special charge is one that adds a positive or negative percentage on the item that immediately precedes it. To set up a discount, in the New Item dialog, create a new item called Discount. Then select the Percentage check box and enter a negative percent in the Per Item Rate field. The next time you want to discount any item, enter the item as usual in the Invoice form, and then add the Discount item in the line immediately following. Quicken calculates the discount.



Add a category for this invoice item. Don't include a business tag with your category, as described in the following note.

To set up a 30 percent discount, select the Percentage check box, and enter -30 in the Per item Rate field.

Follow the same steps for a surcharge or finance charge, but enter a positive number in the Per Item Rate field.

Note: It is recommended that you don't include business tags (that is, a tag associated with a business) in the Category/Tag field of an invoice item. Instead, you should specify the business tag when you fill in the estimates (page 22) and invoices (page 24). For more information about business tags and invoice items, choose Help menu > Quicken Help, click the Search Quicken Help tab, enter *add or edit invoice items*, and click Ask.

A subtotal item adds up the amounts of all the items above it. To set up a subtotal item, in the New Item dialog, create an item called Subtotal, and then select the Subtotal of the Preceding Items check box.

To apply a discount or special charge to several items, enter the subtotal item before you enter the discount or special charge on the invoice. To learn more about adding new items or creating an item list, choose Help menu > Quicken Help, click the Search Quicken Help tab, enter *invoice items*, and click Ask.

Track projects/jobs

The Quicken Project/Job feature helps you track multiple jobs for a given customer. For example, a freelance writer can use projects/jobs to invoice a client for consecutive writing assignments, or a plumbing subcontractor can use them to track several jobs for a general contractor. A single project/job may have a history that includes an estimate and several invoices, plus payments and possibly bills for reimbursable expenses. Here are more examples of when you might use projects/jobs:

- If you manage several apartment buildings, set up the building addresses as customers and the individual apartments as projects/jobs.
- If you invoice against purchase orders, set up each purchase order number as a project/job.

- If you have a practice or organization that sends one statement to a family to cover individual members of the family, set up the family as the customer and family members as projects/jobs.

Quicken tracks your projects/jobs using the Project/Job List, which includes the job status, important dates, and ending balance of invoices and payments.

Customer	Project/Job	Status	Start Date	Proj. End	Actual End	Description	Total
AnyTown Pasta...	Publicize Grand Op...	In Progress	4/18/2007	2/18/2008		new managem...	-5,200.00
	Estimate 101						---
	Invoice 101						3,440.00
	Payment 101						-1,000.00
	Payment 102						-2,440.00
	Invoice						3,440.00
	Payment						-1,000.00

You'll learn how to create a project/job in the next section. After you do, you'll be able to create a Project/Job by Project report. See "Summarize all projects/jobs" on page 52 for more information.

Create project/jobs

To create a new project/job:

- 1 Choose **Business menu > Go to Business Center**.
- 2 In the upper-right corner, click **My Data**.
- 3 In Tools, click **Project/Job List**.
- 4 On the toolbar, click **New**.
Quicken displays the New Project/Job dialog.
- 5 In the **Customer** field, select a customer, or type in a new one.
For more information about managing customer contact information, choose Help menu > Quicken Help, click the Search Quicken Help tab, enter *Address Book*, and click Ask.
- 6 In the **Project/Job** field, enter a name for the project.
- 7 In the **Status** list, select a status for your project/job. If the status you want isn't in the list, click **New/Edit** to create your own status flag or change an existing one.
- 8 In the **Description** field, type a description of the project/job. (Optional)
- 9 In the Dates area, enter the start and projected end dates for your project/job.
- 10 Click **OK**.

If you create a new invoice or estimate before creating a new project/job, Quicken opens the New Project/Job dialog, and you can fill it in as described above.

Create estimates

When a customer asks you to bid on a project, use Quicken to create an estimate that itemizes the products or services the customer wants. You can either print and send the estimate to the customer or e-mail it. If your customer accepts your estimate, you can convert it to an invoice when it comes time to send the bill. Quicken tracks your estimates in the Estimate List.

Note that estimates, unlike invoices, don't affect your financial statement, because there is no guarantee that the transaction will actually take place. They do appear in the Project/Job List, so you should assign an estimate to its specific project/job; when you convert the estimate to an invoice, it will be added to the list for that project/job.

To create a new estimate, click New in the Estimate List (choose Business menu > Invoices and Estimates > Create Estimate).

Here's an example of a completed estimate:

Select a customer and project from the lists.

Quicken fills in the customer information from your Customer List.

Enter invoice items here. To create a new one, just type a new name and follow the instructions.

Q Estimate

Customer: AT Downtown Trust
Project/Job: Fundraiser
Layout: Estimate Default
Business Tag: construction

Estimate

DATE: 10/5/2007
ESTIMATE #: 105

BILL TO
AT Downtown Trust
123 Center Street
AnyTown, OH 43085

ITEM	Category	DESCRIPTION	QTY	RATE	AMOUNT	T
1. Billable hour	Self-Employe...	hourly rate	36	75.00	2,700.00	
2. Facilitation fee	Self-Employe...		1	200.00	200.00	
3. Subtotal		Subtotal preceding lines			2,900.00	
4. Nonprofit discount	Charity	for 501(c) agencies		-15.00	-435.00	
5. PR Handbook	Self-Employe...		1	35.00	35.00	T
6.						
7.						
8.						
9.						
10.						

Add Lines

Subtotal: 2,500.00
Tax: 7.750% 2.71
Total: 2,502.71

Customer Message:
I look forward to working with you.

Memo: Tax account: *Sales Tax*

E-mail/Clipboard...

Save and New Save and Done Cancel

Convert estimates to invoices

When a customer accepts your estimate, you can easily make any necessary modifications to it before converting it to an invoice. The invoice appears in the invoice account you select, with the next sequential invoice number. You can choose to either delete the estimate from the Estimate List or save it for reuse.

- 1 Choose **Business menu > Go to Business Center**.
 - 2 In the upper-left corner, click **My Data**.
 - 3 In Tools, click **Estimate List**.
 - 4 Select the estimate you'd like to convert.
 - 5 On the toolbar, click **Convert**.
 - 6 In the **Convert it to the following account** list, select an existing invoice account.
 - 7 In the **After conversion** area, specify whether you want to save this estimate for later use or delete it. For example, if you will be providing the same services to a customer on a monthly basis, you can select **Save this estimate for later use**, then simply convert it to a new invoice each month.
 - 8 Click **OK** to convert the estimate to an invoice.
 - 9 If the invoice is correct, click **Save and Done** to save the estimate and close the Invoice form.
- Here's an example of a completed Convert Estimate to Invoice dialog.

Select the account where you want the invoice to appear.

Indicate whether you want to save this estimate for later use or delete it from the Estimate List.

The screenshot shows a dialog box titled "Convert Estimate to Invoice". It contains the following fields and options:

- Customer: **AT Downtown Trust**
- Project/Job: **Fundraiser**
- Estimate #: **105**
- Convert it to the following account: **Customer Invoices** (dropdown menu)
- After conversion:
 - Save this estimate for later use
 - Delete this estimate from the list
- Buttons: **OK** and **Cancel**

Note: Quicken tracks your estimates in the Estimate List and your accounts receivable in the invoices account register.

Create invoices

When a customer owes you money, you can create a Quicken invoice that itemizes the products or services the customer bought from you. You can then either print and send the invoice to the customer or e-mail it. Quicken updates your invoices/receivables register to show the increase.

Create a new invoice in the Invoice form (choose Business menu > Invoices and Estimates > Create Invoice). If you have more than one invoices/receivables account, Quicken prompts you for which one you want to use to track this invoice.

Here's an example of a completed invoice using the default format.

In the ITEM column, select an existing item from your invoice items list, or create a new one. Don't include business tags with your invoice items if you have entered a business tag in the Business Tag field in the upper-right corner of the form.

This Quicken user applied a nonprofit discount for her services. She entered her fees, followed by a subtotal item, followed by her discount item (see "Set up discounts, special charges, and subtotals" on page 20).

Enter the business tag in the Business Tag field. When you do, Quicken associates the business tag with every invoice item in the invoice.

The screenshot shows the 'Invoice - Customer Invoices' window. At the top, the customer is 'AT Downtown Trust' and the project is 'Fundraiser'. The business tag is set to 'construction'. The invoice date is 10/5/2007 and the invoice number is 105. The due date is 11/4/2007 and the P.O. number is 12345. The invoice items are as follows:

ITEM	Category	DESCRIPTION	QTY	RATE	AMOUNT	T
1. Billable hour	Self-Employe...	hourly rate	24	75 00	1,800 00	
2. Facilitation fee	Self-Employe...		1	200 00	200 00	
3. Subtotal		Subtotal preceding lines			2,000 00	
4. Nonprofit discount	Charity	for 501(c) agencies		-15 00	-300 00	
5. PR Handbook	Self-Employe...		3	35 00	105 00	T

At the bottom right of the table, the subtotal is 1,805.00, the tax is 7.750% (8.14), and the total is 1,813.14. The customer message is 'It's been a pleasure working with you!'. The tax account is 'Sales Tax' and the balance due is 1,813.14. Buttons for 'Receive Pmt...', 'Payment History...', 'Expenses...', 'E-mail/Clipboard...', 'Save and New', 'Save and Done', and 'Cancel' are visible at the bottom.

Items following the discount item are full price. This item is taxable.

You can use the Forms Designer described on page 28 to design the invoice to include only the fields and columns you need. You can also rename or resize the fields and columns, reposition the fields and your company logo, and display your company address. To open the Forms Designer from the Invoice form, in the Layout list in the upper-right corner, select Customize. You can also open the Forms Designer by choosing Business menu > Invoices and Estimates > Design Forms.

Fill in estimates and invoices

Because you convert estimates directly to invoices, the two forms look very similar and require you to fill in most of the same information, such as the customer, business tag, date, and billing address. You also enter details about the products and services you sell. These are called "invoice items" in Quicken. For more information about invoice items, see "Set up items to include on invoices" on page 19.

If you have set up invoice items ahead of time, Quicken helps you fill in the invoice. When you create an estimate or invoice and begin typing the name of a product or service in the Item column, Quicken checks to see if the item already exists. If it does, Quicken fills in all the item information for you, including category, rate, description, and whether or not the item is taxable. If the item doesn't already exist, Quicken asks if you want to create a new one and helps you set it up.

Note: When you enter a business tag (that is, a tag associated with a business) in the Business Tag field of an estimate or invoice, Quicken associates the business tag with every invoice item in the estimate or invoice. For this reason, it is recommended that you don't include a business tag in the Category/Tag field of your invoice items. If you have added different business tags to your invoice items for some reason, you must leave the Business Tag field of the estimate or invoice blank or Quicken won't know which business the invoice item belongs to. For more information about business tags and invoice items, choose Help menu > Quicken Help, click the Search Quicken Help tab, enter *add or edit invoice items*, and click Ask.

Assign an income category to product sales. Be sure to use a category with the correct tax form line item assigned to it, in this case, Schedule C Gross Receipts or Sales. It is recommended you don't include a business tag in the Category/Tag field, as described in the preceding note.

When you add taxable items such as products to an invoice, Quicken prompts you for your local sales tax rate.

In addition to using items to fill in estimates and invoices more quickly, Quicken uses items to track customer charges—and your income—in more detail. Use the Item column to add this detail rather than adding numerous income categories. For example, because Pat's interior design business sells more items than she wants to add to her Category List, she could have one income category called Design Services, and another called Product Sales. She could assign all of the items she sells to customers (pillows, display shelves, mirrors, and so on) to the Product Sales income category, and assign the services she provides (design consulting, sketches, and so on) to the Design Services category. When she later creates a profit and loss statement, Quicken reports the income from Product Sales separately from the income from Design Services.

Keep sales tax reporting in mind when you set up categories. Figure out which information you need to report to your sales tax authority so that you'll get the information you need from the Quicken reports you create.

To learn about...

Search Quicken Help for...

tracking accounts receivable

accounts receivable

creating estimates or invoices

creating invoices

changing estimates or invoices

editing invoices

using sales tax accounts

tracking sales tax

Schedule future invoices

You can arrange to handle invoice payments ahead of time and have Quicken remind you before they're due or record them for you. For example, you can schedule recurring transactions that you request payment for at the same time every month, such as payment from renters. For more information, see "Schedule bills and deposits to keep your data current" on page 47.

When you schedule future invoice payments, Quicken can help you manage your short-term spending and track the profitability of your business. For more information, see "Track income and expenses" on page 46 and "Track profitability" on page 58.

Track expenses by project/job

When you bill expenses to clients, Quicken can help you track actual costs versus estimates, segregate income and expenses (for example, by rental property), and track expenses by job, project, or department. This makes Quicken valuable to medical, legal, consulting, and other professional service firms, as well as to property management, job-shop manufacturing, construction, and similar businesses.

Using the Project/Job List lets you track multiple jobs for a specific customer. You need to assign bills to the corresponding project/job to see your expenses for that project/job in Project/Job by Project report. For more information about creating projects/jobs, see "Track projects/jobs" on page 20. For more information about the Project/Job by Project report, see "Summarize all projects/jobs" on page 52.

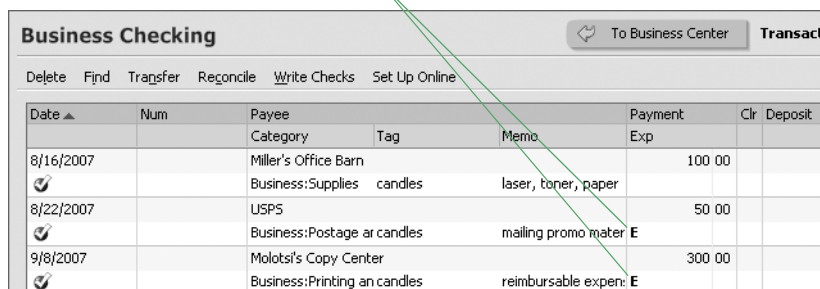
Invoice customers for reimbursable expenses

Many business owners (especially consultants) incur expenses on behalf of customers while working on projects. These expenses—items such as delivery fees and travel expenses—are called reimbursable expenses. You can select these expenses as reimbursable when you enter them in Quicken. Then, when you invoice a customer, you can have Quicken display a list of reimbursable expenses, and you can select which ones you want to include on the invoice.

Whenever you enter a reimbursable expense in Quicken (for example, in your Quicken checking account register, credit card account register, or bills register), you can click the Exp field to identify that transaction as a reimbursable expense. If only part of the transaction is reimbursable, you can identify the appropriate line in the Split Transaction dialog or the Bill form. Quicken displays an E to show that this is an expense for which you plan to invoice a customer.

You can also enter a description of the expense in the Memo field. This is then used as the description on the invoice.

Click the Exp field to mark your expenses as reimbursable.
Quicken makes them available later to include on an invoice.



Date ▲	Num	Payee	Category	Tag	Memo	Payment	Clr	Deposit
						Exp		
8/16/2007		Miller's Office Barn	Business:Supplies	candles	laser, toner, paper			
8/22/2007		USPS	Business:Postage	ar candles	mailing promo mater			
9/8/2007		Molotsi's Copy Center	Business:Printing	an candles	reimbursable expen			

When you're ready to invoice the customer, click Expenses in the Invoice form (choose Business menu > Invoices and Estimates > Create Invoice). Quicken shows you a list of reimbursable expenses not yet invoiced. To include an expense on the invoice, click the Use field next to the reimbursable expense, and click OK. If you add a markup, change the amount on the invoice.

For cash-basis reporting, reimbursable expenses are recorded as income when you receive payment for expenses. For accrual-basis reporting, income is recognized when you bill the customer.

These expenses haven't yet been invoiced.

Select this check box to combine two or more expenses.

Select this check box if the expense is for a taxable item.

Use	Date	Payee	Memo	Amount	Hide
	8/22/2007	USPS	mailing promo materials	50.00	
	9/8/2007	Molotsi's Copy Center	reimbursable expenses	300.00	
				Total	0.00

Print selected expenses as one invoice item
 Selected expenses are taxable

To learn about...

tracking reimbursable expenses

applying markups

Search Quicken Help for...

reimbursable expenses

markup items

Track items bought for resale

When you buy items or materials that become the products you sell, you're usually in one of three general situations:

- You invoice customers for items or materials purchased on their behalf. You buy for a particular customer or job, and you invoice for those items, with or without markup or sales tax. For example, an interior designer may buy furniture at wholesale and sell it to the client at retail. For this situation, see "Invoice customers for reimbursable expenses" on page 26.
- You neither maintain inventory nor invoice customers for specific items purchased on their behalf. You buy items or materials for resale in the immediate future. If you buy items for a particular customer or job, you don't invoice for those items separately from other charges. For example, a caterer may buy food for an event but invoice for a general price per person, without separating food costs from labor. Or a custom furniture maker may buy wood for a commissioned job but sell the finished piece for a price that includes materials and labor.

If this is your situation, you can use one or more expense accounts for the items and materials you buy for resale. When you enter a bill (or credit card or check) in Quicken for the purchase of resale goods, simply select the appropriate expense category in the Category field. Make sure you include shipping charges and any sales tax you pay in the amount of the transaction. Those charges are part of your cost of resale goods.

- You maintain inventory. You buy items or materials and hold them in inventory until they sell. If this is your situation, you should purchase QuickBooks. QuickBooks tracks the value of your inventory and keeps an up-to-date count of the number of items in stock. For more information, see "Decide when to upgrade to QuickBooks" on page 71.

Track and pay sales tax

If you sell products, you probably collect sales taxes from customers, which you must later pay to a government agency. Quicken lets you add the appropriate sales tax directly to your customer invoices, and it records the taxes you've collected in a liability account called Sales Tax. (Quicken adds this account when you add your first invoices/receivables account.)

If you pay a single tax rate to a single government agency, the Sales Tax liability account is all you need. If you handle more than one tax rate, you need to add a separate liability account for each rate. Here's an example. Let's say you collect sales tax from two counties in State X: County A and County B. For County A, the sales tax rate is 7.75 percent; you would set up a Sales Tax A liability account with that rate.

Tax breakdown	Tax rate
County A	0.50%
State X	7.25%
	7.75% (Total sales tax percentage)

The sales tax rate for County B breaks down this way:

Tax breakdown	Tax rate
County B	0.25%
State X	7.25%
	7.50% (Total sales tax percentage)

You would add another Sales Tax B liability account for County B with a rate of 7.50 percent. (You add all the city, county, and state rates together.) When it's time to pay the sales taxes you've collected, open the appropriate Sales Tax account register and view the balance—that is the amount you need to pay the tax agency. When you write a check from your checking account to pay the taxes, assign the transaction to the appropriate Sales Tax account. Quicken reduces the balance of your checking account by the amount of the tax payment and reduces the liability in the corresponding Sales Tax account by the same amount.

To add another Sales Tax liability account, open the Invoice form. (Choose Business menu > Invoices and Estimates > Create Invoice.) Then, in the Tax Account list, select <New> and enter the information Quicken requests.

To learn about...	Search Quicken Help for...
entering sales tax on an invoice	sales tax
adding new liability accounts	adding liability accounts

Customize estimates, invoices, and credit memos

Use the Forms Designer to customize Estimate, Invoice, or Credit forms to suit your needs. You can add, remove, or rename items, or change their size and position; likewise you can add, remove, or change the size of columns. You can also reposition your company logo and print your company address.

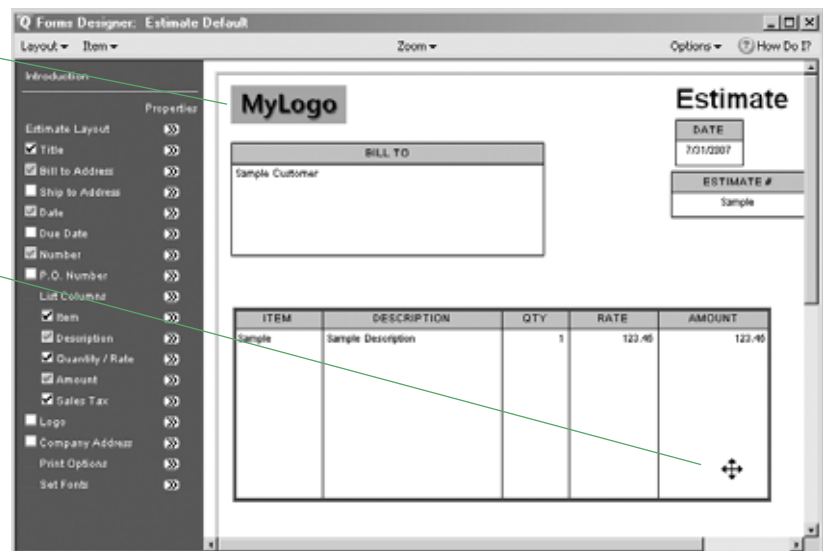
If you need more than one type of format (for example, you may use one for services and another for products), Quicken lets you design and save each format as a separate layout. You can name each layout when you design it and then select the layout you want from the Layout list when you create the form.

- 1 Choose **Business menu > Go to Business Center**.
- 2 In the upper-right corner, click **My Data**.
- 3 In Tools, click **Forms Designer**.
Quicken displays the Forms Designer.
- 4 On the toolbar, in the **Layout** list, select **New**.
- 5 In the **Select a Layout Type** field, select **Invoice, Estimate, or Credit**.
- 6 In the **Enter a New Layout Name** field, enter a descriptive name for the form you are creating.
- 7 In the Orientation area, select whether you want this form to be printed in **Portrait** or **Landscape** mode, and then click **OK**.
- 8 On the left side of the Forms Designer window, select the fields you want to include. Click to clear any fields you don't want to include in the form.
- 9 On the right side of the Forms Designer window, select any field you want to change, and then move or resize it.
 - a To resize a field, move the pointer to the edge of the side you want to shorten or lengthen. When the pointer changes to a two-sided arrow, hold the left mouse button down, drag the field edge until it is the size you want, and then release the mouse button.
 - b To move a field, select the field and move the pointer inside it. When the pointer changes to a four-sided arrow, hold the left mouse button down, move the field to the location you want, and then release the mouse button.
- 10 When the form looks the way you want, on the toolbar, in the **Layout** list, select **Save**.

You can add your own logo in bitmap format (a graphics file with a name ending in .BMP).

Select the estimate or invoice fields you want to include.

Click and drag to change the size or location of a field.



- 11 To check your changes, right-click the document, and select **Print** from the menu, and then click **Preview**.

To learn about layouts, choose **Help menu > Quicken Help**, click the **Search** tab, enter *designing forms*, and click **Ask**.

E-mail estimates, invoices, and credit memos

When the time comes to send estimates, invoices, and credit memos to your customers, you can either print out and send the forms or e-mail them.

Quicken installs the software you need to create PDFs, so you're ready to create PDFs of the forms you want to attach to your e-mails whenever you want. One advantage of this method is you can preview the form and make a few minor adjustments before you create it.

If your e-mail program is MAPI-compliant, you also have the option to e-mail forms as HTML attachments (recommended), or as HTML or text in the body of the e-mail itself. One advantage of this method is that you can create and send attachments directly from the forms you want to send. However, any logos that are part of the form won't be included in the e-mail.

E-mail forms as PDF attachments

- 1 Display the form you want to send.
- 2 Click the **Print** icon.
Quicken displays the Print dialog.
- 3 In the **Printer** list, select **Quicken PDF Printer**.
- 4 Change the page orientation, or you can select the option to print the information on one page. (Optional)
- 5 Click **OK**.
Quicken displays the Save to PDF File dialog.
- 6 In the **Save in** field, navigate to the location where you'd like to store the PDF document. (Optional)
- 7 In the **File name** field, type a name for the PDF.
- 8 Click **Save**.
- 9 Open your e-mail application, create a new e-mail, attach the PDF, enter the customer's e-mail address and any other appropriate information, and then click **Send**.

E-mail forms as HTML or text

- 1 Display the form you want to send.
- 2 In the form dialog, click **E-mail/Clipboard**.
- 3 In the **Format** area, select a format supported by your e-mail program: **HTML (Recommended)** or **Plain Text**. (HTML is recommended for better reproduction of your form.) Be sure to select **E-mail To**, and enter the customer's e-mail address.
- 4 In the **Output** area, select **As File Attachment (Recommended)** or **As Message Text**.

You can send your invoice as the text of the e-mail, an attached document, or both.

Check that the recipient's e-mail address is correct.

Send Invoice by E-mail

Format:

- HTML (Recommended)
- Plain Text

Output:

- As File Attachment (Recommended)
- As Message Text
- Both

Send:

- To Clipboard
- E-mail To: **AT Downtown Trust**

E-mail Address: AccountingDept@CenterCity.org

OK Cancel

5 Click **OK**.

6 In your e-mail program, verify the information, and then click **Send**.

Record payments from customers

When you receive a payment from a customer, use the Customer Payment form to specify the invoices the payment should apply to. In the invoices register, click **Create New** and then select **Customer Payment**.

When you enter a customer name, Quicken displays the customer's balance and outstanding invoices.

From the list of outstanding invoices, select the one this payment applies to.

Customer Payment

Customer: AT Downtown Trust Amount: 3,140.27

Deposit To: Business Checking Check Number: 567

Memo: first instalment

Total to Apply: 1,000.00
Unapplied Amount: 0.00

Pay Date	Project/Job	Type	Number	Orig Amt	Due Date	Amt Due	Payment
<input checked="" type="checkbox"/>	9/5/2007	Strategic ...	106	1,327.13	9/5/2007	1,327.13	1,000.00
<input type="checkbox"/>	10/5/2007	Fundraiser	105	1,813.14	11/4/2007	1,813.14	0.00

Clear Prints

Enter Cancel

When you enter a customer name and payment amount, Quicken automatically applies the amount to the oldest invoice. To apply the payment to a different invoice, click in the **Pay** column next to the invoice to remove the check mark, and then click next to the invoice you do want to apply the payment to. (You can apply full or partial payments—Quicken calculates and keeps track of the outstanding balance for each invoice.)

When you record a payment, several things happen:

- The value of your invoices/receivables account decreases by the amount of the payment.
- The value of your bank account increases by the amount of the payment.
- If you use cash-basis accounting, you have an actual increase in income.
- Quicken updates the Cash Flow and Profit/Loss snapshots in the Business Center.

Enter down payments

If a customer sends you a down payment in advance of a job, there is no invoice to apply the payment to. You should enter the down payment in the Customer Payment form as usual. Quicken displays the entire payment amount in the Total to Apply field. Quicken holds the unapplied amount with the customer's name, so that when you do have an invoice for this customer, you can apply the down payment amount.

The next time you enter this customer's name in the Customer Payment form, Quicken displays the prepaid amount in the Existing Credits field. To apply the amount to an outstanding invoice, click Apply Existing Credits.

Track cash register sales or other undeposited funds

There may be times when you receive payments for invoices or cash sales but haven't had the time to deposit the payments into your bank account. If you receive payment in full at the time of sale, you'll want to track the items you've sold. You don't need to record such sales in your invoices/receivables account because you've already been paid. (See "Add invoices/receivables accounts" on page 18 for more information about using an invoices/receivables account.)

You can make a holding account to track the money until you deposit it at the bank. Add a cash account, and name it something like Undeposited Funds. Then when you record a payment in Quicken, select Undeposited Funds as the deposit account. When you actually deposit the money at your financial institution, simply enter a transfer transaction in Quicken from the Undeposited Funds account to the bank account (on the Undeposited Funds account toolbar, click Transfer).

For cash register sales, you could either enter each cash sale individually or enter a summary at the end of the day. In either case, you don't have to enter a customer name, because there is no balance due. However, if you use a name such as Daily Receipts or Cash Customers, Quicken uses this name to identify the source of this sales income in the Business Center snapshots and your reports and graphs.

Handle overpayments and returns

When a customer overpays an invoice or returns a product, you can choose to credit the customer's account or refund the amount.

To record a credit for returned goods:

- 1 Choose **Business** menu > **Go to Business Center**.
- 2 In the upper-right corner, click **My Data**.
- 3 In the Business Accounts snapshot, in the A/R Accounts (Invoices) area, click the account that contains the invoice.
- 4 On the toolbar, in the **Create New** list, select **Credit**.
- 5 Enter the customer name, the job (if applicable), items returned, and any additional information.
- 6 Specify how to deliver the information.
 - Click the **Print** icon to print the credit memo to paper or to a PDF.
 - Click **E-mail/Clipboard** to e-mail it directly from the form as an HTML attachment.
- 7 Click **Enter**.

Quicken associates a credit with that customer's name, so that when you enter the customer's name in the Customer Payment form, the credit is displayed in the Existing Credits field.

To record a credit and issue a refund for returned goods:

- 1 Choose **Business menu > Go to Business Center**.
- 2 In the upper-right corner, click **My Data**.
- 3 In the Business Accounts snapshot, in the A/R Accounts (Invoices) area, click the account that contains the invoice.
- 4 On the toolbar, in the **Create New** list, select **Credit**.
- 5 Enter the customer name, items returned, and any additional information.
- 6 Click **Refund**.
Quicken displays the Refund form.
- 7 In the **Account to Pay From** field, enter the account you want to pay the refund from.
- 8 Enter any additional information you want to include, and then click **Enter**.
- 9 In the invoices register, select the credit and click **Form**.
Quicken displays the Credit form.
- 10 Click **Receive Pmt**.
Quicken displays the Customer Payment form. Verify the amount and make sure that there is a check mark next to the refund you want to apply the credit to.
- 11 Click **Enter**.

To issue a refund for overpayment:

- 1 Choose **Business menu > Go to Business Center**.
- 2 In the upper-right corner, click **My Data**.
- 3 In the Business Accounts snapshot, in the A/R Accounts (Invoices) area, click the account that contains the invoice.
- 4 On the toolbar, in the **Create New** list, select **Refund**.
- 5 In the **Account to Pay From** field, enter the account you want to pay the refund from.
- 6 In the **Customer** list, select the customer name.
- 7 In the **Amount** field, enter the refund amount.
- 8 Enter any additional information you want to include, and then click **Enter**.
- 9 In the invoices register, select the payment, and click **Form**.
Quicken displays the Customer Payment form, which lists the invoices and the refund.
- 10 Click in the **Pay** column (next to the Date column), and then click **Enter**.

To learn more about using online payments to issue a refund, choose Help menu > Contents, click the Search Quicken Help tab, enter *refund online payments*, and click Ask.

Report on accounts receivable

One benefit of using Quicken to keep track of your customer invoices (accounts receivable) is the information you can gather by creating a report. Quicken lets you create reports that show:

- Unpaid balances on all invoices, broken down by customer
- Customer payment history
- Unpaid invoices
- Sales by customer

View unpaid balances by customer

The default accounts receivable by customer report summarizes monthly ending balances for customers in the invoices/receivables accounts.

To view the report, choose Reports menu > Business > Accounts Receivable.

To learn about...	Search Quicken Help for...
customizing reports	customize reports
accounts receivable reports	accounts receivable reports

Track the history of customer payment

Quicken can track how promptly a customer has paid each invoice. In the Invoice form, click Payment History to see the payment history for the current invoice.

To create a Customer Payment History report:

- 1 Choose **Reports** menu > **Banking** > **Transaction**.
- 2 Click **Customize**.
- 3 In the **Date range** fields, set the date range to cover the period you want.
- 4 On the **Display** tab, in the **Sort by** list, select **Payee**.
- 5 To create a report that shows your receivables by month, in the **Subtotal by** list, select **Month**. (Optional)
- 6 Click the **Accounts** tab, and select only your invoices/receivables accounts.
 - If you have only business accounts, click **Clear All**, and then select only your invoices accounts.
 - If you have several types of accounts, click **All Accounts** on the left, and then click **Clear All**. Next click **Business** on the left, and select only your invoices accounts.

- Click **OK**.
Quicken displays the Transaction report.

Transaction

Delete Export Data Sort Go to Category List Preferences How Do It?

Back History Forward Print Save Report Find & Replace Customize

Transaction

Date range: Custom dates... Subtotal by: Quarter

8/1/2007 through 10/31/2007

Edit

Date	Account	Num	Description	Memo	Category	Tag	Ctr	Amount
BALANCE 7/31/2007								760.00
8/15/2007	Customer Invoices	5	Center City Afforda...	#2 write staff...	--Split--	--Split--	c	3,300.00
9/4/2007	Customer Invoices		Center City Afforda...		[Biz Checking]		c	-3,300.00
9/5/2007	Customer Invoices	105	AT Downtown Trust	fundraiser	--Split--	--Split--	c	1,327.13
8/1/2007 - 9/30/2007								1,327.13
BALANCE 9/30/2007								2,087.13
10/2/2007	Customer Invoices		AT Downtown Trust		[Biz Checking]		c	-1,327.13
10/5/2007	Customer Invoices	106	AT Downtown Trust	fundraiser	--Split--	--Split--	c	1,813.14
10/15/2007	Customer Invoices		AT Downtown Trust		[Biz Checking]		c	1,813.14
10/22/2007	Customer Invoices	107	Center City Afforda...		--Split--	--Split--	c	1,875.00
10/1/2007 - 10/31/2007								547.87
BALANCE 10/31/2007								2,635.00
OVERALL TOTAL								1,875.00
TOTAL INFLOWS								8,315.27
TOTAL OUTFLOWS								-6,440.27
NET TOTAL								1,875.00

If you move your pointer over report totals with details available, the pointer turns into a magnifying glass. Double-click to zoom in on the details.

- Click **Save Report**, type a unique name for the report, select or create the folder in the Saved Reports area where you want to save the report, and click **OK**. (Optional)
The next time you want to open the saved report, you can do so in the My Saved Reports list on the right side of the Reports & Graphs window.

Display a list of unpaid invoices

Unpaid invoices are listed in the Unpaid Invoices window (choose Business menu > Business Lists > Unpaid Invoices List). Quicken shows you the amount of each invoice, the balance, aging information, and the total amount of all your unpaid invoices. Double-click a customer name to see the invoice details.

Create alerts for past due invoices

Alerts keep you informed about financial events you might otherwise forget, such as past due invoices. You can set the Past Due Invoice alert to notify you when an invoice hasn't been completely paid by the due date specified on the invoice. When an invoice becomes past due, Quicken notifies you in the Alerts section of the My Data page in the Business Center.

- 1 Choose **Business menu > Go to Business Center**.
- 2 In the upper-right corner, click **My Data**.
- 3 In the Business Alerts snapshot, click **Set Up Alerts**.
- 4 If necessary, on the **Setup** tab, click the PLUS sign (+) next to the label for General alerts.
- 5 Select the **Past due invoices** check box to activate the alert and, on the right side of the window, enter the conditions under which you want Quicken to alert you.
A check mark next to the alert means that the alert is active; click the check box again if you want to clear it.
- 6 Click **OK**.

To learn more about alerts, choose Help menu > Quicken Help, click the search Quicken Help tab, enter *alerts*, and click Ask.

Report on sales by customer

This report summarizes your sales income from each customer during the date range of the report. To create it, you customize the Summary report to look at only sales income (ignoring payments and sales tax collected).

To create a Customer Sales report:

- 1 Choose **Reports menu > Banking > Banking Summary**.
- 2 Click **Customize**.
- 3 In the **Title** field, type a name such as Sales by Customer.
- 4 In the **Date range** fields, set the date range to cover the period you want.
- 5 Click the **Accounts** tab, and select only your invoices/receivables accounts.
 - If you have only business accounts, click **Clear All**, and then select only your invoices accounts.
 - If you have several types of accounts, click **All Accounts** on the left, and then click **Clear All**. Next click **Business** on the left, and select only your invoices accounts.
- 6 Click the **Advanced** tab.
- 7 In the **Transfers** list, select **Exclude all**.
The amounts shown in the report don't include sales tax or any other items that are transfers to another Quicken account.
- 8 Click **OK**.

Create customer reminder statements

After creating an Accounts Receivable report, you may find it useful to create reminder statements for some of your customers. A customer reminder statement summarizes a customer's account with your company. It lists recent invoices, credit memos, payments received, and finance charges. Use reminder statements when you use invoices to bill your customers and want to remind them about late payments.

To create a reminder statement, Quicken uses the information you have already entered, so you don't have to do any extra work. Review the information that appears on the statement and print it.

- 1 Choose **Business menu > Invoices and Estimates > Print Statements**.
- 2 In the **Layout** list, select the layout you want to use.
- 3 In the **Customers** area, select whether you want to print statements for one, all, or a list of selected customers.
 - If you select **One**, select the name from the list.
 - If you select **Selected**, click **Choose**, and then select the customer names from the list.
- 4 In the **Dates From** and **To** fields, set the date range to cover the period you want.
- 5 In the **Statement Date** field, enter the statement date. Quicken prints today's date on the statement by default. You can manually enter a different date if necessary. (Optional)
- 6 If you want only statements for customers that have an outstanding balance, click to clear the **Don't Print Statements with a Zero Balance** check box.
- 7 Click the **Print** icon.
- 8 Modify any available options in the Print Invoice dialog. For example, you can select **Quicken PDF Printer** to print to a PDF.
- 9 Click **OK** to print the statements.
- 10 If you are printing to a PDF, enter a name for the PDF when Quicken requests this information, navigate to where you want to save the PDF, and click **Save**.

To learn about...	Search Quicken Help for...
finance charges	finance charges
statement layouts	form layouts

4 Manage accounts payable (bills)

Track bills with bills/payables accounts 40

Add bills/payables accounts 40

Record bills 40

Pay bills 42

If you use accrual-basis bookkeeping, you must track your accounts payable (bills) in a Quicken bills/payables account. If you use cash-basis bookkeeping and pay your bills as soon as you receive them, then you don't need to add a bills/payables account. Just use the Quicken Scheduled Bills & Deposits feature to remind you to pay your bills. The accounts payable reports may still be helpful, though, for managing your cash flow and tracking unpaid bills.

Note: For more information about scheduled bills and deposits, choose Help menu > Quicken Help, click the Search Quicken Help tab, enter *bills & deposits*, and click Ask.

Track bills with bills/payables accounts

The process for tracking accounts payable in Quicken looks like this:

- Add a bills/payables account, with a zero opening balance.
- When you receive a bill, record it in the bills/payables account, and then schedule the payment.
- Check which vendors you owe money to and how much you owe them.
 - You can see how your bills affect your bottom line for the month in the Business Center snapshots. (See "Track income and expenses" on page 46 and "Track profitability" on page 58 for more information.)
 - You can see how your bills affect your bottom line for a different time period in the Accounts Payable report. (See "Report on unpaid bills (accounts payable)" on page 51 for more information.)

Add bills/payables accounts

Before you can enter bills from your vendors, add a bills/payables account.

- 1 Choose **Business menu > Go to Business Center**.
- 2 In the upper-right corner, click **My Data**.
- 3 In the Business Accounts snapshot, click **Add Account**.
- 4 Select **Bills/Payables**, and click **Next**.
- 5 In the **Name this account** field, enter a name for the account, and click **Next**.
- 6 Click **Done**.

Quicken displays the account and adds a link to the account to the Business Accounts snapshot and the Account Bar list. Click the account to open your bills/payables register, and enter any unpaid bills you have, make payments that are due, or enter any credits you have from a vendor.

For information about entering a transaction in the bills/payables register, choose Help menu > Quicken Help, click the Search Quicken Help tab, enter entering bills, and click Ask.

Record bills

To get the most benefit from tracking accounts payable, use the following procedure to record bills in the bills/payables register as soon as you receive them. Then, to have Quicken remind to you pay the vendor in time and to include this amount in the Cash Flow and Profit/Loss snapshots, you can schedule the payment (see "Schedule bills and deposits to keep your data current" on page 47).

- 1 Choose **Business menu > Go to Business Center**.
- 2 In the upper-right corner, click **My Data**.
- 3 In the Business Accounts snapshot, in the A/P Accounts (Bills) area, click the account that contains the bill.
- 4 On the toolbar, in the **Create New** list, select **Bill**.
- 5 In the **Vendor** field, enter the name of the vendor you're paying.
If this is the first time you've entered a bill for this vendor, QuickFill memorizes the name and address. Next time you can select the vendor's name from the list.
- 6 To associate a project/job with the bill, click **Assign Project/Job**, select the appropriate project/job, and click **OK**. (Optional)

- 7 In the **Business Tag** field, enter the tag for the business that received the goods or service.
You must enter an existing business tag. If you don't have a business tag yet, you need to cancel this dialog and add one before you can continue. See "Add a business to Quicken" on page 9 for more information.
- 8 In the **VENDOR ADDRESS** field, enter the vendor's address. (Optional)
- 9 In the **DATE** field, change the date if necessary. (Optional)
- 10 In the **DUE DATE** field, enter the expected date of payment.
For example, if you receive a bill on May 1 and the payment terms are Net 30 (meaning the bill is due within 30 days), the due date is May 31.
- 11 In the **P.O. NUMBER** field, enter a purchase order number for tracking purposes. (Optional)
- 12 In the **Category** column, select a business expense category.
- 13 In the **DESCRIPTION** column, enter a description of the service or item. (Optional)
- 14 In the **E** column, click if this is an expensable item that you want to include on a customer invoice. (Optional)
- 15 In the **AMOUNT** column, enter the amount.



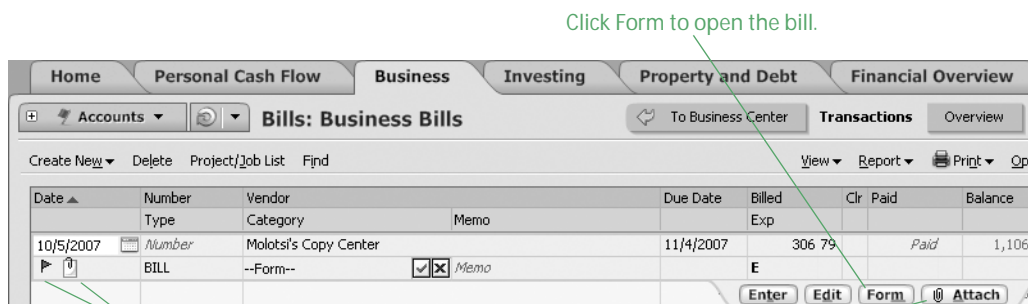
- 16 Click the appropriate button:
 - **Save and Done** records the bill transaction in the bills register.
 - **Save and New** records the bill transaction in the bills register and lets you record another bill.
 - **Create Payment** opens a payment dialog where you can record the payment transaction in the register right now. Select this option only if you want to record bills and payments at the same time. Continue with step 10 in the next section, "Pay bills."

To learn about...	Search Quicken Help for...
paying vendors	paying vendors
scheduling payments	scheduling bills
reimbursable expenses	reimbursable expenses

Pay bills

Quicken makes it easy to pay the bills you have already entered in Quicken. When you pay a vendor, use the Payment to Vendor form to enter the payment details. Quicken updates the balances in your bills/payables account and the checking account you withdraw the payment from.

- 1 Choose **Business** menu > **Go to Business Center**.
- 2 In the upper-right corner, click **My Data**.
- 3 In the Business Accounts snapshot, in the A/P Accounts (Bills) area, click the account that contains the bill.
- 4 Select the bill you want to pay, and click **Form**.



You can attach images such as checks, receipts, or other images to a transaction. Or, if a transaction requires follow-up or more information, you can also add flags, notes, and alerts. Just click Attach to get started.

Quicken displays the Bill form.

- 5 Click **Create Payment**.

Quicken displays the Payment to Vendor form.

The Payment to Vendor form shows the vendor name and unpaid balance you owe this vendor, plus the amount due on the specific bill you opened for payment.

Pay Date	Project/Job	Type	Number	Orig Amt	Due Date	Amt Due	Payment
10/5/2007	Fundraiser	Bill		306.79	11/4/2007	306.79	306.79
10/9/2007	Fundraiser	Bill		95.22	11/7/2007	95.22	0.00

- 6 In the **Withdraw From** field, select the account to withdraw the payment from.
- 7 In the **Memo** field, enter additional information about the vendor, or enter a note to remind yourself about the reason for the bill. (Optional)
- 8 If you are paying the bill with a check, in the **Number** field, enter the check number for tracking purposes. (Optional)
- 9 In the **Amount** field, enter the payment amount.

- 10 Quicken displays a list of your outstanding bills from this vendor in Outstanding Bills area. Click in the **Pay** column to select only the bills this payment should apply to.

Check that the vendor name is correct.

Click here to select the bills this payment applies to.

- 11 You can reapply the payment to other bills: (Optional)

- To apply the payment to a different bill, click **Clear Pmts**, and then click in the **Pay** column next to the bills you want to pay.
- To have Quicken apply the payment to the oldest outstanding bills for this vendor, click **Clear Pmts**, and then click **Auto Apply**.

- 12 If you have existing credit from this vendor and want to apply it to this bill, click **Apply Existing Credits**. (Optional)

- 13 Click **Enter** to record the payment.

Quicken updates the balance in your bills/payables register and the account you selected to withdraw the payment from.

To see your current outstanding balance by vendor, customize the Accounts Payable report. Select **Earliest** to date for the date range, and then create the report. You can also set up separate bills/payables accounts for major vendors that you don't always pay in full.



You can set up alerts to remind you about past due bills. To learn more about using alerts, choose **Help** menu > **Quicken Help**, click the **Search Quicken Help** tab, enter *alerts*, and click **Ask**.

You can also schedule payments to bills ahead of time, and have Quicken remind you before they're due or record them for you. For more information, see "Schedule bills and deposits to keep your data current" on page 47.

To learn about...

Search Quicken Help for...

paying bills online

paying bills

editing bills or payments

editing bills

deleting bills or payments

deleting bills

Receive credits from vendors

Sometimes you receive credit from a vendor for returned goods or to compensate for a billing error. A credit reduces the total amount of the bill. To record this type of transaction, use the Credit and Refund forms.

- 1 Choose **Business menu > Go to Business Center**.
- 2 In the upper-right corner, click **My Data**.
- 3 In the Business Accounts snapshot, in the A/P Accounts (Bills) area, click the account that contains the bill.
- 4 On the toolbar, in the **Create New** list, select **Credit**.
- 5 In the **Vendor** field, enter the name of the vendor.
- 6 To associate a project/job with the credit, click **Assign Project/Job**, select the appropriate project/job, and click **OK**. (Optional)
- 7 In the **Category** column, select an expense category.
- 8 In the **AMOUNT** column, enter the amount of the credit.
- 9 Click **Enter**.
Quicken enters the credit in the bills/payables register.

If the credit was a refund, fill in a Refund form to record the deposit in your bank account. Use the Refund form only if you have already entered an associated credit.

- 1 Choose **Business menu > Go to Business Center**.
- 2 In the upper-right corner, click **My Data**.
- 3 In the Business Accounts snapshot, in the A/P Accounts (Bills) area, click the account that contains the bill.
- 4 On the toolbar, in the **Create New** list, select **Refund**.
- 5 In the **Account to Deposit To** field, select the account you want to deposit the refund into.
- 6 In the **Vendor** field, enter the name of the vendor.
- 7 Click **Address** if you want to enter an address for this vendor. (Optional)
- 8 In the **DATE** field, Quicken displays today's date by default. You can manually enter a different date if necessary. (Optional)
- 9 To associate a project/job with the credit, click **Assign Project/Job**, select the appropriate project/job, and click **OK**. (Optional)
- 10 In the **Amount** field, enter the amount of the refund.
- 11 In the **Memo** field, enter additional information about the vendor, or enter a note to remind yourself about the reason for the refund. (Optional)
- 12 If the refund was in the form of a check, in the **Number** field, enter the check number for tracking purposes. (Optional)
- 13 Click **Enter**.
Quicken records the refund in the account you selected and updates the bills/payables register.

5 Manage cash flow (income and expenses)

Track income and expenses 46

Report on cash flow 48

Report on projects and jobs 52

Prepare for business income taxes 52

When you assign categories and business tags to your business transactions, and organize your business transactions in Quicken by project/job, you've got a wealth of information at your fingertips. The topics in this chapter show you how to use the features in Quicken to examine and use the data that you've collected.

You'll learn how to:

- Analyze the monthly income and expenses for your business.
- Create business reports that provide additional information about your income and expenses.
- Prepare for tax time.

Track income and expenses

One way of keeping an eye on the health of your business is to regularly analyze your income and expenses.

The In/Out/What's Left snapshot on the Cash Flow page provides an at-a-glance overview of your monthly cash flow. By providing a quick overview of the Quicken spending accounts where you manage your regular deposits and expenses (your checking and cash accounts by default), Quicken can help you determine if you have enough money to cover your monthly bills.



The Out section shows the bills you have scheduled and recorded for the month. Click a blue link to drill down to transaction-level detail and see who you owe what to.

Click the Add Transaction button to add more income sources or expenses.

If you have added separate business and personal accounts to track your spending, Quicken displays your personal spending on the Cash Flow page of the Personal Cash Flow Center (choose Cash Flow menu > Go to Cash Flow Center, and click Cash Flow) and your business spending on the Cash Flow page of the Business Center (choose Business menu > Go to Business Center, and click Cash Flow). On the other hand, if you are using just your personal spending accounts to track both your personal and business spending, Quicken displays all qualifying transactions on the Cash Flow page of the Personal Cash Flow Center and doesn't show a Cash Flow page in the Business Center.

You initially decide whether an account is a personal account or business account when you add it to Quicken. To add business accounts, add the account from the My Data tab of the Business Center or the Business section of the Quicken Account Setup dialog. Of course, not all business accounts are spending accounts, and an account must be both a business account and a spending account before the transactions in that account appear in the Cash Flow page of the Business Center. If you have added a cash flow account as a personal account and want to change it to a business account, it's easy to do. For more information, choose Help menu > Quicken Help, click the Search Quicken Help tab, enter *change account groups*, and click Ask.



If you are using the same spending accounts to track your personal and business spending, you can see an overview of just your business income and expenses on the Profit/Loss page of the Business Center. See "Track profitability" on page 58 for more information.

Schedule bills and deposits to keep your data current

The values and estimates in the In/Out/What's Left snapshot are made up of the bills and deposits you schedule and record each month. *Scheduled bills and deposits* are reminders of expected income and expenses that you have told Quicken about. When you enter a transaction into Quicken, it becomes a recorded bill or deposit.

You can schedule to record invoices and bills in Quicken. You can also schedule to receive the payment on an invoice (deposit) or to make the payment for a bill (bill). Note that the payments you schedule for invoices and bills appear in the Cash Flow and Profit/Loss snapshots, but the invoices and bills you schedule to record don't.

You can schedule one-time bills and deposits (such as paying later for a new piece of equipment) or recurring bills and deposits that you pay or invoice at the same time every month (such as office rent). When you schedule a bill or deposit in Quicken, you can choose to have Quicken remind you to enter the transaction in the register when it comes due, or have Quicken enter the transaction in the register without prompting. When the bills you've scheduled are in the register, you know it's time to send the payment!

To schedule bills and deposits:

- 1 Open the register that contains the account you want to schedule the bill or deposit from.
- 2 Click the **Scheduled Bills & Deposits** tab at the bottom of the register.
- 3 Click **Add Bill or Deposit**.
Quicken displays the Schedule a Bill or Deposit dialog.
- 4 In the Payment Information area, in the **Account to use** and the **Method** fields, enter the appropriate information.
 - To schedule when to record an invoice: In the Account to use field, select the account that contains the customer's invoice. In the Method field, select Invoice.
 - To schedule a customer payment to an invoice: In the Account to use field, select the account that contains the customer's invoice. In the Method field, select Payment.
 - To schedule when to record a bill: In the Account to use field, select the account that contains the business bill. In the Method field, select Business Bill.
 - To schedule a business bill payment: In the Account to use field, select the account that contains the business bill. In the Method field, select Payment.
- 5 In the Payee Information area, next to the Category field, click **Form**.
- 6 Enter the information that Quicken requests and save the information. You must deposit payments into a business spending account to have them show up on the Cash Flow page in the Business Center.
Quicken returns to the Schedule a Bill or Deposit dialog with the payee and payment information filled in.
- 7 In the Scheduling area of the dialog, enter the start date, whether you want to be reminded to enter the transaction into Quicken yourself or have Quicken enter it for you without prompting, the frequency of the transaction, and if and when the transaction should end. Click the **Help** icon for more information.

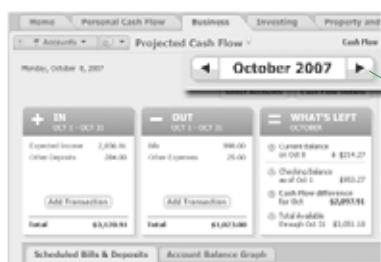
8 Click OK.

In addition, the transactions scheduled later than today aren't entered in your register until the specified time. You can view the scheduled transactions for all accounts in the Scheduled Bills & Deposits List (choose Tools menu > Scheduled Bills & Deposits) or on the Quicken Home page (choose Tools menu > Go to Quicken Home).

If you told Quicken to remind you to enter a scheduled transaction when it's due, when the time comes to enter it into the register, Quicken places a reminder about the transaction on the Scheduled Bills & Deposits tab at the bottom of the appropriate register.

Project future cash flow

The In/Out/What's Left snapshot displays your income and expenses for the current month, but you can see projections of future months (or information for past months) by clicking the arrows on either side of the month above the snapshot.



Click the arrows to see information for another month.

If you enter both your expected payments and deposits in Quicken, you can forecast your cash flow well into the future. Forecasting cash flow lets you predict cash surpluses, helping you decide if you can handle new expenses or if you should invest the surplus for highest return. Forecasting also predicts impending cash deficits so you can slow your payables, borrow, or take action to generate more cash.

Report on cash flow

While the In/Out/What's Left snapshot can give you an overview of your monthly cash flow, reports can provide information about other time periods and let you look at the details in a more focused way.

Choose cash- or accrual-basis reports

Quicken Home & Business uses cash-based reporting by default for most business reports. However you can view some business reports on an accrual-basis. For more information, see "Modify your settings" on page 3.

Compare one time period with another

A comparison report compares the data from two time periods and displays a column highlighting the differences between the two periods. You can display the differences as dollar amounts, or as the percentage change from the first period to the second, or both.

Quicken includes comparison reports for both categories and payees. The category reports are described in the following sections.

Compare income and expenses from one period with those from another

This report compares income and expenses from two different periods.

- 1 Choose **Reports** menu > **Comparison Reports** > **Income and Expense Comparison by Category**.
- 2 Click **Customize**.
- 3 In the **Date range** and **Compare to** fields, set the date range to cover the period you want.
- 4 On the **Display** tab, in the **Show** area, select **Difference as %** or **Difference in \$**.
To compare both values for the two time periods, select both.
- 5 Click the **Accounts** tab.
- 6 Select the accounts that you want to include in the report.
- 7 Click **OK**.

Compare expenses from one period with the average spending for another

This report compares expenses from one period with the average spending for another period.

- 1 Choose **Reports** menu > **Comparison Reports** > **Current Spending vs. Average Spending by Category**.
- 2 Click **Customize**.
- 3 In the **Date range** and **Compare to** fields, set the date range to cover the period you want.
After you select the starting period of the **Compare to** field, Quicken displays relevant comparison periods in the **Compare to** field.
- 4 On the **Display** tab, in the **Show** area, select **Difference as %** or **Difference in \$**.
To compare both values for the two time periods, select both.
- 5 Click the **Accounts** tab.
- 6 Select the accounts that you want to include in the report.
- 7 Click **OK**.

Report on cash receipts and disbursements

A Cash Receipts and Disbursements report shows your cumulative cash position on a weekly basis.

To create a Cash Receipts and Disbursements report:

- 1 Choose **Reports menu > Banking > Transaction**.
- 2 Click **Customize**.
- 3 In the **Date range** fields, set the date range to cover the period you want.
To report on future dates, in the Date range field, select Custom dates, and then choose a date range from tomorrow to a future date you specify.
- 4 On the **Display** tab, in the **Subtotal by** list, select **Week**.
- 5 Click the **Accounts** tab, and select only your checking and invoices/receivables accounts. Don't include accounts used to track noncash expenses, such as asset and liability accounts.
 - If you have only business accounts, click **Clear All**, and then select only your checking and invoices/receivables accounts.
 - If you have several types of accounts, click **All Accounts** on the left, and then click **Clear All**. Next click **Business** on the left, and select only your checking and invoices/receivables accounts.
- 6 Click **OK**.

In the final report, the balance is your cumulative cash position through each week. The report takes into account your bank account balance as of the beginning of the report. A negative balance means that you are out of cash as of that date.

Report on sources and uses of cash

This report shows the largest sources of income and expense for your business. The sources and uses report can show historic cash flow or forecasted cash flow.

- 1 Choose **Reports menu > Banking > Banking Summary**.
- 2 Click **Customize**.
- 3 In the **Date range** fields, set the date range to cover the period you want.
To report on future dates, in the Date range field, select Custom dates and then select a date range from tomorrow to a future date you specify.
- 4 On the **Display** tab, in the **Organization** list, select **Cash Flow Basis**.
This lets you see transfers as part of the cash flow.
- 5 You can customize the sources and uses of the cash report in these ways:
 - To see the changes in only account balances, in the **Row** list, select **Account**.
 - For sources and uses totaled by category, in the **Row** list, select **Category**.
 - For sources and uses subtotaled by tag, in the **Row** list, select **Tag**.
 - For sources and uses totaled by payee, in the **Column** list, select **Payee**.

- 6 Click the **Accounts** tab, and select only your checking accounts, invoices/receivables accounts, and bills/payables accounts.
 - If you have only business accounts, click **Clear All**, and then select only your checking accounts, invoices/receivables accounts, and bills/payables accounts.
 - If you have several types of accounts, click **All Accounts** on the left, and then click **Clear All**. Next click **Business** on the left, and select only your checking accounts, invoices/receivables accounts, and bills/payables accounts.
- 7 Click the **Tags** tab, and select the business tags you want to include in the report. You can also click the **Category** and **Payee** tabs to make any necessary changes.

The Tags tab includes tags you have associated with a business as well as tags not associated with a business. For more information about business tags, see “Add a business to Quicken” on page 9. For more information about tags, choose Help menu > Quicken Help, click the Search tab, enter *about tags*, and click Ask.
- 8 Click **OK**.

Report on unpaid bills (accounts payable)

If you use accrual-basis bookkeeping and track your bills in a bills/payables account, then you can use the Accounts Payable report to summarize the amount you owe each vendor (choose Reports menu > Business > Accounts Payable). Quicken subtotals the amount you owe by month, but, as always, you can customize the report to meet your needs.

To see more detail about the transactions in the Accounts Payable Summary report, create a Transaction report.

- 1 Choose **Reports menu > Banking > Transaction**.
- 2 Click **Customize**.
- 3 In the **Date range** fields, enter the same date range as for the Accounts Payable Summary report.
- 4 On the **Display** tab, in the **Subtotal by** list, select **Payee**.
- 5 Click the **Accounts** tab, and check to make sure the bills/payables account is the only one included in the report.
 - If you have only business accounts, click **Clear All**, and then select only your bills/payables accounts.
 - If you have several types of accounts, click **All Accounts** on the left, and then click **Clear All**. Next click **Business** on the left, and select only your bills/payables accounts.
- 6 Click the **Advanced** tab.
- 7 In the Status area, select **Not cleared** and **Newly cleared**.
- 8 Click **OK**.

Report on projects and jobs

You can run several project/job reports in Quicken. For more information about using project/jobs, see “Track projects/jobs” on page 20.

Summarize all projects/jobs

The Project/Job by Project report is a summary report of your income and expenses, broken down by payee and project. Simply assign a project to the invoices and bills you enter in Quicken before you run the report (choose Reports menu > Business > Project/Job Report by Project.)

Quicken always displays this report on an accrual basis, even when you choose to report on a cash basis. For more information, see “Modify your settings” on page 3.

Report income and expense totals by business tag

The Project/Job by Business Tag report is a summary report of your income and expenses for each category, broken down by business tag. Simply assign a business tag to the transactions you enter in Quicken before you run the report (choose Reports menu > Business > Project/Job Report by Business Tag.)

For more information about business tags, see “Add a business to Quicken” on page 9.

Prepare for business income taxes

Quicken can automate many of your tax preparation chores and help you gather data for IRS forms and schedules, whether you fill them in yourself, use TurboTax®, or hand everything over to a tax professional.

The more carefully you set up your Quicken data, the more Quicken can help. Make sure you assign the appropriate categories to all your tax-related transactions. Most of the standard categories already have the correct tax form line item assigned to them. For example, the Consulting category is assigned to the Gross Receipts line item on Schedule C (Profit or Loss from a Business). For more information, see “Set up business categories” on page 10.

If you assign the appropriate categories to all your tax-related transactions, you can import your Quicken data directly into TurboTax. (Consider installing TurboTax even if you continue to use a professional tax preparer—it can give you information about tax-related transactions you might have overlooked.)

The Quicken tax reports can help you plan ahead for tax time by summarizing your tax-related income and expenses, listing your tax-deductible transactions, and giving you an estimate of your tax liability. The Tax Planner can help you prepare for the inevitable by giving you a clear picture of your current tax situation throughout the year. When you’re ready to gather your information at tax time, just create these reports in Quicken:

- A Schedule C report lists transactions for Schedule C subtotaled by tax line item. (Choose Reports menu > Business > Schedule C.)
- A Tax Summary report lists all your tax-related transactions, grouped and subtotaled by category. (Choose Reports menu > Tax > Tax Summary.)

- A Tax Schedule report lists all your tax-related transactions, grouped and subtotaled by tax form name and line item. You may need to assign line items from tax forms and schedules to some of your Quicken categories, though most are standard. (Choose Reports menu > Tax > Tax Schedule.)
- A Capital Gains report (for reporting on Schedule D) shows short-term, long-term, and super-long-term capital gains for securities sold during a specified period. (Choose Reports menu > Tax > Capital Gains.)
- An Investment Income report (for reporting on Schedule B) shows dividend income (taxable and tax exempt), interest income (taxable and tax exempt), capital gains distributions, realized gain or loss, unrealized gain or loss (as an option), and margin interest and other investment expenses during a specified time period. (Choose Reports menu > Investing > Investment Income.)

Another way Quicken reports can help you prepare for tax time is by identifying business transactions that may be incomplete. This can help make sure that missing information doesn't keep you from counting a deduction. You'll learn more about how to resolve these potentially-deductible transactions in "Resolve potentially-deductible business transactions" on page 54. But first, let's see how the Vehicle Mileage Tracker can help you maximize your deduction.

Track mileage

The Vehicle Mileage Tracker helps you track tax-deductible mileage, such as the distances you travel to charitable, medical, or business-related activities. Quicken helps you track all tax-deductible mileage, for multiple vehicles, as well as tax-deductible parking and tolls.

Then, when it's time to prepare your taxes, you can import this mileage information directly into TurboTax.

Note: Whether you can deduct mileage from your taxes sometimes depends on whether the deductible amount has reached a certain percentage of your adjusted gross income. Before deducting mileage costs, check with your tax professional.

To track your mileage:

- 1 Choose **Business menu > Go to Business Center**.
- 2 In the upper-right corner, click **My Data**.
- 3 In Tools, click **Vehicle Mileage**.
- 4 In the **Trip dates** fields, enter the dates of the trip.

Quicken uses the date of the trip to determine the applicable IRS tax rate at the time of the trip. This means a trip entered in tax year 2006 may have a different tax rate from a trip entered in tax year 2007.

- 5 In the **Trip Type** list, select the type of trip.

Quicken associates each type of trip except for Other with the correct tax-deduction rate so, if you select Other, you'll need to enter the appropriate tax-deduction rate in the Rate field or leave the field blank if you just want to track the number of miles.

Mileage rates are updated annually for up to two years after you buy Quicken. To download current rates, choose Online menu > One Step Update.

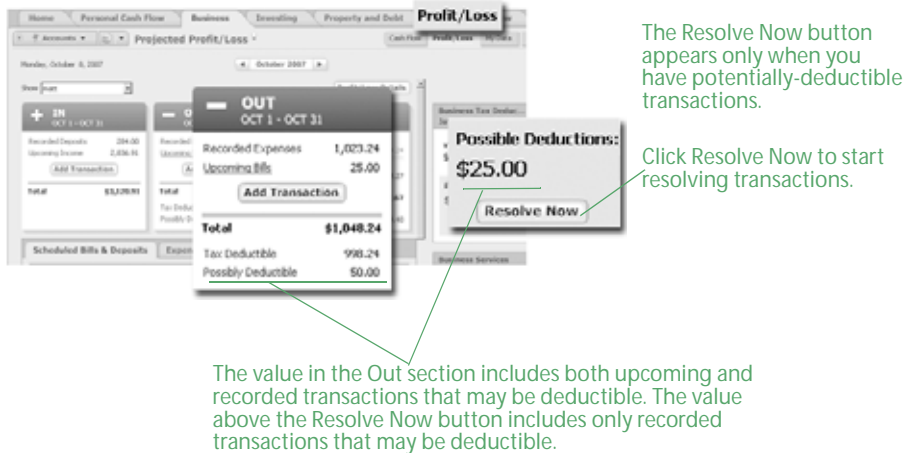
- 6 Enter the purpose for the trip, your destination, and the vehicle you used.
- 7 In the **Parking & Toll** field, enter parking and toll charges, if any. (Optional)
Remember that the money you spend on parking and tolls must be entered in the appropriate account to appear in reports.
In addition, the money you spend on parking and tolls doesn't automatically appear in the Tax Planner. If you want to include it, you must add the amount you paid for parking and tolls to the amount Quicken calculates for deductible business mileage.
- 8 Enter the number of miles you drove. You can enter the total number of miles directly in the **Miles traveled** field or, to have Quicken calculate this value for you, enter the beginning and ending mileage in the **Odometer at Start** and **Odometer at End** fields.
Quicken multiplies the number of miles by the downloaded Rate value or the Other rate you supplied.
- 9 Click **Record Trip**.
- 10 To make a printed copy of your mileage expenses, click the **Print** icon. (Optional)
The printed copy lists each record displayed in the All Trips table. If records for more than one type of trip are displayed, Quicken lists the total miles for each type of trip. You can filter this table so that only records that meet specific criteria appear at any one time. You can also change the columns that appear. Click **Customize** to make changes.

Note: When you enter your first trip, Quicken adds tax-deductible mileage categories to your Quicken Category List. These categories begin with an underscore prefix, as in "_Mileage." They already have the correct tax schedule line items associated with them and are set up for easy import to TurboTax. Don't edit or delete these categories.

Resolve potentially-deductible business transactions

Quicken uses the business transactions you enter in Quicken to estimate the potential tax deduction for your business. You can see a year-to-date estimate in the Business Tax Deduction snapshot on the right side of the Profit & Loss page in the Business Center. (Choose Business menu > Go to Business Center, and click Profit/Loss.) If you track more than one business in Quicken, the year-to-date value is the total for all your businesses.

Before Quicken can count a business expense in this deduction estimate, Quicken needs to know the business an expense is for and the type of expense it is. If you enter a business transaction in a way that makes these requirements unclear, Quicken displays the Resolve Now button at the bottom of the snapshot. That way you'll know you have business transactions that may count towards your deduction number so you can resolve these transactions in time to include them.



Click the Resolve Now button to display a report of the transactions you need to resolve. Some things you'll want to look for include:

- Transactions that use a category with a Schedule C tax line item, but have no business tag.
- Transactions with more than one business tag.
- Transactions that include a business tag, but use a category without a Schedule C tax line item.
- Transactions that use the Not Sure Business Expense category, or a Schedule C:Unspecified Business Expense or Schedule C:Unspecified Business Income tax line item.
- Transactions in invoices/receivables and bills/payables accounts without the appropriate category.

For more information about how to resolve the potentially-deductible transactions, click the blue Resolve Unspecified Business Expense transactions link at the bottom of the report. (You'll also find this link at the bottom of the Tax Schedule and Schedule C reports. You can resolve transactions from either of these reports as well.)

Now that your potentially-deductible business transactions are complete, you're ready to look at the other snapshot on the Profit/Loss page—the In/Out/Profit/Loss snapshot. Turn to the next chapter to learn more about it.

6 Track profitability and calculate equity

- Track profitability 58
- Report on profit and loss 59
- Track current assets 60
- Track fixed assets and depreciation 61
- Track liabilities 64
- Create a Balance Sheet 65
- Calculate equity 66

This chapter shows you how to report on profitability, calculate equity, and track business assets and liabilities.

Your business assets are generally defined as what your business owns, such as:

- Cash you have on hand
- Money in your checking and savings accounts
- Money owed to you for services you've provided or items you've sold (accounts receivable)
- Money you've loaned to someone else
- Furniture and fixtures
- Equipment
- Property

Track profitability

The In/Out/Profit/Loss snapshot shows your income, expenses, and net profit or loss for each business you track in Quicken.

The In/Out/Profit/Loss snapshot includes every scheduled and recorded business transaction in any Quicken account. To be a business transaction, a transaction must meet one of more of the following conditions: 1) It includes a category with a Schedule C tax line item, 2) It includes the Not Sure Business Expense category, 3) It is in an Invoices/Receivables or Bills/Payables account, 4) It includes a business tag.

To see the Profit/Loss page, choose Business menu > Go to Business Center and click Profit/Loss in the upper-right corner. If you have more than one business, select the business you want information about in the Show list above the snapshot.

Select the business you want information about.

Click the Profit/Loss button to view the Profit/Loss page.

IN OCT 1 - OCT 31		OUT OCT 1 - OCT 31		PROFIT/LOSS OCTOBER	
Recorded Deposits	294.00	Recorded Expenses	1,023.24	Current Loss on Oct 8	-\$739.24
Upcoming Income	2,836.91	Upcoming Bills	25.00	Last month's Profit	\$963.27
Total \$3,120.91		Total \$1,048.24		Projected Profit for Oct	\$2,072.67
		Tax Deductible	1,023.24	Projected change from last month	+\$1,119.40
		Possibly Deductible	25.00		

Schedule bills and deposits to keep your data current

The values and estimates in the In/Out/Profit/Loss snapshot are made up of the bills and deposits you schedule and record each month. As you learned in the previous chapter, scheduled bills and deposits are reminders of expected income and expenses that you have told Quicken about, and they become recorded bills or deposits after you enter them in Quicken.

For more information about scheduling bills and deposits, see "Schedule bills and deposits to keep your data current" on page 47.

Project future income and expenses

The In/Out/Profit/Loss snapshot displays your income and expenses by business for the current month, but you can see projections of future months (or information for past months) by clicking the arrows on either side of the month above the snapshot.

Click the arrows to see information for another month.

Report on profit and loss

A Profit and Loss (P&L) Statement, also called an Income Statement, also shows your income, expenses, and net profit or loss (equal to income minus expenses). It is different from the In/Out/Profit/Loss snapshot in that it shows only recorded transactions (not those you have scheduled), and it can be customized to show a number of date ranges.

The profit and loss statement summarizes the revenue and expenses of your business by category (first income, then expenses).

You can create a profit and loss statement, whether you use cash- or accrual-basis bookkeeping. For details about these bookkeeping methods, see “Decide which bookkeeping method you should use” on page 3.

If you have several businesses, each with their own business tag, you can customize the report to display separate columns for each one.

To create a profit and loss statement:

- 1 Choose **Reports** menu > **Business** > **Profit & Loss Statement**.
- 2 Click **Customize**.
- 3 In the **Date range** fields, set the date range to cover the period you want.
- 4 In the **Column** list, select **Tag**. (Optional)
- 5 Click the **Tags** tab, and select the business tags you want to include in the report. (Optional)
The Tags tab includes tags you have associated with a business as well as tags not associated with a business. For more information about business tags, see “Add a business to Quicken” on page 9. For more information about tags, choose Help menu > Quicken Help, click the Search tab, enter *about tags*, and click Ask.
- 6 The report default is for cash-basis bookkeeping. If you use accrual-basis bookkeeping, click the **Advanced** tab, and then, in the Report Basis area, select **Accrual**.

This setting changes the accounting method for just this instance of this report. If you want to change your accounting method for all applicable reports and features at one time, see “Modify your settings” on page 3.

The screenshot shows the 'Customize Profit and Loss Statement' dialog box. The 'Advanced' tab is active. In the 'Report Basis' section, the 'Accrual' radio button is selected, and the 'Cash' radio button is unselected. A green arrow points from the text on the right to the 'Accrual' radio button.

Select accrual to see this instance of this report on an accrual basis. If you use accrual-basis accounting, see “Modify your settings” on page 3 for information about how to change your accounting method for all applicable reports and features at one time.

7 Click OK.

The following is an example of a profit and loss (income) statement.

Category Description	cardes	OVERALL TOTAL
INCOME		
Rents Received	10,500.00	10,500.00
TOTAL INCOME	10,500.00	10,500.00
EXPENSES		
Rental Expenses		
Cleaning and Maintenance	750.00	750.00
Insurance	679.00	679.00
Legal-Prof. Fees	950.00	950.00
Management Fees	975.00	975.00
Taxes	1,455.00	1,455.00
Utilities	568.00	568.00
TOTAL Rental Expenses	5,377.00	5,377.00
TOTAL EXPENSES	5,377.00	5,377.00
OVERALL TOTAL	5,123.00	5,123.00

Track current assets

Current assets are those assets likely to be converted to cash within one year. They include such assets as bank accounts, accounts receivable, and cash. For more information about adding accounts to Quicken, see "Add business and personal accounts in one data file" on page 7.

Track bank accounts

Add a checking, savings, or money market account in Quicken to track each of your business's bank accounts. If you have a petty cash fund, you can add a cash account in Quicken to record your cash transactions.

Track invoices/receivables accounts

To use Quicken for accounts receivable, you need to set up an invoices/receivables account. This account tracks amounts owed to your business for the goods and services you sell to your customers. For details, see "Add invoices/receivables accounts" on page 18.

Track other current assets

Other current assets that your business owns might include Treasury bills, certificates of deposit, prepaid expenses (amounts already paid for services your business has yet to receive), prepaid deposits (which will be returned to you at a later date), reimbursable expenses (which you can later include on an invoice to a customer), and notes receivable (if due within one year).

Add an asset account in Quicken to track any asset that you plan to use up or convert into cash within one year.

Track fixed assets and depreciation

A fixed asset is anything you own that isn't converted into cash during one year of normal operations. A fixed asset is usually something necessary for the operation of your business, such as a truck, cash register, computer, or photocopier.

Understand depreciation

Fixed assets are equipment or property your business owns that isn't for sale. Because they last a long time, you don't deduct their entire cost on the current year's tax return; instead, the IRS generally allows you to deduct their cost over several years. But because fixed assets wear out or become obsolete (for example, a car or truck wears out; computers become obsolete), their value declines constantly from the day you purchase them. The amount of this decline in value is called depreciation. The IRS wants you to depreciate the cost of a fixed asset over what they deem as the useful life of that asset (for example, five years for a computer).

To determine the value of a fixed asset at any point in time, you subtract its accumulated depreciation (total amount of depreciation since the asset's purchase) from its original cost.

For example, suppose you bought a piece of equipment in January 2005 for \$5,000. By January 2008, the equipment may have depreciated by 60 percent of its original value, or \$3,000. Therefore, the value of the equipment in January 2008 is \$5,000 (original cost) – \$3,000 (accumulated depreciation) = \$2,000 (current value).

Note: Determining the amount of depreciation to deduct can be a complex process, and the IRS rules on the subject change often. Consult a certified public accountant for help in figuring actual depreciation amounts.

Track the value of fixed assets

To track the value of a fixed asset in Quicken, add an asset account for each piece of capital equipment where you can record the initial value and depreciation.

To add an asset account:

- 1 Choose **Business menu > Go to Business Center**.
- 2 In the upper-right corner, click **My Data**.
- 3 In the Business Property & Debt Accounts snapshot, click **Add Account**.
- 4 Click **Asset**, and click **Next**.
- 5 In the **Name this account** field, enter a meaningful name for the account (such as Biz Computer), and click **Next**.
- 6 In the **As of Date** and **Value** fields, enter the appropriate options:
 - To track depreciation over the life of the asset, enter the purchase price and the purchase date.
 - To track depreciation from today forward, enter the current value and today's date.
- 7 Click **Done**.

Quicken displays the asset account and adds a link to the account in the Business Property & Debt Accounts snapshot and the Account Bar list.

- 8 If the funds to purchase this equipment came from another account such as a checking account or a credit card account, in the **Category** field, select the account the funds were transferred from.
- 9 Click **Enter**.

Note: You should track capital equipment in Quicken only for the purposes of creating an accurate Balance Sheet report. Quicken doesn't assign a tax form line item for depreciation. These values aren't imported into TurboTax, displayed on the P&L statement, or displayed in the Business Center snapshots.

To record depreciation each year:

- 1 Choose **Business menu > Go to Business Center**.
- 2 In the upper-right corner, click **My Data**.
- 3 In the Business Property & Debt Accounts snapshot, click the account for the asset.
- 4 On the toolbar, click **Update Balance**.
Quicken displays the Update Balance Account dialog.
- 5 In the **Update Balance to** field, enter the current dollar value of the asset.
Quicken displays the amount of depreciation in the Decrease column.
- 6 In the **Adjustment Date** field, enter the appropriate date.
- 7 In the **Category for Adjustment** field, enter the name of this asset account in square brackets (for example, [Biz Computer]).
- 8 Click **OK**.
Quicken displays the balance adjustment in the register.

To track depreciation over the life of the asset, start with the purchase date and purchase price.
In this example, the computer was purchased on 1/1/2005 for \$5,000 with funds transferred from a checking account called Business Checking.

Date	Ref	Description	Xfer Acct	Tag	Memo	Decrease	Clr	Increase	Balance
1/1/2005		Biz Computer	[Business Checking]	construction				5,000.00	5,000.00
1/1/2006		Balance Adjustment	[Biz Computer]	construction		1,000.00	R		4,000.00
1/1/2007		Balance Adjustment	[Biz Computer]	construction		1,000.00	R		3,000.00
1/1/2008	Ref	Balance Adjustment	[Biz Computer]	construction		1,000.00	R	Increase	2,000.00

Enter a balance adjustment each year to track the decline in value.

Purchase assets

When you purchase an asset, record the purchase in your checking account register, the same as always, but in the **Category** field, specify a transfer by typing the name of the asset account you added to track this asset. Quicken enters a parallel transaction in the asset account that transfers the fixed asset's value from the checking account to the asset account.

Sell fixed assets

When you sell a fixed asset, you need to enter that transaction in Quicken. (You want your records to show that you no longer own the asset, so its current value on your books is zero.) If you receive a check for the purchase of a fixed asset, record the deposit in your business checking account, and enter the name of your asset account in the Category field of the register. Quicken enters a parallel transaction in your asset account that decreases the value of the fixed asset by the amount of your deposit. If you sell the asset for its current value, the value in the asset account is zero.

Note: You calculate the value of a fixed asset by subtracting the depreciation from the purchase price.

If you sell a fixed asset for more or less than its value, you won't have a zero balance in the asset account for that item. Before you close the item, you need to record a capital gain or a capital loss. (Any capital gain or loss is income or expense to your company and should appear in business records.)

When you have a capital gain or loss, enter a transaction for it in the register for the asset account, and assign the remaining value for the asset to a new income category called Cap GainLoss. When you run a profit and loss (income) statement, customize the report to include the Cap GainLoss category, and you'll see the gain (a positive number) or loss (a negative number) under Cap GainLoss.

Even when you no longer own an asset, and its value in the asset account is zero, don't delete the account. If you're ever audited, you'll want a report that includes it. Just mark it as "hidden" (hidden accounts are excluded from reports).

- 1 Choose **Tools menu > Account List**.
- 2 Click the **Manage Accounts** tab.
- 3 Click the **Hide In Quicken** check box next to the account you want to hide.
- 4 Click **Close**.

Record thefts or losses of fixed assets

You track a theft or loss of a fixed asset somewhat similarly to a sale. However, you will need a new expense category (for example, Uninsured Loss).

Your asset account should already contain information about the asset's original cost and its accumulated depreciation. If an asset is lost or stolen, you need to enter information about insurance money you collected and the amount not covered by insurance.

- 1 Choose **Business menu > Go to Business Center**.
- 2 In the upper-right corner, click **My Data**.
- 3 In the Business Spending & Savings Account snapshot, in the Business Spending area, click the business checking account that contains information about the asset's original cost.
For example, in the screenshot on page 62, the computer was purchased with funds from Business Checking, so Business Checking is the account you want to open in this step to enter the amount received from insurance.
- 4 In the **Payee** field, enter the name of the asset or information about the payee/payment.
For example, you could enter Biz Computer or Insurance company payment for Biz Computer.

- 5 In the **Deposit** field, enter the amount you received from the insurance company.
- 6 In the **Category** field, select the name of the asset account.
For example, in the screenshot on page 62, the asset account for the computer is called Biz Computer, so Biz Computer is the asset account you want to select in this step.
- 7 Click **Enter**.
Quicken enters a transaction in the asset account that decreases the value of the asset by the amount of the insurance check.
- 8 To enter the amount not covered by insurance, Choose **Business menu > Go to Business Center**.
- 9 In the upper-right corner, click **My Data**.
- 10 In the Business Property & Debt Accounts snapshot, in the Business Asset area, click the account for the asset.
- 11 In the **Payee** field, enter the name of the asset.
- 12 In the **Decrease** field, enter the amount not covered by insurance (the remaining balance for the asset).
- 13 In the **Category** field, type Uninsured Loss.
If this is the first time you've entered this category, Quicken displays the New Category dialog. Click Yes, enter the information Quicken requests, and click OK. Click the **Help** icon for more information.
- 14 In the **Tag** field, enter the tag for the business this asset belongs to. (Optional)
- 15 Click **Enter**.
The asset account Ending Balance reads \$0.00.

Track liabilities

Create reports for loan applications

A business loan is another form of liability. Quicken makes it easy to pull together the financial information a lender requests.

Your lender will probably ask for a Profit and Loss Statement and Balance Sheet for current and prior fiscal years. If you've been tracking your finances in Quicken, these are easy to create. See "Report on profit and loss" on page 59 and "Create a Balance Sheet" on page 65.

Record a new loan

When you receive a new loan, add a liability account to track the principal and interest (in the Business Center, in the Business Property & Debt Accounts snapshot, click Add Account). Don't forget, the interest is probably tax deductible. Because this is a new loan, you are either receiving money to deposit in your checking account or receiving a new asset. Thus, you want to show in Quicken that you have an increase in the balance of a checking or asset account. To learn about setting up a loan in Quicken, choose Help menu > Quicken Help, click the Search Quicken Help tab, enter *about loans*, and click Ask.

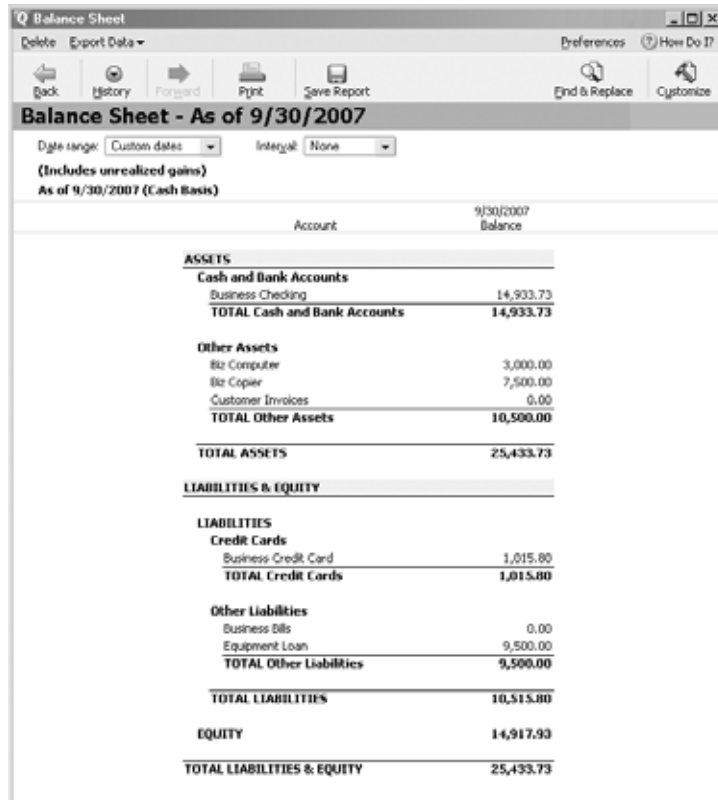
Create a Balance Sheet

A Balance Sheet is a snapshot of your company's financial status on a specific date. It shows assets (what you own and what people owe you), liabilities (what your business owes to others), and equity (your business's net worth).

To display a Balance Sheet for your business:

- 1 Choose **Reports menu > Business > Balance Sheet**.
- 2 Click **Customize**.
- 3 In the **Date range** fields, set the date range to cover the period you want.
- 4 If you track personal and business accounts in the same data file, click the **Accounts** tab, and select only your business accounts. (Optional)
 - a Click **All Accounts** on the left, and then click **Clear All**.
 - b Click **Business** on the left, and then click **Mark All**.
- 5 Click **OK**.

The following is an example of a Balance Sheet.



Account	9/30/2007 Balance
ASSETS	
Cash and Bank Accounts	
Business Checking	14,933.73
TOTAL Cash and Bank Accounts	14,933.73
Other Assets	
Biz Computer	3,000.00
Biz Copier	7,500.00
Customer Invoices	0.00
TOTAL Other Assets	10,500.00
TOTAL ASSETS	25,433.73
LIABILITIES & EQUITY	
LIABILITIES	
Credit Cards	
Business Credit Card	1,015.00
TOTAL Credit Cards	1,015.00
Other Liabilities	
Business Bills	0.00
Equipment Loan	9,500.00
TOTAL Other Liabilities	9,500.00
TOTAL LIABILITIES	10,515.00
EQUITY	14,917.93
TOTAL LIABILITIES & EQUITY	25,433.73

Calculate equity

The Balance Sheet report includes a line that displays your equity. Equity is the difference between what you own (assets) and what you owe (liabilities). Assets can include things like:

- Cash.
- Unpaid invoices.
- Investments and fixed assets owned by your company.

Liabilities are things your business owes, such as:

- Loans.
- Unpaid bills.
- Sales tax and payroll taxes you owe to the government.

Your equity reflects the health of your business, because it is the amount of money left after you satisfy all your debts. Equity comes from two sources:

- Money invested in your company.
- Profits of your business.

Calculate equity for a sole proprietorship

A sole proprietorship is the simplest form of business organization. The business has one owner (you), and the existence of the business depends solely on your efforts. You can check the value of your owner's equity by creating a Balance Sheet report.

Calculate equity for a partnership

A partnership is a business owned by two or more persons in which each partner owns a share of all assets and liabilities.

If your business is a partnership, you should set up a separate liability account for the initial investment of each partner. You use these capital accounts to track each partner's equity, or ownership interest, in the business. If a partner withdraws cash from a capital account, the balance of the capital account (which is that partner's ownership interest in the business) decreases. At the end of an accounting period, you distribute the net income (profit) of the partnership to the partners' capital accounts.

Calculate equity for a corporation or limited liability company (LLC)

A corporation is owned by its stockholders. In a corporation, you'll usually want to separate the stockholders' investment of capital from the stockholders' share of earnings.

If your business is incorporated, you should add a liability account for the paid-in capital, or investments, of the shareholders. This is the Capital Stock account. During an accounting period, you could distribute the earnings of the corporation to stockholders as dividends. At the end of an accounting period, enter a transfer transaction to transfer any remaining income of the corporation to another liability account called Retained Earnings. The balance in the Retained Earnings account is retained for use in the business. The total of the balances in the Capital Stock account and the Retained Earnings account equals the total shareholders' equity.



The filing experts at Quicken Incorporation Services can save you time, money, and hassle when you're ready to incorporate. Then Quicken Incorporation Services can help you maintain the legitimacy of your business with services such as trademarks, Annual Reports, and so on. For more information, choose Business menu > Go to Business Center, and click Profit/Loss. In Business Services, click Incorporate Your Business.

7 Find resources for growing your business

Use Quicken business resources 70

Find other business resources 71

This chapter points you to other resources to help manage and grow your business. Some resources are available from within Quicken, and some are on the Web; some are developed by Intuit, and some by government or private agencies.

Use Quicken business resources

Create a business plan

A business plan answers the question, “What business am I really in?” Although this seems like a question with an easy answer, many businesses fail because the owners don’t understand the true nature of their business. That is why a business plan is one of the first things a prospective lender or investor will ask for. Many small business owners write a business plan only when they approach a financial institution for a loan. But there are many reasons why a business plan is an important exercise for any entrepreneur:

- It helps you define your business goals and direction.
- It forces you to think about your competition and how you will compete in the marketplace.
- It lets you clearly define your management plan, look at your own strengths and weaknesses, and decide what salaries and benefits you’ll offer.
- It forces you to take a hard look at how you’ll remain profitable and solvent. A business plan typically includes a startup budget and an operating budget (what it will cost to stay in business for the first year). This helps you determine the amount of startup capital you’ll need, either for a new business venture or for the expansion of an existing business.

As a business grows and expands, knowing what business you’re in and who your customers are helps you to make better decisions.

Quicken includes no-cost tools to help you write a mini-business plan (choose Business menu > Mini Business Planner). And when you get to the point that a more comprehensive business plan is what you need, you can purchase and install complete business plan software from your Quicken Home & Business CD-ROM.

Find legal, personnel, and tax guidance

Some of your most pressing questions and concerns may be in the areas of the law, employee relations, and taxes. These are precisely the areas where research can be both expensive and time-consuming. Fortunately, Quicken Home & Business includes information from Nolo, publishers of practical and easy-to-understand business guides, written in plain English, about these and other topics. Choose Business menu > Small Business Guidance.

Manage contact information

Use the Quicken Address Book to organize and store the contact information you need when paying your bills or doing other financial chores. It makes using Quicken even more convenient. Choose Tools menu > Address Book to enter contact information directly into the Address Book.

If you already maintain contact information in another contact management application such as Microsoft® Outlook®, ACT!™, or a Palm™ device, you can synchronize the Address Book with your current contact list by installing and using Intellisync® for Quicken. Choose Business menu > Customers > Synchronize Addresses. (Intellisync for Quicken is a separate application that you can install from the Quicken Home & Business CD-ROM or remove from your computer without affecting Quicken. Intellisync works with Palm OS 4.0, 4.1, 5.0, 5.2, 5.4; Palm Hotsync Manager 4.0, 4.1.x, 6.0.x; Palm Desktop 4.0, 4.1.x, 6.x; Sage ACT! 6; MS Outlook 2000, 2002, 2003, 2007. Palm, ACT!, and Outlook are sold separately.)

You can print the Address Book entries as a list or on labels or envelopes. Alternatively, you can export the contact information from the Address Book into Microsoft® Word and use the Mail Merge tool to print the information on envelopes and labels. You can also create groups of addresses. This is helpful if, for example, you want to print a phone list of your suppliers and a separate list of your customers. For more information about using the Address Book, choose Help menu > Contents, click the Search Quicken Help tab, enter *Address Book*, and click Ask.

Find other business resources

Use JumpUp to start a business

JumpUp has free business tools and a community of entrepreneurs and experts who can help you if you're starting a business.

- 1 Choose **Business menu > Go to Business Center**.
- 2 In the upper-left corner, click **Profit/Loss**.
- 3 In Business Services, click **Start a business with JumpUp**.

Order Intuit checks, stationery, forms, and supplies

To meet your business needs, Intuit offers a complete line of time-saving products, including W-2 and W-3 forms; checks; deposit slips; double-window envelopes; single-sheet forms leaders for printers; endorsement, message, and return-address stamps; imprinted stationery; and Intuit software products that work with Quicken.

To order supplies, choose Tools menu > Quicken Services. Then, under Cash Flow, click Quicken Checks & Supplies.

To order software products, choose Online menu > Quicken on the Web > Quicken Products.

Decide when to upgrade to QuickBooks

Like Quicken, QuickBooks is designed to be easy to learn and use. The key distinction is that Quicken Home & Business is designed for sole proprietors who want to track personal and business finances in one place. You should consider upgrading to QuickBooks if:

- Your accountant advises you to use double-entry bookkeeping.
- You need to track product inventory or billable hours.
- You want to maintain your accounting and payroll data in one program and deposit payroll taxes electronically.
- You want more than one person at a time to have access to your data file.
- You need enhanced reporting functionality.
- You need robust job costing or want a business-specific QuickBooks version for accountants, nonprofits, retail sales, or professional services.

For more information about QuickBooks, visit www.quickbooks.com.

Get help from the Small Business Administration (SBA)

In recognition of the importance of small businesses to the American economy, the federal government created the SBA with a mandate to support and counsel small businesses, and to assist their startup and growth. The SBA has business development specialists in offices nationwide and provides training, counseling, research, and other specialized assistance at hundreds of locations nationwide, as well as publications, videotapes, and online information.

- The Service Corps of Retired Executives (SCORE) provides training and one-on-one business counseling at no charge.
- The SBA's Business Information Centers (BICs) provide state-of-the-art technology for accessing market research databases and a vast library of business information.

For more information, visit the SBA Web site at www.sba.gov. (You can also choose Business menu > Go to Business Center, and click My Data. In Internet Resources, click Small Business Administration.)

Get help from other small business organizations

The following organizations can provide useful information:

- National Association of Women Business Owners
www.nawbo.org
- U.S. Chamber of Commerce
www.uschamber.org
- National Association for the Self-Employed (NASE)
www.nase.org

You can also get helpful information from state economic development agencies, chambers of commerce, local colleges and universities, and libraries

Note: All Web sites are current as of the completion of this book.

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If you don't find the topic you are looking for here, try Quicken Help.

Choose Quicken Help menu > Quicken Help, click the Search Quicken Help tab, enter a keyword, and then click Ask.

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