Lesson Blueprint

Computerized Accounting with QuickBooks® 2019

# Chapter 12: Customization of Your Company File

## Introduction

* At this point, you should have a good understanding of operating QuickBooks in order to
  + create and set up a new company file
  + set up and update the Lists/Centers
  + record transactions in the Activities windows
  + view and print a variety of management reports, accounting reports, and financial statements
* In this final chapter, you will learn how to
  + customize the desktop
  + customize Lists/Centers:
    - change subaccount default settings
    - merge entries
    - create custom fields
  + customize Activities:
    - personalize the Create Invoices window and related printed invoices
    - prepare a QuickBooks Letter in Microsoft Word
    - memorize transactions
  + customize Reports:
    - customize and memorize reports
    - export a report to Microsoft Excel
    - process multiple reports
    - change report default settings
    - view and print graphs
  + adjust the fiscal year:
    - view fiscal year closing
    - set the closing date
    - prepare for new fiscal year

## Chapter Problem

* Use steps similar to those used in prior chapters to complete the following.
  + Open the company file CH12 Kristin Raina Interior Designs.QBW.
  + Make a backup copy of the file using the file name EX12 [Your Name] Kristin Raina Interior Designs.
  + Restore the backup copy.
  + Change the company name in the file to EX12 [Your Name] Kristin Raina Interior Designs.

## Customize the Desktop

* You may have observed that there are many different ways to access Lists/Centers, Activities windows, and Reports in QuickBooks.
* Throughout the text only the main menu bar was used to illustrate accessing the Lists/Center, Activities windows, and Reports.
* You can customize your desktop to use the Home page and /or the Icon bars as alternative ways to access different windows.

### Home Page

* By default, when you create a new company file and each time you open a company file, the Home page is displayed.
* If the default were changed and the Home page was not automatically displayed, you could open it for the current work session or change the default so that the Home page would display each time the company file is opened.
* In addition, the Home page can be customized to your choices.

#### Using the Home Page

* + See text for steps to display the Home page, if it is not already displayed.
  + QuickBooks offers two tabs on the Home page.
    - Home page tab
      * illustrated below
    - Insights tab
      * provides information about the company at a glance
        + Profit & Loss
        + Income
        + Expenses
  + The five sections of the Home page are labeled with the following tabs:
  + VENDORS
  + CUSTOMERS
  + EMPLOYEES
  + COMPANY
  + BANKING
    - Recall that Vendors, Customers, and Employees are the Centers presented in prior chapters.
    - If you click on any of these tabs you are moved to the respective Center.
  + The Home page displays icons for certain tasks and the workflow related to each Center.
  + You can click the icon to move to the respective window.
  + In some cases, a drop-down menu will appear for additional choices.
  + See text for steps to access a window using the icons on the Home page.
  + In addition to the VENDORS, CUSTOMERS, and EMPLOYEES tabs on the Home page that represent the Centers, there is a tab labeled COMPANY and a tab labeled BANKING.
    - Both of these sections offer icons related to the Company and Banking tasks.
* See text for practice exercise.

#### Customizing the Home Page

* + Icons are added or removed from the Home page depending on the preferences for the company file.
  + Recall in the New Company Setup chapters, that when you create a new company file, the QuickBooks preferences, or features, are turned on (enabled) or turned off (disabled).
    - In Chapter 6, the preferences were enabled or disabled as you answered questions in the EasyStep Interview window.
    - In Chapter 7, you went directly to the Preferences window to enable or disable preferences.
  + As a preference is enabled, choices appear on the drop-down menus on the main menu bar and also on the Home page.
  + If a preference is enabled, you cannot remove the icon from the Home page.
  + In Chapter 12, most preferences for our sample company Kristin Raina Interior Designs have been enabled.
  + If you look at the Home page for a company file in the earlier chapters, you will see fewer icons on the Home page.
    - For example, look at Figure 1–H.
  + Currently Kristin Raina is not using the estimates.
  + Look at the Home page (Figure 12–A) and observe in the CUSTOMERS section that there is not an Estimates icon.
  + Upon enabling the Estimates preference, the icon will appear on the Home page.
  + See text for steps to enable a preference to customize the Home page.
  + Along the right side of the Home page are three areas of information titled:
    - Account Balances
    - Do More with QuickBooks
    - Backup Status
  + While you cannot remove these categories from the Home page, you can minimize the detail below each heading by clicking on the up arrow.
    - When you click this arrow, only the information title is displayed.
    - To see the information below the title, click the down arrow.

#### Changing the Default for the Home Page

* + The Preferences window is used to change the default setting for displaying the Home page when opening a new company file.
  + See text for steps to change the default setting for the Home page.

### Icon Bars

* In addition to the Home page, the Icon bars can be used to access Lists/Centers, Activities windows, and Reports.

#### Left Icon Bar

* + See text for steps to view the Left Icon bar.
  + The four sections on the Left Icon bar are labeled:
    - Search
    - Content
    - Categories
    - Do More With QuickBooks
  + Information in the Content section changes depending on which Category is selected.
  + By default, the My Shortcuts category is selected.
  + Next to each icon in the Content section is part of the text name for the icon.
    - Move the mouse pointer over the icons in the Content section and the entire text name for each icon is displayed.
  + The Left Icon bar can be customized to add, delete, or edit the icons in the My Shortcuts Content list.
  + See text for steps to add an icon to the Left Icon bar.
    - An additional way to add icons to the Left Icon bar is when a QuickBooks window is open.
    - For many windows, when a window is open, you can open the View menu and there will be a choice to *Add Window to Icon Bar*.
  + See text for steps to edit an icon on the Left Icon bar.
  + See text for steps to remove an icon from the Left Icon bar.

#### Top Icon Bar

* + See text for steps to view the Top Icon bar.
  + The Top Icon bar can be customized to add, edit, and delete icons the same way the Left Icon bar was customized.
  + Changes made to the icons on the Left Icon bar are carried over to the Top Icon bar.
  + In addition, the Top Icon bar can be customized to add a space and a vertical line between the icons.
    - This is done using the Add Separator button in the Customize Icon Bar window.
  + The Left Icon bar or Top Icon bar can be removed by clicking View and then clicking *Hide Icon Bar*.
  + See text for steps to remove the icon bars.
  + Only one icon bar can be displayed.

## Lists/Centers: Customize Subaccounts Presentation

* As you know, accounts in the Chart of Accounts List can be denoted as subaccounts.
* When an account is a subaccount, the account it is a subaccount of is referred to as the *parent account*.
* Accounts are marked as subaccounts for the primary purpose of showing a subtotal or net amount of the parent account on the financial statements.
  + This was illustrated with fixed assets where the accumulated depreciation account (subaccount) was deducted from the fixed asset cost account (subaccount) to show the net book value of the fixed asset account (parent) on the balance sheet.
* In the Chart of Accounts List, the *Account Listing* report, and in some activity windows, when there is a parent account and related subaccounts, by default, QuickBooks displays the parent account followed by the subaccount on one line.
* Sometimes when you are reviewing the *Account Listing* report or choosing an account in an Activity window, the default listing of first the parent account followed by the subaccount is cumbersome.
* You can change the default settings to simplify the presentation of the parent and subaccounts.

### Chart of Accounts List Window Presentation

* Open the Chart of Accounts List window.
* Look at the accumulated depreciation accounts in the Chart of Accounts List.
* There are two options for viewing the accounts:
  + hierarchical view
    - Subaccounts are indented under the parent accounts.
  + flat view
    - lists all accounts left aligned in the window
    - Each line lists both the parent account and the subaccount.
* See text for steps to change to flat or hierarchical view.
* Changes to the view in the Chart of Accounts List window affect only this window.

### Lists and Activities Windows Presentation

* In the Lists, Activities, and Reports windows, the default setting is to display the subaccounts after the parent account.
  + Review the subaccounts listed in the *Account* field in Figure 12–I.
    - Notice that the subaccounts 1725, 1750, 1825, and 1850—the cost and the accumulated depreciation accounts—are listed next to their respective parent accounts 1700 and 1800.
  + Open the Make General Journal Entries window and in the *Account* field on the first line click the account *1725 Furniture, Cost*.
    - Because the field is small, you see only the parent account, and only part of the subaccount.
* The default display setting can be changed in the Preferences window.
* See text for steps to change the default display setting of subaccounts.
* To see the effect of this default setting change, complete the following steps.
  + Reopen the Make General Journal Entries window and on the first line of the *Account* field, click the account *1725 Furniture, Cost*.
    - Notice that the parent account is no longer listed, only the subaccount.
  + View the *Account Listing* report.
    - The subaccounts are listed on a line separate from the parent account.

## Lists/Centers: Merge Entries

* You have previously learned to add, delete, or edit vendors, customers/jobs, accounts, service items, and inventory part items in the appropriate Lists/Centers.
* You can also combine, or merge, vendors, customers, accounts, service items, and inventory part items.
* Simply use a name or number already in use and QuickBooks will inquire if you wish to merge two items.
* See text for steps to merge accounts.
* Same process can be used to combine vendors, customers/jobs, service items, and inventory part items.
  + QuickBooks will update all information based on the merge.

## Lists/Centers: Create Custom Fields

* You have seen how to display and print reports and you have filtered reports using fields of information already included in the report.
* QuickBooks allows you add your own fields of information to display in reports.
* Custom fields can be created for customers, vendors, employees, or items.
* Most of Kristin Raina’s customers are located in either St. Paul or Minneapolis.
  + She would like to sort her customers by region so when she and her assistant visit the customers they can each go to all the customers in one city at a time.
  + To do this, Kristin Raina will create a field called *Region* and then she will edit each customer’s account to identify the region for that customer.
  + Finally, Kristin Raina will then filter the Customer Center to list only the customers in a specified region.
* See text for steps to create a custom field.
* See text for steps to display customers in the Customer Center for a specified region.
* See text for practice exercise.
* Similar procedures can be used to create custom field for vendors, employees, and items.
* If you wanted to include the *Region* field in the Vendor Center, open any vendor in the Edit Vendor window.
  + On the Additional Info tab, click Define Fields.
  + The Set up Custom Fields for Names window will appear with the *Region* label listed.
  + Place a check mark in the *Vend* (vendor) column to activate the *Region* text box on the Additional Info tab for each vendor.

## Activities: Customize Activities Windows and Printed Documents

* In previous chapters, the Activities window displayed was based on default settings.
* QuickBooks allows you to change the default settings of a
  + window
  + document that can be printed as a result of data entered in a window
* Recall that in Chapter 11 when you used time tracking, the data you entered in the Weekly Timesheet window was carried forward to the Create Invoices window.
  + The Create Invoices window displayed by default did not display all relevant information carried over to that window.
  + By changing the default settings in the Create Invoices window, you can display more important information.
* See text for steps to view the default settings and print an invoice.
* Both the Create Invoices window and the invoice itself do not display all the detail information.
  + You would not want to send that invoice to a customer.
* You can customize both the Activities window and the invoice so that all detailed information is adequately displayed.
* QuickBooks provides several preestablished invoices.
* Two invoices previously used are the
  + Intuit Service Invoice
  + Intuit Product Invoice
* These invoices are based on templates.
* You can create your own invoice by customizing a template.
  + To do this you first make a copy of the existing template and then customize the copy.
  + This is done using the Manage Templates icon on the Formatting tab in the Create Invoices window.
* See text for steps to customize the Create Invoices window and a printed invoice.
  + Save this invoice as *Job Invoice*.
  + The Columns tab lists the pre-established settings for the service invoice.
  + There are four columns with boxes listed next to each of the preestablished settings.
    - The first column of boxes applies to the display in the Create Invoices window.
    - The second column of boxes applies to the display on the printed invoice.
    - The third column applies to the display both on the screen and on the printed invoice.
    - The fourth column is the title for the field.
  + A check mark enables the field.
* After creating this new format for an invoice, you can review the previous invoices in the Create Invoices window that used time tracking and apply the new Job Invoice format to those invoices.
* See text for practice exercise.

## Activities: QuickBooks Letters

* QuickBooks provides preformatted letters that may be used in certain business circumstances.
* You can use these letters as they are or customize them based on your personal preferences.
* You must have Microsoft Word on your computer to use this feature.
* Kristin Raina wants to send a letter to Berger Bakery Company regarding the check that was returned NSF with the April 30 bank statement.
  + Use QuickBooks Letters to do this.
* See text for steps prepare a business letter using QuickBooks Letters.

## Activities: Memorized Transactions

* Many routine business activities are repeated often at daily, weekly, and monthly intervals.
* QuickBooks allows you to memorize repetitive transactions.
* Once a transaction is memorized, you can
  + recall the transaction at the appropriate time to record it
  + have QuickBooks automatically record the transaction on certain dates
* An example of a transaction that could be memorized is the monthly rent Kristin Raina Interior Designs pays for its space.
* See text for steps to set up and memorize a transaction.
* See text for steps to recall a memorized transaction.

## Reports: Customize the Appearance of Reports

* As you have seen, QuickBooks contains a large variety of preestablished management reports, accounting reports, and financial statements, many of which you have displayed and printed throughout the text.
* When you display a report, there is a row of buttons along the top of the report.
* These buttons can be used to
  + customize the presentation of a report
  + make comments (notes) on a report
  + share a customized report template
  + memorize settings in a report
  + email a report
  + export a report into an Excel spreadsheet
  + hide the header of a report
  + collapse or expand the numbers in a report
* In prior chapters, you displayed and printed reports using the preestablished settings.
  + except in Chapter 4, in which you used the Customize Report button
    - Modify Report dialog box–Filter tab
    - Modify Report dialog box–Header/Footer tab
* In this chapter, you will use most of the remaining buttons on the top of the reports.

### Customize Report Button

* The Customize Report button on the top of the report is used to adjust the appearance of the report.
* The Customize Report button moves you to the Modify Report dialog box which consists of four tabs.

|  |  |
| --- | --- |
| **Display** | A report can be modified to add or delete fields of information displayed in a report. |
| **Filters** | Filter (select) which categories of information should be included in a report. |
| **Header/Footer** | Indicate which information should be displayed in the headers or footers. |
| **Fonts & Numbers** | Indicate the fonts and formats of the numbers in the reports. |

#### Modify Report—Display Tab

* + See text to view the *Account Listing* report.
  + See text for steps to modify a report using the Display tab.
    - The Modify Report dialog box–Display tab displays the fields of information that can be displayed in the columns of a report.
    - Any column title that is checked off is displayed.
    - When adding new accounts to the Chart of Accounts, you did not utilize the *Description* field, therefore this field of information is blank.
    - In the *Tax assigned* field, all accounts are marked unassigned.
    - Since you don’t need the information in these two fields, you can remove the fields.
  + To change the size of the column, click and drag the dotted line next to the column title heading.

#### Modify Report—Header/Footer Tab

* + The Header/Footer tab is used to establish the
    - headers (including titles)
    - footers (including page numbers) to be displayed in a report
  + Two items in the heading of a report you can format are the Date Prepared and Time Prepared items.
    - You may have noticed when reports are displayed, by default, the date and time the report is prepared always displays in the upper left corner.
  + The *Date Prepared* and *Time Prepared* fields let you tell the software to display the current date and time on each report.
    - By default, these fields are activated, which tells the software to display the current date and time as maintained by your computer.
  + If you print reports often, it is useful to have the date and time you print a report listed to avoid confusion among the many printouts.
  + There may be times you don’t want the date or time displayed on the report.
    - Printouts reproduced in this text did not include a current date or time because the Date Prepared and Time Prepared fields default were disabled.
  + See text for steps to disable or change the format of the *Date Prepared* and *Time Prepared* fields and change a title in a report.

### Memorize Button

* Changes just made to the report remain in place as long as the report is displayed, but as soon as you close the report, those changes are lost.
* When you reopen the report, the original default settings again display.
* Instead of having to change the settings each time you open the report, you can save the changes to a report by using the Memorize button on the top of the report.
* See text for steps to memorize the settings for a report.
* See text for steps to open a memorized report.

### Collapse/Expand Button

* See text for the *Balance Sheet Standard* report for June 30, 2021.
* You can remove the Date Prepared and Time Prepared items using the Customize Report button on the top of the report.
* Recall that in the Fixed Assets section, the fixed asset account is the parent account and the related cost and accumulated depreciation accounts are subaccounts of the fixed asset.
* On the *Balance Sheet Standard Report* displayed on the screen, in the Fixed Asset section
  + the parent account is listed as a heading
  + the two subaccounts are listed under the parent account
  + the parent account is listed again, this time with a subtotal of the two subaccounts
* This format is referred to as *expanded*.
* As an alternative, you can collapse the accounts and numbers, which then will display only the net amount for each fixed asset account.
* On the *Balance Sheet Standard* report printed report:
  + expanded format
    - Amounts for each subaccount, such as fixed asset cost and accumulated depreciation, are indented to the left of the dollar value column, and the net of the two accounts are listed on the right in the dollar value column.
  + collapsed format
    - displays only the net amount for each parent and subaccount, such as a net fixed asset, in the dollar value column
* See text for steps to collapse and expand the numbers in a printed report.

### Share Template Button

* In addition to the Reports menu, QuickBooks provides a Report Center.
* The Report Center provides the same choices of reports that appear on the Reports menu.
  + The Report Center also allows you to memorize reports, save favorites, and view recent reports.
* An added feature to the Report Center is it provides a forum where customized report templates can be shared among the users of QuickBooks.
  + Customized report templates are provided by both Intuit and QuickBooks users.
  + An internet connection is required to use the Report Center.
  + To access the Report Center, click Reports and then click *Report Center*.
  + Customized report templates are accessed on the Contributed tab in the Report Center.
* By default, the Intuit report templates are displayed.
  + To access report templates prepared by other QuickBooks users, in the Report Center, on the Contributed tab, in the *SORT BY* field, choose *Community created* from the drop-down menu.
* When you customize any of your reports, the Share Template button in the report is activated which then allows you to share your report with the community.
* Only the format of a report is shared, not the financial details.

### Excel Button

* QuickBooks allows you to export reports to a Microsoft Excel worksheet where you can incorporate the report into other Excel files you may have, or you can create a new spreadsheet.
* You can then utilize Excel to further customize the report.
* Excel must be installed on your computer to export the report.
* See text for steps to export a report to a new Microsoft Excel worksheet.
* See text for steps to export a report to an existing Microsoft Excel worksheet.

## Reports: Process Multiple Reports

* In each chapter as various reports were displayed, each report was opened one at a time.
* QuickBooks allows you to open several reports at the same time.
* Kristin Raina wishes to display the *Trial Balance*, *Profit & Loss Standard*, and *Balance Sheet Standard* reports for the period January 1–June 30, 2021.
* See text for steps to display multiple reports.

## Reports: Set Default Settings in Reports

* Each time you display a report, you can modify the display using the buttons at the top of the report.
  + Customize Report (Display, Filter, Header/Footer tabs)
  + Collapse/Expand
* These changes are only temporary.
* To save the changes, you can memorize the report.
* As an alternative, you can change the default settings of all reports using the Preferences window.
  + For example, you can change the Date Prepared and Time Prepared items default setting.
* See text for steps to turn off or change the Date Prepared and Time Prepared items default settings.
* The steps used to disable the Date Prepared and Time Prepared items using the Preferences window are the same steps taken when you disabled the Date Prepared and Time Prepared items while a report was open.
* By changing the setting of the Date Prepared and Time Prepared items in the Preferences window, you changed the default setting.
* Now, each time you open any report, the date or time will no longer display.
  + If you wish to see the date or time prepared in an individual report, you can activate it for the specific report.

### Reports: Graphs

* QuickBooks allows you to display financial information in graph format.
* Graph presentations are available for the following reports:
  + *Income and Expense*
  + *Net Worth*
  + *Accounts Receivable*
  + *Sales*
  + *Accounts Payable*
  + *Budget vs. Actual*
* See text for steps to view the Income and Expense graph.
* All graphs are displayed in the same manner.
* Graphs that are available can be accessed using the
  + Reports menu on the main menu bar
  + Reports button in the List windows

## Fiscal Year

* Businesses must prepare their financial statements, including the *Profit & Loss* report and the *Balance Sheet* report, at least once a year.
* The 12-month period of time can be the calendar year or any other 12-month period.
* This 12-month financial reporting year of the company is called a *fiscal year*.
* In QuickBooks, the start of the fiscal year is displayed on the Company Information – Report Information window.
* See text for steps to open the Company Information page for Kristin Raina Interior Designs.
  + Observe that the fiscal year for this company begins in January, which means Kristin Raina’s fiscal year is January 1 through December 31.

### Fiscal Year Closing

* In a manual accounting system, and in most other computerized accounting software packages, the books are closed on fiscal year-end.
* When the books are closed,
  + temporary accounts are brought to a zero balance, usually
    - revenue accounts
    - expense accounts
    - some equity accounts
  + net income for the year is transferred into a capital or retained earnings equity account for the next year
* After the books are closed, preclosing balances in the temporary accounts are no longer accessible.
* QuickBooks does not require you to close the books on fiscal year-end.
* However, QuickBooks automatically creates an Owners Equity system default account, and at the start of a new fiscal year, QuickBooks automatically transfers the net income for the previous fiscal year into it.
* In addition, at the beginning of the new fiscal year, QuickBooks begins all revenue and expense accounts with a zero balance so the net income for the new fiscal year can be accumulated.
* When the new company file was created for Kristin Raina Interior Designs, the fiscal year was designated as beginning on January 1.
* During New Company Setup (Chapters 6 and 7), the Owners Equity system default account created by QuickBooks was renamed Accumulated Earnings.
* When you move to the new fiscal year, January 1, 2020, QuickBooks transfers the net income for 2021 into the equity account called Accumulated Earnings.
  + For example, see text for the *Profit & Loss Standard* report for the period 01/01/2021 to 06/30/2021.
    - There is a net income of $8,357.58.
  + See text for the *Balance Sheet Standard* report.
    - The net income is carried over to the *Balance Sheet Standard* report.
* Assuming no other activity for the year 2021, look at the Balance Sheet Standard and Profit & Loss Standard reports for the first day of the new fiscal year, January 1, 2022.
  + Notice there is no longer a line for net income, but the $8,357.58 has been transferred into the new Accumulated Earnings account.
  + In addition, the revenue and expenses all begin with a zero balance for the start of the new fiscal year.
  + Since there are no revenues or expenses on January 1, 2022, there is no income.
* At this point, if you wanted to close the Drawings account, you would have to record an adjusting journal entry in the Make General Journal Entries window.

### Set Closing Date

* Because QuickBooks does not actually close the books, you still have access to all records for prior years.
* As a precaution, however, you can protect the data for a fiscal year by restricting access to the records so that no changes can be made after fiscal year-end.
* This is accomplished when you set the closing date.
* See text for steps to set the closing date.
* See text for steps to enter updated information in a company file that is closed.

### New Fiscal Year

* In QuickBooks, the accounting records aren’t closed, so all the activities previously recorded will be retained in the company files.
* If you wish to continue with the company file in the new fiscal year, but do not want to carry forward the prior fiscal year activities into the new fiscal year, QuickBooks provides a utility called Condense Data.
* When you condense the data in a company file, the prior year activities are removed from the company file, but all preferences previously established remain intact.
* As part of the process, QuickBooks will make a copy of the company file before the company file is condensed.
  + Note that this process is normally done in the year after the fiscal year-end.
  + The company file for Kristin Raina Interior Designs is 2021.
  + If you attempt to do this process before January 1, 2022, it may not be completed.
* See text for steps to condense the company file to prepare for the new fiscal year.
  + In the condensed company file, QuickBooks creates an account 32000 Retained Earnings.
  + Edit the account in the Chart of Accounts List to be 3030 Accumulated Earnings to match the company’s pattern of numbering in the Chart of Accounts List.

# Chapter 12 Accounting Terms

fiscal year The 12-month financial reporting year of the company. It can be the calendar year or any other 12-month period.