

QuickBooks Reports

1. Profit & Loss Summary Previous Year Comparison

- To access this report, choose **Reports, Company and Financial**, and then **Profit & Loss Summary Previous Year Comparison**. Most business owners rely on the **Profit & Loss Summary** report, but comparing your results to last year can provide quick insight into whether your revenue is growing or contracting—as well as how fast expenses are rising.

2. Balance Sheet Previous Year Comparison

- You'll find this report also within the **Company and Financial** section of the **Reports** menu. As with your income statement, it's important to compare where certain balances stand now versus last year:
 - Cash
 - Accounts Receivable
 - Inventory
 - Accounts Payable
 - Other Liabilities, such as lines of credit or short term loans

3. Statement of Cash Flows

- As with the two preceding reports, you'll find the **Statement of Cash Flows** in the **Company & Financial** section of the **Reports** menu. **Profit & Loss** reports enable you to see what you earned, while **Balance Sheet** reports help you determine what you have— as well as what you owe. However, neither report necessarily provides a clear picture of where cash is coming from, or going to. For that you should look to the **Statement of Cash Flows** report. As shown in **Figure 1** (next page), with this report you'll be able to see
 - How much cash you've taken in from sales and spent on expenses
 - Cash inflows or outflows from borrowing, repayment, or investing activities

In short, this report shows you exactly what caused your bank balance to increase or decrease during a given report period.

Figure 1: The Statement of Cash Flows report explains changes in your bank account balance.

9:59 AM
12/15/16

Larry's Landscaping & Garden Supply
Statement of Cash Flows
October 1 through December 15, 2016

+ Oct 1 - Dec 15, 16 +

OPERATING ACTIVITIES	
Net Income	14,795.96
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-31,503.08
Prepaid Insurance	200.00
Employee advances	-100.00
Inventory Asset	-323.91
Accounts Payable	823.25
Cal/Off Card	48.50
QuickBooks Credit Card:QBCC Field Office	45.00
QuickBooks Credit Card:QBCC Home Office	25.00
Payroll Liabilities	1,347.73
Sales Tax Payable	879.04
Net cash provided by Operating Activities	-13,782.51
FINANCING ACTIVITIES	
Bank of Anycity Loan	-888.42
Equipment Loan	-431.79
Bank Loan	-1,270.50
Owner's Equity/Owner's Draw	-5,000.00
Net cash provided by Financing Activities	-7,570.71
Net cash increase for period	-21,333.22
Cash at beginning of period	126,305.97
Cash at end of period	104,972.75

4. Collections Report

- Difficult economic times mean it is more important than ever to keep track of your collections. Fortunately QuickBooks makes it easy to contact customers with overdue invoices choose:
- **Reports, Customers & Receivables, and then Collections Report.** As shown in Figure 2, the report provides a phone list and shows all overdue invoices. However, you can also use this report to quickly e-mail copies of overdue invoices to your customers. To do so, double-click on a transaction within the **Collections** report to view the invoice, and then click the **Send** button at the top of the invoice form to display the **Send Invoice** form shown in Figure 3 (next page). You can modify the wording shown to be more direct, such as a subject line of "Overdue Invoice" or perhaps e-mail text along the lines of "I've attached a copy of your overdue invoice. If there's a problem with our products or services, please let me know immediately, otherwise I trust that you'll remit payment promptly." To change the default e-mail text, choose **Edit, Preferences**, and then choose **Send Forms**. Select **Invoice** from the **Change Default For** list, make your changes, and then click **OK**.

Figure 2. The Collections Report gives you a jump start on dunning overdue customers.

Type	Date	Num	P. O. #	Terms	Due Date	Class	Arging	Open Balance
Julie's Doll House								
Julie Bradley 909 555 9300								
Invoice	11/16/2016	140			11/16/2016		27	40.00
Total Julie's Doll House								40.00
Rummens, Susie								
2877 S Rosebush Susie Rummens 416-55-54155								
Invoice	12/12/2016	125			12/12/2016	Landsc	3	1,438.56
Total 2877 S Rosebush								1,438.56
Total Rummens, Susie								1,438.56
TOTAL								1,478.56

Figure 3. You can adjust the wording of an overdue invoice e-mail for one customer at a time or change the default text.

Preferences

Accounting
Bills
Checking
Desktop View
Finance Charge
General
Integrated Applications
Items & Inventory
Jobs & Estimates
Payroll & Employees
Reminders
Reports & Graphs
Sales & Customers
Sales Tax
Send Forms
Service Connection
Spelling
Tax: 1099
Time & Expenses

My Preferences | **Company Preferences**

Change default for: Invoices

Dear: <First> <Last>

Bcc: [Empty]

Subject: Overdue Invoice from My Company Name

I've attached a copy of your overdue invoice. Please remit payment promptly, or let me know if there's a problem with the services provided.

Best regards,

Joe Collector
555-555-1234

Spelling

OK
Cancel
Help
Default

Also See:
General

5. A/P Aging Summary

- Although it's key to make sure that your customers are paying in a timely manner, it's just as important to pay your vendors, too. Unpaid bills can result in phone calls, e-mails, and other unnecessary interruptions.
- Choose Reports, Vendors & Payables, and then A/P Aging Summary to display the report shown in Figure 4. As with most reports in QuickBooks, you double-click on amounts to open the original transaction.

Figure 4: The A/P Aging Summary helps you determine when bills are slipping into overdue status.

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Cal Gas & Electric	137.50	0.00	0.00	0.00	0.00	137.50
Cal Telephone	45.00	0.00	0.00	0.00	0.00	45.00
Conner Garden Supplies	127.20	0.00	0.00	0.00	0.00	127.20
Nolan Hardware and Supplies	010.00	336.00	0.00	0.00	0.00	946.00
Robert Carr Masonry	196.25	0.00	0.00	0.00	0.00	196.25
Townley Insurance Agency	427.62	0.00	0.00	0.00	0.00	427.62
TOTAL	1,543.57	336.00	0.00	0.00	0.00	1,879.57

6. Trial Balance

- Many business owners overlook the Trial Balance report, since it's one of the few reports in QuickBooks that uses the terms Debit and Credit. However, it's a helpful report, as it shows you all account balances in a concise format. If anything looks out of order, simply double-click on the amount to view the underlying detail.
- Choose Reports, Accountant & Taxes, and then Trial Balance to view this report.

7. Voided/Deleted Transactions Summary

- It's no surprise that small businesses are much more prone to fraud than large businesses. Small business employees usually wear multiple hats, so it's often impossible to separate financial duties (bigger businesses can do this with ease). Fortunately QuickBooks makes it hard for perpetrators to cover their tracks.
- Choose Reports, Accountant & Taxes, and then Voided/Deleted Transactions Summary. You will be able to quickly identify any transactions that have been deleted from QuickBooks. Granted, this isn't an end-all solution by any means, but it is a helpful management tool. Plus, if a transaction ends up "vanishing" from QuickBooks, you can use this report to see who deleted it!

8. Audit Trail

- The audit trail was an optional feature in earlier versions of QuickBooks, but is permanently enabled in recent versions of QuickBooks. This provides a complete record of every entry made in QuickBooks, as shown in Figure 5. The downside to that is that you can end up with a massive report. Don't worry, as it's easy to filter this report and narrow your search.
- To do so, choose Reports, Accountant & Taxes, and then Audit Trail. Once the report appears, click the Modify button, and then click on the Filters tab. You can filter by date range, amount, or dozens more fields.

Figure 5: The audit trail shows every transaction—including modifications—in QuickBooks.

Num	Entered/Last Modified	State	Date	Name	Memo	Account	Split	Amount
Transactions entered or modified by Admin								
Bill 194								
124	12/15/2016 08:25:40	Admin	08/30/2016	Computer Services		Accounts Payable	Receiv Comp	-75.00
				Computer Services		Receiv Computer	Accounts Pa	75.00
124	12/15/2014 09:59:15	Admin	08/30/2016	Computer Services		Accounts Payable	Receiv Comp	-75.00
				Computer Services		Receiv Computer	Accounts Pa	75.00
124	12/14/2013 20:11:26	Admin	08/30/2016	Computer Services		Accounts Payable	Receiv Comp	-75.00
				Computer Services		Receiv Computer	Accounts Pa	75.00
124	12/15/2012 12:42:08	Admin	08/30/2012	Computer Services		Accounts Payable	Receiv Comp	-75.00
				Computer Services		Receiv Computer	Accounts Pa	75.00
124	12/15/2012 12:36:52	Admin	05/05/2013	Computer Services		Accounts Payable	Receiv Comp	-75.00
				Computer Services		Receiv Computer	Accounts Pa	75.00
Bill								
	12/15/2015 08:30:00	Admin	10/04/2016	Patio & Deck Desig.		Accounts Payable	Job Expense	-275.00
				Crenshaw, Bob		Job Expense Sub	Accounts Pa	275.00
	12/15/2014 05:59:17	Admin	10/04/2016	Patio & Deck Desig.		Accounts Payable	Job Expense	-275.00
				Crenshaw, Bob		Job Expense Sub	Accounts Pa	275.00
	12/14/2013 20:11:21	Admin	10/04/2016	Patio & Deck Desig.		Accounts Payable	Job Expense	-275.00
				Crenshaw, Bob		Job Expense Sub	Accounts Pa	275.00
	12/15/2012 12:42:45	Admin	10/04/2012	Patio & Deck Desig.		Accounts Payable	Job Expense	-275.00
				Crenshaw, Bob		Job Expense Sub	Accounts Pa	275.00
	12/15/2012 12:32:30	Admin	10/04/2013	Patio & Deck Desig.		Accounts Payable	Job Expense	-275.00
				Crenshaw, Bob		Job Expense Sub	Accounts Pa	275.00
Bill								
	12/15/2015 08:30:01	Admin	10/05/2016	Corner Garden Sv.		Accounts Payable	Job Expense	-210.00
				Crenshaw, Bob		Job Expense Job	Accounts Pa	210.00
	12/15/2014 06:59:18	Admin	10/05/2015	Corner Garden Sv.		Accounts Payable	Job Expense	-210.00
				Crenshaw, Bob		Job Expense Job	Accounts Pa	210.00
	12/14/2013 20:11:22	Admin	10/05/2014	Corner Garden Sv.		Accounts Payable	Job Expense	-210.00
				Crenshaw, Bob		Job Expense Job	Accounts Pa	210.00
	12/15/2012 12:42:48	Admin	10/05/2012	Corner Garden Sv.		Accounts Payable	Job Expense	-210.00
				Crenshaw, Bob		Job Expense Job	Accounts Pa	210.00

9. Previous Reconciliation

- It's a good practice to always print at least the summary report once you've reconciled a bank or credit card account. Someone else could edit a reconciled transaction, which could cause the reconciliation to be out of balance. A printed copy of the report shows that the account reconciled as of the report date, although you will still have to untangle the edited transaction. However, if you close out the reconciliation screen, you have a second chance to print your report.
- Choose Reports, Banking, and then Previous Reconciliation. As shown in Figure 6, you can choose from multiple reports.

Figure 6: The Previous Reconciliation report option allows you to reprint missing account reconciliation reports.

Select Previous Reconciliation Report

Account:

Statement Ending Date:

Type of Report

Summary

Detail

Both

In this report, include

Transactions cleared at the time of reconciliation. (Report is displayed as a PDF file)

Transactions cleared plus any changes made to those transactions since the reconciliation

10. Transaction History

- Think of this as a “report within a report”, as you can only run it in certain circumstances. As shown in Figure 5, you must have a transaction open on the screen or single-click on a transaction within a report.
- You can then choose Reports, and then Transaction History. As shown in Figure 7, QuickBooks will display a report that shows the entire history for a given transaction.

Figure 7: The Transaction History report provides shows all activity related to a given transaction.

12:29 PM
12/15/16

Larry's Landscaping & Garden Supply
Transaction History

All Transactions

Type	Item	Date	Name	Account	Paid Amount	Original Amount
Bill		10/04/2016	Patio & Deck Desg...	Accounts Payable	-375.00	-375.00 €
DR Pay - Check	1101	11/15/2016	Patio & Deck Desg...	Checking	-375.00	-375.00
TOTAL					-375.00	0.00
Open Balance						0.00

QuickBooks: 8 Financial Tips for Business Owners

Business owners should play an active role in the financial side of the business to forestall any attempts at embezzlement or forgery. Review your QuickBooks financial statements, keep a close eye on where the money goes, and know who is handling the finances. Keep your business safe and in good order by following these eight financial tips.

1. Sign all your own checks

This isn't a slam against bookkeepers. In a small business, however, people (especially full-charge bookkeepers) have the opportunity to bamboozle you easily. By signing all the checks yourself, you keep your fingers on the pulse of your cash outflow. Yes, this practice can be a hassle — you have to wade through paperwork every time you sign a stack of checks — but remember the alternative.

By the way, if you're in a partnership, you should have at least a couple of the partners co-sign the checks — or at least the big checks.

2. Don't sign a check the wrong way

If you sign many checks, you may be tempted to use a fast and furious (inevitably unreadable) signature. Although scrawling your name illegibly makes great sense when you're autographing baseballs, don't do it when you're signing checks. A clear signature, especially one with a sense of personal style, is distinctive. A wavy line with a cross and a couple of dots is easy to forge.

3. Review canceled checks before your bookkeeper does

Be sure that you review your canceled checks (the check image that appears on your bank statement) before anybody else sees the monthly bank statement.

This information certainly isn't about browbeating bookkeepers. Still, a business owner can determine if someone is forging signatures on checks only by being the first to open the bank statement and by reviewing each of the signatures on the canceled checks.

If you don't examine the checks, unscrupulous employees — especially bookkeepers who can update the bank account records — can forge your signature with impunity. And they won't get caught if they never overdraw the account.

Don't feel inclined to follow these procedures? Then you — not the bank — will probably eat the losses.

4. Choose a bookkeeper who knows computers and payroll procedures

Don't worry, you don't need to request an FBI background check when hiring a bookkeeper. In fact, if you use QuickBooks, you don't need to hire people who are familiar with small business accounting systems. Just find people who know how to keep a checkbook and work with a computer. They shouldn't have a problem understanding QuickBooks.

Of course, you don't want someone who just fell off the turnip truck. But even if you do hire someone who rode into town on one, you're not going to have much trouble getting that person up-to-speed with QuickBooks.

A bookkeeper who knows double-entry bookkeeping is super-helpful. But to be fair, such knowledge probably isn't essential. But remember: When you're hiring, find someone who knows how to do payroll — and not just the federal payroll tax stuff, but also the state payroll tax monkey business.

5. Regularly review your financial statements

Regularly produce and look over the profit and loss statement that QuickBooks effortlessly generates. Get habitual about looking over your balance sheet with its lists of assets and liabilities. Explore and find another report or two that gives you useful insights into the rhythms and rhymes of your business. (Any errors you make will probably show up as goofy numbers on your balance sheet, by the way.)

Probably, you can keep a pretty firm handle on the operation by looking at two or three easy-to-understand reports. And by regularly peeking at these financial statements — say once or twice a week — you turn your accounting system into a tool useful both for spotting tempting opportunities and for avoiding dangerous traps.

Here's a way to run your businesses by looking at three QuickBooks reports:

- A **profit and loss statement** that compares the current year's and previous year's year-to-date numbers (so you can see how you're doing in the current year as compared to the previous year)
- The **accounts receivable summary aging** (so you can see which clients and customers are past due)
- The **balance sheet** (so you can monitor your cash and working capital and spot any funny stuff).

6. Choose an appropriate accounting system

When you use QuickBooks, you use either cash-basis accounting or accrual-basis accounting. Cash-basis accounting is fine when a business's cash inflow mirrors its sales and its cash outflow mirrors its expenses. This situation isn't the case, however, in many businesses. A contract builder of single-family homes, for example, may have cash coming in (by borrowing from banks) but may not make any money. Alternatively, a pawnshop owner who lends money at 22 percent interest might make scads of money, even if cash pours out of the business daily.

As a general rule, when you're buying and selling inventory, accrual-basis accounting works better than cash-basis accounting. However, cash-basis accounting typically defers income taxes.

7. If QuickBooks doesn't work for your business . . .

QuickBooks is a great small business accounting program. But if QuickBooks doesn't seem to fit your needs — if, for example, you need a program that works better for a manufacturer or that includes some special industry-specific feature — you may want one of the more complicated (but also more powerful) small business accounting packages.

Before you jump from QuickBooks Simple Start or QuickBooks Pro, be sure to check out the Enterprise Solutions version of QuickBooks, which costs more but also works for bigger businesses. The Enterprise version of QuickBooks looks and works almost identically to the "regular" versions. If you know QuickBooks Pro, accordingly, you already know (or mostly know) QuickBooks Enterprise.

If the Enterprise version of QuickBooks doesn't work, you may want to talk to your accountant about industry-specific packages. (For example, if you're a commercial printer, some vendor may have developed a special accounting package just for commercial printers.)

8. Keep things simple

When managing small business financial affairs, keep things as simple as possible. In fact, keep your business affairs simple enough that you can easily tell whether you're making money and whether the business is healthy.

This advice about simplicity may sound strange, but sometimes very bright people can build monstrously complex financial structures for their businesses, including complicated leasing arrangements, labyrinthine partnership and corporate structures, and sophisticated profit-sharing and cost-sharing arrangements with other businesses. These super-sophisticated financial arrangements don't produce a profit when you consider all the costs. What's more, such complex arrangements almost always turn into management and record-keeping headaches.