

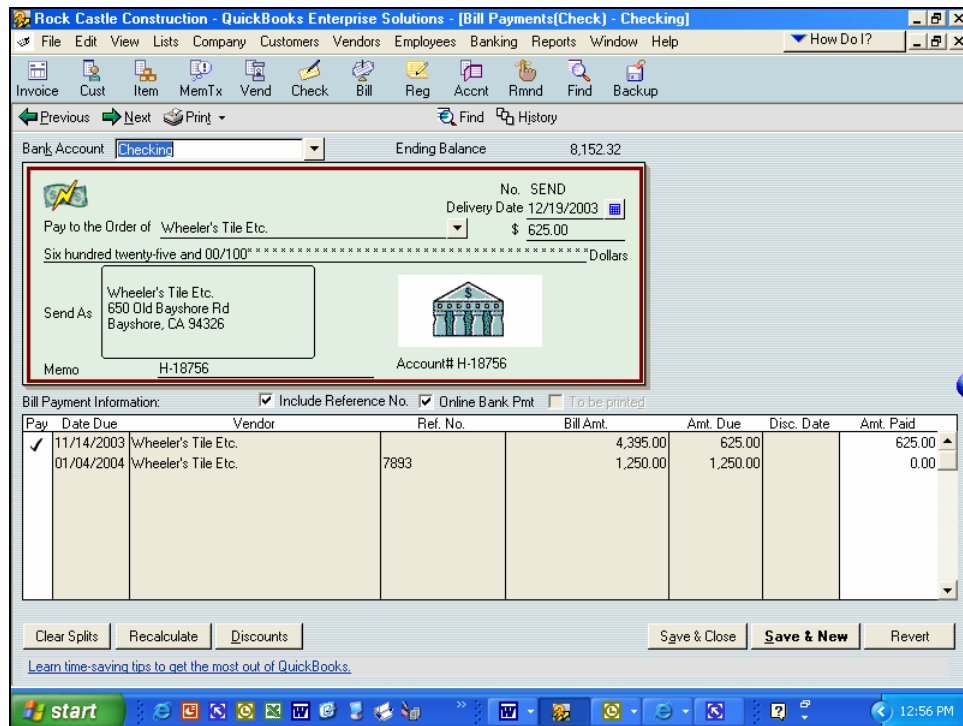


QUICKBOOKS IN-DEPTH

WRITING CHECKS

CHAPTER 10

QuickBooks for CPAs 2005



The process of writing a check is the most fundamental aspect of QuickBooks – more than anything else, the entire accounting system is centered around this activity. In QuickBooks, the user interface for writing checks looks like a normal checkbook. You should NOT use the Write Checks window to do any of the following: Write a paycheck, pay your payroll liabilities, pay sales tax, or pay bills you've already entered in the Pay Bills window. There are separate functions in the Employee and Vendor navigators for preparing checks for these purposes.

Three things to keep in mind while writing a check are as follows:

1. **AutoRecall** - Recalling the last transaction for a particular payee can be a time saver, especially if the data is the same or similar. To do this you must turn on AutoRecall. Then when you enter a name, QuickBooks automatically completes the transaction by filling in what you entered in the last transaction of that type for that person. For example, when you enter a vendor's name on a bill and press Tab, QuickBooks fills in the entire bill, just like the last one you entered for that vendor. If you have more than one previous bill from the vendor, QuickBooks bases the new bill on the bill with the most recent date. When this preference is off, QuickBooks does not complete transactions automatically. You still have the ability to recall a transaction from the Memorized Transaction list, however. AutoRecall works only with bills, checks, or credit card charges. You cannot use AutoRecall with purchase orders, invoices, sales receipts, payroll liability checks, or credit memos. Also, you cannot AutoRecall a transaction from one account to another. For example, if you have two checking accounts, you cannot write a check in one account, go to the other account, and then AutoRecall the check in the other account.

QuickBooks for CPAs 2005

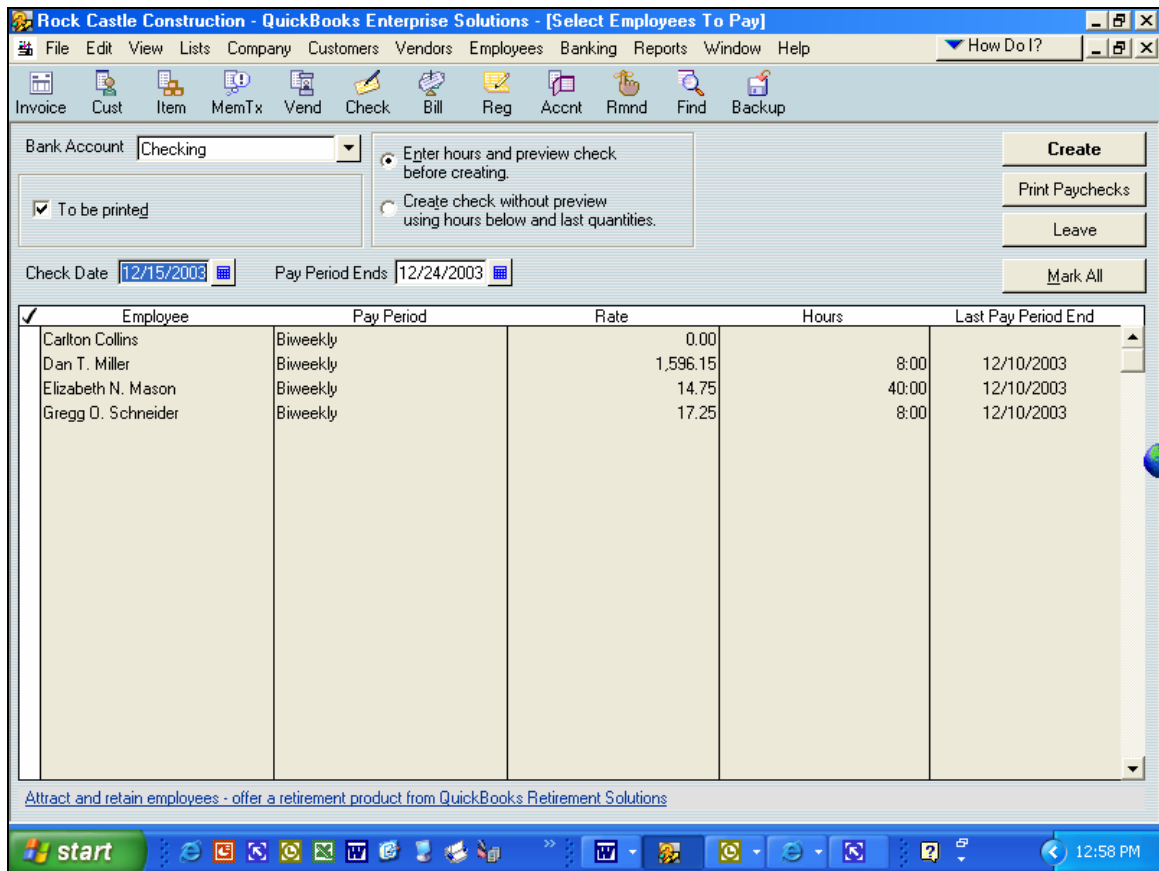
2. If an open purchase order exists for this vendor, you are prompted to receive against it. You should click “Yes” to receive against one or more purchase orders. Keep in mind that all item information (quantity received, etc.) can be edited prior to saving the check.
3. If time data exists for this payee (ie: if this payee is a subcontractor, owner, or partner) QuickBooks prompts you to pay for the time worked if there is time data for the person if you have not previously paid this person for time worked, and there is time data within the last 12 months; or if there is time data dated on or after the first day after the ending date of the last payment to this person for time worked. To specify a time period so QuickBooks can pre-fill the Items tab of the check with time data, click "Yes" at the prompt. If you don't want this check to pay for time based on the time data, click No at the prompt. If you answer No and then change your mind, you can specify a time period by clicking Time in the Items tab of the Write Checks window.

Leaving the Dollar Field Blank – You can enter the amount of the check in the dollar field. However, if you leave this field blank, the amounts you enter in the detail area of the check will total automatically and display here.

Memorizing Transactions - If you have transactions that occur often, such as monthly bills or recurring invoices for clients, you can save time by memorizing the details of the transactions. Once you memorize a transaction, you can have QuickBooks reenter it for you at any time. You can even have QuickBooks automatically enter the transaction at intervals you specify. You cannot memorize the following transactions:

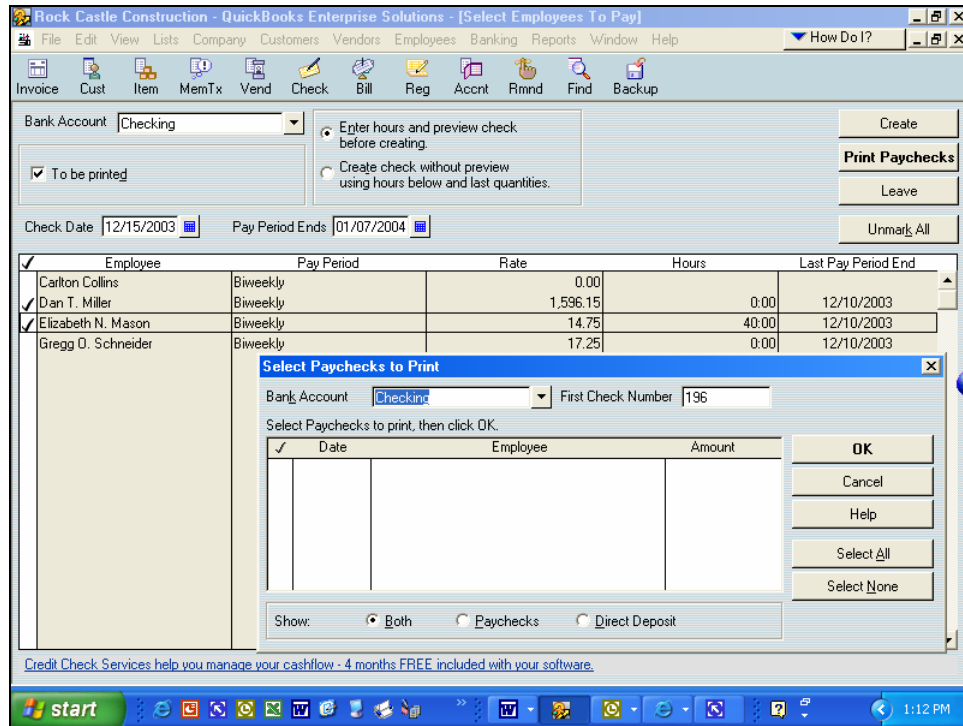
- Receipt or deposit of payments
- Bill payments
- Paychecks
- Time records
- Sales tax payments
- YTD payroll adjustments

QuickBooks for CPAs 2005



Payroll Checks - Payroll checks are written from a different screen as shown above. Start by choosing “Pay Employees” and mark the employees you want to pay.

QuickBooks for CPAs 2005



The difference between the check date and the pay period end date is the check date is the pay date or the date that you distribute employee checks. QuickBooks uses this date to record the entry in the check register and for generating reports. The IRS bases your tax liability and that of your employees on this date. For example, if you pay an employee in January 2002 for time worked in December 2001, the income is reported on the employee's 2002 W-2 form. The pay period ends date is the last date of the pay period that you want this paycheck to cover. QuickBooks uses this date to calculate how many weeks an employee has worked in a year and the time data to include in the paycheck.