

QuickBooks

Make it  Work for You

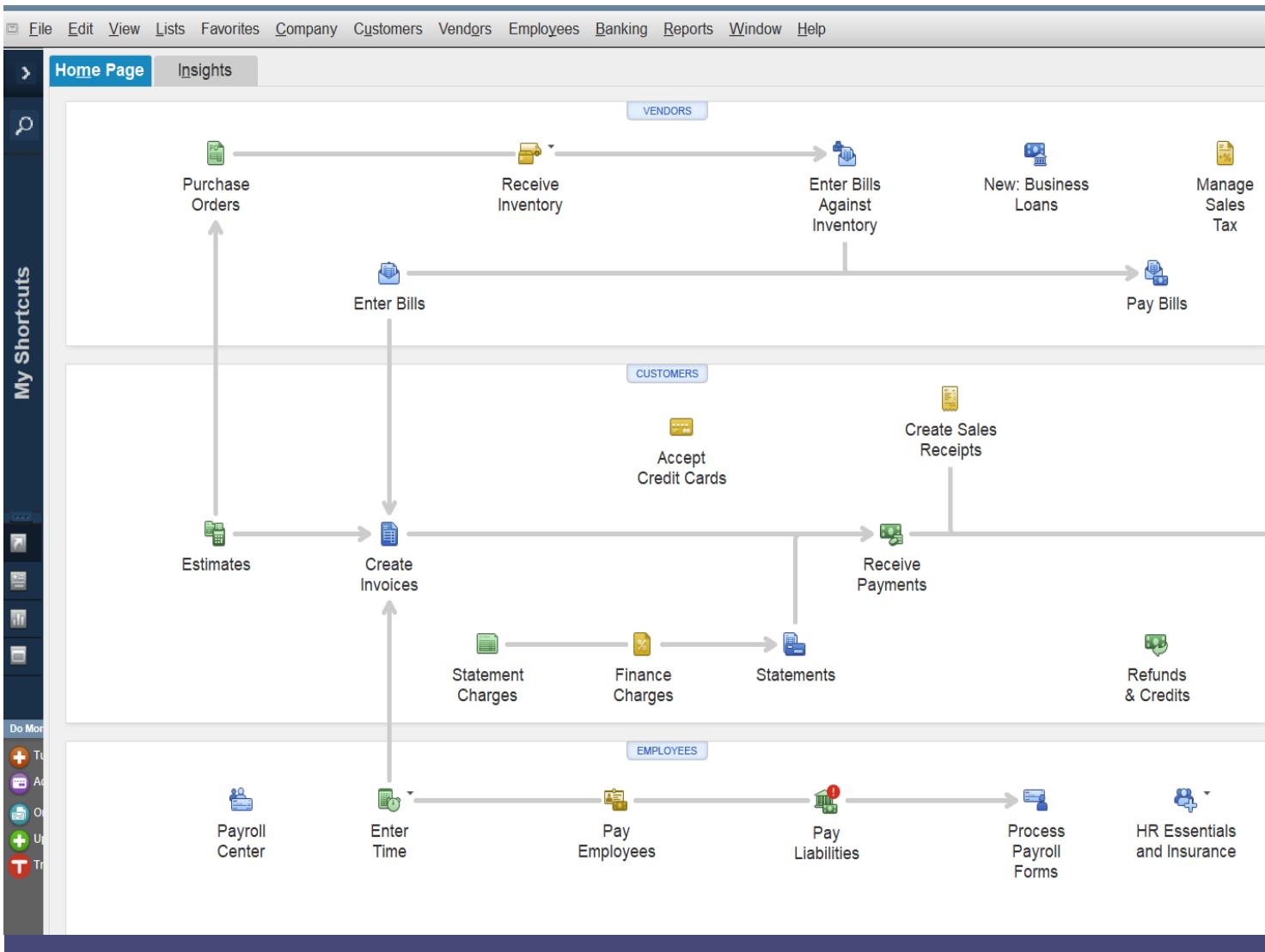
Presentation by Lisa Mäki

Contents

- What is QuickBooks?
- What is Excel?
- Payroll Reports
- Financial Reports for Audit Purposes
- Audit Trail

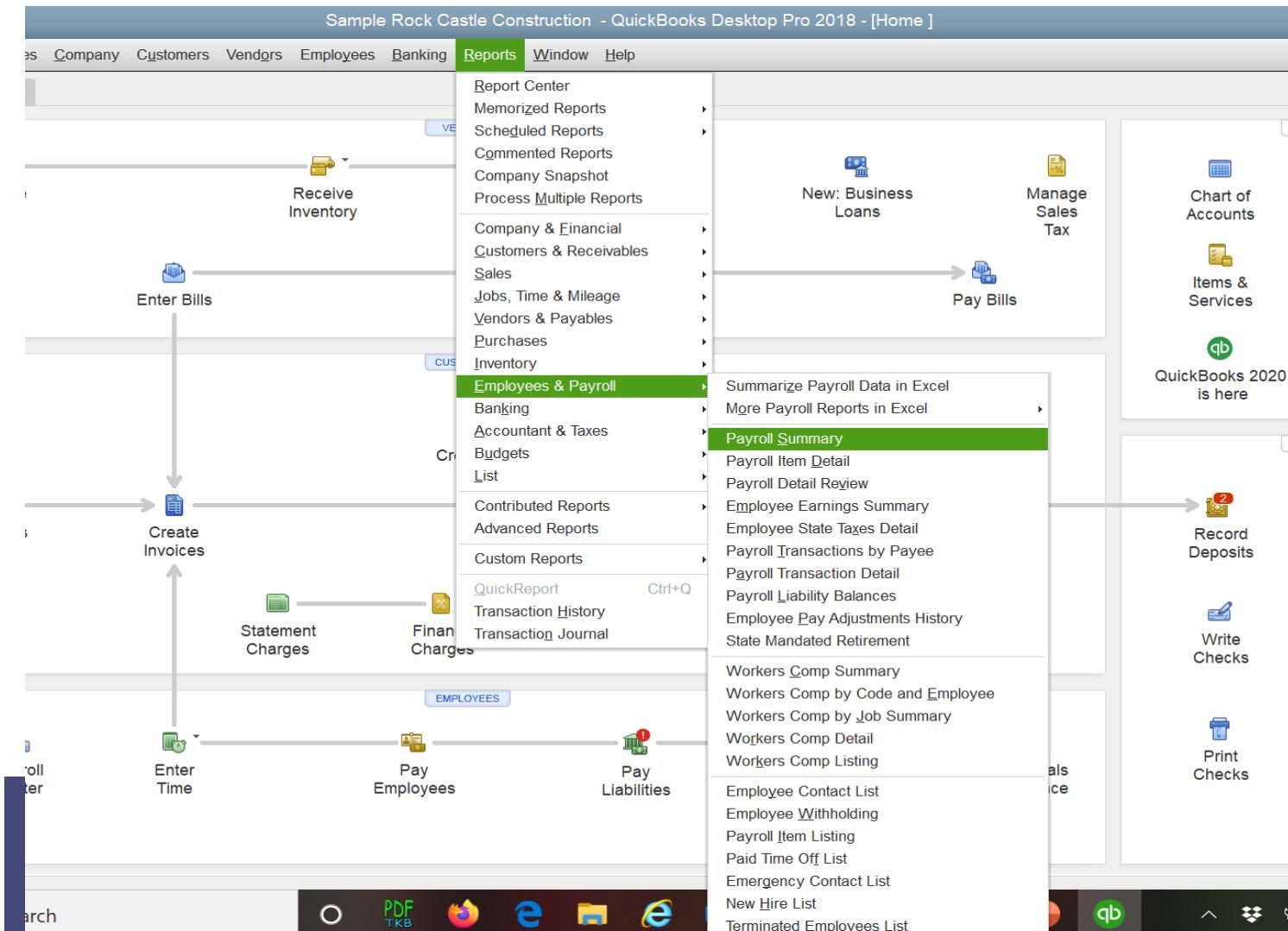
Payroll Reports

- Payroll Module
- Payroll Summary
- Employee Earnings Summary
 - Export to Excel
- Workers Comp Reports



Payroll Module

- How to tell from the home screen whether the client has the Payroll Module
- The Home screen is separated into 3 parts:
 - Vendors (top)
 - Customers (center)
 - Employees (bottom)
- If icons such as Pay Employees and Enter Time are present in the Employee section, the insured has the payroll module and you can proceed to run payroll reports.



Running Payroll Reports

- Go to the Reports menu at the top of the screen
- Select Employees & Payroll
 - choose either Payroll Summary
 - or Employee Earnings Summary
- If Employee Earnings Summary is chosen, you will need to export this report to Excel in order to use it
- Before choosing a report, ask the insured if Excel on their computer

Company Customers Vendors Employees Banking Reports Window Help

Print E-mail Excel Hide Header Refresh

From 10/01/2022 To 12/15/2022 Show Columns Employee

Rock Castle Construction Payroll Summary
October 1 through December 15, 2022

Dan T. Miller			Elizabeth N. Mason			Gregg O. Schneider			TOTAL		
Hours	Rate	Oct 1 -...	Hours	Rate	Oct 1 -...	Hours	Rate	Oct 1 -...	Hours	Rate	Oct 1 -...
Employee Wages, Taxes and Adjustments											
Gross Pay											
Salary		► 11,173.05 ◄			0.00			0.00			11,173.05
Overtime Rate		0.00	5	22.13	110.65	5	25.88	129.40	10		240.05
Regular Pay		0.00	560	14.75	8,260.00	640	17.25	11,040.00	1,200		19,300.00
Sick Hourly		0.00		14.75	0.00		17.25	0.00			0.00
Vacation Hourly		0.00		14.75	0.00		17.25	0.00			0.00
Total Gross Pay		11,173.05		565	8,370.65		645	11,169.40		1,210	30,713.10
Adjusted Gross Pay		11,173.05		565	8,370.65		645	11,169.40		1,210	30,713.10
Taxes Withheld											
Advance Earned Income Credit		0.00			0.00			0.00			0.00
Federal Withholding		-776.00			-925.00			-1,352.00			-3,053.00
Medicare Employee		-162.01			-121.38			-161.96			-445.35
Social Security Employee		-692.72			-518.98			-692.50			-1,904.20
CA - Withholding		-124.83			-213.45			-347.93			-686.21
CA - Disability Employee		-94.17			-70.92			-82.04			-247.13
Total Taxes Withheld		-1,849.73			-1,849.73			-2,636.43			-6,335.89
Deductions from Net Pay											
Health Insurance		-125.00			-125.00			-100.00			-350.00
Total Deductions from Net Pay		-125.00			-125.00			-100.00			-350.00
Net Pay		9,198.32		565	6,395.92		645	8,432.97		1,210	24,027.21
Employer Taxes and Contributions											
Federal Unemployment		0.00			0.00			100.00			100.00
Medicare Company		162.01			121.38			161.96			445.35
Social Security Company		692.72			518.98			692.50			1,904.20
CA - Unemployment Company		0.00			0.00			100.00			100.00

Payroll Summary

- The Payroll Summary works best if the insured has a small number of employees
- Wage types are shown down the left hand side of the page and the employees are listed across the top
- Hours, pay rate and wages are shown by line item
- You may enlarge or shrink columns manually (like Excel)
- You can also use the Customize Report Button on the top left of the screen

Sample Rock Castle Construction - QuickBooks Desktop Pro 2018 - [Employee Earnings Summary]

Company Customers Vendors Employees Banking Reports Window Help

Print E-mail Excel Hide Header Refresh

From 10/01/2022 To 12/31/2022 Sort By Default

Rock Castle Construction
Employee Earnings Summary
October through December 2022

Salary	Overtime...	Regula...	Sick Ho...	Vacatio...	Advanc...	Federa...	Medica...	Social S...	Federa...	Medica...	Social S...	CA - Wi...	CA - Dis...	CA - Un...	CA - Em...	Healt
11,173.05	0.00	0.00	0.00	0.00	0.00	-776.00	-162.01	-692.72	0.00	162.01	692.72	-124.83	-94.17	0.00	0.00	-124.83
0.00	110.65	8,260.00	0.00	0.00	0.00	-925.00	-121.38	-518.98	0.00	121.38	518.98	-213.45	-70.92	0.00	0.00	-121.38
0.00	129.40	11,040.00	0.00	0.00	0.00	-1,352.00	-161.96	-692.50	100.00	161.96	692.50	-347.93	-82.04	100.00	10.00	-10.00
11,173.05	240.05	19,300.00	0.00	0.00	0.00	-3,053.00	-445.35	-1,904.20	100.00	445.35	1,904.20	-686.21	-247.13	100.00	10.00	-350.00

Search o PDF TKB e W Excel Spotify qb ^ File

Employee Earnings Summary

- The Employee Earnings Summary works best if the insured has a large number of employees

- Wage types are shown across the top, while employees are listed in rows on the left

- The purpose of this report is to flow from gross to net

- PLEASE NOTE: the total on the Right is Net Wages, not Gross.

- Export to Excel using the Excel Button at the top of the screen

Earnings Summary in Excel

Sample Rock Castle Construction - QuickBooks Desktop Pro 2018 - [Workers Compensation by Code and Employee]

File Company Customers Vendors Employees Banking Reports Window Help

Print E-mail Excel Hide Header Refresh

From 11/01/2022 To 11/30/2022

Rock Castle Construction
Workers Compensation by Code and Employee
November 2022

Nov 22

	Gross Wages	OT Premium	WC Wages	Hours	WC Rate	WC Premium	Exp. Mod.	Adj. WC Premium
5552 - Roofing								
Dan T. Miller	3,192.30		3,192.30		17.55	560.24	95.0%	532.22
Total 5552 - Roofing	3,192.30		3,192.30			560.24		532.22
5645 - Carpentry								
Elizabeth N. Mas...	2,426.39	22.13	2,404.26	163	10.81	259.90	95.0%	246.90
Total 5645 - Carpe...	2,426.39	22.13	2,404.26	163		259.90		246.90
8810 - Clerical								
Gregg O. Schne...	2,837.64	25.88	2,811.76	163	1.00	28.12	95.0%	26.71
Total 8810 - Clerical	2,837.64	25.88	2,811.76	163		28.12		26.71
TOTAL	8,456.33	48.01	8,408.32	326		848.26		805.83

Workers Comp Reports

Workers Comp reports can provide easy classification for the audit

- Use caution with these reports
 - Exempt officers may be excluded
 - Insured may have interchange of labor
- Workers Comp reports will have no value unless the insured has coded the employees in Quickbooks during the employee set up process
- WC codes can be assigned at any time. Go to:
 - Employees
 - Employee Center
 - Double click employee name
 - Add WC code in either Payroll Info or Worker's Comp screen

Other Payroll Items

Wages – Other – What does the “Other” mean?

Open the Chart of Accounts(List menu) and drill down (double click) to see what description was added for “Other”

“Other” is wages added to the parent account but needs a new subline in the report

Payroll item list

Sick / Vacation / Holiday /
Bonus / etc.

Open up a paycheck & ask what payroll item was used on the paycheck in question

Financial Reports

- Cash vs. Accrual
- Profit & Loss
- General Ledger/Trial Balance
- Transaction List by Vendor
- Audit Trail



Cash vs. Accrual Methods of Accounting

What does it all mean?

The difference between Cash and Accrual accounting lies in the timing of when sales and expenses are recorded

Cash accounting recognizes revenue and expenses only when money changes hands

Accrual accounting recognizes revenue when it's earned, and expenses when they're billed (but not paid)

Cash vs. Accrual for Premium Audit

Why is this Important?

- Per WC Basic Manual Rule 2b "payroll" and "remuneration" mean money or substitutes for money
- Payroll includes *total pay received by an employee* (less exclusions covered in part 2)
- For GL Sales based audits, often times the policy specifically requests *Gross Receipts*

Sample Rock Castle Construction - QuickBooks Desktop Pro 2018 - [Profit & Loss]

File Company Customers Vendors Employees Banking Reports Window Help

Print E-mail Excel Hide Header Collapse Refresh

From 12/01/2022 To 12/15/2022 Show Columns Total only Sort By Default

Cash Show Filters

Rock Castle Construction
Profit & Loss
December 1 - 15, 2022

Dec 1 - 15, 22

▼ Ordinary Income/Expense
 ▼ Income
 40100 · Construction Income
 40120 · Labor Income

Modify Report: Profit & Loss

Display Filters Header/Footer Fonts & Numbers

REPORT DATE RANGE

Dates This Month-to-date From the first day of the current month through today
From 12/01/2022 To 12/15/2022

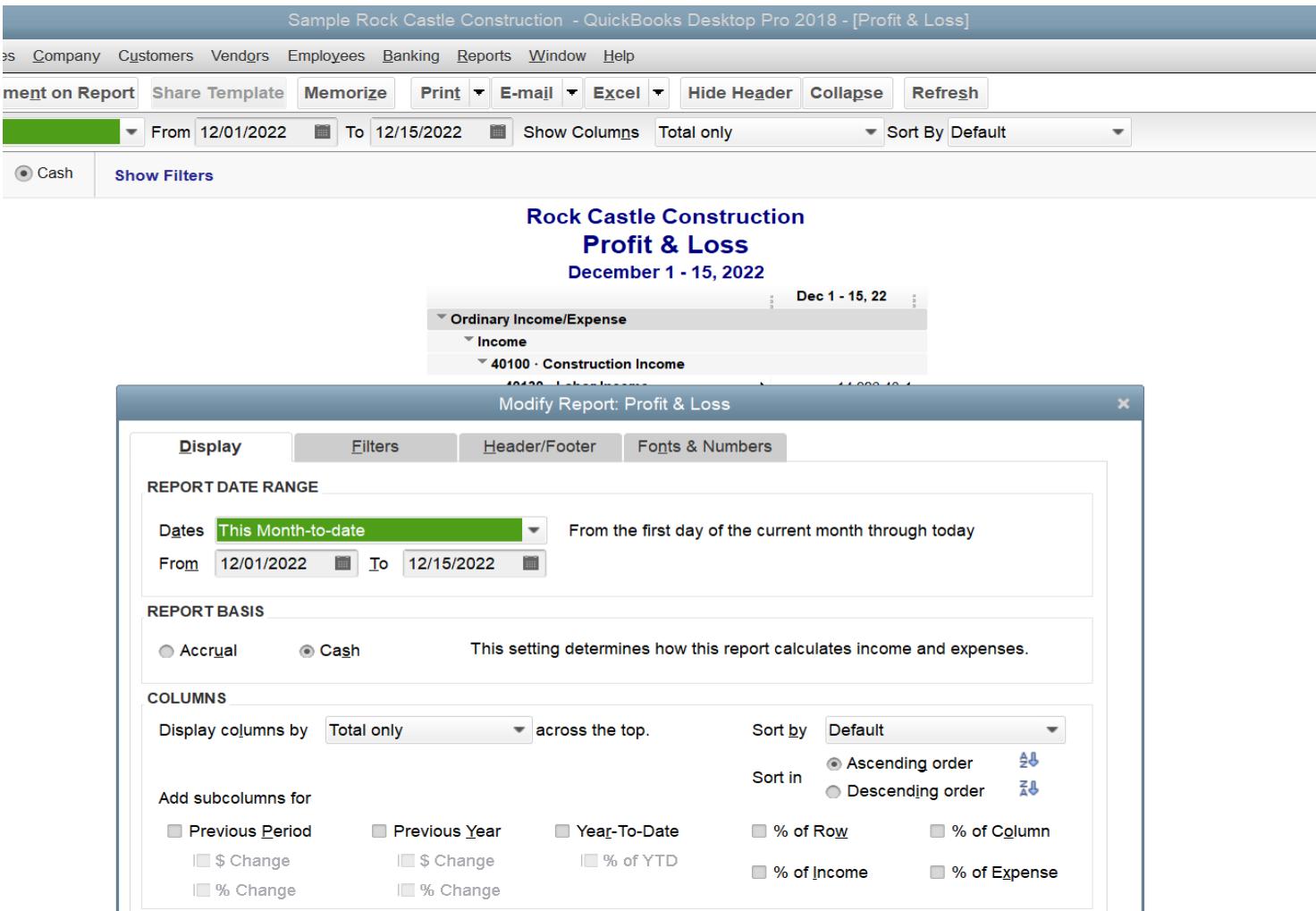
REPORT BASIS

Accrual Cash This setting determines how this report calculates income and expenses.

COLUMNS

Display columns by Total only across the top. Sort by Default
Sort in Ascending order Descending order

Add subcolumns for
Previous Period Previous Year Year-To-Date % of Row % of Column
\$ Change \$ Change % of YTD % of Income % of Expense
% Change % Change



Cash vs. Accrual

Run a Profit & Loss (P & L)

- Go to the Reports Menu
- Choose Company & Financial
- Choose a Report

- Some versions have a button on the menu to switch between Cash and Accrual

- If no button, use the Customize Report Button
 - Look for the Report Basis

Sample Rock Castle Construction - QuickBooks Desktop Pro 2018 - [Profit & Loss]

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help

Customize Report Comment on Report Share Template Memorize Print E-mail Excel Hide Header Collapse Refresh

Dates Custom From 01/01/2021 To 12/31/2021 Show Columns Month Sort By Default

Report Basis: Accrual Cash Show Filters

3:15 PM
12/15/22

Cash Basis

Rock Castle Construction Profit & Loss
January through December 2021

Ordinary Income/Expense

Income

40100 · Construction Income

	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
40110 · Design Income	0.00	1,000.00	0.00	0.00	0.00	0.00
40130 · Labor Income	9,361.99	2,215.00	1,635.00	0.00	0.00	0.00
40140 · Materials Income	19,601.57	18,920.24	1,078.70	0.00	0.00	0.00
40150 · Subcontracted Labor Income	16,548.17	2,910.00	3,481.50	16,500.00	16,500.00	0.00
Total 40100 · Construction Income	45,511.73	25,045.24	6,195.20	16,500.00	16,500.00	0.00

40500 · Reimbursement Income

	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
40520 · Permit Reimbursement Inco...	992.84	0.00	0.00	0.00	0.00	0.00
Total 40500 · Reimbursement Income	992.84	0.00	0.00	0.00	0.00	0.00

Total Income

	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
Total Income	46,504.57	25,045.24	6,195.20	16,500.00	16,500.00	0.00

Cost of Goods Sold

50100 · Cost of Goods Sold

	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
50100 · Cost of Goods Sold	2,891.35	4,318.95	511.80	0.00	0.00	0.00

54000 · Job Expenses

	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
54300 · Job Materials	4,050.98	0.00	0.00	0.00	0.00	0.00
54400 · Permits and Licenses	0.00	0.00	0.00	0.00	0.00	0.00
54500 · Subcontractors	0.00	3,650.00	7,500.00	1,400.00	7,500.00	5,275.00
Total 54000 · Job Expenses	4,050.98	3,650.00	7,500.00	1,400.00	7,500.00	5,275.00

Total COGS

	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
Total COGS	6,942.33	7,968.95	8,011.80	1,400.00	7,500.00	5,275.00

Gross Profit

	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
Gross Profit	39,562.24	17,076.29	-1,816.60	15,100.00	9,000.00	-5,275.00

Expense

60100 · Automobile

	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
60110 · Fuel	138.00	142.00	127.00	162.00	143.00	157.00
60120 · Insurance	712.56	0.00	0.00	712.56	0.00	0.00
60130 · Repairs and Maintenance	218.00	222.00	232.00	192.00	232.00	186.00
Total 60100 · Automobile	1,068.56	364.00	359.00	1,006.56	375.00	342.00

Monthly Sales using P & L

Run a Profit & Loss (P & L)

- Go to the Reports Menu
- Choose Company & Financial
- Choose a Report

- Select Show Columns

- Program default is Total Only, change to Monthly

Using the P & L

Run a P & L

Reports Menu

Company & Financial

P & L Standard

Input policy dates

Drill Subcontractors

Customize Report

Select fields and sort

My Shortcuts



Report Basis: Accrual Cash Show Filters

3:18 PM
12/15/22
Cash Basis

Rock Castle Co
Profit & Loss
January through December

Cash Basis

▼ Ordinary Income/Expense
 ▼ Income
 ▼ 40100 · Construction Income
 40110 · Design Income
 40130 · Labor Income
 40140 · Materials Income
 40150 · Subcontracted Labor
 Total 40100 · Construction Income
 ▼ 40500 · Reimbursement Income
 40520 · Permit Reimbursement
 Total 40500 · Reimbursement Income
 Total Income
 ▼ Cost of Goods Sold
 50100 · Cost of Goods Sold
 ▼ 54000 · Job Expenses
 54300 · Job Materials
 54400 · Permits and Licenses
 54500 · Subcontractors
 Total 54000 · Job Expenses
 Total COGS
 Gross Profit
 ▼ Expense

Display Filters Header/Footer Icons & Numbers

REPORT DATE RANGE

Dates **Custom** From **01/01/2021** To **12/31/2021** The date range you specify in the From and To fields

REPORT BASIS

Accrual Cash This setting determines how this report calculates income and expenses.

COLUMNS

Search Columns Total by **Vendor**
 (left margin) Sort by **Default**
 Trans # Sort in **Ascending order**
 Type **Descending order**
 Entered/Last Modified

Put a check mark next to each column that you want to appear in the report.

Date	Source Name			
09/30/2021	Middlefield Drywall	Install		
09/30/2021	Middlefield Drywall	Elect		
09/30/2021	Middlefield Drywall	Plum		
09/30/2021	Middlefield Drywall	Insta		
10/15/2021	Middlefield Drywall	Insta		
10/15/2021	Middlefield Drywall	Elect		
10/15/2021	Middlefield Drywall	Plum		
10/15/2021	Middlefield Drywall	Insta		
	Total Middlefield Drywall			
	Vu Contracting			
02/28/2021	Vu Contracting	Insta		
02/28/2021	Vu Contracting	Insta		
02/28/2021	Vu Contracting	Heat		
02/28/2021	Vu Contracting	Elect		
02/28/2021	Vu Contracting	Insta		
02/28/2021	Vu Contracting	Paint		
02/28/2021	Vu Contracting	Elect		
02/28/2021	Vu Contracting	Install drywall	Remodel	400.00
02/28/2021	Vu Contracting	Install carpet...	Remodel	175.00
02/28/2021	Vu Contracting	Painting	Remodel	250.00

OK

Cancel

Sample Rock Castle Construction - QuickBooks Desktop Pro 2018 - [Profit & Loss]

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help

Customize Report Comment on Report Share Template Memorize Print E-mail Excel Hide Header Collapse Refresh

Dates Custom From 01/01/2021 To 12/31/2021 Show Columns Month Sort By Default

Report Basis: Accrual Cash Show Filters

3:15 PM 12/15/22 Cash Basis

Rock Castle Construction Profit & Loss
January through December 2021

Ordinary Income/Expense

	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
Income						
40100 - Construction Income						
40110 - Design Income	0.00	1,000.00	0.00	0.00	0.00	0.00
40130 - Labor Income	9,361.99	2,215.00	1,635.00	0.00	0.00	0.00
40140 - Materials Income	19,601.57	18,920.24	1,078.70	0.00	0.00	0.00
40150 - Subcontracted Labor Income	16,548.17	2,910.00	3,481.50	16,500.00	16,500.00	0.00
Total 40100 - Construction Income	45,511.73	25,045.24	6,195.20	16,500.00	16,500.00	0.00
40500 - Reimbursement Income						
40520 - Permit Reimbursement Inco...	992.84	0.00	0.00	0.00	0.00	0.00
Total 40500 - Reimbursement Income	992.84	0.00	0.00	0.00	0.00	0.00
Total Income	46,504.57	25,045.24	6,195.20	16,500.00	16,500.00	0.00
Cost of Goods Sold						
50100 - Cost of Goods Sold	2,891.35	4,318.95	511.80	0.00	0.00	0.00
54000 - Job Expenses						
54300 - Job Materials	4,050.98	0.00	0.00	0.00	0.00	0.00
54400 - Permits and Licenses	0.00	0.00	0.00	0.00	0.00	0.00
54500 - Subcontractors	0.00	3,650.00	7,500.00	1,400.00	7,500.00	5,275.00
Total 54000 - Job Expenses	4,050.98	3,650.00	7,500.00	1,400.00	7,500.00	5,275.00
Total COGS	6,942.33	7,968.95	8,011.80	1,400.00	7,500.00	5,275.00
Gross Profit	39,562.24	17,076.29	-1,816.60	15,100.00	9,000.00	-5,275.00
Expense						
60100 - Automobile						
60110 - Fuel	138.00	142.00	127.00	162.00	143.00	157.00
60120 - Insurance	712.56	0.00	0.00	712.56	0.00	0.00
60130 - Repairs and Maintenance	218.00	222.00	232.00	192.00	232.00	186.00
Total 60100 - Automobile	1,068.56	364.00	359.00	1,066.56	375.00	342.00

P & L vs. General Ledger

- The General Ledger has 2 components:
 - Balance Sheet
 - Assets
 - Liabilities
 - Equity
 - Profit & Loss (P & L)
 - Income Statement
 - Expenses
- One of the major differences between the balance sheet and the P&L their respective treatments of time
- The balance sheet contains every transaction in all general ledger accounts, reflecting the financial position of a company as of a specific point in time
- The P & L shows revenue and expenses during a set period of time
- The trial balance only contains only the ending balance in each general ledger account

Balance Sheet

- Work in Progress (WIP) – the expenses can be labeled as work in progress (for example) until a house is completed so that the expenses can be moved from (WIP) to proper expense categories once the house is sold. This will give the builder direct figures on how much money was made / lost on each property as WIP expenses are directly compared to the final sale of the house that was built.
- Materials, prepaid labor, subs, etc. can be hidden in the Work in Progress category. If payroll is run through QuickBooks it will show up on normal payroll reports even if allocated under the WIP category.
- The General Ledger and Trial Balance can be found under the Reports menu, Accountant & Taxes

P & L and Balance Sheet Facts

The **General Ledger** and **Trial Balance**
WILL NOT cross a calendar year

These reports are designed to report
data at a specific point in time

Both the **Profit & Loss Standard** and
the **Profit & Loss Detail** *WILL* cross
the calendar year

Both provide report data for a
specified period of time



Company Customers Vendors Employees Banking Reports Window Help

Print E-mail Excel Hide Header Refresh

From 01/15/2000 To 12/15/2022

Rock Castle Construction Audit Trail

Entered/Last Modified January 15, 2000 through December 15, 2022

Entered/Last Modified	Last modified by	Date	Name	Account	Amount
Transactions entered or modified by Admin					
Bill					
▶ 12/15/2021 02:38:18	Admin	09/30/2022	Sloan Roofing Abercrombie, Kristy:Remodel Ba...	20000 · Accounts Payable 54000 · Job Expenses:54300 ...	-500.00 500.00
12/15/2020 03:33:19	Admin	09/30/2021	Sloan Roofing Abercrombie, Kristy:Remodel Ba...	20000 · Accounts Payable 54000 · Job Expenses:54300 ...	-500.00 500.00
12/15/2019 11:59:13	Admin	09/30/2020	Sloan Roofing Abercrombie, Kristy:Remodel Ba...	20000 · Accounts Payable 54000 · Job Expenses:54300 ...	-500.00 500.00
12/15/2018 06:31:17	Admin	09/30/2019	Sloan Roofing Abercrombie, Kristy:Remodel Ba...	20000 · Accounts Payable 54000 · Job Expenses:54300 ...	-500.00 500.00
12/15/2017 04:18:02	Admin	09/30/2018	Sloan Roofing Abercrombie, Kristy:Remodel Ba...	20000 · Accounts Payable 54000 · Job Expenses:54300 ...	-500.00 500.00
12/15/2016 03:46:42	Admin	09/30/2017	Sloan Roofing Abercrombie, Kristy:Remodel Ba...	20000 · Accounts Payable 54000 · Job Expenses:54300 ...	-500.00 500.00
12/15/2015 09:37:58	Admin	09/30/2016	Sloan Roofing Abercrombie, Kristy:Remodel Ba...	20000 · Accounts Payable 54000 · Job Expenses:54300 ...	-500.00 500.00
12/15/2014 06:51:23	Admin	09/30/2015	Sloan Roofing Abercrombie, Kristy:Remodel Ba...	20000 · Accounts Payable 54000 · Job Expenses:54300 ...	-500.00 500.00
12/15/2013 00:18:22	Admin	09/30/2014	Sloan Roofing	20000 · Accounts Payable	-500.00

Audit Trail

The Audit Trail is located under the Reports menu, Accountant & Taxes

The Audit Trail shows all transaction changes in QuickBooks.

If the Audit Trail is blank it may be a duplicate set of books,
but it could also be a backup file

How to read the audit trail transactions:

Prior – how the line items were (normal font)

Latest – how the line items are now (bold & italicized)





Questions?

Thank you for attending!