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QuickBooks® for Contractors Newsletter

QuickBooks Year End "Housekeeping"

The end of one year/the beginning of the next year is about more than just getting ready to file your taxes, issue W-2's, and prepare year end payroll tax returns - even though these are important items.

It is the same as when you clean out your file cabinets and pack away all the paperwork for the current/previous year; you should be cleaning out your QuickBooks Lists! Perhaps you wonder what I mean by that - so let's talk specifics.

Chart of Accounts List

Do you have accounts in your Chart of Accounts List that you never use or do not use anymore? If so, delete them (if you have never used them) or make them inactive (if you no longer use them). You'll be able to tell whether or not they have ever been used because when you choose to delete them a message box will come up telling you that the account cannot be deleted.

- To Delete an Account - click on the account name to select it and press the CTRL and the "D" keys at the same time.
- To Make an Account Inactive - click on the account name to select it, click the Account button at the bottom of the window and choose Make Account Inactive.

Items List

Again, do you have Items in your Item List that you have never used or do not use anymore? If so, delete them or make them inactive. The same procedure applies as explained above:

- To Delete an Item - click on the item name to select it and press the CTRL and the "D" keys at the same time.
- To Make an Item Inactive - click on the Item name to select it, click the Account button at the bottom of the window and choose Make Account Inactive.

While we are talking about your item list - are you getting good job costing reports? If not, now would be a good time to take your existing items and make them "double-sided" so you can record both the cost and the sales price using the same item. For additional instructions on creating double-sided items view this article - <http://www.sunburstsoftwaresolutions.com/support/quickbooks-resources/quickbooks-tips-%26-techniques/double%11sided-items.htm> and the Importance of Job Costing - <http://www.sunburstsoftwaresolutions.com/support/quickbooks-resources/quickbooks-business-productivity/job-costing.htm>

Customer/Job List

The Customer/Job List is another area of concern; however, you cannot and do not want to delete jobs - simply close them and make them inactive.

- To Close a Job - from the Customer Center click on the Customers & Jobs tab, select a Job by clicking on it to highlight, click Edit Job, click on the Job Info tab and select Closed from the

Job Status dropdown menu. If you know the actual date that the project was completed enter that in the End Date field. Place a check mark in the Job is inactive box on the right.

- Once the individual jobs have been made inactive, if you do not anticipate working for the customer again, you can make the customer record inactive also.

Use these same procedures to clean up your Vendor, Payroll Item, and Other Names lists. Working with cleaner, shorter lists will create an environment that is less error prone and less frustrating.

For other year-end tasks, QuickBooks offers a very good Year-End Guide, which is available from the QuickBooks Help Menu by choosing Year-End Guide. You will need an internet connection to view this.

Another important year end housekeeping task is to monitor your QuickBooks company data file size – from anywhere within QuickBooks press the CTRL and the 1 key to display a Product Information window. On this window look for **File Size** – to determine your file size you must convert Kilobytes to Megabytes – for example, if your file size is 9008 K it is roughly 9 megabytes and very small; on the other hand if your file size is 94608 K it is roughly 94.5 megabytes which is fairly large.

For files that are 100 megabytes or more, you should consider archiving your data by choosing the File Menu → Utilities → Clean Up Company Data. Before you actually begin the process determine a date that you wish to archive your data, talk to your accountant, make backups, and determine exactly how many years worth of data that you must have access to on a daily basis (usually no more than 2 full years of data – unless of course your jobs last longer than 2 years).



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