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Loans

- **Benefits of using Cash Basis for loans**
 - QuickBooks will match your Iowa AFR (no need for additional conversion at the end of the year)
 - Much easier to close out the books
- **Benefits of using Accrual Basis for loans**
 - QuickBooks will track your loan balances, making your annual debt reporting easier and giving the Council a better picture of the City's financial health
 - Makes reporting to USDA much easier
 - Note: If loans are entered as Accrual Basis, you may want to track Asset value of the loan as well, otherwise your Fund Balance will be goofy.
- **Using Modified Cash or Modified Accrual**
 - A fund can be setup for Net Position to track debt and assets as Accrual but allow Cash Basis by simply ignoring the Net Position fund.

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Loans

- In Pure Cash Basis, there are no loans
 - When you take out a loan, all the money is entered as income (Proceeds of Debt)
 - When you make a payment, all of the money is entered as an expense (Debt Service - Principal, Debt Service - Interest)

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Memorized Transaction List

MEMORIZED TRANSACTION	TYPE	MEMORIZED TRANSACTION	AMOUNT	MEMORIZED
1-0-Commodore/Fees	Sales Receipt	Utility/Service Funds	\$ 0.00 Invoice	
1-0-Returned Check	Invoice	1001 Accounts Receivable	100.00 Invoice	
1-0-Utility Bill Cash/Invoice	Check/Invoice	1001 Accounts Receivable	\$ 0.00 Invoice	
1-0-Utility Bill Invoice	Invoice	1001 Accounts Receivable	\$ 0.00 Invoice	
1-0-Utility Deposit/Invoice	Check/Invoice	Utility/Service Funds	100.00 Invoice	
1-0-Utility Deposit/Paid	Sales Receipt	Utility/Service Funds	100.00 Invoice	
1-0-Utility Deposit/Paid Out	Check/Invoice	1001 Accounts Receivable	100.00 Invoice	
1-0-Local Utility/Invoice Due	Deposit	000100 General Fund Bank Account/001	\$ 0.00 Invoice	
1-0-Property Taxes	Deposit	000100 General Fund Bank Account/001	\$ 0.00 Invoice	
1-0-Residence Taxes	Deposit	000100 General Fund Bank Account/001	Invoice	

Utility Deposits

- We have 3 memorized transactions for utility deposits
- The invoice and sales receipt add to the account used to track utility deposit income (pure cash based or utility deposit liability (modified cash base))
- The credit memo applies a credit to the customer account
- The credit can be used to pay an invoice or can be converted to a check

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ClerkBooks Deposit Detail Report

All Transactions

Type	Date	Name	Class	Amount
Anderson Apartments				
Sales Receipt	06/28/2013	Anderson Apartments	Proprietary Funds Water	100.00
Sales Receipt	06/29/2013	Anderson Apartments	Proprietary Funds Sewer	100.00
Total Anderson Apartments				200.00
Bob's Market				
Sales Receipt	06/29/2013	Bob's Market	Proprietary Funds Water	100.00
Sales Receipt	06/28/2013	Bob's Market	Proprietary Funds Sewer	100.00
Credit Memo	06/29/2013	Bob's Market	Proprietary Funds Water	-100.00
Credit Memo	06/29/2013	Bob's Market	Proprietary Funds Sewer	-100.00
Total Bob's Market				0.00
TOTAL				200.00

Utility Deposits

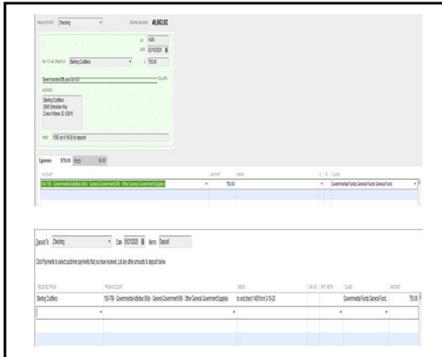
There is a report in the Memorized Reports/Utility Billing section: Deposit Detail Report

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Write Offs

- Writing off or correcting transactions from previous periods can be tricky
 - NEVER edit, void or delete the original transaction
 - ALWAYS create a transaction in the current accounting period
- Writing off, or editing transactions after the fact, can red flag an auditor for potential embezzlement issues.
 - Try to avoid writing off or editing transactions
 - When necessary: document, Document, DOCUMENT
 - Using the same transaction numbers helps you find both the original and edited transaction in one search
 - Write comments on the paper copy and in the QuickBooks file
 - Always have the Mayor &/or Council approve (and document their approval)

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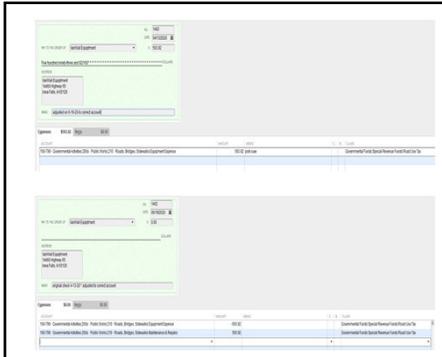


Write Offs

To write off a check, create a deposit

- Use the same account or item and class
- Use the original check number in the deposit memo
- Create a note to remind yourself, and to inform the auditor, why the check is being wrote off
- Edit the memo of the original transaction

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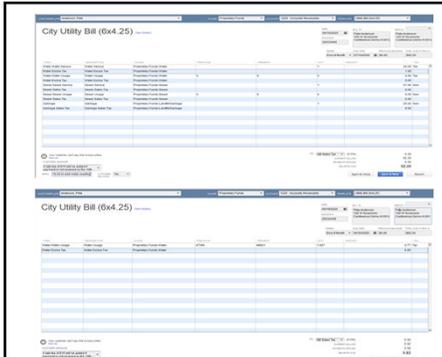


Write Offs

To edit a check, create a zero dollar check

- Use the same account or item and class (negative \$)
- Create an additional line item with the correct account or item and class (positive \$)
- Use the original check number as the new check number
- Create a note to remind yourself, and to inform the auditor, why the check is being corrected
- Edit the memo of the original transaction

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Write Offs

To increase a utility bill

- Open the original invoice and click the "Create a Copy" button
- Edit the new invoice as necessary
- Add the original invoice number and original date to the new invoice in the memo field, as well as a note reminding you and the auditor why the utility bill is being increased

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Write Offs

To decrease a utility bill
 Open the original invoice and click the "Refund/Credit" button. Edit as necessary.

Add the original invoice number and original date to the credit memo in the memo field, as well as a note reminding you and the auditor why the utility bill is being decreased.

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Liens

- To move a customer balance to a lien account:
 - (one-time only) Setup a new Item in the Item List called Lien Transfer. The item can point to a Charges for Services income account and should not be taxed.
 - (one-time only) Create a new customer account for the County Treasurer to hold all liens.
 - Create a sub customer (job) under the new County account with the original customer's name (who you are submitting a lien for).
 - Create a credit memo for the original customer in the amount of the lien with the new Lien Transfer item. (This should be set up as a memorized transaction for you. Listed as Utility Bill Lien(1 of 2)).
 - Create an invoice for the new sub-customer (job) under County customer in the amount of the lien with the new Lien Transfer item. (This should be set up as a memorized transaction for you. Listed as Utility Bill Lien(2 of 2)).

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Liens

Step 4 & 5 from previous slide

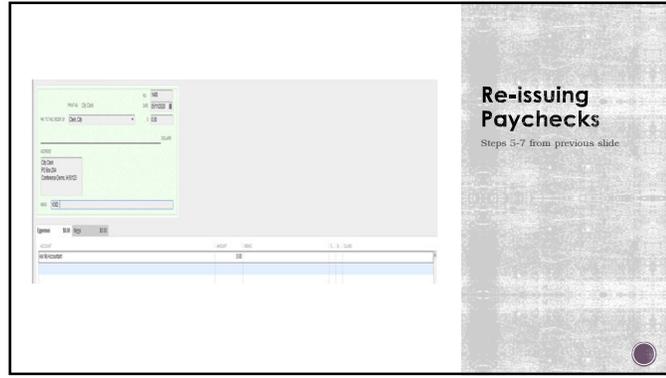
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Re-issuing Paychecks

- To re-issue a lost paycheck:
 1. Find the employee in the Employee Center.
 2. Double click the paycheck that needs to be recreated.
 3. Write down the check number and the check date.
 4. Re-print this check as it is, simply change the check number to a new check number.
 5. Create a "new" check (regular check, not a paycheck)
 6. Use the old check's number and date, write the check out to the employee, use Ask My Accountant for the account and leave the class blank.
 7. Right click the check and mark it as Void.



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Transfers

- There are 3 types of transfers that you could perform.
 1. Two bank accounts & one fund
 2. One bank account & two funds
 3. Two bank accounts & two funds

Do NOT use the Transfer Funds option under Banking on the tool bar.



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Transfer - two bank accounts & one fund

Create a new "check"

The amount will be the amount you are transferring.

The transaction line will be the bank account the money is being transferred to.

The Fund will be the same as where the money was in the original bank account.

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Transfer - one bank account & two funds

Create a new "check"

The check amount will be \$0.00

The first line will be the transfer out & listed as a positive amount (expense or debit). It will be coded to the fund the money is coming from.

The second line will be the transfer in & listed as a negative amount (income or credit). It will be coded to the fund the money is going into.

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Transfer - two bank accounts & two funds

Create a new "check"

The amount will be the amount you are transferring.

The first line will be to the bank account the money is being transferred to. The class will be the Fund it is going to.

The second line will be the transfer out & listed as a positive amount (expense or debit). It will be coded to the Fund the money is coming from.

The third line will be the transfer in & listed as a negative amount (income or credit). It will be coded to the Fund the money is going into.

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