



Simple Steps For Setting Up Your Embroidery Business For Success!

Module 2

Organizing Your Products & Services Setting Up Your System



1



Learning Objective:

- Prepare the remainder of your information to be imported and get the basic setup done in QuickBooks.



2

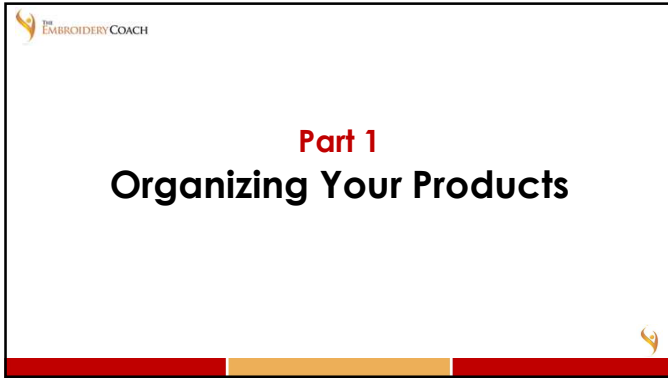


In This Module I Will Cover:

- Organizing Your Products to add to QuickBooks
- Installing QuickBooks – Online version
- Basics of Setting up QuickBooks
- Setting up Chart of Accounts



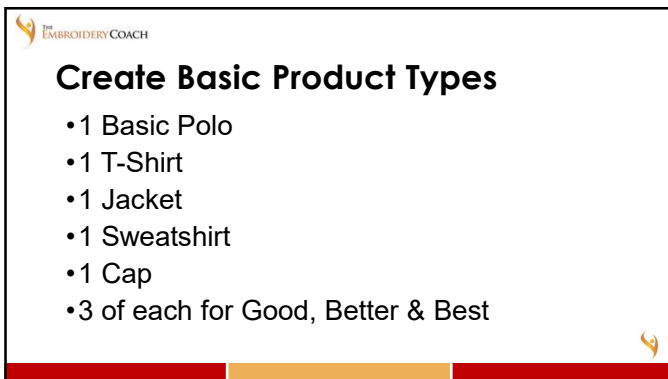
3



4



5



6



Basic Products in QuickBooks

- You can enter these into QuickBooks with Style No. & Price.
- Override the price and style number if they select something that you are not currently carrying
- When you place an order, make sure you have listed on your product sheet all of the available styles that will fall into that particular category along with the distributors style numbers.

7



Import Products Spreadsheet

Product/Service Name	Sales Description	SKU	Type	Sub Account	Sales Price / Rate	Income Account	Purchase Description	Purchase Cost	Expense Account	Quantity on Hand	Inventory Ass

8



Info To List On Import Spreadsheet

- Product Code in the Product/Services Name column
- Product Description in the Product Description column
- Sales Price in the Sales/Rate column only

9



Part 2
Planning Your Items & Services To Sell



10



Types Of Items To Sell

- Inventory Items
- Non-Inventory Items
- Service Items



11



Handling Inventory

- Retail store that has inventory-add Inventory
- Must create all Purchase Orders through QuickBooks
- Must receive them properly & add to Inventory
- Sometimes difficult to keep up Inventory
- Can slow up Creating Invoices & Cash Flow



12



Custom Corporate Orders

- You do not need to keep track of this inventory
- If you currently have inventory that you have acquired through the years to be eligible for free shipping, I would not add that into QuickBooks for inventory.
- Much of it will not be sellable
- Recommend adding it to an Inventory Sheet
- Clean it out and get some cash for it!



13

14



Purchasing Products for Customers Orders

- **Non-Inventory Items** - It is not recommended to track inventory if you order your products as your customers order them from you
- A code can be created to handle these types of items as you are creating your Quote, Invoice or Work Order

16



Service Items

- Embroidery
- Twill
- Screen Printing
- Vinyl
- Heat Press
- Sewing

17



Service Items

- Banners
- Digital Printing
- Sublimation
- Rhinestones
- Promotional Products

18



Part 3

Basic Accounting

19



Simple Account Formula – Debits & Credits

Transaction	Account	Debit	Credit
Sell product or services	Accounts Receivable	\$1,000	
Sell product or services	Income		\$1,000
Receive Payment	Checking Account	\$1,000	
Receive Payment	Accounts Receivable		\$1,000

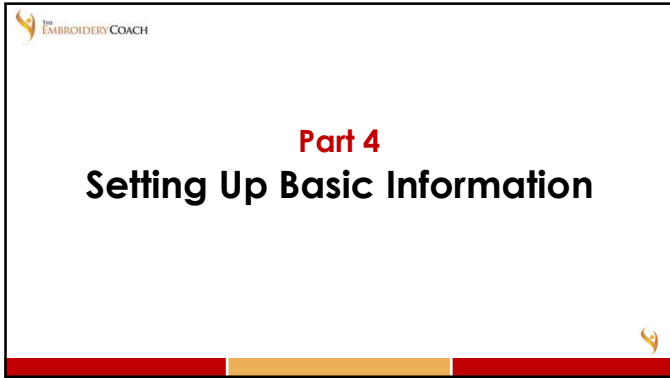
20



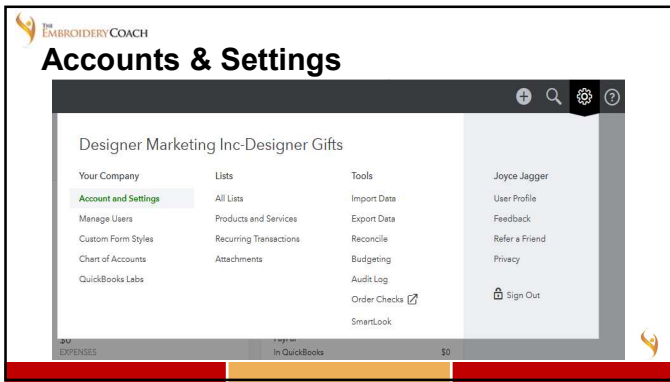
Cash vs. Accrual accounting

- **Cash accounting** is the choice of many small businesses because it's easy: You don't show income until you've received a payment (regardless of when the invoice is created), and you don't show expenses until you've paid your bills.
- **The accrual method**, follows something known as the **matching principle**, which matches revenue with the corresponding expenses.

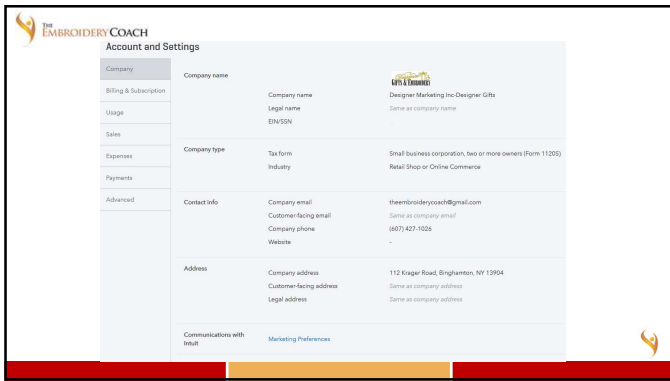
21



22



23



24

25

[illegible]

26

27



Time tracking	Add Service field to timesheets	Off
	Make Single-Time Activity Billable to Customer	Off
Currency	Home Currency	United States Dollar
	Multicurrency	Off
Other preferences	Date format	MM/dd/yyyy
	Number format	123,456.00
	Customer label	Customers
	Warn if duplicate check number is used	On
	Warn if duplicate bill number is used	On
	Sign me out if inactive for	2 hours



28



Connecting Your Bank Accounts

Dashboard

Banking

Rules

Banking

Sales

Expenses

Workers

Reports

Taxes

Accounting

My Accountant

Apps

Get Capital

Automate income and expense tracking

Save hours of work by tracking finances automatically

[See how it works](#) (2:23)

- 1 Connect a bank or credit card to get started
- 2 Review and add your transactions
- 3 See how your business is doing

Connect account

 or

Upload

Import automatically

Add manually



29



Part 5

Chart of Accounts



30



4 Main Types of Accounts

- When you earn money - **Income account**
- When you buy supplies - **Expense account**
- If you buy a building - **Asset account**
- If you borrow money to buy that building, the mortgage owed - **Liability account**
- Plus Cost of Goods** for Manufacturing

31

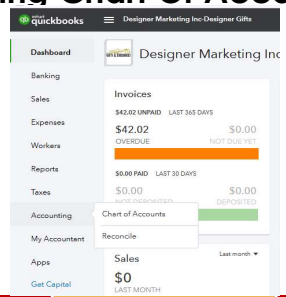


NAME	TYPE	DETAIL TYPE	QUICKBOOKS BALANCE	YOUR BALANCE	ACTION
Cash on hand	Bank	Cash on hand	0.00		View register
Checking	Bank	Checking	0.00		View register
Customer Checking Ref'd	Bank	Checking	0.00		View register
Payroll	Bank	Checking	0.00		View register
Accounts Receivable	Accounts Receivable (A/R)	Accounts Receivable (A/R)	842.02		View register
Inventory Asset	Other Current Assets	Inventory	0.00		View register
Unapportioned Asset	Other Current Assets	Other Current Assets	0.00		View register
Unapportioned Equity	Other Current Assets	Unapportioned Equity	0.00		View register
Accumulated Depreciation	Fixed Assets	Accumulated Depreciation	0.00		View register
Partners & Partners	Partners & Partners	Partners & Partners	200.00		View register
Accounts Payable	Accounts Payable (A/P)	Accounts Payable (A/P)	0.00		View register
Customer Credit Card	Credit Card	Credit Card	0.00		View register
Business Credit Payable	Other Current Liabilities	Business Credit Payable	0.00		View register
Bank Credit Card	Other Current Liabilities	Bank Credit Card	0.00		View register
Customer Deposits	Other Current Liabilities	Customer Deposits	0.00		View register
Gift Certificates	Other Current Liabilities	Gift Certificates	0.00		View register
Payroll Tax Payable	Other Current Liabilities	Payroll Tax Payable	0.00		View register
Sales Tax Payable	Other Current Liabilities	Sales Tax Payable	0.00		View register

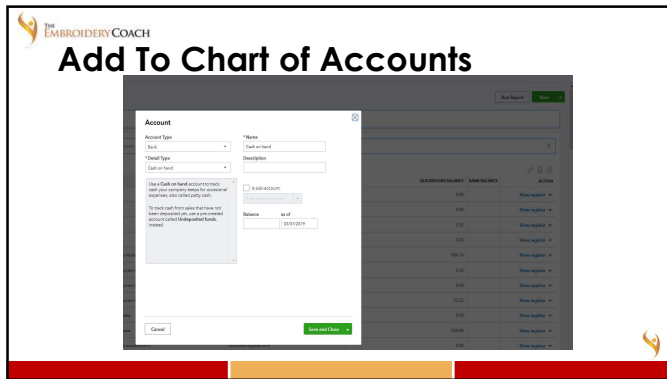
32



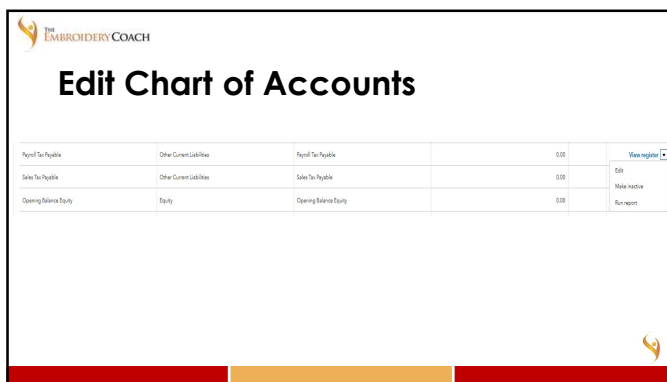
Accessing Chart Of Accounts



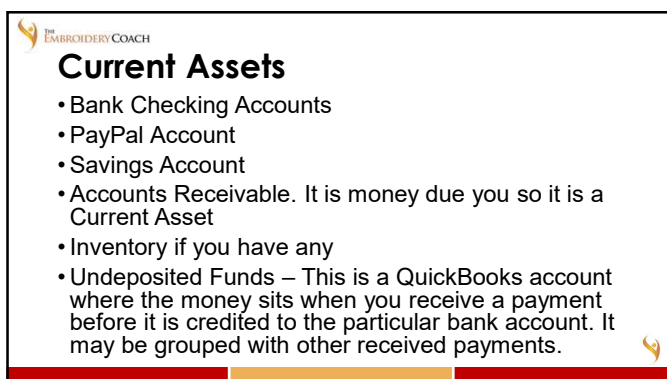
33



34



35



36



Fixed Assets

- Production Equipment
- Vehicles
- Furniture & Fixtures
- Office Equipment
- Buildings

This is what you paid for them at the time of purchase.

- Accumulated Depreciation

37



Short Term or Current Liability

- Credit Cards Payables
- Account Payable
- Customer Deposits
- Gift Certificates
- Sales Tax Payable
- Payroll Withholdings Payable

38



Long Term Liability

- Notes Payable for Vehicle Loan
- Notes Payable for Building Loan
- Note Payable for Owner
- Machine Loan

39



Revenue or Income

- Embroidery
 - Wholesale-Embroidery only at dealer or wholesale prices
 - Corporate-Combination of Apparel & Embroidery
 - Retail – Embroidery only on garments brought in by retail customer
- Resale- Products
 - Wholesale
 - Retail

40



Revenue or Income

- Designs
 - Wholesale
 - Retail
- Rhinestones
 - Wholesale
 - Corporate
 - Retail
- Transfers
 - Wholesale
 - Corporate
 - Retail

41



Revenue or Income

- DTG Printing
 - Wholesale
 - Corporate
 - Retail
- Sewing Services
 - Wholesale
 - Retail
- Screen Printing
 - Wholesale
 - Corporate
 - Retail

42

THE EMBROIDERY COACH

Revenue or Income

- Banners
 - Wholesale
 - Retail
- Vinyl
 - Wholesale
 - Corporate
 - Retail
- Promotional Products
 - Retail
- Shipping



43

THE EMBROIDERY COACH

Cost of Good Sold

- Purchased – Products you purchase to resell
- Manufacturing Supplies
 - Embroidery
 - Rhinestones
 - Transfers
 - DTG Printing
 - Sewing
 - Screen Printing
 - Promotional Products
 - Vinyl
- Incoming Freight
- Payroll – Those involved in Product Production



44

THE EMBROIDERY COACH

Expenses

- Automobile – If company owns vehicle
 - Gas
 - Repairs
- Travel
- Meals & Entertainment
- Utilities
- Phone
- Internet
- Office Expense
- Legal & Professional



45

The EMBROIDERY COACH

Expenses

- Maintenance
 - Building
 - Machines
 - Supplies
- Bank Fees
- Credit Card Fees
- Insurance
 - Health
 - Business
 - Building
 - Disability
 - Workers Comp



46

The EMBROIDERY COACH

Expenses

- Interest Expense
- Selling Expense
 - Sales Wages
- Dues & Subscriptions
- Website Expense
- Advertising
- Charitable Contributions
- Miscellaneous



47

The EMBROIDERY COACH

Action Steps:



- Download all of your forms & Complete them
- Items List for Importing
- Product List for Importing
- Product Sheet
- Chart of Accounts
- Create your Product Sheets – Add to Import Sheet
- Install QuickBooks & Set Up Basics Information
- Set Up Chart of Accounts



48

 EMBROIDERY COACH

Next Lesson

- Create Pricing Codes
- Import our Product Lists into QuickBooks
- Set up Classes for Products