Module 2 – Organizing Your Products & Services

Setting up Your System

Welcome to Module 2 of **Simple Steps For Setting Up Your Embroidery Business For Success!**. This is going to be another huge lesson but there is more preparation that needs to be done before we actually start adding your information. There is so much you can do with **QuickBooks,** but we are only going to have time to get into the basics to make your business run as smooth as possible. I just want you to understand that there is a lot more that you can do than what we are going to cover.

In our first lesson you had to get your year-end figures together, organize your Customers and Vendors and add them to your Import List. I also told you to make a list of each one of the services that you are going to be offering in your business and you were to have your price lists created. Now I know that this was a lot of work to get done in just a few days and you may not have your price lists all created and I will talk more about that during this next lesson. Make sure that you get through Module 1 and go through all of the Action steps before moving onto the Module 2, This is very important in order to get the most out of your system.

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

During this Module we are going to cover:

- Organizing Your Products To Add To QuickBooks
- Installing QuickBooks – The Online Version
- Basics of Setting up QuickBooks
- Setting up Chart of Accounts according to areas of service

During this lesson, we are also going to talk about handling inventory. It is not necessary for everyone to keep track of inventory inside of QuickBooks, but we will talk more about that later.

Part 1 - Organizing your Products to Add to QuickBooks

If you have taken my **Online Marketing Course**, then you will understand when I say that you need to organize your products. It is very important to have a system created for your products that expands throughout your entire business.

You need to have a **Product sheet** for each one of your products created and placed inside of a binder. If you have a website, you need to have the same products available on your website that you have in your store or home business and inside of your accounting system.

It is much easier when you have everything organized and at your fingertips at all times. These product sheets need to have a picture of your product, your product name and style no, the description, price including quantity discounts, colors, distributor and cost from the distributor. If you have all of this information, it is easy to add it to **QuickBooks.**

Product Sheet

Style # SKU 436MP

Product Name-Title: **JERZEES® -SpotShield™ 5.6-Ounce Jersey Knit Sport Shirt with Pocket**

- **Description:** 5.6-ounce, 50/50 cotton/poly preshrunk jersey with SpotShield™ stain resistance
- SpotShield fabric repels water and most oil-based spills
- Tag-free label
- Welt knit collar
- 2-button placket with reinforced bottom box
- Pearlized buttons
- Seamless body with double-needle sleeves and hem
- Oxford is 47/53
- Ash (formerly Birch)

S-3XL

Ash	Black	Forest Green	Maroon	Navy
Oxford	Royal	True Red	White	

Keywords:

Price: Quantity breakdown

	1	2-5	6-35	36-71	72	144 and over
S- XL	46.50	28.95	22.29	20.69	19.89	19.59
2XL	46.99	29.49	22.89	21.29	20.49	19.99
3XL	48.49	30.99	24.29	22.59	21.89	21.59

You will be adding the same items to QuickBooks that you have in your store and in your binder! I will include a blank product sheet for you to copy and a sample product sheet all filled out so that you can get yours together. If you have not taken my online marketing course, it is going to take you a little longer to get this done, but you will be extremely happy when it is completed and all of your products, pricing and accounting is organized and all working together!

This is really going to help with creating pricing codes for basic products.

Many embroiderers have too many products available and allow their customers to select whatever they want from the distributors catalogs and then they think that they need to have each one of these available to their customers. This is far too complicated and will create a lot more work for you.

Create Basic Product Types

Select some basic products that most people are interested in and use those items as your base items to carry. It does not mean that you cannot offer them something else if they are interested in it, but do not try to add all of this stuff to your product line or QuickBooks. It is far too much, and you will drive yourself crazy.

What I mean by basic items is 1 polo shirt, 1 t-shirt, 1 Jacket, 1 sweatshirt, 1 basic cap, or you could have 3 of each, which could be a good, better and best or something like that. You can enter these into QuickBooks with a style no. and price and then you can override the price and style number if they select something that you are not currently carrying in your line or have loaded into QuickBooks. You cannot possibly have everything in there, the whole system would be too complicated and would take you far too long to get it all entered.

You can give your items your own style numbers but when you place an order, you just have to make sure that 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.

Example: A basic T-Shirt. You would not want to add a Jerzess T-shirt, a Gilden T-Shirt and a Hanes T-Shirt with 3 different style numbers. Create a Product sheet with a basic T-Shirt on it, give it a Style number and then list on the Product Sheet all of the T-shirts and suppliers for that T-shirt that are available for that basic T. Do the same thing with Sweatshirts, polos and caps or whatever else you are selling. Keep it as simple as possible. It is going to be much easier to create product codes and you will also be able to have more available to your customer.

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

As you are creating your Product Sheet, List out each product on the spreadsheet that you are going to be using to import your products.

Right now you are going to list the basic information.

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

We will fill in some of the other information in the next lesson. Right now you are organizing everything so that you can import it and adding the Product code.

Part 2 - Planning Your Items & Services to Sell

There are 3 different types of items and you must decide which type you are going to include in your items structure.

- **Inventory Items -** Only if you carry inventory
- **Non-Inventory Items -** Products that you purchase for your customers order
- **Service Items -** Embroidery-Twill-Screen Printing, Vinyl, Heat Press etc.

You can handle products in two ways: by stocking and tracking inventory or by buying products only when working with your customers requires them. The approach you use affects the types of items you create in QuickBooks.

If you buy products specifically for customers, you don't have to track the quantity of inventory on hand. In this case, you create Non-inventory Part items, these are your items from your product sheets.

Handling Inventory

I want to talk about this next because you may be wondering how to handle inventory.

If you are the type of business such as a retail store that carries a lot of inventory, then you will add your inventory to QuickBooks and track it. If you choose to add inventory, it will be necessary to create all of your Purchase Orders through QuickBooks and when they arrive from the distributor, you will need to make sure that you receive them properly and they are added to your inventory in QuickBooks before creating a new invoice that will include that inventory item.

It is sometimes very difficult to keep that inventory up in QuickBooks because you have to constantly be adding your inventory as you bring it in-house and you cannot create the next invoice until you have it done. This can slow up creating invoices and your cash flow. It is another step that is totally unnecessary unless of course you have to keep inventory within your business. If you have a retail store with stock items that need to be replenished, then you can set up QuickBooks so that it will let you know when it is time to reorder so that you do not run out.

Custom Corporate Orders

If you offer custom corporate orders and place product orders as your customers order their products from you, 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. Chances are much of it will not be sellable and you are wasting your time and effort. You are limited as to how many TOTAL items you can have in QuickBooks and your inventory can eat up a lot of those items. You are only allowed 14,500 items and that can add up quickly when you are adding all of your pricing codes, which we are going to do, and then different colors, sizes and styles of products that may or may not sell.

I would recommend that you create an **Excel Spread sheet or use the one that I have included, to add all of your inventory to.** Keep track of it as you use it. If you have had it for several years as is with a lot of embroiderers, try to sell it at a low price, just to clean it out and have that cash in house. Inventory really is a cash guzzler and many times, you have products that you just cannot get rid of for any price. It seems that you never have the right style, color or size that someone is looking for.

I have worked with several private clients that had in excess of $10,000 worth of inventory and it was just sitting in bins! The only reason they had it was because they always ordered extras in case of a mistake and to avoid shipping charges. Whatever you do, do not get caught in that trap. **Do Not Buy extras** to avoid the shipping charges unless it is something you need or you know that you are going to be able to sell it quickly.

Inventory Sheet – I created a formatted Excel Sheet for you to add your inventory to. Here is also a copy of one that I have filled in just so you can see how I have used it. Keep a copy in your binder and mark is off as you are using items from it. Change the number on your spreadsheet in the computer so that it is always up to date.

Quantity	Description	Size	Color	Cost Each	Total Cost
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
Total Inventry Cost					$ -

After you count what you have and have it on an Excel spread sheet, you can create an inventory account with a total dollar amount in QuickBooks.

You will just be pulling the dollar amount for the product out of that inventory account as you create your invoice and you would then mark it off of your Excel spread sheet. When we are setting up the actual Chart of Accounts, I will explain that and show you how it works!

Quantity	Description	Size	Color	Cost Each	Total Cost
1	Sweatshirts	M	Gray	9.9	9.9
3	Sweatshirts	L	Gray	9.9	29.7
2	Sweatshirts	S	Gray	9.9	19.8
0	Sweatshirts	XL	Gray	9.9	0
1	Sweatshirts	2XL	Gray	10.9	10.9
7					70.3
4	T-shirts	S	White	2.3	9.2
6	T-shirts	M	White	2.3	13.8
4	T-shirts	L	White	2.3	9.2
1	T-shirts	XL	White	2.3	2.3
2	T-shirts	S	Gray	2.45	4.9
3	T-shirts	M	Gray	2.45	7.35
2	T-shirts	L	Gray	2.45	4.9
1	T-shirts	XL	Gray	2.45	2.45
					54.1
4	Caps	One Size	White	3.35	13.4
6	Caps	One Size	Red	3.35	20.1
4	Caps	One Size	Kelly	3.35	13.4
1	Caps	One Size	Royal	3.35	3.35
2	Caps	One Size	Black	3.35	6.7
3	Caps	One Size	Gray	3.35	10.05
2	Flexfit Caps	S-M	White	5.4	10.8
1	Flexfit Caps	L-XL	Gray	5.4	5.4
					83.2
Total Inventry Cost					$207.60

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. It is not necessary to add them into inventory before selling them to a customer unless you are keeping track of inventory. A code can be created to handle these types of items as you are creating your Quote, Invoice or Work Order and I will show you how when we get to that point.

Service Items – Embroidery-Twill-Screen Printing, Vinyl, Heat Press etc.

These are the different services that you are offering your customers. Your Service Items will be your price lists of the different services. You may not have a price list broken down for each one, but you will be creating a listing for each service in your chart of accounts. You will see how that works when we set up the Chart of Accounts.

- Embroidery
- Twill Application
- Screen Printing
- Vinyl
- Heat Press
- Sewing
- DTG
- Etc.

Part 3 - Basic Accounting

Simple Account Formula – Debits & Credits

When you sell something to a customer the transaction or invoice will credit an Income account and goes into the Accounts Receivable account as a debit. When you receive the money for that invoice, it is removed from the Accounts Receivable account (credited) and is placed into the Bank Checking account (debited). Each side creates a double entry.

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

In bookkeeping, an account is a place to store money, just like your real-world checking account is a place to store your ready cash. The difference is that you need an account for each kind of income, expense, asset, and liability that you have. The Chart of Accounts is just a simple list of all of the accounts that you use to keep track of your company's money, both income & expenses.

When you are first setting up QuickBooks you must decide which method of accounting is going to work best for you. You may need to run this by your accountant. I am not an accountant. I have had 2 years of accounting in college, so I do understand it. I do not have a degree, but I do have lots of experience.

Cash vs. Accrual accounting

Cash and accrual are the two different ways companies can document how much they make and spend.

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, on the other hand, follows something known as the **matching principle**, which matches revenue with the corresponding expenses.

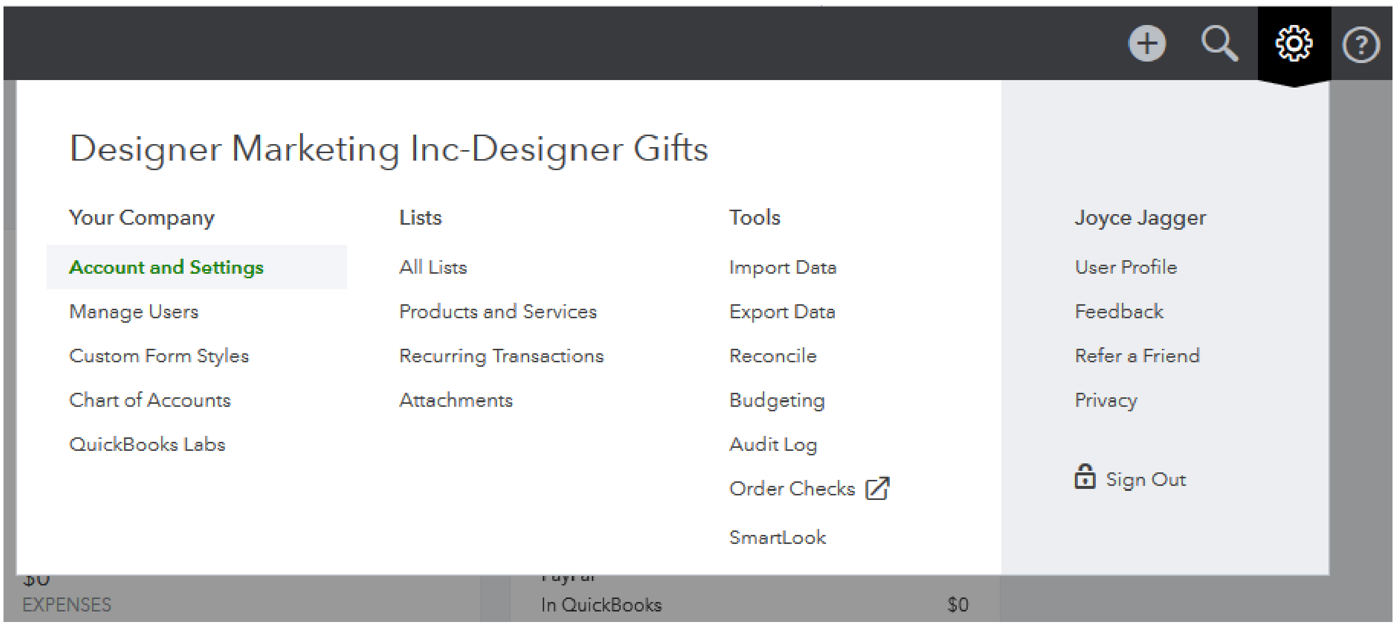
This approach keeps income and expenses linked to the period in which they happened, no matter when cash comes in or goes out. The advantage of this method is that it provides a better picture of profitability because income and its
corresponding expenses appear in the same period. With accrual accounting, you recognize income as soon as you record an invoice, even if you don't receive payment until the next fiscal year. And you recognize expenses as soon as you record a bill, even if you don't pay the bill until the next year.

Part 4 - Setting Up Basic Information

Now we are ready to start setting up the basic information inside of QuickBooks.

If you have the online version of QuickBooks, your screens will look like mine as of this recording date. QuickBooks, like every other computer program company, keeps updating and changing the way that the screens look, but it still has all of the same information. It may even be on a different screen, but you must go in and fill in all of your basic information.
If you have the desktop version, your screens will look totally different, but you must still go in and set up the same basic information.
Unlike the online version, you can set up more than one company in the desk top version. In the online version you are limited to one company per installation.

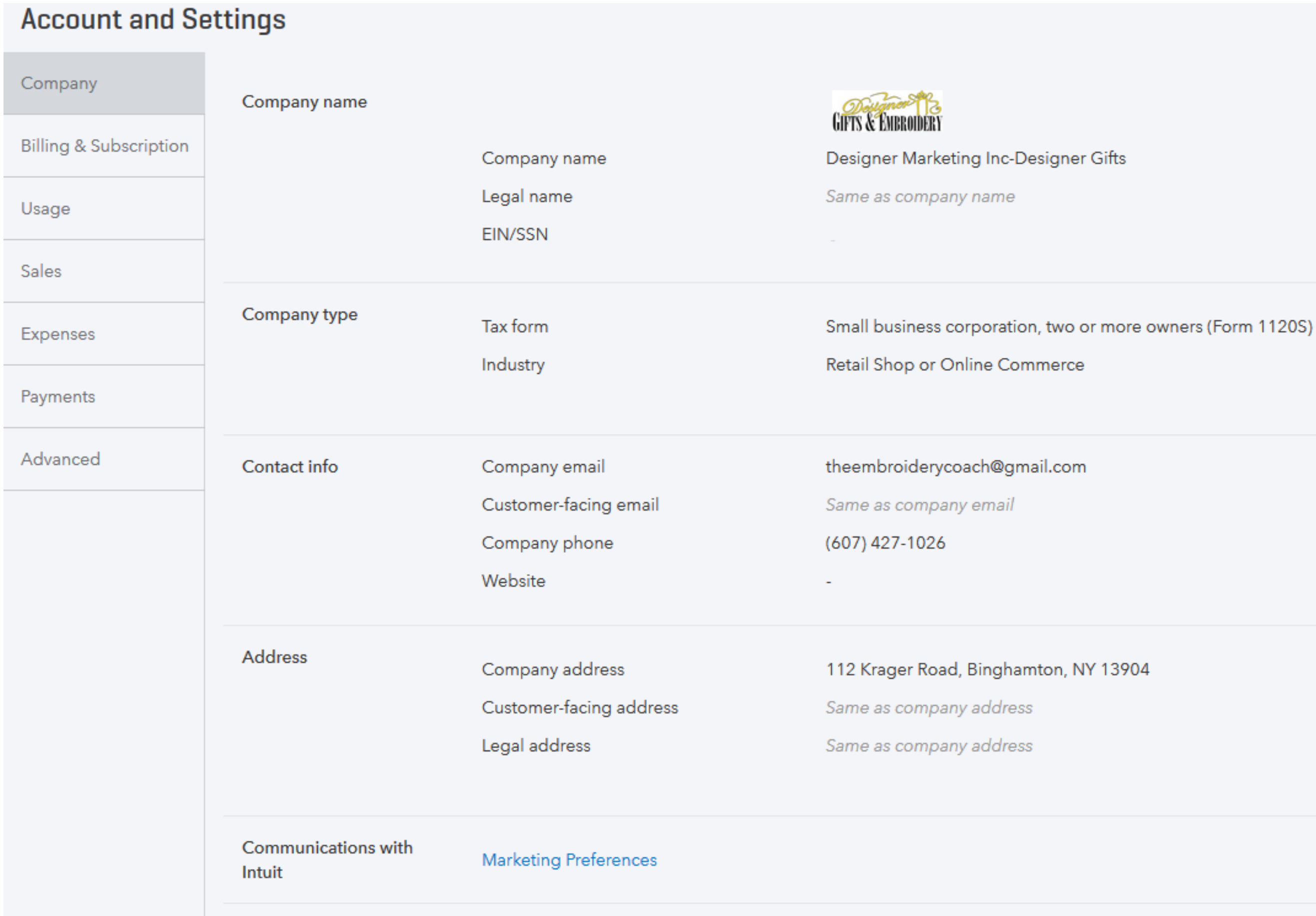
After you install the program and set up your company information, you will go to the Gear and click on your Company Settings.



This will bring up your basic company information.

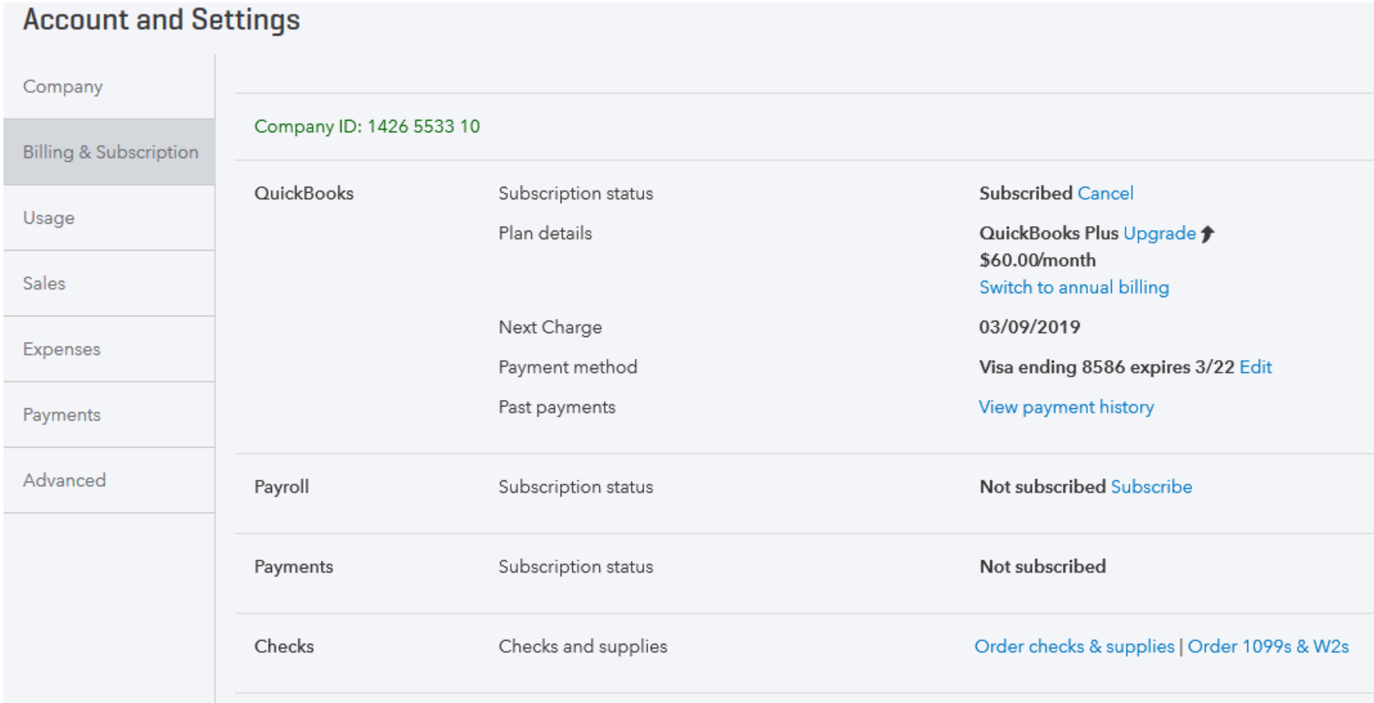
- Company Name
- Employer ID or Social Security Number
- Company Type
    - Tax Form
    - Industry
- Contact Info
- Address

- Communications with Intuit. I just ignore this one.



Next you will click on Billings and Subscription. This is going give you your plan information.

- QuickBooks ID Number
    - What plan you are subscribed to
    - Monthly payment
    - When the next payment will be charged
    - Payment method
    - Past Payments
- You can subscribe to the Payroll module
- Payments for Payroll module only
- Ordering Supplies



Next you will click on the Sales Tab. You will go through each one of those tabs and turn on or off the selections that will work for you.

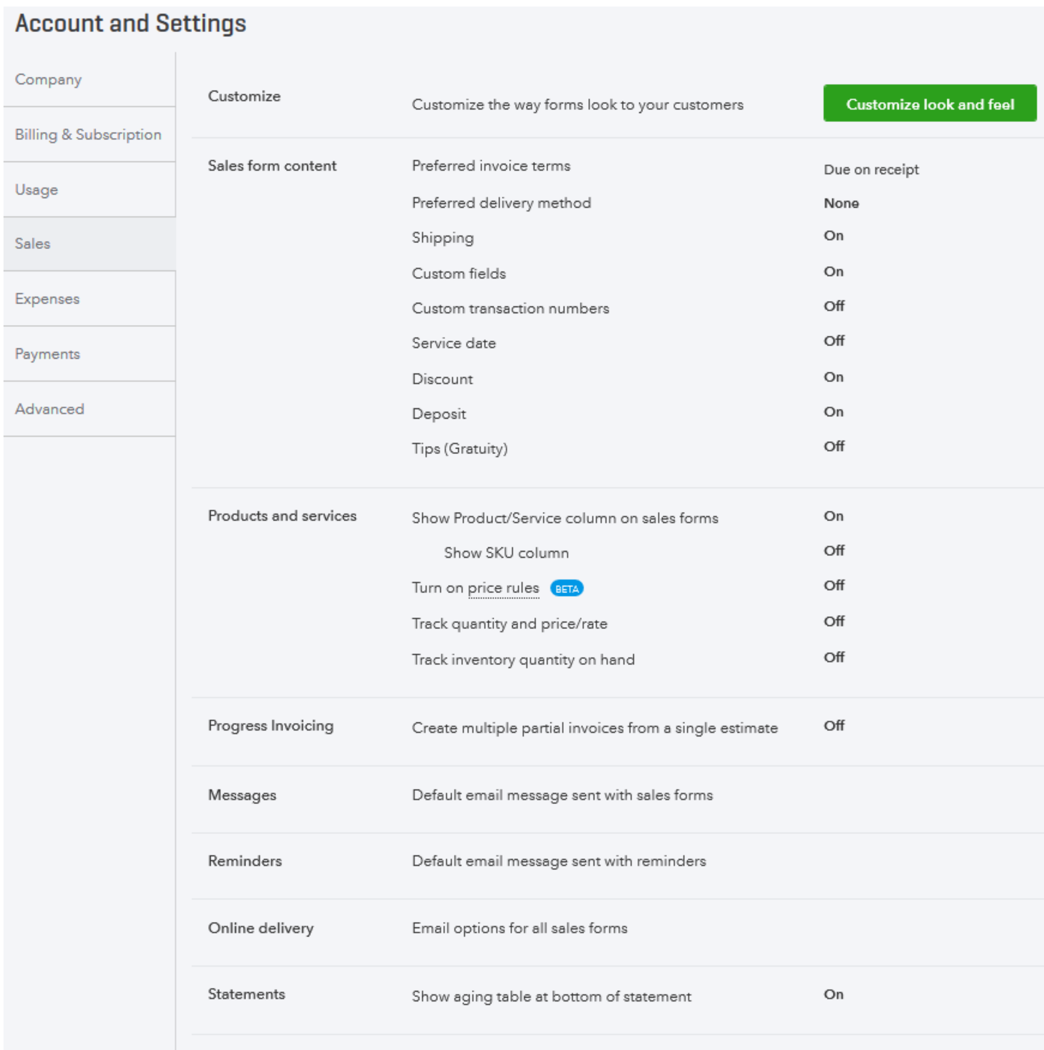
- Customize – Click on the Green button and customize your forms so that they look the way that you want them to with your company information and logo. You can even change the name of your forms. I changed the name of the Estimate form to Work Order, so that I can use it to create my work orders.

For the remainder of the items, there is a edit pencil on the far right side of the page to make your changes or to turn the function on or off.

- Sales Form Content
  - Preferred invoice terms – Mine is Due on receipt
  - Preferred delivery method – None
  - Shipping – On
  - Custom Fields – On
  - Custom Transaction numbers – Off
  - Service date – Off
  - Discount – On
  - Deposit – On

- Tips - Off

- Products & Services
  - Show Product/Service Colum on sales forms - On
  - Turn off price rules. They are not applicable to you.
  - Track quantity & price rate Turn On - If you do not have this turned on, your quantity or price rate boxes will not show up on the forms.
  - Track Inventory quantity on hand – Turned off if you are not tracking inventory.
- Progress Invoicing-Turn Off



- Messages-Open up with the pencil on the right side of the form and add the messages you want to appear on the forms and email.

-
- Reminders – Open up with the pencil on the right side of the form and add the reminders that you want to appear on the reminder notices
- Online delivery – Email options for Sales forms
- Statements – Show aging table at bottom of Statement – I always have mine set to On.

The last tab in the Account and Settings will be the Advanced Tab.

Go through each one of the sections and edit it.

- Accounting:
  - First month of fiscal year
  - First month of Income Tax year
  - Accounting Method – Accrual or Cash
  - Close the Books – Make sure this is off. If you close the books, you cannot get back to the information if you need to at some other point.
- Company Type
- Chart of Accounts
  - Enable account numbers- I have mine turned off, but it is up to you.
  - Shipping Account – This is the account that you will use to Ship out in your chart of accounts. Mine is called Shipping Income
  - Discount account – This is the account that you will use to apply discounts - I have mine set to Discounts
  - Tips account – I do not have one.
- Categories
  - Track classes – You want to turn that on and select Warn me when a transaction isn't assigned a class and then select One to each row in Transaction. Very Important. This is going to help you track what type of products or services you will be keeping track of and we will talk more about classes in the next lesson.
  - Track Locations – This is off unless you have more than one location for your business.
- Automation

- Pre-fill forms with previously entered content – Turn this On.
  - Automatically apply credits - On
  - Automatically invoice unbilled activity – Off
  - Automatically apply bill payments – Off
- Projects – Organize all job-related activity in one place – Off

Account and Settings

Company | Billing & Subscription | Usage | Sales | Expenses | Payments | Advanced

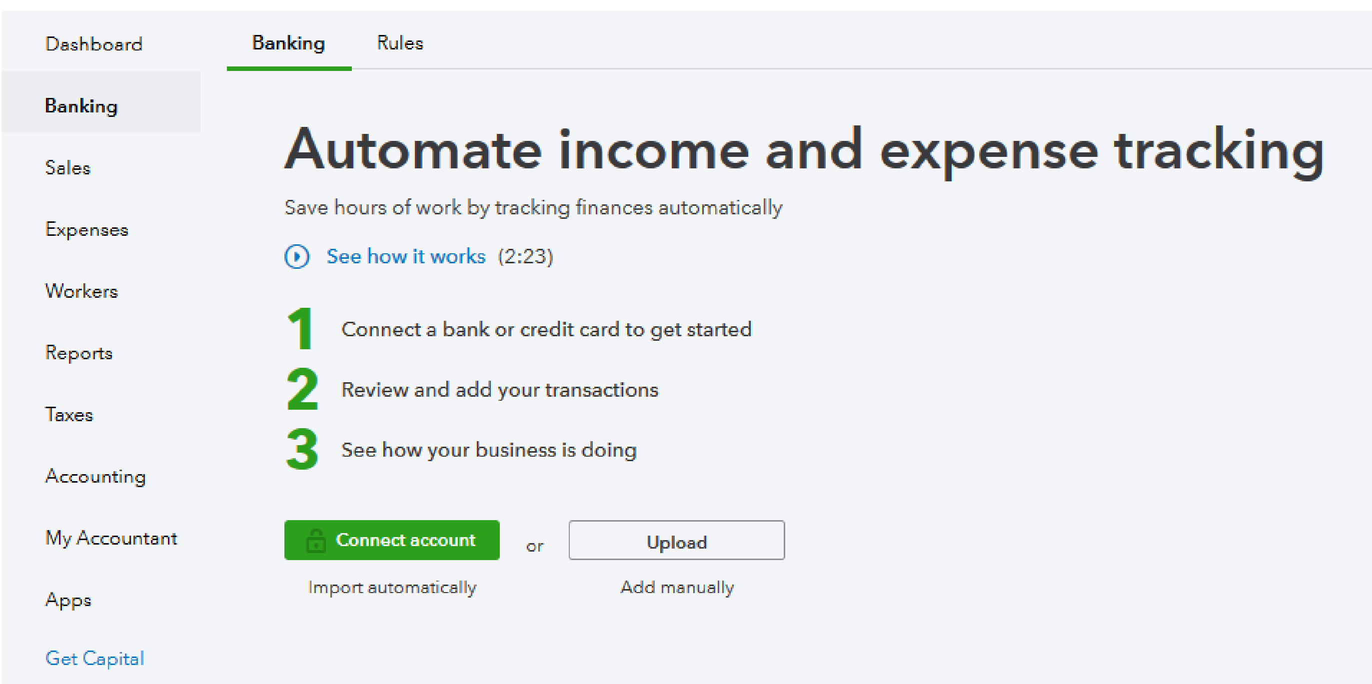
Accounting	First month of fiscal year	January
	First month of income tax year	Same as fiscal year
	Accounting method	Accrual
	Close the books	Off
	Cancel / Save	
Company type	Tax form	Small business corporation, two or more owners (Form 1120S)
Chart of accounts	Enable account numbers	Off
	Shipping account	Shipping Income
	Discount account	Discounts
	Tips account	
Categories	Track classes	On
	Track locations	Off
Automation	Pre-fill forms with previously entered content	On
	Automatically apply credits	Off
	Automatically invoice unbilled activity	Off
	Automatically apply bill payments	Off
Projects	Organize all job-related activity in one place	Off

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

- Currency
    - Home Currency – For anyone in the US, it will be the United States Dollar – For other countries, you will add whatever currency is applicable to you in your country.
    - Multicurrency – I have it turned off. You have to be careful with this one, once it is turned on, you cannot turn it off. It is best to stick to the currency that you are using for your Home Currency only.
- Other preferences
    - Date Format – Select the date format that you use in your country.
    - Number format – Select the format that works for you.
    - Customer Label – Select what you want from the drop-down menu.
    - Warn if duplicate check number is used – On
    - Warn if duplicate bill number is used – On
    - Sign me out if inactive for - I have it set for 2 hours.

Connecting Your Bank Accounts

The last part of the set up you have to do before setting up your Chart of Accounts is to connect your bank accounts. Go to the Dashboard on your QuickBooks. There is a video on that page that shows you how to accomplish this task. Watch the video and get them connected.



Part 5 - Chart of Accounts

In accounting, an account is like a bucket for holding money used for a specific purpose. When you earn money, you document those earnings into an income account, just as you might toss the change from a day's take at the craft show into a jar on your desk. When you buy supplies for your business, that expense shows up in an expense account that works a lot like the file or shoebox you throw receipts into. If you buy a building, its value ends up in an asset account. And if you borrow money to buy that building, the mortgage owed shows up in a liability account.

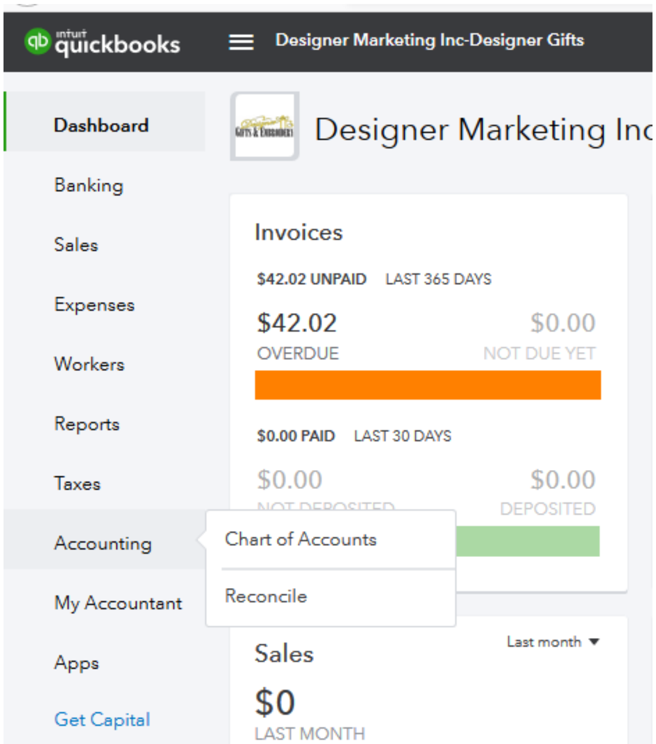
Accounts come in a variety of types to reflect whether you've earned or spent money, whether you own something or owe money to someone else, as well as a few other financial situations. Your chart of accounts is a list of all the accounts you use to track money in your business.

QuickBooks makes it easy for you to set up your chart of accounts when you first start. Follow its "wizard" in initially setting up your company in QuickBooks, selecting the appropriate legal form and the industry as close as you can to yours. It is not going to be perfect, you are going to have to go in and make some adjustments. No need to fear: virtually everything can be undone, which is one of the reasons QuickBooks is so very popular; it is all so forgiving.

This is what the beginning of my Chart of Accounts that QuickBooks automatically created for me. This is the starting point for creating my own

NAME	TYPE ▲	DETAIL TYPE	QUICKBOOKS BALANCE	BANK BALANCE	ACTION
Cash on hand	Bank	Cash on hand	0.00		View register ▼
Checking	Bank	Checking	0.00		View register ▼
Citizens-Checking-Retail	Bank	Checking	5.92		View register ▼
PayPal	Bank	Checking	0.00		View register ▼
Accounts Receivable	Accounts receivable (A/R)	Accounts Receivable (A/R)	884.70		View register ▼
Inventory Asset	Other Current Assets	Inventory	0.00		View register ▼
Uncategorized Asset	Other Current Assets	Other Current Assets	0.00		View register ▼
Undeposited Funds	Other Current Assets	Undeposited Funds	52.52		View register ▼
Accumulated Depreciation	Fixed Assets	Accumulated Depreciation	0.00		View register ▼
Furniture & Fixtures	Fixed Assets	Furniture & Fixtures	200.00		View register ▼
Accounts Payable	Accounts payable (A/P)	Accounts Payable (A/P)	0.00		View register ▼
Citizens-Credit Card	Credit Card	Credit Card	0.00		View register ▼
Broome County Payable	Other Current Liabilities	Sales Tax Payable	245.92		View register ▼
Cedit Card -Citizens	Other Current Liabilities	Line of Credit	0.00		View register ▼
Customer Deposits	Other Current Liabilities	Other Current Liabilities	0.00		View register ▼
Gift Certificates	Other Current Liabilities	Federal Income Tax Payable	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 ▼

Chart of Accounts. I am going to be editing it to make it work like I want it to.

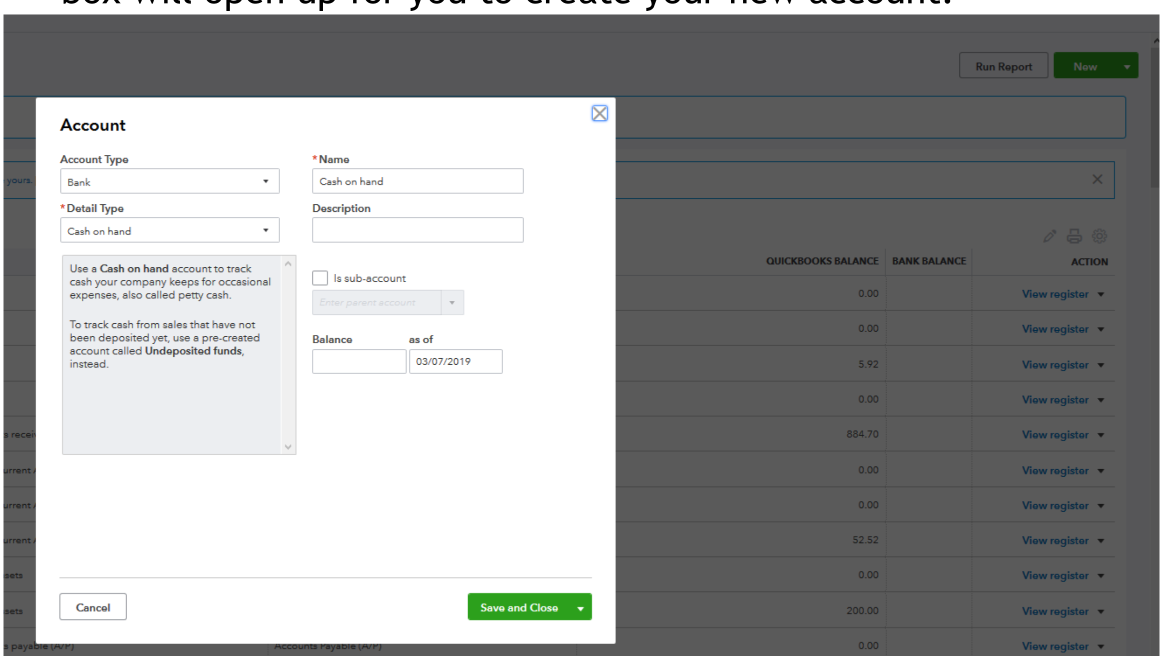


Go to **Accounts** on the left-hand column of your Dashboard and select **Chart of Accounts.**

Print out the current chart of accounts that was created for you by QuickBooks and go through it to see what you can keep and what you should delete.

You will modify the chart of accounts to work for your business. Go to Transactions on the left column and select Chart of Accounts to start making modifications.

To add a new account, select New in the top right corner and an account box will open up for you to create your new account.



We need to go in and add our bank accounts first if you have already connected your bank accounts. If you will look at the Excel

Spreadsheet at your total list, this will make it easier for you to add the accounts and be able to select the right detail type.

To change an account name or type, scroll down to an account that you want to edit, click on the drop down on the right that says View Register and select Edit, and simply type in the new name or select a different account type.

Payroll Tax Payable	Other Current Liabilities	Payroll Tax Payable	0.00		View register
Sales Tax Payable	Other Current Liabilities	Sales Tax Payable	0.00		Edit Make inactive
Opening Balance Equity	Equity	Opening Balance Equity	0.00		Run report

If you have duplicate accounts, Edit the duplicate, and in Account Name, enter the name of the account you wish to keep.

I have included a Basic Chart of Accounts that will work for you of your businesses, but you will need to go over it before you start adding your accounts to make sure that it will work for your business. Some of the accounts that I have on it will not work because you may not be offering those particular types of services.

Current Assets

This is where you are taking in your money and paying it out.

- Bank Checking Accounts
- PayPal Account
- Savings Account
- Accounts Receivable. Your Accounts Receivable is where all of your invoices go before you accept any payments on them. It is money due you so it is a Current Asset.
- Inventory if you have any
- Undeposited Funds – This is a QuickBooks account where the money sits when you receive a payment before it is credited to the particular bank account. It may be grouped with other received payments.

Fixed Assets

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

- Buildings

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

- Accumulated Depreciation

Short Term or Current Liability

- Credit Cards Payables
- Account Payable
- Customer Deposits
- Gift Certificates
- Sales Tax Payable
- Payroll Withholdings Payable
    - Federal
    - Medicare
    - Social Security
    - State

Long Term Liability

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

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
- Designs
    - Wholesale
    - Retail

- Rhinestones
    - Wholesale
    - Corporate
    - Retail
- Transfers
    - Wholesale
    - Corporate
    - Retail
- DTG Printing
    - Wholesale
    - Corporate
    - Retail
- Sewing Services
    - Wholesale
    - Retail
- Screen Printing
    - Wholesale
    - Corporate
    - Retail
- Banners
    - Wholesale
    - Retail
- Vinyl
    - Wholesale
    - Corporate
    - Retail
- Promotional Products
    - Retail
- Shipping

Cost of Goods Sold

- Purchases – Products you purchase to resell
- Manufacturing Supplies
    - Embroidery
    - Rhinestones
    - Transfers
    - DTG Printing
    - Sewing

    - Screen Printing
    - Promotional Products
    - Vinyl
- Freight – Incoming
- Payroll – those involved in product production

Expenses

- Automobile-If company owns vehicle
    - Gas
    - Repairs
- Travel
- Meals & Entertainment
- Utilities
- Phone
- Internet
- Office Expense
- Legal & Professional
- Maintenance
    - Building
    - Machine
    - Supplies
- Bank Fees
- Credit Card Fees
- Insurance
    - Health
    - Business
    - Building
    - Disability
    - Workers Comp
- Interest Expense
- Selling Expense
    - Sales Wages
- Dues & Subscriptions
- Website Expense
- Advertising
- Charitable Contributions
- Miscellaneous

If you are using the Desktop version back up your data as soon as you input any information. Each time you add a list or import a list, back it up in case there is some type of error. If you are using the online version, you do not have to do this; just make sure that you keep saving your information as you input it.

Before you create your Chart of Accounts you need to really think about this to make sure that you have it set up correctly. Do not just depend on their Default set up to be correct because it will not be. It is for general business and you do not have a general business. You want to be able to check your profitability and keep track of what your best sellers are, what you are making money on and what is losing money for you.

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 Basic Information
- Set up your Chart of Accounts

For now I want you to download all of the spreadsheets, start gathering all of your information, get your price list created if they are not yet done, and be ready for Lesson 3. There is a lot of work to do in this lesson and you need to spend as much time as you can to get it all completed before the next lesson. If you do not have it completed before the next lesson, stay on this each lesson and get it completed before starting the next lesson. It will make completing the entire system much easier.

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