

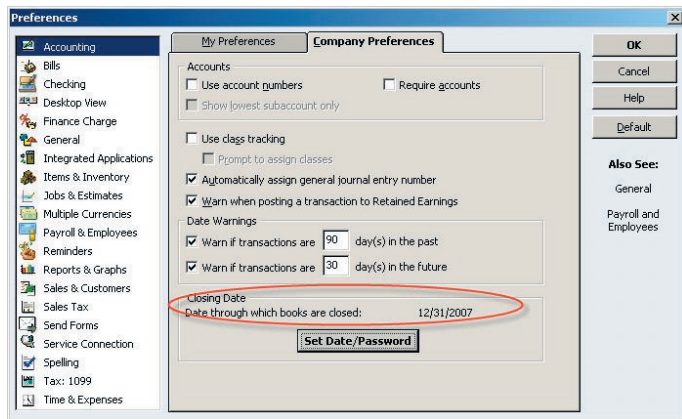
## Use Closing Date to Protect Prior Year Data

You'll likely be closing the books on 2008 soon and your records will become the basis for your tax return. It's critical that your QuickBooks records for a given year match the corresponding tax return, so consider setting a closing date in QuickBooks so that no one inadvertently changes the supporting documents for your tax return:

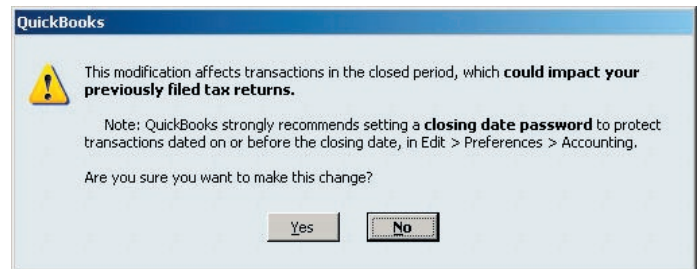
1. Choose Edit, and then Preferences.
2. Choose Accounting, and then click on the Company Preferences tab. As shown in **Figure 1**, you can use this window to determine if a closing date has been set.
3. Click Set Date/Password, and then enter a closing date. Although optional, you should then set a password. If you set a date without a password, then the prompt shown in **Figure 2** will appear when someone attempts to enter or modify a

transaction dated on or before the closing date. Conversely, the prompt shown in **Figure 3** asks for the closing date password.

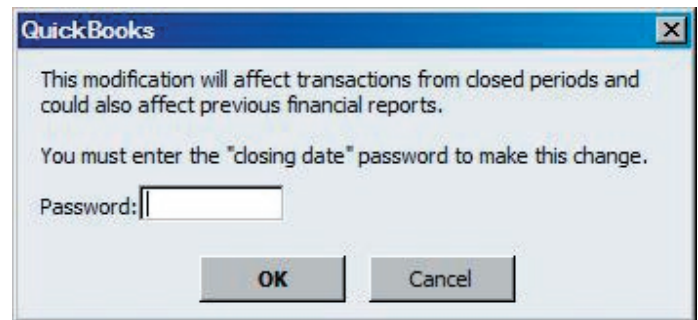
It's generally best to set the closing date once you've completed all of your year-end reconciliations, printed W-2s and 1099s, and other year-end tasks. In fact, an ideal time is when you send the books out to have your tax return prepared.



**Figure 1:** The Company Preferences Accounting tab displays the current closing date for your company.



**Figure 2:** Users can bypass this warning prompt if you don't set a closing date password.



**Figure 3:** Set a closing date password to ensure that users can't modify prior year transactions without permission.

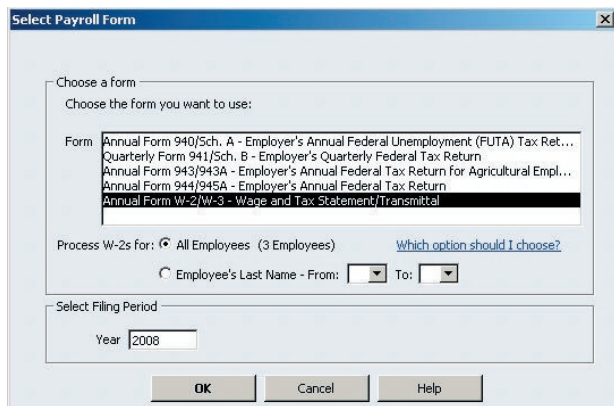


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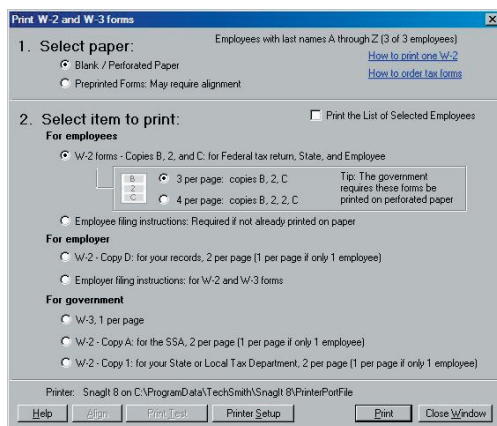
# How to Print W-2s and 1099s from QuickBooks

If you process payroll in QuickBooks, you'll soon need to print W-2 for your employees. The recipient copies of these forms must be postmarked by January 31, 2009, while you'll need to submit the government copies by February 28, 2009. QuickBooks can print on blank perforated W-2 forms or preprinted W-2 forms. But before you embark on printing W-2 forms, make sure that you have the latest payroll update:

1. Choose Employees, and then Get Payroll Updates.
2. Click the Update button, and then follow the on-screen prompts to download the latest payroll updates and forms for your version of QuickBooks.



**Figure 4:** You can print W-2 forms directly from QuickBooks on preprinted or blank forms.

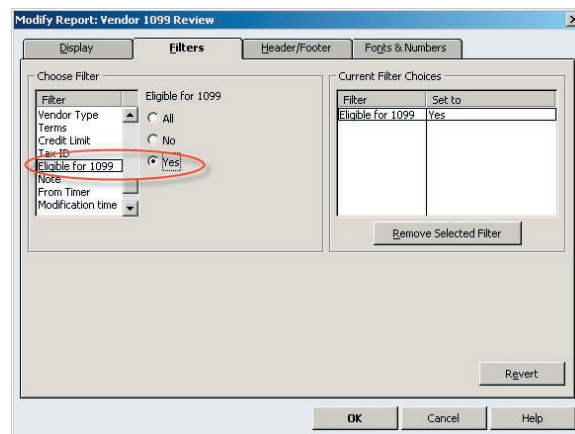


**Figure 5:** QuickBooks makes it simple to generate W-2 forms at the end of the year.

Once you've installed the payroll updates, you're now ready to print your W-2 forms:

1. Choose Employees, Payroll Tax Forms & W-2s, and then Process Payroll Forms.
2. Choose Federal Form, and then click OK.
3. As shown in **Figure 4**, choose Annual Form W-2/W-3 – Wage and Tax Statement/Transmittal, and then specify the year for which you're printing W-2s.
4. When the Select Employees for Form W-2/W-3 window appears, click Review/Edit to display a preview of each form to be printed. You'll walk through an interview, copies of the W-2 forms, the summary W-3 form, and then printing instructions.
5. Click Submit Form to display the dialog box shown in **Figure 5**. You then use this window to print the various copies of forms W-2 and W-3.

It's just as easy to print Form 1099 from QuickBooks. You may not realize that there are over a dozen different versions of the ignoble 1099 form. However, most users only need Form 1099-MISC, which QuickBooks allows you to generate, as well as the transmittal Form 1096. 1099 must be postmarked by the same dates discussed previously for W-2s. Here's how to print 1099s in QuickBooks:



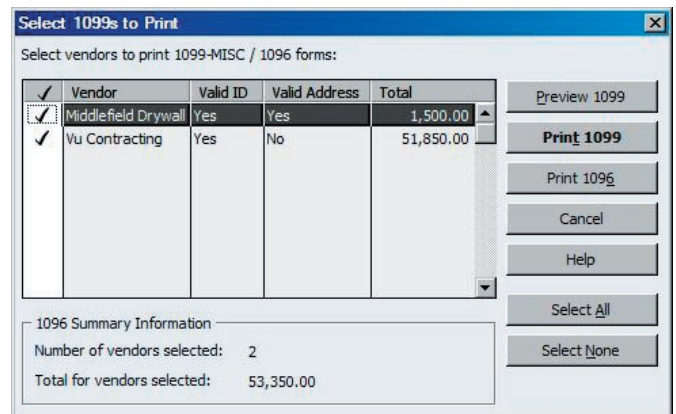
**Figure 6:** Simplify your 1099 review by displaying only vendors that require 1099s. Ensure that each vendor has a proper tax ID and address lists.

1. Choose Vendors, and then Print 1099s/1096. If this option does not appear, choose Edit, Preferences, and then Tax: 1099. Choose Yes on the Company Preferences tab, and then click OK.
2. When the 1099 and 1096 Wizard appears, click the Run Report button for step 1. When the Vendor 1099 Review report appears, carry out these steps:
  - Scroll down and ensure that all vendors that require a 1099 have a Yes in the Eligible for 1099 field. Check with your tax advisor if you're unclear as to whether any of your vendors should receive a 1099 form.
  - If you find any misclassified vendors, double-click on the vendor name, and then choose the Additional Info tab, and then set or clear the Vendor Eligible for 1099 checkbox. Filter the report to show only 1099 vendors, so that you can confirm that every 1099 vendor has a proper address and tax ID number entered in QuickBooks. To do so, click the Modify Report button, and then click the Filters tab. Scroll down to the Eligible for 1099, and then choose Yes, as shown in **Figure 6**. Click OK, and then confirm that all vendors have tax IDs and addresses.
3. Return to the 1099 and 1096 wizard, and then click the Map Accounts button. Most 1099

Vendor	Box 7: Nonemployee Compensation	Uncategorized	TOTAL
C.U. Electric	0.00	532.00	532.00
Larson Flooring	0.00	429.87	429.87
Middlefield Drywall	1,500.00	0.00	1,500.00
Vu Contracting	51,850.00	0.00	51,850.00
<b>TOTAL</b>	<b>53,350.00</b>	<b>961.87</b>	<b>54,311.87</b>

**Figure 7:** Double-click on uncategorized amounts to determine whether they should be included on Form 1099.

4. vendors are classified as subcontractors, so ensure that Box 7 matches the account where you posted subcontractor income.
4. Click the Run Report button on the 1099 wizard. As shown in **Figure 7**, the report shows amounts that will appear on a 1099, as well as amounts you paid that won't be included. Be sure to double-click each amount in the Uncategorized column. QuickBooks only allows you to map a single account to a given box on Form 1099, so you may need to change the account on one or more uncategorized transactions to ensure that the 1099 reports the proper amount. Keep in mind that reimbursed expenses are not typically included on Form 1099.
5. Once you've reviewed the summary report, click Print 1099s. Confirm the date range to use, and then use the Select 1099s to Print window shown in **Figure 8** to preview and then print your forms.



**Figure 8:** This window allows you to print copies of Forms 1099 and 1096.

# Eliminating Uncategorized Income and Expenses

Unless you set a specific preference, users can enter transactions without specifying a revenue or expense account. Such transactions appear on the Profit & Loss Statement as Uncategorized Income or Uncategorized Expenses, as shown in **Figure 9**. If these items appear on your Profit & Loss Statement its an easy fix. Simply double-click on the amount, and then double-click on each of the transactions in the resulting transaction report. Assign accounts to each of the underlying transactions, and then click the Refresh button to see the effect on your report.

Rock Castle Construction  
**Profit & Loss**  
 January through December 2012

Ordinary Income/Expense

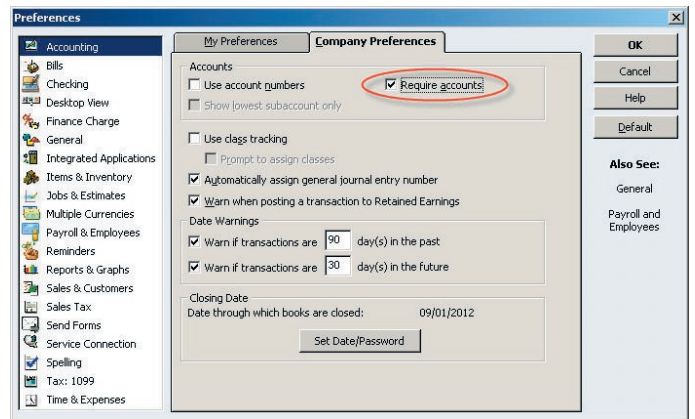
Income	
Uncategorized Income	500.00
<b>Construction Income</b>	
Design Income	36,729.25
Labor Income	213,124.50
Less Discounts given	-70.35
Materials Income	120,260.67
Subcontracted Labor Income	84,104.35
Construction Income - Other	0.00
<b>Total Construction Income</b>	<b>454,148.42</b>
<b>Gross Profit</b>	
	<b>275,151.26</b>
Expense	
Uncategorized Expenses	1,000.00
Reconciliation Discrepancies	-0.02
<b>Automobile</b>	
Fuel	1,588.70
Insurance	2,850.24
Repairs and Maintenance	2,406.00
<b>Total Automobile</b>	

**Figure 9:** QuickBooks places transactions that don't have account numbers into Uncategorized Income and Expenses.

Fortunately you can set a preference in QuickBooks to ensure that no uncategorized transactions will ever slip through:

1. Choose Edit, and then Preferences.
2. Choose Accounting, and then click on the Company Preferences tab.
3. As shown in **Figure 10**, ensure that Require Accounts is checked, and then click OK to save the preference.

**Note:** Setting this preference won't clear up existing uncategorized transactions, but will prevent them from occurring in the future.



**Figure 10:** The Require Accounts preference prevents uncategorized income and expense transactions.

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