

## CHAPTER 3- ACCOUNTS

Accounts are set up within your data file to track your income and expenses. You can have over 500 accounts within a data file. Each account will have a register of its own. And you can create additional accounts within a data file whenever necessary.

You can transfer amounts from one account to another. For instance, using an ATM card will reduce the balance in your checking account and increase the balance in your cash account.

The types of accounts that can be set up include:

### Cash Flow

- **Checking** - These are used to track transactions and balances in these different accounts.
- **Savings** - These are used to track transactions and balances in these different accounts.
- **Credit card account** - used to track credit cards and lines of credit. For more information about using credit card account(s) to track credit card and lines of credit transactions, see Credit Cards and Lines of Credit in the Additional Quicken Topics section later in the manual.
- **Cash account(s)** - this account is used to track your cash transactions for the business and family. One cash account is usually sufficient.
- **Investment** - used to track various types of investments. Such as Brokerage, Single Mutual Fund, and IRA or Keogh.

### Property & Debt

- **House** (with or without mortgage)
- **Vehicle** (with or without loan)
- **Asset accounts** - used in addition to bank, cash and investment accounts. In a farm business, examples of asset accounts would be capital purchases and livestock purchased for resale.
- **Liability accounts** - used to track loan balances and accrued liabilities such as payroll withholdings.

For a **farm business**, the most common accounts are checking, savings, cash, credit card, asset and liability accounts. If your business uses a line of credit for operating credit, you might want to consider treating it as a credit card account. As you become more experienced with the Quicken program, you may want to add more accounts to track your personal and non-farm finances.

### Why Have A Cash Account?

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When starting with Quicken, many record keepers will say they don't need a cash account because they pay all their farm bills by check. However, there are two important reasons to have and for using a cash account. First, although there might not be a lot of cash income and cash expenses for the farm business, the cash account does provide the register needed to record any business transactions that are in cash. Cash family living expenses can also be recorded in this register if desired. Second, you will get cash by writing a check, using an ATM card or depositing a check and keeping some of the proceeds as cash. When you get cash, the balance in the cash account will increase and the cash account is needed to record the completed transaction. Likewise, as cash expenses are recorded in the cash account register, the cash balance will decrease.

When you get to the Data Entry chapter later you will see how various cash transactions affect the cash account. We strongly recommend you use a cash account for your cash transactions rather than a category entitled "cash".

### Creating Your First Account

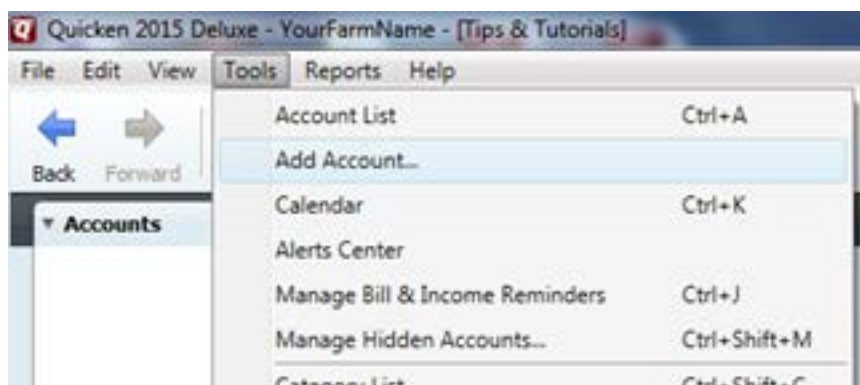
When you created your data file in the previous chapter, Getting Started, the program wanted to lead you through to create an account(s). At that time we had you Cancel so that you could learn about other features of the program. Now you are ready to create your first account, a Cash Account.

From the main menu bar,

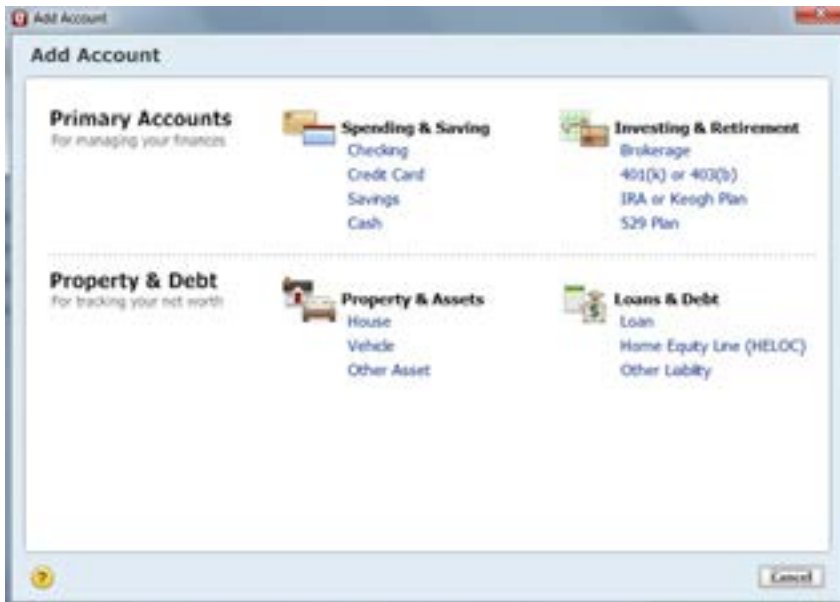


**Click Tools**

**Add Account**



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Since your first account is a cash account, look under **Spending & Saving**

**Click Cash**



**Account Name/Nickname: Cash**

**Click Next.**

**Date to start tracking: 1/1/2015**

**Amount of cash you have: 100**

**Click Next**

Now we will add a farm checking account



**Click Add another account**

Since this account is a checking account, look under **Spending & Saving**

**Click Checking**

If you are **connected to the Internet**, Quicken will ask you to Enter the name of your bank. Quicken uses the name of your financial institution to establish online banking and download transactions.



**ou do not wish to establish online banking** and download transactions now,

**Click Advanced Setup to create your account offline.**

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**Note:** For the purposes of this manual, we will add accounts offline and enter transactions manually.

If you are not connected to the Internet, you will automatically be asked if you want to Add Account Manually each time an account is added.

### Click Add Manual Account



**Account Name/Nickname: Farm Checking**

### Click Next

**Statement Ending Date: 1/1/2015**

**Statement Ending Balance: 14495.47**

### Click Finish

**Note:** If you want a January 1 start date for your records, you will need the December bank statement for this checking account. When the program asks for a Quicken account balance, you will enter the ending balance on the December statement and the beginning date for the account will be the statement ending date. Click Done when you have entered the required information.

To get your **checking account(s) to reconcile** properly with the bank statements as you start to use the program, you will need to enter into the checking account register all the outstanding checks and deposits that are not shown on the December bank statement making sure to enter the correct check number and dollar amount of the checks and any deposits. You will also then need to enter all checks and deposits between the date of the December bank statement and January 1. All these transactions will be dated prior to January 1, and will not show up on the following year's reports dated January 1 through December 31.

If you have entered all the previous transactions into the checking account register you should be able to reconcile this checking account with your January bank statement. If you cannot reconcile the January bank statement with your computer records, review this section and the entries you have made. To start your checking account(s) properly, you must be able to reconcile with the first bank statement.

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See the [“Setting Up Your First Checking Account - An Example”](#) on page 23 **example** later in this chapter for the procedure to properly set up your checking account so it will reconcile correctly with your first bank statement.

### Setting Up Your First Checking Account - An Example

Following is a copy of a page from the 2005-06 check register for George and Betty Carter. The December 24, 2005 bank statement was used to reconcile the check register. Cleared items are marked with a ✓. The ending balance on the December 24, 2005 bank statement was \$14,495.47. There are no checks or deposits outstanding prior to 12/14/04. Examine the check book register and answer the following questions.

Record all charges or credits that affect your account

NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/ DEBIT	✓	FEE IF ANY	DEPOSIT/ CREDIT	BALANCE 7,449.47
1553 DEP	12/14/2014 12/15/2014	Dairy INC. Co. Dairy Coop	134.00	✓		4,900.00	7,315.47 12,215.47
DEP 1554	12/15/2014 12/19/2014	Buckeye Grain Co. Frank's Farm Supply	365.56	✓		3,750.00	15,965.47 15,599.91
1555 1556	12/19/2014 12/19/2014	Hale's Propane Z.Z. Top Farms	235.00 1,369.00	✓ ✓			15,364.91 13,995.91
1557 1558	12/22/2014 12/22/2014	Ohio Bell Rural Electric	126.00 875.00				13,869.91 12,994.91
1559 DEP	12/23/2014 12/24/2014	Select Sires Co. Dairy Coop	210.00			4,554.80	12,784.91 17,339.71
1560 DEP	12/26/2014 12/26/2014	Ken Grant Production Livestock	1,357.65			612.50	15,982.06 16,594.56
1561 1562	12/29/2014 12/29/2014	IRS S&G Feed & Grain	985.94 800.00				15,608.52 14,808.62
1563 1564	12/29/2014 12/30/2014	George Carter Homeland Bank	1,000.00 2,688.62				13,808.62 11,120.00
1565	1/3/2015	Countrymark	1,219.17				9,900.83
1566 DEP	1/3/2015	Rural Electric Production Livestock	385.00			612.50	9,515.83 10,128.33
DEP 1567	1/10/2015 1/12/2015	Co. Dairy Coop Frank's Farm Supply	46.23			4,900.00	15,028.33 14,982.10
1568 1569	1/12/2015 1/12/2015	VOID Dairy Inc.	134.00				14,982.10 14,848.10
DEP DEP	1/18/2015 1/24/2015	Hank's Farm Repair Countrymark				225.00 944.02	15,073.10 16,017.12

## Questions -

1. What is the beginning balance to use for the Quicken checking account?
  - a) \$17,339.71
  - b) \$11,120.00
  - c) \$14,495.47
2. What deposits and checks from 2014 should be entered into your Quicken checking account so it will reconcile with the next bank statement.

Deposits:	\$4900.00	\$3750.00	\$4554.80	\$612.50	
Checks:	\$134.00	\$365.56	\$235.00	\$1369.00	\$126.00
	\$875.00	\$210.00	\$1357.65	\$985.94	\$800.00
	\$1000.00	\$2688.62			

## Answers -

1. (C) The beginning balance for the Quicken checking account is the ending balance on the December 24, 2014 bank statement, \$14,495.47.
2. The 2014 deposits that are entered in the Quicken checking account because they did not show up on the December bank statement are the December 24th deposit of \$4,554.80 and the December 26th deposit of \$612.50. The December 15th deposits of \$4,900.00 and \$3,750.00 are marked and have been reconciled with the December bank statement.

The 2014 checks that would be entered into the checking account register are \$134.00, \$365.56, \$126.00, \$875.00, \$210.00, \$1357.65, \$985.94, \$800.00, \$1000.00 and \$2688.62. These checks either were written prior to December 24 (date of the bank statement), but did not show up on the bank statement or they were written December 24 or later.

The deposits and checks of 2014 that did not show up on the December bank statement must be entered into the Quicken checking account to have the checking account reconcile properly with the January 2006 bank statement.

### Adding a Home Checking Account

Quicken gives you several ways to add a new account.



You may use the main menu bar by

**Clicking Tools**

**Add Account or**

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at the bottom of the Account Bar or  
Click Add Account

Since this account is a checking account, look under **Spending & Saving**

**Click Checking**

If your computer is **ONLINE**

**Click Advanced Setup**

**Click Add Account Manually**

If your computer is **OFFLINE**

**Click Add Account Manually**

**Account Name/Nickname: Family Checking**

**Click Next**

**Statement Ending Date: 1/1/2015**

**Statement Ending Balance: 1644.51**

**Repeat this process to add a savings account**

**Account Name/Nickname: Savings Checking**

**Click Next**

**Statement Ending Date: 1/1/2015**

**Statement Ending Balance: 6150.80**

### Switching From Account To Another

When you start making entries in your Quicken program, you may find that you want to switch from one account to another. An example would be that you have been making entries into the checking account register, but you now have a cash receipt for a small business purchase that needs to be entered.



**Go to the Account Bar that is off to the side of the register**

**Click on the Cash Account.**

This automatically opens the Cash Account register. You can then make your entry,

**Click on your checking account name in the Account Bar and you are back in the checking account register.**

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Using the Account Bar allows you to move from one account to another within the program easily.

### Editing Quicken Account Details

After setting up Quicken accounts, you can edit or add to the details of the accounts at a later time. If needed, the name of the account can be changed as well as other general information, online services, and display options.

To edit Quicken Account Details, in the Account Bar



**Right-Click the name of an account [Farm Checking]**

The screenshot shows the 'Account Details' dialog box with the 'General' tab selected. The 'Account name' field contains 'Farm Checking'. Other fields include 'Financial Institution', 'Expiration', 'Account Number', 'Account Type' (set to 'Checking'), 'Tax-Deferred' (with 'Yes' selected), 'Interest Rate' (set to '0 %'), 'Contact Name', 'Phone', 'Home page', 'Activity page', and 'Other page'. There are also 'Set up Alerts' fields for 'Max. Balance' and 'Min. Balance', and a 'Comment' text area. At the bottom, there are buttons for 'Delete Account', 'Tax Schedule', 'OK', and 'Cancel'.

After making edits to the account details

**Click OK**