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# Accounts

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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:

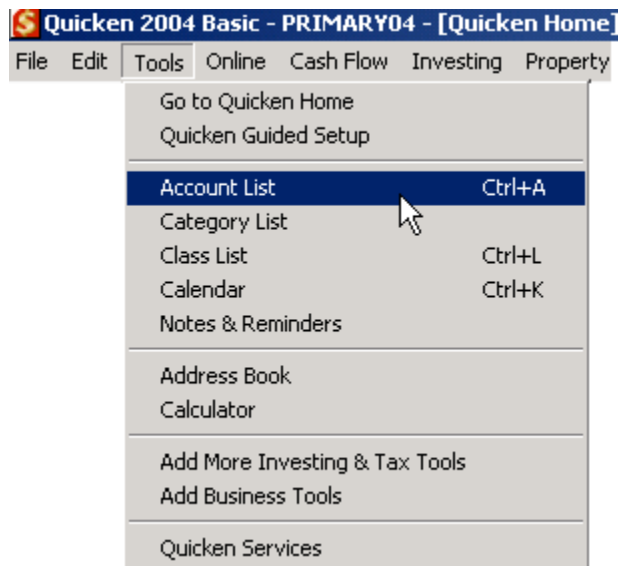
- Σ checking and savings - these are used to track transactions and balances in these different accounts.
- Σ cash account(s) - this account is used to track your cash transactions for the business and family. One cash account is usually sufficient.
- Σ credit card account - used to track credit cards 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.
- Σ investment accounts - used to track various types of investments.
- Σ 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.
- Σ 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, asset and liability accounts. If your business uses a line of credit for operating credit, you might want to consider using 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.

## Creating Your First Account

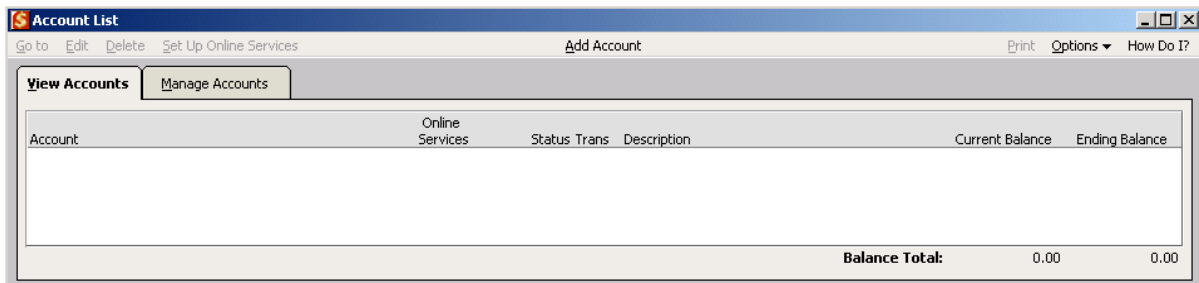
When you created your data file in the previous chapter, **Getting Started**, the program wanted to lead you through a *GUIDED SETUP* to create an account(s). At that time we had you exit the *GUIDED SETUP* so that you could learn about other features of the program. Now you are ready to create your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

**Click Tools** on the menu bar and **Click Account List** to open the *ACCOUNT LIST* window. **Clicking the Account** button (if you have added one) on the main toolbar will also open the *ACCOUNT LIST* window.



At the top of the *ACCOUNT LIST* window, the buttons on the toolbar are:

- Go to** – go to the selected account
- Edit** - change the selected account,
- Delete** - delete the selected account,
- Set Up Online Services** – for the selected account,
- Add account** – create a new account
- Print** – prints the account list
- Options** - change the settings for this window,
- How Do I** - help for the account list window,
- X** - close the *ACCOUNT LIST* window.

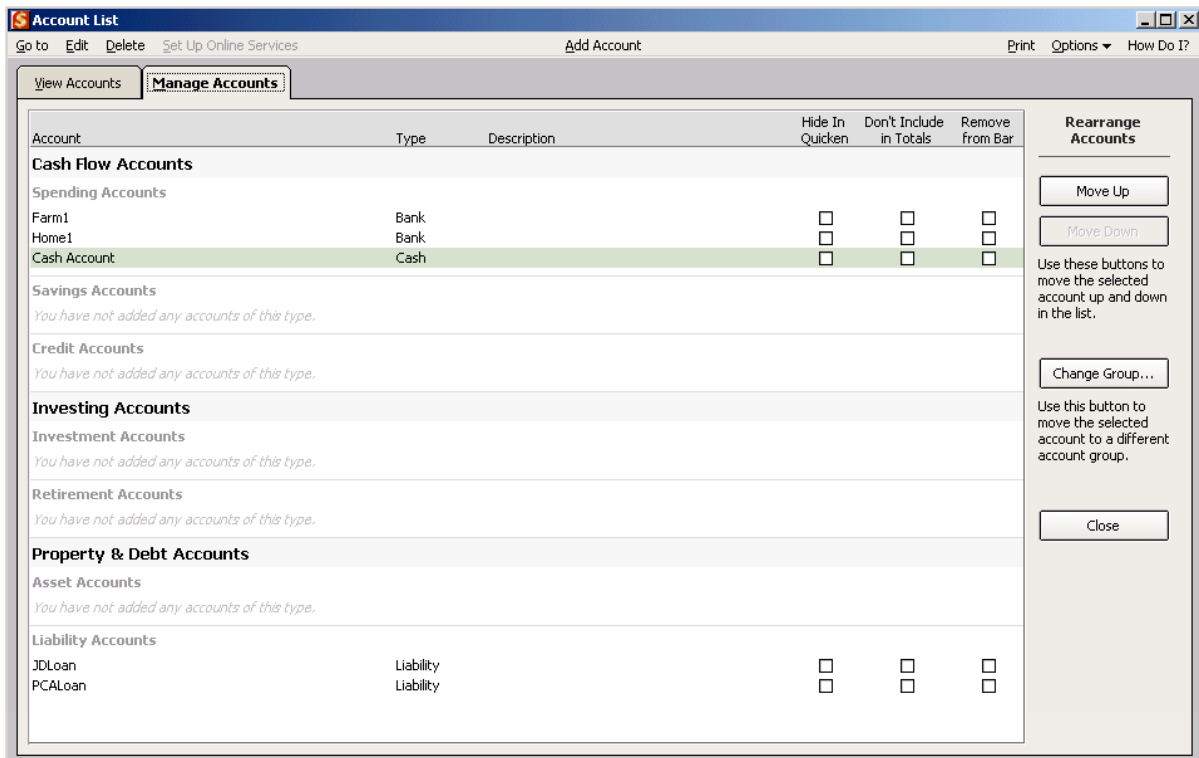


When the *ACCOUNT LIST* window is opened there are two tabs to choose from. The following graphics contain several accounts so more the details within the tabs of the *ACCOUNT LIST* window can be shown.

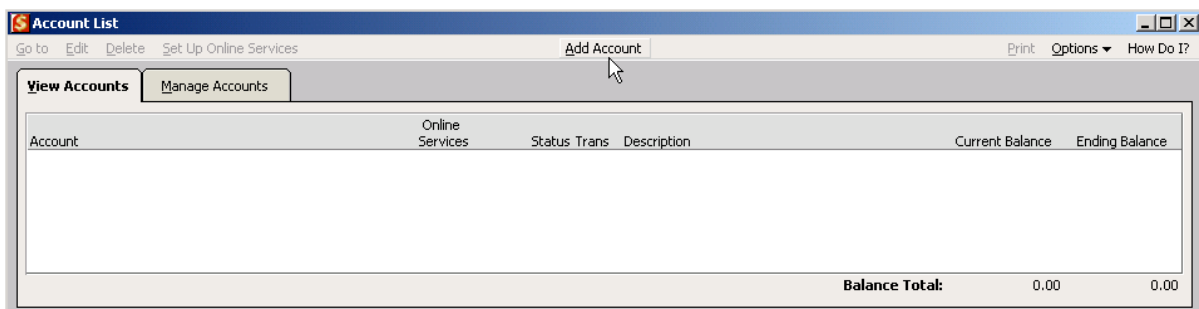
1) **View Accounts** – This tab allows you to view the details of your various accounts that you are using to track your farm and home finances.

Account List						
Go to	Edit	Delete	Set Up Online Services	Add Account	Print	Options ▾ How Do I?
View Accounts		Manage Accounts				
Account	Online Services	Status	Trans	Description	Current Balance	Ending Balance
<b>Cash Flow Accounts</b>						
Spending Accounts						
Farm1			1		3,527.45	3,527.45
Home1			1		36,673.44	36,673.44
Cash Account			1		0.00	0.00
				Subtotal	40,200.89	40,200.89
<b>Property &amp; Debt Accounts</b>						
Liability Accounts						
JDLoan			1		-28,151.56	-28,151.56
PCALoan			1		0.00	0.00
				Subtotal	-28,151.56	-28,151.56
<b>Balance Total:</b>					12,049.33	12,049.33

2) **Manage Accounts** – Settings within this tab allow you to customize the way the accounts appear in the *Account Bar* of your Quicken Home Page.

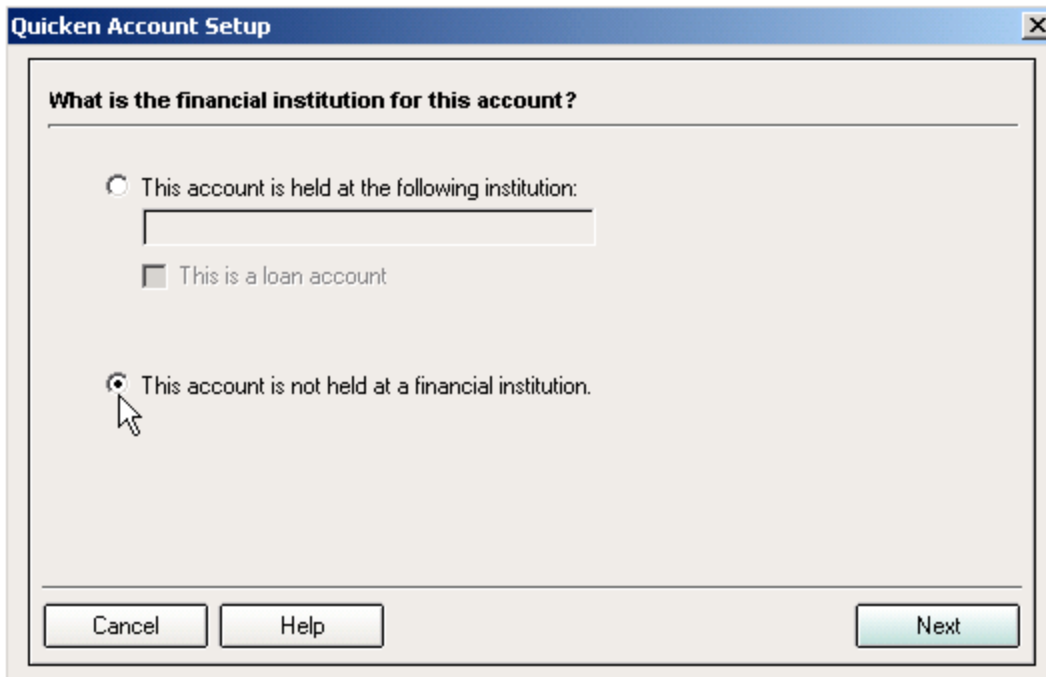


To create your first account **Click the Add Account** button in the middle of the *ACCOUNT LIST* window to open the first *QUICKEN ACCOUNT SETUP* window.

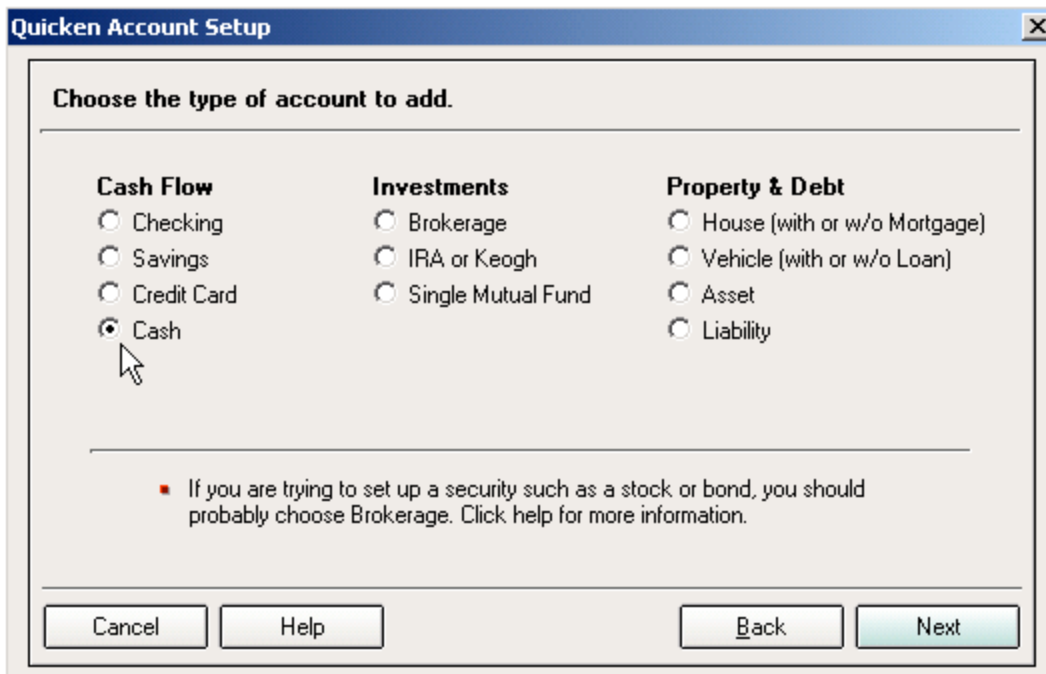


Since your first account is a Cash Account, **Click** the second radio knob to indicate that this account is not at a financial institution and

Click Next.



The next *QUICKEN ACCOUNT SETUP* window opens to show the various types of accounts that can be created.



Under the first column, **Cash Flow**, **Click Cash** and **Click Next**. The next *QUICKEN ACCOUNT SETUP* window opens so you can name the file. In this window Cash Account should appear as the name. If not, type Cash Account in as the file name. **Click Next** to open the last *QUICKEN ACCOUNT SETUP* window to enter the beginning date and balance.

The starting date for your cash account is January 1 of the current year. Use the calendar button to the right to reset the date to January 1 or type the letter “Y” to set the date to January 1. **Click** in the blank to the right of **Amount:** and enter the amount of cash you had on hand January 1. In most cases, zero is the amount entered for the cash balance. If the information entered is correct, **Click Done** at the bottom right of the window.

The name of your cash account now should be listed in the *Account Bar* under the Cash Flow Center on your *Quicken Home Page*. The register for your Cash Account should be open, but to open it later, simply point and **Click** on the Account name within the *Account Bar* and the register will open. The register looks like a check register and is where you will enter your cash transactions.

## **Why Have A Cash Account?**

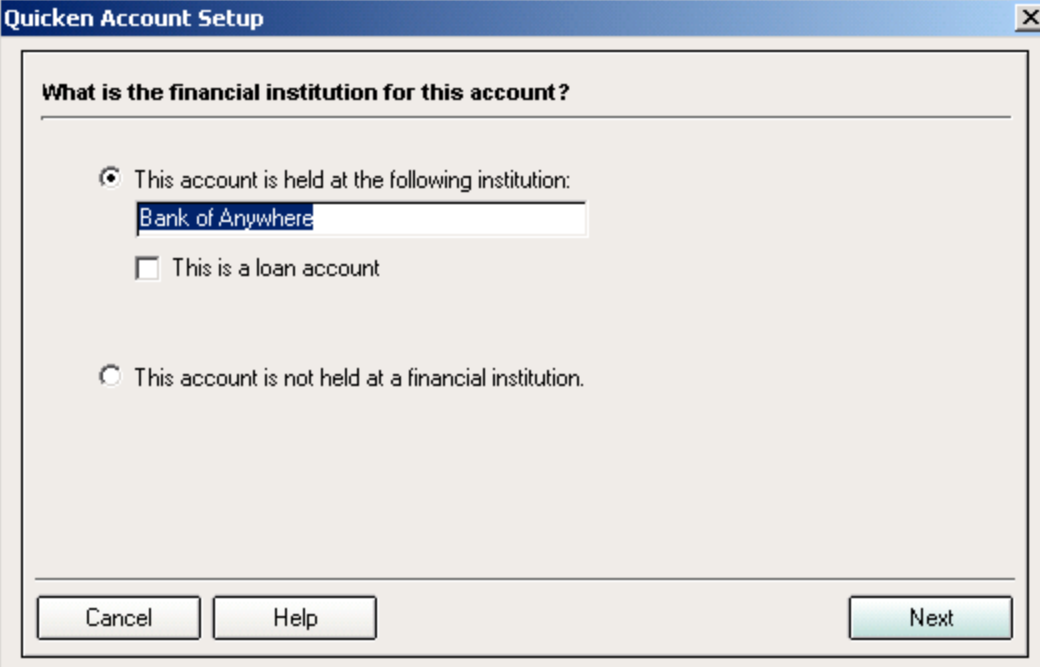
When starting with Quicken, a lot of record keepers will say they don't need a cash account because they pay all their farm bills by check. However, there are two important reasons to have and for using a cash account. First, although there might not be a lot of cash income and cash expenses for the 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 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 affects the cash account. We strongly recommend you use a cash account for your cash transactions rather than a category entitled “cash”.

## Setting Up Additional Accounts

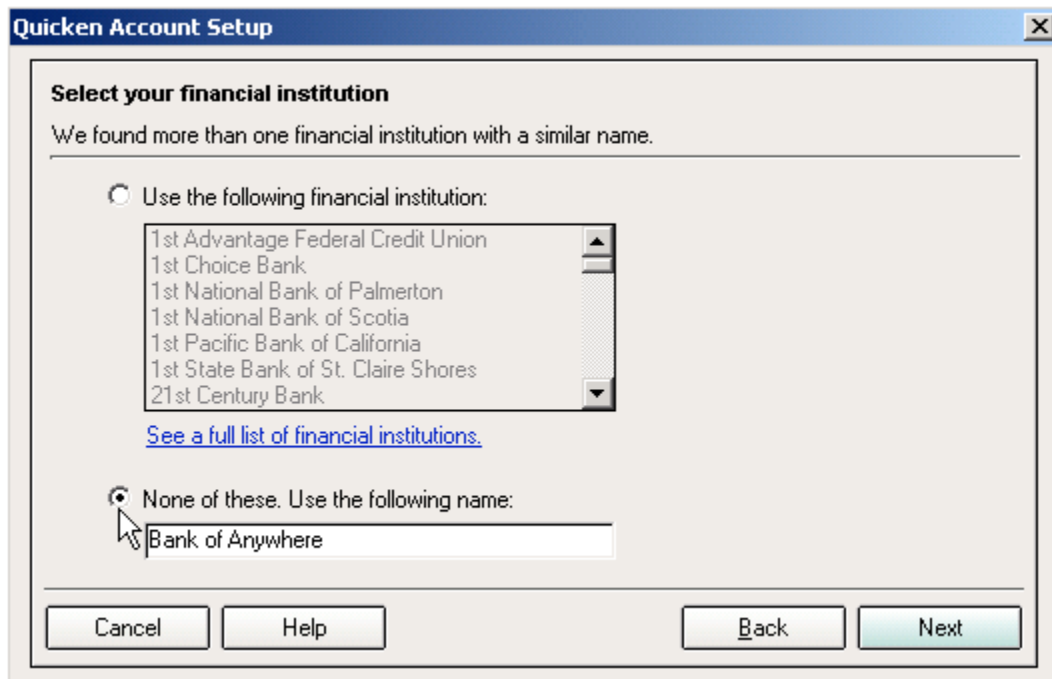
Additional accounts can be set up at any time. From the menu bar **Click Tools, Click Account List** to open the *ACCOUNT LIST* window. You can also open the *ACCOUNT LIST* window by pressing **Ctrl+A** or **Click Account** if you have added it to the main toolbar.

To set up an additional account, **Click Add Account** on the toolbar of the *ACCOUNT LIST* window to open the various *QUICKEN ACCOUNT SETUP* windows shown in the following graphics. Most of the accounts you will be setting up, except for your Cash Account, will be held at a financial institution so you need to type in the name of your bank in the blank. As you type, Quicken will show a drop down list of various institutions that are contained within the program. If your bank is not one of these, type in the full name of your bank, just like the Bank of Anywhere shown in the example.

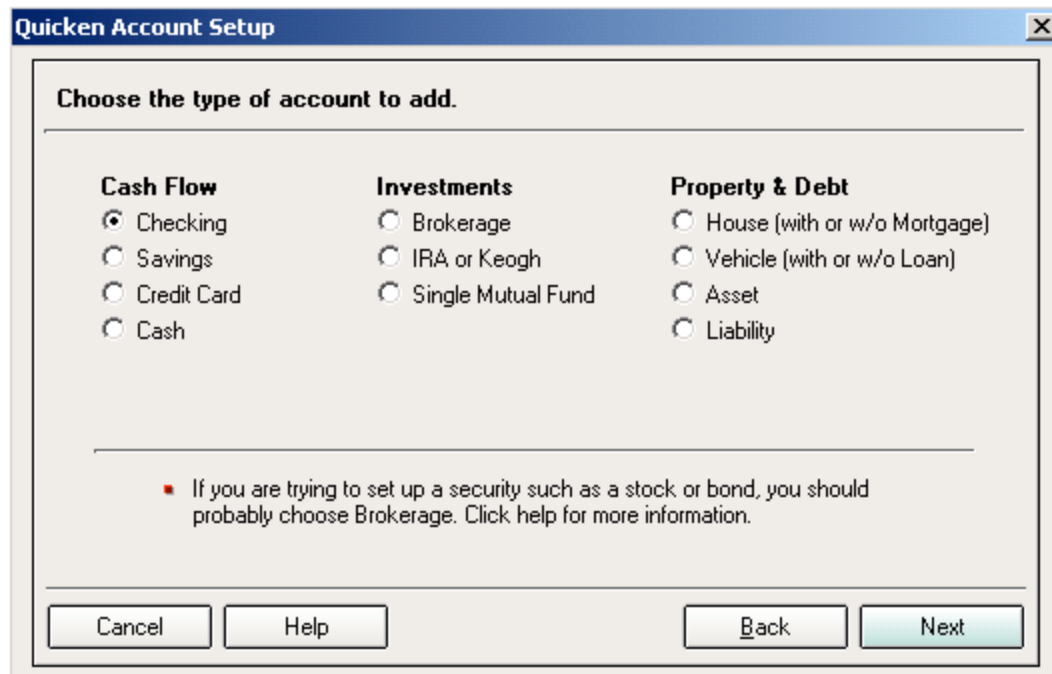


The screenshot shows a dialog box titled "Quicken Account Setup" with a close button (X) in the top right corner. The main text asks, "What is the financial institution for this account?". There are three radio button options: the first is selected and says "This account is held at the following institution:" followed by a text input field containing "Bank of Anywhere"; the second is "This is a loan account" with an unchecked checkbox; the third is "This account is not held at a financial institution." At the bottom, there are three buttons: "Cancel", "Help", and "Next".

**Click Next** and another *QUICKEN ACCOUNT SETUP* window opens to verify that the bank, Bank of Anywhere in our example, is not in the list. **Click** on the second option as shown to indicate that Quicken is to use the following name, Bank of Anywhere in our example.



**Click Next** again and another *QUICKEN ACCOUNT SETUP* window opens to show the various types of accounts available. **Click** on the type of account you want to create, **Click Next** and answer the questions regarding the particular account.



If you checked in the first *QUICKEN ACCOUNT SETUP* window that the account to be created is a loan account, the program will go directly to the window where you enter the beginning date and opening balance for the account. By indicating a loan account in the first window, Quicken automatically skips over the *QUICKEN ACCOUNT SETUP* window where you see the list of various accounts since you have already indicated that the account being created is a liability account.

**Note** - most account balances will be as of January 1 of the current year except for your checking account(s). The beginning balance for checking accounts will be the ending balance on your last bank statement prior to January 1. See **Setting Up The First Checking Account** that follows.

**Note** - when setting up a liability account, you will be asked at the end of the account questions “Would you like to set up an amortized loan associated with this account?” If you answer **YES** you will need very specific information about your loan(s), especially if they are existing loans that you have been paying on for some time. If you don’t have the information or don’t want to set up the amortized loan, answer **NO** and enter the principal and interest for each payment that is made during the year.

## **Setting Up The First Checking Account**

After you have named your checking account, identified it with a financial institution and given it a description, if desired, **Click Next** and enter the ending date and balance from your bank statement.

**\*\*IMPORTANT\*\*** 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 the balance to begin the account with, 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, but 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.

See the **Setting Up Your First Checking Account** 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.

## **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 and point and **Click** on the Cash Account. This automatically opens the Cash Account register. You can then make your entry, point and **Click** on your checking name in the *Account Bar* and you are back in the checking account register. Using the *Account Bar* allows you to move from one account to another within the program easily.

## Setting Up Your First Checking Account - An Example

Following is a copy of a page from the 20X3-X4 check register for George and Betty Carter. The December 24, 20X3 bank statement was used to reconcile the check register. Cleared items are marked with a √. The ending balance on the December 24, 20X3 bank statement was \$14,495.47. There are no checks or deposits outstanding prior to 12/14/X3. 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	12/14/20X3 12/15/20X3	DHI, INC. MMI	134.00	√		4,900.00	7,315.47 12,215.47
DEP 1554	12/15/20X3 12/19/20X3	Hank Williams Farms, Inc. Frank's Farm Supply	365.56	√		3,750.00	15,965.47 15,599.91
1555 1556	12/19/20X3 12/19/20X3	Hale's Propane Z.Z. Top Farms	235.00 1,369.00	√ √			15,364.91 13,995.91
1557 1558	12/22/20X3 12/22/20X3	Ohio Bell Rural Electric	126.00 875.00				13,869.91 12,994.91
1559 DEP	12/23/20X3 12/24/20X3	Select Sires MMI	210.00			4,554.80	12,784.91 17,339.71
1560 DEP	12/26/20X3 12/26/20X3	Ken Gumm Producers Livestock	1,357.65			612.50	15,982.06 16,594.56
1561 1562	12/29/20X3 12/29/20X3	IRS Freddie's Feed & Grain	985.94 800.00				15,608.52 14,808.62
1563 1564	12/29/20X3 12/30/20X3	George Carter Bank One	1,000.00 2,688.62				13,808.62 11,120.00
1565	1/3/20X4	Countrymark	1,219.17				9,900.83
1566 DEP	1/3/20X4	Rural Electric Producers Livestock	385.00			612.50	9,515.83 10,128.33
DEP 1567	1/10/20X4 1/12/20X4	MMI Frank's Farm Supply	46.23			4,900.00	15,028.33 14,982.10
1568 1569	1/12/20X4 1/12/20X4	VOID DHI, Inc.	134.00				14,982.10 14,848.10
DEP DEP	1/18/20X4 1/24/20X4	Hank Williams Farms Inc. 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 20X3 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. The beginning balance for the Quicken checking account is the ending balance on the December 24, 20X3 bank statement, \$14,495.47.
2. The 20X3 deposits that are entered in the Quicken checking account because they did not show up on the December bank statement are the December 24 deposit of \$4,554.80 and the December 26 deposit of \$612.50. The December 15 deposits of \$4,900.00 and \$3,750.00 are marked and have been reconciled with the December bank statement.

The 20X3 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 20X3 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 20X4 bank statement.