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## ACCOUNTING

# What's New in QuickBooks 2009: Part II

Column: The QuickBooks Advisor

**Doug Sleeter** • Jan. 01, 2009

*From the January 2009 Issue*

Each year, the new versions of QuickBooks arrive in the fall, and all of us in the consulting business scramble to figure out how the new features will affect us and our clients. This year, there are several significant changes to the software, and except for a few problems with the online banking features that we expect to see fixes for soon, all of the changes are great for accountants.

In last month's column ([www.CPATechAdvisor.com/go/2197](http://www.CPATechAdvisor.com/go/2197)), I reviewed several of the new features in version 2009, including the new Company Snapshot, Bank Reconciliation Improvements, Multi-Currency, External Accountant User designation, Improvements in multi-user functionality, List improvements, the backwards compatibility features, and the new Help and support features. This month, I'll discuss the new Client Data Review feature and the Intuit Statement Writer (a replacement for the Financial Statement Designer).

## **Client Data Review Tool**

### **Overview of Features**

The Client Data Review (CDR) tool is included with the QuickBooks Premier Accountant

2009 and QuickBooks Enterprise Solutions Accountant 9.0 versions. The CDR tool

allows the accountant to review, detect and correct errors in the client's data file. In a nutshell, the tool consists of the following features:

- A customizable master control screen with a checklist-style view that provides access to tools and reports used by the reviewing accountant. This master control screen tracks the “status” of each review task (not started, in progress, completed or not applicable) and allows you to keep “task notes” as you perform the data review.
- A printable “status” of your review progress that includes the status of each review task along with notes about each task.
- A “freeze” feature that takes a snapshot of your prior period reviewed balances. The next time you review the client's file, your stored balances are compared to current QuickBooks balances for that review period. If CDR finds a difference, it recommends a journal entry to restore your original balances.
- Several tools are provided that allow you to detect problems (or verify accuracy) of transactions in the client data file. These tools provide review at the account level for any account in the general ledger, as well as tools to verify sales tax, inventory, payroll and “links” between transactions. Incorrect links are often the cause of inaccurate financial statement reports. For example, when a payment is applied to an invoice, QuickBooks creates a link between the two transactions. If, for example, you find an incorrect “link” between a payment and an invoice (e.g., if the payment is applied to the wrong invoice), this could cause big problems in the reports, especially the cash basis financial statements.
- In addition to tracking changes to transactions, as is provided by the Audit Trail, the CDR tool tracks changes to the QuickBooks lists including additions, deletions, merges and edits to list items. This includes the Chart of Accounts, the Item list, the Fixed Asset Item list and the Payroll Item list.

Overall,

the whole concept of this client data review tool is right on target. For many years, we at The Sleeter Group have been developing and perfecting manual methods for reviewing client data files, and this tool automates many of the steps in our processes. While the CDR tool does not automatically detect any client errors, it does facilitate an efficient data review process that will save QuickBooks consultants hours of time on each engagement.

## **Starting a Client Data Review**

The CDR tool is launched from the Accountant menu in both QuickBooks Premier Accountant 2009 and QuickBooks Enterprise Solutions Accountant 9.0.

The header at the top of the Client Data Review control screen displays the review basis (accrual or cash) and the review period (specific date range). Also, the CDR will indicate if you are logged into the data file with the new External Accountant User type. Although the CDR tool only works in single-user mode, it is possible for multiple reviewers (users) to work on the same file and perform review tasks. This allows the audit trail to report on the activities of each reviewer separately, and it also allows reviewers to document their work using the task notes.

## **Customizing the Client Data Review**

You can customize the view you have in the CDR center to make it unique for each client's QuickBooks 2009 file. To customize the task list, click Customize Cleanup Tasks at the top center of the CDR feature. You can also select the categories or tasks you want displayed in the Client Data Review tool to customize the review tasks for each QuickBooks data file.

## **Client Data Review Tasks and Reports**

The following sections provide general information about the Client Data Review tasks and reports.

### **Troubleshooting Account Balances**

The Troubleshooting Account Balances “freezes” your prior period reviewed balances so that the next time you review the client's file, your stored balances are compared to current QuickBooks balances for that review period. Any differences are highlighted in the Difference column. You can set the view to Only show accounts with different balances. You can create a new Transaction Change Report, listing those changes since the last review period, allowing you to drill down to the specific transaction(s) creating the difference.

If CDR finds a difference, a recommended journal entry to restore your original balances is prepared for your review. (You remain in control, however, because you choose if that suggested journal entry gets posted or not.) With each completed review, your Last Review Balances are updated. These balances cannot be changed by clients.

## **Tracking Changes to QuickBooks Lists**

QuickBooks 2009 tracks changes to list elements. The Chart of Accounts, Items, Fixed Asset Items, and Payroll Items lists are tracked when list elements are added, deleted, merged or edited. Your client's data will start tracking this information as soon as they update their file to QuickBooks 2009.

## **Fix Unapplied Customer Payments and Credits**

Often, your clients will create a credit memo or receive a payment from a customer but not apply it to the original open invoice. The net total on the Aging Summary report is correct, but when looking at the Open Invoices report, both the credit memo or unapplied payment and open invoice amount are still listed.

Use the new CDR clean-up feature to apply the open credit or unapplied payment to the open invoice. The window will only show those customers with open credits or payments that need to be applied. You can apply them one at a time or select a customer on the left and auto apply to all transactions.

## **Clear-up Undeposited Funds Account**

When a client creates a customer receive payment but does not properly include that customer payment in a Make Deposit form, the result is a growing balance in the Undeposited Funds account on the balance sheet. The CDR provides a one-screen view of all customer payments that are included in the Undeposited Funds balance and any Make Deposit forms that were recorded and assigned to that customer.

You can associate the customer receive payment transaction to the make deposit form. The result is that the customer payment is no longer included in the Undeposited Funds account balance, and the overstatement in the account used in the make deposit form is reversed. Note, you will have a credit in the accounts receivable account if the customer payment was not applied to an invoice.

## **Fix Unapplied Vendor Payments and Credits**

Some clients may create a vendor bill and create a vendor credit without applying the credit to the original open vendor bill. With the Fix Unapplied Vendor Payments and Credits, you have easy access to one window to apply the credit to the bill.

## **Find Incorrectly Paid Sales Tax**

In previous QuickBooks versions, reviewing a client's file for

incorrectly paid sales tax payments was a lengthy process and involved preparing multiple reports. With this custom Client Data Review report, you can identify these errors. This CDR custom report simplifies the identification of the sales tax payable payments that were incorrectly created. If these transactions are found in your client's data, you will need to make a correcting entry.

Methods to correct these transactions may include voiding the original check form and re-creating the payment through the Pay Sales Tax dialog, or creating a Sales Tax Adjustment form.

Using the CDR feature makes it easier to locate these and other types of QuickBooks data-entry errors.

### **Find Incorrectly Paid Payroll Liabilities**

Previously reviewing the client's payroll liability payments included preparing multiple reports or searching the payroll liabilities register for incorrect payments using the wrong QuickBooks form. With the CDR feature, the Payroll Liabilities Paid by Regular Check report (see Figure 9 at the top of next column) will provide details of transactions that were incorrectly recorded when paying payroll liabilities.

If your client assigned an account other than the Quick-Books created Payroll Liabilities on a check form, CDR will list those transactions on the report. This CDR custom report helps identify checks paying payroll liabilities but not using the proper payroll liabilities payment form.

While the CDR and the Payroll Liabilities Paid by Regular Check report help you identify payroll liability payment errors, you will need to take further steps to address any problems, including voiding the original check and re-creating the payment through the Pay Scheduled Liabilities screen or by using the Adjust Payroll Liabilities screen.

### **Marking a Review as Complete**

After reviewing your client's data for a specific accounting period, you can finalize the review by clicking Mark Review Complete. Marking a review complete will transfer your reviewed balances to the Last Review Balances column in the Troubleshooting Account Balances task (see Figure 4), and it will prompt you to print a report of the review.

When starting a new review, you can open the prior review or continue to a new review period.

The new Intuit Statement Writer is the third attempt by Intuit to create a truly flexible, feature-rich reporting tool that allows accountants to create professional-looking customizable, GAAP-compliant financial reports for their clients. This time, we think they got it right. However, time will tell. Our first impressions of the Financial Statement Designer were quite positive, but it turned out to have way too many shortcomings as we put it to the test. So this time, Intuit took our advice to use Excel instead of trying to add spreadsheet features within their financial statement design tool. That decision alone is why we think they finally got it right. Now, instead of having to add new functionality to satisfy requests for layout and formatting, they can concentrate on developing harder reports that draw on more data within QuickBooks.

The Intuit Statement Writer 2009 (ISW) tool assists accounting professionals with the preparation of customized financial reports. Financial statements can be GAAP-compliant or can be non-compliant management reports. ISW uses Microsoft Excel (as shown in Figure 11) as the platform for creating and customizing financials for your clients. The QuickBooks data is linked directly into Excel so that data can be refreshed in real time.

Note: The Intuit Statement Writer works with Excel 2003 and Excel 2007. It will not work with Microsoft Excel 2003 Standard Edition, 2003 Student Edition or 2003 Small Business Edition. Microsoft Excel must be installed before QuickBooks to have all of the necessary files installed. The ISW tool is available with Intuit QuickBooks Premier Accountant Edition 2009 (additional fee applies) and all editions of Intuit QuickBooks Enterprise Solutions 9.0 (no additional fee). The Intuit Statement Writer connects QuickBooks data to Excel and provides customized formatting and roll-up functionality. Additionally, your statements are opened through QuickBooks, but all customized reports are created using ISW macros and Excel.

QuickBooks Premier or Enterprise users who install the R2 update (or newer patch) will also have access within the ISW tool to create supporting documents using Microsoft Words power merge feature. The ISW statement writer replaces

the Financial Statement Designer (FSD). To see a comparison of ISW to FSD, refer to Table 1 below.

### **Features of the ISW tool include:**

- Create customized financial statements in Excel from QuickBooks data.
- Create statements from scratch or use the pre-defined templates. Templates come in a variety of formats for Balance Sheets, Income Statements, Cash Flow Statements, Budget to Actual Statements, and multiple supporting statement documents. For supporting statements, QuickBooks Premier Accountant 2009 and QuickBooks Enterprise Solutions 9.0 users must install the R2 or newer update patch for this functionality.
- Uses Microsoft Excel (Excel 2003 or newer) as the platform for customizing, adding all the additional features and reporting flexibility available in Excel.
- Refresh reports with current QuickBooks data without leaving the ISW tool.
- Combine multiple QuickBooks account lines into one line on financial statements without changing the QuickBooks chart of accounts.
- Add rows or columns of detail using QuickBooks data and Excel functionality.
- Drill down to QuickBooks data and modify QuickBooks transactions within the ISW tool.
- Automatically include new accounts on reports if and when they are added to the chart of accounts.
- Prepare customized Budget versus Actual reports in ISW.

In summary, QuickBooks 2009 has great new features for both accountants and clients. The Client Data Review tool and the Intuit Statement Writer are huge new features that required significant efforts on the part of Intuit. I think both of these features will help accountants and consultants save time while adding more value to clients.

However, both features will take some time to master. I encourage you to spend a Saturday with a sample data file and go through the CDR. The key to making it a useful tool is to understand the different types of client errors you can (and cannot) fix with it. It won't help with every situation, but it might help shorten the amount of time you spend on finding those trouble spots in files.

As for the Statement Writer, it might pay dividends for you to spend a few hours just playing with it and making the report you've always wanted.

It has great online help, and even a community forum where you can collaborate with other accountants who might help you figure out how to get the results you're looking for. Of course, feel free to reach out to one of our Sleeter Group consultants for help at [www.sleeter.com](http://www.sleeter.com).

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