



## QuickBooks® for Contractors Newsletter

### *QuickBooks Client Data Review Tool – Not Just for Accountants*

The “QuickBooks Client Data Review Tool”, introduced and available directly from the Accountant Menu in both the QuickBooks Premier Accountant Edition 2009 and the Enterprise Solutions Accountant Edition 9.0 isn’t just for Accountants - (in my opinion, anyway).

As a business owner with multiple employee’s working with your company data file, you should have the ability to “know” what these employees are doing and how they are recording the daily transactions of your company.

As a business owner, you too can access and use the QuickBooks “Client Data Review Tool” and take ownership of your company transactions that make up your QuickBooks company file. The QuickBooks Client Data Review Tool can be “enabled” in any version of QuickBooks (Pro, Premier, and Enterprise), something that’s not highly advertised by Intuit, by setting up the also new, External Accountant User.

#### **How to set up the QuickBooks External Accountant User:**

Setting up an “External Accountant User” is as easy as logging into QuickBooks in single-user mode as the QuickBooks Administrator. You then access the Company Menu -> Setup Users and Passwords -> Setup Users -> Add User. Create a new username (something like Boss) and password and in the **Access for User** window choose External Accountant. Now Exit QuickBooks re-open your company file and log in as the new “Boss” user. You’ll see a “Client Review” button in the top icon bar section.

#### **What is the Client Data Review Tool and What Does It Allow Me to Do?**

Excellent question!

The Client Data Review Tool:

- was designed to help Accountants detect and correct data entry errors
- is most beneficial when used with the “External Accountant” user
- provides the best troubleshooting information when each of your employees has their own QuickBooks Username and password
- access all Client Data Review Tools & Tasks when working in the actual QuickBooks company data file (.QBW)
- access partial Client Data Review Tools & Tasks when working in an “Accountants Copy” file
- review company data in Cash or Accrual reporting
- easily modify review period
- Client Data Review Tools and Reports are not available in standard QuickBooks reports
- real-time data “refresh” as corrections are made
- track status of individual review steps

- document review notes

## **Client Data Review Sections & Tasks**

### **Account Balances**

- Troubleshoot Account balances
- Open Working Trial Balance

### **Review List Changes for added, deleted, merged, or edited elements in:**

- Chart of Accounts
- Items List
- Fixed Asset Items
- Payroll Items
- Customer List
- Vendor List

### **Accounts Receivable**

- Fix unapplied customer payments and credits
- Clear up Undeposited Funds Accounts
- Review Accounts Receivable Aging Detail Report

### **Accounts Payable**

- Fix unapplied vendor payments and credits
- Evaluate and correct 1099 account mappings
- Review Accounts Payable Aging Detail Report

### **Sales Tax**

- Find incorrectly paid sales tax
- Adjust Sales Tax Payable

### **Inventory**

- Adjust Inventory Quantity/Values on hand

### **Payroll**

- Find incorrectly paid payroll liabilities
- Run payroll check up
- Review Employee Default settings
- Enter After-the-Fact payroll

### **Bank Reconciliations**

- Reconcile accounts
- Locate discrepancies in bank reconciliations
- Review missing checks

### **Miscellaneous**

- Set a closing date and password
- Review QuickBooks Preferences

Now that I've provided you with a brief overview of what you can do with the Client Data Review Tool, let's talk about some specifics.

The Troubleshooting Account Balances task will allow you to review any changes made to prior period dated data, including:

- "freeze" your prior period reviewed balances. The next time you review the file your stored balanced from the prior period will be stored and compared to the balances that currently reside in your QuickBooks file
- view Last Review balances and Balances that currently exist in QuickBooks
- Itemize in debit/credit format the "differences" detected between your Last Review balances and the current balances

- view a Transaction Change Report, listing those changes since the last review period. Drill down to the specific transaction(s) that create the difference
- if the Client Data Review Tool finds a difference, a “recommended” journal entry is displayed to restore your original balances. This eliminates the “guesswork” while allowing you to choose whether or not the suggested journal entry actually gets posted or not
- modify the display view to “Only show accounts with different balances”

### **Track Changes to QuickBooks Lists.**

I can't tell you how many times we discover something “missing” in our QuickBooks lists, only to discover that Ben or I had changed “something”. With this Tool in the Client Data Review you can track changes, including added, deleted, merged, and edited elements in your

- Chart of Accounts
- Items List
- Fixed Asset Items
- Payroll Items
- Customers
- Vendors

### **Fix unapplied customer payments and credits.**

Use this tool to detect if a credit memo or a “receive payment” transaction was created but not applied to the original open invoice, and then use the \*Fix Unapplied Customer Payments & Credits “clean-up” tool to apply the open credit or unapplied payment to the open invoice.

### **Clear Up Undeposited Funds.**

Used to correct balances in the Undeposited Funds account caused by creating a “Receive Payment” entry and not properly including that payment in a “Make Deposits” form.

The Client Data Review Tool displays a very simple window of all customer payments that are stored in the Undeposited Funds account and any Make Deposits transactions that were recorded and assigned to the customer(s) in question.

You can then quickly associate the Receive Payment transaction with the corresponding Make Deposits entry, and the result is that the customer payment is no longer included in the Undeposited Funds account and the overstatement in the account used in the Make Deposits form is reversed in one simple click of the mouse.

### **Fix Unapplied Vendor Payments & Credits**

\*Used to detect and correct instances of when a Vendor Bill is created but later a Write Checks form is used to pay the vendor.

A simple window is displayed allowing you to assign the Write Checks form to the corresponding open vendor bill, removing the open vendor bill from the Accounts Payable report.

### **Find Incorrectly Paid Sales Tax**

Use the Client Data Review tool to run a report displaying “Incorrectly Recorded Sales Tax Payable Payments” by check or journal entry. If entries are found, you then make the necessary correcting entries by

1. voiding the original check and re-creating the payment through the Pay Sales Tax function
2. create a Sales Tax Adjustment

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

Use the Client Data Review Tool to run a report displaying “Payroll Liabilities Paid by Regular Check” report. These are entries that paid payroll liabilities that were not created using the Pay Liabilities form.

You can then make the correcting entries by:

1. voiding the original Check form and re-creating the payment through the Pay Scheduled Liabilities option
2. use the Adjust Payroll Liabilities option to create the correcting adjustment

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

After you have finished reviewing the entire data file; or even completed a portion of the tasks that are available in the Client Data Review Tool, for a specific time period you can mark your review as “complete”. Marking a review as complete will do the following:

- transfer your reviewed balances to the Last Review Balances column in the Troubleshooting Account Balances task
- when starting a new review, you can open the prior review or continue to a brand new review period
- print a report of the review

All of these tasks and items are equally important to the business owner as they are to the accountant who prepares your taxes; at least they are in my opinion.

Oh, one other thing that I want to mention, when using the Client Data Review you can access the Audit Trail and filter the Audit Trail Report to show only transactions added, deleted, merged, or otherwise modified by a specific user.

We hope that you’ve found this article to be beneficial, if so please feel free to leave a comment about this article in our blog, located at <http://blog.certifiedpayrollreports.com/?p=125>

