

TABLE OF CONTENTS

Chapter I:

INTRODUCTIONS

Preface	Take Control of your Business	pg 7
Introduction	About the author, why this book and how to use it	pg 9
Patterns & Principles	Pareto's principle	pg 10
	Five Stages of business growth	
	Benchmarks and metrics	
	The 1% solution	
	Information and data	
	Planning / Execution / Control	
Accounting & Bookkeeping	Bookkeeping is not accounting	pg 13
	Debits and credits explained	
	Basic accounting principles	
	Job costing concepts	

Chapter II:

PLANNING

Starting a new company	Skip the interview	pg 19
	Defining the company & its structure	
	Selecting the industry	
	Saving the data file	
	The Home Screen & Menu Bar	
Preferences	Accounting	pg 28
	Bills	
	Checking	
	Desktop View	
	Financial Charge	
	General	
	Integrated Applications	
	Items & Inventory	
	Jobs & Estimates	
	Payments	
	Payroll & Employees	
	Reminders	
	Reports & Graphs	
	Sales & Customers	
	Sales Tax	
	Send Forms	
	Tax: 1099	
	Time & Expenses	
Navigation	Menu & Icon Bars	pg 49
	Adding a window to the Icon Bar	
	Home Page	

Lists, Registers, Forms & Reports		pg 53
	Lists	
	Registers	
	Forms	
	Reports	
Working with Lists		pg 56
	Three critical lists	
	Chart of Accounts: financial information	pg 56
	Main accounts & sub-accounts	
	Cost of Goods Accounts (job costs)	
	Overhead accounts	
	Logic of the set up	
	Suspense account	
	Modifying the chart of accounts	
	Items: job cost information	pg 64
	Importance of Items	
	Accounting & job cost relationship	
	Levels of detail	
	Cost types	
	Item Elements	
	Service	
	Name / Number	
	Sub items	
	Performed by trade or partner	
	Expense & income account	
	Payroll Items: employee / job cost payroll	pg 70
	Labor defined	
	Labor cost components	
	Four methods of burden calculation	
	Labor burden in QuickBooks	
	Setting up Payroll Items	
	Wages	
	Taxes	
	Insurances	
	Employee specific benefits	
	Indirect Allocation	
	Indirect pool defined	
	Set up PR Items	
	Calculating the % allocation	
	Set up the contra account	
Setting up Customers/Jobs, Vendors & Employees		pg 116
	Customers and jobs	pg 116
	Entering a customer	
	Enter the job separately	
	Developing a job numbering system	
	Set up an annual Warranty job	
	Vendors and other names	pg 125
	Names in QuickBooks	
	Vendor set-up	
	Employees and the Employee Template	pg 130
	Employee Defaults	
	Adding payroll schedule	
	Setting up employees	
	Calculating employee benefits	

Entering beginning balances		pg 139
	Establish a baseline	
	Entering the balances	

Chapter III:

EXECUTION

Basics of data entry		pg 146
	Scheduling the work	
	Using a coding stamp	
	Using the memo field	
	THE VERY IMPORTANT distinction	
	between Items & Expenses –	pg 150
Flowchart of a job thru QuickBooks		pg 151
	Customer / Job set up	
	Entering an estimate summary	
	Entering labor hours	
	Using the correct labor rate	
	Using contingency lines	
	Adding a mark up %	
	Adding profit/overhead as a line item	
	Customizing the Estimate screen	
	Developing Purchase Orders	pg 160
	Customizing the PO screen	
	Trade contractor POs	
	Materials and long-lead item POs	
	Allowance POs	
	Entering POs	
	Printing the Open POs by Job report	
	Change Orders	pg 166
	Two types	
	Change the estimate & the contract \$	
	Change only the estimate	
	Entering a negative change order	
	Entering and paying bills	pg 174
	Cash Checks	pg 176
	Timecards and payroll:	pg 177
	Entering the time cards	
	Proofing the time card entry	
	Processing timecards into paychecks	
	Printing the paychecks	
	Proofing the payroll for accuracy	
	Calculating the average cost / field hour	
	Correcting PR Taxes	
	Paying PR Taxes & other liabilities	
	Accounts Receivable	pg 202
	Narrative invoice	
	Marking narrative invoices pending	
	Progress invoice	
	Time / Costs	
	Handling deposits on a job	
	Setting up billing rate levels	
	Insurance: booked over 12 months	pg 218
	Depreciation: booked monthly	pg 218
	Journal entries and audit trails:	pg 219

Chapter IV:

CONTROL

Reports and reporting	Customizing & memorizing reports Good data is . . .	pg 223
WIP accounting, also known as % complete or over / under billing accounting	WIP produces true earned revenue Calculating the cost to complete Calculating the over / under billing Correcting the financial statements by making an adjusting journal entry Profit / Loss before & after WIP adjustment	pg 229
Review and reporting	The Balance Sheet Normal balances The accounting equation Equity account detail Comparing to the tax return from prior year Balance sheet reconciliation – a critical step	pg 244
	The Profit / Loss Components of the P&L Estimating / job cost / COGS equality Fixed vs. variable expenses Labor burden The profit equation	pg 252
	Cash flows: statement & forecast Importance of cash Cash flow statement Cash flow forecast	pg 258
	Building & interpreting budgets For the company Bottom up method of budgeting Owners' needs first 10% owner compensation benchmark COGS vs. overhead expenses Setting up the budget Entering the budget in QuickBooks Reviewing the budget Reviewing the budget vs. actual	pg 263
	For a job Protecting gross profit The place of labor burden Job cost overages Entering the estimate in QuickBooks Reviewing the estimate vs. actual detail report	pg 271
	Job Cost Reporting	pg 274
Ratios, Benchmarks & Trends		pg 279
	Ratios The success equation Labor burden Owner pay Back log Current Acid test	pg 280

Debt to equity	
Return on equity	
AP / AR turnover net	
Benchmarks	pg 283
Marketing	
Sales	
Production	
Finance	
Owner	
Trends & 12 month moving average	pg 283

Chapter V: **CONCLUSIONS & CHECKLISTS** pg 285

Checklists:

Chart of accounts	pg 286
Items	pg 287
Payroll items	pg 288
Customer / Jobs	pg 289
Vendors and other names	pg 289
Basics of data entry	pg 290
Job flow in QuickBooks	pg 291
Estimates	pg 292
Purchase orders	pg 293
Change orders	pg 294
Payroll processing	pg 295
Accounts receivable invoicing	pg 296
WIP calculations (aka over / under billings)	pg 297