

# Chapter 15

## **Sharing Data with Your Accountant or Your Client**

- Sharing QuickBooks Data
- QuickBooks File Types
- Data Sharing for the Business Owner
- Data Sharing for the Accountant
- Sharing Data Checklist

## Sharing QuickBooks Data

One feature that truly sets QuickBooks apart from other business accounting software is the ease and flexibility of sharing a copy of the data between the business owner and the accounting professional. With QuickBooks 2008 you will find sharing your or your client's data easier and more efficient than ever before with the newly enhanced Accountant's Copy file feature.

### Benefits for the Business Owner

As a business owner, you will want to have your accounting professional review your data; after all, you are using this data to make important management decisions. Additionally, you need to provide the results of your data to your accounting professional when preparing your federal and state tax returns.

So what might be some of the benefits of sharing your QuickBooks business data with your accountant?

- Your accountant can review your current financials and provide timely feedback without interrupting your day-to-day workflow. (Accountant's Copy File sharing method.)
- You have less stress because you do not need to prepare multiple reports for your accountant to review.
- You can share critical tasks with your accountant, such as reconciling a bank account. (Accountant's Copy File sharing method.)
- Your accountant can use your data to compile the information needed for your tax returns.
- You can choose from multiple sharing methods, one that is just right for your business.
- Periodic review of your data by your accountant can save precious time at year end and provide more accurate financials during the year.

### Benefits for the Accountant

Periodically reviewing your client's data has become more important in recent years, as strict accounting guidelines are established. Often your clients are even unaware of these changes.

As an accountant, you can benefit from sharing your client's data by doing the following:

- Working more efficiently by reviewing your client's data at your office at a time convenient for you or your staff.

- Completing key reviewing tasks, while allowing your client to continue their day-to-day transactions. (Accountant's Copy File sharing method.)
- Using the many accountant-specific tools to facilitate this review offered in your QuickBooks Premier or Enterprise Accountant Edition.
- Completing critical tasks for your client, such as reconciling a bank account, making your services valued by the client. (Accountant's Copy File sharing method.)
- Providing your client with more frequent and timely analysis of their data.

This chapter is a guide for how both the business owner and the accountant can share QuickBooks data. Of particular interest are the enhancements to the Accountant's Copy file sharing method in QuickBooks 2008, detailed in this chapter.

## QuickBooks File Types

There is much flexibility in how a business owner or accountant can share a common QuickBooks data file. Previously listed were some of the benefits of sharing data using the Accountant's Copy file. This chapter discusses details of all the choices offered in facilitating this sharing.

Table 15.1 lists the common QuickBooks file types used for sharing data. Knowing these file types is important as you make decisions on the best method for your business or your clients' data sharing needs.

**Table 15.1 QuickBooks File Types**

Extension	File Type	Description	QuickBooks Editions*
.QBW	QuickBooks for Windows regular working file	This is the working data file type created when a user creates a new QuickBooks file. To open a .QBW file from within QuickBooks click File, Open or Restore Company and choose the Open a Company File option.	Simple Start Pro Premier (all editions) Enterprise (all editions)
.QBB	QuickBooks for Windows backup file	The most secure and complete method for protecting your data with a backup. Click File, Save Copy or Backup and choose the Backup Copy option.	Simple Start Pro Premier (all editions) Enterprise (all editions)

**Table 15.1 Continued**

Extension	File Type	Description	QuickBooks Editions*
.QBM	QuickBooks for Windows portable company file	This is a compressed version of your QuickBooks .QBW data file. Used primarily to email or move the file to another location. Click File, Save Copy or Backup and choose the Portable Company File option.	Simple Start Pro Premier (all editions) Enterprise (all editions)
.QBX	Accountant's Copy (export file)	This file type is created by the business owner to save or send data to the accountant. Click File, Save Copy or Backup and choose the Accountant's Copy option.	Pro Premier (all editions) Enterprise (all editions)
.QBA	Accountant's Copy (converted .QBX file)	QuickBooks creates this file when open/convert a .QBX file is performed (usually by the accountant). Click File, Accountant's Copy and choose the Open and Convert Accountant's Copy Transfer File.	Pro Premier (all editions) Enterprise (all editions)
.QBY	Accountant's Copy (import file)	This is the file the accountant sends to the business owner after making changes. To import the accountant's changes click File, Accountant's Copy and choose Client Activities. Select Import Accountant's Changes.	Pro Premier (all editions) Enterprise (all editions)

\*Not shown in Table 15.1 are QuickBooks Online and QuickBooks for Mac. Both of these versions have a different file structure, and neither of them works with the Accountant's Copy feature discussed at length in this chapter.

## How the QuickBooks Year and Version Affect Your Data Sharing Choices

The choices of how you can share your or your clients' data depends on the version and release year of QuickBooks that you and your client are using.

The QuickBooks product line includes Simple Start, Pro, Premier (general and industry-specific versions), Enterprise (general and industry-specific versions), and Pro for Mac and QuickBooks Online.

Additionally, Intuit releases a new QuickBooks version each year, often represented by the year included in the name. For example, QuickBooks: Premier 2008 is the Premier version usually released in fall prior to the stated year. This version is separate from the updates that QuickBooks releases throughout a year to add functionality and fix issues discovered with a version.

To determine your version and release, with QuickBooks open, press Ctrl+1. At the top of the Product Information dialog is the product name (and industry edition if Premier or Enterprise), year, and release number.

So you can see how the version year can affect your choices for sharing data, in this chapter I discuss the Accountant's Copy features, which are not available for Simple Start, QuickBooks Online, or the QuickBooks for Mac edition or for any QuickBooks product prior to the 2007 version.

## Choosing a Method to Share Data

QuickBooks offers flexibility in how data is shared between a business owner and an accountant. Different methods may be used at different times during the year, depending on the nature of the changes to be made.

Options available might also be determined by the edition of QuickBooks you are using and whether your data is in an older version of QuickBooks. The enhancements made in recent years for sharing your data with your accountant make it a perfect time to upgrade to the newest release.

To compare different QuickBooks products, go to [www.quickbooks.com](http://www.quickbooks.com).

You may even choose to use multiple data sharing methods during the course of a year, once you know the advantages and limitations associated with each type.

Before choosing an option, review the pros and cons of each file type (shown earlier in Table 15.1) in the sections that follow.

### **.QBW: Regular Working Copy of the Data**

This is the file type in which each client file is originally created. Here is a list of some of the advantages and limitations of sharing this type of data file:

- The accountant *cannot* take the file to his or her office and later merge changes into the business owner's file.
- The accountant has access to all transaction activities.
- The accountant can access this file at the business owner's office or with a remote Internet-assisted program (QuickBooks partners with Remote Access by WebEx).
- The file often can be too large to send as an attachment in an email.

### **.QBB: QuickBooks Backup File**

This file type remains as it has for years—it's the best choice for securing a data backup of your work. If needed, this file can be restored to a .QBW file. Here is a list of some of the advantages and limitations of sharing this type of data file:

- The file cannot be opened first without being restored. To restore a backup file, click File, Open or Restore Company and select the Restore a Backup Copy option.
- When restored, the file extension becomes a .QBW (see the pros and cons listed earlier).
- Changes made to a restored version of this file type *cannot* be merged later into the original data file.

### **.QBM: QuickBooks Portable Company File**

This file type has been offered for only a couple of years; however, it does not replace the usefulness of the QuickBooks .QBB file type. Here is a list of some of the advantages and limitations of sharing this type of data file:

- The compressed file size makes a .QBM a perfect choice for attaching to an email or moving from one computer location to another.
- The file type does not replace a .QBB backup because it lacks some of the needed transaction logs.
- The file cannot be opened until it is restored. To restore a portable company file, click File, Open or Restore Company and select the Restore a Portable File option.

- When restored, the file extension becomes a .QBW (see the pros and cons listed earlier).
- Changes made to a restored version of this file type *cannot* be merged later into the original data file.

### **.QBX: Accountant's Copy (Export File)**

As a business owner, if you choose to share your data with your accountant using the Accountant's Copy functionality, this is the file type that will be sent to your accounting professional. Here is a list of some of the advantages and limitations of sharing this type of data file:

- This file type is created by the business owner and enables your accountant to review and make needed changes to your data while you continue recording your day-to-day transactions in the file at your office.
- Any changes or additions your accountant makes *can* be imported (merged) into your company's data file. (There are some limitations on what changes can be shared, as noted in the section "What the Accountant Cannot Do.")
- The compressed file size makes it a perfect choice for attaching to an email or moving from one computer location to another.
- The file type does not replace a .QBB backup because it lacks some of the needed transaction logs.
- The file cannot be opened; it must be converted to a .QBA file type. The accountant will convert this file to a .QBA file type from within the QuickBooks: Premier Accountant Edition or QuickBooks Enterprise Accountant Edition.

### **.QBA: Accountant's Copy (Working File)**

Only the accountant will work with this type of file, converted in their Premier: Accountant Edition or Enterprise Accountant Edition. Here is a list of some of the advantages and limitations of sharing this type of data file:

- This file type is a converted .QBX file and is created by the accountant from within the QuickBooks: Premier Accountant Edition or QuickBooks Enterprise Accountant Edition.
- The .QBA file type is the file that you will open and make changes to. It will be converted to a .QBY file for the client to import.
- The file can be saved to your computer and opened and closed as needed while you do your review work.

### **.QBY: Accountant's Copy (Import File)**

The business owner will receive this file from the accountant, and it will include any accounting changes made to the original .QBX file. Here is a list of some of the advantages and limitations of sharing this type of data file:

- This file type is created by the accountant in the Export Changes function in the QuickBooks: Premier Accountant Edition and QuickBooks Enterprise Account Edition.
- The file includes the changes made by the accountant to the original .QBX file the business owner provided the accountant.
- The file cannot be opened; it must be imported into the data file that originally created the Accountant's Copy data file. For details on how to use this file type, see the section titled "Importing Your Accountant's Changes" later in this chapter.

QuickBooks offers your business many options in how you want to share your data with your accountant. Select a solution that works for both you and your accountant.

## **Data Sharing for the Business Owner**

Very few business owners with whom I have worked over the years have a college degree in accounting. That situation is exactly what makes QuickBooks so appealing to a growing business: You don't need to be an accountant to use it. However, you will need an accountant to review your financials, perhaps at tax time or when you need a statement of your business's financial condition to give to a bank when requesting a business loan.

QuickBooks provides several different methods of sharing data with your accountant. See the previous Table 15.1 for details on the QuickBooks file types the business owner can choose.

### **When Your Accountant Is Using QuickBooks 2008**

New for 2008, if you are using QuickBooks 2007 or Enterprise Solutions 7.0 and you choose to share your data using the Accountant's Copy feature, your accountant can use the QuickBooks: Premier Accountant Edition 2008 or Enterprise Solutions Accountant Edition 8.0 version to open your QuickBooks 2007 company file and make changes. When the file is returned with the accountant's changes, you will be able to import the changes back into your QuickBooks 2007 file, even though the accountant used a newer version of QuickBooks. (See the Rescue Me on page 451 for some limitations.)

The QuickBooks: Premier Accountant Edition 2008 and Enterprise Solutions 8.0 is the first time QuickBooks has offered a level of what is considered backward compatibility.

If you are sharing any other file type (other than the Accountant's Copy) with your accountant, there is no backward compatibility. When your accountant restores a .QBB (backup) or .QBM (portable) company file in her 2008 version, the file will be updated to 2008; if the file is returned to you, you will have to update your QuickBooks version to the same release year as your accountant.

For example, suppose you are currently using a QuickBooks 2006 version. Your accountant is using QuickBooks: Premier Accountant Edition 2007. When your accountant opens your data (or restores) she will have to update the file to the QuickBooks 2007 release. If your accountant returns the data to you, you will only be able to open it with QuickBooks 2007 software.

So, as you decide which method to use, consider discussing with your accountant the QuickBooks version you are using. QuickBooks accountants who have serviced companies for many years often have several versions of QuickBooks installed.

However, only an Enterprise Edition of QuickBooks can open another Enterprise data file. If you open a Simple Start, Pro, or Premier Edition with the Enterprise Edition you will no longer be able to open the same data file in its original QuickBooks edition.

## Reviewing Your QuickBooks Data

No matter what method you choose to share your data file with your accountant, one of the most important things you can do is review your data for accuracy, especially in the areas of Accounts Payable and Accounts Receivable—areas that you will know better than your accountant.

To begin, pick a chapter of this book that covers the area of QuickBooks that you need to review. You might also want to start with Chapter 4, "Easily Review Your QuickBooks Data." This chapter shows you quick and easy data checks that you can do before your accountant formally reviews your data. Performing this quick review can also help you identify any potential errors for which you will need your accountant's consulting advice when correcting.

## Using the Accountant's Copy Feature

The Accountant's Copy method of sharing your data can be the most efficient because it enables your accountant to work in the data file from his office without interrupting your day-to-day work pattern.

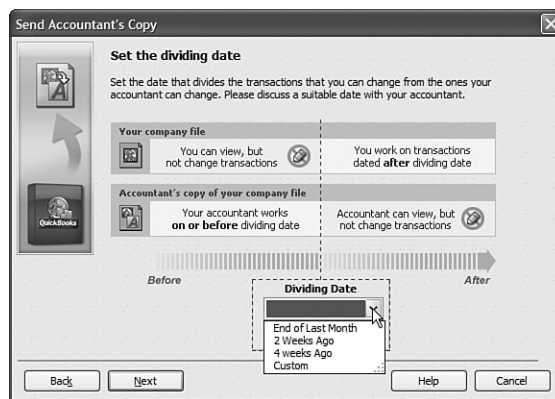


### Rescue Me!

Only the Admin user can create an Accountant's Copy or import the .QBY Accountant's Copy import file that contains the changes the accountant made to your data.

You must consider the following before making the choice to use the Accountant's Copy file sharing type:

- If you choose to create an Accountant's Copy you will want to determine how you are going to get the Accountant's Copy data file to your accountant. With the QuickBooks 2008 version, you have these options:
  - Attach the saved file to an email.
  - Copy it to a storage device such as a USB drive or CD.
  - Send an encrypted copy of your data to your accountant via Intuit's free secure Accountant's Copy File transfer service.
- You also will be required to set a dividing date, as shown in Figure 15.1. The dividing date is a specific date in the past that determines the restrictions you and your accountant will have when adding or editing transactions.



**FIGURE 15.1**

*Setting a dividing date is required when creating an Accountant's Copy.*

The following list briefly identifies the date restrictions with a dividing date in place when you share an Accountant's Copy of your data with your accountant. For example, if you choose a sample dividing date of 12/31/07, the following restrictions exist:

- **On or before the dividing date**—You cannot add, delete, or modify transactions. The accountant can add, delete, or modify transactions.
- **After the dividing date**—You can add, delete, or modify transactions. The accountant can add transactions but cannot delete or modify them.



### Rescue Me!

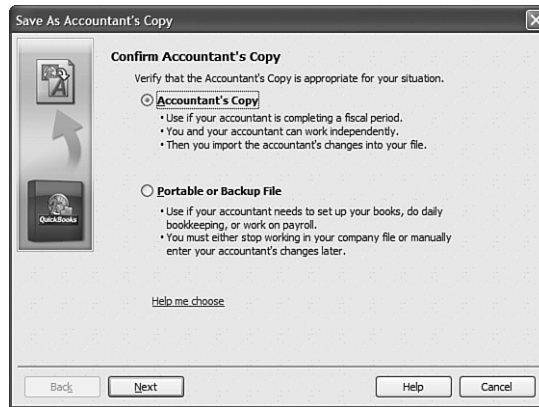
When a dividing date or closing date is set, you cannot add, modify, delete, or void any transaction dated prior to the dividing date or closing date, including nonposting documents such as estimates, sales orders, and purchase orders. This limitation can be terribly inconvenient for the business owner, so discuss it ahead of time with your accountant. If appropriate, you should change the date of these open “nonposting” documents to a date after the expected dividing date or closing date.

See the section titled, “What the Business Owner Can and Cannot Do” for any restrictions that affect you, the business owner.

## Preparing an Accountant's Copy of Your Data

To create an Accountant's Copy of your data that your accountant can review and modify while you continue to do your daily transactions, follow these steps:

1. Close all your active QuickBooks windows, and then click **File**, **Accountant's Copy** and choose **Client Activities**. Click the **Save File** menu option to open the Save As Accountant's Copy dialog.
2. Choose the **Accountant's Copy** option, as shown in Figure 15.2. (The other option includes the Portable Company or Backup file; both will *not* allow the accountant to export any changes made or you to import the changes.)
3. Click **Next**. The Set the Dividing Date dialog opens.
4. From the **Dividing Date** drop-down menu, choose one of the date options shown in Figure 15.1, or choose **Custom** to select your own specific dividing date. (See the section titled “Using the Accountant's Copy Feature” for how the date affects your data entry options.)

**FIGURE 15.2**

*Saving a file as an Accountant's Copy creates a file that your accountant can work in and later merge the changes with your file.*

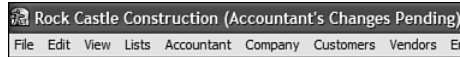
5. Click **Next**. QuickBooks opens the Save Accountant's Copy dialog, where you can browse your computer for the location where you want to save the Accountant's Copy export file (.QBX file).
6. Click the **Save** button. QuickBooks provides the message shown in Figure 15.3, indicating that you successfully created an Accountant's Copy and telling you where the file was stored, as well as other useful information.

**FIGURE 15.3**

*After you click Save, QuickBooks provides information about where the file was saved.*

7. Click **OK**. As shown in Figure 15.4, the QuickBooks title bar now identifies your file as having Accountant's Changes Pending.
8. Now send this file to your accountant (it will have a .QBX extension) as an email attachment, or copy it to a removable data storage device. Or new for QuickBooks 2008 users, you can use the method of encrypting

your data through the new Intuit Secure Accountant's Copy file transfer service (see the next section).



**FIGURE 15.4**

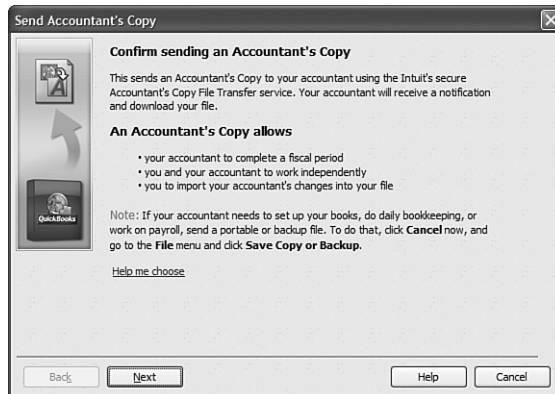
*Your QuickBooks title bar will indicate whether you have accountant's changes pending.*

## Sending the File via Intuit's Secure Accountant's Copy File Transfer Service

New for 2008 versions of QuickBooks Pro, Premier, and Enterprise is the option to use a secure, Intuit-hosted site to encrypt and transfer data to your accountant without your having to create a file and attach it to an email.

Follow these steps to send data to your accountant with the new encrypted file service:

1. Click **File, Accountant's Copy** and choose **Client Activities**. Click **Send to Accountant**. The Confirm Sending an Accountant's Copy dialog, shown in Figure 15.5, appears, further detailing the service and what types of shared work are recommended with this type of file and what types are not.



**FIGURE 15.5**

*Confirming dialog that the Accountant's Copy is the appropriate choice for the shared work you and your accountant will be doing.*

2. Click **Next**. The Set the Dividing Date dialog appears.
3. From the **Dividing Date** drop-down menu, choose one of the date options shown in Figure 15.1, or choose **Custom** to select your own

specific dividing date. (See the section titled “Preparing an Accountant’s Copy of Your Data” for how the date affects your data entry options.)

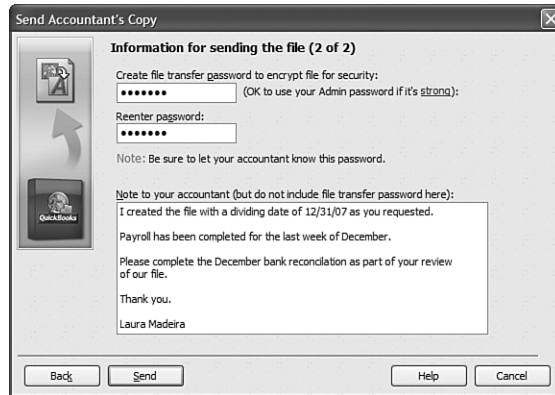
4. Click **Next**. The Information for Sending the File (1 of 2) dialog appears, as shown in Figure 15.6. In it, you indicate the email address to notify your accountant and your name and return email. Your accountant will receive an email notification that your data file is ready to download.



**FIGURE 15.6**

*Identify the email address you want your accountant notified at, as well as your own name and email address.*

5. Click **Next**. The Information for Sending the File (2 of 2) dialog appears, as shown in Figure 15.7.
6. Enter a strong password that is seven characters long and contains at least one capital letter and one digit. Optionally, type a note to your accountant but do not include the password in the communication.
7. Click **Send**. QuickBooks gives you a message that the .QBX transfer file is being sent.
8. Click **OK** to the message that QuickBooks has to close all windows to create the Accountant’s Copy. Note: QuickBooks also provides an information message only (no action to be taken) that the transfer may take a few minutes, even though it might seem as if it’s not being responsive.
9. Click **OK** on the QuickBooks Information dialog that appears, indicating the file was sent successfully.

**FIGURE 15.7**

*Set a strong password and add an optional note for your accountant.*

The QuickBooks title bar identifies your file as having Accountant's Changes Pending, as shown earlier in Figure 15.4. This title bar change indicates you have successfully created a file for your accountant to review, edit, and modify and later return the changes to you without interrupting your work.

## What the Business Owner Can and Cannot Do

QuickBooks 2008 has enhanced the Accountant's Copy features for both the accountant and business owner. With this newly enhanced Accountant's Copy, your accountant can rest assured that the information in the file she is working in will not change for dates prior to the dividing date.

The following list details what you can and cannot do with your data file while an Accountant's Changes are pending:

- **Transactions**—You can add, edit, and modify transactions with a date after the dividing date.
- **Accounts**—You can add a new chart of accounts list item.
- **Subaccounts**—You cannot add a subaccount to an existing account.
- **Editing, merging, or inactivating accounts**—You cannot edit, merge, or inactivate a chart of accounts item (your accountant can).
- **Editing lists (other than the chart of accounts)**—You can add, edit, and inactivate your list items.
- **Deleting lists**—You cannot delete or merge list items (your accountant can).
- **Reconciling the bank account**—You can do this task for months before and after the dividing date, but to avoid a potential conflict

with the changes imported from your accountant, the bank reconciliations will be undone when the accountant's changes are imported.



## Rescue Me!

When choosing to use the Accountant's Copy to share your data, you will need to know the following about completing bank reconciliations for bank statements dated prior to the selected dividing date. (See the section in this chapter titled "Preparing an Accountant's Copy of Your Data.")

Click Banking, Reconcile and choose your bank account. The bank reconciliation dialog opens. On this dialog you must enter the following dates to begin reconciling the bank account (see Figure 6.1 on page 125 in Chapter 6, "Bank Account Balance or Reconciliation Errors"):

- **Statement Date**—Must be a date *after* the specified dividing date (see the previous section, "Preparing an Accountant's Copy of Your Data")
- **Service Charge Date**—Must be a date *after* the specified dividing date
- **Interest Earned Date**—Must be a date *after* the specified dividing date

You are allowed to complete the bank reconciliation, but QuickBooks warns that when your accountant's file is imported with the changes, your bank reconciliation activity will be removed. However, any transactions you added to complete the bank reconciliation will remain.

## Importing Your Accountant's Changes

When you made an Accountant's Copy from your data file, QuickBooks created a file for you to give to your accountant. Your accountant then worked in this file, adding and editing transactions, and even reconciling your bank account. When the accountant finished with the review, she exported the changes for you, and QuickBooks created a file with the extension of .QBY, also referred to as the Accountant's Copy (import file).

To successfully import your accountant's changes, follow these steps:

1. Make sure your accountant has given you the QuickBooks file with the .QBY extension.
2. With your QuickBooks data file open, verify that the title bar indicates that the accountant's changes are pending (refer to Figure 15.4). You

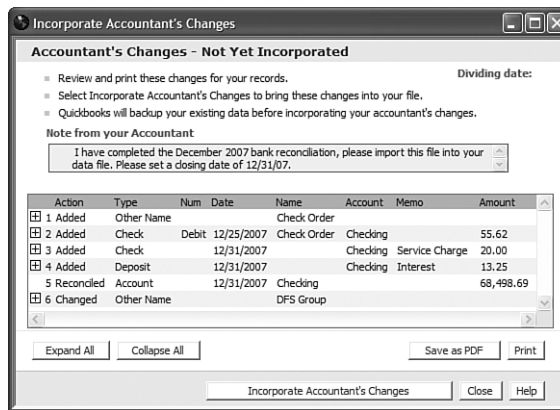
might also see the message shown in Figure 15.8 when you open your data file. To begin the import, go to step 3.



**FIGURE 15.8**

*The message you get when QuickBooks opens the data file indicating that your accountant's changes are pending.*

3. Click **File, Accountant's Copy** and select **Client Activities**. Click the **Import Accountant's Changes** menu option.
4. Browse to the location where you stored the .QBY Accountant's Copy (import file) your accountant sent to you.
5. Select the file and click **Open**. The Incorporate Accountant's Changes dialog opens, allowing you to view the details of the changes to be imported (see Figure 15.9).



**FIGURE 15.9**

*View the accountant's changes and notes before they are imported into your data.*

6. Click the + in front of a transaction to see more details about that specific transaction, or click **Expand All** to see the details of all the transactions.
7. Click **Print** or **Save As PDF** to save the details for your future reference.

8. Click the **Incorporate Accountant's Changes** button when you have finished reviewing the changes.
9. The Accountant Import dialog opens, instructing you to close any open QuickBooks windows. Click **OK**.
10. The Save Backup Copy dialog opens, indicating that you must first make a backup of your data before the import. In the Save In drop-down choose a location to save the backup file and in the **File Name** field, type a name if you don't want to accept the default name provided. Click **Save**.
11. Click **OK** to close the message that informs you where the backup was stored. QuickBooks displays a progressive message that it is incorporating the changes. When it is finished, the Accountant's Changes Incorporated dialog appears.
12. Click **Close** after viewing the accountant's changes that were incorporated. Click **Print** or **Save As PDF** if you did not do so earlier. This is your last opportunity to do so.
13. Click **OK** to complete the process or **Cancel** if you want to return and print the details.
14. Click **Yes** in the Closing Date dialog if your accountant has asked you to set a closing date. I recommend that you set a closing date the same as the dividing date to protect the accountant's work.



### Digging Deeper

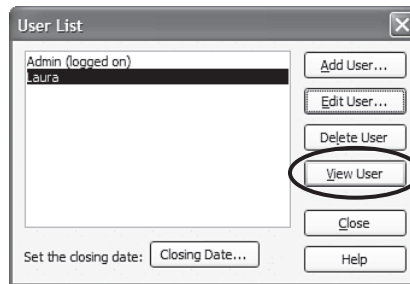
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When the accountant's changes are imported, the dividing date and all the restrictions associated with it are removed.

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15. If you selected **Yes** to setting a closing date, the Company Preference window appears. Click the **Set Closing Date** button. The Set Closing Date and Password dialog appears.
16. Enter an optional password and a closing date—typically the same date that was used for the dividing date.
17. Click **OK** to accept the closing date and optional closing date password.
18. To be certain that the Closing Date control is managed properly, review all users for their specific rights for changing transactions prior to a closing date. Click **Company, Set Up Users and Passwords** and select the **Setup Users** menu to open the User List dialog. (This is the menu path for QuickBooks Pro or Premier Edition menu; QuickBooks Enterprise Edition has more robust security setting options not discussed in detail in this book.)

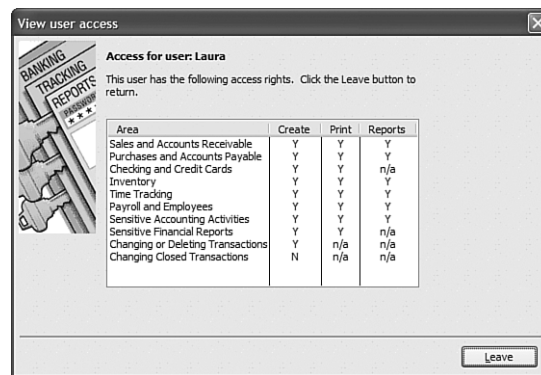
19. To view existing security by user, from the User List dialog opened in the previous step, select the user with your cursor and click the **View User** button, as shown in Figure 15.10.



**FIGURE 15.10**

To see the user's specific security rights in summary, click the *View User* button.

20. The View User Access dialog opens, as shown in Figure 15.11. Any user who should *not* have rights to change closed period transactions should have an "N" appearing in the last menu option in the Create column.



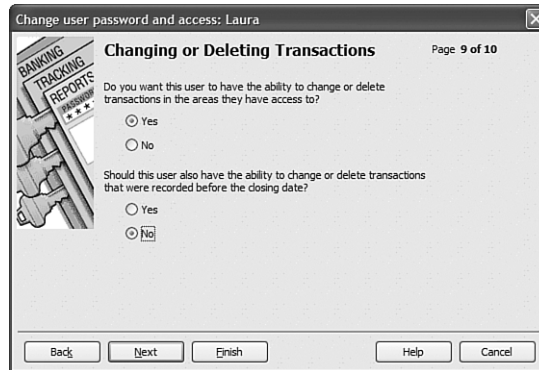
**FIGURE 15.11**

You can easily view the user's access rights from one summary window.

21. If after reviewing the access for each employee you need to edit this setting for an employee, click **Leave** to close the View User Access dialog.
22. You are returned to the User List dialog. With your cursor select the employee and click **Edit User**.
23. The Access for User dialog opens. Choose the **Selected Areas** option and click **Continue** through the screens until you reach page 9 of 10, as shown in Figure 15.12. Click **Next** (page 10 of 10) to see a summary

of the employee's security settings or **Finish** to return to the User List dialog.

**24.** Click **Close**.



**FIGURE 15.12**

*On the second option, place a mark in the No button to prevent the user from changing transactions in closed periods.*

## Canceling an Accountant's Copy

It's possible for you to cancel an accountant's copy of your data if necessary. The following are some of the reasons to cancel the accountant's changes:

- Your accountant has delayed the review of your file and you need to reconcile your bank accounts for months that fall after the dividing date.
- You have found corrections you would like to make prior to the dividing date.
- You cannot modify nonposting documents (purchase orders, sales orders, and estimates) dated prior to the dividing date.
- Your accountant decides to work in your file without any transaction restrictions, making an appointment to come to your office to work or perform the work remotely via the Internet.

Before cancelling or removing restrictions on your data file, discuss this option with your accountant. After the Accountant's Copy is canceled, your accountant's changes file cannot be imported into your data file.

To remove the restrictions placed on your file by an Accountant's Copy, click File, Accountant's Copy and choose the Remove Restrictions menu option. The Remove Restrictions dialog appears, warning you that your accountant will no longer be able to import her changes back into your file, as shown in Figure 15.13.

**FIGURE 15.13**

*The Remove Restrictions warning you get when canceling an Accountant's Copy file.*

After you remove the restriction from the file, no more data restrictions are imposed by the dividing date, and the top bar of your data file no longer displays the Accountant's Changes Pending message.

## Data Sharing for the Accountant

Earlier, Table 15.1 listed the types of QuickBooks files with which business owners and accountants have the options of working. This section discusses the options from the perspective of the accountant.

As the accountant, you will want to review the variety of file types and the pros and cons of using each file type for sharing data with your client as discussed in the section titled "QuickBooks File Types" earlier in this chapter.

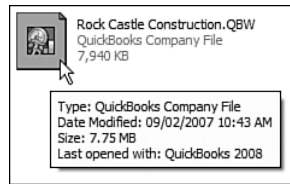


### Digging Deeper

If you're not sure in which year's release your client's .QBW or .QBA data file type was last opened, use Windows Explorer to locate the file, and place the cursor over the file supplied by your client (as shown in Figure 15.14). QuickBooks gives you important information about the file, including

- Type of file (QuickBooks Company or QuickBooks Accountant's Copy file)
- Date modified
- Size of the file
- Last opened with QuickBooks 200x

However, this tool will give you this information only for the .QBW windows working file or the .QBA, the Accountant's Copy working file. Other file types do not display the same information.

**FIGURE 15.14**

*Use Windows Explorer to determine in what year's version your client's .QBW file type was created.*

## Preparing Your Client for the Data Exchange

As an accounting professional, you probably will be able to choose the method you and your client use to share the data. However, you might not be able to control the condition in which you receive the file. I am speaking specifically of the accounting accuracy. Some accounting professionals don't worry much about this until they receive the data file; others might want their client to take certain steps to ensure the accuracy of the data before beginning the review. Encourage your clients to review specific chapters in this book to help better prepare their file for your review, making your review time more profitable!

Ask clients to review the following in their file before sharing the data with you:

- Accuracy of their book bank balances (new for the QuickBooks 2008 version, Accountant's Copy feature will allow you to reconcile bank accounts for your client while they continue working)
- The open customer invoices in Accounts Receivable
- The unpaid vendor bills in Accounts Payable

Other critical numbers to review are usually easier to reconcile by asking for documents from sales tax authorities or from banks, such as bank loan documents, or comparing with filed payroll returns.

After your client has reviewed the information and provided the documents you requested, you are ready to choose a method for sharing the data with your client. Choose from one of the options discussed in the earlier section, "QuickBooks File Types."

## Working with an Accountant's Copy File

After reviewing the advantages or limitations of each file type in the section titled "QuickBooks File Types," you can see that one of the most functional

methods is the QuickBooks Accountant's Copy file feature. With it, your clients can continue their day-to-day accounting tasks, and from the convenience of your office you can review and make needed changes to their data, later importing these changes into the file they have been using.



## Digging Deeper

New for QuickBooks 2008, if you are using QuickBooks Premier: Accountant Edition 2008 or QuickBooks Enterprise Solutions 8.0 Accountant Edition, you can convert your client's QuickBooks 2007 Accountant's Copy file (.QBX file extension), work with it in your 2008 file, and return it to your client to import back into her QuickBooks 2007 version! This feature is available only with the Accountant's Copy file-sharing feature and does not apply to other file types. (See the Rescue Me on page 451.)

QuickBooks Premier can open a Simple Start, Pro, Pro for Mac, or any of the Premier industry-specific editions, and when the file is returned to the client, they will be able to work again with the file in their product edition.

When you open a Simple Start, Pro, or any of the Premier industry specific editions with QuickBooks Enterprise Solutions the file is converted to an Enterprise edition and cannot be opened again as Simple Start, Pro, Pro for Mac, or Premier product.

The functionality associated with changes allowed while working with an Accountant's Copy file has been greatly improved with QuickBooks 2008. I provide more information later in this chapter on the specific transactions allowed or restricted.

Before having your client prepare an Accountant's Copy of her QuickBooks data for you (see the steps in "Preparing an Accountant's Copy of Your Data"), be sure to discuss the following with your clients:

- The dividing date selection. You should communicate what this should be.
- Request that they do not complete any bank reconciliations for periods before or after the dividing date, after providing you with the Accountant's Copy. (See the Rescue Me! on Page 438.)
- Verify that the data file has users set up with restrictions for editing or modifying transactions prior to the closing date. (This step is optional but I recommend it. More details were provided previously in "Importing Your Accountant's Changes.")
- Instruct them *not* to cancel or remove restrictions on the Accountant's Changes Pending without first consulting you.

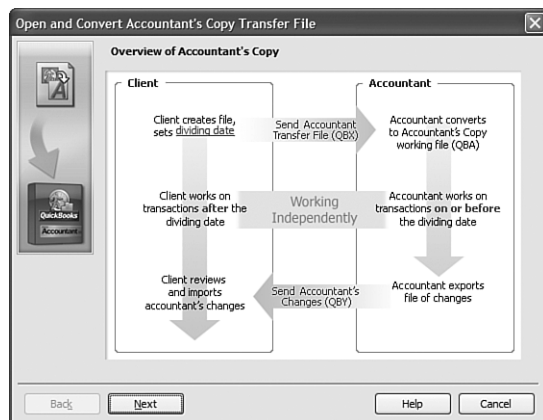
- Discuss with your clients the options for sending this file to you. New for QuickBooks 2008 users you have these options:
  - Attach the saved file to an email.
  - Copy it to a storage device such as a USB drive or CD.
  - Send you an encrypted copy of their data via Intuit's secure Accountant's Copy File transfer service, a free service to you and your client. Be sure your client knows the email address where you would like to be notified.

If your client chooses the Intuit's Accountant's Copy File transfer service to get the data to you, you will be notified at the email address she provided in the transfer process, and you will be directed to a secure site to download your client's file. This new service offers your client simplicity in getting the data to you while aiding in the encrypted security of the transfer of sensitive data over the Internet.

Have your client follow the steps to create and send to you the Accountant's Copy file of the data as outlined in the section, "Preparing an Accountant's Copy of Your Data."

Follow these steps to work with your client's Accountant's Copy (.QBY) file type your client sent to you or that you downloaded:

1. Click **File, Accountant's Copy** and choose **Open & Convert Accountant's Copy Transfer File**. The Overview of Accountant's Copy dialog appears, as shown in Figure 15.15. This summary provides you with an overview of the workflow when using an Accountant's Copy.



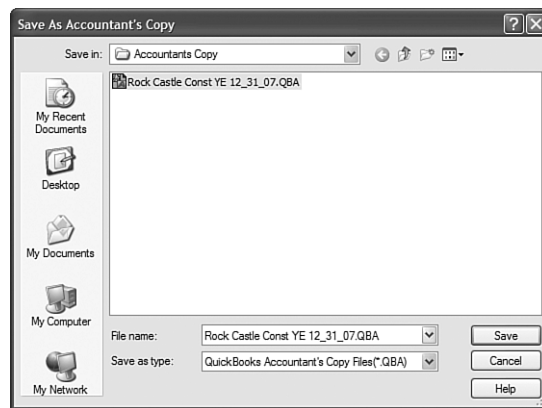
**FIGURE 15.15**

*Overview of the Accountant's Copy workflow.*

2. Click **Next**. The What the Accountant's Copy Can and Cannot Do dialog appears, giving you another option to make sure this file type will work with the transaction types you will be adding or modifying.
3. Click **Next**. The Save As Accountant's Copy dialog opens.
4. You are directed to browse to the location you stored the Accountant's Copy file (.QBX file extension). With your mouse pointer on the file Click **Open**.

If you have not previously disabled this message, a QuickBooks Save As Accountant's Copy dialog appears, notifying you that the file will be converted and that prior to converting you need to name the new file and save it. Click **OK**.

5. In the Save As Accountant's Copy dialog choose a location and name for the new file. I usually put the accounting period being reviewed in the name, such as <Company Name\_YE\_12\_31\_07.QBA>, as in the example shown in Figure 15.16. Click **Save**, and QuickBooks will prompt with a message that the conversion is taking place.

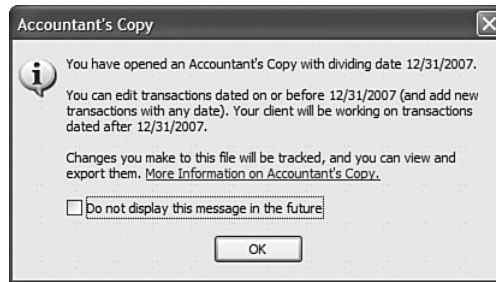


**FIGURE 15.16**

*When you save the file, give it a name that will help you identify it later.*

If you have not previously disabled this warning, you will see the message that indicates you are opening an Accountant's Copy and shows you the dividing date that was chosen by your client, as shown in Figure 15.17.

6. If you received the message in step 5, click **OK** to close the message. (See the following sidebar, "Reinstate Warnings," for information about reenabling these one-time messages if they have been disabled.)

**FIGURE 15.17**

*This is the QuickBooks notification that you are opening an Accountant's Copy file and the selected dividing date.*

Your QuickBooks: Premier Accountant Edition 2008 title bar will show that you are working with an Accountant's Copy and what the dividing date for that file is (see Figure 15.18).

**FIGURE 15.18**

*You will always be certain you are working in the correct file by looking at the title bar of your Accountant's Copy .QBA file.*

## Reinstate Warnings

If you do not see some of the dialogs mentioned in this section, a user might have selected the Do Not Display This Message (or Page, and so on, depending on which dialog is open) option, causing future users not to see these messages.

To turn these one-time messages back on:

1. Click **Edit, Preferences**. In the dialog that appears, choose **General** on the left side.
2. Click the **My Preferences** tab.
3. Place a check mark in the **Bring Back All One-Time Messages** box.

I often do this task in my client's file (prior to making an Accountant's Copy), especially if I have found errors that might have been prevented if the user had heeded the warning of a message.

As the company's accounting professional, you can now review, add, and edit the data file, secure that your client cannot modify the balances prior to the dividing date that was set, all while the client continues her day-to-day accounting tasks.

## What the Accountant Can Do

QuickBooks 2008 has greatly improved those tasks that you can do with an Accountant's Copy of your client's data.

The restrictions invoked by the dividing date set by your client affect your ability to add or edit transactions. If these restrictions prevent you from completing your tasks, you can convert the Accountant's Copy to a working QuickBooks data file (.QBW file extension). However, your changes cannot be imported into your client's file. See the section, "Converting the Accountant's Copy to a Regular Company File," later in this chapter, for more information.

The Accountant's Copy in QuickBooks 2008 now provides a unique way to determine whether your changes will be sent back to the client. Any field that is colored beige will transfer back to your client. If the field is white, you might be able to modify it for your own purposes but the change will not be sent back to your client.

For example, if part of your correction to your client's file was to modify an existing list item, only the fields identified in Figure 15.19 would be sent back to your client's data file. All other fields could be modified for your purposes but would not transfer back to your client's file.

**FIGURE 15.19**

*When adding or modifying your client's list items, note that any fields shaded beige (non-white) will be sent back to your client's file.*

The following sections describe more specifically what you, the accountant, can do (with noted limitations) while working in the Accountant's Copy of your client's file.

## Accounting Activities

QuickBooks 2008 greatly enhances the accounting activities that you can do with the client's data when sharing an Accountant's Copy file type.

- **Reconcile the bank statements for dates prior to the dividing date**—You can create and edit transactions necessary to perform the bank reconciliation. If your client tries to reconcile, she will receive a message that when she imports your changes the reconciliation work she completed will be lost. Additionally, your changes to a reconciled item will also be sent back to the client.
- **Reconcile the bank statements for dates after the dividing date**—You can do this if it helps your review. However, these reconciliations will not be sent back to the client's data. Any transactions added will be sent back to the client.
- **Set tax-line mappings**—Used to assign the tax form line to a chart of accounts. Use this feature if you are integrating the QuickBooks data with tax preparation software.

## QuickBooks Lists

Also enhanced with the release of QuickBooks 2008 is your ability to manage your client's list items when performing data corrections.

- **Chart of Accounts**—No restrictions, including the ability to merge charts of account list items. (See Chapter 2, "Reviewing the QuickBooks Chart of Accounts," for more information about merging accounts.)
- **List Items**—In general you can add, edit, delete, and inactivate list items you create in the Accountant's Copy.
- **Items List**—For lists with items dated before the dividing date you can edit the Item Name/Number, Subitem, Expense Account, Tax Code, and Income Account and also make the item inactive. So you know what changes will and won't be sent back to the client, beige fields represent fields that can be modified; your changes to these fields will be sent back to the client.
- **Customer, Other Names List**—Add to or edit the Name field only.
- **Vendor**—Add to or edit the Name and Social Security fields only. Your changes will override the same information in the client's file when imported.

- **Employee List**—Add to or edit the Name and Social Security fields only.
- **Class List, Fixed Asset Item**—Add to or edit the Name field only.
- **Sales Tax Code**—Add to or edit the Name field only. No sales tax rates will be sent back to your client.

## Transactions

Generally you can add any transaction type before or after the dividing date with the following limitations on editing, voiding, or deleting:

- **Bills and checks**—Edit, void, or delete only those dated before the dividing date.
- **Vendor credits**—Add or delete, but don't edit or void before and after the dividing date.
- **Item receipts**—Add or delete, but don't edit or void before and after the dividing date.
- **Bill payments by credit card**—Add or delete, but don't edit or void before and after the dividing date.
- **Inventory quantity/value adjustments**—Add or delete, but don't edit or void before and after the dividing date.
- **Customer payments**—Add or delete, but don't edit or void before and after the dividing date.



### Rescue Me!

If you are working with a client's Accountant's Copy file created from a QuickBooks 2007 version, you will not have the same editing privileges listed earlier because the enhanced editing options now available in the QuickBooks 2008 Accountant's Copy are recognized only when they're returned to a QuickBooks 2008 data file.

Now is an excellent time to encourage your clients who share data with you to upgrade to QuickBooks 2008.

## What the Accountant Cannot Do

Here is what you, the accountant, cannot do while working in the Accountant's Copy of your client's file:

- Payroll transactions.
- Nonposting transactions, such as estimates, sales orders, or purchase orders.

- Transfers of funds between accounts. Although you cannot use the transfer form, you can create the same effect on the accounts with a journal entry or deposit form.
- Build assemblies.
- Sales tax payments.

## Returning the Accountant's Copy Change File to the Client

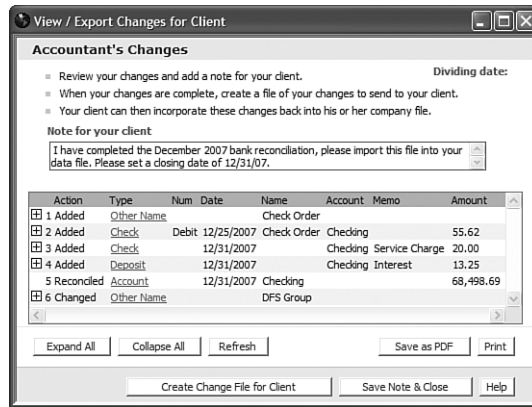
One of the most important features of using the Accountant's Copy to share your client's data is that when your changes are complete, you can send back an updated file for your client to import into her file.

New for QuickBooks 2008, you can use the Accountant's Copy feature in your QuickBooks Premier: Accountant Edition 2008 (as well as QuickBooks Enterprise Solutions 8.0 Accountant Edition) to open and work with your client's 2007 data file. (For certain limitations, see the Rescue Me in the section "Transactions.") After you complete the review and changes to the client's Accountant's Copy file you can return the file to the client for him to open in his 2007 version.

## Creating an Import File For Your Client

To return the corrected file to your client after you make all your changes, follow these steps:

1. Click **File, Accountant's Copy** and choose the **View/Export Changes for Client** to open the View/Export Changes for Client dialog, as shown in Figure 15.20.
2. Review your changes and add a note for your client. Although the note is optional, you will want to include instructions for your client on what date to set for the closing date in her file. (See the following section, "Instructing Your Client to Set a Closing Date.")
3. If you need to make additional changes or edit the changes you have made, click **Save Note & Close**.
4. If your changes are complete, click **Create Change File for Client**. The Save Accountant Change File To dialog appears.
5. Browse to the location where you want to save the file and optionally edit the filename to be saved. QuickBooks creates a file with an extension of .QBY.

**FIGURE 15.20**

The *View/Export Changes for Client* dialog, where you can review your changes and include a note for your client.

6. If you have already exported these changes for the client you will see the message in Figure 15.21 informing you that if your client has already imported the previously exported changes file, she will not be able to import these changes. Click **OK** if you still want to export the changes.

**FIGURE 15.21**

If you have previously exported the changes, QuickBooks will provide this warning message.

7. Click **Save**. A QuickBooks information dialog appears, letting you know the file was successfully created.
8. Click **OK** to close the information message. QuickBooks returns you to the .QBA file.

To complete the process, simply give this newly created .QBY (Accountant's Copy import file) back to the client. You can copy it to a removable storage device or attach it to an email.

Instruct your client to follow the steps listed in the section, “Importing Your Accountant’s Changes,” to import your changes. Your client will be able to review your changes in detail before accepting or incorporating the changes into her file.

### **Instructing Your Client to Set a Closing Date**

When your client imports the changes you have made to the Accountant’s Copy of his file, the dividing date restrictions are removed. If you do not want the client to add or edit transactions prior to the dividing date, the client will need to set a closing date in his file.

The import changes process takes the client to the Closing Date menu automatically, so if you communicated in your Accountant’s Copy Changes note what the desired closing date should be, the changes you made to balances cannot be changed.

If your changes are not “fixed” and can be modified, you might not need your client to set a closing date, and she will be able to select No when asked to update the closing date and password.

Review the details of setting a closing date and reviewing each employee’s access rights to changing transactions prior to the closing date in the section titled “Importing Your Accountant’s Changes.”

### **QuickBooks Remote Access for Accountants**

If as the accountant you would like to take more control over the import of your changes into your client’s file as well as setting the closing date, you might want to consider using a remote access program to log in to your client’s file through the Internet.

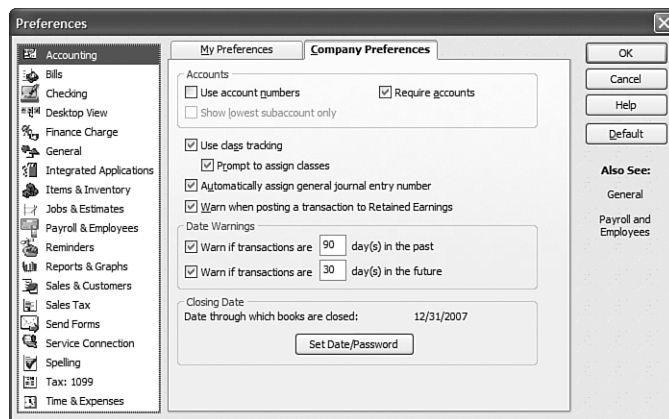
QuickBooks partners with WebEx to bring you a solution that makes it easy to work remotely in your file, or your clients’ files. You can use this option if you need to make data changes that are not allowed in an Accountant’s Copy; for example payroll transactions. You can also use this tool to perform the import of your changes into your client’s data file and to set the closing date.

I find working in the remote environment a perfect choice for simplifying the entire process for clients. For more information, select Accountant, Remote Access to learn about this very useful service that QuickBooks has partnered with.

## What to Request from the Client When the Import Is Complete

The process for the client of importing your changes is structured with simple, easy-to-follow menus, as described in the section titled “Importing Your Accountant’s Changes.” However, you might want to request a few items from the client after the import to be sure the process was completed successfully:

- **Trial Balance**—You should review the trial balance as of the dividing date to compare with the same information from your copy of the client’s file. Click Reports, Company & Financial, Balance Sheet Standard. Identify for the client cash or accrual basis if the client’s company report default is not what you need to compare with. (You can find more information on these report modifications in Chapter 4.)
- **Closing Date**—Verify with your client that he did set the date you requested. Instruct your client to click Company, Set Closing Date. Doing so opens the Company Preference tab for Accounting Preferences. Have your client verify the closing date (or any date at all), as shown in Figure 15.22. (See the section, “Importing Your Accountant’s Changes.”)



**FIGURE 15.22**

*A good practice is to verify with the client that a closing date was set after importing the Accountant’s Copy changes.*

- **User security rights**—Verify with your client the access rights each employee has for changing transactions dated prior to the closing date. Instruct your client to click Company, Set Up Users and select the

Set Up Users menu option. In the User List dialog that opens, select the employee and the View User tab on the right. A “Y” in the Changing Closed Transactions permission allows that user to add or edit transactions dated prior to the closing date. If a closing date password was set, the user will have to type that password first. A creative password that I have used is “call laura,” prompting the client to call me first before making the change!

You can save yourself some time by offering to use the WebEx Remote Access tool spoken of previously and import the client’s changes for him or her. Take note, however, of the Rescue Me! on page 433 when setting a closing date.

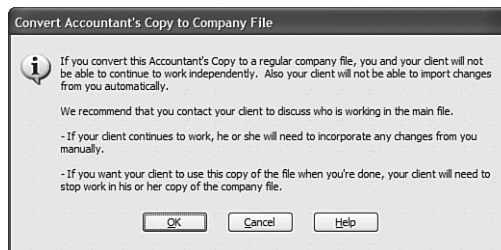
## Converting the Accountant’s Copy to a Regular Company File

What can you do if after beginning to work in the Accountant’s Copy you determine some of the changes that need to be made cannot be accommodated with this file type? You can now convert the client’s Accountant’s Copy (.QBX) file type to a regular QuickBooks (.QBW) file type following these steps.

Click File, Utilities, and choose the Convert Accountant’s Copy to Company File (.QBW) menu option. A QuickBooks information dialog appears, recommending that you contact your client to discuss this change (see Figure 15.23).

You will have to make the following decisions:

- Have the client manually repeat your changes in her file.
- If the client is going to use your file, the client must stop working in the file she has.



**FIGURE 15.23**

*You can optionally create a regular company file (.QBW) from an Accountant’s Copy file type.*

QuickBooks 2008 offers accountants more flexibility than in prior versions in how you choose to share and work in your client’s data. These improvements help make the workflow for you and your client more efficient, making your accounting business more profitable.



## Sharing Data Checklist

### Understanding QuickBooks File Types and how they affect your choice of sharing methods:

- Benefits of sharing your QuickBooks data. (Page 424)
- What choices you have when sharing your data. (Page 425)

### What should be done first, before sharing the data file:

- Review the data before giving it to the accountant. (Page 431 and Chapter 4.)
- No time for a review? Look at these few areas of your data first. (Page 431)
- Discuss with your accountant the QuickBooks file type to be shared. (Page 427)

### When the business owner chooses to use the Accountant's Copy file:

- Discuss with your accountant the method you will use to transmit the file. (Page 432)
- Discuss with your accountant the dividing date that you should select. (Page 433)
- Review what you can and cannot do while you share an Accountant's Copy file. (Page 437)
- Create an Accountant's Copy of your data to give to your accountant. (Page 433)
- Import the changes from your accountant. (Page 438)
- Discuss with your accountant whether to use a closing date and what it should be. (Page 438)
- Do you need to cancel the Accountant's Changes pending file? (Page 442)

### What accountants need to know when working with a client's Accountant's Copy File:

- Review any transaction restrictions with the file types. (Pages 449 and 451)

- Verify the year's version of your client's data. (Page 443)
- Discuss with your client the method she will use to transmit the file to you. (Page 444)
- Discuss with your client the dividing date she should select. (Page 432)
- How to convert your client's exported file so you can work in it. (Page 444)
- Export your changes to give to the client. (Page 452)
- Communicate a desired closing date with the client. (Page 454)
- What to verify with the client after the export. (Page 455)
- Assist your client with the import using WebEx Remote Access. (Page 454)
- Do you need to convert an Accountant's Copy to a regular file? (Page 456)