

QUICKBOOKS AND PEACHTREE UPDATE

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An article that appeared in *The Ledger Quarterly* in July 1995 written by Don Mink extolled the virtues of Quickbooks as a low-end accounting solution for associations. In fact, many associations do use Quickbooks as their primary accounting program. One reason for this is that Quickbooks is very inexpensive as compared to other accounting software solutions that are commonly encountered in this and other industries. Quickbooks, like virtually all accounting packages in the \$1,000 and under price range, is considered to be an extremely low-end accounting package. This may have little to do with its features, but more to do with its price. The Quickbooks “filters” feature, for example, is more powerful than that found even on some high-end accounting software. People buy Quickbooks because they don’t want to spend much money, they want to do the job themselves, or they don’t view the task as being that difficult. Intuit corporation has been very successful with its sales campaign “If you can write a check, you can use Quickbooks.”

Both Quickbooks and Peachtree, with their recent releases, Quickbooks Pro 99, and Peachtree 7.0, have added a feature which extends their power. That feature is the “export to Excel” feature, which allows the user to export information from each of these accounting packages to Excel spreadsheets where they can be manipulated and turned into more readable reports. This is particularly important for Quickbooks, which has gained notoriety for its poor financial statement reporting capabilities. Peachtree has always had better inherent financial reporting capabilities, but still cannot match the power of Excel in presenting financial information.

Financial reporting capabilities of Quickbooks have been so limited that most people simply receive a 4 or 5 page print out that lists all accounts and will

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indicate total assets and total liabilities, total revenues, total expenses, etc. But from a format standpoint, it is so poorly constructed that it almost appears in itself to be a trial balance, and most people have great difficulty trying to read a standard Quickbooks financial statement.

As an example, one of the things that can be accomplished with the “export to Excel” feature when using Quickbooks, is an export of the entire trial balance at the end of any monthly accounting period or year to an Excel spreadsheet. Our firm has developed a template customized for each client, which allows us to export the Quickbooks trial balance into Excel (on Sheet 1). We then identify the Excel spreadsheet Sheet 2 as the Balance Sheet and it automatically extracts the information necessary for this report from the Quickbooks trial balance information contained on Sheet 1. We identify Sheet 3 as the Income Statement, and it automatically pulls the information from Sheet 1 to prepare the income statement. What this has allowed us to do is to present condensed financial statements that focus on key figures. We present critical items such as cash condensed to a single line item, and provide supplementary schedules that provide full listings of all the separate accounts that comprise the



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cash balance. We can also create the 3-column format that is recommended by the American Institute of CPA's Common Interest Realty Association (CIRA) Accounting and Audit Guide.

While the set up of the above-described Excel spreadsheet is cumbersome, once it is completed you can almost completely automate the creation of your customized financial statements. Only two steps are necessary; first, make sure that any changes to the Quickbooks chart of accounts are incorporated into your Excel spreadsheet before you perform the export of data, and second, export the data. After that, Excel takes over to automate the creation of your customized financial statements.

We are able to condense the information, and place page breaks wherever we want. This allows us to create a one page balance sheet, and a one page income statement followed by as many pages as necessary of detail supporting information. Our experience that this is the best reporting format to use when supplying information to a board, because as with any board, you have a diverse group of people. It seems like there is always at least one person who simply wants to see "the bottom line" and is not interested in any other information. Of course you will also have another individual on the board who not only wants to see the summary financial statements, but also all the detail that makes it up, and perhaps even followed up by check registers, bank reconciliations, etc. By condensing financial statements to a single page, you can resolve

the needs of both individuals. The person who just wants to see "the bottom line" stops at the summary financial statements. He can "see" the bottom line very quickly, without having to search through pages of detail, and can easily see, on one page, a snapshot of financial condition or results of operations. By supplying the additional pages of detail, you satisfy the requirements of the individual who wants to see all of the detail.

For those of you who have not updated to Quickbooks Pro 99, or Peachtree 7.0, it is important that you do so at this time, as these two packages are Y2K compliant, whereas prior versions are not. But even if you are not updating for this reason, the capability of having the "export to Excel" feature to further analyze information is reason enough to upgrade to the latest version of these two accounting products.

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