

**Correcting year end amounts in QuickBooks  
To match with  
The Edge**

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# Year end reports to run in The Edge to match to QuickBooks

## ALSO

### Run these same reports when you start using the integration feature with Edge exporting to QuickBooks.

When the Edge exports to QuickBooks this is “typically” what occurs with the export.

- A. Sends over a single journal entry to affect the Profit & Loss Statement, balance sheet.
- B. Everything comes over as a single invoice with a generic customer named “POS Customer”.
- C. Then the Edge sends over the money that was collected through the Edge and that comes through QuickBooks by the “Payment Received” screen.  
You can see them by going at the very top CUSTOMERS menu and choosing “Receive Payments”. Hit the “previous” button and you’ll see each payment received.
- D. The money sits in “Undeposited Funds” in QuickBooks and is visible and ready for depositing into your bank account by choosing “Deposit \$\$” on the icon bar or going to the top menu **Banking** and then **Make Deposits**.
- E. The total “invoice” that is sent over is then paid off in full by these payments. If money doesn’t equal the single invoice, the remainder will likely go to
  - 1. Customer Deposits
  - 2. Gift certificates
  - 3. Store Credits
  - 4. Store Charges
- F. The invoice comes through as an Accounts Receivable sale and as mentioned above it is zeroed out. Accounts Receivable should always be zero but on many occasions its not and we’d zero it out and send it to the Balance Equity account or if I have set you up, to the Balance Adjustment Needed account.
- G. When you enter Memo Inventory into Edge nothing needs to be done in QuickBooks, the Edge will make an entry in QuickBooks accounting for memo inventory. When sold you only have to pay for the item sold.
- H. When entering stock or special order inventory in The Edge, this will increase inventory in the Edge. The Edge will **not increase inventory in QuickBooks**. That is done by the bookkeeper entering a bill for inventory asset.
- I. When a stock/special order item is sold in The Edge, Edge will lower inventory level in QuickBooks and send that cost to Cost of Goods Sold.

In helping many Edge/QuickBooks clients I’ve found a lot of differences between Edge balances and QuickBooks balances. Accounts Receivable should always be zero but seldom is and this “typically” is an Edge problem and they have been working on this. The newest update is supposed to be the cure.

But other balances being off in addition to Profit & Loss figures not matching the Edge’s “Net COGS” Inventory report usually can have a finger pointed to the person or persons handling bookkeeper in QuickBooks.

Without going into detail WHY and how these occur this white paper is about

- A. How to run the reports in Edge to match with QuickBooks
- B. How to adjust these balances.

If you’d rather have someone else do this chore for you, give me a call, contact information is on the last page.

Before adjusting QuickBooks, export from the edge right before running these reports.

## IMPORTANT INFORMATION ON THE REPORTS:

Some of the reports you can type in a date in the past to find a balance for “last month”. But some reports have no date range and therefore the report will only give you a total for **TODAY**. That's why its important to run these reports the day you start exporting (and adjust the QB balances) and to run these report before you go out for New Year’s Eve!

## Finding Inventory Levels

There are two types of Inventory in QuickBooks:

1. Showcase (stock) Special Order inventory
2. Memo & Consignment inventory

In Edge, go to **reports** at the top, on the left choose:

- Inventory
- On Hand
- By Category

**This report is to find out how much inventory you have TODAY**

Only Two tabs to adjust:

### OPTIONS tab

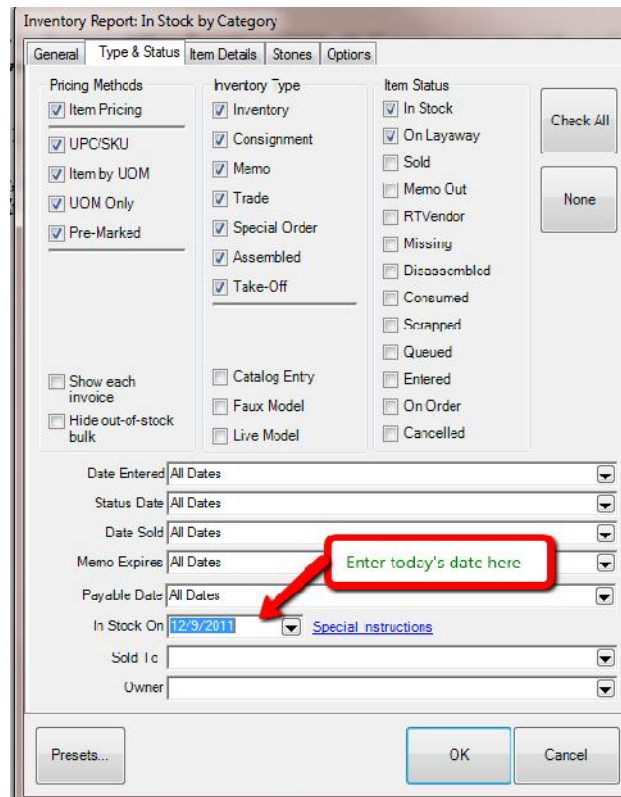
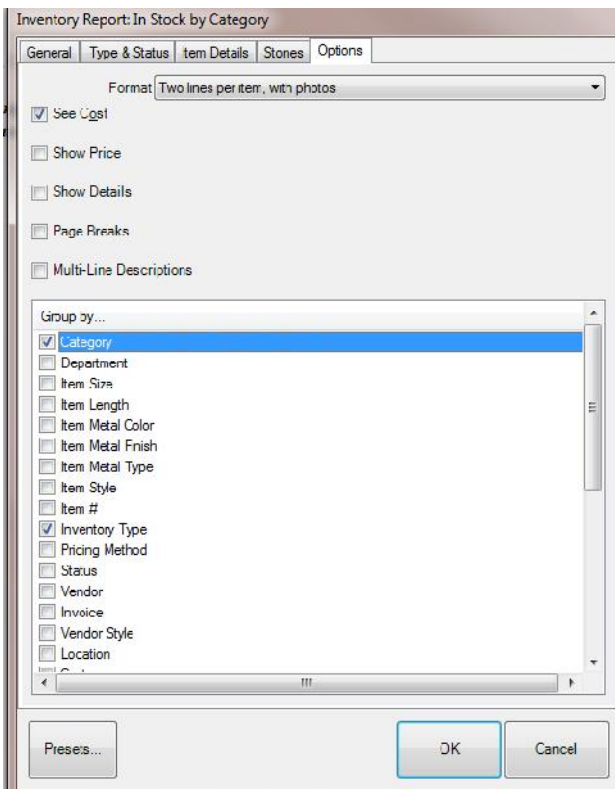
Only have checked in the gray area and white area:

“See Cost”

“Inventory Type”

### TYPE & STATUS tab

See picture for boxes to check:



You can **SAVE** this report arrangement for later use. Click on the “Preset” button at the lower bottom left, then on **Save Settings** and then give it a name.

In the future to recall it all you have to do is go to this same report area and click on Presets and choose “Load Settings” and choose the one you saved. Change the date if you like.

This is the report. You'll add the totals together as I have below to have the totals for the two types of inventory that's needed in QuickBooks. Write these numbers down on your pad of paper.

Vendor Style #	Type	Description	Count	Age	Cost	Price	Margin
Item #	Status						
	Inventory Type 'Consignment'		2	2,401	31.50		
	Inventory Type 'Memo'		32	1,937	46,491.00		
	Inventory Type 'Special Order'		31	1,771	2,401.53		
	Inventory Type 'Stock'		1,456	2,024	240,065.88		
	Inventory Type 'Trade'		1	61	400.00		
Grand Total...			1,522	2,016	289,389.91		

Memo & Consignment inventory equals \$46,522.50

Showcase/Special Order inventory equals \$242,867.21

## Finding Store Charges

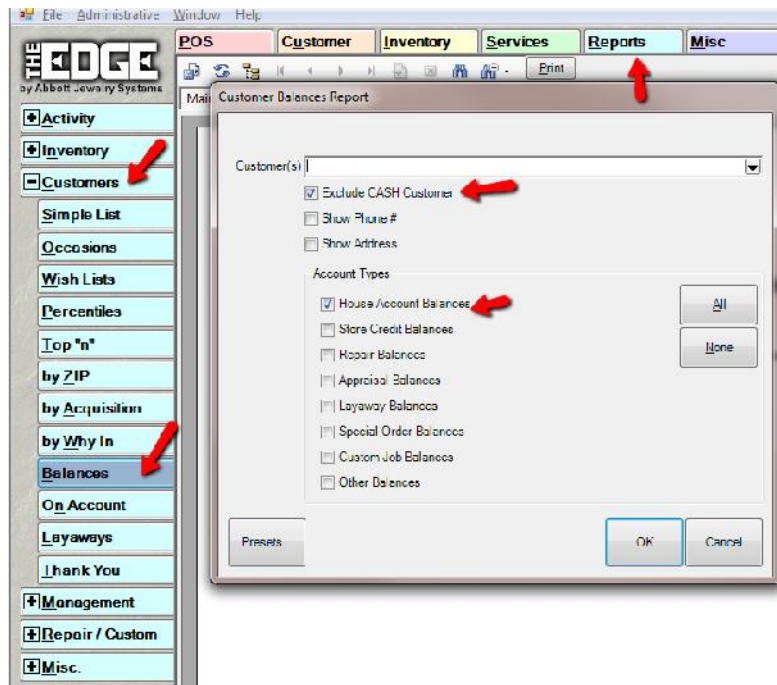
1. "Store Charges" in QuickBooks is your accounts receivable in the Edge. These are customers you allowed to leave with the merchandise and send them a monthly statement out of the Edge.
2. In the Edge its called **House Account Balances**.
3. This is the total of open accounts in Edge. In QuickBooks we do **not use** "Accounts Receivable **but instead the Edge exports to "Store Charges"**, an "other current asset" account.

In the Edge go to

- Reports
- Customers
- Balances

There are two sets of boxes on this screen, on the top 3 just check the first box "Exclude Cash Customers" On the second set of boxes just click on "House Account Balances".

NOTE: You'll notice other boxes below that. "Store Credit Balances" will tell us how much money customers have in store credits they can use in the future towards purchasing. We will run that report next. The other below that tell us **IF** customers picked up their jobs or layaways how much money we would take in. You may want that in the future but QuickBooks does not require that information so do not check them.



## The “House Account” or STORE CHARGES Balances” report

This is how the report will now come up:

<b>Customer Balances</b>					12/11/2011 Page 1 of 1
Exclude CASH Customer, Account Types: 'House Account Balances'					
<u>Customer</u>	<u>Acct</u>	<u>Date Created</u>	<u>Last Activity</u>	<u>Balance</u>	
<b>House Account Balances</b>					
Alleene, Stacey (001-00933)	Store Charge	1/1/2009	1/1/2009	16.05	
Boynton, Kevin (001-00286)	Store Charge	1/1/2010	1/1/2010	245.03	
Chesnee, Anne (001-00376)	Store Charge	1/1/2010	1/1/2010	294.25	
Tompkinsville, Terry (001-01564)	Store Charge	1/26/2005	1/26/2005	-41.73	
<b>House Account Balances</b>				<b>513.60</b>	
				513.60	

The \$513.60 is the amount that we will balance into QuickBooks. Write this amount down on your pad of paper.

**NOTE:** This is a perfect time to make sure the amount is correct. You should be sending out monthly statements, calling very past due Customers and if the amounts are incorrect then adjust them in The Edge.

### How to adjust a balance for a customer in Edge:

Let’s use 1 example. Lets assume that Terry Thompkinsville above as moved out of state and because the credit (probably a return) is from 2005 that this customer will never come back into the store. We’ll zero it out and in the Edge Terry will no longer have a negative \$41.73 house account balance and the Edge will do 2 things when it exports to QuickBooks:

1. Adjust “Store charges” by \$41.73
2. Send \$41.73 to the Edge’s “Balance Adjustment” expense account.

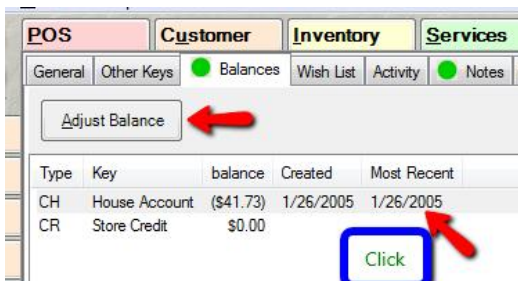
To adjust Terry’s balance find Terry as a customer in Edge:

### Customer Find

Type in Terry’s name and the record comes up. You’ll notice the “Balance” tab is green meaning there is an amount there:



Click on Balances and then click on the line “House Account” and you’ll see also the -\$41.73. Then click on the **line for “House Account** and then click on “Adjust Balance”:



Then you adjust the negative balance by typing in a positive \$41.73” in the “Adjustment” box. Hitting the tab key you’ll see a zero balance. In the notes field type a reason why you did this. Important incase Terry ever comes back into the store. Hit Save & Close here and then hit again Save & Close on Terry’s record, bottom right of the screen.

Adjust Customer Balance

Customer: Tompkinsville, Terry (001-01564)

Balance Type: House Account

Key#: House Account

Balance: (\$41.73) A positive balance means the customer owes the store money.

Adjustment: 0.00 A negative balance means the store owes the customer money.

New Balance: (\$41.73)

Reason:

Adjustment Date:

Here you'll type in a positive "41.73" to make a zero balance.

<< < 1 of 2 > >> Revert Save and Stay OK / Save and Close Cancel

## Finding Store Credits

When a customer comes back to return an item your policy might be to not give a refund in cash/check or credit card but to give a store credit. When you do that in the POS the Edge will reverse the sale in Edge and also in QuickBooks plus make an entry to “Store Credits” in the chart of accounts in QuickBooks. Customers can use Store Credits against future sales they make.

This is the same report as finding Store Charges except you only click “Store Credits” on the box:

In the Edge go to  
**Reports**  
**Customers**  
**Balances**

POS Customer Inventory Services Reports Misc

Main Report

Print

Customer Balances Report

Customer(s)

Exclude CASH Customer

Show Phone #

Show Address

Account Types

House Account Balances

Store Credit Balances

Repair Balances

Appraisal Balances

Layaway Balances

Special Order Balances

Custom Job Balances

Other Balances

All

None

Presets...

OK Cancel

## Customer Balances

Exclude CASH Customer, Account Types: 'Store Credit Balances'

Customer	Acct	Date Created	Last Activity	Balance
<b>Store Credit Balances</b>				
Barksdale, Steve (001-00614)	Store Credit	6/15/2006	6/15/2006	-24.03
Bonaire, Rebecca (001-00772)	Store Credit	1/10/2004	1/10/2004	-26.73
Broughton, Joanglea (001-00306)	Store Credit	1/14/2004	1/10/2006	-112.87
Brundidge, Alesia (001-00525)	Store Credit	3/9/2007	3/9/2007	-447.38
Drybranch, Sylvia (001-03461)	Store Credit	6/15/2006	8/29/2006	-387.75
Emlenton, Kelly (001-02250)	Store Credit	2/12/2005	2/12/2005	-1.54
Gap, Michael (001-02719)	Store Credit	1/4/2006	12/21/2006	-119.70
Glen, Ashley (001-03741)	Store Credit	8/2/2006	8/2/2006	-2.14
Grampian, Margot (001-01032)	Store Credit	3/8/2005	11/10/2006	-0.57
Greensboro, Darla (001-00105)	Store Credit	1/2/2007	2/19/2007	-963.00
Hurtsboro, Melissa (001-00214)	Store Credit	12/12/2002	12/12/2002	-10.00
James, Kim (001-02464)	Store Credit	12/28/2006	12/28/2006	-105.93
Laura, Candy (001-02125)	Store Credit	11/3/2004	11/3/2004	-3.10
Lipscomb, Mary (001-00017)	Store Credit	8/11/2003	8/11/2003	-1.81
Loveville, Pamela (001-02301)	Store Credit	8/2/2006	8/2/2006	-122.52
Mobeetie, Gail (001-03849)	Store Credit	12/20/2006	12/20/2006	-1.81
Mohrsville, Allen (001-01277)	Store Credit	2/23/2006	3/6/2007	-63.46
Mount, Joni (001-02143)	Store Credit	1/7/2007	1/7/2007	-26.75
Nemaha, Crystal (001-00710)	Store Credit	1/26/2007	1/26/2007	-134.82
Pocono, Jennifer (001-03463)	Store Credit	2/24/2007	3/1/2007	-23.54
Point, Cheryl (001-00573)	Store Credit	1/17/2007	1/17/2007	-10.00
Roodhouse, Devon (001-00256)	Store Credit	1/4/2007	2/17/2007	-37.08
Stoutsville, Marilyn (001-03351)	Store Credit	7/19/2006	7/19/2006	-1.07
Town, Kelly (001-01764)	Store Credit	12/29/2006	3/9/2007	-34.24
Warrenton, Penny (001-01101)	Store Credit	5/15/2006	5/15/2006	-0.60
<b>Store Credit Balances</b>				<b>-2,662.44</b>
				-2,662.44

**IGNORE THE FACT THAT THE NUMBERS ARE NEGATIVE!** Write the number down as a *positive* number on your pad.

This is again a good time to check and make sure these are correct. If they need to be adjusted or zeroed out do it the same way as you did with Customer Balances. When you edit the customer you'll click on the **Store Credit** line then click on "Adjust Balances".

## Finding Customer Deposits

When the Edge sets up a QuickBooks account they typically make **CUSTOMER DEPOSITS** the main account with sub accounts. In QuickBooks it may look like this:

### CUSTOMER DEPOSITS

- Repair Deposits
- Appraisal Deposits
- Layaway Deposits
- Special Order Deposits

I have since then simplified and just send all of the same deposits into a single **Customer Deposits** account in QuickBooks.

These are monies customers have given you when they ordered something and you required a deposit before beginning.

But you can run the report and find the deposits for each type of if your chart of accounts only has Customer Deposits then you can get a single number.

## Finding Customer Deposits, continued

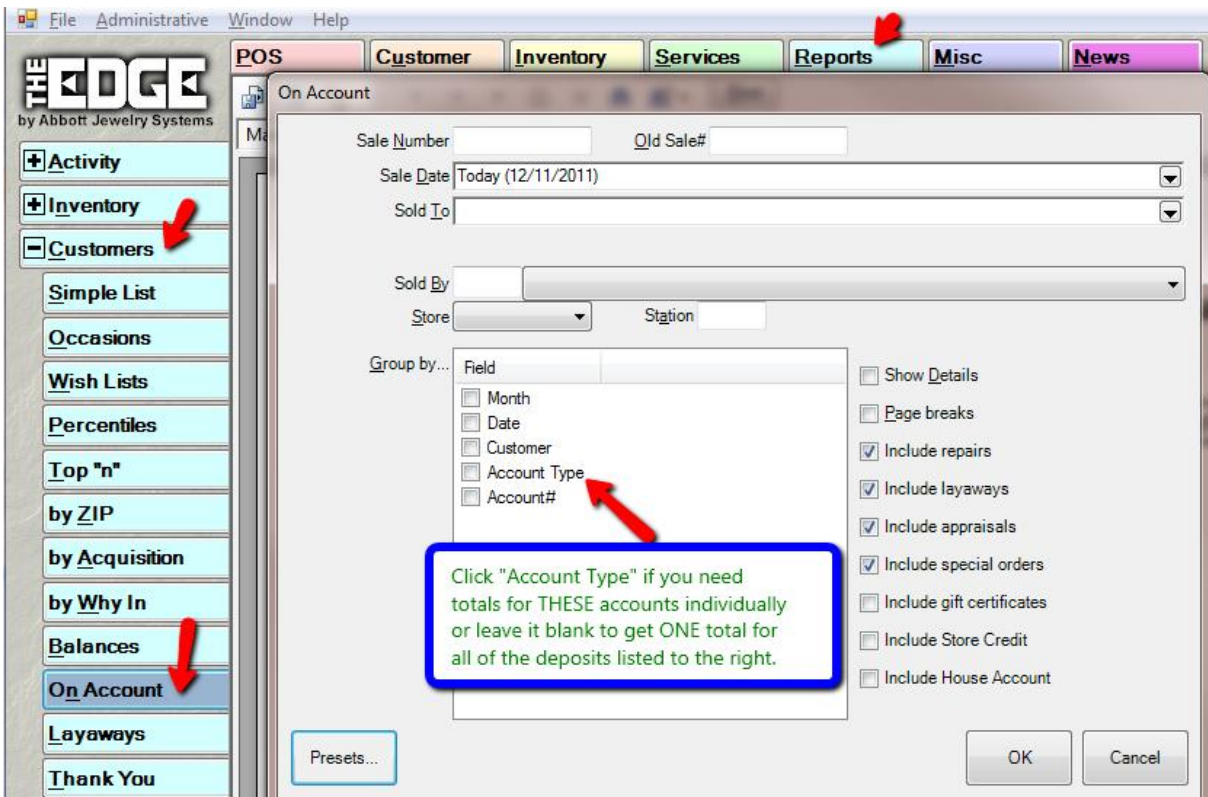
- **REPORTS**
- **Customers**
- **On Account**

In the middle white “Group By” box you’ll see “Account Type”. If you place a check mark in it you’ll get the total for each type:

- Repair Deposits
- Appraisal Deposits
- Layaway Deposits
- Special Order Deposits

Leave the “Sale Date” as it comes up “Today”. That's correct.

If you don’t click “Account Type” then you’ll get **ONE TOTAL**:





**The Report for Gift Certificates:**

Id	Date Sold	Date Used	From	To	Amt	Msg
001-06782-001	12/23/2004		Lorane, Arnold (001-02311)	(001-02312)	\$500.00	
001-11236-001	11/18/2005		Seward, Emma Grace (001-03048)	Gilbertsville, Caroline (001-03049)	\$150.00	Love & Best Wishes
001-12871-001	1/23/2006		Vassalboro, Jack (001-02747)	El, Sam (001-03307)	\$25.00	
001-12905-001	1/24/2006		Trumansburg, Faye (001-01015)	El, Sam (001-03307)	\$50.00	
001-13673-002	3/9/2006		Revelo, Barbara (001-03450)	Town, Kelly (001-01764)	\$53.50	Two Waterford Allegra Platinum Golbets
001-13810-001	3/17/2006		Port, Rob (001-00988)	Town, Kelly (001-01764)	\$101.65	best wishes - rob hanselman & ann Meritt
001-13927-001	3/29/2006		Grygla, Rachel (001-03490)	Town, Kelly (001-01764)	\$50.00	Best Wishes,
001-14262-002	4/20/2006		River, Raynor (001-01517)	Stoutsville, Marilyn (001-03351)	\$100.00	Best Wishes,
001-14327-001	4/25/2006		Gresham, Amy (001-00498)	Stoutsville, Marilyn (001-03351)	\$18.19	Best Wishes,
001-14878-001	6/1/2006		Valley, Wayne (001-02240)	Stoutsville, Marilyn (001-03351)	\$30.00	
001-15872-001	8/3/2006		Krum, Carolyn (001-00127)	Gwinn, Maggie (001-03743)	\$26.75	Best Wishes
001-15911-002	8/4/2006		Peach, Lynn (001-03748)	Gwinn, Maggie (001-03743)	\$20.33	Bread & Butter Plate
001-17221-001	10/25/2006		Marthaville, Carol (001-02985)	Marthaville, Carol (001-02985)	\$200.00	
001-17862-001	12/2/2006		Bevinsville, Bud (001-00798)	Pedro, Barbara (001-03940)	\$200.00	
001-18354-001	12/19/2006		Sweetser, Chiquita (001-04099)	Ducor, Mary (001-01231)	\$25.00	
001-18482-001	12/21/2006		Vance, Regina (001-02847)	Redding, Amanda (001-04112)	\$50.00	Merry Christmas
001-18482-002	12/21/2006		Vance, Regina (001-02847)	Garyowen, Paul (001-04113)	\$50.00	Merry Christmas
001-18500-004	12/21/2006		Glenshaw, Beverly (001-01061)	New, Zach (001-02420)	\$70.62	1 Chrismas 3pc place Setting

Sorry, you have to get out your calculator and add up the "Amt" column.

The total of outstanding gift certificates and cards in the Edge is \$1721.04.

Add up the "Amt" column and that's how much you have received from customers in *real money* and you're going to apply to a future purchase..

Write this total down on your pad.

**Here's the totals you should have written down on your pad and you can write them all here on this page if you like:**

**AS OF THIS DATE (Typically "today")** \_\_\_\_\_

**INVENTORY**

Showcase/Special Orders/Trade \$ \_\_\_\_\_  
 Memo & Consignment \$ \_\_\_\_\_  
 Totals up to: \$ \_\_\_\_\_

**STORE CHARGES:** \$ \_\_\_\_\_

**HOUSE ACCOUNT BALANCES:**

**STORE CREDITS:**

**CUSTOMER DEPOSITS:**

Repair Deposits \$ \_\_\_\_\_  
 Appraisal Deposits \$ \_\_\_\_\_  
 Layaway Deposits \$ \_\_\_\_\_  
 Special Order Deposits \$ \_\_\_\_\_

**OR just total Customer Deposits:** \$ \_\_\_\_\_

**GIFT CERTIFICATES:** \$ \_\_\_\_\_

# MAKING ADJUSTMENTS IN QUICKBOOKS

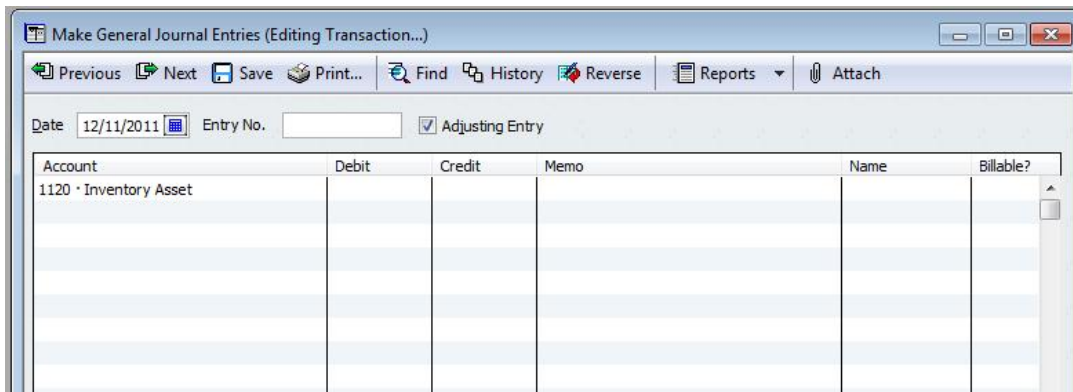
There are three more accounts that need to be reconciled in QuickBooks:

1. Refunds Due
2. Memo Payments Due
3. Consignment Payments Due

These will be discussed after we make the entries from our work on the previous pages. Stay with me now.

Now that you have these numbers many people would make a single journal entry but I like to open each chart of account and make each one individually. It accomplishes the same thing but its easier to change one thing if you need to and I find for most people opening the account is easier. I will show you why:

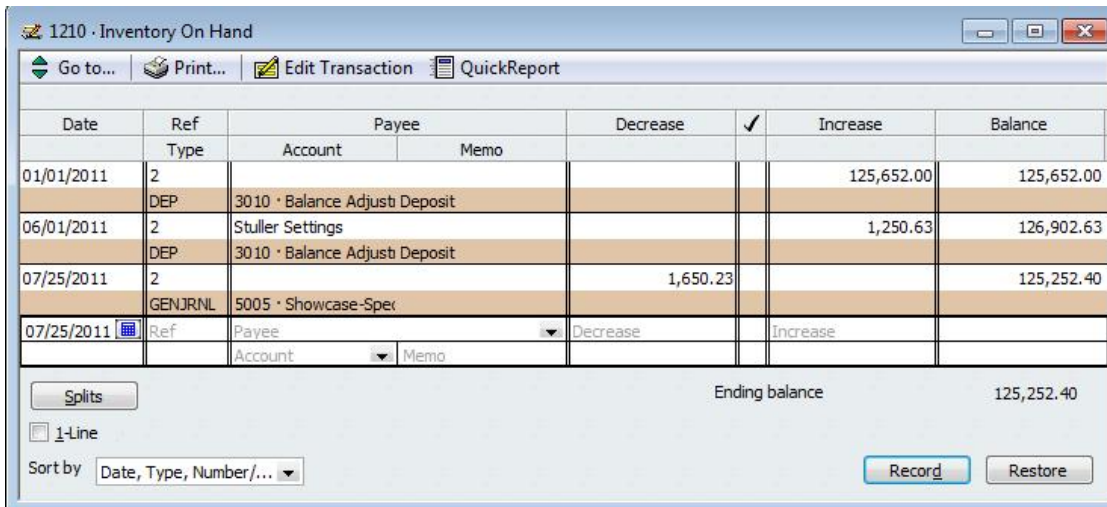
If you want to lower Inventory by \$55,000 you could do it with a journal entry:



**OK, which column do you enter this number in? Don't know? That's OK. (Happens to be the credit column, but I won't tell anyone)**

If we go to the chart of accounts, find the Inventory Asset account and double click it, the account opens up and looks just like the check register, doesn't it?

So which column do you enter the \$55,000 to lower inventory?



The **DECREASE column!** That's right. You're a very bright jeweler! After making every entry in every account they will all be listed one after the other in either the "3010-Balance Adjustment Needed" account (A David Geller created account) or the "3000-Balance Adjustment Equity" account, setup by QuickBooks.

So lets get working on adjusting our numbers:

# Understanding what we are planning to do:

Getting a correct set of books has some advantages and some requirements

## Requirements

Your accountant wants and needs correct financial information.  
The U.S. Government requires it so you can file a legal and accurate tax return.

## Advantages:

Once you learn how to look at and read your financial statements (Profit & Loss Statement, Balance Sheet, Accounts Payables) you'll be better able to run your store more profitably and with less stress.

Accounting is not one sided. If you write a check for rent two things occur:

1. Bank account balance decreases because of the check written.
2. Rent expense increases because a check was written for rent.

If you buy a new laser welding machine two things occur:

1. Your Fixed Asset account "Equipment, furniture & fixtures" increases by the whole cost of the laser machine and has nothing to do with whether you paid for it in full or not.
2. If you borrowed the money to buy the laser than "Long term liability account for the bank loan increased.

So when we adjust our inventory levels, store credits and such usually no one knows where the money or numbers cam from or the original numbers were never entered into QuickBooks. So in QuickBooks we put all of these numbers into a temporary holding account that doesn't affect the profit & Loss statement but does affect the balance sheet. Either the:

1. 3000-Balance adjustment Equity Account (A QuickBooks account)
2. 3010-Balance adjustment Needed account (A David Geller account)

Your numbers could be different, its unimportant. After the numbers are adjusted your Adjustment Equity account will have a balance in it. Your accountant will then decide how to zero out the Balance Adjustment Equity account. Sadly I find many accountants never adjust the stores books so I zero out this equity account to

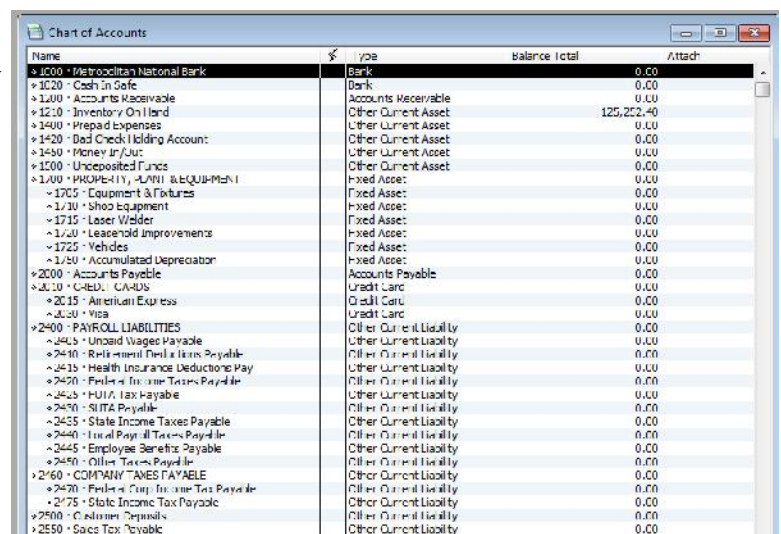
1. Retained Earnings, or
2. Owner's Equity

Because you are making individual entries in the accounts and the opposite entry will show up in the 3000 or 3010 account the accountant will be able to see your entries in detail.

Now that we've written these numbers down, lets get started.

## Adjusting the numbers in QuickBooks:

You need to export from the Edge to QuickBooks as you do every day so you have the most up to date information before you adjust your QuickBooks numbers. After exporting then in QuickBooks hit "Control+A to bring up your chart of accounts.



Name	Type	Balance	Total	Attach
>1000 • Metrodcltan National Bank	Bank	0.00		
>1020 • Cash In Safe	Bank	0.00		
>1000 • Accounts Receivable	Accounts Receivable	0.00		
>1210 • Inventory On Hand	Other Current Asset	125,222.40		
>1400 • Prepaid Expenses	Other Current Asset	0.00		
>1420 • Bad Check Holding Account	Other Current Asset	0.00		
>1450 • Money In/Out	Other Current Asset	0.00		
>1500 • Undeposited Funds	Other Current Asset	0.00		
>1600 • PROPERTIES, PLANT & EQUIPMENT	Fixed Asset	0.00		
-1705 • Equipment & Fixtures	Fixed Asset	0.00		
-1730 • Shop Equipment	Fixed Asset	0.00		
-1715 • Laser Welder	Fixed Asset	0.00		
-1740 • Leasehold Improvements	Fixed Asset	0.00		
-1725 • Vehicles	Fixed Asset	0.00		
-1750 • Accumulated Depreciation	Fixed Asset	0.00		
>2000 • Accounts Payable	Accounts Payable	0.00		
>2100 • CREDIT CARDS	Credit Card	0.00		
>2015 • American Express	Credit Card	0.00		
>2120 • Visa	Credit Card	0.00		
>2400 • PAYROLL LIABILITIES	Other Current Liability	0.00		
-2445 • Unpaid Wages Payable	Other Current Liability	0.00		
-2440 • Retirement Benefits Payable	Other Current Liability	0.00		
-2435 • Health Insurance Deductions Pay	Other Current Liability	0.00		
-2420 • Federal Income Taxes Payable	Other Current Liability	0.00		
-2425 • FUTA Tax Payable	Other Current Liability	0.00		
-2450 • SUTA Payable	Other Current Liability	0.00		
-2435 • State Income Taxes Payable	Other Current Liability	0.00		
-2440 • Local Payroll Taxes Payable	Other Current Liability	0.00		
-2445 • Employee Benefits Payable	Other Current Liability	0.00		
>2450 • Other Taxes Payable	Other Current Liability	0.00		
>2460 • COMPANY TAXES PAYABLE	Other Current Liability	0.00		
-2470 • Federal Corporate Tax Payable	Other Current Liability	0.00		
-2475 • State Income Tax Payable	Other Current Liability	0.00		
>2500 • Customer Deposits	Other Current Liability	0.00		
>2550 • Sales Tax Payable	Other Current Liability	0.00		

# Adjusting each account:

## 1. Inventory Asset or Inventory Edge (and possibly the “Inventory QB” account.)

When the Edge first started with QuickBooks integration they made several inventory accounts. Typically it looked like this and if I have set you up in recent years you may not have all of these accounts. I have added by comment below. This is the time to adjust these year end numbers.

- INVENTORY** (This is the master account header)
- Inventory Edge (Total inventory you own in Edge)
- Inventory QB (Edge said to enter bills here and the Edge when exporting will move what you entered into the top “Inventory Edge” account. I have since not used this account, it never balances.)
- Return to Vendor (When you click on “Return To vendor” inside of the Edge, edge moves that amount out of Inventory Edge and into this account. The bookkeeper is supposed to issue credits from *this* account. I no longer use it at all and have the bookkeeper issue credits from Inventory Edge).
- Inventory Assembly/Disassembly (When you assemble or disassemble 2 or more items the Edge moves that amount from Inventory Edge into this account. I no longer use this account, its not needed)
- Inventory Scrap (When you go inside of the Edge and SCRAP a piece of inventory, the Edge moves the cost from Inventory Edge to Inventory scrap. I still use this and if an amount is in there you should journal entry and move that scrap into the Scrap Gold Cost of Goods account.

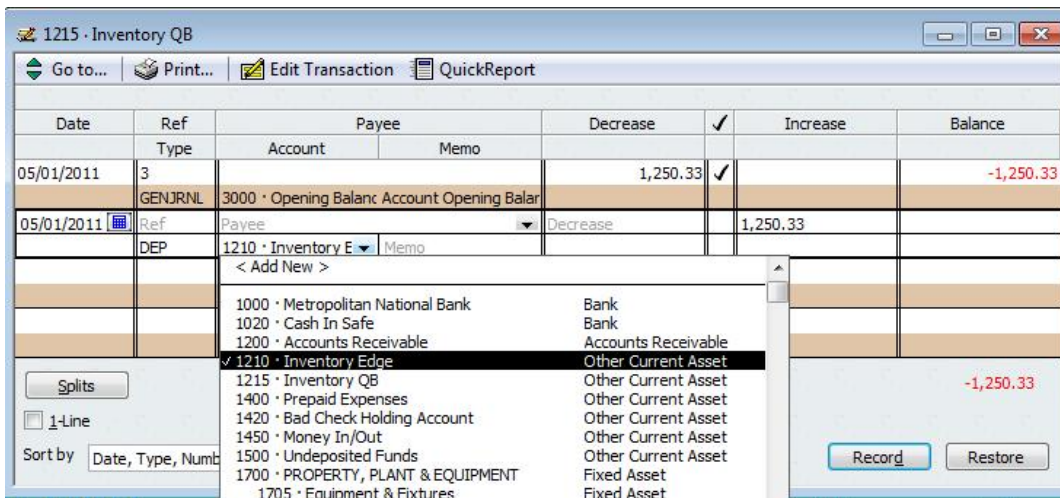
I now have only 2 inventory accounts that are owned inventory:

- INVENTORY**
- Inventory Edge
- Inventory Scrap

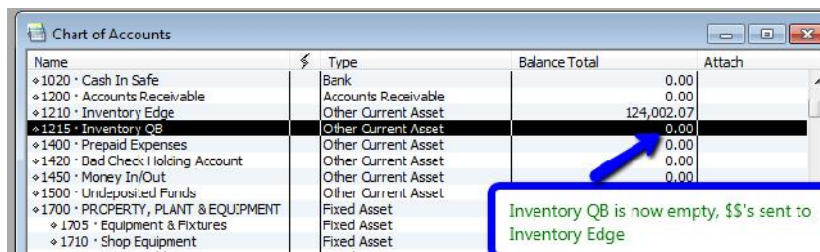
You’ll probably see an amount of money in the Inventory QB || Return to vendor || Inventory Assembly/Disassembly accounts.

First thing to do is to zero out these accounts to the “Inventory Edge” account. Easy to do. Double click on the “Inventory QB” account and type in the balance you see at the right into the Decrease or Increase column. On the account field find “Inventory Edge” and save it to empty this account.

If the balance is a positive number, type it in the “Decrease” column and if it’s a negative number ( as shown here) type it in the “Increase” column.



Now its zeroed out and the amount (doesn't matter if negative or positive) is in the “Inventory Edge” account:



**You should be doing this with all of these accounts below, if you have them. Zero out to Inventory Edge.  
(Never use the MAIN capitalized account)**

Inventory QB  
Return to Vendor  
Inventory Assembly/Disassembly

So now you should have ONLY Inventory Edge with a number in the chart of account list. Now we need to make the QuickBooks inventory level match The edge in these accounts from the report:

Inventory Type 'Special Order'	31	1,771	2,401.53
Inventory Type 'Stock'	1,456	2,024	240,065.88
Inventory Type 'Trade'	1	61	400.00

Showcase/Special Order inventory equals \$242,867.21

Just like on the previous page, double click and open the Inventory Edge account and in the Increase or Decrease column enter an amount to make it match edge.

On the next line, account field find either the 3010-Balance Adjustment Needed equity account or if there is not one, use the 3000-Opening Balance Equity Account. Always type in the “memo” field your initials and why you did this. Typically “To match edge end of year numbers”.

Date	Ref	Payee	Decrease	Increase	Balance
01/01/2011	2			125,652.00	125,652.00
	DEP	3010 · Balance Adjustment Requir Deposit			
05/01/2011	4		1,250.33		124,401.67
	DEP	1215 · Inventory QB			
06/01/2011	2	Stuller Settings		1,250.63	125,652.30
	DEP	3010 · Balance Adjustment Requir Deposit			
07/25/2011	2		1,650.23		124,002.07
	GENJRN	5005 · Showcase-Spec Order COC			
12/12/2011	4	Payee	Decrease	118,865.14	242,867.21
	DEP	3010 · Balance Adjustment ...			
		To Match The Edge DSG			

Choose the 3010 account (or Opening balance equity Account)

This number makes the balance match the Edge's inventory level.

Record Restore

Now your Inventory Edge account in QuickBooks matches The Edge program.

**FIXING STORE CREDITS:**

You’ll be doing the same thing to fix Store Credits. The Edge will make in and out entries in QuickBooks for you as you make new store credits in QuickBooks and s you sue them up when customers do purchases in the future. **But you have to make sure the numbers in QuickBooks are correct.**

In The Edge report there were now dates to set to get a report for the past so you have to do this darn close to New Years Eve to get an accurate number. You can’t ask The Edge in March “Hey! How much did we have in Store Credits on January 1st?” Sorry.

Being you have the total of store credits again go to the Chart of Accounts in QB (Control+A) and find “Store Credits”.

## Adjusting Store Credits in QuickBooks

Find the “Other Current Liability” account **Store Credits**. Double click on the account to open it up. The picture below never had a number in in but type in a number in the **Increase or Decrease** column to make the ending balance equal to the Edge. In our example we had Store Credits of \$2,662.44.

Date	Ref	Payee	Increase	Decrease	Balance
12/21/2011	4		2,662.44		2,662.44
	GENJRNL	3010 · Balance Adjustment To Match Edge DSG			
12/21/2011	Ref	Payee	Increase	Decrease	
		Account			

Ending balance 2,662.44

## Adjusting Store Charges in QuickBooks

Find the “Other Current Asset” account **Store Charges**. Store Charges in QuickBooks is the same thing as accounts receivable in The Edge. Double click on the account to open it up. The picture below never had a number in in but type in a number in the **Increase or Decrease** column to make the ending balance equal to the Edge. In our example we had Store Charges of \$513.60.

Date	Ref	Payee	Decrease	Increase	Balance
08/08/2011	5	POS Customer	125.36		-125.36
	GENJRNL	1200 · Accounts Recei			
12/21/2011	6			638.96	513.60
	DEP	3010 · Balance Adjusti To Match Edge DSG			
12/21/2011	Ref	Payee	Decrease	Increase	

Ending balance 513.60

Notice that this account was a negative when we opened it.

By "adding" \$638.96 to the "Increase column" we were able to make the Balance match the Edge's of \$513.60.



**Find the Equity Account, double click and open it up to see what you've done:**

3010 · Balance Adjustment Required

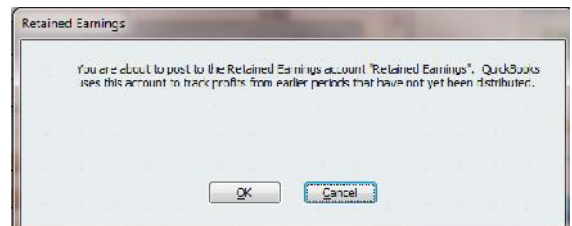
Below you can see on Dec 21st ALL of the entries were made. Some increased and some decreased this equity account. Your accountant can see what accounts were adjusted. If he/she wants to change to a different account other than the Equity account, they can.  
 If your accountant fixes your QuickBooks file after doing your tax return then they will need to zero out this account.  
 On the other hand if your accountant only requests a copy of your QuickBooks file or profit and loss and balance sheets you can zero this account out to either "Retained Earnings" if you're a Corporation or "Owner's Equity" if you're not. See picture attached below this one.

Date	Type	Account	Increase	Decrease	Balance
12/21/2011	4	1210 · Inventory Edge	118,865.14		244,517.44
12/21/2011	6	1550 · Store Charges	638.96		245,156.40
12/21/2011	4	2505 · Store Credits		2,662.44	242,493.96
12/21/2011	6	2500 · Customer Deposits		7,801.61	234,692.35
12/21/2011	8	2510 · Gift Certificates Issued		1,721.64	232,970.71
12/21/2011	Number Payee Account Memo		Increase	Decrease	

Ending balance 232,970.71

Splits  1-Line  
 Sort by Date, Type, Number/... Record Restore

To zero out this account, enter on a blank line and type in the "Ending balance" number in either the Increase or Decrease column and chose on the account line either Retained Earnings or Owner's Equity. When you do you'll get This warning message, just click "OK".



The Equity Account will now be zero. Remember only do this if your accountant **does not** adjust your QuickBooks file at year end.

3010 · Balance Adjustment Required

Date	Type	Account	Increase	Decrease	Balance
05/01/2011	3	GENJRNL 1215 · Invest Lyr Setup		1,250.33	124,401.67
06/01/2011	2	GENJRNL 1215 · Invest Lyr Setup	1,250.03		125,652.30
12/21/2011	4	DEP 1210 · Inventory Edge	118,865.14		244,517.44
12/21/2011	6	DEP 1550 · Store Charges	638.96		245,156.40
12/21/2011	4	GENJRNL 2505 · Store Credits		2,662.44	242,493.96
12/21/2011	6	GENJRNL 2500 · Customer Deposits		7,801.61	234,692.35
12/21/2011	8	GENJRNL 2510 · Gift Certificates Issued		1,721.64	232,970.71
12/21/2011	9	GENJRNL 3200 · Retained Earnings	232,970.71		0.00
12/21/2011	Number Payee Account Memo		Increase	Decrease	

Ending balance 0.00

Splits  1-Line  
 Sort by Date, Type, Number/... Record Restore

**There are more reports to run to make sure Edge and QuickBooks match each other.**

Typically I run sales report (net cogs), Misc Sales reports, Sales tax report and Shop Sales reports to make sure the Profit & Loss reflects the true sales and cost of goods in QuickBooks from The Edge.

The previous pages were a fix to the Balance Sheet.

If you'd like me to come to your computer over the internet and do this for you, run other reports, show you what not to do incorrectly in QuickBooks and Edge, fix your mistakes in addition to showing you how to download your bank statement into QuickBooks and download your credit card charges into QuickBooks, just shoot me an email. There's an hourly fee for connection time.

Hope this helps you a lot

Sincerely

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