

QuickBooks

Power Reporting: Using Classes

Classes are a very powerful, and probably my favorite feature of QuickBooks. They allow you to departmentalize your profit and loss statement. For example, if you are in the service industry, you might set up a class for each consultant or employee. All their expenses (including payroll) can be classified to their class and then you can run a profit and loss report by class. If you are a larger organization and want to track expenses by your offices such as West Coast, East Coast and Mid-West, set up a class for each one.

Creating your classes

Classes are found in the QuickBooks lists. Click on the menu List > Class List.

Right click and select new. You can have a structure to your classes but creating sub-classes as well.

For example:

West Coast Office

Accounting Dept

Sales Department

Management

East Coast Office

Accounting Dept

Sales Department

Management

By creating the departments as sub-classes under the major offices you will get totals for each department and grand totals for each office location.

TIP: You must turn on the class preference in order to use this feature.

Click on the menu Edit > Preferences. Choose the Accounting Icon and the Company Preferences tab. Check use class tracking. Once you do this each screen, invoices, bills, credit cards and journal entries will all have a class field.

TIP: Assign every invoice, bill, credit card charge and journal entry to a class. When you run your profit and loss, choose profit and loss by class report.

Manufacturing Sample File
Profit & Loss by Class
 January 1 through December 15, 2011

Ordinary Income/Expense	Accounting Dept	Sales Dept	Total East Coast Office	Accounting Dept	Sales Dept	Total West Coast Office
	(East Coast Office)	(East Coast Office)		(West Coast Office)	(West Coast Office)	
Income						
Pool Cover & Equipment Sales ▶	0.00 ◀	251,725.00	251,725.00	0.00	183,525.00	183,525.00
Revenue - Installation Service	1,600.00	5,050.00	6,650.00	0.00	11,270.00	11,270.00
Revenue - Repair Service	<u>0.00</u>	<u>279.56</u>	<u>279.56</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Income	1,600.00	257,054.56	258,654.56	0.00	194,795.00	194,795.00
Cost of Goods Sold						
Inventory Overages/Shortages	0.00	0.00	0.00	0.00	0.00	0.00
Cost of Goods Sold	0.00	110,008.80	110,008.80	34,950.00	63,610.66	98,560.66
Materials	0.00	28,695.12	28,695.12	0.00	11,905.00	11,905.00
Labor-Installation	15,302.30	1,845.62	17,147.92	0.00	2,243.82	2,243.82
Freight	0.00	192.28	192.28	0.00	485.00	485.00
Fall Out/Spoilage	<u>0.00</u>	<u>457.30</u>	<u>457.30</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total COGS	<u>15,302.30</u>	<u>141,199.12</u>	<u>156,501.42</u>	<u>34,950.00</u>	<u>78,244.48</u>	<u>113,194.48</u>
Gross Profit	-13,702.30	115,855.44	102,153.14	-34,950.00	116,550.52	81,600.52