



Quicken® vs. QuickBooks® : Record Keeping 101

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Food Systems

WASHINGTON STATE UNIVERSITY

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Today's Presenter



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Record Keeping Definitions

- Record:
 - A thing constituting a piece of evidence about the past, especially an account of an act or occurrence kept in writing or some other permanent form
- Record Keeping:
 - Orderly and disciplined practice of storing business records



Why Record Keeping Matters?

- To comply with income tax reporting requirements.
- To assist in planning and management such as obtaining credit, participating in government programs, and deciding what to produce
- Without record keeping, the chances of managing a successful business are poor.



Biggest Reason for Record Keeping

You can't really know where
you are going until you
know where you have been.

Maya Angelou

quoteancy



How can record keeping help you?

- Assists in preparing financial statements quickly and accurately
- Provides information to enable the control of cash in the business
- Provides management information to base business decisions on
- Contributes promptly to assessing the financial situation of the business **AT ANY TIME**



How can record keeping help you?

- Saves a lot of time and effort
- Measures the business performance against projections
- Highlights areas where problems could arise and enable solutions
- Provides valuable information for bankers



Helps You Plan!

- Knowing the cycle within the business
 - Ex. Sell calves for income during one month, buy feed in a different month
- Anticipate the inflows and outflows of money



Helps You Comply with the Law!

- Contracts, leases, and other agreements
 - Maintain original copies of all legally executed contracts
- Licenses, insurance and permits
 - Proof of insurance for banks, pesticide applicator licenses, etc
- Payroll and personnel
 - Total hours worked, wages paid, employment records, etc.



Helps You with Taxes!

- 1040 Schedule F
 - Enter receipts, expenses, and production in the appropriate records.
- State and Federal income tax sheets
- Property taxes
- If you will be filing taxes by yourself, a sample farm return can be found on:

www.RuralTax.org



Record Keeping Systems

- Quicken®
- QuickBooks®
- Excel
- Google Sheets



Excel and Google Sheets Positives

- Spread-sheet based programs
- Low cost
- Keep an organized list of “accounts” Enter and categorize transactions
- Generate income statements from transactions you’ve entered
- Track invoices you’ve sent clients and cross-check them with the transactions you’ve entered



Excel and Google Sheets Negatives

- Time Consuming
- Cannot connect to your business bank accounts or credit cards and automatically import and sort transactions
- Cannot automatically generate typical financial documents based on the data from your books
- Cannot detect or notify you of data entry errors
- Does not easily allow multiple users to work within your system



Lets Get into Today's Topic

Quicken® vs. QuickBooks®

Quicken®



intuit
quickbooks®



Quicken® vs. QuickBooks® Features

Quicken®	QuickBooks®
Cash Accounting	Accrual Accounting (can create cash basis reports)
Personal Finance	Small Business Finance
Record Family Living Expenses, Off-Farm Income	Must be Manually Added
N/A	Can convert Quicken files to QuickBooks
Track Investments	N/A
Financial Calculators: Loan, Savings, Retirement, Refinance, College	N/A
Budget Features	Budget Features are more limited



Quicken® vs. QuickBooks® Features Continued

Quicken®	QuickBooks®
Loan Tracking and Amortization	Loan Tracking and Amortization
Download Electronic Credit Card, Bank Information, Credit Card Procession Service	Download Electronic Credit Card, Bank Information, Credit Card Procession Service
Passwords: File or Transactions	Multi-level passwords
Payroll: Create Accounts, Calculate and Enter Manually	Payroll Subscription Service. Can Enable Manual Entry
N/A	Integrated invoicing, accounts payable and receivable
N/A	Employee Records



Quicken® vs. QuickBooks® Data Entry

Quicken®	QuickBooks®
Enter Transactions in Register	Enter Transactions in Forms (Invoice window, etc.)
Write Checks: Personal Check	Write Checks; Business Check with Voucher Area
Enter Payment	Enter Bills, Pay Bills, Assign Check Number
Enter Deposit	Estimates, Create Invoices, Receive Payments, Create Receipts (or Enter Sales Receipt)



Quicken® vs. QuickBooks® Farm Adaption

- Quicken®:
 - Importing a farm category list created elsewhere that includes feed, fuel, fertilizer, etc. minimizes the effort required to develop a beginning chart of accounts
- QuickBooks®:
 - Indicating an agricultural business to set up the company establishes a Chart of Accounts linked to basic Schedule F
- Both:
 - Labels in the category list and chart of accounts respectively can be edited, added or deleted, allowing customization to match the individual business needs



Quicken® vs. QuickBooks® Balance Sheets

- Quicken®:
 - Accounts for individual assets or groups of assets (e.g. machinery) would need to be created
- QuickBooks®:
 - Has the advantage of a fixed asset item list in which purchase date, account, and cost can be recorded, which facilitates asset inventory and records of associated depreciation



Quicken® vs. QuickBooks® Income Statements

- Quicken®:
 - Profit and loss statement, given its cash accounting nature, this label is less than accurate and the report is generally indistinguishable from the cash flow report
- QuickBooks®:
 - If the user has developed a complete chart of accounts including depreciation and asset inventories plus has made all necessary journal entries and adjustments



Quicken® vs. QuickBooks® Cash Flow

- **Quicken®:**
 - Cash flow reports are a standard report
- **QuickBooks®:**
 - Profit and loss default reports must be repurposed and customized to serve as cash flow reports
- **Both:**
 - Loans can be amortized with scheduled payments retained for future use



Quicken® vs. QuickBooks® Enterprise Accounting

- Quicken®:
 - The “tag” feature can be used with categories to further identify transactions by enterprise, by partnership share, or by farm
- QuickBooks®:
 - The “class” feature can be turned on to allow income and expenses to be associated with a particular project or production activity
- Both:
 - Labels in the category list and chart of accounts respectively can be edited, added or deleted, allowing customization to match the individual business needs



Quicken® vs. QuickBooks® Budgets

- Quicken®:
 - Offers more features for modifying a budget as zero budget amounts can be excluded and you can apply average amounts or preserve monthly or quarterly detail
- QuickBooks®:
 - Allows budgets to be developed for classes and projects from historical data
- Both:
 - Include standard comparison reports that highlight budget versus actual figures



Quicken® vs. QuickBooks® Reports

- Quicken®:
 - Offers a variety of reports and graphs focused on banking, investing, spending, comparison, net worth and balances, and taxes
- QuickBooks®:
 - Includes more than 100 default reports under group headings: company and financials; customers and receivables; sales; jobs, time and mileage; vendors and payables; employees and payroll; banking; accountant and taxes; budgets



Quicken® vs. QuickBooks® Cost

Quicken®:

\$34.99-\$89.99

QuickBooks®:

\$149.99-\$323.00



So what software should I use?

- IT DEPENDS.....
 - On your wants and needs
 - Check with your accountant
 - Some accountants only use QuickBooks® files, while others might accept Quicken®



References

- Doye, D. G. (2014). Quicken or QuickBooks: What's the Best Choice for Agricultural Producers?. Oklahoma State Cooperative Extension Bulletin: AGEC 266
- The Manual: Quicken® for Farm/Ranch Records
 - <http://www.agecon.okstate.edu/quicken/download.asp>
- Farmer's Guide to QuickBooks
 - <https://www.agmanager.info/quickbooks-resource-page>



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The vision of the Cultivating Success™ program is to increase producer and consumer understanding, value, and support of sustainable local farming systems in Idaho through educational and experiential opportunities. Partners in this program strive to create strong communities with infrastructures that provide the resources and skills needed to produce local and sustainable food and agricultural products for the residents of the Inland Northwest.



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- Tuesday, March 10th – Financial Fitness for Farmers Part 2: Income Statements
- Monday, March 16th – Assessing Beneficial Insect Habitat on Your Farm
- Tuesday, March 17th – Financial Fitness for Farmers Part 3: Enterprise Budgets
- Tuesday, March 24th – Financial Fitness for Farmers Part 2: Cash Flow Statements

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