

QUICKBOOKS TIPS CORNER

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Setting a Closing Date

You might think that setting a closing date in QuickBooks is taking precaution one-step too far. You might want to think again...

By setting a closing date for your data, the integrity of your prior period's information has a better chance of staying intact.

Just think of the havoc that can be caused by entering data or adjustments into a period that has long since past. Most small business owners will run reports comparing both prior periods and prior years information, but do not check the integrity of the data they are using with their tax return or a prior months financial report for that matter. It is imperative to know that the data you are using to make business decisions is intact and a simple date error can cloud your perspective. Each year, we go back and check the integrity of the prior years QuickBooks data with your tax return, if data has changed for the prior year it become necessary for us to go back to locate the problem. By setting a closing date, you can avoid this costly fix.

If you are using QuickBooks 2002 or higher –

Note: You must be in single-user mode.

1. From the Edit menu, choose **Preferences**.
2. In the **Preferences** dialog box, select **Accounting**,
3. On the **Company Preference** tab, enter the date through which you want your period to be closed.
4. Create the password to limit access to the closed accounting period:
(A password is not necessary, but suggested)
Click **Set Password**.
Enter the new password in both the **New Password** and **Confirm New Password** Boxes
Click **OK** to close the **Changing Close Date Password** dialog box.
5. Click **OK** on the **Preference** dialog box.

Please feel free to contact me if you would like additional information on this or any other QuickBooks subject.