

# Clean Up Your QuickBooks Data – And Keep Just The Information You Need

**A**fter years of working in the same QuickBooks data file, you collect a lot of information – and you probably don't need some of it. For example,

- ◆ You don't necessarily need to keep items on the Item List that you no longer sell.

- ◆ If you have fully paid a bill, you don't really need to keep the details of the bill—the name of the vendor to whom you wrote the check or the line items that appeared on the bill

**Better:** Your QuickBooks data would be accurate if simply the impact of the paid bill appeared on your books.

You can use the Clean Up Company Data wizard to help you remove list entries you no longer use and transactions that you no longer need. During the process, QuickBooks replaces transaction detail with monthly journal entries that summarize the deleted transactions.

## Remove Transaction Detail

To select transaction detail to remove, specify a date. QuickBooks removes transaction detail for transactions with dates *on or prior to* the date you specify.

It does not change any transactions in your company that fall after the date you specify. At the same time, cleaning up your data can remove list items as long as you have reconciled all transactions related to these list items. In particular, QuickBooks can remove any of the following elements:

- ◆ Unused accounts
- ◆ Unused customers, vendors, and other names.
- ◆ Unused invoice items
- ◆ Completed To Do notes

**Note:** You can clean up by date only – not by account. You also cannot select list items to remove.

In addition, QuickBooks can remove additional transactions that you identify during the clean up process.

You can remove all transactions from a company. If you select this option, QuickBooks leaves all list items but removes all transactions. You can use this option to start your company over.

## What Happens During the Cleanup Process

It is important to understand that QuickBooks deletes and summarizes only those transactions that fall *on or before* the date you specify *and* that have no effect on transactions dated after that date. For example, QuickBooks will delete the details of any fully paid vendor bill with a date prior to the specified cleanup date. In the bill's place, QuickBooks will include the bill amount in a summary journal entry that uses expense accounts. The summary journal entry will contain neither the vendor name nor the items purchased, so that detail no longer appears in your company. On the other hand, QuickBooks will keep any unpaid bills even if the bills are dated prior to the specified date; that way, you can pay these bills when they become due.

**Be aware:** During cleanup, QuickBooks may also remove budget data.

By default, QuickBooks will not remove detail for the following types of transactions even if their dates fall within the date range of transactions to clean up:

**K R**  
**"BILLIE"**  
**LOVETT**  
**CPA AC**

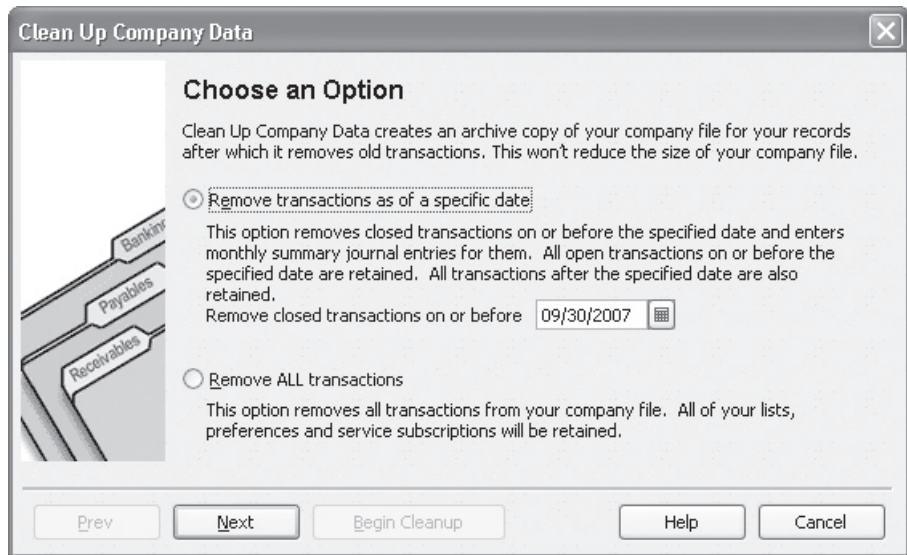
Kathleen R Lovett CPA AC is a small firm, located in rural Preston County, West Virginia, providing tax, accounting, and payroll services to individuals, the self-employed, LLCs, partnerships, non-profits, and corporations. As a QuickBooks Pro-Advisor, I provide software consultation, installation, set-up, and support on a variety of their products. For more information, I invite you to visit my website: [www.billiecpa.com](http://www.billiecpa.com).

- ◆ All transactions with open balances, such as unpaid or partially paid invoices, customer payments that have not been deposited, unpaid bills or unused credit memos.
- ◆ Any transaction that is linked to another transaction that has an open balance, such as an undeposited customer payment. Although the undeposited payment may have completely paid off an invoice, QuickBooks doesn't remove the invoice because the invoice is linked to an open transaction—the undeposited payment.
- ◆ Online transactions that haven't been completed.
- ◆ Payroll transactions for the current year.
- ◆ Estimates with a job status *other than* Closed.
- ◆ Time data that is *not* marked as "billed" or "not billable."
- ◆ Time data for jobs with a status *other than* Closed.
- ◆ Time data used in payroll but not yet paid to employees.

Unless you specify otherwise, QuickBooks will also retain the following types of transactions that fall before the date you specify:

- ◆ Unbilled reimbursable expenses.
- ◆ All uncleared transactions, such as unreconciled transactions in checking or credit card accounts.
- ◆ All invoices, credit memos, sales receipts, or checks that have a check in the "To be printed" check box or are scheduled to be emailed.

QuickBooks cleans up inventory transactions by removing as many transactions as it can, based on the transactions being complete and not linked as described above. However,



**Figure 1.** Set the date prior to which QuickBooks removes closed transactions.

once QuickBooks identifies an inventory transaction that does not meet the criteria for deletion, QuickBooks does not remove that transaction or any inventory transaction dated later than the transaction that it could not remove. In place of the removed inventory transactions, QuickBooks records an inventory adjustment.

### The Effects of Cleaning Up

QuickBooks creates monthly summary transactions for deleted transactions -- the summary transaction amount is the total of the deleted transactions. QuickBooks places the transactions in your registers as journal entries (in the Type field, you'll see GENJRNL). Typically, you'll find one GENJRNL transaction for each month in which QuickBooks deleted transactions.

You'll also notice the effects of cleaning up on reports. For example, you will still be able to create reports that summarize financial activity for the period of time you cleaned up, because QuickBooks adds summary transactions to your company file

to preserve account balances. And, QuickBooks will keep information about each of your taxable items and vendors so that you can get accurate reports about your sales tax liability. However, you won't be able to create reports that show daily detail for the time period that you cleaned up because QuickBooks deleted the individual transactions that would have provided the detail. You also won't be able to create reports that show balances for individual customers or vendors for the cleaned up period. In addition, cash basis reports for the cleaned up period won't be accurate because QuickBooks will have removed the detail transactions needed to determine whether transactions are collected or paid.

### Cleaning Up

Cleaning up your data file could take minutes or hours. The size of your company file, your computer's speed, and the amount of memory in your computer all play a role in determining how long the process will take. In addition, you can't use other programs

on your computer while QuickBooks cleans up your data. For these reasons, you should consider starting the clean up process just before you go home for the day.

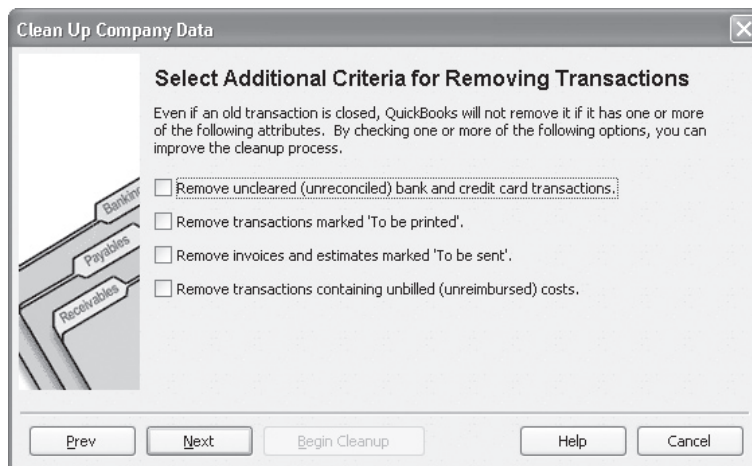
To clean up your company data file, open the **File** menu, point to **Utilities**, and click **Clean Up Company Data**. A message appears, indicating that QuickBooks may remove budget data during cleanup; click **Yes** to continue. The *Clean Up Company Data* wizard walks you through the process. On the *Choose an Option* screen (see **Figure 1**), you set the date QuickBooks uses to remove closed transactions. Click **Next**.

By default, QuickBooks does not remove uncleared bank and credit card transactions, transactions marked "To be printed" or "To be sent," and transactions containing unbilled reimbursable expenses. However, you can remove these types of transactions (and can increase the number of transaction QuickBooks removes) by placing checks in the boxes that appear on the *Select Additional Criteria for Removing Transactions* screen of the wizard (see **Figure 2**). Click **Next**.

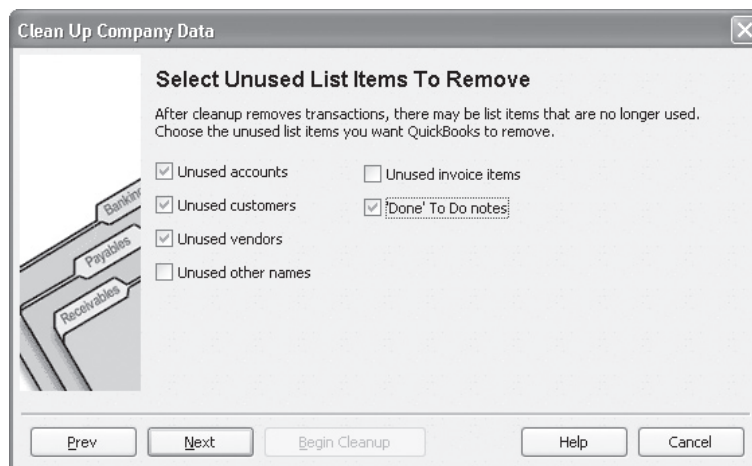
On the *Select Unused List Items to Remove* screen of the wizard (see **Figure 3**), you can identify the lists you want QuickBooks to update if, after removing transactions, elements on the list are no longer used. Click **Next**.

On the *Proceed with Clean up?* screen of the wizard, you see a summary of the actions QuickBooks will perform when cleaning up (see **Figure 4**). Toward the bottom of the list, you'll note that QuickBooks will create an archive copy of your company. In the next section, we'll tell you more about the archive copy.

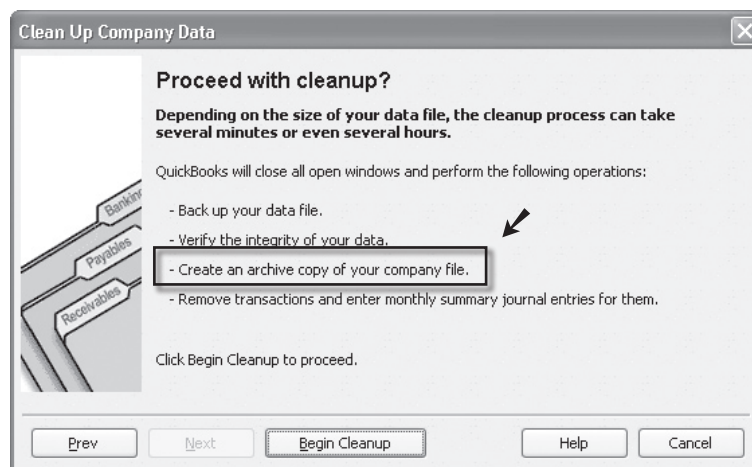
After you click **Begin Cleanup**, you see a message that indicates that a backup must be created, and, when you click



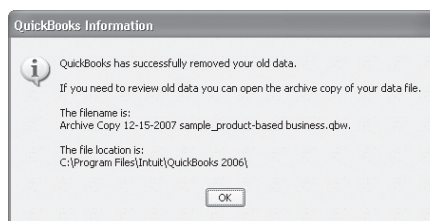
**Figure 2.** Increase the number of transactions QuickBooks removes by checking these boxes.



**Figure 3.** Update lists by removing unused elements during clean up.



**Figure 4.** Creating an archive copy of your company is one of the actions that occurs during clean up.



**Figure 5.** After clean up completes, you see a message like this one that tells you the name of the archive copy of your company data.

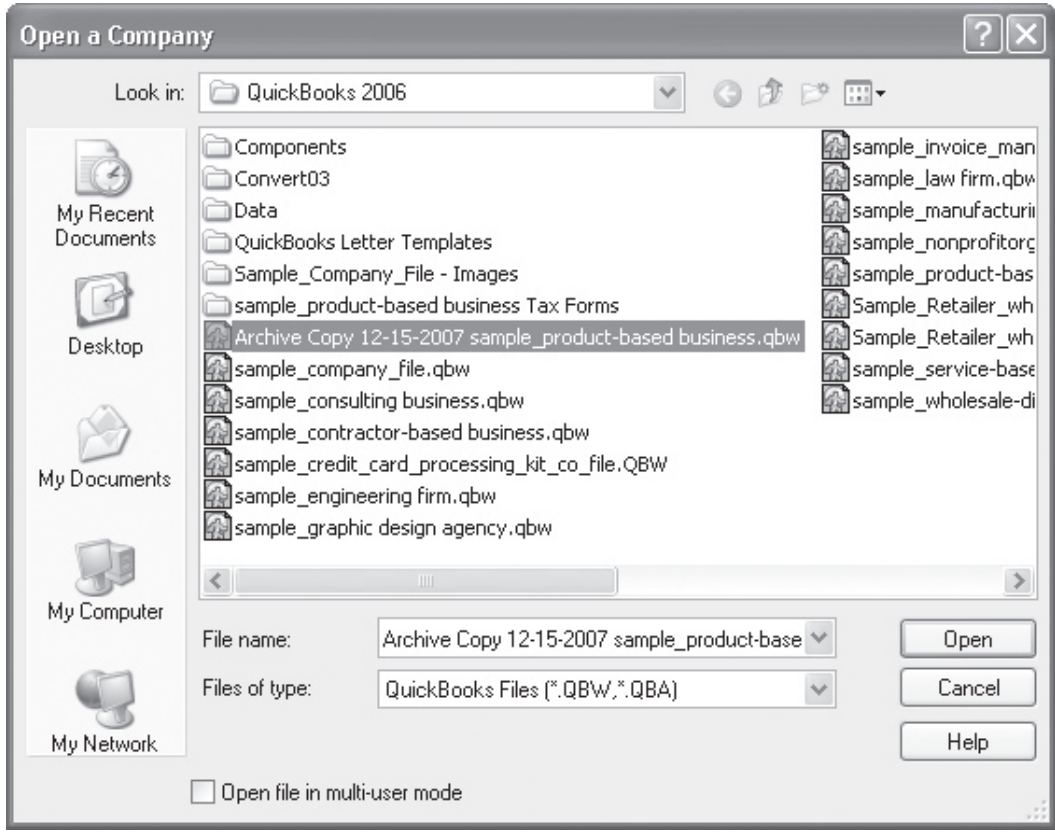
OK, QuickBooks displays the *Back Up Company File* dialog box, where you provide a name and location for the backup. QuickBooks then backs up your data, verifies the integrity of your data, creates the archive copy of your company, and cleans up your data. During the process, QuickBooks reads your data three times.

### Using an Archive Company

When the process finishes, you see a message on-screen that tells you the name of your archive copy (see **Figure 5**) and where it is located.

You can open this company just like any QuickBooks company to view transactions or print reports. Open the **File** menu and click **Open Company**; in the *Open a Company* box, the archive copy is clearly named (see **Figure 6**).

**Caution:** You should not enter or edit data in the archive copy.



**Figure 6.** Archive copies are easy to identify.

If you open an archive copy, be careful to return to your regular company when you want to enter new transactions. You might consider setting a password-protected closing date in the archive company that is dated several years in the future so that you will see a warning message if you start to enter

transactions, reminding you that you are in the archive copy. ♦



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