Quicken SIG Notes – October 26, 2004

Setting Up New Accounts ……….

Free Quicken Updates:

No matter what version of Quicken you use, it is important to check every now and then to see if you are eligible for a free update of your software. To find out, select **Help > Download Latest Version** (or a variation of download latest version). I recently checked mine and was offered the following screen.

Free Quicken 2005 Update – Release 2

Before you click on the Update Now icon, be sure and read the scroll-down text. It tells you to **complete any online transactions before updating the software**. And no, unfortunately, you can not update from Quicken 99 to Quicken 2005 – Release 2. The updates only work for the numbered year of your copy of Quicken.

Note on free updates: If you try to select Help > and you do not see an entry for Download Latest Version, then there are no more updates available to you for your version of Quicken.

New Accounts:

The main purpose of this set of notes is to investigate how to set up various new accounts in Quicken. This should be review for most people, but may be new to some. We will spend some time here for the benefit of those people new to Quicken.

Cash Accounts:

A cash account will let you keep track of things like checking accounts, savings accounts, and credit cards. We will set up a checking account and a credit card account. Neither one will be online at this time. We will handle the online activation another time.

Checking Account –

Too add a checking account, select **Tools > Account List**. Then select **Add Account**. You will be asked to enter your financial institution. Assume the checking account is at Bank One. Type in the name **Bank One**. Notice that Quicken completes the entry for you. That means that Quicken has an electronic arrangement with Bank One, and you can probably conduct online transactions from within Quicken. At a minimum, you will be able to download your account transactions. Select **Next**. If you want to set up your account online, proceed to the next screen and enter your Customer ID and Pin number that you have arranged with the bank. Follow the account set-up wizard to complete your new checking account.

For this demonstration, we will assume we want to do a manual set-up. So, select **Manual**, and click **Next**. Identify your account as a **Checking** account within the Cash Flow area, and click **Next**. Give the account a name, such as **Bank One checking**. One the next screen, you can enter a starting amount for your account, based on your last month's statement. For this set-up, we will enter **10/15/04** with an amount of **$685.00**.

Opening Checkbook Balance

After we click Done, we are taken to the Bank One checking account register, where we can begin to enter any deposits or checks written since the last statement.

Credit Card Account –

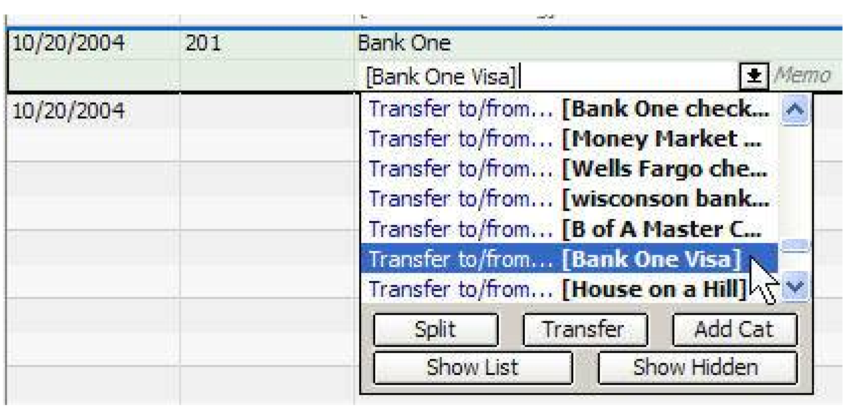
Let's set up a Visa credit card account with the same Bank One. Assume it had a balance due of $245.85 as of the close of the last statement, on 10/8/04. Follow the same approach as setting up the checking account, only this time, when you are asked what type of account, select **Credit** from the Cash Account area.

Credit Card Selection

Name the account **Bank One Visa**, and enter the starting debit of $245.85 as the statement on 10/8/04. Select **Done** and the account is set-up. You can enter a credit limit if you want to, but it is not necessary. Note that the starting value of $245.85 is entered in the set-up as a positive number because the program assumes it is a debit balance.

Using the New Cash Accounts:

To demonstrate how these accounts can be used, let's write a check on the Bank One checking account to pay off the outstanding balance of the Bank One Visa card. First, select the Bank One checking account from the left column under the Cash Center logo. You see the register. Enter check a date for the check of 10/20/04 and check number 201. Write the check to Bank One for $245.85 and for a category, select the Transfer to/from the Bank One Visa account. Then click Enter.



Using Account Transfer

Since you are in the register for the checking account, this transfer will automatically create two transactions: the check in the checking account and the payment in the credit card account. To verify this, select the Bank One Visa account and notice that the check payment has been entered and the balance now reads zero.

Investment Accounts:

Single Mutual Fund – ***Homework***: Set up a single mutual fund account for shares held in the T. Rowe Price New Income Fund. Use Quicken.com to get the Symbol for the fund. Start with a purchase on 10/15/04 of 164.114 shares for $1500.00 with no brokerage fee for the purchase.

Brokerage Account – ***Homework***: Set up a brokerage account with Fidelity Investments to hold the following mutual funds. Purchase on 10/25/04 of 30.184 shares of T. Rowe Price New Era for $1000.00. Purchase on 10/25/04 of 67.325 shares of Fidelity Equity Income Fund II for $1500.00. No brokerage fee for either transaction.

Property and Debt Accounts:

House Account – ***Homework*****:** Set up an account for a house we will call Hilltop House. Assume you paid $200,000 for the house on 5/18/04. You owe a mortgage of $180,000 to First National Savings and Loan. Interest on the 30 year loan is 7.45%, and the payments are made monthly, starting with the first payment on 6/03/04. As of 10/25/04 the house is worth $210,000. Note that as you set up this account, Quicken will set up a separate account for the value of the home, and another account for the liability of the loan.

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