

Quicken SIG Notes - January 24, 2006

Tax Time, Tax Report Outputs, and File Structure

Tax Time and Year End Cleanup

In January, you start getting serious about taxes. True, you may not need to actually do your taxes because you have not received any 1099's or other forms from your financial companies, employers, or the government. But now is the time of the year to make sure you have all your data entered into Quicken for the prior year's transactions. Hopefully, you have been setting aside all those statements from the financial houses for your investments. Well now is the time to dig them out and review all your investment inputs to be sure everything is covered for last year (2005). If you had set up the capability for electronic access with your financial institutions, you could download all of your account data for the prior year, verify those transactions against your statements, and enter the transactions into the registers. You might even have to enter the data manually, one transaction at a time. That's ok. That's how I did it for years before we had the electronic online data downloading.

Tax Report Outputs

How you output your tax data depends on how you intend to use it. Will you use your output to create printed reports so you can get a copy to your CPA or tax accountant? Will you print reports for you to use as either the basis for the numbers for your own tax calculations or to input the data manually into a computer tax program, such as TurboTax? Or will you want an electronic output so you can export your data to a spreadsheet program like Excel? Or perhaps your tax accountant could use an electronic data file for his/her calculations.

	Output	How to Create
Outputs on Paper	Tax Schedule Report Tax Summary Report Itemized Categories Report	Reports>Tax>Tax Schedule Reports>Tax>Tax Summary Reports>Spending>Itemized Categories
Electronic File Outputs	Excel Compatible Files	1. Create reports 2. Export Data > Report to Excel Compatible Format 3. Save file
Electronic File Outputs	PDF file	1. Create reports 2. Export Data > Report to PDF Format 3. Save file

My favorite report format is Itemized Categories for the Prior Year, with all the items expanded. Then I Customize the report to keep only those categories that I know are tax related. This report is similar to the Tax Summary Report, but with one big difference. The Tax Summary report keeps only those transactions for categories that you had previously identified as TAX RELATED when you set up the categories. To find the categories that will be reported in any Tax Report, select **Tools > Category List, and check the column labeled Tax Line Item.** If there is a check mark by the Tax Line Item status, then the category will show up in a Tax Report. Otherwise, forget-about-it. You won't see it. In order to be sure I see any possible income or deduction I customize an Itemized Category report. When I do it that way, I can select the categories that I have been assigning to taxable events, whether I was smart enough to label them in the Category List or not. It is just my way of being extra cautious. For more information on creating Tax Reports, download the Quicken SIG Notes for January 2005. You can see examples of all three report styles.

File Structure

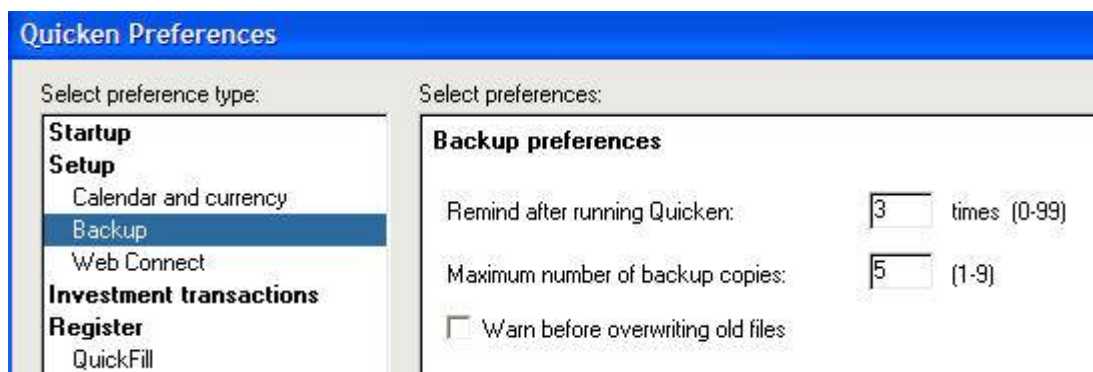
File Structure is one of the most boring subjects I know of in Quicken. Ugh. Who cares? Aren't we suppose to just open Quicken and use it? Doesn't Quicken take care of the files? Why bother? Well, here's why! If you don't understand how Quicken manages your files for your data, you stand a very good chance of opening the wrong data file and entering data into a file that you may never see again. This is especially true if you alternate between data sets, such as between family financial data and business data.

OK, here are some basics. When Quicken installs on your computer, it establishes a data set in the Quickenw folder (directory). The Quickenw folder is usually located in C:\Program Files\Quickenw or one level up at C:\Quickenw. Today's Quicken program (Quicken 2006) stores the data in C:\Program Files\Quicken. You can change the storage location of your Quicken data during program set-up, but I normally do not recommend doing this until you fully understand the Quicken data File Structure.

Quicken usually names it's first data set "QDATA". If you start entering data after a Quicken installation, all that data goes into files that make up the QDATA data set. In most cases, you will have at least three files that make up your data. These files typically have the suffixes of qdf, qel, and qph. The current data set I use for the Quicken SIG has six files that make up the data set. The number of files can vary. The important thing to remember is that the data you enter is contained within a number of files, all of which will start with the same name, but differ in suffix.

Where is Your Data?

To find out where your data set is located on your computer, do the following. Open your Quicken program. It always opens to a data set. Now select **File > Open**. That will show you the folder where your primary Quicken data set is located. You should see the name of your data set available for opening, typically QDATA. Now you don't have to open it, since the program has already opened to your data. This is just so you know the folder where your data is located. You should also see a folder named BACKUP within the screen for opening up the data set. This is key. Wherever you store your primary data set, the Quicken program will create a folder within that folder that it names BACKUP. That is where Quicken stores its automated backups each time you shut down the Quicken program. If you select **Edit > Preferences > Quicken program**, you will see a notation for Backup. Click on **Backup**, and you should see something like the following (this figure is for Quicken 2006).



The phrase "Maximum number of backup copies: 5" means that each time Quicken shuts down it will create an automatic backup of your data in the BACKUP folder. The first time it appends the number 1 to your data set name and saves the backup set as QDATA1, the second time it appends the number 2, and so on until it has created a QDATA5 data set. The next time you open and close your program, it will rewrite the latest data for the data set over the version QDATA1. And then it cycles through the rest of the data sets 2-5 as it writes new backups each time you close the program. This is backup data that happens automatically. This does not impact anything you enter in your primary QDATA data set.

ALL THIS IS TOTALLY DIFFERENT FROM ANY BACKUP THAT YOU MANUALLY CREATE by selecting **File > Backup**, and backing up to an external media. Don't make the mistake of opening a data set from within your BACKUP folder. That can really mess things up. I'll explain more during the SIG.

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