

# USING CLASSES TO TRACK CARES ACT FUNDING

## Overview

It is not enough to pick an expense or an income account to keep track of your money coming in and going out. When you write a check or make a deposit, you must also tell QuickBooks to what department this expense or deposit applies to. If you are purchasing stamps you will book the expense to the Postage account, but then you must also tell QuickBooks which department made the purchase and will use the stamps. You will use QuickBooks classes to keep track of the departments to which the income and expenses go. **You will also use QuickBooks classes to track of Cares Act Funding**

## What Are Classes?

Using classes in QuickBooks allows you to create Profit and Loss Statements for any grant your community has.

When you receive Cares Act Funding, you will immediately set up a class. The name should reflect where the funding came from.

Here's how it works:

Classes give us another level of categories that allow us to breakdown all income and expense accounts by department or grant.

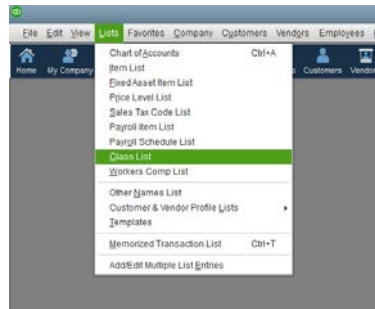
For example:

Let's say that your community receives \$75,000 from the Cares Act Funding. You will be expected to track how you spend this money and you will be expected to create reports listing how the monies were spent each month, a quarter or a year.

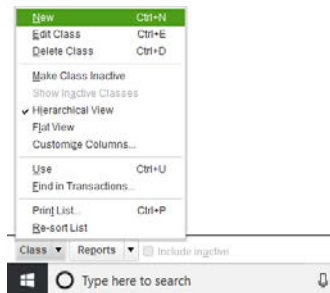
## Create a class and give it a name representing where the funds came from

### Setting Up Classes

- Click **Lists** at the top of your screen.
- Click **Class List**.



- Click **Class** at the bottom left of your screen.
- Click **New**.

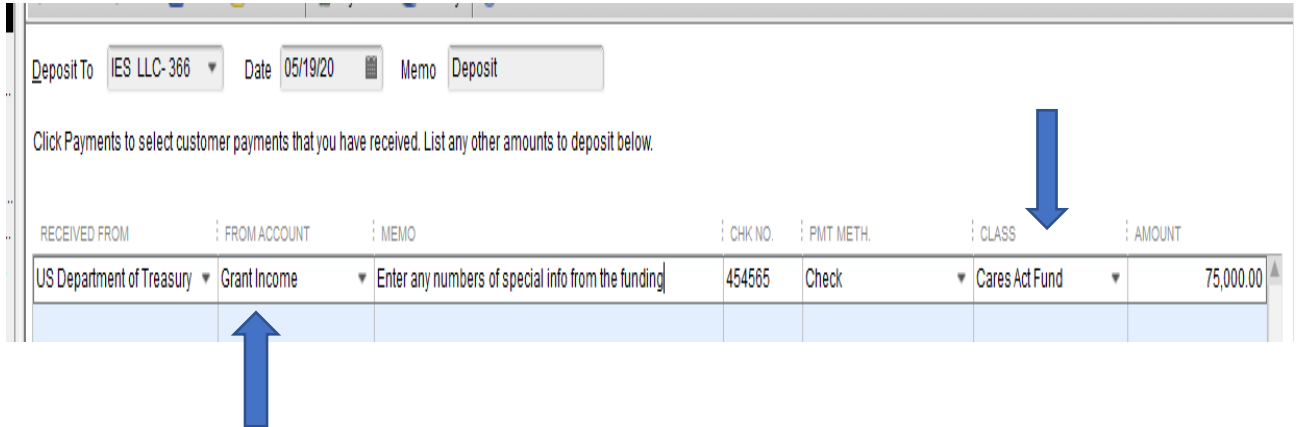


- Enter the name of the **Class**. In this example, you will name it Cares Act Funding or COVID-19
- Click **OK**.

Once your class is created, you are ready to go. You might be tempted to create new accounts. Do not. You will use the Chart of Accounts list you already have.

## DEPOSTING THE CARES ACT FUNDS

When you are depositing the money in QuickBooks,  
Select an Income account such as Grant Income or Income  
Enter the class you created to track the funding.



The screenshot shows the QuickBooks deposit entry interface. At the top, there are fields for 'Deposit To' (IES LLC-366), 'Date' (05/19/20), and 'Memo' (Deposit). Below these fields is a instruction: 'Click Payments to select customer payments that you have received. List any other amounts to deposit below.' A table with columns: RECEIVED FROM, FROM ACCOUNT, MEMO, CHK NO., PMT METH., CLASS, and AMOUNT. The first row contains: US Department of Treasury, Grant Income, Enter any numbers of special info from the funding, 454565, Check, Cares Act Fund, and 75,000.00. A blue arrow points to the 'FROM ACCOUNT' field, and another blue arrow points to the 'CLASS' field.

RECEIVED FROM	FROM ACCOUNT	MEMO	CHK NO.	PMT METH.	CLASS	AMOUNT
US Department of Treasury	Grant Income	Enter any numbers of special info from the funding	454565	Check	Cares Act Fund	75,000.00

## SPENDING THE CARES ACT FUNDING

When you write a check to spend the money, select an appropriate expense account  
Always enter the class you created to track the Care Act Funding.

Checks

BANK ACCOUNT: COVID LOAN      ENDING BALANCE: -82,397.50

NO. 1248  
DATE 05/19/20

PAY TO THE ORDER OF: Costco      \$ 300.00


Three hundred and 00/100\* DOLLARS

ADDRESS: Costco

MEMO:

Expenses \$300.00    Items \$0.00

ACCOUNT	AMOUNT	MEMO	CLASS
Office Sup...	300.00	paper, file folders, printer ink	Cares Act Fund



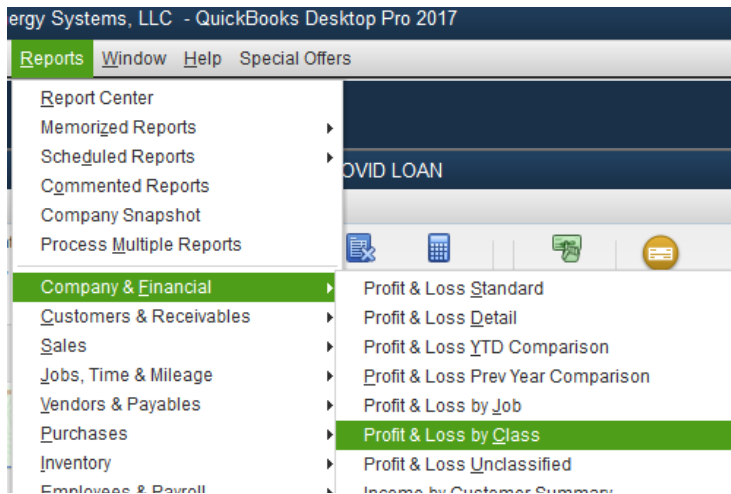
It is also a great idea to select a binder and use it to hold copies of all the deposits, invoices and checks that were written for the Cares Act Funding. If you were to be audited or someone was interested in seeing how this money was spent and accounted for, it should all be in one central place.

QuickBooks has a great report that you can create to view all of the activity for the Cares Act Funding. It is a Profit and Loss by Class Report.

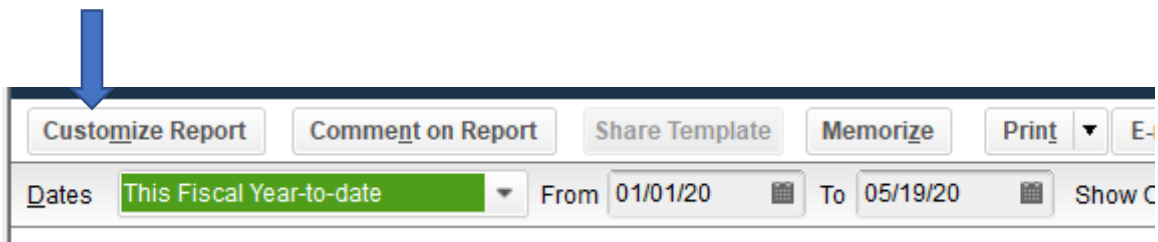
Click Reports

Click Company and Financial

Click Profit & Loss by Class



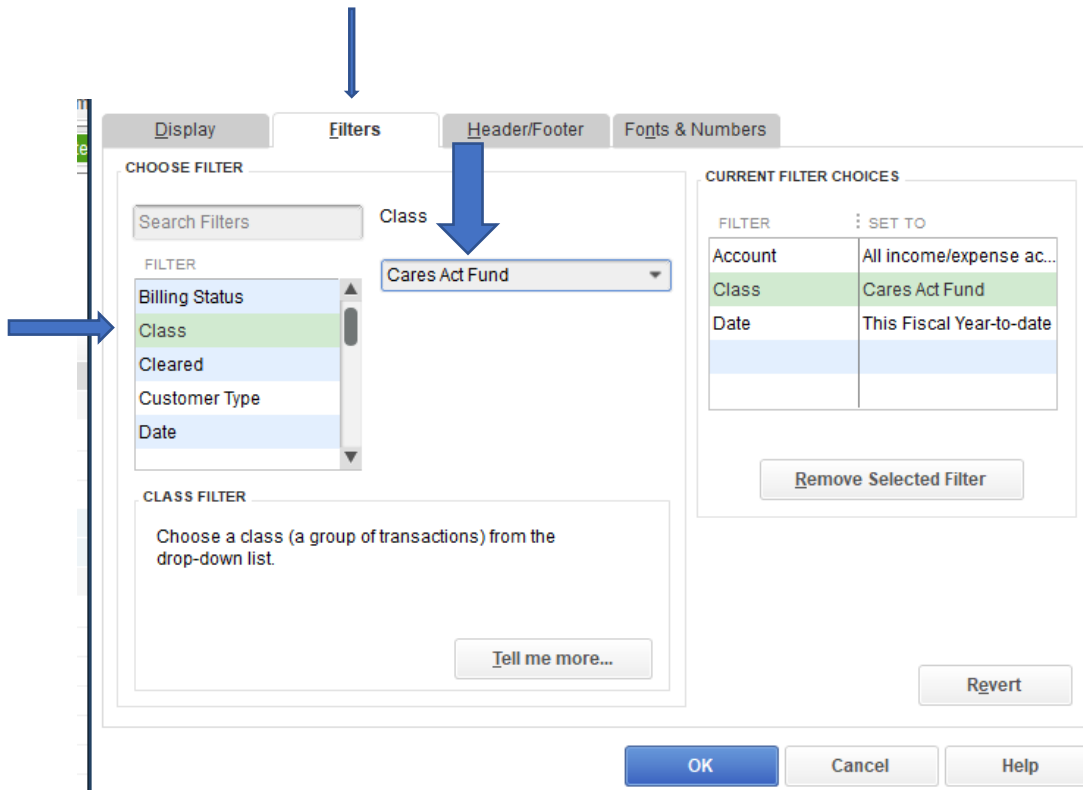
**CAUTION!! CHECK THE DATES ON THIS REPORT---MAKE SURE THEY ARE THE CORRECT DATES YOU ARE INTERESTED IN. CARES Act funding is for COVID related expenses incurred between March 1, 2020 and December 30, 2020.**



You probably have many different classes set up. Make sure you customize your report so only the Cares Act Fund Class is in the report.

Click Customize Report in top left corner of the report

Click Filters  
Click Class  
Enter Class name in the Class Window



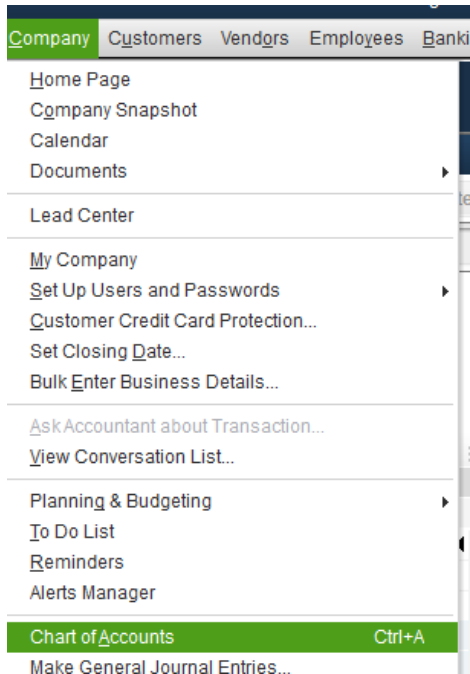
File these reports in the binder also.

## GOING BACK AND CATEGORIZING DEPOSITS AND CHECKS IN THE PAST

You may have to locate transactions in the past and classify them to the Cares Act Fund. To do this, you will go to the checking account that the checks and/or deposits were created in.

Click Company

Click Chart of Accounts



Double click your checking account



Scroll through your check register and look for any transactions that you wish to classify to the Cares Funding. When you come to a transaction, click it so that it is highlighted and then Click Edit Transaction at the top of the check register.



DATE	NUMBER	ACCOUNT	PAYEE	MEMO	PAYMENT	
05/04/20	eftps	EFTPS			4,226.16	
05/04/20	4723	LIAB CHK -split-	26-0684716		1,863.89	
05/08/20	4727	CHK Job Materials	Invoice 4455376-00		8,020.50	
05/11/20						

This transaction is highlighted

Once you are inside the check, class it to the Cares Act Funding.

NO. 4727  
DATE 05/08/20  
PAY TO THE ORDER OF Potelcom \$ 8,020.50  
Eight thousand twenty and 50/100\*\*\*\*\* DOLLARS  
ADDRESS  
Potelcom  
1125 Orca Street  
Anchorage, AK 99501  
MEMO 912766

Expenses \$8,020.50 Items \$0.00

ACCOUNT	AMOUNT	MEMO	CLASS
Job Mat...	8,020.50	CLX	Cares Act Fu