

Modify the Category List

Spend some time thinking about the kinds of income and expenses that you need to track. In the beginning, you may want to start with categories for tax reports or match an existing chart of accounts or record system. Start simple and add new levels of detail as needed for management purposes. The category list that identifies the type of income or expense is shared (accessible) across all accounts within your Quicken file. Access the default category list to view it by clicking

Tools Category List

Category	Usage	Type	Description	Group	Tax Line Item	Hide	Action
Auto & Tran...	0	Expense	Auto & Transport	Persona...		<input type="checkbox"/>	
Auto Insurance	0	Expense	Auto Insurance	Persona...		<input type="checkbox"/>	
Auto Payment	0	Expense	Auto Payment	Persona...		<input type="checkbox"/>	
Car Wash	0	Expense	Car Wash	Persona...		<input type="checkbox"/>	
Gas & Fuel	0	Expense	Gas & Fuel	Persona...		<input type="checkbox"/>	
Parking	0	Expense	Parking	Persona...		<input type="checkbox"/>	
Public Transpo...	0	Expense	Public Transport...	Persona...		<input type="checkbox"/>	
Registration	0	Expense	Registration for...	Persona...	☑ Schedule A: Personal property...	<input type="checkbox"/>	
Service & Parts	0	Expense	Service & Parts	Persona...		<input type="checkbox"/>	
Tolls	0	Expense	Tolls for highwa...	Persona...		<input type="checkbox"/>	
Bills & Utilities	0	Expense	Bills & Utilities	Persona...		<input type="checkbox"/>	
Credit Card ...	0	Expense	Credit Card Pa...	Persona...		<input type="checkbox"/>	
Home Phone	0	Expense	Home Phone	Persona...		<input type="checkbox"/>	
Internet	0	Expense	Internet	Persona...		<input type="checkbox"/>	
Mobile Phone	0	Expense	Mobile Phone	Persona...		<input type="checkbox"/>	
Television	0	Expense	Television	Persona...		<input type="checkbox"/>	
Utilities	0	Expense	Utilities such as...	Persona...		<input type="checkbox"/>	
[Cash]	0	Transfer				<input type="checkbox"/>	
Cash & ATM	0	Expense	Cash & ATM	Persona...		<input type="checkbox"/>	
Deposit to Sa...	0	Expense	A deposit or tra...	Persona...		<input type="checkbox"/>	
Div Income	0	Income	Dividend Income	Persona...	☑ Schedule B: Dividend income	<input type="checkbox"/>	
Education	0	Expense	Education	Persona...		<input type="checkbox"/>	
Books & Supplies	0	Expense	Books & Supplies	Persona...		<input type="checkbox"/>	
Student Loan	0	Expense	Student Loan	Persona...		<input type="checkbox"/>	

Scroll through the list to read the default categories. Tables showing the built-in Category lists that come with Quicken are included in this manual.

Click on the **X** in the upper right corner to close the Category List window.

Import a Farm Category List

A printed list of farm categories built to match farm income tax Schedule F is included in this manual (*Farm Categories*). This list can be imported into Quicken from a file named *Farm Categories* on the CD with purchased copies of the tutorial or can be downloaded free from www.agecon.okstate.edu/quicken by choosing Download sample files. This farm income and expense category list is by no means sacred. It is simply intended to make it easy to get started with farm accounting and tax reporting. It serves as a beginning point for your own personalized list. You may add, delete, or modify items in the list to make it more useful for your operation.

Note: If you plan to import the Farm Categories into an existing file, make a Backup copy of your file before you do so. While Quicken does not create duplicate categories, it is always a good practice to have a backup before making a major change.

If you copied sample files to your computer using the earlier instructions, the *Farm Categories* file is located in the *C:\Sample Files* folder. To import the farm income and expense categories to our current file, from the main menu, click

File

File Import

Quicken Transfer Format (.QXF) File

Click **Browse** to locate the **Farm Categories QXF** file in the *C:\Sample Files* folder. Click on **Farm Categories.qxf** to select the file. Click **OK**.



Click **Continue** (you'll see a message that items have been successfully imported)

Click **OK**

Close the **Import Results** window by clicking the **X** in the top right corner of the screen.

Note: Previous versions of the *Farm Categories* list have been imported as a QIF (Quicken Interchange Format) file. Intuit no longer supports this file type for cash and checking accounts and is replacing it with the faster and more accurate QXF (Quicken Transfer Format) file format. Thus, a QXF file was created to ensure an easier and more accurate download of the *Farm Categories* list.

Click **Tools** in the main menu line at the top of the Quicken window and select **Category List** to verify that your category list now contains *Capital Sales, Farm*, plus *Car & Truck, Farm, CCC Loans Forfeited, CCC Received, Co-op Distributions*, and other farm categories in addition to the original default list (you may need to click on All Categories on the left to see these). Scroll through the list to become familiar with the names and descriptions of the categories. The Category List is alphabetic by main category. To see the list grouped by Income items first in alphabetical order, followed by Expense items, double click on the header **Type**.

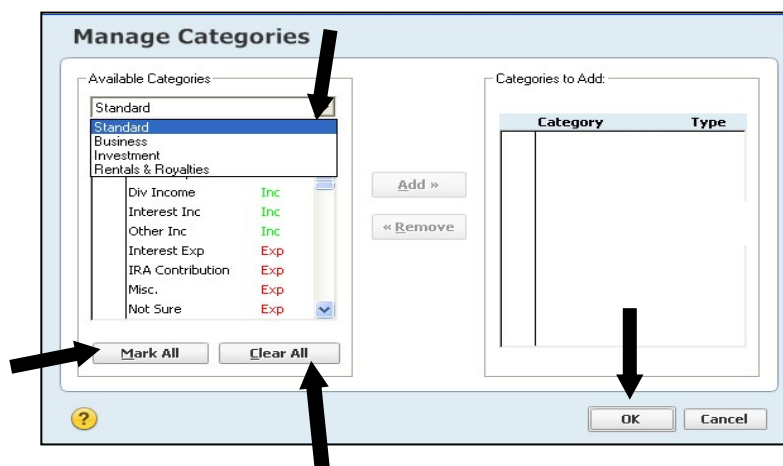
Note: Quicken includes the Farm Categories as Personal Income and Personal Expenses to preserve Business Expenses for Schedule C items. Don't let this stress you as the categories are appropriately linked with Schedule F and will show up in Tax Schedule reports correctly.

The view of the category list may be altered by **clicking on the cog icon in the upper right corner**. We do not use the Group part of the category list so you may want to **remove the check mark** by Group and **click Done**.

Add Categories

If you need to add additional categories that are already in one of the Quicken preset “life event” lists, you can do so by clicking on the **Options** button in the lower left corner of the category list window and choosing **Manage Categories**.

From here, **select from the Available Categories** (Standard, Business, Investment, Rentals & Royalties) in the drop-down list. The associated categories in that grouping are listed in the box below it. You can **Mark All** or individually check the categories needed within a category group.



Once the categories are selected, click **Add** (middle of the window)

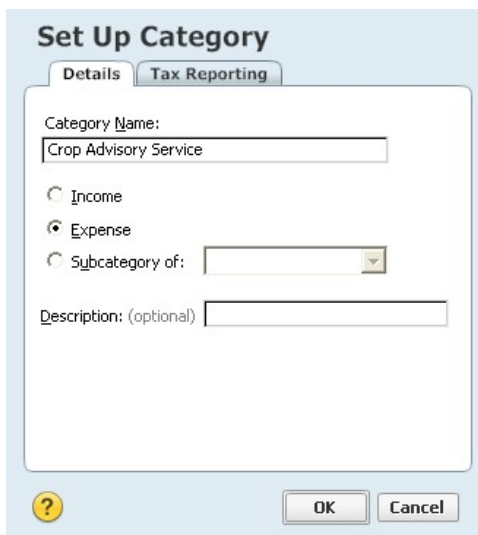
OK

Note: You will only be able to add from Category groups not already included in your category list. If Add cannot be selected because it is in grayscale font, those categories are already included.

To add categories that are not on any of the built-in lists, click on the **Add Category** button in the upper right-hand corner.

When creating new categories, you will want to designate tax-related items as such and select the correct tax form and line. Check with your accountant or tax preparer if you need guidance—you can make corrections later if necessary. Even if you select the tax line item for a category, it will not be recognized in the preset tax reports unless the tax-related box is checked. Let's assume that we want to create a new category that is a legitimate farm expense, that is, something we will link to a Schedule F tax line item. For schedule F categories, it is best to complete this screen in the following order:

1. Enter the Category Name, for example: **Crop Advisory Service**
2. Select **Expense**.
3. Click on the **Tax Reporting** tab.



Set Up Category

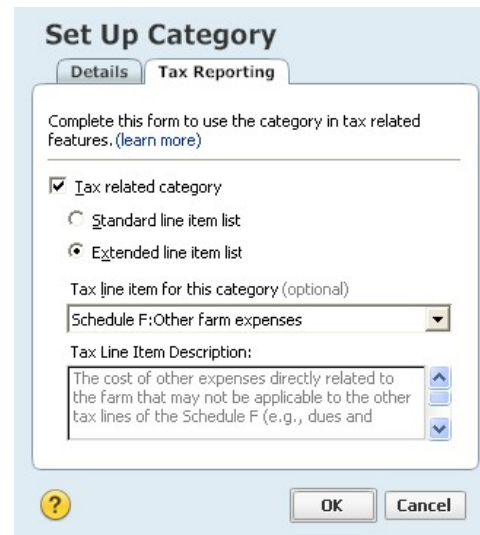
Details Tax Reporting

Category Name:
Crop Advisory Service

Income
 Expense
 Subcategory of: [dropdown]

Description: (optional) [text box]

? OK Cancel



Set Up Category

Details Tax Reporting

Complete this form to use the category in tax related features. (learn more)

Tax related category
 Standard line item list
 Extended line item list

Tax line item for this category (optional)
Schedule F: Other farm expenses [dropdown]

Tax Line Item Description:
The cost of other expenses directly related to the farm that may not be applicable to the other tax lines of the Schedule F (e.g., dues and... [text box]

? OK Cancel

- a. Check the **Tax-related category** box. This box must be marked to allow transactions associated with this category to appear in tax schedule and tax summary reports.
- b. Select **Extended line item list**. Schedule F line items will now be accessible in the Tax Line Item box. You have to scroll down through a long list to select the appropriate line.

In this case, select **Schedule F: Other farm expenses** from the Tax line item: drop-down menu.

OK

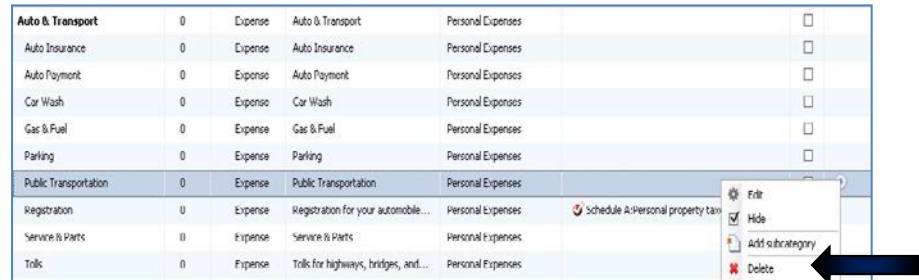
The category has now been added to the Expense section in the category list on your screen.

Note: You may want to expand the screen by clicking the maximize icon.

Delete Categories

You can easily remove categories that aren't needed. Let's delete the **Auto and Transport: Public Transportation** subcategory by **right-clicking on it** (use the button on the right side of your mouse), and then click **Delete** at the bottom of the list of options (or click in the Action column to the right and then click Delete at the bottom of the options list).

Auto & Transport	0	Expense	Auto & Transport	Personal Expenses		<input type="checkbox"/>
Auto Insurance	0	Expense	Auto Insurance	Personal Expenses		<input type="checkbox"/>
Auto Payment	0	Expense	Auto Payment	Personal Expenses		<input type="checkbox"/>
Car Wash	0	Expense	Car Wash	Personal Expenses		<input type="checkbox"/>
Gas & Fuel	0	Expense	Gas & Fuel	Personal Expenses		<input type="checkbox"/>
Parking	0	Expense	Parking	Personal Expenses		<input type="checkbox"/>
Public Transportation	0	Expense	Public Transportation	Personal Expenses		<input type="checkbox"/>
Registration	0	Expense	Registration for your automobile...	Personal Expenses	Schedule A-personal property tax	<input type="checkbox"/>
Service & Parts	0	Expense	Service & Parts	Personal Expenses		<input type="checkbox"/>
Tolls	0	Expense	Tolls for highways, bridges, and...	Personal Expenses		<input type="checkbox"/>



Click **OK**

Note: If you delete a main category, the linked subcategories will be deleted simultaneously.

Add Subcategories

Setting up subcategories adds a second level of detail for reports and summaries. Fertilizer & Lime purchase records, for example, can be identified as lime, 18-46-0 or DAP and tracked separately rather than as one item under the Fertilizer & Lime category. At the same time, the expenses will be subtotaled together in the Fertilizer & Lime main category. While it is possible to add detailed subcategories, that doesn't mean that you should. Start with a simple category list and don't get carried away adding subcategories. Use subcategories only if you need that level of detailed information for financial reporting or management decisions. Add subcategories as you find that you need them. Otherwise, record notes or additional information in the memo field as a reminder.

Let's say that we do want to subtotal fertilizer and lime expenses separately. With Fertilizer & Lime highlighted, **right-click** and choose **Add subcategory**. Add information under Details as well as Tax Reporting:

Note: If a subcategory has different tax attributes from the category, select the correct tax line item. For example, if Office is the category, subcategories for farm office and business office would be attached to different tax schedules, Schedule F and Schedule C, respectively.

Click **OK**

Repeat the procedure above to add another subcategory for **18-46-0**.

Close the category list by clicking on either **Done** (bottom right) or the **X** (upper right corner) of the Category List window.

Don't stress about making mistakes in setting up categories—you may rename or edit categories as needed. To make corrections, go to the Category List and highlight the category name and click *Action* (on the right side), select *Edit*. Changes made to an existing category are immediately reflected in previously recorded transactions.