

## QuickBooks Errors! - "You cannot associate an item with Sales Tax Payable, Undeposited Funds.." error when importing a IIF transfer file.

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When importing an IIF file from Sign Tracker into QuickBooks, you receive the following error:

*You cannot associate an item with Sales Tax Payable, Undeposited Funds, accounts receivable, accounts payable, or non-posting accounts. Usually, if you sell an item, use an income account, if you buy it, use an expense account. Then Error on Line XX: Can't record invalid transaction.*

### **Cause:**

The sales tax item needed to do IIF transfers is not set up correctly.

### **Solution:**

1. Open QuickBooks
2. Click the 'Lists' menu and select 'Item List'
3. Locate and highlight the item called 'No Tax'
4. Press Ctrl-D to delete the item.

If you receive a message that the item cannot be deleted because it is being used in other transactions, you will need to rename the item. To rename the item, Right click the item, select edit. Change the name to No Tax Old. Assign an account (Other Expense or some other account), mark it as inactive then click OK.

5. Click the Item button at the bottom of the window.
6. Select New "to create a new item".
7. From the Type drop down, select 'Sales Tax Item'.

If the Sales Tax Item is not available, the Sales Tax option is not turned on in QuickBooks. See the instructions below to turn on sales tax then start at step 6 again. Sales tax MUST be turned on for the IIF transfer to work.

8. In the Tax Name field, enter 'No Tax' (do not include the quotes)
9. In the Tax Agency drop down, select the entity you pay sales tax to.
10. Click OK to save the new item.

Try to Import the IIF file again.

How To Turn on Sales Tax in your QuickBooks company file.

1. Open QuickBooks with the correct company file
2. Click the Edit menu then Preferences
3. From the left vertical tool bar, select Sales Tax
4. Click the Company Preferences tab
5. Select Yes in the 'Do you charge sales tax' field. (This is a temporary change)
6. Make sure there is a 'Most common sales tax' entry
7. Click OK.
8. Uncheck both boxes in the 'Update Sales Tax' dialog box then click OK.
9. You may need to click OK to a confirmation about closing windows.