

How do I record a short sale

Use the Short Sale dialog to record a Short Sale transaction. A Short Sale is like a Buy, except that instead of purchasing shares of a stock that you think will go up in price, you instead borrow shares, sell them immediately, and wait for the price to go down.

When the price goes down, you buy the shares you've already sold (presumably at a lower price), and return the shares to the broker. This is called [covering a Short Sale](#).

1. Open the account you want to use.
2. Click **Enter Transactions**.
3. In the **Enter Transaction** list, select **Short Sale**.
4. Use this dialog to record a short sale. Click a link below for more information.
 - **Transaction date**
Enter the date the short sale was executed.
 - **Security name**
Identify a security in the drop-down list or type the name of a new security you would like to set up now.
 - **Account**
If you opened the Short Sale dialog from an investment transaction list, this field is not available. The transaction is automatically recorded into the account from which you opened the Short Sale dialog.
 - **Number of shares, Price received per share, and Commission**
Enter the number of shares, price per share, and commission, if any.
 - **Record proceeds**
A short sale results in a cash payment to you (the same as a Sell transaction). You can add it to the cash balance in your investment account or transfer it to another account. If you've set up a linked checking account for this investment account, the cash is automatically transferred to the linked checking account.
5. Click **Enter/New** to enter another transaction, or **Enter/Done** to finish.

Notes

Due to the complex rules regarding short sales, and the amount of information needed to determine the holding period for short sales, Quicken is designed to use these general rules when assigning holding periods: gains on short sales assume a short-term holding period; losses on short sales assume a long-term holding period. Consult with your tax advisor to determine what holding period you should use when filing taxes for a Short Sale gain or loss.

In the Shares column of the Portfolio, the group of shares being sold short will appear as a negative number until you [cover the short sale](#).

Recording a transaction in Quicken does not execute a real-world trade, transfer, or other transaction. Contact your broker to execute trades or transfers, and then manually record the transactions in Quicken—better yet, [download them directly from your participating financial institution](#).