

# How do I cover a short sale?

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 **Cover Short Sale**.
4. Click a link below for more information.
  - **Transaction date**  
Enter the date the buy transaction for the short sale was executed.
  - **Security name and Account**  
Identify a security or account from the drop-down list, or type the name of a new security you would like to set up now. One of these fields will be prefilled, depending on the location from which you accessed the Remove Shares dialog.
  - **Number of shares, Price paid per share, and Commission**  
Enter the number of shares, price per share, and commission, if any.
  - **Specify Lots**  
If you want to track lot detail for this transaction, click [Specify Lots](#).  
  
If the Specify Lots button is unavailable (gray), make sure that you've selected a security for which you hold an open position in this account.
  - **Payment method**  
Covering a short sale requires a cash payment by you (the same as a Buy transaction). You can subtract it from the cash balance in your investment account or transfer it from another account. If you've set up a linked checking account for this investment account, the cash is automatically transferred from the linked checking account.
5. Click **Enter/New** to enter another transaction, or Enter/Done to finish.

## Notes

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](#).