



QuickBooks Online for Business Owners Introductory Training

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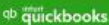
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QuickBooks® Online Foundations

Important Information about the Structure of this Training

READ THIS SLIDE BEFORE MOVING ON.

Our QuickBooks Online course is intended to help the business owner establish a strong financial foundation using QuickBooks® Online as a bookkeeping, business management and cash flow building tool. The material provides action steps, in order, for establishing bookkeeping best practices and ensuring accurate financial information.

Please ask questions throughout the training. Entrepreneurial success is based on the ability to understand what your numbers are telling you and how to use them to improve company performance.

In addition to what you will learn today, these manuals are for use as a post class reference guide.

(The Craig's Landscaping test drive company resets itself when you log out. Occasionally you may encounter a screen shot that looks different than what is posted in the manual. Our materials are updated throughout the year, however with technology advances, prompting updates, you may encounter an update that is not yet reflected in this manual.)

We are happy you are here and look forward to helping you master QuickBooks!

QuickBooks® Online Foundations

The most important reason to advance our knowledge of QuickBooks® Online and basic bookkeeping principles, whether you are a business owner or employee, is to gain an understanding of what the numbers mean and how to use them to improve business performance.

While we identify specific learning objectives at the beginning of each section,

4 Overall Objectives include:

1. Introduction to basic features in QuickBooks Online and how they apply to best practice bookkeeping and accounting principles.
2. How to effectively and efficiently use QuickBooks Online to manage daily tasks and develop an understanding of how the data is entered, processed and reviewed.
3. How to customize QuickBooks Online to meet the specific needs of a business.
4. How to access and use data in QuickBooks Online to analyze the current financial condition of a company and establish action steps for improvement.

The Importance of QuickBooks® Online and Managing Cash Flow:

Business owners typically identify Cash Flow as their number one area of concern. QuickBooks Accounting Software, when utilized correctly, allows users to run Cash Flow projections and develop a Cash Flow management strategy to prevent shortfalls. This training will help participants develop a strong knowledge base of how to use QuickBooks reports to manage a business and build cash flow.

The foundation of business success is in the daily use of accurate, real-time financial data.

What we measure, we manage; what we manage, we improve.

The Power of QuickBooks® Online

It is important to focus on the areas of our business that contribute most to profitability. QuickBooks helps us quickly identify areas of focus if we know where to look.

The 80/20 rule, the 'Pareto Principle', is a powerful concept that consistently rings true.

In most cases, 20% of our customers generate 80% of our net profit. At the same time, 20% of the goods or services we sell contribute 80% of our revenue, etc. You get the idea.



***The most important aspect of accurate financial data
is the action plan it creates.***

By generating daily reports that uncover the best customers, jobs, services, or products, you will soon see how you can refocus internal efforts on doing highly valuable work.

Accurate real-time data with one click access to reports, is an enormous benefit of using QuickBooks® Online the 'right-way'.

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Online Foundations

SECTION 1: A BUSINESS OWNERS JOURNEY

The Business Owner's Journey
Case Study Storyline

The Business Owner's Journey

As a business owner moves through various stages of building and growing a business, from inception to the realization of goals, it is important to track data every step of the way to help guide us to entrepreneurial success. You may be surprised to learn that most action steps in a business intertwine directly with your accounting application. For this reason, it is important to set up QuickBooks Online early in the business journey to save significant time, money and stress!

Let's consider why this matters. One example includes the fact that qualified business expenses are often overlooked, forgotten or lost in the shuffle. Let's say you stopped by the local office supply store to grab a new headset. If QBO was already set up, you would simply open the app on your phone, snap a picture of your receipt, make a few selections and the software takes care of the rest. QBO attaches the receipt to the transaction, correctly codes the transaction and does the bookkeeping for you. Next time you go to "Expenses" in QBO, you can find exactly what you are looking for in seconds.

Another example includes setting up your business bank account and company credit card. Did you know with one action step you can import every transaction from both, have them correctly coded and entered in the correct location in the accounting app? You can log into one place, QBO, to check bank balances, see what cleared and what is outstanding, see how much people owe you and how much you owe, look at cash flow projections and more!

It is wise to set up your accounting app in early stages to save time on manual data entry.

Case Study Storyline

Throughout the Introductory and Advanced training sections, we follow the journey of small business owner, Chris Craig, owner of Craig's Landscaping. Chris is a landscaping specialist with training in water and soil conservation. Her company, located in San Pablo, CA, is a full-service landscaping company servicing commercial and residential clients with a focus on new construction. Services include landscape design and implementation, installation of irrigation systems, trees, flowers, shrubbery, sod, concrete, rock, etc. Services also include mowing and clean-up, pest control, trimming, and more. The company provides monthly subscription services as well as services on an "as needed" basis.

Craig's was established as an S-Corp Limited Liability Company (see Appendix for additional information on S-Corps) and uses the 1120 S Tax Form to file taxes. Chris currently has two employees. Craig's Landscaping is required to collect sales tax on items the company sells such as trees, fountains, etc. She has established a goal of building a 2-million-dollar business over the next 2 years, increasing the number of employees, trucks, locations, etc. Chris understands to thrive, she needs a solid financial foundation in place and an in-depth understanding of how to use financial data to continually improve company performance.

Let's begin by guiding Chris through the important process of setting up her accounting application, QuickBooks Online®, to track all money flowing in and out of the business. It is an important early step, as the automation built into the application completes much of the bookkeeping process. By eliminating most of the manual data entry, Craig's Landscaping will be a more profitable company. As we help Chris become the hero of her own story, consider how each section pertains to your own business. Do not hesitate to ask questions if you see numbers, categories, or anything else you do not understand.

Let the adventure begin as we watch the data come to life and take on meaning!



Online Foundations

SECTION 2: GETTING STARTED IN QUICKBOOKS ONLINE

Goals
Features
Setup Your Company File
Navigation
Doable Action Steps

Section 2 Goals

Upon completion of Section 2, each participant will be familiar with:

- How to use additional features.
- How to choose the right subscription for your business.
- How to setup a company file.
- How to navigate using QuickBooks Online Plus.

Chris Craig understands “order of operations” is important when taking steps to set up her accounting application, however, she has no idea where to begin and what to do in what order. Chris considers financial literacy to be outside of her skillset and is intimidated by her lack of understanding of financial data. Not to worry, this training is the first step to gain in-depth understanding of what the numbers mean.

Now that the entity selection has been made (S-Corp), Craig’s Landscaping has been registered with the State, IRS, etc., Chris is ready to implement best practice policies related to the daily management of the business.

Her first step is to learn about the financial tools built into QuickBooks Online and how they can help her grow a profitable business. Chris then needs to setup and customize Craig’s accounting application to meet the company’s specific needs and begin tracking all money flowing in and out of the business.

Let’s follow Chris as she learns to navigate the powerful features in QBO. Economic analysis by Sage and Plum Research estimates **the use of accounting software could save a small business upwards of \$24,000 per year**, equivalent to getting 27.6 days a year back to focus on revenue-generating activities. WOW!

While progressing through the training, give some thought to which features best meet the specific needs of your business.

Features

Chrome Browser

Chrome is the recommended browser used to access QuickBooks Online. There are a few things you need to know going forward.

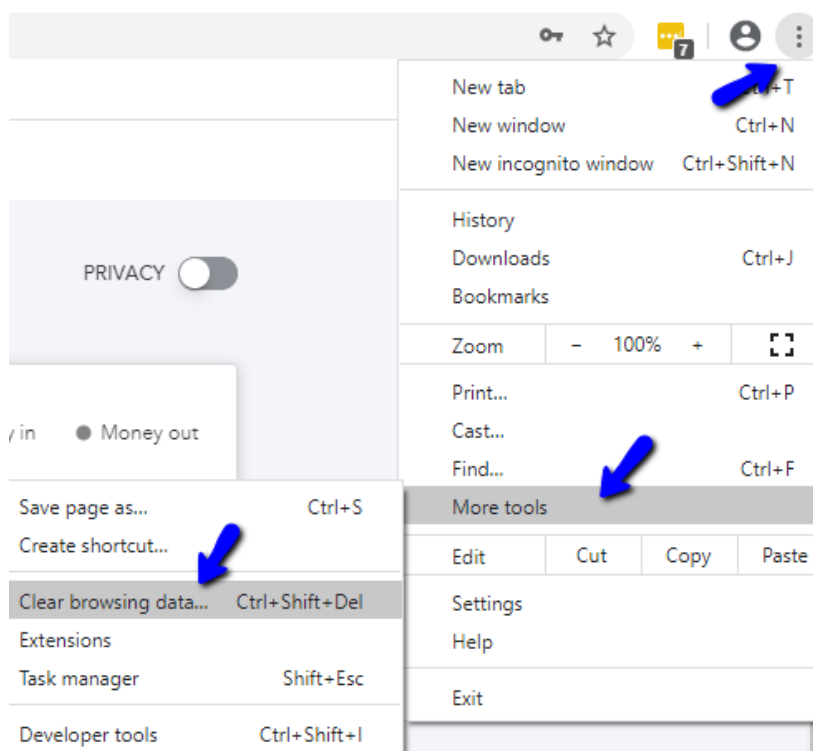
Cookies and Cache

If you receive an error message when trying to access your company file:

Click the **three dots** in the upper right section of the Chrome browser.

Click **More Tools**.

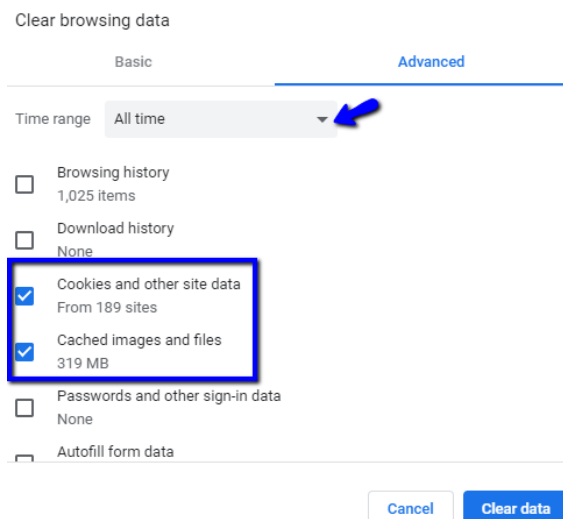
Click **Clear browsing data**.



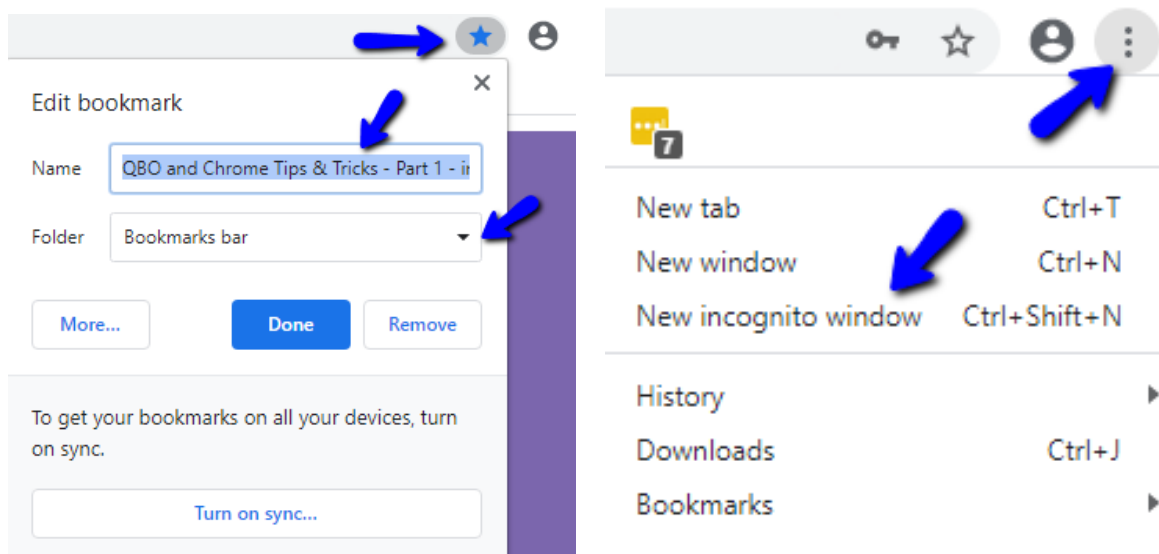
Features

Select the **Time range**, **Cookies and other site data**, and **Cached images and files**.

Click **Clear data**.



Create **Bookmarks** to save favorite pages. Click the **Star** on the right top of the browser bar to create bookmarks. Choose a name and select a folder, then click done. **Incognito Mode** “referred to as private browsing” is a privacy feature that disables the browsing history of Chrome.

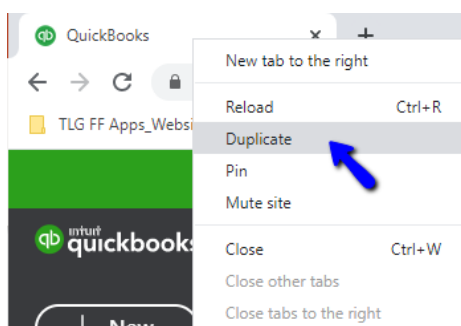


Features

Multiple Windows

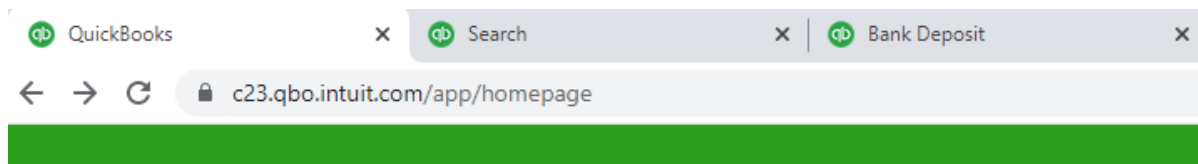
Web-based applications utilize the functionality of web browsers. Imagine working in several different windows in your QuickBooks® Online company file. Log in to your company data file (in this example we will use Google Chrome).

Right click the **QuickBooks Tab** -> **Duplicate**. You now have multiple windows open for your data file and can perform multiple tasks. This is a great way to enter and review historical transactions during the setup or cleanup process.



Another way to access multiple windows is as follows:

After logging into QuickBooks® Online go to the URL/address bar and **copy (Ctrl + C)** the website's address. Then, open a new tab. **Paste (Ctrl + V)** this address into the window. The tabs are as follows: first tab – **Dashboard**, second tab – **Search**, and third tab – **Bank Deposit**.

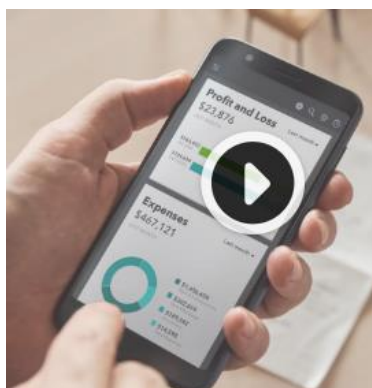


Note: In Chrome you can create an additional user specifically for QuickBooks® Online. You can then save all your favorite tabs/pages and have them available when you log in to your company data file.

Features

QuickBooks Online Mobile App

The QuickBooks Online Mobile App allows instant access to your QBO data from your mobile device. More and more business owners are on the go and need easy and fast visibility to their accounting data. You can create multiple types of transactions and attach supporting documents or photos from your mobile app. Download the QuickBooks® Mobile App to your Android phone, iPhone, or tablet. Once you complete the installation, log in to your company file.



[QuickBooks Mobile App](#)

[Compare Mobile App Features](#)

[How to Use the QuickBooks Mobile App Tutorial](#)

[How to Attach Receipts Using Your Mobile Phone](#)

Log in to your company data file from a computer. Click the **Search** icon and select the transaction you just created from your mobile app to add or change information as needed. Verify the receipt photo/document is now available in the attachments list.

Setup Your Company File

Setup Wizard

Complete the following steps to successfully create your new Intuit QuickBooks Online Account. **Fill in the required fields -> Create Account -> Next.**

If you have an existing Intuit account, click **Sign in -> Username or Email -> Password.**

Verify your account. Click **Continue.**

Create your account
[Already have an account? Sign In](#)

Email address (will be used as your user ID)

Confirm email


First name

Last name

Phone (Recommended)

Standard call, message, or data rates may apply.

Password

 **Create Account**

Next, you will see a “Welcome! We’re glad you’re here” window. Click **Next.**

Set Up Your Company File

For the Legal business name, use the exact legal business name used when you set up your entity (to prevent problems with the IRS). Click **Next**.

What's your business name?

We'll use this to get you started in QuickBooks.

Legal business name

Craig's Design and Landscaping Services



Back

Next

Next, select the best option relevant to your situation. Are you importing from QuickBooks Desktop, using another financial application, spreadsheets or other? If you are not importing data, choose **Nothing, I'm just getting started**. Click **Next**.

How do you manage your business finances today?

No matter where you're coming from, we're here to help



QuickBooks
Desktop™



Other bookkeeping
software



Spreadsheets or pen
& paper



Other



Nothing, I'm just
getting started

Back

Next



Set Up Your Company File

Search and select the industry specific to your business. This will auto-populate a basic Chart of Accounts category list. You will learn how to manage your Chart of Accounts later in the training.

Important! If you leave the field blank and click **Skip for now**, less account categories will auto-populate. This will reduce the amount of time you spend on customizing your Chart of Accounts.

What's your industry?

Start typing and select the option that fits best. You can always change it later.

Industry







Q Construction, retail, salon, etc.

Back Skip for now

Select the **entity type** used when setting up your business. Click **Next**.

What kind of business is this?

Tell us about your business structure. We use this to help categorize your transactions.

 Sole proprietor	 Partnership	 Non-profit organization	 S Corp
 C Corp	 I'm not sure		

Back Next

Set Up Your Company File

Select the options that apply to your company. Do you provide services, sell products, or both? Click **Next**.

How does your business make money?

We tailor your accounting categories based on your answer. Select all that apply.

Provides services

Sells products

Something else


Back


Next


What is your role in the business? Select the option that applies, click **Next**.


What's your main role at Craig's Design and Landscaping Services?

We'll customize QuickBooks based on your answer.


Owner or partner


Employee


Bookkeeper or accountant


Other

Back

Next


Set Up Your Company File

Who helps run your business? Select the option that applies. Click **Next**.


Note: If you choose, **I fly Solo**, you can always add payroll and contractor info later.

Who else works at Craig's Design and Landscaping Services?


Help us understand who is part of your team. Select all that apply.




I fly solo




Employees



Contractors



Other partners or owners



I plan to hire in the future

Back


Next

The next window that appears is based on your selections above. If you choose employees, an option to add a payroll subscription will appear. Click **I don't want to add payroll**.


Next, click **Skip for now**. You can always connect third-party applications later.

What apps do you use for your business?


We'll help you connect them later on to bring in your data.




PayPal




Square




Bill.com



Dext Prepare



Amazon Business



Mailchimp

Start typing to select other apps you use

Back

Skip for now

Set Up Your Company File

Would you like to continue setting up your QuickBooks company file or explore a little first?
You can click **Skip for now**, if you're not sure.

What do you want to do today?

Help us understand your goals.



Set up QuickBooks to start using it right away.



Explore QuickBooks before I set it up.

Back

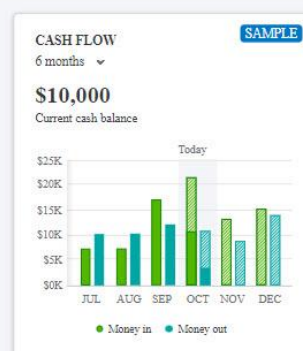
[Skip for now](#)

You can link bank and credit card accounts to manage data from the Banking Center. We will cover the banking section more in depth later in the training. Click **Skip for now**.

Link your accounts and see everything in one place

QuickBooks will automatically bring in transactions and save hours of manual entry.

- 1 Securely link your bank or credit card
- 2 Select the accounts you'd like to bring in
- 3 See what your cashflow looks like



Back




[Link Accounts](#)

[Skip for now](#)

Set Up Your Company File

You have the option to setup customer invoices and track receipts and bills. Click **Skip for now**.














What do you want to set up next?

 Invoice customers Look professional and get paid	 Track receipts and bills Snap and save photos of your expenses
Back	Skip for now 





What is everything you want to setup? **Check all options to match the screen shot below.**
Click **Next** or **Skip for now**. You will see a window pop up, **We're almost ready to dive in!**
Click **Let's Go**.

What is everything you want to set up?

Your choices help personalize your setup. You can still use every part of QuickBooks.

 Organize money in and out	 Accept online payments
 Invoice customers	 Enter and pay bills
 Track receipts & expenses	 Track time
 Pay employees or contractors	 Manage inventory
 Track sales	 Protect my business with insurance
 Manage sales tax	 Track mileage
Back	Skip for now 

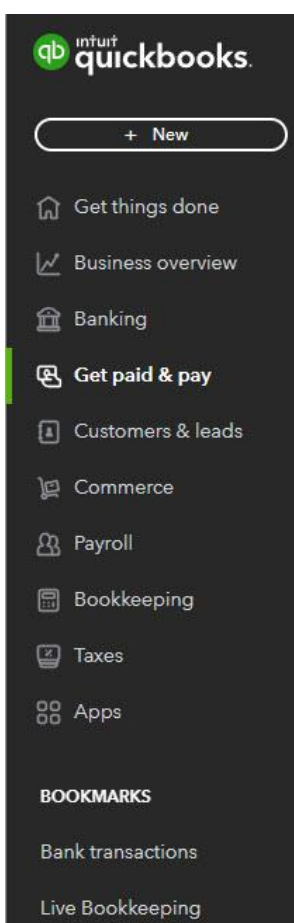
Navigation

Let's start with Navigation and master moving around QuickBooks Online. There are two ways to view the left navigation bar. Click the **Gear** icon.    

Click **Switch to Accountant** or **Business view**.

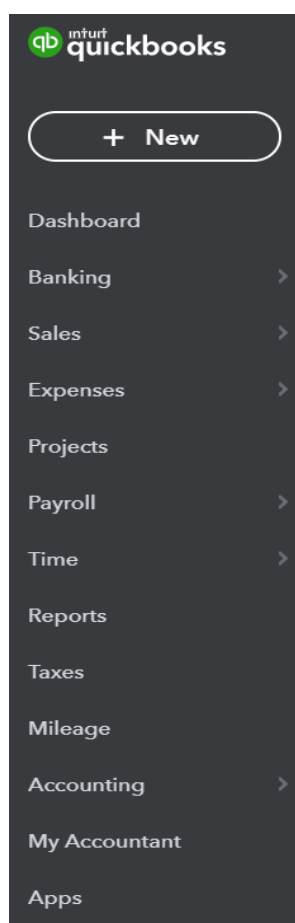
Left Navigation Bar

Business View



Left Navigation Bar

Accountant View



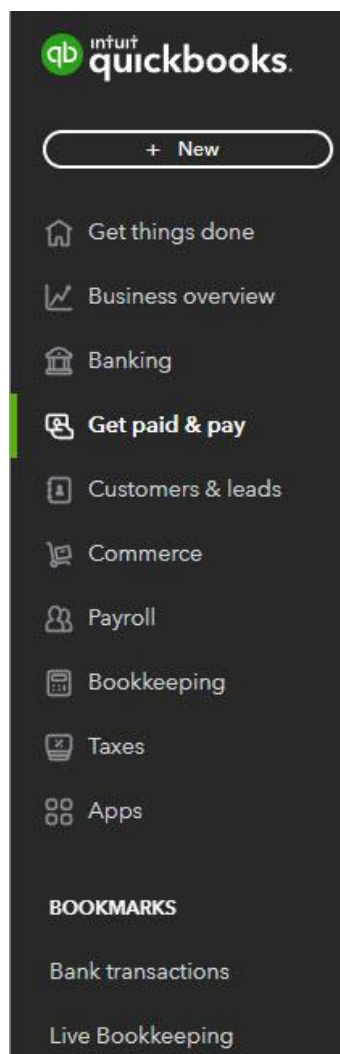
Note: We will use **Accountant vs. Business View** for the remainder of this training.

Your subscription may look slightly different depending on which version you are using. It is also possible updates have been released.

Navigation

Left Navigation Bar (Business View)

The **Business view** allows you to customize and bookmark centers and features. It is a different view and way to organize your centers and features.



Use the + New icon to manually input data for Customers, Vendors, Employees and other.

The links on the left side act as your menu bar and will take you to frequently used areas in QuickBooks® Online.

Post Bank and Credit Card transactions in the Banking Center.

View Expense history and Vendor information.

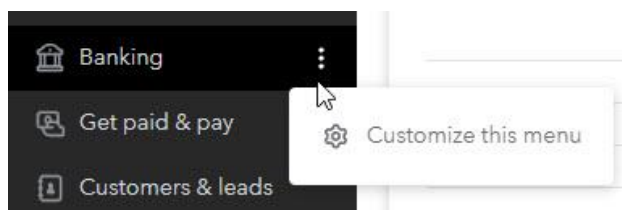
Access Sales, Customers and Products from the Sales Center.

Manage Customers and Leads.

Run Payroll and Track time.

Review and maintain Sales and Payroll taxes.

Customize the list, create and manage Bookmarks.

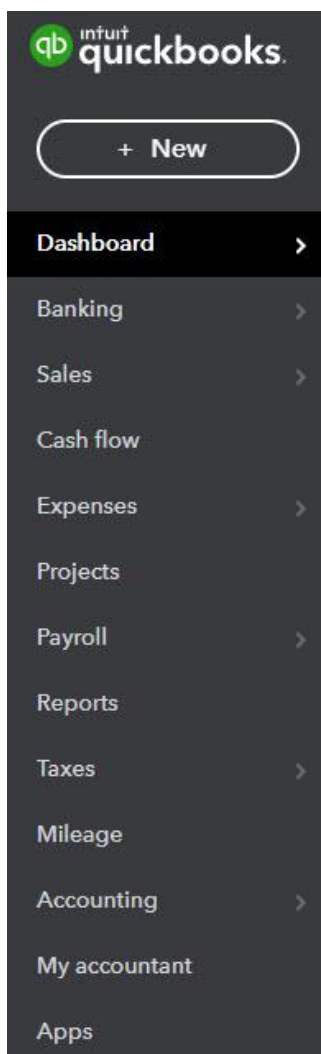


Click the dots to the right of the name in **the Left Navigation Bar**. Select **Customize this menu** to create a custom list using the **Bookmark** feature.

Navigation

Left Navigation Bar (Accountant View)

This view comes organized and is more specific to features related to the centers. You do not have the Bookmark feature in this view. **Note:** This is a personal preference. You can switch between the views.



Use the + New icon to manually input data for Customers, Vendors, Employees and other.

The links on the left side act as your menu bar and will take you to frequently used areas in QuickBooks® Online.

Post Bank and Credit Card transactions in the Banking Center.

View Expense history and Vendor information.

Access Sales, Customers and Products from the Sales Center.

Manage Projects and Workers.

Run Payroll and Track time.

View and customize reports.

Review and maintain Sales and Payroll taxes.

Track your Mileage.

Maintain your Chart of Accounts categories.

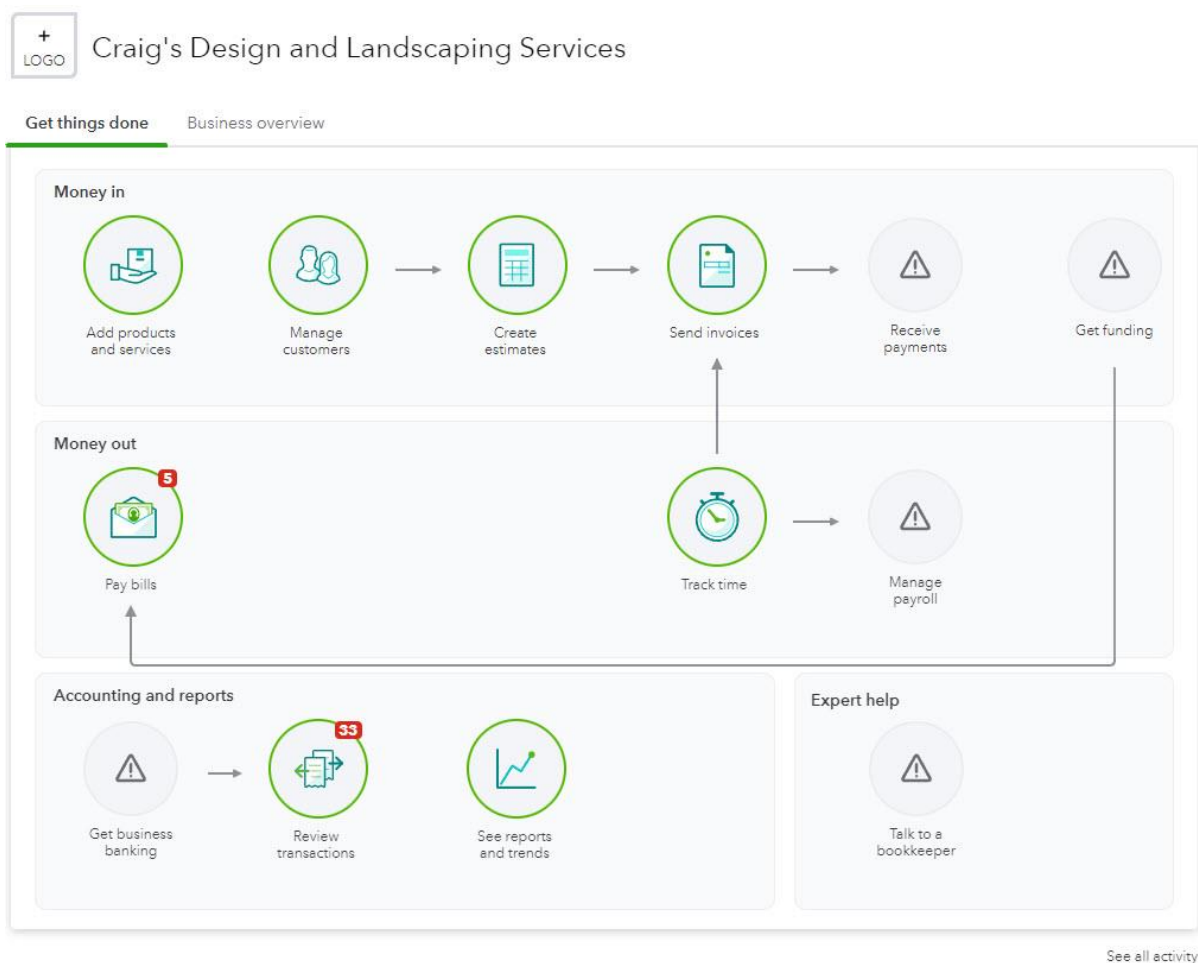
Invite an Accountant or find a ProAdvisor.

Explore the Application Marketplace.

Navigation

Dashboard (Getting things done).

Once the new company setup process is complete, you will automatically land on the Dashboard (Getting things done) tab. The icons shown in the screen shots below are shortcuts to various areas of QuickBooks Online.

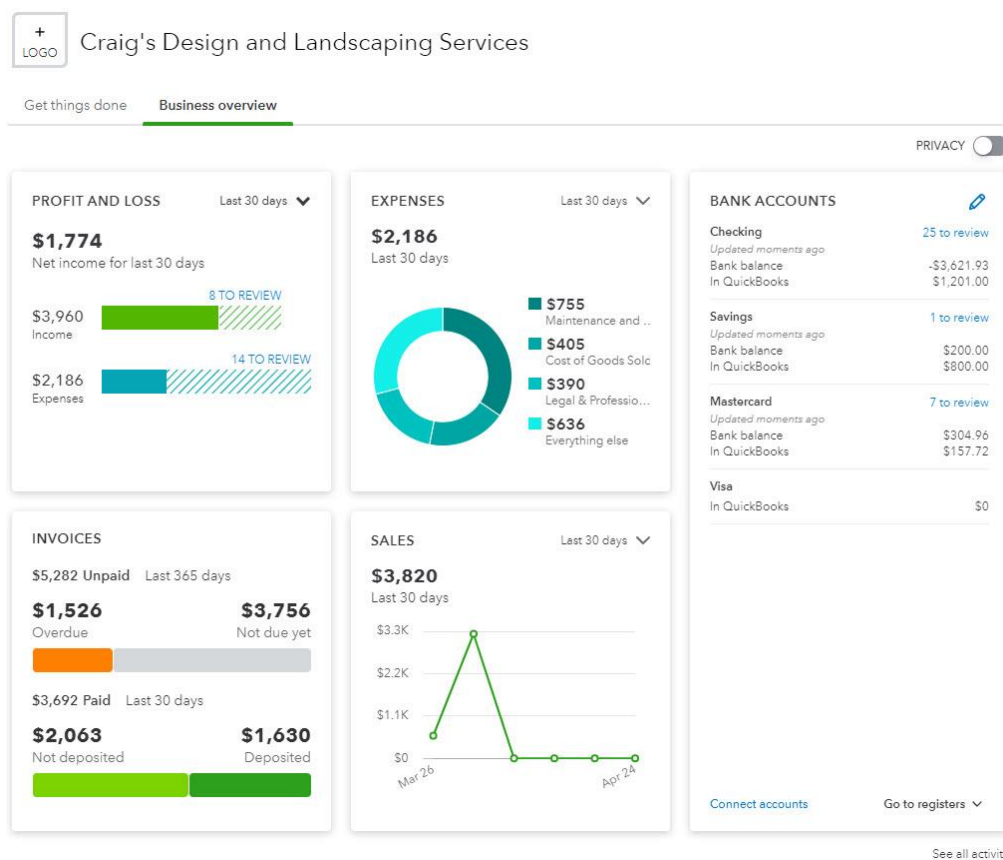


Feel free to click and explore. You cannot hurt anything by navigating through the clickable icons.

Navigation

Dashboard (Business Overview).

Monitor the activity and status of your company, access your data and drill down to detailed information with a simple click.



You can access **Customers, Vendors, Transactions, and Reports**. You can also organize and monitor **Bank and Credit Card** accounts, review **Income and Expenses**, and watch **Sales** trends.

Tip: Click anywhere there is a word in bolded color, an icon, a drop-down arrow, etc.

Feel free to explore without worry!

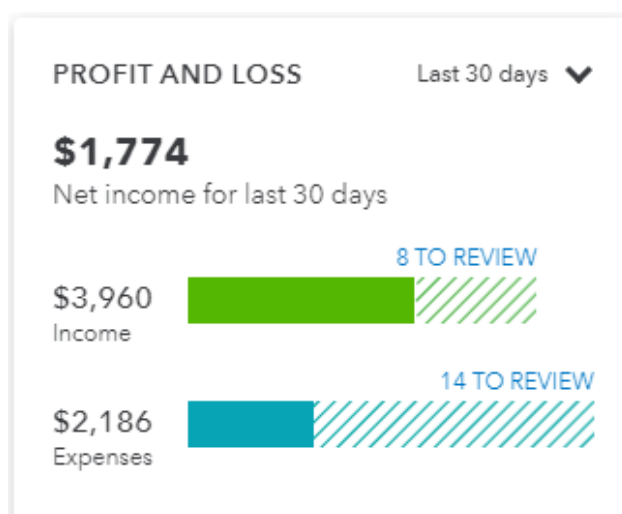
Let's begin!

Navigation

Profit and Loss

This section of the Dashboard provides a graphical view of your net income, income, and expenses for the last 30 days.

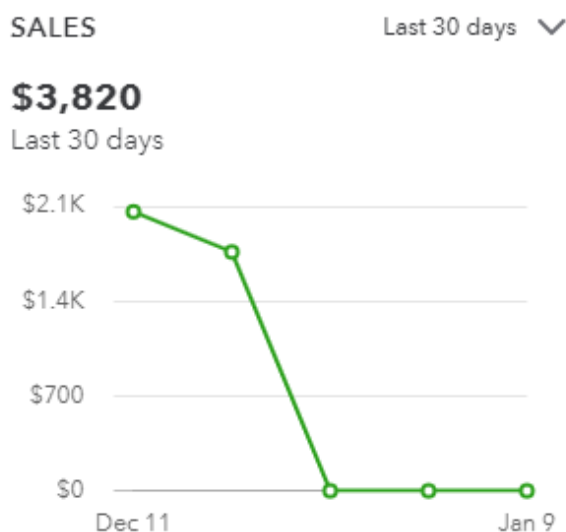
Click the drop-down arrow next to **Last Month** to change the period for which the data is displayed.



Sales

The Sales section of the Dashboard displays a graphical view of sales for the prior month.

Click the drop-down arrow next to **Last Month** to change the period for which the data is displayed.



Navigation

Income

The income section of the Dashboard allows you to view Invoices that are open, overdue, and paid in the last 30 days.

Click the **Invoices** color bars to view and manage a detailed list of open invoices currently owed to you by your customers.

INVOICES

\$5,282 Unpaid Last 365 days

\$1,526

Overdue

\$3,756

Not due yet



\$3,692 Paid Last 30 days

\$2,063

Not deposited

\$1,630

Deposited



Expenses

The Expenses section of the Dashboard allows you to view a graph of expenses broken down by amounts based on the last 30 days.

Scroll your mouse over the graph to create a pop-up of expenses related to specific categories.

Click the drop-down arrow next to **Last Month** to change the period for which the data is displayed.

EXPENSES

Last 30 days ▼

\$2,186

Last 30 days



\$755
Maintenance and ..

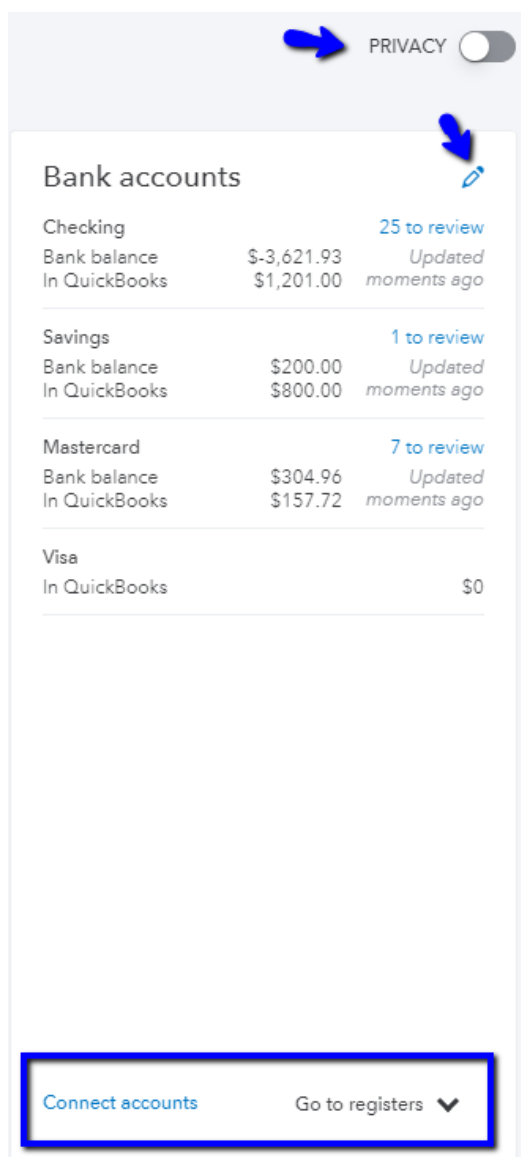
\$405
Cost of Goods Sold

\$390
Legal & Professio...

\$636
Everything else

Navigation

Access and manage bank accounts from the **Dashboard**. Turning on the **Privacy** button will hide the bank balances. Change the order of how your accounts are displayed and access registers. You can connect bank and credit cards accounts here and in the Banking Center.



Note: The order displayed here will be the same in the Bank Center.

Navigation

The **+ New icon** in the Left Navigation Bar provides access to data input windows. This is where you go to Create Invoices, Receive payments, Enter Expenses, Checks, Bills and more. Although you will spend most of your time in the banking center, you still need to know how to enter transactions manually.

Click the **(+ New)** icon to create manual transactions.



CUSTOMERS

Invoice
Receive payment
Estimate
Credit memo
Sales receipt
Refund receipt
Delayed credit
Delayed charge

VENDORS

Expense
Check
Bill
Pay bills
Purchase order
Vendor credit
Credit card credit
Print checks

EMPLOYEES

Payroll 
Time entry

OTHER

Bank deposit
Transfer
Journal entry
Statement
Inventory qty adjustment
Pay down credit card

[Show less](#)

Tip: Always enter data from “top to bottom, left to right” to avoid missing fields that require information.

Additional Icons include **Help**, **Search**, **Notifications** and **Settings**. Click the Help icon to address questions for specific areas of **QuickBooks®**. Click the **Bell** icon to view recent notifications and the **C** icon to sign out.



My Experts



Help



Navigation

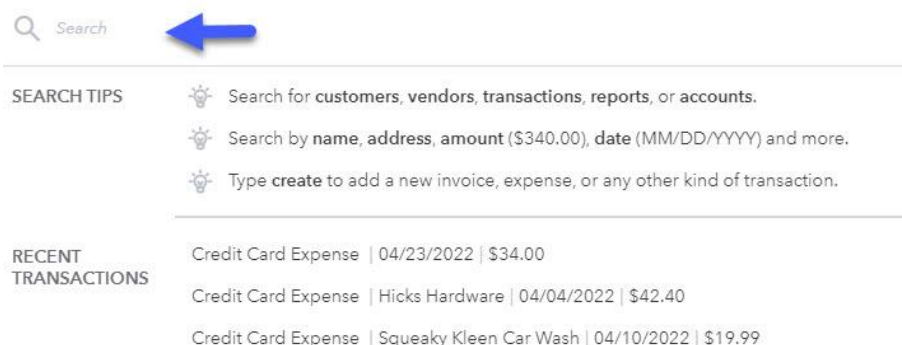
The **Search** (magnifying glass) icon at the top of the **Dashboard** will allow you to easily search recent and historical transactions.

Click the **Search** icon.

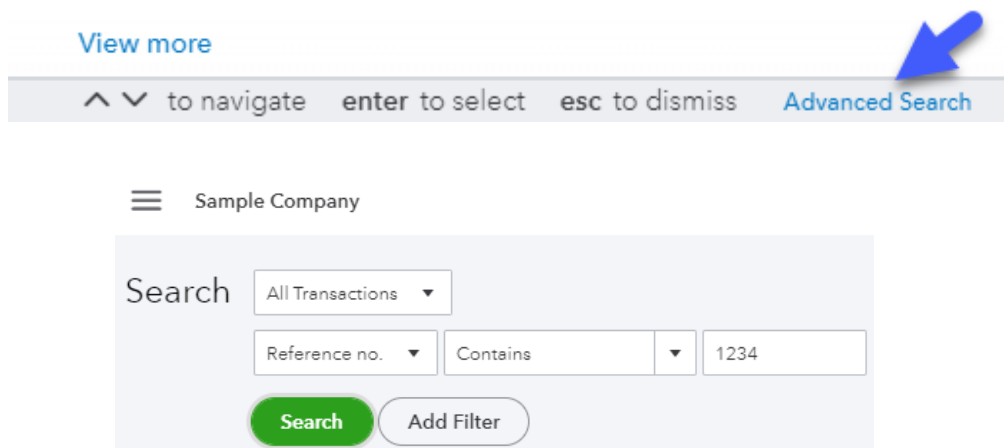


Enter a transaction number, date, amount etc.

for a simple search.




Click **Advanced Search** to filter specific transaction types and more. Click the down-arrows to the right of **All transactions**, **Reference no.** or **Contains**. to access additional search options.



Navigation

Click the **Gear** icon at the top right of your **Dashboard** to access company default settings, lists, and tools.

YOUR COMPANY	LISTS	TOOLS	PROFILE
Account and settings	All lists	Order checks 	Feedback
Manage users	Products and services	Import data	Privacy
Custom form styles	Recurring transactions	Import desktop data	
Chart of accounts	Attachments	Export data	
QuickBooks labs	Custom fields	Reconcile	
	Tags	Budgeting	
		Audit log	
		SmartLook	
		Resolution center	

You're viewing QuickBooks in **Business view**. [Learn more](#)

[Switch to Accountant view](#)

Logo

Click the **Logo** icon to add your custom company logo from your desktop or hard drive.



Craig's Design and Landscaping Services

Section 2 Doable Action Steps

All business owners should complete this section and apply the knowledge to their own company file. Remember! You can always refer to various sections of training if you need additional reminders of how features works.

1. Review Video Links - Ctrl + Left Click

[Billing and Subscriptions](#)

[How to Get Started with QuickBooks Online](#)

[How to Use QuickBooks Mobile App](#)

2. Choose your Subscription and signup if you have not already done so.

3. Explore these features:

Chrome – Clear your cookies and cache.

Multiple Windows – Create a duplicate window.

Mobile App – Go to the app store and install QuickBooks Online on your mobile device.

4. **Dashboard** - Click through words in bold as well as icons, drop-down arrows, etc.

5. **Left Navigation Bar** – Choose your view, then click on the Centers and explore.

6. **+ New** – Learn how to navigate this menu and click through various options to become familiar with the different fields per window.

7. **Search** - Become familiar with search filters.

8. **Gear** – Learn to navigate the Gear menu and click through various options.



Online Foundations

SECTION 3: SET UP YOUR NEW QUICKBOOKS® ONLINE COMPANY

Goals
Account and Settings
Manage Users
Chart of Accounts
Doable Action Steps

Section 3 Goals

Upon completion of Section 3 each participant will be familiar with:

- How to manage Account and Settings default preferences.
- How to set up and manage Users.
- How to import Lists.
- How to set up and use the Chart of Accounts, and how it connects to all transactions.

Now that Chris understands how to navigate QBO and where to locate important features, it is time to customize the application for Craig's Landscaping. Let's help her select settings that will best serve the needs of her business in the Accounts and Settings section, then move on to set up Users and Permissions.

To eliminate the need to hand enter data, let's also walk Chris through the process of how to import lists. We will then help her establish the all-important Chart of Accounts (COA), a financial tool that provides a complete listing of every account in the general ledger of a company, broken into subcategories.

QuickBooks is a very forgiving program. Most mistakes can be fixed, as you can go back and make historical changes. However, a correct setup will prevent the need to do so.

An accurate accounting software setup and optimized Chart of Accounts is very important. After attending the training, if you need additional help customizing the application to meet the unique needs of your business, please reach out to your Accountant for assistance.

Account and Settings

Use **Account and Settings** to **turn on/off** QuickBooks® Online features. It is important to turn off features you will not be using because it creates less fields during the input process. It is OK to turn on features as the need arises. This creates more efficiency and less guess work.

Although it is simple to turn settings on and off, it is important to set up your company settings and data correctly. Seek help from your Instructor/Advisor if you find you are “guessing.”

Click the **Gear** icon to review, edit, and turn on/off settings.

Click **Account and Settings**.

Click the **Company** tab in the left menu bar;
then click the setting you choose to edit or
click the **pencil** on the right side of the screen.

YOUR COMPANY	
Account and settings	Company
Manage users	Usage
Custom form styles	Sales
Chart of accounts	Expenses
QuickBooks labs	Advanced

Company Name

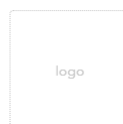
Add a **customized logo**, verify your **company name**, or add a **legal name** and **EIN** to match the information on the company tax return. Click **Save** anytime you change settings.

Company name

Company name

Legal name

EIN/SSN



Craig's Design and Landscaping Services

Same as company name

Account and Settings

Company Type

Select the legal entity type you will use when filing your tax return, then select industry type. Click **Save**.

Company type	Tax form	Small business corporation, two or more owners (Form 1120S)
	Industry	Landscaping Services

Contact Info

Verify or edit **contact info**. Click **Save**.

Contact info	Company email	intuieducation@intuit.com
	Customer-facing email	<i>Same as company email</i>
	Company phone	+1 6509446000
	Website	intuit.com

Address

Verify or edit your company **address**. Click **Save**.

Address	Company address	123 Sierra Way, San Pablo, CA 87999
Address	Customer-facing address	<i>Same as company address</i>
Address	Legal address	<i>Same as company address</i>

Account and Settings

Communications with Intuit

Click **Marketing Preferences** to allow or disallow promotional offers from Intuit.

Communications with
Intuit

Marketing Preferences

Usage

Click the **Usage** tab in the left menu bar.

This is where you monitor users and account categories limits. If you reach the limits, you will be required to upgrade your subscription.

Company

Usage

Sales

Expenses

Advanced

Usage limits

Beginning April 2019, usage limits will go into effect and will depend on your plan. Your current plan is QuickBooks Online Plus. Upgrade to have greater capacity, or learn how to manage to these limits.

[Learn more](#)

Billable users

0 OF 5



0 user(s)

The limit for your plan is 5.

Chart of accounts

44 OF 250



44 account(s)

The limit for your plan is 250.

Tag Groups

0 OF 40

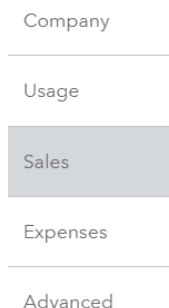


Account and Settings

Sales Settings

Click the **Sales** tab in the left menu bar.

Click the setting you choose to edit or click the **pencil** on the right side of the screen.



Customize

Click **Customize Look and Feel** to customize invoices, estimates, and sales receipts.

Customize

Customize the way forms look to your customers

Customize look and feel

You can edit the existing standard template or create a new custom template.

Click **New Style**. Select **Style** and choose the type of sales form you would like to customize.

Select a template, add a title and logo, choose a color scheme, and preview the form.

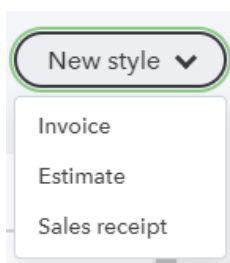
Let's choose **Invoice** for this example.

Custom form styles

[← All lists](#)

New style ▼

NAME	FORM TYPE	LAST EDITED	ACTION
Standard	Master	05/11/2025	Edit ▼



Account and Settings

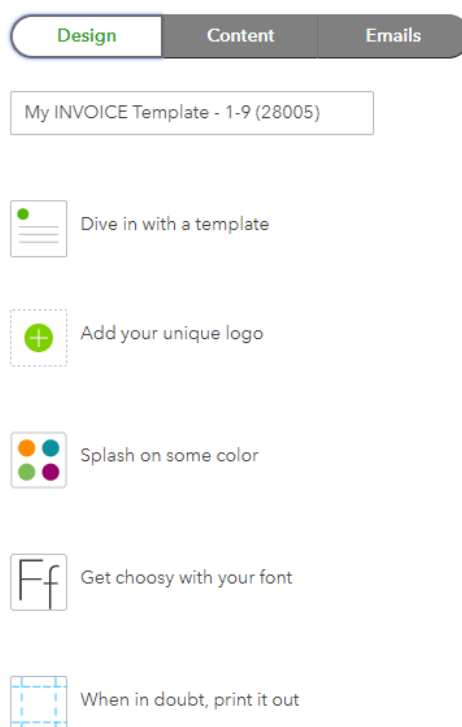
Select the **Design** tab to change your invoice template, add a logo, modify color schemes, change font sizes, or print a sample.

Select the **Content** tab and then click on **Invoice Form** to change the header, form name and numbers, or displayed information, or to add a customer field.

Select the **Emails** tab to change the outgoing email subject and default message. **Note:** Do not overlook the **Reminder Email** feature.

Select the **Payments** tab to add ACH and Credit Card payment options to your sales forms. **Note:** This will require you to sign up for Intuit Merchant Services.

Click **Preview PDF** to review the sales form or click **Done**.



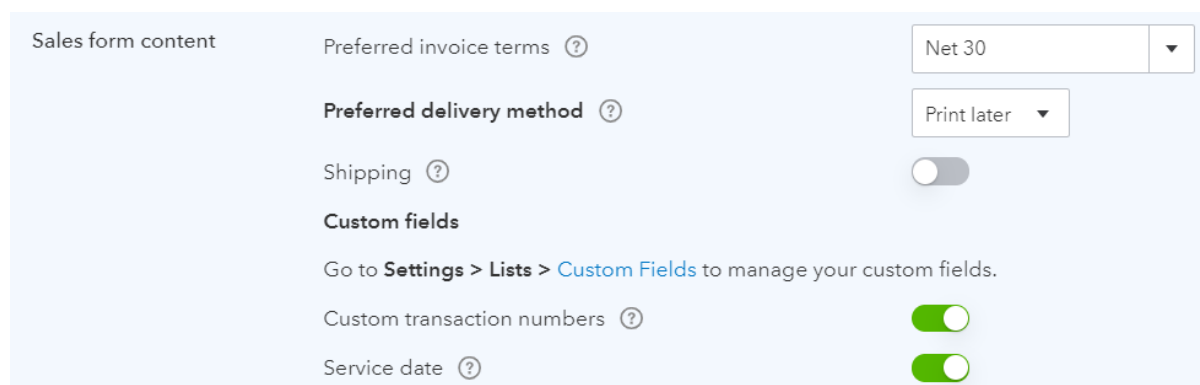
Account and Settings

Sales Form Content

Click **Sales Form Content** to select and turn on/off settings for sales forms.

Preferred Invoice Terms sets the default payment date. "Net 30" means payment is due 30 days from the date used to create the invoice.

Preferred Delivery Method will allow you to set a preferred default to print or send sales forms later.



The screenshot shows the 'Sales form content' settings panel. It includes the following options:

- Preferred invoice terms**: A dropdown menu set to 'Net 30'.
- Preferred delivery method**: A dropdown menu set to 'Print later'.
- Shipping**: A toggle switch that is currently turned off.
- Custom fields**: A section with a link to 'Settings > Lists > Custom Fields' to manage custom fields.
- Custom transaction numbers**: A toggle switch that is currently turned on.
- Service date**: A toggle switch that is currently turned on.

Shipping adds a shipping field to sales forms.

Custom fields can be added and managed in **Gear settings -> Lists -> Custom fields**.

Custom Transaction Numbers allows you to choose your own numbering system.

Service Date creates a service date field. This tracks the dates services were performed when they are different from the invoice date.

Note: When you turn on the **Shipping** feature, be sure to add the default shipping account category in the **Advanced->Chart of Accounts Settings**.

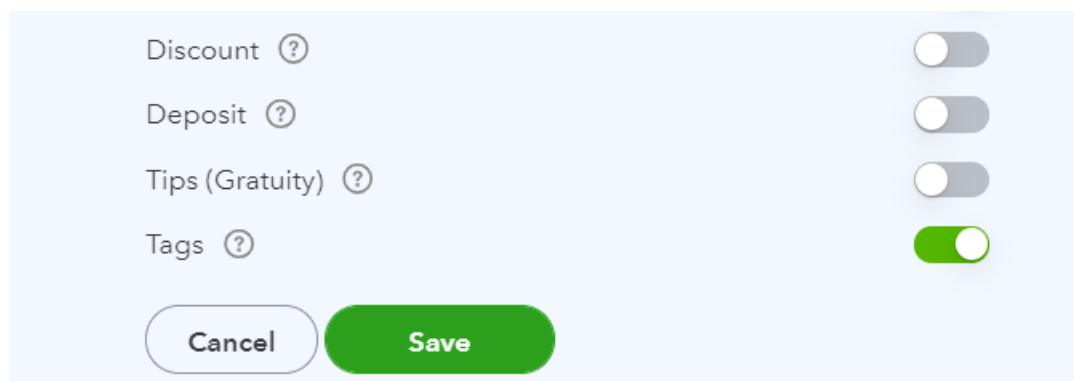
Account and Settings

Discount will add a discount field to invoices.

Deposit adds a deposit field to invoices and allows you to offset the balance owed with amounts paid before the service was completed.

Note: Once you turn on **Discounts**, you will need to add a discount account in the **Advanced -> Chart of Accounts Settings**.

Tips and Gratuity- Adds a tips field to sales forms. Select **(Just Me)** to record tip income or select **(My Team)** to track tips that need to be paid out to your team.



Discount ? ☐

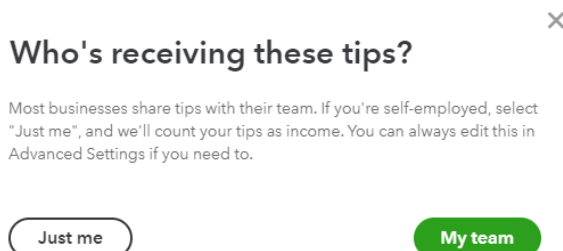
Deposit ? ☐

Tips (Gratuity) ? ☐

Tags ? ☒

Cancel Save

Note: Once you turn on **Tips and Gratuity**, you will need to add a **Tip Income (Just Me)** account or **Tips Payable (My Team)** account in the **Accounts and Settings->Advanced->Tips Payable Account**.



Who's receiving these tips?

Most businesses share tips with their team. If you're self-employed, select "Just me", and we'll count your tips as income. You can always edit this in Advanced Settings if you need to.

Just me My team

Tags allow you to create tags and tag groups to customize the way you track information. (Recommended feature we will cover in more detail later in the training.)

Account and Settings

Click **Products and Services** to turn on/off desired settings.

Show Product/Service column on sales forms adds a column so you can choose from the list of products or services.

Show SKU column allows you to track products and services by SKU number.

Turn on price rules allows you to provide discounts for specific products to certain customers for a specified amount of time.

Track quantity and price/rate adds a field to show quantities and pricing on sales forms.

Track inventory quantity on hand allows the tracking of products you buy, store and sell.

Products and services	Show Product/Service column on sales forms	On
	Show SKU column	On
	Turn on <u>price rules</u> BETA	Off
	Track quantity and price/rate	On
	Track inventory quantity on hand	On

Late Fees allow you to automatically apply a flat fee or percentage to outstanding invoices. Select “Default charge applied to overdue invoices” to turn this feature on. Select Flat fee or Percentage of remaining balance and continue to select the required information. Click Save.

Late fees	Default charge applied to overdue invoices	Off
	Appears as a line under Product/Service on the invoice, and applies to all customers. Learn More	

Account and Settings

Progress invoicing

Progress invoicing allows you to create multiple partial invoices from a single estimate. (This feature is great for contractors providing services for new construction.)

Progress Invoicing	Create multiple partial invoices from a single estimate	Off
--------------------	---	-----

Messages

Click **Messages** to add a default email message sent with sales forms, invoices, estimates, credit memos, sales receipts, statements, and refund receipts.

Click **Email me a copy** to receive a copy of emailed sales forms

Default email message sent with sales forms

☒ Use greeting Dear ▾ [Full Name] ▾

Sales form ?

Invoice ▾ Use standard message

Email subject line

Invoice from Craig's Design and Lands

Email message

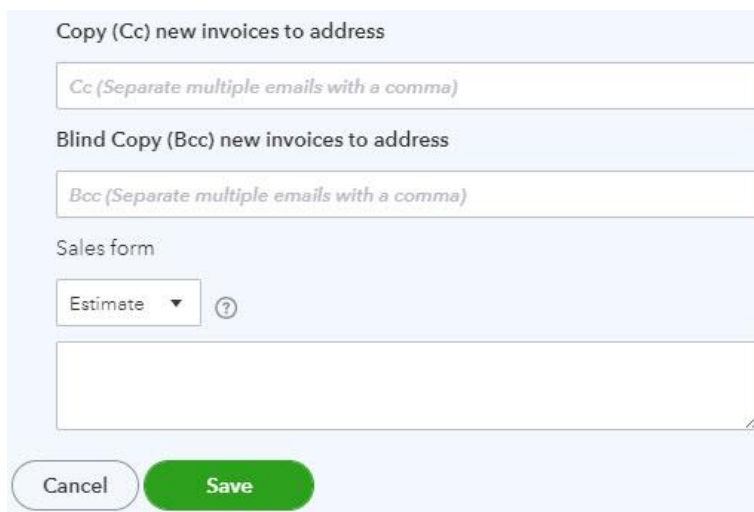
Your invoice is attached. Please remit payment at your earliest convenience.
Thank you for your business - we appreciate it very much.

Sincerely,
Craig's Design and Landscaping Services

☐ Email me a copy at noreply@quickbooks.com

Account and Settings

You can include a Cc or Bcc email as well. Your default message sent with sales forms can be changed when creating estimates, invoices and other sales forms.



Copy (Cc) new invoices to address

Cc (Separate multiple emails with a comma)

Blind Copy (Bcc) new invoices to address

Bcc (Separate multiple emails with a comma)

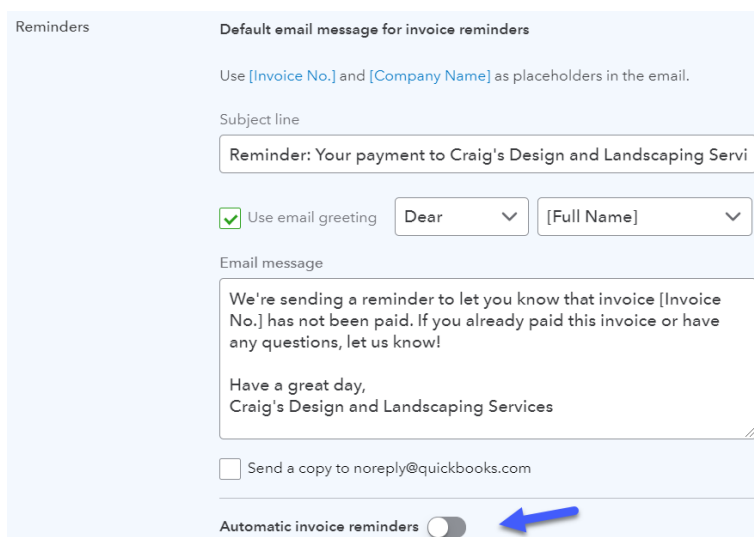
Sales form

Estimate ?

Cancel Save

Note: A default email message sent with reminders is also available.

Click **Reminders** to change the default subject and email message. Turn on **Automatic invoice reminders** and let the system do the work for you.



Reminders

Default email message for invoice reminders

Use [Invoice No.] and [Company Name] as placeholders in the email.

Subject line

Reminder: Your payment to Craig's Design and Landscaping Servi

☒ Use email greeting Dear [Full Name]

Email message

We're sending a reminder to let you know that invoice [Invoice No.] has not been paid. If you already paid this invoice or have any questions, let us know!

Have a great day,
Craig's Design and Landscaping Services

☐ Send a copy to noreply@quickbooks.com

Automatic invoice reminders ☐

Account and Settings

Online Delivery

Click **Online delivery** to attach sales forms as a PDF, show summary or detail, and change your email text preference.

Online delivery

Email options for all sales forms

☒ Show short summary in email

☐ Show full details in email

☒ PDF Attached

Additional email options for invoices

Plain text ▼

Cancel Save

Statements

Click **Statements** to change settings to display all your customers' unpaid transactions by a single line item or include detail. **Show aging table** displays outstanding balances by days delinquent at the bottom of the statement. Send a courtesy statement when customers are no longer current. Click **Save->Done** in the bottom right corner.

Statements

☒ List each transaction as a single line ?

☐ List each transaction including all detail lines

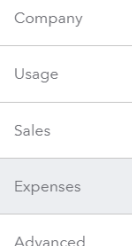
Show aging table at bottom of statement ? ☒

Cancel Save

Account and Settings

Expenses

Click the **Expenses** tab in the **Account and Settings** menu bar and then click the setting you choose to edit or click the **pencil** on the right side of the screen.



Bills and Expenses

Click **Bills and expenses** to turn on/off settings, add columns on forms, and track expenses.

Show Items table on expense and purchase forms adds products column to forms.

Show Tags field adds a field that allows you to track transactions using tags and tag groups.

Track expenses and Items by customer adds a column to track transactions by customers.

Make expenses and items billable adds a column to track expenses billable to the customer and gives you the option to add a default markup rate.

Track billable expenses and items as income allows you to use one or multiple income accounts to track billable expenses. **Note:** Go to **Advanced > Chart of accounts > Billable expenses income account**.

Default bill payment terms is used to set default terms for bills, such as net 30.

Bills and expenses	Show Items table on expense and purchase forms	On
	Show Tags field on expense and purchase forms	On
	Track expenses and items by customer	On
	Make expenses and items billable	On
Default bill payment terms		

Account and Settings

Purchase Orders

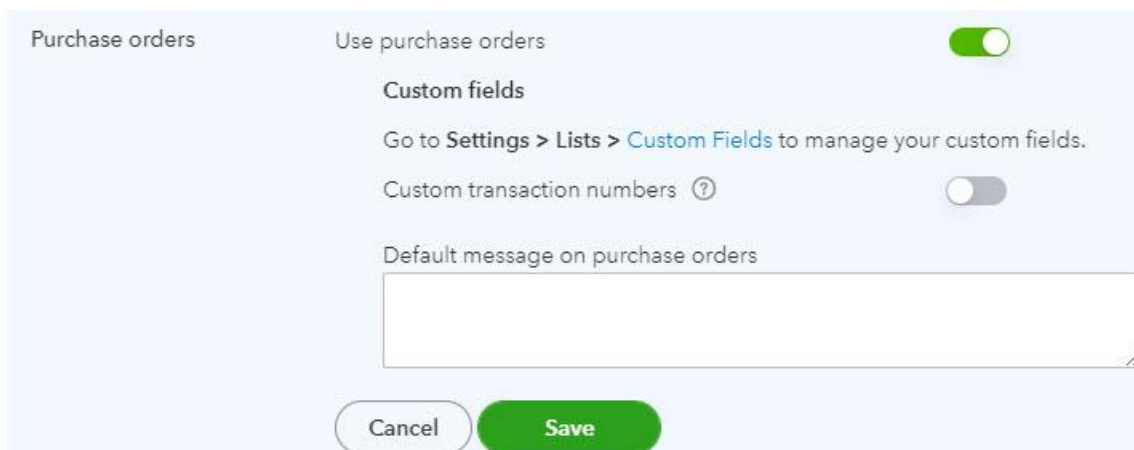
Click **Purchase orders** to turn on/off **Use purchase orders** and create custom fields.

Purchase orders are used to track product purchased from vendors. This is helpful when tracking open orders for inventory and in comparing costs to actual bills.

Custom fields allow you to add extra fields to Purchase Orders to track information using custom reports.

Custom transaction numbers allow you the option to use your own numbering system. If this is not checked, QuickBooks® Online will automatically assign a number.

Default message on purchase orders adds a default message to all Purchase Orders. This can be changed when adding new Purchase Orders in QuickBooks® Online.



Purchase orders

Use purchase orders ☒

Custom fields

Go to [Settings](#) > [Lists](#) > [Custom Fields](#) to manage your custom fields.

Custom transaction numbers ? ☐

Default message on purchase orders

Note: Click **Messages** to change outgoing email messages specifically for purchase orders.
Click **Save -> Done**.

Account and Settings

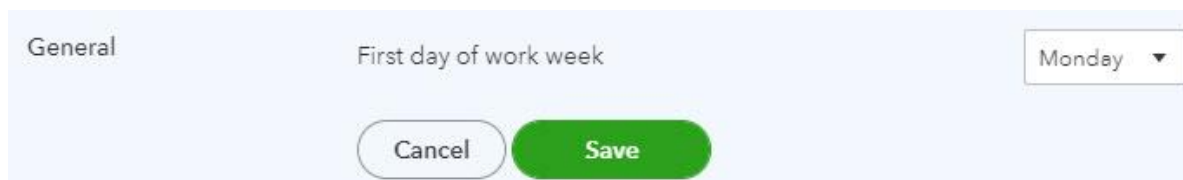
Payments Tab

This is where you manage your QuickBooks Online and merchant service subscriptions.

Time

Click **Time** to turn on/off and edit settings.

First day of work week sets the starting day of a work week on the timecard entry form.



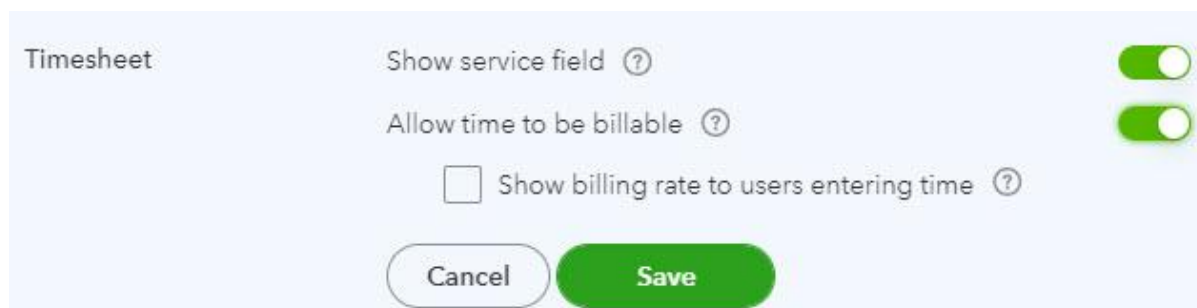
General First day of work week Monday ▼

Cancel Save

Add Service field to timesheets is a field used to enter specific services performed.

Allow time to be billable is a feature that tracks billable time by customer.

Show billing rate to users entering time allows users to view the rates you use to invoice customers.



Timesheet

Show service field ⓘ ☒

Allow time to be billable ⓘ ☒

☐ Show billing rate to users entering time ⓘ

Cancel Save

Account and Settings

Advanced

Click **Advanced** in the **Account and Settings** menu bar and then click the setting you choose to edit or click the **pencil** on the right side of the screen.

Click **Accounting** to turn on/off and change settings.

First month of fiscal year is usually January, based on the calendar.

Some companies use a different month to start their fiscal year.

First month of income tax year lets you click the drop-down arrow to select **January** or **Same as fiscal year**.

Accounting Method includes two **Accounting methods** for running reports: accrual and cash. If you use Accounts Receivable and/or Accounts Payable in QuickBooks® Online, then choose the **Accrual** basis. If not, then use the **Cash** basis.

Company

Usage

Sales

Expenses

Advanced

Accounting

First month of fiscal year ⓘ January ▼

First month of income tax year Same as fiscal year ▼

Accounting method ⓘ Accrual ▼

Close the books is a great feature that allows you to close a period and assign a password. Turning on this setting triggers a warning box that prevents users from changing historical data, especially important when sales, payroll, and tax returns have been filed.

Close the books ⓘ ☒

Closing date

Allow changes after viewing a warning ⓘ

Cancel Save

Account and Settings

Company Type

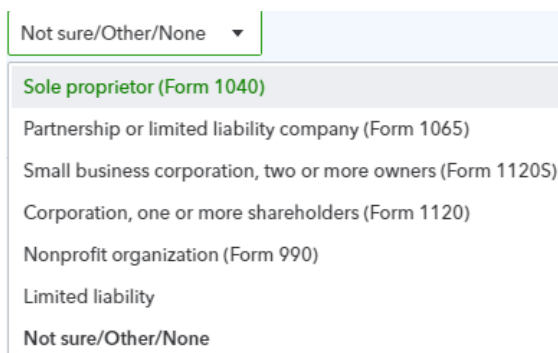
Tax Form

Click the **Tax form** drop-down list to select the entity type you used when filing your company's tax return. If you are unsure about this, contact your accountant.



Company type Tax form ? Not sure/Other/None ▼

Cancel Save



Not sure/Other/None ▼

- Sole proprietor (Form 1040)
- Partnership or limited liability company (Form 1065)
- Small business corporation, two or more owners (Form 1120S)
- Corporation, one or more shareholders (Form 1120)
- Nonprofit organization (Form 990)
- Limited liability
- Not sure/Other/None

Chart of Accounts

Click **Chart of Accounts** to turn on/off **account numbers** and assign default income accounts. This allows business owners to organize their Chart of Accounts categories in a way that is meaningful to them.

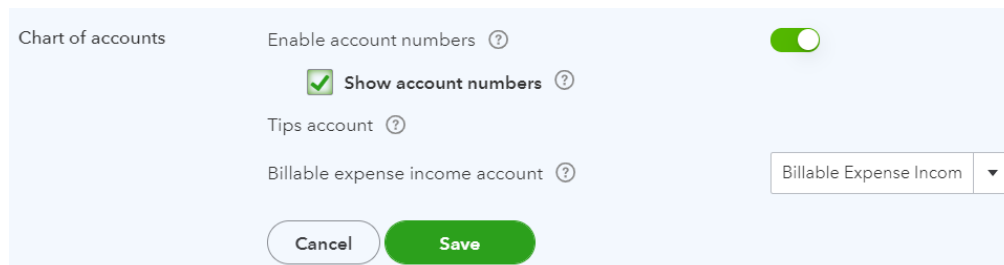


Chart of accounts Enable account numbers ? ☒ Show account numbers ?

Tips account ? Billable expense income account ? Billable Expense Income ▼

Cancel Save

Account and Settings

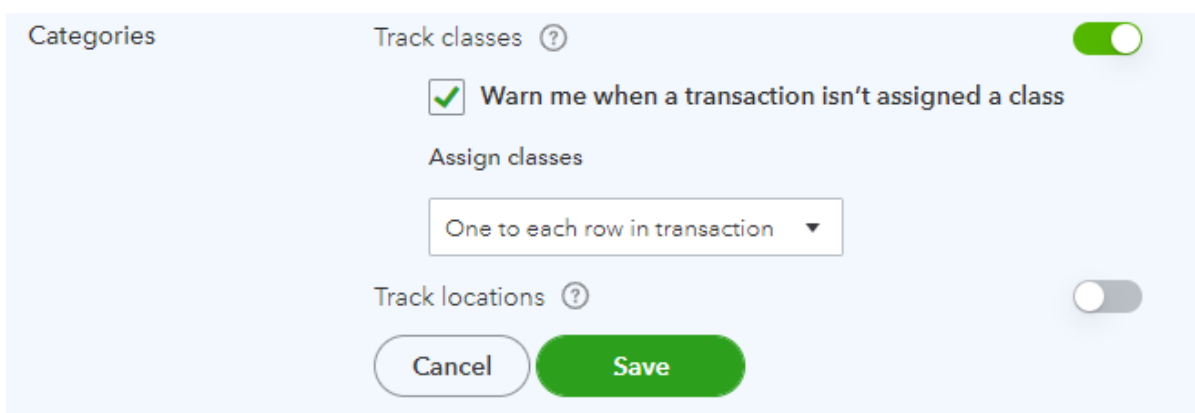
Categories: Classes

Classes allow you to track transactions in order to gather data and review reports by a specific class.

For example, Craig's can track commercial vs residential jobs, or jobs per city to determine sales by city for state license reporting. The use of classes provides the capability to review Profit & Loss by class.

Click the appropriate box to turn on **Track classes**. Then click **"Warn me when a transaction isn't assigned a class."** This will create an alert when the class entry is missed during the data entry process.

Assign classes gives you the option to assign classes to a transaction or to individual line items.



The screenshot shows the 'Categories' settings page in QuickBooks. The 'Track classes' toggle is turned on. Below it, the checkbox 'Warn me when a transaction isn't assigned a class' is checked. Under the 'Assign classes' section, a dropdown menu is set to 'One to each row in transaction'. The 'Track locations' toggle is turned off. At the bottom, there are 'Cancel' and 'Save' buttons.

Categories

Track classes ⓘ ☒

☒ Warn me when a transaction isn't assigned a class

Assign classes

One to each row in transaction ▼

Track locations ⓘ ☐

Cancel Save

Account and Settings

Locations

Track locations is used to gather data for a specific location, department, property, etc. Not all businesses need to use locations. An example; Craig's could use locations to track sales by county or sales by property address. This provides the ability to review a Profit & Loss by location.

- Location ▾
- Business
- Department
- Division
- Location**
- Property
- Store
- Territory

Automation

Click **Automation** to turn on/off settings for pre-filled forms, apply credits, and more.

Pre-fill Forms with previously entered content fills form fields with memorized content from prior vendor, customer, and employee transactions.

Automatically apply credits posts outstanding credits to newly created invoices.

Automatically invoice unbilled activity creates an invoice for tagged transactions waiting to be billed to a customer. When the invoice is generated, an alert is sent to the activities section of the Dashboard.

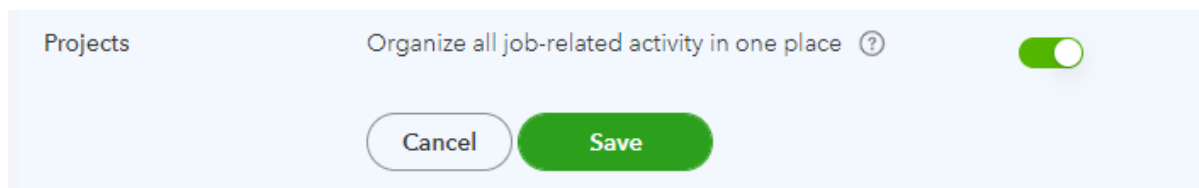
Automatically apply bill payments applies bill payments to the oldest open bill first.

Automation	Pre-fill forms with previously entered content	Off
	Automatically apply credits	Off
	Automatically invoice unbilled activity	Off
	Automatically apply bill payments	Off

Account and Settings

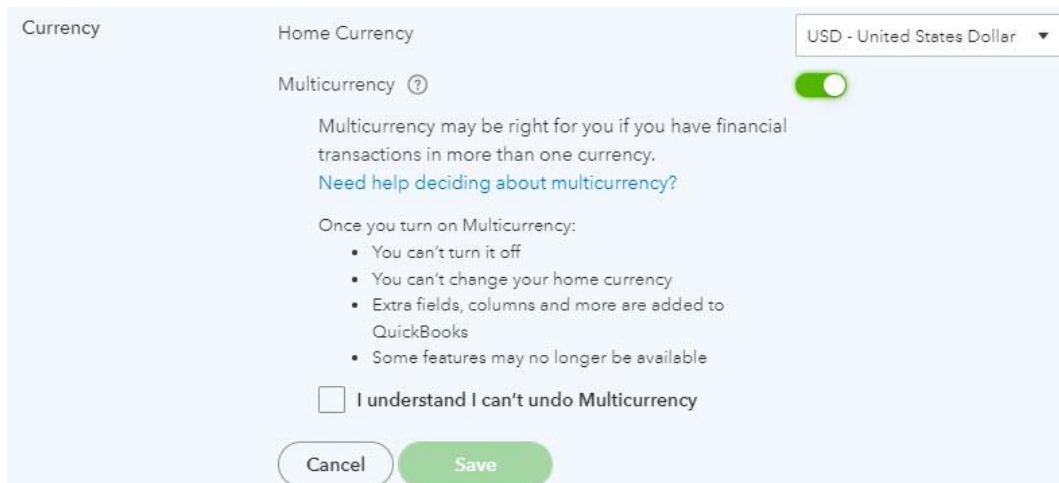
Projects

Turning on **Projects** allows you to organize all job-related activity in one place. It allows you to review all Sales, Expenses, and Time by Project. Here we can track information from a cost perspective.



Currency

Multicurrency lets you track transactions in foreign currencies. Use it only if you have bank accounts, customers, or vendors that do not use your home currency. Otherwise, select the default, **Home Currency**. **Warning!** Once you select a home currency, you will not be able to change the currency. Select **Multicurrency**



Note: Once you turn this feature on, you cannot turn it off or change your home currency.

Account and Settings

Other Preferences

Click **Other Preferences** to turn on/off and edit settings that trigger warnings and formatting preferences.

Date format is a preference with several options.

Number format is a personal preference.

Customer label reflects the type of customers you service or sell to. The label you choose will appear on the Navigation Menu Bar and transactions related to customers, such as invoices, sales orders, credit memos, etc.

Warn if duplicate check number is used populates a warning box when a duplicate check is entered.

Warn me when I enter a bill number that's already been used for that vendor populates a warning box when a duplicate number is used.

Warn if duplicate journal number is used populates a warning box when a duplicate journal entry number is used.

Sign me out if inactive for a period. It let's you choose between 1 and 3 hours. Click **Save -> Done**.

Other preferences	Date format	MM/dd/yyyy
	Number format	123,456.00
	Customer label	Customers
	Warn if duplicate check number is used	On
	Warn me when I enter a bill number that's already been used for that vendor	On
	Warn if duplicate journal number is used	On
	Sign me out if inactive for	1 hour

Manage Users

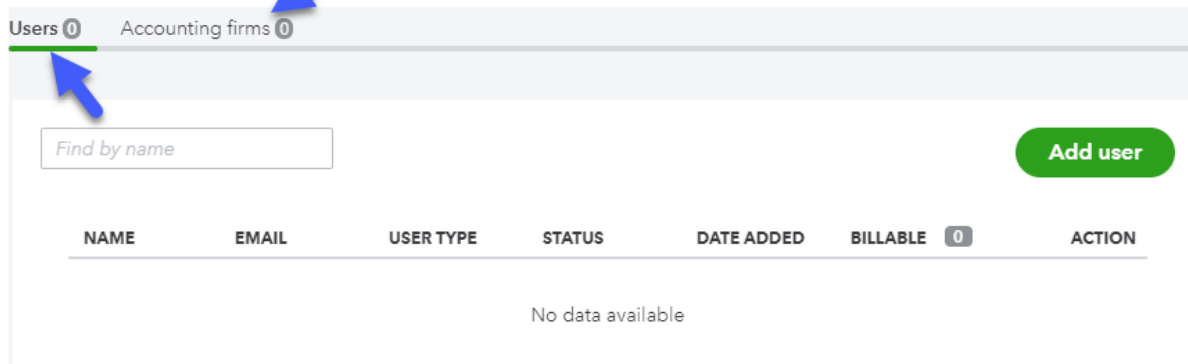
When inviting users, you can determine how much or little access a user has to your company data. Maintaining user access is important to implement checks and balances and view activity by user. This can serve as a training tool to address and avoid common errors.

Click the **Gear** icon -> **Manage Users**.

Select the **Users** tab to add and customize a user or select the **Accounting Firms** tab to invite your accountant. The initial user is known as the primary admin. If you want to transfer this role to another user, set them up as an admin user and use the action drop-down menu to transfer the rights to the new user. The new user will receive an email notification.

Manage users

Give Feedback



Users 0 Accounting firms 0

Find by name

Add user

NAME	EMAIL	USER TYPE	STATUS	DATE ADDED	BILLABLE	0	ACTION
No data available							

Note: You can add up to two accountants to your QuickBooks® Online data file in addition to the number of users your subscriptions allow. In order to do this, your accountant must subscribe to QuickBooks® Online Accountant.

Manage Users

Click **Add User** to add a new user.

Standard User will allow you to select which areas a user can access.

Company admin has access to all areas of QuickBooks® Online Plus.

Reports only will allow users access to most reports; the exceptions are Payroll and Contact info. They do not count toward your user limit.

Time Tracking only limits users to entering their time. They do not count towards your user limit.

Click **Next** and follow the screens until you have successfully added a user.

Add a new user

Select user type

These count toward your user limit.

☒ Standard user

You can give them full or limited access, without admin privileges.

☐ Company admin

They can see and do everything. This includes sending money, changing passwords, and adding users. Not everyone should be an admin.

These don't count toward your user limit.

☐ Reports only

They can see all reports, except ones that show payroll or contact info.

☐ Time tracking only

They can add their own time sheets.

Note: User options may be limited depending on the type of subscription. This example is based on the **Plus** version of QuickBooks® Online.

Manage Users

Continue to click **Next** until you complete the **Add User** process.

Note: A box appears with a list of access rights based on your selection.

Add a new user

Select access rights

How much access do you want this user to have?

- ☒ All
- ☐ None
- ☐ Limited
- ☐ Customers
- ☐ Vendors

For those with a **Plus** subscription, you will have the ability to set the administrative rights for specific users.

Add a new user

Select user settings

Do you want this user to add, edit, and remove users?

- ☐ Yes
- ☒ No
- ☐ View only

Do you want this user to edit company info?

- ☐ Yes
- ☒ No

Do you want this user to manage subscriptions?

- ☐ Yes
- ☒ No
- ☐ View only

Manage Users

Enter **username** and **email** information; an invite will be sent to the user. They will be invited to accept the invite and create a password.

First name

Last name

Email

This will be their user id.

To invite an accounting firm with administrative rights to your company data, from the **Manage Users** main screen click **Accounting Firms** if your accountant subscribes to QuickBooks® Online Accountant.

Enter your accountant's email address and ask your accountant to accept the invite.





An accountant can be your best business partner

Make it easy to work together. Invite yours to your QuickBooks.

Invite

Your accountant and members of their firm will have admin access to your company data.

Lists

Lists are one of the basic features of QuickBooks® Online. Lists are triggered when turning on features in Account and Settings. A list is a series of like information compiled into an organized directory. This helps save time and ensures that information is entered consistently and correct  Help   

Click the **Gear** icon.

Click **All Lists** -> Select the list you would like to maintain.

Lists

Chart of Accounts

Displays your accounts. Balance sheet accounts track your assets and liabilities, and income and expense accounts categorize your transactions. From here, you can add or edit accounts.

Recurring Transactions

Displays a list of transactions that have been saved for reuse. From here, you can schedule transactions to occur either automatically or with reminders. You can also save unscheduled transactions to use at any time.

Products and Services

Displays the products and services you sell. From here, you can edit information about a product or service, such as its description, or the rate you charge.

Product Categories

A means of classifying items that you sell to customers. Provide a way for you to quickly organize what you sell, and save you time when completing sales transaction forms.

Locations

You can use locations to categorize your transactions by different parts of your company.

Custom Form Styles

Customize your sales form designs, set defaults, and manage multiple templates.

Payment Methods

Displays Cash, Check, and any other ways you categorize payments you receive from customers. That way, you can print deposit slips when you deposit the payments you have received.

Terms

Displays the list of terms that determine the due dates for payments from customers, or payments to vendors. Terms can also specify discounts for early payment. From here, you can add or edit terms.

Classes

Displays the classes you can use to categorize your accounting transactions.

Attachments

Displays the list of all attachments uploaded. From here you can add, edit, download, and export your attachments. You can also see all transactions linked to a particular attachment.

Custom Fields

Sort, track, and report the information that matters to you. Add custom fields to your forms so that you can capture more business-related info.

Lists

Importing Lists


You can import list information from Excel or Google Sheets to save time. You can import customers, vendors, accounts, and products and services. You can download a sample file to see how to set up your import file.

Click **Gear icon -> Import data.**


Click on the icons to access and download the sample CSV, Excel, or Google template. You can download or preview a sample file to get started.

Import Data


Bring your existing data into QuickBooks



Bank Data



Clients



Vendors





Chart of Accounts



Products and Services

First time importing your Chart of Accounts?

- All your Chart of Accounts information must be in one file
- The top row of your file must contain a header title for each column of information

Select a CSV or Excel file to upload

[Download a sample file ↗](#)

Select Google Sheet

[Preview a sample](#)

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Note: What type of lists can be imported? Review above.

Chart of Accounts

The Chart of Accounts is a list of categories that make up your Balance Sheet and Profit & Loss Statements. Every transaction entered in QuickBooks® will post to the accounts list. This is how data is compiled to produce important reports used to manage a business.

Balance Sheet

Assets (what your company owns): bank accounts, petty cash, fixed assets (equipment or vehicles), inventory, undeposited funds (payments from customers waiting to be deposited).

Liabilities (what your company owes): accounts payable, loans, sales, payroll taxes.

Equity (the net worth of your company): Money that owners contribute to or draw from the business and an accumulation of net profits and losses from the start of the business to present or sale.

Profit & Loss

Income (what you have earned): sales of products, labor, interest, rental income, materials, etc.

Expenses (what you have spent): office expenses, wages, professional fees, rent, utilities, etc.

The Profit & Loss Statement shows the net loss or gain for a period. At the end of a calendar or fiscal year, the net profit or loss rolls into the equity section of the Balance Sheet.

Note: Keep your Chart of Accounts simple. Add new accounts when you need to track specific information. Use reports to customize information within an account. Discuss account changes with your accountant. Start by adding bank and credit card accounts.

Chart of Accounts

Manage Accounts

Click the **Gear** icon -> **Chart of Accounts**.

Or **Left Navigation Bar** -> **Accounting** -> **Chart of Accounts**.

Click **View Register** to manage transactions for a specific account.

Click the **drop-down list** to edit, make inactive, or run reports.

Click the **header** name to sort by column.

Chart of Accounts

Run Report

New

Filter by name

All

NAME	TYPE	DETAIL TYPE	BANK BALANCE	ACTION
Checking	Bank	Checking	-3,621.93	View register
Savings	Bank	Savings	200.00	<div> <div>Edit</div> <div>Make inactive (reduces usage)</div> <div>Run report</div> </div>
Accounts Receivable (A/R)	Accounts receivable (A/R)	Accounts Receivable (A/R)		

Type an account name in the **Filter by name** field to search for an account.

Select **Show all** or categories that count towards your usage limits.

Click the **pencil** icon to edit multiple Chart-of-Account names.

Click the **printer** icon to print a list of your Chart of Accounts.

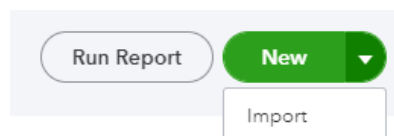
Click the **gear** icon to add/remove display columns, change the number of rows, or include inactive accounts.

Note: Remember to turn on account numbers in Accounts and Settings if you want to customize the organization of your Chart of Accounts.

Chart of Accounts

Add Accounts

Click **New** or the drop-down list to add an account or import from a .csv file.



Create a new account and name it **Ask My Accountant**. Set the **Account Type** to **Other Expense** and the **Detail Type** to **Other Miscellaneous Expense**. Change the account name to “Ask My Accountant”.

This will position the account at the bottom of your Profit & Loss Statement, where it will stand out as a reminder to address or research questionable transactions before processing financials for the month or year. Click **Save and New** to add another account or **Save and Close** to return to the Chart of Accounts list.

Account

Account Type

Other Expense ▼

* Detail Type

Other Miscellaneous Expense ▼

Use **Other miscellaneous expense** to track unusual or infrequent expenses that don't fall into another Other Expense type.

If an expense is directly related to providing a service, use an Expense type (not an Other Expense type) account called **Other miscellaneous service cost**.

* Name

Ask My Accountant

Description

☐ Is sub-account

Enter parent account ▼

Note: Home Depot and Walmart are not account categories. They are vendors used to purchase supplies and materials (supplies and materials are account categories).

Chart of Accounts

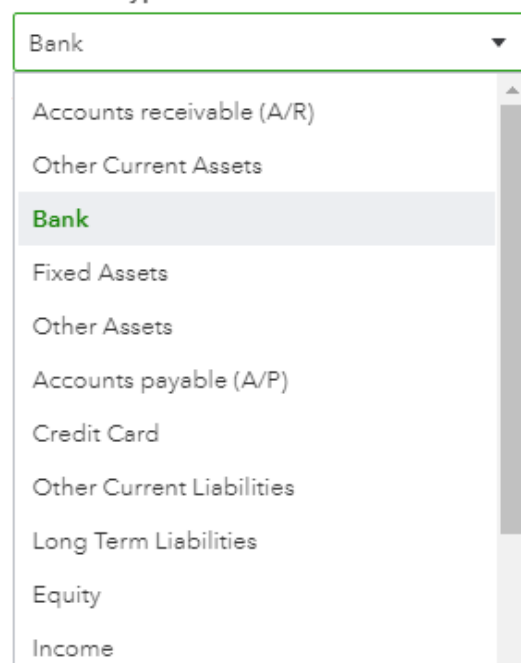
Add Bank Accounts

Click **New** from the Chart of Accounts List.

Select the **Account Type** from the drop-down menu.

In this example we are setting up a new bank account.

Account Type



Bank

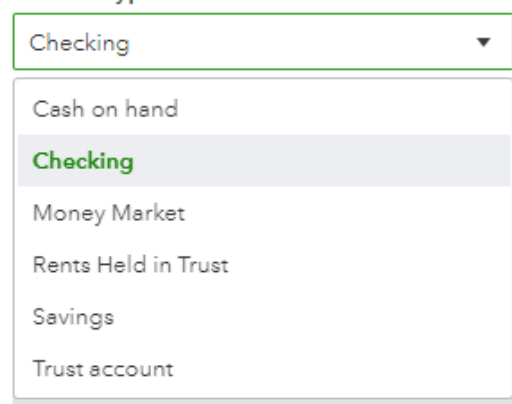
- Accounts receivable (A/R)
- Other Current Assets
- Bank**
- Fixed Assets
- Other Assets
- Accounts payable (A/P)
- Credit Card
- Other Current Liabilities
- Long Term Liabilities
- Equity
- Income

Select the appropriate **Detail Type**.

Each **Account Type** has a specific detail type list to select from.

Being consistent with type choices is important in case you need to merge accounts in the future.

* Detail Type



Checking

- Cash on hand
- Checking**
- Money Market
- Rents Held in Trust
- Savings
- Trust account

Chart of Accounts

Edit Account

From the **Chart of Accounts** list locate the account you would like to edit.

In this example: The Loan Payable is a five-year vehicle loan and should be categorized as a long-term liability. Current liabilities are usually paid within a year; examples are sales and payroll taxes, lines of credit etc.

Arizona Dept. of Revenue	Other Current Liabilities	Sales Tax Payable
Board of Equalization Payments	Other Current Liabilities	Sales Tax Payable
Loan Payable	Other Current Liabilities	Other Current Liabilities

From the **Action Menu** column, click the drop-down list->**Edit**.

Edit

Make inactive (reduces usage)

Run report

Use the **Account Type** drop-down list to change the type from **Other Current Liabilities** to **Long Term Liabilities**. Change the **Detail Type** to **Notes Payable** and change the name and description to be more specific. Remember to click **Save and Close**.

Account

Account Type

Long Term Liabilities

* Detail Type

Notes Payable

Use **Notes payable** to track the amounts your business owes in long-term (over twelve months) loans.

For shorter loans, use the Other current liability account type called **Loan payable**, instead.

* Name

Loan Payable - GMC

Description

☐ Is sub-account

Enter parent account

Balance

4,000.00

Chart of Accounts

Make Inactive

From the Chart of Accounts List:

Click one time to highlight the account you would like to deactivate.

For this example, we will deactivate the **Miscellaneous** account.

Miscellaneous	Other Expense	Other Miscellaneous Expense
Penalties & Settlements	Other Expense	Penalties & Settlements

Click **Make inactive** in the action column drop-down list.

An “alert” will pop up and ask you to confirm. Click **Yes**.

Run report ▼

Edit




Make inactive (won't reduce usage)

! Are you sure you want to deactivate this?

No

Yes

The **Miscellaneous** account will no longer appear in the Chart of Accounts List. However, the account is technically inactive and will appear on the list when you choose **Include Inactive** from the gear icon.

Columns

☒ Type

☒ Detail Type

☒ QuickBooks Balance

☒ Bank Balance

Other

☒ Include inactive

Rows

150 ▼

Chart of Accounts

Merge Accounts

Merging accounts is helpful if two or more accounts are being used for the same types of transactions and you want to combine the transactions into a single account.

Caution: The merge process cannot be undone and is permanent. It is important to confirm that the merge process will not affect the financial statements used to file tax returns.

It is advisable to discuss the cleanup of your **Chart of Accounts** with your Instructor, Accountant or QuickBooks ProAdvisor before merging accounts.

In this example we have two accounts being used to track office expenses.

We will merge **Accounting** with **Bookkeeping** from the Chart of Account Settings window.

Click one time to highlight the account you will keep, "Office Expenses."

Click **Edit** from the Action Column drop-down list.

Legal & Professional Fees	Expenses	Legal & Professional Fees
Accounting	Expenses	Legal & Professional Fees
Bookkeeper	Expenses	Legal & Professional Fees
Lawyer	Expenses	Legal & Professional Fees

Note: The **Account Type** and **Detail Type** must be the same for accounts you intend to merge. When merging sub-accounts, both accounts must be a sub of the same parent account.

Chart of Accounts

Highlight the name **Accounting** and copy (**Ctrl + C**) the account name.

Click the **Cancel** button in the lower left to return to the **Chart of Accounts Settings List**.

<p>Account Type</p> <div>Expenses ▼</div> <p>* Detail Type</p> <div>Legal & Professional Fees ▼</div> <div> <p>Use Legal & professional fees to track money to pay to professionals to help you run your business.</p> </div>	<p>* Name</p> <div>Accounting</div> <p>Description</p> <div></div> <p><input checked="" type="checkbox"/> Is sub-account</p> <div>Legal & Professional Fe ▼</div>
---	---

Select the account “Bookkeeper.”

Click **Edit** from the action column drop-down list.

<p>Account Type</p> <div>Expenses ▼</div> <p>* Detail Type</p> <div>Legal & Professional Fees ▼</div> <div> <p>Use Legal & professional fees to track money to pay to professionals to help you run your business.</p> </div>	<p>* Name</p> <div>Bookkeeper</div> <p>Description</p> <div></div> <p><input checked="" type="checkbox"/> Is sub-account</p> <div>Legal & Professional Fe ▼</div>
---	---

Highlight the Name **Bookkeeper** and Paste (**Ctrl + V**) to replace “Bookkeeper” with “Accounting.” Click **Save -> Yes**.

Please Confirm



That name is already being used. Would you like to merge the two?

No

Yes

Chart of Accounts

Sub-accounts

Sub-accounts are a great way to organize your Chart of Accounts when used properly.

It is important to select sub-accounts in all transactions and avoid using the main account.

Click **New** from the Chart of Accounts List.

For this example, we will create sub-accounts for automobile expenses.

Note: The **Account Type** is **Expenses**, the **Detail Type** is **Auto**, and the **Name** is **Service**.

Click the box **Is sub-account** and select the main account **Automobile**. repeat the process to create additional subaccounts for **Fuel**, **License**, and **Service**.

Account Type
Expenses ▼

*Detail Type
Auto ▼
Advertising/Promotional
Auto
Bad Debts
Bank Charges
Charitable Contributions
Cost of Labor

*Name
Service

Description
Auto Service

☒ Is sub-account
Automobile ▼

Now that you have created a **Main Account** for **Automobile** and sub-accounts for **Fuel**, **License**, and **Service**, the **Chart of Accounts** should look like this:

Automobile	Expenses	Auto
Fuel	Expenses	Auto
License	Expenses	Auto
Service	Expenses	Auto

Section 3 Doable Action Steps

All business owners should complete this section and apply the knowledge to their own company file. Remember! You can always refer to various sections of training if you need additional reminders of how features work.

1. Watch the video Links - Ctrl + Left Click

[How to Set Up Company Settings](#)

[How to Customize Invoices and Sales Forms](#)

[How to Add & Manage Users for Your Company](#)

[Understanding the Chart of Accounts](#)

[How to Add Accounts to your Chart of Accounts](#)

2. Review your Company and Account settings and turn on/off features that are specific to your company. Turn off anything you do not currently need. If you are unsure about what settings you need, talk to your Instructor/Accountant.

3. Add users (Bookkeeper, Tax Professional, etc.).

4. Customize your Chart of Accounts.

Information that may help - Remember Office Depot, Costco, Walmart, etc. are not account categories, they are vendors. Another example, Office Expense can include postage, supplies, printers etc..

Section 3 Doable Action Steps

Important to note: Your subscription will auto-populate some Chart of Accounts categories based on the industry you choose in the setup process. Here is a sample Chart of Accounts that auto-populated when the industry field was left blank. (Yours will not look like this.) Your challenge is to manually add, edit, merge or inactivate accounts to create your own custom Chart of Accounts. Keep it simple.

Chart of Accounts

Name	Type	Detail Type
Uncategorized Asset	Other Current Assets	Other Current Assets
Owner's Investment	Equity	Owner's Equity
Owner's Pay & Personal Expenses	Equity	Owner's Equity
Retained Earnings	Equity	Retained Earnings
Sales	Income	Sales of Product Income
Uncategorized Income	Income	Sales of Product Income
Advertising & Marketing	Expenses	Advertising/Promotional
Ask My Accountant	Expenses	Utilities
Bank Charges & Fees	Expenses	Bank Charges
Car & Truck	Expenses	Auto
Contractors	Expenses	Payroll Expenses
Insurance	Expenses	Insurance
Interest Paid	Expenses	Interest Paid
Job Supplies	Expenses	Supplies & Materials
Legal & Professional Services	Expenses	Legal & Professional Fees
Meals & Entertainment	Expenses	Entertainment Meals
Office Supplies & Software	Expenses	Office/General Administrative Expenses
Other Business Expenses	Expenses	Office/General Administrative Expenses
Reimbursable Expenses	Expenses	Supplies & Materials
Rent & Lease	Expenses	Rent or Lease of Buildings
Repairs & Maintenance	Expenses	Repair & Maintenance
Taxes & Licenses	Expenses	Taxes Paid
Travel	Expenses	Travel
Uncategorized Expense	Expenses	Other Miscellaneous Service Cost
Utilities	Expenses	Utilities

Section 3 Doable Action Steps

	Balance Sheet	S-Corporation Chart of Accounts	QuickBooks Online
Acct #	Account Name	Account Type	Account Detail
	Assets		
10000	Checking Account 1234	Bank	Checking
10100	Payroll Account 5678	Bank	Checking
10200	Savings Account 8765	Bank	Savings
10900	Petty Cash	Bank	Cash on Hand
11000	Accounts Receivable (A/R)	Accounts receivable (A/R)	Accounts Receivable (A/R)
12000	Undeposited Funds	Other Current Asset	Undeposited Funds
12100	Inventory Asset	Other Current Asset	Inventory
15000	Furniture & Fixtures	Fixed Asset	Fixed Asset Furniture
15100	Machinery & Equipment	Fixed Asset	Machinery & Equipment
15200	Vehicles	Fixed Asset	Vehicles
15900	Accumulated Depreciation	Fixed Asset	Accumulated Depreciation
16000	Leasehold Improvements	Fixed Asset	Leasehold Improvements
16100	Accumulated Amortization	Fixed Asset	Accumulated Amortization
17000	Security Deposits	Other Assets	Security Deposits
17100	Investments	Other Assets	Other Long-term Assets
	Liabilities		
20000	Accounts Payable (A/P)	Accounts payable (A/P)	Accounts Payable (A/P)
21000	Credit Card 6677	Credit Card	Credit Card
22000	Payroll Liabilities	Other Current Liabilities	Payroll Tax Payable
22100	Payroll Liabilities:Federal Tax Payable	Other Current Liabilities	Payroll Tax Payable
22200	Payroll Liabilities: FUTA Tax Payable	Other Current Liabilities	Payroll Tax Payable
22300	Payroll Liabilities: State Tax Payable	Other Current Liabilities	Payroll Tax Payable
22400	Payroll Liabilities:SUTA Tax Payable	Other Current Liabilities	Payroll Tax Payable
22500	Wage Garnishments	Other Current Liabilities	Payroll Tax Payable
22600	401k or Simple IRA Payable	Other Current Liabilities	Other Current Liabilities
22700	Health Insurance Payable	Other Current Liabilities	Insurance Payable
	Equity		
30000	Common Stock		
30100	Retained Earnings		
30200	Paid In Capital		
32000	Shareholder Contributions		
32100	Shareholder Distributions		

Section 3 Doable Action Steps

Acct #	Profit & Loss Account Name	S-Corporation Chart of Accounts Account Type	QuickBooks Online Detail Type
	Income		
40000	Services	Income	Service/Fee Income
40100	Sales of Product Income	Income	Sales of Product Income
40200	Commissions	Income	Other Primary Income
40800	Discounts Given	Discounts/Refunds Given	Discounts/Refunds Given
40900	Refunds Given	Discounts/Refunds Given	Discounts/Refunds Given
	Cost of Goods Sold		
50000	Cost of Goods Sold	Cost of Goods Sold	Supplies & Materials - COS
50100	Purchases	Cost of Goods Sold	Supplies & Materials - COS
50200	Cost of Labor	Cost of Goods Sold	Cost of Labor - COS
50300	Equipment Rental	Cost of Goods Sold	Equipment Rental - COS
50400	Shipping, Freight & Deliver	Cost of Goods Sold	Shipping, Freight & Deliver - COS

	Expenses		
60000	Payroll Expenses	Expenses	Payroll Expenses
60100	Payroll Expenses:Officer Wages	Expenses	Expenses
60200	Payroll Expenses:Salaries & Wages	Expenses	Payroll Expenses
60300	Payroll Expenses:Payroll Tax Expense	Expenses	Payroll Expenses
60400	Payroll Expenses:Payroll Service Fees	Expenses	Payroll Expenses
60500	401K or Simple IRA Match	Expenses	Payroll Expenses
60600	Insurance - Health	Expenses	Payroll Expenses
61000	Advertising	Expenses	Advertising/Promotional
61100	Auto Expenses	Expenses	Auto
61200	Auto Expenses: Fuel	Expenses	Auto
61300	Auto Expenses: License	Expenses	Auto
61400	Auto Expenses: Service	Expenses	Auto
61500	Auto Expenses:Insurance	Expenses	Auto
61700	Bank Charges	Expenses	Bank Charges
61800	Merchant Service Fees	Expenses	Bank Charges
61900	Charitable Contributions	Expenses	Charitable Contributions
62100	Continuing Education	Expenses	Other Business Expense
62400	Depreciation	Expenses	Other Business Expense
62500	Dues & Subscriptions	Expenses	Dues & Subscriptions
63000	Insurance - Liability	Expenses	Insurance
63100	Insurance - Workers Comp	Expenses	Insurance
63200	Insurance - Keyman Life	Expenses	Insurance
63300	Insurance - Bond	Expenses	Insurance

Section 3 Doable Action Steps

63900	Interest Expense	Expenses	Interest Paid
64200	Janitor	Expenses	Other Business Expense
64400	License & Fees	Expenses	Other Business Expense
64500	Legal & Professional	Expenses	Legal & Professional Fees
64700	Meals & Entertainment	Expenses	Entertainment Meals
64800	Office Expense	Expenses	Office/General Administrative Expenses
65000	Property Tax	Expenses	Taxes Paid
65200	Repairs & Maintenance	Expenses	Repairs & Maintenance
65400	Small Tools & Supplies	Expenses	Other Business Expense
65600	Telephone & Communications	Expenses	Telephone & Communications
66000	Travel	Expenses	Travel
66100	Travel:Transportation	Expenses	Travel
66200	Travel:Lodging	Expenses	Travel
66300	Travel:Meals	Expenses	Travel:Meals
67000	Utilities	Expenses	Utilities
70000	Interest Earned	Other Income	Interest Earned
70100	Cash Rewards	Other Income	Other Miscellaneous Income
80000	Gain/Loss Sale of Asset	Other Expense	Other Miscellaneous Expense
99999	Ask My Accountant	Other Expense	Other Miscellaneous Expense



Online Foundation Training

SECTION 4

PRODUCTS AND SERVICES

Goals
Product and Services List
Product and Service Types
Product and Sales Reports
Doable Action Steps

Section 4 Goals

Upon completion of Section 4, each participant will be familiar with:

- How to set up Products and Services.
- How to manage the Products and Services list.
- How to determine Products and Services types.
- How to review Products and Services reports.

The next step in the Craig's Landscaping setup process is to create a Products and Services list. The Products and Services list represents the list of Products and/or Services that a business sells, a foundational element in QuickBooks Online. Items from the Products and Services list are used to create Customer Invoices, Purchase Orders, Checks, etc. The list also interacts with the Inventory feature and keeps track of Inventory on hand, Sales of specific items and far more.

Chris wants to track Inventory items such as sprinkler and irrigation system parts they stock and sell customers. She also wants to track non-inventory items, such as special-order fountains and service items for labor related repairs and installations. While the differences in these classifications may seem confusing, we will explain these in-depth as we proceed through this section of training.

WOW! Think Inventory Management is not important? Look at these stats:

- Carrying too much extra inventory can increase costs by as much as **35%** (2020 Easier Accounting)
- 50% of excess Inventory goes unused each year
- Excess Inventory makes up 15-18% in annual carrying costs
- 90% of maintenance, repair, and operations (MRO) Inventory is used less than 6x a year (Source Grangier Consulting Services)

Setting up the Products and Services list is mandatory in QuickBooks Online, so let's help Chris take the next step to establishing her solid financial foundation.

Product and Services

Products and services are required on sales forms, bills, checks, and expenses to track sales and costs per item.

- **Inventory items** – Products we purchase, store on a shelf, and sell later. This type of item is tracked as an Inventory Asset on your Balance Sheet. When we sell an inventory item, the asset is reduced, and the sale and cost of the item is recorded on the Profit and Loss as income and Cost of Goods Sold.
- **Non-inventory items** – Products we do not stock but buy and sell to customers. We can track how many we have sold without tracking quantity on hand. The sale is recorded as Income and the purchase is recorded as Cost of Goods Sold on the Profit & Loss.
- **Service items** – Services you provide customers such as Installation Fees (fountains, etc.) and Landscape Design. This type of item also allows us to see how much we have sold per item.
- **Bundle Items** – A group of multiple existing items. A Bundle will populate on sales forms when we use them. This works great when you have recurring invoices with multiple items that are the same each month.

Note: If you are using a shopping cart or other third-party platform to track sales, you will need to map the application to QBO if you want to sync the information.

Products and Services List

Products and Services

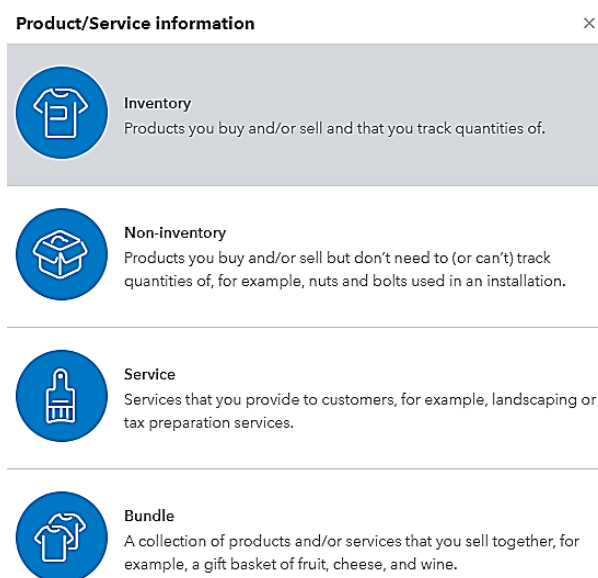
It is time to set up a list of Products and Services if you are using invoices and sales receipts to charge customers, generate sales reports and track top selling items.

Click the **Gear icon** -> **Products and Services**.

If the following window appears, click **Add an item**.

If not, continue forward to the next slides.

Select a type to add or click the **X** to return to the products and services list window. We will utilize **Inventory**, **Non-inventory**, **Service**, and **Bundle items**.




Note: You are not required to use the Products and Services list. However, if you intend to invoice customers, track sales and populate sales reports you will need to create and maintain a Products and Services list. Products and services allow you to use standardized descriptions across all customer sales forms.

Products and Services List

Products and Services

It is time to set up a list of products and services you currently offer customers. As you add items to your list, you can use the following features to manage your products and services. This will help ensure accuracy between the list and the Chart of Accounts.



Products and Services
[All Lists](#)

Find products and services 

More **New**




Manage categories
Run report

Previous 1-18 Next

<input type="checkbox"/>	NAME	SKU	TYPE	SALES DESCRIPTION	SALES PRICE	COST	TAXABLE	QTY ON HAND	REORDER POINT	ACTION
Design										
<input type="checkbox"/>	 Design		Service	Custom Desi...	75					Edit
Fountains										
<input type="checkbox"/>	 Concrete		Service	Concrete for ...	0		✓			Edit

Click the **Small Gear** to add or remove columns you wish to display in your Products and Services list. This will provide information at the time of need.

You can **Print** or **Export** your list.

Columns

- ☒ Income account
- ☒ Expense account
- ☒ Inventory account
- ☐ Purchase description
- ☐ Qty on PO
- ☐ SKU
- ☒ Type

[Show More](#)

Rows

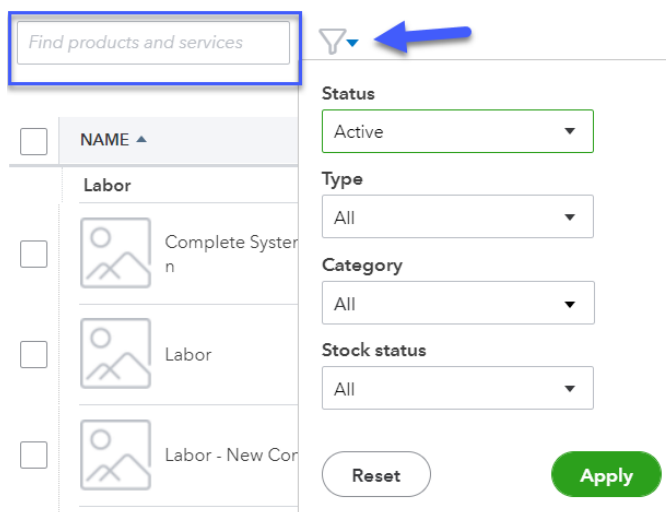
150

- ☐ Compact
- ☒ Group by category

Products and Services List

Search Products and Services

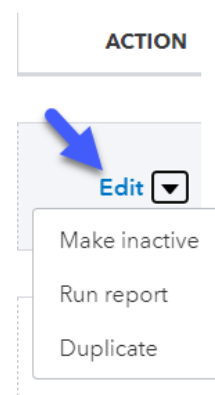
Use the Search and Filter features to find specific items. You can filter by **Status** (**Active**, **Inactive**, or **All**), as well as by **Type** and **Category**.



Edit Products and Services

Click **Edit** to change information for a Product or Service.

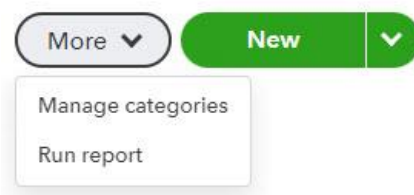
Click the down arrow to duplicate, inactivate, or run a report for a service item.



Run Reports or group products/services by Category.

The **Product and Services** list displays information for each product or service.

Click the **Gear** icon to add and remove columns from the list.



Products and Services Types

Inventory Item

Inventory items are products we purchase, store on a shelf, and sell later.

Enter the **Name** of the **Inventory** item, **SKU** number if applicable, **Upload a Photo** of the product, and organize products by **Category**.

Click the Gear icon -> select Inventory.

Note: The name and category fields are filled in. Categories help us group Products and Services. If you are using Classes, you can add a default Class to an item.

Product/Service information



Inventory

Name*

Sprinkler Heads

SKU

S867-56

Category

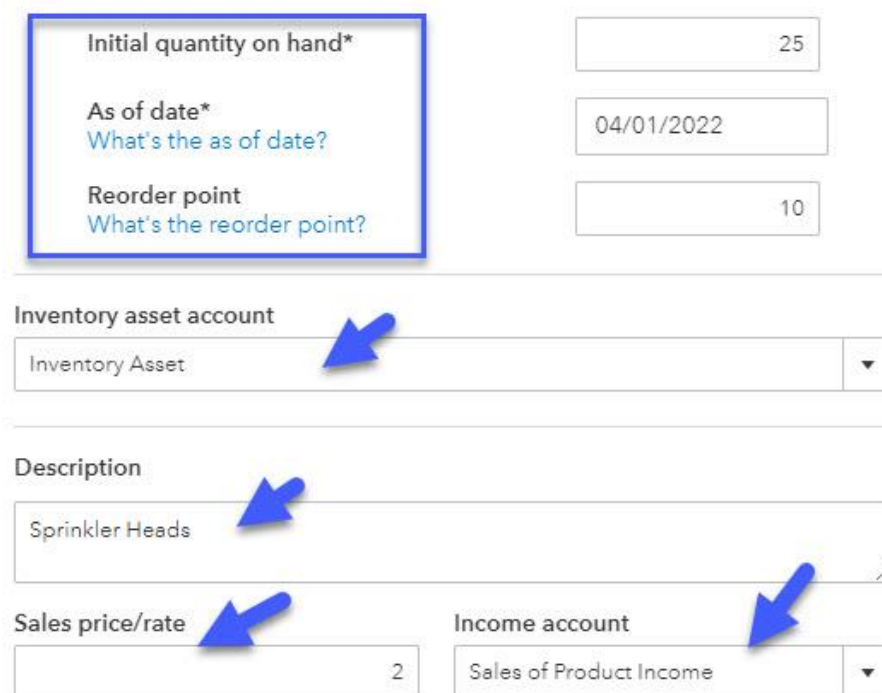
Landscaping:Sprinklers



Note: Non-Inventory items and Services and Bundles can be reclassified as an Inventory item if you decide to stock it in inventory at some point. Once you change the type to an Inventory item, you cannot change it again.

Products and Services Types

When you create an Inventory Item, the quantity and starting value will be zero. It is important to set the starting value date prior to the date you will use when entering transactions related to this item. The re-order point alerts us when we are getting low as we sell those items. The Inventory Asset default account tracks current inventory value on our Balance Sheet. The description will auto populate on sales receipts and invoices. It is important to set a default sales price and income account. This helps us track a value for income on the Profit & Loss. This information is also tracked with Inventory and Sales reports.



Initial quantity on hand* 25

As of date* 04/01/2022
[What's the as of date?](#)

Reorder point 10
[What's the reorder point?](#)

Inventory asset account
Inventory Asset ▼

Description
Sprinkler Heads

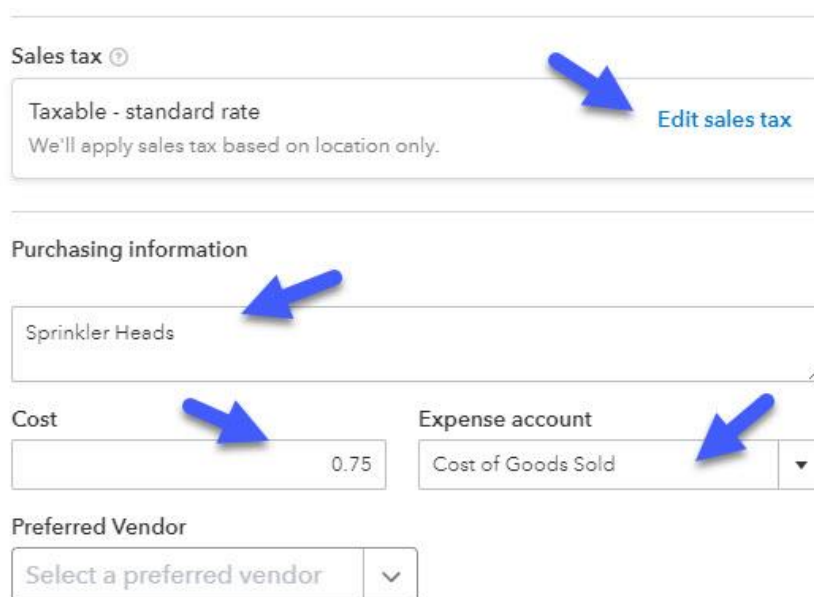
Sales price/rate 2

Income account
Sales of Product Income ▼

Note: For each product and service, you need to enter an income account in order to record the sale properly. Products allow you to set reorder points to track low quantities.

Products and Services Types

The last section of an Inventory Item setup is to enter purchase information. Products we sell are often considered taxable and we are required to collect the tax on behalf of the state. It is important to select the taxable option to track this information. The purchase information will auto-populate on purchase orders, bills, checks and expenses. The cost and expense accounts will track and post information to the Profit and Loss. We will discuss sales tax, purchasing and inventory later in this training.



The screenshot shows the 'Inventory Item' setup form in QuickBooks. It is divided into several sections: 'Sales tax', 'Purchasing information', 'Cost', 'Expense account', and 'Preferred Vendor'. Blue arrows highlight specific fields: one points to the 'Edit sales tax' link in the 'Sales tax' section; another points to the 'Sprinkler Heads' text in the 'Purchasing information' section; a third points to the '0.75' value in the 'Cost' field; and a fourth points to the 'Cost of Goods Sold' dropdown in the 'Expense account' section.

Sales tax ⓘ

Taxable - standard rate
We'll apply sales tax based on location only.

[Edit sales tax](#)

Purchasing information

Sprinkler Heads

Cost

0.75

Expense account

Cost of Goods Sold ▼

Preferred Vendor

Select a preferred vendor ▼

Note: What you need to know about Inventory items: Inventory is anything you buy, sell, and track quantity on hand. Inventory is available with QuickBooks Plus and Advanced. When you setup an inventory item, you must specify the quantity on hand as the starting point (even if it is zero). You can adjust the quantity on hand. Use the Open Purchase Order Detail report to see the inventory items that have been ordered and are waiting to be received.

Products and Services Types

Sales Tax

As you create new taxable products or items, you can edit the sales tax default options. It is important to carefully set the default for each item. This will help with accuracy to ensure you apply the correct rates and prevent errors when collecting and reporting to your sales tax agency.

Product/Service information
×

[< Back](#)

What kind of product or service is this?

Tell us what it is, and we'll make sure the correct tax rules are applied everywhere.

Browse all

- > Agriculture
- > Automotive repair
- > Clothing
- > Collectibles
- > Construction
- > Consumer items
- > Food & beverages
- > Manufacturing
- > Medical & health related items

Products and Services Types

Other options

☒ **Taxable—based on location only**
 Choose a category to get a more accurate sales tax rate.

☐ **Nontaxable**
 This may impact the accounting on your books.

i You're changing the default sales tax. The tax rules you set here will apply every time you add this product or service. ×

Products and Services Types

Non-Inventory Item

Non-inventory items are products we sell to customers without tracking quantity on hand. We purchase them specifically for jobs and projects. This type of item gives us the ability to track sales of items without having to keep track of inventory.

Click the Gear icon -> Products and Services -> New -> select Non-Inventory.

Note: The name and category fields are filled in. Categories help us organize products and services and you can change the type after you create the product or service in the system. In our example, fountains can be purchased as Inventory items and made available for sale, or they can be treated as Non-inventory which allows the customer to order a specific fountain for a specific project.

Product/Service information



Non-inventory [Change type](#)

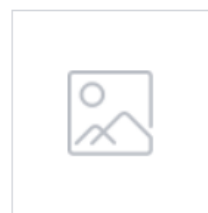
Name*

Fountain

SKU

Category

Design



Products and Services Types

Notice the box, "I sell this product/service to my customers", is checked. A sales price and income account are required. This Non-inventory item is taxable. We do not check the box "I purchase this product/service from a vendor" when we do not purchase the item from a supplier to resell. An example would be a product you create from multiple other parts and sell it as a whole product. In this case, we do purchase custom items from vendors for specific jobs. However, we do not store them as inventory. **Important!** Remember to verify your sales tax default settings.

Description

☒ I sell this product/service to my customers.

Fountains

Sales price/rate 595

Income account Sales of Product Income

Sales tax Taxable - standard rate
We'll apply sales tax based on location only. [Edit sales tax](#)

Purchasing information

☒ I purchase this product/service from a vendor.

Fountains

Cost 395

Expense account Purchases

Preferred Vendor Select a preferred vendor

Products and Services Types

Service Item

A Service item is used to track all services you provide customers.

Click the **Gear icon** -> **select Service**.

Notice you can change a service item type after you set up the service. This helps to fix errors when setting the type incorrectly.

Product/Service information [Close]

Service [Change type](#)

Name*
Design

SKU

Category
Design

Description
☒ I sell this product/service to my customers.
 Custom Design

Sales price/rate 75 **Income account** Design income

Sales tax ⓘ
 Nontaxable
 We won't apply sales tax for this product or service. [Edit sales tax](#)


Purchasing information
☐ I purchase this product/service from a vendor.

Note: The sales tax field would be set to “Nontaxable”; the purchase information does not typically apply to service items. Simply uncheck the box “**I purchase this product/service from a vendor.**” We would not need a ‘Design’ income category since we are tracking sales by service. We already have it set up as a Service item tracked through reports.

Products and Service Types


Bundle

A bundle is created when we group individual items together as a package. This helps to populate several line items on a Sales Receipt or Invoice using one item made up of multiple items. Each individual item has its own default setting, then is grouped in the bundle.


Bundle [Change type](#)





Name*

SKU



Description

Products/services included in the bundle
☒ Display bundle components when printing or sending transactions

	PRODUCT/SERVICE	QTY	
...	 Gardening Weekly Gardening Service	1	
...	 Trimming Tree and Shrub Trimming	1	

[SHOW MORE](#)

Product and Services Reports

Do not overlook the power of reports and the importance of consistently utilizing the information to manage your business. In most Centers or areas of QuickBooks Online, you will find useful reports to help develop a deeper understanding of your business and how to use the financial data to continually improve company performance. Reports can be very powerful when the data is accurate.

Click **Reports in the Left Navigation Bar -> Standard -> Search Sales** to locate the following reports, (save them as favorites):

Sales by Products/Services Summary provides a summarized view for all sales of Products and Services. When sorted in descending order, we can see our top selling products or services instantly.

Sales by Products/and Services Detail - Provides detailed information for sales of Products and Services.

Section 4 Doable Action Steps

All business owners should complete this section. Apply the knowledge to your own company file. You can always refer to the training in each section if you need a friendly reminder.

In order to record sales and invoice customers, we need to set up our Products and Services items. Remember, this allows you to track sales by Product or Service to determine top selling Products and Services. Chris has determined items that will be used when recording sales going forward.

Profit and Pricing Analysis Best Practices

The success of your business depends on how well finances are managed. Unfortunately, many business owners do not understand exactly where they are making money. In order to properly manage and grow your business, you must identify ways to sell more Products and Services at the most profitable margins. The Implementation of Pricing best practices will help you understand what price point to sell Products and Services, identify where you are making money and where you are not profitable, and provide needed direction in how to improve company performance.

Once your accounting application is up and running and you have at least several months of data, we recommend the following:

- 1. Sales and Profit Forecasting**
- 2. Comparing Cost of Goods Sold to Sales Price**
- 3. Analysis of Profit Margins by Product Line**
- 4. Learning about Volume, Cost and Price Drivers and applying the knowledge to your own data.**

Section 4 Doable Action Steps

All business owners should complete this section and apply the knowledge to their own company file. Remember! You can always refer to various sections of training if you need additional reminders of how features work.

1. Review Video Links – Ctrl + Left Click

[How to set up products & services](#)

[How to Use Reports Center: Categories, Insights & Information](#)

2. Brainstorm a list of items you are selling. (Services, Inventory, or Non-Inventory items)

This list should reflect the items you want to track using Products and Services reports.

3. Determine the types of Products and Services you will need to set up.

4. Determine whether you will use Classes with Products and Services.

5. Determine whether your Products are taxable.

6. Determine sales price per Product or Service.

7. Determine the cost of each item if applicable.

8. Create your Products and Services List.

9. Determine how you will organize your Products & Services List by using categories to group your items.

Click the Gear icon -> All lists -> Product Categories -> New Category. Assign the category to each item on your list.



Online Foundation Training

SECTION 5

BEGINNING BALANCES

Goals
Beginning Balances
Historical Transactions
Recurring Transactions
Doable Action Steps

Section 5 Goals

Upon completion of Section 5, each participant will be familiar with:

- How to enter Beginning Balances.
- How to enter Historical Transactions.
- How to manage Recurring Transactions.
- How and when to use Adjusting Journal Entries.

When Craig's Landscaping was first established, Chris incurred costs prior to setting up her business bank account. She bought a truck, took out a loan and used a personal credit card to pay for various items and services. In addition, she bought items she has not yet paid for, and has bills coming due. Chris provided services to a few clients without getting her accounting application setup in advance and used a Word.doc to create invoices for new customers. She wants to add the information to the Accounts Receivable Center. How does she go about entering the above information in QBO?

Fortunately, Chris kept a shoebox full of receipts and asked her accountant to create journal entries to record beginning balances. Had she opened her bank account and run expenses through the bank, this process would have been much easier and saved hours of time. (You do need an Employer Identification Number to set up a business bank account.) The accountant pointed out the importance of adding an Adjusting Journal Entry (AJE) for all startup costs, including those paid by the owner personally. He is also creating a balance sheet for 12/31 of the prior year to simplify the process for Chris.

Taking advantage of efficiencies in an accounting application translates into higher profit margins and not missing an expense; one more reason to setup your accounting application early in the process.

Beginning Balances

It is important to verify or enter beginning balances and historical data. Your accountant can assist you in using a journal entry or you can add beginning balances when adding bank accounts to your Chart of Accounts list.

If you have converted data, then you would have compared a Balance Sheet and Profit & Loss Statement (set for all dates and accrual basis) in QuickBooks® Online with the same reports in the accounting application you were using.

Enter beginning balances when setting up a new bank account, credit card account, and other assets and liabilities. Opening balances default to **Open Balance Equity** in the Chart of Accounts.

Account

<p>Account Type</p> <div>Bank ▼</div>	<p>*Name</p> <div>Checking</div>
<p>*Detail Type</p> <div>Checking ▼</div>	<p>Number</p> <div>10000</div>
<p>Description</p> <div></div>	
<p><input type="checkbox"/> Is sub-account</p> <div>Enter parent account ▼</div>	
<p>When do you want to start tracking your finances from this account in QuickBooks?</p> <p>More info on opening balances</p> <div>Choose one ▼</div> <div> Choose one Beginning of this year Beginning of this month Today Other </div>	

Use **Checking** accounts to track all your checking activity, including debit card transactions.

Each checking account your company has at a bank or other financial institution should have its own Checking type account in QuickBooks Online Plus.


Note: Accounts Receivable (customer invoices) and **Accounts Payable** (unpaid bills) should be entered individually to match beginning balances.



Beginning Balances

Journal Entries are used to record beginning balance transactions, or transactions that occur outside of the business bank and credit card accounts. QuickBooks automatically enters the date and journal entry number, but you can change them anytime. You must enter at least two accounts and at least one debit and one credit, in order to save the journal entry. The debit and credit totals must match.

Click **+ New -> Journal Entry**.






















Verify the date and Journal number. Enter the account, amounts, description and name if applicable. Click **Save**.


Journal Entry #AJE01 Balance Sheet



 Help

12/31/2020

AJE01 Balance Sheet

	#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS	
	1	10000 Checking 1234	30,250.25		Beginning Balance		San Diego	General	
	2	10100 Payroll 5678	15,000.00		Beginning Balance		San Diego	General	
	3	10200 Savings 9101	10,000.00		Beginning Balance		San Diego	General	
	4	12000 Inventory Asset	7,938.26		Beginning Balance		San Diego	General	
	5	15000 Furniture & Fixtures	7,529.67		Beginning Balance		San Diego	General	
	6	15100 Machinery & Equipment	25,276.23		Beginning Balance		San Diego	General	
	7	15200 Vehicles	119,615.59		Beginning Balance		San Diego	General	
	8	16000 Accumulated Depreciation		68,725.22	Beginning Balance		San Diego	General	
	9	17000 Leasehold Improvements	35,312.07		Beginning Balance		San Diego	General	
	10	17500 Accumulated Amortization		6,035.24	Beginning Balance		San Diego	General	
	11	19000 Security Deposits	5,000.00		Beginning Balance		San Diego	General	
	12	21000 Chase 1125		5,932.31	Beginning Balance		San Diego	General	
	13	23000 Line of Credit 1946-01		15,026.27	Beginning Balance		San Diego	General	
	14	22000 Federal Tax Payable		7,629.88	Beginning Balance		San Diego	General	
	15	22100 State Tax Payable		7,243.76	Beginning Balance		San Diego	General	
	16	22200 Wage Garnishments		139.50	Beginning Balance		San Diego	General	
	17	27200 Note Payable - 2017 GMC		28,784.32	Beginning Balance		San Diego	General	
	18	27300 Note Payable - 2018 GMC		24,159.67	Beginning Balance		San Diego	General	
	19	33100 Owner's Draw	72,000.00		Beginning Balance		San Diego	General	
	20	32000 Retained Earnings		164,246.70	Beginning Balance		San Diego	General	
	21								

Add lines

Clear all lines

Memo

Note: What is required to create a journal entry? Accountants typically provide adjusting journal entries when completing the tax return. For example, Depreciation Expense is used in conjunction with Fixed Assets. We depreciate assets over specific periods of time.

Historical Transactions

Entering Historical Information

When you start a new QBO file, you may need to enter historical data. Use the following process for each area of the business:

Accounts Receivable – Enter transactions (invoices, incoming payments, and deposits) in the same order and date they were created or received. This process creates a historical record of transactions by customer.

Invoice – Click the **+ New icon -> Invoice** and enter each invoice sent between your start date and today. Be sure to use the correct dates as well as the Products and Services List.

Receive Payment – Click the **+ New icon -> Receive Payment** and enter all payments received from Customers between your start date and today. When payments are received, they are posted to a default holding account known as Undeposited Funds.

Bank Deposit – Click the **+ New icon -> Bank Deposit** to select payments and post deposits to the bank register. This is a very important step intended to group payments that match the deposit sent to the bank. This step clears out the Undeposited Funds holding account.

Historical Transactions

Accounts Payable – Manually enter bills and bill payments in the same order and date they were created or paid. This process creates a historical record of transactions for a vendor.

Bills – Click the + New -> Bill and enter any outstanding bills.

Pay Bills – Click the + New -> Pay bills to attach payments to bills.

Bank Transactions – If you are entering historical transactions for more than a one-month time frame, enter the transactions one month at a time and reconcile all bank and credit card accounts before going on to the next month.

There are three ways to enter historical bank transactions: manually, using the import feature or connecting bank accounts (per Section 2 training).


Use the following process to enter bank transactions:

- 1) Manually enter all checks by clicking the **+ New icon -> Check** and entering all checks posted one month at a time.
- 2) Manually enter debits by clicking the **+ New icon -> Expenses** and entering all debits posted to the bank one month at a time.
- 3) Connect the bank account to QuickBooks® Online – **Dashboard -> Connect Accounts or Banking -> Add Account** and follow the setup process. Use caution when selecting the period to download transactions to avoid duplicate transactions.
- 4) Export and import transactions from your bank to QuickBooks Online.
- 5) Complete Bank Reconciliation – Click the **Gear icon -> Reconcile**. Deposits and bill payments should already be posted to the register.

Historical Transactions

In this example, we created a Journal Entry to record the purchase of a truck and corresponding loan. You will see that it increases Assets and Liabilities on the Balance Sheet. We record beginning bank balances to reflect accurate Cash on Hand. Legal and license fees increase the Expense categories on the Profit & Loss.

If personal accounts were used by the business owner prior to setting up the accounting application, this shows how to enter those transactions. Since the owner paid out of their personal accounts, we post the total to Owner Contributions which increases the equity section of the Balance Sheet.


Journal Entry #AJE-01

Journal date

Journal no.

	#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME
⋮	1	Checking	50,000.00		To record beginning balances	
⋮	2	Savings	25,000.00		To record beginning balances	
⋮	3	Truck:Original Cost	35,000.00		To record beginning balances	
⋮	4	Notes Payable		30,000.00	To record beginning balances	
⋮	5	Legal & Professional Fees	3,500.00		To record beginning balances	
⋮	6	Taxes & Licenses	650.00		To record beginning balances	
⋮	7	Owner Contributions		84,150.00	To record beginning balances	

Recurring Transactions

Recurring transactions are memorized transactions that recur daily, weekly, monthly, etc. Use this feature to record repetitive transactions such as bills, checks, auto-debits, invoices, and credit memos. When properly maintained, the use of Recurring transactions can save considerable time and effort. Work-flow efficiencies translate into higher profit margins.

Note: It is important to understand the different types of Recurring Transactions and the following Recurring Transaction options:

Scheduled – Automatically records the transactions.

Reminder – Appears on your dashboard and when selected, will take you to the reminder list to edit or enter the transaction.

Unscheduled – Appears on the recurring transaction list to use at any time, however, does not record the transaction.

Click the **Gear icon** -> **Recurring Transactions** under **Lists**.

In the **Recurring Transactions** window, you can filter by **Name**, **Template Type**, or **Transaction Type**. You can also filter by location if the feature is turned on.

Use the **Reminder List** to create or skip memorized transactions. Use the drop-down arrow to **Run a Report**.

Click **Edit** from the **Action** column to change default information for a recurring bill.

Click the drop-down arrow in the **Action** column to select, **duplicate**, **resume** or **delete** a recurring transaction. Click the **Gear icon** to change the number of **Rows** displayed.

Recurring Transactions

< All Lists

Reminder List New

Filter by Name Filter All

TEMPLATE NAME	TYPE	TXN TYPE	INTERVAL	PREVIOUS DATE	NEXT DATE	CUSTOMER/VENDOR	AMOUNT	ACTION
Telephone Bill	Scheduled	Bill	Every Month		05/27/2021	Cal Telephone	74.36	Edit
Monthly Building Lease	Scheduled	Bill	Every Month		05/27/2021	Hall Properties	900.00	Edit

Recurring Transactions

Click **New** and select the **Transaction Type** to create a Recurring Transaction.

Enter all details. It is important to maintain your Recurring Transaction list.

✕

Select Transaction Type

Select the type of template to create

Transaction Type

Bill ▼

Cancel
OK

Bill

Recurring Bill

Next Date: 05/27/2021

Template name

Telephone Bill

Type

Scheduled ▼

Create days in advance

Vendor

Cal Telephone ▼

Interval

Monthly ▼

on

day ▼

1st ▼

of every

1

month(s)

Start date

End

None ▼

Mailing address

Cal Telephone
 10 Main St.
 Palo Alto, CA 94303

Terms

Net 30 ▼

Tags ⓘ Manage tags

Start typing to add a tag

- Bill
- Non-Posting Charge
 - Check
 - Non-Posting Credit
 - Credit Card Credit
 - Credit Memo
 - Deposit
 - Estimate
 - Expense
 - Invoice
 - Journal Entry

Recurring Transactions

Click **New** and select the **Transaction Type** to create a **Recurring Transaction**.

Enter all details. It is important to maintain your Recurring Transaction list.

Select Transaction Type



Select the type of template to create

Transaction Type

Transfer ▼

Cancel

OK

Recurring Transfer

Template name

Savings

Type

Scheduled ▼

Create days in advance

Interval

Monthly ▼

on

day ▼

Last ▼

of every month(s)

Start date

02/28/2025

End

By ▼

End date

12/31/2025

Transfer Funds From

10000 Checking 1234 ▼

Transfer Funds To

10100 Savings 5678 ▼

Transfer Amount

1,000.00

Memo



Attachments Maximum size: 20MB

Drag/Drop files here or click the icon

Balance

\$66,672.25

Balance

\$87,000.00

Section 5 Doable Action Steps

All business owners should complete this section and apply the knowledge to their own company file. Remember! You can always refer to various sections of training if you need additional reminders of how features works.

1. Review the video link – Ctrl + Left Click

[How to use Journal Entries](#)

- 2. Gather receipts for all expenses paid from personal bank or credit cards accounts.**
- 3. Gather purchase agreements for vehicles, equipment etc.**
- 4. If you have existing invoices for customers from another system, save them as .pdfs so you can attach them to transactions in QBO.**
- 5. Gather all unpaid bills, if any.**
- 6. If you have filed a tax return for this business, save a copy.**
- 7. If you have a bookkeeper, provide this info and request they input the data in your new company file.**
- 8. If you do not have a bookkeeper, reach out to your advisor/accountant for assistance.**

Best Practices

- a. Keep personal and business transactions separate. This is one of the biggest mistakes a business owner makes. If possible, set up a business account prior to paying for expenses or bills for the business. This is a great way to avoid bad habits.
- b. Keep good records when starting your business. If you do pay for expenses out of your personal bank or credit card account prior to opening a business account, you will need to record them using Adjusting Journal Entries. Avoid the extra time, increase efficiencies and drop more to your bottom line by setting up your business bank account early in the process.



Online Foundations Training

SECTION 6

BANK & CREDIT CARD

ACCOUNTS

Goals
Connect Accounts
Banking Center
Transfers
Reconcile Accounts
Doable Action Steps

Section 6 Goals

Upon completion of Section 6, each participant will be familiar with:

- How to connect bank and credit card accounts.
- How to manage transactions.
- How to transfer funds.
- How to reconcile bank and credit card accounts.
- How to access and view bank reports.

Chris was surprised to learn she can connect Craig's Landscaping bank and credit card accounts directly to QuickBooks Online. This means all transactions will automatically import into the app, saving considerable time and money. She will also be able to view real time bank balances right in QuickBooks Online.

Chris would like an overview of how the Banking Center works and information on how to connect the accounts and manage transactions. She would like clarification on how to transfer funds. Chris has never done a bank reconciliation and is unclear on why the person in charge of the books needs to reconcile the bank and credit card accounts each month; doesn't the accounting application reconcile for them?

Chris also needs a clear understanding of what checks, and deposits have not yet cleared the bank. She would be wise to check bank balances daily on the mobile app to gain a better understanding of her business and catch fraudulent activity in an early phase.

Chris would also like to pursue funding options as she realizes she could scale her business much faster if she had access to additional capital.

Let's show the Chris how to access bank reports, ensure she understands the types of information these reports provide, and explain simple funding options right within QBO.

QuickBooks Capital

WOW! 70% of new businesses need funding to grow (Federal Reserve Small Business Credit Survey: Report on Startup Firms) and Chris realizes that she could scale more quickly if she had additional capital. Let's look at some of her options.

What is QuickBooks Capital?

QuickBooks Capital is a service offered by Intuit Financing Inc. that provides QuickBooks customers with a range of funding options including term loans, lines of credit, invoice financing, SBA loans, and more. All you need to apply is an updated QuickBooks file.

QuickBooks Capital offers funding in two different ways:

- By directly underwriting loans.
- By providing a marketplace for you to explore and match with curated lenders.

Visit <https://quickbooks.intuit.com/capital/> for additional information.

To access QuickBooks Capital from within QBO, simply go to the left navigation bar and click Capital. The inquiry will not affect your credit rating.

What could you do with flexible business funding?

Loan amounts from \$5,000 to \$150,000 with terms from 6-18 months.

Loan amount: **\$25,000**

\$5,000 \$150,000

Credit score: **Average**

Fair Average Good Great

Loan amount:	\$25,000
Interest:	\$1,718
Fees:	\$0
Weekly payment	\$1,028
Total repayment:	\$26,718

6 months (26 weeks)
TERM LENGTH

6.87% (APR 26%)
INTEREST RATE

Connect Accounts


Connecting bank and credit card accounts to QuickBooks® Online is a simple process. It is important you understand how to manage the **Bank Center** to avoid posting old and/or duplicate transactions. Although connecting your bank and credit card accounts is a great way to enter historical transactions, it is recommended that new users also become comfortable manually entering transactions. Please seek help from your Instructor or Accountant to avoid costly cleanup if you believe you need additional assistance.

There are two ways to connect bank and credit card accounts to your company file.

The first option:

Click **Dashboard** in the **Left Navigation Bar**.

Click **Connect Accounts**.

BANK ACCOUNTS 		
Checking 25 to review		
Bank balance	-\$3,621.93	Updated moments ago
In QuickBooks	\$1,201.00	
Savings 1 to review		
Bank balance	\$200.00	Updated moments ago
In QuickBooks	\$800.00	
Mastercard 7 to review		
Bank balance	\$304.96	Updated moments ago
In QuickBooks	\$157.72	
Visa		
In QuickBooks		\$0

[Connect accounts](#) [Go to registers](#) ▼

The Second Option:

Click **Banking** in the **Left Navigation Bar**.

Click **Link account**.

Link account ▼

Upload from file
Manage connections
Order checks

Banking Center

Let's walk through the manual export and import process for bank and credit card transactions. Once you login to your online bank account outside of QuickBooks Online, determine how transactions are exported, the date range available and the type of export available. Some banks won't let you go back more than 18 months (or even 3 months) at a time. There might be several download file types available, depending on which bank you use. The QuickBooks web connect option is preferred. Once you successfully download and save the export file from your bank, the next step is to go to the Banking Center in QuickBooks Online.

Click **Banking** -> **drop-down arrow to the right of Link Account** -> **Upload from file**.

Click **Browse** and select the bank file you downloaded from your computer.

Click **Continue**. Follow the connection wizard.

Select the account category from the Chart of Accounts List you want the transactions to connect with. Be careful!

Which account are these transactions from?

Selected File: [Inflow Credit Card Transactions_Bank Import File.csv](#)

Select a QuickBooks account for the bank file you want to upload

QuickBooks Account

21000 Chase 1125 ▼

Banking Center

Map fields between QBO and the bank account.

Select the **field options**, change the **Amount** field to **Spent** and select one of the column options. Click **Continue**.

Let's set up your file in QuickBooks

Step 1: Tell us about the format of your data

Is the first row in your file a header?
Yes ▼

How many columns show amounts?
One column ▼

What's the date format used in your file?
MM/dd/yyyy ▼

Step 2: Select the fields that correspond to your file

QuickBooks fields	Columns from your file
Date	Column 3: Date ▼
Description	Column 4: Description ▼
Amount	Column 6: Spent ▼

Back Continue

Select all the transactions available to import. Click **Continue**.

A window will appear to inform you how many transactions are being imported. Make sure all transactions are selected. Sometimes the system will not accept a transaction, simply uncheck those with issues and manually enter them later.


Do you want to import now? Click **Yes -> Done**.






Banking Center

Banking Center

Now that your bank and credit card accounts are connected, you can manage transactions for each account. Organize your bank and credit card accounts to avoid posting duplicate transactions. Start with main checking, additional checking, savings, then credit card accounts.

Click **Dashboard** from the **Left Navigation Bar** -> **Bank accounts** pencil -> **Re-arrange the order of accounts** -> **Save**.


Bank accounts 			
Checking 25 to review			
Bank balance	\$-3,621.93	Updated	
In QuickBooks	\$1,201.00	moments ago	
Savings 1 to review			
Bank balance	\$200.00	Updated	
In QuickBooks	\$800.00	moments ago	
Mastercard 7 to review			
Bank balance	\$304.96	Updated	
In QuickBooks	\$157.72	moments ago	
Visa			
In QuickBooks			\$0




Bank accounts 			
 Checking			
Bank balance	\$-3,621.93		
In QuickBooks	\$1,201.00		
 Savings			
Bank balance	\$200.00		
In QuickBooks	\$800.00		
 Mastercard			
Bank balance	\$304.96		
In QuickBooks	\$157.72		
 Visa			
In QuickBooks			\$0

Banking Center

Click **Banking (Transactions)** in the **Left Navigation Bar**.

The Banking Center window will appear. All accounts linked to the bank or transactions manually imported will appear in the Banking Center. Click on the bank or credit card account you would like to manage.



Checking ▾
Link account


<div>Checking </div> <div> -\$3,621.93 BANK BALANCE <small>Updated moments ago</small> </div> <div> \$1,201.00 <small>IN QUICKBOOKS</small> </div> <div>25</div>	<div>Savings </div> <div> \$200.00 BANK BALANCE <small>Updated moments ago</small> </div> <div> \$800.00 <small>IN QUICKBOOKS</small> </div> <div>1</div>	<div>Mastercard </div> <div> \$304.96 BANK BALANCE <small>Updated moments ago</small> </div> <div> \$157.72 <small>IN QUICKBOOKS</small> </div> <div>7</div>
--	---	--


As the bank populates transactions, they reside in the **Review** section of the Bank Center. It is up to you to accept these transactions. Once accepted they post to the bank register and move to the **Reviewed** section. If a duplicate or old transaction appears for review, simply exclude the transaction. On occasion, you might want to undo an excluded transaction and move it back to review.

Search or **filter** transactions to accept or post transactions more efficiently.

For review (0)
Categorized
Excluded

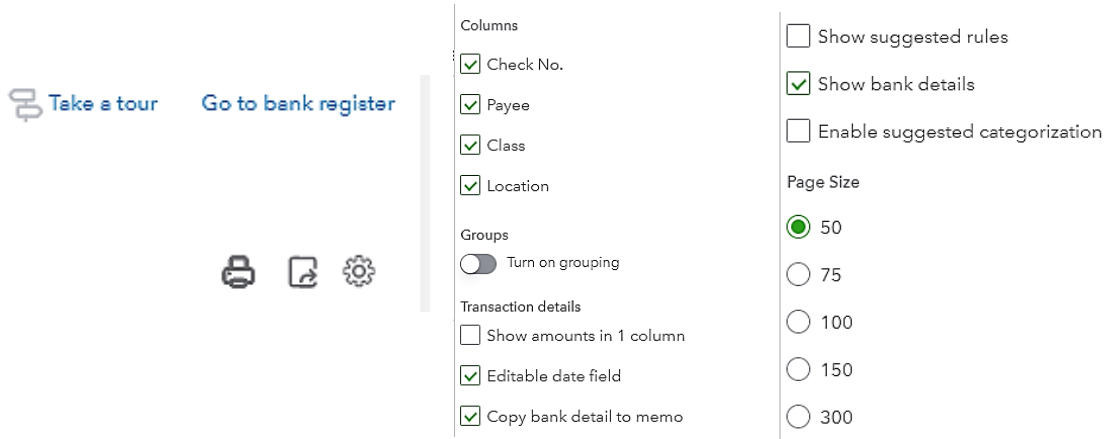

All dates ▾


All transactions ▾



Banking Center

You can access the Bank Register and other options include printing, exporting to Excel and changing the columns displayed using the **Gear** icon. We recommend changing settings to match the screen shots provided.



When bank transactions populate in the Bank Center, they look for existing transactions to find a match. The order in which transactions are posted is important in order to avoid duplicate transactions and costly cleanup. We recommend the following industry best practices order:

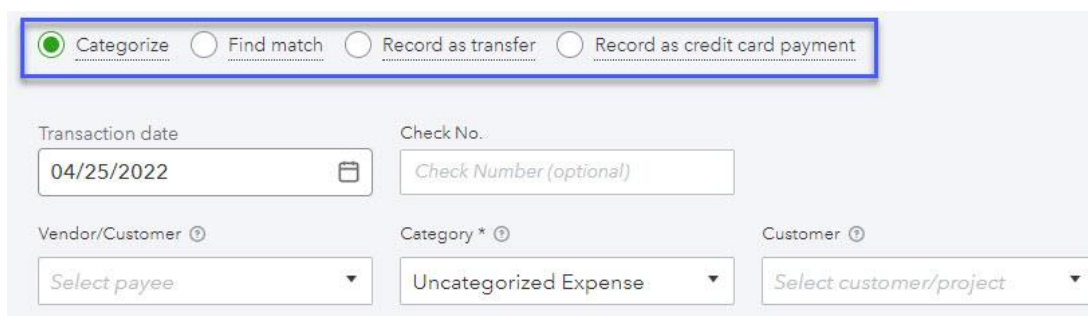
1. Sync or Import Payroll when using a payroll service or QuickBooks Payroll.
2. Receive payments against invoices and make deposits.
3. Clear up Undeposited Funds.
4. Apply Checks to Open Bills.
5. When posting transactions start with the main checking account and additional checking, then move on to savings, credit card etc.
6. Open and review each transaction.

Banking Center

Click on individual transactions to open the window with all available fields. Notice the different options:

Categorize – The preferred option. It allows you to control where the transactions are going and is more forgiving if you need to make changes later.

Find match – Looks for a transaction that already exists in the register. The order of operations is very important. When you complete the undeposited funds deposit process, the bank feeds will match up the transactions and all you do is verify and accept them.



The screenshot shows the transaction entry interface in QuickBooks. At the top, there are four radio buttons: 'Categorize' (selected), 'Find match', 'Record as transfer', and 'Record as credit card payment'. Below these, there are several input fields: 'Transaction date' with a calendar icon showing '04/25/2022', 'Check No.' with a placeholder 'Check Number (optional)', 'Vendor/Customer' with a dropdown menu showing 'Select payee', 'Category *' with a dropdown menu showing 'Uncategorized Expense', and 'Customer' with a dropdown menu showing 'Select customer/project'.

Record as transfer – Recognizes transfers between accounts and sometimes picks up expenses or ACH payments as transfers. Transfers do not require a vendor name. Let's say you are transferring funds from the checking to the savings account. You can use Record as Transfer or change it to Categorize, Create a Vendor Named Transfer and select the savings account as the category from the Chart of Accounts. Transfers are not as forgiving if you need to make edits later. Also, it only recognizes balance sheet accounts.

Record as credit card payment – Creates a payment from the checking to the credit card account. This feature is not as forgiving as categorize and harder to change later. It only recognizes credit card accounts in the Chart of Accounts.

Banking Center

While the transaction is open, verify the date, vendor, category, and any other fields that require information. When you turn on features such as Locations and Classes, they will appear in each transaction. It is your job to assign a Location or Class as you accept the transactions. This will prevent having to go back and edit transactions, a time-consuming process.

Memo – This is an extremely valuable field that provides bank description information that tells a story. Often the vendor's name and other important information can help us to complete the transaction.

Notice the options to **Add attachments**, **Create a rule**, **Exclude** or **Split transactions**.

Split – Provides the option to split a transaction between account categories and classes. It can be very helpful when you need to split an expense or principal and interest for a loan payment.

☒ Categorize ☐ Find match ☐ Record as transfer ☐ Record as credit card payment

Transaction date: 04/25/2022

Check No.: Check Number (optional)

Vendor/Customer: Select payee

Category: * Uncategorized Expense

Customer: Select customer/project

Location: Select location (optional)

Class: Select class

Tags: Start typing to add a tag [Manage tags](#)

Memo: A1 RENTAL BACKHOE RENTAL

BANK DETAIL A1 RENTAL BACKHOE RENTAL

[Add attachment](#) [Create a rule](#) [Exclude](#)

Banking Center

Rules

Rules are a great way to identify where a transaction should be posted. Rules save time during the Review and Accept process because they memorize how specific transactions for specific vendors should be recorded. Keep in mind, QuickBooks will remember prior posted transactions and populate vendor names and categories based on the memorization of the rule. Take time to review each transaction before accepting to avoid costly cleanup errors. Click the **Rules Tab -> New rule**. Customize your rule by selecting available options, adding conditions, Transaction type, Payee and Category.

Create rule

Rules only apply to unreviewed transactions.

What do you want to call this rule? *

A1 Rental

Apply this to transactions that are

Money out



in

All bank accounts



and include the following:

All



Bank text



Contains



A Rental

[+ Add a condition](#)

Test rule

Then **Assign**

Transaction type

Expense



Category

Job Expenses:Equipment R



[Add a split](#)

Payee

A1 Rental



Tags

Start typing to add a tag

Customer

Select customer/project



Class

(Optional)



Location

(Optional)



Memo

Enter text

☐ Add this memo to all matching transactions.

[Clear](#)

Automatically confirm transactions this rule applies to

Auto-add



Danger! Danger! Turn off auto-add until you are confident using the Banking Center and rules. Auto-add automatically accepts transactions to the bank register without your knowledge. We recommend you change description to bank text when setting conditions. This will help the system recognize transactions to automatically assign the vendor/customer and account category.

Banking Center

Chris was learning how to review and categorize transactions in the Banking Center. She started to panic as she noticed some of the transactions were automatically posting with incorrect information.

Oh no! An auto-add rule was accidentally created, and transactions are being posted to the wrong account category. How can she fix this issue?

Go to the Banking Center -> Rules -> Delete the rule.

1. Go to the banking center -> categorized tab -> locate and undo the transactions.

This will move them back to the review tab. Whew! That was a close one.

What if a duplicate transaction populates or an old transaction re-appears because she deleted the transaction from the bank register?

1. Go to the Banking Center -> Review Tab -> Exclude Unwanted Transactions.

This will move the transactions to the excluded tab where you can undo and bring them back to review if you need them.

Banking Center

Receipts

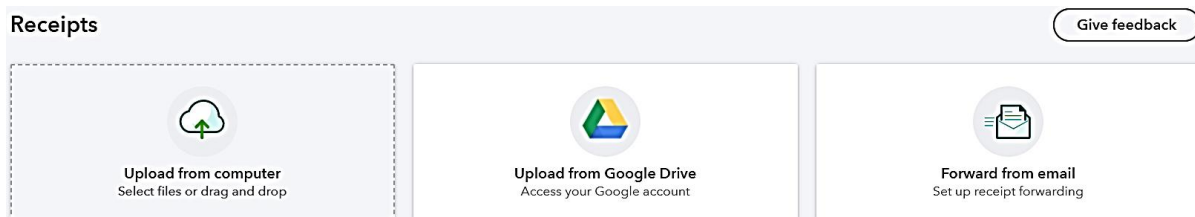
Receipt Capture in QuickBooks Online allows users to directly upload receipts to the QuickBooks Online Banking Center where QuickBooks will read the receipt and either match it to an existing transaction or allow users to add a new transaction.

Click the **Receipts** tab.

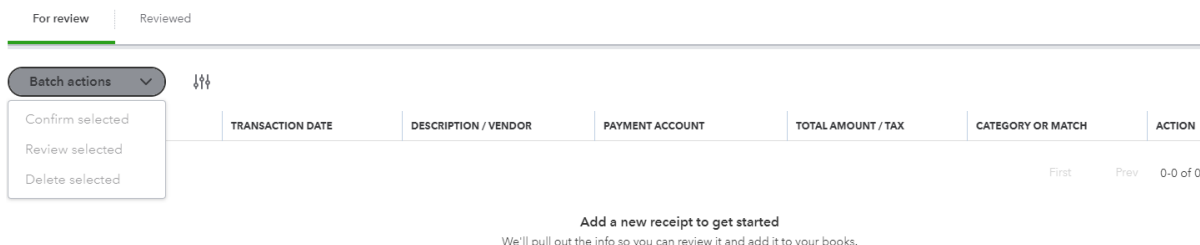
Drag and drop receipts directly into QuickBooks Online or select **Browse** to upload them. Ensure that each image or file contains only a single receipt.

Upload from Google Drive by logging into your Google account.

Forward from email will require you to setup a custom email address with Intuit.



Create transactions from uploaded receipts (pdfs). You can turn receipts into bills or expenses. This step should be completed prior to managing the Banking Center.



Banking Center

Mobile App

To scan a receipt, install the "QuickBooks Accounting: Invoicing and Expenses" app on your phone. Then, open the app and tap the menu button. Select the Receipt Camera and snap a photo of your receipt. Once you do, it will automatically appear in the Receipts tab with any other receipts you have added.

SNAP ON MOBILE



Take a picture of your receipt with the QuickBooks mobile app and review it here.

Click the "For review" tab to manage receipts or bills. Use the **Batch actions** menu to select multiple documents to **Confirm**, **Review** or **Delete** attachments.

For review
Reviewed

Batch actions
Confirm selected
Review selected
Delete selected

TRANSACTION DATE	DESCRIPTION / VENDOR	PAYMENT ACCOUNT	TOTAL AMOUNT / TAX	CATEGORY OR MATCH	ACTION
Add a new receipt to get started We'll pull out the info so you can review it and add it to your books.					

First
Prev
0-0 of 0

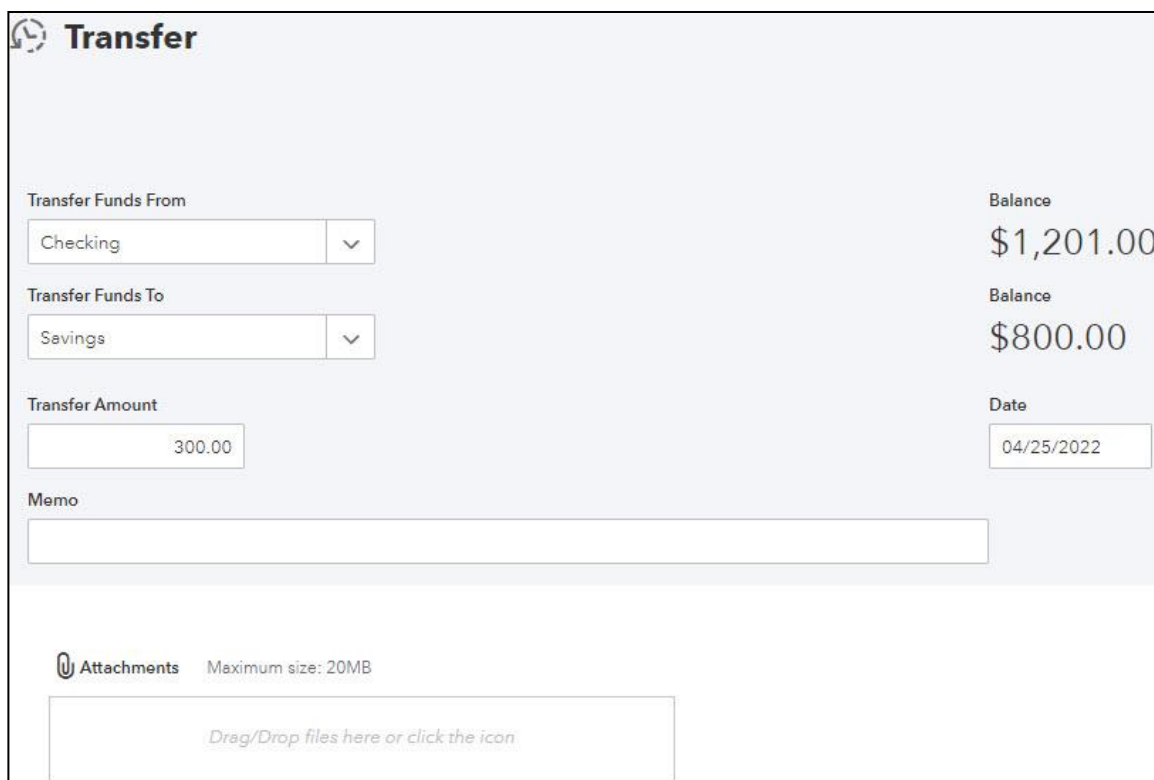
Note: You can send multiple receipts in one email, however if you send too many, the file size may exceed your email provider's limits.

Transfers

Transfers

In some cases, a payment to a Vendor or Payee populates as a transfer type transaction instead of an expense. In this case, we recommend you change it to a categorized transaction, as explained in the Banking Center section.

Click **+ New** and select **Transfer** to move money from one bank account to another.



The screenshot shows the 'Transfer' form in QuickBooks. The form has a light blue header with the 'Transfer' title and a clock icon. Below the header, there are two columns. The left column contains the 'Transfer Funds From' dropdown (set to 'Checking'), the 'Transfer Funds To' dropdown (set to 'Savings'), the 'Transfer Amount' input field (containing '300.00'), and a 'Memo' text area. The right column contains the 'Balance' for the source account (\$1,201.00), the 'Balance' for the destination account (\$800.00), and the 'Date' input field (containing '04/25/2022'). At the bottom of the form, there is an 'Attachments' section with a file upload icon and the text 'Maximum size: 20MB'. Below this is a large rectangular area with the text 'Drag/Drop files here or click the icon'.

Note: Transfers do not require a vendor name and need to be deleted if you need to adjust or correct a mistake.

Reconcile Accounts

Reconciling your bank and credit card accounts is an important task to ensure all transactions are accounted for, input errors are corrected, and all outstanding transactions are verified. Completing the bank reconciliation process for all financial accounts is key to accurate data and financial statements.

Click the **Gear** icon -> **Reconcile** -> **Get started** -> **Let's do it**.

Select the **Account** you wish to reconcile from the drop-down list.

Refer to the bank statement to verify the **Beginning balance**, enter the **Ending balance**, and enter the **Ending Date**. Click **Start reconciling**.

[Chart of accounts](#) > [Bank register](#) > Reconcile

Reconcile

Which account do you want to reconcile?

Account

Checking

Add the following information

Beginning balance

5,000.00

Ending balance *

1,201.00

Ending date *

03/31/2022

Start reconciling

Note: Always reconcile accounts using this process. Never clear transactions directly from the bank register as this can cause problems.

Reconcile Accounts

Now you are ready to reconcile the account.

Select **Deposits** and check off all deposit and credit transactions that appear on the bank statement. Verify outstanding transactions and make corrections as needed.

Chart of accounts > Bank register > Reconcile

Reconcile Checking
Statement ending date: March 31, 2022

\$2,945.14
STATEMENT ENDING BALANCE
 \$5,000.00
BEGINNING BALANCE
 - \$0.00
0 PAYMENTS
 + \$3,096.35
10 DEPOSITS
 \$8,096.35
CLEARED BALANCE

Edit info Save for later

-\$5,151.21
DIFFERENCE

Payments Deposits All

DATE CLEARED DATE TYPE REF NO. ACCOUNT PAYEE MEMO PAYMENT (U) DEPOSIT (US)

03/30/2022		Deposit		- Split -			868.15	✓
03/29/2022		Deposit		- Split -			408.00	✓
03/28/2022		Receive ...		Accounts Receiv...	Freeman Sp...		50.00	✓

Select **Payments** and check off all checks and ACH transactions that appear on the bank statement. Verify outstanding transactions; research and make corrections as needed.

Chart of accounts > Bank register > Reconcile

Reconcile Checking
Statement ending date: March 31, 2022

\$2,945.14
STATEMENT ENDING BALANCE
 \$5,000.00
BEGINNING BALANCE
 - \$5,151.21
21 PAYMENTS
 + \$3,096.35
10 DEPOSITS
 \$2,945.14
CLEARED BALANCE

Edit info Finish now

\$0.00
DIFFERENCE

Payments Deposits All

DATE CLEARED DATE TYPE REF NO. ACCOUNT PAYEE MEMO PAYMENT (U) DEPOSIT (US)

03/24/2022		Check	2	Office Expenses	Mahoney M...		18.08	✓
03/23/2022		Bill Paym...	11	Accounts Payabl...	Hall Properties		900.00	✓
03/22/2022		Cash Ex...		Automobile:Fuel	Chin's Gas a...		52.14	✓

Reconcile Accounts

Click **Edit Info** to change the ending balance or statement date.

Verify that the following match the bank statement:

1. **Beginning Balance**
2. **Statement Ending Balance**
3. **Payments Total**
4. **Deposit Total**

The **Difference** should be \$0.00 when you are done.

Click the drop-down arrow to choose one of the following options:

Finish now to complete the bank reconciliation process.

Finish later to save your work and resume later.

Close without Saving to start over—your work will not be saved.

Finish now



Finish now

Save for later

Close without saving

Chart of accounts > Bank register > Reconcile

Reconcile Checking
Statement ending date: March 31, 2022

\$2,945.14 STATEMENT ENDING BALANCE	-	\$2,945.14 CLEARED BALANCE	
\$5,000.00 BEGINNING BALANCE	-	\$5,151.21 21 PAYMENTS	+ \$3,096.35 10 DEPOSITS

Edit info

Finish now



\$0.00

DIFFERENCE

Now that we have completed a successful **Bank Reconciliation** in QuickBooks®, you can click **Done** or **View Report** (a reconciliation report will open providing summary and detail information).



You reconciled this account

To see a report of this reconciliation, click [View reconciliation report](#).
Otherwise, you're done!


Done

Reconcile Accounts

Once the bank and credit card accounts are reconciled, reports and historical information are available from the reconcile window. If you are no longer in the reconcile window, click **Gear -> Reconcile**. Click **Summary** to access a list of recent reconciliation summaries.

[Chart of accounts](#) > [Bank register](#) > [History by account](#) > Report

Reconciliation report [Reconcile](#) | [History by account](#)

Account: Checking Statement ending date: 03/31/2022 ☒ Hide additional information 


Craig's Design and Landscaping Services
Checking, Period Ending 03/31/2022

RECONCILIATION REPORT
Reconciled on: 04/25/2022
Reconciled by: Craig Carlson

Any changes made to transactions after this date aren't included in this report.


Summary	USD
Statement beginning balance.....	5,000.00
Checks and payments cleared (21).....	-5,151.21
Deposits and other credits cleared (10).....	3,096.35
Statement ending balance.....	<u>2,945.14</u>

Click **History by account** to access all reconciliation summaries by account.

[Chart of accounts](#) > [Bank register](#) > [History by account](#) 

History by account [Summary](#) | [Reconcile](#) | [Show me around](#)

Account: Checking Report period: Since 365 Days Ago

STATEMENT ENDING DATE	RECONCILED ON	ENDING BALANCE	CHANGES	AUTO ADJUSTMENT	ACTION
2022					
03/31/2022	04/25/2022	2,945.14	0.00		View report 

Click **Show me around** for a step-by-step tour.

Reconcile Accounts

Once the bank and credit card accounts are reconciled, reports and historical information are available from the reconcile window.

If you are no longer in the reconcile window, click **Gear -> Reconcile**

Click **Summary** to access a list of recent reconciliation summaries. Double-click the summary you wish to review.

[Chart of accounts](#) > [Bank register](#) > [Reconciliation summary](#)

Reconciliation summary

[Reconcile](#) | [History by account](#)

Craig's Design and Landscaping Services

RECONCILIATION SUMMARY



ACCOUNT	TYPE	STATEMENT ENDING DATE	RECONCILED ON
Checking	Bank	03/31/2022	04/25/2022

Click the **Hide additional information** to hide transactions after **Period end date**.

[Chart of accounts](#) > [Bank register](#) > [History by account](#) > [Report](#)

Reconciliation report

[Reconcile](#) | [History by account](#)

Account

Checking

Statement ending date

03/31/2022

☒ Hide additional information

Craig's Design and Landscaping Services

Checking, Period Ending 03/31/2022

RECONCILIATION REPORT

Reconciled on: 04/25/2022

Reconciled by: Craig Carlson

Any changes made to transactions after this date aren't included in this report.

Summary	USD
Statement beginning balance.....	5,000.00
Checks and payments cleared (21).....	5,151.21
Deposits and other credits cleared (10).....	3,096.35
Statement ending balance.....	<u>2,945.14</u>

Section 6 Doable Action Steps

All business owners should complete this section and apply the knowledge to their own company file. Remember! You can always refer to various sections of training if you need additional reminders of how features works.

1. Review Video Links:

[How to Connect your Bank Account & Credit Cards](#)

[How to Categorize Transactions from your Bank and Credit Card](#)

[How to Reconcile an Account: Statements & Records, & More](#)

2. **Connect your Bank and Credit Card accounts.**
3. **Accept transactions for connected accounts. Remember to complete all fields required and always fill in customer/vendor and category fields.**
4. **Create rules as needed.**
5. **Reconcile your Bank accounts.**
6. **Reconcile your Credit Cards accounts.**

Best Practices

- Keep a separate bank and credit card account for your business. Avoid using them for personal transactions. This will reduce the number of transactions, vendor's you will need to create and will keep cash in the company.
- Follow the order of operations when posting accounts and transactions.
- Create rules to help with accuracy and efficiencies.
- Reconcile bank and credit card accounts each month.
- Monitor bank balances from your computer or mobile app.



Online Foundations

SECTION 7

UNDERSTANDING YOUR NUMBERS

Goals
Balance Sheet
Profit & Loss
Ask My Accountant
Audit Log
Closing Date
Doable Action Steps

Section 7 Goals

Upon completion of Section 7 each participant will be familiar with:

- How to save and group Custom Reports.
- How to setup and review a Balance Sheet Statement.
- How to setup and review a Profit & Loss Statement.
- How to create a report and utilize Ask My Accountant.
- How to review an Audit Log.
- How to set a Closing Date and Password.

The importance of understanding and utilizing financial reports cannot be overstated. Many business owners are embarrassed to admit their lack of knowledge when it comes to understanding what their numbers mean. Financial statements provide a snapshot of a business's financial health, giving insight into its performance, operations, and cash flow. They are essential and provide information about a company's revenue, expenses, profitability, and debt.

As we begin to break down the numbers for Chris, she will soon learn it is not rocket science as she watches the numbers take on meaning. Chris has never been able to determine whether her business is healthy. Now that the reconciliation process is complete and she can trust the numbers, she begins to understand how much information is available to help her continually improve company performance. In fact, Chris finds herself saying, "Why didn't I know this earlier? This would have changed everything".

Methodical action steps will put Chris back on the right track. Experience what it must feel like to have the blinders removed and see a clear picture of how to grow and thrive! We highly recommend you attend the Advanced QBO Training session following this class to additional insights into reports and what the numbers mean!

Understanding Your Numbers

Customizing and viewing reports on a regular basis will ensure the accuracy of your company data, and help you make better management decisions. Financial analysis and reporting are the bedrocks of modern business, and the benefits are vast; improved cash flow, debt and liabilities management, trend identification, real time tracking, etc. Financial reports also help you remain in compliance with various regulations.

The **Custom Reports** section allows you to save Custom Reports in groups and streamline the time it takes to review reports daily, weekly, monthly, etc.

Once you understand what the numbers mean in your reports and where the data is coming from, it will become obvious why creating unnecessary account categories leads to costly cleanup. The various reports clarify what is going on in each area of our business. Invest time to familiarize yourself with key reports that apply to your business. If you are unsure what reports to track, talk to your Instructor/Advisor or Accountant for advice. Keep in mind you can customize and create detailed and summarized reports as you learn more.

All business owners should focus on three main financial reports:

- Balance Sheet
- Profit & Loss

Other important reports include:

- Ask My Accountant
- Audit Log

Balance Sheet

The Balance Sheet provides information about the assets the business owns. There are several types of assets including current assets, cash in the bank and money owed by customers. Fixed assets are tangible items purchased, such as a vehicle or equipment used to produce money. Fixed assets are depreciated over time and are typical items that cost more than \$2,500. Other assets include leasehold improvements, purchase of a business, security deposits, etc.

Now let's discuss liabilities, what the business owes. Short-term liabilities are paid within a year and include sales and payroll taxes, garnishments, lines of credit, credit cards etc. Long-term liabilities take more than a year to pay back and include vehicle or equipment loans, SBA or building loans etc.

Finally, the equity section tells us how much your business is worth, tracking all profits and losses from the time you start the business to the present. This section tracks all the stock, owner distributions and contributions over the years. All information is rolled into retained earnings, owner's equity, or member equity depending on the type of entity.

Click **Reports** in the **Left Navigation Bar** -> **Standard** -> **Scroll to Business Overview** -> **Balance Sheet**. Click the "Star" to save the report as a favorite or use the search feature.

▼ Business overview

Audit Log

Balance Sheet Comparison



Balance Sheet Detail



Balance Sheet Summary



Balance Sheet



Balance Sheet

Balance Sheet

There are several ways to filter the data for your Custom Reports. Change the **Report period**, **display Columns**, **Show non-zero or active only**, and **Accounting method**. Also **Compare Report periods**.

Balance Sheet Report

[Back to report list](#)
[Report period](#)

Custom ▼ 01/01/2022 to 03/31/2022





Customize Save customization

Display columns by: Total Only ▼ Show non-zero or active only: Non-zero Rows/Non-zero C ▼ Compare another period: Select period ▼ Accounting method: ☐ Cash ☒ Accrual

Run report

The **Collapse** option consolidates all sub-account balances within the main account. The **Expand** option displays all sub-account balances. **Sort** by ascending or descending order and **Add notes**. Click the appropriate icon to **Email**, **Print** or **Export** a report.

Collapse Sort ▼ Add notes Edit titles

Click **Customize** to change the date range, accounting method and negative numbers display.

Customize report

▼ General

Report period

Custom ▼ 01/01/2022 to 03/31/2022

Accounting method

☐ Cash ☒ Accrual

Number format

☐ Divide by 1000
☐ Without cents
☒ Except zero amount

Negative numbers

(100) ▼
☐ Show in red

Balance Sheet

Click **Rows/Columns** to change the way **Columns** are displayed, **Show non-zero rows and columns**, or add percentage of rows and columns.

Click **Filter** to select specific **Customers**, **Vendors**, or **Product/Service** items to be displayed.

▼ Rows/Columns

Columns

Total Only ▼

Show non-zero or active only

Non-zero Rows/Non ▼

Select and reorder columns

☐ % of Row

☐ % of Column

[Hide change columns](#)

▼ Filter

☐ Customer

All ▼

☐ Vendor

All ▼

☐ Product/Service

All ▼

Click **Header/Footer** to add your logo, change the Report title, remove information displayed, and change the alignment of the report. Click **Run Report**.

▼ Header/Footer

Header

☐ Show logo

☒ Company name

Craig's Design and Landscapir

☒ Report title

Balance Sheet

☒ Report period

Footer

☒ Date prepared

☒ Time prepared

☒ Report basis (cash vs. accrual)

Alignment

Header

Center ▼

Footer

Center ▼

Balance Sheet

Click **Save Customization**.

Name your Custom Report or use the default name, add this report to a group, or share it with a coworker. Organizing your reports in groups will save time locating and reviewing your favorite reports.

Click **Save**.

Custom report name

Balance Sheet

Add this report to a group

None ▼

New group name

Financial Reports

Add

Share with

None ▼

☐ Share reports with community

* You share only your customized report structure and not your financial data.

Save

Now simply click on **Reports -> Custom Reports** to quickly access your customized **Balance Sheet**.

Reports

Standard	Custom reports	Management reports
----------	----------------	--------------------

NAME	CREATED	DATE RANGE	EMAIL	ACTION
Financial Reports			Unscheduled	Edit ▼
Balance Sheet	Craig Carlson	01/01/2022-03/31/2022		Edit ▼

Balance Sheet

This sample displays the Assets portion of the Balance Sheet. In order to rely on your financial data, it is important to verify that all Asset account balances are accurate.

Craig's Design and Landscaping Services

Balance Sheet

	TOTAL
▼ ASSETS	
▼ Current Assets	
▼ Bank Accounts	
Checking	2,124.50
Savings	800.00
Total Bank Accounts	\$2,924.50
▼ Accounts Receivable	
Accounts Receivable (A/R)	5,281.52
Total Accounts Receivable	\$5,281.52
▼ Other Current Assets	
Inventory Asset	596.25
Undeposited Funds	2,062.52
Total Other Current Assets	\$2,658.77
Total Current Assets	\$10,864.79
▼ Fixed Assets	
▼ Truck	
Original Cost	13,495.00
Total Truck	13,495.00
Total Fixed Assets	\$13,495.00
TOTAL ASSETS	\$24,359.79

Balance Sheet

This sample displays the Liability and Equity sections of a Balance Sheet. In order to rely on your financial data, it is important to verify that all Liability and Equity account balances are accurate.

▼ LIABILITIES AND EQUITY	
▼ Liabilities	
▼ Current Liabilities	
▼ Accounts Payable	
Accounts Payable (A/P)	1,602.67
Total Accounts Payable	\$1,602.67
▼ Credit Cards	
Mastercard	922.37
Total Credit Cards	\$922.37
▼ Other Current Liabilities	
Board of Equalization Payable	370.94
Loan Payable	4,000.00
Total Other Current Liabilities	\$4,370.94
Total Current Liabilities	\$6,895.98
▼ Long-Term Liabilities	
Notes Payable	25,000.00
Total Long-Term Liabilities	\$25,000.00
Total Liabilities	\$31,895.98
▼ Equity	
Opening Balance Equity	(9,337.50)
Retained Earnings	91.25
Net Income	1,710.06
Total Equity	\$ (7,536.19)
TOTAL LIABILITIES AND EQUITY	\$24,359.79

Profit & Loss

Profit & Loss

The Profit & Loss Report is an accumulation of income and expenses for a period. At the end of each year the net profit or loss rolls into the Equity section of the Balance Sheet. Each new year starts with a zero balance for income and expenses.

The **Profit & Loss** continues with the story about the health of our business. Are we meeting our sales growth targets? When we subtract expenses directly related to revenue, we can determine our **Gross Profit Margin**. Do we have enough Gross Profit to pay all other costs? When we subtract all other expenses from Gross Profit, we can determine Net Income before tax and whether we are profitable. Each category is a percentage of Income which we use as a cash management tool.

Click **Reports** in the **Left Navigation Bar** -> **Reports** -> **Standard** -> **Scroll to Business Overview**. Click **Profit and Loss % of Total Income** or use the search feature.

Business overview

Audit Log	
Balance Sheet Comparison	☆ ⋮
Balance Sheet Detail	☆ ⋮
Balance Sheet Summary	☆ ⋮
Balance Sheet	★ ⋮
Business Snapshot	☆ ⋮
Profit and Loss as % of total income	★ ⋮

Profit & Loss

Click **Customize**.

Change the **Negative numbers** to display with parenthesis and check the box “Show in red.”

Just like the Balance Sheet, you can add Rows and Columns, filter information, or change “Header/Footer” options.

Customize report

▼ General

Report period

Custom ▼ 01/01/2022 to 03/31/2022

Accounting method

☐ Cash ☒ Accrual

Number format

☐ Divide by 1000

☐ Without cents

☒ Except zero amount

Negative numbers

(100) ▼

☒ Show in red

▼ Rows/Columns

Columns

Total Only ▼

Show non-zero or active only

Non-zero Rows/Non ▼

[Change columns](#)

► Filter

► Header/Footer

Note: It is important to choose the same date range and accounting method used to customize the Balance Sheet.

Profit & Loss

Use the “collapse/expand” feature to hide or unhide subaccounts when customizing reports.

Craig's Design and Landscaping Services		
Profit and Loss % of Total Income		
January - March, 2022		
	TOTAL	
	JAN - MAR, 2022	% OF INCOME
▶ Income	\$9,809.52	100.00 %
▶ Cost of Goods Sold	\$405.00	4.13 %
GROSS PROFIT	\$9,404.52	95.87 %
▼ Expenses		
Advertising	74.86	0.76 %
Automobile	389.39	3.97 %
Equipment Rental	112.00	1.14 %
Insurance	241.23	2.46 %
Job Expenses	891.99	9.09 %
Legal & Professional Fees	870.00	8.87 %
Maintenance and Repair	940.00	9.58 %
Meals and Entertainment	9.52	0.10 %
Office Expenses	18.08	0.18 %
Rent or Lease	900.00	9.17 %
Utilities	331.39	3.38 %
Total Expenses	\$4,778.46	48.71 %
NET OPERATING INCOME	\$4,626.06	47.16 %
▼ Other Expenses		
Miscellaneous	2,916.00	29.73 %
Total Other Expenses	\$2,916.00	29.73 %
NET OTHER INCOME	\$ (2,916.00)	(29.73 %)
NET INCOME	\$1,710.06	17.43 %

Note: Remember to click **Save Customization** and add this report to your new report group in **Custom Reports**.

Ask My Accountant

This report can be a very helpful tool. It is used to post transactions when the user is not sure which category to use. The **Memo** field allows the user to post notes and questions for their Accountant. It can be a great way to train a new bookkeeper or business owner.

Click on **Accounting** in the **Left Navigation Bar** -> **Chart of Accounts** tab. Locate **Ask My Accountant** in other expense type, then click **Run report**.

Ask My Accountant	Other Expense	Other Miscellaneous...			Run report ▼
-------------------	---------------	------------------------	--	--	------------------------------

Click **Customize** -> **Header/Footer** to change the **Header** to **Ask My Accountant**.

Change the **Report Period** to **All Dates** then click **Run report**. Remember click **Save Customization** to save your report in **Custom Reports**.

Notice the Accountant's response in the **Memo/Description** field to post the transaction to Fixed Assets/Computer Equipment.

Craig's Design and Landscaping Services

Account QuickReport All Dates

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT	CLR	AMOUNT	BALANCE
▼ Ask My Accountant								
02/25/2022	Bill		Hicks Hardware		Ask My Accountant		250.00	250.00
03/19/2022	Bill		Tim Philip Masonry		Ask My Accountant		666.00	916.00
03/27/2022	Bill		Brosnahan Insurance Agency		Ask My Accountant		2,000.00	2,916.00
Total for Ask My Accountant							\$2,916.00	
TOTAL							\$2,916.00	

Note: It is important to clear up all transactions on this report before year end and especially before filing a tax return. This is a placeholder for transactions that need more information to post in the correct account or category.

Fraud Prevention

Fraud is a serious problem for small business owners and the statistics are startling. According to a survey by AFP (Association for Financial Professionals), fraud hit an all time high. ***82% of U.S. businesses reported experiencing payment fraud.***

We hope this got your attention, it should. Fraud prevention must be addressed and given serious consideration as you work to build a solid financial foundation in your business. The good news is, QuickBooks Online has tools built into the application designed to help you implement fraud prevention processes to detect and prevent fraudulent activity.

Fraudulent activity can take on many forms, including asset misappropriation, billing, expense reimbursement, skimming, cash register disbursements, and check tampering schemes to name a few.

Biz Q&A:

- *How do you prevent fraud from occurring in a business?*
- *How do you identify areas where the likelihood of fraud is the greatest?*
- *How do you protect your business assets and cash?*

Wow!

According to the Association of Certified Fraud Examiners, the average business will lose approximately 7% of revenues due to employee theft. Small businesses have a 38% greater amount of fraud than larger companies, due to lack of internal controls.

Once your accounting application is set up, we recommend you seek the advice of an accountant to verify you are taking full advantage of the fraud prevention tools in QBO and ensure you have internal controls built into your system.

Audit Log

The Audit Log Report is a good way to view activity by user. This is a great training tool used to enforce accurate data entry. The Audit Log is also a way to detect fraudulent activity.

Click **Reports -> All -> Scroll to Business Overview -> Audit Log**.

Click the **Filter** button to search historical transactions by **Users, Dates, or Events**.

Filter ▼

This month [Clear filter / View All](#)

User

All Users ▼

Date

Custom ▼

From

To

Events

☒ Show all events
 ☐ Show only these events

☐ Sign in/sign out
 ☐ Lists
 ☐ Budgets
 ☐ Time events
 ☐ Recurring templates
 ☐ Statements
 ☐ Settings
 ☐ Sales customizations
 ☐ Reconciliations
 ☐ Data exchange
 ☐ Transactions

Show:

All Transactions ▼

Reset

Apply

Notice the filter criteria is set for a specific user and the historical data indicates when he logged in and out, as well as specific transactions that were edited by Craig Carlson.

Click the **Gear** icon to select columns to view. Click **View** to see details for a specific transaction.

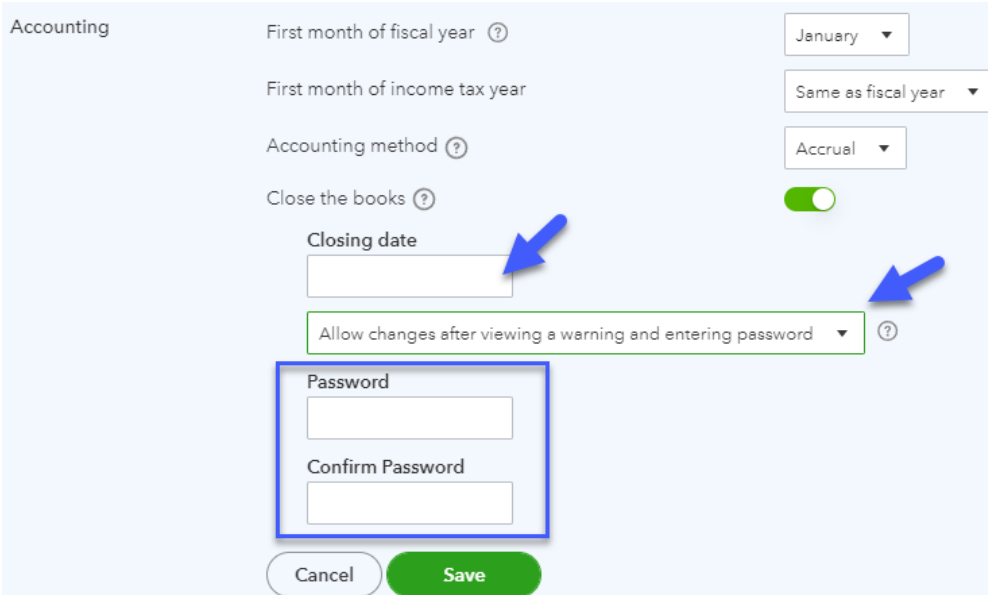
Apr 27, 4:51 pm ...	Craig Carlson	Logged out.				
Apr 27, 4:49 pm ...	Craig Carlson	Edited Product or Service: Design : Rocks				View
Apr 27, 4:49 pm ...	Craig Carlson	Edited Product or Service: Design : Lighting				View
Apr 27, 4:49 pm ...	Craig Carlson	Edited Product or Service: Design : Services				View

Closing Date

Close the books

This is a great feature that allows you to close a period and assign a password. Turning on this setting triggers a warning box that prevents users from changing historical data, a powerful fraud prevention tool. We learned about the closing date features when we completed the setup section of this training.

We encourage you to use the closing date feature once you have reconciled all bank and credit card accounts, reviewed your financials, and filed sales tax, payroll tax or income tax returns. Remember to set a date and password. If a user tries to change an invoice or delete a transaction, etc. a warning window will pop up and require the password.



Accounting

First month of fiscal year [?] January ▾

First month of income tax year Same as fiscal year ▾

Accounting method [?] Accrual ▾

Close the books [?] ☒

Closing date [?]

Allow changes after viewing a warning and entering password ▾ [?]

Password

Confirm Password

Cancel Save

Section 7 Doable Action Steps

All business owners should complete this section. Apply the knowledge to your own company file. Remember! You can always refer to various sections of training if you need additional reminders of how features works.

Take Interest in your Books

The most important thing you can do to reduce fraud is to take interest in your accounting records. Randomly and periodically ask to review your financial reports. It is important to understand what the reports should look like and what to look for. If there are significant variances, review them so you understand what occurred.

Ethics Policy:

Consider adapting an ethics policy that clearly outlines your business policy for ethics and integrity. The policy should be distributed to all employees. It is important to set an example as the business owner. For example, do not take inventory, office supplies or cash out of the drawer. If employees see this behavior, they will justify their actions because of the boss's actions.

Segregation of Duties:

It is also important to limit access based on team member's areas of responsibility. For example, an employee with Accounts Payable access should not have access to Accounts Receivable or Bank Statement balancing. Employees who process and enter transactions should not be allowed to configure settings or set up books. There should be no single employee in the business (other than the business owner) who has full administrative rights or too much responsibility.

Section 7 Doable Action Steps

All business owners should complete this section and apply the knowledge to their own company file. Remember! You can always refer to various sections of training if you need additional reminders of how features work.

1. Watch Video Links – Ctrl + Left Click

[Understanding the Balance Sheet in Quick Books Online](#)

[Understanding Profit & Loss Statement: Income, Cost of Goods](#)

[How to use the Audit Log in QuickBooks Online](#)

2. Create, Save and Review the following reports:

Balance Sheet

Profit & Loss with Percentages

Ask My Accountant

3. Review the Audit Log and filter feature.



Online Foundations Training

SECTION 8

ACCOUNTS PAYABLE

Goals
Vendor Center
Contractors
1099s
Expenses
Checks
Bills
Pay Bills
Bill Pay for QuickBooks Online
Vendor Credits
Apply Vendor Credits
A/P Reports
Doable Action Steps

Section 8 Goals

Upon completion of Section 8 each participant will be familiar with:

- Overview of Accounts Payable.
- How to turn on/off Accounts Payable-related Accounts and Settings.
- How to manage the Vendor Center.
- How to track Contractor information.
- How to Create Checks and Expenses.
- How to Create Credit Card Expenses.
- How and when to Create and Pay Bills.
- How to view and save Accounts Payable-related reports.

Many business owners underestimate the impact of not implementing an Accounts Payable policy. It's just paying the bills, right? WRONG. The lack of internal controls and ineffective Accounts Payable processes can end up costing the business in fraudulent payments, double payments, late fees, lost discounts, additional allocation of labor to locate invoices, poor cash flow, etc. Also, the Accounts Payable process can affect vendor relationships; e.g., reduced credit requiring payment up front, and less favorable payment terms.

Chris would like Craig's Landscaping to implement a best practice Accounts Payable policy that includes entering bills as they come in and setting payment dates at the end of the terms to stretch payables and prevent late fees. In addition, Chris would like more information on how to use the Vendor Center. Let's show her how to setup a new vendor, create and pay bills, create checks and expenses and handle credit card expenses. What do you recommend regarding Accounts Payable reports? What kind of information can these reports provide? How can this information be used to improve company performance?

The A/P process has a significant impact on cash flow and should be closely monitored.

More about Accounts Payable

In the Accounts Payable section, we will discuss the importance of implementing an Accounts Payable policy, establishing internal controls to prevent payment fraud and managing your bill payment process to take advantage of discounts offered by vendors. This process has a significant impact on cash flow. Consistently implementing a 'best practice' Accounts Payable Policy is far more important than most business owners realize.

Wow!

According to JPMorgan, 78% of U.S. businesses were exposed to attempted or actual payments fraud in 2019; however, due to increased awareness, improved training and more vigilant best practices, only 48% of exposed businesses experienced a case of fraud costing \$250,000 or more.

While fraud is a huge problem for small business owners, many do not understand how costly it is to process an invoice. In their Benchmark study, Aberdeen Group found that the industry average cost to process an invoice was \$15.61. "Laggard" companies (bottom 30%) had an even larger average cost of \$38.77, while "Best-in-Class" companies (top 20%) had an average cost of just \$3.09.

For the above reasons and more, implementation of a best practice Accounts Payable policy will be an integral part of your success!

Vendor Center

Click **Expenses -> Vendors** in the **Left Navigation Bar** to access the **Vendor Center**. Here, we will view open and overdue bills, maintain Vendor information, and view historical transactions. Use the search bar to find a Vendor or company. You can email Vendors directly by clicking the drop-down arrow for **Batch actions**. You can click **Prepare 1099s** and complete the step-by-step wizard.

Expenses Vendors

Vendors

Prepare 1099s New vendor

Unbilled Last 365 Days Unpaid Last 365 Days Paid

\$125 1 PURCHASE ORDER \$848 4 OVERDUE \$1,603 5 OPEN BILLS \$3,892 21 PAID LAST 30 DAYS

Batch actions Find a vendor or company

VENDOR / COMPANY	PHONE	EMAIL	OPEN BALANCE	ACTION
Bob's Burger Joint			\$0.00	Create bill
Books by Bessie Books by Bessie	(650) 555-7745	Books@Intuit.com	\$0.00	Create bill

Click the drop-down arrow in the **Action** column to create bills, create expenses, write checks, and more.

Click the **Gear** icon to add and remove columns displayed.

ACTION

Create bill Create expense Write check Create purchase order Make inactive

Columns

Address Attachments Phone Email

Other

Include inactive

Rows

150

Vendor Center

Add Vendor

Click **New Vendor**

Enter the **Company** name and other details you have on file. The Company name, Vendor display name and Name to print on checks can be different. The display name can be unique to manage your vendor list. The Company name will appear on expense forms.

Vendor

Name and contact

^

Company name

Vendor display name *

Rockin Landscape Materials

v

Title

First name

Middle name

Last name

Suffix

Email

Phone number

Mobile number

Fax



Other

Website

Name to print on checks

Vendor Center

Next, add Address Information. You can click the Map link for directions to this vendor location. Use the Notes and Attachment features to keep important information or agreements for this vendor. This information is for internal purposes and will not be seen by the vendor.

 **Address** 

Street address 1

Street address 2


City

State

ZIP code

Country

Map



 **Notes and attachments** 

Notes

Attachments

Add attachment

Max file size: 20 MB

Vendor Center

You can use the information provided by vendors who provide a service and complete a W9 form to enter the **Business ID No.** Check the **Track payments for 1099** box for all vendors for which you are required to file 1099s. The **Expense rates** field is a default rate you use to invoice customers for expenses incurred while providing a service. **Payment Terms** auto-populate when you select a default term here. Add a vendor **Account no.** for reference purposes.

Additional info

Taxes

Business ID No. / Social Security No.

☐ Track payments for 1099

Expense rates

Billing rate (/hr)

Payments

Terms

Account no.

Adding a **Default expense category** from your Chart of Accounts list here will help save time as it auto-populates on expense forms. This is especially helpful when new users are learning how to categorize transactions.

Accounting

Default expense category

Choose account

Opening balance ?

Opening balance

As of

04/27/2022

Vendor Center

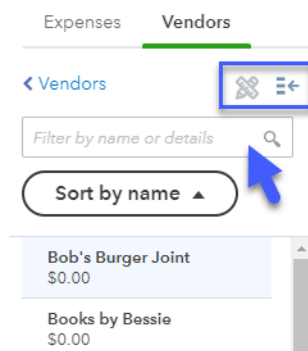
Click on a **Vendor** from the list in the Vendor Center.

Use the **bar/arrow** to **Search by name or company**.

Sort by name or **Open balance**.

Collapse the list by clicking the **bar/arrow** icon.

Click the **symbol** icon to add a new Vendor.

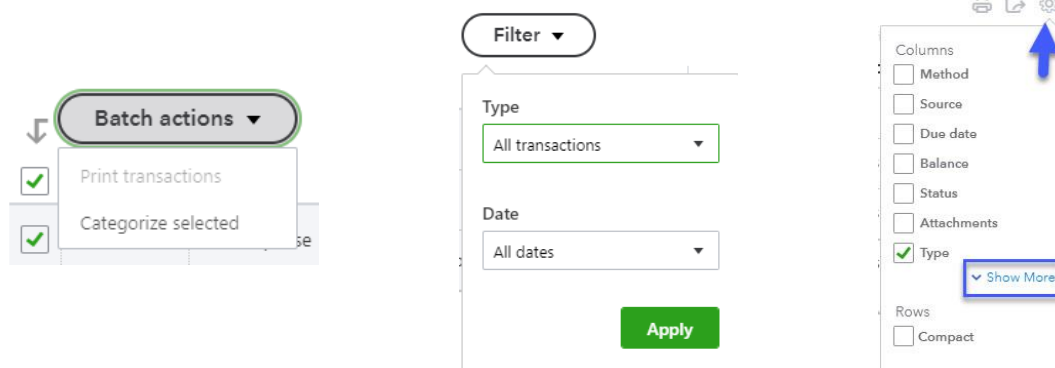


Each Vendor has **Transaction List** and **Vendor Details** tabs containing transaction history and Vendor information, respectively. You can choose to print or export transaction history to Excel.

<input type="checkbox"/>	DATE ▼	TYPE	NO.	PAYEE	CATEGORY	MEMO	TOTAL	ACTION
<input type="checkbox"/>	04/06/2022	Credit Card E...		Bob's Burger...	Meals a ▼	Bought lunch...	\$18.97	
<input type="checkbox"/>	03/28/2022	Cash Expense		Bob's Burger...	Meals a ▼		-\$3.86	

Select **Transactions**, then click the drop-down arrow for **Batch actions** to print or recategorize transactions. Click the drop-down arrow for **Filter** to sort by **Type** and **Date**.

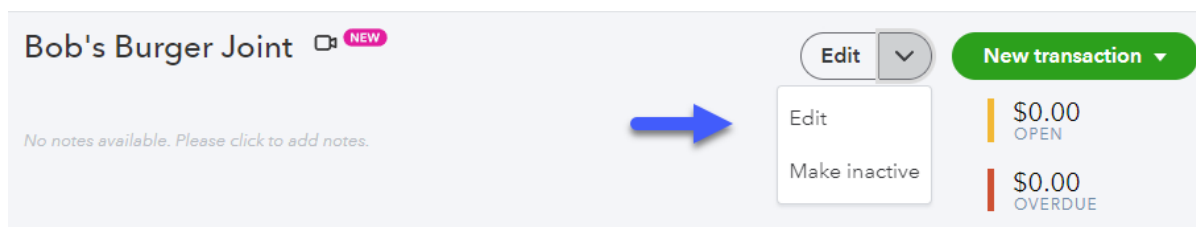
Click the **Gear** to select columns to display. **Note:** Display options change as you turn on/off features in **Account and Settings**.



Vendor Center

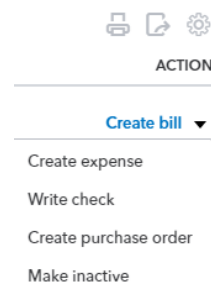
Edit Vendor

Click on the **Vendor** in the Vendor Center that you wish to edit. Click the **Edit** button to open the Vendor information window.



Make Inactive

Select from the **Action** column in the Vendor Center to make a Vendor inactive or edit the Vendor and click the **Make Inactive** button.



Merge Vendors

Edit the Vendor you intend to keep, copy (Ctrl + C) the Vendor Name, and then click cancel. Edit the Vendor you intend to merge and paste (Ctrl + V) to replace the Vendor Name with the correct name. Click **Save**.

That name is already being used. Would you like to merge the two?

No

Yes

A **Please Confirm** warning box will appear; click **Yes** to confirm. The old Vendor will be removed from the list and remain in an inactive status. **Note:** The merge process cannot be undone.

Contractors

Add Contractor

It's crunch time and we realize we are missing Contractor information to process 1099s.

You can invite Contractors via email. The Contractor will be prompted to input the required information.

Click **Payroll** in the left navigation bar. Click **Contractors** -> **Add a contractor**.

Enter **Name** and **Email** to send Contractor invite to complete their profile. This will setup an account to safely share their personal information. Use the Contractor Center to write a check, create an expense or bill, and prepare 1099s.

Click the vendor's name to view more details, payments and documents.

Click the down-arrow in the **Active** button to inactivate a vendor.

Payroll

Employees **Contractors** Workers' comp

Contractors [View all contractor payments](#)

 Find a contractor

Active ▼

Prepare 1099s

Add a contractor



Brosnahan Insurance Agency

> [View Last Payment](#)

[Write check](#) ▼

Add a contractor

Name *

Email *

☒ Email this contractor to complete their profile. They'll get their own account to safely share their personal details.

[Preview](#)

Add contractor

1099s

Many business owners are unaware of their responsibility to file 1099 forms with the Internal Revenue Service each year. If you pay an individual or business \$600 or more for services rendered, you are required to file form 1099-NEC. However, you are **NOT** required to file form 1099 for services rendered, when the entity is a Corporation. Form W-9 is used to determine entity type and reporting information. It is important to supply and require recipients to fill out form W-9. This will save you a lot of time tracking down information at the end of each year.

If you pay rent for a building or space, you are required to file form 1099-Misc.

If you borrow money from an individual and pay interest, you are required to file form 1099-Int.

If you pay via credit card, all payments are reported on a 1099-K form.

It is important to incorporate the following best practices in your business:

- Require all individuals or businesses providing services to complete a W-9 form.
- Do not pay for services rendered until you receive a signed W-9 form.
- Add a recurring event to complete 1099 filing before January 31st each year.
- Keep track of all 1099 recipients in QuickBooks Online all year.

Note: You can visit www.irs.gov to learn more about the various types of 1099 reporting.

The general rule is that you **must** issue a Form **1099**-NEC to any vendors or sub-contractors you have paid at least \$600 in rents, services, prizes and awards, or other income payments in the course of your trade/business in a given tax year (you do not need to issue 1099s for payments made for personal purposes).

1099s

W-9 Form

The W-9 Form requires the recipients **name, address, entity type, Social Security number or Employer Identification Number, signature and date.**

<p>Form W-9 (Rev. October 2018) Department of the Treasury Internal Revenue Service</p>	<p>Request for Taxpayer Identification Number and Certification</p> <p>► Go to www.irs.gov/FormW9 for instructions and the latest information.</p>	<p>Give Form to the requester. Do not send to the IRS.</p>				
<p>Print or type. See Specific Instructions on page 3.</p>	<p>1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.</p>					
	<p>2 Business name/disregarded entity name, if different from above</p>					
	<p>3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.</p> <p> <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► </p> <p>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</p> <p><input type="checkbox"/> Other (see instructions) ►</p>					
	<p>4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) _____</p> <p>Exemption from FATCA reporting code (if any) _____</p> <p><small>(Applies to accounts maintained outside the U.S.)</small></p>					
	<p>5 Address (number, street, and apt. or suite no.) See instructions.</p> <p>6 City, state, and ZIP code</p> <p>7 List account number(s) here (optional)</p>					
<p>Part I Taxpayer Identification Number (TIN)</p> <p>Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i>, later.</p> <p>Note: If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter.</p> <table style="width: 100%;"> <tr> <td style="width: 50%;">Social security number</td> <td style="width: 50%;">Employer identification number</td> </tr> <tr> <td style="text-align: center;"> <div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div> <div style="display: flex; justify-content: space-around; width: 100px;"> - </div> <div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div> </td> <td style="text-align: center;"> <div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div> <div style="display: flex; justify-content: space-around; width: 100px;"> - </div> <div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div> </td> </tr> </table>			Social security number	Employer identification number	<div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div> <div style="display: flex; justify-content: space-around; width: 100px;"> - </div> <div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div>	<div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div> <div style="display: flex; justify-content: space-around; width: 100px;"> - </div> <div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div>
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<p>Part II Certification</p> <p>Under penalties of perjury, I certify that:</p> <ol style="list-style-type: none"> The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and I am a U.S. citizen or other U.S. person (defined below); and The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct. <p>Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.</p>						
<p>Sign Here</p>	<p>Signature of U.S. person ►</p> <p style="text-align: right;">Date ►</p>					

1099s

Next, Go to the Vendor or Contractors Center, click **Prepare 1099s -> Continue your 1099s** and review your company information. You must have a **Tax ID**.

Click **Next**.

1 Company

2 Accounts

3 Contractors

4 Review

5 File

Review your company info

If anything isn't correct, change it now. We'll save it in your company settings.

<u>Name and address</u>	Craig's Design and Landscaping Services 123 Sierra Way San Pablo, CA 94806	
<u>Phone number</u>	1-800-446-8848	
<u>Tax ID</u>	99-9999999	

Next

Contractor services rendered are always Box 1 of form **1099-NEC**. There can be multiple categories per box. It all depends on the categories used when posting transactions related to recipients. Rents are reported on Box 1 of **1099-MISC**. Select all categories that apply. Click **Next**.

Categorize payments to contractors

Select the type of payments you made or the expenses you recorded. Then select the expense accounts used for these payments. [Not sure which categories to choose?](#)

[See which expense accounts you used](#)

Common payment types

☒ Non-employee compensation (most common) Box 1 1099-NEC

Installation

☒ Rents Box 1 1099-MISC

Rent or Lease

1099s

Review your Contractor's info. Required information will appear in red. Edit the Vendor and add missing information. If you notice Vendors missing from the list, click **Add from Vendor list**. Click **Next** or **Save and finish later**.

Review your contractors' info

Make sure your contractors' details are correct. To see which contractors meet the 1099 threshold, click **Next**.

[Need to add anyone?](#)



Add from Vendor list



CONTRACTOR NAME	ADDRESS	TAX ID	EMAIL	ACTION
Nick Brosnahan Brosnahan Insurance Age	P.O. Box 5 Middlefield CA 94482	23-4569875	Add Email	Edit

< First Previous 1-1 of 1 Next Last >

Next, you will verify the totals. If the name still appears in red, add the missing information to complete the process. Click **Finish preparing 1099s** or **Save and finish later**.

The last step is to select one of the options. If you select Automated E-File and Delivery, Intuit will process the forms. If you choose Print & Mail, you will receive a kit in the mail and will be responsible for filing the forms.

E-file

Starts at*

\$14⁹⁹

- We e-file with the IRS.
- We send contractors digital and paper copies of their 1099 forms.
- We pay contractors with direct deposit.

E-file for me

Back

Print and mail

Starts at

\$58⁹⁹

- You order a 1099 print kit.
- You print and mail 1099 forms to the IRS.
- You print and mail 1096 summary forms to the IRS.
- You print and mail 1099 copies to your contractors.

Print and mail

Expenses

It is important to differentiate between Checks and Expenses. While many checks are written for expenses, (not all checks), they are handled in a different manner than Expenses in QBO. This makes a difference when bank transactions attempt to find a match during the sync process in the Banking Center. Expenses are typically debits/ACH and credit card-type transactions.

To enter expenses manually: Click the **+ New icon -> Expense**.

Enter or verify the following information:

Vendor name, bank account, payment date, and reference number.

Enter the account, description, and amount, specify whether the expense is billable, and assign the transaction to a customer or job.

Click **Item details** to enter the **Product/Service** you are tracking. This section is typically used when tracking inventory-related products. Click **Save and New** or **Save and Close**.

Expense #76 Take a tour Help

Payee: Pam Seitz Payment account: Checking Balance \$1,201.00 AMOUNT: \$75.00

Payment date: 04/02/2022 Payment method: What did you pay with? Ref no.: 76

Tags: Start typing to add a tag Manage tags

▼ **Category details**

#	CATEGORY	DESCRIPTION	AMOUNT	BILLABLE	TAX	CUSTOMER
1	Legal & Professional Fees	Counsel	75.00			
2						

Add lines Clear all lines

► **Item details** Total: \$75.00

Checks

Here is where we enter checks written manually or checks to be printed. Be sure to include the check number in the reference number field. Also, select **Check** instead of **Expense**.

This makes a difference when bank transactions attempt to find a match during the sync process in the Banking Center.

Click the **+ New icon -> Check**.

Enter or verify the following information:

Payee name, bank account, payment date, and check no.

Enter the account, description, and amount, specify whether the check is billable, and assign the transaction to a customer or job.

Click **Item Details** to enter the **Product/Service** you are tracking. This section is typically used when tracking inventory and non-inventory related products.

Click **Save and New** or **Save and Close**.

Check #75 ⚙️ ? Help

Payee: Hicks Hardware ▼ Bank Account: Checking ▼ Balance: \$1,201.00 **\$228.75**

Mailing address: Geoff Hicks
Hicks Hardware
42 Main St.
Middlefield, CA 94303

Payment date: 04/02/2022

Check no.: 75 ☐ Print later

Tags ? [Manage tags](#)

Start typing to add a tag

► Category details

▼ Item details

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	BILLABLE	TAX	CUSTOMER		
1	Design:Fountains:Rock Fountain	Rock Fountain	1	125	125.00				<	🗑️
2	Landscaping:Sprinklers:Sprinkle	Sprinkler Heads	15	0.75	11.25				<	🗑️
3	Landscaping:Sprinklers:Sprinkle	Sprinkler Pipes	25	2.50	62.50				<	🗑️
4	Design:Fountains:Pump	Fountain Pump	3	10	30.00				<	🗑️
5									<	🗑️
									Total	\$228.75

Bills

Bills are an important part of Accounts Payable. We enter bills to be paid later. Use reports to monitor due dates and budget for next bill pay day.

Click the **+ New icon -> Bill**.

Enter or verify the following information:

Vendor name, mailing address, terms, bill date, due date, and bill no.

Enter the account and amount, specify whether the bill is billable, apply sales tax, and assign the transaction to a customer or job.

Click **Item details** to enter the **Product/Service** you are tracking. This section is typically used when tracking inventory-related products.

Click **Save and New** or **Save and Close**.

The screenshot shows the 'Bill' entry form in QuickBooks. Blue arrows point to the following fields: Vendor (Robertson & Associates), Mailing address (Jenny Robertson, Robertson & Associates, P.O. Box 147, Bayshore, CA 94326), Terms (Net 30), Bill date (11/29/2021), Due date (12/29/2021), Bill no. (empty), Category details (Legal & Professional Fees: Lawyer), and Item details.

Bill Entry Form Fields:

- Vendor:** Robertson & Associates
- Mailing address:** Jenny Robertson, Robertson & Associates, P.O. Box 147, Bayshore, CA 94326
- Terms:** Net 30
- Bill date:** 11/29/2021
- Due date:** 12/29/2021
- Bill no.:**
- Tags:** Start typing to add a tag
- Category details:**

#	CATEGORY	DESCRIPTION	AMOUNT	BILLABLE	TAX	CUSTOMER
1	Legal & Professional Fees: Lawyer		300.00			
2						
- Item details:**

Payment Status: PAID
1 payment made (\$300.00)

Total: \$300.00

Pay Bills

To Pay Bills

Click the **+ New icon -> Pay Bills -> Select the Payment account -> Select the Payment date.**

Select the bills you want to pay. If you need to make a partial payment, simply change the amount in the **Payment** column. Click the drop-down arrow to change the **Filter** criteria or click the **Gear** icon to change the number of rows being displayed.

Pay Bills

Payment account: Mastercard Balance \$157.72 Payment date: 04/28/2022

TOTAL PAYMENT AMOUNT: **\$1,602.67**

Filter > Last 365 Days

	PAYEE	REF NO.	DUE DATE	OPEN BALANCE	CREDIT APPLIED	PAYMENT	TOTAL AMOUNT
<input checked="" type="checkbox"/>	PG&E		03/18/2022	\$86.44	Not available	86.44	\$86.44
<input checked="" type="checkbox"/>	Norton Lumber and B...		04/02/2022	\$205.00	Not available	205.00	\$205.00
<input checked="" type="checkbox"/>	Robertson & Associates		04/02/2022	\$315.00	Not available	315.00	\$315.00
<input checked="" type="checkbox"/>	Brosnahan Insurance ...		04/05/2022	\$241.23	Not available	241.23	\$241.23
<input checked="" type="checkbox"/>	Diego's Road Warrior ...		04/30/2022	\$755.00	Not available	755.00	\$755.00
				\$1,602.67	\$0.00	\$1,602.67	\$1,602.67

5 open bills, 4 overdue

5 bills selected Total payment (USD) 1,602.67

Summary:

Current account balance	\$157.72
Total payment	\$1,602.67
New account balance	\$1,760.39

If you are paying with a handwritten check, uncheck **Print later** and click **Pay Bills**. If you are printing a check, select **Print later**. Click **Save and Print** or **Save and Close**. After you select **Save and Print**, the **Print Checks Setup** window will appear. Simply follow the steps.

Bill Pay for QuickBooks Online

The Bill Pay feature in QuickBooks Online is designed to streamline your payment process, thus sending more to the bottom line. Systemizing Accounts Payable can reduce costs significantly and drastically reduce the time it takes to manage the process.

Key benefits:

- Track payment status such as estimated delivery times and remittance information. Paying by check? Receive visual proof once it's been deposited.
- Pay your Vendors and Contractors, international and domestic, with the same process. Pay one bill at a time, or several at once. Enter payment amount, choose your process date, and click submit - that's it.
- Bills and invoices sync automatically with QuickBooks Online, reducing double data entry and speeding up account reconciliation.

How it works with QuickBooks

Bill Pay integrates with QuickBooks Online Essentials, Plus, and Advanced, so you can pay, track, and manage bills right inside the software.

Review Video Links

[Bill Pay for QuickBooks Online](#)

Vendor Credits

On occasion, you will receive a credit from a vendor for returned merchandise or due to an error in billing.

Click the **+ New icon -> Vendor Credit**.

Enter the following information:

Select a Vendor, payment date, ref no., account, amount, billable, tax, and customer or job. Enter the expense in the **Account** field or click the **Item Details** if you are tracking inventory products. Click **Save and Close**.

Vendor Credit Help

CREDIT AMOUNT
\$23.76

Vendor
PG&E

Mailing address
PG&E
4 Main St.
Palo Alto, CA 94303

Payment date
04/28/2022

Ref no.

Tags Manage tags
Start typing to add a tag

Category details

#	CATEGORY	DESCRIPTION	AMOUNT	BILLABLE	TAX	CUSTOMER
1	Utilities: Telephone		23.76			
2						

Item details

Total **\$23.76**


Apply Vendor Credits

Tracking and applying Vendor credits has a positive impact on Cash Flow.

Click the **+ New icon** -> Click **Pay Bills** -> Select the **Payment account** and **Payment date**.

Select the Vendor you wish to pay, and the credit will appear in the Credit Applied column. You can pay the balance or adjust the amount in the Payment column.

Vendor Credits are automatically applied to the oldest bill when the setting is turned on. We have turned off the automatically apply credits feature for this training.


Pay Bills
Help
×

Payment account

Mastercard

Payment date

04/28/2022

Balance \$157.72

TOTAL PAYMENT AMOUNT
\$62.68

Filter >

Last 365 Days

5 open bills, 4 overdue

<input type="checkbox"/>	PAYEE	REF NO.	DUE DATE ▲	OPEN BALANCE	CREDIT APPLIED	PAYMENT	TOTAL AMOUNT
<input checked="" type="checkbox"/>	PG&E		03/18/2022 1	\$86.44	23.76	62.68	\$86.44
<input type="checkbox"/>	Norton Lumber and B...		04/02/2022 1	\$205.00	Not available		\$0.00
<input type="checkbox"/>	Robertson & Associates		04/02/2022 1	\$315.00	Not available		\$0.00
<input type="checkbox"/>	Brosnahan Insurance ...		04/05/2022 1	\$241.23	Not available		\$0.00
<input type="checkbox"/>	Diego's Road Warrior ...		04/30/2022	\$755.00	Not available		\$0.00
				\$86.44	\$23.76	\$62.68	\$86.44

1 bill selected

Total payment (USD) 62.68

Current account balance
\$157.72

Total payment
\$62.68

New account balance
\$220.40

Accounts Payable (A/P) Reports

There are several reports to support Accounts Payable. Let's explore the options and then determine which reports are best for your company.

Click **Reports** in the **Left Navigation Bar**.

Click **Standard**.

Scroll to **What you owe**.

Accounts Payable Aging Summary – provides a summary view of balances we owe Vendors or suppliers.

Accounts Payable Aging Detail – provides a detailed view of outstanding bills we owe Vendors or suppliers.

Unpaid Bills –used to verify outstanding bills by Vendor and helps bookkeepers clean up incorrect transactions.

Expenses by Vendor Summary – provides a total per Vendor for a date range.

Section 8 Doable Action Steps

If you do not need this feature skip this section. Otherwise follow the steps.

1. Review Video Links – Ctrl + Left Click

[How to Record Spending Overview](#)

[How to Manage Your Vendor List: Adding, Editing & Removing](#)

[How to Record Spending: Transactions, Bills & Payments](#)

[How to manage bills with QuickBooks Online](#)

[How to Setup a Contractor](#)

2. Provide service vendors a W-9 and enter 1099 tracking information.

Navigate to the Vendor Center and edit the Vendor.

Add Business ID -> Select Track payments for 1099.

3. Determine if you will use the Bill Pay app or manually enter and pay bills.



Online Foundations Training

SECTION 9

ACCOUNTS RECEIVABLE

- Goals
- Customer Center
- Sales Receipts
- Invoices
- Receive Payments
- QuickBooks Payments
- Bank Deposits
- Credit Memos
- Apply Credits
- Refund Receipts
- Sales and A/R Reports
- Statements
- Doable Action Steps

Section 9 Goals

Upon completion of Section 9 each participant will be familiar with:

- An overview of Accounts Receivable.
- How to correctly use Customer and Accounts Receivable-related accounts and settings.
- How to use the Customer Center.
- How and when to use a Sales Receipt versus an Invoice.
- How to Receive Payments and Record Deposits.
- How to view and save Sales and Accounts Receivable-related reports.

Chris was constantly chasing down payments from customers and had difficulty keeping track of balances owed. She was worried about her cash flow situation and whether there would be enough money to pay bills. Craig's Landscaping had billed more than enough to cover all expenses, however needed a way to speed up the payment process.

Let's help Chris incorporate a new Accounts Receivable policy; one that includes emailing all invoices with a Pay Now link to speed up the payment process and improve customer balance tracking. Once a payment has been made from the link, the payment will auto post to the invoice reducing the amount of time spent on bookkeeping. Also, let's help Chris set up an automated process for recurring billing to invoice her weekly maintenance contracts.

Now that Chris understands how to use reports as a management tool, let's show her the proper way to record daily transactions in the business, starting with Accounts Receivable. To do this, she must become familiar with the Customer Center, and how-to setup Customers in the system.

Chris has also asked for clarification on when to use an Invoice versus a Sales Receipt and does not understand the difference between the two. We will cover this topic in detail and provide clear instruction on how to record payments received as well as bank deposits.

More About Accounts Receivable

In the Accounts Receivable section, we discuss the importance of managing open invoices, money owed to you by your customers. You might be surprised by how costly this process can be if an efficient system is not in place. The affect on cash flow can be profound.

Wow!

According to the Harvard Business Review, here is an average of what receivables cost a company. This does not include the probability of collection, which falls drastically the further out an unpaid bill is allowed to go.

30 days – 1.82%

60 days – 9.20%

90 days – 17.74%

120 days – 26.71%

Did you know?

By reducing Average Time to Payment by just one day, a typical company with an average 15-18% receivable doing:

- 250K in annual sales, would add \$700.00 per one day decrease in average time to payment to their cash flow.
- 500K in annual sales, would add \$1400.00 per one day decrease in average time to payment to their cash flow.
- 1M in annual sales, would add \$2800 per one day decrease in average time to payment to their cash flow.

Customer Center

The **Customer Center** includes options for maintaining Customer lists, adding invoices, receiving payments, and viewing transactions related to your Customers.

From the left navigation bar click **Invoicing -> Customers** to access the **Customer Center**.

Click the **Invoices** tab to view and manage invoices. Click the drop-down arrow to select from a list of options, such as **Send Reminders, Create Statements, Invoices, Sales Receipts, and Estimates**.

Overview All Sales Invoices Payment Links **Customers** Products and Services

Customers

Customer types New customer

Unbilled Last 365 Days Unpaid Last 365 Days Paid

\$0 0 ESTIMATE	\$750 3 UNBILLED ACTIVITY	\$1,526 10 OVERDUE	\$5,282 20 OPEN INVOICES	\$3,136 12 PAID LAST 30 DAYS
-------------------	------------------------------	-----------------------	-----------------------------	---------------------------------

Do you organize sub-customers as projects? You can convert the first level of sub-customers into their own project. [Convert now](#)

Batch actions Find a customer, project or company

CUSTOMER / PROJECT / COMPANY	PHONE	OPEN BALANCE	ACTION
<input type="checkbox"/> Amy's Bird Sanctuary Amy's Bird Sanctuary	(650) 555-3311	\$239.00	Receive payment
<input type="checkbox"/> Bill's Windsurf Shop Bill's Windsurf Shop	(415) 444-6538	\$85.00	Receive payment

Use **Batch Actions** to create statements or email several invoices at one time. The search field is a quick way to find a customer.

Batch actions

- Create statements
- Email
- Make inactive
- Select customer type

Columns

- ☐ Customer Type
- ☐ Attachments
- ☒ Address
- ☒ Phone
- ☒ Email

Other

- ☐ Include inactive
- ☒ Include projects

Rows

150

Click the **Gear** icon to edit the way columns are displayed.

Note: You can manage **Sales, Products and Services** and more, from the **Sales Center**.

Customer Center

Add Customer

From the customer center click **New Customer**.

Enter **Customer** and **Display Name** (the way you would like the name displayed in the Customer list). Add address and contact information.

Customer

Name and contact

Title

First name

Amy

Middle name

Last name

Lauterbach

Suffix

Company name

Amy's Bird Sanctuary

Customer display name *

Amy's Bird Sanctuary

▼

Email

Birds@Intuit.com

Phone number

(650) 555-3311

Mobile number

Fax

Other

Website


Name to print on checks

Amy's Bird Sanctuary

☐ Is a sub-customer

Customer Center

Next, add **Address Information**. You can click the **Map** link for directions to this customer location.


Addresses
^

Billing address

Street address 1


Street address 2

City

State

ZIP code

Country


[Map](#)


Shipping address

☒ Same as billing address

Use the **Notes** and Attachment features to keep important information or agreements for this customer. This information is for internal purposes and will not be seen by the customer.

The **Attachments** tab allows you to drag and drop attachments specific to a Customer.


Notes and attachments
^

Notes


Attachments

Add attachment

Max file size: 20 MB

Customer Center

The **Additional info** tab is where you can assign a **Customer type** to track specific information. Create the Customer types list first. Click Customer types from the Customer Center. Manage default sales tax codes for this customer and add beginning balances.


Additional info
^

Customer type

Select ▼

Taxes

Exemption details

☒ This customer is taxable


Default tax code

California (8%) ▼

Opening balance ?

Opening balance

As of

04/29/2022 

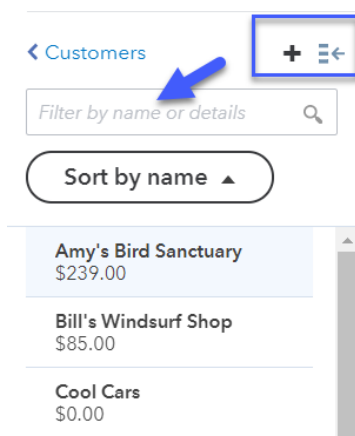
Customer Center

Once you click on a Customer from the list you have the option to **Filter by name** or **details**.

Sort by name or **open balance**.

Collapse the list by clicking the **bar/arrow** icon.

Click the **symbol** to add a new Customer.



Each Customer has a **Transaction List** and a **Customer Details** tab where you can view transaction history and Customer information. Track **Late Fees** per Customer or send transactions and reminders using the **Batch Actions** options. You can print, export to Excel, or use the **Gear** icon to change the way the information is displayed on the screen.

Transaction List Projects Customer Details Late Fees									
<div> <div>Batch actions ▾</div> <div>Filter ▾</div> <div> </div> </div>									
< First Previous 1-9 of 9 Next Last >									
<input type="checkbox"/>	DATE ▾	TYPE	NO.	MEMO	DUE DATE	BALANCE	TOTAL	STATUS	ACTION
<input type="checkbox"/>	04/02/2022	Payment			04/02/2022	\$0.00	-\$220.00	Closed	
<input type="checkbox"/>	04/01/2022	Payment	6552		04/01/2022	\$0.00	-\$108.00	Closed	

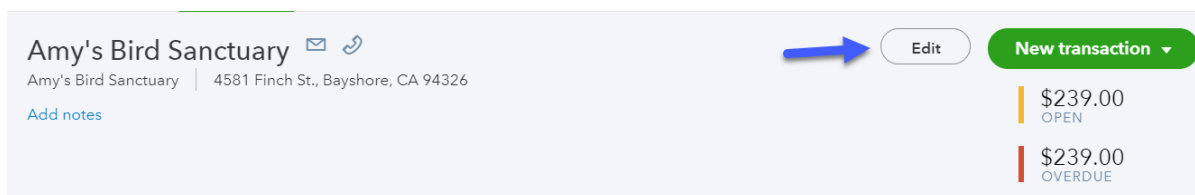
Customer Center

Edit Customer

Editing Customer information is important to ensure all sales receipts and invoices are sent to the correct location or email address.

From the **Customer Center**, click on the Customer's name you wish to edit. Click the **Edit** button to open the Customer information window to add or make changes. You can make a Customer inactive or copy the display name to merge with another Customer.

Click **Save** when done.



The screenshot shows the QuickBooks Customer Center interface for a customer named "Amy's Bird Sanctuary". The customer's name is displayed in a large font, with contact icons (email and phone) to its right. Below the name, the address "4581 Finch St., Bayshore, CA 94326" is listed. A blue arrow points to an "Edit" button. To the right of the "Edit" button is a green "New transaction" button with a dropdown arrow. Below these buttons, two transaction amounts are shown: "\$239.00 OPEN" with a yellow bar and "\$239.00 OVERDUE" with a red bar. A link "Add notes" is visible below the address.

Transaction Type	Amount
OPEN	\$239.00
OVERDUE	\$239.00



Customer Center

Make Inactive

Making a Customer inactive does not remove them from the system. You will have the option to view inactive Customers in the **Customer Center**. Maintaining your Customer list is very useful and cuts down on time searching for Customers while entering transactions. From the **Customer Center** click the **Customer** you would like to make inactive.


Click the drop-down arrow next to **Edit**. Click the **Make Inactive**.

Overview All Sales Invoices Payment links **Customers** Products and services

Amy's Bird Sanctuary  


Amy's Bird Sanctuary | 4581 Finch St., Bayshore, CA 94326

[Add notes](#)

Edit 

Edit

Make inactive

New transaction 

\$239.00
OPEN

\$239.00
OVERDUE

Note: A warning message will appear if there is an outstanding balance for a Customer you are trying to inactivate. An adjusting transaction will be created if you click **Yes**.



Amy's Bird Sanctuary has a non-zero balance. Making this customer inactive will cause an adjusting transaction to be created. Is this OK?

Cancel

Yes, make inactive

Customer Center

Merge Customers

Merging Customers is useful when there are duplicate names in the Customer list.

From the **Customer Center**, click the **Customer** you intend to keep.

Click **Edit** and **copy (Ctrl + C)** the Customer display name; then click **cancel**.

Click on the **Customer** you intend to merge.

Click **Edit** and **paste (Ctrl + V)** to replace the Customer display name with the correct name.

Click **Save**.

Customer >

Name and contact

Title

First name

Amy

Middle name

Last name

Lauterbach

Suffix

Company name

Amy's Bird Sanctuary

Customer display name *

Amy's Bird Sanctuary

Email

Birds@Intuit.com

Phone number

(650) 555-3311

A **Please Confirm** warning box will appear; click **Yes** to confirm. The old Customer will be removed from the list and remain in an inactive status.

That name is already being used. Would you like to merge the two?

No

Yes

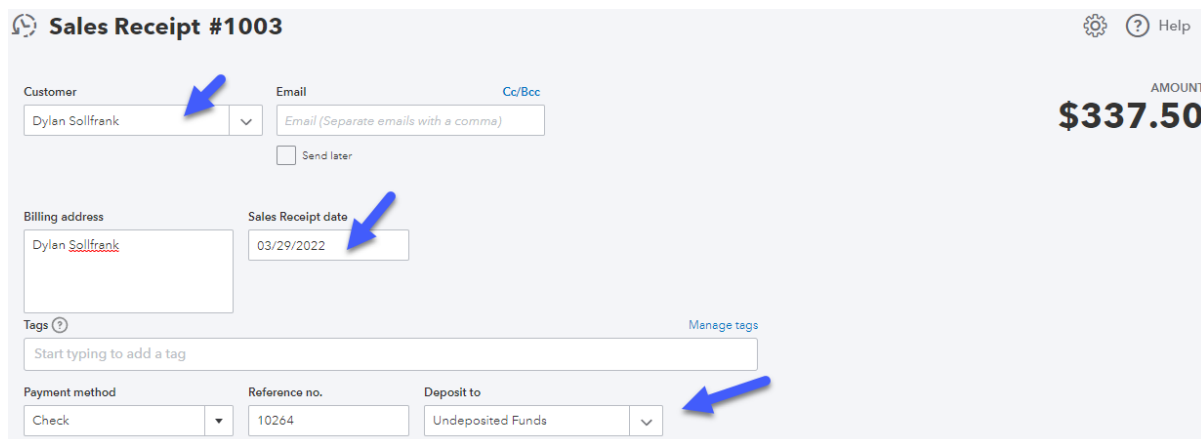
Note: The merge process cannot be undone.

Sales Receipts

A Sales Receipt is used when a Customer pays you on the spot for goods or services and you need to record the sale after the fact.

Click the **+ New icon -> Sales Receipt** under the **Customers** menu.

It is important to understand the difference between the Sales Receipt and Invoice process. Processing a **Sales Receipt** requires two steps. **1) Create Sales Receipt using Undeposited Funds for the Deposit to category. 2) Bank Deposit.**



Sales Receipt #1003 Help

Customer: Dylan Sollfrank ↓ Email: Cc/Bcc

☐ Send later

Billing address: Dylan Sollfrank Sales Receipt date: 03/29/2022

Tags: Manage tags

Payment method: Check ↓ Reference no.: 10264 Deposit to: Undeposited Funds ↓

AMOUNT: **\$337.50**

Undeposited Funds is a holding account that allows you to receive Sales Receipts or payments against invoices. This allows you to group payments from multiple Customers into one deposit in order to match the deposit sent to the bank.

Bank Deposits

Creating bank deposits is a very important step that follows the Sales Receipt or receive payment process and is often overlooked. This can lead to a compounding issue with Undeposited Funds and can be costly to clean up.

Click the **+ New icon -> Bank Deposit**.

It is very important to select the correct bank account for each deposit. Some businesses have multiple accounts. Make sure that the total amount of selected individual payments in Undeposited Funds matches the total amount deposited at the bank. Checks and cash might be grouped together, whereas credit card payments are deposited based on the batch transferred to the bank. For this example, we deposited online Customer sales for both locations.

Bank Deposit
Help

Account

Checking

▼

Date

04/29/2022

Balance \$1,201.00

AMOUNT
\$2,062.52

Tags

Start typing to add a tag

Manage tags

Select the payments included in this deposit

<input checked="" type="checkbox"/>	RECEIVED FROM ▲	DATE	TYPE	PAYMENT METHOD	MEMO	REF NO.	AMOUNT
<input checked="" type="checkbox"/>	Cool Cars	04/03/2022	Payment	Enter Text ▼			1,675.52
<input checked="" type="checkbox"/>	Freeman Sporting Goods:0969 Ocean View Road	04/03/2022	Payment	Enter Text ▼			387.00

1-2 of 2

Select all

Clear all

Total 2062.52
Selected Payments Total 2062.52

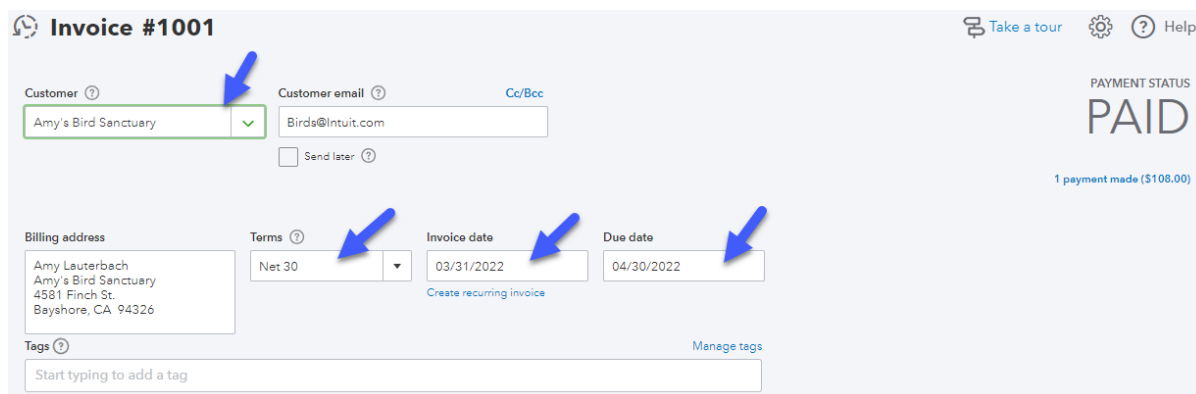
Invoices

An Invoice is used when a customer agrees to pay you later. Terms are set up to determine how long the customer has before payment is due. If they do not pay within a specified time, the Invoice is considered overdue.

An **Invoice** requires three-steps. **1) Create invoice. 2) Receive payment to undeposited funds. 3) Bank Deposit.** Click the **+ New icon -> Invoice.**

Enter the following information:

Customer name, email, invoice date, terms, invoice date and verify the location information.



The screenshot shows the 'Invoice #1001' form in QuickBooks. The form includes the following fields and elements:

- Customer:** A dropdown menu with 'Amy's Bird Sanctuary' selected. A blue arrow points to this field.
- Customer email:** A text field with 'Birds@Intuit.com'. A blue arrow points to this field.
- Send later:** A checkbox with a question mark icon.
- Billing address:** A text area containing 'Amy Lauterbach', 'Amy's Bird Sanctuary', '4581 Finch St.', and 'Bayshore, CA 94326'.
- Terms:** A dropdown menu with 'Net 30' selected. A blue arrow points to this field.
- Invoice date:** A text field with '03/31/2022'. A blue arrow points to this field.
- Due date:** A text field with '04/30/2022'. A blue arrow points to this field.
- Tags:** A text field with the placeholder 'Start typing to add a tag'.
- Payment Status:** A large 'PAID' label with '1 payment made (\$108.00)' below it.
- Buttons:** 'Take a tour', 'Help', 'Manage tags', and 'Create recurring invoice'.

Many business owners end up with duplicate transactions and unnecessary cleanup when they do not complete the steps in the proper order, or when they post payments directly to the bank account instead of Undeposited Funds.

Invoices

The next section of an invoice is all about the Products or Services you are selling the Customer. In this example, we used the catering service bundle to collect the up-front setup, equipment rental and delivery fee.

The last section of a Sales Receipt records sales tax, discounts and tips. You can switch the order of the sales tax and discounts, so the discount is taken prior to the sales tax calculation.


#	PRODUCT/SERVICE ?	DESCRIPTION	QTY	RATE	AMOUNT	TAX	
1	Landscaping:Gardening	Weekly Gardening Service	4	25	100.00	✓	🗑️
2							🗑️

Subtotal **\$100.00**
 Taxable subtotal **\$100.00**
 Need help with sales tax? [Learn more](#)

Message on invoice
 Thank you for your business and have a great day!

California 8% 8.00
 Discount percent 0.00
Total **\$108.00**
Amount received **\$108.00**
Balance due **\$0.00**

Message on statement
 Front yard, hedges, and sidewalks



Receive Payments

Receiving full or partial payments against open invoices is part of the Account's Receivable management process. Having accurate Customer balances is key to avoiding messy cleanup and cash flow issues.

Note: Always apply the amount received to the appropriate Invoice. This will ensure that the Invoice is closed out properly. If a partial payment is received, then a balance will remain on your Accounts Receivable Aging report for that Customer.

If you use Square or PayPal, merchant fees are deducted for each transaction. Other merchant services will deduct their fees at the end of the month. Not to worry! Merchant fees will be addressed in the Bank Deposit process.

Undeposited Funds is simply an asset account that acts like a clearing account. When payments are posted to Undeposited Funds, they sit in this account until a deposit is made to offset the balance.

When a payment is received, Undeposited Funds is debited, and Accounts Receivable is credited. When a deposit is made, the bank account is debited, and Undeposited Funds is credited. Undeposited Funds should ultimately have a zero balance.

Select **Undeposited Funds** for the **Deposit To** box.

This will allow you to group cash, checks, and credit card payments to match the deposit sent to the bank. It is very important to match deposits in QuickBooks to the deposits posted at your bank. This will help to create a more efficient reconciliation process.

Receive Payments

Click the + New icon -> Receive Payment.

Enter the following information:

Customer name, date, method, reference, and deposit account.

Select Invoices and verify the total received.

Verify the Invoices selected; match the payment stub or backup.

Notice the **Find by invoice no.** and **Filter** feature.

Click **Save and Close** or **Save and New**.

Receive Payment #6552
Help

Customer

Amy's Bird Sanctuary

Deposit amount of \$108.00 was deposited on 04/02/2022

Payment date

04/01/2022

Payment method

Check

Reference no.

6552

Deposit to

Undeposited Funds

AMOUNT RECEIVED
\$108.00

Amount received

108.00

Outstanding Transactions

Find Invoice No.
Filter
All

	DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input type="checkbox"/>					
<input checked="" type="checkbox"/>	Invoice # 1021 (03/12/2022)	04/11/2022	459.00	239.00	
<input checked="" type="checkbox"/>	Invoice # 1001 (03/31/2022)	04/30/2022	108.00	108.00	108.00

Amount to Apply
\$108.00

Amount to Credit
\$0.00

Clear Payment

QuickBooks Payments

There are several options to help receive payments faster through automation.


QuickBooks Payments is one of those options and is designed to speed up the Accounts Receivable cycle and improve cash flow.

The payment systems allows Customers to pay directly from an invoice by credit card, debit card, ACH or eCheck, by clicking a link embedded in the invoice. No more waiting on a check in the mail.

QuickBooks Payments also allows you to get paid on the go by accepting debit or credit cards on your phone. In addition, QuickBooks Payments makes it easy to set recurring invoices to be automatically sent and paid.

QuickBooks Payments


OverviewFeaturesPricing



Pay-enabled invoices

Accept credit card payments and debit cards online.


[Learn about invoicing](#)



Get paid on the go

Take contactless, in-person payments from anywhere.


[Learn about mobile payments](#)



ACH and eChecks

Let customers pay digitally, instead of by mail.


[Learn about e-payments](#)



Schedule in advance

Set recurring invoices to be automatically sent and paid.


[Learn about invoicing](#)



Fast deposits

Access eligible payments next day, or instantly for 1% more.**

[Learn about deposits](#)



Automatic bookkeeping

We'll match payments for you, however customers pay.

Credit Memos

Credit Memos are used to clear out uncollectible Invoices and to clean up odd transactions in Accounts Receivable. Use the Open Invoice report to help keep A/R accurate.

Click the **+ New icon -> Credit Memo**.

Review the Invoice you are trying to clear out in order to create an accurate Credit Memo.

Enter the following information:

Customer, date, and product or service being credited. Verify the amount.

Click the **Print or Preview** link if you want to print the Credit Memo to deliver it manually to the customer or **Save and Send** if you want it emailed to the customer.

Credit Memo #1026 Settings ? Help

Customer: Amy's Bird Sanctuary ▼ Email: Birds@Intuit.com Cc/Bcc

☐ Send later

Billing address: Amy Lauterbach
Amy's Bird Sanctuary
4581 Finch St.
Bayshore, CA 94326

Credit Memo Date: 03/17/2022

Tags ⓘ Manage tags
Start typing to add a tag

REFUND STATUS
PAID
1 payment made (\$100.00)

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX
1	Pest Control:Pest Control	Pest Control Services	1	100	100.00	
2						

Add lines Clear all lines

Message displayed on credit memo
Thank you for your business and have a great day!

Message displayed on statement

Subtotal \$100.00

Discount percent ▼ Taxable subtotal \$0.00

Need help with sales tax? [Learn more](#)

California ▼ 8% Total \$100.00

Amount received \$100.00

Total Credit \$0.00

Note: The credit will now appear in the customer's account balance.

Apply Credits

Applying existing Credits to open Invoices can be accomplished by receiving a zero payment and selecting both the Invoice and Credit. Another method is clicking **Account and Settings** -> **Advanced Settings** -> **Automation** -> **Automatically Apply Credits**. This method will automatically apply Credits to the oldest open Invoice.

Click the **+ New icon** -> **Receive Payment**. Enter the following Information:

Customer and date. Check off both the Invoice and Credit Memo and verify that the total payment received is zero.

The screenshot shows the 'Receive Payment' form in QuickBooks. Blue arrows highlight the following elements:

- Customer:** A dropdown menu showing 'Amy's Bird Sanctuary'.
- Payment date:** A date field showing '03/17/2022'.
- Amount received:** A field showing '0.00'.
- Outstanding Transactions Table:**

	DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/>	Invoice # 1025 (02/14/2022)	03/16/2022	205.00	100.00	100.00
<input type="checkbox"/>	Invoice # 1021 (03/12/2022)	04/11/2022	459.00	239.00	
- Credits Table:**

	DESCRIPTION	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/>	Credit Memo # 1026 (03/17/2022)	100.00	100.00	100.00

At the bottom right, the summary shows:

- Amount to Apply: \$100.00
- Amount to Credit: \$0.00
- A 'Clear Payment' button.

Note: Verify the customer balance is correct and review an Open Invoice report to confirm there are no errors, outstanding Invoices, or Credit Memos.

Refund Receipts

There may be a time when you need to refund a customer. Using **Refund Receipt** is the best method.

Click the **+ New icon -> Refund Receipt**.

Enter the following information:

Customer, date, payment method, refund from, product/service, etc. Once you choose the bank account you can check the **Print Later** or **Print or Preview** link at the bottom of the screen. Click **Save and Close** or **Save and Send**.

Refund Receipt #1020 Help

Customer: Pye's Cakes Co/Bcc Email: pyescakes@intuit.com

AMOUNT **\$87.50**

Billing address: Karen Pye, Pye's Cakes, 350 Mountain View Dr., South Orange, NJ 07079

Refund Receipt date: 04/01/2022

Tags: Manage tags

Payment method: Check Refund From: Checking Balance: \$1,201.00 Check no. ☐ Print later

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX	
1	Pest Control:Pest Control	Refund - Pest control was ineffective	2.5	35	87.50		
2							

Add lines Clear all lines

Subtotal **\$87.50**
Taxable subtotal **\$0.00**
Need help with sales tax? [Learn more](#)
Select a sales tax rate 0.00
Discount percent \$0.00
Total **\$87.50**
Total Amount Refunded **\$87.50**

Message displayed on refund receipt
 Thank you for your business and have a great day!

Message displayed on statement

Sales and (A/R) Reports

Accounts Receivable Reports

Let's look at reports related to Accounts Receivable.

Click **Reports** in the **Left Navigation Bar Menu** -> **Standard**.

Scroll to **Who owes you** -> select **Accounts receivable aging detail**.

Recommended Reports are as follows:

Accounts Receivable Aging Summary informs us of the outstanding total balances for our Customers.

Accounts Receivable Aging Detail provides us with a more in-depth view of the outstanding balances for our Customers and whether they are current or past due. Remember, the number of days it takes to collect a payment has a direct effect on cash flow. The older the Invoices become, the more costly the collection process becomes.

The **Open Invoice** report provides open Invoice detail for each Customer. This is a great tool to help clean up your Accounts Receivable.

Sales and (A/R) Reports

Next, we will locate and save a few sales reports as favorites. The Sales by Customer Summary report helps us identify our top Customers.

Sales Reports

Let's look at reports related to Sales.

Click **Reports** in the **Left Navigation Bar** -> **Standard**.

Scroll to **Sales and Customers Section** -> **Sales by Customer Summary**.

Sales by Customer Summary: Identifies the top 20% of our Customers that bring in 80% of our revenue.

Sales by Product/Service Summary provides a historical glimpse of the best-selling products and services for a specific date range. This report includes Quantity, Amount, % of Sales and Avg. Price, Cost of Goods Sold (COGS), and Gross Margin.

Click **Reports** in the **Left Navigation Bar** -> **Standard**.

Scroll to **Sales and Customers** -> select **Sales by Product/Service Summary**.

Note: Customize these reports by changing the sort option to **"Total in descending order."**

Statements

Statements are typically sent to Customers with outstanding Invoices. This process should be part of your Accounts Receivable and Collections policy. There are two ways to populate Statements. The first option is as follows:

Click the **+ New icon**.

Click **Statement** from the “Other” list.

This is a basic Statement that will populate for all Customers.

A **Balance Forward Statement** shows all activity between your start and end dates, plus the balance from the prior period.

An **Open Item Statement** shows only items for the last 365 days that have not yet been paid.

A **Transaction Statement** shows each transaction and the total amount billed and received for the period, instead of a running balance. This option is especially useful for Year-End Contribution Statements that nonprofits send out.

Use the **Statement Management** section to select Customers, edit the delivery method, and preview Statements before they are sent.

Statements

In the following screens:

Select **Statement Type** and **Statement Date**.

Select **Customer Balance Status**.

Set **Start** and **End Dates**.

Next, select the **Recipients** you would like to send Statements to. You can change email addresses on the fly.

Create Statements

Statement Type: Balance Forward

Statement Date: 04/29/2022

Customer Balance Status: Open

Start Date: 03/29/2022

End Date: 04/29/2022

Recipients List

Missing email address (0) | Statements available (17)

RECIPIENTS	EMAIL ADDRESS	BALANCE
Amy's Bird Sanctuary	Birds@Intuit.com	\$239.00
Bill's Windsurf Shop	Surf@Intuit.com	\$85.00
Freeman Sporting Goods:0969 Ocean View ...	Sporting_goods@intuit.com	\$477.50

TOTAL BALANCE FOR 17 CUSTOMERS
\$5,281.52

Look here to see the total balance and number of statements that meet the criteria you selected.

The second option for populating Statements is more specific to Customers with outstanding balances.

Click **Invoicing -> Customers**.

Select the **Customers** you want to receive a Statement.

Click **Batch actions -> Create Statements**.

Section 9 Doable Action Steps

If you do not need to use the Accounts Receivable features, skip this section. Otherwise follow the steps.

1. Review Video Links – Ctrl + Left Click

[How to Add, Edit & Manage Your Customers List](#)

[Invoices vs sales receipts: which to use when](#)

[How to Record a Sales Receipt](#)

[How to Send Estimates, Quotes, & Proposals](#)

[How to Convert an Estimate Into an Invoice](#)

[How to create a customer invoice](#)

[How to Create an Invoice: Billable Time & Expenses](#)

[How to Record an Invoice Payment \(using Undeposited Funds\)](#)

[How to record a bank deposit \(using undeposited funds\)](#)

[How to Track What Customers Owe You: Accounts Receivables & More](#)

[How to Record Customer Credit: Credit Memos & Balances](#)

[How to Refund Customers: Refund Receipts](#)

[Track What You've Sold: Products & Services](#)

2. Review and save the following reports:

Accounts Receivable Aging Summary

Accounts Receivable Aging Detail

Open Invoices

Sales by Customer Summary

Sales by Product/Service Summary



Online Foundations Training

APPENDIX A

ADDITIONAL FEATURES

Attachments
Mileage
Import from Desktop

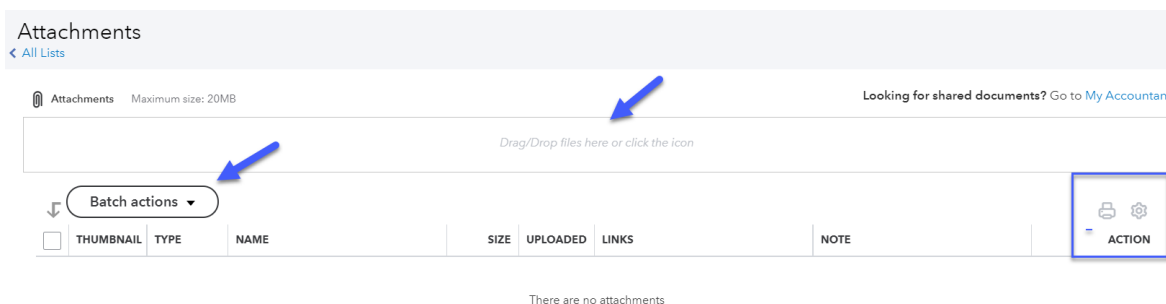
Attachments

This feature allows you to drag and drop files directly into the **Attachment Center**, where you can manage documents and create transactions.

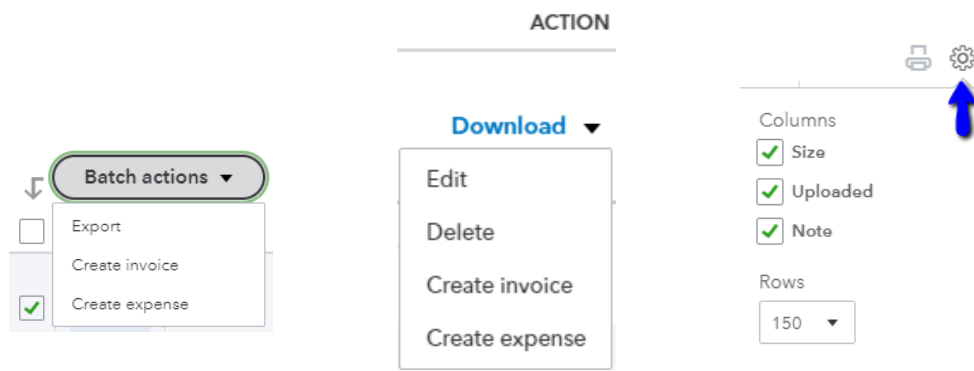
Click the **Gear** icon. Click **Attachments** under **Lists**.

Select the **Attachment paperclip** or use the drag and drop feature to import files.

Click **Go to My Accountant** to locate shared documents.



Click the drop-down arrow for **Batch actions** to export documents or create a batch of Invoices or Expenses. Click the drop-down arrow in the **Action** column to edit, delete, or create an Invoice or Expense for a single file. Click the **Gear** icon to change the way columns and rows are displayed.



Mileage

Tracking mileage is a necessary task for many business owners. You can manually track your mileage from within the company file or use the mobile app. Be sure to check with your tax professional to keep up with proper methods for tax purposes.

Within the company file:

Click **Mileage** from the **Left Navigation Bar**. Choose **QR option** OR **add trip manually**.

Mileage can be tracked for business or personal, and the history will be kept for years.

Click the **Add trip** button to Download trips, Import trips and Manage vehicles.

The screenshot shows the QuickBooks Mileage interface. A blue arrow points to the 'Tax Year' dropdown menu, which is currently set to '2022'. Another blue arrow points to the 'Add trip' button in the top right corner, which has a dropdown menu open showing options: 'Download Trips', 'Import Trips', and 'Manage vehicles'. A third blue arrow points to the 'Manage vehicles' link in the 'My vehicle' section. The main content area shows a 'Potential deduction for 2022' of '\$0' with a breakdown of '0 Business trips in April' and '0 Unreviewed' trips. A large grey box in the center states 'No data to display' with the instruction 'Add trip to view data'. At the bottom, there are tabs for 'Unreviewed', 'Business', 'Personal', and 'All', with 'Unreviewed' being the active tab. Below the tabs is a search bar and a table header with columns: DATE & TIME, LOCATION, DISTANCE, POTENTIAL DEDUCTIONS, VEHICLE, and TYPE.

Mileage

Tax Year: 2022

Potential deduction for 2022
\$0

- Potential deduction **\$0**
0 Business trips in April
- 0 Unreviewed **\$0**
Keep reviewing to get more deductions

No data to display
Add trip to view data

0.00 Total business miles 0 Total miles

My vehicle
Primary vehicle [Manage vehicles](#)

\$0.585 Per mile
You're driving towards a sizable mileage allowance. Keep it up!

Unreviewed Business Personal All

Search...

DATE & TIME	LOCATION	DISTANCE	POTENTIAL DEDUCTIONS	VEHICLE	TYPE
-------------	----------	----------	----------------------	---------	------

Import Data from Desktop

Business owners transitioning from the QuickBooks Desktop version to QuickBooks Online, will be interested in this important Import feature. Learn how-to set up a new company when converting from the Desktop version of QuickBooks Online by reviewing the information below:

Click **Gear Icon -> Import desktop data**.

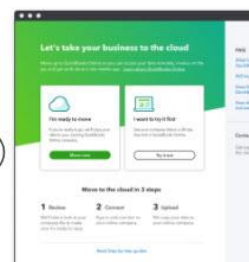
Click **See how it works**, watch the video and follow the instructions.

Bring in your QuickBooks Desktop data

Try a new and improved way to move your data online.

- 1** Update your desktop first
Make sure QuickBooks Desktop is up-to-date before you start moving.
- 2** Move your data online
After you start the move, sign in to QuickBooks Online and pick a company that you want to move to.
- 3** Finish setup in QuickBooks Online
After upload, come back to QuickBooks Online to finish the rest of the setup tasks.

Exporting
company
files



[See how it works](#) (3:09s)





Online Foundations Training

APPENDIX B

GLOSSARY OF TERMS

KEYBOARD SHORTCUTS

Glossary of Terms

Accounts Receivable - Accounts receivable (AR) is the balance of money owed to you for goods received or services delivered but not yet paid by customers.

Accounts Payable - Accounts payable are amounts due to vendors or suppliers for goods or services received that you have not yet paid for.

Assets – An asset is anything of value that can be converted into cash.

Fixed Asset - A fixed asset is a long-term tangible piece of property or equipment that a firm owns and uses in its operations to generate income. Fixed assets are not expected to be consumed or converted into cash within a year.

Liabilities – Your company debt. What you owe.

Equity - The net worth of a company. This is the difference between what you owe (liabilities) and what you own (assets).

Balance Sheet - A financial statement of assets, liabilities, and capital; the report details the balance of income and expenditure over a specified period.

Profit & Loss - A financial statement that summarizes the revenues, costs, and expenses incurred during a specified period, usually a fiscal quarter or year.

Statement of Cash Flow - A financial statement that provides aggregate data regarding all cash inflows a company receives from its ongoing operations and external investment sources.

Cash Flow Projection - A cash flow projection shows the amount of money expected to come into a business minus money expected to go out over a determined amount of time.

Cash flow - Cash flow is the net amount of cash and cash-equivalents being transferred into and out of a business.

Glossary of Terms

Cost Analysis – The goal of Cost Analysis is to determine the true cost of the products or services you are offering.

Expenses – A resource or service you spend money on in order to generate revenue (wages, computers, etc.).

Direct Cost – A cost that can be directly tied to the production of specific goods or services.

Indirect Cost – A cost that is not directly related to a cost object (such as a specific project, facility, function or product).

Overhead - Ongoing business expenses not directly attributed to creating a product or service.

Breakeven - The level of production at which the costs of production equal the revenues for a product or service.

Variable Costs - A variable cost is an expense that changes in proportion with production output.

Fixed Costs – A cost that does not change with an increase or decrease in the amount of goods or services produced or sold.

Inventory – Products you purchase and currently stock to resell or products in stock you produce from raw goods to sell.

Glossary of Terms

Revenue, Sales, Income - **Revenue** is the income a company generates before any expenses are subtracted from the calculation. **Sales** are the proceeds a company generates from selling goods or services to its customers. **Income** is a company's total earnings or profit.

Cost of Goods Sold - An account for costs directly related to producing a service or product for sale.

Chart of Accounts - An organizational tool that provides a digestible breakdown of all the financial transactions that a company conducted during a specific accounting period, broken down into subcategories.

Gross Payroll vs Net Payroll - **Gross payroll** refers to the total amount of money the company pays out for its employees during a pay period. **Net payroll** refers to the money that employees receive from the company after it deducts the required withholdings.

Gross Profit Margin - Gross profit margin is the proportion of money left over from revenues after accounting for the cost of goods sold (COGS).

Net Profit Margin - Net profit margin is the percentage of profit generated from revenue after accounting for all expenses, costs, and cash flow items.

Contribution Margin – Determines how much revenue can be used to contribute to fixed costs and profit.

Cash vs Accrual Basis – **Cash basis** accounts for the costs and sales where payments have already changed hands. **Accrual** includes AP, and AR where services and goods have been provided, but have not yet been paid for.

Keyboard Shortcuts

From the Dashboard use [Ctrl]+[Alt]+[?] to show **Keyboard Reference** while logged into QuickBooks®

Regular Pages

Ctrl + Alt + i	Invoice
Ctrl + Alt + w	Check
Ctrl + Alt + e	Estimate
Ctrl + Alt + x	Expense
Ctrl + Alt + r	Receive payment
Ctrl + Alt + c	Customers
Ctrl + Alt + v	Vendors
Ctrl + Alt + a	Chart of accounts
Ctrl + Alt + l	Lists
Ctrl + Alt + h	Help
Ctrl + Alt + f	Search transactions

Transaction Pages

Ctrl + Alt + x	Exit transaction view	Ctrl + Alt + c	Cancel
Ctrl + Alt + s	Save and new	Ctrl + Alt + d	Save and close
Ctrl + Alt + m	Save and send (think of it as “send as message”)		
Ctrl + p	Print		



Online Foundations Training

APPENDIX C RESOURCES

Debits & Credits
Quick Accounting Review

Debits & Credits

Assets	
Debits	Credits
Increase	Decrease
Normal Balance	

Liabilities	
Debits	Credits
Decrease	Increase
	Normal Balance

Equity Owner's Contributions	
Debits	Credits
Decrease	Increase
	Normal Balance

Equity Owner's Distributions	
Debits	Credits
Increase	Decrease
Normal Balance	

Income	
Debits	Credits
Decrease	Increase
	Normal Balance

Expense	
Debits	Credits
Increase	Decrease
Normal Balance	

Quick Accounting Review

ASSETS (what you own—things of commercial value)	=	Liabilities (what you owe others)	+	Equity (what your business is currently worth; in other words, your assets minus liabilities)
• Bank accounts		• Accounts payable (unpaid bills)		• Assets left over after paying all liabilities
• Petty cash		• Loans		• Owner investment
• Fixed assets (equipment, computers, trucks, etc.)		• Credit cards		• Owner draws
• Inventory		• Taxes (income tax, sales tax, payroll tax owed to the government, etc.)		• Stock
• Cash & checks on hand (not yet deposited in the bank)		• Line of credit balance		• Retained earnings
• Accounts receivable (what others owe you that you have not yet collected)		• Accrued wages (compensation earned but not yet paid to employees)		As you can see, revenue increases equity and expenses decrease equity.

Thank you for participating!

Thank you for including us on your journey to entrepreneurial success! We hope this training has been helpful and shed light on important building blocks necessary to develop a solid financial foundation. Our mission is to provide the support you need throughout every phase of growth.

Small business is the mainstay of the U.S. economy, and the health of your business is important to the well-being of our nation.

Do not hesitate to reach out for additional help and advice from your Instructor, Advisor or Accountant.

Here's to a prosperous future!